

GREAT-WEST  
**LIFECO** INC.

**Quarterly Information**  
for Analysts and Investors  
**Q3 2016**

Building on our **STRENGTHS.**  
Investing in our **FUTURE.**



## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

This document may contain forward-looking statements. 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 other similar expressions or negative versions thereof. These statements may 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, and possible future actions by the Company, including statements made with respect to the expected benefits of acquisitions and divestitures. Forward-looking statements are based on expectations, forecasts, 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 and mutual fund 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. 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 customer behaviour, 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, business competition and other general economic, political and market factors in North America and internationally. 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 customer responses to new products, 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, 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 and unplanned material changes to the Company's facilities, customer and employee relations or credit arrangements. 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, uncertainties and potential events 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. Refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.



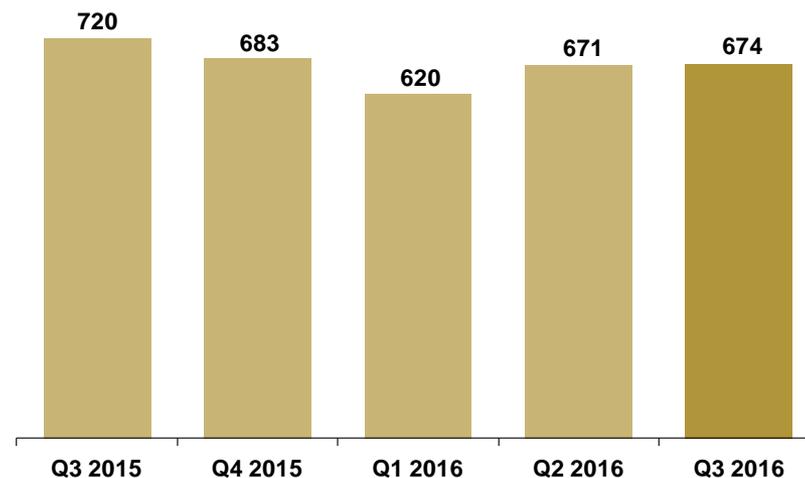
Paul Mahon  
President & CEO  
Great-West Lifeco

Summary of results

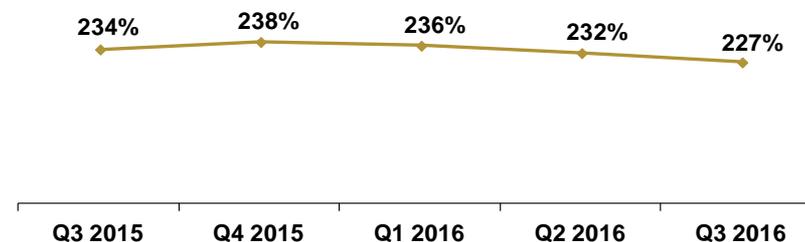
# Summary of results

- Earnings impacted by decline in CAD/GBP exchange rate
- On a constant currency basis, earnings are in line with Q3 2015 and improving from Q2
- Continuing capital strength and flexibility
  - MCCSR at 227% following Irish health acquisitions (4pts impact)
  - Lifeco cash of \$713m
- Dividend of \$0.346 per share

## Earnings (C\$m)



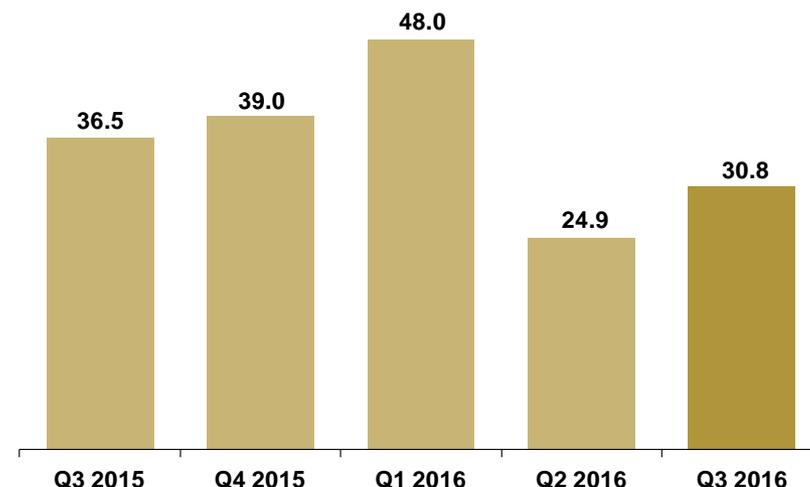
## MCCSR



# Summary of results – Sales

- Canada
  - Strong Individual Insurance and Group Wealth Management sales
  
- U.S.
  - Lower large plan sales at Empower partially offset by higher executive benefits sales in Individual Markets
  - Putnam sales up, driven by institutional flows
  
- Europe
  - Europe sales up 9% YoY excluding large institutional sale in Q3 2015
  - Good momentum in payout annuities business, both retail and bulk transactions

Sales (C\$b)

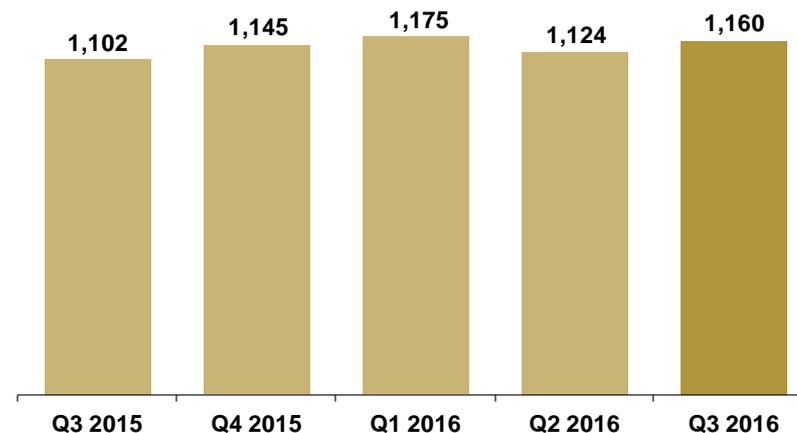


	Canada	U.S.	Europe	Lifeco
Q3 2016	3.1	23.0	4.6	30.8
Q2 2016	2.7	16.7	5.5	24.9
Q3 2015	2.9	25.8	7.7	36.5
YoY	6%	(11%)	(40%)	(16%)
Constant Currency	6%	(11%)	(38%)	(15%)

# Summary of results – Expenses

- Canada
  - Expense growth has moderated
- U.S.
  - Putnam expenses down 5% YoY, due to lower variable costs
  - Empower expenses up 8% YoY, excluding restructuring expenses, in-line with participant growth
- Europe
  - Irish Life Health acquisitions accounted for \$21m of expenses in-quarter

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



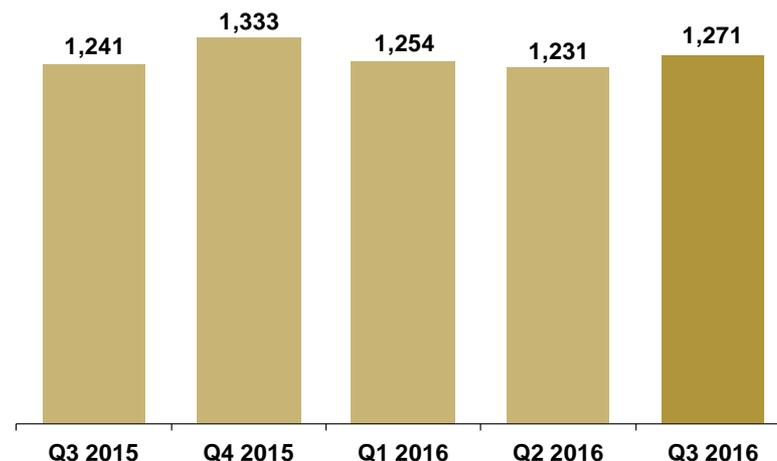
	Canada	U.S.	Europe	Lifeco <sup>(1)</sup>
Q3 2016	362	549	245	1,160
Q2 2016	366	531	221	1,124
Q3 2015	352	529	218	1,102
YoY	3%	4%	12%	5%
Constant Currency	3%	4%	17%	6%

(1) Lifeco totals include corporate, and restructuring and acquisition expenses

# Summary of results – Fee and Other Income

- Lifeco fee income up 2% YoY
  - Average equity markets:
    - S&P/TSX 4%
    - S&P 500 7%
    - Eurostoxx 50 (12%)
- Canada
  - Positive impact from improvement in markets
- U.S.
  - Average assets increased at Empower offset by lower average mutual fund AUM and performance fees at Putnam
- Europe
  - Up due to management and new health business fees, and normal volatility from legacy block of business

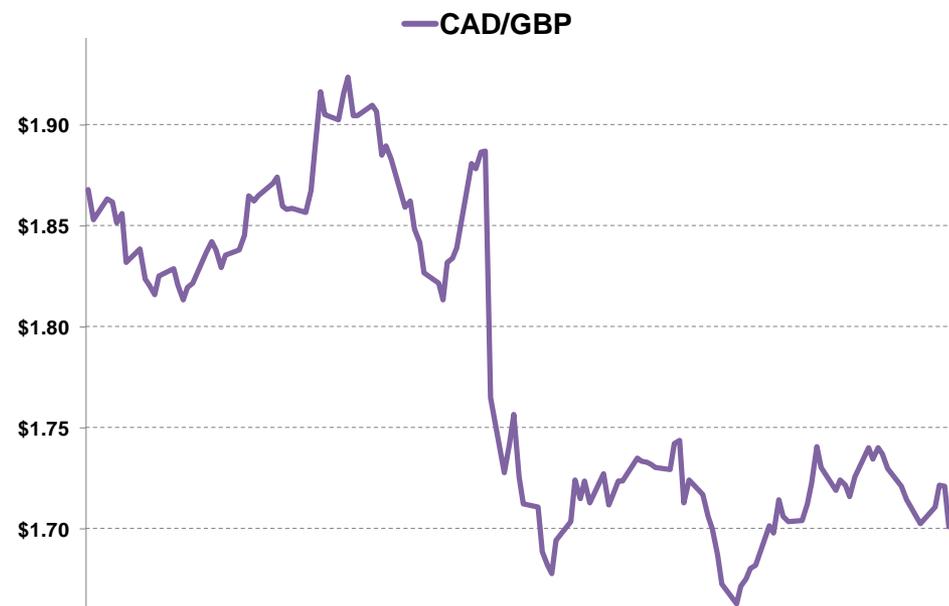
Fee and Other Income (C\$m)



	Canada	U.S.	Europe	Lifeco
Q3 2016	377	566	328	1,271
Q2 2016	369	555	307	1,231
Q3 2015	366	591	284	1,241
YoY	3%	(4%)	15%	2%
Constant Currency	3%	(4%)	19%	3%

# Brexit Impact

- CAD/GBP exchange rates decreased 8% between March 31<sup>st</sup> and September 30<sup>th</sup>
- UK investment property values stabilized, usual valuation processes resumed
  - Fair value adjustment of 3.5% applied to U.K. properties in the general funds was removed at Q3 2016
  - UK and Irish property funds have been reopened for redemptions



- August 1<sup>st</sup>, Irish Life Group (ILG) completed its acquisition of Aviva Health and acquired the remaining 51% of GloHealth
- The Irish Life Health (ILH) brand was successfully launched to the market in September
- ILH now serves over 420,000 customers for private health insurance (21% market share)
- Key Business Metrics
  - The integration is expected to deliver annual synergies of €16m with integration and restructuring costs of €16m
  - Integration is on track and initial performance results include:
    - Integration and restructuring costs of €8m booked
    - Annualized synergies achieved €1m



Irish Life  
health



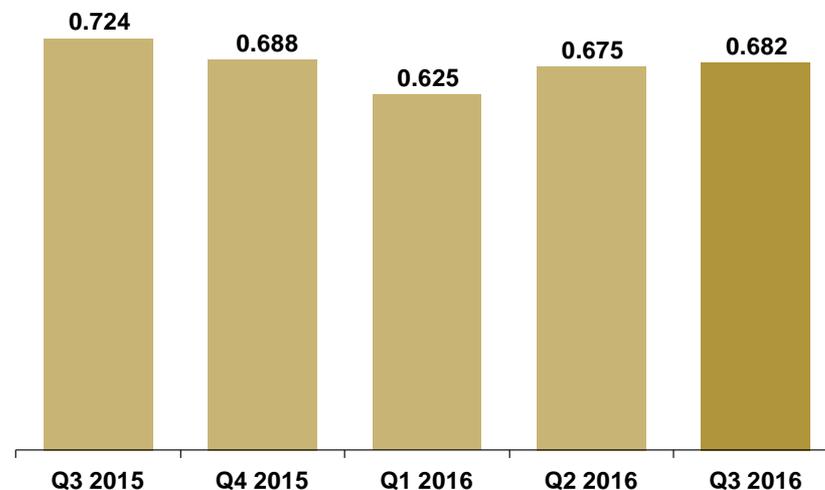
Garry MacNicholas  
EVP & CFO  
Great-West Lifeco

Financial highlights

# Financial highlights

- Q3 earnings of \$674m or \$0.682 per share
- Tax rate of 15% on shareholder earnings, up from 11% in Q3 2015
- Canada experienced lower experience gains and higher strain from strong Individual Insurance sales
- US improved from Q2 but fee income is down from Q3 2015
- Europe experienced higher contributions from insurance contract liability basis changes and improved investment experience

## Earnings per Share



## Earnings (C\$m)

	Canada	U.S.	Europe	Lifeco <sup>(1)</sup>
Q3 2016	289	78	313	674
Q2 2016	327	53	293	671
Q3 2015	326	96	296	720
YoY	(11%)	(19%)	6%	(6%)
Constant Currency	(11%)	(19%)	20%	0%

(1) Lifeco totals include corporate earnings

# Financial highlights

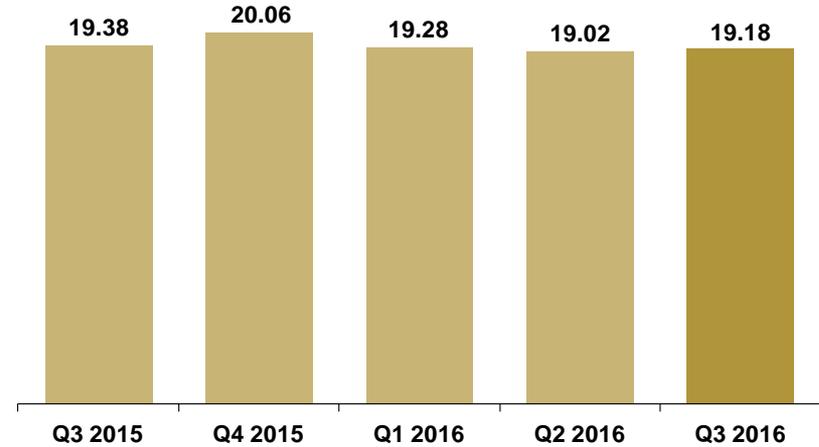
For the three months ended Sept. 30, 2016

Source of Earnings (C\$m)	Canada	U.S.	Europe	Corp.	Q3/16 Total	Q2/16 Total	Q3/15 Total
Expected profit on in-force business	297	111	256	(3)	661	633	736
Impact of new business	(11)	(31)	(35)	-	(77)	(44)	(46)
Experience gains and losses	43	(25)	(6)	(1)	11	49	48
Management actions and changes in assumptions	27	53	143	-	223	129	127
Other	-	(9)	(15)	-	(24)	(5)	(7)
Earnings on surplus (incl. financing charges)	17	(9)	26	-	34	25	(10)
<b>Net income before tax</b>	<b>373</b>	<b>90</b>	<b>369</b>	<b>(4)</b>	<b>828</b>	<b>787</b>	<b>848</b>
Taxes	(58)	(10)	(51)	(2)	(121)	(86)	(94)
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>315</b>	<b>80</b>	<b>318</b>	<b>(6)</b>	<b>707</b>	<b>701</b>	<b>754</b>
Non-controlling interests & preferred dividends	(26)	(2)	(5)	-	(33)	(30)	(34)
<b>Net income – common shareholders</b>	<b>289</b>	<b>78</b>	<b>313</b>	<b>(6)</b>	<b>674</b>	<b>671</b>	<b>720</b>

# Financial highlights

- Lifeco cash at quarter end was \$713m
- Lifeco book value per share comparable to last quarter and prior year

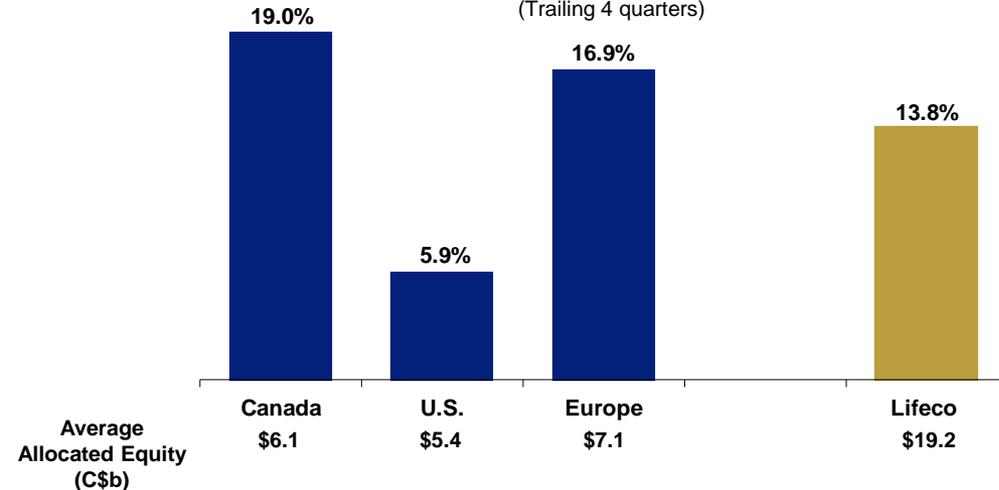
## Book Value per Share



- Return on Equity of 13.8%
  - Trailing earnings and average equity down
  - Excluding currency impact, ROE was flat QoQ at 14.0%

## Return on Equity

(Trailing 4 quarters)



1) Reported ROE for Great-West Financial of 11.0% and (0.3%) for Putnam

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

# Financial highlights

Assets Under Administration (C\$b)	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YoY
General Fund	199	202	197	197	202	2%
Segregated Fund	191	198	193	193	199	4%
Mutual Fund & Institutional	239	253	238	244	257	8%
Other AUA	525	560	559	550	571	9%
<b>Total</b>	<b>1,154</b>	<b>1,213</b>	<b>1,187</b>	<b>1,184</b>	<b>1,229</b>	<b>6%</b>

- On a constant currency basis, AUA up 9%
- AUA growth was 6% in Canada, 8% in the U.S., and 2% in Europe

# Questions

# Appendix

<i>(In C\$m)</i>	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YoY
<b>Sales</b>						
Individual Insurance	142	137	125	155	164	15%
Group Insurance	251	135	283	119	90	(64%)
	<b>393</b>	<b>272</b>	<b>408</b>	<b>274</b>	<b>254</b>	(35%)
Individual Wealth Management	1,970	2,411	2,267	1,907	1,820	(8%)
Group Wealth Management	581	809	593	496	1,043	80%
	<b>2,551</b>	<b>3,220</b>	<b>2,860</b>	<b>2,403</b>	<b>2,863</b>	12%
<b>Total</b>	<b>2,944</b>	<b>3,492</b>	<b>3,268</b>	<b>2,677</b>	<b>3,117</b>	6%
<b>Fee Income</b>						
Group Insurance	38	41	43	42	39	3%
Wealth Management	310	316	307	315	326	5%
Corporate	18	12	12	12	12	nmf
<b>Total</b>	<b>366</b>	<b>369</b>	<b>362</b>	<b>369</b>	<b>377</b>	3%
<b>Operating Expenses</b>						
Individual Insurance	105	111	107	108	109	4%
Group Insurance	125	134	145	132	130	4%
Wealth Management	114	124	126	119	119	4%
Corporate	8	1	4	7	4	nmf
<b>Total</b>	<b>352</b>	<b>370</b>	<b>382</b>	<b>366</b>	<b>362</b>	3%
<b>Operating Earnings</b>						
Individual Insurance	91	51	92	80	70	(23%)
Group Insurance	153	74	67	125	110	(28%)
Wealth Management	116	119	101	104	99	(15%)
Corporate	(34)	18	16	18	10	nmf
<b>Total</b>	<b>326</b>	<b>262</b>	<b>276</b>	<b>327</b>	<b>289</b>	(11%)

# United States

<i>(In US\$m)</i>	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YoY
<b>GWF Sales</b>						
Empower Retirement	11,720	15,153	20,029	4,438	8,344	(29%)
Individual Markets	180	340	241	246	564	213%
<b>Total</b>	<b>11,900</b>	<b>15,493</b>	<b>20,270</b>	<b>4,684</b>	<b>8,908</b>	(25%)
<b>Putnam Sales</b>	<b>7,818</b>	<b>8,111</b>	<b>9,042</b>	<b>8,236</b>	<b>8,657</b>	11%
<b>Fee Income</b>						
Empower Retirement	215	241	212	228	233	8%
Individual Markets	18	19	22	23	23	28%
Putnam	217	216	183	179	176	(19%)
<b>Total</b>	<b>450</b>	<b>476</b>	<b>417</b>	<b>430</b>	<b>432</b>	(4%)
<b>Operating Expenses</b>						
Empower Retirement	193	199	203	203	209	8%
Individual Markets	15	19	19	22	24	60%
Other	4	-	-	-	4	nmf
Putnam	189	187	191	184	179	(5%)
Restructuring / Acquisition	2	3	3	3	3	nmf
<b>Total</b>	<b>403</b>	<b>408</b>	<b>416</b>	<b>412</b>	<b>419</b>	4%
<b>Operating Earnings<sup>(1)</sup></b>						
Empower Retirement	23	29	24	18	22	(4%)
Individual Markets	57	29	39	36	42	(26%)
Other	1	5	4	2	4	nmf
Putnam	(6)	31	(18)	(14)	(5)	17%
<b>Total</b>	<b>75</b>	<b>94</b>	<b>49</b>	<b>42</b>	<b>63</b>	(16%)

(1) Excludes U.S. Corporate which represents post-tax restructuring costs and acquisition expenses from J.P. Morgan RPS which were US\$2m in Q3/15, US\$2m in Q4/15, US\$2m in Q1/16, US\$2m in Q2/16, and US\$2m in Q3/16

Note: nmf denotes not meaningful

# Europe

(In C\$m)

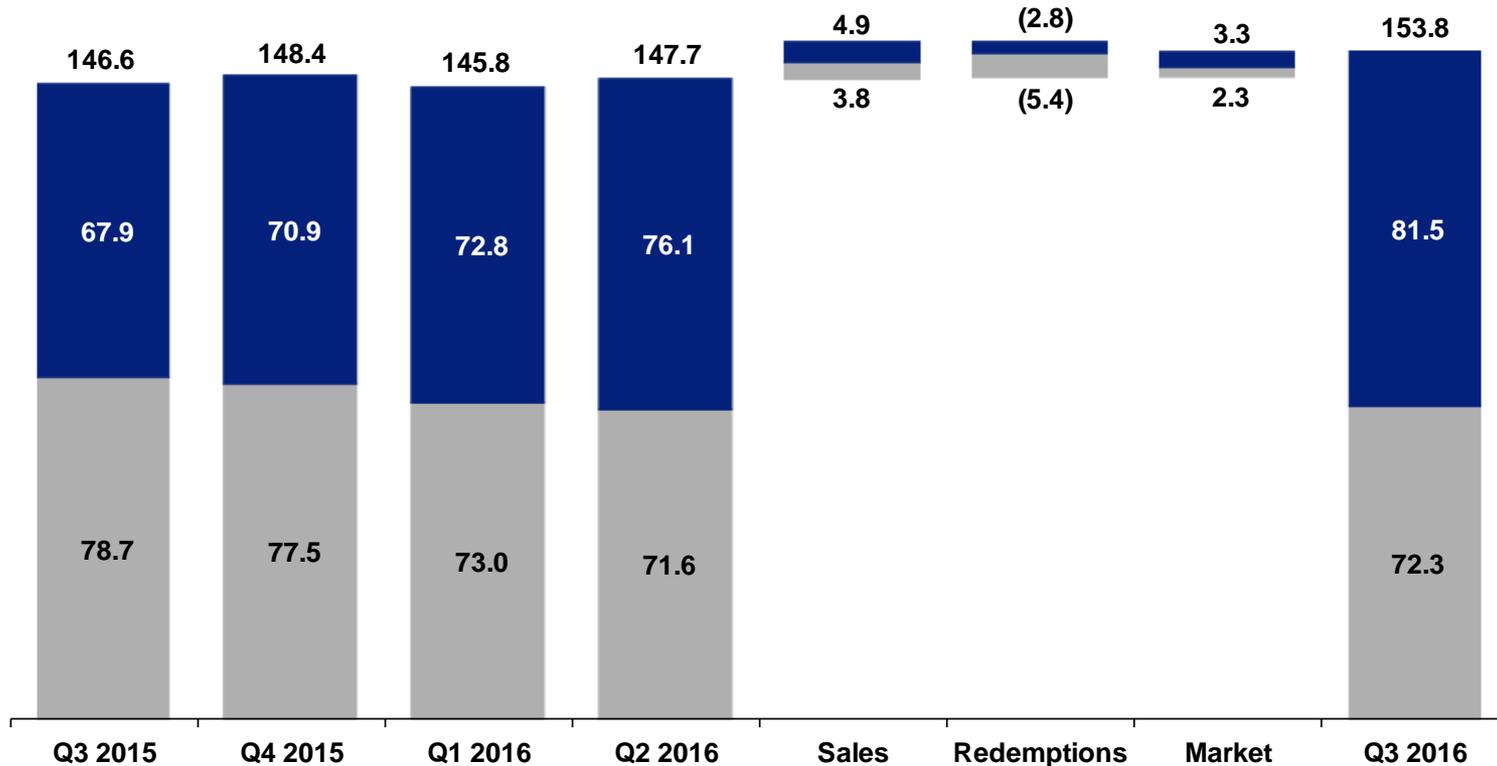
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	YoY	Constant Currency
<b>Sales</b>							
UK / Isle of Man	821	819	651	671	754	(8%)	
Ireland / Germany	6,895	3,098	3,923	4,879	3,891	(44%)	
<b>Total</b>	<b>7,716</b>	<b>3,917</b>	<b>4,574</b>	<b>5,550</b>	<b>4,645</b>	(40%)	(38%)
<b>Fee Income</b>							
UK / Isle of Man	71	69	70	74	59	(17%)	
Ireland / Germany	207	251	246	229	265	28%	
Reinsurance	6	7	5	4	4	(33%)	
<b>Total</b>	<b>284</b>	<b>327</b>	<b>321</b>	<b>307</b>	<b>328</b>	15%	19%
<b>Operating Expenses</b>							
UK / Isle of Man	63	75	55	64	60	(5%)	
Ireland / Germany	136	125	146	138	153	13%	
Reinsurance	14	15	17	16	15	-	
Corporate	2	6	1	2	2	nmf	
Restructuring / Acquisition	3	3	1	1	15	nmf	
<b>Total</b>	<b>218</b>	<b>224</b>	<b>220</b>	<b>221</b>	<b>245</b>	12%	17%
<b>Operating Earnings</b>							
UK / Isle of Man	176	109	152	157	183	4%	
Ireland / Germany	53	125	74	68	67	26%	
Reinsurance	71	73	63	74	54	(24%)	
Corporate	(4)	(4)	(2)	(6)	9	nmf	
<b>Total</b>	<b>296</b>	<b>303</b>	<b>287</b>	<b>293</b>	<b>313</b>	6%	20%

Note: nmf denotes not meaningful

# Putnam - AUM and flows

(US\$b)

■ Mutual Funds    ■ Institutional



In-Qtr Avg.  
AUM

153.3

151.2

141.4

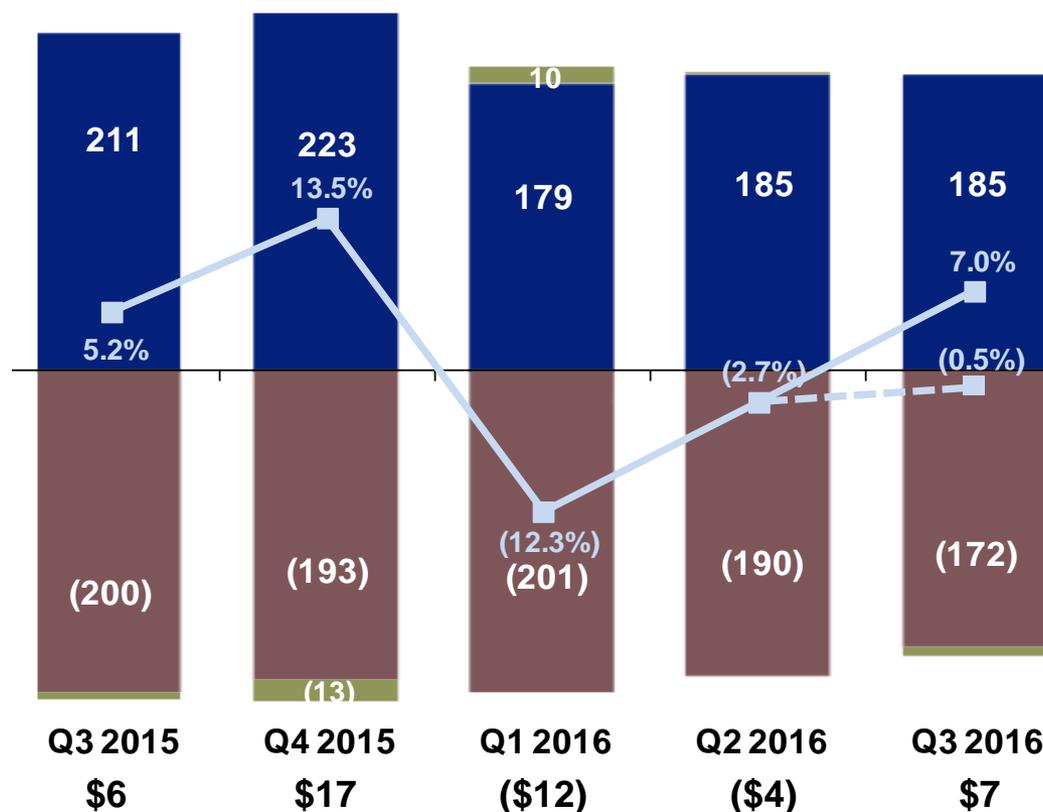
146.7

151.7

# Putnam – Core net earnings

(US\$m)

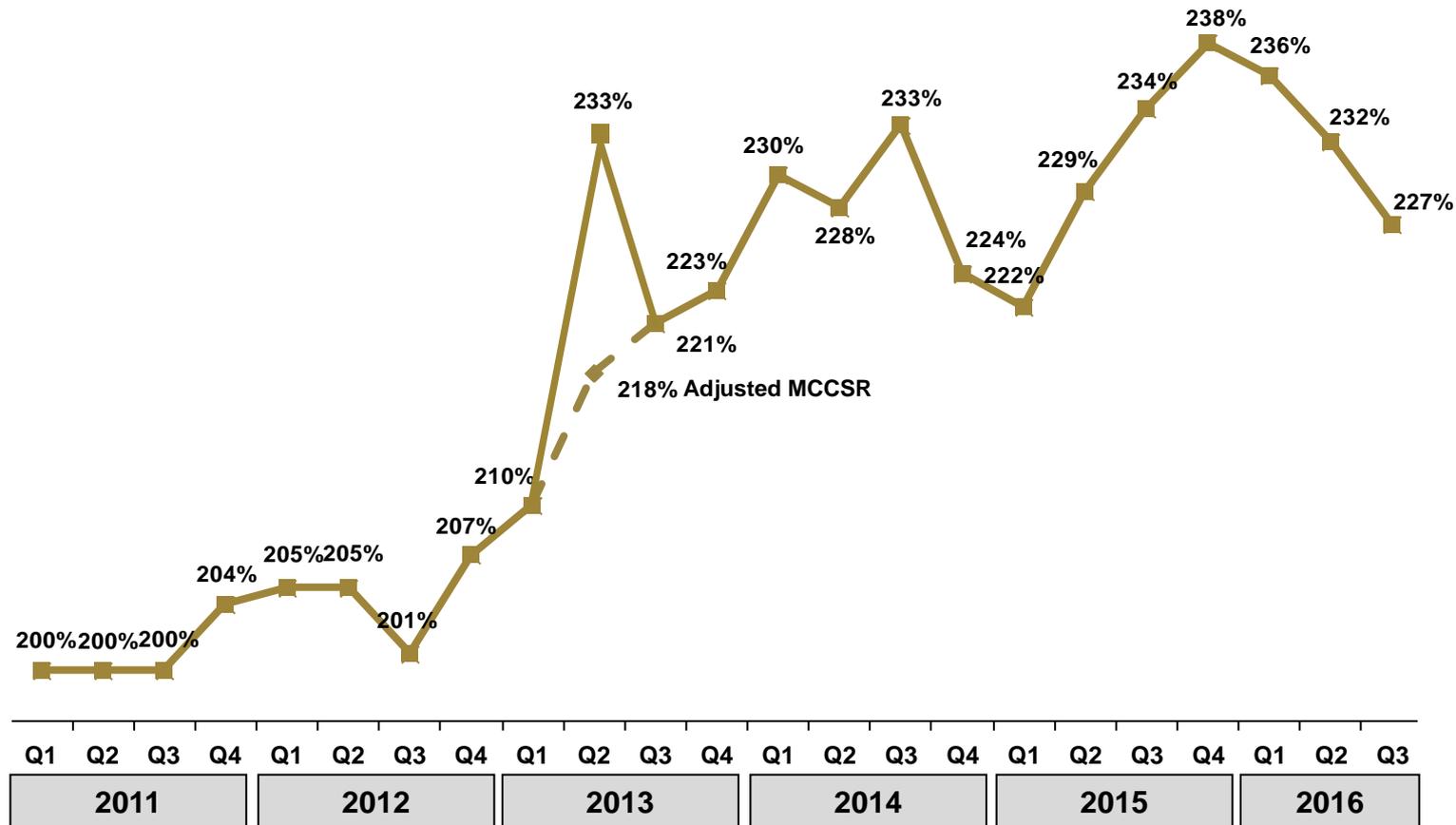
■ Expenses      ■ Income Taxes  
■ Fee & Net Inv Income      —■— Operating Margin (Pre-tax)



Note: Q3/16 includes expense recoveries of US\$14m due to a change in accounting estimate without which the operating margin (pre-tax) would have been (0.5%)

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

# Consolidated MCCSR ratio

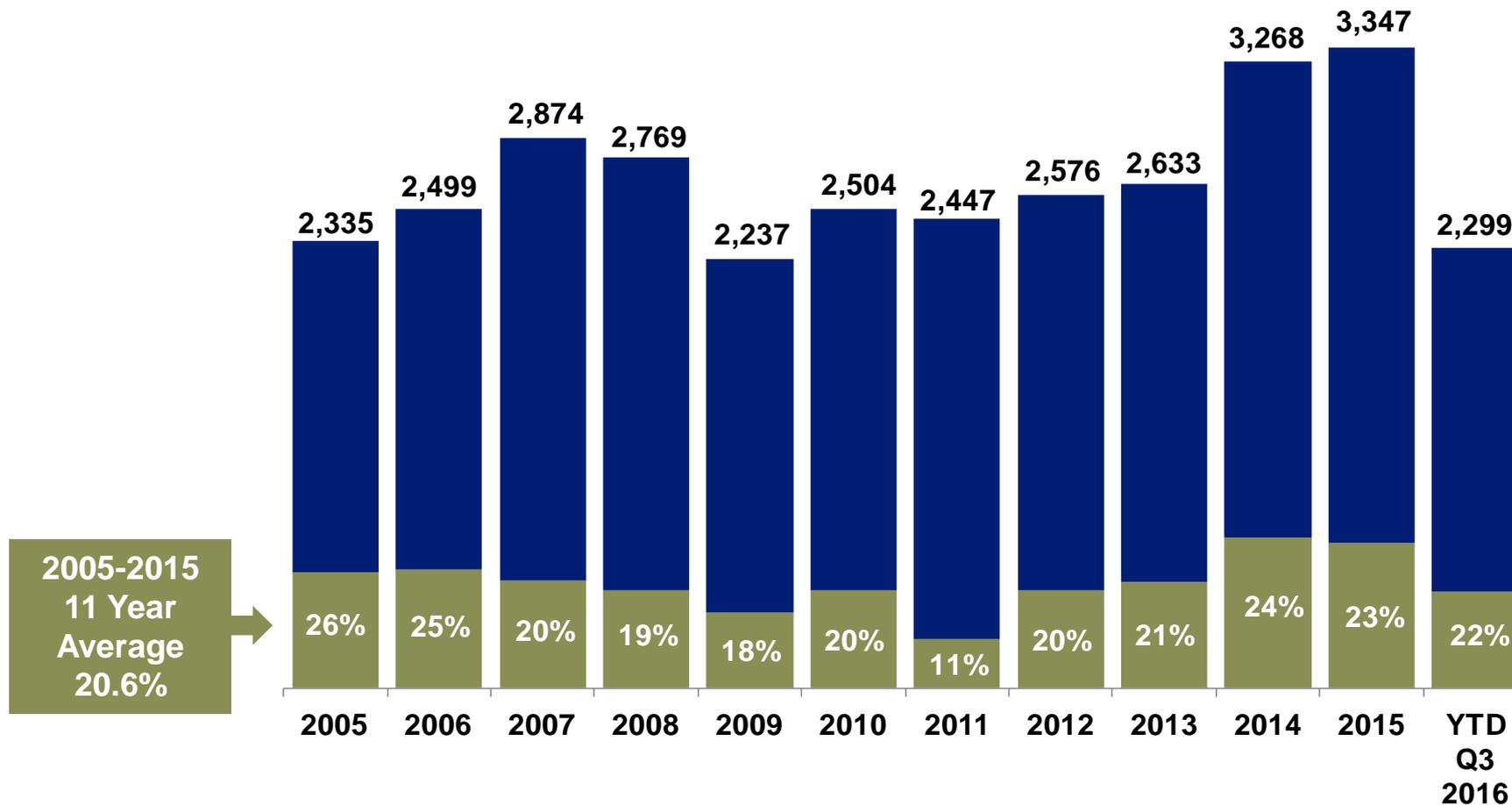


- The Great-West Life Assurance Company's MCCSR of 227% is a 5 point decrease from Q2/16
- Quarterly earnings performance was offset by the investment in Irish Life Health and resulting increased requirements.
- The MCCSR ratio does not include holding company cash which would add approximately 10 points to the ratio

# Stable trend over the years

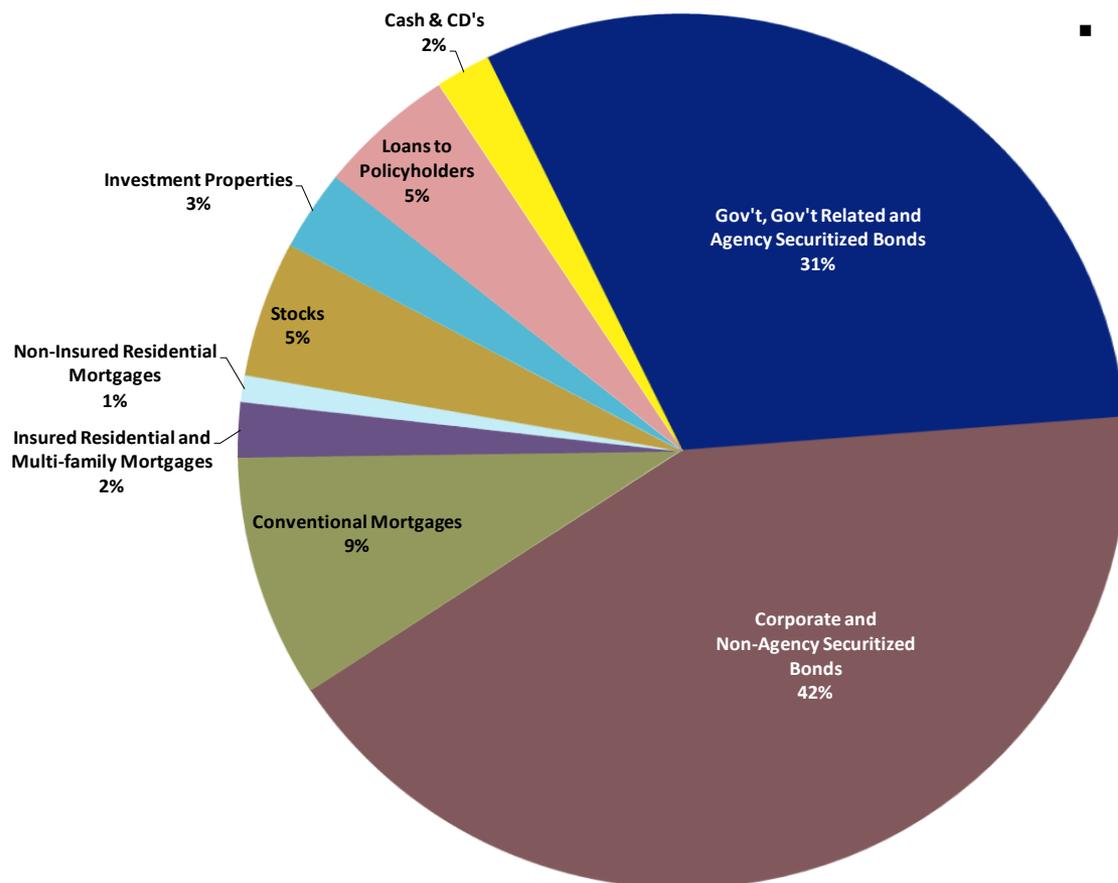
(C\$m)

■ 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 September 30, 2016 were \$174.5bn
- Diversified high quality portfolio:
  - Bonds represent 73% of invested assets (99% are investment grade; 82% rated A or higher)
  - Mortgage portfolio represents 12% 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 (35% 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 \$10.3bn)

# Lifeco consolidated bond portfolio\*

	Corporate and Non-Agency Securitized				% of Invested Assets	\$ (millions)
	Government, Government Related and Agency Securitized	Banking	Other Financial Institutions and REITs	Other Corporate and Non-Agency Securitized		
United States	5.5%	0.8%	1.8%	16.6%	24.7%	43,020
Canada	12.4%	0.9%	0.7%	6.7%	20.7%	36,197
United Kingdom	8.8%	0.8%	1.9%	5.9%	17.4%	30,450
Ireland	0.4%	0.0%	0.0%	0.1%	0.5%	878
	27.1%	2.5%	4.4%	29.3%	63.3%	110,545
<b>Eurozone (excluding Ireland)</b>						
Germany	1.5%	0.0%	0.1%	1.0%	2.6%	4,536
France	0.6%	0.2%	0.1%	0.6%	1.5%	2,479
Netherlands	0.4%	0.2%	0.1%	0.3%	1.0%	1,763
Belgium	0.1%	0.0%	0.0%	0.2%	0.3%	565
Spain	0.0%	0.1%	0.0%	0.2%	0.3%	543
Austria	0.2%	0.0%	0.0%	0.0%	0.2%	426
Italy	0.0%	0.0%	0.0%	0.2%	0.2%	356
Finland	0.1%	0.0%	0.0%	0.0%	0.1%	214
Luxembourg	0.0%	0.0%	0.0%	0.0%	0.0%	50
Portugal	0.0%	0.0%	0.0%	0.0%	0.0%	4
	2.9%	0.5%	0.3%	2.5%	6.2%	10,936
<b>Other Europe</b>						
Sweden	0.1%	0.1%	0.0%	0.2%	0.4%	770
Switzerland	0.0%	0.1%	0.1%	0.2%	0.4%	694
Norway	0.2%	0.0%	0.0%	0.1%	0.3%	490
Isle of Man	0.1%	0.0%	0.0%	0.0%	0.1%	135
Denmark	0.1%	0.0%	0.0%	0.0%	0.1%	134
Jersey	0.1%	0.0%	0.0%	0.0%	0.1%	92
Guernsey	0.0%	0.0%	0.0%	0.0%	0.0%	83
	0.6%	0.2%	0.1%	0.5%	1.4%	2,398
<b>Asia Pacific</b>						
Australia	0.0%	0.2%	0.2%	0.6%	1.0%	1,663
Japan	0.1%	0.0%	0.0%	0.3%	0.4%	631
Singapore	0.0%	0.0%	0.0%	0.1%	0.1%	234
New Zealand	0.0%	0.0%	0.0%	0.1%	0.1%	150
Hong Kong	0.0%	0.0%	0.0%	0.0%	0.0%	42
	0.1%	0.2%	0.2%	1.1%	1.6%	2,720
<b>All Other</b>	0.8%	0.0%	0.0%	0.1%	0.9%	1,448
<b>Total %</b>	<b>31.5%</b>	<b>3.4%</b>	<b>5.0%</b>	<b>33.5%</b>	<b>73.4%</b>	<b>128,047</b>
<b>Total \$ (millions)</b>	<b>55,015</b>	<b>5,888</b>	<b>8,641</b>	<b>58,503</b>	<b>128,047</b>	

\*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>Non-Agency Securitized</u></b>	
Utilities	9.2%	ABS	2.0%
Consumer Products	6.0%	CMBS	2.3%
Industrial Products	4.3%	RMBS	0.9%
Banking	3.4%	Covered	0.7%
Other Financial Institutions	3.2%	<b>Total Securitized</b>	<b>5.9%</b>
Energy	2.8%		
Transportation	2.3%	<b>Total Corporates and Non-Agency Securitized</b>	<b>41.9%</b>
Communications	1.8%		
REITS	1.8%		
Technology	1.2%		
<b>Total Corporates</b>	<b>36.0%</b>		

\*Includes certain funds held by ceding insurers

# Direct Energy Exposure – Bonds

(C\$m) Carrying Value Sub-Sector	Credit Rating					Total	% of Lifeco IA	Amortized Cost
	AAA	AA	A	BBB	BB & Lower			
Midstream	-	-	1,074	1,185	65	2,324	1.3%	2,140
Integrated	4	322	710	118	-	1,154	0.7%	1,087
Independent	-	-	199	474	34	707	0.4%	677
Oil Field Services	-	15	178	177	55	425	0.2%	425
Refining	-	-	49	214	-	263	0.2%	248
Government Agency	-	282	42	36	15	375	0.2%	323
<b>Total</b>	<b>4</b>	<b>619</b>	<b>2,252</b>	<b>2,204</b>	<b>169</b>	<b>5,248</b>	<b>3.0%</b>	<b>4,900</b>
<b>% of Total</b>	<b>0.1%</b>	<b>11.8%</b>	<b>42.9%</b>	<b>42.0%</b>	<b>3.2%</b>			
<b>% of IA</b>	<b>0.0%</b>	<b>0.3%</b>	<b>1.3%</b>	<b>1.3%</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 \$1.1 billion (0.6% of invested assets) in the Independent and Oil Field Services sub-sectors

# Indirect Energy Exposure – Commercial Mortgages and Investment Property

(C\$m) Carrying Value City/Region	Property Type					Total	% of Lifeco IA
	Multi Family <sup>(1)</sup>	Retail	Office	Industrial	Other <sup>(2)</sup>		
Calgary, Alberta	139	323	381	247	142	1,232	0.7%
Edmonton, Alberta	480	142	184	179	57	1,042	0.6%
Total Calgary & Edmonton	619	465	565	426	199	2,274	1.3%
Texas/Other	226	90	84	59	95	554	0.3%
<b>Total</b>	<b>845</b>	<b>555</b>	<b>649</b>	<b>485</b>	<b>294</b>	<b>2,828</b>	<b>1.6%</b>
<b>% of Total</b>	<b>29.9%</b>	<b>19.6%</b>	<b>23.0%</b>	<b>17.1%</b>	<b>10.4%</b>		
<b>% of IA</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.2%</b>		

(1) Includes \$567 million of insured

(2) 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 59%.
- Office property commercial mortgage holdings in Calgary total \$0.4 billion (0.2% of invested assets) with a weighted average LTV of 72%
- Holdings outside of Alberta are commercial mortgages primarily in the state of Texas

# United Kingdom Property Related Exposures

## Mortgages

(C\$m) Carrying Value City/Region	Property Type					Total	% of Lifeco IA
	Multi Family	Retail	Office	Industrial	Other		
Central London	300	760	501	-	63	1,624	0.9%
Other United Kingdom	79	693	223	952	262	2,209	1.3%
<b>Total United Kingdom</b>	<b>379</b>	<b>1,453</b>	<b>724</b>	<b>952</b>	<b>325</b>	<b>3,833</b>	<b>2.2%</b>
% of Total	9.9%	37.9%	18.9%	24.8%	8.5%		
% of IA	0.2%	0.8%	0.4%	0.6%	0.2%		

- Mortgage holdings in the United Kingdom totaled \$3.8 billion (2.2% of invested assets). Mortgages are well diversified by property type, with a weighted average LTV of 55%, a weighted average DSCR of 2.0, and a weighted average lease term of 14 years.
- Central London mortgage holdings totaled \$1.6 billion (0.9% of invested assets), with office holdings totalling \$0.5 billion (0.3% of invested assets). Central London mortgage weighted average LTV is less than 45% and Central London office weighted average LTV is less than 55%.

# United Kingdom Property Related Exposures

## Investment Properties

(C\$m) Carrying Value City/Region	Property Type					Total	% of Lifeco IA
	Multi Family	Retail	Office	Industrial	Other		
Central London	-	27	251	-	37	315	0.2%
Other United Kingdom	-	1,114	394	644	391	2,543	1.4%
<b>Total United Kingdom</b>	-	<b>1,141</b>	<b>645</b>	<b>644</b>	<b>428</b>	<b>2,858</b>	<b>1.6%</b>
% of Total	-	39.9%	22.6%	22.5%	15.0%		
% of IA	-	0.6%	0.4%	0.4%	0.2%		

- Investment property holdings in the United Kingdom totaled \$2.9 billion (1.6% of invested assets). Property holdings are well diversified by property type, with a weighted average lease term of 14 years.
- Central London property holdings are primarily office properties and totaled \$0.3 billion (0.2% of invested assets).

## In-Quarter Developments

- Credit experience related to impairments and rating changes negatively impacted shareholders' net earnings by \$3 million in the quarter

### Total Credit Impact on Shareholders' Net Earnings

(\$ millions)	2015				Full Year 2015	2016			YTD 2016
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	
Credit (impairments) / recoveries	3	4	1	(1)	7	(4)	(18)	1	(21)
Credit (downgrades) / upgrades	(6)	(16)	(8)	(25)	(55)	14	-	(4)	10
<b>Total Impact</b>	<b>(3)</b>	<b>(12)</b>	<b>(7)</b>	<b>(26)</b>	<b>(48)</b>	<b>10</b>	<b>(18)</b>	<b>(3)</b>	<b>(11)</b>

# Currency

	Income & Expenses			Balance Sheet		
	US\$	£	€	US\$	£	€
Q3 2016	1.31	1.71	1.46	1.31	1.71	1.47
Q2 2016	1.29	1.85	1.46	1.30	1.72	1.44
Q1 2016	1.37	1.96	1.51	1.30	1.87	1.48
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