QUARTERLY REPORT TO SHAREHOLDERS

2025

SECOND QUARTER RESULTS

For the Period ended
June 30, 2025

GREAT-WEST
LIFECO

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

QUARTERLY REPORT TO THE SHAREHOLDERS

January 1 to June 30, 2025 Six Months Results

The condensed consolidated interim unaudited financial statements including notes at June 30, 2025 were approved by the Board of Directors at a meeting held today.

Great-West Lifeco Inc. (Lifeco or the Company) today announced its Q2 2025 results.

Key Financial Highlights

	In-Quarter			Year-to-Date	
	Q2 2025	Q1 2025	Q2 2024	**2025**	2024
Earnings					
Base earnings[1]	**$1,149**	$1,030	$1,038	**$2,179**	$2,016
Net earnings	**$894**	$860	$1,005	**$1,754**	$1,965
Earnings per share					
Base EPS[2]	**$1.24**	$1.11	$1.11	**$2.35**	$2.16
Net EPS	**$0.96**	$0.92	$1.08	**$1.89**	$2.11
Return on Equity					
Base ROE[2,3]	**17.4%**	17.2%	17.2%		
ROE	**14.9%**	15.6%	16.2%		

Base earnings[1] of $1,149 million ($1.24 per common share) in the second quarter, up 11% from $1,038 million a year ago. The strong result reflects double-digit base earnings growth across our Wealth and Group Benefits businesses, primarily driven by new business growth and higher equity markets, as well as improved insurance experience, and favourable currency movements, partially offset by lower earnings on surplus from lower yields. Base earnings also included a benefit for a change in certain tax estimates relating to tax matters in prior years, offset by credit-related impacts of $51 million (post-tax).

Net earnings from continuing operations of $894 million ($0.96 per common share) in the second quarter, compared to $1,005 million a year ago, mainly reflect higher charges from business transformation initiatives announced earlier this year, as well as unfavourable market experience.

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.

GREAT-WEST LIFECO

Highlights

- Strong underlying performance:
  - Base earnings reached a record $1,149 million, up 11% year-over-year, driven by double-digit base earnings growth in our Wealth and Group Benefits businesses.
  - Base ROE of 17.4% and ROE of 14.9% remain well-positioned to expand, supported by strong growth in our more capital-efficient U.S. business and further share buybacks.
  - Strong capital generation and $2.1 billion in cash at Lifeco continue to provide substantial flexibility.
- Continued repositioning of the portfolio toward higher-growth, capital-efficient businesses, particularly Retirement and Wealth:
  - Total client assets[4] of $3.0 trillion, of which $1.0 trillion represents higher-margin assets under management or advisement[4].
  - Strong growth in client assets of 11% in Retirement and 16% in Wealth.
  - Double-digit base earnings growth in our Group Benefits businesses, driven by strong long-term disability experience in Canada, reflecting continued pricing discipline.
- U.S. segment continues to deliver strong base earnings growth:
  - U.S. base earnings were up 13% year-over-year excluding credit-related impacts of US$37 million in Q2 2025 and US$29 million in Q2 2024, and a favourable one-time fee income adjustment to earnings of US$22 million in Q2 2024. Base earnings growth was driven by an increase in average customer account balances and the number of plan participants, as well as continued strength in Wealth net flows.
  - Empower's Retirement business is expected to experience net plan inflows of at least US$25 billion for the second half of 2025, more than offsetting a notable termination in Q2 2025[5].
  - Empower Wealth net flows[6] improved by 83% to US$2.9 billion compared to a year ago, primarily from strong rollover sales performance.
  - The number of plan participants served by Empower stood at 18.5 million on June 30, 2025, up 3% from a year ago, primarily reflecting solid organic growth over the past 12 months.
  - Empower significantly strengthened its product offering by partnering with top-tier asset management firms to provide private markets investment options for 401k plan participants.
- Balance sheet strength provides substantial financial flexibility:
  - LICAT ratio[7] of 132%, up 2 percentage points from Q1 2025, driven by strong base capital generation, and lower remittances to Lifeco.
  - Leverage ratio of 28% was unchanged from the preceding quarter, but stood at 27% on a pro forma basis, net of the scheduled repayment of US$500 million senior notes maturing on August 12, 2025.
  - Lifeco cash of $2.1 billion reflected significant share repurchases in the quarter.
  - The Company intends to repurchase an additional $500 million of its common shares in 2025 under its Normal Course Issuer Bid (NCIB), beyond the $500 million announced on May 7, 2025 and the purchases made to offset dilution under its share compensation plans.

4. This is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details
5. An indicator of the Company's ability to attract and retain business and includes cash flows related to segregated funds and proprietary and non-proprietary mutual funds.
6. See "Cautionary Note regarding Forward-Looking Information" regarding the estimated net plan inflows of Empower's Retirement business.
7. 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.

GREAT-WEST LIFECO

Q2 2025 SEGMENTED OPERATING RESULTS

For reporting purposes, Lifeco's consolidated operating results are grouped into five reportable segments – United States, Canada, Europe, Capital and Risk Solutions and Corporate – reflecting the management and corporate structure of the Company. For more information, refer to the Company's second quarter 2025 interim Management's Discussion and Analysis (MD&A).

	In-Quarter			Year-to-Date	
	Q2 2025	Q1 2025	Q2 2024 (restated[9])	**2025**	2024 (restated[9])
Segment base earnings[8]					
United States	**$341**	$365	$335	**$706**	$637
Canada	**375**	316	360	**691**	700
Europe	**262**	239	236	**501**	462
Capital and Risk Solutions	**229**	213	199	**442**	404
Corporate	**(58)**	(103)	(92)	**(161)**	(187)
Total base earnings	**$1,149**	$1,030	$1,038	**$2,179**	$2,016
Segment net earnings from continuing operations					
United States	**$305**	$338	$281	**$643**	$523
Canada	**255**	301	373	**556**	764
Europe	**126**	167	231	**293**	447
Capital and Risk Solutions	**194**	184	164	**378**	434
Corporate	**14**	(130)	(44)	**(116)**	(132)
Total net earnings from continuing operations	**$894**	$860	$1,005	**$1,754**	$2,036
Net earnings (loss) from discontinued operations	**-**	-	-	**-**	(115)
Net gain on disposal of discontinued operations	**-**	-	-	**-**	44
Total net earnings	**$894**	$860	$1,005	**$1,754**	$1,965

8. This is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.
9. The Company has updated segment and line of business classifications for 2025 which has resulted in the restatement of certain comparative amounts

UNITED STATES

- **U.S. segment base earnings of US$247 million ($341 million) and net earnings from continuing operations of US$222 million ($305 million)** – Base earnings were largely unchanged from Q2 2024. Higher fee income from business growth and favourable markets was offset by credit-related impacts in the quarter of US$37 million, and lower spread-based income. Base earnings in Q2 2024 included US$29 million of negative credit-related impacts and a favourable one-time fee income adjustment to earnings of US$22 million.

CANADA

- **Canada segment base earnings of $375 million and net earnings of $255 million** – Base earnings increased by $15 million, or 4%, compared to the same quarter last year, reflecting solid performance across businesses, notably improved insurance experience in Group Benefits, partially offset by lower earnings on surplus. Net earnings were impacted by business transformation charges, in line with previously announced transformation initiatives.

EUROPE

- **Europe segment base earnings of $262 million and net earnings of $126 million** – Base earnings increased by $26 million, or 11%, compared to the same quarter last year, primarily due to increased Wealth fee income from higher client assets, as well as the impact of currency movements. These items were partially offset by lower earnings on surplus.

CAPITAL AND RISK SOLUTIONS

- **Capital and Risk Solutions segment base earnings of $229 million and net earnings of $194 million** – Base earnings increased by $30 million, or 15%, compared to the same quarter last year, primarily due to continued strength in Capital Solutions new business volumes and improved claims experience.

GREAT-WEST
LIFECO

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of $0.61 per share on the common shares of Lifeco payable September 29, 2025, to shareholders of record at the close of business August 29, 2025.

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.

David Harney

David Harney
President and Chief Executive Officer

August 5, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED JUNE 30, 2025
DATED: AUGUST 5, 2025

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, 2025 and includes a comparison to the corresponding periods in 2024, to the three months ended March 31, 2025, and to the Company's financial condition as at December 31, 2024, as applicable. This MD&A provides an overall discussion, followed by analysis of the performance of Lifeco's four major reportable segments: United States (U.S.), Canada, Europe, and Capital and Risk Solutions.

TABLE OF CONTENTS

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, 2025. 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, 2024.

The Company has enhanced its disclosures and updated segment and line of business classifications for 2025 which has resulted in the restatement of certain comparative amounts in this MD&A. Refer to the "Summary of Earnings Reclassifications" section of this MD&A for additional information.

Cautionary Note Regarding Forward-Looking Information

From time to time, Lifeco makes written and/or oral forward-looking statements within the meaning of applicable securities laws, including in this MD&A. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "achieve", "ambition", "anticipate", "believe", "could", "estimate", "expect", "initiatives", "intend", "may", "objective", "opportunity", "plan", "potential", "project", "target", "will" and other similar expressions or negative versions of those words. Forward-looking information in this MD&A 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, and medium-term financial objectives), 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), the timing and extent of expected transformation charges/impacts, expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities and solutions and investments in strategic partnerships), the timing and completion of the acquisition by IPC of the wealth assets of De Thomas Wealth Management, value creation and realization and growth opportunities, product and service innovation, expected dividend levels, expected cost reductions and savings, expected capital management activities and use of capital, the timing and extent of possible share repurchases, market position, estimates of risk sensitivities affecting capital adequacy ratios, estimates of financial risk sensitivities (including as a result of current market conditions), anticipated global economic conditions, potential impacts of catastrophe events, potential impacts of geopolitical events and conflicts and the impact of regulatory developments on the Company’s business strategy, growth objectives and capital.

Lifeco's medium-term financial objectives are forward-looking non-GAAP financial measures. Lifeco's ability to achieve those objectives depends on whether the Company is able to achieve segment earnings growth ambitions and other business growth objectives and on certain key assumptions, including: (i) 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; (ii) the achievement of the Company's segment base earnings growth ambitions; (iii) the achievement of enterprise and segment efficiency ambitions; (iv) capital levels and available and attractive options for capital deployment; (v) no significant changes in the level of our regulatory capital requirements; (vi) no significant changes to the Company's effective income tax rate; (vii) no significant changes to the Company's number of shares outstanding; (viii) no material assumption changes and no material accounting standard changes. Our medium-term financial objectives do not reflect indirect effects of equity, interest rate and credit market movements, including the potential impacts of those movements on goodwill or the current valuation allowance on deferred tax assets as well as other items that may be non-operational in nature. Further, Lifeco's target base dividend payout ratio assumes that the Company's financial results and market conditions will enable us to maintain our payout ratio in the target range. Dividends on outstanding common shares of the Company are declared and paid at the sole discretion of the Company's board of directors. 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.

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, wealth and retirement solutions industries. They are not guarantees of future performance, and 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. With respect to possible share repurchases, the amount and timing of actual repurchases will depend on the earnings, cash requirements and financial condition of the Company, market conditions, our ability to effect the repurchases on a prudent basis, capital requirements, applicable law and regulations (including applicable securities laws), and other factors deemed relevant by the Company, and may be subject to regulatory approval and/or conditions. 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 above list is not exhaustive, and there may be other factors listed in other filings with securities regulators, including those set out in the "Risk Management" and "Summary of Critical Accounting Estimates" sections of the Company's Annual MD&A for the year ended December 31, 2024 and in the Company's annual information form dated February 5, 2025 under "Risk Factors". These, along with other filings, are available for review at www.sedarplus.com. The reader is 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.

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 (loss) - pre-tax", "base earnings: insurance service result", "base earnings: net investment result", "assets under management or advisement", "assets under administration", "client assets", "non-par base operating and administration expenses", and "run-rate insurance results". 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", "base capital generation", "efficiency ratio", “effective income tax rate – base earnings – common shareholders” and "pre-tax base operating margin". 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

	As at or for the three months ended			For the six months ended	
(in Canadian $ millions, except per share amounts)	**June 30 2025**	Mar. 31 2025	June 30 2024	**June 30 2025**	June 30 2024
Base earnings[1]	$ 1,149	$ 1,030	$ 1,038	$ 2,179	$ 2,016
Net earnings from continuing operations[2]	894	860	1,005	1,754	2,036
Net earnings - common shareholders	894	860	1,005	1,754	1,965
Per common share					
Basic:					
Base earnings[3]	1.24	1.11	1.11	2.35	2.16
Net earnings from continuing operations	0.96	0.92	1.08	1.89	2.18
Net earnings	0.96	0.92	1.08	1.89	2.11
Dividends paid	0.610	0.610	0.555	1.220	1.110
Book value per common share[2]	27.38	27.61	25.36		
Base dividend payout ratio[3]	49.2 %	55.0 %	50.0 %		
Dividend payout ratio[2]	63.5 %	66.3 %	51.4 %		
Efficiency ratio[3]	56.7 %	56.7 %	57.5 %		
Base return on equity[3]	17.4 %	17.2 %	17.2 %		
Return on equity - continuing operations[2]	14.9 %	15.6 %	16.2 %		
Financial leverage ratio[4]	28 %	28 %	29 %		
Total assets per financial statements	$ 814,842	$ 804,144	$ 749,562		
Total assets under management or advisement[1]	1,036,167	1,013,530	941,272		
Total assets under administration only[2]	2,007,290	1,993,588	1,786,711		
Total client assets[1]	3,043,457	3,007,118	2,727,983		
Total assets under administration[1]	3,275,298	3,238,101	2,929,042		
Total contractual service margin (net of reinsurance contracts held)	13,802	13,666	13,008		
Total equity	32,696	33,091	30,870		
Canada Life Assurance Company consolidated LICAT Ratio[5]	132 %	130%	130%		

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

4 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.

5 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.

2025 Developments

Lifeco has updated its financial performance ambitions by updating its medium-term financial objectives effective January 1, 2025 as follows:

- Increased its base return on equity (ROE) objective to 19%+ from 16-17%,
- Introduced a new base capital generation objective of 80%+, and
- Reaffirmed its base earnings per share (EPS) growth objective of 8-10% and base earnings dividend payout ratio objective of 45-55%.

The Company's base capital generation measure, calculated over the trailing 12 months ending June 30, 2025, exceeded 80%. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details on base capital generation, which is a non-GAAP ratio.

- As previously announced, within the next three years, Lifeco plans to incur an estimated $250 million to $300 million of post-tax business transformation costs, through investment in modernized technology platforms, and retiring legacy systems as well as enhancing productivity through increased automation and leveraging a global workplace. For the first six months of 2025, the Company incurred or provisioned for a net of $131 million post-tax of business transformation costs, of which $121 million post-tax was recorded in the second quarter of 2025.
- The Company's efficiency ratio for the second quarter of 2025 was 56.7% compared to 57.5% in the same quarter last year. The improvement in Lifeco's efficiency ratio was driven primarily by increased scale at Empower.
- During 2025, Lifeco intends to repurchase an additional $500 million of its common shares in 2025 under its Normal Course Issuer Bid (NCIB), in addition to the $500 million announced during the first quarter of 2025, and the purchases made to offset dilution under its share compensation plans. This is subject to market conditions, applicable regulatory approvals, the Company's ability to effect the purchases on a prudent basis, and other strategic opportunities emerging.
- The Company's financial leverage ratio at June 30, 2025 was 28% compared to 29% at the end of 2024. This reduction was primarily due to growth in equity from retained earnings and the impact of currency movement and growth of non-participating CSM, excluding segregated funds.
- The Canada Life Assurance Company LICAT ratio increased two points to 132% from December 31, 2024, due to reductions in required capital and the contribution of earnings in the period.

Macroenvironmental Risks

Many factors contribute to the economic uncertainty in the geographies in which the Company operates and to the elevated volatility of global financial markets. Elevated global financial market volatility is due, in part, to certain geopolitical conflicts, trade policy and fiscal policy developments, which the Company actively monitors. Central banks are weighing these factors in consideration of interest rate decisions in many of the countries in which the Company operates. The outlook for financial and real estate markets over the short and medium-term remains uncertain and the Company actively monitors events and information globally.

The Company's strategies are resilient and flexible, positioning it to navigate current market conditions and continue to identify and pursue opportunities, including organic growth and acquisition activities, while supporting customers and employees in an evolving environment.

Base and Net Earnings

Consolidated base earnings and net earnings of Lifeco include the base earnings and net earnings of Empower, Canada Life (and its operating subsidiaries) and the Company's Corporate operating results (including PanAgora Asset Management). Net earnings for the six months ended June 30, 2024 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 further details on restated earnings for the first and second quarters of 2024, refer to the "Summary of Earnings Reclassification" section of this document.

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]					
United States	$ 341	$ 365	$ 335	$ 706	$ 637
Canada	375	316	360	691	700
Europe	262	239	236	501	462
Capital and Risk Solutions	229	213	199	442	404
Corporate	(58)	(103)	(92)	(161)	(187)
Lifeco base earnings[1]	$ 1,149	$ 1,030	$ 1,038	$ 2,179	$ 2,016
Items excluded from base earnings					
Market experience relative to expectations[2]	$ (104)	$ (91)	$ 28	$ (195)	$ 135
Assumption changes and management actions[2]	(3)	(32)	39	(35)	38
Business transformation impacts	(121)	(10)	(29)	(131)	(78)
Amortization of acquisition-related finite life intangibles	(38)	(37)	(37)	(75)	(75)
Tax legislative changes and other tax impacts	11	—	(34)	11	—
Items excluded from Lifeco base earnings	$ (255)	$ (170)	$ (33)	$ (425)	$ 20
Net earnings (loss) from continuing operations[2]					
United States	$ 305	$ 338	$ 281	$ 643	$ 523
Canada	255	301	373	556	764
Europe	126	167	231	293	447
Capital and Risk Solutions	194	184	164	378	434
Corporate	14	(130)	(44)	(116)	(132)
Lifeco net earnings from continuing operations[2]	$ 894	$ 860	$ 1,005	$ 1,754	$ 2,036
Net earnings (loss) from discontinued operations	—	—	—	—	(115)
Net gain from disposal of discontinued operations	—	—	—	—	44
Lifeco net earnings - common shareholders	$ 894	$ 860	$ 1,005	$ 1,754	$ 1,965

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.

Base Earnings

Base earnings for the second quarter of 2025 of $1,149 million ($1.24 per common share) increased by $111 million or 11% from $1,038 million ($1.11 per common share) a year ago. The strong results reflect double-digit base earnings growth across the Wealth and Group Benefits businesses, primarily driven by higher fee income from higher equity markets, new business growth and improved insurance experience, expense efficiency improvements, favourable currency movements, and changes in certain tax estimates relating to prior year tax matters. These items were partially offset by negative credit-related impacts of $51 million (post-tax) in the Retirement and Wealth lines of business in the U.S. segment, and lower earnings on surplus from lower yields. The second quarter of 2024 included $40 million (pre-tax) of negative credit-related impacts, which was offset by a favourable fee income adjustment to earnings of $41 million (pre-tax).

For the six months ended June 30, 2025, Lifeco's base earnings were $2,179 million (2.35 per common share) compared to $2,016 million ($2.16 per common share) a year ago. The increase was primarily due to the same reasons discussed for the in-quarter results as well as negative credit-related impacts of $45 million (post-tax) and a claims provision of $21 million (post-tax) related to the California wildfires in the first quarter of 2025.

Net Earnings

Lifeco's net earnings from continuing operations for the three month period ended June 30, 2025 of $894 million ($0.96 per common share) decreased by $111 million or 11% compared to $1,005 million ($1.08 per common share) a year ago. The decrease was primarily due to higher charges from transformation initiatives as well as unfavourable interest rates and other market-related experience impacts. These items were partially offset by higher base earnings.

For the six months ended June 30, 2025, Lifeco's net earnings from continuing operations were $1,754 million ($1.89 per common share) compared to $2,036 million ($2.18 per common share) a year ago. The decrease 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, 2024 included a net loss of $115 million as well as a $44 million final gain on sale.

Lifeco's net earnings from continuing operations for the three month period ended June 30, 2025 of $894 million ($0.96 per common share) increased by $34 million or 4% compared to $860 million ($0.92 per common share) in the previous quarter. The increase was primarily due to favourable group life and health claims experience, improved individual insurance experience in Europe, changes in certain tax estimates and a claims provision related to the California wildfires in the first quarter of 2025 that did not repeat as well as less unfavourable assumption changes and management actions. These items were partially offset by higher business transformation impacts, primarily in Canada.

Foreign Currency

The average currency translation rate for the second quarter of 2025 increased for the British pound, euro and the U.S. dollar compared to the second quarter of 2024. For the three months ended June 30, 2025, the overall impact of currency movement on the Company's base earnings was an increase of $24 million (increase of $66 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 $12 million (increase of $35 million year-to-date) compared to translation rates a year ago.

From March 31, 2025 to June 30, 2025, the market rates at the end of the reporting period used to translate the euro and British pound assets and liabilities to the Canadian dollar increased, while the U.S. dollar decreased. 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 losses of $711 million in-quarter ($472 million net unrealized loss year-to-date) 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 rates 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 2025	Mar. 31 2025	June 30 2024	**June 30 2025**	June 30 2024
Base earnings - common shareholders[1,2]	11.7 %	17.2 %	19.3 %	14.4 %	18.6 %
Net earnings - common shareholders[3]	5.9 %	16.1 %	19.4 %	11.2 %	17.3 %
Net earnings - total Lifeco[3]	3.2 %	14.6 %	17.4 %	9.2 %	15.5 %

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 (GMT) legislation was enacted in Canada on June 20, 2024 and applied retroactively to January 1, 2024. The effective income tax rate on base earnings for the second quarter of 2024 is presented without the impact of the retroactive application of the GMT in respect of the first quarter of 2024.

3 The comparative effective income tax rates on net earnings for the second quarter of 2024 include the impact of the retroactive application of the Global Minimum Tax related to 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 rates in certain foreign jurisdictions.

In the second quarter of 2025, the effective income tax rate on base earnings for the common shareholders of 11.7% was down from 19.3% in the second quarter of 2024, primarily due to changes in certain tax estimates relating to prior year tax matters.

In the second quarter of 2025, the Company's effective income tax rates on net earnings for common shareholders and for total Lifeco were down from the second quarter of 2024 primarily due to changes in certain tax estimates relating to prior year tax matters, as well as the jurisdictional mix of earnings.

For the six months ended June 30, 2025, the effective income tax rate on base earnings for the common shareholders of 14.4% was down from 18.6% in the same period last year, primarily due to the same reasons discussed for the in-quarter base earnings results.

For the six months ended June 30, 2025, the Company's effective income tax rates on net earnings for both the common shareholders and for total Lifeco were down from the same period of 2024 primarily due to the same reasons discussed for the in-quarter net earnings results.

With respect to the "An act to provide for reconciliation pursuant to title II of H. Con. Res. 14 (One Big Beautiful Bill Act)" recently enacted in the United States, the Company's assessment is that it will not significantly impact its tax positions.

Refer to note 14 of the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2025 for further details.

Items Excluded from Base Earnings

Market Experience Relative to Expectations

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024	**June 30 2025**	June 30 2024
Public equity market impacts	$ 22	$ (15)	$ 1	$ 7	$ 27
Real estate and other non-fixed income asset impacts	(51)	(38)	(26)	(89)	(85)
Interest rate and other impacts	(75)	(38)	53	(113)	193
Total market experience relative to expectations	$ (104)	$ (91)	$ 28	$ (195)	$ 135

Market experience relative to expectations, which are reflected in the net investment result of the Company's consolidated statement of earnings, negatively impacted net earnings by $104 million in the second quarter of 2025, compared to a positive impact of $28 million in the second quarter of 2024.

In-quarter impacts reflect interest rate and spread movements and lower returns than expected on real estate assets. The negative interest rate and other impacts result primarily arose from liabilities increasing by more than their supporting assets in the Europe and Capital and Risk Solutions segments, largely due to risk-free rate and spread decreases. The lower returns than expected on real estate and other non-fixed income assets arose due to underperforming real estate assets in the Canada segment and in the U.K. in the Europe segment.

For the six months ended June 30, 2025, market experience relative to expectations negatively impacted net earnings by $195 million which compares unfavourably to a positive impact of $135 million for the same period in 2024. The 2025 year-to-date negative impact was primarily due to interest rate and spread movements in the Europe and Capital and Risk Solutions segments and 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 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 net earnings. The classification of financial assets, 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 the "Risk Management" section of this document as well as note 6 of the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2025.

Assumption Changes and Management Actions

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, 2025, assumption changes and management actions resulted in a decrease in CSM of $19 million on segregated fund business as well as an increase in CSM of $7 million and a negative net earnings impact of $3 million on non-participating business, excluding segregated funds.

In the U.S. segment, CSM was negatively impacted by $37 million due to reinsurance of a block of segregated fund business with guarantees to a third party. In the Canada segment, CSM was positively impacted by $2 million on segregated fund business and net earnings were negatively impacted by $1 million on other non-participating business. In the Europe segment, CSM was positively impacted by $16 million on segregated fund business due to minor modelling refinements. Also in the Europe segment, CSM was positively impacted by $9 million and there was no impact to net earnings due to minor modelling refinements on other non-participating business. In the Capital and Risk Solutions segment, CSM was negatively impacted by $2 million and net earnings were negatively impacted by $2 million.

The above compares to a decrease in CSM of $1 million on segregated fund business as well as an increase in CSM of $10 million and a negative net earnings impact of $32 million on non-participating business, excluding segregated funds, in the previous quarter. This also compares to a decrease in CSM of $8 million and a positive net earnings impact of $39 million on non-participating business for the same period in 2024.

For the six months ended June 30, 2025, assumption changes and management actions resulted in a decrease in CSM of $20 million on segregated fund business as well as an increase in CSM of $17 million and a negative net earnings impact of $35 million on non-participating business, excluding segregated funds. This compares to a decrease in CSM of $18 million and a positive net earnings impact of $38 million on non-participating business for the same period in 2024.

Other Items Excluded from Base Earnings

For the second quarter of 2025, other items excluded from base earnings were negative $148 million compared to negative $100 million a year ago. Business transformation costs increased by $92 million compared to the same period in the prior year, primarily due to higher restructuring costs in Canada, partially offset by the provision releases related to the 2003 acquisition of Canada Life Financial Corporation.

For the six months ended June 30, 2025, other items excluded from base earnings were negative $195 million compared to negative $153 million a year ago. Business transformation costs increased by $53 million compared to the same period in the prior year, primarily due to the same reason discussed for the in-quarter results.

Lifeco Lines of Business

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 "lines of business". The Company focuses on four key lines of business that extend across its reportable operating segments:

- Retirement
- Wealth
- Group Benefits
- Insurance & Risk Solutions

	Operating Segments			
Lines of Business	U.S.	Canada	Europe	Capital and Risk Solutions
Retirement	✓	✓	✓	
Wealth	✓	✓	✓	
Group Benefits		✓	✓	
Insurance & Risk Solutions		✓	✓	✓

Lifeco Base Earnings by Lines of Business

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]					
Retirement	$ 293	$ 316	$ 289	$ 609	$ 543
Wealth	179	166	156	345	303
Group Benefits	250	204	214	454	411
Insurance & Risk Solutions	370	344	340	714	691
Earnings on surplus	126	137	155	263	307
Corporate expenses & other	(69)	(137)	(116)	(206)	(239)
Lifeco base earnings[1]	$ 1,149	$ 1,030	$ 1,038	$ 2,179	$ 2,016
Lifeco net earnings from continuing operations[2]	$ 894	$ 860	$ 1,005	$ 1,754	$ 2,036

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.

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

Retirement

The Company has built millions of trusted relationships with customers through the Retirement line of business. These relationships are based on the consistent delivery of retirement solutions that are delivered at scale through employer sponsored plans as a core part of the business. The Company is building lifetime customer relationships through a focus on deepening the value of advice and product solutions to better meet customers' retirement needs.

Selected Financial Results

	As at or for the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]	$ 293	$ 316	$ 289	$ 609	$ 543
Retirement net asset flows[2]	(30,838)	7,283	(4,935)	(23,555)	(13,750)
Net fee and spread income[2]	1,119	1,154	1,133	2,273	2,163
Total client assets[1]	2,500,452	2,481,452	2,255,705		
Average client assets[2]	2,439,776	2,530,729	2,205,605		

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.

Base earnings

Retirement base earnings for the second quarter of 2025 of $293 million increased by $4 million or 1% compared to the same quarter last year. The increase was primarily due to asset growth driven by favourable market impacts in the Canada segment, higher fee income from business growth and favourable market impacts in the U.S. segment, partially offset by negative credit-related impacts as well as lower spread income from lower general account assets and lower spread margins in the U.S. segment.

For the six months ended June 30, 2025, Retirement base earnings of $609 million increased by $66 million or 12% compared to the same period last year. The increase was primarily due to higher asset-based fee income driven by business growth and higher average equity markets, higher other fee income driven by business growth as well as favourable market impacts. These items were partially offset by negative credit-related impacts in the U.S. segment in the first quarter of 2025, lower spread income and lower operating expenses.

Net asset flows

Net asset outflows for the second quarter of 2025 were $30.8 billion, compared to net asset outflows of $4.9 billion for the same quarter last year, primarily due to a large plan termination in the U.S. segment as well as additional large plan terminations in the Canada segment. These items were partially offset by net inflows in individual pension and savings and retirement in the Europe segment.

For the six months ended June 30, 2025, Retirement net asset outflows were $23.6 billion compared to net asset outflows of $13.8 billion for the same quarter last year, primarily due to the same reasons discussed for the in-quarter results as well as higher terminations and withdrawals in the Canada segment. These items were partially offset by net inflows in individual pension and savings and retirement in the Europe segment.

Client assets

Total client assets at June 30, 2025 were $2.5 trillion, an increase of $19.0 billion compared to March 31, 2025, primarily due to positive impact of market movements, partially offset by net asset outflows in the U.S. segment.

Wealth

In partnership with over 108,000 advisor relationships globally at the start of 2025, the Company is delivering targeted and sophisticated solutions supported by personalized advice to meet customers' personal wealth needs. The approach is enabled through investments in technology platforms and in 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 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]	$ 179	$ 166	$ 156	$ 345	$ 303
Wealth net asset flows[2]	1,369	5,971	4,627	7,340	7,209
Net fee and spread income[2]	628	626	564	1,254	1,116
Total client assets[1]	494,782	479,415	426,161		
Average client assets[2]	488,458	476,949	419,061		
CSM, segregated fund products	3,248	3,225	3,327		

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.

Base earnings

Wealth base earnings for the second quarter of 2025 of $179 million increased by $23 million or 15% compared to the same quarter last year. The increase was primarily due to higher fee income driven by asset growth in the Europe segment and higher asset levels from positive net flows and market appreciation in the U.S. segment. These items were partially offset by higher negative credit-related impacts and higher operating expenses in the U.S. segment as well as lower spread and other fee income and higher operating expenses in Canada segment.

For the six months ended June 30, 2025, Wealth base earnings of $345 million increased by $42 million or 14% compared to the same period last year. The increase was primarily due to higher net fee and spread income driven by business growth as well as higher average equity market levels across all segments. These items were partially offset by higher negative credit-related impacts and higher operating expenses in the U.S. segment as well as lower spread and other fee income in the Canada segment.

Net asset flows

Net asset inflows for the second quarter of 2025 were $1.4 billion compared to $4.6 billion for the same quarter last year, primarily due to net outflows from an institutional client withdrawal in the Europe segment and higher dealer transfer out from third party mutual funds in the Canada segment. These items were partially offset by improved rollover sales, crossover sales and retention in the U.S. segment as well as higher inflows in the Canada segment driven by improved segregated fund sales and withdrawals.

For the six months ended June 30, 2025, net asset inflows were $7.3 billion were comparable to net asset inflows of $7.2 billion for the same quarter last year.

Client assets

Total client assets at June 30, 2025 were $494.8 billion, increased by $15.4 billion compared to March 31, 2025, primarily due to favourable impact of net asset inflows, market movements as well as favourable impact of currency movement in the Europe segment.

CSM, segregated fund products

CSM for segregated fund products at June 30, 2025 of $3.2 billion increased by $23 million compared to March 31, 2025, primarily due to market and currency movements, partially offset by negative organic CSM movement and the impact of changes in assumption and management actions.

Group Benefits

The Company has built millions of trusted relationships with customers through the Group Benefits line of business. These relationships are based on the consistent delivery of health and wellness benefits that are delivered at scale through employer sponsored plans as a core part of the business. The Company offers effective benefit solutions to small, medium and large sized plan sponsors including a wide range of traditional and specialty group products designed to meet plan members' benefits needs.

Selected Financial Results

	As at or for the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]	$ 250	$ 204	$ 214	$ 454	$ 411
Sales - Group Benefits (Insured)[2]	185	228	161	413	306
Sales - Group Benefits (ASO & Other)[2]	67	233	31	300	101
Fee and other income (ASO & Other)	106	106	106	212	220
In-force premiums (Insured)[2]	10,309	10,124	9,726		

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.

Base earnings

Group Benefits base earnings for the second quarter of 2025 of $250 million increased by $36 million or 17% compared to the same quarter last year. The increase was primarily due to favourable long-term disability and group life experience in the Canada segment as well as improved health claims experience in Ireland, partially offset by adverse experience in the U.K. driven by elevated mortality claims.

For the six months ended June 30, 2025, Group Benefits base earnings of $454 million increased by $43 million or 10% compared to the same period last year. The increase was primarily due to favourable life and long-term disability experience in the Canada segment, improved health claims experience in Ireland and organic business growth in the Canada and Europe segments. These items were partially offset by adverse experience in the U.K. driven by elevated mortality claims.

Sales

Group Benefits (Insured) sales for the second quarter of 2025 of $185 million increased by $24 million or 15% compared to the same quarter last year. The increase was primarily due to strong voluntary risk sales in Ireland.

Group Benefits (ASO & Other) sales for the second quarter of 2025 of $67 million increased by $36 million compared to the same quarter last year, primarily due to strong creditor sales.

For the six months ended June 30, 2025, Group Benefits (Insured) sales of $413 million increased by $107 million or 35% compared to the same period last year. The increase was primarily due to strong corporate and income protection sales in Ireland as well as improved small group and national non-refund sales in the Canada segment. For the six months ended June 30, 2025, Group Benefits (ASO & Other) sales of $300 million increased by $199 million or 197% compared to the same period last year. The increase was primarily due to strong creditor and other large case sales in the Canada segment.

Group Benefits in-force premiums (Insured)

Group Benefits in-force premiums at June 30, 2025 were $10.3 billion, an increase of $0.2 billion compared to March 31, 2025, primarily due to strong voluntary risk sales in Ireland, retention and the impact of currency movement in the Europe segment as well as natural growth in the Canada segment, partially offset by net sales and transfers out 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 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]	$ 370	$ 344	$ 340	$ 714	$ 691
Sales - Insurance[2]	287	253	205	540	390
Sales - Annuities[2]	552	794	658	1,346	2,187
New business non-participating CSM, excluding segregated fund products	59	143	82	202	209
Non-participating CSM, excluding segregated fund products	7,153	7,150	6,186		

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.

Base earnings

Insurance & Risk Solutions base earnings for the second quarter of 2025 of $370 million increased by $30 million or 9% compared to the same quarter last year. The increase was primarily due to business growth and improved claims experience in the Capital and Risk Solutions segment and higher investment earnings as well as positive experience through profit sharing arrangements in the Europe segment. These items were partially offset by unfavourable experience gains driven by adverse mortality in Canada.

For the six months ended June 30, 2025, Insurance & Risk Solutions base earnings of $714 million increased by $23 million or 3% compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results, partially offset by a net provision for estimated claims resulting from the impact of the California wildfires of $21 million after-tax in the first quarter of 2025 in the Capital and Risk Solutions segment.

Sales

Insurance sales for the second quarter of 2025 of $287 million increased by $82 million or 40% compared to the same quarter last year, primarily due to higher equity release mortgage sales in the Europe segment due to competitive positioning, partially offset by lower large case participating sales in the Canada segment.

Annuity sales for the second quarter of 2025 of $552 million decreased by $106 million or 16% compared to the same quarter last year, primarily due to lower bulk annuity sales in the U.K. and payout annuity rate competitiveness in the Canada segment, partially offset by higher bulk annuity sales in Ireland, and growth in individual annuities in the Europe segment.

For the six months ended June 30, 2025, Insurance sales of $540 million increased by $150 million or 38% compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results. For the six months ended June 30, 2025, Annuity sales of $1,346 million decreased by $841 million or 38% compared to the same period last year. The decrease was primarily due to the same reasons discussed for the in-quarter results.

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 2025 of $59 million decreased by $23 million compared to the same quarter last year, primarily due to lower new bulk annuity sales in the U.K.

For the six months ended June 30, 2025, Insurance & Risk Solutions new business non-participating CSM, excluding segregated fund products of $202 million decreased by $7 million compared to the same period last year, primarily due to the same reason discussed for the in-quarter results.

Non-participating CSM, excluding segregated fund products

Non-participating CSM, excluding segregated fund products, at June 30, 2025 of $7,153 million were comparable to March 31, 2025.

Segmented Operating Results

The segmented operating results of Lifeco, including the comparative figures, are presented on an IFRS basis. Consolidated operating results for Lifeco comprise the results of Empower, Canada Life (and its operating subsidiaries), Lifeco's corporate results (including PanAgora Asset Management) as well as results from Putnam Investments, reported as discontinued operations. The following sections analyze the performance of Lifeco's four major reportable segments: United States (U.S.), Canada, 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.

United States

The United States segment comprises two distinct lines of business: Empower Workplace, which is aligned with the Retirement line of business, and Empower Wealth. The United States segment operating results for Lifeco include the results of Empower Annuity Insurance Company of America (Empower) and an allocation of a portion of Lifeco's Corporate results. The U.S. segment also includes the results of Putnam Investments classified as discontinued operations in 2024.

2025 Developments

- During the first quarter of 2025, Empower announced a new consumer-directed healthcare (CDH) offering to help individuals manage their healthcare finances. Empower will offer benefits such as health savings accounts (HSAs), flexible spending accounts (FSAs), health reimbursement arrangements (HRAs), voluntary employees' beneficiary association plans (VEBAs), wellness incentives, lifestyle benefits, and more. In partnership with Alegeus Technologies, LLC, the integrated set of CDH benefits will be incorporated into Empower's digital platform under the Empower brand. With a track record of more than 25 years, Alegeus delivers consumer-directed benefit accounts for over 75,000 employers and more than 10 million participants.
- During the second quarter of 2025, Empower announced a new investment option for retirement plan participants incorporating private market opportunities in equity, credit, and real estate into advised defined contribution retirement plans. The initiative was launched in collaboration with asset managers including Apollo, Franklin Templeton, Goldman Sachs, Neuberger Berman, PIMCO, Partners Group, and Sagard. The investments are included as part of Collective Investment Trust (CIT) offerings and are intended to provide plan participants with diversified investment options which were previously limited to institutional and high-net-worth investors.

Selected Financial Information

Base earnings and net earnings from continuing operations	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss) (US$)[1]					
Retirement	$ 175	$ 190	$ 178	$ 365	$ 335
Wealth	43	40	38	83	76
Earnings on surplus	29	25	28	54	58
Base earnings (loss) (US$)[1]	$ 247	$ 255	$ 244	$ 502	$ 469
Items excluded from base earnings (US$)	(25)	(18)	(39)	(43)	(84)
Net earnings from continuing operations (US$)[2]	$ 222	$ 237	$ 205	$ 459	$ 385
Base earnings (loss) (C$)[1]	$ 341	$ 365	$ 335	$ 706	$ 637
Net earnings from continuing operations (C$)[2]	$ 305	$ 338	$ 281	$ 643	$ 523

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.

Base earnings and net earnings from continuing operations

In the second quarter of 2025, net earnings from continuing operations increased by US$17 million to US$222 million compared to the same quarter last year. Base earnings of US$247 million increased by US$3 million in the second quarter of 2025 compared to the same quarter last year, primarily due to an increase in fee income driven by higher equity markets and growth in the business. These items were offset by a non-recurring fee income adjustment related to the acquired Prudential business in 2024, additional expenses for Wealth business growth, negative credit-related impacts and higher paid crediting rates resulting in lower spreads.

Items excluded from base earnings were negative US$25 million in the second quarter of 2025 compared to negative US$39 million in the second quarter of 2024. The change was primarily due to lower restructuring and integration expenses as well as less unfavourable market experience relative to expectations.

For the six months ended June 30, 2025, net earnings from continuing operations increased by US$74 million to $459 million compared to the same period last year. Base earnings of US$502 million increased by US$33 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, 2025, items excluded from base earnings were negative US$43 million compared to negative US$84 million in the prior year. The change is primarily due to the same reasons discussed for the in-quarter results.

Additional financial information

	As at or for the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Net asset flows - (US$)[1]					
Retirement	$ (22,159)	$ 5,203	$ (3,757)	$ (16,956)	$ (10,776)
Wealth	2,946	2,768	1,614	5,714	2,900
Net asset flows - (US$)[1]	$ (19,213)	$ 7,971	$ (2,143)	$ (11,242)	$ (7,876)
Net asset flows - (C$)[1]	$ (26,515)	$ 11,398	$ (2,935)	$ (15,117)	$ (10,676)
Net fee and spread income (US$)[1]					
Retirement	$ 705	$ 707	$ 728	$ 1,412	$ 1,394
Wealth	183	171	151	354	301
Net fee and spread income (US$)[1]	$ 888	$ 878	$ 879	$ 1,766	$ 1,695
Net fee and spread income (C$)[1]	$ 1,225	$ 1,254	$ 1,204	$ 2,479	$ 2,305
Assets under administration (US$)[2]					
Assets under management or advisement[2]	$ 381,447	$ 356,341	$ 350,410		
Assets under administration only[1]	1,470,351	1,379,231	1,299,111		
Total client assets (US$)[2]	$ 1,851,798	$ 1,735,572	$ 1,649,521		
Total assets under administration (US$)[2]	$ 1,889,320	$ 1,771,439	$ 1,676,533		
Total assets under administration (C$)[2]	$ 2,569,474	$ 2,550,872	$ 2,296,852		
Average client assets (US$)[1]					
Average client assets - Retirement	$ 1,686,764	$ 1,691,593	$ 1,535,146		
Average client assets - Wealth	93,511	89,344	76,430		
Total average client assets (US$)[1]	$ 1,780,275	$ 1,780,937	$ 1,611,576		
Total average client assets (C$)[1]	$ 2,456,779	$ 2,546,740	$ 2,207,859		

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

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

Net asset flows

In the second quarter of 2025, net outflows increased to US$19.2 billion, compared to net outflows of US$2.1 billion for the same quarter last year, primarily due to a large plan termination in the second quarter of 2025. 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. The number of participants at the end of the second quarter of 2025 increased from the end of the second quarter and fourth quarter of 2024 in both Retirement and Wealth.

For the six months ended June 30, 2025, net outflows were US$11.2 billion compared to net outflows of US$7.9 billion for the same period last year. This increase is primarily due to lower plan sales year-to-date, partially offset by a plan termination in the first quarter of 2024 that exceeded the plan termination in the second quarter of 2025.

Canada

The Canada segment comprises four distinct lines of business: Retirement, Wealth, Group Benefits and Insurance & Annuities. The segment includes the operating results of the Canadian businesses operated by Canada Life, together with an allocation of a portion of Lifeco's Corporate results.

2025 Developments

- On June 25, 2025, Canada Life announced a new strategic agreement with ClearEstate, a leader in digital estate planning services, that will help make ClearEstate's services more accessible. Through this strategic agreement, Canada Life, Investment Planning Counsel (IPC) and Quadrus will be able to refer certain of their clients, plan members, and employees to ClearEstate for their services.
- The Company recorded a restructuring provision of $134 million during the second quarter of 2025. The restructuring is to support technology transformation, automation and overall efficiency targets for the Canada segment.
- The Company announced a 25 bps increase in the dividend scale interest rate (DSIR) for open blocks (including new sales) effective July 1, 2025. DSIR changes ranged from no change to a 25 bps increase for our closed blocks. For some blocks, the Company also made changes to non-investment factors.
- Subsequent to the second quarter, on July 22, 2025, the Company announced that Investment Planning Counsel (IPC) has entered into an agreement to acquire the wealth assets of De Thomas Wealth Management, an independent wealth firm. This acquisition fortifies the Company's position within the Canadian wealth management sector and underscores the Company's commitment to improved experiences for both advisors and clients. The transaction is expected to close in September 2025, subject to customary closing conditions including regulatory approvals, and is expected to add $2.7 billion of assets under administration and 40 advisors.

Selected Financial Information

Base earnings and net earnings

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]					
Retirement	$ 42	$ 38	$ 38	$ 80	$ 72
Wealth	53	54	61	107	115
Group Benefits	186	143	156	329	318
Insurance & Annuities	53	58	60	111	119
Earnings on surplus	25	26	41	51	73
Other	16	(3)	4	13	3
Base earnings (loss)[1]	$ 375	$ 316	$ 360	$ 691	$ 700
Items excluded from base earnings	(120)	(15)	13	(135)	64
Net earnings - common shareholders	$ 255	$ 301	$ 373	$ 556	$ 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.

Base and net earnings

In the second quarter of 2025, net earnings of $255 million decreased by $118 million compared to the same quarter last year. Base earnings of $375 million increased by $15 million or 4% compared to the same quarter last year, primarily due to favourable life and long term disability experience in Group Benefits, higher net fee income in Retirement as well as higher asset-based fee income in Wealth driven by asset growth. These items were partially offset by unfavourable individual mortality experience, lower CSM recognized for services provided driven by assumption changes in the prior year and lower earnings on surplus.

Items excluded from base earnings were negative $120 million compared to positive $13 million for the same quarter last year, driven by the restructuring provision taken this quarter. Market experience relative to expectations was positive $25 million in the second quarter of 2025, comparable with the same quarter last year, as favourable public equity experience and more favourable impacts of risk-free interest rates were offset by relatively unfavourable impacts from portfolio credit spreads.

For the six months ended June 30, 2025, net earnings of $556 million decreased by $208 million compared to the same period last year. For the six months ended June 30, 2025, base earnings of $691 million decreased by $9 million or 1% compared to the same period last year, primarily due to unfavourable individual mortality experience, lower CSM recognized for services provided driven by assumption changes in the prior year and lower earnings on surplus. These items were partially offset by higher net fee income in Retirement and Wealth driven by strong asset growth and favourable long-term disability experience and organic growth in Group Benefits.

Items excluded from base earnings were negative $135 million compared to positive $64 million for the same period last year, primarily due to the restructuring provision and less favourable impacts of risk-free interest rates.

For the second quarter of 2025, net earnings attributable to the participating account was negative $6 million compared to net earnings of positive $51 million for the same quarter last year, primarily due to restructuring costs and certain income tax-related items not recurring.

For the six months ended June 30, 2025, the net earnings attributable to the participating account was $20 million compared to net earnings of $77 million for the same period last year, primarily due to the same reasons discussed above for in-quarter results.

Additional financial information

	As at or for the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Sales[1]					
Group Benefits (Insured)[1]	$ 97	$ 125	$ 93	$ 222	$ 182
Group Benefits (ASO & Other)[1]	67	233	31	300	101
Insurance & Annuities	123	107	147	230	301
Net asset flows[1]					
Retirement	$ (567)	$ (479)	$ 64	$ (1,046)	$ 317
Wealth	(375)	(35)	(439)	(410)	(782)
Net asset flows[1]	$ (942)	$ (514)	$ (375)	$ (1,456)	$ (465)
Net fee and spread income[1]					
Retirement	$ 117	$ 116	$ 110	$ 233	$ 214
Wealth	222	233	227	455	446
Net fee and spread income[1]	$ 339	$ 349	$ 337	$ 688	$ 660
Group Benefits fee and other income (ASO & Other)	$ 106	$ 106	$ 106	$ 212	$ 220
Assets under administration[2]					
Assets under management or advisement[2]	$ 200,025	$ 193,387	$ 181,398		
Assets under administration only[1]	2,786	2,972	2,886		
Total client assets[2]	$ 202,811	$ 196,359	$ 184,284		
Total assets under administration[2,3]	$ 313,279	$ 306,426	$ 285,494		
Average client assets[1]					
Average client assets - Retirement	$ 77,521	$ 78,608	$ 72,207		
Average client assets - Wealth	119,423	119,334	110,800		
Total average client assets[1]	$ 196,944	$ 197,942	$ 183,007		
Contractual service margin					
Insurance & Annuities - Non-Participating	$ 690	$ 698	$ 1,124		
Wealth - Segregated Funds	1,755	1,708	1,895		
Insurance & Annuities - Participating	3,214	3,074	3,232		
Contractual service margin	$ 5,659	$ 5,480	$ 6,251		
Group Benefits in-force premiums (Insured)[1]	$ 7,394	$ 7,341	$ 7,227		

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

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

3 At June 30, 2025, Canada Life had $7.3 billion of proprietary mutual fund assets held by retail clients ($7.3 billion at December 31, 2024). $3.4 billion ($3.4 billion as at December 31, 2024) of these assets are consolidated as investment on account of segregated fund policyholders on the Company's balance sheet.

Sales

Group Benefits (Insured) sales for the second quarter of 2025 of $97 million increased by $4 million compared to the same quarter last year, primarily due to moderately increased large case sales. Group Benefits (ASO & Other) sales for the second quarter of 2025 of $67 million increased by $36 million compared to the same quarter last year, primarily due to increased creditor sales. Insurance and annuities sales for the second quarter of 2025 of $123 million decreased by $24 million compared to the same quarter last year, primarily due to lower participating and lower individual annuity sales.

Group Benefits (Insured) sales for the six months ended June 30, 2025 of $222 million increased by $40 million compared to the same period last year, primarily due to increased small and large case sales. Group Benefits (ASO & Other) sales for the six months ended June 30, 2025 of $300 million increased by $199 million compared to the same period last year, due to strong creditor and other large case sales. Insurance and annuities sales for the six months ended June 30, 2025 of $230 million decreased by $71 million, due to the same reasons discussed for the in-quarter results.

Net asset flows

In the second quarter of 2025, net asset outflows were $942 million compared to net asset outflows of $375 million for the same quarter last year, primarily due to a large case plan termination in Retirement and higher outflows from third party mutual funds, partially offset by improved segregated fund net asset flows in Wealth.

For the six months ended June 30, 2025, net asset outflows were $1,456 million compared to net asset outflows of $465 million for the same period last year, primarily due to higher terminations and higher withdrawals in Retirement, partially offset by improved segregated funds net asset flows in Wealth.

Contractual service margin

At June 30, 2025, total contractual service margin was $5,659 million, an increase of $179 million from March 31, 2025, driven by the participating business due to favourable interest rates.

Group Benefits in-force premiums

Group Benefits in-force premiums at June 30, 2025 were $7.4 billion, an increase of $0.1 billion compared to March 31, 2025, primarily due to natural growth, partially offset by net sales and transfers out.

Europe

The Europe segment comprises four distinct lines of business: Retirement, Wealth, Group Benefits and Insurance & Annuities. The segment serves customers in the United Kingdom (U.K.) and Germany operating under the Canada Life brand and Ireland under the Irish Life brand along with other acquired brands within the intermediary and wealth markets in Ireland. The segment's results also include an allocation of a portion of Lifeco's Corporate results.

2025 Developments

- In the first half of 2025, Canada Life U.K. offshore bond sales reached $3 billion (£1.6 billion), marking the highest half-year sales on record. Quote and application volumes remained strong heading into the second half of the year, reflecting continued market interest in the benefits offered by international bonds.
- Canada Life U.K.’s Group Protection business enhanced its self-service online quotes portal, expanding its capability to support policies with up to 250 insured lives. This enhancement was delivered at no additional cost and has already generated more than 1,500 quotations since go-live. This will continue to help drive operational efficiency and support the Scheme Underwriting team.
- In the second quarter of 2025, Irish Life Investment Managers was selected, along with two other parties, as asset manager for the Irish Government’s auto-enrolment retirement savings scheme, scheduled to launch in the first quarter of 2026.
- During the second quarter, Irish Life introduced Platform Quarter, a market-first solution that integrates non-life and life-wrapped pension and investment offerings for brokers. The individual business also expanded its distribution footprint through a new partnership with SuperValu, leveraging the grocery chain’s 600,000 monthly active loyalty card users.

Selected Financial Information

Base earnings and net earnings

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]					
Retirement	$ 8	$ 7	$ 8	$ 15	$ 17
Wealth	68	54	42	122	84
Group Benefits	64	61	58	125	93
Insurance & Annuities	104	89	94	193	192
Earnings on surplus	18	28	34	46	76
Base earnings (loss)[1]	$ 262	$ 239	$ 236	$ 501	$ 462
Items excluded from base earnings	(136)	(72)	(5)	(208)	(15)
Net earnings - common shareholders	$ 126	$ 167	$ 231	$ 293	$ 447

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.

Base and net earnings

In the second quarter of 2025, the Europe segment's net earnings of $126 million decreased by $105 million compared to the same quarter last year. Base earnings of $262 million increased by $26 million compared to the same quarter last year. The increase is primarily due to higher Wealth fee income resulting from asset growth, higher U.K. trading activity, favourable claims and group risk experience in Ireland, positive experience from profit sharing arrangements as well as the impact of currency movement. These items were partially offset by adverse group benefits experience in the U.K. due to elevated mortality claims.

Items excluded from base earnings for the second quarter of 2025 were negative $136 million compared to negative $5 million for the same quarter last year. Market experience relative to expectations was negative $110 million compared to positive $8 million for the same quarter last year, primarily due to reductions in property market values and the impact of reductions in longer-term risk-free interest rates and credit spreads in the U.K.

For the six months ended June 30, 2025, net earnings of $293 million decreased by $154 million compared to the same period last year. Base earnings of $501 million increased by $39 million compared to the same period last year, primarily due to higher Wealth fee income resulting from AUM growth, higher CSM recognized for services provided driven by business growth and assumption changes in the prior year, favourable claims and group risk experience in Ireland, positive experience from profit sharing arrangements as well as the impact of currency movement. These items were partially offset by adverse group benefits experience in the U.K. and lower earnings on surplus.

For the six months ended June 30, 2025, items excluded from base earnings were negative $208 million compared to negative $15 million for the same period last year. The decrease was primarily due to the same reasons discussed for the in-quarter results.

Additional financial information

	As at or for the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Sales[1]					
Group Benefits (Insured)[1]	$ 88	$ 103	$ 68	$ 191	$ 124
Insurance & Annuities	716	940	716	1,656	$ 2,276
Net asset flows[1]					
Retirement	$ 309	$ 322	$ 147	$ 631	$ 556
Wealth	(2,321)	2,048	2,855	(273)	4,044
Insurance & Annuities	21	18	1	39	21
Net asset flows[1]	$ (1,991)	$ 2,388	$ 3,003	$ 397	$ 4,621
Net fee and spread income[1]					
Retirement	$ 29	$ 28	$ 27	$ 57	$ 55
Wealth	154	149	129	303	259
Net fee and spread income[1]	$ 183	$ 177	$ 156	$ 360	$ 314
Assets under administration[2]					
Assets under management or advisement[2]	$ 269,153	$ 260,760	$ 233,693		
Assets under administration only[1]	4,826	4,523	4,044		
Total client assets[2]	$ 273,979	$ 265,283	$ 237,737		
Total assets under administration[2,3]	$ 332,475	$ 322,539	$ 291,556		
Average client assets[1]					
Average client assets - Retirement	$ 34,521	$ 33,143	$ 30,248		
Average client assets - Wealth	239,990	229,853	203,552		
Total average client assets[1]	$ 274,511	$ 262,996	$ 233,800		
Contractual service margin					
Insurance & Annuities - Non-Participating	$ 3,885	$ 3,839	$ 3,337		
Wealth - Segregated Funds	1,549	1,538	1,453		
Contractual service margin	$ 5,434	$ 5,377	$ 4,790		
Group Benefits in-force premiums (Insured)[1]	$ 2,915	$ 2,783	$ 2,499		

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

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

3 At June 30, 2025, total assets under administration excludes $20.6 billion of assets managed for other business units within the Lifeco group of companies ($19.4 billion at March 31, 2025 and $16.1 billion at June 30, 2024).

Sales

Group Benefits (Insured) sales for the second quarter of 2025 of $88 million increased by $20 million compared to the same quarter last year, primarily due to strong voluntary risk sales in Ireland. Insurance and annuities sales of $716 million for the second quarter of 2025 are comparable to the same quarter last year.

For the six months ended June 30, 2025, Group Benefits (Insured) sales of $191 million increased by $67 million compared to the same period last year, primarily due to strong corporate and income protection sales in Ireland. Insurance and annuities sales for the six months ended June 30, 2025 of $1,656 million decreased by $620 million compared to the same period last year, primarily due to lower bulk and individual annuity sales in the U.K., partially offset by increased bulk annuity sales in Ireland.

Net asset flows

In the second quarter of 2025, net asset outflows were $2.0 billion compared to net asset inflows of $3.0 billion for the same quarter last year. The net outflows were primarily due to an institutional client withdrawal in Ireland, partially offset by positive net inflows in individual pension and savings and retirement, market growth and the impact of currency movement.

For the six months ended June 30, 2025, net asset inflows were $0.4 billion compared to net asset inflows of $4.6 billion for the same period last year. The decrease was primarily due to an institutional client withdrawal in Ireland, partially offset by positive net inflows in individual pension and savings and retirement, as well as the impact of currency movement.

Group Benefits in-force premiums

Group Benefits in-force premiums at June 30, 2025 were $2.9 billion, an increase of $0.1 billion compared to March 31, 2025, primarily due to strong voluntary risk sales in Ireland, retention and the impact of currency movement.

Contractual service margin

At June 30, 2025, total contractual service margin was $5.4 billion, an increase of $57 million from March 31, 2025, primarily due to the impact of currency movement, partially offset by negative organic CSM movement.

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 segment results are generally included in the Insurance & Risk Solutions line of business.

2025 Developments

- On June 25, 2025, the Company announced changes to its business strategy. The Capital and Risk Solutions segment will cease new business for its U.S. traditional life mortality risk reinsurance line of business in order to increase focus on core markets of structured solutions, longevity reinsurance and catastrophe retrocession.
- 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 insured losses arising from catastrophe events during the second quarter of 2025 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 financial results.

Selected Financial Information

Base earnings and net earnings

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]					
Reinsurance	$ 213	$ 197	$ 186	$ 410	$ 380
Earnings on surplus	16	16	13	32	24
Base earnings (loss)[1]	$ 229	$ 213	$ 199	$ 442	$ 404
Items excluded from base earnings	(35)	(29)	(35)	(64)	30
Net earnings - common shareholders	$ 194	$ 184	$ 164	$ 378	$ 434

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.

Base and net earnings

In the second quarter of 2025, the Capital and Risk Solutions segment's net earnings of $194 million increased by $30 million compared to the same quarter last year. Base earnings of $229 million increased by $30 million compared to the same quarter last year driven by business growth and improved claims experience.

Items excluded from base earnings for the second quarter of 2025 of negative $35 million were primarily due to interest rate movements relative to expectations and restructuring costs. Items excluded from base earnings for the second quarter of 2024 of negative $35 million were primarily due to a charge of $27 million related to the retroactive application of the global minimum tax (GMT).

For the six months ended June 30, 2025, net earnings of $378 million decreased by $56 million compared to the same period last year. Base earnings of $442 million increased by $38 million compared to the same period last year, primarily due to business growth.

For the six months ended June 30, 2025, items excluded from base earnings were negative $64 million compared to positive $30 million for the same period last year, primarily due to interest rate movements relative to expectations.

Additional financial information

	As at or for the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Run-rate insurance results by product[1]					
Capital Solutions	$ 127	$ 119	$ 109	$ 246	$ 212
Risk Solutions (excl. P&C)	92	92	82	184	164
P&C and other	21	18	21	39	42
Total run-rate insurance results	$ 240	$ 229	$ 212	$ 469	$ 418
Total balance sheet assets	$ 11,847	$ 12,013	$ 9,023		
Contractual service margin					
Reinsurance - Non-Participating	$ 2,513	$ 2,543	$ 1,702		
Reinsurance - Participating	1	1	23		
Contractual service margin	$ 2,514	$ 2,544	$ 1,725		

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.

Contractual service margin

At June 30, 2025, total contractual service margin of $2.5 billion was comparable to March 31, 2025.

Corporate

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

- certain overhead expenses, earnings on surplus, financing charges and related taxes not directly associated with the operations of the major business units of the Company;
- the results of PanAgora Asset Management (PanAgora);
- dividend income from shareholdings in Franklin Resources, Inc. (Franklin Templeton); and
- the results of the U.S. insurance portfolio including a retained block of life insurance, predominately participating policies, which are now administered by Protective Life, as well as a closed life retrocession block and guaranteed lifetime withdrawal benefit (GLWB) product.

Selected Financial Information - Corporate

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)[1]	$ (58)	$ (103)	$ (92)	$ (161)	$ (187)
Items excluded from base earnings	72	(27)	48	45	55
Net earnings (loss) - common shareholders	$ 14	$ (130)	$ (44)	$ (116)	$ (132)

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 2025, Corporate had net earnings of $14 million compared to net losses of $44 million for the same quarter last year. Base loss of $58 million decreased by $34 million compared to the same quarter last year, primarily due to changes in certain tax estimates relating to prior year tax matters, partially offset by business losses from the U.S. insurance portfolio and higher operating expenses.

Items excluded from base earnings for the second quarter of 2025 were positive $72 million compared to positive $48 million for the same quarter last year, due to favourable market experience relative to expectations driven by positive interest rate impacts as well as provision releases related to the 2003 acquisition of Canada Life Financial Corporation.

For the six months ended June 30, 2025, Lifeco Corporate had a net loss of $116 million compared to a net loss of $132 million for the same period last year. Base loss of $161 million decreased by $26 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, 2025, items excluded from base earnings were positive $45 million compared to positive $55 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Consolidated Financial Position

Assets

Total assets

	As at June 30, 2025	As at December 31, 2024
Cash and cash equivalents	$ 10,232	$ 10,709
Bonds	168,155	167,114
Mortgage loans	37,999	38,879
Stocks	19,982	18,826
Investment properties	8,133	8,257
Invested assets	$ 244,501	$ 243,785
Insurance contract assets	1,275	1,193
Reinsurance contract held assets	16,945	17,842
Goodwill and intangible assets	16,084	16,386
Other assets	26,722	26,571
Investments on account of segregated fund policyholders	509,315	496,386
Total assets	$ 814,842	$ 802,163

Total assets increased by $12.7 billion at June 30, 2025 from December 31, 2024.

Invested assets at June 30, 2025 increased by $0.7 billion compared to December 31, 2024. The increase was primarily due to an increase in fair value of bonds resulting from a decrease in bond yields across all geographies.

Investments on account of segregated fund policyholders at June 30, 2025 increased by $12.9 billion compared to December 31, 2024. The increase was primarily due to the net impact of market value gains of $14.3 billion and net investment income of $2.2 billion, partially offset by net withdrawals of $2.4 billion and the negative impact of currency movement of $1.7 billion.

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 $168.2 billion or 69% of invested assets at June 30, 2025 compared to $167.1 billion or 69% at December 31, 2024. The increase in the bond portfolio was primarily due to an increase in fair values resulting from a decrease in bond yields across all geographies. The overall quality of the bond portfolio remained high, with 98% of the portfolio rated investment grade and 69% rated A or higher.

Bond credit ratings reflect bond rating agency activity up to June 30, 2025. Management continues to closely monitor bond rating agency activity and general market conditions.

Bond portfolio quality

	As at June 30, 2025		As at December 31, 2024	
AAA	$ 24,452	15 %	$ 24,462	15 %
AA	31,143	18	32,310	19
A	61,104	36	60,041	36
BBB	48,651	29	47,936	29
BB or lower	2,805	2	2,365	1
Total	$ 168,155	100 %	$ 167,114	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 carried at amortized cost and therefore there are no fair value movements recorded on these holdings. The Canada, Europe and Capital and Risk Solutions segments also hold equity release mortgages within the mortgage portfolio. 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, 2025				As at December 31, 2024	
Mortgage loans by type	**Insured[1]**	**Non-insured**	**Total**		Total	
Single family residential	$ 212	$ 834	$ 1,046	3 %	$ 1,225	3 %
Multi-family residential	2,669	6,576	9,245	24	9,568	25
Equity release	—	5,387	5,387	14	4,818	12
Commercial	—	22,321	22,321	59	23,268	60
Total	$ 2,881	$ 35,118	$ 37,999	100 %	$ 38,879	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 $38.0 billion or 16% of invested assets at June 30, 2025, compared to $38.9 billion or 16% of invested assets at December 31, 2024. At June 30, 2025, total insured loans were $2.9 billion or 8% of the mortgage portfolio, compared to $2.8 billion or 7% at December 31, 2024.

Derivative Financial Instruments

During the second quarter of 2025, 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, 2025, total financial collateral, including initial margin and overcollateralization, received on derivative assets was $1.4 billion ($1.7 billion at December 31, 2024) and pledged on derivative liabilities was $1.7 billion ($2.1 billion at December 31, 2024). Collateral received on derivative assets decreased in 2025, primarily driven by the impact of the Euro and British pound strengthening against the U.S. dollar on cross-currency swaps that pay Euro or Pounds and receive U.S. dollars. Collateral pledged on derivative assets decreased in 2025, primarily due to the strengthening of the Canadian dollar against the U.S. dollar.

During the six months ended June 30, 2025, the outstanding notional amount of derivative contracts increased by $3.9 billion to $67.0 billion compared to December 31, 2024, 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 $2.2 billion at June 30, 2025 from $2.4 billion at December 31, 2024. The decrease was primarily due to the Euro and British pound strengthening against the U.S. dollar on cross-currency swaps that pay Euro or Pounds and receive U.S. dollars. All derivative counterparties had investment-grade ratings as of June 30, 2025.

Liabilities

Total liabilities

	As at June 30, 2025	As at December 31, 2024
Insurance contract liabilities	$ 158,070	$ 155,683
Reinsurance contract held liabilities	756	795
Investment contract liabilities	87,834	90,157
Other general fund liabilities	26,171	26,488
Insurance contracts on account of segregated fund policyholders	67,217	66,343
Investment contracts on account of segregated fund policyholders	442,098	430,043
Total	$ 782,146	$ 769,509

Total liabilities increased by $12.6 billion to $782.1 billion at June 30, 2025 from December 31, 2024.

Insurance contract liabilities increased by $2.4 billion. The increase was primarily due to the impact of market movements and currency movements, partially offset by normal business movements.

Investment contract liabilities decreased by $2.3 billion. The decrease was primarily due to the impact of currency movements, partially offset by the impact of market movements.

Other general fund liabilities decreased by $317 million. The decrease was primarily due to a decrease in derivative financial instruments and debentures.

Investment and insurance contracts on account of segregated fund policyholders increased by $12.9 billion, primarily due to the net impact of market value gains of $14.3 billion and net investment income of $2.2 billion, partially offset by net withdrawals of $2.4 billion and the negative impact of currency movements of $1.7 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 year ended December 31, 2024 for details on impairment testing of these assets.

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 present value 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)							
	United States	Canada	Europe	Capital and Risk Solutions	Total	Seg Funds	Participating	Total
CSM beginning of period, December 31, 2024	$ 55	$ 690	$ 3,664	$ 2,436	$ 6,845	$ 3,268	$ 3,255	$ 13,368
Impact of new insurance business	—	16	114	72	202	69	54	325
Expected movements from asset returns & locked-in rates	2	10	45	32	89	63	94	246
CSM recognized for services provided	(4)	(36)	(160)	(130)	(330)	(200)	(76)	(606)
Insurance experience gains/losses	7	7	33	14	61	(28)	—	33
Organic CSM movement	$ 5	$ (3)	$ 32	$ (12)	$ 22	$ (96)	$ 72	$ (2)
Impact of markets	—	—	—	—	—	(15)	85	70
Impact of changes in assumptions and management actions	9	3	5	—	17	(20)	1	(2)
Currency impact	(4)	—	184	89	269	111	(12)	368
Total CSM movement	$ 10	$ —	$ 221	$ 77	$ 308	$ (20)	$ 146	$ 434
CSM end of period, June 30, 2025	$ 65	$ 690	$ 3,885	$ 2,513	$ 7,153	$ 3,248	$ 3,401	$ 13,802

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, 2025, total contractual service margin on non-participating business excluding segregated funds was $7.2 billion, an increase of $308 million from December 31, 2024. The increase was mainly driven by currency impacts of $269 million, and organic contractual service margin growth of $22 million.

At June 30, 2025, total contractual service margin was $13.8 billion, an increase of $434 million from December 31, 2024. The increase was mainly driven by currency impacts of $368 million and the impact of markets of $70 million.

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

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, 2025, debentures and other debt instruments decreased by $177 million to $9,292 million compared to December 31, 2024, primarily due to the impact of currency.

Share Capital and Surplus

Share capital outstanding at June 30, 2025 was $10.3 billion, which comprises $6.1 billion of common shares and $2.7 billion of preferred shares and $1.5 billion Limited Recourse Capital Notes (LRCN Series 1). Preferred shares included $2.5 billion 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 6, 2025 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 January 6, 2025, 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, 2025, the Company repurchased and subsequently cancelled approximately 8.4 million common shares under the current NCIB at an average cost per share of $51.48.

The Company intends to repurchase an additional $500 million of its common shares in 2025 under its Normal Course Issuer Bid (NCIB), in addition to the $500 million announced during the first quarter of 2025, and the purchases made to offset dilution under its share compensation plans. This is subject to market conditions, applicable regulatory approvals, the Company's ability to effect the purchases on a prudent basis, and other strategic opportunities emerging.

Liquidity and Capital Management

Liquidity

Total liquid assets

	As at June 30, 2025			As at December 31, 2024		
	On-balance sheet assets	**Non-liquid/ Pledged**	**Net liquid assets**	On-balance sheet assets	Non-liquid/ Pledged	Net liquid assets
Cash, cash equivalents and short-term bonds						
Cash and cash equivalents[1]	$ 10,232	$ 280	$ 9,952	$ 10,709	$ 339	$ 10,370
Short-term bonds[2]	5,943	257	5,686	5,429	348	5,081
Sub-total	$ 16,175	$ 537	$ 15,638	$ 16,138	$ 687	$ 15,451
Other assets and marketable securities						
Government bonds[2]	$ 41,003	$ 10,041	$ 30,962	$ 40,928	$ 11,293	$ 29,635
Corporate bonds[2]	121,209	60,539	60,670	120,757	59,688	61,069
Stocks[1]	19,982	6,536	13,446	18,826	6,126	12,700
Mortgage loans[1]	37,999	35,118	2,881	38,879	36,089	2,790
Sub-total	$ 220,193	$ 112,234	$ 107,959	$ 219,390	$ 113,196	$ 106,194
Total	$ 236,368	$ 112,771	$ 123,597	$ 235,528	$ 113,883	$ 121,645

1 Refer to the consolidated balance sheet in the Company's June 30, 2025 interim consolidated financial statements and December 31, 2024 annual consolidated financial statements for on-balance sheet amounts.

2 Total short-term bonds, government bonds and corporate bonds as at June 30, 2025 was $168.2 billion ($167.1 billion at December 31, 2024). Refer to the consolidated balance sheet in the Company's June 30, 2025 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, 2025, the Company and its operating subsidiaries held liquid cash, cash equivalents and short-term bonds of $15.6 billion ($15.5 billion at December 31, 2024) and other liquid assets and marketable securities of $108.0 billion ($106.2 billion at December 31, 2024). Included in the cash, cash equivalents and short-term bonds at June 30, 2025 was $2.1 billion ($2.2 billion at December 31, 2024) 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 and other revolving credit agreements in the U.S. for potential unanticipated liquidity needs, if required. Refer to note 6(b) in the Company's June 30, 2025 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 2025, the Company's main operating subsidiaries made cash payments to the holding company in the form of dividends amounting to $0.5 billion ($0.7 billion in second quarter of 2024).

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, 2024 for additional information.

Cash Flows

Cash flows

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	**2025**	2024
Cash flows relating to the following activities:				
Operations	$ 1,485	$ 1,535	$ 1,318	$ 1,788
Financing	(914)	(641)	(1,600)	(1,177)
Investment	(12)	(105)	(14)	(319)
	559	789	(296)	292
Effects of changes in exchange rates on cash and cash equivalents	(270)	85	(181)	173
Increase (decrease) in cash and cash equivalents in the period	289	874	(477)	465
Cash and cash equivalents, beginning of period	9,943	7,708	10,709	8,117
Cash and cash equivalents, end of period	$ 10,232	$ 8,582	$ 10,232	$ 8,582

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 2025, cash and cash equivalents increased by $289 million from March 31, 2025. Cash flows provided by operations during the second quarter of 2025 were $1,485 million, a decrease of $50 million compared to the second quarter of 2024. The decrease was primarily due to higher net purchases of portfolio investments as well as lower net earnings after taxes, partially offset by favourable fair value adjustments. Cash flows used by financing activities of $914 million were primarily used for purchases of common shares as well as payment of dividends to common shareholders.

For the six months ended June 30, 2025, cash and cash equivalents decreased by $477 million from December 31, 2024. Cash flows provided by operations were $1,318 million, a decrease of $470 million compared to the same period last year, primarily due to timing of purchases of portfolio investments relative to sales, maturities and repayments from the prior quarter as well as the same reasons as discussed for the in-quarter results. Cash flows used by financing activities of $1,600 million were primarily used for the same reasons as discussed for the in-quarter results.

Commitments/Contractual Obligations

Commitments/contractual obligations have not changed materially from December 31, 2024.

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 June 30, 2025 LICAT Ratio is calculated in accordance with the 2025 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, 2025 was 132%. The LICAT Ratio does not take into account any impact from $2.1 billion of liquidity at the Lifeco holding company level at June 30, 2025 ($2.2 billion at December 31, 2024).

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

LICAT Ratio

	June 30 2025	Dec. 31 2024
Tier 1 Capital	$ 21,301	$ 20,142
Tier 2 Capital	7,518	5,253
Total Available Capital	28,819	25,395
Surplus Allowance & Eligible Deposits	5,354	5,130
Total Capital Resources	$ 34,173	$ 30,525
Required Capital	$ 25,855	$ 23,516
Total Ratio (OSFI Supervisory Target = 100%)[1]	132 %	130 %

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

The LICAT Ratio increased by two points from 130% at December 31, 2024 to 132% at June 30, 2025 as a result of the transition impacts to reporting based on the 2025 LICAT Guideline, as amended for Segregated Funds with Guarantees. The increase in Available Capital is driven by the inclusion of CSM for Segregated Funds with Guarantees. The increase in Required Capital is due mainly to the direct increase in the Segregated Fund Guarantee Risk associated with the increase in Available Capital.

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. At June 30, 2025, the ratio is estimated to continue to be above 500%.

OSFI Regulatory Capital Initiatives

Canada Life is reporting under revised capital requirements for Segregated Fund Guarantee Risk that OSFI has introduced with its 2025 LICAT Guideline, effective January 1, 2025.

Canada Life is now reporting with the reduced the capital requirements for unrated infrastructure debt to Permitted Infrastructure Entities (PIEs) located in Canada. and for infrastructure equity that meets the criteria of PIEs located in Canada announced by OSFI on July 3, 2025. These changes apply to all federally regulated life insurers.

Return on Equity (ROE)

	June 30 2025	Mar. 31 2025	Dec. 31 2024 (Restated)
Base ROE[1] by segment			
United States	18.6 %	18.6 %	18.1 %
Canada	16.7 %	16.6 %	17.1 %
Europe	17.4 %	16.2 %	16.1 %
Capital and Risk Solutions	42.1 %	42.2 %	42.2 %
Lifeco base ROE excluding Corporate[1]	19.7 %	19.3 %	19.3 %
Consolidated base ROE[1]	17.4 %	17.2 %	17.5 %
ROE - continuing operations[2] by segment			
United States	17.0 %	16.7 %	15.8 %
Canada	17.0 %	18.5 %	19.7 %
Europe	13.7 %	14.9 %	15.9 %
Capital and Risk Solutions	28.3 %	27.8 %	32.3 %
Lifeco ROE excluding Corporate - continuing operations[2]	17.2 %	17.8 %	18.6 %
Consolidated ROE - continuing operations[2]	14.9 %	15.6 %	16.7 %

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 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 tracks allocated capital required by each segment on a standalone basis.

Lifeco's consolidated base ROE as at June 30, 2025 increased by 0.2 percentage points compared to March 31, 2025. The increase was primarily due to higher base earnings, offset by higher average equity over the trailing four quarters ended June 30, 2025.

Lifeco's consolidated ROE as at June 30, 2025 decreased by 0.7 percentage points compared to March 31, 2025. The decrease was primarily due to lower earnings and higher average equity over the trailing four quarters ended June 30, 2025.

Ratings

Lifeco and its operating companies maintain 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.

Lifeco and its major operating subsidiaries, are assigned a group rating from each rating agency. This group rating is predominantly supported by leading positions in the Canadian insurance market and competitive positions in the U.S. and Europe. Each of Lifeco's operating companies benefit from the strong implicit financial support and collective ownership by Lifeco.

During the second quarter of 2025, the existing credit ratings for Lifeco and its major operating subsidiaries were unchanged. As of June 30, 2025, all agency outlooks for Lifeco’s rated entities were unchanged at stable.

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

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, 2025, there were no significant changes to the Company's risk management and control practices. Refer to the Company's 2024 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 Annual MD&A for the year ended December 31, 2024. 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 sensitivities to shareholders' net earnings, shareholders' equity and CSM to changes in financial assumptions shown below have been rounded to the nearest $25 million.

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 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.

Financial exposures and sensitivities

	Shareholders' net earnings		Shareholders' equity		CSM[1]		LICAT[2]	
	June 30 2025	Dec. 31 2024	**June 30 2025**	Dec. 31 2024	**June 30 2025**	Dec. 31 2024	**June 30 2025**	Dec. 31 2024
Investment returns:								
Change in risk free interest rates								
50 basis points increase	$ 100	$ 125	$ 50	$ 75	$ 25	$ 50	0 point	(1 point)
50 basis points decrease	(125)	(150)	(100)	(125)	(50)	(100)	< (1 point)	< 1 point
Change in credit spreads								
50 basis points increase	$ 200	$ 250	$ 275	$ 325	$ 25	$ 50	0 point	0 point
50 basis points decrease	(250)	(300)	(350)	(400)	(50)	(75)	0 point	< (1 point)
Change in publicly traded common stock values[1]								
20% increase	$ 75	$ 100	$ 550	$ 525	$ 375	$ 450	< 1 point	(1 point)
10% increase	50	50	275	250	200	225	0 point	< (1 point)
10% decrease	(50)	(50)	(275)	(250)	(200)	(225)	< (1 point)	< 1 point
20% decrease	(100)	(100)	(550)	(525)	(375)	(425)	(1 point)	< (1 point)
Change in other non-fixed income asset values								
10% increase	$ 425	$ 425	$ 450	$ 475	$ —	$ —	< 1 point	1 point
5% increase	200	225	225	250	—	—	0 point	< 1 point
5% decrease	(225)	(225)	(250)	(250)	—	—	< (1 point)	< (1 point)
10% decrease	(450)	(450)	(475)	(500)	—	—	(1 point)	(1 point)

1 The impacts to the total contractual service margin (CSM) are pre-tax.

2 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. As at December 31, 2024, the LICAT sensitivities were prepared on a LICAT 2024 Guideline basis. As at March 31, 2025, the LICAT sensitivities were prepared under the LICAT 2025 Guideline.

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 sensitivities above reflect the immediate impacts of shareholders' net earnings, shareholders' equity and the LICAT ratio from market movements. If there is a sustained change in investment markets, impacts on earnings, shareholders' equity and the LICAT ratio will change over time, due to a combination of factors including the impact of a sustained change on the run-rate of base earnings.

The additional sensitivities below illustrate the approximate impact to the Company’s base earnings that would arise over a 12-month period as a result of immediate changes to risk-free interest rates and publicly traded common stock values. The sensitivities below are primarily reflected in asset-based fee income for the Company's Retirement and Wealth lines of business, earnings on surplus and general account spread margins. The sensitivities below assume no subsequent changes in interest rates and that equity markets achieve their expected returns thereafter. Under sustained changes to investment markets, certain management actions and changes in policyholder behaviours are likely to occur, and are not reflected in the below sensitivities.

The estimated impacts, rounded to the nearest $25 million, for the initial 12 months after the immediate change in interest rates and equity markets (impacts beyond this period may differ) would be as follows:

- A 50 basis points immediate parallel decrease (increase) in risk-free interest rates would decrease (increase) the Company's base earnings by approximately $75 million.
- A 10% immediate decrease (increase) in publicly traded common stock values would decrease (increase) the Company's base earnings by approximately $200 million.

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, 2025 and December 31, 2024, 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 $10 million or a decrease of $10 million post-tax, respectively, when rounded to the nearest $10 million. In addition, as at both June 30, 2025 and December 31, 2024, 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 $50 million or a decrease of $50 million pre-tax, respectively, when rounded to the nearest $25 million.

Refer to the "Accounting Policies - Summary of Critical Accounting Estimates" section of the Company's Annual MD&A for the year ended December 31, 2024 for additional information on earnings sensitivities.

International Financial Reporting Standards

Due to the evolving nature of IFRS, there are a number of IFRS changes impacting the Company in 2025, 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 21, *The Effects of Changes in Foreign Exchange Rates* effective January 1, 2025. 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, 2025.

Other Information

Summary of Earnings Reclassifications

Summary of earnings reclassifications between operating segments and Corporate segment - Q2 2024

	United States	Canada	Europe	Capital and Risk Solutions	Corporate	Total
Base earnings - Q2 2024 presentation	$ 324	$ 322	$ 206	$ 190	$ (4)	$ 1,038
Reclassifications:						
Expenses (pre-tax)	5	12	7	3	(27)	—
Financing charges (pre-tax)	52	39	27	7	(125)	—
Taxes	(26)	(13)	(4)	(1)	44	—
Other impacts:						
PanAgora (after-tax)	(1)	—	—	—	1	—
Franklin Templeton share dividends (after-tax)	(17)	—	—	—	17	—
U.S. legacy insurance portfolios (after-tax)	(3)	—	—	—	3	—
GLWB product (after-tax)	1	—	—	—	(1)	—
Total reclassifications	11	38	30	9	(88)	—
Base earnings - Q2 2024 reclassified	335	360	236	199	(92)	1,038
Total items excluded from base earnings - Q2 2024 presentation	(50)	13	(5)	(35)	44	(33)
Total items excluded from base - reclassifications	(4)	—	—	—	4	—
Total items excluded from base earnings - Q2 2024 reclassified	(54)	13	(5)	(35)	48	(33)
Net earnings from continuing operations	$ 281	$ 373	$ 231	$ 164	$ (44)	$ 1,005

Summary of earnings reclassifications between operating segments and Corporate segment - Q1 2024

	United States	Canada	Europe	Capital and Risk Solutions	Corporate	Total
Base earnings - Q1 2024 presentation	$ 286	$ 302	$ 197	$ 195	$ (2)	$ 978
Reclassifications:						
Expenses (pre-tax)	6	12	8	4	(30)	—
Financing charges (pre-tax)	51	39	26	7	(123)	—
Taxes	(26)	(13)	(5)	(1)	45	—
Other impacts:						
PanAgora (after-tax)	4	—	—	—	(4)	—
Franklin Templeton share dividends (after-tax)	(21)	—	—	—	21	—
U.S. legacy insurance portfolios (after-tax)	1	—	—	—	(1)	—
GLWB product (after-tax)	1	—	—	—	(1)	—
Total reclassifications	16	38	29	10	(93)	—
Base earnings - Q1 2024 reclassified	302	340	226	205	(95)	978
Total items excluded from base earnings - Q1 2024 presentation	(53)	51	(10)	65	—	53
Total items excluded from base - reclassifications	(7)	—	—	—	7	—
Total items excluded from base earnings - Q1 2024 reclassified	(60)	51	(10)	65	7	53
Net earnings from continuing operations	$ 242	$ 391	$ 216	$ 270	$ (88)	$ 1,031

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;
- 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 2025	Mar. 31 2025	June 30 2024	**June 30 2025**	June 30 2024
Base earnings	$ 1,149	$ 1,030	$ 1,038	$ 2,179	$ 2,016
Items excluded from Lifeco base earnings					
Market experience relative to expectations (pre-tax)	$ (116)	$ (113)	$ 45	$ (229)	$ 181
Income tax (expense) benefit	12	22	(17)	34	(46)
Assumption changes and management actions (pre-tax)	(5)	(42)	1	(47)	4
Income tax (expense) benefit	2	10	38	12	34
Business transformation impacts (pre-tax)	(181)	(13)	(35)	(194)	(102)
Income tax (expense) benefit	60	3	6	63	24
Amortization of acquisition-related finite life intangibles (pre-tax)	(51)	(51)	(52)	(102)	(102)
Income tax (expense) benefit	13	14	15	27	27
Tax legislative changes and other tax impacts (pre-tax)	—	—	—	—	—
Income tax (expense) benefit	11	—	(34)	11	—
Total pre-tax items excluded from base earnings	$ (353)	$ (219)	$ (41)	$ (572)	$ (19)
Impact of items excluded from base earnings on income taxes	98	49	8	147	39
Net earnings from continuing operations	$ 894	$ 860	$ 1,005	$ 1,754	$ 2,036
Net earnings (loss) from discontinued operations (post-tax)	—	—	—	—	(115)
Net gain from disposal of discontinued operations (post-tax)	—	—	—	—	44
Net earnings - common shareholders	$ 894	$ 860	$ 1,005	$ 1,754	$ 1,965

United States

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings	$ 341	$ 365	$ 335	$ 706	$ 637
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ (3)	$ 2	$ (7)	$ (1)	$ (10)
Income tax (expense) benefit	—	—	1	—	2
Business transformation impacts (pre-tax)	(9)	(1)	(26)	(10)	(70)
Income tax (expense) benefit	3	—	4	3	16
Amortization of acquisition-related finite life intangibles (pre-tax)	(36)	(38)	(37)	(74)	(71)
Income tax (expense) benefit	9	10	11	19	19
Net earnings from continuing operations	$ 305	$ 338	$ 281	$ 643	$ 523
Net earnings (loss) from discontinued operations (post-tax)	—	—	—	—	(115)
Net gain from disposal of discontinued operations (post-tax)	—	—	—	—	44
Net earnings - common shareholders	$ 305	$ 338	$ 281	$ 643	$ 452

Canada

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings	$ 375	$ 316	$ 360	$ 691	$ 700
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ 44	$ (9)	$ 35	$ 35	$ 128
Income tax (expense) benefit	(19)	(1)	(10)	(20)	(36)
Assumption changes and management actions (pre-tax)	(1)	—	1	(1)	10
Income tax (expense) benefit	—	—	—	—	(3)
Business transformation impacts (pre-tax)	(192)	(2)	(9)	(194)	(32)
Income tax (expense) benefit	53	1	2	54	8
Amortization of acquisition-related finite life intangibles (pre-tax)	(7)	(6)	(8)	(13)	(15)
Income tax (expense) benefit	2	2	2	4	4
Net earnings - common shareholders	$ 255	$ 301	$ 373	$ 556	$ 764

Europe

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings	$ 262	$ 239	$ 236	$ 501	$ 462
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ (139)	$ (47)	$ 13	$ (186)	$ (2)
Income tax (expense) benefit	29	11	(5)	40	(2)
Assumption changes and management actions (pre-tax)	(1)	(32)	(2)	(33)	(2)
Income tax (expense) benefit	1	8	—	9	—
Business transformation impacts (pre-tax)	(42)	(10)	—	(52)	—
Income tax (expense) benefit	10	2	—	12	—
Amortization of acquisition-related finite life intangibles (pre-tax)	(6)	(5)	(5)	(11)	(11)
Income tax (expense) benefit	1	1	1	2	2
Tax legislative changes impact (pre-tax)	—	—	—	—	—
Income tax (expense) benefit	11	—	(7)	11	—
Net earnings - common shareholders	$ 126	$ 167	$ 231	$ 293	$ 447

Capital and Risk Solutions

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings	$ 229	$ 213	$ 199	$ 442	$ 404
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ (31)	$ (35)	$ (6)	$ (66)	$ 43
Income tax (expense) benefit	4	7	(2)	11	(6)
Assumption changes and management actions (pre-tax)	(3)	(1)	(1)	(4)	(7)
Income tax (expense) benefit	1	—	1	1	—
Business transformation impacts	(9)	—	—	(9)	—
Income tax expense (benefit)	3	—	—	3	—
Tax legislative changes impact (pre-tax)	—	—	—	—	—
Income tax (expense) benefit	—	—	(27)	—	—
Net earnings - common shareholders	$ 194	$ 184	$ 164	$ 378	$ 434

Corporate

	For the three months ended			For the six months ended	
	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)	**June 30 2025**	June 30 2024 (Restated)
Base earnings (loss)	$ (58)	$ (103)	$ (92)	$ (161)	$ (187)
Items excluded from base earnings (loss)					
Market experience relative to expectations (pre-tax)	$ 13	$ (24)	$ 10	$ (11)	$ 22
Income tax (expense) benefit	(2)	5	(1)	3	(4)
Assumption changes and management actions (pre-tax)	—	(9)	3	(9)	3
Income tax (expense) benefit	—	2	37	2	37
Business transformation impacts (pre-tax)	71	—	—	71	—
Income tax (expense) benefit	(9)	—	—	(9)	—
Amortization of acquisition-related finite life intangibles (pre-tax)	(2)	(2)	(2)	(4)	(5)
Income tax (expense) benefit	1	1	1	2	2
Net earnings (loss) - common shareholders	$ 14	$ (130)	$ (44)	$ (116)	$ (132)

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 2025	Mar. 31 2025	June 30 2024	**June 30 2025**	June 30 2024
Base earnings (pre-tax)	$ 1,337	$ 1,282	$ 1,325	$ 2,619	$ 2,555
Items excluded from Lifeco base earnings (pre-tax)					
Market experience relative to expectations (pre-tax)	$ (116)	$ (113)	$ 45	$ (229)	$ 181
Assumption changes and management actions (pre-tax)	(5)	(42)	1	(47)	4
Business transformation impacts (pre-tax)	(181)	(13)	(35)	(194)	(102)
Amortization of acquisition-related finite life intangibles (pre-tax)	(51)	(51)	(52)	(102)	(102)
Total pre-tax items excluded from base earnings	$ (353)	$ (219)	$ (41)	$ (572)	$ (19)
Participating account	(34)	15	30	(19)	36
Earnings before income taxes	$ 950	$ 1,078	$ 1,314	$ 2,028	$ 2,572

Assets under administration (AUA), assets under management or advisement (AUMA), and client assets

Assets under administration, assets under management or advisement and client assets are non-GAAP financial measures. These measures provide an indication 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 assets under management or advisement (AUMA), assets under administration only (AUAO), the total of which is total client assets, and other balance sheet assets.

Client assets represents the total client assets under management or advisement plus assets under administration only for the Company's Retirement and Wealth lines of business.

Client assets are classified as AUMA where the Company earns a fee for one or more of the following services: investment management services for proprietary funds or institutional assets, discretionary portfolio management on behalf of clients, and/or the provision of financial advice. AUMA relate to the Company's Retirement and Wealth lines of business only.

Refer to the "Glossary" section of this document for the definition of AUAO.

Other balance sheet assets include insurance contract assets, reinsurance contract assets, goodwill and intangible assets, other assets, as well as the portion of invested assets and investments on account of segregated fund policyholders not included within total client assets.

Lifeco[1]

	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)
Assets under administration			
Assets under management or advisement	$ 1,036,167	$ 1,013,530	$ 941,272
Assets under administration only[2]	2,007,290	1,993,588	1,786,711
Total client assets	$ 3,043,457	$ 3,007,118	$ 2,727,983
Other assets on balance sheet	231,841	230,983	201,059
Total assets under administration	$ 3,275,298	$ 3,238,101	$ 2,929,042
of which: Total balance sheet assets	814,842	804,144	749,562
of which: Invested assets	244,501	247,807	228,616

1 Total Lifeco assets under administration includes assets under management related to PanAgora Asset Management included in the Corporate segment.

2 Refer to the "Glossary" section of this document for additional detail regarding this metric.

United States

	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)
Assets under administration			
Assets under management or advisement	$ 518,766	$ 513,132	$ 480,064
Assets under administration only[1]	1,999,678	1,986,093	1,779,781
Total client assets	$ 2,518,444	$ 2,499,225	$ 2,259,845
Other assets on balance sheet	51,030	51,647	37,007
Total assets under administration	$ 2,569,474	$ 2,550,872	$ 2,296,852
of which: Total balance sheet assets	335,372	337,243	319,850
of which: Invested assets	87,727	91,468	86,053

1 Refer to the "Glossary" section of this document for additional detail regarding this metric.

Canada

	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)
Assets under administration			
Assets under management or advisement	$ 200,025	$ 193,387	$ 181,398
Assets under administration only[1]	2,786	2,972	2,886
Total client assets	$ 202,811	$ 196,359	$ 184,284
Other assets on balance sheet	110,468	110,067	101,210
Total assets under administration	$ 313,279	$ 306,426	$ 285,494
of which: Total balance sheet assets	230,892	227,254	212,101
of which: Invested assets	99,394	99,429	91,309

1 Refer to the "Glossary" section of this document for additional detail regarding this metric.

Europe

	June 30 2025	Mar. 31 2025	June 30 2024 (Restated)
Assets under administration			
Assets under management or advisement	$ 269,153	$ 260,760	$ 233,693
Assets under administration only[1]	4,826	4,523	4,044
Total client assets	$ 273,979	$ 265,283	$ 237,737
Other assets on balance sheet	58,496	57,256	53,819
Total assets under administration	$ 332,475	$ 322,539	$ 291,556
of which: Total balance sheet assets	236,731	227,634	208,588
of which: Invested assets	45,922	45,334	42,588

1 Refer to the "Glossary" section of this document for additional detail regarding this metric.

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 capital generation** - This measure is expressed as a percentage of base earnings and provides a view of capital generated or consumed by the business above the Company's internal operating target level for capital. Base capital generation is calculated as base earnings plus the organic CSM and risk adjustment (RA) movements, if applicable, less the change in required capital related to new business and the run-off of in-force business at the Company's internal operating target level. These items exclude the impact of participating business and the conceptually similar items as those excluded from base earnings.
    - Organic CSM movement refers to CSM (excluding participating products), plus impact of new insurance business, plus expected movements from asset returns and locked-in rates, plus CSM recognized for services provided, plus insurance experience gains and losses.
- **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.
- **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 income tax rates for common shareholders.
- **Efficiency ratio** - Calculated on a trailing four quarter basis as pre-tax non-par base operating and administrative expenses divided by the sum of pre-tax base earnings and pre-tax non-par base operating and administrative expenses.
- **Pre-tax base operating margin** - Pre-tax operating earnings expressed as a percentage of fee and spread income.
- **Price/base earnings ratio** - The Company's closing share price divided by its base earnings per share on a trailing four quarter basis.

Glossary

- **Asset-based fee income -** Represents fee income earned that is directly tied to the level of client assets under advisement, management or administration; including segregated fund products.
- **Asset-based expenses and commissions** - Represents the variable expenses (such as asset-based commissions & bonuses, managed account expenses, sub-advisor and fund manager costs) incurred when generating fee and other income
- **Assets under administration only (AUAO)** - Client assets are classified as AUAO 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. Assets included in AUAO are not included in AUMA.
- **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.
- **Average client assets -** Calculated as the average of the opening and ending balances of client assets during the reporting period using daily balances where available and monthly or quarterly balances when daily balances are unavailable.
- **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 insurance contracts not measured under the PAA or VFA measurement models.
- **Gross operating and administrative expenses** - Gross operating and administrative expenses is a non-GAAP financial measure, which excludes certain insurance-related expenses, commissions and sub-advisory fees.
- **Group Benefits in-force premiums (insured)** - Represents the value of in-force premiums at the end of the reporting period where Lifeco underwrites the insurance risks of a group benefits solution. The Company may express the period-over-period net change in group life and health book premiums excluding the impact of foreign currency translation, which represents the net impact of new sales, terminations and organic growth of in-force business for the period.

- **Group Benefits fee and other income (ASO & other fee-based products)** - Represents administrative services only (ASO) and other fee-based income where clients self-insure the products and the Company administers it on their behalf, and other ancillary services.
- **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, 2025	June 30, 2024
United States dollar	1.38	1.37
British pound	1.85	1.73
Euro	1.57	1.47

- **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 asset flows** - Indicator of the Company's ability to attract and retain business. Net asset flows are measured by the following:
  - Canada net asset flows include cash inflows and outflows related to segregated fund assets and proprietary and non-proprietary mutual funds.
  - Europe net asset 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 asset 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 asset 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".
- **Net fee and spread income -** Fee and spread income less asset-based expenses and commissions.
- **Non-par base operating and administrative expenses** - Non-participating base operating and administrative expenses exclude business transformation costs and other expenses that are excluded from base earnings.
- **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 fee income** - Represents other fee income earned that is not directly tied to the level of client assets; and the total base insurance service result related to unit-linked, unitized with profits and variable annuity products offered by the Wealth line of business.
- **Premium Allocation Approach (PAA)** - The Company applies this 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 & Annuities products, sales include 100% of single premium and annualized premiums expected in the first twelve months of the plan.
  - Group Benefits (insured) sales reflect annualized premiums and premium equivalents for new policies and new benefits covered or expansion of coverage on existing policies on business where the Company underwrites the insurance risks of a group benefits solution.
  - Group Benefits (ASO & other fee-based products) sales reflect annualized premiums and premium equivalents for new policies and new benefits covered or expansion of coverage on existing policies where clients self-insure the products and the Company administers it on their behalf, and other ancillary services.
- **Segmented common shareholders' equity** - The Company has a capital allocation methodology which tracks allocated capital required by each segment on a standalone basis.

  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. IFRS does not prescribe the calculation of ROE and therefore a comparable measure under IFRS is not available.
- **Spread income** - Represents spread income earned on general account investment products which represents the difference between earned rates and rates credited to clients; and other net investment income.
- **Variable Fee Approach (VFA)** - The Company applies this 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, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Transactions with Related Parties

Related party transactions have not changed materially from December 31, 2024.

Quarterly Financial Information

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

	2025		2024				2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Insurance revenue	$ 5,551	$ 5,486	$ 5,399	$ 5,292	$ 5,273	$ 5,250	$ 5,174	$ 5,110
Net investment income	2,319	2,335	2,685	2,249	2,409	2,340	2,431	2,271
Changes in fair value on FVTPL assets	954	1,259	(2,981)	6,906	(864)	(1,385)	11,042	(5,457)
Fee and other income	1,948	1,911	1,952	1,806	1,794	1,672	1,558	1,450
Total revenue[1]	$ 10,772	$ 10,991	$ 7,055	$ 16,253	$ 8,612	$ 7,877	$ 20,205	$ 3,374
Net earnings from continuing operations[2]								
Total	$ 894	$ 860	$ 1,116	$ 859	$ 1,005	$ 1,031	$ 743	$ 936
Basic - per share	0.96	0.92	1.20	0.92	1.08	1.10	0.80	1.01
Diluted - per share	0.96	0.92	1.19	0.92	1.08	1.10	0.79	1.00
Net earnings - Common Shareholders								
Total	$ 894	$ 860	$ 1,116	$ 859	$ 1,005	$ 960	$ 740	$ 905
Basic - per share	0.96	0.92	1.20	0.92	1.08	1.03	0.79	0.97
Diluted - per share	0.96	0.92	1.19	0.92	1.08	1.03	0.79	0.97

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 2025 was $10.8 billion and comprises insurance revenue of $5.6 billion ($5.3 billion for the same quarter last year), net investment income of $2.3 billion ($2.4 billion for the same quarter last year), changes in fair value through profit or loss on investment assets of positive $1.0 billion (negative $0.9 billion for the same quarter last year) and fee and other income of $1.9 billion ($1.8 billion for the same quarter last year).

Insurance revenue

Insurance revenue for the second quarter of 2025 was $5.6 billion, an increase of $0.3 billion compared to the same quarter last year, primarily due to higher CSM recognized for services provided in the Capital and Risk Solutions and Europe segments as well as higher earnings from short-term insurance contracts in the Europe and Canada segments, partially offset by lower CSM recognized for services provided in the Canada segment.

Total net investment income

Total net investment income, which includes net investment income and changes in fair value on FVTPL assets, for the second quarter of 2025 increased by $1.7 billion compared to the same quarter last year. The changes in fair value in the second quarter of 2025 were an increase of $1.0 billion compared to a decrease of $0.9 billion in the second quarter of 2024, primarily due to an increase in equity market in Canada as well as a decrease in bond yields in the Europe and U.S. segments, partially offset by cross-currency swaps. Net investment income in the second quarter of 2025 of $2.3 billion, which excludes changes in fair value through profit or loss, decreased by $0.1 billion compared to the same quarter last year, primarily due to the strengthening of the British pound and euro against the Canadian dollar, offset by an increase of bond income in the Canada, Capital and Risk Solutions and Europe segments.

Fee and other income

Fee and other income for the second quarter of 2025 was $1.9 billion, an increase of $0.2 billion compared to the same quarter last year, primarily due to higher equity market levels and growth in the Wealth business in the U.S. segment as well as asset growth in the Europe and Canada segments.

Net earnings

Lifeco's consolidated net earnings attributable to common shareholders were $894 million for the second quarter of 2025 compared to $1,005 million for the same quarter last year. On a per share basis, this represents $0.96 per common share ($0.96 diluted) for the second quarter of 2025 compared to $1.08 per common share ($1.08 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 2025**	Mar. 31 2025	Dec. 31 2024	Sept. 30 2024	June 30 2024	Mar. 31 2024
United States dollar						
Balance sheet	1.36	$ 1.44	$ 1.44	$ 1.35	$ 1.37	$ 1.35
Income and expenses	1.38	$ 1.43	$ 1.40	$ 1.36	$ 1.37	$ 1.35
British pound						
Balance sheet	1.87	$ 1.86	$ 1.80	$ 1.81	$ 1.73	$ 1.71
Income and expenses	1.85	$ 1.81	$ 1.79	$ 1.77	$ 1.73	$ 1.71
Euro						
Balance sheet	1.60	$ 1.56	$ 1.49	$ 1.51	$ 1.47	$ 1.46
Income and expenses	1.57	$ 1.51	$ 1.49	$ 1.50	$ 1.47	$ 1.46

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.

Consolidated Statements of Earnings *(unaudited)*

(in Canadian $ millions except per share amounts)	For the three months ended June 30		For the six months ended June 30	
	2025	2024	**2025**	2024
Insurance service result				
Insurance revenue (note 8)	$ 5,551	$ 5,273	$ 11,037	$ 10,523
Insurance service expenses	(4,315)	(4,057)	(8,591)	(8,124)
Net expense from reinsurance contracts	(379)	(385)	(809)	(771)
	857	831	1,637	1,628
Net investment result				
Net investment income (note 5)	2,319	2,409	4,654	4,749
Changes in fair value on fair value through profit or loss assets (note 5)	954	(864)	2,213	(2,249)
	3,273	1,545	6,867	2,500
Net finance income (expenses) from insurance contracts	(1,637)	(209)	(3,063)	(182)
Net finance income (expenses) from reinsurance contracts	(18)	(114)	(157)	(165)
Changes in investment contract liabilities	(1,195)	(573)	(2,803)	(744)
	423	649	844	1,409
Net investment result - insurance contracts on account of segregated fund policyholders				
Net investment income	1,661	446	1,411	2,919
Net finance income (expenses) from insurance contracts	(1,661)	(446)	(1,411)	(2,919)
	—	—	—	—
Other income and expenses				
Fee and other income	1,948	1,794	3,859	3,466
Operating and administrative expenses	(1,799)	(1,729)	(3,608)	(3,432)
Amortization of finite life intangible assets	(112)	(103)	(223)	(203)
Financing costs	(101)	(101)	(204)	(201)
Restructuring and integration expenses (note 4)	(266)	(27)	(277)	(95)
Earnings before income taxes	950	1,314	2,028	2,572
Income taxes (note 14)	30	229	187	398
Net earnings from continuing operations before non-controlling interests	920	1,085	1,841	2,174
Attributable to non-controlling interests	(7)	47	22	73
Net earnings from continuing operations before preferred share dividends	927	1,038	1,819	2,101
Preferred share dividends	33	33	65	65
Net earnings from continuing operations	894	1,005	1,754	2,036
Net loss from discontinued operations	—	—	—	(115)
Net gain from disposal of discontinued operations	—	—	—	44
Net earnings - common shareholders	$ 894	$ 1,005	$ 1,754	$ 1,965
Earnings per common share (note 12)				
Basic	$ 0.96	$ 1.08	$ 1.89	$ 2.11
Diluted	$ 0.96	$ 1.08	$ 1.88	$ 2.10
Earnings per common share from continuing operations (note 12)				
Basic	$ 0.96	$ 1.08	$ 1.89	$ 2.18
Diluted	$ 0.96	$ 1.08	$ 1.88	$ 2.18

Consolidated Statements of Comprehensive Income *(unaudited)*

(in Canadian $ millions)	For the three months ended June 30		For the six months ended June 30	
	2025	2024	**2025**	2024
Net earnings - common shareholders, before preferred dividends	$ 927	$ 1,038	$ 1,819	$ 2,030
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	(641)	233	(275)	489
Foreign exchange translation gains reclassified to earnings on disposal of foreign operations	—	—	—	(211)
Unrealized gains (losses) on hedges of the net investment in foreign operations	(49)	2	(187)	(62)
Income tax (expense) benefit	(21)	5	(10)	12
Unrealized gains (losses) on bonds and mortgages at fair value through other comprehensive income	43	8	114	(34)
Income tax (expense) benefit	(5)	(3)	(21)	6
Realized (gains) losses on bonds and mortgages at fair value through other comprehensive income (note 5)	6	19	7	38
Income tax expense (benefit)	—	(4)	—	(9)
Unrealized gains (losses) on cash flow hedges	(16)	(33)	55	(33)
Income tax (expense) benefit	4	9	(15)	9
Realized (gains) losses on cash flow hedges	(3)	9	(61)	4
Income tax expense (benefit)	—	(2)	16	(1)
Non-controlling interests	30	(26)	(17)	(11)
Income tax (expense) benefit	(8)	7	5	4
Total items that may be reclassified	(660)	224	(389)	201
Items that will not be reclassified to Consolidated Statements of Earnings				
Unrealized gains (losses) on stocks at fair value through other comprehensive income	200	(249)	153	(321)
Income tax (expense) benefit	—	64	—	83
Re-measurements on defined benefit pension and other post-employment benefit plans	77	90	102	258
Income tax (expense) benefit	(22)	(24)	(29)	(70)
Non-controlling interests	(8)	(8)	(10)	(21)
Income tax (expense) benefit	2	2	3	6
Total items that will not be reclassified	249	(125)	219	(65)
Total other comprehensive income (loss)	(411)	99	(170)	136
Comprehensive income	$ 516	$ 1,137	$ 1,649	$ 2,166

Consolidated Balance Sheets *(unaudited)*

(in Canadian $ millions)	**June 30 2025**	December 31 2024
Assets		
Cash and cash equivalents	$ 10,232	$ 10,709
Bonds (note 5)	168,155	167,114
Mortgage loans (note 5)	37,999	38,879
Stocks (note 5)	19,982	18,826
Investment properties (note 5)	8,133	8,257
	244,501	243,785
Insurance contract assets (note 9)	1,275	1,193
Reinsurance contract held assets (note 9)	16,945	17,842
Goodwill	11,232	11,428
Intangible assets	4,852	4,958
Derivative financial instruments	2,226	2,431
Owner occupied properties	820	789
Fixed assets	371	346
Accounts and interest receivable	5,347	5,402
Other assets	15,412	15,265
Current income taxes	435	272
Deferred tax assets	2,111	2,066
Investments on account of segregated fund policyholders (note 10)	509,315	496,386
Total assets	$ 814,842	$ 802,163
Liabilities		
Insurance contract liabilities (note 9)	$ 158,070	$ 155,683
Investment contract liabilities	87,834	90,157
Reinsurance contract held liabilities (note 9)	756	795
Debentures and other debt instruments	9,292	9,469
Derivative financial instruments	1,959	2,137
Accounts payable	3,456	3,524
Other liabilities	10,183	10,230
Current income taxes	403	294
Deferred tax liabilities	878	834
Insurance contracts on account of segregated fund policyholders (note 9)	67,217	66,343
Investment contracts on account of segregated fund policyholders	442,098	430,043
Total liabilities	782,146	769,509
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	3,086	3,041
Non-controlling interests in subsidiaries	66	72
Shareholders' equity		
Share capital		
Limited recourse capital notes	1,500	1,500
Preferred shares	2,720	2,720
Common shares (note 11)	6,055	6,071
Accumulated surplus	17,501	17,266
Accumulated other comprehensive income	1,606	1,776
Contributed surplus	162	208
Total equity	32,696	32,654
Total liabilities and equity	$ 814,842	$ 802,163

(in Canadian $ millions)

	June 30, 2025					
	Share capital	**Contributed surplus**	**Accumulated surplus**	**Accumulated other comprehensive income**	**Non-controlling interests**	**Total equity**
Balance, beginning of year	$ 10,291	$ 208	$ 17,266	$ 1,776	$ 3,113	$ 32,654
Net earnings - common shareholders, before preferred dividends	—	—	1,819	—	22	1,841
Other comprehensive income	—	—	—	(170)	19	(151)
	10,291	208	19,085	1,606	3,154	34,344
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(65)	—	—	(65)
Common shareholders	—	—	(1,134)	—	—	(1,134)
Shares exercised and issued under share-based payment plans (note 11)	39	(18)	—	—	16	37
Shares purchased and cancelled under normal course issuer bid (note 11)	(55)	(40)	(385)	—	—	(480)
Equity settlement of subsidiary's share-based plans	—	—	—	—	(8)	(8)
Share-based payment plans expense	—	12	—	—	—	12
Derecognition of non-controlling interest in subsidiary	—	—	—	—	(10)	(10)
Balance, end of period	$ 10,275	$ 162	$ 17,501	$ 1,606	$ 3,152	$ 32,696

	June 30, 2024					
	Share capital	Contributed surplus	Accumulated surplus	Accumulated other comprehensive income	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)	(7)	—	(41)	—	—	(48)
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

Consolidated Statements of Cash Flows *(unaudited)*

(in Canadian $ millions)	For the six months ended June 30	
	2025	2024
Operations		
Earnings before income taxes	$ 2,028	$ 2,412
Income taxes paid, net of refunds received	(380)	(375)
Adjustments:		
Change in insurance contract liabilities	1,549	(424)
Change in investment contract liabilities	2,535	(4,360)
Change in reinsurance contract held liabilities	(44)	72
Change in reinsurance contract held assets	455	551
Change in insurance contract assets	(81)	(110)
Changes in fair value through profit or loss	(2,213)	2,249
Sales, maturities and repayments of portfolio investments	25,661	21,226
Purchases of portfolio investments	(26,940)	(19,162)
Other	(1,252)	(291)
	1,318	1,788
Financing Activities		
Issue of common shares	39	31
Purchased and cancelled common shares	(440)	(48)
Decrease in line of credit of subsidiaries	—	(60)
Dividends paid on common shares	(1,134)	(1,035)
Dividends paid on preferred shares	(65)	(65)
	(1,600)	(1,177)
Investment Activities		
Impact from sale of discontinued operations	—	(211)
Investment in associates and joint ventures	(14)	(108)
	(14)	(319)
Effect of changes in exchange rates on cash and cash equivalents	(181)	173
Increase (decrease) in cash and cash equivalents	(477)	465
Cash and cash equivalents, beginning of year	10,709	8,117
Cash and cash equivalents, end of period	$ 10,232	$ 8,582
Supplementary cash flow information		
Interest income received	$ 4,028	$ 3,816
Interest paid	182	154
Dividend income received	223	262

(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, 2025 were approved by the Board of Directors on August 5, 2025.

2. Basis of Presentation and Summary of Material Accounting Policies

These financial statements should be read in conjunction with the Company's December 31, 2024 consolidated annual audited financial statements and notes thereto.

The financial statements of the Company at June 30, 2025 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, 2024 except as described below.

Changes in Accounting Policies

The Company adopted the amendments to International Financial Reporting Standards (IFRS) for IAS 21, *The Effects of Changes in Foreign Exchange Rates* effective January 1, 2025. 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 in note 2 of the Company's December 31, 2024 consolidated annual audited financial statements and notes thereto.

3. Business Acquisitions and Other Transactions

Sale of U.K. Onshore Bond Business

On December 23, 2024, Canada Life U.K. announced the signing of an agreement to transfer its onshore bond business to Countrywide Assured plc (Countrywide), a subsidiary of Chesnara plc. Concurrently, the two parties entered into a reinsurance agreement such that the risks and rewards of the underlying business are transferred to Countrywide. For the year ended December 31, 2024, the transaction resulted in a net gain of $21 pre-tax, mainly driven by recognition of assets associated with the reinsurance agreement. The underlying assets and the related liabilities on account of segregated fund policyholders, with a carrying value of $2,796 as at June 30, 2025 ($2,750 as at December 31, 2024), are to be transferred to Countrywide pending court approval, which is expected to occur towards the end of 2025.

4. Restructuring Expenses

The Company recorded restructuring provisions of $266 and $276 for the three and six months ended June 30, 2025, respectively. The provisions recorded in the three months ended June 30, 2025 are related to planned technology and efficiency initiatives intended to position the Company for future growth and expense savings, primarily driven by initiatives in Canada of $226 ($186 in the shareholder account and $40 in the participating account) and Europe of $23. The Company expects to complete these restructuring initiatives within three years. For the three and six months ended June 30, 2024, the Company recorded restructuring provisions of $12 and $52, respectively.

As at June 30, 2025, the Company has restructuring provisions of $335 remaining in other liabilities ($121 at December 31, 2024).

5. Portfolio Investments

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

	June 30, 2025		December 31, 2024	
	Carrying value	**Fair value**	Carrying value	Fair value
Bonds				
Fair value through profit or loss (FVTPL) - designated	$ 152,361	$ 152,361	$ 151,369	$ 151,369
FVTPL - mandatory	1,838	1,838	1,987	1,987
Fair value through other comprehensive income (FVOCI)	13,956	13,956	13,758	13,758
	168,155	168,155	167,114	167,114
Mortgage loans				
FVTPL - designated	27,209	27,209	28,790	28,790
FVTPL - mandatory	5,387	5,387	4,818	4,818
FVOCI	331	331	461	461
Amortized cost	5,072	4,561	4,810	4,193
	37,999	37,488	38,879	38,262
Stocks				
FVTPL - mandatory	17,906	17,906	16,896	16,896
FVOCI - designated [1]	1,024	1,024	923	923
Equity method	1,052	1,032	1,007	1,021
	19,982	19,962	18,826	18,840
Investment properties	8,133	8,133	8,257	8,257
Total	$ 234,269	$ 233,738	$ 233,076	$ 232,473

[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, 2025	**Bonds**	**Mortgage loans**	**Stocks**	**Investment properties**	**Other**	**Total**
Net investment income:						
Investment income earned	$ 1,873	$ 374	$ 159	$ 136	$ (113)	$ 2,429
Net realized losses on derecognition of FVOCI assets	(6)	—	—	—	—	(6)
Gains on derecognition of amortized cost assets	—	1	—	—	—	1
Net expected credit loss (ECL) recovery	(1)	2	—	—	—	1
Other income and expenses	—	—	—	(54)	(52)	(106)
	1,866	377	159	82	(165)	2,319
Changes in fair value on FVTPL assets:						
FVTPL - designated	322	39	—	—	(325)	36
FVTPL - mandatory	1	84	896	—	—	981
Recorded at fair value	—	—	—	(63)	—	(63)
	323	123	896	(63)	(325)	954
Total	$ 2,189	$ 500	$ 1,055	$ 19	$ (490)	$ 3,273

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 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 six months ended June 30, 2025	**Bonds**	**Mortgage loans**	**Stocks**	**Investment properties**	**Other**	**Total**
Net investment income:						
Investment income earned	$ 3,661	$ 760	$ 303	$ 275	$ (138)	$ 4,861
Net realized losses on derecognition of FVOCI assets	(7)	—	—	—	—	(7)
Gains on derecognition of amortized cost assets	—	1	—	—	—	1
Net ECL recovery	(1)	5	—	—	—	4
Other income and expenses	—	—	—	(108)	(97)	(205)
	3,653	766	303	167	(235)	4,654
Changes in fair value on FVTPL assets:						
FVTPL - designated	1,018	385	—	—	(114)	1,289
FVTPL - mandatory	9	43	960	—	—	1,012
Recorded at fair value	—	—	—	(88)	—	(88)
	1,027	428	960	(88)	(114)	2,213
Total	$ 4,680	$ 1,194	$ 1,263	$ 79	$ (349)	$ 6,867

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 (charge) 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

Investment income from bonds and mortgages includes interest income, and premium and discount amortization. Investment income from stocks includes dividends and distributions from private equity funds. 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 equity method income from the investments in IGM Financial Inc. (IGM) and other related parties.

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 2024 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, 2024 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, 2024.

(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 $30 at June 30, 2025, of which $4 was Stage 1, $18 was Stage 2 and $8 was Stage 3 ($33 at December 31, 2024, of which $5 was Stage 1, $21 was Stage 2 and $7 was Stage 3).

(iii) Credit Impact on Financial Assets and Liabilities Designated as FVTPL

The carrying value of the Company’s financial assets and liabilities designated as FVTPL represents the maximum exposure to credit risk for those financial instruments. The change in fair value attributable to the change in credit risk of these financial instruments is generally insignificant in the absence of significant credit events occurring on specific financial instruments. Fair value losses of $69 and $125 for the three and six months ended June 30, 2025, respectively ($40 for the three and six months ended June 30, 2024) are reflected in the Consolidated Statements of Earnings related to significant credit events occurring on financial instruments designated as FVTPL.

(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.

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 shareholders' net earnings. Further, the classification of financial assets, 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, 2025		December 31, 2024	
	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	$ 100	$ (125)	$ 125	$ (150)
Shareholders' equity	50	(100)	75	(125)

The sensitivities above reflect the immediate impacts on shareholders' net earnings and shareholders' equity from market movements.

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, 2025 and December 31, 2024, 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 $10 or a decrease of $10 post-tax, respectively, when rounded to the nearest $10.

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, 2025		December 31, 2024	
	Increase 50 basis points credit spreads	**Decrease 50 basis points credit spreads**	Increase 50 basis points credit spreads	Decrease 50 basis points credit spreads
Shareholders' net earnings	$ 200	$ (250)	$ 250	$ (300)
Shareholders' equity	275	(350)	325	(400)

The sensitivities above reflect the immediate impacts on shareholders' net earnings and shareholders' equity from market movements.

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 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 material earnings impacts to the Company on segregated fund business that it does not hedge, as changes in the cost of guarantees are 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.

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, 2025				December 31, 2024			
	20% increase	**10% increase**	**10% decrease**	**20% decrease**	20% increase	10% increase	10% decrease	20% decrease
Shareholders' net earnings	$ 75	$ 50	$ (50)	$ (100)	$ 100	$ 50	$ (50)	$ (100)
Shareholders' equity	550	275	(275)	(550)	525	250	(250)	(525)

The sensitivities above reflect the immediate impacts on shareholders' net earnings and shareholders' equity from market movements.

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, 2025				December 31, 2024			
	10% increase	**5% increase**	**5% decrease**	**10% decrease**	10% increase	5% increase	5% decrease	10% decrease
Shareholders' net earnings	$ 425	$ 200	$ (225)	$ (450)	$ 425	$ 225	$ (225)	$ (450)
Shareholders' equity	450	225	(250)	(475)	475	250	(250)	(500)

The sensitivities above reflect the immediate impacts on shareholders' net earnings and shareholders' equity from market movements.

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. 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. Notes issued by consolidated Collateralized Loan Obligations (CLOs) are measured at FVTPL and included in Level 2.

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, 2025				December 31, 2024			
Assets measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 10,232	$ —	$ —	$ 10,232	$ 10,709	$ —	$ —	$ 10,709
Financial assets at FVTPL								
Bonds	—	153,934	265	154,199	—	153,178	178	153,356
Mortgage loans	—	27,209	5,387	32,596	—	28,790	4,818	33,608
Stocks	11,668	253	5,985	17,906	11,055	260	5,581	16,896
Total financial assets at FVTPL	11,668	181,396	11,637	204,701	11,055	182,228	10,577	203,860
Financial assets at FVOCI								
Bonds	—	13,956	—	13,956	—	13,758	—	13,758
Mortgage loans	—	331	—	331	—	461	—	461
Stocks	1,024	—	—	1,024	923	—	—	923
Total financial assets at FVOCI	1,024	14,287	—	15,311	923	14,219	—	15,142
Investment properties	—	—	8,133	8,133	—	—	8,257	8,257
Derivatives [1]	—	2,226	—	2,226	1	2,430	—	2,431
Other assets:								
Trading account assets	244	3,695	—	3,939	252	3,449	—	3,701
Other [2]	—	135	—	135	—	219	—	219
Total assets measured at fair value	$ 23,168	$ 201,739	$ 19,770	$ 244,677	$ 22,940	$ 202,545	$ 18,834	$ 244,319
Liabilities measured at fair value								
Mortgage on investment property	$ —	$ 50	$ —	$ 50	$ —	$ 54	$ —	$ 54
Derivatives [3]	7	1,952	—	1,959	—	2,137	—	2,137
Investment contract liabilities	—	87,834	—	87,834	—	90,157	—	90,157
Collateralized loan obligation liabilities	—	4,128	—	4,128	—	3,791	—	3,791
Other liabilities [2]	—	135	—	135	—	219	—	219
Total liabilities measured at fair value	$ 7	$ 94,099	$ —	$ 94,106	$ —	$ 96,358	$ —	$ 96,358

[1] Excludes collateral received from counterparties of $715 at June 30, 2025 ($1,199 at December 31, 2024).

[2] Includes collateral received under securities lending arrangements.

[3] Excludes collateral pledged to counterparties of $1,007 at June 30, 2025 ($1,337 at December 31, 2024).

There were no transfers of the Company's assets and liabilities between Level 1 and Level 2 during the period ended June 30, 2025 and the year ended December 31, 2024.

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, 2025					
	FVTPL bonds	**FVTPL mortgage loans**	**FVTPL stocks [3]**	**Investment properties**	**Assets held for sale**	**Total Level 3 assets**
Balance, beginning of year	$ 178	$ 4,818	$ 5,581	$ 8,257	$ —	$ 18,834
Total gains (losses)						
Included in net earnings	(7)	181	17	(88)	—	103
Included in other comprehensive income [1]	2	123	(118)	(38)	—	(31)
Purchases	17	—	638	293	—	948
Issues	—	387	—	—	—	387
Sales	(3)	—	(133)	(291)	—	(427)
Settlements	—	(122)	—	—	—	(122)
Transferred to owner occupied properties	—	—	—	—	—	—
Transfers into Level 3 [2]	78	—	—	—	—	78
Transfers out of Level 3 [2]	—	—	—	—	—	—
Balance, end of period	$ 265	$ 5,387	$ 5,985	$ 8,133	$ —	$ 19,770
Total gains (losses) for the period included in net investment result	$ (7)	$ 181	$ 17	$ (88)	$ —	$ 103
Change in unrealized gains (losses) for the period included in net earnings for assets held at June 30, 2025	$ (7)	$ 177	$ 17	$ (89)	$ —	$ 98

	For the year ended December 31, 2024					
	FVTPL bonds	FVTPL mortgage loans	FVTPL stocks [3]	Investment properties	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	7	200	556	(153)	—	610
Included in other comprehensive income [1]	—	153	107	265	—	525
Purchases	29	—	1,407	618	—	2,054
Sale of discontinued operations	—	—	—	—	(907)	(907)
Issues	—	481	—	—	—	481
Sales	(27)	—	(299)	(334)	—	(660)
Settlements	—	(219)	—	—	—	(219)
Transferred to owner occupied properties	—	—	—	(9)	—	(9)
Transfers into Level 3 [2]	—	—	1	—	—	1
Transfers out of Level 3 [2]	(83)	—	—	—	—	(83)
Balance, end of year	$ 178	$ 4,818	$ 5,581	$ 8,257	$ —	$ 18,834
Total gains (losses) for the year included in net investment result	$ 7	$ 200	$ 556	$ (153)	$ —	$ 610
Change in unrealized gains (losses) for the year included in earnings for assets held at December 31, 2024	$ 7	$ 191	$ 556	$ (165)	$ —	$ 589

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

2 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.

3 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	Range of 4.5% - 14.4%	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.
		Reversionary rate	Range of 4.4% - 8.0%	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.
		Vacancy rate	Weighted average of 6.5%	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 4.8% - 6.5%	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 categorized as level 3 in the fair value hierarchy relate to limited partnership investments. The significant unobservable input used in the valuation of these investments is the Company's invested portion of the net asset value provided by management of the limited partnerships.

8. Insurance Revenue

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	**2025**	2024
Contracts not measured under the premium allocation approach (PAA)				
Amounts relating to changes in liabilities for remaining coverage				
Experience adjustments	$ (18)	$ (22)	$ (45)	$ (31)
CSM recognized for services provided	340	312	671	622
Change in risk adjustment for non-financial risk for risk expired	149	154	302	306
Expected incurred claims and other insurance service expenses	2,481	2,367	4,921	4,699
Recovery of insurance acquisition cash flows	161	145	328	288
	3,113	2,956	6,177	5,884
Contracts measured under the PAA	2,438	2,317	4,860	4,639
Total insurance revenue	$ 5,551	$ 5,273	$ 11,037	$ 10,523

9. Insurance Contracts and Reinsurance Contracts Held

(a) Insurance Contract (Assets) / Liabilities

	June 30, 2025				
	Not measured under the PAA				
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**CSM**	**PAA**	**Total**
Assets	$ (7,087)	$ 1,614	$ 4,319	$ (121)	$ (1,275)
Liabilities	128,639	5,047	10,549	13,835	158,070
Liabilities on account of segregated fund policyholders	67,217	—	—	—	67,217
	$ 188,769	$ 6,661	$ 14,868	$ 13,714	$ 224,012

	December 31, 2024				
	Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total
Assets	$ (4,397)	$ 584	$ 2,672	$ (52)	$ (1,193)
Liabilities	124,143	6,155	11,768	13,617	155,683
Liabilities on account of segregated fund policyholders	66,343	—	—	—	66,343
	$ 186,089	$ 6,739	$ 14,440	$ 13,565	$ 220,833

(b) Reinsurance Contract Held Assets / (Liabilities)

	June 30, 2025				
	Not measured under the PAA				
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**CSM**	**PAA**	**Total**
Assets	$ 15,701	$ 749	$ 355	$ 140	$ 16,945
Liabilities	(2,458)	1,006	711	(15)	(756)
	$ 13,243	$ 1,755	$ 1,066	$ 125	$ 16,189

	December 31, 2024				
	Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total
Assets	$ 16,644	$ 731	$ 344	$ 123	$ 17,842
Liabilities	(2,488)	1,021	728	(56)	(795)
	$ 14,156	$ 1,752	$ 1,072	$ 67	$ 17,047

(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, 2025		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	**Lower**	3.8 %	4.0 %	4.5 %	4.7 %	4.8 %	4.8 %
	Upper	4.2 %	4.5 %	5.0 %	5.2 %	5.2 %	5.2 %
USD	**Lower**	4.7 %	4.6 %	5.1 %	5.9 %	5.6 %	5.1 %
	Upper	5.2 %	5.2 %	5.7 %	6.5 %	6.2 %	5.4 %
EUR	**Lower**	2.2 %	2.6 %	3.1 %	3.5 %	3.7 %	4.5 %
	Upper	3.2 %	3.5 %	4.0 %	4.4 %	4.5 %	4.6 %
GBP	**Lower**	4.4 %	4.5 %	5.1 %	5.9 %	6.1 %	4.4 %
	Upper	5.1 %	5.2 %	5.9 %	6.7 %	6.8 %	5.1 %

December 31, 2024		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	Lower	4.2 %	4.2 %	4.5 %	4.6 %	4.6 %	4.9 %
	Upper	4.6 %	4.6 %	4.9 %	5.0 %	5.0 %	5.0 %
USD	Lower	4.9 %	5.2 %	5.4 %	5.8 %	5.6 %	5.1 %
	Upper	5.4 %	5.7 %	5.8 %	6.2 %	5.9 %	5.3 %
EUR	Lower	2.5 %	2.5 %	2.8 %	3.0 %	3.2 %	4.3 %
	Upper	3.6 %	3.6 %	3.8 %	4.0 %	4.1 %	4.5 %
GBP	Lower	4.9 %	4.8 %	5.1 %	5.7 %	5.7 %	4.3 %
	Upper	5.7 %	5.5 %	5.9 %	6.5 %	6.5 %	5.1 %

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

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 2025	December 31 2024
Cash and cash equivalents	$ 21,201	$ 18,895
Bonds	74,123	74,444
Mortgage loans	2,041	2,083
Stocks and units in unit trusts	163,297	154,439
Mutual funds	233,732	232,073
Investment properties	11,314	11,317
	505,708	493,251
Accrued income	926	882
Other liabilities	(3,848)	(3,829)
Non-controlling mutual funds interest	6,529	6,082
Total [1, 2]	$ 509,315	$ 496,386

1 At June 30, 2025, $59,395 of investments on account of segregated fund policyholders are reinsured by the Company on a modified coinsurance basis ($65,315 at December 31, 2024). Included in this amount are $684 of cash and cash equivalents, $9,935 of bonds, $17 of stocks and units in unit trusts, $48,724 of mutual funds, $83 of accrued income and $(48) of other liabilities.

2 At June 30, 2025, $2,796 of investments on account of segregated fund policyholders on the Company's Consolidated Balance Sheets are expected to be transferred to Countrywide towards the end of 2025 ($2,750 as at December 31, 2024) (note 3). Included in this amount are $98 of cash and cash equivalents, $2,724 of stocks and units in unit trusts and $(26) of other liabilities.

(b) Changes in Insurance and Investment Contracts on Account of Segregated Fund Policyholders

	For the six months ended June 30	
	2025	2024
Balance, beginning of year	$ 496,386	$ 422,956
Additions (deductions):		
Policyholder deposits	29,158	21,319
Net investment income	2,221	2,348
Net realized capital gains (losses) on investments	9,467	5,533
Net unrealized capital gains (losses) on investments	4,835	20,789
Unrealized gains (losses) due to changes in foreign exchange rates	(1,680)	7,276
Policyholder withdrawals	(31,539)	(22,855)
Change in segregated fund investment in general fund	13	(21)
Net transfer from (to) general fund	7	13
Non-controlling mutual funds interest	447	2,873
Total	12,929	37,275
Balance, end of period	$ 509,315	$ 460,231

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

	June 30, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments on account of segregated fund policyholders [1]	$ 371,296	$ 127,052	$ 14,132	$ 512,480

[1] Excludes other liabilities, net of other assets, of $3,165.

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Investments on account of segregated fund policyholders [1]	$ 348,889	$ 136,947	$ 13,354	$ 499,190

[1] Excludes other liabilities, net of other assets, of $2,804.

For the six months ended June 30, 2025, certain foreign stock holdings valued at $2,002 have been transferred from Level 2 to Level 1 ($1,624 were transferred from Level 1 to Level 2 at December 31, 2024) 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 2025	December 31 2024
Balance, beginning of year	$ 13,354	$ 13,792
Total gains (losses) included in segregated fund investment income	117	(758)
Purchases	882	1,130
Sales	(247)	(872)
Transfers into Level 3	32	97
Transfers out of Level 3	(6)	(35)
Balance, end of period	$ 14,132	$ 13,354

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			
	2025		2024	
	Number	**Carrying value**	Number	Carrying value
Common shares				
Balance, beginning of year	932,107,643	$ 6,071	932,427,987	$ 6,000
Exercised and issued under stock option plan	1,035,148	39	868,866	31
Purchased and cancelled under normal course issuer bid	(8,384,563)	(432)	(1,157,085)	(48)
Excess of redemption proceeds over stated capital per normal course issuer bid	—	377	—	41
Balance, end of period	924,758,228	$ 6,055	932,139,768	$ 6,024

During the six months ended June 30, 2025, 1,035,148 common shares were exercised under the Company's stock plan with a carrying value of $39, including $18 from contributed surplus transferred upon exercise (868,866 with a carrying value of $31, including $2 from contributed surplus transferred upon exercise for the six months ended June 30, 2024).

On January 2, 2025, the Company announced the renewal of its normal course issuer bid (NCIB) commencing January 6, 2025 and terminating January 5, 2026 to purchase for cancellation up to but not more than 20,000,000 of its common shares at market prices.

During the first quarter of 2025 , the Company entered into an Automatic Share Purchase Plan (ASPP) with a broker 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. As at June 30, 2025, an obligation for the repurchase of shares of $40 was recognized in other liabilities under the ASPP, with a corresponding reduction in contributed surplus.

During the six months ended June 30, 2025, the Company repurchased and subsequently cancelled 8,384,563 common shares under the current NCIB at a cost of $432 (1,157,085 common shares at a cost of $48 for the six months ended June 30, 2024, 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 $385 and was recognized as a reduction to accumulated surplus for the six months ended June 30, 2025 ($41 for the six months ended June 30, 2024, 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	
	2025	2024	**2025**	2024
Earnings				
Net earnings from continuing operations before preferred share dividends	$ 927	$ 1,038	$ 1,819	$ 2,101
Preferred share dividends	(33)	(33)	(65)	(65)
Net earnings from continuing operations	894	1,005	1,754	2,036
Net loss from discontinued operations	—	—	—	(115)
Net gain from disposal of discontinued operations	—	—	—	44
Net earnings - common shareholders	$ 894	$ 1,005	$ 1,754	$ 1,965
Number of common shares				
Average number of common shares outstanding	928,546,140	932,504,449	930,125,524	932,615,570
Add: Potential exercise of outstanding stock options	4,344,589	2,281,108	4,284,985	2,624,643
Average number of common shares outstanding - diluted basis	932,890,729	934,785,557	934,410,509	935,240,213
Basic earnings per common share	$ 0.96	$ 1.08	$ 1.89	$ 2.11
Diluted earnings per common share	$ 0.96	$ 1.08	$ 1.88	$ 2.10
Basic earnings per common share from continuing operations	$ 0.96	$ 1.08	$ 1.89	$ 2.18
Diluted earnings per common share from continuing operations	$ 0.96	$ 1.08	$ 1.88	$ 2.18
Dividends per common share	$ 0.610	$ 0.555	$ 1.220	$ 1.110

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 2025	December 31 2024
Tier 1 Capital	$ 21,301	$ 20,142
Tier 2 Capital	7,518	5,253
Total Available Capital	28,819	25,395
Surplus Allowance and Eligible Deposits	5,354	5,130
Total Capital Resources	$ 34,173	$ 30,525
Required Capital	$ 25,855	$ 23,516
Total LICAT Ratio (OSFI Supervisory Target = 100%) [1]	132 %	130 %

[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**	
	2025	2024	**2025**	2024
Current income tax				
Current income tax	$ 55	$ 163	$ 209	$ 356
Global Minimum Tax (GMT) [1]	37	62	68	66
Total current income tax	92	225	277	422
Total deferred income tax	(62)	4	(90)	(24)
Total income tax expense	$ 30	$ 229	$ 187	$ 398

[1] The second quarter of 2024 includes $34 for the retroactive application of the GMT related to the first quarter of 2024.

(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.

The effective income tax rate for the three months ended June 30, 2025 of 3.2% was lower than 17.4% for the three months ended June 30, 2024 primarily due to changes in certain tax estimates relating to prior year tax matters as well as the jurisdictional mix of earnings.

The effective income tax rate for the six months ended June 30, 2025 of 9.2% was lower than 15.5% for the six months ended June 30, 2024 primarily due to the same reasons discussed for the in-quarter effective income tax rate results.

The effective income tax rate for the shareholder account for the three months ended June 30, 2025 was 5.9% compared to 19.4% for the three months ended June 30, 2024.

The effective income tax rate for the shareholder account for the six months ended June 30, 2025 was 11.2% compared to 17.3% for the six months ended June 30, 2024.

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.

15. Segmented Information

(a) Consolidated Net Earnings

For the three months ended June 30, 2025

	United States	Canada	Europe	Capital and Risk Solutions	Corporate	Total
Segment revenue						
Insurance revenue [1]	$ —	$ 2,385	$ 1,815	$ 1,298	$ 53	$ 5,551
Net investment income [2]	921	719	496	77	106	2,319
Changes in fair value on FVTPL assets [2]	514	103	353	(41)	25	954
	1,435	3,207	2,664	1,334	184	8,824
Fee and other income [3]	1,124	491	233	4	96	1,948
	2,559	3,698	2,897	1,338	280	10,772
Other insurance results						
Insurance service expenses	—	(1,647)	(1,573)	(1,048)	(47)	(4,315)
Net income (expenses) from reinsurance contracts	—	(346)	(12)	(13)	(8)	(379)
	—	(1,993)	(1,585)	(1,061)	(55)	(4,694)
Other investment results						
Net finance income (expenses) from insurance contracts	—	(657)	(885)	(24)	(71)	(1,637)
Net finance income (expenses) from reinsurance contracts	—	(16)	13	(2)	(13)	(18)
Changes in investment contract liabilities	(1,173)	(13)	—	(7)	(2)	(1,195)
	(1,173)	(686)	(872)	(33)	(86)	(2,850)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	—	1,342	319	—	—	1,661
Net finance income (expenses) from insurance contracts	—	(1,342)	(319)	—	—	(1,661)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(937)	(490)	(285)	(12)	(75)	(1,799)
Amortization of finite life intangible assets	(59)	(32)	(18)	(1)	(2)	(112)
Financing costs	(1)	—	—	(1)	(99)	(101)
Restructuring and integration expenses	(8)	(226)	(23)	(9)	—	(266)
Earnings (loss) before income taxes	381	271	114	221	(37)	950
Income taxes	76	22	(12)	27	(83)	30
Net earnings before non-controlling interests	305	249	126	194	46	920
Attributable to non-controlling interests	—	(6)	—	—	(1)	(7)
Net earnings before preferred share dividends	305	255	126	194	47	927
Preferred share dividends	—	—	—	—	33	33
Net earnings - common shareholders	$ 305	$ 255	$ 126	$ 194	$ 14	$ 894

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, 2024 [1]

	United States	Canada	Europe	Capital and Risk Solutions	Corporate	Total
Segment revenue						
Insurance revenue [2]	$ —	$ 2,377	$ 1,618	$ 1,219	$ 59	$ 5,273
Net investment income [3]	914	900	404	107	84	2,409
Changes in fair value on FVTPL assets [3]	(76)	35	(630)	(180)	(13)	(864)
	838	3,312	1,392	1,146	130	6,818
Fee and other income [4]	1,070	474	217	4	29	1,794
	1,908	3,786	1,609	1,150	159	8,612
Other insurance results						
Insurance service expenses	—	(1,598)	(1,387)	(1,024)	(48)	(4,057)
Net income (expenses) from reinsurance contracts	—	(358)	(17)	(2)	(8)	(385)
	—	(1,956)	(1,404)	(1,026)	(56)	(4,442)
Other investment results						
Net finance income (expenses) from insurance contracts	—	(751)	441	106	(5)	(209)
Net finance income (expenses) from reinsurance contracts	—	4	(98)	1	(21)	(114)
Changes in investment contract liabilities	(534)	(41)	—	2	—	(573)
	(534)	(788)	343	109	(26)	(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	(904)	(505)	(243)	(8)	(69)	(1,729)
Amortization of finite life intangible assets	(55)	(31)	(14)	(1)	(2)	(103)
Financing costs	(2)	—	—	(1)	(98)	(101)
Restructuring and integration expenses	(27)	—	—	—	—	(27)
Earnings (loss) before income taxes	386	506	291	223	(92)	1,314
Income taxes	105	86	60	59	(81)	229
Net earnings (loss) from continuing operations before non-controlling interests	281	420	231	164	(11)	1,085
Attributable to non-controlling interests	—	47	—	—	—	47
Net earnings (loss) from continuing operations before preferred share dividends	281	373	231	164	(11)	1,038
Preferred share dividends	—	—	—	—	33	33
Net earnings (loss) - common shareholders	$ 281	$ 373	$ 231	$ 164	$ (44)	$ 1,005

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

[2] Included within insurance service result in the Consolidated Statements of Earnings.

[3] Included within net investment result in the Consolidated Statements of Earnings.

[4] Included within other income and expenses in the Consolidated Statements of Earnings.

For the six months ended June 30, 2025

	United States	Canada	Europe	Capital and Risk Solutions	Corporate	Total
Segment revenue						
Insurance revenue [1]	$ —	$ 4,806	$ 3,541	$ 2,578	$ 112	$ 11,037
Net investment income [2]	1,829	1,585	900	151	189	4,654
Changes in fair value on FVTPL assets [2]	1,447	841	(20)	(160)	105	2,213
	3,276	7,232	4,421	2,569	406	17,904
Fee and other income [3]	2,277	987	466	8	121	3,859
	5,553	8,219	4,887	2,577	527	21,763
Other insurance results						
Insurance service expenses	—	(3,339)	(3,054)	(2,099)	(99)	(8,591)
Net income (expenses) from reinsurance contracts	—	(717)	(53)	(23)	(16)	(809)
	—	(4,056)	(3,107)	(2,122)	(115)	(9,400)
Other investment results						
Net finance income (expenses) from insurance contracts	—	(2,148)	(730)	34	(219)	(3,063)
Net finance income (expenses) from reinsurance contracts	—	(2)	(146)	2	(11)	(157)
Changes in investment contract liabilities	(2,727)	(49)	—	(24)	(3)	(2,803)
	(2,727)	(2,199)	(876)	12	(233)	(6,023)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	—	1,356	55	—	—	1,411
Net finance income (expenses) from insurance contracts	—	(1,356)	(55)	—	—	(1,411)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(1,894)	(1,000)	(533)	(24)	(157)	(3,608)
Amortization of finite life intangible assets	(120)	(64)	(33)	(1)	(5)	(223)
Financing costs	(3)	—	—	(2)	(199)	(204)
Restructuring and integration expenses	(9)	(226)	(33)	(9)	—	(277)
Earnings (loss) before income taxes	800	674	305	431	(182)	2,028
Income taxes	157	98	12	53	(133)	187
Net earnings (loss) from continuing operations before non-controlling interests	643	576	293	378	(49)	1,841
Attributable to non-controlling interests	—	20	—	—	2	22
Net earnings (loss) from continuing operations before preferred share dividends	643	556	293	378	(51)	1,819
Preferred share dividends	—	—	—	—	65	65
Net earnings (loss) - common shareholders	$ 643	$ 556	$ 293	$ 378	$ (116)	$ 1,754

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 [1]

	United States	Canada	Europe	Capital and Risk Solutions	Corporate	Total
Segment revenue						
Insurance revenue [2]	$ —	$ 4,783	$ 3,203	$ 2,419	$ 118	$ 10,523
Net investment income [3]	1,857	1,775	749	207	161	4,749
Changes in fair value on FVTPL assets [3]	(517)	(496)	(923)	(273)	(40)	(2,249)
	1,340	6,062	3,029	2,353	239	13,023
Fee and other income [4]	2,044	934	425	7	56	3,466
	3,384	6,996	3,454	2,360	295	16,489
Other insurance results						
Insurance service expenses	—	(3,273)	(2,748)	(2,006)	(97)	(8,124)
Net income (expenses) from reinsurance contracts	—	(697)	(48)	(10)	(16)	(771)
	—	(3,970)	(2,796)	(2,016)	(113)	(8,895)
Other investment results						
Net finance income (expenses) from insurance contracts	—	(875)	524	174	(5)	(182)
Net finance income (expenses) from reinsurance contracts	—	(11)	(133)	—	(21)	(165)
Changes in investment contract liabilities	(691)	(61)	1	8	(1)	(744)
	(691)	(947)	392	182	(27)	(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	(1,835)	(971)	(473)	(14)	(139)	(3,432)
Amortization of finite life intangible assets	(109)	(59)	(29)	(1)	(5)	(203)
Financing costs	(4)	—	—	(2)	(195)	(201)
Restructuring and integration expenses	(72)	(23)	—	—	—	(95)
Earnings (loss) before income taxes	673	1,026	548	509	(184)	2,572
Income taxes	150	189	101	75	(117)	398
Net earnings (loss) from continuing operations before non-controlling interests	523	837	447	434	(67)	2,174
Attributable to non-controlling interests	—	73	—	—	—	73
Net earnings (loss) from continuing operations before preferred share dividends	523	764	447	434	(67)	2,101
Preferred share dividends	—	—	—	—	65	65
Net earnings (loss) from continuing operations	523	764	447	434	(132)	2,036
Net loss from discontinued operations	(115)	—	—	—	—	(115)
Net gain from disposal of discontinued operations	44	—	—	—	—	44
Net earnings (loss) - common shareholders	$ 452	$ 764	$ 447	$ 434	$ (132)	$ 1,965

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

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

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

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

During the first quarter of 2025, the Company realigned certain activities to Corporate from other operating segments of the Company. The adjustments had no impact on the total net earnings or cash flows of the Company. The comparative figures are reclassified to be consistent.

The Revenue by Source Currency for Capital and Risk Solutions

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	**2025**	2024
Revenue				
United States	$ 300	$ 268	$ 736	$ 602
United Kingdom	613	476	1,117	907
Japan	(30)	(85)	(82)	(79)
Other	455	491	806	930
Total revenue	$ 1,338	$ 1,150	$ 2,577	$ 2,360

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, 2025				
	United States	Canada	Europe	Capital and Risk Solutions	Total
Assets					
Invested assets	$ 87,727	$ 99,394	$ 45,922	$ 11,458	$ 244,501
Insurance contract assets	300	425	395	155	1,275
Reinsurance contract held assets	11,803	1,209	3,826	107	16,945
Goodwill and intangible assets	6,253	6,665	3,166	—	16,084
Other assets	16,001	6,445	4,149	127	26,722
Investments on account of segregated fund policyholders	213,288	116,754	179,273	—	509,315
Total	$ 335,372	$ 230,892	$ 236,731	$ 11,847	$ 814,842
Liabilities					
Insurance contract liabilities	$ 17,579	$ 89,156	$ 44,113	$ 7,222	$ 158,070
Investment contract liabilities	83,172	3,670	383	609	87,834
Reinsurance contract held liabilities	140	257	315	44	756
Other liabilities	11,834	9,648	3,419	1,270	26,171
Insurance contracts on account of segregated fund policyholders	13,820	36,249	17,148	—	67,217
Investment contracts on account of segregated fund policyholders	199,468	80,505	162,125	—	442,098
Total	$ 326,013	$ 219,485	$ 227,503	$ 9,145	$ 782,146

	December 31, 2024				
	United States	Canada	Europe	Capital and Risk Solutions	Total
Assets					
Invested assets	$ 89,768	$ 98,262	$ 44,321	$ 11,434	$ 243,785
Insurance contract assets	335	434	353	71	1,193
Reinsurance contract held assets	12,756	1,216	3,746	124	17,842
Goodwill and intangible assets	6,667	6,645	3,074	—	16,386
Other assets	16,741	5,769	3,982	79	26,571
Investments on account of segregated fund policyholders	215,986	114,547	165,853	—	496,386
Total	$ 342,253	$ 226,873	$ 221,329	$ 11,708	$ 802,163
Liabilities					
Insurance contract liabilities	$ 18,881	$ 87,250	$ 42,066	$ 7,486	$ 155,683
Investment contract liabilities	85,470	3,698	330	659	90,157
Reinsurance contract held liabilities	159	283	313	40	795
Other liabilities	12,523	9,572	3,456	937	26,488
Insurance contracts on account of segregated fund policyholders	14,409	35,893	16,041	—	66,343
Investment contracts on account of segregated fund policyholders	201,577	78,654	149,812	—	430,043
Total	$ 333,019	$ 215,350	$ 212,018	$ 9,122	$ 769,509

The Assets by Source Currency for Capital and Risk Solutions

	June 30 2025	December 31 2024
Assets		
United States	$ 4,871	$ 4,792
United Kingdom	3,608	3,694
Japan	2,913	2,926
Other	455	296
Total assets	$ 11,847	$ 11,708

(c) CSM

	For the six months ended June 30, 2025							
	Non-Participating (excluding Segregated Funds)							
	United States	**Canada**	**Europe**	**Capital and Risk Solutions**	**Total**	**Segregated Funds**	**Par**	**Total** [1]
CSM, beginning of year	$ 55	$ 690	$ 3,664	$ 2,436	$ 6,845	$ 3,268	$ 3,255	$ 13,368
CSM recognized for services provided	(4)	(36)	(160)	(130)	(330)	(200)	(76)	(606)
Contracts initially recognized in the year	—	16	114	72	202	69	54	325
Changes in estimates that adjust the CSM	16	10	38	14	78	7	180	265
Net finance (income) expenses from insurance contracts	2	10	45	32	89	(7)	—	82
Effect of movement in exchange rates	(4)	—	184	89	269	111	(12)	368
CSM, end of period	$ 65	$ 690	$ 3,885	$ 2,513	$ 7,153	$ 3,248	$ 3,401	$ 13,802

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

	For the year ended December 31, 2024							
	Non-Participating (excluding Segregated Funds)							
	United States	Canada	Europe	Capital and Risk Solutions	Total	Segregated Funds	Par	Total [1]
CSM, beginning of year	$ 24	$ 1,159	$ 3,255	$ 1,745	$ 6,183	$ 3,298	$ 3,154	$ 12,635
CSM recognized for services provided	(5)	(103)	(286)	(178)	(572)	(408)	(151)	(1,131)
Contracts initially recognized in the year	—	36	371	251	658	170	119	947
Changes in estimates that adjust the CSM	31	(431)	79	477	156	197	113	466
Net finance (income) expenses from insurance contracts	1	29	79	47	156	(17)	—	139
Effect of movement in exchange rates	4	—	166	94	264	28	20	312
CSM, end of year	$ 55	$ 690	$ 3,664	$ 2,436	$ 6,845	$ 3,268	$ 3,255	$ 13,368

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

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