

Building on our **STRENGTHS**. Investing in our **FUTURE**.

Annual Meeting Remarks

May 5, 2016 | Winnipeg



Paul Mahon

President | Chief Executive Officer

Contents

Overview	1
Financial performance highlights	2
Our diverse operations:	
• Canada	3
○ Leading advisors' recognition	
○ Dave Johnston's retirement	
• United States	5
• Europe	6
○ Bill Kyle's retirement	
Retirement reform in Canada	7
Thank you	7

**Paul Mahon
President and CEO
Annual Meeting Remarks
May 5, 2016**

Members of the Board, policyholders, shareholders and invited guests

Good morning and welcome to our Annual Meetings.

Before I begin my formal remarks, I would like to make a personal comment about Murray Taylor as he transitions to retirement.

Murray had a long history with Great-West Life before joining IGM, and I had the benefit of working closely with him.

To me, Murray is both a business role model and a life role model. The balance he brings to excellence to business, family and community is a model for all leaders today.

Thank you, and congratulations Murray.

Great-West Lifeco encompasses strong brands and diverse businesses in Canada, Europe and the United States.

Our purpose is to help our customers achieve financial security and wellbeing. Today, with over 28 million customer relationships worldwide, our more than 22,500 employees support this purpose in all they do.

Great-West Lifeco's strength draws from strong regional operating companies with deeply-rooted and well-respected brands – in Canada, in Europe, and in the United States.

Each of these companies is dedicated to meeting the unique needs of customers in the markets where they operate.

It all started right here in Winnipeg, where our original cornerstone – Great-West Life – was founded in 1891 and this year celebrates its 125th anniversary.

A key to our historical success has been our steadfast focus on core disciplines which we consider enduring strengths.

- Competitive products, services and advice for our customers
- Disciplined expense and investment management
- Conservative underwriting and product design
- A commitment to sound governance and oversight.

And while these same disciplines are fundamental to our continued success, we recognize that the explosive pace of digital change, expanding competition and globalization of regulation are re-shaping customer expectations and market structures.

We approach this change with confidence, knowing that the core of what we do has not changed - providing financial advice, protection and security to our customers.

Moreover, we believe such change creates opportunity for us to extend our business models by creating capabilities that will better serve the evolving needs and expectations of our stakeholders.

- For **customers**, we're investing in capabilities that will help us respond to shifting demographics, attitudes and behaviours
- For **advisors**, we're making additional investments in technology that will help them to be more productive and better meet customers' needs
- For **employees**, our focus is on strengthening our teams through increased investment in attracting , training and developing the talent we need to win, and,
- For our **communities** we're investing in initiatives that will help them thrive and improve the well-being of Canadians.

Financial performance highlights

Let's look at Great-West Lifeco's financial performance in 2015 and Q1 2016.

- In 2015, we experienced strong bottom line growth, with operating earnings of \$2.8 billion. This reflected an 8.5% increase year-over-year.
- In February this year, for the second year in a row, we announced an increase of 6% in the quarterly dividend payable to common shareholders.
- 2015 also marked exceptional top line growth for our companies with sales increasing by 62%, to \$128 billion.
- We also expanded our scale and reach, with total assets under administration growing by 14%, to over \$1.2 trillion.
- Great-West Lifeco's return on equity was an industry-leading 14.7%, with Great-West Life's capital position also remaining strong.
- Since our last annual meeting, all five rating agencies have maintained our credit ratings with a stable outlook. The ratings you see here are among the highest of insurers worldwide.

Earlier this morning we released our Q1 2016 results. Here is a summary:

- Operating earnings were \$620 million
- The Board declared a quarterly dividend of 34.60 cents per common share.
- Sales grew by 73% to \$48.0 billion, and
- Return on equity was 14.0% at the end of the Q1.

Despite a softening in earnings this quarter, driven by weaker equity markets and other in-period volatility, our investment in people and capabilities is driving the strong sales and revenue growth that are vital to our long-term success.

Let's step back for a moment and look at where we've come from...

Prior to 2008, Great-West Lifeco's growth was driven in a large part by transformative acquisitions.

During the financial crisis that started in 2008, we shifted our focus from acquisitions to financial strength and capital preservation.

Five years later, from a solid foundation, our focus has returned to both organic and acquisition growth. This was highlighted by the acquisition of Irish Life in 2013, and the launch of Empower Retirement in 2014.

As we look to the future, winning the customer will require continuous improvement in our product and service capabilities. In response, we're expanding our teams with new skills and outside perspectives in areas that will help us differentiate and respond to change.

Canada

Turning now to our business segments, I'll share some insights in how we are investing in, and achieving growth.

Dave Johnston, President and Chief Operating Officer, leads our **Canadian operations**, where our products and services touch the lives of more than 12 million people – nearly one in three Canadians. We're focused on improving the financial, physical and mental well-being of Canadians.

We strive to have a relationship with our customers that transcends the products we sell. This is illustrated by our focus on wellness outcomes for plan members, and workplace mental health support for all employers in Canada.

With the recent launch of HelloLife, we are supporting individual customers with their transition into retirement by helping them make the right choices so they can retire with confidence. Its innovative approach to customer communications was recently recognized with three international awards. HelloLife encompasses integrated product solutions and online planning tools, plus a framework advisors and customers can work through together, to create a clear picture of their retirement.

Working with an advisor is one of the best investments Canadians can make in their financial future. Today we are pleased to recognize three representatives of our Canadian distribution channels.

Sterling Rempel is Founder and principal advisor at Future Values Estate & Financial Planning in Calgary.

For more than 30 years Sterling has been helping Canadians meet their insurance needs. Supported by the local Great-West Life Sales and Marketing Centre, he specializes in helping successful professionals achieve financial independence and leave a legacy to their families and businesses.

In 2012, Sterling was made a fellow of the Financial Planning Standards Council. He is active in his community and was recently invited to join the board of the Alberta Council for Environmental Education.

George Sigurdson is Founder and President, Sigurdson Financial Group in Winnipeg.

George has been associated with London Life for 46 years and has been a member of the Million Dollar Round Table for all but two of those years. George and his team have built a successful business by focusing on individual client needs for insurance planning and investments. He is a strong Winnipeg booster and has a long tradition of giving to others through his support of local charities and community organizations.

Nelson Hoe is President of Perspective Financial in Winnipeg.

Nelson has over 37 years' experience in the insurance industry. With his son-in-law Jonathan and son Marc at his side, Nelson prides himself on his passion for helping clients make informed decisions. His leadership and productivity have made him a well-respected member of the Canada Life distribution channel. Nelson has served several terms as an executive member of the Insurance Council of Manitoba. He enjoys contributing to his community, his church and his favourite charities.

Nelson is joined here today by his wife, Gina.

In Canada, we count on our more than 12,000 employees to support our customers and advisors -- each and every day. One of the challenges employers face today is meeting the needs and expectations of a multi-generational workforce.

We recognize the importance of offering engaging workplaces where all segments of our workforce can perform at their best. Our efforts have earned us recognition as one of Canada's Top 100 Employers -- and as one of the Top Employers for Young People.

As we consider the importance of our people, I would like to take a moment to recognize the significant contribution made by **Dave Johnston**, President and Chief Operating Officer, Canada. Dave has communicated his intention to retire in August following a 38-year career with the company, including the last three years leading our Canadian operations.

In conjunction with Dave's retirement, the company announced today that **Stefan Kristjanson**, currently Executive Vice-President, Strategy & Transformation, will be appointed to the role of President and COO Canada.

Dave's career highlights include leadership of our Canadian Group Operations, and an assignment in the U.K. where he led the redesign of Canada Life's group business to become a market leader in terms of scale, capability and profitability.

Most recently, as President and COO, Canada, Dave launched a major initiative to build out enhanced digital services, customer analytics and innovation capabilities -- all with a focus on ensuring we can protect and extend our leading Canadian market position.

Our focus on supporting communities is one of our core values. Today in particular, our thoughts are with all those who are affected by the devastating fire in Fort McMurray, Alberta. We are in contact with the Red Cross to better understand immediate needs. We will be making a donation through the Red Cross to help provide relief to those in need at this most difficult time.

Our claims operations are actively aligning their practices to support our customers. We will continue to monitor the needs of the community.

As job seekers and employees alike are looking for stronger connections with an employer, our focus on engaging our employees in the support of communities is becoming more important than ever.

In 2015, we contributed over \$12 million to organizations showing leadership on important issues challenging Canadians.

A few examples include:

- Literacy and essential work skills
- Personal health and the environment, and
- Planning for climate change and sustainability.

I am also pleased to share that in 2015 Great-West Life was again on the Canada 200 Climate Disclosure Leadership Index -- achieving the top score among insurers in Canada.

Our Public Accountability Statement provides more detail on what we are doing to strengthen communities and help improve the well-being of Canadians.

United States

Looking to the **United States**, Robert Reynolds is President and CEO of Great-West Lifeco U.S. Inc. Our U.S. operations support the financial security of millions of Americans across our insurance, retirement and asset management businesses.

Great-West Financial has operated in the U.S. for over 100 years. In 2015 the company launched a new brand identity that positions it for the future. This new identity renews our commitment to providing innovative life insurance, annuities and executive benefits solutions for customers.

Empower Retirement was introduced in 2014, and today, more than 8 million participants have put their trust in us to help them achieve their best possible retirement – making it the second-largest retirement services provider in the U.S.

Empower is delivering best-in-class services to help Americans reach their financial goals. Its pioneering online and mobile features are aimed at guiding and motivating participants toward better retirement outcomes.

Our multi-year investment in Empower is paying off with employers showing their support for Empower's market-leading offerings – Empower celebrated its first anniversary with \$50 billion in new business commitments. More recently, it was named the mutual fund industry's *Retirement Leader of the Year*.

Another of our U.S. companies – **Putnam Investments** – was named the mutual fund industry's inaugural *Social Media Leader of the Year*. Putnam's innovative social media program has become an integral part of the Putnam culture and spans the entire advisor and investor experience.

At its core, the Putnam culture continues to be driven by a relentless focus on investment performance and client service, as evidenced by recognition from respected industry observers: Lipper recently issued awards to a number of Putnam funds based on strong, long-term performance, and DALBAR honored the firm for its outstanding delivery of service for the 26th consecutive year.

In its work to help financial advisors navigate the uncertainty of current markets, Putnam has launched a new program called “Maneuver in Markets”. It provides an array of research, analysis and tools that help advisors guide their clients to achieve best investment outcomes.

The expertise and capabilities of our people underscore our strong and growing position in the U.S., leveraging collaboration across Empower, Putnam and Great-West Financial.

Europe

Turning to Europe, Arshil Jamal, President and Chief Operating Officer, leads our Europe & Reinsurance operations, which include our diverse businesses in the U.K., Ireland and Germany.

In **the U.K.**, two acquisitions – Legal and General International and the Equitable Life Assurance company payout annuity business – expanded our array of retirement savings and wealth management products available to our U.K. customers.

In the U.K. Group Insurance marketplace where we are the market leader, our launch of Simply Class in 2015 strengthened our commitment to support the advice channel with technology based solutions. Simply Class provides advisors with automated quotation and enrolment processes that are easy to administer and communicate with customers.

In 2012, Irish Life made a strategic investment in a start-up called GloHealth. Today GloHealth gives customers the ultimate freedom to choose how they want to access their services -- online, through an advisor or through their employer.

In March of this year, we announced that Irish Life Group would expand its position in the Irish healthcare market through two acquisitions that will close later this year -- Aviva Health Insurance Ireland Limited, and the balance of GloHealth, giving us a 100% ownership position. As we bring these two businesses together, we are creating a market leader with over 400,000 health insurance customers in Ireland.

Our business in **Germany**, though small in scale, is our fastest growing in Europe. Our first branch office opened in Cologne in 2000 and today we serve more than 325,000 customers. This strong growth was achieved through a focused product and distribution strategy supported by an industry leading broker portal.

I would now like to take a few moments to recognize the important contribution made by **Bill Kyle**, Chief Executive Officer, Irish Life. We recently announced Bill’s plans to retire mid-year and the appointment of his successor, David Harney, who has been associated with Irish Life for 30 years.

Under Bill’s leadership, the Irish Life team has accomplished great things. They successfully integrated the former Canada Life business into Irish Life while growing market share. They strengthened their customer focus, including repositioning the Irish Life brand. And, they launched new innovative products and services – all while driving strong earnings growth.

I would like to take this opportunity to thank Bill for his significant contribution to our organization over 37 years – both in Ireland and in Canada.

Retirement reform in Canada

Turning back to Canada ... Retirement reform continues to be in the spotlight with a wide range of national and provincial solutions being proposed.

Multiple research studies illustrate that Canada's retirement savings system continues to be one of the strongest in the world. And while the majority of Canadians are well served by this system, the research also illustrates that there are certain segments of our working population who could benefit from targeted enhancements.

The most hotly debated proposal is the Ontario government's *Ontario Retirement Pension Plan* (known as ORPP). It ignores well understood research and proposes a one-size-fits-all solution across the working population of Ontario without regard for the differing needs of Ontarians.

The issues at hand are well-understood and help define the way forward. We can achieve better retirement outcomes for all Canadians through a national solution that includes targeted improvements to better protect seniors, that focuses on segments that are not saving enough, and that emphasizes personal responsibility.

The risk of separate stand-alone provincial solutions like the ORPP is that Canada ends up with a patchwork approach that will jeopardize overall efficiency and effectiveness.

Canadians deserve a retirement system that supports both parity and mobility as they move between provinces.

At Great-West Lifeco, we're investing for our future in Canada, Europe and the U.S., by building on our local strengths, embracing change, and leveraging emerging opportunities. We are also harnessing the knowledge and experience of our people through collaboration, and sharing expertise and best practices across our businesses and geographies.

In closing, I extend sincere thanks for the exemplary dedication and commitment shown by our advisors and distribution partners, and our 22,500 employees worldwide who support our customers every day.

I also want to express sincere appreciation to our customers and shareholders for continuing to place their trust in us.

Thank you.