CAPITAL AND RISK SOLUTIONS

- **Q3 Capital and Risk Solutions segment base earnings of $1 million and net earnings of $115 million** – Base earnings for the third quarter of 2022 were $1 million, compared to $107 million in the third quarter of 2021. Base earnings for the third quarter of 2022 included a net provision for estimated claims resulting from the impact of Hurricane Ian of $128 million after-tax. In addition to benefiting from underlying business growth, third quarter results reflected a reduction in COVID-19 related mortality impacts compared to last year, resulting in improved results in the U.S. life business and a lower contribution from longevity business. Net earnings for the third quarter of 2022 increased $13 million from the prior year, primarily due to updated mortality assumptions for annuity business partially offset by updated assumptions for life business.

- **Strong pipeline and business expansion –** Capital and Risk Solutions pipelines of new business in both Structured and Longevity reinsurance portfolios are strong, focusing on core U.S. and European markets while continuing to expand into new markets, such as Asia and the Middle East.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of $0.490 per share on the common shares of Lifeco payable December 30, 2022 to shareholders of record at the close of business December 2, 2022. The Company last announced a dividend increase in November 2021, when OSFI withdrew its guidance that federally regulated financial institutions halt dividend increases. The Company intends to shift back to the fourth quarter reporting cycle in February that it has used in the past for considering dividend increases.

In addition, the Directors approved quarterly dividends on Lifeco's first preferred shares payable December 30, 2022 to shareholders of record at the close of business December 2, 2022, as follows:

First Preferred Shares	**Amount, per share**
Series G	$0.3250
Series H	$0.30313
Series I	$0.28125
Series L	$0.353125
Series M	$0.3625
Series N	$0.109313
Series P	$0.3375
Series Q	$0.321875
Series R	$0.3000
Series S	$0.328125
Series T	$0.321875
Series Y	$0.28125

For purposes of the Income Tax Act (Canada), and any similar provincial legislation, the dividends referred to above are eligible dividends.

P. A. Mahon
President and Chief Executive Officer

November 2, 2022

Interest Rates

Canada Life's consolidated LICAT Ratio will generally reduce in an environment of rising interest rates and benefit from declining rates. Higher interest rates will decrease the fair value of the Company's surplus assets and other regulatory capital resources including actuarial margins within the Surplus Allowance. However, LICAT uses static interest rates for the calculation of insurance risk capital requirements, and hence these capital requirements do not change with interest rate movements. This means that while rising interest rates are generally favourable for the Company, they will lead to a decrease in the calculated LICAT ratio.

The sensitivity estimates shown here are illustrative. The impacts shown are based on a parallel shift in the interest rate yield curve. Actual movement in credit spreads or government treasury rates may produce different movements in Canada Life's consolidated LICAT Ratio. Sensitivity to interest rates is dependent on many factors and may result in non-linear impacts to the LICAT Ratio. These sensitivities do not include a change in the ultimate interest rates outlined in Actuarial Standards or the impact of a LICAT interest rate risk scenario shift.

Immediate parallel shift in yield curve		
	September 30, 2022	
	50 bps increase	**50 bps decrease**
Potential increase (decrease) on LICAT Ratio	(2 points)	2 points

OSFI Regulatory Capital Initiatives

The International Accounting Standards Board (IASB) has issued IFRS 17, which will replace IFRS 4 with an effective date of January 1, 2023. Refer to the "Accounting Policies - International Financial Reporting Standards" section of the Company's 2021 Annual MD&A for further details.

On July 21, 2022, OSFI released the 2023 LICAT Guideline, as amended for reporting under IFRS 17. The Company will first report under this guideline for the March 31, 2023 reporting period. Based on an initial review of the guideline under the current market and economic conditions, the Company expects a positive impact to the ratio[1].

OSFI is developing a new approach, to be implemented in 2025, to determine capital requirements for Segregated Fund Guarantee Risk. The Company will continue to participate in future public consultations relating to these developments.

[1] Actual impact will depend on market and economic conditions and the Company's operating results at the time of transition.

RETURN ON EQUITY (ROE)[1]

	Sept. 30 2022	June 30 2022	Sept. 30 2021
Base Return on Equity[2]			
Canada	**15.4 %**	16.1 %	17.3 %
U.S. Financial Services	**10.3 %**	10.1 %	11.6 %
U.S. Asset Management (Putnam)	**0.8 %**	3.1 %	4.7 %
Europe	**16.0 %**	16.1 %	13.2 %
Capital and Risk Solutions	**25.3 %**	34.5 %	33.9 %
Total Lifeco Base Earnings Basis[2]	**13.5 %**	14.5 %	14.5 %
Return on Equity[1]			
Canada	**13.7 %**	16.0 %	16.3 %
U.S. Financial Services	**6.4 %**	5.9 %	7.7 %
U.S. Asset Management (Putnam)	**0.8 %**	3.1 %	15.6 %
Europe	**17.3 %**	18.7 %	16.1 %
Capital and Risk Solutions	**30.1 %**	33.0 %	36.5 %
Total Lifeco Net Earnings Basis[1]	**12.7 %**	13.7 %	14.9 %

The Company has a capital allocation methodology, which allocates financing costs in proportion to allocated capital. For the Canada, Europe and Capital and Risk Solutions segments (essentially Canada Life), this allocation method generally tracks the regulatory capital requirements, while for U.S. Financial Services and U.S. Asset Management (Putnam), it tracks the financial statement carrying value of the business units. Total leverage capital is consistently allocated across all business units in proportion to total capital resulting in a debt-to-equity ratio in each business unit consistent with the consolidated Company.

RATINGS

Lifeco maintains ratings from five independent ratings companies. Credit ratings[3] are intended to provide investors with an independent measure of the credit quality of a corporation and securities of a corporation, and are indicators of the likelihood of payment and the capacity of a corporation to meet its obligations in accordance with the terms of each obligation.

In the third quarter of 2022, the existing credit ratings for Lifeco and its major operating subsidiaries were unchanged[3]. The Company continued to receive strong ratings relative to its North American peer group resulting from its conservative risk profile, stable net earnings and strong capitalization.

Lifeco's operating companies are assigned a group rating from each rating agency. This group rating is predominantly supported by the Company's leading position in the Canadian insurance market and competitive positions in the U.S. and European markets. Each of Lifeco's operating companies benefits from the strong implicit financial support and collective ownership by Lifeco.

1 Refer to the "Glossary" section of this document for additional details on the composition of this measure.
2 This metric is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.
3 These ratings are not a recommendation to buy, sell or hold the securities of the Company or its subsidiaries and do not address market price or other factors that might determine suitability of a specific security for a particular investor. The ratings also may not reflect the potential impact of all risks on the value of securities and are subject to revision or withdrawal at any time by the rating agency.

Rating agency	Measurement	Lifeco	Canada Life	Irish Life	Empower
A.M. Best Company	Financial Strength		A+		A+
DBRS Morningstar	Issuer Rating	A (high)	AA		
	Financial Strength		AA		NR
	Senior Debt	A (high)			
	Subordinated Debt	A (low)	AA (low)		
Fitch Ratings	Insurer Financial Strength		AA	AA	AA
	Senior Debt	A			
	Subordinated Debt	BBB+	A+		
Moody's Investors Service	Insurance Financial Strength		Aa3		Aa3
S&P Global Ratings	Insurer Financial Strength		AA		AA
	Senior Debt	A+			
	Subordinated Debt	A-	AA-		

SEGMENTED OPERATING RESULTS

The consolidated operating results of Lifeco, including the comparative figures, are presented on an IFRS basis after capital allocation. Consolidated operating results for Lifeco comprise the net earnings of Canada Life and its operating subsidiaries, Empower (Financial Services) and Putnam (Asset Management), together with Lifeco's corporate results. The following sections analyze the performance of Lifeco's four major reportable segments: Canada, United States (U.S.), Europe, and Capital and Risk Solutions.

TRANSLATION OF FOREIGN CURRENCY

For the United States, Europe and Capital and Risk Solutions segments, foreign currency assets and liabilities are translated into Canadian dollars at the market rate at the end of the reporting period. All income and expense items are translated at an average rate for the period.

CANADA

The Canada segment of Lifeco includes the operating results of the Canadian businesses operated by Canada Life, together with an allocation of a portion of Lifeco's corporate results. There are two primary business units included in this segment. Through the Individual Customer business unit, the Company provides life, disability and critical illness insurance products as well as wealth savings and income products to individual clients. Through the Group Customer business unit, the Company provides life, accidental death and dismemberment, disability, critical illness, health and dental protection, creditor insurance as well as retirement savings and income and annuity products and other specialty products to group clients in Canada.

Developments

- During the third quarter of 2022, Canada Life announced the expansion of operations to Bangalore, India. The expansion leverages existing Empower operations to drive efficiency and adds to our existing Canadian Benefits Payment back office and resource complement, allowing the Company to process claims for Canadians nearly 24 hours a day, five days a week, to keep pace with customer expectations and deliver an improved member experience.
- During the third quarter of 2022, Canada Life became the Winnipeg Jets' jersey patch partner, as part of a multi-year partnership with the National Hockey League's new Jersey Advertising Program where the Winnipeg Jets will display the Canada Life logo on their jerseys starting in the 2022-2023 season.
- On October 1, 2022, Plan Member as Customers was rebranded as Freedom Experience. The Company is leveraging this brand by renaming several direct-to-consumer products distributed by Group Customer with the Freedom brand. A dedicated team will be focused on distributing these products and bringing the Freedom Experience to Canadians.

Selected Financial Information - Canada

	For the three months ended			For the nine months ended	
	Sept. 30 2022	June 30 2022	Sept. 30 2021	**Sept. 30 2022**	Sept. 30 2021
Base earnings (loss)[1]					
Individual Customer	**$ 91**	$ 96	$ 140	**$ 311**	$ 440
Group Customer	**178**	207	168	**523**	511
Canada Corporate	**14**	(7)	4	**17**	(48)
Base earnings[1]	**$ 283**	$ 296	$ 312	**$ 851**	$ 903
Items excluded from base earnings					
Actuarial assumption changes and other management actions[2]	**$ (120)**	$ 1	$ (11)	**$ (119)**	$ (30)
Market-related impacts on liabilities[2]	**(3)**	4	4	**4**	7
Net earnings - common shareholders	**$ 160**	$ 301	$ 305	**$ 736**	$ 880
Sales[2]					
Individual Insurance	**$ 93**	$ 97	$ 93	**$ 283**	$ 301
Individual Wealth	**1,988**	2,364	2,402	**7,299**	8,194
Group Insurance	**116**	101	101	**472**	478
Group Wealth	**890**	657	870	**2,556**	2,571
Sales[2]	**$ 3,087**	$ 3,219	$ 3,466	**$ 10,610**	$ 11,544
Wealth Management net cash flows[2]					
Individual Customer	**$ (756)**	$ (412)	$ 447	**$ (995)**	$ 992
Group Customer	**203**	86	(241)	**830**	(743)
Wealth Management net cash flows[2]	**$ (553)**	$ (326)	$ 206	**$ (165)**	$ 249
Fee and other income					
Individual Customer	**$ 281**	$ 284	$ 296	**$ 857**	$ 846
Group Customer	**201**	206	197	**615**	577
Canada Corporate	**8**	8	16	**24**	47
Fee and other income	**$ 490**	$ 498	$ 509	**$ 1,496**	$ 1,470
Total assets	**$ 189,196**	$ 188,037	$ 197,244		
Other assets under management[2,3]	**3,964**	4,050	5,534		
Total assets under management[1]	**193,160**	192,087	202,778		
Other assets under administration[2,4]	**25,505**	25,800	32,642		
Total assets under administration[1,4]	**$ 218,665**	$ 217,887	$ 235,420		

1 This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

2 Refer to the "Glossary" section of this document for additional details on the composition of this measure.

3 At September 30, 2022, other assets under management excluded $2.8 billion in proprietary mutual funds accounted for as investments on account of segregated fund policyholders ($2.9 billion at June 30, 2022 and $2.3 billion at September 30, 2021). Excluding this consolidation adjustment, other assets under management were $6.8 billion at September 30, 2022 ($6.9 billion at June 30, 2022 and $7.8 billion at September 30, 2021).

4 2021 comparative figures have been restated to include Financial Horizons Group and Excel Private Wealth Inc. assets under administration.

Base and net earnings

In the third quarter of 2022, the Canada segment's net earnings of $160 million decreased by $145 million compared to the same quarter last year. Base earnings of $283 million decreased by $29 million compared to the same quarter last year, primarily due to lower fee income driven by lower assets, less favourable long-term disability experience in Group Customer and less favourable mortality and morbidity experience in Individual Customer, partially offset by higher earnings on surplus.

Items excluded from base earnings were negative $123 million compared to negative $7 million for the same quarter last year. Actuarial assumption changes and other management actions of negative $120 million decreased by $109 million compared to the same quarter last year and were primarily related to updated policyholder behaviour assumptions, partially offset by mortality updates and model refinements. Market-related impacts were negative $3 million compared to positive $4 million for the same quarter last year.

For the nine months ended September 30, 2022, net earnings decreased by $144 million to $736 million compared to the same period last year. Base earnings of $851 million decreased by $52 million compared to the same period last year, due to the same reasons discussed for the in-quarter results, as well as lower policyholder behaviour experience in Individual Customer.

For the nine months ended September 30, 2022, items excluded from base earnings were negative $115 million compared to negative $23 million for the same period last year. Actuarial assumption changes and other management actions of negative $119 million decreased by $89 million compared to the same period last year and were primarily related to updated policyholder behaviour assumptions, partially offset by mortality updates and model refinements. Market-related impacts were positive $4 million compared to positive $7 million for the same period last year.

For the third quarter of 2022, net earnings attributable to the participating account were $156 million compared to net earnings of $108 million for the same quarter last year. The change was primarily due to a more favourable impact of actuarial assumption changes, partially offset by lower surplus income.

For the nine months ended September 30, 2022, net earnings attributable to the participating account were $179 million compared to net earnings of $329 million for the same period last year, primarily due to a less favourable impact of actuarial assumption changes, as well as lower surplus income and lower impact of new business.

Sales

Sales for the third quarter of 2022 of $3.1 billion decreased by $0.4 billion compared to the same quarter last year, primarily due to lower individual mutual fund and segregated fund sales.

For the nine months ended September 30, 2022, sales decreased by $0.9 billion to $10.6 billion compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

In the third quarter of 2022, wealth management net cash outflows were $553 million compared to net inflows of $206 million for the same quarter last year. The decrease was primarily due to lower segregated fund and mutual fund deposits and higher mutual fund withdrawals in Individual Customer, partially offset by the non-recurrence of a large group termination in the same quarter last year.

Net cash outflows for the nine months ended September 30, 2022 were $165 million compared to net inflows of $249 million for the same period last year, primarily due to the same reasons discussed for in-quarter results.

Fee and other income

Fee and other income for the third quarter of 2022 of $490 million decreased by $19 million compared to the same quarter last year. The decrease was primarily due to a decrease in fee income from wealth management businesses as a result of lower asset levels and in Canada Corporate as a result of the sale of EverWest Real Estate Investors, LLC and EverWest Advisors, LLC (EverWest) in the fourth quarter of 2021. These items were partially offset by an increase in fee income in Group Customer as a result of the acquisition of ClaimSecure in the third quarter of 2021.