The Canada Life Assurance Company

Management's discussion and analysis

First Quarter Results

For the period ended March 31, 2024

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

FOR THE PERIOD ENDED MARCH 31, 2024

DATED: MAY 1, 2024

This Interim Management's Discussion and Analysis - Quarterly Highlights (MD&A - Quarterly Highlights) for the three months ended March 31, 2024 provides material updates to the business operations, liquidity and capital resources of the Canada Life Assurance Company (Canada Life or the Company) since December 31, 2023. This Interim MD&A - Quarterly Highlights has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 - Continuous Disclosure Obligations. This Interim MD&A - Quarterly Highlights should be read in conjunction with the Company's condensed consolidated interim unaudited financial statements for the period ended March 31, 2024. Also refer to the consolidated annual audited financial statements of Canada Life for the year ended December 31, 2023 and the notes thereto, available under the Company's profile at www.sedarplus.com. The condensed consolidated interim unaudited financial statements of the Company, which are the basis for data presented in this Interim MD&A - Quarterly Highlights, have been prepared in accordance with International Financial Reporting Standards (IFRS) unless otherwise noted and are presented in millions of Canadian dollars unless otherwise indicated.

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 Corporation and its operations, business (including business mix), financial condition, expected financial performance (including revenues, earnings or growth rates), strategies and prospects, climate-related and diversity-related measures, objectives, goals, ambitions and commitments, expected costs and benefits of acquisitions and divestitures (including timing of integration activities and timing and extent of revenue and expense synergies), expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities and solutions and investments in strategic partnerships), expected utilization of restructuring provisions, value creation and realization and growth opportunities, expected dividend levels, expected cost reductions and savings, expected capital management activities and use of capital, estimates of risk sensitivities affecting capital adequacy ratios, anticipated global economic conditions, and the impact of regulatory developments on the Company's business strategy and growth objectives.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. In arriving at our preliminary 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 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 earnings growth consistent with management's 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 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 Company's "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" section of the Company's 2023 Annual MD&A, 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 this MD&A 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. 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 this MD&A, 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, "assets under management" and "assets under administration". Non-GAAP financial measures and ratios are used to provide management and investors with additional measures of performance to help assess results where no comparable GAAP (IFRS) measure exists. However, non-GAAP financial measures and ratios do not have standard meanings prescribed by GAAP (IFRS) and are not directly comparable to similar measures used by other companies. Refer to the "Non-GAAP Financial Measures and Ratios" section in this MD&A for the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP as well as additional details on each measure and ratio.

Consolidated Operating Results

Selected consolidated financial information

	As at or for the three months ended		
(in Canadian $ millions, except per share amounts)	**Mar. 31 2024**	Dec. 31 2023	Mar. 31 2023
Earnings			
Participating account	$ 27	$ 1	$ (21)
Common shareholder	855	621	542
Total net earnings	$ 882	$ 622	$ 521
Insurance service result	$ 793	$ 865	$ 683
Net investment result	357	(47)	1
Fee and other income	670	586	512
Total assets per financial statements	$ 425,497	$ 410,616	$ 390,614
Total assets under management[1]	520,548	499,941	462,866
Total assets under administration[1]	592,614	567,652	501,733
Total contractual service margin (net of reinsurance contracts held)	$ 12,911	$ 12,458	$ 12,417
Participating account surplus	$ 2,873	$ 2,844	$ 2,775
Non-controlling interests	16	16	16
Shareholder's equity	20,066	19,813	19,680
Total equity	$ 22,955	$ 22,673	$ 22,471
LICAT Ratio[2]	129%	128%	127%

[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 Life Insurance Capital Adequacy Test (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.

Developments

Strategic highlights and transactions

- In Europe, Canada Life U.K. announced the closure of the Select Account, The Retirement Account and the Canada Life Trustee Investment Plan to new business with immediate effect. These onshore wealth products represent less than 1% of the Canada Life U.K. customer base. This decision allows Canada Life U.K. to focus resources and development activity on its core lines of business, including offshore wealth products. The Company recorded related provisions in the fourth quarter of 2023.
- In Canada, the integration of Investment Planning Counsel (IPC) and Value Partners has contributed to an increase of $296 million in net asset flows in Canada Individual Wealth Management compared to the fourth quarter of 2023.
- In Canada, the Company continues to enhance its information technology operations and is transitioning some functions to a managed service arrangement with an external provider. As a result, the Company recorded restructuring provisions of $23 million pre-tax, which included $21 million relating to the common shareholders' account and $2 million relating to the participating account. The Company expects to utilize a significant portion of these amounts during 2024.
- The Capital and Risk Solutions business unit continued to grow by providing tailored solutions to customers while increasing diversification within the portfolio. In 2024, the Capital and Risk Solutions business unit continues to expand its international presence in targeted new markets, while continuing to focus on core markets and product expansion in Europe and the U.S. In the first quarter of 2024, the Company entered into numerous transactions, primarily in the structured products segment.

Focus on improving customer and advisor experiences

- In Canada, Canada Life Investment Management Ltd. (CLIML) merged 20 Canada Life mutual funds in January 2024; these mergers will make it easier for advisors and investors to navigate the Canada Life mutual fund lineup.
- In Canada, our Financial Solutions Centre (FSC) continues to partner with advisors to help streamline their practices; last year the Company worked with nearly 200 advisors to engage with 130,000 clients and reach more than $1 billion dollars in assets under administration.
- In Canada, more than 11,000 advisors and delegates to date have been onboarded to a new central digital platform, enabling access to view Canada Life business, forms and other resources and tools including a new digital segregated fund application which enables a seamless onboarding experience.

- In Europe, 'MyIrishLife', Irish Life's digital portal for customers that launched in 2022, reached 253,000 activated users at the end of the first quarter of 2024. The portal provides a customized and user-friendly customer experience and is central to the digitalization plans for the business.
- In Europe, the Germany business unit completed the migration of all policies onto a new administration platform and is now focused on realizing the benefits from this multi-year technology investment.

Other business highlights

- In Canada, during the first quarter of 2024, the Company launched a new Universal Life product which provides better options for customers and advisors with a new stable growth account, competitive repricing and web-based illustrations.
- In Europe, Canada Life U.K. wrote seven bulk annuity sales by the end of the first quarter of 2024, aggregating to \$0.6 billion (£0.4 billion). The first quarter of 2024 was a record quarter for the number of transactions that were secured by the Company. The U.K. bulk annuities market has remained buoyant as companies seek to de-risk their balance sheets from changes in the value of pension liabilities.
- In Europe, during the first quarter of 2024, the Canada Life U.K. Protection Flexible Benefits portfolio achieved a record \$257 million (£150 million) of annual premiums. Flexible benefits allow employees greater choice over the coverage they receive and is the fastest-growing area in the U.K. group protection market.
- In Capital and Risk Solutions, the Company offers property catastrophe coverage to reinsurance companies and as a result, the Company is exposed to potential claims arising from major weather events and other catastrophic events, primarily hurricanes, windstorms and earthquakes. Current preliminary estimates of industry losses arising from catastrophe events in the first quarter of 2024 do not reach the level where any significant claims would be anticipated. In addition, the Company continues to monitor potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.

Net Earnings

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Net earnings			
Canada	$ 365	$ 150	$ 221
Europe	211	238	64
Capital and Risk Solutions	263	191	217
Corporate	16	42	40
Net earnings - common shareholder	$ 855	$ 621	$ 542
Net earnings - participating account	$ 27	$ 1	$ (21)
Total net earnings	$ 882	$ 622	$ 521

Net Earnings Attributable to the Common Shareholder

For the three months ended March 31, 2024, net earnings attributable to the common shareholder (net earnings) were \$855 million, up from \$542 million from the same period in 2023, primarily due to strong market experience driven by favourable impacts from higher long-term interest rates in Canada and the U.K., partially offset by lower than expected U.K. real estate returns due to declines in property market values and provisions for restructuring costs in the Canada business unit.

Net Earnings Attributable to the Participating Account

For the three months ended March 31, 2024, net earnings attributable to the participating account were \$27 million compared to a net loss of \$21 million in the same quarter last year. The increase was primarily driven by higher earnings on surplus and unfavourable impacts of changes in certain tax estimates in the prior year that did not repeat.

Assumption Changes and Management Actions

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

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

For the three months ended March 31, 2024, assumption changes and management actions resulted in a negative net earnings impact of \$10 million and no change to the CSM on non-participating business. These impacts arise from minor assumption changes and model refinements, and management actions relating to reinsurance on in-force business. This compares to a positive net earnings impact of \$7 million and a decrease in CSM of \$6 million for the same quarter last year, and a positive net earnings impact of \$89 million and an increase in CSM of \$33 million for the previous quarter.

In the Canada business unit, net earnings were positively impacted by \$6 million and the CSM was positively impacted by \$12 million. In the Europe business unit, net earnings were not impacted and the CSM was negatively impacted by \$13 million. In the Capital and Risk Solutions business unit, net earnings were negatively impacted by $7 million and the CSM was negatively impacted by $9 million. In the Corporate business unit, net earnings were negatively impacted by $9 million and the CSM was positively impacted by $10 million.

Foreign Currency

The average currency translation rate for the first quarter of 2024 increased for the euro and the British pound, while the U.S. dollar was flat compared to the first quarter of 2023. The overall impact of currency movement on the Company's net earnings for the three months ended March 31, 2024 was an increase of $8 million compared to translation rates a year ago.

From December 31, 2023 to March 31, 2024, the market rates at the end of the reporting period used to translate the U.S. dollar and the British pound assets and liabilities to the Canadian dollar increased, while the euro was flat. The movements in end-of-period exchange rates impact the translation of foreign operations, including related hedge activities, resulting in post-tax unrealized foreign exchange gains of $100 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.

Income Taxes

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.

In the first quarter of 2024, the effective income tax rate on net earnings for the common shareholder of 13.7% was up from 5.4% in the first quarter of 2023, primarily due to jurisdictional mix of earnings and changes in certain tax estimates. The global minimum tax, discussed below, had a nominal impact of 0.4 percentage points on the effective income tax rate on net earnings for the common shareholder.

In the first quarter of 2024, the overall effective income tax rate on net earnings of 11.6% was up from 2.8% in the first quarter of 2023 primarily due to jurisdictional mix of earnings and lower non-taxable investment income. The global minimum tax, discussed below, had a nominal impact of 0.4 percentage points on the effective income tax rate on net earnings.

Refer to note 13 of the Company's condensed consolidated interim unaudited financial statements for the period ended March 31, 2024 for further details.

In December 2021, the Organization for Economic Co-Operation and Development (OECD) published the Pillar Two model rules outlining a structure for a new 15% global minimum tax regime. A number of countries where the Company operates, including Ireland, Germany, the U.K. and Barbados, currently have enacted or substantively enacted Pillar Two legislation, effective January 1, 2024. Pillar Two draft legislation in Canada has not been substantively enacted and therefore not reflected in first quarter results. It is expected that when Canada enacts its legislation, it will apply retroactively to January 1, 2024.

The global minimum tax is complex in nature and will apply to Canada Life as part of a larger related group of companies. The Company currently expects the global minimum tax to apply to income in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rate is below 15%. In the first quarter of 2024, the Company recognized a current tax expense of $4 million, primarily related to its operations in Ireland. Although Barbados has substantively enacted legislation imposing a domestic minimum top-up tax, the imposition of this tax for 2024 only, is contingent upon Canada enacting Pillar Two legislation; consequently, no Barbadian top-up tax was accrued in the first quarter of 2024.

If Canada had substantively enacted legislation, the additional top-up tax recognized for the first quarter of 2024 would have been approximately $35 million. The Company expects an increase in its effective income tax rate when legislation is enacted in all jurisdictions, however, it is not expected to have a material impact on the Company's financial statements.

Consolidated Financial Position

Assets

Assets under administration[1]

	As at March 31, 2024	As at December 31, 2023
Assets		
Invested assets	$ 142,627	$ 141,735
Insurance contract assets	980	902
Reinsurance contract held assets	6,427	6,546
Goodwill and intangible assets	9,568	9,556
Other assets	9,188	8,691
Investments on account of segregated fund policyholders	256,707	243,186
Total assets	425,497	410,616
Other assets under management[2]	95,051	89,325
Total assets under management[1]	520,548	499,941
Other assets under administration[2]	72,066	67,711
Total assets under administration[1]	$ 592,614	$ 567,652

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.

Total assets under administration (AUA) at March 31, 2024 increased by $25.0 billion to $592.6 billion compared to December 31, 2023, primarily due to the impact of market movement and new business growth.

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.

Single family residential mortgages

Region	As at March 31, 2024		As at December 31, 2023	
Ontario	$ 806	55 %	$ 831	55 %
Quebec	257	18	267	18
Saskatchewan	80	6	84	6
Alberta	71	5	74	5
Newfoundland	55	4	56	4
British Columbia	54	4	55	4
New Brunswick	51	3	52	3
Manitoba	47	3	48	3
Nova Scotia	36	2	38	2
Other	6	—	6	—
Total	$ 1,463	100 %	$ 1,511	100 %

During the three months ended March 31 2024, single family mortgage originations, including renewals, were $23 million, of which 27% were insured (18% for the year ended December 31, 2023). 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. Loans that are insured are subject to the requirements of the mortgage default insurance provider. The weighted average remaining amortization period for the single family residential mortgage portfolio was 21 years as at March 31 2024 (22 years as at December 31, 2023).

Liabilities

Total Liabilities

	As at March 31, 2024	As at December 31, 2023
Insurance contract liabilities	$ 130,161	$ 129,689
Investment contract liabilities	4,897	4,953
Reinsurance contract held liabilities	516	475
Other general fund liabilities	9,261	8,640
Preferred shares	1,000	1,000
Insurance contracts on account of segregated fund policyholders	49,112	47,410
Investment contracts on account of segregated fund policyholders	207,595	195,776
Total	$ 402,542	$ 387,943

Total liabilities increased by $14.6 billion to $402.5 billion at March 31, 2024 from December 31, 2023.

Insurance contract liabilities increased by $0.5 billion. The increase was primarily due to market movements, partially offset by normal business movements.

Investment contract liabilities decreased by $0.1 billion. The decrease was primarily due to normal business movements.

Other general fund liabilities increased by $0.6 billion. The increase was primarily due to an increase in derivative financial instruments and accounts payable.

Investment and insurance contracts on account of segregated fund policyholders increased by $13.5 billion, primarily due to the combined impact of market value gains and investment income of $11.6 billion and net deposits of $0.3 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 2023 Annual MD&A.

Insurance Contract Liabilities

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 March 31, 2024						
Canada	$ 96,953	$ 1,875	$ 6,247	$ 105,075	$ 8,940	$ 114,015
Europe	42,082	1,059	4,795	47,936	3,584	51,520
Capital and Risk Solutions	845	2,065	1,718	4,628	248	4,876
Corporate	1,805	15	151	1,971	—	1,971
Total	$ 141,685	$ 5,014	$ 12,911	$ 159,610	$ 12,772	$ 172,382
As at December 31, 2023						
Canada	$ 95,943	$ 1,935	$ 5,872	$ 103,750	$ 9,267	$ 113,017
Europe	40,615	1,064	4,718	46,397	3,614	50,011
Capital and Risk Solutions	1,101	2,107	1,724	4,932	226	5,158
Corporate	1,781	15	144	1,940	—	1,940
Total	$ 139,440	$ 5,121	$ 12,458	$ 157,019	$ 13,107	$ 170,126

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

At March 31, 2024, total net insurance contract liabilities were $172.4 billion, an increase of $2.3 billion from December 31, 2023. The increase in net insurance contract liabilities was primarily due to market movements, partially offset by normal business movements.

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 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 (CSM) continuity[1]

	Non-Par	Par	Total
CSM beginning of period, December 31, 2023	$ 9,488	$ 2,970	$ 12,458
Impact of new insurance business	170	24	194
Expected movements from asset returns & locked-in rates	97	47	144
CSM recognized for services provided	(241)	(33)	(274)
Insurance experience gains/losses	(50)	—	(50)
Organic CSM movement	$ (24)	$ 38	$ 14
Impact of markets	166	236	402
Impact of changes in assumptions and management actions	—	—	—
Currency impact	35	2	37
Total CSM movement	$ 177	$ 276	$ 453
CSM end of period, March 31, 2024	$ 9,665	$ 3,246	$ 12,911

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 March 31, 2024, total non-par contractual service margin was $9.7 billion, an increase of $177 million from December 31, 2023. The increase was primarily driven by the impacts of market movements of $166 million and currency impacts of $35 million.

At March 31, 2024, total par contractual service margin was $3.2 billion, an increase of $276 million from December 31, 2023. The increase was primarily due to the impacts of market movements of $236 million.

Equity

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco). The Company’s share capital consists of common shares and preferred shares issued by the Company. At March 31, 2024, there were 2,419,730 common shares of the Company issued and outstanding with a stated value of $7,995 million (2,407,384 and $7,884 million as at December 31, 2023).

Participating account surplus and shareholder's equity

As at March 31, 2024, the Company's total participating account surplus and shareholder's equity was $23.0 billion compared to $22.7 billion at December 31, 2023. The increase was primarily due to net earnings of $0.9 billion as well as other comprehensive income of $0.2 billion, partially offset by dividends paid on common shares of $0.8 billion.

Liquidity and Capital Management

Liquidity

Total Liquid Assets

		On-balance sheet assets		Non-liquid/ Pledged		Net liquid assets
As at March 31, 2024						
Cash, cash equivalents and short-term bonds						
Cash and cash equivalents[1]	$	3,951	$	—	$	3,951
Short-term bonds[2]		3,296		93		3,203
Sub-total	$	7,247	$	93	$	7,154
Other assets and marketable securities						
Government bonds[2]	$	33,151	$	9,979	$	23,172
Corporate bonds[2]		55,393		25,572		29,821
Stocks[1]		14,330		2,621		11,709
Mortgage loans[1]		24,700		21,871		2,829
Sub-total	$	127,574	$	60,043	$	67,531
Total	$	134,821	$	60,136	$	74,685
As at December 31, 2023						
Cash, cash equivalents and short-term bonds						
Cash and cash equivalents[1]	$	3,944	$	2	$	3,942
Short-term bonds[2]		4,015		—		4,015
Sub-total	$	7,959	$	2	$	7,957
Other assets and marketable securities						
Government bonds[2]	$	34,048	$	9,575	$	24,473
Corporate bonds[2]		53,841		25,344		28,497
Stocks[1]		13,589		2,365		11,224
Mortgage loans[1]		24,449		21,535		2,914
Sub-total	$	125,927	$	58,819	$	67,108
Total	$	133,886	$	58,821	$	75,065

[1] Refer to the consolidated balance sheet in the Company's condensed consolidated interim unaudited financial statements for the period ended March 31, 2024 for on-balance sheet amounts.

[2] Total short-term bonds, government bonds and corporate bonds as at March 31, 2024 was $91.8 billion ($91.9 billion at December 31, 2023). Refer to the consolidated balance sheet in the Company's March 31, 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. At March 31, 2024, the Company and its operating subsidiaries held liquid cash, cash equivalents and short-term bonds of $7.2 billion ($8.0 billion at December 31, 2023) and other liquid assets and marketable securities of $67.5 billion ($67.1 billion at December 31, 2023). In addition, the Company maintains committed lines of credit with Canadian chartered banks for potential unanticipated liquidity needs, if required.

The Company does not have a formal common shareholder dividend policy. 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.

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.

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.

Cash Flows

Cash flows

	For the three months ended March 31	
	2024	2023
Cash flows relating to the following activities:		
Operations	$ 777	$ 804
Financing	(793)	(975)
Investment	(3)	(77)
	(19)	(248)
Effects of changes in exchange rates on cash and cash equivalents	26	26
Increase (decrease) in cash and cash equivalents in the period	7	(222)
Cash and cash equivalents, beginning of period	3,944	3,761
Cash and cash equivalents, end of period	$ 3,951	$ 3,539

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 first quarter of 2024, cash and cash equivalents increased by $7 million from December 31, 2023. Cash flows provided by operations during the first quarter of 2024 were $777 million, a decrease of $27 million compared to the first quarter of 2023, primarily due to higher net purchases of portfolio investments, partially offset by favourable fair value changes. Cash flows used by financing activities of $793 million were primarily used for the payment of dividends to the common shareholder.

Commitments/Contractual Obligations

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

Capital Management and Adequacy

The Company's practice is to maintain the capitalization of its regulated subsidiaries at a level that will exceed the relevant minimum regulatory capital requirements in the jurisdictions in which they operate. Other foreign operations and foreign subsidiaries are required to comply with local capital or solvency requirements in their respective jurisdictions.

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%. The Company is operating well above these supervisory ratios.

Canada Life's consolidated LICAT Ratio at March 31, 2024 was 129%.

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

LICAT Ratio

	Mar. 31 2024	Dec. 31 2023
Tier 1 Capital	$ 18,849	$ 18,285
Tier 2 Capital	5,174	5,223
Total Available Capital	24,023	23,508
Surplus Allowance & Eligible Deposits	5,263	5,406
Total Capital Resources	$ 29,286	$ 28,914
Required Capital	$ 22,729	$ 22,525
Total Ratio (OSFI Supervisory Target = 100%)[1]	129 %	128 %

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

The LICAT Ratio increased by one point in the quarter from 128% at December 31, 2023 to 129% at March 31, 2024 as a result of increased total capital resources.

OSFI Regulatory Capital Initiatives

OSFI is developing a new approach, planned to be implemented in 2025, to determine capital requirements for Segregated Fund Guarantee Risk. The Company will continue to participate in future public consultations relating to this and other developments.

OSFI has put in place the Parental Stand-alone (Solo) Capital Framework effective January 1, 2024. The Framework applies to life insurers designated by OSFI as internationally active insurance groups (IAIGs). The framework applies to Canada Life which meets the requirements. The objective of this framework is to measure the sufficiency of capital that is available to the domestic parent operating life insurer (Canada Life) on a solo basis, and to assess the parent's ability to act as a source of strength for its subsidiaries and/or other affiliates.

Ratings

The Company received strong ratings from the five rating agencies that rate Canada Life. The parent company of the Company, Great-West Lifeco Inc. (Lifeco) and Lifeco's major operating subsidiaries, including Canada Life, are assigned a group rating from each rating agency. In the first quarter of 2024, the credit ratings for Canada Life were unchanged.

For a complete listing of credit ratings for Canada Life, please refer to the "Financial information" section of the Company's website at www.canadalife.com.

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 three months ended March 31, 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 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 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.

Financial Exposures and Sensitivities

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

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

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

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 and the U.K., 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 shareholder's 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 March 31, 2024 and December 31, 2023, the sensitivity of shareholder's net earnings of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of $25 million or a decrease of $25 million post-tax, respectively. In addition, the sensitivity of the CSM of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of $75 million or a decrease of $75 million pre-tax, respectively.

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

International Financial Reporting Standards

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

Changes in Accounting Policies

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

For additional detail, refer to note 2 of the Company’s condensed consolidated interim unaudited financial statements for the period ended March 31, 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.

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.

Assets under administration

	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Total assets per financial statements	$ 425,497	$ 410,616	$ 390,614
Other AUM	95,051	89,325	72,252
Total AUM	$ 520,548	$ 499,941	$ 462,866
Other AUA	72,066	67,711	38,867
Total AUA	$ 592,614	$ 567,652	$ 501,733

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.

- **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.

- **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	
	March 31, 2024	March 31, 2023
United States dollar	1.35	1.35
British pound	1.71	1.64
Euro	1.46	1.45

- **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.
- **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.

Quarterly Financial Information

Quarterly financial information
(in $ millions)

	2024	2023				2022 (Restated)		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Insurance revenue	$ 5,195	$ 5,117	$ 5,057	$ 5,032	$ 4,982	$ 5,386	$ 4,581	$ 4,713
Net investment income	1,339	1,344	1,294	1,123	1,116	1,117	1,180	1,214
Changes in fair value on FVTPL assets	(929)	7,761	(4,013)	(1,719)	2,238	249	(3,522)	(9,232)
Fee and other income	670	586	522	543	512	485	450	493
Total revenue	$ 6,275	$ 14,808	$ 2,860	$ 4,979	$ 8,848	$ 7,237	$ 2,689	$ (2,812)
Net earnings - Participating account[1]	$ 27	$ 1	$ 20	$ 24	$ (21)	$ (130)	$ 12	$ 2
Net earnings - Common shareholder	$ 855	$ 621	$ 768	$ 463	$ 542	$ 374	$ 876	$ 867

[1] Net earnings for the participating account represents the in-year earnings for the account(s) after dividend distributions.

Total revenue

Total revenue for the first quarter of 2024 was $6,275 million and comprises insurance revenue of $5,195 million (4,982 million for the same quarter last year), net investment income of $1,339 million ($1,116 million for the same quarter last year), a change in fair value through profit or loss on investment assets of negative $929 million (changes of positive $2,238 million for the same quarter last year) and fee and other income of $670 million ($512 million for the same quarter last year).

Insurance revenue

Insurance revenue for the first quarter of 2024 was $5,195 million, an increase of $213 million compared to the same quarter last year, primarily due to strong group disability results driven by improved morbidity experience and management pricing actions in Canada.

Net investment income

Total net investment income for the first quarter of 2024, was $410 million, a decrease of $2,944 million compared to the same quarter last year. The changes in fair value in the first quarter of 2024 were a decrease of $929 million compared to an increase of $2,238 million in the first quarter of 2023, primarily due to an increase in bond yields across all geographies driven by higher interest rates. Net investment income in the first quarter of 2024 of $1,339 million, which excludes changes in fair value through profit or loss, increased by $223 million compared to the same quarter last year, primary due to an increase in bond yields across all geographies.

Fee and other income

Fee and other income for the first quarter of 2024 was $670 million, an increase of $158 million compared to the same quarter last year, primarily due to growth in ASO fees and the acquisitions of IPC and Value Partners in Canada and higher management fees from higher average asset levels in Europe.

Net earnings

The Company's consolidated net earnings attributable to the common shareholder in the first quarter of 2024 were $855 million compared to $542 million reported a year ago. Net earnings attributable to the participating account were $27 million compared to a net loss of $21 million for the first quarter of 2023.

Transactions with Related Parties

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

Translation of Foreign Currency

Through its operating subsidiaries, the Company 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	**Mar. 31 2024**	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
United States dollar					
Balance sheet	$ 1.35	$ 1.33	$ 1.36	$ 1.32	$ 1.35
Income and expenses	$ 1.35	$ 1.36	$ 1.34	$ 1.34	$ 1.35
British pound					
Balance sheet	$ 1.71	$ 1.69	$ 1.66	$ 1.68	$ 1.67
Income and expenses	$ 1.71	$ 1.69	$ 1.70	$ 1.68	$ 1.64
Euro					
Balance sheet	$ 1.46	$ 1.46	$ 1.44	$ 1.45	$ 1.47
Income and expenses	$ 1.46	$ 1.47	$ 1.46	$ 1.46	$ 1.45

Additional Information

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

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