

QUARTERLY REPORT TO THE SHAREHOLDERS
January 1 to September 30, 2023 Nine Months Results

The condensed consolidated interim unaudited financial statements including notes at September 30, 2023 were approved by the Board of Directors at a meeting held today.

Great-West Lifeco Inc. (Lifeco or the Company) today announced its third quarter 2023 results.

Key Financial Highlights

| | In-Quarter | | | Year-to-Date | |
|---|------------|---------|---------|--------------|---------|
| | Q3 2023 | Q2 2023 | Q3 2022 | 2023 | 2022 |
| Base earnings ^{1,4} | \$950 | \$920 | \$809 | \$2,696 | \$2,424 |
| Net earnings from continuing operations | \$936 | \$569 | \$986 | \$2,119 | \$3,150 |
| Net earnings | \$905 | \$498 | \$987 | \$1,998 | \$3,144 |
| Base EPS ^{2,4} | \$1.02 | \$0.99 | \$0.87 | \$2.89 | \$2.60 |
| Net EPS from continuing operations | \$1.01 | \$0.61 | \$1.06 | \$2.28 | \$3.38 |
| Net EPS | \$0.97 | \$0.53 | \$1.06 | \$2.15 | \$3.38 |
| Base ROE ^{2,3,4} | 16.4% | 15.9% | | | |
| Net ROE ³ | 11.2% | 11.7% | | | |

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

² Base EPS and base return on equity are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

³ Base return on equity and return on equity are calculated using the trailing four quarters of applicable IFRS 17 earnings and common shareholders' equity.

⁴ Comparative base earnings results are restated to exclude discontinued operations related to Putnam Investments.

Record base earnings per common share (EPS) of \$1.02 up 17% from \$0.87 a year ago. The increase year over year was primarily due to business growth as well as higher average equity markets and interest rates, which resulted in higher fee income and earnings on surplus. The third quarter of 2022 included several larger positive and negative items, including a provision for estimated claims related to Hurricane Ian in Capital and Risk Solutions, favourable tax impacts in Canada, and above average trading gains in Europe.

Base EPS are up 3% compared to \$0.99 base EPS in the second quarter of 2023, primarily driven by the Canada and Europe segments. Growth in Canada resulted from strong Group disability results, while growth in Europe primarily stemmed from improved morbidity experience.

Net EPS from continuing operations was \$1.01 compared to \$1.06 a year ago. Compared to a year ago, the increase in base earnings and favourable impacts of rising long-term interest rates in Canada were offset by lower real estate valuations primarily in Europe, and a contingent consideration provision release related to Personal Capital in 2022. In addition, although actuarial assumption changes implemented in the quarter have a net positive economic and capital impact on the Company, the associated fair value adjustments negatively impacted net earnings in the quarter.

In conjunction with the transition to IFRS 17⁵, the Company made asset/liability management and accounting policy choices to increase the stability of regulatory capital. As a result, a certain amount of additional net earnings sensitivity was accepted in order to balance LICAT capital sensitivity, resulting in more stable capital positions. Over the time frame since transition, cumulative fluctuations in net earnings driven by market experience relative to expectations have been modest and regulatory capital has experienced increased stability, consistent with management's expectations.

Canada Life's consolidated LICAT Ratio increased by 2% in-quarter to 128% at September 30, 2023.

Return on equity was 16.4% on base earnings and 11.2% on net earnings in the third quarter of 2023.

⁵ For additional information, refer to the "Transition to IFRS 17 and IFRS 9" section of the interim Management Discussion and Analysis for the period ending September 30, 2023.

Highlights

- **The disciplined execution of the Company's strategy continues to drive strong momentum in each of its three value drivers:**
 - Wealth & Asset Management
 - Empower Personal Wealth, launched in the first quarter of 2023, continued to see strong momentum with 30% growth in assets under administration year over year.
 - Insurance & Risk Solutions
 - Onboarded a €80 million bulk annuity transaction in Irish Life which is the largest bulk annuity transaction to take place in the Irish market to date in 2023.
 - Workplace Solutions
 - Group Life & Health book premiums increased by 13% over the previous quarter, to \$17,048 million at September 30, 2023. The increase is from organic growth of in-force business in the Canada and Europe segments, and the addition of the Public Service Health Care Plan in Canada.
- **Remain on-track to deliver value from previously announced strategic transactions that will add new capabilities and drive scale:**
 - Canada Life completed its acquisition of Value Partners Group Inc. (Value Partners) and expects the acquisition of Investment Planning Counsel Inc. to close before the end of 2023. Together, these acquisitions will help advance the Company's goal of being a leading Canadian full-service wealth and insurance platform for independent advisors.
 - The sale of Putnam Investments to Franklin Templeton is expected to close in the fourth quarter of 2023. Once complete, the sale will unlock shareholder value and reinforce the Company's focus on the highly attractive U.S. retirement and personal wealth markets through Empower.
 - Empower continues its successful integration program related to the Prudential full-service retirement business acquisition, adding scale and capabilities to its DC recordkeeping business. Annualized run-rate synergies of US\$66 million have been achieved.
 - On November 1, 2023, Irish Life Assurance plc completed the portfolio transfer of segregated funds with a carrying value of approximately €2 billion (\$2.9 billion) to Saol Assurance dac (AIB Life), a 50/50 joint venture between Canada Life Irish Holding Company Limited and Allied Irish Banks, p.l.c. The Company expects to recognize a gain related to this transaction in the fourth quarter of 2023.
 - The Company continues to pay down acquisition related short-term debt, reducing leverage ratio to 31% at the end of the third quarter, down from 33% at the beginning of 2023.
- **Improving operational performance and modernizing the Company's businesses to meet needs of customers and advisors:**
 - Canada Life successfully completed a five-year journey to migrate eight individual wealth management client administration systems in Canada to a single system that sets the individual wealth business up for long-term success.
 - As part of its efforts to improve customer outcomes and achieve more efficient operations, the Company continues to explore next generation artificial intelligence (A.I.) capabilities to determine potential business use cases, while at the same time, deploying traditional A.I. technologies to support the business today.
 - The Company maintained its disciplined expense management with an active and continual focus on improving effectiveness and efficiency.

GREAT-WEST LIFECO INC.

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 third quarter of 2023 interim Management's Discussion and Analysis (MD&A).

| | In-Quarter | | | Year-to-Date | |
|--|------------|---------|---------|--------------|---------|
| | Q3 2023 | Q2 2023 | Q3 2022 | 2023 | 2022 |
| Segment Base Earnings⁶ | | | | | |
| Canada | \$296 | \$283 | \$340 | \$857 | \$904 |
| United States | 262 | 265 | 214 | 745 | 522 |
| Europe | 206 | 180 | 203 | 564 | 589 |
| Capital and Risk Solutions | 198 | 203 | 56 | 558 | 417 |
| Lifeco Corporate | (12) | (11) | (4) | (28) | (8) |
| Total Base earnings ⁶ | \$950 | \$920 | \$809 | \$2,696 | \$2,424 |
| Segment Net Earnings from Continuing Operations | | | | | |
| Canada | \$414 | \$148 | \$274 | \$795 | \$1,079 |
| United States ⁷ | 244 | 161 | 154 | 575 | 296 |
| Europe | 25 | 102 | 433 | 167 | 1,227 |
| Capital and Risk Solutions | 265 | 169 | 126 | 618 | 539 |
| Lifeco Corporate | (12) | (11) | (1) | (36) | 9 |
| Total Net earnings from Continuing Operations | \$936 | \$569 | \$986 | \$2,119 | \$3,150 |
| Net Earnings from Discontinued Operations ⁸ | (31) | (71) | 1 | (121) | (6) |
| Total Net Earnings | \$905 | \$498 | \$987 | \$1,998 | \$3,144 |

⁶ Base earnings is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

⁷ Comparative results are restated to exclude discontinued operations related to Putnam Investments.

⁸ Includes divestiture costs in 2023 related to the proposed sales of Putnam Investments.

CANADA

- **Q3 Canada segment base earnings of \$296 million and net earnings of \$414 million** – Base earnings of \$296 million decreased by \$44 million compared to the same quarter last year. Base earnings before tax grew by 3%, reflecting strong Group disability and mortality results and higher earnings on surplus, however taxes were higher, as 2022 benefited from a number of favourable tax impacts that did not re-occur.

UNITED STATES

- **Q3 United States segment base earnings of US\$195 million (\$262 million) and net earnings from continuing operations of US\$182 million (\$244 million)** – Base earnings for the third quarter of 2023 were US\$195 million (\$262 million), up US\$31 million or 19% from the third quarter of 2022. The increase was primarily due to increased fees driven by higher average equity markets and transaction volumes, partially offset by higher expenses to support business growth.

EUROPE

- **Q3 Europe segment base earnings of \$206 million and net earnings of \$25 million** – Base earnings of \$206 million increased by \$3 million compared to the same quarter last year, primarily due to improved morbidity experience, favourable tax impacts and a positive \$20 million impact of currency movement. The third quarter of 2022 included above average positive impacts of trading activity in the U.K. annuity portfolios that normalised in 2023.

CAPITAL AND RISK SOLUTIONS

- **Q3 Capital and Risk Solutions segment base earnings of \$198 million and net earnings of \$265 million** – Base earnings of \$198 million increased by \$142 million compared to the same quarter last year, primarily due to business growth, the impact of higher interest rates and a provision for estimated claims related to Hurricane Ian of \$128 million in 2022 that did not re-occur. These items were partially offset by unfavourable mortality experience in the U.S. life business.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of \$0.52 per share on the common shares of Lifeco payable December 29, 2023 to shareholders of record at the close of business November 30, 2023.

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

| First Preferred Shares | Amount, per share |
|------------------------|-------------------|
| Series G | \$0.3250 |
| Series H | \$0.30313 |
| Series I | \$0.28125 |
| Series L | \$0.353125 |
| Series M | \$0.3625 |
| Series N | \$0.109313 |
| Series P | \$0.3375 |
| Series Q | \$0.321875 |
| Series R | \$0.3000 |
| Series S | \$0.328125 |
| Series T | \$0.321875 |
| Series Y | \$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

November 8, 2023