

# GREAT-WEST LIFECO INC.

## Quarterly Information For Analysts and Investors Q4 2015



# Cautionary Notes

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This document contains some forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar expressions or negative versions thereof. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions by the Company, including statements made with respect to the expected benefits of acquisitions and divestitures, are also forward-looking statements. Forward-looking statements are based on expectations and projections 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 and mutual fund industries. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements. Material factors and assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting the Company’s operations will continue substantially in their current state, including, without limitation, with respect to market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, reinsurance, taxes, inflation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, investment values, global equity and capital markets, business competition, continuity and availability of personnel and third party service providers, the Company’s ability to complete strategic transactions and integrate acquisitions and that there will be no unplanned material changes to the Company’s facilities, customer and employee relations or credit arrangements. 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. Other important factors and assumptions that could cause actual results to differ materially from those contained in forward-looking statements include technological change, 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, unexpected judicial or regulatory proceedings and catastrophic events. 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 Company’s 2015 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](http://www.sedar.com). The reader is also cautioned to consider these and other factors carefully and not to place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company does not intend to update any forward-looking statements whether as a result of new information, future events or otherwise.

## CAUTIONARY NOTE REGARDING NON-IFRS FINANCIAL MEASURES

This document contains some non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, “operating earnings”, “constant currency basis”, “premiums and deposits”, “sales”, “assets under management”, “assets under administration” and other similar expressions. 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. Please refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.



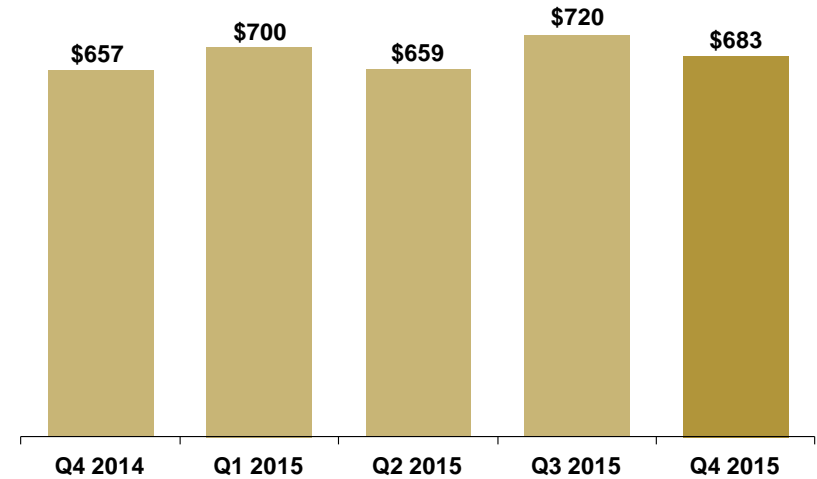
**Paul Mahon**  
President & CEO  
Great-West Lifeco

Financial Highlights & Business Developments

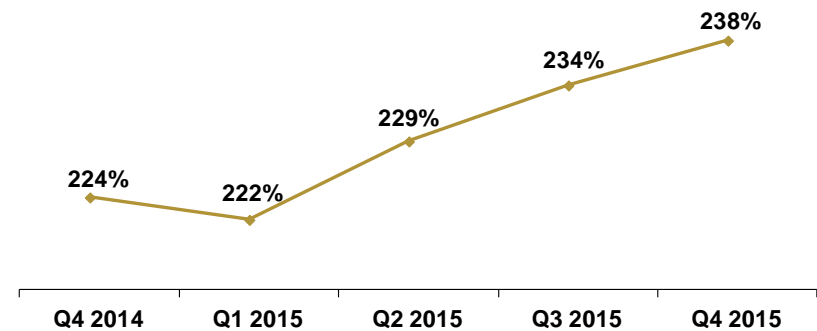
# Financial Highlights

- Dividend increased 6.1% to \$0.346 per share
- Earnings of \$683m, up 4% over Q4 2014
  - Economic headwinds partially offset by currency gains
- 2015 FY earnings of \$2.762b, up 8.5%
- Strong capital position
  - MCCSR of 238%
  - Lifeco cash of \$0.9b
- Intention to increase NCIB limit to 20 million

## Earnings (C\$m)



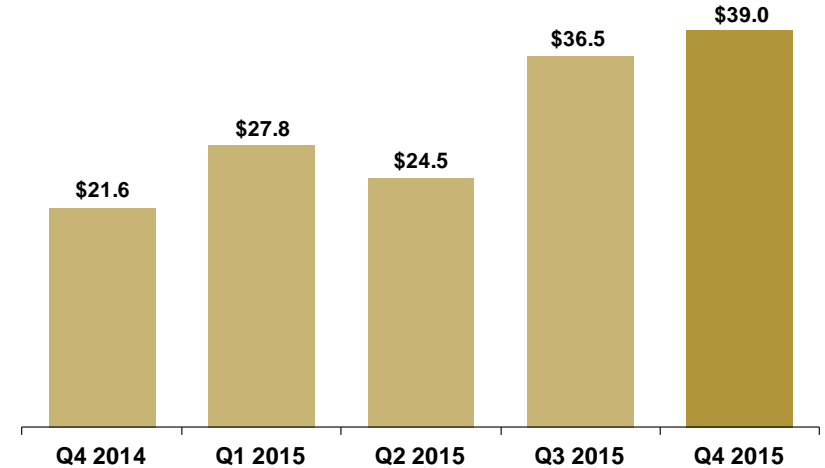
## MCCSR



# Financial Highlights - Strong Sales Performance

- Lifeco sales up 81%  
(58% constant currency)
- Canada
  - Solid contribution from all business lines
  - Individual Insurance up 17%
- U.S.
  - Empower Retirement up \$16.6b
- Europe
  - Strong growth across UK, Irish and German businesses

## Sales (C\$b)

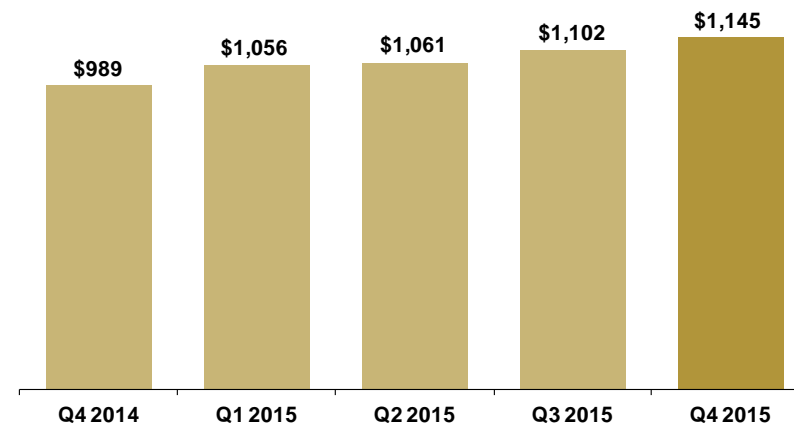


	Canada	U.S.	Europe	Lifeco
Q4 2015	3.5	31.6	3.9	39.0
Q3 2015	2.9	25.8	7.7	36.5
Q4 2014	3.3	15.1	3.2	21.6
YoY	5%	109%	24%	81%
Constant Currency	5%	78%	19%	58%

# Financial Highlights - Continuing Expense Management

- Lifeco expenses up 16% (6% constant currency)
- Canada
  - Strategic investments and supporting business growth
- U.S.
  - Sales growth, integration and currency impact
- Europe
  - Solvency II related spend leveling off
  - Irish Life synergies realized

## Expenses (C\$m) <sup>(1)</sup>



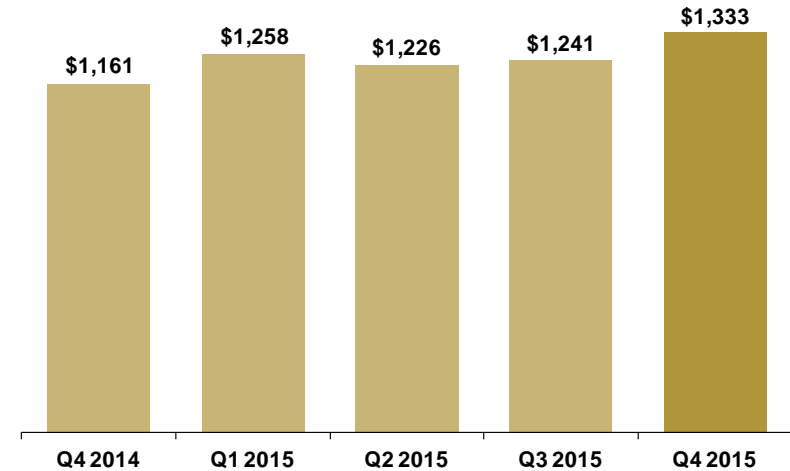
	Canada	U.S.	Europe	Lifeco <sup>(1)</sup>
Q4 2015	370	547	224	1,145
Q3 2015	352	529	218	1,102
Q4 2014	336	443	206	989
YoY	10%	23%	9%	16%
Constant Currency	10%	5%	2%	6%

(1) Lifeco totals include corporate expenses

## Financial Highlights - Growth in Fee Income

- Lifeco fee income up 15% (5% constant currency)
  - Assets under management continue to grow
- Canada
  - Positive cash flows and fund performance
- U.S.
  - Average assets increased due to strong sales and currency
- Europe
  - Positive cash flows, market and currency movements

### Fee Income (C\$m)



	Canada	U.S.	Europe	Lifeco
Q4 2015	369	637	327	1,333
Q3 2015	366	591	284	1,241
Q4 2014	349	522	290	1,161
YoY	6%	22%	13%	15%
Constant Currency	6%	4%	7%	5%

# Business Developments

## Canada

**Protect and extend leadership positions through organic growth**

- Strategic investments in digital services, innovation and data analytics
- Piloting an innovative health and wellness platform, to improve health outcomes of members and health plan costs of sponsors
- HelloLife™ introduced to help individuals create a retirement program tailored to their specific needs

## U.S.

**Invest for significant organic growth and consolidation opportunities**

- Multi-year investment in Empower Retirement, as 3 established retirement businesses are integrated under new brand
- Empower's sales growth continues with plan participants increasing to over 7.5 million
- Putnam launched Maneuver in Markets™, a program to assist advisors and their clients in navigating today's investment challenges

## Europe

**Targeted growth through acquisition and product expansion**

- European insurance subsidiaries now operating under Solvency II regime
- Irish Life integration concluded, outperforming on both synergies and gaining market share
- The integration of Legal & General International is on track
- Good sales momentum in Germany





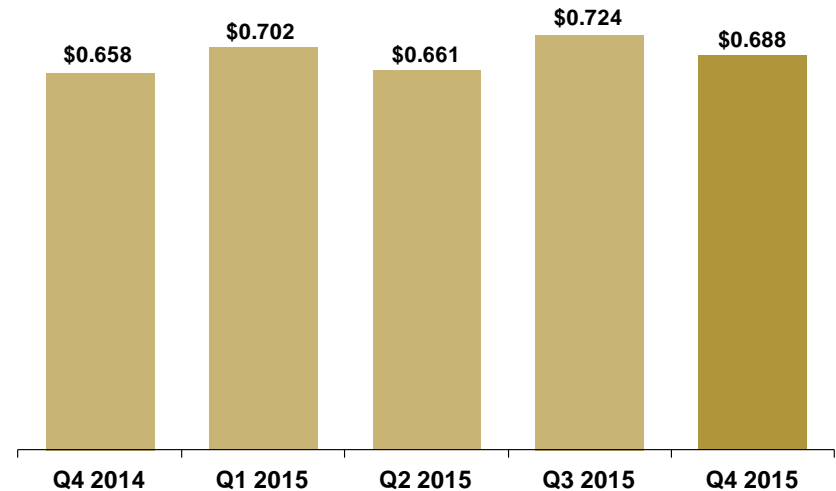
**Garry MacNicholas**  
EVP & CFO  
Great-West Lifeco

Summary of Results

# Summary of Results

- Lifeco's Q4 earnings of \$683m highlight geographically diverse businesses
- Q4 2014 included \$60m from actuarial standards changes
- Canada's earnings impacted by higher group disability claims
- U.S. earnings include a one-time tax item
- Europe benefited from strong Irish earnings
- Equity markets net impact of \$9m and credit market impact of (\$26m)

## Earnings per Share



## Earnings (C\$m)

	Canada	U.S.	Europe	Lifeco <sup>(1)</sup>
Q4 2015	262	125	303	683
Q3 2015	326	96	296	720
Q4 2014	300	89	274	657
YoY	(13%)	40%	11%	4%
Constant Currency	(13%)	19%	2%	(2%)

(1) Lifeco totals include corporate earnings

# Summary of Results

For the three months ended Dec. 31, 2015

<b>Source of Earnings (C\$m)</b>	<b>Canada</b>	<b>U.S.</b>	<b>Europe</b>	<b>Corp.</b>	<b>Q4/15 Total</b>	<b>Q4/14 Total</b>
Expected profit on in-force business	307	153	265	(3)	722	669
Impact of new business	(7)	(21)	(32)	-	(60)	(55)
Experience gains and losses	(11)	(27)	(22)	(1)	(61)	20
Management actions and changes in assumptions	38	22	89	-	149	221
Other	-	(4)	(3)	-	(7)	(7)
Earnings on surplus (incl. financing charges)	22	(2)	17	(4)	33	5
<b>Net income before tax</b>	<b>349</b>	<b>121</b>	<b>314</b>	<b>(8)</b>	<b>776</b>	<b>853</b>
Taxes	(62)	8	(5)	1	(58)	(162)
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>287</b>	<b>129</b>	<b>309</b>	<b>(7)</b>	<b>718</b>	<b>691</b>
Non-controlling interests & preferred dividends	(25)	(4)	(6)	-	(35)	(34)
<b>Net income – common shareholders</b>	<b>262</b>	<b>125</b>	<b>303</b>	<b>(7)</b>	<b>683</b>	<b>657</b>

# Summary of Results

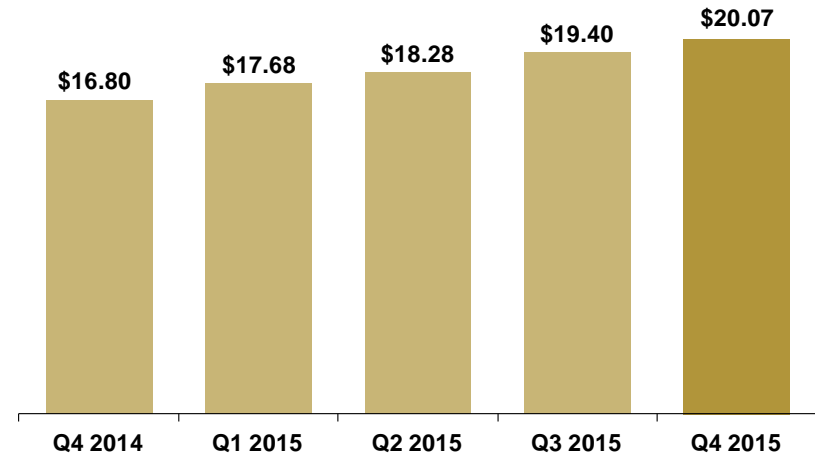
For the twelve months ended Dec. 31, 2015

<b>Source of Earnings (C\$m)</b>	<b>Canada</b>	<b>U.S.</b>	<b>Europe</b>	<b>Corp.</b>	<b>2015 Total</b>	<b>2014 Total</b>
Expected profit on in-force business	1,209	561	1,006	(13)	2,763	2,613
Impact of new business	(11)	(86)	(122)	-	(219)	(134)
Experience gains and losses	241	4	53	(3)	295	367
Management actions and changes in assumptions	79	54	331	-	464	422
Other	-	(12)	(23)	-	(35)	(32)
Earnings on surplus (incl. financing charges)	56	(27)	57	(7)	79	32
<b>Net income before tax</b>	<b>1,574</b>	<b>494</b>	<b>1,302</b>	<b>(23)</b>	<b>3,347</b>	<b>3,268</b>
Taxes	(276)	(76)	(105)	7	(450)	(596)
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>1,298</b>	<b>418</b>	<b>1,197</b>	<b>(16)</b>	<b>2,897</b>	<b>2,672</b>
Non-controlling interests & preferred dividends	(103)	(9)	(23)	-	(135)	(126)
<b>Net income – common shareholders</b>	<b>1,195</b>	<b>409</b>	<b>1,174</b>	<b>(16)</b>	<b>2,762</b>	<b>2,546</b>

# Summary of Results

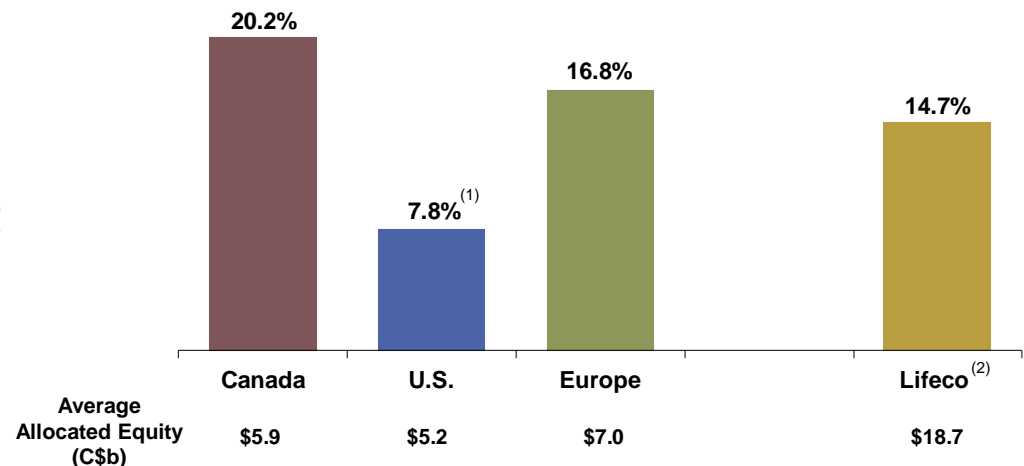
- Lifeco cash at quarter end was \$0.9b
- Lifeco book value per share increased 19% from Q4/14

## Book Value per Share



- Return on Equity of 14.7%
- ROE decreased from prior year primarily due to currency impact on average equity

## Return on Equity

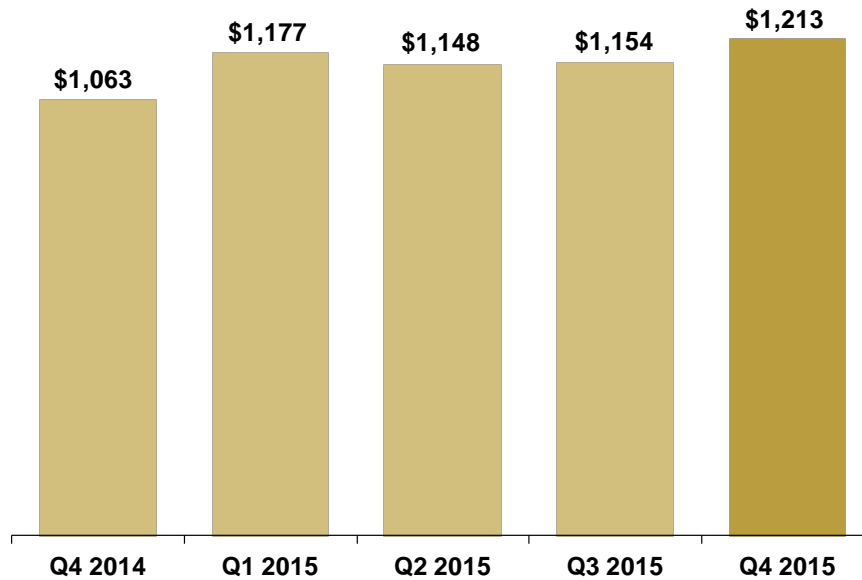


1) Reported ROE for Great-West Financial of 13.0% and 1.4% for Putnam

2) Lifeco Average Allocated Equity includes \$0.6 billion attributable to Lifeco Corporate

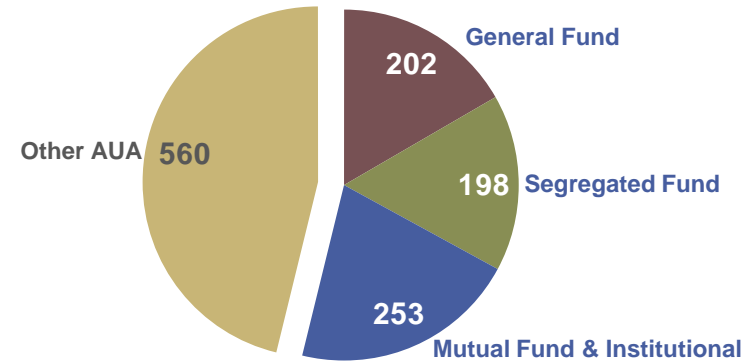
# Summary of Results

## Assets Under Administration (C\$b)

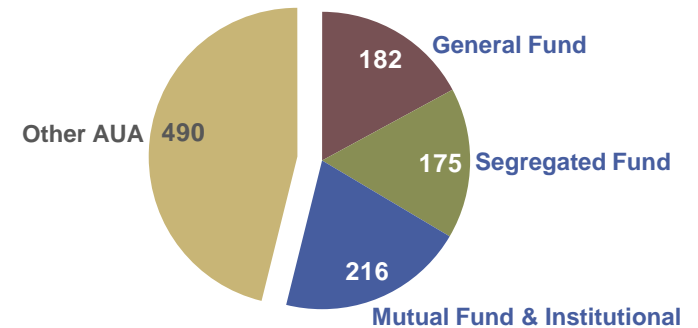


- Total AUA up 14% over Q4 2014, mainly driven by currency
- AUA growth was 16% in Europe, 16% in the US, and 3% in Canada
- Of \$1.2t total AUA, \$653b is AUM

## Q4 2015 - \$653b in AUM



## Q4 2014 - \$573b in AUM



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## Questions



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## Appendix





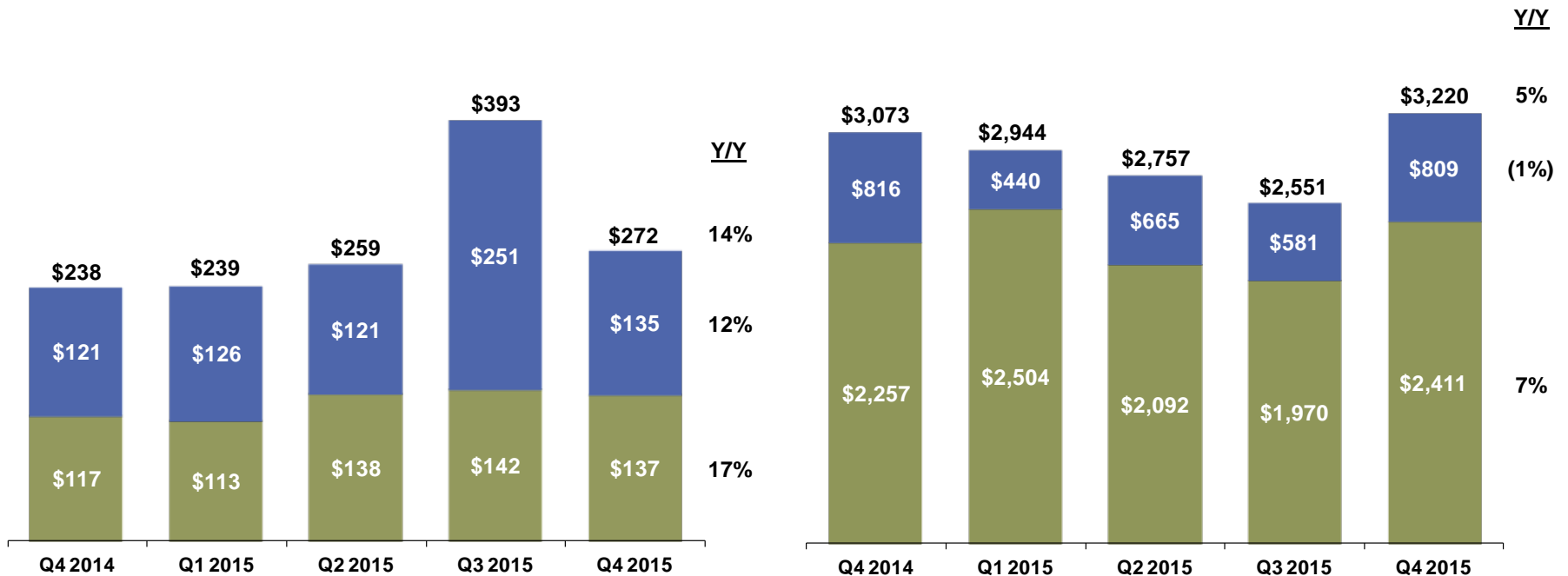
# Canada - Sales

(C\$m)

## Insurance

## Wealth Management

■ Individual ■ Group

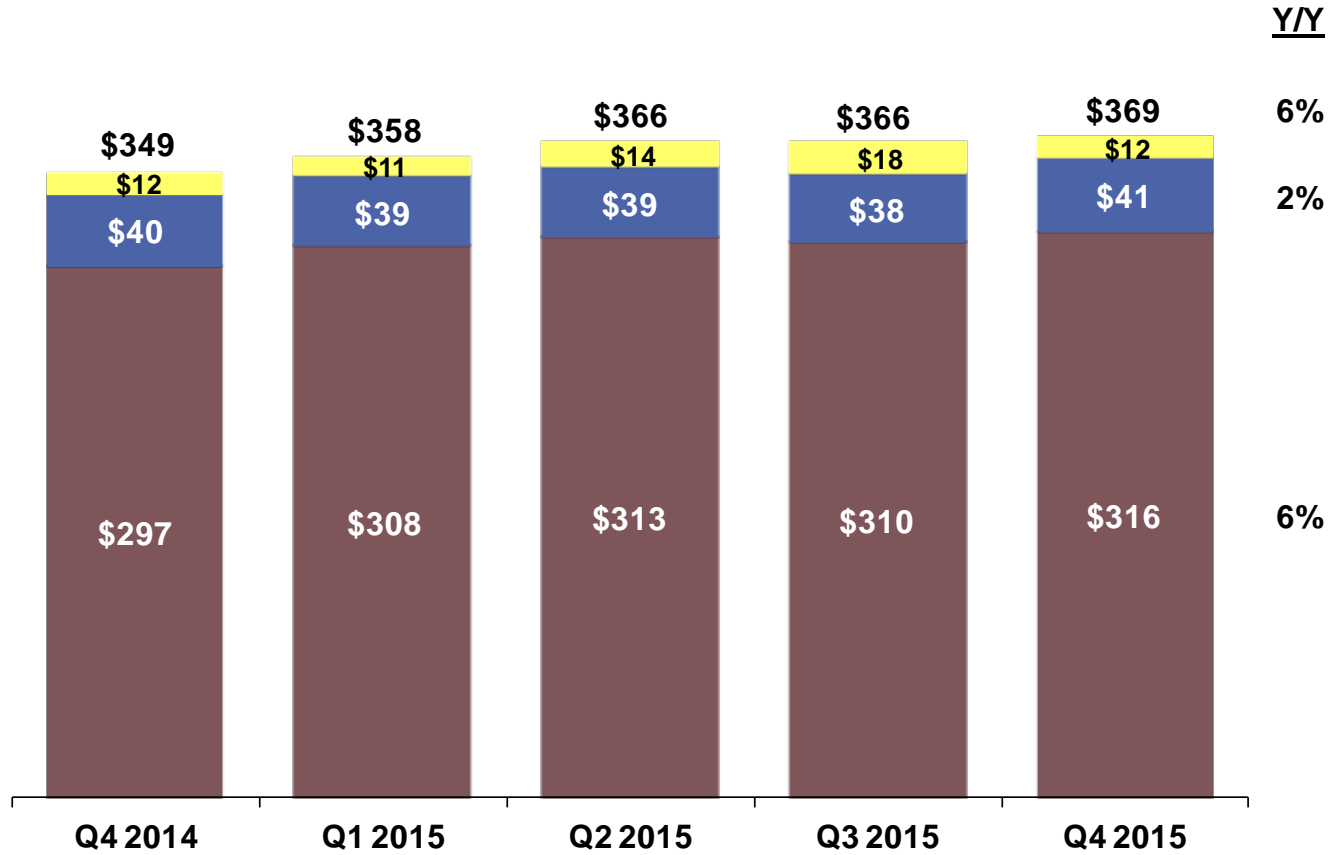


- Group Retirement Services and Individual Wealth Management had positive cash flows of \$358m in the quarter

# Canada - Fee Income

(C\$m)

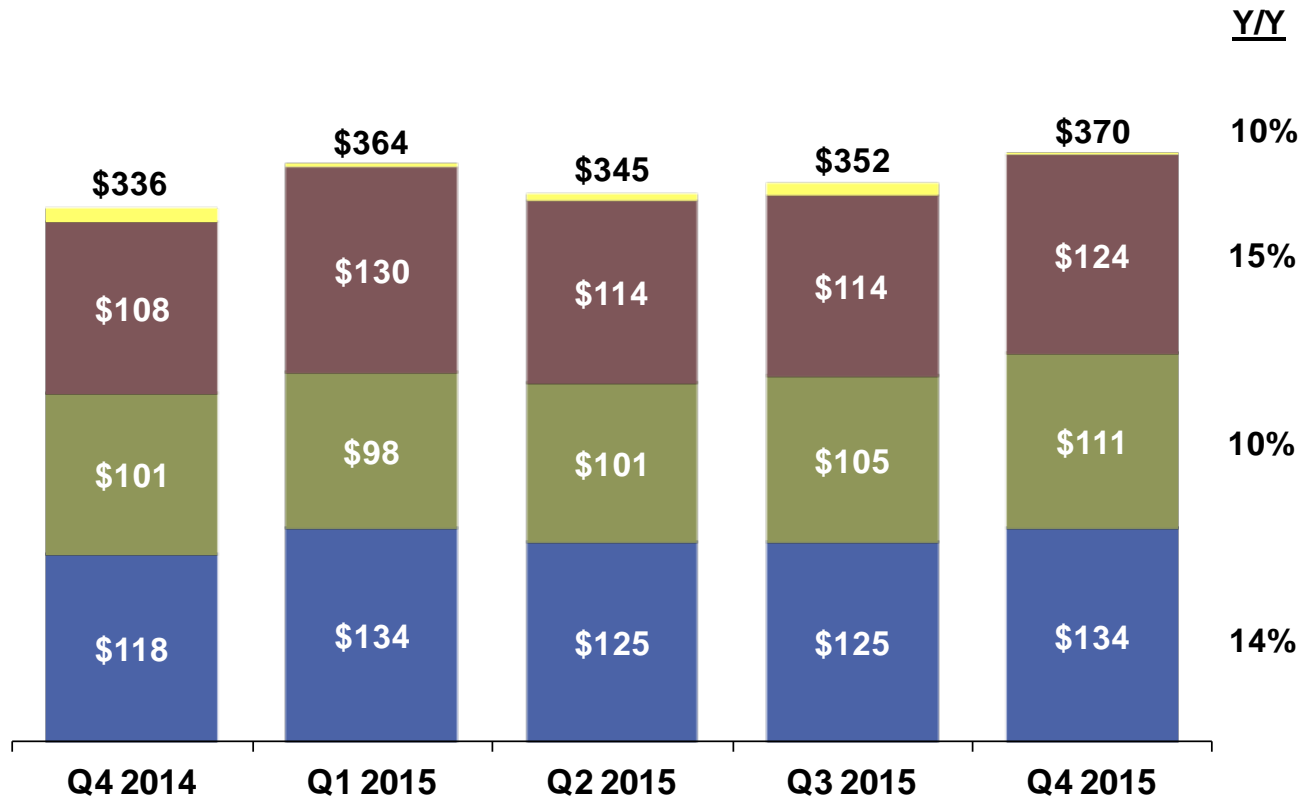
■ Wealth Management ■ Group Insurance ■ Corporate



Note: Corporate segment includes Great-West Realty Advisors

# Canada - Operating Expenses

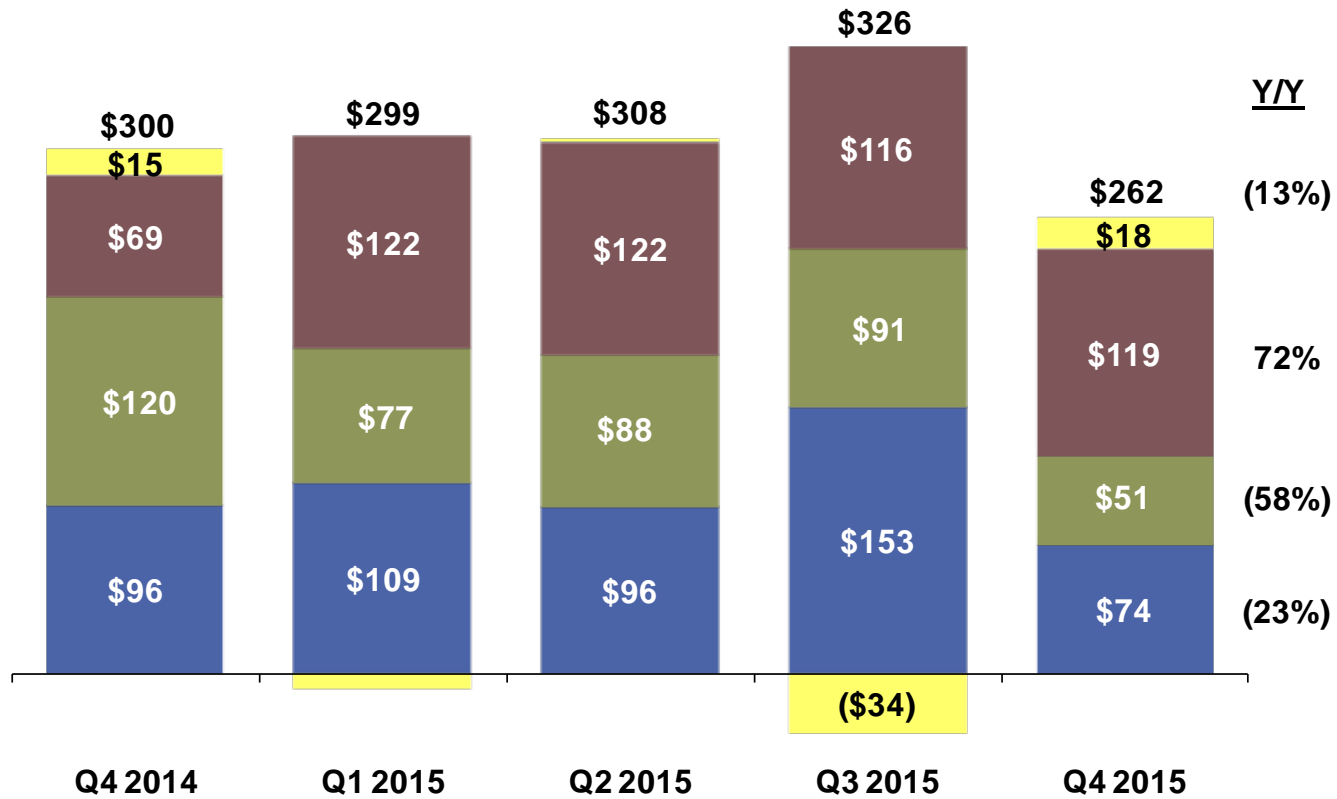
(C\$m)



# Canada - Operating Earnings

(C\$m)

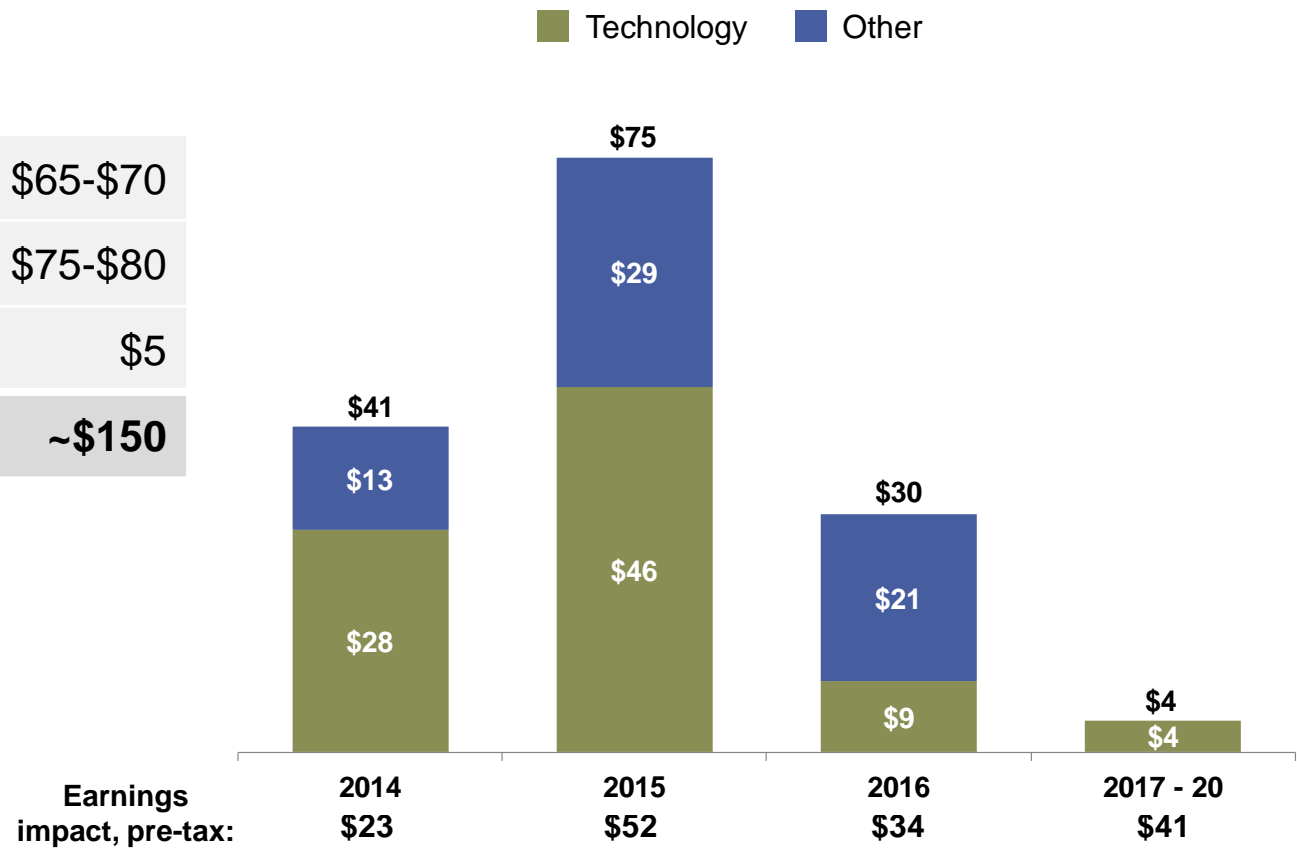
■ Group Insurance      ■ Wealth Management  
■ Individual Insurance      ■ Corporate



# Empower Retirement Investment Program: US\$150m over five years

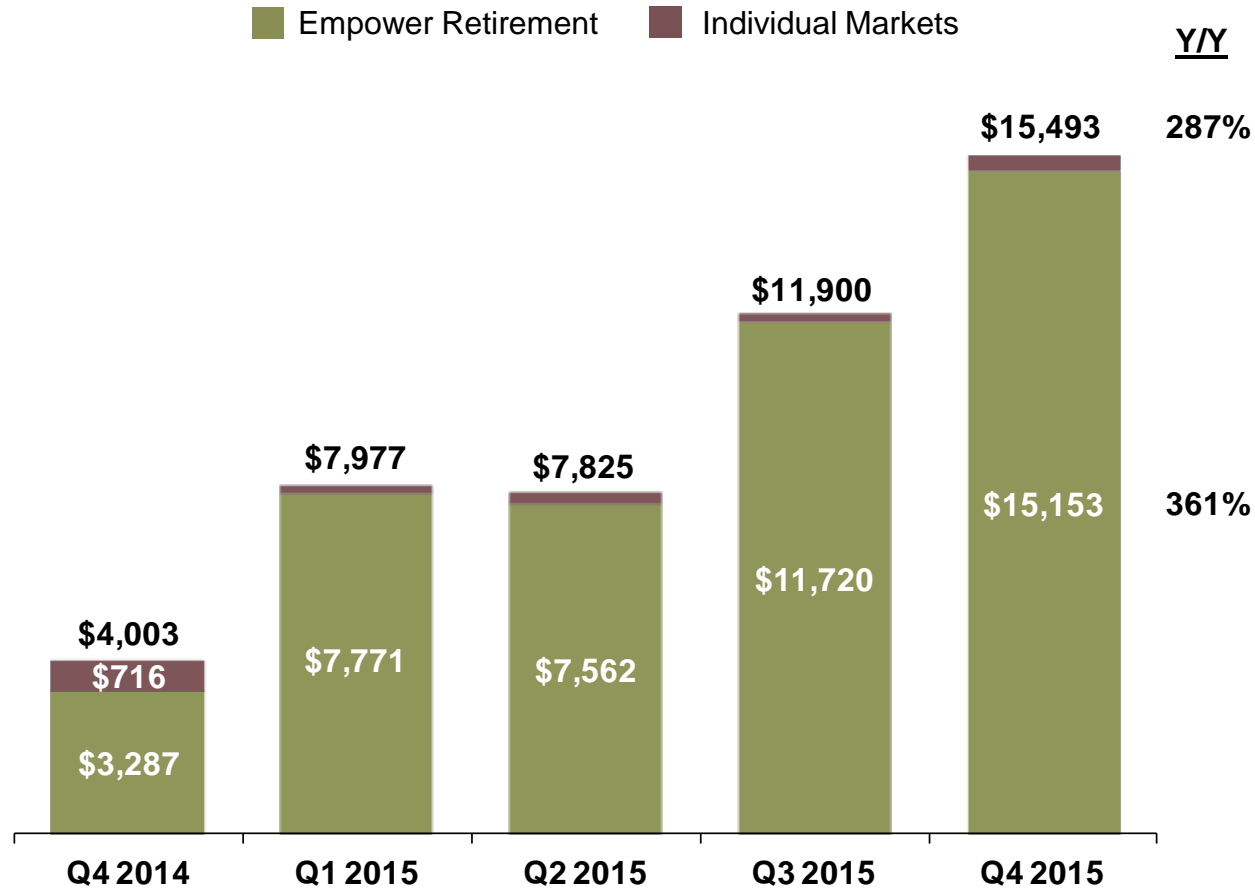
(US\$m)

Integration	\$65-\$70
Growth	\$75-\$80
India expansion	\$5
<b>Total (2014-20)</b>	<b>~\$150</b>



# Great-West Financial - Sales

(US\$m)



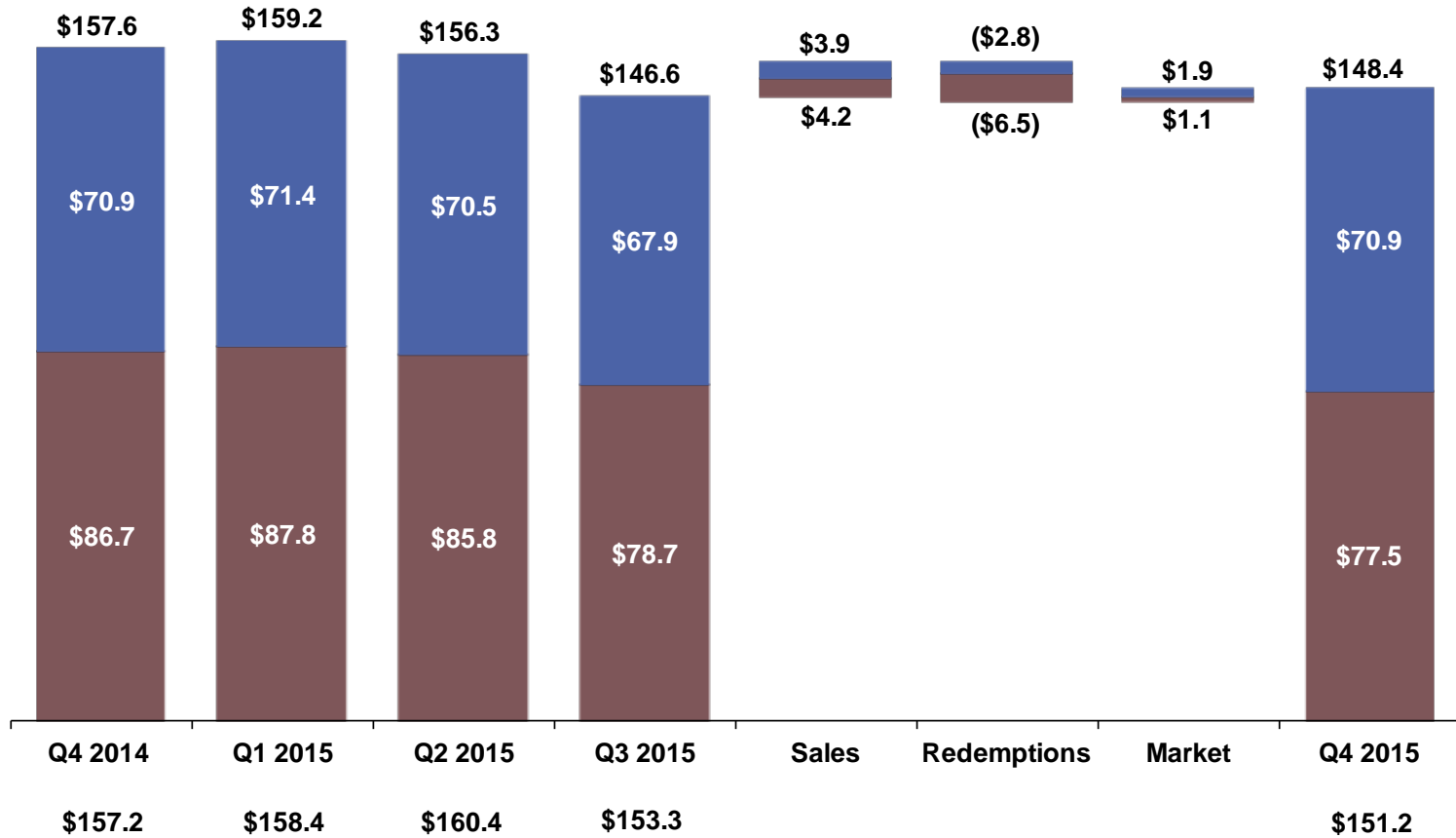
Notes:

Empower Retirement includes the individual retirement account (IRA) business in 2015 that was reported with the Individual Markets' results in 2014. IRA sales were US\$413m in Q4 2014

# Putnam AUM & Flows

(US\$b)

Mutual Funds Institutional



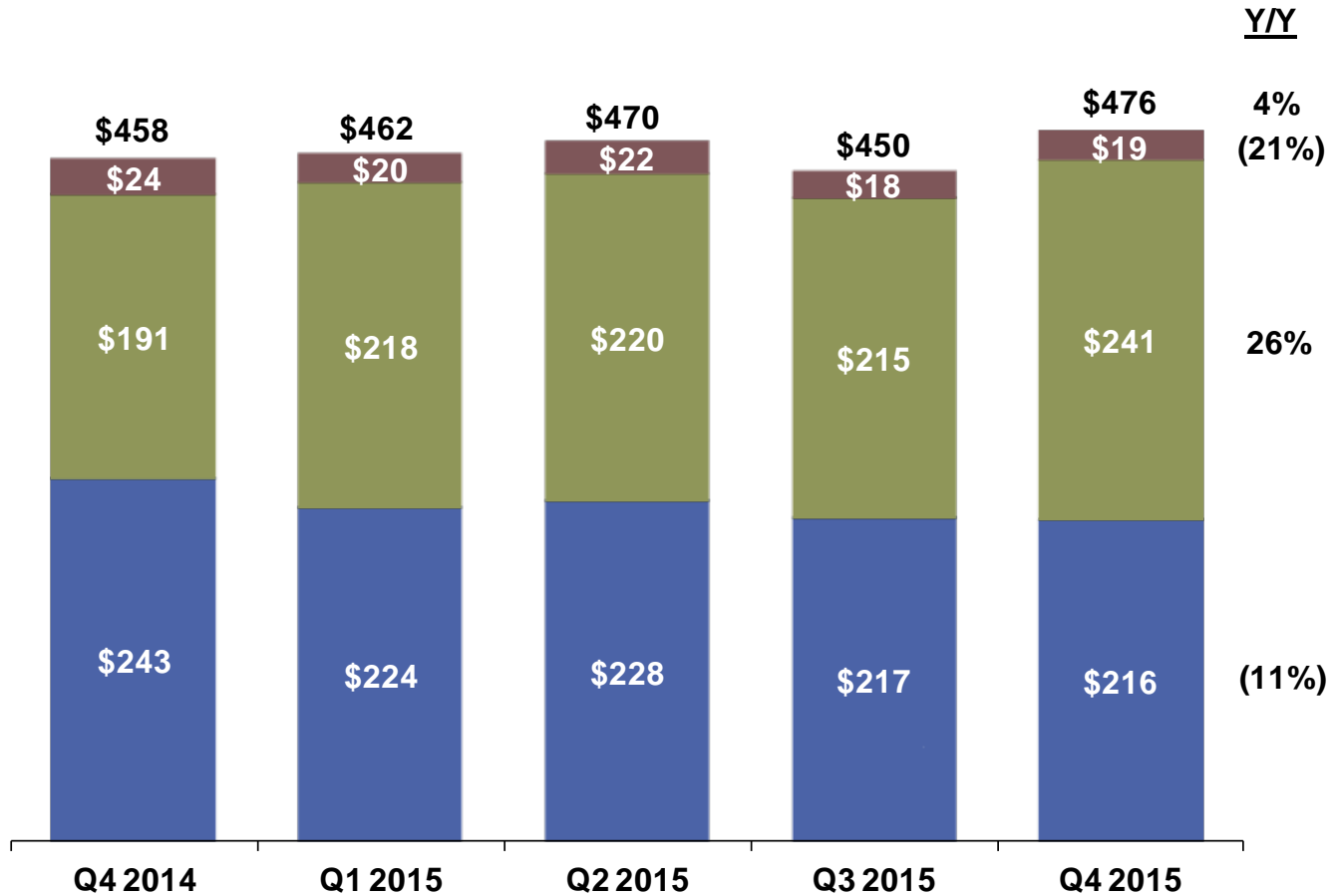
In-Qtr Avg.  
AUM

\$157.2    \$158.4    \$160.4    \$153.3    \$151.2

# U.S. - Fee Income

(US\$m)

Putnam Empower Retirement Individual Markets

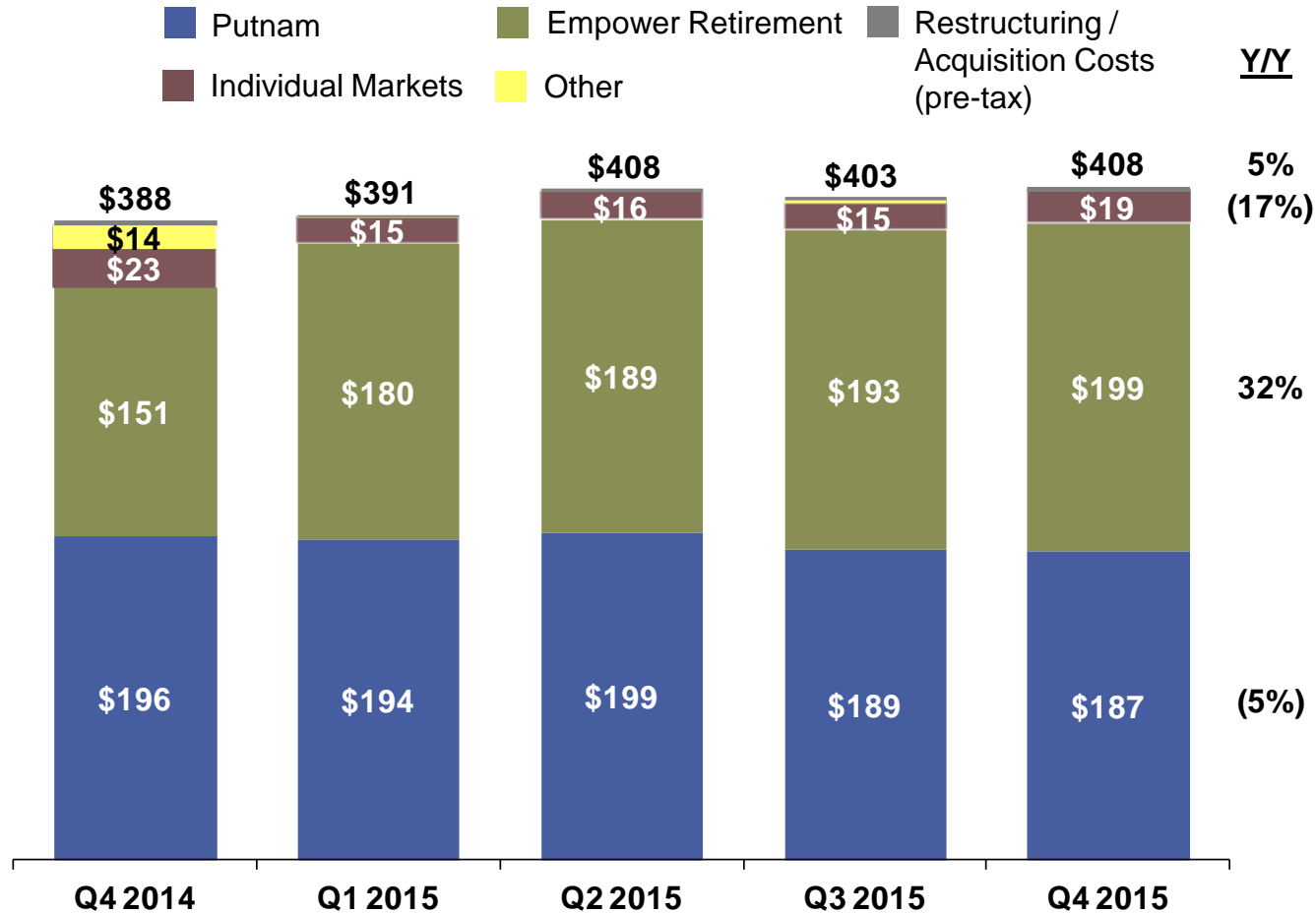


Note: Comparative figures were not restated for transfer of defined contribution business from Putnam to Empower Retirement. If they were, fee income for Putnam would have been approximately US\$235m in Q4/14



# U.S. - Operating Expenses

(US\$m)



Notes:

At Empower, operating expenses were impacted by integration efforts as well as the transfer of the Individual Retirement Account and Putnam's defined contribution businesses

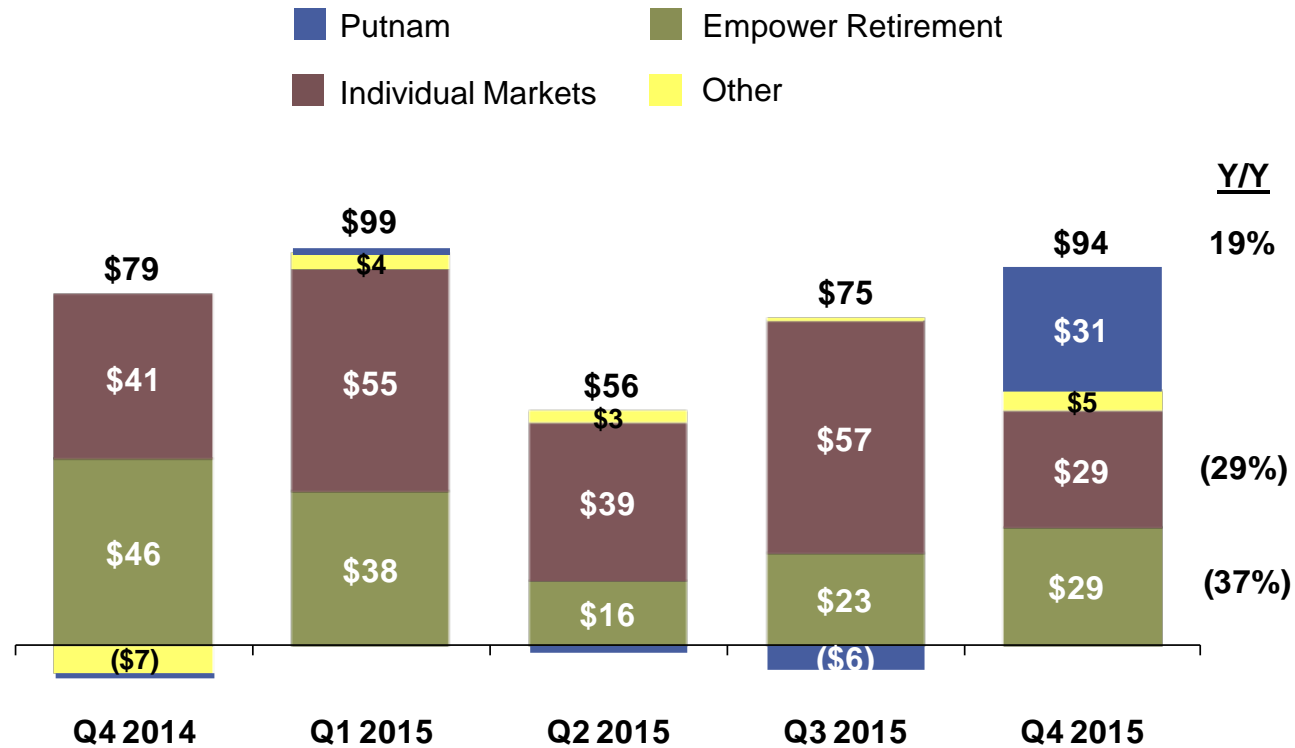
At Putnam, Q4/14 includes a net gain related to the settlement of a legal matter of US\$20m

Pre-tax restructuring costs and acquisition expenses from J.P. Morgan RPS were US\$4m in Q4/14, US\$1m in Q1/15, US\$3m in Q2/15, US\$2m in Q3/15, and US\$3m in Q4/15

Comparative figures were not restated for the transfer of defined contribution business from Putnam to Empower Retirement. If they were, operating expenses for Putnam would have been approximately US\$182m in Q4/14

# U.S. - Operating Earnings

(US\$m)



Notes:

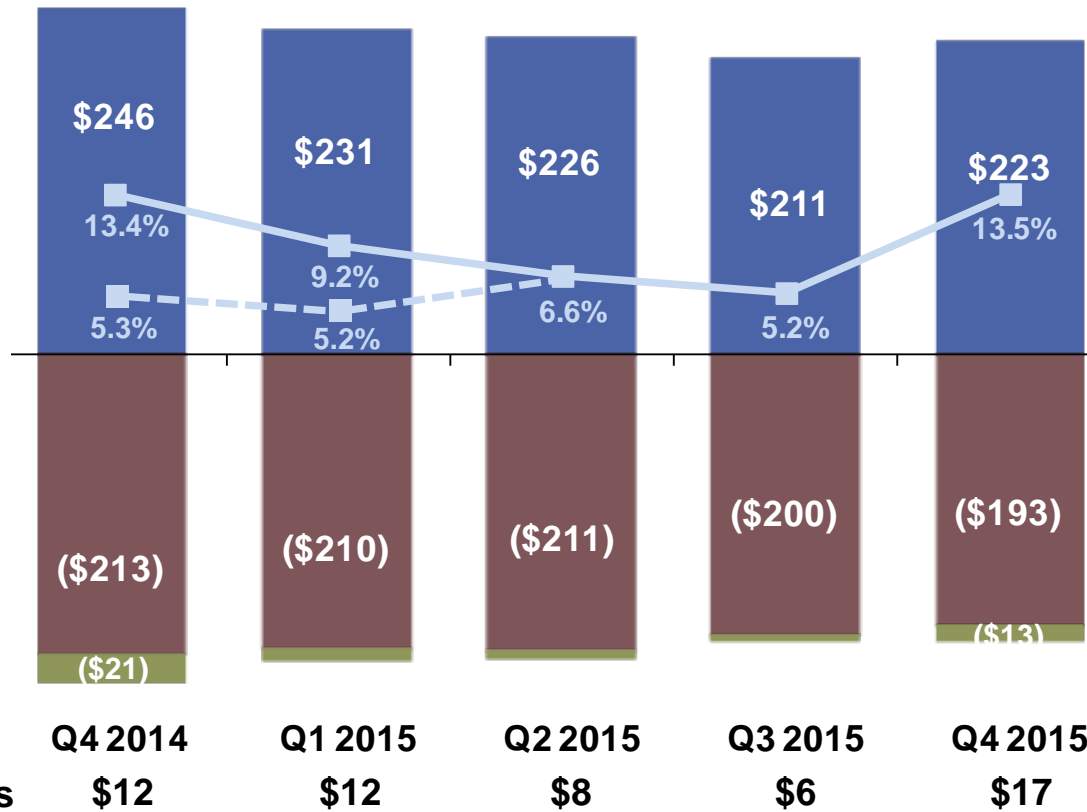
Excludes U.S. Corporate which represents post-tax restructuring costs and acquisition expenses from J.P. Morgan RPS which were US\$2m in Q4/14, US\$1m in Q1/15, US\$1m in Q2/15, US\$2m in Q3/15, and US\$2m in Q4/15

Comparative figures were not restated for transfer of defined contribution business from Putnam to Empower Retirement. If they were, operating earnings for Putnam would have been approximately US\$3m in Q4/14

# Putnam - Core Net Earnings

(US\$m)

■ Expenses ■ Income Taxes  
■ Fee & Net Inv Income —■— Operating Margin (Pre-tax)



Notes:

Q4/14 includes a net gain related to the settlement of a legal matter of US\$20m without which the operating margin (pre-tax) would have been 5.3%

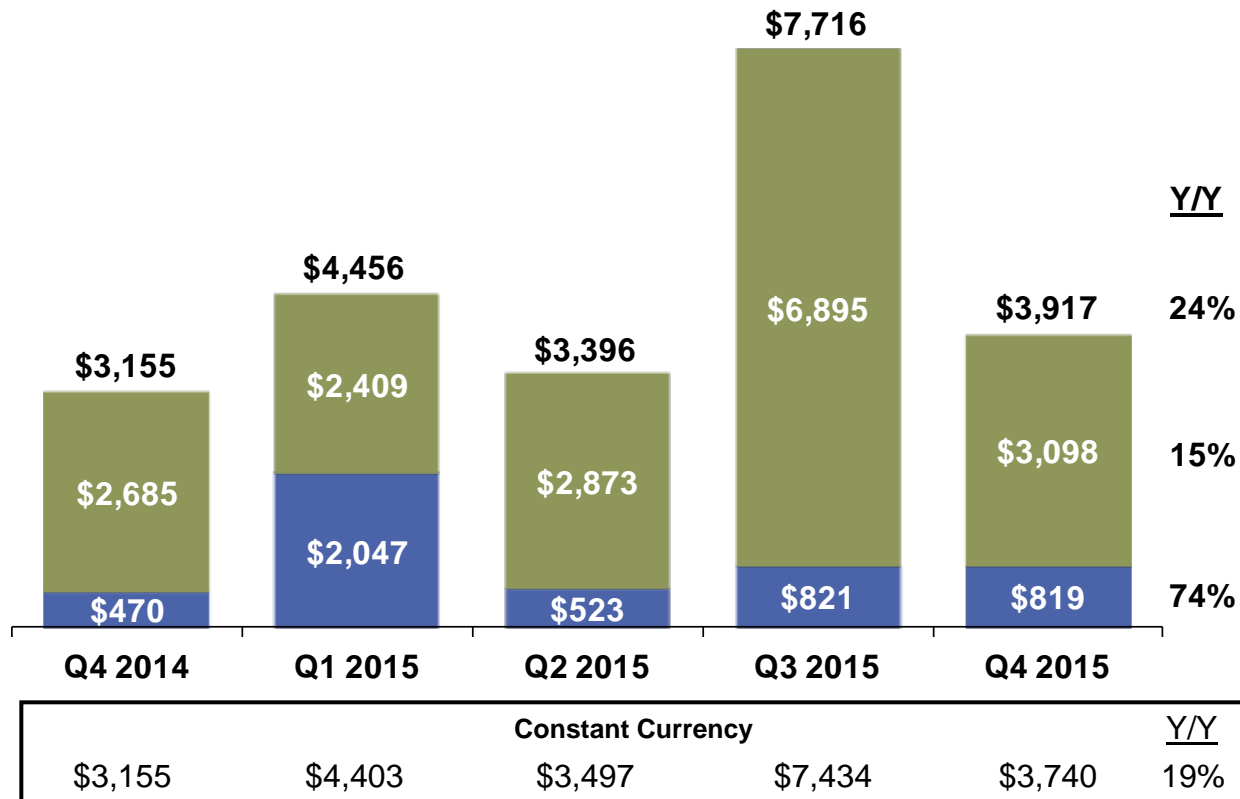
Q1/15 includes expense recoveries of US\$9m without which the operating margin (pre-tax) would have been 5.2%

Core net earnings (loss) (a non-IFRS financial measure) is a measure of the Asset Management business unit's performance. Core net earnings (loss) include the impact of dealer commissions and software amortization, and excludes the impact of corporate financing charges and allocations, fair value adjustments related to stock-based compensation, certain tax adjustments and other non-recurring transactions

# Europe - Sales

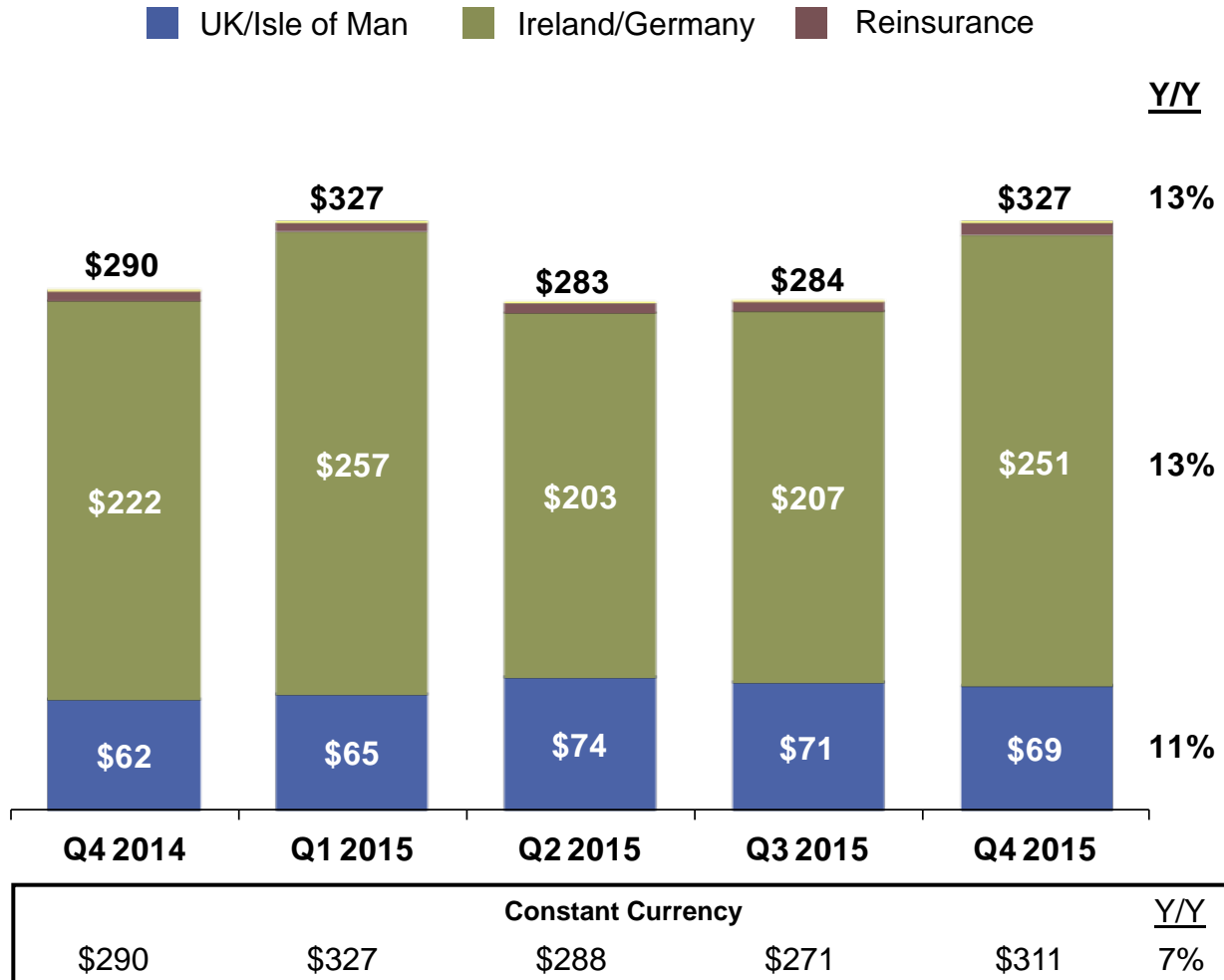
(C\$m)

■ UK/Isle of Man   ■ Ireland/Germany



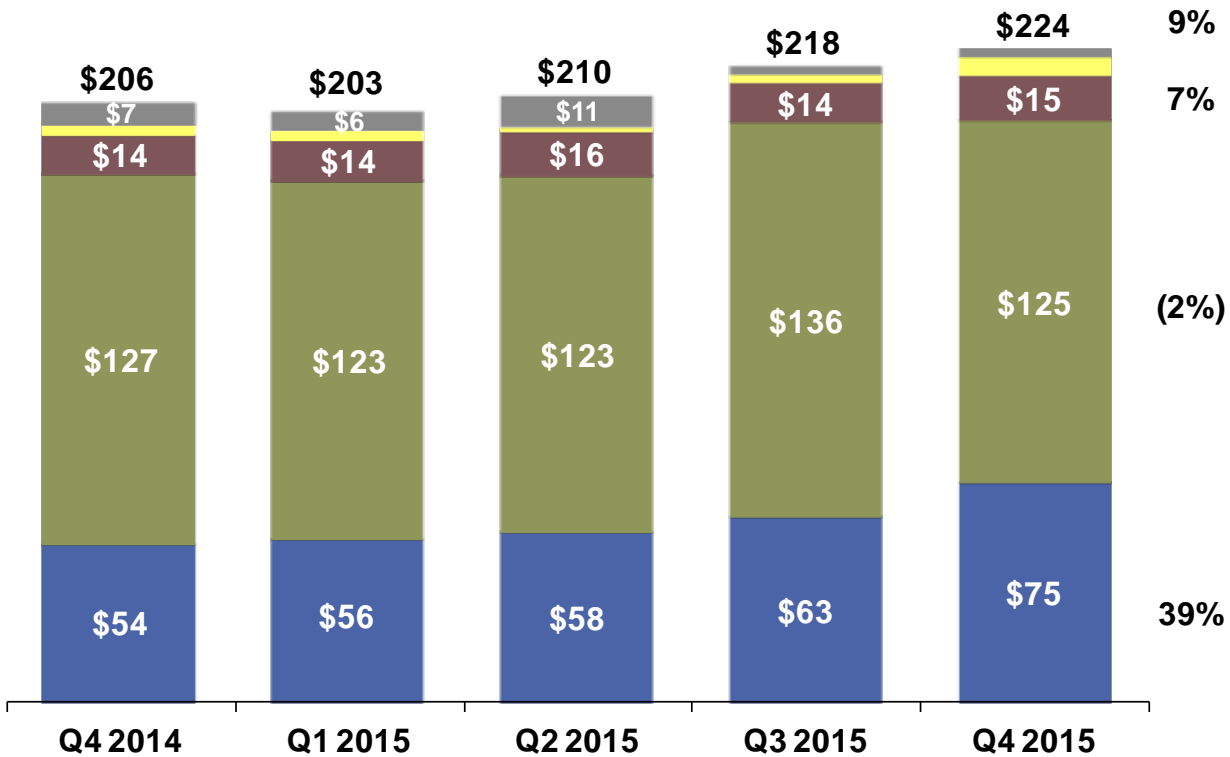
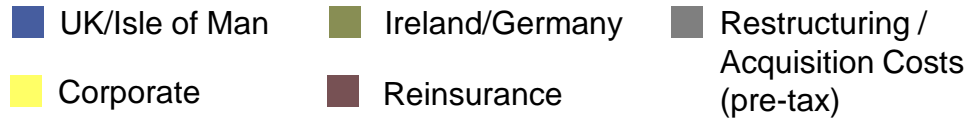
# Europe - Fee Income

(C\$m)



# Europe - Operating Expenses

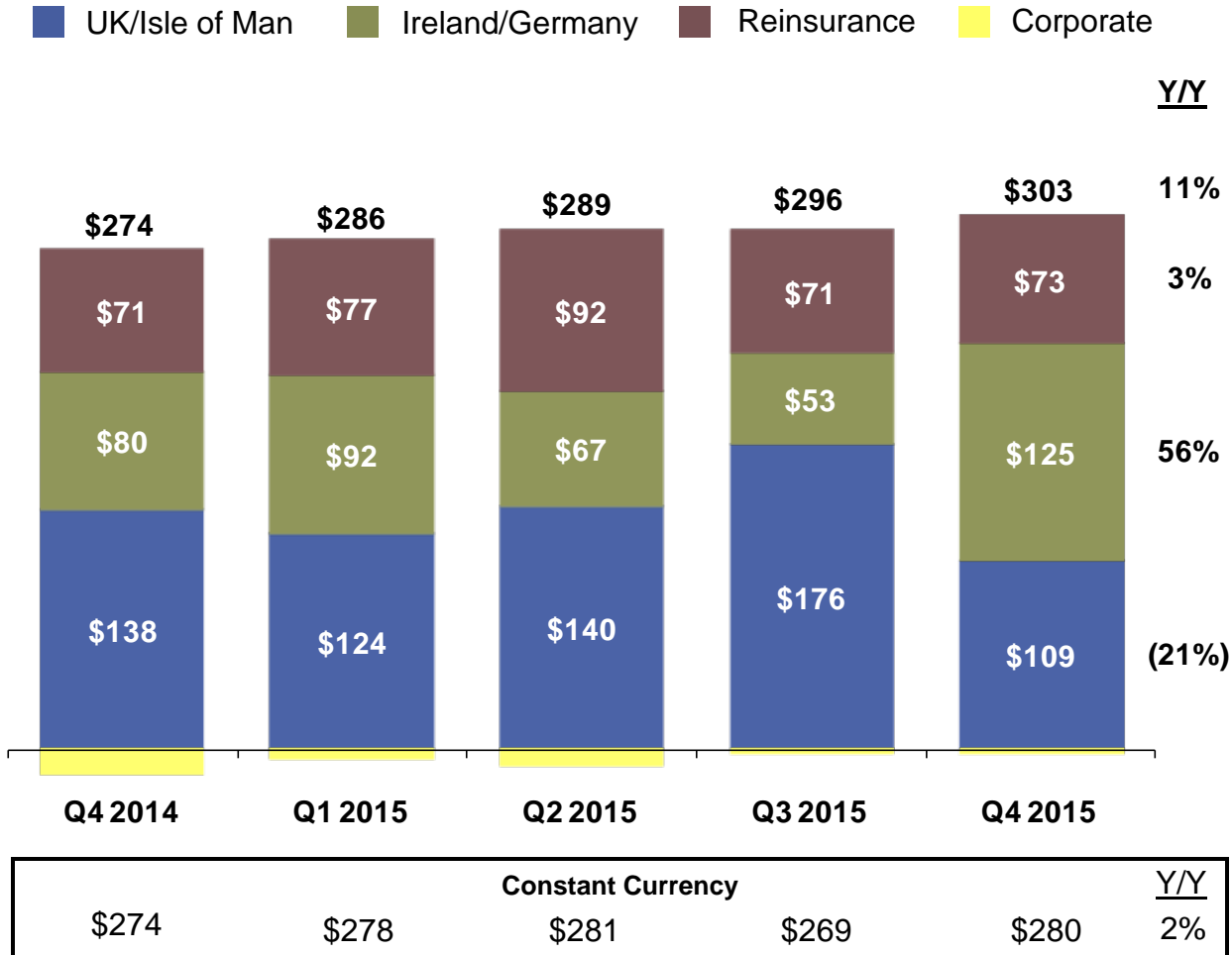
(C\$m)



Constant Currency					<u>Y/Y</u>
\$206	\$202	\$212	\$207	\$211	2%

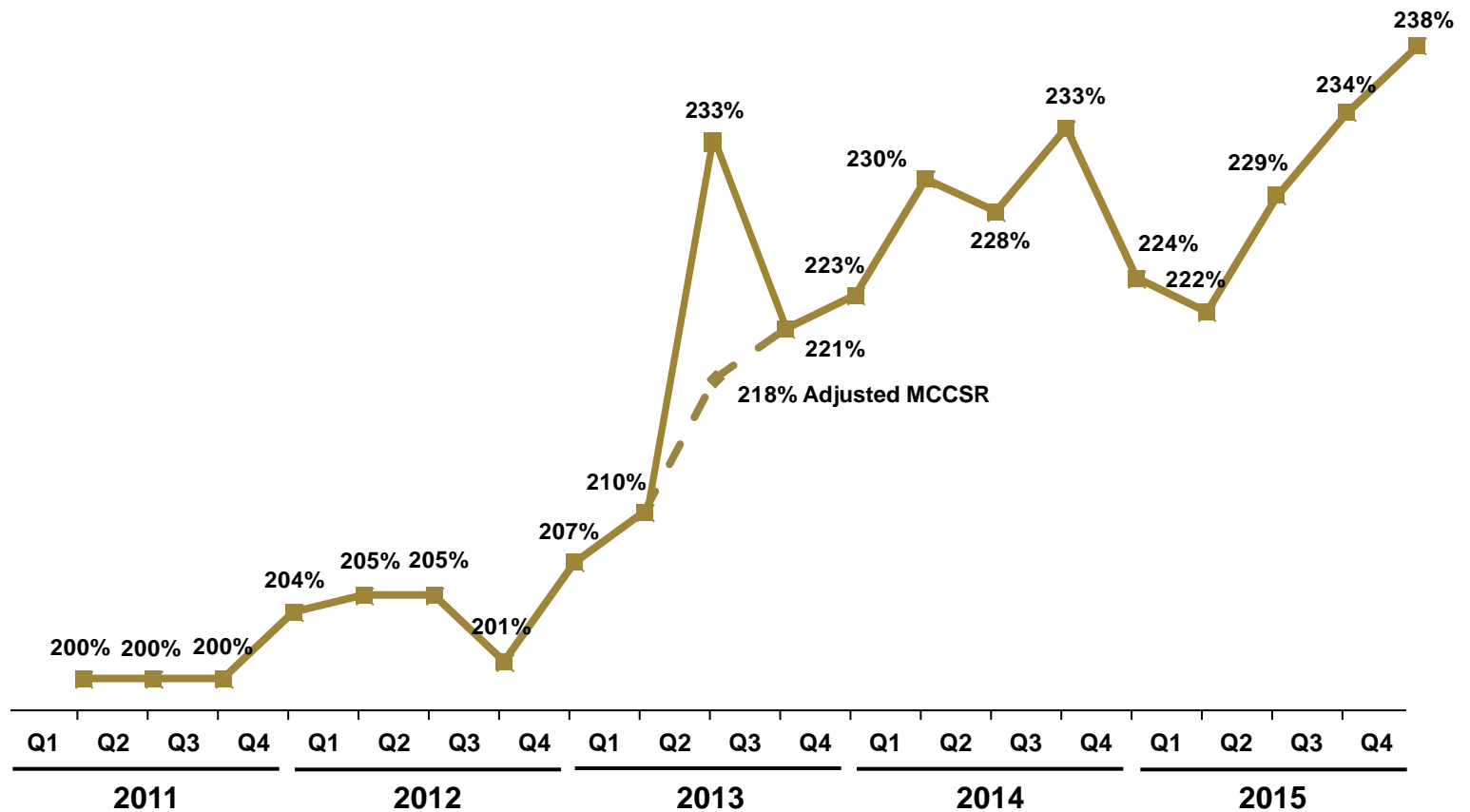
# Europe - Operating Earnings

(C\$m)



- Q4 2015 earnings included \$110 million from Ireland

# Consolidated MCCR Ratio



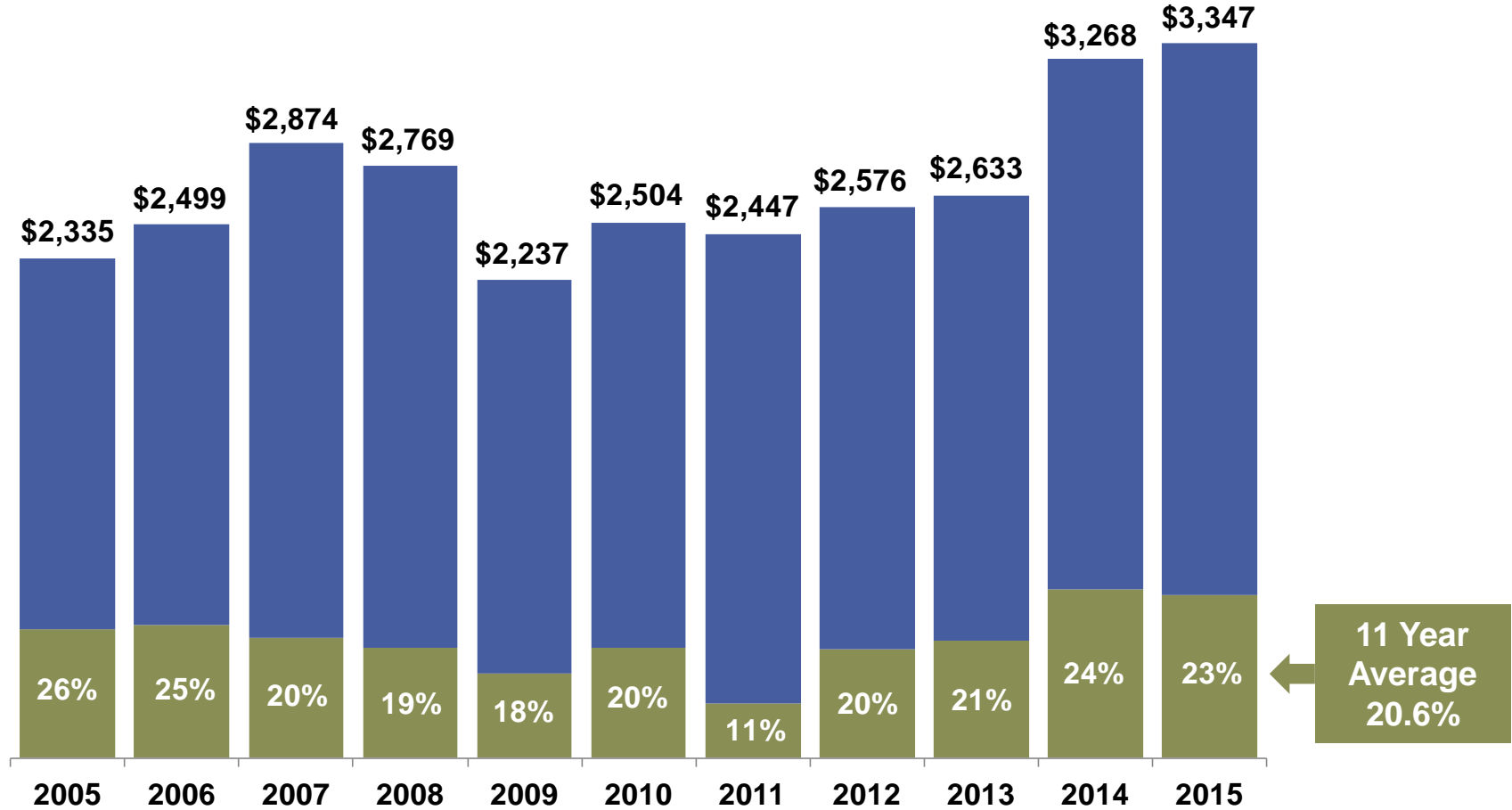
- The Great-West Life Assurance Company's MCCR of 238% is a 4 point increase from Q3/15
- Positive impacts of strong quarterly earnings performance and a small fair value related decrease in capital requirements
- The MCCR ratio does not include holding company cash which would add approximately 13 points to the ratio



# Stable Trend Over The Years

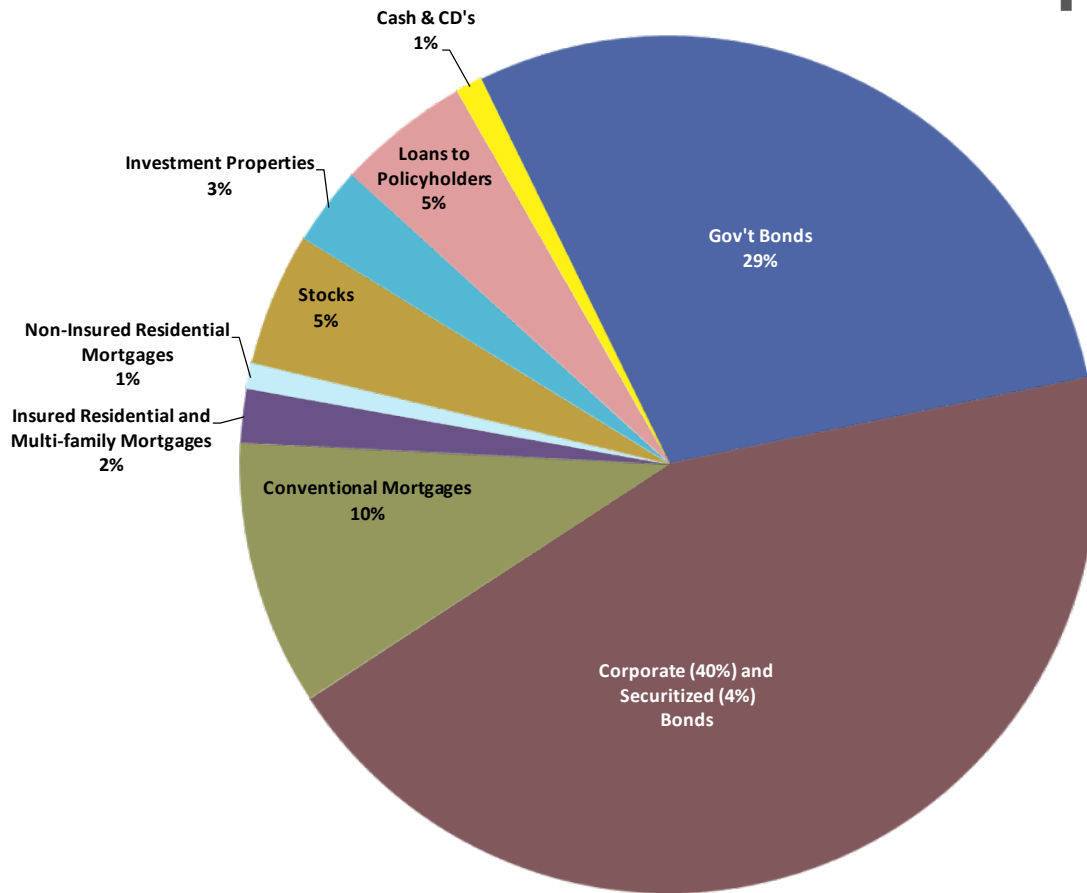
(C\$m)

■ Experience Gains (Losses), Management Actions, and Changes in Assumptions as a % of Net Income Before Tax



Note: Experience Gains (Losses), Management Actions, and Changes in Assumptions exclude Putnam for 2008-2012; include Putnam for 2013-2015

# Invested Asset Composition\*



- Invested assets at December 31, 2015 were \$175.1b
- Diversified high quality portfolio:
  - Bonds represent 73% of invested assets (98% are investment grade; 82% rated A or higher)
  - Mortgage portfolio represents 13% of invested assets, and is well diversified by geography and property type. Portfolio is well seasoned, with minimal impairments; delinquencies > 90 days on non-impaired mortgages are negligible
  - Stocks represent 5% of invested assets, mostly Canadian publicly traded
  - Investment Properties represent 3% of invested assets (34% in Canada; 65% in UK). Properties are unlevered; UK properties benefit from long term lease contracts

\* Includes certain funds held by ceding insurers (carrying value of \$13.5b)

# Lifeco Consolidated Bond Portfolio\*

	<u>Corporate and Securitized</u>				<u>% of Invested Assets</u>	<u>\$ (millions)</u>
	<u>Governments</u>	<u>Banks</u>	<u>Financial Services</u>	<u>Other Corporate and Securitized</u>		
United States	6.5%	0.7%	1.6%	15.8%	24.6%	43,068
Canada	10.6%	1.0%	0.2%	7.7%	19.5%	34,087
United Kingdom	7.6%	1.2%	1.5%	8.2%	18.5%	32,435
Ireland	0.4%	0.0%	0.0%	0.1%	0.5%	821
	<u>25.1%</u>	<u>2.9%</u>	<u>3.3%</u>	<u>31.8%</u>	<u>63.1%</u>	<u>110,411</u>
<b>Eurozone (excluding Ireland)</b>						
Germany	1.6%	0.0%	0.1%	1.1%	2.8%	4,823
France	0.4%	0.3%	0.1%	0.6%	1.4%	2,508
Netherlands	0.4%	0.2%	0.1%	0.4%	1.1%	1,835
Belgium	0.1%	0.0%	0.0%	0.2%	0.3%	495
Italy	0.0%	0.0%	0.0%	0.3%	0.3%	500
Austria	0.2%	0.0%	0.0%	0.0%	0.2%	400
Spain	0.0%	0.2%	0.0%	0.0%	0.2%	423
Finland	0.1%	0.0%	0.0%	0.0%	0.1%	253
Luxembourg	0.0%	0.0%	0.0%	0.0%	0.0%	73
Portugal	0.0%	0.0%	0.0%	0.0%	0.0%	16
	<u>2.8%</u>	<u>0.7%</u>	<u>0.3%</u>	<u>2.6%</u>	<u>6.4%</u>	<u>11,326</u>
<b>Other Europe</b>						
Sweden	0.1%	0.2%	0.1%	0.1%	0.5%	870
Switzerland	0.0%	0.1%	0.1%	0.2%	0.4%	740
Norway	0.0%	0.1%	0.0%	0.2%	0.3%	509
Denmark	0.1%	0.0%	0.0%	0.0%	0.1%	150
Isle of Man	0.1%	0.0%	0.0%	0.0%	0.1%	139
Jersey	0.1%	0.0%	0.0%	0.0%	0.1%	88
Guernsey	0.0%	0.0%	0.0%	0.0%	0.0%	79
	<u>0.4%</u>	<u>0.4%</u>	<u>0.2%</u>	<u>0.5%</u>	<u>1.5%</u>	<u>2,575</u>
<b>Asia Pacific</b>						
Australia	0.0%	0.3%	0.0%	0.7%	1.0%	1,737
Japan	0.0%	0.0%	0.0%	0.3%	0.3%	547
Singapore	0.1%	0.0%	0.0%	0.0%	0.1%	201
New Zealand	0.0%	0.0%	0.0%	0.1%	0.1%	145
Hong Kong	0.0%	0.0%	0.0%	0.0%	0.0%	40
China	0.0%	0.0%	0.0%	0.0%	0.0%	14
	<u>0.1%</u>	<u>0.3%</u>	<u>0.0%</u>	<u>1.1%</u>	<u>1.5%</u>	<u>2,684</u>
<b>All Other</b>	0.8%	0.0%	0.0%	0.1%	0.9%	1,515
<b>Total %</b>	<u>29.2%</u>	<u>4.3%</u>	<u>3.8%</u>	<u>36.1%</u>	<u>73.4%</u>	<u>128,511</u>
<b>Total \$ (millions)</b>	<u>51,179</u>	<u>7,585</u>	<u>6,637</u>	<u>63,110</u>	<u>128,511</u>	

\*Includes certain funds held by ceding insurers

## Corporate and Securitized Bonds - Sector Diversification\*

	<b>% of Invested Assets</b>		<b>% of Invested Assets</b>
<b><u>Corporates</u></b>		<b><u>Securitized</u></b>	
Electric Utilities	6.1%	CMBS	1.6%
Consumer Products	5.3%	RMBS	0.4%
Banks	4.3%	Other ABS	2.4%
Financial Services	3.8%		
Real Estate	3.7%	<b>Total Securitized</b>	<b>4.4%</b>
Oil and Gas	3.0%		
Miscellaneous	2.5%	<b>Total Corporates and Securitized</b>	<b>44.2%</b>
Other Utilities	1.9%		
Other Transportation	1.8%		
Industrial Products	1.7%		
Gas Utilities	1.3%		
Basic Materials	1.3%		
Air Transportation	1.2%		
Communications	1.1%		
Auto & Auto Parts	0.8%		
<b>Total Corporates</b>	<b>39.8%</b>		

\*Includes certain funds held by ceding insurers

## Direct Energy Exposure - Bonds

(C\$m) Carrying value

Sub-Sector	AAA	AA	A	BBB	BB & Lower	Total	% of Lifeco IA	Amortized Cost
Midstream	-	-	977	1,113	80	2,170	1.3%	2,137
Integrated	4	399	556	131	-	1,090	0.6%	1,065
Independent	-	-	259	468	31	758	0.4%	779
Oil Field Services	-	26	283	203	25	537	0.3%	550
Refining	-	-	50	213	-	263	0.2%	255
Government Agency	-	287	54	40	17	398	0.2%	391
<b>Total</b>	<b>4</b>	<b>712</b>	<b>2,179</b>	<b>2,168</b>	<b>153</b>	<b>5,216</b>	<b>3.0%</b>	<b>5,177</b>
<b>% of Total</b>	<b>0.1%</b>	<b>13.7%</b>	<b>41.8%</b>	<b>41.5%</b>	<b>2.9%</b>			
<b>% of IA</b>	<b>0.0%</b>	<b>0.4%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>0.1%</b>			

- Bond holdings in the oil and gas sector total \$5.2 billion (3% of invested assets)
- Approximately 97% are rated investment grade
- Holdings are diversified across sub-sectors, with only \$1.3 billion (0.7% of invested assets) in the Independent and Oil Field Services sub-sectors

# Indirect Energy Exposure - Mortgages and Investment Property

(C\$m)	Property Type					Total	% of Lifeco IA
	Multi- <sup>1</sup> Family	Retail	Office	Industrial	Other <sup>2</sup>		
Calgary, Alberta	128	343	389	259	158	1,277	0.7%
Edmonton, Alberta	473	139	188	209	56	1,065	0.6%
<b>Total Calgary &amp; Edmonton</b>	<b>601</b>	<b>482</b>	<b>577</b>	<b>468</b>	<b>214</b>	<b>2,342</b>	<b>1.3%</b>
Texas/Other	196	86	70	57	109	518	0.3%
<b>Total</b>	<b>797</b>	<b>568</b>	<b>647</b>	<b>525</b>	<b>323</b>	<b>2,860</b>	<b>1.6%</b>
<b>% of Total</b>	<b>27.9%</b>	<b>19.9%</b>	<b>22.6%</b>	<b>18.3%</b>	<b>11.3%</b>		
<b>% of IA</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.2%</b>		

<sup>1</sup> Includes \$543 million of insured

<sup>2</sup> Includes \$70 million of insured

- Holdings in the province of Alberta totaled \$2.3 billion (mortgages \$2.0 billion; investment properties \$0.3 billion), including \$0.6 billion of insured mortgages. Non-insured holdings in the province of Alberta represent 1% of invested assets. Holdings are well diversified by property type with a weighted average mortgage LTV of less than 55%.
- Office property commercial mortgage holdings in Calgary total \$0.4 billion (0.2% of invested assets) with a weighted average LTV of less than 55%
- Holdings outside of Alberta are commercial mortgages primarily in the state of Texas

## In-Quarter Developments

- Credit experience related to impairments and rating changes negatively impacted shareholders' net earnings by \$26 million in the quarter

### Total Credit Impact on Shareholders' Net Earnings

(C\$m)	Q4 2014	YTD 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	YTD 2015
Credit (impairments) / recoveries	1	22	3	4	1	(1)	7
Credit (downgrades) / upgrades	(20)	(36)	(6)	(16)	(8)	(25)	(55)
<b>Total Impact</b>	<b>(19)</b>	<b>(14)</b>	<b>(3)</b>	<b>(12)</b>	<b>(7)</b>	<b>(26)</b>	<b>(48)</b>

- Rating downgrade experience for full year 2015 impacted a number of industry sectors, with the energy sector contributing less than 10%

## Currency

	Income & Expenses			Balance Sheet		
	US\$	£	€	US\$	£	€
Q4 2015	1.34	2.03	1.46	1.38	2.04	1.50
Q3 2015	1.31	2.03	1.46	1.34	2.02	1.50
Q2 2015	1.23	1.89	1.36	1.25	1.96	1.39
Q1 2015	1.24	1.88	1.40	1.27	1.88	1.36
Q4 2014	1.14	1.80	1.42	1.16	1.81	1.40