

GREAT-WEST LIFECO INC.

Supplemental Information Package For Analysts and Investors (Unaudited) Q1 2018



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 in the Company’s Q1 2018 Management’s Discussion and Analysis.

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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 \$1,392 billion in assets under administration. Lifeco is a member of the Power Financial Corporation group of companies.

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Great-West Lifeco Inc.



Lifeco Financial Highlights

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

	2018	2017				2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Income									
Premium Income	8,174	8,494	8,293	7,761	9,354	8,905	8,334	6,871	33,902
Net Investment Income	86	2,979	529	1,895	2,204	(2,436)	3,803	4,705	7,607
Fee & Other Income	1,433	1,439	1,400	1,421	1,348	1,345	1,271	1,231	5,608
Total Income	9,693	12,912	10,222	11,077	12,906	7,814	13,408	12,807	47,117
Operating Earnings - Common Shareholders	731	392	581	585	591	676	674	671	2,149
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-
Net Earnings - Common Shareholders	731	392	581	585	591	676	674	671	2,149
Net Earnings attributable to Perpetual Preferred Shareholders	33	33	35	30	31	31	31	30	129
Net Earnings - Total Shareholders	764	425	616	615	622	707	705	701	2,278
Earnings per Common Share									
Operating Earnings	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$0.682	\$0.675	\$2.173
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-
Basic earnings per share	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$0.682	\$0.675	\$2.173
Diluted earnings per share	\$0.739	\$0.396	\$0.587	\$0.590	\$0.597	\$0.685	\$0.681	\$0.674	\$2.170
Common Shareholder Net Earnings (Loss) - by Segment									
Canada	316	338	296	185	255	326	289	327	1,074
U.S.	75	(298)	110	82	56	55	78	53	(50)
Europe	344	358	184	321	289	307	313	293	1,152
Corporate	(4)	(6)	(9)	(3)	(9)	(12)	(6)	(2)	(27)
Total	731	392	581	585	591	676	674	671	2,149

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to premium income and fee and other income.

Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A

Lifeco Common Shareholder Net Earnings

(C\$MM)	2018		2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Common Shareholder Net Earnings (Loss)									
Canada									
Individual Customer	138	162	141	140	146	179	136	147	589
Group Customer	142	193	155	189	104	154	143	162	641
Corporate ^{(1) (2)}	36	(17)	-	(144)	5	(7)	10	18	(156)
	316	338	296	185	255	326	289	327	1,074
U.S.									
Financial Services	91	80	104	88	85	80	89	74	357
Asset Management ⁽³⁾	(16)	(5)	6	(6)	(16)	(23)	(6)	(18)	(21)
Corporate ⁽⁴⁾	-	(373)	-	-	(13)	(2)	(5)	(3)	(386)
	75	(298)	110	82	56	55	78	53	(50)
Europe									
Insurance & Annuities	244	250	233	239	225	225	251	225	947
Reinsurance ⁽⁵⁾	104	67	(41)	83	81	86	54	74	190
Corporate ⁽⁶⁾	(4)	41	(8)	(1)	(17)	(4)	8	(6)	15
	344	358	184	321	289	307	313	293	1,152
Corporate	(4)	(6)	(9)	(3)	(9)	(12)	(6)	(2)	(27)
Total ⁽⁷⁾	731	392	581	585	591	676	674	671	2,149

1) Q2 2017 includes Canada restructuring costs of \$126m (after-tax)

2) Q4 2017 includes a net charge for U.S. tax reform of \$19m (after-tax)

3) Q4 2016 includes Putnam restructuring costs of \$20m (after-tax)

4) Q4 2017 includes a net charge on the disposal of an equity investment of \$122m (after-tax) and a net charge for U.S. tax reform of \$251m (after-tax)

5) Q3 2017 includes a loss estimate of \$175m (after-tax) relating to estimated hurricane claims

6) Q4 2017 includes a net benefit for U.S. tax reform of \$54m (after-tax)

7) Q4 2017 includes a net charge on the disposal of an equity investment of \$122m (after-tax) and a net charge for U.S. tax reform of \$216m (after-tax)

Currency Translation Rates

	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
(C\$ / US\$)								
Balance Sheet	1.29	1.26	1.25	1.30	1.33	1.34	1.31	1.30
Income & Expenses	1.26	1.27	1.25	1.34	1.32	1.33	1.31	1.29
(C\$ / £)								
Balance Sheet	1.81	1.70	1.67	1.69	1.67	1.66	1.71	1.72
Income & Expenses	1.76	1.69	1.64	1.72	1.64	1.66	1.71	1.85
(C\$ / €)								
Balance Sheet	1.59	1.51	1.47	1.48	1.42	1.42	1.47	1.44
Income & Expenses	1.55	1.50	1.47	1.48	1.41	1.44	1.46	1.46

Financial Strength – Credit Ratings

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

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	
Q2 2016	993,199,724	-	165,660	2,207,000	\$34.25	\$75,597,009	991,158,384
Q3 2016	991,158,384	-	40,311	5,136,700	\$33.14	\$170,240,059	986,061,995
Q4 2016	986,061,995	-	336,340	-	-	-	986,398,335
Q1 2017	986,398,335	-	3,552,684	12,698	\$37.10	\$471,157	989,938,321
Q2 2017	989,938,321	-	287,720	328,985	\$35.48	\$11,673,619	989,897,056
Q3 2017	989,897,056	-	116,120	439,026	\$34.58	\$15,179,876	989,574,150
Q4 2017	989,574,150	-	167,800	1,019,291	\$35.31	\$35,991,706	988,722,659
Q1 2018	988,722,659	-	330,380	431,000	\$34.22	\$14,748,099	988,622,039

3 months ended Mar. 31, 2018

Average common shares outstanding - Basic	988,611,044
Potential exercise of outstanding stock options	1,109,312
Average common shares outstanding - Diluted	<u>989,720,356</u>

Lifeco Financial Ratio Highlights

	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Share Price								
High	\$35.51	\$36.40	\$36.14	\$37.15	\$37.74	\$35.75	\$34.34	\$37.03
Low	\$32.43	\$34.66	\$34.13	\$33.32	\$35.24	\$32.24	\$31.01	\$32.71
Close	\$32.88	\$35.10	\$35.91	\$35.15	\$36.85	\$35.17	\$32.29	\$34.08
Operating EPS								
Operating EPS	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$0.682	\$0.675
Operating EPS Growth <i>(qtr / qtr)</i>	86.4%	(32.4%)	(0.7%)	(1.2%)	(12.8%)	0.6%	1.0%	8.0%
Dividends								
Common Dividends Declared / Share		\$0.3890	\$0.3670	\$0.3670	\$0.3670	\$0.3670	\$0.3460	\$0.3460
Common Dividends Paid / Share	\$0.3890	\$0.3670	\$0.3670	\$0.3670	\$0.3670	\$0.3460	\$0.3460	\$0.3460
Paid Dividend Growth <i>(qtr / qtr)</i>	6.0%	0.0%	0.0%	0.0%	6.1%	0.0%	0.0%	0.0%
Paid Dividend Growth <i>(yr / yr)</i>	6.0%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Dividend Payout Ratio ⁽¹⁾	52.6%	92.4%	62.5%	62.1%	61.4%	50.4%	50.7%	51.3%
Dividend Yield (annualized) ⁽²⁾	4.7%	4.2%	4.1%	4.2%	4.0%	3.9%	4.3%	4.1%
Ratios								
P/E Ratio <i>(rolling 4 qtrs - operating earnings)</i>	14.2x	16.2x	14.6x	13.7x	14.0x	13.2x	12.1x	12.6x
P/Book Value Ratio	1.6x	1.7x	1.8x	1.8x	1.8x	1.8x	1.7x	1.8x
ROE ⁽³⁾ (12 Months Trailing) - Operating Earnings	11.4%	10.9%	12.4%	13.0%	13.6%	13.8%	13.8%	14.0%
ROE ⁽³⁾ (12 Months Trailing)	11.4%	10.9%	12.4%	13.0%	13.6%	13.8%	13.8%	14.0%
Share Information								
Total Shares Outstanding (mm)	988.6	988.7	989.6	989.9	989.9	986.4	986.1	991.2
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)	279.3	279.4	280.3	280.6	280.6	277.1	276.8	281.9
Total Market Capitalization (mm)	\$32,506	\$34,704	\$35,536	\$34,795	\$36,479	\$34,692	\$31,840	\$33,779
Public Float (mm)	\$9,184	\$9,808	\$10,064	\$9,863	\$10,341	\$9,745	\$8,936	\$9,606
Book Value per Share	\$21.01	\$20.11	\$19.92	\$19.95	\$19.99	\$19.76	\$19.18	\$19.02

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>	<u>2018</u>	
	Q1	
LICAT		
Great-West Life Assurance Company		
Available Capital	15,748	
Surplus Allowance & Eligible Deposits	<u>10,342</u>	
Total Capital Resources	26,090	
Base Solvency Buffer (includes OSFI scalar of 1.05)	20,034	
Total Ratio	130%	
London Life Insurance Company		
Available Capital	3,852	
Surplus Allowance & Eligible Deposits	<u>2,064</u>	
Total Capital Resources	5,916	
Base Solvency Buffer (includes OSFI scalar of 1.05)	3,985	
Total Ratio	148%	
Canada Life Assurance Company		
Available Capital	11,648	
Surplus Allowance & Eligible Deposits	<u>7,056</u>	
Total Capital Resources	18,704	
Base Solvency Buffer (includes OSFI scalar of 1.05)	13,493	
Total Ratio	139%	
	<u>2017</u>	<u>2016</u>
	Q4	Q4
Risk Based Capital (RBC) - US\$		
GWL&A		
Total Adjusted Capital	1,361	1,269
Company Action Level	271	277
Ratio	502%	458%

Great-West Life Assurance Company – LICAT

(C\$MM unless otherwise stated)

	2018
	Q1
Available Capital:	
Tier 1 Capital	
Common shares	8,882
Shareholder Surplus	11,291
Other Tier 1	3,349
Less: Goodwill & Intangibles	(8,018)
Less: Other Deductions	(2,968)
Total Tier 1 Capital	12,536
Tier 2 Capital	3,212
Available Capital	15,748
Surplus Allowance and Eligible Deposits	10,342
Total Capital Resources	26,090
Base Solvency Buffers	
Non-Participating Business:	
Credit Risk	2,591
Market Risk	2,388
Insurance Risk, Net of Adjustable Credits	11,349
	16,328
Participating Business Total Risk	3,725
Less: Diversification & Other Credits	(3,467)
Segregated Fund Guarantee Risk	268
Operational Risk	2,226
Solvency Buffers prior to OSFI scalar	19,080
Base Solvency Buffer (includes OSFI scalar of 1.05)	20,034
LICAT Ratios:	
Total Ratio ⁽¹⁾ (OSFI Supervisory Target = 100%)	130%
Core Ratio ⁽²⁾ (OSFI Supervisory Target = 70%)	99%

(1) Total Ratio = Total Capital Resources / Base Solvency Buffer

(2) Core Ratio = [Total Tier 1 Capital + 70% (Surplus Allowance and Eligible Deposits)] / Base Solvency Buffer

Lifeco Capital Structure

(CSMM)

LIABILITIES	2018	2017				2016	EQUITY	2018	2017				2016
	Q1	Q4	Q3	Q2	Q1	Q4		Q1	Q4	Q3	Q2	Q1	Q4
Short Term													
Commercial Paper & other short term borrowings	111	126	125	93	131	133							
Putnam revolving credit facility	213	302	131	234	293	295							
Total Short Term	324	428	256	327	424	428							
Capital													
Lifeco													
6.14% Debenture due Mar 21, 2018	-	200	200	200	200	200							
6.74% Debenture due Nov 24, 2031	193	193	193	193	193	193							
6.67% Debenture due Mar 21, 2033	393	393	392	392	392	392							
5.998% Debenture due Nov 16, 2039	342	342	342	342	342	342							
4.65% Debenture due Aug 13, 2020	499	499	499	499	499	499							
2.50% Euro Bond Debt due April 18, 2023	792	752	732	737	706	706							
1.75% Euro Bond Debt due December 7, 2026	789	749	729	734	704	704							
3.337% Debenture due Feb 28, 2028	498	-	-	-	-	-							
CLAC													
6.40% Series B Subordinated Debenture due Dec 11, 2028	100	100	100	100	100	100							
5.25% ILA Debenture and Swap issued Jan 2007	-	-	-	-	-	285							
GWL&A Insurance Capital													
6.625% Deferrable Debenture (LP)	223	218	216	224	230	231							
2.538% (plus 3-month LIBOR) Subordinated Debenture (LP II) ⁽¹⁾	387	378	375	390	399	402							
Lifeco Finance (Delaware)													
5.691% Subordinated Debenture due June 21, 2067 (LP)	-	-	-	-	1,000	999							
4.150% Senior Notes due June 3, 2047 (LP)	885	865	858	893	-	-							
7.127% Subordinated Debenture due June 26, 2068 (LP II)	500	500	500	500	499	499							
Total Debt and Other Loans	5,925	5,617	5,392	5,531	5,688	5,980							
Capital Trust Securities													
CLiCS													
Acquisition related FMV adjustment	150	150	150	150	150	150							
	10	10	10	10	11	11							
	160	160	160	160	161	161							
Trust securities held by consolidated group	(37)	(37)	(37)	(37)	(37)	(37)							
Capital Trust Securities (externally held)	123	123	123	123	124	124							
Non-Controlling Interests													
Non-controlling interest in capital stock & surplus	185	164	204	212	263	224							
Undistributed Participating Account Surplus													
Great-West Life	619	622	612	609	612	610							
London Life	1,786	1,796	1,796	1,738	1,786	1,798							
Canada Life	343	339	331	390	395	357							
GWL&A	15	14	14	16	17	17							
	2,763	2,771	2,753	2,753	2,810	2,782							
Total Non-Controlling Interest	2,948	2,935	2,957	2,965	3,073	3,006							
Lifeco													
Series F 5.90% Non-Cumulative Preferreds	194	194	194	194	194	194							
Series G 5.20% Non-Cumulative Preferreds	300	300	300	300	300	300							
Series H 4.85% Non-Cumulative Preferreds	300	300	300	300	300	300							
Series I 4.50% Non-Cumulative Preferreds	300	300	300	300	300	300							
Series L 5.65% Non-Cumulative Preferreds	170	170	170	170	170	170							
Series M 5.80% Non-Cumulative Preferreds	150	150	150	150	150	150							
Series N 2.176% Non-Cumulative Rate Reset Preferreds ⁽²⁾	213	213	213	213	213	213							
Series O Non-Cumulative Floating Rate Preferreds ⁽³⁾	37	37	37	37	37	37							
Series P 5.40% Non-Cumulative Preferreds	250	250	250	250	250	250							
Series Q 5.15% Non-Cumulative Preferreds	200	200	200	200	200	200							
Series R 4.80% Non-Cumulative Preferreds	200	200	200	200	200	200							
Series S 5.25% Non-Cumulative Preferreds	200	200	200	200	200	200							
Series T 5.15% Non-Cumulative Preferreds	200	200	200	200	-	-							
	2,714	2,714	2,714	2,714	2,514	2,514							
Common Stock	7,268	7,260	7,262	7,261	7,254	7,130							
Accumulated & Contributed Surplus	12,432	12,241	12,226	12,010	11,787	11,612							
Accumulated Other Comprehensive Income (loss)	1,073	386	227	478	744	746							
Total Equity Capital	26,435	25,536	25,386	25,428	25,372	25,008							

1) Interest rate swap put in place to pay fixed interest of 4.68% until May 16, 2046

2) 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

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

Lifeco Statements of Earnings

	2018	2017			2016			Fiscal 2017	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
<i>(C\$MM, unless otherwise stated)</i>									
Income									
Premium income	8,174	8,494	8,293	7,761	9,354	8,905	8,334	6,871	33,902
Regular net investment income	1,573	1,564	1,517	1,591	1,469	1,507	1,496	1,576	6,141
Changes in fair value through profit or loss	(1,487)	1,415	(988)	304	735	(3,943)	2,307	3,129	1,466
Net investment income	86	2,979	529	1,895	2,204	(2,436)	3,803	4,705	7,607
Fee and other income	1,433	1,439	1,400	1,421	1,348	1,345	1,271	1,231	5,608
Total Income	9,693	12,912	10,222	11,077	12,906	7,814	13,408	12,807	47,117
Benefits and Expenses									
Paid or credited to policyholders	6,780	9,987	7,567	8,227	9,862	4,373	10,589	10,035	35,643
Commissions	594	646	579	609	813	853	584	599	2,647
Operating expenses	1,237	1,237	1,109	1,154	1,205	1,250	1,180	1,161	4,705
Premium taxes	121	115	118	107	123	112	109	98	463
Financing charges	71	74	71	79	76	75	74	75	300
Amortization of finite life intangible assets	49	29	47	47	45	44	43	44	168
Restructuring and acquisition expenses	-	5	1	216	37	35	19	5	259
Loss on assets held for sale	-	202	-	-	-	-	-	-	202
Total Benefits and Expenses	8,852	12,295	9,492	10,439	12,161	6,742	12,598	12,017	44,387
Net Earnings before income taxes	841	617	730	638	745	1,072	810	790	2,730
Income Tax - Current	84	(39)	60	134	104	115	1	119	259
- Deferred	(7)	221	33	(83)	(8)	73	107	(43)	163
Net Earnings before non-controlling interests	764	435	637	587	649	884	702	714	2,308
Non-controlling interests	-	10	21	(28)	27	177	(3)	13	30
Net Earnings	764	425	616	615	622	707	705	701	2,278
Perpetual preferred share dividends	33	33	35	30	31	31	31	30	129
Net Earnings - Common Shareholders	731	392	581	585	591	676	674	671	2,149
Earnings per Common Share									
Operating Earnings	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$0.682	\$0.675	\$2.173
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-
Basic Earnings	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$0.682	\$0.675	\$2.173
Diluted Earnings	\$0.739	\$0.396	\$0.587	\$0.590	\$0.597	\$0.685	\$0.681	\$0.674	\$2.170
Average number of shares outstanding (MM) - basic	988.6	989.3	989.7	990.0	987.7	986.2	987.7	992.8	989.2
Average number of shares outstanding (MM) - diluted	989.7	990.7	991.1	991.3	989.8	987.9	989.0	994.8	990.7
Effective tax rate	9.1%	29.5%	12.7%	8.0%	12.9%	18.0%	13.3%	9.6%	15.5%

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to premium income, fee and other income, commissions and operating expenses. Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MI

Lifeco Balance Sheets

(C\$MM)

	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets								
Government bonds	49,620	49,897	47,880	48,762	49,652	50,869	51,917	51,557
Corporate bonds	74,885	70,307	68,868	69,453	68,189	65,904	65,815	63,245
Total bonds ⁽¹⁾	124,505	120,204	116,748	118,215	117,841	116,773	117,732	114,802
Mortgage loans	23,855	22,185	21,871	22,301	22,027	21,651	21,788	21,573
Stocks	8,725	8,864	8,707	8,435	8,677	8,665	8,847	8,390
Investment properties	5,217	4,851	4,738	4,708	4,421	4,340	4,448	4,377
Loans to policyholders	8,408	8,280	8,194	8,394	8,436	8,467	8,372	8,403
Cash and cash equivalents	3,595	3,551	3,106	3,398	3,042	3,259	3,060	3,068
Total invested assets	174,305	167,935	163,364	165,451	164,444	163,155	164,247	160,613
Funds withheld by ceding insurers	10,070	9,893	9,977	10,317	10,496	10,781	12,558	12,418
Reinsurance assets	6,265	5,045	5,418	5,416	5,579	5,627	5,304	4,936
Premiums in course of collection, accounts and interest receivable	5,436	4,647	4,648	4,550	4,776	4,311	4,313	3,844
Current income taxes	226	134	169	204	181	170	196	194
Derivative financial instruments	351	384	436	463	476	528	625	645
Owner occupied properties	718	706	693	653	648	649	633	633
Fixed assets	317	303	295	293	298	304	312	294
Other assets	2,622	2,424	2,296	2,359	2,384	2,263	2,481	2,460
Deferred tax assets	1,008	930	1,339	1,377	1,530	1,593	1,599	1,614
Goodwill	6,508	6,179	6,273	5,992	5,976	5,977	6,022	5,885
Intangible assets	3,794	3,732	3,814	3,900	3,952	3,972	3,887	3,859
Assets held for sale	-	169	-	-	-	-	-	-
Investments on account of segregated fund policyholders	221,031	217,357	208,046	208,536	204,666	200,403	199,162	192,725
Total assets	432,651	419,838	406,768	409,511	405,406	399,733	401,339	390,120
Liabilities								
Insurance contract liabilities	165,648	159,524	156,257	157,797	157,319	155,940	159,609	155,633
Investment contract liabilities	1,777	1,841	1,880	1,953	2,000	2,009	2,091	2,076
	167,425	161,365	158,137	159,750	159,319	157,949	161,700	157,709
Debentures and other debt instruments	5,925	5,617	5,392	5,531	5,688	5,980	5,126	5,204
Funds held under reinsurance contracts	1,452	373	351	336	326	320	338	313
Other liabilities	9,014	8,236	7,847	8,373	8,390	8,391	9,209	8,463
Deferred tax liabilities	1,209	1,194	1,449	1,397	1,484	1,521	1,387	1,344
Capital trust securities	160	160	160	160	161	161	161	161
Investment and insurance contracts on account of segregated fund policyholders	221,031	217,357	208,046	208,536	204,666	200,403	199,162	192,725
Total liabilities	406,216	394,302	381,382	384,083	380,034	374,725	377,083	365,919
Equity								
Non-controlling interests	2,948	2,935	2,957	2,965	3,073	3,006	2,825	2,833
Share capital								
Perpetual preferred shares	2,714	2,714	2,714	2,714	2,514	2,514	2,514	2,514
Common shares	7,268	7,260	7,262	7,261	7,254	7,130	7,120	7,156
Accumulated surplus	12,311	12,098	12,097	11,889	11,674	11,465	11,140	10,941
Accumulated other comprehensive income (loss)	1,073	386	227	478	744	746	519	632
Contributed surplus	121	143	129	121	113	147	138	125
	26,435	25,536	25,386	25,428	25,372	25,008	24,256	24,201
Total liabilities and equity	432,651	419,838	406,768	409,511	405,406	399,733	401,339	390,120
Proprietary mutual funds and institutional assets	285,843	278,954	268,994	271,686	270,121	259,215	256,544	243,688
Other assets under administration	673,597	651,121	618,532	627,633	620,064	589,291	570,475	549,878
Total assets under administration	1,392,091	1,349,913	1,294,294	1,308,830	1,295,591	1,248,239	1,228,358	1,183,686

1) Includes short-term bonds

Lifeco Supplemental Balance Sheet Information

(CSMM, unless otherwise stated)

	2018		2017			2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Bond Portfolio Quality								
Canada								
AAA	8,765	9,218	9,340	9,837	10,040	10,495	10,853	10,649
AA	10,337	10,049	9,823	9,583	9,170	8,582	8,619	8,584
A	17,104	17,237	16,569	17,089	16,493	15,840	16,189	15,615
BBB	7,871	7,249	6,424	6,221	6,078	5,844	5,782	6,112
BB or Lower	76	77	91	91	85	85	74	103
Total	44,153	43,830	42,247	42,821	41,866	40,846	41,517	41,063
U.S.								
AAA	6,970	7,263	6,877	6,925	7,430	8,825	5,956	5,680
AA	5,006	4,824	4,552	4,749	4,768	4,672	4,831	4,813
A	10,908	10,876	10,773	10,678	10,470	10,131	10,191	9,767
BBB	8,993	8,609	8,512	8,733	8,835	8,635	8,969	8,499
BB or Lower	493	540	580	664	693	700	692	673
Total	32,370	32,112	31,294	31,749	32,196	32,963	30,639	29,432
Europe								
AAA	6,247	5,822	4,891	4,929	4,525	4,495	4,808	4,709
AA	17,308	16,075	16,266	16,125	16,230	15,465	16,100	15,883
A	13,104	12,053	11,596	11,943	11,602	11,480	10,925	9,977
BBB	6,656	5,591	5,554	5,616	5,694	5,616	6,175	5,951
BB or Lower	524	516	479	502	492	507	534	516
Total	43,839	40,057	38,786	39,115	38,543	37,563	38,542	37,036
Total Bond Portfolio Quality								
AAA	21,982	22,303	21,108	21,691	21,995	23,815	21,617	21,038
AA	32,651	30,948	30,641	30,457	30,168	28,719	29,550	29,280
A	41,116	40,166	38,938	39,710	38,565	37,451	37,305	35,359
BBB	23,520	21,449	20,490	20,570	20,607	20,095	20,926	20,562
BB or Lower	1,093	1,133	1,150	1,257	1,270	1,292	1,300	1,292
Total ⁽¹⁾	<u>120,362</u>	<u>115,999</u>	<u>112,327</u>	<u>113,685</u>	<u>112,605</u>	<u>111,372</u>	<u>110,698</u>	<u>107,531</u>

1. Excludes short term bonds.

(CSB)

Bonds unrealized Gain / Loss

	2018		2017			2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Unrealized Gains	8.2	9.0	8.2	9.3	9.3	9.0	13.2	11.7
Unrealized Losses	(0.9)	(0.5)	(0.7)	(0.5)	(0.6)	(0.9)	(0.2)	(0.4)
Net Gains / Losses	<u>7.3</u>	<u>8.5</u>	<u>7.5</u>	<u>8.8</u>	<u>8.7</u>	<u>8.1</u>	<u>13.0</u>	<u>11.3</u>

	2018		2017			2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Segregated Fund Net Assets								
Stocks, mutual funds and units in unit trusts	150,992	148,123	140,316	138,600	137,311	132,759	129,930	125,104
Bonds	43,113	42,270	41,683	42,827	41,801	41,619	43,908	43,015
Mortgage loans	2,660	2,610	2,663	2,684	2,662	2,622	2,661	2,625
Investment properties	11,842	11,520	11,685	11,573	11,256	11,019	10,763	10,665
Cash & other	12,424	12,834	11,699	12,852	11,636	12,384	11,900	11,316
Total	<u>221,031</u>	<u>217,357</u>	<u>208,046</u>	<u>208,536</u>	<u>204,666</u>	<u>200,403</u>	<u>199,162</u>	<u>192,725</u>

Mortgage Loan Portfolio

	Insured		Non-Insured		Total	
Q1 2018						
Single-family residential	649	1,475			2,124	
Multi-family residential	3,761	3,293			7,054	
Equity Release	-	832			832	
Commercial	315	13,530			13,845	
Total Mortgage Loans	<u>4,725</u>	<u>19,130</u>			<u>23,855</u>	
Q4 2017						
Single-family residential	656	1,483			2,139	
Multi-family residential	3,549	3,217			6,766	
Commercial	328	12,952			13,280	
Total Mortgage Loans	<u>4,533</u>	<u>17,652</u>			<u>22,185</u>	
Q3 2017						
Single-family residential	659	1,447			2,106	
Multi-family residential	3,275	3,115			6,390	
Commercial	334	13,041			13,375	
Total Mortgage Loans	<u>4,268</u>	<u>17,603</u>			<u>21,871</u>	
Q2 2017						
Single-family residential	679	1,421			2,100	
Multi-family residential	3,202	3,275			6,477	
Commercial	338	13,386			13,724	
Total Mortgage Loans	<u>4,219</u>	<u>18,082</u>			<u>22,301</u>	
Q1 2017						
Single-family residential	697	1,393			2,090	
Multi-family residential	3,088	3,197			6,285	
Commercial	256	13,396			13,652	
Total Mortgage Loans	<u>4,041</u>	<u>17,986</u>			<u>22,027</u>	
Q4 2016						
Single-family residential	706	1,369			2,075	
Multi-family residential	2,946	3,041			5,987	
Commercial	260	13,329			13,589	
Total Mortgage Loans	<u>3,912</u>	<u>17,739</u>			<u>21,651</u>	
Q3 2016						
Single-family residential	718	1,339			2,057	
Multi-family residential	2,957	3,061			6,018	
Commercial	273	13,440			13,713	
Total Mortgage Loans	<u>3,948</u>	<u>17,840</u>			<u>21,788</u>	
Q2 2016						
Single-family residential	730	1,284			2,014	
Multi-family residential	3,024	3,110			6,134	
Commercial	237	13,188			13,425	
Total Mortgage Loans	<u>3,991</u>	<u>17,582</u>			<u>21,573</u>	

Lifeco Impaired Loans and Credit Losses

(C\$MM)	2018		2017			2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Gross Impaired Loans								
Fair value through profit or loss ⁽¹⁾	186	213	217	201	215	231	234	243
Available for sale	34	16	15	9	10	8	10	10
Loans & receivables	65	81	87	126	127	122	74	76
Total	285	310	319	336	352	361	318	329
Canada	2	2	1	1	1	1	1	2
US	215	224	229	234	248	257	238	246
Europe	68	84	89	101	103	103	79	81
Total	285	310	319	336	352	361	318	329
Impaired Investment Provisions								
Fair value through profit or loss ⁽¹⁾	(16)	(20)	(24)	(52)	(52)	(52)	(58)	(55)
Available for sale	(3)	(1)	(4)	(3)	(2)	(2)	-	-
Loans & receivables	29	40	34	46	47	43	31	32
Total	10	19	6	(9)	(7)	(11)	(27)	(23)
Canada	-	-	-	-	-	-	-	-
US	(17)	(19)	(24)	(44)	(43)	(44)	(55)	(52)
Europe	27	38	30	35	36	33	28	29
Total	10	19	6	(9)	(7)	(11)	(27)	(23)
Carrying Amount	275	291	313	345	359	372	345	352
Provisions for Future Credit Losses in Insurance Contract Liabilities	3,020	2,891	2,842	2,996	2,986	2,946	3,430	3,367

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

Lifeco Cash Flow Statements

(CSMM)	2018		2017			2016			Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2017
Operations									
Net earnings before income taxes	841	617	730	638	745	1,072	810	790	2,730
Income taxes paid, net of refunds received	(123)	(35)	(30)	(159)	(90)	(65)	(16)	(84)	(314)
Adjustments:									
Change in insurance and investment contract liabilities	(805)	1,993	249	497	1,652	(3,231)	3,184	3,967	4,391
Change in funds held by ceding insurers	231	312	114	206	225	24	186	35	857
Change in funds held under reinsurance contracts	(4)	8	22	6	4	(14)	27	10	40
Change in reinsurance assets	24	499	(56)	341	46	(468)	(47)	79	830
Changes in fair value through profit or loss	1,487	(1,415)	988	(304)	(735)	3,943	(2,307)	(3,129)	(1,466)
Other	(492)	308	(316)	67	(370)	128	(115)	109	(311)
	1,159	2,287	1,701	1,292	1,477	1,389	1,722	1,777	6,757
Financing Activities									
Issue of common shares	11	5	3	8	110	10	1	5	126
Issue of preferred shares	-	-	-	200	-	-	-	-	200
Purchased and cancelled common shares	(15)	(36)	(15)	(12)	-	-	(170)	(76)	(63)
Issue of euro-denominated debt	-	-	-	-	-	706	-	-	-
Increase (decrease) in line of credit of subsidiary	(94)	171	(93)	(54)	-	166	(104)	(52)	24
Issue of senior unsecured notes	-	-	-	925	-	-	-	-	925
Repayment of debentures	(200)	-	-	(1,284)	-	-	-	-	(1,284)
Issue of debentures	498	-	-	-	-	-	-	-	-
Increase (decrease) in debentures and other debt instruments	(18)	-	35	247	(284)	(1)	-	1	(2)
Share issue costs	-	-	2	(5)	-	-	-	-	(3)
Dividends paid on common shares	(385)	(363)	(364)	(363)	(363)	(340)	(342)	(344)	(1,453)
Dividends paid on preferred shares	(33)	(33)	(35)	(30)	(31)	(31)	(31)	(30)	(129)
Cash flow from financing activities	(236)	(256)	(467)	(368)	(568)	510	(646)	(496)	(1,659)
Investment Activities									
Bond sales and maturities	6,677	7,582	5,129	6,317	7,826	8,069	5,004	9,266	26,854
Mortgage loan repayments	655	783	811	680	563	633	691	630	2,837
Stock sales	482	798	1,465	427	753	781	304	507	3,443
Investment property sales	12	28	28	16	-	54	-	373	72
Change in loans to policyholders	3	(41)	(21)	(90)	(13)	36	75	(82)	(165)
Proceeds from assets held for sale	169	-	-	-	-	-	-	-	-
Business acquisitions, net of cash and equivalents acquired	(222)	-	(291)	-	-	-	(33)	-	(291)
Investment in bonds	(6,951)	(9,046)	(6,323)	(6,433)	(8,617)	(10,334)	(5,826)	(9,712)	(30,419)
Investment in mortgage loans	(1,094)	(980)	(653)	(1,049)	(961)	(485)	(893)	(1,134)	(3,643)
Investment in stocks	(601)	(714)	(1,567)	(270)	(576)	(432)	(417)	(904)	(3,127)
Investment in investment properties	(133)	(37)	(40)	(229)	(33)	(11)	(7)	(10)	(339)
Cash flow from investment activities	(1,003)	(1,627)	(1,462)	(631)	(1,058)	(1,689)	(1,102)	(1,066)	(4,778)
Effect of changes in exchange rates on cash & cash equivalents	124	41	(64)	3	(8)	(11)	18	(70)	(28)
Increase (decrease) in cash and cash equivalents	44	445	(292)	356	(217)	199	(8)	145	292
Cash and cash equivalents, beginning of period	3,551	3,106	3,398	3,042	3,259	3,060	3,068	2,923	3,259
Cash and cash equivalents, end of period	3,595	3,551	3,106	3,398	3,042	3,259	3,060	3,068	3,551

Statements of Accumulated and Contributed Surplus

Lifeco Accumulated & Contributed Surplus								
(C\$MM)	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Balance, beginning of year	12,241	11,612	11,612	11,612	11,612	10,551	10,551	10,551
Change in accounting policy	(64)	-	-	-	-	-	-	-
Revised balance, beginning of year	12,177	11,612	11,612	11,612	11,612	10,551	10,551	10,551
Net earnings - YTD	764	2,278	1,853	1,237	622	2,764	2,057	1,352
Stock option expense	16	58	41	32	21	72	49	35
Share issue / redemption costs	(50)	(50)	(22)	(15)	-	(210)	(210)	-
Dividends to shareholders								
Preferred shareholders	(33)	(129)	(96)	(61)	(31)	(123)	(92)	(61)
Common shareholders	(385)	(1,453)	(1,090)	(726)	(363)	(1,369)	(1,029)	(687)
Other	(57)	(75)	(72)	(69)	(74)	(73)	(48)	(124)
Balance, end of period	12,432	12,241	12,226	12,010	11,787	11,612	11,278	11,066

Lifeco Surplus - Participating Account								
(C\$MM)	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Balance, beginning of period	2,771	2,782	2,782	2,782	2,782	2,626	2,626	2,626
Net earnings before policyholder dividend - YTD	343	1,329	974	692	381	1,467	960	649
Participating policyholder dividend	(343)	(1,289)	(960)	(696)	(354)	(1,277)	(947)	(631)
Other	(8)	(51)	(43)	(25)	1	(34)	(9)	(3)
Balance, end of period	2,763	2,771	2,753	2,753	2,810	2,782	2,630	2,641
By Company:								
Great-West Life	619	622	612	609	612	610	614	611
London Life	1,786	1,796	1,796	1,738	1,786	1,798	1,726	1,759
Canada Life	343	339	331	390	395	357	274	255
GWL&A	15	14	14	16	17	17	16	16
	2,763	2,771	2,753	2,753	2,810	2,782	2,630	2,641

Reconciliation of Accumulated Other Comprehensive Income

Comprehensive Income

(C\$MM)	2018		2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Net Earnings	764	425	616	615	622	707	705	701	2,278
Other comprehensive income (loss) net of income taxes									
Unrealized foreign exchange gains (losses) on translation of foreign operations	755	251	(359)	(365)	(22)	(73)	80	(508)	(495)
Unrealized foreign exchange gains (losses) on euro debt designated as hedge of net investment in foreign operations	(69)	(35)	9	(52)	-	23	(13)	17	(78)
Unrealized gains (losses) on available for sale assets (after-tax)	(72)	19	(33)	(36)	24	(123)	28	103	(26)
Realized gains on available-for-sale assets (after-tax)	1	(10)	1	(10)	(6)	(7)	(19)	(15)	(25)
Unrealized gains (losses) on cash flow hedges (after-tax)	21	2	7	(18)	15	25	(4)	(13)	6
Realized gains on cash flow hedges (after-tax)	9	4	(6)	249	-	-	-	-	247
Non-controlling interests (after-tax)	6	(2)	38	22	(4)	45	-	(16)	54
Total Items that may be reclassified	651	229	(343)	(210)	7	(110)	72	(432)	(317)
Items that will not be reclassified to Consolidated Statement of Earnings									
Re-measurements on defined benefit pension and other post-employment benefit plans (after-tax)	37	(78)	104	(65)	(26)	362	(190)	(163)	(65)
Non-controlling interests (after-tax)	(1)	8	(12)	9	4	(25)	5	11	9
	36	(70)	92	(56)	(22)	337	(185)	(152)	(56)
Total other comprehensive income (loss)	687	159	(251)	(266)	(15)	227	(113)	(584)	(373)
Comprehensive income	1,451	584	365	349	607	934	592	117	1,905

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

(C\$MM)	2018		2017			2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Balance, beginning of year	386	746	746	746	746	2,218	2,218	2,218
Other comprehensive income	687	(373)	(532)	(281)	(15)	(1,472)	(1,699)	(1,586)
Disposal of investment in associate	-	13	13	13	13	-	-	-
Balance, end of period	1,073	386	227	478	744	746	519	632

Lifeco Sales (New Annualized Premium)

(C\$MM)	2018	2017				2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
New Annualized Premium									
Canada									
Individual Customer	2,525	2,537	2,033	2,293	2,860	2,648	1,984	2,062	9,723
Group Customer	1,297	1,235	907	940	803	1,223	1,133	615	3,885
Total Canada	3,822	3,772	2,940	3,233	3,663	3,871	3,117	2,677	13,608
U.S.									
Financial Services	11,841	8,146	10,769	6,815	10,392	7,265	11,670	6,042	36,122
Asset Management	13,235	11,016	10,404	10,119	13,960	11,119	11,341	10,623	45,499
Total U.S.	25,076	19,162	21,173	16,934	24,352	18,384	23,011	16,665	81,621
Europe									
Insurance & Annuities	5,739	7,325	5,362	4,835	4,416	4,410	4,645	5,550	21,938
Total New Annualized Premium	34,637	30,259	29,475	25,002	32,431	26,665	30,773	24,892	117,167

Lifeco Premiums & Deposits

(C\$MM)	2018	2017				2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Premiums & Deposits									
Canada									
Individual Customer	2,616	2,809	2,499	2,640	2,932	2,769	2,386	2,375	10,880
Group Customer	4,437	4,026	3,648	3,930	4,016	3,912	3,668	3,515	15,620
Total Canada	7,053	6,835	6,147	6,570	6,948	6,681	6,054	5,890	26,500
U.S.									
Financial Services	3,110	3,134	3,140	3,078	3,598	3,525	3,575	3,327	12,950
Asset Management	13,235	11,016	10,404	10,119	13,960	11,119	11,341	10,623	45,499
Total U.S.	16,345	14,150	13,544	13,197	17,558	14,644	14,916	13,950	58,449
Europe									
Insurance & Annuities	6,412	8,665	5,983	5,623	5,155	4,984	5,325	6,293	25,426
Reinsurance	3,316	2,995	2,837	3,020	3,877	3,730	2,967	2,038	12,729
Total Europe	9,728	11,660	8,820	8,643	9,032	8,714	8,292	8,331	38,155
Total Revenue Premium	33,126	32,645	28,511	28,410	33,538	30,039	29,262	28,171	123,104
Summary									
Risk-based premiums	8,174	8,494	8,293	7,761	9,354	8,905	8,334	6,871	33,902
ASO premiums	748	720	671	720	716	691	655	707	2,827
Segregated fund deposits									
Individual	3,988	5,357	3,641	4,142	3,897	3,399	3,211	3,213	17,037
Group	2,422	2,009	1,634	2,020	2,185	1,875	1,875	1,858	7,848
Proprietary mutual funds & institutional deposits	17,794	16,065	14,272	13,767	17,386	15,169	15,187	15,522	61,490
	33,126	32,645	28,511	28,410	33,538	30,039	29,262	28,171	123,104

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to premium income.

Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Lifeco Fee and Other Income

(C\$MM)	2018	2017				2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Fee and Other Income									
Canada									
Segregated funds	271	278	272	272	262	268	265	256	1,084
ASO contracts	48	49	44	49	49	41	39	42	191
Other	119	109	110	96	94	77	73	71	409
Total Canada	438	436	426	417	405	386	377	369	1,684
U.S.									
Segregated funds	22	22	21	22	15	16	16	15	80
Asset Management	290	295	302	308	288	236	231	232	1,193
Other	319	318	303	328	316	367	319	308	1,265
Total U.S.	631	635	626	658	619	619	566	555	2,538
Europe									
Segregated funds & Other	364	368	348	346	324	340	328	307	1,386
Total Europe	364	368	348	346	324	340	328	307	1,386
Total Fee and Other Income	1,433	1,439	1,400	1,421	1,348	1,345	1,271	1,231	5,608

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to fee and other income. Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Lifeco Expense Summary

(C\$MM)	2018	2017			2016			Fiscal 2017	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
Operating Expenses									
Canada	416	392	368	377	404	398	362	366	1,541
U.S.	537	567	493	527	558	593	584	569	2,145
Europe	279	274	242	248	234	250	230	220	998
Lifeco Corporate	5	4	6	2	9	9	4	6	21
Total Operating Expenses	1,237	1,237	1,109	1,154	1,205	1,250	1,180	1,161	4,705
Investment Expenses	33	33	30	28	31	27	26	27	122
Total Operating & Investment Expenses	1,270	1,270	1,139	1,182	1,236	1,277	1,206	1,188	4,827

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to operating expenses. Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Canada



Lifeco Canada Net Earnings – Consolidated

(C\$MM)	2018	2017				2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Income									
Premium income	3,151	3,464	3,220	3,178	3,284	3,597	3,117	2,896	13,146
Regular net investment income	612	639	640	642	613	636	631	665	2,534
Changes in fair value through profit or loss	(334)	1,001	(852)	282	375	(1,364)	579	940	806
Net investment income	278	1,640	(212)	924	988	(728)	1,210	1,605	3,340
Fee and other income	438	436	426	417	405	386	377	369	1,684
Total Income	3,867	5,540	3,434	4,519	4,677	3,255	4,704	4,870	18,170
Benefits and Expenses									
Paid or credited to policyholders	2,639	4,180	2,219	3,333	3,245	1,444	3,485	3,632	12,977
Commissions	315	358	320	328	539	624	392	382	1,545
General expenses	416	392	368	377	404	398	362	366	1,541
Restructuring and acquisition expenses	-	-	-	215	-	-	-	-	215
Other	137	133	137	133	139	134	132	128	542
Total Benefits and Expenses	3,507	5,063	3,044	4,386	4,327	2,600	4,371	4,508	16,820
Net Earnings before income taxes	360	477	390	133	350	655	333	362	1,350
Income tax	46	114	74	(22)	65	149	45	23	231
Net Earnings before non-controlling interests	314	363	316	155	285	506	288	339	1,119
Non-controlling interests	-	25	19	(31)	29	178	(3)	11	42
Net Earnings	314	338	297	186	256	328	291	328	1,077
Preferred share dividends	28	26	26	26	26	26	26	26	104
Net Earnings before Capital Allocation	286	312	271	160	230	302	265	302	973
Capital Allocation	30	26	25	25	25	24	24	25	101
Net Earnings - Common Shareholders	316	338	296	185	255	326	289	327	1,074
Common Shareholder Net Earnings (loss)									
Individual Customer	138	162	141	140	146	179	136	147	589
Group Customer	142	193	155	189	104	154	143	162	641
Corporate ⁽¹⁾	36	(17)	-	(144)	5	(7)	10	18	(156)
Total	316	338	296	185	255	326	289	327	1,074

1) Q2 2017 includes Canada restructuring costs of \$126m (after-tax). Q4 2017 includes a net charge for U.S. tax reform of \$19m (after-tax).

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to premium income, fee and other income, and operating expenses. Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Lifeco Canada – Individual Customer

		2018		2017			2016			Fiscal
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2017
<i>(CSMM)</i>										
Income										
	Premium income	370	373	357	353	392	379	366	344	1,475
	Net investment income	23	738	(412)	545	311	(918)	403	755	1,182
	Fee and other income	250	255	236	233	225	225	221	215	949
	Total Income	643	1,366	181	1,131	928	(314)	990	1,314	3,606
Benefits and Expenses										
	Paid or credited to									
	policyholders and beneficiaries	196	887	(216)	721	480	(772)	591	894	1,872
	Commissions	129	145	131	128	151	145	128	128	555
	General expenses	127	102	79	91	89	79	91	92	361
	Other	8	17	14	15	15	16	14	14	61
	Total Benefits and Expenses	460	1,151	8	955	735	(532)	824	1,128	2,849
	Net Earnings before income taxes	183	215	173	176	193	218	166	186	757
	Income tax	41	49	28	32	43	38	29	38	152
	Net Earnings before Capital Allocation	142	166	145	144	150	180	137	148	605
	Capital Allocation	(4)	(4)	(4)	(4)	(4)	(1)	(1)	(1)	(16)
	Net Earnings - Common Shareholders	138	162	141	140	146	179	136	147	589
Sales	Participating	48	67	53	66	227	286	122	115	413
	Universal Life	9	15	10	8	24	29	16	14	57
	Term/Permanent	11	14	14	16	16	15	16	15	60
	Third party	-	-	1	1	-	1	-	2	2
	Total Individual Life	68	96	78	91	267	331	154	146	532
	Critical Illness	4	5	4	5	4	6	6	5	18
	Disability	4	5	4	4	4	4	4	4	17
	Total Living Benefits	8	10	8	9	8	10	10	9	35
	Total Individual Insurance	76	106	86	100	275	341	164	155	567
	Risk-based	126	120	94	96	143	146	119	121	453
Segregated funds	1,314	1,450	1,128	1,286	1,535	1,426	1,124	1,138	5,399	
Proprietary mutual funds	388	320	296	364	388	326	259	270	1,368	
Third party	621	541	429	447	519	409	318	378	1,936	
Total Individual Wealth	2,449	2,431	1,947	2,193	2,585	2,307	1,820	1,907	9,156	
Total Individual Customer Sales	2,525	2,537	2,033	2,293	2,860	2,648	1,984	2,062	9,723	
Revenue Premium	Risk Based Premiums									
	Participating	1,001	1,322	1,029	1,068	1,117	1,219	971	988	4,536
	Individual Life	242	243	236	231	250	239	243	222	960
	Living Benefits	85	87	86	83	85	85	84	84	341
	Total Individual Insurance	1,328	1,652	1,351	1,382	1,452	1,543	1,298	1,294	5,837
	Risk-based revenue premiums	43	43	36	38	58	55	39	38	175
	Segregated funds deposits	922	863	849	906	1,094	908	819	820	3,712
	Proprietary mutual fund deposits	323	251	263	314	328	263	230	223	1,156
	Total Individual Wealth	1,288	1,157	1,148	1,258	1,480	1,226	1,088	1,081	5,043
	Total Individual Customer Revenue Premium	2,616	2,809	2,499	2,640	2,932	2,769	2,386	2,375	10,880

Lifeco Canada – Group Customer

		2018	2017				2016			Fiscal 2017
			Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM)</i>										
Income										
	Premium income	1,780	1,769	1,834	1,757	1,775	1,999	1,780	1,564	7,135
	Net investment income	128	235	24	172	155	5	176	235	586
	Fee and other income	170	169	161	165	160	147	144	142	655
	Total Income	2,078	2,173	2,019	2,094	2,090	2,151	2,100	1,941	8,376
Benefits and Expenses										
	Paid or credited to policyholders and beneficiaries	1,517	1,564	1,470	1,531	1,583	1,602	1,583	1,437	6,148
	Commissions	95	90	86	87	89	87	85	85	352
	General expenses	213	206	196	196	215	196	189	192	813
	Other	58	49	58	58	59	56	57	56	224
	Total Benefits and Expenses	1,883	1,909	1,810	1,872	1,946	1,941	1,914	1,770	7,537
Net Earnings before income taxes		195	264	209	222	144	210	186	171	839
	Income tax	51	69	51	30	37	55	42	9	187
Net Earnings before Capital Allocation		144	195	158	192	107	155	144	162	652
	Capital Allocation	(2)	(2)	(3)	(3)	(3)	(1)	(1)	-	(11)
Net Earnings - Common Shareholders		142	193	155	189	104	154	143	162	641
Sales	Small/mid-size case	67	85	101	65	71	86	73	76	322
	Large case	280	59	8	100	60	67	14	24	227
	Creditor/Direct marketing	14	17	27	21	3	27	3	19	68
	Total Group Insurance	361	161	136	186	134	180	90	119	617
	Risk-based	233	278	344	258	127	520	341	81	1,007
Revenue Premium	Segregated funds	703	796	427	490	542	523	702	415	2,255
	Third party	-	-	-	6	-	-	-	-	6
	Total Group Wealth	936	1,074	771	754	669	1,043	1,043	496	3,268
	Total Group Customer Sales	1,297	1,235	907	940	803	1,223	1,133	615	3,885
	Small/mid-size case - Insured	694	686	678	672	668	673	675	672	2,704
Large case -Insured	727	715	699	705	836	690	668	679	2,955	
ASO	748	720	671	720	716	691	655	707	2,827	
Creditor/Direct marketing	43	43	43	42	43	43	42	42	171	
Total Group Insurance	2,212	2,164	2,091	2,139	2,263	2,097	2,040	2,100	8,657	
Risk-based revenue premiums	316	325	413	339	227	593	395	171	1,304	
Segregated funds deposits	1,909	1,537	1,144	1,452	1,526	1,222	1,233	1,244	5,659	
Total Group Wealth	2,225	1,862	1,557	1,791	1,753	1,815	1,628	1,415	6,963	
Total Group Customer Revenue Premium	4,437	4,026	3,648	3,930	4,016	3,912	3,668	3,515	15,620	

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to premium income, fee and other income.

Fiscal year 2017 has been re.stated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A

Canada Wealth – Assets under Administration

<i>(C\$MM)</i>	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets Under Administration								
Individual Customer								
Risk-based products	5,164	5,252	5,234	5,370	5,471	5,527	5,717	5,742
Segregated funds	32,779	33,356	32,505	32,431	32,488	31,931	31,433	30,416
Proprietary mutual funds	6,190	6,211	5,980	5,873	5,774	5,530	5,340	5,110
Group Customer								
Risk-based products	8,096	7,978	7,797	7,663	7,555	7,595	7,328	7,208
Segregated funds	46,947	47,043	45,127	44,794	44,370	42,978	42,236	41,547
Institutional Assets	647	599	533	471	389	322	285	268
Total assets under management	99,823	100,439	97,176	96,602	96,047	93,883	92,339	90,291
Other assets under administration ⁽¹⁾								
Individual Customer	8,397	8,283	7,870	7,717	7,603	7,240	7,165	6,936
Group Customer	465	506	534	541	557	538	495	513
Total	8,862	8,789	8,404	8,258	8,160	7,778	7,660	7,449
Summary by Business/Product								
Individual Customer	52,530	53,102	51,589	51,391	51,336	50,228	49,655	48,204
Group Customer	56,155	56,126	53,991	53,469	52,871	51,433	50,344	49,536
Total assets under administration	108,685	109,228	105,580	104,860	104,207	101,661	99,999	97,740

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 – Participating Account ⁽¹⁾

(C\$MM)	2018		2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Income									
Premium income	1,001	1,322	1,029	1,068	1,117	1,219	971	988	4,536
Net investment income	92	653	161	192	501	166	604	579	1,507
Total Income	1,093	1,975	1,190	1,260	1,618	1,385	1,575	1,567	6,043
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	921	1,724	960	1,076	1,176	609	1,306	1,296	4,936
Commissions	91	123	103	113	299	392	179	169	638
General expenses	58	71	82	72	86	113	78	75	311
Restructuring and acquisition expenses	-	-	-	43	-	-	-	-	43
Other	33	30	28	26	30	31	27	27	114
Total Benefits and Expenses	1,103	1,948	1,173	1,330	1,591	1,145	1,590	1,567	6,042
Net Earnings (loss) before income taxes	(10)	27	17	(70)	27	240	(15)	-	1
Income tax	(10)	2	(2)	(39)	(2)	62	(12)	(11)	(41)
Net Earnings (loss) before non-controlling interests	-	25	19	(31)	29	178	(3)	11	42
Non-controlling interests	-	25	19	(31)	29	178	(3)	11	42
Net Earnings	-	-	-	-	-	-	-	-	-
Sales (New annualized premiums)	48	67	53	66	227	286	122	115	413
Risk-based revenue premiums	1,001	1,322	1,029	1,068	1,117	1,219	971	988	4,536

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)	2018	2017				2016			Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2017
Income									
Net investment income	35	14	15	15	21	19	27	36	65
Fee and other income	18	12	29	19	20	14	12	12	80
Total Income	53	26	44	34	41	33	39	48	145
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	5	5	5	5	6	5	5	5	21
General Expenses	18	13	11	18	14	10	4	7	56
Restructuring and acquisition expenses	-	-	-	172	-	-	-	-	172
Other	38	37	37	34	35	31	34	31	143
Total Benefits and Expenses	61	55	53	229	55	46	43	43	392
Net Earnings (loss) before income taxes	(8)	(29)	(9)	(195)	(14)	(13)	(4)	5	(247)
Income tax	(36)	(6)	(3)	(45)	(13)	(6)	(14)	(13)	(67)
Net Earnings (loss) before non-controlling interests	28	(23)	(6)	(150)	(1)	(7)	10	18	(180)
Non-controlling interests	-	-	-	-	-	-	-	-	-
Net Earnings (loss)	28	(23)	(6)	(150)	(1)	(7)	10	18	(180)
Preferred share dividends	28	26	26	26	26	26	26	26	104
Net Earnings (loss) before Capital Allocation	-	(49)	(32)	(176)	(27)	(33)	(16)	(8)	(284)
Capital Allocation	36	32	32	32	32	26	26	26	128
Net Earnings (loss) - Common Shareholders ⁽¹⁾	36	(17)	-	(144)	5	(7)	10	18	(156)

1) Q2 2017 includes Canada restructuring costs of \$126m (after-tax). Q4 2017 includes a net charge for U.S. tax reform of \$19m (after-tax).

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to fee and other income and operating expenses. Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Lifeco Canada – Balance Sheets

(C\$MM)

Assets	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Cash and cash equivalents	693	701	556	645	535	615	480	550
Bonds	46,582	46,304	45,159	45,661	45,288	44,718	44,825	44,531
Mortgage loans	13,491	13,142	12,912	13,118	12,900	12,892	13,072	12,997
Stocks	8,178	8,324	8,114	7,879	8,056	7,903	7,943	7,530
Investment properties	2,131	1,960	1,899	1,868	1,633	1,574	1,551	1,538
Loans to policyholders	2,720	2,679	2,677	2,655	2,627	2,609	2,597	2,593
Total invested assets	73,795	73,110	71,317	71,826	71,039	70,311	70,468	69,739
Reinsurance assets	133	119	248	112	434	480	436	397
Derivative financial instruments	161	187	198	184	162	165	240	234
Owner occupied properties	399	396	392	393	389	390	380	381
Fixed assets	153	151	156	152	156	158	163	149
Other assets	2,010	1,749	2,092	1,937	1,958	1,803	1,785	1,714
Total other assets	2,723	2,483	2,838	2,666	2,665	2,516	2,568	2,478
Deferred tax assets	206	202	249	235	188	182	232	225
Goodwill	4,010	3,969	4,079	3,787	3,787	3,787	3,787	3,787
Intangible assets	1,473	1,478	1,321	1,321	1,341	1,346	1,345	1,344
Investments on account of segregated fund policyholders	79,726	80,399	77,632	77,225	76,858	74,909	73,669	71,963
Total assets	162,066	161,760	157,684	157,172	156,312	153,531	152,505	149,933
Liabilities								
Insurance contract liabilities	66,615	66,135	64,453	64,322	63,660	62,800	63,608	62,362
Investment contract liabilities	296	325	338	342	343	344	344	351
	66,911	66,460	64,791	64,664	64,003	63,144	63,952	62,713
Debentures and other debt instruments	2,499	2,177	2,165	2,167	2,149	2,148	1,726	1,726
Funds held under reinsurance contracts	47	44	42	41	37	34	33	30
Other liabilities	4,507	4,202	3,919	4,300	3,992	4,026	3,944	4,114
Deferred tax liabilities	667	671	666	582	643	664	604	610
Capital trust securities and debentures	160	160	160	160	161	161	161	161
Investment and insurance contracts on account of segregated fund policyholders	79,726	80,399	77,632	77,225	76,858	74,909	73,669	71,963
Total liabilities	154,517	154,113	149,375	149,139	147,843	145,086	144,089	141,317
Equity								
Non-controlling interests	2,743	2,752	2,733	2,732	2,788	2,758	2,604	2,614
Share capital								
Perpetual preferred shares	2,164	2,164	2,164	2,164	1,964	1,964	1,964	1,964
Common shares	7,268	7,260	7,262	7,261	7,254	7,130	7,120	7,156
Accumulated surplus	(3,412)	(3,402)	(2,827)	(3,008)	(2,973)	(2,897)	(2,585)	(2,488)
Accumulated other comprehensive income (loss)	(646)	(558)	(453)	(545)	(397)	(352)	(528)	(469)
Contributed surplus	(568)	(569)	(570)	(571)	(167)	(158)	(159)	(161)
	7,549	7,647	8,309	8,033	8,469	8,445	8,416	8,616
Total liabilities and equity	162,066	161,760	157,684	157,172	156,312	153,531	152,505	149,933
Proprietary mutual funds and institutional net assets	6,837	6,810	6,513	6,344	6,163	5,852	5,625	5,378
Other assets under administration	12,978	11,580	11,135	16,196	16,011	15,911	15,815	15,537
Total assets under administration	181,881	180,150	175,332	179,712	178,486	175,294	173,945	170,848

Lifeco United States



Lifeco U.S. Net Earnings – Consolidated

	2018			2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
<i>(CSMM, unless otherwise stated)</i>										
Income										
Premium income	1,074	1,059	1,241	942	1,229	1,164	1,493	1,267		4,471
Regular net investment income	441	452	458	451	455	440	427	420		1,816
Changes in fair value through profit or loss	(580)	(48)	11	274	102	(1,008)	93	526		339
Net investment income	(139)	404	469	725	557	(568)	520	946		2,155
Fee and other income	631	635	626	658	619	619	566	555		2,538
Total Income	1,566	2,098	2,336	2,325	2,405	1,215	2,579	2,768		9,164
Benefits and Expenses										
Paid or credited to policyholders	752	1,294	1,492	1,476	1,552	387	1,776	1,996		5,814
Commissions	125	138	132	135	140	84	59	68		545
General expenses	537	567	493	527	558	593	584	569		2,145
Restructuring and acquisition expenses	-	-	-	-	17	35	4	4		17
Loss on assets held for sale	-	202	-	-	-	-	-	-		202
Other	62	41	61	70	68	69	66	63		240
Total Benefits and Expenses	1,476	2,242	2,178	2,208	2,335	1,168	2,489	2,700		8,963
Net Earnings before income taxes	90	(144)	158	117	70	47	90	68		201
Income tax	13	163	41	28	11	(9)	10	12		243
Net Earnings before non-controlling interests	77	(307)	117	89	59	56	80	56		(42)
Non-controlling interests	-	(14)	2	3	(1)	-	-	1		(10)
Net Earnings	77	(293)	115	86	60	56	80	55		(32)
Preferred share dividends	-	-	-	-	-	-	-	-		-
Net Earnings before Capital Allocation	77	(293)	115	86	60	56	80	55		(32)
Capital Allocation	(2)	(5)	(5)	(4)	(4)	(1)	(2)	(2)		(18)
Net Earnings - Common Shareholders	75	(298)	110	82	56	55	78	53		(50)
Common Shareholder Net Earnings (loss)										
Financial Services	91	80	104	88	85	80	89	74		357
Asset Management	(16)	(5)	6	(6)	(16)	(23)	(6)	(18)		(21)
Corporate ⁽¹⁾	-	(373)	-	-	(13)	(2)	(5)	(3)		(386)
Total	75	(298)	110	82	56	55	78	53		(50)
Common Shareholder Net Earnings (US \$)	59	(234)	88	62	42	41	60	40		(42)

1) Q4 2017 includes a net charge for U.S. tax reform of \$251 million and a net charge on the disposal of an equity investment of \$122 million.

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to fee and other income, commissions, and operating expenses. Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

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

		2018		2017			2016			Fiscal
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2017
<i>(C\$MM, unless otherwise stated)</i>										
Income										
Premium income		1,045	1,040	1,223	923	1,201	1,143	1,472	1,249	4,387
Net investment income		(137)	376	426	683	518	(526)	490	888	2,003
Fee and other income		341	340	324	350	331	383	335	323	1,345
Total Income		1,249	1,756	1,973	1,956	2,050	1,000	2,297	2,460	7,735
Benefits and Expenses										
Paid or credited to policyholders and beneficiaries		729	1,196	1,449	1,418	1,495	404	1,727	1,922	5,558
Commissions		63	72	68	67	72	75	69	59	279
General expenses		303	330	269	301	317	367	346	333	1,217
Other		31	32	30	30	31	30	31	28	123
Total Benefits and Expenses		1,126	1,630	1,816	1,816	1,915	876	2,173	2,342	7,177
Net Earnings before income taxes		123	126	157	140	135	124	124	118	558
Income tax		25	39	46	45	43	38	29	37	173
Net Income before non-controlling interests		98	87	111	95	92	86	95	81	385
Non-controlling interests		-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation		98	87	111	95	92	86	95	81	385
Capital Allocation		(7)	(7)	(7)	(7)	(7)	(6)	(6)	(7)	(28)
Net Earnings - Common Shareholders		91	80	104	88	85	80	89	74	357
Net Earnings - Common Shareholders (US\$)		72	64	83	66	64	59	68	56	277
Sales	Individual Markets	359	376	491	394	466	467	739	317	1,727
	Empower Retirement	11,482	7,770	10,278	6,421	9,926	6,798	10,931	5,725	34,395
	Total Sales	11,841	8,146	10,769	6,815	10,392	7,265	11,670	6,042	36,122
Total Sales (US \$)		9,398	6,414	8,615	5,086	7,873	5,462	8,908	4,684	27,988
Revenue Premium	Risk-based premiums	1,045	1,040	1,223	923	1,201	1,143	1,472	1,249	4,387
	Segregated fund deposits									
	Individual	275	280	232	206	230	263	196	123	948
	Group	513	472	490	568	659	653	642	614	2,189
	Proprietary Mutual Funds	1,248	1,323	1,177	1,362	1,480	1,445	1,244	1,323	5,342
	Total Revenue by Type⁽¹⁾	3,081	3,115	3,122	3,059	3,570	3,504	3,554	3,309	12,866
	Individual Markets	567	580	679	543	738	653	667	442	2,540
	Empower Retirement	2,514	2,535	2,443	2,516	2,832	2,851	2,887	2,867	10,326
	Total Revenue by Business Line⁽¹⁾	3,081	3,115	3,122	3,059	3,570	3,504	3,554	3,309	12,866
	Total Revenue Premium (US \$)	2,445	2,452	2,498	2,283	2,705	2,634	2,713	2,565	9,938

1. Excludes participating policy revenue premiums.

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

	2018	2017				2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM, unless otherwise stated)</i>									
Income									
Premium income	292	300	446	337	508	390	470	317	1,591
Net investment income	(86)	260	263	441	318	(313)	313	605	1,282
Fee and other income	38	33	34	36	34	31	30	30	137
Total Income	244	593	743	814	860	108	813	952	3,010
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	121	434	601	690	710	(60)	654	817	2,435
Commissions	22	31	27	25	29	33	26	22	112
General expenses	31	37	30	30	32	33	31	28	129
Other	8	10	8	5	8	10	10	5	31
Total Benefits and Expenses	182	512	666	750	779	16	721	872	2,707
Net Earnings before income taxes	62	81	77	64	81	92	92	80	303
Income tax	12	29	24	21	27	28	31	26	101
Net Income before non-controlling interests	50	52	53	43	54	64	61	54	202
Non-controlling interests	-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation	50	52	53	43	54	64	61	54	202
Capital Allocation	(6)	(5)	(5)	(6)	(5)	(6)	(6)	(7)	(21)
Net Earnings - Common Shareholders	44	47	48	37	49	58	55	47	181
Net Earnings - Common Shareholders (US\$)	35	36	39	28	37	44	42	36	140
Sales									
Individual Annuity	227	196	169	177	173	173	123	95	715
Executive Benefits	93	112	240	121	202	184	494	97	675
Individual Life	39	68	82	96	91	110	122	125	337
	359	376	491	394	466	467	739	317	1,727
Sales (US \$)	285	296	393	294	353	351	564	246	1,336
Revenue Premium									
Risk-based premiums	292	300	446	337	508	390	470	317	1,591
Segregated fund deposits	275	280	232	206	230	263	196	123	948
Proprietary Mutual Funds	-	-	1	-	-	-	1	2	1
Total Revenue by Type ⁽¹⁾	567	580	679	543	738	653	667	442	2,540
Total Revenue (US \$)	450	456	543	406	559	490	510	343	1,964

1. Excludes participating policy revenue premiums.

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

	2018	2017				2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM, unless otherwise stated)</i>									
Income									
Premium income	753	740	777	586	693	753	1,002	932	2,796
Net investment income	(60)	107	154	233	191	(222)	169	273	685
Fee and other income	303	307	290	314	297	352	305	293	1,208
Total Income	996	1,154	1,221	1,133	1,181	883	1,476	1,498	4,689
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	608	762	848	728	785	464	1,073	1,104	3,123
Commissions	41	41	41	42	43	42	43	38	167
General expenses	269	281	256	266	282	332	312	302	1,085
Other	13	13	14	16	14	11	12	12	57
Total Benefits and Expenses	931	1,097	1,159	1,052	1,124	849	1,440	1,456	4,432
Net Earnings before income taxes	65	57	62	81	57	34	36	42	257
Income tax	15	16	18	27	19	13	3	14	80
Net Income before non-controlling interests	50	41	44	54	38	21	33	28	177
Non-controlling interests	-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation	50	41	44	54	38	21	33	28	177
Capital Allocation	(6)	(5)	(5)	(5)	(6)	(4)	(4)	(4)	(21)
Net Earnings - Common Shareholders	44	36	39	49	32	17	29	24	156
Net Earnings - Common Shareholders (US \$)	35	30	31	36	24	12	22	18	121
Sales									
Empower Retirement	11,482	7,770	10,278	6,421	9,926	6,798	10,931	5,725	34,395
Sales (US \$)	9,113	6,118	8,222	4,792	7,520	5,111	8,344	4,438	26,652
Revenue Premium (by Type) ⁽¹⁾									
Risk-based premiums	753	740	777	586	693	753	1,002	932	2,796
Segregated fund deposits	513	472	490	568	659	653	642	614	2,189
Proprietary Mutual Funds	1,248	1,323	1,176	1,362	1,480	1,445	1,243	1,321	5,341
Total Revenue Premium (by Type)	2,514	2,535	2,443	2,516	2,832	2,851	2,887	2,867	10,326
Total Revenue Premium (US \$)	1,995	1,996	1,955	1,877	2,146	2,144	2,203	2,222	7,974

1. Excludes participating policy revenue premiums.

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to fee and other income and operating expenses. Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

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

	2018	2017			2016			Fiscal 2017	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
<i>(C\$MM, unless otherwise stated)</i>									
Income									
Net investment income	9	9	9	9	9	9	8	9	36
Total Income	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>8</u>	<u>9</u>	<u>36</u>
Benefits and Expenses									
General expenses	3	12	(17)	5	3	2	3	3	3
Other	10	9	8	9	9	9	9	10	35
Total Benefits and Expenses	<u>13</u>	<u>21</u>	<u>(9)</u>	<u>14</u>	<u>12</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>38</u>
Net Earnings (loss) before income taxes	<u>(4)</u>	<u>(12)</u>	<u>18</u>	<u>(5)</u>	<u>(3)</u>	<u>(2)</u>	<u>(4)</u>	<u>(4)</u>	<u>(2)</u>
Income tax	(2)	(6)	4	(3)	(3)	(3)	(5)	(3)	(8)
Net Earnings (loss) before Capital Allocation	<u>(2)</u>	<u>(6)</u>	<u>14</u>	<u>(2)</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>(1)</u>	<u>6</u>
Capital Allocation	5	3	3	4	4	4	4	4	14
Net Earnings (loss) - Common Shareholders	<u><u>3</u></u>	<u><u>(3)</u></u>	<u><u>17</u></u>	<u><u>2</u></u>	<u><u>4</u></u>	<u><u>5</u></u>	<u><u>5</u></u>	<u><u>3</u></u>	<u><u>20</u></u>
Net Earnings - Common Shareholders (US\$)	2	(2)	13	2	3	3	4	2	16

1) Other reflects certain expense items of the Financial Services segment.

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

<i>(000's)</i>	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Empower Retirement	8,495	8,334	8,304	8,272	8,234	8,055	8,032	8,019
Individual Markets	434	446	444	448	455	458	456	461
Total	8,929	8,780	8,748	8,720	8,689	8,513	8,488	8,480

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

<i>(C\$MM)</i>	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
General Account	16,437	15,885	15,718	16,015	16,360	16,373	15,814	15,173
Segregated Funds	23,551	23,947	24,093	25,520	26,086	26,024	25,989	25,628
Proprietary Mutual Funds	31,247	29,944	28,657	28,421	27,982	26,733	25,206	23,325
Unaffiliated Retail Investment Options & ASO	617,388	597,596	567,984	572,286	564,833	534,426	514,614	495,364

Lifeco U.S. – Asset Management

	2018		2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM, unless otherwise stated)</i>									
Income									
Net investment income	3	6	16	(1)	7	(6)	3	(1)	28
Fee and other income	290	295	302	308	288	236	231	232	1,193
Total Income	293	301	318	307	295	230	234	231	1,221
Benefits and Expenses									
Commissions	61	66	64	67	67	8	(11)	8	264
General expenses	233	226	223	225	237	228	235	237	911
Other	31	8	29	38	35	34	34	33	110
Restructuring and acquisition expenses	-	-	-	-	-	33	-	-	-
Total Benefits and Expenses	325	300	316	330	339	303	258	278	1,285
Net Earnings (loss) before income taxes	(32)	1	2	(23)	(44)	(73)	(24)	(47)	(64)
Income tax	(11)	5	(5)	(17)	(25)	(46)	(16)	(24)	(42)
Net Earnings (loss) before non-controlling interests	(21)	(4)	7	(6)	(19)	(27)	(8)	(23)	(22)
Non-controlling interests	-	3	3	3	-	1	2	-	9
Net Earnings (loss) before Capital Allocation	(21)	(7)	4	(9)	(19)	(28)	(10)	(23)	(31)
Capital Allocation	5	2	2	3	3	5	4	5	10
Net Earnings (loss) - Common Shareholders ⁽¹⁾	(16)	(5)	6	(6)	(16)	(23)	(6)	(18)	(21)
Net Earnings (loss) - Common Shareholders (US\$) ⁽¹⁾	(13)	(4)	5	(4)	(12)	(17)	(5)	(14)	(15)
Sales (C\$)									
Gross sales ⁽²⁾	13,235	11,016	10,404	10,119	13,960	11,119	11,341	10,623	45,499
Redemptions	(14,753)	(12,069)	(10,283)	(11,315)	(12,227)	(13,049)	(10,743)	(11,509)	(45,893)
Net Sales	(1,518)	(1,053)	121	(1,196)	1,733	(1,930)	598	(886)	(394)
Fee Income (C\$)									
Investment management fees	203	204	198	208	198	194	194	188	808
Performance fees	(11)	(10)	5	(5)	(13)	(5)	(13)	(6)	(23)
Service fees	36	37	36	39	38	37	39	39	150
Underwriting & distribution fees	62	64	63	66	65	10	11	11	258
Total Fee Income (C\$)	290	295	302	308	288	236	231	232	1,193
Fee Income (US \$)	230	232	240	230	219	178	176	179	921

1) Q4 2016 includes Putnam restructuring costs of \$20m (after-tax)

2) Includes dividends reinvested

Note: Effective Jan. 1, 2018 the Company adopted IFRS 15 *Revenue from Contracts with Customers*, which resulted in reclassifications to fee and other income, and commissions.

Fiscal year 2017 has been restated as described in note 2 to the Company's Mar. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Lifeco U.S. – Asset Management AUM

	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>(C\$MM, unless otherwise stated)</i>								
Mutual Funds								
Growth equity	14,369	13,881	13,100	13,109	13,015	12,282	12,339	11,749
Value equity	21,996	22,185	21,279	21,476	22,090	21,921	20,719	20,180
Blend equity	27,567	28,502	28,381	29,436	29,774	29,268	29,872	30,239
Fixed income	36,086	34,433	33,298	33,794	33,769	32,905	31,837	30,923
Total Mutual Funds	100,018	99,001	96,058	97,815	98,648	96,376	94,767	93,091
Institutional Accounts								
Equity	78,912	79,772	76,119	74,394	72,783	67,071	65,594	60,514
Fixed income	39,684	37,265	37,570	39,578	41,296	40,396	41,114	38,340
Total Institutional Accounts	118,596	117,037	113,689	113,972	114,079	107,467	106,708	98,854
Total End of Period Assets Under Management	218,614	216,038	209,747	211,787	212,727	203,843	201,475	191,945
Total End of Period Assets Under Management - US\$	169,468	171,458	167,798	162,913	159,945	152,122	153,798	147,650

Lifeco U.S. – Participating Account

<i>(C\$MM, unless otherwise stated)</i>	2018	2017			2016			Fiscal 2017	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
Income									
Premium income	29	19	18	19	28	21	21	18	84
Net investment income	(5)	22	27	43	32	(36)	27	59	124
Total Income	<u>24</u>	<u>41</u>	<u>45</u>	<u>62</u>	<u>60</u>	<u>(15)</u>	<u>48</u>	<u>77</u>	<u>208</u>
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	23	37	43	58	57	(17)	49	74	195
Commissions	1	-	-	1	1	1	1	1	2
General expenses	1	1	1	1	1	1	1	1	4
Other	-	-	2	2	2	1	-	-	6
Total Benefits and Expenses	<u>25</u>	<u>38</u>	<u>46</u>	<u>62</u>	<u>61</u>	<u>(14)</u>	<u>51</u>	<u>76</u>	<u>207</u>
Net Earnings (loss) before income taxes	<u>(1)</u>	<u>3</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>(3)</u>	<u>1</u>	<u>1</u>
Income tax	(1)	1	-	-	-	-	(1)	-	1
Net Earnings (loss) before non-controlling interests	<u>-</u>	<u>2</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>(2)</u>	<u>1</u>	<u>-</u>
Non-controlling interests	-	2	(1)	-	(1)	(1)	(2)	1	-
Net Earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue Premium									
Risk-based premiums	29	19	18	19	28	21	21	18	84
Revenue Premium (US \$)	<u>23</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>21</u>	<u>16</u>	<u>16</u>	<u>14</u>	<u>65</u>

Lifeco U.S. – Corporate (1)

	2018	2017			2016			Fiscal 2017	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
<i>(C\$MM, unless otherwise stated)</i>									
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	-	61	-	-	-	-	-	-	61
General expenses	-	10	-	-	3	(3)	2	(2)	13
Restructuring and acquisition expenses	-	-	-	-	17	2	4	4	17
Loss on assets held for sale	-	202	-	-	-	-	-	-	202
Other	-	1	-	-	-	4	1	2	1
Total Benefits and Expenses	-	274	-	-	20	3	7	4	294
Net Earnings (loss) before income taxes	-	(274)	-	-	(20)	(3)	(7)	(4)	(294)
Income tax	-	118	-	-	(7)	(1)	(2)	(1)	111
Net Earnings (loss) before non-controlling interests	-	(392)	-	-	(13)	(2)	(5)	(3)	(405)
Non-controlling interests	-	(19)	-	-	-	-	-	-	(19)
Net Earnings (loss) before Capital Allocation	-	(373)	-	-	(13)	(2)	(5)	(3)	(386)
Capital Allocation	-	-	-	-	-	-	-	-	-
Net Earnings (loss) - Common Shareholders	-	(373)	-	-	(13)	(2)	(5)	(3)	(386)
Net Earnings - Common Shareholders (US\$)	-	(294)	-	-	(10)	(1)	(3)	(2)	(304)

1) The US Corporate segment primarily reflects acquisition expenses and restructuring costs related to the acquisition of J.P. Morgan Retirement Services large-market recordkeeping business.

In addition, U.S. Corporate includes general expenses of \$5 million in Q3/16 and \$3 million in Q1/17 related to legal costs for discontinued operations. Q4 2017 includes a net charge for U.S. tax reform of \$251 million and a net charge on the disposal of an equity investment of \$122 million.

Lifeco U.S. Balance Sheets

(C\$MM)

Assets	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Cash and cash equivalents	854	1,017	893	1,042	885	852	1,026	932
Bonds	32,553	32,190	31,785	32,274	32,718	32,973	32,727	31,660
Mortgage loans	5,811	5,447	5,315	5,479	5,503	5,169	5,074	4,951
Stocks	123	112	175	161	167	160	161	152
Investment properties	5	5	5	5	5	5	5	5
Loans to policyholders	5,577	5,492	5,410	5,627	5,696	5,745	5,665	5,702
Total invested assets	44,923	44,263	43,583	44,588	44,974	44,904	44,658	43,402
Reinsurance assets	298	287	295	318	330	323	331	343
Derivative financial instruments	45	67	126	157	188	200	197	210
Owner occupied properties	175	172	168	175	179	180	174	174
Fixed assets	100	93	83	83	86	90	90	88
Other assets	2,764	2,299	2,238	2,349	2,448	2,170	2,447	2,341
Total other assets	3,084	2,631	2,615	2,764	2,901	2,640	2,908	2,813
Deferred tax assets	763	700	1,069	1,109	1,323	1,388	1,351	1,365
Goodwill	198	194	192	199	203	205	201	199
Intangible assets	1,821	1,781	2,034	2,119	2,166	2,183	2,129	2,114
Assets held for sale	-	169	-	-	-	-	-	-
Investments on account of segregated fund policyholders	33,983	34,038	33,701	35,224	35,728	35,414	35,075	34,393
Total assets	85,070	84,063	83,489	86,321	87,625	87,057	86,653	84,629
Liabilities								
Insurance contract liabilities	40,355	39,799	39,290	40,328	40,808	40,662	40,497	39,480
Investment contract liabilities	165	171	176	190	202	209	208	216
	40,520	39,970	39,466	40,518	41,010	40,871	40,705	39,696
Debentures and other debt instruments	2,319	2,388	2,204	2,334	2,551	2,559	2,372	2,468
Other liabilities	2,436	2,036	1,975	2,007	2,254	2,088	2,729	2,413
Deferred tax liabilities	121	81	297	290	299	329	271	280
Investment and insurance contracts on account of segregated fund policyholders	33,983	34,038	33,701	35,224	35,728	35,414	35,075	34,393
Total liabilities	79,379	78,513	77,643	80,373	81,842	81,261	81,152	79,250
Equity								
Non-controlling interests	206	185	225	234	285	248	219	217
Accumulated surplus	4,001	4,014	4,312	4,201	4,112	4,114	4,070	3,992
Accumulated other comprehensive income (loss)	795	639	610	821	1,106	1,129	915	884
Contributed surplus	689	712	699	692	280	305	297	286
	5,691	5,550	5,846	5,948	5,783	5,796	5,501	5,379
Total liabilities and equity	85,070	84,063	83,489	86,321	87,625	87,057	86,653	84,629
Proprietary mutual funds and institutional net assets	235,926	232,623	225,481	227,545	228,245	219,699	216,458	205,830
Other assets under administration	617,388	597,596	567,984	572,289	564,835	534,428	514,616	495,366
Total assets under administration	938,384	914,282	876,954	886,155	880,705	841,184	817,727	785,825

Europe



Lifeco Europe Net Earnings – Consolidated

(C\$MM)	2018		2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Income									
Premium income	3,949	3,971	3,832	3,641	4,841	4,144	3,724	2,708	16,285
Regular net investment income	517	471	418	496	402	433	438	487	1,787
Changes in fair value through profit or loss	(573)	462	(147)	(252)	258	(1,571)	1,635	1,663	321
Net investment income	(56)	933	271	244	660	(1,138)	2,073	2,150	2,108
Fee and other income	364	368	348	346	324	340	328	307	1,386
Total Income	4,257	5,272	4,451	4,231	5,825	3,346	6,125	5,165	19,779
Benefits and Expenses									
Paid or credited to policyholders	3,389	4,513	3,856	3,418	5,065	2,542	5,328	4,407	16,852
Commissions	154	150	127	146	134	145	133	149	557
General expenses	279	274	242	248	234	250	230	220	998
Restructuring and Acquisition Expenses	-	5	1	1	20	-	15	1	27
Other	42	44	37	29	37	26	30	23	147
Total Benefits and Expenses	3,864	4,986	4,263	3,842	5,490	2,963	5,736	4,800	18,581
Net Earnings before income taxes	393	286	188	389	335	383	389	365	1,198
Income tax	18	(95)	(20)	45	23	51	51	46	(47)
Net Earnings before non-controlling interests	375	381	208	344	312	332	338	319	1,245
Non-controlling interests	-	(1)	-	-	(1)	(1)	-	1	(2)
Net Earnings	375	382	208	344	313	333	338	318	1,247
Preferred share dividends	5	5	5	4	5	5	5	4	19
Net Earnings before Capital Allocation	370	377	203	340	308	328	333	314	1,228
Capital Allocation	(26)	(19)	(19)	(19)	(19)	(21)	(20)	(21)	(76)
Net Earnings - Common Shareholders	344	358	184	321	289	307	313	293	1,152
Common Shareholder Net Earnings (loss)									
Insurance & Annuities	244	250	233	239	225	225	251	225	947
Reinsurance ⁽¹⁾	104	67	(41)	83	81	86	54	74	190
Corporate ⁽²⁾	(4)	41	(8)	(1)	(17)	(4)	8	(6)	15
Total	344	358	184	321	289	307	313	293	1,152

1) Q3 2017 includes a loss estimate of \$175m (after-tax) relating to estimated hurricane claims

2) Q4 2017 includes a net benefit for U.S. tax reform of \$54m after-tax.

Lifeco Europe – Insurance & Annuities

	2018		2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<i>(C\$MM)</i>									
Income									
Premium income	627	968	989	614	957	405	748	663	3,528
Net investment income	70	710	202	120	415	(846)	1,524	1,603	1,447
Fee and other income	360	361	344	342	319	333	324	303	1,366
Total Income	1,057	2,039	1,535	1,076	1,691	(108)	2,596	2,569	6,341
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	365	1,374	919	416	1,094	(757)	1,959	1,962	3,803
Commissions	112	114	91	104	93	107	91	108	402
General expenses	251	247	220	228	215	228	213	201	910
Other	32	27	24	23	20	20	16	9	94
Total Benefits and Expenses	760	1,762	1,254	771	1,422	(402)	2,279	2,280	5,209
Net Earnings before income taxes	297	277	281	305	269	294	317	289	1,132
Income tax	19	2	25	41	19	47	43	39	87
Net Earnings before non-controlling interests	278	275	256	264	250	247	274	250	1,045
Non-controlling interests	-	-	-	-	-	-	-	-	-
Net Earnings	278	275	256	264	250	247	274	250	1,045
Perpetual share dividends	-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation	278	275	256	264	250	247	274	250	1,045
Capital Allocation	(34)	(25)	(23)	(25)	(25)	(22)	(23)	(25)	(98)
Net Earnings - Common Shareholders	244	250	233	239	225	225	251	225	947
Sales									
UK / Isle of Man	949	809	1,086	873	1,095	591	754	671	3,863
Ireland / Germany	4,790	6,516	4,276	3,962	3,321	3,819	3,891	4,879	18,075
Total - Insurance & Annuities	5,739	7,325	5,362	4,835	4,416	4,410	4,645	5,550	21,938
Revenue Premium									
Risk-based revenue premiums	627	968	989	614	957	405	748	663	3,528
Segregated fund deposits	2,791	4,214	2,560	3,030	2,573	2,228	2,196	2,270	12,377
Proprietary mutual funds & institutional deposits	2,988	3,475	2,428	1,972	1,618	2,342	2,372	3,353	9,493
	6,406	8,657	5,977	5,616	5,148	4,975	5,316	6,286	25,398
UK / Isle of Man	955	969	1,125	1,099	1,230	692	902	961	4,423
Ireland / Germany	5,451	7,688	4,852	4,517	3,918	4,283	4,414	5,325	20,975
Total - Insurance & Annuities ⁽¹⁾	6,406	8,657	5,977	5,616	5,148	4,975	5,316	6,286	25,398

1. Excludes participating policy revenue premiums.

Lifeco Europe – Reinsurance

(C\$MM)	2018	2017			2016			Fiscal	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2017
Income									
Premium income	3,316	2,995	2,837	3,020	3,877	3,730	2,967	2,038	12,729
Net investment income	(101)	197	59	102	222	(244)	509	498	580
Fee and other income	4	7	4	4	5	7	4	4	20
Total Income	3,219	3,199	2,900	3,126	4,104	3,493	3,480	2,540	13,329
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	3,045	3,060	2,921	2,971	3,947	3,338	3,348	2,391	12,899
Commissions	42	36	36	42	41	38	42	41	155
General expenses	20	18	16	17	17	20	15	16	68
Other	5	9	6	5	7	4	7	6	27
Total Benefits and Expenses	3,112	3,123	2,979	3,035	4,012	3,400	3,412	2,454	13,149
Net Earnings (loss) before income taxes	107	76	(79)	91	92	93	68	86	180
Income tax	1	6	(42)	5	8	4	11	9	(23)
Net Earnings (loss) before non-controlling interests	106	70	(37)	86	84	89	57	77	203
Non-controlling interests	-	-	-	-	-	-	-	-	-
Net Earnings (loss)	106	70	(37)	86	84	89	57	77	203
Preferred share dividends	-	-	-	-	-	-	-	-	-
Net Earnings (loss) before Capital Allocation	106	70	(37)	86	84	89	57	77	203
Capital Allocation	(2)	(3)	(4)	(3)	(3)	(3)	(3)	(3)	(13)
Net Earnings (loss) - Common Shareholders ⁽¹⁾	104	67	(41)	83	81	86	54	74	190
Risk-based revenue premiums	3,316	2,995	2,837	3,020	3,877	3,730	2,967	2,038	12,729

1) Q3 2017 includes a loss estimate of \$175m (after-tax) relating to estimated hurricane claims.

Lifeco Europe – Participating Account

(C\$MM)	2018	2017			2016			Fiscal 2017	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3		Q2
Income									
Premium income	6	8	6	7	7	9	9	7	28
Net investment income	(23)	25	10	21	22	(48)	16	50	78
Fee and other income	-	-	-	-	-	-	-	-	-
Total Income	(17)	33	16	28	29	(39)	25	57	106
Benefits and Expenses									
Paid or credited to policyholders and beneficiaries	(18)	31	16	30	24	(37)	21	53	101
Commissions	-	-	-	-	-	-	-	-	-
General expenses	1	-	1	2	1	1	1	1	4
Other	-	3	(1)	(4)	5	(2)	3	2	3
Total Benefits and Expenses	(17)	34	16	28	30	(38)	25	56	108
Net Earnings (loss) before income taxes	-	(1)	-	-	(1)	(1)	-	1	(2)
Income tax	-	-	-	-	-	-	-	-	-
Net Earnings (loss) before non-controlling interests	-	(1)	-	-	(1)	(1)	-	1	(2)
Non-controlling interests	-	(1)	-	-	(1)	(1)	-	1	(2)
Net Earnings	-	-	-	-	-	-	-	-	-
Risk-based revenue premiums	6	8	6	7	7	9	9	7	28

Lifeco Europe – Corporate

(C\$MM)	2018	2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
Income								
Premium income	-	-	-	-	-	-	-	-
Net investment income	(2)	1	-	1	1	-	24	(1)
Fee and other income	-	-	-	-	-	-	-	-
Total Income	(2)	1	-	1	1	-	24	(1)
Benefits and Expenses								
Paid or credited to policyholders and beneficiaries	(3)	48	-	1	-	(2)	-	1
Commissions	-	-	-	-	-	-	-	-
General expenses	7	9	5	1	1	1	1	3
Restructuring and acquisition expenses	-	5	1	1	20	-	15	1
Other	5	5	8	5	5	4	4	5
Total Benefits and Expenses	9	67	14	8	26	3	20	10
Net Earnings (loss) before income taxes	(11)	(66)	(14)	(7)	(25)	(3)	4	(11)
Income tax	(2)	(103)	(3)	(1)	(4)	-	(3)	(2)
Net Earnings (loss)	(9)	37	(11)	(6)	(21)	(3)	7	(9)
Preferred shareholder dividends	5	5	5	4	5	5	5	4
Net Earnings (loss) before Capital Allocation	(14)	32	(16)	(10)	(26)	(8)	2	(13)
Capital Allocation	10	9	8	9	9	4	6	7
Net Earnings (loss) - Common Shareholders ⁽¹⁾	(4)	41	(8)	(1)	(17)	(4)	8	(6)

1) Q4 2017 includes a net benefit for U.S. tax reform of \$54m after-tax.

Lifeco Europe – Balance Sheets

(C\$MM)

Assets	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Cash and cash equivalents	2,048	1,833	1,657	1,711	1,622	1,792	1,554	1,586
Bonds	45,370	41,710	39,804	40,280	39,835	39,082	40,180	38,611
Mortgage loans	4,553	3,596	3,644	3,704	3,624	3,590	3,642	3,625
Stocks	424	428	418	395	454	602	743	708
Investment properties	3,081	2,886	2,834	2,835	2,783	2,761	2,892	2,834
Loans to policyholders	111	109	107	112	113	113	110	108
Total invested assets	55,587	50,562	48,464	49,037	48,431	47,940	49,121	47,472
Funds withheld by ceding insurers	10,070	9,893	9,977	10,317	10,496	10,781	12,558	12,418
Reinsurance assets	5,834	4,639	4,875	4,986	4,815	4,824	4,537	4,196
Derivative financial instruments	145	130	112	122	126	163	188	201
Owner occupied properties	144	138	133	85	80	79	79	78
Fixed assets	64	59	56	58	56	56	59	57
Other assets	3,510	3,157	2,783	2,827	2,935	2,771	2,758	2,443
Total other assets	3,863	3,484	3,084	3,092	3,197	3,069	3,084	2,779
Deferred tax assets	39	28	21	33	19	23	16	24
Goodwill	2,300	2,016	2,002	2,006	1,986	1,985	2,034	1,899
Intangible assets	500	473	459	460	445	443	413	401
Investments on account of segregated fund policyholders	107,322	102,920	96,713	96,087	92,080	90,080	90,418	86,369
Total assets	185,515	174,015	165,595	166,018	161,469	159,145	162,181	155,558
Liabilities								
Insurance contract liabilities	58,678	53,590	52,514	53,147	52,851	52,478	55,504	53,791
Investment contract liabilities	1,316	1,345	1,366	1,421	1,455	1,456	1,539	1,509
Debt securities	59,994	54,935	53,880	54,568	54,306	53,934	57,043	55,300
Debentures and other debt instruments	1,107	1,052	1,023	1,030	988	1,273	1,028	1,010
Funds held under reinsurance contracts	1,405	329	309	295	289	286	305	283
Other liabilities	2,071	1,998	1,953	2,066	2,144	2,277	2,536	1,936
Deferred tax liabilities	421	442	486	525	542	528	512	454
Investment and insurance contracts on account of segregated fund policyholders	107,322	102,920	96,713	96,087	92,080	90,080	90,418	86,369
Total liabilities	172,320	161,676	154,364	154,571	150,349	148,378	151,842	145,352
Equity								
Non-controlling interests	(1)	(2)	(1)	(1)	-	-	2	2
Share capital								
Perpetual preferred shares	550	550	550	550	550	550	550	550
Common shares	-	-	-	-	-	-	-	-
Accumulated surplus	11,722	11,486	10,612	10,696	10,535	10,248	9,655	9,437
Accumulated other comprehensive income (loss)	924	305	70	202	35	(31)	132	217
Contributed surplus	-	-	-	-	-	-	-	-
	13,195	12,339	11,231	11,447	11,120	10,767	10,339	10,206
Total liabilities and equity	185,515	174,015	165,595	166,018	161,469	159,145	162,181	155,558
Proprietary mutual funds and institutional net assets	43,080	39,521	37,000	37,797	35,713	33,664	34,461	32,480
Other assets under administration	43,231	41,945	39,413	39,148	39,218	38,952	40,044	38,975
Total assets under administration	271,826	255,481	242,008	242,963	236,400	231,761	236,686	227,013

Lifeco Corporate

(C\$MM)	2018	2017			2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	
Income								
Premium income		-	-	-	-	-	-	-
Net investment income	3	2	1	2	(1)	(2)	-	4
Fee and other income	-	-	-	-	-	-	-	-
Total Income	3	2	1	2	(1)	(2)	-	4
Benefits and Expenses								
General expenses	5	4	6	2	9	9	4	6
Other	-	-	1	1	-	2	(2)	3
Total Benefits and Expenses	5	4	7	3	9	11	2	9
Net Earnings (loss) before income taxes	(2)	(2)	(6)	(1)	(10)	(13)	(2)	(5)
Income tax	-	-	(2)	-	(3)	(3)	2	(5)
Net Earnings (loss) before non-controlling interests	(2)	(2)	(4)	(1)	(7)	(10)	(4)	-
Non-controlling interests	-	-	-	-	-	-	-	-
Net Earnings (loss)	(2)	(2)	(4)	(1)	(7)	(10)	(4)	-
Preferred share dividends	-	2	4	-	-	-	-	-
Net Earnings (loss) before Capital Allocation	(2)	(4)	(8)	(1)	(7)	(10)	(4)	-
Capital Allocation	(2)	(2)	(1)	(2)	(2)	(2)	(2)	(2)
Net Earnings (loss) - Common Shareholders	(4)	(6)	(9)	(3)	(9)	(12)	(6)	(2)

Lifeco – Consolidated Source of Earnings

(C\$MM)	For the three months ended Mar. 31, 2018					2017				2016			Fiscal 2017
	Canada	U.S.	Europe	Corp	Total	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Expected profit on in-force business	302	120	293	(4)	711	704	682	681	605	695	661	633	2,672
Impact of new business	(2)	(34)	(60)	-	(96)	(18)	(12)	(61)	(24)	(43)	(77)	(44)	(115)
Experience gains and losses	58	(4)	32	(1)	85	83	(91)	230	119	88	11	49	341
Management actions and changes in assumptions	11	-	124	-	135	125	152	38	44	141	223	129	359
Impact of U.S. tax reform on insurance contract liabilities & expenses	-	-	-	-	-	(119)	-	-	-	-	-	-	(119)
Other	-	-	-	-	-	(187)	(1)	(174)	(40)	(35)	(24)	(5)	(402)
Earnings on surplus (incl. financing charges)	31	7	(22)	1	17	1	(16)	(5)	16	(12)	34	25	(4)
Net income before tax	400	89	367	(4)	852	589	714	709	720	834	828	787	2,732
Taxes (excl. impact of U.S. tax reform)	(56)	(14)	(18)	-	(88)	(64)	(95)	(91)	(98)	(127)	(121)	(86)	(348)
U.S. tax reform impact on deferred tax balances	-	-	-	-	-	(154)	-	-	-	-	-	-	(154)
Tax recovery on impact of U.S. tax reform on insurance contract liabilities & expenses	-	-	-	-	-	38	-	-	-	-	-	-	38
Net income before non-controlling interests & preferred dividends	344	75	349	(4)	764	409	619	618	622	707	707	701	2,268
Non-controlling interests & preferred dividends	(28)	-	(5)	-	(33)	(36)	(38)	(33)	(31)	(31)	(33)	(30)	(138)
Impact of U.S. tax reform on non-controlling interests	-	-	-	-	-	19	-	-	-	-	-	-	19
Net income - Common Shareholders	316	75	344	(4)	731	392	581	585	591	676	674	671	2,149

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. The impact of U.S. tax reform has been separated out in this presentation.

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>(CSMM)</i>	2018	2017				2016			Fiscal 2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Expected profit on in-force business	4	5	4	10	(12)	1	(13)	(12)	7
Impact of new business	(9)	(8)	(5)	(8)	(8)	(8)	(8)	(8)	(29)
Experience gains and losses	(11)	-	15	4	(3)	1	2	1	16
Management actions and changes in assumptions	-	-	-	-	-	-	19	-	-
Other	-	20	-	-	-	(33)	-	-	20
Earnings on surplus (incl. financing charges)	(11)	(14)	(10)	(26)	(18)	(29)	(20)	(23)	(68)
Net income before tax	(27)	3	4	(20)	(41)	(68)	(20)	(42)	(54)
Taxes	11	(5)	5	17	25	45	16	24	42
Net income before non-controlling interests & preferred dividends	(16)	(2)	9	(3)	(16)	(23)	(4)	(18)	(12)
Non-controlling interests & preferred dividends	-	(3)	(3)	(3)	-	-	(2)	-	(9)
Net income - common shareholders ⁽¹⁾	(16)	(5)	6	(6)	(16)	(23)	(6)	(18)	(21)

1) Q4 2016 includes Putnam restructuring costs of \$20m (after-tax)