

This earnings news release for Great-West Lifeco Inc. should be read in conjunction with the Company's Management Discussion & Analysis (MD&A) and Consolidated Financial Statements for the periods ended June 30, 2023, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board unless otherwise noted. These reports are available on greatwestlifeco.com under Financial Reports. Additional information relating to Great-West Lifeco is available on sedar.com. Readers are referred to the cautionary notes regarding Forward-Looking Information and Non-GAAP Financial Measures and Ratios at the end of this release. All figures are expressed in millions of Canadian dollars, unless otherwise noted.

## Great-West Lifeco reports second quarter 2023 results

- Base earnings<sup>1</sup> EPS of \$0.99 or \$920 million increased by 2% or \$17 million from a year ago.
- Net earnings EPS of \$0.53 or \$498 million; includes (\$0.30) or (\$279 million) of losses associated with strategic business portfolio repositioning and surplus asset rebalancing.
- Executed strategic actions to reposition the portfolio for sustained growth.

Winnipeg, August 8, 2023 – Great-West Lifeco Inc. (Lifeco or the Company) today announced its second quarter 2023 results.

“The disciplined execution of our strategy is driving momentum across our portfolio as reflected in our strong performance this quarter,” said Paul Mahon, President and CEO, Great-West Lifeco. “Across our operating companies, we continue to make organic investments and execute on transactions that will help us deliver on our value creation objectives. This includes recent transactions across segments that are strengthening and focusing our workplace and wealth management strategies.”

“Net earnings this quarter reflect actions taken to strengthen our capital position and accelerate our growth strategies,” continued Mr. Mahon. “Apart from these items, our net earnings reflect modest market impacts and ongoing integration costs.”

### Key Financial Highlights

	In-Quarter			Year-to-Date	
	Q2 2023	Q1 2023	Q2 2022	2023	2022
Base earnings <sup>1,4</sup>	\$920	\$826	\$903	\$1,746	\$1,615
Net earnings	\$498	\$595	\$823	\$1,093	\$2,157
Base EPS <sup>2,4</sup>	\$0.99	\$0.89	\$0.97	\$1.87	\$1.73
Net EPS	\$0.53	\$0.64	\$0.88	\$1.17	\$2.32
Base ROE <sup>2,3,4</sup>	15.9%	16.1%			
Net ROE <sup>3</sup>	11.7%	13.4%			

<sup>1</sup> Base earnings is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

<sup>2</sup> Base EPS and base return on equity are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

<sup>3</sup> Base return on equity and return on equity are calculated using the trailing four quarters of applicable IFRS 17 earnings and common shareholders' equity.

<sup>4</sup> Comparative base earnings results are restated to exclude discontinued operations related to Putnam Investments.

**Base earnings per common share (EPS) of \$0.99 up 2% from \$0.97 a year ago.** The increase year over year was primarily due to higher investment returns; increased fees driven by higher average equity markets and business growth in the U.S. segment; and strong results in the Capital and Risk Solutions segment.

Sequentially, base EPS are up 11% compared to \$0.89 base EPS in the first quarter of 2023, primarily driven by the U.S. and Capital and Risk Solutions segments. Growth in the U.S. resulted from higher markets and further synergies realized on the Prudential acquisition. Capital and Risk Solutions benefited from strong growth in structured reinsurance business, higher investment results, and improved mortality experience<sup>5</sup>.

<sup>5</sup> Under the IFRS 17 reporting standard, mortality experience on life insurance tends to be recognized into earnings immediately, whereas mortality/longevity experience on payout annuities and related businesses, mainly flows through the Contractual Service Margin and is recognized into earnings over the life of the remaining contracts.

**Net EPS was \$0.53 and included costs of \$0.30 EPS (\$279 million) associated with acquisitions and divestitures, and surplus asset rebalancing activities.** These costs included transaction costs of \$158 million predominantly related to the announced sales of Putnam Investments and the U.K. individual onshore protection business, in addition to an indemnity provision related to the U.S. individual life and annuity business sold in 2019. It also included \$121 million of realized other comprehensive income (OCI) losses from rebalancing U.K. surplus assets to capitalize on higher short-term rates and improve future interest rate sensitivities.

Return on equity was 11.7% on net earnings and 15.9% on base earnings in the second quarter of 2023.

### Highlights

- The Company announced strategic transactions in quarter to rebalance and focus its business portfolio:
  - Announced sale of Putnam Investments, unlocking shareholder value and further focusing U.S. operations on highly attractive retirement and personal wealth markets.
  - Announced complementary acquisitions of Investment Planning Counsel Inc. (IPC) and Value Partners, which will enable the Canadian business with new capabilities to offer a leading end-to-end wealth and insurance platform for independent advisors.
  - Announced an agreement to sell the individual onshore protection business of Canada Life U.K. to Countrywide Assured plc. This follows the Company's announcement that it closed onshore individual protection insurance to new business in November 2022.
- The disciplined execution of the Company's strategy continues to drive strong momentum:
  - Go live with Canadian government's Public Service Health Care Plan (PSHCP) on July 1, 2023.
  - Canada Life was awarded the Canadian government's dental plan which represents approximately \$550 million in annual paid claims and supports the same 1.7 million Canadians as the PSHCP.
  - Empower Personal Wealth, launched in the first quarter of 2023, continued to see strong momentum with 30% growth in assets under administration year over year.
  - Diversified our wealth capabilities and distribution access at Irish Life with the launch of a new joint venture, AIB Life, in Ireland.
  - Capital and Risk Solutions expanded its international presence in targeted new markets, including two transactions in Italy.
- The Company hosted an Investor Day to share our strategy for growth, with a specific focus on our wealth and asset management businesses in Canada, Europe and the U.S.

## SEGMENTED OPERATING RESULTS

For reporting purposes, Lifeco's consolidated operating results are grouped into five reportable segments – Canada, United States, Europe, Capital and Risk Solutions and Lifeco Corporate – reflecting the management and corporate structure of the Company. For more information, refer to the Company's second quarter of 2023 interim Management's Discussion and Analysis (MD&A).

	In-Quarter			Year-to-Date	
	Q2 2023	Q1 2023	Q2 2022	2023	2022
<b>Segment Base Earnings<sup>6</sup></b>					
Canada	\$283	\$278	\$340	\$561	\$564
United States	265	218	164	483	308
Europe	180	178	210	358	386
Capital and Risk Solutions	203	157	190	360	361
Lifeco Corporate	(11)	(5)	(1)	(16)	(4)
Total Base earnings <sup>6</sup>	\$920	\$826	\$903	\$1,746	\$1,615
<b>Segment Net Earnings</b>					
Canada	\$148	\$233	\$362	\$381	\$805
United States	90	151	23	241	135
Europe	102	40	250	142	794
Capital and Risk Solutions	169	184	179	353	413
Lifeco Corporate	(11)	(13)	9	(24)	10
Total Net earnings	\$498	\$595	\$823	\$1,093	\$2,157

<sup>6</sup> Base earnings is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

### CANADA

- **Q2 Canada segment base earnings of \$283 million and net earnings of \$148 million** – Base earnings of \$283 million decreased by \$57 million compared to the same quarter last year, primarily due to strong group health morbidity results in 2022 that did not repeat, partially offset by pricing and other management actions taken, aided by higher interest rates in 2023.

### UNITED STATES

- **Q2 United States segment base earnings of US\$198 million (\$265 million) and net earnings of US\$67 million (\$90 million)** – United States base earnings for the second quarter of 2023 were US\$198 million (\$265 million), up US\$70 million or 55% from the second quarter of 2022. The increase was primarily due to improved spreads from higher interest rates, higher fee income from higher average equity markets and lower expenses due to synergies achieved on recent acquisitions.

### EUROPE

- **Q2 Europe segment base earnings of \$180 million and net earnings of \$102 million** – Base earnings of \$180 million decreased by \$30 million compared to the same quarter last year, primarily due to favourable insurance experience in Q2 2022 that did not repeat, partially offset by favourable currency movement and investment earnings.

### CAPITAL AND RISK SOLUTIONS

- **Q2 Capital and Risk Solutions segment base earnings of \$203 million and net earnings of \$169 million** Base earnings of \$203 million increased by \$13 million compared to the same quarter last year, primarily due to favourable structured business earnings and investment earnings, partially offset by unfavourable experience in the U.S. life business.

## QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of \$0.52 per share on the common shares of Lifeco payable September 29, 2023 to shareholders of record at the close of business August 31, 2023.

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

<b>First Preferred Shares</b>	<b>Amount, per share</b>
Series G	\$0.3250
Series H	\$0.30313
Series I	\$0.28125
Series L	\$0.353125
Series M	\$0.3625
Series N	\$0.109313
Series P	\$0.3375
Series Q	\$0.321875
Series R	\$0.3000
Series S	\$0.328125
Series T	\$0.321875
Series Y	\$0.28125

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

### **Second Quarter Conference Call**

Lifeco's second quarter conference call and audio webcast will be held on Wednesday, August 9, at 8:30 a.m. ET. The call and webcast can be accessed through [greatwestlifeco.com/news-events/events](https://greatwestlifeco.com/news-events/events) or by phone at:

- Participants in the Toronto area: 416-915-3239
- Participants from North America: 1-800-319-4610

A replay of the call will be available until September 9 and can be accessed by calling 604-674-8052 or 1-855-669-9658 (passcode: 9667). The archived webcast will be available on [greatwestlifeco.com](https://greatwestlifeco.com).

Selected financial information is attached.

### **GREAT-WEST LIFECO INC.**

Great-West Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. We operate in Canada, the United States and Europe under the brands Canada Life, Empower, Putnam Investments, and Irish Life. At the end of 2022, our companies had approximately 31,000 employees, 234,500 advisor relationships, and thousands of distribution partners – all serving over 38 million customer relationships across these regions. Great-West Lifeco trades on the Toronto Stock Exchange (TSX) under the ticker symbol GWO and is a member of the Power Corporation group of companies. To learn more, visit [greatwestlifeco.com](https://greatwestlifeco.com).

### **Basis of presentation**

The condensed consolidated interim unaudited financial statements for the periods ended June 30, 2023 of Lifeco, have been prepared in accordance with International Financial Reporting Standards (IFRS) unless otherwise noted and are the basis for the figures presented in this release, unless otherwise noted.

### **Cautionary note regarding Forward-Looking Information**

This release contains 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 "will", "may", "expects", "anticipates", "intends", "plans", "believes", "estimates", "objective", "target", "potential" and other similar expressions or negative versions thereof. Forward-looking information includes, without limitation, statements about the Company and its operations, business (including business mix), financial condition, expected financial performance (including revenues, earnings or growth rates and medium-term financial objectives), ongoing business strategies or prospects, climate-related and diversity-related measures, objectives and targets, anticipated global economic conditions and possible future actions by the Company, including statements made with respect to the expected costs, benefits, timing of integration activities and timing and extent of revenue and expense synergies of acquisitions and divestitures (including but not limited to the proposed acquisition of Investment Planning Counsel (IPC), the proposed acquisition of Value Partners Group Inc. (Value Partners), the proposed sale of Putnam Investments (Putnam), and the proposed sale of Canada Life U.K.'s individual onshore protection business), value creation and growth opportunities, expected capital management activities and use of capital, estimates of risk sensitivities affecting capital adequacy ratios, expected dividend levels, expected cost reductions and savings, expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities and solutions and investments in strategic partnerships), the timing and completion of the proposed acquisitions of IPC and Value Partners and the proposed sale of Putnam and Canada Life U.K.'s individual onshore protection business, and the impact of regulatory developments on the Company's business strategy and growth objectives.

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, mutual fund and retirement solutions 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. 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. In all cases, whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, assumptions around sales, fee rates, asset breakdowns, lapses, plan contributions, redemptions and market returns, the ability to integrate recent and proposed acquisitions, the ability to leverage recent and proposed acquisitions and achieve anticipated synergies, customer behaviour (including customer response to new products), the Company's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy and plan lapse rates, participant net contribution, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets (including continued access to equity and debt markets), industry sector and individual debt issuers' financial conditions (particularly in certain industries that may comprise part of the Company's investment portfolio), business competition, 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, changes in actuarial standards, 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, unplanned material changes to the Company's facilities, customer and employee relations or credit arrangements, levels of administrative and operational efficiencies, changes in trade organizations, and other general economic, political and market factors in North America and internationally.

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 2022 Annual MD&A under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" and in the Company's annual information form dated February 8, 2023 under "Risk Factors", which, along with other filings, is available for review at [www.sedar.com](http://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-GAAP Financial Measures and Ratios**

This release contains some non-Generally Accepted Accounting Principles (GAAP) financial measures and non-GAAP ratios as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure". Terms by which non-GAAP financial measures are identified include, but are not limited to, "base earnings (loss)", "base earnings (loss) (US\$)", "base earnings: insurance service result", "base earnings: net investment result", "assets under management" and "assets under administration". Terms by which non-GAAP ratios are identified include, but are not limited to, "base earnings per common share (EPS)", "base return on equity (ROE)", "base dividend payout ratio" and "effective income tax rate – base earnings – common shareholders". Non-GAAP financial measures and ratios are used to provide management and investors with additional measures of performance to help assess results where no comparable GAAP (IFRS) measure exists. However, non-GAAP financial measures and ratios do not have standard meanings prescribed by GAAP (IFRS) and are not directly comparable to similar measures used by other companies. Refer to the "Non-GAAP Financial Measures and Ratios" section in this release for the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP as well as additional details on each measure and ratio.

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# GREAT-WEST LIFECO INC.

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

### Selected consolidated financial information *(in Canadian \$ millions, except for per share amounts)*

	As at or for the three months ended			For the six months ended	
	June 30 2023	March 31 2023 <sup>6</sup>	June 30 2022 (Restated)	June 30 2023	June 30 2022 (Restated)
<b>Earnings</b>					
Base earnings <sup>1,6</sup>	\$ 920	\$ 826	\$ 903	\$ 1,746	\$ 1,615
Net earnings - common shareholders	498	595	823	1,093	2,157
<b>Per common share</b>					
Basic:					
Base earnings <sup>2,6</sup>	0.99	0.89	0.97	1.87	1.73
Net earnings	0.53	0.64	0.88	1.17	2.32
Diluted net earnings	0.53	0.64	0.88	1.17	2.31
Dividends paid	0.52	0.52	0.49	1.04	0.98
Book value <sup>3</sup>	23.22	23.45	22.11		
Base return on equity <sup>2,6</sup>	15.9 %	16.1 %			
Return on equity <sup>3</sup>	11.7 %	13.4 %			
Base dividend payout ratio <sup>2,6</sup>	52.6 %	58.7 %	50.6 %		
Dividend payout ratio <sup>3</sup>	97.4 %	81.3 %	55.7 %		
Financial leverage ratio <sup>4</sup>	31 %	33 %	33 %		
Price/earnings ratio <sup>3</sup>	14.2X	11.7X			
Price/book value ratio <sup>3</sup>	1.7X	1.5X			
<b>Total assets per financial statements</b>	<b>\$ 690,003</b>	<b>\$ 691,853</b>			
<b>Total assets under management<sup>1</sup></b>	<b>1,042,373</b>	<b>1,040,214</b>			
<b>Total assets under administration<sup>1</sup></b>	<b>2,643,378</b>	<b>2,596,151</b>			
<b>Total contractual service margin (net of reinsurance held)</b>	<b>13,058</b>	<b>13,043</b>			
<b>Total equity</b>	<b>\$ 28,774</b>	<b>\$ 29,037</b>			
<b>Canada Life Assurance Company consolidated LICAT Ratio<sup>5</sup></b>	<b>126 %</b>	<b>127 %</b>			

<sup>1</sup> This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

<sup>2</sup> This metric is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

<sup>3</sup> Refer to the "Glossary" section of the Company's second quarter of 2023 interim MD&A for additional details on the composition of this measure.

<sup>4</sup> The calculation for financial leverage ratio includes the after-tax non-participating CSM balance in the denominator, other than CSM associated with segregated fund guarantees. This reflects that the CSM represents future profit and is considered available capital under LICAT. These ratios are estimates based on available data.

<sup>5</sup> The Life Insurance Capital Adequacy Test (LICAT) Ratio is based on the consolidated results of The Canada Life Assurance Company (Canada Life), Lifeco's major Canadian operating subsidiary. The LICAT Ratio is calculated in accordance with the Office of Superintendent of Financial Institutions' guideline - Life Insurance Capital Adequacy Test. Refer to the "Capital Management and Adequacy" section of the Company's second quarter of 2023 interim MD&A for additional details.

<sup>6</sup> Comparative results are restated to exclude net earnings (losses) from discontinued operations related to Putnam Investments.

# GREAT-WEST LIFECO INC.

## BASE AND NET EARNINGS

Consolidated base earnings and net earnings of Lifeco include the base earnings and net earnings of Canada Life (and its operating subsidiaries), Empower and PanAgora Asset Management, together with Lifeco's Corporate operating results. Net earnings also include the earnings from Putnam Investments reported as discontinued operations.

With the adoption of IFRS 17, the Company refined the definition of base earnings (loss) in the first quarter of 2023 with application to 2022 comparative results for an updated representation of the Company's underlying business performance, as well as for consistency and comparability with financial services industry peers.

For a further description of base earnings, refer to the "Non-GAAP Financial Measures and Ratios" section of this document and the Company's MD&A for the period ended June 30, 2023.

### Base earnings<sup>1</sup> and net earnings - common shareholders by segment (unaudited)

	For the three months ended			For the six months ended	
	June 30 2023	March 31 2023 <sup>4</sup>	June 30 2022 (Restated)	June 30 2023	June 30 2022 (Restated)
<b>Base earnings (loss)<sup>1,4</sup></b>					
Canada	\$ 283	\$ 278	\$ 340	\$ 561	\$ 564
United States <sup>4</sup>	265	218	164	483	308
Europe	180	178	210	358	386
Capital and Risk Solutions	203	157	190	360	361
Lifeco Corporate	(11)	(5)	(1)	(16)	(4)
<b>Lifeco base earnings<sup>1,4</sup></b>	<b>\$ 920</b>	<b>\$ 826</b>	<b>\$ 903</b>	<b>\$ 1,746</b>	<b>\$ 1,615</b>
<b>Items excluded from base earnings</b>					
Market experience relative to expectations <sup>2</sup>	\$ (79)	\$ (168)	\$ 79	\$ (247)	\$ 765
Realized OCI gains / (losses) from asset rebalancing	(121)	—	—	(121)	—
Assumption changes and management actions <sup>2</sup>	(4)	7	(15)	3	(33)
Acquisition and divestiture costs <sup>3</sup>	(158)	—	(57)	(158)	(64)
Restructuring and integration costs	(20)	(19)	(44)	(39)	(56)
Amortization of acquisition-related finite life intangibles	(36)	(32)	(36)	(68)	(63)
Discontinued operations - Asset Management <sup>4</sup>	(4)	(19)	(7)	(23)	(7)
<b>Items excluded from Lifeco base earnings</b>	<b>\$ (422)</b>	<b>\$ (231)</b>	<b>\$ (80)</b>	<b>\$ (653)</b>	<b>\$ 542</b>
<b>Net earnings (loss) - common shareholders</b>					
Canada	\$ 148	\$ 233	\$ 362	\$ 381	\$ 805
United States	90	151	23	241	135
Europe	102	40	250	142	794
Capital and Risk Solutions	169	184	179	353	413
Lifeco Corporate	(11)	(13)	9	(24)	10
<b>Lifeco net earnings - common shareholders</b>	<b>\$ 498</b>	<b>\$ 595</b>	<b>\$ 823</b>	<b>\$ 1,093</b>	<b>\$ 2,157</b>

<sup>1</sup> This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

<sup>2</sup> Refer to the "Glossary" section of this document for additional details on the composition of this measure.

<sup>3</sup> The acquisition and divestiture costs relate to acquisitions in the U.S. segment (the full-service retirement business of Prudential, Personal Capital and the retirement services business of MassMutual), the agreement to sell Putnam Investments as well as acquisitions and divestitures in the Europe and Canada segments.

<sup>4</sup> Comparative results are restated to exclude net earnings (losses) from discontinued operations related to Putnam Investments from base earnings.



## **NON-GAAP FINANCIAL MEASURES AND RATIOS**

### **Non-GAAP Financial Measures**

The Company uses several non-GAAP financial measures to measure overall performance of the Company and to assess each of its business units. A financial measure is considered a non-GAAP measure for Canadian securities law purposes if it is presented other than in accordance with generally accepted accounting principles (GAAP) used for the Company's consolidated financial statements. The consolidated financial statements of the Company have been prepared in compliance with IFRS as issued by the IASB. Non-GAAP financial measures do not have a standardized meaning under GAAP and may not be comparable to similar financial measures presented by other issuers. Investors may find these financial measures useful in understanding how management views the underlying business performance of the Company.

### **Base earnings (loss)**

Base earnings (loss) reflect management's view of the underlying business performance of the Company and provides an alternate measure to understand the underlying business performance compared to IFRS net earnings.

Base earnings (loss) exclude the following items from IFRS reported net earnings:

- Market-related impacts, where actual market returns in the current period are different than longer-term expected returns on assets and liabilities;
- Assumption changes and management actions that impact the measurement of assets and liabilities;
- Acquisition and divestiture costs;
- Restructuring and integration costs;
- Material legal settlements, material impairment charges related to goodwill and intangible assets, impacts of income tax rate changes and other tax impairments, net gains, losses or costs related to the disposition or acquisition of a business; net earnings (loss) from discontinued operations and
- Other items that, when removed, assist in explaining the Company's underlying business performance.

The definition of base earnings (loss) has been refined (in 2023 and applied to 2022 comparative results) to also exclude the following impacts that are included in IFRS reported net earnings for an improved representation of the Company's underlying business performance, as well as for consistency and comparability with financial services industry peers:

- Realized gains (losses) on the sale of assets measured at fair value through other comprehensive income (FVOCI);
- The direct equity and interest rate impacts on the measurement of surplus assets and liabilities; and
- Amortization of acquisition related finite life intangible assets.

GREAT-WEST  
**LIFECO** INC.

Lifeco	For the three months ended			For the six months ended	
	June 30 2023	March 31 2023	June 30 2022 (Restated)	June 30 2023	June 30 2022 (Restated)
<b>Base earnings</b>	\$ 920	\$ 826	\$ 903	\$ 1,746	\$ 1,615
<b>Items excluded from Lifeco base earnings</b>					
Market experience relative to expectations (pre-tax)	\$ (92)	\$ (209)	\$ 152	\$ (301)	\$ 1,016
Income tax (expense) benefit	13	41	(73)	54	(251)
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	(158)	—	—	(158)	—
Income tax (expense) benefit	37	—	—	37	—
Assumption changes and management actions (pre-tax)	(5)	9	(17)	4	(36)
Income tax (expense) benefit	1	(2)	2	(1)	3
Acquisition and divestiture costs (pre-tax)	(208)	—	(71)	(208)	(79)
Income tax (expense) benefit	50	—	14	50	15
Restructuring and integration costs (pre-tax)	(28)	(26)	(60)	(54)	(77)
Income tax (expense) benefit	8	7	16	15	21
Amortization of acquisition-related finite life intangibles (pre-tax)	(49)	(43)	(49)	(92)	(84)
Income tax (expense) benefit	13	11	13	24	21
Total pre-tax items excluded from base earnings	\$ (540)	\$ (269)	\$ (45)	\$ (809)	\$ 740
Impact of items excluded from base earnings on income taxes	122	57	(28)	179	(191)
Discontinued operations - Asset Management (post-tax)	(4)	(19)	(7)	(23)	(7)
<b>Net earnings - common shareholders</b>	<b>\$ 498</b>	<b>\$ 595</b>	<b>\$ 823</b>	<b>\$ 1,093</b>	<b>\$ 2,157</b>

# GREAT-WEST LIFECO INC.

## Canada

	For the three months ended			For the six months ended	
	June 30 2023	March 31 2023	June 30 2022 (Restated)	June 30 2023	June 30 2022 (Restated)
<b>Base earnings</b>	<b>\$ 283</b>	<b>\$ 278</b>	<b>\$ 340</b>	<b>\$ 561</b>	<b>\$ 564</b>
<b>Items excluded from base earnings</b>					
Market experience relative to expectations (pre-tax)	\$ (179)	\$ (60)	\$ 65	\$ (239)	\$ 363
Income tax (expense) benefit	50	17	(30)	67	(102)
Assumption changes and management actions (pre-tax)	1	3	(10)	4	(13)
Income tax (expense) benefit	—	(1)	1	(1)	2
Amortization of acquisition-related finite life intangibles (pre-tax)	(6)	(6)	(6)	(12)	(12)
Income tax (expense) benefit	1	2	2	3	3
Acquisition and divestiture costs (pre-tax)	(3)	—	—	(3)	—
Income tax (expense) benefit	1	—	—	1	—
<b>Net earnings - common shareholders</b>	<b>\$ 148</b>	<b>\$ 233</b>	<b>\$ 362</b>	<b>\$ 381</b>	<b>\$ 805</b>

## United States

	For the three months ended			For the six months ended	
	June 30 2023	March 31 2023	June 30 2022 (Restated)	June 30 2023	June 30 2022 (Restated)
<b>Base earnings</b>	<b>\$ 265</b>	<b>\$ 218</b>	<b>\$ 164</b>	<b>\$ 483</b>	<b>\$ 308</b>
<b>Items excluded from base earnings</b>					
Market experience relative to expectations (pre-tax)	\$ (4)	\$ (5)	\$ (8)	\$ (9)	\$ (7)
Income tax (expense) benefit	—	—	—	—	(1)
Restructuring and integration costs (pre-tax)	(28)	(26)	(60)	(54)	(77)
Income tax (expense) benefit	8	7	16	15	21
Amortization of acquisition-related finite life intangibles (pre-tax)	(37)	(32)	(39)	(69)	(64)
Income tax (expense) benefit	10	8	10	18	16
Acquisition and divestiture costs (pre-tax)	(159)	—	(67)	(159)	(69)
Income tax (expense) benefit	39	—	14	39	15
Discontinued operations - Asset Management (post-tax)	(4)	(19)	(7)	(23)	(7)
<b>Net earnings - common shareholders</b>	<b>\$ 90</b>	<b>\$ 151</b>	<b>\$ 23</b>	<b>\$ 241</b>	<b>\$ 135</b>

# GREAT-WEST LIFECO INC.

## Europe

	For the three months ended			For the six months ended	
	June 30 2023	March 31 2023	June 30 2022 (Restated)	June 30 2023	June 30 2022 (Restated)
<b>Base earnings</b>	\$ 180	\$ 178	\$ 210	\$ 358	\$ 386
<b>Items excluded from base earnings</b>					
Market experience relative to expectations (pre-tax)	\$ 100	\$ (155)	\$ 70	\$ (55)	\$ 533
Income tax (expense) benefit	(16)	16	(16)	—	(91)
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	(158)	—	—	(158)	—
Income tax (expense) benefit	37	—	—	37	—
Assumption changes and management actions (pre-tax)	(1)	6	(8)	5	(19)
Income tax (expense) benefit	—	(1)	1	(1)	1
Amortization of acquisition-related finite life intangibles (pre-tax)	(6)	(5)	(4)	(11)	(8)
Income tax (expense) benefit	2	1	1	3	2
Acquisition and divestiture costs (pre-tax)	(46)	—	(4)	(46)	(10)
Income tax (expense) benefit	10	—	—	10	—
<b>Net earnings (loss) - common shareholders</b>	<b>\$ 102</b>	<b>\$ 40</b>	<b>\$ 250</b>	<b>\$ 142</b>	<b>\$ 794</b>

## Capital and Risk Solutions

	For the three months ended			For the six months ended	
	June 30 2023	March 31 2023	June 30 2022 (Restated)	June 30 2023	June 30 2022 (Restated)
<b>Base earnings</b>	\$ 203	\$ 157	\$ 190	\$ 360	\$ 361
<b>Items excluded from base earnings</b>					
Market experience relative to expectations (pre-tax)	\$ (9)	\$ 22	\$ 11	\$ 13	\$ 108
Income tax (expense) benefit	(21)	5	(23)	(16)	(52)
Assumption changes and management actions (pre-tax)	(5)	—	1	(5)	(4)
Income tax (expense) benefit	1	—	—	1	—
<b>Net earnings - common shareholders</b>	<b>\$ 169</b>	<b>\$ 184</b>	<b>\$ 179</b>	<b>\$ 353</b>	<b>\$ 413</b>

# GREAT-WEST LIFECO INC.

## Lifeco Corporate

	For the three months ended			For the six months ended	
	June 30 2023	March 31 2023	June 30 2022 (Restated)	June 30 2023	June 30 2022 (Restated)
<b>Base earnings (loss)</b>	\$ (11)	\$ (5)	\$ (1)	\$ (16)	\$ (4)
<b>Items excluded from base earnings (loss)</b>					
Market experience relative to expectations (pre-tax)	\$ —	\$ (11)	\$ 14	\$ (11)	\$ 19
Income tax (expense) benefit	—	3	(4)	3	(5)
<b>Net earnings (loss) - common shareholders</b>	<b>\$ (11)</b>	<b>\$ (13)</b>	<b>\$ 9</b>	<b>\$ (24)</b>	<b>\$ 10</b>

### Assets under management (AUM) and assets under administration (AUA)

Assets under management and assets under administration are non-GAAP measures that provide an indicator of the size and volume of the Company's overall business. Administrative services are an important aspect of the overall business of the Company and should be considered when comparing volumes, size and trends.

Total assets under administration includes total assets per financial statements, proprietary mutual funds and institutional assets and other assets under administration.

## Lifeco

	June 30 2023	March 31 2023
<b>Total assets per financial statements<sup>1</sup></b>	<b>\$ 690,003</b>	<b>\$ 691,853</b>
Other AUM <sup>1</sup>	<b>352,370</b>	<b>348,361</b>
<b>Total AUM<sup>1</sup></b>	<b>\$ 1,042,373</b>	<b>\$ 1,040,214</b>
Other AUA	<b>1,601,005</b>	<b>1,555,937</b>
<b>Total AUA<sup>1</sup></b>	<b>\$ 2,643,378</b>	<b>\$ 2,596,151</b>

<sup>1</sup> Figures include assets held for sale and other AUM related to the discontinued operations of Putnam Investments.

### NON-GAAP RATIOS

A non-GAAP ratio is a financial measure in the form of a ratio, fraction, percentage or similar representation that is not disclosed in the financial statements of the Company and has a non-GAAP financial measure as one or more of its components. These financial measures do not have a standardized definition under IFRS and might not be comparable to similar financial measures disclosed by other issuers.

The non-GAAP ratios disclosed by the Company each use base earnings (loss) as the non-GAAP component. Base earnings (loss) reflect management's view of the underlying business performance of the Company and provides an alternate measure to understand the underlying business performance compared to IFRS net earnings.

- **Base dividend payout ratio** - Dividends paid to common shareholders are divided by base earnings (loss).
- **Base earnings per share** - Base earnings (loss) for the period is divided by the number of average common shares outstanding for the period.
- **Base return on equity** - Base earnings (loss) for the trailing four quarters are divided by the average common shareholders' equity over the trailing four quarters. This measure provides an indicator of business unit profitability.