

GREAT-WEST LIFECO INC.

Supplemental Information Package For Analysts and Investors (Unaudited) Q2 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 Q2 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 \$1,423 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 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|---|---------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Income | | | | | | | | | | | |
| Premium Income | 7,905 | 8,174 | 8,494 | 8,293 | 7,761 | 9,354 | 8,905 | 8,334 | 16,079 | 17,115 | 33,902 |
| Net Investment Income | 1,225 | 86 | 2,979 | 529 | 1,895 | 2,204 | (2,436) | 3,803 | 1,311 | 4,099 | 7,607 |
| Fee & Other Income | 1,483 | 1,433 | 1,439 | 1,400 | 1,421 | 1,348 | 1,345 | 1,271 | 2,916 | 2,769 | 5,608 |
| Total Income | 10,613 | 9,693 | 12,912 | 10,222 | 11,077 | 12,906 | 7,814 | 13,408 | 20,306 | 23,983 | 47,117 |
| Operating Earnings - Common Shareholders | 831 | 731 | 392 | 581 | 585 | 591 | 676 | 674 | 1,562 | 1,176 | 2,149 |
| Adjustments (after-tax) | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings - Common Shareholders | 831 | 731 | 392 | 581 | 585 | 591 | 676 | 674 | 1,562 | 1,176 | 2,149 |
| Net Earnings attributable to Perpetual Preferred Shareholders | 33 | 33 | 33 | 35 | 30 | 31 | 31 | 31 | 66 | 61 | 129 |
| Net Earnings - Total Shareholders | 864 | 764 | 425 | 616 | 615 | 622 | 707 | 705 | 1,628 | 1,237 | 2,278 |
| Earnings per Common Share | | | | | | | | | | | |
| Operating Earnings | \$0.839 | \$0.740 | \$0.397 | \$0.587 | \$0.591 | \$0.598 | \$0.686 | \$0.682 | \$1.579 | \$1.189 | \$2.173 |
| Adjustments (after-tax) | - | - | - | - | - | - | - | - | - | - | - |
| Basic earnings per share | \$0.839 | \$0.740 | \$0.397 | \$0.587 | \$0.591 | \$0.598 | \$0.686 | \$0.682 | \$1.579 | \$1.189 | \$2.173 |
| Diluted earnings per share | \$0.839 | \$0.739 | \$0.396 | \$0.587 | \$0.590 | \$0.597 | \$0.685 | \$0.681 | \$1.578 | \$1.187 | \$2.170 |
| Common Shareholder Net Earnings (Loss) - by Segment | | | | | | | | | | | |
| Canada | 334 | 316 | 338 | 296 | 185 | 255 | 326 | 289 | 650 | 440 | 1,074 |
| U.S. | 145 | 75 | (298) | 110 | 82 | 56 | 55 | 78 | 220 | 138 | (50) |
| Europe | 355 | 344 | 358 | 184 | 321 | 289 | 307 | 313 | 699 | 610 | 1,152 |
| Corporate | (3) | (4) | (6) | (9) | (3) | (9) | (12) | (6) | (7) | (12) | (27) |
| Total | 831 | 731 | 392 | 581 | 585 | 591 | 676 | 674 | 1,562 | 1,176 | 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 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|---|------------|------------|--------------|------------|------------|------------|------------|------------|--------------|--------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Common Shareholder Net Earnings (Loss) | | | | | | | | | | | |
| Canada | | | | | | | | | | | |
| Individual Customer | 211 | 138 | 162 | 141 | 140 | 146 | 179 | 136 | 349 | 286 | 589 |
| Group Customer | 194 | 142 | 193 | 155 | 189 | 104 | 154 | 143 | 336 | 293 | 641 |
| Corporate ^{(1) (2)} | (71) | 36 | (17) | - | (144) | 5 | (7) | 10 | (35) | (139) | (156) |
| | 334 | 316 | 338 | 296 | 185 | 255 | 326 | 289 | 650 | 440 | 1,074 |
| U.S. | | | | | | | | | | | |
| Financial Services | 101 | 91 | 80 | 104 | 88 | 85 | 80 | 89 | 192 | 173 | 357 |
| Asset Management ⁽³⁾ | (8) | (16) | (5) | 6 | (6) | (16) | (23) | (6) | (24) | (22) | (21) |
| Corporate ⁽⁴⁾ | 52 | - | (373) | - | - | (13) | (2) | (5) | 52 | (13) | (386) |
| | 145 | 75 | (298) | 110 | 82 | 56 | 55 | 78 | 220 | 138 | (50) |
| Europe | | | | | | | | | | | |
| Insurance & Annuities | 281 | 244 | 250 | 233 | 239 | 225 | 225 | 251 | 525 | 464 | 947 |
| Reinsurance ⁽⁵⁾ | 97 | 104 | 67 | (41) | 83 | 81 | 86 | 54 | 201 | 164 | 190 |
| Corporate ⁽⁶⁾ | (23) | (4) | 41 | (8) | (1) | (17) | (4) | 8 | (27) | (18) | 15 |
| | 355 | 344 | 358 | 184 | 321 | 289 | 307 | 313 | 699 | 610 | 1,152 |
| Corporate | (3) | (4) | (6) | (9) | (3) | (9) | (12) | (6) | (7) | (12) | (27) |
| Total ⁽⁷⁾ | 831 | 731 | 392 | 581 | 585 | 591 | 676 | 674 | 1,562 | 1,176 | 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 | |
|---------------------|-------------|-----------|-------------|-----------|-----------|-----------|-------------|-----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| (C\$ / US\$) | | | | | | | | |
| Balance Sheet | 1.31 | 1.29 | 1.26 | 1.25 | 1.30 | 1.33 | 1.34 | 1.31 |
| Income & Expenses | 1.29 | 1.26 | 1.27 | 1.25 | 1.34 | 1.32 | 1.33 | 1.31 |
| (C\$ / £) | | | | | | | | |
| Balance Sheet | 1.73 | 1.81 | 1.70 | 1.67 | 1.69 | 1.67 | 1.66 | 1.71 |
| Income & Expenses | 1.76 | 1.76 | 1.69 | 1.64 | 1.72 | 1.64 | 1.66 | 1.71 |
| (C\$ / €) | | | | | | | | |
| Balance Sheet | 1.53 | 1.59 | 1.51 | 1.47 | 1.48 | 1.42 | 1.42 | 1.47 |
| Income & Expenses | 1.54 | 1.55 | 1.50 | 1.47 | 1.48 | 1.41 | 1.44 | 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 | |
| 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 |
| Q2 2018 | 988,622,039 | - | 774,029 | 426,048 | \$33.37 | \$14,218,016 | 988,970,020 |

3 months ended Jun. 30, 2018

| | |
|---|--------------------|
| Average common shares outstanding - Basic | 989,071,301 |
| Potential exercise of outstanding stock options | 909,230 |
| Average common shares outstanding - Diluted | <u>989,980,531</u> |

Lifeco Financial Ratio Highlights

| | 2018 | | 2017 | | | | 2016 | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Share Price | | | | | | | | |
| High | \$34.34 | \$35.51 | \$36.40 | \$36.14 | \$37.15 | \$37.74 | \$35.75 | \$34.34 |
| Low | \$32.04 | \$32.43 | \$34.66 | \$34.13 | \$33.32 | \$35.24 | \$32.24 | \$31.01 |
| Close | \$32.32 | \$32.88 | \$35.10 | \$35.91 | \$35.15 | \$36.85 | \$35.17 | \$32.29 |
| Operating EPS | | | | | | | | |
| Operating EPS | \$0.839 | \$0.740 | \$0.397 | \$0.587 | \$0.591 | \$0.598 | \$0.686 | \$0.682 |
| Operating EPS Growth <i>(qtr / qtr)</i> | 13.4% | 86.4% | (32.4%) | (0.7%) | (1.2%) | (12.8%) | 0.6% | 1.0% |
| Dividends | | | | | | | | |
| Common Dividends Declared / Share | | \$0.3890 | \$0.3890 | \$0.3670 | \$0.3670 | \$0.3670 | \$0.3670 | \$0.3460 |
| Common Dividends Paid / Share | \$0.3890 | \$0.3890 | \$0.3670 | \$0.3670 | \$0.3670 | \$0.3670 | \$0.3460 | \$0.3460 |
| Paid Dividend Growth <i>(qtr / qtr)</i> | 0.0% | 6.0% | 0.0% | 0.0% | 0.0% | 6.1% | 0.0% | 0.0% |
| Paid Dividend Growth <i>(yr / yr)</i> | 6.0% | 6.0% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% |
| Dividend Payout Ratio ⁽¹⁾ | 46.4% | 52.6% | 92.4% | 62.5% | 62.1% | 61.4% | 50.4% | 50.7% |
| Dividend Yield (annualized) ⁽²⁾ | 4.8% | 4.7% | 4.2% | 4.1% | 4.2% | 4.0% | 3.9% | 4.3% |
| Ratios | | | | | | | | |
| P/E Ratio <i>(rolling 4 qtrs - operating earnings)</i> | 12.6x | 14.2x | 16.2x | 14.6x | 13.7x | 14.0x | 13.2x | 12.1x |
| P/Book Value Ratio | 1.5x | 1.6x | 1.7x | 1.8x | 1.8x | 1.8x | 1.8x | 1.7x |
| ROE ⁽³⁾ (12 Months Trailing) - Operating Earnings | 12.5% | 11.4% | 10.9% | 12.4% | 13.0% | 13.6% | 13.8% | 13.8% |
| ROE ⁽³⁾ (12 Months Trailing) | 12.5% | 11.4% | 10.9% | 12.4% | 13.0% | 13.6% | 13.8% | 13.8% |
| Share Information | | | | | | | | |
| Total Shares Outstanding (mm) | 989.0 | 988.6 | 988.7 | 989.6 | 989.9 | 989.9 | 986.4 | 986.1 |
| 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) | 279.7 | 279.3 | 279.4 | 280.3 | 280.6 | 280.6 | 277.1 | 276.8 |
| Total Market Capitalization (mm) | \$31,964 | \$32,506 | \$34,704 | \$35,536 | \$34,795 | \$36,479 | \$34,692 | \$31,840 |
| Public Float (mm) | \$9,039 | \$9,184 | \$9,808 | \$10,064 | \$9,863 | \$10,341 | \$9,745 | \$8,936 |
| Book Value per Share | \$21.22 | \$21.01 | \$20.11 | \$19.92 | \$19.95 | \$19.99 | \$19.76 | \$19.18 |

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

(C\$MM, unless otherwise stated)

| | 2018 | | | |
|---|--------|--------|-------------|-------------|
| | Q2 | Q1 | | |
| LICAT | | | | |
| Great-West Life Assurance Company | | | | |
| Available Capital | 15,660 | 15,748 | | |
| Surplus Allowance & Eligible Deposits | 10,130 | 10,342 | | |
| Total Capital Resources | 25,790 | 26,090 | | |
| Base Solvency Buffer (includes OSFI scalar of 1.05) | 19,429 | 20,034 | | |
| Total Ratio | 133% | 130% | | |
| London Life Insurance Company | | | | |
| Available Capital | 3,818 | 3,852 | | |
| Surplus Allowance & Eligible Deposits | 1,987 | 2,064 | | |
| Total Capital Resources | 5,805 | 5,916 | | |
| Base Solvency Buffer (includes OSFI scalar of 1.05) | 3,936 | 3,985 | | |
| Total Ratio | 147% | 148% | | |
| Canada Life Assurance Company | | | | |
| Available Capital | 11,517 | 11,648 | | |
| Surplus Allowance & Eligible Deposits | 6,932 | 7,056 | | |
| Total Capital Resources | 18,449 | 18,704 | | |
| Base Solvency Buffer (includes OSFI scalar of 1.05) | 12,964 | 13,493 | | |
| Total Ratio | 142% | 139% | | |
| | | | 2017 | 2016 |
| | | | 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 | |
|---|---------------|---------------|
| | Q2 | Q1 |
| Available Capital: | | |
| Tier 1 Capital | | |
| Common shares | 8,882 | 8,882 |
| Shareholder Surplus | 11,562 | 11,291 |
| Other Tier 1 | 3,058 | 3,349 |
| Less: Goodwill & Intangibles | (7,982) | (8,018) |
| Less: Other Deductions | (3,122) | (2,968) |
| Total Tier 1 Capital | 12,398 | 12,536 |
| Tier 2 Capital | 3,262 | 3,212 |
| Available Capital | 15,660 | 15,748 |
| Surplus Allowance and Eligible Deposits | 10,130 | 10,342 |
| Total Capital Resources | 25,790 | 26,090 |
| Base Solvency Buffers | | |
| Non-Participating Business: | | |
| Credit Risk | 2,489 | 2,591 |
| Market Risk | 2,208 | 2,388 |
| Insurance Risk, Net of Adjustable Credits | 10,981 | 11,349 |
| | 15,678 | 16,328 |
| Participating Business Total Risk | 3,727 | 3,725 |
| Less: Diversification & Other Credits | (3,356) | (3,467) |
| Segregated Fund Guarantee Risk | 265 | 268 |
| Operational Risk | 2,190 | 2,226 |
| Solvency Buffers prior to OSFI scalar | 18,504 | 19,080 |
| Base Solvency Buffer (includes OSFI scalar of 1.05) | 19,429 | 20,034 |
| LICAT Ratios: | | |
| Total Ratio ⁽¹⁾ (OSFI Supervisory Target = 100%) | 133% | 130% |
| Core Ratio ⁽²⁾ (OSFI Supervisory Target = 70%) | 100% | 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 | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Short Term | | | | | | |
| Commercial Paper & other short term borrowings | 130 | 111 | 126 | 125 | 93 | 131 |
| Putnam revolving credit facility | 190 | 213 | 302 | 131 | 234 | 293 |
| Total Short Term | 320 | 324 | 428 | 256 | 327 | 424 |
| Capital | | | | | | |
| Lifeco | | | | | | |
| 6.14% Debenture due Mar 21, 2018 | - | - | 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 | 393 | 392 | 392 | 392 |
| 5.998% Debenture due Nov 16, 2039 | 342 | 342 | 342 | 342 | 342 | 342 |
| 4.65% Debenture due Aug 13, 2020 | 500 | 499 | 499 | 499 | 499 | 499 |
| 2.50% Euro Bond Debt due April 18, 2023 | 762 | 792 | 752 | 732 | 737 | 706 |
| 1.75% Euro Bond Debt due December 7, 2026 | 759 | 789 | 749 | 729 | 734 | 704 |
| 3.337% Debenture due Feb 28, 2028 | 497 | 498 | - | - | - | - |
| CLAC | | | | | | |
| 6.40% Series B Subordinated Debenture due Dec 11, 2028 | 100 | 100 | 100 | 100 | 100 | 100 |
| GWL&A Insurance Capital | | | | | | |
| 6.625% Deferrable Debenture (LP) | 226 | 223 | 218 | 216 | 224 | 230 |
| 2.538% (plus 3-month LIBOR) Subordinated Debenture (LP II) ⁽¹⁾ | - | 387 | 378 | 375 | 390 | 399 |
| Lifeco Finance (Delaware) | | | | | | |
| 5.691% Subordinated Debenture due June 21, 2067 (LP) | - | - | - | - | - | 1,000 |
| 4.150% Senior Notes due June 3, 2047 (LP) | 900 | 885 | 865 | 858 | 893 | - |
| 7.127% Subordinated Debenture due June 26, 2068 (LP II) | - | 500 | 500 | 500 | 500 | 499 |
| Lifeco Finance 2018 | | | | | | |
| 4.047% Senior Notes due May 17, 2028 | 390 | - | - | - | - | - |
| 4.581% Senior Notes due May 17, 2048 | 649 | - | - | - | - | - |
| Total Debt and Other Loans | 6,031 | 5,925 | 5,617 | 5,392 | 5,531 | 5,688 |
| Capital Trust Securities | | | | | | |
| CLiCS | 150 | 150 | 150 | 150 | 150 | 150 |
| Acquisition related FMV adjustment | 10 | 10 | 10 | 10 | 10 | 11 |
| | 160 | 160 | 160 | 160 | 160 | 161 |
| Trust securities held by consolidated group | (37) | (37) | (37) | (37) | (37) | (37) |
| Capital Trust Securities (externally held) | 123 | 123 | 123 | 123 | 123 | 124 |

| EQUITY | 2018 | | 2017 | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Non-Controlling Interests | | | | | | |
| Non-controlling interest in capital stock & surplus | 135 | 185 | 164 | 204 | 212 | 263 |
| Undistributed Participating Account Surplus | | | | | | |
| Great-West Life | 623 | 619 | 622 | 612 | 609 | 612 |
| London Life | 1,797 | 1,786 | 1,796 | 1,796 | 1,738 | 1,786 |
| Canada Life | 347 | 343 | 339 | 331 | 390 | 395 |
| GWL&A | 15 | 15 | 14 | 14 | 16 | 17 |
| | 2,782 | 2,763 | 2,771 | 2,753 | 2,753 | 2,810 |
| Total Non-Controlling Interest | 2,917 | 2,948 | 2,935 | 2,957 | 2,965 | 3,073 |
| 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 | 200 | - |
| | 2,714 | 2,714 | 2,714 | 2,714 | 2,714 | 2,514 |
| Common Stock | 7,291 | 7,268 | 7,260 | 7,262 | 7,261 | 7,254 |
| Accumulated & Contributed Surplus | 12,870 | 12,432 | 12,241 | 12,226 | 12,010 | 11,787 |
| Accumulated Other Comprehensive Income (loss) | 828 | 1,073 | 386 | 227 | 478 | 744 |
| Total Equity Capital | 26,620 | 26,435 | 25,536 | 25,386 | 25,428 | 25,372 |

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 | | YTD | YTD | Fiscal |
|--|---------------|--------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| <i>(C\$MM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 7,905 | 8,174 | 8,494 | 8,293 | 7,761 | 9,354 | 8,905 | 8,334 | 16,079 | 17,115 | 33,902 |
| Regular net investment income | 1,575 | 1,573 | 1,564 | 1,517 | 1,591 | 1,469 | 1,507 | 1,496 | 3,148 | 3,060 | 6,141 |
| Changes in fair value through profit or loss | (350) | (1,487) | 1,415 | (988) | 304 | 735 | (3,943) | 2,307 | (1,837) | 1,039 | 1,466 |
| Net investment income | 1,225 | 86 | 2,979 | 529 | 1,895 | 2,204 | (2,436) | 3,803 | 1,311 | 4,099 | 7,607 |
| Fee and other income | 1,483 | 1,433 | 1,439 | 1,400 | 1,421 | 1,348 | 1,345 | 1,271 | 2,916 | 2,769 | 5,608 |
| Total Income | 10,613 | 9,693 | 12,912 | 10,222 | 11,077 | 12,906 | 7,814 | 13,408 | 20,306 | 23,983 | 47,117 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders | 7,556 | 6,780 | 9,987 | 7,567 | 8,227 | 9,862 | 4,373 | 10,589 | 14,336 | 18,089 | 35,643 |
| Commissions | 596 | 594 | 646 | 579 | 609 | 813 | 853 | 584 | 1,190 | 1,422 | 2,647 |
| Operating expenses | 1,241 | 1,237 | 1,237 | 1,109 | 1,154 | 1,205 | 1,250 | 1,180 | 2,478 | 2,359 | 4,705 |
| Premium taxes | 124 | 121 | 115 | 118 | 107 | 123 | 112 | 109 | 245 | 230 | 463 |
| Financing charges | 11 | 71 | 74 | 71 | 79 | 76 | 75 | 74 | 82 | 155 | 300 |
| Amortization of finite life intangible assets | 50 | 49 | 29 | 47 | 47 | 45 | 44 | 43 | 99 | 92 | 168 |
| Restructuring and acquisition expenses | - | - | 5 | 1 | 216 | 37 | 35 | 19 | - | 253 | 259 |
| Loss on assets held for sale | - | - | 202 | - | - | - | - | - | - | - | 202 |
| Total Benefits and Expenses | 9,578 | 8,852 | 12,295 | 9,492 | 10,439 | 12,161 | 6,742 | 12,598 | 18,430 | 22,600 | 44,387 |
| Net Earnings before income taxes | 1,035 | 841 | 617 | 730 | 638 | 745 | 1,072 | 810 | 1,876 | 1,383 | 2,730 |
| Income Tax - Current | 81 | 84 | (39) | 60 | 134 | 104 | 115 | 1 | 165 | 238 | 259 |
| - Deferred | 72 | (7) | 221 | 33 | (83) | (8) | 73 | 107 | 65 | (91) | 163 |
| Net Earnings before non-controlling interests | 882 | 764 | 435 | 637 | 587 | 649 | 884 | 702 | 1,646 | 1,236 | 2,308 |
| Non-controlling interests | 18 | - | 10 | 21 | (28) | 27 | 177 | (3) | 18 | (1) | 30 |
| Net Earnings | 864 | 764 | 425 | 616 | 615 | 622 | 707 | 705 | 1,628 | 1,237 | 2,278 |
| Perpetual preferred share dividends | 33 | 33 | 33 | 35 | 30 | 31 | 31 | 31 | 66 | 61 | 129 |
| Net Earnings - Common Shareholders | 831 | 731 | 392 | 581 | 585 | 591 | 676 | 674 | 1,562 | 1,176 | 2,149 |
| Earnings per Common Share | | | | | | | | | | | |
| Operating Earnings | \$0.839 | \$0.740 | \$0.397 | \$0.587 | \$0.591 | \$0.598 | \$0.686 | \$0.682 | \$1.579 | \$1.189 | \$2.173 |
| Adjustments (after-tax) | - | - | - | - | - | - | - | - | - | - | - |
| Basic Earnings | \$0.839 | \$0.740 | \$0.397 | \$0.587 | \$0.591 | \$0.598 | \$0.686 | \$0.682 | \$1.579 | \$1.189 | \$2.173 |
| Diluted Earnings | \$0.839 | \$0.739 | \$0.396 | \$0.587 | \$0.590 | \$0.597 | \$0.685 | \$0.681 | \$1.578 | \$1.187 | \$2.170 |
| Average number of shares outstanding (MM) - basic | 989.1 | 988.6 | 989.3 | 989.7 | 990.0 | 987.7 | 986.2 | 987.7 | 988.8 | 988.9 | 989.2 |
| Average number of shares outstanding (MM) - diluted | 990.0 | 989.7 | 990.7 | 991.1 | 991.3 | 989.8 | 987.9 | 989.0 | 989.8 | 990.6 | 990.7 |
| Effective tax rate | 14.8% | 9.1% | 29.5% | 12.7% | 8.0% | 12.9% | 18.0% | 13.3% | 12.2% | 10.6% | 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 MD&A

Lifeco Balance Sheets

(C\$MM)

| | 2018 | | 2017 | | | | 2016 | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Assets | | | | | | | | |
| Government bonds | 47,728 | 49,620 | 49,897 | 47,880 | 48,762 | 49,652 | 50,869 | 51,917 |
| Corporate bonds | 74,709 | 74,885 | 70,307 | 68,868 | 69,453 | 68,189 | 65,904 | 65,815 |
| Total bonds ⁽¹⁾ | 122,437 | 124,505 | 120,204 | 116,748 | 118,215 | 117,841 | 116,773 | 117,732 |
| Mortgage loans | 24,206 | 23,855 | 22,185 | 21,871 | 22,301 | 22,027 | 21,651 | 21,788 |
| Stocks | 9,226 | 8,725 | 8,864 | 8,707 | 8,435 | 8,677 | 8,665 | 8,847 |
| Investment properties | 5,098 | 5,217 | 4,851 | 4,738 | 4,708 | 4,421 | 4,340 | 4,448 |
| Loans to policyholders | 8,611 | 8,408 | 8,280 | 8,194 | 8,394 | 8,436 | 8,467 | 8,372 |
| Cash and cash equivalents | 3,794 | 3,595 | 3,551 | 3,106 | 3,398 | 3,042 | 3,259 | 3,060 |
| Total invested assets | 173,372 | 174,305 | 167,935 | 163,364 | 165,451 | 164,444 | 163,155 | 164,247 |
| Funds withheld by ceding insurers | 9,581 | 10,070 | 9,893 | 9,977 | 10,317 | 10,496 | 10,781 | 12,558 |
| Reinsurance assets | 6,095 | 6,265 | 5,045 | 5,418 | 5,416 | 5,579 | 5,627 | 5,304 |
| Premiums in course of collection, accounts and interest receivable | 4,990 | 5,436 | 4,647 | 4,648 | 4,550 | 4,776 | 4,311 | 4,313 |
| Current income taxes | 224 | 226 | 134 | 169 | 204 | 181 | 170 | 196 |
| Derivative financial instruments | 382 | 351 | 384 | 436 | 463 | 476 | 528 | 625 |
| Owner occupied properties | 720 | 718 | 706 | 693 | 653 | 648 | 649 | 633 |
| Fixed assets | 372 | 317 | 303 | 295 | 293 | 298 | 304 | 312 |
| Other assets | 2,604 | 2,622 | 2,424 | 2,296 | 2,359 | 2,384 | 2,263 | 2,481 |
| Deferred tax assets | 937 | 1,008 | 930 | 1,339 | 1,377 | 1,530 | 1,593 | 1,599 |
| Goodwill | 6,480 | 6,508 | 6,179 | 6,273 | 5,992 | 5,976 | 5,977 | 6,022 |
| Intangible assets | 3,821 | 3,794 | 3,732 | 3,814 | 3,900 | 3,952 | 3,972 | 3,887 |
| Assets held for sale | - | - | 169 | - | - | - | - | - |
| Investments on account of segregated fund policyholders | 221,117 | 221,031 | 217,357 | 208,046 | 208,536 | 204,666 | 200,403 | 199,162 |
| Total assets | 430,695 | 432,651 | 419,838 | 406,768 | 409,511 | 405,406 | 399,733 | 401,339 |
| Liabilities | | | | | | | | |
| Insurance contract liabilities | 163,898 | 165,648 | 159,524 | 156,257 | 157,797 | 157,319 | 155,940 | 159,609 |
| Investment contract liabilities | 1,769 | 1,777 | 1,841 | 1,880 | 1,953 | 2,000 | 2,009 | 2,091 |
| | 165,667 | 167,425 | 161,365 | 158,137 | 159,750 | 159,319 | 157,949 | 161,700 |
| Debentures and other debt instruments | 6,031 | 5,925 | 5,617 | 5,392 | 5,531 | 5,688 | 5,980 | 5,126 |
| Funds held under reinsurance contracts | 1,383 | 1,452 | 373 | 351 | 336 | 326 | 320 | 338 |
| Other liabilities | 8,504 | 9,014 | 8,236 | 7,847 | 8,373 | 8,390 | 8,391 | 9,209 |
| Deferred tax liabilities | 1,213 | 1,209 | 1,194 | 1,449 | 1,397 | 1,484 | 1,521 | 1,387 |
| Capital trust securities | 160 | 160 | 160 | 160 | 160 | 161 | 161 | 161 |
| Investment and insurance contracts on account of segregated fund policyholders | 221,117 | 221,031 | 217,357 | 208,046 | 208,536 | 204,666 | 200,403 | 199,162 |
| Total liabilities | 404,075 | 406,216 | 394,302 | 381,382 | 384,083 | 380,034 | 374,725 | 377,083 |
| Equity | | | | | | | | |
| Non-controlling interests | 2,917 | 2,948 | 2,935 | 2,957 | 2,965 | 3,073 | 3,006 | 2,825 |
| Share capital | | | | | | | | |
| Perpetual preferred shares | 2,714 | 2,714 | 2,714 | 2,714 | 2,714 | 2,514 | 2,514 | 2,514 |
| Common shares | 7,291 | 7,268 | 7,260 | 7,262 | 7,261 | 7,254 | 7,130 | 7,120 |
| Accumulated surplus | 12,742 | 12,311 | 12,098 | 12,097 | 11,889 | 11,674 | 11,465 | 11,140 |
| Accumulated other comprehensive income (loss) | 828 | 1,073 | 386 | 227 | 478 | 744 | 746 | 519 |
| Contributed surplus | 128 | 121 | 143 | 129 | 121 | 113 | 147 | 138 |
| | 26,620 | 26,435 | 25,536 | 25,386 | 25,428 | 25,372 | 25,008 | 24,256 |
| Total liabilities and equity | 430,695 | 432,651 | 419,838 | 406,768 | 409,511 | 405,406 | 399,733 | 401,339 |
| Proprietary mutual funds and institutional assets | 294,890 | 285,843 | 278,954 | 268,994 | 271,686 | 270,121 | 259,215 | 256,544 |
| Other assets under administration | 697,680 | 673,597 | 651,121 | 618,532 | 627,633 | 620,064 | 589,291 | 570,475 |
| Total assets under administration | 1,423,265 | 1,392,091 | 1,349,913 | 1,294,294 | 1,308,830 | 1,295,591 | 1,248,239 | 1,228,358 |

1) Includes short-term bonds

Lifeco Supplemental Balance Sheet Information

(CSMM, unless otherwise stated)

| | 2018 | | 2017 | | | | 2016 | |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Bond Portfolio Quality | | | | | | | | |
| Canada | | | | | | | | |
| AAA | 8,369 | 8,765 | 9,218 | 9,340 | 9,837 | 10,040 | 10,495 | 10,853 |
| AA | 10,187 | 10,337 | 10,049 | 9,823 | 9,583 | 9,170 | 8,582 | 8,619 |
| A | 17,369 | 17,104 | 17,237 | 16,569 | 17,089 | 16,493 | 15,840 | 16,189 |
| BBB | 8,237 | 7,871 | 7,249 | 6,424 | 6,221 | 6,078 | 5,844 | 5,782 |
| BB or Lower | 76 | 76 | 77 | 91 | 91 | 85 | 85 | 74 |
| Total | 44,238 | 44,153 | 43,830 | 42,247 | 42,821 | 41,866 | 40,846 | 41,517 |
| U.S. | | | | | | | | |
| AAA | 6,801 | 6,970 | 7,263 | 6,877 | 6,925 | 7,430 | 8,825 | 5,956 |
| AA | 5,075 | 5,006 | 4,824 | 4,552 | 4,749 | 4,768 | 4,672 | 4,831 |
| A | 10,972 | 10,908 | 10,876 | 10,773 | 10,678 | 10,470 | 10,131 | 10,191 |
| BBB | 9,063 | 8,993 | 8,609 | 8,512 | 8,733 | 8,835 | 8,635 | 8,969 |
| BB or Lower | 449 | 493 | 540 | 580 | 664 | 693 | 700 | 692 |
| Total | 32,360 | 32,370 | 32,112 | 31,294 | 31,749 | 32,196 | 32,963 | 30,639 |
| Europe | | | | | | | | |
| AAA | 5,676 | 6,247 | 5,822 | 4,891 | 4,929 | 4,525 | 4,495 | 4,808 |
| AA | 16,143 | 17,308 | 16,075 | 16,266 | 16,125 | 16,230 | 15,465 | 16,100 |
| A | 12,773 | 13,104 | 12,053 | 11,596 | 11,943 | 11,602 | 11,480 | 10,925 |
| BBB | 6,414 | 6,656 | 5,591 | 5,554 | 5,616 | 5,694 | 5,616 | 6,175 |
| BB or Lower | 434 | 524 | 516 | 479 | 502 | 492 | 507 | 534 |
| Total | 41,440 | 43,839 | 40,057 | 38,786 | 39,115 | 38,543 | 37,563 | 38,542 |
| Total Bond Portfolio Quality | | | | | | | | |
| AAA | 20,846 | 21,982 | 22,303 | 21,108 | 21,691 | 21,995 | 23,815 | 21,617 |
| AA | 31,405 | 32,651 | 30,948 | 30,641 | 30,457 | 30,168 | 28,719 | 29,550 |
| A | 41,114 | 41,116 | 40,166 | 38,938 | 39,710 | 38,565 | 37,451 | 37,305 |
| BBB | 23,714 | 23,520 | 21,449 | 20,490 | 20,570 | 20,607 | 20,095 | 20,926 |
| BB or Lower | 959 | 1,093 | 1,133 | 1,150 | 1,257 | 1,270 | 1,292 | 1,300 |
| Total ⁽¹⁾ | 118,038 | 120,362 | 115,999 | 112,327 | 113,685 | 112,605 | 111,372 | 110,698 |

1. Excludes short term bonds.

(CSB)

Bonds unrealized Gain / Loss

| | 2018 | | 2017 | | | | 2016 | |
|--------------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Unrealized Gains | 7.5 | 8.2 | 9.0 | 8.2 | 9.3 | 9.3 | 9.0 | 13.2 |
| Unrealized Losses | (1.2) | (0.9) | (0.5) | (0.7) | (0.5) | (0.6) | (0.9) | (0.2) |
| Net Gains / Losses | 6.3 | 7.3 | 8.5 | 7.5 | 8.8 | 8.7 | 8.1 | 13.0 |

Segregated Fund Net Assets

| | 2018 | | 2017 | | | | 2016 | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Stocks, mutual funds and units in unit trusts | 152,752 | 150,992 | 148,123 | 140,316 | 138,600 | 137,311 | 132,759 | 129,930 |
| Bonds | 42,746 | 43,113 | 42,270 | 41,683 | 42,827 | 41,801 | 41,619 | 43,908 |
| Mortgage loans | 2,693 | 2,660 | 2,610 | 2,663 | 2,684 | 2,662 | 2,622 | 2,661 |
| Investment properties | 11,783 | 11,842 | 11,520 | 11,685 | 11,573 | 11,256 | 11,019 | 10,763 |
| Cash & other | 11,143 | 12,424 | 12,834 | 11,699 | 12,852 | 11,636 | 12,384 | 11,900 |
| Total | 221,117 | 221,031 | 217,357 | 208,046 | 208,536 | 204,666 | 200,403 | 199,162 |

Mortgage Loan Portfolio

| | Non-Insured | | Total |
|---------------------------|-------------|---------|--------|
| | Insured | Insured | |
| Q2 2018 | | | |
| Single-family residential | 632 | 1,481 | 2,113 |
| Multi-family residential | 3,856 | 3,545 | 7,401 |
| Equity Release | - | 768 | 768 |
| Commercial | 310 | 13,614 | 13,924 |
| Total Mortgage Loans | 4,798 | 19,408 | 24,206 |
| 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 | 4,725 | 19,130 | 23,855 |
| 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 | 4,533 | 17,652 | 22,185 |
| 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 | 4,268 | 17,603 | 21,871 |
| 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 | 4,219 | 18,082 | 22,301 |
| 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 | 4,041 | 17,986 | 22,027 |
| 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 | 3,912 | 17,739 | 21,651 |
| Q3 2016 | | | |
| Single-family residential | 718 | 1,339 | 2,057 |
| Multi-family residential | 2,957 | 3,061 | 6,018 |
| Commercial | 273 | 13,440 | 13,713 |
| Total Mortgage Loans | 3,948 | 17,840 | 21,788 |

Lifeco Impaired Loans and Credit Losses

| (C\$MM) | 2018 | | 2017 | | | | 2016 | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Gross Impaired Loans | | | | | | | | |
| Fair value through profit or loss ⁽¹⁾ | 182 | 186 | 213 | 217 | 201 | 215 | 231 | 234 |
| Available for sale | 34 | 34 | 16 | 15 | 9 | 10 | 8 | 10 |
| Loans & receivables | 62 | 65 | 81 | 87 | 126 | 127 | 122 | 74 |
| Total | 278 | 285 | 310 | 319 | 336 | 352 | 361 | 318 |
| Canada | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| US | 212 | 215 | 224 | 229 | 234 | 248 | 257 | 238 |
| Europe | 65 | 68 | 84 | 89 | 101 | 103 | 103 | 79 |
| Total | 278 | 285 | 310 | 319 | 336 | 352 | 361 | 318 |
| Impaired Investment Provisions | | | | | | | | |
| Fair value through profit or loss ⁽¹⁾ | (16) | (16) | (20) | (24) | (52) | (52) | (52) | (58) |
| Available for sale | (2) | (3) | (1) | (4) | (3) | (2) | (2) | - |
| Loans & receivables | 27 | 29 | 40 | 34 | 46 | 47 | 43 | 31 |
| Total | 9 | 10 | 19 | 6 | (9) | (7) | (11) | (27) |
| Canada | - | - | - | - | - | - | - | - |
| US | (16) | (17) | (19) | (24) | (44) | (43) | (44) | (55) |
| Europe | 25 | 27 | 38 | 30 | 35 | 36 | 33 | 28 |
| Total | 9 | 10 | 19 | 6 | (9) | (7) | (11) | (27) |
| Carrying Amount | 269 | 275 | 291 | 313 | 345 | 359 | 372 | 345 |
| Provisions for Future Credit | | | | | | | | |
| Losses in Insurance Contract Liabilities | 3,012 | 3,020 | 2,891 | 2,842 | 2,996 | 2,986 | 2,946 | 3,430 |

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

Lifeco Cash Flow Statements

| | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal |
|--|--------------|----------------|----------------|----------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| <i>(C\$MM)</i> | | | | | | | | | | | |
| Operations | | | | | | | | | | | |
| Net earnings before income taxes | 1,035 | 841 | 617 | 730 | 638 | 745 | 1,072 | 810 | 1,876 | 1,383 | 2,730 |
| Income taxes paid, net of refunds received | (80) | (123) | (35) | (30) | (159) | (90) | (65) | (16) | (203) | (249) | (314) |
| Adjustments: | | | | | | | | | | | |
| Change in insurance and investment contract liabilities | (128) | (805) | 1,993 | 249 | 497 | 1,652 | (3,231) | 3,184 | (933) | 2,149 | 4,391 |
| Change in funds held by ceding insurers | 97 | 231 | 312 | 114 | 206 | 225 | 24 | 186 | 328 | 431 | 857 |
| Change in funds held under reinsurance contracts | (7) | (4) | 18 | 22 | 6 | 4 | (14) | 27 | (11) | 10 | 50 |
| Change in reinsurance assets | (48) | 24 | 499 | (56) | 341 | 46 | (468) | (47) | (24) | 387 | 830 |
| Changes in fair value through profit or loss | 350 | 1,487 | (1,415) | 988 | (304) | (735) | 3,943 | (2,307) | 1,837 | (1,039) | (1,466) |
| Other | (60) | (492) | 298 | (316) | 67 | (370) | 128 | (115) | (552) | (303) | (321) |
| | 1,159 | 1,159 | 2,287 | 1,701 | 1,292 | 1,477 | 1,389 | 1,722 | 2,318 | 2,769 | 6,757 |
| Financing Activities | | | | | | | | | | | |
| Issue of common shares | 26 | 11 | 5 | 3 | 8 | 110 | 10 | 1 | 37 | 118 | 126 |
| Issue of preferred shares | - | - | - | - | 200 | - | - | - | - | 200 | 200 |
| Purchased and cancelled common shares | (14) | (15) | (36) | (15) | (12) | - | - | (170) | (29) | (12) | (63) |
| Issue of euro-denominated debt | - | - | - | - | - | - | 706 | - | - | - | - |
| Increase (decrease) in line of credit of subsidiary | (26) | (94) | 171 | (93) | (54) | - | 166 | (104) | (120) | (54) | 24 |
| Issue of debentures and senior notes | 1,014 | 498 | - | - | 925 | - | - | - | 1,512 | 925 | 925 |
| Repayment of debentures | (896) | (200) | - | - | (1,284) | - | - | - | (1,096) | (1,284) | (1,284) |
| Increase (decrease) in debentures and other debt instruments | 18 | (18) | - | 35 | 247 | (284) | (1) | - | - | (37) | (2) |
| Share issue costs | - | - | - | 2 | (5) | - | - | - | - | (5) | (3) |
| Dividends paid on common shares | (385) | (385) | (363) | (364) | (363) | (363) | (340) | (342) | (770) | (726) | (1,453) |
| Dividends paid on preferred shares | (33) | (33) | (33) | (35) | (30) | (31) | (31) | (31) | (66) | (61) | (129) |
| Cash flow from financing activities | (296) | (236) | (256) | (467) | (368) | (568) | 510 | (646) | (532) | (936) | (1,659) |
| Investment Activities | | | | | | | | | | | |
| Bond sales and maturities | 6,474 | 6,677 | 7,582 | 5,129 | 6,317 | 7,826 | 8,069 | 5,004 | 13,151 | 14,143 | 26,854 |
| Mortgage loan repayments | 777 | 655 | 783 | 811 | 680 | 563 | 633 | 691 | 1,432 | 1,243 | 2,837 |
| Stock sales | 461 | 482 | 798 | 1,465 | 427 | 753 | 781 | 304 | 943 | 1,180 | 3,443 |
| Investment property sales | 8 | 12 | 28 | 28 | 16 | - | 54 | - | 20 | 16 | 72 |
| Change in loans to policyholders | (113) | 3 | (41) | (21) | (90) | (13) | 36 | 75 | (110) | (103) | (165) |
| Proceeds from assets held for sale | - | 169 | - | - | - | - | - | - | 169 | - | - |
| Business acquisitions, net of cash and equivalents acquired | - | (222) | - | (291) | - | - | - | (33) | (222) | - | (291) |
| Investment in bonds | (6,290) | (6,951) | (9,046) | (6,323) | (6,373) | (8,677) | (10,334) | (5,826) | (13,241) | (15,050) | (30,419) |
| Investment in mortgage loans | (1,268) | (1,094) | (980) | (653) | (1,049) | (961) | (485) | (893) | (2,362) | (2,010) | (3,643) |
| Investment in stocks | (635) | (601) | (714) | (1,567) | (270) | (576) | (432) | (417) | (1,236) | (846) | (3,127) |
| Investment in investment properties | (29) | (133) | (37) | (40) | (229) | (33) | (11) | (7) | (162) | (262) | (339) |
| Cash flow from investment activities | (615) | (1,003) | (1,627) | (1,462) | (571) | (1,118) | (1,689) | (1,102) | (1,618) | (1,689) | (4,778) |
| Effect of changes in exchange rates on cash & cash equivalents | (49) | 124 | 41 | (64) | 3 | (8) | (11) | 18 | 75 | (5) | (28) |
| Increase (decrease) in cash and cash equivalents | 199 | 44 | 445 | (292) | 356 | (217) | 199 | (8) | 243 | 139 | 292 |
| Cash and cash equivalents, beginning of period | 3,595 | 3,551 | 3,106 | 3,398 | 3,042 | 3,259 | 3,060 | 3,068 | 3,551 | 3,259 | 3,259 |
| Cash and cash equivalents, end of period | 3,794 | 3,595 | 3,551 | 3,106 | 3,398 | 3,042 | 3,259 | 3,060 | 3,794 | 3,398 | 3,551 |

Statements of Accumulated and Contributed Surplus

Lifeco Accumulated & Contributed Surplus

| (C\$MM) | 2018 | | 2017 | | | | 2016 | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Balance, beginning of year | 12,241 | 12,241 | 11,612 | 11,612 | 11,612 | 11,612 | 10,551 | 10,551 |
| Change in accounting policy | (64) | (64) | - | - | - | - | - | - |
| Revised balance, beginning of year | 12,177 | 12,177 | 11,612 | 11,612 | 11,612 | 11,612 | 10,551 | 10,551 |
| Net earnings - YTD | 1,628 | 764 | 2,278 | 1,853 | 1,237 | 622 | 2,764 | 2,057 |
| Stock option expense | 26 | 16 | 58 | 41 | 32 | 21 | 72 | 49 |
| Share issue / redemption costs | (64) | (50) | (50) | (22) | (15) | - | (210) | (210) |
| Dividends to shareholders | | | | | | | | |
| Preferred shareholders | (66) | (33) | (129) | (96) | (61) | (31) | (123) | (92) |
| Common shareholders | (770) | (385) | (1,453) | (1,090) | (726) | (363) | (1,369) | (1,029) |
| Other | (61) | (57) | (75) | (72) | (69) | (74) | (73) | (48) |
| Balance, end of period | 12,870 | 12,432 | 12,241 | 12,226 | 12,010 | 11,787 | 11,612 | 11,278 |

Lifeco Surplus - Participating Account

| (C\$MM) | 2018 | | 2017 | | | | 2016 | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Balance, beginning of period | 2,771 | 2,771 | 2,782 | 2,782 | 2,782 | 2,782 | 2,626 | 2,626 |
| Net earnings before policyholder dividend - YTD | 695 | 343 | 1,329 | 974 | 692 | 381 | 1,467 | 960 |
| Participating policyholder dividend | (678) | (343) | (1,289) | (960) | (696) | (354) | (1,277) | (947) |
| Other | (6) | (8) | (51) | (43) | (25) | 1 | (34) | (9) |
| Balance, end of period | 2,782 | 2,763 | 2,771 | 2,753 | 2,753 | 2,810 | 2,782 | 2,630 |
| By Company: | | | | | | | | |
| Great-West Life | 623 | 619 | 622 | 612 | 609 | 612 | 610 | 614 |
| London Life | 1,797 | 1,786 | 1,796 | 1,796 | 1,738 | 1,786 | 1,798 | 1,726 |
| Canada Life | 347 | 343 | 339 | 331 | 390 | 395 | 357 | 274 |
| GWL&A | 15 | 15 | 14 | 14 | 16 | 17 | 17 | 16 |
| | 2,782 | 2,763 | 2,771 | 2,753 | 2,753 | 2,810 | 2,782 | 2,630 |

Reconciliation of Accumulated Other Comprehensive Income

| Comprehensive Income | | | | | | | | | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|---|--------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|----------------|
| (C\$MM) | 2018 | | 2017 | | | | 2016 | | | | | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | | |
| Net Earnings | 864 | 764 | 425 | 616 | 615 | 622 | 707 | 705 | 1,628 | 1,237 | 2,278 | |
| Other comprehensive income (loss) | | | | | | | | | | | | |
| net of income taxes | | | | | | | | | | | | |
| Unrealized foreign exchange gains (losses) on translation of foreign operations | (339) | 755 | 251 | (359) | (365) | (22) | (73) | 80 | 416 | (387) | (495) | |
| Unrealized foreign exchange gains (losses) on euro debt designated as hedge of net investment in foreign operations | 52 | (69) | (35) | 9 | (52) | - | 23 | (13) | (17) | (52) | (78) | |
| Unrealized gains (losses) on available for sale assets (after-tax) | (10) | (72) | 19 | (33) | (36) | 24 | (123) | 28 | (82) | (12) | (26) | |
| Realized gains on available-for-sale assets (after-tax) | 3 | 1 | (10) | 1 | (10) | (6) | (7) | (19) | 4 | (16) | (25) | |
| Unrealized gains (losses) on cash flow hedges (after-tax) | (2) | 21 | 2 | 7 | (18) | 15 | 25 | (4) | 19 | (3) | 6 | |
| Realized gains on cash flow hedges (after-tax) | (61) | 9 | 4 | (6) | 249 | - | - | - | (52) | 249 | 247 | |
| Non-controlling interests (after-tax) | 4 | 6 | (2) | 38 | 22 | (4) | 45 | - | 10 | 18 | 54 | |
| Total Items that may be reclassified | (353) | 651 | 229 | (343) | (210) | 7 | (110) | 72 | 298 | (203) | (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) | 116 | 37 | (78) | 104 | (65) | (26) | 362 | (190) | 153 | (91) | (65) | |
| Non-controlling interests (after-tax) | (8) | (1) | 8 | (12) | 9 | 4 | (25) | 5 | (9) | 13 | 9 | |
| | <u>108</u> | <u>36</u> | <u>(70)</u> | <u>92</u> | <u>(56)</u> | <u>(22)</u> | <u>337</u> | <u>(185)</u> | <u>144</u> | <u>(78)</u> | <u>(56)</u> | |
| Total other comprehensive income (loss) | (245) | 687 | 159 | (251) | (266) | (15) | 227 | (113) | 442 | (281) | (373) | |
| Comprehensive income | 619 | 1,451 | 584 | 365 | 349 | 607 | 934 | 592 | 2,070 | 956 | 1,905 | |

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

| (C\$MM) | 2018 | | 2017 | | | | 2016 | |
|-------------------------------------|------------|--------------|------------|------------|------------|------------|------------|------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Balance, beginning of year | 386 | 386 | 746 | 746 | 746 | 746 | 2,218 | 2,218 |
| Other comprehensive income | 442 | 687 | (373) | (532) | (281) | (15) | (1,472) | (1,699) |
| Disposal of investment in associate | - | - | 13 | 13 | 13 | 13 | - | - |
| Balance, end of period | 828 | 1,073 | 386 | 227 | 478 | 744 | 746 | 519 |

Lifeco Sales (New Annualized Premium)

| (C\$MM) | 2018 | | 2017 | | | | 2016 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| New Annualized Premium | | | | | | | | | | | |
| Canada | | | | | | | | | | | |
| Individual Customer | 2,253 | 2,525 | 2,537 | 2,033 | 2,293 | 2,860 | 2,648 | 1,984 | 4,778 | 5,153 | 9,723 |
| Group Customer | 787 | 1,297 | 1,235 | 907 | 940 | 803 | 1,223 | 1,133 | 2,084 | 1,743 | 3,885 |
| Total Canada | 3,040 | 3,822 | 3,772 | 2,940 | 3,233 | 3,663 | 3,871 | 3,117 | 6,862 | 6,896 | 13,608 |
| U.S. | | | | | | | | | | | |
| Financial Services | 9,506 | 11,841 | 8,146 | 10,769 | 6,815 | 10,392 | 7,265 | 11,670 | 21,347 | 17,207 | 36,122 |
| Asset Management | 15,002 | 13,235 | 11,016 | 10,404 | 10,119 | 13,960 | 11,119 | 11,341 | 28,237 | 24,079 | 45,499 |
| Total U.S. | 24,508 | 25,076 | 19,162 | 21,173 | 16,934 | 24,352 | 18,384 | 23,011 | 49,584 | 41,286 | 81,621 |
| Europe | | | | | | | | | | | |
| Insurance & Annuities | 5,535 | 5,739 | 7,325 | 5,362 | 4,835 | 4,416 | 4,410 | 4,645 | 11,274 | 9,251 | 21,938 |
| Total New Annualized Premium | 33,083 | 34,637 | 30,259 | 29,475 | 25,002 | 32,431 | 26,665 | 30,773 | 67,720 | 57,433 | 117,167 |

Lifeco Premiums & Deposits

| (C\$MM) | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| Premiums & Deposits | | | | | | | | | | | |
| Canada | | | | | | | | | | | |
| Individual Customer | 2,564 | 2,616 | 2,809 | 2,499 | 2,640 | 2,932 | 2,769 | 2,386 | 5,180 | 5,572 | 10,880 |
| Group Customer | 3,774 | 4,437 | 4,026 | 3,648 | 3,930 | 4,016 | 3,912 | 3,668 | 8,211 | 7,946 | 15,620 |
| Total Canada | 6,338 | 7,053 | 6,835 | 6,147 | 6,570 | 6,948 | 6,681 | 6,054 | 13,391 | 13,518 | 26,500 |
| U.S. | | | | | | | | | | | |
| Financial Services | 3,182 | 3,110 | 3,134 | 3,140 | 3,078 | 3,598 | 3,525 | 3,575 | 6,292 | 6,676 | 12,950 |
| Asset Management | 15,002 | 13,235 | 11,016 | 10,404 | 10,119 | 13,960 | 11,119 | 11,341 | 28,237 | 24,079 | 45,499 |
| Total U.S. | 18,184 | 16,345 | 14,150 | 13,544 | 13,197 | 17,558 | 14,644 | 14,916 | 34,529 | 30,755 | 58,449 |
| Europe | | | | | | | | | | | |
| Insurance & Annuities | 6,240 | 6,412 | 8,665 | 5,983 | 5,623 | 5,155 | 4,984 | 5,325 | 12,652 | 10,778 | 25,426 |
| Reinsurance | 3,209 | 3,316 | 2,995 | 2,837 | 3,020 | 3,877 | 3,730 | 2,967 | 6,525 | 6,897 | 12,729 |
| Total Europe | 9,449 | 9,728 | 11,660 | 8,820 | 8,643 | 9,032 | 8,714 | 8,292 | 19,177 | 17,675 | 38,155 |
| Total Revenue Premium | 33,971 | 33,126 | 32,645 | 28,511 | 28,410 | 33,538 | 30,039 | 29,262 | 67,097 | 61,948 | 123,104 |
| Summary | | | | | | | | | | | |
| Risk-based premiums | 7,905 | 8,174 | 8,494 | 8,293 | 7,761 | 9,354 | 8,905 | 8,334 | 16,079 | 17,115 | 33,902 |
| ASO premiums | 774 | 748 | 720 | 671 | 720 | 716 | 691 | 655 | 1,522 | 1,436 | 2,827 |
| Segregated fund deposits | | | | | | | | | | | |
| Individual | 4,142 | 3,988 | 5,357 | 3,641 | 4,142 | 3,897 | 3,399 | 3,211 | 8,130 | 8,039 | 17,037 |
| Group | 1,954 | 2,422 | 2,009 | 1,634 | 2,020 | 2,185 | 1,875 | 1,875 | 4,376 | 4,205 | 7,848 |
| Proprietary mutual funds & institutional deposits | 19,196 | 17,794 | 16,065 | 14,272 | 13,767 | 17,386 | 15,169 | 15,187 | 36,990 | 31,153 | 61,490 |
| | 33,971 | 33,126 | 32,645 | 28,511 | 28,410 | 33,538 | 30,039 | 29,262 | 67,097 | 61,948 | 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 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Fee and Other Income | | | | | | | | | | | |
| Canada | | | | | | | | | | | |
| Segregated funds | 272 | 271 | 278 | 272 | 272 | 262 | 268 | 265 | 543 | 534 | 1,084 |
| ASO contracts | 50 | 48 | 49 | 44 | 49 | 49 | 41 | 39 | 98 | 98 | 191 |
| Other | 111 | 119 | 109 | 110 | 96 | 94 | 77 | 73 | 230 | 190 | 409 |
| Total Canada | 433 | 438 | 436 | 426 | 417 | 405 | 386 | 377 | 871 | 822 | 1,684 |
| U.S. | | | | | | | | | | | |
| Segregated funds | 15 | 22 | 22 | 21 | 22 | 15 | 16 | 16 | 37 | 37 | 80 |
| Asset Management | 295 | 290 | 295 | 302 | 308 | 288 | 236 | 231 | 585 | 596 | 1,193 |
| Other | 345 | 319 | 318 | 303 | 328 | 316 | 367 | 319 | 664 | 644 | 1,265 |
| Total U.S. | 655 | 631 | 635 | 626 | 658 | 619 | 619 | 566 | 1,286 | 1,277 | 2,538 |
| Europe | | | | | | | | | | | |
| Segregated funds & Other | 395 | 364 | 368 | 348 | 346 | 324 | 340 | 328 | 759 | 670 | 1,386 |
| Total Europe | 395 | 364 | 368 | 348 | 346 | 324 | 340 | 328 | 759 | 670 | 1,386 |
| Total Fee and Other Income | 1,483 | 1,433 | 1,439 | 1,400 | 1,421 | 1,348 | 1,345 | 1,271 | 2,916 | 2,769 | 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 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Operating Expenses | | | | | | | | | | | |
| Canada | 414 | 416 | 392 | 368 | 377 | 404 | 398 | 362 | 830 | 781 | 1,541 |
| U.S. | 543 | 537 | 567 | 493 | 527 | 558 | 593 | 584 | 1,080 | 1,085 | 2,145 |
| Europe | 279 | 279 | 274 | 242 | 248 | 234 | 250 | 230 | 558 | 482 | 998 |
| Lifeco Corporate | 5 | 5 | 4 | 6 | 2 | 9 | 9 | 4 | 10 | 11 | 21 |
| Total Operating Expenses | 1,241 | 1,237 | 1,237 | 1,109 | 1,154 | 1,205 | 1,250 | 1,180 | 2,478 | 2,359 | 4,705 |
| Investment Expenses | 32 | 31 | 33 | 30 | 28 | 31 | 27 | 26 | 63 | 59 | 122 |
| Total Operating & Investment Expenses | 1,273 | 1,268 | 1,270 | 1,139 | 1,182 | 1,236 | 1,277 | 1,206 | 2,541 | 2,418 | 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 | | YTD | YTD | Fiscal |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| Income | | | | | | | | | | | |
| Premium income | 3,141 | 3,151 | 3,464 | 3,220 | 3,178 | 3,284 | 3,597 | 3,117 | 6,292 | 6,462 | 13,146 |
| Regular net investment income | 666 | 612 | 639 | 640 | 642 | 613 | 636 | 631 | 1,278 | 1,255 | 2,534 |
| Changes in fair value through profit or loss | 249 | (334) | 1,001 | (852) | 282 | 375 | (1,364) | 579 | (85) | 657 | 806 |
| Net investment income | 915 | 278 | 1,640 | (212) | 924 | 988 | (728) | 1,210 | 1,193 | 1,912 | 3,340 |
| Fee and other income | 433 | 438 | 436 | 426 | 417 | 405 | 386 | 377 | 871 | 822 | 1,684 |
| Total Income | 4,489 | 3,867 | 5,540 | 3,434 | 4,519 | 4,677 | 3,255 | 4,704 | 8,356 | 9,196 | 18,170 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders | 3,184 | 2,639 | 4,180 | 2,219 | 3,333 | 3,245 | 1,444 | 3,485 | 5,823 | 6,578 | 12,977 |
| Commissions | 312 | 315 | 358 | 320 | 328 | 539 | 624 | 392 | 627 | 867 | 1,545 |
| General expenses | 414 | 416 | 392 | 368 | 377 | 404 | 398 | 362 | 830 | 781 | 1,541 |
| Restructuring and acquisition expenses | - | - | - | - | 215 | - | - | - | - | 215 | 215 |
| Other | 138 | 137 | 133 | 137 | 133 | 139 | 134 | 132 | 275 | 272 | 542 |
| Total Benefits and Expenses | 4,048 | 3,507 | 5,063 | 3,044 | 4,386 | 4,327 | 2,600 | 4,371 | 7,555 | 8,713 | 16,820 |
| Net Earnings before income taxes | 441 | 360 | 477 | 390 | 133 | 350 | 655 | 333 | 801 | 483 | 1,350 |
| Income tax | 92 | 46 | 114 | 74 | (22) | 65 | 149 | 45 | 138 | 43 | 231 |
| Net Earnings before non-controlling interests | 349 | 314 | 363 | 316 | 155 | 285 | 506 | 288 | 663 | 440 | 1,119 |
| Non-controlling interests | 17 | - | 25 | 19 | (31) | 29 | 178 | (3) | 17 | (2) | 42 |
| Net Earnings | 332 | 314 | 338 | 297 | 186 | 256 | 328 | 291 | 646 | 442 | 1,077 |
| Preferred share dividends | 29 | 28 | 26 | 26 | 26 | 26 | 26 | 26 | 57 | 52 | 104 |
| Net Earnings before Capital Allocation | 303 | 286 | 312 | 271 | 160 | 230 | 302 | 265 | 589 | 390 | 973 |
| Capital Allocation | 31 | 30 | 26 | 25 | 25 | 25 | 24 | 24 | 61 | 50 | 101 |
| Net Earnings - Common Shareholders | 334 | 316 | 338 | 296 | 185 | 255 | 326 | 289 | 650 | 440 | 1,074 |
| Common Shareholder Net Earnings (loss) | | | | | | | | | | | |
| Individual Customer | 211 | 138 | 162 | 141 | 140 | 146 | 179 | 136 | 349 | 286 | 589 |
| Group Customer | 194 | 142 | 193 | 155 | 189 | 104 | 154 | 143 | 336 | 293 | 641 |
| Corporate ⁽¹⁾ | (71) | 36 | (17) | - | (144) | 5 | (7) | 10 | (35) | (139) | (156) |
| Total | 334 | 316 | 338 | 296 | 185 | 255 | 326 | 289 | 650 | 440 | 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 | | YTD | YTD | Fiscal |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| <i>(C\$MM)</i> | | | | | | | | | | | | |
| Income | | | | | | | | | | | | |
| | Premium income | 361 | 370 | 373 | 357 | 353 | 392 | 379 | 366 | 731 | 745 | 1,475 |
| | Net investment income | 256 | 23 | 738 | (412) | 545 | 311 | (918) | 403 | 279 | 856 | 1,182 |
| | Fee and other income | 252 | 250 | 255 | 236 | 233 | 225 | 225 | 221 | 502 | 458 | 949 |
| | Total Income | 869 | 643 | 1,366 | 181 | 1,131 | 928 | (314) | 990 | 1,512 | 2,059 | 3,606 |
| Benefits and Expenses | | | | | | | | | | | | |
| | Paid or credited to | | | | | | | | | | | |
| | policyholders and beneficiaries | 412 | 196 | 887 | (216) | 721 | 480 | (772) | 591 | 608 | 1,201 | 1,872 |
| | Commissions | 124 | 129 | 145 | 131 | 128 | 151 | 145 | 128 | 253 | 279 | 555 |
| | General expenses | 76 | 127 | 102 | 79 | 91 | 89 | 79 | 91 | 203 | 180 | 361 |
| | Other | 19 | 8 | 17 | 14 | 15 | 15 | 16 | 14 | 27 | 30 | 61 |
| | Total Benefits and Expenses | 631 | 460 | 1,151 | 8 | 955 | 735 | (532) | 824 | 1,091 | 1,690 | 2,849 |
| | Net Earnings before income taxes | 238 | 183 | 215 | 173 | 176 | 193 | 218 | 166 | 421 | 369 | 757 |
| | Income tax | 24 | 41 | 49 | 28 | 32 | 43 | 38 | 29 | 65 | 75 | 152 |
| | Net Earnings before Capital Allocation | 214 | 142 | 166 | 145 | 144 | 150 | 180 | 137 | 356 | 294 | 605 |
| | Capital Allocation | (3) | (4) | (4) | (4) | (4) | (4) | (1) | (1) | (7) | (8) | (16) |
| | Net Earnings - Common Shareholders | 211 | 138 | 162 | 141 | 140 | 146 | 179 | 136 | 349 | 286 | 589 |
| Sales | Participating | 56 | 48 | 67 | 53 | 66 | 227 | 286 | 122 | 104 | 293 | 413 |
| | Universal Life | 12 | 9 | 15 | 10 | 8 | 24 | 29 | 16 | 21 | 32 | 57 |
| | Term/Permanent | 11 | 11 | 14 | 14 | 16 | 16 | 15 | 16 | 22 | 32 | 60 |
| | Third party | 1 | - | - | 1 | 1 | - | 1 | - | 1 | 1 | 2 |
| | Total Individual Life | 80 | 68 | 96 | 78 | 91 | 267 | 331 | 154 | 148 | 358 | 532 |
| | Critical Illness | 5 | 4 | 5 | 4 | 5 | 4 | 6 | 6 | 9 | 9 | 18 |
| | Disability | 3 | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 7 | 8 | 17 |
| | Total Living Benefits | 8 | 8 | 10 | 8 | 9 | 8 | 10 | 10 | 16 | 17 | 35 |
| | Total Individual Insurance | 88 | 76 | 106 | 86 | 100 | 275 | 341 | 164 | 164 | 375 | 567 |
| | Risk-based | 98 | 126 | 120 | 94 | 96 | 143 | 146 | 119 | 224 | 239 | 453 |
| Segregated funds | 1,097 | 1,314 | 1,450 | 1,128 | 1,286 | 1,535 | 1,426 | 1,124 | 2,411 | 2,821 | 5,399 | |
| Proprietary mutual funds | 409 | 388 | 320 | 296 | 364 | 388 | 326 | 259 | 797 | 752 | 1,368 | |
| Third party | 561 | 621 | 541 | 429 | 447 | 519 | 409 | 318 | 1,182 | 966 | 1,936 | |
| Total Individual Wealth | 2,165 | 2,449 | 2,431 | 1,947 | 2,193 | 2,585 | 2,307 | 1,820 | 4,614 | 4,778 | 9,156 | |
| Total Individual Customer Sales | 2,253 | 2,525 | 2,537 | 2,033 | 2,293 | 2,860 | 2,648 | 1,984 | 4,778 | 5,153 | 9,723 | |
| Revenue Premium | Risk Based Premiums | | | | | | | | | | | |
| | Participating | 1,087 | 1,001 | 1,322 | 1,029 | 1,068 | 1,117 | 1,219 | 971 | 2,088 | 2,185 | 4,536 |
| | Individual Life | 231 | 242 | 243 | 236 | 231 | 250 | 239 | 243 | 473 | 481 | 960 |
| | Living Benefits | 84 | 85 | 87 | 86 | 83 | 85 | 85 | 84 | 169 | 168 | 341 |
| | Total Individual Insurance | 1,402 | 1,328 | 1,652 | 1,351 | 1,382 | 1,452 | 1,543 | 1,298 | 2,730 | 2,834 | 5,837 |
| | Risk-based revenue premiums | 45 | 43 | 43 | 36 | 38 | 58 | 55 | 39 | 88 | 96 | 175 |
| | Segregated funds deposits | 774 | 922 | 863 | 849 | 906 | 1,094 | 908 | 819 | 1,696 | 2,000 | 3,712 |
| | Proprietary mutual fund deposits | 343 | 323 | 251 | 263 | 314 | 328 | 263 | 230 | 666 | 642 | 1,156 |
| | Total Individual Wealth | 1,162 | 1,288 | 1,157 | 1,148 | 1,258 | 1,480 | 1,226 | 1,088 | 2,450 | 2,738 | 5,043 |
| | Total Individual Customer Revenue Premium | 2,564 | 2,616 | 2,809 | 2,499 | 2,640 | 2,932 | 2,769 | 2,386 | 5,180 | 5,572 | 10,880 |

Lifeco Canada – Group Customer

| | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal | |
|---|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 | |
| <i>(C\$MM)</i> | | | | | | | | | | | | |
| Income | | | | | | | | | | | | |
| Premium income | 1,693 | 1,780 | 1,769 | 1,834 | 1,757 | 1,775 | 1,999 | 1,780 | 3,473 | 3,532 | 7,135 | |
| Net investment income | 127 | 128 | 235 | 24 | 172 | 155 | 5 | 176 | 255 | 327 | 586 | |
| Fee and other income | 170 | 170 | 169 | 161 | 165 | 160 | 147 | 144 | 340 | 325 | 655 | |
| Total Income | 1,990 | 2,078 | 2,173 | 2,019 | 2,094 | 2,090 | 2,151 | 2,100 | 4,068 | 4,184 | 8,376 | |
| Benefits and Expenses | | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 1,406 | 1,517 | 1,564 | 1,470 | 1,531 | 1,583 | 1,602 | 1,583 | 2,923 | 3,114 | 6,148 | |
| Commissions | 86 | 95 | 90 | 86 | 87 | 89 | 87 | 85 | 181 | 176 | 352 | |
| General expenses | 213 | 213 | 206 | 196 | 196 | 215 | 196 | 189 | 426 | 411 | 813 | |
| Other | 55 | 58 | 49 | 58 | 58 | 59 | 56 | 57 | 113 | 117 | 224 | |
| Total Benefits and Expenses | 1,760 | 1,883 | 1,909 | 1,810 | 1,872 | 1,946 | 1,941 | 1,914 | 3,643 | 3,818 | 7,537 | |
| Net Earnings before income taxes | 230 | 195 | 264 | 209 | 222 | 144 | 210 | 186 | 425 | 366 | 839 | |
| Income tax | 34 | 51 | 69 | 51 | 30 | 37 | 55 | 42 | 85 | 67 | 187 | |
| Net Earnings before Capital Allocation | 196 | 144 | 195 | 158 | 192 | 107 | 155 | 144 | 340 | 299 | 652 | |
| Capital Allocation | (2) | (2) | (2) | (3) | (3) | (3) | (1) | (1) | (4) | (6) | (11) | |
| Net Earnings - Common Shareholders | 194 | 142 | 193 | 155 | 189 | 104 | 154 | 143 | 336 | 293 | 641 | |
| Sales | Small/mid-size case | 65 | 67 | 85 | 101 | 65 | 71 | 86 | 73 | 132 | 136 | 322 |
| | Large case | 111 | 280 | 59 | 8 | 100 | 60 | 67 | 14 | 391 | 160 | 227 |
| | Creditor/Direct marketing | 75 | 14 | 17 | 27 | 21 | 3 | 27 | 3 | 89 | 24 | 68 |
| | Total Group Insurance | 251 | 361 | 161 | 136 | 186 | 134 | 180 | 90 | 612 | 320 | 617 |
| | Risk-based | 141 | 233 | 278 | 344 | 258 | 127 | 520 | 341 | 374 | 385 | 1,007 |
| | Segregated funds | 395 | 703 | 796 | 427 | 490 | 542 | 523 | 702 | 1,098 | 1,032 | 2,255 |
| Third party | - | - | - | - | 6 | - | - | - | - | 6 | 6 | |
| Total Group Wealth | 536 | 936 | 1,074 | 771 | 754 | 669 | 1,043 | 1,043 | 1,472 | 1,423 | 3,268 | |
| Total Group Customer Sales | 787 | 1,297 | 1,235 | 907 | 940 | 803 | 1,223 | 1,133 | 2,084 | 1,743 | 3,885 | |
| Revenue Premium | Small/mid-size case - Insured | 698 | 694 | 686 | 678 | 672 | 668 | 673 | 675 | 1,392 | 1,340 | 2,704 |
| | Large case -Insured | 737 | 727 | 715 | 699 | 705 | 836 | 690 | 668 | 1,464 | 1,541 | 2,955 |
| | ASO | 774 | 748 | 720 | 671 | 720 | 716 | 691 | 655 | 1,522 | 1,436 | 2,827 |
| | Creditor/Direct marketing | 43 | 43 | 43 | 43 | 42 | 43 | 43 | 42 | 86 | 85 | 171 |
| | Total Group Insurance | 2,252 | 2,212 | 2,164 | 2,091 | 2,139 | 2,263 | 2,097 | 2,040 | 4,464 | 4,402 | 8,657 |
| | Risk-based revenue premiums | 216 | 316 | 325 | 413 | 339 | 227 | 593 | 395 | 532 | 566 | 1,304 |
| | Segregated funds deposits | 1,306 | 1,909 | 1,537 | 1,144 | 1,452 | 1,526 | 1,222 | 1,233 | 3,215 | 2,978 | 5,659 |
| | Total Group Wealth | 1,522 | 2,225 | 1,862 | 1,557 | 1,791 | 1,753 | 1,815 | 1,628 | 3,747 | 3,544 | 6,963 |
| | Total Group Customer Revenue Premium | 3,774 | 4,437 | 4,026 | 3,648 | 3,930 | 4,016 | 3,912 | 3,668 | 8,211 | 7,946 | 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

| (C\$MM) | 2018 | | 2017 | | | | 2016 | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Assets Under Administration | | | | | | | | |
| Individual Customer | | | | | | | | |
| Risk-based products | 5,111 | 5,164 | 5,252 | 5,234 | 5,370 | 5,471 | 5,527 | 5,717 |
| Segregated funds | 33,218 | 32,779 | 33,356 | 32,505 | 32,431 | 32,488 | 31,931 | 31,433 |
| Proprietary mutual funds | 6,426 | 6,190 | 6,211 | 5,980 | 5,873 | 5,774 | 5,530 | 5,340 |
| Group Customer | | | | | | | | |
| Risk-based products | 8,112 | 8,096 | 7,978 | 7,797 | 7,663 | 7,555 | 7,595 | 7,328 |
| Segregated funds | 48,143 | 46,947 | 47,043 | 45,127 | 44,794 | 44,370 | 42,978 | 42,236 |
| Institutional Assets | 729 | 647 | 599 | 533 | 471 | 389 | 322 | 285 |
| Total assets under management | 101,739 | 99,823 | 100,439 | 97,176 | 96,602 | 96,047 | 93,883 | 92,339 |
| Other assets under administration ⁽¹⁾ | | | | | | | | |
| Individual Customer | 8,692 | 8,397 | 8,283 | 7,870 | 7,717 | 7,603 | 7,240 | 7,165 |
| Group Customer | 448 | 465 | 506 | 534 | 541 | 557 | 538 | 495 |
| Total | 9,140 | 8,862 | 8,789 | 8,404 | 8,258 | 8,160 | 7,778 | 7,660 |
| Summary by Business/Product | | | | | | | | |
| Individual Customer | 53,447 | 52,530 | 53,102 | 51,589 | 51,391 | 51,336 | 50,228 | 49,655 |
| Group Customer | 57,432 | 56,155 | 56,126 | 53,991 | 53,469 | 52,871 | 51,433 | 50,344 |
| Total assets under administration | 110,879 | 108,685 | 109,228 | 105,580 | 104,860 | 104,207 | 101,661 | 99,999 |

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 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------------|-------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Income | | | | | | | | | | | |
| Premium income | 1,087 | 1,001 | 1,322 | 1,029 | 1,068 | 1,117 | 1,219 | 971 | 2,088 | 2,185 | 4,536 |
| Net investment income | 517 | 92 | 653 | 161 | 192 | 501 | 166 | 604 | 609 | 693 | 1,507 |
| Total Income | 1,604 | 1,093 | 1,975 | 1,190 | 1,260 | 1,618 | 1,385 | 1,575 | 2,697 | 2,878 | 6,043 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 1,361 | 921 | 1,724 | 960 | 1,076 | 1,176 | 609 | 1,306 | 2,282 | 2,252 | 4,936 |
| Commissions | 102 | 91 | 123 | 103 | 113 | 299 | 392 | 179 | 193 | 412 | 638 |
| General expenses | 109 | 58 | 71 | 82 | 72 | 86 | 113 | 78 | 167 | 158 | 311 |
| Restructuring and acquisition expenses | - | - | - | - | 43 | - | - | - | - | 43 | 43 |
| Other | 30 | 33 | 30 | 28 | 26 | 30 | 31 | 27 | 63 | 56 | 114 |
| Total Benefits and Expenses | 1,602 | 1,103 | 1,948 | 1,173 | 1,330 | 1,591 | 1,145 | 1,590 | 2,705 | 2,921 | 6,042 |
| Net Earnings (loss) before income taxes | 2 | (10) | 27 | 17 | (70) | 27 | 240 | (15) | (8) | (43) | 1 |
| Income tax | (15) | (10) | 2 | (2) | (39) | (2) | 62 | (12) | (25) | (41) | (41) |
| Net Earnings (loss) before non-controlling interests | 17 | - | 25 | 19 | (31) | 29 | 178 | (3) | 17 | (2) | 42 |
| Non-controlling interests | 17 | - | 25 | 19 | (31) | 29 | 178 | (3) | 17 | (2) | 42 |
| Net Earnings | - | - | - | - | - | - | - | - | - | - | - |
| Sales (New annualized premiums) | 56 | 48 | 67 | 53 | 66 | 227 | 286 | 122 | 104 | 293 | 413 |
| Risk-based revenue premiums | 1,087 | 1,001 | 1,322 | 1,029 | 1,068 | 1,117 | 1,219 | 971 | 2,088 | 2,185 | 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 | | YTD | YTD | Fiscal |
|---|--------------|------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| Income | | | | | | | | | | | |
| Net investment income | 15 | 35 | 14 | 15 | 15 | 21 | 19 | 27 | 50 | 36 | 65 |
| Fee and other income | 11 | 18 | 12 | 29 | 19 | 20 | 14 | 12 | 29 | 39 | 80 |
| Total Income | 26 | 53 | 26 | 44 | 34 | 41 | 33 | 39 | 79 | 75 | 145 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 5 | 5 | 5 | 5 | 5 | 6 | 5 | 5 | 10 | 11 | 21 |
| General Expenses | 16 | 18 | 13 | 11 | 18 | 14 | 10 | 4 | 34 | 32 | 56 |
| Restructuring and acquisition expenses | - | - | - | - | 172 | - | - | - | - | 172 | 172 |
| Other | 34 | 38 | 37 | 37 | 34 | 35 | 31 | 34 | 72 | 69 | 143 |
| Total Benefits and Expenses | 55 | 61 | 55 | 53 | 229 | 55 | 46 | 43 | 116 | 284 | 392 |
| Net Earnings (loss) before income taxes | (29) | (8) | (29) | (9) | (195) | (14) | (13) | (4) | (37) | (209) | (247) |
| Income tax | 49 | (36) | (6) | (3) | (45) | (13) | (6) | (14) | 13 | (58) | (67) |
| Net Earnings (loss) before non-controlling interests | (78) | 28 | (23) | (6) | (150) | (1) | (7) | 10 | (50) | (151) | (180) |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) | (78) | 28 | (23) | (6) | (150) | (1) | (7) | 10 | (50) | (151) | (180) |
| Preferred share dividends | 29 | 28 | 26 | 26 | 26 | 26 | 26 | 26 | 57 | 52 | 104 |
| Net Earnings (loss) before Capital Allocation | (107) | - | (49) | (32) | (176) | (27) | (33) | (16) | (107) | (203) | (284) |
| Capital Allocation | 36 | 36 | 32 | 32 | 32 | 32 | 26 | 26 | 72 | 64 | 128 |
| Net Earnings (loss) - Common Shareholders ⁽¹⁾ | (71) | 36 | (17) | - | (144) | 5 | (7) | 10 | (35) | (139) | (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 | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Cash and cash equivalents | 717 | 693 | 701 | 556 | 645 | 535 | 615 | 480 |
| Bonds | 46,814 | 46,582 | 46,304 | 45,159 | 45,661 | 45,288 | 44,718 | 44,825 |
| Mortgage loans | 13,567 | 13,491 | 13,142 | 12,912 | 13,118 | 12,900 | 12,892 | 13,072 |
| Stocks | 8,602 | 8,178 | 8,324 | 8,114 | 7,879 | 8,056 | 7,903 | 7,943 |
| Investment properties | 2,165 | 2,131 | 1,960 | 1,899 | 1,868 | 1,633 | 1,574 | 1,551 |
| Loans to policyholders | 2,767 | 2,720 | 2,679 | 2,677 | 2,655 | 2,627 | 2,609 | 2,597 |
| Total invested assets | 74,632 | 73,795 | 73,110 | 71,317 | 71,826 | 71,039 | 70,311 | 70,468 |
| Reinsurance assets | 227 | 133 | 119 | 248 | 112 | 434 | 480 | 436 |
| Derivative financial instruments | 167 | 161 | 187 | 198 | 184 | 162 | 165 | 240 |
| Owner occupied properties | 400 | 399 | 396 | 392 | 393 | 389 | 390 | 380 |
| Fixed assets | 186 | 153 | 151 | 156 | 152 | 156 | 158 | 163 |
| Other assets | 1,810 | 2,010 | 1,749 | 2,092 | 1,937 | 1,958 | 1,803 | 1,785 |
| Total other assets | 2,563 | 2,723 | 2,483 | 2,838 | 2,666 | 2,665 | 2,516 | 2,568 |
| Deferred tax assets | 180 | 206 | 202 | 249 | 235 | 188 | 182 | 232 |
| Goodwill | 4,012 | 4,010 | 3,969 | 4,079 | 3,787 | 3,787 | 3,787 | 3,787 |
| Intangible assets | 1,481 | 1,473 | 1,478 | 1,321 | 1,321 | 1,341 | 1,346 | 1,345 |
| Investments on account of segregated fund policyholders | 81,361 | 79,726 | 80,399 | 77,632 | 77,225 | 76,858 | 74,909 | 73,669 |
| Total assets | 164,456 | 162,066 | 161,760 | 157,684 | 157,172 | 156,312 | 153,531 | 152,505 |
| Liabilities | | | | | | | | |
| Insurance contract liabilities | 67,419 | 66,615 | 66,135 | 64,453 | 64,322 | 63,660 | 62,800 | 63,608 |
| Investment contract liabilities | 321 | 296 | 325 | 338 | 342 | 343 | 344 | 344 |
| Total contract liabilities | 67,740 | 66,911 | 66,460 | 64,791 | 64,664 | 64,003 | 63,144 | 63,952 |
| Debentures and other debt instruments | 2,481 | 2,499 | 2,177 | 2,165 | 2,167 | 2,149 | 2,148 | 1,726 |
| Funds held under reinsurance contracts | 50 | 47 | 44 | 42 | 41 | 37 | 34 | 33 |
| Other liabilities | 4,071 | 4,507 | 4,202 | 3,919 | 4,300 | 3,992 | 4,026 | 3,944 |
| Deferred tax liabilities | 640 | 667 | 671 | 666 | 582 | 643 | 664 | 604 |
| Capital trust securities and debentures | 160 | 160 | 160 | 160 | 160 | 161 | 161 | 161 |
| Investment and insurance contracts on account of segregated fund policyholders | 81,361 | 79,726 | 80,399 | 77,632 | 77,225 | 76,858 | 74,909 | 73,669 |
| Total liabilities | 156,503 | 154,517 | 154,113 | 149,375 | 149,139 | 147,843 | 145,086 | 144,089 |
| Equity | | | | | | | | |
| Non-controlling interests | 2,762 | 2,743 | 2,752 | 2,733 | 2,732 | 2,788 | 2,758 | 2,604 |
| Share capital | | | | | | | | |
| Perpetual preferred shares | 2,164 | 2,164 | 2,164 | 2,164 | 2,164 | 1,964 | 1,964 | 1,964 |
| Common shares | 7,291 | 7,268 | 7,260 | 7,262 | 7,261 | 7,254 | 7,130 | 7,120 |
| Accumulated surplus | (3,163) | (3,412) | (3,402) | (2,827) | (3,008) | (2,973) | (2,897) | (2,585) |
| Accumulated other comprehensive income (loss) | (531) | (646) | (558) | (453) | (545) | (397) | (352) | (528) |
| Contributed surplus | (570) | (568) | (569) | (570) | (571) | (167) | (158) | (159) |
| Total equity | 7,953 | 7,549 | 7,647 | 8,309 | 8,033 | 8,469 | 8,445 | 8,416 |
| Total liabilities and equity | 164,456 | 162,066 | 161,760 | 157,684 | 157,172 | 156,312 | 153,531 | 152,505 |
| Proprietary mutual funds and institutional net assets | 7,155 | 6,837 | 6,810 | 6,513 | 6,344 | 6,163 | 5,852 | 5,625 |
| Other assets under administration | 13,632 | 12,978 | 11,580 | 11,135 | 16,196 | 16,011 | 15,911 | 15,815 |
| Total assets under administration | 185,243 | 181,881 | 180,150 | 175,332 | 179,712 | 178,486 | 175,294 | 173,945 |

Lifeco United States



Lifeco U.S. Net Earnings – Consolidated

(C\$MM, unless otherwise stated)

| | 2018 | | 2017 | | | | 2016 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Income | | | | | | | | | | | |
| Premium income | 894 | 1,074 | 1,059 | 1,241 | 942 | 1,229 | 1,164 | 1,493 | 1,968 | 2,171 | 4,471 |
| Regular net investment income | 462 | 441 | 452 | 458 | 451 | 455 | 440 | 427 | 903 | 906 | 1,816 |
| Changes in fair value through profit or loss | (260) | (580) | (48) | 11 | 274 | 102 | (1,008) | 93 | (840) | 376 | 339 |
| Net investment income | 202 | (139) | 404 | 469 | 725 | 557 | (568) | 520 | 63 | 1,282 | 2,155 |
| Fee and other income | 655 | 631 | 635 | 626 | 658 | 619 | 619 | 566 | 1,286 | 1,277 | 2,538 |
| Total Income | 1,751 | 1,566 | 2,098 | 2,336 | 2,325 | 2,405 | 1,215 | 2,579 | 3,317 | 4,730 | 9,164 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders | 894 | 752 | 1,294 | 1,492 | 1,476 | 1,552 | 387 | 1,776 | 1,646 | 3,028 | 5,814 |
| Commissions | 131 | 125 | 138 | 132 | 135 | 140 | 84 | 59 | 256 | 275 | 545 |
| General expenses | 543 | 537 | 567 | 493 | 527 | 558 | 593 | 584 | 1,080 | 1,085 | 2,145 |
| Restructuring and acquisition expenses | - | - | - | - | - | 17 | 35 | 4 | - | 17 | 17 |
| Loss on assets held for sale | - | - | 202 | - | - | - | - | - | - | - | 202 |
| Other | 3 | 62 | 41 | 61 | 70 | 68 | 69 | 66 | 65 | 138 | 240 |
| Total Benefits and Expenses | 1,571 | 1,476 | 2,242 | 2,178 | 2,208 | 2,335 | 1,168 | 2,489 | 3,047 | 4,543 | 8,963 |
| Net Earnings before income taxes | 180 | 90 | (144) | 158 | 117 | 70 | 47 | 90 | 270 | 187 | 201 |
| Income tax | 31 | 13 | 163 | 41 | 28 | 11 | (9) | 10 | 44 | 39 | 243 |
| Net Earnings before non-controlling interests | 149 | 77 | (307) | 117 | 89 | 59 | 56 | 80 | 226 | 148 | (42) |
| Non-controlling interests | 1 | - | (14) | 2 | 3 | (1) | - | - | 1 | 2 | (10) |
| Net Earnings | 148 | 77 | (293) | 115 | 86 | 60 | 56 | 80 | 225 | 146 | (32) |
| Preferred share dividends | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 148 | 77 | (293) | 115 | 86 | 60 | 56 | 80 | 225 | 146 | (32) |
| Capital Allocation | (3) | (2) | (5) | (5) | (4) | (4) | (1) | (2) | (5) | (8) | (18) |
| Net Earnings - Common Shareholders | 145 | 75 | (298) | 110 | 82 | 56 | 55 | 78 | 220 | 138 | (50) |
| Common Shareholder Net Earnings (loss) | | | | | | | | | | | |
| Financial Services | 101 | 91 | 80 | 104 | 88 | 85 | 80 | 89 | 192 | 173 | 357 |
| Asset Management | (8) | (16) | (5) | 6 | (6) | (16) | (23) | (6) | (24) | (22) | (21) |
| Corporate ⁽¹⁾ | 52 | - | (373) | - | - | (13) | (2) | (5) | 52 | (13) | (386) |
| Total | 145 | 75 | (298) | 110 | 82 | 56 | 55 | 78 | 220 | 138 | (50) |
| Common Shareholder Net Earnings (US \$) | 112 | 59 | (234) | 88 | 62 | 42 | 41 | 60 | 171 | 104 | (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 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|--|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| <i>(C\$MM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 877 | 1,045 | 1,040 | 1,223 | 923 | 1,201 | 1,143 | 1,472 | 1,922 | 2,124 | 4,387 |
| Net investment income | 170 | (137) | 376 | 426 | 683 | 518 | (526) | 490 | 33 | 1,201 | 2,003 |
| Fee and other income | 360 | 341 | 340 | 324 | 350 | 331 | 383 | 335 | 701 | 681 | 1,345 |
| Total Income | 1,407 | 1,249 | 1,756 | 1,973 | 1,956 | 2,050 | 1,000 | 2,297 | 2,656 | 4,006 | 7,735 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 868 | 729 | 1,196 | 1,449 | 1,418 | 1,495 | 404 | 1,727 | 1,597 | 2,913 | 5,558 |
| Commissions | 70 | 63 | 72 | 68 | 67 | 72 | 75 | 69 | 133 | 139 | 279 |
| General expenses | 306 | 303 | 330 | 269 | 301 | 317 | 367 | 346 | 609 | 618 | 1,217 |
| Other | 30 | 31 | 32 | 30 | 30 | 31 | 30 | 31 | 61 | 61 | 123 |
| Total Benefits and Expenses | 1,274 | 1,126 | 1,630 | 1,816 | 1,816 | 1,915 | 876 | 2,173 | 2,400 | 3,731 | 7,177 |
| Net Earnings before income taxes | 133 | 123 | 126 | 157 | 140 | 135 | 124 | 124 | 256 | 275 | 558 |
| Income tax | 25 | 25 | 39 | 46 | 45 | 43 | 38 | 29 | 50 | 88 | 173 |
| Net Income before non-controlling interests | 108 | 98 | 87 | 111 | 95 | 92 | 86 | 95 | 206 | 187 | 385 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 108 | 98 | 87 | 111 | 95 | 92 | 86 | 95 | 206 | 187 | 385 |
| Capital Allocation | (7) | (7) | (7) | (7) | (7) | (7) | (6) | (6) | (14) | (14) | (28) |
| Net Earnings - Common Shareholders | 101 | 91 | 80 | 104 | 88 | 85 | 80 | 89 | 192 | 173 | 357 |
| Net Earnings - Common Shareholders (US\$) | 78 | 72 | 64 | 83 | 66 | 64 | 59 | 68 | 150 | 130 | 277 |
| Sales | | | | | | | | | | | |
| Individual Markets | 503 | 359 | 376 | 491 | 394 | 466 | 467 | 739 | 862 | 860 | 1,727 |
| Empower Retirement | 9,003 | 11,482 | 7,770 | 10,278 | 6,421 | 9,926 | 6,798 | 10,931 | 20,485 | 16,347 | 34,395 |
| Total Sales | 9,506 | 11,841 | 8,146 | 10,769 | 6,815 | 10,392 | 7,265 | 11,670 | 21,347 | 17,207 | 36,122 |
| Total Sales (US \$) | 7,369 | 9,398 | 6,414 | 8,615 | 5,086 | 7,873 | 5,462 | 8,908 | 16,767 | 12,959 | 27,988 |
| Revenue Premium | | | | | | | | | | | |
| Risk-based premiums | 877 | 1,045 | 1,040 | 1,223 | 923 | 1,201 | 1,143 | 1,472 | 1,922 | 2,124 | 4,387 |
| Segregated fund deposits | | | | | | | | | | | |
| Individual | 416 | 275 | 280 | 232 | 206 | 230 | 263 | 196 | 691 | 436 | 948 |
| Group | 648 | 513 | 472 | 490 | 568 | 659 | 653 | 642 | 1,161 | 1,227 | 2,189 |
| Proprietary Mutual Funds | 1,224 | 1,248 | 1,323 | 1,177 | 1,362 | 1,480 | 1,445 | 1,244 | 2,472 | 2,842 | 5,342 |
| Total Revenue by Type⁽¹⁾ | 3,165 | 3,081 | 3,115 | 3,122 | 3,059 | 3,570 | 3,504 | 3,554 | 6,246 | 6,629 | 12,866 |
| Individual Markets | 658 | 567 | 580 | 679 | 543 | 738 | 653 | 667 | 1,225 | 1,281 | 2,540 |
| Empower Retirement | 2,507 | 2,514 | 2,535 | 2,443 | 2,516 | 2,832 | 2,851 | 2,887 | 5,021 | 5,348 | 10,326 |
| Total Revenue by Business Line⁽¹⁾ | 3,165 | 3,081 | 3,115 | 3,122 | 3,059 | 3,570 | 3,504 | 3,554 | 6,246 | 6,629 | 12,866 |
| Total Revenue Premium (US \$) | 2,453 | 2,445 | 2,452 | 2,498 | 2,283 | 2,705 | 2,634 | 2,713 | 4,898 | 4,988 | 9,938 |

1. Excludes participating policy revenue premiums.

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

(C\$MM, unless otherwise stated)

| | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal |
|---|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| Income | | | | | | | | | | | |
| Premium income | 242 | 292 | 300 | 446 | 337 | 508 | 390 | 470 | 534 | 845 | 1,591 |
| Net investment income | 108 | (86) | 260 | 263 | 441 | 318 | (313) | 313 | 22 | 759 | 1,282 |
| Fee and other income | 41 | 38 | 33 | 34 | 36 | 34 | 31 | 30 | 79 | 70 | 137 |
| Total Income | 391 | 244 | 593 | 743 | 814 | 860 | 108 | 813 | 635 | 1,674 | 3,010 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 263 | 121 | 434 | 601 | 690 | 710 | (60) | 654 | 384 | 1,400 | 2,435 |
| Commissions | 29 | 22 | 31 | 27 | 25 | 29 | 33 | 26 | 51 | 54 | 112 |
| General expenses | 34 | 31 | 37 | 30 | 30 | 32 | 33 | 31 | 65 | 62 | 129 |
| Other | 5 | 8 | 10 | 8 | 5 | 8 | 10 | 10 | 13 | 13 | 31 |
| Total Benefits and Expenses | 331 | 182 | 512 | 666 | 750 | 779 | 16 | 721 | 513 | 1,529 | 2,707 |
| Net Earnings before income taxes | 60 | 62 | 81 | 77 | 64 | 81 | 92 | 92 | 122 | 145 | 303 |
| Income tax | 9 | 12 | 29 | 24 | 21 | 27 | 28 | 31 | 21 | 48 | 101 |
| Net Income before non-controlling interests | 51 | 50 | 52 | 53 | 43 | 54 | 64 | 61 | 101 | 97 | 202 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 51 | 50 | 52 | 53 | 43 | 54 | 64 | 61 | 101 | 97 | 202 |
| Capital Allocation | (5) | (6) | (5) | (5) | (6) | (5) | (6) | (6) | (11) | (11) | (21) |
| Net Earnings - Common Shareholders | 46 | 44 | 47 | 48 | 37 | 49 | 58 | 55 | 90 | 86 | 181 |
| Net Earnings - Common Shareholders (US\$) | 35 | 35 | 36 | 39 | 28 | 37 | 44 | 42 | 70 | 65 | 140 |
| Sales | | | | | | | | | | | |
| Individual Annuity | 299 | 227 | 196 | 169 | 177 | 173 | 173 | 123 | 526 | 350 | 715 |
| Executive Benefits | 142 | 93 | 112 | 240 | 121 | 202 | 184 | 494 | 235 | 323 | 675 |
| Individual Life | 62 | 39 | 68 | 82 | 96 | 91 | 110 | 122 | 101 | 187 | 337 |
| | 503 | 359 | 376 | 491 | 394 | 466 | 467 | 739 | 862 | 860 | 1,727 |
| Sales (US \$) | 390 | 285 | 296 | 393 | 294 | 353 | 351 | 564 | 675 | 647 | 1,336 |
| Revenue Premium | | | | | | | | | | | |
| Risk-based premiums | 242 | 292 | 300 | 446 | 337 | 508 | 390 | 470 | 534 | 845 | 1,591 |
| Segregated fund deposits | 416 | 275 | 280 | 232 | 206 | 230 | 263 | 196 | 691 | 436 | 948 |
| Proprietary Mutual Funds | - | - | - | 1 | - | - | - | 1 | - | - | 1 |
| Total Revenue by Type ⁽¹⁾ | 658 | 567 | 580 | 679 | 543 | 738 | 653 | 667 | 1,225 | 1,281 | 2,540 |
| Total Revenue (US \$) | 510 | 450 | 456 | 543 | 406 | 559 | 490 | 510 | 960 | 965 | 1,964 |

1. Excludes participating policy revenue premiums.

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

| | 2018 | | 2017 | | | | 2016 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| <i>(CSMM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 635 | 753 | 740 | 777 | 586 | 693 | 753 | 1,002 | 1,388 | 1,279 | 2,796 |
| Net investment income | 53 | (60) | 107 | 154 | 233 | 191 | (222) | 169 | (7) | 424 | 685 |
| Fee and other income | 319 | 303 | 307 | 290 | 314 | 297 | 352 | 305 | 622 | 611 | 1,208 |
| Total Income | 1,007 | 996 | 1,154 | 1,221 | 1,133 | 1,181 | 883 | 1,476 | 2,003 | 2,314 | 4,689 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 605 | 608 | 762 | 848 | 728 | 785 | 464 | 1,073 | 1,213 | 1,513 | 3,123 |
| Commissions | 41 | 41 | 41 | 41 | 42 | 43 | 42 | 43 | 82 | 85 | 167 |
| General expenses | 268 | 269 | 281 | 256 | 266 | 282 | 332 | 312 | 537 | 548 | 1,085 |
| Other | 16 | 13 | 13 | 14 | 16 | 14 | 11 | 12 | 29 | 30 | 57 |
| Total Benefits and Expenses | 930 | 931 | 1,097 | 1,159 | 1,052 | 1,124 | 849 | 1,440 | 1,861 | 2,176 | 4,432 |
| Net Earnings before income taxes | 77 | 65 | 57 | 62 | 81 | 57 | 34 | 36 | 142 | 138 | 257 |
| Income tax | 17 | 15 | 16 | 18 | 27 | 19 | 13 | 3 | 32 | 46 | 80 |
| Net Income before non-controlling interests | 60 | 50 | 41 | 44 | 54 | 38 | 21 | 33 | 110 | 92 | 177 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 60 | 50 | 41 | 44 | 54 | 38 | 21 | 33 | 110 | 92 | 177 |
| Capital Allocation | (6) | (6) | (5) | (5) | (5) | (6) | (4) | (4) | (12) | (11) | (21) |
| Net Earnings - Common Shareholders | 54 | 44 | 36 | 39 | 49 | 32 | 17 | 29 | 98 | 81 | 156 |
| Net Earnings - Common Shareholders (US \$) | 42 | 35 | 30 | 31 | 36 | 24 | 12 | 22 | 77 | 60 | 121 |
| Sales | | | | | | | | | | | |
| Empower Retirement | 9,003 | 11,482 | 7,770 | 10,278 | 6,421 | 9,926 | 6,798 | 10,931 | 20,485 | 16,347 | 34,395 |
| Sales (US \$) | 6,979 | 9,113 | 6,118 | 8,222 | 4,792 | 7,520 | 5,111 | 8,344 | 16,092 | 12,312 | 26,652 |
| Revenue Premium (by Type) ⁽¹⁾ | | | | | | | | | | | |
| Risk-based premiums | 635 | 753 | 740 | 777 | 586 | 693 | 753 | 1,002 | 1,388 | 1,279 | 2,796 |
| Segregated fund deposits | 648 | 513 | 472 | 490 | 568 | 659 | 653 | 642 | 1,161 | 1,227 | 2,189 |
| Proprietary Mutual Funds | 1,224 | 1,248 | 1,323 | 1,176 | 1,362 | 1,480 | 1,445 | 1,243 | 2,472 | 2,842 | 5,341 |
| Total Revenue Premium (by Type) | 2,507 | 2,514 | 2,535 | 2,443 | 2,516 | 2,832 | 2,851 | 2,887 | 5,021 | 5,348 | 10,326 |
| Total Revenue Premium (US \$) | 1,943 | 1,995 | 1,996 | 1,955 | 1,877 | 2,146 | 2,144 | 2,203 | 3,938 | 4,023 | 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 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|--|------|-----|------|------|-----|-----|------|-----|-------------|-------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| <i>(C\$MM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Net investment income | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 18 | 18 | 36 |
| Total Income | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 18 | 18 | 36 |
| Benefits and Expenses | | | | | | | | | | | |
| General expenses | 4 | 3 | 12 | (17) | 5 | 3 | 2 | 3 | 7 | 8 | 3 |
| Other | 9 | 10 | 9 | 8 | 9 | 9 | 9 | 9 | 19 | 18 | 35 |
| Total Benefits and Expenses | 13 | 13 | 21 | (9) | 14 | 12 | 11 | 12 | 26 | 26 | 38 |
| Net Earnings (loss) before income taxes | (4) | (4) | (12) | 18 | (5) | (3) | (2) | (4) | (8) | (8) | (2) |
| Income tax | (1) | (2) | (6) | 4 | (3) | (3) | (3) | (5) | (3) | (6) | (8) |
| Net Earnings (loss) before Capital Allocation | (3) | (2) | (6) | 14 | (2) | - | 1 | 1 | (5) | (2) | 6 |
| Capital Allocation | 4 | 5 | 3 | 3 | 4 | 4 | 4 | 4 | 9 | 8 | 14 |
| Net Earnings (loss) - Common Shareholders | 1 | 3 | (3) | 17 | 2 | 4 | 5 | 5 | 4 | 6 | 20 |
| Net Earnings - Common Shareholders (US\$) | 1 | 2 | (2) | 13 | 2 | 3 | 3 | 4 | 3 | 5 | 16 |

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

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

| | 2018 | | 2017 | | | | 2016 | |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| <i>(000's)</i> | | | | | | | | |
| Empower Retirement | 8,537 | 8,495 | 8,334 | 8,304 | 8,272 | 8,234 | 8,055 | 8,032 |
| Individual Markets | 435 | 434 | 446 | 444 | 448 | 455 | 458 | 456 |
| Total | 8,972 | 8,929 | 8,780 | 8,748 | 8,720 | 8,689 | 8,513 | 8,488 |

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

| | 2018 | | 2017 | | | | 2016 | |
|--|-------------|-----------|-------------|-----------|-----------|-----------|-------------|-----------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| <i>(C\$MM)</i> | | | | | | | | |
| General Account | 16,755 | 16,437 | 15,885 | 15,718 | 16,015 | 16,360 | 16,373 | 15,814 |
| Segregated Funds | 22,472 | 23,551 | 23,947 | 24,093 | 25,520 | 26,086 | 26,024 | 25,989 |
| Proprietary Mutual Funds | 32,156 | 31,247 | 29,944 | 28,657 | 28,421 | 27,982 | 26,733 | 25,206 |
| Unaffiliated Retail Investment Options & ASO | 642,274 | 617,388 | 597,596 | 567,984 | 572,286 | 564,833 | 534,426 | 514,614 |

Lifeco U.S. – Asset Management

| | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal |
|--|-------------|-------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| <i>(C\$MM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Net investment income | 3 | 3 | 6 | 16 | (1) | 7 | (6) | 3 | 6 | 6 | 28 |
| Fee and other income | 295 | 290 | 295 | 302 | 308 | 288 | 236 | 231 | 585 | 596 | 1,193 |
| Total Income | 298 | 293 | 301 | 318 | 307 | 295 | 230 | 234 | 591 | 602 | 1,221 |
| Benefits and Expenses | | | | | | | | | | | |
| Commissions | 60 | 61 | 66 | 64 | 67 | 67 | 8 | (11) | 121 | 134 | 264 |
| General expenses | 227 | 233 | 226 | 223 | 225 | 237 | 228 | 235 | 460 | 462 | 911 |
| Other | 35 | 31 | 8 | 29 | 38 | 35 | 34 | 34 | 66 | 73 | 110 |
| Restructuring and acquisition expenses | - | - | - | - | - | - | 33 | - | - | - | - |
| Total Benefits and Expenses | 322 | 325 | 300 | 316 | 330 | 339 | 303 | 258 | 647 | 669 | 1,285 |
| Net Earnings (loss) before income taxes | (24) | (32) | 1 | 2 | (23) | (44) | (73) | (24) | (56) | (67) | (64) |
| Income tax | (13) | (11) | 5 | (5) | (17) | (25) | (46) | (16) | (24) | (42) | (42) |
| Net Earnings (loss) before non-controlling interests | (11) | (21) | (4) | 7 | (6) | (19) | (27) | (8) | (32) | (25) | (22) |
| Non-controlling interests | 1 | - | 3 | 3 | 3 | - | 1 | 2 | 1 | 3 | 9 |
| Net Earnings (loss) before Capital Allocation | (12) | (21) | (7) | 4 | (9) | (19) | (28) | (10) | (33) | (28) | (31) |
| Capital Allocation | 4 | 5 | 2 | 2 | 3 | 3 | 5 | 4 | 9 | 6 | 10 |
| Net Earnings (loss) - Common Shareholders ⁽¹⁾ | (8) | (16) | (5) | 6 | (6) | (16) | (23) | (6) | (24) | (22) | (21) |
| Net Earnings (loss) - Common Shareholders (US\$) ⁽¹⁾ | (6) | (13) | (4) | 5 | (4) | (12) | (17) | (5) | (19) | (16) | (15) |
| Sales (C\$) | | | | | | | | | | | |
| Gross sales ⁽²⁾ | 15,002 | 13,235 | 11,016 | 10,404 | 10,119 | 13,960 | 11,119 | 11,341 | 28,237 | 24,079 | 45,499 |
| Redemptions | (12,988) | (14,753) | (12,069) | (10,283) | (11,315) | (12,227) | (13,049) | (10,743) | (27,741) | (23,542) | (45,893) |
| Net Sales | 2,014 | (1,518) | (1,053) | 121 | (1,196) | 1,733 | (1,930) | 598 | 496 | 537 | (394) |
| Fee Income (C\$) | | | | | | | | | | | |
| Investment management fees | 207 | 203 | 204 | 198 | 208 | 198 | 194 | 194 | 410 | 406 | 808 |
| Performance fees | (10) | (11) | (10) | 5 | (5) | (13) | (5) | (13) | (21) | (18) | (23) |
| Service fees | 37 | 36 | 37 | 36 | 39 | 38 | 37 | 39 | 73 | 77 | 150 |
| Underwriting & distribution fees | 61 | 62 | 64 | 63 | 66 | 65 | 10 | 11 | 123 | 131 | 258 |
| Total Fee Income (C\$) | 295 | 290 | 295 | 302 | 308 | 288 | 236 | 231 | 585 | 596 | 1,193 |
| Fee Income (US \$) | 228 | 230 | 232 | 240 | 230 | 219 | 178 | 176 | 458 | 449 | 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 | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| <i>(C\$MM, unless otherwise stated)</i> | | | | | | | | |
| Mutual Funds | | | | | | | | |
| Growth equity | 15,176 | 14,369 | 13,881 | 13,100 | 13,109 | 13,015 | 12,282 | 12,339 |
| Value equity | 22,537 | 21,996 | 22,185 | 21,279 | 21,476 | 22,090 | 21,921 | 20,719 |
| Blend equity | 27,372 | 27,567 | 28,502 | 28,381 | 29,436 | 29,774 | 29,268 | 29,872 |
| Fixed income | 38,772 | 36,086 | 34,433 | 33,298 | 33,794 | 33,769 | 32,905 | 31,837 |
| Total Mutual Funds | 103,857 | 100,018 | 99,001 | 96,058 | 97,815 | 98,648 | 96,376 | 94,767 |
| Institutional Accounts | | | | | | | | |
| Equity | 80,570 | 78,912 | 79,772 | 76,119 | 74,394 | 72,783 | 67,071 | 65,594 |
| Fixed income | 41,475 | 39,684 | 37,265 | 37,570 | 39,578 | 41,296 | 40,396 | 41,114 |
| Total Institutional Accounts | 122,045 | 118,596 | 117,037 | 113,689 | 113,972 | 114,079 | 107,467 | 106,708 |
| Total End of Period Assets Under Management | 225,902 | 218,614 | 216,038 | 209,747 | 211,787 | 212,727 | 203,843 | 201,475 |
| Total End of Period Assets Under Management - US\$ | 172,445 | 169,468 | 171,458 | 167,798 | 162,913 | 159,945 | 152,122 | 153,798 |

Lifeco U.S. – Participating Account

| | 2018 | | 2017 | | | | 2016 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|---|-----------|------------|-----------|------------|-----------|------------|-------------|------------|-------------|-------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| <i>(C\$MM, unless otherwise stated)</i> | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 17 | 29 | 19 | 18 | 19 | 28 | 21 | 21 | 46 | 47 | 84 |
| Net investment income | 13 | (5) | 22 | 27 | 43 | 32 | (36) | 27 | 8 | 75 | 124 |
| Total Income | 30 | 24 | 41 | 45 | 62 | 60 | (15) | 48 | 54 | 122 | 208 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 26 | 23 | 37 | 43 | 58 | 57 | (17) | 49 | 49 | 115 | 195 |
| Commissions | 1 | 1 | - | - | 1 | 1 | 1 | 1 | 2 | 2 | 2 |
| General expenses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 4 |
| Other | 2 | - | - | 2 | 2 | 2 | 1 | - | 2 | 4 | 6 |
| Total Benefits and Expenses | 30 | 25 | 38 | 46 | 62 | 61 | (14) | 51 | 55 | 123 | 207 |
| Net Earnings (loss) before income taxes | - | (1) | 3 | (1) | - | (1) | (1) | (3) | (1) | (1) | 1 |
| Income tax | - | (1) | 1 | - | - | - | - | (1) | (1) | - | 1 |
| Net Earnings (loss) before non-controlling interests | - | - | 2 | (1) | - | (1) | (1) | (2) | - | (1) | - |
| Non-controlling interests | - | - | 2 | (1) | - | (1) | (1) | (2) | - | (1) | - |
| Net Earnings | - | - | - | - | - | - | - | - | - | - | - |
| Revenue Premium | | | | | | | | | | | |
| Risk-based premiums | 17 | 29 | 19 | 18 | 19 | 28 | 21 | 21 | 46 | 47 | 84 |
| Revenue Premium (US \$) | 13 | 23 | 15 | 15 | 14 | 21 | 16 | 16 | 36 | 35 | 65 |

Lifeco U.S. – Corporate ⁽¹⁾

(C\$MM, unless otherwise stated)

| | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal |
|---|------|----|-------|----|----|------|------|-----|------|------|--------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| Income | | | | | | | | | | | |
| Net investment income | 16 | - | - | - | - | - | - | - | 16 | - | - |
| Total Income | 16 | - | - | - | - | - | - | - | 16 | - | - |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | - | - | 61 | - | - | - | - | - | - | - | 61 |
| General expenses | 9 | - | 10 | - | - | 3 | (3) | 2 | 9 | 3 | 13 |
| Restructuring and acquisition expenses | - | - | - | - | - | 17 | 2 | 4 | - | 17 | 17 |
| Loss on assets held for sale | - | - | 202 | - | - | - | - | - | - | - | 202 |
| Other | (64) | - | 1 | - | - | - | 4 | 1 | (64) | - | 1 |
| Total Benefits and Expenses | (55) | - | 274 | - | - | 20 | 3 | 7 | (55) | 20 | 294 |
| Net Earnings (loss) before income taxes | 71 | - | (274) | - | - | (20) | (3) | (7) | 71 | (20) | (294) |
| Income tax | 19 | - | 118 | - | - | (7) | (1) | (2) | 19 | (7) | 111 |
| Net Earnings (loss) before non-controlling interests | 52 | - | (392) | - | - | (13) | (2) | (5) | 52 | (13) | (405) |
| Non-controlling interests | - | - | (19) | - | - | - | - | - | - | - | (19) |
| Net Earnings (loss) before Capital Allocation | 52 | - | (373) | - | - | (13) | (2) | (5) | 52 | (13) | (386) |
| Capital Allocation | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) - Common Shareholders | 52 | - | (373) | - | - | (13) | (2) | (5) | 52 | (13) | (386) |
| Net Earnings - Common Shareholders (US\$) | 40 | - | (294) | - | - | (10) | (1) | (3) | 40 | (10) | (304) |

1) The US Corporate segment 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. Q2/18 includes the restructure of financing notes C\$50m, a tax reform expense accrual release C\$5m, and a legal accrual (C\$13m). Additionally, Q2/2018 includes a net currency gain related to the restructure of financing notes C\$9m.

Lifeco U.S. Balance Sheets

(C\$MM)

| | 2018 | | 2017 | | | | 2016 | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Assets | | | | | | | | |
| Cash and cash equivalents | 1,050 | 854 | 1,017 | 893 | 1,042 | 885 | 852 | 1,026 |
| Bonds | 32,427 | 32,553 | 32,190 | 31,785 | 32,274 | 32,718 | 32,973 | 32,727 |
| Mortgage loans | 6,146 | 5,811 | 5,447 | 5,315 | 5,479 | 5,503 | 5,169 | 5,074 |
| Stocks | 180 | 123 | 112 | 175 | 161 | 167 | 160 | 161 |
| Investment properties | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Loans to policyholders | 5,731 | 5,577 | 5,492 | 5,410 | 5,627 | 5,696 | 5,745 | 5,665 |
| Total invested assets | 45,539 | 44,923 | 44,263 | 43,583 | 44,588 | 44,974 | 44,904 | 44,658 |
| Reinsurance assets | 302 | 298 | 287 | 295 | 318 | 330 | 323 | 331 |
| Derivative financial instruments | 85 | 45 | 67 | 126 | 157 | 188 | 200 | 197 |
| Owner occupied properties | 180 | 175 | 172 | 168 | 175 | 179 | 180 | 174 |
| Fixed assets | 125 | 100 | 93 | 83 | 83 | 86 | 90 | 90 |
| Other assets | 2,693 | 2,764 | 2,299 | 2,238 | 2,349 | 2,448 | 2,170 | 2,447 |
| Total other assets | 3,083 | 3,084 | 2,631 | 2,615 | 2,764 | 2,901 | 2,640 | 2,908 |
| Deferred tax assets | 716 | 763 | 700 | 1,069 | 1,109 | 1,323 | 1,388 | 1,351 |
| Goodwill | 201 | 198 | 194 | 192 | 199 | 203 | 205 | 201 |
| Intangible assets | 1,854 | 1,821 | 1,781 | 2,034 | 2,119 | 2,166 | 2,183 | 2,129 |
| Assets held for sale | - | - | 169 | - | - | - | - | - |
| Investments on account of segregated fund policyholders | 33,508 | 33,983 | 34,038 | 33,701 | 35,224 | 35,728 | 35,414 | 35,075 |
| Total assets | 85,203 | 85,070 | 84,063 | 83,489 | 86,321 | 87,625 | 87,057 | 86,653 |
| Liabilities | | | | | | | | |
| Insurance contract liabilities | 40,860 | 40,355 | 39,799 | 39,290 | 40,328 | 40,808 | 40,662 | 40,497 |
| Investment contract liabilities | 161 | 165 | 171 | 176 | 190 | 202 | 209 | 208 |
| | 41,021 | 40,520 | 39,970 | 39,466 | 40,518 | 41,010 | 40,871 | 40,705 |
| Debentures and other debt instruments | 2,484 | 2,319 | 2,388 | 2,204 | 2,334 | 2,551 | 2,559 | 2,372 |
| Other liabilities | 2,304 | 2,436 | 2,036 | 1,975 | 2,007 | 2,254 | 2,088 | 2,729 |
| Deferred tax liabilities | 125 | 121 | 81 | 297 | 290 | 299 | 329 | 271 |
| Investment and insurance contracts on account of segregated fund policyholders | 33,508 | 33,983 | 34,038 | 33,701 | 35,224 | 35,728 | 35,414 | 35,075 |
| Total liabilities | 79,442 | 79,379 | 78,513 | 77,643 | 80,373 | 81,842 | 81,261 | 81,152 |
| Equity | | | | | | | | |
| Non-controlling interests | 156 | 206 | 185 | 225 | 234 | 285 | 248 | 219 |
| Accumulated surplus | 4,076 | 4,001 | 4,014 | 4,312 | 4,201 | 4,112 | 4,114 | 4,070 |
| Accumulated other comprehensive income (loss) | 831 | 795 | 639 | 610 | 821 | 1,106 | 1,129 | 915 |
| Contributed surplus | 698 | 689 | 712 | 699 | 692 | 280 | 305 | 297 |
| | 5,761 | 5,691 | 5,550 | 5,846 | 5,948 | 5,783 | 5,796 | 5,501 |
| Total liabilities and equity | 85,203 | 85,070 | 84,063 | 83,489 | 86,321 | 87,625 | 87,057 | 86,653 |
| Proprietary mutual funds and institutional net assets | 243,506 | 235,926 | 232,623 | 225,481 | 227,545 | 228,245 | 219,699 | 216,458 |
| Other assets under administration | 642,276 | 617,388 | 597,596 | 567,984 | 572,289 | 564,835 | 534,428 | 514,616 |
| Total assets under administration | 970,985 | 938,384 | 914,282 | 876,954 | 886,155 | 880,705 | 841,184 | 817,727 |

Europe



Lifeco Europe Net Earnings – Consolidated

| (C\$MM) | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| Income | | | | | | | | | | | |
| Premium income | 3,870 | 3,949 | 3,971 | 3,832 | 3,641 | 4,841 | 4,144 | 3,724 | 7,819 | 8,482 | 16,285 |
| Regular net investment income | 445 | 517 | 471 | 418 | 496 | 402 | 433 | 438 | 962 | 898 | 1,787 |
| Changes in fair value through profit or loss | (339) | (573) | 462 | (147) | (252) | 258 | (1,571) | 1,635 | (912) | 6 | 321 |
| Net investment income | 106 | (56) | 933 | 271 | 244 | 660 | (1,138) | 2,073 | 50 | 904 | 2,108 |
| Fee and other income | 395 | 364 | 368 | 348 | 346 | 324 | 340 | 328 | 759 | 670 | 1,386 |
| Total Income | 4,371 | 4,257 | 5,272 | 4,451 | 4,231 | 5,825 | 3,346 | 6,125 | 8,628 | 10,056 | 19,779 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders | 3,478 | 3,389 | 4,513 | 3,856 | 3,418 | 5,065 | 2,542 | 5,328 | 6,867 | 8,483 | 16,852 |
| Commissions | 153 | 154 | 150 | 127 | 146 | 134 | 145 | 133 | 307 | 280 | 557 |
| General expenses | 279 | 279 | 274 | 242 | 248 | 234 | 250 | 230 | 558 | 482 | 998 |
| Restructuring and Acquisition Expenses | - | - | 5 | 1 | 1 | 20 | - | 15 | 0 | 21 | 27 |
| Other | 44 | 42 | 44 | 37 | 29 | 37 | 26 | 30 | 86 | 66 | 147 |
| Total Benefits and Expenses | 3,954 | 3,864 | 4,986 | 4,263 | 3,842 | 5,490 | 2,963 | 5,736 | 7,818 | 9,332 | 18,581 |
| Net Earnings before income taxes | 417 | 393 | 286 | 188 | 389 | 335 | 383 | 389 | 810 | 724 | 1,198 |
| Income tax | 31 | 18 | (95) | (20) | 45 | 23 | 51 | 51 | 49 | 68 | (47) |
| Net Earnings before non-controlling interests | 386 | 375 | 381 | 208 | 344 | 312 | 332 | 338 | 761 | 656 | 1,245 |
| Non-controlling interests | - | - | (1) | - | - | (1) | (1) | - | - | (1) | (2) |
| Net Earnings | 386 | 375 | 382 | 208 | 344 | 313 | 333 | 338 | 761 | 657 | 1,247 |
| Preferred share dividends | 4 | 5 | 5 | 5 | 4 | 5 | 5 | 5 | 9 | 9 | 19 |
| Net Earnings before Capital Allocation | 382 | 370 | 377 | 203 | 340 | 308 | 328 | 333 | 752 | 648 | 1,228 |
| Capital Allocation | (27) | (26) | (19) | (19) | (19) | (19) | (21) | (20) | (53) | (38) | (76) |
| Net Earnings - Common Shareholders | 355 | 344 | 358 | 184 | 321 | 289 | 307 | 313 | 699 | 610 | 1,152 |
| Common Shareholder Net Earnings (loss) | | | | | | | | | | | |
| Insurance & Annuities | 281 | 244 | 250 | 233 | 239 | 225 | 225 | 251 | 525 | 464 | 947 |
| Reinsurance ⁽¹⁾ | 97 | 104 | 67 | (41) | 83 | 81 | 86 | 54 | 201 | 164 | 190 |
| Corporate ⁽²⁾ | (23) | (4) | 41 | (8) | (1) | (17) | (4) | 8 | (27) | (18) | 15 |
| Total | 355 | 344 | 358 | 184 | 321 | 289 | 307 | 313 | 699 | 610 | 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 | | YTD | YTD | Fiscal |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| (C\$MM) | | | | | | | | | | | |
| Income | | | | | | | | | | | |
| Premium income | 656 | 627 | 968 | 989 | 614 | 957 | 405 | 748 | 1,283 | 1,571 | 3,528 |
| Net investment income | 83 | 70 | 710 | 202 | 120 | 415 | (846) | 1,524 | 153 | 535 | 1,447 |
| Fee and other income | 391 | 360 | 361 | 344 | 342 | 319 | 333 | 324 | 751 | 661 | 1,366 |
| Total Income | 1,130 | 1,057 | 2,039 | 1,535 | 1,076 | 1,691 | (108) | 2,596 | 2,187 | 2,767 | 6,341 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to | | | | | | | | | | | |
| policyholders and beneficiaries | 403 | 365 | 1,374 | 919 | 416 | 1,094 | (757) | 1,959 | 768 | 1,510 | 3,803 |
| Commissions | 111 | 112 | 114 | 91 | 104 | 93 | 107 | 91 | 223 | 197 | 402 |
| General expenses | 251 | 251 | 247 | 220 | 228 | 215 | 228 | 213 | 502 | 443 | 910 |
| Other | 30 | 32 | 27 | 24 | 23 | 20 | 20 | 16 | 62 | 43 | 94 |
| Total Benefits and Expenses | 795 | 760 | 1,762 | 1,254 | 771 | 1,422 | (402) | 2,279 | 1,555 | 2,193 | 5,209 |
| Net Earnings before income taxes | 335 | 297 | 277 | 281 | 305 | 269 | 294 | 317 | 632 | 574 | 1,132 |
| Income tax | 19 | 19 | 2 | 25 | 41 | 19 | 47 | 43 | 38 | 60 | 87 |
| Net Earnings before non-controlling interests | 316 | 278 | 275 | 256 | 264 | 250 | 247 | 274 | 594 | 514 | 1,045 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings | 316 | 278 | 275 | 256 | 264 | 250 | 247 | 274 | 594 | 514 | 1,045 |
| Perpetual share dividends | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings before Capital Allocation | 316 | 278 | 275 | 256 | 264 | 250 | 247 | 274 | 594 | 514 | 1,045 |
| Capital Allocation | (35) | (34) | (25) | (23) | (25) | (25) | (22) | (23) | (69) | (50) | (98) |
| Net Earnings - Common Shareholders | 281 | 244 | 250 | 233 | 239 | 225 | 225 | 251 | 525 | 464 | 947 |
| Sales | | | | | | | | | | | |
| UK / Isle of Man | 1,151 | 949 | 809 | 1,086 | 873 | 1,095 | 591 | 754 | 2,100 | 1,968 | 3,863 |
| Ireland / Germany | 4,384 | 4,790 | 6,516 | 4,276 | 3,962 | 3,321 | 3,819 | 3,891 | 9,174 | 7,283 | 18,075 |
| Total - Insurance & Annuities | 5,535 | 5,739 | 7,325 | 5,362 | 4,835 | 4,416 | 4,410 | 4,645 | 11,274 | 9,251 | 21,938 |
| Revenue Premium | | | | | | | | | | | |
| Risk-based revenue premiums | 656 | 627 | 968 | 989 | 614 | 957 | 405 | 748 | 1,283 | 1,571 | 3,528 |
| Segregated fund deposits | 2,952 | 2,791 | 4,214 | 2,560 | 3,030 | 2,573 | 2,228 | 2,196 | 5,743 | 5,603 | 12,377 |
| Proprietary mutual funds & institutional deposits | 2,627 | 2,988 | 3,475 | 2,428 | 1,972 | 1,618 | 2,342 | 2,372 | 5,615 | 3,590 | 9,493 |
| | 6,235 | 6,406 | 8,657 | 5,977 | 5,616 | 5,148 | 4,975 | 5,316 | 12,641 | 10,764 | 25,398 |
| UK / Isle of Man | 1,238 | 955 | 969 | 1,125 | 1,099 | 1,230 | 692 | 902 | 2,193 | 2,329 | 4,423 |
| Ireland / Germany | 4,997 | 5,451 | 7,688 | 4,852 | 4,517 | 3,918 | 4,283 | 4,414 | 10,448 | 8,435 | 20,975 |
| Total - Insurance & Annuities ⁽¹⁾ | 6,235 | 6,406 | 8,657 | 5,977 | 5,616 | 5,148 | 4,975 | 5,316 | 12,641 | 10,764 | 25,398 |

1. Excludes participating policy revenue premiums.

Lifeco Europe – Reinsurance

| (C\$MM) | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| Income | | | | | | | | | | | |
| Premium income | 3,209 | 3,316 | 2,995 | 2,837 | 3,020 | 3,877 | 3,730 | 2,967 | 6,525 | 6,897 | 12,729 |
| Net investment income | 17 | (101) | 197 | 59 | 102 | 222 | (244) | 509 | (84) | 324 | 580 |
| Fee and other income | 4 | 4 | 7 | 4 | 4 | 5 | 7 | 4 | 8 | 9 | 20 |
| Total Income | 3,230 | 3,219 | 3,199 | 2,900 | 3,126 | 4,104 | 3,493 | 3,480 | 6,449 | 7,230 | 13,329 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 3,066 | 3,045 | 3,060 | 2,921 | 2,971 | 3,947 | 3,338 | 3,348 | 6,111 | 6,918 | 12,899 |
| Commissions | 42 | 42 | 36 | 36 | 42 | 41 | 38 | 42 | 84 | 83 | 155 |
| General expenses | 18 | 20 | 18 | 16 | 17 | 17 | 20 | 15 | 38 | 34 | 68 |
| Other | 4 | 5 | 9 | 6 | 5 | 7 | 4 | 7 | 9 | 12 | 27 |
| Total Benefits and Expenses | 3,130 | 3,112 | 3,123 | 2,979 | 3,035 | 4,012 | 3,400 | 3,412 | 6,242 | 7,047 | 13,149 |
| Net Earnings (loss) before income taxes | 100 | 107 | 76 | (79) | 91 | 92 | 93 | 68 | 207 | 183 | 180 |
| Income tax | - | 1 | 6 | (42) | 5 | 8 | 4 | 11 | 1 | 13 | (23) |
| Net Earnings (loss) before non-controlling interests | 100 | 106 | 70 | (37) | 86 | 84 | 89 | 57 | 206 | 170 | 203 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) | 100 | 106 | 70 | (37) | 86 | 84 | 89 | 57 | 206 | 170 | 203 |
| Preferred share dividends | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) before Capital Allocation | 100 | 106 | 70 | (37) | 86 | 84 | 89 | 57 | 206 | 170 | 203 |
| Capital Allocation | (3) | (2) | (3) | (4) | (3) | (3) | (3) | (3) | (5) | (6) | (13) |
| Net Earnings (loss) - Common Shareholders ⁽¹⁾ | 97 | 104 | 67 | (41) | 83 | 81 | 86 | 54 | 201 | 164 | 190 |
| Risk-based revenue premiums | 3,209 | 3,316 | 2,995 | 2,837 | 3,020 | 3,877 | 3,730 | 2,967 | 6,525 | 6,897 | 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 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|---|-----------|-------------|------------|-----------|-----------|------------|-------------|-----------|-------------|-------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Income | | | | | | | | | | | |
| Premium income | 5 | 6 | 8 | 6 | 7 | 7 | 9 | 9 | 11 | 14 | 28 |
| Net investment income | 7 | (23) | 25 | 10 | 21 | 22 | (48) | 16 | (16) | 43 | 78 |
| Fee and other income | - | - | - | - | - | - | - | - | - | - | - |
| Total Income | 12 | (17) | 33 | 16 | 28 | 29 | (39) | 25 | (5) | 57 | 106 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | 10 | (18) | 31 | 16 | 30 | 24 | (37) | 21 | (8) | 54 | 101 |
| Commissions | - | - | - | - | - | - | - | - | - | - | - |
| General expenses | - | 1 | - | 1 | 2 | 1 | 1 | 1 | 1 | 3 | 4 |
| Other | 2 | - | 3 | (1) | (4) | 5 | (2) | 3 | 2 | 1 | 3 |
| Total Benefits and Expenses | 12 | (17) | 34 | 16 | 28 | 30 | (38) | 25 | (5) | 58 | 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 | 5 | 6 | 8 | 6 | 7 | 7 | 9 | 9 | 11 | 14 | 28 |

Lifeco Europe – Corporate

| (C\$MM) | 2018 | | 2017 | | | | 2016 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|------------|-----------|-------------|-------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Income | | | | | | | | | | | |
| Premium income | - | - | - | - | - | - | - | - | - | - | - |
| Net investment income | (1) | (2) | 1 | - | 1 | 1 | - | 24 | (3) | 2 | 3 |
| Fee and other income | - | - | - | - | - | - | - | - | - | - | - |
| Total Income | (1) | (2) | 1 | - | 1 | 1 | - | 24 | (3) | 2 | 3 |
| Benefits and Expenses | | | | | | | | | | | |
| Paid or credited to policyholders and beneficiaries | (1) | (3) | 48 | - | 1 | - | (2) | - | (4) | 1 | 49 |
| Commissions | - | - | - | - | - | - | - | - | - | - | - |
| General expenses | 10 | 7 | 9 | 5 | 1 | 1 | 1 | 1 | 17 | 2 | 16 |
| Restructuring and acquisition expenses | - | - | 5 | 1 | 1 | 20 | - | 15 | - | 21 | 27 |
| Other | 8 | 5 | 5 | 8 | 5 | 5 | 4 | 4 | 13 | 10 | 23 |
| Total Benefits and Expenses | 17 | 9 | 67 | 14 | 8 | 26 | 3 | 20 | 26 | 34 | 115 |
| Net Earnings (loss) before income taxes | (18) | (11) | (66) | (14) | (7) | (25) | (3) | 4 | (29) | (32) | (112) |
| Income tax | 12 | (2) | (103) | (3) | (1) | (4) | - | (3) | 10 | (5) | (111) |
| Net Earnings (loss) | (30) | (9) | 37 | (11) | (6) | (21) | (3) | 7 | (39) | (27) | (1) |
| Preferred shareholder dividends | 4 | 5 | 5 | 5 | 4 | 5 | 5 | 5 | 9 | 9 | 19 |
| Net Earnings (loss) before Capital Allocation | (34) | (14) | 32 | (16) | (10) | (26) | (8) | 2 | (48) | (36) | (20) |
| Capital Allocation | 11 | 10 | 9 | 8 | 9 | 9 | 4 | 6 | 21 | 18 | 35 |
| Net Earnings (loss) - Common Shareholders ⁽¹⁾ | (23) | (4) | 41 | (8) | (1) | (17) | (4) | 8 | (27) | (18) | 15 |

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 | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Cash and cash equivalents | 2,027 | 2,048 | 1,833 | 1,657 | 1,711 | 1,622 | 1,792 | 1,554 |
| Bonds | 43,196 | 45,370 | 41,710 | 39,804 | 40,280 | 39,835 | 39,082 | 40,180 |
| Mortgage loans | 4,493 | 4,553 | 3,596 | 3,644 | 3,704 | 3,624 | 3,590 | 3,642 |
| Stocks | 444 | 424 | 428 | 418 | 395 | 454 | 602 | 743 |
| Investment properties | 2,928 | 3,081 | 2,886 | 2,834 | 2,835 | 2,783 | 2,761 | 2,892 |
| Loans to policyholders | 113 | 111 | 109 | 107 | 112 | 113 | 113 | 110 |
| Total invested assets | 53,201 | 55,587 | 50,562 | 48,464 | 49,037 | 48,431 | 47,940 | 49,121 |
| Funds withheld by ceding insurers | 9,581 | 10,070 | 9,893 | 9,977 | 10,317 | 10,496 | 10,781 | 12,558 |
| Reinsurance assets | 5,566 | 5,834 | 4,639 | 4,875 | 4,986 | 4,815 | 4,824 | 4,537 |
| Derivative financial instruments | 130 | 145 | 130 | 112 | 122 | 126 | 163 | 188 |
| Owner occupied properties | 140 | 144 | 138 | 133 | 85 | 80 | 79 | 79 |
| Fixed assets | 61 | 64 | 59 | 56 | 58 | 56 | 56 | 59 |
| Other assets | 3,315 | 3,510 | 3,157 | 2,783 | 2,827 | 2,935 | 2,771 | 2,758 |
| Total other assets | 3,646 | 3,863 | 3,484 | 3,084 | 3,092 | 3,197 | 3,069 | 3,084 |
| Deferred tax assets | 41 | 39 | 28 | 21 | 33 | 19 | 23 | 16 |
| Goodwill | 2,267 | 2,300 | 2,016 | 2,002 | 2,006 | 1,986 | 1,985 | 2,034 |
| Intangible assets | 486 | 500 | 473 | 459 | 460 | 445 | 443 | 413 |
| Investments on account of segregated fund policyholders | 106,248 | 107,322 | 102,920 | 96,713 | 96,087 | 92,080 | 90,080 | 90,418 |
| Total assets | 181,036 | 185,515 | 174,015 | 165,595 | 166,018 | 161,469 | 159,145 | 162,181 |
| Liabilities | | | | | | | | |
| Insurance contract liabilities | 55,619 | 58,678 | 53,590 | 52,514 | 53,147 | 52,851 | 52,478 | 55,504 |
| Investment contract liabilities | 1,287 | 1,316 | 1,345 | 1,366 | 1,421 | 1,455 | 1,456 | 1,539 |
| Debt securities | 56,906 | 59,994 | 54,935 | 53,880 | 54,568 | 54,306 | 53,934 | 57,043 |
| Debentures and other debt instruments | 1,066 | 1,107 | 1,052 | 1,023 | 1,030 | 988 | 1,273 | 1,028 |
| Funds held under reinsurance contracts | 1,333 | 1,405 | 329 | 309 | 295 | 289 | 286 | 305 |
| Other liabilities | 2,129 | 2,071 | 1,998 | 1,953 | 2,066 | 2,144 | 2,277 | 2,536 |
| Deferred tax liabilities | 448 | 421 | 442 | 486 | 525 | 542 | 528 | 512 |
| Investment and insurance contracts on account of segregated fund policyholders | 106,248 | 107,322 | 102,920 | 96,713 | 96,087 | 92,080 | 90,080 | 90,418 |
| Total liabilities | 168,130 | 172,320 | 161,676 | 154,364 | 154,571 | 150,349 | 148,378 | 151,842 |
| Equity | | | | | | | | |
| Non-controlling interests | (1) | (1) | (2) | (1) | (1) | - | - | 2 |
| Share capital | | | | | | | | |
| Perpetual preferred shares | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 |
| Common shares | - | - | - | - | - | - | - | - |
| Accumulated surplus | 11,829 | 11,722 | 11,486 | 10,612 | 10,696 | 10,535 | 10,248 | 9,655 |
| Accumulated other comprehensive income (loss) | 528 | 924 | 305 | 70 | 202 | 35 | (31) | 132 |
| Contributed surplus | - | - | - | - | - | - | - | - |
| | 12,906 | 13,195 | 12,339 | 11,231 | 11,447 | 11,120 | 10,767 | 10,339 |
| Total liabilities and equity | 181,036 | 185,515 | 174,015 | 165,595 | 166,018 | 161,469 | 159,145 | 162,181 |
| Proprietary mutual funds and institutional net assets | 44,229 | 43,080 | 39,521 | 37,000 | 37,797 | 35,713 | 33,664 | 34,461 |
| Other assets under administration | 41,772 | 43,231 | 41,945 | 39,413 | 39,148 | 39,218 | 38,952 | 40,044 |
| Total assets under administration | 267,037 | 271,826 | 255,481 | 242,008 | 242,963 | 236,400 | 231,761 | 236,686 |

Lifeco Corporate

| (C\$MM) | 2018 | | 2017 | | | | 2016 | | YTD 2018 | YTD 2017 | Fiscal 2017 |
|---|------------|------------|------------|------------|------------|-------------|-------------|------------|-------------|-------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | | | |
| Income | | | | | | | | | | | |
| Premium income | - | - | - | - | - | - | - | - | - | - | - |
| Net investment income | 2 | 3 | 2 | 1 | 2 | (1) | (2) | - | 5 | 1 | 4 |
| Fee and other income | - | - | - | - | - | - | - | - | - | - | - |
| Total Income | 2 | 3 | 2 | 1 | 2 | (1) | (2) | - | 5 | 1 | 4 |
| Benefits and Expenses | | | | | | | | | | | |
| General expenses | 5 | 5 | 4 | 6 | 2 | 9 | 9 | 4 | 10 | 11 | 21 |
| Other | (1) | - | - | 1 | 1 | - | 2 | (2) | (1) | 1 | 2 |
| Total Benefits and Expenses | 4 | 5 | 4 | 7 | 3 | 9 | 11 | 2 | 9 | 12 | 23 |
| Net Earnings (loss) before income taxes | (2) | (2) | (2) | (6) | (1) | (10) | (13) | (2) | (4) | (11) | (19) |
| Income tax | (1) | - | - | (2) | - | (3) | (3) | 2 | (1) | (3) | (5) |
| Net Earnings (loss) before non-controlling interests | (1) | (2) | (2) | (4) | (1) | (7) | (10) | (4) | (3) | (8) | (14) |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| Net Earnings (loss) | (1) | (2) | (2) | (4) | (1) | (7) | (10) | (4) | (3) | (8) | (14) |
| Preferred share dividends | - | - | 2 | 4 | - | - | - | - | - | - | 6 |
| Net Earnings (loss) before Capital Allocation | (1) | (2) | (4) | (8) | (1) | (7) | (10) | (4) | (3) | (8) | (20) |
| Capital Allocation | (2) | (2) | (2) | (1) | (2) | (2) | (2) | (2) | (4) | (4) | (7) |
| Net Earnings (loss) - Common Shareholders | (3) | (4) | (6) | (9) | (3) | (9) | (12) | (6) | (7) | (12) | (27) |

Lifeco – Consolidated Source of Earnings

| (C\$MM) | For the three months ended Jun. 30, 2018 | | | | | 2018 | 2017 | | | | | 2016 | | YTD | YTD | Fiscal |
|--|--|------------|------------|------------|--------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------|
| | Canada | U.S. | Europe | Corp | Total | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 | |
| Expected profit on in-force business | 304 | 121 | 303 | (5) | 723 | 711 | 704 | 682 | 681 | 605 | 695 | 661 | 1,434 | 1,286 | 2,672 | |
| Impact of new business | 4 | (29) | (33) | - | (58) | (96) | (18) | (12) | (61) | (24) | (43) | (77) | (154) | (85) | (115) | |
| Experience gains and losses | 64 | 15 | (10) | - | 69 | 85 | 83 | (91) | 230 | 119 | 88 | 11 | 154 | 349 | 341 | |
| Management actions and changes in assumptions | 83 | 2 | 147 | - | 232 | 135 | 125 | 152 | 38 | 44 | 141 | 223 | 367 | 82 | 359 | |
| Impact of U.S. tax reform on insurance contract liabilities & expenses | - | - | - | - | - | - | (119) | - | - | - | - | - | - | - | (119) | |
| Other | - | (9) | - | - | (9) | - | (187) | (1) | (174) | (40) | (35) | (24) | (9) | (214) | (402) | |
| Earnings on surplus (incl. financing charges) | 15 | 76 | (17) | 1 | 75 | 17 | 1 | (16) | (5) | 16 | (12) | 34 | 92 | 11 | (4) | |
| Net income before tax | 470 | 176 | 390 | (4) | 1,032 | 852 | 589 | 714 | 709 | 720 | 834 | 828 | 1,884 | 1,429 | 2,732 | |
| Taxes (excl. impact of U.S. tax reform) | (107) | (30) | (31) | 1 | (167) | (88) | (64) | (95) | (91) | (98) | (127) | (121) | (255) | (189) | (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 | 363 | 146 | 359 | (3) | 865 | 764 | 409 | 619 | 618 | 622 | 707 | 707 | 1,629 | 1,240 | 2,268 | |
| Non-controlling interests & preferred dividends | (29) | (1) | (4) | - | (34) | (33) | (36) | (38) | (33) | (31) | (31) | (33) | (67) | (64) | (138) | |
| Impact of U.S. tax reform on non-controlling interests | - | - | - | - | - | - | 19 | - | - | - | - | - | - | - | 19 | |
| Net income - Common Shareholders | 334 | 145 | 355 | (3) | 831 | 731 | 392 | 581 | 585 | 591 | 676 | 674 | 1,562 | 1,176 | 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

| (C\$MM) | 2018 | | 2017 | | | | 2016 | | YTD | YTD | Fiscal |
|--|-------------|-------------|------------|----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2018 | 2017 | 2017 |
| Expected profit on in-force business | 11 | 4 | 5 | 4 | 10 | (12) | 1 | (13) | 15 | (2) | 7 |
| Impact of new business | (8) | (9) | (8) | (5) | (8) | (8) | (8) | (8) | (17) | (16) | (29) |
| Experience gains and losses | (5) | (11) | - | 15 | 4 | (3) | 1 | 2 | (16) | 1 | 16 |
| Management actions and changes in assumptions | - | - | - | - | - | - | - | 19 | - | - | - |
| Other | - | - | 20 | - | - | - | (33) | - | - | - | 20 |
| Earnings on surplus (incl. financing charges) | (18) | (11) | (14) | (10) | (26) | (18) | (29) | (20) | (29) | (44) | (68) |
| Net income before tax | (20) | (27) | 3 | 4 | (20) | (41) | (68) | (20) | (47) | (61) | (54) |
| Taxes | 13 | 11 | (5) | 5 | 17 | 25 | 45 | 16 | 24 | 42 | 42 |
| Net income before non-controlling interests & preferred dividends | (7) | (16) | (2) | 9 | (3) | (16) | (23) | (4) | (23) | (19) | (12) |
| Non-controlling interests & preferred dividends | (1) | - | (3) | (3) | (3) | - | - | (2) | (1) | (3) | (9) |
| Net income - common shareholders ⁽¹⁾ | (8) | (16) | (5) | 6 | (6) | (16) | (23) | (6) | (24) | (22) | (21) |

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