

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 advances Canadian business transformation to drive future growth
Company announces restructuring charge and reductions in Canadian workforce

Winnipeg, April 25, 2017 ...Great-West Lifeco Inc. (the Company) announced today that it is moving forward with the transformation of its Canadian business. This transformation will ensure the Company continues to deliver on its purpose – to improve the financial, physical and mental well-being of Canadians. The first step was taken in November 2016 when the Company made the strategic decision to align its Canadian business around Group and Individual customers. The changes being announced today will help the Company build on its past success and provide positive customer outcomes in a world where advances in technology and heightened competition are having an increasing influence on customer needs and expectations.

“Late last year we began the journey to evolve our Canadian business into a more agile and innovative organization, better equipped to respond to and anticipate the changing needs of our customers,” said Paul Mahon, President and Chief Executive Officer of Great-West Lifeco. “To ensure we remain competitive and drive future growth, we are reducing costs and becoming more efficient, while at the same time investing more in customer-focused innovations and service offerings. We are confident these strategic initiatives will have a long-term positive impact for customers, advisors, employees and our shareholders.”

Cost reductions will come from a number of sources including real estate consolidation, process improvements, and updates to information systems. As part of today’s announcement, the Company also informed employees that it would be reducing its Canadian workforce by approximately 1,500 positions over the next two years. This equates to approximately 13% of our 12,000 employees in Canada. Reductions will come from reducing the temporary workforce, a voluntary retirement program and eliminating positions through a severance program. These reductions are expected to be partly offset by business growth, as well as natural attrition combined with controlled hiring practices.

“These are difficult but necessary decisions that we are not taking lightly,” said Mr. Mahon. “We are committed to treating all those affected fairly and respectfully, consistent with our values.”

The Company will record a restructuring charge in the second quarter of 2017. The total charge is \$215 million pre-tax allocated between participating and non-participating accounts. The impact of the charge on common shareholder net earnings will be \$172 million pre-tax or \$127 million after-tax (13 cents per share). The charge includes employee severance payments, real estate optimization costs and information systems exit costs. As a result of its Canadian transformation initiatives, the Company expects to realize total annual run-rate savings of \$200 million pre-tax by the end of Q1 2019 allocated between participating and non-participating accounts. Of that amount, \$160 million pre-tax or \$117 million after-tax is expected to benefit common shareholder net earnings.

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Conference Call

A 30-minute conference call to discuss the announcement will be held today at 9:00 a.m. ET. It will feature a brief presentation followed by a question-and-answer period with analysts. Participating in the call will be: Paul Mahon, President and Chief Executive Officer; Stefan Kristjanson, President and Chief Operating Officer, Canada; and Garry MacNicholas, Executive Vice-President and Chief Financial Officer.

The call and webcast can be accessed through www.greatwestlifeco.com. A listen-only telephone line is available at: 416-340-2216 (Toronto) and 1-800-377-0758 (North America). International participants may look up the dial-in information for your location here: <https://www.confsolutions.ca/ILT?oss=1P49R8003770758>. A replay of the call will be available from April 25 to May 25, 2017, and can be accessed by calling 1-800-408-3053 (passcode: 6563919#).

Great-West Lifeco Inc. will announce its first quarter results for 2017 on Thursday, May 4, 2017.

GREAT-WEST LIFECO

Great-West Lifeco Inc. (TSX:GWO) is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Lifeco has operations in Canada, the United States, Europe and Asia through Great-West Life, London Life, Canada Life, Irish Life, Great-West Financial and Putnam Investments. Lifeco and its companies have over \$1.2 trillion in consolidated assets under administration as at December 31, 2016 and are members of the Power Financial Corporation group of companies. To learn more, visit www.greatwestlifeco.com.

Cautionary note regarding Forward-Looking Information

This release may contain forward-looking statements. Forward-looking statements include 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 may 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. Forward-looking statements are based on expectations, forecasts, 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. Material factors and assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting the Company's operations will continue substantially in their current state, including, without limitation, with respect to 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, 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 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 and unplanned material changes to the Company's facilities, customer and employee relations or credit arrangements. 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 2016 Annual MD&A under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates", 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 statements. Other than as specifically required by applicable law, the Company does not intend to update any forward-looking statements 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, "operating earnings", "constant currency basis", "premiums and deposits", "sales", "assets under management", "assets under administration" and other similar expressions. 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. Please refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

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