REPORT TO SHAREHOLDERS

2024

Third Quarter Results

For the period ended September 30, 2024

GREAT-WEST LIFECO INC.

E1138(09/24)-11/24

Quarterly Report to Shareholders

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

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

GREAT-WEST LIFECO INC.

QUARTERLY REPORT TO THE SHAREHOLDERS

January 1 to September 30, 2024 Nine Months Results

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

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

Key Financial Highlights

	In-Quarter			Year-to-Date	
Earnings	**Q3 2024**	Q2 2024	Q3 2023	**2024**	2023
Base earnings[1]	**$1,061**	$1,038	$950	**$3,077**	$2,696
Net earnings from continuing operations	**$859**	$1,005	$936	**$2,895**	$2,119
Net earnings	**$859**	$1,005	$905	**$2,824**	$1,998
Earnings per share					
Base EPS[2]	**$1.14**	$1.11	$1.02	**$3.30**	$2.89
Net EPS from continuing operations	**$0.92**	$1.08	$1.01	**$3.10**	$2.28
Net EPS	**$0.92**	$1.08	$0.97	**$3.03**	$2.15
Return on Equity					
Base ROE[2,3]	**17.3%**	17.2%	16.4%		
ROE – continuing operations[3]	**15.6%**	16.2%	11.9%		

[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.

Record base earnings[1] of $1,061 million or $1.14 per common share, up 12% from $950 million a year ago reflects continued pre-tax growth and higher earnings on surplus from all segments, partially offset by the impact of the Global Minimum Tax (GMT) in the Capital and Risk Solutions and Europe segments. Base earnings growth was driven by net fee and spread income growth from higher equity markets and the addition of Investment Planning Counsel (IPC) and Value Partners, higher investment earnings, as well as favourable experience in the U.S. life reinsurance business. These items were partially offset by unfavourable group mortality experience in the Europe segment.

Net earnings from continuing operations of $859 million or $0.92 per common share, compared to $936 million a year ago reflects less favourable impacts of relative interest rate movements, including spread movements, and more unfavourable fair value impacts of assumption changes and management actions partially offset by higher base earnings. The third quarter of 2023 included reductions in commercial property values in the Europe segment.

In the third quarter of 2024, the Company completed certain actuarial assumption reviews and model refinements related to insurance contract liabilities which resulted in a positive economic impact. Within the Company's financial statements this is observed through an increase to contractual service margin on non-participating business of $305 million and a negative impact to net earnings of $203 million. These assumption changes improved the capital position of the Company, increasing the Canada Life LICAT ratio by two points. The assumption changes have a modest positive impact on base earnings from the beginning of third quarter of 2024 onwards.

Highlights

- Record base earnings for the fifth consecutive quarter:
  - Base EPS up 14% year-to-date and on track to exceed our medium-term objective in 2024.
  - Base ROE at the top end of the range of our medium-term objective.
  - Strong regulatory capital levels continue to provide substantial flexibility.
- Wealth and Retirement businesses continue to drive growth across the business with total Lifeco assets under administration (AUA)[4] exceeding $3 trillion for the first time:
  - Strong asset growth across each operating segment, with year-over-year average AUA[4] growth of 43% in Canada[5] and 21% in Europe; while at Empower, robust year-over-year average AUA growth in Defined Contribution (DC) of 16% and 25% in Personal Wealth.
  - In Canada, individual segregated fund sales have grown 26% from prior year and total Individual Wealth Management net asset flows[6] (excluding IPC and Value Partners) are up $113 million from prior year and up $189 million from the second quarter of 2024. IPC and Value Partners have contributed $407 million of net asset inflows in 2024.
  - Canada Life is extending its reach in the underserved Canadian mass market, with a distribution agreement signed in the third quarter of 2024 with managing general agent Primerica Life Insurance Company of Canada (Primerica) which provides Primerica's advisors with access to a curated segregated fund shelf.
  - International product sales drove Wealth & Asset Management sales growth of 38% in the U.K. from the prior year and Wealth & Asset Management AUA is up 22% in Ireland from the prior year.
- Empower continues to execute on its strategy, strengthening confidence in delivering on the U.S. segment base earnings growth objective for 2024:
  - U.S. delivered strong base earnings growth of 35% for the quarter.
  - Base ROE has increased approximately 300 basis points in the past 12 months.
  - Results at Empower are driven by market performance and positive net flows in Personal Wealth.
  - Empower acquired Plan Management Corporation (PMC), the creator of OptionTrax, a digital equity plan administration and service provider, expanding Empower's retirement services to employers who offer equity compensation programs as well as enhancing financial planning services offered through the Empower Personal Wealth business.
- Disciplined approach to managing business remains a core attribute contributing to the strength and stability of the Company's long-term performance:
  - Current preliminary estimates of insured losses arising from recent catastrophe events do not reach the level where any significant claims would be anticipated. The Company also monitors potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.

[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] Includes Investment Planning Counsel (IPC) and Value Partners acquisitions.

[6] 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.

SEGMENTED OPERATING RESULTS

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

	In-Quarter			Year-to-Date	
	Q3 2024	Q2 2024	Q3 2023	**2024**	2023
Segment base earnings[7]					
Canada	**$317**	$322	$296	**$941**	$857
United States	**359**	324	262	**969**	745
Europe	**195**	206	206	**598**	564
Capital and Risk Solutions	**210**	190	198	**595**	558
Lifeco Corporate	**(20)**	(4)	(12)	**(26)**	(28)
Total base earnings[7]	**$1,061**	$1,038	$950	**$3,077**	$2,696
Segment net earnings from continuing operations					
Canada	**$460**	$335	$414	**$1,148**	$795
United States	**307**	274	244	**814**	575
Europe	**115**	201	25	**503**	167
Capital and Risk Solutions	**9**	155	265	**424**	618
Lifeco Corporate	**(32)**	40	(12)	**6**	(36)
Total net earnings from continuing operations	**$859**	$1,005	$936	**$2,895**	$2,119
Net earnings (loss) from discontinued operations	**-**	-	(31)	**(115)**	(121)
Net gain on disposal of discontinued operations	**-**	-	-	**44**	-
Total net earnings	**$859**	$1,005	$905	**$2,824**	$1,998

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

CANADA

- **Q3 Canada segment base earnings of $317 million and net earnings of $460 million** – Base earnings of $317 million increased by $21 million, or 7%, compared to the same quarter last year, reflecting higher net fee and spread income from the addition of IPC and Value Partners and higher equity markets, as well as improved credit experience and higher earnings on surplus. These items were partially offset by lower CSM recognized for services provided in Insurance and Annuities driven by actuarial assumption changes.

UNITED STATES

- **Q3 United States segment base earnings of US$264 million ($359 million) and net earnings from continuing operations of US$225 million ($307 million)** – Base earnings of US$264 million increased by US$69 million, or 35%, compared to the third quarter of 2023, primarily due to an increase in fee income driven by growth in the business and higher equity markets, as well as higher earnings on surplus assets, partially offset by higher crediting rates and higher growth-related operating expenses.

EUROPE

- **Q3 Europe segment base earnings of $195 million and net earnings of $115 million** – Base earnings of $195 million decreased by $11 million, or 5%, compared to the same quarter last year, primarily due to unfavourable group mortality experience in the U.K., tax impacts from the prior year in Germany that did not repeat and a higher effective tax rate due to the implementation of the GMT. These items were partially offset by higher fee income in the U.K. and Ireland as well as favourable impacts from trading activity in the U.K. On a pre-tax, constant currency basis, base earnings have increased 10% compared to the same quarter last year.

CAPITAL AND RISK SOLUTIONS

- **Q3 Capital and Risk Solutions segment base earnings of $210 million and net earnings of $9 million –** Base earnings of $210 million increased by $12 million, or 6%, compared to the same quarter last year, as favourable claims experience in the U.S. life business and higher earnings on surplus were partially offset by the impact of the GMT. Excluding the $26 million impact of the GMT, base earnings were up 19% compared to the third quarter of 2023.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of $0.555 per share on the common shares of Lifeco, payable, December 31, 2024 to shareholders of record at the close of business December 3, 2024.

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

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

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

P. A. Mahon
President and Chief Executive Officer

November 6, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

DATED: NOVEMBER 6, 2024

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

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Basis of Presentation and Summary of Material Accounting Policies

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

Cautionary Note Regarding Forward-Looking Information

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

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

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

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

Important Note Regarding Sustainability Disclosure

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

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

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

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

Cautionary Note Regarding Non-GAAP Financial Measures and Ratios

This MD&A contains some non-Generally Accepted Accounting Principles (GAAP) financial measures and non-GAAP ratios as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure". Terms by which non-GAAP financial measures are identified include, but are not limited to, "base earnings (loss)", "base earnings (loss) (US$)", "base earnings: insurance service result", "base earnings: net investment result", "assets under management" and "assets under administration". Terms by which non-GAAP ratios are identified include, but are not limited to, "base earnings per common share (EPS)", "base return on equity (ROE)", "base dividend payout ratio" and "effective income tax rate – base earnings – common shareholders". Non-GAAP financial measures and ratios are used to provide management and investors with additional measures of performance to help assess results where no comparable GAAP (IFRS) measure exists. However, non-GAAP financial measures and ratios do not have standard meanings prescribed by GAAP (IFRS) and are not directly comparable to similar measures used by other companies. Refer to the "Non-GAAP Financial Measures and Ratios" section in this MD&A for the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP as well as additional details on each measure and ratio.

Consolidated Operating Results

Selected consolidated financial information

(in Canadian $ millions, except per share amounts)	As at or for the three months ended **Sept. 30 2024**	 June 30 2024	 Sept. 30 2023	For the nine months ended **Sept. 30 2024**	 Sept. 30 2023
Base earnings[1]	$ 1,061	$ 1,038	$ 950	$ 3,077	$ 2,696
Net earnings from continuing operations[2]	859	1,005	936	2,895	2,119
Net earnings - common shareholders	859	1,005	905	2,824	1,998
Per common share					
Basic:					
Base earnings[3]	1.14	1.11	1.02	3.30	2.89
Net earnings from continuing operations	0.92	1.08	1.01	3.10	2.28
Net earnings	0.92	1.08	0.97	3.03	2.15
Dividends paid	0.555	0.555	0.520	1.665	1.560
Book value[2]	25.78	25.36	24.01		
Base return on equity[3]	17.3 %	17.2 %	16.4 %		
Return on equity - continuing operations[2]	15.6 %	16.2 %	11.9 %		
Base dividend payout ratio[3]	48.7 %	50.0 %	51.0 %		
Dividend payout ratio[2]	60.3 %	51.4 %	53.5 %		
Financial leverage ratio[4]	29 %	29 %	31 %		
Total assets per financial statements	$ 779,741	$ 749,562	$ 680,010		
Total assets under management[1]	1,004,183	961,501	1,032,857		
Total assets under administration[1]	3,110,284	2,929,042	2,628,364		
Total contractual service margin (net of reinsurance contracts held)	$ 13,517	$ 13,008	$ 13,054		
Total equity	$ 31,311	$ 30,870	$ 29,529		
Canada Life Assurance Company consolidated LICAT Ratio[5]	134 %	130%	128%		

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.

2024 Developments

- Total assets under administration exceeded $3 trillion for the first time with growth across each of Lifeco's operating segments of 15% in Europe, 10% in Canada, 7% in the U.S. and 2% in Capital and Risk Solutions from December 31, 2023.
- In the third quarter of 2024, the Company completed certain assumption reviews and model refinements related to insurance contract liabilities which resulted in a positive economic impact. Within the Company's financial statements, this is observed through an increase to contractual service margin on non-participating business of $305 million and a negative impact to net earnings of $203 million. These assumption changes improved the capital position of the Company, increasing the Canada Life LICAT ratio by two points.
- 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 recent catastrophe events do not reach the level where any significant claims would be anticipated. In addition, the Company continues to monitor potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.
- Under International Pillar Two tax reform, the Organization for Economic Co-Operation and Development (OECD) introduced a 15% Global Minimum Tax (GMT) regime that has been adopted by all countries in which the Company has significant operations, other than the U.S. Canada enacted GMT legislation on June 20, 2024 which applies retroactively to January 1, 2024. Other countries where the Company has significant operations, including Barbados, Germany, Ireland and the U.K. had previously enacted GMT legislation, effective January 1, 2024.

  The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rates are below 15%. In the third quarter of 2024, the Company recognized a GMT current tax expense of $23 million ($89 million for the nine months ended September 30, 2024), primarily related to its operations in Barbados and Ireland.
- In the United States, on January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments to Franklin Resources, Inc., operating as "Franklin Templeton", in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US$375 million over a five to seven-year period. In the first quarter of 2024, the Company recorded a net loss of $115 million reflecting closing costs as well as a $44 million final gain on sale within discontinued operations. Lifeco retains its controlling interest in PanAgora Asset Management, a leading quantitative asset manager. The Company currently holds approximately 31,600,000 Franklin Templeton shares and will hold a majority of these shares until at least January 1, 2029. The shares are held at fair value with changes in fair market value flowing through other comprehensive income (OCI).

  In addition to the sale, Lifeco, along with Power Corporation of Canada and Franklin Templeton, entered into a strategic relationship to distribute Franklin Templeton products for the benefit of clients, distribution partners, and shareholders.

Base and Net Earnings

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

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

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]					
Canada	$ 317	$ 322	$ 296	$ 941	$ 857
United States	359	324	262	969	745
Europe	195	206	206	598	564
Capital and Risk Solutions	210	190	198	595	558
Lifeco Corporate	(20)	(4)	(12)	(26)	(28)
Lifeco base earnings[1]	$ 1,061	$ 1,038	$ 950	$ 3,077	$ 2,696
Items excluded from base earnings					
Market experience relative to expectations[2]	$ 41	$ 28	$ 153	$ 176	$ (94)
Realized OCI gains / (losses) from asset rebalancing	—	—	—	—	(121)
Assumption changes and management actions[2]	(203)	39	(106)	(165)	(103)
Other non-market related impacts[3]	(40)	(100)	(61)	(193)	(259)
Items excluded from Lifeco base earnings	$ (202)	$ (33)	$ (14)	$ (182)	$ (577)
Net earnings (loss) from continuing operations[2]					
Canada	$ 460	$ 335	$ 414	$ 1,148	$ 795
United States	307	274	244	814	575
Europe	115	201	25	503	167
Capital and Risk Solutions	9	155	265	424	618
Lifeco Corporate	(32)	40	(12)	6	(36)
Lifeco net earnings from continuing operations[2]	$ 859	$ 1,005	$ 936	$ 2,895	$ 2,119
Net earnings (loss) from discontinued operations	—	—	(31)	(115)	(121)
Net gain from disposal of discontinued operations	—	—	—	44	—
Lifeco net earnings - common shareholders	$ 859	$ 1,005	$ 905	$ 2,824	$ 1,998

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

Base Earnings

Base earnings for the third quarter of 2024 of $1,061 million ($1.14 per common share) increased by $111 million or 12% from $950 million ($1.02 per common share) a year ago reflecting continued pre-tax growth and higher earnings on surplus from all segments, partially offset by the impact of the GMT in the Capital and Risk Solutions and Europe segments. Base earnings growth was driven by net fee and spread income growth from higher equity markets and the addition of Investment Planning Counsel (IPC) and Value Partners, higher investment earnings driven by the impact of trading activity and improved credit experience, as well as favourable claims experience in the U.S. life reinsurance business. These items were partially offset by unfavourable group mortality experience in the Europe segment.

For the nine months ended September 30, 2024, Lifeco's base earnings were $3,077 million ($3.30 per common share) compared to $2,696 million ($2.89 per common share) a year ago. The increase was primarily due to strong group health experience and organic growth in the Canada segment, growth in the structured business in the Capital and Risk Solutions segment as well as the same reasons discussed for the in-quarter results.

Net Earnings

Lifeco's net earnings from continuing operations for the three month period ended September 30, 2024 of $859 million ($0.92 per common share) decreased by $77 million or 8% compared to $936 million ($1.01 per common share) a year ago. The decrease was primarily due to the impact of relative interest rate movements, including spread movements, and negative fair value impacts of assumption changes and management actions. These items were partially offset by higher base earnings and the impact of reductions in commercial property values in the Europe segment in the prior year. The results from discontinued operations for the third quarter of 2024 were nil compared to a net loss of $31 million a year ago.

For the nine months ended September 30, 2024, Lifeco's net earnings from continuing operations were $2,895 million ($3.10 per common share) compared to $2,119 million ($2.28 per common share) a year ago. The increase was primarily due to favourable non-fixed income experience in the Canada segment and for the same reasons discussed for the in-quarter results. The prior year period included the following items that did not repeat in 2024: a provision related to Empower's sale of substantially all of its individual life and annuity business in 2019; and realized OCI losses related to asset rebalancing in the surplus account in the Europe segment. The results from discontinued operations for the nine months ended September 30 included a net loss of $115 million as well as a $44 million final gain on sale compared to a net loss of $121 million a year ago.

Lifeco's net earnings from continuing operations for the three month period ended September 30, 2024 of $859 million ($0.92 per common share) decreased by $146 million or 15% compared to $1,005 million ($1.08 per common share) in the previous quarter. The decrease was primarily due to unfavourable fair value impacts of actuarial assumption changes and management actions, partially offset by favourable non-fixed income experience relative to expectations and higher base earnings. The results from discontinued operations as discussed for the year-over-year results were nil and were comparable to the previous quarter.

Items Excluded from Base Earnings

Market Experience Relative to Expectations

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Public equity market impacts	$ 22	$ 1	$ (15)	$ 49	$ (13)
Real estate and other non-fixed income asset impacts	(10)	(26)	(129)	(95)	(309)
Interest rate and other impacts	29	53	297	222	228
Total market experience relative to expectations	$ 41	$ 28	$ 153	$ 176	$ (94)

Market experience relative to expectations, which are reflected in the net investment result of the Company's consolidated statement of earnings, positively impacted net earnings by $41 million in the third quarter of 2024, compared to a positive impact of $153 million in the third quarter of 2023.

In-quarter impacts reflect interest rate movements including spread movements, higher returns than expected on public equity assets, and lower returns than expected on real estate assets which are partially offset by higher returns than expected on other non-fixed income assets. The positive interest rate and other impacts result primarily arose from liabilities decreasing by more than their supporting assets in the Canada and Capital and Risk Solutions segments, driven by risk-free rate decreases; the impacts in the Canada segment were due to short-term rates decreasing more than long-term rates. The positive public equity market impacts arose primarily from higher returns than expected in the Canada segment. The lower returns than expected on real estate and other non-fixed income assets arose on real estate assets in the U.K. in the Europe segment and in the Canada segment, partially offset by higher returns than expected on other non-fixed income assets in the Canada and the U.S. segments.

For the nine months ended September 30, 2024, market experience relative to expectations positively impacted net earnings by $176 million which compares favourably to a negative impact of $94 million for the same period in 2023. The 2024 year-to-date positive impact was primarily due to interest rate movements, partially offset by lower returns than expected on real estate assets.

In order to mitigate the Company's exposure to interest rate fluctuations, the Company follows disciplined processes for matching asset and liability cash flows. As a result, the impact of changing interest rates is mostly mitigated in the current period, with the impact of changes in fair values of bonds backing insurance contract liabilities mostly offset by a corresponding change in the insurance contract liabilities. However, differences in the interest rate sensitivity in the value of assets and the value of insurance and investment contract liabilities leads to a sensitivity to interest rate movements in net earnings under IFRS 17, *Insurance Contracts* and IFRS 9, *Financial Instruments* 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 under IFRS 9, which are valued at amortized cost and held in the general fund assets supporting liabilities (for example, mortgage assets in the U.K.), also contributes to interest rate exposure in net earnings. Furthermore, sensitivities to interest rate movements vary depending upon the geography where the changes occur and the level of change in interest rates by term.

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

Assumption Changes and Management Actions

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

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

The table below summarizes how assumption changes and management actions impact CSM and earnings under IFRS 17.

		Products with CSM		Products without CSM
Type of business		**Non-participating insurance and longevity business**	**Pass through and fee-based insurance business**	**Short-term business**
Products		• Term life / universal life • Disability / critical illness • Payout annuities • Life reinsurance • Longevity swaps	• Segregated funds • Participating insurance	• Group life and health • Structured and P&C reinsurance • Liabilities for incurred claims
Financial statement impact of assumption changes	CSM[1]	• Insurance assumptions – locked-in rates impact[2]	• Insurance assumptions • Financial assumptions	
	Earnings	• Insurance assumptions – fair value impact[2] • Financial assumptions		• Insurance assumptions • Financial assumptions

[1] If there is no CSM balance, then the impact of both insurance and financial assumption changes flows through earnings.

[2] As current discount rates are generally higher than locked-in rates (as locked-in rates were mostly set as at January 1, 2022), a favourable change in insurance assumptions would increase the CSM and result in a negative earnings impact in the period.

The following table shows the net earnings and CSM impacts of assumption changes and management actions in the third quarter of 2024 and the same quarter in 2023.

		Net earnings impact (post-tax)			
Assumptions	**CSM[1] impacts**	**Fair value impact of CSM assumption changes**	**Other**	**Total**	**Description**
For the three months ended September 30, 2024					
Longevity	$ 727	$ (245)	$ 4	$ (241)	Updates to reflect trends in longevity experience, primarily on portfolios in the Capital and Risk Solutions segment and in the U.K. in the Europe segment
Mortality	44	(67)	(14)	(81)	Updates to reflect trends in mortality, primarily on the U.S. life reinsurance portfolio in the Capital and Risk Solutions segment
Policyholder behaviour	(413)	79	(15)	64	Updates to reflect renewal experience on term insurance in the Canada segment
Other	(53)	10	45	55	Other updates, including financial and expense assumptions
Total	$ 305	$ (223)	$ 20	$ (203)	
For the three months ended September 30, 2023					
Total	$ 188	$ (53)	$ (53)	$ (106)	

[1] Excludes participating policies.

For the three months ended September 30, 2024, the Company completed certain assumption reviews and model refinements related to insurance contract liabilities which resulted in a positive economic impact. Within the Company's financial statements, this is observed through an increase in CSM of $305 million and a negative impact to net earnings of $203 million on non-participating business. The negative earnings impact is primarily due to negative $223 million of fair value impacts on assumption changes impacting CSM. Other earnings impacts arising from assumption changes increased net earnings by $20 million.

In the Canada segment, the CSM was negatively impacted by $382 million and net earnings were positively impacted by $106 million, primarily due to updates to policyholder behaviour assumptions on term insurance, financial assumption changes, and assumption changes on short-term products without CSM. In the Capital and Risk Solutions segment, CSM was positively impacted by $481 million and net earnings were negatively impacted by $235 million, primarily due to updated longevity assumptions and life mortality assumptions. In the Europe segment, CSM was positively impacted by $167 million and net earnings were negatively impacted by $51 million, primarily due to updated longevity assumptions, partially offset by updated expense assumptions. In the U.S. segment, CSM was positively impacted by $39 million and net earnings were negatively impacted by $23 million, primarily due to updates to policyholder behaviour and longevity assumptions.

This compares to a decrease in CSM of $8 million and a positive net earnings impact of $39 million on non-participating business in the previous quarter, and an increase in CSM of $188 million and a negative net earnings impact of $106 million on non-participating business for the same period in 2023.

For the nine months ended September 30, 2024, assumption changes and management actions resulted in an increase of $287 million in CSM and a negative net earnings impact of $165 million on non-participating business, primarily due to the same reasons discussed for the in-quarter results. This compares to an increase in CSM of $166 million and a negative $103 million for the same period in 2023.

The assumption changes will have a modest positive impact on base earnings from the beginning of the third quarter of 2024 onwards. In the third quarter of 2024, the impact on CSM recognized for services provided is positive $1 million, with offsets between segments (negative $13 million in Canada, positive $1 million in the U.S., positive $4 million in Europe and positive $9 million in Capital and Risk Solutions; all pre-tax). Other impacts include a modest positive impact on insurance experience gains and losses.

Assumption and model reviews for the Company's segregated fund business will be completed in the fourth quarter of 2024.

Other Items Excluded from Base Earnings

For the third quarter of 2024, other items excluded from base earnings were negative $40 million compared to negative $61 million a year ago as business transformation costs decreased $21 million compared to the same period in the prior year, primarily due to restructuring costs in Europe from the same quarter last year that did not repeat.

For the nine months ended September 30, 2024, other items excluded from base earnings were negative $193 million compared to negative $259 million a year ago as business transformation costs decreased $73 million compared to the same period in the prior year. This is primarily due to the same reasons discussed for the in-quarter results as well as the completion of integration costs related to the Prudential acquisition in the U.S. segment during the second quarter of 2024. These items were partially offset by provisions for restructuring costs in the Canada segment.

Foreign Currency

The average currency translation rate for the third quarter of 2024 increased for the British pound, the euro and the U.S. dollar, compared to the third quarter of 2023. For the three months ended September 30, 2024, the overall impact of currency movement on the Company's base earnings was an increase of $15 million (increase of $37 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 $5 million (increase of $27 million year-to-date) compared to translation rates a year ago.

From June 30, 2024 to September 30, 2024, the market rates at the end of the reporting period used to translate the British pound and the euro 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 gains of $103 million in-quarter, recorded in other comprehensive income.

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

Taxes

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

Effective Income Tax Rates	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024[2]	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings - common shareholders[1]	16.3 %	19.3 %	12.8 %	17.8 %	13.2 %
Net earnings - common shareholders[2]	16.1 %	19.4 %	12.8 %	16.9 %	10.8 %
Net earnings - total Lifeco	12.8 %	17.4 %	12.2 %	14.7 %	9.1 %

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

2 Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. The effective tax rate for the second quarter of 2024 reflects the retroactive application of Global Minimum Tax to the first quarter of 2024, primarily in respect of Barbados where the Global Minimum Tax was contingent upon Canada's enactment. The Company's effective income tax rate for net earnings - common shareholders for the second quarter of 2024 would have been 16.7% had the Global Minimum Tax been enacted in the first quarter of 2024.

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

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

The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rates are below 15%. In the third quarter of 2024, the Company recognized a GMT current tax expense of $23 million ($89 million for the nine months ended September 30, 2024), primarily related to its operations in Barbados and Ireland.

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

Impact of GMT on Effective Income Tax Rates	For the three months ended Sept. 30, 2024	For the nine months ended Sept. 30, 2024
Base earnings - common shareholders[1]	3.4 %	2.9 %
Net earnings - common shareholders	2.2 %	2.5 %
Net earnings - total Lifeco	2.3 %	2.5 %

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

In the third quarter of 2024, the effective income tax rate on base earnings for the common shareholders of 16.3% was up from 12.8% in the third quarter of 2023, primarily due to the GMT. In the third quarter of 2024, the effective income tax rate on net earnings for the common shareholders of 16.1% was up from 12.8% in the third quarter of 2023, primarily due to the GMT and jurisdictional mix of earnings.

In the third quarter of 2024, the Company's overall effective income tax rate of 12.8% was comparable to 12.2% in the third quarter of 2023, as the increase due to the GMT and jurisdictional mix of earnings was offset by higher non-taxable investment income.

For the nine months ended September 30, 2024, the effective income tax rate on base earnings for the common shareholders of 17.8% was up from 13.2% in the same period last year, primarily due to the GMT and jurisdictional mix of earnings. For the nine months ended September 30, 2024, the effective income tax rate on net earnings for the common shareholders of 16.9% was up from 10.8% in the same period last year due to the same reasons discussed above for the year-to-date base earnings effective income tax rate.

For the nine months ended September 30, 2024, the Company's overall effective income tax rate of 14.7% was up from 9.1% in the same period last year, primarily due to the GMT and jurisdictional mix of earnings.

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

Lifeco Value Drivers

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

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

Lifeco Base Earnings by Value Driver

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]					
Workplace Solutions	$ 520	$ 512	$ 463	$ 1,485	$ 1,362
Wealth & Asset Management	167	157	157	467	395
Insurance & Risk Solutions	358	335	346	1,045	1,015
Corporate	16	34	(16)	80	(76)
Lifeco base earnings[1]	$ 1,061	$ 1,038	$ 950	$ 3,077	$ 2,696
Lifeco net earnings from continuing operations[2]	$ 859	$ 1,005	$ 936	$ 2,895	$ 2,119

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 value drivers. Additional commentary regarding base earnings by value drivers is included, as applicable, in the sections below.

Workplace Solutions

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

Selected Financial Results

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]	$ 520	$ 512	$ 463	$ 1,485	$ 1,362
Retirement net cash flows[2,3]	(18,393)	(4,936)	(8,999)	(32,143)	5,298
Fee and other income	1,221	1,226	1,033	3,572	3,119
Group life and health book premiums[2]	17,802	17,395	17,048		

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 Results for the periods ended September 30, 2024 do not include $54.4 billion (US$40.0 billion) in transfers related to the Plan Management Corporation (PMC) acquisition in the U.S. segment.

Base earnings

Workplace Solutions base earnings for the third quarter of 2024 of $520 million increased by $57 million or 12% compared to the same quarter last year. The increase was primarily due to increased net fee and spread income driven by business growth, higher equity markets and realized expense synergies in Empower Defined Contribution, partially offset by unfavourable group mortality experience in the Europe segment.

For the nine months ended September 30, 2024, Workplace Solutions base earnings of $1,485 million increased by $123 million or 9% compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results, as well as strong long-term disability and health experience driven by management actions and organic growth in the Canada segment.

Net cash flows

Net cash outflows for the third quarter of 2024 were $18.4 billion, compared to net cash outflows of $9.0 billion for the same quarter last year. The current year period excludes $54.4 billion (US$40 billion) in net transfers related to Empower's recent acquisition of Plan Management Corporation (PMC). The increase in net outflows was primarily due to net higher value participant redemptions of assets under administration in Empower Defined Contribution in the current year. Average account balances of participants have increased due to market growth over the past year, resulting in increased distributions, which have outpaced contributions.

For the nine months ended September 30, 2024, net cash outflows were $32.1 billion compared to net cash inflows of $5.3 billion for the same period last year, primarily due to the same reason discussed for the in-quarter results, as well as a large plan redemption that was partially offset by another large plan addition in Empower Defined Contribution. Large plan sales can be highly variable from period to period and tend to be lower margin, but nevertheless contribute to covering fixed overhead costs.

Fee and other income

Fee and other income for the third quarter of 2024 of $1,221 million increased by $188 million compared to the same quarter last year, primarily due to the impact of higher equity market levels and growth in the business in Empower Defined Contribution, and growth in administrative services only (ASO) fees in the Canada segment.

For the nine months ended September 30, 2024, fee and other income of $3,572 million increased by $453 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results, as well as adjustments related to the Prudential acquisition in the U.S. segment in the second quarter of 2024.

Group life and health book premiums

Group life and health book premiums at September 30, 2024 were $17,802 million, an increase of $407 million compared to June 30, 2024, primarily due to organic growth of in-force business in the Canada and Europe segments, recognition of prior period Canada federal government's Public Service Health Care Plan (PSHCP) sales, and the impact of currency movement.

Wealth & Asset Management

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

Selected Financial Results

	As at or for the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]	$ 167	$ 157	$ 157	$ 467	$ 395
Wealth net cash flows[2]	4,783	3,784	466	8,786	8,605
Fee and other income	569	550	407	1,647	1,163
CSM, segregated fund products[3]	3,567	3,348	3,120		

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

Base earnings

Wealth & Asset Management base earnings for the third quarter of 2024 of $167 million increased by $10 million or 6% compared to the same quarter last year. The increase was primarily due to higher net fee and spread income driven by higher equity markets, as well as the addition of IPC and Value Partners in the Canada segment.

For the nine months ended September 30, 2024, Wealth & Asset Management base earnings of $467 million increased by $72 million or 18% compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results.

Net cash flows

Net cash inflows for the third quarter of 2024 were $4,783 million compared to net inflows of $466 million for the same quarter last year, primarily due to higher institutional asset management flows in Ireland in the Europe segment driven by a large client rebalancing, higher inflows in Empower Personal Wealth as well as the addition of IPC and Value Partners and higher individual wealth sales in the Canada segment.

For the nine months ended September 30, 2024, net cash inflows were $8,786 million compared to net cash inflows of $8,605 million for the same period last year, primarily due to higher institutional asset management flows in Ireland in the Europe segment driven by a large client rebalancing and strategic allocation decision and the additions of IPC and Value Partners and higher individual wealth sales in the Canada segment. These items were partially offset by lower inflows in Empower Personal Wealth.

Fee and other income

Fee and other income for the third quarter of 2024 of $569 million increased by $162 million compared to the same quarter last year, primarily due to the addition of IPC and Value Partners in the Canada segment, higher equity market levels and overall growth in the business in Empower Personal Wealth and higher management fees from higher average assets under administration in the Europe segment.

For the nine months ended September 30, 2024, fee and other income of $1,647 million increased by $484 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

CSM, segregated fund products

CSM for segregated fund products at September 30, 2024 of $3,567 million increased by $219 million compared to June 30, 2024, primarily due to the impact of market movements and assumption changes. Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

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 nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]	$ 358	$ 335	$ 346	$ 1,045	$ 1,015
New business non-participating CSM, excluding segregated fund products[2]	180	82	125	389	269
Non-participating CSM, excluding segregated fund products[2]	6,703	6,163	5,988		

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

Base earnings

Insurance & Risk Solutions base earnings for the third quarter of 2024 of $358 million increased by $12 million or 3% compared to the same quarter last year. The increase was primarily due to favourable claims experience in the U.S. life business in the Capital and Risk Solutions segment and the impact of trading activity in the Europe segment. These items were partially offset by the impact of the GMT in the Capital and Risk Solutions and Europe segments.

For the nine months ended September 30, 2024, Insurance & Risk Solutions base earnings of $1,045 million increased by $30 million or 3% compared to the same period last year. The increase was primarily due to growth in the structured business and improved claims experience in the U.S. life business in the Capital and Risk Solutions segment as well as improved mortality experience in the Canada segment, partially offset by the impact of the GMT in the Capital and Risk Solutions and Europe segments.

New business non-participating CSM, excluding segregated fund products

Insurance & Risk Solutions new business non-participating CSM, excluding segregated fund products, for the third quarter of 2024 of $180 million increased by $55 million compared to the same quarter last year, primarily due to strong contributions from the U.K. in the Europe segment.

For the nine months ended September 30, 2024, Insurance & Risk Solutions new business non-participating CSM, excluding segregated fund products, of $389 million increased by $120 million compared to the same period last year, primarily due to strong contributions from the U.K. in the Europe segment and the Capital and Risk Solutions segment.

Non-participating CSM, excluding segregated fund products

Non-participating CSM, excluding segregated fund products, at September 30, 2024 of $6,703 million increased by $540 million compared to June 30, 2024, primarily due to the impact of assumption changes and currency movement as well as strong contributions of CSM from new business in the Europe and Capital and Risk Solutions segments. Refer to the "Assumption Changes and Management Actions" section of this document for additional details on the impact of assumption changes.

Segmented Operating Results

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

Translation of Foreign Currency

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

Canada

The Canada segment of Lifeco includes the operating results of the Canadian businesses operated by Canada Life, together with an allocation of a portion of Lifeco's corporate results.

2024 Developments

- Subsequent to the third quarter of 2024, on October 4, 2024, Canada Life announced that it had signed a new, independent distribution agreement with Primerica Life Insurance Company of Canada (Primerica Canada). This distribution agreement will give Primerica Canada's advisors access to a curated selection of Canada Life's segregated fund shelf, extending the market reach of Canada Life's existing distribution and help the underserved mass market. The training and onboarding of Primerica Canada's advisors will be phased, beginning in 2025.
- Subsequent to the third quarter of 2024, on October 1, 2024, Canada Life Investment Management Ltd. (CLIML) and Counsel Portfolio Services Inc. (Counsel), a subsidiary of Investment Planning Counsel (IPC) amalgamated. Bringing these two investment fund management companies together into one centre of excellence will allow Canada Life to unlock new growth opportunities, achieve economies of scale and improve operational effectiveness.
- Canada Life has administered dental benefits for employees of the federal public service since 1987. As previously announced, Canada Life was also selected to administer the dental plan for retired public servants. The Government of Canada agreed to harmonize the implementation dates of these two plans to November 1, 2024 to improve the experience for all plan members.

Selected Financial Information - Canada

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]					
Workplace Solutions	$ 181	$ 190	$ 191	$ 561	$ 514
Individual Wealth Management	61	59	49	172	156
Insurance & Annuities	65	58	58	181	164
Corporate	10	15	(2)	27	23
Base earnings (loss)[1]	$ 317	$ 322	$ 296	$ 941	$ 857
Items excluded from base earnings	143	13	118	207	(62)
Net earnings - common shareholders	$ 460	$ 335	$ 414	$ 1,148	$ 795
Sales[2]					
Group Life & Health	$ 283	$ 124	$ 1,913	$ 566	$ 2,201
Group Retirement	694	787	617	2,242	2,008
Individual Wealth Management	3,964	4,577	2,100	13,006	6,932
Insurance & Annuities[3]	169	147	152	470	462
Net cash flows[2]					
Group Retirement	$ 20	$ 64	$ (161)	$ 337	$ 414
Individual Wealth Management	(157)	(402)	(427)	(835)	(1,388)
Net cash flows[2]	$ (137)	$ (338)	$ (588)	$ (498)	$ (974)
Fee and other income					
Workplace Solutions	$ 268	$ 264	$ 233	$ 795	$ 701
Individual Wealth Management	203	202	88	595	270
Individual Insurance	—	1	—	1	—
Corporate	9	7	7	23	23
Fee and other income	$ 480	$ 474	$ 328	$ 1,414	$ 994
Group life and health book premiums[2]	$ 15,189	$ 14,896	$ 14,700		
Total assets	$ 222,018	$ 212,101	$ 191,837		
Other assets under management[2,4]	14,092	13,293	7,460		
Total assets under management[1]	236,110	225,394	199,297		
Other assets under administration[2]	62,832	60,100	27,759		
Total assets under administration[1]	$ 298,942	$ 285,494	$ 227,056		
Contractual service margin					
Insurance & Annuities - Non-Participating	$ 706	$ 1,124	$ 1,149		
Individual Wealth Management - Segregated Funds	2,003	1,895	1,797		
Insurance & Annuities - Participating	2,969	3,232	3,385		
Contractual service margin	$ 5,678	$ 6,251	$ 6,331		

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 Comparative results for Q1 2024 and Q2 2024 have been restated by $(1) million and $(14) million, respectively.

4 At September 30, 2024, Canada Life had $7.3 billion of proprietary mutual fund assets held by retail clients ($7.1 billion at December 31, 2023). $3.7 billion ($3.3 billion as at December 31, 2023) of these assets are consolidated as investments on account of segregated fund policyholders on the Company's balance sheet.

Base and net earnings

In the third quarter of 2024, the Canada segment's base earnings of $317 million increased by $21 million or 7% compared to the same quarter last year, reflecting higher net fee and spread income driven by the addition of IPC and Value Partners and higher equity markets, and higher expected investment earnings driven by improved credit experience and higher earnings on surplus. These items were partially offset by lower CSM recognized for services provided in Insurance and Annuities driven by the impact of assumption changes. Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

In the third quarter of 2024, net earnings of $460 million increased by $46 million compared to the same quarter last year. Items excluded from base earnings were positive $143 million compared to positive $118 million for the same quarter last year. Market experience relative to expectations was positive $43 million in the third quarter of 2024 compared to positive $147 million for the same quarter last year, primarily due to less favourable impacts of risk-free interest rate movements and unfavourable credit spread impacts compared to favourable credit spread impacts in the prior year, partially offset by higher non-fixed income experience compared to the prior year. Assumption changes and management actions were positive $106 million compared to negative $24 million for the same quarter last year. Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

For the nine months ended September 30, 2024, base earnings of $941 million increased by $84 million or 10% compared to the same period last year, primarily due to strong long-term disability and health experience in Workplace Solutions partially driven by pricing and management actions, organic growth in Workplace Solutions in-force block earnings, higher net fee and spread income driven by the addition of IPC and Value Partners and higher equity markets and improved mortality experience in Insurance and Annuities. These items were partially offset by lower CSM recognized for services provided in Insurance and Annuities driven by the impact of assumption changes, higher service restoration expense in Workplace Solutions, and a favourable tax item from 2023 in Individual Wealth Management which did not repeat.

For the nine months ended September 30, 2024, net earnings of $1,148 million increased by $353 million compared to the same period last year. Items excluded from base earnings were positive $207 million compared to negative $62 million for the same period last year. Market experience relative to expectations was positive $135 million compared to negative $25 million for the same period last year, primarily due to additional favourable impacts of risk-free interest rate movements compared to prior year and favourable non-fixed income experience compared to an unfavourable impact in the prior year. Assumption changes and management actions were positive $113 million compared to negative $21 million for the same period last year. Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

For the third quarter of 2024, net loss attributable to the participating account was $2 million compared to net earnings of $20 million for the same quarter last year, primarily due to less favourable tax impacts, partially offset by higher earnings on surplus.

For the nine months ended September 30, 2024, the net earnings attributable to the participating account was $75 million compared to net earnings of $21 million for the same period last year, primarily due to higher earnings on surplus and favourable tax impacts.

Sales

Group life and health sales for the third quarter of 2024 of $283 million decreased by $1,630 million compared to the same quarter last year, primarily due to the addition of the Canada federal government's Public Service Health Care Plan (PSHCP) last year. Group retirement sales for the third quarter of 2024 of $694 million increased by $77 million compared to the same quarter last year, primarily due to higher asset retention. Individual wealth management sales for the third quarter of 2024 of $3,964 million increased by $1,864 million compared to the same quarter last year, primarily due to strong segregated fund and third party mutual fund sales as well as the addition of IPC and Value Partners. Insurance and annuities sales for the third quarter of 2024 of $169 million increased by $17 million compared to the same quarter last year, primarily due to strong participating life product sales.

For the nine months ended September 30, 2024, compared to the same period last year, group life and health sales of $566 million decreased by $1,635 million, group retirement sales of $2,242 million increased by $234 million, individual wealth management sales of $13,006 million increased by $6,074 million, and insurance and annuities sales of $470 million increased by $8 million. These movements were primarily due to the same reasons discussed for the in-quarter results.

Group life and health book premiums

Group life and health book premiums at September 30, 2024 were $15,189 million, an increase of $293 million compared to June 30, 2024, primarily due to organic growth of in-force business and reflecting the impact of the Canada federal government's PSHCP sales from the prior year.

Net cash flows

In the third quarter of 2024, net cash outflows were $137 million compared to net cash outflows of $588 million for the same quarter last year, primarily due to the additions of IPC and Value Partners, higher individual wealth sales, and higher group retirement deposits.

For the nine months ended September 30, 2024, net cash outflows were $498 million compared to net cash outflows of $974 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Fee and other income

Fee and other income for the third quarter of 2024 of $480 million increased by $152 million compared to the same quarter last year, primarily due to the addition of IPC and Value Partners.

For the nine months ended September 30, 2024, fee and other income of $1,414 million increased by $420 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Contractual service margin

Contractual service margin at September 30, 2024 was $5,678 million, a decrease of $573 million compared to June 30, 2024, primarily due to the impact of assumption changes in the third quarter of 2024. Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

United States

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

2024 Developments

- On September 23, 2024, Empower acquired Plan Management Corporation (PMC), the creator of OptionTrax, a digital equity plan administration and service provider. With the completion of the acquisition, Empower's retirement services expanded to employers who offer equity compensation programs as well as enhanced financial planning services offered through the Empower Personal Wealth business. The acquisition increased Empower's client base by an additional 300 employers with approximately US$62 billion in plan value. The purchase consideration was funded with existing resources and deferred consideration subject to achievement of target growth objectives. Empower expects to incur integration expenses of US$20 million pre-tax and transaction costs of approximately US$1 million pre-tax. The integration is expected to be completed by June of 2026. Empower anticipates realizing revenue synergies through the financial planning services offered through Empower Personal Wealth business. This acquisition is not expected to have a material impact on the Company's financial position.
- As of June 30, 2024, with the successful completion of system migrations of the full-service retirement services business of Prudential, Empower achieved US$180 million pre-tax run rate synergies following the acquisition on April 1, 2022, consistent with expectations. Revenue synergies of US$20 million are expected on a run-rate basis by the end of 2024 and are expected to grow to US$50 million by the end of 2026.

  Overall, acquired Prudential retention targets have been exceeded.
- In the United States, on January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments to Franklin Resources, Inc., operating as "Franklin Templeton", in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US$375 million over a five to seven-year period. In the first quarter of 2024, the Company recorded a net loss of $115 million reflecting closing costs as well as a $44 million final gain on sale within discontinued operations. Lifeco retains its controlling interest in PanAgora Asset Management, a leading quantitative asset manager. The Company currently holds approximately 31,600,000 Franklin Templeton shares and will hold a majority of these shares until at least January 1, 2029. The shares are held at fair value with changes in fair market value flowing through other comprehensive income (OCI).

  In addition to the sale, Lifeco, along with Power Corporation of Canada and Franklin Templeton, entered into a strategic relationship to distribute Franklin Templeton products for the benefit of clients, distribution partners, and shareholders.

Selected Financial Information - United States

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss) (US$)[1]					
Empower Defined Contribution	$ 215	$ 185	$ 163	$ 562	$ 504
Empower Personal Wealth	44	39	38	121	95
Asset Management	(2)	1	(2)	(4)	(7)
Corporate	7	11	(4)	32	(36)
Base earnings (loss) (US$)[1]	$ 264	$ 236	$ 195	$ 711	$ 556
Items excluded from base earnings (US$)	(39)	(36)	(13)	(114)	(126)
Net earnings from continuing operations (US$)[2]	$ 225	$ 200	$ 182	$ 597	$ 430
Base earnings (loss) (C$)[1]	$ 359	$ 324	$ 262	$ 969	$ 745
Net earnings from continuing operations (C$)[2]	$ 307	$ 274	$ 244	$ 814	$ 575
Net flows (US$)[2]					
Empower Defined Contribution[3]	$ (13,746)	$ (3,757)	$ (6,976)	$ (24,522)	$ 2,700
Empower Personal Wealth	2,363	1,614	1,881	5,263	6,866
Asset Management	(1,495)	(643)	(1,486)	(3,938)	(2,782)
Net flows (US$)[2]	$ (12,878)	$ (2,786)	$ (6,581)	$ (23,197)	$ 6,784
Net flows (C$)[2]	$ (17,514)	$ (3,817)	$ (8,818)	$ (31,501)	$ 9,186
Fee and other income (US$)					
Empower Defined Contribution	$ 655	$ 659	$ 569	$ 1,914	$ 1,687
Empower Personal Wealth	130	120	104	368	289
Asset Management	19	23	20	63	62
Corporate	—	1	—	3	—
Fee and other income (US$)	$ 804	$ 803	$ 693	$ 2,348	$ 2,038
Fee and other income (C$)	$ 1,094	$ 1,099	$ 928	$ 3,194	$ 2,736
Total assets (US$)	$ 242,010	$ 233,467	$ 218,344		
Continuing operations - other assets under management[2]	99,756	94,081	100,045		
Discontinued operations - other assets under management[2]	—	—	112,519		
Total assets under management[1]	341,766	327,548	430,908		
Other assets under administration[2]	1,503,158	1,382,648	1,144,242		
Total assets under administration (US$)[1]	$ 1,844,924	$ 1,710,196	$ 1,575,150		
Total assets under administration (C$)[1]	$ 2,490,648	$ 2,342,969	$ 2,142,204		

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 Results for the periods ended September 30, 2024 do not include $54.4 billion (US$40.0 billion) in transfers related to the Plan Management Corporation (PMC) acquisition.

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

Base earnings and net earnings from continuing operations

In the third quarter of 2024, net earnings from continuing operations increased by US$43 million to US$225 million compared to the same quarter last year. Base earnings of US$264 million increased by US$69 million in the third quarter of 2024 when compared to the same quarter last year, primarily due to an increase in fee income driven by growth in the business and higher equity markets as well as higher earnings on surplus assets. This was partially offset by higher crediting rates resulting in lower spreads as well as higher operating expenses attributed to growth in the business.

Items excluded from base earnings were negative US$39 million in the third quarter of 2024 compared to negative US$13 million for the same quarter last year, primarily due to unfavourable actuarial assumption changes (refer to the "Assumption Changes and Management Actions" section of this document for additional details) and the non-recurrence of favourable hedge ineffectiveness related to the Guaranteed Lifetime Withdrawal Benefit in the prior year, partially offset by the non-recurrence of integration expenses associated with the Prudential acquisition in the prior year.

For the nine months ended September 30, 2024, net earnings from continuing operations increased by US$167 million to US$597 million compared to the same period last year. Base earnings of US$711 million increased by US$155 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

For the nine months ended September 30, 2024, items excluded from base earnings were negative US$114 million compared to negative US$126 million for the same period last year, primarily due to the non-recurrence of a 2023 provision related to Empower's sale of substantially all of its individual life and annuity business in 2019. This was partially offset by the same reasons discussed for the in-quarter results.

Net flows

In the third quarter of 2024, net outflows were US$12.9 billion, compared to net outflows of US$6.6 billion for the same quarter last year. The current year period excludes US$40 billion in net transfers related to the PMC acquisition. The increase in net outflows was primarily due to net higher value participant redemptions of assets under administration in Empower Defined Contribution. Average account balances of participants have increased due to market growth over the past year, resulting in increased distributions, which have outpaced contributions. The number of participants at the end of the third quarter of 2024 has increased from the end of the third quarter of 2023 and from the end of the second quarter of 2024.

For the nine months ended September 30, 2024, net outflows were US$23.2 billion compared to net inflows of US$6.8 billion for the same period last year, primarily due to the same reasons discussed for the in-quarter results as well as a large plan termination in the first quarter of 2024. Large plan sales and terminations can be highly variable from period to period and tend to result in lower margins but nonetheless contribute to covering fixed overhead costs.

Fee and other income

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

Fee and other income for the third quarter of 2024 of US$804 million increased by US$111 million compared to the same quarter last year. The increase was primarily driven by higher equity market levels and overall growth in the business.

For the nine months ended September 30, 2024, fee and other income of US$2,348 million increased by US$310 million compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results and adjustments related to Prudential fee income.

Europe

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

2024 Developments

- In the third quarter of 2024, Canada Life U.K. wrote two large bulk annuity sales, aggregating to $1.1 billion, the biggest single quarter since the third quarter of 2021.
- Irish Life' s digital portal, MyIrishLife, received Silver in the Best Search Campaign category at the Ashville Media Group Digital Media Awards in Ireland, a testament to Irish Life's innovative lead generation efforts. This prestigious award, open to applications across sectors, underscores the competitive edge and broad appeal of MyIrishLife.
- Subsequent to the third quarter of 2024, on October 21, 2024, Irish Life Health announced the launch of three Minor Injury Clinics newly branded as Irish Life Health ExpressCare clinics with medical services provided by a third party. This will continue Irish Life's Future of Health proposition work and connects Irish Life's digital services with these physical locations. This demonstrates Irish Life's vision to be the driving force of Ireland’s financial, physical and mental well-being.

Selected Financial Information - Europe

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]					
Workplace Solutions	$ 47	$ 68	$ 53	$ 158	$ 171
Individual Wealth & Asset Management	49	44	59	136	118
Insurance & Annuities	93	93	93	285	305
Corporate	6	1	1	19	(30)
Base earnings (loss)[1]	$ 195	$ 206	$ 206	$ 598	$ 564
Items excluded from base earnings	(80)	(5)	(181)	(95)	(397)
Net earnings - common shareholders	$ 115	$ 201	$ 25	$ 503	$ 167
Sales[2]					
Workplace Solutions	$ 381	$ 389	$ 568	$ 1,181	$ 1,747
Individual Wealth & Asset Management	9,499	8,401	5,270	23,204	18,687
Insurance & Annuities	1,539	716	1,421	3,815	2,635
Net cash flows[2]					
Workplace Solutions	$ 282	$ 147	$ 510	$ 838	$ 1,197
Individual Wealth & Asset Management	3,759	2,856	363	7,804	4,494
Insurance & Annuities	20	1	21	41	63
Net cash flows[2]	$ 4,061	$ 3,004	$ 894	$ 8,683	$ 5,754
Fee and other income					
Workplace Solutions	$ 62	$ 59	$ 38	$ 172	$ 153
Individual Wealth & Asset Management	163	153	153	467	422
Insurance & Annuities and Corporate	4	5	(1)	15	1
Fee and other income	$ 229	$ 217	$ 190	$ 654	$ 576
Group life and health book premiums[2]	$ 2,613	$ 2,499	$ 2,348		
Total assets	$ 221,707	$ 208,588	$ 182,742		
Other assets under management[2]	75,679	69,755	56,300		
Total assets under management[1]	297,386	278,343	239,042		
Other assets under administration[2,3]	14,006	13,213	11,579		
Total assets under administration[1]	$ 311,392	$ 291,556	$ 250,621		
Contractual service margin					
Insurance & Annuities - Non-Participating	$ 3,713	$ 3,337	$ 3,104		
Individual Wealth & Asset Management - Segregated Funds	1,564	1,453	1,323		
Contractual service margin	$ 5,277	$ 4,790	$ 4,427		

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

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

3 At September 30, 2024, other assets under administration excludes $17.8 billion of assets managed for other business units within the Lifeco group of companies ($16.1 billion at June 30, 2024 and $11.3 billion at September 30, 2023).

Base and net earnings

In the third quarter of 2024, the Europe segment's net earnings of $115 million increased by $90 million compared to the same quarter last year. Base earnings of $195 million decreased by $11 million compared to the same quarter last year, primarily due to unfavourable group mortality experience in the U.K., a change to certain tax estimates from the prior year in Germany that did not repeat and a higher effective tax rate due to the implementation of the GMT. These items were partially offset by higher fee income in the U.K. and Ireland as well as favourable impacts of trading activity in the U.K.

Items excluded from base earnings for the third quarter of 2024 were negative $80 million compared to negative $181 million for the same quarter last year. Market experience relative to expectations was negative $23 million compared to negative $128 million for the same quarter last year, primarily due to reductions in commercial property values in the prior year that did not repeat. Assumption changes and management actions were negative $51 million compared to negative $37 million for the same period last year. Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

For the nine months ended September 30, 2024, net earnings of $503 million increased by $336 million compared to the same period last year. Base earnings of $598 million increased by $34 million compared to the same period last year, primarily due to higher CSM recognized for services provided, growth in surplus income and higher fee income. These items were partially offset by unfavourable group experience in the U.K., a change to certain tax estimates from the prior year in Germany that did not repeat and a higher effective tax rate due to the implementation of the GMT.

For the nine months ended September 30, 2024, items excluded from base earnings were negative $95 million compared to negative $397 million for the same period last year. Market experience relative to expectations was negative $27 million compared to negative $183 million for the same quarter last year, primarily due to the same reasons discussed for the in-quarter results. Prior year results included realized OCI losses of $121 million that did not repeat related to asset rebalancing in the surplus account. Assumption changes and management actions were negative $53 million compared to negative $33 million for the same period last year. Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

For the nine months ended September 30, 2024, the impact of the GMT was negative $28 million on net earnings and negative $32 million on base earnings.

Sales

Individual wealth and asset management sales for the third quarter of 2024 of $9,499 million increased by $4,229 million compared to the same quarter last year, primarily due to higher institutional management sales in Ireland driven by a large client rebalancing and strategic asset allocation decision and the impact of currency movement. Insurance and annuities sales for the third quarter of 2024 of $1,539 million increased by $118 million compared to the same quarter last year, primarily due to strong bulk annuity sales and the impact of currency movement, partially offset by lower individual annuity sales due to pricing competition in the market. Workplace Solutions sales for the third quarter of 2024 of $381 million decreased by $187 million compared to the same quarter last year, primarily due to lower pension sales in Ireland.

For the nine months ended September 30, 2024, individual wealth and asset management sales of $23,204 million increased by $4,517 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results. Insurance and annuities sales for the nine months ended September 30, 2024 of $3,815 million increased by $1,180 million compared to the same period last year, primarily due to strong bulk annuity sales and the impact of currency movement, partially offset by lower individual annuity and equity release mortgage sales. Workplace Solutions sales for the nine months ended September 30, 2024 of $1,181 million decreased by $566 million compared to the same period last year, primarily due to lower pension sales in Ireland partly offset by the impact of currency movement.

Group life and health book premiums

Group life and health book premiums at September 30, 2024 were $2.6 billion, an increase of $114 million compared to June 30, 2024, primarily due to growth of in-force business and the impact of currency movement.

Net cash flows

In the third quarter of 2024, net cash inflows were $4.1 billion compared to net cash inflows of $0.9 billion for the same quarter last year. The increase was primarily due to higher institutional management sales in Ireland mainly driven by a large client rebalancing and strategic asset allocation decision and the impact of currency movement, partially offset by lower net inflows in Workplace Solutions driven by reduced pension sales in Ireland.

For the nine months ended September 30, 2024, net cash inflows were $8.7 billion compared to net cash inflows of $5.8 billion for the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results.

Fee and other income

Fee and other income for the third quarter of 2024 of $229 million increased by $39 million compared to the same quarter last year, primarily due to higher management fees from higher average assets under administration.

For the nine months ended September 30, 2024, fee and other income of $654 million increased by $78 million compared to the same period last year, primarily due to the same reason discussed for the in-quarter results.

Contractual service margin

Contractual service margin at September 30, 2024 of $5,277 million increased by $487 million compared to June 30, 2024, primarily due to strong contributions of CSM from new business for non-participating products, positive actuarial assumption changes, higher market impacts from reduction in interest rates and higher fund prices as well as the impact of currency movement. Refer to the "Assumption Changes and Management Actions" section of this document for additional details on the impact of actuarial assumption changes on CSM.

Capital and Risk Solutions

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

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

2024 Developments

- The Capital and Risk Solutions segment continued to grow by providing tailored solutions to customers while increasing diversification within the portfolio. In 2024, the Capital and Risk Solutions segment continues to expand its international presence in targeted new markets, while continuing to focus on core markets and product expansion in Europe and the US. During the third quarter of 2024, the Company entered into numerous transactions, primarily in the structured products segment, including two transactions in Australia.
- 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 recent catastrophe events do not reach the level where any significant claims would be anticipated. In addition, the Company continues to monitor potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.

Selected Financial Information - Capital and Risk Solutions

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]					
Reinsurance	$ 200	$ 184	$ 195	$ 579	$ 546
Corporate	10	6	3	16	12
Base earnings (loss)[1]	$ 210	$ 190	$ 198	$ 595	$ 558
Items excluded from base earnings	(201)	(35)	67	(171)	60
Net earnings - common shareholders	$ 9	$ 155	$ 265	$ 424	$ 618
Total assets[2]	$ 9,302	$ 9,023	$ 8,483		
Contractual service margin					
Reinsurance - Non-Participating	$ 2,284	$ 1,702	$ 1,735		
Reinsurance - Participating	1	23	24		
Contractual service margin	$ 2,285	$ 1,725	$ 1,759		

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

Base and net earnings

In the third quarter of 2024, the Capital and Risk Solutions segment's net earnings of $9 million decreased by $256 million compared to the same quarter last year. Base earnings of $210 million increased by $12 million compared to the same quarter last year as favourable claims experience in the U.S. life business and higher earnings on surplus were partially offset by the impact of the GMT.

Items excluded from base earnings for the third quarter of 2024 were negative $201 million compared to positive $67 million for the same quarter last year. Third quarter of 2024 items excluded from base earnings of negative $201 million primarily reflect the net impact of annuity and life business assumption updates, partially offset by market movements. Assumption updates also resulted in an increase to the contractual service margin from non-participating products of $481 million which will be reflected into base earnings as CSM is recognized for services provided. Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

For the nine months ended September 30, 2024, net earnings of $424 million decreased by $194 million compared to the same period last year. Base earnings of $595 million increased by $37 million compared to the same period last year as growth in the structured business, higher earnings on surplus and improved experience, primarily driven by the U.S. life business, were partially offset by the impact of the GMT.

For the nine months ended September 30, 2024, items excluded from base earnings were negative $171 million compared to positive $60 million for the same period last year due to the same reasons discussed for the in-quarter results.

For the nine months ended September 30, 2024, the impact of the GMT was negative $60 million on net earnings and negative $77 million on base earnings, primarily related to operations in Barbados.

Contractual service margin

Contractual service margin at September 30, 2024 was $2,285 million, an increase of $560 million compared to June 30, 2024, primarily due to actuarial assumption changes, new business and the impact of currency movement, partially offset by CSM recognized for services provided. Refer to the "Assumption Changes and Management Actions" section of this document for additional details on the impact of actuarial assumption changes on CSM.

Lifeco Corporate

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

Selected Financial Information - Lifeco Corporate

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)[1]	$ (20)	$ (4)	$ (12)	$ (26)	$ (28)
Items excluded from base earnings	(12)	44	—	32	(8)
Net earnings (loss) - common shareholders	$ (32)	$ 40	$ (12)	$ 6	$ (36)

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 third quarter of 2024, Lifeco Corporate had a net loss of $32 million compared to a net loss of $12 million for the same period last year. Base loss of $20 million increased by $8 million compared to the same quarter last year, primarily due to higher performance-related expenses.

Items excluded from base earnings for the third quarter of 2024 were negative $12 million compared to nil for the same quarter last year, primarily due to unfavourable market experience relative to expectations.

For the nine months ended September 30, 2024, Lifeco Corporate had net earnings of $6 million compared to a net loss of $36 million for the same period last year. Base loss of $26 million decreased by $2 million compared to the same period last year, primarily due to higher earnings on surplus, partially offset by higher performance-related expenses.

For the nine months ended September 30, 2024, items excluded from base earnings were positive $32 million compared to negative $8 million for the same period last year. The increase was primarily due to the finalization of a prior year reinsurance recapture transaction in the second quarter of 2024 and less unfavourable market experience relative to expectations.

Consolidated Financial Position

Assets

Assets under administration[1]

	Canada	United States	Europe	Capital and Risk Solutions	Total
As at September 30, 2024					
Assets					
Invested assets	$ 95,594	$ 86,947	$ 45,453	$ 9,058	$ 237,052
Insurance contract assets	435	303	345	88	1,171
Reinsurance contract held assets	1,217	12,656	3,848	122	17,843
Goodwill and intangible assets	6,622	6,262	3,088	—	15,972
Other assets	5,657	16,137	4,019	34	25,847
Investments on account of segregated fund policyholders	112,493	204,409	164,954	—	481,856
Total assets	222,018	326,714	221,707	9,302	779,741
Other assets under management[2]	14,092	134,671	75,679	—	224,442
Total assets under management[1]	236,110	461,385	297,386	9,302	1,004,183
Other assets under administration[2]	62,832	2,029,263	14,006	—	2,106,101
Total assets under administration[1]	$ 298,942	$ 2,490,648	$ 311,392	$ 9,302	$ 3,110,284
As at December 31, 2023					
Assets					
Invested assets	$ 89,382	$ 86,715	$ 41,981	$ 8,732	$ 226,810
Insurance contract assets	400	291	331	171	1,193
Reinsurance contract held assets	1,243	12,243	3,713	133	17,332
Goodwill and intangible assets	6,545	6,151	3,037	—	15,733
Other assets	4,964	16,192	3,531	52	24,739
Assets held for sale[3]	—	4,467	—	—	4,467
Investments on account of segregated fund policyholders	101,250	179,770	141,936	—	422,956
Total assets	203,784	305,829	194,529	9,088	713,230
Continuing operations - other assets under management[2]	13,056	143,997	63,525	—	220,578
Discontinued operations - other assets under management[2,4]	—	161,566	—	—	161,566
Total assets under management[1]	216,840	611,392	258,054	9,088	1,095,374
Other assets under administration[2]	55,635	1,689,455	12,076	—	1,757,166
Total assets under administration[1]	$ 272,475	$ 2,300,847	$ 270,130	$ 9,088	$ 2,852,540

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

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

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

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

Total assets under administration at September 30, 2024 exceeded $3.0 trillion for the first time increasing by $257.7 billion compared to December 31, 2023, primarily due to the impact of equity market movement as well as currency movement in the U.S. and Europe segments, partially offset by the divestiture of Putnam Investments.

Invested Assets

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

Bond portfolio

It is the Company's policy to acquire primarily investment grade bonds subject to prudent and well-defined investment policies. Modest investments in below investment grade rated securities may occur while not changing the overall discipline and conservative approach to the investment strategy. The total bond portfolio, including short-term investments, was $162.1 billion or 68% of invested assets at September 30, 2024 compared to $157.1 billion or 69% at December 31, 2023. 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 September 30, 2024. Management continues to closely monitor bond rating agency activity and general market conditions.

Bond portfolio quality

	As at September 30, 2024		As at December 31, 2023	
AAA	$ 23,238	14 %	$ 24,298	15 %
AA	31,021	19	31,435	20
A	58,497	36	54,807	35
BBB	46,939	29	44,811	29
BB or lower	2,407	2	1,700	1
Total	$ 162,102	100 %	$ 157,051	100 %

Mortgage portfolio

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

	As at September 30, 2024				As at December 31, 2023	
Mortgage loans by type	**Insured**[1]	**Non-insured**	**Total**		Total	
Single family residential	$ 280	$ 1,054	$ 1,334	3 %	$ 1,511	4 %
Multi-family residential	2,515	6,880	9,395	24	9,372	24
Equity release	—	4,865	4,865	12	4,203	11
Commercial	—	23,891	23,891	61	23,328	61
Total	$ 2,795	$ 36,690	$ 39,485	100 %	$ 38,414	100 %

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

The total mortgage portfolio was $39.5 billion or 17% of invested assets at September 30, 2024, compared to $38.4 billion or 17% of invested assets at December 31, 2023. At September 30, 2024, total insured loans were $2.8 billion or 7% of the mortgage portfolio, compared to $2.9 billion or 8% at December 31, 2023.

Derivative Financial Instruments

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

At September 30, 2024, total financial collateral, including initial margin and overcollateralization, received on derivative assets was $1.6 billion ($1.7 billion at December 31, 2023) and pledged on derivative liabilities was $1.6 billion ($0.8 billion at December 31, 2023). Collateral received on derivatives assets decreased and collateral pledged on derivatives liabilities increased in 2024, primarily driven by the impact of the U.S. dollar strengthening against the Canadian dollar on cross-currency swaps that pay U.S. and receive Canadian dollars.

During the nine-month period ended September 30, 2024, the outstanding notional amount of derivative contracts increased by $6.9 billion to $58.8 billion, primarily due to increases in volume of regular hedging activities.

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

Liabilities

Total Liabilities

	As at September 30, 2024	As at December 31, 2023
Insurance contract liabilities	$ 153,349	$ 144,388
Investment contract liabilities	87,631	88,919
Reinsurance contract held liabilities	830	648
Other general fund liabilities	24,764	24,061
Liabilities held for sale[1]	—	2,407
Insurance contracts on account of segregated fund policyholders	65,226	60,302
Investment contracts on account of segregated fund policyholders	416,630	362,654
Total	$ 748,430	$ 683,379

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

Total liabilities increased by $65.1 billion to $748.4 billion at September 30, 2024 from December 31, 2023.

Insurance contract liabilities increased by $9.0 billion. The increase was primarily due to market movements and the impact of currency movements.

Investment contract liabilities decreased by $1.3 billion. The decrease was primarily due to normal business movements, partially offset by market movements and the impact of currency movements.

Other general fund liabilities increased by $0.7 billion. The increase was primarily due to increases in other liabilities and derivative financial instruments.

Investment and insurance contracts on account of segregated fund policyholders increased by $58.9 billion, primarily due to the combined impact of market value gains and investment income of $48.3 billion and the positive impact of currency movement of $9.3 billion.

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

Insurance Contract Liabilities and Assets

Insurance contract liabilities and assets[1]

	Insurance contracts not under PAA method					
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**Contractual service margin**	**Total**	**Contracts under PAA method**	**Total net insurance contract liabilities**
As at September 30, 2024						
Canada	$ 103,223	$ 1,844	$ 5,678	$ 110,745	$ 9,675	$ 120,420
United States	19,157	136	277	19,570	2	19,572
Europe	44,974	1,092	5,277	51,343	3,859	55,202
Capital and Risk Solutions	572	2,084	2,285	4,941	256	5,197
Total	$ 167,926	$ 5,156	$ 13,517	$ 186,599	$ 13,792	$ 200,391
As at December 31, 2023						
Canada	$ 95,943	$ 1,935	$ 5,872	$ 103,750	$ 9,267	$ 113,017
United States	18,187	136	276	18,599	1	18,600
Europe	40,615	1,064	4,718	46,397	3,614	50,011
Capital and Risk Solutions	1,029	2,162	1,769	4,960	225	5,185
Total	$ 155,774	$ 5,297	$ 12,635	$ 173,706	$ 13,107	$ 186,813

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

At September 30, 2024, total net insurance contract liabilities were $200.4 billion, an increase of $13.6 billion from December 31, 2023. The increase in net insurance contract liabilities was primarily due to market movements and the impact of currency movements, partially offset by normal business movements.

Contractual Service Margin

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

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

Contractual service margin continuity[1]

	Non-Participating (excluding Segregated Funds)							
	Canada	**United States**	**Europe**	**Capital and Risk Solutions**	**Total**	**Seg Funds**	**Par**	**Total**
CSM beginning of period, December 31, 2023	$ 1,159	$ 24	$ 3,255	$ 1,745	$ 6,183	$ 3,298	$ 3,154	$ 12,635
Impact of new insurance business	28	—	295	66	389	128	86	603
Expected movements from asset returns & locked-in rates	23	—	58	33	114	177	142	433
CSM recognized for services provided	(85)	(4)	(209)	(126)	(424)	(307)	(114)	(845)
Insurance experience gains/losses	(47)	(2)	(22)	(7)	(78)	(102)	—	(180)
Organic CSM movement	$ (81)	$ (6)	$ 122	$ (34)	$ 1	$ (104)	$ 114	$ 11
Impact of markets	—	—	—	—	—	297	117	414
Impact of changes in assumptions and management actions	(372)	35	140	472	275	12	(181)	106
Currency impact	—	1	196	101	298	49	4	351
Total CSM movement	$ (453)	$ 30	$ 458	$ 539	$ 574	$ 254	$ 54	$ 882
CSM end of period, September 30, 2024	$ 706	$ 54	$ 3,713	$ 2,284	$ 6,757	$ 3,552	$ 3,208	$ 13,517

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 September 30, 2024, total contractual service margin on non-participating business excluding segregated funds was $6.8 billion, an increase of $574 million from December 31, 2023. The increase was mainly driven by currency impacts of $298 million, and the impact of assumption changes and management actions of $275 million.

At September 30, 2024, total contractual service margin was $13.5 billion, an increase of $882 million from December 31, 2023. The increase was mainly driven by impacts of market movements of $414 million, currency impacts of $351 million and the impact of assumption changes and management actions of $106 million.

Refer to the "Assumption Changes and Management Actions" section of this document for additional details.

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 September 30, 2024, debentures and other debt instruments increased by $66 million to $9,112 million compared to December 31, 2023, primarily due to the impact of currency movement.

Share Capital and Surplus

Share capital outstanding at September 30, 2024 was $10,257 million, which comprises $6,037 million of common shares and $2,720 million of preferred shares and $1,500 million Limited Recourse Capital Notes (LRCN Series 1). Preferred shares included $2,470 million of non-cumulative First Preferred Shares and $250 million of non-cumulative 5-year rate reset First Preferred Shares.

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

During the nine months ended September 30, 2024, the Company repurchased and subsequently cancelled 2,700,000 common shares under the current NCIB at an average cost per share of $42.32.

Liquidity and Capital Management

Liquidity

Total Liquid Assets

	On-balance sheet assets	Non-liquid/ Pledged	Net liquid assets
As at September 30, 2024			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	$ 8,887	$ 203	$ 8,684
Short-term bonds[1]	4,751	167	4,584
Sub-total	$ 13,638	$ 370	$ 13,268
Other assets and marketable securities			
Government bonds[1]	$ 39,263	$ 9,632	$ 29,631
Corporate bonds[1]	118,088	56,847	61,241
Stocks	18,470	5,348	13,122
Mortgage loans	39,485	36,690	2,795
Sub-total	$ 215,306	$ 108,517	$ 106,789
Total	$ 228,944	$ 108,887	$ 120,057
As at December 31, 2023			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	$ 7,742	$ 12	$ 7,730
Short-term bonds[1]	5,876	—	5,876
Sub-total	$ 13,618	$ 12	$ 13,606
Other assets and marketable securities			
Government bonds[1]	$ 38,369	$ 10,639	$ 27,730
Corporate bonds[1]	112,806	53,800	59,006
Stocks	15,733	4,134	11,599
Mortgage loans	38,414	35,500	2,914
Sub-total	$ 205,322	$ 104,073	$ 101,249
Total	$ 218,940	$ 104,085	$ 114,855

[1] Total short-term bonds, government bonds and corporate bonds as at September 30, 2024 was $162.1 billion ($157.1 billion at December 31, 2023). Refer to the consolidated balance sheet in the Company's September 30, 2024 condensed consolidated interim unaudited financial statements for on-balance sheet bonds amounts.

The Company's liquidity requirements are largely self-funded, with short-term obligations being met by internal funds and maintaining levels of liquid investments adequate to meet anticipated liquidity needs. The Company holds cash, cash equivalents and short-term bonds at the Lifeco holding company level and with the Lifeco consolidated subsidiary companies. At September 30, 2024, the Company and its operating subsidiaries held liquid cash, cash equivalents and short-term bonds of $13.3 billion ($13.6 billion at December 31, 2023) and other liquid assets and marketable securities of $106.8 billion ($101.2 billion at December 31, 2023). Included in the cash, cash equivalents and short-term bonds at September 30, 2024 was $1.1 billion ($0.5 billion at December 31, 2023) held at the Lifeco holding company level which includes cash at Great-West Lifeco U.S. LLC, the Company's U.S. holding company. In addition, the Company maintains committed lines of credit with Canadian chartered banks for potential unanticipated liquidity needs, if required. Refer to note 6(b) in the Company's September 30, 2024 condensed consolidated interim unaudited financial statements for additional detail.

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

As a holding company, the Company's ability to pay dividends and, in part, its ability to deploy capital is dependent upon the Company receiving dividends from its operating subsidiaries. The Company's operating subsidiaries are subject to regulation in a number of jurisdictions, each of which maintains its own regime for determining the amount of capital that must be held in connection with the different businesses carried on by the operating subsidiaries. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends to the Company. In the third quarter of 2024, the Company's main operating subsidiaries made cash payments to the holding company in the form of dividends in the amount of $0.8 billion which was comparable to the average of the previous four quarters.

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

Cash Flows

Cash flows

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023[1]	**2024**	2023[1]
Cash flows relating to the following activities:				
Operations	$ 963	$ 533	$ 2,751	$ 3,085
Financing	(593)	(692)	(1,770)	(2,952)
Investment	(84)	(46)	(403)	(131)
	286	(205)	578	2
Effects of changes in exchange rates on cash and cash equivalents	19	102	192	34
Increase (decrease) in cash and cash equivalents in the period	305	(103)	770	36
Cash and cash equivalents, beginning of period	8,582	7,429	8,117	7,290
Cash and cash equivalents from continuing and discontinued operations, end of period	$ 8,887	$ 7,326	$ 8,887	$ 7,326
Cash and cash equivalents from discontinued operations, end of period[2]	—	348	—	348
Cash and cash equivalents from continuing operations, end of period	$ 8,887	$ 6,978	$ 8,887	$ 6,978

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

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

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

In the third quarter of 2024, cash and cash equivalents increased by $305 million from June 30, 2024. Cash flows provided by operations during the third quarter of 2024 were $963 million, an increase of $430 million compared to the third quarter of 2023. The increase was primarily due to favourable fair value adjustments, partially offset by net purchases of portfolio investments in the current quarter compared to net sales of portfolio investments for the same quarter last year as well as lower net earnings after taxes. Cash flows used by financing activities of $593 million were primarily used for payment of dividends to common and preferred shareholders. Cash flows used by investment activities were $84 million.

For the nine months ended September 30, 2024, cash and cash equivalents increased by $770 million from December 31, 2023. Cash flows provided by operations were $2,751 million, a decrease of $334 million compared to the same period last year, primarily due to lower net sales of portfolio investments, partially offset by higher net earnings after taxes. Cash flows used by financing activities of $1,770 million were primarily used for the same reasons discussed for the in-quarter results. Cash flows used by investment activities were $403 million primarily related to the sale of Putnam Investments classified as discontinued operations.

Commitments/Contractual Obligations

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

Capital Management and Adequacy

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

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

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

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

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

Canada Life's consolidated LICAT Ratio at September 30, 2024 was 134%. The LICAT Ratio does not take into account any impact from $1.1 billion of liquidity at the Lifeco holding company level at September 30, 2024 ($1.0 billion at June 30, 2024).

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

LICAT Ratio

	Sept. 30 2024	Dec. 31 2023
Tier 1 Capital	$ 20,278	$ 18,285
Tier 2 Capital	5,288	5,223
Total Available Capital	25,566	23,508
Surplus Allowance & Eligible Deposits	5,277	5,406
Total Capital Resources	$ 30,843	$ 28,914
Required Capital	$ 22,939	$ 22,525
Total Ratio (OSFI Supervisory Target = 100%)[1]	134 %	128 %

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

The LICAT Ratio increased by six points from 128% at December 31, 2023 to 134% at September 30, 2024. In-quarter growth of four points from June 30, 2024 was as a result of a two point lift resulting from assumption changes in the period and the contribution of earnings in the period.

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

OSFI Regulatory Capital Initiatives

OSFI will introduce revised capital requirements for Segregated Fund Guarantee Risk with its 2025 LICAT Guideline, effective January 1, 2025.

Return on Equity (ROE)

	Sept. 30 2024	June 30 2024	Sept. 30 2023
Base Return on Equity[1] by Segment			
Canada	16.5 %	16.4 %	16.5 %
United States	14.5 %	13.3 %	11.4 %
Europe	16.4 %	17.3 %	17.3 %
Capital and Risk Solutions	48.4 %	50.8 %	44.7 %
Total Lifeco Base Return on Equity	17.3 %	17.2 %	16.4 %
Return on Equity - Continuing Operations[2] by Segment			
Canada	17.4 %	17.0 %	16.9 %
United States[3]	11.8 %	11.1 %	8.8 %
Europe	14.6 %	13.2 %	3.0 %
Capital and Risk Solutions	37.2 %	55.5 %	37.5 %
Total Lifeco Return on Equity - Continuing Operations[3]	15.6 %	16.2 %	11.9 %

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.

3 Comparative results have been restated to exclude amounts related to discontinued operations which were included in error in the corresponding figures presented in the Q4 2023 MD&A.

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

Lifeco's base ROE as at September 30, 2024 increased by 0.9 percentage points compared to the same quarter last year. The increase was driven by the U.S. and Capital and Risk Solutions segments, for which base ROEs increased by 3.1 and 3.7 percentage points, respectively.

Lifeco's ROE as at September 30, 2024 increased by 3.7 percentage points compared to the same quarter last year, primarily for the same reasons as discussed for Lifeco's base ROE.

Ratings

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

In the third quarter of 2024, the existing credit ratings for Lifeco and its major operating subsidiaries were unchanged. The Company continued to receive strong ratings relative to its North American peer group resulting from its conservative risk profile, stable net earnings and strong capitalization.

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

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

Risk Management and Control Practices

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

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

Exposures and Sensitivities

Insurance and Investment Contract Liabilities

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

Financial Exposures and Sensitivities

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

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

On January 1, 2024, the Company completed the sale of Putnam Investments and currently holds approximately 31,600,000 Franklin Templeton shares as part of the consideration, which are classified as fair value through other comprehensive income (FVOCI). The Company will hold a majority of these shares until at least January 1, 2029.

Financial Exposures and Sensitivities

	Net earnings		Equity[1]		CSM[2]		LICAT[3]	
	Sept. 30 2024	Dec. 31 2023	**Sept. 30 2024**	Dec. 31 2023	**Sept. 30 2024**	Dec. 31 2023	**Sept. 30 2024**	Dec. 31 2023
Investment returns:								
Change in risk free interest rates								
50 basis points increase	$ 150	$ 175	$ 100	$ 150	$ 75	$ 175	(1 point)	0 point
50 basis points decrease	(175)	(225)	(150)	(225)	(125)	(250)	0 point	0 point
Change in credit spreads								
50 basis points increase	$ 225	$ 300	$ 275	$ 350	$ 50	$ 175	0 point	1 point
50 basis points decrease	(250)	(375)	(325)	(450)	(75)	(250)	0 point	(1 point)
Change in publicly traded common stock values[1]								
20% increase	$ 125	$ 225	$ 550	$ 525	$ 550	$ 525	(1 point)	0 point
10% increase	50	100	275	250	275	275	< (1 point)	0 point
10% decrease	(50)	(100)	(275)	(250)	(300)	(300)	< 1 point	0 point
20% decrease	(125)	(225)	(550)	(525)	(550)	(550)	< (1 point)	(1 point)
Change in other non-fixed income asset values								
10% increase	$ 450	$ 400	$ 475	$ 450	$ —	$ —	1 point	1 point
5% increase	225	200	225	225	—	—	< 1 point	< 1 point
5% decrease	(225)	(200)	(250)	(225)	—	—	< (1 point)	< (1 point)
10% decrease	(475)	(425)	(500)	(450)	—	—	(1 point)	(1 point)

1 The net impact of the sale of Putnam Investments and the receipt of Franklin Templeton common shares is reflected in the September 30, 2024 values in the table above. The Franklin Templeton common shares are measured at FVOCI and therefore unrealized gains and losses do not impact shareholders' net earnings. The after-tax impact on shareholders' equity of the Franklin Templeton common shares is approximately $70 million for every 10% change in the common stock equity value.

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

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

The sensitivities above reflect the immediate impacts on shareholders' net earnings, shareholders’ equity and the LICAT ratio 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 and credit spreads in Canada, U.K. and the U.S., and are positively impacted by a parallel decrease in interest rates in the eurozone. Actual impacts of interest rate changes also vary by the level of change in interest rates by term. Therefore, actual impacts from interest rate changes may differ from the estimated impact of parallel movements in all geographies, which is presented above.

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

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

International Financial Reporting Standards

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

<u>Changes in Accounting Policies</u>

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

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

Other Information

Non-GAAP Financial Measures and Ratios

Non-GAAP Financial Measures

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

Base earnings (loss)

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

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

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

Lifeco

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings	$ 1,061	$ 1,038	$ 950	$ 3,077	$ 2,696
Items excluded from Lifeco base earnings					
Market experience relative to expectations (pre-tax)	$ 46	$ 45	$ 191	$ 227	$ (110)
Income tax (expense) benefit	(5)	(17)	(38)	(51)	16
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	—	—	(158)
Income tax (expense) benefit	—	—	—	—	37
Assumption changes and management actions (pre-tax)	(235)	2	(125)	(230)	(121)
Income tax (expense) benefit	32	37	19	65	18
Business transformation impacts (pre-tax)[1]	(7)	(36)	(33)	(110)	(203)
Income tax (expense) benefit[1]	3	7	8	28	48
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(47)	(52)	(48)	(149)	(140)
Income tax (expense) benefit[1]	11	15	12	38	36
Tax legislative changes impact (pre-tax)[1]	—	—	—	—	—
Income tax (expense) benefit[1]	—	(34)	—	—	—
Total pre-tax items excluded from base earnings	$ (243)	$ (41)	$ (15)	$ (262)	$ (732)
Impact of items excluded from base earnings on income taxes	41	8	1	80	155
Net earnings from continuing operations	$ 859	$ 1,005	$ 936	$ 2,895	$ 2,119
Net earnings (loss) from discontinued operations (post-tax)	—	—	(31)	(115)	(121)
Net gain from disposal of discontinued operations (post-tax)	—	—	—	44	—
Net earnings - common shareholders	$ 859	$ 1,005	$ 905	$ 2,824	$ 1,998

1 Included in other non-market related impacts.

Canada

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings	$ 317	$ 322	$ 296	$ 941	$ 857
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ 58	$ 35	$ 204	$ 186	$ (35)
Income tax (expense) benefit	(15)	(10)	(57)	(51)	10
Assumption changes and management actions (pre-tax)	147	1	(34)	157	(30)
Income tax (expense) benefit	(41)	—	10	(44)	9
Business transformation impacts (pre-tax)[1]	(4)	(9)	(1)	(36)	(4)
Income tax (expense) benefit[1]	1	2	—	9	1
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(4)	(8)	(6)	(19)	(18)
Income tax (expense) benefit[1]	1	2	2	5	5
Net earnings - common shareholders	$ 460	$ 335	$ 414	$ 1,148	$ 795

1 Included in other non-market related impacts.

United States

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings	$ 359	$ 324	$ 262	$ 969	$ 745
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ (1)	$ (2)	$ 27	$ 6	$ 18
Income tax (expense) benefit	—	1	(5)	(1)	(5)
Assumption changes and management actions (pre-tax)	(29)	—	—	(29)	—
Income tax (expense) benefit	6	—	—	6	—
Business transformation impacts (pre-tax)[1]	(2)	(27)	(18)	(73)	(139)
Income tax (expense) benefit[1]	1	5	5	18	34
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(36)	(39)	(36)	(112)	(105)
Income tax (expense) benefit[1]	9	12	9	30	27
Net earnings from continuing operations	$ 307	$ 274	$ 244	$ 814	$ 575
Net earnings (loss) from discontinued operations (post-tax)	—	—	(31)	(115)	(121)
Net gain from disposal of discontinued operations (post-tax)	—	—	—	44	—
Net earnings - common shareholders	$ 307	$ 274	$ 213	$ 743	$ 454

1 Included in other non-market related impacts.

Europe

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings	$ 195	$ 206	$ 206	$ 598	$ 564
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ (30)	$ 13	$ (152)	$ (32)	$ (207)
Income tax (expense) benefit	7	(5)	24	5	24
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	—	—	(158)
Income tax (expense) benefit	—	—	—	—	37
Assumption changes and management actions (pre-tax)	(69)	(2)	(45)	(71)	(40)
Income tax (expense) benefit	18	—	8	18	7
Business transformation impacts (pre-tax)[1]	(1)	—	(14)	(1)	(60)
Income tax (expense) benefit[1]	1	—	3	1	13
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(7)	(5)	(6)	(18)	(17)
Income tax (expense) benefit[1]	1	1	1	3	4
Tax legislative changes impact (pre-tax)[1]	—	—	—	—	—
Income tax (expense) benefit[1]	—	(7)	—	—	—
Net earnings - common shareholders	$ 115	$ 201	$ 25	$ 503	$ 167

1 Included in other non-market related impacts.

Capital and Risk Solutions

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings	$ 210	$ 190	$ 198	$ 595	$ 558
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	$ 34	$ (6)	$ 112	$ 77	$ 125
Income tax (expense) benefit	—	(2)	—	(6)	(16)
Assumption changes and management actions (pre-tax)	(284)	(1)	(46)	(291)	(51)
Income tax (expense) benefit	49	1	1	49	2
Tax legislative changes impact (pre-tax)[1]	—	—	—	—	—
Income tax (expense) benefit[1]	—	(27)	—	—	—
Net earnings - common shareholders	$ 9	$ 155	$ 265	$ 424	$ 618

1 Included in other non-market related impacts.

Lifeco Corporate

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (loss)	$ (20)	$ (4)	$ (12)	$ (26)	$ (28)
Items excluded from base earnings (loss)					
Market experience relative to expectations (pre-tax)	$ (15)	$ 5	$ —	$ (10)	$ (11)
Income tax (expense) benefit	3	(1)	—	2	3
Assumption changes and management actions (pre-tax)	—	4	—	4	—
Income tax (expense) benefit	—	36	—	36	—
Net earnings (loss) - common shareholders	$ (32)	$ 40	$ (12)	$ 6	$ (36)

Base earnings - insurance service result

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

Lifeco (pre-tax)

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings - insurance service result	$ 777	$ 794	$ 786	$ 2,334	$ 2,156
Items excluded from base earnings	(31)	(1)	(38)	(34)	(81)
Participating account	34	38	40	108	116
Net earnings - insurance service result	$ 780	$ 831	$ 788	$ 2,408	$ 2,191

Base earnings - net investment result

Represents the difference between management's expected return on assets backing insurance contract liabilities and the unwinding of discount rates used to measure corresponding insurance contract liabilities. Includes the release of credit provisions into profit and the impact of credit experience for the period as well as the impact of certain trading activity on fixed income assets and non-directly attributable investment expenses. Additionally, includes expected investment income on surplus assets net of associated investment expenses. This metric is presented on a common shareholders' basis by removing the participating account results. This measure removes spread income earned on certain investment products which represents the difference between earned rates and rates credited to clients.

Lifeco (pre-tax)

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings - net investment result	$ 301	$ 255	$ 222	$ 853	$ 702
Items excluded from base earnings	(156)	49	104	37	(360)
Spread income	294	328	322	943	985
Participating account	(41)	17	2	(26)	(59)
Net earnings - net investment result	$ 398	$ 649	$ 650	$ 1,807	$ 1,268

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 nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Base earnings (pre-tax)	$ 1,305	$ 1,325	$ 1,126	$ 3,860	$ 3,218
Items excluded from Lifeco base earnings					
Market experience relative to expectations (pre-tax)	$ 46	$ 45	$ 191	$ 227	$ (110)
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	—	—	(158)
Assumption changes and management actions (pre-tax)	(235)	2	(125)	(230)	(121)
Business transformation impacts (pre-tax)[1]	(7)	(36)	(33)	(110)	(203)
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(47)	(52)	(48)	(149)	(140)
Total pre-tax items excluded from base earnings	$ (243)	$ (41)	$ (15)	$ (262)	$ (732)
Participating account	(41)	30	14	(5)	(25)
Earnings before income taxes	$ 1,021	$ 1,314	$ 1,125	$ 3,593	$ 2,461

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

Empower Defined Contribution and Personal Wealth net revenue

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

United States

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Empower Defined Contribution (US$)					
Gross AUM fees	$ 460	$ 437	$ 423	$ 1,322	$ 1,225
Asset-based expenses	(111)	(110)	(108)	(330)	(318)
Asset-based fee income (net)	$ 349	$ 327	$ 315	$ 992	$ 907
Spread income	153	175	183	501	579
Credit experience	—	(29)	—	(29)	(13)
Spread income (net)	$ 153	$ 146	$ 183	$ 472	$ 566
Other fees	195	222	146	592	462
Total net revenue (US$)	$ 697	$ 695	$ 644	$ 2,056	$ 1,935
Empower Personal Wealth (US$)					
Gross AUM fees	$ 110	$ 102	$ 89	$ 311	$ 246
Asset-based expenses	(15)	(14)	(13)	(43)	(35)
Asset-based fee income (net)	$ 95	$ 88	$ 76	$ 268	$ 211
Spread income (net)	47	44	44	137	120
Other fees	21	18	16	58	44
Total net revenue (US$)	$ 163	$ 150	$ 136	$ 463	$ 375
Reconciliation to Income Statement					
Fee and other income					
Gross AUM and other fees (US$)	$ 786	$ 779	$ 674	$ 2,283	$ 1,977
Gross AUM and other fees (C$)	1,069	1,067	903	3,106	2,655
Add: Other fee and other income	25	32	25	88	81
Fee and other income	$ 1,094	$ 1,099	$ 928	$ 3,194	$ 2,736
Net investment result					
Empower DC and PW spread income (net) (US$)	$ 200	$ 190	$ 227	$ 609	$ 686
Empower DC and PW spread income (net) (C$)	271	261	304	827	920
Add: Other U.S. segment net investment results	72	69	45	222	110
Add: Items excluded from base earnings	7	(2)	27	14	18
Add: Participating account	(1)	1	—	1	—
Net investment result	$ 349	$ 329	$ 376	$ 1,064	$ 1,048
Operating and administrative expenses					
Asset-based expenses (US$)	$ (126)	$ (124)	$ (121)	$ (373)	$ (353)
Empower DC other operating expenses (US$)	(446)	(437)	(446)	(1,345)	(1,322)
Empower PW other operating expenses (US$)	(102)	(96)	(83)	(293)	(242)
Total Empower DC and PW fee and spread income-related operating expenses (US$)	$ (674)	$ (657)	$ (650)	$ (2,011)	$ (1,917)
Total Empower DC and PW operating expenses (C$)	(917)	(900)	(871)	(2,735)	(2,569)
Add: Items excluded from base earnings	(1)	—	—	(1)	(67)
Add: Other U.S. segment operating expenses	(47)	(39)	(46)	(142)	(155)
Add: Participating account	(1)	(4)	(4)	(6)	(9)
Operating and administrative expenses	$ (966)	$ (943)	$ (921)	$ (2,884)	$ (2,800)

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

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

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

Lifeco

	Sept. 30 2024	June 30 2024	Sept. 30 2023
Total assets per financial statements[1]	$ 779,741	$ 749,562	$ 680,010
Continuing operations - other AUM	224,442	211,939	199,821
Discontinued operations - other AUM	—	—	153,026
Total AUM[1]	$ 1,004,183	$ 961,501	$ 1,032,857
Other AUA	2,106,101	1,967,541	1,595,507
Total AUA[1]	$ 3,110,284	$ 2,929,042	$ 2,628,364

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

Canada

	Sept. 30 2024	June 30 2024	Sept. 30 2023
Canada wealth fee business AUA			
Segregated fund assets	$ 112,493	$ 107,067	$ 95,229
Other AUM	14,092	13,293	7,460
Wealth fee business other AUA	60,368	57,583	25,559
Total Canada wealth fee business AUA	$ 186,953	$ 177,943	$ 128,248
Add: Other balance sheet assets	$ 109,525	$ 105,034	$ 96,608
Add: Other AUA	2,464	2,517	2,200
Consolidated Canada balance sheet assets	$ 222,018	$ 212,101	$ 191,837
Consolidated Canada other AUM	14,092	13,293	7,460
Consolidated Canada other AUA	62,832	60,100	27,759
Total Canada AUA	$ 298,942	$ 285,494	$ 227,056

United States

	Sept. 30 2024	June 30 2024	Sept. 30 2023
Empower AUA			
General account	$ 84,899	$ 87,553	$ 92,440
Segregated funds	183,081	193,030	167,055
Other AUM	88,630	82,843	94,171
Other AUA	2,029,263	1,894,228	1,556,169
Empower AUA	$ 2,385,873	$ 2,257,654	$ 1,909,835
PanAgora - other AUM	$ 46,107	$ 46,117	$ 41,890
Discontinued operations - other AUM	—	—	184,428
Subtotal	$ 2,431,980	$ 2,303,771	$ 2,136,153
Add: Other AUM consolidated adjustment	$ (66)	$ (69)	$ (31,402)
Add: Other balance sheet assets	58,734	39,267	37,453
Consolidated United States balance sheet assets	$ 326,714	$ 319,850	$ 296,948
Consolidated United States other AUM	134,671	128,891	289,087
Consolidated United States other AUA	2,029,263	1,894,228	1,556,169
Total United States AUA	$ 2,490,648	$ 2,342,969	$ 2,142,204

Europe

	Sept. 30 2024	June 30 2024	Sept. 30 2023
Europe wealth and investment only AUA			
Segregated fund assets	$ 164,954	$ 155,289	$ 133,838
Other AUM	75,679	69,755	56,300
Other AUA	14,006	13,213	11,579
Total Europe wealth and investment only AUA	$ 254,639	$ 238,257	$ 201,717
Add: Other balance sheet assets	$ 56,753	$ 53,299	$ 48,904
Consolidated Europe balance sheet assets	$ 221,707	$ 208,588	$ 182,742
Consolidated Europe other AUM	75,679	69,755	56,300
Consolidated Europe other AUA	14,006	13,213	11,579
Total Europe AUA	$ 311,392	$ 291,556	$ 250,621

Non-GAAP Ratios

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

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

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

Glossary

- **Assumption changes and management actions** - The net earnings impact of: (i) revisions to the methodologies and assumptions used in the measurement of the Company's assets, insurance contract liabilities and investment contract liabilities, and (ii) actions taken by management in the current reporting period which include, but are not limited to, changes in in-force product features (including prices), and new or revised reinsurance deals on in-force business. Assumption changes and management actions are excluded from base earnings.
- **Average assets under management and administration -** Calculated as the average of the opening and ending balances of assets under management and administration 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 IFRS 17 contracts not measured under the PAA or VFA measurement models.
- **Group life and health book premiums** - For group life and health insurance, this measure represents the value of in-force premiums at the end of the reporting period.
- **Impact of currency movement (constant currency basis) -** Items impacting the Company's Consolidated Statements of Earnings, such as income and benefits and expenses and net earnings, are translated into Canadian dollars at an average rate for the period. These measures highlight the impact of changes in currency translation rates on Canadian dollar equivalent IFRS results and have been calculated using the average rates, as shown below, in effect at the date of the comparative period. These measures provide useful information as it facilitates the comparability of results between periods.

	Period ended	
	September 30, 2024	September 30, 2023
United States dollar	1.36	1.34
British pound	1.77	1.70
Euro	1.50	1.46

- **Market experience relative to expectations** - The net earnings impact related to the direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, which includes:
  - the impact of hedge ineffectiveness related to segregated fund guarantee liabilities that are hedged and the performance of the related hedge assets;
  - the impact on segregated fund guarantee liabilities not hedged;
  - the market-related impacts that are different than expectations on surplus assets, general account assets and the insurance and investment contract liabilities they support; and
  - other market impacts on general account assets and the insurance and investment contract liabilities they support that cannot be attributed to expectations within the period.
- **Net cash flows and net flows** - Indicator of the Company's ability to attract and retain business. Net cash flows and net asset flows are measured by the following:

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

The capital allocation methodology allows the Company to calculate comparable ROE for each business unit. These ROEs are therefore based on the capital the business unit has been allocated and the financing charges associated with that capital. IFRS does not prescribe the calculation of ROE and therefore a comparable measure under IFRS is not available.

- **Variable Fee Approach (VFA)** - The Company applies this IFRS 17 measurement model to contracts with direct participating features such as participating insurance and segregated fund business with insurance guarantees, where an investment return is provided to the policyholder based on a defined pool of items (e.g., a portfolio of assets).

Disclosure Controls and Procedures

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

Internal Control Over Financial Reporting

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

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

Transactions with Related Parties

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

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

Quarterly Financial Information

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

	2024			2023				2022[3] (Restated)
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Insurance revenue	$ 5,292	$ 5,273	$ 5,250	$ 5,174	$ 5,110	$ 5,081	$ 5,037	$ 5,442
Net investment income	2,249	2,409	2,340	2,431	2,271	2,061	2,101	2,085
Changes in fair value on FVTPL assets	6,906	(864)	(1,385)	11,042	(5,457)	(2,668)	3,572	1,351
Fee and other income	1,806	1,794	1,672	1,558	1,450	1,466	1,400	1,372
Total revenue[1]	$ 16,253	$ 8,612	$ 7,877	$ 20,205	$ 3,374	$ 5,940	$ 12,110	$ 10,250
Net earnings from continuing operations[2]								
Total	$ 859	$ 1,005	$ 1,031	$ 743	$ 936	$ 569	$ 614	$ 478
Basic - per share	0.92	1.08	1.10	0.80	1.01	0.61	0.66	0.51
Diluted - per share	0.92	1.08	1.10	0.79	1.00	0.61	0.66	0.51
Net earnings - Common Shareholders								
Total	$ 859	$ 1,005	$ 960	$ 740	$ 905	$ 498	$ 595	$ 452
Basic - per share	0.92	1.08	1.03	0.79	0.97	0.53	0.64	0.48
Diluted - per share	0.92	1.08	1.03	0.79	0.97	0.53	0.64	0.48

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.

3 Comparative 2022 results restated to reflect the adoption of IFRS 17, *Insurance Contracts* and IFRS 9, *Financial Instruments*.

Total revenue

Total revenue for the third quarter of 2024 was $16,253 million and comprises insurance revenue of $5,292 million ($5,110 million for the same quarter last year), net investment income of $2,249 million ($2,271 million for the same quarter last year), changes in fair value through profit or loss on investment assets of positive $6,906 million (negative $5,457 million for the same quarter last year) and fee and other income of $1,806 million ($1,450 million for the same quarter last year).

Insurance revenue

Insurance revenue for the third quarter of 2024 was $5,292 million, an increase of $182 million compared to the same quarter last year, primarily due to higher earnings on short-term insurance contracts in the Canada and Europe segments.

Total net investment income

Total net investment income, which includes net investment income and changes in fair value on FVTPL assets, for the third quarter of 2024 was $9,155 million, an increase of $12,341 million compared to the same quarter last year. The changes in fair value in the third quarter of 2024 were an increase of $6,906 million compared to a decrease of $5,457 million in the third quarter of 2023, primarily due to a decrease in bond yields across all geographies. Net investment income in the third quarter of 2024 of $2,249 million, which excludes changes in fair value through profit or loss, decreased $22 million compared to the same quarter last year, primary due to the strengthening of the U.S. dollar, British pound and euro against the Canadian dollar.

Fee and other income

Fee and other income for the third quarter of 2024 was $1,806 million, an increase of $356 million compared to the same quarter last year, primarily due to higher equity market levels and overall business growth in the U.S. segment, growth in administrative services only (ASO) fees and the acquisitions of IPC and Value Partners in the Canada segment as well as higher management fees from higher average assets under administration in the Europe segment.

Net earnings

Lifeco's consolidated net earnings attributable to common shareholders were $859 million for the third quarter of 2024 compared to $905 million for the same quarter last year. On a per share basis, this represents $0.92 per common share ($0.92 diluted) for the third quarter of 2024 compared to $0.97 per common share ($0.97 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	Sept. 30 2024	June 30 2024	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
United States dollar							
Balance sheet	$ 1.35	$ 1.37	$ 1.35	$ 1.33	$ 1.36	$ 1.32	$ 1.35
Income and expenses	$ 1.36	$ 1.37	$ 1.35	$ 1.36	$ 1.34	$ 1.34	$ 1.35
British pound							
Balance sheet	$ 1.81	$ 1.73	$ 1.71	$ 1.69	$ 1.66	$ 1.68	$ 1.67
Income and expenses	$ 1.77	$ 1.73	$ 1.71	$ 1.69	$ 1.70	$ 1.68	$ 1.64
Euro							
Balance sheet	$ 1.51	$ 1.47	$ 1.46	$ 1.46	$ 1.44	$ 1.45	$ 1.47
Income and expenses	$ 1.50	$ 1.47	$ 1.46	$ 1.47	$ 1.46	$ 1.46	$ 1.45

Additional Information

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

Consolidated Statements of Earnings *(unaudited)*

(in Canadian $ millions except per share amounts)	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	**2024**	2023
Insurance service result				
Insurance revenue (note 8)	$ 5,292	$ 5,110	$ 15,815	$ 15,228
Insurance service expenses	(4,099)	(3,921)	(12,223)	(11,879)
Net expense from reinsurance contracts	(413)	(401)	(1,184)	(1,158)
	780	788	2,408	2,191
Net investment result				
Net investment income (note 5)	2,249	2,271	6,998	6,433
Changes in fair value on fair value through profit or loss assets (note 5)	6,906	(5,457)	4,657	(4,553)
	9,155	(3,186)	11,655	1,880
Net finance income (expenses) from insurance contracts	(5,662)	3,287	(5,844)	348
Net finance income (expenses) from reinsurance contracts	94	(212)	(71)	(125)
Changes in investment contract liabilities	(3,189)	761	(3,933)	(835)
	398	650	1,807	1,268
Net investment result - insurance contracts on account of segregated fund policyholders				
Net investment income (loss)	2,498	(1,039)	5,417	1,596
Net finance income (expenses) from insurance contracts	(2,498)	1,039	(5,417)	(1,596)
	—	—	—	—
Other income and expenses				
Fee and other income	1,806	1,450	5,272	4,316
Operating and administrative expenses	(1,737)	(1,522)	(5,169)	(4,622)
Amortization of finite life intangible assets	(105)	(100)	(308)	(287)
Financing costs	(98)	(103)	(299)	(322)
Restructuring and integration expenses (note 4)	(23)	(38)	(118)	(83)
Earnings before income taxes	1,021	1,125	3,593	2,461
Income taxes (note 14)	131	137	529	223
Net earnings from continuing operations before non-controlling interests	890	988	3,064	2,238
Attributable to non-controlling interests	(1)	20	72	22
Net earnings from continuing operations before preferred share dividends	891	968	2,992	2,216
Preferred share dividends	32	32	97	97
Net earnings from continuing operations	859	936	2,895	2,119
Net loss from discontinued operations	—	(31)	(115)	(121)
Net gain from disposal of discontinued operations (note 3)	—	—	44	—
Net earnings - common shareholders	$ 859	$ 905	$ 2,824	$ 1,998
Earnings per common share (note 12)				
Basic	$ 0.92	$ 0.97	$ 3.03	$ 2.15
Diluted	$ 0.92	$ 0.97	$ 3.02	$ 2.14
Earnings per common share from continuing operations (note 12)				
Basic	$ 0.92	$ 1.01	$ 3.10	$ 2.28
Diluted	$ 0.92	$ 1.00	$ 3.10	$ 2.27

(in Canadian $ millions)	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	**2024**	2023
Net earnings - common shareholders, before preferred dividends	$ 891	$ 937	$ 2,921	$ 2,095
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	172	288	661	135
Foreign exchange translation gains reclassified to earnings on disposal of foreign operations (note 3)	—	—	(211)	—
Unrealized gains (losses) on hedges of the net investment in foreign operations	(70)	(92)	(132)	(82)
Income tax (expense) benefit	1	8	13	—
Unrealized gains (losses) on bonds and mortgages at fair value through other comprehensive income	255	(80)	221	(92)
Income tax (expense) benefit	(52)	21	(46)	(19)
Realized (gains) losses on bonds and mortgages at fair value through other comprehensive income (note 5)	1	17	39	231
Income tax expense (benefit)	—	(2)	(9)	(14)
Unrealized gains (losses) on cash flow hedges	81	16	48	86
Income tax (expense) benefit	(22)	(5)	(13)	(24)
Realized (gains) losses on cash flow hedges	(45)	(13)	(41)	(60)
Income tax expense (benefit)	12	3	11	16
Non-controlling interests	(105)	49	(116)	9
Income tax (expense) benefit	29	(15)	33	(3)
Total items that may be reclassified	257	195	458	183
Items that will not be reclassified to Consolidated Statements of Earnings				
Unrealized gains (losses) on stocks at fair value through other comprehensive income	(94)	—	(415)	—
Income tax (expense) benefit	(83)	—	—	—
Re-measurements on defined benefit pension and other post-employment benefit plans	(15)	92	243	26
Income tax (expense) benefit	3	(25)	(67)	(6)
Non-controlling interests	—	(8)	(21)	(3)
Income tax (expense) benefit	—	2	6	1
Total items that will not be reclassified	(189)	61	(254)	18
Total comprehensive income	68	256	204	201
Comprehensive income	$ 959	$ 1,193	$ 3,125	$ 2,296

Consolidated Balance Sheets *(unaudited)*

(in Canadian $ millions)	**September 30 2024**	December 31 2023
Assets		
Cash and cash equivalents	$ 8,887	$ 7,742
Bonds (note 5)	162,102	157,051
Mortgage loans (note 5)	39,485	38,414
Stocks (note 5)	18,470	15,733
Investment properties (note 5)	8,108	7,870
	237,052	226,810
Insurance contract assets (note 9)	1,171	1,193
Reinsurance contract held assets (note 9)	17,843	17,332
Assets held for sale (note 3)	—	4,467
Goodwill	11,160	11,249
Intangible assets	4,812	4,484
Derivative financial instruments	1,930	2,219
Owner occupied properties	761	731
Fixed assets	337	335
Accounts and interest receivable	5,607	4,863
Other assets	15,046	14,483
Current income taxes	342	260
Deferred tax assets	1,824	1,848
Investments on account of segregated fund policyholders (note 10)	481,856	422,956
Total assets	$ 779,741	$ 713,230
Liabilities		
Insurance contract liabilities (note 9)	$ 153,349	$ 144,388
Investment contract liabilities	87,631	88,919
Reinsurance contract held liabilities (note 9)	830	648
Liabilities held for sale (note 3)	—	2,407
Debentures and other debt instruments	9,112	9,046
Derivative financial instruments	1,516	1,288
Accounts payable	3,193	3,216
Other liabilities	9,904	9,587
Current income taxes	262	137
Deferred tax liabilities	777	787
Insurance contracts on account of segregated fund policyholders (note 9)	65,226	60,302
Investment contracts on account of segregated fund policyholders	416,630	362,654
Total liabilities	748,430	683,379
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	3,020	2,847
Non-controlling interests in subsidiaries	68	168
Shareholders' equity		
Share capital		
Limited recourse capital notes	1,500	1,500
Preferred shares	2,720	2,720
Common shares (note 11)	6,037	6,000
Accumulated surplus	16,666	15,492
Accumulated other comprehensive income	1,094	890
Contributed surplus	206	234
Total equity	31,311	29,851
Total liabilities and equity	$ 779,741	$ 713,230

Consolidated Statements of Changes in Equity *(unaudited)*

(in Canadian $ millions)

	September 30, 2024					
	Share capital	**Contributed surplus**	**Accumulated surplus**	**Accumulated other comprehensive income (loss)**	**Non-controlling interests**	**Total equity**
Balance, beginning of year	$ 10,220	$ 234	$ 15,492	$ 890	$ 3,015	$ 29,851
Net earnings - common shareholders, before preferred dividends	—	—	2,921	—	72	2,993
Other comprehensive income	—	—	—	204	98	302
	10,220	234	18,413	1,094	3,185	33,146
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(97)	—	—	(97)
Common shareholders	—	—	(1,552)	—	—	(1,552)
Shares exercised and issued under share-based payment plans (note 11)	54	(4)	—	—	5	55
Shares purchased and cancelled under normal course issuer bid (note 11)	(17)	—	(98)	—	—	(115)
Impact of sale of discontinued operations	—	(32)	—	—	(99)	(131)
Share-based payment plans expense	—	8	—	—	—	8
Derecognition of non-controlling interest in subsidiary	—	—	—	—	(3)	(3)
Balance, end of period	$ 10,257	$ 206	$ 16,666	$ 1,094	$ 3,088	$ 31,311

	September 30, 2023					
	Share capital	Contributed surplus	Accumulated surplus	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance, beginning of year	$ 10,011	$ 209	$ 14,976	$ 713	$ 2,886	$ 28,795
Impact of initial application of IFRS 9	—	—	(33)	3	—	(30)
Revised balance, beginning of year	10,011	209	14,943	716	2,886	28,765
Net earnings - common shareholders, before preferred dividends	—	—	2,095	—	22	2,117
Other comprehensive income (loss)	—	—	—	201	(4)	197
	10,011	209	17,038	917	2,904	31,079
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(97)	—	—	(97)
Common shareholders	—	—	(1,453)	—	—	(1,453)
Issued in business acquisition	89	—	—	—	—	89
Shares exercised and issued under share-based payment plans (note 11)	106	(46)	—	—	35	95
Shares purchased and cancelled under normal course issuer bid (note 11)	(28)	—	(143)	—	—	(171)
Equity settlement of Putnam share-based plans	—	—	—	—	(13)	(13)
Shares cancelled under Putnam share-based plans	—	3	—	—	2	5
Share-based payment plans expense	—	58	—	—	—	58
Acquisition of non-controlling interest in subsidiary	—	—	(27)	—	(36)	(63)
Dilution loss on non-controlling interests	—	—	(30)	—	30	—
Balance, end of period	$ 10,178	$ 224	$ 15,288	$ 917	$ 2,922	$ 29,529

Consolidated Statements of Cash Flows *(unaudited)*

(in Canadian $ millions)	For the nine months ended September 30	
	2024	2023 [1]
Operations		
Earnings before income taxes	$ 3,433	$ 2,306
Income taxes paid, net of refunds received	(522)	(319)
Adjustments:		
Change in insurance contract liabilities	6,279	(1,706)
Change in investment contract liabilities	(2,585)	(6,425)
Change in reinsurance contract held liabilities	157	181
Change in reinsurance contract held assets	(195)	1,005
Change in insurance contract assets	40	(522)
Changes in fair value through profit or loss	(4,657)	4,553
Sales, maturities and repayments of portfolio investments	31,164	31,323
Purchases of portfolio investments	(29,701)	(28,301)
Other	(662)	990
	2,751	3,085
Financing Activities		
Issue of common shares	54	106
Purchased and cancelled common shares	(115)	(171)
Repayment of euro denominated debt	—	(735)
Decrease in line of credit of subsidiaries	(60)	(602)
Dividends paid on common shares	(1,552)	(1,453)
Dividends paid on preferred shares	(97)	(97)
	(1,770)	(2,952)
Investment Activities		
Impact from sale of discontinued operations	(211)	—
Investment in associates and joint ventures	(116)	(123)
Business acquisitions, net of cash and cash equivalents acquired	(76)	(8)
	(403)	(131)
Effect of changes in exchange rates on cash and cash equivalents	192	34
Increase in cash and cash equivalents	770	36
Cash and cash equivalents from continuing and discontinued operations, beginning of year	8,117	7,290
Cash and cash equivalents from continuing and discontinued operations, end of period	$ 8,887	$ 7,326
Less: Cash and cash equivalents from discontinued operations, end of period	—	348
Cash and cash equivalents from continuing operations, end of period	$ 8,887	$ 6,978
Supplementary cash flow information		
Interest income received	$ 5,649	$ 5,360
Interest paid	246	286
Dividend income received	363	301

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

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

1. Corporate Information

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

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

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

2. Basis of Presentation and Summary of Material Accounting Policies

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

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

Changes in Accounting Policies

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

Use of Significant Judgments, Estimates and Assumptions

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

Future Accounting Policies

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

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

3. Business Acquisitions and Other Transactions

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

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

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

Details of the Sale of Putnam Investments

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

(b) Acquisition of Investment Planning Counsel

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

During the third quarter of 2024, the Company completed its comprehensive valuation of the fair value of the net assets acquired, and the purchase price allocation.

Initial goodwill presented in the Company's December 31, 2023 consolidated annual audited financial statements of $583 was adjusted upon completion of the purchase price allocation. Adjustments were made to the provisional amounts disclosed in the Company's December 31, 2023 consolidated annual audited financial statements, mainly due to the recognition and measurement of intangible assets. Intangible assets recognized include customer contracts of $230, which have accumulated amortization of $6 as at September 30, 2024.

Comparative information in the Company's consolidated financial statements has not been restated.

The Company determined the fair value of the intangible assets using the valuation techniques that incorporate projections of discounted cash flows by applying judgments and estimates for customer retention, forecasted revenues, earnings and discount rates.

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

Assets acquired and goodwill		
Cash	$	31
Goodwill		371
Intangible assets		230
Fixed assets		3
Accounts receivable		33
Other assets		279
Current income taxes		1
Total assets acquired and goodwill	$	948
Liabilities assumed		
Accounts payable	$	38
Other liabilities		294
Current income taxes		1
Deferred tax liabilities		30
Total liabilities assumed	$	363

The following provides the change in the carrying value of goodwill from December 31, 2023 to September 30, 2024:

Goodwill previously reported at December 31, 2023	**$**	**583**
Recognition and measurement of intangible assets		(230)
Recognition of deferred tax liabilities on intangible assets and other measurement period adjustments		18
Goodwill reported at September 30, 2024	**$**	**371**

(c) Acquisition of Value Partners

On September 8, 2023, Canada Life completed the acquisition of 100% of the equity of Value Partners Group Inc., a Winnipeg based investment firm that serves clients with complex and sophisticated wealth needs.

During the third quarter of 2024, the comprehensive valuation of the fair value of the net assets acquired including intangible assets and the final purchase price allocation was completed. As a result, initial goodwill presented in the December 31, 2023 consolidated annual audited financial statements of $119 recognized upon the acquisition was adjusted to $68, mainly due to the recognition and measurement of intangible assets. Comparative information in the Company's consolidated financial statements has not been restated.

(d) Strategic Relationship with Power Sustainable

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

4. Restructuring and Integration Expenses

(a) Canada Restructuring

The Company recorded a restructuring provision of nil and $23 in Canada for the three and nine months ended September 30, 2024, respectively ($21 in the shareholder account and $2 in the participating account for the nine months ended September 30, 2024). The restructuring is related to the transitioning of some of the information technology operations functions to a managed service arrangement with an external provider. As at September 30, 2024, the Company has a provision of $9 remaining in other liabilities related to this restructuring. The Company expects to utilize a significant portion of these amounts during 2024.

(b) Empower Restructuring and Integration

The Company recorded a restructuring provision of nil and $29 in the United States for the three and nine months ended September 30, 2024, respectively (nil and $5 for the three and nine months ended September 30, 2023, respectively). As at September 30, 2024, the Company has a provision of $11 remaining in other liabilities related to this restructuring ($7 at December 31, 2023). The Company expects to pay out a significant portion of these amounts during the year. The restructuring is primarily attributable to staff reductions and other exit costs related to the Company's acquisition of the retirement services businesses of Massachusetts Mutual Life Insurance Company and Prudential Financial, Inc. (Prudential). The Company does not expect to incur further restructuring and integration expenses associated with the Prudential acquisition during the year.

The Company recorded integration expenses in the Consolidated Statements of Earnings of nil and $43 for the three and nine months ended September 30, 2024, respectively ($17 and $66 for the three and nine months ended September 30, 2023, respectively).

(c) Europe Restructuring

During the third quarter of 2024, the Company recorded a restructuring provision of $23 within restructuring and integration expenses in the Consolidated Statements of Earnings in the Europe operating segment. At September 30, 2024, the Company has a restructuring provision of $107 remaining in other liabilities ($106 at December 31, 2023). The restructuring relates to provisions for staff reductions as well as other business transformation initiatives as disclosed in the Company's December 31, 2023 consolidated annual audited financial statements.

5. Portfolio Investments

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

	September 30, 2024		December 31, 2023	
	Carrying value	**Fair value**	Carrying value	Fair value
Bonds				
Fair value through profit or loss (FVTPL) - designated	$ 148,052	$ 148,052	$ 143,506	$ 143,506
FVTPL - mandatory	1,851	1,851	1,795	1,795
Fair value through other comprehensive income (FVOCI)	12,199	12,199	11,750	11,750
	162,102	162,102	157,051	157,051
Mortgage loans				
FVTPL - designated	29,352	29,352	29,211	29,211
FVTPL - mandatory	4,865	4,865	4,203	4,203
FVOCI	580	580	578	578
Amortized cost	4,688	4,162	4,422	3,923
	39,485	38,959	38,414	37,915
Stocks				
FVTPL - mandatory	16,629	16,629	14,890	14,890
FVOCI - designated [1]	858	858	—	—
Equity method	983	952	843	777
	18,470	18,439	15,733	15,667
Investment properties	8,108	8,108	7,870	7,870
Total	$ 228,165	$ 227,608	$ 219,068	$ 218,503

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

(b) Net Investment Income Comprises the Following:

For the three months ended September 30, 2024	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	$ 1,725	$ 379	$ 144	$ 128	$ (24)	$ 2,352
Net realized losses on derecognition of FVOCI assets	(1)	—	—	—	—	(1)
Gains on derecognition of amortized cost assets	—	—	—	—	—	—
Net expected credit loss (ECL) recovery	—	3	—	—	—	3
Other income and expenses	—	—	—	(52)	(53)	(105)
	1,724	382	144	76	(77)	2,249
Changes in fair value on FVTPL assets:						
FVTPL - designated	4,428	773	—	—	585	5,786
FVTPL - mandatory	—	128	1,016	—	—	1,144
Recorded at fair value	—	—	—	(24)	—	(24)
	4,428	901	1,016	(24)	585	6,906
Total	$ 6,152	$ 1,283	$ 1,160	$ 52	$ 508	$ 9,155

For the three months ended September 30, 2023	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	$ 1,651	$ 364	$ 107	$ 126	$ 137	$ 2,385
Net realized losses on derecognition of FVOCI assets	(17)	—	—	—	—	(17)
Gains on derecognition of amortized cost assets	—	—	—	—	—	—
Net ECL (charge) recovery	—	(10)	—	—	—	(10)
Other income and expenses	—	—	—	(45)	(42)	(87)
	1,634	354	107	81	95	2,271
Changes in fair value on FVTPL assets:						
FVTPL - designated	(3,859)	(325)	—	—	(805)	(4,989)
FVTPL - mandatory	—	(61)	(254)	—	—	(315)
Recorded at fair value	—	—	—	(153)	—	(153)
	(3,859)	(386)	(254)	(153)	(805)	(5,457)
Total	$ (2,225)	$ (32)	$ (147)	$ (72)	$ (710)	$ (3,186)

For the nine months ended September 30, 2024	**Bonds**	**Mortgage loans**	**Stocks**	**Investment properties**	**Other**	**Total**
Net investment income:						
Investment income earned	$ 5,148	$ 1,126	$ 477	$ 379	$ 197	$ 7,327
Net realized losses on derecognition of FVOCI assets	(39)	—	—	—	—	(39)
Gains on derecognition of amortized cost assets	—	1	—	—	—	1
Net ECL recovery	—	7	—	—	—	7
Other income and expenses	—	—	—	(146)	(152)	(298)
	5,109	1,134	477	233	45	6,998
Changes in fair value on FVTPL assets:						
FVTPL - designated	1,794	890	—	—	471	3,155
FVTPL - mandatory	(3)	93	1,524	—	—	1,614
Recorded at fair value	—	—	—	(112)	—	(112)
	1,791	983	1,524	(112)	471	4,657
Total	$ 6,900	$ 2,117	$ 2,001	$ 121	$ 516	$ 11,655

For the nine months ended September 30, 2023	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	$ 4,927	$ 1,061	$ 351	$ 377	$ 218	$ 6,934
Net realized losses on derecognition of FVOCI assets	(231)	—	—	—	—	(231)
Gains on derecognition of amortized cost assets	—	8	—	—	—	8
Net ECL (charge) recovery	(1)	(8)	—	—	—	(9)
Other income and expenses	—	—	—	(144)	(125)	(269)
	4,695	1,061	351	233	93	6,433
Changes in fair value on FVTPL assets:						
FVTPL - designated	(3,347)	(358)	—	—	(464)	(4,169)
FVTPL - mandatory	—	(161)	142	—	—	(19)
Recorded at fair value	—	—	—	(365)	—	(365)
	(3,347)	(519)	142	(365)	(464)	(4,553)
Total	$ 1,348	$ 542	$ 493	$ (132)	$ (371)	$ 1,880

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

6. Risk Management

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

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

(a) Credit Risk

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

(i) Concentration of Credit Risk

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

(ii) Expected Credit Losses

The majority of the Company's financial assets are measured at FVTPL and therefore are not subject to the ECL model. The ECL model only applies to FVOCI and amortized cost fixed income investments. The ECL allowance was $33 at September 30, 2024, of which $5 was Stage 1, $24 was Stage 2 and $4 was Stage 3 ($37 at December 31, 2023, of which $4 was Stage 1, $29 was Stage 2 and $4 was Stage 3).

(iii) Credit Impact on Financial Assets Designated as FVTPL

The carrying value of the Company’s portfolio investments designated as FVTPL represents the maximum exposure to credit risk for those assets. The change in fair value attributable to the change in credit risk of these assets is generally insignificant in the absence of significant credit events occurring on specific assets. Fair value losses of $22 and $46 for the three and nine months ended September 30, 2024, respectively (nil and $17 for the three and nine months ended September 30, 2023, respectively) are reflected in changes in fair value on FVTPL assets in the Consolidated Statements of Earnings related to significant credit events occurring on assets designated at 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 under IFRS 17, *Insurance Contracts* (IFRS 17) and IFRS 9, *Financial Instruments* (IFRS 9).

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

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

Change in Market Yield Curves

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

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 September 30, 2024 and December 31, 2023, the sensitivity of shareholders' net earnings of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of $25 or a decrease of $25 post-tax, respectively.

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

Change in Credit Spreads

	September 30, 2024		December 31, 2023	
	Increase 50 basis points credit spreads	**Decrease 50 basis points credit spreads**	Increase 50 basis points interest rates	Decrease 50 basis points interest rates
Shareholders' net earnings	$ 225	$ (250)	$ 300	$ (375)
Shareholders' equity	275	(325)	350	(450)

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 IFRS 17 discount rate, depending on prevailing market and credit conditions at the time; any potential earnings impacts that may arise from such a change are not reflected in the sensitivities above.

(iii) Equity Risk

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

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

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

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

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

Change in Publicly Traded Common Stock Values

	September 30, 2024 [1]				December 31, 2023			
	20% increase	**10% increase**	**10% decrease**	**20% decrease**	20% increase	10% increase	10% decrease	20% decrease
Shareholders' net earnings	$ 125	$ 50	$ (50)	$ (125)	$ 225	$ 100	$ (100)	$ (225)
Shareholders' equity	550	275	(275)	(550)	525	250	(250)	(525)

[1] The net impact of the sale of Putnam Investments and the receipt of Franklin Templeton common shares is reflected in the September 30, 2024 values in the table above. The Franklin Templeton common shares are measured at FVOCI and therefore unrealized gains and losses do not impact shareholders' net earnings. The after-tax impact on shareholders' equity of the Franklin Templeton common shares is approximately $70 for every 10% change in the common stock equity value.

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

	September 30, 2024				December 31, 2023			
	10% increase	**5% increase**	**5% decrease**	**10% decrease**	10% increase	5% increase	5% decrease	10% decrease
Shareholders' net earnings	$ 450	$ 225	$ (225)	$ (475)	$ 400	$ 200	$ (200)	$ (425)
Shareholders' equity	475	225	(250)	(500)	450	225	(225)	(450)

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. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, government and agency securities, restricted stock, some private bonds and investment funds, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans. Investment contracts that are measured at FVTPL are mostly included in the Level 2 category.

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

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

	September 30, 2024				December 31, 2023			
Assets measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 8,887	$ —	$ —	$ 8,887	$ 7,742	$ —	$ —	$ 7,742
Financial assets at FVTPL								
Bonds	—	149,726	177	149,903	—	145,049	252	145,301
Mortgage loans	—	29,353	4,864	34,217	—	29,211	4,203	33,414
Stocks	11,549	232	4,848	16,629	10,863	218	3,809	14,890
Total financial assets at FVTPL	11,549	179,311	9,889	200,749	10,863	174,478	8,264	193,605
Financial assets at FVOCI								
Bonds	—	12,199	—	12,199	—	11,750	—	11,750
Mortgage loans	—	580	—	580	—	578	—	578
Stocks	858	—	—	858	—	—	—	—
Total financial assets at FVOCI	858	12,779	—	13,637	—	12,328	—	12,328
Investment properties	—	—	8,108	8,108	—	—	7,870	7,870
Derivatives [1]	—	1,930	—	1,930	1	2,218	—	2,219
Assets held for sale [2]	—	—	—	—	614	1,006	907	2,527
Other assets:								
Trading account assets	242	3,202	—	3,444	242	2,796	—	3,038
Other [3]	—	204	—	204	—	443	—	443
Total assets measured at fair value	$ 21,536	$ 197,426	$ 17,997	$ 236,959	$ 19,462	$ 193,269	$ 17,041	$ 229,772
Liabilities measured at fair value								
Derivatives [4]	$ 6	$ 1,510	$ —	$ 1,516	$ 5	$ 1,283	$ —	$ 1,288
Investment contract liabilities	—	87,631	—	87,631	—	88,919	—	88,919
Other liabilities	—	204	—	204	—	443	—	443
Total liabilities measured at fair value	$ 6	$ 89,345	$ —	$ 89,351	$ 5	$ 90,645	$ —	$ 90,650

1 Excludes collateral received from counterparties of $950 at September 30, 2024 ($1,346 at December 31, 2023).

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

3 Includes collateral received under securities lending arrangements.

4 Excludes collateral pledged to counterparties of $850 at September 30, 2024 ($247 at December 31, 2023).

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

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

	For the nine months ended September 30, 2024						
	FVTPL bonds	**FVTPL mortgage loans**	**FVTPL stocks [4]**	**Investment properties**	**Trading account assets**	**Assets held for sale**	**Total Level 3 assets**
Balance, beginning of year	$ 252	$ 4,203	$ 3,809	$ 7,870	$ —	$ 907	$ 17,041
Total gains (losses)							
Included in net earnings	(4)	304	288	(112)	—	—	476
Included in other comprehensive income [1]	—	170	20	178	—	—	368
Purchases	21	—	947	287	—	—	1,255
Sale of discontinued operations	—	—	—	—	—	(907)	(907)
Issues	—	343	—	—	—	—	343
Sales	(21)	—	(216)	(106)	—	—	(343)
Settlements	—	(156)	—	—	—	—	(156)
Transferred to owner occupied properties	—	—	—	(9)	—	—	(9)
Other	—	—	—	—	—	—	—
Transfers into Level 3 [3]	—	—	—	—	—	—	—
Transfers out of Level 3 [3]	(71)	—	—	—	—	—	(71)
Balance, end of period	$ 177	$ 4,864	$ 4,848	$ 8,108	$ —	$ —	$ 17,997
Total gains (losses) for the period included in net investment result	$ (4)	$ 304	$ 288	$ (112)	$ —	$ —	$ 476
Change in unrealized gains (losses) for the period included in net earnings for assets held at September 30, 2024	$ (4)	$ 294	$ 292	$ (113)	$ —	$ —	$ 469

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

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

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

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

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

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

Type of asset	Valuation approach	Significant unobservable input	Input value	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	Investment property valuations are generally determined using property valuation models based on expected capitalization rates and models that discount expected future net cash flows. The determination of the fair value of investment property requires the use of estimates such as future cash flows (such as future leasing assumptions, rental rates, capital and operating expenditures) and discount, reversionary and overall capitalization rates applicable to the asset based on current market rates.	Discount rate	Range of 4.2% - 12.4%	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 4.3% - 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 5.1%	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 4.4% - 6.1%	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.
Stocks	The determination of the fair value of stocks requires the use of estimates such as future cash flows, discount rates, projected earnings multiples, or recent transactions.	Discount rate	Various	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.

8. Insurance Revenue

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	**2024**	2023
Contracts not measured under the premium allocation approach (PAA)				
Amounts relating to changes in liabilities for remaining coverage				
Experience adjustments	$ (17)	$ (16)	$ (48)	$ (77)
CSM recognized for services provided	321	299	943	922
Change in risk adjustment for non-financial risk for risk expired	168	163	474	464
Expected incurred claims and other insurance service expenses	2,396	2,295	7,095	6,831
Recovery of insurance acquisition cash flows	148	139	436	415
	3,016	2,880	8,900	8,555
Contracts measured under the PAA	2,276	2,230	6,915	6,673
Total insurance revenue	$ 5,292	$ 5,110	$ 15,815	$ 15,228

9. Insurance Contracts and Reinsurance Contracts Held

(a) Insurance Contract (Assets) / Liabilities

	September 30, 2024				
	Not measured under the PAA				
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**CSM**	**PAA**	**Total**
Assets	$ (4,510)	$ 588	$ 2,823	$ (72)	$ (1,171)
Liabilities	121,272	6,319	11,807	13,951	153,349
Liabilities on account of segregated fund policyholders	65,226	—	—	—	65,226
	$ 181,988	$ 6,907	$ 14,630	$ 13,879	$ 217,404

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

(b) Reinsurance Contract Held Assets / (Liabilities)

	September 30, 2024				
	Not measured under the PAA				
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**CSM**	**PAA**	**Total**
Assets	$ 16,378	$ 753	$ 562	$ 150	$ 17,843
Liabilities	(2,316)	998	551	(63)	(830)
	$ 14,062	$ 1,751	$ 1,113	$ 87	$ 17,013

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

(c) Discount Rates

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

September 30, 2024		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	**Lower**	4.6 %	4.0 %	4.3 %	4.5 %	4.5 %	4.7 %
	Upper	5.0 %	4.5 %	4.8 %	5.0 %	5.0 %	5.0 %
USD	**Lower**	4.8 %	4.4 %	4.7 %	5.2 %	5.0 %	4.8 %
	Upper	5.3 %	4.8 %	5.1 %	5.7 %	5.4 %	5.0 %
EUR	**Lower**	2.8 %	2.3 %	2.5 %	2.9 %	3.2 %	4.3 %
	Upper	3.9 %	3.4 %	3.7 %	4.0 %	4.2 %	4.5 %
GBP	**Lower**	4.8 %	4.3 %	4.6 %	5.2 %	5.2 %	4.1 %
	Upper	5.6 %	5.1 %	5.4 %	6.0 %	6.1 %	5.0 %

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

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

(d) Impact of Assumption Changes and Management Actions

In the third quarter of 2024, the Company completed certain assumption reviews and model refinements related to insurance contract liabilities. The following table shows the net earnings and CSM impacts of assumption changes and management actions for the three months ended September 30, 2024 and September 30, 2023:

		Net earnings impact (pre-tax)			
Assumptions	**CSM impacts [1]**	**Fair value impact of CSM assumption changes**	**Other**	**Total**	**Description**
For the three months ended September 30, 2024					
Longevity	$ 727	$ (302)	$ 5	$ (297)	Updates to reflect trends in longevity experience, primarily on portfolios in the Capital and Risk Solutions segment and in the United Kingdom in the Europe segment
Mortality	44	(85)	(17)	(102)	Updates to reflect trends in mortality, primarily on the United States life reinsurance portfolio in the Capital and Risk Solutions segment
Policyholder behaviour	(413)	108	(19)	89	Updates to reflect renewal experience on term insurance in the Canada segment
Other	(53)	13	62	75	Other updates, including financial and expense assumptions
Total	$ 305	$ (266)	$ 31	$ (235)	
For the three months ended September 30, 2023					
Total	$ 188	$ (57)	$ (68)	$ (125)	

[1] Excludes participating policies.

10. Segregated Funds and Other Structured Entities

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

(a) Investments on Account of Segregated Fund Policyholders

	September 30 2024	December 31 2023
Cash and cash equivalents	$ 18,457	$ 15,024
Bonds	73,720	72,111
Mortgage loans	2,105	2,022
Stocks and units in unit trusts	150,872	130,415
Mutual funds	218,819	188,549
Investment properties	11,500	12,071
	475,473	420,192
Accrued income	879	832
Other assets (liabilities)	(3,455)	(4,138)
Non-controlling mutual funds interest	8,959	6,070
Total [1]	$ 481,856	$ 422,956

[1] At September 30, 2024, $64,340 of investments on account of segregated fund policyholders are reinsured by the Company on a modified coinsurance basis ($64,097 at December 31, 2023). Included in this amount are $82 of cash and cash equivalents, $10,852 of bonds, $18 of stocks and units in unit trusts, $53,359 of mutual funds, $79 of accrued income and $(50) of other liabilities.

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

	For the nine months ended September 30	
	2024	2023
Balance, beginning of year	$ 422,956	$ 387,882
Additions (deductions):		
Policyholder deposits	43,834	39,370
Net investment income	3,730	3,304
Net realized capital gains (losses) on investments	8,336	1,253
Net unrealized capital gains (losses) on investments	36,240	12,505
Unrealized gains (losses) due to changes in foreign exchange rates	9,318	1,053
Policyholder withdrawals	(45,438)	(42,057)
Change in segregated fund investment in general fund	(20)	59
Change in general fund investment in segregated fund	1	1
Net transfer from (to) general fund	10	41
Non-controlling mutual funds interest	2,889	(1,127)
Total	58,900	14,402
Balance, end of period	$ 481,856	$ 402,284

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

	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Investments on account of segregated fund policyholders [1]	$ 334,845	$ 136,196	$ 13,533	$ 484,574

[1] Excludes other liabilities, net of other assets, of $2,718.

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

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

For the nine months ended September 30, 2024, certain foreign stock holdings valued at $4,798 have been transferred from Level 1 to Level 2 ($56 were transferred from Level 1 to Level 2 at December 31, 2023) primarily based on the Company's change in use of inputs in addition to quoted prices in active markets for certain foreign stock holdings. Level 2 assets include those assets where fair value is not available from normal market pricing sources, where inputs are utilized in addition to quoted prices in active markets and where the Company does not have access to the underlying asset details within an investment fund.

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

	September 30 2024	December 31 2023
Balance, beginning of year	$ 13,792	$ 14,455
Total gains (losses) included in segregated fund investment income	(500)	(1,073)
Purchases	701	795
Sales	(524)	(445)
Transfers into Level 3	97	350
Transfers out of Level 3	(33)	(290)
Balance, end of period	$ 13,533	$ 13,792

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

11. Share Capital

Common Shares

	For the nine months ended September 30			
	2024		2023	
	Number	**Carrying value**	Number	Carrying value
Common shares				
Balance, beginning of year	932,427,987	$ 6,000	931,853,110	$ 5,791
Issued in business acquisition	—	—	2,278,830	89
Exercised and issued under stock option plan	1,476,916	54	2,910,932	106
Purchased and cancelled under normal course issuer bid	(2,700,000)	(114)	(4,476,293)	(171)
Excess of redemption proceeds over stated capital per normal course issuer bid	—	97	—	143
Balance, end of period	931,204,903	$ 6,037	932,566,579	$ 5,958

During the nine months ended September 30, 2024, 1,476,916 common shares were exercised under the Company's stock plan with a carrying value of $54, including $4 from contributed surplus transferred upon exercise (2,910,932 with a carrying value of $106, including $11 from contributed surplus transferred upon exercise for the nine months ended September 30, 2023).

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

During the nine months ended September 30, 2024, the Company repurchased and subsequently cancelled 2,700,000 common shares under the current NCIB at a cost of $114 (4,476,293 common shares at a cost of $171 for the nine months ended September 30, 2023, under the previous NCIB). The Company’s share capital was reduced by the average carrying value of the shares repurchased for cancellation. The excess paid over the average carrying value was $98 and was recognized as a reduction to accumulated surplus for the nine months ended September 30, 2024 ($143 for the nine months ended September 30, 2023, under the previous NCIB).

12. Earnings Per Common Share

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

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	**2024**	2023
Earnings				
Net earnings from continuing operations before preferred share dividends	$ 891	$ 968	$ 2,992	$ 2,216
Preferred share dividends	(32)	(32)	(97)	(97)
Net earnings from continuing operations	$ 859	$ 936	$ 2,895	$ 2,119
Net loss from discontinued operations	—	(31)	(115)	(121)
Net gain from disposal of discontinued operations	—	—	44	—
Net earnings - common shareholders	$ 859	$ 905	$ 2,824	$ 1,998
Number of common shares				
Average number of common shares outstanding	931,524,928	931,238,607	932,249,369	931,482,357
Add: Potential exercise of outstanding stock options	2,739,169	2,222,406	2,659,860	1,645,022
Average number of common shares outstanding - diluted basis	934,264,097	933,461,013	934,909,229	933,127,379
Basic earnings per common share	$ 0.92	$ 0.97	$ 3.03	$ 2.15
Diluted earnings per common share	$ 0.92	$ 0.97	$ 3.02	$ 2.14
Basic earnings per common share from continuing operations	$ 0.92	$ 1.01	$ 3.10	$ 2.28
Diluted earnings per common share from continuing operations	$ 0.92	$ 1.00	$ 3.10	$ 2.27
Dividends per common share	$ 0.555	$ 0.520	$ 1.665	$ 1.560

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:

	September 30 2024	December 31 2023
Tier 1 Capital	$ 20,278	$ 18,285
Tier 2 Capital	5,288	5,223
Total Available Capital	25,566	23,508
Surplus Allowance and Eligible Deposits	5,277	5,406
Total Capital Resources	$ 30,843	$ 28,914
Required Capital	$ 22,939	$ 22,525
Total LICAT Ratio (OSFI Supervisory Target = 100%) [1]	134 %	128 %

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

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

14. Income Taxes

(a) Income Tax Expense

Income tax recognized in Consolidated Statements of Earnings:

	For the three months ended September 30		**For the nine months ended September 30**	
	2024	2023	**2024**	2023
Current income taxes	$ 127	$ 50	$ 549	$ 387
Deferred income taxes	4	87	(20)	(164)
Total income tax expense	$ 131	$ 137	$ 529	$ 223

(b) Effective Income Tax Rate

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

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

The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rate is below 15%. In the third quarter of 2024, the Company recognized a GMT current tax expense of $23 ($89 for the nine months ended September 30, 2024), primarily related to its operations in Barbados and Ireland.

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

The overall effective income tax rate for the three months ended September 30, 2024 of 12.8% was comparable to 12.2% for the three months ended September 30, 2023 as the increase due to GMT and jurisdictional mix of earnings was offset by higher non-taxable investment income. The GMT increased the effective income tax rate by 2.3%.

The overall effective income tax rate for the nine months ended September 30, 2024 of 14.7% was higher than 9.1% for the nine months ended September 30, 2023 primarily due to the GMT and jurisdictional mix of earnings. The GMT increased the effective income tax rate by 2.5%.

The effective income tax rate for the shareholder account for the three months ended September 30, 2024 was 16.1% compared to 12.8% for the three months ended September 30, 2023.

The effective income tax rate for the shareholder account for the nine months ended September 30, 2024 was 16.9% compared to 10.8% for the nine months ended September 30, 2023.

15. Segmented Information

(a) Consolidated Net Earnings

For the three months ended September 30, 2024

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 2,312	$ 56	$ 1,689	$ 1,235	$ —	$ 5,292
Net investment income [2]	823	1,023	411	2	(10)	2,249
Changes in fair value on FVTPL assets [2]	3,576	2,673	486	167	4	6,906
	6,711	3,752	2,586	1,404	(6)	14,447
Fee and other income [3]	480	1,094	229	3	—	1,806
	7,191	4,846	2,815	1,407	(6)	16,253
Other insurance results						
Insurance service expenses	(1,536)	(86)	(1,449)	(1,028)	—	(4,099)
Net income (expenses) from reinsurance contracts	(361)	(9)	(33)	(10)	—	(413)
	(1,897)	(95)	(1,482)	(1,038)	—	(4,512)
Other investment results						
Net finance income (expenses) from insurance contracts	(4,092)	(260)	(991)	(319)	—	(5,662)
Net finance income (expenses) from reinsurance contracts	3	(8)	91	8	—	94
Changes in investment contract liabilities	(72)	(3,079)	(2)	(36)	—	(3,189)
	(4,161)	(3,347)	(902)	(347)	—	(8,757)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	1,905	—	593	—	—	2,498
Net finance income (expenses) from insurance contracts	(1,905)	—	(593)	—	—	(2,498)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(497)	(966)	(234)	(15)	(25)	(1,737)
Amortization of finite life intangible assets	(31)	(57)	(17)	—	—	(105)
Financing costs	(33)	(53)	(10)	(1)	(1)	(98)
Restructuring and integration expenses	—	—	(23)	—	—	(23)
Earnings before income taxes	572	328	147	6	(32)	1,021
Income taxes	108	23	17	(9)	(8)	131
Net earnings from continuing operations before non-controlling interests	464	305	130	15	(24)	890
Attributable to non-controlling interests	(1)	—	—	—	—	(1)
Net earnings from continuing operations before preferred share dividends	465	305	130	15	(24)	891
Preferred share dividends	28	—	4	—	—	32
Net earnings from continuing operations before capital allocation	437	305	126	15	(24)	859
Impact of capital allocation	23	2	(11)	(6)	(8)	—
Net earnings from continuing operations	460	307	115	9	(32)	859
Net loss from discontinued operations	—	—	—	—	—	—
Net gain from disposal of discontinued operations	—	—	—	—	—	—
Net earnings - common shareholders	$ 460	$ 307	$ 115	$ 9	$ (32)	$ 859

[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 September 30, 2023

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 2,317	$ 60	$ 1,557	$ 1,176	$ —	$ 5,110
Net investment income [2]	881	992	308	80	10	2,271
Changes in fair value on FVTPL assets [2]	(3,308)	(1,479)	(387)	(282)	(1)	(5,457)
	(110)	(427)	1,478	974	9	1,924
Fee and other income [3]	328	928	190	4	—	1,450
	218	501	1,668	978	9	3,374
Other insurance results						
Insurance service expenses	(1,559)	(45)	(1,325)	(992)	—	(3,921)
Net income (expenses) from reinsurance contracts	(371)	2	(27)	(5)	—	(401)
	(1,930)	(43)	(1,352)	(997)	—	(4,322)
Other investment results						
Net finance income (expenses) from insurance contracts	2,753	123	124	287	—	3,287
Net finance income (expenses) from reinsurance contracts	(48)	(2)	(160)	(2)	—	(212)
Changes in investment contract liabilities	(2)	742	—	21	—	761
	2,703	863	(36)	306	—	3,836
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	(718)	—	(321)	—	—	(1,039)
Net finance income (expenses) from insurance contracts	718	—	321	—	—	1,039
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(355)	(921)	(224)	(8)	(14)	(1,522)
Amortization of finite life intangible assets	(28)	(53)	(19)	—	—	(100)
Financing costs	(32)	(58)	(10)	(2)	(1)	(103)
Restructuring and integration expenses	—	(17)	(21)	—	—	(38)
Earnings (loss) before income taxes	576	272	6	277	(6)	1,125
Income taxes	136	31	(34)	6	(2)	137
Net earnings (loss) from continuing operations before non-controlling interests	440	241	40	271	(4)	988
Attributable to non-controlling interests	21	(1)	—	—	—	20
Net earnings (loss) from continuing operations before preferred share dividends	419	242	40	271	(4)	968
Preferred share dividends	28	—	4	—	—	32
Net earnings (loss) from continuing operations before capital allocation	391	242	36	271	(4)	936
Impact of capital allocation	23	2	(11)	(6)	(8)	—
Net earnings (loss) from continuing operations	414	244	25	265	(12)	936
Net loss from discontinued operations	—	(31)	—	—	—	(31)
Net earnings (loss) - common shareholders	$ 414	$ 213	$ 25	$ 265	$ (12)	$ 905

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 nine months ended September 30, 2024

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 7,095	$ 174	$ 4,892	$ 3,654	$ —	$ 15,815
Net investment income [2]	2,598	3,026	1,160	209	5	6,998
Changes in fair value on FVTPL assets [2]	3,080	2,103	(437)	(106)	17	4,657
	12,773	5,303	5,615	3,757	22	27,470
Fee and other income [3]	1,414	3,194	654	10	—	5,272
	14,187	8,497	6,269	3,767	22	32,742
Other insurance results						
Insurance service expenses	(4,809)	(183)	(4,197)	(3,034)	—	(12,223)
Net income (expenses) from reinsurance contracts	(1,058)	(25)	(81)	(20)	—	(1,184)
	(5,867)	(208)	(4,278)	(3,054)	—	(13,407)
Other investment results						
Net finance income (expenses) from insurance contracts	(4,967)	(265)	(467)	(145)	—	(5,844)
Net finance income (expenses) from reinsurance contracts	(8)	(29)	(42)	8	—	(71)
Changes in investment contract liabilities	(133)	(3,771)	(1)	(28)	—	(3,933)
	(5,108)	(4,065)	(510)	(165)	—	(9,848)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	4,204	—	1,213	—	—	5,417
Net finance income (expenses) from insurance contracts	(4,204)	—	(1,213)	—	—	(5,417)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(1,492)	(2,884)	(722)	(36)	(35)	(5,169)
Amortization of finite life intangible assets	(90)	(170)	(46)	(1)	(1)	(308)
Financing costs	(101)	(164)	(30)	(3)	(1)	(299)
Restructuring and integration expenses	(23)	(72)	(23)	—	—	(118)
Earnings before income taxes	1,506	934	660	508	(15)	3,593
Income taxes	271	126	109	64	(41)	529
Net earnings from continuing operations before non-controlling interests	1,235	808	551	444	26	3,064
Attributable to non-controlling interests	72	—	—	—	—	72
Net earnings from continuing operations before preferred share dividends	1,163	808	551	444	26	2,992
Preferred share dividends	84	—	13	—	—	97
Net earnings from continuing operations before capital allocation	1,079	808	538	444	26	2,895
Impact of capital allocation	69	6	(35)	(20)	(20)	—
Net earnings from continuing operations	1,148	814	503	424	6	2,895
Net loss from discontinued operations	—	(115)	—	—	—	(115)
Net gain from disposal of discontinued operations	—	44	—	—	—	44
Net earnings - common shareholders	$ 1,148	$ 743	$ 503	$ 424	$ 6	$ 2,824

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 nine months ended September 30, 2023

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 7,013	$ 177	$ 4,521	$ 3,517	$ —	$ 15,228
Net investment income [2]	2,388	2,940	795	289	21	6,433
Changes in fair value on FVTPL assets [2]	(2,204)	(1,076)	(1,089)	(178)	(6)	(4,553)
	7,197	2,041	4,227	3,628	15	17,108
Fee and other income [3]	994	2,736	576	10	—	4,316
	8,191	4,777	4,803	3,638	15	21,424
Other insurance results						
Insurance service expenses	(4,890)	(134)	(3,892)	(2,963)	—	(11,879)
Net income (expenses) from reinsurance contracts	(1,041)	6	(110)	(13)	—	(1,158)
	(5,931)	(128)	(4,002)	(2,976)	—	(13,037)
Other investment results						
Net finance income (expenses) from insurance contracts	42	(20)	288	38	—	348
Net finance income (expenses) from reinsurance contracts	(27)	(6)	(95)	3	—	(125)
Changes in investment contract liabilities	(49)	(790)	(2)	6	—	(835)
	(34)	(816)	191	47	—	(612)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	1,099	—	497	—	—	1,596
Net finance income (expenses) from insurance contracts	(1,099)	—	(497)	—	—	(1,596)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(1,042)	(2,800)	(712)	(34)	(34)	(4,622)
Amortization of finite life intangible assets	(79)	(153)	(53)	(1)	(1)	(287)
Financing costs	(100)	(182)	(35)	(3)	(2)	(322)
Restructuring and integration expenses	—	(71)	(12)	—	—	(83)
Earnings (loss) before income taxes	1,005	627	180	671	(22)	2,461
Income taxes	173	58	(35)	33	(6)	223
Net earnings (loss) from continuing operations before non-controlling interests	832	569	215	638	(16)	2,238
Attributable to non-controlling interests	22	—	—	—	—	22
Net earnings (loss) from continuing operations before preferred share dividends	810	569	215	638	(16)	2,216
Preferred share dividends	84	—	13	—	—	97
Net earnings (loss) from continuing operations before capital allocation	726	569	202	638	(16)	2,119
Impact of capital allocation	69	6	(35)	(20)	(20)	—
Net earnings (loss) from continuing operations	795	575	167	618	(36)	2,119
Net loss from discontinued operations	—	(121)	—	—	—	(121)
Net earnings (loss) - common shareholders	$ 795	$ 454	$ 167	$ 618	$ (36)	$ 1,998

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

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

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

The Revenue by Source Currency for Capital and Risk Solutions

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	**2024**	2023
Revenue				
United States	$ 511	$ 259	$ 1,113	$ 964
United Kingdom	752	484	1,659	1,422
Japan	52	(120)	(27)	47
Other	92	355	1,022	1,205
Total revenue	$ 1,407	$ 978	$ 3,767	$ 3,638

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

	September 30, 2024				
	Canada	**United States**	**Europe**	**Capital and Risk Solutions**	**Total**
Assets					
Invested assets	$ 95,594	$ 86,947	$ 45,453	$ 9,058	$ 237,052
Insurance contract assets	435	303	345	88	1,171
Reinsurance contract held assets	1,217	12,656	3,848	122	17,843
Goodwill and intangible assets	6,622	6,262	3,088	—	15,972
Other assets	5,657	16,137	4,019	34	25,847
Investments on account of segregated fund policyholders	112,493	204,409	164,954	—	481,856
Total	$ 222,018	$ 326,714	$ 221,707	$ 9,302	$ 779,741
Liabilities					
Insurance contract liabilities	$ 86,437	$ 18,587	$ 42,948	$ 5,377	$ 153,349
Investment contract liabilities	3,829	82,790	351	661	87,631
Reinsurance contract held liabilities	261	146	393	30	830
Other liabilities	8,402	12,127	3,382	853	24,764
Insurance contracts on account of segregated fund policyholders	35,374	13,798	16,054	—	65,226
Investment contracts on account of segregated fund policyholders	77,119	190,611	148,900	—	416,630
Total	$ 211,422	$ 318,059	$ 212,028	$ 6,921	$ 748,430

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

The Assets by Source Currency for Capital and Risk Solutions

	September 30 2024	December 31 2023
Assets		
United States	$ 4,693	$ 4,334
United Kingdom	1,394	1,350
Japan	3,012	3,047
Other	203	357
Total assets	$ 9,302	$ 9,088

(c) CSM

	For the nine months ended September 30, 2024							
	Non-Participating (excluding Segregated Funds)							
	Canada	**United States**	**Europe**	**Capital and Risk Solutions**	**Total**	**Segregated Funds**	**Par**	**Total** [1]
CSM, beginning of year	$ 1,159	$ 24	$ 3,255	$ 1,745	$ 6,183	$ 3,298	$ 3,154	$ 12,635
CSM recognized for services provided	(85)	(4)	(209)	(126)	(424)	(307)	(114)	(845)
Contracts initially recognized in the year	28	—	295	66	389	128	86	603
Changes in estimates that adjust the CSM	(419)	33	118	465	197	397	78	672
Net finance (income) expenses from insurance contracts	23	—	58	33	114	(13)	—	101
Effect of movement in exchange rates	—	1	196	101	298	49	4	351
CSM, end of period	$ 706	$ 54	$ 3,713	$ 2,284	$ 6,757	$ 3,552	$ 3,208	$ 13,517

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

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

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

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