GREAT-WEST LIFECO INC.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of $0.4380 per share on the common shares of Lifeco payable December 31, 2021 to shareholders of record at the close of business December 3, 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	December 3, 2021	December 31, 2021	$0.36875
Series G	December 3, 2021	December 31, 2021	$0.3250
Series H	December 3, 2021	December 31, 2021	$0.30313
Series I	December 3, 2021	December 31, 2021	$0.28125
Series L	December 3, 2021	December 31, 2021	$0.353125
Series M	December 3, 2021	December 31, 2021	$0.3625
Series N	December 3, 2021	December 31, 2021	$0.109313
Series P	December 3, 2021	December 31, 2021	$0.3375
Series Q	December 3, 2021	December 31, 2021	$0.321875
Series R	December 3, 2021	December 31, 2021	$0.3000
Series S	December 3, 2021	December 31, 2021	$0.328125
Series T	December 3, 2021	December 31, 2021	$0.321875
Series Y(1)	December 3, 2021	December 31, 2021	$0.2589

(1) The Series Y First Preferred Shares were issued on October 8, 2021. The first dividend payment will be made on December 31, 2021 in the amount of $0.2589 per share. Thereafter, dividends will be payable quarterly on the last day of March, June, September and December in each year at a rate of $0.28125 per share.

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 3, 2021

Segregated fund and variable annuity guarantee exposure

		September 30, 2021			
		Investment deficiency by benefit type			
	Market Value	Income	Maturity	Death	Total[1]
Canada	$ 35,371	$ 1	$ 11	$ 36	$ 36
United States	20,917	9	—	21	30
Europe	11,286	4	—	793	793
Capital and Risk Solutions[2]	883	220	—	—	220
Total	**$ 68,457**	**$ 234**	**$ 11**	**$ 850**	**$ 1,079**

(1) A policy can only receive a payout from one of the three trigger events (income election, maturity or death). Total deficiency measures the point-in-time exposure assuming the most costly trigger event for each policy occurred on September 30, 2021.

(2) Capital and Risk Solutions exposure is to markets in Canada and the U.S.

Investment deficiency at September 30, 2021 of $1,079 million decreased by $238 million compared to December 31, 2020, primarily due to an increase in market values. The investment deficiency measures the point-in-time exposure to a trigger event (i.e., income election, maturity or death) assuming it occurred on September 30, 2021 and does not include the impact of the Company's hedging program for GMWB products. The actual cost to the Company will depend on the trigger event having occurred and the market values at that time. The actual claims before tax associated with these guarantees were $2 million in-quarter ($8 million for the third quarter of 2020) and $7 million year-to-date ($20 million year-to-date for 2020) with the majority arising in the Capital and Risk Solutions segment related to a legacy block of business.

LIFECO CAPITAL STRUCTURE

In establishing the appropriate mix of capital required to support the operations of the Company and its subsidiaries, management utilizes a variety of debt, equity and other hybrid instruments considering both the short and long-term capital needs of the Company.

DEBENTURES AND OTHER DEBT INSTRUMENTS

At September 30, 2021, debentures and other debt instruments decreased by $920 million to $8,773 million compared to December 31, 2020.

The Company made payments of US$400 million on July 2, 2021 and US$100 million on September 29, 2021 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 balance drawn on this line of credit to nil.

SHARE CAPITAL AND SURPLUS

Share capital outstanding at September 30, 2021 was $9,958 million, which comprises $5,744 million of common shares and $2,714 million of preferred shares, and $1,500 million Limited Recourse Capital Notes (LRCN Series 1) discussed below. Preferred shares included $2,464 million of non-cumulative First Preferred Shares and $250 million of 5-year rate reset First Preferred Shares.

On August 16, 2021, the Company issued $1,500 million aggregate principal amount 3.60% LRCN Series 1 (Subordinated Indebtedness) at par, maturing on December 31, 2081. The LRCN Series 1 bear interest at a fixed rate of 3.60% per annum payable semi-annually, until December 31, 2026. On December 31, 2026 and every five years thereafter until December 31, 2076, the interest rate on the LRCN Series 1 will be reset at an interest rate equal to the five-year Government of Canada Yield as defined in the trust indenture governing the LCRN Series 1, plus 2.641%.

The Company renewed its normal course issuer bid (NCIB) effective January 27, 2021 for one year to purchase and cancel up to but no more than 20,000,000 of its common shares at market prices in order to mitigate the dilutive effect of stock options granted under the Company's Stock Option Plan and for other capital management purposes. During the three months ended September 30, 2021, the Company did not purchase any common shares under the current NCIB (nil for the three months ended September 30, 2020). The Company does not currently intend to engage in share repurchases that reduce its outstanding shares while the Office of the Superintendent of Financial Institutions (OSFI) maintains its expectation that the institutions it regulates suspend share buybacks due to ongoing impacts of the COVID-19 pandemic.

Subsequent to September 30, 2021, on October 8, 2021, the Company issued 8,000,000 Series Y, 4.50% Non-Cumulative First Preferred Shares at $25.00 per share for gross proceeds of $200 million. The shares are redeemable at the option of the Company on or after December 31, 2026 for $25.00 per share plus a premium if redeemed prior to December 31, 2030, in each case together with all declared and unpaid dividends up to but excluding the date of redemption.

LIQUIDITY AND CAPITAL MANAGEMENT AND ADEQUACY

LIQUIDITY

The Company’s liquidity requirements are largely self-funded, with short-term obligations being met by internal funds and maintaining levels of liquid investments adequate to meet anticipated liquidity needs. The Company holds cash, cash equivalents and short-term bonds at the Lifeco holding company level and with the Lifeco consolidated subsidiary companies. At September 30, 2021, the Company and its operating subsidiaries held cash, cash equivalents and short-term bonds of $11.4 billion ($11.2 billion at December 31, 2020) and other liquid assets and marketable securities of $100.4 billion ($100.2 billion at December 31, 2020). Included in the cash, cash equivalents and short-term bonds at September 30, 2021 was $0.6 billion ($0.9 billion at December 31, 2020) held at the Lifeco holding company level which includes cash at Great-West Lifeco U.S. LLC, the Company's U.S. holding company. In addition, the Company maintains committed lines of credit with Canadian chartered banks for unanticipated liquidity needs, if required.

The Company does not have a formal common shareholder dividend policy. Dividends on outstanding common shares of the Company are declared and paid at the sole discretion of the Board of Directors of the Company. The decision to declare a dividend on the common shares of the Company takes into account a variety of factors including the level of earnings, adequacy of capital and availability of cash resources.

As a holding company, the Company’s ability to pay dividends and, in part, its ability to deploy capital is dependent upon the Company receiving dividends from its operating subsidiaries. The Company’s operating subsidiaries are subject to regulation in a number of jurisdictions, each of which maintains its own regime for determining the amount of capital that must be held in connection with the different businesses carried on by the operating subsidiaries. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends to the Company. The Office of the Superintendent of Financial Institutions (OSFI) has maintained its guidance provided in 2020 at the outset of the COVID-19 pandemic that Canadian banks and insurers should suspend share buybacks and not increase dividend payments. In the U.K. and Ireland, where some of the Company’s regulated subsidiaries operate, the regulatory authorities have maintained their guidance that insurance companies should exercise prudence in respect of dividend distributions, share buybacks and similar transactions, but at the end of the third quarter of 2021 the Irish regulator removed the temporary cap that it had also been applying to significant insurance companies such as Irish Life Assurance plc.

CASH FLOWS

Cash flows

	For the three months ended September 30		For the nine months ended September 30	
	2021	2020	**2021**	2020
Cash flows relating to the following activities:				
Operations	**$ 5,689**	$ 4,326	**$ 8,544**	$ 7,714
Financing	**439**	2,056	**(567)**	1,629
Investment	**(6,036)**	(6,848)	**(9,011)**	(8,666)
	92	(466)	**(1,034)**	677
Effects of changes in exchange rates on cash and cash equivalents	**90**	(31)	**(22)**	67
Increase (decrease) in cash and cash equivalents in the period	**182**	(497)	**(1,056)**	744
Cash and cash equivalents, beginning of period	**6,708**	5,869	**7,946**	4,628
Cash and cash equivalents, end of period	**$ 6,890**	$ 5,372	**$ 6,890**	$ 5,372

The principal source of funds for the Company on a consolidated basis is cash provided by operating activities, including premium income, net investment income and fee income. These funds are used primarily to pay policy benefits, policyholder dividends and claims, as well as operating expenses and commissions. Cash flows generated by operations are mainly invested to support future liability cash requirements. Cash flows related to financing activities include the issuance and repayment of capital instruments, and associated dividends and interest payments.

In the third quarter of 2021, cash and cash equivalents increased by $182 million from June 30, 2021. Cash flows provided by operations during the third quarter of 2021 were $5,689 million, an increase of $1,363 million compared to the third quarter of 2020. Cash flows provided by financing of $439 million were primarily provided by the issuance of the LRCN Series 1 of $1,500 million, partially offset by a decrease in the line of credit of a subsidiary of $639 million and the payments of dividends to common and preferred shareholders of $440 million. For the three months ended September 30, 2021, cash flows were used by the Company to acquire an additional $6,036 million of investment assets.

For the nine months ended September 30, 2021, cash and cash equivalents decreased by $1,056 million from December 31, 2020. Cash flows provided by operations were $8,544 million, an increase of $830 million compared to the same period in 2020. Cash flows used in financing of $567 million were primarily used for the payment of dividends to common and preferred shareholders of $1,320 million and a decrease in the line of credit of a subsidiary of $827 million, partially offset by the issuance of the LRCN Series 1 discussed for the in-quarter results. For the nine months ended September 30, 2021, cash flows were used by the Company to acquire an additional $9,011 million of investment assets.

COMMITMENTS/CONTRACTUAL OBLIGATIONS

Commitments/contractual obligations have not changed materially from December 31, 2020.

CAPITAL MANAGEMENT AND ADEQUACY

At the holding company level, the Company monitors the amount of consolidated capital available and the amounts deployed in its various operating subsidiaries. The amount of capital deployed in any particular company or country is dependent upon local regulatory requirements as well as the Company's internal assessment of capital requirements in the context of its operational risks and requirements and strategic plans. The Company's practice is to maintain the capitalization of its regulated operating subsidiaries at a level that will exceed the relevant minimum regulatory capital requirements in the jurisdictions in which they operate. The capitalization decisions of the Company and its operating subsidiaries also give consideration to the impact such actions may have on the opinions expressed by various credit rating agencies that provide financial strength and other ratings to the Company.

In Canada, OSFI has established a regulatory capital adequacy measurement for life insurance companies incorporated under the Insurance Companies Act (Canada) and their subsidiaries, known as the Life Insurance Capital Adequacy Test (LICAT).

The LICAT Ratio compares the regulatory capital resources of a company to its required capital. The required capital is calibrated so that a life insurer can both withstand severe stress events and support the continuity of existing business. The LICAT guideline uses a risk-based approach for measuring specific life insurer risks and for aggregating the results to calculate the amount of a life insurer's capital requirements.

OSFI has established a Supervisory Target Total Ratio of 100%, and a Supervisory Minimum Total Ratio of 90%. The internal target range of the LICAT Ratio for Lifeco's major Canadian operating subsidiary is 110% to 120% (on a consolidated basis).

Canada Life's consolidated LICAT Ratio at September 30, 2021 was 123% (129% at December 31, 2020). The LICAT Ratio does not take into account any impact from $0.6 billion of liquidity at the Lifeco holding company level at September 30, 2021 ($0.9 billion at December 31, 2020). The continued phasing in of the impact of the LICAT interest rate scenario shift in North America (described below) contributed a 1 point decrease to the ratio this quarter and a 3 point decrease year-to-date. The remainder of the year-to-date decrease in the LICAT Ratio was due to market movement and new business growth, partly offset by the favourable impact of net earnings.

The following provides a summary of the LICAT information and ratios for Canada Life:

LICAT Ratio	**Sept. 30 2021**	Dec. 31 2020
Tier 1 Capital	**$ 12,578**	$ 11,593
Tier 2 Capital	**4,224**	4,568
Total Available Capital	**16,802**	16,161
Surplus Allowance & Eligible Deposits	**13,409**	14,226
Total Capital Resources	**$ 30,211**	$ 30,387
Required Capital	**$ 24,520**	$ 23,607
Total LICAT Ratio (OSFI Supervisory Target = 100%)[1]	**123 %**	129 %

(1) Total Ratio (%) = (Total Capital Resources / Required Capital)