GREAT-WEST LIFECO INC.

RELEASE

TSX:GWO

This earnings news release for Great-West Lifeco Inc. should be read in conjunction with the Company's interim Management Discussion & Analysis (MD&A) and condensed consolidated interim unaudited Financial Statements for the period ended March 31, 2020, prepared in accordance with International Financial Reporting Standards (IFRS). These reports are available on greatwestlifeco.com under Financial Reports. Additional information relating to Lifeco is available on sedar.com. Readers are referred to the cautionary notes regarding Forward-Looking Information and Non-IFRS Financial Measures at the end of this release. All figures are expressed in Canadian dollars, except as noted.

Great-West Lifeco reports first quarter 2020 results

Winnipeg, May 6, 2020 ... Great-West Lifeco Inc. (Lifeco or the Company) today announced its first quarter 2020 results.

"As the emergence of the COVID-19 pandemic has impacted people and economies worldwide, we've focused on safeguarding the health and well-being of our employees, customers and communities. We responded quickly to support our clients and communities through a variety of deliberately deployed tools and advice to help them weather financial and personal challenges," said Paul Mahon, President and Chief Executive Officer, Great-West Lifeco Inc. "Lifeco is in a strong financial position and our operating companies have successfully navigated change and volatility in the past. We believe our strength, diversity and experience are powerful advantages as we respond to these challenges while continuing to focus on opportunities for growth."

Net earnings attributable to common shareholders (net earnings) were $342 million, or $0.37 per common share (EPS), for the first quarter of 2020 compared to $657 million, or $0.67 per common share, for the same quarter last year. Base earnings for the first quarter of 2020 of $543 million or $0.59 per common share compared to $569 million or $0.58 per common share a year ago.

Common Shareholders	Q1 2020	Q1 2019
Base earnings[1]		
Canada	$273	$257
United States	17	81
Europe	132	163
Capital and Risk Solutions	119	74
Lifeco Corporate	2	(6)
Total base earnings[1]	**$543**	**$569**
Items excluded from base earnings[2]	**(201)**	**88**
Net earnings	**$342**	**$657**
Base EPS[1]	**$0.59**	**$0.58**
Net EPS	**$0.37**	**$0.67**
Base return on equity[1]	**13.4%**	**11.0%**
Return on equity	**10.3%**	**13.5%**

[1]Represents a non-IFRS measure. Refer to the "Non-IFRS Financial Measures" section of the Company's first quarter of 2020 interim MD&A for additional details.

[2]Items excluded from base earnings are basis changes and management actions and market-related impacts. Refer to the "Non-IFRS Financial Measures" section of the Company's first quarter of 2020 interim MD&A for additional details.

Base EPS for the first quarter of 2020 of $0.59, increased 2% from $0.58 a year ago primarily due to business growth in Capital and Risk Solutions segment earnings partially offset by unrealized losses on seed capital investments and lower fee income due to the impact of a decline in the equity market levels since December 31, 2019. Reported net EPS for the first quarter of 2020 was $0.37, down from $0.67 in 2019, primarily due to approximately $300 million of market-related impacts including unfavourable basis changes reflecting significant market declines and volatility in the first quarter of 2020 driven by the COVID-19 pandemic.

COVID-19 Pandemic Impacts

- Beginning in January 2020, the outbreak of a virus known as COVID-19 and ensuing global pandemic have resulted in travel and border restrictions, self-imposed quarantine periods and physical distancing, supply chain disruptions, reduced consumer demand and significant market uncertainty. This has caused material disruption to businesses globally, resulting in an economic slowdown. Global financial markets have experienced material and rapid declines and continue to experience significant volatility.
- The Company is monitoring the situation closely, including carrying out stress and scenario testing, and has implemented processes for the continuation of operations and to support the well-being of customers, employees and broader communities. Service continuity plans are in operation across the Company, with a significant majority of employees working remotely to provide service to customers and maintain operations and technology functions. In addition, the Company has provided support to communities through financial donations across the geographic regions in which the Company operates.
- As a result of the decline in equity markets and interest rates since December 31, 2019, primarily driven by COVID-19, the Company's net earnings in the first quarter of 2020 were adversely impacted. Adverse impacts, which negatively impacted net earnings by approximately $300 million, included the impact of increases in insurance contract liabilities in response to lower equity markets, segregated fund guarantees and related hedging ineffectiveness, lower fee income and unrealized losses on seed capital.
- The Company's capital position remains strong at March 31, 2020, with a Life Insurance Capital Adequacy Test (LICAT) ratio for Canada Life, Lifeco's major Canadian operating subsidiary, of 133% which is well above the Company's internal target range and the supervisory target.
- Consolidated assets under administration at March 31, 2020 decreased to $1.5 trillion, a 6% decrease from December 31, 2019 primarily reflecting the market declines.

SEGMENTED OPERATING RESULTS

For reporting purposes, Lifeco's consolidated operating results are grouped into five reportable segments – Canada, United States, Europe, Capital and Risk Solutions and Lifeco Corporate – reflecting the management and corporate structure of the Company. For more information, refer to the Company's first quarter of 2020 interim Management's Discussion and Analysis (MD&A).

CANADA

- **Q1 Canada segment base earnings of $273 million and net earnings of $151 million** – Base earnings for the first quarter of 2020 were $273 million compared to $257 million in the first quarter of 2019, an increase of 6%. The increase was primarily due to favourable mortality experience and higher contributions from investment experience, partially offset by less favourable morbidity experience and impact of new business. Net earnings for the first quarter of 2020 were $151 million, down from $283 million in the first quarter of 2019, primarily due to COVID-19 market-related impacts. Operating expenses were up 2% reflecting continued strong cost discipline and investment in digital technology that has enabled employees to work remotely and customers to continue to do business with us.
- **Q1 Canada segment sales of $3.6 billion, up 14%** – Canada sales in the first quarter of 2020 of $3.6 billion were up 14% from the first quarter of 2019 primarily due to higher segregated fund, third party mutual fund and individual insurance sales.

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- **Supporting and protecting customers –** Starting in April, the Company announced it is taking a number of actions that include group premium reductions for some of its employer-sponsored benefits plans to reflect lower activity in some health professional segments and to support Canadians and small and medium sized businesses facing hardship as a result of the global COVID-19 outbreak.

UNITED STATES

- **Q1 U.S. Financial Services base earnings of US$42 million and net earnings of US$33 million** – U.S. Financial Services, which is primarily Empower Retirement, base earnings for the first quarter of 2020 were US$42 million, up from US$40 million in the first quarter of 2019. The increase was primarily due to net business growth and higher contributions from investment experience, partially offset by less favourable mortality experience. Net earnings for the first quarter of 2020 were US$33 million, down from US$40 million in the first quarter of 2019, primarily due to the impact of COVID-19 market-related volatility which resulted in hedge ineffectiveness losses related to guaranteed lifetime withdrawal benefits.
- **Q1 U.S. Financial Services fee and other income of US$279 million** – Fee and other income in the first quarter of 2020 was US$279 million compared to US$247 million for the same quarter last year, an increase of 13%, primarily due to growth in participants and higher average equity markets compared to the first quarter of 2019.
- **Q1 Putnam net loss of US$31 million** – Putnam net loss for the first quarter of 2020 was US$31 million compared to US$3 million in the first quarter of 2019. The increase in the net loss was primarily due to lower net investment income on seed capital driven by the decline in market levels at the end of the first quarter of 2020. For Putnam, there were no differences between net earnings (loss) and base earnings (loss).
- **Q1 Putnam sales up 34%** – Sales in the first quarter of 2020 were US$14.7 billion compared to US$10.9 billion for the same quarter last year, an increase of 34%, reflecting strong mutual fund and institutional sales.

EUROPE

- **Q1 Europe segment base earnings of $132 million and net earnings of $91 million** – Base earnings for the first quarter of 2020 were $132 million, down 19% compared to $163 million in the first quarter of 2019. The decrease was primarily due to unfavourable investment experience and higher expenses, partially offset by favourable mortality and morbidity experience. Net earnings for the first quarter of 2020 were $91 million, down from $194 million in the first quarter of 2019, primarily due to COVID-19 market-related impacts.
- **Ongoing monitoring of Brexit impact** – On January 31, 2020, the U.K. left the European Union (EU) and entered a transition arrangement that will last until the end of 2020. The Company's U.K. and other European businesses have taken the necessary steps to handle the immediate impacts of Brexit and will continue to monitor any further steps that may become necessary as the U.K. and the EU negotiate their future relationship.
- **Irish Life announces premiums reduction to assist customers** – In April 2020, Irish Life announced a reduction in health insurance premiums. The reduction will be applied retrospectively to premiums paid by customers for April, May and June and will be offset against premiums due in the following months. The premium reduction will be in place for the three months when the private hospitals will operate as part of the public health system following temporary changes as a result of the COVID-19 pandemic.

- **Acquisition of Conexim Advisors Limited** – On March 2, 2020, Irish Life, through its holding company, acquired Conexim Advisors Limited (Conexim), which provides access to funds, equities, bonds and exchange traded funds across all major markets through an independent platform. Conexim provides its services through financial advisors who provide financial and investment advice to individual and corporate clients.

CAPITAL AND RISK SOLUTIONS

- **Revised segment disclosure to separate out Capital and Risk Solutions** – Effective the first quarter of 2020, Capital and Risk Solutions, which was previously included within the Europe segment, has been separated out into a new segment reflecting strategic operational changes. In 2020, Capital and Risk Solutions' focus is on meeting market demand for life reinsurance involving capital solutions in the U.S. and Europe. Demand for longevity reinsurance also remains strong and will continue to be a focus for 2020.
- **Q1 Capital and Risk Solutions segment base earnings of $119 million and net earnings of $93 million** – Base earnings for the first quarter of 2020 were $119 million up 61% compared to $74 million in the first quarter of 2019. The increase was primarily due to favourable impacts from new business and higher business volumes, partially offset by less favourable claims experience in the life business. Net earnings for the first quarter of 2020 were $93 million, down from $105 million in the first quarter of 2019, primarily due to COVID-19 market-related impacts on a legacy block of business with investment performance guarantees as well as lower contributions from basis changes.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of $0.438 per share on the common shares of Lifeco payable June 30, 2020 to shareholders of record at the close of business June 2, 2020.

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 F	June 2, 2020	June 30, 2020	$0.36875
Series G	June 2, 2020	June 30, 2020	$0.3250
Series H	June 2, 2020	June 30, 2020	$0.30313
Series I	June 2, 2020	June 30, 2020	$0.28125
Series L	June 2, 2020	June 30, 2020	$0.353125
Series M	June 2, 2020	June 30, 2020	$0.3625
Series N	June 2, 2020	June 30, 2020	$0.1360
Series O	June 2, 2020	June 30, 2020	$0.183123
Series P	June 2, 2020	June 30, 2020	$0.3375
Series Q	June 2, 2020	June 30, 2020	$0.321875
Series R	June 2, 2020	June 30, 2020	$0.3000
Series S	June 2, 2020	June 30, 2020	$0.328125
Series T	June 2, 2020	June 30, 2020	$0.321875

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

Selected financial information is attached.

GREAT-WEST LIFECO INC.

Great-West Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. We operate in Canada, the United States and Europe under the brands Canada Life, Empower Retirement, Putnam Investments, and Irish Life. At the end of 2019, our companies had approximately 24,000 employees, 197,000 advisor relationships, and thousands of distribution partners – all serving our more than 31 million customer relationships across these regions.

Great-West Lifeco and its companies have over $1.5 trillion in consolidated assets under administration as at March 31, 2020 and are members of the Power Corporation group of companies. Great-West Lifeco trades on the Toronto Stock Exchange (TSX) under the ticker symbol GWO. To learn more, visit greatwestlifeco.com.

Basis of presentation

The condensed consolidated interim unaudited financial statements of Lifeco have been prepared in accordance with International Financial Reporting Standards (IFRS) unless otherwise noted and are basis for the figures presented in this release, unless otherwise noted.

Cautionary note regarding Forward-Looking Information

This release may contain forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" and other similar expressions or negative versions thereof. These statements include, without limitation, statements about the Company's operations, business, financial condition, expected financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions by the Company, including statements made with respect to the expected benefits of acquisitions and divestitures, expected capital management activities and use of capital, expected dividend levels, expected cost reductions and savings, the impact of regulatory developments on the Company's business strategy and growth objectives and 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 and mutual fund industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, customer behaviour, the Company's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets (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 and other general economic, political and market factors in North America and internationally. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. Other important factors and assumptions that could cause actual results to differ materially from those contained in forward-looking statements include customer responses to new products, impairments of goodwill and other intangible assets, the Company's ability to execute strategic plans and changes to strategic

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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, and the severity, magnitude and impact of the COVID-19 pandemic (including the effects of the COVID-19 pandemic, and the effects of the governments' and other businesses' responses to the COVID-19 pandemic, on the economy, the Company's financial results, financial condition and operations). 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 2019 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 12, 2020 under "Risk Factors", which, along with other filings, is available for review at www.sedar.com. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking information. Other than as specifically required by applicable law, the Company does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

Cautionary note regarding Non-IFRS Financial Measures

This release contains some non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, "base earnings", "base earnings (US$)", "base earnings per common share", "return on equity", "base return on equity", "core net earnings", "constant currency basis", "impact of currency movement", "premiums and deposits", "pre-tax operating margin", "sales", "assets under management" and "assets under administration". Non-IFRS financial measures are used to provide management and investors with additional measures of performance to help assess results where no comparable IFRS measure exists. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Refer to the "Non-IFRS Financial Measures" section in the Company's first quarter of 2020 interim 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.

First quarter Conference Call

Lifeco's first quarter conference call and audio webcast will be held May 7, 2020 at 3:30 p.m. (ET). The call and webcast can be accessed through greatwestlifeco.com/news-events/events or by phone at:

- Participants in the Toronto area: 416-915-3239
- Participants from North America: 1-800-319-4610

A replay of the call will be available from May 7 to June 7, 2020 and can be accessed by calling 1-855-669-9658 or 604-674-8052 (passcode: 4442#). The archived webcast will be available on greatwestlifeco.com.

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FINANCIAL HIGHLIGHTS *(unaudited)*

(in Canadian $ millions except per share amounts)

	As at or for the three months ended		
	March 31 2020	December 31 2019	March 31 2019
Earnings			
Base earnings[1][4]	**$ 543**	$ 831	$ 569
Net earnings - common shareholders	**342**	513	657
Per common share			
Basic:			
Base earnings[1][4]	**0.585**	0.895	0.576
Net earnings	**0.369**	0.552	0.665
Diluted net earnings	**0.369**	0.552	0.665
Dividends paid	**0.438**	0.413	0.413
Book value	**22.34**	21.53	22.07
Base return on equity[1][2][4]	**13.4%**	13.3%	11.0%
Return on equity[1][2]	**10.3%**	11.7%	13.5%
Total premiums and deposits[1]	**$ 46,365**	$ 39,096	$ 40,845
Fee and other income	**1,441**	1,515	1,479
Net policyholder benefits, dividends and experience refunds	**9,429**	10,003	8,987
Total assets	**$ 436,903**	$ 451,167	$ 442,492
Proprietary mutual funds and institutional net assets[1]	**288,309**	320,548	304,230
Total assets under management[1]	**725,212**	771,715	746,722
Other assets under administration[1]	**798,847**	857,966	804,202
Total assets under administration[1]	**$ 1,524,059**	$ 1,629,681	$ 1,550,924
Total equity	**$ 26,441**	$ 25,543	$ 27,400
The Canada Life Assurance Company consolidated LICAT Ratio[3]	**133%**	135%	140%

(1) This metric is a non-IFRS measure. Refer to the "Non-IFRS Financial Measures" section of the Company's March 31, 2020 Management's Discussion and Analysis for additional details.

(2) Refer to the "Return on Equity" section of the Company's March 31, 2020 Management's Discussion and Analysis for additional details.

(3) The Life Insurance Capital Adequacy Test (LICAT) ratio is based on the consolidated results of The Canada Life Assurance Company, Lifeco's major Canadian operating subsidiary. Refer to the "Capital Management and Adequacy" section of the Company's March 31, 2020 Management's Discussion and Analysis for additional details.

(4) Effective the first quarter of 2020, the Company introduced an enhanced non-IFRS earnings measure. Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and management actions, direct equity and interest rate market impacts on insurance contract liabilities net of hedging, 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 gains or losses related to the disposition of a business.

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Base earnings and Net earnings - common shareholders *(unaudited)*

	For the three months ended		
	March 31 2020	December 31 2019	March 31 2019
Base earnings[1]			
Canada	**$ 273**	$ 274	$ 257
United States	**17**	89	81
Europe	**132**	317	163
Capital and Risk Solutions	**119**	157	74
Lifeco Corporate	**2**	(6)	(6)
Lifeco base earnings[1]	**$ 543**	$ 831	$ 569
Items excluded from base earnings[2]			
Actuarial assumption changes and management actions[1][2]	**$ (52)**	$ (78)	$ 129
Market-related impact[1][2]	**(149)**	(13)	(41)
Revaluation of a deferred tax asset[2]	**—**	(199)	—
Restructuring costs[2]	**—**	(36)	—
Net gain on Scottish Friendly transaction[2]	**—**	8	—
Items excluded from Lifeco base earnings[2]	**$ (201)**	$ (318)	$ 88
Net earnings - common shareholders			
Canada	**$ 151**	$ 188	$ 283
United States	**5**	(121)	81
Europe	**91**	335	194
Capital and Risk Solutions	**93**	117	105
Lifeco Corporate	**2**	(6)	(6)
Lifeco net earnings - common shareholders	**$ 342**	$ 513	$ 657

(1) This metric is a non-IFRS measure. Refer to the "Non-IFRS Financial Measures" section of the Company's March 31, 2020 Management's Discussion and Analysis for additional details.

(2) Items excluded from base earnings, a non-IFRS measure. Refer to the "Non-IFRS Financial Measures" section of the Company's March 31, 2020 Management's Discussion and Analysis for additional details.