

# CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31, (in millions of Canadian dollars, except for per share amounts)	2023	2022 (restated, see Note 2)
<b>Insurance service result</b>		
Insurance revenue (Note 10)	\$ 21,356	\$ 18,902
Insurance service expenses (Note 10)	(18,450)	(16,456)
Reinsurance contract held net income (expenses) (Note 10)	(69)	(153)
<b>Net insurance service result</b>	<b>2,837</b>	<b>2,293</b>
<b>Investment result</b>		
Investment result excluding result for account of segregated fund holders:		
Net investment income (loss) (Note 5)	11,586	(20,580)
Insurance finance income (expenses) from insurance contracts issued (Note 5)	(9,675)	22,595
Insurance finance income (expenses) from reinsurance contracts held (Note 5)	59	(440)
Decrease (increase) in investment contract liabilities	(331)	(152)
Net investment result excluding result for account of segregated fund holders	1,639	1,423
Investment result for insurance contracts for account of segregated fund holders:		
Investment income (loss) on investments for account of segregated fund holders (Note 21)	1,793	(2,353)
Insurance finance income (expenses) (Note 21)	(1,793)	2,353
Net investment result for insurance contracts for account of segregated fund holders	—	—
<b>Net investment result</b>	<b>1,639</b>	<b>1,423</b>
<b>Fee income (Note 16)</b>	<b>7,832</b>	<b>7,447</b>
<b>Other expenses (income)</b>		
Other income	(169)	—
Operating expenses and commissions (Note 17)	7,995	7,092
Interest expenses	552	445
<b>Total other expenses (income)</b>	<b>8,378</b>	<b>7,537</b>
<b>Income (loss) before income taxes</b>	<b>3,930</b>	<b>3,626</b>
Less: Income tax expense (benefit) (Note 19)	461	546
<b>Total net income (loss)</b>	<b>3,469</b>	<b>3,080</b>
Less: Net income (loss) allocated to the participating account (Note 20)	178	83
Net income (loss) attributable to non-controlling interests	126	56
<b>Shareholders' net income (loss)</b>	<b>3,165</b>	<b>2,941</b>
Less: Dividends on preferred shares and distributions on other equity instruments	79	70
<b>Common shareholders' net income (loss)</b>	<b>\$ 3,086</b>	<b>\$ 2,871</b>
<b>Average exchange rates during the reporting periods:</b>	U.S. dollars	1.35
		1.30
<b>Earnings (loss) per share (Note 25)</b>		
Basic	\$ 5.27	\$ 4.90
Diluted	\$ 5.26	\$ 4.89
<b>Dividends per common share</b>	<b>\$ 3.000</b>	<b>\$ 2.760</b>

The attached notes form part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, (in millions of Canadian dollars)	2023	2022 (restated, see Note 2)
<b>Total net income (loss)</b>	<b>\$ 3,469</b>	<b>\$ 3,080</b>
<b>Other comprehensive income (loss), net of taxes:</b>		
Items that may be reclassified subsequently to income:		
Change in unrealized foreign currency translation gains (losses):		
Unrealized gains (losses)	(290)	677
Reclassifications to net income (loss)	(49)	—
Change in unrealized gains (losses) on investments at fair value through other comprehensive income:		
Unrealized gains (losses)	482	(1,231)
Reclassifications to net income (loss) and provision for credit losses recognized into income	3	(20)
Classification overlay (Note 2)	—	(232)
Change in unrealized gains (losses) on cash flow hedges:		
Unrealized gains (losses)	(11)	42
Reclassifications to net income (loss)	28	(53)
Share of other comprehensive income (loss) in joint ventures and associates:		
Unrealized gains (losses)	(44)	(60)
<b>Total items that may be reclassified subsequently to income</b>	<b>119</b>	<b>(877)</b>
Items that will not be reclassified subsequently to income:		
Remeasurement of defined benefit plans	(105)	171
Share of other comprehensive income (loss) in joint ventures and associates	7	(3)
Revaluation of property, plant and equipment	—	(2)
<b>Total items that will not be reclassified subsequently to income</b>	<b>(98)</b>	<b>166</b>
<b>Total other comprehensive income (loss)</b>	<b>21</b>	<b>(711)</b>
<b>Total comprehensive income (loss)</b>	<b>3,490</b>	<b>2,369</b>
Less: Comprehensive income (loss) allocated to the participating account (Note 20)	187	78
Non-controlling interests' comprehensive income (loss) (Note 20)	123	60
<b>Shareholders' comprehensive income (loss)</b>	<b>\$ 3,180</b>	<b>\$ 2,231</b>

## INCOME TAXES INCLUDED IN OTHER COMPREHENSIVE INCOME (LOSS)

For the years ended December 31, (in millions of Canadian dollars)	2023	2022 (restated, see Note 2)
<b>Income tax benefit (expense):</b>		
Items that may be reclassified subsequently to income:		
Unrealized foreign currency translation gains (losses)	\$ (5)	\$ 7
Change in unrealized gains (losses) on investments at fair value through other comprehensive income:		
Unrealized gains (losses)	(120)	311
Reclassifications to net income (loss) and provision for credit losses recognized into income	(7)	2
Classification overlay (Note 2)	—	57
Unrealized gains (losses) on cash flow hedges	(1)	6
Reclassifications to net income for cash flow hedges	(6)	—
<b>Total items that may be reclassified subsequently to income</b>	<b>(139)</b>	<b>383</b>
Items that will not be reclassified subsequently to income:		
Remeasurement of defined benefit plans	38	(75)
Revaluation of property, plant and equipment	—	(2)
<b>Total items that will not be reclassified subsequently to income</b>	<b>38</b>	<b>(77)</b>
<b>Total income tax benefit (expense) included in other comprehensive income (loss)</b>	<b>\$ (101)</b>	<b>\$ 306</b>

The attached notes form part of these Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at			
(in millions of Canadian dollars)	December 31, 2023	December 31, 2022 (restated, see Note 2)	January 1, 2022 (restated, see Note 2)	
<b>Assets</b>				
Cash, cash equivalents and short-term securities (Note 5)	\$ 13,173	\$ 11,219	\$ 12,278	
Debt securities (Notes 5 and 6)	75,493	75,902	88,727	
Equity securities (Notes 5 and 6)	7,138	7,148	9,113	
Mortgages and loans (Notes 5 and 6)	54,600	51,253	55,727	
Derivative assets (Notes 5 and 6)	2,183	2,095	1,583	
Other financial invested assets (Note 5)	10,361	9,418	7,071	
Financial assets	162,948	157,035	174,499	
Investment properties (Note 5)	9,723	10,102	9,109	
Other non-financial invested assets (Note 5)	1,657	1,652	1,660	
Invested assets	174,328	168,789	185,268	
Other assets (Note 8)	6,462	6,442	4,279	
Reinsurance contract held assets (Note 10)	5,794	6,115	6,612	
Insurance contract assets (Note 10)	184	75	162	
Deferred tax assets (Note 19)	3,878	3,466	2,940	
Intangible assets (Note 9)	5,174	4,724	3,370	
Goodwill (Note 9)	8,969	8,705	6,517	
Total general fund assets	204,789	198,316	209,148	
Investments for account of segregated fund holders (Note 21)	128,452	125,292	139,996	
<b>Total assets</b>	<b>\$ 333,241</b>	<b>\$ 323,608</b>	<b>\$ 349,144</b>	
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities excluding those for account of segregated fund holders (Note 10)	\$ 135,669	\$ 131,294	\$ 149,412	
Reinsurance contract held liabilities (Note 10)	1,623	1,603	1,994	
Investment contract liabilities (Note 5)	11,672	10,728	9,914	
Derivative liabilities (Notes 5 and 6)	1,311	2,351	1,392	
Deferred tax liabilities (Note 19)	281	468	234	
Other liabilities (Note 11)	23,655	22,109	17,371	
Senior debentures (Note 12)	200	200	200	
Subordinated debt (Note 13)	6,178	6,676	6,425	
Total general fund liabilities	180,589	175,429	186,942	
Insurance contract liabilities for account of segregated fund holders (Note 21)	19,041	23,139	26,079	
Investment contract liabilities for account of segregated fund holders (Note 21)	109,411	102,153	113,917	
<b>Total liabilities</b>	<b>\$ 309,041</b>	<b>\$ 300,721</b>	<b>\$ 326,938</b>	
<b>Equity</b>				
Issued share capital and contributed surplus	\$ 10,660	\$ 10,640	\$ 10,615	
Shareholders' retained earnings and accumulated other comprehensive income	12,922	11,889	11,342	
Total shareholders' equity	23,582	22,529	21,957	
Equity in the participating account	457	268	190	
Non-controlling interests' equity	161	90	59	
<b>Total equity</b>	<b>\$ 24,200</b>	<b>\$ 22,887</b>	<b>\$ 22,206</b>	
<b>Total liabilities and equity</b>	<b>\$ 333,241</b>	<b>\$ 323,608</b>	<b>\$ 349,144</b>	
<b>Exchange rates at the end of the reporting periods:</b>	U.S. dollars	1.32	1.35	1.26

The attached notes form part of these Consolidated Financial Statements.

Approved on behalf of the Board of Directors on February 7, 2024.



**Kevin Strain**  
Chief Executive Officer



**Barbara G. Stymiest**  
Director

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, (in millions of Canadian dollars)	2023	2022 (restated, see Note 2)
<b>Shareholders:</b>		
<b>Preferred shares and other equity instruments (Note 14)</b>		
Balance, beginning and end of year	\$ 2,239	\$ 2,239
<b>Common shares (Note 14)</b>		
Balance, beginning of year	8,311	8,305
Stock options exercised	56	6
Common shares purchased for cancellation	(40)	—
Balance, end of year	8,327	8,311
<b>Contributed surplus</b>		
Balance, beginning of year	90	71
Share-based payments	11	19
Stock options exercised	(7)	—
Balance, end of year	94	90
<b>Retained earnings</b>		
Balance, beginning of year	11,729	14,713
Transition adjustment — IFRS 17 (Note 2)	—	(7,114)
Transition adjustment — IFRS 9 (Note 2)	(553)	—
Transition adjustment — Classification overlay (Note 2)	—	2,873
Balance, beginning of year, after change in accounting policies	11,176	10,472
Net income (loss)	3,165	2,941
Dividends on common shares	(1,762)	(1,614)
Dividends on preferred shares and distributions on other equity instruments	(79)	(70)
Common shares purchased for cancellation (Note 14)	(146)	—
Transfer from accumulated other comprehensive income (loss)	(37)	—
Changes attributable to acquisition (Note 3)	(160)	—
Balance, end of year	12,157	11,729
<b>Accumulated other comprehensive income (loss), net of taxes (Note 26)</b>		
Balance, beginning of year	160	986
Transition adjustment — IFRS 9 (Note 2)	553	—
Transition adjustment — Classification overlay (Note 2)	—	(116)
Balance, beginning of year, after change in accounting policy	713	870
Total other comprehensive income (loss) for the year	15	(710)
Transfer to retained earnings	37	—
Balance, end of year	765	160
<b>Total shareholders' equity, end of year</b>	<b>\$ 23,582</b>	<b>\$ 22,529</b>
<b>Equity in the participating account:</b>		
Balance, beginning of year	\$ 268	\$ 1,700
Transition adjustment — IFRS 17 (Note 2)	—	(1,907)
Transition adjustment — IFRS 9 (Note 2)	2	—
Transition adjustment — Classification overlay (Note 2)	—	397
Balance, beginning of year, after changes in accounting policies	270	190
Net income (loss)	178	83
Total other comprehensive income (loss) for the year (Note 26)	9	(5)
<b>Total equity in the participating account, end of year</b>	<b>\$ 457</b>	<b>\$ 268</b>
<b>Non-controlling interests:</b>		
Balance, beginning of year	\$ 90	\$ 59
Net income (loss)	126	56
Additional contribution	—	2
Total other comprehensive income (loss) for the year (Note 26)	(3)	4
Distribution to non-controlling interests	(52)	(31)
<b>Total non-controlling interests' equity, end of year</b>	<b>\$ 161</b>	<b>\$ 90</b>
<b>Total equity</b>	<b>\$ 24,200</b>	<b>\$ 22,887</b>

The attached notes form part of these Consolidated Financial Statements.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, (in millions of Canadian dollars)	2023	2022 (restated, see Note 2)
<b>Cash flows provided by (used in) operating activities</b>		
Income (loss) before income taxes	\$ 3,930	\$ 3,626
Adjustments:		
Interest expense related to financing activities	408	279
(Decrease) increase in investment contract liabilities	331	152
Changes in insurance contract liabilities and assets	6,769	(25,041)
Changes in reinsurance contract held assets and liabilities	10	593
Realized and unrealized (gains) losses and foreign currency changes on invested assets	(4,657)	26,582
Sales, maturities and repayments of invested assets	43,457	53,535
Purchases of invested assets	(48,579)	(57,153)
Income taxes received (paid)	(1,240)	(795)
Mortgage securitization (Note 5)	(39)	151
Other operating activities	5,222	2,382
<b>Net cash provided by (used in) operating activities</b>	<b>5,612</b>	<b>4,311</b>
<b>Cash flows provided by (used in) investing activities</b>		
Net (purchase) sale of property and equipment	(172)	71
Investment in and transactions with joint ventures and associates (Note 15)	(75)	(69)
Dividends and other proceeds related to joint ventures and associates (Note 15)	32	27
Acquisitions, net of cash and cash equivalents acquired (Note 3) <sup>(1)</sup>	(439)	(2,633)
Dispositions, net of cash and cash equivalents disposed (Note 3) <sup>(2)</sup>	297	—
Other investing activities	(202)	(259)
<b>Net cash provided by (used in) investing activities</b>	<b>(559)</b>	<b>(2,863)</b>
<b>Cash flows provided by (used in) financing activities</b>		
Increase in (repayment of) borrowed funds (Note 11)	(72)	(34)
Issuance of subordinated debt, net of issuance costs (Note 13)	497	646
Increase in (repayment of) borrowings from credit facility	141	1,786
Redemption of senior debentures and subordinated debt (Notes 12 and 13)	(1,000)	(400)
Issuance of common shares on exercise of stock options	49	6
Transactions with non-controlling interests	(52)	(25)
Common shares purchased for cancellation (Note 14)	(186)	—
Dividends paid on common and preferred shares	(1,882)	(1,671)
Payment of lease liabilities	(176)	(136)
Interest expense paid	(405)	(270)
Other financing activities	—	27
<b>Net cash provided by (used in) financing activities</b>	<b>(3,086)</b>	<b>(71)</b>
Changes due to fluctuations in exchange rates	(169)	302
Increase (decrease) in cash and cash equivalents	1,798	1,679
<b>Net cash and cash equivalents, beginning of year</b>	<b>9,372</b>	<b>7,693</b>
<b>Net cash and cash equivalents, end of year</b>	<b>11,170</b>	<b>9,372</b>
Short-term securities, end of year	2,003	1,841
<b>Net cash, cash equivalents and short-term securities, end of year (Note 5)</b>	<b>\$ 13,173</b>	<b>\$ 11,213</b>

<sup>(1)</sup> Consists of total cash consideration paid of \$522, less cash and cash equivalents acquired of \$83 for the year ended December 31, 2023 (December 31, 2022 — \$3,267, less cash and cash equivalents acquired of \$641, primarily related to the acquisition of DentaQuest).

<sup>(2)</sup> Consists of total cash consideration received of \$516, less cash and cash equivalents disposed of \$219 for the year ended December 31, 2023 (December 31, 2022 — \$nil).

The attached notes form part of these Consolidated Financial Statements.