

# GREAT-WEST LIFECO

## QUARTERLY REPORT TO THE SHAREHOLDERS January 1 to September 30, 2025 Nine Months Results

The condensed consolidated interim unaudited financial statements including notes at September 30, 2025 were approved by the Board of Directors at a meeting held today.

Great-West Lifeco Inc. (Lifeco or the Company) today announced its Q3 2025 results.

### Key Financial Highlights

	In-Quarter			Year-to-Date	
	Q3 2025	Q2 2025	Q3 2024	2025	2024
<b>Earnings</b>					
Base earnings <sup>1</sup>	\$ 1,225	\$ 1,149	\$ 1,061	\$ 3,404	\$ 3,077
Net earnings	\$ 1,158	\$ 894	\$ 859	\$ 2,912	\$ 2,895
<b>Earnings per share</b>					
Base EPS <sup>2</sup>	\$ 1.33	\$ 1.24	\$ 1.14	\$ 3.67	\$ 3.30
Net EPS	\$ 1.25	\$ 0.96	\$ 0.92	\$ 3.14	\$ 3.10
<b>Return on Equity</b>					
Base ROE <sup>2,3</sup>	17.7%	17.4%	17.3%		
ROE	15.8%	14.9%	15.6%		

**Record base earnings<sup>1</sup> of \$1,225 million or \$1.33 per common share in the third quarter, up 15% from \$1,061 million a year ago.** The strong results reflect double-digit base earnings growth across all lines of business. This was primarily driven by higher average assets from higher equity markets and strong sales, elevated insurance experience gains, modest credit experience, as well as favourable currency movements. These items were partially offset by lower earnings on surplus from lower yields.

**Net earnings from continuing operations of \$1,158 million in the third quarter (\$859 million a year ago) or \$1.25 per common share,** included business transformation impacts from initiatives announced earlier this year, as well as the modest impact from assumption changes and management actions, partially offset by favourable market experience.

<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.

## Highlights

- **Strong underlying performance:**
  - Base earnings reached a record \$1.23 billion, up 15% year-over-year, driven by double-digit growth in our U.S., CRS and Europe businesses. Net earnings reached \$1.16 billion, up 35% year-over-year.
  - Base ROE was 17.7% and remains poised to expand, primarily owing to strong growth in our capital-efficient business, especially in the U.S. (ROE was 15.8%).
  - Strong base capital generation and \$2.5 billion in cash at Lifeco continue to provide substantial flexibility.
- **Continued repositioning of the portfolio toward higher-growth, capital-efficient businesses:**
  - Total client assets<sup>4</sup> of \$3.3 trillion, of which \$1.1 trillion represents higher-margin assets under management or advisement<sup>4</sup>.
  - Strong growth in client assets of 14% in Retirement and 17% in Wealth.
  - Double-digit growth in Group Benefits base earnings, driven by strong insurance experience in Canada and favourable Group Benefits experience in the UK.
- **U.S. segment continued to deliver double-digit base earnings growth:**
  - Empower's Retirement business generated US\$30 billion in net plan inflows in Q3 2025, relative to the expectation of US\$25 billion for the second half of 2025 announced in Q2 2025.
  - Empower Wealth net flows<sup>5</sup> improved by 43% to US\$3.4 billion compared to a year ago, primarily from strong rollover sales, as well as higher client and asset retention.
  - Empower reported record pre-tax base operating margins<sup>4</sup> of 32% in Retirement, up 120 bps from a year ago, and 38% in Wealth, up 340 bps from a year ago, driven by continued operational efficiency.
- **Strong base earnings contribution from Capital and Risk Solutions (CRS) reinsurance business:**
  - CRS base earnings up 20% from the prior-year quarter, driven by sustained demand for capital solutions. Net earnings increased to \$280 million from \$19 million a year ago.
  - Segment base ROE continues to exceed 40% (ROE of 41%).
- **Balance sheet strength provides substantial financial flexibility:**
  - LICAT Ratio<sup>6</sup> of 131%, down 1 percentage point from Q2 2025, driven by greater organic reinvestment in Capital Solutions new business in CRS.
  - Leverage ratio of 27% as at September 30, 2025, was lower than in the preceding quarter due to the repayment of US\$500 million senior notes, which matured on August 12, 2025.
  - Lifeco cash of \$2.5 billion reflected significant share repurchases in the quarter.
  - The Company completed a preferred share offering for gross proceeds of \$200 million in Q3 2025, enhancing its financial flexibility.
  - Book value per share of \$27.86, up 8% year over year.

<sup>4</sup> This is a non-GAAP financial measure/ratio. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

<sup>5</sup> See "Cautionary Note regarding Forward-Looking Information" regarding the estimated net plan inflows of Empower's Retirement business.

<sup>6</sup> 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.

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## Q3 2025 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 Corporate – reflecting the management and corporate structure of the Company. For more information, refer to the Company's third quarter 2025 interim Management's Discussion and Analysis (MD&A).

	In-Quarter			Year-to-Date	
	Q3 2025	Q2 2025	Q3 2024 (restated <sup>8</sup> )	2025	2024 (restated <sup>8</sup> )
<b>Segment base earnings<sup>7</sup></b>					
United States	\$ 436	\$ 341	\$ 390	\$ 1,142	\$ 1,027
Canada	371	375	356	1,062	1,056
Europe	266	262	224	767	686
Capital and Risk Solutions	265	229	220	707	624
Corporate	(113)	(58)	(129)	(274)	(316)
<b>Total base earnings</b>	<b>\$ 1,225</b>	<b>\$ 1,149</b>	<b>\$ 1,061</b>	<b>\$ 3,404</b>	<b>\$ 3,077</b>
<b>Segment net earnings from continuing operations</b>					
United States	\$ 376	\$ 305	\$ 373	\$ 1,019	\$ 896
Canada	483	255	499	1,039	1,263
Europe	188	126	144	481	591
Capital and Risk Solutions	280	194	19	658	453
Corporate	(169)	14	(176)	(285)	(308)
<b>Total net earnings from continuing operations</b>	<b>\$ 1,158</b>	<b>\$ 894</b>	<b>\$ 859</b>	<b>\$ 2,912</b>	<b>\$ 2,895</b>
Net earnings (loss) from discontinued operations	-	-	-	-	(115)
Net gain on disposal of discontinued operations	-	-	-	-	44
<b>Total net earnings</b>	<b>\$ 1,158</b>	<b>\$ 894</b>	<b>\$ 859</b>	<b>\$ 2,912</b>	<b>\$ 2,824</b>

<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> The Company has updated segment and line of business classifications for 2025 which has resulted in the restatement of certain comparative amounts.

### UNITED STATES

- **U.S. segment base earnings of US\$317 million (\$436 million) and net earnings from continuing operations of US\$272 million (\$376 million)** – Base earnings increased 10% from Q3 2024. Higher fee income driven by higher assets from business growth and strong markets was enhanced by record pre-tax operating margins in Retirement and Wealth.

### CANADA

- **Canada segment base earnings of \$371 million and net earnings of \$483 million** – Base earnings increased by \$15 million, or 4%, compared to the same quarter last year, driven by strong Group Benefits insurance experience and Retirement earnings, partially offset by lower earnings on surplus. Net earnings were positively impacted by market experience and fair value impacts of assumption changes.

### EUROPE

- **Europe segment base earnings of \$266 million and net earnings of \$188 million** – Base earnings increased by \$42 million, or 19%, compared to the same quarter last year, primarily due to improved Group Benefits insurance experience and increased Wealth and Retirement fee income from higher client assets, as well as the impact of currency movements. These items were partially offset by lower earnings on surplus.

### CAPITAL AND RISK SOLUTIONS

- **Capital and Risk Solutions segment base earnings of \$265 million and net earnings of \$280 million** – Base earnings increased by \$45 million, or 20%, compared to the same quarter last year, primarily due to continued strength in Capital Solutions new business volume and favourable Risk Solutions claims experience.

# GREAT-WEST LIFECO

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## QUARTERLY DIVIDENDS

The Board of Directors approved a quarterly dividend of \$0.61 per share on the common shares of Lifeco payable December 31, 2025, to shareholders of record at the close of business December 3, 2025.

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
Series Z	\$0.38260

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



David Harney  
President and Chief Executive Officer

November 5, 2025