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The Canada Life Assurance Company

Management's discussion and analysis

Third quarter results

For the period ended September 30, 2024

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2024

DATED: NOVEMBER 6, 2024

This Interim Management's Discussion and Analysis - Quarterly Highlights (MD&A - Quarterly Highlights) for the three and nine months ended September 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 June 30, 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 September 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), value creation and realization and growth opportunities, expected dividend levels, expected cost reductions and savings, expected capital management activities and use of capital, estimates of risk sensitivities affecting capital adequacy ratios, anticipated global economic conditions, potential impacts of catastrophe events, potential impacts of geopolitical conflicts and the impact of regulatory developments on the Company's business strategy and growth objectives.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. In 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. The Company does not currently have a comprehensive transition plan in place to achieve its net zero-related goals and ambitions and the timing for developing such a plan and its scope and achievability remain uncertain. Moreover, the data needed to define the Company’s plan to achieve those goals and ambitions is limited in quality and availability and is inconsistent across the sectors the Company chooses to focus on. We are also continuing to develop our diversity-related data. There is a strong possibility that our expectations, forecasts, estimates, predictions and conclusions may not prove to be accurate and our assumptions may prove to be incorrect, and there is a material risk we will not achieve our climate-related and diversity-related goals, objectives, ambitions, strategies and commitments. In addition, many of the assumptions, standards, metrics and measurements used in preparing these forward-looking statements are not audited or independently verified, have limited comparability and continue to evolve.

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

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

Cautionary Note Regarding Non-GAAP Financial Measures and Ratios

This MD&A contains some non-Generally Accepted Accounting Principles (GAAP) financial measures and non-GAAP ratios as defined in National Instrument 52-112 “Non-GAAP and Other Financial Measures Disclosure”. Terms by which non-GAAP financial measures are identified include, but are not limited to, "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

(in Canadian $ millions, except per share amounts)	As at or for the three months ended: **Sept. 30 2024**	June 30 2024	Sept. 30 2023	For the nine months ended: **Sept. 30 2024**	Sept. 30 2023
Earnings					
Participating account	$ (1)	$ 51	$ 20	$ 77	$ 23
Common shareholder	605	800	768	2,260	1,773
Total net earnings	$ 604	$ 851	$ 788	$ 2,337	$ 1,796
Insurance service result	$ 812	$ 824	$ 768	$ 2,429	$ 2,137
Net investment result	37	305	279	699	247
Fee and other income	712	694	522	2,076	1,577
Total assets per financial statements	$ 455,695	$ 432,186	$ 385,926		
Total assets under management[1]	563,298	531,332	460,965		
Total assets under administration[1]	640,136	604,645	500,303		
Total contractual service margin (net of reinsurance contracts held)	$ 13,367	$ 12,887	$ 12,603		
Equity					
Participating account surplus	$ 3,022	$ 2,948	$ 2,749		
Non-controlling interests	10	13	15		
Shareholder's equity	21,181	20,665	19,534		
Total equity	$ 24,213	$ 23,626	$ 22,298		
LICAT Ratio[2]	134%	130%	128%		

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

2 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

- In the third quarter of 2024, the Company completed certain assumption reviews and model refinements related to insurance contract liabilities which resulted in a positive economic impact. Within the Company's financial statements, this is observed through an increase to contractual service margin on non-participating business of $270 million and a negative impact to net earnings of $179 million. These assumption changes improved the capital position of the Company, increasing the Canada Life LICAT ratio by two points.
- 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 third quarter of 2024, the Company recognized a GMT current tax expense of $22 million ($84 million for the nine months ended September 30, 2024), primarily related to its operations in Barbados and Ireland.

Strategic highlights and transactions

- Subsequent to the third quarter of 2024, on October 4, 2024, Canada Life announced that it had signed a new, independent distribution agreement with Primerica Life Insurance Company of Canada (Primerica Canada). This distribution agreement will give Primerica Canada's advisors access to a curated selection of Canada Life's segregated fund shelf, extending the market reach of Canada Life's existing distribution and help the underserved mass market. The training and onboarding of Primerica Canada's advisors will be phased, beginning in 2025.

- Subsequent to the third quarter of 2024, on October 1, 2024, Canada Life Investment Management Ltd. (CLIML) and Counsel Portfolio Services Inc. (Counsel), a subsidiary of Investment Planning Counsel (IPC) amalgamated. Bringing these two investment fund management companies together into one centre of excellence will allow Canada Life to unlock new growth opportunities, achieve economies of scale and improve operational effectiveness.
- Canada Life has administered dental benefits for employees of the federal public service since 1987. As previously announced, Canada Life was also selected to administer the dental plan for retired public servants. The Government of Canada agreed to harmonize the implementation dates of these two plans to November 1, 2024 to improve the experience for all plan members.
- The Capital and Risk Solutions segment continued to grow by providing tailored solutions to customers while increasing diversification within the portfolio. In 2024, the Capital and Risk Solutions segment continues to expand its international presence in targeted new markets, while continuing to focus on core markets and product expansion in Europe and the US. During the third quarter of 2024, the Company entered into numerous transactions, primarily in the structured products segment, including two transactions in Australia.

Focus on improving customer and advisor experiences

- Subsequent to the third quarter of 2024, on October 21, 2024, Irish Life Health announced the launch of three Minor Injury Clinics newly branded as Irish Life Health ExpressCare clinics with medical services provided by a third party. This will continue Irish Life's Future of Health proposition work and connects Irish Life's digital services with these physical locations. This demonstrates Irish Life's vision to be the driving force of Ireland's financial, physical and mental well-being.

Other business highlights

- In the third quarter of 2024, Canada Life U.K. wrote two large bulk annuity sales, aggregating to $1.1 billion, the biggest single quarter since the third quarter of 2021.
- Irish Life' s digital portal, MyIrishLife, received Silver in the Best Search Campaign category at the Ashville Media Group Digital Media Awards in Ireland, a testament to Irish Life's innovative lead generation efforts. This prestigious award, open to applications across sectors, underscores the competitive edge and broad appeal of MyIrishLife.
- The Company offers property catastrophe coverage to reinsurance companies and as a result, the Company is exposed to potential claims arising from major weather events and other catastrophic events, primarily hurricanes, windstorms and earthquakes. Current preliminary estimates of insured losses arising from recent catastrophe events do not reach the level where any significant claims would be anticipated. In addition, the Company continues to monitor potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.

Net Earnings

	For the three months ended			For the nine months ended	
	Sept. 30 2024	June 30 2024	Sept. 30 2023	**Sept. 30 2024**	Sept. 30 2023
Net earnings					
Canada	$ 434	$ 353	$ 433	$ 1,152	$ 798
Europe	138	227	47	576	240
Capital and Risk Solutions	3	158	276	424	666
Corporate	30	62	12	108	69
Net earnings - common shareholder	$ 605	$ 800	$ 768	$ 2,260	$ 1,773
Net earnings - participating account	$ (1)	$ 51	$ 20	$ 77	$ 23
Total net earnings	$ 604	$ 851	$ 788	$ 2,337	$ 1,796

Net Earnings Attributable to the Common Shareholder

For the three months ended September 30, 2024, net earnings attributable to the common shareholder were $605 million, down from $768 million from the same period in 2023. The decrease was primarily due to the impact of relative interest rate movements, more negative fair value impacts of assumption changes and management actions, primarily in the Capital and Risk Solutions business unit, the impact of the GMT, and unfavourable group mortality experience in the Europe business unit. These items were partially offset by net fee and spread income growth from higher equity markets and the addition of IPC and Value Partners as well as more favourable impacts of trading activity. The prior year period included the unfavourable impact of reductions in commercial property values in the Europe business unit.

For the nine months ended September 30, 2024, net earnings attributable to the common shareholder were $2,260 million, up from $1,773 million from the same period in 2023. The increase was primarily due to the impact of relative interest rate movements and improved non-fixed income experience in the Canada and Europe business units. In addition, the increase was due to strong group health experience, organic growth and the addition of IPC and Value Partners in the Canada business unit as well as growth in the structured business in the Capital and Risk Solutions business unit. The prior year period included realized other comprehensive income (OCI) losses that did not repeat related to asset rebalancing in the surplus account in the Europe business unit. These items were partially offset by unfavourable experience in the U.S. life business in the Capital and Risk Solutions business unit and the impact of the GMT.

Net Earnings Attributable to the Participating Account

For the three months ended September 30, 2024, the net loss attributable to the participating account was $1 million compared to net earnings of $20 million in the same quarter last year. The decrease was primarily due to less favourable tax impacts, partially offset by higher earnings on surplus.

For the nine months ended September 30, 2024, net earnings attributable to the participating account were $77 million compared to net earnings of $23 million for the same period in 2023. The increase was primarily due to higher earnings on surplus and favourable tax impacts.

Assumption Changes and Management Actions

Under IFRS 17, *Insurance Contracts*, 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).

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

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

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

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

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

Assumptions	CSM[1] impacts	Net earnings impact (post-tax): Fair value impact of CSM assumption changes	Net earnings impact (post-tax): Other	Net earnings impact (post-tax): Total	Description
For the three months ended September 30, 2024					
Longevity	$ 692	$ (238)	$ 5	$ (233)	Updates to reflect trends in longevity experience, primarily on portfolios in the Capital and Risk Solutions segment and in the U.K. in the Europe segment
Mortality	35	(65)	(14)	(79)	Updates to reflect trends in mortality, primarily on the U.S. life reinsurance portfolio in the Capital and Risk Solutions segment
Policyholder behaviour	(400)	78	—	78	Updates to reflect renewal experience on term insurance in the Canada segment
Other	(57)	10	45	55	Other updates, including financial and expense assumptions
Total	$ 270	$ (215)	$ 36	$ (179)	
For the three months ended September 30, 2023					
Total	$ 191	$ (53)	$ (53)	$ (106)	

[1] Excludes participating policies.

For the three months ended September 30, 2024, the Company completed certain assumption reviews and model refinements related to insurance contract liabilities which resulted in a positive economic impact. Within the Company's financial statements, this is observed through an increase in CSM of $270 million and a negative impact to net earnings of $179 million on non-participating business. The negative earnings impact is primarily due to negative $215 million of fair value impacts on assumption changes impacting CSM. Other earnings impacts arising from assumption changes increased net earnings by $36 million.

In the Canada business unit, the CSM was negatively impacted by $382 million and net earnings were positively impacted by $106 million, primarily due to updates to policyholder behaviour assumptions on term insurance, financial assumption changes, and assumption changes on short-term products without CSM. In the Capital and Risk Solutions business unit, CSM was positively impacted by $472 million and net earnings were negatively impacted by $232 million, primarily due to updated longevity assumptions and life mortality assumptions. In the Europe business unit, CSM was positively impacted by $167 million and net earnings were negatively impacted by $51 million, primarily due to updated longevity assumptions, partially offset by updated expense assumptions. In the Corporate business unit, CSM was positively impacted by $13 million and net earnings were negatively impacted by $2 million, due to updates to policyholder behaviour assumptions.

This compares to a decrease in CSM of $1 million and a positive net earnings impact of $36 million on non-participating business in the previous quarter, and an increase in CSM of $191 million and a negative net earnings impact of $106 million on non-participating business for the same period in 2023.

For the nine months ended September 30, 2024, assumption changes and management actions resulted in an increase of $269 million in CSM and a negative net earnings impact of $153 million on non-participating business, primarily due to the same reasons discussed for the in-quarter results. This compares to an increase in CSM of $227 million and a negative net earnings impact of $103 million for the same period in 2023.

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

Foreign Currency

The average currency translation rate for the third quarter of 2024 increased for the British pound, the euro and the U.S. dollar, compared to the third quarter of 2023. The overall impact of currency movement on the Company’s net earnings attributable to the common shareholder for the nine months ended September 30, 2024 was an increase of $19 million compared to translation rates a year ago.

From June 30, 2024 to September 30, 2024, the market rates at the end of the reporting period used to translate the British pound and the euro assets and liabilities to the Canadian dollar increased, while the U.S. dollar decreased. The movements in end-of-period exchange rates impact the translation of foreign operations, including related hedging activities, resulting in post-tax unrealized foreign exchange gains of $511 million for the nine months ended September 30, 2024 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 third quarter of 2024, the Company recognized a GMT current tax expense of $22 million ($84 million for the nine months ended September 30, 2024), primarily related to its operations in Barbados and Ireland.

In the third quarter of 2024, the effective income tax rate on net earnings for the common shareholder of 16.3% was up from 11.4% in the third quarter of 2023, primarily due to the GMT, changes in certain tax estimates and the jurisdictional mix of earnings partially offset by higher tax exempt investment income. The GMT reflected in the third quarter of 2024 increased the effective income tax rate on net earnings for common shareholder by 3.0 percentage points.

For the nine months ended September 30, 2024, the effective income tax rate on net earnings for the common shareholder of 15.0% was up from 9.1% for the same period last year, primarily due to the GMT and the jurisdictional mix of earnings. The GMT increased the effective income tax rate on net earnings for the common shareholder by 3.2 percentage points.

In the third quarter of 2024, the overall effective income tax rate on net earnings of 11.7% was up from 10.7% in the third quarter of 2023 primarily due to the same reasons discussed for the common shareholder in quarter results. The GMT reflected in the third quarter of 2024 increased the effective income tax rate by 3.2 percentage points.

For the nine months ended September 30, 2024, the overall effective income tax rate on net earnings of 12.1% was up from 6.8% for the same period last year, primarily due to the GMT and jurisdictional mix of earnings. The GMT increased the effective income tax rate by 3.2 percentage points.

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

Consolidated Financial Position

Assets

Assets under administration[1]

	As at September 30, 2024		As at December 31, 2023	
Assets				
Invested assets	$	151,164	$	141,735
Insurance contract assets		868		902
Reinsurance contract held assets		6,636		6,546
Goodwill and intangible assets		9,685		9,556
Other assets		9,895		8,691
Investments on account of segregated fund policyholders		277,447		243,186
Total assets		455,695		410,616
Other assets under management[2]		107,603		89,325
Total assets under management[1]		563,298		499,941
Other assets under administration[2]		76,838		67,711
Total assets under administration[1]	$	640,136	$	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 September 30, 2024 increased by $72.5 billion to $640.1 billion compared to December 31, 2023, primarily due to the impact of equity market movement as well as currency movement in Europe.

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 September 30, 2024			As at December 31, 2023		
Ontario	$	738	55 %	$	831	55 %
Quebec		232	17		267	18
Saskatchewan		72	6		84	6
Alberta		64	5		74	5
Newfoundland		50	4		56	4
British Columbia		49	4		55	4
New Brunswick		47	4		52	3
Manitoba		43	3		48	3
Nova Scotia		33	2		38	2
Other		6	—		6	—
Total	$	1,334	100 %	$	1,511	100 %

During the nine months ended September 30, 2024, single family mortgage originations, including renewals, were $58 million, of which 20% 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 September 30, 2024 (22 years as at December 31, 2023).

Liabilities

Total Liabilities

	As at September 30, 2024	As at December 31, 2023
Insurance contract liabilities	$ 138,194	$ 129,689
Investment contract liabilities	4,841	4,953
Reinsurance contract held liabilities	676	475
Other general fund liabilities	9,324	8,640
Preferred shares	1,000	1,000
Insurance contracts on account of segregated fund policyholders	51,428	47,410
Investment contracts on account of segregated fund policyholders	226,019	195,776
Total	$ 431,482	$ 387,943

Total liabilities increased by $43.5 billion to $431.5 billion at September 30, 2024 from December 31, 2023.

Insurance contract liabilities increased by $8.5 billion. The increase was primarily due to market movements and the impact of currency movements.

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

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

Investment and insurance contracts on account of segregated fund policyholders increased by $34.3 billion, primarily due to the combined impact of market value gains and investment income of $23.6 billion, an increase in non-controlling mutual funds interest of $4.0 billion and net deposits of $1.1 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 September 30, 2024						
Canada	$ 103,223	$ 1,844	$ 5,678	$ 110,745	$ 9,675	$ 120,420
Europe	44,974	1,092	5,277	51,343	3,859	55,202
Capital and Risk Solutions	652	2,042	2,245	4,939	256	5,195
Corporate	1,795	15	167	1,977	—	1,977
Total	$ 150,644	$ 4,993	$ 13,367	$ 169,004	$ 13,790	$ 182,794
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 September 30, 2024, total net insurance contract liabilities were $182.8 billion, an increase of $12.7 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	516	86	602
Expected movements from asset returns & locked-in rates	297	133	430
CSM recognized for services provided	(730)	(100)	(830)
Insurance experience gains/losses	(160)	—	(160)
Organic CSM movement	$ (77)	$ 119	$ 42
Impact of markets	298	133	431
Impact of changes in assumptions and management actions	269	(181)	88
Currency impact	347	1	348
Total CSM movement	$ 837	$ 72	$ 909
CSM end of period, September 30, 2024	$ 10,325	$ 3,042	$ 13,367

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

At September 30, 2024, total contractual service margin on non-participating business was $10.3 billion, an increase of $837 million from December 31, 2023. The increase was primarily driven by currency impacts of $347 million, market movement of $298 million and the impacts of changes in assumptions and management actions of $269 million, partially offset by negative organic CSM growth of $77 million.

At September 30, 2024, total contractual service margin was $13.4 billion, an increase of $909 million from December 31, 2023. The increase was primarily due to the impacts of market movements of $431 million and currency impacts of $348 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 September 30, 2024, there were 2,419,730 common shares of the Company issued and outstanding with a stated value of $7,995 million (2,419,730 and $7,995 million as at December 31, 2023).

Participating account surplus and shareholder's equity

As at September 30, 2024, the Company's total participating account surplus and shareholder's equity was $24.2 billion compared to $22.7 billion at December 31, 2023. The increase was primarily due to net earnings of $2.3 billion as well as other comprehensive income of $0.8 billion, partially offset by dividends paid on common shares of $1.6 billion.

Liquidity and Capital Management

Liquidity

Total Liquid Assets

	On-balance sheet assets	Non-liquid/ Pledged	Net liquid assets
As at September 30, 2024			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	$ 4,281	$ 194	$ 4,087
Short-term bonds[1]	4,136	167	3,969
Sub-total	$ 8,417	$ 361	$ 8,056
Other assets and marketable securities			
Government bonds[1]	$ 34,338	$ 8,707	$ 25,631
Corporate bonds[1]	59,685	29,168	30,517
Stocks	14,913	3,032	11,881
Mortgage loans	25,724	22,929	2,795
Sub-total	$ 134,660	$ 63,836	$ 70,824
Total	$ 143,077	$ 64,197	$ 78,880
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 September 30, 2024 was $98.2 billion ($91.9 billion at December 31, 2023). Refer to the consolidated balance sheet in the Company's September 30, 2024 condensed consolidated interim unaudited financial statements for on-balance sheet bonds amounts.

The Company's liquidity requirements are largely self-funded, with short-term obligations being met by internal funds and maintaining levels of liquid investments adequate to meet anticipated liquidity needs. At September 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 $70.8 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 September 30		For the nine months ended September 30	
	2024	2023[1]	**2024**	2023[1]
Cash flows relating to the following activities:				
Operations	$ 794	$ 1,011	$ 1,925	$ 2,613
Financing	(459)	(737)	(1,629)	(2,464)
Investment	(8)	(5)	(101)	(90)
	327	269	195	59
Effects of changes in exchange rates on cash and cash equivalents	83	(5)	142	7
Increase (decrease) in cash and cash equivalents in the period	410	264	337	66
Cash and cash equivalents, beginning of period	3,871	3,563	3,944	3,761
Cash and cash equivalents, end of period	$ 4,281	$ 3,827	$ 4,281	$ 3,827

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 third quarter of 2024, cash and cash equivalents increased by $410 million from June 30, 2024. Cash flows provided by operations during the third quarter of 2024 were $794 million, a decrease of $217 million compared to the third quarter of 2023, primarily due to lower net earnings after taxes. Cash flows used by financing activities of $459 million were primarily used for the payment of dividends to the common shareholder.

For the nine months ended September 30, 2024, cash and cash equivalents increased by $337 million from December 31, 2023. Cash flows provided by operations were $1,925 million, a decrease of $688 million compared to the same period last year, primarily due to higher net purchases of portfolio investments, partially offset by higher net earnings after taxes. Cash flows used by financing activities of $1,629 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 September 30, 2024 was 134%.

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

LICAT Ratio

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

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

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

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

Exposures and Sensitivities

Insurance and Investment Contract Liabilities

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

Financial Exposures and Sensitivities

The following table illustrates the approximate impact to the Company's shareholder'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 shareholder's 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]	
	Sept. 30 2024	Dec. 31 2023	**Sept. 30 2024**	Dec. 31 2023	**Sept. 30 2024**	Dec. 31 2023	**Sept. 30 2024**	Dec. 31 2023
Investment returns:								
Change in risk free interest rates								
50 basis points increase	$ 125	$ 150	$ 100	$ 150	$ 75	$ 175	(1 point)	0 point
50 basis points decrease	(150)	(225)	(150)	(225)	(125)	(250)	0 point	0 point
Change in credit spreads								
50 basis points increase	$ 200	$ 275	$ 250	$ 350	$ 50	$ 175	0 point	1 point
50 basis points decrease	(225)	(350)	(325)	(450)	(75)	(250)	0 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)	< 1 point	0 point
20% decrease	(125)	(150)	(400)	(425)	(550)	(550)	< (1 point)	(1 point)
Change in other non-fixed income asset values								
10% increase	$ 425	$ 400	$ 450	$ 425	$ —	$ —	1 point	1 point
5% increase	225	200	225	225	—	—	< 1 point	< 1 point
5% decrease	(225)	(200)	(225)	(225)	—	—	< (1 point)	< (1 point)
10% decrease	(450)	(425)	(475)	(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.

The sensitivities above reflect the immediate impacts on shareholder's net earnings, shareholder's equity and the LICAT ratio from market movements.

Actual impacts of interest rate changes will vary depending upon the geography where the changes occur. Net earnings are positively impacted by a parallel increase in interest rates and credit spreads in Canada and the U.K., and are positively impacted by a parallel decrease in interest rates in the U.S. and 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 September 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, as at September 30, 2024, the sensitivity of the CSM of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of $50 million or a decrease of $50 million pre-tax, respectively. At December 31, 2023 the sensitivity of the CSM of the Company to a 10 basis point increase or decrease in the UIR in all geographies would have been an increase of $75 million or a decrease of $75 million pre-tax, respectively.

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

International Financial Reporting Standards

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

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

Other Information

Non-GAAP Financial Measures and Ratios

Non-GAAP Financial Measures

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

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

	Sept. 30 2024	June 30 2024	Sept. 30 2023
Total assets per financial statements	$ 455,695	$ 432,186	$ 385,926
Other AUM	107,603	99,146	75,039
Total AUM	$ 563,298	$ 531,332	$ 460,965
Other AUA	76,838	73,313	39,338
Total AUA	$ 640,136	$ 604,645	$ 500,303

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	
	September 30, 2024	September 30, 2023
United States dollar	1.36	1.34
British pound	1.77	1.70
Euro	1.50	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[2] (Restated)
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Insurance revenue	$ 5,242	$ 5,222	$ 5,195	$ 5,117	$ 5,057	$ 5,032	$ 4,982	$ 5,386
Net investment income	1,242	1,436	1,339	1,344	1,294	1,123	1,116	1,117
Changes in fair value on FVTPL assets	4,288	(781)	(929)	7,761	(4,013)	(1,719)	2,238	249
Fee and other income	712	694	670	586	522	543	512	485
Total revenue	$ 11,484	$ 6,571	$ 6,275	$ 14,808	$ 2,860	$ 4,979	$ 8,848	$ 7,237
Net earnings - Participating account[1]	$ (1)	$ 51	$ 27	$ 1	$ 20	$ 24	$ (21)	$ (130)
Net earnings - Common shareholder	$ 605	$ 800	$ 855	$ 621	$ 768	$ 463	$ 542	$ 374

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

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

Total revenue

Total revenue for the third quarter of 2024 was $11,484 million and comprises insurance revenue of $5,242 million (5,057 million for the same quarter last year), net investment income of $1,242 million ($1,294 million for the same quarter last year), a change in fair value through profit or loss on investment assets of positive $4,288 million (changes of negative $4,013 million for the same quarter last year) and fee and other income of $712 million ($522 million for the same quarter last year).

Insurance revenue

Insurance revenue for the third quarter of 2024 was $5,242 million, an increase of $185 million compared to the same quarter last year, primarily due to higher earnings on short-term insurance contracts in the Canada and Europe business units.

Total net investment income

Total net investment income, which includes net investment income and changes in fair value on FVTPL assets, for the third quarter of 2024, was $5,530 million, an increase of $8,249 million compared to the same quarter last year. The changes in fair value in the third quarter of 2024 were an increase of $4,288 million compared to a decrease of $4,013 million in the third quarter of 2023, primarily due to a decrease in bond yields across all geographies. Net investment income in the third quarter of 2024 of $1,242 million, which excludes changes in fair value through profit or loss, decreased by $52 million compared to the same quarter last year, primarily due to the strengthening of the U.S. dollar, British pound and euro against the Canadian dollar.

Fee and other income

Fee and other income for the third quarter of 2024 was $712 million, an increase of $190 million compared to the same quarter last year, primarily due to growth in administrative services only (ASO) fees and the acquisitions of IPC and Value Partners 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 third quarter of 2024 were $605 million compared to $768 million reported a year ago. Net earnings attributable to the participating account were negative $1 million compared to net earnings of $20 million for the third 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	**Sept. 30 2024**	June 30 2024	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
United States dollar							
Balance sheet	$ 1.35	$ 1.37	$ 1.35	$ 1.33	$ 1.36	$ 1.32	$ 1.35
Income and expenses	$ 1.36	$ 1.37	$ 1.35	$ 1.36	$ 1.34	$ 1.34	$ 1.35
British pound							
Balance sheet	$ 1.81	$ 1.73	$ 1.71	$ 1.69	$ 1.66	$ 1.68	$ 1.67
Income and expenses	$ 1.77	$ 1.73	$ 1.71	$ 1.69	$ 1.70	$ 1.68	$ 1.64
Euro							
Balance sheet	$ 1.51	$ 1.47	$ 1.46	$ 1.46	$ 1.44	$ 1.45	$ 1.47
Income and expenses	$ 1.50	$ 1.47	$ 1.46	$ 1.47	$ 1.46	$ 1.46	$ 1.45

Additional Information

Additional information relating to 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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