canada life™

The Canada Life Assurance Company

Management's discussion and analysis

Second quarter results

For the period ended June 30, 2024

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

FOR THE PERIOD ENDED JUNE 30, 2024

DATED: AUGUST 6, 2024

This Interim Management’s Discussion and Analysis - Quarterly Highlights (MD&A - Quarterly Highlights) for the three and six months ended June 30, 2024 provides material updates to the business operations, liquidity and capital resources of the Canada Life Assurance Company (Canada Life or the Company) since March 31, 2024. 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 periods ended June 30, 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, expected costs and benefits of acquisitions and divestitures (including timing of integration activities and timing and extent of revenue and expense synergies), expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities and solutions and investments in strategic partnerships), expected utilization of restructuring provisions, value creation and realization and growth opportunities, expected dividend levels, expected cost reductions and savings, expected capital management activities and use of capital, estimates of risk sensitivities affecting capital adequacy ratios, anticipated global economic conditions, and the impact of regulatory developments on the Company’s business strategy and growth objectives.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. In 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 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 the Company's filings relate to the Company’s climate-related and diversity-related measures, objectives, goals, priorities, strategies and commitments or actions that will be taken to achieve them. The climate-related statements include statements with respect to achieving net-zero GHG emissions for its operating and financing activities by 2050, the Company’s initial interim net zero goals for operations and investments, the Company’s plan to review and revise initial interim net zero goals as appropriate, the causes and potential impacts of climate change globally, and the Company’s approach to identifying and managing climate-related risks and opportunities. The diversity-related statements include statements with respect to growing representation of women and underrepresented minorities in management. The forward-looking information in this update is presented for the purpose of assisting our stakeholders in understanding how we currently intend to address climate-related and diversity-related governance, strategy, risks, opportunities, and objectives, and is not appropriate for other purposes.

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

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

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

Cautionary Note Regarding Non-GAAP Financial Measures and Ratios

This MD&A contains some non-Generally Accepted Accounting Principles (GAAP) financial measures and non-GAAP ratios as defined in National Instrument 52-112 “Non-GAAP and Other Financial Measures Disclosure”. Terms by which non-GAAP financial measures are identified include, but are not limited to, "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			For the six months ended	
(in Canadian $ millions, except per share amounts)	**Jun. 30 2024**	Mar. 31 2024	Jun. 30 2023	**Jun. 30 2024**	Jun. 30 2023
Earnings					
Participating account	$ 51	$ 27	$ 24	$ 78	$ 3
Common shareholder	800	855	463	1,655	1,005
Total net earnings	$ 851	$ 882	$ 487	$ 1,733	$ 1,008
Insurance service result	$ 824	$ 793	$ 686	$ 1,617	$ 1,369
Net investment result	305	357	(33)	929	(32)
Fee and other income	694	670	543	670	1,055
Total assets per financial statements	$ 432,186	$ 425,497	$ 392,573		
Total assets under management[1]	531,332	520,548	466,031		
Total assets under administration[1]	604,645	592,614	504,948		
Total contractual service margin (net of reinsurance contracts held)	$ 12,887	$ 12,911	$ 12,520		
Equity					
Participating account surplus	$ 2,948	$ 2,873	$ 2,761		
Non-controlling interests	13	16	16		
Shareholder's equity	20,665	20,066	19,310		
Total equity	$ 23,626	$ 22,955	$ 22,087		
LICAT Ratio[2]	130%	129%	126%		

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

2 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

- On July 1, 2024, Canada Life successfully moved Investment Planning Counsel Inc. (IPC) to Canada Life's financial systems, programs and processes, technology and human resources. IPC continues to operate as a separate brand in the Canadian wealth marketplace.
- 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.
- 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 half of 2024, the Company entered into numerous transactions, primarily in the structured products segment.

Focus on improving customer and advisor experiences

- To help clients maximize their short-term savings potential, Canada Life expanded its segregated fund lineup to offer a new high interest savings fund. Canada Life is committed to offering a broad range of solutions to help advisors manage their clients' investment goals through changing market environments. This offering allows clients to earn an attractive return, while preserving capital and maintaining flexibility.
- Canada Life is piloting the Rx Food app with selected plan sponsors for use by their members at no charge. The number of people with chronic diseases continues to rise in Canada. To help sponsors and their members deal with the impact, Canada Life is increasing its focus on providing more holistic chronic disease solutions by providing a 12-week medical nutrition program using technology to make nutrition easier, more personal and accessible.

- Canada Life Home Finance launched six new Capital Select products at the start of the second quarter of 2024. This strategic initiative underscores Canada Life U.K.'s dedication to continuous product development and market responsiveness. By introducing lower loan-to-value (LTV) tiers, Canada Life U.K. has successfully unlocked access to new customer segments, supporting clients in achieving their financial goals and further positioning Canada Life at the forefront of the equity release market.

Other business highlights

- In the second quarter of 2024, Canada Life Home Finance was awarded the prestigious Scottish Mortgage Award for Later Life Lender of the Year. This award demonstrates the Company's position as a key player in the U.K. later life lending market.
- During the second quarter of 2024, Irish Life won the 2024 Gold Award in the ‘Product and Service Innovation’ category at the Global Qorus Innovation in Insurance awards. The CARA (Claims AI Reasoning Assistant) initiative has developed an advanced AI system designed to assist Irish Life's claims assessors in efficiently evaluating claims and has reduced assessment time by 70% for targeted claim types with additional benefits from other claim types being explored. This initiative will allow Irish Life to provide greater benefits to its diverse customer base.
- Irish Life’s EMPOWER MasterTrust won the Pension Innovation Award at the European Pension Awards 2024 in London. With over $10.3 billion (€7 billion) in the fund, EMPOWER is Ireland’s largest master trust enabling innovation and investment.
- During the second quarter of 2024, Canada Life's German business received the strongest credit rating of "AA" from the German insurance rating agency Assekurata for the third year in a row with a stable outlook. This is the highest credit rating awarded by the rating agency.
- The Company offers property catastrophe coverage to reinsurance companies and as a result, the Company is exposed to potential claims arising from major weather events and other catastrophic events, primarily hurricanes, windstorms and earthquakes. Current preliminary estimates of industry losses arising from catastrophe events in the first half of 2024 do not reach the level where any significant claims would be anticipated. In addition, the Company continues to monitor potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.

Net Earnings

	For the three months ended			For the six months ended	
	Jun. 30 2024	Mar. 31 2024	Jun. 30 2023	**Jun. 30 2024**	Jun. 30 2023
Net earnings					
Canada	$ 353	$ 365	$ 144	$ 718	$ 365
Europe	227	211	129	438	193
Capital and Risk Solutions	158	263	173	421	390
Corporate	62	16	17	78	57
Net earnings - common shareholder	$ 800	$ 855	$ 463	$ 1,655	$ 1,005
Net earnings - participating account	$ 51	$ 27	$ 24	$ 78	$ 3
Total net earnings	$ 851	$ 882	$ 487	$ 1,733	$ 1,008

Net Earnings Attributable to the Common Shareholder

For the three months ended June 30, 2024, net earnings attributable to the common shareholder were $800 million, up from $463 million from the same period in 2023, primarily due to improved net fee and spread income driven by equity market growth as well as the addition of IPC and Value Partners, strong Workplace Solutions earnings driven by group health experience and organic growth in the Canada business unit, growth in the structured reinsurance business in the Capital and Risk Solutions business unit and higher earnings on surplus. Favourable risk-free interest rate movements in-period positively impacted earnings in the Canada and Europe business units. Additionally, the prior period results included realized other comprehensive income (OCI) losses related to asset rebalancing in the surplus account as well as a loss from sale of Canada Life U.K.'s onshore individual protection business in the Europe business unit. These items were partially offset by unfavourable experience in the U.S. life business and the impact of the Global Minimum Tax (GMT) implementation in the Capital and Risk Solutions and Europe business units. Refer to the "Income Taxes" section of this document for further details.

For the six months ended June 30, 2024, net earnings attributable to the common shareholder were $1,655 million, up from $1,005 million from the same period in 2023. The increase was primarily due to the same reasons discussed for the in-quarter results.

Net Earnings Attributable to the Participating Account

For the three months ended June 30, 2024, net earnings attributable to the participating account were $51 million compared to net earnings of $24 million in the same quarter last year. The increase was primarily due to favourable tax impacts.

For the six months ended June 30, 2024, net earnings attributable to the participating account were $78 million compared to net earnings of $3 million for the same period in 2023. The increase was primarily due to the same reason discussed for the in-quarter result.

Assumption Changes and Management Actions

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

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

For the three months ended June 30, 2024, assumption changes and management actions resulted in a positive net earnings impact of $36 million and a decrease in CSM of $1 million on non-participating business. These impacts arise from management actions related to the finalization of a prior year reinsurance recapture transaction, as well as minor assumption changes and model refinements. This compares to a negative net earnings impact of $4 million and an increase in CSM of $42 million for the same quarter last year, and a negative net earnings impact of $10 million and no change to the CSM for the previous quarter.

In the Canada business unit, net earnings were positively impacted by $33 million and the CSM was negatively impacted by $2 million. In the Europe business unit, net earnings were negatively impacted by $2 million and CSM was negatively impacted by $6 million. In the Corporate business unit, net earnings were positively impacted by $5 million and the CSM was positively impacted by $7 million.

For the six months ended June 30, 2024, assumption changes and management actions resulted in a positive net earnings impact of $26 million and a decrease in CSM of $1 million on non-participating business. This is compared to a positive net earnings impact of $3 million and an increase in CSM of $36 million on non-participating business for the same period in 2023.

Foreign Currency

The average currency translation rate for the second quarter of 2024 increased for the euro, the U.S dollar and the British pound, compared to the second quarter of 2023. The overall impact of currency movement on the Company's net earnings attributable to the common shareholder for the three months ended June 30, 2024 was an increase of $13 million (increase of $21 million year-to-date) compared to translation rates a year ago.

From March 31, 2024 to June 30, 2024, the market rates at the end of the reporting period used to translate the euro, the U.S. dollar and the British pound assets and liabilities to the Canadian dollar increased. The movements in end-of-period exchange rates impact the translation of foreign operations, including related hedging activities, resulting in post-tax unrealized foreign exchange gains of $123 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.

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. 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 Canada Life as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rates are below 15%. In the second quarter of 2024, the Company recognized a GMT current tax expense of $58 million, primarily related to its operations in Barbados and Ireland. This included $32 million, for the retroactive application for the first quarter of 2024 as a result of Canada's enactment of legislation in the quarter, primarily in respect of Barbados where the GMT was contingent upon Canada's enactment.

In the second quarter of 2024, the effective income tax rate on net earnings for the common shareholder of 15.4% was up from 9.2% in the second quarter of 2023, primarily due to the GMT. The GMT reflected in the second quarter of 2024 increased the effective income tax rate on net earnings for common shareholders by 6.1 percentage points, which included the amount discussed above pertaining to the first quarter of 2024 of 3.4 percentage points.

For the six months ended June 30, 2024, the effective income tax rate on net earnings for the common shareholders of 14.5% was up from 7.2% for the same period last year, primarily due to the jurisdictional mix of earnings and the GMT. The GMT increased the effective income tax rate on net earnings for the common shareholder by 3.2 percentage points.

In the second quarter of 2024, the overall effective income tax rate on net earnings of 12.9% was up from 4.3% in the second quarter of 2023 primarily due to the GMT as well as the jurisdictional mix of earnings. The GMT reflected in the second quarter of 2024 increased the effective income tax rate by 6.0 percentage points, which included the amount discussed above pertaining to the first quarter of 2024 of 3.3 percentage points.

For the six months ended June 30, 2024, the overall effective income tax rate on net earnings of 12.3% was up from 3.5% for the same period last year, due to the jurisdictional mix of earnings and the GMT. The GMT increased the effective income tax rate by 3.1 percentage points.

Refer to note 13 of the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2024 for further details.

Consolidated Financial Position

Assets

Assets under administration[1]

	As at June 30, 2024	As at December 31, 2023
Assets		
Invested assets	$ 143,621	$ 141,735
Insurance contract assets	995	902
Reinsurance contract held assets	6,294	6,546
Goodwill and intangible assets	9,593	9,556
Other assets	9,327	8,691
Investments on account of segregated fund policyholders	262,356	243,186
Total assets	432,186	410,616
Other assets under management[2]	99,146	89,325
Total assets under management[1]	531,332	499,941
Other assets under administration[2]	73,313	67,711
Total assets under administration[1]	$ 604,645	$ 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 at June 30, 2024 increased by $37.0 billion to $604.6 billion compared to December 31, 2023, primarily due to equity market movements in Canada.

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 June 30, 2024		As at December 31, 2023	
Ontario	$ 778	55 %	$ 831	55 %
Quebec	244	17	267	18
Saskatchewan	76	6	84	6
Alberta	68	5	74	5
Newfoundland	53	4	56	4
British Columbia	51	4	55	4
New Brunswick	50	4	52	3
Manitoba	45	3	48	3
Nova Scotia	35	2	38	2
Other	6	—	6	—
Total	$ 1,406	100 %	$ 1,511	100 %

During the six months ended June 30, 2024, single family mortgage originations, including renewals, were $37 million, of which 22% 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 June 30, 2024 (22 years as at December 31, 2023).

Liabilities

Total Liabilities

	As at June 30, 2024	As at December 31, 2023
Insurance contract liabilities	$ 130,540	$ 129,689
Investment contract liabilities	4,830	4,953
Reinsurance contract held liabilities	568	475
Other general fund liabilities	9,266	8,640
Preferred shares	1,000	1,000
Insurance contracts on account of segregated fund policyholders	48,959	47,410
Investment contracts on account of segregated fund policyholders	213,397	195,776
Total	$ 408,560	$ 387,943

Total liabilities increased by $20.6 billion to $408.6 billion at June 30, 2024 from December 31, 2023.

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

Investment contract liabilities decreased by $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.

Investment and insurance contracts on account of segregated fund policyholders increased by $19.2 billion, primarily due to the combined impact of market value gains and investment income of $14.1 billion, an increase in non-controlling mutual funds interest of $4.1 billion and net deposits of $0.4 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 June 30, 2024						
Canada	$ 97,358	$ 1,857	$ 6,251	$ 105,466	$ 9,057	$ 114,523
Europe	42,158	1,016	4,790	47,964	3,636	51,600
Capital and Risk Solutions	757	1,995	1,687	4,439	249	4,688
Corporate	1,792	16	159	1,967	—	1,967
Total	$ 142,065	$ 4,884	$ 12,887	$ 159,836	$ 12,942	$ 172,778
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 June 30, 2024, total net insurance contract liabilities were $172.8 billion, an increase of $2.7 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-Par		Par		Total
CSM beginning of period, December 31, 2023	$	9,488	$	2,970	$	12,458
Impact of new insurance business		295		56		351
Expected movements from asset returns & locked-in rates		198		90		288
CSM recognized for services provided		(481)		(68)		(549)
Insurance experience gains/losses		(143)		—		(143)
Organic CSM movement	$	(131)	$	78	$	(53)
Impact of markets		109		281		390
Impact of changes in assumptions and management actions		(1)	—	—		(1)
Currency impact		90		3		93
Total CSM movement	$	67	$	362	$	429
CSM end of period, June 30, 2024	$	9,555	$$	3,332	$	12,887

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

At June 30, 2024, total contractual service margin on non-participating business was $9.6 billion, an increase of $67 million from December 31, 2023. The increase was primarily driven by the impacts of market movements of $109 million and currency impacts of $90 million, largely offset by insurance experience losses of $143 million.

At June 30, 2024, total contractual service margin for participating business was $3.3 billion, an increase of $362 million from December 31, 2023. The increase was primarily due to the impacts of market movements of $281 million and organic contractual service margin growth of $78 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 June 30, 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 June 30, 2024, the Company's total participating account surplus and shareholder's equity was $23.6 billion compared to $22.7 billion at December 31, 2023. The increase was primarily due to net earnings of $1.7 billion as well as other comprehensive income of $0.4 billion, partially offset by dividends paid on common shares of $1.2 billion.

Liquidity and Capital Management

Liquidity

Total Liquid Assets

	On-balance sheet assets	Non-liquid/ Pledged	Net liquid assets
As at June 30, 2024			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	$ 3,871	$ —	$ 3,871
Short-term bonds[1]	4,311	91	4,220
Sub-total	$ 8,182	$ 91	$ 8,091
Other assets and marketable securities			
Government bonds[1]	$ 32,365	$ 9,872	$ 22,493
Corporate bonds[1]	56,585	26,847	29,738
Stocks	13,837	2,912	10,925
Mortgage loans	24,763	21,976	2,787
Sub-total	$ 127,550	$ 61,607	$ 65,943
Total	$ 135,732	$ 61,698	$ 74,034
As at December 31, 2023			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	$ 3,944	$ 2	$ 3,942
Short-term bonds[1]	4,015	—	4,015
Sub-total	$ 7,959	$ 2	$ 7,957
Other assets and marketable securities			
Government bonds[1]	$ 34,048	$ 9,575	$ 24,473
Corporate bonds[1]	53,841	25,344	28,497
Stocks	13,589	2,365	11,224
Mortgage loans	24,449	21,535	2,914
Sub-total	$ 125,927	$ 58,819	$ 67,108
Total	$ 133,886	$ 58,821	$ 75,065

[1] Total short-term bonds, government bonds and corporate bonds as at June 30, 2024 was $93.3 billion ($91.9 billion at December 31, 2023). Refer to the consolidated balance sheet in the Company's June 30, 2024 condensed consolidated interim unaudited financial statements for on-balance sheet bonds amounts.

The Company’s liquidity requirements are largely self-funded, with short-term obligations being met by internal funds and maintaining levels of liquid investments adequate to meet anticipated liquidity needs. At June 30, 2024, the Company and its operating subsidiaries held liquid cash, cash equivalents and short-term bonds of $8.1 billion ($8.0 billion at December 31, 2023) and other liquid assets and marketable securities of $65.9 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 June 30		For the six months ended June 30	
	2024	2023[1]	**2024**	2023[1]
Cash flows relating to the following activities:				
Operations	$ 354	$ 798	$ 1,131	$ 1,602
Financing	(377)	(752)	(1,170)	(1,727)
Investment	(90)	(8)	(93)	(85)
	(113)	38	(132)	(210)
Effects of changes in exchange rates on cash and cash equivalents	33	(14)	59	12
Increase (decrease) in cash and cash equivalents in the period	(80)	24	(73)	(198)
Cash and cash equivalents, beginning of period	3,951	3,539	3,944	3,761
Cash and cash equivalents, end of period	$ 3,871	$ 3,563	$ 3,871	$ 3,563

[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.

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

In the second quarter of 2024, cash and cash equivalents decreased by $80 million from March 31, 2024. Cash flows provided by operations during the second quarter of 2024 were $354 million, a decrease of $444 million compared to the second quarter of 2023, primarily due to higher net purchases of portfolio investments and lower fair value changes. Cash flows used by financing activities of $377 million were primarily used for the payment of dividends to the common shareholder.

For the six months ended June 30, 2024, cash and cash equivalents decreased by $73 million from December 31, 2023. Cash flows provided by operations were $1,131 million, a decrease of $471 million compared to the same period last year, primarily due to higher net purchases of portfolio investments, partially offset by higher fair value changes. Cash flows used by financing activities of $1,170 million were primarily used for the same reason discussed for the in-quarter results.

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 June 30, 2024 was 130%.

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

LICAT Ratio

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

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

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

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.

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

Exposures and Sensitivities

Insurance and Investment Contract Liabilities

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

Financial Exposures and Sensitivities

The following table illustrates the approximate impact to the Company's 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]	
	Jun. 30 2024	Dec. 31 2023	**Jun. 30 2024**	Dec. 31 2023	**Jun. 30 2024**	Dec. 31 2023	**Jun. 30 2024**	Dec. 31 2023
Investment returns:								
Change in risk free interest rates								
50 basis points increase	$ 100	$ 150	$ 100	$ 150	$ 125	$ 175	(1 point)	0 point
50 basis points decrease	(125)	(225)	(150)	(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	(250)	(350)	(325)	(450)	(150)	(250)	(1 point)	(1 point)
Change in publicly traded common stock values								
20% increase	$ 125	$ 150	$ 375	$ 425	$ 550	$ 525	(1 point)	0 point
10% increase	50	75	200	200	275	275	< (1 point)	0 point
10% decrease	(50)	(75)	(200)	(200)	(300)	(300)	0 point	0 point
20% decrease	(125)	(150)	(400)	(425)	(575)	(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 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 June 30, 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.

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

Other Information

Non-GAAP Financial Measures and Ratios

Non-GAAP Financial Measures

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

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

	Jun. 30 2024	Mar. 31 2024	Jun. 30 2023
Total assets per financial statements	$ 432,186	$ 425,497	$ 392,573
Other AUM	99,146	95,051	73,458
Total AUM	$ 531,332	$ 520,548	$ 466,031
Other AUA	73,313	72,066	38,917
Total AUA	$ 604,645	$ 592,614	$ 504,948

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

- **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)	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Insurance revenue	$ 5,222	$ 5,195	$ 5,117	$ 5,057	$ 5,032	$ 4,982	$ 5,386	$ 4,581
Net investment income	1,436	1,339	1,344	1,294	1,123	1,116	1,117	1,180
Changes in fair value on FVTPL assets	(781)	(929)	7,761	(4,013)	(1,719)	2,238	249	(3,522)
Fee and other income	694	670	586	522	543	512	485	450
Total revenue	$ 6,571	$ 6,275	$ 14,808	$ 2,860	$ 4,979	$ 8,848	$ 7,237	$ 2,689
Net earnings - Participating account[1]	$ 51	$ 27	$ 1	$ 20	$ 24	$ (21)	$ (130)	$ 12
Net earnings - Common shareholder	$ 800	$ 855	$ 621	$ 768	$ 463	$ 542	$ 374	$ 876

[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 second quarter of 2024 was $6,571 million and comprises insurance revenue of $5,222 million (5,032 million for the same quarter last year), net investment income of $1,436 million ($1,123 million for the same quarter last year), a change in fair value through profit or loss on investment assets of negative $781 million (changes of negative $1,719 million for the same quarter last year) and fee and other income of $694 million ($543 million for the same quarter last year).

Insurance revenue

Insurance revenue for the second quarter of 2024 was $5,222 million, an increase of $190 million compared to the same quarter last year, primarily due to favourable group experience in the U.K.

Net investment income

Total net investment income for the second quarter of 2024, was $655 million, an increase of $1,251 million compared to the same quarter last year. The changes in fair value in the second quarter of 2024 were a decrease of $781 million compared to a decrease of $1,719 million in the second quarter of 2023, primarily due to a smaller increase in bond yields across all geographies in the current period compared to last year. Net investment income in the second quarter of 2024 of $1,436 million, which excludes changes in fair value through profit or loss, increased by $313 million compared to the same quarter last year, primary due to the same reason discussed for the changes in fair value results.

Fee and other income

Fee and other income for the second quarter of 2024 was $694 million, an increase of $151 million compared to the same quarter last year, primarily due to additions of IPC and Value Partners and growth in administrative services only (ASO) fees in the Canada business unit as well as higher management fees from higher average assets under administration in the Europe business unit.

Net earnings

The Company's consolidated net earnings attributable to the common shareholder in the second quarter of 2024 were $800 million compared to $463 million reported a year ago. Net earnings attributable to the participating account were $51 million compared to net earnings of $24 million for the second 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	**June 30 2024**	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
United States dollar						
Balance sheet	$ 1.37	$ 1.35	$ 1.33	$ 1.36	$ 1.32	$ 1.35
Income and expenses	$ 1.37	$ 1.35	$ 1.36	$ 1.34	$ 1.34	$ 1.35
British pound						
Balance sheet	$ 1.73	$ 1.71	$ 1.69	$ 1.66	$ 1.68	$ 1.67
Income and expenses	$ 1.73	$ 1.71	$ 1.69	$ 1.70	$ 1.68	$ 1.64
Euro						
Balance sheet	$ 1.47	$ 1.46	$ 1.46	$ 1.44	$ 1.45	$ 1.47
Income and expenses	$ 1.47	$ 1.46	$ 1.47	$ 1.46	$ 1.46	$ 1.45

Additional Information

Additional information relating to 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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