REPORT TO SHAREHOLDERS

First Quarter Results

For the period ended March 31, 2024

GREAT-WEST LIFECO INC.

E1138(1123)-05/24

Quarterly Report to Shareholders

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

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

GREAT-WEST LIFECO INC.

QUARTERLY REPORT TO THE SHAREHOLDERS

January 1 to March 31, 2024 Three Months Results

The condensed consolidated interim unaudited financial statements including notes at March 31, 2024 were approved by the Board of Directors at a meeting held today.

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

Key Financial Highlights

	Q1 2024	Q4 2023	Q1 2023
Base earnings[1,4]	**$1,012**	$971	$826
Net earnings from continuing operations	**$1,031**	$743	$614
Net earnings	**$960**	$740	$595
Base EPS[2,4]	**$1.09**	$1.04	$0.89
Net EPS from continuing operations	**$1.10**	$0.80	$0.66
Net EPS	**$1.03**	$0.79	$0.64
Base ROE[2,3,4]	**17.2%**	16.6%	16.1%
ROE – continuing operations[3,5]	**14.6%**	12.9%	13.6%

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

2 Base EPS and base return on equity are non-GAAP ratios. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

3 Base return on equity and return on equity – continuing operations are calculated using the trailing four quarters of applicable earnings and common shareholders' equity.

4 Comparative Q1 2023 base earnings results are restated to exclude discontinued operations related to Putnam Investments.

5 Comparative results have been restated to exclude amounts related to discontinued operations.

Record base earnings[1] of $1,012 million or $1.09 per common share, up 23% from $826 million a year ago reflects growth in expected insurance earnings, improved insurance experience, higher earnings on surplus and higher net fee income driven by equity market levels, and the contribution of recent acquisitions in Canada.

Net earnings from continuing operations of $1,031 million or $1.10 per common share, compared to $614 million a year ago reflects improved market experience from higher equity markets and interest rate movements, partially offset by business transformation impacts primarily in Canada and Empower.

Highlights

- Strong start to the year with performance building on momentum from 2023:
  - Record quarterly base earnings for third consecutive quarter, exceeding $1 billion for the first time.
  - Strong contributions to earnings growth from all four segments.
  - Empower delivered its highest quarterly base earnings and exceeded US$1.6 trillion of assets under administration (AUA)[1].
  - Operating at the top end of the range of our base ROE medium-term objective.
  - Comfortable leverage ratio and strong regulatory capital positions, building substantial financial flexibility to take advantage of future opportunities.
- Continued focus on delivering value through strategic actions which reposition the portfolio:
  - Prudential integration has been completed in the second quarter of 2024. Retention targets have been exceeded and the expected US$180 million pre-tax of run rate cost synergies have been achieved.
  - In Canada, we continue to enhance our information technology operations and transitioned some functions to a managed service arrangement with an external provider.
  - Integration of Investment Planning Counsel (IPC) and Value Partners has contributed to an increase of $296 million in net asset flows in Canada Individual Wealth Management compared to the fourth quarter of 2023.
  - 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 U.S.
  - Sale of Putnam Investments closed at the start of the first quarter, unlocking value and enabling Lifeco's strategy of building and extending strategic partnerships with best-in-class asset managers to support clients' retirement, group benefits, and personal wealth management needs.
- Canada Life named third most valuable brand and most valuable insurance brand in Canada by Brand Finance.
- Continued focus on improving customer and advisor experiences to drive out greater outcomes in established business lines:
  - In Germany, we completed the migration of all policies onto a new administration platform and are now focused on realizing the benefits from this multi-year technology investment.
  - Canada Life Investment Management, Ltd. merged 20 Canada Life mutual funds in January 2024 to make it easier for advisors and investors to navigate the Canada Life mutual fund lineup.
  - Also in Canada, more than 11,000 advisors and delegates to date have been onboarded to a new central digital platform, enabling access to view Canada Life business, find forms and access other resources and tools including a new digital segregated fund application which enables a seamless onboarding experience.

GREAT-WEST LIFECO INC.

SEGMENTED OPERATING RESULTS

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

	In-Quarter		
	Q1 2024	Q4 2023	Q1 2023
Segment base earnings[6]			
Canada	**$302**	$301	$278
United States[7]	**286**	261	218
Europe	**204**	213	178
Capital and Risk Solutions	**222**	236	157
Lifeco Corporate	**(2)**	(40)	(5)
Total base earnings[6,7]	**$1,012**	$971	$826
Segment net earnings from continuing operations			
Canada	**$353**	$166	$233
United States	**233**	194	170
Europe	**187**	217	40
Capital and Risk Solutions	**260**	215	184
Lifeco Corporate	**(2)**	(49)	(13)
Total net earnings from continuing operations	**$1,031**	$743	$614
Net earnings (loss) from discontinued operations[7]	**(115)**	(3)	(19)
Net gain from disposal of discontinued operations	**44**	-	-
Total net earnings	**$960**	$740	$595

6 This is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.
7 Comparative results are restated to exclude discontinued operations related to Putnam Investments.

CANADA

- **Q1 Canada segment base earnings of $302 million and net earnings of $353 million** – Base earnings of $302 million increased by $24 million, or 9%, compared to the same quarter last year, reflecting strong group disability results driven by improved morbidity experience, and the addition of IPC and Value Partners, partially offset by lower earnings on surplus.

UNITED STATES

- **Q1 United States segment base earnings of US$211 million ($286 million) and net earnings from continuing operations of US$172 million ($233 million)** – Base earnings of US$211 million increased by US$48 million, or 29%, compared to the first quarter of 2023, primarily due to an increase in fee income due to higher equity markets and growth in the business, higher surplus income, and the dividend income on Franklin Templeton shares, partially offset by lower spread income and higher marketing spend to support business growth.

EUROPE

- **Q1 Europe segment base earnings of $204 million and net earnings of $187 million** – Base earnings of $204 million increased by $26 million, or 15%, compared to the same quarter last year, primarily due to the impact of higher interest rates on surplus income, higher net fee and spread income from higher assets under administration and improved mortality experience, partially offset by adverse health claims experience.

CAPITAL AND RISK SOLUTIONS

- **Q1 Capital and Risk Solutions segment base earnings of $222 million and net earnings of $260 million** – Base earnings of $222 million increased by $65 million, or 41%, compared to the same quarter last year, primarily due to growth in the structured business and favourable experience primarily driven by the U.S. traditional life business.

GREAT-WEST LIFECO INC.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of $0.555 per share on the common shares of Lifeco payable June 28, 2024 to shareholders of record at the close of business May 31, 2024.

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

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

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

P. A. Mahon
President and Chief Executive Officer

May 1, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED MARCH 31, 2024

DATED: MAY 1, 2024

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

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Basis of Presentation and Summary of Material Accounting Policies

The condensed consolidated financial statements of Lifeco, which are the basis for data presented in this report, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) unless otherwise noted and are presented in millions of Canadian dollars unless otherwise indicated. This MD&A should be read in conjunction with the Company's condensed consolidated interim unaudited financial statements for the period ended March 31, 2024 which reflects the adoption of IFRS 17, *Insurance Contracts*, and IFRS 9, *Financial Instruments* that resulted in the restatement of certain comparative amounts. Refer also to the "Accounting Policies" section of this MD&A and the Annual MD&A and audited consolidated financial statements for the year ended December 31, 2023.

Cautionary Note Regarding Forward-Looking Information

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

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. In particular, in arriving at our preliminary assessment of the Company’s potential exposure to Pillar Two income taxes and our expectation regarding the impact on our effective income tax rate and base earnings, management has relied on its interpretation of the relevant legislation. It has also assumed a starting point of its current mix of business and base earnings growth consistent with management’s base earnings objectives disclosed in this MD&A. In all cases, whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the ability to integrate and leverage acquisitions and achieve anticipated benefits and synergies, the achievement of expense synergies and client retention targets from the acquisition of the Prudential retirement business, the Company’s ability to execute strategic plans and adapt or recalibrate these plans as needed, the Company’s reputation, business competition, assumptions around sales, pricing, fee rates, customer behaviour (including contributions, redemptions, withdrawals and lapse rates), mortality and morbidity experience, expense levels, reinsurance arrangements, global equity and capital markets (including continued access to equity and debt markets and credit instruments on economically feasible terms), geopolitical tensions and related economic impacts, interest and foreign exchange rates, inflation levels, liquidity requirements, investment values and asset breakdowns, hedging activities, financial condition of industry sectors and individual issuers that comprise part of the Company’s investment portfolio, credit ratings, taxes, impairments of goodwill and other intangible assets, technological changes, breaches or failure of information systems and security (including cyber attacks), assumptions around third-party suppliers, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, changes in actuarial standards, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, unplanned changes to the Company’s facilities, customer and employee relations, levels of administrative and operational efficiencies, and other general economic, political and market factors in North America and internationally.

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

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

Important Note Regarding Sustainability Disclosure

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

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

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

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

Cautionary Note Regarding Non-GAAP Financial Measures and Ratios

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

Consolidated Operating Results

Selected consolidated financial information

	As at or for the three months ended		
(in Canadian $ millions, except per share amounts)	**Mar. 31 2024**	Dec. 31 2023	Mar. 31 2023
Base earnings[1,2]	$ 1,012	$ 971	$ 826
Net earnings from continuing operations[3]	1,031	743	614
Net earnings - common shareholders	960	740	595
Per common share			
Basic:			
Base earnings[2,4]	1.09	1.04	0.89
Net earnings from continuing operations	1.10	0.80	0.66
Net earnings	1.03	0.79	0.64
Dividends paid	0.56	0.52	0.52
Book value[3]	24.74	24.26	23.45
Base return on equity[2,4]	17.2 %	16.6 %	16.1 %
Return on equity - continuing operations[3,5]	14.6 %	12.9 %	13.6 %
Base dividend payout ratio[2,4]	51.4 %	50.0 %	58.7 %
Dividend payout ratio[3]	54.4 %	65.6 %	81.3 %
Financial leverage ratio[6]	30 %	30 %	33 %
Total assets per financial statements	$ 736,722	$ 713,230	$ 691,853
Total assets under management[1,7]	941,373	1,095,374	1,040,214
Total assets under administration[1,7]	2,855,164	2,852,540	2,596,151
Total contractual service margin (net of reinsurance contracts held)	$ 13,047	$ 12,635	$ 13,043
Total equity	$ 30,239	$ 29,851	$ 29,037
Canada Life Assurance Company consolidated LICAT Ratio[8]	129 %	128%	127%

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

2 Comparative results are restated to exclude net earnings (losses) from discontinued operations related to Putnam Investments.

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

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

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

6 The calculation for financial leverage ratio includes the after-tax non-participating contractual service margin (CSM) balance in the denominator, other than CSM associated with segregated fund guarantees. This reflects that the CSM represents future profit and is considered available capital under LICAT. These ratios are estimates based on available data.

7 Other assets under management included $161.6 billion at December 31, 2023 and $152.6 billion at March 31, 2023 related to the discontinued operations of Putnam Investments.

8 The Life Insurance Capital Adequacy Test (LICAT) Ratio is based on the consolidated results of The Canada Life Assurance Company, Lifeco's major Canadian operating subsidiary. The LICAT Ratio is calculated in accordance with the Office of Superintendent of Financial Institutions' guideline - Life Insurance Capital Adequacy Test. Refer to the "Capital Management and Adequacy" section of this document for additional details.

2024 Developments

Strategic highlights and transactions

- In the United States, on January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments to Franklin Resources, Inc., operating as "Franklin Templeton", in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US$375 million over a five to seven-year period. In the first quarter of 2024, the Company recorded a net loss of $115 million reflecting closing costs as well as a $44 million final gain on sale within discontinued operations. Lifeco retains its controlling interest in PanAgora Asset Management, a leading quantitative asset manager. The Company currently holds approximately 31,600,000 Franklin Templeton shares and will hold a majority of these shares for a minimum five-year period.

  In addition to the sale, Lifeco, along with Power Corporation of Canada and Franklin Templeton, has entered into a strategic partnership to distribute Franklin Templeton products. Lifeco will provide an initial long-term asset allocation of US$25 billion assets under management to Franklin Templeton within 12 months of closing with the potential for that amount to increase over the next several years.
- In the United States, the integration of Prudential’s full-service retirement services business into Empower was completed subsequent to the first quarter of 2024 and retention targets have been exceeded. The integration delivered the expected US$180 million pre-tax run rate cost synergies.
- In Canada, the integration of Investment Planning Counsel (IPC) and Value Partners has contributed to an increase of $296 million in net asset flows in Canada Individual Wealth Management compared to the fourth quarter of 2023.
- In Canada, the Company continues to enhance its information technology operations and is transitioning some functions to a managed service arrangement with an external provider. As a result, the Company recorded restructuring provisions of $23 million pre-tax, which included $21 million relating to the common shareholders' account and $2 million relating to the participating account. The Company expects to utilize a significant portion of these amounts during 2024.
- In Europe, Canada Life U.K. successfully closed its Select Account, The Retirement Account and the Canada Life Trustee Investment Plan product lines to new business on January 23, 2024, following a review of its on-shore wealth business. The Company recorded related provisions in the fourth quarter of 2023.
- 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 U.S.

Focus on improving customer and advisor experiences

- In Germany, the Company completed the migration of all policies onto a new administration platform and is now focused on realizing the benefits from this multi-year technology investment.
- Canada Life Investment Management Ltd. merged 20 Canada Life mutual funds in January 2024 to make it easier for advisors and investors to navigate the Canada Life mutual fund lineup.
- In Canada, more than 11,000 advisors and delegates to date have been onboarded to a new central digital platform, enabling access to view Canada Life business, forms and other resources and tools including a new digital segregated fund application which enables a seamless onboarding experience.

Base and Net Earnings

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

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

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1,4]			
Canada	$ 302	$ 301	$ 278
United States[4]	286	261	218
Europe	204	213	178
Capital and Risk Solutions	222	236	157
Lifeco Corporate	(2)	(40)	(5)
Lifeco base earnings[1,4]	$ 1,012	$ 971	$ 826
Items excluded from base earnings			
Market experience relative to expectations[2]	$ 107	$ (213)	$ (168)
Assumption changes and management actions[2]	(1)	83	7
Other non-market related impacts[3]	(87)	(98)	(51)
Items excluded from Lifeco base earnings	$ 19	$ (228)	$ (212)
Net earnings (loss) from continuing operations[2]			
Canada	$ 353	$ 166	$ 233
United States[2]	233	194	170
Europe	187	217	40
Capital and Risk Solutions	260	215	184
Lifeco Corporate	(2)	(49)	(13)
Lifeco net earnings from continuing operations[2]	$ 1,031	$ 743	$ 614
Net earnings (loss) from discontinued operations[4]	(115)	(3)	(19)
Net gain from disposal of discontinued operations	44	—	—
Lifeco net earnings - common shareholders	$ 960	$ 740	$ 595

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

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

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

4 Comparative results are restated to exclude discontinued operations related to Putnam Investments.

Base Earnings

Base earnings for the first quarter of 2024 of $1,012 million ($1.09 per common share) increased by $186 million or 23% from $826 million ($0.89 per common share) a year ago. The increase was primarily due to higher group and structured insurance earnings, improved insurance experience, higher earnings on surplus and higher net fee and spread income driven by higher equity market levels, business growth and the contribution of recent acquisitions in the Canada segment.

Net Earnings

Lifeco's net earnings from continuing operations for the three month period ended March 31, 2024 of $1,031 million ($1.10 per common share) increased by $417 million or 68% compared to $614 million ($0.66 per common share) a year ago. The increase was primarily due to higher base earnings, improved market experience relative to expectations driven by favourable risk-free interest impacts and strong public equity performance in-period compared to unfavourable risk-free interest rate and real estate impacts in the prior year. The results from discontinued operations for the first quarter of 2024 included a net loss of $115 million reflecting Putnam transaction related closing costs as well as a $44 million final gain on sale compared to a net loss of $19 million a year ago.

Lifeco's net earnings from continuing operations for the three month period ended March 31, 2024 of $1,031 million ($1.10 per common share) increased by $288 million or 39% compared to $743 million ($0.80 per common share) in the previous quarter. The increase was primarily due to favourable interest rate and credit spread in-period movements compared to the prior quarter and an increase in base earnings. These items were partially offset by the non-recurrence of a net gain on sale to AIB Life and the impacts of in-force annuity reinsurance recapture from the prior quarter in the Europe segment. The results from discontinued operations for the first quarter of 2024 as discussed for the year-over-year results were unfavourable compared to a net loss of $3 million in the previous quarter.

Items Excluded from Base Earnings

Market Experience Relative to Expectations

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Public equity market impacts	$ 26	$ 27	$ 4
Real estate and other non-fixed income asset impacts	(59)	(62)	(111)
Interest rate and other impacts	140	(178)	(61)
Total market experience relative to expectations	$ 107	$ (213)	$ (168)

Market experience relative to expectations, which are reflected in the net investment result of the Company's consolidated statement of earnings, positively impacted net earnings by $107 million in the first quarter of 2024 (negative impact of $168 million in the first quarter of 2023). In-quarter impacts reflect interest rate movements including spread movements, lower returns than expected on real estate assets, partially offset by higher returns on public equities. The positive interest rate and other impacts result primarily arose from liabilities decreasing by more than their supporting assets in the Canada, Europe, and Capital and Risk Solutions segments, driven by risk-free rate increases partly offset by narrowing of credit spreads. The higher returns on public equities were primarily from assets held in Canada. The lower returns than expected on real estate and other non-fixed income assets arose on real estate assets in the U.K. and Canada.

For a further description of the Company's sensitivity to equity market and interest rate fluctuations, including sensitivity disclosures as a result of current market conditions, refer to "Risk Management", note 6 to the Company's condensed consolidated interim unaudited financial statements for the period ended March 31, 2024.

Assumption Changes and Management Actions

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

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

For the three months ended March 31, 2024, assumption changes and management actions resulted in a negative net earnings impact of $1 million and a decrease in CSM of $10 million on non-participating business. These impacts arise from minor assumption changes and model refinements, and management actions relating to reinsurance on in-force business. This compares to a positive net earnings impact of $7 million and a decrease in CSM of $6 million for the same quarter last year, and a positive net earnings impact of $83 million and a decrease in CSM of $200 million for the previous quarter.

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

Other Items Excluded from Base Earnings

For the first quarter of 2024, other items excluded from base earnings were negative $87 million compared to negative $51 million a year ago. Business transformation costs were $49 million, an increase of $30 million compared to the same period in the prior year. The increase was primarily due to provisions for restructuring costs in the Canada segment and integration and restructuring costs related to the Prudential acquisition in the U.S. segment. The results from discontinued operations for the first quarter of 2024 included a net loss of $115 million reflecting Putnam transaction related closing costs as well as a $44 million final gain on sale compared to a net loss of $19 million a year ago.

Foreign Currency

The average currency translation rate for the first quarter of 2024 increased for the euro and the British pound, while the U.S. dollar was flat compared to the first quarter of 2023. For the three months ended March 31, 2024, the overall impact of currency movement on the Company's base earnings was an increase of $6 million compared to translation rates a year ago. The overall impact of currency movement on the Company’s net earnings was an increase of $7 million compared to translation rates a year ago.

From December 31, 2023 to March 31, 2024, the market rates at the end of the reporting period used to translate the U.S. dollar and the British pound assets and liabilities to the Canadian dollar increased, while the euro was flat. The movements in end-of-period exchange rates impact the translation of foreign operations, including related hedge activities, resulting in post-tax unrealized foreign exchange gains of $199 million in-quarter recorded in other comprehensive income.

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

Taxes

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

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023[2]
Base earnings - common shareholders[1]	15.1 %	15.9 %	10.8 %
Net earnings - common shareholders	15.1 %	(22.2)%	6.5 %
Net earnings - total Lifeco	13.4 %	(28.0)%	4.6 %

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

[2] The effective income tax rates for the comparative figures have been restated to exclude discontinued operations related to Putnam Investments from earnings.

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

In the first quarter of 2024, the effective income tax rate on base earnings for the common shareholders of 15.1% was up from 10.8% in the first quarter of 2023, primarily due to changes in certain tax estimates and jurisdictional mix of earnings. In the first quarter of 2024, the effective income tax rate on net earnings for the common shareholders of 15.1% was up from 6.5% in the first quarter of 2023, primarily due to the same reasons discussed for the base earnings results, as well as lower non-taxable investment income. The global minimum tax, discussed below, had a nominal impact of 0.3 percentage points on the effective income tax rate on both base earnings and common shareholders net earnings.

In the first quarter of 2024, the overall effective income tax rate on net earnings of 13.4%, was up from 4.6% in the first quarter of 2023, primarily due to the same reasons discussed for the common shareholders net earnings results. The global minimum tax, discussed below, had a nominal impact of 0.4 percentage points on the effective income tax rate on net earnings.

Refer to note 14 of the Company's condensed consolidated interim unaudited financial statements for the period ended March 31, 2024 for further details.

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

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

If Canada had substantively enacted legislation, the additional top-up tax recognized for the first quarter of 2024 would have been approximately $35 million. The Company expects an overall increase in its effective income tax rate on base earnings to be in the 2-4% range, when legislation is enacted in all jurisdictions.

Lifeco Value Drivers

The Company has enhanced its reporting and disclosures to provide greater clarity and transparency into how the Company is creating value for shareholders and growing the business. The Company focuses on three key value drivers for its business:

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

Lifeco Base Earnings by Value Driver

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1,2]			
Workplace Solutions	$ 454	$ 489	$ 445
Wealth & Asset Management	146	144	119
Insurance & Risk Solutions	380	383	292
Corporate	32	(45)	(30)
Lifeco base earnings[1,2]	$ 1,012	$ 971	$ 826
Lifeco net earnings from continuing operations[3]	$ 1,031	$ 743	$ 614

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 Comparative results are restated to exclude net earnings (losses) from discontinued operations related to Putnam Investments in the Wealth & Asset Management value driver as well as the re-mapping of certain business units to value drivers in the Europe segment following internal reviews for the period ended March 31, 2023.

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

The information in the table above is a summary of base earnings by the Company's value drivers. Additional commentary regarding base earnings by value drivers is included, as applicable, in the sections below.

Workplace Solutions

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

Selected Financial Results

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1,3]	$ 454	$ 489	$ 445
Retirement net cash flows[2,3]	(8,814)	12,132	9,909
Fee and other income[3]	1,125	1,089	1,019
Group life and health book premiums[2]	17,444	17,258	14,813

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

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

3 Following internal reviews, the mapping of certain business units to value drivers in the Europe segment has been modified and comparative results for the period ended March 31, 2023 have been restated, as applicable.

Base earnings

Workplace Solutions base earnings for the first quarter of 2024 of $454 million increased by $9 million or 2% compared to the same quarter last year. The increase was primarily due to strong group disability results driven by improved morbidity experience and management pricing actions in the Canada segment, partially offset by lower health claims experience in the Europe segment.

Net cash flows

Net cash outflows for the first quarter of 2024 were $8.8 billion compared to net cash inflows of $9.9 billion for the same quarter last year, primarily due to a large plan redemption in Empower Defined Contribution. Large plan sales can be highly variable from period to period and tend to be lower margin; however, contribute to covering fixed overhead costs.

Fee and other income

Fee and other income for the first quarter of 2024 of $1,125 million increased by $106 million compared to the same quarter last year, primarily due to higher equity market levels in Empower Defined Contribution and growth in administrative services only (ASO) fees in the Canada segment.

Group life and health book premiums

Group life and health book premiums at March 31, 2024 were $17,444 million, an increase of $186 million compared to December 31, 2023, primarily due to organic growth of in-force business in the Canada and Europe segments.

Wealth & Asset Management

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

Selected Financial Results

	As at or for the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1,3]	$ 146	$ 144	$ 119
Wealth net cash flows[2,3]	219	3,711	6,257
Fee and other income[3]	528	456	372
CSM, segregated fund products[4]	3,424	3,309	3,355

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

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

3 Comparative results are restated to exclude net earnings (losses), net cash flows and fee and other income from discontinued operations related to Putnam Investments as well as the re-mapping of certain business units to value drivers in the Europe segment following internal reviews for the period ended March 31, 2023.

4 The U.S. segment does not have a material contractual service margin (CSM) balance and has been excluded.

Base earnings

Wealth & Asset Management base earnings for the first quarter of 2024 of $146 million increased by $27 million compared to the same quarter last year. The increase was primarily due to higher net fee and spread income in the U.S. and Europe segments and from the addition of IPC and Value Partners in the Canada segment, partially offset by a favourable tax item from 2023 that did not repeat in the Canada segment.

Net cash flows

Net cash inflows for the first quarter of 2024 were $219 million compared to net inflows of $6,257 million for the same quarter last year, primarily driven by lower inflows in Empower Personal Wealth and lower wealth management sales in the Europe segment. These items were partially offset by higher net inflows from the acquisitions of IPC and Value Partners in the Canada segment.

Fee and other income

Fee and other income for the first quarter of 2024 of $528 million increased by $156 million compared to the same quarter last year, primarily due to the additions of IPC and Value Partners in the Canada segment, higher assets under administration due to higher equity market levels and overall growth in the U.S. segment as well as higher management fees from higher average assets under administration in the Europe segment.

CSM, segregated fund products

Closing CSM for segregated fund products for the first quarter of 2024 of $3,424 million increased by $115 million compared to the fourth quarter of 2023, primarily due to favourable market impacts in the Canada and Europe segments.

Insurance & Risk Solutions

The Company has a strong and stable insurance base which helps produce capital that is invested in areas of opportunity for growth. Additionally, with its sophisticated risk and capital management expertise, the Company is helping organizations manage their risks and deliver sustainable customer solutions. By leveraging this expertise, Lifeco is diversifying its portfolio, offsetting or counterbalancing risks and creating value for stakeholders including strong financial performance.

Selected Financial Results

	As at or for the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1,2]	$ 380	$ 383	$ 292
New business non-participating CSM, excluding segregated fund products[3]	127	105	59
Non-participating CSM, excluding segregated fund products[3]	6,209	6,159	5,867

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 Following internal reviews, the mapping of certain business units to value drivers in the Europe segment has been modified and comparative results for the periods ended March 31, 2023 have been restated, as applicable.

3 The U.S. segment does not have a material contractual service margin (CSM) balance and has been excluded.

Base earnings

Insurance & Risk Solutions base earnings for the first quarter of 2024 of $380 million increased by $88 million compared to the same quarter last year. The increase was primarily due to growth in the structured business and improved mortality experience in the U.S. traditional life business in the Capital and Risk Solutions segment as well as in the Europe segment.

New business non-participating CSM, excluding segregated fund products

Insurance & Risk Solutions new business non-participating CSM, excluding segregated fund products, for the first quarter of 2024 of $127 million increased by $68 million compared to same quarter last year, primarily due to higher new business growth in bulk and individual annuities in the U.K. in the Europe segment.

Non-participating CSM, excluding segregated fund products

Ending non-participating CSM, excluding segregated fund products, for the first quarter of 2024, of $6,209 million increased by $50 million compared to the fourth quarter of 2023. The increase was primarily due to strong contributions of CSM from new business in the Europe segment.

Segmented Operating Results

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

Translation of Foreign Currency

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

Canada

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

2024 Developments

- Canada Life Investment Management Ltd. (CLIML) merged 20 Canada Life mutual funds in January 2024; these mergers will make it easier for advisors and investors to navigate the Canada Life mutual fund lineup.
- Our Financial Solutions Centre (FSC) continues to partner with advisors to help streamline their practices; last year the Company worked with nearly 200 advisors to engage with 130,000 clients and reach more than $1 billion dollars in assets under administration.
- During the first quarter of 2024, the Company launched a new Universal Life product which provides better options for customers and advisors with a new stable growth account, competitive repricing and web-based illustrations.
- More than 11,000 advisors and delegates to date have been onboarded to a new central digital platform, enabling access to view Canada Life business, find forms and access other resources and tools including a new digital segregated fund application which enables a seamless onboarding experience.
- During the first quarter of 2024, the Company transitioned some of its information technology operations functions to a managed service arrangement with an external provider. As a result, the Company recorded restructuring provisions of $23 million pre-tax, which included $21 million relating to the common shareholders' account and $2 million relating to the participating account. The Company expects to utilize a significant portion of these amounts during 2024.

Selected Financial Information - Canada

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1]			
Workplace Solutions	$ 190	$ 192	$ 159
Individual Wealth Management	52	46	61
Insurance & Annuities	58	60	43
Corporate	2	3	15
Base earnings (loss)[1]	$ 302	$ 301	$ 278
Items excluded from base earnings	51	(135)	(45)
Net earnings - common shareholders	$ 353	$ 166	$ 233
Sales[2]			
Group Life & Health	$ 159	$ 135	$ 180
Group Retirement	761	1,143	758
Workplace Solutions	920	1,278	938
Individual Wealth Management	4,465	2,869	2,658
Insurance & Annuities	155	175	156
Net cash flows[2]			
Group Retirement	$ 253	$ 435	$ 418
Individual Wealth Management	(276)	(572)	(437)
Net cash flows[2]	$ (23)	$ (137)	$ (19)
Fee and other income			
Workplace Solutions	$ 263	$ 244	$ 228
Individual Wealth Management	190	131	90
Corporate	7	8	7
Fee and other income	$ 460	$ 383	$ 325
Group life and health book premiums[2]	$ 14,985	$ 14,843	$ 12,583
Total assets	$ 210,404	$ 203,784	$ 196,302
Other assets under management[2,3]	13,424	13,056	3,960
Total assets under management[1]	223,828	216,840	200,262
Other assets under administration[2]	59,294	55,635	26,989
Total assets under administration[1]	$ 283,122	$ 272,475	$ 227,251
Contractual service margin			
Insurance & Annuities - Non-Participating	$ 1,166	$ 1,159	$ 1,268
Individual Wealth Management - Segregated Funds	1,936	1,846	1,903
Insurance & Annuities - Participating	3,145	2,867	3,161
Contractual service margin	$ 6,247	$ 5,872	$ 6,332

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

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

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

Base and net earnings

In the first quarter of 2024, the Canada segment's base earnings of $302 million increased by $24 million or 9% compared to the same quarter last year, reflecting strong group disability results driven by improved morbidity experience and management pricing actions, and the addition of IPC and Value Partners. The increase in Insurance & Annuities was driven by improved mortality and longevity experience and favourable estimates of income tax provisions. These items were partially offset by a favourable tax item from 2023 in Individual Wealth Management, which did not repeat, and lower earnings on surplus.

In the first quarter of 2024, net earnings of $353 million increased by $120 million compared to the same quarter last year. Items excluded from base earnings were positive $51 million compared to negative $45 million for the same quarter last year. Market experience relative to expectations was positive $67 million in the first quarter of 2024 compared to negative $43 million in the same quarter last year mainly due to favourable changes in risk-free interest rates in the first quarter of 2024 and decreases in risk-free interest rates in the same quarter last year, partially offset by business transformation impacts of negative $17 million mainly related to provisions for restructuring costs in the Canada segment.

For the first quarter of 2024, the net earnings attributable to the participating account was $26 million compared to a net loss of $22 million for the same quarter last year, primarily driven by higher earnings on surplus and unfavourable impacts of changes in certain tax estimates in the prior year that did not repeat.

Sales

Group life and health sales for the first quarter of 2024 of $159 million decreased by $21 million compared to the same quarter last year, due to lower national account sales, partially offset by higher mid-market sales. Group retirement sales for the first quarter of 2024 of $761 million were comparable to the same quarter last year. Individual wealth management sales for the first quarter of 2024 of $4,465 million increased by $1,807 million compared to the same quarter last year, primarily due to higher mutual fund sales driven by the acquisitions of IPC and Value Partners as well as higher segregated fund sales. Insurance and annuities sales for the first quarter of 2024 of $155 million were comparable to the same quarter last year.

Group life and health book premiums

Group life and health book premiums at March 31, 2024 were $14,985 million, an increase of $142 million compared to December 31, 2023, primarily due to organic growth of in-force business.

Net cash flows

In the first quarter of 2024, net cash outflows were $23 million compared to net cash outflows of $19 million for the same quarter last year, primarily due to higher group terminations and higher individual wealth mutual fund withdrawals, partially offset by the additions of IPC and Value Partners and higher individual wealth sales.

Fee and other income

Fee and other income for the first quarter of 2024 of $460 million increased by $135 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.

Contractual service margin (CSM)

Contractual service margin at March 31, 2024 was $6,247 million, an increase of $375 million compared to December 31, 2023, primarily driven by favourable market movement on segregated fund CSM and favourable interest impact on participating CSM.

United States

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

2024 Developments

- In the United States, on January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments to Franklin Resources, Inc., operating as "Franklin Templeton", in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US$375 million over a five to seven-year period. In the first quarter of 2024, the Company recorded a net loss of $115 million reflecting closing costs as well as a $44 million final gain on sale within discontinued operations. Lifeco retains its controlling interest in PanAgora Asset Management, a leading quantitative asset manager. The Company currently holds approximately 31,600,000 Franklin Templeton shares and will hold a majority of these shares for a minimum five-year period.

  In addition to the sale, Lifeco, along with Power Corporation of Canada and Franklin Templeton, has entered into a strategic partnership to distribute Franklin Templeton products. Lifeco will provide an initial long-term asset allocation of US$25 billion assets under management to Franklin Templeton within 12 months of closing with the potential for that amount to increase over the next several years.

- On April 1, 2022, Empower completed the acquisition of the full-service retirement services business of Prudential.

  Subsequent to the first quarter of 2024, Empower completed the migration of Prudential's retirement services business onto Empower's recordkeeping platform, achieving the expected annualized run-rate cost synergies of US$180 million. Revenue synergies of US$20 million are expected on an annualized run-rate basis by the end of 2024 and are expected to grow to US$50 million by the end of 2026.

  Empower expects to incur one-time integration and restructuring expenses of US$170 million pre-tax related to the Prudential acquisition, US$31 million pre-tax of which were incurred in the first quarter of 2024.

(in US$ millions)	For the three months ended		Total expensed to date
	Mar. 31 2024	Dec. 31 2023	**Mar. 31 2024**
Restructuring and integration (pre-tax)	$ 31	$ 19	$ 164
Restructuring and integration (post-tax)	23	14	122

Selected Financial Information - United States

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss) (US$)[1]			
Empower Defined Contribution	$ 162	$ 155	$ 166
Empower Personal Wealth	38	40	20
Asset Management[3]	(3)	—	(4)
Corporate	14	(2)	(19)
Base earnings (loss) (US$)	$ 211	$ 193	$ 163
Items excluded from base earnings (US$)	(39)	(51)	(35)
Net earnings from continuing operations (US$)[2]	$ 172	$ 142	$ 128
Base earnings (loss) (C$)[1,3]	$ 286	$ 261	$ 218
Net earnings from continuing operations (C$)[2]	$ 233	$ 194	$ 170
Net flows (US$)[2]			
Empower Defined Contribution	$ (7,019)	$ 8,301	$ 6,914
Empower Personal Wealth	1,286	1,653	3,143
Asset Management[3]	(1,800)	(995)	(589)
Net flows (US$)[2]	$ (7,533)	$ 8,959	$ 9,468
Net flows (C$)[2]	$ (10,170)	$ 12,184	$ 12,782
Fee and other income (US$)			
Empower Defined Contribution	$ 600	$ 586	$ 548
Empower Personal Wealth	118	109	88
Asset Management[3]	21	19	21
Corporate	2	—	—
Fee and other income (US$)	$ 741	$ 714	$ 657
Fee and other income (C$)	$ 1,001	$ 970	$ 887
Total assets (US$)	$ 232,384	$ 229,947	$ 224,773
Continuing operations - other assets under management[2]	91,741	108,268	99,971
Discontinued operations - other assets under management[2]	—	121,478	113,024
Total assets under management[1]	324,125	459,693	437,768
Other assets under administration[2]	1,364,241	1,270,267	1,123,756
Total assets under administration (US$)[1]	$ 1,688,366	$ 1,729,960	$ 1,561,524
Total assets under administration (C$)[1]	$ 2,279,294	$ 2,300,847	$ 2,108,057

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

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

3 Comparative results are restated to exclude discontinued operations related to Putnam Investments.

Note: The United States segment does not have a material contractual service margin (CSM) balance.

Base earnings and net earnings from continuing operations

In the first quarter of 2024, net earnings from continuing operations increased by US$44 million to US$172 million compared to the same quarter last year. Base earnings of US$211 million increased by US$48 million compared to the same quarter last year, primarily due to increased fee income due to higher equity markets and growth in the business, higher earnings on surplus assets and US$20 million of pre-tax dividend income on the Franklin Templeton shares acquired through the Putnam divestiture. This was partially offset by higher paid crediting rates resulting in lower spread income and in part due to higher marketing spend.

Items excluded from base earnings were negative US$39 million compared to negative US$35 million for the same quarter last year, primarily due to higher restructuring and integration costs associated with the Prudential acquisition.

Net flows

In the first quarter of 2024, net outflows were US$7.5 billion compared to net inflows of US$9.5 billion for the same quarter last year, primarily due to one large plan terminating, partially offset by the addition of another large plan in the first quarter of 2024. Large plan sales and terminations can be highly variable from period to period and tend to result in lower margins but nonetheless contribute to covering fixed overhead costs.

Fee and other income

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

Fee and other income for the first quarter of 2024 of US$741 million increased by US$84 million compared to the same quarter last year. The increase was primarily due to higher equity market levels and assets under administration due to overall growth in the business.

Europe

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

2024 Developments

- On January 23, 2024, Canada Life U.K. announced the closure of the Select Account, The Retirement Account and the Canada Life Trustee Investment Plan to new business with immediate effect. These onshore wealth products represent less than 1% of the Canada Life U.K. customer base. This decision allows Canada Life U.K. to focus resources and development activity on its core lines of business, including offshore wealth products. The Company recorded related provisions in the fourth quarter of 2023.
- Canada Life U.K. wrote seven bulk annuity sales by the end of the first quarter of 2024, aggregating to $0.6 billion (£0.4 billion). The first quarter of 2024 was a record quarter for the number of transactions that were secured by the Company. The U.K. bulk annuities market has remained buoyant as companies seek to de-risk their balance sheets from changes in the value of pension liabilities.
- During the first quarter of 2024, the Canada Life U.K. Protection Flexible Benefits portfolio achieved a record $257 million (£150 million) of annual premiums. Flexible benefits allow employees greater choice over the coverage they receive and is the fastest-growing area in the U.K. group protection market.
- 'MyIrishLife', Irish Life's digital portal for customers that launched in 2022, reached 253,000 activated users at the end of the first quarter of 2024. The portal provides a customized and user-friendly customer experience and is central to the digitalization plans for the business.
- In Germany, the business completed the migration of all its policies in the first quarter of 2024 onto a new administration platform and is now focused on realizing the benefits from this multi-year technology investment.

Selected Financial Information - Europe

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1,4]			
Workplace Solutions	$ 44	$ 87	$ 62
Individual Wealth & Asset Management	46	43	36
Insurance & Annuities	101	91	96
Corporate	13	(8)	(16)
Base earnings (loss)[1,4]	$ 204	$ 213	$ 178
Items excluded from base earnings	(17)	4	(138)
Net earnings (loss) - common shareholders	$ 187	$ 217	$ 40
Sales[2]			
Workplace Solutions	$ 411	$ 596	$ 439
Individual Wealth & Asset Management	5,304	6,260	6,944
Insurance & Annuities	1,560	1,216	423
Net cash flows[2,4]			
Workplace Solutions	$ 409	$ 408	$ 157
Individual Wealth & Asset Management	1,189	3,388	3,246
Insurance & Annuities	20	30	22
Net cash flows[2,4]	$ 1,618	$ 3,826	$ 3,425
Fee and other income[4]			
Workplace Solutions	$ 51	$ 49	$ 51
Individual Wealth & Asset Management	151	151	135
Insurance & Annuities and Corporate	6	1	—
Fee and other income[4]	$ 208	$ 201	$ 186
Group life and health book premiums[2]	$ 2,459	$ 2,415	$ 2,230
Total assets	$ 203,583	$ 194,529	$ 182,867
Other assets under management[2]	67,376	63,525	56,858
Total assets under management[1]	270,959	258,054	239,725
Other assets under administration[2,3]	12,772	12,076	11,878
Total assets under administration[1]	$ 283,731	$ 270,130	$ 251,603
Contractual service margin			
Insurance & Annuities - Non-Participating	$ 3,307	$ 3,255	$ 2,837
Individual Wealth & Asset Management - Segregated Funds	1,488	1,463	1,452
Contractual service margin	$ 4,795	$ 4,718	$ 4,289

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

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

3 At March 31, 2024, other assets under administration excludes $14.3 billion of assets managed for other business units within the Lifeco group of companies ($12.7 billion at December 31, 2023 and $11.4 billion at March 31, 2023).

4 Following internal reviews, the mapping of certain business units to value drivers has been modified and comparative results for the periods ended March 31, 2023 have been restated, as applicable.

Base and net earnings

In the first quarter of 2024, the Europe segment's net earnings of $187 million increased by $147 million compared to the same quarter last year. Base earnings of $204 million increased by $26 million compared to the same quarter last year, primarily due to growth in earnings on surplus driven by higher yields from increasing interest rates in the U.K., increased fee income from higher assets under administration as well as improved mortality experience in Ireland. These increases are partially offset by adverse group health claims experience.

Items excluded from base earnings for the first quarter of 2024 were negative $17 million compared to negative $138 million for the same quarter last year. The increase was primarily due to improved market experience related to interest rates and commercial property values in the U.K. compared to the same quarter last year.

Sales

Individual wealth and asset management sales for the first quarter of 2024 of $5,304 million decreased by $1,640 million compared to the same quarter last year, primarily due to lower wealth fund management sales in Ireland. Insurance and annuities sales for the first quarter of 2024 of $1,560 million increased by $1,137 million compared to the same quarter last year, primarily due to strong bulk annuity sales and higher individual annuity sales in the U.K. driven by market growth. Workplace Solutions sales for the first quarter of 2024 of $411 million decreased by $28 million compared to the same quarter last year, primarily due to lower pension sales in Ireland.

Group life and health book premiums

Group life and health book premiums at March 31, 2024 were $2.5 billion, an increase of $44 million compared to December 31, 2023, primarily due to organic growth of in-force business.

Net cash flows

In the first quarter of 2024, net cash inflows were $1.6 billion compared to net cash inflows of $3.4 billion for the same quarter last year. The decrease was primarily due to lower wealth fund management sales in Ireland, partially offset by lower outflows in Workplace Solutions due to market conditions in the same quarter last year that did not repeat.

Fee and other income

Fee and other income for the first quarter of 2024 increased by $22 million to $208 million compared to the same quarter last year, primarily due to higher management fees from higher average assets under administration.

Contractual service margin

Contractual service margin at March 31, 2024 was $4,795 million, an increase of $77 million compared to December 31, 2023, primarily due to strong contributions of CSM from new business for non-participating products, impacts of higher markets for segregated funds and currency movement.

Capital and Risk Solutions

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

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

2024 Developments

- The Capital and Risk Solutions segment continued to grow by providing tailored solutions to customers while increasing diversification within the portfolio. In 2024, the Capital and Risk Solutions segment continues to expand its international presence in targeted new markets, while continuing to focus on core markets and product expansion in Europe and the U.S. In the first quarter of 2024, the Company entered into numerous transactions, primarily in the structured products segment.
- The Company offers property catastrophe coverage to reinsurance companies and as a result, the Company is exposed to potential claims arising from major weather events and other catastrophic events, primarily hurricanes, windstorms and earthquakes. Current preliminary estimates of industry losses arising from catastrophe events in the first quarter of 2024 do not reach the level where any significant claims would be anticipated. In addition, the Company continues to monitor potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.

Selected Financial Information - Capital and Risk Solutions

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1]			
Reinsurance	$ 221	$ 232	$ 153
Corporate	1	4	4
Base earnings (loss)[1]	$ 222	$ 236	$ 157
Items excluded from base earnings	38	(21)	27
Net earnings - common shareholders	$ 260	$ 215	$ 184
Total assets[2]	$ 9,017	$ 9,088	$ 9,240
Contractual service margin			
Reinsurance - Non-Participating	$ 1,736	$ 1,745	$ 1,762
Reinsurance - Participating	23	24	24
Contractual service margin	$ 1,759	$ 1,769	$ 1,786

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

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

Base and net earnings

In the first quarter of 2024, the Capital and Risk Solutions segment's net earnings of $260 million increased by $76 million compared to the same quarter last year. Base earnings of $222 million increased by $65 million compared to the same quarter last year, primarily due to growth in the Structured business and favourable experience primarily driven by the U.S. traditional life business.

Items excluded from base earnings for the first quarter of 2024 were $38 million compared to $27 million for the same quarter last year due to relative market experience from interest rate and spread movements.

Contractual service margin

Contractual service margin at March 31, 2024 was $1,759 million, a decrease of $10 million compared to December 31, 2023, primarily due to business run-off that was partially offset by new business and currency impacts.

Lifeco Corporate

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

Selected Financial Information - Lifeco Corporate

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)[1]	$ (2)	$ (40)	$ (5)
Items excluded from base earnings	—	(9)	(8)
Net earnings (loss) - common shareholders	$ (2)	$ (49)	$ (13)

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

In the first quarter of 2024, Lifeco Corporate had a net loss of $2 million compared to a net loss of $13 million for the same period last year. Base loss of $2 million decreased by $3 million compared to the same quarter last year, primarily due to lower operating expenses.

Items excluded from base earnings for the first quarter of 2024 were nil compared to negative $8 million for the same quarter last year, primarily due to unfavourable market experience relative to expectations in the prior year.

Consolidated Financial Position

Assets

Assets under administration[1]

	Canada	United States	Europe	Capital and Risk Solutions	Total
As at March 31, 2024					
Assets					
Invested assets	$ 90,479	$ 86,104	$ 42,457	$ 8,633	$ 227,673
Insurance contract assets	440	303	339	200	1,282
Reinsurance contract held assets	1,142	12,437	3,694	134	17,407
Goodwill and intangible assets	6,554	6,214	3,039	—	15,807
Other assets	5,259	16,044	3,877	50	25,230
Investments on account of segregated fund policyholders	106,530	192,616	150,177	—	449,323
Total assets	210,404	313,718	203,583	9,017	736,722
Other assets under management[2]	13,424	123,851	67,376	—	204,651
Total assets under management[1]	223,828	437,569	270,959	9,017	941,373
Other assets under administration[2]	59,294	1,841,725	12,772	—	1,913,791
Total assets under administration[1]	$ 283,122	$ 2,279,294	$ 283,731	$ 9,017	$ 2,855,164
As at December 31, 2023					
Assets					
Invested assets	$ 89,382	$ 86,715	$ 41,981	$ 8,732	$ 226,810
Insurance contract assets	400	291	331	171	1,193
Reinsurance contract held assets	1,243	12,243	3,713	133	17,332
Goodwill and intangible assets	6,545	6,151	3,037	—	15,733
Other assets	4,964	16,192	3,531	52	24,739
Assets held for sale[3]	—	4,467	—	—	4,467
Investments on account of segregated fund policyholders	101,250	179,770	141,936	—	422,956
Total assets	203,784	305,829	194,529	9,088	713,230
Continuing operations - other assets under management[2]	13,056	143,997	63,525	—	220,578
Discontinued operations - other assets under management[2,4]	—	161,566	—	—	161,566
Total assets under management[1]	216,840	611,392	258,054	9,088	1,095,374
Other assets under administration[2]	55,635	1,689,455	12,076	—	1,757,166
Total assets under administration[1]	$ 272,475	$ 2,300,847	$ 270,130	$ 9,088	$ 2,852,540

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

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

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

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

Total assets under administration (AUA) at March 31, 2024 increased by $2.6 billion to $2.9 trillion compared to December 31, 2023, primarily due to the impact of equity market movement, partially offset by the divestiture of Putnam Investments.

Invested Assets

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

Bond portfolio

It is the Company's policy to acquire primarily investment grade bonds subject to prudent and well-defined investment policies. Modest investments in below investment grade rated securities may occur while not changing the overall discipline and conservative approach to the investment strategy. The total bond portfolio, including short-term investments, was $156.0 billion or 69% of invested assets at March 31, 2024 compared to $157.1 billion or 69% at December 31, 2023. The decrease in the bond portfolio was primarily due to disposals as well as a decline in fair values resulting from an increase in bond yields across all geographies. The overall quality of the bond portfolio remained high, with 99% of the portfolio rated investment grade and 70% rated A or higher.

Bond credit ratings reflect bond rating agency activity up to March 31, 2024. Management continues to closely monitor bond rating agency activity and general market conditions.

Bond portfolio quality

	As at March 31, 2024		As at December 31, 2023	
AAA	$ 22,122	14 %	$ 24,298	15 %
AA	30,723	20	31,435	20
A	55,923	36	54,807	35
BBB	45,545	29	44,811	29
BB or lower	1,695	1	1,700	1
Total	$ 156,008	100 %	$ 157,051	100 %

Mortgage portfolio

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

	As at March 31, 2024				As at December 31, 2023	
Mortgage loans by type	Insured[1]	Non-insured	Total		Total	
Single family residential	$ 318	$ 1,145	$ 1,463	4 %	$ 1,511	4 %
Multi-family residential	2,510	6,771	9,281	24	9,372	24
Equity release	—	4,373	4,373	12	4,203	11
Commercial	—	23,098	23,098	60	23,328	61
Total	$ 2,828	$ 35,387	$ 38,215	100 %	$ 38,414	100 %

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

The total mortgage portfolio was $38.2 billion or 17% of invested assets at March 31, 2024, compared to $38.4 billion or 17% of invested assets at December 31, 2023. At March 31, 2024, total insured loans were $2.8 billion or 7% of the mortgage portfolio, compared to $2.9 billion or 8% at December 31, 2023.

Derivative Financial Instruments

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

At March 31, 2024, total financial collateral, including initial margin and overcollateralization, received on derivative assets was $1.4 billion ($1.7 billion at December 31, 2023) and pledged on derivative liabilities was $1.6 billion ($0.8 billion at December 31, 2023). Collateral received on derivatives assets decreased and collateral pledged on derivatives liabilities increased in 2024, primarily driven by the impact of the U.S. dollar strengthening against the Canadian dollar on cross-currency swaps that pay U.S. and receive Canadian dollars.

During the three-month period ended March 31, 2024, the outstanding notional amount of derivative contracts increased by $2.6 billion to $54.5 billion, primarily due to increases in volume of regular hedging activities.

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

Liabilities

Total Liabilities

	As at March 31, 2024	As at December 31, 2023
Insurance contract liabilities	$ 145,018	$ 144,388
Investment contract liabilities	87,599	88,919
Reinsurance contract held liabilities	679	648
Other general fund liabilities	23,864	24,061
Liabilities held for sale[1]	—	2,407
Insurance contracts on account of segregated fund policyholders	62,468	60,302
Investment contracts on account of segregated fund policyholders	386,855	362,654
Total	$ 706,483	$ 683,379

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

Total liabilities increased by $23.1 billion to $706.5 billion at March 31, 2024 from December 31, 2023.

Insurance contract liabilities increased by $0.6 billion. The increase was primarily due to market movements, partially offset by normal business movements.

Investment contract liabilities decreased by $1.3 billion. The decrease was primarily due to normal business movements.

Other general fund liabilities decreased by $0.2 billion. The decrease was primarily due to a reduction in accounts payable, partially offset by an increase in derivative financial instruments.

Investment and insurance contracts on account of segregated fund policyholders increased by $26.4 billion, primarily due to the combined impact of market value gains and investment income of $23.3 billion and the positive impact of currency movement of $3.2 billion, partially offset by net withdrawals of $1.3 billion.

Insurance and investment contract liabilities represent the amounts that, together with estimated future premiums and investment income, will be sufficient to pay estimated future benefits, dividends and expenses on policies in-force. Insurance and investment contract liabilities are determined using generally accepted actuarial practices, according to standards established by the Canadian Institute of Actuaries. Also, refer to the "Summary of Critical Accounting Estimates" section of this document for further details.

Insurance Contract Liabilities and Assets

Insurance contract liabilities and assets[1]

	Insurance contracts not under PAA method					
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Contracts under PAA method	Total net insurance contract liabilities
As at March 31, 2024						
Canada	$ 96,953	$ 1,875	$ 6,247	$ 105,075	$ 8,940	$ 114,015
United States	18,659	133	246	19,038	3	19,041
Europe	42,082	1,059	4,795	47,936	3,584	51,520
Capital and Risk Solutions	780	2,112	1,759	4,651	249	4,900
Total	$ 158,474	$ 5,179	$ 13,047	$ 176,700	$ 12,776	$ 189,476
As at December 31, 2023						
Canada	$ 95,943	$ 1,935	$ 5,872	$ 103,750	$ 9,267	$ 113,017
United States	18,187	136	276	18,599	1	18,600
Europe	40,615	1,064	4,718	46,397	3,614	50,011
Capital and Risk Solutions	1,029	2,162	1,769	4,960	225	5,185
Total	$ 155,774	$ 5,297	$ 12,635	$ 173,706	$ 13,107	$ 186,813

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

At March 31, 2024, total net insurance contract liabilities were $189.5 billion, an increase of $2.7 billion from December 31, 2023. The increase in net insurance contract liabilities was primarily due to market movements, partially offset by normal business movements.

Contractual Service Margin (CSM)

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

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

Contractual service margin (CSM) continuity[1]

	Non-Participating (excluding Segregated Funds)							
	Canada	United States	Europe	Capital and Risk Solutions	Total	Seg Funds	Par	Total
CSM beginning of period, December 31, 2023	$ 1,159	$ 24	$ 3,255	$ 1,745	$ 6,183	$ 3,298	$ 3,154	$ 12,635
Impact of new insurance business	12	—	107	8	127	44	24	195
Expected movements from asset returns & locked-in rates	8	—	18	10	36	59	50	145
CSM recognized for services provided	(34)	(1)	(67)	(38)	(140)	(102)	(37)	(279)
Insurance experience gains/losses	9	(1)	(17)	10	1	(53)	—	(52)
Organic CSM movement	$ (5)	$ (2)	$ 41	$ (10)	$ 24	$ (52)	$ 37	$ 9
Impact of markets	—	—	—	—	—	157	216	373
Impact of changes in assumptions and management actions	12	—	(14)	(9)	(11)	1	—	(10)
Currency impact	—	1	25	10	36	—	4	40
Total CSM movement	$ 7	$ (1)	$ 52	$ (9)	$ 49	$ 106	$ 257	$ 412
CSM end of period, March 31, 2024	$ 1,166	$ 23	$ 3,307	$ 1,736	$ 6,232	$ 3,404	$ 3,411	$ 13,047

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

At March 31, 2024, total contractual service margin on non-participating business excluding segregated funds was $6.2 billion, an increase of $49 million from December 31, 2023. The increase was mainly driven by currency impacts of $36 million and organic contractual service margin growth of $24 million, partially offset by minor impacts from assumption changes and management actions.

At March 31, 2024, total contractual service margin was $13.0 billion, an increase of $412 million from December 31, 2023. The increase was mainly driven by impacts of market movements of $373 million and currency impacts of $40 million.

Further detail on the assumption changes and management actions on non-participating business is provided in the section "Assumption Changes and Management Actions".

Lifeco Capital Structure

In establishing the appropriate mix of capital required to support the operations of the Company and its subsidiaries, management utilizes a variety of debt, equity and other hybrid instruments considering both the short and long-term capital needs of the Company.

Debentures and Other Debt Instruments

At March 31, 2024, debentures and other debt instruments increased by $13 million to $9,059 million compared to December 31, 2023.

Share Capital and Surplus

Share capital outstanding at March 31, 2024 was $10,242 million, which comprises $6,022 million of common shares and $2,720 million of preferred shares and $1,500 million Limited Recourse Capital Notes (LRCN Series 1). Preferred shares included $2,470 million of non-cumulative First Preferred Shares and $250 million of non-cumulative 5-year rate reset First Preferred Shares.

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

During the three months ended March 31, 2024, the Company repurchased and subsequently cancelled 228,560 common shares under the current NCIB at an average cost per share of $42.90.

Liquidity and Capital Management

Liquidity

Total Liquid Assets

	On-balance sheet assets	Non-liquid/ Pledged	Net liquid assets
As at March 31, 2024			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents[1]	$ 7,708	$ 9	$ 7,699
Short-term bonds[2]	4,123	93	4,030
Sub-total	$ 11,831	$ 102	$ 11,729
Other assets and marketable securities			
Government bonds[2]	$ 37,276	$ 11,026	$ 26,250
Corporate bonds[2]	114,609	54,143	60,466
Stocks[1]	17,915	4,632	13,283
Mortgage loans[1]	38,215	35,386	2,829
Sub-total	$ 208,015	$ 105,187	$ 102,828
Total	$ 219,846	$ 105,289	$ 114,557
As at December 31, 2023			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents[1]	$ 7,742	$ 12	$ 7,730
Short-term bonds[2]	5,876	—	5,876
Sub-total	$ 13,618	$ 12	$ 13,606
Other assets and marketable securities			
Government bonds[2]	$ 38,369	$ 10,639	$ 27,730
Corporate bonds[2]	112,806	53,800	59,006
Stocks[1]	15,733	4,134	11,599
Mortgage loans[1]	38,414	35,500	2,914
Sub-total	$ 205,322	$ 104,073	$ 101,249
Total	$ 218,940	$ 104,085	$ 114,855

1 Refer to the consolidated balance sheet in the Company's December 31, 2023 annual consolidated financial statements for on-balance sheet amounts.

2 Total short-term bonds, government bonds and corporate bonds as at March 31, 2024 was $156.0 billion ($157.1 billion at December 31, 2023). Refer to the consolidated balance sheet in the Company's March 31, 2024 condensed consolidated interim unaudited financial statements for on-balance sheet bonds amounts.

The Company's liquidity requirements are largely self-funded, with short-term obligations being met by internal funds and maintaining levels of liquid investments adequate to meet anticipated liquidity needs. The Company holds cash, cash equivalents and short-term bonds at the Lifeco holding company level and with the Lifeco consolidated subsidiary companies. At March 31, 2024, the Company and its operating subsidiaries held liquid cash, cash equivalents and short-term bonds of $11.7 billion ($13.6 billion at December 31, 2023) and other liquid assets and marketable securities of $102.8 billion ($101.2 billion at December 31, 2023). Included in the cash, cash equivalents and short-term bonds at March 31, 2024 was $0.9 billion ($0.5 billion at December 31, 2023) held at the Lifeco holding company level which includes cash at Great-West Lifeco U.S. LLC, the Company's U.S. holding company. In addition, the Company maintains committed lines of credit with Canadian chartered banks for potential unanticipated liquidity needs, if required. Refer to note 6(b) in the Company's March 31, 2024 condensed consolidated interim unaudited financial statements for additional detail.

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

As a holding company, the Company's ability to pay dividends and, in part, its ability to deploy capital is dependent upon the Company receiving dividends from its operating subsidiaries. The Company's operating subsidiaries are subject to regulation in a number of jurisdictions, each of which maintains its own regime for determining the amount of capital that must be held in connection with the different businesses carried on by the operating subsidiaries. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends to the Company. In the first quarter of 2024, the Company's main operating subsidiaries made cash payments to the holding company in the form of dividends in the amount of $0.9 billion which was comparable to the average of the four quarters of 2023.

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

Cash Flows

Cash flows

	For the three months ended March 31	
	2024	2023
Cash flows relating to the following activities:		
Operations	$ 253	$ 179
Financing	(536)	(752)
Investment	(214)	(77)
	(497)	(650)
Effects of changes in exchange rates on cash and cash equivalents	88	26
Increase (decrease) in cash and cash equivalents in the period	(409)	(624)
Cash and cash equivalents, beginning of period	8,117	7,290
Cash and cash equivalents from continuing and discontinued operations, end of period	$ 7,708	$ 6,666
Cash and cash equivalents from discontinued operations, end of period[1]	—	204
Cash and cash equivalents from continuing operations, end of period	$ 7,708	$ 6,462

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

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

In the first quarter of 2024, cash and cash equivalents decreased by $409 million from December 31, 2023. Cash flows provided by operations during the first quarter of 2024 were $253 million, an increase of $74 million compared to the first quarter of 2023. The increase was primarily due to an increase in net earnings after taxes. Cash flows used by financing activities of $536 million were primarily used for payment of dividends to common and preferred shareholders. Cash flows used by investment activities were $214 million primarily related to the sale of Putnam Investments classified as discontinued operations.

Commitments/Contractual Obligations

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

Capital Management and Adequacy

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

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

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

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

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

Canada Life's consolidated LICAT Ratio at March 31, 2024 was 129%. The LICAT Ratio does not take into account any impact from $0.9 billion of liquidity at the Lifeco holding company level at March 31, 2024 ($0.5 billion at December 31, 2023).

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

LICAT Ratio

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

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

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

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

OSFI Regulatory Capital Initiatives

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

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

Return on Equity (ROE)

	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base Return on Equity[1] by Segment			
Canada	16.2 %	16.9 %	18.4 %
United States[2]	12.6 %	11.6 %	10.4 %
Europe	16.9 %	16.7 %	17.8 %
Capital and Risk Solutions	54.6 %	49.5 %	37.0 %
Total Lifeco Base Earnings Basis[2]	17.2 %	16.6 %	16.1 %
Return on Equity - Continuing Operations[3] by Segment			
Canada	14.9 %	14.0 %	18.4 %
United States[4]	9.8 %	8.8 %	6.7 %
Europe	11.2 %	8.2 %	14.7 %
Capital and Risk Solutions	57.8 %	52.0 %	31.2 %
Total Lifeco Net Earnings - Continuing Operations Basis[4]	14.6 %	12.9 %	13.6 %

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

2 Comparative results are restated to exclude net earnings (losses) from discontinued operations related to Putnam Investments.

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

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

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

Ratings

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

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

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

Risk Management and Control Practices

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

During the three months ended March 31, 2024, there were no significant changes to the Company's risk management and control practices. Refer to the Company's 2023 Annual MD&A for a detailed description of the Company's risk management and control practices.

Exposures and Sensitivities

Insurance and Investment Contract Liabilities

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

Financial Exposures and Sensitivities

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

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

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

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

Financial Exposures and Sensitivities

	Net earnings		Equity[1]		CSM[2]		LICAT[3]	
	Mar. 31 2024	Dec. 31 2023	**Mar. 31 2024**	Dec. 31 2023	**Mar. 31 2024**	Dec. 31 2023	**Mar. 31 2024**	Dec. 31 2023
Investment returns:								
Change in risk free interest rates								
50 basis points increase	$ 150	$ 175	$ 125	$ 150	$ 125	$ 175	(1 point)	0 point
50 basis points decrease	(200)	(225)	(200)	(225)	(175)	(250)	0 point	0 point
Change in credit spreads								
50 basis points increase	$ 225	$ 300	$ 275	$ 350	$ 125	$ 175	0 point	1 point
50 basis points decrease	(300)	(375)	(375)	(450)	(175)	(250)	0 point	(1 point)
Change in publicly traded common stock values[1]								
20% increase	$ 175	$ 225	$ 675	$ 525	$ 550	$ 525	(1 point)	0 point
10% increase	75	100	325	250	275	275	0 point	0 point
10% decrease	(75)	(100)	(325)	(250)	(300)	(300)	0 point	0 point
20% decrease	(175)	(225)	(675)	(525)	(550)	(550)	(1 point)	(1 point)
Change in other non-fixed income asset values								
10% increase	$ 400	$ 400	$ 425	$ 450	$ —	$ —	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 net impact of the sale of Putnam Investments and the receipt of Franklin Templeton common shares is reflected in the March 31, 2024 values in the table above. The Franklin Templeton common shares are measured at fair value through other comprehensive income (FVOCI) and therefore unrealized gains and losses do not impact shareholders' net earnings. The after-tax impact on shareholders' equity of the Franklin Templeton common shares is approximately $100 million for every 10% change in the common stock equity value.

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

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

Actual impacts of interest rate changes will vary depending upon the geography where the changes occur. Net earnings are positively impacted by a parallel increase in interest rates and credit spreads in Canada, U.K. and the U.S., and are positively impacted by a parallel decrease in interest rates in the eurozone. Actual impacts of interest rate changes also vary by the level of change in interest rates by term. Therefore, actual impacts from interest rate changes may differ from the estimated impact of parallel movements in all geographies, which is presented above.

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

<u>Changes in Accounting Policies</u>

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

For additional detail, refer to note 2 of the Company’s condensed consolidated interim unaudited financial statements for the period ended March 31, 2024.

Other Information

Non-GAAP Financial Measures and Ratios

Non-GAAP Financial Measures

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

Base earnings (loss)

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

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

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

Lifeco

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings[1]	$ 1,012	$ 971	$ 826
Items excluded from Lifeco base earnings			
Market experience relative to expectations (pre-tax)	$ 136	$ (351)	$ (209)
Income tax (expense) benefit	(29)	138	41
Assumption changes and management actions (pre-tax)	3	(28)	9
Income tax (expense) benefit	(4)	111	(2)
Business transformation impacts (pre-tax)[1,2]	(67)	(137)	(26)
Income tax (expense) benefit[1,2]	18	70	7
Amortization of acquisition-related finite life intangibles (pre-tax)[2]	(50)	(42)	(43)
Income tax (expense) benefit[2]	12	11	11
Total pre-tax items excluded from base earnings[1]	$ 22	$ (558)	$ (269)
Impact of items excluded from base earnings on income taxes[1]	(3)	330	57
Net earnings from continuing operations	$ 1,031	$ 743	$ 614
Net earnings (loss) from discontinued operations (post-tax)[1]	(115)	(3)	(19)
Net gain from disposal of discontinued operations (post-tax)	44	—	—
Net earnings - common shareholders	$ 960	$ 740	$ 595

1 Comparative results are restated to reclassify base earnings and divestiture costs related to the sale of Putnam to net earnings (loss) from discontinued operations (post-tax).

2 Included in other non-market related impacts.

Canada

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings	$ 302	$ 301	$ 278
Items excluded from base earnings			
Market experience relative to expectations (pre-tax)	$ 93	$ (162)	$ (60)
Income tax (expense) benefit	(26)	48	17
Assumption changes and management actions (pre-tax)	9	(22)	3
Income tax (expense) benefit	(3)	5	(1)
Business transformation impacts (pre-tax)[1]	(23)	(5)	—
Income tax (expense) benefit[1]	6	2	—
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(7)	(2)	(6)
Income tax (expense) benefit[1]	2	1	2
Net earnings - common shareholders	$ 353	$ 166	$ 233

1 Included in other non-market related impacts.

United States

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings[1]	$ 286	$ 261	$ 218
Items excluded from base earnings			
Market experience relative to expectations (pre-tax)	$ 9	$ (13)	$ (5)
Income tax (expense) benefit	(2)	4	—
Business transformation impacts (pre-tax)[1,2]	(44)	(52)	(26)
Income tax (expense) benefit[1,2]	12	20	7
Amortization of acquisition-related finite life intangibles (pre-tax)[2]	(37)	(35)	(32)
Income tax (expense) benefit[2]	9	9	8
Net earnings from continuing operations	$ 233	$ 194	$ 170
Net earnings (loss) from discontinued operations (post-tax)[1]	(115)	(3)	(19)
Net gain from disposal of discontinued operations (post-tax)	44	—	—
Net earnings - common shareholders	$ 162	$ 191	$ 151

1 Comparative results are restated to reclassify base earnings and divestiture costs related to the sale of Putnam to net earnings (loss) from discontinued operations (post-tax).

2 Included in other non-market related impacts.

Europe

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings	$ 204	$ 213	$ 178
Items excluded from base earnings			
Market experience relative to expectations (pre-tax)	$ (15)	$ (114)	$ (155)
Income tax (expense) benefit	3	54	16
Assumption changes and management actions (pre-tax)	—	(6)	6
Income tax (expense) benefit	—	106	(1)
Business transformation impacts (pre-tax)[1]	—	(80)	—
Income tax (expense) benefit[1]	—	48	—
Amortization of acquisition-related finite life intangibles (pre-tax)[1]	(6)	(5)	(5)
Income tax (expense) benefit[1]	1	1	1
Net earnings (loss) - common shareholders	$ 187	$ 217	$ 40

1 Included in other non-market related impacts.

Capital and Risk Solutions

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings	$ 222	$ 236	$ 157
Items excluded from base earnings			
Market experience relative to expectations (pre-tax)	$ 49	$ (50)	$ 22
Income tax (expense) benefit	(4)	29	5
Assumption changes and management actions (pre-tax)	(6)	—	—
Income tax (expense) benefit	(1)	—	—
Net earnings - common shareholders	$ 260	$ 215	$ 184

Lifeco Corporate

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (loss)	$ (2)	$ (40)	$ (5)
Items excluded from base earnings (loss)			
Market experience relative to expectations (pre-tax)	$ —	$ (12)	$ (11)
Income tax (expense) benefit	—	3	3
Net earnings (loss) - common shareholders	$ (2)	$ (49)	$ (13)

Base earnings - insurance service result

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

Lifeco (pre-tax)

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	March 31 2023
Base earnings - insurance service result	$ 763	$ 854	$ 659
Items excluded from base earnings	(2)	1	3
Participating account	36	35	38
Net earnings - insurance service result	$ 797	$ 890	$ 700

Base earnings - net investment result

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

Lifeco (pre-tax)

	For the three months ended		
	March 31 2024	Dec. 31 2023	March 31 2023
Base earnings - net investment result	$ 297	$ 212	$ 214
Items excluded from base earnings	144	(256)	(209)
Spread income	321	332	358
Participating account	(2)	(23)	(49)
Net earnings - net investment result	$ 760	$ 265	$ 314

Base earnings - pre-tax

Represents base earnings (loss) before income taxes, earnings (losses) attributable to non-controlling interests and preferred share dividends.

Lifeco

	For the three months ended		
	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Base earnings (pre-tax)	$ 1,230	$ 1,192	$ 961
Items excluded from Lifeco base earnings			
Market experience relative to expectations (pre-tax)	$ 136	$ (351)	$ (209)
Assumption changes and management actions (pre-tax)	3	(28)	9
Business transformation impacts (pre-tax)[1,2]	(67)	(137)	(26)
Amortization of acquisition-related finite life intangibles (pre-tax)[2]	(50)	(42)	(43)
Total pre-tax items excluded from base earnings[1]	$ 22	$ (558)	$ (269)
Participating account	6	(27)	(38)
Earnings before income taxes	$ 1,258	$ 607	$ 654

1 Comparative results are restated to reclassify base earnings and divestiture costs related to the sale of Putnam to net earnings (loss) from discontinued operations (post-tax).

2 Included in other non-market related impacts.

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

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

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

Lifeco

	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Total assets per financial statements[1]	$ 736,722	$ 713,230	$ 691,853
Continuing operations - other AUM	204,651	220,578	195,779
Discontinued operations - other AUM	—	161,566	152,582
Total AUM[1]	$ 941,373	$ 1,095,374	$ 1,040,214
Other AUA	1,913,791	1,757,166	1,555,937
Total AUA[1]	$ 2,855,164	$ 2,852,540	$ 2,596,151

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

Canada

	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Canada wealth fee business AUA			
Segregated fund assets	$ 106,530	$ 101,250	$ 97,426
Other AUM	13,424	13,056	3,960
Wealth fee business other AUA	57,142	53,490	24,736
Total Canada wealth fee business AUA	$ 177,096	$ 167,796	$ 126,122
Add: Other balance sheet assets	$ 103,874	$ 102,534	$ 98,876
Add: Other AUA	2,152	2,145	2,253
Consolidated Canada balance sheet assets	$ 210,404	$ 203,784	$ 196,302
Consolidated Canada other AUM	13,424	13,056	3,960
Consolidated Canada other AUA	59,294	55,635	26,989
Total Canada AUA	$ 283,122	$ 272,475	$ 227,251

United States

	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Empower AUA			
General account	$ 87,471	$ 88,487	$ 97,375
Segregated funds	186,611	175,499	174,625
Other AUM	80,609	100,806	90,359
Other AUA	1,841,725	1,689,455	1,517,070
Empower AUA	$ 2,196,416	$ 2,054,247	$ 1,879,429
PanAgora - other AUM	$ 45,164	$ 43,190	$ 44,603
Discontinued operations - other AUM	—	194,145	183,679
Subtotal	$ 2,241,580	$ 2,291,582	$ 2,107,711
Add: Other AUM consolidated adjustment	$ (1,922)	$ (32,579)	$ (31,098)
Add: Other balance sheet assets	39,636	41,844	31,444
Consolidated United States balance sheet assets	$ 313,718	$ 305,829	$ 303,444
Consolidated United States other AUM	123,851	305,563	287,543
Consolidated United States other AUA	1,841,725	1,689,455	1,517,070
Total United States AUA	$ 2,279,294	$ 2,300,847	$ 2,108,057

Europe

	Mar. 31 2024	Dec. 31 2023	Mar. 31 2023
Europe wealth and investment only AUA			
Segregated fund assets	$ 150,177	$ 141,936	$ 133,095
Other AUM	67,376	63,525	56,858
Other AUA	12,772	12,076	11,878
Total Europe wealth and investment only AUA	$ 230,325	$ 217,537	$ 201,831
Add: Other balance sheet assets	$ 53,406	$ 52,593	$ 49,772
Consolidated Europe balance sheet assets	$ 203,583	$ 194,529	$ 182,867
Consolidated Europe other AUM	67,376	63,525	56,858
Consolidated Europe other AUA	12,772	12,076	11,878
Total Europe AUA	$ 283,731	$ 270,130	$ 251,603

Non-GAAP Ratios

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

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

- **Base dividend payout ratio** - Dividends paid to common shareholders are divided by base earnings (loss).
- **Base earnings per share** - Base earnings (loss) for the period is divided by the number of average common shares outstanding for the period.
- **Base earnings per share (diluted)** - Base earnings (loss) for the period is divided by the number of average common shares outstanding on a diluted basis for the period.
- **Base return on equity** - Base earnings (loss) for the trailing four quarters are divided by the average common shareholders' equity over the trailing four quarters. This measure provides an indicator of business unit profitability.
- **Cost of management ratio** - Compares the amount paid by the Company to compensate its Named Executive Officers (NEOs) relative to the Company's base earnings for the same period. Calculated by dividing total annual compensation paid to NEOs (as disclosed in the Executive Compensation section of the Company's management proxy circular) by base earnings for the year.

- **Effective income tax rate - base earnings - common shareholders** - Calculated by adjusting the Company's reported income taxes and net earnings before income taxes attributable to common shareholders to remove the impact of items excluded from base earnings, to calculate the effective tax rates for common shareholders.
- **Price/base earnings ratio** - The Company's closing share price divided by its base earnings per share on a trailing four quarter basis.

Glossary

- **Assumption changes and management actions** - The net earnings impact of: (i) revisions to the methodologies and assumptions used in the measurement of the Company's assets, insurance contract liabilities and investment contract liabilities, and (ii) actions taken by management in the current reporting period which include, but are not limited to, changes in in-force product features (including prices), and new or revised reinsurance deals on in-force business. Assumption changes and management actions are excluded from base earnings.
- **Business transformation impacts** - Business transformation impacts include acquisition and divestiture costs as well as restructuring and integration costs.
- **Book value per common share** - Measure is calculated by dividing Lifeco's common shareholders' equity by the number of common shares outstanding at the end of the period.
- **Contractual service margin (CSM)** - The CSM of a group of insurance contracts represents the unearned profit that the Company expects to recognize in the future as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of the fulfillment cash flows, any derecognized assets for insurance acquisition cash flows, and any cash flows arising at that date is a net inflow, the group of contracts is non-onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no net income or expenses arising on initial recognition.
- **Common shareholders' equity** - A financial measure comprised of the following items from Lifeco's balance sheet: share capital - common shares, accumulated surplus, accumulated other comprehensive income and contributed surplus.
- **Dividend payout ratio** - Dividends paid to common shareholders are divided by net earnings - common shareholders.
- **Drivers of earnings (DOE)** - Drivers of earnings analysis provides additional detail on the primary sources of Lifeco's earnings and is a consistent presentation across Canadian insurance industry peers. The DOE view presents net earnings attributable to common shareholders, comprising base earnings on a DOE basis and items excluded from base earnings. For base insurance service result, the DOE view provides detail on expected insurance earnings, the impact of new business and experience gains and losses. For base net investment result, the DOE view provides detail on expected investment earnings, credit experience, trading activity and earnings on surplus. Base other income and expenses are presented separately in the DOE view with additional detail on net fee and spread income, non-directly attributable and other expenses, income taxes on base earnings, non-controlling interests, preferred dividends and other items.
- **Financial leverage ratio** - Defined as debt, hybrid securities, and preferred shares divided by total consolidated capitalization. The denominator also includes the after-tax non-participating CSM balance in the denominator, other than CSM associated with segregated fund guarantees. This reflects that the CSM represents future profit and is considered available capital under LICAT.
- **General Measurement Model (GMM)** - The Company applies this measurement model to all IFRS 17 contracts not measured under the PAA or VFA measurement models.
- **Group life and health book premiums** - For group life and health insurance, this measure represents the value of in-force premiums at the end of the reporting period.
- **Impact of currency movement (constant currency basis)** - Items impacting the Company's Consolidated Statements of Earnings, such as income and benefits and expenses and net earnings, are translated into Canadian dollars at an average rate for the period. These measures highlight the impact of changes in currency translation rates on Canadian dollar equivalent IFRS results and have been calculated using the average rates, as shown below, in effect at the date of the comparative period. These measures provide useful information as it facilitates the comparability of results between periods.

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

- **Market experience relative to expectations** - The net earnings impact related to the direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, which includes:
  - the impact of hedge ineffectiveness related to segregated fund guarantee liabilities that are hedged and the performance of the related hedge assets;
  - the impact on segregated fund guarantee liabilities not hedged;
  - the market-related impacts that are different than expectations on surplus assets, general account assets and the insurance and investment contract liabilities they support; and

- other market impacts on general account assets and the insurance and investment contract liabilities they support that cannot be attributed to expectations within the period.

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

  The capital allocation methodology allows the Company to calculate comparable ROE for each business unit. These ROEs are therefore based on the capital the business unit has been allocated and the financing charges associated with that capital. IFRS does not prescribe the calculation of ROE and therefore a comparable measure under IFRS is not available.
- **Variable Fee Approach (VFA)** - The Company applies this IFRS 17 measurement model to contracts with direct participating features such as participating insurance and segregated fund business with insurance guarantees, where an investment return is provided to the policyholder based on a defined pool of items (e.g., a portfolio of assets).

Disclosure Controls and Procedures

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

Internal Control Over Financial Reporting

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

There have been no changes during the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitation on Disclosure Controls and Procedures & Internal Control Over Financial Reporting

As permitted by securities legislation, for the period ended March 31, 2024, the Company's management has limited the scope of its design of the Company's disclosure controls and procedures and the Company's internal control over financial reporting to exclude controls, policies and procedures of IPC, which the Company acquired on November 30, 2023.

During the three months ended March 31, 2024, the acquired IPC had revenue of $86.9 million and net earnings of $4.5 million post-tax. The initial amounts assigned to the assets acquired and goodwill on November 30, 2023 and reported as at March 31, 2024 were $927 million. The initial amounts assigned to the liabilities assumed on November 30, 2023 and reported as at March 31, 2024 were $342 million with the final valuation of the assets acquired and liabilities assumed expected to occur by the end of the fourth quarter of 2024.

Transactions with Related Parties

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

Quarterly Financial Information

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

	2024	2023				2022 (Restated)		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Insurance revenue	$ 5,250	$ 5,174	$ 5,110	$ 5,081	$ 5,037	$ 5,442	$ 4,648	$ 4,762
Net investment income	2,340	2,431	2,271	2,061	2,101	2,085	2,027	2,000
Changes in fair value on FVTPL assets	(1,385)	11,042	(5,457)	(2,668)	3,572	1,351	(7,399)	(13,660)
Fee and other income	1,672	1,558	1,450	1,466	1,400	1,372	1,280	1,317
Total revenue[1]	$ 7,877	$ 20,205	$ 3,374	$ 5,940	$ 12,110	$ 10,250	$ 556	$ (5,581)
Net earnings from continuing operations[2]								
Total	$ 1,031	$ 743	$ 936	$ 569	$ 614	$ 478	$ 986	$ 830
Basic - per share	1.10	0.80	1.01	0.61	0.66	0.51	1.06	0.89
Diluted - per share	1.10	0.79	1.00	0.61	0.66	0.51	1.06	0.89
Net earnings - Common Shareholders								
Total	$ 960	$ 740	$ 905	$ 498	$ 595	$ 452	$ 987	$ 823
Basic - per share	1.03	0.79	0.97	0.53	0.64	0.48	1.06	0.88
Diluted - per share	1.03	0.79	0.97	0.53	0.64	0.48	1.06	0.88

1 Total revenue and its components exclude revenue from discontinued operations related to Putnam Investments.

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

Total revenue

Total revenue for the first quarter of 2024 was $7,877 million and comprises insurance revenue of $5,250 million ($5,037 million for the same quarter last year), net investment income of $2,340 million ($2,101 million for the same quarter last year), changes in fair value through profit or loss on investment assets of negative $1,385 million (changes of positive $3,572 million for the same quarter last year) and fee and other income of $1,672 million ($1,400 million for the same quarter last year).

Insurance revenue

Insurance revenue for the first quarter of 2024 was $5,250 million, an increase of $213 million compared to the same quarter last year, primarily due to strong group disability results driven by improved morbidity experience and management pricing actions in the Canada segment.

Total net investment income

Total net investment income for the first quarter of 2024 was $955 million, a decrease of $4,718 million compared to the same quarter last year. The changes in fair value in the first quarter of 2024 were a decrease of $1,385 million compared to an increase of $3,572 million in the first quarter of 2023, primarily due to an increase in bond yields across all geographies driven by higher interest rates. Net investment income in the first quarter of 2024 of $2,340 million, which excludes changes in fair value through profit or loss, increased $239 million compared to the same quarter last year, primary due to an increase in bond yields across all geographies and higher stock dividends in the U.S.

Fee and other income

Fee and other income for the first quarter of 2024 was $1,672 million, an increase of $272 million compared to the same quarter last year, primarily due to growth in ASO fees and the acquisitions of IPC and Value Partners in the Canada segment, higher equity market levels and assets under administration due to business growth in the U.S. segment and higher management fees from higher average asset levels in the Europe segment.

Net earnings

Lifeco's consolidated net earnings attributable to common shareholders were $960 million for the first quarter of 2024 compared to $595 million for the same quarter last year. On a per share basis, this represents 1.03 per common share (1.03 diluted) for the first quarter of 2024 compared to $0.64 per common share ($0.64 diluted) a year ago.

Translation of Foreign Currency

Through its operating subsidiaries, Lifeco conducts business in multiple currencies. The four primary currencies are the Canadian dollar, the U.S. dollar, the British pound and the euro. Throughout this document, foreign currency assets and liabilities are translated into Canadian dollars at the market rate at the end of the reporting period. All income and expense items are translated at an average rate for the period. The rates employed are:

Period ended	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
United States dollar					
Balance sheet	$ 1.35	$ 1.33	$ 1.36	$ 1.32	$ 1.35
Income and expenses	$ 1.35	$ 1.36	$ 1.34	$ 1.34	$ 1.35
British pound					
Balance sheet	$ 1.71	$ 1.69	$ 1.66	$ 1.68	$ 1.67
Income and expenses	$ 1.71	$ 1.69	$ 1.70	$ 1.68	$ 1.64
Euro					
Balance sheet	$ 1.46	$ 1.46	$ 1.44	$ 1.45	$ 1.47
Income and expenses	$ 1.46	$ 1.47	$ 1.46	$ 1.46	$ 1.45

Additional Information

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

Consolidated Statements of Earnings *(unaudited)*

(in Canadian $ millions except per share amounts)	For the three months ended March 31 2024	2023
Insurance service result		
Insurance revenue (note 8)	$ 5,250	$ 5,037
Insurance service expenses	(4,067)	(3,995)
Net expense from reinsurance contracts	(386)	(342)
	797	700
Net investment result		
Net investment income (note 5)	2,340	2,101
Changes in fair value on fair value through profit or loss assets (note 5)	(1,385)	3,572
	955	5,673
Net finance income (expenses) from insurance contracts	27	(3,570)
Net finance income (expenses) from reinsurance contracts	(51)	93
Changes in investment contract liabilities	(171)	(1,882)
	760	314
Net investment result - insurance contracts on account of segregated fund policyholders		
Net investment income (loss)	2,473	1,721
Net finance income (expenses) from insurance contracts	(2,473)	(1,721)
	—	—
Other income and expenses		
Fee and other income	1,672	1,400
Operating and administrative expenses	(1,703)	(1,529)
Amortization of finite life intangible assets	(100)	(90)
Financing costs	(100)	(115)
Restructuring and integration expenses (note 4)	(68)	(26)
Earnings before income taxes	1,258	654
Income taxes (note 14)	169	30
Net earnings from continuing operations before non-controlling interests	1,089	624
Attributable to non-controlling interests	26	(22)
Net earnings from continuing operations before preferred share dividends	1,063	646
Preferred share dividends	32	32
Net earnings from continuing operations	1,031	614
Net earnings (loss) from discontinued operations	(115)	(19)
Net gain from disposal of discontinued operations (note 3)	44	—
Net earnings - common shareholders	$ 960	$ 595
Earnings per common share (note 12)		
Basic	$ 1.03	$ 0.64
Diluted	$ 1.03	$ 0.64
Earnings per common share from continuing operations (note 12)		
Basic	$ 1.10	$ 0.66
Diluted	$ 1.10	$ 0.66

Consolidated Statements of Comprehensive Income *(unaudited)*

(in Canadian $ millions)	For the three months ended March 31	
	2024	2023
Net earnings - common shareholders, before preferred dividends	$ 992	$ 627
Other comprehensive income (loss)		
Items that may be reclassified subsequently to Consolidated Statements of Earnings		
Unrealized foreign exchange gains (losses) on translation of foreign operations	256	144
Foreign exchange translation gains reclassified to earnings on disposal of foreign operations (note 3)	(211)	—
Unrealized gains (losses) on hedges of the net investment in foreign operations	(64)	(26)
Income tax (expense) benefit	7	2
Unrealized gains (losses) on bonds and mortgages at fair value through other comprehensive income	(42)	185
Income tax (expense) benefit	9	(43)
Realized (gains) losses on bonds and mortgages at fair value through other comprehensive income	19	36
Income tax expense (benefit)	(5)	(8)
Unrealized gains (losses) on cash flow hedges	—	37
Income tax (expense) benefit	—	(10)
Realized (gains) losses on cash flow hedges	(5)	(29)
Income tax expense (benefit)	1	8
Non-controlling interests	15	(94)
Income tax (expense) benefit	(3)	26
Total items that may be reclassified	(23)	228
Items that will not be reclassified to Consolidated Statements of Earnings		
Unrealized gains (losses) on stocks at fair value through other comprehensive income	(72)	—
Income tax (expense) benefit	19	—
Re-measurements on defined benefit pension and other post-employment benefit plans	168	(57)
Income tax (expense) benefit	(46)	15
Non-controlling interests	(13)	4
Income tax (expense) benefit	4	(1)
Total items that will not be reclassified	60	(39)
Total other comprehensive income	37	189
Comprehensive income	$ 1,029	$ 816

Consolidated Balance Sheets *(unaudited)*

(in Canadian $ millions)	**March 31 2024**	December 31 2023
Assets		
Cash and cash equivalents	$ 7,708	$ 7,742
Bonds (note 5)	156,008	157,051
Mortgage loans (note 5)	38,215	38,414
Stocks (note 5)	17,915	15,733
Investment properties (note 5)	7,827	7,870
	227,673	226,810
Insurance contract assets (note 9)	1,282	1,193
Reinsurance contract held assets (note 9)	17,407	17,332
Assets held for sale (note 3)	—	4,467
Goodwill	11,314	11,249
Intangible assets	4,493	4,484
Derivative financial instruments	1,869	2,219
Owner occupied properties	743	731
Fixed assets	325	335
Accounts and interest receivable	5,460	4,863
Other assets	14,705	14,483
Current income taxes	272	260
Deferred tax assets	1,856	1,848
Investments on account of segregated fund policyholders (note 10)	449,323	422,956
Total assets	$ 736,722	$ 713,230
Liabilities		
Insurance contract liabilities (note 9)	$ 145,018	$ 144,388
Investment contract liabilities	87,599	88,919
Reinsurance contract held liabilities (note 9)	679	648
Liabilities held for sale (note 3)	—	2,407
Debentures and other debt instruments	9,059	9,046
Derivative financial instruments	1,559	1,288
Accounts payable	2,819	3,216
Other liabilities	9,512	9,587
Current income taxes	222	137
Deferred tax liabilities	693	787
Insurance contracts on account of segregated fund policyholders (note 9)	62,468	60,302
Investment contracts on account of segregated fund policyholders	386,855	362,654
Total liabilities	706,483	683,379
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,870	2,847
Non-controlling interests in subsidiaries	71	168
Shareholders' equity		
Share capital		
Limited recourse capital notes	1,500	1,500
Preferred shares	2,720	2,720
Common shares (note 11)	6,022	6,000
Accumulated surplus	15,926	15,492
Accumulated other comprehensive income	927	890
Contributed surplus	203	234
Total equity	30,239	29,851
Total liabilities and equity	$ 736,722	$ 713,230

Consolidated Statements of Changes in Equity *(unaudited)*

(in Canadian $ millions)	March 31, 2024					
	Share capital	**Contributed surplus**	**Accumulated surplus**	**Accumulated other comprehensive income (loss)**	**Non-controlling interests**	**Total equity**
Balance, beginning of year	$ 10,220	$ 234	$ 15,492	$ 890	$ 3,015	$ 29,851
Net earnings - common shareholders, before preferred dividends	—	—	992	—	26	1,018
Other comprehensive income (loss)	—	—	—	37	(3)	34
	10,220	234	16,484	927	3,038	30,903
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(32)	—	—	(32)
Common shareholders	—	—	(518)	—	—	(518)
Shares exercised and issued under share-based payment plans (note 11)	24	(2)	—	—	2	24
Shares purchased and cancelled under normal course issuer bid (note 11)	(10)	—	—	—	—	(10)
Excess of redemption proceeds over stated capital per normal course issuer bid (note 11)	8	—	(8)	—	—	—
Impact of sale of discontinued operations	—	(32)	—	—	(99)	(131)
Share-based payment plans expense	—	3	—	—	—	3
Balance, end of period	$ 10,242	$ 203	$ 15,926	$ 927	$ 2,941	$ 30,239

	March 31, 2023					
	Share capital	Contributed surplus	Accumulated surplus	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance, beginning of year	$ 10,011	$ 209	$ 14,976	$ 713	$ 2,886	$ 28,795
Impact of initial application of IFRS 9	—	—	(33)	3	—	(30)
Revised balance, beginning of year	10,011	209	14,943	716	2,886	28,765
Net earnings - common shareholders, before preferred dividends	—	—	627	—	(22)	605
Other comprehensive income (loss)	—	—	—	189	65	254
	10,011	209	15,570	905	2,929	29,624
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(32)	—	—	(32)
Common shareholders	—	—	(485)	—	—	(485)
Shares exercised and issued under share-based payment plans (note 11)	17	(34)	—	—	33	16
Shares purchased and cancelled under normal course issuer bid (note 11)	(22)	—	—	—	—	(22)
Excess of redemption proceeds over stated capital per normal course issuer bid (note 11)	18	—	(18)	—	—	—
Share-based payment plans expense	—	23	—	—	—	23
Acquisition of non-controlling interest in subsidiary	—	—	(52)	—	(35)	(87)
Dilution loss on non-controlling interests	—	—	(41)	—	41	—
Balance, end of period	$ 10,024	$ 198	$ 14,942	$ 905	$ 2,968	$ 29,037

Consolidated Statements of Cash Flows *(unaudited)*

(in Canadian $ millions)	For the three months ended March 31	
	2024	2023 [1]
Operations		
Earnings before income taxes	$ 1,098	$ 634
Income taxes paid, net of refunds received	(110)	(33)
Adjustments:		
Change in insurance contract liabilities	(4)	2,837
Change in investment contract liabilities	(2,593)	(203)
Change in reinsurance contract held liabilities	26	7
Change in reinsurance contract held assets	112	22
Change in insurance contract assets	(87)	(69)
Changes in fair value through profit or loss	1,385	(3,572)
Sales, maturities and repayments of portfolio investments	10,348	8,121
Purchases of portfolio investments	(8,972)	(6,908)
Other	(950)	(657)
	253	179
Financing Activities		
Issue of common shares	24	17
Purchased and cancelled common shares	(10)	(22)
Decrease in line of credit of subsidiaries	—	(230)
Dividends paid on common shares	(518)	(485)
Dividends paid on preferred shares	(32)	(32)
	(536)	(752)
Investment Activities		
Impact from sale of discontinued operations	(211)	—
Investment in associates and joint ventures	(3)	(77)
	(214)	(77)
Effect of changes in exchange rates on cash and cash equivalents	88	26
Increase (decrease) in cash and cash equivalents	(409)	(624)
Cash and cash equivalents from continuing and discontinued operations, beginning of year	8,117	7,290
Cash and cash equivalents from continuing and discontinued operations, end of period	$ 7,708	$ 6,666
Less: Cash and cash equivalents from discontinued operations, end of period	—	204
Cash and cash equivalents from continuing operations, end of period	$ 7,708	$ 6,462
Supplementary cash flow information		
Interest income received	$ 1,802	$ 1,727
Interest paid	66	70
Dividend income received	136	105

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

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

1. Corporate Information

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

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

The condensed consolidated interim unaudited financial statements (financial statements) of the Company as at and for the three months ended March 31, 2024 were approved by the Board of Directors on May 1, 2024.

2. Basis of Presentation and Summary of Material Accounting Policies

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

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

Changes in Accounting Policies

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

Use of Significant Judgments, Estimates and Assumptions

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

Future Accounting Policies

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

New Standard	**Summary of Future Changes**
IFRS 18 – *Presentation and Disclosure in Financial Statements*	In April 2024, the IASB published IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18). The standard aims to improve how companies communicate information in their financial statements, with a focus on information about financial performance in the statement of earnings. IFRS 18 will require companies to: • Provide defined subtotals in the statement of earnings; • Disclose information for any management-defined performance measures related to the statement of earnings; and • Implement principles for the grouping of information in the financial statements, and whether to provide it in the primary financial statements or notes. The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is evaluating the impact of the adoption of this standard.

3. Business Acquisitions and Other Transaction

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

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

In the 2023 financial statements, the net earnings (loss) and cash flows of Putnam Investments were classified as discontinued operations within the United States operating segment, and the related assets and liabilities were classified as held for sale. Financial information relating to the sale of the discontinued operation is set out below, reflecting total estimated fair value of consideration of $1,909. Included in the results for the three months ended March 31, 2024 are $115 of closing costs and final adjustments to the carrying value, resulting in a net gain on sale of $44 after-tax.

Details of the Sale of Putnam Investments

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

(b) Acquisition of Investment Planning Counsel

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

The initial amounts assigned to the assets acquired, goodwill, and liabilities assumed on November 30, 2023, reported as at March 31, 2024 are as follows:

Assets acquired and goodwill	
Cash	$ 31
Fixed assets	6
Accounts receivable	33
Other assets	273
Current income taxes	1
Goodwill	583
Total assets acquired and goodwill	$ 927
Liabilities assumed	
Accounts payable	$ 55
Other liabilities	274
Current income taxes	1
Deferred tax liabilities	12
Total liabilities assumed	$ 342

Accounting for the acquisition is not finalized, pending the completion of a comprehensive valuation of the net assets acquired. The financial statements as at March 31, 2024 reflect management's current best estimate of the purchase price allocation. As at March 31, 2024, provisional amounts for intangible assets have not been separately identified and valued within the assets of the purchase price allocation, pending completion of the valuation exercise. Final valuation of the assets acquired and liabilities assumed and the completion of the purchase price allocation will occur by the fourth quarter of 2024.

As a result, the excess of the purchase price over the fair value of net assets acquired, representing goodwill of $583 as at March 31, 2024, will be adjusted in future periods.

The goodwill represents the excess of the purchase price over the fair value of the net assets, representing the synergies or future economic benefits arising from other assets acquired that are not individually identified and separately recognized in the acquisition. These synergies represent meaningful expense and revenue opportunities which are expected to be accretive to earnings. The goodwill is not deductible for tax purposes.

(c) Acquisition of Value Partners

On September 8, 2023, Canada Life completed the acquisition of 100% of the equity of Value Partners Group Inc., a Winnipeg based investment firm that serves clients with complex and sophisticated wealth needs. As at March 31, 2024, the accounting for the acquisition is not finalized, with the initial amount of $119 assigned to goodwill on the date of the acquisition to be adjusted, pending the completion of a comprehensive valuation of the net assets acquired.

4. Restructuring and Integration Expenses

(a) Canada Restructuring

The Company recorded a restructuring provision of $23 in Canada for the three months ended March 31, 2024 ($21 in the shareholder account and $2 in the participating account). The restructuring is related to the transitioning of some of the information technology operations functions to a managed service arrangement with an external provider. As at March 31, 2024, the Company has a provision of $23 remaining in other liabilities related to this restructuring. The Company expects to utilize a significant portion of these amounts during 2024.

(b) Empower Restructuring and Integration

The Company recorded a restructuring provision of $17 in the United States for the three months ended March 31, 2024 ($5 for the three months ended March 31, 2023). The restructuring is primarily attributable to staff reductions and other exit costs related to the Company's acquisition of the retirement services businesses of Massachusetts Mutual Life Insurance Company and Prudential Financial, Inc. (Prudential). At March 31, 2024, the Company has a provision of $19 remaining in other liabilities related to this restructuring ($7 at December 31, 2023). The Company expects to pay out a significant portion of these amounts during the year. The Company expects to incur further restructuring and integration expenses associated with the Prudential acquisition during the year.

The Company recorded integration expenses in the Consolidated Statements of Earnings of $28 for the three months ended March 31, 2024 ($26 for the three months ended March 31, 2023).

5. Portfolio Investments

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

	March 31, 2024		December 31, 2023	
	Carrying value	**Fair value**	Carrying value	Fair value
Bonds				
Fair value through profit or loss (FVTPL) - designated	$ 142,673	$ 142,673	$ 143,506	$ 143,506
FVTPL - mandatory	1,561	1,561	1,795	1,795
Fair value through other comprehensive income (FVOCI)	11,774	11,774	11,750	11,750
	156,008	156,008	157,051	157,051
Mortgage loans				
FVTPL - designated	28,875	28,875	29,211	29,211
FVTPL - mandatory	4,373	4,373	4,203	4,203
FVOCI	570	570	578	578
Amortized cost	4,397	3,879	4,422	3,923
	38,215	37,697	38,414	37,915
Stocks				
FVTPL - mandatory	15,856	15,856	14,890	14,890
FVOCI - designated [1]	1,198	1,198	—	—
Equity method	861	773	843	777
	17,915	17,827	15,733	15,667
Investment properties	7,827	7,827	7,870	7,870
Total	$ 219,965	$ 219,359	$ 219,068	$ 218,503

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

(b) Net Investment Income Comprises the Following:

For the three months ended March 31, 2024	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	$ 1,659	$ 373	$ 166	$ 124	$ 131	$ 2,453
Net realized losses on derecognition of FVOCI assets	(19)	—	—	—	—	(19)
Gains on derecognition of amortized cost assets	—	—	—	—	—	—
Net expected credit loss (ECL) recovery (charge)	—	2	—	—	—	2
Other income and expenses	—	—	—	(46)	(50)	(96)
	1,640	375	166	78	81	2,340
Changes in fair value on FVTPL assets:						
FVTPL - designated	(1,574)	(70)	—	—	(305)	(1,949)
FVTPL - mandatory	2	40	588	—	—	630
Recorded at FVTPL	—	—	—	(66)	—	(66)
	(1,572)	(30)	588	(66)	(305)	(1,385)
Total	$ 68	$ 345	$ 754	$ 12	$ (224)	$ 955

For the three months ended March 31, 2023	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	$ 1,580	$ 345	$ 106	$ 120	$ 76	$ 2,227
Net realized losses on derecognition of FVOCI assets	(36)	—	—	—	—	(36)
Gains on derecognition of amortized cost assets	—	—	—	—	—	—
Net ECL recovery (charge)	—	1	—	—	—	1
Other income and expenses	—	—	—	(46)	(45)	(91)
	1,544	346	106	74	31	2,101
Changes in fair value on FVTPL assets:						
FVTPL - designated	2,849	359	—	—	125	3,333
FVTPL - mandatory	—	89	290	—	—	379
Recorded at FVTPL	—	—	—	(140)	—	(140)
	2,849	448	290	(140)	125	3,572
Total	$ 4,393	$ 794	$ 396	$ (66)	$ 156	$ 5,673

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

6. Risk Management

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

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

(a) Credit Risk

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

(i) Concentration of Credit Risk

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

(ii) Expected Credit Losses

The majority of the Company's financial assets are measured at FVTPL and therefore are not subject to the ECL model. The ECL model only applies to FVOCI and amortized cost fixed income investments. The ECL allowance was $36 at March 31, 2024, of which $5 was Stage 1, $27 was Stage 2 and $4 was Stage 3 ($37 at December 31, 2023, of which $4 was Stage 1, $29 was Stage 2 and $4 was Stage 3).

(iii) Credit Impact on Financial Assets Designated as FVTPL

The carrying value of the Company’s portfolio investments designated as FVTPL represents the maximum exposure to credit risk for those assets. The change in fair value attributable to the change in credit risk of these assets is generally insignificant in the absence of significant credit events occurring on specific assets. For the three months ended March 31, 2024, there were no fair value losses ($4 for the three months ended March 31, 2023) related to significant credit events occurring on assets designated as FVTPL reflected in the Consolidated Statements of Earnings.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet all cash outflow obligations as they come due. The following policies and procedures are in place to manage this risk:

- The Company closely manages operating liquidity through cash flow matching of assets and liabilities and forecasting earned and required yields, to ensure consistency between policyholder requirements and the yield of assets.

- Management closely monitors the solvency and capital positions of its principal subsidiaries opposite liquidity requirements at the holding company. Additional liquidity is available through established lines of credit or via capital market transactions. The Company maintains committed lines of credit with Canadian chartered banks.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument and the value of insurance and investment contract liabilities will fluctuate as a result of changes in market factors which include three types: currency risk, interest rate (including related inflation) risk and equity risk.

Caution Related to Risk Sensitivities

These financial statements include estimates of sensitivities and risk exposure measures for certain risks, such as the sensitivity due to specific changes in interest rate levels projected and market prices as at the valuation date. Actual results can differ significantly from these estimates for a variety of reasons including, but not limited to, changes in the Company's asset or liability profile, changes in business mix, effective income tax rates, other market factors, differences in the actual exposure relative to broad market indices, variation in exposures by geography, and general limitations of the Company's internal models.

For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors. Given the nature of these calculations, the Company cannot provide assurance that the actual impact on shareholders' net earnings will be as indicated.

(i) Currency Risk

Currency risk relates to the Company operating and holding financial instruments in different currencies. For the assets backing insurance and investment contract liabilities that are not matched by currency, changes in foreign exchange rates can expose the Company to the risk of foreign exchange losses not offset by liability decreases.

- A 10% weakening of the Canadian dollar against foreign currencies would be expected to increase non-participating insurance and investment contract liabilities and their supporting assets by approximately the same amount resulting in an immaterial immediate change to net earnings. A 10% strengthening of the Canadian dollar against foreign currencies would be expected to decrease non-participating insurance and investment contract liabilities and their supporting assets by approximately the same amount resulting in an immaterial immediate change in shareholders' net earnings.

The Company has net investments in foreign operations. The Company's debt obligations are denominated in Canadian dollars, euros, and U.S. dollars. In accordance with IFRS, foreign currency translation gains and losses from net investments in foreign operations, net of related hedging activities and tax effects, are recorded in accumulated other comprehensive income. Strengthening or weakening of the Canadian dollar spot rate compared to the U.S. dollar, British pound and euro spot rates impacts the Company's total equity. Correspondingly, the Company's book value per share and capital ratios monitored by rating agencies are also impacted.

(ii) Interest Rate Risk

Interest rate risk exists if asset and liability cash flows are not closely matched and interest rates change, causing a difference in the value of assets and the value of liabilities. The following policies and procedures are in place to mitigate the Company's exposure to interest rate risk:

- Interest rate risk is managed by investing in assets that are suitable for the products sold.
- The Company utilizes a formal process for managing the matching of assets and liabilities. This involves grouping general fund assets and liabilities into segments. Assets in each segment are managed in relation to the liabilities in the segment.
- For products with fixed and highly predictable benefit payments, investments are generally made in fixed income assets or investment properties whose cash flows closely match the liability product cash flows. Where assets are not available to match certain period cash flows, such as long-tail cash flows, a portion of these are invested in equities and other non-fixed income assets, while the rest are duration matched.
- Hedging instruments are employed when there is a lack of suitable permanent investments or to manage the level of loss exposure to interest rate changes.
- To the extent asset and liability cash flows are matched, protection against interest rate change is achieved and any change in the fair value of the assets will be offset by a similar change in the fair value of the liabilities.
- For products with less predictable timing of benefit payments, investments are made in fixed income assets with cash flows of a shorter duration than the anticipated timing of benefit payments, or equities and other non-fixed income assets.
- The risk associated with the mismatch in portfolio duration and cash flow, asset prepayment exposure and the pace of asset acquisition are quantified and reviewed regularly.

The impact to shareholders' net earnings from changes in the interest rates would be largely offset by changes in the value of financial assets supporting the liabilities. However, differences in the interest rate sensitivity in the value of assets and the value of insurance and investment contract liabilities leads to a sensitivity to interest rate movements in shareholders' net earnings under IFRS 17, *Insurance Contracts* (IFRS 17) and IFRS 9, *Financial Instruments* (IFRS 9).

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

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

Change in Market Yield Curves

	March 31, 2024		December 31, 2023	
	Increase 50 basis points interest rates	**Decrease 50 basis points interest rates**	Increase 50 basis points interest rates	Decrease 50 basis points interest rates
Shareholders' net earnings	$ 150	$ (200)	$ 175	$ (225)
Shareholders' equity	125	(200)	150	(225)

Actual impacts of interest rate changes will vary depending upon the geography where the changes occur. Net earnings are positively impacted by a parallel increase in interest rates in Canada, United States and the United Kingdom, and are positively impacted by a parallel decrease in interest rates in the eurozone. Actual impacts of interest rate changes also vary by the level of change in interest rates by term. Therefore, actual impacts from interest rate changes may differ from the estimated impact of parallel movements in all geographies, which is presented above.

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

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

Change in Credit Spreads

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

Actual impacts of credit spread changes will vary depending on the geographies where the changes occur, and the changes in credit spreads by term. A change in credit spreads may also lead to a change in the allowance for credit risk within the IFRS 17 discount rate, depending on prevailing market and credit conditions at the time; any potential earnings impacts that may arise from such a change are not reflected in the sensitivities above.

(iii) Equity Risk

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

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

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

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

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

Change in Publicly Traded Common Stock Values

	March 31, 2024 [1]				December 31, 2023			
	20% increase	**10% increase**	**10% decrease**	**20% decrease**	20% increase	10% increase	10% decrease	20% decrease
Shareholders' net earnings	$ 175	$ 75	$ (75)	$ (175)	$ 225	$ 100	$ (100)	$ (225)
Shareholders' equity	675	325	(325)	(675)	525	250	(250)	(525)

[1] The net impact of the sale of Putnam Investments and the receipt of Franklin Templeton common shares is reflected in the March 31, 2024 values in the table above. The Franklin Templeton common shares are measured at FVOCI and therefore unrealized gains and losses do not impact shareholders' net earnings. The after-tax impact on shareholders' equity of the Franklin Templeton common shares is approximately $100 for every 10% change in the common stock equity value.

The following table provides information on the expected impacts of an immediate 5% or 10% increase or decrease in the value of other non-fixed income assets on the shareholders' net earnings and equity, rounded to the nearest $25:

Change in Other Non-Fixed Income Asset Values

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

7. Fair Value Measurement

The Company's assets and liabilities recorded at fair value have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Assets and liabilities utilizing Level 1 inputs include actively exchange-traded equity securities, exchange-traded futures, and mutual and segregated funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, government and agency securities, restricted stock, some private bonds and investment funds, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans. Investment contracts that are measured at FVTPL are mostly included in the Level 2 category.

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

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

	March 31, 2024				December 31, 2023			
Assets measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 7,708	$ —	$ —	$ 7,708	$ 7,742	$ —	$ —	$ 7,742
Financial assets at FVTPL								
Bonds	—	144,050	184	144,234	—	145,049	252	145,301
Mortgage loans	—	28,875	4,373	33,248	—	29,211	4,203	33,414
Stocks	11,393	247	4,216	15,856	10,863	218	3,809	14,890
Total financial assets at FVTPL	11,393	173,172	8,773	193,338	10,863	174,478	8,264	193,605
Financial assets at FVOCI								
Bonds	—	11,774	—	11,774	—	11,750	—	11,750
Mortgage loans	—	570	—	570	—	578	—	578
Stocks	1,198	—	—	1,198	—	—	—	—
Total financial assets at FVOCI	1,198	12,344	—	13,542	—	12,328	—	12,328
Investment properties	—	—	7,827	7,827	—	—	7,870	7,870
Derivatives [1]	—	1,869	—	1,869	1	2,218	—	2,219
Assets held for sale [2]	—	—	—	—	614	1,006	907	2,527
Other assets:								
Trading account assets	246	2,956	—	3,202	242	2,796	—	3,038
Other [3]	—	205	—	205	—	443	—	443
Total assets measured at fair value	$ 20,545	$ 190,546	$ 16,600	$ 227,691	$ 19,462	$ 193,269	$ 17,041	$ 229,772
Liabilities measured at fair value								
Derivatives [4]	$ 5	$ 1,554	$ —	$ 1,559	$ 5	$ 1,283	$ —	$ 1,288
Investment contract liabilities	—	87,599	—	87,599	—	88,919	—	88,919
Other liabilities	—	205	—	205	—	443	—	443
Total liabilities measured at fair value	$ 5	$ 89,358	$ —	$ 89,363	$ 5	$ 90,645	$ —	$ 90,650

[1] Excludes collateral received from counterparties of $896 at March 31, 2024 ($1,346 at December 31, 2023).

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

[3] Includes collateral received under securities lending arrangements.

[4] Excludes collateral pledged to counterparties of $957 at March 31, 2024 ($247 at December 31, 2023).

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

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

	For the three months ended March 31, 2024						
	FVTPL bonds	**FVTPL mortgage loans**	**FVTPL stocks [4]**	**Investment properties**	**Trading account assets**	**Assets held for sale**	**Total Level 3 assets**
Balance, beginning of year	$ 252	$ 4,203	$ 3,809	$ 7,870	$ —	$ 907	$ 17,041
Total gains (losses)							
Included in net earnings	—	96	88	(66)	—	—	118
Included in other comprehensive income [1]	—	28	20	48	—	—	96
Purchases	13	—	420	26	—	—	459
Sale of discontinued operations	—	—	—	—	—	(907)	(907)
Issues	—	94	—	—	—	—	94
Sales	(10)	—	(121)	(42)	—	—	(173)
Settlements	—	(48)	—	—	—	—	(48)
Transferred to owner occupied properties	—	—	—	(9)	—	—	(9)
Other	—	—	—	—	—	—	—
Transfers into Level 3 [3]	—	—	—	—	—	—	—
Transfers out of Level 3 [3]	(71)	—	—	—	—	—	(71)
Balance, end of period	$ 184	$ 4,373	$ 4,216	$ 7,827	$ —	$ —	$ 16,600
Total gains (losses) for the period included in net investment result	$ —	$ 96	$ 88	$ (66)	$ —	$ —	$ 118
Change in unrealized gains (losses) for the period included in earnings for assets held at March 31, 2024	$ —	$ 95	$ 88	$ (67)	$ —	$ —	$ 116

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

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

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

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

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

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

Type of asset	Valuation approach	Significant unobservable input	Input value	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	Investment property valuations are generally determined using property valuation models based on expected capitalization rates and models that discount expected future net cash flows. The determination of the fair value of investment property requires the use of estimates such as future cash flows (such as future leasing assumptions, rental rates, capital and operating expenditures) and discount, reversionary and overall capitalization rates applicable to the asset based on current market rates.	Discount rate Reversionary rate Vacancy rate	Range of 4.2% - 11.6% Range of 4.3% - 7.8% Weighted average of 4.5%	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value. A decrease in the reversionary rate would result in an increase in fair value. An increase in the reversionary rate would result in a decrease in fair value. A decrease in the expected vacancy rate would generally result in an increase in fair value. An increase in the expected vacancy rate would generally result in a decrease in fair value.
Mortgage loans - equity release mortgages (FVTPL)	The valuation approach for equity release mortgages is to use an internal valuation model to determine the projected asset cash flows, including the cost of the no negative equity guarantee for each individual loan, to aggregate these across all loans and to discount those cash flows back to the valuation date. The projection is done monthly until expected redemption of the loan either voluntarily or on the death/entering into long term care of the loanholders.	Discount rate	Range of 4.3% - 6.1%	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.
Stocks	The determination of the fair value of stocks requires the use of estimates such as future cash flows, discount rates, projected earnings multiples, or recent transactions.	Discount rate	Various	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.

8. Insurance Revenue

	For the three months ended March 31	
	2024	2023
Contracts not measured under the premium allocation approach (PAA)		
Amounts relating to changes in liabilities for remaining coverage		
Experience adjustments	$ (9)	$ (14)
CSM recognized for services provided	310	307
Change in risk adjustment for non-financial risk for risk expired	152	149
Expected incurred claims and other insurance service expenses	2,332	2,243
Recovery of insurance acquisition cash flows	143	138
	$ 2,928	$ 2,823
Contracts measured under the PAA	2,322	2,214
Total insurance revenue	$ 5,250	$ 5,037

9. Insurance Contracts and Reinsurance Contracts Held

(a) Insurance Contract (Assets) / Liabilities

	March 31, 2024				
	Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total
Assets	$ (6,700)	$ 1,634	$ 3,880	$ (96)	$ (1,282)
Liabilities	116,554	5,236	10,264	12,964	145,018
Liabilities on account of segregated fund policyholders	62,468	—	—	—	62,468
	$ 172,322	$ 6,870	$ 14,144	$ 12,868	$ 206,204

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

(b) Reinsurance Contract Held Assets / (Liabilities)

	March 31, 2024				
	Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total
Assets	$ 15,966	$ 853	$ 456	$ 132	$ 17,407
Liabilities	(2,118)	838	641	(40)	(679)
	$ 13,848	$ 1,691	$ 1,097	$ 92	$ 16,728

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

(c) Discount Rates

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

March 31, 2024		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	**Lower**	5.9 %	4.8 %	4.8 %	4.8 %	4.7 %	4.7 %
	Upper	6.4 %	5.2 %	5.3 %	5.2 %	5.1 %	5.1 %
USD	**Lower**	5.9 %	5.1 %	5.1 %	5.5 %	5.2 %	4.9 %
	Upper	6.3 %	5.6 %	5.6 %	6.0 %	5.7 %	5.2 %
EUR	**Lower**	3.4 %	2.4 %	2.4 %	2.6 %	3.0 %	4.3 %
	Upper	4.9 %	3.9 %	3.9 %	4.1 %	4.2 %	4.5 %
GBP	**Lower**	5.1 %	4.2 %	4.4 %	4.9 %	4.9 %	4.0 %
	Upper	6.0 %	5.2 %	5.3 %	5.9 %	5.9 %	5.0 %

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

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

10. Segregated Funds and Other Structured Entities

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

(a) Investments on Account of Segregated Fund Policyholders

	March 31 2024	December 31 2023
Cash and cash equivalents	$ 16,457	$ 15,024
Bonds	71,112	72,111
Mortgage loans	2,041	2,022
Stocks and units in unit trusts	139,046	130,415
Mutual funds	204,781	188,549
Investment properties	11,945	12,071
	445,382	420,192
Accrued income	921	832
Other liabilities	(4,160)	(4,138)
Non-controlling mutual funds interest	7,180	6,070
Total [1]	$ 449,323	$ 422,956

[1] At March 31, 2024, $66,868 of investments on account of segregated fund policyholders are reinsured by the Company on a modified coinsurance basis ($64,097 at December 31, 2023). Included in this amount are $141 of cash and cash equivalents, $10,761 of bonds, $18 of stocks and units in unit trusts, $55,866 of mutual funds, $81 of accrued income and $1 of other assets.

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

	For the three months ended March 31	
	2024	2023
Balance, beginning of year	$ 422,956	$ 387,882
Additions (deductions):		
Policyholder deposits	12,473	14,905
Net investment income	993	861
Net realized capital gains (losses) on investments	2,281	65
Net unrealized capital gains (losses) on investments	20,037	14,724
Unrealized gains (losses) due to changes in foreign exchange rates	3,202	1,953
Policyholder withdrawals	(13,737)	(14,028)
Change in segregated fund investment in general fund	2	13
Change in general fund investment in segregated fund	(1)	2
Net transfer from (to) general fund	7	37
Non-controlling mutual funds interest	1,110	(1,268)
Total	26,367	17,264
Balance, end of period	$ 449,323	$ 405,146

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

	March 31, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments on account of segregated fund policyholders [1]	$ 324,213	$ 114,510	$ 13,861	$ 452,584

[1] Excludes other liabilities, net of other assets, of $3,261.

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

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

For the three months ended March 31, 2024, certain foreign stock holdings valued at $192 have been transferred from Level 2 to Level 1 ($56 were transferred from Level 1 to Level 2 at December 31, 2023) primarily based on the Company's change in use of inputs in addition to quoted prices in active markets for certain foreign stock holdings. Level 2 assets include those assets where fair value is not available from normal market pricing sources, where inputs are utilized in addition to quoted prices in active markets and where the Company does not have access to the underlying asset details within an investment fund.

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

	March 31	December 31
	2024	2023
Balance, beginning of year	$ 13,792	$ 14,455
Total gains (losses) included in segregated fund investment income	(180)	(1,073)
Purchases	190	795
Sales	(33)	(445)
Transfers into Level 3	93	350
Transfers out of Level 3	(1)	(290)
Balance, end of period	$ 13,861	$ 13,792

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

11. Share Capital

Common Shares

	For the three months ended March 31			
	2024		2023	
	Number	**Carrying value**	Number	Carrying value
Common shares				
Balance, beginning of year	932,427,987	$ 6,000	931,853,110	$ 5,791
Exercised and issued under stock option plan	657,908	24	508,108	17
Purchased and cancelled under normal course issuer bid	(228,560)	(10)	(629,900)	(22)
Excess of redemption proceeds over stated capital per normal course issuer bid	—	8	—	18
Balance, end of period	932,857,335	$ 6,022	931,731,318	$ 5,804

During the three months ended March 31, 2024, 657,908 common shares were exercised under the Company's stock plan with a carrying value of $24, including $2 from contributed surplus transferred upon exercise (508,108 with a carrying value of $17, including $2 from contributed surplus transferred upon exercise for the three months ended March 31, 2023).

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

During the three months ended March 31, 2024, the Company repurchased and subsequently cancelled 228,560 common shares under the current NCIB at a cost of $10 (629,900 common shares at a cost of $22 for the three months ended March 31, 2023, under the previous NCIB). The Company's share capital was reduced by the average carrying value of the shares repurchased for cancellation. The excess paid over the average carrying value was $8 and was recognized as a reduction to accumulated surplus for the three months ended March 31, 2024 ($18 for the three months ended March 31, 2023, under the previous NCIB).

12. Earnings Per Common Share

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

	For the three months ended March 31	
	2024	**2023**
Earnings		
Net earnings from continuing operations before preferred share dividends	$ 1,063	$ 646
Preferred share dividends	(32)	(32)
Net earnings from continuing operations	$ 1,031	$ 614
Net earnings (loss) from discontinued operations	(115)	(19)
Net gain from disposal of discontinued operations	44	—
Net earnings - common shareholders	$ 960	$ 595
Number of common shares		
Average number of common shares outstanding	932,726,691	932,015,857
Add: Potential exercise of outstanding stock options	2,995,594	928,968
Average number of common shares outstanding - diluted basis	935,722,285	932,944,825
Basic earnings per common share	$ 1.03	$ 0.64
Diluted earnings per common share	$ 1.03	$ 0.64
Basic earnings per common share from continuing operations	$ 1.10	$ 0.66
Diluted earnings per common share from continuing operations	$ 1.10	$ 0.66
Dividends per common share	$ 0.555	$ 0.520

13. Capital Management

(a) Policies and Objectives

Managing capital is the continual process of establishing and maintaining the quantity and quality of capital appropriate for the Company and ensuring capital is deployed in a manner consistent with the expectations of the Company's stakeholders. For these purposes, the Board considers the key stakeholders to be the Company's shareholders, policyholders and holders of subordinated liabilities in addition to the relevant regulators in the various jurisdictions where the Company and its subsidiaries operate.

The Company manages its capital on both a consolidated basis as well as at the individual operating subsidiary level. The primary objectives of the Company's capital management strategy are:

- To maintain the capitalization of its regulated operating subsidiaries at a level that will exceed the relevant minimum regulatory capital requirements in the jurisdictions in which they operate;
- To maintain strong credit and financial strength ratings of the Company ensuring stable access to capital markets; and
- To provide an efficient capital structure to maximize shareholders' value in the context of the Company's operational risks and strategic plans.

The target level of capitalization for the Company and its subsidiaries is assessed by considering various factors such as the probability of falling below the minimum regulatory capital requirements in the relevant operating jurisdiction, the views expressed by various credit rating agencies that provide financial strength and other ratings to the Company, and the desire to hold sufficient capital to be able to honour all policyholder and other obligations of the Company with a high degree of confidence.

The Company has established policies and procedures designed to identify, measure and report all material risks. Management is responsible for establishing capital management procedures for implementing and monitoring the capital plan.

The capital planning process is the responsibility of the Company's Chief Financial Officer. The capital plan is approved by the Company's Board of Directors on an annual basis. The Board of Directors reviews and approves all material capital transactions undertaken by management.

(b) Regulatory Capital

In Canada, The Office of the Superintendent of Financial Institutions (OSFI) has established a regulatory capital adequacy measurement for life insurance companies incorporated under the Insurance Companies Act (Canada) and their subsidiaries.

The Life Insurance Capital Adequacy Test (LICAT) Ratio compares the regulatory capital resources of a company to its required capital, defined by OSFI, as the aggregate of all defined capital requirements. The total capital resources are provided by the sum of Available Capital, Surplus Allowance and Eligible Deposits.

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

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

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

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

14. Income Taxes

(a) Income Tax Expense

Income tax recognized in Consolidated Statements of Earnings:

	For the three months ended March 31			
	2024		2023	
Current income taxes	$	197	$	174
Deferred income taxes		(28)		(144)
Total income tax expense	$	169	$	30

(b) Effective Income Tax Rate

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

The overall effective income tax rate for the three months ended March 31, 2024 was 13.4% compared to 4.6% for the three months ended March 31, 2023. The effective income tax rate for the three months ended March 31, 2024 was higher than the effective income tax rate for the three months ended March 31, 2023 primarily due to jurisdictional mix of earnings, lower non-taxable investment income and changes in certain tax estimates.

The effective income tax rate for the shareholder account for the three months ended March 31, 2024 was 15.1% compared to 6.5% for the three months ended March 31, 2023.

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

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

If Canada had substantively enacted legislation, the additional top-up tax recognized for the first quarter of 2024 would have been approximately $35.

15. Segmented Information

(a) Consolidated Net Earnings

For the three months ended March 31, 2024

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 2,406	$ 59	$ 1,585	$ 1,200	$ —	$ 5,250
Net investment income [2]	875	1,018	345	100	2	2,340
Changes in fair value on FVTPL assets [2]	(531)	(474)	(293)	(93)	6	(1,385)
	2,750	603	1,637	1,207	8	6,205
Fee and other income [3]	460	1,001	208	3	—	1,672
	3,210	1,604	1,845	1,210	8	7,877
Other insurance results						
Insurance service expenses	(1,675)	(49)	(1,361)	(982)	—	(4,067)
Net income (expenses) from reinsurance contracts	(339)	(8)	(31)	(8)	—	(386)
	(2,014)	(57)	(1,392)	(990)	—	(4,453)
Other investment results						
Net finance income (expenses) from insurance contracts	(124)	—	83	68	—	27
Net finance income (expenses) from reinsurance contracts	(15)	—	(35)	(1)	—	(51)
Changes in investment contract liabilities	(20)	(158)	1	6	—	(171)
	(159)	(158)	49	73	—	(195)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	1,872	—	601	—	—	2,473
Net finance income (expenses) from insurance contracts	(1,872)	—	(601)	—	—	(2,473)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(478)	(975)	(238)	(10)	(2)	(1,703)
Amortization of finite life intangible assets	(28)	(56)	(15)	—	(1)	(100)
Financing costs	(34)	(55)	(10)	(1)	—	(100)
Restructuring and integration expenses	(23)	(45)	—	—	—	(68)
Earnings before income taxes	474	258	239	282	5	1,258
Income taxes	90	27	36	15	1	169
Net earnings from continuing operations before non-controlling interests	384	231	203	267	4	1,089
Attributable to non-controlling interests	26	—	—	—	—	26
Net earnings from continuing operations before preferred share dividends	358	231	203	267	4	1,063
Preferred share dividends	28	—	4	—	—	32
Net earnings from continuing operations before capital allocation	330	231	199	267	4	1,031
Impact of capital allocation	23	2	(12)	(7)	(6)	—
Net earnings (loss) from continuing operations	353	233	187	260	(2)	1,031
Net loss from discontinued operations	—	(115)	—	—	—	(115)
Net gain from disposal of discontinued operations	—	44	—	—	—	44
Net earnings (loss) - common shareholders	$ 353	$ 162	$ 187	$ 260	$ (2)	$ 960

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

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

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

For the three months ended March 31, 2023

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue [1]	$ 2,357	$ 61	$ 1,472	$ 1,147	$ —	$ 5,037
Net investment income [2]	757	996	293	52	3	2,101
Changes in fair value on FVTPL assets [2]	1,551	1,375	469	183	(6)	3,572
	4,665	2,432	2,234	1,382	(3)	10,710
Fee and other income [3]	325	887	186	2	—	1,400
	4,990	3,319	2,420	1,384	(3)	12,110
Other insurance results						
Insurance service expenses	(1,682)	(46)	(1,281)	(986)	—	(3,995)
Net income (expenses) from reinsurance contracts	(334)	2	(9)	(1)	—	(342)
	(2,016)	(44)	(1,290)	(987)	—	(4,337)
Other investment results						
Net finance income (expenses) from insurance contracts	(2,314)	(188)	(892)	(176)	—	(3,570)
Net finance income (expenses) from reinsurance contracts	17	(2)	73	5	—	93
Changes in investment contract liabilities	(34)	(1,825)	(1)	(22)	—	(1,882)
	(2,331)	(2,015)	(820)	(193)	—	(5,359)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	1,272	—	449	—	—	1,721
Net finance income (expenses) from insurance contracts	(1,272)	—	(449)	—	—	(1,721)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(335)	(943)	(233)	(12)	(6)	(1,529)
Amortization of finite life intangible assets	(25)	(48)	(16)	(1)	—	(90)
Financing costs	(34)	(65)	(14)	(1)	(1)	(115)
Restructuring and integration expenses	—	(26)	—	—	—	(26)
Earnings (loss) before income taxes	249	178	47	190	(10)	654
Income taxes	33	10	(9)	(1)	(3)	30
Net earnings (loss) from continuing operations before non-controlling interests	216	168	56	191	(7)	624
Attributable to non-controlling interests	(22)	—	—	—	—	(22)
Net earnings (loss) from continuing operations before preferred share dividends	238	168	56	191	(7)	646
Preferred share dividends	28	—	4	—	—	32
Net earnings (loss) from continuing operations before capital allocation	210	168	52	191	(7)	614
Impact of capital allocation	23	2	(12)	(7)	(6)	—
Net earnings (loss) from continuing operations	233	170	40	184	(13)	614
Net loss from discontinued operations	—	(19)	—	—	—	(19)
Net earnings (loss) - common shareholders	$ 233	$ 151	$ 40	$ 184	$ (13)	$ 595

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

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

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

The Revenue by Source Currency for Capital and Risk Solutions

	For the three months ended March 31	
	2024	2023
Revenue		
United States	$ 334	$ 394
United Kingdom	431	491
Japan	6	158
Other	439	341
Total revenue	$ 1,210	$ 1,384

(b) Consolidated Total Assets and Liabilities

	March 31, 2024				
	Canada	**United States**	**Europe**	**Capital and Risk Solutions**	**Total**
Assets					
Invested assets	$ 90,479	$ 86,104	$ 42,457	$ 8,633	$ 227,673
Insurance contract assets	440	303	339	200	1,282
Reinsurance contract held assets	1,142	12,437	3,694	134	17,407
Goodwill and intangible assets	6,554	6,214	3,039	—	15,807
Other assets	5,259	16,044	3,877	50	25,230
Investments on account of segregated fund policyholders	106,530	192,616	150,177	—	449,323
Total	$ 210,404	$ 313,718	$ 203,583	$ 9,017	$ 736,722
Liabilities					
Insurance contract liabilities	$ 81,238	$ 18,271	$ 40,304	$ 5,205	$ 145,018
Investment contract liabilities	3,864	82,702	362	671	87,599
Reinsurance contract held liabilities	217	154	279	29	679
Other liabilities	8,173	11,550	3,396	745	23,864
Insurance contracts on account of segregated fund policyholders	34,142	13,356	14,970	—	62,468
Investment contracts on account of segregated fund policyholders	72,388	179,260	135,207	—	386,855
Total	$ 200,022	$ 305,293	$ 194,518	$ 6,650	$ 706,483

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

The Assets by Source Currency for Capital and Risk Solutions

	March 31 2024	December 31 2023
Assets		
United States	$ 4,480	$ 4,334
United Kingdom	1,325	1,350
Japan	2,951	3,047
Other	261	357
Total assets	$ 9,017	$ 9,088

(c) CSM

	For the three months ended March 31, 2024							
	Non-Participating (excluding Segregated Funds)							
	Canada	**United States**	**Europe**	**Capital and Risk Solutions**	**Total**	**Segregated Funds**	**Par**	**Total [1]**
CSM, beginning of year	$ 1,159	$ 24	$ 3,255	$ 1,745	$ 6,183	$ 3,298	$ 3,154	$ 12,635
CSM recognized for services provided	(34)	(1)	(67)	(38)	(140)	(102)	(37)	(279)
Contracts initially recognized in the year	12	—	107	8	127	44	24	195
Changes in estimates that adjust the CSM	21	(1)	(31)	1	(10)	168	266	424
Net finance (income) expenses from insurance contracts	8	—	18	10	36	(4)	—	32
Effect of movement in exchange rates	—	1	25	10	36	—	4	40
CSM, end of period	$ 1,166	$ 23	$ 3,307	$ 1,736	$ 6,232	$ 3,404	$ 3,411	$ 13,047

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

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

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

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