

GREAT-WEST LIFECO^{INC.}

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of \$0.4900 per share on the common shares of Lifeco payable June 30, 2022 to shareholders of record at the close of business June 2, 2022.

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

First Preferred Shares	Record Date	Payment Date	Amount, per share
Series G	June 2, 2022	June 30, 2022	\$0.3250
Series H	June 2, 2022	June 30, 2022	\$0.30313
Series I	June 2, 2022	June 30, 2022	\$0.28125
Series L	June 2, 2022	June 30, 2022	\$0.353125
Series M	June 2, 2022	June 30, 2022	\$0.3625
Series N	June 2, 2022	June 30, 2022	\$0.109313
Series P	June 2, 2022	June 30, 2022	\$0.3375
Series Q	June 2, 2022	June 30, 2022	\$0.321875
Series R	June 2, 2022	June 30, 2022	\$0.3000
Series S	June 2, 2022	June 30, 2022	\$0.328125
Series T	June 2, 2022	June 30, 2022	\$0.321875
Series Y	June 2, 2022	June 30, 2022	\$0.28125

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



P. A. Mahon
President and Chief Executive Officer

May 4, 2022

RETURN ON EQUITY (ROE)⁽¹⁾

	March 31 2022	Dec. 31 2021	March 31 2021
Base Return on Equity⁽²⁾			
Canada	16.5 %	17.2 %	18.7 %
U.S. Financial Services	10.4 %	12.2 %	6.7 %
U.S. Asset Management (Putnam)	5.0 %	5.3 %	2.7 %
Europe	15.0 %	14.6 %	12.9 %
Capital and Risk Solutions	36.6 %	33.7 %	39.4 %
Total Lifeco Base Earnings Basis⁽²⁾	14.7 %	14.6 %	13.6 %
Return on Equity⁽¹⁾			
Canada	16.3 %	16.7 %	18.3 %
U.S. Financial Services	7.6 %	8.7 %	4.7 %
U.S. Asset Management (Putnam)	4.8 %	5.0 %	13.3 %
Europe	17.1 %	17.2 %	17.3 %
Capital and Risk Solutions	35.6 %	32.8 %	46.7 %
Total Lifeco Net Earnings Basis⁽¹⁾	14.1 %	14.0 %	15.7 %

⁽¹⁾ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

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

The Company has a capital allocation methodology, which allocates financing costs in proportion to allocated capital. For the Canada, Europe and Capital and Risk Solutions segments (essentially Canada Life), this allocation method generally tracks the regulatory capital requirements, while for U.S. Financial Services and U.S. Asset Management (Putnam), it tracks the financial statement carrying value of the business units. Total leverage capital is consistently allocated across all business units in proportion to total capital resulting in a debt-to-equity ratio in each business unit consistent with the consolidated Company.

RATINGS

Lifeco maintains ratings from five independent ratings companies. Credit ratings are intended to provide investors with an independent measure of the credit quality of a corporation and securities of a corporation, and are indicators of the likelihood of payment and the capacity of a corporation to meet its obligations in accordance with the terms of each obligation.

In the first quarter of 2022, the existing credit ratings for Lifeco and its major operating subsidiaries were unchanged. The Company continued to receive strong ratings relative to its North American peer group resulting from its conservative risk profile, stable net earnings and strong capitalization. These ratings are not a recommendation to buy, sell or hold the securities of the Company or its subsidiaries and do not address market price or other factors that might determine suitability of a specific security for a particular investor. The ratings also may not reflect the potential impact of all risks on the value of securities and are subject to revision or withdrawal at any time by the rating agency.

Lifeco's operating companies are assigned a group rating from each rating agency. This group rating is predominantly supported by the Company's leading position in the Canadian insurance market and competitive positions in the U.S. and European markets. Each of Lifeco's operating companies benefits from the strong implicit financial support and collective ownership by Lifeco.

Rating agency	Measurement	Lifeco	Canada Life	Irish Life	GWL&A
A.M. Best Company	Financial Strength		A+		A+
DBRS Morningstar	Issuer Rating	A (high)	AA		NR
	Financial Strength		AA		
	Senior Debt	A (high)			
	Subordinated Debt	A (low)	AA (low)		
Fitch Ratings	Insurer Financial Strength		AA	AA	AA
	Senior Debt	A			
	Subordinated Debt	BBB+	A+		
Moody's Investors Service	Insurance Financial Strength		Aa3		Aa3
S&P Global Ratings	Insurer Financial Strength		AA		AA
	Senior Debt	A+			
	Subordinated Debt	A-	AA-		

SEGMENTED OPERATING RESULTS

The consolidated operating results of Lifeco, including the comparative figures, are presented on an IFRS basis after capital allocation. Consolidated operating results for Lifeco comprise the net earnings of Canada Life and its operating subsidiaries, GWL&A (Financial Services) and Putnam (Asset Management), together with Lifeco's corporate results. The following sections analyze the performance of Lifeco's four major reportable segments: Canada, United States (U.S.), Europe, and Capital and Risk Solutions.

TRANSLATION OF FOREIGN CURRENCY

For the United States, Europe and Capital and Risk Solutions segments, foreign currency assets and liabilities are translated into Canadian dollars at the market rate at the end of the reporting period. All income and expense items are translated at an average rate for the period.

CANADA

The Canada segment of Lifeco includes the operating results of the Canadian businesses operated by Canada Life, together with an allocation of a portion of Lifeco's corporate results. There are two primary business units included in this segment. Through the Individual Customer business unit, the Company provides life, disability and critical illness insurance products as well as wealth savings and income products to individual clients. Through the Group Customer business unit, the Company provides life, accidental death and dismemberment, disability, critical illness, health and dental protection, creditor insurance as well as retirement savings and income and annuity products and other specialty products to group clients in Canada.

Developments

- On January 1, 2022, Excel Private Wealth Inc. (EPW) and Quadrus Investment Services Ltd. amalgamated and became one company, Quadrus Investment Services Ltd. The amalgamation into one dealer will ensure consistent processes and controls, including new processes associated with the implementation of the Client Focused Reforms.
- Subsequent to the first quarter of 2022, on April 4, 2022, Canada Life and ClaimSecure Inc. (ClaimSecure) launched SecurePak, a bundled offering of Canada Life's insurance benefits and ClaimSecure's health and dental claims adjudication services. SecurePak offers plan sponsors the advantage of modernized claims processing through ClaimSecure and the security of Canada Life's pooled products for plans in the small-case market with 25 to 200 plan members.

Selected Financial Information - Canada

	For the three months ended		
	March 31 2022	Dec. 31 2021	March 31 2021
Base earnings (loss)⁽¹⁾			
Individual Customer	\$ 124	\$ 140	\$ 138
Group Customer	138	194	154
Canada Corporate	10	(17)	6
Base earnings⁽¹⁾	\$ 272	\$ 317	\$ 298
Items excluded from base earnings			
Actuarial assumption changes and other management actions ⁽²⁾	\$ —	\$ (13)	\$ (13)
Market-related impacts on liabilities ⁽²⁾	3	3	2
Net earnings - common shareholders	\$ 275	\$ 307	\$ 287
Sales⁽²⁾			
Individual Insurance	\$ 93	\$ 120	\$ 109
Individual Wealth	2,947	3,274	3,243
Group Insurance	255	189	276
Group Wealth	1,009	1,298	1,105
Sales⁽²⁾	\$ 4,304	\$ 4,881	\$ 4,733
Wealth Management net cash flows⁽²⁾			
Individual Customer	\$ 173	\$ 332	\$ 323
Group Customer	541	(509)	(304)
Wealth Management net cash flows⁽²⁾	\$ 714	\$ (177)	\$ 19
Fee and other income			
Individual Customer	\$ 292	\$ 292	\$ 266
Group Customer	208	217	188
Canada Corporate	8	12	15
Fee and other income	\$ 508	\$ 521	\$ 469
Total assets	\$ 199,781	\$ 203,982	\$ 187,684
Other assets under management ⁽²⁾⁽³⁾	4,721	5,742	6,437
Total assets under management⁽¹⁾	204,502	209,724	194,121
Other assets under administration ⁽²⁾⁽⁴⁾	28,527	29,615	29,558
Total assets under administration⁽¹⁾⁽⁴⁾	\$ 233,029	\$ 239,339	\$ 223,679

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

⁽²⁾ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

⁽³⁾ At March 31, 2022, other assets under management excluded \$3.1 billion in proprietary mutual funds accounted for as investments on account of segregated fund policyholders (\$2.4 billion at December 31, 2021 and \$1.1 billion at March 31, 2021). Excluding this consolidation adjustment, other assets under management were \$7.8 billion at March 31, 2022 (\$8.1 billion at December 31, 2021 and \$7.5 billion at March 31, 2021).

⁽⁴⁾ 2021 comparative figures have been restated to include Financial Horizons Group and Excel Private Wealth Inc. assets under administration.

Base and net earnings

In the first quarter of 2022, Canada segment's net earnings of \$275 million decreased by \$12 million compared to the same quarter last year. Base earnings of \$272 million decreased by \$26 million compared to the same quarter last year, primarily due to adverse morbidity experience in Group Customer, as well as unfavourable impacts of new business and policyholder behaviour in Individual Customer.

Items excluded from base earnings were positive \$3 million compared to negative \$11 million for the same quarter last year, primarily due to actuarial assumption changes and other management actions of nil compared to negative \$13 million for the same quarter last year.

For the first quarter of 2022, net earnings attributable to the participating account of \$27 million were comparable to the same quarter last year.

Sales

Sales for the first quarter of 2022 of \$4.3 billion decreased by \$0.4 billion compared to the same quarter last year, primarily due to lower large case group wealth and insurance sales as well as lower individual mutual fund sales. Large case sales can be highly variable from period to period and tend to be lower margin however, contribute to covering fixed overhead costs.

In the first quarter of 2022, wealth management net cash inflows were \$714 million compared to \$19 million for the same quarter last year. Net cash inflows for the first quarter of 2022 increased compared to the same quarter last year, primarily due to the loss of an institutional mandate in the first quarter of 2021.

Fee and other income

Fee and other income for the first quarter of 2022 of \$508 million increased by \$39 million compared to the same quarter last year. Fee income in both Individual Customer and Group Customer increased as a result of higher average assets under administration driven by higher average equity markets as well as strong net cash flows.

UNITED STATES

The United States segment operating results for Lifeco include the results of GWL&A (which operates primarily as 'Empower'), Putnam Investments (Putnam) and the results of the insurance businesses in the U.S. branch of Canada Life, together with an allocation of a portion of Lifeco's corporate results.

Through its Financial Services business unit, and specifically the Empower brand, the Company provides an array of financial security products, including employer-sponsored defined contribution plans, administrative and recordkeeping services, individual retirement accounts, fund management as well as investment and advisory services. In addition, a retained block of life insurance, predominately participating policies, which are now administered by Protective Life, as well as a closed retrocession block of life insurance are also included in the Financial Services business unit.

Through its Asset Management business unit, and specifically the Putnam brand, the Company provides investment management services and related administrative functions and distribution services, through a broad range of investment products.

Developments

Financial Services Developments

- Subsequent to the first quarter of 2022, on April 1, 2022, Empower completed the previously announced acquisition of the full-service retirement services business of Prudential Financial, Inc. (Prudential). With the completion of the acquisition, Empower's reach in the U.S. is expanded to more than 17.1 million retirement plan participants and assets under administration to US\$1.4 trillion on behalf of approximately 71,000 workplace savings plans.

The Company paid a total transaction value of US\$3,480 million and funded the transaction with US\$1,193 million of limited recourse capital notes and US\$823 million of short-term debt, in addition to existing resources.

Empower anticipates realizing cost synergies through the migration of Prudential's retirement services business onto Empower's recordkeeping platform. Estimated run-rate cost synergies of US\$180 million are expected to be phased in over 24 months. Revenue synergies of US\$20 million are expected on a run-rate basis by the end of 2023 and are expected to grow to US\$50 million by 2025.

