

GREAT-WEST LIFECO INC.

Quarterly Information for Analysts and Investors Q2 2018



CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This document 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 the Company's 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 document 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", "core net earnings", "adjusted return on equity", "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 in the Company's Q2 2018 Management's Discussion and Analysis.



Paul Mahon

President & CEO
Great-West Lifeco

Summary of Results

Q2 2018 Highlights

- Earnings up 17% year-over-year (YoY) on an adjusted basis ⁽¹⁾
 - Include \$60m positive impact from refinancing in U.S. segment
- Canada – earnings growth of 7% YoY and an acceleration of digital initiatives
- U.S. – stronger sales at Empower and Putnam and lower federal taxes
- Europe – solid operating performance while taking strategic action
 - Announced agreement to sell block of heritage policies in the U.K.
 - Announced agreement to acquire majority stake in Invesco Ltd. (Ireland)
- Strong capital position and financial flexibility

Canada Transformation Update

- Progressing as planned
- Workforce realignment ongoing
 - Voluntary retirement program, controlled hiring
- Delivering on transformation cost savings
 - On track to achieve \$200M target by Q1 2019
- Acceleration of digital initiatives in quarter
 - First agile lab in final phase; market pilot in the fall
 - Second agile lab launched
 - Digital Workplace Program to drive operational effectiveness

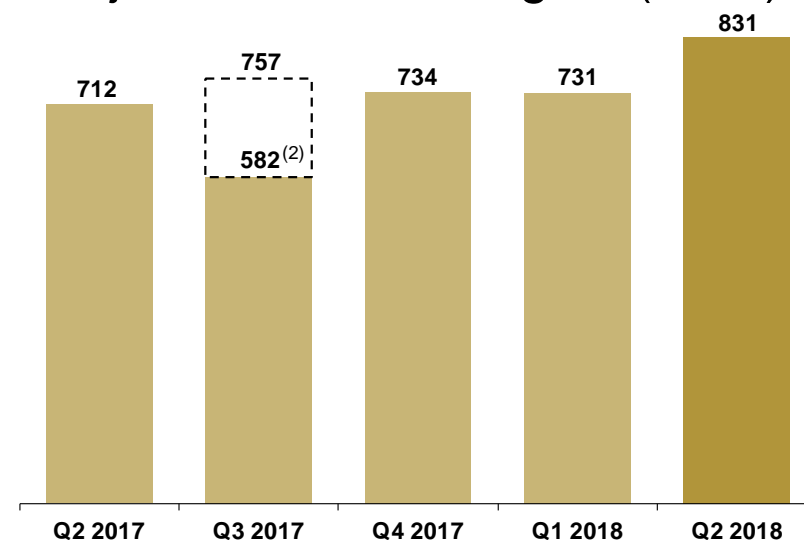
Summary of Results

- Net earnings of \$831m, up 42% YoY
 - Up 17% YoY, on an adjusted basis, and up 16% YoY, in constant currency
 - Include \$60m positive impact from refinancing in U.S. segment
 - Excluding this impact, net earnings of \$771m, up 8% YoY, on an adjusted basis

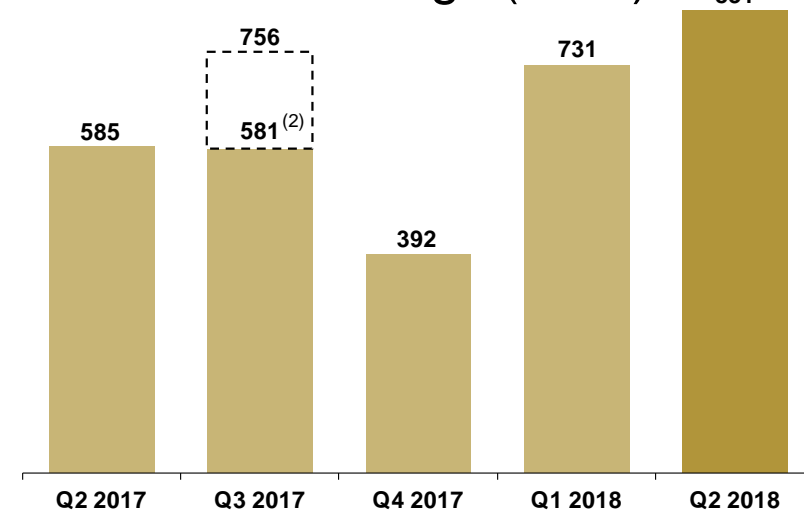
- Capital strength and flexibility
 - LICAT ratio at 133%
 - RBC ratio of 502%⁽³⁾
 - Lifeco cash of \$0.9b

- Dividend of \$0.389 per share

Adjusted Net Earnings⁽¹⁾ (C\$m)



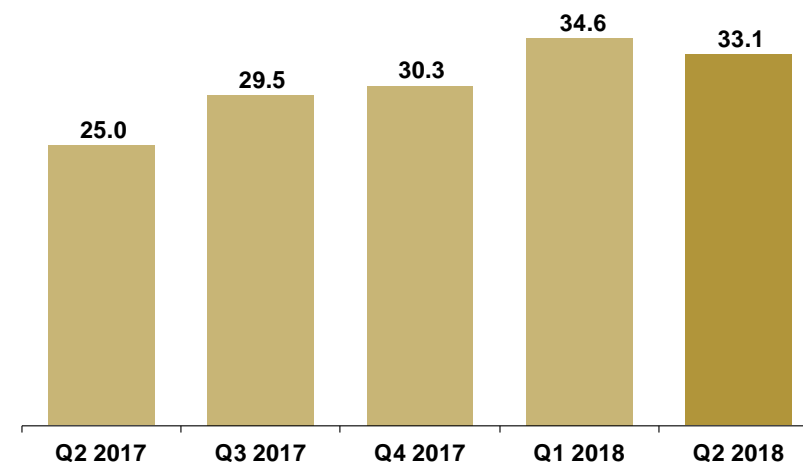
Net Earnings (C\$m)



1) Lifeco adjusted totals exclude post-tax restructuring costs of \$127m in Q2/17, \$1m in Q3/17, and \$4m in Q4/17. Additionally, Q4/17 excludes a net charge for U.S. tax reform impact of \$216m and a net charge on the disposal of an equity investment of \$122m. 2) Q3/17 includes reinsurance losses of \$175m after-tax 3) As of December 31, 2017

Summary of Results – Sales

Sales (C\$b)



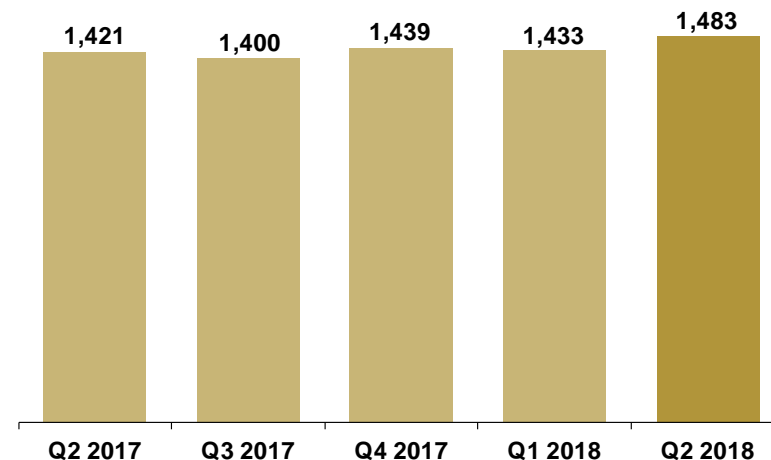
	Canada	U.S.	Europe	Lifeco
Q2 2018	3.0	24.5	5.5	33.1
Q1 2018	3.8	25.1	5.7	34.6
Q2 2017	3.2	16.9	4.8	25.0
YoY	(6%)	45%	14%	32%
Constant Currency	(6%)	50%	10%	35%

- Canada
 - Lower Group Wealth and lower Individual Customer sales YoY partly offset by higher Group Insurance sales
- U.S.
 - Empower sales up 46% YoY in local currency
 - Higher institutional and mutual fund sales YoY at Putnam
- Europe
 - Higher sales across most products in U.K. and Germany
 - Higher fund management sales partly offset by lower pension sales in Ireland

Summary of Results – Fee and Other Income

- Lifeco fee income up 4% YoY
 - Average equity markets:
 - S&P/TSX 3%
 - S&P 500 13%
 - Eurostoxx 50 (2%)
- Canada
 - Higher average assets and the addition of Financial Horizons Group
- U.S.
 - Higher fees from participant and asset growth at Empower partly offset by lower performance and other fees at Putnam
- Europe
 - Higher fee income in Ireland and Germany and higher other income in Ireland

Fee and Other Income (C\$m)



	Canada	U.S.	Europe	Lifeco
Q2 2018	433	655	395	1,483
Q1 2018	438	631	364	1,433
Q2 2017	417	658	346	1,421
YoY	4%	0%	14%	4%
Constant Currency	4%	3%	10%	5%

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to fee and other income. Comparative figures have been restated as described in note 2 to the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2018 and within the "International Financial Reporting Standards" section of the MD&A.

Summary of Results – Expenses

Canada

- \$170m pre-tax annualized run-rate reductions achieved of which \$131m relates to the shareholder account
- Acceleration of digital initiatives and the addition of Financial Horizons Group

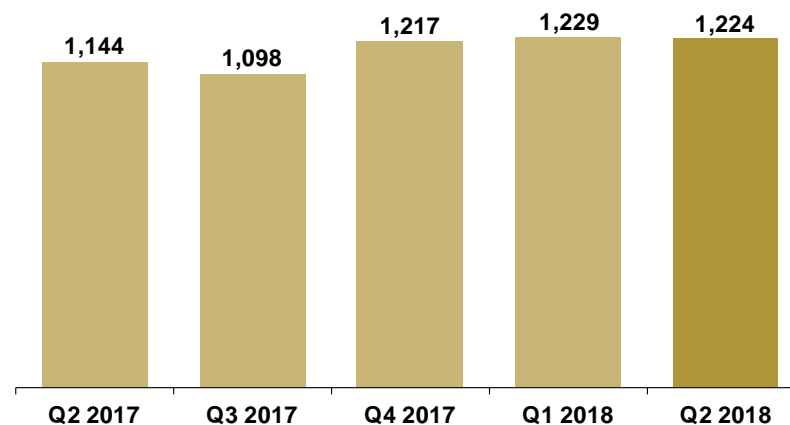
U.S.

- Higher expenses due to business growth partly offset by cost efficiencies

Europe

- Higher expenses in U.K. related to Retirement Advantage
- Higher IS and business growth expenses

Adjusted Expenses⁽¹⁾ (C\$m)



	Canada	U.S.	Europe	Lifeco (Adjusted) ⁽¹⁾	Lifeco (Including Restructuring)
Q2 2018	414	526	279	1,224	1,224
Q1 2018	416	529	279	1,229	1,229
Q2 2017	377	517	248	1,144	1,360
YoY	10%	2%	13%	7%	(10%)
Constant Currency	10%	6%	9%	8%	(9%)

1) Adjusted totals exclude pre-tax restructuring costs of \$216m in Q2/17, \$1m in Q3/17 and \$5m in Q4/17.

Notes: Lifeco totals include Lifeco corporate expenses.

Effective Jan. 1, 2018 the Company adopted IFRS 15 Revenue from Contracts with Customers, which resulted in reclassifications to expenses. Comparative figures have been restated as described in note 2 to the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2018 and within the "International Financial Reporting Standards" section of the MD&A.



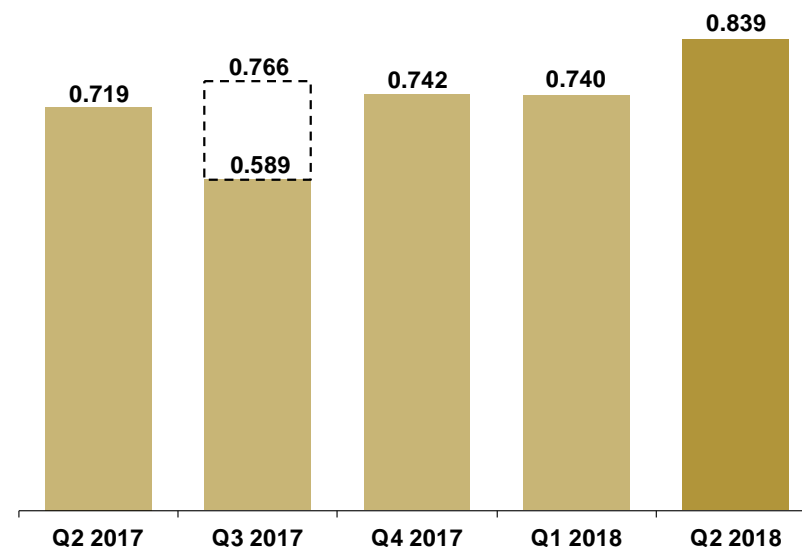
Garry MacNicholas

EVP & CFO
Great-West Lifeco

Financial Highlights

Financial Highlights - Earnings

Adjusted Net Earnings per Share⁽¹⁾



- EPS of \$0.84, up 17% YoY (adjusted)
 - \$0.78, up 8% YoY (adjusted) excluding U.S. refinancing impact
- Canada
 - Higher basis changes in Individual Customer and strong morbidity results in Group Customer
- U.S.
 - Up 4% YoY, 6% in local currency, excluding U.S. refinancing impact
- Europe
 - Solid operating results and longevity assumption changes offset by lower investment gains

Q2 2018
Q1 2018
Q2 2017
YoY
Constant Currency

	Canada	U.S.	Europe	Lifeco (Adjusted) ⁽¹⁾	Lifeco (Reported)
Q2 2018	334	145	355	831	831
Q1 2018	316	75	344	731	731
Q2 2017	311	82	322	712	585
YoY	7%	77%	10%	17%	42%
Constant Currency	7%	83%	7%	16%	41%

1) Lifeco adjusted totals exclude post-tax restructuring costs of \$127m (\$0.128 per share) in Q2/17, \$1m (\$0.002 per share) in Q3/17, and \$4m (\$0.004 per share) in Q4/17. Additionally, Q4/17 excludes post-tax net charge for U.S. tax reform impact of \$216m (\$0.218 per share) and post-tax net charge on the disposal of an equity investment of \$122m (\$0.124 per share)
Note: Lifeco totals include Lifeco corporate earnings

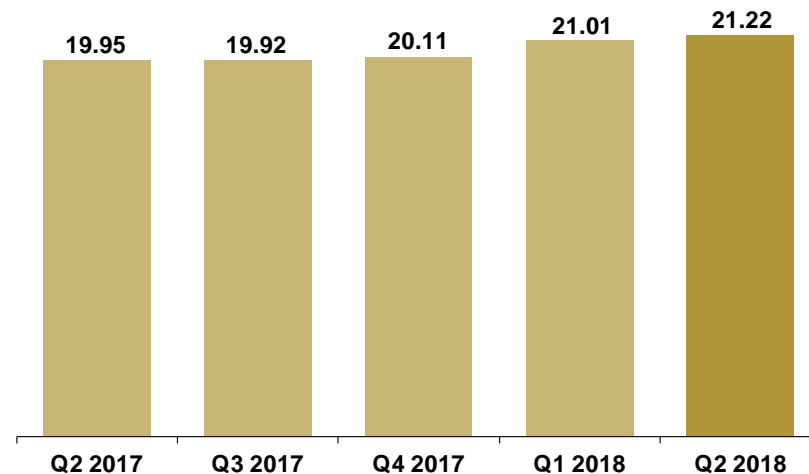
Financial Highlights – Source of Earnings

For the three months ended June 30/18	Canada	U.S.	Europe	Corp.	Q2/18 Total	Q1/18 Total	Q2/17 Total (Adjusted)
Expected profit on in-force business	304	121	303	(5)	723	711	681
Impact of new business	4	(29)	(33)	-	(58)	(96)	(61)
Experience gains and losses	64	15	(10)	-	69	85	230
Management actions and changes in assumptions	83	2	147	-	232	135	38
Other	-	(9)	-	-	(9)	-	(1)
Earnings on surplus (incl. financing charges)	15	76	(17)	1	75	17	(5)
Adjusted net earnings before tax	470	176	390	(4)	1,032	852	882
Taxes	(107)	(30)	(31)	1	(167)	(88)	(137)
Adjusted net earnings before non-controlling interests & preferred dividends	363	146	359	(3)	865	764	745
Non-controlling interests & preferred dividends	(29)	(1)	(4)	-	(34)	(33)	(33)
Adjusted net earnings – common shareholders	334	145	355	(3)	831	731	712
Total impact of restructuring costs	-	-	-	-	-	-	(127)
Net earnings – common shareholders	334	145	355	(3)	831	731	585

Financial Highlights – Book Value per Share and Return on Equity

- Lifeco cash at quarter end was \$0.9b
- Book value up 6% from last year

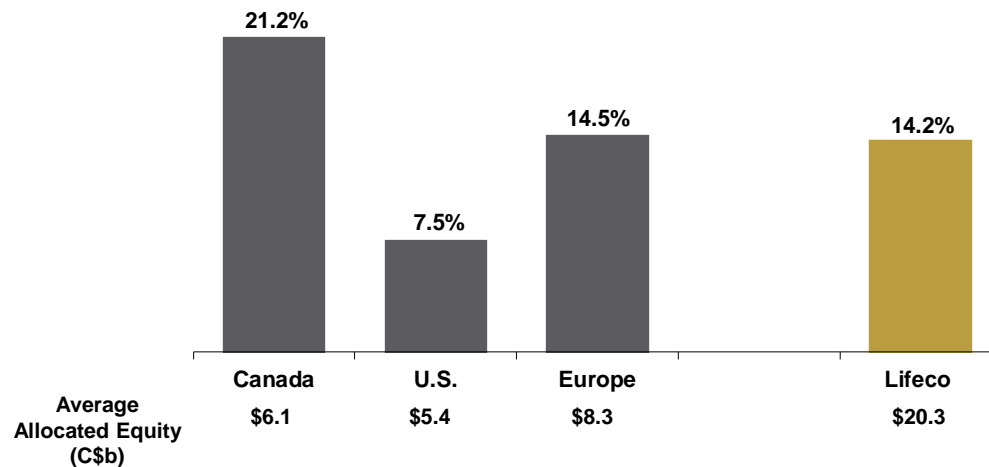
Book Value per Share



- Adjusted Return on Equity of 14.2%
- Reported Return on Equity of 12.5%

Adjusted Return on Equity

(Trailing 4 quarters)



- Adjusted ROE for Great-West Financial of 12.4% and (0.7%) for Putnam
- Lifeco Average Allocated Equity includes \$0.5 billion attributable to Lifeco Corporate

Financial Highlights – Assets under Administration

Assets Under Administration (C\$b)	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	YoY
General Fund	200	198	203	212	210	5%
Segregated Fund	209	208	217	221	221	6%
Mutual Fund & Institutional	272	269	279	286	295	9%
Other AUA	628	619	651	673	698	11%
Total	1,309	1,294	1,350	1,392	1,423	9%

- AUA growth was 3% in Canada, 10% in the U.S., and 10% in Europe
- On a constant currency basis, AUA up 8% with 9% growth in the U.S. and 7% in Europe

Questions

Appendix

<i>(In C\$m)</i>	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	YoY
Sales						
Individual Customer						
Individual Insurance	100	86	106	76	88	(12%)
Individual Wealth	2,193	1,947	2,431	2,449	2,165	(1%)
Total	2,293	2,033	2,537	2,525	2,253	(2%)
Group Customer						
Group Insurance	186	136	161	361	251	35%
Group Wealth	754	771	1,074	936	536	(29%)
Total	940	907	1,235	1,297	787	(16%)
Total	3,233	2,940	3,772	3,822	3,040	(6%)
Fee and Other Income						
Individual Customer	233	236	255	250	252	8%
Group Customer	165	161	169	170	170	3%
Corporate	19	29	12	18	11	nmf
Total	417	426	436	438	433	4%
Operating Expenses						
Individual Customer	163	161	173	185	185	13%
Group Customer	196	196	206	213	213	9%
Corporate	18	11	13	18	16	nmf
Restructuring/Acquisition	215	-	-	-	-	nmf
Total	592	368	392	416	414	(30%)
Operating Earnings⁽¹⁾						
Individual Customer	140	141	162	138	211	51%
Group Customer	189	155	193	142	194	3%
Corporate	(144)	-	(17)	36	(71)	nmf
Total	185	296	338	316	334	81%

1) Canada operating earnings include post-tax restructuring costs of \$126m in Q2/17 and a post-tax net charge for U.S. tax reform impact of \$19m in Q4/17.

Note: nmf denotes not meaningful

United States

(In US\$m)

	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	YoY
GWF Sales						
Empower Retirement	4,792	8,222	6,118	9,113	6,979	46%
Individual Markets	294	393	296	285	390	33%
Total	5,086	8,615	6,414	9,398	7,369	45%
Putnam Sales	7,552	8,323	8,674	10,504	11,630	54%
Fee and Other Income						
Empower Retirement	234	232	242	240	248	6%
Individual Markets	27	27	26	30	32	19%
Putnam	230	240	232	230	228	(1%)
Total	491	499	500	500	508	3%
Operating Expenses⁽¹⁾						
Empower Retirement	191	197	214	208	202	6%
Individual Markets	23	23	29	24	26	13%
Other ⁽²⁾	4	(13)	10	3	4	nmf
Putnam	168	178	178	185	176	5%
Restructuring / Acquisition	-	-	-	-	-	nmf
Total	386	385	431	420	408	6%
Operating Earnings⁽³⁾						
Empower Retirement	36	31	30	35	42	17%
Individual Markets	28	39	36	35	35	25%
Other ⁽²⁾	2	13	(2)	2	1	nmf
Putnam	(4)	5	(4)	(13)	(6)	nmf
Total	62	88	60	59	72	16%

1) Excludes U.S. Corporate: Q4/17 excludes an accrual of US\$8m and Q2/18 excludes an accrual release (US\$6m) both related to U.S. tax reform. Q2/18 also excludes a legal accrual US\$13m

2) Q3 2017 includes a (US\$15m) one-time expense credit resulting from the GWF Pension Curtailment which was partially offset with a Q4 2017 one time US\$7m expense for staff 401k funding.

3) Excludes U.S. Corporate: Q4/17 excludes US\$198m net charge for U.S. tax reform impact and US\$96m net charge on the disposal of an equity investment. Q2/18 excludes restructure of financing notes US\$39m, a tax reform expense accrual release US\$4m, and a legal accrual (US\$10).

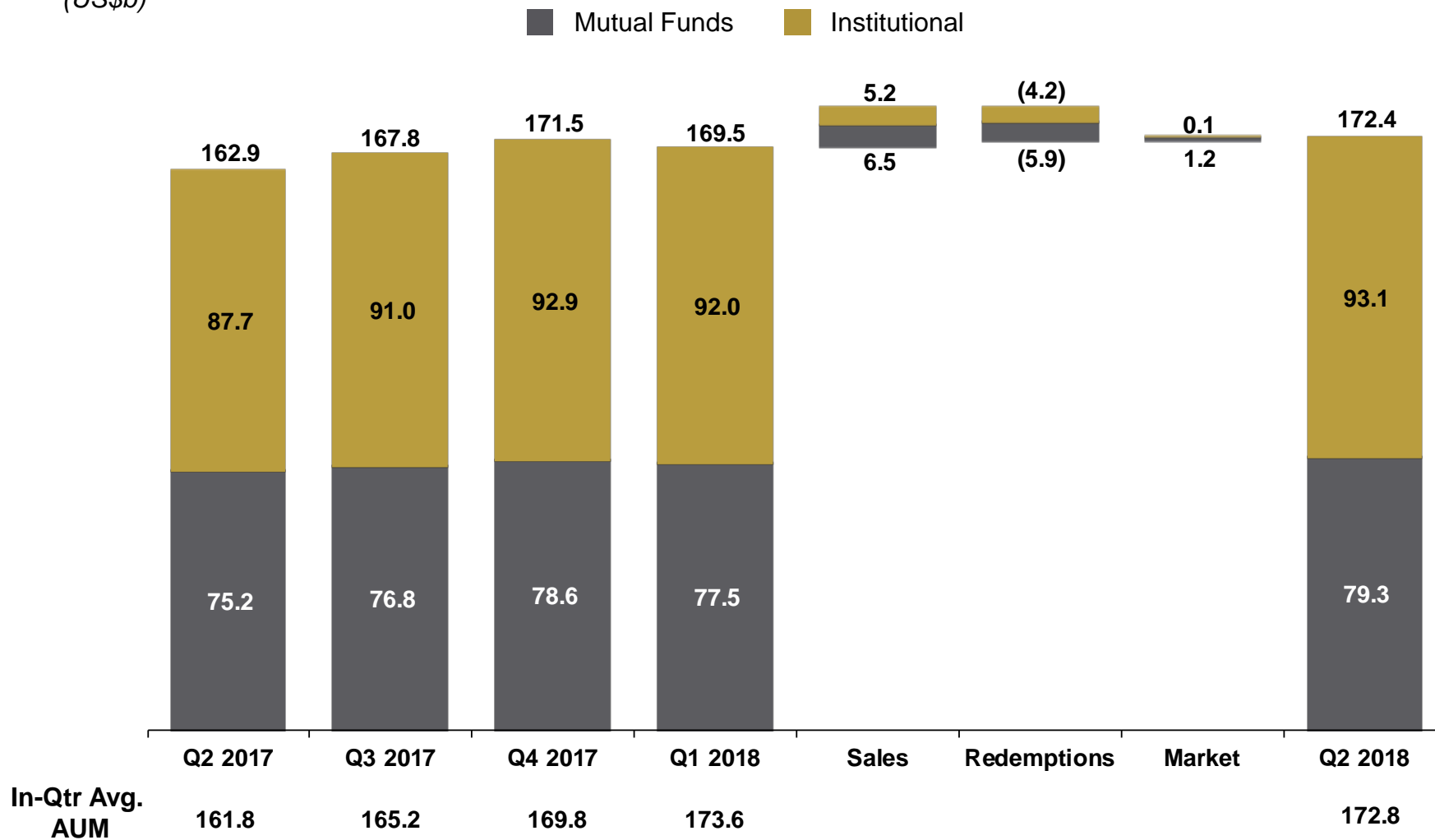
<i>(In C\$m)</i>	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	YoY
Sales						
UK / Isle of Man	873	1,086	809	949	1,151	32%
Ireland / Germany	3,962	4,276	6,516	4,790	4,384	11%
Total	4,835	5,362	7,325	5,739	5,535	14%
Fee and Other Income						
UK / Isle of Man	57	53	55	56	57	0%
Ireland / Germany	285	291	306	304	334	17%
Reinsurance	4	4	7	4	3	(25%)
Total	346	348	368	364	395	14%
Operating Expenses						
UK / Isle of Man	62	57	58	74	73	18%
Ireland / Germany	167	164	188	177	178	7%
Reinsurance	17	17	19	20	18	6%
Corporate	2	5	9	8	10	nmf
Restructuring / Acquisition	1	1	5	-	-	nmf
Total	249	243	279	279	279	12%
Operating Earnings⁽¹⁾						
UK / Isle of Man	153	150	106	178	141	(8%)
Ireland / Germany	86	83	144	66	140	63%
Reinsurance	83	(41)	67	104	97	17%
Corporate	(1)	(8)	41	(4)	(23)	nmf
Total	321	184	358	344	355	11%

1) Europe operating earnings include post-tax restructuring costs of \$1m in Q2/17, \$1m in Q3/17, and \$4m in Q4/17. Additionally, Q4/17 includes a post-tax net benefit for U.S. tax reform impact of \$54m.

Note: nmf denotes not meaningful

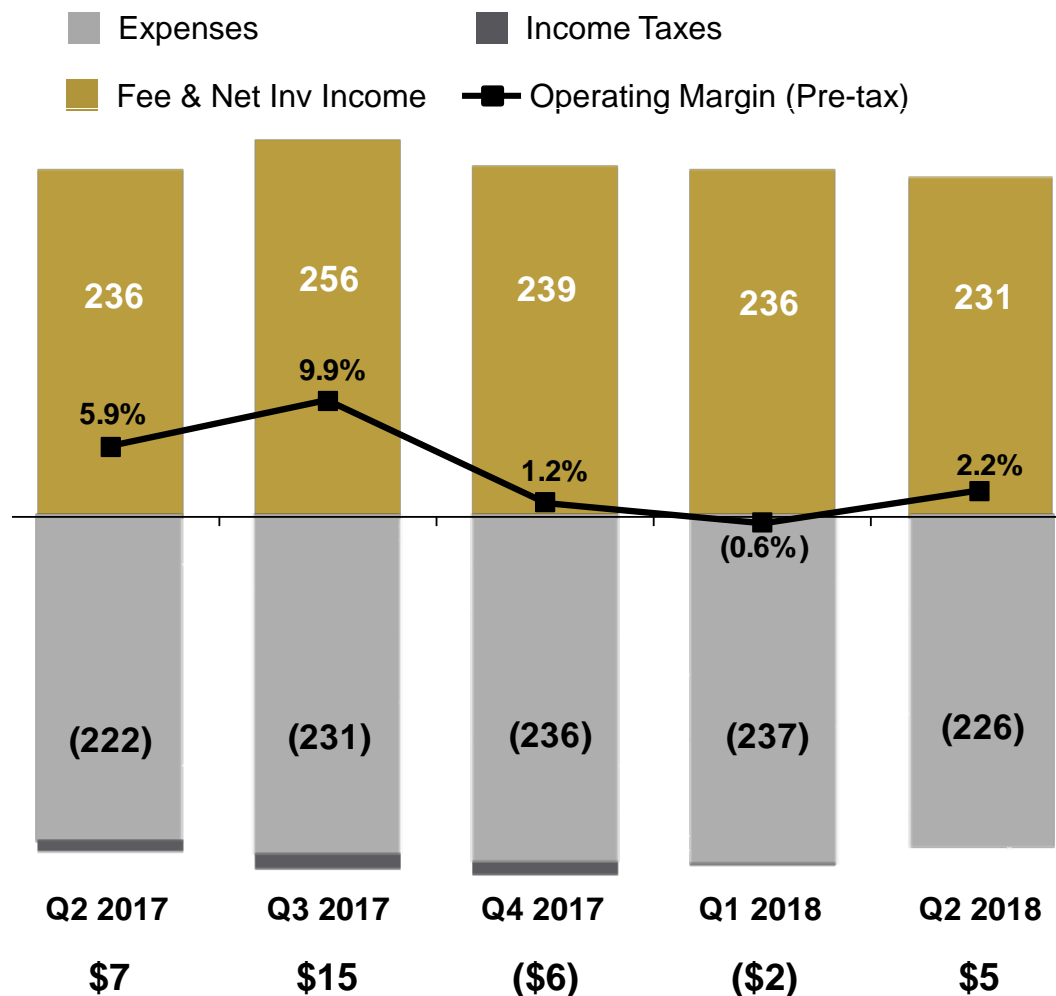
Putnam - AUM and Flows

(US\$b)



Putnam – Core Net Earnings

(US\$m)



Notes:

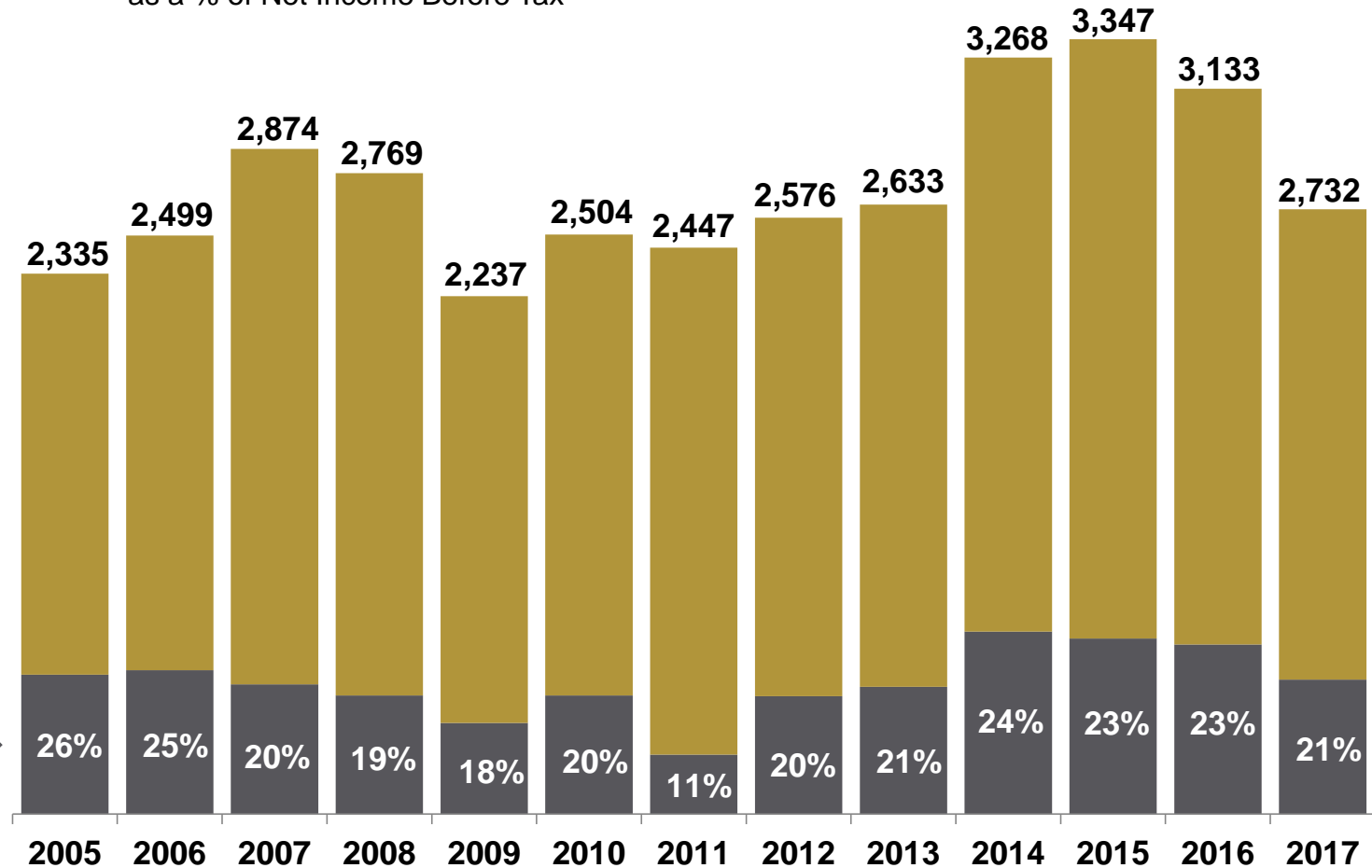
Q3/17 includes final performance fees and other proceeds from a closed portfolio of US\$18m (US\$11m after-tax).

Core net earnings (loss) (a non-IFRS financial measure) is a measure of the Asset Management business unit's performance. Core net earnings (loss) include the impact of dealer commissions and software amortization, and excludes the impact of corporate financing charges and allocations, fair value adjustments related to stock-based compensation, certain tax adjustments and other non-recurring transactions

Stable Trend Over the Years

(C\$m)

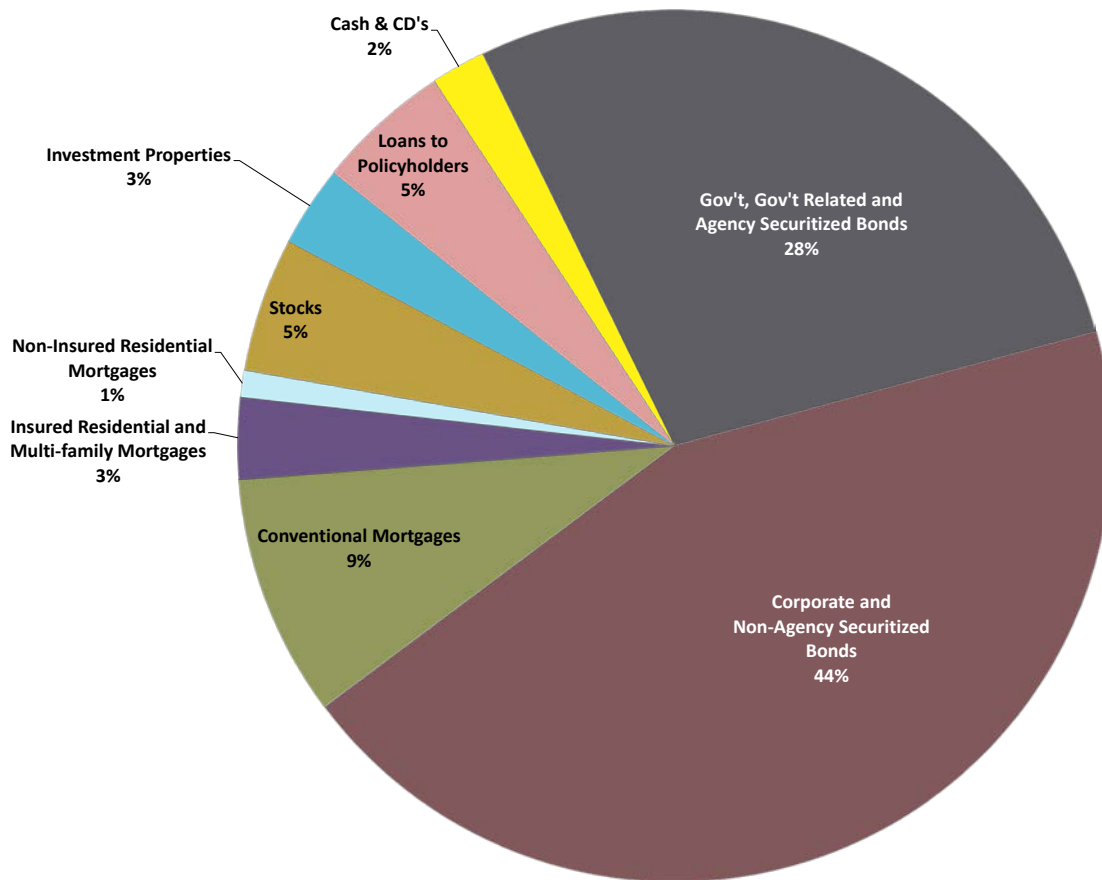
■ Experience Gains (Losses), Management Actions, and Changes in Assumptions
as a % of Net Income Before Tax



2005-2017
13 Year
Average
20.8%

Invested Asset Composition⁽¹⁾

- Invested assets of \$180.7 billion
- Diversified high quality portfolio:
 - Bonds represent 72%:
 - 99% are investment grade
 - 80% rated A or higher
 - 85% of bond holdings are domiciled in Canada, the U.S. and the U.K.
 - Mortgage portfolio represents 13%:
 - Well diversified by geography and property type
 - Well seasoned, with minimal impairments; delinquencies > 90 days on non-impaired mortgages are negligible
 - Stocks represent 5%, mostly Canadian publicly traded
 - Investment Properties represent 3%:
 - 43% in Canada; 57% in UK / Europe
 - Properties are unlevered
 - UK / European properties benefit from long term lease contracts



1) At June 30, 2018; Includes certain funds held by ceding insurers (carrying value of \$7.3bln)

Currency (Relative to C\$)

	Income & Expenses			Balance Sheet		
	US\$	£	€	US\$	£	€
Q2 2018	1.29	1.76	1.54	1.31	1.73	1.53
Q1 2018	1.26	1.76	1.55	1.29	1.81	1.59
Q4 2017	1.27	1.69	1.50	1.26	1.70	1.51
Q3 2017	1.25	1.64	1.47	1.25	1.67	1.47
Q2 2017	1.34	1.72	1.48	1.30	1.69	1.48