

GREAT-WEST
LIFECO INC.

**Supplemental Information Package
For Analysts and Investors
(Unaudited)
Q3 2016**

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



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.

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Lifeco Overview

Great-West Lifeco Inc. (GWO or the Company) is a financial services company with interests in the life insurance, health insurance, retirement savings, investment management, and reinsurance businesses. The company has operations in Canada, U.S., Europe and Asia, through The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company, Great-West Financial, Putnam Investments LLC, and Irish Life Group Limited. Lifeco and its companies have approximately \$1,229 billion in assets under administration. Lifeco is a member of the Power Financial Corporation group of companies.

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Great-West Lifeco Inc.



Lifeco Financial Highlights

(C\$MM, except Earnings per Common Share)

| | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| Income | | | | | | | | | | | |
| Premium Income | 8,334 | 6,871 | 7,015 | 6,162 | 5,891 | 5,516 | 6,932 | 5,501 | 22,220 | 18,339 | 24,501 |
| Net Investment Income | 3,803 | 4,705 | 4,083 | 826 | 1,464 | (2,518) | 4,489 | 4,061 | 12,591 | 3,435 | 4,261 |
| Fee & Other Income | 1,271 | 1,231 | 1,254 | 1,333 | 1,241 | 1,226 | 1,258 | 1,161 | 3,756 | 3,725 | 5,058 |
| Total Income | 13,408 | 12,807 | 12,352 | 8,321 | 8,596 | 4,224 | 12,679 | 10,723 | 38,567 | 25,499 | 33,820 |
| Operating Earnings - Common Shareholders | 674 | 671 | 620 | 683 | 720 | 659 | 700 | 657 | 1,965 | 2,079 | 2,762 |
| Adjustments (after-tax) | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings - Common Shareholders | 674 | 671 | 620 | 683 | 720 | 659 | 700 | 657 | 1,965 | 2,079 | 2,762 |
| Net Earnings attributable to Perpetual Preferred Shareholders | 31 | 30 | 31 | 31 | 32 | 31 | 32 | 31 | 92 | 95 | 126 |
| Net Earnings - Total Shareholders | 705 | 701 | 651 | 714 | 752 | 690 | 732 | 688 | 2,057 | 2,174 | 2,888 |
| Earnings per Common Share | | | | | | | | | | | |
| Operating Earnings | \$0.682 | \$0.675 | \$0.625 | \$0.688 | \$0.724 | \$0.661 | \$0.702 | \$0.658 | \$1.982 | \$2.086 | \$2.774 |
| Adjustments (after-tax) | - | - | - | - | - | - | - | - | - | - | - |
| Basic earnings per share | \$0.682 | \$0.675 | \$0.625 | \$0.688 | \$0.724 | \$0.661 | \$0.702 | \$0.658 | \$1.982 | \$2.086 | \$2.774 |
| Diluted earnings per share | \$0.681 | \$0.674 | \$0.623 | \$0.686 | \$0.722 | \$0.659 | \$0.700 | \$0.657 | \$1.979 | \$2.081 | \$2.768 |
| Common Shareholder Net Earnings (Loss) - by Segment | | | | | | | | | | | |
| Canada | 289 | 327 | 276 | 262 | 326 | 308 | 299 | 300 | 892 | 933 | 1,195 |
| U.S. | 78 | 53 | 63 | 125 | 96 | 67 | 121 | 89 | 194 | 284 | 409 |
| Europe | 313 | 293 | 287 | 303 | 296 | 289 | 286 | 274 | 893 | 871 | 1,174 |
| Corporate | (6) | (2) | (6) | (7) | 2 | (5) | (6) | (6) | (14) | (9) | (16) |
| Total | 674 | 671 | 620 | 683 | 720 | 659 | 700 | 657 | 1,965 | 2,079 | 2,762 |

Lifeco Common Shareholder Net Earnings

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| Common Shareholder Net Earnings (Loss) | | | | | | | | | | | |
| Canada | | | | | | | | | | | |
| Individual Insurance | 70 | 80 | 92 | 51 | 91 | 88 | 77 | 120 | 242 | 256 | 307 |
| Wealth Management | 99 | 104 | 101 | 119 | 116 | 122 | 122 | 69 | 304 | 360 | 479 |
| Group Insurance | 110 | 125 | 67 | 74 | 153 | 96 | 109 | 96 | 302 | 358 | 432 |
| Corporate | 10 | 18 | 16 | 18 | (34) | 2 | (9) | 15 | 44 | (41) | (23) |
| | <u>289</u> | <u>327</u> | <u>276</u> | <u>262</u> | <u>326</u> | <u>308</u> | <u>299</u> | <u>300</u> | <u>892</u> | <u>933</u> | <u>1,195</u> |
| U.S. | | | | | | | | | | | |
| Financial Services ⁽¹⁾ | 84 | 71 | 88 | 84 | 104 | 70 | 119 | 90 | 243 | 293 | 377 |
| Asset Management | (6) | (18) | (25) | 41 | (8) | (3) | 2 | (1) | (49) | (9) | 32 |
| | <u>78</u> | <u>53</u> | <u>63</u> | <u>125</u> | <u>96</u> | <u>67</u> | <u>121</u> | <u>89</u> | <u>194</u> | <u>284</u> | <u>409</u> |
| Europe | | | | | | | | | | | |
| Insurance & Annuities | 251 | 225 | 226 | 234 | 229 | 207 | 216 | 218 | 702 | 652 | 886 |
| Reinsurance | 54 | 74 | 63 | 73 | 71 | 92 | 77 | 71 | 191 | 240 | 313 |
| Corporate | 8 | (6) | (2) | (4) | (4) | (10) | (7) | (15) | - | (21) | (25) |
| | <u>313</u> | <u>293</u> | <u>287</u> | <u>303</u> | <u>296</u> | <u>289</u> | <u>286</u> | <u>274</u> | <u>893</u> | <u>871</u> | <u>1,174</u> |
| Corporate | (6) | (2) | (6) | (7) | 2 | (5) | (6) | (6) | (14) | (9) | (16) |
| Total | <u>674</u> | <u>671</u> | <u>620</u> | <u>683</u> | <u>720</u> | <u>659</u> | <u>700</u> | <u>657</u> | <u>1,965</u> | <u>2,079</u> | <u>2,762</u> |

1) Includes U.S. Corporate

Currency Translation Rates

| | 2016 | | | 2015 | | | | 2014 |
|---------------------|------|------|------|------|------|------|------|------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| (C\$ / US\$) | | | | | | | | |
| Balance Sheet | 1.31 | 1.30 | 1.30 | 1.38 | 1.34 | 1.25 | 1.27 | 1.16 |
| Income & Expenses | 1.31 | 1.29 | 1.37 | 1.34 | 1.31 | 1.23 | 1.24 | 1.14 |
| (C\$ / £) | | | | | | | | |
| Balance Sheet | 1.71 | 1.72 | 1.87 | 2.04 | 2.02 | 1.96 | 1.88 | 1.81 |
| Income & Expenses | 1.71 | 1.85 | 1.96 | 2.03 | 2.03 | 1.89 | 1.88 | 1.80 |
| (C\$ / €) | | | | | | | | |
| Balance Sheet | 1.47 | 1.44 | 1.48 | 1.50 | 1.50 | 1.39 | 1.36 | 1.40 |
| Income & Expenses | 1.46 | 1.46 | 1.51 | 1.46 | 1.46 | 1.36 | 1.40 | 1.42 |

Financial Strength – Credit Ratings

| | | Lifeco | Great-West Life | London Life | Canada Life | GWL&A |
|------------------------------------|------------------------------|----------|-----------------|-------------|-------------|-------|
| A.M. Best Company | Financial Strength | | A+ | A+ | A+ | A+ |
| DBRS Limited | Issuer Rating | A (high) | AA | | | |
| | Financial Strength | | AA | AA | AA | NR |
| | Senior Debt | A (high) | | | | |
| | Subordinated Debt | | | | AA(low) | |
| Fitch Ratings | Insurer Financial Strength | | AA | AA | AA | AA |
| | Senior Debt | A | | | | |
| Moody's Investors Service | Insurance Financial Strength | | Aa3 | Aa3 | Aa3 | Aa3 |
| Standard & Poor's Ratings Services | Insurer Financial Strength | | AA | AA | AA | AA |
| | Senior Debt | A+ | | | | |
| | Subordinated Debt | | | | AA- | |

Irish Life Assurance Plc (ILA) is not part of the group ratings. During 2015, Fitch Ratings upgraded the insurer financial strength of ILA from A+ to AA- and Standard & Poor's Ratings Services upgraded the long-term credit rating of ILA from A to A+. Subsequent to December 31, 2015, on January 26, 2016, Fitch Ratings upgraded Irish Life's insurer financial strength to AA from AA-. During 2015, the ILA €200 million perpetual capital notes assumed on the acquisition of Irish Life were upgraded from BBB+ to A- by Fitch Ratings and from BBB+ to A- by Standard & Poor's Ratings Services. Subsequent to December 31, 2015, on January 26, 2016, Fitch Ratings upgraded the rating of these notes from A- to A.

Lifeco Common Shares Outstanding

| | Opening Common Shares | New Shares Issued | | Normal Course Issuer Bid | | | Basic Shares Outstanding |
|----------------|-----------------------------|--------------------|----------------------|--------------------------|---------|---------------|--------------------------------|
| | | Private/ Public | Exercised Options | Shares Bought | Price | Cost | |
| Q4 2014 | 998,551,184 | - | 34,480 | 1,886,293 | \$31.92 | \$60,203,896 | 996,699,371 |
| Q1 2015 | 996,699,371 | - | 1,670,744 | 765,450 | \$34.23 | \$26,199,145 | 997,604,665 |
| Q2 2015 | 997,604,665 | - | 635,292 | 1,360,848 | \$36.80 | \$50,077,226 | 996,879,109 |
| Q3 2015 | 996,879,109 | - | 131,140 | 3,810,122 | \$34.83 | \$132,723,517 | 993,200,127 |
| Q4 2015 | 993,200,127 | - | 493,640 | 343,436 | \$34.54 | \$11,863,660 | 993,350,331 |
| Q1 2016 | 993,350,331 | - | 473,574 | 624,181 | \$34.32 | \$21,423,126 | 993,199,724 |
| Q2 2016 | 993,199,724 | - | 165,660 | 2,207,000 | \$34.25 | \$75,597,009 | 991,158,384 |
| Q3 2016 | 991,158,384 | - | 40,311 | 5,136,700 | \$33.14 | \$170,240,059 | 986,061,995 |

3 months ended September 30, 2016

| | |
|---|-------------|
| Average common shares outstanding - Basic | 987,748,045 |
| Potential exercise of outstanding stock options | 1,255,802 |
| Average common shares outstanding - Diluted | 989,003,847 |

Lifeco Financial Ratio Highlights

| | 2016 | | | 2015 | | | | 2014 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Share Price | | | | | | | | |
| High | \$34.34 | \$37.03 | \$35.81 | \$36.29 | \$37.41 | \$37.52 | \$37.26 | \$33.87 |
| Low | \$31.01 | \$32.71 | \$32.32 | \$31.89 | \$31.57 | \$36.03 | \$31.31 | \$29.71 |
| Close | \$32.29 | \$34.08 | \$35.74 | \$34.53 | \$31.97 | \$36.36 | \$36.62 | \$33.59 |
| Operating EPS | | | | | | | | |
| Operating EPS | \$0.682 | \$0.675 | \$0.625 | \$0.688 | \$0.724 | \$0.661 | \$0.702 | \$0.658 |
| Operating EPS Growth <i>(qtr / qtr)</i> | 1.0% | 8.0% | (9.2%) | (5.0%) | 9.5% | (5.8%) | 6.7% | (4.2%) |
| Dividends | | | | | | | | |
| Common Dividends Declared / Share | | \$0.3460 | \$0.3460 | \$0.3460 | \$0.3260 | \$0.3260 | \$0.3260 | \$0.3260 |
| Common Dividends Paid / Share | \$0.3460 | \$0.3460 | \$0.3460 | \$0.3260 | \$0.3260 | \$0.3260 | \$0.3260 | \$0.3075 |
| Paid Dividend Growth <i>(qtr / qtr)</i> | 0.0% | 0.0% | 6.1% | 0.0% | 0.0% | 0.0% | 6.0% | 0.0% |
| Paid Dividend Growth <i>(yr / yr)</i> | 6.1% | 6.1% | 6.1% | 6.0% | 6.0% | 6.0% | 6.0% | 0.0% |
| Dividend Payout Ratio ⁽¹⁾ | 50.7% | 51.3% | 55.4% | 47.4% | 45.0% | 49.3% | 46.4% | 46.7% |
| Dividend Yield (annualized) ⁽²⁾ | 4.3% | 4.1% | 3.9% | 3.8% | 4.1% | 3.6% | 3.6% | 3.7% |
| Ratios | | | | | | | | |
| P/E Ratio <i>(rolling 4 qtrs - operating earnings)</i> | 12.1x | 12.6x | 13.2x | 12.4x | 11.6x | 13.4x | 13.8x | 13.2x |
| P/Book Value Ratio | 1.7x | 1.8x | 1.9x | 1.7x | 1.6x | 2.0x | 2.1x | 2.0x |
| ROE ⁽³⁾ (12 Months Trailing) - Operating Earnings | 13.8% | 14.0% | 14.0% | 14.7% | 15.2% | 15.7% | 16.0% | 15.7% |
| ROE ⁽³⁾ (12 Months Trailing) | 13.8% | 14.0% | 14.0% | 14.7% | 15.2% | 15.7% | 16.0% | 15.7% |
| Share Information | | | | | | | | |
| Total Shares Outstanding (mm) | 986.1 | 991.2 | 993.2 | 993.4 | 993.2 | 996.9 | 997.6 | 996.7 |
| Majority Shareholder Beneficial Ownership (mm) | 709.3 | 709.3 | 709.3 | 709.3 | 709.3 | 709.3 | 709.3 | 709.3 |
| Public Float Shares (mm) | 276.8 | 281.9 | 283.9 | 284.0 | 283.9 | 287.6 | 288.3 | 287.4 |
| Total Market Capitalization (mm) | \$31,840 | \$33,779 | \$35,497 | \$34,300 | \$31,753 | \$36,247 | \$36,532 | \$33,479 |
| Public Float (mm) | \$8,936 | \$9,606 | \$10,146 | \$9,808 | \$9,076 | \$10,456 | \$10,558 | \$9,654 |
| Book Value per Share | \$19.18 | \$19.02 | \$19.28 | \$20.06 | \$19.38 | \$18.27 | \$17.66 | \$16.80 |

1. Common dividends paid per share/operating earnings per common share (basic)

2. Common dividends paid per share * 4 / quarterly closing share price

3. Return on common shareholder equity

Note: Certain comparative figures have been reclassified or adjusted as described in note 16 to the Company's September 30, 2016 condensed consolidated interim unaudited financial statements.

Lifeco Regulatory Capital Ratios

(C\$MM, unless otherwise stated)

| | 2016 | | | 2015 | | | | 2014 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| MCCSR | | | | | | | | |
| Great-West Life Assurance Company | | | | | | | | |
| Available Capital | 15,285 | 15,168 | 15,492 | 15,730 | 15,383 | 14,572 | 14,151 | 13,662 |
| Required Capital | 6,748 | 6,536 | 6,559 | 6,599 | 6,582 | 6,370 | 6,376 | 6,092 |
| Ratio | 227% | 232% | 236% | 238% | 234% | 229% | 222% | 224% |
| London Life Insurance Company | | | | | | | | |
| Available Capital | 3,305 | 3,229 | 3,342 | 3,341 | 3,314 | 3,240 | 3,390 | 3,445 |
| Required Capital | 1,608 | 1,574 | 1,536 | 1,480 | 1,457 | 1,393 | 1,429 | 1,396 |
| Ratio | 206% | 205% | 218% | 226% | 227% | 233% | 237% | 247% |
| Canada Life Assurance Company | | | | | | | | |
| Available Capital | 10,279 | 10,165 | 10,392 | 10,649 | 10,349 | 9,730 | 9,262 | 8,778 |
| Required Capital | 4,041 | 3,878 | 3,944 | 4,090 | 4,061 | 3,931 | 3,926 | 3,703 |
| Ratio | 254% | 262% | 263% | 260% | 255% | 248% | 236% | 237% |
| Risk Based Capital (RBC) - US\$ | | | | | | | | |
| GWL&A | | | | | | | | |
| Total Adjusted Capital | | | | 1,339 | | | | 1,234 |
| Company Action Level | | | | 288 | | | | 296 |
| Ratio | | | | 464% | | | | 417% |

Great-West Life Assurance Company – MCCR

(C\$MM unless otherwise stated)

| | 2016 | | | 2015 | | | | 2014 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Capital Available: | | | | | | | | |
| Tier 1 Capital | | | | | | | | |
| Common shares | 8,487 | 8,487 | 8,487 | 8,487 | 8,487 | 8,487 | 8,487 | 8,487 |
| Shareholder Surplus | 9,903 | 9,698 | 9,512 | 9,256 | 9,031 | 8,695 | 8,551 | 8,355 |
| Innovative instruments | 112 | 112 | 113 | 113 | 113 | 112 | 111 | 112 |
| Other Tier 1 Capital Elements | 2,092 | 2,204 | 2,701 | 3,466 | 3,282 | 2,797 | 2,369 | 2,262 |
| Gross Tier 1 Capital | 20,594 | 20,501 | 20,813 | 21,322 | 20,913 | 20,091 | 19,518 | 19,216 |
| Deductions from Tier 1: | | | | | | | | |
| Goodwill & intangible assets in excess of limit | (6,034) | (5,903) | (5,920) | (5,928) | (5,954) | (5,945) | (5,963) | (6,001) |
| Other Deductions | (1,933) | (1,963) | (2,011) | (1,988) | (1,977) | (1,913) | (1,878) | (1,913) |
| Net Tier 1 Capital | 12,627 | 12,635 | 12,882 | 13,406 | 12,982 | 12,233 | 11,677 | 11,302 |
| Adjustments to Net Tier 1 Capital | (145) | (160) | (160) | (211) | (180) | (169) | (161) | (170) |
| Adjusted Net Tier 1 Capital | 12,482 | 12,475 | 12,722 | 13,195 | 12,802 | 12,064 | 11,516 | 11,132 |
| Tier 2 Capital | | | | | | | | |
| Tier 2A | 140 | 137 | 259 | 234 | 210 | 215 | 207 | 203 |
| Tier 2B allowed | 593 | 586 | 593 | 596 | 596 | 574 | 567 | 574 |
| Tier 2C | 2,215 | 2,130 | 2,078 | 1,916 | 1,955 | 1,888 | 2,022 | 1,923 |
| Tier 2 Deductions | (145) | (160) | (160) | (211) | (180) | (169) | (161) | (170) |
| Net Tier 2 Capital | 2,803 | 2,693 | 2,770 | 2,535 | 2,581 | 2,508 | 2,635 | 2,530 |
| Total Capital Available | 15,285 | 15,168 | 15,492 | 15,730 | 15,383 | 14,572 | 14,151 | 13,662 |
| Capital Required: | | | | | | | | |
| Assets Default & Market Risk | 2,756 | 2,657 | 2,687 | 2,725 | 2,731 | 2,655 | 2,611 | 2,522 |
| Insurance Risks | 2,774 | 2,698 | 2,685 | 2,666 | 2,660 | 2,537 | 2,564 | 2,438 |
| Interest Rate Risks | 1,213 | 1,177 | 1,183 | 1,204 | 1,188 | 1,172 | 1,193 | 1,126 |
| Other | 5 | 4 | 4 | 4 | 3 | 6 | 8 | 6 |
| Total Capital Required | 6,748 | 6,536 | 6,559 | 6,599 | 6,582 | 6,370 | 6,376 | 6,092 |
| MCCR Ratios: | | | | | | | | |
| Tier 1 | 185% | 191% | 194% | 200% | 194% | 189% | 181% | 183% |
| Total | 227% | 232% | 236% | 238% | 234% | 229% | 222% | 224% |

Lifeco Capital Structure

(CSMM)

| LIABILITIES | 2016 | | | 2015 | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Short Term | | | | | | |
| Commercial Paper & other short term borrowings | 131 | 130 | 129 | 129 | 129 | 123 |
| Putnam revolving credit facility | 124 | 228 | 280 | 338 | 168 | 281 |
| Total Short Term | 255 | 358 | 409 | 467 | 297 | 404 |
| Capital | | | | | | |
| Lifeco | | | | | | |
| 6.14% Debenture due Mar 21, 2018 | 200 | 200 | 200 | 200 | 200 | 200 |
| 6.74% Debenture due Nov 24, 2031 | 193 | 193 | 192 | 192 | 192 | 192 |
| 6.67% Debenture due Mar 21, 2033 | 392 | 392 | 391 | 391 | 391 | 391 |
| 5.998% Debenture due Nov 16, 2039 | 342 | 342 | 342 | 342 | 342 | 342 |
| 4.65% Debenture due Aug 13, 2020 | 499 | 499 | 499 | 499 | 499 | 499 |
| 2.50% Euro Bond Debt due April 18, 2023 | 731 | 716 | 736 | 745 | 745 | 690 |
| CLAC | | | | | | |
| 6.40% Series B Subordinated Debenture due Dec 11, 2028 | 100 | 100 | 100 | 100 | 100 | 100 |
| 5.25% ILA Debenture and Swap issued Jan 2007 | 297 | 294 | 305 | 311 | 313 | 292 |
| 4.00% ILA Mortgage | - | - | - | - | 76 | 70 |
| GWL&A Insurance Capital | | | | | | |
| 6.625% Deferrable Debenture (LP) | 226 | 224 | 224 | 238 | 231 | 215 |
| 7.153% Subordinated Debenture (LP II) | 393 | 390 | 390 | 414 | 402 | 375 |
| Lifeco Finance (Delaware) | | | | | | |
| 5.691% Subordinated Debenture due June 21, 2067 (LP) | 999 | 998 | 998 | 998 | 997 | 997 |
| 7.127% Subordinated Debenture due June 26, 2068 (LP II) | 499 | 498 | 498 | 498 | 498 | 498 |
| Total Debt and Other Loans | 5,126 | 5,204 | 5,284 | 5,395 | 5,283 | 5,265 |
| Capital Trust Securities | | | | | | |
| GREATs | | | | | | |
| CLICs | 150 | 150 | 150 | 150 | 150 | 150 |
| Acquisition related FMV adjustment | 11 | 11 | 11 | 11 | 12 | 12 |
| | 161 | 161 | 161 | 161 | 162 | 162 |
| Trust securities held by consolidated group | (37) | (37) | (37) | (37) | (37) | (37) |
| Capital Trust Securities (externally held) | 124 | 124 | 124 | 124 | 125 | 125 |

| EQUITY | 2016 | | | 2015 | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Non-Controlling Interests | | | | | | |
| Non-controlling interest in capital stock & surplus | 195 | 192 | 248 | 195 | 187 | 185 |
| Undistributed Participating Account Surplus | | | | | | |
| Great-West Life | 614 | 611 | 610 | 607 | 599 | 594 |
| London Life | 1,726 | 1,759 | 1,764 | 1,780 | 1,761 | 1,762 |
| Canada Life | 274 | 255 | 233 | 222 | 207 | 190 |
| GWL&A | 16 | 16 | 16 | 17 | 17 | 16 |
| Total Non-Controlling Interest | 2,825 | 2,833 | 2,871 | 2,821 | 2,771 | 2,747 |
| Lifeco | | | | | | |
| Series F 5.90% Non-Cumulative Preferreds | 194 | 194 | 194 | 194 | 194 | 194 |
| Series G 5.20% Non-Cumulative Preferreds | 300 | 300 | 300 | 300 | 300 | 300 |
| Series H 4.85% Non-Cumulative Preferreds | 300 | 300 | 300 | 300 | 300 | 300 |
| Series I 4.50% Non-Cumulative Preferreds | 300 | 300 | 300 | 300 | 300 | 300 |
| Series L 5.65% Non-Cumulative Preferreds | 170 | 170 | 170 | 170 | 170 | 170 |
| Series M 5.80% Non-Cumulative Preferreds | 150 | 150 | 150 | 150 | 150 | 150 |
| Series N 2.176% Non-Cumulative Rate Reset Preferreds ⁽¹⁾ | 213 | 213 | 213 | 213 | 250 | 250 |
| Series O Non-Cumulative Floating Rate Preferreds ⁽²⁾ | 37 | 37 | 37 | 37 | - | - |
| Series P 5.40% Non-Cumulative Preferreds | 250 | 250 | 250 | 250 | 250 | 250 |
| Series Q 5.15% Non-Cumulative Preferreds | 200 | 200 | 200 | 200 | 200 | 200 |
| Series R 4.80% Non-Cumulative Preferreds | 200 | 200 | 200 | 200 | 200 | 200 |
| Series S 5.25% Non-Cumulative Preferreds | 200 | 200 | 200 | 200 | 200 | 200 |
| | 2,514 | 2,514 | 2,514 | 2,514 | 2,514 | 2,514 |
| Common Stock | 7,120 | 7,156 | 7,167 | 7,156 | 7,143 | 7,166 |
| Accumulated & Contributed Surplus | 11,278 | 11,081 | 10,778 | 10,566 | 10,192 | 9,888 |
| Accumulated Other Comprehensive Income (loss) | 519 | 632 | 1,216 | 2,218 | 1,929 | 1,170 |
| Total Equity Capital | 24,256 | 24,216 | 24,546 | 25,275 | 24,549 | 23,485 |

1) Fixed dividend rate until Dec. 30, 2020, at which time the dividend becomes equal to the five year Government of Canada yield plus 1.30% for the subsequent five year period

2) Floating dividend rate which is reset quarterly to the three month Government of Canada Treasury Bill yield plus 1.30%

Note: Certain comparative figures have been reclassified or adjusted as described in note 16 to the Company's September 30, 2016 condensed consolidated interim unaudited financial statements.

Lifeco Statements of Earnings

| | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|---------------|---------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| <i>(C\$MM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 8,334 | 6,871 | 7,015 | 6,162 | 5,891 | 5,516 | 6,932 | 5,501 | 22,220 | 18,339 | 24,501 |
| Regular net investment income | 1,496 | 1,576 | 1,673 | 1,670 | 1,546 | 1,519 | 1,536 | 1,516 | 4,745 | 4,601 | 6,271 |
| Changes in fair value through profit or loss | 2,307 | 3,129 | 2,410 | (844) | (82) | (4,037) | 2,953 | 2,545 | 7,846 | (1,166) | (2,010) |
| Net investment income | 3,803 | 4,705 | 4,083 | 826 | 1,464 | (2,518) | 4,489 | 4,061 | 12,591 | 3,435 | 4,261 |
| Fee and other income | 1,271 | 1,231 | 1,254 | 1,333 | 1,241 | 1,226 | 1,258 | 1,161 | 3,756 | 3,725 | 5,058 |
| Total Income | 13,408 | 12,807 | 12,352 | 8,321 | 8,596 | 4,224 | 12,679 | 10,723 | 38,567 | 25,499 | 33,820 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders | 10,589 | 10,035 | 9,678 | 5,532 | 5,833 | 1,588 | 9,889 | 8,125 | 30,302 | 17,310 | 22,842 |
| Commissions | 584 | 599 | 566 | 584 | 565 | 554 | 515 | 514 | 1,749 | 1,634 | 2,218 |
| Operating expenses | 1,180 | 1,161 | 1,208 | 1,175 | 1,132 | 1,081 | 1,078 | 1,000 | 3,549 | 3,291 | 4,466 |
| Restructuring and acquisition expenses | 19 | 5 | 4 | 7 | 7 | 14 | 7 | 12 | 28 | 28 | 35 |
| Premium taxes | 109 | 98 | 92 | 92 | 83 | 80 | 84 | 86 | 299 | 247 | 339 |
| Financing charges | 74 | 75 | 78 | 73 | 78 | 75 | 77 | 77 | 227 | 230 | 303 |
| Amortization of finite life intangible assets | 43 | 44 | 46 | 37 | 36 | 37 | 36 | 34 | 133 | 109 | 146 |
| Total Benefits and Expenses | 12,598 | 12,017 | 11,672 | 7,500 | 7,734 | 3,429 | 11,686 | 9,848 | 36,287 | 22,849 | 30,349 |
| Net Earnings before income taxes | 810 | 790 | 680 | 821 | 862 | 795 | 993 | 875 | 2,280 | 2,650 | 3,471 |
| Income Tax - Current | 1 | 119 | 54 | 55 | 61 | 31 | 149 | 86 | 174 | 241 | 296 |
| - Deferred | 107 | (43) | (30) | 11 | 23 | 55 | 75 | 78 | 34 | 153 | 164 |
| Net Earnings before non-controlling interests | 702 | 714 | 656 | 755 | 778 | 709 | 769 | 711 | 2,072 | 2,256 | 3,011 |
| Non-controlling interests | (3) | 13 | 5 | 41 | 26 | 19 | 37 | 23 | 15 | 82 | 123 |
| Net Earnings | 705 | 701 | 651 | 714 | 752 | 690 | 732 | 688 | 2,057 | 2,174 | 2,888 |
| Perpetual preferred share dividends | 31 | 30 | 31 | 31 | 32 | 31 | 32 | 31 | 92 | 95 | 126 |
| Net Earnings - Common Shareholders | 674 | 671 | 620 | 683 | 720 | 659 | 700 | 657 | 1,965 | 2,079 | 2,762 |
| Earnings per Common Share | | | | | | | | | | | |
| Operating Earnings | \$0.682 | \$0.675 | \$0.625 | \$0.688 | \$0.724 | \$0.661 | \$0.702 | \$0.658 | \$1.982 | \$2.086 | \$2.774 |
| Adjustments (after-tax) | - | - | - | - | - | - | - | - | - | - | - |
| Basic Earnings | \$0.682 | \$0.675 | \$0.625 | \$0.688 | \$0.724 | \$0.661 | \$0.702 | \$0.658 | \$1.982 | \$2.086 | \$2.774 |
| Diluted Earnings | \$0.681 | \$0.674 | \$0.623 | \$0.686 | \$0.722 | \$0.659 | \$0.700 | \$0.657 | \$1.979 | \$2.081 | \$2.768 |
| Average number of shares outstanding (MM) - basic | 987.7 | 992.8 | 993.3 | 993.2 | 995.0 | 997.4 | 996.9 | 997.5 | 991.3 | 996.4 | 995.6 |
| Average number of shares outstanding (MM) - diluted | 989.0 | 994.8 | 995.1 | 995.2 | 997.0 | 1,000.1 | 999.1 | 999.1 | 992.9 | 998.8 | 997.9 |
| Effective tax rate | 13.3% | 9.6% | 3.4% | 8.0% | 9.7% | 10.8% | 22.6% | 18.7% | 9.1% | 14.9% | 13.3% |

Lifeco Balance Sheets

(C\$MM)

| Assets | 2016 | | | 2015 | | | | 2014 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Government bonds | 51,917 | 51,557 | 50,596 | 47,063 | 44,729 | 44,500 | 45,119 | 44,032 |
| Corporate bonds | 65,815 | 63,245 | 63,545 | 67,880 | 67,530 | 63,952 | 64,776 | 59,136 |
| Total bonds ⁽¹⁾ | 117,732 | 114,802 | 114,141 | 114,943 | 112,259 | 108,452 | 109,895 | 103,168 |
| Mortgage loans | 21,788 | 21,573 | 21,402 | 22,021 | 21,704 | 21,104 | 21,184 | 20,546 |
| Stocks | 8,847 | 8,390 | 7,827 | 7,873 | 7,919 | 7,826 | 7,797 | 7,820 |
| Investment properties | 4,448 | 4,377 | 5,049 | 5,237 | 5,224 | 5,220 | 4,943 | 4,613 |
| Loans to policyholders | 8,372 | 8,403 | 8,321 | 8,694 | 8,574 | 8,221 | 8,195 | 7,711 |
| Cash and cash equivalents | 3,060 | 3,068 | 2,923 | 2,813 | 3,713 | 2,688 | 3,197 | 2,498 |
| Total invested assets | 164,247 | 160,613 | 159,663 | 161,581 | 159,393 | 153,511 | 155,211 | 146,356 |
| Funds withheld by ceding insurers | 12,558 | 12,418 | 12,954 | 15,512 | 14,366 | 14,050 | 14,242 | 12,154 |
| Reinsurance assets | 5,304 | 4,936 | 5,144 | 5,131 | 5,572 | 5,139 | 5,187 | 5,151 |
| Premiums in course of collection, accounts and interest receivable | 4,313 | 3,844 | 3,833 | 3,553 | 3,663 | 3,444 | 3,862 | 3,056 |
| Current income taxes | 113 | 115 | 99 | 69 | 114 | 69 | 44 | 48 |
| Derivative financial instruments | 625 | 645 | 602 | 461 | 494 | 466 | 583 | 652 |
| Owner occupied properties | 633 | 633 | 638 | 653 | 646 | 629 | 631 | 619 |
| Fixed assets | 312 | 294 | 296 | 298 | 279 | 255 | 235 | 228 |
| Other assets | 2,481 | 2,460 | 2,471 | 2,643 | 2,636 | 2,662 | 2,430 | 2,368 |
| Deferred tax assets | 1,832 | 1,824 | 1,770 | 1,891 | 1,888 | 1,735 | 1,810 | 1,631 |
| Goodwill | 6,022 | 5,885 | 5,896 | 5,913 | 5,908 | 5,865 | 5,859 | 5,855 |
| Intangible assets | 3,887 | 3,859 | 3,878 | 4,036 | 3,953 | 3,768 | 3,804 | 3,625 |
| Investments on account of segregated fund policyholders | 199,162 | 192,725 | 193,001 | 198,194 | 191,023 | 184,835 | 187,433 | 174,966 |
| Total assets | 401,489 | 390,251 | 390,245 | 399,935 | 389,935 | 376,428 | 381,331 | 356,709 |
| Liabilities | | | | | | | | |
| Insurance contract liabilities | 159,609 | 155,633 | 155,352 | 158,492 | 157,451 | 152,315 | 154,494 | 145,198 |
| Investment contract liabilities | 2,091 | 2,076 | 2,116 | 2,253 | 947 | 912 | 935 | 857 |
| | 161,700 | 157,709 | 157,468 | 160,745 | 158,398 | 153,227 | 155,429 | 146,055 |
| Debentures and other debt instruments | 5,126 | 5,204 | 5,284 | 5,395 | 5,283 | 5,265 | 5,370 | 5,355 |
| Funds held under reinsurance contracts | 338 | 313 | 324 | 356 | 346 | 328 | 332 | 313 |
| Other liabilities | 9,263 | 8,516 | 8,006 | 8,238 | 8,589 | 7,602 | 8,250 | 6,511 |
| Deferred tax liabilities | 1,483 | 1,422 | 1,470 | 1,586 | 1,600 | 1,539 | 1,467 | 1,450 |
| Capital trust securities | 161 | 161 | 161 | 161 | 162 | 162 | 162 | 162 |
| Investment and insurance contracts on account of segregated fund policyholders | 199,162 | 192,725 | 193,001 | 198,194 | 191,023 | 184,835 | 187,433 | 174,966 |
| Total liabilities | 377,233 | 366,050 | 365,714 | 374,675 | 365,401 | 352,958 | 358,443 | 334,812 |
| Equity | | | | | | | | |
| Non-controlling interests | 2,825 | 2,833 | 2,871 | 2,821 | 2,771 | 2,747 | 2,756 | 2,643 |
| Share capital | | | | | | | | |
| Perpetual preferred shares | 2,514 | 2,514 | 2,514 | 2,514 | 2,514 | 2,514 | 2,514 | 2,514 |
| Common shares | 7,120 | 7,156 | 7,167 | 7,156 | 7,143 | 7,166 | 7,154 | 7,102 |
| Accumulated surplus | 11,140 | 10,941 | 10,657 | 10,416 | 10,054 | 9,764 | 9,476 | 9,134 |
| Accumulated other comprehensive income (loss) | 519 | 632 | 1,216 | 2,218 | 1,929 | 1,170 | 889 | 378 |
| Contributed surplus | 138 | 125 | 106 | 135 | 123 | 109 | 99 | 126 |
| | 24,256 | 24,201 | 24,531 | 25,260 | 24,534 | 23,470 | 22,888 | 21,897 |
| Total liabilities and equity | 401,489 | 390,251 | 390,245 | 399,935 | 389,935 | 376,428 | 381,331 | 356,709 |
| Proprietary mutual funds and institutional assets | 256,544 | 243,688 | 237,984 | 252,480 | 239,050 | 232,168 | 238,650 | 216,271 |
| Other assets under administration | 570,475 | 549,878 | 558,290 | 560,102 | 524,813 | 539,259 | 556,893 | 490,353 |
| Total assets under administration | 1,228,508 | 1,183,817 | 1,186,519 | 1,212,517 | 1,153,798 | 1,147,855 | 1,176,874 | 1,063,333 |

1) Includes short-term bonds

Note: Certain comparative figures have been reclassified or adjusted as described in note 16 to the Company's September 30, 2016 condensed consolidated interim unaudited financial statements.

Lifeco Supplemental Balance Sheet Information

(C\$MM, unless otherwise stated)

| | 2016 | | | 2015 | | | | 2014 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Bond Portfolio Quality | | | | | | | | |
| Canada | | | | | | | | |
| AAA | 10,853 | 10,649 | 10,631 | 11,224 | 10,938 | 11,482 | 11,485 | 10,812 |
| AA | 8,619 | 8,584 | 8,464 | 7,317 | 7,261 | 7,343 | 7,748 | 7,146 |
| A | 16,189 | 15,615 | 14,973 | 15,233 | 15,194 | 14,856 | 14,972 | 13,982 |
| BBB | 5,782 | 6,112 | 5,983 | 5,985 | 5,687 | 5,254 | 5,289 | 4,983 |
| BB or Lower | 74 | 103 | 121 | 120 | 127 | 128 | 128 | 104 |
| Total | 41,517 | 41,063 | 40,172 | 39,879 | 39,207 | 39,063 | 39,622 | 37,027 |
| U.S. | | | | | | | | |
| AAA | 5,956 | 5,680 | 7,770 | 8,712 | 4,705 | 4,192 | 4,532 | 7,237 |
| AA | 4,831 | 4,813 | 4,599 | 4,598 | 4,606 | 4,234 | 4,386 | 3,723 |
| A | 10,191 | 9,767 | 9,268 | 9,420 | 9,374 | 8,486 | 8,433 | 7,379 |
| BBB | 8,969 | 8,499 | 8,385 | 8,334 | 8,246 | 7,771 | 7,711 | 6,921 |
| BB or Lower | 692 | 673 | 714 | 771 | 810 | 695 | 730 | 686 |
| Total | 30,639 | 29,432 | 30,736 | 31,835 | 27,741 | 25,378 | 25,792 | 25,946 |
| Europe | | | | | | | | |
| AAA | 4,808 | 4,709 | 12,900 | 12,289 | 12,206 | 11,860 | 11,848 | 11,516 |
| AA | 16,100 | 15,883 | 8,149 | 8,056 | 8,354 | 7,374 | 7,891 | 7,443 |
| A | 10,925 | 9,977 | 10,366 | 10,782 | 10,642 | 10,164 | 10,226 | 9,646 |
| BBB | 6,175 | 5,951 | 6,261 | 6,662 | 6,438 | 6,115 | 5,871 | 5,462 |
| BB or Lower | 534 | 516 | 563 | 647 | 627 | 597 | 609 | 589 |
| Total | 38,542 | 37,036 | 38,239 | 38,436 | 38,267 | 36,110 | 36,445 | 34,656 |
| Total Bond Portfolio Quality | | | | | | | | |
| AAA | 21,617 | 21,038 | 31,301 | 32,225 | 27,849 | 27,534 | 27,865 | 29,565 |
| AA | 29,550 | 29,280 | 21,212 | 19,971 | 20,221 | 18,951 | 20,025 | 18,312 |
| A | 37,305 | 35,359 | 34,607 | 35,435 | 35,210 | 33,506 | 33,631 | 31,007 |
| BBB | 20,926 | 20,562 | 20,629 | 20,981 | 20,371 | 19,140 | 18,871 | 17,366 |
| BB or Lower | 1,300 | 1,292 | 1,398 | 1,538 | 1,564 | 1,420 | 1,467 | 1,379 |
| Total ⁽¹⁾ | 110,698 | 107,531 | 109,147 | 110,150 | 105,215 | 100,551 | 101,859 | 97,629 |

1. Excludes short term bonds.

| | 2016 | | | 2015 | | | | 2014 |
|-------------------------------------|-------------|-------------|------------|------------|------------|------------|-------------|------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Bonds unrealized Gain / Loss | | | | | | | | |
| Unrealized Gains | 13.2 | 11.7 | 9.4 | 7.9 | 8.6 | 8.3 | 12.1 | 9.4 |
| Unrealized Losses | (0.2) | (0.4) | (0.5) | (0.8) | (0.6) | (0.7) | (0.2) | (0.2) |
| Net Gains / Losses | 13.0 | 11.3 | 8.9 | 7.1 | 8.0 | 7.6 | 11.9 | 9.2 |

| | 2016 | | | 2015 | | | | 2014 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Segregated Fund Net Assets | | | | | | | | |
| Stocks, mutual funds and units in unit trusts | 129,930 | 125,104 | 125,844 | 130,930 | 125,023 | 123,004 | 124,852 | 115,618 |
| Bonds | 43,908 | 43,015 | 42,433 | 42,160 | 42,199 | 39,580 | 41,365 | 37,912 |
| Mortgage loans | 2,661 | 2,625 | 2,615 | 2,596 | 2,586 | 2,510 | 2,565 | 2,508 |
| Investment properties | 10,763 | 10,665 | 10,647 | 10,839 | 10,650 | 9,886 | 9,588 | 9,533 |
| Cash & other | 11,900 | 11,316 | 11,462 | 11,669 | 10,565 | 9,855 | 9,063 | 9,395 |
| Total | 199,162 | 192,725 | 193,001 | 198,194 | 191,023 | 184,835 | 187,433 | 174,966 |

Mortgage Loan Portfolio

| | Non-Insured | | Total |
|-----------------------------|--------------|---------------|---------------|
| | Insured | Insured | |
| Q3 2016 | | | |
| Single-family residential | 718 | 1,339 | 2,057 |
| Multi-family residential | 2,957 | 3,061 | 6,018 |
| Commercial | 273 | 13,440 | 13,713 |
| Total Mortgage Loans | 3,948 | 17,840 | 21,788 |
| Q2 2016 | | | |
| Single-family residential | 730 | 1,284 | 2,014 |
| Multi-family residential | 3,024 | 3,110 | 6,134 |
| Commercial | 237 | 13,188 | 13,425 |
| Total Mortgage Loans | 3,991 | 17,582 | 21,573 |
| Q1 2016 | | | |
| Single-family residential | 740 | 1,245 | 1,985 |
| Multi-family residential | 2,918 | 2,791 | 5,709 |
| Commercial | 240 | 13,468 | 13,708 |
| Total Mortgage Loans | 3,898 | 17,504 | 21,402 |
| Q4 2015 | | | |
| Single-family residential | 755 | 1,207 | 1,962 |
| Multi-family residential | 2,949 | 2,872 | 5,821 |
| Commercial | 210 | 14,028 | 14,238 |
| Total Mortgage Loans | 3,914 | 18,107 | 22,021 |
| Q3 2015 | | | |
| Single-family residential | 767 | 1,163 | 1,930 |
| Multi-family residential | 3,015 | 2,806 | 5,821 |
| Commercial | 221 | 13,732 | 13,953 |
| Total Mortgage Loans | 4,003 | 17,701 | 21,704 |
| Q2 2015 | | | |
| Single-family residential | 788 | 1,149 | 1,937 |
| Multi-family residential | 2,882 | 2,655 | 5,537 |
| Commercial | 230 | 13,400 | 13,630 |
| Total Mortgage Loans | 3,900 | 17,204 | 21,104 |
| Q1 2015 | | | |
| Single-family residential | 809 | 1,116 | 1,925 |
| Multi-family residential | 2,902 | 2,730 | 5,632 |
| Commercial | 236 | 13,391 | 13,627 |
| Total Mortgage Loans | 3,947 | 17,237 | 21,184 |
| Q4 2014 | | | |
| Single-family residential | 837 | 1,079 | 1,916 |
| Multi-family residential | 2,908 | 2,414 | 5,322 |
| Commercial | 239 | 13,069 | 13,308 |
| Total Mortgage Loans | 3,984 | 16,562 | 20,546 |

Lifeco Impaired Loans and Credit Losses

(C\$MM)

| | 2016 | | | 2015 | | | | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Gross Impaired Loans | | | | | | | | |
| Fair value through profit or loss ⁽¹⁾ | 234 | 243 | 256 | 287 | 289 | 280 | 300 | 292 |
| Available for sale | 10 | 10 | 11 | 12 | 16 | 14 | 15 | 15 |
| Loans & receivables | 74 | 76 | 56 | 50 | 44 | 43 | 42 | 33 |
| Total | 318 | 329 | 323 | 349 | 349 | 337 | 357 | 340 |
| Canada | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 11 |
| US | 238 | 246 | 259 | 289 | 286 | 274 | 294 | 279 |
| Europe | 79 | 81 | 62 | 57 | 60 | 59 | 59 | 50 |
| Total | 318 | 329 | 323 | 349 | 349 | 337 | 357 | 340 |
| Impaired Investment Provisions | | | | | | | | |
| Fair value through profit or loss ⁽¹⁾ | (58) | (55) | (55) | (68) | (74) | (75) | (65) | (63) |
| Available for sale | - | - | 1 | 1 | - | (1) | 1 | 1 |
| Loans & receivables | 31 | 32 | 24 | 20 | 19 | 19 | 18 | 18 |
| Total | (27) | (23) | (30) | (47) | (55) | (57) | (46) | (44) |
| Canada | - | - | - | - | - | (1) | (1) | (1) |
| US | (55) | (52) | (51) | (61) | (68) | (68) | (59) | (58) |
| Europe | 28 | 29 | 21 | 14 | 13 | 12 | 14 | 15 |
| Total | (27) | (23) | (30) | (47) | (55) | (57) | (46) | (44) |
| Carrying Amount | 345 | 352 | 353 | 396 | 404 | 394 | 403 | 384 |
| Provisions for Future Credit Losses in Insurance Contract Liabilities | 3,430 | 3,367 | 3,462 | 3,558 | 3,362 | 3,317 | 3,283 | 3,133 |

1) Includes impaired amounts on certain funds held by ceding insurers

Lifeco Cash Flow Statements

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Operations | | | | | | | | | | | |
| Net earnings before income taxes | 810 | 790 | 680 | 821 | 862 | 795 | 993 | 875 | 2,280 | 2,650 | 3,471 |
| Income taxes paid, net of refunds received | (16) | (84) | (58) | (66) | (30) | (177) | (88) | (79) | (158) | (295) | (361) |
| Adjustments: | | | | | | | | | | | |
| Change in insurance and investment contract liabilities | 3,184 | 3,967 | 3,208 | (538) | 179 | (3,580) | 2,851 | 2,988 | 10,359 | (550) | (1,088) |
| Change in funds held by ceding insurers | 186 | 35 | 260 | 32 | 310 | 207 | 272 | (108) | 481 | 789 | 821 |
| Change in funds held under reinsurance contracts | 27 | 10 | (5) | 191 | (73) | 2 | (92) | (21) | 32 | (163) | 28 |
| Change in deferred acquisition costs | 10 | 16 | 10 | 2 | 6 | 14 | 10 | 4 | 36 | 30 | 32 |
| Change in reinsurance assets | (47) | 79 | (131) | 294 | (51) | 113 | 11 | (69) | (99) | 73 | 367 |
| Changes in fair value through profit or loss | (2,307) | (3,129) | (2,410) | 844 | 82 | 4,037 | (2,953) | (2,545) | (7,846) | 1,166 | 2,010 |
| Other | (125) | 93 | (188) | (517) | 279 | (7) | 88 | (333) | (220) | 360 | (157) |
| | 1,722 | 1,777 | 1,366 | 1,063 | 1,564 | 1,404 | 1,092 | 712 | 4,865 | 4,060 | 5,123 |
| Financing Activities | | | | | | | | | | | |
| Issue of common shares | 1 | 5 | 15 | 16 | 4 | 22 | 57 | 1 | 21 | 83 | 99 |
| Purchased and cancelled common shares | (170) | (76) | (21) | (12) | (133) | (50) | (26) | (60) | (267) | (209) | (221) |
| Increase (decrease) in line of credit of subsidiary | (104) | (52) | (41) | 161 | (130) | (118) | (43) | 137 | (197) | (291) | (130) |
| Increase (decrease) in debentures and other debt instruments | - | 1 | 8 | (4) | (3) | 11 | (11) | (349) | 9 | (3) | (7) |
| Dividends paid on common shares | (342) | (344) | (343) | (324) | (324) | (325) | (325) | (307) | (1,029) | (974) | (1,298) |
| Dividends paid on preferred shares | (31) | (30) | (31) | (31) | (32) | (31) | (32) | (31) | (92) | (95) | (126) |
| Cash flow from financing activities | (646) | (496) | (413) | (194) | (618) | (491) | (380) | (609) | (1,555) | (1,489) | (1,683) |
| Investment Activities | | | | | | | | | | | |
| Bond sales and maturities | 5,004 | 9,266 | 7,610 | 6,685 | 6,001 | 6,559 | 9,837 | 6,638 | 21,880 | 22,397 | 29,082 |
| Mortgage loan repayments | 691 | 630 | 662 | 947 | 699 | 699 | 581 | 856 | 1,983 | 1,979 | 2,926 |
| Stock sales | 304 | 507 | 1,125 | 684 | 398 | 459 | 566 | 585 | 1,936 | 1,423 | 2,107 |
| Investment property sales | - | 373 | - | 7 | 195 | - | 4 | - | 373 | 199 | 206 |
| Changes in loans to policyholders | 75 | (82) | 19 | 56 | 56 | (113) | 9 | 57 | 12 | (48) | 8 |
| Business acquisitions, net of cash and equivalents acquired | (33) | - | - | - | (4) | - | - | (1) | (33) | (4) | (4) |
| Investment in bonds | (5,826) | (9,712) | (8,314) | (8,456) | (5,738) | (7,884) | (9,937) | (7,385) | (23,852) | (23,559) | (32,015) |
| Investment in mortgage loans | (893) | (1,134) | (752) | (1,064) | (808) | (537) | (624) | (948) | (2,779) | (1,969) | (3,033) |
| Investment in stocks | (417) | (904) | (984) | (647) | (859) | (557) | (360) | (880) | (2,305) | (1,776) | (2,423) |
| Investment in investment properties | (7) | (10) | (74) | (14) | (18) | (66) | (180) | 24 | (91) | (264) | (278) |
| Cash flow from investment activities | (1,102) | (1,066) | (708) | (1,802) | (78) | (1,440) | (104) | (1,054) | (2,876) | (1,622) | (3,424) |
| Effect of changes in exchange rates on cash & cash equivalents | 18 | (70) | (135) | 33 | 157 | 18 | 91 | 23 | (187) | 266 | 299 |
| Increase (decrease) in cash and cash equivalents | (8) | 145 | 110 | (900) | 1,025 | (509) | 699 | (928) | 247 | 1,215 | 315 |
| Cash and cash equivalents, beginning of period | 3,068 | 2,923 | 2,813 | 3,713 | 2,688 | 3,197 | 2,498 | 3,426 | 2,813 | 2,498 | 2,498 |
| Cash and cash equivalents, end of period | 3,060 | 3,068 | 2,923 | 2,813 | 3,713 | 2,688 | 3,197 | 2,498 | 3,060 | 3,713 | 2,813 |

Statements of Accumulated and Contributed Surplus

Lifeco Accumulated & Contributed Surplus

| (C\$MM) | 2016 | | | 2015 | | | | 2014 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Balance, beginning of year | 10,551 | 10,551 | 10,551 | 9,245 | 9,245 | 9,245 | 9,245 | 7,956 |
| Net earnings - YTD | 2,057 | 1,352 | 651 | 2,888 | 2,174 | 1,422 | 732 | 2,668 |
| Stock option expense | 49 | 35 | 16 | 9 | (3) | (17) | 16 | 35 |
| Share issue / redemption costs | (210) | - | - | - | - | - | - | (4) |
| Dividends to shareholders | | | | | | | | |
| Preferred shareholders | (92) | (61) | (31) | (126) | (95) | (63) | (32) | (122) |
| Common shareholders | (1,029) | (687) | (343) | (1,298) | (974) | (650) | (325) | (1,228) |
| Other | (48) | (124) | (81) | (167) | (170) | (64) | (61) | (45) |
| Balance, end of period | 11,278 | 11,066 | 10,763 | 10,551 | 10,177 | 9,873 | 9,575 | 9,260 |

Lifeco Surplus - Participating Account

| (C\$MM) | 2016 | | | 2015 | | | | 2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Balance, beginning of period | 2,626 | 2,626 | 2,626 | 2,495 | 2,495 | 2,495 | 2,495 | 2,354 |
| Net earnings before policyholder dividend - YTD | 960 | 649 | 325 | 1,374 | 1,070 | 711 | 370 | 1,317 |
| Participating policyholder dividend | (947) | (631) | (320) | (1,260) | (993) | (658) | (334) | (1,228) |
| Other | (9) | (3) | (8) | 17 | 12 | 14 | 25 | 37 |
| Balance, end of period | 2,630 | 2,641 | 2,623 | 2,626 | 2,584 | 2,562 | 2,556 | 2,480 |
| By Company: | | | | | | | | |
| Great-West Life | 614 | 611 | 610 | 607 | 599 | 594 | 594 | 579 |
| London Life | 1,726 | 1,759 | 1,764 | 1,780 | 1,761 | 1,762 | 1,769 | 1,720 |
| Canada Life | 274 | 255 | 233 | 222 | 207 | 190 | 177 | 167 |
| GWL&A | 16 | 16 | 16 | 17 | 17 | 16 | 16 | 14 |
| | 2,630 | 2,641 | 2,623 | 2,626 | 2,584 | 2,562 | 2,556 | 2,480 |

Note: Certain comparative figures have been reclassified or adjusted as described in note 16 to the Company's September 30, 2016 condensed consolidated interim unaudited financial statements.

Reconciliation of Accumulated Other Comprehensive Income

| (C\$MM) | Comprehensive Income | | | | | | | | YTD 2016 | YTD 2015 | Fiscal 2015 |
|---|----------------------|-------|---------|-------|-------|-------|-------|-------|-------------|-------------|----------------|
| | 2016 | | | 2015 | | | | 2014 | | | |
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| Net Earnings | 705 | 701 | 651 | 714 | 752 | 690 | 732 | 688 | 2,057 | 2,174 | 2,888 |
| Other comprehensive income (loss) net of income taxes | | | | | | | | | | | |
| Unrealized foreign exchange gains (losses) on translation of foreign operations | 80 | (508) | (984) | 291 | 888 | 146 | 733 | 174 | (1,412) | 1,767 | 2,058 |
| Unrealized foreign exchange gains (losses) on euro debt designated as hedge of net investment in foreign operations | (13) | 17 | 9 | - | (47) | (14) | 20 | 10 | 13 | (41) | (41) |
| Unrealized gains (losses) on available for sale assets (after-tax) | 28 | 103 | 97 | (34) | 30 | (111) | 102 | 99 | 228 | 21 | (13) |
| Realized gains on available-for-sale assets (after-tax) | (19) | (15) | (27) | (3) | (6) | (17) | (61) | (16) | (61) | (84) | (87) |
| Unrealized gains (losses) on cash flow hedges (after-tax) | (4) | (13) | 59 | (17) | (73) | 18 | (84) | (32) | 42 | (139) | (156) |
| Realized gains on cash flow hedges (after-tax) | - | - | 1 | - | - | - | 1 | - | 1 | 1 | 1 |
| Non-controlling interests (after-tax) | - | (16) | 9 | (49) | 1 | 25 | (31) | (23) | (7) | (5) | (54) |
| Total Items that may be reclassified | 72 | (432) | (836) | 188 | 793 | 47 | 680 | 212 | (1,196) | 1,520 | 1,708 |
| Items that will not be reclassified to Consolidated Statement of Earnings | | | | | | | | | | | |
| Re-measurements on defined benefit pension and other post-employment benefit plans (after-tax) | (190) | (163) | (180) | 97 | (35) | 248 | (175) | (113) | (533) | 38 | 135 |
| Non-controlling interests (after-tax) | 5 | 11 | 14 | 4 | 1 | (14) | 6 | 4 | 30 | (7) | (3) |
| | (185) | (152) | (166) | 101 | (34) | 234 | (169) | (109) | (503) | 31 | 132 |
| Total other comprehensive income (loss) | (113) | (584) | (1,002) | 289 | 759 | 281 | 511 | 103 | (1,699) | 1,551 | 1,840 |
| Comprehensive income | 592 | 117 | (351) | 1,003 | 1,511 | 971 | 1,243 | 791 | 358 | 3,725 | 4,728 |

Accumulated Other Comprehensive Income (loss), Net of Income Taxes

| (C\$MM) | 2016 | | | 2015 | | | | 2014 |
|-------------------------------|-----------------------------------|---------|---------|-------|-------|-------|-----|------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| | Balance, beginning of year | 2,218 | 2,218 | 2,218 | 378 | 378 | 378 | 378 |
| Other comprehensive income | (1,699) | (1,586) | (1,002) | 1,840 | 1,551 | 792 | 511 | 292 |
| Balance, end of period | 519 | 632 | 1,216 | 2,218 | 1,929 | 1,170 | 889 | 378 |

Lifeco Sales (New Annualized Premium)

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| New Annualized Premium | | | | | | | | | | | |
| Canada | | | | | | | | | | | |
| Individual Insurance | 164 | 155 | 125 | 137 | 142 | 138 | 113 | 117 | 444 | 393 | 530 |
| Wealth Management | 2,863 | 2,403 | 2,860 | 3,220 | 2,551 | 2,757 | 2,944 | 3,073 | 8,126 | 8,252 | 11,472 |
| Group Insurance | 90 | 119 | 283 | 135 | 251 | 121 | 126 | 121 | 492 | 498 | 633 |
| Total Canada | 3,117 | 2,677 | 3,268 | 3,492 | 2,944 | 3,016 | 3,183 | 3,311 | 9,062 | 9,143 | 12,635 |
| U.S. | | | | | | | | | | | |
| Financial Services | 11,670 | 6,042 | 27,770 | 20,761 | 15,589 | 9,624 | 9,891 | 4,563 | 45,482 | 35,104 | 55,865 |
| Asset Management | 11,341 | 10,623 | 12,388 | 10,869 | 10,242 | 8,507 | 10,232 | 10,542 | 34,352 | 28,981 | 39,850 |
| Total U.S. | 23,011 | 16,665 | 40,158 | 31,630 | 25,831 | 18,131 | 20,123 | 15,105 | 79,834 | 64,085 | 95,715 |
| Europe | | | | | | | | | | | |
| Insurance & Annuities | 4,645 | 5,550 | 4,574 | 3,917 | 7,716 | 3,396 | 4,456 | 3,155 | 14,769 | 15,568 | 19,485 |
| Total New Annualized Premium | 30,773 | 24,892 | 48,000 | 39,039 | 36,491 | 24,543 | 27,762 | 21,571 | 103,665 | 88,796 | 127,835 |

Lifeco Premiums & Deposits

| (CSMM) | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| Premiums & Deposits | | | | | | | | | | | |
| Canada | | | | | | | | | | | |
| Individual Insurance | 1,298 | 1,294 | 1,236 | 1,304 | 1,220 | 1,216 | 1,154 | 1,202 | 3,828 | 3,590 | 4,894 |
| Wealth Management | 2,716 | 2,496 | 2,726 | 2,804 | 2,504 | 2,713 | 2,811 | 2,741 | 7,938 | 8,028 | 10,832 |
| Group Insurance | 2,040 | 2,100 | 2,074 | 2,002 | 1,948 | 1,940 | 1,948 | 1,931 | 6,214 | 5,836 | 7,838 |
| Total Canada | 6,054 | 5,890 | 6,036 | 6,110 | 5,672 | 5,869 | 5,913 | 5,874 | 17,980 | 17,454 | 23,564 |
| U.S. | | | | | | | | | | | |
| Financial Services | 3,575 | 3,327 | 3,729 | 5,087 | 3,477 | 2,504 | 2,730 | 2,268 | 10,631 | 8,711 | 13,798 |
| Asset Management | 11,341 | 10,623 | 12,388 | 10,869 | 10,242 | 8,507 | 10,232 | 10,542 | 34,352 | 28,981 | 39,850 |
| Total U.S. | 14,916 | 13,950 | 16,117 | 15,956 | 13,719 | 11,011 | 12,962 | 12,810 | 44,983 | 37,692 | 53,648 |
| Europe | | | | | | | | | | | |
| Insurance & Annuities | 5,325 | 6,293 | 5,674 | 4,497 | 8,354 | 4,116 | 5,160 | 3,875 | 17,292 | 17,630 | 22,127 |
| Reinsurance | 2,967 | 2,038 | 2,167 | 1,559 | 1,487 | 1,077 | 1,513 | 1,465 | 7,172 | 4,077 | 5,636 |
| Total Europe | 8,292 | 8,331 | 7,841 | 6,056 | 9,841 | 5,193 | 6,673 | 5,340 | 24,464 | 21,707 | 27,763 |
| Total Revenue Premium | 29,262 | 28,171 | 29,994 | 28,122 | 29,232 | 22,073 | 25,548 | 24,024 | 87,427 | 76,853 | 104,975 |
| Summary | | | | | | | | | | | |
| Risk-based premiums | 8,334 | 6,871 | 7,015 | 6,162 | 5,891 | 5,516 | 6,932 | 5,501 | 22,220 | 18,339 | 24,501 |
| ASO premiums | 655 | 707 | 698 | 665 | 639 | 659 | 662 | 654 | 2,060 | 1,960 | 2,625 |
| Segregated fund deposits | | | | | | | | | | | |
| Individual | 3,211 | 3,213 | 3,689 | 3,814 | 3,157 | 3,031 | 2,981 | 3,185 | 10,113 | 9,169 | 12,983 |
| Group | 1,875 | 1,858 | 2,238 | 2,001 | 2,738 | 1,835 | 2,035 | 1,955 | 5,971 | 6,608 | 8,609 |
| Proprietary mutual funds & institutional deposits | 15,187 | 15,522 | 16,354 | 15,480 | 16,807 | 11,032 | 12,938 | 12,729 | 47,063 | 40,777 | 56,257 |
| | 29,262 | 28,171 | 29,994 | 28,122 | 29,232 | 22,073 | 25,548 | 24,024 | 87,427 | 76,853 | 104,975 |

Lifeco Fee and Other Income

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| Fee and Other Income | | | | | | | | | | | |
| Canada | | | | | | | | | | | |
| Segregated funds | 265 | 256 | 241 | 251 | 251 | 248 | 247 | 253 | 762 | 746 | 997 |
| ASO contracts | 39 | 42 | 43 | 41 | 38 | 39 | 39 | 40 | 124 | 116 | 157 |
| Other | 73 | 71 | 78 | 77 | 77 | 79 | 72 | 56 | 222 | 228 | 305 |
| Total Canada | 377 | 369 | 362 | 369 | 366 | 366 | 358 | 349 | 1,108 | 1,090 | 1,459 |
| U.S. | | | | | | | | | | | |
| Segregated funds | 16 | 15 | 16 | 17 | 17 | 17 | 17 | 16 | 47 | 51 | 68 |
| Asset Management | 231 | 232 | 250 | 288 | 285 | 280 | 278 | 277 | 713 | 843 | 1,131 |
| Other | 319 | 308 | 305 | 332 | 289 | 280 | 278 | 229 | 932 | 847 | 1,179 |
| Total U.S. | 566 | 555 | 571 | 637 | 591 | 577 | 573 | 522 | 1,692 | 1,741 | 2,378 |
| Europe | | | | | | | | | | | |
| Segregated funds & Other | 328 | 307 | 321 | 327 | 284 | 283 | 327 | 290 | 956 | 894 | 1,221 |
| Total Europe | 328 | 307 | 321 | 327 | 284 | 283 | 327 | 290 | 956 | 894 | 1,221 |
| Total Fee and Other Income | 1,271 | 1,231 | 1,254 | 1,333 | 1,241 | 1,226 | 1,258 | 1,161 | 3,756 | 3,725 | 5,058 |

Lifeco Expense Summary

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Operating Expenses | | | | | | | | | | | |
| Canada | 362 | 366 | 382 | 370 | 352 | 345 | 364 | 336 | 1,110 | 1,061 | 1,431 |
| U.S. | 584 | 569 | 603 | 580 | 562 | 532 | 513 | 461 | 1,756 | 1,607 | 2,187 |
| Europe | 230 | 220 | 219 | 221 | 215 | 199 | 197 | 199 | 669 | 611 | 832 |
| Lifeco Corporate | 4 | 6 | 4 | 4 | 3 | 5 | 4 | 4 | 14 | 12 | 16 |
| Total Operating Expenses | 1,180 | 1,161 | 1,208 | 1,175 | 1,132 | 1,081 | 1,078 | 1,000 | 3,549 | 3,291 | 4,466 |
| Investment Expenses | 26 | 27 | 27 | 30 | 28 | 25 | 27 | 30 | 80 | 80 | 110 |
| Total Operating & Investment Expenses | 1,206 | 1,188 | 1,235 | 1,205 | 1,160 | 1,106 | 1,105 | 1,030 | 3,629 | 3,371 | 4,576 |

Canada



Lifeco Canada Net Earnings – Consolidated

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Income | | | | | | | | | | | |
| Premium income | 3,117 | 2,896 | 2,861 | 3,023 | 2,774 | 2,839 | 2,667 | 2,839 | 8,874 | 8,280 | 11,303 |
| Regular net investment income | 631 | 665 | 736 | 654 | 599 | 630 | 629 | 638 | 2,032 | 1,858 | 2,512 |
| Changes in fair value through profit or loss | 579 | 940 | 537 | (7) | (546) | (1,181) | 1,376 | 695 | 2,056 | (351) | (358) |
| Net investment income | 1,210 | 1,605 | 1,273 | 647 | 53 | (551) | 2,005 | 1,333 | 4,088 | 1,507 | 2,154 |
| Fee and other income | 377 | 369 | 362 | 369 | 366 | 366 | 358 | 349 | 1,108 | 1,090 | 1,459 |
| Total Income | 4,704 | 4,870 | 4,496 | 4,039 | 3,193 | 2,654 | 5,030 | 4,521 | 14,070 | 10,877 | 14,916 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders | 3,485 | 3,632 | 3,301 | 2,799 | 1,967 | 1,460 | 3,765 | 3,327 | 10,418 | 7,192 | 9,991 |
| Commissions | 392 | 382 | 356 | 371 | 360 | 358 | 326 | 341 | 1,130 | 1,044 | 1,415 |
| General expenses | 362 | 366 | 382 | 370 | 352 | 345 | 364 | 336 | 1,110 | 1,061 | 1,431 |
| Other | 132 | 128 | 124 | 123 | 117 | 116 | 116 | 112 | 384 | 349 | 472 |
| Total Benefits and Expenses | 4,371 | 4,508 | 4,163 | 3,663 | 2,796 | 2,279 | 4,571 | 4,116 | 13,042 | 9,646 | 13,309 |
| Net Earnings before income taxes | 333 | 362 | 333 | 376 | 397 | 375 | 459 | 405 | 1,028 | 1,231 | 1,607 |
| Income tax | 45 | 23 | 51 | 70 | 45 | 47 | 123 | 83 | 119 | 215 | 285 |
| Net Earnings before non-controlling interests | 288 | 339 | 282 | 306 | 352 | 328 | 336 | 322 | 909 | 1,016 | 1,322 |
| Non-controlling interests | (3) | 11 | 5 | 40 | 22 | 16 | 33 | 24 | 13 | 71 | 111 |
| Net Earnings | 291 | 328 | 277 | 266 | 330 | 312 | 303 | 298 | 896 | 945 | 1,211 |
| Preferred share dividends | 26 | 26 | 26 | 25 | 26 | 26 | 26 | 23 | 78 | 78 | 103 |
| Net Earnings before Capital Allocation | 265 | 302 | 251 | 241 | 304 | 286 | 277 | 275 | 818 | 867 | 1,108 |
| Capital Allocation | 24 | 25 | 25 | 21 | 22 | 22 | 22 | 25 | 74 | 66 | 87 |
| Net Earnings - Common Shareholders | 289 | 327 | 276 | 262 | 326 | 308 | 299 | 300 | 892 | 933 | 1,195 |
| Common Shareholder Net Earnings (loss) | | | | | | | | | | | |
| Individual Insurance | 70 | 80 | 92 | 51 | 91 | 88 | 77 | 120 | 242 | 256 | 307 |
| Wealth Management | 99 | 104 | 101 | 119 | 116 | 122 | 122 | 69 | 304 | 360 | 479 |
| Group Insurance | 110 | 125 | 67 | 74 | 153 | 96 | 109 | 96 | 302 | 358 | 432 |
| Corporate | 10 | 18 | 16 | 18 | (34) | 2 | (9) | 15 | 44 | (41) | (23) |
| Total | 289 | 327 | 276 | 262 | 326 | 308 | 299 | 300 | 892 | 933 | 1,195 |

Lifeco Canada – Individual Insurance

| | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal | |
|---|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 | |
| <i>(C\$MM)</i> | | | | | | | | | | | | |
| Income | | | | | | | | | | | | |
| Premium income | 326 | 307 | 324 | 319 | 318 | 314 | 324 | 318 | 957 | 956 | 1,275 | |
| Net investment income | 292 | 587 | 320 | 142 | (170) | (526) | 628 | 432 | 1,199 | (68) | 74 | |
| Total Income | 618 | 894 | 644 | 461 | 148 | (212) | 952 | 750 | 2,156 | 888 | 1,349 | |
| Benefits and Expenses | | | | | | | | | | | | |
| Paid or credited to | | | | | | | | | | | | |
| policyholders and beneficiaries | 444 | 703 | 447 | 314 | (39) | (385) | 765 | 503 | 1,594 | 341 | 655 | |
| Commissions | 52 | 50 | 46 | 46 | 44 | 45 | 42 | 43 | 148 | 131 | 177 | |
| General expenses | 31 | 33 | 31 | 27 | 30 | 29 | 27 | 31 | 95 | 86 | 113 | |
| Other | 12 | 12 | 13 | 12 | 11 | 10 | 11 | 11 | 37 | 32 | 44 | |
| Total Benefits and Expenses | 539 | 798 | 537 | 399 | 46 | (301) | 845 | 588 | 1,874 | 590 | 989 | |
| Net Earnings before income taxes | 79 | 96 | 107 | 62 | 102 | 89 | 107 | 162 | 282 | 298 | 360 | |
| Income tax | 9 | 15 | 14 | 8 | 9 | (1) | 28 | 38 | 38 | 36 | 44 | |
| Net Earnings before Capital Allocation | 70 | 81 | 93 | 54 | 93 | 90 | 79 | 124 | 244 | 262 | 316 | |
| Capital Allocation | - | (1) | (1) | (3) | (2) | (2) | (2) | (4) | (2) | (6) | (9) | |
| Net Earnings - Common Shareholders | 70 | 80 | 92 | 51 | 91 | 88 | 77 | 120 | 242 | 256 | 307 | |
| Sales | Participating | 122 | 115 | 91 | 101 | 106 | 100 | 82 | 85 | 328 | 288 | 389 |
| | Universal Life | 16 | 14 | 12 | 12 | 11 | 13 | 12 | 13 | 42 | 36 | 48 |
| | Term/Permanent | 16 | 15 | 14 | 14 | 14 | 15 | 11 | 11 | 45 | 40 | 54 |
| | Third party | - | 2 | - | - | 2 | 2 | 1 | 1 | 2 | 5 | 5 |
| | Total - Individual Life | 154 | 146 | 117 | 127 | 133 | 130 | 106 | 110 | 417 | 369 | 496 |
| | Critical Illness | 6 | 5 | 4 | 5 | 5 | 4 | 4 | 3 | 15 | 13 | 18 |
| | Disability | 4 | 4 | 4 | 5 | 4 | 4 | 3 | 4 | 12 | 11 | 16 |
| Total - Living Benefits | 10 | 9 | 8 | 10 | 9 | 8 | 7 | 7 | 27 | 24 | 34 | |
| Total - Individual Insurance | 164 | 155 | 125 | 137 | 142 | 138 | 113 | 117 | 444 | 393 | 530 | |
| Revenue Premium | Risk Based Premiums | | | | | | | | | | | |
| | Participating | 971 | 988 | 912 | 985 | 902 | 902 | 830 | 883 | 2,871 | 2,634 | 3,619 |
| | Individual Life | 243 | 222 | 241 | 236 | 236 | 230 | 242 | 236 | 706 | 708 | 944 |
| | Living Benefits | 84 | 84 | 83 | 83 | 82 | 84 | 82 | 83 | 251 | 248 | 331 |
| Total - Individual Insurance | 1,298 | 1,294 | 1,236 | 1,304 | 1,220 | 1,216 | 1,154 | 1,202 | 3,828 | 3,590 | 4,894 | |

Lifeco Canada – Wealth Management

| | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 | |
|---|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | | |
| <i>(C\$MM)</i> | | | | | | | | | | | | |
| Income | | | | | | | | | | | | |
| Premium income | 435 | 208 | 249 | 382 | 246 | 341 | 227 | 360 | 892 | 814 | 1,196 | |
| Net investment income | 203 | 300 | 278 | 124 | 133 | (48) | 389 | 270 | 781 | 474 | 598 | |
| Fee and other income | 326 | 315 | 307 | 316 | 310 | 313 | 308 | 297 | 948 | 931 | 1,247 | |
| Total Income | 964 | 823 | 834 | 822 | 689 | 606 | 924 | 927 | 2,621 | 2,219 | 3,041 | |
| Benefits and Expenses | | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 619 | 466 | 469 | 433 | 334 | 218 | 523 | 625 | 1,554 | 1,075 | 1,508 | |
| Commissions | 93 | 95 | 97 | 99 | 87 | 100 | 100 | 94 | 285 | 287 | 386 | |
| General expenses | 119 | 119 | 126 | 124 | 114 | 114 | 130 | 108 | 364 | 358 | 482 | |
| Other | 6 | 5 | 6 | 4 | 6 | 6 | 5 | 5 | 17 | 17 | 21 | |
| Total Benefits and Expenses | 837 | 685 | 698 | 660 | 541 | 438 | 758 | 832 | 2,220 | 1,737 | 2,397 | |
| Net Earnings before income taxes | 127 | 138 | 136 | 162 | 148 | 168 | 166 | 95 | 401 | 482 | 644 | |
| Income tax | 27 | 34 | 35 | 42 | 30 | 44 | 42 | 23 | 96 | 116 | 158 | |
| Net Earnings before Capital Allocation | 100 | 104 | 101 | 120 | 118 | 124 | 124 | 72 | 305 | 366 | 486 | |
| Capital Allocation | (1) | - | - | (1) | (2) | (2) | (2) | (3) | (1) | (6) | (7) | |
| Net Earnings - Common Shareholders | 99 | 104 | 101 | 119 | 116 | 122 | 122 | 69 | 304 | 360 | 479 | |
| Sales | Risk-based | 119 | 121 | 193 | 161 | 137 | 133 | 186 | 203 | 433 | 456 | 617 |
| | Segregated funds | 1,124 | 1,138 | 1,330 | 1,497 | 1,190 | 1,284 | 1,519 | 1,436 | 3,592 | 3,993 | 5,490 |
| | Proprietary mutual funds | 259 | 270 | 289 | 320 | 311 | 312 | 336 | 275 | 818 | 959 | 1,279 |
| | Third party | 318 | 378 | 455 | 433 | 332 | 363 | 463 | 343 | 1,151 | 1,158 | 1,591 |
| | Total - Individual Wealth Management | 1,820 | 1,907 | 2,267 | 2,411 | 1,970 | 2,092 | 2,504 | 2,257 | 5,994 | 6,566 | 8,977 |
| | Risk-based | 341 | 81 | 75 | 245 | 122 | 210 | 65 | 223 | 497 | 397 | 642 |
| | Segregated funds | 702 | 415 | 387 | 564 | 459 | 455 | 375 | 593 | 1,504 | 1,289 | 1,853 |
| | Third party | - | - | 131 | - | - | - | - | - | 131 | - | - |
| | Total - Group Retirement Services | 1,043 | 496 | 593 | 809 | 581 | 665 | 440 | 816 | 2,132 | 1,686 | 2,495 |
| | Total - Wealth Management | 2,863 | 2,403 | 2,860 | 3,220 | 2,551 | 2,757 | 2,944 | 3,073 | 8,126 | 8,252 | 11,472 |
| Revenue Premium | Risk-based revenue premiums | 39 | 38 | 74 | 57 | 54 | 51 | 70 | 73 | 151 | 175 | 232 |
| | Segregated funds deposits | 819 | 820 | 959 | 893 | 842 | 913 | 1,078 | 904 | 2,598 | 2,833 | 3,726 |
| | Proprietary mutual fund deposits | 230 | 223 | 241 | 253 | 242 | 262 | 291 | 220 | 694 | 795 | 1,048 |
| | Total - Individual Wealth Management | 1,088 | 1,081 | 1,274 | 1,203 | 1,138 | 1,226 | 1,439 | 1,197 | 3,443 | 3,803 | 5,006 |
| | Risk-based revenue premiums | 395 | 171 | 175 | 325 | 191 | 291 | 157 | 287 | 741 | 639 | 964 |
| | Segregated funds deposits | 1,233 | 1,244 | 1,277 | 1,276 | 1,175 | 1,196 | 1,215 | 1,257 | 3,754 | 3,586 | 4,862 |
| | Total - Group Retirement Services | 1,628 | 1,415 | 1,452 | 1,601 | 1,366 | 1,487 | 1,372 | 1,544 | 4,495 | 4,225 | 5,826 |
| Total - Wealth Management | 2,716 | 2,496 | 2,726 | 2,804 | 2,504 | 2,713 | 2,811 | 2,741 | 7,938 | 8,028 | 10,832 | |

Wealth Management – Assets under Administration

| (C\$MM) | 2016 | | | 2015 | | | | 2014 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Assets Under Administration | | | | | | | | |
| Individual Wealth Management | | | | | | | | |
| Risk-based products | 5,717 | 5,742 | 5,753 | 5,739 | 5,844 | 5,999 | 6,201 | 6,181 |
| Segregated funds | 31,433 | 30,416 | 29,906 | 29,836 | 29,333 | 30,183 | 30,496 | 29,250 |
| Proprietary mutual funds | 5,340 | 5,110 | 4,979 | 4,917 | 4,779 | 4,907 | 4,906 | 4,620 |
| Group Retirement Services | | | | | | | | |
| Risk-based products | 7,328 | 7,208 | 7,167 | 7,161 | 7,063 | 7,037 | 7,003 | 7,006 |
| Segregated funds | 42,236 | 41,547 | 40,564 | 40,433 | 39,301 | 40,695 | 41,102 | 39,122 |
| Institutional Assets | 285 | 268 | 259 | 122 | 117 | 121 | 113 | 98 |
| Total assets under management | 92,339 | 90,291 | 88,628 | 88,208 | 86,437 | 88,942 | 89,821 | 86,277 |
| Other assets under administration ⁽¹⁾ | | | | | | | | |
| Individual Wealth Management | 7,165 | 6,936 | 6,726 | 6,620 | 6,383 | 6,555 | 6,533 | 6,050 |
| Group Retirement Services | 495 | 513 | 548 | 526 | 488 | 551 | 561 | 515 |
| Total | 7,660 | 7,449 | 7,274 | 7,146 | 6,871 | 7,106 | 7,094 | 6,565 |
| Summary by Business/Product | | | | | | | | |
| Individual Wealth Management | 49,655 | 48,204 | 47,364 | 47,112 | 46,339 | 47,644 | 48,136 | 46,101 |
| Group Retirement Services | 50,344 | 49,536 | 48,538 | 48,242 | 46,969 | 48,404 | 48,779 | 46,741 |
| Total assets under administration | 99,999 | 97,740 | 95,902 | 95,354 | 93,308 | 96,048 | 96,915 | 92,842 |

1. Includes mutual funds distributed by Quadrus Investment Services, stock purchase plans administered by London Life and portfolio assets managed by GLC Asset Management Group.

Lifeco Canada – Group Insurance

| | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| <i>(C\$MM)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 1,385 | 1,393 | 1,376 | 1,337 | 1,309 | 1,282 | 1,286 | 1,277 | 4,154 | 3,877 | 5,214 |
| Net investment income | 84 | 102 | 94 | 84 | 44 | 1 | 162 | 115 | 280 | 207 | 291 |
| Fee and other income | 39 | 42 | 43 | 41 | 38 | 39 | 39 | 40 | 124 | 116 | 157 |
| Total Income | 1,508 | 1,537 | 1,513 | 1,462 | 1,391 | 1,322 | 1,487 | 1,432 | 4,558 | 4,200 | 5,662 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 1,111 | 1,162 | 1,160 | 1,113 | 1,018 | 978 | 1,096 | 1,076 | 3,433 | 3,092 | 4,205 |
| Commissions | 68 | 68 | 69 | 68 | 62 | 63 | 63 | 64 | 205 | 188 | 256 |
| General expenses | 130 | 132 | 145 | 134 | 125 | 125 | 134 | 118 | 407 | 384 | 518 |
| Other | 53 | 52 | 49 | 48 | 47 | 46 | 46 | 43 | 154 | 139 | 187 |
| Total Benefits and Expenses | 1,362 | 1,414 | 1,423 | 1,363 | 1,252 | 1,212 | 1,339 | 1,301 | 4,199 | 3,803 | 5,166 |
| Net Earnings before income taxes | 146 | 123 | 90 | 99 | 139 | 110 | 148 | 131 | 359 | 397 | 496 |
| Income tax | 35 | (2) | 23 | 23 | (16) | 13 | 38 | 32 | 56 | 35 | 58 |
| Net Earnings before Capital Allocation | 111 | 125 | 67 | 76 | 155 | 97 | 110 | 99 | 303 | 362 | 438 |
| Capital Allocation | (1) | - | - | (2) | (2) | (1) | (1) | (3) | (1) | (4) | (6) |
| Net Earnings - Common Shareholders | 110 | 125 | 67 | 74 | 153 | 96 | 109 | 96 | 302 | 358 | 432 |
| Sales | | | | | | | | | | | |
| Small/mid-size case | 73 | 76 | 69 | 91 | 60 | 69 | 63 | 75 | 218 | 192 | 283 |
| Large case | 14 | 24 | 196 | 33 | 148 | 37 | 59 | 22 | 234 | 244 | 277 |
| Creditor/Direct marketing | 3 | 19 | 18 | 11 | 43 | 15 | 4 | 24 | 40 | 62 | 73 |
| Total Group Sales | 90 | 119 | 283 | 135 | 251 | 121 | 126 | 121 | 492 | 498 | 633 |
| Revenue Premium | | | | | | | | | | | |
| Small/mid-size case - Insured | 675 | 672 | 662 | 652 | 646 | 649 | 647 | 638 | 2,009 | 1,942 | 2,594 |
| Large case -Insured | 668 | 679 | 672 | 642 | 619 | 591 | 597 | 598 | 2,019 | 1,807 | 2,449 |
| ASO | 655 | 707 | 698 | 665 | 639 | 659 | 662 | 654 | 2,060 | 1,960 | 2,625 |
| Creditor/Direct marketing | 42 | 42 | 42 | 43 | 44 | 41 | 42 | 41 | 126 | 127 | 170 |
| Total Group Revenue Premium | 2,040 | 2,100 | 2,074 | 2,002 | 1,948 | 1,940 | 1,948 | 1,931 | 6,214 | 5,836 | 7,838 |

Lifeco Canada – Participating Account ⁽¹⁾

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|---|-------|-------|-------|-------|------|-----|-------|-------|-------------|-------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| Income | | | | | | | | | | | |
| Premium income | 971 | 988 | 912 | 985 | 902 | 902 | 830 | 883 | 2,871 | 2,634 | 3,619 |
| Net investment income | 604 | 579 | 548 | 264 | 22 | 8 | 798 | 492 | 1,731 | 828 | 1,092 |
| Total Income | 1,575 | 1,567 | 1,460 | 1,249 | 924 | 910 | 1,628 | 1,375 | 4,602 | 3,462 | 4,711 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 1,306 | 1,296 | 1,220 | 934 | 648 | 644 | 1,376 | 1,118 | 3,822 | 2,668 | 3,602 |
| Commissions | 179 | 169 | 144 | 158 | 166 | 150 | 121 | 140 | 492 | 437 | 595 |
| General expenses | 78 | 75 | 76 | 84 | 75 | 72 | 71 | 70 | 229 | 218 | 302 |
| Other | 27 | 27 | 24 | 25 | 24 | 22 | 21 | 21 | 78 | 67 | 92 |
| Total Benefits and Expenses | 1,590 | 1,567 | 1,464 | 1,201 | 913 | 888 | 1,589 | 1,349 | 4,621 | 3,390 | 4,591 |
| Net Earnings (loss) before income taxes | (15) | - | (4) | 48 | 11 | 22 | 39 | 26 | (19) | 72 | 120 |
| Income tax | (12) | (11) | (9) | 8 | (11) | 6 | 6 | 2 | (32) | 1 | 9 |
| Net Earnings (loss) before non-controlling interests | (3) | 11 | 5 | 40 | 22 | 16 | 33 | 24 | 13 | 71 | 111 |
| Non-controlling interests | (3) | 11 | 5 | 40 | 22 | 16 | 33 | 24 | 13 | 71 | 111 |
| Net Earnings | - | - | - | - | - | - | - | - | - | - | - |
| Sales (New annualized premiums) | 122 | 115 | 91 | 101 | 106 | 100 | 82 | 85 | 328 | 288 | 389 |
| Risk-based revenue premiums | 971 | 988 | 912 | 985 | 902 | 902 | 830 | 883 | 2,871 | 2,634 | 3,619 |

1. The Lifeco Canada participating account represents the aggregate of the participating accounts of Great-West Life, London Life and Canada Life.

The Canada Life participating account is comprised of two components; the closed block represents participating policies issued prior to demutualization and the open block represents policies issued after demutualization.

Lifeco Canada – Corporate

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|---|-------------|------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Income | | | | | | | | | | | |
| Net investment income | 27 | 36 | 33 | 33 | 24 | 14 | 28 | 24 | 96 | 66 | 99 |
| Fee and other income | 12 | 12 | 12 | 12 | 18 | 14 | 11 | 12 | 36 | 43 | 55 |
| Total Income | 39 | 48 | 45 | 45 | 42 | 28 | 39 | 36 | 132 | 109 | 154 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 15 | 15 | 20 |
| General Expenses | 4 | 7 | 4 | 1 | 8 | 4 | 2 | 9 | 15 | 14 | 15 |
| Other | 34 | 31 | 32 | 34 | 32 | 32 | 33 | 32 | 97 | 97 | 131 |
| Total Benefits and Expenses | 43 | 43 | 41 | 40 | 45 | 41 | 40 | 46 | 127 | 126 | 166 |
| Net Earnings (loss) before income taxes | (4) | 5 | 4 | 5 | (3) | (13) | (1) | (10) | 5 | (17) | (12) |
| Income tax | (14) | (13) | (12) | (11) | 33 | (14) | 9 | (13) | (39) | 28 | 17 |
| Net Earnings (loss) before non-controlling interests | 10 | 18 | 16 | 16 | (36) | 1 | (10) | 3 | 44 | (45) | (29) |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) | 10 | 18 | 16 | 16 | (36) | 1 | (10) | 3 | 44 | (45) | (29) |
| Preferred share dividends | 26 | 26 | 26 | 25 | 26 | 26 | 26 | 23 | 78 | 78 | 103 |
| Net Earnings (loss) before Capital Allocation | (16) | (8) | (10) | (9) | (62) | (25) | (36) | (20) | (34) | (123) | (132) |
| Capital Allocation | 26 | 26 | 26 | 27 | 28 | 27 | 27 | 35 | 78 | 82 | 109 |
| Net Earnings (loss) - Common Shareholders | 10 | 18 | 16 | 18 | (34) | 2 | (9) | 15 | 44 | (41) | (23) |

Lifeco Canada – Balance Sheets

(C\$MM)

| | 2016 | | | 2015 | | | 2014 | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Assets | | | | | | | | |
| Cash and cash equivalents | 480 | 550 | 522 | 578 | 451 | 431 | 387 | 413 |
| Bonds | 44,825 | 44,531 | 43,440 | 43,120 | 42,293 | 42,203 | 42,806 | 40,643 |
| Mortgage loans | 13,072 | 12,997 | 12,783 | 12,691 | 12,625 | 12,445 | 12,622 | 12,593 |
| Stocks | 7,943 | 7,530 | 6,990 | 6,971 | 7,081 | 6,948 | 6,965 | 7,018 |
| Investment properties | 1,551 | 1,538 | 1,857 | 1,788 | 1,755 | 1,728 | 1,723 | 1,556 |
| Loans to policyholders | 2,597 | 2,593 | 2,567 | 2,553 | 2,533 | 2,517 | 2,499 | 2,495 |
| Total invested assets | 70,468 | 69,739 | 68,159 | 67,701 | 66,738 | 66,272 | 67,002 | 64,718 |
| Funds withheld by ceding insurers | - | - | - | - | - | - | - | - |
| Reinsurance assets | 436 | 397 | 481 | 375 | 778 | 754 | 716 | 677 |
| Derivative financial instruments | 240 | 234 | 249 | 110 | 121 | 130 | 159 | 376 |
| Owner occupied properties | 380 | 381 | 383 | 384 | 383 | 384 | 385 | 386 |
| Fixed assets | 163 | 149 | 148 | 147 | 137 | 129 | 126 | 120 |
| Other assets | 1,760 | 1,691 | 1,627 | 1,569 | 1,763 | 1,632 | 1,993 | 1,430 |
| Total other assets | 2,543 | 2,455 | 2,407 | 2,210 | 2,404 | 2,275 | 2,663 | 2,312 |
| Deferred tax assets | 236 | 228 | 215 | 208 | 257 | 237 | 272 | 288 |
| Goodwill | 3,787 | 3,787 | 3,787 | 3,787 | 3,787 | 3,787 | 3,787 | 3,787 |
| Intangible assets | 1,345 | 1,344 | 1,341 | 1,345 | 1,335 | 1,332 | 1,334 | 1,336 |
| Investments on account of segregated fund policyholders | 73,669 | 71,963 | 70,470 | 70,269 | 68,634 | 70,878 | 71,598 | 68,372 |
| Total assets | 152,484 | 149,913 | 146,860 | 145,895 | 143,933 | 145,535 | 147,372 | 141,490 |
| Liabilities | | | | | | | | |
| Insurance contract liabilities | 63,608 | 62,362 | 61,043 | 59,849 | 59,712 | 59,805 | 60,494 | 58,861 |
| Investment contract liabilities | 344 | 351 | 357 | 385 | 397 | 402 | 408 | 413 |
| Debentures and other debt instruments | 1,726 | 1,726 | 1,725 | 1,725 | 1,724 | 1,724 | 1,724 | 1,720 |
| Funds held under reinsurance contracts | 33 | 30 | 30 | 28 | 26 | 27 | 26 | 23 |
| Other liabilities | 3,951 | 4,121 | 3,829 | 4,112 | 4,071 | 3,382 | 4,084 | 3,013 |
| Deferred tax liabilities | 576 | 583 | 653 | 677 | 682 | 680 | 655 | 672 |
| Repurchase agreements | - | - | - | - | - | - | - | - |
| Capital trust securities and debentures | 161 | 161 | 161 | 161 | 162 | 162 | 162 | 162 |
| Investment and insurance contracts on account of segregated fund policyholders | 73,669 | 71,963 | 70,470 | 70,269 | 68,634 | 70,878 | 71,598 | 68,372 |
| Total liabilities | 144,068 | 141,297 | 138,268 | 137,206 | 135,408 | 137,060 | 139,151 | 133,236 |
| Equity | | | | | | | | |
| Non-controlling interests | 2,604 | 2,614 | 2,598 | 2,600 | 2,555 | 2,538 | 2,533 | 2,461 |
| Share capital | | | | | | | | |
| Perpetual preferred shares | 1,964 | 1,964 | 1,964 | 1,964 | 1,964 | 1,964 | 1,964 | 1,964 |
| Common shares | 7,120 | 7,156 | 7,167 | 7,156 | 7,143 | 7,166 | 7,154 | 7,102 |
| Accumulated surplus | (2,585) | (2,488) | (2,549) | (2,505) | (2,637) | (2,740) | (2,917) | (2,817) |
| Accumulated other comprehensive income (loss) | (528) | (469) | (425) | (362) | (336) | (286) | (347) | (296) |
| Contributed surplus | (159) | (161) | (163) | (164) | (164) | (167) | (166) | (160) |
| | 8,416 | 8,616 | 8,592 | 8,689 | 8,525 | 8,475 | 8,221 | 8,254 |
| Total liabilities and equity | 152,484 | 149,913 | 146,860 | 145,895 | 143,933 | 145,535 | 147,372 | 141,490 |
| Proprietary mutual funds and institutional net assets | 5,625 | 5,378 | 5,238 | 5,039 | 4,896 | 5,028 | 5,019 | 4,718 |
| Other assets under administration | 15,815 | 15,537 | 15,231 | 15,390 | 14,955 | 15,123 | 15,164 | 14,793 |
| Total assets under administration | 173,924 | 170,828 | 167,329 | 166,324 | 163,784 | 165,686 | 167,555 | 161,001 |

Note: Certain comparative figures have been reclassified or adjusted as described in note 16 to the Company's September 30, 2016 condensed consolidated interim unaudited financial statements.

Lifeco United States



Lifeco U.S. Net Earnings – Consolidated

(C\$MM, unless otherwise stated)

| | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Income | | | | | | | | | | | |
| Premium income | 1,493 | 1,267 | 1,380 | 1,148 | 1,076 | 905 | 729 | 855 | 4,140 | 2,710 | 3,858 |
| Regular net investment income | 427 | 420 | 454 | 471 | 420 | 390 | 395 | 371 | 1,301 | 1,205 | 1,676 |
| Changes in fair value through profit or loss | 93 | 526 | 481 | (320) | 122 | (566) | 232 | 217 | 1,100 | (212) | (532) |
| Net investment income | 520 | 946 | 935 | 151 | 542 | (176) | 627 | 588 | 2,401 | 993 | 1,144 |
| Fee and other income | 566 | 555 | 571 | 637 | 591 | 577 | 573 | 522 | 1,692 | 1,741 | 2,378 |
| Total Income | 2,579 | 2,768 | 2,886 | 1,936 | 2,209 | 1,306 | 1,929 | 1,965 | 8,233 | 5,444 | 7,380 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders | 1,776 | 1,996 | 2,112 | 1,084 | 1,390 | 543 | 1,121 | 1,229 | 5,884 | 3,054 | 4,138 |
| Commissions | 59 | 68 | 72 | 83 | 73 | 73 | 68 | 74 | 199 | 214 | 297 |
| General expenses | 584 | 569 | 603 | 580 | 562 | 532 | 513 | 461 | 1,756 | 1,607 | 2,187 |
| Restructuring and acquisition expenses | 4 | 4 | 3 | 4 | 4 | 3 | 1 | 5 | 11 | 8 | 12 |
| Other | 66 | 63 | 70 | 65 | 59 | 62 | 58 | 66 | 199 | 179 | 244 |
| Total Benefits and Expenses | 2,489 | 2,700 | 2,860 | 1,816 | 2,088 | 1,213 | 1,761 | 1,835 | 8,049 | 5,062 | 6,878 |
| Net Earnings before income taxes | 90 | 68 | 26 | 120 | 121 | 93 | 168 | 130 | 184 | 382 | 502 |
| Income tax | 10 | 12 | (40) | (8) | 19 | 22 | 44 | 35 | (18) | 85 | 77 |
| Net Earnings before non-controlling interests | 80 | 56 | 66 | 128 | 102 | 71 | 124 | 95 | 202 | 297 | 425 |
| Non-controlling interests | - | 1 | 1 | 2 | 4 | 2 | 2 | 2 | 2 | 8 | 10 |
| Net Earnings | 80 | 55 | 65 | 126 | 98 | 69 | 122 | 93 | 200 | 289 | 415 |
| Preferred share dividends | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 80 | 55 | 65 | 126 | 98 | 69 | 122 | 93 | 200 | 289 | 415 |
| Capital Allocation | (2) | (2) | (2) | (1) | (2) | (2) | (1) | (4) | (6) | (5) | (6) |
| Net Earnings - Common Shareholders | 78 | 53 | 63 | 125 | 96 | 67 | 121 | 89 | 194 | 284 | 409 |
| Common Shareholder Net Earnings (loss) | | | | | | | | | | | |
| Financial Services | 84 | 71 | 88 | 84 | 104 | 70 | 119 | 90 | 243 | 293 | 377 |
| Asset Management | (6) | (18) | (25) | 41 | (8) | (3) | 2 | (1) | (49) | (9) | 32 |
| Total | 78 | 53 | 63 | 125 | 96 | 67 | 121 | 89 | 194 | 284 | 409 |
| Common Shareholder Net Earnings (US \$) | 60 | 40 | 47 | 92 | 73 | 55 | 98 | 77 | 147 | 226 | 318 |

Lifeco U.S. – Great-West Financial – Consolidated

(C\$MM, unless otherwise stated)

| | | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|------------------------------|---|---------------|--------------|---------------|---------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Income | | | | | | | | | | | | |
| | Premium income | 1,472 | 1,249 | 1,350 | 1,125 | 1,052 | 885 | 697 | 834 | 4,071 | 2,634 | 3,759 |
| | Net investment income | 490 | 888 | 886 | 141 | 520 | (160) | 585 | 549 | 2,264 | 945 | 1,086 |
| | Fee and other income | 335 | 323 | 321 | 349 | 306 | 297 | 295 | 245 | 979 | 898 | 1,247 |
| | Total Income | 2,297 | 2,460 | 2,557 | 1,615 | 1,878 | 1,022 | 1,577 | 1,628 | 7,314 | 4,477 | 6,092 |
| Benefits and Expenses | | | | | | | | | | | | |
| | Paid or credited to | | | | | | | | | | | |
| | policyholders and beneficiaries | 1,727 | 1,922 | 2,022 | 1,053 | 1,332 | 534 | 1,052 | 1,170 | 5,671 | 2,918 | 3,971 |
| | Commissions | 69 | 59 | 59 | 68 | 57 | 58 | 51 | 55 | 187 | 166 | 234 |
| | General expenses | 348 | 331 | 340 | 327 | 314 | 287 | 272 | 236 | 1,019 | 873 | 1,200 |
| | Restructuring and acquisition expenses | 4 | 4 | 3 | 4 | 4 | 3 | 1 | 5 | 11 | 8 | 12 |
| | Other | 32 | 30 | 34 | 32 | 26 | 28 | 22 | 32 | 96 | 76 | 108 |
| | Total Benefits and Expenses | 2,180 | 2,346 | 2,458 | 1,484 | 1,733 | 910 | 1,398 | 1,498 | 6,984 | 4,041 | 5,525 |
| | Net Earnings before income taxes | 117 | 114 | 99 | 131 | 145 | 112 | 179 | 130 | 330 | 436 | 567 |
| | Income tax | 27 | 36 | 5 | 42 | 35 | 36 | 55 | 33 | 68 | 126 | 168 |
| | Net Income before non-controlling interests | 90 | 78 | 94 | 89 | 110 | 76 | 124 | 97 | 262 | 310 | 399 |
| | Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| | Net Earnings before Capital Allocation | 90 | 78 | 94 | 89 | 110 | 76 | 124 | 97 | 262 | 310 | 399 |
| | Capital Allocation | (6) | (7) | (6) | (5) | (6) | (6) | (5) | (7) | (19) | (17) | (22) |
| | Net Earnings - Common Shareholders | 84 | 71 | 88 | 84 | 104 | 70 | 119 | 90 | 243 | 293 | 377 |
| | Net Earnings - Common Shareholders (US\$) | 65 | 54 | 65 | 61 | 79 | 57 | 96 | 78 | 184 | 232 | 293 |
| Sales | Individual Markets | 739 | 317 | 330 | 456 | 236 | 323 | 255 | 816 | 1,386 | 814 | 1,270 |
| | Empower Retirement | 10,931 | 5,725 | 27,440 | 20,305 | 15,353 | 9,301 | 9,636 | 3,747 | 44,096 | 34,290 | 54,595 |
| | Total Sales | 11,670 | 6,042 | 27,770 | 20,761 | 15,589 | 9,624 | 9,891 | 4,563 | 45,482 | 35,104 | 55,865 |
| | Total Sales (US \$) | 8,908 | 4,684 | 20,270 | 15,493 | 11,900 | 7,825 | 7,977 | 4,003 | 33,862 | 27,702 | 43,195 |
| Revenue Premium | Risk-based premiums | 1,472 | 1,249 | 1,350 | 1,125 | 1,052 | 885 | 697 | 834 | 4,071 | 2,634 | 3,759 |
| | Segregated fund deposits | | | | | | | | | | | |
| | Individual | 196 | 123 | 154 | 212 | 113 | 123 | 99 | 112 | 473 | 335 | 547 |
| | Group | 642 | 614 | 961 | 725 | 1,563 | 639 | 820 | 698 | 2,217 | 3,022 | 3,747 |
| | Proprietary Mutual Funds | 1,244 | 1,323 | 1,234 | 3,002 | 725 | 837 | 1,082 | 603 | 3,801 | 2,644 | 5,646 |
| | Total Revenue by Type⁽¹⁾ | 3,554 | 3,309 | 3,699 | 5,064 | 3,453 | 2,484 | 2,698 | 2,247 | 10,562 | 8,635 | 13,699 |
| | | | | | | | | | | | | |
| Individual Markets | 667 | 442 | 575 | 592 | 438 | 452 | 441 | 615 | 1,684 | 1,331 | 1,923 | |
| Empower Retirement | 2,887 | 2,867 | 3,124 | 4,472 | 3,015 | 2,032 | 2,257 | 1,632 | 8,878 | 7,304 | 11,776 | |
| | Total Revenue by Business Line⁽¹⁾ | 3,554 | 3,309 | 3,699 | 5,064 | 3,453 | 2,484 | 2,698 | 2,247 | 10,562 | 8,635 | 13,699 |
| | Total Revenue Premium (US \$) | 2,713 | 2,565 | 2,700 | 3,778 | 2,637 | 2,019 | 2,176 | 1,972 | 7,978 | 6,832 | 10,610 |

1. Excludes participating policy revenue premiums.

Lifeco U.S. – Great-West Financial – Individual Markets

| | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|------------|------------|--------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| <i>(CSMM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 470 | 317 | 419 | 376 | 320 | 323 | 336 | 363 | 1,206 | 979 | 1,355 |
| Net investment income | 313 | 605 | 579 | 104 | 328 | (128) | 407 | 371 | 1,497 | 607 | 711 |
| Fee and other income | 30 | 30 | 30 | 25 | 24 | 26 | 25 | 27 | 90 | 75 | 100 |
| Total Income | 813 | 952 | 1,028 | 505 | 672 | 221 | 768 | 761 | 2,793 | 1,661 | 2,166 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to | | | | | | | | | | | |
| policyholders and beneficiaries | 654 | 817 | 889 | 379 | 526 | 93 | 626 | 632 | 2,360 | 1,245 | 1,624 |
| Commissions | 26 | 22 | 21 | 27 | 18 | 19 | 14 | 23 | 69 | 51 | 78 |
| General expenses | 31 | 28 | 26 | 25 | 20 | 20 | 18 | 27 | 85 | 58 | 83 |
| Other | 10 | 5 | 7 | 8 | 4 | 6 | 2 | 7 | 22 | 12 | 20 |
| Total Benefits and Expenses | 721 | 872 | 943 | 439 | 568 | 138 | 660 | 689 | 2,536 | 1,366 | 1,805 |
| Net Earnings before income taxes | 92 | 80 | 85 | 66 | 104 | 83 | 108 | 72 | 257 | 295 | 361 |
| Income tax | 31 | 26 | 26 | 21 | 24 | 28 | 35 | 19 | 83 | 87 | 108 |
| Net Income before non-controlling interests | 61 | 54 | 59 | 45 | 80 | 55 | 73 | 53 | 174 | 208 | 253 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 61 | 54 | 59 | 45 | 80 | 55 | 73 | 53 | 174 | 208 | 253 |
| Capital Allocation | (6) | (7) | (6) | (5) | (6) | (6) | (5) | (5) | (19) | (17) | (22) |
| Net Earnings - Common Shareholders | 55 | 47 | 53 | 40 | 74 | 49 | 68 | 48 | 155 | 191 | 231 |
| Net Earnings - Common Shareholders (US\$) | 42 | 36 | 39 | 29 | 57 | 39 | 55 | 41 | 117 | 151 | 180 |
| Sales | | | | | | | | | | | |
| Individual Annuity | 123 | 95 | 88 | 83 | 89 | 90 | 83 | 540 | 306 | 262 | 345 |
| Executive Benefits | 494 | 97 | 131 | 272 | 70 | 158 | 93 | 190 | 722 | 321 | 593 |
| Individual Life | 122 | 125 | 111 | 101 | 77 | 75 | 79 | 86 | 358 | 231 | 332 |
| | 739 | 317 | 330 | 456 | 236 | 323 | 255 | 816 | 1,386 | 814 | 1,270 |
| Sales (US \$) | 564 | 246 | 241 | 340 | 180 | 263 | 206 | 716 | 1,051 | 649 | 989 |
| Revenue Premium | | | | | | | | | | | |
| Risk-based premiums | 470 | 317 | 419 | 376 | 320 | 323 | 336 | 363 | 1,206 | 979 | 1,355 |
| Segregated fund deposits | 196 | 123 | 154 | 212 | 113 | 123 | 99 | 112 | 473 | 335 | 547 |
| Proprietary Mutual Funds | 1 | 2 | 2 | 4 | 5 | 6 | 6 | 140 | 5 | 17 | 21 |
| Total Revenue by Type ⁽¹⁾ | 667 | 442 | 575 | 592 | 438 | 452 | 441 | 615 | 1,684 | 1,331 | 1,923 |
| Total Revenue (US \$) | 510 | 343 | 420 | 441 | 335 | 366 | 356 | 540 | 1,273 | 1,057 | 1,498 |

1. Excludes participating policy revenue premiums.

Lifeco U.S. – Great-West Financial – Empower Retirement

| | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|---|--------------|--------------|---------------|---------------|---------------|--------------|--------------|--------------|---------------|---------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| <i>(C\$MM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 1,002 | 932 | 931 | 749 | 732 | 562 | 361 | 471 | 2,865 | 1,655 | 2,404 |
| Net investment income | 169 | 273 | 296 | 26 | 181 | (41) | 169 | 169 | 738 | 309 | 335 |
| Fee and other income | 305 | 293 | 291 | 324 | 282 | 271 | 270 | 218 | 889 | 823 | 1,147 |
| Total Income | 1,476 | 1,498 | 1,518 | 1,099 | 1,195 | 792 | 800 | 858 | 4,492 | 2,787 | 3,886 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 1,073 | 1,104 | 1,133 | 674 | 806 | 441 | 426 | 538 | 3,310 | 1,673 | 2,347 |
| Commissions | 43 | 38 | 39 | 41 | 39 | 39 | 36 | 32 | 120 | 114 | 155 |
| General expenses | 312 | 302 | 314 | 303 | 289 | 263 | 253 | 195 | 928 | 805 | 1,108 |
| Other | 12 | 12 | 12 | 11 | 10 | 11 | 10 | 14 | 36 | 31 | 42 |
| Total Benefits and Expenses | 1,440 | 1,456 | 1,498 | 1,029 | 1,144 | 754 | 725 | 779 | 4,394 | 2,623 | 3,652 |
| Net Earnings before income taxes | 36 | 42 | 20 | 70 | 51 | 38 | 75 | 79 | 98 | 164 | 234 |
| Income tax | 3 | 14 | (16) | 26 | 16 | 14 | 24 | 24 | 1 | 54 | 80 |
| Net Income before non-controlling interests | 33 | 28 | 36 | 44 | 35 | 24 | 51 | 55 | 97 | 110 | 154 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 33 | 28 | 36 | 44 | 35 | 24 | 51 | 55 | 97 | 110 | 154 |
| Capital Allocation | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (2) | (12) | (12) | (16) |
| Net Earnings - Common Shareholders | 29 | 24 | 32 | 40 | 31 | 20 | 47 | 53 | 85 | 98 | 138 |
| Net Earnings - Common Shareholders (US\$) | 22 | 18 | 24 | 29 | 23 | 16 | 38 | 46 | 64 | 77 | 106 |
| Sales | | | | | | | | | | | |
| Empower Retirement | 10,931 | 5,725 | 27,440 | 20,305 | 15,353 | 9,301 | 9,636 | 3,747 | 44,096 | 34,290 | 54,595 |
| Sales (US \$) | 8,344 | 4,438 | 20,029 | 15,153 | 11,720 | 7,562 | 7,771 | 3,287 | 32,811 | 27,053 | 42,206 |
| Revenue Premium (by Type) ⁽¹⁾ | | | | | | | | | | | |
| Risk-based premiums | 1,002 | 932 | 931 | 749 | 732 | 562 | 361 | 471 | 2,865 | 1,655 | 2,404 |
| Segregated fund deposits | 642 | 614 | 961 | 725 | 1,563 | 639 | 820 | 698 | 2,217 | 3,022 | 3,747 |
| Proprietary Mutual Funds | 1,243 | 1,321 | 1,232 | 2,998 | 720 | 831 | 1,076 | 463 | 3,796 | 2,627 | 5,625 |
| Total Revenue Premium (by Type) | 2,887 | 2,867 | 3,124 | 4,472 | 3,015 | 2,032 | 2,257 | 1,632 | 8,878 | 7,304 | 11,776 |
| Total Revenue Premium (US \$) | 2,203 | 2,222 | 2,280 | 3,337 | 2,302 | 1,653 | 1,820 | 1,432 | 6,705 | 5,775 | 9,112 |

1. Excludes participating policy revenue premiums.

Lifeco U.S. – Great-West Financial – Corporate / Other ⁽¹⁾

(C\$MM, unless otherwise stated)

| | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|---|------------|------------|------------|----------|------------|------------|----------|-------------|------------|------------|------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Income | | | | | | | | | | | |
| Net investment income | 8 | 9 | 11 | 11 | 10 | 10 | 10 | 9 | 28 | 30 | 41 |
| Total Income | 8 | 9 | 11 | 11 | 10 | 10 | 10 | 9 | 28 | 30 | 41 |
| Benefits and Expenses | | | | | | | | | | | |
| General expenses | 5 | 1 | - | (1) | 5 | 4 | 1 | 14 | 6 | 10 | 9 |
| Restructuring and acquisition expenses | 4 | 4 | 3 | 4 | 4 | 3 | 1 | 5 | 11 | 8 | 12 |
| Other | 10 | 12 | 14 | 13 | 11 | 11 | 11 | 11 | 36 | 33 | 46 |
| Total Benefits and Expenses | 19 | 17 | 17 | 16 | 20 | 18 | 13 | 30 | 53 | 51 | 67 |
| Net Earnings (loss) before income taxes | (11) | (8) | (6) | (5) | (10) | (8) | (3) | (21) | (25) | (21) | (26) |
| Income tax | (7) | (4) | (5) | (5) | (5) | (5) | (3) | (10) | (16) | (13) | (18) |
| Net Earnings (loss) before non-controlling interests | (4) | (4) | (1) | - | (5) | (3) | - | (11) | (9) | (8) | (8) |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) before Capital Allocation | (4) | (4) | (1) | - | (5) | (3) | - | (11) | (9) | (8) | (8) |
| Capital Allocation | 4 | 4 | 4 | 4 | 4 | 4 | 4 | - | 12 | 12 | 16 |
| Net Earnings (loss) - Common Shareholders | - | - | 3 | 4 | (1) | 1 | 4 | (11) | 3 | 4 | 8 |
| Net Earnings - Common Shareholders (US\$) | 1 | - | 2 | 3 | (1) | 2 | 3 | (9) | 3 | 4 | 7 |

(1) Corporate / Other reflects certain income tax and expense items of the Financial Services and the US Corporate segments. The US Corporate segment primarily reflects acquisition expenses and restructuring costs related to the acquisition of J.P. Morgan Retirement Services large-market recordkeeping business. In addition, U.S. Corporate includes general expenses of \$5 million in Q3/16 related to a legal settlement for discontinued operations.

Lifeco U.S. – Great-West Financial – Participants

| | 2016 | | | 2015 | | | | 2014 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| <i>(000's)</i> | | | | | | | | |
| Empower Retirement | 8,032 | 8,019 | 8,067 | 7,583 | 7,532 | 7,385 | 7,374 | 7,062 |
| Individual Markets | 456 | 461 | 468 | 472 | 469 | 478 | 480 | 549 |
| Total | 8,488 | 8,480 | 8,535 | 8,055 | 8,001 | 7,863 | 7,854 | 7,611 |

Lifeco U.S. – Empower Retirement – Customer Account Values

| <i>(C\$MM)</i> | 2016 | | | 2015 | | | | 2014 |
|--|-------------|-----------|-----------|-------------|-----------|-----------|-----------|-------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| General Account | 15,814 | 15,173 | 14,698 | 15,171 | 14,493 | 13,249 | 13,271 | 12,141 |
| Segregated Funds | 25,989 | 25,628 | 25,689 | 27,025 | 25,859 | 25,183 | 26,512 | 23,645 |
| Proprietary Mutual Funds | 25,206 | 23,325 | 22,224 | 22,473 | 18,455 | 17,540 | 16,480 | 8,205 |
| Unaffiliated Retail Investment Options & ASO | 514,614 | 495,364 | 503,258 | 503,123 | 468,710 | 476,598 | 494,198 | 437,914 |

Lifeco U.S. – Asset Management

| | | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|---|------------------------------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|------------|--------------|-------------|--------------|
| | | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| <i>(CSMM, unless otherwise stated)</i> | | | | | | | | | | | | |
| Income | | | | | | | | | | | | |
| | Net investment income | 3 | (1) | (16) | 1 | (17) | (9) | 1 | (1) | (14) | (25) | (24) |
| | Fee and other income | 231 | 232 | 250 | 288 | 285 | 280 | 278 | 277 | 713 | 843 | 1,131 |
| | Total Income | 234 | 231 | 234 | 289 | 268 | 271 | 279 | 276 | 699 | 818 | 1,107 |
| Benefits and Expenses | | | | | | | | | | | | |
| | Commissions | (11) | 8 | 13 | 14 | 15 | 13 | 17 | 18 | 10 | 45 | 59 |
| | General expenses | 235 | 237 | 261 | 251 | 247 | 245 | 241 | 224 | 733 | 733 | 984 |
| | Other | 34 | 33 | 34 | 33 | 33 | 34 | 33 | 33 | 101 | 100 | 133 |
| | Total Benefits and Expenses | 258 | 278 | 308 | 298 | 295 | 292 | 291 | 275 | 844 | 878 | 1,176 |
| Net Earnings (loss) before income taxes | | (24) | (47) | (74) | (9) | (27) | (21) | (12) | 1 | (145) | (60) | (69) |
| | Income tax | (16) | (24) | (45) | (50) | (17) | (15) | (12) | 2 | (85) | (44) | (94) |
| Net Earnings (loss) before non-controlling interests | | (8) | (23) | (29) | 41 | (10) | (6) | - | (1) | (60) | (16) | 25 |
| | Non-controlling interests | 2 | - | - | 4 | 2 | 1 | 2 | 3 | 2 | 5 | 9 |
| Net Earnings (loss) before Capital Allocation | | (10) | (23) | (29) | 37 | (12) | (7) | (2) | (4) | (62) | (21) | 16 |
| | Capital Allocation | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 3 | 13 | 12 | 16 |
| Net Earnings (loss) - Common Shareholders | | (6) | (18) | (25) | 41 | (8) | (3) | 2 | (1) | (49) | (9) | 32 |
| Net Earnings (loss) - Common Shareholders (US\$) | | (5) | (14) | (18) | 31 | (6) | (2) | 2 | (1) | (37) | (6) | 25 |
| Sales | Sales (C\$) | | | | | | | | | | | |
| | Gross sales ⁽¹⁾ | 11,341 | 10,623 | 12,388 | 10,869 | 10,242 | 8,507 | 10,232 | 10,542 | 34,352 | 28,981 | 39,850 |
| | Redemptions | (10,743) | (11,509) | (14,721) | (12,482) | (10,063) | (10,738) | (10,204) | (11,954) | (36,973) | (31,005) | (43,487) |
| | Net Sales | 598 | (886) | (2,333) | (1,613) | 179 | (2,231) | 28 | (1,412) | (2,621) | (2,024) | (3,637) |
| Fee Income | Fee Income (C\$) | | | | | | | | | | | |
| | Investment management fees | 194 | 188 | 199 | 218 | 219 | 214 | 213 | 197 | 581 | 646 | 864 |
| | Performance fees | (13) | (6) | (5) | 14 | 5 | 6 | 3 | 13 | (24) | 14 | 28 |
| | Service fees | 39 | 39 | 42 | 44 | 45 | 42 | 42 | 47 | 120 | 129 | 173 |
| | Underwriting & distribution fees | 11 | 11 | 14 | 12 | 16 | 18 | 20 | 20 | 36 | 54 | 66 |
| | Total Fee Income (C\$) | 231 | 232 | 250 | 288 | 285 | 280 | 278 | 277 | 713 | 843 | 1,131 |
| | Fee Income (US \$) | 176 | 179 | 183 | 216 | 217 | 228 | 224 | 243 | 538 | 669 | 885 |

1. Includes dividends reinvested.

Lifeco U.S. – Asset Management AUM

(C\$MM, unless otherwise stated)

| | 2016 | | | 2015 | | | | 2014 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Mutual Funds | | | | | | | | |
| Growth equity | 12,339 | 11,749 | 12,081 | 13,621 | 12,863 | 13,744 | 14,291 | 12,888 |
| Value equity | 20,719 | 20,180 | 20,045 | 21,735 | 20,639 | 21,369 | 22,029 | 20,104 |
| Blend equity | 29,872 | 30,239 | 32,330 | 38,184 | 37,582 | 38,955 | 40,524 | 35,546 |
| Fixed income | 31,837 | 30,923 | 30,493 | 33,385 | 34,350 | 33,153 | 34,641 | 31,995 |
| Total Mutual Funds | 94,767 | 93,091 | 94,949 | 106,925 | 105,434 | 107,221 | 111,485 | 100,533 |
| Institutional Accounts | | | | | | | | |
| Equity | 65,594 | 60,514 | 59,683 | 62,881 | 57,988 | 58,194 | 60,018 | 52,975 |
| Fixed income | 41,114 | 38,340 | 34,913 | 34,944 | 33,073 | 30,021 | 30,691 | 29,276 |
| Total Institutional Accounts | 106,708 | 98,854 | 94,596 | 97,825 | 91,061 | 88,215 | 90,709 | 82,251 |
| Total End of Period Assets Under Management | 201,475 | 191,945 | 189,545 | 204,750 | 196,495 | 195,436 | 202,194 | 182,784 |
| Total End of Period Assets Under Management - US\$ | 153,798 | 147,650 | 145,803 | 148,370 | 146,638 | 156,348 | 159,208 | 157,572 |

Lifeco U.S. – Participating Account

| <i>(C\$MM, unless otherwise stated)</i> | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|---|------------|-----------|-----------|------------|-----------|-----------|-----------|------------|------------|------------|------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Income | | | | | | | | | | | |
| Premium income | 21 | 18 | 30 | 23 | 24 | 20 | 32 | 21 | 69 | 76 | 99 |
| Net investment income | 27 | 59 | 64 | 9 | 39 | (7) | 41 | 39 | 150 | 73 | 82 |
| Total Income | 48 | 77 | 94 | 32 | 63 | 13 | 73 | 60 | 219 | 149 | 181 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 49 | 74 | 90 | 31 | 58 | 9 | 69 | 58 | 213 | 136 | 167 |
| Commissions | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | 3 | 3 | 4 |
| General expenses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 | 4 |
| Other | - | - | 1 | 1 | - | 1 | 2 | 2 | 1 | 3 | 4 |
| Total Benefits and Expenses | 51 | 76 | 93 | 34 | 60 | 12 | 73 | 61 | 220 | 145 | 179 |
| Net Earnings (loss) before income taxes | (3) | 1 | 1 | (2) | 3 | 1 | - | (1) | (1) | 4 | 2 |
| Income tax | (1) | - | - | - | 1 | - | - | - | (1) | 1 | 1 |
| Net Earnings (loss) before non-controlling interests | (2) | 1 | 1 | (2) | 2 | 1 | - | (1) | - | 3 | 1 |
| Non-controlling interests | (2) | 1 | 1 | (2) | 2 | 1 | - | (1) | - | 3 | 1 |
| Net Earnings | - | - | - | - | - | - | - | - | - | - | - |
| Revenue Premium | | | | | | | | | | | |
| Risk-based premiums | 21 | 18 | 30 | 23 | 24 | 20 | 32 | 21 | 69 | 76 | 99 |
| Revenue Premium (US \$) | 16 | 14 | 22 | 18 | 18 | 16 | 26 | 18 | 52 | 60 | 78 |

Lifeco U.S. Balance Sheets

(C\$MM)

| Assets | 2016 | | | 2015 | | | | 2014 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Cash and cash equivalents | 1,026 | 932 | 962 | 627 | 1,489 | 768 | 890 | 528 |
| Bonds | 32,727 | 31,660 | 30,834 | 32,051 | 29,978 | 28,160 | 28,613 | 26,182 |
| Mortgage loans | 5,074 | 4,951 | 4,674 | 4,932 | 4,849 | 4,544 | 4,733 | 4,212 |
| Stocks | 161 | 152 | 154 | 168 | 163 | 155 | 161 | 149 |
| Investment properties | 5 | 5 | 5 | 5 | 5 | 4 | 5 | 4 |
| Loans to policyholders | 5,665 | 5,702 | 5,645 | 6,026 | 5,932 | 5,604 | 5,595 | 5,123 |
| Total invested assets | 44,658 | 43,402 | 42,274 | 43,809 | 42,416 | 39,235 | 39,997 | 36,198 |
| Funds withheld by ceding insurers | - | - | - | - | - | - | - | - |
| Reinsurance assets | 331 | 343 | 339 | 355 | 353 | 269 | 268 | 245 |
| Derivative financial instruments | 197 | 210 | 121 | 99 | 102 | 55 | 103 | 44 |
| Owner occupied properties | 174 | 174 | 175 | 186 | 181 | 168 | 171 | 156 |
| Fixed assets | 90 | 88 | 87 | 91 | 83 | 76 | 60 | 56 |
| Other assets | 2,389 | 2,285 | 2,306 | 2,156 | 2,168 | 2,199 | 2,161 | 1,818 |
| Total other assets | 2,850 | 2,757 | 2,689 | 2,532 | 2,534 | 2,498 | 2,495 | 2,074 |
| Deferred tax assets | 1,580 | 1,572 | 1,528 | 1,648 | 1,606 | 1,447 | 1,500 | 1,294 |
| Goodwill | 201 | 199 | 199 | 210 | 205 | 192 | 195 | 180 |
| Intangible assets | 2,129 | 2,114 | 2,120 | 2,255 | 2,182 | 2,026 | 2,068 | 1,881 |
| Investments on account of segregated fund policyholders | 35,075 | 34,393 | 34,275 | 35,966 | 34,304 | 33,201 | 34,693 | 31,030 |
| Total assets | 86,824 | 84,780 | 83,424 | 86,775 | 83,600 | 78,868 | 81,216 | 72,902 |
| Liabilities | | | | | | | | |
| Insurance contract liabilities | 40,497 | 39,480 | 38,325 | 39,672 | 38,360 | 35,388 | 36,134 | 32,748 |
| Investment contract liabilities | 208 | 216 | 216 | 231 | 235 | 227 | 242 | 225 |
| | 40,705 | 39,696 | 38,541 | 39,903 | 38,595 | 35,615 | 36,376 | 32,973 |
| Debentures and other debt instruments | 2,372 | 2,468 | 2,519 | 2,614 | 2,425 | 2,489 | 2,615 | 2,568 |
| Funds held under reinsurance contracts | - | - | - | - | - | - | - | - |
| Other liabilities | 2,776 | 2,459 | 2,378 | 2,193 | 2,479 | 2,279 | 2,277 | 1,721 |
| Deferred tax liabilities | 395 | 385 | 337 | 382 | 389 | 343 | 323 | 228 |
| Repurchase agreements | - | - | - | - | - | - | - | - |
| Capital trust securities and debentures | - | - | - | - | - | - | - | - |
| Investment and insurance contracts on account of segregated fund policyholders | 35,075 | 34,393 | 34,275 | 35,966 | 34,304 | 33,201 | 34,693 | 31,030 |
| Total liabilities | 81,323 | 79,401 | 78,050 | 81,058 | 78,192 | 73,927 | 76,284 | 68,520 |
| Equity | | | | | | | | |
| Non-controlling interests | 219 | 217 | 272 | 220 | 213 | 207 | 222 | 183 |
| Share capital | | | | | | | | |
| Perpetual preferred shares | - | - | - | - | - | - | - | - |
| Common shares | - | - | - | - | - | - | - | - |
| Accumulated surplus | 4,070 | 3,992 | 3,923 | 3,930 | 3,793 | 3,698 | 3,636 | 3,557 |
| Accumulated other comprehensive income (loss) | 915 | 884 | 910 | 1,268 | 1,115 | 760 | 809 | 356 |
| Contributed surplus | 297 | 286 | 269 | 299 | 287 | 276 | 265 | 286 |
| | 5,501 | 5,379 | 5,374 | 5,717 | 5,408 | 4,941 | 4,932 | 4,382 |
| Total liabilities and equity | 86,824 | 84,780 | 83,424 | 86,775 | 83,600 | 78,868 | 81,216 | 72,902 |
| Proprietary mutual funds and institutional net assets | 216,458 | 205,830 | 202,833 | 218,231 | 206,579 | 205,049 | 211,294 | 190,817 |
| Other assets under administration | 514,616 | 495,366 | 503,156 | 503,125 | 468,712 | 476,600 | 494,200 | 433,754 |
| Total assets under administration | 817,898 | 785,976 | 789,413 | 808,131 | 758,891 | 760,517 | 786,710 | 697,473 |

Europe



Lifeco Europe Net Earnings – Consolidated

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------|--------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Income | | | | | | | | | | | |
| Premium income | 3,724 | 2,708 | 2,774 | 1,991 | 2,041 | 1,772 | 3,536 | 1,807 | 9,206 | 7,349 | 9,340 |
| Regular net investment income | 438 | 487 | 483 | 547 | 523 | 498 | 513 | 507 | 1,408 | 1,534 | 2,081 |
| Changes in fair value through profit or loss | 1,635 | 1,663 | 1,392 | (517) | 342 | (2,290) | 1,345 | 1,633 | 4,690 | (603) | (1,120) |
| Net investment income | 2,073 | 2,150 | 1,875 | 30 | 865 | (1,792) | 1,858 | 2,140 | 6,098 | 931 | 961 |
| Fee and other income | 328 | 307 | 321 | 327 | 284 | 283 | 327 | 290 | 956 | 894 | 1,221 |
| Total Income | 6,125 | 5,165 | 4,970 | 2,348 | 3,190 | 263 | 5,721 | 4,237 | 16,260 | 9,174 | 11,522 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders | 5,328 | 4,407 | 4,265 | 1,649 | 2,476 | (415) | 5,003 | 3,569 | 14,000 | 7,064 | 8,713 |
| Commissions | 133 | 149 | 137 | 130 | 133 | 122 | 121 | 99 | 419 | 376 | 506 |
| General expenses | 230 | 220 | 219 | 221 | 215 | 199 | 197 | 199 | 669 | 611 | 832 |
| Restructuring and Acquisition Expenses | 15 | 1 | 1 | 3 | 3 | 11 | 6 | 7 | 17 | 20 | 23 |
| Other | 30 | 23 | 23 | 14 | 19 | 15 | 23 | 18 | 76 | 57 | 71 |
| Total Benefits and Expenses | 5,736 | 4,800 | 4,645 | 2,017 | 2,846 | (68) | 5,350 | 3,892 | 15,181 | 8,128 | 10,145 |
| Net Earnings before income taxes | 389 | 365 | 325 | 331 | 344 | 331 | 371 | 345 | 1,079 | 1,046 | 1,377 |
| Income tax | 51 | 46 | 13 | 5 | 24 | 18 | 58 | 48 | 110 | 100 | 105 |
| Net Earnings before non-controlling interests | 338 | 319 | 312 | 326 | 320 | 313 | 313 | 297 | 969 | 946 | 1,272 |
| Non-controlling interests | - | 1 | (1) | (1) | - | 1 | 2 | (3) | 0 | 3 | 2 |
| Net Earnings | 338 | 318 | 313 | 327 | 320 | 312 | 311 | 300 | 969 | 943 | 1,270 |
| Preferred share dividends | 5 | 4 | 5 | 6 | 6 | 5 | 6 | 6 | 14 | 17 | 23 |
| Net Earnings before Capital Allocation | 333 | 314 | 308 | 321 | 314 | 307 | 305 | 294 | 955 | 926 | 1,247 |
| Capital Allocation | (20) | (21) | (21) | (18) | (18) | (18) | (19) | (20) | (62) | (55) | (73) |
| Net Earnings - Common Shareholders | 313 | 293 | 287 | 303 | 296 | 289 | 286 | 274 | 893 | 871 | 1,174 |
| Common Shareholder Net Earnings (loss) | | | | | | | | | | | |
| Insurance & Annuities | 251 | 225 | 226 | 234 | 229 | 207 | 216 | 218 | 702 | 652 | 886 |
| Reinsurance | 54 | 74 | 63 | 73 | 71 | 92 | 77 | 71 | 191 | 240 | 313 |
| Corporate | 8 | (6) | (2) | (4) | (4) | (10) | (7) | (15) | 0 | (21) | (25) |
| Total | 313 | 293 | 287 | 303 | 296 | 289 | 286 | 274 | 893 | 871 | 1,174 |

Lifeco Europe – Insurance & Annuities

| | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2015 | 2014 | 2015 |
| <i>(C\$MM)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 748 | 663 | 600 | 422 | 545 | 688 | 2,017 | 331 | 2,011 | 3,250 | 3,672 |
| Net investment income | 1,524 | 1,603 | 1,384 | 12 | 681 | (1,412) | 1,456 | 1,601 | 4,511 | 725 | 737 |
| Fee and other income | 324 | 303 | 316 | 320 | 278 | 277 | 322 | 284 | 943 | 877 | 1,197 |
| Total Income | 2,596 | 2,569 | 2,300 | 754 | 1,504 | (447) | 3,795 | 2,216 | 7,465 | 4,852 | 5,606 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to | | | | | | | | | | | |
| policyholders and beneficiaries | 1,959 | 1,962 | 1,738 | 196 | 923 | (990) | 3,236 | 1,674 | 5,659 | 3,169 | 3,365 |
| Commissions | 91 | 108 | 93 | 93 | 90 | 81 | 83 | 61 | 292 | 254 | 347 |
| General expenses | 213 | 201 | 200 | 198 | 197 | 178 | 178 | 181 | 614 | 553 | 751 |
| Other | 16 | 9 | 10 | 2 | 7 | 8 | 8 | 3 | 35 | 23 | 25 |
| Total Benefits and Expenses | 2,279 | 2,280 | 2,041 | 489 | 1,217 | (723) | 3,505 | 1,919 | 6,600 | 3,999 | 4,488 |
| Net Earnings before income taxes | 317 | 289 | 259 | 265 | 287 | 276 | 290 | 297 | 865 | 853 | 1,118 |
| Income tax | 43 | 39 | 8 | 5 | 31 | 44 | 49 | 52 | 90 | 124 | 129 |
| Net Earnings before non-controlling interests | 274 | 250 | 251 | 260 | 256 | 232 | 241 | 245 | 775 | 729 | 989 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings | 274 | 250 | 251 | 260 | 256 | 232 | 241 | 245 | 775 | 729 | 989 |
| Perpetual share dividends | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 274 | 250 | 251 | 260 | 256 | 232 | 241 | 245 | 775 | 729 | 989 |
| Capital Allocation | (23) | (25) | (25) | (26) | (27) | (25) | (25) | (27) | (73) | (77) | (103) |
| Net Earnings - Common Shareholders | 251 | 225 | 226 | 234 | 229 | 207 | 216 | 218 | 702 | 652 | 886 |
| Sales | | | | | | | | | | | |
| UK / Isle of Man | 754 | 671 | 651 | 819 | 821 | 523 | 2,047 | 470 | 2,076 | 3,391 | 4,210 |
| Ireland / Germany | 3,891 | 4,879 | 3,923 | 3,098 | 6,895 | 2,873 | 2,409 | 2,685 | 12,693 | 12,177 | 15,275 |
| Total - Insurance & Annuities | 4,645 | 5,550 | 4,574 | 3,917 | 7,716 | 3,396 | 4,456 | 3,155 | 14,769 | 15,568 | 19,485 |
| Revenue Premium | | | | | | | | | | | |
| Risk-based revenue premiums | 748 | 663 | 600 | 422 | 545 | 688 | 2,017 | 331 | 2,011 | 3,250 | 3,672 |
| Segregated fund deposits | 2,196 | 2,270 | 2,576 | 2,709 | 2,202 | 1,995 | 1,804 | 2,169 | 7,042 | 6,001 | 8,710 |
| Proprietary mutual funds & institutional deposits | 2,372 | 3,353 | 2,491 | 1,356 | 5,598 | 1,426 | 1,333 | 1,365 | 8,216 | 8,357 | 9,713 |
| | 5,316 | 6,286 | 5,667 | 4,487 | 8,345 | 4,109 | 5,154 | 3,865 | 17,269 | 17,608 | 22,095 |
| UK / Isle of Man | 902 | 961 | 854 | 965 | 990 | 828 | 2,229 | 581 | 2,717 | 4,047 | 5,012 |
| Ireland / Germany | 4,414 | 5,325 | 4,813 | 3,522 | 7,355 | 3,281 | 2,925 | 3,284 | 14,552 | 13,561 | 17,083 |
| Total - Insurance & Annuities ⁽¹⁾ | 5,316 | 6,286 | 5,667 | 4,487 | 8,345 | 4,109 | 5,154 | 3,865 | 17,269 | 17,608 | 22,095 |

1. Excludes participating policy revenue premiums.

Lifeco Europe – Reinsurance

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| Income | | | | | | | | | | | |
| Premium income | 2,967 | 2,038 | 2,167 | 1,559 | 1,487 | 1,077 | 1,513 | 1,465 | 7,172 | 4,077 | 5,636 |
| Net investment income | 509 | 498 | 434 | 18 | 157 | (337) | 354 | 477 | 1,441 | 174 | 192 |
| Fee and other income | 4 | 4 | 5 | 7 | 6 | 6 | 5 | 6 | 13 | 17 | 24 |
| Total Income | 3,480 | 2,540 | 2,606 | 1,584 | 1,650 | 746 | 1,872 | 1,948 | 8,626 | 4,268 | 5,852 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 3,348 | 2,391 | 2,467 | 1,445 | 1,519 | 611 | 1,722 | 1,821 | 8,206 | 3,852 | 5,297 |
| Commissions | 42 | 41 | 44 | 37 | 43 | 41 | 38 | 38 | 127 | 122 | 159 |
| General expenses | 15 | 16 | 16 | 15 | 14 | 16 | 14 | 14 | 47 | 44 | 59 |
| Other | 7 | 6 | 7 | 6 | 6 | 6 | 6 | 4 | 20 | 18 | 24 |
| Total Benefits and Expenses | 3,412 | 2,454 | 2,534 | 1,503 | 1,582 | 674 | 1,780 | 1,877 | 8,400 | 4,036 | 5,539 |
| Net Earnings (loss) before income taxes | 68 | 86 | 72 | 81 | 68 | 72 | 92 | 71 | 226 | 232 | 313 |
| Income tax | 11 | 9 | 6 | 6 | (5) | (23) | 12 | (2) | 26 | (16) | (10) |
| Net Earnings (loss) before non-controlling interests | 57 | 77 | 66 | 75 | 73 | 95 | 80 | 73 | 200 | 248 | 323 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) | 57 | 77 | 66 | 75 | 73 | 95 | 80 | 73 | 200 | 248 | 323 |
| Preferred share dividends | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) before Capital Allocation | 57 | 77 | 66 | 75 | 73 | 95 | 80 | 73 | 200 | 248 | 323 |
| Capital Allocation | (3) | (3) | (3) | (2) | (2) | (3) | (3) | (2) | (9) | (8) | (10) |
| Net Earnings (loss) - Common Shareholders | 54 | 74 | 63 | 73 | 71 | 92 | 77 | 71 | 191 | 240 | 313 |
| Risk-based revenue premiums | 2,967 | 2,038 | 2,167 | 1,559 | 1,487 | 1,077 | 1,513 | 1,465 | 7,172 | 4,077 | 5,636 |

Lifeco Europe – Participating Account

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|---|-----------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|-----------|-----------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Income | | | | | | | | | | | |
| Premium income | 9 | 7 | 7 | 10 | 9 | 7 | 6 | 10 | 23 | 22 | 32 |
| Net investment income | 16 | 50 | 54 | - | 26 | (43) | 47 | 61 | 120 | 30 | 30 |
| Fee and other income | - | - | - | - | - | - | - | - | - | - | - |
| Total Income | 25 | 57 | 61 | 10 | 35 | (36) | 53 | 71 | 143 | 52 | 62 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 21 | 53 | 59 | 9 | 33 | (35) | 45 | 67 | 133 | 43 | 52 |
| Commissions | - | - | - | - | - | - | - | - | - | - | - |
| General expenses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 | 4 |
| Other | 3 | 2 | 2 | 1 | 1 | (3) | 5 | 5 | 7 | 3 | 4 |
| Total Benefits and Expenses | 25 | 56 | 62 | 11 | 35 | (37) | 51 | 73 | 143 | 49 | 60 |
| Net Earnings (loss) before income taxes | - | 1 | (1) | (1) | - | 1 | 2 | (2) | - | 3 | 2 |
| Income tax | - | - | - | - | - | - | - | 1 | - | - | - |
| Net Earnings (loss) before non-controlling interests | - | 1 | (1) | (1) | - | 1 | 2 | (3) | - | 3 | 2 |
| Non-controlling interests | - | 1 | (1) | (1) | - | 1 | 2 | (3) | - | 3 | 2 |
| Net Earnings | - | - | - | - | - | - | - | - | - | - | - |
| Risk-based revenue premiums | 9 | 7 | 7 | 10 | 9 | 7 | 6 | 10 | 23 | 22 | 32 |

Lifeco Europe – Corporate

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|--|-----------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| Income | | | | | | | | | | | |
| Premium income | - | - | - | - | - | - | - | - | - | - | - |
| Net investment income | 24 | (1) | 3 | - | 1 | (1) | 2 | 1 | 26 | 2 | 2 |
| Fee and other income | - | - | - | - | - | - | - | - | - | - | - |
| Total Income | 24 | (1) | 3 | - | 1 | (1) | 2 | 1 | 26 | 2 | 2 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to | | | | | | | | | | | |
| policyholders and beneficiaries | - | 1 | 1 | (1) | 1 | (1) | - | 7 | 2 | - | (1) |
| Commissions | - | - | - | - | - | - | - | - | - | - | - |
| General expenses | 1 | 3 | 2 | 7 | 3 | 4 | 3 | 3 | 6 | 10 | 17 |
| Restructuring and acquisition expenses | 15 | 1 | 1 | 3 | 3 | 11 | 6 | 7 | 17 | 20 | 23 |
| Other | 4 | 5 | 5 | 5 | 5 | 4 | 5 | 5 | 14 | 14 | 19 |
| Total Benefits and Expenses | 20 | 10 | 9 | 14 | 12 | 18 | 14 | 22 | 39 | 44 | 58 |
| Net Earnings (loss) before income taxes | 4 | (11) | (6) | (14) | (11) | (19) | (12) | (21) | (13) | (42) | (56) |
| Income tax | (3) | (2) | (2) | (6) | (2) | (4) | (2) | (3) | (7) | (8) | (14) |
| Net Earnings (loss) | 7 | (9) | (4) | (8) | (9) | (15) | (10) | (18) | (6) | (34) | (42) |
| Preferred shareholder dividends | 5 | 4 | 5 | 6 | 6 | 5 | 6 | 6 | 14 | 17 | 23 |
| Net Earnings (loss) before Capital Allocation | 2 | (13) | (9) | (14) | (15) | (20) | (16) | (24) | (20) | (51) | (65) |
| Capital Allocation | 6 | 7 | 7 | 10 | 11 | 10 | 9 | 9 | 20 | 30 | 40 |
| Net Earnings (loss) - Common Shareholders | 8 | (6) | (2) | (4) | (4) | (10) | (7) | (15) | - | (21) | (25) |

Lifeco Europe – Balance Sheets

(C\$MM)

| Assets | 2016 | | | 2015 | | | | 2014 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| Cash and cash equivalents | 1,554 | 1,586 | 1,439 | 1,608 | 1,773 | 1,489 | 1,920 | 1,557 |
| Bonds | 40,180 | 38,611 | 39,867 | 39,772 | 39,988 | 38,089 | 38,476 | 36,343 |
| Mortgage loans | 3,642 | 3,625 | 3,945 | 4,398 | 4,230 | 4,115 | 3,829 | 3,741 |
| Stocks | 743 | 708 | 683 | 734 | 675 | 723 | 671 | 653 |
| Investment properties | 2,892 | 2,834 | 3,187 | 3,444 | 3,464 | 3,488 | 3,215 | 3,053 |
| Loans to policyholders | 110 | 108 | 109 | 115 | 109 | 100 | 101 | 93 |
| Total invested assets | 49,121 | 47,472 | 49,230 | 50,071 | 50,239 | 48,004 | 48,212 | 45,440 |
| Funds withheld by ceding insurers | 12,558 | 12,418 | 12,954 | 15,512 | 14,366 | 14,050 | 14,242 | 12,154 |
| Reinsurance assets | 4,537 | 4,196 | 4,324 | 4,401 | 4,441 | 4,116 | 4,203 | 4,229 |
| Derivative financial instruments | 188 | 201 | 232 | 252 | 271 | 281 | 321 | 232 |
| Owner occupied properties | 79 | 78 | 80 | 83 | 82 | 77 | 75 | 77 |
| Fixed assets | 59 | 57 | 61 | 60 | 59 | 50 | 49 | 52 |
| Other assets | 2,758 | 2,443 | 2,470 | 2,540 | 2,482 | 2,344 | 2,182 | 2,224 |
| Total other assets | 3,084 | 2,779 | 2,843 | 2,935 | 2,894 | 2,752 | 2,627 | 2,585 |
| Deferred tax assets | 16 | 24 | 27 | 35 | 25 | 51 | 38 | 49 |
| Goodwill | 2,034 | 1,899 | 1,910 | 1,916 | 1,916 | 1,886 | 1,877 | 1,888 |
| Intangible assets | 413 | 401 | 417 | 436 | 436 | 410 | 402 | 408 |
| Investments on account of segregated fund policyholders | 90,418 | 86,369 | 88,256 | 91,959 | 88,085 | 80,756 | 81,142 | 75,564 |
| Total assets | 162,181 | 155,558 | 159,961 | 167,265 | 162,402 | 152,025 | 152,743 | 142,317 |
| Liabilities | | | | | | | | |
| Insurance contract liabilities | 55,504 | 53,791 | 55,984 | 58,971 | 59,379 | 57,122 | 57,866 | 53,589 |
| Investment contract liabilities | 1,539 | 1,509 | 1,543 | 1,637 | 315 | 283 | 285 | 219 |
| | 57,043 | 55,300 | 57,527 | 60,608 | 59,694 | 57,405 | 58,151 | 53,808 |
| Debentures and other debt instruments | 1,028 | 1,010 | 1,040 | 1,056 | 1,134 | 1,052 | 1,031 | 1,067 |
| Funds held under reinsurance contracts | 305 | 283 | 294 | 328 | 320 | 301 | 306 | 290 |
| Other liabilities | 2,536 | 1,936 | 1,799 | 1,933 | 2,039 | 1,941 | 1,889 | 1,777 |
| Deferred tax liabilities | 512 | 454 | 480 | 527 | 529 | 516 | 489 | 550 |
| Investment and insurance contracts on account of segregated fund policyholders | 90,418 | 86,369 | 88,256 | 91,959 | 88,085 | 80,756 | 81,142 | 75,564 |
| Total liabilities | 151,842 | 145,352 | 149,396 | 156,411 | 151,801 | 141,971 | 143,008 | 133,056 |
| Equity | | | | | | | | |
| Non-controlling interests | 2 | 2 | 1 | 1 | 3 | 2 | 1 | (1) |
| Share capital | | | | | | | | |
| Perpetual preferred shares | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 |
| Common shares | - | - | - | - | - | - | - | - |
| Accumulated surplus | 9,655 | 9,437 | 9,283 | 8,991 | 8,898 | 8,806 | 8,757 | 8,394 |
| Accumulated other comprehensive income (loss) | 132 | 217 | 731 | 1,312 | 1,150 | 696 | 427 | 318 |
| Contributed surplus | - | - | - | - | - | - | - | - |
| | 10,339 | 10,206 | 10,565 | 10,854 | 10,601 | 10,054 | 9,735 | 9,261 |
| Total liabilities and equity | 162,181 | 155,558 | 159,961 | 167,265 | 162,402 | 152,025 | 152,743 | 142,317 |
| Proprietary mutual funds and institutional net assets | 34,461 | 32,480 | 29,913 | 29,210 | 27,575 | 22,091 | 22,337 | 20,736 |
| Other assets under administration | 40,044 | 38,975 | 39,903 | 41,587 | 41,146 | 47,536 | 47,529 | 41,806 |
| Total assets under administration | 236,686 | 227,013 | 229,777 | 238,062 | 231,123 | 221,652 | 222,609 | 204,859 |

Lifeco Corporate

| | 2016 | | | 2015 | | | | 2014 | YTD 2016 | YTD 2015 | Fiscal 2015 |
|---|------------|------------|------------|------------|----------|------------|------------|------------|-------------|-------------|----------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | | | |
| <i>(C\$MM)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | - | - | - | - | - | - | - | - | - | - | - |
| Net investment income | - | 4 | - | (2) | 4 | 1 | (1) | 1 | 4 | 4 | 2 |
| Fee and other income | - | - | - | - | - | - | - | - | - | - | - |
| Total Income | - | 4 | - | (2) | 4 | 1 | (1) | 1 | 4 | 4 | 2 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | - | - | - | - | - | - | - | - | - | - | - |
| Commissions | - | - | - | - | - | - | - | - | - | - | - |
| General expenses | 4 | 6 | 4 | 4 | 3 | 5 | 4 | 4 | 14 | 12 | 16 |
| Other | (2) | 3 | - | - | 1 | - | - | 2 | 1 | 1 | 1 |
| Total Benefits and Expenses | 2 | 9 | 4 | 4 | 4 | 5 | 4 | 6 | 15 | 13 | 17 |
| Net Earnings (loss) before income taxes | (2) | (5) | (4) | (6) | - | (4) | (5) | (5) | (11) | (9) | (15) |
| Income tax | 2 | (5) | - | (1) | (4) | (1) | (1) | (2) | (3) | (6) | (7) |
| Net Earnings (loss) before non-controlling interests | (4) | - | (4) | (5) | 4 | (3) | (4) | (3) | (8) | (3) | (8) |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) | (4) | - | (4) | (5) | 4 | (3) | (4) | (3) | (8) | (3) | (8) |
| Preferred share dividends | - | - | - | - | - | - | - | 2 | - | - | - |
| Net Earnings (loss) before Capital Allocation | (4) | - | (4) | (5) | 4 | (3) | (4) | (5) | (8) | (3) | (8) |
| Capital Allocation | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (1) | (6) | (6) | (8) |
| Net Earnings (loss) - Common Shareholders | (6) | (2) | (6) | (7) | 2 | (5) | (6) | (6) | (14) | (9) | (16) |

Lifeco – Consolidated Source of Earnings

| (C\$MM) | For the three months ended Sept. 30, 2016 | | | | | 2016 | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|---|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| | Canada | U.S. | Europe | Corp | Total | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Expected profit on in-force business | 297 | 111 | 256 | (3) | 661 | 633 | 653 | 722 | 736 | 679 | 626 | 669 | 1,947 | 2,041 | 2,763 |
| Impact of new business | (11) | (31) | (35) | - | (77) | (44) | (68) | (60) | (46) | (51) | (62) | (55) | (189) | (159) | (219) |
| Experience gains and losses | 43 | (25) | (6) | (1) | 11 | 49 | 38 | (61) | 48 | 64 | 244 | 20 | 98 | 356 | 295 |
| Management actions and changes in assumptions | 27 | 53 | 143 | - | 223 | 129 | 54 | 149 | 127 | 90 | 98 | 221 | 406 | 315 | 464 |
| Other | - | (9) | (15) | - | (24) | (5) | (4) | (7) | (7) | (14) | (7) | (7) | (33) | (28) | (35) |
| Earnings on surplus (incl. financing charges) | 17 | (9) | 26 | - | 34 | 25 | 11 | 33 | (10) | 3 | 53 | 5 | 70 | 46 | 79 |
| Net income before tax | 373 | 90 | 369 | (4) | 828 | 787 | 684 | 776 | 848 | 771 | 952 | 853 | 2,299 | 2,571 | 3,347 |
| Taxes | (58) | (10) | (51) | (2) | (121) | (86) | (33) | (58) | (94) | (80) | (218) | (162) | (240) | (392) | (450) |
| Net income before non-controlling interests & preferred dividends | 315 | 80 | 318 | (6) | 707 | 701 | 651 | 718 | 754 | 691 | 734 | 691 | 2,059 | 2,179 | 2,897 |
| Non-controlling interests & preferred dividends | (26) | (2) | (5) | - | (33) | (30) | (31) | (35) | (34) | (32) | (34) | (34) | (94) | (100) | (135) |
| Net income - Common Shareholders | 289 | 78 | 313 | (6) | 674 | 671 | 620 | 683 | 720 | 659 | 700 | 657 | 1,965 | 2,079 | 2,762 |

Expected Profit on In-Force Business

This component represents the portion of the consolidated net income on business in-force at the start of the reporting period that was expected to be realized based on the achievement of the best-estimate assumptions. It includes releases of provisions for adverse deviations, expected net earnings on deposits and expected net management fees. For fee based businesses, it includes all pre-tax core earnings except for sales-based expenses and the impact of fees being different from expected.

Impact of New Business

For non-fee based businesses, this is the difference between the premium received and the sum of the expenses incurred as a result of the sale and the new liabilities established at the point of sale. For fee based businesses, the impact of new business is equal to that portion of the expenses incurred as a result of the sale that have not been capitalized.

Experience Gains and Losses

This component represents gains and losses that are due to differences between the actual experience during the reporting period and the best-estimate assumptions at the start of the reporting period.

Management Actions and Changes in Assumptions

This component represents the impact on net income resulting from management actions, changes in actuarial assumptions or methodology, changes in margins for adverse deviations, and correction of errors.

Other

This component represents the amounts not included in any other line of the sources of earnings.

Earnings on Surplus

This component represents the earnings on the Company's surplus funds including investment income on seed capital and external financing costs.

Putnam – Source of Earnings

| (C\$MM) | 2016 | | | 2015 | | | | 2014 | YTD | YTD | Fiscal |
|--|-------------|-------------|-------------|------------|-------------|-------------|------------|------------|--------------|-------------|-------------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | 2016 | 2015 | 2015 |
| Expected profit on in-force business | (13) | (12) | (9) | 28 | 29 | 23 | 14 | 16 | (34) | 66 | 94 |
| Impact of new business | (8) | (8) | (7) | (8) | (8) | (8) | (11) | (10) | (23) | (27) | (35) |
| Experience gains and losses | 2 | 1 | (16) | (1) | (6) | (1) | 10 | 23 | (13) | 3 | 2 |
| Management actions and changes in assumptions | 19 | - | - | - | - | - | - | - | 19 | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| Earnings on surplus (incl. financing charges) | (20) | (23) | (39) | (24) | (38) | (31) | (21) | (24) | (82) | (90) | (114) |
| Net income before tax | (20) | (42) | (71) | (5) | (23) | (17) | (8) | 5 | (133) | (48) | (53) |
| Taxes | 16 | 24 | 46 | 50 | 17 | 15 | 12 | (3) | 86 | 44 | 94 |
| Net income before non-controlling interests & preferred dividends | (4) | (18) | (25) | 45 | (6) | (2) | 4 | 2 | (47) | (4) | 41 |
| Non-controlling interests & preferred dividends | (2) | - | - | (4) | (2) | (1) | (2) | (3) | (2) | (5) | (9) |
| Net income - common shareholders | (6) | (18) | (25) | 41 | (8) | (3) | 2 | (1) | (49) | (9) | 32 |