

This earnings news release for Great-West Lifeco Inc. should be read in conjunction with the Company's interim Management's Discussion & Analysis (MD&A) and condensed consolidated interim unaudited Financial Statements for the period ended June 30, 2021, prepared in accordance with International Financial Reporting Standards (IFRS) unless otherwise noted. 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, unless otherwise noted.

Great-West Lifeco reports second quarter 2021 base earnings of \$826 million and net earnings of \$784 million

Winnipeg, August 3, 2021 ... Great-West Lifeco Inc. (Lifeco or the Company) today announced its second quarter 2021 results.

"We've transformed our portfolio over the last few years by capitalizing on several strategic initiatives and investments – including, most recently, our agreement to acquire Prudential Financial, Inc.'s full-service retirement business in the U.S.," said Paul Mahon, President and CEO of Great-West Lifeco Inc. "Our second quarter results were driven by strong performance across segments with solid sales activity. Just as importantly, our business integration activities in the U.S. remain on track to deliver targeted financial results and strong customer retention."

Net earnings attributable to common shareholders (net earnings) were \$784 million, or \$0.84 per common share (EPS), for the second quarter of 2021 compared to \$863 million, or \$0.93 per common share, for the same quarter last year. Base earnings for the second quarter of 2021 of \$826 million, or \$0.89 per common share, compared to \$706 million or \$0.76 per common share a year ago.

Common Shareholders	Q2 2021	Q2 2020
Base earnings⁽¹⁾		
Canada	\$293	\$315
United States	190	83
Europe	184	179
Capital and Risk Solutions	150	137
Lifeco Corporate	9	(8)
Total base earnings⁽¹⁾	\$826	\$706
Items excluded from base earnings⁽²⁾	(42)	157
Net earnings	\$784	\$863
Base EPS⁽¹⁾	\$0.89	\$0.76
Net EPS	\$0.84	\$0.93
Base return on equity⁽¹⁾⁽³⁾	13.9%	13.7%
Return on equity⁽¹⁾⁽³⁾	15.0%	12.1%

⁽¹⁾Represents a non-IFRS measure. Refer to the "Non-IFRS Financial Measures" section of the Company's second quarter of 2021 interim MD&A for additional details.

⁽²⁾Items excluded from base earnings are actuarial assumption changes and other management actions, market-related impacts on liabilities, tax legislative changes impact on liabilities and transaction, restructuring and integration costs in the U.S. segment. Refer to the "Non-IFRS Financial Measures" section of the Company's second quarter of 2021 interim MD&A for additional details.

⁽³⁾Base return on equity and return on equity are calculated using the trailing four quarters of applicable earnings and common shareholders' equity.

Base EPS for the second quarter of 2021 of \$0.89, increased by 17% from \$0.76 a year ago primarily due to Massachusetts Mutual Life Insurance Company (MassMutual) related base earnings of \$63 million (US\$52 million), higher equity markets across all jurisdictions and favourable morbidity experience in the Europe and Canada segments. The Company acquired the retirement services business of MassMutual on December 31, 2020.

Reported net EPS for the second quarter of 2021 was \$0.84, down from \$0.93 in 2020. The decrease was primarily due to less favourable contributions from actuarial assumptions changes and market-related impacts on liabilities, which were strong positive contributors in second quarter of 2020 due to impacts of significant market recoveries following the COVID-19 pandemic related shocks in the first quarter of 2020. Restructuring, integration and transaction costs in the U.S. as well as the negative tax related impacts in the United Kingdom (U.K.) also contributed to the decline. These items were partially offset by an increase in base earnings.

Highlights

Key strategic transactions announced

The Company announced several key strategic business transactions in the U.S., Canada and Ireland to add scale and grow their businesses.

- On July 21, 2021, Great-West Life & Annuity (GWL&A), which operates primarily as 'Empower Retirement' announced a definitive agreement to acquire Prudential Financial, Inc.'s full-service retirement business for a total value of approximately US\$3.55 billion. The transaction further solidifies Empower Retirement's position as the second largest retirement plan service provider in the United States. It also increases the synergy potential of Empower Retirement's 2020 acquisition of hybrid wealth manager, Personal Capital, across a larger combined business.
- On July 13, 2021, The Canada Life Assurance Company (Canada Life) announced an agreement to acquire ClaimSecure Inc., an industry-leading health and dental claims management and administration firm to private and public businesses in Canada. The acquisition further enhances the Company's workplace capabilities in Canada by extending Canada Life's presence in a growing segment of the market.
- On July 13, 2021, Irish Life Group Limited (Irish Life), announced it had entered into an agreement to acquire Ark Life Assurance Company dac (Ark Life) from Phoenix Group Holdings plc for a total cash consideration of €230 million. The transaction will see approximately 150,000 policies and €2.1 billion in assets move to Irish Life. The acquisition adds significant scale to Irish Life's retail division and enhances Irish Life's ability to provide customers with market-leading wealth and insurance solutions.

Consolidated assets under administration of \$2.2 trillion

- Assets under administration (AUA) were approximately \$2.2 trillion at June 30, 2021, an increase of 9% from December 31, 2020 primarily due to impact of equity market movement and new business growth primarily with respect to segregated funds, proprietary mutual funds and institutional net assets and other AUA, partially offset by the impact of currency movement.

Capital strength and financial flexibility maintained

- The Company's capital position remained strong at June 30, 2021, with a LICAT Ratio for Canada Life, Lifeco's major Canadian operating subsidiary, of 126% which is above the Company's internal target range and the supervisory target.
- On July 2, 2021, the Company made a payment of US\$400 million on its committed line of credit related to GWL&A's acquisition of the retirement services business from MassMutual on December 31, 2020, reducing the Company's leverage ratio.

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 second quarter of 2021 interim Management's Discussion and Analysis (MD&A).

CANADA

- **Q2 Canada segment base earnings of \$293 million and net earnings of \$288 million** – Base earnings for the second quarter of 2021 were \$293 million, down 7% compared to the second quarter of 2020, primarily due to lower contributions from investment experience, partially offset by higher fee income due to higher markets and more favourable morbidity experience in Group Customer. Net earnings for the second quarter of 2021 were \$288 million, down from \$353 million in the second quarter of 2020. In addition to lower base earnings, actuarial assumption changes this quarter were less favourable than the second quarter 2020 market rebound related assumption changes.

UNITED STATES

- **Q2 U.S. Financial Services base earnings of US\$139 million and net earnings of US\$130 million** – U.S. Financial Services (primarily Empower Retirement) base earnings for the second quarter of 2021 were US\$139 million, up US\$86 million or 162% from the second quarter of 2020. Base earnings growth was driven by MassMutual related base earnings of US\$52 million, growth in the existing business from higher average equity markets, an increase in participants and better investment experience, partially offset by a Personal Capital related base loss of US\$7 million. Net earnings for the second quarter of 2021 were US\$130 million, up from US\$49 million in the second quarter of 2020, primarily due to the growth in base earnings.
- **Run-rate cost synergies are on track** – Annualized run rate cost synergies of US\$48 million pre-tax have been achieved as of June 30, 2021 related to the Company's acquisition of MassMutual's retirement services business. The Company remains on track to achieve annualized run rate cost synergies of US\$160 million pre-tax at the end of integration in 2022.
- **Q2 Putnam net earnings of US\$17 million** – Putnam's net earnings for the second quarter of 2021 were US\$17 million, an improvement of US\$8 million compared to the second quarter of 2020, primarily due to higher fee revenue, partially offset by higher compensation related and asset-based expenses as well as lower investment income. For Putnam, there were no differences between net and base earnings.
- **Putnam average assets under management up 23%** – Putnam's average assets under management for the second quarter of 2021 were US\$197.2 billion, an increase of US\$37.0 billion compared to the same quarter last year, primarily due to cumulative positive markets over the twelve-month period. Putnam continues to sustain strong investment performance relative to its peers. As of June 30, 2021, approximately 74% and 91% of Putnam's fund assets performed at levels above the Lipper median on a three-year and five-year basis, respectively. In addition, 61% and 76% of Putnam's fund assets were in the Lipper top quartile on a three-year and five-year basis, respectively. Putnam has 24 funds currently rated 4-5 stars by Morningstar.

EUROPE

- **Q2 Europe segment base earnings of \$184 million and net earnings of \$185 million** – Base earnings for the second quarter of 2021 were \$184 million, up 3% compared to the second quarter of 2020, primarily due to favourable morbidity experience in Ireland, favourable investment experience in the U.K., partially offset by a net negative impact of tax related items. Net earnings for the second quarter of 2021 were \$185 million, down \$68 million from the second quarter of 2020, primarily due to less favourable market-related impacts on liabilities compared to the prior year and the revaluation of deferred tax liabilities resulting from legislated increases to future U.K. corporation tax rates.

CAPITAL AND RISK SOLUTIONS

- **Q2 Capital and Risk Solutions segment base earnings of \$150 million and net earnings of \$152 million**
Base earnings for the second quarter of 2021 were \$150 million, up 9% compared to the second quarter of 2020, primarily due to higher business volumes and favourable claims experience in the life business, partially offset by less favourable claims experience in the longevity business. Net earnings for the second quarter of 2021 of \$152 million decreased \$35 million from the prior year due to market-related impacts on liabilities driven by the second quarter 2020 market rebound and a lower impact from actuarial assumption changes, partially offset by base earnings growth.
- **Continued success in the U.K. longevity reinsurance market** – The Company entered into two new longevity reinsurance agreements with insurance companies in the U.K. The agreements cover over £600 million of pension liabilities and over 3,000 in-payment and deferred policies.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of \$0.4380 per share on the common shares of Lifeco payable September 30, 2021 to shareholders of record at the close of business September 2, 2021.

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	September 2, 2021	September 30, 2021	\$0.36875
Series G	September 2, 2021	September 30, 2021	\$0.3250
Series H	September 2, 2021	September 30, 2021	\$0.30313
Series I	September 2, 2021	September 30, 2021	\$0.28125
Series L	September 2, 2021	September 30, 2021	\$0.353125
Series M	September 2, 2021	September 30, 2021	\$0.3625
Series N	September 2, 2021	September 30, 2021	\$0.109313
Series P	September 2, 2021	September 30, 2021	\$0.3375
Series Q	September 2, 2021	September 30, 2021	\$0.321875
Series R	September 2, 2021	September 30, 2021	\$0.3000
Series S	September 2, 2021	September 30, 2021	\$0.328125
Series T	September 2, 2021	September 30, 2021	\$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 2020, our companies had approximately 24,500 employees, 205,000 advisor relationships, and thousands of distribution partners – all serving our more than 30 million customer relationships across these regions.

Great-West Lifeco and its companies have approximately \$2.2 trillion in consolidated assets under administration as at June 30, 2021 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 the 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 "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. and the acquisitions of Personal Capital Corporation (Personal Capital) and the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual), the timing and completion of the proposed acquisition of the retirement business of Prudential, 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 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, 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 other filings with securities regulators, including factors set out in the Company's 2020 Annual Management's Discussion and Analysis 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. 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 (loss)", "base earnings (loss) (US\$)", "base earnings per common share", "return on equity", "base return on equity", "constant currency basis", "impact of currency movement", "premiums and deposits", "sales", "net cash flows", "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 second quarter of 2021 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.

Second Quarter Conference Call

Lifeco's second quarter conference call and audio webcast will be held August 4, 2021 at 2:30 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 August 4 to September 3, 2021 and can be accessed by calling 1-855-669-9658 or 604-674-8052 (passcode: 7261#). The archived webcast will be available on greatwestlifeco.com.

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GREAT-WEST LIFECO INC.

FINANCIAL HIGHLIGHTS *(unaudited)* *(in Canadian \$ millions except per share amounts)*

	As at or for the three months ended			For the six months ended	
	June 30 2021	March 31 2021	June 30 2020	June 30 2021	June 30 2020
Earnings					
Base earnings ⁽¹⁾	\$ 826	\$ 739	\$ 706	\$ 1,565	\$ 1,249
Net earnings - common shareholders	784	707	863	1,491	1,205
Per common share					
Basic:					
Base earnings ⁽¹⁾	0.889	0.796	0.761	1.685	1.347
Net earnings	0.844	0.762	0.930	1.605	1.299
Diluted net earnings	0.842	0.761	0.930	1.604	1.299
Dividends paid	0.438	0.438	0.438	0.876	0.876
Book value	23.70	23.36	21.98		
Base return on equity ⁽¹⁾	13.9 %	13.6 %	13.7 %		
Return on equity ⁽¹⁾	15.0 %	15.7 %	12.1 %		
Total premiums and deposits⁽¹⁾⁽²⁾⁽³⁾	\$ 36,804	\$ 45,063	\$ 43,134	\$ 81,867	\$ 89,611
Fee and other income	1,800	1,751	1,406	3,551	2,847
Net policyholder benefits, dividends and experience refunds⁽³⁾	12,162	11,934	9,659	24,096	19,088
Total assets per financial statements	\$ 604,176	\$ 592,759	\$ 457,996		
Proprietary mutual funds and institutional net assets ⁽¹⁾	358,297	350,882	315,326		
Total assets under management⁽¹⁾	962,473	943,641	773,322		
Other assets under administration ⁽¹⁾	1,193,449	1,134,222	889,929		
Total assets under administration⁽¹⁾	\$2,155,922	\$2,077,863	\$1,663,251		
Total equity	\$ 27,956	\$ 27,385	\$ 26,109		
The Canada Life Assurance Company consolidated LICAT Ratio⁽⁴⁾	126 %	123 %	132 %		

⁽¹⁾ This metric is a non-IFRS measure. Refer to the "Non-IFRS Financial Measures" section of the Company's June 30, 2021 Management's Discussion and Analysis for additional details.

⁽²⁾ 2020 comparative figures have been reclassified to reflect presentation adjustments in the Canada segment.

⁽³⁾ Comparative figures for the three months ended March 31, 2021 have been corrected relating to an immaterial classification error in the U.S. segment as described in note 16 to the Company's June 30, 2021 condensed consolidated interim unaudited financial statements.

⁽⁴⁾ The Life Insurance Capital Adequacy Test (LICAT) Ratio is based on the consolidated results of The Canada Life Assurance Company (Canada Life), Lifeco's major Canadian operating subsidiary. Refer to the "Capital Management and Adequacy" section of the Company's June 30, 2021 Management's Discussion and Analysis for additional details.

GREAT-WEST LIFECO INC.

Base earnings⁽¹⁾ and Net earnings - common shareholders (unaudited)

	For the three months ended			For the six months ended	
	June 30 2021	March 31 2021	June 30 2020	June 30 2021	June 30 2020
Base earnings (loss)⁽¹⁾					
Canada	\$ 293	\$ 298	\$ 315	\$ 591	\$ 588
United States	190	104	83	294	100
Europe	184	201	179	385	311
Capital and Risk Solutions	150	145	137	295	256
Lifeco Corporate	9	(9)	(8)	—	(6)
Lifeco base earnings⁽¹⁾	\$ 826	\$ 739	\$ 706	\$ 1,565	\$ 1,249
Items excluded from base earnings ⁽¹⁾					
Actuarial assumption changes and other management actions ⁽¹⁾	\$ 37	\$ 5	\$ 122	\$ 42	\$ 70
Market-related impacts on liabilities ⁽¹⁾	(19)	(24)	35	(43)	(114)
Tax legislative changes impact on liabilities ⁽¹⁾	(21)	—	—	(21)	—
Transaction costs related to the acquisitions of Personal Capital and MassMutual ⁽¹⁾⁽²⁾	(24)	(1)	—	(25)	—
Restructuring and integration costs ⁽¹⁾	(15)	(12)	—	(27)	—
Items excluded from Lifeco base earnings⁽¹⁾	\$ (42)	\$ (32)	\$ 157	\$ (74)	\$ (44)
Net earnings (loss) - common shareholders					
Canada	\$ 288	\$ 287	\$ 353	\$ 575	\$ 504
United States	150	89	78	239	83
Europe	185	195	253	380	344
Capital and Risk Solutions	152	145	187	297	280
Lifeco Corporate	9	(9)	(8)	—	(6)
Lifeco net earnings - common shareholders	\$ 784	\$ 707	\$ 863	\$ 1,491	\$ 1,205

⁽¹⁾ This metric is a non-IFRS measure. Refer to the "Non-IFRS Financial Measures" section of the Company's June 30, 2021 Management's Discussion and Analysis for additional details.

⁽²⁾ The transaction costs incurred to date relate to the acquisitions of Personal Capital and the retirement services business of MassMutual and are included in the U.S. Corporate business unit.