

NEWS



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Empower achieves record quarterly earnings of \$211M for Q1 2024 representing 29% year-over-year growth

Company completes successful integration of Prudential retirement business

GREENWOOD VILLAGE, COLO. May 2, 2024 – Empower is announcing record first-quarter earnings achieved as of March 31, 2024, through business growth and sales momentum in its Workplace Solutions and Personal Wealth units. The company now administers over \$1.6 trillion in assets for 18.6 million individuals.¹ In addition, Empower is announcing the completion of its integration of the retirement business it acquired from Prudential Financial in 2022.

Empower released results as part of a broader quarterly announcement by its parent company, Winnipeg-based Great-West Lifeco (TSX: GWO-CA). For more information on Great-West Lifeco's first-quarter 2024 results, please see the release on the firm's website: [Great-West Lifeco reports record base earnings in the first quarter of 2024](#)

Empower announced that defined contribution plan assets under administration (AUA)¹ increased more than 15% year-over-year, while its personal wealth unit's AUA¹ was up more than 25% over the first quarter of 2023 due to strong net inflows and positive markets. The company achieved base earnings of US \$211 million, an increase of \$48 million, or 29%, compared to the first quarter of 2023. The growth is primarily due to the rise in fee income resulting from higher equity markets and growth in the business, higher surplus income, and the dividend income on Franklin Templeton shares, partially offset by lower spread income and higher marketing spending to support business growth, according to the Great-West Lifeco release.

"The market for retirement services and consumer wealth management remains strong, even

in the face of a macroeconomic climate presenting mixed messages,” said Empower President and CEO Edmund F. Murphy III. “The millions of individuals we serve are staying the course with strong support from their advisors, workplace retirement plans, and employers.”

Prudential Completion

Empower closed its acquisition of Prudential’s full-service retirement business in April 2022, intent on capitalizing on both firms’ expertise and scaling Empower’s technological excellence and product capabilities. A comprehensive integration program moving retirement plans from the Prudential recordkeeping system to Empower launched in early 2023 and completed in the second quarter of 2024.

Through the integration process, Empower has earned the trust of more than 2,500 Prudential clients and 3.6 million participants — a 91% participant retention rate as of March 31. Empower retained approximately \$300 billion in client assets, or 94%.

“This program was focused on elevating the services available to millions of retirement investors, their employers and advisors while asking them to trust us,” said Empower President and Chief Operating Officer Rich Linton. “Our long history of successfully integrating new businesses has enabled us to complete complex onboarding processes while continuing to deliver for our customers. We are proud of the work we have accomplished on their behalf and the trust that legacy Prudential clients have shown us.”

Through the Prudential acquisition, Empower is leveraging a stronger suite of financial benefits beyond defined contribution plan services, including defined benefit and non-qualified plan offerings. In addition, the company has seen significant market momentum in Institutional Separate Accounts, an in-plan investment offering strengthened after acquiring Prudential’s business. In 2023, Empower achieved approximately \$7.2 billion in Separate Account sales.

A legacy of integration success

Empower has successfully integrated 48,000 plans and 6.7 million participant accounts from 10 different platforms beginning with the 2014 acquisition of J.P. Morgan’s retirement business. In subsequent years, Empower integration programs have included the acquired MassMutual business (2021), Prudential and other smaller acquisitions. In total, Empower has integrated \$657 billion in client assets onto its platform.

The combined firm will continue to serve retirement plans sponsored by a broad spectrum of employers. These include mega, large, mid-size and small corporate 401(k) plans; government plans ranging in scale from state-level plans to municipal agencies; not-for-profits such as hospitals and religious organizations’ 403(b) plans. In addition, Empower serves collectively bargained Taft-Hartley plans.

About Empower

Recognized as the second-largest retirement services provider in the U.S.² by total participants, Empower administers approximately \$1.6 trillion in assets for more than 18.6 million investors² through the provision of retirement plans, advice, wealth management and investments. Connect with us on empower.com, [Facebook](#), [X](#), [LinkedIn](#), [TikTok](#) and [Instagram](#).

1. As of March 31, 2024. Assets under Administration (AUA) refers to the assets administered by Empower. AUA does not reflect the financial stability or strength of a company.
2. Pensions & Investments DC Recordkeeper Survey (2024). Ranking measured by total number of participants as of December 31, 2023.

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To learn more about how we're empowering plan sponsors and their participants to be more engaged in their retirement plans than ever before, call us on **800-719-9914**.
