

Great-West Lifeco's U.K. subsidiary announces sale of heritage policies

Winnipeg, June 21, 2018. . . . Great-West Lifeco Inc. announced today that its U.K. subsidiary, Canada Life Limited, has agreed to sell a block of 155,000 heritage policies with assets and liabilities of £2.7 billion (C\$4.7 billion) to Scottish Friendly. Scottish Friendly has agreed to an arrangement under which Canada Life Investments will continue to manage a substantial portion of the transferring unit-linked assets. The financial terms of the transaction were not disclosed.

The policies have largely been closed to new business since 2003 and comprise individual life savings policies, individual pensions savings policies and individual protection policies. The transfer of these policies to Scottish Friendly, which is expected to occur in late 2019, is not expected to have a material impact on Canada Life's earnings or ongoing U.K. business activities.

"This is an excellent move for both organizations and for customers," said Doug Brown, Chief Executive Officer, Canada Life U.K. "Our priority is ensuring that our transferring customers receive the highest standard of care both during this transition period, and beyond. Scottish Friendly has a great reputation in this area which gives us confidence that they will be in good hands."

"This transaction enables Canada Life to concentrate on growing our business in the U.K., including the development of a full range of products in the U.K. retirement income market, building on our recent acquisition of Retirement Advantage," said Paul Mahon, President and Chief Executive Officer, Great-West Lifeco.

The transaction is subject to regulatory approval and the satisfactory completion of certain closing conditions. The actual transfer of policies will primarily take place via a court approved transfer under Part VII of the Financial Services Markets Act 2000.

About Canada Life Limited

Canada Life Limited began operations in the United Kingdom in 1903 and looks after the retirement, investment and protection needs of individuals and companies. The company offers protection, life cover, critical illness cover, and whole of life cover for groups and individuals; and retirement income planning, annuities, pension bonds, savings and investments, investment bonds, inheritance tax planning, and offshore investments. The company is based in Potters Bar, United Kingdom. To learn more, visit canadalife.co.uk.

About Great-West Lifeco Inc.

Great-West Lifeco Inc. 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 Great-West Life, London Life, Canada Life, Irish Life, Great-West Financial and Putnam Investments. Lifeco and its companies have approximately \$1.4 trillion in consolidated assets under administration as at March 31, 2018 and are members of the Power Financial Corporation group of companies. Great-West Lifeco trades on the Toronto Stock Exchange (TSX) under the ticker symbol GWO. To learn more, visit greatwestlifeco.com.

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Cautionary note regarding Forward-Looking Information

Certain statements in this news release constitute forward-looking statements. These statements may include, without limitation, statements about Great-West Lifeco and its subsidiaries' operations, business, financial condition, expected financial performance, ongoing business strategies or prospects, and possible future actions, including statements made with respect to benefits of acquisitions and divestitures, the receipt of required regulatory approvals for the transaction described in this news release, the expected closing of the transaction and the expected impact of the transaction on Canada Life U.K. Forward-looking statements are not historical facts but instead represent only Great-West Lifeco's belief regarding future events, many of which, by their nature, are inherently uncertain and outside Great-West Lifeco's control. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements. Factors that could cause actual results to differ, possibly materially, from those in the forward-looking statements are discussed throughout periodic filings with securities regulators including Great-West Lifeco'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, Great-West Lifeco does not intend to update any forward-looking statements whether as a result of new information, future events or otherwise.

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