

GREAT-WEST  
**LIFECO** INC.

# Quarterly Results Presentation

Q2 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 but not limited to the proposed acquisition of the full-service retirement business of Prudential Financial, Inc. (Prudential) and the recent acquisitions of Personal Capital Corporation (Personal Capital) and the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual), the timing and completion of proposed acquisitions, including the acquisition of the retirement business of Prudential and expected earnings per share accretion, expected earnings growth, expected capital management activities and use of capital, 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. In particular, in calculating the expected earnings per share accretion figures in respect of the proposed acquisition of the retirement business of Prudential, management has estimated certain after-tax forecast pro forma adjustments to earnings based on the following assumptions: a USD-CAD exchange rate of 1.25; pre-tax expense synergies of US\$180 million and pre-tax revenue synergies of US\$20 million; incremental financing costs and foregone investment income of C\$97 million; and amortization of intangibles. 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, the emergence of COVID-19 variants, 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, 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 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 (EPS)", "return on equity", "source of earnings" and its components, "base return on equity (ROE)", "core net earnings (loss)", "constant currency basis", "impact of currency movement", "premiums and deposits", "sales", "net cash flows" and "net asset flows" (including "flows", "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 Q2 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

# OUR FOUR VALUE-CREATION PRIORITIES



## Advice-centered value creation

Continue to scale and leverage millions of customer relationships to capture value through advice-based wealth and insurance solutions



## Digital capabilities

Deliver efficient and effective advice, solutions and service for customers through multiple digitally enabled channels



## Workplace extensions

Extend workplace participant relationships into lifetime customer relationships through hybrid advice, solutions and services



## Risk & investment expertise

Leverage capabilities to enable and augment wealth and insurance solutions

- Recently announced strategic transactions, including Prudential retirement services in the U.S., Ark Life in Ireland, and ClaimSecure in Canada, are aligned with these priorities
- Adds 4 million plan participants in the U.S., 1.2 million relationships in Canada, 150k individual customers in Ireland

# OUR MEDIUM-TERM\* FINANCIAL OBJECTIVES

## Value creation through disciplined capital deployment

**8-10%** base EPS growth p.a.

- Organic earnings growth from market-leading franchises in Canada, the U.S. and Europe
- Digital investments to drive business extensions and cost optimization
- Revenue and expense synergy harvesting for completed transactions

**14-15%** base ROE

- Diversified business that drives strong and stable returns
- Wealth management extensions that drive capital-light growth
- Leveraged capital management and risk management expertise

**Strong cash generation**

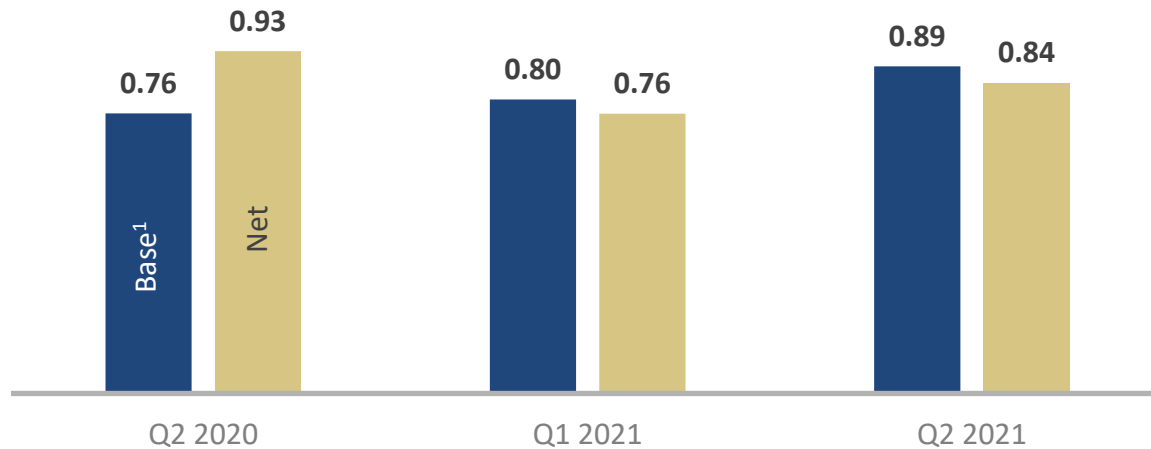
- A cash-generative business supporting a progressive dividend policy
- Investment in future growth and resiliency
- Potential incremental base EPS growth and ROE strengthening through M&A

- Recently announced strategic transactions are incremental to our financial objectives above
- Prudential retirement services acquisition is expected to be 8-9% EPS accretive and 1% ROE accretive once fully integrated onto the Empower platform

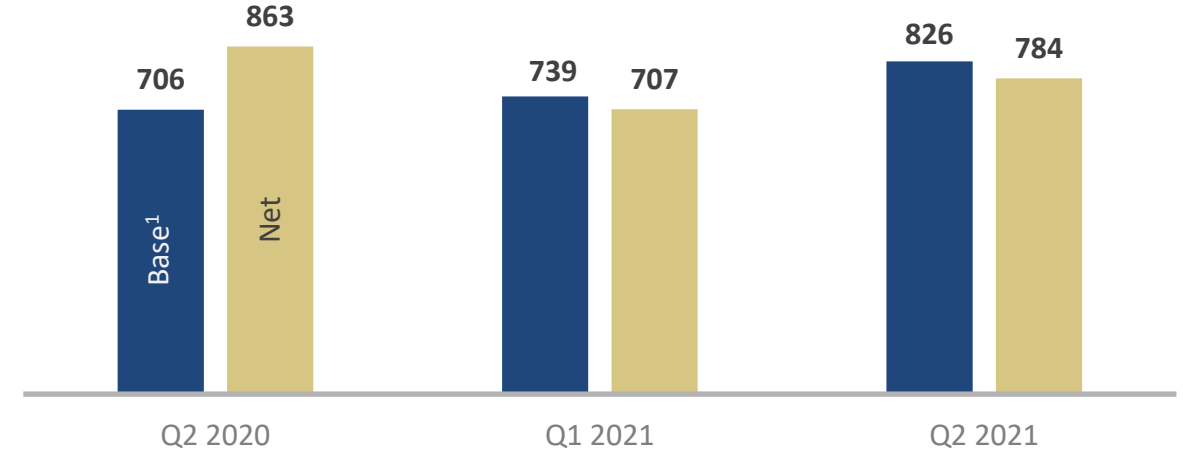
\* Medium-term defined as the next 3-5 years.

# EARNINGS

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



## Earnings (C\$m)



### Base Earnings and EPS

- Base earnings and EPS up 17% from Q2 2020
  - Strong earnings across all operating segments reflecting business growth, higher market levels and the addition of the acquired MassMutual business
  - Net Covid related financial impacts not material

### Net Earnings and EPS

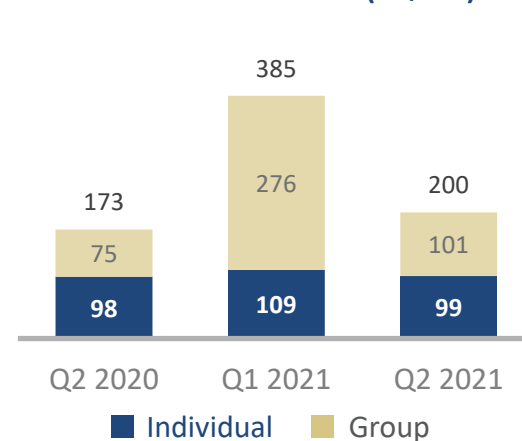
- Net earnings and EPS down 9% from Q2 2020
  - Q2 2020 included higher market-related impacts due to the rapid market recovery which reversed much of the Q1 2020 initial Covid impacts
  - U.S. integration costs for MassMutual and Personal Capital

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 Q2 2021 MD&A.

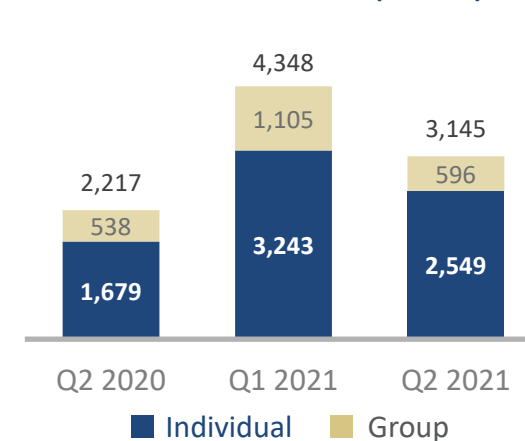
# CANADA

- Solid sales performance
  - Individual insurance sales consistent with pre-COVID levels; Group insurance sales healthy in small/mid segments with limited large case activity in-quarter
  - Strong wealth sales and asset growth
- Continued strategic advancements
  - Canada Life has surpassed the milestone of 500k Group members and dependents with virtual health options
  - Artificial Intelligence should improve the renewal process and long-term disability management for Group Insurance
- Agreement reached for acquisition of ClaimSecure, providing access to 7k new corporate clients and 1.2m Canadians (subject to regulatory approval)

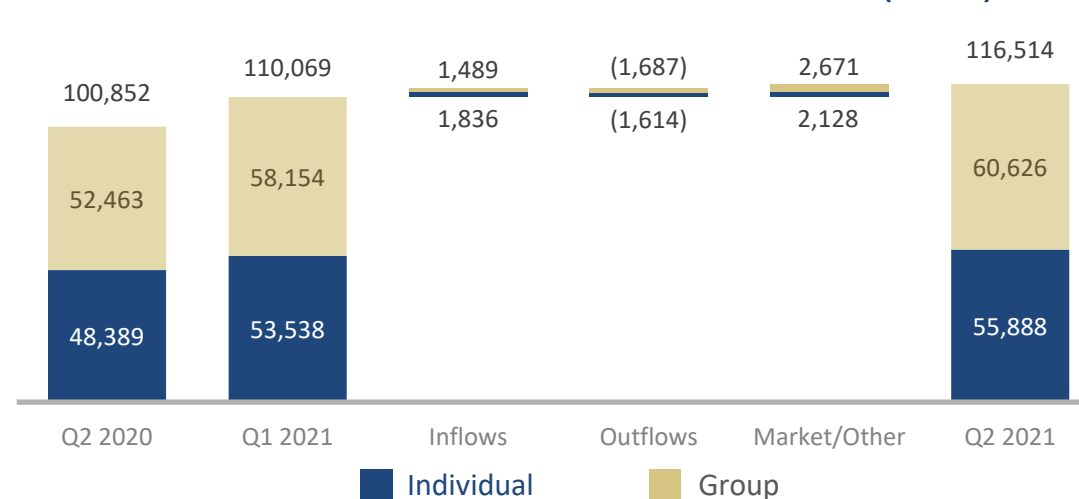
### Insurance Sales<sup>1</sup> (C\$m)



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



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



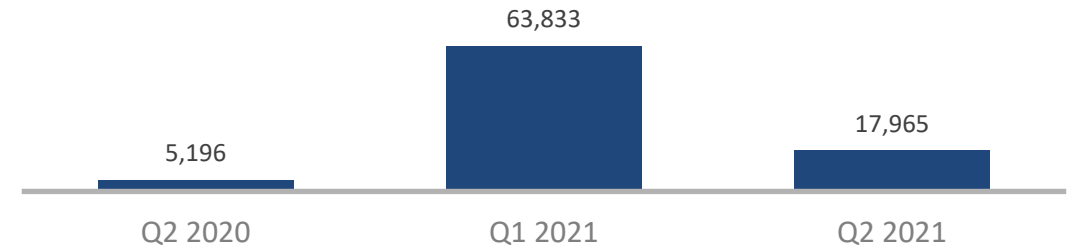
1. Sales and AUA are non-IFRS measures. Refer to the discussion of these measures in the Company's Q2 2021 MD&A.

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.

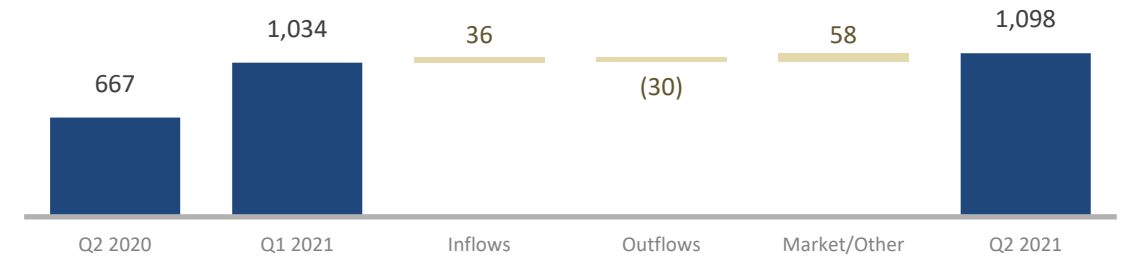
# EMPOWER

- Large plan sales drove YoY increase combined with continued strong growth in the Core and Retail segments
- Total Retail Wealth Management AUA (Empower IRA and Personal Capital combined) now exceed US\$40b
- Personal Capital making significant progress in signing up new client assets
- MassMutual and Personal Capital integration programs on track
  - US\$48m of annual, pre-tax run rate cost synergies achieved to date related to MassMutual
- Announced an agreement to acquire the full-service retirement business of Prudential Financial<sup>3</sup> in a transaction valued at US\$3.55b
  - Increases Empower's participant base to over 16m with combined AUA of US\$1.4T across 71k plans

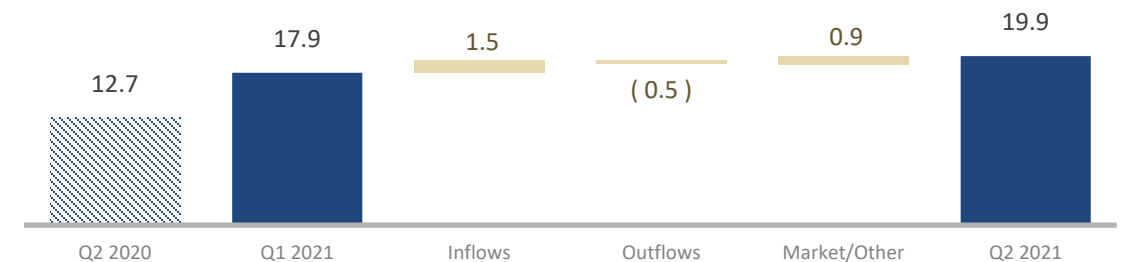
## Empower Sales<sup>1</sup> (ex-Personal Capital) (US\$m)



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



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



1. Sales, AUA and AUM are non-IFRS measures. Refer to the discussion of these measures in the Company's Q2 2021 MD&A.

2. Personal Capital Q2 2020 AUM are pre-acquisition of the business.

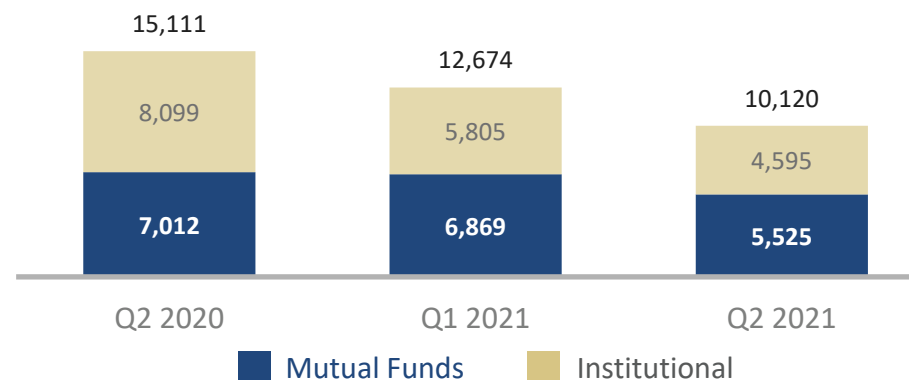
3. Subject to regulatory approval, the deal is expected to close Q1 2022.



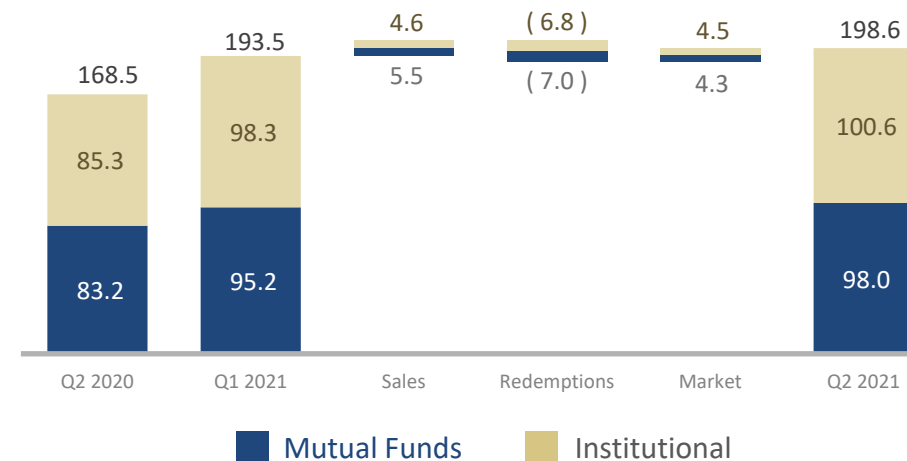
# PUTNAM

- US\$30b increase in ending AUM year-over-year
- Sales of short duration income products have slowed due to lower yields; equity sales improving
- Net outflows of US\$3.7b
  - Outflows primarily from lower-fee fixed income products
  - Net inflows for equity products
- Strong investment performance continues
  - 74% and 91% 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> and Flows (US\$b)

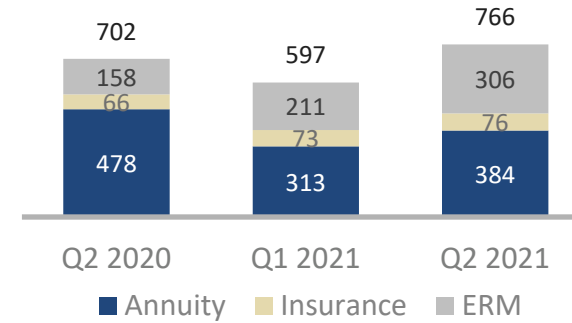


1. Sales, AUM are non-IFRS measures. Refer to the discussion of these measures in the Company's Q2 2021 MD&A.

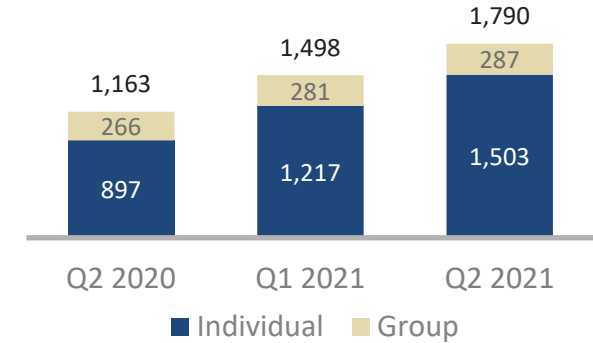
# EUROPE

- Individual wealth sales are now higher than pre-pandemic levels
- Good momentum in annuity sales, with bulk annuity pipeline strengthening
- Sales of Equity Release Mortgages have accelerated, helped by a buoyant UK residential property market
- AUA have continued to increase in local currency:
  - Overall positive flows and market growth
  - Q2 2020 AUA includes C\$45b in respect of a subsidiary (IPSI) which was sold during 2020
- Irish Life reached an agreement to acquire Ark Life in a transaction which will see 150k policies and €2.1b in assets move to Irish Life

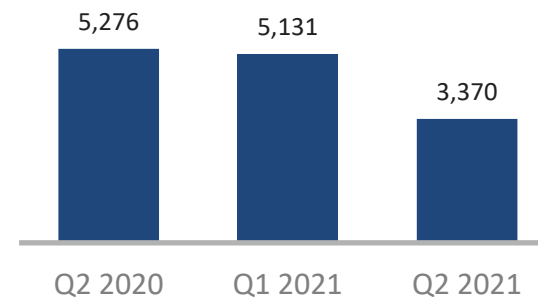
### Insurance & Annuity Sales<sup>1</sup> (C\$m)



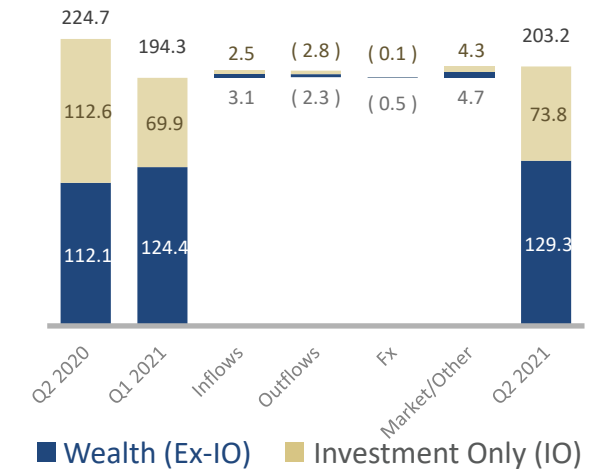
### Wealth Sales<sup>1</sup> (C\$m)



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



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



1. Sales and AUA are non-IFRS measures. Refer to the discussion of these measures in the Company's Q2 2021 MD&A.

# CAPITAL AND RISK SOLUTIONS

- Strong growth in expected profit, up 10% YoY
  - Growth in Structured Life and Longevity
  - QoQ decline primarily due to impact of currency movements
- Pipeline of new business continues to be strong in both Structured Life and Longevity
  - Completed two new longevity reinsurance agreements in the U.K. The agreements cover over £600m of pension liabilities and over 3k in-payment and deferred policies.



1. Expected Profit is a component of Source of Earnings, a non-IFRS measure.



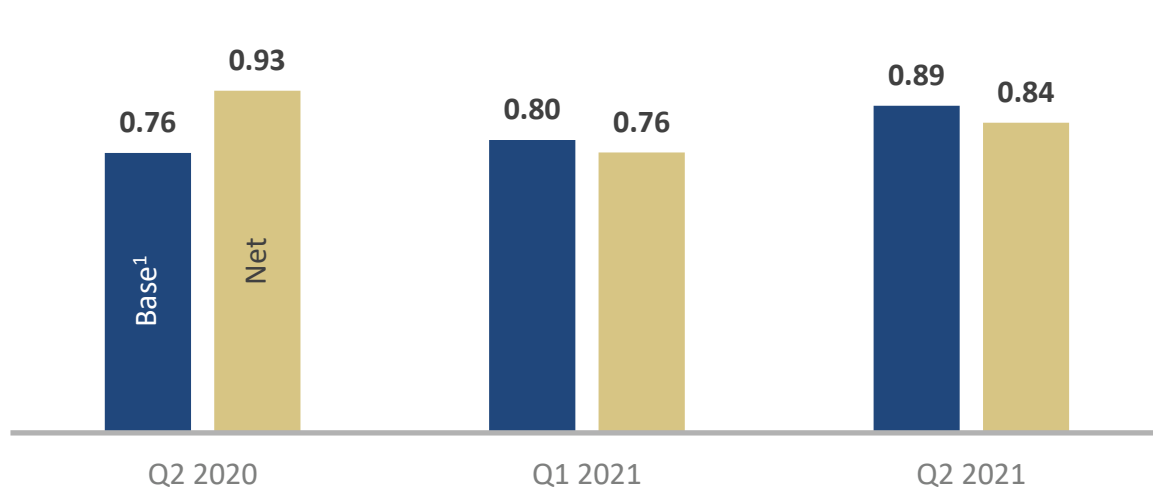
# FINANCIAL HIGHLIGHTS

**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
Q2 2021	293	190	184	150	826	784
Q1 2021	298	104	201	145	739	707
Q2 2020	315	83	179	137	706	863
YOY	(7%)	129%	3%	9%	17%	(9%)
Constant Currency <sup>3</sup>	(7%)	157%	5%	15%	22%	(6%)

### Canada

- Solid business performance; gains on health and disability results and yield enhancement
- Favorable tax outcomes partly offset by one-time expense items and an asset impairment

### U.S.

- Market and business growth at Empower plus C\$63m<sup>4</sup> base earnings contribution from the MassMutual acquired block
- Improved earnings at Putnam on notably higher average AUM

### Europe

- Good underlying performance in UK, Ireland and Germany driven by continued recovery in sales, favourable insurance experience and strong yield enhancement
- Partial offset from net one-off tax adjustments of C\$32m.

### Capital & Risk Solutions

- Strong business growth driving expected profit
- Lower life claims partially offset by less favourable results in the longevity business

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 Q2 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 Q2 2021 MD&A.

4. Includes a positive C\$7M true up from Q1 2021

# TAX IMPACTS

## Q2 2021 Tax Impacts (C\$m)

	Canada	Europe	Corp	Lifeco
<b>Base Earnings Impacts</b>	20	(32)	33	21
<b>Total Items Excluded From Base Earnings</b>	-	(25)	-	(25)
<b>Total Tax Impacts</b>	20	(57)	33	(4)

- Lifeco's common shareholders Q2/21 effective tax rate 12% on net earnings, 9% on base earnings
- Q2/21 base earnings impacts reflect the resolution of outstanding issues with tax authorities in Canada and Europe
- Items excluded from base reflect impact of the legislated future tax rate increase in the UK on the revaluation of deferred tax liabilities

# SOURCE OF EARNINGS<sup>1</sup> [BASE]

(C\$m)	Canada	U.S.	Europe	CRS	Corp.	Q2/21 Total	Q1/21 Total	Q2/20 Total
Expected profit on in-force business	328	205	227	170	(5)	925	885	732
Impact of new business	(7)	(56)	(12)	3	-	(72)	(71)	(69)
Experience gains and losses	16	59	26	(13)	(19)	69	83	55
Earnings on surplus (incl. financing charges)	20	23	(8)	(6)	(8)	21	(31)	102
<b>Base earnings before tax</b>	<b>357</b>	<b>231</b>	<b>233</b>	<b>154</b>	<b>(32)</b>	<b>943</b>	<b>866</b>	<b>820</b>
Taxes	(36)	(46)	(43)	(4)	41	(88)	(85)	(64)
<b>Base earnings before non-controlling interests &amp; preferred dividends</b>	<b>321</b>	<b>185</b>	<b>190</b>	<b>150</b>	<b>9</b>	<b>855</b>	<b>781</b>	<b>756</b>
Non-controlling interests & preferred dividends	(28)	5	(6)	-	-	(29)	(42)	(50)
<b>Base earnings – common shareholders</b>	<b>293</b>	<b>190</b>	<b>184</b>	<b>150</b>	<b>9</b>	<b>826</b>	<b>739</b>	<b>706</b>

1. Source of earnings, 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 Q2 2021 MD&A.

# EARNINGS RECONCILIATION

	Q2 2021		Q1 2021		Q2 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>	826	0.89	739	0.80	706	0.76
Items excluded from base earnings						
Tax legislative changes/material matters <sup>2</sup>	(25)	(0.02)	-	-	-	-
Actuarial assumption changes and other management actions	37	0.04	5	0.00	122	0.13
Market-related impacts on liabilities and taxes <sup>2</sup>	(15)	(0.02)	(24)	(0.03)	35	0.04
Restructuring and integration costs	(15)	(0.02)	(12)	(0.01)	-	-
Personal Capital and MassMutual transaction costs	(24)	(0.03)	(1)	(0.00)	-	-
<b>Items excluded from base earnings<sup>1</sup></b>	<b>(42)</b>	<b>(0.05)</b>	<b>(32)</b>	<b>(0.04)</b>	<b>157</b>	<b>0.17</b>
<b>Net earnings – common shareholders</b>	<b>784</b>	<b>0.84</b>	<b>707</b>	<b>0.76</b>	<b>863</b>	<b>0.93</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 Q2 2021 MD&A.

2. For presentation purposes, C\$4m of tax related impact has been reclassified to tax legislative changes/material matters.



# SOURCE OF EARNINGS<sup>1</sup> [NET]

(C\$m)	Canada	U.S.	Europe	CRS	Corp.	Q2/21 Total	Q1/21 Total	Q2/20 Total
Expected profit on in-force business	328	205	227	170	(5)	925	885	732
Impact of new business	(7)	(56)	(12)	3	-	(72)	(71)	(69)
Experience gains and losses	18	58	11	(13)	(19)	55	58	98
Management actions and changes in assumptions	(7)	(4)	48	1	-	38	2	140
Other	-	(42)	-	-	-	(42)	(16)	-
Earnings on surplus (incl. financing charges)	20	23	(8)	(6)	(8)	21	(31)	102
<b>Net earnings before tax</b>	<b>352</b>	<b>184</b>	<b>266</b>	<b>155</b>	<b>(32)</b>	<b>925</b>	<b>827</b>	<b>1,003</b>
Taxes	(36)	(39)	(75)	(3)	41	(112)	(78)	(90)
<b>Net earnings before non-controlling interests &amp; preferred dividends</b>	<b>316</b>	<b>145</b>	<b>191</b>	<b>152</b>	<b>9</b>	<b>813</b>	<b>749</b>	<b>913</b>
Non-controlling interests & preferred dividends	(28)	5	(6)	-	-	(29)	(42)	(50)
<b>Net earnings – common shareholders</b>	<b>288</b>	<b>150</b>	<b>185</b>	<b>152</b>	<b>9</b>	<b>784</b>	<b>707</b>	<b>863</b>

1. Source of earnings is a non-IFRS measure.

# SOURCE OF EARNINGS<sup>1</sup> – ADDITIONAL DETAIL

## Experience gains and losses

For three months ended Jun. 30/21 (C\$m)	Pre-Tax	Post-Tax
Yield enhancement	69	56
Market related impact on liabilities	(14)	(14)
Credit related	(7)	(4)
Mortality / longevity / morbidity	42	44
Expenses and Fees	(22)	(20)
Other	(13)	(5)
<b>Total experience gains / losses</b>	<b>55</b>	<b>57</b>

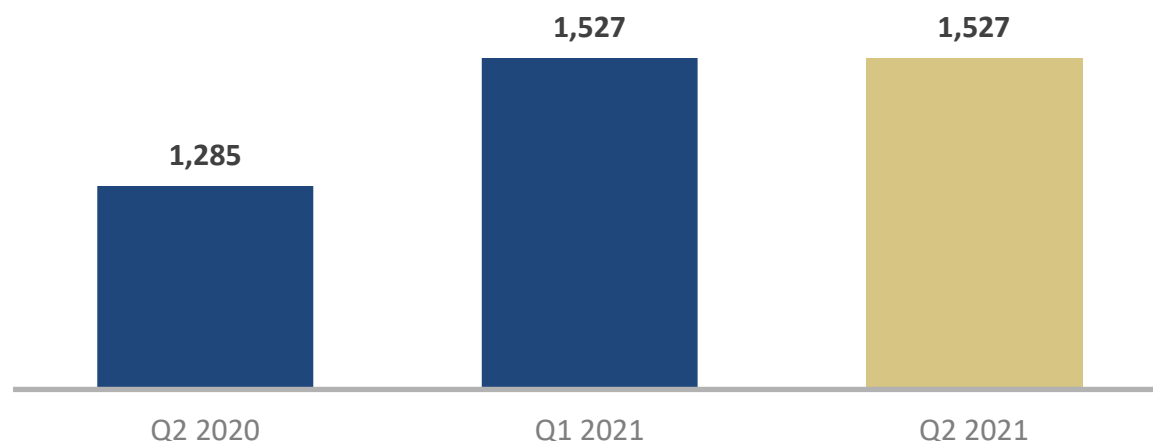
## Management actions and changes in assumptions

For three months ended Jun. 30/21 (C\$m)	Pre-Tax	Post-Tax
Updated economic assumptions in the UK	26	21
Updated policyholder behaviour assumptions in Germany	22	19
Other	(10)	(6)
<b>Total management actions and changes in assumptions</b>	<b>38</b>	<b>34</b>

1. Source of earnings is a non-IFRS measures.

# 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>
Q2 2021	469	706	302	25	1,527
Q1 2021	461	741	295	25	1,527
Q2 2020	411	560	283	24	1,285
YOY	14%	26%	7%	4%	19%
Constant Currency <sup>3</sup>	14%	42%	9%	10%	27%

Excluding Personal Capital and MassMutual, Lifeco expenses up 6% YoY

- Expense growth in Canada aligned with rebound in sales and operational activity volumes, increased sub-advisory expenses following the GLC/Mackenzie Investments transaction, and several one-time items
- Personal Capital and MassMutual contributed C\$156m to U.S. expenses in the quarter
- One-time strategic development and legal costs in Europe
- Additional expenses in CRS supporting business growth

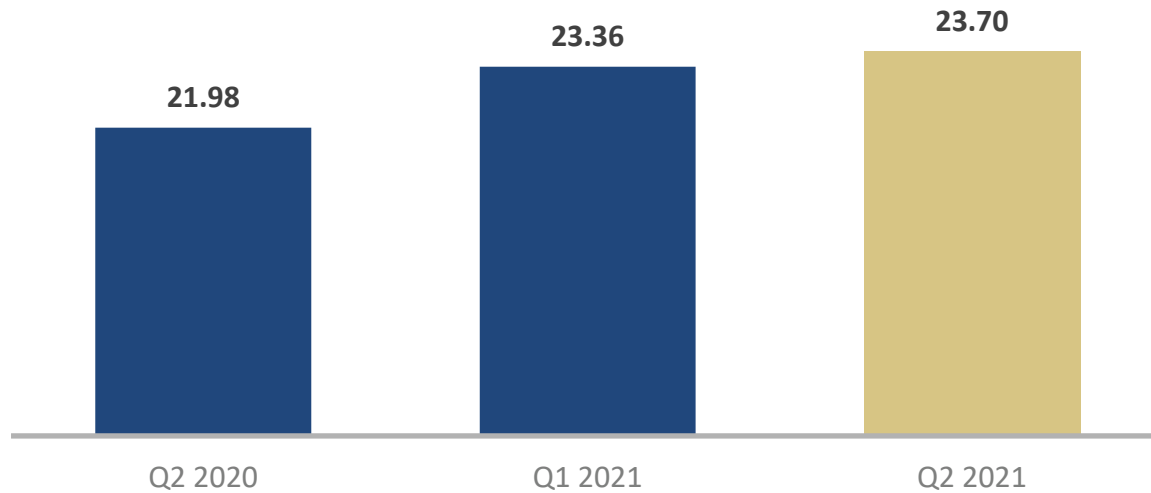
1. Lifeco totals include Lifeco corporate expenses.

2. Operating expenses is a non-IFRS measure and not directly comparable to similar measures used by other companies. Q2 2021 excludes pre-tax integration costs of C\$15m and transaction costs of C\$25m relating to 2020 acquisition of Personal Capital and MassMutual. 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.

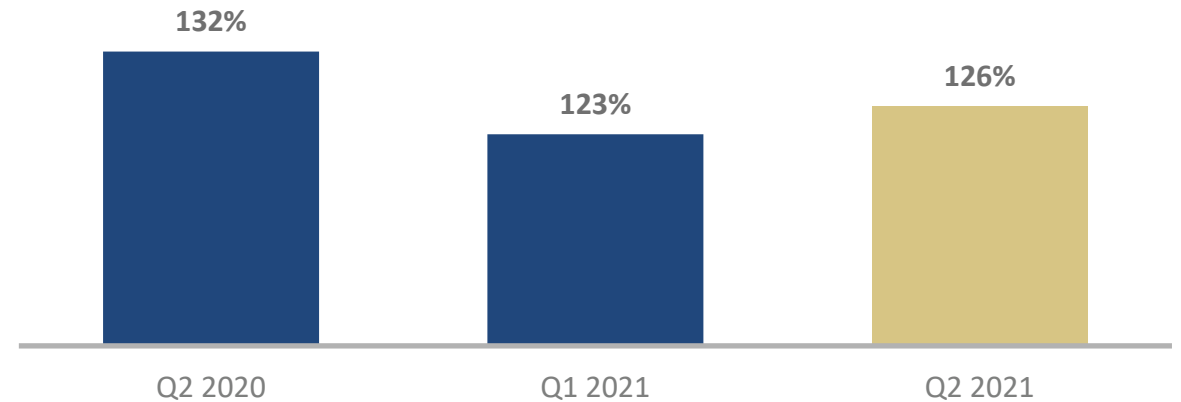
3. Constant currency is a non-IFRS measure. Refer to the discussion of this measure in the Company's Q2 2021 MD&A.

# BOOK VALUE PER SHARE AND LICAT

## Book Value per Share (C\$)



## LICAT Ratio



- BVPS growth of 8% YoY was largely driven by strong retained earnings over the past 4 quarters
- Currency movement headwinds largely offset by pension OCI from interest rate increases

- LICAT ratio at 126%, up 3 points QoQ, primarily due to solid earnings contribution and favourable market movements
- Lifeco cash \$0.9b at Q2 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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# QUESTIONS



# APPENDIX

# CANADA

(In C\$m)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YoY
<b>Sales</b>						
Individual Insurance	98	76	116	109	99	1%
Individual Wealth	1,679	1,852	2,818	3,243	2,549	52%
<b>Individual Total</b>	<b>1,777</b>	<b>1,928</b>	<b>2,934</b>	<b>3,352</b>	<b>2,648</b>	<b>49%</b>
Group Insurance	75	109	111	276	101	35%
Group Wealth	538	483	684	1,105	596	11%
<b>Group Total</b>	<b>613</b>	<b>592</b>	<b>795</b>	<b>1,381</b>	<b>697</b>	<b>14%</b>
<b>Total</b>	<b>2,390</b>	<b>2,520</b>	<b>3,729</b>	<b>4,733</b>	<b>3,345</b>	<b>40%</b>
<b>Fee and Other Income</b>						
Individual Customer	233	251	251	266	284	22%
Group Customer	163	179	195	188	192	18%
Corporate	14	15	15	15	16	14%
<b>Total</b>	<b>410</b>	<b>445</b>	<b>461</b>	<b>469</b>	<b>492</b>	<b>20%</b>
<b>Operating Expenses</b>						
Individual Customer	188	191	204	207	211	12%
Group Customer	208	226	238	233	235	13%
Corporate	15	14	29	21	23	53%
<b>Total</b>	<b>411</b>	<b>431</b>	<b>471</b>	<b>461</b>	<b>469</b>	<b>14%</b>



# CANADA

(In C\$m)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YoY
<b>Individual Customer</b>						
<b>Base Earnings</b>	<b>159</b>	<b>123</b>	<b>132</b>	<b>138</b>	<b>162</b>	2%
Items excluded from Base Earnings	36	(4)	(141)	(12)	(5)	
<b>Net Earnings</b>	<b>195</b>	<b>119</b>	<b>(9)</b>	<b>126</b>	<b>157</b>	(19%)
<b>Group Customer</b>						
<b>Base Earnings</b>	<b>195</b>	<b>134</b>	<b>205</b>	<b>154</b>	<b>189</b>	(3%)
Items excluded from Base Earnings	2	-	(16)	1	-	
<b>Net Earnings</b>	<b>197</b>	<b>134</b>	<b>189</b>	<b>155</b>	<b>189</b>	(4%)
<b>Corporate</b>						
<b>Base Earnings</b>	<b>(39)</b>	<b>13</b>	<b>11</b>	<b>6</b>	<b>(58)</b>	
Items excluded from Base Earnings	-	-	109	-	-	
<b>Net Earnings</b>	<b>(39)</b>	<b>13</b>	<b>120</b>	<b>6</b>	<b>(58)</b>	
<b>Canada Totals</b>						
<b>Base Earnings</b>	<b>315</b>	<b>270</b>	<b>348</b>	<b>298</b>	<b>293</b>	(7%)
Items excluded from Base Earnings	38	(4)	(48)	(11)	(5)	
<b>Net Earnings</b>	<b>353</b>	<b>266</b>	<b>300</b>	<b>287</b>	<b>288</b>	(18%)

Note: Base earnings is a non-IFRS measures. Refer to the reconciliations to net earnings and earnings per share, respectively, in the Company's Q2 2021 MD&A.

# UNITED STATES

(In US\$m)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YoY
<b>Sales</b>						
Empower Retirement	5,196	6,692	6,983	63,833	17,965	246%
Personal Capital	-	542	1,168	1,399	1,483	
<b>Total</b>	<b>5,196</b>	<b>7,234</b>	<b>8,151</b>	<b>65,232</b>	<b>19,448</b>	<b>274%</b>
<b>Putnam Sales</b>	<b>15,111</b>	<b>13,809</b>	<b>12,957</b>	<b>12,674</b>	<b>10,120</b>	<b>(33%)</b>
<b>Fee and Other Income</b>						
Empower Retirement	262	281	294	457	500	91%
Personal Capital	-	13	28	31	35	
Other	4	3	7	5	2	(50%)
Putnam	203	226	252	237	244	20%
<b>Total</b>	<b>469</b>	<b>523</b>	<b>581</b>	<b>730</b>	<b>781</b>	<b>67%</b>
<b>Operating Expenses</b>						
Empower Retirement	229	240	261	364	359	57%
Personal Capital	-	19	37	44	42	
Other	11	12	20	9	10	(11%)
Putnam	163	169	175	178	175	8%
U.S. Corporate <sup>1</sup>	-	28	47	2	20	
<b>Total</b>	<b>403</b>	<b>468</b>	<b>540</b>	<b>597</b>	<b>606</b>	<b>50%</b>

1. U.S. Corporate includes Personal Capital and Mass Mutual deal costs of US\$27m in Q3 2020, Mass Mutual deal costs of US\$46m in Q4 2020, Mass Mutual deal costs of US\$1m in Q1 2021, increase to Personal Capital contingent consideration of US\$17m and Mass Mutual deal costs of US\$3m in Q2 2021.

# UNITED STATES

(In US\$m)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YoY
<b>Empower Retirement</b>						
Base Earnings	48	58	56	95	147	206%
Items excluded from Base Earnings	(4)	29	-	(8)	(8)	
<b>Net Earnings</b>	<b>44</b>	<b>87</b>	<b>56</b>	<b>87</b>	<b>139</b>	<b>216%</b>
<b>Personal Capital</b>						
Base Earnings	-	(5)	(5)	(11)	(7)	
Items excluded from Base Earnings	-	-	(2)	(2)	(1)	
<b>Net Earnings</b>	<b>-</b>	<b>(5)</b>	<b>(7)</b>	<b>(13)</b>	<b>(8)</b>	
<b>Other</b>						
Base Earnings	5	3	(2)	-	(1)	
Items excluded from Base Earnings	-	(1)	1	-	-	
<b>Net Earnings</b>	<b>5</b>	<b>2</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	
<b>Putnam</b>						
Base Earnings	9	10	26	(3)	17	89%
<b>Net Earnings</b>	<b>9</b>	<b>10</b>	<b>26</b>	<b>(3)</b>	<b>17</b>	<b>89%</b>
<b>Corporate</b>						
Base Earnings	(1)	(3)	(7)	-	(1)	
Items excluded from Base Earnings	-	(24)	92	(1)	(24)	
<b>Net Earnings</b>	<b>(1)</b>	<b>(27)</b>	<b>85</b>	<b>(1)</b>	<b>(25)</b>	
<b>U.S. Totals</b>						
Base Earnings	61	63	68	81	155	154%
Items excluded from Base Earnings	(4)	4	91	(11)	(33)	
<b>Net Earnings</b>	<b>57</b>	<b>67</b>	<b>159</b>	<b>70</b>	<b>122</b>	<b>114%</b>

Note: Base earnings is a non-IFRS measures. Refer to the reconciliations to net earnings and earnings per share, respectively, in the Company's Q2 2021 MD&A.

# EUROPE

(In C\$m)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YoY
<b>Insurance and Annuity Sales</b>						
U.K. Insurance and Annuity	644	284	996	522	677	5%
Ireland Insurance and Annuity	52	63	75	68	82	58%
Germany Insurance and Annuity	6	7	7	7	7	17%
<b>Total</b>	<b>702</b>	<b>354</b>	<b>1,078</b>	<b>597</b>	<b>766</b>	<b>9%</b>
<b>Wealth Management Sales</b>						
U.K. Wealth Management	393	372	434	538	732	86%
Ireland Wealth Management	695	959	1,037	864	969	39%
Germany Wealth Management	75	73	128	96	89	19%
<b>Total</b>	<b>1,163</b>	<b>1,404</b>	<b>1,599</b>	<b>1,498</b>	<b>1,790</b>	<b>54%</b>
<b>Investment Only Sales</b>						
U.K. Investment Only	22	16	39	32	182	727%
Ireland Investment Only	5,254	3,539	4,158	5,099	3,188	(39%)
<b>Total</b>	<b>5,276</b>	<b>3,555</b>	<b>4,197</b>	<b>5,131</b>	<b>3,370</b>	<b>(36%)</b>
<b>Total Sales</b>						
U.K.	1,059	672	1,469	1,092	1,591	50%
Ireland	6,001	4,561	5,270	6,031	4,239	(29%)
Germany	81	80	135	103	96	19%
<b>Total</b>	<b>7,141</b>	<b>5,313</b>	<b>6,874</b>	<b>7,226</b>	<b>5,926</b>	<b>(17%)</b>

# EUROPE

(In C\$m)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YoY
<b>Fee and Other Income</b>						
U.K	44	42	43	46	39	(11%)
Germany	111	111	119	116	115	4%
Ireland	185	189	189	191	192	4%
<b>Total</b>	<b>340</b>	<b>342</b>	<b>351</b>	<b>353</b>	<b>346</b>	<b>2%</b>
<b>Operating Expenses</b>						
U.K	83	85	77	86	92	11%
Germany	36	37	40	41	38	6%
Ireland	160	151	163	164	162	1%
Corporate	4	2	5	4	10	19%
<b>Total</b>	<b>283</b>	<b>275</b>	<b>285</b>	<b>295</b>	<b>302</b>	<b>7%</b>

# EUROPE

(In C\$m)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YoY
<b>U.K.</b>						
Base Earnings	88	78	96	120	53	(40%)
Items excluded from Base Earnings	21	(11)	60	(12)	(23)	
<b>Net Earnings</b>	<b>109</b>	<b>67</b>	<b>156</b>	<b>108</b>	<b>30</b>	<b>(72%)</b>
<b>Ireland</b>						
Base Earnings	53	70	62	43	68	28%
Items excluded from Base Earnings	48	126	(8)	3	4	
<b>Net Earnings</b>	<b>101</b>	<b>196</b>	<b>54</b>	<b>46</b>	<b>72</b>	
<b>Germany</b>						
Base Earnings	41	37	41	40	72	76%
Items excluded from Base Earnings	5	19	6	3	20	
<b>Net Earnings</b>	<b>46</b>	<b>56</b>	<b>47</b>	<b>43</b>	<b>92</b>	<b>100%</b>
<b>Corporate</b>						
Base Earnings	(3)	(3)	(4)	(2)	(9)	200%
Items excluded from Base Earnings	-	-	-	-	-	
<b>Net Earnings</b>	<b>(3)</b>	<b>(3)</b>	<b>(4)</b>	<b>(2)</b>	<b>(9)</b>	<b>200%</b>
<b>Europe Totals</b>						
Base Earnings	179	182	195	201	184	3%
Items excluded from Base Earnings	74	134	58	(6)	1	
<b>Net Earnings</b>	<b>253</b>	<b>316</b>	<b>253</b>	<b>195</b>	<b>185</b>	<b>(27%)</b>

Note: Base earnings is a non-IFRS measures. Refer to the reconciliations to net earnings and earnings per share, respectively, in the Company's Q2 2021 MD&A.

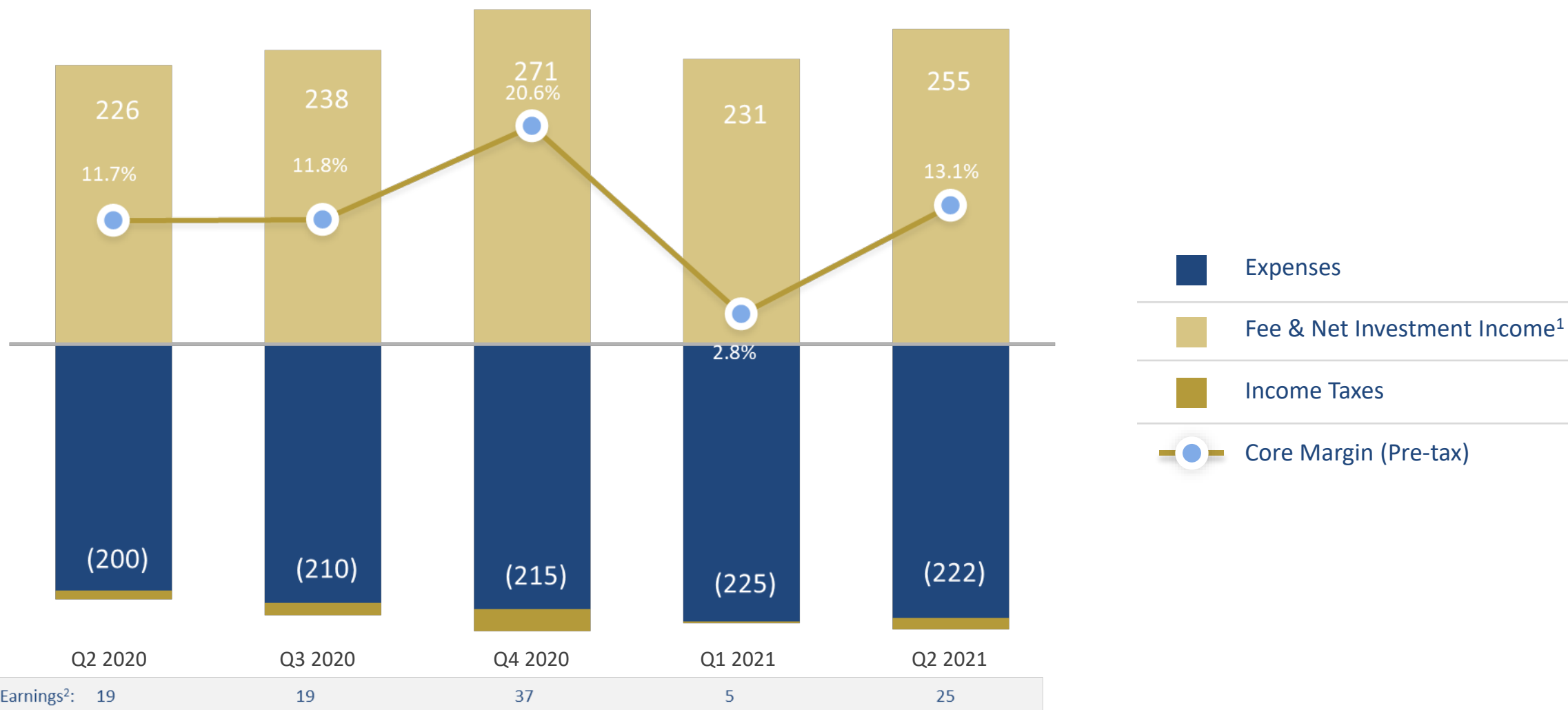
# Capital and Risk Solutions

(In C\$m)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	YoY
<b>Fee and Other Income</b>						
Reinsurance	2	3	3	2	2	(30%)
<b>Operating Expenses</b>						
Reinsurance	23	23	23	23	23	0%
Corporate & Par	1	2	2	2	2	
<b>Total</b>	<b>24</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>4%</b>
<b>Reinsurance</b>						
<b>Base Earnings</b>	138	157	124	146	151	9%
Items excluded from Base Earnings	50	11	47	-	2	
<b>Net Earnings</b>	<b>188</b>	<b>168</b>	<b>171</b>	<b>146</b>	<b>153</b>	<b>(19%)</b>
<b>Corporate</b>						
<b>Base Earnings</b>	<b>(1)</b>	<b>(1)</b>	-	<b>(1)</b>	<b>(1)</b>	
Items excluded from Base Earnings	-	-	(4)	-		
<b>Net Earnings</b>	<b>(1)</b>	<b>(1)</b>	<b>(4)</b>	<b>(1)</b>	<b>(1)</b>	
<b>Capital and Risk Solutions Totals</b>						
<b>Base Earnings</b>	<b>137</b>	<b>156</b>	<b>124</b>	<b>145</b>	<b>150</b>	<b>9%</b>
Items excluded from Base Earnings	50	11	43	-	2	
<b>Net Earnings</b>	<b>187</b>	<b>167</b>	<b>167</b>	<b>145</b>	<b>152</b>	<b>(19%)</b>

**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. Refer to the reconciliations to net earnings and earnings per share, respectively, in the Company's Q2 2021 MD&A.

# PUTNAM – CORE NET EARNINGS

(US\$m)

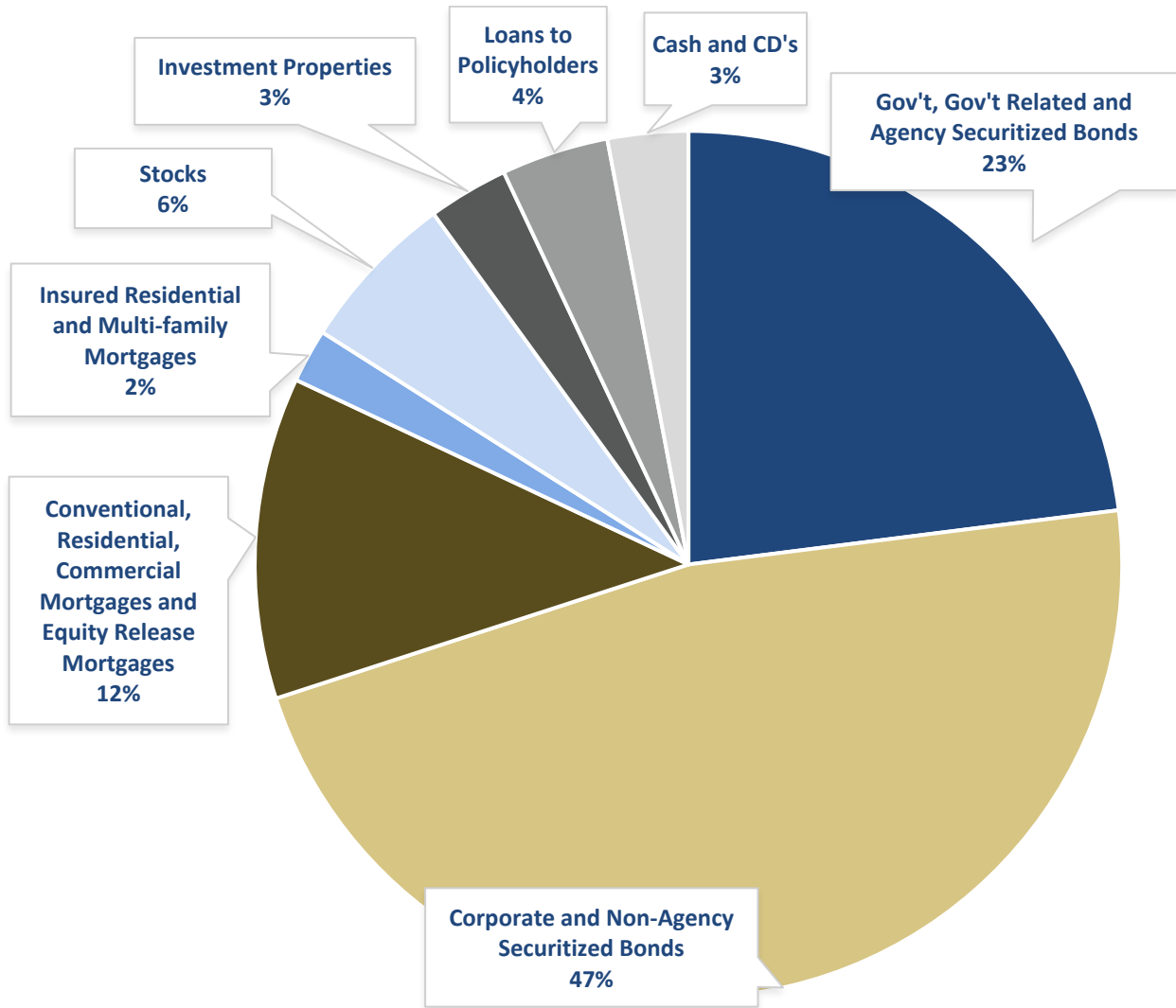


1. Fee & net investment income includes US\$23m pre-tax (\$17m after tax) of institutional performance fees in Q4 2020.

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 Q2 2021 MD&A for reconciliation to net earnings (loss).



# INVESTED ASSETS<sup>1</sup>



Invested assets of \$210.2 billion

Diversified high quality portfolio:

### Bonds represent 70%:

- 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 14%:

- 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%:

- 61% in Canada / U.S.;
- 39% in U.K. / Europe
- Properties are unlevered
- U.K. / European properties benefit from long term lease contracts

1. At June 30, 2021; Includes certain funds held by ceding insurers (bonds and mortgages with a carrying value of \$14.9b)

# 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.	2.8%	23.5%	26.3%
Canada	9.3%	9.1%	18.4%
U.K.	7.3%	7.3%	14.6%
Germany	1.2%	0.9%	2.1%
Ireland	0.3%	0.3%	0.6%
	<b>20.9%</b>	<b>41.1%</b>	<b>62.0%</b>
Europe Other	0.9%	3.4%	4.3%
All Other	1.6%	1.8%	3.4%
<b>Total</b>	<b>23.4%</b>	<b>46.3%</b>	<b>69.7%</b>

\*Includes certain funds held by ceding insurers

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

Corporates	% of Invested Assets
Electric Utilities	7.3%
Consumer Products	6.0%
Industrial Products	4.5%
Financial Services	3.8%
Energy	3.0%
Banks	3.0%
Transportation	2.9%
Real Estate	2.6%
Communications	1.8%
Technology	1.6%
Gas Utilities	1.4%
Other Utilities	1.3%
Auto & Auto Parts	0.9%
<b>Total Corporates</b>	<b>40.1%</b>

Non-Agency Securitized	% of Invested Assets
CMBS	1.9%
RMBS	0.1%
Other ABS	4.2%
<b>Total Non-Agency Securitized</b>	<b>6.2%</b>
<b>Total Corporate and Non-Agency Securitized</b>	<b>46.3%</b>

\*Includes certain funds held by ceding insurers

# LIFECO MORTGAGE EXPOSURES\*

(C\$m) Carrying Value			Mortgage Holdings by Segment					
Property Type	Total	% of Lifeco IA	Canada	U.S.	Europe	CRS	Insured	Non-insured
<b>Single Family</b>	<b>2,050</b>	<b>1.0%</b>	<b>2,050</b>	-	-	-	<b>500</b>	<b>1,550</b>
<b>Equity Release</b>	<b>2,275</b>	<b>1.1%</b>	<b>869</b>	-	<b>1,406</b>	-	-	<b>2,275</b>
<b>Multi Family</b>	<b>7,391</b>	<b>3.5%</b>	<b>4,259</b>	<b>2,294</b>	<b>799</b>	<b>39</b>	<b>3,056</b>	<b>4,335</b>
<b>Commercial</b>								
Retail & Shopping Centres	5,556	2.6%	4,019	512	1,022	3	-	5,556
Office Buildings	5,230	2.5%	2,224	1,664	1,325	17	-	5,230
Industrial	4,848	2.3%	2,907	1,362	578	1	-	4,848
Other	1,568	0.8%	326	488	754	-	227	1,341
<b>Total Commercial</b>	<b>17,202</b>	<b>8.2%</b>	<b>9,476</b>	<b>4,026</b>	<b>3,679</b>	<b>21</b>	<b>227</b>	<b>16,975</b>
<b>Total Lifeco</b>	<b>28,918</b>	<b>13.8%</b>	<b>16,654</b>	<b>6,320</b>	<b>5,884</b>	<b>60</b>	<b>3,783</b>	<b>25,135</b>

- Mortgage holdings totaled \$28.9 billion (13.8% 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 52%.
- 13% of mortgage loans are insured, all in Canada

\* Includes certain funds held by ceding insurers

# CURRENCY (RELATIVE TO C\$)

	Income & Expenses			Balance Sheet		
	US\$	£	€	US\$	£	€
Q2 2021	1.23	1.72	1.48	1.24	1.71	1.47
Q1 2021	1.27	1.75	1.53	1.26	1.73	1.47
Q4 2020	1.3	1.72	1.55	1.27	1.74	1.55
Q3 2020	1.33	1.72	1.56	1.33	1.72	1.56
Q2 2020	1.39	1.72	1.53	1.36	1.68	1.52