

Paul Mahon
President and CEO
Annual Meeting remarks
May 2, 2019

OVERVIEW

Thank you, Chair — and good morning. To all guests here in Winnipeg — and to all who are joining via webcast — welcome to our Annual Meetings.

Over the past decade, our industry has faced rapidly changing technology, shifting customer expectations and volatile economic conditions. Supported by our strength and stability, Great-West Lifeco has responded to these challenges with a clear purpose – to meet the diverse and changing needs of our customers.

Today I'll share how we're creating shareholder value by building on three pillars.

- **First, our strength**, which will be highlighted in our financial results.
- **Second, our purpose** – and how we're meeting the needs of our customers and advisors.
- **And third, our focus** – and how we're investing for growth.
- I'll also share how we're making a difference in the communities where we work and support our customers.

Before I speak to our companies' financial highlights, I'd like to recognize two additions to our senior management team. First, Jeff Macoun who was appointed President and Chief Operating Officer, Canada in November. Jeff succeeded Stefan Kristjanson who retired at the end of 2018.

Jeff was instrumental in the launch of our recent brand change, and I'm confident our Canadian operations will thrive under his leadership.

I'd also like to recognize Ed Murphy, who was appointed President and Chief Executive Officer of Great-West Life & Annuity Insurance Company including Empower Retirement in February. He succeeds Bob Reynolds who continues to lead Putnam Investments, our U.S. Asset Manager. Ed's strong track record of success positions him well to serve the needs of our growing client base in the U.S.

I'll now summarize our financial performance for the full year 2018, and Q1 2019.

In 2018, Great-West Lifeco delivered solid results across all of our businesses.

In February, we increased our common shareholder dividend by 6%, making it our fifth consecutive year with an increase.

The Company reported adjusted earnings of \$3 billion in 2018, up 14 percent year-over-year. Excluding hurricane losses in the third quarter of 2017, adjusted earnings were up 7 percent. This earnings performance reflects growth in our Canadian, U.S. and European operations.

Total assets under administration grew to \$1.4 trillion – an increase of \$49 billion – driven by new business growth partially offset by the impact of lower market levels at the end of 2018.

Premiums and deposits increased by 13% to \$139 billion.

We maintained a strong capital position throughout 2018, ending the year with a LICAT ratio of 140%.

Earlier today, we released our Q1 2019 results.

Net earnings for common shareholders were \$657 million – down 10% from the same quarter last year reflecting lower taxes in Q1, 2018. Common shareholder pre-tax earnings were \$838 million – down 2% from the same quarter last year.

Sales were \$90 billion, up \$55 billion from Q1, 2018. While we saw growth in many areas, the significant increase was driven by the addition of a large Empower Retirement client in the U.S. and a large fund management mandate in Europe.

Adjusted return on equity was 13.7% at the end of the first quarter.

Our quarter-end LICAT ratio at 140% continues to reflect our strong capital position.

On April 17, we announced the results of the substantial issuer bid, launched in March. We've achieved the desired outcome of returning capital to shareholders, while maintaining significant capacity to fund strategic investments, including acquisitions, to drive growth and profitability.

For over a century, our companies in Canada – Great-West Life, London Life and Canada Life have each been honouring the important commitments we have made to Canadians.

We recently announced that we are combining the strengths and proud histories of these three companies under one brand – Canada Life.

On April 3rd, we celebrated this exciting announcement with our employees and advisors, the people who are so vital to delivering on our promises to Canadians. We also shared our new brand with customers across Canada.

Under one brand, we will build on our solid presence in the market, with a clear goal of helping Canadians to reach their potential, every day.

A single brand will also help us simplify how we work, eliminate duplication, and allow us to focus our resources on innovative products and services for our customers and advisors.

A great example of innovation is a first-in-Canada program targeted at recent graduates. Through the program, an employer matches a recently graduated employee's student loan repayments with a contribution to that employee's retirement savings plan. The employer wins by attracting the talent they need to compete. The employee wins by getting an early start on retirement savings while paying down their student debt.

I spoke about this program last year as we had just introduced it to the market. In 2018, we were encouraged by our first pilot with Indigo, an employer that's demonstrated a true commitment to the well-being of their approximately 7,000 employees across Canada.

Another example of innovation is Dialogue. It provides easy access to healthcare services for busy employees trying to balance the demands of work and family. Employees who need timely access to medical professionals for themselves or family members can connect with Dialogue through their phone or tablet. It can help to remove some of the stress related to wait times and being away from work for in-person appointments.

One of our forward-thinking customers, Innomar Strategies, offers Dialogue to its employees. Let's listen to their experience.

[VIDEO]

It's great to see these innovative products in action with our customers.

Engaging customers and advisors in the development and testing of new products ensures we understand their needs at every step of the process. In our first-ever digital lab in Canada, we worked with advisors to develop SimpleProtect – a new tool that can cut the time it takes a customer to be approved for a typical life insurance policy from 20 days to 20 minutes.

Another digital lab is focused on equipping Canadian advisors and their teams with better digital access to the important information they need to serve their clients.

Development of this new platform continues, and we'll launch more features throughout 2019.

We're focused on providing advisors with the products, processes and platforms they need to help their clients achieve financial security and well-being. We truly believe in the value of the guidance that advisors provide to their clients.

And, the evidence is clear: In a recent study, Canadians who worked with an advisor for 15 years accumulated almost four times more assets than those who did not.

I'd like to recognize two advisors who have joined us here today. Joe Pal and his daughter Kate Pal are great examples of the important impact financial advisors have in helping their clients reach their financial goals.

Joe is the Founder and President of Pal Insurance Limited in Toronto. He is a leading advisor in Canada, as recognized by his achievements:

He is founding member of the Conference for Advanced Life Underwriting and a life and qualifying member of Million Dollar Round Table's *Top of the Table*.

Moreover, his work with the St. Michael's Hospital Foundation, the Queen's University School of Business and the Thousand Islands Economic Development program highlight his leadership in the community.

Kate has made her mark in her 10 years in financial services. As Managing Director at Pal Insurance, Kate combines her experience in commercial lending and private equity with her strong roots in life insurance and estate planning. This allows her to specialize in coordinating integrated solutions for private business. Kate is a member of the Conference for Advanced Life Underwriting and is a certified Family Enterprise Advisor.

Together, Joe and Kate, along with their team, are helping families and businesses address complex situations, while leading the industry forward.

Joe and Kate, please stand and be recognized.

Understanding our customers' and advisors' unique needs is critical to our goal of creating differentiated offerings. Recognizing the increasing focus on healthy lifestyles in Ireland, Irish Life Health created the BeneFit plan.

This plan rewards customers who are committed to staying healthy by giving them discounts on fitness wearables, dieticians and sports clubs.

This is a first for the health insurance market in Ireland, and positions Irish Life for growth through differentiation.

In the U.S., where Empower Retirement serves the needs of over nine million Americans, they've launched My Total Retirement, a tool that helps participants set saving goals for each stage of life. With this tool, individuals can view and model their savings as monthly earnings in retirement. By taking into account important considerations like future healthcare costs and inflation, they are guided to save more to reach their retirement goals.

Across our companies, we're deploying capital through strategic investments and M&A to drive profitable and sustainable growth.

In the U.S., we made the decision to sell substantially all of our individual life insurance and annuity business to Protective Life Insurance Company via reinsurance.

This move allows us to focus on the U.S. retirement and asset management markets – two areas where we see stronger potential growth.

I'd like to recognize Bob Shaw who has been a great contributor for over 40-years with our companies. He successfully built our U.S. individual insurance business and is now taking the lead in making this disposition a success.

Bob, thank you for your commitment and contribution to our companies, and we wish you well in your retirement. Please stand and be recognized.

We are encouraged by the strong investment performance that our asset manager Putnam Investments has delivered for its clients with an overall 10-year, top quartile performance based on Lipper Peer Rankings. With this strong track record as a foundation, we are focused on identifying opportunities to scale up Putnam and drive profitable growth.

Through Empower Retirement, we are focused on strengthening and differentiating our leading position in the U.S. retirement market.

While acquisitions to increase Empower's scale remain a priority, we also see significant opportunities to extend the over 9.0 million relationships we have with Americans.

Through partnerships and digital connections, we can offer additional products and services that can help them secure their best retirement.

In 2018, we created a new Global Real Estate strategy to leverage our scale and to provide our customers with access to investments across multiple geographies. Our recent acquisitions of U.S. subsidiaries Guggenheim Real Estate LLC and EverWest Real Estate Partners complements this growth strategy and further enhances our platform in the U.S. marketplace.

In the U.K., our acquisition of Retirement Advantage included a new product line – equity release mortgages – which allow customers to access part of the value of their home to fund expenses and enhance their retirement lifestyle.

While the Retirement Advantage acquisition strengthens our retirement income offering, we also see opportunity to extend our business by acquiring or building out platforms focused on wealth accumulation in the U.K.

With a 5% share of the broker market in Germany, we see significant growth potential in this region. Our investment in a new contemporary administration system will allow us to more effectively access the growing German group retirement market and better positions us for acquisition opportunities.

Attracting and retaining the right talent to innovate and compete is critical to our success. That is why we are investing more in tools, training and support to ensure we can deliver on our strategies.

While we truly value the commitment our employees show in the workplace, we also find inspiration from the contributions they make to our communities every day.

I'd like to take a moment to remember someone who made a significant impact on our community here in Manitoba: Former President and CEO of Great-West Life, and Former Deputy Chairman of Power Corporation of Canada and Power Financial Corporation – Jim Burns. Jim passed away in February of this year at the age of 89.

During his time as President of Great-West Life, Jim's passion for giving back to the community created a culture of giving within our company that remains today. Jim's legacy was one of the reasons we chose to support the creation of the Leadership Institute at the University of Manitoba.

The inaugural class of 27 young leaders was recently announced and as we look at the list, we know the future is in good hands.

I'm pleased one of those young leaders is here with us today, Katherine Davis.

I'm equally pleased the Institute's Chair in Leadership Education, Suzanne Gagnon is also here today. I'd like to thank her for her contribution to the successful launch of the institute. In honour of Jim, our companies are contributing an additional \$500,000 to the Leaders Fund to support the Leadership Institute.

Our support for the community is both local and national. Last year we contributed to more than 700 community initiatives across Canada.

A compelling example of how our contributions are making a difference is the Kids Help Phone. Through support from our company, Kids Help Phone was able to roll out a Crisis Text Line nationally last year.

Since launching in early 2018, volunteers have had over 55,000 conversations with young people across Canada which resulted in **650 active rescues**.

Our support of Kids Help Phone complements our focus on mental health in the workplace and provides a critically important service to our youth across Canada.

CLOSING

In closing, I would like to thank our customers, policyholders and shareholders for placing their trust and confidence in our organization. I would also like to thank our employees and advisors for their dedication and commitment to meeting the needs of our customers throughout 2018.

Your work is critical to our success and I look forward to what we'll achieve together in 2019.

As we look to the future, we are confident that our strategies will create long-term value for all shareholders and policyholders.

Thank you.