













CAPITAL AND RISK SOLUTIONS

- **Q2 Capital and Risk Solutions segment base earnings of \$174 million and net earnings of \$167 million**  
Base earnings for the second quarter of 2022 were \$174 million, up 16% compared to the second quarter of 2021, primarily due to growth in business in-force, favourable claims experience in the U.S. life business and the commutation of a reinsurance treaty, partially offset by the impact of currency movement.
- **Continue growing presence in the global reinsurance market** – In the second quarter of 2022, Capital and Risk Solutions continued growing its international presence in Asia, Europe and the U.S. The Company entered into another reinsurance transaction in Israel, completed new longevity contracts in the U.K. and added new structured transactions in the U.S. during the quarter.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of \$0.4900 per share on the common shares of Lifeco payable September 29, 2022 to shareholders of record at the close of business September 1, 2022.

In addition, the Directors approved quarterly dividends on Lifeco's first preferred shares payable September 29, 2022 to shareholders of record at the close of business September 1, 2022, as follows:

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

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



P. A. Mahon  
President and Chief Executive Officer

August 3, 2022





















































**RETURN ON EQUITY (ROE)<sup>1</sup>**

	<b>June 30 2022</b>	March 31 2022	June 30 2021
<b>Base Return on Equity<sup>2</sup></b>			
Canada	<b>16.1 %</b>	16.5 %	17.4 %
U.S. Financial Services	<b>10.1 %</b>	10.4 %	8.6 %
U.S. Asset Management (Putnam)	<b>3.1 %</b>	5.0 %	3.4 %
Europe	<b>16.1 %</b>	15.0 %	13.0 %
Capital and Risk Solutions	<b>34.5 %</b>	36.6 %	38.9 %
<b>Total Lifeco Base Earnings Basis<sup>2</sup></b>	<b>14.5 %</b>	14.7 %	13.9 %
<b>Return on Equity<sup>1</sup></b>			
Canada	<b>16.0 %</b>	16.3 %	16.5 %
U.S. Financial Services	<b>5.9 %</b>	7.6 %	6.0 %
U.S. Asset Management (Putnam)	<b>3.1 %</b>	4.8 %	14.2 %
Europe	<b>18.7 %</b>	17.1 %	16.2 %
Capital and Risk Solutions	<b>33.0 %</b>	35.6 %	42.7 %
<b>Total Lifeco Net Earnings Basis<sup>1</sup></b>	<b>13.7 %</b>	14.1 %	15.0 %

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

<sup>2</sup> This metric is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

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

**RATINGS**

Lifeco maintains ratings from five independent ratings companies. Credit ratings<sup>1</sup> are intended to provide investors with an independent measure of the credit quality of a corporation and securities of a corporation, and are indicators of the likelihood of payment and the capacity of a corporation to meet its obligations in accordance with the terms of each obligation.

In the second quarter of 2022, the existing credit ratings for Lifeco and its major operating subsidiaries were unchanged<sup>1</sup>. The Company continued to receive strong ratings relative to its North American peer group resulting from its conservative risk profile, stable net earnings and strong capitalization.

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

<sup>1</sup> These ratings are not a recommendation to buy, sell or hold the securities of the Company or its subsidiaries and do not address market price or other factors that might determine suitability of a specific security for a particular investor. The ratings also may not reflect the potential impact of all risks on the value of securities and are subject to revision or withdrawal at any time by the rating agency.

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

### SEGMENTED OPERATING RESULTS

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

### TRANSLATION OF FOREIGN CURRENCY

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

### CANADA

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

### Developments

- On May 12, 2022, Canada Life announced the dividend scale interest rate will increase for the policies in the combined open participating account effective July 1, 2022 to 5.25%.
- Canada Life Group Customer and ClaimSecure Inc. (ClaimSecure) had their first significant joint sale in the second quarter of 2022. Integration is going well and quoting momentum is strong.



**Selected Financial Information - Canada**

	For the three months ended			For the six months ended	
	June 30 2022	March 31 2022	June 30 2021	June 30 2022	June 30 2021
<b>Base earnings (loss)<sup>1</sup></b>					
Individual Customer	\$ 96	\$ 124	\$ 162	\$ 220	\$ 300
Group Customer	207	138	189	345	343
Canada Corporate	(7)	10	(58)	3	(52)
<b>Base earnings<sup>1</sup></b>	<b>\$ 296</b>	<b>\$ 272</b>	<b>\$ 293</b>	<b>\$ 568</b>	<b>\$ 591</b>
<b>Items excluded from base earnings</b>					
Actuarial assumption changes and other management actions <sup>2</sup>	\$ 1	\$ —	\$ (6)	\$ 1	\$ (19)
Market-related impacts on liabilities <sup>2</sup>	4	3	1	7	3
<b>Net earnings - common shareholders</b>	<b>\$ 301</b>	<b>\$ 275</b>	<b>\$ 288</b>	<b>\$ 576</b>	<b>\$ 575</b>
<b>Sales<sup>2</sup></b>					
Individual Insurance	\$ 97	\$ 93	\$ 99	\$ 190	\$ 208
Individual Wealth	2,364	2,947	2,549	5,311	5,792
Group Insurance	101	255	101	356	377
Group Wealth	657	1,009	596	1,666	1,701
<b>Sales<sup>2</sup></b>	<b>\$ 3,219</b>	<b>\$ 4,304</b>	<b>\$ 3,345</b>	<b>\$ 7,523</b>	<b>\$ 8,078</b>
<b>Wealth Management net cash flows<sup>2</sup></b>					
Individual Customer	\$ (412)	\$ 173	\$ 222	\$ (239)	\$ 545
Group Customer	86	541	(198)	627	(502)
<b>Wealth Management net cash flows<sup>2</sup></b>	<b>\$ (326)</b>	<b>\$ 714</b>	<b>\$ 24</b>	<b>\$ 388</b>	<b>\$ 43</b>
<b>Fee and other income</b>					
Individual Customer	\$ 284	\$ 292	\$ 284	\$ 576	\$ 550
Group Customer	206	208	192	414	380
Canada Corporate	8	8	16	16	31
<b>Fee and other income</b>	<b>\$ 498</b>	<b>\$ 508</b>	<b>\$ 492</b>	<b>\$ 1,006</b>	<b>\$ 961</b>
<b>Total assets</b>	<b>\$ 188,037</b>	<b>\$ 199,781</b>	<b>\$ 194,528</b>		
Other assets under management <sup>2,3</sup>	4,050	4,721	5,852		
<b>Total assets under management<sup>1</sup></b>	<b>192,087</b>	<b>204,502</b>	<b>200,380</b>		
Other assets under administration <sup>2,4</sup>	25,800	28,527	31,521		
<b>Total assets under administration<sup>1,4</sup></b>	<b>\$ 217,887</b>	<b>\$ 233,029</b>	<b>\$ 231,901</b>		

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

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

<sup>3</sup> At June 30, 2022, other assets under management excluded \$2.9 billion in proprietary mutual funds accounted for as investments on account of segregated fund policyholders (\$3.1 billion at March 31, 2022 and \$1.9 billion at June 30, 2021). Excluding this consolidation adjustment, other assets under management were \$6.9 billion at June 30, 2022 (\$7.8 billion at March 31, 2022 and \$7.8 billion at June 30, 2021).

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



















































































































































