

Great-West Lifeco to sell U.S. individual life insurance and annuity business

Company to increase focus on the retirement market in the U.S.

Winnipeg, January 24, 2019 . . . Great-West Lifeco Inc. (Great-West Lifeco) today announced its Colorado-based subsidiary, Great-West Life & Annuity Insurance Company (GWL&A), has reached an agreement to sell, via reinsurance, substantially all of its individual life insurance and annuity business to Protective Life Insurance Company, the primary subsidiary of Protective Life Corporation (Protective). The business being sold is conducted in the United States and the transaction does not affect the life insurance businesses conducted in Canada or elsewhere by Great-West Lifeco.

Based on the terms of the agreement, Great-West Lifeco estimates that the transaction will result in an after-tax transaction value of approximately US\$1.2 billion (C\$1.6 billion), excluding one-time expenses and subject to contingent post-closing adjustments. The value includes a significant positive ceding commission to our U.S. entities and a capital release of approximately US\$400 million (C\$530 million).

The business to be transferred, which is marketed under the Great-West Financial brand, includes bank-owned and corporate-owned life insurance, single premium life insurance, individual annuities, and closed block life insurance and annuities. This business contributed approximately US\$95 million (C\$120 million), to Great-West Lifeco net earnings for the first three quarters of 2018.

GWL&A will retain a small block of participating life insurance policies which will be administered by Protective following the close of the transaction. GWL&A's retirement and investment management divisions, Empower Retirement and Great-West Investments, are not affected by this transaction.

"This transaction allows us to focus on the retirement and asset management markets in the U.S.," said Paul Mahon, President and Chief Executive Officer, Great-West Lifeco. "We continually evaluate capital deployment opportunities at Great-West Lifeco. With the strengthened capital position resulting from this transaction, we will also consider other capital management activities, including potential share repurchases, to mitigate the earnings impact of the sale."

"The combined strength of the businesses built by Great-West and Protective creates new opportunities for our customers and distribution partners who will now be very well served by Protective," said Robert L. Reynolds, President and Chief Executive Officer of Great-West Lifeco U.S. LLC. "Our team is committed to ensuring a seamless transition to Protective for our customers."

The transaction is expected to close in the first half of 2019, subject to regulatory and customary closing conditions. Great-West Lifeco expects to recognize at closing an IFRS book value loss related to this transaction of approximately US\$70 million (C\$93 million) and transaction costs of US\$57 million (C\$76 million).

About Great-West Life & Annuity Insurance Company

Established 125 years ago, Great-West Life & Annuity Insurance Company administers a total of US\$602 billion in assets for approximately 9.1 million retirement, insurance and annuity customers, as of Sept. 30, 2018². The company's offerings range from investments, life insurance, annuities and executive benefits products marketed under the Great-West Financial brand to retirement savings products and services provided by Empower Retirement, the nation's second-largest retirement plan record keeper by participants¹. To learn more, visit greatwest.com.

¹ *Pensions & Investments* April, 2018

² *As of Sept. 30, 2018, includes accounts of Great-West Life & Annuity Insurance Company and its subsidiaries*

Great-West Financial® is a registered mark of Great-West Life & Annuity Insurance Company. GWL&A is an indirect, wholly owned subsidiary of Great-West Lifeco Inc. and “A Member of the Power Financial Corporation Group of Companies”®.

About Great-West Lifeco Inc.

Great-West Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Great-West Lifeco has operations in Canada, the United States and Europe through Great-West Life, London Life, Canada Life, Irish Life, Great-West Financial and Putnam Investments. Great-West Lifeco and its companies have over C\$1.4 trillion in consolidated assets under administration as of September 30, 2018 and are members of the Power Financial Corporation group of companies. Great-West Lifeco trades on the Toronto Stock Exchange (TSX) under the ticker symbol GWO. To learn more, visit greatwestlifeco.com.

About Protective Life Corporation

Protective Life Corporation provides financial services through the production, distribution and administration of insurance and investment products throughout the U.S. The company traces its roots to the corporation’s flagship company, Protective Life Insurance Company – founded in 1907. Throughout its more than 110-year history, Protective’s growth and success can be largely attributed to its ongoing commitment to serving people and doing the right thing – for its employees, distributors, and most importantly, its customers. The company’s home office is located in Birmingham, Alabama, and its nearly 3,000 employees are located in offices across the United States. As of September 30, 2018, the Company had assets of approximately US\$91.8 billion. Protective Life Corporation is a wholly owned subsidiary of Dai-ichi Life Holdings, Inc. (TSE:8750). For more information about Protective, please visit www.Protective.com.

Cautionary Note regarding Forward-Looking Statements

Certain statements in this news release constitute forward-looking statements. These statements include, without limitation, statements about Great-West Lifeco and its subsidiaries' operations, business, financial condition, expected financial performance, ongoing business strategies or prospects, and possible future actions, including statements made with respect to benefits of acquisitions and divestitures, the timing and completion of the transaction described in this news release, the expected impact of the transaction on Great-West Lifeco (including financial impact) and capital management activities. Forward-looking statements are not historical facts but instead represent only Great-West Lifeco's belief regarding future events, many of which, by their nature, are inherently uncertain and outside Great-West Lifeco's control. It is possible that actual results will differ, possibly materially, from the anticipated results indicated in these statements. Factors that could cause actual results to differ, possibly materially, from those in the forward-looking statements are discussed throughout periodic filings with securities regulators including Great-West Lifeco's 2017 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, Great-West Lifeco does not intend to update any forward-looking statements whether as a result of new information, future events or otherwise.

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For more information contact:

Media Relations

Liz Kulyk
media.relations@gwl.ca
204-926-5012

Investor Relations

Deirdre Neary
deirdre.neary@gwl.ca
416-552-3208