

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 2019 results

Toronto, July 31, 2019 ... Great-West Lifeco Inc. (Lifeco or the Company) today announced net earnings attributable to common shareholders (net earnings) of \$459 million or \$0.49 per common share for the second quarter of 2019 compared to \$831 million or \$0.84 per common share for the same quarter last year. Lifeco's net earnings for the second quarter of 2019 included a net charge of \$199 million relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business, which reduced earnings per common share by \$0.21.

Adjusted net earnings, which exclude this charge, were \$658 million or \$0.70 per common share. Adjusted net earnings in the second quarter of 2019 decreased \$173 million from the prior year reflecting lower contributions from insurance contract liability basis changes and the impact of U.K. retail related investment impairments. In addition, Lifeco's net earnings for the second quarter of 2018 included a net positive impact of \$60 million, or \$0.06 per common share, arising from refinancing in the U.S. segment.

"We continued to make progress on our strategic priorities in the quarter and business fundamentals remained solid despite the decline in net earnings," said Paul Mahon, President and Chief Executive Officer, Great-West Lifeco Inc. "We continue to invest in new products and digital capabilities to drive better customer and advisor experiences and our capital position remains strong."

Highlights

Sales up \$1.2 billion to \$34.3 billion

- Sales for the second quarter of 2019 were \$34.3 billion, up 4% from the second quarter of 2018, primarily driven by higher sales in Europe.

U.S. Individual Markets business sale closed on June 1, 2019

- On June 1, 2019, the Company's subsidiary, Great-West Life & Annuity, completed the sale, via indemnity reinsurance, of substantially all of its individual life insurance and annuity business to Protective Life Insurance Company (Protective Life). The transaction value of \$1.6 billion frees up capital and allows the Company to focus on the defined contribution retirement and asset management markets in the U.S. segment.

Capital strength and financial flexibility maintained

- On April 17, 2019, the Company purchased and subsequently cancelled 59,700,974 common shares under a substantial issuer bid at a price of \$33.50 per share for an aggregate purchase price of \$2 billion. The excess paid over the average carrying value under the Offer was \$1,628 million and was recognized as a reduction to accumulated surplus.
- The Great-West Life Assurance Company reported a Life Insurance Capital Adequacy Test (LICAT) ratio of 136% at June 30, 2019 which includes a 6 percent reduction related to the impact of the substantial issuer bid.
- Adjusted return on equity, which excludes the net charge of \$199 million relating to the U.S. sale, was 13.2% for the second quarter of 2019.

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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 2019 second quarter Management's Discussion and Analysis (MD&A).

CANADA

- **Q2 Canada segment net earnings of \$280 million** – Net earnings for the second quarter of 2019 were \$280 million compared to \$334 million in the second quarter of 2018, a decrease of 16%. The decrease was primarily due to large contributions from insurance contract liability basis changes in 2018 that did not recur. This was partially offset by strong investment results in the second quarter of 2019.
- **Plans to proceed with amalgamation of Great-West Life, London Life and Canada Life announced** – On July 19, 2019, the Company announced that the Boards of Directors of its three Canadian life insurance companies, The Great-West Life Assurance Company (Great-West Life), London Life Insurance Company (London Life) and The Canada Life Assurance Company (Canada Life), and their holding companies, Canada Life Financial Corporation and London Insurance Group Inc., have approved plans to proceed with the amalgamation of these five entities into one company: The Canada Life Assurance Company. Subject to regulatory and policyholder approval, the amalgamation is expected to be completed by January 1, 2020. Special meetings of policyholders of each of the three amalgamating life insurance companies will be called and policyholders will receive an information circular providing background and describing the expected benefits of the amalgamation. Upon approval, the companies will be combined into one single life insurance company operating under The Canada Life Assurance Company name. Lifeco will remain the parent company, and the amalgamated company will retain all of the amalgamating companies' current corporate office locations.

UNITED STATES

- **Sale of U.S. individual life insurance and annuity business** – On June 1, 2019, the Company's subsidiary, Great-West Life & Annuity, completed the sale, via indemnity reinsurance, of substantially all of its individual life insurance and annuity business to Protective Life who now assumes the economics and risks associated with the reinsured business. The transaction resulted in an after-tax transaction value of approximately \$1.6 billion, excluding one-time expenses. The transaction value includes a ceding commission of \$1,080 million and a capital release of approximately \$530 million. The Company recognized a loss related to this transaction of \$199 million (US\$148 million), which included transaction costs of \$63 million (US\$47 million) and \$36 million (US\$27 million) due to updated expense assumptions primarily related to stranded overhead.
- **Q2 U.S. segment adjusted net earnings of US\$75 million** – Excluding the net charge on the sale, adjusted net earnings for the second quarter of 2019 were US\$75 million, down 29%, compared to net earnings of US\$105 million in the second quarter of 2018. Included in net earnings in the second quarter of 2018 was the net positive impact of US\$39 million related to U.S. debt refinancing activity. Excluding this item, U.S. segment net earnings increased US\$9 million primarily due to improved Putnam net earnings driven by reductions in operating expenses and an increase in net investment income on seed capital.
- **Q2 Empower fee and other income up 6%** – Fee and other income for the three months ended June 30, 2019 was US\$264 million compared to US\$248 million for the same quarter last year, an increase of 6%, due to growth in Empower Retirement participants and assets.

EUROPE

- **Q2 Europe segment net earnings of \$282 million** – Net earnings for the second quarter of 2019 were \$282 million, down 21% compared to net earnings of \$355 million in the second quarter of 2018, mainly due to lower contributions from insurance contract liability basis changes and lower contributions from investment experience primarily driven by U.K. retail related investment losses partly offset by the favourable impact of new business from U.K. bulk annuity sales.
- **Q2 Europe segment sales up 29%** – Europe sales in the second quarter of 2019 of \$7.1 billion were up 29% from the second quarter of 2018, primarily due to strong Ireland fund management sales and U.K. bulk annuity sales.
- **U.K. operations advance transformation activities** – The U.K. operations made progress on the previously announced targeted annual expense reductions of £20 million pre-tax by the end of the fourth quarter of 2020. Annualized savings achieved to June 30, 2019 on the U.K. restructuring program were £10 million pre-tax compared to £3 million pre-tax at December 31, 2018.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of \$0.4130 per share on the common shares of Lifeco payable September 30, 2019 to shareholders of record at the close of business August 30, 2019.

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 30, 2019	September 30, 2019	\$0.36875
Series G	August 30, 2019	September 30, 2019	\$0.3250
Series H	August 30, 2019	September 30, 2019	\$0.30313
Series I	August 30, 2019	September 30, 2019	\$0.28125
Series L	August 30, 2019	September 30, 2019	\$0.353125
Series M	August 30, 2019	September 30, 2019	\$0.3625
Series N	August 30, 2019	September 30, 2019	\$0.1360
Series O	August 30, 2019	September 30, 2019	\$0.188223
Series P	August 30, 2019	September 30, 2019	\$0.3375
Series Q	August 30, 2019	September 30, 2019	\$0.321875
Series R	August 30, 2019	September 30, 2019	\$0.3000
Series S	August 30, 2019	September 30, 2019	\$0.328125
Series T	August 30, 2019	September 30, 2019	\$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. 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), Putnam Investments, LLC (Putnam) and Irish Life Group Limited (Irish Life). Lifeco and its companies have approximately \$1.6 trillion in consolidated assets under administration and are members of the Power Financial Corporation group of companies. Great-West Lifeco Inc. trades on the Toronto Stock Exchange (TSX) under the ticker symbol GWO. To learn more, visit 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 information. Forward-looking information includes 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 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, expected capital management activities and use of capital and expected cost reductions and savings. 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 2018 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 information. Other than as specifically required by applicable law, the Company does not intend to update any forward-looking information 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 net earnings (US\$)", "adjusted net earnings per common share", "adjusted return on equity", "core net earnings", "constant currency basis", "impact of currency movement", "premiums and deposits", "pre-tax operating margin", "return on equity – adjusted net earnings", "sales", "assets under management" and "assets under administration". 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 where applicable.

Second Quarter Conference Call

Lifeco's second quarter conference call and audio webcast will be held July 31, 2019 at 2:30 p.m. (ET). The call and webcast can be accessed through greatwestlifeco.com/news-events/events or by phone at:

- Participants in the Toronto area: 416-340-2218
- Participants from North America: 1-800-377-0758

A replay of the call will be available from July 31, 2019 to August 31, 2019 and can be accessed by calling 1-800-408-3053 or 905-694-9451 in Toronto (passcode: 4533177#). The archived webcast will be available on greatwestlifeco.com.

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 2019	March 31 2019	June 30 2018	June 30 2019	June 30 2018
Earnings					
Net earnings - common shareholders	\$ 459	\$ 657	\$ 831	\$ 1,116	\$ 1,562
Adjustments ⁽¹⁾⁽⁸⁾	199	—	—	199	—
Adjusted net earnings - common shareholders ⁽¹⁾	658	657	831	1,315	1,562
Per common share					
Basic earnings	0.489	0.665	0.839	1.159	1.579
Adjusted basic earnings, excluding adjustments ⁽¹⁾	0.701	0.665	0.839	1.365	1.579
Dividends paid	0.413	0.413	0.389	0.826	0.778
Book value	20.84	22.07	21.22		
Return on common shareholders' equity⁽²⁾					
Net earnings	12.0%	13.5%	12.5%		
Adjusted net earnings ⁽³⁾	13.2%	13.7%	14.2%		
Premiums and deposits					
Net premium income (Life insurance, guaranteed annuities and insured health products) ⁽⁸⁾	\$ (3,887)	\$ 9,595	\$ 7,905	\$ 5,708	\$ 16,079
Policyholder deposits (Segregated funds):					
Individual products	3,723	3,632	4,142	7,355	8,130
Group products	1,732	2,094	1,954	3,826	4,376
Self-funded premium equivalents (Administrative services only contracts) ⁽⁴⁾	830	811	774	1,641	1,522
Proprietary mutual funds and institutional deposits ⁽⁴⁾	17,993	24,713	19,196	42,706	36,990
Add back: U.S. Individual Insurance & Annuity Business - initial reinsurance ceded premiums ⁽⁸⁾	13,889	—	—	13,889	—
Total premiums and deposits⁽⁴⁾	34,280	40,845	33,971	75,125	67,097
Fee and other income⁽⁸⁾	2,591	1,479	1,483	4,070	2,916
Net policyholder benefits, dividends and experience refunds	8,957	8,987	7,588	17,944	15,417
Total assets	\$ 441,897	\$ 442,492	\$ 430,695		
Proprietary mutual funds and institutional net assets ⁽⁵⁾	305,252	304,230	294,890		
Total assets under management⁽⁵⁾	747,149	746,722	725,585		
Other assets under administration ⁽⁶⁾	820,808	804,202	697,680		
Total assets under administration	\$ 1,567,957	\$ 1,550,924	\$ 1,423,265		
Total equity	\$ 24,955	\$ 27,400	\$ 26,620		
The Great-West Life Assurance Company consolidated Life Insurance Capital Adequacy Test Ratio⁽⁷⁾	136%	140%	133%		

⁽¹⁾ Adjusted net earnings attributable to common shareholders and adjusted net earnings per common share (EPS) are non-IFRS financial measures of earnings performance. In Q2 2019, adjustments were a net charge of \$199 relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business (refer to footnote 8 below for the impacts to the Consolidated Statements of Earnings).

⁽²⁾ Return on common shareholders' equity is detailed within the "Capital Allocation Methodology" section of the Company's June 30, 2019 Management's Discussion and Analysis.

⁽³⁾ Return on common shareholders' equity - adjusted net earnings (a non-IFRS measure) is adjusted for the impact of the net charge on the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business, U.S. tax reform, the net charge on the sale of an equity investment and restructuring costs. For further details on this measure, refer to the "Capital Allocation Methodology" section of the Company's June 30, 2019 Management's Discussion and Analysis.

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- (4) 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. In addition, the Company excludes ceded premiums relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business. Total premiums and deposits (a non-IFRS financial measure) provides useful information as it is an indicator of top line growth.
- (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.
- (7) The Life Insurance Capital Adequacy Test (LICAT) ratio is based on the consolidated results of The Great-West Life Assurance Company, Lifeco's major Canadian operating subsidiary. Refer to the "Capital Management and Adequacy" section of the Company's June 30, 2019 Management's Discussion and Analysis for additional details.
- (8) Following the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business to Protective Life on June 1, 2019, the Company recorded a net loss of \$199 (U.S. \$148) related to the transaction. For the three and six months ended June 30, 2019, the impacts to the Consolidated Statements of Earnings are outlined in the table below:

Impact on Consolidated Statements of Earnings of Reinsurance of U.S. individual life insurance and annuity business:

Net premiums (initial ceded premiums)	\$	(13,889)
Fee and other income (initial ceding commission)		1,080
Net investment income		219
Total paid or credited to policyholders		12,463
Operating, administrative and other expenses		(120)
Total pre-tax net loss per condensed consolidated interim unaudited financial statements (note 3)		(247)
Income taxes		48
Total after-tax net loss	\$	(199)

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 2019	March 31 2019	June 30 2018	June 30 2019	June 30 2018
Income					
Premium income					
Gross premiums written	\$ 11,148	\$ 10,703	\$ 9,012	\$ 21,851	\$ 18,305
Ceded premiums	(15,035)	(1,108)	(1,107)	(16,143)	(2,226)
Total net premiums	<u>(3,887)</u>	<u>9,595</u>	<u>7,905</u>	<u>5,708</u>	<u>16,079</u>
Net investment income					
Regular net investment income	1,797	1,450	1,575	3,247	3,148
Changes in fair value through profit or loss	2,245	4,365	(350)	6,610	(1,837)
Total net investment income	<u>4,042</u>	<u>5,815</u>	<u>1,225</u>	<u>9,857</u>	<u>1,311</u>
Fee and other income	<u>2,591</u>	<u>1,479</u>	<u>1,483</u>	<u>4,070</u>	<u>2,916</u>
	<u>2,746</u>	<u>16,889</u>	<u>10,613</u>	<u>19,635</u>	<u>20,306</u>
Benefits and expenses					
Policyholder benefits					
Gross	9,214	9,164	7,742	18,378	15,738
Ceded	(672)	(617)	(596)	(1,289)	(1,221)
Total net policyholder benefits	<u>8,542</u>	<u>8,547</u>	<u>7,146</u>	<u>17,089</u>	<u>14,517</u>
Policyholder dividends and experience refunds	415	440	442	855	900
Changes in insurance and investment contract liabilities	(8,987)	4,925	(32)	(4,062)	(1,081)
Total paid or credited to policyholders	<u>(30)</u>	<u>13,912</u>	<u>7,556</u>	<u>13,882</u>	<u>14,336</u>
Commissions	598	610	596	1,208	1,190
Operating and administrative expenses	1,374	1,301	1,241	2,675	2,478
Premium taxes	125	130	124	255	245
Financing charges	72	72	11	144	82
Amortization of finite life intangible assets	54	53	50	107	99
Earnings before income taxes	<u>553</u>	<u>811</u>	<u>1,035</u>	<u>1,364</u>	<u>1,876</u>
Income taxes	<u>53</u>	<u>130</u>	<u>153</u>	<u>183</u>	<u>230</u>
Net earnings before non-controlling interests	<u>500</u>	<u>681</u>	<u>882</u>	<u>1,181</u>	<u>1,646</u>
Attributable to non-controlling interests	7	(9)	18	(2)	18
Net earnings	<u>493</u>	<u>690</u>	<u>864</u>	<u>1,183</u>	<u>1,628</u>
Preferred share dividends	34	33	33	67	66
Net earnings - common shareholders	<u>\$ 459</u>	<u>\$ 657</u>	<u>\$ 831</u>	<u>\$ 1,116</u>	<u>\$ 1,562</u>
Earnings per common share					
Basic	<u>\$ 0.489</u>	<u>\$ 0.665</u>	<u>\$ 0.839</u>	<u>\$ 1.159</u>	<u>\$ 1.579</u>
Diluted	<u>\$ 0.489</u>	<u>\$ 0.665</u>	<u>\$ 0.839</u>	<u>\$ 1.158</u>	<u>\$ 1.578</u>

GREAT-WEST LIFECO INC.

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

	June 30 2019	December 31 2018
Assets		
Cash and cash equivalents	\$ 3,835	\$ 4,168
Bonds	113,627	124,862
Mortgage loans	23,605	25,014
Stocks	9,833	9,290
Investment properties	5,416	5,218
Loans to policyholders	8,917	8,929
	<u>165,233</u>	<u>177,481</u>
Assets held for sale	857	897
Funds held by ceding insurers	8,959	9,251
Goodwill	6,492	6,548
Intangible assets	3,866	3,976
Derivative financial instruments	655	417
Owner occupied properties	732	731
Fixed assets	452	448
Other assets	2,956	2,567
Premiums in course of collection, accounts and interest receivable	5,718	5,202
Reinsurance assets	20,479	6,126
Current income taxes	222	218
Deferred tax assets	906	981
Investments on account of segregated fund policyholders	221,092	209,527
Investments on account of segregated fund policyholders held for sale	3,278	3,319
Total assets	<u>\$ 441,897</u>	<u>\$ 427,689</u>
Liabilities		
Insurance contract liabilities	\$ 171,490	\$ 166,720
Investment contract liabilities	1,714	1,711
Liabilities held for sale	857	897
Debentures and other debt instruments	6,331	6,459
Funds held under reinsurance contracts	1,381	1,367
Derivative financial instruments	1,186	1,562
Accounts payable	3,401	3,262
Other liabilities	4,547	3,855
Current income taxes	508	402
Deferred tax liabilities	1,157	1,210
Investment and insurance contracts on account of segregated fund policyholders	221,092	209,527
Investment and insurance contracts on account of segregated fund policyholders held for sale	3,278	3,319
Total liabilities	<u>416,942</u>	<u>400,291</u>
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,756	2,737
Non-controlling interests in subsidiaries	125	138
Shareholders' equity		
Share capital		
Preferred shares	2,714	2,714
Common shares	5,632	7,283
Accumulated surplus	13,231	13,342
Accumulated other comprehensive income	337	1,045
Contributed surplus	160	139
Total equity	<u>24,955</u>	<u>27,398</u>
Total liabilities and equity	<u>\$ 441,897</u>	<u>\$ 427,689</u>

GREAT-WEST LIFECO^{INC.}

Segmented Information *(unaudited)*

Consolidated Net Earnings

For the three months ended June 30, 2019

	Canada	United States ⁽²⁾	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 3,225	\$ (12,879)	\$ 5,767	\$ —	\$ (3,887)
Net investment income					
Regular net investment income	717	644	433	3	1,797
Changes in fair value through profit or loss	954	567	724	—	2,245
Total net investment income	1,671	1,211	1,157	3	4,042
Fee and other income	440	1,764	387	—	2,591
	<u>5,336</u>	<u>(9,904)</u>	<u>7,311</u>	<u>3</u>	<u>2,746</u>
Benefits and expenses					
Paid or credited to policyholders	4,118	(10,630)	6,482	—	(30)
Other ⁽¹⁾	843	791	455	8	2,097
Financing charges	32	29	9	2	72
Amortization of finite life intangible assets	22	20	12	—	54
Earnings (loss) before income taxes	<u>321</u>	<u>(114)</u>	<u>353</u>	<u>(7)</u>	<u>553</u>
Income taxes (recovery)	36	(23)	42	(2)	53
Net earnings (loss) before non-controlling interests	<u>285</u>	<u>(91)</u>	<u>311</u>	<u>(5)</u>	<u>500</u>
Non-controlling interests	4	3	—	—	7
Net earnings (loss)	<u>281</u>	<u>(94)</u>	<u>311</u>	<u>(5)</u>	<u>493</u>
Preferred share dividends	29	—	5	—	34
Net earnings (loss) before capital allocation	<u>252</u>	<u>(94)</u>	<u>306</u>	<u>(5)</u>	<u>459</u>
Impact of capital allocation	28	(4)	(24)	—	—
Net earnings (loss) - common shareholders	<u>\$ 280</u>	<u>\$ (98)</u>	<u>\$ 282</u>	<u>\$ (5)</u>	<u>\$ 459</u>

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

⁽²⁾ Includes the loss on the reinsurance transaction with Protective Life of \$247 (\$199 after-tax) as described in note 3 to the Company's June 30, 2019 condensed consolidated interim unaudited financial statements.

GREAT-WEST LIFECO INC.

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

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
Earnings (loss) before income taxes	441	180	417	(3)	1,035
Income taxes (recovery)	92	31	31	(1)	153
Net earnings (loss) before non-controlling interests	349	149	386	(2)	882
Non-controlling interests	17	1	—	—	18
Net earnings (loss)	332	148	386	(2)	864
Preferred share dividends	29	—	4	—	33
Net earnings (loss) before capital allocation	303	148	382	(2)	831
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 six months ended June 30, 2019

	Canada	United States ⁽²⁾	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 6,312	\$ (11,613)	\$ 11,009	\$ —	\$ 5,708
Net investment income					
Regular net investment income	1,373	1,113	759	2	3,247
Changes in fair value through profit or loss	3,236	1,233	2,141	—	6,610
Total net investment income	4,609	2,346	2,900	2	9,857
Fee and other income	862	2,423	785	—	4,070
	11,783	(6,844)	14,694	2	19,635
Benefits and expenses					
Paid or credited to policyholders	9,290	(8,411)	13,003	—	13,882
Other ⁽¹⁾	1,720	1,477	928	13	4,138
Financing charges	64	60	18	2	144
Amortization of finite life intangible assets	43	40	24	—	107
Earnings (loss) before income taxes	666	(10)	721	(13)	1,364
Income taxes (recovery)	106	(3)	83	(3)	183
Net earnings (loss) before non-controlling interests	560	(7)	638	(10)	1,181
Non-controlling interests	(4)	3	(1)	—	(2)
Net earnings (loss)	564	(10)	639	(10)	1,183
Preferred share dividends	57	—	10	—	67
Net earnings (loss) before capital allocation	507	(10)	629	(10)	1,116
Impact of capital allocation	56	(7)	(48)	(1)	—
Net earnings (loss) - common shareholders	\$ 563	\$ (17)	\$ 581	\$ (11)	\$ 1,116

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

⁽²⁾ Includes the loss on the reinsurance transaction with Protective Life of \$247 (\$199 after-tax) as described in note 3 to the Company's June 30, 2019 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
	<u>8,356</u>	<u>3,317</u>	<u>8,628</u>	<u>5</u>	<u>20,306</u>
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
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	<u>\$ 650</u>	<u>\$ 220</u>	<u>\$ 699</u>	<u>\$ (7)</u>	<u>\$ 1,562</u>

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