

GREAT-WEST LIFECO INC.

Q1 2019

Quarterly Results Presentation



Cautionary notes

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This document 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, expected impacts of the Company's recently completed substantial issuer bid 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 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", "adjusted return on equity", "core net earnings", "constant currency basis", "impact of currency movement", "premiums and deposits", "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 in the Company's 2018 Annual Management's Discussion and Analysis.



Paul Mahon

President & CEO
Great-West Lifeco

Summary of Results

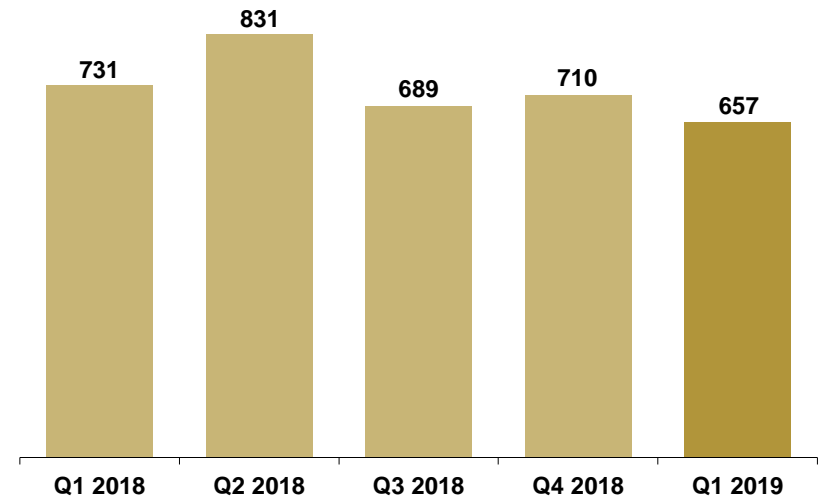
Highlights

- Strategic actions undertaken since the beginning of 2019
 - Sale of U.S. life insurance and annuity business
 - \$2 billion substantial issuer bid
 - Launch of single brand in Canada
- Net earnings down 10% YoY (pre-tax down 2%)
 - Unfavourable claims experience in Europe
 - Impact of lower average assets on fees in Canada and the U.S.
 - Higher effective tax rate relative to prior quarters
- Business fundamentals remain sound

Net Earnings

- Net earnings of \$657m, down 10% YoY
 - Pre-tax shareholders' earnings of \$838m, down 2% YoY
- Strong capital position maintained
 - LICAT ratio at 140%¹
 - Lifeco cash of \$1 billion¹
 - M&A remains a priority

Net Earnings (C\$m)



1. LICAT ratio and Lifeco cash are as at March 31, 2019 and do not reflect the impacts of the Company's substantial issuer bid which was completed after March 31, 2019.

Sales

Canada

- Lower Group wealth and insurance sales and lower Individual wealth sales

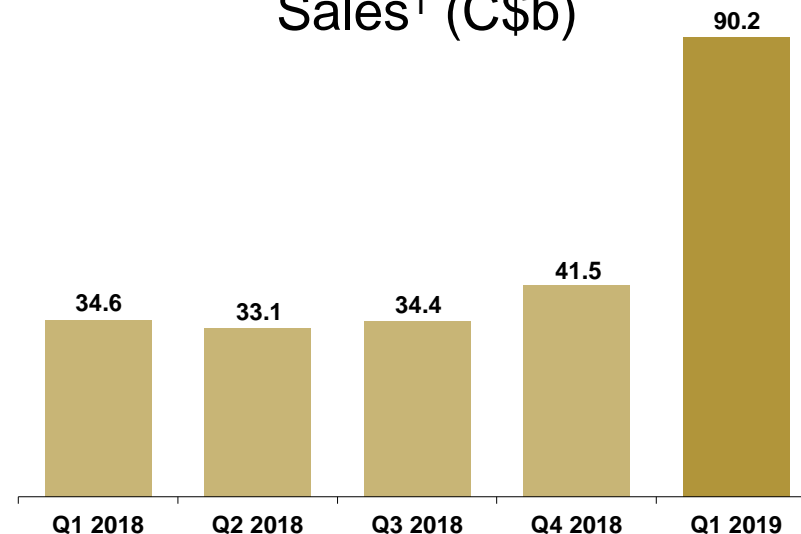
U.S.

- Higher sales with a significant contribution from one large Empower sale

Europe

- Higher bulk annuity and wealth sales in the U.K.
- New fund management mandate in Ireland

Sales¹ (C\$b)



	Canada	U.S.	Europe	Lifeco
Q1 2019	3.2	75.8	11.2	90.2
Q4 2018	3.4	32.1	6.0	41.5
Q1 2018	3.8	25.1	5.7	34.6
YoY	(17%)	202%	95%	160%
Constant Currency ²	(17%)	187%	100%	150%

1. Sales is a non-IFRS measure. Refer to the discussion of this measure in the Company's Q1 2019 MD&A.

2. Constant currency is a non-IFRS measure. Refer to the discussion of this measure in the Company's Q1 2019 MD&A.

Fee and Other Income

Canada

- Lower average AUA¹ in Individual Customer

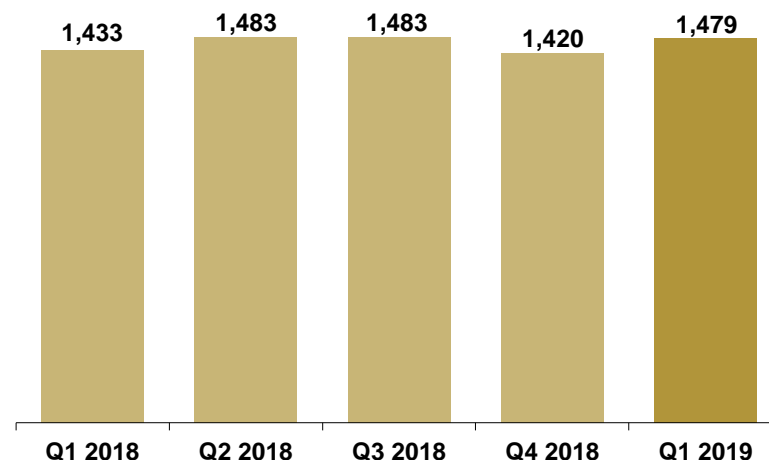
U.S.

- Higher fees at Empower due to participant growth
- Lower fees at Putnam due to lower average AUM¹

Europe

- Higher investment-related fee income in Ireland²
- Higher asset management fees in Germany

Fee and Other Income (C\$m)



	Canada	U.S.	Europe	Lifeco
Q1 2019	422	659	398	1,479
Q4 2018	428	644	348	1,420
Q1 2018	438	631	364	1,433
YoY	(4%)	4%	9%	3%
Constant Currency ³	(4%)	(1%)	12%	1%

1. Assets under Administration (AUA) and Assets under Management (AUM) are non-IFRS measures. Refer to the discussion of these measures in the Company's Q1 2019 MD&A.

2. This increase is partially offset in earnings by the impact of an asset hedge

3. Constant currency is a non-IFRS measure. Refer to the discussion of this measure in the Company's Q1 2019 MD&A.

Expenses

Canada

- Continuing investment in technology and strategic initiatives, including brand

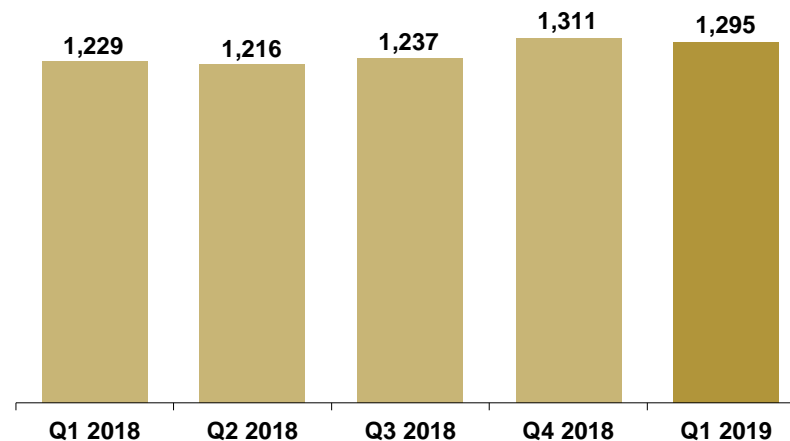
U.S.

- Empower expenses inline with participant growth
- Lower operating expenses at Putnam

Europe

- Addition of Invesco (Ireland) and strategic investments in the U.K.

Adjusted Expenses¹ (C\$m)



	Canada	U.S.	Europe	Lifeco (Adjusted) ^{1,2}	Lifeco (Including Restructuring) ²
Q1 2019	444	551	294	1,295	1,295
Q4 2018	452	552	299	1,311	1,311
Q1 2018	416	529	279	1,229	1,229
YoY	7%	4%	5%	5%	5%
Constant Currency ³	7%	(1%)	8%	3%	3%

1. Adjusted expenses is a non-IFRS measure and not directly comparable to similar measures used by other companies.

2. Lifeco totals include Lifeco corporate expenses.

3. Constant currency is a non-IFRS measure. Refer to the discussion of this measure in the Company's Q1 2019 MD&A.



Garry MacNicholas

EVP & CFO
Great-West Lifeco

Financial Highlights

Earnings

EPS of \$0.67, down 10% YoY

Canada

- Higher expenses, lower fee income and higher taxes

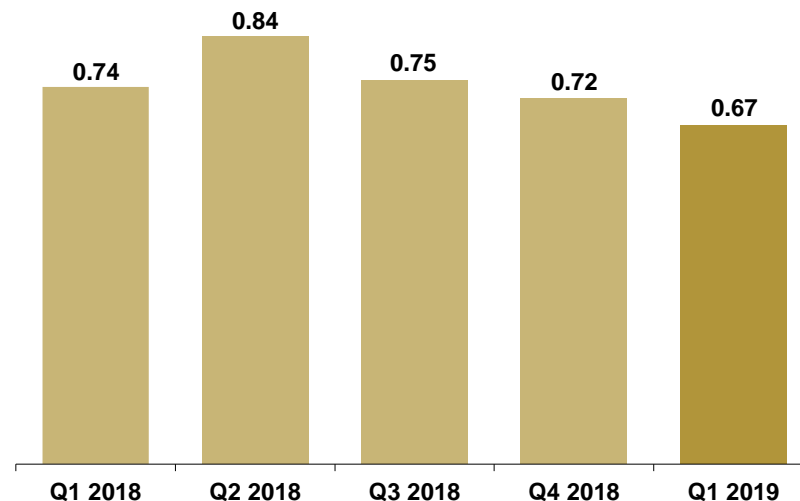
U.S.

- Improved results at Putnam

Europe

- Unfavourable claims experience and higher taxes partly offset by business growth

Adjusted Net Earnings per Share¹



	Canada	U.S.	Europe	Lifeco (Adjusted) ^{1,2}	Lifeco (Reported) ²
Q1 2019	283	81	299	657	657
Q4 2018	310	55	349	710	710
Q1 2018	316	75	344	731	731
YoY	(10%)	8%	(13%)	(10%)	(10%)
Constant Currency ³	(10%)	2%	(13%)	(11%)	(11%)

1. Adjusted net earnings per share is a non-IFRS measure. Refer to the reconciliation to earnings per share in the Company's Q1 2019 MD&A

2. Lifeco adjusted totals include Lifeco corporate earnings.

3. Constant currency is a non-IFRS measure. Refer to the discussion of this measure in the Company's Q1 2019 MD&A.

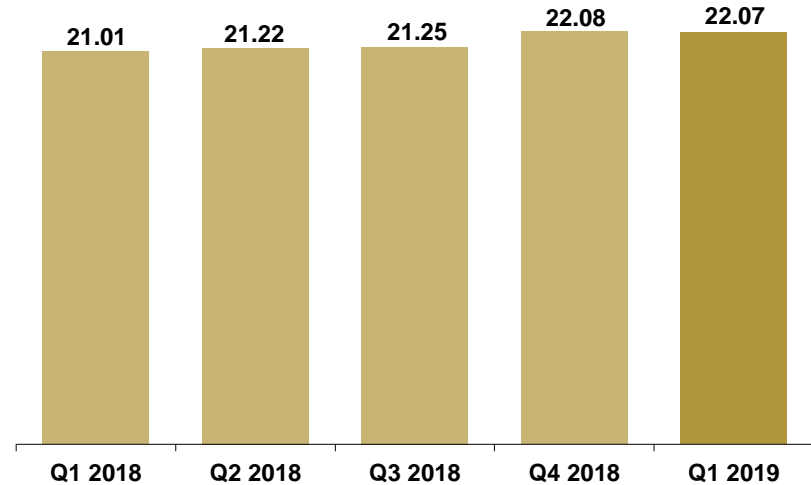
Source of Earnings

For the three months ended Mar. 31/19	Canada	U.S.	Europe	Corp.	Q1/19 Total	Q4/18 Total	Q1/18 Total
Expected profit on in-force business	282	110	316	(4)	704	745	711
Impact of new business	1	(36)	(38)	-	(73)	(11)	(96)
Experience gains and losses	41	19	(41)	(1)	18	(19)	85
Management actions and changes in assumptions	39	-	112	-	151	105	135
Earnings on surplus (incl. financing charges)	36	8	(4)	(2)	38	(3)	17
Net earnings before tax	399	101	345	(7)	838	817	852
Taxes	(88)	(20)	(41)	1	(148)	(76)	(88)
Net earnings before non-controlling interests & preferred dividends	311	81	304	(6)	690	741	764
Non-controlling interests & preferred dividends	(28)	-	(5)	-	(33)	(31)	(33)
Net earnings – common shareholders	283	81	299	(6)	657	710	731

Book Value per Share and Return on Equity

- Lifeco cash of \$1.0b
- Book value up 5% from last year
- LICAT at 140%

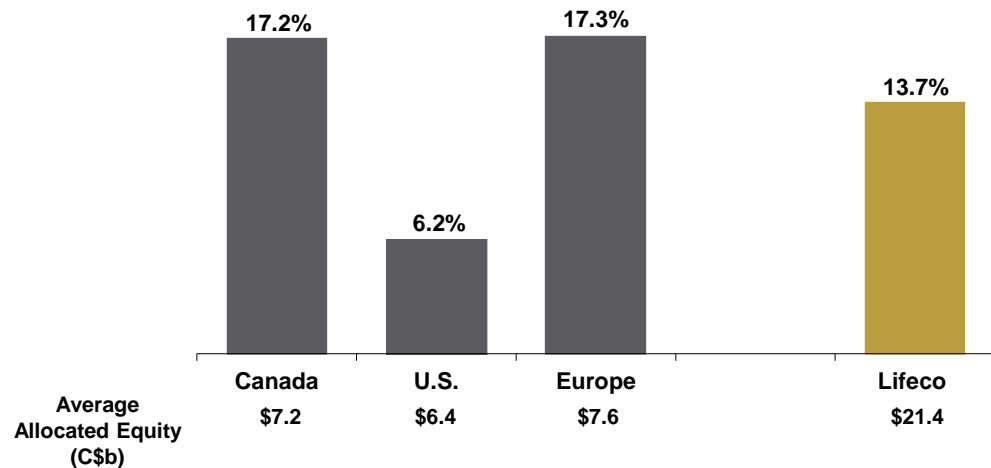
Book Value per Share



- Adjusted ROE¹ of 13.7%
- Net ROE of 13.5%

Adjusted ROE¹

(Trailing 4 quarters)



- Adjusted ROE for Great-West Financial of 10.9% and (1.7%) for Putnam
- Lifeco Average Allocated Equity includes \$0.2 billion attributable to Lifeco Corporate

1. Adjusted ROE is a non-IFRS measure. Refer to the reconciliation to ROE in the Company's Q1 2019 MD&A.

Substantial Issuer Bid

- Transaction allowed Lifeco to return capital to shareholders and mitigate the earnings impact of the sale of the U.S. life insurance and annuity business
- Purchased 59.7m shares at \$33.50 per share for aggregate consideration of \$2b
 - Represents ~6% of issued and outstanding shares (on a non-diluted basis)
- Funded by Lifeco cash of \$0.7b and GWL¹ dividends of \$1.3b
 - Expected to reduce LICAT ratio by ~6 points
- Accretive to Lifeco earnings by ~\$0.16 per share (annualized)
 - Combined with lost annual earnings of ~\$0.14 per share² from the sale of the U.S. life and annuity business, net accretion is ~\$0.02 per share (annualized)
- Expected reduction in BVPS of \$0.75
- Expected increase in ROE of ~0.6%, including sale of U.S. life and annuity business

1. The Great-West Life Assurance Company

2. Based on 2018 FY earnings

Assets under Administration¹

Assets Under Administration (C\$b)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	YoY
General Fund	212	210	209	214	220	4%
Segregated Fund	221	221	220	213	223	1%
Mutual Fund & Institutional	286	295	294	282	304	6%
Other AUA	673	698	718	690	804	19%
Total	1,392	1,423	1,441	1,399	1,551	11%

- AUA growth was 6% in Canada, 15% in the U.S and 3% in Europe
- On a constant currency basis, AUA up 10% with growth of 9% in Europe and 11% in the U.S.

Questions

Appendix

(In C\$m)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	YoY
Sales						
Individual Customer						
Individual Insurance	76	88	109	145	101	33%
Individual Wealth	2,449	2,165	1,921	2,334	2,256	(8%)
	2,525	2,253	2,030	2,479	2,357	(7%)
Group Customer						
Group Insurance	361	251	104	151	186	(48%)
Group Wealth	936	536	743	817	637	(32%)
	1,297	787	847	968	823	(37%)
Total	3,822	3,040	2,877	3,447	3,180	(17%)
Fee and Other Income						
Individual Customer	250	252	253	242	237	(5%)
Group Customer	170	170	173	172	170	0%
Corporate	18	11	11	14	15	NM
Total	438	433	437	428	422	(4%)
Operating Expenses						
Individual Customer	185	185	195	206	198	7%
Group Customer	213	213	211	227	231	8%
Corporate	18	16	-	19	15	NM
Restructuring/Acquisition	-	-	-	-	-	NM
Total	416	414	406	452	444	7%
Net Earnings						
Individual Customer	138	211	165	171	124	(10%)
Group Customer	142	194	150	144	151	6%
Corporate	36	(71)	-	(5)	8	NM
Total	316	334	315	310	283	(10%)

United States

<i>(In US\$m)</i>	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	YoY
GWF Sales						
Empower Retirement	9,113	6,979	7,426	10,783	45,847	403%
Individual Markets	285	390	327	275	241	(15%)
Total	9,398	7,369	7,753	11,058	46,088	390%
Putnam Sales	10,504	11,630	10,785	13,245	10,940	4%
Fee and Other Income						
Empower Retirement	240	248	252	241	247	3%
Individual Markets	30	32	31	31	34	13%
Putnam	230	228	231	216	215	(7%)
Total	500	508	514	488	496	(1%)
Operating Expenses						
Empower Retirement	208	202	211	212	218	5%
Individual Markets	24	26	26	25	23	(4%)
Other	3	4	3	5	5	NM
Putnam	185	176	178	177	167	(10%)
U.S. Corporate ¹	-	(6)	-	-	1	NM
Restructuring / Acquisition	-	-	-	-	-	NM
Total	420	402	418	419	414	(1%)
Net Earnings						
Empower Retirement	35	42	44	32	30	(14%)
Individual Markets	35	35	46	31	37	6%
Other	2	1	3	-	(2)	NM
Putnam	(13)	(6)	(6)	(22)	(3)	NM
U.S. Corporate ²	-	33	-	-	(1)	NM
Total	59	105	87	41	61	3%

1. Q2 2018 includes an accrual release (US\$6m) related to U.S. tax reform.

2. Q2 2018 includes restructure of financing notes US\$39m, a tax reform expense accrual release US\$4m, and a legal accrual (US\$10).

NM: Not Meaningful

(In C\$m)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	YoY
Sales						
UK / Isle of Man	949	1,151	3,274	1,096	1,216	28%
Ireland / Germany	4,790	4,384	3,961	4,876	9,965	108%
Total	5,739	5,535	7,235	5,972	11,181	95%
Fee and Other Income						
UK / Isle of Man	56	58	54	52	56	0%
Ireland / Germany	304	334	316	293	339	12%
Reinsurance	4	3	3	3	3	(25%)
Total	364	395	373	348	398	9%
Operating Expenses						
UK / Isle of Man	74	73	74	86	75	1%
Ireland / Germany	177	178	177	180	185	5%
Reinsurance	20	18	18	19	21	5%
Corporate	8	10	10	14	13	NM
Restructuring / Acquisition	-	-	67	-	-	NM
Total	279	279	346	299	294	5%
Net Earnings¹						
UK / Isle of Man	178	141	121	137	130	(27%)
Ireland / Germany	66	140	119	134	73	11%
Reinsurance	104	97	87	89	97	(7%)
Corporate	(4)	(23)	(64)	(11)	(1)	NM
Total	344	355	263	349	299	(13%)

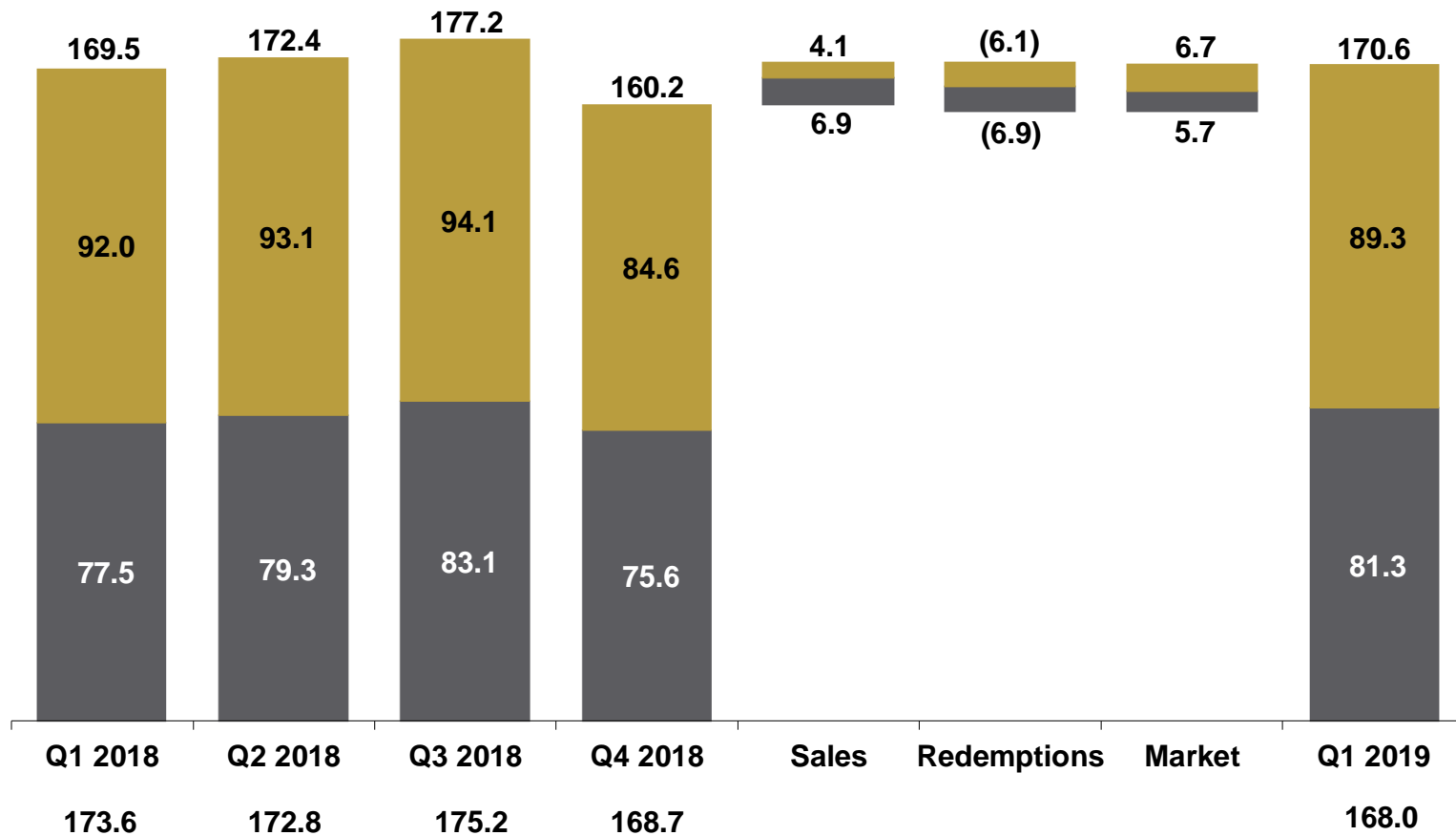
1. Europe net earnings include post-tax restructuring costs of \$56m in Q3/18.

NM: Not meaningful

Putnam – AUM and Flows

(US\$b)

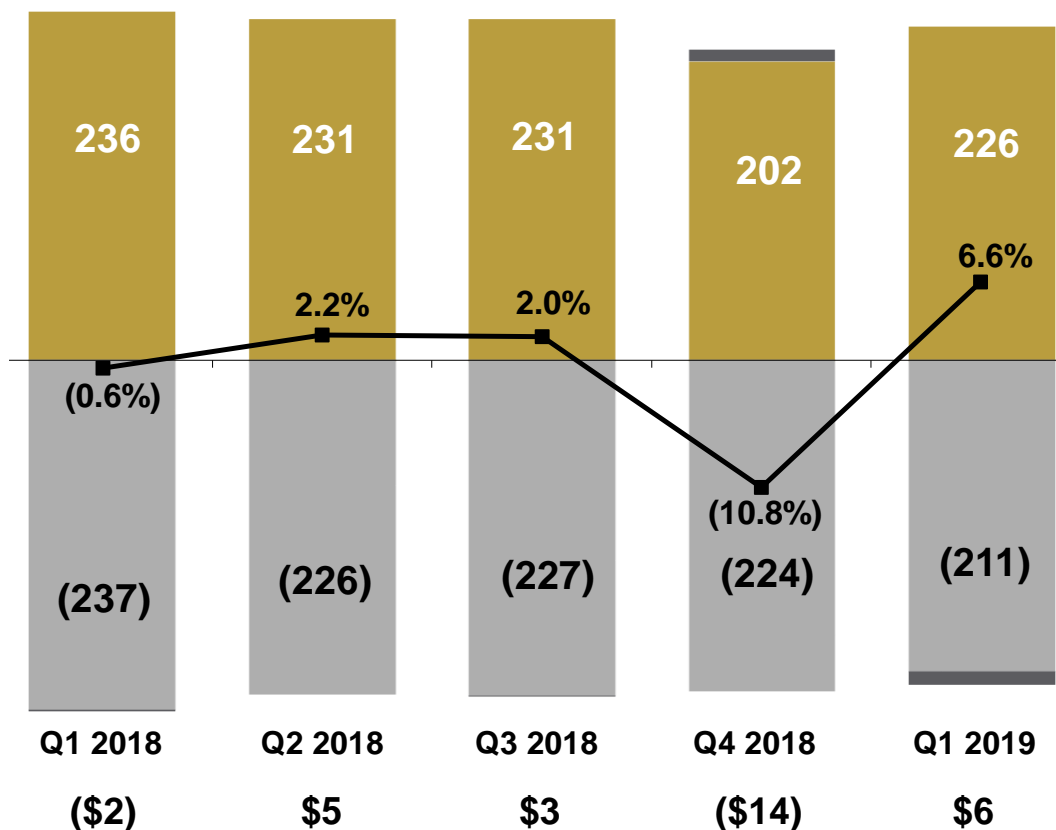
■ Mutual Funds ■ Institutional



In-Qtr Avg.
AUM

Putnam – Core Net Earnings

(US\$m)

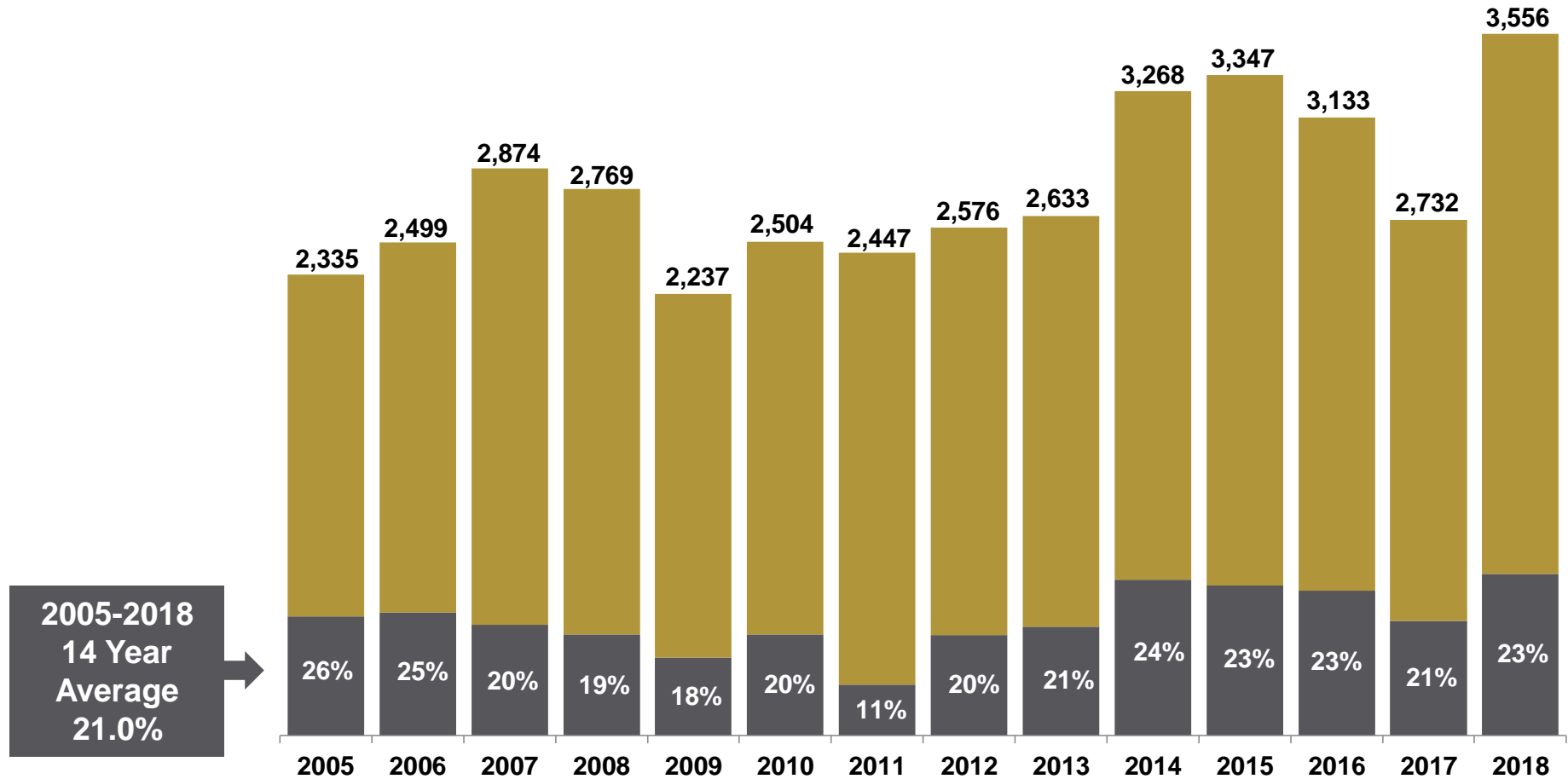


Note: Core net earnings (loss) (a non-IFRS financial measure) is a measure of the Asset Management business unit's performance. Core net earnings (loss) include the impact of dealer commissions and software amortization, and excludes the impact of corporate financing charges and allocations, fair value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

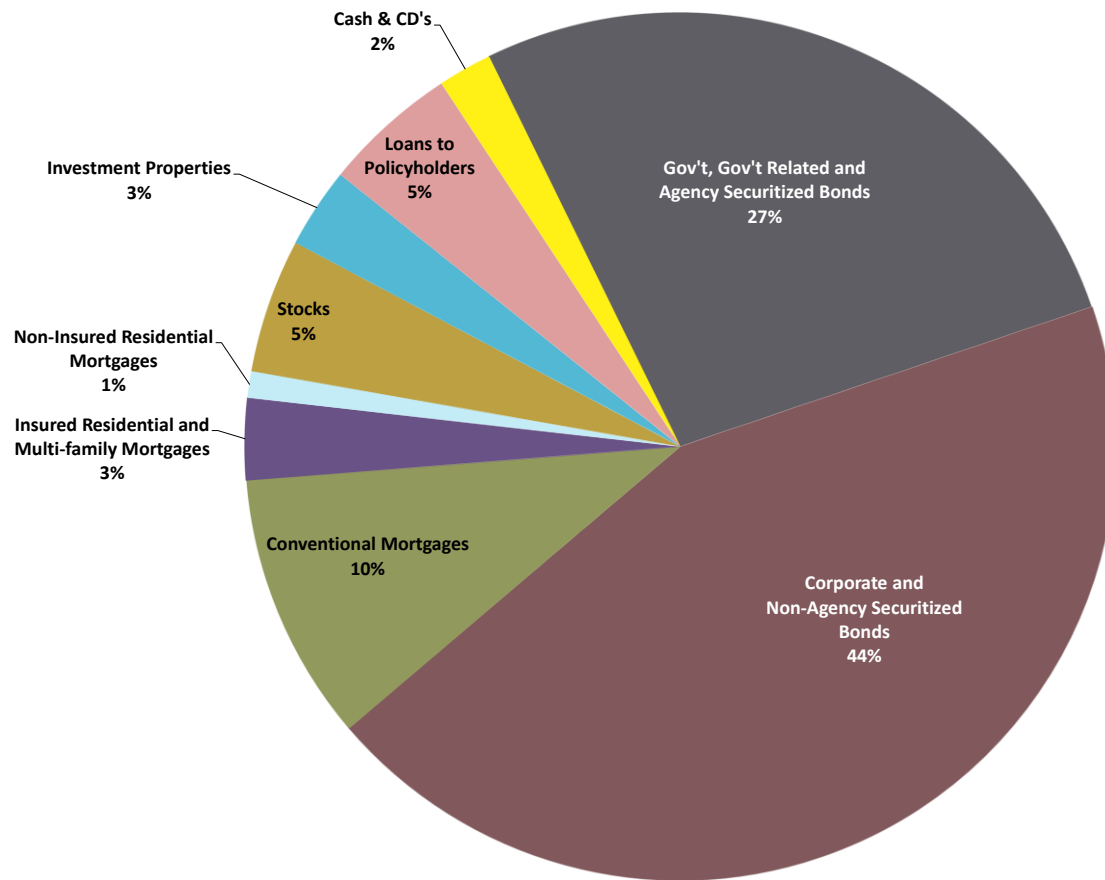
Stable Trend Over the Years

(C\$m)

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



Invested Assets ¹



- Invested assets of \$187.6 billion
- Diversified high quality portfolio:
 - Bonds represent 71%:
 - 99% are investment grade
 - 79% rated A or higher
 - 86% of bond holdings are domiciled in Canada, the U.S. and the U.K.
 - Mortgage portfolio represents 14%:
 - 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%:
 - 48% in Canada; 52% in UK / Europe
 - Properties are unlevered
 - UK / European properties benefit from long term lease contracts

1. At March 31, 2019; Includes certain funds held by ceding insurers (carrying value of \$7.0bln)

United Kingdom Property Related Exposures

Mortgages

(C\$m) Carrying Value	Property Type						Equity Release	Total	% of Lifeco IA
	Multi Family	Retail	Office	Industrial	Other				
City/Region									
Central London	292	956	587	37	26	181	2,079	1.1%	
Other United Kingdom	179	665	189	870	504	743	3,150	1.7%	
Total United Kingdom	471	1,621	776	907	530	924	5,229	2.8%	
% of Total	9.0%	31.0%	14.9%	17.3%	10.1%	17.7%			
% of IA	0.2%	0.9%	0.4%	0.5%	0.3%	0.5%			

- Mortgage holdings in the United Kingdom totaled \$5.2 billion (2.8% of invested assets). Conventional mortgages, which exclude equity release mortgages, are well diversified by property type, with a weighted average LTV of 52%, a weighted average DSCR of 2.6, and a weighted average lease term exceeding 10 years. Equity release mortgages have a weighted average LTV of 24%.
- Central London mortgage holdings totaled \$2.1 billion (1.1% of invested assets), with office holdings totalling \$0.6 billion (0.3% of invested assets). Central London conventional mortgage weighted average LTV is 40% and Central London office weighted average LTV is 51%.

United Kingdom Property Related Exposures

Investment Properties

(C\$m) Carrying Value City/Region	Property Type					Total	% of Lifeco IA
	Multi Family	Retail	Office	Industrial	Other		
Central London	-	30	305	-	41	376	0.2%
Other United Kingdom	-	968	365	774	330	2,437	1.3%
Total United Kingdom	-	998	670	774	371	2,813	1.5%
% of Total	-	35.5%	23.8%	27.5%	13.2%		
% of IA	-	0.5%	0.4%	0.4%	0.2%		

- Investment property holdings in the United Kingdom totaled \$2.8 billion (1.5% of invested assets). Property holdings are well diversified by property type, with a weighted average lease term exceeding 11 years.
- Central London property holdings are primarily office properties and totaled \$0.4 billion (0.2% of invested assets).

United Kingdom Property Related Exposures

Retail Mortgages and Investment Properties

(C\$m) Carrying Value	Retail Property Category			Total	% of Lifeco IA
	Warehouse, Distribution, and Other	Shopping Centres and Department Stores	Grocery		
Invested Asset Type					
Mortgages	830	588	203	1,621	0.9%
Investment Properties	400	242	356	998	0.5%
Total Retail	1,230	830	559	2,619	1.4%
% of Total	47.0%	31.7%	21.3%		
% of IA	0.7%	0.4%	0.3%		

- Retail mortgage and investment property holdings in the United Kingdom totaled \$2.6 billion (1.4% of invested assets). Retail mortgage weighted average LTV is 55%.
- High Street retailers, included under Shopping Centres and Department Stores, comprise 0.4% of invested assets.

Currency (Relative to C\$)

	Income & Expenses			Balance Sheet		
	US\$	£	€	US\$	£	€
Q1 2019	1.33	1.73	1.51	1.34	1.74	1.50
Q4 2018	1.32	1.70	1.51	1.36	1.74	1.56
Q3 2018	1.31	1.70	1.52	1.29	1.69	1.50
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