REPORT TO SHAREHOLDERS

2024

Second Quarter Results

For the period ended June 30, 2024

GREAT-WEST LIFECO INC.

E1138(06/24)-08/24

Quarterly Report to Shareholders

For cautionary notes regarding forward-looking information and non-IFRS financial measures, see page 2.

This report available at www.greatwestlifeco.com or by contacting the Corporate Secretary’s Office at 204-946-4388.

GREAT-WEST LIFECO INC.

QUARTERLY REPORT TO THE SHAREHOLDERS

January 1 to June 30, 2024 Six Months Results

The condensed consolidated interim unaudited financial statements including notes at June 30, 2024 were approved by the Board of Directors at a meeting held today.

Great-West Lifeco Inc. (Lifeco or the Company) today announced its second quarter 2024 results.

Key Financial Highlights

	In-Quarter			Year-to-Date	
	Q2 2024	Q1 2024	Q2 2023	**2024**	2023
Base earnings[1,4]	**$1,038**	$978	$920	**$2,016**	$1,746
Net earnings from continuing operations	**$1,005**	$1,031	$569	**$2,036**	$1,183
Net earnings	**$1,005**	$960	$498	**$1,965**	$1,093
Base EPS[2,4]	**$1.11**	$1.05	$0.99	**$2.16**	$1.87
Net EPS from continuing operations	**$1.08**	$1.10	$0.61	**$2.18**	$1.27
Net EPS	**$1.08**	$1.03	$0.53	**$2.11**	$1.17
Base ROE[2,3,4]	**17.2%**	17.0%	15.9%		
ROE – continuing operations[3]	**16.2%**	14.6%	12.2%		

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

[2] Base EPS and base return on equity are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

[3] Base return on equity and return on equity – continuing operations are calculated using the trailing four quarters of applicable earnings and common shareholders' equity.

[4] Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a “pro forma” basis as if the legislation was enacted in the first quarter of 2024.

Record base earnings[1] of $1,038 million or $1.11 per common share, up 13% from $920 million a year ago reflects pre-tax growth in all segments from favourable group experience in Canada and Europe, higher net fee income from higher equity markets, realization of expense synergies, organic business growth and higher surplus income from higher interest rates. These items were partly offset by credit related impacts and lower spread income in the U.S., weaker U.S. traditional life experience and a higher effective tax rate in the Europe and Capital & Risk Solutions segments following the implementation of Global Minimum Tax (GMT) legislation.

Net earnings from continuing operations of $1,005 million or $1.08 per common share, compared to $569 million a year ago reflects improved market experience from interest rate movements and improved non-fixed income assets experience, and lower expenses related to business transformation activities primarily in Europe and Empower. The second quarter of 2023 included realized OCI losses of $121 million from asset rebalancing in the Europe segment that did not repeat.

GREAT-WEST LIFECO INC.

Highlights

- Record base earnings for the fourth consecutive quarter:
    - Solid base earnings growth across all our segments.
    - Base and net earnings both topped $1 billion.
    - Base ROE at the top end of the range of our medium-term objective.
    - Strong regulatory capital levels continue to provide substantial flexibility.
- Growth strategy is driving upward momentum across Wealth and Retirement businesses:
    - Strong year-over-year AUA[5] growth of 40% in Canada and 16% in Europe
    - In Canada, continue to make progress on the integration of the recent acquisitions of Investment Planning Counsel (IPC) and Value Partners, which have contributed $250 million of net asset inflows in 2024.
    - Delivered a sixth straight quarter of growth across all value drivers in Europe, with growth in Savings, Pension and Investment Only flows, as well as continued growth in wealth management sales.
    - At Empower, robust year-over-year AUA growth in Defined Contribution (DC) of 13% and 21% in Personal Wealth.
- United States segment is on course to become the largest segment within the Company's portfolio this year[6]:
    - U.S. continues to report double-digit earnings growth of 19%, in-line with the objective provided in 2023.
    - Strong earnings growth has resulted in a year-over-year increase of 1.9% in base ROE and an increase of 2.9% in ROE from continuing operations for the U.S. segment.
    - Prudential integration has been completed in the second quarter of 2024. Retention targets have been exceeded and the expected US$180 million pre-tax of run rate cost synergies have been achieved.
    - Results at Empower are driven by market performance and positive net flows in Personal Wealth.
    - Strong organic growth, including recent wins in the public sector, as well as in the Large, Mega, and Non-Profit (LMN) DC markets.
- Strategic investments to strengthen and support our business over the long-term:
    - Sound investment decisions that drive long-term value creation:
        - AON and Irish Life Investment Managers launched a €500m climate transition fund.
        - Canada Life Asset Management (CLAM) completed first real estate transaction in Germany.

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

[6] Based on the U.S. segment as a percentage of base earnings in 2024 and assuming base earnings in the U.S. segment grows 15-20% over 2023 comparative period as per the objective provided in 2023.

SEGMENTED OPERATING RESULTS

For reporting purposes, Lifeco's consolidated operating results are grouped into five reportable segments – Canada, United States, Europe, Capital and Risk Solutions and Lifeco Corporate – reflecting the management and corporatestructure of the Company. For more information, refer to the Company's second quarter of 2024 interim Management's Discussion and Analysis (MD&A).

	In-Quarter			Year-to-Date	
	Q2 2024	Q1 2024	Q2 2023	**2024**	2023
Segment base earnings[7,8]					
Canada	**$322**	$302	$283	**$624**	$561
United States	**324**	286	265	**610**	483
Europe	**206**	197	180	**403**	358
Capital and Risk Solutions	**190**	195	203	**385**	360
Lifeco Corporate	**(4)**	(2)	(11)	**(6)**	(16)
Total base earnings[7,8]	**$1,038**	$978	$920	**$2,016**	$1,746
Segment net earnings from continuing operations					
Canada	**$335**	$353	$148	**$688**	$381
United States	**274**	233	161	**507**	331
Europe	**201**	187	102	**388**	142
Capital and Risk Solutions	**155**	260	169	**415**	353
Lifeco Corporate	**40**	(2)	(11)	**38**	(24)
Total net earnings from continuing operations	**$1,005**	$1,031	$569	**$2,036**	$1,183
Net earnings (loss) from discontinued operations	**-**	(115)	(71)	**(115)**	(90)
Net gain on disposal of discontinued operations	**-**	44	-	**44**	-
Total net earnings	**$1,005**	$960	$498	**$1,965**	$1,093

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

8 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for Europe and Capital and Risk Solutions segments for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024.

CANADA

- **Q2 Canada segment base earnings of $322 million and net earnings of $335 million** – Base earnings of $322 million increased by $39 million, or 14%, compared to the same quarter last year, reflecting favourable long-term disability and health experience and organic growth in Workplace Solutions, higher net fee and spread income partially driven by the addition of IPC and Value Partners, and favourable tax impacts in the quarter. These items were partially offset by higher operating expenses driven by business growth.

UNITED STATES

- **Q2 United States segment base earnings of US$236 million ($324 million) and net earnings from continuing operations of US$200 million ($274 million)** – Base earnings of US$236 million increased by US$38 million, or 19%, compared to the second quarter of 2023, primarily due to increased fee income driven by higher equity markets, partially offset by US$29 million ($40 million) of credit related earnings impacts on commercial mortgage loans and lower spread income. The current period results also include a US$22 million ($30 million) fee income adjustment to earnings related to Prudential and US$9 million ($12 million) of dividends on Franklin Templeton shares.

EUROPE

- **Q2 Europe segment base earnings of $206 million and net earnings of $201 million** – Base earnings of $206 million increased by $26 million, or 14%, compared to the same quarter last year, primarily due to favourable group experience in the U.K., higher fee and surplus income and CSM recognized, partially offset by weaker health claims experience in Ireland and higher taxes reflecting the impact of the GMT.

CAPITAL AND RISK SOLUTIONS

- **Q2 Capital and Risk Solutions segment base earnings of $190 million and net earnings of $155 million –** Base earnings of $190 million decreased by $13 million, or 6%, compared to the same quarter last year, as growth in the structured business and higher net investment revenue were more than offset by weaker experience in the U.S. traditional life business and higher taxes reflecting the impact of the GMT. Excluding the $24 million impact of the GMT, base earnings were up 5% compared to the second quarter of 2023.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of $0.555 per share on the common shares of Lifeco payable September 27, 2024 to shareholders of record at the close of business August 30, 2024.

In addition, the Directors approved quarterly dividends on Lifeco's preferred shares, 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

August 6, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED JUNE 30, 2024

DATED: AUGUST 6, 2024

This Management's Discussion and Analysis (MD&A) presents management's view of the financial condition, financial performance and cash flows of Great-West Lifeco Inc. (Lifeco or the Company) for the three and six months ended June 30, 2024 and includes a comparison to the corresponding periods in 2023, to the three months ended March 31, 2024, and to the Company's financial condition as at December 31, 2023, as applicable. This MD&A provides an overall discussion, followed by analysis of the performance of Lifeco's four major reportable segments: Canada, United States (U.S.), Europe, and Capital and Risk Solutions.

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Basis of Presentation and Summary of Material Accounting Policies

The condensed consolidated financial statements of Lifeco, which are the basis for data presented in this report, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) unless otherwise noted and are presented in millions of Canadian dollars unless otherwise indicated. This MD&A should be read in conjunction with the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2024. Refer also to the "Accounting Policies" section of this MD&A and the Annual MD&A and audited consolidated financial statements for the year ended December 31, 2023.

Base earnings figures for the first quarter of 2024 are presented on a "pro forma" basis as if the Global Minimum Tax legislation had been enacted in Canada in the first quarter of 2024. Base earnings have been presented on this basis for the Europe and Capital & Risk Solutions segments, at the Lifeco consolidated level and also by value driver. See the “Taxes” section in this MD&A for further details.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "will", "may", "expects", "anticipates", "intends", "plans", "believes", "estimates", "objective", "target", "potential" and other similar expressions or negative versions thereof. Forward-looking information includes, without limitation, statements about the Company and its operations, business (including business mix), financial condition, expected financial performance (including revenues, earnings or growth rates, medium-term financial objectives and base earnings objectives for the Empower business), strategies and prospects, expected costs and benefits of acquisitions and divestitures (including timing of integration activities and timing and extent of revenue and expense synergies), expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities and solutions and investments in strategic partnerships), expected utilization of restructuring provisions, value creation and realization and growth opportunities, expected dividend levels, expected cost reductions and savings, expected capital management activities and use of capital, estimates of risk sensitivities affecting capital adequacy ratios, anticipated global economic conditions, and the impact of regulatory developments on the Company's business strategy and growth objectives.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. In particular, in setting its objective to achieve base earnings growth in the Empower business of 15-20% in 2024, management has assumed pre-tax revenue synergies related to the Prudential acquisition of US$20 million by the end of 2024 and that the performance of equity, interest rate and credit markets during the relevant period is consistent with management's expectations, which take into account current market information and assume no credit impairments. In arriving at our assessment of the Company's potential exposure to Pillar Two income taxes and our expectation regarding the impact on our effective income tax rate and base earnings, management has relied on its interpretation of the relevant legislation. It has also assumed a starting point of its current mix of business and base earnings growth consistent with management's base earnings objectives disclosed in this MD&A. In all cases, whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the ability to integrate and leverage acquisitions and achieve anticipated benefits and synergies, the achievement of expense synergies and client retention targets from the acquisition of the Prudential retirement business, the Company's ability to execute strategic plans and adapt or recalibrate these plans as needed, the Company's reputation, business competition, assumptions around sales, pricing, fee rates, customer behaviour (including contributions, redemptions, withdrawals and lapse rates), mortality and morbidity experience, expense levels, reinsurance arrangements, global equity and capital markets (including continued access to equity and debt markets and credit instruments on economically feasible terms), geopolitical tensions and related economic impacts, interest and foreign exchange rates, inflation levels, liquidity requirements, investment values and asset breakdowns, hedging activities, financial condition of industry sectors and individual issuers that comprise part of the Company's investment portfolio, credit ratings, taxes, impairments of goodwill and other intangible assets, technological changes, breaches or failure of information systems and security (including cyber attacks), assumptions around third-party suppliers, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, changes in actuarial standards, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, unplanned changes to the Company's facilities, customer and employee relations, levels of administrative and operational efficiencies, and other general economic, political and market factors in North America and internationally.

The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors listed in other filings with securities regulators, including factors set out in the "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" sections of this document and in the Company's annual information form dated February 14, 2024 under "Risk Factors", which, along with other filings, is available for review at www.sedarplus.com. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking information.

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

Important Note Regarding Sustainability Disclosure

Certain forward-looking statements in the Company's filings relate to the Company's climate-related and diversity-related measures, objectives, goals, priorities, strategies and commitments or actions that will be taken to achieve them. The climate-related statements include statements with respect to achieving net-zero GHG emissions for its operating and financing activities by 2050, the Company's initial interim net zero goals for operations and investments, the Company's plan to review and revise initial interim net zero goals as appropriate, the causes and potential impacts of climate change globally, and the Company's approach to identifying and managing climate-related risks and opportunities. The diversity-related statements include statements with respect to growing representation of women and underrepresented minorities in management. The forward-looking information in this update is presented for the purpose of assisting our stakeholders in understanding how we currently intend to address climate-related and diversity-related governance, strategy, risks, opportunities, and objectives, and is not appropriate for other purposes.

Any commitments, objectives, goals, ambitions or targets discussed here, including but not limited to the Company's net-zero related goals (including interim net zero goals) and diversity-related measures, are aspirational. They may need to change or be recalibrated as data improve and as climate science, regulatory requirements and market practices regarding standards, methodologies, metrics and measurements evolve. Our climate risk analysis and net-zero strategy remain under development, and the data underlying our analysis and strategy remain subject to evolution over time and the scope of assets to be included in our 2050 net zero related goals, remains under review. While the Company has begun to develop a global transition plan in connection with its net-zero related goals, the Company does not currently have a comprehensive transition plan in place to achieve these goals and the timing for completion of the plan is uncertain. Moreover, the data needed to define the Company's plan to achieve those goals is limited in quality, unavailable or inconsistent across the sectors the Company chooses to focus on. We are also continuing to develop our diversity-related data. There is a strong possibility that our expectations, forecasts, estimates, predictions and conclusions may not prove to be accurate and our assumptions may prove to be incorrect, and there is a material risk we will not achieve our climate-related and diversity-related goals, objectives, ambitions, strategies and commitments. In addition, many of the assumptions, standards, metrics and measurements used in preparing these forward-looking statements are not audited or independently verified, have limited comparability and continue to evolve.

Any goals, objectives, priorities, ambitions, commitments or targets discussed in the Company's filings, may also need to change or be recalibrated to meet our other strategic objectives and the reasonable expectations of our stakeholders, including expectations around financial performance. As a financial services company, our primary purpose is to provide our clients and customers with solutions to meet their financial security needs and to deliver on the promises we make to them. Our ability to fulfil this corporate purpose depends in large part on effective and responsible capital allocation and the ability to create value within the boundaries of our stakeholders' expectations, including expectations around financial performance. The path to achieving net zero and our climate-related objectives will require significant investment, resources, systems and technologies by third parties we do not control. Faced with a wide range of stakeholder interests, we will need to effectively manage trade-offs and make choices about how to deploy financial and human capital. These choices could include prioritizing other strategic objectives over our climate-related goals in pursuit of fulfilling our primary purpose, delivering value to our stakeholders and meeting expectations around financial performance. As our business, our industry and climate science evolve over time, we may need to adjust our climate-related goals and our approach to meeting them. We will also need to remain thoughtful about the regulatory and business environment of the jurisdictions in which we operate, as our ability to achieve our climate goals is contingent on the success of our partners and communities.

We caution readers not to place undue reliance on forward-looking statements because numerous factors (many of which are beyond the control of the Company) may cause actual results to differ materially from those expressed or implied by forward-looking information and impact the Company's ability to achieve its climate-related and diversity-related goals, objectives, priorities, ambitions, strategies and targets. These factors include, without limitation, the transition to a low-carbon economy, the need for more and better climate data and standardization of climate-related measurement methodologies, our ability to gather and verify data, our ability to develop indicators to effectively monitor our advancements and assess and manage climate-related risks, the need for active and continued action by stakeholders (including governmental and non-governmental organizations, our counterparties and other businesses and individuals), trade-offs and choices we make that prioritize other strategic objectives and financial performance over our climate-related objectives, the ability of clients, regulators and suppliers to meet and report on their publicly stated emissions and commitments, the viability of third-party decarbonization scenarios, the availability of carbon offset and renewable energy instruments on economically feasible terms, compliance with our policies and procedures, our ability to recruit and retain key personnel in a competitive environment for talent, technological advancements, the evolution of consumer behaviour, varying decarbonization efforts across economies, the challenges of balancing emission reduction objectives with an orderly, just and inclusive transition and geopolitical factors that impact global energy needs, the legal and regulatory environment, and regulatory compliance considerations. In relation to our climate-related objectives, goals, objectives, priorities, ambitions, strategies and targets, there are limitations and uncertainties inherent in climate science, climate risk analysis and reporting. The Company has made good faith approximations and assumptions in establishing its interim Scope 1 and 2 reduction goals and initial reduction goals for Scope 3 financed emissions. However, there are many factors that are the subject of ongoing climate science and that we cannot foresee or accurately predict which will impact our ability to achieve those goals.

Cautionary Note Regarding Non-GAAP Financial Measures and Ratios

This MD&A contains some non-Generally Accepted Accounting Principles (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 (loss) (US$)", "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 return on equity (ROE)", "base dividend payout ratio" and "effective income tax rate – base earnings – common shareholders". 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. Refer to the "Non-GAAP Financial Measures and Ratios" section in this MD&A for the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP as well as additional details on each measure and ratio.

Consolidated Operating Results

Selected consolidated financial information

(in Canadian $ millions, except per share amounts)	As at or for the three months ended **June 30 2024**	March 31 2024	June 30 2023	For the six months ended **June 30 2024**	June 30 2023
Base earnings[1,2]	$ 1,038	$ 978	$ 920	$ 2,016	$ 1,746
Net earnings from continuing operations[3]	1,005	1,031	569	2,036	1,183
Net earnings - common shareholders	1,005	960	498	1,965	1,093
Per common share					
Basic:					
Base earnings[2,4]	1.11	1.05	0.99	2.16	1.87
Net earnings from continuing operations	1.08	1.10	0.61	2.18	1.27
Net earnings	1.08	1.03	0.53	2.11	1.17
Dividends paid	0.555	0.555	0.520	1.110	1.040
Book value[3]	25.36	24.74	23.22		
Base return on equity[2,4]	17.2 %	17.0 %	15.9 %		
Return on equity - continuing operations[3]	16.2 %	14.6 %	12.2 %		
Base dividend payout ratio[2,4]	50.0 %	52.9 %	52.6 %		
Dividend payout ratio[3]	51.4 %	54.4 %	97.4 %		
Financial leverage ratio[5]	29 %	30 %	31 %		
Total assets per financial statements	$ 749,562	$ 736,722	$ 690,003		
Total assets under management[1]	961,501	941,373	1,042,373		
Total assets under administration[1]	2,929,042	2,855,164	2,643,378		
Total contractual service margin (net of reinsurance contracts held)	$ 13,008	$ 13,047	$ 13,058		
Total equity	$ 30,870	$ 30,239	$ 28,774		
Canada Life Assurance Company consolidated LICAT Ratio[6]	130 %	129%	126%		

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 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

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

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

5 The calculation for financial leverage ratio includes the after-tax non-participating contractual service margin (CSM) balance in the denominator, excluding CSM associated with segregated fund guarantees. This reflects that the CSM represents future profit and is considered available capital under LICAT. These ratios are estimates based on available data.

6 The Life Insurance Capital Adequacy Test (LICAT) Ratio is based on the consolidated results of The Canada Life Assurance Company, Lifeco's major Canadian operating subsidiary. The LICAT Ratio is calculated in accordance with the Office of Superintendent of Financial Institutions' guideline - Life Insurance Capital Adequacy Test. Refer to the "Capital Management and Adequacy" section of this document for additional details.

2024 Developments

- Under International Pillar Two tax reform, the Organization for Economic Co-Operation and Development (OECD) introduced a 15% Global Minimum Tax (GMT) regime that has been adopted by all countries in which the Company has significant operations, other than the U.S. Canada enacted GMT legislation on June 20, 2024 which applies retroactively to January 1, 2024. Other countries where the Company has significant operations, including Barbados, Germany, Ireland and the U.K. had previously enacted GMT legislation, effective January 1, 2024.

  The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rates are below 15%. In the second quarter of 2024, the Company recognized a GMT current tax expense of $62 million, primarily related to its operations in Barbados and Ireland. This included $34 million, for the retroactive application for the first quarter of 2024 as a result of Canada’s enactment of legislation in the quarter, primarily in respect of Barbados where the GMT was contingent upon Canada’s enactment.

- In the second quarter of 2024, the integration of Prudential’s full-service retirement services business into Empower was completed and retention targets have been exceeded. The integration delivered the expected US$180 million pre-tax run rate cost synergies.

- On July 1, 2024, Canada Life successfully moved Investment Planning Counsel Inc. (IPC) to Canada Life's financial systems, programs and processes, technology and human resources. IPC continues to operate as a separate brand in the Canadian wealth marketplace.

- In the United States, on January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments to Franklin Resources, Inc., operating as "Franklin Templeton", in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US$375 million over a five to seven-year period. In the first quarter of 2024, the Company recorded a net loss of $115 million reflecting closing costs as well as a $44 million final gain on sale within discontinued operations. Lifeco retains its controlling interest in PanAgora Asset Management, a leading quantitative asset manager. The Company currently holds approximately 31,600,000 Franklin Templeton shares and will hold a majority of these shares for a minimum five-year period.

  In addition to the sale, Lifeco, along with Power Corporation of Canada and Franklin Templeton, has entered into a strategic partnership to distribute Franklin Templeton products. Lifeco will provide an initial long-term asset allocation of US$25 billion assets under management to Franklin Templeton within 12 months of closing with the potential for that amount to increase over the next several years.

Base and Net Earnings

Consolidated base earnings and net earnings of Lifeco include the base earnings and net earnings of Canada Life (and its operating subsidiaries), Empower and PanAgora Asset Management, together with Lifeco's Corporate operating results. Net earnings also include the earnings from Putnam Investments reported as discontinued operations.

For a further description of base earnings, refer to the "Non-GAAP Financial Measures and Ratios" section of this document.

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1,2]					
Canada	$ 322	$ 302	$ 283	$ 624	$ 561
United States	324	286	265	610	483
Europe[2]	206	197	180	403	358
Capital and Risk Solutions[2]	190	195	203	385	360
Lifeco Corporate	(4)	(2)	(11)	(6)	(16)
Lifeco base earnings[1,2]	$ 1,038	$ 978	$ 920	$ 2,016	$ 1,746
Items excluded from base earnings					
Market experience relative to expectations[3]	$ 28	$ 107	$ (79)	$ 135	$ (247)
Realized OCI gains / (losses) from asset rebalancing	—	—	(121)	—	(121)
Assumption changes and management actions[3]	39	(1)	(4)	38	3
Other non-market related impacts[2,4]	(100)	(53)	(147)	(153)	(198)
Items excluded from Lifeco base earnings[2]	$ (33)	$ 53	$ (351)	$ 20	$ (563)
Net earnings (loss) from continuing operations[3]					
Canada	$ 335	$ 353	$ 148	$ 688	$ 381
United States	274	233	161	507	331
Europe	201	187	102	388	142
Capital and Risk Solutions	155	260	169	415	353
Lifeco Corporate	40	(2)	(11)	38	(24)
Lifeco net earnings from continuing operations[3]	$ 1,005	$ 1,031	$ 569	$ 2,036	$ 1,183
Net earnings (loss) from discontinued operations	—	(115)	(71)	(115)	(90)
Net gain from disposal of discontinued operations	—	44	—	44	—
Lifeco net earnings - common shareholders	$ 1,005	$ 960	$ 498	$ 1,965	$ 1,093

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 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

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

4 Included in other non-market related impacts are business transformation impacts (including restructuring and integration costs as well as acquisition and divestiture costs), amortization of acquisition-related intangible assets and tax legislative changes impact.

Base Earnings

Base earnings for the second quarter of 2024 of $1,038 million ($1.11 per common share) increased by $118 million or 13% from $920 million ($0.99 per common share) a year ago reflecting pre-tax growth from all segments, the successful integration of recent acquisitions in the U.S. and Canada segments and broadly positive insurance experience. The impact of GMT implementation is reflected in results for the Capital and Risk Solutions and Europe segments.

Base earnings growth for the second quarter of 2024 was driven by improved net fee and spread income driven by equity market growth as well as the addition of IPC and Value Partners, strong Workplace Solutions earnings driven by group health experience and organic growth in the Canada segment, growth in the structured reinsurance business in the Capital and Risk Solutions segment and higher earnings on surplus. These items were partially offset by unfavourable experience in the U.S. life reinsurance business and the impact of the GMT implementation.

For the six months ended June 30, 2024, Lifeco's base earnings were $2,016 million ($2.16 per common share) compared to $1,746 million ($1.87 per common share) a year ago. The increase was primarily due to dividend income on Franklin

Templeton shares acquired through the Putnam divestiture in the U.S. segment as well as the same reasons discussed for the in-quarter results.

Base earnings for the six months ended June 30, 2024 include the negative impact of $66 million, primarily related to the enactment of the GMT legislation in Canada on June 20, 2024 which is retroactive to January 1, 2024. This negative impact includes a $34 million retroactive impact for the first quarter of 2024 as a result of Canada's enactment of legislation in the quarter. Earnings for the first quarter of 2024 have been presented on a "pro forma" basis as if the legislation had been enacted in the first quarter of 2024, reflecting the impact to base earnings in the Europe segment of $7 million and Capital and Risk Solutions segment of $27 million. Refer to the "Taxes" section of this document for further details.

Net Earnings

Lifeco's net earnings from continuing operations for the three month period ended June 30, 2024 of $1,005 million ($1.08 per common share) increased by $436 million or 77% compared to $569 million ($0.61 per common share) a year ago. The increase was primarily due to an increase in base earnings, favourable risk-free interest rates and credit spread in-period movements in the Canada segment, and the impact of the finalization of a prior year reinsurance recapture transaction in the Lifeco Corporate segment. Additionally, the prior period results included realized other comprehensive income (OCI) losses related to asset rebalancing in the surplus account as well as a loss from sale of Canada Life U.K.'s onshore individual protection business in the Europe segment and a provision related to Empower's sale of substantially all of its individual life and annuity business in 2019. These items were partially offset by less favourable interest rate movements in Europe and the implementation of GMT. The results from discontinued operations for the second quarter of 2024 were nil compared to a net loss of $71 million a year ago.

For the six months ended June 30, 2024, Lifeco's net earnings from continuing operations were $2,036 million ($2.18 per common share) compared to $1,183 million ($1.27 per common share) a year ago. The increase was primarily due to the same reasons discussed for the in-quarter results. The results from discontinued operations for the six months ended June 30 included a net loss of $115 million as well as a $44 million final gain on sale compared to a net loss of $90 million a year ago.

Lifeco's net earnings from continuing operations for the three month period ended June 30, 2024 of $1,005 million ($1.08 per common share) decreased by $26 million or 3% compared to $1,031 million ($1.10 per common share) in the previous quarter. The decrease was primarily due to less favourable market experience relative to expectations in the Capital and Risk Solutions and Canada segments and the implementation of GMT. These items were partially offset by higher base earnings in the U.S., Canada and Europe segments as well as the impact of the finalization of a prior year reinsurance recapture transaction in the Lifeco Corporate segment. The results from discontinued operations for the second quarter of 2024 as discussed for the year-over-year results were nil compared to a net loss of $115 million as well as a $44 million final gain on sale in the previous quarter.

Items Excluded from Base Earnings

Market Experience Relative to Expectations

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Public equity market impacts	$ 1	$ 26	$ (2)	$ 27	$ 2
Real estate and other non-fixed income asset impacts	(26)	(59)	(69)	(85)	(180)
Interest rate and other impacts	53	140	(8)	193	(69)
Total market experience relative to expectations	$ 28	$ 107	$ (79)	$ 135	$ (247)

Market experience relative to expectations, which are reflected in the net investment result of the Company's consolidated statement of earnings, positively impacted net earnings by $28 million in the second quarter of 2024 which compares favourably to negative impact of $79 million in the second quarter of 2023.

In-quarter impacts reflect interest rate movements including spread movements, lower returns than expected on real estate assets, partially offset by higher returns on other non-fixed income assets. The positive interest rate and other impacts result primarily arose from liabilities decreasing by more than their supporting assets in the Canada and Europe segments, driven by risk-free rate increases. The lower returns than expected on real estate and other non-fixed income assets arose on real estate assets in the U.K. and Canada, partially offset by higher returns than expected on other non-fixed income assets in Canada.

For the six months ended June 30, 2024, market experience relative to expectations positively impacted net earnings by $135 million which compares favourably to negative impact of $247 million for the same period in 2023. The 2024 year-to-date positive impact was primarily due to risk-free rate increases, partially offset by lower returns than expected on real estate assets.

In order to mitigate the Company's exposure to interest rate fluctuations, the Company follows disciplined processes for matching asset and liability cash flows. As a result, the impact of changing interest rates is mostly mitigated in the current period, with the impact of changes in fair values of bonds backing insurance contract liabilities mostly offset by a corresponding change in the insurance contract liabilities. However, differences in the interest rate sensitivity in the value of assets and the value of insurance and investment contract liabilities leads to a sensitivity to interest rate movements in net earnings under IFRS 17 and IFRS 9, due to the Company's asset liability management strategies and accounting policy choices. These choices include consideration of the impact on regulatory capital, which can result in increased net earnings sensitivity, but decreased capital sensitivity. For example, the Company's asset liability management strategy uses public equities and other non-fixed income assets as a component of general fund assets supporting liabilities, which leads to interest rate exposure in the net earnings; and the classification of financial assets under IFRS 9 which are valued at amortized cost and held in the general fund assets supporting liabilities (for example, mortgage assets in the U.K.), also contributes to interest rate exposure in net earnings. Furthermore, sensitivities to interest rate movements vary depending upon the geography where the changes occur and the level of change in interest rates by term.

For a further description of the Company's sensitivity to equity market and interest rate fluctuations, including sensitivity disclosures as a result of current market conditions, refer to "Risk Management", note 6 to the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2024.

Assumption Changes and Management Actions

Under IFRS 17, assumption changes on insurance risks and certain management actions directly impact CSM, for contracts which have CSM. The impact of assumption changes and certain management actions on CSM are measured at locked-in rates, for contracts measured under the General Measurement Model.

Net earnings impacts arise from the fair value impact of measuring assumption changes impacting CSM at fair value (relative to the impacts on CSM measured at locked-in rates), as well as assumption changes on financial risks on certain products and assumption changes on insurance risks on contracts which do not have CSM (including short-term insurance contracts).

For the three months ended June 30, 2024, assumption changes and management actions resulted in a positive net earnings impact of $39 million and a decrease in CSM of $8 million on non-participating business. These impacts arise from management actions relating to the finalization of a prior year reinsurance recapture transaction, as well as minor assumption changes and model refinements. This compares to a negative net earnings impact of $4 million and a decrease in CSM of $17 million for the same quarter last year, and a negative net earnings impact of $1 million and a decrease in CSM of $10 million for the previous quarter.

In the Canada segment, net earnings were positively impacted by $1 million and the CSM was negatively impacted by $2 million. In the Europe segment, net earnings were negatively impacted by $2 million and CSM was negatively impacted by $6 million. In the Corporate segment, net earnings were positively impacted by $40 million.

For the six months ended June 30, 2024, assumption changes and management actions resulted in a positive net earnings impact of $38 million and a decrease in CSM of $18 million on non-participating business. This is compared to a positive net earnings impact of $3 million and a decrease in CSM of $22 million on non-participating business for the same period in 2023.

Other Items Excluded from Base Earnings

For the second quarter of 2024, other items excluded from base earnings were negative $100 million compared to negative $147 million a year ago. Business transformation costs were $29 million, a decrease of $82 million compared to the same period in the prior year. The decrease was primarily due to a provision related to Empower's sale of substantially all of its individual life and annuity business in 2019 and a loss from the sale of Canada Life U.K.'s onshore individual protection business in the prior year that did not repeat, partially offset by higher integration and restructuring costs related to the completion of the Prudential acquisition in the U.S. segment.

For the six months ended June 30, 2024, other items excluded from base earnings were negative $153 million compared to negative $198 million a year ago. Business transformation costs were $78 million, a decrease of $52 million compared to the same period in the prior year. The decrease was primarily due to the same reasons discussed for the in-quarter results. The results from discontinued operations included a net loss of $115 million reflecting Putnam transaction related closing costs as well as a $44 million final gain on sale in the first quarter of 2024 compared to a net loss of $90 million a year ago.

GMT legislation in Canada was enacted on June 20, 2024 and applies retroactively to January 1, 2024, which resulted in a negative $34 million retroactive charge for the first quarter of 2024. Base earnings and items excluded from base earnings (tax legislative changes impact) for the first quarter of 2024 are presented on a "pro forma" basis to reflect the impacts in the Europe segment of $7 million and the Capital and Risk Solutions segment of $27 million retroactively. Refer to the "Taxes" and "Non-GAAP Financial Measures and Ratios" sections of this document for further details.

Foreign Currency

The average currency translation rate for the second quarter of 2024 increased for the euro, the U.S dollar and the British pound, compared to the second quarter of 2023. For the three months ended June 30, 2024, the overall impact of currency movement on the Company's base earnings was an increase of $16 million (increase of $22 million year-to-date) compared to translation rates a year ago. The overall impact of currency movement on the Company's net earnings was an increase of $15 million (increase of 22 million year-to-date) compared to translation rates a year ago.

From March 31, 2024 to June 30, 2024, the market rates at the end of the reporting period used to translate the euro, the U.S. dollar and the British pound assets and liabilities to the Canadian dollar increased. The movements in end-of-period exchange rates impact the translation of foreign operations, including related hedging activities, resulting in post-tax unrealized foreign exchange gains of $240 million in-quarter, recorded in other comprehensive income.

Translation rates for the reporting period and comparative periods are detailed in the "Translation of Foreign Currency" section.

Taxes

The Company's effective income tax rate on earnings attributable to common shareholders and total Lifeco earnings are presented below.

Effective Income Tax Rates	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024[2,3]	June 30 2023	**June 30 2024[2]**	June 30 2023
Base earnings - common shareholders[1,2]	19.3 %	17.9 %	15.6 %	18.6 %	13.4 %
Net earnings - common shareholders[3]	19.4 %	15.1 %	12.0 %	17.3 %	9.2 %
Net earnings - total Lifeco	17.4 %	13.4 %	8.2 %	15.5 %	6.4 %

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

2 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative effective tax rates on base earnings are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024.

3 The Company recorded a current tax expense of $62 million during the second quarter of 2024, of which $34 million was retroactive to the first quarter of 2024. The Company's effective tax rate for the first quarter of 2024 would have been 17.8% had the Global Minimum Tax been enacted in the first quarter of 2024.

The Company's effective income tax rate is generally lower than the statutory income tax rate of 28.0% due to benefits related to non-taxable investment income and lower income tax in certain foreign jurisdictions.

Under International Pillar Two tax reform, the Organization for Economic Co-Operation and Development (OECD) introduced a 15% Global Minimum Tax (GMT) regime that has been adopted by all countries in which the Company has significant operations, other than the U.S. Canada enacted GMT legislation on June 20, 2024 which applies retroactively to January 1, 2024. Other countries where the Company has significant operations, including Barbados, Germany, Ireland and the U.K. had previously enacted GMT legislation, effective January 1, 2024.

The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rates are below 15%. In the second quarter of 2024, the Company recognized a GMT current tax expense of $62 million, primarily related to its operations in Barbados and Ireland. This included $34 million, for the retroactive application for the first quarter of 2024 as a result of Canada's enactment of legislation in the quarter, primarily in respect of Barbados where the GMT was contingent upon Canada's enactment.

The impact of the GMT on the Company's effective income tax rate on earnings attributable to common shareholders and total Lifeco earnings are presented below.

Impact of GMT on Effective Income Tax Rates	For the three months ended June 30, 2024	For the six months ended June 30, 2024
Base earnings - common shareholders[1]	2.1 %	2.6 %
Net earnings - common shareholders	4.8 %	2.6 %
Net earnings - total Lifeco	4.7 %	2.6 %

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

In the second quarter of 2024, the Company's effective income tax rates increased from the second quarter of 2023, primarily due to the GMT as well as the jurisdictional mix of earnings.

For the six months ended June 30, 2024, the Company's effective income tax rates were up from the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Refer to note 14 of the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2024 for further details.

Lifeco Value Drivers

The Company has a diversified mix of business across its reportable operating segments and accordingly supplements its analysis of results with reporting and disclosures by business type or "value driver". The Company focuses on three key value drivers for its business that extend across its reportable operating segments:

- Workplace Solutions
- Wealth & Asset Management
- Insurance & Risk Solutions

Lifeco Base Earnings by Value Driver

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1,2]					
Workplace Solutions	$ 512	$ 453	$ 454	$ 965	$ 899
Wealth & Asset Management	157	143	119	300	238
Insurance & Risk Solutions	335	352	377	687	669
Corporate	34	30	(30)	64	(60)
Lifeco base earnings[1,2]	$ 1,038	$ 978	$ 920	$ 2,016	$ 1,746
Lifeco net earnings from continuing operations[3]	$ 1,005	$ 1,031	$ 569	$ 2,036	$ 1,183

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 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

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

The information in the table above is a summary of base earnings by the Company's value drivers. Additional commentary regarding base earnings by value drivers is included, as applicable, in the sections below.

Workplace Solutions

The Company has built millions of trusted relationships with customers through Workplace Solutions. These relationships are based on the consistent delivery of health and wellness benefits, as well as retirement solutions that are delivered at scale through employer sponsored plans as a core part of the business. The Company is also building lifetime customer relationships through a focus on deepening the advice and solutions to better meet customers' retirement, investment and wellness needs.

Selected Financial Results

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1,2]	$ 512	$ 453	$ 454	$ 965	$ 899
Retirement net cash flows[3]	(4,936)	(8,814)	4,388	(13,750)	14,297
Fee and other income	1,226	1,125	1,067	2,351	2,086
Group life and health book premiums[3]	17,395	17,444	15,067		

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 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

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

Base earnings

Workplace Solutions base earnings for the second quarter of 2024 of $512 million increased by $58 million or 13% compared to the same quarter last year. The increase was primarily due to favourable long-term disability and health experience and organic business growth in the Canada segment, increased fee income in Empower Defined Contribution and favourable group experience in the U.K., partially offset by unfavourable health claims experience in Ireland.

For the six months ended June 30, 2024, Workplace Solutions base earnings of $965 million increased by $66 million or 7% compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results as well as growth in the group and annuity protection business in the U.K.

Net cash flows

Net cash outflows for the second quarter of 2024 were $4.9 billion compared to net cash inflows of $4.4 billion for the same quarter last year, primarily due to higher participant net redemptions in Empower Defined Contribution in the current year. Average account balances of participants have increased due to market growth over the past year, resulting in increased distributions, which have outpaced contributions. Net cash outflows for the second quarter of 2024 were also driven by one acquired Prudential large client loss which was in line with expectations. Overall, acquired Prudential retention targets have been exceeded.

For the six months ended June 30, 2024, net cash outflows were $13.8 billion compared to net cash inflows of $14.3 billion for the same period last year, primarily due to the same reason discussed for the in-quarter result, as well as a large plan redemption that was partially offset by another large plan addition in Empower Defined Contribution. Large plan sales can be highly variable from period to period and tend to be lower margin; but nevertheless contribute to covering fixed overhead costs.

Fee and other income

Fee and other income for the second quarter of 2024 of $1,226 million increased by $159 million compared to the same quarter last year, primarily due to the impact of higher equity market levels in Empower Defined Contribution and adjustments related to the Prudential acquisition in the U.S. segment and growth in administrative services only (ASO) fees in the Canada segment.

For the six months ended June 30, 2024, fee and other income of $2,351 million increased by $265 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Group life and health book premiums

Group life and health book premiums at June 30, 2024 were $17,395 million, a decrease of $49 million compared to March 31, 2024, primarily due to the termination of one large plan in the Canada segment, partially offset by organic growth of in-force business in the Canada and Europe segments.

Wealth & Asset Management

In partnership with over 106,000 advisor relationships globally at the start of 2024, the Company is delivering targeted and sophisticated solutions supported by personalized advice to meet customers' most complex personal wealth needs. The approach is enabled through investments in technology platforms and in market leading managed solutions to help advisors continue to meet the evolving needs of customers.

Selected Financial Results

	As at or for the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1,2]	$ 157	$ 143	$ 119	$ 300	$ 238
Wealth net cash flows[3,4]	3,784	219	1,882	4,003	8,139
Fee and other income	550	528	384	1,078	756
CSM, segregated fund products[5]	3,348	3,424	3,302		

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 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

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

4 Comparative results are restated for the re-mapping of certain business units to value drivers in the Europe segment following internal reviews for the period ended June 30, 2023.

5 The U.S. segment does not have a material CSM balance and has been excluded.

Base earnings

Wealth & Asset Management base earnings for the second quarter of 2024 of $157 million increased by $38 million or 32% compared to the same quarter last year. The increase was primarily due to higher net fee and spread income in the Canada and Europe segments driven by higher average equity markets as well as the addition of IPC and Value Partners in the Canada segment.

For the six months ended June 30, 2024, Wealth & Asset Management base earnings of $300 million increased by $62 million or 26% compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results as well as higher net fee and spread income in Empower Personal Wealth, partially offset by a favourable tax item from 2023 that did not repeat in the Canada segment.

Net cash flows

Net cash inflows for the second quarter of 2024 were $3,784 million compared to net inflows of $1,882 million for the same quarter last year, primarily due to higher wealth fund management sales in Ireland driven by a large client sale as well as the additions of IPC and Value Partners and higher individual wealth sales in the Canada segment. These items were partially offset by lower inflows in Empower Personal Wealth.

For the six months ended June 30, 2024, net cash inflows were $4,003 million compared to net cash inflows of $8,139 million for the same period last year, primarily due to lower inflows in Empower Personal Wealth. These items were partially offset by higher wealth fund management sales in Ireland driven by a large client sale as well as the additions of IPC and Value Partners and higher individual wealth sales in the Canada segment.

Fee and other income

Fee and other income for the second quarter of 2024 of $550 million increased by $166 million compared to the same quarter last year, primarily due to the additions of IPC and Value Partners in the Canada segment, higher assets under administration due to higher equity market levels and overall growth in the U.S. segment and higher management fees from higher average assets under administration in the Europe segment.

For the six months ended June 30, 2024, fee and other income of $1,078 million increased by $322 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

CSM, segregated fund products

CSM for segregated fund products at June 30, 2024 of $3,348 million decreased by $76 million compared to March 31, 2024, primarily due to unfavourable market impacts in the Europe segment and segregated fund net outflows in the Canada segment.

Insurance & Risk Solutions

The Company has a strong and stable insurance base which helps produce capital that is invested in areas of opportunity for growth. Additionally, with its sophisticated risk and capital management expertise, the Company is helping organizations manage their risks and deliver sustainable customer solutions. By leveraging this expertise, Lifeco is diversifying its portfolio, offsetting or counterbalancing risks and creating value for stakeholders including strong financial performance.

Selected Financial Results

	As at or for the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1,2]	$ 335	$ 352	$ 377	$ 687	$ 669
New business non-participating CSM, excluding segregated fund products[3]	82	127	85	209	144
Non-participating CSM, excluding segregated fund products[3]	6,163	6,209	5,896		

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 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

3 The U.S. segment does not have a material CSM balance and has been excluded.

Base earnings

Insurance & Risk Solutions base earnings for the second quarter of 2024 of $335 million decreased by $42 million or 11% compared to the same quarter last year. The decrease was primarily due to unfavourable experience in the U.S. life business and the impact of GMT in the Capital and Risk Solutions and Europe segments, partially offset by growth in the structured business in the Capital and Risk Solutions segment and improved mortality experience in the Canada segment.

For the six months ended June 30, 2024, Insurance & Risk Solutions base earnings of $687 million increased by $18 million or 3% compared to the same period last year. The increase was primarily due to growth in the structured business in the Capital and Risk Solutions segment, partially offset by the impact of GMT in the Capital and Risk Solutions and Europe segments.

New business non-participating CSM, excluding segregated fund products

Insurance & Risk Solutions new business non-participating CSM, excluding segregated fund products, for the second quarter of 2024 of $82 million was comparable to the same quarter last year.

For the six months ended June 30, 2024, Insurance & Risk Solutions new business non-participating CSM, excluding segregated fund products, of $209 million increased by $65 million compared to the same period last year, primarily due to higher new business growth in bulk and individual annuities in the U.K. in the Europe segment.

Non-participating CSM, excluding segregated fund products

Non-participating CSM, excluding segregated fund products, at June 30, 2024 of $6,163 million decreased by $46 million compared to March 31, 2024, primarily due to insurance experience losses across all segments, partially offset by strong contributions of CSM from new business in the Europe segment.

Segmented Operating Results

The segmented 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 and Putnam (primarily reflected as discontinued operations), 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 financial 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.

2024 Developments

- On July 1, 2024, Canada Life successfully moved Investment Planning Counsel Inc. (IPC) to Canada Life's financial systems, programs and processes, technology and human resources. IPC continues to operate as a separate brand in the Canadian wealth marketplace.
- To help clients maximize their short-term savings potential, Canada Life expanded its segregated fund lineup to offer a new high interest savings fund. Canada Life is committed to offering a broad range of solutions to help advisors manage their clients' investment goals through changing market environments. This offering allows clients to earn an attractive return, while preserving capital and maintaining flexibility.
- Canada Life is piloting the Rx Food app with selected plan sponsors for use by their members at no charge. The number of people with chronic diseases continues to rise in Canada. To help sponsors and their members deal with the impact, Canada Life is increasing its focus on providing more holistic chronic disease solutions by providing a 12-week medical nutrition program using technology to make nutrition easier, more personal and accessible.
- Canada Life has administered dental benefits for employees of the federal public service since 1987. As previously announced, Canada Life was also selected to administer the dental plan for retired public servants. The Government of Canada agreed to harmonize the implementation dates of these two plans to November 1, 2024 to improve the experience for all plan members.

Selected Financial Information - Canada

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1]					
Workplace Solutions	$ 190	$ 190	$ 164	$ 380	$ 323
Individual Wealth Management	59	52	46	111	107
Insurance & Annuities	58	58	63	116	106
Corporate	15	2	10	17	25
Base earnings (loss)[1]	$ 322	$ 302	$ 283	$ 624	$ 561
Items excluded from base earnings	13	51	(135)	64	(180)
Net earnings - common shareholders	$ 335	$ 353	$ 148	$ 688	$ 381
Sales[2]					
Group Life & Health	$ 124	$ 159	$ 108	$ 283	$ 288
Group Retirement	787	761	633	1,548	1,391
Workplace Solutions	911	920	741	1,831	1,679
Individual Wealth Management	4,577	4,465	2,174	9,042	4,832
Insurance & Annuities	161	155	154	316	310
Net cash flows[2]					
Group Retirement	$ 64	$ 253	$ 157	$ 317	$ 575
Individual Wealth Management	(402)	(276)	(524)	(678)	(961)
Net cash flows[2]	$ (338)	$ (23)	$ (367)	$ (361)	$ (386)
Fee and other income					
Workplace Solutions	$ 264	$ 263	$ 240	$ 527	$ 468
Individual Wealth Management	202	190	92	392	182
Individual Insurance	1	—	—	1	—
Corporate	7	7	9	14	16
Fee and other income	$ 474	$ 460	$ 341	$ 934	$ 666
Group life and health book premiums[2]	$ 14,896	$ 14,985	$ 12,761		
Total assets	$ 212,101	$ 210,404	$ 196,673		
Other assets under management[2,3]	13,293	13,424	3,971		
Total assets under management[1]	225,394	223,828	200,644		
Other assets under administration[2]	60,100	59,294	27,362		
Total assets under administration[1]	$ 285,494	$ 283,122	$ 228,006		
Contractual service margin					
Insurance & Annuities - Non-Participating	$ 1,124	$ 1,166	$ 1,213		
Individual Wealth Management - Segregated Funds	1,895	1,936	1,912		
Insurance & Annuities - Participating	3,232	3,145	3,241		
Contractual service margin	$ 6,251	$ 6,247	$ 6,366		

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 June 30, 2024, Canada Life had $7.1 billion of proprietary mutual fund assets held by retail clients ($7.1 billion at December 31, 2023). $3.6 billion ($3.3 billion as at December 31, 2023) of these assets are consolidated as investments on account of segregated fund policyholders on the Company's balance sheet.

Base and net earnings

In the second quarter of 2024, the Canada segment's base earnings of $322 million increased by $39 million or 14% compared to the same quarter last year, reflecting strong long-term disability and health experience driven by management actions in Workplace Solutions, organic growth in Workplace Solutions, higher net fee and spread income partially driven by the addition of IPC and Value Partners and higher equity markets, improved mortality experience in Insurance and Annuities, and favourable tax impacts. These items were partially offset by higher than normal commodity taxes in the second quarter of 2024.

In the second quarter of 2024, net earnings of $335 million increased by $187 million compared to the same quarter last year. Items excluded from base earnings were positive $13 million compared to negative $135 million for the same quarter last year. Market experience relative to expectations was positive $25 million in the second quarter of 2024 compared to negative $129 million in the same quarter last year, primarily due to favourable impacts of risk-free interest rate and credit spread movements in the current quarter compared to unfavourable impacts in the prior year, and less unfavourable non-fixed income experience.

For the six months ended June 30, 2024, base earnings of $624 million increased by $63 million or 11% compared to the same period last year, primarily due to favourable long-term disability and health experience driven by management action in Workplace Solutions, organic growth in Workplace Solutions, higher net fee and spread income partially driven by the addition of IPC and Value Partners and higher equity markets, and improved mortality experience in Insurance & Annuities. These items were partially offset by a favourable tax item from 2023 in Individual Wealth Management which did not repeat, and lower earnings on surplus.

For the six months ended June 30, 2024, net earnings of $688 million increased by $307 million compared to the same period last year. Items excluded from base earnings were positive $64 million compared to negative $180 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

For the second quarter of 2024, net earnings attributable to the participating account was $51 million compared to net earnings of $23 million for the same quarter last year, primarily due to favourable tax impacts.

For the six months ended June 30, 2024, the net earnings attributable to the participating account was $77 million compared to net earnings of $1 million for the same period last year, primarily due to the same reason discussed for the in-quarter result.

Sales

Group life and health sales for the second quarter of 2024 of $124 million increased by $16 million compared to the same quarter last year, primarily due to higher small and national sales. Group retirement sales for the second quarter of 2024 of $787 million increased by $154 million compared to the same quarter last year, primarily due to higher asset retention sales. Individual wealth management sales for the second quarter of 2024 of $4,577 million increased by $2,403 million compared to the same quarter last year, primarily due to strong segregated fund and mutual fund (both proprietary and third party) sales, as well as the addition of IPC and Value Partners. Insurance and annuities sales for the second quarter of 2024 of $161 million increased by $7 million compared to the same quarter last year, primarily due to strong participating life product sales.

For the six months ended June 30, 2024, group life and health sales of $283 million were comparable to the same period last year. Group retirement sales for the six months ended June 30, 2024 of $1,548 million increased by $157 million, primarily due to the same reason discussed for the in-quarter results. Individual wealth management sales for the six months ended June 30, 2024 of $9,042 million increased by $4,210 million, due to the same reason discussed for the in-quarter results. Insurance and annuities sales for the six months ended June 30, 2024 of $316 million increased by $6 million, due to the same reasons discussed for the in-quarter results.

Group life and health book premiums

Group life and health book premiums at June 30, 2024 were $14,896 million, a decrease of $89 million compared to March 31, 2024, primarily due to the termination of one sizable plan, partially offset by organic growth of in-force business.

Net cash flows

In the second quarter of 2024, net cash outflows were $338 million compared to net cash outflows of $367 million for the same quarter last year, primarily due to the additions of IPC and Value Partners and higher individual wealth sales.

For the six months ended June 30, 2024, net cash outflows were $361 million compared to net cash outflows of $386 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Fee and other income

Fee and other income for the second quarter of 2024 of $474 million increased by $133 million compared to the same quarter last year, primarily due to growth in administrative services only (ASO) fees and the acquisitions of IPC and Value Partners.

For the six months ended June 30, 2024, fee and other income of $934 million increased by $268 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Contractual service margin

CSM at June 30, 2024 of $6,251 million, was comparable to March 31, 2024. Favourable market movements on participating CSM were offset by unfavourable experience in the non-participating account and segregated funds.

United States

The United States segment operating results for Lifeco include the results of Empower Annuity Insurance Company of America (Empower), PanAgora Asset Management and the results of the legacy insurance businesses in the U.S. branch of Canada Life, together with an allocation of a portion of Lifeco's corporate results. Items not associated directly with or allocated to Empower and PanAgora Asset Management are included in the Corporate business unit. Those include a retained block of life insurance, predominately participating policies, which are now administered by Protective Life, as well as a closed life retrocession block. The U.S. segment also includes the results of Putnam Investments classified as discontinued operations.

2024 Developments

- As of June 30, 2024, with the successful completion of system migrations of the full-service retirement services business of Prudential, Empower achieved US$180 million pre-tax run rate synergies following the acquisition on April 1, 2022, consistent with expectations. Revenue synergies of US$20 million are expected on a run-rate basis by the end of 2024 and are expected to grow to US$50 million by the end of 2026.

  Overall, acquired Prudential retention targets have been exceeded.

  Empower has incurred one-time integration and restructuring expenses materially in line with original expectations, with US$19 million pre-tax incurred in the second quarter of 2024.

(in US$ millions)	**For the three months ended**		**For the six months ended**	**Total expensed to date**
	June 30 2024	March 31 2024	**June 30 2024**	**June 30 2024**
Restructuring and integration (pre-tax)	$ 19	$ 31	$ 50	$ 183
Restructuring and integration (post-tax)	14	23	37	136

- In the United States, on January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments to Franklin Resources, Inc., operating as "Franklin Templeton", in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US$375 million over a five to seven-year period. In the first quarter of 2024, the Company recorded a net loss of $115 million reflecting closing costs as well as a $44 million final gain on sale within discontinued operations. Lifeco retains its controlling interest in PanAgora Asset Management, a leading quantitative asset manager. The Company currently holds approximately 31,600,000 Franklin Templeton shares and will hold a majority of these shares for a minimum five-year period.

  In addition to the sale, Lifeco, along with Power Corporation of Canada and Franklin Templeton, has entered into a strategic partnership to distribute Franklin Templeton products. Lifeco will provide an initial long-term asset allocation of US$25 billion assets under management to Franklin Templeton within 12 months of closing with the potential for that amount to increase over the next several years.

Selected Financial Information - United States

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss) (US$)[1]					
Empower Defined Contribution	$ 185	$ 162	$ 175	$ 347	$ 341
Empower Personal Wealth	39	38	37	77	57
Asset Management	1	(3)	(1)	(2)	(5)
Corporate	11	14	(13)	25	(32)
Base earnings (loss) (US$)	$ 236	$ 211	$ 198	$ 447	$ 361
Items excluded from base earnings (US$)	(36)	(39)	(78)	(75)	(113)
Net earnings from continuing operations (US$)[2]	$ 200	$ 172	$ 120	$ 372	$ 248
Base earnings (loss) (C$)[1]	$ 324	$ 286	$ 265	$ 610	$ 483
Net earnings from continuing operations (C$)[2]	$ 274	$ 233	$ 161	$ 507	$ 331
Net flows (US$)[2]					
Empower Defined Contribution	$ (3,757)	$ (7,019)	$ 2,762	$ (10,776)	$ 9,676
Empower Personal Wealth	1,614	1,286	1,842	2,900	4,985
Asset Management	(643)	(1,800)	(707)	(2,443)	(1,296)
Net flows (US$)[2]	$ (2,786)	$ (7,533)	$ 3,897	$ (10,319)	$ 13,365
Net flows (C$)[2]	$ (3,817)	$ (10,170)	$ 5,222	$ (13,987)	$ 18,004
Fee and other income (US$)					
Empower Defined Contribution	$ 659	$ 600	$ 570	$ 1,259	$ 1,118
Empower Personal Wealth	120	118	97	238	185
Asset Management	23	21	21	44	42
Corporate	1	2	—	3	—
Fee and other income (US$)	$ 803	$ 741	$ 688	$ 1,544	$ 1,345
Fee and other income (C$)	$ 1,099	$ 1,001	$ 921	$ 2,100	$ 1,808
Total assets (US$)	$ 233,467	$ 232,384	$ 227,492		
Continuing operations - other assets under management[2]	94,081	91,741	103,604		
Discontinued operations - other assets under management[2]	—	—	116,223		
Total assets under management[1]	327,548	324,125	447,319		
Other assets under administration[2]	1,382,648	1,364,241	1,183,399		
Total assets under administration (US$)[1]	$ 1,710,196	$ 1,688,366	$ 1,630,718		
Total assets under administration (C$)[1]	$ 2,342,969	$ 2,279,294	$ 2,152,548		

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.

Note: The United States segment does not have a material CSM balance.

Base earnings and net earnings from continuing operations

In the second quarter of 2024, net earnings from continuing operations increased by US$80 million to US$200 million compared to the same quarter last year. Base earnings of US$236 million increased by US$38 million compared to the same quarter last year, primarily due to increased fee income driven by higher equity markets, a US$22 million ($30 million) fee income adjustment related to the acquired Prudential business, US$9 million ($12 million) of dividends on Franklin Templeton shares and growth in the business. These items were partially offset by US$29 million ($40 million) of credit related impacts on commercial mortgage loans in the current year and higher paid crediting rates resulting in lower spread income.

Items excluded from base earnings were negative US$36 million compared to negative US$78 million for the same quarter last year, primarily due to the non-recurrence of a 2023 provision related to Empower's sale of substantially all of its individual life and annuity business in 2019.

For the six months ended June 30, 2024, net earnings from continuing operations increased by US$124 million to US$372 million compared to the same period last year. Base earnings of US$447 million increased by US$86 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results as well as higher earnings on surplus assets.

For the six months ended June 30, 2024, items excluded from base earnings were negative US$75 million compared to negative US$113 million for the same period last year. The decrease in expense was primarily due to the same reasons discussed for the in-quarter results.

Net flows

In the second quarter of 2024, net outflows were US$2.8 billion compared to net inflows of US$3.9 billion for the same quarter last year, primarily due to participant net redemptions in the current year as well as one acquired Prudential large client loss which was in line with expectations. Average account balances of participants have increased due to market growth over the past year, resulting in increased distributions, which have outpaced contributions. The number of participants at the end of the second quarter of 2024 has increased from the end of the second quarter of 2023.

For the six months ended June 30, 2024, net outflows were US$10.3 billion compared to net inflows of US$13.4 billion for the same period last year, primarily due to a large plan termination in the first quarter of 2024 as well as the same reasons discussed for the in-quarter results. This was partially offset by large plan sales in 2024. Large plan sales and terminations can be highly variable from period to period and tend to result in lower margins but nonetheless contribute to covering fixed overhead costs.

Overall, acquired Prudential retention targets have been exceeded.

Fee and other income

Fee income is derived primarily from assets under management, assets under administration, shareholder servicing fees, administration and recordkeeping services, investment advisory services, investment management fees, performance fees, transfer agency and other service fees, as well as underwriting and distribution fees.

Fee and other income for the second quarter of 2024 of US$803 million increased by US$115 million compared to the same quarter last year. The increase was primarily driven by higher equity market levels and adjustments related to Prudential fee income, as well as overall growth in the business.

For the six months ended June 30, 2024, fee and other income of US$1,544 million increased by US$199 million compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results.

Europe

The Europe segment is comprised of three distinct business units: Workplace Solutions, Individual Wealth & Asset Management and Insurance & Annuities. The segment serves customers in the United Kingdom (U.K.), Ireland and Germany. The Company operates under the Canada Life brand in the U.K. and Germany and under the Irish Life brand in Ireland along with other acquired brands within the broker market in Ireland.

2024 Developments

- In the second quarter of 2024, Canada Life Home Finance was awarded the prestigious Scottish Mortgage Award for Later Life Lender of the Year. This award demonstrates the Company's position as a key player in the U.K. later life lending market.
- Canada Life Home Finance launched six new Capital Select products at the start of the second quarter of 2024. This strategic initiative underscores Canada Life U.K.'s dedication to continuous product development and market responsiveness. By introducing lower loan-to-value (LTV) tiers, Canada Life U.K. has successfully unlocked access to new customer segments, supporting clients in achieving their financial goals and further positioning Canada Life at the forefront of the equity release market.
- During the second quarter of 2024, Irish Life won the 2024 Gold Award in the ‘Product and Service Innovation’ category at the Global Qorus Innovation in Insurance awards. The CARA (Claims AI Reasoning Assistant) initiative has developed an advanced AI system designed to assist Irish Life's claims assessors in efficiently evaluating claims and has reduced assessment time by 70% for targeted claim types with additional benefits from other claim types being explored. This initiative will allow Irish Life to provide greater benefits to its diverse customer base.
- Irish Life’s EMPOWER MasterTrust won the Pension Innovation Award at the European Pension Awards 2024 in London. With over $10.3 billion (€7 billion) in the fund, EMPOWER is Ireland’s largest master trust enabling innovation and investment.
- During the second quarter of 2024, Canada Life's German business received the strongest credit rating of "AA" from the German insurance rating agency Assekurata for the third year in a row with a stable outlook. This is the highest credit rating awarded by the rating agency.

Selected Financial Information - Europe

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1,2]					
Workplace Solutions	$ 68	$ 43	$ 56	$ 111	$ 118
Individual Wealth & Asset Management	44	43	23	87	59
Insurance & Annuities	93	99	116	192	212
Corporate	1	12	(15)	13	(31)
Base earnings (loss)[1,2]	$ 206	$ 197	$ 180	$ 403	$ 358
Items excluded from base earnings[2]	(5)	(10)	(78)	(15)	(216)
Net earnings (loss) - common shareholders	$ 201	$ 187	$ 102	$ 388	$ 142
Sales[3]					
Workplace Solutions	$ 389	$ 411	$ 740	$ 800	$ 1,179
Individual Wealth & Asset Management	8,401	5,304	6,473	13,705	13,417
Insurance & Annuities	716	1,560	791	2,276	1,214
Net cash flows[3,4]					
Workplace Solutions	$ 147	$ 409	$ 530	$ 556	$ 687
Individual Wealth & Asset Management	2,856	1,189	885	4,045	4,131
Insurance & Annuities	1	20	20	21	42
Net cash flows[3,4]	$ 3,004	$ 1,618	$ 1,435	$ 4,622	$ 4,860
Fee and other income					
Workplace Solutions	$ 59	$ 51	$ 64	$ 110	$ 115
Individual Wealth & Asset Management	153	151	134	304	269
Insurance & Annuities and Corporate	5	6	2	11	2
Fee and other income	$ 217	$ 208	$ 200	$ 425	$ 386
Group life and health book premiums[3]	$ 2,499	$ 2,459	$ 2,306		
Total assets	$ 208,588	$ 203,583	$ 184,354		
Other assets under management[3]	69,755	67,376	58,228		
Total assets under management[1]	278,343	270,959	242,582		
Other assets under administration[3,5]	13,213	12,772	11,555		
Total assets under administration[1]	$ 291,556	$ 283,731	$ 254,137		
Contractual service margin					
Insurance & Annuities - Non-Participating	$ 3,337	$ 3,307	$ 2,943		
Individual Wealth & Asset Management - Segregated Funds	1,453	1,488	1,390		
Contractual service margin	$ 4,790	$ 4,795	$ 4,333		

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 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

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

4 Following internal reviews, the mapping of certain business units to value drivers has been modified and comparative results for the periods ended June 30, 2023 have been restated, as applicable.

5 At June 30, 2024, other assets under administration excludes $16.1 billion of assets managed for other business units within the Lifeco group of companies ($14.3 billion at March 31, 2024 and $11.3 billion at June 30, 2023).

Base and net earnings

In the second quarter of 2024, the Europe segment's net earnings of $201 million increased by $99 million compared to the same quarter last year. Base earnings of $206 million increased by $26 million compared to the same quarter last year, primarily due to favourable group experience in the U.K., higher fee income, lower operating expenses, higher CSM recognized and higher surplus income. These items were partially offset by unfavourable health claims experience in Ireland and a higher effective tax rate due to the implementation of GMT. Refer to the "Taxes" section of this document for further details.

Items excluded from base earnings for the second quarter of 2024 were negative $5 million compared to negative $78 million for the same quarter last year. The increase was primarily due to realized OCI losses in the prior year that did not repeat related to asset rebalancing in the surplus account and a loss from the sale of Canada Life U.K.'s onshore individual protection business in the prior year. These items were partially offset by less favourable market experience relative to expectations in the current year compared to the prior year due to increases in risk-free interest rates. Second quarter of 2024 excluded from base items include the true-up for GMT impact for the first quarter of 2024.

For the six months ended June 30, 2024, net earnings of $388 million increased by $246 million compared to the same period last year. Base earnings of $403 million increased by $45 million compared to the same period last year, primarily due to growth in the group and annuity protection business in the U.K., lower operating expenses and higher surplus income growth. These items were partially offset by unfavourable health claims experience in Ireland and the impact of GMT.

For the six months ended June 30, 2024, items excluded from base earnings were negative $15 million compared to negative $216 million for the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results and positive market experience relative to expectations from smaller decreases in commercial property compared to the prior period.

For the six months ended June 30, 2024, the impact of GMT was negative $15 million.

Sales

Individual wealth and asset management sales for the second quarter of 2024 of $8,401 million increased by $1,928 million compared to the same quarter last year, primarily due to higher wealth fund management sales in Ireland driven by a large client sale. Insurance and annuities sales for the second quarter of 2024 of $716 million decreased by $75 million compared to the same quarter last year, primarily due to a bulk annuity sale in Ireland in the prior year that did not repeat. Workplace Solutions sales for the second quarter of 2024 of $389 million decreased by $351 million compared to the same quarter last year, primarily due to lower pension sales in Ireland.

For the six months ended June 30, 2024, individual wealth and asset management sales of $13,705 million increased by $288 million compared to the same period last year, primarily due to the same reason discussed for the in-quarter results. Insurance and annuities sales for the six months ended June 30, 2024 of $2,276 million increased by $1,062 million compared to the same period last year, primarily due to strong bulk annuity sales and higher individual annuity sales in the U.K. driven by market demand. Workplace Solutions sales for the six months ended June 30, 2024 of $800 million decreased by $379 million compared to the same period last year, primarily due to the same reason discussed for the in-quarter results.

Group life and health book premiums

Group life and health book premiums at June 30, 2024 were $2.5 billion, an increase of $40 million compared to March 31, 2024, primarily due to organic growth of in-force business and the impact of currency movement.

Net cash flows

In the second quarter of 2024, net cash inflows were $3.0 billion compared to net cash inflows of $1.4 billion for the same quarter last year. The increase was primarily due to higher wealth fund management sales in Ireland mainly driven by a large client sale, partially offset by lower net inflows in Workplace Solutions driven by reduced pension sales in Ireland.

For the six months ended June 30, 2024, net cash inflows were $4.6 billion compared to net cash inflows of $4.9 billion for the same period last year. The decrease was primarily due to lower individual and wealth management net cash flows from higher surrenders and maturities in the U.K. and Germany as well as lower net cash flows in Workplace Solutions driven by lower pension sales in Ireland.

Fee and other income

Fee and other income for the second quarter of 2024 of $217 million increased by $17 million compared to the same quarter last year, primarily due to higher management fees from higher average assets under administration.

For the six months ended June 30, 2024, fee and other income of $425 million increased by $39 million compared to the same period last year, primarily due to the same reasons discussed for in-quarter results.

Contractual service margin

Contractual service margin at June 30, 2024 of $4,790 million was comparable to March 31, 2024.

Capital and Risk Solutions

The Capital and Risk Solutions segment includes Lifeco's reinsurance business and an allocation of a portion of Lifeco's corporate results. Capital and Risk Solutions also includes the results for the Company's legacy international businesses.

At Lifeco, the Capital and Risk Solutions offerings are generally included in the Insurance & Risk Solutions value driver. The segment's surplus earnings and an allocation of corporate capital are included in Corporate.

2024 Developments

- The Capital and Risk Solutions segment continued to grow by providing tailored solutions to customers while increasing diversification within the portfolio. In 2024, the Capital and Risk Solutions segment continues to expand its international presence in targeted new markets, while continuing to focus on core markets and product expansion in Europe and the U.S. In the first half of 2024, the Company entered into numerous transactions, primarily in the structured products segment.
- The Company offers property catastrophe coverage to reinsurance companies and as a result, the Company is exposed to potential claims arising from major weather events and other catastrophic events, primarily hurricanes, windstorms and earthquakes. Current preliminary estimates of industry losses arising from catastrophe events in the first half of 2024 do not reach the level where any significant claims would be anticipated. In addition, the Company continues to monitor potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.

Selected Financial Information - Capital and Risk Solutions

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1,2]					
Reinsurance	$ 184	$ 195	$ 198	$ 379	$ 351
Corporate	6	—	5	6	9
Base earnings (loss)[1,2]	$ 190	$ 195	$ 203	$ 385	$ 360
Items excluded from base earnings[2]	(35)	65	(34)	30	(7)
Net earnings - common shareholders	$ 155	$ 260	$ 169	$ 415	$ 353
Total assets[3]	$ 9,023	$ 9,017	$ 8,687		
Contractual service margin					
Reinsurance - Non-Participating	$ 1,702	$ 1,736	$ 1,740		
Reinsurance - Participating	23	23	24		
Contractual service margin	$ 1,725	$ 1,759	$ 1,764		

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 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

3 The Capital and Risk Solutions segment does not have assets under management or other assets under administration.

Base and net earnings

In the second quarter of 2024, the Capital and Risk Solutions segment's net earnings of $155 million decreased by $14 million compared to the same quarter last year. Base earnings of $190 million decreased by $13 million compared to the same quarter last year, as growth in the structured reinsurance business and higher net investment revenue were offset by unfavourable experience primarily driven by the U.S. life reinsurance business and a $24 million impact of GMT. Refer to the "Taxes" section of this document for further details.

Items excluded from base earnings for the second quarter of 2024 were negative $35 million compared to negative $34 million for the same quarter last year, primarily due to market experience relative to expectations from interest rate movements and the implementation of GMT. Second quarter of 2024 excluded from base items include the true-up for GMT impact for the first quarter of 2024.

For the six months ended June 30, 2024, net earnings of $415 million increased by $62 million compared to the same period last year. Base earnings of $385 million increased by $25 million compared to the same period last year, primarily due to growth in the structured business, higher net investment revenue and improved experience primarily driven by the U.S. life business, partially offset by the impact of GMT.

For the six months ended June 30, 2024, items excluded from base earnings were positive $30 million compared to negative $7 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

For the six months ended June 30, 2024, the impact of GMT on net earnings was negative $51 million, primarily related to operations in Barbados.

Contractual service margin

Contractual service margin at June 30, 2024 was $1,725 million, a decrease of $34 million compared to March 31, 2024, primarily due to business run-off and experience, partially offset by new business and currency impacts.

Lifeco Corporate

The Lifeco Corporate segment includes operating results for activities of Lifeco that are not associated with the major business units of the Company.

Selected Financial Information - Lifeco Corporate

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)[1]	$ (4)	$ (2)	$ (11)	$ (6)	$ (16)
Items excluded from base earnings	44	—	—	44	(8)
Net earnings (loss) - common shareholders	$ 40	$ (2)	$ (11)	$ 38	$ (24)

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.

In the second quarter of 2024, Lifeco Corporate had net earnings of $40 million compared to a net loss of $11 million for the same period last year. Base loss of $4 million decreased by $7 million compared to the same quarter last year, primarily due to higher net investment income and lower operating expenses.

Items excluded from base earnings for the second quarter of 2024 were positive $44 million compared to nil for the same quarter last year, primarily due to the finalization of a prior year reinsurance recapture transaction and market experience relative to expectations.

For the six months ended June 30, 2024, Lifeco Corporate had net earnings of $38 million compared to a net loss of $24 million for the same period last year. Base loss of $6 million decreased by $10 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

For the six months ended June 30, 2024, items excluded from base earnings were positive $44 million compared to negative $8 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Consolidated Financial Position

Assets

Assets under administration[1]

	Canada	United States	Europe	Capital and Risk Solutions	Total
As at June 30, 2024					
Assets					
Invested assets	$ 91,309	$ 86,053	$ 42,588	$ 8,666	$ 228,616
Insurance contract assets	452	321	352	190	1,315
Reinsurance contract held assets	1,131	12,318	3,602	129	17,180
Goodwill and intangible assets	6,565	6,292	3,052	—	15,909
Other assets	5,577	16,991	3,705	38	26,311
Investments on account of segregated fund policyholders	107,067	197,875	155,289	—	460,231
Total assets	212,101	319,850	208,588	9,023	749,562
Other assets under management[2]	13,293	128,891	69,755	—	211,939
Total assets under management[1]	225,394	448,741	278,343	9,023	961,501
Other assets under administration[2]	60,100	1,894,228	13,213	—	1,967,541
Total assets under administration[1]	$ 285,494	$ 2,342,969	$ 291,556	$ 9,023	$ 2,929,042
As at December 31, 2023					
Assets					
Invested assets	$ 89,382	$ 86,715	$ 41,981	$ 8,732	$ 226,810
Insurance contract assets	400	291	331	171	1,193
Reinsurance contract held assets	1,243	12,243	3,713	133	17,332
Goodwill and intangible assets	6,545	6,151	3,037	—	15,733
Other assets	4,964	16,192	3,531	52	24,739
Assets held for sale[3]	—	4,467	—	—	4,467
Investments on account of segregated fund policyholders	101,250	179,770	141,936	—	422,956
Total assets	203,784	305,829	194,529	9,088	713,230
Continuing operations - other assets under management[2]	13,056	143,997	63,525	—	220,578
Discontinued operations - other assets under management[2,4]	—	161,566	—	—	161,566
Total assets under management[1]	216,840	611,392	258,054	9,088	1,095,374
Other assets under administration[2]	55,635	1,689,455	12,076	—	1,757,166
Total assets under administration[1]	$ 272,475	$ 2,300,847	$ 270,130	$ 9,088	$ 2,852,540

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 On May 31, 2023, Lifeco announced an agreement to sell Putnam Investments to Franklin Templeton. Beginning Q2 2023, the related assets were classified as assets held for sale. The transaction closed on January 1, 2024.

4 At Q4 2023, other assets under management related to Putnam Investments were classified as discontinued operations - other assets under management.

Total assets under administration at June 30, 2024 increased by $76.5 billion to $2.9 trillion compared to December 31, 2023, primarily due to the impact of equity market movement as well as currency movement in the U.S. segment, partially offset by the divestiture of Putnam Investments.

Invested Assets

The Company manages its general fund assets to support the cash flow, liquidity and profitability requirements of the Company's insurance and investment products. The Company's investment policies are designed to be prudent and conservative, so that assets are not unduly exposed to concentration, credit or market risks. Within the framework of the Company’s policies, the Company implements strategies and reviews and adjusts them on an ongoing basis considering liability cash flows and capital market conditions. The majority of investments of the general fund are in medium-term and long-term fixed-income investments, primarily bonds and mortgages, reflecting the characteristics of the Company’s liabilities.

Bond portfolio

It is the Company's policy to acquire primarily investment grade bonds subject to prudent and well-defined investment policies. Modest investments in below investment grade rated securities may occur while not changing the overall discipline and conservative approach to the investment strategy. The total bond portfolio, including short-term investments, was $156.3 billion or 68% of invested assets at June 30, 2024 compared to $157.1 billion or 69% at December 31, 2023. The decrease in the bond portfolio was primarily due to disposals as well as a decline in fair values resulting from an increase in bond yields across all geographies. The overall quality of the bond portfolio remained high, with 99% of the portfolio rated investment grade and 70% rated A or higher.

Bond credit ratings reflect bond rating agency activity up to June 30, 2024. Management continues to closely monitor bond rating agency activity and general market conditions.

Bond portfolio quality

	As at June 30, 2024		As at December 31, 2023	
AAA	$ 22,588	15 %	$ 24,298	15 %
AA	29,928	19	31,435	20
A	56,368	36	54,807	35
BBB	45,467	29	44,811	29
BB or lower	1,998	1	1,700	1
Total	$ 156,349	100 %	$ 157,051	100 %

Mortgage portfolio

It is the Company's practice to acquire high quality commercial mortgages meeting strict underwriting standards and diversification criteria. The Company has a well-defined risk-rating system, which it uses in its underwriting and credit monitoring processes for commercial loans. The majority of the commercial mortgages held in the Europe segment are classified as amortized cost and therefore there are no fair value movements recorded on these holdings. Equity release mortgages are originated in the Europe segment following well-defined lending criteria and held in the Canada, Europe and Capital and Risk Solutions segments. Equity release mortgages are loans provided to people who want to continue living in their homes while accessing some of the underlying equity value in their homes. Loans are typically repaid when the borrower dies or moves into long-term care.

	As at June 30, 2024				As at December 31, 2023	
Mortgage loans by type	**Insured**[1]	**Non-insured**	**Total**		Total	
Single family residential	$ 303	$ 1,103	$ 1,406	4 %	$ 1,511	4 %
Multi-family residential	2,484	6,789	9,273	24	9,372	24
Equity release	—	4,430	4,430	11	4,203	11
Commercial	—	23,246	23,246	61	23,328	61
Total	$ 2,787	$ 35,568	$ 38,355	100 %	$ 38,414	100 %

1 Insured mortgages include mortgages where insurance is provided by a third party and protects the Company in the event that the borrower is unable to fulfill their mortgage obligations.

The total mortgage portfolio was $38.4 billion or 17% of invested assets at June 30, 2024, compared to $38.4 billion or 17% of invested assets at December 31, 2023. At June 30, 2024, total insured loans were $2.8 billion or 7% of the mortgage portfolio, compared to $2.9 billion or 8% at December 31, 2023.

Derivative Financial Instruments

During the second quarter of 2024, there were no major changes to the Company's policies and procedures with respect to the use of derivative financial instruments. The Company’s derivative transactions are generally governed by the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, which provide for legally enforceable set-off and close-out netting of exposure to specific counterparties in the event of an early termination of a transaction, which includes, but is not limited to, events of default and bankruptcy. In the event of an early termination, the Company is permitted to set off receivables from a counterparty against payables to the same counterparty, in the same legal entity, arising out of all included transactions. The Company’s ISDA Master Agreement may include Credit Support Annex provisions, which require both the pledging and accepting of collateral in connection with its derivative transactions.

At June 30, 2024, total financial collateral, including initial margin and overcollateralization, received on derivative assets was $1.5 billion ($1.7 billion at December 31, 2023) and pledged on derivative liabilities was $1.7 billion ($0.8 billion at December 31, 2023). Collateral received on derivatives assets decreased and collateral pledged on derivatives liabilities increased in 2024, primarily driven by the impact of the U.S. dollar strengthening against the Canadian dollar on cross-currency swaps that pay U.S. and receive Canadian dollars.

During the six-month period ended June 30, 2024, the outstanding notional amount of derivative contracts increased by $4.6 billion to $56.5 billion, primarily due to increases in volume of regular hedging activities.

The Company’s exposure to derivative counterparty credit risk, which reflects the current fair value of those instruments in a gain position, decreased to $1.9 billion at June 30, 2024 from $2.2 billion at December 31, 2023. The decrease was primarily driven by the impact of the U.S. dollar strengthening against the Canadian dollar on cross-currency swaps that pay U.S. and receive Canadian dollars. There were no changes to derivative counterparty ratings during the second quarter of 2024 and all had investment grade ratings as of June 30, 2024.

Liabilities

Total Liabilities

	As at June 30, 2024	As at December 31, 2023
Insurance contract liabilities	$ 145,282	$ 144,388
Investment contract liabilities	87,070	88,919
Reinsurance contract held liabilities	731	648
Other general fund liabilities	25,378	24,061
Liabilities held for sale[1]	—	2,407
Insurance contracts on account of segregated fund policyholders	62,473	60,302
Investment contracts on account of segregated fund policyholders	397,758	362,654
Total	$ 718,692	$ 683,379

1 On May 31, 2023, Lifeco announced an agreement to sell Putnam Investments to Franklin Templeton. Beginning Q2 2023, the related liabilities were classified as liabilities held for sale. The transaction closed on January 1, 2024.

Total liabilities increased by $35.3 billion to $718.7 billion at June 30, 2024 from December 31, 2023.

Insurance contract liabilities increased by $0.9 billion. The increase was primarily due to the impact of currency movements.

Investment contract liabilities decreased by $1.8 billion. The decrease was primarily due to normal business movements.

Other general fund liabilities increased by $1.3 billion. The increase was primarily due to increases in other liabilities and derivative financial instruments, partially offset by a reduction in accounts payable.

Investment and insurance contracts on account of segregated fund policyholders increased by $37.3 billion, primarily due to the combined impact of market value gains and investment income of $28.7 billion and the positive impact of currency movement of $7.3 billion, partially offset by net withdrawals of $1.5 billion.

Insurance and investment contract liabilities represent the amounts that, together with estimated future premiums and investment income, will be sufficient to pay estimated future benefits, dividends and expenses on policies in-force. Insurance and investment contract liabilities are determined using generally accepted actuarial practices, according to standards established by the Canadian Institute of Actuaries. Also, refer to the "Summary of Critical Accounting Estimates" section of the Company's Annual MD&A for the period ended December 31, 2023 for additional information.

Insurance Contract Liabilities and Assets

Insurance contract liabilities and assets[1]

	Insurance contracts not under PAA method					
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Contracts under PAA method	Total net insurance contract liabilities
As at June 30, 2024						
Canada	$ 97,358	$ 1,857	$ 6,251	$ 105,466	$ 9,057	$ 114,523
United States	18,787	135	242	19,164	1	19,165
Europe	42,158	1,016	4,790	47,964	3,636	51,600
Capital and Risk Solutions	689	2,040	1,725	4,454	249	4,703
Total	$ 158,992	$ 5,048	$ 13,008	$ 177,048	$ 12,943	$ 189,991
As at December 31, 2023						
Canada	$ 95,943	$ 1,935	$ 5,872	$ 103,750	$ 9,267	$ 113,017
United States	18,187	136	276	18,599	1	18,600
Europe	40,615	1,064	4,718	46,397	3,614	50,011
Capital and Risk Solutions	1,029	2,162	1,769	4,960	225	5,185
Total	$ 155,774	$ 5,297	$ 12,635	$ 173,706	$ 13,107	$ 186,813

1 Insurance contract liabilities and assets presented in the above tables also include insurance contracts on account of segregated fund policyholders and reinsurance contract held assets and liabilities.

At June 30, 2024, total net insurance contract liabilities were $190.0 billion, an increase of $3.2 billion from December 31, 2023. The increase in net insurance contract liabilities was primarily due to market movements and the impact of currency movements, partially offset by normal business movements.

Contractual Service Margin

The CSM of a group of insurance contracts represents the unearned profit that the Company expects to recognize in the future as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, any derecognized assets for insurance acquisition cash flows and any cash flows arising at that date is a net inflow, then the group is classified as non-onerous. For non-onerous contracts, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group of insurance contracts is onerous. In this case, the net outflow is recognized as a loss in the current period. A loss component is created to depict any losses recognized in the current period, which determines the amounts that are subsequently recognized in future periods as reversals on onerous groups.

Contractual service margin continuity[1]

	Non-Participating (excluding Segregated Funds)							
	Canada	United States	Europe	Capital and Risk Solutions	Total	Seg Funds	Par	Total
CSM beginning of period, December 31, 2023	$ 1,159	$ 24	$ 3,255	$ 1,745	$ 6,183	$ 3,298	$ 3,154	$ 12,635
Impact of new insurance business	20	—	171	18	209	87	56	352
Expected movements from asset returns & locked-in rates	17	—	37	20	74	120	96	290
CSM recognized for services provided	(67)	(2)	(135)	(76)	(280)	(202)	(77)	(559)
Insurance experience gains/losses	(15)	—	(29)	(18)	(62)	(94)	—	(156)
Organic CSM movement	$ (45)	$ (2)	$ 44	$ (56)	$ (59)	$ (89)	$ 75	$ (73)
Impact of markets	—	—	—	—	—	108	258	366
Impact of changes in assumptions and management actions	10	—	(20)	(9)	(19)	1	—	(18)
Currency impact	—	1	58	22	81	9	8	98
Total CSM movement	$ (35)	$ (1)	$ 82	$ (43)	$ 3	$ 29	$ 341	$ 373
CSM end of period, June 30, 2024	$ 1,124	$ 23	$ 3,337	$ 1,702	$ 6,186	$ 3,327	$ 3,495	$ 13,008

1 The CSM shown in the above table is presented net of reinsurance contracts held and includes CSM attributed to insurance contract assets and insurance contract liabilities.

At June 30, 2024, total contractual service margin on non-participating business excluding segregated funds was $6.2 billion, an increase of $3 million from December 31, 2023. The increase was mainly driven by currency impacts of $81 million, offset by insurance experience losses of $62 million and minor assumption changes and management actions of negative $19 million.

At June 30, 2024, total contractual service margin was $13.0 billion, an increase of $373 million from December 31, 2023. The increase was mainly driven by impacts of market movements of $366 million.

Further detail on the assumption changes and management actions on non-participating business is provided in the section "Assumption Changes and Management Actions".

Lifeco Capital Structure

In establishing the appropriate mix of capital required to support the operations of the Company and its subsidiaries, management utilizes a variety of debt, equity and other hybrid instruments considering both the short and long-term capital needs of the Company.

Debentures and Other Debt Instruments

At June 30, 2024, debentures and other debt instruments increased by $96 million to $9,142 million compared to December 31, 2023, primarily due to the impact of currency movement.

Share Capital and Surplus

Share capital outstanding at June 30, 2024 was $10,244 million, which comprises $6,024 million of common shares and $2,720 million of preferred shares and $1,500 million Limited Recourse Capital Notes (LRCN Series 1). Preferred shares included $2,470 million of non-cumulative First Preferred Shares and $250 million of non-cumulative 5-year rate reset First Preferred Shares.

The Company renewed its normal course issuer bid (NCIB) effective January 29, 2024 for one year to purchase and cancel up to 20,000,000 of its common shares at market prices in order to mitigate the dilutive effect of stock options granted under the Company's Stock Option Plan and for other capital management purposes. Effective March 5, 2024, the Company entered into an automatic share purchase plan (ASPP). The ASPP is intended to facilitate repurchases of common shares under the NCIB, including at times when the Company would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. All purchases of common shares made under the ASPP are included in determining the number of common shares purchased under the NCIB. Any common shares purchased by the Corporation pursuant to the NCIB will be cancelled.

During the six months ended June 30, 2024, the Company repurchased and subsequently cancelled 1,157,085 common shares under the current NCIB at an average cost per share of $41.55.

Liquidity and Capital Management

Liquidity

Total Liquid Assets

	On-balance sheet assets	Non-liquid/ Pledged	Net liquid assets
As at June 30, 2024			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	$ 8,582	$ 8	$ 8,574
Short-term bonds[1]	4,948	91	4,857
Sub-total	$ 13,530	$ 99	$ 13,431
Other assets and marketable securities			
Government bonds[1]	$ 36,372	$ 10,908	$ 25,464
Corporate bonds[1]	115,029	54,867	60,162
Stocks	17,420	5,159	12,261
Mortgage loans	38,355	35,568	2,787
Sub-total	$ 207,176	$ 106,502	$ 100,674
Total	$ 220,706	$ 106,601	$ 114,105
As at December 31, 2023			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	$ 7,742	$ 12	$ 7,730
Short-term bonds[1]	5,876	—	5,876
Sub-total	$ 13,618	$ 12	$ 13,606
Other assets and marketable securities			
Government bonds[1]	$ 38,369	$ 10,639	$ 27,730
Corporate bonds[1]	112,806	53,800	59,006
Stocks	15,733	4,134	11,599
Mortgage loans	38,414	35,500	2,914
Sub-total	$ 205,322	$ 104,073	$ 101,249
Total	$ 218,940	$ 104,085	$ 114,855

[1] Total short-term bonds, government bonds and corporate bonds as at June 30, 2024 was $156.3 billion ($157.1 billion at December 31, 2023). Refer to the consolidated balance sheet in the Company's June 30, 2024 condensed consolidated interim unaudited financial statements for on-balance sheet bonds amounts.

The Company's liquidity requirements are largely self-funded, with short-term obligations being met by internal funds and maintaining levels of liquid investments adequate to meet anticipated liquidity needs. The Company holds cash, cash equivalents and short-term bonds at the Lifeco holding company level and with the Lifeco consolidated subsidiary companies. At June 30, 2024, the Company and its operating subsidiaries held liquid cash, cash equivalents and short-term bonds of $13.4 billion ($13.6 billion at December 31, 2023) and other liquid assets and marketable securities of $100.7 billion ($101.2 billion at December 31, 2023). Included in the cash, cash equivalents and short-term bonds at June 30, 2024 was $1.0 billion ($0.5 billion at December 31, 2023) held at the Lifeco holding company level which includes cash at Great-West Lifeco U.S. LLC, the Company's U.S. holding company. In addition, the Company maintains committed lines of credit with Canadian chartered banks for potential unanticipated liquidity needs, if required. Refer to note 6(b) in the Company's June 30, 2024 condensed consolidated interim unaudited financial statements for additional detail.

The Company does not have a formal common shareholder dividend policy. The Company maintains a target dividend payout ratio range of 45% to 55% of base earnings that is considered in dividend decisions. Dividends on outstanding common shares of the Company are declared and paid at the sole discretion of the Board of Directors of the Company. The decision to declare a dividend on the common shares of the Company takes into account a variety of factors including the level of earnings, adequacy of capital and availability of cash resources.

As a holding company, the Company's ability to pay dividends and, in part, its ability to deploy capital is dependent upon the Company receiving dividends from its operating subsidiaries. The Company's operating subsidiaries are subject to regulation in a number of jurisdictions, each of which maintains its own regime for determining the amount of capital that must be held in connection with the different businesses carried on by the operating subsidiaries. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends to the Company. In the second quarter of 2024, the Company's main operating subsidiaries made cash payments to the holding company in the form of dividends in the amount of $0.7 billion which was comparable to the average of the previous five quarters.

Liquidity risk is assessed and mitigated through prudent product design and contract terms; and by maintaining a high quality, diversified investment portfolio with sufficient liquidity to meet policyholder and financing obligations under normal and stress conditions. Refer to the "Liquidity Risk" section of the Company's Annual MD&A for the period ended December 31, 2023 for additional information.

Cash Flows

Cash flows

	For the three months ended June 30		For the six months ended June 30	
	2024	2023[1]	**2024**	2023[1]
Cash flows relating to the following activities:				
Operations	$ 1,535	$ 2,373	$ 1,788	$ 2,552
Financing	(641)	(1,508)	(1,177)	(2,260)
Investment	(105)	(8)	(319)	(85)
	789	857	292	207
Effects of changes in exchange rates on cash and cash equivalents	85	(94)	173	(68)
Increase (decrease) in cash and cash equivalents in the period	874	763	465	139
Cash and cash equivalents, beginning of period	7,708	6,666	8,117	7,290
Cash and cash equivalents from continuing and discontinued operations, end of period	$ 8,582	$ 7,429	$ 8,582	$ 7,429
Cash and cash equivalents from discontinued operations, end of period[2]	—	258	—	258
Cash and cash equivalents from continuing operations, end of period	$ 8,582	$ 7,171	$ 8,582	$ 7,171

1 The Company has reclassified certain comparative figures to conform to the current period's presentation. These classifications had no impact on the equity or net earnings of the Company.

2 On January 1, 2024, Lifeco completed the sale of Putnam Investments to Franklin Templeton. Beginning in Q2 2023, the cash flows related to the discontinued operations have been presented separately.

The principal source of funds for the Company on a consolidated basis is cash provided by operating activities, including insurance revenue, net investment income and fee income. These funds are used primarily to pay policy benefits, policyholder dividends and claims, as well as operating expenses and commissions. The operations category on the statement of cash flows also includes transfers and withdrawals by clients that are funded in part by the sale of assets for cash. Cash flows generated by operations are mainly invested to support future liability cash requirements. Cash flows related to financing activities include the issuance and repayment of capital instruments and associated dividends and interest payments.

In the second quarter of 2024, cash and cash equivalents increased by $874 million from March 31, 2024. Cash flows provided by operations during the second quarter of 2024 were $1,535 million, a decrease of $838 million compared to the second quarter of 2023. The decrease was primarily due to higher net sales of portfolio investments in the prior year, partially offset by higher net earnings after taxes. Cash flows used by financing activities of $641 million were primarily used for payment of dividends to common and preferred shareholders. Cash flows used by investment activities were $105 million.

For the six months ended June 30, 2024, cash and cash equivalents increased by $465 million from December 31, 2023. Cash flows provided by operations were $1,788 million, a decrease of $764 million compared to the same period last year, primarily due to the same reasons discussed as the in-quarter results. Cash flows used by financing activities of $1,177 million were primarily used for the same reasons discussed for the in-quarter results. Cash flows used by investment activities were $319 million primarily related to the sale of Putnam Investments classified as discontinued operations.

Commitments/Contractual Obligations

Commitments/contractual obligations have not changed materially from December 31, 2023.

Capital Management and Adequacy

The Board of Directors reviews and approves an annual capital plan as well as capital transactions undertaken by management pursuant to the plan. The capital plan is designed to ensure that the Company maintains adequate capital, taking into account the Company's strategy, risk profile and business plans. The Company has established policies and procedures designed to identify, measure and report all material risks. Management is responsible for establishing capital management procedures for implementing and monitoring the capital plan. In addition to undertaking capital transactions, the Company uses and provides traditional and structured reinsurance to support capital and risk management.

At the holding company level, the Company monitors the amount of consolidated capital available and the amounts deployed in its various operating subsidiaries. The amount of capital deployed in any particular company or country is dependent upon local regulatory requirements as well as the Company's internal assessment of capital requirements in the context of its operational risks and requirements and strategic plans. The Company's practice is to maintain the capitalization of its regulated operating subsidiaries at a level that will exceed the relevant minimum regulatory capital requirements in the jurisdictions in which they operate. The capitalization decisions of the Company and its operating subsidiaries also give consideration to the impact such actions may have on the opinions expressed by various credit rating agencies that provide financial strength and other ratings to the Company.

In Canada, OSFI has established a regulatory capital adequacy measurement for life insurance companies incorporated under the Insurance Companies Act (Canada) and their subsidiaries, known as the Life Insurance Capital Adequacy Test (LICAT). The LICAT Ratio is calculated in accordance with the 2024 OSFI Guideline - Life Insurance Capital Adequacy Test.

The LICAT Ratio compares the regulatory capital resources of a company to its required capital. The required capital is calibrated so that a life insurer can both withstand severe stress events and support the continuity of existing business. The LICAT guideline uses a risk-based approach for measuring specific life insurer risks and for aggregating the results to calculate the amount of a life insurer's capital requirements.

OSFI has established a Supervisory Target Total Ratio of 100% and a Supervisory Minimum Total Ratio of 90%. Lifeco's major Canadian operating subsidiary, Canada Life, is operating well above these supervisory ratios.

Canada Life's consolidated LICAT Ratio at June 30, 2024 was 130%. The LICAT Ratio does not take into account any impact from $1.0 billion of liquidity at the Lifeco holding company level at June 30, 2024 ($0.9 billion at March 31, 2024).

The following provides a summary of the LICAT information and ratios for Canada Life:

LICAT Ratio

	June 30 2024	Dec. 31 2023
Tier 1 Capital	$ 19,478	$ 18,285
Tier 2 Capital	5,168	5,223
Total Available Capital	24,646	23,508
Surplus Allowance & Eligible Deposits	5,166	5,406
Total Capital Resources	$ 29,812	$ 28,914
Required Capital	$ 22,852	$ 22,525
Total Ratio (OSFI Supervisory Target = 100%)[1]	130 %	128 %

[1] Total Ratio (%) = (Total Capital Resources / Required Capital)

The LICAT Ratio increased by two points from 128% at December 31, 2023 to 130% at June 30, 2024 as a result of earnings which increased total capital resources. In-quarter growth of one point from March 31, 2024 was as a result of similar factors.

In the U.S, the National Association of Insurance Commissioners has established Risk-Based Capital (RBC) as a regulatory capital adequacy measurement. Empower, Lifeco's U.S. operating company, reports its RBC ratio annually to U.S. Insurance Regulators. The RBC ratio is for information only and is not intended as a means to rank insurers generally or for any other purpose. The reported December 31, 2023 ratio was 522%. At June 30, 2024, the ratio is estimated to continue to be above 500%.

OSFI Regulatory Capital Initiatives

OSFI is developing a new approach, planned 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 this and other developments.

Return on Equity (ROE)

	June 30 2024	March 31 2024	June 30 2023
Base Return on Equity[1] by Segment			
Canada	16.4 %	16.2 %	17.6 %
United States	13.3 %	12.6 %	11.4 %
Europe[2]	17.3 %	16.8 %	17.5 %
Capital and Risk Solutions[2]	50.8 %	52.9 %	37.1 %
Total Lifeco Base Return on Equity[2]	17.2 %	17.0 %	15.9 %
Return on Equity - Continuing Operations[3] by Segment			
Canada	17.0 %	14.9 %	15.3 %
United States	11.1 %	9.8 %	8.2 %
Europe	13.2 %	11.2 %	11.8 %
Capital and Risk Solutions	55.5 %	57.8 %	30.0 %
Total Lifeco Return on Equity - Continuing Operations	16.2 %	14.6 %	12.2 %

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

2 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

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

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 the United States, 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.

Lifeco's base ROE as at June 30, 2024 increased by 1.3 percentage points compared to the same quarter last year. The increase was driven by the U.S. and Capital and Risk Solutions segments, for which base ROEs increased by 1.9 and 13.7 percentage points, respectively. The increase in the U.S. segment was driven by strong earnings growth that outpaced growth in equity. In the Capital and Risk Solutions segment, trailing four quarter base earnings for the comparative period ended June 30, 2023 included a net loss provision of $128 million after-tax for estimated claims resulting from the impact of Hurricane Ian in the third quarter of 2022.

Lifeco's ROE as at June 30, 2024 increased by 4.0 percentage points compared to the same quarter last year, primarily for the same reasons as discussed for Lifeco's base ROE.

Ratings

Lifeco maintains ratings from five independent ratings companies. Credit ratings[1] 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 second quarter of 2024, the existing credit ratings for Lifeco and its major operating subsidiaries were unchanged. 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.

For a complete listing of credit ratings for Great-West Lifeco and its major operating subsidiaries, please refer to the "Investor Relations" section of the Company's website at www.greatwestlifeco.com.

1 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.

Risk Management and Control Practices

The Company's Enterprise Risk Management (ERM) Framework facilitates the alignment of business strategy with risk appetite, informs and improves the deployment of capital; and supports the identification, mitigation and management of exposure to potential losses and risk. The Company's Risk Function is responsible for developing and maintaining the Risk Appetite Framework (RAF), the supporting risk policies and risk limit structure, and provides independent risk oversight across the Company's operations. The Board of Directors is ultimately accountable and responsible for the Company's risk governance and associated risk policies. These include the ERM Policy, which establishes the guiding principles of risk management, and the RAF, which reflects the levels and types of risk that the Company is willing to accept to achieve its business objectives.

During the six months ended June 30, 2024, there were no significant changes to the Company's risk management and control practices. Refer to the Company's 2023 Annual MD&A for a detailed description of the Company's risk management and control practices.

Exposures and Sensitivities

Insurance and Investment Contract Liabilities

In determining the Company's insurance contract liabilities, valuation assumptions are made regarding rates of mortality/morbidity, investment returns, levels of operating expenses, rates of policy termination and rates of utilization of elective policy options or provisions. When the assumptions are revised to reflect emerging experience or change in outlook, the result is a change in the value of liabilities which in turn affects the Company's earnings.

Financial Exposures and Sensitivities

The following table illustrates the approximate impact to the Company's shareholders' net earnings that would arise as a result of changes to management's best estimate of certain assumptions. A description of the methodologies used to calculate the Company's financial risk sensitivities is included in the "Summary of Critical Accounting Estimates" section of the Company's 2023 Annual MD&A. For changes in financial assumptions, the sensitivity is shown net of the corresponding impact on earnings of the change in the value of liabilities and the value of assets supporting liabilities.

The impact to shareholders' net earnings from an immediate 50 basis point increase or decrease in credit spreads is illustrated in the table below, with no change to the ultimate illiquidity premium. Actual impacts of credit spread changes will vary depending on the geographies where the changes occur, and the changes in credit spreads by term. A change in credit spreads may also lead to a change in the allowance for credit risk within the IFRS 17 discount rate, depending on prevailing market and credit conditions at the time; any potential earnings impacts that may arise from such a change are not reflected in the sensitivities below.

On January 1, 2024, the Company completed the sale of Putnam Investments and currently holds approximately 31,600,000 Franklin Templeton shares as part of the consideration, which are classified as fair value through other comprehensive income (FVOCI). The Company will hold a majority of these shares for a minimum five-year period.

Financial Exposures and Sensitivities

	Net earnings		Equity[1]		CSM[2]		LICAT[3]	
	June 30 2024	Dec. 31 2023	**June 30 2024**	Dec. 31 2023	**June 30 2024**	Dec. 31 2023	**June 30 2024**	Dec. 31 2023
Investment returns:								
Change in risk free interest rates								
50 basis points increase	$ 125	$ 175	$ 100	$ 150	$ 125	$ 175	(1 point)	0 point
50 basis points decrease	(150)	(225)	(150)	(225)	(200)	(250)	0 point	0 point
Change in credit spreads								
50 basis points increase	$ 225	$ 300	$ 275	$ 350	$ 100	$ 175	0 point	1 point
50 basis points decrease	(275)	(375)	(350)	(450)	(175)	(250)	(1 point)	(1 point)
Change in publicly traded common stock values[1]								
20% increase	$ 125	$ 225	$ 575	$ 525	$ 550	$ 525	(1 point)	0 point
10% increase	50	100	275	250	275	275	< (1 point)	0 point
10% decrease	(50)	(100)	(275)	(250)	(300)	(300)	0 point	0 point
20% decrease	(125)	(225)	(575)	(525)	(575)	(550)	< (1 point)	(1 point)
Change in other non-fixed income asset values								
10% increase	$ 425	$ 400	$ 450	$ 450	$ —	$ —	1 point	1 point
5% increase	200	200	225	225	—	—	< 1 point	< 1 point
5% decrease	(225)	(200)	(225)	(225)	—	—	< (1 point)	< (1 point)
10% decrease	(450)	(425)	(475)	(450)	—	—	(1 point)	(1 point)

1 The net impact of the sale of Putnam Investments and the receipt of Franklin Templeton common shares is reflected in the June 30, 2024 values in the table above. The Franklin Templeton common shares are measured at FVOCI and therefore unrealized gains and losses do not impact shareholders' net earnings. The after-tax impact on shareholders' equity of the Franklin Templeton common shares is approximately $75 for every 10% change in the common stock equity value.

2 The impacts to the total contractual service margin are pre-tax.

3 LICAT sensitivities should be viewed as directional estimates only of the underlying sensitivities for the respective factors. Given the nature of these calculations, the Company cannot provide assurance that the actual impact on the Canada Life consolidated LICAT Ratio will be as indicated. LICAT sensitivities are rounded to the nearest point.

Actual impacts of interest rate changes will vary depending upon the geography where the changes occur. Net earnings are positively impacted by a parallel increase in interest rates and credit spreads in Canada, U.K. and the U.S., and are positively impacted by a parallel decrease in interest rates in the eurozone. Actual impacts of interest rate changes also vary by the level of change in interest rates by term. Therefore, actual impacts from interest rate changes may differ from the estimated impact of parallel movements in all geographies, which is presented above.

The potential impact on shareholders' net earnings of the Company does not take into account any future potential changes to the Company's ultimate investment rate (UIR) assumptions. As at both June 30, 2024 and December 31, 2023, the sensitivity of shareholders' net earnings of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of $25 million or a decrease of $25 million post-tax, respectively. In addition, the sensitivity of the CSM of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of $75 million or a decrease of $75 million pre-tax, respectively.

Refer to the "Accounting Policies - Summary of Critical Accounting Estimates" and "Capital Management and Adequacy" sections of the Company's 2023 Annual MD&A for additional information on earnings and LICAT sensitivities.

International Financial Reporting Standards

Due to the evolving nature of IFRS, there are a number of IFRS changes impacting the Company in 2024, as well as standards that could impact the Company in future reporting periods. The Company actively monitors future IFRS changes proposed by the International Accounting Standards Board (IASB) to assess if the changes to the standards may have an impact on the Company's results or operations.

Changes in Accounting Policies

The Company adopted the amendments to International Financial Reporting Standards (IFRS) for IAS 7, *Statement of Cash Flows*, IFRS 7, *Financial Instruments: Disclosures*, and IFRS 16, *Leases* effective January 1, 2024. The adoption of these amendments did not have a material impact on the Company's financial statements.

For additional detail, refer to note 2 of the Company’s condensed consolidated interim unaudited financial statements for the period ended June 30, 2024.

Other Information

Non-GAAP Financial Measures and Ratios

Non-GAAP Financial Measures

The Company uses several non-GAAP financial measures to measure overall performance of the Company and to assess each of its business units. A financial measure is considered a non-GAAP measure for Canadian securities law purposes if it is presented other than in accordance with generally accepted accounting principles (GAAP) used for the Company's consolidated financial statements. The consolidated financial statements of the Company have been prepared in compliance with IFRS as issued by the IASB. Non-GAAP financial measures do not have a standardized meaning under GAAP and may not be comparable to similar financial measures presented by other issuers. Investors may find these financial measures useful in understanding how management views the underlying business performance of the Company.

Base earnings (loss)

Base earnings (loss) reflect management's view of the underlying business performance of the Company and provides an alternate measure to understand the underlying business performance compared to IFRS net earnings.

Base earnings (loss) exclude the following items from IFRS reported net earnings:

- Market-related impacts, where actual market returns in the current period are different than longer-term expected returns;
- Assumption changes and management actions that impact the measurement of assets and liabilities;
- Business transformation impacts which include acquisition and divestiture costs and restructuring and integration costs;
- Material legal settlements, material impairment charges related to goodwill and intangible assets, impacts of income tax rate changes on the remeasurement of deferred tax assets and liabilities and other tax impairments, net gains, losses or costs related to the disposition or acquisition of a business; net earnings (loss) from discontinued operations;
- Realized gains (losses) on the sale of assets measured at fair value through other comprehensive income (FVOCI);
- The direct equity and interest rate impacts on the measurement of surplus assets and liabilities;
- Amortization of acquisition related finite life intangible assets; and
- Other items that, when removed, assist in explaining the Company's underlying business performance.

Lifeco

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings[1]	$ 1,038	$ 978	$ 920	$ 2,016	$ 1,746
Items excluded from Lifeco base earnings					
Market experience relative to expectations (pre-tax)	$ 45	$ 136	$ (92)	$ 181	$ (301)
Income tax (expense) benefit	(17)	(29)	13	(46)	54
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	(158)	—	(158)
Income tax (expense) benefit	—	—	37	—	37
Assumption changes and management actions (pre-tax)	2	3	(5)	5	4
Income tax (expense) benefit	37	(4)	1	33	(1)
Business transformation impacts (pre-tax)[2]	(36)	(67)	(144)	(103)	(170)
Income tax (expense) benefit[2]	7	18	33	25	40
Amortization of acquisition-related finite life intangibles (pre-tax)[2]	(52)	(50)	(49)	(102)	(92)
Income tax (expense) benefit[2]	15	12	13	27	24
Tax legislative changes impact (pre-tax)[1,2]	—	—	—	—	—
Income tax (expense) benefit[1,2]	(34)	34	—	—	—
Total pre-tax items excluded from base earnings	$ (41)	$ 22	$ (448)	$ (19)	$ (717)
Impact of items excluded from base earnings on income taxes[1]	8	31	97	39	154
Net earnings from continuing operations	$ 1,005	$ 1,031	$ 569	$ 2,036	$ 1,183
Net earnings (loss) from discontinued operations (post-tax)	—	(115)	(71)	(115)	(90)
Net gain from disposal of discontinued operations (post-tax)	—	44	—	44	—
Net earnings - common shareholders	$ 1,005	$ 960	$ 498	$ 1,965	$ 1,093

1 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

2 Included in other non-market related impacts.

Canada

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings	$ 322	$ 302	$ 283	$ 624	$ 561
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ 35	$ 93	$ (179)	$ 128	$ (239)
Income tax (expense) benefit	(10)	(26)	50	(36)	67
Assumption changes and management actions (pre-tax)	1	9	1	10	4
Income tax (expense) benefit	—	(3)	—	(3)	(1)
Business transformation impacts (pre-tax)[1]	(9)	(23)	(3)	(32)	(3)
Income tax (expense) benefit[1]	2	6	1	8	1
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(8)	(7)	(6)	(15)	(12)
Income tax (expense) benefit[1]	2	2	1	4	3
Net earnings - common shareholders	$ 335	$ 353	$ 148	$ 688	$ 381

1 Included in other non-market related impacts.

United States

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings	$ 324	$ 286	$ 265	$ 610	$ 483
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ (2)	$ 9	$ (4)	$ 7	$ (9)
Income tax (expense) benefit	1	(2)	—	(1)	—
Business transformation impacts (pre-tax)[1]	(27)	(44)	(95)	(71)	(121)
Income tax (expense) benefit[1]	5	12	22	17	29
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(39)	(37)	(37)	(76)	(69)
Income tax (expense) benefit[1]	12	9	10	21	18
Net earnings from continuing operations	$ 274	$ 233	$ 161	$ 507	$ 331
Net earnings (loss) from discontinued operations (post-tax)	—	(115)	(71)	(115)	(90)
Net gain from disposal of discontinued operations (post-tax)	—	44	—	44	—
Net earnings - common shareholders	$ 274	$ 162	$ 90	$ 436	$ 241

[1] Included in other non-market related impacts.

Europe

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings[1]	$ 206	$ 197	$ 180	$ 403	$ 358
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ 13	$ (15)	$ 100	$ (2)	$ (55)
Income tax (expense) benefit	(5)	3	(16)	(2)	—
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	(158)	—	(158)
Income tax (expense) benefit	—	—	37	—	37
Assumption changes and management actions (pre-tax)	(2)	—	(1)	(2)	5
Income tax (expense) benefit	—	—	—	—	(1)
Business transformation impacts (pre-tax)[2]	—	—	(46)	—	(46)
Income tax (expense) benefit[2]	—	—	10	—	10
Amortization of acquisition-related finite life intangibles (pre-tax)[2]	(5)	(6)	(6)	(11)	(11)
Income tax (expense) benefit[2]	1	1	2	2	3
Tax legislative changes impact (pre-tax)[1,2]	—	—	—	—	—
Income tax (expense) benefit[1,2]	(7)	7	—	—	—
Net earnings - common shareholders	$ 201	$ 187	$ 102	$ 388	$ 142

[1] Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

[2] Included in other non-market related impacts.

Capital and Risk Solutions

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings[1]	$ 190	$ 195	$ 203	$ 385	$ 360
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ (6)	$ 49	$ (9)	$ 43	$ 13
Income tax (expense) benefit	(2)	(4)	(21)	(6)	(16)
Assumption changes and management actions (pre-tax)	(1)	(6)	(5)	(7)	(5)
Income tax (expense) benefit	1	(1)	1	—	1
Tax legislative changes impact (pre-tax)[1,2]	—	—	—	—	—
Income tax (expense) benefit[1,2]	(27)	27	—	—	—
Net earnings - common shareholders	$ 155	$ 260	$ 169	$ 415	$ 353

1 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

2 Included in other non-market related impacts.

Lifeco Corporate

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (loss)	$ (4)	$ (2)	$ (11)	$ (6)	$ (16)
Items excluded from base earnings (loss)					
Market experience relative to expectations (pre-tax)	$ 5	$ —	$ —	$ 5	$ (11)
Income tax (expense) benefit	(1)	—	—	(1)	3
Assumption changes and management actions (pre-tax)	4	—	—	4	—
Income tax (expense) benefit	36	—	—	36	—
Net earnings (loss) - common shareholders	$ 40	$ (2)	$ (11)	$ 38	$ (24)

Base earnings - insurance service result

Represents the profit earned from providing insurance coverage and comprises the expected insurance earnings, impacts of new insurance business written and insurance experience gains and losses for the Company's insurance businesses. This metric is presented on a common shareholders' basis by removing the participating account results.

Lifeco (pre-tax)

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings - insurance service result	$ 794	$ 763	$ 711	$ 1,557	$ 1,370
Items excluded from base earnings	(1)	(2)	(46)	(3)	(43)
Participating account	38	36	38	74	76
Net earnings - insurance service result	$ 831	$ 797	$ 703	$ 1,628	$ 1,403

Base earnings - net investment result

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 into 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. Additionally, includes expected investment income on surplus assets net of associated investment expenses. This metric is presented on a common shareholders' basis by removing the participating account results. This measure removes spread income earned on certain investment products which represents the difference between earned rates and rates credited to clients.

Lifeco (pre-tax)

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings - net investment result	$ 255	$ 297	$ 266	$ 552	$ 480
Items excluded from base earnings	49	144	(255)	193	(464)
Spread income	328	321	305	649	663
Participating account	17	(2)	(12)	15	(61)
Net earnings - net investment result	$ 649	$ 760	$ 304	$ 1,409	$ 618

Base earnings - pre-tax

Represents base earnings (loss) before income taxes, earnings (losses) attributable to non-controlling interests and preferred share dividends.

Lifeco

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Base earnings (pre-tax)	$ 1,325	$ 1,230	$ 1,131	$ 2,555	$ 2,092
Items excluded from Lifeco base earnings					
Market experience relative to expectations (pre-tax)	$ 45	$ 136	$ (92)	$ 181	$ (301)
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	(158)	—	(158)
Assumption changes and management actions (pre-tax)	2	3	(5)	5	4
Business transformation impacts (pre-tax)[1]	(36)	(67)	(144)	(103)	(170)
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(52)	(50)	(49)	(102)	(92)
Total pre-tax items excluded from base earnings	$ (41)	$ 22	$ (448)	$ (19)	$ (717)
Participating account	30	6	(1)	36	(39)
Earnings before income taxes	$ 1,314	$ 1,258	$ 682	$ 2,572	$ 1,336

[1] Included in other non-market related impacts.

Empower Defined Contribution and Personal Wealth net revenue

For the Empower Defined Contribution (Empower DC) and Empower Personal Wealth (Empower PW) business lines in the U.S segment, the Company discloses net revenue, which is a measure of financial performance and growth for these businesses. Net revenue includes net asset-based fee income and other fee income related to businesses such as mutual funds products and recordkeeping. Net asset-based expenses include certain direct expenses incurred such as commissions, managed account expenses and sub-advisor expenses. Net revenue also includes spread income earned on general account investment products, net of credit experience on assets held to back general account liabilities.

United States

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	**June 30 2024**	June 30 2023
Empower Defined Contribution (US$)					
Gross AUM fees	$ 437	$ 425	$ 406	$ 862	$ 802
Asset-based expenses	(110)	(109)	(108)	(219)	(210)
Asset-based fee income (net)	$ 327	$ 316	$ 298	$ 643	$ 592
Spread income	175	173	195	348	396
Credit experience	(29)	—	(10)	(29)	(13)
Spread income (net)	$ 146	$ 173	$ 185	$ 319	$ 383
Other fees	222	175	164	397	316
Total net revenue (US$)	$ 695	$ 664	$ 647	$ 1,359	$ 1,291
Empower Personal Wealth (US$)					
Gross AUM fees	$ 102	$ 99	$ 81	$ 201	$ 157
Asset-based expenses	(14)	(14)	(10)	(28)	(22)
Asset-based fee income (net)	$ 88	$ 85	$ 71	$ 173	$ 135
Spread income (net)	44	46	39	90	76
Other fees	18	19	16	37	28
Total net revenue (US$)	$ 150	$ 150	$ 126	$ 300	$ 239
Reconciliation to Income Statement					
Fee and other income					
Gross AUM and other fees (US$)	$ 779	$ 718	$ 667	$ 1,497	$ 1,303
Gross AUM and other fees (C$)	1,067	970	893	2,037	1,752
Add: Other fee and other income	32	31	28	63	56
Fee and other income	$ 1,099	$ 1,001	$ 921	$ 2,100	$ 1,808
Net investment result					
Empower DC and PW spread income (net) (US$)	$ 190	$ 219	$ 224	$ 409	$ 459
Empower DC and PW spread income (net) (C$)	$ 261	$ 295	$ 300	$ 556	$ 616
Add: Other U.S. segment net investment results	69	81	20	150	65
Add: Items excluded from base earnings	(2)	9	(4)	7	(9)
Add: Participating account	1	1	—	2	—
Net investment result	$ 329	$ 386	$ 316	$ 715	$ 672
Operating and administrative expenses					
Asset-based expenses (US$)	$ (124)	$ (123)	$ (118)	$ (247)	$ (232)
Empower DC other operating expenses (US$)	(437)	(462)	(436)	(899)	(876)
Empower PW other operating expenses (US$)	(96)	(95)	(73)	(191)	(159)
Total Empower DC and PW fee and spread income-related operating expenses (US$)	$ (657)	$ (680)	$ (627)	$ (1,337)	$ (1,267)
Total Empower DC and PW operating expenses (C$)	(900)	(918)	(840)	(1,818)	(1,698)
Add: Items excluded from base earnings	(15)	—	(67)	(15)	(67)
Add: Other U.S. segment operating expenses	(24)	(56)	(26)	(80)	(109)
Add: Participating account	(4)	(1)	(3)	(5)	(5)
Operating and administrative expenses	$ (943)	$ (975)	$ (936)	$ (1,918)	$ (1,879)

Assets under management (AUM) and assets under administration (AUA)

Assets under management and assets under administration are non-GAAP measures that provide an indicator of the size and volume of the Company's overall business. Administrative services are an important aspect of the overall business of the Company and should be considered when comparing volumes, size and trends.

Total assets under administration includes total assets per financial statements, proprietary mutual funds and institutional assets and other assets under administration.

Lifeco

	June 30 2024	March 31 2024	June 30 2023
Total assets per financial statements[1]	$ 749,562	$ 736,722	$ 690,003
Continuing operations - other AUM	211,939	204,651	198,956
Discontinued operations - other AUM	—	—	153,414
Total AUM[1]	$ 961,501	$ 941,373	$ 1,042,373
Other AUA	1,967,541	1,913,791	1,601,005
Total AUA[1]	$ 2,929,042	$ 2,855,164	$ 2,643,378

[1] Comparative figures include assets held for sale and other AUM related to the discontinued operations of Putnam Investments.

Canada

	June 30 2024	March 31 2024	June 30 2023
Canada wealth fee business AUA			
Segregated fund assets	$ 107,067	$ 106,530	$ 98,216
Other AUM	13,293	13,424	3,971
Wealth fee business other AUA	57,771	57,142	25,141
Total Canada wealth fee business AUA	$ 178,131	$ 177,096	$ 127,328
Add: Other balance sheet assets	$ 105,034	$ 103,874	$ 98,457
Add: Other AUA	2,329	2,152	2,221
Consolidated Canada balance sheet assets	$ 212,101	$ 210,404	$ 196,673
Consolidated Canada other AUM	13,293	13,424	3,971
Consolidated Canada other AUA	60,100	59,294	27,362
Total Canada AUA	$ 285,494	$ 283,122	$ 228,006

United States

	June 30 2024	March 31 2024	June 30 2023
Empower AUA			
General account	$ 87,553	$ 87,471	$ 91,817
Segregated funds	193,030	186,611	170,566
Other AUM	82,843	80,609	92,860
Other AUA	1,894,228	1,841,725	1,562,088
Empower AUA	$ 2,257,654	$ 2,196,416	$ 1,917,331
PanAgora - other AUM	$ 46,117	$ 45,164	$ 43,897
Discontinued operations - other AUM	—	—	184,309
Subtotal	$ 2,303,771	$ 2,241,580	$ 2,145,537
Add: Other AUM consolidated adjustment	$ (69)	$ (1,922)	$ (30,895)
Add: Other balance sheet assets	39,267	39,636	37,906
Consolidated United States balance sheet assets	$ 319,850	$ 313,718	$ 300,289
Consolidated United States other AUM	128,891	123,851	290,171
Consolidated United States other AUA	1,894,228	1,841,725	1,562,088
Total United States AUA	$ 2,342,969	$ 2,279,294	$ 2,152,548

Europe

	June 30 2024	March 31 2024	June 30 2023
Europe wealth and investment only AUA			
Segregated fund assets	$ 155,289	$ 150,177	$ 135,542
Other AUM	69,755	67,376	58,228
Other AUA	13,213	12,772	11,555
Total Europe wealth and investment only AUA	$ 238,257	$ 230,325	$ 205,325
Add: Other balance sheet assets	$ 53,299	$ 53,406	$ 48,812
Consolidated Europe balance sheet assets	$ 208,588	$ 203,583	$ 184,354
Consolidated Europe other AUM	69,755	67,376	58,228
Consolidated Europe other AUA	13,213	12,772	11,555
Total Europe AUA	$ 291,556	$ 283,731	$ 254,137

Non-GAAP Ratios

A non-GAAP ratio is a financial measure in the form of a ratio, fraction, percentage or similar representation that is not disclosed in the financial statements of the Company and has a non-GAAP financial measure as one or more of its components. These financial measures do not have a standardized definition under IFRS and might not be comparable to similar financial measures disclosed by other issuers.

The non-GAAP ratios disclosed by the Company each use base earnings (loss) as the non-GAAP component. Base earnings (loss) reflect management's view of the underlying business performance of the Company and provides an alternate measure to understand the underlying business performance compared to IFRS net earnings.

- **Base dividend payout ratio** - Dividends paid to common shareholders are divided by base earnings (loss).
- **Base earnings per share** - Base earnings (loss) for the period is divided by the number of average common shares outstanding for the period.
- **Base earnings per share (diluted)** - Base earnings (loss) for the period is divided by the number of average common shares outstanding on a diluted basis for the period.
- **Base return on equity** - Base earnings (loss) for the trailing four quarters are divided by the average common shareholders' equity over the trailing four quarters. This measure provides an indicator of business unit profitability.
- **Cost of management ratio** - Compares the amount paid by the Company to compensate its Named Executive Officers (NEOs) relative to the Company's base earnings for the same period. Calculated by dividing total annual compensation paid to NEOs (as disclosed in the Executive Compensation section of the Company's management proxy circular) by base earnings for the year.
- **Effective income tax rate - base earnings - common shareholders** - Calculated by adjusting the Company's reported income taxes and net earnings before income taxes attributable to common shareholders to remove the impact of items excluded from base earnings, to calculate the effective tax rates for common shareholders.
- **Price/base earnings ratio** - The Company's closing share price divided by its base earnings per share on a trailing four quarter basis.

Glossary

- **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.
- **Business transformation impacts -** Business transformation impacts include acquisition and divestiture costs as well as restructuring and integration costs.
- **Book value per common share** - Measure is calculated by dividing Lifeco's common shareholders' equity by the number of common shares outstanding at the end of the period.
- **Contractual service margin (CSM)** - The CSM of a group of insurance contracts represents the unearned profit that the Company expects to recognize in the future as it provides services under those contracts. On initial recognition of a group

of insurance contracts, if the total of the fulfillment cash flows, any derecognized assets for insurance acquisition cash flows, and any cash flows arising at that date is a net inflow, the group of contracts is non-onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no net income or expenses arising on initial recognition.

- **Common shareholders' equity** - A financial measure comprised of the following items from Lifeco's balance sheet: share capital - common shares, accumulated surplus, accumulated other comprehensive income and contributed surplus.
- **Dividend payout ratio** - Dividends paid to common shareholders are divided by net earnings - common shareholders.
- **Drivers of earnings (DOE)** - Drivers of earnings analysis provides additional detail on the primary sources of Lifeco's earnings and is a consistent presentation across Canadian insurance industry peers. The DOE view presents net earnings attributable to common shareholders, comprising base earnings on a DOE basis and items excluded from base earnings. For base insurance service result, the DOE view provides detail on expected insurance earnings, the impact of new business and experience gains and losses. For base net investment result, the DOE view provides detail on expected investment earnings, credit experience, trading activity and earnings on surplus. Base other income and expenses are presented separately in the DOE view with additional detail on net fee and spread income, non-directly attributable and other expenses, income taxes on base earnings, non-controlling interests, preferred dividends and other items.
- **Financial leverage ratio** - Defined as debt, hybrid securities, and preferred shares divided by total consolidated capitalization. The denominator also includes the after-tax non-participating CSM balance in the denominator, other than CSM associated with segregated fund guarantees. This reflects that the CSM represents future profit and is considered available capital under LICAT.
- **General Measurement Model (GMM)** - The Company applies this measurement model to all IFRS 17 contracts not measured under the PAA or VFA measurement models.
- **Group life and health book premiums** - For group life and health insurance, this measure represents the value of in-force premiums at the end of the reporting period.
- **Impact of currency movement (constant currency basis) -** Items impacting the Company's Consolidated Statements of Earnings, such as income and benefits and expenses and net earnings, are translated into Canadian dollars at an average rate for the period. These measures highlight the impact of changes in currency translation rates on Canadian dollar equivalent IFRS results and have been calculated using the average rates, as shown below, in effect at the date of the comparative period. These measures provide useful information as it facilitates the comparability of results between periods.

	Period ended	
	June 30, 2024	June 30, 2023
United States dollar	1.37	1.34
British pound	1.73	1.68
Euro	1.47	1.46

- **Market experience relative to expectations** - 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:
  - 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; and
  - 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.
- **Net cash flows and net flows** - Indicator of the Company's ability to attract and retain business. Net cash flows and net asset flows are measured by the following:
  - Canada wealth management net cash flows include cash inflows and outflows related to segregated fund assets and proprietary and non-proprietary mutual funds.
  - Europe wealth and investment only net cash flows include cash inflows and outflows related to segregated fund assets, proprietary mutual funds and institutional assets as well as other assets under administration.

- Empower net cash flows include cash inflows and outflows related to segregated fund assets, general fund assets, proprietary and non-proprietary mutual funds as well as other assets under management.
- PanAgora net flows include institutional sales and redemptions.

- **Net earnings from continuing operations** - Defined as net earnings - common shareholders less net earnings (loss) from discontinued operations and the net gain from disposal of discontinued operations. The discontinued operations represent the results of Putnam Investments. On January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments to Franklin Resources, Inc., operating as "Franklin Templeton".
- **Office of the Superintendent of Financial Institutions Canada (OSFI)** - Is an independent Canadian federal government agency that regulates and supervises federally regulated financial institutions and pension plans to determine whether they are in sound financial condition and meeting their requirements.
- **Other assets under administration** - Includes assets where the Company only provides administration services for which the Company earns fees and other income. These assets are beneficially owned by the clients and the Company does not direct the investing activities. Services provided relating to assets under administration include recordkeeping, safekeeping, collecting investment income, settling of transactions or other administrative services. Administrative services are an important aspect of the overall business of the Company and should be considered when comparing volumes, size and trends.
- **Other assets under management** - Includes external client funds where the Company has oversight of the investment policies. Services provided in respect of proprietary mutual funds and institutional assets include the selection of investments, the provision of investment advice and discretionary portfolio management on behalf of clients.
- **Premium Allocation Approach (PAA)** - The Company applies this IFRS 17 measurement model to contracts with coverage periods of one year or less and those that are relatively stable and have low variability in fulfillment cash flows. Low variability in fulfillment cash flows indicates that no significant difference in measurement exists when compared to the general measurement model (GMM).
- **Price/book value ratio** - The Company's closing share price divided by its book value per share.
- **Price/earnings ratio** - The Company's closing share price divided by its net earnings per share on a trailing four quarter basis.
- **Return on equity (ROE) - continuing operations** - Net earnings from continuing operations for the trailing four quarters are divided by the average common shareholders' equity over the trailing four quarters. This measure provides an indicator of business unit profitability.
- **Sales** - Sales are measured according to product type:
    - For risk-based insurance and annuity products, sales include 100% of single premium and annualized premiums expected in the first twelve months of the plan.
    - Group insurance and ASO sales reflect annualized premiums and premium equivalents for new policies and new benefits covered or expansion of coverage on existing policies.
    - For individual wealth management products, sales include deposits on segregated fund products, proprietary mutual funds and institutional accounts as well as deposits on non-proprietary mutual funds.
    - For group wealth management products, sales include assets transferred from previous plan providers and the expected annual contributions from the new plan.
- **Segmented common shareholders' equity** - 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 Empower and 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 mirroring the consolidated Company.

  The capital allocation methodology allows the Company to calculate comparable ROE for each business unit. These ROEs are therefore based on the capital the business unit has been allocated and the financing charges associated with that capital. IFRS does not prescribe the calculation of ROE and therefore a comparable measure under IFRS is not available.
- **Variable Fee Approach (VFA)** - The Company applies this IFRS 17 measurement model to contracts with direct participating features such as participating insurance and segregated fund business with insurance guarantees, where an investment return is provided to the policyholder based on a defined pool of items (e.g., a portfolio of assets).

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information relating to the Company which is required to be disclosed in reports filed under provincial and territorial securities legislation is: (a) recorded, processed, summarized and reported within the time periods specified in the provincial and territorial securities legislation, and (b) accumulated and communicated to the Company's senior management, including the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining effective internal control over financial reporting. All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes during the six months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Transactions with Related Parties

On May 6, 2024, the Company announced it had entered into a new long-term strategic partnership with Power Sustainable Manager Inc. (Power Sustainable), a climate-focused investment manager and subsidiary of the Company's parent, Power Corporation of Canada. Under the transaction, the Company has become a minority shareholder in Power Sustainable with an ownership share of slightly below 20% on a fully diluted basis. The Company has agreed to invest in certain funds across Power Sustainable's investment strategies in the future.

Otherwise, related party transactions have not changed materially from December 31, 2023.

Quarterly Financial Information

Quarterly financial information
(in $ millions, except per share amounts)

	2024		2023				2022 (Restated)	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Insurance revenue	$ 5,273	$ 5,250	$ 5,174	$ 5,110	$ 5,081	$ 5,037	$ 5,442	$ 4,648
Net investment income	2,409	2,340	2,431	2,271	2,061	2,101	2,085	2,027
Changes in fair value on FVTPL assets	(864)	(1,385)	11,042	(5,457)	(2,668)	3,572	1,351	(7,399)
Fee and other income	1,794	1,672	1,558	1,450	1,466	1,400	1,372	1,280
Total revenue[1]	$ 8,612	$ 7,877	$ 20,205	$ 3,374	$ 5,940	$ 12,110	$ 10,250	$ 556
Net earnings from continuing operations[2]								
Total	$ 1,005	$ 1,031	$ 743	$ 936	$ 569	$ 614	$ 478	$ 986
Basic - per share	1.08	1.10	0.80	1.01	0.61	0.66	0.51	1.06
Diluted - per share	1.08	1.10	0.79	1.00	0.61	0.66	0.51	1.06
Net earnings - Common Shareholders								
Total	$ 1,005	$ 960	$ 740	$ 905	$ 498	$ 595	$ 452	$ 987
Basic - per share	1.08	1.03	0.79	0.97	0.53	0.64	0.48	1.06
Diluted - per share	1.08	1.03	0.79	0.97	0.53	0.64	0.48	1.06

1 Total revenue and its components exclude revenue from discontinued operations related to Putnam Investments.

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

Total revenue

Total revenue for the second quarter of 2024 was $8,612 million and comprises insurance revenue of $5,273 million ($5,081 million for the same quarter last year), net investment income of $2,409 million ($2,061 million for the same quarter last year), changes in fair value through profit or loss on investment assets of negative $864 million (changes of negative $2,668 million for the same quarter last year) and fee and other income of $1,794 million ($1,466 million for the same quarter last year).

Insurance revenue
Insurance revenue for the second quarter of 2024 was $5,273 million, an increase of $192 million compared to the same quarter last year, primarily due to favourable group experience in the U.K.

Total net investment income
Total net investment income for the second quarter of 2024 was $1,545 million, an increase of $2,152 million compared to the same quarter last year. The changes in fair value in the second quarter of 2024 were a decrease of $864 million compared to a decrease of $2,668 million in the second quarter of 2023, primarily due to a smaller increase in bond yields across all geographies in the current period compared to last year. Net investment income in the second quarter of 2024 of $2,409 million, which excludes changes in fair value through profit or loss, increased $348 million compared to the same quarter last year, primary due to the same reason discussed for the changes in fair value results.

Fee and other income
Fee and other income for the second quarter of 2024 was $1,794 million, an increase of $328 million compared to the same quarter last year, primarily due to additions of IPC and Value Partners and growth in administrative services only (ASO) fees in the Canada segment, higher assets under administration due to higher equity market levels, adjustments related to the Prudential acquisition and overall growth in the U.S. segment as well as higher management fees from higher average assets under administration in the Europe segment.

Net earnings
Lifeco's consolidated net earnings attributable to common shareholders were $1,005 million for the second quarter of 2024 compared to $498 million for the same quarter last year. On a per share basis, this represents $1.08 per common share ($1.08 diluted) for the second quarter of 2024 compared to $0.53 per common share ($0.53 diluted) a year ago.

Translation of Foreign Currency
Through its operating subsidiaries, Lifeco conducts business in multiple currencies. The four primary currencies are the Canadian dollar, the U.S. dollar, the British pound and the euro. Throughout this document, 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. The rates employed are:

Period ended	**June 30 2024**	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
United States dollar						
Balance sheet	$ 1.37	$ 1.35	$ 1.33	$ 1.36	$ 1.32	$ 1.35
Income and expenses	$ 1.37	$ 1.35	$ 1.36	$ 1.34	$ 1.34	$ 1.35
British pound						
Balance sheet	$ 1.73	$ 1.71	$ 1.69	$ 1.66	$ 1.68	$ 1.67
Income and expenses	$ 1.73	$ 1.71	$ 1.69	$ 1.70	$ 1.68	$ 1.64
Euro						
Balance sheet	$ 1.47	$ 1.46	$ 1.46	$ 1.44	$ 1.45	$ 1.47
Income and expenses	$ 1.47	$ 1.46	$ 1.47	$ 1.46	$ 1.46	$ 1.45

Additional Information
Additional information relating to Lifeco, including Lifeco's most recent consolidated financial statements, CEO/CFO certification and Annual Information Form are available at www.sedarplus.com.

(in Canadian $ millions except per share amounts)	For the three months ended June 30		For the six months ended June 30	
	2024	2023	**2024**	2023
Insurance service result				
Insurance revenue (note 8)	$ 5,273	$ 5,081	$ 10,523	$ 10,118
Insurance service expenses	(4,057)	(3,963)	(8,124)	(7,958)
Net expense from reinsurance contracts	(385)	(415)	(771)	(757)
	831	703	1,628	1,403
Net investment result				
Net investment income (note 5)	2,409	2,061	4,749	4,162
Changes in fair value on fair value through profit or loss assets (note 5)	(864)	(2,668)	(2,249)	904
	1,545	(607)	2,500	5,066
Net finance income (expenses) from insurance contracts	(209)	631	(182)	(2,939)
Net finance income (expenses) from reinsurance contracts	(114)	(6)	(165)	87
Changes in investment contract liabilities	(573)	286	(744)	(1,596)
	649	304	1,409	618
Net investment result - insurance contracts on account of segregated fund policyholders				
Net investment income (loss)	446	914	2,919	2,635
Net finance income (expenses) from insurance contracts	(446)	(914)	(2,919)	(2,635)
	—	—	—	—
Other income and expenses				
Fee and other income	1,794	1,466	3,466	2,866
Operating and administrative expenses	(1,729)	(1,571)	(3,432)	(3,100)
Amortization of finite life intangible assets	(103)	(97)	(203)	(187)
Financing costs	(101)	(104)	(201)	(219)
Restructuring and integration expenses (note 4)	(27)	(19)	(95)	(45)
Earnings before income taxes	1,314	682	2,572	1,336
Income taxes (note 14)	229	56	398	86
Net earnings from continuing operations before non-controlling interests	1,085	626	2,174	1,250
Attributable to non-controlling interests	47	24	73	2
Net earnings from continuing operations before preferred share dividends	1,038	602	2,101	1,248
Preferred share dividends	33	33	65	65
Net earnings from continuing operations	1,005	569	2,036	1,183
Net loss from discontinued operations	—	(71)	(115)	(90)
Net gain from disposal of discontinued operations (note 3)	—	—	44	—
Net earnings - common shareholders	$ 1,005	$ 498	$ 1,965	$ 1,093
Earnings per common share (note 12)				
Basic	$ 1.08	$ 0.53	$ 2.11	$ 1.17
Diluted	$ 1.08	$ 0.53	$ 2.10	$ 1.17
Earnings per common share from continuing operations (note 12)				
Basic	$ 1.08	$ 0.61	$ 2.18	$ 1.27
Diluted	$ 1.08	$ 0.61	$ 2.18	$ 1.27

Consolidated Statements of Comprehensive Income *(unaudited)*

(in Canadian $ millions)	For the three months ended June 30		For the six months ended June 30	
	2024	2023	**2024**	2023
Net earnings - common shareholders, before preferred dividends	$ 1,038	$ 531	$ 2,030	$ 1,158
Other comprehensive income (loss)				
Items that may be reclassified subsequently to Consolidated Statements of Earnings				
Unrealized foreign exchange gains (losses) on translation of foreign operations	233	(297)	489	(153)
Foreign exchange translation gains reclassified to earnings on disposal of foreign operations (note 3)	—	—	(211)	—
Unrealized gains (losses) on hedges of the net investment in foreign operations	2	36	(62)	10
Income tax (expense) benefit	5	(10)	12	(8)
Unrealized gains (losses) on bonds and mortgages at fair value through other comprehensive income	8	(197)	(34)	(12)
Income tax (expense) benefit	(3)	3	6	(40)
Realized (gains) losses on bonds and mortgages at fair value through other comprehensive income (note 5)	19	178	38	214
Income tax expense (benefit)	(4)	(4)	(9)	(12)
Unrealized gains (losses) on cash flow hedges	(33)	33	(33)	70
Income tax (expense) benefit	9	(9)	9	(19)
Realized (gains) losses on cash flow hedges	9	(18)	4	(47)
Income tax expense (benefit)	(2)	5	(1)	13
Non-controlling interests	(26)	54	(11)	(40)
Income tax (expense) benefit	7	(14)	4	12
Total items that may be reclassified	224	(240)	201	(12)
Items that will not be reclassified to Consolidated Statements of Earnings				
Unrealized gains (losses) on stocks at fair value through other comprehensive income	(249)	—	(321)	—
Income tax (expense) benefit	64	—	83	—
Re-measurements on defined benefit pension and other post-employment benefit plans	90	(9)	258	(66)
Income tax (expense) benefit	(24)	4	(70)	19
Non-controlling interests	(8)	1	(21)	5
Income tax (expense) benefit	2	—	6	(1)
Total items that will not be reclassified	(125)	(4)	(65)	(43)
Total other comprehensive income (loss)	99	(244)	136	(55)
Comprehensive income	$ 1,137	$ 287	$ 2,166	$ 1,103

Consolidated Balance Sheets *(unaudited)*

(in Canadian $ millions)	**June 30 2024**	December 31 2023
Assets		
Cash and cash equivalents	$ 8,582	$ 7,742
Bonds (note 5)	156,349	157,051
Mortgage loans (note 5)	38,355	38,414
Stocks (note 5)	17,420	15,733
Investment properties (note 5)	7,910	7,870
	228,616	226,810
Insurance contract assets (note 9)	1,315	1,193
Reinsurance contract held assets (note 9)	17,180	17,332
Assets held for sale (note 3)	—	4,467
Goodwill	11,377	11,249
Intangible assets	4,532	4,484
Derivative financial instruments	1,911	2,219
Owner occupied properties	747	731
Fixed assets	328	335
Accounts and interest receivable	5,290	4,863
Other assets	15,808	14,483
Current income taxes	296	260
Deferred tax assets	1,931	1,848
Investments on account of segregated fund policyholders (note 10)	460,231	422,956
Total assets	$ 749,562	$ 713,230
Liabilities		
Insurance contract liabilities (note 9)	$ 145,282	$ 144,388
Investment contract liabilities	87,070	88,919
Reinsurance contract held liabilities (note 9)	731	648
Liabilities held for sale (note 3)	—	2,407
Debentures and other debt instruments	9,142	9,046
Derivative financial instruments	1,686	1,288
Accounts payable	2,667	3,216
Other liabilities	10,965	9,587
Current income taxes	203	137
Deferred tax liabilities	715	787
Insurance contracts on account of segregated fund policyholders (note 9)	62,473	60,302
Investment contracts on account of segregated fund policyholders	397,758	362,654
Total liabilities	718,692	683,379
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,945	2,847
Non-controlling interests in subsidiaries	69	168
Shareholders' equity		
Share capital		
Limited recourse capital notes	1,500	1,500
Preferred shares	2,720	2,720
Common shares (note 11)	6,024	6,000
Accumulated surplus	16,381	15,492
Accumulated other comprehensive income	1,026	890
Contributed surplus	205	234
Total equity	30,870	29,851
Total liabilities and equity	$ 749,562	$ 713,230

(in Canadian $ millions)	**June 30, 2024**					
	Share capital	**Contributed surplus**	**Accumulated surplus**	**Accumulated other comprehensive income (loss)**	**Non-controlling interests**	**Total equity**
Balance, beginning of year	$ 10,220	$ 234	$ 15,492	$ 890	$ 3,015	$ 29,851
Net earnings - common shareholders, before preferred dividends	—	—	2,030	—	73	2,103
Other comprehensive income	—	—	—	136	22	158
	10,220	234	17,522	1,026	3,110	32,112
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(65)	—	—	(65)
Common shareholders	—	—	(1,035)	—	—	(1,035)
Shares exercised and issued under share-based payment plans (note 11)	31	(2)	—	—	3	32
Shares purchased and cancelled under normal course issuer bid (note 11)	(48)	—	—	—	—	(48)
Excess of redemption proceeds over stated capital per normal course issuer bid (note 11)	41	—	(41)	—	—	—
Impact of sale of discontinued operations	—	(32)	—	—	(99)	(131)
Share-based payment plans expense	—	5	—	—	—	5
Balance, end of period	$ 10,244	$ 205	$ 16,381	$ 1,026	$ 3,014	$ 30,870

	June 30, 2023					
	Share capital	Contributed surplus	Accumulated surplus	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance, beginning of year	$ 10,011	$ 209	$ 14,976	$ 713	$ 2,886	$ 28,795
Impact of initial application of IFRS 9	—	—	(33)	3	—	(30)
Revised balance, beginning of year	10,011	209	14,943	716	2,886	28,765
Net earnings - common shareholders, before preferred dividends	—	—	1,158	—	2	1,160
Other comprehensive income (loss)	—	—	—	(55)	24	(31)
	10,011	209	16,101	661	2,912	29,894
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(65)	—	—	(65)
Common shareholders	—	—	(969)	—	—	(969)
Shares exercised and issued under share-based payment plans (note 11)	71	(40)	—	—	33	64
Shares purchased and cancelled under normal course issuer bid (note 11)	(94)	—	—	—	—	(94)
Equity settlement of Putnam share-based plans	—	—	—	—	(8)	(8)
Excess of redemption proceeds over stated capital per normal course issuer bid (note 11)	78	—	(78)	—	—	—
Shares cancelled under Putnam share-based plans	—	3	—	—	(3)	—
Share-based payment plans expense	—	39	—	—	—	39
Acquisition of non-controlling interest in subsidiary	—	—	(52)	—	(35)	(87)
Dilution loss on non-controlling interests	—	—	(27)	—	27	—
Balance, end of period	$ 10,066	$ 211	$ 14,910	$ 661	$ 2,926	$ 28,774

Consolidated Statements of Cash Flows *(unaudited)*

(in Canadian $ millions)	For the six months ended June 30	
	2024	2023 [1]
Operations		
Earnings before income taxes	$ 2,412	$ 1,221
Income taxes paid, net of refunds received	(375)	(248)
Adjustments:		
Change in insurance contract liabilities	(424)	1,619
Change in investment contract liabilities	(4,360)	(3,066)
Change in reinsurance contract held liabilities	72	85
Change in reinsurance contract held assets	551	522
Change in insurance contract assets	(110)	(299)
Changes in fair value through profit or loss	2,249	(904)
Sales, maturities and repayments of portfolio investments	21,226	20,182
Purchases of portfolio investments	(19,162)	(17,223)
Other	(291)	663
	1,788	2,552
Financing Activities		
Issue of common shares	31	71
Purchased and cancelled common shares	(48)	(94)
Repayment of euro denominated debt	—	(735)
Decrease in line of credit of subsidiaries	(60)	(468)
Dividends paid on common shares	(1,035)	(969)
Dividends paid on preferred shares	(65)	(65)
	(1,177)	(2,260)
Investment Activities		
Impact from sale of discontinued operations	(211)	—
Investment in associates and joint ventures	(108)	(85)
	(319)	(85)
Effect of changes in exchange rates on cash and cash equivalents	173	(68)
Increase in cash and cash equivalents	465	139
Cash and cash equivalents from continuing and discontinued operations, beginning of year	8,117	7,290
Cash and cash equivalents from continuing and discontinued operations, end of period	$ 8,582	$ 7,429
Less: Cash and cash equivalents from discontinued operations, end of period	—	258
Cash and cash equivalents from continuing operations, end of period	$ 8,582	$ 7,171
Supplementary cash flow information		
Interest income received	$ 3,816	$ 3,636
Interest paid	154	216
Dividend income received	262	205

[1] The Company has reclassified certain comparative figures to conform to the current period's presentation. These classifications had no impact on the equity or net earnings of the Company.

(in Canadian $ millions except per share amounts and where otherwise indicated)

1. Corporate Information

Great-West Lifeco Inc. (Lifeco or the Company) is a publicly listed company (Toronto Stock Exchange: GWO), incorporated and domiciled in Canada. The registered address of the Company is 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

Lifeco is a financial services holding company with interests in the life insurance, health insurance, retirement savings, wealth and asset management, and reinsurance businesses, primarily in Canada, the United States and Europe through its operating subsidiaries including The Canada Life Assurance Company (Canada Life) and Empower Annuity Insurance Company of America (Empower).

The condensed consolidated interim unaudited financial statements (financial statements) of the Company as at and for the three and six months ended June 30, 2024 were approved by the Board of Directors on August 6, 2024.

2. Basis of Presentation and Summary of Material Accounting Policies

These financial statements should be read in conjunction with the Company's December 31, 2023 consolidated annual audited financial statements and notes thereto.

The financial statements of the Company at June 30, 2024 have been prepared in compliance with the requirements of International Accounting Standard (IAS) 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) using the same accounting policies and methods of computation followed in the consolidated annual audited financial statements for the year ended December 31, 2023 except as described below.

Changes in Accounting Policies

The Company adopted the amendments to International Financial Reporting Standards (IFRS) for IAS 7, *Statement of Cash Flows*, IFRS 7, *Financial Instruments: Disclosures*, and IFRS 16, *Leases* effective January 1, 2024. The adoption of these amendments did not have a material impact on the Company's financial statements.

Use of Significant Judgments, Estimates and Assumptions

In preparation of these financial statements, management is required to make significant judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings and related disclosures. Although some uncertainty is inherent in these judgments and estimates, management believes that the amounts recorded are reasonable. Key sources of estimation uncertainty and areas where significant judgments have been made are further described in the relevant accounting policies as described in note 2 of the Company's December 31, 2023 consolidated annual audited financial statements and notes thereto.

Future Accounting Policies

The Company actively monitors changes in IFRS, both proposed and released, by the IASB for potential impact on the Company. The following sets out standards released and updates to the Company's analysis since the year ended December 31, 2023:

New Standard	Summary of Future Changes
IFRS 18 – *Presentation and Disclosure in Financial Statements*	In April 2024, the IASB published IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18). The standard aims to improve how companies communicate information in their financial statements, with a focus on information about financial performance in the statement of earnings. IFRS 18 will require companies to: • Provide defined subtotals in the statement of earnings; • Disclose information for any management-defined performance measures related to the statement of earnings; and • Implement principles for the grouping of information in the financial statements, and whether to provide it in the primary financial statements or notes. The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is evaluating the impact of the adoption of this standard.
IFRS 9 – *Financial Instruments* and IFRS 7 – *Financial Instruments: Disclosures*	In May 2024, the IASB published amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*. The amendments clarify the classification of financial assets with environmental, social and corporate governance and similar features, the settlement of liabilities through electronic payment systems, and introduce additional disclosure requirements to enhance transparency for investors. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Company is evaluating the impact of the adoption of these amendments.

3. Business Acquisitions and Other Transactions

(a) Sale of Putnam US Holdings I, LLC (Putnam Investments)

On January 1, 2024, the Company completed the sale of Putnam Investments to Franklin Resources, Inc., operating as Franklin Templeton, in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to U.S. $375 over a five to seven-year period. The Company has retained its controlling interest in PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc. (collectively PanAgora), a quantitative asset manager, and certain assets, including deferred tax assets, related to Putnam Investments. The Company currently holds approximately 31,600,000 Franklin Templeton common shares and will hold a majority of these shares for a minimum five-year period.

In the 2023 financial statements, the net earnings (loss) and cash flows of Putnam Investments were classified as discontinued operations within the United States operating segment, and the related assets and liabilities were classified as held for sale. Financial information relating to the sale of the discontinued operation is set out below, reflecting total estimated fair value of consideration of $1,909. Included in the results for the six months ended June 30, 2024 are $115 of closing costs and final adjustments to the carrying value, resulting in a net gain on sale of $44 after-tax.

Details of the Sale of Putnam Investments

		January 1, 2024
Consideration received or receivable		
Fair value of Franklin Templeton Common Shares (U.S. $29.79 per share)	$ 1,321	
Net cash and other deferred and contingent consideration	588	
Non-controlling interest in sale of Putnam Investments	(123)	
Total net proceeds on disposal of Putnam Investments		$ 1,786
Net carrying value of net assets sold		
Carrying value	$ 2,010	
Foreign exchange translation gains reclassified to earnings on disposal of foreign operations	(211)	
Net carrying value of discontinued operations		$ 1,799
		$ (13)
Income tax recovery		57
Net gain on sale after income tax		$ 44

(b) Acquisition of Investment Planning Counsel

On November 30, 2023, Canada Life completed the acquisition of 100% of the equity of Investment Planning Counsel Inc., an independent wealth management firm, from IGM Financial Inc. (IGM) for total purchase consideration of $585. The acquisition extends Canada Life's wealth management reach and capabilities. IGM is an affiliated company and a member of the Power Corporation group of companies. Therefore, the transaction was reviewed and approved by the Conduct Review Committee of each of the Company and Canada Life.

The initial amounts assigned to the assets acquired, goodwill, and liabilities assumed on November 30, 2023, reported as at June 30, 2024 are as follows:

Assets acquired and goodwill	
Cash	$ 31
Fixed assets	6
Accounts receivable	33
Other assets	273
Current income taxes	1
Goodwill	583
Total assets acquired and goodwill	$ 927
Liabilities assumed	
Accounts payable	$ 55
Other liabilities	274
Current income taxes	1
Deferred tax liabilities	12
Total liabilities assumed	$ 342

Accounting for the acquisition is not finalized, pending the completion of a comprehensive valuation of the net assets acquired. The financial statements as at June 30, 2024 reflect management's current best estimate of the purchase price allocation. As at June 30, 2024, provisional amounts for intangible assets have not been separately identified and valued within the assets of the purchase price allocation, pending completion of the valuation exercise. Final valuation of the assets acquired and liabilities assumed and the completion of the purchase price allocation will occur by the fourth quarter of 2024.

As a result, the excess of the purchase price over the fair value of net assets acquired, representing goodwill of $583 as at June 30, 2024, will be adjusted in future periods.

The goodwill represents the excess of the purchase price over the fair value of the net assets, representing the synergies or future economic benefits arising from other assets acquired that are not individually identified and separately recognized in the acquisition. These synergies represent meaningful expense and revenue opportunities which are expected to be accretive to earnings. The goodwill is not deductible for tax purposes.

(c) Acquisition of Value Partners

On September 8, 2023, Canada Life completed the acquisition of 100% of the equity of Value Partners Group Inc., a Winnipeg based investment firm that serves clients with complex and sophisticated wealth needs. As at June 30, 2024, the accounting for the acquisition is not finalized, with the initial amount of $119 assigned to goodwill on the date of the acquisition to be adjusted, pending the completion of a comprehensive valuation of the net assets acquired. Final valuation of the assets acquired and liabilities assumed and the completion of the purchase price allocation will occur by the third quarter of 2024.

(d) Strategic Relationship with Power Sustainable

On May 6, 2024, the Company announced that it had agreed to enter into a long-term strategic partnership with Power Sustainable Manager Inc. (Power Sustainable), a climate-focused investment manager and a subsidiary of Power Corporation. Under the transaction, the Company became a minority shareholder in Power Sustainable, with an ownership share of slightly below 20% on a fully diluted basis, and has agreed to invest in certain funds across Power Sustainable's investment strategies in the future. Power Corporation remains the controlling shareholder of Power Sustainable. Power Sustainable is a related party, therefore the transaction was reviewed and approved by the Company's Conduct Review Committee. The investment in Power Sustainable is not material to the Company.

4. Restructuring and Integration Expenses

(a) Canada Restructuring

The Company recorded a restructuring provision of nil and $23 in Canada for the three and six months ended June 30, 2024, respectively ($21 in the shareholder account and $2 in the participating account for the six months ended June 30, 2024). The restructuring is related to the transitioning of some of the information technology operations functions to a managed service arrangement with an external provider. As at June 30, 2024, the Company has a provision of $20 remaining in other liabilities related to this restructuring. The Company expects to utilize a significant portion of these amounts during 2024.

(b) Empower Restructuring and Integration

The Company recorded a restructuring provision of $12 and $29 in the United States for the three and six months ended June 30, 2024, respectively ($5 for the three and six months ended June 30, 2023). The restructuring is primarily attributable to staff reductions and other exit costs related to the Company's acquisition of the retirement services businesses of Massachusetts Mutual Life Insurance Company and Prudential Financial, Inc. (Prudential). As at June 30, 2024, the Company has a provision of $19 remaining in other liabilities related to this restructuring ($7 at December 31, 2023). The Company expects to pay out a significant portion of these amounts during the year. The Company does not expect to incur further restructuring and integration expenses associated with the Prudential acquisition during the year.

The Company recorded integration expenses in the Consolidated Statements of Earnings of $15 and $43 for the three and six months ended June 30, 2024, respectively ($23 and $49 for the three and six months ended June 30, 2023, respectively).

5. Portfolio Investments

(a) Carrying Values and Estimated Fair Values of Portfolio Investments are as Follows:

	June 30, 2024		December 31, 2023	
	Carrying value	**Fair value**	Carrying value	Fair value
Bonds				
Fair value through profit or loss (FVTPL) - designated	$ 142,726	$ 142,726	$ 143,506	$ 143,506
FVTPL - mandatory	1,589	1,589	1,795	1,795
Fair value through other comprehensive income (FVOCI)	12,034	12,034	11,750	11,750
	156,349	156,349	157,051	157,051
Mortgage loans				
FVTPL - designated	28,846	28,846	29,211	29,211
FVTPL - mandatory	4,430	4,430	4,203	4,203
FVOCI	578	578	578	578
Amortized cost	4,501	3,961	4,422	3,923
	38,355	37,815	38,414	37,915
Stocks				
FVTPL - mandatory	15,482	15,482	14,890	14,890
FVOCI - designated [1]	966	966	—	—
Equity method	972	917	843	777
	17,420	17,365	15,733	15,667
Investment properties	7,910	7,910	7,870	7,870
Total	$ 220,034	$ 219,439	$ 219,068	$ 218,503

[1] Represents Franklin Templeton common shares received on the sale of Putnam Investments.

(b) Net Investment Income Comprises the Following:

For the three months ended June 30, 2024	**Bonds**	**Mortgage loans**	**Stocks**	**Investment properties**	**Other**	**Total**
Net investment income:						
Investment income earned	$ 1,764	$ 374	$ 167	$ 127	$ 90	$ 2,522
Net realized losses on derecognition of FVOCI assets	(19)	—	—	—	—	(19)
Gains on derecognition of amortized cost assets	—	1	—	—	—	1
Net expected credit loss (ECL) recovery	—	2	—	—	—	2
Other income and expenses	—	—	—	(48)	(49)	(97)
	1,745	377	167	79	41	2,409
Changes in fair value on FVTPL assets:						
FVTPL - designated	(1,060)	187	—	—	191	(682)
FVTPL - mandatory	(5)	(75)	(80)	—	—	(160)
Recorded at fair value	—	—	—	(22)	—	(22)
	(1,065)	112	(80)	(22)	191	(864)
Total	$ 680	$ 489	$ 87	$ 57	$ 232	$ 1,545

For the three months ended June 30, 2023	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	$ 1,696	$ 352	$ 138	$ 131	$ 5	$ 2,322
Net realized losses on derecognition of FVOCI assets	(178)	—	—	—	—	(178)
Gains on derecognition of amortized cost assets	—	8	—	—	—	8
Net ECL (charge) recovery	(1)	1	—	—	—	—
Other income and expenses	—	—	—	(53)	(38)	(91)
	1,517	361	138	78	(33)	2,061
Changes in fair value on FVTPL assets:						
FVTPL - designated	(2,337)	(392)	—	—	216	(2,513)
FVTPL - mandatory	—	(189)	106	—	—	(83)
Recorded at fair value	—	—	—	(72)	—	(72)
	(2,337)	(581)	106	(72)	216	(2,668)
Total	$ (820)	$ (220)	$ 244	$ 6	$ 183	$ (607)

For the six months ended June 30, 2024	**Bonds**	**Mortgage loans**	**Stocks**	**Investment properties**	**Other**	**Total**
Net investment income:						
Investment income earned	$ 3,423	$ 747	$ 333	$ 251	$ 221	$ 4,975
Net realized losses on derecognition of FVOCI assets	(38)	—	—	—	—	(38)
Gains on derecognition of amortized cost assets	—	1	—	—	—	1
Net ECL recovery	—	4	—	—	—	4
Other income and expenses	—	—	—	(94)	(99)	(193)
	3,385	752	333	157	122	4,749
Changes in fair value on FVTPL assets:						
FVTPL - designated	(2,634)	117	—	—	(114)	(2,631)
FVTPL - mandatory	(3)	(35)	508	—	—	470
Recorded at fair value	—	—	—	(88)	—	(88)
	(2,637)	82	508	(88)	(114)	(2,249)
Total	$ 748	$ 834	$ 841	$ 69	$ 8	$ 2,500

For the six months ended June 30, 2023	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	$ 3,276	$ 697	$ 244	$ 251	$ 81	$ 4,549
Net realized losses on derecognition of FVOCI assets	(214)	—	—	—	—	(214)
Gains on derecognition of amortized cost assets	—	8	—	—	—	8
Net ECL (charge) recovery	(1)	2	—	—	—	1
Other income and expenses	—	—	—	(99)	(83)	(182)
	3,061	707	244	152	(2)	4,162
Changes in fair value on FVTPL assets:						
FVTPL - designated	512	(33)	—	—	341	820
FVTPL - mandatory	—	(100)	396	—	—	296
Recorded at fair value	—	—	—	(212)	—	(212)
	512	(133)	396	(212)	341	904
Total	$ 3,573	$ 574	$ 640	$ (60)	$ 339	$ 5,066

Investment income from bonds and mortgages includes interest income, and premium and discount amortization. Investment income from stocks includes dividends, distributions from private equity and equity income from the investment in IGM. Investment properties income includes rental income earned on investment properties, ground rent income earned on leased and sub-leased land, fee recoveries, lease cancellation income, and interest and other investment income earned on investment properties. Other investment income includes foreign exchange gains and losses, income earned from derivative financial instruments and other miscellaneous income.

6. Risk Management

The Company has policies relating to the identification, measurement, management, monitoring and reporting of risks associated with financial instruments and insurance contracts. The key risks related to financial instruments are credit risk, liquidity risk and market risk (currency, interest rate and equity). The Risk Committee of the Board of Directors is responsible for the oversight of the Company's key risks. The Company's approach to risk management has not substantially changed from that described in the Company's 2023 Annual Report. Certain risks have been outlined below. For a discussion of the Company's risk governance structure and risk management approach see the "Risk Management" note in the Company's December 31, 2023 consolidated annual audited financial statements.

The Company has also established policies and procedures designed to identify, measure and report all material risks. Management is responsible for establishing capital management procedures for implementing and monitoring the capital plan. The Board of Directors reviews and approves all capital transactions undertaken by management.

(a) Credit Risk

Credit risk is the risk of loss resulting from an obligor's potential inability or unwillingness to fully meet its contractual obligations.

(i) Concentration of Credit Risk

Concentrations of credit risk arise from exposures to a single obligor, a group of related obligors or groups of obligors that have similar credit risk characteristics and operate in the same geographic region or in similar industries. The characteristics are similar in that changes in economic or political environments may impact their ability to meet obligations as they come due. No significant changes have occurred from the year ended December 31, 2023.

(ii) Expected Credit Losses

The majority of the Company's financial assets are measured at FVTPL and therefore are not subject to the ECL model. The ECL model only applies to FVOCI and amortized cost fixed income investments. The ECL allowance was $35 at June 30, 2024, of which $4 was Stage 1, $27 was Stage 2 and $4 was Stage 3 ($37 at December 31, 2023, of which $4 was Stage 1, $29 was Stage 2 and $4 was Stage 3).

(iii) Credit Impact on Financial Assets Designated as FVTPL

The carrying value of the Company’s portfolio investments designated as FVTPL represents the maximum exposure to credit risk for those assets. The change in fair value attributable to the change in credit risk of these assets is generally insignificant in the absence of significant credit events occurring on specific assets.

A loss of $40 related to significant credit events occurring on assets designated as FVTPL is included in the Consolidated Statements of Earnings for the three and six months ended June 30, 2024; consisting of a fair value loss of $24 included in changes in fair value on FVTPL assets, and a loss of $16 included in changes in investment contract liabilities.

Losses of $13 and $17 related to significant credit events occurring on assets designated as FVTPL are included in the Consolidated Statements of Earnings for the three and six months ended June 30, 2023, respectively; consisting of fair value losses included in changes in fair value on FVTPL assets.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet all cash outflow obligations as they come due. The following policies and procedures are in place to manage this risk:

- The Company closely manages operating liquidity through cash flow matching of assets and liabilities and forecasting earned and required yields, to ensure consistency between policyholder requirements and the yield of assets.
- Management closely monitors the solvency and capital positions of its principal subsidiaries opposite liquidity requirements at the holding company. Additional liquidity is available through established lines of credit or via capital market transactions. The Company maintains committed lines of credit with Canadian chartered banks.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument and the value of insurance and investment contract liabilities will fluctuate as a result of changes in market factors which include three types: currency risk, interest rate (including related inflation) risk and equity risk.

Caution Related to Risk Sensitivities

These financial statements include estimates of sensitivities and risk exposure measures for certain risks, such as the sensitivity due to specific changes in interest rate levels projected and market prices as at the valuation date. Actual results can differ significantly from these estimates for a variety of reasons including, but not limited to, changes in the Company’s asset or liability profile, changes in business mix, effective income tax rates, other market factors, differences in the actual exposure relative to broad market indices, variation in exposures by geography, and general limitations of the Company’s internal models.

For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors. Given the nature of these calculations, the Company cannot provide assurance that the actual impact on shareholders' net earnings will be as indicated.

(i) Currency Risk

Currency risk relates to the Company operating and holding financial instruments in different currencies. For the assets backing insurance and investment contract liabilities that are not matched by currency, changes in foreign exchange rates can expose the Company to the risk of foreign exchange losses not offset by liability decreases.

- A 10% weakening of the Canadian dollar against foreign currencies would be expected to increase non-participating insurance and investment contract liabilities and their supporting assets by approximately the same amount resulting in an immaterial immediate change to net earnings. A 10% strengthening of the Canadian dollar against foreign currencies would be expected to decrease non-participating insurance and investment contract liabilities and their supporting assets by approximately the same amount resulting in an immaterial immediate change in shareholders' net earnings.

The Company has net investments in foreign operations. The Company’s debt obligations are denominated in Canadian dollars, euros, and U.S. dollars. In accordance with IFRS, foreign currency translation gains and losses from net investments in foreign operations, net of related hedging activities and tax effects, are recorded in accumulated other comprehensive income. Strengthening or weakening of the Canadian dollar spot rate compared to the U.S. dollar, British pound and euro spot rates impacts the Company’s total equity. Correspondingly, the Company’s book value per share and capital ratios monitored by rating agencies are also impacted.

(ii) Interest Rate Risk

Interest rate risk exists if asset and liability cash flows are not closely matched and interest rates change, causing a difference in the value of assets and the value of liabilities. The following policies and procedures are in place to mitigate the Company's exposure to interest rate risk:

- Interest rate risk is managed by investing in assets that are suitable for the products sold.
- The Company utilizes a formal process for managing the matching of assets and liabilities. This involves grouping general fund assets and liabilities into segments. Assets in each segment are managed in relation to the liabilities in the segment.

- For products with fixed and highly predictable benefit payments, investments are generally made in fixed income assets or investment properties whose cash flows closely match the liability product cash flows. Where assets are not available to match certain period cash flows, such as long-tail cash flows, a portion of these are invested in equities and other non-fixed income assets, while the rest are duration matched.
- Hedging instruments are employed when there is a lack of suitable permanent investments or to manage the level of loss exposure to interest rate changes.
- To the extent asset and liability cash flows are matched, protection against interest rate change is achieved and any change in the fair value of the assets will be offset by a similar change in the fair value of the liabilities.
- For products with less predictable timing of benefit payments, investments are made in fixed income assets with cash flows of a shorter duration than the anticipated timing of benefit payments, or equities and other non-fixed income assets.
- The risk associated with the mismatch in portfolio duration and cash flow, asset prepayment exposure and the pace of asset acquisition are quantified and reviewed regularly.

The impact to shareholders' net earnings from changes in the interest rates would be largely offset by changes in the value of financial assets supporting the liabilities. However, differences in the interest rate sensitivity in the value of assets and the value of insurance and investment contract liabilities leads to a sensitivity to interest rate movements in shareholders' net earnings under IFRS 17, *Insurance Contracts* (IFRS 17) and IFRS 9, *Financial Instruments* (IFRS 9).

The Company's asset liability management strategy uses public equities and other non-fixed income assets as a component of general fund assets supporting liabilities, which leads to interest rate exposure in the net earnings. Further, the classification of financial assets under IFRS 9, such as mortgage assets in the United Kingdom which are carried at amortized cost and held in the general fund assets supporting liabilities, also contributes to interest rate exposure in shareholders' net earnings.

The impact to shareholders' net earnings and equity from an immediate parallel 50 basis point increase or decrease in interest rates is illustrated in the table below, rounded to the nearest $25:

Change in Market Yield Curves

	June 30, 2024		December 31, 2023	
	Increase 50 basis points interest rates	**Decrease 50 basis points interest rates**	Increase 50 basis points interest rates	Decrease 50 basis points interest rates
Shareholders' net earnings	$ 125	$ (150)	$ 175	$ (225)
Shareholders' equity	100	(150)	150	(225)

Actual impacts of interest rate changes will vary depending upon the geography where the changes occur. Net earnings are positively impacted by a parallel increase in interest rates in Canada, United States and the United Kingdom, and are positively impacted by a parallel decrease in interest rates in the eurozone. Actual impacts of interest rate changes also vary by the level of change in interest rates by term. Therefore, actual impacts from interest rate changes may differ from the estimated impact of parallel movements in all geographies, which is presented above.

The potential impact on shareholders' net earnings of the Company does not take into account any future potential changes to the Company's ultimate investment rate (UIR) assumptions. As at both June 30, 2024 and December 31, 2023, the sensitivity of shareholders' net earnings of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of $25 or a decrease of $25 post-tax, respectively.

The impact to shareholders' net earnings and equity from an immediate parallel 50 basis point increase or decrease in credit spreads is illustrated in the table below, rounded to the nearest $25, with no change to the ultimate illiquidity premium:

Change in Credit Spreads

	June 30, 2024		December 31, 2023	
	Increase 50 basis points credit spreads	**Decrease 50 basis points credit spreads**	Increase 50 basis points interest rates	Decrease 50 basis points interest rates
Shareholders' net earnings	$ 225	$ (275)	$ 300	$ (375)
Shareholders' equity	275	(350)	350	(450)

Actual impacts of credit spread changes will vary depending on the geographies where the changes occur, and the changes in credit spreads by term. A change in credit spreads may also lead to a change in the allowance for credit risk within the IFRS 17 discount rate, depending on prevailing market and credit conditions at the time; any potential earnings impacts that may arise from such a change are not reflected in the sensitivities above.

(iii) Equity Risk

Equity risk is the uncertainty associated with the valuation of assets and liabilities arising from changes in equity markets and other pricing risk. To mitigate this risk, the Company has investment policy guidelines in place that provide for prudent investment in equity markets within clearly defined limits. The risks associated with segregated fund guarantees on lifetime Guaranteed Minimum Withdrawal Benefits have been mitigated through a hedging program using equity futures, currency forwards, and interest rate derivatives.

Some insurance and investment contract liabilities with long-tail cash flows are supported by publicly traded common stocks and investments in other non-fixed income assets, primarily comprised of investment properties, real estate funds, private stocks, and equity release mortgages. Shareholders' net earnings will reflect changes in the values of non-fixed income assets. However, in most cases the value of the liabilities will not fluctuate with changes in the value of the non-fixed income assets.

The liabilities for segregated fund products with guarantees will fluctuate with changes in the value of the non-fixed income assets. Under current market conditions, there are no earnings impacts to the Company on segregated fund business that it does not hedge, as changes in the cost of guarantees are fully offset within the contractual service margin (CSM). For segregated fund business that the Company hedges, there is a limited earnings impact with respect to the change in liability versus the change in hedge assets.

On January 1, 2024, the Company completed the sale of Putnam Investments and currently holds approximately 31,600,000 Franklin Templeton common shares as part of the consideration, which are classified as FVOCI. The Company will hold a majority of these shares for a minimum five-year period.

The following table provides information on the expected impacts of an immediate 10% or 20% increase or decrease in the value of publicly traded common stocks on the shareholders' net earnings and equity, rounded to the nearest $25:

Change in Publicly Traded Common Stock Values

	June 30, 2024 [1]				December 31, 2023			
	20% increase	**10% increase**	**10% decrease**	**20% decrease**	20% increase	10% increase	10% decrease	20% decrease
Shareholders' net earnings	$ 125	$ 50	$ (50)	$ (125)	$ 225	$ 100	$ (100)	$ (225)
Shareholders' equity	575	275	(275)	(575)	525	250	(250)	(525)

[1] The net impact of the sale of Putnam Investments and the receipt of Franklin Templeton common shares is reflected in the June 30, 2024 values in the table above. The Franklin Templeton common shares are measured at FVOCI and therefore unrealized gains and losses do not impact shareholders' net earnings. The after-tax impact on shareholders' equity of the Franklin Templeton common shares is approximately $75 for every 10% change in the common stock equity value.

The following table provides information on the expected impacts of an immediate 5% or 10% increase or decrease in the value of other non-fixed income assets on the shareholders' net earnings and equity, rounded to the nearest $25:

Change in Other Non-Fixed Income Asset Values

	June 30, 2024				December 31, 2023			
	10% increase	**5% increase**	**5% decrease**	**10% decrease**	10% increase	5% increase	5% decrease	10% decrease
Shareholders' net earnings	$ 425	$ 200	$ (225)	$ (450)	$ 400	$ 200	$ (200)	$ (425)
Shareholders' equity	450	225	(225)	(475)	450	225	(225)	(450)

7. Fair Value Measurement

The Company's assets and liabilities recorded at fair value have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Assets and liabilities utilizing Level 1 inputs include actively exchange-traded equity securities, exchange-traded futures, and mutual and segregated funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, government and agency securities, restricted stock, some private bonds and investment funds, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans. Investment contracts that are measured at FVTPL are mostly included in the Level 2 category.

Level 3: Fair value measurements utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single broker quotes, internal pricing models, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds, certain asset-backed securities, some private equities, investments in mutual and segregated funds where there are redemption restrictions, certain over-the-counter derivatives, investment properties and equity release mortgages.

The following presents the Company's assets and liabilities measured at fair value on a recurring basis by hierarchy level:

	June 30, 2024				December 31, 2023			
Assets measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 8,582	$ —	$ —	$ 8,582	$ 7,742	$ —	$ —	$ 7,742
Financial assets at FVTPL								
Bonds	—	144,138	177	144,315	—	145,049	252	145,301
Mortgage loans	—	28,846	4,430	33,276	—	29,211	4,203	33,414
Stocks	10,595	307	4,580	15,482	10,863	218	3,809	14,890
Total financial assets at FVTPL	10,595	173,291	9,187	193,073	10,863	174,478	8,264	193,605
Financial assets at FVOCI								
Bonds	—	12,034	—	12,034	—	11,750	—	11,750
Mortgage loans	—	578	—	578	—	578	—	578
Stocks	966	—	—	966	—	—	—	—
Total financial assets at FVOCI	966	12,612	—	13,578	—	12,328	—	12,328
Investment properties	—	—	7,910	7,910	—	—	7,870	7,870
Derivatives [1]	2	1,909	—	1,911	1	2,218	—	2,219
Assets held for sale [2]	—	—	—	—	614	1,006	907	2,527
Other assets:								
Trading account assets	239	3,444	—	3,683	242	2,796	—	3,038
Other [3]	—	161	—	161	—	443	—	443
Total assets measured at fair value	$ 20,384	$ 191,417	$ 17,097	$ 228,898	$ 19,462	$ 193,269	$ 17,041	$ 229,772
Liabilities measured at fair value								
Derivatives [4]	$ 1	$ 1,685	$ —	$ 1,686	$ 5	$ 1,283	$ —	$ 1,288
Investment contract liabilities	—	87,070	—	87,070	—	88,919	—	88,919
Other liabilities	—	161	—	161	—	443	—	443
Total liabilities measured at fair value	$ 1	$ 88,916	$ —	$ 88,917	$ 5	$ 90,645	$ —	$ 90,650

[1] Excludes collateral received from counterparties of $964 at June 30, 2024 ($1,346 at December 31, 2023).

[2] Assets held for sale measured at fair value includes cash of $375, stocks of $46 and trading account assets of $2,106 as at December 31, 2023.

[3] Includes collateral received under securities lending arrangements.

[4] Excludes collateral pledged to counterparties of $1,014 at June 30, 2024 ($247 at December 31, 2023).

There were no transfers of the Company's assets and liabilities between Level 1 and Level 2 during the period ended June 30, 2024 and the year ended December 31, 2023.

The following presents additional information about assets and liabilities measured at fair value on a recurring basis and for which the Company has utilized Level 3 inputs to determine fair value:

	For the six months ended June 30, 2024						
	FVTPL bonds	**FVTPL mortgage loans**	**FVTPL stocks [4]**	**Investment properties**	**Trading account assets**	**Assets held for sale**	**Total Level 3 assets**
Balance, beginning of year	$ 252	$ 4,203	$ 3,809	$ 7,870	$ —	$ 907	$ 17,041
Total gains (losses)							
Included in net earnings	—	71	154	(88)	—	—	137
Included in other comprehensive income [1]	—	60	39	95	—	—	194
Purchases	23	—	738	138	—	—	899
Sale of discontinued operations	—	—	—	—	—	(907)	(907)
Issues	—	195	—	—	—	—	195
Sales	(27)	—	(160)	(96)	—	—	(283)
Settlements	—	(99)	—	—	—	—	(99)
Transferred to owner occupied properties	—	—	—	(9)	—	—	(9)
Other	—	—	—	—	—	—	—
Transfers into Level 3 [3]	—	—	—	—	—	—	—
Transfers out of Level 3 [3]	(71)	—	—	—	—	—	(71)
Balance, end of period	$ 177	$ 4,430	$ 4,580	$ 7,910	$ —	$ —	$ 17,097
Total gains (losses) for the period included in net investment result	$ —	$ 71	$ 154	$ (88)	$ —	$ —	$ 137
Change in unrealized gains (losses) for the period included in earnings for assets held at June 30, 2024	$ —	$ 69	$ 154	$ (89)	$ —	$ —	$ 134

	For the year ended December 31, 2023						
	FVTPL bonds	FVTPL mortgage loans	FVTPL stocks [4]	Investment properties	Trading account assets	Assets held for sale	Total Level 3 assets
Balance, beginning of year	$ 195	$ 3,371	$ 3,029	$ 8,344	$ 940	$ —	$ 15,879
Total gains (losses)							
Included in net earnings	6	345	148	(507)	(12)	25	5
Included in other comprehensive income [1]	—	52	(12)	53	—	(14)	79
Purchases	68	—	948	191	23	12	1,242
Issues	—	569	—	—	—	—	569
Sales	(17)	—	(304)	(211)	—	(67)	(599)
Settlements	—	(134)	—	—	—	—	(134)
Other [2]	—	—	—	—	(951)	951	—
Transfers into Level 3 [3]	—	—	—	—	—	—	—
Transfers out of Level 3 [3]	—	—	—	—	—	—	—
Balance, end of year	$ 252	$ 4,203	$ 3,809	$ 7,870	$ —	$ 907	$ 17,041
Total gains (losses) for the year included in net investment result	$ 6	$ 345	$ 148	$ (507)	$ (12)	$ 25	$ 5
Change in unrealized gains (losses) for the year included in earnings for assets held at December 31, 2023	$ 6	$ 334	$ 148	$ (499)	$ —	$ 25	$ 14

[1] Amount of other comprehensive income for FVTPL bonds, mortgage loans and investment properties represents the unrealized gains (losses) on foreign exchange.

[2] Represents amounts reclassified to assets held for sale as a result of the agreement to sell Putnam Investments (note 3).

[3] Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies or the placement of redemption restrictions on investments in mutual and segregated funds. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors or the lifting of redemption restrictions on investments in mutual and segregated funds.

[4] Includes investments in mutual and segregated funds where there are redemption restrictions. The fair value is based on observable, quoted prices.

The following sets out information about significant unobservable inputs used at period-end in measuring assets and liabilities categorized as Level 3 in the fair value hierarchy:

Type of asset	Valuation approach	Significant unobservable input	Input value	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	Investment property valuations are generally determined using property valuation models based on expected capitalization rates and models that discount expected future net cash flows. The determination of the fair value of investment property requires the use of estimates such as future cash flows (such as future leasing assumptions, rental rates, capital and operating expenditures) and discount, reversionary and overall capitalization rates applicable to the asset based on current market rates.	Discount rate Reversionary rate Vacancy rate	Range of 4.2% - 12.9% Range of 4.3% - 8.0% Weighted average of 4.6%	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value. A decrease in the reversionary rate would result in an increase in fair value. An increase in the reversionary rate would result in a decrease in fair value. A decrease in the expected vacancy rate would generally result in an increase in fair value. An increase in the expected vacancy rate would generally result in a decrease in fair value.
Mortgage loans - equity release mortgages (FVTPL)	The valuation approach for equity release mortgages is to use an internal valuation model to determine the projected asset cash flows, including the cost of the no negative equity guarantee for each individual loan, to aggregate these across all loans and to discount those cash flows back to the valuation date. The projection is done monthly until expected redemption of the loan either voluntarily or on the death/entering into long term care of the loanholders.	Discount rate	Range of 4.6% - 6.4%	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.
Stocks	The determination of the fair value of stocks requires the use of estimates such as future cash flows, discount rates, projected earnings multiples, or recent transactions.	Discount rate	Various	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.

8. Insurance Revenue

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	**2024**	2023
Contracts not measured under the premium allocation approach (PAA)				
Amounts relating to changes in liabilities for remaining coverage				
Experience adjustments	$ (22)	$ (47)	$ (31)	$ (61)
CSM recognized for services provided	312	316	622	623
Change in risk adjustment for non-financial risk for risk expired	154	152	306	301
Expected incurred claims and other insurance service expenses	2,367	2,293	4,699	4,536
Recovery of insurance acquisition cash flows	145	138	288	276
	2,956	2,852	5,884	5,675
Contracts measured under the PAA	2,317	2,229	4,639	4,443
Total insurance revenue	$ 5,273	$ 5,081	$ 10,523	$ 10,118

9. Insurance Contracts and Reinsurance Contracts Held

(a) Insurance Contract (Assets) / Liabilities

	June 30, 2024				
	Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total
Assets	$ (6,684)	$ 1,594	$ 3,861	$ (86)	$ (1,315)
Liabilities	116,851	5,129	10,209	13,093	145,282
Liabilities on account of segregated fund policyholders	62,473	—	—	—	62,473
	$ 172,640	$ 6,723	$ 14,070	$ 13,007	$ 206,440

	December 31, 2023				
	Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total
Assets	$ (6,560)	$ 1,654	$ 3,796	$ (83)	$ (1,193)
Liabilities	115,794	5,372	9,952	13,270	144,388
Liabilities on account of segregated fund policyholders	60,302	—	—	—	60,302
	$ 169,536	$ 7,026	$ 13,748	$ 13,187	$ 203,497

(b) Reinsurance Contract Held Assets / (Liabilities)

	June 30, 2024				
	Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total
Assets	$ 15,919	$ 704	$ 427	$ 130	$ 17,180
Liabilities	(2,271)	971	635	(66)	(731)
	$ 13,648	$ 1,675	$ 1,062	$ 64	$ 16,449

	December 31, 2023				
	Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total
Assets	$ 16,181	$ 866	$ 163	$ 122	$ 17,332
Liabilities	(2,419)	863	950	(42)	(648)
	$ 13,762	$ 1,729	$ 1,113	$ 80	$ 16,684

(c) Discount Rates

The following table provides the lower and upper end of the range of the spot rates used by the Company to discount liability cash flows by major currency:

June 30, 2024		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	**Lower**	5.7 %	4.6 %	4.6 %	4.6 %	4.5 %	4.7 %
	Upper	6.2 %	5.2 %	5.3 %	5.3 %	5.2 %	5.1 %
USD	**Lower**	6.0 %	5.2 %	5.3 %	5.7 %	5.4 %	5.1 %
	Upper	6.4 %	5.7 %	5.7 %	6.1 %	5.9 %	5.3 %
EUR	**Lower**	3.5 %	2.8 %	2.9 %	3.1 %	3.4 %	4.4 %
	Upper	4.7 %	4.0 %	4.1 %	4.3 %	4.4 %	4.6 %
GBP	**Lower**	5.1 %	4.5 %	4.7 %	5.2 %	5.2 %	4.2 %
	Upper	6.1 %	5.4 %	5.6 %	6.2 %	6.1 %	5.1 %

December 31, 2023		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	Lower	6.0 %	4.5 %	4.4 %	4.3 %	4.2 %	4.5 %
	Upper	6.4 %	4.9 %	4.9 %	4.9 %	4.8 %	4.9 %
USD	Lower	5.7 %	4.8 %	4.8 %	5.3 %	4.9 %	4.7 %
	Upper	6.1 %	5.2 %	5.3 %	5.8 %	5.4 %	5.0 %
EUR	Lower	3.2 %	2.1 %	2.2 %	2.5 %	2.9 %	4.3 %
	Upper	4.8 %	3.6 %	3.8 %	4.1 %	4.2 %	4.5 %
GBP	Lower	4.9 %	3.8 %	4.0 %	4.7 %	4.6 %	3.7 %
	Upper	5.9 %	4.8 %	5.1 %	5.7 %	5.6 %	4.7 %

The spot rates in the table above are calculated based on prevailing interest rates observed in their respective markets. When interest rates are not observable, the yield curve to discount cash flows transitions to an ultimate rate composed of a risk-free rate and illiquidity premium. These amounts are set based on historical data.

10. Segregated Funds and Other Structured Entities

The following presents further details of the investments, determined in accordance with the relevant statutory reporting requirements of each region of the Company's operations, on account of segregated fund policyholders:

(a) Investments on Account of Segregated Fund Policyholders

	June 30 2024	December 31 2023
Cash and cash equivalents	$ 14,920	$ 15,024
Bonds	73,061	72,111
Mortgage loans	2,048	2,022
Stocks and units in unit trusts	141,481	130,415
Mutual funds	205,791	188,549
Investment properties	11,646	12,071
	448,947	420,192
Accrued income	876	832
Other assets (liabilities)	1,465	(4,138)
Non-controlling mutual funds interest	8,943	6,070
Total [1]	$ 460,231	$ 422,956

[1] At June 30, 2024, $64,444 of investments on account of segregated fund policyholders are reinsured by the Company on a modified coinsurance basis ($64,097 at December 31, 2023). Included in this amount are $130 of cash and cash equivalents, $10,646 of bonds, $18 of stocks and units in unit trusts, $53,592 of mutual funds, $86 of accrued income and $(28) of other liabilities.

(b) Insurance and Investment Contracts on Account of Segregated Funds Policyholders

	For the six months ended June 30	
	2024	2023 [1]
Balance, beginning of year	$ 422,956	$ 387,882
Additions (deductions):		
Policyholder deposits	21,319	20,492
Net investment income	2,348	1,982
Net realized capital gains (losses) on investments	5,533	696
Net unrealized capital gains (losses) on investments	20,789	24,243
Unrealized gains (losses) due to changes in foreign exchange rates	7,276	(3,063)
Policyholder withdrawals	(22,855)	(20,509)
Change in segregated fund investment in general fund	(21)	39
Change in general fund investment in segregated fund	—	2
Net transfer from (to) general fund	13	40
Non-controlling mutual funds interest	2,873	(1,188)
Total	37,275	22,734
Balance, end of period	$ 460,231	$ 410,616

[1] The Company has reclassified certain comparative figures to conform to the current period's presentation.

(c) Investments on Account of Segregated Fund Policyholders by Fair Value Hierarchy Level

	June 30, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments on account of segregated fund policyholders [1]	$ 331,410	$ 112,901	$ 13,582	$ 457,893

[1] Excludes other assets, net of other liabilities, of $2,338.

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Investments on account of segregated fund policyholders [1]	$ 299,451	$ 113,199	$ 13,792	$ 426,442

[1] Excludes other liabilities, net of other assets, of $3,486.

For the six months ended June 30, 2024, certain foreign stock holdings valued at $149 have been transferred from Level 2 to Level 1 ($56 were transferred from Level 1 to Level 2 at December 31, 2023) primarily based on the Company's change in use of inputs in addition to quoted prices in active markets for certain foreign stock holdings. Level 2 assets include those assets where fair value is not available from normal market pricing sources, where inputs are utilized in addition to quoted prices in active markets and where the Company does not have access to the underlying asset details within an investment fund.

The following presents additional information about the Company's investments on account of segregated fund policyholders for which the Company has utilized Level 3 inputs to determine fair value:

	June 30 2024	December 31 2023
Balance, beginning of year	$ 13,792	$ 14,455
Total gains (losses) included in segregated fund investment income	(416)	(1,073)
Purchases	441	795
Sales	(315)	(445)
Transfers into Level 3	97	350
Transfers out of Level 3	(17)	(290)
Balance, end of period	$ 13,582	$ 13,792

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

11. Share Capital

Common Shares

	For the six months ended June 30					
	2024			2023		
	Number	**Carrying value**		Number	Carrying value	
Common shares						
Balance, beginning of year	932,427,987	$	6,000	931,853,110	$	5,791
Exercised and issued under stock option plan	868,866		31	1,953,151		71
Purchased and cancelled under normal course issuer bid	(1,157,085)		(48)	(2,519,200)		(94)
Excess of redemption proceeds over stated capital per normal course issuer bid	—		41	—		78
Balance, end of period	932,139,768	$	6,024	931,287,061	$	5,846

During the six months ended June 30, 2024, 868,866 common shares were exercised under the Company's stock plan with a carrying value of $31, including $2 from contributed surplus transferred upon exercise (1,953,151 with a carrying value of $71, including $8 from contributed surplus transferred upon exercise for the six months ended June 30, 2023).

On January 25, 2024, the Company announced the renewal of its normal course issuer bid (NCIB) commencing January 29, 2024 and terminating January 28, 2025 to purchase for cancellation up to but not more than 20,000,000 of its common shares at market prices.

During the six months ended June 30, 2024, the Company repurchased and subsequently cancelled 1,157,085 common shares under the current NCIB at a cost of $48 (2,519,200 common shares at a cost of $94 for the six months ended June 30, 2023, under the previous NCIB). The Company’s share capital was reduced by the average carrying value of the shares repurchased for cancellation. The excess paid over the average carrying value was $41 and was recognized as a reduction to accumulated surplus for the six months ended June 30, 2024 ($78 for the six months ended June 30, 2023, under the previous NCIB).

12. Earnings Per Common Share

The following provides the reconciliation between basic and diluted earnings per common share:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	**2024**	2023
Earnings				
Net earnings from continuing operations before preferred share dividends	$ 1,038	$ 602	$ 2,101	$ 1,248
Preferred share dividends	(33)	(33)	(65)	(65)
Net earnings from continuing operations	$ 1,005	$ 569	$ 2,036	$ 1,183
Net loss from discontinued operations	—	(71)	(115)	(90)
Net gain from disposal of discontinued operations	—	—	44	—
Net earnings - common shareholders	$ 1,005	$ 498	$ 1,965	$ 1,093
Number of common shares				
Average number of common shares outstanding	932,504,449	931,201,149	932,615,570	931,606,252
Add: Potential exercise of outstanding stock options	2,281,108	1,891,728	2,624,643	1,355,395
Average number of common shares outstanding - diluted basis	934,785,557	933,092,877	935,240,213	932,961,647
Basic earnings per common share	$ 1.08	$ 0.53	$ 2.11	$ 1.17
Diluted earnings per common share	$ 1.08	$ 0.53	$ 2.10	$ 1.17
Basic earnings per common share from continuing operations	$ 1.08	$ 0.61	$ 2.18	$ 1.27
Diluted earnings per common share from continuing operations	$ 1.08	$ 0.61	$ 2.18	$ 1.27
Dividends per common share	$ 0.555	$ 0.520	$ 1.110	$ 1.040

13. Capital Management

(a) Policies and Objectives

Managing capital is the continual process of establishing and maintaining the quantity and quality of capital appropriate for the Company and ensuring capital is deployed in a manner consistent with the expectations of the Company's stakeholders. For these purposes, the Board considers the key stakeholders to be the Company's shareholders, policyholders and holders of subordinated liabilities in addition to the relevant regulators in the various jurisdictions where the Company and its subsidiaries operate.

The Company manages its capital on both a consolidated basis as well as at the individual operating subsidiary level. The primary objectives of the Company's capital management strategy are:

- To maintain the capitalization of its regulated operating subsidiaries at a level that will exceed the relevant minimum regulatory capital requirements in the jurisdictions in which they operate;
- To maintain strong credit and financial strength ratings of the Company ensuring stable access to capital markets; and
- To provide an efficient capital structure to maximize shareholders' value in the context of the Company's operational risks and strategic plans.

The target level of capitalization for the Company and its subsidiaries is assessed by considering various factors such as the probability of falling below the minimum regulatory capital requirements in the relevant operating jurisdiction, the views expressed by various credit rating agencies that provide financial strength and other ratings to the Company, and the desire to hold sufficient capital to be able to honour all policyholder and other obligations of the Company with a high degree of confidence.

The Company has established policies and procedures designed to identify, measure and report all material risks. Management is responsible for establishing capital management procedures for implementing and monitoring the capital plan.

The capital planning process is the responsibility of the Company's Chief Financial Officer. The capital plan is approved by the Company's Board of Directors on an annual basis. The Board of Directors reviews and approves all material capital transactions undertaken by management.

(b) Regulatory Capital

In Canada, The Office of the Superintendent of Financial Institutions (OSFI) has established a regulatory capital adequacy measurement for life insurance companies incorporated under the Insurance Companies Act (Canada) and their subsidiaries.

The Life Insurance Capital Adequacy Test (LICAT) Ratio compares the regulatory capital resources of a company to its required capital, defined by OSFI, as the aggregate of all defined capital requirements. The total capital resources are provided by the sum of Available Capital, Surplus Allowance and Eligible Deposits.

The following provides a summary of the LICAT information and ratio for Canada Life:

	June 30 2024	December 31 2023
Tier 1 Capital	$ 19,478	$ 18,285
Tier 2 Capital	5,168	5,223
Total Available Capital	24,646	23,508
Surplus Allowance and Eligible Deposits	5,166	5,406
Total Capital Resources	$ 29,812	$ 28,914
Required Capital	$ 22,852	$ 22,525
Total LICAT Ratio (OSFI Supervisory Target = 100%) [1]	130 %	128 %

[1] Total Ratio (%) = (Total Capital Resources / Required Capital)

Other foreign operations and foreign subsidiaries of the Company are required to comply with local capital or solvency requirements in their respective jurisdictions.

14. Income Taxes

(a) Income Tax Expense

Income tax recognized in Consolidated Statements of Earnings:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	**2024**	2023
Current income taxes	$ 225	$ 163	$ 422	$ 337
Deferred income taxes	4	(107)	(24)	(251)
Total income tax expense	$ 229	$ 56	$ 398	$ 86

(b) Effective Income Tax Rate

The effective income tax rates are generally lower than the Company's statutory income tax rate of 28.0% due to benefits related to non-taxable investment income and lower income tax in certain foreign jurisdictions.

Under International Pillar Two tax reform, the Organization for Economic Co-Operation and Development (OECD) introduced a 15% global minimum tax (GMT) regime that has been adopted by all significant countries in which the Company operates, other than the U.S. Canada enacted GMT legislation on June 20, 2024 which applies retroactively to January 1, 2024. Other countries where the Company has significant operations, including Barbados, Germany, Ireland and the U.K. had previously enacted GMT legislation, also effective January 1, 2024.

The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rate is below 15%. In the second quarter of 2024, the Company recognized a GMT current tax expense of $62, primarily related to its operations in Barbados and Ireland. This included $34, for the retroactive application for the first quarter of 2024 as a result of Canada’s enactment of legislation in the quarter, primarily in respect of Barbados where the GMT was contingent upon Canada’s enactment.

The Company has applied the mandatory temporary exception in IAS 12, *Income Taxes* from recognizing and disclosing deferred tax assets and liabilities related to the GMT.

The overall effective income tax rate for the three months ended June 30, 2024 was 17.4% compared to 8.2% for the three months ended June 30, 2023. The effective income tax rate for the three months ended June 30, 2024 was higher than the effective income tax rate for the three months ended June 30, 2023 primarily due to the GMT, as well as the jurisdictional mix of earnings. The GMT increased the effective income tax rate by 4.7%, which included the amount discussed above pertaining to the first quarter of 2024 of 2.6%.

The overall effective income tax rate for the six months ended June 30, 2024 was 15.5% compared to 6.4% for the six months ended June 30, 2023. The effective income tax rate for the six months ended June 30, 2024 was higher than the effective income tax rate for the six months ended June 30, 2023 primarily due to the jurisdictional mix of earnings and the GMT. The GMT increased the effective income tax rate by 2.6%.

The effective income tax rate for the shareholder account for the three months ended June 30, 2024 was 19.4% compared to 12.0% for the three months ended June 30, 2023.

The effective income tax rate for the shareholder account for the six months ended June 30, 2024 was 17.3% compared to 9.2% for the six months ended June 30, 2023.

15. Segmented Information

(a) Consolidated Net Earnings

For the three months ended June 30, 2024

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 2,377	$ 59	$ 1,618	$ 1,219	$ —	$ 5,273
Net investment income [2]	900	985	404	107	13	2,409
Changes in fair value on FVTPL assets [2]	35	(96)	(630)	(180)	7	(864)
	3,312	948	1,392	1,146	20	6,818
Fee and other income [3]	474	1,099	217	4	—	1,794
	3,786	2,047	1,609	1,150	20	8,612
Other insurance results						
Insurance service expenses	(1,598)	(48)	(1,387)	(1,024)	—	(4,057)
Net income (expenses) from reinsurance contracts	(358)	(8)	(17)	(2)	—	(385)
	(1,956)	(56)	(1,404)	(1,026)	—	(4,442)
Other investment results						
Net finance income (expenses) from insurance contracts	(751)	(5)	441	106	—	(209)
Net finance income (expenses) from reinsurance contracts	4	(21)	(98)	1	—	(114)
Changes in investment contract liabilities	(41)	(534)	—	2	—	(573)
	(788)	(560)	343	109	—	(896)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	427	—	19	—	—	446
Net finance income (expenses) from insurance contracts	(427)	—	(19)	—	—	(446)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(517)	(943)	(250)	(11)	(8)	(1,729)
Amortization of finite life intangible assets	(31)	(57)	(14)	(1)	—	(103)
Financing costs	(34)	(56)	(10)	(1)	—	(101)
Restructuring and integration expenses	—	(27)	—	—	—	(27)
Earnings before income taxes	460	348	274	220	12	1,314
Income taxes	73	76	56	58	(34)	229
Net earnings from continuing operations before non-controlling interests	387	272	218	162	46	1,085
Attributable to non-controlling interests	47	—	—	—	—	47
Net earnings from continuing operations before preferred share dividends	340	272	218	162	46	1,038
Preferred share dividends	28	—	5	—	—	33
Net earnings from continuing operations before capital allocation	312	272	213	162	46	1,005
Impact of capital allocation	23	2	(12)	(7)	(6)	—
Net earnings from continuing operations	335	274	201	155	40	1,005
Net loss from discontinued operations	—	—	—	—	—	—
Net gain from disposal of discontinued operations	—	—	—	—	—	—
Net earnings - common shareholders	$ 335	$ 274	$ 201	$ 155	$ 40	$ 1,005

1 Included within insurance service result in the Consolidated Statements of Earnings.

2 Included within net investment result in the Consolidated Statements of Earnings.

3 Included within other income and expenses in the Consolidated Statements of Earnings.

For the three months ended June 30, 2023

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 2,339	$ 56	$ 1,492	$ 1,194	$ —	$ 5,081
Net investment income [2]	750	952	194	157	8	2,061
Changes in fair value on FVTPL assets [2]	(447)	(972)	(1,171)	(79)	1	(2,668)
	2,642	36	515	1,272	9	4,474
Fee and other income [3]	341	921	200	4	—	1,466
	2,983	957	715	1,276	9	5,940
Other insurance results						
Insurance service expenses	(1,649)	(43)	(1,286)	(985)	—	(3,963)
Net income (expenses) from reinsurance contracts	(336)	2	(74)	(7)	—	(415)
	(1,985)	(41)	(1,360)	(992)	—	(4,378)
Other investment results						
Net finance income (expenses) from insurance contracts	(397)	45	1,056	(73)	—	631
Net finance income (expenses) from reinsurance contracts	4	(2)	(8)	—	—	(6)
Changes in investment contract liabilities	(13)	293	(1)	7	—	286
	(406)	336	1,047	(66)	—	911
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	545	—	369	—	—	914
Net finance income (expenses) from insurance contracts	(545)	—	(369)	—	—	(914)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(352)	(936)	(255)	(14)	(14)	(1,571)
Amortization of finite life intangible assets	(26)	(52)	(18)	—	(1)	(97)
Financing costs	(34)	(59)	(11)	—	—	(104)
Restructuring and integration expenses	—	(28)	9	—	—	(19)
Earnings (loss) before income taxes	180	177	127	204	(6)	682
Income taxes	4	17	8	28	(1)	56
Net earnings (loss) from continuing operations before non-controlling interests	176	160	119	176	(5)	626
Attributable to non-controlling interests	23	1	—	—	—	24
Net earnings (loss) from continuing operations before preferred share dividends	153	159	119	176	(5)	602
Preferred share dividends	28	—	5	—	—	33
Net earnings (loss) from continuing operations before capital allocation	125	159	114	176	(5)	569
Impact of capital allocation	23	2	(12)	(7)	(6)	—
Net earnings (loss) from continuing operations	148	161	102	169	(11)	569
Net loss from discontinued operations	—	(71)	—	—	—	(71)
Net earnings (loss) - common shareholders	$ 148	$ 90	$ 102	$ 169	$ (11)	$ 498

1 Included within insurance service result in the Consolidated Statements of Earnings.

2 Included within net investment result in the Consolidated Statements of Earnings.

3 Included within other income and expenses in the Consolidated Statements of Earnings.

For the six months ended June 30, 2024

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 4,783	$ 118	$ 3,203	$ 2,419	$ —	$ 10,523
Net investment income [2]	1,775	2,003	749	207	15	4,749
Changes in fair value on FVTPL assets [2]	(496)	(570)	(923)	(273)	13	(2,249)
	6,062	1,551	3,029	2,353	28	13,023
Fee and other income [3]	934	2,100	425	7	—	3,466
	6,996	3,651	3,454	2,360	28	16,489
Other insurance results						
Insurance service expenses	(3,273)	(97)	(2,748)	(2,006)	—	(8,124)
Net income (expenses) from reinsurance contracts	(697)	(16)	(48)	(10)	—	(771)
	(3,970)	(113)	(2,796)	(2,016)	—	(8,895)
Other investment results						
Net finance income (expenses) from insurance contracts	(875)	(5)	524	174	—	(182)
Net finance income (expenses) from reinsurance contracts	(11)	(21)	(133)	—	—	(165)
Changes in investment contract liabilities	(61)	(692)	1	8	—	(744)
	(947)	(718)	392	182	—	(1,091)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	2,299	—	620	—	—	2,919
Net finance income (expenses) from insurance contracts	(2,299)	—	(620)	—	—	(2,919)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(995)	(1,918)	(488)	(21)	(10)	(3,432)
Amortization of finite life intangible assets	(59)	(113)	(29)	(1)	(1)	(203)
Financing costs	(68)	(111)	(20)	(2)	—	(201)
Restructuring and integration expenses	(23)	(72)	—	—	—	(95)
Earnings before income taxes	934	606	513	502	17	2,572
Income taxes	163	103	92	73	(33)	398
Net earnings from continuing operations before non-controlling interests	771	503	421	429	50	2,174
Attributable to non-controlling interests	73	—	—	—	—	73
Net earnings from continuing operations before preferred share dividends	698	503	421	429	50	2,101
Preferred share dividends	56	—	9	—	—	65
Net earnings from continuing operations before capital allocation	642	503	412	429	50	2,036
Impact of capital allocation	46	4	(24)	(14)	(12)	—
Net earnings from continuing operations	688	507	388	415	38	2,036
Net loss from discontinued operations	—	(115)	—	—	—	(115)
Net gain from disposal of discontinued operations	—	44	—	—	—	44
Net earnings - common shareholders	$ 688	$ 436	$ 388	$ 415	$ 38	$ 1,965

1 Included within insurance service result in the Consolidated Statements of Earnings.

2 Included within net investment result in the Consolidated Statements of Earnings.

3 Included within other income and expenses in the Consolidated Statements of Earnings.

For the six months ended June 30, 2023

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 4,696	$ 117	$ 2,964	$ 2,341	$ —	$ 10,118
Net investment income [2]	1,507	1,948	487	209	11	4,162
Changes in fair value on FVTPL assets [2]	1,104	403	(702)	104	(5)	904
	7,307	2,468	2,749	2,654	6	15,184
Fee and other income [3]	666	1,808	386	6	—	2,866
	7,973	4,276	3,135	2,660	6	18,050
Other insurance results						
Insurance service expenses	(3,331)	(89)	(2,567)	(1,971)	—	(7,958)
Net income (expenses) from reinsurance contracts	(670)	4	(83)	(8)	—	(757)
	(4,001)	(85)	(2,650)	(1,979)	—	(8,715)
Other investment results						
Net finance income (expenses) from insurance contracts	(2,711)	(143)	164	(249)	—	(2,939)
Net finance income (expenses) from reinsurance contracts	21	(4)	65	5	—	87
Changes in investment contract liabilities	(47)	(1,532)	(2)	(15)	—	(1,596)
	(2,737)	(1,679)	227	(259)	—	(4,448)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	1,817	—	818	—	—	2,635
Net finance income (expenses) from insurance contracts	(1,817)	—	(818)	—	—	(2,635)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(687)	(1,879)	(488)	(26)	(20)	(3,100)
Amortization of finite life intangible assets	(51)	(100)	(34)	(1)	(1)	(187)
Financing costs	(68)	(124)	(25)	(1)	(1)	(219)
Restructuring and integration expenses	—	(54)	9	—	—	(45)
Earnings (loss) before income taxes	429	355	174	394	(16)	1,336
Income taxes	37	27	(1)	27	(4)	86
Net earnings (loss) from continuing operations before non-controlling interests	392	328	175	367	(12)	1,250
Attributable to non-controlling interests	1	1	—	—	—	2
Net earnings (loss) from continuing operations before preferred share dividends	391	327	175	367	(12)	1,248
Preferred share dividends	56	—	9	—	—	65
Net earnings (loss) from continuing operations before capital allocation	335	327	166	367	(12)	1,183
Impact of capital allocation	46	4	(24)	(14)	(12)	—
Net earnings (loss) from continuing operations	381	331	142	353	(24)	1,183
Net loss from discontinued operations	—	(90)	—	—	—	(90)
Net earnings (loss) - common shareholders	$ 381	$ 241	$ 142	$ 353	$ (24)	$ 1,093

1 Included within insurance service result in the Consolidated Statements of Earnings.

2 Included within net investment result in the Consolidated Statements of Earnings.

3 Included within other income and expenses in the Consolidated Statements of Earnings.

The Revenue by Source Currency for Capital and Risk Solutions

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	**2024**	2023
Revenue				
United States	$ 268	$ 311	$ 602	$ 705
United Kingdom	476	447	907	938
Japan	(85)	9	(79)	167
Other	491	509	930	850
Total revenue	$ 1,150	$ 1,276	$ 2,360	$ 2,660

Negative income in the table above is primarily due to unrealized fair value losses through profit or loss on bonds.

(b) Consolidated Total Assets and Liabilities

	June 30, 2024				
	Canada	United States	Europe	Capital and Risk Solutions	Total
Assets					
Invested assets	$ 91,309	$ 86,053	$ 42,588	$ 8,666	$ 228,616
Insurance contract assets	452	321	352	190	1,315
Reinsurance contract held assets	1,131	12,318	3,602	129	17,180
Goodwill and intangible assets	6,565	6,292	3,052	—	15,909
Other assets	5,577	16,991	3,705	38	26,311
Investments on account of segregated fund policyholders	107,067	197,875	155,289	—	460,231
Total	$ 212,101	$ 319,850	$ 208,588	$ 9,023	$ 749,562
Liabilities					
Insurance contract liabilities	$ 82,017	$ 18,135	$ 40,136	$ 4,994	$ 145,282
Investment contract liabilities	3,824	82,240	345	661	87,070
Reinsurance contract held liabilities	205	155	343	28	731
Other liabilities	8,527	12,846	3,132	873	25,378
Insurance contracts on account of segregated fund policyholders	33,884	13,514	15,075	—	62,473
Investment contracts on account of segregated fund policyholders	73,183	184,361	140,214	—	397,758
Total	$ 201,640	$ 311,251	$ 199,245	$ 6,556	$ 718,692

	December 31, 2023				
	Canada	United States	Europe	Capital and Risk Solutions	Total
Assets					
Invested assets	$ 89,382	$ 86,715	$ 41,981	$ 8,732	$ 226,810
Insurance contract assets	400	291	331	171	1,193
Reinsurance contract held assets	1,243	12,243	3,713	133	17,332
Assets held for sale	—	4,467	—	—	4,467
Goodwill and intangible assets	6,545	6,151	3,037	—	15,733
Other assets	4,964	16,192	3,531	52	24,739
Investments on account of segregated fund policyholders	101,250	179,770	141,936	—	422,956
Total	$ 203,784	$ 305,829	$ 194,529	$ 9,088	$ 713,230
Liabilities					
Insurance contract liabilities	$ 81,455	$ 18,079	$ 39,390	$ 5,464	$ 144,388
Investment contract liabilities	3,931	83,966	341	681	88,919
Reinsurance contract held liabilities	208	163	250	27	648
Liabilities held for sale	—	2,407	—	—	2,407
Other liabilities	7,153	12,804	3,408	696	24,061
Insurance contracts on account of segregated fund policyholders	32,997	12,892	14,413	—	60,302
Investment contracts on account of segregated fund policyholders	68,253	166,878	127,523	—	362,654
Total	$ 193,997	$ 297,189	$ 185,325	$ 6,868	$ 683,379

The Assets by Source Currency for Capital and Risk Solutions

	June 30 2024	December 31 2023
Assets		
United States	$ 4,568	$ 4,334
United Kingdom	1,406	1,350
Japan	2,795	3,047
Other	254	357
Total assets	$ 9,023	$ 9,088

(c) CSM

	For the six months ended June 30, 2024							
	Non-Participating (excluding Segregated Funds)							
	Canada	**United States**	**Europe**	**Capital and Risk Solutions**	**Total**	**Segregated Funds**	**Par**	**Total [1]**
CSM, beginning of year	$ 1,159	$ 24	$ 3,255	$ 1,745	$ 6,183	$ 3,298	$ 3,154	$ 12,635
CSM recognized for services provided	(67)	(2)	(135)	(76)	(280)	(202)	(77)	(559)
Contracts initially recognized in the year	20	—	171	18	209	87	56	352
Changes in estimates that adjust the CSM	(5)	—	(49)	(27)	(81)	143	354	416
Net finance (income) expenses from insurance contracts	17	—	37	20	74	(8)	—	66
Effect of movement in exchange rates	—	1	58	22	81	9	8	98
CSM, end of period	$ 1,124	$ 23	$ 3,337	$ 1,702	$ 6,186	$ 3,327	$ 3,495	$ 13,008

[1] The amounts in the table above are presented net of reinsurance.

	For the year ended December 31, 2023							
	Non-Participating (excluding Segregated Funds)							
	Canada	United States	Europe	Capital and Risk Solutions	Total	Segregated Funds	Par	Total [1]
CSM, beginning of year	$ 1,264	$ 41	$ 2,771	$ 1,796	$ 5,872	$ 3,557	$ 3,694	$ 13,123
CSM recognized for services provided	(143)	(4)	(234)	(154)	(535)	(430)	(157)	(1,122)
Contracts initially recognized in the year	41	—	284	49	374	181	111	666
Changes in estimates that adjust the CSM	(40)	(12)	325	—	273	(37)	(490)	(254)
Net finance (income) expenses from insurance contracts	37	—	49	37	123	16	—	139
Effect of movement in exchange rates	—	(1)	60	17	76	11	(4)	83
CSM, end of year	$ 1,159	$ 24	$ 3,255	$ 1,745	$ 6,183	$ 3,298	$ 3,154	$ 12,635

[1] The amounts in the table above are presented net of reinsurance.

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