

GREAT-WEST  
**LIFECO** INC.

Supplemental Information Package  
For Analysts and Investors  
(Unaudited)  
**Q1 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 \$1,187 billion in assets under administration. Lifeco is a member of the Power Financial Corporation group of companies.

## Investor Relations Contact Information

### **Garry MacNicholas**

Executive Vice-President & Chief Financial Officer - Lifeco

Great-West Lifeco Inc.  
330 University Avenue  
Toronto, ON M5G 1R8  
Tel: (416) 552-5151  
Fax: (416) 597-1940  
E-mail: [garry.macnicholas@gwl.ca](mailto:garry.macnicholas@gwl.ca)

### **Gordon P. Menzie**

Senior Vice-President, Corporate Finance & Treasury

Great-West Lifeco Inc.  
100 Osborne Street North  
Winnipeg, MB R3C 3A5  
Tel: (204) 946-8608  
Fax: (204) 946-7133  
E-mail: [gord.menzie@gwl.ca](mailto:gord.menzie@gwl.ca)

### **Wendi Thiessen**

Assistant Vice-President, Corporate Finance & Treasury

Great-West Lifeco Inc.  
100 Osborne Street North  
Winnipeg, MB R3C 3A5  
Tel: (204) 946-7452  
Fax: (204) 946-7133  
E-mail: [wendi.thiessen@gwl.ca](mailto:wendi.thiessen@gwl.ca)

**Great-West Lifeco Inc.**



## Lifeco Financial Highlights

(C\$MM except Earnings per Common Share)

	2016		2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Income</b>									
Premium Income	7,015	6,162	5,891	5,516	6,932	5,501	4,690	5,764	24,501
Net Investment Income	4,083	826	1,464	(2,518)	4,489	4,061	2,669	3,196	4,261
Fee & Other Income	1,254	1,333	1,241	1,226	1,258	1,161	1,092	1,110	5,058
Total Income	12,352	8,321	8,596	4,224	12,679	10,723	8,451	10,070	33,820
<b>Operating Earnings - Common Shareholders</b>	620	683	720	659	700	657	687	615	2,762
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-
<b>Net Earnings - Common Shareholders</b>	620	683	720	659	700	657	687	615	2,762
Net Earnings attributable to Perpetual Preferred Shareholders	31	31	32	31	32	31	33	29	126
<b>Net Earnings - Total Shareholders</b>	651	714	752	690	732	688	720	644	2,888
<b>Earnings per Common Share</b>									
Operating Earnings	\$0.625	\$0.688	\$0.724	\$0.661	\$0.702	\$0.658	\$0.687	\$0.616	\$2.774
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-
Basic earnings per share	\$0.625	\$0.688	\$0.724	\$0.661	\$0.702	\$0.658	\$0.687	\$0.616	\$2.774
Diluted earnings per share	\$0.623	\$0.686	\$0.722	\$0.659	\$0.700	\$0.657	\$0.686	\$0.615	\$2.768
<b>Common Shareholder Net Earnings (Loss) - by Segment</b>									
Canada	276	262	326	308	299	300	330	304	1,195
U.S.	63	125	96	67	121	89	107	69	409
Europe	287	303	296	289	286	274	259	246	1,174
Corporate	(6)	(7)	2	(5)	(6)	(6)	(9)	(4)	(16)
<b>Total</b>	<b>620</b>	<b>683</b>	<b>720</b>	<b>659</b>	<b>700</b>	<b>657</b>	<b>687</b>	<b>615</b>	<b>2,762</b>

## Lifeco Common Shareholder Net Earnings

(C\$MM)

	2016		2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Common Shareholder Net Earnings (Loss)</b>									
<b>Canada</b>									
Individual Insurance	92	51	91	88	77	120	109	97	307
Wealth Management	101	119	116	122	122	69	96	113	479
Group Insurance	67	74	153	96	109	96	125	92	432
Corporate	16	18	(34)	2	(9)	15	-	2	(23)
	<u>276</u>	<u>262</u>	<u>326</u>	<u>308</u>	<u>299</u>	<u>300</u>	<u>330</u>	<u>304</u>	<u>1,195</u>
<b>U.S.</b>									
Financial Services <sup>(1)</sup>	88	84	104	70	119	90	115	78	377
Asset Management	(25)	41	(8)	(3)	2	(1)	(8)	(9)	32
	<u>63</u>	<u>125</u>	<u>96</u>	<u>67</u>	<u>121</u>	<u>89</u>	<u>107</u>	<u>69</u>	<u>409</u>
<b>Europe</b>									
Insurance & Annuities	226	234	229	207	216	218	208	184	886
Reinsurance	63	73	71	92	77	71	59	72	313
Corporate	(2)	(4)	(4)	(10)	(7)	(15)	(8)	(10)	(25)
	<u>287</u>	<u>303</u>	<u>296</u>	<u>289</u>	<u>286</u>	<u>274</u>	<u>259</u>	<u>246</u>	<u>1,174</u>
<b>Corporate</b>	(6)	(7)	2	(5)	(6)	(6)	(9)	(4)	(16)
<b>Total</b>	<u><b>620</b></u>	<u><b>683</b></u>	<u><b>720</b></u>	<u><b>659</b></u>	<u><b>700</b></u>	<u><b>657</b></u>	<u><b>687</b></u>	<u><b>615</b></u>	<u><b>2,762</b></u>

1) Includes U.S. Corporate

**Currency Translation Rates**

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>(C\$ / US\$)</b>								
Balance Sheet	1.30	1.38	1.34	1.25	1.27	1.16	1.12	1.07
Income & Expenses	1.37	1.34	1.31	1.23	1.24	1.14	1.09	1.09
<b>(C\$ / £)</b>								
Balance Sheet	1.87	2.04	2.02	1.96	1.88	1.81	1.82	1.83
Income & Expenses	1.96	2.03	2.03	1.89	1.88	1.80	1.82	1.84
<b>(C\$ / €)</b>								
Balance Sheet	1.48	1.50	1.50	1.39	1.36	1.40	1.42	1.46
Income & Expenses	1.51	1.46	1.46	1.36	1.40	1.42	1.44	1.50



## 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)				
	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-	

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	
<b>Q2 2014</b>	999,158,563	-	78,440	300,426	\$29.91	\$8,984,739	998,936,577
<b>Q3 2014</b>	998,936,577	-	26,060	411,453	\$31.06	\$13,026,703	998,551,184
<b>Q4 2014</b>	998,551,184	-	34,480	1,886,293	\$31.92	\$60,203,896	996,699,371
<b>Q1 2015</b>	996,699,371	-	1,670,744	765,450	\$34.23	\$26,199,145	997,604,665
<b>Q2 2015</b>	997,604,665	-	635,292	1,360,848	\$36.80	\$50,077,226	996,879,109
<b>Q3 2015</b>	996,879,109	-	131,140	3,810,122	\$34.83	\$132,723,517	993,200,127
<b>Q4 2015</b>	993,200,127	-	493,640	343,436	\$34.54	\$11,863,660	993,350,331
<b>Q1 2016</b>	993,350,331	-	473,574	624,181	\$34.32	\$21,423,126	993,199,724

**3 months ended March 31, 2016**

Average common shares outstanding - Basic	993,250,972
Potential exercise of outstanding stock options	1,807,514
Average common shares outstanding - Diluted	<u>995,058,486</u>

## Lifeco Financial Ratio Highlights

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Share Price</b>								
High	\$35.81	\$36.29	\$37.41	\$37.52	\$37.26	\$33.87	\$33.04	\$30.84
Low	\$32.32	\$31.89	\$31.57	\$36.03	\$31.31	\$29.71	\$30.18	\$28.95
Close	\$35.74	\$34.53	\$31.97	\$36.36	\$36.62	\$33.59	\$32.21	\$30.18
<b>Operating EPS</b>								
Operating EPS	\$0.625	\$0.688	\$0.724	\$0.661	\$0.702	\$0.658	\$0.687	\$0.616
Operating EPS Growth <i>(qtr / qtr)</i>	(9.2%)	(5.0%)	9.5%	(5.8%)	6.7%	(4.2%)	11.5%	4.9%
<b>Dividends</b>								
Common Dividends Declared / Share		\$0.3460	\$0.3260	\$0.3260	\$0.3260	\$0.3260	\$0.3075	\$0.3075
Common Dividends Paid / Share	\$0.3460	\$0.3260	\$0.3260	\$0.3260	\$0.3260	\$0.3075	\$0.3075	\$0.3075
Paid Dividend Growth <i>(qtr / qtr)</i>	6.1%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%
Paid Dividend Growth <i>(yr / yr)</i>	6.1%	6.0%	6.0%	6.0%	6.0%	0.0%	0.0%	0.0%
Dividend Payout Ratio <sup>(1)</sup>	55.4%	47.4%	45.0%	49.3%	46.4%	46.7%	44.8%	49.9%
Dividend Yield (annualized) <sup>(2)</sup>	3.9%	3.8%	4.1%	3.6%	3.6%	3.7%	3.8%	4.1%
<b>Ratios</b>								
P/E Ratio <i>(rolling 4 qtrs - operating earnings)</i>	13.2x	12.4x	11.6x	13.4x	13.8x	13.2x	13.5x	13.6x
P/Book Value Ratio	1.9x	1.7x	1.6x	2.0x	2.1x	2.0x	2.0x	1.9x
ROE <sup>(3)</sup> (12 Months Trailing) - Operating Earnings	14.0%	14.7%	15.2%	15.7%	16.0%	15.7%	15.1%	14.5%
ROE <sup>(3)</sup> (12 Months Trailing)	14.0%	14.7%	15.2%	15.7%	16.0%	15.7%	16.5%	16.0%
<b>Share Information</b>								
Total Shares Outstanding (mm)	993.2	993.4	993.2	996.9	997.6	996.7	998.6	998.9
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)	283.9	284.0	283.9	287.6	288.3	287.4	289.2	289.6
Total Market Capitalization (mm)	\$35,497	\$34,300	\$31,753	\$36,247	\$36,532	\$33,479	\$32,163	\$30,148
Public Float (mm)	\$10,146	\$9,808	\$9,076	\$10,456	\$10,558	\$9,654	\$9,317	\$8,741
Book Value per Share	\$19.29	\$20.07	\$19.40	\$18.28	\$17.68	\$16.80	\$16.36	\$15.87

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

## Lifeco Regulatory Capital Ratios

<i>(C\$MM, unless otherwise stated)</i>	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>MCCSR</b>								
<b>Great-West Life Assurance Company</b>								
Available Capital	15,492	15,730	15,383	14,572	14,151	13,662	13,663	13,349
Required Capital	6,559	6,599	6,582	6,370	6,376	6,092	5,866	5,850
Ratio	236%	238%	234%	229%	222%	224%	233%	228%
<b>London Life Insurance Company</b>								
Available Capital	3,342	3,341	3,314	3,240	3,390	3,445	3,399	3,353
Required Capital	1,536	1,480	1,457	1,393	1,429	1,396	1,305	1,300
Ratio	218%	226%	227%	233%	237%	247%	260%	258%
<b>Canada Life Assurance Company</b>								
Available Capital	10,392	10,649	10,349	9,730	9,262	8,778	8,625	8,379
Required Capital	3,944	4,090	4,061	3,931	3,926	3,703	3,621	3,604
Ratio	263%	260%	255%	248%	236%	237%	238%	232%
<b>Risk Based Capital (RBC) - US\$</b>								
<b>GWL&amp;A</b>								
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		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Capital Available:</b>								
<b>Tier 1 Capital</b>								
Common shares	8,487	8,487	8,487	8,487	8,487	8,487	8,487	8,487
Shareholder Surplus	9,512	9,256	9,031	8,695	8,551	8,355	8,322	7,967
Innovative instruments	113	113	113	112	111	112	113	113
Other Tier 1 Capital Elements	2,701	3,466	3,282	2,797	2,369	2,262	2,396	2,530
Gross Tier 1 Capital	20,813	21,322	20,913	20,091	19,518	19,216	19,318	19,097
<b>Deductions from Tier 1:</b>								
Goodwill & intangible assets in excess of limit	(5,920)	(5,928)	(5,954)	(5,945)	(5,963)	(6,001)	(6,011)	(6,032)
Other Deductions	(2,011)	(1,988)	(1,977)	(1,913)	(1,878)	(1,913)	(1,895)	(1,922)
<b>Net Tier 1 Capital</b>	12,882	13,406	12,982	12,233	11,677	11,302	11,412	11,143
Adjustments to Net Tier 1 Capital	(160)	(211)	(180)	(169)	(161)	(170)	(168)	(167)
<b>Adjusted Net Tier 1 Capital</b>	12,722	13,195	12,802	12,064	11,516	11,132	11,244	10,976
<b>Tier 2 Capital</b>								
Tier 2A	259	234	210	215	207	203	197	198
Tier 2B allowed	593	596	596	574	567	574	578	584
Tier 2C	2,078	1,916	1,955	1,888	2,022	1,923	1,812	1,758
Tier 2 Deductions	(160)	(211)	(180)	(169)	(161)	(170)	(168)	(167)
<b>Net Tier 2 Capital</b>	2,770	2,535	2,581	2,508	2,635	2,530	2,419	2,373
<b>Total Capital Available</b>	<b>15,492</b>	<b>15,730</b>	<b>15,383</b>	<b>14,572</b>	<b>14,151</b>	<b>13,662</b>	<b>13,663</b>	<b>13,349</b>
<b>Capital Required:</b>								
Assets Default & Market Risk	2,687	2,725	2,731	2,655	2,611	2,522	2,471	2,470
Insurance Risks	2,685	2,666	2,660	2,537	2,564	2,438	2,293	2,288
Interest Rate Risks	1,183	1,204	1,188	1,172	1,193	1,126	1,096	1,086
Other	4	4	3	6	8	6	6	6
<b>Total Capital Required</b>	<b>6,559</b>	<b>6,599</b>	<b>6,582</b>	<b>6,370</b>	<b>6,376</b>	<b>6,092</b>	<b>5,866</b>	<b>5,850</b>
<b>MCCR Ratios:</b>								
Tier 1	194%	200%	194%	189%	181%	183%	192%	188%
Total	236%	238%	234%	229%	222%	224%	233%	228%

## Lifeco Capital Structure

(C\$MM)

LIABILITIES	2016	2015				2014	EQUITY	2016	2015				2014
	Q1	Q4	Q3	Q2	Q1	Q4		Q1	Q4	Q3	Q2	Q1	Q4
<b>Short Term</b>													
Commercial Paper & other short term borrowings	129	129	129	123	114	114							
Putnam revolving credit facility	280	338	168	281	407	412							
<b>Total Short Term</b>	<b>409</b>	<b>467</b>	<b>297</b>	<b>404</b>	<b>521</b>	<b>526</b>							
<b>Capital</b>													
<b>Lifeco</b>													
6.14% Debenture due Mar 21, 2018	200	200	200	200	200	200							
6.74% Debenture due Nov 24, 2031	192	192	192	192	192	192							
6.67% Debenture due Mar 21, 2033	391	391	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	498	498							
2.50% Euro Bond Debt due April 18, 2023	736	745	745	690	675	695							
<b>CLAC</b>													
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	305	311	313	292	288	298							
4.00% ILA Mortgage	-	-	76	70	68	70							
<b>GWL&amp;A Insurance Capital</b>													
6.625% Deferrable Debenture (LP)	224	238	231	215	219	200							
7.153% Subordinated Debenture (LP II)	390	414	402	375	381	348							
<b>Lifeco Finance (Delaware)</b>													
5.691% Subordinated Debenture due June 21, 2067 (LP)	998	998	997	997	997	997							
7.127% Subordinated Debenture due June 26, 2068 (LP II)	498	498	498	498	498	498							
<b>Total Debt and Other Loans</b>	<b>5,284</b>	<b>5,395</b>	<b>5,283</b>	<b>5,265</b>	<b>5,370</b>	<b>5,355</b>							
<b>Capital Trust Securities</b>													
GREATs							-						
CLICS	150	150	150	150	150	150							
Acquisition related FMV adjustment	11	11	12	12	12	12							
	161	161	162	162	162	162							
Trust securities held by consolidated group	(37)	(37)	(37)	(37)	(37)	(37)							
Capital Trust Securities (externally held)	124	124	125	125	125	125							
<b>Non-Controlling Interests</b>													
Non-controlling interest in capital stock & surplus	248	195	187	185	200	163							
<b>Undistributed Participating Account Surplus</b>													
Great-West Life	610	607	599	594	594	579							
London Life	1,749	1,765	1,746	1,747	1,754	1,720							
Canada Life	233	222	207	190	177	167							
GWL&A	16	17	17	16	16	14							
	2,608	2,611	2,569	2,547	2,541	2,480							
<b>Total Non-Controlling Interest</b>	<b>2,856</b>	<b>2,806</b>	<b>2,756</b>	<b>2,732</b>	<b>2,741</b>	<b>2,643</b>							
<b>Lifeco</b>													
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 J 6.00% Non-Cumulative Rate Reset Preferreds	-	-	-	-	-	-							
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 <sup>(1)</sup>	213	213	250	250	250	250							
Series O Non-Cumulative Floating Rate Preferreds <sup>(2)</sup>	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	7,167	7,156	7,143	7,166	7,154	7,102							
Accumulated & Contributed Surplus	10,778	10,566	10,192	9,888	9,590	9,260							
Accumulated Other Comprehensive Income (loss)	1,216	2,218	1,929	1,170	889	378							
<b>Total Equity Capital</b>	<b>24,531</b>	<b>25,260</b>	<b>24,534</b>	<b>23,470</b>	<b>22,888</b>	<b>21,897</b>							

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%

## Lifeco Statements of Earnings

	2016	2015			2014			Fiscal 2015	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
<i>(C\$MM, unless otherwise stated)</i>									
<b>Income</b>									
Premium income	7,015	6,162	5,891	5,516	6,932	5,501	4,690	5,764	24,501
Regular net investment income	1,673	1,670	1,546	1,519	1,536	1,516	1,479	1,526	6,271
Changes in fair value through profit or loss	2,410	(844)	(82)	(4,037)	2,953	2,545	1,190	1,670	(2,010)
Net investment income	4,083	826	1,464	(2,518)	4,489	4,061	2,669	3,196	4,261
Fee and other income	1,254	1,333	1,241	1,226	1,258	1,161	1,092	1,110	5,058
Total Income	12,352	8,321	8,596	4,224	12,679	10,723	8,451	10,070	33,820
<b>Benefits and Expenses</b>									
Paid or credited to policyholders	9,678	5,532	5,833	1,588	9,889	8,125	5,966	7,580	22,842
Commissions	566	584	565	554	515	514	519	546	2,218
Operating expenses	1,208	1,175	1,132	1,081	1,078	1,000	888	915	4,466
Restructuring and acquisition expenses	4	7	7	14	7	12	10	10	35
Premium taxes	92	92	83	80	84	86	85	83	339
Financing charges	78	73	78	75	77	77	75	76	303
Amortization of finite life intangible assets	46	37	36	37	36	34	33	32	146
Total Benefits and Expenses	11,672	7,500	7,734	3,429	11,686	9,848	7,576	9,242	30,349
<b>Net Earnings before income taxes</b>	680	821	862	795	993	875	875	828	3,471
Income Tax - Current	54	55	61	31	149	86	107	82	296
- Deferred	(30)	11	23	55	75	78	28	74	164
<b>Net Earnings before non-controlling interests</b>	656	755	778	709	769	711	740	672	3,011
Non-controlling interests	5	41	26	19	37	23	20	28	123
<b>Net Earnings</b>	<b>651</b>	<b>714</b>	<b>752</b>	<b>690</b>	<b>732</b>	<b>688</b>	<b>720</b>	<b>644</b>	<b>2,888</b>
Perpetual preferred share dividends	31	31	32	31	32	31	33	29	126
<b>Net Earnings - Common Shareholders</b>	<b>620</b>	<b>683</b>	<b>720</b>	<b>659</b>	<b>700</b>	<b>657</b>	<b>687</b>	<b>615</b>	<b>2,762</b>
<b>Earnings per Common Share</b>									
Operating Earnings	\$0.625	\$0.688	\$0.724	\$0.661	\$0.702	\$0.658	\$0.687	\$0.616	\$2.774
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-
Basic Earnings	\$0.625	\$0.688	\$0.724	\$0.661	\$0.702	\$0.658	\$0.687	\$0.616	\$2.774
Diluted Earnings	\$0.623	\$0.686	\$0.722	\$0.659	\$0.700	\$0.657	\$0.686	\$0.615	\$2.768
Average number of shares outstanding (MM) - basic	993.3	993.2	995.0	997.4	996.9	997.5	998.7	999.1	995.6
Average number of shares outstanding (MM) - diluted	995.1	995.2	997.0	1,000.1	999.1	999.1	1,000.2	1000.0	997.9
Effective tax rate	3.4%	8.0%	9.8%	10.8%	22.6%	18.8%	15.4%	18.8%	13.3%

## Lifeco Balance Sheets

(C\$MM)

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Assets</b>								
Government bonds	50,596	47,063	44,729	44,500	45,119	44,032	41,191	40,073
Corporate bonds	63,545	67,880	67,530	63,952	64,776	59,136	58,027	55,886
Total bonds <sup>(1)</sup>	114,141	114,943	112,259	108,452	109,895	103,168	99,218	95,959
Mortgage loans	21,402	22,021	21,704	21,104	21,184	20,546	20,322	20,077
Stocks	7,827	7,873	7,919	7,826	7,797	7,820	7,630	8,118
Investment properties	5,049	5,237	5,224	5,220	4,943	4,613	4,560	4,503
Loans to policyholders	8,321	8,694	8,574	8,221	8,195	7,711	7,589	7,428
Cash and cash equivalents	2,923	2,813	3,713	2,688	3,197	2,498	3,426	3,109
Total invested assets	159,663	161,581	159,393	153,511	155,211	146,356	142,745	139,194
Funds held by ceding insurers	12,954	15,512	14,366	14,050	14,242	12,154	11,768	11,906
Reinsurance assets	5,144	5,131	5,572	5,139	5,187	5,151	5,093	5,309
Premiums in course of collection, accounts and interest receivable	3,833	3,553	3,663	3,444	3,862	3,056	3,580	3,250
Current income taxes	99	69	114	69	44	48	200	205
Derivative financial instruments	602	461	494	466	583	652	621	683
Owner occupied properties	638	653	646	629	631	619	613	594
Fixed assets	296	298	279	255	235	228	207	206
Other assets	2,471	2,643	2,636	2,662	2,430	2,368	2,218	2,229
Deferred tax assets	1,770	1,891	1,888	1,735	1,810	1,631	1,158	1,115
Goodwill	5,896	5,913	5,908	5,865	5,859	5,855	5,875	5,810
Intangible assets	3,878	4,036	3,953	3,768	3,804	3,625	3,529	3,468
Investments on account of segregated fund policyholders	193,001	198,194	191,023	184,835	187,433	174,966	171,434	170,382
<b>Total assets</b>	<b>390,245</b>	<b>399,935</b>	<b>389,935</b>	<b>376,428</b>	<b>381,331</b>	<b>356,709</b>	<b>349,041</b>	<b>344,351</b>
<b>Liabilities</b>								
Insurance contract liabilities	155,352	158,492	157,451	152,315	154,494	145,198	141,358	138,965
Investment contract liabilities	2,116	2,253	947	912	935	857	844	870
	157,468	160,745	158,398	153,227	155,429	146,055	142,202	139,835
Debentures and other debt instruments	5,284	5,395	5,283	5,265	5,370	5,355	5,541	5,608
Funds held under reinsurance contracts	324	356	346	328	332	313	305	303
Other liabilities	8,006	8,238	8,589	7,602	8,250	6,511	6,962	6,103
Deferred tax liabilities	1,470	1,586	1,600	1,539	1,467	1,450	987	1,007
Capital trust securities	161	161	162	162	162	162	162	162
Investment and insurance contracts on account of segregated fund policyholders	193,001	198,194	191,023	184,835	187,433	174,966	171,434	170,382
<b>Total liabilities</b>	<b>365,714</b>	<b>374,675</b>	<b>365,401</b>	<b>352,958</b>	<b>358,443</b>	<b>334,812</b>	<b>327,593</b>	<b>323,400</b>
<b>Equity</b>								
Non-controlling interests	2,856	2,806	2,756	2,732	2,741	2,643	2,599	2,588
Share capital								
Perpetual preferred shares	2,514	2,514	2,514	2,514	2,514	2,514	2,514	2,514
Common shares	7,167	7,156	7,143	7,166	7,154	7,102	7,113	7,115
Accumulated surplus	10,672	10,431	10,069	9,779	9,491	9,134	8,832	8,466
Accumulated other comprehensive income (loss)	1,216	2,218	1,929	1,170	889	378	275	181
Contributed surplus	106	135	123	109	99	126	115	87
	24,531	25,260	24,534	23,470	22,888	21,897	21,448	20,951
<b>Total liabilities and equity</b>	<b>390,245</b>	<b>399,935</b>	<b>389,935</b>	<b>376,428</b>	<b>381,331</b>	<b>356,709</b>	<b>349,041</b>	<b>344,351</b>
<b>Proprietary mutual funds and institutional assets</b>	237,984	252,480	239,050	232,168	238,650	216,271	207,451	200,113
<b>Other assets under administration</b>	558,290	560,102	524,813	539,259	556,893	490,353	465,264	260,079
<b>Total assets under administration</b>	<b>1,186,519</b>	<b>1,212,517</b>	<b>1,153,798</b>	<b>1,147,855</b>	<b>1,176,874</b>	<b>1,063,333</b>	<b>1,021,756</b>	<b>804,543</b>

1) Includes short-term bonds



## Lifeco Supplemental Balance Sheet Information

(CSMM, unless otherwise stated)

	2016		2015			2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Bond Portfolio Quality</b>								
<b>Canada</b>								
AAA	10,631	11,224	10,938	11,482	11,485	10,812	10,726	10,650
AA	8,464	7,317	7,261	7,343	7,748	7,146	6,885	6,509
A	14,973	15,233	15,194	14,856	14,972	13,982	13,403	13,021
BBB	5,983	5,985	5,687	5,254	5,289	4,983	4,847	4,747
BB or Lower	121	120	127	128	128	104	105	104
Total	40,172	39,879	39,207	39,063	39,622	37,027	35,966	35,031
<b>U.S.</b>								
AAA	7,770	8,712	4,705	4,192	4,532	7,237	4,089	3,872
AA	4,599	4,598	4,606	4,234	4,386	3,723	3,402	3,237
A	9,268	9,420	9,374	8,486	8,433	7,379	6,942	6,593
BBB	8,385	8,334	8,246	7,771	7,711	6,921	6,659	6,231
BB or Lower	714	771	810	695	730	686	699	694
Total	30,736	31,835	27,741	25,378	25,792	25,946	21,791	20,627
<b>Europe</b>								
AAA	12,900	12,289	12,206	11,860	11,848	11,516	10,975	10,617
AA	8,149	8,056	8,354	7,374	7,891	7,443	7,099	7,405
A	10,366	10,782	10,642	10,164	10,226	9,646	8,515	7,935
BBB	6,261	6,662	6,438	6,115	5,871	5,462	6,193	6,109
BB or Lower	563	647	627	597	609	589	430	436
Total	38,239	38,436	38,267	36,110	36,445	34,656	33,212	32,502
<b>Total Bond Portfolio Quality</b>								
AAA	31,301	32,225	27,849	27,534	27,865	29,565	25,790	25,139
AA	21,212	19,971	20,221	18,951	20,025	18,312	17,386	17,151
A	34,607	35,435	35,210	33,506	33,631	31,007	28,860	27,549
BBB	20,629	20,981	20,371	19,140	18,871	17,366	17,699	17,087
BB or Lower	1,398	1,538	1,564	1,420	1,467	1,379	1,234	1,234
Total <sup>(1)</sup>	109,147	110,150	105,215	100,551	101,859	97,629	90,969	88,160

1. Excludes short term bonds.

	2016		2015			2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>(CSB) Bonds unrealized Gain / Loss</b>								
Unrealized Gains	9.4	7.9	8.6	8.3	12.1	9.4	7.3	6.3
Unrealized Losses	(0.5)	(0.8)	(0.6)	(0.7)	(0.2)	(0.2)	(0.4)	(0.5)
Net Gains / Losses	8.9	7.1	8.0	7.6	11.9	9.2	6.9	5.8

	2016		2015			2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Segregated Fund Net Assets</b>								
Stocks, mutual funds and units in unit trusts	125,844	130,930	125,023	123,004	124,852	115,618	113,003	112,014
Bonds	42,433	42,160	42,199	39,580	41,365	37,912	36,998	36,425
Mortgage loans	2,615	2,596	2,586	2,510	2,565	2,508	2,427	2,401
Investment properties	10,647	10,839	10,650	9,886	9,588	9,533	9,246	8,700
Cash & other	11,462	11,669	10,565	9,855	9,063	9,395	9,760	10,842
Total	193,001	198,194	191,023	184,835	187,433	174,966	171,434	170,382

### Mortgage Loan Portfolio

	Non-Insured		Total
	Insured	Insured	
<b>Q1 2016</b>			
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
<b>Q4 2015</b>			
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
<b>Q3 2015</b>			
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
<b>Q2 2015</b>			
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
<b>Q1 2015</b>			
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
<b>Q4 2014</b>			
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
<b>Q3 2014</b>			
Single-family residential	861	1,026	1,887
Multi-family residential	2,790	2,299	5,089
Commercial	220	13,126	13,346
Total Mortgage Loans	3,871	16,451	20,322
<b>Q2 2014</b>			
Single-family residential	879	958	1,837
Multi-family residential	2,834	2,244	5,078
Commercial	200	12,962	13,162
Total Mortgage Loans	3,913	16,164	20,077

## Lifeco Impaired Loans and Credit Losses

(C\$MM)

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Gross Impaired Loans</b>								
Fair value through profit or loss <sup>(1)</sup>	256	287	289	280	300	292	306	305
Available for sale	11	12	16	14	15	15	20	21
Loans & receivables	56	50	44	43	42	33	45	46
<b>Total</b>	<b>323</b>	<b>349</b>	<b>349</b>	<b>337</b>	<b>357</b>	<b>340</b>	<b>371</b>	<b>372</b>
Canada	2	3	3	4	4	11	23	23
US	259	289	286	274	294	279	296	297
Europe	62	57	60	59	59	50	52	52
<b>Total</b>	<b>323</b>	<b>349</b>	<b>349</b>	<b>337</b>	<b>357</b>	<b>340</b>	<b>371</b>	<b>372</b>
<b>Impaired Investment Provisions</b>								
Fair value through profit or loss <sup>(1)</sup>	(55)	(68)	(74)	(75)	(65)	(63)	(49)	(44)
Available for sale	1	1	-	(1)	1	1	-	1
Loans & receivables	24	20	19	19	18	18	18	18
<b>Total</b>	<b>(30)</b>	<b>(47)</b>	<b>(55)</b>	<b>(57)</b>	<b>(46)</b>	<b>(44)</b>	<b>(31)</b>	<b>(25)</b>
Canada	-	-	-	(1)	(1)	(1)	(1)	(1)
US	(51)	(61)	(68)	(68)	(59)	(58)	(45)	(39)
Europe	21	14	13	12	14	15	15	15
<b>Total</b>	<b>(30)</b>	<b>(47)</b>	<b>(55)</b>	<b>(57)</b>	<b>(46)</b>	<b>(44)</b>	<b>(31)</b>	<b>(25)</b>
<b>Carrying Amount</b>	<b>353</b>	<b>396</b>	<b>404</b>	<b>394</b>	<b>403</b>	<b>384</b>	<b>402</b>	<b>397</b>
<b>Provisions for Future Credit Losses in Insurance Contract Liabilities</b>	<b>3,462</b>	<b>3,558</b>	<b>3,362</b>	<b>3,317</b>	<b>3,283</b>	<b>3,133</b>	<b>2,907</b>	<b>2,965</b>

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

## Lifeco Cash Flow Statements

	2016			2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
<i>(C\$MM)</i>										
<b>Operations</b>										
Net earnings before income taxes	680	821	862	795	993	875	875	828	3,471	
Income taxes paid, net of refunds received	(58)	(66)	(30)	(177)	(88)	(79)	(1)	(124)	(361)	
Adjustments:										
Change in insurance and investment contract liabilities	3,208	(538)	179	(3,580)	2,851	2,988	1,349	2,354	(1,088)	
Change in funds held by ceding insurers	260	32	310	207	272	(108)	289	108	821	
Change in funds held under reinsurance contracts	(5)	191	(73)	2	(92)	(21)	(30)	34	28	
Change in deferred acquisition costs	10	2	6	14	10	4	7	21	32	
Change in reinsurance assets	(131)	294	(51)	113	11	(69)	154	(60)	367	
Changes in fair value through profit or loss	(2,410)	844	82	4,037	(2,953)	(2,545)	(1,190)	(1,670)	2,010	
Intangible & goodwill impairment									-	
Other	(188)	(517)	279	(7)	88	(333)	624	(110)	(157)	
	1,366	1,063	1,564	1,404	1,092	712	2,077	1,381	5,123	
<b>Financing Activities</b>										
Issue of common shares	15	16	4	22	57	1	1	2	99	
Issue of preferred shares	-	-	-	-	-	-	-	200	-	
Purchased and cancelled common shares	(21)	(12)	(133)	(50)	(26)	(60)	(13)	(9)	(221)	
Increase (decrease) in line of credit of subsidiary	(41)	161	(130)	(118)	(43)	137	(93)	(76)	(130)	
Increase (decrease) in debentures and other debt instruments	8	(4)	(3)	11	(11)	(349)	1	1	(7)	
Share issue costs	-	-	-	-	-	-	-	(4)	-	
Dividends paid on common shares	(343)	(324)	(324)	(325)	(325)	(307)	(307)	(307)	(1,298)	
Dividends paid on preferred shares	(31)	(31)	(32)	(31)	(32)	(31)	(33)	(29)	(126)	
Cash flow from financing activities	(413)	(194)	(618)	(491)	(380)	(609)	(444)	(222)	(1,683)	
<b>Investment Activities</b>										
Bond sales and maturities	7,610	6,685	6,001	6,559	9,837	6,638	5,031	6,226	29,082	
Mortgage loan repayments	662	947	699	699	581	856	694	585	2,926	
Stock sales	1,125	684	398	459	566	585	571	634	2,107	
Investment property sales	-	7	195	-	4	-	-	40	206	
Changes in loans to policyholders	19	56	56	(113)	9	57	66	(58)	8	
Business acquisitions, net of cash and equivalents acquired	-	-	(4)	-	-	(1)	(42)	-	(4)	
Investment in bonds	(8,314)	(8,456)	(5,738)	(7,884)	(9,937)	(7,385)	(6,488)	(7,152)	(32,015)	
Investment in mortgage loans	(752)	(1,064)	(808)	(537)	(624)	(948)	(775)	(953)	(3,033)	
Investment in stocks	(984)	(647)	(859)	(557)	(360)	(880)	(353)	(444)	(2,423)	
Investment in investment properties	(74)	(14)	(18)	(66)	(180)	24	(46)	(50)	(278)	
Cash flow from investment activities	(708)	(1,802)	(78)	(1,440)	(104)	(1,054)	(1,342)	(1,172)	(3,424)	
Effect of changes in exchange rates on cash & cash equivalents	(135)	33	157	18	91	23	26	(74)	299	
Increase (decrease) in cash and cash equivalents	110	(900)	1,025	(509)	699	(928)	317	(87)	315	
Cash and cash equivalents, beginning of period	2,813	3,713	2,688	3,197	2,498	3,426	3,109	3,196	2,498	
Cash and cash equivalents, end of period	2,923	2,813	3,713	2,688	3,197	2,498	3,426	3,109	2,813	

## Statements of Accumulated and Contributed Surplus

### Lifeco Consolidated Statements of Accumulated & Contributed Surplus

(C\$MM)	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Balance, beginning of year</b>	10,566	9,260	9,260	9,260	9,260	7,956	7,956	7,956
Net earnings - YTD	651	2,888	2,174	1,422	732	2,668	1,980	1,260
Stock option expense	16	9	(3)	(17)	16	35	24	4
Share issue / redemption costs	-	-	-	-	-	(4)	(4)	(4)
Dividends to shareholders								
Preferred shareholders	(31)	(126)	(95)	(63)	(32)	(122)	(91)	(58)
Common shareholders	(343)	(1,298)	(974)	(650)	(325)	(1,228)	(921)	(614)
Other	(81)	(167)	(170)	(64)	(61)	(45)	3	9
<b>Balance, end of period</b>	<b>10,778</b>	<b>10,566</b>	<b>10,192</b>	<b>9,888</b>	<b>9,590</b>	<b>9,260</b>	<b>8,947</b>	<b>8,553</b>

### Lifeco Consolidated Statements of Surplus - Participating Account

(C\$MM)	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Balance, beginning of period</b>	2,611	2,480	2,480	2,480	2,480	2,354	2,354	2,354
Net earnings before policyholder dividend - YTD	325	1,374	1,070	711	370	1,317	984	659
Participating policyholder dividend	(320)	(1,260)	(993)	(658)	(334)	(1,228)	(916)	(611)
Other	(8)	17	12	14	25	37	18	21
<b>Balance, end of period</b>	<b>2,608</b>	<b>2,611</b>	<b>2,569</b>	<b>2,547</b>	<b>2,541</b>	<b>2,480</b>	<b>2,440</b>	<b>2,423</b>
<b>By Company:</b>								
Great-West Life	610	607	599	594	594	579	571	565
London Life	1,749	1,765	1,746	1,747	1,754	1,720	1,684	1,688
Canada Life	233	222	207	190	177	167	171	157
GWL&A	16	17	17	16	16	14	14	13
	<b>2,608</b>	<b>2,611</b>	<b>2,569</b>	<b>2,547</b>	<b>2,541</b>	<b>2,480</b>	<b>2,440</b>	<b>2,423</b>

## Reconciliation of Accumulated Other Comprehensive Income

### Summary of Consolidated Comprehensive Income

(C\$MM)	2016		2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Net Earnings</b>	651	714	752	690	732	688	720	644	2,888
<b>Other comprehensive income (loss)</b>									
<b>net of income taxes</b>									
Unrealized foreign exchange gains (losses) on translation of foreign operations	(984)	291	888	146	733	174	180	(335)	2,058
Unrealized foreign exchange gains (losses) on euro debt designated as hedge of net investment in foreign operations	9	-	(47)	(14)	20	10	20	30	(41)
Unrealized gains (losses) on available for sale assets (after-tax)	97	(34)	30	(111)	102	99	34	44	(13)
Realized gains on available-for-sale assets (after-tax)	(27)	(3)	(6)	(17)	(61)	(16)	(11)	(7)	(87)
Unrealized gains (losses) on cash flow hedges (after-tax)	59	(17)	(73)	18	(84)	(32)	(38)	41	(156)
Realized gains on cash flow hedges (after-tax)	1	-	-	-	1	-	-	1	1
Non-controlling interests (after-tax)	9	(49)	1	25	(31)	(23)	-	(13)	(54)
<b>Total Items that may be reclassified</b>	<u>(836)</u>	<u>188</u>	<u>793</u>	<u>47</u>	<u>680</u>	<u>212</u>	<u>185</u>	<u>(239)</u>	<u>1,708</u>
<b>Items that will not be reclassified to Consolidated Statement of Earnings</b>									
Re-measurements on defined benefit pension and other post-employment benefit plans (after-tax)	(180)	97	(35)	248	(175)	(113)	(98)	(91)	135
Non-controlling interests (after-tax)	14	4	1	(14)	6	4	7	6	(3)
	<u>(166)</u>	<u>101</u>	<u>(34)</u>	<u>234</u>	<u>(169)</u>	<u>(109)</u>	<u>(91)</u>	<u>(85)</u>	<u>132</u>
<b>Total other comprehensive income (loss)</b>	<u>(1,002)</u>	<u>289</u>	<u>759</u>	<u>281</u>	<u>511</u>	<u>103</u>	<u>94</u>	<u>(324)</u>	<u>1,840</u>
<b>Comprehensive income</b>	<u>(351)</u>	<u>1,003</u>	<u>1,511</u>	<u>971</u>	<u>1,243</u>	<u>791</u>	<u>814</u>	<u>320</u>	<u>4,728</u>

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

(C\$MM)	2016		2015			2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Balance, beginning of year</b>	2,218	378	378	378	378	86	86	86
Other comprehensive income	(1,002)	1,840	1,551	792	511	292	189	95
<b>Balance, end of period</b>	<u>1,216</u>	<u>2,218</u>	<u>1,929</u>	<u>1,170</u>	<u>889</u>	<u>378</u>	<u>275</u>	<u>181</u>

**Lifeco Sales (New Annualized Premium)**

<i>(C\$MM)</i>	2016	2015				2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>New Annualized Premium</b>									
<b>Canada</b>									
Individual Insurance	125	137	142	138	113	117	130	125	530
Wealth Management	2,860	3,220	2,551	2,757	2,944	3,073	2,408	2,673	11,472
Group Insurance	283	135	251	121	126	121	209	106	633
<b>Total Canada</b>	<b>3,268</b>	<b>3,492</b>	<b>2,944</b>	<b>3,016</b>	<b>3,183</b>	<b>3,311</b>	<b>2,747</b>	<b>2,904</b>	<b>12,635</b>
<b>U.S.</b>									
Financial Services	27,770	20,761	15,589	9,624	9,891	4,563	6,728	2,439	55,865
Asset Management	12,388	10,869	10,242	8,507	10,232	10,542	8,958	8,041	39,850
<b>Total U.S.</b>	<b>40,158</b>	<b>31,630</b>	<b>25,831</b>	<b>18,131</b>	<b>20,123</b>	<b>15,105</b>	<b>15,686</b>	<b>10,480</b>	<b>95,715</b>
<b>Europe</b>									
Insurance & Annuities	4,574	3,917	7,716	3,396	4,456	3,155	2,913	2,814	19,485
<b>Total New Annualized Premium</b>	<b>48,000</b>	<b>39,039</b>	<b>36,491</b>	<b>24,543</b>	<b>27,762</b>	<b>21,571</b>	<b>21,346</b>	<b>16,198</b>	<b>127,835</b>

## Lifeco Premiums & Deposits

(C\$MM)	2016	2015				2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Premiums &amp; Deposits</b>									
<b>Canada</b>									
Individual Insurance	1,236	1,304	1,220	1,216	1,154	1,202	1,117	1,122	4,894
Wealth Management	2,726	2,804	2,504	2,713	2,811	2,741	2,386	2,736	10,832
Group Insurance	2,074	2,002	1,948	1,940	1,948	1,931	1,965	1,912	7,838
<b>Total Canada</b>	<b>6,036</b>	<b>6,110</b>	<b>5,672</b>	<b>5,869</b>	<b>5,913</b>	<b>5,874</b>	<b>5,468</b>	<b>5,770</b>	<b>23,564</b>
<b>U.S.</b>									
Financial Services	3,729	5,087	3,477	2,504	2,730	2,268	2,290	2,029	13,798
Asset Management	12,388	10,869	10,242	8,507	10,232	10,542	8,958	8,041	39,850
<b>Total U.S.</b>	<b>16,117</b>	<b>15,956</b>	<b>13,719</b>	<b>11,011</b>	<b>12,962</b>	<b>12,810</b>	<b>11,248</b>	<b>10,070</b>	<b>53,648</b>
<b>Europe</b>									
Insurance & Annuities	5,674	4,497	8,354	4,116	5,160	3,875	3,446	3,498	22,127
Reinsurance	2,167	1,559	1,487	1,077	1,513	1,465	540	1,446	5,636
<b>Total Europe</b>	<b>7,841</b>	<b>6,056</b>	<b>9,841</b>	<b>5,193</b>	<b>6,673</b>	<b>5,340</b>	<b>3,986</b>	<b>4,944</b>	<b>27,763</b>
<b>Total Revenue Premium</b>	<b>29,994</b>	<b>28,122</b>	<b>29,232</b>	<b>22,073</b>	<b>25,548</b>	<b>24,024</b>	<b>20,702</b>	<b>20,784</b>	<b>104,975</b>
<b>Summary</b>									
Risk-based premiums	7,015	6,162	5,891	5,516	6,932	5,501	4,690	5,764	24,501
ASO premiums	698	665	639	659	662	654	633	658	2,625
Segregated fund deposits									
Individual	3,689	3,814	3,157	3,031	2,981	3,185	2,865	2,830	12,983
Group	2,238	2,001	2,738	1,835	2,035	1,955	1,824	1,940	8,609
Proprietary mutual funds & institutional deposits	16,354	15,480	16,807	11,032	12,938	12,729	10,690	9,592	56,257
	<b>29,994</b>	<b>28,122</b>	<b>29,232</b>	<b>22,073</b>	<b>25,548</b>	<b>24,024</b>	<b>20,702</b>	<b>20,784</b>	<b>104,975</b>

**Lifeco Fee Income**

<i>(C\$MM)</i>	<b>2016</b>	<b>2015</b>			<b>2014</b>			<b>Fiscal 2015</b>	
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>		<b>Q2</b>
<b>Fee Income</b>									
<b>Canada</b>									
Segregated funds	241	251	251	248	247	253	260	262	997
ASO contracts	43	41	38	39	39	40	37	38	157
Other	78	77	77	79	72	56	63	56	305
<b>Total Canada</b>	<b>362</b>	<b>369</b>	<b>366</b>	<b>366</b>	<b>358</b>	<b>349</b>	<b>360</b>	<b>356</b>	<b>1,459</b>
<b>U.S.</b>									
Segregated funds	16	17	17	17	17	16	15	15	68
Asset Management	250	288	285	280	278	277	257	247	1,131
Other	305	332	289	280	278	229	171	174	1,179
<b>Total U.S.</b>	<b>571</b>	<b>637</b>	<b>591</b>	<b>577</b>	<b>573</b>	<b>522</b>	<b>443</b>	<b>436</b>	<b>2,378</b>
<b>Europe</b>									
Segregated funds & Other	321	327	284	283	327	290	289	318	1,221
<b>Total Europe</b>	<b>321</b>	<b>327</b>	<b>284</b>	<b>283</b>	<b>327</b>	<b>290</b>	<b>289</b>	<b>318</b>	<b>1,221</b>
<b>Total Fee Income</b>	<b>1,254</b>	<b>1,333</b>	<b>1,241</b>	<b>1,226</b>	<b>1,258</b>	<b>1,161</b>	<b>1,092</b>	<b>1,110</b>	<b>5,058</b>



**Lifeco Expense Summary**

<i>(C\$MM)</i>	2016	2015			2014			Fiscal 2015	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
<b>Operating Expenses</b>									
Canada	382	370	352	345	364	336	314	318	1,431
U.S.	603	580	562	532	513	461	385	399	2,187
Europe	219	221	215	199	197	199	186	193	832
Lifeco Corporate	4	4	3	5	4	4	3	5	16
<b>Total Operating Expenses</b>	<b>1,208</b>	<b>1,175</b>	<b>1,132</b>	<b>1,081</b>	<b>1,078</b>	<b>1,000</b>	<b>888</b>	<b>915</b>	<b>4,466</b>
<b>Investment Expenses</b>	27	30	28	25	27	30	23	24	110
<b>Total Operating &amp; Investment Expenses</b>	<b>1,235</b>	<b>1,205</b>	<b>1,160</b>	<b>1,106</b>	<b>1,105</b>	<b>1,030</b>	<b>911</b>	<b>939</b>	<b>4,576</b>

## Canada



Lifeco Canada Net Earnings – Consolidated

(C\$MM)	2016		2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Income</b>									
Premium income	2,861	3,023	2,774	2,839	2,667	2,839	2,655	2,776	11,303
Regular net investment income	736	654	599	630	629	638	629	643	2,512
Changes in fair value through profit or loss	537	(7)	(546)	(1,181)	1,376	695	166	780	(358)
Net investment income	1,273	647	53	(551)	2,005	1,333	795	1,423	2,154
Fee and other income	362	369	366	366	358	349	360	356	1,459
Total Income	4,496	4,039	3,193	2,654	5,030	4,521	3,810	4,555	14,916
<b>Benefits and Expenses</b>									
Paid or credited to policyholders	3,301	2,799	1,967	1,460	3,765	3,327	2,617	3,367	9,991
Commissions	356	371	360	358	326	341	343	342	1,415
General expenses	382	370	352	345	364	336	314	318	1,431
Other	124	123	117	116	116	112	113	110	472
Total Benefits and Expenses	4,163	3,663	2,796	2,279	4,571	4,116	3,387	4,137	13,309
<b>Net Earnings before income taxes</b>	333	376	397	375	459	405	423	418	1,607
Income tax	51	70	45	47	123	83	77	90	285
<b>Net Earnings before non-controlling interests</b>	282	306	352	328	336	322	346	328	1,322
Non-controlling interests	5	40	22	16	33	24	18	24	111
<b>Net Earnings</b>	277	266	330	312	303	298	328	304	1,211
Preferred share dividends	26	25	26	26	26	23	23	24	103
<b>Net Earnings before Capital Allocation</b>	251	241	304	286	277	275	305	280	1,108
Capital Allocation	25	21	22	22	22	25	25	24	87
<b>Net Earnings - Common Shareholders</b>	276	262	326	308	299	300	330	304	1,195
<b>Common Shareholder Net Earnings (loss)</b>									
Individual Insurance	92	51	91	88	77	120	109	97	307
Wealth Management	101	119	116	122	122	69	96	113	479
Group Insurance	67	74	153	96	109	96	125	92	432
Corporate	16	18	(34)	2	(9)	15	-	2	(23)
<b>Total</b>	276	262	326	308	299	300	330	304	1,195

Lifeco Canada – Individual Insurance

		2015		2015			2014			Fiscal 2015
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
(C\$MM)										
<b>Income</b>										
	Premium income	324	319	318	314	324	318	320	312	1,275
	Net investment income	320	142	(170)	(526)	628	432	181	363	74
	<b>Total Income</b>	<b>644</b>	<b>461</b>	<b>148</b>	<b>(212)</b>	<b>952</b>	<b>750</b>	<b>501</b>	<b>675</b>	<b>1,349</b>
<b>Benefits and Expenses</b>										
	Paid or credited to									
	policyholders and beneficiaries	447	314	(39)	(385)	765	503	284	456	655
	Commissions	46	46	44	45	42	43	48	55	177
	General expenses	31	27	30	29	27	31	26	26	113
	Other	13	12	11	10	11	11	11	10	44
	<b>Total Benefits and Expenses</b>	<b>537</b>	<b>399</b>	<b>46</b>	<b>(301)</b>	<b>845</b>	<b>588</b>	<b>369</b>	<b>547</b>	<b>989</b>
	<b>Net Earnings before income taxes</b>	<b>107</b>	<b>62</b>	<b>102</b>	<b>89</b>	<b>107</b>	<b>162</b>	<b>132</b>	<b>128</b>	<b>360</b>
	Income tax	14	8	9	(1)	28	38	19	27	44
	<b>Net Earnings before Capital Allocation</b>	<b>93</b>	<b>54</b>	<b>93</b>	<b>90</b>	<b>79</b>	<b>124</b>	<b>113</b>	<b>101</b>	<b>316</b>
	Capital Allocation	(1)	(3)	(2)	(2)	(2)	(4)	(4)	(4)	(9)
	<b>Net Earnings - Common Shareholders</b>	<b>92</b>	<b>51</b>	<b>91</b>	<b>88</b>	<b>77</b>	<b>120</b>	<b>109</b>	<b>97</b>	<b>307</b>
Sales	Participating	91	101	106	100	82	85	91	82	389
	Universal Life	12	12	11	13	12	13	16	16	48
	Term/Permanent	14	14	14	15	11	11	14	17	54
	Third party	-	-	2	2	1	1	1	1	5
	<b>Total - Individual Life</b>	<b>117</b>	<b>127</b>	<b>133</b>	<b>130</b>	<b>106</b>	<b>110</b>	<b>122</b>	<b>116</b>	<b>496</b>
	Critical Illness	4	5	5	4	4	3	4	5	18
Disability	4	5	4	4	3	4	4	4	16	
	<b>Total - Living Benefits</b>	<b>8</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>34</b>
	<b>Total - Individual Insurance</b>	<b>125</b>	<b>137</b>	<b>142</b>	<b>138</b>	<b>113</b>	<b>117</b>	<b>130</b>	<b>125</b>	<b>530</b>
Revenue Premium	<b>Risk Based Premiums</b>									
	Participating	912	985	902	902	830	883	798	811	3,619
	Individual Life	241	236	236	230	242	236	238	230	944
	Living Benefits	83	83	82	84	82	83	81	81	331
	<b>Total - Individual Insurance</b>	<b>1,236</b>	<b>1,304</b>	<b>1,220</b>	<b>1,216</b>	<b>1,154</b>	<b>1,202</b>	<b>1,117</b>	<b>1,122</b>	<b>4,894</b>

**Lifeco Canada – Wealth Management**

		2016		2015			2014			Fiscal 2015
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM)</i>										
<b>Income</b>										
	Premium income	249	382	246	341	227	360	206	400	1,196
	Net investment income	278	124	133	(48)	389	270	182	256	598
	Fee and other income	307	316	310	313	308	297	308	301	1,247
	<b>Total Income</b>	<b>834</b>	<b>822</b>	<b>689</b>	<b>606</b>	<b>924</b>	<b>927</b>	<b>696</b>	<b>957</b>	<b>3,041</b>
<b>Benefits and Expenses</b>										
	Paid or credited to policyholders and beneficiaries	469	433	334	218	523	625	371	603	1,508
	Commissions	97	99	87	100	100	94	92	90	386
	General expenses	126	124	114	114	130	108	105	103	482
	Other	6	4	6	6	5	5	4	4	21
	<b>Total Benefits and Expenses</b>	<b>698</b>	<b>660</b>	<b>541</b>	<b>438</b>	<b>758</b>	<b>832</b>	<b>572</b>	<b>800</b>	<b>2,397</b>
	<b>Net Earnings before income taxes</b>	<b>136</b>	<b>162</b>	<b>148</b>	<b>168</b>	<b>166</b>	<b>95</b>	<b>124</b>	<b>157</b>	<b>644</b>
	Income tax	35	42	30	44	42	23	25	40	158
	<b>Net Earnings before Capital Allocation</b>	<b>101</b>	<b>120</b>	<b>118</b>	<b>124</b>	<b>124</b>	<b>72</b>	<b>99</b>	<b>117</b>	<b>486</b>
	Capital Allocation	-	(1)	(2)	(2)	(2)	(3)	(3)	(4)	(7)
	<b>Net Earnings - Common Shareholders</b>	<b>101</b>	<b>119</b>	<b>116</b>	<b>122</b>	<b>122</b>	<b>69</b>	<b>96</b>	<b>113</b>	<b>479</b>
<b>Sales</b>	Risk-based	193	161	137	133	186	203	177	164	617
	Segregated funds	1,330	1,497	1,190	1,284	1,519	1,436	1,209	1,216	5,490
	Proprietary mutual funds	289	320	311	312	336	275	270	302	1,279
	Third party	455	433	332	363	463	343	260	276	1,591
	<b>Total - Individual Wealth Management</b>	<b>2,267</b>	<b>2,411</b>	<b>1,970</b>	<b>2,092</b>	<b>2,504</b>	<b>2,257</b>	<b>1,916</b>	<b>1,958</b>	<b>8,977</b>
	Risk-based	75	245	122	210	65	223	71	235	642
	Segregated funds	387	564	459	455	375	593	421	480	1,853
	Third party	131	-	-	-	-	-	-	-	-
	<b>Total - Group Retirement Services</b>	<b>593</b>	<b>809</b>	<b>581</b>	<b>665</b>	<b>440</b>	<b>816</b>	<b>492</b>	<b>715</b>	<b>2,495</b>
	<b>Total - Wealth Management</b>	<b>2,860</b>	<b>3,220</b>	<b>2,551</b>	<b>2,757</b>	<b>2,944</b>	<b>3,073</b>	<b>2,408</b>	<b>2,673</b>	<b>11,472</b>
<b>Revenue Premium</b>	Risk-based revenue premiums	74	57	54	51	70	73	63	69	232
	Segregated funds deposits	959	893	842	913	1,078	904	842	845	3,726
	Proprietary mutual fund deposits	241	253	242	262	291	220	229	245	1,048
	<b>Total - Individual Wealth Management</b>	<b>1,274</b>	<b>1,203</b>	<b>1,138</b>	<b>1,226</b>	<b>1,439</b>	<b>1,197</b>	<b>1,134</b>	<b>1,159</b>	<b>5,006</b>
	Risk-based revenue premiums	175	325	191	291	157	287	143	331	964
	Segregated funds deposits	1,277	1,276	1,175	1,196	1,215	1,257	1,109	1,246	4,862
	<b>Total - Group Retirement Services</b>	<b>1,452</b>	<b>1,601</b>	<b>1,366</b>	<b>1,487</b>	<b>1,372</b>	<b>1,544</b>	<b>1,252</b>	<b>1,577</b>	<b>5,826</b>
<b>Total - Wealth Management</b>	<b>2,726</b>	<b>2,804</b>	<b>2,504</b>	<b>2,713</b>	<b>2,811</b>	<b>2,741</b>	<b>2,386</b>	<b>2,736</b>	<b>10,832</b>	

## Wealth Management – Assets under Administration

(C\$MM)	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Assets Under Administration</b>								
<b>Individual Wealth Management</b>								
Risk-based products	5,753	5,739	5,844	5,999	6,201	6,181	6,446	6,486
Segregated funds	29,906	29,836	29,333	30,183	30,496	29,250	29,010	28,949
Proprietary mutual funds	4,979	4,917	4,779	4,907	4,906	4,620	4,639	4,587
<b>Group Retirement Services</b>								
Risk-based products	7,167	7,161	7,063	7,037	7,003	7,006	6,632	6,685
Segregated funds	40,564	40,433	39,301	40,695	41,102	39,122	38,942	38,738
Institutional Assets	259	122	117	121	113	98	90	-
<b>Total assets under management</b>	<b>88,628</b>	<b>88,208</b>	<b>86,437</b>	<b>88,942</b>	<b>89,821</b>	<b>86,277</b>	<b>85,759</b>	<b>85,445</b>
<b>Other assets under administration <sup>(1)</sup></b>								
Individual Wealth Management	6,726	6,620	6,383	6,555	6,533	6,050	5,907	5,843
Group Retirement Services	548	526	488	551	561	515	503	568
<b>Total</b>	<b>7,274</b>	<b>7,146</b>	<b>6,871</b>	<b>7,106</b>	<b>7,094</b>	<b>6,565</b>	<b>6,410</b>	<b>6,411</b>
<b>Summary by Business/Product</b>								
Individual Wealth Management	47,364	47,112	46,339	47,644	48,136	46,101	46,002	45,865
Group Retirement Services	48,538	48,242	46,969	48,404	48,779	46,741	46,167	45,991
<b>Total assets under administration</b>	<b>95,902</b>	<b>95,354</b>	<b>93,308</b>	<b>96,048</b>	<b>96,915</b>	<b>92,842</b>	<b>92,169</b>	<b>91,856</b>

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			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM)</i>									
<b>Income</b>									
Premium income	1,376	1,337	1,309	1,282	1,286	1,277	1,332	1,255	5,214
Net investment income	94	84	44	1	162	115	72	112	291
Fee and other income	43	41	38	39	39	40	37	38	157
<b>Total Income</b>	<b>1,513</b>	<b>1,462</b>	<b>1,391</b>	<b>1,322</b>	<b>1,487</b>	<b>1,432</b>	<b>1,441</b>	<b>1,405</b>	<b>5,662</b>
<b>Benefits and Expenses</b>									
Paid or credited to policyholders and beneficiaries	1,160	1,113	1,018	978	1,096	1,076	1,072	1,055	4,205
Commissions	69	68	62	63	63	64	64	66	256
General expenses	145	134	125	125	134	118	115	116	518
Other	49	48	47	46	46	43	44	42	187
<b>Total Benefits and Expenses</b>	<b>1,423</b>	<b>1,363</b>	<b>1,252</b>	<b>1,212</b>	<b>1,339</b>	<b>1,301</b>	<b>1,295</b>	<b>1,279</b>	<b>5,166</b>
<b>Net Earnings before income taxes</b>	<b>90</b>	<b>99</b>	<b>139</b>	<b>110</b>	<b>148</b>	<b>131</b>	<b>146</b>	<b>126</b>	<b>496</b>
Income tax	23	23	(16)	13	38	32	17	31	58
<b>Net Earnings before Capital Allocation</b>	<b>67</b>	<b>76</b>	<b>155</b>	<b>97</b>	<b>110</b>	<b>99</b>	<b>129</b>	<b>95</b>	<b>438</b>
Capital Allocation	-	(2)	(2)	(1)	(1)	(3)	(4)	(3)	(6)
<b>Net Earnings - Common Shareholders</b>	<b>67</b>	<b>74</b>	<b>153</b>	<b>96</b>	<b>109</b>	<b>96</b>	<b>125</b>	<b>92</b>	<b>432</b>
<b>Sales</b>									
Small/mid-size case	69	91	60	69	63	75	70	58	283
Large case	196	33	148	37	59	22	137	45	277
Creditor/Direct marketing	18	11	43	15	4	24	2	3	73
<b>Total Group Sales</b>	<b>283</b>	<b>135</b>	<b>251</b>	<b>121</b>	<b>126</b>	<b>121</b>	<b>209</b>	<b>106</b>	<b>633</b>
<b>Revenue Premium</b>									
Small/mid-size case - Insured	662	652	646	649	647	638	632	627	2,594
Large case - Insured	672	642	619	591	597	598	658	586	2,449
ASO	698	665	639	659	662	654	633	658	2,625
Creditor/Direct marketing	42	43	44	41	42	41	42	41	170
<b>Total Group Revenue Premium</b>	<b>2,074</b>	<b>2,002</b>	<b>1,948</b>	<b>1,940</b>	<b>1,948</b>	<b>1,931</b>	<b>1,965</b>	<b>1,912</b>	<b>7,838</b>

**Lifeco Canada – Participating Account <sup>(1)</sup>**

(C\$MM)	2016	2015				2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Income</b>									
Premium income	912	985	902	902	830	883	798	811	3,619
Net investment income	548	264	22	8	798	492	340	680	1,092
Total Income	1,460	1,249	924	910	1,628	1,375	1,138	1,491	4,711
<b>Benefits and Expenses</b>									
Paid or credited to policyholders and beneficiaries	1,220	934	648	644	1,376	1,118	885	1,250	3,602
Commissions	144	158	166	150	121	140	140	131	595
General expenses	76	84	75	72	71	70	64	62	302
Other	24	25	24	22	21	21	20	20	92
Total Benefits and Expenses	1,464	1,201	913	888	1,589	1,349	1,109	1,463	4,591
<b>Net Earnings (loss) before income taxes</b>	(4)	48	11	22	39	26	29	28	120
Income tax	(9)	8	(11)	6	6	2	11	4	9
<b>Net Earnings (loss) before non-controlling interests</b>	<b>5</b>	<b>40</b>	<b>22</b>	<b>16</b>	<b>33</b>	<b>24</b>	<b>18</b>	<b>24</b>	<b>111</b>
Non-controlling interests	5	40	22	16	33	24	18	24	111
<b>Net Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sales (New annualized premiums)</b>	91	101	106	100	82	85	91	82	389
<b>Risk-based revenue premiums</b>	912	985	902	902	830	883	798	811	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			Fiscal 2015	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
<b>Income</b>									
Net investment income	33	33	24	14	28	24	20	11	99
Fee and other income	12	12	18	14	11	12	15	17	55
Total Income	45	45	42	28	39	36	35	28	154
<b>Benefits and Expenses</b>									
Paid or credited to policyholders and beneficiaries	5	5	5	5	5	5	5	5	20
General Expenses	4	1	8	4	2	9	4	12	15
Other	32	34	32	32	33	32	34	32	131
Total Benefits and Expenses	41	40	45	41	40	46	43	49	166
<b>Net Earnings (loss) before income taxes</b>	4	5	(3)	(13)	(1)	(10)	(8)	(21)	(12)
Income tax	(12)	(11)	33	(14)	9	(13)	5	(12)	17
<b>Net Earnings (loss) before non-controlling interests</b>	16	16	(36)	1	(10)	3	(13)	(9)	(29)
Non-controlling interests	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss)</b>	16	16	(36)	1	(10)	3	(13)	(9)	(29)
Preferred share dividends	26	25	26	26	26	23	23	24	103
<b>Net Earnings (loss) before Capital Allocation</b>	(10)	(9)	(62)	(25)	(36)	(20)	(36)	(33)	(132)
Capital Allocation	26	27	28	27	27	35	36	35	109
<b>Net Earnings (loss) - Common Shareholders</b>	16	18	(34)	2	(9)	15	-	2	(23)

## Lifeco Canada – Balance Sheets

(C\$MM)

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Assets</b>								
Cash and cash equivalents	522	578	451	431	387	413	475	501
Bonds	43,440	43,120	42,293	42,203	42,806	40,643	39,555	38,330
Mortgage loans	12,783	12,691	12,625	12,445	12,622	12,593	12,558	12,530
Stocks	6,990	6,971	7,081	6,948	6,965	7,018	6,741	6,951
Investment properties	1,857	1,788	1,755	1,728	1,723	1,556	1,546	1,533
Loans to policyholders	2,567	2,553	2,533	2,517	2,499	2,495	2,499	2,498
Total invested assets	68,159	67,701	66,738	66,272	67,002	64,718	63,374	62,343
Funds held by ceding insurers	-	-	-	-	-	-	-	-
Reinsurance assets	481	375	778	754	716	677	438	427
Derivative financial instruments	249	110	121	130	159	376	389	471
Owner occupied properties	383	384	383	384	385	386	384	383
Fixed assets	148	147	137	129	126	120	110	107
Other assets	1,627	1,569	1,763	1,632	1,993	1,430	1,848	1,642
Total other assets	2,407	2,210	2,404	2,275	2,663	2,312	2,731	2,603
Deferred tax assets	215	208	257	237	272	288	-	-
Goodwill	3,787	3,787	3,787	3,787	3,787	3,787	3,787	3,773
Intangible assets	1,341	1,345	1,335	1,332	1,334	1,336	1,327	1,334
Investments on account of segregated fund policyholders	70,470	70,269	68,634	70,878	71,598	68,372	67,952	67,687
<b>Total assets</b>	<b>146,860</b>	<b>145,895</b>	<b>143,933</b>	<b>145,535</b>	<b>147,372</b>	<b>141,490</b>	<b>139,609</b>	<b>138,167</b>
<b>Liabilities</b>								
Insurance contract liabilities	61,043	59,849	59,712	59,805	60,494	58,861	57,614	57,036
Investment contract liabilities	357	385	397	402	408	413	416	417
	61,400	60,234	60,109	60,207	60,902	59,274	58,030	57,453
Debentures and other debt instruments	1,725	1,725	1,724	1,724	1,724	1,720	2,428	2,448
Funds held under reinsurance contracts	30	28	26	27	26	23	22	21
Other liabilities	3,829	4,112	4,071	3,382	4,084	3,013	2,361	1,759
Deferred tax liabilities	653	677	682	680	655	672	359	370
Repurchase agreements	-	-	-	-	-	-	-	-
Capital trust securities and debentures	161	161	162	162	162	162	162	162
Investment and insurance contracts on account of segregated fund policyholders	70,470	70,269	68,634	70,878	71,598	68,372	67,952	67,687
<b>Total liabilities</b>	<b>138,268</b>	<b>137,206</b>	<b>135,408</b>	<b>137,060</b>	<b>139,151</b>	<b>133,236</b>	<b>131,314</b>	<b>129,900</b>
<b>Equity</b>								
Non-controlling interests	2,583	2,585	2,540	2,523	2,518	2,461	2,419	2,405
Share capital								
Perpetual preferred shares	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964
Common shares	7,167	7,156	7,143	7,166	7,154	7,102	7,113	7,115
Accumulated surplus	(2,534)	(2,490)	(2,622)	(2,725)	(2,902)	(2,817)	(2,975)	(3,011)
Accumulated other comprehensive income (loss)	(425)	(362)	(336)	(286)	(347)	(296)	(263)	(237)
Contributed surplus	(163)	(164)	(164)	(167)	(166)	(160)	37	31
	8,592	8,689	8,525	8,475	8,221	8,254	8,295	8,267
<b>Total liabilities and equity</b>	<b>146,860</b>	<b>145,895</b>	<b>143,933</b>	<b>145,535</b>	<b>147,372</b>	<b>141,490</b>	<b>139,609</b>	<b>138,167</b>
<b>Proprietary mutual funds and institutional net assets</b>	5,238	5,039	4,896	5,028	5,019	4,718	4,639	4,587
<b>Other assets under administration</b>	15,231	15,390	14,955	15,123	15,164	14,793	14,336	14,225
<b>Total assets under administration</b>	<b>167,329</b>	<b>166,324</b>	<b>163,784</b>	<b>165,686</b>	<b>167,555</b>	<b>161,001</b>	<b>158,584</b>	<b>156,979</b>

## **Lifeco United States**



Lifeco U.S. Net Earnings – Consolidated

	2016	2015				2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM, unless otherwise stated)</i>									
<b>Income</b>									
Premium income	1,380	1,148	1,076	905	729	855	1,028	832	3,858
Regular net investment income	454	471	420	390	395	371	340	352	1,676
Changes in fair value through profit or loss	481	(320)	122	(566)	232	217	(58)	302	(532)
Net investment income	935	151	542	(176)	627	588	282	654	1,144
Fee and other income	571	637	591	577	573	522	443	436	2,378
<b>Total Income</b>	<b>2,886</b>	<b>1,936</b>	<b>2,209</b>	<b>1,306</b>	<b>1,929</b>	<b>1,965</b>	<b>1,753</b>	<b>1,922</b>	<b>7,380</b>
<b>Benefits and Expenses</b>									
Paid or credited to policyholders	2,112	1,084	1,390	543	1,121	1,229	1,079	1,295	4,138
Commissions	72	83	73	73	68	74	69	67	297
General expenses	603	580	562	532	513	461	385	399	2,187
Restructuring and acquisition expenses	3	4	4	3	1	5	3	-	12
Other	70	65	59	62	58	66	60	61	244
<b>Total Benefits and Expenses</b>	<b>2,860</b>	<b>1,816</b>	<b>2,088</b>	<b>1,213</b>	<b>1,761</b>	<b>1,835</b>	<b>1,596</b>	<b>1,822</b>	<b>6,878</b>
<b>Net Earnings before income taxes</b>	<b>26</b>	<b>120</b>	<b>121</b>	<b>93</b>	<b>168</b>	<b>130</b>	<b>157</b>	<b>100</b>	<b>502</b>
Income tax	(40)	(8)	19	22	44	35	45	25	77
<b>Net Earnings before non-controlling interests</b>	<b>66</b>	<b>128</b>	<b>102</b>	<b>71</b>	<b>124</b>	<b>95</b>	<b>112</b>	<b>75</b>	<b>425</b>
Non-controlling interests	1	2	4	2	2	2	1	2	10
<b>Net Earnings</b>	<b>65</b>	<b>126</b>	<b>98</b>	<b>69</b>	<b>122</b>	<b>93</b>	<b>111</b>	<b>73</b>	<b>415</b>
Preferred share dividends	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>65</b>	<b>126</b>	<b>98</b>	<b>69</b>	<b>122</b>	<b>93</b>	<b>111</b>	<b>73</b>	<b>415</b>
Capital Allocation	(2)	(1)	(2)	(2)	(1)	(4)	(4)	(4)	(6)
<b>Net Earnings - Common Shareholders</b>	<b>63</b>	<b>125</b>	<b>96</b>	<b>67</b>	<b>121</b>	<b>89</b>	<b>107</b>	<b>69</b>	<b>409</b>
<b>Common Shareholder Net Earnings (loss)</b>									
Financial Services	88	84	104	70	119	90	115	78	377
Asset Management	(25)	41	(8)	(3)	2	(1)	(8)	(9)	32
<b>Total</b>	<b>63</b>	<b>125</b>	<b>96</b>	<b>67</b>	<b>121</b>	<b>89</b>	<b>107</b>	<b>69</b>	<b>409</b>
<b>Common Shareholder Net Earnings (US \$)</b>	<b>47</b>	<b>92</b>	<b>73</b>	<b>55</b>	<b>98</b>	<b>77</b>	<b>97</b>	<b>63</b>	<b>318</b>

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

		2016		2015			2014			Fiscal
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2015
<i>(C\$MM, unless otherwise stated)</i>										
<b>Income</b>										
	Premium income	1,350	1,125	1,052	885	697	834	1,006	814	3,759
	Net investment income	886	141	520	(160)	585	549	261	597	1,086
	Fee and other income	321	349	306	297	295	245	186	189	1,247
	<b>Total Income</b>	<b>2,557</b>	<b>1,615</b>	<b>1,878</b>	<b>1,022</b>	<b>1,577</b>	<b>1,628</b>	<b>1,453</b>	<b>1,600</b>	<b>6,092</b>
<b>Benefits and Expenses</b>										
	Paid or credited to									
	policyholders and beneficiaries	2,022	1,053	1,332	534	1,052	1,170	1,038	1,233	3,971
	Commissions	59	68	57	58	51	55	53	52	234
	General expenses	340	327	314	287	272	236	157	163	1,200
	Restructuring and acquisition expenses	3	4	4	3	1	5	3	-	12
	Other	34	32	26	28	22	32	26	27	108
	<b>Total Benefits and Expenses</b>	<b>2,458</b>	<b>1,484</b>	<b>1,733</b>	<b>910</b>	<b>1,398</b>	<b>1,498</b>	<b>1,277</b>	<b>1,475</b>	<b>5,525</b>
	<b>Net Earnings before income taxes</b>	<b>99</b>	<b>131</b>	<b>145</b>	<b>112</b>	<b>179</b>	<b>130</b>	<b>176</b>	<b>125</b>	<b>567</b>
	Income tax	5	42	35	36	55	33	54	41	168
	<b>Net Income before non-controlling interests</b>	<b>94</b>	<b>89</b>	<b>110</b>	<b>76</b>	<b>124</b>	<b>97</b>	<b>122</b>	<b>84</b>	<b>399</b>
	Non-controlling interests	-	-	-	-	-	-	-	-	-
	<b>Net Earnings before Capital Allocation</b>	<b>94</b>	<b>89</b>	<b>110</b>	<b>76</b>	<b>124</b>	<b>97</b>	<b>122</b>	<b>84</b>	<b>399</b>
	Capital Allocation	(6)	(5)	(6)	(6)	(5)	(7)	(7)	(6)	(22)
	<b>Net Earnings - Common Shareholders</b>	<b>88</b>	<b>84</b>	<b>104</b>	<b>70</b>	<b>119</b>	<b>90</b>	<b>115</b>	<b>78</b>	<b>377</b>
	<b>Net Earnings - Common Shareholders (US\$)</b>	<b>65</b>	<b>61</b>	<b>79</b>	<b>57</b>	<b>96</b>	<b>78</b>	<b>105</b>	<b>71</b>	<b>293</b>
<b>Sales</b>	Individual Markets	330	456	236	323	255	816	698	499	1,270
	Empower Retirement	27,440	20,305	15,353	9,301	9,636	3,747	6,030	1,940	54,595
	<b>Total Sales</b>	<b>27,770</b>	<b>20,761</b>	<b>15,589</b>	<b>9,624</b>	<b>9,891</b>	<b>4,563</b>	<b>6,728</b>	<b>2,439</b>	<b>55,865</b>
	<b>Total Sales (US \$)</b>	<b>20,270</b>	<b>15,493</b>	<b>11,900</b>	<b>7,825</b>	<b>7,977</b>	<b>4,003</b>	<b>6,172</b>	<b>2,238</b>	<b>43,195</b>
<b>Revenue Premium</b>	Risk-based premiums	1,350	1,125	1,052	885	697	834	1,006	814	3,759
	Segregated fund deposits									
	Individual	154	212	113	123	99	112	80	71	547
	Group	961	725	1,563	639	820	698	715	694	3,747
	Proprietary Mutual Funds	1,234	3,002	725	837	1,082	603	467	432	5,646
	<b>Total Revenue by Type<sup>(1)</sup></b>	<b>3,699</b>	<b>5,064</b>	<b>3,453</b>	<b>2,484</b>	<b>2,698</b>	<b>2,247</b>	<b>2,268</b>	<b>2,011</b>	<b>13,699</b>
	Individual Markets	575	592	438	452	441	615	685	546	1,923
	Empower Retirement	3,124	4,472	3,015	2,032	2,257	1,632	1,583	1,465	11,776
	<b>Total Revenue by Business Line<sup>(1)</sup></b>	<b>3,699</b>	<b>5,064</b>	<b>3,453</b>	<b>2,484</b>	<b>2,698</b>	<b>2,247</b>	<b>2,268</b>	<b>2,011</b>	<b>13,699</b>
	<b>Total Revenue Premium (US \$)</b>	<b>2,700</b>	<b>3,778</b>	<b>2,637</b>	<b>2,019</b>	<b>2,176</b>	<b>1,972</b>	<b>2,080</b>	<b>1,846</b>	<b>10,610</b>

1. Excludes participating policy revenue premiums.

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

	2016		2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM, unless otherwise stated)</i>									
<b>Income</b>									
Premium income	419	376	320	323	336	363	529	424	1,355
Net investment income	579	104	328	(128)	407	371	189	376	711
Fee and other income	30	25	24	26	25	27	24	25	100
<b>Total Income</b>	<b>1,028</b>	<b>505</b>	<b>672</b>	<b>221</b>	<b>768</b>	<b>761</b>	<b>742</b>	<b>825</b>	<b>2,166</b>
<b>Benefits and Expenses</b>									
Paid or credited to									
policyholders and beneficiaries	889	379	526	93	626	632	582	708	1,624
Commissions	21	27	18	19	14	23	23	22	78
General expenses	26	25	20	20	18	27	21	23	83
Other	7	8	4	6	2	7	10	10	20
<b>Total Benefits and Expenses</b>	<b>943</b>	<b>439</b>	<b>568</b>	<b>138</b>	<b>660</b>	<b>689</b>	<b>636</b>	<b>763</b>	<b>1,805</b>
<b>Net Earnings before income taxes</b>	<b>85</b>	<b>66</b>	<b>104</b>	<b>83</b>	<b>108</b>	<b>72</b>	<b>106</b>	<b>62</b>	<b>361</b>
Income tax	26	21	24	28	35	19	35	19	108
<b>Net Income before non-controlling interests</b>	<b>59</b>	<b>45</b>	<b>80</b>	<b>55</b>	<b>73</b>	<b>53</b>	<b>71</b>	<b>43</b>	<b>253</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>59</b>	<b>45</b>	<b>80</b>	<b>55</b>	<b>73</b>	<b>53</b>	<b>71</b>	<b>43</b>	<b>253</b>
Capital Allocation	(6)	(5)	(6)	(6)	(5)	(5)	(4)	(3)	(22)
<b>Net Earnings - Common Shareholders</b>	<b>53</b>	<b>40</b>	<b>74</b>	<b>49</b>	<b>68</b>	<b>48</b>	<b>67</b>	<b>40</b>	<b>231</b>
<b>Net Earnings - Common Shareholders (US\$)</b>	<b>39</b>	<b>29</b>	<b>57</b>	<b>39</b>	<b>55</b>	<b>41</b>	<b>61</b>	<b>36</b>	<b>180</b>
<b>Sales</b>									
Individual Annuity	88	83	89	90	83	540	337	186	345
Executive Benefits	131	272	70	158	93	190	205	158	593
Individual Life	111	101	77	75	79	86	156	155	332
	330	456	236	323	255	816	698	499	1,270
<b>Sales (US \$)</b>	<b>241</b>	<b>340</b>	<b>180</b>	<b>263</b>	<b>206</b>	<b>716</b>	<b>640</b>	<b>458</b>	<b>989</b>
<b>Revenue Premium</b>									
Risk-based premiums	419	376	320	323	336	363	529	424	1,355
Segregated fund deposits	154	212	113	123	99	112	80	71	547
Proprietary Mutual Funds	2	4	5	6	6	140	76	51	21
<b>Total Revenue by Type <sup>(1)</sup></b>	<b>575</b>	<b>592</b>	<b>438</b>	<b>452</b>	<b>441</b>	<b>615</b>	<b>685</b>	<b>546</b>	<b>1,923</b>
<b>Total Revenue (US \$)</b>	<b>420</b>	<b>441</b>	<b>335</b>	<b>366</b>	<b>356</b>	<b>540</b>	<b>628</b>	<b>502</b>	<b>1,498</b>

1. Excludes participating policy revenue premiums.

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

(C\$MM, unless otherwise stated)

	2016		2015			2014			Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2015
<b>Income</b>									
Premium income	931	749	732	562	361	471	477	390	2,404
Net investment income	296	26	181	(41)	169	169	64	212	335
Fee and other income	291	324	282	271	270	218	162	164	1,147
<b>Total Income</b>	<b>1,518</b>	<b>1,099</b>	<b>1,195</b>	<b>792</b>	<b>800</b>	<b>858</b>	<b>703</b>	<b>766</b>	<b>3,886</b>
<b>Benefits and Expenses</b>									
Paid or credited to policyholders and beneficiaries	1,133	674	806	441	426	538	456	526	2,347
Commissions	39	41	39	39	36	32	30	30	155
General expenses	314	303	289	263	253	195	129	136	1,108
Other	12	11	10	11	10	14	7	8	42
<b>Total Benefits and Expenses</b>	<b>1,498</b>	<b>1,029</b>	<b>1,144</b>	<b>754</b>	<b>725</b>	<b>779</b>	<b>622</b>	<b>700</b>	<b>3,652</b>
<b>Net Earnings before income taxes</b>	<b>20</b>	<b>70</b>	<b>51</b>	<b>38</b>	<b>75</b>	<b>79</b>	<b>81</b>	<b>66</b>	<b>234</b>
Income tax	(16)	26	16	14	24	24	26	24	80
<b>Net Income before non-controlling interests</b>	<b>36</b>	<b>44</b>	<b>35</b>	<b>24</b>	<b>51</b>	<b>55</b>	<b>55</b>	<b>42</b>	<b>154</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>36</b>	<b>44</b>	<b>35</b>	<b>24</b>	<b>51</b>	<b>55</b>	<b>55</b>	<b>42</b>	<b>154</b>
Capital Allocation	(4)	(4)	(4)	(4)	(4)	(2)	(3)	(3)	(16)
<b>Net Earnings - Common Shareholders</b>	<b>32</b>	<b>40</b>	<b>31</b>	<b>20</b>	<b>47</b>	<b>53</b>	<b>52</b>	<b>39</b>	<b>138</b>
<b>Net Earnings - Common Shareholders (US\$)</b>	<b>24</b>	<b>29</b>	<b>23</b>	<b>16</b>	<b>38</b>	<b>46</b>	<b>48</b>	<b>36</b>	<b>106</b>

Sales	Sales								
	Empower Retirement	27,440	20,305	15,353	9,301	9,636	3,747	6,030	1,940
<b>Sales (US \$)</b>	<b>20,029</b>	<b>15,153</b>	<b>11,720</b>	<b>7,562</b>	<b>7,771</b>	<b>3,287</b>	<b>5,532</b>	<b>1,780</b>	<b>42,206</b>

Revenue Premium	Revenue Premium (by Type) <sup>(1)</sup>								
	Risk-based premiums	931	749	732	562	361	471	477	390
Segregated fund deposits	961	725	1,563	639	820	698	715	694	3,747
Proprietary Mutual Funds	1,232	2,998	720	831	1,076	463	391	381	5,625
<b>Total Revenue Premium (by Type)</b>	<b>3,124</b>	<b>4,472</b>	<b>3,015</b>	<b>2,032</b>	<b>2,257</b>	<b>1,632</b>	<b>1,583</b>	<b>1,465</b>	<b>11,776</b>
<b>Total Revenue Premium (US \$)</b>	<b>2,280</b>	<b>3,337</b>	<b>2,302</b>	<b>1,653</b>	<b>1,820</b>	<b>1,432</b>	<b>1,452</b>	<b>1,344</b>	<b>9,112</b>

1. Excludes participating policy revenue premiums.

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

(C\$MM, unless otherwise stated)	2016	2015				2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Income</b>									
Premium income	-	-	-	-	-	-	-	-	-
Net investment income	11	11	10	10	10	9	9	9	41
Fee and other income	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>41</u>
<b>Benefits and Expenses</b>									
Paid or credited to policyholders and beneficiaries	-	-	-	-	-	-	-	-	-
Commissions	-	-	-	-	-	-	-	-	-
General expenses	-	(1)	5	4	1	14	6	4	9
Restructuring and acquisition expenses	3	4	4	3	1	5	3	-	12
Other	14	13	11	11	11	11	10	11	46
<b>Total Benefits and Expenses</b>	<u>17</u>	<u>16</u>	<u>20</u>	<u>18</u>	<u>13</u>	<u>30</u>	<u>19</u>	<u>15</u>	<u>67</u>
<b>Net Earnings (loss) before income taxes</b>	<u>(6)</u>	<u>(5)</u>	<u>(10)</u>	<u>(8)</u>	<u>(3)</u>	<u>(21)</u>	<u>(10)</u>	<u>(6)</u>	<u>(26)</u>
Income tax	(5)	(5)	(5)	(5)	(3)	(10)	(6)	(5)	(18)
<b>Net Earnings (loss) before non-controlling interests</b>	<u>(1)</u>	<u>-</u>	<u>(5)</u>	<u>(3)</u>	<u>-</u>	<u>(11)</u>	<u>(4)</u>	<u>(1)</u>	<u>(8)</u>
Non-controlling interests	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss) before Capital Allocation</b>	<u>(1)</u>	<u>-</u>	<u>(5)</u>	<u>(3)</u>	<u>-</u>	<u>(11)</u>	<u>(4)</u>	<u>(1)</u>	<u>(8)</u>
Capital Allocation	4	4	4	4	4	-	-	-	16
<b>Net Earnings (loss) - Common Shareholders</b>	<u><u>3</u></u>	<u><u>4</u></u>	<u><u>(1)</u></u>	<u><u>1</u></u>	<u><u>4</u></u>	<u><u>(11)</u></u>	<u><u>(4)</u></u>	<u><u>(1)</u></u>	<u><u>8</u></u>
<b>Net Earnings - Common Shareholders (US\$)</b>	<b>2</b>	<b>3</b>	<b>(1)</b>	<b>2</b>	<b>3</b>	<b>(9)</b>	<b>(4)</b>	<b>(1)</b>	<b>7</b>

(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



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

<i>(000's)</i>	<b>2016</b>	<b>2015</b>				<b>2014</b>		
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>
<b>Empower Retirement</b>	8,067	7,583	7,532	7,385	7,374	7,062	7,113	4,879
<b>Individual Markets</b>	468	472	469	478	480	549	542	547
<b>Total</b>	<b>8,535</b>	<b>8,055</b>	<b>8,001</b>	<b>7,863</b>	<b>7,854</b>	<b>7,611</b>	<b>7,655</b>	<b>5,426</b>

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

<i>(C\$MM)</i>	<b>2016</b>	<b>2015</b>				<b>2014</b>		
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>
General Account	14,698	15,171	14,493	13,249	13,271	12,141	11,663	10,984
Segregated Funds	25,689	27,025	25,859	25,183	26,512	23,645	22,671	22,053
Proprietary Mutual Funds	22,224	22,473	18,455	17,540	16,480	8,205	7,535	7,118
Unaffiliated Retail Investment Options & ASO	503,258	503,123	468,710	476,598	494,198	437,914	414,466	205,913

Lifeco U.S. – Asset Management

		2016	2015				2014			Fiscal
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2015
<i>(C\$MM, unless otherwise stated)</i>										
<b>Income</b>										
	Net investment income	(16)	1	(17)	(9)	1	(1)	(2)	11	(24)
	Fee and other income	250	288	285	280	278	277	257	247	1,131
	<b>Total Income</b>	<b>234</b>	<b>289</b>	<b>268</b>	<b>271</b>	<b>279</b>	<b>276</b>	<b>255</b>	<b>258</b>	<b>1,107</b>
<b>Benefits and Expenses</b>										
	Commissions	13	14	15	13	17	18	15	14	59
	General expenses	261	251	247	245	241	224	228	234	984
	Other	34	33	33	34	33	33	32	35	133
	<b>Total Benefits and Expenses</b>	<b>308</b>	<b>298</b>	<b>295</b>	<b>292</b>	<b>291</b>	<b>275</b>	<b>275</b>	<b>283</b>	<b>1,176</b>
<b>Net Earnings (loss) before income taxes</b>										
		(74)	(9)	(27)	(21)	(12)	1	(20)	(25)	(69)
	Income tax	(45)	(50)	(17)	(15)	(12)	2	(9)	(15)	(94)
<b>Net Earnings (loss) before non-controlling interests</b>										
		(29)	41	(10)	(6)	-	(1)	(11)	(10)	25
	Non-controlling interests	-	4	2	1	2	3	-	1	9
<b>Net Earnings (loss) before Capital Allocation</b>										
		(29)	37	(12)	(7)	(2)	(4)	(11)	(11)	16
	Capital Allocation	4	4	4	4	4	3	3	2	16
<b>Net Earnings (loss) - Common Shareholders</b>										
		<b>(25)</b>	<b>41</b>	<b>(8)</b>	<b>(3)</b>	<b>2</b>	<b>(1)</b>	<b>(8)</b>	<b>(9)</b>	<b>32</b>
<b>Net Earnings (loss) - Common Shareholders (US\$)</b>										
		<b>(18)</b>	<b>31</b>	<b>(6)</b>	<b>(2)</b>	<b>2</b>	<b>(1)</b>	<b>(8)</b>	<b>(8)</b>	<b>25</b>
<b>Sales</b>	<b>Sales (C\$)</b>									
	Gross sales <sup>(1)</sup>	12,388	10,869	10,242	8,507	10,232	10,542	8,958	8,041	39,850
	Redemptions	(14,721)	(12,482)	(10,063)	(10,738)	(10,204)	(11,954)	(7,561)	(7,857)	(43,487)
	Net Sales	(2,333)	(1,613)	179	(2,231)	28	(1,412)	1,397	184	(3,637)
<b>Fee Income</b>	<b>Fee Income (C\$)</b>									
	Investment management fees	199	218	219	214	213	197	189	182	864
	Performance fees	(5)	14	5	6	3	13	7	7	28
	Service fees	42	44	45	42	42	47	44	44	173
	Underwriting & distribution fees	14	12	16	18	20	20	17	14	66
	<b>Total Fee Income (C\$)</b>	<b>250</b>	<b>288</b>	<b>285</b>	<b>280</b>	<b>278</b>	<b>277</b>	<b>257</b>	<b>247</b>	<b>1,131</b>
	<b>Fee Income (US \$)</b>	<b>183</b>	<b>216</b>	<b>217</b>	<b>228</b>	<b>224</b>	<b>243</b>	<b>236</b>	<b>227</b>	<b>885</b>

1. Includes dividends reinvested.

**Lifeco U.S. – Asset Management AUM**

*(C\$MM, unless otherwise stated)*

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Mutual Funds</b>								
Growth equity	12,081	13,621	12,863	13,744	14,291	12,888	12,230	11,980
Value equity	20,045	21,735	20,639	21,369	22,029	20,104	18,968	18,587
Blend equity	32,330	38,184	37,582	38,955	40,524	35,546	32,237	30,438
Fixed income	30,493	33,385	34,350	33,153	34,641	31,995	31,597	29,606
<b>Total Mutual Funds</b>	94,949	106,925	105,434	107,221	111,485	100,533	95,032	90,611
<b>Institutional Accounts</b>								
Equity	59,683	62,881	57,988	58,194	60,018	52,975	51,883	49,696
Fixed income	34,913	34,944	33,073	30,021	30,691	29,276	28,977	29,364
<b>Total Institutional Accounts</b>	94,596	97,825	91,061	88,215	90,709	82,251	80,860	79,060
<b>Total End of Period Assets Under Management</b>	189,545	204,750	196,495	195,436	202,194	182,784	175,892	169,671
<b>Total End of Period Assets Under Management - US\$</b>	145,803	148,370	146,638	156,348	159,208	157,572	157,047	158,571

**Lifeco U.S. – Participating Account**

<i>(C\$MM, unless otherwise stated)</i>	2016	2015				2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Income</b>									
Premium income	30	23	24	20	32	21	22	18	99
Net investment income	64	9	39	(7)	41	39	23	46	82
<b>Total Income</b>	<u>94</u>	<u>32</u>	<u>63</u>	<u>13</u>	<u>73</u>	<u>60</u>	<u>45</u>	<u>64</u>	<u>181</u>
<b>Benefits and Expenses</b>									
Paid or credited to policyholders and beneficiaries	90	31	58	9	69	58	41	62	167
Commissions	1	1	1	1	1	-	1	1	4
General expenses	1	1	1	1	1	1	1	1	4
Other	1	1	-	1	2	2	1	-	4
<b>Total Benefits and Expenses</b>	<u>93</u>	<u>34</u>	<u>60</u>	<u>12</u>	<u>73</u>	<u>61</u>	<u>44</u>	<u>64</u>	<u>179</u>
<b>Net Earnings (loss) before income taxes</b>	<u>1</u>	<u>(2)</u>	<u>3</u>	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>2</u>
Income tax	-	-	1	-	-	-	-	-	1
<b>Net Earnings (loss) before non-controlling interests</b>	<u>1</u>	<u>(2)</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>1</u>
Non-controlling interests	1	(2)	2	1	-	(1)	1	-	1
<b>Net Earnings</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenue Premium</b>									
Risk-based premiums	30	23	24	20	32	21	22	18	99
<b>Revenue Premium (US \$)</b>	<u>22</u>	<u>18</u>	<u>18</u>	<u>16</u>	<u>26</u>	<u>18</u>	<u>20</u>	<u>17</u>	<u>78</u>

# Lifeco U.S. Balance Sheets

(C\$MM)

	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Assets</b>								
Cash and cash equivalents	962	627	1,489	768	890	528	909	684
Bonds	30,834	32,051	29,978	28,160	28,613	26,182	24,783	23,421
Mortgage loans	4,674	4,932	4,849	4,544	4,733	4,212	3,805	3,557
Stocks	154	168	163	155	161	149	193	191
Investment properties	5	5	5	4	5	4	4	3
Loans to policyholders	5,645	6,026	5,932	5,604	5,595	5,123	5,000	4,843
Total invested assets	42,274	43,809	42,416	39,235	39,997	36,198	34,694	32,699
Funds held by ceding insurers	-	-	-	-	-	-	-	-
Reinsurance assets	339	355	353	269	268	245	248	250
Derivative financial instruments	121	99	102	55	103	44	31	46
Owner occupied properties	175	186	181	168	171	156	151	145
Fixed assets	87	91	83	76	60	56	45	45
Other assets	2,306	2,156	2,168	2,199	2,161	1,818	1,970	1,824
Total other assets	2,689	2,532	2,534	2,498	2,495	2,074	2,197	2,060
Deferred tax assets	1,528	1,648	1,606	1,447	1,500	1,294	1,158	1,115
Goodwill	199	210	205	192	195	180	194	133
Intangible assets	2,120	2,255	2,182	2,026	2,068	1,881	1,787	1,706
Investments on account of segregated fund policyholders	34,275	35,966	34,304	33,201	34,693	31,030	29,633	28,751
<b>Total assets</b>	<b>83,424</b>	<b>86,775</b>	<b>83,600</b>	<b>78,868</b>	<b>81,216</b>	<b>72,902</b>	<b>69,911</b>	<b>66,714</b>
<b>Liabilities</b>								
Insurance contract liabilities	38,325	39,672	38,360	35,388	36,134	32,748	31,213	29,530
Investment contract liabilities	216	231	235	227	242	225	218	216
Debt securities and other debt instruments	38,541	39,903	38,595	35,615	36,376	32,973	31,431	29,746
Funds held under reinsurance contracts	2,519	2,614	2,425	2,489	2,615	2,568	2,738	2,773
Other liabilities	-	-	-	-	-	-	-	-
Deferred tax liabilities	2,378	2,193	2,479	2,279	2,277	1,721	2,012	1,662
Repurchase agreements	337	382	389	343	323	228	148	142
Capital trust securities and debentures	-	-	-	-	-	-	-	-
Investment and insurance contracts on account of segregated fund policyholders	-	-	-	-	-	-	-	-
Total liabilities	34,275	35,966	34,304	33,201	34,693	31,030	29,633	28,751
<b>Total liabilities</b>	<b>78,050</b>	<b>81,058</b>	<b>78,192</b>	<b>73,927</b>	<b>76,284</b>	<b>68,520</b>	<b>65,962</b>	<b>63,074</b>
<b>Equity</b>								
Non-controlling interests	272	220	213	207	222	183	178	182
Share capital	-	-	-	-	-	-	-	-
Perpetual preferred shares	-	-	-	-	-	-	-	-
Common shares	-	-	-	-	-	-	-	-
Accumulated surplus	3,923	3,930	3,793	3,698	3,636	3,557	3,467	3,361
Accumulated other comprehensive income (loss)	910	1,268	1,115	760	809	356	226	41
Contributed surplus	269	299	287	276	265	286	78	56
Total equity	5,374	5,717	5,408	4,941	4,932	4,382	3,949	3,640
<b>Total liabilities and equity</b>	<b>83,424</b>	<b>86,775</b>	<b>83,600</b>	<b>78,868</b>	<b>81,216</b>	<b>72,902</b>	<b>69,911</b>	<b>66,714</b>
Proprietary mutual funds and institutional net assets	202,833	218,231	206,579	205,049	211,294	190,817	183,166	176,577
Other assets under administration	503,156	503,125	468,712	476,600	494,200	433,754	410,420	203,517
<b>Total assets under administration</b>	<b>789,413</b>	<b>808,131</b>	<b>758,891</b>	<b>760,517</b>	<b>786,710</b>	<b>697,473</b>	<b>663,497</b>	<b>446,808</b>

## Europe



Lifeco Europe Net Earnings – Consolidated

(C\$MM)	2016		2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Income</b>									
Premium income	2,774	1,991	2,041	1,772	3,536	1,807	1,007	2,156	9,340
Regular net investment income	483	547	523	498	513	507	511	529	2,081
Changes in fair value through profit or loss	1,392	(517)	342	(2,290)	1,345	1,633	1,082	588	(1,120)
Net investment income	1,875	30	865	(1,792)	1,858	2,140	1,593	1,117	961
Fee and other income	321	327	284	283	327	290	289	318	1,221
<b>Total Income</b>	<b>4,970</b>	<b>2,348</b>	<b>3,190</b>	<b>263</b>	<b>5,721</b>	<b>4,237</b>	<b>2,889</b>	<b>3,591</b>	<b>11,522</b>
<b>Benefits and Expenses</b>									
Paid or credited to policyholders	4,265	1,649	2,476	(415)	5,003	3,569	2,270	2,918	8,713
Commissions	137	130	133	122	121	99	107	136	506
General expenses	219	221	215	199	197	199	186	193	832
Restructuring and Acquisition Expenses	1	3	3	11	6	7	7	10	23
Other	23	14	19	15	23	18	20	20	71
<b>Total Benefits and Expenses</b>	<b>4,645</b>	<b>2,017</b>	<b>2,846</b>	<b>(68)</b>	<b>5,350</b>	<b>3,892</b>	<b>2,590</b>	<b>3,277</b>	<b>10,145</b>
<b>Net Earnings before income taxes</b>	<b>325</b>	<b>331</b>	<b>344</b>	<b>331</b>	<b>371</b>	<b>345</b>	<b>299</b>	<b>314</b>	<b>1,377</b>
Income tax	13	5	24	18	58	48	13	42	105
<b>Net Earnings before non-controlling interests</b>	<b>312</b>	<b>326</b>	<b>320</b>	<b>313</b>	<b>313</b>	<b>297</b>	<b>286</b>	<b>272</b>	<b>1,272</b>
Non-controlling interests	(1)	(1)	-	1	2	(3)	1	2	2
<b>Net Earnings</b>	<b>313</b>	<b>327</b>	<b>320</b>	<b>312</b>	<b>311</b>	<b>300</b>	<b>285</b>	<b>270</b>	<b>1,270</b>
Preferred share dividends	5	6	6	5	6	6	6	5	23
<b>Net Earnings before Capital Allocation</b>	<b>308</b>	<b>321</b>	<b>314</b>	<b>307</b>	<b>305</b>	<b>294</b>	<b>279</b>	<b>265</b>	<b>1,247</b>
Capital Allocation	(21)	(18)	(18)	(18)	(19)	(20)	(20)	(19)	(73)
<b>Net Earnings - Common Shareholders</b>	<b>287</b>	<b>303</b>	<b>296</b>	<b>289</b>	<b>286</b>	<b>274</b>	<b>259</b>	<b>246</b>	<b>1,174</b>
<b>Common Shareholder Net Earnings (loss)</b>									
Insurance & Annuities	226	234	229	207	216	218	208	184	886
Reinsurance	63	73	71	92	77	71	59	72	313
Corporate	(2)	(4)	(4)	(10)	(7)	(15)	(8)	(10)	(25)
<b>Total</b>	<b>287</b>	<b>303</b>	<b>296</b>	<b>289</b>	<b>286</b>	<b>274</b>	<b>259</b>	<b>246</b>	<b>1,174</b>



## Lifeco Europe – Insurance & Annuities

	2016		2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM)</i>									
<b>Income</b>									
Premium income	600	422	545	688	2,017	331	459	702	3,672
Net investment income	1,384	12	681	(1,412)	1,456	1,601	1,219	844	737
Fee and other income	316	320	278	277	322	284	278	307	1,197
<b>Total Income</b>	<b>2,300</b>	<b>754</b>	<b>1,504</b>	<b>(447)</b>	<b>3,795</b>	<b>2,216</b>	<b>1,956</b>	<b>1,853</b>	<b>5,606</b>
<b>Benefits and Expenses</b>									
Paid or credited to									
policyholders and beneficiaries	1,738	196	923	(990)	3,236	1,674	1,436	1,326	3,365
Commissions	93	93	90	81	83	61	68	93	347
General expenses	200	198	197	178	178	181	169	177	751
Other	10	2	7	8	8	3	8	10	25
<b>Total Benefits and Expenses</b>	<b>2,041</b>	<b>489</b>	<b>1,217</b>	<b>(723)</b>	<b>3,505</b>	<b>1,919</b>	<b>1,681</b>	<b>1,606</b>	<b>4,488</b>
<b>Net Earnings before income taxes</b>	<b>259</b>	<b>265</b>	<b>287</b>	<b>276</b>	<b>290</b>	<b>297</b>	<b>275</b>	<b>247</b>	<b>1,118</b>
Income tax	8	5	31	44	49	52	40	36	129
<b>Net Earnings before non-controlling interests</b>	<b>251</b>	<b>260</b>	<b>256</b>	<b>232</b>	<b>241</b>	<b>245</b>	<b>235</b>	<b>211</b>	<b>989</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-
<b>Net Earnings</b>	<b>251</b>	<b>260</b>	<b>256</b>	<b>232</b>	<b>241</b>	<b>245</b>	<b>235</b>	<b>211</b>	<b>989</b>
Perpetual share dividends	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>251</b>	<b>260</b>	<b>256</b>	<b>232</b>	<b>241</b>	<b>245</b>	<b>235</b>	<b>211</b>	<b>989</b>
Capital Allocation	(25)	(26)	(27)	(25)	(25)	(27)	(27)	(27)	(103)
<b>Net Earnings - Common Shareholders</b>	<b>226</b>	<b>234</b>	<b>229</b>	<b>207</b>	<b>216</b>	<b>218</b>	<b>208</b>	<b>184</b>	<b>886</b>
<b>Sales</b>									
UK / Isle of Man	651	819	821	523	2,047	470	758	604	4,210
Ireland / Germany	3,923	3,098	6,895	2,873	2,409	2,685	2,155	2,210	15,275
<b>Total - Insurance &amp; Annuities</b>	<b>4,574</b>	<b>3,917</b>	<b>7,716</b>	<b>3,396</b>	<b>4,456</b>	<b>3,155</b>	<b>2,913</b>	<b>2,814</b>	<b>19,485</b>
<b>Revenue Premium</b>									
Risk-based revenue premiums	600	422	545	688	2,017	331	459	702	3,672
Segregated fund deposits	2,576	2,709	2,202	1,995	1,804	2,169	1,943	1,914	8,710
Proprietary mutual funds & institutional deposits	2,491	1,356	5,598	1,426	1,333	1,365	1,036	874	9,713
	<b>5,667</b>	<b>4,487</b>	<b>8,345</b>	<b>4,109</b>	<b>5,154</b>	<b>3,865</b>	<b>3,438</b>	<b>3,490</b>	<b>22,095</b>
UK / Isle of Man	854	965	990	828	2,229	581	853	872	5,012
Ireland / Germany	4,813	3,522	7,355	3,281	2,925	3,284	2,585	2,618	17,083
<b>Total - Insurance &amp; Annuities <sup>(1)</sup></b>	<b>5,667</b>	<b>4,487</b>	<b>8,345</b>	<b>4,109</b>	<b>5,154</b>	<b>3,865</b>	<b>3,438</b>	<b>3,490</b>	<b>22,095</b>

1. Excludes participating policy revenue premiums.

**Lifeco Europe – Reinsurance**

(C\$MM)	2016	2015				2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Income</b>									
Premium income	2,167	1,559	1,487	1,077	1,513	1,465	540	1,446	5,636
Net investment income	434	18	157	(337)	354	477	341	243	192
Fee and other income	5	7	6	6	5	6	11	11	24
<b>Total Income</b>	<b>2,606</b>	<b>1,584</b>	<b>1,650</b>	<b>746</b>	<b>1,872</b>	<b>1,948</b>	<b>892</b>	<b>1,700</b>	<b>5,852</b>
<b>Benefits and Expenses</b>									
Paid or credited to policyholders and beneficiaries	2,467	1,445	1,519	611	1,722	1,821	797	1,555	5,297
Commissions	44	37	43	41	38	38	39	43	159
General expenses	16	15	14	16	14	14	13	12	59
Other	7	6	6	6	6	4	5	6	24
<b>Total Benefits and Expenses</b>	<b>2,534</b>	<b>1,503</b>	<b>1,582</b>	<b>674</b>	<b>1,780</b>	<b>1,877</b>	<b>854</b>	<b>1,616</b>	<b>5,539</b>
<b>Net Earnings (loss) before income taxes</b>	<b>72</b>	<b>81</b>	<b>68</b>	<b>72</b>	<b>92</b>	<b>71</b>	<b>38</b>	<b>84</b>	<b>313</b>
Income tax	6	6	(5)	(23)	12	(2)	(23)	10	(10)
<b>Net Earnings (loss) before non-controlling interests</b>	<b>66</b>	<b>75</b>	<b>73</b>	<b>95</b>	<b>80</b>	<b>73</b>	<b>61</b>	<b>74</b>	<b>323</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss)</b>	<b>66</b>	<b>75</b>	<b>73</b>	<b>95</b>	<b>80</b>	<b>73</b>	<b>61</b>	<b>74</b>	<b>323</b>
Preferred share dividends	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss) before Capital Allocation</b>	<b>66</b>	<b>75</b>	<b>73</b>	<b>95</b>	<b>80</b>	<b>73</b>	<b>61</b>	<b>74</b>	<b>323</b>
Capital Allocation	(3)	(2)	(2)	(3)	(3)	(2)	(2)	(2)	(10)
<b>Net Earnings (loss) - Common Shareholders</b>	<b>63</b>	<b>73</b>	<b>71</b>	<b>92</b>	<b>77</b>	<b>71</b>	<b>59</b>	<b>72</b>	<b>313</b>
<b>Risk-based revenue premiums</b>	<b>2,167</b>	<b>1,559</b>	<b>1,487</b>	<b>1,077</b>	<b>1,513</b>	<b>1,465</b>	<b>540</b>	<b>1,446</b>	<b>5,636</b>

**Lifeco Europe – Participating Account**

(C\$MM)	2016	2015				2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Income</b>									
Premium income	7	10	9	7	6	10	8	8	32
Net investment income	54	-	26	(43)	47	61	32	30	30
Fee and other income	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>61</b>	<b>10</b>	<b>35</b>	<b>(36)</b>	<b>53</b>	<b>71</b>	<b>40</b>	<b>38</b>	<b>62</b>
<b>Benefits and Expenses</b>									
Paid or credited to policyholders and beneficiaries	59	9	33	(35)	45	67	37	36	52
Commissions	-	-	-	-	-	-	-	-	-
General expenses	1	1	1	1	1	1	1	1	4
Other	2	1	1	(3)	5	5	1	(1)	4
<b>Total Benefits and Expenses</b>	<b>62</b>	<b>11</b>	<b>35</b>	<b>(37)</b>	<b>51</b>	<b>73</b>	<b>39</b>	<b>36</b>	<b>60</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>(2)</b>	<b>1</b>	<b>2</b>	<b>2</b>
Income tax	-	-	-	-	-	1	-	-	-
<b>Net Earnings (loss) before non-controlling interests</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>(3)</b>	<b>1</b>	<b>2</b>	<b>2</b>
Non-controlling interests	(1)	(1)	-	1	2	(3)	1	2	2
<b>Net Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Risk-based revenue premiums</b>	<b>7</b>	<b>10</b>	<b>9</b>	<b>7</b>	<b>6</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>32</b>

**Lifeco Europe – Corporate**

(C\$MM)	2016	2015			2014			Fiscal 2015
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
<b>Income</b>								
Premium income	-	-	-	-	-	-	-	-
Net investment income	3	-	1	(1)	2	1	1	-
Fee and other income	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>(1)</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Benefits and Expenses</b>								
Paid or credited to policyholders and beneficiaries	1	(1)	1	(1)	-	7	-	1
Commissions	-	-	-	-	-	-	-	-
General expenses	2	7	3	4	3	3	3	3
Restructuring and acquisition expenses	1	3	3	11	6	7	7	10
Other	5	5	5	4	5	5	5	5
<b>Total Benefits and Expenses</b>	<b>9</b>	<b>14</b>	<b>12</b>	<b>18</b>	<b>14</b>	<b>22</b>	<b>15</b>	<b>19</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(6)</b>	<b>(14)</b>	<b>(11)</b>	<b>(19)</b>	<b>(12)</b>	<b>(21)</b>	<b>(14)</b>	<b>(19)</b>
Income tax	(2)	(6)	(2)	(4)	(2)	(3)	(3)	(4)
<b>Net Earnings (loss)</b>	<b>(4)</b>	<b>(8)</b>	<b>(9)</b>	<b>(15)</b>	<b>(10)</b>	<b>(18)</b>	<b>(11)</b>	<b>(15)</b>
Preferred shareholder dividends	5	6	6	5	6	6	6	5
<b>Net Earnings (loss) before Capital Allocation</b>	<b>(9)</b>	<b>(14)</b>	<b>(15)</b>	<b>(20)</b>	<b>(16)</b>	<b>(24)</b>	<b>(17)</b>	<b>(20)</b>
Capital Allocation	7	10	11	10	9	9	9	10
<b>Net Earnings (loss) - Common Shareholders</b>	<b>(2)</b>	<b>(4)</b>	<b>(4)</b>	<b>(10)</b>	<b>(7)</b>	<b>(15)</b>	<b>(8)</b>	<b>(10)</b>

## Lifeco Europe – Balance Sheets

(C\$MM)

Assets	2016	2015				2014		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Cash and cash equivalents	1,439	1,608	1,773	1,489	1,920	1,557	2,042	1,924
Bonds	39,867	39,772	39,988	38,089	38,476	36,343	34,880	34,208
Mortgage loans	3,945	4,398	4,230	4,115	3,829	3,741	3,959	3,990
Stocks	683	734	675	723	671	653	696	976
Investment properties	3,187	3,444	3,464	3,488	3,215	3,053	3,010	2,967
Loans to policyholders	109	115	109	100	101	93	90	87
<b>Total invested assets</b>	<b>49,230</b>	<b>50,071</b>	<b>50,239</b>	<b>48,004</b>	<b>48,212</b>	<b>45,440</b>	<b>44,677</b>	<b>44,152</b>
Funds withheld by ceding insurers	12,954	15,512	14,366	14,050	14,242	12,154	11,768	11,906
Reinsurance assets	4,324	4,401	4,441	4,116	4,203	4,229	4,407	4,632
Derivative financial instruments	232	252	271	281	321	232	201	166
Owner occupied properties	80	83	82	77	75	77	78	66
Fixed assets	61	60	59	50	49	52	52	54
Other assets	2,470	2,540	2,482	2,344	2,182	2,224	2,180	2,218
<b>Total other assets</b>	<b>2,843</b>	<b>2,935</b>	<b>2,894</b>	<b>2,752</b>	<b>2,627</b>	<b>2,585</b>	<b>2,511</b>	<b>2,504</b>
Deferred tax assets	27	35	25	51	38	49	-	-
Goodwill	1,910	1,916	1,916	1,886	1,877	1,888	1,894	1,904
Intangible assets	417	436	436	410	402	408	415	428
Investments on account of segregated fund policyholders	88,256	91,959	88,085	80,756	81,142	75,564	73,849	73,944
<b>Total assets</b>	<b>159,961</b>	<b>167,265</b>	<b>162,402</b>	<b>152,025</b>	<b>152,743</b>	<b>142,317</b>	<b>139,521</b>	<b>139,470</b>
<b>Liabilities</b>								
Insurance contract liabilities	55,984	58,971	59,379	57,122	57,866	53,589	52,531	52,399
Investment contract liabilities	1,543	1,637	315	283	285	219	210	237
	57,527	60,608	59,694	57,405	58,151	53,808	52,741	52,636
Debentures and other debt instruments	1,040	1,056	1,134	1,052	1,031	1,067	375	387
Funds held under reinsurance contracts	294	328	320	301	306	290	283	282
Other liabilities	1,799	1,933	2,039	1,941	1,889	1,777	2,589	2,682
Deferred tax liabilities	480	527	529	516	489	550	480	495
Investment and insurance contracts on account of segregated fund policyholders	88,256	91,959	88,085	80,756	81,142	75,564	73,849	73,944
<b>Total liabilities</b>	<b>149,396</b>	<b>156,411</b>	<b>151,801</b>	<b>141,971</b>	<b>143,008</b>	<b>133,056</b>	<b>130,317</b>	<b>130,426</b>
<b>Equity</b>								
Non-controlling interests	1	1	3	2	1	(1)	2	1
Share capital								
Perpetual preferred shares	550	550	550	550	550	550	550	550
Common shares	-	-	-	-	-	-	-	-
Accumulated surplus	9,283	8,991	8,898	8,806	8,757	8,394	8,340	8,116
Accumulated other comprehensive income (loss)	731	1,312	1,150	696	427	318	312	377
Contributed surplus	-	-	-	-	-	-	-	-
	10,565	10,854	10,601	10,054	9,735	9,261	9,204	9,044
<b>Total liabilities and equity</b>	<b>159,961</b>	<b>167,265</b>	<b>162,402</b>	<b>152,025</b>	<b>152,743</b>	<b>142,317</b>	<b>139,521</b>	<b>139,470</b>
<b>Proprietary mutual funds and institutional net assets</b>	<b>29,913</b>	<b>29,210</b>	<b>27,575</b>	<b>22,091</b>	<b>22,337</b>	<b>20,736</b>	<b>19,646</b>	<b>18,949</b>
<b>Other assets under administration</b>	<b>39,903</b>	<b>41,587</b>	<b>41,146</b>	<b>47,536</b>	<b>47,529</b>	<b>41,806</b>	<b>40,508</b>	<b>42,337</b>
<b>Total assets under administration</b>	<b>229,777</b>	<b>238,062</b>	<b>231,123</b>	<b>221,652</b>	<b>222,609</b>	<b>204,859</b>	<b>199,675</b>	<b>200,756</b>

**Lifeco Corporate**

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

## Lifeco – Consolidated Source of Earnings

(C\$MM)	For the three months ended Mar. 31, 2016					2015				2014			Fiscal 2015
	Canada	U.S.	Europe	Corp	Total	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Expected profit on in-force business	276	109	272	(4)	653	722	736	679	626	669	698	648	2,694
Impact of new business	(12)	(32)	(24)	-	(68)	(60)	(46)	(51)	(62)	(55)	(43)	(23)	(227)
Experience gains and losses	57	(28)	9	-	38	(61)	48	64	244	20	94	128	394
Management actions and changes in assumptions	12	-	42	-	54	149	127	90	98	221	112	36	369
Other	-	(3)	(1)	-	(4)	(7)	(7)	(14)	(7)	(7)	(10)	(10)	(32)
Earnings on surplus (incl. financing charges)	29	(23)	7	(2)	11	33	(10)	3	53	5	(7)	18	57
<b>Net income before tax</b>	<b>362</b>	<b>23</b>	<b>305</b>	<b>(6)</b>	<b>684</b>	<b>776</b>	<b>848</b>	<b>771</b>	<b>952</b>	<b>853</b>	<b>844</b>	<b>797</b>	<b>3,255</b>
Taxes	(60)	40	(13)	-	(33)	(58)	(94)	(80)	(218)	(162)	(124)	(152)	(425)
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>302</b>	<b>63</b>	<b>292</b>	<b>(6)</b>	<b>651</b>	<b>718</b>	<b>754</b>	<b>691</b>	<b>734</b>	<b>691</b>	<b>720</b>	<b>645</b>	<b>2,830</b>
Non-controlling interests & preferred dividends	(26)	-	(5)	-	(31)	(35)	(34)	(32)	(34)	(34)	(33)	(30)	(131)
<b>Net income - common shareholders</b>	<b>276</b>	<b>63</b>	<b>287</b>	<b>(6)</b>	<b>620</b>	<b>683</b>	<b>720</b>	<b>659</b>	<b>700</b>	<b>657</b>	<b>687</b>	<b>615</b>	<b>2,699</b>

### 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**

<i>(C\$MM)</i>	2016	2015			2014			Fiscal 2015	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
Expected profit on in-force business	(9)	28	29	23	14	16	20	2	94
Impact of new business	(7)	(8)	(8)	(8)	(11)	(10)	(11)	(12)	(35)
Experience gains and losses	(16)	(1)	(6)	(1)	10	23	(1)	1	2
Management actions and changes in assumptions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Earnings on surplus (incl. financing charges)	(39)	(24)	(38)	(31)	(21)	(24)	(26)	(14)	(114)
<b>Net income before tax</b>	<b>(71)</b>	<b>(5)</b>	<b>(23)</b>	<b>(17)</b>	<b>(8)</b>	<b>5</b>	<b>(18)</b>	<b>(23)</b>	<b>(53)</b>
Taxes	46	50	17	15	12	(3)	10	15	94
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>(25)</b>	<b>45</b>	<b>(6)</b>	<b>(2)</b>	<b>4</b>	<b>2</b>	<b>(8)</b>	<b>(8)</b>	<b>41</b>
Non-controlling interests & preferred dividends	-	(4)	(2)	(1)	(2)	(3)	-	(1)	(9)
<b>Net income - common shareholders</b>	<b>(25)</b>	<b>41</b>	<b>(8)</b>	<b>(3)</b>	<b>2</b>	<b>(1)</b>	<b>(8)</b>	<b>(9)</b>	<b>32</b>