

Supplemental Information Package
For Analysts and Investors
(Unaudited)

Q2 2023



Cautionary Note regarding Non-GAAP Financial Measures and Ratios

This document contains some non-GAAP financial measures and non-GAAP ratios as defined in National Instrument 52-112 “Non-GAAP and Other Financial Measures Disclosure”. Terms by which non-GAAP financial measures are identified include, but are not limited to, “base earnings (loss)”, “base earnings - insurance service result”, “base earnings - net investment result”, “assets under management” and “assets under administration”. Terms by which non-GAAP ratios are identified include, but are not limited to, “base earnings per common share (EPS)”, “base dividend payout ratio” and “base return on equity (ROE)”. Non-GAAP financial measures and ratios are used to provide management and investors with additional measures of performance to help assess results where no comparable GAAP (IFRS) measure exists. However, non-GAAP financial measures and ratios do not have standard meanings prescribed by GAAP (IFRS) and are not directly comparable to similar measures used by other companies. Additional information regarding these non-GAAP financial measures and non-GAAP financial ratios has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 Management’s Discussion and Analysis (MD&A), available for review on SEDAR at www.sedar.com.

Table of Contents

Overview		
Great-West Lifeco Inc.		
Lifeco Financial Highlights		
Lifeco Value Drivers		
Lifeco Base Earnings		
The Canada Life Assurance Company - LICAT		
Statements of Net Earnings		
Lifeco Drivers of Earnings - Common Shareholders		
Balance Sheets		
Supplemental Balance Sheet Information		
Capital Structure		
Fee and Other Income		
Operating and Administrative Expenses		
Canada		
Canada Drivers of Earnings - Common Shareholders		
Assets Under Administration		
Sales, Net Book Premiums and CSM		
United States		
U.S. Drivers of Earnings - Common Shareholders		
Empower - Defined Contribution		
Empower - Personal Wealth		
Asset Management - Other Assets Under Management		
	3	Europe
		Europe Drivers of Earnings - Common Shareholders
		Assets Under Administration
	4	Sales, Net Book Premiums and CSM
	7	
	8	Capital and Risk Solutions
		Capital and Risk Solutions Drivers of Earnings - Common
	9	Shareholders
	10	Run-Rate Insurance Results and CSM
	11	
	12	Lifeco Corporate
	14	Corporate Drivers of Earnings - Common Shareholders
	15	
	16	Drivers of Earnings - Reconciliations
	17	Lifeco
		Canada
		U.S.
	18	Europe
	19	Capital and Risk Solutions
	20	Lifeco Corporate
		Drivers of Earnings - Glossary
	21	
	22	
	23	
	24	
		25
		26
		27
		28
		29
		30
		31
		32
		33
		34
		35
		36
		37

Lifeco Overview

Great-West Lifeco Inc. (GWO, Lifeco or the Company) is a financial services holding company with interests in the life insurance, health insurance, retirement savings, investment management, and reinsurance businesses, primarily in Canada, the United States, and Europe through its operating subsidiaries including The Canada Life Assurance Company, Empower Annuity Insurance Company of America, Putnam Investments and Irish Life Group Limited. Lifeco is a member of the Power Corporation group of companies.

On May 31, 2023, the Company announced that it had reached an agreement to sell Putnam US Holdings I, LLC (Putnam Investments), excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc. (collectively, PanAgora) to Franklin Resources, Inc., operating as Franklin Templeton. The net losses and cash flows of Putnam Investments have been classified as discontinued operations within the Company's United States operating segment for Q2 2023 and comparative periods, and the related assets and liabilities have been classified as held for sale for Q2 2023.

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Lifeco Financial Highlights

(C\$MM, unless otherwise stated)

	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Common shareholder earnings (loss) - by segment									
Base earnings (loss)^{1,3}									
Canada	283	278	260	340	340	224	561	564	1,164
U.S. ³	265	218	215	214	164	144	483	308	737
Europe	180	178	256	203	210	176	358	386	845
Capital and Risk Solutions	203	157	181	56	190	171	360	361	598
Corporate	(11)	(5)	(18)	(4)	(1)	(3)	(16)	(4)	(26)
Lifeco base earnings^{1,3}	920	826	894	809	903	712	1,746	1,615	3,318
Net earnings (loss) - common shareholders									
Canada	148	233	352	274	362	443	381	805	1,431
U.S.	90	151	142	155	23	112	241	135	432
Europe	102	40	(25)	433	250	544	142	794	1,202
Capital and Risk Solutions	169	184	3	126	179	234	353	413	542
Corporate	(11)	(13)	(20)	(1)	9	1	(24)	10	(11)
Lifeco net earnings - common shareholders	498	595	452	987	823	1,334	1,093	2,157	3,596
Earnings per common share									
Base earnings (Basic) ²	\$0.99	\$0.89	\$0.96	\$0.87	\$0.97	\$0.76	\$1.87	\$1.73	\$3.56
Net earnings (Basic)	\$0.53	\$0.64	\$0.48	\$1.06	\$0.88	\$1.43	\$1.17	\$2.32	\$3.86
Constant currency									
Base earnings (loss)	890				903				
Net earnings (loss)	482				823				
Currency translation rates									
(C\$ / US\$) - Balance sheet	\$1.32	\$1.35	\$1.35	\$1.38	\$1.29	\$1.25			
(C\$ / US\$) - Income and expenses	\$1.34	\$1.35	\$1.36	\$1.31	\$1.28	\$1.27			
(C\$ / £) - Balance sheet	\$1.68	\$1.67	\$1.64	\$1.54	\$1.57	\$1.64			
(C\$ / £) - Income and expenses	\$1.68	\$1.64	\$1.59	\$1.54	\$1.60	\$1.70			
(C\$ / €) - Balance sheet	\$1.45	\$1.47	\$1.45	\$1.35	\$1.35	\$1.38			
(C\$ / €) - Income and expenses	\$1.46	\$1.45	\$1.39	\$1.31	\$1.36	\$1.42			

¹ This metric is a non-GAAP financial measure. Additional information regarding this non-GAAP financial measure has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

² This metric is a non-GAAP ratio. Additional information regarding this non-GAAP ratio has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

³ Q1 2023 and prior period results are restated to exclude discontinued operations related to Putnam Investments from base earnings. On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.

Lifeco Financial Highlights - Continued

	2023		2022			
	Q2	Q1	Q4	Q3	Q2	Q1
Canada Life Assurance Company - LICAT Ratio	126 %	127 %				
Canada Life Assurance Company - LICAT Ratio - proforma¹			130 %	129 %	126 %	127 %
Dividends						
Common dividends declared / share		\$0.520	\$0.520	\$0.490	\$0.490	\$0.490
Common dividends paid / share	\$0.520	\$0.520	\$0.490	\$0.490	\$0.490	\$0.490
Base dividend payout ratio ²	52.6 %	58.7 %	51.0 %	56.5 %	50.6 %	64.1 %
Dividend payout ratio ³	97.4 %	81.3 %	102.1 %	46.2 %	55.7 %	34.3 %
Dividend yield (annualized) ⁴	5.4 %	5.8 %	6.3 %	6.6 %	6.2 %	5.3 %
Ratios						
Return on equity (ROE) ⁵						
Base ROE ^{1,5}	15.9 %	16.1 %	15.8 %			
ROE ⁵	11.7 %	13.4 %	17.2 %			
P/E ratio (rolling 4 qtrs - net earnings) ⁶	14.2X	11.7X	8.9X			
P/Book value ratio ⁷	1.7X	1.5X	1.3X			
Book value per common share ⁸	\$23.22	\$23.45	\$23.28	\$22.97	\$22.11	\$21.65
Financial leverage ratio ⁹	31 %	33 %	33 %	33 %	33 %	33 %
Share price						
High	\$39.58	\$37.51	\$32.22	\$33.27	\$37.25	\$41.35
Low	\$36.00	\$31.52	\$28.66	\$29.82	\$30.56	\$35.60
Close	\$38.47	\$35.82	\$31.30	\$29.82	\$31.43	\$36.84
Share information						
Total shares outstanding (mm)	931.3	931.7	931.9	931.8	931.8	931.8
Average common shares outstanding - basic	931.2	932.0	931.8	931.8	931.8	931.3
Majority shareholder beneficial ownership (mm)	657.6	657.6	657.6	657.6	657.6	657.6
Public float shares (mm)	274	274.1	274.3	274.2	274.2	274.2
Total market capitalization (mm)	\$35,827	\$33,373	\$29,167	\$27,787	\$29,286	\$34,328
Public float (mm)	\$10,530	\$9,819	\$8,585	\$8,177	\$8,618	\$10,102

¹ Proforma estimates of the Canada Life Assurance Company consolidated LICAT ratio are estimated based on the retrospective application of the 2023 LICAT Guideline to 2022 financial results which have been restated to reflect the adoption of IFRS 17 and IFRS 9. Proforma LICAT ratios are intended only to provide an estimate of the direction and magnitude of the impact of adopting the 2023 LICAT Guideline under IFRS 17. Refer to the Cautionary Notes at the beginning of the Company's Q2 2023 MD&A for additional information on the use of proforma estimates.

² This metric is a non-GAAP ratio. Additional information regarding this non-GAAP ratio has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

³ Common dividends paid per share / net earnings per common share (basic)

⁴ Common dividends paid per share * 4 / quarterly closing share price

⁵ Base/net earnings (loss) for the trailing four quarters are divided by the average common shareholders' equity over the trailing four quarters. Accordingly, base and net ROEs for Q1 2022, Q2 2022 and Q3 2022 are not available on an IFRS17/9 basis.

⁶ Closing share price / Rolling 4 quarters net EPS

⁷ Closing share price / Book value per share

⁸ Additional information regarding the composition of this financial measure has been incorporated by reference and can be found in the Glossary section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com

⁹ The calculation of the financial leverage ratio includes the after-tax non-par CSM (excluding seg funds) balance in the denominator. This reflects that the CSM represents future profit and is considered available capital under LICAT. These ratios are estimates based on available data.

Lifeco Financial Highlights - Continued

	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Sales and net asset flows¹									
Workplace - Life & Health net sales	155	222	144	144	143	253	377	396	684
Workplace - Retirement net asset flows ^{5,7}	4,388	9,909	5,344	8,026	(5,699)	36,023	14,297	30,324	43,694
Individual Wealth & Asset Management net asset flows ^{6,7}	1,788	6,090	3,048	1,378	630	5,232	7,878	5,862	10,288
Insurance & Annuities sales	945	579	1,125	1,139	1,097	1,324	1,524	2,421	4,685
Fee and other income^{2,3}									
Workplace Solutions	1,067	1,019	1,001	931	949	819	2,086	1,768	3,700
Individual Wealth & Asset Management	384	372	366	342	358	363	756	721	1,429
Insurance & Annuities	7	3	—	—	3	—	10	3	3
Corporate	8	6	5	7	7	7	14	14	26
Total fee and other income	1,466	1,400	1,372	1,280	1,317	1,189	2,866	2,506	5,158
Group Life & Health book premiums¹	15,067	14,813	14,280	13,945	13,859	13,773			
Assets under administration⁴									
Total balance sheet assets	690,003	691,853	672,206						
Total assets under management ⁴	1,042,373	1,040,214	1,003,940						
Total assets under administration ⁴	2,643,378	2,596,151	2,468,463						
Contractual Service Margin (CSM)									
Canada	1,213	1,268	1,264	1,332	1,646	1,634			
United States	31	38	41	40	38	29			
Europe	2,943	2,837	2,771	2,584	2,467	2,482			
Capital and Risk Solutions	1,740	1,762	1,796	1,720	1,600	1,646			
Total CSM, excluding participating and segregated fund products	5,927	5,905	5,872	5,676	5,751	5,791			
Total CSM, segregated fund products	3,594	3,671	3,557	3,342	3,514	3,437			
Total CSM, participating products	3,537	3,467	3,694	3,582	3,551	3,021			
Total CSM	13,058	13,043	13,123	12,600	12,816	12,249			
Select constant currency measures									
Workplace - Retirement net asset flows ^{5,7}	4,186				(5,699)				
Individual Wealth & Asset Management net asset flows ^{6,7}	1,477				630				
Total fee and other income	1,412				1,317				

¹ Additional information regarding the composition of this financial measure has been incorporated by reference and can be found in the Glossary section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com

² Following internal reviews, the mapping of certain business units to Value Drivers has been modified and comparative periods have been restated, as applicable.

³ Q1 2023 and prior period results are restated to exclude discontinued operations related to Putnam Investments from base earnings. On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.




⁴ This metric is a non-GAAP financial measure. Additional information regarding this non-GAAP financial measure has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

⁵ Comparative results for the period ended June 30, 2022 do not include \$403.3 billion (US\$315.1 billion) in transfers related to the Prudential acquisition.

⁶ Comparative results for the period ended June 30, 2022 do not include \$7.8 billion (US\$6.1 billion) in transfers related to the Prudential acquisition.

⁷ Following internal reviews, the mapping of certain business units to Value Drivers has been modified and comparative periods have been restated, as applicable.

Lifeco Value Drivers

		Operating Segments ¹			
Value Drivers		Canada	U.S.	Europe	Capital and Risk Solutions
	Workplace Solutions	Group Life & Health Group Retirement	Empower Defined Contribution	Group Life & Health Group Retirement	
	Wealth & Asset Management	Individual Wealth Management	Empower Personal Wealth Asset Management ²	Individual Wealth & Asset Management	
	Insurance & Risk Solutions	Insurance & Annuities		Insurance & Annuities	Reinsurance

¹ Certain business units have been realigned within operating segments to map consistently to value drivers

² Includes results of PanAgora Asset Management which will be retained by the Company subsequent to the sale of Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.

Lifeco Base Earnings

(C\$MM)

	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Canada									
Workplace Solutions	164	159	141	167	213	110	323	323	631
Individual Wealth Management	46	61	44	60	52	43	107	95	199
Insurance & Annuities	63	43	120	110	65	63	106	128	358
Corporate	10	15	(45)	3	10	8	25	18	(24)
	283	278	260	340	340	224	561	564	1,164
U.S.									
Empower Defined Contribution	234	224	183	203	156	142	458	298	684
Empower Personal Wealth	51	27	40	36	17	10	78	27	103
Asset Management ¹	(1)	(5)	6	(5)	(2)	1	(6)	(1)	—
Corporate ¹	(19)	(28)	(14)	(20)	(7)	(9)	(47)	(16)	(50)
	265	218	215	214	164	144	483	308	737
Europe²									
Workplace Solutions	56	62	33	70	74	58	118	132	235
Individual Wealth & Asset Management	23	36	63	65	67	60	59	127	255
Insurance & Annuities	116	96	163	68	68	57	212	125	356
Corporate	(15)	(16)	(3)	—	1	1	(31)	2	(1)
	180	178	256	203	210	176	358	386	845
Capital and Risk Solutions									
Reinsurance	198	153	179	65	189	174	351	363	607
Corporate	5	4	2	(9)	1	(3)	9	(2)	(9)
	203	157	181	56	190	171	360	361	598
Lifeco Corporate									
Corporate	(11)	(5)	(18)	(4)	(1)	(3)	(16)	(4)	(26)
Lifeco base earnings	920	826	894	809	903	712	1,746	1,615	3,318
Lifeco²									
Workplace Solutions	454	445	357	440	443	310	899	753	1,550
Wealth & Asset Management ¹	119	119	153	156	134	114	238	248	557
Insurance & Risk Solutions	377	292	462	243	322	294	669	616	1,321
Corporate ¹	(30)	(30)	(78)	(30)	4	(6)	(60)	(2)	(110)
Lifeco base earnings	920	826	894	809	903	712	1,746	1,615	3,318
Items excluded from base earnings									
Market experience relative to expectations	(79)	(168)	(386)	151	79	686	(247)	765	530
Realized OCI gains / (losses) from asset rebalancing	(121)	—	—	—	—	—	(121)	—	—
Assumption changes and management actions	(4)	7	(29)	85	(15)	(18)	3	(33)	23
Restructuring costs	(4)	—	(4)	(21)	(12)	—	(4)	(12)	(37)
Integration costs	(16)	(19)	(28)	(22)	(32)	(12)	(35)	(44)	(94)
Acquisition and divestiture costs	(158)	—	(5)	20	(57)	(7)	(158)	(64)	(49)
Tax legislative changes impact	—	—	63	—	—	—	—	—	63
Amortization of acquisition-related finite life intangibles	(36)	(32)	(27)	(36)	(36)	(27)	(68)	(63)	(126)
Discontinued operations ¹	(4)	(19)	(26)	1	(7)	—	(23)	(7)	(32)
Lifeco net earnings - common shareholders	498	595	452	987	823	1,334	1,093	2,157	3,596

¹ Q1 2023 and prior period results are restated to exclude discontinued operations related to Putnam Investments from base earnings. On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.

² Following internal reviews, the mapping of certain business units to Value Drivers has been modified and comparative periods have been restated, as applicable.

The Canada Life Assurance Company - LICAT

LICAT ratio for the Canada Life Assurance Company is disclosed according to OSFI's LICAT 2023 Guideline effective January 1, 2023.

The 2023 Guideline specifies that Available Capital for LICAT purposes includes the Contractual Service Margin (CSM).

(C\$MM unless otherwise stated)

	IFRS 17		IFRS 4			
	2023		2022			
	Q2	Q1	Q4	Q3	Q2	Q1
Available Capital:						
Tier 1 Capital						
Common shares	7,884	7,884	7,884	7,884	7,884	7,884
Adjusted Retained Earnings (including CSM)	20,913	21,084	14,684	14,418	14,026	13,593
Other Tier 1	2,624	2,719	2,913	2,123	2,322	2,675
Less: Goodwill & Intangibles	(8,565)	(8,580)	(8,518)	(8,410)	(8,389)	(8,441)
Less: Other Deductions	(4,828)	(4,584)	(3,762)	(3,816)	(3,852)	(3,673)
Total Tier 1 Capital	18,028	18,523	13,201	12,199	11,991	12,038
Tier 2 Capital	5,433	5,225	4,644	4,624	4,554	4,484
Available Capital	23,461	23,748	17,845	16,823	16,545	16,522
Surplus Allowance and Eligible Deposits	5,176	5,322	10,531	10,297	10,626	11,790
Total Capital Resources	28,637	29,070	28,376	27,120	27,171	28,312
Base Solvency Buffers						
Non-Participating Business:						
Credit Risk	2,777	2,794	2,776	2,729	2,796	2,981
Market Risk	3,464	3,490	2,867	2,738	2,684	2,582
Insurance Risk, Net of Adjustable Credits	13,941	13,829	13,567	12,968	13,071	13,169
	20,182	20,113	19,210	18,435	18,551	18,732
Participating Business Total Risk	3,832	3,897	4,099	4,201	4,606	4,767
Less: Diversification & Other Credits	(4,258)	(4,241)	(4,055)	(3,918)	(4,086)	(4,099)
Segregated Fund Guarantee Risk	410	449	375	357	310	361
Operational Risk	2,625	2,708	2,830	2,748	2,795	2,854
Solvency Buffers prior to OSFI scalar	22,791	22,926	22,459	21,823	22,176	22,615
Base Solvency Buffer	22,791	22,926	23,582	22,914	23,285	23,745

* OSFI scalar = 1.0 for 2023 and later; 1.05 for periods prior to 2023

LICAT Ratios:

Total Ratio ¹ (OSFI Supervisory Target = 100%)	126 %	127 %	120 %	118 %	117 %	119 %
Core Ratio ² (OSFI Supervisory Target = 70%)	95 %	97 %	87 %	85 %	83 %	85 %
Proforma IFRS 17 Total Ratio ³			130 %	129 %	126 %	127 %

¹ Total Ratio = Total Capital Resources / Base Solvency Buffer (incl Scalar)

² Core Ratio = [Total Tier 1 Capital + 70% (Surplus Allowance and Eligible Deposits)] / Base Solvency Buffer (incl Scalar)

³ Proforma estimates of the Canada Life Assurance Company consolidated LICAT ratio are estimated based on the retrospective application of the 2023 LICAT Guideline to 2022 financial results which have been restated to reflect the adoption of IFRS 17 and IFRS 9. Proforma LICAT ratios are intended only to provide an estimate of the direction and magnitude of the impact of adopting the 2023 LICAT Guideline under IFRS 17. Refer to the Cautionary Notes at the beginning of the Company's Q2 2023 MD&A for additional information on the use of proforma estimates.

Lifeco Statement of Net Earnings¹

(C\$MM, except Earnings per common share)

	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Insurance service result									
Insurance revenue	5,081	5,037	5,442	4,648	4,762	4,780	10,118	9,542	19,632
Insurance service expenses	(3,963)	(3,995)	(4,368)	(3,622)	(3,545)	(3,737)	(7,958)	(7,282)	(15,272)
Net expense from reinsurance contracts	(415)	(342)	(376)	(374)	(419)	(362)	(757)	(781)	(1,531)
	703	700	698	652	798	681	1,403	1,479	2,829
Net investment result									
Total net investment income ²	(607)	5,673	3,436	(5,372)	(11,660)	(9,810)	5,066	(21,470)	(23,406)
Net finance income (expenses) from insurance contracts	631	(3,570)	(1,611)	3,180	9,013	8,227	(2,939)	17,240	18,809
Net finance income (expenses) from reinsurance contracts	(6)	93	(94)	(160)	(544)	(453)	87	(997)	(1,251)
Changes in investment contract liabilities	286	(1,882)	(1,668)	3,157	3,775	3,190	(1,596)	6,965	8,454
	304	314	63	805	584	1,154	618	1,738	2,606
Other income and expenses									
Fee and other income	1,466	1,400	1,372	1,280	1,317	1,189	2,866	2,506	5,158
Operating and administrative expenses	(1,571)	(1,529)	(1,561)	(1,336)	(1,468)	(1,239)	(3,100)	(2,707)	(5,604)
Amortization of finite life intangible assets	(97)	(90)	(89)	(96)	(89)	(80)	(187)	(169)	(354)
Financing costs	(104)	(115)	(113)	(97)	(95)	(88)	(219)	(183)	(393)
Restructuring and integration expenses	(19)	(26)	(43)	(58)	(60)	(17)	(45)	(77)	(178)
Earnings before income taxes	682	654	327	1,150	987	1,600	1,336	2,587	4,064
Income taxes - Current	163	174	81	91	94	155	337	249	421
- Deferred	(107)	(144)	(136)	28	29	52	(251)	81	(27)
Net earnings from continuing operations	626	624	382	1,031	864	1,393	1,250	2,257	3,670
Net earnings from discontinued operations	(71)	(19)	(26)	1	(7)	—	(90)	(7)	(32)
Net earnings before non-controlling interests	555	605	356	1,032	857	1,393	1,160	2,250	3,638
Attributable to non-controlling interests	24	(22)	(129)	13	1	27	2	28	(88)
Net earnings	531	627	485	1,019	856	1,366	1,158	2,222	3,726
Preferred share dividends	33	32	33	32	33	32	65	65	130
Net earnings - common shareholders	498	595	452	987	823	1,334	1,093	2,157	3,596
Base earnings	920	826	894	809	903	712	1,746	1,615	3,318
Earnings per common share									
Net earnings (Basic)	0.53	0.64	0.48	1.06	0.88	1.43	1.17	2.32	3.86
Base earnings (Basic)	0.99	0.89	0.96	0.87	0.97	0.76	1.87	1.73	3.56

¹ Q1 2023 and prior period results are restated to exclude discontinued operations related to Putnam Investments from base earnings. On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.

² The total net investment income includes net investment income and changes in fair value through profit or loss assets.

Lifeco - Drivers of Earnings - Common Shareholders

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Expected insurance earnings	739	713	700	675	694	678	1,452	1,372	2,747
Risk adjustment release	114	109	113	112	120	124	223	244	469
CSM recognized for services provided	249	249	243	232	247	237	498	484	959
Short-term insurance contracts	376	355	344	331	327	317	731	644	1,319
Impact of new insurance business	(1)	(1)	(2)	(1)	(1)	(4)	(2)	(5)	(8)
Insurance experience gains and losses	(27)	(53)	(24)	(52)	91	(30)	(80)	61	(15)
Base earnings - insurance service result¹	711	659	674	622	784	644	1,370	1,428	2,724
Expected investment earnings	135	93	154	152	125	91	228	216	522
Earnings on surplus	144	125	110	57	73	54	269	127	294
Base earnings - net investment result¹	279	218	264	209	198	145	497	343	816
Net fee and spread income	451	377	407	363	289	310	828	599	1,369
Non-directly attributable and other expenses	(310)	(293)	(325)	(279)	(229)	(279)	(603)	(508)	(1,112)
Income taxes on base earnings	(178)	(103)	(94)	(72)	(106)	(76)	(281)	(182)	(348)
Non-controlling interests, preferred dividends and other	(33)	(32)	(32)	(34)	(33)	(32)	(65)	(65)	(131)
Base earnings	920	826	894	809	903	712	1,746	1,615	3,318
Items excluded from base earnings									
Market experience relative to expectations	(79)	(168)	(386)	151	79	686	(247)	765	530
Realized OCI losses from asset rebalancing	(121)	—	—	—	—	—	(121)	—	—
Assumption changes and management actions	(4)	7	(29)	85	(15)	(18)	3	(33)	23
Restructuring costs	(4)	—	(4)	(21)	(12)	—	(4)	(12)	(37)
Integration costs	(16)	(19)	(28)	(22)	(32)	(12)	(35)	(44)	(94)
Acquisition and divestiture costs	(158)	—	(5)	20	(57)	(7)	(158)	(64)	(49)
Tax legislative changes impact	—	—	63	—	—	—	—	—	63
Amortization of acquisition-related finite life intangibles	(36)	(32)	(27)	(36)	(36)	(27)	(68)	(63)	(126)
Discontinued operations	(4)	(19)	(26)	1	(7)	—	(23)	(7)	(32)
Total items excluded from base earnings	(422)	(231)	(442)	178	(80)	622	(653)	542	278
Net earnings - common shareholders	498	595	452	987	823	1,334	1,093	2,157	3,596
Base earnings (loss)									
Workplace Solutions	454	445	357	440	443	310	899	753	1,550
Wealth & Asset Management	119	119	153	156	134	114	238	248	557
Insurance & Risk Solutions	377	292	462	243	322	294	669	616	1,321
Corporate	(30)	(30)	(78)	(30)	4	(6)	(60)	(2)	(110)
Lifeco base earnings	920	826	894	809	903	712	1,746	1,615	3,318

¹ This metric is a non-GAAP financial measure. Refer to the "Drivers of Earnings - Glossary" and the "Drivers of Earnings - Reconciliations" sections of this document for additional information regarding this non-GAAP financial measure.

Lifeco Balance Sheets - Assets*(C\$MM, unless otherwise stated)*

	Jun 30 2023	Mar 31 2023	Dec 31 2022 (Restated)	Jan 1 2022 (Restated)
Assets				
Cash and cash equivalents	7,171	6,666	7,290	6,075
Bonds	152,325	158,252	156,091	142,655
Mortgage loans	36,929	37,643	37,197	29,357
Stocks	14,793	15,309	14,301	14,225
Investment properties	8,210	8,328	8,344	7,763
Total invested assets	219,428	226,198	223,223	200,075
Insurance contract assets	1,090	1,158	1,140	1,533
Reinsurance contract held assets	16,778	17,601	17,571	21,843
Assets held for sale ²	4,433	—	—	—
Goodwill	10,510	10,623	10,611	9,107
Intangible assets	4,538	6,223	6,230	5,514
Derivative financial instruments	2,361	2,158	2,314	967
Owner occupied properties	717	724	724	736
Fixed assets	342	403	399	422
Accounts and interest receivable	4,604	4,420	4,355	3,210
Other assets	12,754	15,450	15,949	14,435
Current income taxes	150	170	338	268
Deferred tax assets	1,682	1,579	1,470	1,325
Investments on account of segregated fund policyholders	410,616	405,146	387,882	357,419
Total assets	690,003	691,853	672,206	616,854
Other assets under management¹	352,370	348,361	331,734	377,155
Other assets under administration¹	1,601,005	1,555,937	1,464,523	1,283,949
Total assets under administration	2,643,378	2,596,151	2,468,463	2,277,958

¹ Additional information regarding the composition of this financial measure has been incorporated by reference and can be found in the Glossary section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

² On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions. Beginning Q2 2023, the related assets have been classified as assets held for sale.

Lifeco Balance Sheets - Liabilities and Equity

(C\$MM, unless otherwise stated)

	Jun 30 2023	Mar 31 2023	Dec 31 2022 (Restated)	Jan 1 2022 (Restated)
Liabilities				
Insurance contract liabilities	136,774	138,765	135,438	157,910
Investment contract liabilities	89,777	94,612	94,810	53,694
Reinsurance contract held liabilities	625	549	537	1,290
Liabilities held for sale ¹	2,424	—	—	—
Debentures and other debt instruments	9,201	10,311	10,509	8,804
Derivative financial instruments	1,347	1,508	1,639	1,030
Accounts payable	2,754	2,347	2,758	2,469
Other liabilities	6,896	8,663	8,913	6,293
Current income taxes	112	170	152	193
Deferred tax liabilities	703	745	773	677
Insurance contracts on account of segregated fund policyholders	59,220	59,435	57,841	65,253
Investment contracts on account of segregated fund policyholders	351,396	345,711	330,041	292,166
Total liabilities	661,229	662,816	643,411	589,779
Equity				
Non-controlling interests				
Participating account surplus in subsidiaries	2,764	2,778	2,734	2,984
Non-controlling interests in subsidiaries	162	190	152	129
Shareholders' equity				
Share capital				
Limited recourse capital notes	1,500	1,500	1,500	1,500
Preferred shares	2,720	2,720	2,720	2,720
Common shares	5,846	5,804	5,791	5,748
Accumulated surplus	14,910	14,942	14,976	13,216
Accumulated other comprehensive income	661	905	713	586
Contributed surplus	211	198	209	192
Total equity	28,774	29,037	28,795	27,075
Total liabilities and equity	690,003	691,853	672,206	616,854

¹ On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions. Beginning Q2 2023, the related liabilities have been classified as liabilities held for sale.

Q2 2023 Quarterly Information Package

Lifeco Supplemental Balance Sheet Information

(C\$MM, unless otherwise stated)

Total Bond Portfolio Quality

	2023		2022
	Q2	Q1	Q4
AAA	24,000	24,373	25,397
AA	30,764	32,333	31,614
A	53,102	55,274	53,864
BBB	42,725	44,578	43,482
BB or Lower	1,734	1,694	1,734
Total	<u>152,325</u>	<u>158,252</u>	<u>156,091</u>
Short-term bonds included in total	5,413	4,135	4,241

Corporate and Non-Agency Securitized Bonds

Corporate

	2023		2022
	Q2	Q1	Q4
Electric utilities	15,686	16,056	15,561
Consumer products	14,697	15,431	15,197
Industrial products	11,544	12,296	12,051
Banks	8,268	9,235	9,553
Financial services	7,455	7,685	7,574
Energy	6,174	6,662	6,526
Real estate	6,264	6,486	6,322
Transportation	6,241	6,313	6,063
Technology	4,940	5,233	4,881
Communications	3,616	3,772	3,640
Gas utilities	3,434	3,225	2,986
Auto & auto parts	2,478	2,587	2,460
Other utilities	2,257	2,327	2,222
Total	<u>93,054</u>	<u>97,308</u>	<u>95,036</u>

Non-Agency Securitized

CMBS	5,102	5,489	5,565
RMBS	176	184	211
Other ABS	11,847	12,586	12,442
Total	<u>17,125</u>	<u>18,259</u>	<u>18,218</u>

Segregated Fund Net Assets

	2023		2022
	Q2	Q1	Q4
Stocks, mutual funds and units in unit trusts	307,963	301,715	286,322
Bonds	71,764	72,893	69,371
Mortgage loans	2,012	2,080	2,159
Investment properties	12,693	12,907	13,035
Cash and cash equivalents and other ¹	16,184	15,551	16,995
Total	<u>410,616</u>	<u>405,146</u>	<u>387,882</u>

¹ Other includes accrued income, other liabilities and non-controlling mutual funds interest.

Mortgage Loan Portfolio

	Non-		Total
	Insured	Insured	
Q2 2023			
Single-family residential	368	1,287	1,655
Multi-family residential	2,495	6,583	9,078
Equity Release	—	3,625	3,625
Commercial	—	22,571	22,571
Total Mortgage Loans	<u>2,863</u>	<u>34,066</u>	<u>36,929</u>

Q1 2023

Single-family residential	383	1,322	1,705
Multi-family residential	2,560	7,001	9,561
Equity Release	—	3,654	3,654
Commercial	—	22,723	22,723
Total Mortgage Loans	<u>2,943</u>	<u>34,700</u>	<u>37,643</u>

Q4 2022

Single-family residential	392	1,346	1,738
Multi-family residential	2,595	7,033	9,628
Equity Release	—	3,371	3,371
Commercial	—	22,460	22,460
Total Mortgage Loans	<u>2,987</u>	<u>34,210</u>	<u>37,197</u>

Q2 2023 Quarterly Information Package

Lifeco Capital Structure

(C\$MM)

LIABILITIES	2023		2022	EQUITY	2023		2022
	Q2	Q1	Q4		Q2	Q1	Q4
Short-term				Non-Controlling Interests			
Commercial paper and other short-term debt instruments, unsecured	132	135	135	Non-controlling interest in capital stock & surplus	162	190	152
Putnam revolving credit facility	—	40	67				
Great-West Lifeco U.S. LLC non-revolving credit facility ¹	264	473	675	Undistributed Participating Account Surplus			
Total short-term	396	648	877	Canada Life	2,761	2,775	2,733
				Empower	3	3	1
					<u>2,764</u>	<u>2,778</u>	<u>2,734</u>
Long-term				Total Non-Controlling Interest	2,926	2,968	2,886
Lifeco				Lifeco			
6.74% Debentures due November 24, 2031, unsecured	196	196	196	Series 1 3.60% Limited Recourse Capital Notes ²	1,500	1,500	1,500
6.67% Debentures due March 21, 2033, unsecured	395	395	395	Series G 5.20% Non-Cumulative Preferreds	300	300	300
5.998% Debentures due November 16, 2039, unsecured	343	343	343	Series H 4.85% Non-Cumulative Preferreds	300	300	300
4.70% Senior bonds due November 16, 2029, unsecured, (€500)	721	731	721	Series I 4.50% Non-Cumulative Preferreds	300	300	300
3.337% Debentures due February 28, 2028, unsecured	499	498	498	Series L 5.65% Non-Cumulative Preferreds	170	170	170
2.981% Debentures due July 8, 2050, unsecured	494	494	494	Series M 5.80% Non-Cumulative Preferreds	150	150	150
2.50% Debentures due April 18, 2023, unsecured, (€500)	—	735	725	Series N 1.749% Non-Cumulative Rate Reset Preferreds ³	250	250	250
2.379% Debentures due May 14, 2030, unsecured	597	597	597	Series P 5.40% Non-Cumulative Preferreds	250	250	250
1.75% Debentures due December 7, 2026, unsecured, (€500)	723	733	722	Series Q 5.15% Non-Cumulative Preferreds	200	200	200
				Series R 4.80% Non-Cumulative Preferreds	200	200	200
Canada Life				Series S 5.25% Non-Cumulative Preferreds	200	200	200
6.40% Subordinated debentures due December 11, 2028, unsecured	100	100	100	Series T 5.15% Non-Cumulative Preferreds	200	200	200
				Series Y 4.50% Non-Cumulative Preferreds	200	200	200
					<u>2,720</u>	<u>2,720</u>	<u>2,720</u>
Great-West Lifeco Finance 2018, LP				Common Stock	5,846	5,804	5,791
4.581% Senior notes due May 17, 2048, unsecured, (U.S. \$500)	654	669	669	Accumulated & Contributed Surplus	15,121	15,140	15,185
4.047% Senior notes due May 17, 2028, unsecured, (U.S. \$300)	394	403	403	Accumulated Other Comprehensive Income	661	905	713
Great-West Lifeco Finance (Delaware) LP				Total Equity Capital	28,774	29,037	28,795
4.15% Senior notes due June 3, 2047, unsecured, (U.S. \$700)	909	930	930				
Great-West Lifeco U.S. Finance 2020, LP							
0.904% Senior notes due August 12, 2025, unsecured, (U.S. \$500)	658	673	672				
Empower Finance 2020, LP							
3.075% Senior notes due September 17, 2051, unsecured, (U.S. \$700)	914	935	935				
1.776% Senior notes due March 17, 2031, unsecured, (U.S. \$400)	526	537	537				
1.357% Senior notes due September 17, 2027, unsecured, (U.S. \$400)	526	538	538				
Total Debt and Other Loans	9,045	10,155	10,352				
Canada Life Capital Trust (CLCT)							
7.529% due June 30, 2052, unsecured, face value	150	150	150				
Acquisition related FMV adjustment	6	6	7				
	156	156	157				
Trust securities held by consolidated group	(37)	(37)	(37)				
Capital Trust Securities (externally held)	119	119	120				

¹ On March 30, 2022, Great-West Lifeco U.S. LLC, a subsidiary of the Company, established a 2-year U.S. \$500 non-revolving credit facility with interest on the drawn balance equal to a floating rate based on Adjusted Term Secured Overnight Financing Rate (SOFR) plus 0.55%.

² Fixed dividend rate per annum until December 31, 2026, at which time the dividend becomes equal to the five year Government of Canada yield plus 2.641% for the subsequent five year period.

³ Fixed dividend rate per annum until December 30, 2025, at which time the dividend becomes equal to the five year Government of Canada yield plus 1.30% for the subsequent five year period.

Lifeco Fee and Other Income

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Fee and other income									
Canada									
Workplace Solutions	240	228	219	189	205	209	468	414	822
Individual Wealth Management	92	90	88	90	89	93	182	182	360
Corporate	9	7	6	8	8	8	16	16	30
Total Canada	341	325	313	287	302	310	666	612	1,212
U.S.									
Empower Defined Contribution	763	740	738	698	694	555	1,503	1,249	2,685
Empower Personal Wealth	130	119	112	104	101	96	249	197	413
Asset Management ¹	28	28	37	28	28	34	56	62	127
Total U.S.	921	887	887	830	823	685	1,808	1,508	3,225
Europe²									
Workplace Solutions	64	51	44	44	50	55	115	105	193
Individual Wealth & Asset Management	134	135	129	120	140	140	269	280	529
Insurance & Annuities and Corporate	2	—	(5)	(1)	—	(2)	2	(2)	(8)
Total Europe	200	186	168	163	190	193	386	383	714
Capital and Risk Solutions									
Reinsurance	4	2	4	—	2	1	6	3	7
Total Capital and Risk Solutions	4	2	4	—	2	1	6	3	7
Total fee and other income	1,466	1,400	1,372	1,280	1,317	1,189	2,866	2,506	5,158

¹ Q1 2023 and prior period results are restated to exclude discontinued operations related to Putnam Investments from base earnings. On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.

² Following internal reviews, the mapping of certain business units to Value Drivers has been modified and comparative periods have been restated, as applicable.

Lifeco Operating and Administrative Expenses

(C\$MM)	2023		2022				YTD	YTD	Fiscal
	Q2	Q1	Q4	Q3	Q2	Q1	2023	2022	2022
Operating and administrative expenses									
Salaries and other employee benefits	1,074	1,130	1,113	1,048	1,027	960	2,204	1,987	4,148
General and administrative ²	486	392	335	204	454	271	878	725	1,264
Interest expense on leases	2	3	2	2	3	3	5	6	10
Amortization of fixed assets	20	22	27	28	26	24	42	50	105
Depreciation of right-of-use assets	12	15	15	14	15	13	27	28	57
Commissions ²	382	415	428	436	387	407	797	794	1,658
Total	1,976	1,977	1,920	1,732	1,912	1,678	3,953	3,590	7,242
Lifeco									
Insurance service operating and administrative expenses ¹	405	448	359	396	444	439	853	883	1,638
Other operating and administrative expenses	1,571	1,529	1,561	1,336	1,468	1,239	3,100	2,707	5,604
Total	1,976	1,977	1,920	1,732	1,912	1,678	3,953	3,590	7,242
Constant currency	1,913				1,912				

¹ Excludes claims and benefits incurred, adjustments to the liability for incurred claims, losses and reversal of losses on onerous contracts, impairment losses and reversal of impairment losses on the asset for insurance acquisition cash flows, commissions, amounts attributed to insurance acquisition cash flows and amortization of insurance acquisition cash flows.

² The Company has adjusted the comparative periods to reflect the reclassification of expenses between the general and administrative and commissions categories.

Canada - Drivers of Earnings - Common Shareholders

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Expected insurance earnings	332	330	324	318	329	317	662	646	1,288
Risk adjustment release	35	33	33	31	33	31	68	64	128
CSM recognized for services provided	108	110	107	108	120	117	218	237	452
Short-term insurance contracts	189	187	184	179	176	169	376	345	708
Impact of new insurance business	(1)	(1)	(1)	(1)	(1)	(3)	(2)	(4)	(6)
Insurance experience gains and losses	(11)	(25)	(18)	43	46	(39)	(36)	7	32
Base earnings - insurance service result¹	320	304	305	360	374	275	624	649	1,314
Expected investment earnings	20	15	1	24	16	20	35	36	61
Earnings on surplus	54	57	38	25	24	18	111	42	105
Base earnings - net investment result¹	74	72	39	49	40	38	146	78	166
Net fee and spread income	68	70	89	74	70	67	138	137	300
Non-directly attributable and other expenses	(93)	(96)	(122)	(99)	(60)	(111)	(189)	(171)	(392)
Income taxes on base earnings	(81)	(67)	(47)	(39)	(79)	(40)	(148)	(119)	(205)
Non-controlling interests, preferred dividends and other	(5)	(5)	(4)	(5)	(5)	(5)	(10)	(10)	(19)
Base earnings (loss)	283	278	260	340	340	224	561	564	1,164
Items excluded from base earnings									
Market experience relative to expectations	(129)	(43)	61	(186)	35	226	(172)	261	136
Assumption changes and management actions	1	2	(27)	125	(9)	(2)	3	(11)	87
Acquisition and divestiture costs	(2)	—	—	—	—	—	(2)	—	—
Tax legislative changes impact	—	—	63	—	—	—	—	—	63
Amortization of acquisition-related finite life intangibles	(5)	(4)	(5)	(5)	(4)	(5)	(9)	(9)	(19)
Total items excluded from base earnings	(135)	(45)	92	(66)	22	219	(180)	241	267
Net earnings - common shareholders	148	233	352	274	362	443	381	805	1,431
Base earnings (loss)									
Workplace Solutions	164	159	141	167	213	110	323	323	631
Individual Wealth Management	46	61	44	60	52	43	107	95	199
Insurance & Annuities	63	43	120	110	65	63	106	128	358
Corporate	10	15	(45)	3	10	8	25	18	(24)
Canada base earnings	283	278	260	340	340	224	561	564	1,164

¹ This metric is a non-GAAP financial measure. Refer to the "Drivers of Earnings - Glossary" and the "Drivers of Earnings - Reconciliations" sections of this document for additional information regarding this non-GAAP financial measure.

Canada – Assets Under Administration¹

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Workplace Solutions¹									
Beginning	61,665	58,817	55,886	56,112	61,419	63,081	58,817	63,081	63,081
Net asset flows	157	418	186	203	86	541	575	627	1,016
Market impacts & other	866	2,430	2,745	(429)	(5,393)	(2,203)	3,296	(7,596)	(5,280)
Ending Workplace Solutions AUA	62,688	61,665	58,817	55,886	56,112	61,419	62,688	56,112	58,817
Average Workplace Solutions AUA	61,535	60,547	57,869	57,225	58,140	60,863	61,035	59,491	58,518
Wealth & Asset Management¹									
Beginning	64,457	63,031	61,113	62,122	69,072	71,538	63,031	71,538	71,538
Net asset flows	(524)	(437)	(329)	(756)	(412)	173	(961)	(239)	(1,324)
Market impacts & other	707	1,863	2,247	(253)	(6,538)	(2,639)	2,570	(9,177)	(7,183)
Ending Wealth & Asset Management AUA	64,640	64,457	63,031	61,113	62,122	69,072	64,640	62,122	63,031
Average Wealth & Asset Management AUA	64,044	63,716	62,322	62,265	65,400	69,364	63,880	67,224	64,836

¹ This metric is a non-GAAP financial measure. Additional information regarding this non-GAAP financial measure has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

Canada – Sales, Net Book Premiums and CSM

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Group Life & Health book premiums¹									
Beginning	12,583	12,155	11,955	11,808	11,645	11,314	12,155	11,314	11,314
New sales	96	178	108	107	98	205	274	303	518
Terminations	(109)	(201)	(113)	(101)	(122)	(156)	(310)	(278)	(492)
Organic book growth	191	451	205	141	187	282	642	469	815
Ending Group Life & Health book premiums	12,761	12,583	12,155	11,955	11,808	11,645	12,761	11,808	12,155
CSM, excluding participating and segregated fund products									
Beginning	1,268	1,264	1,332	1,646	1,634	1,679	1,264	1,679	1,679
Impact of new insurance business	11	10	16	10	10	8	21	18	44
Expected movements from asset returns & locked-in rates	9	10	8	8	9	10	19	19	35
CSM recognized for services provided	(37)	(38)	(38)	(42)	(46)	(40)	(75)	(86)	(166)
Insurance experience gains and losses	(28)	21	(35)	(8)	72	(23)	(7)	49	6
Organic CSM movement	(45)	3	(49)	(32)	45	(45)	(42)	—	(81)
Impact of change in assumptions	(10)	1	(19)	(282)	(33)	—	(9)	(33)	(334)
Total CSM movement	(55)	4	(68)	(314)	12	(45)	(51)	(33)	(415)
Ending CSM, excluding participating and segregated fund products	1,213	1,268	1,264	1,332	1,646	1,634	1,213	1,646	1,264
Sales¹									
Group Life & Health	108	180	138	116	101	255	288	356	610
Group Retirement	633	758	1,068	859	576	954	1,391	1,530	3,457
Segregated fund	878	1,061	1,078	840	1,076	1,443	1,939	2,519	4,437
Mutual fund - proprietary	277	291	232	202	303	423	568	726	1,160
Mutual fund - third-party	905	1,101	959	680	839	970	2,006	1,809	3,448
Guaranteed	114	205	276	177	99	77	319	176	629
Individual Wealth Management	2,174	2,658	2,545	1,899	2,317	2,913	4,832	5,230	9,674
Insurance & Annuities - Insurance - Non-Participating	24	23	23	22	29	26	47	55	100
Insurance & Annuities - Insurance - Participating	76	81	107	71	68	67	157	135	313
Insurance & Annuities - Insurance	100	104	130	93	97	93	204	190	413
Insurance & Annuities - Payout annuities	52	44	85	90	47	35	96	82	257
Insurance & Annuities - Single premium group annuity (SPGA)	2	8	63	32	82	55	10	137	232
Insurance & Annuities - Annuities	54	52	148	122	129	90	106	219	489

¹ Additional information regarding the composition of this financial measure has been incorporated by reference and can be found in the Glossary section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com

United States - Drivers of Earnings - Common Shareholders

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Expected insurance earnings	18	18	18	19	21	8	36	29	66
Risk adjustment release	2	1	1	1	2	1	3	3	5
CSM recognized for services provided	16	17	17	18	19	7	33	26	61
Insurance experience gains and losses	(7)	(5)	(2)	(2)	(15)	(4)	(12)	(19)	(23)
Base earnings - insurance service result²	11	13	16	17	6	4	24	10	43
Expected investment earnings	4	(5)	(10)	6	9	4	(1)	13	9
Earnings on surplus	38	27	41	10	19	12	65	31	82
Base earnings - net investment result²	42	22	31	16	28	16	64	44	91
Net fee and spread income	340	291	292	282	193	204	631	397	971
Non-directly attributable and other expenses	(81)	(85)	(88)	(77)	(67)	(71)	(166)	(138)	(303)
Income taxes on base earnings	(49)	(25)	(38)	(26)	1	(12)	(74)	(11)	(75)
Non-controlling interests, preferred dividends and other	2	2	2	2	3	3	4	6	10
Base earnings (loss)	265	218	215	214	164	144	483	308	737
Items excluded from base earnings									
Market experience relative to expectations	(4)	(5)	—	(14)	(8)	—	(9)	(8)	(22)
Restructuring costs	(4)	—	(4)	(21)	(12)	—	(4)	(12)	(37)
Integration costs	(16)	(19)	(28)	(22)	(32)	(12)	(35)	(44)	(94)
Acquisition and divestiture costs	(120)	—	—	25	(53)	(1)	(120)	(54)	(29)
Amortization of acquisition-related finite life intangibles	(27)	(24)	(15)	(28)	(29)	(19)	(51)	(48)	(91)
Discontinued operations ¹	(4)	(19)	(26)	1	(7)	—	(23)	(7)	(32)
Total items excluded from base earnings	(175)	(67)	(73)	(59)	(141)	(32)	(242)	(173)	(305)
Net earnings - common shareholders	90	151	142	155	23	112	241	135	432
Base earnings (loss)									
Empower Defined Contribution	234	224	183	203	156	142	458	298	684
Empower Personal Wealth	51	27	40	36	17	10	78	27	103
Asset Management ¹	(1)	(5)	6	(5)	(2)	1	(6)	(1)	—
Corporate ¹	(19)	(28)	(14)	(20)	(7)	(9)	(47)	(16)	(50)
U.S. base earnings	265	218	215	214	164	144	483	308	737

¹ Q1 2023 and prior period results are restated to exclude discontinued operations related to Putnam Investments from base earnings. On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.

² This metric is a non-GAAP financial measure. Refer to the "Drivers of Earnings - Glossary" and the "Drivers of Earnings - Reconciliations" sections of this document for additional information regarding this non-GAAP financial measure.

Lifeco U.S. – Empower Defined Contribution

(US\$MM, unless otherwise stated)

	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Net revenue¹									
Net investment result	185	198	222	186	175	124	383	299	707
Asset-based fee income (net)	298	294	270	292	279	235	592	514	1,076
Other fees	164	152	152	147	144	122	316	266	565
Total net revenue	647	644	644	625	598	481	1,291	1,079	2,348
Operating expenses (net)²	436	440	467	436	457	325	876	782	1,685
AUA³									
Beginning	1,325,463	1,256,385	1,177,591	1,225,585	1,086,035	1,118,796	1,256,385	1,118,796	1,118,796
Net asset flows	2,762	6,914	3,650	5,697	310,392	27,308	9,676	337,700	347,047
Market impacts & other	59,708	62,164	75,144	(53,691)	(170,842)	(60,069)	121,872	(230,911)	(209,458)
Ending AUA	1,387,933	1,325,463	1,256,385	1,177,591	1,225,585	1,086,035	1,387,933	1,225,585	1,256,385
Ending participants (in millions)	17.7	17.6	17.3	17.1	16.9	13.0	35.2	16.9	17.3
Asset-based fee income (net)									
Gross asset-based fees	406	396	391	394	392	316	802	708	1,493
Commissions	(49)	(51)	(71)	(51)	(60)	(58)	(100)	(118)	(240)
Asset-based expenses	(19)	(17)	(16)	(17)	(16)	(17)	(36)	(33)	(66)
Sub-advisor expenses	(40)	(34)	(34)	(34)	(37)	(6)	(74)	(43)	(111)
Total asset-based fee income (net)	298	294	270	292	279	235	592	514	1,076
Operating expenses (net)									
Operating expenses	494	491	517	487	510	348	985	858	1,862
Less: Asset-based expenses	(58)	(51)	(50)	(51)	(53)	(23)	(109)	(76)	(177)
Operating expenses (net)	436	440	467	436	457	325	876	782	1,685
Total fees									
Gross asset-based fees	406	396	391	394	392	316	802	708	1,493
Other fees	164	152	152	139	152	122	316	274	565
Total fees	570	548	543	533	544	438	1,118	982	2,058

¹ Includes net investment result, fee revenue, commissions, sub-advisor expenses, advisory services expenses² Includes all sales expenses net of deferrals, operating and administrative expenses (excludes amortization of acquisition related finite life intangible assets)³ This metric is a non-GAAP financial measure. Additional information regarding this non-GAAP financial measure has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

Lifeco U.S. – Empower Personal Wealth

(US\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Net revenue¹									
Net investment result	39	37	35	32	25	14	76	39	106
AUM fees (net)	71	64	64	60	60	61	135	121	245
Other fees	16	12	10	10	10	5	28	15	35
Total net revenue	126	113	109	102	95	80	239	175	386
Operating expenses (net)²	73	86	70	68	77	70	159	147	285
AUM³									
Beginning	49,125	45,805	41,465	42,063	42,255	41,519	45,805	41,519	41,519
Net asset flows	999	1,288	1,865	1,599	4,406	2,451	2,287	6,857	10,321
Market impacts & other	1,390	2,032	2,475	(2,197)	(4,598)	(1,715)	3,422	(6,313)	(6,035)
Ending AUM	51,514	49,125	45,805	41,465	42,063	42,255	51,514	42,063	45,805
AUA (including AUM)³									
Beginning	60,815	54,868	49,531	50,080	47,937	47,065	54,868	47,065	47,065
Net asset flows	1,842	3,143	2,417	1,901	8,326	2,682	4,985	11,008	15,326
Market impacts & other	1,930	2,804	2,920	(2,450)	(6,183)	(1,810)	4,734	(7,993)	(7,523)
Ending AUA (including AUM)	64,587	60,815	54,868	49,531	50,080	47,937	64,587	50,080	54,868
AUM fees (net)									
Gross AUM fees	81	76	73	69	69	70	157	139	281
Asset-based expenses	(10)	(12)	(9)	(9)	(9)	(9)	(22)	(18)	(36)
AUM fees (net)	71	64	64	60	60	61	135	121	245
Operating expenses (net)									
Operating expenses	83	98	79	77	86	79	181	165	321
Less: Asset-based expenses	(10)	(12)	(9)	(9)	(9)	(9)	(22)	(18)	(36)
Operating expenses (net)	73	86	70	68	77	70	159	147	285
Total fees									
Gross AUM fees	81	76	73	69	69	70	157	139	281
Other fees	16	12	10	10	10	5	28	15	35
Total fees	97	88	83	79	79	75	185	154	316

¹ Includes net investment result, fee revenue, sub-advisor expenses, advisory services expenses

² Includes all sales expenses net of deferrals, operating and administrative expenses (excludes amortization of acquisition related finite life intangible assets)

³ This metric is a non-GAAP financial measure. Additional information regarding this non-GAAP financial measure has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

Lifeco U.S. – Asset Management – Other Assets Under Management ^{1,2}

(US\$MM)	2023		2022				YTD	YTD	Fiscal
	Q2	Q1	Q4	Q3	Q2	Q1	2023	2022	2022
PanAgora									
Institutional									
Beginning	33,039	31,880	30,355	33,489	41,317	43,409	31,880	43,409	43,409
Net asset flows	(707)	(589)	(675)	(497)	(1,291)	(324)	(1,296)	(1,615)	(2,787)
Market impacts & other	923	1,748	2,200	(2,637)	(6,537)	(1,768)	2,671	(8,305)	(8,742)
Ending Other Assets Under Management	33,255	33,039	31,880	30,355	33,489	41,317	33,255	33,489	31,880
Total Average Other Assets Under Management	32,630	32,789	32,178	34,095	37,164	41,307	32,710	39,235	36,153
Discontinued Operations - Putnam									
Ending Other Assets Under Management - Mutual Funds	83,599	80,549	78,232	76,370	80,347	91,768			
Ending Other Assets Under Management - Institutional	56,029	55,510	54,600	51,103	53,128	59,244			
Total Ending Other Assets Under Management	139,628	136,059	132,832	127,473	133,475	151,012			
Total Average Other Assets Under Management	136,895	135,537	132,813	135,788	140,745	152,531	136,216	146,638	140,401
Other Assets Under Management									
Total Other Assets Under Management - PanAgora	33,255	33,039	31,880	30,355	33,489	41,317			
Total Other Assets Under Management - Discontinued Operations - Putnam	139,628	136,059	132,832	127,383	133,475	151,012			
Total Other Assets Under Management	172,883	169,098	164,712	157,738	166,964	192,329			

¹ Excludes assets for which Putnam provides investment recommendations, but has no control over implementation of investment decisions and no trading authority, including model portfolios and model-only separately managed accounts, and Putnam-designed custom indices that serve as the reference benchmark for third-party insurance investment products.

² This metric is a non-GAAP financial measure. Additional information regarding the composition of this financial measure has been incorporated by reference and can be found in the Glossary section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com

Europe - Drivers of Earnings - Common Shareholders

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Expected insurance earnings	180	172	164	153	157	170	352	327	644
Risk adjustment release	29	27	28	30	30	33	56	63	121
CSM recognized for services provided	86	83	78	69	70	77	169	147	294
Short-term insurance earnings	65	62	58	54	57	60	127	117	229
Impact of new insurance business	—	—	(1)	—	—	(1)	—	(1)	(2)
Insurance experience gains and losses	(2)	10	1	3	36	4	8	40	44
Base earnings - insurance service result²	178	182	164	156	193	173	360	366	686
Expected investment earnings	98	72	153	119	96	65	170	161	433
Earnings on surplus	30	24	15	15	15	14	54	29	59
Base earnings - net investment result²	128	96	168	134	111	79	224	190	492
Net fee and spread income	38	16	26	7	26	39	54	65	98
Non-directly attributable and other expenses	(106)	(93)	(81)	(82)	(85)	(81)	(199)	(166)	(329)
Income taxes on base earnings	(41)	(7)	(7)	5	(17)	(17)	(48)	(34)	(36)
Non-controlling interests, preferred dividends and other	(17)	(16)	(14)	(17)	(18)	(17)	(33)	(35)	(66)
Base earnings (loss)	180	178	256	203	210	176	358	386	845
Items excluded from base earnings									
Market experience relative to expectations	84	(139)	(262)	252	54	388	(55)	442	432
Realized OCI gains / (losses) from asset rebalancing	(121)	—	—	—	—	—	(121)	—	—
Assumption changes and management actions	(1)	5	(7)	(14)	(7)	(11)	4	(18)	(39)
Acquisition and divestiture costs	(36)	—	(5)	(5)	(4)	(6)	(36)	(10)	(20)
Amortization of acquisition-related finite life intangibles	(4)	(4)	(7)	(3)	(3)	(3)	(8)	(6)	(16)
Total items excluded from base earnings	(78)	(138)	(281)	230	40	368	(216)	408	357
Net earnings - common shareholders	102	40	(25)	433	250	544	142	794	1,202
Base earnings (loss)¹									
Workplace Solutions	56	62	33	70	74	58	118	132	235
Individual Wealth & Asset Management	23	36	63	65	67	60	59	127	255
Insurance & Annuities	116	96	163	68	68	57	212	125	356
Corporate	(15)	(16)	(3)	—	1	1	(31)	2	(1)
Europe base earnings	180	178	256	203	210	176	358	386	845
Base earnings (loss)									
United Kingdom	107	88	154	129	113	82	195	195	478
Ireland	66	62	76	63	91	76	128	167	306
Germany	16	32	28	10	6	16	48	22	60
Corporate	(9)	(4)	(2)	1	—	2	(13)	2	1
Europe base earnings	180	178	256	203	210	176	358	386	845

¹ Following internal reviews, the mapping of certain business units to Value Drivers has been modified and comparative periods have been restated, as applicable.

² This metric is a non-GAAP financial measure. Refer to the "Drivers of Earnings - Glossary" and the "Drivers of Earnings - Reconciliations" sections of this document for additional information regarding this non-GAAP financial measure.

Europe – Assets Under Administration¹

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Workplace Solutions¹									
Beginning	34,600	32,975	30,325	30,449	33,312	34,998	32,975	34,998	34,998
Net asset flows	530	157	194	359	239	801	687	1,040	1,593
Market impacts & other	46	1,468	2,456	(483)	(3,102)	(2,487)	1,514	(5,589)	(3,616)
Ending Workplace Solutions AUA	35,176	34,600	32,975	30,325	30,449	33,312	35,176	30,449	32,975
Average Workplace Solutions AUA	34,888	33,788	31,650	30,387	31,881	34,155	34,076	32,724	33,987
Wealth & Asset Management¹									
Beginning	166,828	156,326	143,485	147,024	164,500	176,316	156,326	176,316	176,316
Net asset flows	791	3,079	1,008	295	(195)	2,064	3,870	1,869	3,172
Market impacts & other	2,123	7,423	11,833	(3,834)	(17,281)	(13,880)	9,546	(31,161)	(23,162)
Ending Wealth & Asset Management AUA	169,742	166,828	156,326	143,485	147,024	164,500	169,742	147,024	156,326
Average Wealth & Asset Management AUA	168,285	161,577	149,906	145,255	155,762	170,408	163,034	161,670	166,321
Insurance & Risk Solutions¹									
Beginning	401	374	351	380	434	489	374	489	489
Net asset flows	20	22	17	23	25	24	42	49	89
Market impacts & other	(11)	5	6	(52)	(79)	(79)	(6)	(158)	(204)
Ending Insurance & Risk Solutions AUA	410	401	374	351	380	434	410	380	374
Average Insurance & Risk Solutions AUA	406	388	363	366	407	462	392	435	432

¹ This metric is a non-GAAP financial measure. Additional information regarding this non-GAAP financial measure has been incorporated by reference and can be found in the Non-GAAP Financial Measures and Ratios section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com.

Europe – Sales, Net Book Premiums and CSM

(C\$MM)	2023		2022				YTD	YTD	Fiscal
	Q2	Q1	Q4	Q3	Q2	Q1	2023	2022	2022
Group Life & Health book premiums¹									
Beginning	2,230	2,125	1,990	2,051	2,128	2,117	2,125	2,117	2,117
New sales	59	44	36	37	45	48	103	93	166
Terminations	(60)	(63)	(26)	(29)	(37)	(39)	(123)	(76)	(131)
Organic book growth	43	43	33	8	25	26	86	51	92
FX	34	81	92	(77)	(110)	(24)	115	(134)	(119)
Ending Group Life & Health book premiums	2,306	2,230	2,125	1,990	2,051	2,128	2,306	2,051	2,125
CSM, excluding participating and segregated fund products									
Beginning	2,837	2,771	2,584	2,467	2,482	2,524	2,771	2,524	2,524
Impact of new insurance business	66	39	63	59	33	69	105	102	224
Expected movements from asset returns & locked-in rates	12	11	8	22	6	(10)	23	(4)	26
CSM recognized for services provided	(57)	(54)	(55)	(47)	(41)	(51)	(111)	(92)	(194)
Insurance experience gains and losses	8	31	(14)	(25)	16	57	39	73	34
Organic CSM movement	29	27	2	9	14	65	56	79	90
Impact of change in assumptions ³	81	(8)	9	137	59	(1)	73	58	204
Currency impact	(4)	47	176	(29)	(88)	(106)	43	(194)	(47)
Total CSM movement	106	66	187	117	(15)	(42)	172	(57)	247
Ending CSM, excluding participating and segregated fund products	2,943	2,837	2,771	2,584	2,467	2,482	2,943	2,467	2,771
Sales^{1,2}									
U.K.	27	18	18	21	27	19	45	46	85
Ireland	713	421	350	386	293	850	1,134	1,143	1,879
Workplace Solutions	740	439	368	407	320	869	1,179	1,189	1,964
U.K.	906	932	772	761	1,056	931	1,838	1,987	3,520
Ireland	5,522	5,966	4,375	4,439	3,589	5,278	11,488	8,867	17,681
Germany	45	46	76	51	65	140	91	205	332
Wealth and Asset Management	6,473	6,944	5,223	5,251	4,710	6,349	13,417	11,059	21,533
U.K.	618	377	614	727	826	1,101	995	1,927	3,268
Ireland	167	40	227	192	40	33	207	73	492
Germany	6	6	6	5	5	7	12	12	23
Insurance & Annuities	791	423	847	924	871	1,141	1,214	2,012	3,783

¹ Additional information regarding the composition of this financial measure has been incorporated by reference and can be found in the Glossary section of the Company's Q2 2023 MD&A, available for review on SEDAR at www.sedar.com

² Following internal reviews, the mapping of certain business units to Value Drivers has been modified and comparative periods have been restated, as applicable.

³ In Q2 2023, included in the impact of changes in assumptions above, is a +\$73 million reclassification of CSM from segregated funds into non-participating products excluding segregated funds. There is no change in overall CSM from this reclassification.

Capital and Risk Solutions - Drivers of Earnings - Common Shareholders

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Expected insurance earnings	209	193	194	185	187	183	402	370	749
Risk adjustment release	48	48	51	50	55	59	96	114	215
CSM recognized for services provided	39	39	41	37	38	36	78	74	152
Short-term insurance contracts	122	106	102	98	94	88	228	182	382
Insurance experience gains and losses	(7)	(33)	(5)	(96)	24	9	(40)	33	(68)
Base earnings - insurance service result¹	202	160	189	89	211	192	362	403	681
Expected investment earnings	13	11	10	3	4	2	24	6	19
Earnings on surplus	13	9	8	(3)	4	3	22	7	12
Base earnings - net investment result¹	26	20	18	—	8	5	46	13	31
Net fee and spread income	5	—	—	—	—	—	5	—	—
Non-directly attributable and other expenses	(15)	(12)	(15)	(16)	(12)	(14)	(27)	(26)	(57)
Income taxes on base earnings	(8)	(4)	(5)	(11)	(10)	(5)	(12)	(15)	(31)
Non-controlling interests, preferred dividends and other	(7)	(7)	(6)	(6)	(7)	(7)	(14)	(14)	(26)
Base earnings (loss)	203	157	181	56	190	171	360	361	598
Items excluded from base earnings									
Market experience relative to expectations	(30)	27	(183)	96	(12)	68	(3)	56	(31)
Assumption changes and management actions	(4)	—	5	(26)	1	(5)	(4)	(4)	(25)
Total items excluded from base earnings	(34)	27	(178)	70	(11)	63	(7)	52	(56)
Net earnings - common shareholders	169	184	3	126	179	234	353	413	542
Base earnings (loss)									
Reinsurance	198	153	179	65	189	174	351	363	607
Corporate	5	4	2	(9)	1	(3)	9	(2)	(9)
Capital and Risk Solutions base earnings	203	157	181	56	190	171	360	361	598

¹ This metric is a non-GAAP financial measure. Refer to the "Drivers of Earnings - Glossary" and the "Drivers of Earnings - Reconciliations" sections of this document for additional information regarding this non-GAAP financial measure.

Capital and Risk Solutions – Run-Rate Insurance Results and CSM

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Run-rate insurance results¹									
CSM recognized for services provided	39	39	41	37	38	36	78	74	152
Risk adjustment release	48	48	51	50	55	59	96	114	215
Short-term insurance contracts	122	106	102	98	94	88	228	182	382
Total run-rate insurance results	209	193	194	185	187	183	402	370	749
CSM, excluding participating and segregated fund products									
Beginning	1,762	1,796	1,720	1,600	1,646	1,691	1,796	1,691	1,691
Impact of new insurance business	9	10	33	20	28	19	19	47	100
Expected movements from asset returns & locked-in rates	8	10	8	8	6	7	18	13	29
CSM recognized for services provided	(38)	(39)	(41)	(37)	(38)	(36)	(77)	(74)	(152)
Insurance experience gains and losses	17	(29)	(24)	(43)	(13)	27	(12)	14	(53)
Organic CSM movement	(4)	(48)	(24)	(52)	(17)	17	(52)	—	(76)
Impact of change in assumptions	(1)	(7)	12	162	10	2	(8)	12	186
Currency impact	(17)	21	88	10	(39)	(64)	4	(103)	(5)
Total CSM movement	(22)	(34)	76	120	(46)	(45)	(56)	(91)	105
Ending CSM, excluding participating and segregated fund products	1,740	1,762	1,796	1,720	1,600	1,646	1,740	1,600	1,796

¹ This metric is a non-GAAP financial measure. Refer to the "Drivers of Earnings - Glossary" and the "Drivers of Earnings - Reconciliations" sections of this document for additional information regarding this non-GAAP financial measure.

Lifeco Corporate - Drivers of Earnings - Common Shareholders

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Earnings on surplus	9	8	8	10	11	7	17	18	36
Base earnings - net investment result¹	9	8	8	10	11	7	17	18	36
Non-directly attributable and other expenses	(15)	(7)	(19)	(5)	(5)	(2)	(22)	(7)	(31)
Income taxes on base earnings	1	—	3	(1)	(1)	(2)	1	(3)	(1)
Non-controlling interests, preferred dividends and other	(6)	(6)	(10)	(8)	(6)	(6)	(12)	(12)	(30)
Base earnings (loss)	(11)	(5)	(18)	(4)	(1)	(3)	(16)	(4)	(26)
Items excluded from base earnings									
Market experience relative to expectations	—	(8)	(2)	3	10	4	(8)	14	15
Total items excluded from base earnings	—	(8)	(2)	3	10	4	(8)	14	15
Net earnings - common shareholders	(11)	(13)	(20)	(1)	9	1	(24)	10	(11)

¹ This metric is a non-GAAP financial measure. Refer to the "Drivers of Earnings - Glossary" and the "Drivers of Earnings - Reconciliations" sections of this document for additional information regarding this non-GAAP financial measure.

Lifeco Drivers of Earnings – Reconciliation

(C\$MM)

	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)¹									
Base earnings: insurance service result (ISR)	711	659	674	622	784	644	1,370	1,428	2,724
Base earnings: net investment result (NIR)	279	218	264	209	198	145	497	343	816
Base earnings: other income and expenses	(70)	(51)	(44)	(22)	(79)	(77)	(121)	(156)	(222)
Base earnings	920	826	894	809	903	712	1,746	1,615	3,318
Base earnings adjustments (pre-tax)									
ISR - assumption changes and management actions (ACMA)	—	3	(9)	5	(17)	5	3	(12)	(16)
ISR - acquisition and divestiture costs	(46)	—	—	—	—	—	(46)	—	—
NIR - market experience relative to expectations	(92)	(209)	(393)	228	152	864	(301)	1,016	851
NIR - ACMA	(5)	—	(12)	91	—	(24)	(5)	(24)	55
NIR - realized OCI gains (losses) from asset rebalancing	(158)	—	—	—	—	—	(158)	—	—
NIR - acquisition and divestiture costs	—	—	—	(34)	—	—	—	—	(34)
Fee and other income - ACMA	—	6	—	—	—	—	6	—	—
Restructuring and integration costs	(28)	(26)	(43)	(58)	(60)	(17)	(54)	(77)	(178)
Operating and administrative expenses - ACMA	—	—	(25)	—	—	—	—	—	(25)
Operating and administrative expenses - transaction costs related to M&A activity	(162)	—	(5)	50	(71)	(8)	(162)	(79)	(34)
Amortization of acquisition-related finite life intangibles	(49)	(43)	(36)	(46)	(49)	(35)	(92)	(84)	(166)
Tax impacts	122	57	107	(59)	(28)	(163)	179	(191)	(143)
Discontinued operations (post-tax)	(4)	(19)	(26)	1	(7)	—	(23)	(7)	(32)
Reallocation of spread income to NIR from OIE2	292	354	366	310	256	184	646	440	1,116
Total	(422)	(231)	(442)	178	(80)	622	(653)	542	278
Net earnings - common shareholders	498	595	452	987	823	1,334	1,093	2,157	3,596
Drivers of earnings analysis (participating account)									
Insurance service result	38	38	33	25	31	32	76	63	121
Net investment result	(12)	(49)	(162)	1	(22)	(15)	(61)	(37)	(198)
Other income and expenses	(26)	11	129	(26)	(9)	(17)	(15)	(26)	77
Net earnings - participating account	—	—	—	—	—	—	—	—	—
Income statement (total)									
Insurance service result	703	700	698	652	798	681	1,403	1,479	2,829
Net investment result	304	314	63	805	584	1,154	618	1,738	2,606
Other income and expenses	(325)	(360)	(434)	(306)	(395)	(235)	(685)	(630)	(1,370)
Earnings before income taxes	682	654	327	1,151	987	1,600	1,336	2,587	4,065
Taxes, income attributed to non-controlling interests and participating policies, preferred share dividends	(113)	(40)	151	(165)	(157)	(266)	(153)	(423)	(437)
Net earnings - continuing operations	569	614	478	986	830	1,334	1,183	2,164	3,628
Net earnings - discontinued operations	(71)	(19)	(26)	1	(7)	—	(90)	(7)	(32)
Net earnings - common shareholders	498	595	452	987	823	1,334	1,093	2,157	3,596

¹ Q1 2023 and prior period results are restated to exclude discontinued operations related to Putnam Investments from base earnings. On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.

² Within the Drivers of Earnings Analysis, the spread business in the U.S. and Canada has been moved from base earnings - net investment results to the "net fee and spread income" line. The "reallocation of spread income to NIR from OIE" line in the above reconciliation represents the spread income that has been moved. This adjustment does not have an impact on net earnings - common shareholders and is shown as an adjustment to reconcile base earnings - net investment result to net investment results on the Company's consolidated financial statements.

Canada Drivers of Earnings – Reconciliation

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Base earnings: insurance service result (ISR)	320	304	305	360	374	275	624	649	1,314
Base earnings: net investment result (NIR)	74	72	39	49	40	38	146	78	166
Base earnings: other income and expenses	(111)	(98)	(84)	(69)	(74)	(89)	(209)	(163)	(316)
Base earnings	283	278	260	340	340	224	561	564	1,164
Base earnings adjustments (pre-tax)									
ISR - assumption changes and management actions (ACMA)	—	3	(1)	(4)	(14)	5	3	(9)	(14)
NIR - market experience relative to expectations	(179)	(60)	78	(200)	65	298	(239)	363	241
NIR - ACMA	1	—	(36)	139	4	(8)	1	(4)	99
NIR - acquisition and divestiture costs	—	—	—	—	—	—	—	—	—
Restructing and integration costs	—	—	—	—	—	—	—	—	—
Operating and administrative expenses - transaction costs related to acquisitions	(3)	—	—	—	—	—	—	—	—
Amortization of acquisition-related finite life intangibles	(6)	(6)	(7)	(7)	(6)	(6)	(12)	(12)	(26)
Tax impacts	52	18	58	6	(27)	(70)	70	(97)	(33)
Reallocation of spread income to NIR from OIE ¹	14	15	15	13	10	7	29	17	45
Total	(135)	(45)	92	(66)	22	219	(180)	241	267
Net earnings - common shareholders	148	233	352	274	362	443	381	805	1,431
Drivers of earnings analysis (participating account)									
Insurance service result	34	34	31	22	28	27	68	55	108
Net investment result	(13)	(50)	(167)	6	(18)	(11)	(63)	(29)	(190)
Other income and expenses	(21)	16	136	(28)	(10)	(16)	(5)	(26)	82
Net earnings - participating account	—	—	—	—	—	—	—	—	—
Income statement (total)									
Insurance service result	354	341	335	378	388	307	695	695	1,408
Net investment result	(103)	(23)	(71)	7	101	324	(126)	425	361
Other income and expenses	(71)	(69)	(94)	(68)	(22)	(76)	(140)	(98)	(260)
Earnings before income taxes	180	249	170	317	467	555	429	1,022	1,509
Taxes, income attributed to non-controlling interests and participating policies, preferred share dividends	(32)	(16)	182	(43)	(105)	(112)	(48)	(217)	(78)
Net earnings - common shareholders	148	233	352	274	362	443	381	805	1,431

¹ Within the Drivers of Earnings Analysis, the spread business in Canada has been moved from base earnings - net investment results to the "net fee and spread income" line. The "reallocation of spread income to NIR from OIE" line in the above reconciliation represents the spread income that has been moved. This adjustment does not have an impact on net earnings - common shareholders and is shown as an adjustment to reconcile base earnings - net investment result to net investment results on the Company's consolidated financial statements.

U.S. Drivers of Earnings – Reconciliation

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)¹									
Base earnings: insurance service result (ISR)	11	13	16	17	6	4	24	10	43
Base earnings: net investment result (NIR)	42	22	31	16	28	16	64	44	91
Base earnings: other income and expenses	212	183	168	181	130	124	395	254	603
Base earnings	265	218	215	214	164	144	483	308	737
Base earnings adjustments (pre-tax)									
NIR - market experience relative to expectations	(4)	(5)	—	(18)	(8)	1	(9)	(7)	(25)
NIR - acquisition and divestiture costs	—	—	—	(34)	—	—	—	—	(34)
Restructing and integration costs	(28)	(26)	(43)	(58)	(60)	(17)	(54)	(77)	(178)
Operating and administrative expenses - acquisition and divestiture costs ²	(159)	—	—	55	(67)	(2)	(159)	(69)	(14)
Amortization of acquisition-related finite life intangibles	(37)	(32)	(21)	(36)	(39)	(25)	(69)	(64)	(121)
Tax on items excluded from base earnings	57	15	17	31	40	11	72	51	99
Discontinued operations (post-tax) ^{1,2}	(4)	(19)	(26)	1	(7)	—	(23)	(7)	(32)
Reallocation of spread income to NIR from OIE ³	278	339	351	297	246	177	617	423	1,071
Total	(175)	(67)	(73)	(59)	(141)	(32)	(242)	(173)	(305)
Net earnings - common shareholders	90	151	142	155	23	112	241	135	432
Drivers of earnings analysis (participating account)									
Insurance service result	4	4	2	3	3	3	8	6	11
Net investment result	—	—	4	(5)	(3)	(3)	—	(6)	(7)
Other income and expenses	(4)	(4)	(6)	2	—	—	(8)	—	(4)
Net earnings - participating account	—	—	—	—	—	—	—	—	—
Income statement (total)									
Insurance service result	15	17	18	20	9	7	32	16	54
Net investment result	316	356	386	256	263	191	672	454	1,096
Other income and expenses	(154)	(195)	(213)	(135)	(288)	(88)	(349)	(376)	(724)
Earnings before income taxes	177	178	191	141	(16)	110	355	94	426
Taxes, income attributed to non-controlling interests and participating policies, preferred share dividends	(16)	(8)	(23)	13	46	2	(24)	48	38
Net earnings - continuing operations	161	170	168	154	30	112	331	142	464
Net earnings - discontinued operations	(71)	(19)	(26)	1	(7)	—	(90)	(7)	(32)
Net earnings - common shareholders	90	151	142	155	23	112	241	135	432

¹ Q1 2023 and prior period results are restated to exclude discontinued operations related to Putnam Investments from base earnings. On May 31, 2023, Lifeco agreed to sell Putnam Investments to Franklin Templeton. The transaction is expected to close in the fourth quarter of 2023, contingent on regulatory and other customary conditions.

² Q2 2023 acquisition and divestiture costs includes \$92 million pre-tax (\$67 million post-tax) of divestiture costs related to the announced agreement to sell Putnam Investments to Franklin Templeton. These divestiture costs are recorded within the net loss from discontinued operations on the Company's Q2 2023 consolidated statements of earnings.

³ Within the Drivers of Earnings Analysis, the spread business in the U.S has been moved from base earnings - net investment results to the "net fee and spread income" line. The "reallocation of spread income to NIR from OIE" line in the above reconciliation represents the spread income that has been moved. This adjustment does not have an impact on net earnings - common shareholders and is shown as an adjustment to reconcile base earnings - net investment result to net investment results on the Company's consolidated financial statements.

Europe Drivers of Earnings – Reconciliation

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Base earnings: insurance service result (ISR)	178	182	164	156	193	173	360	366	686
Base earnings: net investment result (NIR)	128	96	168	134	111	79	224	190	492
Base earnings: other income and expenses	(126)	(100)	(76)	(87)	(94)	(76)	(226)	(170)	(333)
Base earnings	180	178	256	203	210	176	358	386	845
Base earnings adjustments (pre-tax)									
ISR - assumption changes and management actions	—	—	(8)	9	(3)	—	—	(3)	(2)
ISR - acquisition and divestiture costs	(46)	—	—	—	—	—	(46)	—	—
NIR - market experience relative to expectations	100	(155)	(268)	295	70	463	(55)	533	560
NIR - ACMA	(1)	—	19	(17)	(5)	(11)	(1)	(16)	(14)
NIR - realized OCI gains (losses) from asset rebalancing	(158)	—	—	—	—	—	(158)	—	—
Restructing and integration costs (pre-tax)	—	—	—	—	—	—	—	—	—
Fee and other income - ACMA	—	6	—	—	—	—	6	—	—
Operating and administrative expenses - ACMA	—	—	(25)	—	—	—	—	—	(25)
Operating and administrative expenses - acquisition and divestiture costs	—	—	(5)	(5)	(4)	(6)	—	(10)	(20)
Amortization of acquisition-related finite life intangibles	(6)	(5)	(8)	(3)	(4)	(4)	(11)	(8)	(19)
Tax on items excluded from base earnings	33	16	14	(49)	(14)	(74)	49	(88)	(123)
Total	(78)	(138)	(281)	230	40	368	(216)	408	357
Net earnings - common shareholders	102	40	(25)	433	250	544	142	794	1,202
Drivers of earnings analysis (participating account)									
Insurance service result	—	—	—	—	—	2	—	2	2
Net investment result	1	1	1	—	(1)	(1)	2	(2)	(1)
Other income and expenses	(1)	(1)	(1)	—	1	(1)	(2)	—	(1)
Net earnings - participating account	—	—	—	—	—	—	—	—	—
Income statement (total)									
Insurance service result	132	182	156	165	190	175	314	365	686
Net investment result	70	(58)	(80)	412	175	530	12	705	1,037
Other income and expenses	(75)	(77)	(92)	(83)	(67)	(54)	(152)	(121)	(296)
Earnings before income taxes	127	47	(16)	494	298	651	174	949	1,427
Taxes, income attributed to non-controlling interests and participating policies, preferred share dividends	(25)	(7)	(9)	(61)	(48)	(107)	(32)	(155)	(225)
Net earnings - common shareholders	102	40	(25)	433	250	544	142	794	1,202

Capital & Risk Solutions Drivers of Earnings – Reconciliation

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Base earnings: insurance service result (ISR)	202	160	189	89	211	192	362	403	681
Base earnings: net investment result (NIR)	26	20	18	—	8	5	46	13	31
Base earnings: other income and expenses	(25)	(23)	(26)	(33)	(29)	(26)	(48)	(55)	(114)
Base earnings	203	157	181	56	190	171	360	361	598
Base earnings adjustments (pre-tax)									
NIR - market experience relative to expectations	(9)	22	(201)	147	11	97	13	108	54
NIR - assumption changes and management actions	(5)	—	5	(31)	1	(5)	(5)	(4)	(30)
Tax on items excluded from base earnings	(20)	5	18	(46)	(23)	(29)	(15)	(52)	(80)
Total	(34)	27	(178)	70	(11)	63	(7)	52	(56)
Net earnings - common shareholders	169	184	3	126	179	234	353	413	542
Income statement (total)									
Insurance service result	202	160	189	89	211	192	362	403	681
Net investment result	12	42	(178)	116	20	97	54	117	55
Other income and expenses	(10)	(12)	(16)	(15)	(13)	(15)	(22)	(28)	(59)
Earnings before income taxes	204	190	(5)	190	218	274	394	492	677
Taxes, income attributed to non-controlling interests and participating policies, preferred share dividends	(35)	(6)	8	(64)	(39)	(40)	(41)	(79)	(135)
Net earnings - common shareholders	169	184	3	126	179	234	353	413	542

Lifeco Corporate Drivers of Earnings – Reconciliation

(C\$MM)	2023		2022				YTD 2023	YTD 2022	Fiscal 2022
	Q2	Q1	Q4	Q3	Q2	Q1			
Drivers of earnings analysis (base)									
Base earnings: insurance service result (ISR)	—	—	—	—	—	—	—	—	—
Base earnings: net investment result (NIR)	9	8	8	10	11	7	17	18	36
Base earnings: other income and expenses	(20)	(13)	(26)	(14)	(12)	(10)	(33)	(22)	(62)
Base earnings	(11)	(5)	(18)	(4)	(1)	(3)	(16)	(4)	(26)
Base earnings adjustments (pre-tax)									
NIR - market experience relative to expectations	—	(11)	(2)	4	14	5	(11)	19	21
Tax on items excluded from base earnings	—	3	—	(1)	(4)	(1)	3	(5)	(6)
Total	—	(8)	(2)	3	10	4	(8)	14	15
Net earnings - common shareholders	(11)	(13)	(20)	(1)	9	1	(24)	10	(11)
Income statement (total)									
Net investment result	9	(3)	6	14	25	12	6	37	57
Other income and expenses	(15)	(7)	(19)	(5)	(5)	(2)	(22)	(7)	(31)
Earnings before income taxes	(6)	(10)	(13)	9	20	10	(16)	30	26
Taxes, income attributed to non-controlling interests and participating policies, preferred share dividends	(5)	(3)	(7)	(10)	(11)	(9)	(8)	(20)	(37)
Net earnings - common shareholders	(11)	(13)	(20)	(1)	9	1	(24)	10	(11)

Drivers of Earnings - Glossary

Drivers of earnings	Description	Characteristics
Expected insurance earnings		
Risk adjustment release	Release of in-period insurance risk margins into profit for non-Premium Allocation Approach (PAA) insurance contracts.	Stable period to period and emerges predictably into earnings assuming cash flows materialize as expected.
CSM recognized for services provided	Contractual service margin (CSM) recognized for services provided in-period. A representation of earned profit released in-period relating to non-PAA insurance contracts.	Stable period to period and emerges predictably into earnings.
Short-term insurance earnings	Represents expected profits from Group Life & Health and other short-term insurance contracts measured under the PAA measurement model. Excludes fee-based service contracts and experience gains and losses.	Stable period to period and emerges predictably into earnings. Growth in expected short-term insurance earnings is driven by organic growth of in-force business, margins and net sales.
Impact of new insurance business	Represents "onerous" contracts written in-period. Onerous contracts may become non-onerous as a result of subsequent measurement.	Onerous contracts expected to comprise a small proportion of in-force business.
Insurance experience gains and losses	Represents the difference between actual insurance experience and beginning of period expectation for claims and expense cash flows that do not adjust the CSM.	More volatile period to period reflecting actual claims experience. Majority of insurance experience gains and losses that impact current quarter earnings relate to group and individual life mortality, group and individual morbidity and expense gain/loss. Annuitant mortality, lapse and policyholder behaviour experience which mainly impact future fulfilment cash flows are typically reflected in adjustments to the CSM and accordingly will impact earnings in future periods.
Base earnings - insurance service result		
Expected investment earnings	Represents the difference between management's expected return on assets backing insurance contract liabilities and the unwinding of discount rates used to measure corresponding insurance contract liabilities. Includes the release of credit provisions in profit and the impact of credit experience for the period as well as the impact of certain trading activity on fixed income assets and non-directly attributable investment expenses.	Most volatility in net investment result, which arises from changes in risk-free interest rates, credit spreads and over (under) performance of non-fixed income assets compared to expectations, is largely excluded from base earnings. Modest volatility remains in expected investment earnings due to changes in interest rates, credit experience and certain trading activity.
Earnings on surplus	Represents expected investment income on surplus assets net of associated investment expenses. Base earnings on surplus excludes mark-to-market impacts on surplus assets as well as realized gain/losses on surplus assets held at fair value through other comprehensive income (OCI).	Relatively stable period to period. Grows with surplus asset balance and corresponding asset returns.
Base earnings - net investment result		
Net fee and spread income	Represents net fee income earned, covering businesses such as segregated funds without guarantees, mutual funds products, pension administration / record keeping, and other administrative services only (ASO) contracts. Additionally includes spread income earned on certain general account investment products which represents the difference between earned rates and rates credited to clients; as well as the par transfer on participating account business.	Asset-based fee and spread income will correspond with level of assets under management/administration driven by business growth and macroeconomic factors as well as expense margins. Non asset-based fee income will correspond with non-asset based drivers (e.g. participants or claims volumes) as well as expense margins.
Non-directly attributable and other expenses	Represents non-directly attributable insurance contract expenses as well as financing costs and amortization of finite life intangible assets (excluding amortization of acquisition-related finite life intangible assets).	Non-directly attributable and other expenses should grow at pace with overall business growth.
Income taxes on base earnings	The income tax expense for the period represents the sum of current income tax and deferred income tax on base earnings.	Corresponds with earnings levels.
Non-controlling interests, preferred dividends and other	Non-controlling interests in subsidiaries represents the proportion of equity that is attributable to minority shareholders. Preferred dividends are dividends that are allocated to and paid on the Company's preferred shares.	Corresponds with earnings levels.
Base earnings (loss)		

Drivers of Earnings - Glossary

Drivers of earnings	Description	Characteristics
Items excluded from base earnings		
Market experience relative to expectations	<p>The net earnings impact related to the direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, which includes:</p> <ul style="list-style-type: none"> the impact of hedge ineffectiveness related to segregated fund guarantee liabilities that are hedged and the performance of the related hedge assets; the impact on segregated fund guarantee liabilities not hedged; the market-related impacts that are different than expectations on surplus assets, general account assets and the insurance and investment contract liabilities they support; other market impacts on general account assets and the insurance and investment contract liabilities they support that cannot be attributed to expectations within the period. 	Significant volatility which arises from changes in risk-free interest rates, credit spreads and over (under) performance of non-fixed income assets relative to management's expectations.
Assumption changes and management actions	The net earnings impact of: (i) revisions to the methodologies and assumptions used in the measurement of the Company's assets, insurance contract liabilities and investment contract liabilities, and (ii) actions taken by management in the current reporting period which include, but are not limited to, changes in in-force product features (including prices), and new or revised reinsurance deals on in-force business. Assumption changes and management actions are excluded from base earnings.	Based on experience. Moderated impacts compared to IFRS 4 as certain assumption changes adjust the CSM rather than impacting earnings.
Other items excluded from base earnings	<p>Acquisition transaction costs;</p> <p>Restructuring and integration costs;</p> <p>Amortization of acquisition related finite life intangible assets;</p> <p>Material legal settlements, material impairment charges related to goodwill and intangible assets, impacts of income tax rate changes and other tax impairments, net gains, losses or costs related to the disposition or acquisition of a business; and other items that, when removed, assist in explaining the Company's underlying business performance.</p>	Includes items that are typically less predictable and are not indicative of the Company's underlying business performance.
Total items excluded from base earnings		
Net earnings - common shareholders		