

## QUARTERLY REPORT TO THE SHAREHOLDERS

### January 1 to June 30, 2024 Six Months Results

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

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

#### Key Financial Highlights

	In-Quarter			Year-to-Date	
	Q2 2024	Q1 2024	Q2 2023	2024	2023
Base earnings <sup>1,4</sup>	<b>\$1,038</b>	\$978	\$920	<b>\$2,016</b>	\$1,746
Net earnings from continuing operations	<b>\$1,005</b>	\$1,031	\$569	<b>\$2,036</b>	\$1,183
Net earnings	<b>\$1,005</b>	\$960	\$498	<b>\$1,965</b>	\$1,093
Base EPS <sup>2,4</sup>	<b>\$1.11</b>	\$1.05	\$0.99	<b>\$2.16</b>	\$1.87
Net EPS from continuing operations	<b>\$1.08</b>	\$1.10	\$0.61	<b>\$2.18</b>	\$1.27
Net EPS	<b>\$1.08</b>	\$1.03	\$0.53	<b>\$2.11</b>	\$1.17
Base ROE <sup>2,3,4</sup>	<b>17.2%</b>	17.0%	15.9%		
ROE – continuing operations <sup>3</sup>	<b>16.2%</b>	14.6%	12.2%		

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

<sup>2</sup> 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.

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

<sup>4</sup> Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024.

**Record base earnings<sup>1</sup> of \$1,038 million or \$1.11 per common share, up 13% from \$920 million a year ago** reflects pre-tax growth in all segments from favourable group experience in Canada and Europe, higher net fee income from higher equity markets, realization of expense synergies, organic business growth and higher surplus income from higher interest rates. These items were partly offset by credit related impacts and lower spread income in the U.S., weaker U.S. traditional life experience and a higher effective tax rate in the Europe and Capital & Risk Solutions segments following the implementation of Global Minimum Tax (GMT) legislation.

**Net earnings from continuing operations of \$1,005 million or \$1.08 per common share, compared to \$569 million a year ago** reflects improved market experience from interest rate movements and improved non-fixed income assets experience, and lower expenses related to business transformation activities primarily in Europe and Empower. The second quarter of 2023 included realized OCI losses of \$121 million from asset rebalancing in the Europe segment that did not repeat.

## Highlights

- Record base earnings for the fourth consecutive quarter:
  - Solid base earnings growth across all our segments.
  - Base and net earnings both topped \$1 billion.
  - Base ROE at the top end of the range of our medium-term objective.
  - Strong regulatory capital levels continue to provide substantial flexibility.
- Growth strategy is driving upward momentum across Wealth and Retirement businesses:
  - Strong year-over-year AUA<sup>5</sup> growth of 40% in Canada and 16% in Europe
  - In Canada, continue to make progress on the integration of the recent acquisitions of Investment Planning Counsel (IPC) and Value Partners, which have contributed \$250 million of net asset inflows in 2024.
  - Delivered a sixth straight quarter of growth across all value drivers in Europe, with growth in Savings, Pension and Investment Only flows, as well as continued growth in wealth management sales.
  - At Empower, robust year-over-year AUA growth in Defined Contribution (DC) of 13% and 21% in Personal Wealth.
- United States segment is on course to become the largest segment within the Company's portfolio this year<sup>6</sup>:
  - U.S. continues to report double-digit earnings growth of 19%, in-line with the objective provided in 2023.
  - Strong earnings growth has resulted in a year-over-year increase of 1.9% in base ROE and an increase of 2.9% in ROE from continuing operations for the U.S. segment.
  - 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.
  - Results at Empower are driven by market performance and positive net flows in Personal Wealth.
  - Strong organic growth, including recent wins in the public sector, as well as in the Large, Mega, and Non-Profit (LMN) DC markets.
- Strategic investments to strengthen and support our business over the long-term:
  - Sound investment decisions that drive long-term value creation:
    - AON and Irish Life Investment Managers launched a €500m climate transition fund.
    - Canada Life Asset Management (CLAM) completed first real estate transaction in Germany.

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<sup>5</sup> This is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

<sup>6</sup> Based on the U.S. segment as a percentage of base earnings in 2024 and assuming base earnings in the U.S. segment grows 15-20% over 2023 comparative period as per the objective provided in 2023.

## 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 second quarter of 2024 interim Management's Discussion and Analysis (MD&A).

	In-Quarter			Year-to-Date	
	Q2 2024	Q1 2024	Q2 2023	2024	2023
<b>Segment base earnings<sup>7,8</sup></b>					
Canada	\$322	\$302	\$283	\$624	\$561
United States	324	286	265	610	483
Europe	206	197	180	403	358
Capital and Risk Solutions	190	195	203	385	360
Lifeco Corporate	(4)	(2)	(11)	(6)	(16)
Total base earnings <sup>7,8</sup>	\$1,038	\$978	\$920	\$2,016	\$1,746
<b>Segment net earnings from continuing operations</b>					
Canada	\$335	\$353	\$148	\$688	\$381
United States	274	233	161	507	331
Europe	201	187	102	388	142
Capital and Risk Solutions	155	260	169	415	353
Lifeco Corporate	40	(2)	(11)	38	(24)
Total net earnings from continuing operations	\$1,005	\$1,031	\$569	\$2,036	\$1,183
Net earnings (loss) from discontinued operations	-	(115)	(71)	(115)	(90)
Net gain on disposal of discontinued operations	-	44	-	44	-
Total net earnings	\$1,005	\$960	\$498	\$1,965	\$1,093

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

<sup>8</sup> Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for Europe and Capital and Risk Solutions segments for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024.

### CANADA

- **Q2 Canada segment base earnings of \$322 million and net earnings of \$335 million** – Base earnings of \$322 million increased by \$39 million, or 14%, compared to the same quarter last year, reflecting favourable long-term disability and health experience and organic growth in Workplace Solutions, higher net fee and spread income partially driven by the addition of IPC and Value Partners, and favourable tax impacts in the quarter. These items were partially offset by higher operating expenses driven by business growth.

### UNITED STATES

- **Q2 United States segment base earnings of US\$236 million (\$324 million) and net earnings from continuing operations of US\$200 million (\$274 million)** – Base earnings of US\$236 million increased by US\$38 million, or 19%, compared to the second quarter of 2023, primarily due to increased fee income driven by higher equity markets, partially offset by US\$29 million (\$40 million) of credit related earnings impacts on commercial mortgage loans and lower spread income. The current period results also include a US\$22 million (\$30 million) fee income adjustment to earnings related to Prudential and US\$9 million (\$12 million) of dividends on Franklin Templeton shares.

### EUROPE

- **Q2 Europe segment base earnings of \$206 million and net earnings of \$201 million** – Base earnings of \$206 million increased by \$26 million, or 14%, compared to the same quarter last year, primarily due to favourable group experience in the U.K., higher fee and surplus income and CSM recognized, partially offset by weaker health claims experience in Ireland and higher taxes reflecting the impact of the GMT.

CAPITAL AND RISK SOLUTIONS

- **Q2 Capital and Risk Solutions segment base earnings of \$190 million and net earnings of \$155 million** – Base earnings of \$190 million decreased by \$13 million, or 6%, compared to the same quarter last year, as growth in the structured business and higher net investment revenue were more than offset by weaker experience in the U.S. traditional life business and higher taxes reflecting the impact of the GMT. Excluding the \$24 million impact of the GMT, base earnings were up 5% compared to the second quarter of 2023.

QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of \$0.555 per share on the common shares of Lifeco payable September 27, 2024 to shareholders of record at the close of business August 30, 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

August 6, 2024