



AM Best Affirms Credit Ratings of Great-West Lifeco Inc. and Its Subsidiaries

Oldwick - **AM Best** has affirmed the Financial Strength Rating (FSR) of A+ (Superior) and the Long-Term Issuer Credit Ratings (Long-Term ICR) of "aa" of The Canada Life Assurance Company (Winnipeg, Manitoba) and its affiliates. Concurrently, AM Best has affirmed the Long-Term ICR of "a" and the Long-Term Issue Credit Ratings (Long-Term IR) of Great-West Lifeco Inc. (Lifeco) (Winnipeg, Manitoba). The outlook of these Credit Ratings (ratings) is stable. (See below for a detailed listing of the affiliates and Long-Term IRs.)

The ratings of Lifeco's operating companies reflect their balance sheet strength, which AM Best categorizes as strongest, as well as their strong operating performance, very favorable business profile and appropriate enterprise risk management.

The group's balance sheet has remained assessed as strongest through the early stage of the financial crisis. Capitalization remains strongest, as measured by Best's Capital Adequacy Ratio (BCAR), noting growth in absolute levels of capital due to favorable earnings. The Canada Life Assurance Company recently completed its new branding strategy in 2020 under the brand name, Canada Life, which included organizational alignments to meet this end. With the recently announced acquisition of Massachusetts Mutual Life Insurance Company's retirement services platform, the Empower Brand will be the second-largest retirement services provider in the United States, with significant accretion benefits expected to begin in 2021. The company expects to benefit from additional partnership opportunities resulting from this transaction beyond wealth management to include digital insurance products offered to new customers from this and prior acquisitions.

The group has grown its par life business during a heightened competitive market and benefits from profitable operations in all lines of business, excluding one-time items, in all regions. Favorable operating results in core lines of businesses are enhanced by positive flows into their wealth management segment through fee income from higher assets under management, which is expected to grow materially in the near term from acquisition synergies. AM Best believes that the continued low interest rate environment and the competitive market in the United States and Canada, particularly, will continue to create unusually high levels of uncertainty in future growth and profitability expectations.

The FSR of A+ (Superior) and the Long-Term ICRs of "aa" have been affirmed with stable outlooks for The Canada Life Assurance Company and its affiliates:

- Canada Life International Reinsurance Corporation
- Canada Life Re Ireland Designated Activity Company

Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
067406	Canada Life Assurance Company
006493	Canada Life Assurance Company
006183	Canada Life Assurance Company
093560	Canada Life Assurance Company BBB
009791	Canada Life Assurance Company USB

1 2 3 4

- Canada Life Reinsurance Company
- Great-West Life & Annuity Insurance Company of New York
- Great-West Life & Annuity Insurance Company
- London Life and Casualty (Barbados) Corporation
- London Life and Casualty Reinsurance Corporation

The following Long-Term IR has been assigned with a stable outlook:

Great-West Lifeco Inc.—

— “a” on CAD 600 million 2.379% senior unsecured debentures, due 2030

The following Long-Term IRs have been affirmed with stable outlooks:

Great-West Lifeco Inc.—

— “a” on EUR 500 million 2.50% senior unsecured euro bonds, due 2023

— “a” on EUR 500 million 1.75% senior unsecured euro bonds, due 2026

— “a” on CAD 500 million 3.337% senior unsecured debentures, due 2028

— “a” on CAD 200 million 6.74% senior unsecured debentures, due 2031

— “a” on CAD 400 million 6.67% senior unsecured debentures, due 2033

— “a” on CAD 343.788 million 5.998% senior unsecured debentures, due 2039

— “bbb+” on CAD 200 million 4.80% non-cumulative first preferred shares

— “bbb+” on CAD 200 million 5.15% non-cumulative first preferred shares

— “bbb+” on CAD 200 million 5.15% non-cumulative first preferred shares

— “bbb+” on CAD 250 million 5.40% non-cumulative first preferred shares

— “bbb+” on CAD 170 million 5.65% non-cumulative first preferred shares

— “bbb+” on CAD 150 million 5.80% non-cumulative first preferred shares

— “bbb+” on CAD 200 million 5.90% non-cumulative preferred shares (of which \$194 million

remains outstanding)

— “bbb+” on CAD 213 million 2.18% non-cumulative rate reset preferred shares

— “bbb+” on CAD 37 million floating rate non-cumulative preferred shares

— “bbb+” on CAD 300 million 5.20% non-cumulative preferred shares

— “bbb+” on CAD 300 million 4.50% non-cumulative preferred shares

— “bbb+” on CAD 300 million 4.85% non-cumulative preferred shares

— “bbb+” on CAD 200 million 5.25% non-cumulative preferred shares

Great-West Lifeco Finance (Delaware) LP—

— “a” on USD 700 million 4.15% senior unsecured debentures, due 2047

Great-West Lifeco Finance 2018, L.P.—

— “a” on USD 300 million 4.047% senior unsecured notes, due 2028

— “a” on USD 500 million 4.581% senior unsecured notes, due 2048

The Canada Life Assurance Company—

— “a+” on CAD 100 million 6.40% subordinated debentures, due 2028

Canada Life Capital Trust—

— “a” on CAD 150 million 7.529% non-cumulative Canada Life Capital Securities (CLiCS), due 2052

The following Long-Term IRs have been assigned with stable outlooks:

Great-West Lifeco U.S. Finance 2020, LP—

— “a” on USD 500 million .904% senior unsecured notes, due 2025

Empower Finance 2020, LP

— “a” on USD 400 million 1.357% senior unsecured notes, due 2027

— “a” on USD 400 million 1.776% senior unsecured notes, due 2031

— “a” on USD 700 million 3.075% senior unsecured notes, due 2051

The following indicative Long-Term IRs on securities available under shelf registration have been affirmed with stable outlooks:

Great-West Lifeco, Inc.—

— “a” on senior unsecured debt

— “a-” on subordinated debt

— “bbb+” on junior subordinated debt

— “bbb+” on preferred shares

This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s Recent Rating Activity web page. For additional information regarding the use and limitations of Credit Rating opinions, please view Guide to Best’s Credit Ratings. For information on the proper media use of Best’s Credit Ratings and AM Best press releases, please view Guide for Media - Proper Use of Best’s Credit Ratings and AM Best Rating Action Press Releases.

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