

GREAT-WEST  
**LIFECO** INC.

# Quarterly Results Presentation

Q1 2021



Irish Life



Putnam  
INVESTMENTS



## 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 "will", "may", "expects", "anticipates", "intends", "plans", "believes", "estimates", "objective", "target", "potential" 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, anticipated global economic conditions and possible future actions by the Company, including statements made with respect to the expected cost (including deferred consideration), benefits, timing of integration activities and revenue and expense synergies of acquisitions and divestitures, including the recent acquisitions of Personal Capital Corporation (Personal Capital) and the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual), 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), the impact of regulatory developments on the Company's business strategy and growth objectives, the expected impact of the current pandemic health event resulting from the novel coronavirus ("COVID-19") and related economic and market impacts on the Company's business operations, financial results and financial condition. 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. Whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the severity, magnitude and impact of the novel coronavirus (COVID-19) pandemic (including the effects of the COVID-19 pandemic and the effects of governments' and other businesses' responses to the COVID-19 pandemic on the economy and the Company's financial results, financial condition and operations), the duration of COVID-19 impacts and the availability and adoption of vaccines, assumptions around sales, fee rates, asset breakdowns, lapses, plan contributions, redemptions and market returns, the ability to integrate the acquisitions of Personal Capital and the retirement services business of MassMutual, the ability to leverage Empower Retirement's, Personal Capital's and MassMutual's retirement services businesses 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 (including developments and volatility arising from the COVID-19 pandemic, 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, 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 2020 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 10, 2021 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-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, "base earnings (loss)", "base earnings (loss) (US\$)", "base earnings per common share", "return on equity", "base return on equity", "core net earnings (loss)", "core base earnings (loss)", "constant currency basis", "impact of currency movement", "premiums and deposits", "pre-tax operating margin", "operating expenses", "sales", "net cash flows" (including "inflows" and "outflows"), "redemptions", "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 "Non-IFRS Financial Measures" section in the Company's Q1 2021 MD&A for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS as well as additional details on each measure.



# SUMMARY OF RESULTS

**Paul Mahon**

President & CEO  
Great-West Lifeco



A solid first quarter

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Strong results across segments

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Recently acquired businesses performing well

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Modest financial COVID-related impacts

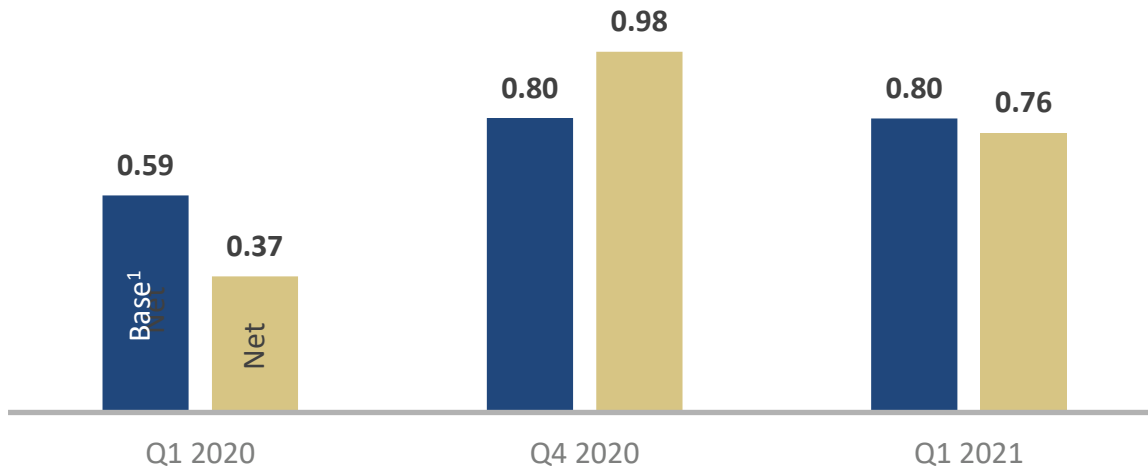
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# COVID-19 BUSINESS UPDATE

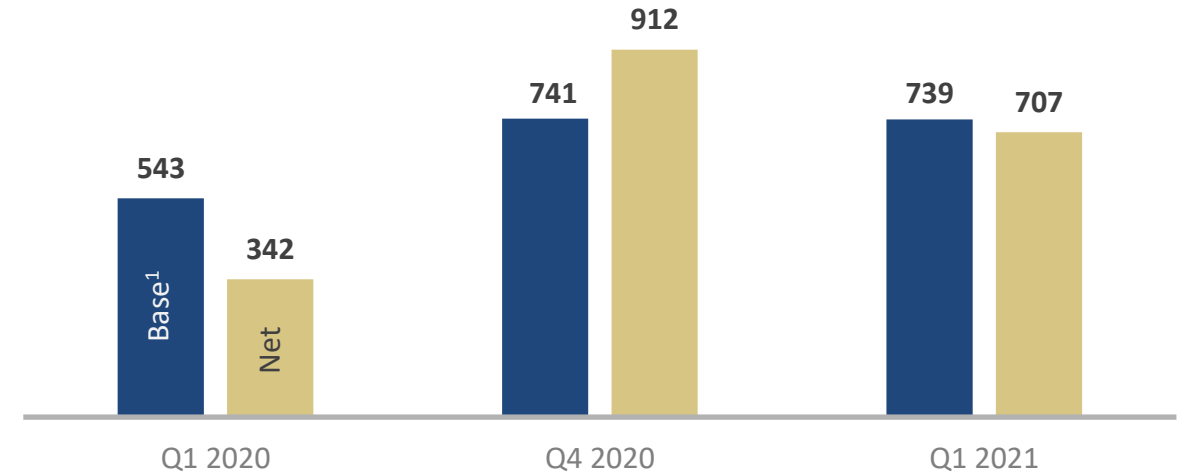
- Sales and quote activity trending upward; good asset retention
- Modest credit-related impacts across bonds and mortgages in quarter
- Business momentum and sales pipeline remain strong
- Confident in the resiliency of our business

# EARNINGS

## Earnings per Share (EPS) (C\$)



## Earnings (C\$m)



### Base Earnings and EPS

- Base earnings and EPS up 36% from a COVID19-impacted Q1 2020
  - Expected profit up 21%, reflecting business growth and acquisitions
  - Good momentum since the start of 2021

### Net Earnings and EPS

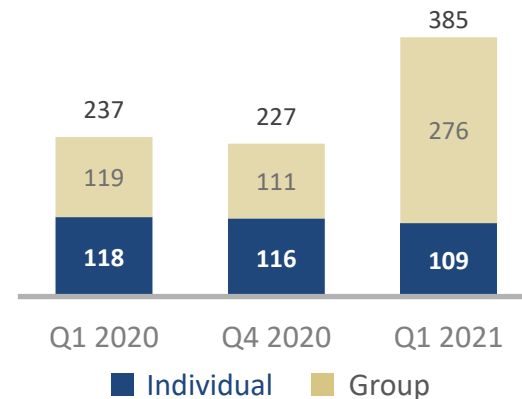
- Net earnings and EPS post strong recovery from Q1 2020
  - Modest U.K. property-related impacts
  - U.S. integration costs
  - Revaluation of U.S. deferred tax asset (DTA) in Q4 2020

1. Base earnings and base earnings per share (EPS) are non-IFRS measures. Refer to the reconciliations to net earnings and earnings per share, respectively, in the Company's Q1 2021 MD&A.

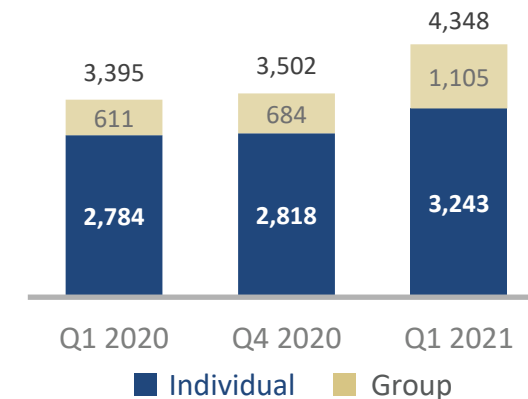
# CANADA

- Solid commercial performance in quarter
  - Strong Group Insurance sales due to large cases; improved overall persistency
  - Strong asset retention in Group Wealth
  - Record Individual Wealth sales across seg funds and mutual funds; positive net flows
- Market activity approaching normal; pandemic-driven digital advancements enduring
  - Quote activity in Group and Individual Insurance trending upward; over 80% of individual insurance applications done digitally
- Continued strategic advancements, including:
  - Launched My Term flexible insurance product
  - Introduced “Advisor Solutions” for advisors doing business directly with Canada Life

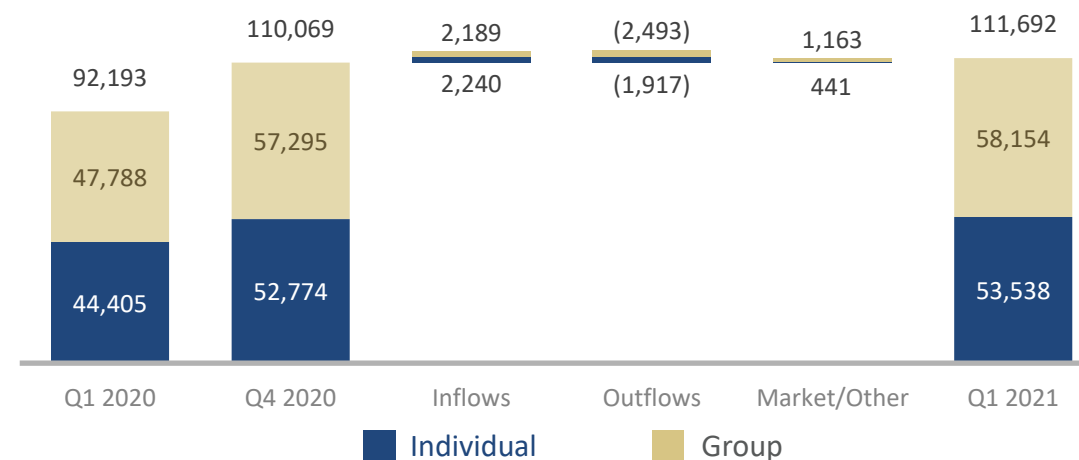
### Insurance Sales<sup>1</sup> (C\$m)



### Wealth Sales<sup>1</sup> (C\$m)



### Wealth Fee Business AUA Net Flows<sup>1,2</sup> (C\$b)



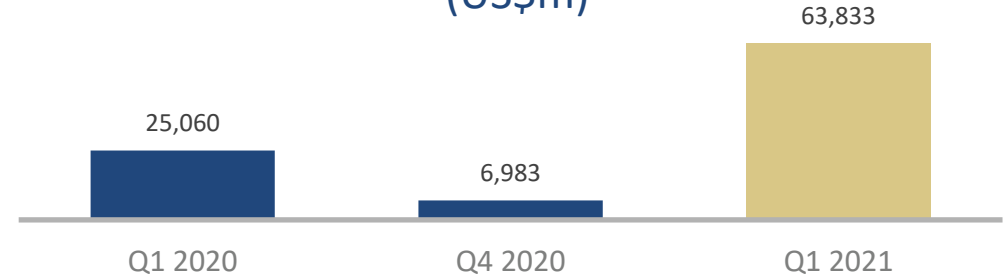
1. Sales and AUA are non-IFRS measures. Refer to the discussion of these measures in the Company’s Q1 2021 MD&A.

2. Individual wealth fee business AUA includes segregated funds and proprietary and third party mutual funds; Group wealth fee business AUA relates to segregated funds. Risk-based products are excluded.

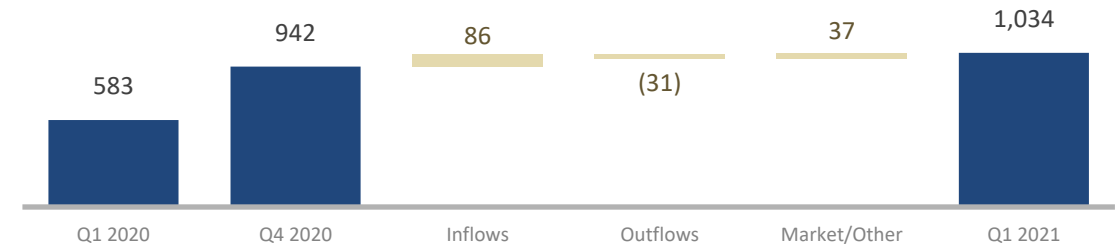
# EMPOWER

- Led the DC recordkeeping market in growth by both participants and assets in 2020
- Mega sale drove YoY increase in sales with solid growth across other market segments
- Empower Retail IRA AUA reached US\$19b
- Personal Capital making significant progress in signing up new client assets; AUM at US\$18b
- MassMutual and Personal Capital integration programs on track
  - US\$40m of annual, pre-tax run rate cost synergies achieved to date related to MassMutual

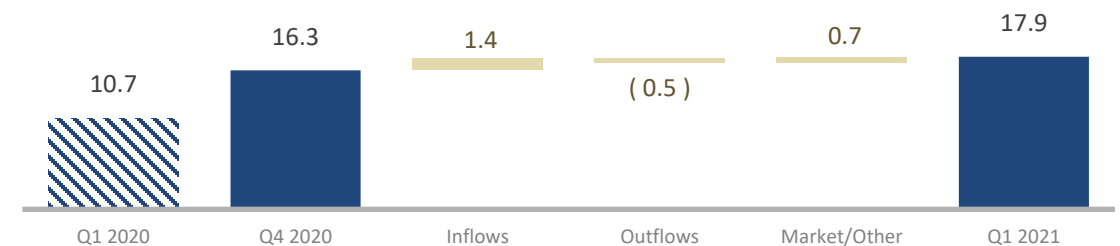
Empower Sales<sup>1</sup> (ex-Personal Capital)  
(US\$m)



Empower (ex-Personal Capital)  
AUA<sup>1</sup> Net Flows (US\$b)



Personal Capital AUM<sup>1,2</sup> Net Flows (US\$b)



1. Sales, AUA and AUM are non-IFRS measures. Refer to the discussion of these measures in the Company's Q1 2021 MD&A.

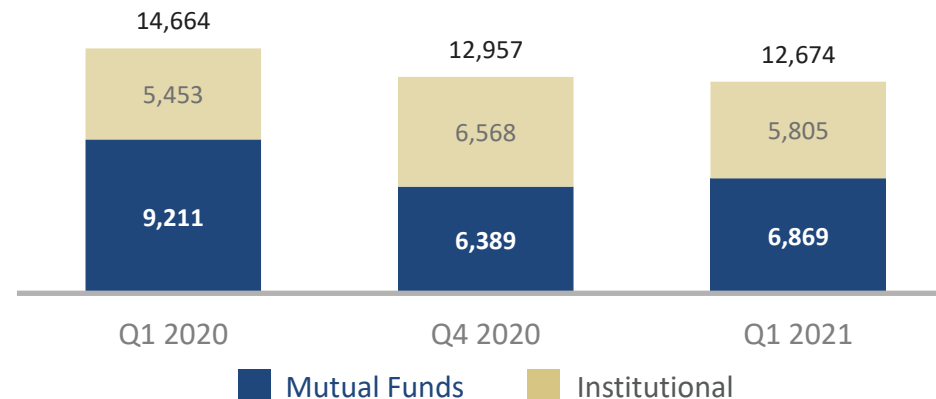
2. Personal Capital Q1 2021 AUM are pre-acquisition of the business.



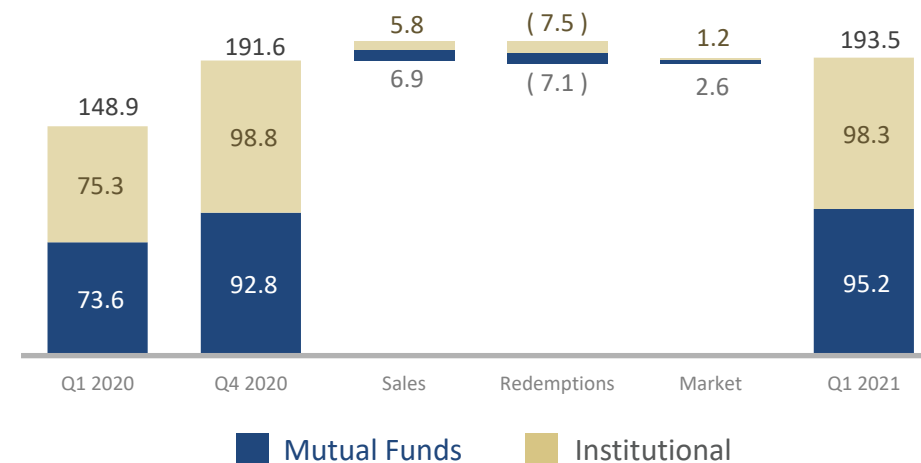
# PUTNAM

- Sales of short duration income products have slowed due to lower yields; equity sales improving
- Net outflows of \$2b, mainly institutional
  - Outflows from fixed income products
  - Net inflows for equity products
- Strong investment performance continues
  - 79% and 92% of fund assets performed at levels above the Lipper median on a three-year and five-year basis
  - 24 funds rated 4-5 stars by Morningstar

### Sales<sup>1</sup> (US\$m)



### AUM<sup>1</sup> Net Flows (US\$b)

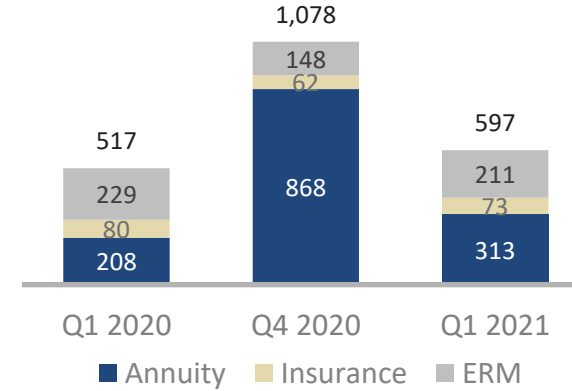


1. Sales, AUM are non-IFRS measures. Refer to the discussion of these measures in the Company's Q1 2021 MD&A.

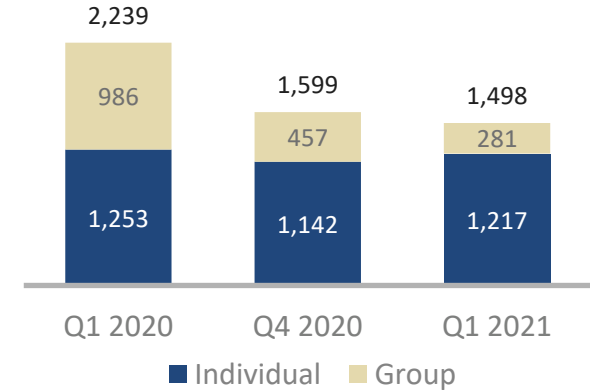
# EUROPE

- Individual wealth sales continue to recover and are close to pre-pandemic levels with growth in Ireland and Germany
- No bulk annuity cases or large group wealth pension mandates in quarter but competitive position in both markets remains strong
- Good momentum in insurance and individual annuity sales
- AUA have continued to grow in local currency:
  - Positive net flows and market growth
  - Q1 2020 AUA includes C\$42.8b in respect of IPSI which was sold during 2020

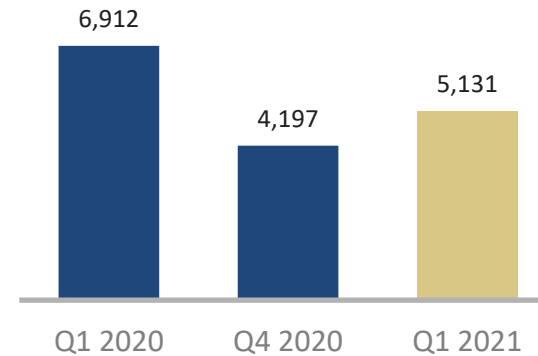
### Insurance & Annuity Sales<sup>1</sup> (C\$m)



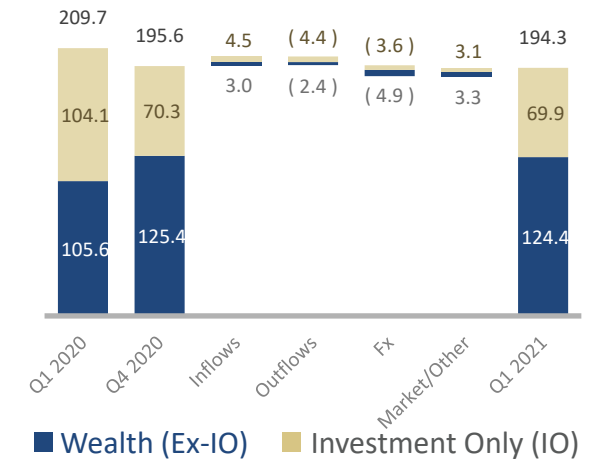
### Wealth Sales<sup>1</sup> (C\$m)



### Investment Only Sales<sup>1</sup> (C\$m)



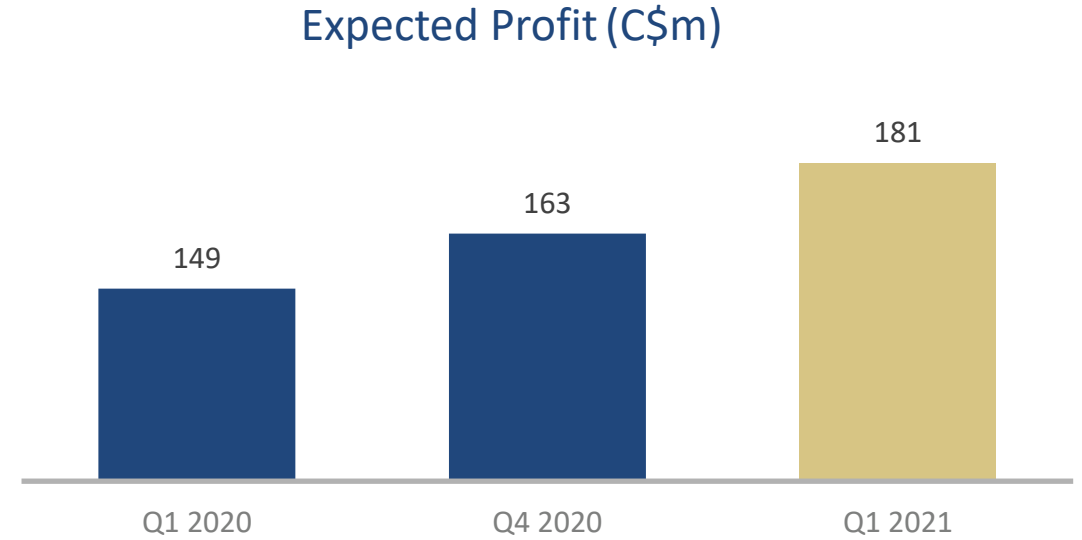
### Wealth & Investment Only AUA<sup>1</sup> Net Flows (C\$b)



1. Sales and AUA are non-IFRS measures. Refer to the discussion of these measures in the Company's Q1 2021 MD&A.

# CAPITAL AND RISK SOLUTIONS

- Strong growth in expected profit, up 21% YoY
  - Growth in Structured Life and Longevity
- Solid pipeline of new business to begin 2021 in both Structured Life and Longevity
  - Announced €4.7B longevity reinsurance agreement with insurance company in the Netherlands
  - Completed a reinsurance agreement covering an in-force block of whole life policies in Japan
  - Several new structured reinsurance transactions completed in the quarter, including a transaction in Israel





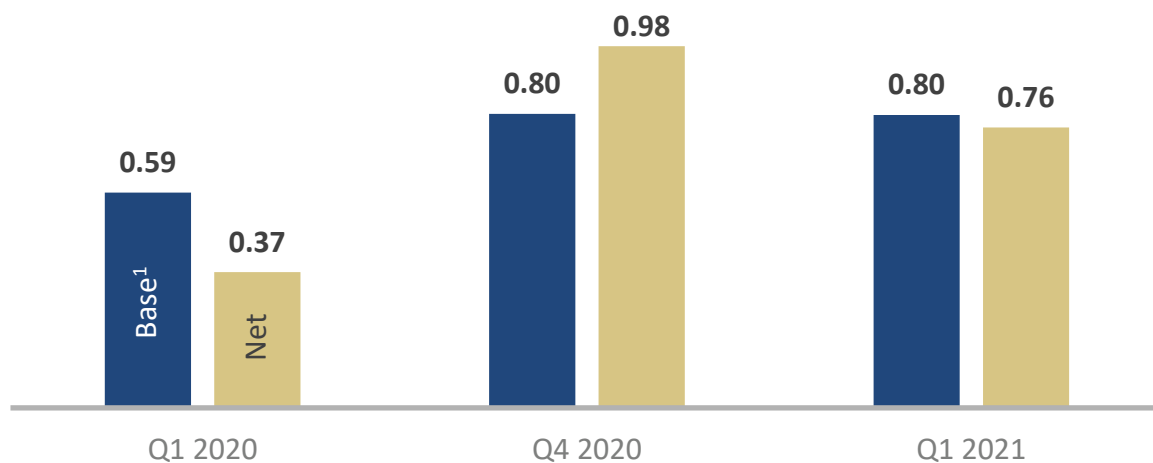
## FINANCIAL HIGHLIGHTS

**Garry MacNicholas**

EVP & CFO  
Great-West Lifeco

# EARNINGS

## Earnings per Share (C\$m)



## Base Earnings<sup>1</sup> (C\$m)

	Canada	U.S.	Europe	CRS	(Base) <sup>1,2</sup> Lifeco	(Net) <sup>2</sup> Lifeco
Q1 2021	298	104	201	145	739	707
Q4 2020	348	90	195	124	741	912
Q1 2020	273	17	132	119	543	342
YOY	9%	512%	52%	22%	36%	107%
Constant Currency <sup>3</sup>	9%	542%	48%	22%	36%	107%

### Canada

- Improvement in long-term disability experience
- Improved new business gains due to repricing actions
- Solid yield enhancement

### U.S.

- Business and market growth at Empower, \$48m base earnings contribution from MassMutual acquired block
- Putnam improved from Q1 2020 with lower losses on seed capital

### Europe

- Favourable morbidity and longevity experience partly offset by unfavourable mortality

### Capital & Risk Solutions

- Strong business growth and favourable longevity experience partially offset by higher life claims

1. Base earnings and base earnings per share (EPS) are non-IFRS measures. Refer to the reconciliations to net earnings and earnings per share, respectively, in the Company's Q1 2021 MD&A.

2. Lifeco 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 2021 MD&A.

# SOURCE OF EARNINGS [BASE]

(C\$m)	Canada	U.S.	Europe	CRS	Corp.	Q1/21 Total	Q4/20 Total	Q1/20 Total
Expected profit on in-force business	311	177	221	181	(5)	885	842	729
Impact of new business	2	(64)	(8)	(1)	-	(71)	(86)	(86)
Experience gains and losses	64	30	19	(29)	(1)	83	117	20
Earnings on surplus (incl. financing charges)	9	(12)	(18)	(5)	(5)	(31)	6	4
<b>Base earnings before tax</b>	<b>386</b>	<b>131</b>	<b>214</b>	<b>146</b>	<b>(11)</b>	<b>866</b>	<b>879</b>	<b>667</b>
Taxes	(59)	(19)	(8)	(1)	2	(85)	(118)	(93)
<b>Base earnings before non-controlling interests &amp; preferred dividends</b>	<b>327</b>	<b>112</b>	<b>206</b>	<b>145</b>	<b>(9)</b>	<b>781</b>	<b>761</b>	<b>574</b>
Non-controlling interests & preferred dividends	(29)	(8)	(5)	-	-	(42)	(20)	(31)
<b>Base earnings – common shareholders</b>	<b>298</b>	<b>104</b>	<b>201</b>	<b>145</b>	<b>(9)</b>	<b>739</b>	<b>741</b>	<b>543</b>

**Note:** Base Earnings is a non-IFRS measure. Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and net gains, losses or costs related to the disposition or acquisition of a business.

# EARNINGS RECONCILIATION

	Q1 2021		Q4 2020		Q1 2020	
	Post-Tax (C\$m)	Per Share (C\$)	Post-Tax (C\$m)	Per Share (C\$)	Post-Tax (C\$m)	Per Share (C\$)
<b>Base earnings<sup>1</sup></b>	739	0.80	741	0.80	543	0.59
Items excluded from base earnings						
Actuarial assumption changes and other management actions	5	0.00	(23)	(0.03)	(52)	(0.06)
Market-related impacts on liabilities and taxes	(24)	(0.03)	(31)	(0.03)	(149)	(0.16)
Net gain/charge on business dispositions <sup>2</sup>	-	-	143	0.15	-	-
Personal Capital and MassMutual transaction costs	(1)	(0.00)	(47)	(0.05)	-	-
Revaluation of U.S. deferred tax asset	-	-	196	0.21	-	-
Restructuring and integration costs	(12)	(0.01)	(67)	(0.07)	-	-
<b>Items excluded from base earnings<sup>1</sup></b>	<b>(32)</b>	<b>(0.04)</b>	<b>171</b>	<b>0.18</b>	<b>(201)</b>	<b>(0.22)</b>
<b>Net earnings – common shareholders</b>	<b>707</b>	<b>0.76</b>	<b>912</b>	<b>0.98</b>	<b>342</b>	<b>0.37</b>

1. Base earnings and base earnings per share (EPS) are non-IFRS measures. Refer to the reconciliations to net earnings and earnings per share, respectively, in the Company's Q1 2021 MD&A.

2. Gain on business disposition in Q4 2020 relates to sale of GLC Asset Management, net of restructuring costs.

# SOURCE OF EARNINGS [NET]

(C\$m)	Canada	U.S.	Europe	CRS	Corp.	Q1/21 Total	Q4/20 Total	Q1/20 Total
Expected profit on in-force business	311	177	221	181	(5)	885	842	729
Impact of new business	2	(64)	(8)	(1)	-	(71)	(86)	(86)
Experience gains and losses	66	28	(6)	(29)	(1)	58	93	(195)
Management actions and changes in assumptions	(18)	(2)	22	-	-	2	29	(81)
Other	-	(16)	-	-	-	(16)	(110)	-
Earnings on surplus (incl. financing charges)	9	(12)	(18)	(5)	(5)	(31)	6	4
<b>Net earnings before tax</b>	<b>370</b>	<b>111</b>	<b>211</b>	<b>146</b>	<b>(11)</b>	<b>827</b>	<b>774</b>	<b>371</b>
Taxes	(54)	(14)	(11)	(1)	2	(78)	158	2
<b>Net earnings before non-controlling interests &amp; preferred dividends</b>	<b>316</b>	<b>97</b>	<b>200</b>	<b>145</b>	<b>(9)</b>	<b>749</b>	<b>932</b>	<b>373</b>
Non-controlling interests & preferred dividends	(29)	(8)	(5)	-	-	(42)	(20)	(31)
<b>Net earnings – common shareholders</b>	<b>287</b>	<b>89</b>	<b>195</b>	<b>145</b>	<b>(9)</b>	<b>707</b>	<b>912</b>	<b>342</b>



# SOURCE OF EARNINGS – ADDITIONAL DETAIL

## Experience gains and losses

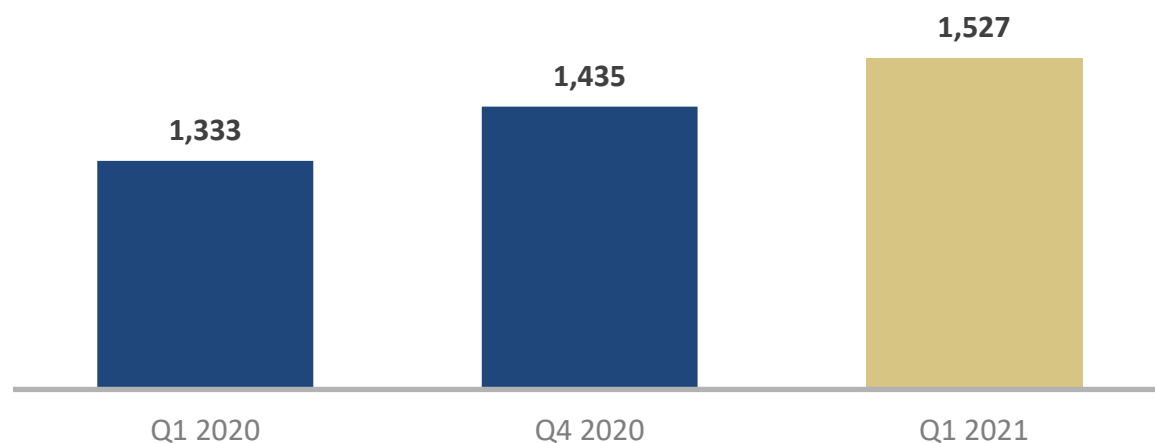
For three months ended Mar. 31/21 (C\$m)	Pre-Tax	Post-Tax
Yield enhancement and other interest related experience	87	62
Market related impact on liabilities	(25)	(23)
Mortality / longevity / morbidity	18	27
Expenses and Fees	(11)	(10)
Other	(11)	(5)
<b>Total experience gains / losses</b>	<b>58</b>	<b>51</b>

## Management actions and changes in assumptions

For three months ended Mar. 31/21 (C\$m)	Pre-Tax	Post-Tax
Asset default provision refinements	17	15
Model refinements and other	(13)	(10)
Transaction costs related to the acquisition of MassMutual	(2)	(1)
<b>Total management actions and changes in assumptions</b>	<b>2</b>	<b>4</b>

# EXPENSES

## Operating Expenses<sup>1,2</sup> (C\$m)



## Operating Expenses By Segment (C\$m)<sup>1,2</sup>

	Canada	U.S. <sup>2</sup>	Europe	CRS	Lifeco <sup>1,2</sup>
Q1 2021	461	741	295	25	1,527
Q4 2020	471	643	285	25	1,435
Q1 2020	453	570	283	23	1,333
YOY	2%	30%	4%	9%	15%
Constant Currency <sup>3</sup>	2%	37%	1%	13%	17%

Excluding Personal Capital and MassMutual, Lifeco expenses up 3% YoY

- Reduced travel and training expenses across segments due to COVID-19
- Continued focus on expense efficiency in Canada; Mackenzie transaction expected to add 2% expense step-up in 2021, largely offset by corresponding revenue increase
- Excluding Personal Capital and MassMutual, U.S. expenses up 3% YoY
- Balance of strategic investments and expense discipline in Europe
- Additional expenses supporting business growth in CRS

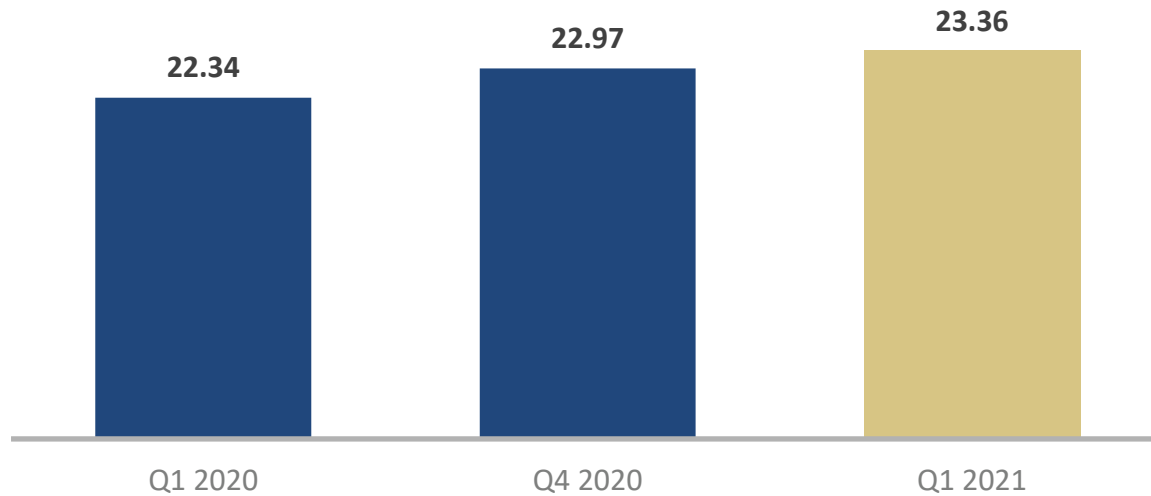
1. Lifeco totals include Lifeco corporate expenses.

2. Operating expenses is a non-IFRS measure and not directly comparable to similar measures used by other companies. Q1 2021 excludes pre-tax integration costs of C\$16m and transaction costs of C\$2m relating to 2020 acquisition of Personal Capital and MassMutual. Q4 2020 excludes pre-tax transaction costs (C\$59m) related to the acquisition of Personal Capital and MassMutual's retirement services business.

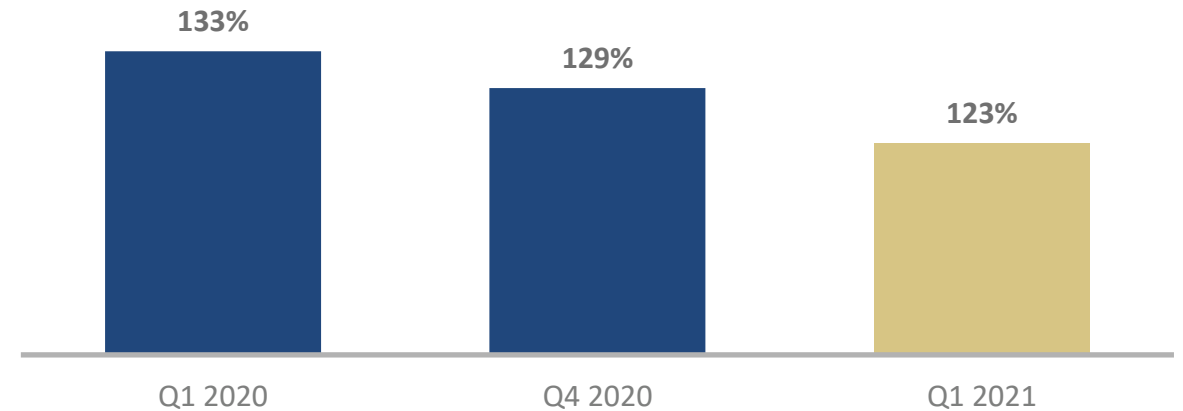
3. Constant currency is a non-IFRS measure. Refer to the discussion of this measure in the Company's Q1 2021 MD&A.

# BOOK VALUE PER SHARE AND LICAT

## Book Value per Share (C\$)



## LICAT Ratio



- BVPS growth of 5% YoY and 2% QoQ was driven by retained earnings partly offset by currency translation

- LICAT ratio at 123%, down 6 points QoQ, primarily due to rising risk-free interest rates, as well as:
  - Continued phase-in of the new most adverse LICAT scenario
  - Growth in capital requirements from new business and investment activities
- Lifeco cash \$1.0b at Q1 2021 (not included in LICAT)



## Looking ahead...

Continued vigilance around COVID-19

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Capitalize on strategic initiatives and investments

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Focus on the successful integration of acquired businesses

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GREAT-WEST  
**LIFECO** INC.



Empower Retirement Investor Day  
June 8, 2021



# QUESTIONS



# APPENDIX

# CANADA

(In C\$m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	YoY
<b>Sales</b>						
Individual Insurance	118	98	76	116	109	(8%)
Individual Wealth	2,784	1,679	1,852	2,818	3,243	16%
<b>Individual Total</b>	<b>2,902</b>	<b>1,777</b>	<b>1,928</b>	<b>2,934</b>	<b>3,352</b>	<b>16%</b>
Group Insurance	119	75	109	111	276	132%
Group Wealth	611	538	483	684	1,105	81%
<b>Group Total</b>	<b>730</b>	<b>613</b>	<b>592</b>	<b>795</b>	<b>1,381</b>	<b>89%</b>
<b>Total</b>	<b>3,632</b>	<b>2,390</b>	<b>2,520</b>	<b>3,729</b>	<b>4,733</b>	<b>30%</b>
<b>Fee and Other Income</b>						
Individual Customer	246	233	251	251	266	8%
Group Customer	179	163	179	195	188	5%
Corporate	15	14	15	15	15	0%
<b>Total</b>	<b>440</b>	<b>410</b>	<b>445</b>	<b>461</b>	<b>469</b>	<b>7%</b>
<b>Operating Expenses</b>						
Individual Customer	202	188	191	204	207	2%
Group Customer	230	208	226	238	233	1%
Corporate	21	15	14	29	21	0%
<b>Total</b>	<b>453</b>	<b>411</b>	<b>431</b>	<b>471</b>	<b>461</b>	<b>2%</b>



# CANADA

(In C\$m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	YoY
<b>Individual Customer</b>						
<b>Base Earnings</b>	<b>138</b>	<b>159</b>	<b>123</b>	<b>132</b>	<b>138</b>	0%
Items excluded from Base Earnings	(126)	36	(4)	(141)	(12)	
<b>Net Earnings</b>	<b>12</b>	<b>195</b>	<b>119</b>	<b>(9)</b>	<b>126</b>	950%
<b>Group Customer</b>						
<b>Base Earnings</b>	<b>143</b>	<b>195</b>	<b>134</b>	<b>205</b>	<b>154</b>	8%
Items excluded from Base Earnings	4	2	-	(16)	1	
<b>Net Earnings</b>	<b>147</b>	<b>197</b>	<b>134</b>	<b>189</b>	<b>155</b>	5%
<b>Corporate</b>						
<b>Base Earnings</b>	<b>(8)</b>	<b>(39)</b>	<b>13</b>	<b>11</b>	<b>6</b>	
Items excluded from Base Earnings	-	-	-	109	-	
<b>Net Earnings</b>	<b>(8)</b>	<b>(39)</b>	<b>13</b>	<b>120</b>	<b>6</b>	
<b>Canada Totals</b>						
<b>Base Earnings</b>	<b>273</b>	<b>315</b>	<b>270</b>	<b>348</b>	<b>298</b>	9%
Items excluded from Base Earnings	(122)	38	(4)	(48)	(11)	
<b>Net Earnings</b>	<b>151</b>	<b>353</b>	<b>266</b>	<b>300</b>	<b>287</b>	90%

**Note:** Base Earnings is a non-IFRS measure. Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and net gains, losses or costs related to the disposition or acquisition of a business.

# UNITED STATES<sup>1</sup>

(In US\$m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	YoY
<b>Sales</b>						
Empower Retirement	25,060	5,196	6,692	6,983	63,833	155%
Personal Capital	-	-	542	1,168	1,399	
<b>Total</b>	<b>25,060</b>	<b>5,196</b>	<b>7,234</b>	<b>8,151</b>	<b>65,231</b>	<b>160%</b>
<b>Putnam Sales</b>	<b>14,664</b>	<b>15,111</b>	<b>13,809</b>	<b>12,957</b>	<b>12,674</b>	<b>(14%)</b>
<b>Fee and Other Income</b>						
Empower Retirement	275	262	281	294	457	66%
Personal Capital	-	-	13	28	31	
Other	4	4	3	7	5	25%
Putnam	218	203	226	252	237	9%
<b>Total</b>	<b>497</b>	<b>469</b>	<b>523</b>	<b>581</b>	<b>730</b>	<b>47%</b>
<b>Operating Expenses</b>						
Empower Retirement	238	229	240	261	364	53%
Personal Capital	-	-	19	37	44	
Other <sup>1</sup>	11	11	12	20	9	(18%)
Putnam	176	163	169	175	178	1%
U.S. Corporate <sup>2</sup>	-	-	28	47	2	
<b>Total</b>	<b>425</b>	<b>403</b>	<b>468</b>	<b>540</b>	<b>597</b>	<b>40%</b>

1. U.S. Corporate includes Personal Capital and MassMutual transaction costs of US\$27m in Q3 2020 and Personal Capital and MassMutual transaction costs of US\$46m in Q4 2020

# UNITED STATES

(In US\$m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	YoY
<b>Empower Retirement</b>						
Base Earnings	40	48	58	56	95	138%
Items excluded from Base Earnings	(9)	(4)	29	-	(8)	
<b>Net Earnings</b>	<b>31</b>	<b>44</b>	<b>87</b>	<b>56</b>	<b>87</b>	<b>181%</b>
<b>Personal Capital</b>						
Base Earnings	-	-	(5)	(5)	(11)	
Items excluded from Base Earnings	-	-	-	(2)	(2)	
<b>Net Earnings</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>(7)</b>	<b>(13)</b>	
<b>Other</b>						
Base Earnings	2	5	3	(2)	-	
Items excluded from Base Earnings	-	-	(1)	1	-	
<b>Net Earnings</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>(1)</b>	<b>-</b>	
<b>Putnam</b>						
Base Earnings	(31)	9	10	26	(3)	
<b>Net Earnings</b>	<b>(31)</b>	<b>9</b>	<b>10</b>	<b>26</b>	<b>(3)</b>	
<b>Corporate</b>						
Base Earnings	2	(1)	(3)	(7)	-	
Items excluded from Base Earnings	-	-	(24)	92	(1)	
<b>Net Earnings</b>	<b>2</b>	<b>(1)</b>	<b>(27)</b>	<b>85</b>	<b>(1)</b>	
<b>U.S. Totals</b>						
Base Earnings	13	61	63	68	81	523%
Items excluded from Base Earnings	(9)	(4)	4	91	(11)	
<b>Net Earnings</b>	<b>4</b>	<b>57</b>	<b>67</b>	<b>159</b>	<b>70</b>	<b>1650%</b>

**Note:** Base Earnings is a non-IFRS measure. Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and net gains, losses or costs related to the disposition or acquisition of a business.

# EUROPE

(In C\$m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	YoY
<b>Insurance and Annuity Sales</b>						
U.K. Insurance and Annuity	451	644	284	996	522	16%
Ireland Insurance and Annuity	60	52	63	75	68	13%
Germany Insurance and Annuity	6	6	7	7	7	17%
<b>Total</b>	<b>517</b>	<b>702</b>	<b>354</b>	<b>1,078</b>	<b>597</b>	<b>15%</b>
<b>Wealth Management Sales</b>						
U.K. Wealth Management	632	393	372	434	538	(15%)
Ireland Wealth Management	1,527	695	959	1,037	864	(43%)
Germany Wealth Management	80	75	73	128	96	20%
<b>Total</b>	<b>2,239</b>	<b>1,163</b>	<b>1,404</b>	<b>1,599</b>	<b>1,498</b>	<b>(33%)</b>
<b>Investment Only Sales</b>						
U.K. Investment Only	19	22	16	39	32	68%
Ireland Investment Only	6,893	5,254	3,539	4,158	5,099	(26%)
<b>Total</b>	<b>6,912</b>	<b>5,276</b>	<b>3,555</b>	<b>4,197</b>	<b>5,131</b>	<b>(26%)</b>
<b>Total Sales</b>						
U.K.	1,102	1,059	672	1,469	1,092	(1%)
Ireland	8,480	6,001	4,561	5,270	6,031	(29%)
Germany	86	81	80	135	103	20%
<b>Total</b>	<b>9,668</b>	<b>7,141</b>	<b>5,313</b>	<b>6,874</b>	<b>7,226</b>	<b>(25%)</b>

# EUROPE

(In C\$m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	YoY
<b>Fee and Other Income</b>						
U.K	39	44	42	43	46	18%
Germany	105	111	111	119	116	10%
Ireland	189	185	189	189	191	1%
<b>Total</b>	<b>333</b>	<b>340</b>	<b>342</b>	<b>351</b>	<b>353</b>	<b>6%</b>
<b>Operating Expenses</b>						
U.K	79	83	85	77	86	9%
Germany	35	36	37	40	41	17%
Ireland	166	160	151	163	164	(1%)
Corporate	3	4	2	5	4	19%
<b>Total</b>	<b>283</b>	<b>283</b>	<b>275</b>	<b>285</b>	<b>295</b>	<b>4%</b>

# EUROPE

(In C\$m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	YoY
<b>U.K.</b>						
Base Earnings	72	88	78	96	120	67%
Items excluded from Base Earnings	19	21	(11)	60	(12)	
<b>Net Earnings</b>	<b>91</b>	<b>109</b>	<b>67</b>	<b>156</b>	<b>108</b>	<b>19%</b>
<b>Ireland</b>						
Base Earnings	27	53	70	62	43	59%
Items excluded from Base Earnings	(43)	48	126	(8)	3	
<b>Net Earnings</b>	<b>(16)</b>	<b>101</b>	<b>196</b>	<b>54</b>	<b>46</b>	
<b>Germany</b>						
Base Earnings	36	41	37	41	40	11%
Items excluded from Base Earnings	(17)	5	19	6	3	
<b>Net Earnings</b>	<b>19</b>	<b>46</b>	<b>56</b>	<b>47</b>	<b>43</b>	<b>126%</b>
<b>Corporate</b>						
Base Earnings	(3)	(3)	(3)	(4)	(2)	
Items excluded from Base Earnings	-	-	-	-	-	
<b>Net Earnings</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(4)</b>	<b>(2)</b>	
<b>Europe Totals</b>						
Base Earnings	132	179	182	195	201	52%
Items excluded from Base Earnings	(41)	74	134	58	(6)	
<b>Net Earnings</b>	<b>91</b>	<b>253</b>	<b>316</b>	<b>253</b>	<b>195</b>	<b>114%</b>

**Note:** Base Earnings is a non-IFRS measure. Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and net gains, losses or costs related to the disposition or acquisition of a business.

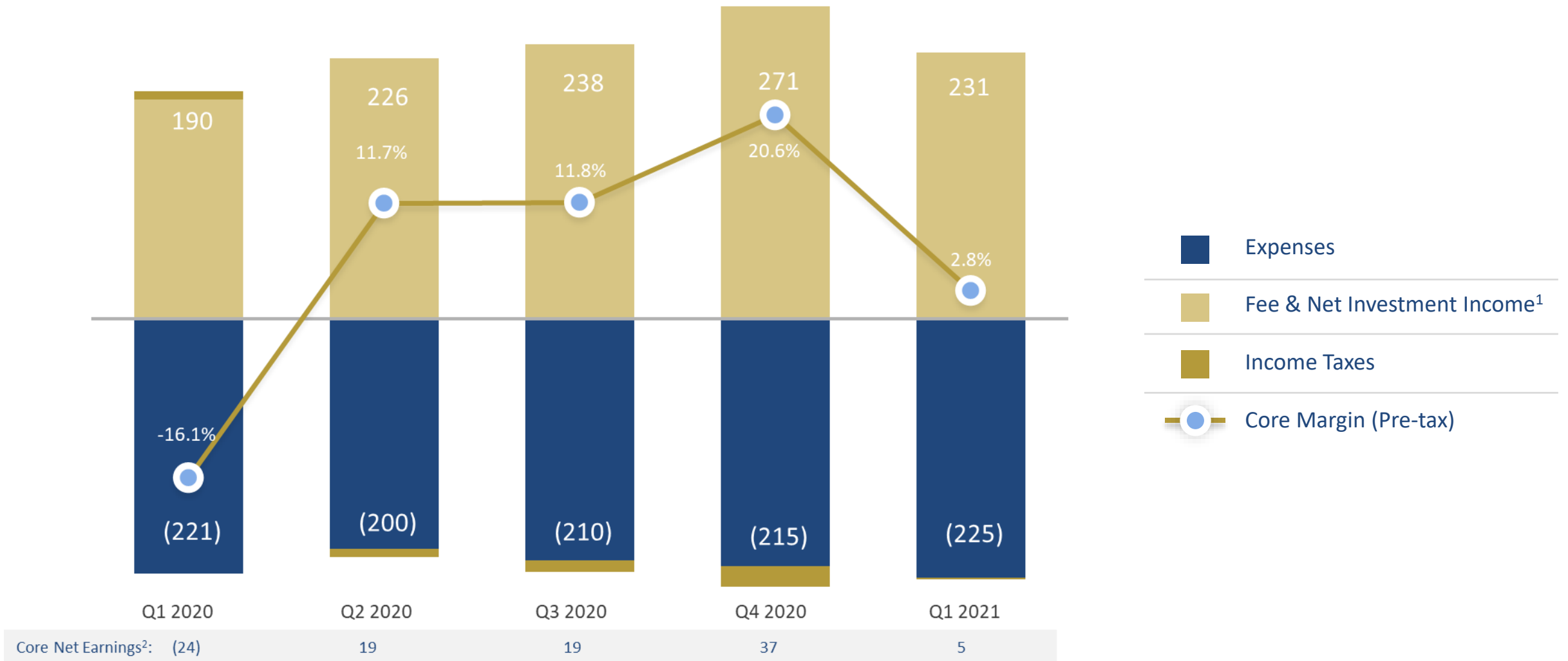
# Capital and Risk Solutions

(In C\$m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	YoY
<b>Fee and Other Income</b>						
Reinsurance	3	2	3	3	2	(30%)
<b>Operating Expenses</b>						
Reinsurance	21	23	23	23	23	10%
Corporate & Par	2	1	2	2	2	
<b>Total</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>25</b>	<b>25</b>	9%
<b>Reinsurance</b>						
<b>Base Earnings</b>	120	138	157	124	146	22%
Items excluded from Base Earnings	(26)	50	11	47	-	
<b>Net Earnings</b>	<b>94</b>	<b>188</b>	<b>168</b>	<b>171</b>	<b>146</b>	55%
<b>Corporate</b>						
<b>Base Earnings</b>	(1)	(1)	(1)	-	(1)	
Items excluded from Base Earnings	-	-	-	(4)	-	
<b>Net Earnings</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(4)</b>	<b>(1)</b>	
<b>Capital and Risk Solutions Totals</b>						
<b>Base Earnings</b>	<b>119</b>	<b>137</b>	<b>156</b>	<b>124</b>	<b>145</b>	22%
Items excluded from Base Earnings	(26)	50	11	43	-	
<b>Net Earnings</b>	<b>93</b>	<b>187</b>	<b>167</b>	<b>167</b>	<b>145</b>	56%

**Note:** Reinsurance premiums can vary significantly from period to period depending on the terms of underlying treaties. Earnings are not directly correlated to premiums received. Base earnings is a non-IFRS measure. Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and net gains, losses or costs related to the disposition or acquisition of a business.

# PUTNAM – CORE NET EARNINGS

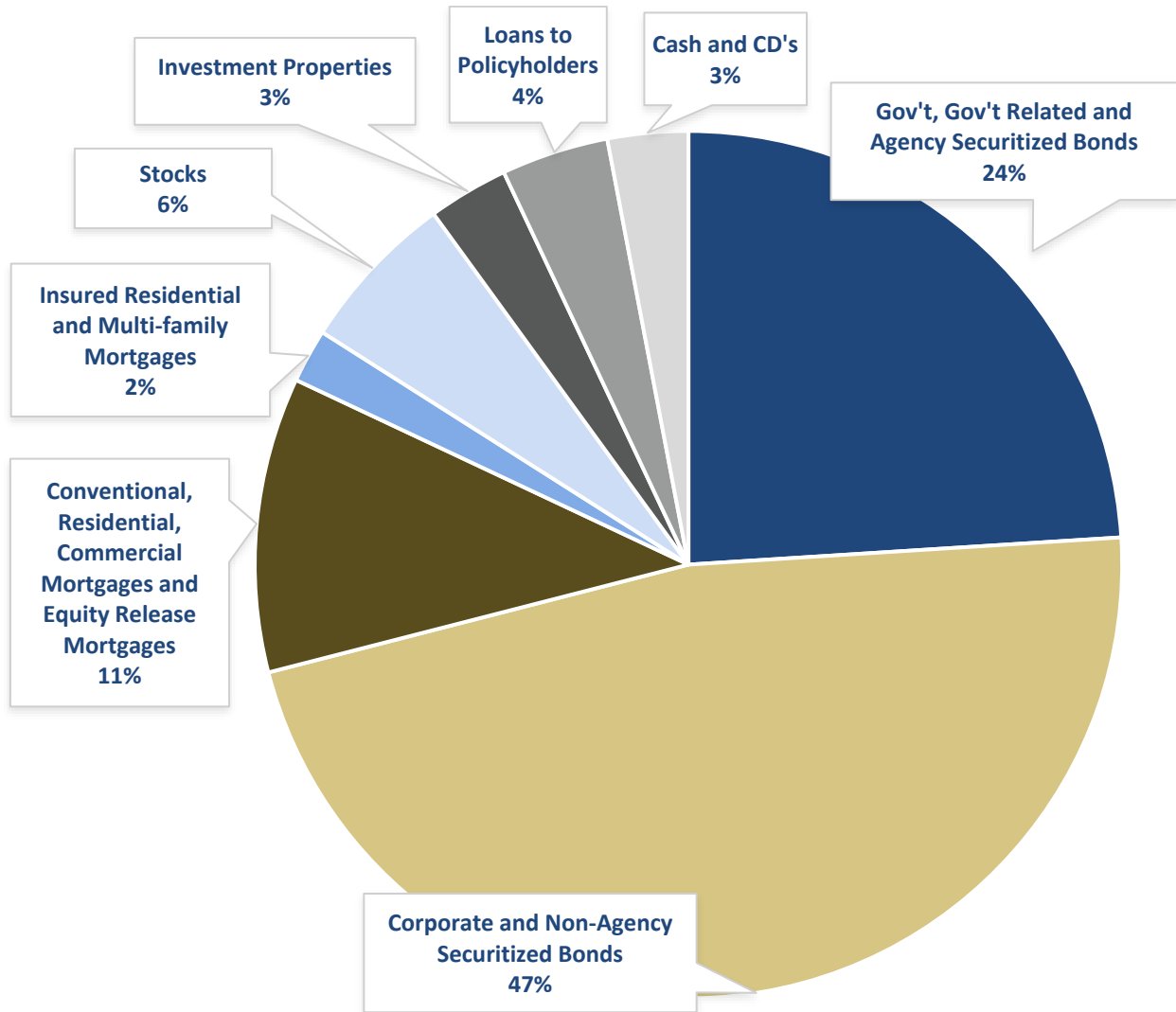
(US\$m)



1. Fee & net investment income includes US\$23m pre-tax (\$17m after tax) of institutional performance fees in Q4 2020.
2. 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, certain tax adjustments and other non-recurring transactions. Please refer to Q1 2021 MD&A for reconciliation to net earnings (loss).



# INVESTED ASSETS<sup>1</sup>



Invested assets of \$209.1 billion

Diversified high quality portfolio:

**Bonds represent 71%:**

- 99% are investment grade
- 74% 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 6%, mostly Canadian publicly traded**

**Investment Properties represent 3%:**

- 59% in Canada / U.S.;  
41% in U.K. / Europe
- Properties are unlevered
- U.K. / European properties benefit from long term lease contracts

1. At March 31, 2021; Includes certain funds held by ceding insurers (bonds and mortgages with a carrying value of \$15.1b)

# LIFECO CONSOLIDATED BOND PORTFOLIO\*

## % of Invested Assets

Country of Domicile	Gov't, Gov't Related and Agency Securitized Bonds	Corporate and Non-Agency Securitized Bonds	Total Bonds
U.S.	3.0%	23.8%	26.8%
Canada	9.3%	9.4%	18.7%
U.K.	7.3%	7.5%	14.8%
Germany	1.2%	0.9%	2.1%
Ireland	0.3%	0.3%	0.6%
	<b>21.1%</b>	<b>41.9%</b>	<b>63.0%</b>
Europe Other	1.0%	3.5%	4.5%
All Other	1.7%	1.9%	3.6%
<b>Total</b>	<b>23.8%</b>	<b>47.3%</b>	<b>71.1%</b>

\*Includes certain funds held by ceding insurers

# CORPORATE AND NON-AGENCY SECURITIZED BONDS – SECTOR DIVERSIFICATION\*

Corporates	% of Invested Assets
Electric Utilities	7.4%
Consumer Products	6.4%
Industrial Products	4.6%
Financial Services	3.9%
Banks	3.2%
Energy	3.1%
Transportation	2.8%
Real Estate	2.7%
Communications	2.0%
Technology	1.5%
Gas Utilities	1.4%
Other Utilities	1.3%
Auto & Auto Parts	1.0%
<b>Total Corporates</b>	<b>41.3%</b>

Non-Agency Securitized	% of Invested Assets
CMBS	1.9%
RMBS	0.1%
Other ABS	4.0%
<b>Total Non-Agency Securitized</b>	<b>6.0%</b>
<b>Total Corporate and Non-Agency Securitized</b>	<b>47.3%</b>

\*Includes certain funds held by ceding insurers

# LIFECO MORTGAGE EXPOSURES\*

(C\$m) Carrying Value Property Type	Total		Mortgage Holdings by Segment				Insured		Non-insured	
			Canada	U.S.	Europe	CRS				
<b>Single Family</b>	<b>2,035</b>	<b>1.0%</b>	<b>2,035</b>	-	-	-	<b>513</b>	<b>1,522</b>		
<b>Equity Release</b>	<b>2,034</b>	<b>1.0%</b>	<b>790</b>	-	<b>1,244</b>	-	-	<b>2,034</b>		
<b>Multi Family</b>	<b>7,437</b>	<b>3.6%</b>	<b>4,284</b>	<b>2,433</b>	<b>680</b>	<b>40</b>	<b>3,211</b>	<b>4,226</b>		
<b>Commercial</b>										
Retail & Shopping Centres	5,467	2.6%	3,929	526	1,009	3	-	5,467		
Office Buildings	5,293	2.5%	2,230	1,688	1,357	18	-	5,293		
Industrial	4,544	2.2%	2,701	1,079	763	1	-	4,544		
Other	1,356	0.6%	310	509	537	-	232	1,124		
<b>Total Commercial</b>	<b>16,660</b>	<b>7.9%</b>	<b>9,170</b>	<b>3,802</b>	<b>3,666</b>	<b>22</b>	<b>232</b>	<b>16,428</b>		
<b>Total Lifeco</b>	<b>28,166</b>	<b>13.5%</b>	<b>16,279</b>	<b>6,235</b>	<b>5,590</b>	<b>62</b>	<b>3,956</b>	<b>24,210</b>		

- Mortgage holdings totaled \$28.2 billion (13.5% of invested assets). Conventional mortgages, which exclude single family and equity release mortgages, are well diversified by property type, with a weighted average LTV of 51%.
- 14% of mortgage loans are insured, all in Canada

\* Includes certain funds held by ceding insurers

# CURRENCY (RELATIVE TO C\$)

## Income & Expenses

	US\$	£	€
Q1 2021	1.27	1.75	1.53
Q4 2020	1.3	1.72	1.55
Q3 2020	1.33	1.72	1.56
Q2 2020	1.39	1.72	1.53
Q1 2020	1.34	1.72	1.48

## Balance Sheet

	US\$	£	€
Q1 2021	1.26	1.73	1.47
Q4 2020	1.27	1.74	1.55
Q3 2020	1.33	1.72	1.56
Q2 2020	1.36	1.68	1.52
Q1 2020	1.4	1.74	1.55