

Great-West Lifeco subsidiary Empower closes acquisition of Prudential Financial retirement business

Winnipeg, April 4, 2022. . . Great-West Lifeco today announced its U.S subsidiary, Empower, has completed the previously announced acquisition of the full-service retirement business of Prudential Financial Inc.

With completion of the acquisition, Empower's reach in the U.S. is expanded to more than 17.1 million retirement plan participants and assets under administration^{1,2} to US\$1.4 trillion on behalf of approximately 71,000 workplace savings plans.

"We're pleased that this strategic transaction has advanced Great-West Lifeco's value-creation priorities and accelerated our growth, and demonstrated immediate earnings accretion from expense and revenue synergies," said Paul Mahon, President and CEO, Great-West Lifeco. "Empower and its customers benefit from the significant added scale and capabilities, further solidifying Empower's leadership position in the world's largest retirement market."

With strong margins and earnings profile, the Prudential business acquired by Empower includes diversified capabilities across all plan types with significant presence in the highly attractive small-medium corporate market segment.

For additional details on the transaction, please refer to the [news release dated July 21, 2021](#).

About Empower

Headquartered in metro Denver, Empower administers approximately US\$1.4 trillion in assets² for more than 17 million retirement plan participants and is the nation's second-largest retirement plan recordkeeper by total participants.³ Empower serves all segments of the employer-sponsored retirement plan market: government 457 plans; small, mid-size and large corporate 401(k) clients; nonprofit 403 (b) entities; private-label recordkeeping clients; and IRA customers. Personal Capital, a subsidiary of Empower, is an industry-leading hybrid wealth manager. For more information please visit empower.com and connect with us on [Facebook](#), [Twitter](#), [LinkedIn](#) and [Instagram](#).

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. We operate in Canada, the United States and Europe under the brands Canada Life, Empower, Putnam Investments, and Irish Life. At the end of 2021, our companies had approximately 28,000 employees, 215,000 advisor relationships, and thousands of distribution partners – all serving over 33 million customer relationships across these regions. Great-West Lifeco trades on the Toronto (TSX) Stock Exchange under the ticker symbol GWO and is a member of the Power Corporation group of companies. To learn more, visit greatwestlifeco.com.

Cautionary note regarding Forward-Looking Information

This release may contain forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "will", "may", "expects", "anticipates", "intends", "plans", "believes", "estimates", "objective", "target", "potential" and other similar expressions or negative versions thereof. These statements include, without limitation, statements about Great-West Lifeco's strategy and growth prospects and the expected benefits of the acquisition of the Prudential retirement services business (including scale advantages, value creation and revenue and expense synergies).

Forward-looking statements are based on expectations, forecasts, estimates, 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 Great-West Lifeco, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions 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. In particular, when referring to earnings accretion in respect of the Prudential acquisition, management has estimated certain after-tax forecast pro forma adjustments to earnings based on the following assumptions: a USD-CAD exchange rate of 1.25; pre-tax expense synergies of US\$180 million and pre-tax revenue synergies of US\$20 million; incremental financing costs and foregone investment income of \$97 million; and amortization of intangibles. Many of these assumptions are based on factors and events that are not within the control of Great-West Lifeco and there is no assurance that they will prove to be correct. Whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the severity, magnitude and impact of the COVID-19 pandemic (including the effects of the COVID-19 pandemic and the effects of governments' and other businesses' responses to the COVID-19 pandemic on the economy and Great-West Lifeco's financial results, financial condition and operations), the duration of COVID-19 impacts and the availability and adoption of vaccines, the effectiveness of vaccines, the emergence of COVID-19 variants, assumptions around sales, fee rates, asset breakdowns, lapses, plan contributions, redemptions and market returns, the ability to integrate the acquisitions of Personal Capital Corporation (Personal Capital) and the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual) and Prudential, the ability to leverage Empower's, Personal Capital's and MassMutual's and Prudential's retirement services businesses and achieve anticipated synergies, customer behaviour (including customer response to new products), Great-West Lifeco's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy and plan lapse rates, participant net contribution, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets (including continued access to equity and debt markets), industry sector and individual debt issuers' financial conditions (including developments and volatility arising from the COVID-19 pandemic, particularly in certain industries that may comprise part of Great-West Lifeco's investment portfolio), business competition, impairments of goodwill and other intangible assets, Great-West Lifeco'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, changes in actuarial standards, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, Great-West Lifeco's ability to complete strategic transactions and integrate acquisitions, unplanned material changes to Great-West Lifeco's facilities, customer and employee relations or credit arrangements, levels of administrative and operational efficiencies, changes in trade organizations, and other general economic, political and market factors in North America and internationally.

The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors listed in filings with securities regulators, including factors set out in Great-West Lifeco's management's discussion and analysis for the year ended December 31, 2021 under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" and in Great-West Lifeco's annual information form dated February 9, 2022 under "Risk Factors", 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 information.

Other than as specifically required by applicable law, Great-West Lifeco does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

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1. Estimated joint assets under administration of Empower Retirement and Prudential Financial Inc.'s full-service retirement business.

2. As of April 1, 2021. Information refers to all retirement business of Great-West Life & Annuity Insurance Company ("GWLA") and its subsidiaries, including Empower Retirement, LLC, Great-West Life & Annuity Insurance Company of New York ("GWLANY") and Prudential Retirement Insurance & Annuity Company ("PRIAC"), marketed under the Empower brand. Assets represents the estimated consolidated pro forma assets under administration ("AUA") of Empower and the full-service retirement business of Prudential Financial, Inc., as of December 31, 2021. AUA is a non-GAAP financial measure and does not reflect the financial stability or strength of a company. Additional information regarding this measure is incorporated by reference and can be found under "Non-GAAP Financial Measures and Ratios" in Great-West Lifeco's 2021 Annual Management's Discussion and Analysis, available on SEDAR at www.sedar.com. As of December 31, 2021, GWLA's statutory assets total \$75.9B and liabilities total \$73.0B, GWLANY's statutory assets total \$4.1B and liabilities total \$3.9B, and PRIAC's statutory assets total \$100.329B and liabilities total \$98.793B.

3. Pension & Investments 2021 Defined Contribution Survey Ranking as of April 2021.