

Readers are referred to the cautionary notes regarding Forward-Looking Information and Non-IFRS Financial Measures at the end of this release. All figures are expressed in Canadian dollars, except as noted.

Great-West Lifeco reports second quarter 2018 net earnings of \$831 million, up 17% from adjusted net earnings in the second quarter of 2017

Toronto, August 1, 2018 ... Great-West Lifeco Inc. (Lifeco or the Company) today announced net earnings attributable to common shareholders (net earnings) of \$831 million or \$0.839 per common share for the second quarter of 2018 compared to \$585 million or \$0.591 per common share for the same quarter last year. Excluding 2017 restructuring costs, Lifeco's adjusted net earnings in the second quarter of 2017 were \$712 million. Net earnings in the second quarter of 2018 increased \$119 million or 17% compared to adjusted net earnings of \$712 million reflecting earnings growth in each segment. Lifeco's net earnings for the second quarter of 2018 included a net positive impact of \$60 million after-tax, or \$0.061 per common share, from the restructuring of U.S. financing as a consequence of U.S. tax reform and the refinancing of certain debt instruments.

For the six months ended June 30, 2018, Lifeco's net earnings were \$1,562 million or \$1.579 per common share compared to adjusted net earnings of \$1,331 million or \$1.345 per common share for the same period last year.

"The Company saw solid operating performances and strong earnings growth in the second quarter", said Paul Mahon, President and Chief Executive Officer, Great-West Lifeco. "We are accelerating investments in digital to drive customer experience and operational effectiveness and taking strategic actions across our businesses to bolster growth in core markets."

Highlights – In Quarter

Sales of \$33.1 billion up 32%

- Sales for the second quarter of 2018 were \$33.1 billion, up 32% from the second quarter of 2017, driven by a 45% increase in the U.S. and a 14% increase in Europe.

Fee and other income of \$1.5 billion up 4%

- Fee and other income was \$1.5 billion, up 4% from the second quarter of 2017, driven by business growth in all segments and market performance.

Capital strength and financial flexibility maintained

- The Great-West Life Assurance Company reported a Life Insurance Capital Adequacy Test (LICAT) ratio of 133% at June 30, 2018.
- Lifeco declared a quarterly common dividend of \$0.3890 per common share payable September 28, 2018.
- During the second quarter of 2018, the Company, through its subsidiaries, issued \$1,024 million (US\$800 million) of senior notes and redeemed two tranches of subordinated debentures totaling \$899 million.
- Adjusted return on equity (ROE) for the second quarter of 2018 was 14.2%. The adjusted ROE excludes the impact of U.S. tax reform, a net charge on the sale of an equity investment and restructuring costs included in the prior year results.

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- Consolidated assets under administration at June 30, 2018 were over \$1.4 trillion, a 5% increase from December 31, 2017.

SEGMENTED OPERATING RESULTS

For reporting purposes, Lifeco's consolidated operating results are grouped into four reportable segments - Canada, United States, Europe and Lifeco Corporate - reflecting geographic lines as well as the management and corporate structure of the Company. For more information, please refer to the Company's 2018 second quarter Management's Discussion and Analysis (MD&A).

CANADA

- **Q2 Canada segment net earnings up 7%** – Net earnings attributable to common shareholders for the second quarter of 2018 were \$334 million compared to adjusted net earnings of \$311 million in the second quarter of 2017, an increase of 7%, primarily reflecting strong Group Customer morbidity results and positive contributions from insurance contract liability basis changes. For the six months ended June 30, 2018, net earnings were \$650 million compared to adjusted net earnings of \$566 million for the same period last year. Adjusted net earnings in 2017 exclude restructuring costs of \$126 million.
- **Canada advances business transformation** – The Canadian operations made progress on the previously announced targeted annual expense reductions of \$200 million pre-tax. As of June 30, 2018, the Company has achieved approximately \$170 million pre-tax in annualized expense reductions; approximately \$131 million related to the common shareholders' account and \$39 million related to the participating accounts.

UNITED STATES

- **Q2 U.S. segment net earnings up 6% excluding impact of U.S. debt refinancing** – Net earnings attributable to common shareholders for the second quarter of 2018, excluding the net positive impact of US\$39 million related to U.S. debt refinancing activity, were US\$66 million, up 6%, compared to US\$62 million in the second quarter of 2017. The increase was primarily due to net growth in the business and the benefit of a lower U.S. corporate tax rate. For the six months ended June 30, 2018, net earnings were US\$164 million, or US\$125 million excluding the refinancing impact, compared to US\$104 million for the same period last year.
- **Q2 U.S. segment fee and other income up 3%** – Fee and other income for the three months ended June 30, 2018 was US\$508 million compared to US\$491 million for the same quarter last year, an increase of 3%, due to growth in Empower Retirement participants and assets.
- **Putnam average assets up 7%** – Putnam average assets under management for the three months ended June 30, 2018 were US\$172.8 billion compared to US\$161.8 billion for the same quarter last year, an increase of 7%, primarily due to the cumulative impact of positive markets over the twelve month period. Putnam ending assets under management at June 30, 2018 were US\$172.4 billion.
- **Strong net asset inflows at Putnam** – Putnam's net asset inflows for the three months ended June 30, 2018 were US\$1.6 billion, which were the highest since the second quarter of 2011. Included in the net asset inflows for the three months ended June 30, 2018 of US\$1.6 billion, were mutual fund net inflows of US\$0.6 billion, which were the highest since the fourth quarter of 2014.

EUROPE

- **Q2 Europe segment net earnings up 11%** – Net earnings attributable to common shareholders for the second quarter of 2018 were \$355 million, up 11%, compared to \$321 million in the second quarter of 2017, primarily driven by a higher impact from insurance contract liability basis changes mainly reflecting longevity assumption updates, partially offset by lower contributions from investment experience. For the six months ended June 30, 2018, net earnings were \$699 million compared to \$610 million for the same period last year.
- **Q2 Europe segment sales up 14%** – Sales for the second quarter of 2018 were \$5.5 billion, an increase of 14% compared to the same quarter last year reflecting the inclusion of Retirement Advantage sales and strong growth across most products.
- **Acquisition of strategic holding in financial consultancy Invesco Ltd (Ireland) announced** – On April 20, 2018, the Company announced that its subsidiary, Irish Life Group Limited, reached an agreement to acquire a strategic holding in Invesco Ltd (Ireland), Ireland's largest Irish-owned independent financial consultancy firm. The acquisition is subject to regulatory approval and customary closing conditions, and is expected to be completed in the third quarter of 2018.
- **Sale of heritage policies to Scottish Friendly announced** – Canada Life Limited, a U.K. subsidiary of the Company, agreed to sell a block of 155,000 heritage policies with assets and liabilities of £2.7 billion to Scottish Friendly. Canada Life Investments, a U.K. subsidiary of the Company, will continue to manage a substantial portion of the transferring unit-linked assets. The block has largely been closed to new business since 2003 and comprises individual life savings policies, individual pensions saving policies and individual protection policies. The transfer of these policies to Scottish Friendly is subject to regulatory approval and the satisfactory completion of certain closing conditions, and is expected to occur in late 2019. This sale, together with the integration of the Retirement Advantage business, will act as an enabler to help move forward in transforming the U.K. business to increase focus on the retirement market to serve the evolving needs of customers and support future growth.

QUARTERLY DIVIDENDS

At its meeting today, the Board of Directors approved a quarterly dividend of \$0.3890 per share on the common shares of Lifeco payable September 28, 2018 to shareholders of record at the close of business August 31, 2018.

In addition, the Directors approved quarterly dividends on Lifeco's preferred shares, as follows:

First Preferred Shares	Record Date	Payment Date	Amount, per share
Series F	August 31, 2018	September 28, 2018	\$0.36875
Series G	August 31, 2018	September 28, 2018	\$0.3250
Series H	August 31, 2018	September 28, 2018	\$0.30313
Series I	August 31, 2018	September 28, 2018	\$0.28125
Series L	August 31, 2018	September 28, 2018	\$0.353125
Series M	August 31, 2018	September 28, 2018	\$0.3625
Series N	August 31, 2018	September 28, 2018	\$0.1360
Series O	August 31, 2018	September 28, 2018	\$0.163835
Series P	August 31, 2018	September 28, 2018	\$0.3375
Series Q	August 31, 2018	September 28, 2018	\$0.321875
Series R	August 31, 2018	September 28, 2018	\$0.3000
Series S	August 31, 2018	September 28, 2018	\$0.328125
Series T	August 31, 2018	September 28, 2018	\$0.321875

For purposes of the Income Tax Act (Canada), and any similar provincial legislation, the dividends referred to above are eligible dividends.

Selected financial information is attached.

GREAT-WEST LIFECO

Great-West Lifeco Inc. (TSX:GWO) is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses.

Lifeco has operations in Canada, the United States and Europe through The Great-West Life Assurance Company (Great-West Life) and its operating subsidiaries, London Life Insurance Company (London Life) and The Canada Life Assurance Company (Canada Life); Great-West Life & Annuity Insurance Company (Great-West Financial) and Putnam Investments, LLC (Putnam). Lifeco and its companies have over \$1.4 trillion in consolidated assets under administration and are members of the Power Financial Corporation group of companies. To learn more, visit www.greatwestlifeco.com.

Basis of presentation

The condensed consolidated interim unaudited financial statements of Lifeco have been prepared in accordance with International Financial Reporting Standards (IFRS) and are the basis for the figures presented in this release, unless otherwise noted.

Cautionary note regarding Forward-Looking Information

This release may contain forward-looking statements. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" and other similar expressions or negative versions thereof. These statements may include, without limitation, statements about the Company's operations, business, financial condition, expected financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions by the Company, including statements made with respect to the expected benefits of acquisitions and divestitures. Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance and mutual fund industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Material factors and assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting the Company's operations will continue substantially in their current state, including, without limitation, with respect to customer behaviour, the Company's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets, business competition and other general economic, political and market factors in North America and internationally. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. Other important factors and assumptions that could cause actual results to differ materially from those contained in forward-looking statements include customer responses to new products, impairments of goodwill and other intangible assets, the Company's ability to execute strategic plans and changes to strategic plans, technological changes, breaches or failure of information systems and security (including cyber attacks), payments required under investment products, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, the Company's ability to complete strategic transactions and integrate acquisitions and unplanned material changes to the Company's facilities, customer and employee relations or credit arrangements. The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors listed in other filings with securities regulators, including factors set out in the Company's 2017 Annual MD&A under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates", which, along with other filings, is available for review at www.sedar.com. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company does not intend to update any forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary note regarding Non-IFRS Financial Measures

This release contains some non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, "operating earnings", "adjusted net earnings", "adjusted return on equity", "core net earnings", "constant currency basis", "premiums and deposits", "sales", "assets under management", "assets under administration" and other similar expressions. Non-IFRS financial measures are used to provide management and investors with additional measures of performance to help assess results where no comparable IFRS measure exists. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

Second Quarter Conference Call

Lifeco's second quarter conference call and audio webcast will be held August 1, 2018 at 2:30 p.m. (ET). The call and webcast can be accessed through www.greatwestlifeco.com or by phone at:

- Participants in the Toronto area: 416-340-2218
- Participants from North America: 1-866-225-0198
- For International participants: Look up the dial-in information for your location at:
<https://www.confsolutions.ca/ILT?oss=1P49R8662250198>

A replay of the call will be available from August 1, 2018 to August 8, 2018, and can be accessed by calling 1-800-408-3053 or 905-694-9451 in Toronto (passcode: 3123659#). The archived webcast will be available on www.greatwestlifeco.com from August 1, 2018 to July 31, 2019.

Additional information relating to Lifeco, including the most recent interim unaudited consolidated financial statements, interim Management's Discussion and Analysis (MD&A) and CEO/CFO certification will be filed on SEDAR at www.sedar.com.

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GREAT-WEST LIFECO INC.

FINANCIAL HIGHLIGHTS *(unaudited)* *(in Canadian \$ millions except per share amounts)*

	As at or for the three months ended			For the six months ended	
	June 30 2018	March 31 2018	June 30 2017	June 30 2018	June 30 2017
Premiums and deposits:					
Net premium income (Life insurance, guaranteed annuities and insured health products)	\$ 7,905	\$ 8,174	\$ 7,761	\$ 16,079	\$ 17,115
Policyholder deposits (segregated funds):					
Individual products	4,142	3,988	4,142	8,130	8,039
Group products	1,954	2,422	2,020	4,376	4,205
Self-funded premium equivalents (Administrative services only contracts) ⁽¹⁾	774	748	720	1,522	1,436
Proprietary mutual funds and institutional deposits ⁽¹⁾	19,196	17,794	13,767	36,990	31,153
Total premiums and deposits⁽¹⁾⁽²⁾	33,971	33,126	28,410	67,097	61,948
Fee and other income⁽²⁾	1,483	1,433	1,421	2,916	2,769
Net policyholder benefits, dividends and experience refunds	7,588	7,829	7,377	15,417	15,920
Earnings					
Net earnings - common shareholders	\$ 831	\$ 731	\$ 585	\$ 1,562	\$ 1,176
Adjustments ⁽⁷⁾	—	—	127	—	155
Adjusted net earnings - common shareholders ⁽⁷⁾	831	731	712	1,562	1,331
Per common share					
Basic earnings	0.839	0.740	0.591	1.579	1.189
Adjusted basic earnings ⁽⁷⁾	0.839	0.740	0.719	1.579	1.345
Dividends paid	0.389	0.389	0.367	0.778	0.734
Book value	21.22	21.01	19.95		
Return on common shareholders' equity⁽³⁾					
Net earnings	12.5%	11.4%	13.0%		
Adjusted net earnings ⁽⁷⁾	14.2%	13.8%	13.9%		
Total assets⁽⁴⁾	\$ 430,695	\$ 432,651	\$ 409,511		
Proprietary mutual funds and institutional net assets ⁽⁵⁾	294,890	285,843	271,686		
Total assets under management⁽⁵⁾	725,585	718,494	681,197		
Other assets under administration ⁽⁶⁾	697,680	673,597	627,633		
Total assets under administration	\$ 1,423,265	\$ 1,392,091	\$ 1,308,830		
Total equity	\$ 26,620	\$ 26,435	\$ 25,428		

⁽¹⁾ In addition to premiums and deposits reported in the financial statements, the Company includes premium equivalents on self-funded group insurance administrative services only (ASO) contracts and deposits on proprietary mutual funds and institutional accounts to calculate total premiums and deposits (a non-IFRS financial measure). This measure provides useful information as it is an indicator of top line growth.

⁽²⁾ Comparative figures have been reclassified to reflect presentation adjustments relating to the adoption of IFRS 15, *Revenue from Contracts with Customers*, as described in the "International Financial Reporting Standards" section of the Company's June 30, 2018 Management's Discussion and Analysis and in note 2 to the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2018.

⁽³⁾ Return on common shareholders' equity is detailed within the "Capital Allocation Methodology" section of the Company's June 30, 2018 Management's Discussion and Analysis.

⁽⁴⁾ Comparative figures have been reclassified as described in note 2 and note 34 to the Company's December 31, 2017 annual consolidated financial statements.

⁽⁵⁾ Total assets under management (a non-IFRS financial measure) provides an indicator of the size and volume of the overall business of the Company. Services provided in respect of assets under management include the selection of investments, the provision of investment advice and discretionary portfolio management on behalf of clients. This includes internally and externally managed funds where the Company has oversight of the investment policies.

⁽⁶⁾ Other assets under administration (a non-IFRS financial measure) includes assets where the Company only provides administration services for which the Company earns fee and other income. These assets are beneficially owned by clients and the Company does not direct the investing activities. Services provided relating to assets under administration includes recordkeeping, safekeeping, collecting investment income, settling of transactions or other administrative services. Administrative services are an important aspect of the overall business of the Company and should be considered when comparing volume, size and trends.

GREAT-WEST LIFECO INC.

(7) Adjusted net earnings attributable to common shareholders and adjusted net earnings per common share (EPS) are non-IFRS measures of earnings performance. For the second quarter of 2018, adjustments were nil (nil for the first quarter of 2018). The following adjustments were made for the six months ending June 30, 2017:

	Segment				
2017 Adjustments:	Canada	United States	Europe	Total	EPS Impact
Q1 Restructuring expenses	\$ —	\$ 11	\$ 17	\$ 28	\$ 0.029
Q2 Restructuring expenses	126	—	1	127	0.128
Total Adjustments	\$ 126	\$ 11	\$ 18	\$ 155	\$ 0.156

GREAT-WEST LIFECO INC.

CONSOLIDATED STATEMENTS OF EARNINGS *(unaudited)*

(in Canadian \$ millions except per share amounts)

	For the three months ended			For the six months ended	
	June 30	March 31	June 30	June 30	June 30
	2018	2018	2017 ⁽¹⁾	2018	2017 ⁽¹⁾
Income					
Premium income					
Gross premiums written	\$ 9,012	\$ 9,293	\$ 8,781	\$ 18,305	\$ 19,254
Ceded premiums	(1,107)	(1,119)	(1,020)	(2,226)	(2,139)
Total net premiums	<u>7,905</u>	<u>8,174</u>	<u>7,761</u>	<u>16,079</u>	<u>17,115</u>
Net investment income					
Regular net investment income	1,575	1,573	1,591	3,148	3,060
Changes in fair value through profit or loss	(350)	(1,487)	304	(1,837)	1,039
Total net investment income	<u>1,225</u>	<u>86</u>	<u>1,895</u>	<u>1,311</u>	<u>4,099</u>
Fee and other income	<u>1,483</u>	<u>1,433</u>	<u>1,421</u>	<u>2,916</u>	<u>2,769</u>
	<u>10,613</u>	<u>9,693</u>	<u>11,077</u>	<u>20,306</u>	<u>23,983</u>
Benefits and expenses					
Policyholder benefits					
Gross	7,742	7,996	7,415	15,738	16,010
Ceded	(596)	(625)	(500)	(1,221)	(1,110)
Total net policyholder benefits	<u>7,146</u>	<u>7,371</u>	<u>6,915</u>	<u>14,517</u>	<u>14,900</u>
Policyholder dividends and experience refunds	442	458	462	900	1,020
Changes in insurance and investment contract liabilities	(32)	(1,049)	850	(1,081)	2,169
Total paid or credited to policyholders	<u>7,556</u>	<u>6,780</u>	<u>8,227</u>	<u>14,336</u>	<u>18,089</u>
Commissions	596	594	609	1,190	1,422
Operating and administrative expenses	1,241	1,237	1,154	2,478	2,359
Premium taxes	124	121	107	245	230
Financing charges	11	71	79	82	155
Amortization of finite life intangible assets	50	49	47	99	92
Restructuring expenses	—	—	216	—	253
Earnings before income taxes	<u>1,035</u>	<u>841</u>	<u>638</u>	<u>1,876</u>	<u>1,383</u>
Income taxes	153	77	51	230	147
Net earnings before non-controlling interests	<u>882</u>	<u>764</u>	<u>587</u>	<u>1,646</u>	<u>1,236</u>
Attributable to non-controlling interests	18	—	(28)	18	(1)
Net earnings	<u>864</u>	<u>764</u>	<u>615</u>	<u>1,628</u>	<u>1,237</u>
Preferred share dividends	33	33	30	66	61
Net earnings - common shareholders	<u>\$ 831</u>	<u>\$ 731</u>	<u>\$ 585</u>	<u>\$ 1,562</u>	<u>\$ 1,176</u>
Earnings per common share					
Basic	<u>\$ 0.839</u>	<u>\$ 0.740</u>	<u>\$ 0.591</u>	<u>\$ 1.579</u>	<u>\$ 1.189</u>
Diluted	<u>\$ 0.839</u>	<u>\$ 0.739</u>	<u>\$ 0.590</u>	<u>\$ 1.578</u>	<u>\$ 1.187</u>

⁽¹⁾ Certain comparative figures have been reclassified as described in note 2 to the Company's June 30, 2018 condensed consolidated interim unaudited financial statements.

GREAT-WEST LIFECO INC.

CONSOLIDATED BALANCE SHEETS *(unaudited)* *(in Canadian \$ millions)*

	June 30 2018	December 31 2017
Assets		
Cash and cash equivalents	\$ 3,794	\$ 3,551
Bonds	122,437	120,204
Mortgage loans	24,206	22,185
Stocks	9,226	8,864
Investment properties	5,098	4,851
Loans to policyholders	8,611	8,280
	173,372	167,935
Assets held for sale	—	169
Funds held by ceding insurers	9,581	9,893
Goodwill	6,480	6,179
Intangible assets	3,821	3,732
Derivative financial instruments	382	384
Owner occupied properties	720	706
Fixed assets	372	303
Other assets	2,604	2,424
Premiums in course of collection, accounts and interest receivable	4,990	4,647
Reinsurance assets	6,095	5,045
Current income taxes	224	134
Deferred tax assets	937	930
Investments on account of segregated fund policyholders	221,117	217,357
Total assets	\$ 430,695	\$ 419,838
Liabilities		
Insurance contract liabilities	\$ 163,898	\$ 159,524
Investment contract liabilities	1,769	1,841
Debentures and other debt instruments	6,031	5,617
Capital trust securities	160	160
Funds held under reinsurance contracts	1,383	373
Derivative financial instruments	1,250	1,336
Accounts payable	3,314	2,684
Other liabilities	3,445	3,752
Current income taxes	495	464
Deferred tax liabilities	1,213	1,194
Investment and insurance contracts on account of segregated fund policyholders	221,117	217,357
Total liabilities	404,075	394,302
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,782	2,771
Non-controlling interests in subsidiaries	135	164
Shareholders' equity		
Share capital		
Preferred shares	2,714	2,714
Common shares	7,291	7,260
Accumulated surplus	12,742	12,098
Accumulated other comprehensive income	828	386
Contributed surplus	128	143
Total equity	26,620	25,536
Total liabilities and equity	\$ 430,695	\$ 419,838

Segmented Information *(unaudited)*

Consolidated Net Earnings

For the three months ended June 30, 2018

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 3,141	\$ 894	\$ 3,870	\$ —	\$ 7,905
Net investment income					
Regular net investment income	666	462	445	2	1,575
Changes in fair value through profit or loss	249	(260)	(339)	—	(350)
Total net investment income	915	202	106	2	1,225
Fee and other income	433	655	395	—	1,483
	<u>4,489</u>	<u>1,751</u>	<u>4,371</u>	<u>2</u>	<u>10,613</u>
Benefits and expenses					
Paid or credited to policyholders	3,184	894	3,478	—	7,556
Other ⁽¹⁾	812	686	458	5	1,961
Financing charges	32	(31)	10	—	11
Amortization of finite life intangible assets	20	22	8	—	50
Restructuring expenses	—	—	—	—	—
Earnings (loss) before income taxes	<u>441</u>	<u>180</u>	<u>417</u>	<u>(3)</u>	<u>1,035</u>
Income taxes (recovery)	92	31	31	(1)	153
Net earnings (loss) before non-controlling interests	<u>349</u>	<u>149</u>	<u>386</u>	<u>(2)</u>	<u>882</u>
Non-controlling interests	17	1	—	—	18
Net earnings (loss)	<u>332</u>	<u>148</u>	<u>386</u>	<u>(2)</u>	<u>864</u>
Preferred share dividends	29	—	4	—	33
Net earnings (loss) before capital allocation	<u>303</u>	<u>148</u>	<u>382</u>	<u>(2)</u>	<u>831</u>
Impact of capital allocation	31	(3)	(27)	(1)	—
Net earnings (loss) - common shareholders	<u>\$ 334</u>	<u>\$ 145</u>	<u>\$ 355</u>	<u>\$ (3)</u>	<u>\$ 831</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST LIFECO^{INC.}

Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)

For the three months ended June 30, 2017

	Canada ⁽²⁾	United States ⁽²⁾	Europe	Lifeco Corporate	Total ⁽²⁾
Income					
Total net premiums	\$ 3,178	\$ 942	\$ 3,641	\$ —	\$ 7,761
Net investment income					
Regular net investment income	642	451	496	2	1,591
Changes in fair value through profit or loss	282	274	(252)	—	304
Total net investment income	924	725	244	2	1,895
Fee and other income	417	658	346	—	1,421
	<u>4,519</u>	<u>2,325</u>	<u>4,231</u>	<u>2</u>	<u>11,077</u>
Benefits and expenses					
Paid or credited to policyholders	3,333	1,476	3,418	—	8,227
Other ⁽¹⁾	790	673	405	2	1,870
Financing charges	31	37	10	1	79
Amortization of finite life intangible assets	17	22	8	—	47
Restructuring expenses	215	—	1	—	216
Earnings (loss) before income taxes	133	117	389	(1)	638
Income taxes (recovery)	(22)	28	45	—	51
Net earnings (loss) before non-controlling interests	155	89	344	(1)	587
Non-controlling interests	(31)	3	—	—	(28)
Net earnings (loss)	186	86	344	(1)	615
Preferred share dividends	26	—	4	—	30
Net earnings (loss) before capital allocation	160	86	340	(1)	585
Impact of capital allocation	25	(4)	(19)	(2)	—
Net earnings (loss) - common shareholders	<u>\$ 185</u>	<u>\$ 82</u>	<u>\$ 321</u>	<u>\$ (3)</u>	<u>\$ 585</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.

⁽²⁾ Certain comparative figures have been reclassified as described in note 2 to the Company's June 30, 2018 condensed consolidated interim unaudited financial statements.

GREAT-WEST LIFECO_{INC.}

Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)

For the six months ended June 30, 2018

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 6,292	\$ 1,968	\$ 7,819	\$ —	\$ 16,079
Net investment income					
Regular net investment income	1,278	903	962	5	3,148
Changes in fair value through profit or loss	(85)	(840)	(912)	—	(1,837)
Total net investment income	1,193	63	50	5	1,311
Fee and other income	871	1,286	759	—	2,916
	8,356	3,317	8,628	5	20,306
Benefits and expenses					
Paid or credited to policyholders	5,823	1,646	6,867	—	14,336
Other ⁽¹⁾	1,628	1,360	915	10	3,913
Financing charges	64	(2)	20	—	82
Amortization of finite life intangible assets	40	43	16	—	99
Restructuring expenses	—	—	—	—	—
Earnings (loss) before income taxes	801	270	810	(5)	1,876
Income taxes (recovery)	138	44	49	(1)	230
Net earnings (loss) before non-controlling interests	663	226	761	(4)	1,646
Non-controlling interests	17	1	—	—	18
Net earnings (loss)	646	225	761	(4)	1,628
Preferred share dividends	57	—	9	—	66
Net earnings (loss) before capital allocation	589	225	752	(4)	1,562
Impact of capital allocation	61	(5)	(53)	(3)	—
Net earnings (loss) - common shareholders	\$ 650	\$ 220	\$ 699	\$ (7)	\$ 1,562

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST LIFECO INC.

Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)

For the six months ended June 30, 2017

	Canada ⁽²⁾	United States ⁽²⁾	Europe	Lifeco Corporate	Total ⁽²⁾
Income					
Total net premiums	\$ 6,462	\$ 2,171	\$ 8,482	\$ —	\$ 17,115
Net investment income					
Regular net investment income	1,255	906	898	1	3,060
Changes in fair value through profit or loss	657	376	6	—	1,039
Total net investment income	1,912	1,282	904	1	4,099
Fee and other income	822	1,277	670	—	2,769
	<u>9,196</u>	<u>4,730</u>	<u>10,056</u>	<u>1</u>	<u>23,983</u>
Benefits and expenses					
Paid or credited to policyholders	6,578	3,028	8,483	—	18,089
Other ⁽¹⁾	1,825	1,384	791	11	4,011
Financing charges	61	71	22	1	155
Amortization of finite life intangible assets	34	43	15	—	92
Restructuring expenses	215	17	21	—	253
Earnings (loss) before income taxes	483	187	724	(11)	1,383
Income taxes (recovery)	43	39	68	(3)	147
Net earnings (loss) before non-controlling interests	440	148	656	(8)	1,236
Non-controlling interests	(2)	2	(1)	—	(1)
Net earnings (loss)	442	146	657	(8)	1,237
Preferred share dividends	52	—	9	—	61
Net earnings (loss) before capital allocation	390	146	648	(8)	1,176
Impact of capital allocation	50	(8)	(38)	(4)	—
Net earnings (loss) - common shareholders	<u>\$ 440</u>	<u>\$ 138</u>	<u>\$ 610</u>	<u>\$ (12)</u>	<u>\$ 1,176</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.

⁽²⁾ Certain comparative figures have been reclassified as described in note 2 to the Company's June 30, 2018 condensed consolidated interim unaudited financial statements.