



2020

Annual meetings remarks

Paul Mahon
President and CEO
Great-West Lifeco Inc.

FINAL REMARKS - Virtual AGMs on May 7, 2020
Paul Mahon, President & CEO

1 Thank you, Chair. Welcome everyone to our annual meetings.

2

3 The emergence of COVID-19 has impacted people and economies

4 worldwide. From the uncertainty and anxiety of facing this new virus, to

5 our need to respond to the resulting economic downturn... so many

6 individuals, families, businesses and communities have had to step up

7 to incredible new challenges in a short period of time.

8

9 The quick and collective measures we've taken as a society, to help

10 flatten the curve, show our adaptability in the face of challenge.

11 Throughout all of this, Great-West Lifeco and our Operating Companies

12 have made the health and safety of our employees, customers and

13 communities where we live and work our number one priority.

14

15 I'd like to sincerely thank the healthcare and essential workers

16 supporting us in these difficult times. Our communities couldn't function

17 without you – we're grateful for your commitment and dedication every

18 day.

19 To our customers - We truly appreciate how you have adapted along
20 with us including physical distancing from your advisors and our
21 employees. As always, we're proud that you can count on us,
22 especially in challenging times like these.

23

24 To our advisors – your importance as a trusted source of information
25 and advice for clients is more important than ever. Thank you for being
26 there for your clients.

27

28 To our employees – I am truly proud of the work you have done as we
29 have responded to these new and challenging conditions.

30

31 And to everyone, our thoughts are with you and your loved ones,
32 especially those whose health has been impacted by this crisis.

33

34 To support our employees' well-being and maintain our operations,

35 98% of our 24,000 employees are working from home - and advisors

36 are doing the same.

37 We've made this shift by leveraging investments we've made in cloud-

38 based communications and collaboration technologies. And we're also

39 leveraging digital sales and service platforms that have been launched

40 in the last few years. This includes allowing E-signatures on virtual

41 claims and increasingly using tools like SimpleProtect, our online life

42 insurance application.

43

44 We're also helping customers weather financial and personal

45 challenges. By connecting our Canadian customers with healthcare

46 professionals via Dialogue, a virtual healthcare app, they can better

47 manage their physical and mental health. We're providing mortgage

48 payment deferrals for those who have unexpectedly lost their income

49 because of the crisis. And we've reduced group health insurance

50 premiums for employer-sponsored plans - supporting over 26,000 small
51 and medium-sized businesses.

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54 In the U.S., Empower Retirement has waived fees on all new retirement
55 plan loans and hardship withdrawals. And Irish Life is providing health
56 insurance customers with rebates for three months, due to the
57 temporary nationalization of private Irish hospitals.

58

59 On top of our more than \$17 million dollars in charitable donations last
60 year, we've responded quickly to communities' COVID-19 needs.

61 We distributed over \$2 million dollars to support relief efforts in Canada,
62 the U.S. and Europe. From assisting local food banks and small
63 businesses in Canada, to offering accommodations for healthcare
64 workers in Ireland, we're actively assisting those in need.

65

66 This is a defining moment for many institutions. It's been impressive to
67 see our teams come together despite immense challenges and
68 dislocation.

69

70 While this crisis is significant, our operating companies have navigated
71 significant regional and global challenges over many decades.

72 The best example is Canada Life. Founded in 1847, the company has
73 navigated two world wars, the Great Depression, the dot-com bubble,
74 9/11, and the 2008 financial crisis. The strength, diversity and
75 experience across our companies is a powerful advantage as we take
76 on today's challenges.

77

78 Looking back, our companies showed great strength and resilience as
79 we responded to the 2008 financial crisis. Part of that response was a
80 series of actions taken to strengthen our risk profile and risk
81 management. This included a significant reduction in the risk
82 associated with our balance sheet and strengthening our risk

83 management capabilities. For example, one of our capital adequacy
84 testing scenarios deals with a pandemic, in combination with economic
85 recession – the reality we're currently experiencing.

86

87 In reflecting on 2019, we can report that Great-West Lifeco delivered
88 solid performance across all of our businesses.

89

90 In 2019, the Board approved a 6% increase in our common dividend -
91 our sixth consecutive year of dividend increase.

92

93 And our adjusted earnings were \$2.94 per common share.

94

95 At the end of 2019, across our group of companies we had over \$1.6
96 trillion dollars in assets backing the products and services held by our
97 customers. These assets grew by over \$230 billion during the year,
98 supported by market growth but also importantly by growth in new
99 sales and customer deposits to existing products.

100

101 Capital strength is also critically important to our business. We ended
102 2019 with a LICAT ratio of 135%, representing almost \$3.0 billion
103 dollars of excess capital above the top end of our target range. This
104 represents extra resources that can help us manage through
105 challenging times like today. It also represents resources we can invest
106 in growth opportunities tomorrow.

107

108 Beyond this LICAT capital, Great-West Lifeco also had \$700 million
109 dollars cash at year end — giving us additional financial flexibility.

110

111 And finally, all five credit rating agencies continue to assign us strong
112 ratings.

113

114 Outside of financial results, we also advanced our Lifeco and Operating
115 Company strategies throughout 2019. In Canada, we moved to a single
116 brand – Canada Life – and legally amalgamated our three Canadian

117 operating companies to become the Canada Life Assurance Company,
118 effective January 1, 2020. This positions our Canadian Operations with
119 increased opportunities for service efficiencies, as well as marketing
120 and branding effectiveness.

121

122 The digital tools and processes we've provided to Canadian staff,
123 advisors and clients are seeing high adoption and are improving both
124 quality and efficiency of service.

125 In fact, our current work from home capabilities are partly due to
126 important investments we've made in remote business collaboration
127 technology.

128

129 In the US, Empower Retirement launched their new CommonBond for
130 Business platform, a student loan program that helps set young people
131 up for success as they enter the workforce. Putnam, our U.S. asset
132 management company, continued to deliver excellence in investment

133 performance for its customers. Today, Putnam has 28 mutual funds
134 ranked four or five-stars by Morningstar.

135

136 In Europe, the acquisition of Retirement Advantage brought a new
137 capability for our U.K. business – equity release mortgages. These
138 products allow homeowners to access part of the equity they've built up
139 in their home for their day-to-day financial needs.

140

141 In June, Irish Life launched their new artificial intelligence-driven health
142 coaching app, to group and individual customers.
143 Called MyLife, the app motivates and engages people to lead healthier,
144 more active lifestyles – and it's had over 80,000 downloads to date.

145

146 In October, our German business completed its acquisition of an
147 interest in JDC, one of the leading broker pools in the country. This
148 helped expand the Company's footprint in the German market.

149

150 And our Reinsurance business signed two major longevity reinsurance
151 agreements with €17.6 billion Euros of combined in-force liabilities. Our
152 status as a top 10 global reinsurer is a testament to our risk and capital
153 expertise.

154

155 In summary, we entered this crisis with our strategic actions and risk
156 disciplines positioning us for the challenges of today, and the
157 opportunities of tomorrow.

158

159 Turning to Q1 2020, we have enhanced our quarterly earnings
160 disclosures by introducing a new base earnings measure.
161 This measure is included in our Q1 2020 financial results, released
162 yesterday evening after markets closed.

163

164 This new non-IFRS measure provides investors with insight into
165 underlying in-period business performance, compared to IFRS net
166 earnings.

167

168 Given the growth trajectories and opportunities we see in Reinsurance,
169 we are now reporting on it separate from Europe, under a new segment
170 called Capital & Risk Solutions.

171

172 Turning to our first quarter results: Base earnings per common share of
173 \$0.59 increased 2 per cent from \$0.58 a year ago. It reflects the impact
174 of the substantial issuer bid completed in Q2 2019, as well as higher
175 base earnings in Canada, and the Capital and Risk Solutions segments
176 of the Company.

177

178 Base earnings of \$543 million dollars are down from Q1 2019. The Q1
179 2019 results included \$33 million dollars of earnings from the US
180 Individual Markets business sold in Q2 of last year.

181

182 Net Earnings of \$342 million dollars— or \$0.37 per common share —
183 are down from the same quarter last year. This is primarily due to
184 approximately \$300 million dollars of COVID-19 market impacts.

185

186 Yesterday, the Board approved a quarterly dividend of \$0.438 per
187 common share unchanged from last quarter.

188

189 Base return on equity, a non-IFRS measure, was 13.4% for the first
190 quarter of 2020. This is up from 11.0% in the first quarter of 2019.

191

192 Our 133% LICAT ratio as of March 31, 2020, continues to reflect our
193 strong capital position and financial flexibility.

194

195 We've always believed that the future growth and success of our
196 business will be driven by our people and leaders.

197

198 In Q1 2020, we made changes to our senior leadership team to
199 leverage organizational expertise with a focus on growth priorities,
200 talent development and succession planning.

201

202 Arshil Jamal —President and Chief Operating Officer, Europe &
203 Reinsurance — took on a newly created strategic position. As
204 President and Group Head, Strategy, Investments, Reinsurance and
205 Corporate Development, Arshil's focus is on identifying and driving
206 value creation initiatives across Great-West Lifeco.

207

208 David Harney succeeded Arshil as President and COO, Europe. As
209 CEO of Irish Life Group, David was instrumental in bolstering the brand
210 and customer focus, while delivering increased market share. His
211 guidance will help us pursue opportunities to serve our growing
212 European client base.

213 Declan Bolger took over as the new CEO of Irish Life Group. His
214 excellent innovation track record leading Canada Life Europe in the
215 German broker market positions him solidly in this new role.

216

217 And just this week, we announced the appointment of Markus Drews as
218 the Managing Director of Canada Life Europe, replacing Declan as the
219 leader of our German business.

220

221 I would also like to recognize Dervla Tomlin, our Global Chief Actuary,
222 who is leading a global initiative focused on shareholder value creation.
223 This work is critically important as we consider growth strategies for our
224 future.

225

226 On that note, we see significant opportunities for growth across our
227 portfolio, including leveraging four core strengths to drive growth in our
228 existing businesses, as well as through acquisition.

229

230 First: we see a significant opportunity and responsibility to broaden the
231 services and support we provide to the millions of existing Group
232 Benefits and Group Retirement plan members we serve today.

233

234 A key to this is delivering digitally-enabled advice and solutions that
235 address an individual's lifetime financial security needs, both while
236 working and post-employment.

237

238 Today, we are actively developing and deploying these solutions for our
239 more than 9 million Empower Retirement participants and over 7 million
240 members and dependents across our Canadian Group Benefits and
241 Retirement businesses.

242

243 Second: more than ever, technology is becoming a critical driver of
244 success for our insurance, estate planning and wealth management
245 advisors. Through tools like SimpleProtect, our digital underwriting

246 platform, our advisors and their clients are transacting business today
247 without ever meeting face-to-face.
248 This is an example of where technology is helping to improve customer
249 service, lower operating costs and increase advisor productivity. Our
250 vision is to simplify and automate business processes so that clients
251 and advisors can focus more on high value advice and guidance.

252

253 Third: our expertise in Capital and Risk Solutions, including
254 reinsurance, will continue to be an important strength to support both
255 our Lifeco operating companies and third-party clients. The reinsurance
256 business team has built their presence in the longevity market. And,
257 they remain focused on expanding strategies into other key markets
258 that diversify our risk profile while meeting client needs.

259

260 Finally, we see significant opportunities to extend and better leverage
261 our already disciplined investment and asset management capabilities.
262 While delivering strong performance will always be the key to each of

263 our asset management businesses, we're increasingly focused on

264 aligning Lifeco's best solutions to meet the needs of our wealth

265 management channels and institutional clients around the globe.

266 We also see opportunities to extend and enhance our asset and

267 investment management capabilities, including higher yield alternative

268 asset classes, to better secure our customers' and our companies'

269 financial strength and security.

270

271 These areas of focus help create resiliency and strength as we move

272 forward. They guide our disciplined deployment of capital - both to grow

273 existing businesses, and to expand through mergers and acquisitions.

274 It's with this discipline that we'll deliver on our mission to grow

275 shareholder value.

276

277 Watching the market these days, it may seem like volatility is the new

278 normal. Although we can't predict what happens next, we can focus on

279 the things that matter:

- 280 • The safety and security of our employees and advisors.
- 281 • Financial strength to secure our promises to our customers.
- 282 • And continuing to invest in strategies that position us for growth
- 283 and success.

284 As I close, let me reiterate my thanks to all of our stakeholders for
285 doing your part to collectively respond to and overcome this crisis.

286

287 And finally, I'd like to sincerely thank our customers, policyholders and
288 shareholders. Your continued trust and support in our organization
289 means everything. And to our employees and advisors — thank you.

290 Your commitment and contributions are fundamental to helping us
291 deliver on our promises, today and moving forward.

292

293 Thank you.