The Canada Life Assurance Company

Management's discussion and analysis

Second quarter results

For the period ended June 30, 2021

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

FOR THE PERIOD ENDED JUNE 30, 2021

DATED: AUGUST 3, 2021

This Interim Management's Discussion and Analysis - Quarterly Highlights (MD&A - Quarterly Highlights) for the three and six months ended June 30, 2021 provides material updates to the business operations, liquidity and capital resources of Canada Life since December 31, 2020. This Interim MD&A - Quarterly Highlights has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 - Continuous Disclosure Obligations. This Interim MD&A - Quarterly Highlights should be read in conjunction with the Company's condensed consolidated interim unaudited financial statements for the periods ended June 30, 2021. Also refer to the consolidated annual audited financial statements of Canada Life for the year ended December 31, 2020 and the notes thereto, available under the Company's profile at www.sedar.com. The condensed consolidated interim unaudited financial statements of the Company, which are the basis for data presented in this Interim MD&A - Quarterly Highlights, have been prepared in accordance with International Financial Reporting Standards (IFRS) unless otherwise noted and are presented in millions of Canadian dollars unless otherwise indicated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain 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. These statements include, without limitation, statements about the Company's operations, business, financial condition, expected financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, anticipated global economic conditions and possible future actions by the Company, including statements made with respect to the expected cost (including deferred consideration), benefits, timing of integration activities and revenue and expense synergies of acquisitions and divestitures, expected capital management activities and use of capital, estimates of risk sensitivities affecting capital adequacy ratios, expected dividend levels, expected cost reductions and savings, expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities), the impact of regulatory developments on the Company's business strategy and growth objectives, the expected impact of the current pandemic health event resulting from the novel coronavirus ("COVID-19") and related economic and market impacts on the Company's business operations, financial results and financial condition.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. Whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the severity, magnitude and impact of the novel coronavirus (COVID-19) pandemic (including the effects of the COVID-19 pandemic and the effects of governments' and other businesses' responses to the COVID-19 pandemic on the economy and the Company's financial results, financial condition and operations), the duration of COVID-19 impacts and the availability and adoption of vaccines, the emergence of COVID-19 variants, assumptions around sales, fee rates, asset breakdowns, lapses, plan contributions, redemptions and market returns, customer behaviour (including customer response to new products), the Company's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets (including continued access to equity and debt markets), industry sector and individual debt issuers' financial conditions (including developments and volatility arising from the COVID-19 pandemic, particularly in certain industries that may comprise part of the Company's investment portfolio), business competition, impairments of goodwill and other intangible assets, the Company's ability to execute strategic plans and changes to strategic plans, technological changes, breaches or failure of information systems and security (including cyber attacks), payments required under investment products, 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, the Company's ability to complete strategic transactions and integrate acquisitions, unplanned material changes to the Company's facilities, customer and employee relations or credit arrangements, levels of administrative and operational efficiencies, changes in trade organizations, 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 Canada Life's 2020 Annual MD&A under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates", which, along with other filings, is available for review at www.sedar.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.

CAUTIONARY NOTE REGARDING NON-IFRS FINANCIAL MEASURES

This Interim MD&A - Quarterly Highlights contains some non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, "constant currency basis", "impact of currency movement", "premiums and deposits", "sales", "assets under management" and "assets under administration". Non-IFRS financial measures are used to provide management and investors with additional measures of performance to help assess results where no comparable IFRS measure exists. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Refer to the "Non-IFRS Financial Measures" section in this MD&A for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS as well as additional details on each measure.

CONSOLIDATED OPERATING RESULTS

Selected consolidated financial information
(in Canadian $ millions)

	As at or for the three months ended			For the six months ended	
	June 30 2021	March 31 2021	June 30 2020	**June 30 2021**	June 30 2020
Earnings					
Participating account	**$ 195**	$ 25	$ 34	**$ 220**	$ 44
Common shareholder	**652**	652	844	**1,304**	1,243
Total net earnings	**847**	677	878	**1,524**	1,287
Total premiums and deposits[(1)(2)]	**$ 21,200**	$ 24,006	$ 19,492	**$ 45,206**	$ 42,349
Fee and other income	**841**	824	753	**1,665**	1,529
Net policyholder benefits, dividends and experience refunds	**11,323**	10,128	9,079	**21,451**	17,361
Total assets per financial statements	**$ 403,925**	$ 392,842	$ 371,174		
Proprietary mutual funds and institutional assets[(1)]	**75,260**	73,307	71,592		
Total assets under management[(1)]	**479,185**	466,149	442,766		
Other assets under administration[(1)]	**32,505**	29,727	72,525		
Total assets under administration[(1)]	**$ 511,690**	$ 495,876	$ 515,291		
Participating account surplus	**$ 3,062**	$ 2,856	$ 2,836		
Non-controlling interests	**27**	24	23		
Shareholders' equity	**20,894**	20,420	19,859		
Total equity	**$ 23,983**	$ 23,300	$ 22,718		
LICAT Ratio[(3)]	**126 %**	123 %	132 %		

(1) This metric is a non-IFRS measure. Refer to "Non-IFRS Financial Measures" section of this document for additional details.
(2) 2020 comparative figures have been reclassified to reflect presentation adjustments in the Canada segment.
(3) The Life Insurance Capital Adequacy Test (LICAT) Ratio is detailed within the "Capital Management and Adequacy" section.

COVID-19 PANDEMIC IMPACTS

The COVID-19 pandemic continues to cause material disruption to businesses globally, resulting in continued economic pressures. While several vaccines for COVID-19 have been approved and are being rolled out, many factors continue to extend economic uncertainty, including: the availability, adoption and uncertainty around the effectiveness of vaccines; the emergence of COVID-19 variants; and the extent and timing of related government and central bank actions.

The Company's financial outlook for the remainder of 2021 will depend in part on the duration and intensity of the COVID-19 pandemic impacts as discussed above. The impact of the pandemic on mortality, longevity, disability and other claims experience in future periods remains uncertain, however, net impacts to date have not been material. The Company continues to manage risks of changes to mortality and longevity rates by issuing a diversified range of insurance and annuity products along with using reinsurance and capital market solutions.

The Company's well-diversified businesses, combined with business strength, resilience and experience, puts the Company in a strong position to manage the current environment and leverage opportunities for the future. Canada Life's strategies are equally resilient and flexible, positioning the Company to manage through the recovery and continue to identify and pursue opportunities, including organic growth and acquisition activities, while supporting customers and employees in a new environment.

2021 DEVELOPMENTS

- On April 19, 2021, Canada Life fully lifted the suspension on redemptions and transfers out of its Canadian real estate investment funds which had been temporarily suspended on March 20, 2020, as economic conditions caused by the COVID-19 situation resulted in valuation uncertainty in the real estate industry. This followed the partial lifting of the suspension, on January 11, 2021, of contributions and transfers into the Canadian real estate investment funds as confidence over the valuation of the underlying properties returned as a result of increased market activity.
- During the second quarter of 2021, Canada Life launched new products and services to improve customer experience and help customers meet their financial and wellness objectives:
    - *My Term* launched April 5, 2021, a new customizable product allowing customers to choose the coverage option that works for them.
    - Group Customer's implementation of artificial intelligence enhancements should provide value-added insights to improve both renewal and long term disability management and realize the best outcomes for the Company's plan sponsors and members.
- On April 26, 2021, Canada Life introduced an advisor platform named Advisor Solutions to evolve the way the Company partners with advisors who do direct business with Canada Life. Through this platform, advisors receive customized support based on the needs and characteristics of their individual practices.
- As of June 30, 2021, Canada Life has surpassed a milestone of providing 500,000 group members and their dependents with virtual health options through partnership with Dialogue.
- On April 16 2021, Irish Life removed the deferral period for redemptions and transfers from a key Irish property fund, following the removal of third party appraisal uncertainty clauses in the Irish property market.
- In the second quarter of 2021, a 50:50 joint venture agreement was reached to form a new life assurance company with Allied Irish Banks plc (AIB) and Canada Life Irish Holding Company Limited. The new life assurance company, which is expected to launch over the next 18 months, will offer AIB customers a range of life protection, pensions, savings and investment options enhanced by integrated digital solutions with continued access to qualified financial advisors. Once established, the existing distribution agreement between AIB and Irish Life will cease. The joint venture agreement is subject to customary regulatory approval and authorization processes.
- In the second quarter of 2021, ASSEKURATA Assekuranz Rating-Agentur GmbH (Assekurata), a German financial strength rating agency, reconfirmed Canada Life Assurance Europe plc, a subsidiary of Canada Life, AA- Credit Rating. This is among the highest ratings Assekurate has awarded any life insurance company in Germany.
- In the second quarter of 2021, the Company entered into two new longevity reinsurance agreements with insurance companies in the U.K. The agreements cover over £600 million of pension liabilities and over 3,000 in-payment and deferred policies. In exchange for ongoing premium payments, Canada Life will pay the actual benefit obligations incurred by the insurance companies.
- Subsequent to June 30, 2021, on July 13, 2021, Canada Life announced an agreement to acquire ClaimSecure Inc., an industry-leading healthcare management firm that provides health and dental claim management services to private and public businesses in Canada. The transaction is subject to customary closing conditions, including receipt of regulatory approvals, and is expected to close in the third quarter of 2021.
- Subsequent to June 30, 2021, on July 13, 2021, Irish Life announced it had entered into an agreement to acquire Ark Life Assurance Company dac (Ark Life) from Phoenix Group Holdings plc for a total cash consideration of €230 million. Ark Life is closed to new business and manages a range of pensions, savings and protection policies for its customers in the Irish market. The transaction will see approximately 150,000 policies and €2.1 billion in assets move to Irish Life. The transaction is subject to customary closing conditions, including receipt of regulatory approvals, and is expected to close by early 2022.

NET EARNINGS

Net earnings - common shareholders

	For the three months ended			For the six months ended	
	June 30 2021	March 31 2021	June 30 2020	**June 30 2021**	June 30 2020
Attributable to participating account					
Net earnings before policyholder dividends	**$ 549**	$ 377	$ 381	**$ 926**	$ 746
Policyholder dividends	**354**	352	347	**706**	702
Total attributable to participating account	**$ 195**	$ 25	$ 34	**$ 220**	$ 44
Common shareholder					
Canada	**$ 348**	$ 283	$ 393	**$ 631**	$ 554
Europe	**210**	211	285	**421**	407
Capital and Risk Solutions	**156**	156	189	**312**	289
Corporate	**(62)**	2	(23)	**(60)**	(7)
Total common shareholder	**$ 652**	$ 652	$ 844	**$ 1,304**	$ 1,243
Total net earnings	**$ 847**	$ 677	$ 878	**$ 1,524**	$ 1,287

For the three months ended June 30, 2021, total net earnings were $847 million compared to $878 million a year ago.

For the six months ended June 30, 2021, total net earnings were $1,524 million compared to $1,287 million for the same period in 2020.

Net earnings attributable to the participating account

For the three months ended June 30, 2021, net earnings attributable to the participating account, after paying policyholder dividends of $354 million in the second quarter of 2021 and $347 million in the same quarter last year, were $195 million compared to $34 million a year ago. The increase was primarily due to positive actuarial assumption changes and management actions.

For the six months ended June 30, 2021, net earnings attributable to the participating account were $220 million compared to $44 million for the same period in 2020. The increase was primarily due to positive actuarial assumption changes and management actions.

Net earnings attributable to the common shareholder

For the three months ended June 30, 2021, net earnings attributable to the common shareholder (net earnings) were $652 million down from $844 million a year ago. The decrease was primarily due to less favourable contributions from actuarial assumptions changes and market-related impacts on liabilities, which were strong positive contributors in the second quarter of 2020 due to impacts of significant market recoveries following the COVID-19 pandemic related shocks in the first quarter of 2020. In addition, net earnings were also impacted by lower contributions from investment experience in the Canada business unit. The decrease was partially offset by the impact of higher equity markets across all jurisdictions and favourable morbidity experience in the Canada and Europe business units.

For the six months ended June 30, 2021, net earnings were $1,304 million compared to $1,243 million for the same period in 2020. The increase was primarily due to business growth in the Capital and Risk Solutions business unit as well as favourable morbidity experience in the Europe and Canada business units. The increase was partially offset by the negative tax related impacts in Europe as well as lower contributions from investment experience in the Canada business unit.

MARKET IMPACTS

Market-Related Impacts

In the regions where the Company operates, average equity market levels for the three months ended June 30, 2021 were higher in the U.S., Canada, the U.K. and broader Europe compared to the same period in 2020. Markets ended the quarter at higher levels compared to March 31, 2021. For the six months ended June 30, 2021, average equity market levels were higher in the U.S., Canada, the U.K. and broader Europe compared to the same period in 2020.

Comparing the second quarter of 2021 to the second quarter of 2020, average equity market levels were up by 43% in the U.S. (as measured by S&P 500), up 34% in broader Europe (as measured by EURO STOXX 50), up 32% in Canada (as measured by S&P TSX), and up 17% in the U.K. (as measured by FTSE 100). The major equity indices finished the second quarter of 2021 up by 8% in Canada, 8% in the U.S., 5% in the U.K. and 4% in broader Europe compared to March 31, 2021.

In countries where the Company operates, interest rates for the most part decreased while credit spreads for the most part remained consistent during the quarter.

Market-related impacts on liabilities negatively impacted net earnings by $18 million in the second quarter of 2021 (positive impact of $40 million in the second quarter of 2020), primarily reflects updated cash flow projections for real estate which support insurance contract liabilities. In the second quarter of 2020, the positive market-related impacts reflected the impact of equity market recoveries in-period, following the COVID-19 pandemic related shocks in the first quarter of 2020. This impacted the value of segregated fund and variable annuity guarantees, including related hedging ineffectiveness, as well as the valuation of insurance contact liabilities which are supported by equities and real estate.

For the six months ended June 30, 2021, market-related impacts on liabilities negatively impacted net earnings by $40 million (negative impact of $97 million year-to-date in 2020). The 2021 year-to-date negative impact was primarily due to updated cash flow projections for real estate which support insurance contract liabilities. While equity markets rebounded in the second quarter of 2020, the 2020 year-to-date negative impact reflects the significant decline and volatility in equity markets and interest rates in the first quarter of 2020, driven by the COVID-19 pandemic. This impacted the value of segregated fund and variable annuity guarantees, including related hedging ineffectiveness and was only partially recovered in-period in 2020.

In order to mitigate the Company's exposure to interest rate fluctuations, the Company follows disciplined processes for matching asset and liability cash flows. As a result, the impact of changing interest rates is mostly mitigated in the current period, including the impact of changes in fair values of bonds backing insurance contract liabilities recorded through profit or loss which was mostly offset by a corresponding change in the insurance contract liabilities.

For a further description of the Company's sensitivity to equity market and interest rate fluctuations, refer to "Financial Instruments Risk Management", note 5 to the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2021.

Foreign Currency
The average currency translation rate for the second quarter of 2021 decreased for the U.S. dollar and the euro and was comparable for the British pound compared to the second quarter of 2020. The overall impact of currency movement on the Company's net earnings for the three months ended June 30, 2021 was a decrease of $13 million ($9 million year-to-date) compared to translation rates a year ago.

From March 31, 2021 to June 30, 2021, the market rates at the end of the reporting period used to translate U.S. dollar and British pound assets and liabilities to the Canadian dollar decreased, while the euro was comparable. The movements in end-of-period market rates resulted in a post-tax unrealized foreign exchange loss from the translation of foreign operations, including related hedging activities, of $105 million in-quarter ($382 million net unrealized loss year-to-date) recorded in other comprehensive income.

Refer to the "Non-IFRS Financial Measures" section of this document for additional details.

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

Credit Markets
As a result of the COVID-19 pandemic, many areas of the credit markets exhibited extreme volatility in March of 2020 with spreads widening in investment grade and high yield markets. However, since March 2020, credit spreads narrowed significantly. Some downgrades have been seen across industries from the rating agencies, particularly to issuers in sectors most affected by economic shutdowns or perceived deterioration in future business models. The Company experienced a positive impact from rating changes during the second quarter of 2021 compared to a negative impact from downgrades in the second quarter of 2020. There could be a negative impact from downgrades in future periods if economies that are currently open are shut down or restricted due to a resurgence of COVID-19 cases, causing economic uncertainty.

In the second quarter of 2021, the Company experienced net charges on impaired investments, including dispositions, which negatively impacted common shareholder's net earnings by $10 million ($2 million net negative impact in the second quarter of 2020), primarily due to a commercial mortgage impairment. Net charges on impaired investments reflect net allowances for credit losses included in net investment income and the associated release of actuarial provisions for future credit losses, as applicable. Changes in credit ratings in the Company's fixed income portfolio resulted in a net decrease to provisions for future credit losses in insurance contract liabilities, which positively impacted common shareholder's net earnings by $2 million ($22 million net negative impact in the second quarter of 2020), primarily due to upgrades of various corporate bond holdings.

For the six months ended June 30, 2021, the Company experienced net charges on impaired investments, including dispositions, which negatively impacted common shareholder's net earnings by $11 million ($4 million net negative impact year-to-date in 2020), primarily due to a commercial mortgage impairment. Changes in credit ratings in the Company's fixed income portfolio resulted in a net increase in provisions for future credit losses in insurance contract liabilities, which negatively impacted common shareholders' net earnings by $2 million year-to-date ($39 million net negative impact year-to-date in 2020), primarily due to net downgrades of various corporate bond holdings.

ACTUARIAL ASSUMPTION CHANGES AND MANAGEMENT ACTIONS
During the second quarter of 2021, actuarial assumption changes and management actions resulted in a positive net earnings impact of $37 million. This compares to a positive net impact of $121 million for the same quarter last year, and a positive net impact of $5 million for the previous quarter.

In Europe, net earnings were positively impacted by $41 million, primarily due to adjusted economic assumptions and updated policyholder behaviour assumptions. In Canada, net earnings were negatively impacted by $6 million primarily due to model refinements. In Capital and Risk Solutions, net earnings were positively impacted by $2 million due to model refinements.

For the six months ended June 30, 2021, actuarial assumption changes and management actions resulted in a positive net earnings impact of $42 million compared to a positive impact $72 million for the same period in 2020.

ACTUARIAL STANDARDS UPDATE

In June 2021, the Canadian Actuarial Standards Board published revised standards for the valuation of insurance contract liabilities, with an effective date of October 15, 2021. The revised standards include decreases to ultimate reinvestment rates, revised calibration criteria for stochastic risk-free interest rates and an increase to the maximum net credit spread on reinvestments over the long term. While the Company is still reviewing the impacts of the changes, it anticipates an increase in liabilities for the Canadian business unit. Initial estimates indicate the impact to net earnings of these changes, and other annual updates in the calibration of stochastic scenarios, to be within the range of $50 to $75 million.

INCOME TAXES

The Company's effective income tax rate is generally lower than the statutory income tax rate of 26.5% due to benefits related to non-taxable investment income and lower income tax in foreign jurisdictions.

In the second quarter of 2021, the Company had an overall effective income tax rate of 10.0%, which is up from 7.4% in the second quarter of 2020. The increase in the effective income tax rate for the second quarter of 2021 was primarily due to changes in certain tax estimates as well as the impact of the revaluation of deferred tax liabilities in the U.K. due to a future tax rate increase from 19% to 25% for 2023 onwards. The impact of these items was partially offset by the impact of the resolution of an outstanding issue with a foreign tax authority.

The Company had an effective income tax rate of 9.4% for six months ended June 30, 2021, compared to 3.8% for the same period last year. The increase in the effective income tax rate for the six months ended June 30, 2021 was primarily due to changes in certain tax estimates and jurisdictional mix of earnings, partially offset by the impact of the resolution of an outstanding issue with a foreign tax authority.

The effective income tax rate for the shareholder account for the second quarter of 2021 was 13.3% compared to 7.0% for the second quarter of 2020.

The effective income tax rate for the shareholder account for the six months ended June 30, 2021 was 12.4% compared to 4.3% for the same period last year.

Refer to note 12 to the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2021 for further details.

PREMIUMS AND DEPOSITS AND SALES

Premiums and deposits[1]	For the three months ended			For the six months ended	
	June 30 2021	March 31 2021	June 30 2020	**June 30 2021**	June 30 2020
Canada[2]	**$ 6,819**	$ 7,675	$ 5,660	**$ 14,494**	$ 12,660
Europe	**6,816**	8,523	8,214	**15,339**	19,115
Capital and Risk Solutions[3]	**6,260**	7,447	4,949	**13,707**	9,533
Corporate	**1,305**	361	669	**1,666**	1,041
Total premiums and deposits[1][2]	**$ 21,200**	$ 24,006	$ 19,492	**$ 45,206**	$ 42,349

Sales[1][3]	For the three months ended			For the six months ended	
	June 30 2021	March 31 2021	June 30 2020	**June 30 2021**	June 30 2020
Canada	**$ 3,345**	$ 4,733	$ 2,390	**$ 8,078**	$ 6,022
Europe	**6,247**	7,314	7,204	**13,561**	17,313
Total sales[1][3]	**$ 9,592**	$ 12,047	$ 9,594	**$ 21,639**	$ 23,335

(1) This metric is a non-IFRS measure. Refer to "Non-IFRS Financial Measures" section of this document for additional details.
(2) 2020 comparative figures have been reclassified to reflect presentation adjustments in the Canada segment.
(3) Sales is not a relevant measure for the Capital and Risk Solutions business unit due to the nature of operations.

Premiums and deposits

Premiums and deposits for the second quarter of 2021 increased by $1.7 billion to $21.2 billion compared to the same quarter last year. The increase was primarily due to the restructuring of existing reinsurance agreements in the Capital and Risk Solutions business unit as well as higher administrative services only (ASO) deposits and higher segregated fund deposits in the Canada business unit. The increase was partially offset by lower fund management sales in the Europe business unit.

For the six months ended June 30, 2021, premiums and deposits increased by $2.9 billion to $45.2 billion compared to the same period last year, primarily due to new and restructured reinsurance agreements in the Capital and Risk Solutions business unit as well as higher ASO deposits and higher segregated fund deposits in the Canada business unit. The increase was partially offset by lower fund management sales in the Europe business unit.

Sales

Sales for the second quarter of 2021 of $9.6 billion were comparable to the same quarter last year. Lower fund management sales and currency movement in the Europe business unit were offset by higher individual segregated fund and mutual fund sales in the Canada business unit as well as higher wealth management sales in the Europe business unit.

For the six months ended June 30, 2021, sales decreased by $1.7 billion to $21.6 billion compared to the same period last year, primarily due to lower fund management and wealth management sales. The decrease was partially offset by higher wealth sales in the Europe business unit, large case group wealth and insurance sales in the first quarter of this year as well as higher individual segregated fund and mutual fund sales in the Canada business unit.

FEE AND OTHER INCOME

In addition to providing traditional risk-based insurance products, the Company also provides certain products on a fee-for-service basis. The most significant of these products are segregated funds and mutual funds, for which the Company earns investment management fees on assets managed and other fees, as well as administrative services only (ASO) contracts, under which the Company provides group benefit plan administration on a cost-plus basis.

Fee and other income

	For the three months ended			For the six months ended	
	June 30 2021	March 31 2021	June 30 2020	**June 30 2021**	June 30 2020
Canada	**$ 476**	$ 454	$ 396	**$ 930**	$ 821
Europe	**346**	353	340	**699**	673
Capital and Risk Solutions	**2**	2	2	**4**	5
Corporate	**17**	15	15	**32**	30
Total fee and other income	**$ 841**	$ 824	$ 753	**$ 1,665**	$ 1,529

Fee and other income for the second quarter of 2021 of $841 million increased by $88 million compared to the same quarter last year, primarily due to higher fee income as a result of higher average assets under administration, driven by higher average equity market levels, in the Canada and Europe business units. The increase was partially offset by the loss of fee income from Irish Progressive Services International Limited in the Europe business unit, which was sold in the third quarter of 2020.

For the six months ended June 30, 2021, fee and other income increased by $136 million to $1,665 million, primarily due to the same reasons discussed for the in-quarter results.

CONSOLIDATED FINANCIAL POSITION

ASSETS

Assets under administration(1)

	June 30 2021	December 31 2020
Assets		
Invested assets	**$ 144,899**	$ 146,154
Goodwill and intangible assets	**8,630**	8,636
Other assets	**24,101**	25,450
Investments on account of segregated fund policyholders	**226,295**	216,050
Total assets	**403,925**	396,290
Proprietary mutual funds and institutional assets(1)	**75,260**	74,045
Total assets under management(1)	**479,185**	470,335
Other assets under administration(1)	**32,505**	29,425
Total assets under administration(1)	**$ 511,690**	$ 499,760

(1) This metric is a non-IFRS measure. Refer to "Non-IFRS Financial Measures" section of this document for additional details.

Total assets under administration (AUA) at June 30, 2021 increased by $11.9 billion to $511.7 billion compared to December 31, 2020, primarily due to the impact of equity market movement and new business growth, partially offset by the impact of currency movement.

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

Single Family Residential Mortgages

Region	June 30, 2021		December 31, 2020	
Ontario	**$ 1,115**	**54 %**	$ 1,106	54 %
Quebec	**384**	**19**	405	20
Alberta	**105**	**5**	110	5
Saskatchewan	**104**	**5**	99	5
Newfoundland	**88**	**4**	91	4
British Columbia	**83**	**4**	87	4
New Brunswick	**60**	**3**	57	3
Manitoba	**56**	**3**	51	2
Nova Scotia	**51**	**3**	53	3
Other	**4**	**—**	4	—
Total	**$ 2,050**	**100 %**	$ 2,063	100 %

During the six months ended June 30, 2021, single family mortgage originations, including renewals, were $363 million, of which 20% were insured (24% at December 31, 2020). Insured mortgages include mortgages where insurance is provided by a third party and protects the Company in the event that the borrower is unable to fulfill their mortgage obligations. Loans that are insured are subject to the requirements of the mortgage default insurance provider. For new originations of non-insured residential mortgages, the Company's investment policies limit the amortization period to a maximum of 25 years and the loan-to-value ratio to a maximum of 80% of the purchase price or current appraised value of the property. The weighted average remaining amortization period for the single family residential mortgage portfolio was 21 years as at June 30, 2021 (21 years as at December 31, 2020).

LIABILITIES

Total liabilities

	June 30 2021	December 31 2020
Insurance and investment contract liabilities	**$ 142,907**	$ 146,004
Preferred shares	**1,000**	1,000
Other general fund liabilities	**9,740**	10,179
Investment and insurance contracts on account of segregated fund policyholders	**226,295**	216,050
Total	**$ 379,942**	$ 373,233

Total liabilities increased by $6.7 billion to $379.9 billion at June 30, 2021 from December 31, 2020.

Investment and insurance contracts on account of segregated fund policyholders increased by $10.2 billion, primarily due to the combined impact of market value gains and investment income of $14.0 billion and net deposits of $0.5 billion, partially offset by the impact of currency movement of $5.3 billion. Insurance and investment contract liabilities decreased by $3.1 billion, primarily due to fair value adjustments and the impact of currency movements, partially offset by the impact of new business.

EQUITY

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. The Company's share capital consists of common shares and preferred shares issued by the Company. At June 30, 2021, there were 2,407,384 common shares of the Company issued and outstanding with a stated value of $7,884 million (2,407,384 and $7,884 million as at December 31, 2020).

Participating account surplus and shareholders' equity

As at June 30, 2021, the Company's total participating account surplus and shareholders' equity was $24.0 billion, compared to $23.1 billion at December 31, 2020. The increase was primarily due to net earnings of $1.5 billion, partially offset by a decrease in accumulated surplus of $0.5 billion due to dividends paid on common shares.

LIQUIDITY AND CAPITAL MANAGEMENT AND ADEQUACY

LIQUIDITY

The Company's liquidity requirements are largely self-funded, with short-term obligations being met by internal funds and maintaining levels of liquid investments adequate to meet anticipated liquidity needs. At June 30, 2021, the Company and its operating subsidiaries held cash, cash equivalents and short-term bonds of $5.2 billion ($5.4 billion at December 31, 2020) and other liquid assets and marketable securities of $78.3 billion ($80.9 billion at December 31, 2020). In addition, the Company maintains committed lines of credit with Canadian chartered banks for unanticipated liquidity needs, if required.

The Company does not have a formal common shareholder dividend policy. Dividends on outstanding common shares of the Company are declared and paid at the sole discretion of the Board of Directors of the Company. The decision to declare a dividend on the common shares of the Company takes into account a variety of factors including the level of earnings, adequacy of capital and availability of cash resources.

The Company's ability to pay dividends and, in part, its ability to deploy capital is dependent upon the Company receiving dividends from its subsidiaries. The Company's 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. Regulators in Canada and the U.K., where some of the Company's regulated subsidiaries operate, have maintained the guidance they provided in 2020 on the payment of dividends and other shareholder distributions during the ongoing pandemic. In Ireland, the Central Bank of Ireland (CBI) updated its previous guidance to cap dividends by significant insurance firms during the first three quarters of 2021. Irish Life Assurance plc is a significant insurance firm for this purpose but the Company's other regulated operating Irish subsidiaries are not.

CASH FLOWS

Cash flows

	For the three months ended June 30		For the six months ended June 30	
	2021	2020	**2021**	2020
Cash flows relating to the following activities:				
Operations	**$ 913**	$ 1,046	**$ 3,128**	$ 1,721
Financing	**(124)**	(331)	**(543)**	(900)
Investment	**(911)**	(840)	**(2,656)**	(1,023)
	(122)	(125)	**(71)**	(202)
Effects of changes in exchange rates on cash and cash equivalents	**(26)**	(83)	**(72)**	29
Decrease in cash and cash equivalents in the period	**(148)**	(208)	**(143)**	(173)
Cash and cash equivalents, beginning of period	**3,110**	3,271	**3,105**	3,236
Cash and cash equivalents, end of period	**$ 2,962**	$ 3,063	**$ 2,962**	$ 3,063

The principal source of funds for the Company on a consolidated basis is cash provided by operating activities, including premium income, 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. Cash flows generated by operations are mainly invested to support future liability cash requirements. Cash flows related to financing activities include the issuance and repayment of capital instruments, and associated dividends and interest payments.

In the second quarter of 2021, cash and cash equivalents decreased by $148 million from March 31, 2021. Cash flows provided by operations during the second quarter of 2021 were $913 million, a decrease of $133 million compared to the second quarter of 2020. Cash flows used in financing of $124 million were used for the payment of dividends on common shares. Cash flows were used by the Company to acquire an additional $911 million of investment assets.

For the six months ended June 30, 2021, cash and cash equivalents decreased by $143 million from December 31, 2020. Cash flows provided by operations were $3,128 million, an increase of $1,407 million compared to the same period in 2020, primarily due to the impact of a new reinsurance agreement. Cash flows used in financing of $543 million were used for the payments of dividends on common shares. Cash flows were used by the Company to acquire an additional $2,656 million of investment assets.

COMMITMENTS/CONTRACTUAL OBLIGATIONS

Commitments/contractual obligations have not changed materially from December 31, 2020.

CAPITAL MANAGEMENT AND ADEQUACY

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

In Canada, OSFI has established a regulatory capital adequacy measurement for life insurance companies incorporated under the Insurance Companies Act (Canada) and their subsidiaries, known as the Life Insurance Capital Adequacy Test (LICAT).

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

OSFI has established a Supervisory Target Total Ratio of 100%, and a Supervisory Minimum Total Ratio of 90%. The internal target range of the LICAT Ratio for Lifeco's major Canadian operating subsidiary is 110% to 120% (on a consolidated basis).

The LICAT ratio at June 30, 2021 for Canada Life was 126% (129% at December 31, 2020). The continued phasing in of the impact of the LICAT interest rate scenario shift in North America during 2020 contributed a 1 point decrease to the ratio this quarter.

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

LICAT Ratio	**June 30 2021**	Dec. 31 2020
Tier 1 Capital	**$ 12,418**	$ 11,593
Tier 2 Capital	**4,205**	4,568
Total Available Capital	**16,623**	16,161
Surplus Allowance & Eligible Deposits	**13,563**	14,226
Total Capital Resources	**$ 30,186**	$ 30,387
Required Capital	**$ 24,008**	$ 23,607
Total Ratio (OSFI Supervisory Target = 100%)[1]	**126 %**	129 %

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

LICAT Sensitivities

Caution Related to Sensitivities

This section includes estimates of Canada Life consolidated LICAT Ratio sensitivities for certain risks. Actual results can differ significantly from these estimates for a variety of reasons including:

- Assessment of the circumstances that led to the scenario may lead to changes in (re)investment approaches and interest rate scenarios considered;
- Actual experience differing from the assumptions;
- Changes in business mix, effective income tax rates and other market factors;
- Interactions among these factors and assumptions when more than one changes; and
- The 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 the Canada Life consolidated LICAT Ratio will be as estimated.

Publicly Traded Common Stocks

The following table sets out the estimated immediate impact to Canada Life's consolidated LICAT Ratio of certain instantaneous changes in publicly traded common stock values as at June 30, 2021. These sensitivity estimates assume instantaneous shocks, followed by a return to historical average growth levels for broader equity markets. The sensitivity estimates relate to publicly traded common stocks and do not cover other non-fixed income assets.

These estimates are illustrative as actual equity exposures may vary due to active management of the public stock portfolios.

Immediate change in publicly traded common stock values	June 30, 2021			
	20% increase	10% increase	10% decrease	20% decrease
Potential increase (decrease) on LICAT Ratio	0 points	1 point	1 point	0 points

Interest Rates

Canada Life's consolidated LICAT Ratio will generally increase in an environment of declining interest rates and vice-versa. Lower interest rates will increase the value of the Company's surplus assets and other regulatory capital resources. These sensitivity estimates are illustrative. Sensitivity to interest rates is dependent on many factors and may result in non-linear impacts to the LICAT Ratio. Actual movement in credit spreads or government treasury rates may produce different movements in Canada Life's consolidated LICAT Ratio. These sensitivities do not include a change in the ultimate interest rates outlined in Actuarial Standards or the impact of a LICAT interest rate risk scenario shift.

Immediate parallel shift in yield curve	June 30, 2021	
	50 bps increase	50 bps decrease
Potential increase (decrease) on LICAT Ratio	(2 points)	3 points

LICAT sensitivities are rounded to the nearest point.

LICAT Interest Rate Scenario Shift

The LICAT interest rate risk capital requirements are based on the results of the most adverse of four scenarios. The determination of the most adverse scenario is dependent on government treasury rates and credit spreads, as well as the position of the Company's assets and liabilities. A change in the level and term structure of interest rates used can cause a shift in the interest rate scenario applied in the LICAT calculation. This results in a discontinuity where capital requirements can change materially. OSFI prescribes a smoothing calculation to address potential volatility in the interest rate risk capital requirement for participating insurance products. The smoothing calculation averages the participating interest rate risk capital requirements over the trailing six quarters, thereby reducing unwarranted volatility.

The Company experienced a shift to a different adverse LICAT interest rate scenario in North America during the third quarter of 2020. Allowing for the smoothing approach, the shift in scenario reduced the current quarter's LICAT Ratio by 1 point, with the remaining impact being phased in over the next 2 quarters, if we remain on the current scenario.

In the event of a shift back to the previous most adverse LICAT interest rate scenario, the Company estimates the LICAT Ratio would increase by approximately 1 point per quarter for six quarters.

OSFI Regulatory Capital Initiatives

OSFI issued an Advisory effective for January 1, 2021, which confirmed the interest rate risk smoothing calculation on participating insurance, and provided clarification of available capital for certain participating insurance blocks. The Advisory will remain in effect until January 1, 2023, when it will be subsequently incorporated into the LICAT guideline. The noted clarification is not expected to be material to the Company.

The International Accounting Standards Board (IASB) has issued IFRS 17, *Insurance Contracts*, which will replace IFRS 4, *Insurance Contracts* with an effective date of January 1, 2023. IFRS 17 includes new requirements for the recognition, measurement, presentation and disclosure of insurance contracts the Company issues and reinsurance contracts it holds. The new standard is expected to have a significant impact for insurers related to the timing of earnings recognition from insurance contracts and on the presentation and disclosure of results. Adoption of the standard is expected to lead to further review and possible amendments to the OSFI LICAT Guideline. Refer to the "Accounting Policies - International Financial Reporting Standards" section of the Company's 2020 Annual MD&A for further details.

During the second quarter, OSFI launched a Quantitative Impact Study for IFRS 17 and IFRS 9, *Financial Instruments*. The Company will participate in this public consultation. The Company will continue to work with OSFI, the Canadian Institute of Actuaries, and other industry participants, as the LICAT guideline further evolves to allow for adaptations relating to the IFRS 17 accounting standard and developments relating to Segregated Fund Guarantee Risk requirements.

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 risk and potential losses. The Company's Risk Function is responsible for establishing 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 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 second quarter of 2021, there were no significant changes to the Company's risk management and control practices, including the risks (financial, operational, regulatory and other risks) related to the COVID-19 pandemic. Refer to the Company's 2020 Annual MD&A for a detailed description of the Company's risk management and control practices.

ACCOUNTING POLICIES

INTERNATIONAL FINANCIAL REPORTING STANDARDS

There were IFRS changes in 2021 which did not have a significant impact on the Company. As well, due to the evolving nature of IFRS, there are changes to 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.

The Company adopted the *Interest Rate Benchmark Reform – Phase 2* amendments to IFRS for IAS 39, *Financial Instruments: Recognition and Measurement*, IFRS 7, *Financial Instruments: Disclosures*, IFRS 4, *Insurance Contracts* and IFRS 16, *Leases,* effective January 1, 2021. The adoption of these amendments did not have a significant impact on the Company's consolidated financial statements.

In February 2021, the IASB published *Disclosure of Accounting Policies*, amendments to IAS 1, *Presentation of Financial Statements*. The amendments clarify how an entity determines whether accounting policy information is material. These amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The Company is evaluating the impact for the adoption of these amendments.

In February 2021, the IASB published *Definition of Accounting Estimates*, amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments clarify the difference between an accounting policy and an accounting estimate. These amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The Company is evaluating the impact for the adoption of these amendments.

In May 2021, the IASB published *Deferred Tax Related to Assets and Liabilities from a Single Transaction*, amendments to IAS 12, *Income Taxes*. The amendments clarify that for transactions in which both deductible and taxable temporary differences arise on initial recognition that result in deferred tax assets and liabilities of the same amount, deferred tax assets and liabilities are to be recognized. These amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The Company is evaluating the impact for the adoption of these amendments.

For a further description of accounting policies, including future accounting standard changes, refer to note 2 to the Company's annual consolidated financial statements for the period ended December 31, 2020.

There have been no other significant changes to the future accounting policies that could impact the Company, in addition to the disclosure in the December 31, 2020 Annual MD&A.

OTHER INFORMATION

NON-IFRS FINANCIAL MEASURES

The Company uses several non-IFRS measures to measure overall performance of the Company and to assess each of its business units. A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with generally accepted accounting principles 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-IFRS measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures presented by other issuers.

Premiums and deposits

Total premiums and deposits include premiums on risk-based insurance and annuity products net of ceded reinsurance (as defined under IFRS), premium equivalents on self-funded group insurance ASO contracts, deposits on individual and group segregated fund products as well as deposits on proprietary mutual funds and institutional accounts. This measure provides an indicator of top-line growth.

Premiums and deposits(1)	For the three months ended			For the six months ended	
	June 30 2021	March 31 2021	June 30 2020	**June 30 2021**	June 30 2020
Amounts reported in the financial statements					
Net premium income (Life insurance, guaranteed annuities and insured health products)	**$ 11,789**	$ 11,948	$ 9,630	**$ 23,737**	$ 18,624
Policyholder deposits (segregated funds)	**5,376**	6,155	4,333	**11,531**	10,190
Premiums and deposits reported in the financial statements	**17,165**	18,103	13,963	**35,268**	28,814
Self-funded premium equivalents (ASO contracts)	**876**	859	520	**1,735**	1,332
Proprietary mutual funds and institutional deposits	**3,159**	5,044	5,009	**8,203**	12,203
Total premiums and deposits(1)	**$ 21,200**	$ 24,006	$ 19,492	**$ 45,206**	$ 42,349

(1) 2020 comparative figures have been reclassified to reflect presentation adjustments in the Canada segment.

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

Assets under management and assets under administration are non-IFRS measures that provide an indicator of the size and volume of the Company's overall business.

Assets under management include internally and externally managed funds where the Company has oversight of the investment policies. Services provided in respect of assets under management include the selection of investments, the provision of investment advice and discretionary portfolio management on behalf of clients.

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.

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

Assets under administration	June 30 2021	March 31 2021	Dec. 31 2020	June 30 2020
Total assets per financial statements	**$ 403,925**	$ 392,842	$ 396,290	$ 371,174
Proprietary mutual funds and institutional assets	**75,260**	73,307	74,045	71,592
Total assets under management	**479,185**	466,149	470,335	442,766
Other assets under administration	**32,505**	29,727	29,425	72,525
Total assets under administration	**$ 511,690**	$ 495,876	$ 499,760	$ 515,291

Sales

Sales is a non-IFRS measure for which there is no comparable measure in IFRS and is an indicator of new business growth. 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.

Impact of currency movement

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. For items impacting the Company's Consolidated Balance Sheets, such as assets and liabilities, period end rates are used for currency translation purposes.

Throughout this document a number of terms are used to highlight the impact of foreign exchange on results, such as: "constant currency basis" and "impact of currency movement". These measures highlight the impact of changes in currency translation rates on Canadian dollar equivalent IFRS results and have been calculated using the average or period end rates, as appropriate, in effect at the date of the comparative prior period. This measure provides useful information as it facilitates the comparability of results between periods.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions have not changed materially from December 31, 2020.

TRANSLATION OF FOREIGN CURRENCY

Through its operating subsidiaries, the Company conducts business in multiple currencies. The four primary currencies are the Canadian dollar, U.S. dollar, 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:

Translation of foreign currency						
Period ended	**June 30 2021**	Mar. 31 2021	Dec. 31 2020	Sept. 30 2020	June 30 2020	Mar. 31 2020
United States dollar						
Balance sheet	**$ 1.24**	$ 1.26	$ 1.27	$ 1.33	$ 1.36	$ 1.40
Income and expenses	**$ 1.23**	$ 1.27	$ 1.30	$ 1.33	$ 1.39	$ 1.34
British pound						
Balance sheet	**$ 1.71**	$ 1.73	$ 1.74	$ 1.72	$ 1.68	$ 1.74
Income and expenses	**$ 1.72**	$ 1.75	$ 1.72	$ 1.72	$ 1.72	$ 1.72
Euro						
Balance sheet	**$ 1.47**	$ 1.47	$ 1.55	$ 1.56	$ 1.52	$ 1.55
Income and expenses	**$ 1.48**	$ 1.53	$ 1.55	$ 1.56	$ 1.53	$ 1.48

Additional information relating to Canada Life, including Canada Life's most recent consolidated financial statements and CEO/CFO certification, are available at www.sedar.com.

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The Canada Life Assurance Company
100 Osborne Street North
Winnipeg Manitoba Canada R3C 1V3

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