

GREAT-WEST LIFECO INC.

Supplemental Information Package For Analysts and Investors (Unaudited) Q3 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 Q3 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 \$1,441 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Premium Income	10,337	7,905	8,174	8,494	8,293	7,761	9,354	8,905	26,416	25,408	33,902
Net Investment Income	207	1,225	86	2,979	529	1,895	2,204	(2,436)	1,518	4,628	7,607
Fee & Other Income	1,483	1,483	1,433	1,439	1,400	1,421	1,348	1,345	4,399	4,169	5,608
Total Income	12,027	10,613	9,693	12,912	10,222	11,077	12,906	7,814	32,333	34,205	47,117
Operating Earnings - Common Shareholders	689	831	731	392	581	585	591	676	2,251	1,757	2,149
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-	-
Net Earnings - Common Shareholders	689	831	731	392	581	585	591	676	2,251	1,757	2,149
Net Earnings attributable to Perpetual Preferred Shareholders	34	33	33	33	35	30	31	31	100	96	129
Net Earnings - Total Shareholders	723	864	764	425	616	615	622	707	2,351	1,853	2,278
Earnings per Common Share											
Operating Earnings	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$2.277	\$1.776	\$2.173
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-	-
Basic earnings per share	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$2.277	\$1.776	\$2.173
Diluted earnings per share	\$0.697	\$0.839	\$0.739	\$0.396	\$0.587	\$0.590	\$0.597	\$0.685	\$2.275	\$1.773	\$2.170
Common Shareholder Net Earnings (Loss) - by Segment											
Canada	315	334	316	338	296	185	255	326	965	736	1,074
U.S.	113	145	75	(298)	110	82	56	55	333	248	(50)
Europe	263	355	344	358	184	321	289	307	962	794	1,152
Corporate	(2)	(3)	(4)	(6)	(9)	(3)	(9)	(12)	(9)	(21)	(27)
Total	689	831	731	392	581	585	591	676	2,251	1,757	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 Sept. 30, 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Common Shareholder Net Earnings (Loss)											
Canada											
Individual Customer	165	211	138	162	141	140	146	179	514	427	589
Group Customer	150	194	142	193	155	189	104	154	486	448	641
Corporate ^{(1) (2)}	-	(71)	36	(17)	-	(144)	5	(7)	(35)	(139)	(156)
	315	334	316	338	296	185	255	326	965	736	1,074
U.S.											
Financial Services	121	101	91	80	104	88	85	80	313	277	357
Asset Management ⁽³⁾	(8)	(8)	(16)	(5)	6	(6)	(16)	(23)	(32)	(16)	(21)
Corporate ⁽⁴⁾	-	52	-	(373)	-	-	(13)	(2)	52	(13)	(386)
	113	145	75	(298)	110	82	56	55	333	248	(50)
Europe											
Insurance & Annuities	240	281	244	250	233	239	225	225	765	697	947
Reinsurance ⁽⁵⁾	87	97	104	67	(41)	83	81	86	288	123	190
Corporate ⁽⁶⁾	(64)	(23)	(4)	41	(8)	(1)	(17)	(4)	(91)	(26)	15
	263	355	344	358	184	321	289	307	962	794	1,152
Corporate	(2)	(3)	(4)	(6)	(9)	(3)	(9)	(12)	(9)	(21)	(27)
Total ⁽⁷⁾	689	831	731	392	581	585	591	676	2,251	1,757	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) Q3 2018 includes Europe restructuring costs of \$56m (after-tax). 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(C\$ / US\$)								
Balance Sheet	1.29	1.31	1.29	1.26	1.25	1.30	1.33	1.34
Income & Expenses	1.31	1.29	1.26	1.27	1.25	1.34	1.32	1.33
(C\$ / £)								
Balance Sheet	1.69	1.73	1.81	1.70	1.67	1.69	1.67	1.66
Income & Expenses	1.70	1.76	1.76	1.69	1.64	1.72	1.64	1.66
(C\$ / €)								
Balance Sheet	1.50	1.53	1.59	1.51	1.47	1.48	1.42	1.42
Income & Expenses	1.52	1.54	1.55	1.50	1.47	1.48	1.41	1.44

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	
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
Q3 2018	988,970,020	-	13,840	600,408	\$31.98	\$19,201,658	988,383,452

3 months ended Sept. 30, 2018

Average common shares outstanding - Basic	988,674,609
Potential exercise of outstanding stock options	717,086
Average common shares outstanding - Diluted	<u>989,391,695</u>

Lifeco Financial Ratio Highlights

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Share Price								
High	\$32.72	\$34.34	\$35.51	\$36.40	\$36.14	\$37.15	\$37.74	\$35.75
Low	\$30.30	\$32.04	\$32.43	\$34.66	\$34.13	\$33.32	\$35.24	\$32.24
Close	\$31.34	\$32.32	\$32.88	\$35.10	\$35.91	\$35.15	\$36.85	\$35.17
Operating EPS								
Operating EPS	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686
Operating EPS Growth <i>(qtr / qtr)</i>	(16.9%)	13.4%	86.4%	(32.4%)	(0.7%)	(1.2%)	(12.8%)	0.6%
Dividends								
Common Dividends Declared / Share		\$0.3890	\$0.3890	\$0.3890	\$0.3670	\$0.3670	\$0.3670	\$0.3670
Common Dividends Paid / Share	\$0.3890	\$0.3890	\$0.3890	\$0.3670	\$0.3670	\$0.3670	\$0.3670	\$0.3460
Paid Dividend Growth <i>(qtr / qtr)</i>	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	6.1%	0.0%
Paid Dividend Growth <i>(yr / yr)</i>	6.0%	6.0%	6.0%	6.1%	6.1%	6.1%	6.1%	6.1%
Dividend Payout Ratio ⁽¹⁾	55.8%	46.4%	52.6%	92.4%	62.5%	62.1%	61.4%	50.4%
Dividend Yield <i>(annualized)</i> ⁽²⁾	5.0%	4.8%	4.7%	4.2%	4.1%	4.2%	4.0%	3.9%
Ratios								
P/E Ratio <i>(rolling 4 qtrs - operating earnings)</i>	11.7x	12.6x	14.2x	16.2x	14.6x	13.7x	14.0x	13.2x
P/Book Value Ratio	1.5x	1.5x	1.6x	1.7x	1.8x	1.8x	1.8x	1.8x
ROE ⁽³⁾ (12 Months Trailing) - Operating Earnings	12.8%	12.5%	11.4%	10.9%	12.4%	13.0%	13.6%	13.8%
ROE ⁽³⁾ (12 Months Trailing)	12.8%	12.5%	11.4%	10.9%	12.4%	13.0%	13.6%	13.8%
Share Information								
Total Shares Outstanding (mm)	988.4	989.0	988.6	988.7	989.6	989.9	989.9	986.4
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)	279.1	279.7	279.3	279.4	280.3	280.6	280.6	277.1
Total Market Capitalization (mm)	\$30,976	\$31,964	\$32,506	\$34,704	\$35,536	\$34,795	\$36,479	\$34,692
Public Float (mm)	\$8,746	\$9,039	\$9,184	\$9,808	\$10,064	\$9,863	\$10,341	\$9,745
Book Value per Share	\$21.25	\$21.22	\$21.01	\$20.11	\$19.92	\$19.95	\$19.99	\$19.76

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			
	Q3	Q2	Q1	
LICAT				
Great-West Life Assurance Company				
Available Capital	15,570	15,660	15,748	
Surplus Allowance & Eligible Deposits	10,258	10,130	10,342	
Total Capital Resources	25,828	25,790	26,090	
Base Solvency Buffer (includes OSFI scalar of 1.05)	19,322	19,429	20,034	
Total Ratio	134%	133%	130%	
London Life Insurance Company				
Available Capital	3,907	3,818	3,852	
Surplus Allowance & Eligible Deposits	1,929	1,987	2,064	
Total Capital Resources	5,836	5,805	5,916	
Base Solvency Buffer (includes OSFI scalar of 1.05)	3,983	3,936	3,985	
Total Ratio	147%	147%	148%	
Canada Life Assurance Company				
Available Capital	11,285	11,517	11,648	
Surplus Allowance & Eligible Deposits	7,121	6,932	7,056	
Total Capital Resources	18,406	18,449	18,704	
Base Solvency Buffer (includes OSFI scalar of 1.05)	12,814	12,964	13,493	
Total Ratio	144%	142%	139%	
				2017
				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		
	Q3	Q2	Q1
Available Capital:			
Tier 1 Capital			
Common shares	8,882	8,882	8,882
Shareholder Surplus	11,853	11,562	11,291
Other Tier 1	2,830	3,058	3,349
Less: Goodwill & Intangibles	(8,070)	(7,982)	(8,018)
Less: Other Deductions	(3,180)	(3,122)	(2,968)
Total Tier 1 Capital	12,315	12,398	12,536
Tier 2 Capital	3,255	3,262	3,212
Available Capital	15,570	15,660	15,748
Surplus Allowance and Eligible Deposits	10,258	10,130	10,342
Total Capital Resources	25,828	25,790	26,090
Base Solvency Buffers			
Non-Participating Business:			
Credit Risk	2,439	2,489	2,591
Market Risk	2,189	2,208	2,388
Insurance Risk, Net of Adjustable Credits	10,841	10,981	11,349
	15,469	15,678	16,328
Participating Business Total Risk	3,849	3,727	3,725
Less: Diversification & Other Credits	(3,380)	(3,356)	(3,467)
Segregated Fund Guarantee Risk	275	265	268
Operational Risk	2,189	2,190	2,226
Solvency Buffers prior to OSFI scalar	18,402	18,504	19,080
Base Solvency Buffer (includes OSFI scalar of 1.05)	19,322	19,429	20,034
LICAT Ratios:			
Total Ratio ⁽¹⁾ (OSFI Supervisory Target = 100%)	134%	133%	130%
Core Ratio ⁽²⁾ (OSFI Supervisory Target = 70%)	101%	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

(C\$MM)

LIABILITIES	2018			2017		
	Q3	Q2	Q1	Q4	Q3	Q2
Short Term						
Commercial Paper & other short term borrowings	129	130	111	126	125	93
Putnam revolving credit facility	148	190	213	302	131	234
Total Short Term	277	320	324	428	256	327
Capital						
Lifeco						
6.14% Debenture due Mar 21, 2018	-	-	-	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	393	392	392
5.998% Debenture due Nov 16, 2039	342	342	342	342	342	342
4.65% Debenture due Aug 13, 2020	500	500	499	499	499	499
2.50% Euro Bond Debt due April 18, 2023	747	762	792	752	732	737
1.75% Euro Bond Debt due December 7, 2026	745	759	789	749	729	734
3.337% Debenture due Feb 28, 2028	497	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)	223	226	223	218	216	224
2.538% (plus 3-month LIBOR) Subordinated Debenture (LP II) ⁽¹⁾	-	-	387	378	375	390
Lifeco Finance (Delaware)						
5.691% Subordinated Debenture due June 21, 2067 (LP)	-	-	-	-	-	-
4.150% Senior Notes due June 3, 2047 (LP)	886	900	885	865	858	893
7.127% Subordinated Debenture due June 26, 2068 (LP II)	-	-	500	500	500	500
Lifeco Finance 2018						
4.047% Senior Notes due May 17, 2028	385	390	-	-	-	-
4.581% Senior Notes due May 17, 2048	638	649	-	-	-	-
Total Debt and Other Loans	5,926	6,031	5,925	5,617	5,392	5,531
Capital Trust Securities						
CLICS	150	150	150	150	150	150
Acquisition related FMV adjustment	10	10	10	10	10	10
	160	160	160	160	160	160
Trust securities held by consolidated group	(37)	(37)	(37)	(37)	(37)	(37)
Capital Trust Securities (externally held)	123	123	123	123	123	123

EQUITY	2018			2017		
	Q3	Q2	Q1	Q4	Q3	Q2
Non-Controlling Interests						
Non-controlling interest in capital stock & surplus	154	135	185	164	204	212
Undistributed Participating Account Surplus						
Great-West Life	603	623	619	622	612	609
London Life	1,844	1,797	1,786	1,796	1,796	1,738
Canada Life	291	347	343	339	331	390
GWL&A	14	15	15	14	14	16
	2,752	2,782	2,763	2,771	2,753	2,753
Total Non-Controlling Interest	2,906	2,917	2,948	2,935	2,957	2,965
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	200
	2,714	2,714	2,714	2,714	2,714	2,714
Common Stock	7,287	7,291	7,268	7,260	7,262	7,261
Accumulated & Contributed Surplus	13,168	12,870	12,432	12,241	12,226	12,010
Accumulated Other Comprehensive Income (loss)	549	828	1,073	386	227	478
Total Equity Capital	26,624	26,620	26,435	25,536	25,386	25,428

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

(C\$MM, unless otherwise stated)

	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Premium income	10,337	7,905	8,174	8,494	8,293	7,761	9,354	8,905	26,416	25,408	33,902
Regular net investment income	1,578	1,575	1,573	1,564	1,517	1,591	1,469	1,507	4,726	4,577	6,141
Changes in fair value through profit or loss	(1,371)	(350)	(1,487)	1,415	(988)	304	735	(3,943)	(3,208)	51	1,466
Net investment income	207	1,225	86	2,979	529	1,895	2,204	(2,436)	1,518	4,628	7,607
Fee and other income	1,483	1,483	1,433	1,439	1,400	1,421	1,348	1,345	4,399	4,169	5,608
Total Income	12,027	10,613	9,693	12,912	10,222	11,077	12,906	7,814	32,333	34,205	47,117
Benefits and Expenses											
Paid or credited to policyholders	9,046	7,556	6,780	9,987	7,567	8,227	9,862	4,373	23,382	25,656	35,643
Commissions	611	596	594	646	579	609	813	853	1,801	2,001	2,647
Operating expenses	1,244	1,241	1,237	1,237	1,109	1,154	1,205	1,250	3,722	3,468	4,705
Premium taxes	122	124	121	115	118	107	123	112	367	348	463
Financing charges	69	11	71	74	71	79	76	75	151	226	300
Amortization of finite life intangible assets	54	50	49	29	47	47	45	44	153	139	168
Restructuring and acquisition expenses	67	-	-	5	1	216	37	35	67	254	259
Loss on assets held for sale	-	-	-	202	-	-	-	-	-	-	202
Total Benefits and Expenses	11,213	9,578	8,852	12,295	9,492	10,439	12,161	6,742	29,643	32,092	44,387
Net Earnings before income taxes	814	1,035	841	617	730	638	745	1,072	2,690	2,113	2,730
Income Tax - Current	78	81	84	(39)	60	134	104	115	243	298	259
- Deferred	29	72	(7)	221	33	(83)	(8)	73	94	(58)	163
Net Earnings before non-controlling interests	707	882	764	435	637	587	649	884	2,353	1,873	2,308
Non-controlling interests	(16)	18	-	10	21	(28)	27	177	2	20	30
Net Earnings	723	864	764	425	616	615	622	707	2,351	1,853	2,278
Perpetual preferred share dividends	34	33	33	33	35	30	31	31	100	96	129
Net Earnings - Common Shareholders	689	831	731	392	581	585	591	676	2,251	1,757	2,149
Earnings per Common Share											
Operating Earnings	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$2.277	\$1.776	\$2.173
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-	-
Basic Earnings	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$0.686	\$2.277	\$1.776	\$2.173
Diluted Earnings	\$0.697	\$0.839	\$0.739	\$0.396	\$0.587	\$0.590	\$0.597	\$0.685	\$2.275	\$1.773	\$2.170
Average number of shares outstanding (MM) - basic	988.7	989.1	988.6	989.3	989.7	990.0	987.7	986.2	988.8	989.2	989.2
Average number of shares outstanding (MM) - diluted	989.4	990.0	989.7	990.7	991.1	991.3	989.8	987.9	989.7	990.7	990.7
Effective tax rate	13.1%	14.8%	9.1%	29.5%	12.7%	8.0%	12.9%	18.0%	12.5%	11.4%	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 Sept. 30, 2018 consolidated financial statements and within the IFRS section of the MD&A

Lifeco Balance Sheets

(C\$MM)

Assets	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Government bonds	48,608	47,728	49,620	49,897	47,880	48,762	49,652	50,869
Corporate bonds	73,501	74,709	74,885	70,307	68,868	69,453	68,189	65,904
Total bonds ⁽¹⁾	122,109	122,437	124,505	120,204	116,748	118,215	117,841	116,773
Mortgage loans	24,198	24,206	23,855	22,185	21,871	22,301	22,027	21,651
Stocks	9,350	9,226	8,725	8,864	8,707	8,435	8,677	8,665
Investment properties	5,064	5,098	5,217	4,851	4,738	4,708	4,421	4,340
Loans to policyholders	8,530	8,611	8,408	8,280	8,194	8,394	8,436	8,467
Cash and cash equivalents	3,882	3,794	3,595	3,551	3,106	3,398	3,042	3,259
Total invested assets	173,133	173,372	174,305	167,935	163,364	165,451	164,444	163,155
Funds withheld by ceding insurers	9,145	9,581	10,070	9,893	9,977	10,317	10,496	10,781
Reinsurance assets	5,895	6,095	6,265	5,045	5,418	5,416	5,579	5,627
Premiums in course of collection, accounts and interest receivable	5,105	4,990	5,436	4,647	4,648	4,550	4,776	4,311
Current income taxes	194	224	226	134	169	204	181	170
Derivative financial instruments	396	382	351	384	436	463	476	528
Owner occupied properties	699	720	718	706	693	653	648	649
Fixed assets	392	372	317	303	295	293	298	304
Other assets	2,650	2,604	2,622	2,424	2,296	2,359	2,384	2,263
Deferred tax assets	916	937	1,008	930	1,339	1,377	1,530	1,593
Goodwill	6,501	6,480	6,508	6,179	6,273	5,992	5,976	5,977
Intangible assets	3,849	3,821	3,794	3,732	3,814	3,900	3,952	3,972
Assets held for sale	-	-	-	169	-	-	-	-
Investments on account of segregated fund policyholders	220,207	221,117	221,031	217,357	208,046	208,536	204,666	200,403
Total assets	429,082	430,695	432,651	419,838	406,768	409,511	405,406	399,733
Liabilities								
Insurance contract liabilities	163,376	163,898	165,648	159,524	156,257	157,797	157,319	155,940
Investment contract liabilities	1,722	1,769	1,777	1,841	1,880	1,953	2,000	2,009
Debtentures and other debt instruments	165,098	165,667	167,425	161,365	158,137	159,750	159,319	157,949
Funds held under reinsurance contracts	5,926	6,031	5,925	5,617	5,392	5,531	5,688	5,980
Other liabilities	1,338	1,383	1,452	373	351	336	326	320
Deferred tax liabilities	8,487	8,504	9,014	8,236	7,847	8,373	8,390	8,391
Capital trust securities	1,242	1,213	1,209	1,194	1,449	1,397	1,484	1,521
Investment and insurance contracts on account of segregated fund policyholders	160	160	160	160	160	160	161	161
Investment and insurance contracts on account of segregated fund policyholders	220,207	221,117	221,031	217,357	208,046	208,536	204,666	200,403
Total liabilities	402,458	404,075	406,216	394,302	381,382	384,083	380,034	374,725
Equity								
Non-controlling interests	2,906	2,917	2,948	2,935	2,957	2,965	3,073	3,006
Share capital								
Perpetual preferred shares	2,714	2,714	2,714	2,714	2,714	2,714	2,514	2,514
Common shares	7,287	7,291	7,268	7,260	7,262	7,261	7,254	7,130
Accumulated surplus	13,032	12,742	12,311	12,098	12,097	11,889	11,674	11,465
Accumulated other comprehensive income (loss)	549	828	1,073	386	227	478	744	746
Contributed surplus	136	128	121	143	129	121	113	147
Total equity	26,624	26,620	26,435	25,536	25,386	25,428	25,372	25,008
Total liabilities and equity	429,082	430,695	432,651	419,838	406,768	409,511	405,406	399,733
Proprietary mutual funds and institutional assets	293,766	294,890	285,843	278,954	268,994	271,686	270,121	259,215
Other assets under administration	718,410	697,680	673,597	651,121	618,532	627,633	620,064	589,291
Total assets under administration	1,441,258	1,423,265	1,392,091	1,349,913	1,294,294	1,308,830	1,295,591	1,248,239

1) Includes short-term bonds

Lifeco Supplemental Balance Sheet Information

(CSMM, unless otherwise stated)

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Bond Portfolio Quality								
Canada								
AAA	8,331	8,369	8,765	9,218	9,340	9,837	10,040	10,495
AA	9,976	10,187	10,337	10,049	9,823	9,583	9,170	8,582
A	17,201	17,369	17,104	17,237	16,569	17,089	16,493	15,840
BBB	8,515	8,237	7,871	7,249	6,424	6,221	6,078	5,844
BB or Lower	78	76	76	77	91	91	85	85
Total	44,101	44,238	44,153	43,830	42,247	42,821	41,866	40,846
U.S.								
AAA	6,681	6,801	6,970	7,263	6,877	6,925	7,430	8,825
AA	4,830	5,075	5,006	4,824	4,552	4,749	4,768	4,672
A	10,586	10,972	10,908	10,876	10,773	10,678	10,470	10,131
BBB	9,060	9,063	8,993	8,609	8,512	8,733	8,835	8,635
BB or Lower	422	449	493	540	580	664	693	700
Total	31,579	32,360	32,370	32,112	31,294	31,749	32,196	32,963
Europe								
AAA	5,564	5,676	6,247	5,822	4,891	4,929	4,525	4,495
AA	17,120	16,143	17,308	16,075	16,266	16,125	16,230	15,465
A	12,823	12,773	13,104	12,053	11,596	11,943	11,602	11,480
BBB	6,292	6,414	6,656	5,591	5,554	5,616	5,694	5,616
BB or Lower	415	434	524	516	479	502	492	507
Total	42,214	41,440	43,839	40,057	38,786	39,115	38,543	37,563
Total Bond Portfolio Quality								
AAA	20,576	20,846	21,982	22,303	21,108	21,691	21,995	23,815
AA	31,926	31,405	32,651	30,948	30,641	30,457	30,168	28,719
A	40,610	41,114	41,116	40,166	38,938	39,710	38,565	37,451
BBB	23,867	23,714	23,520	21,449	20,490	20,570	20,607	20,095
BB or Lower	915	959	1,093	1,133	1,150	1,257	1,270	1,292
Total ⁽¹⁾	117,894	118,038	120,362	115,999	112,327	113,685	112,605	111,372

1. Excludes short term bonds.

(CSB)

Bonds unrealized Gain / Loss

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Unrealized Gains	6.3	7.5	8.2	9.0	8.2	9.3	9.3	9.0
Unrealized Losses	(1.5)	(1.2)	(0.9)	(0.5)	(0.7)	(0.5)	(0.6)	(0.9)
Net Gains / Losses	4.8	6.3	7.3	8.5	7.5	8.8	8.7	8.1

Segregated Fund Net Assets

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Stocks, mutual funds and units in unit trusts	153,257	152,752	150,992	148,123	140,316	138,600	137,311	132,759
Bonds	41,385	42,746	43,113	42,270	41,683	42,827	41,801	41,619
Mortgage loans	2,705	2,693	2,660	2,610	2,663	2,684	2,662	2,622
Investment properties	11,979	11,783	11,842	11,520	11,685	11,573	11,256	11,019
Cash & other	10,881	11,143	12,424	12,834	11,699	12,852	11,636	12,384
Total	220,207	221,117	221,031	217,357	208,046	208,536	204,666	200,403

Mortgage Loan Portfolio

	Non-Insured		Total
	Insured	Insured	
Q3 2018			
Single-family residential	621	1,486	2,107
Multi-family residential	3,957	3,517	7,474
Equity Release	-	740	740
Commercial	306	13,571	13,877
Total Mortgage Loans	4,884	19,314	24,198
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

Lifeco Impaired Loans and Credit Losses

(CSMM)

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Gross Impaired Loans								
Fair value through profit or loss ⁽¹⁾	175	182	186	213	217	201	215	231
Available for sale	32	34	34	16	15	9	10	8
Loans & receivables	47	62	65	81	87	126	127	122
Total	254	278	285	310	319	336	352	361
Canada	1	1	2	2	1	1	1	1
US	203	212	215	224	229	234	248	257
Europe	50	65	68	84	89	101	103	103
Total	254	278	285	310	319	336	352	361
Impaired Investment Provisions								
Fair value through profit or loss ⁽¹⁾	(17)	(16)	(16)	(20)	(24)	(52)	(52)	(52)
Available for sale	(3)	(2)	(3)	(1)	(4)	(3)	(2)	(2)
Loans & receivables	20	27	29	40	34	46	47	43
Total	-	9	10	19	6	(9)	(7)	(11)
Canada	-	-	-	-	-	-	-	-
US	(18)	(16)	(17)	(19)	(24)	(44)	(43)	(44)
Europe	18	25	27	38	30	35	36	33
Total	-	9	10	19	6	(9)	(7)	(11)
Carrying Amount	254	269	275	291	313	345	359	372
Provisions for Future Credit Losses in Insurance Contract Liabilities	2,988	3,012	3,020	2,891	2,842	2,996	2,986	2,946

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

Lifeco Cash Flow Statements

(C\$MM)

	2018			2017				2016	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Operations											
Net earnings before income taxes	814	1,035	841	617	730	638	745	1,072	2,690	2,113	2,730
Income taxes paid, net of refunds received	(128)	(80)	(123)	(35)	(30)	(159)	(90)	(65)	(331)	(279)	(314)
Adjustments:									-	-	-
Change in insurance and investment contract liabilities	421	(128)	(805)	1,993	249	497	1,652	(3,231)	(512)	2,398	4,391
Change in funds held by ceding insurers	153	97	231	312	114	206	225	24	481	545	857
Change in funds held under reinsurance contracts	(14)	(7)	(4)	18	22	6	4	(14)	(25)	32	50
Change in reinsurance assets	82	(48)	24	499	(56)	341	46	(468)	58	331	830
Changes in fair value through profit or loss	1,371	350	1,487	(1,415)	988	(304)	(735)	3,943	3,208	(51)	(1,466)
Other	(88)	(60)	(492)	298	(316)	67	(370)	128	(640)	(619)	(321)
	2,611	1,159	1,159	2,287	1,701	1,292	1,477	1,389	4,929	4,470	6,757
Financing Activities											
Issue of common shares	1	26	11	5	3	8	110	10	38	121	126
Issue of preferred shares	-	-	-	-	-	200	-	-	-	200	200
Purchased and cancelled common shares	(19)	(14)	(15)	(36)	(15)	(12)	-	-	(48)	(27)	(63)
Issue of euro-denominated debt	-	-	-	-	-	-	-	706	-	-	-
Increase (decrease) in line of credit of subsidiary	(39)	(26)	(94)	171	(93)	(54)	-	166	(159)	(147)	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)	-	(2)	(2)
Share issue costs	-	-	-	-	2	(5)	-	-	-	(3)	(3)
Dividends paid on common shares	(384)	(385)	(385)	(363)	(364)	(363)	(363)	(340)	(1,154)	(1,090)	(1,453)
Dividends paid on preferred shares	(34)	(33)	(33)	(33)	(35)	(30)	(31)	(31)	(100)	(96)	(129)
Cash flow from financing activities	(475)	(296)	(236)	(256)	(467)	(368)	(568)	510	(1,007)	(1,403)	(1,659)
Investment Activities											
Bond sales and maturities	5,966	6,474	6,677	7,582	5,129	6,317	7,826	8,069	19,117	19,272	26,854
Mortgage loan repayments	724	777	655	783	811	680	563	633	2,156	2,054	2,837
Stock sales	1,522	461	482	798	1,465	427	753	781	2,465	2,645	3,443
Investment property sales	-	8	12	28	28	16	-	54	20	44	72
Change in loans to policyholders	(8)	(113)	3	(41)	(21)	(90)	(13)	36	(118)	(124)	(165)
Proceeds from assets held for sale	-	-	169	-	-	-	-	-	169	-	-
Business acquisitions, net of cash and equivalents acquired	(57)	-	(222)	-	(291)	-	-	-	(279)	(291)	(291)
Investment in bonds	(7,498)	(6,290)	(6,951)	(9,046)	(6,323)	(6,373)	(8,677)	(10,334)	(20,739)	(21,373)	(30,419)
Investment in mortgage loans	(941)	(1,268)	(1,094)	(980)	(653)	(1,049)	(961)	(485)	(3,303)	(2,663)	(3,643)
Investment in stocks	(1,638)	(635)	(601)	(714)	(1,567)	(270)	(576)	(432)	(2,874)	(2,413)	(3,127)
Investment in investment properties	(58)	(29)	(133)	(37)	(40)	(229)	(33)	(11)	(220)	(302)	(339)
Cash flow from investment activities	(1,988)	(615)	(1,003)	(1,627)	(1,462)	(571)	(1,118)	(1,689)	(3,606)	(3,151)	(4,778)
Effect of changes in exchange rates on cash & cash equivalents	(60)	(49)	124	41	(64)	3	(8)	(11)	15	(69)	(28)
Increase (decrease) in cash and cash equivalents	88	199	44	445	(292)	356	(217)	199	331	(153)	292
Cash and cash equivalents, beginning of period	3,794	3,595	3,551	3,106	3,398	3,042	3,259	3,060	3,551	3,259	3,259
Cash and cash equivalents, end of period	3,882	3,794	3,595	3,551	3,106	3,398	3,042	3,259	3,882	3,106	3,551

Statements of Accumulated and Contributed Surplus

Lifeco Accumulated & Contributed Surplus								
(C\$MM)	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Balance, beginning of year	12,241	12,241	12,241	11,612	11,612	11,612	11,612	10,551
Change in accounting policy	(64)	(64)	(64)	-	-	-	-	-
Revised balance, beginning of year	12,177	12,177	12,177	11,612	11,612	11,612	11,612	10,551
Net earnings - YTD	2,351	1,628	764	2,278	1,853	1,237	622	2,764
Stock option expense	34	26	16	58	41	32	21	72
Share issue / redemption	(78)	(64)	(50)	(50)	(22)	(15)	-	(210)
Dividends to shareholders								
Preferred shareholders	(100)	(66)	(33)	(129)	(96)	(61)	(31)	(123)
Common shareholders	(1,154)	(770)	(385)	(1,453)	(1,090)	(726)	(363)	(1,369)
Other	(62)	(61)	(57)	(75)	(72)	(69)	(74)	(73)
Balance, end of period	13,168	12,870	12,432	12,241	12,226	12,010	11,787	11,612

Lifeco Surplus - Participating Account								
(C\$MM)	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Balance, beginning of period	2,771	2,771	2,771	2,782	2,782	2,782	2,782	2,626
Net earnings before policyholder dividend - YTD	1,004	695	343	1,329	974	692	381	1,467
Participating policyholder dividend	(1,004)	(678)	(343)	(1,289)	(960)	(696)	(354)	(1,277)
Other	(19)	(6)	(8)	(51)	(43)	(25)	1	(34)
Balance, end of period	2,752	2,782	2,763	2,771	2,753	2,753	2,810	2,782
By Company:								
Great-West Life	603	623	619	622	612	609	612	610
London Life	1,844	1,797	1,786	1,796	1,796	1,738	1,786	1,798
Canada Life	291	347	343	339	331	390	395	357
GWL&A	14	15	15	14	14	16	17	17
	2,752	2,782	2,763	2,771	2,753	2,753	2,810	2,782

Reconciliation of Accumulated Other Comprehensive Income

	Comprehensive Income								YTD 2018	YTD 2017	Fiscal 2017
	2018			2017				2016			
(CSMM)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Net Earnings	723	864	764	425	616	615	622	707	2,351	1,853	2,278
Other comprehensive income (loss)											
net of income taxes											
Unrealized foreign exchange gains (losses) on translation of foreign operations	(334)	(339)	755	251	(359)	(365)	(22)	(73)	82	(746)	(495)
Unrealized foreign exchange gains (losses) on euro debt designated as hedge of net investment in foreign operations	26	52	(69)	(35)	9	(52)	-	23	9	(43)	(78)
Unrealized gains (losses) on available for sale assets (after-tax)	(47)	(10)	(72)	19	(33)	(36)	24	(123)	(129)	(45)	(26)
Realized gains on available-for-sale assets (after-tax)	2	3	1	(10)	1	(10)	(6)	(7)	6	(15)	(25)
Unrealized gains (losses) on cash flow hedges (after-tax)	-	(2)	21	2	7	(18)	15	25	19	4	6
Realized gains on cash flow hedges (after-tax)	-	(61)	9	4	(6)	249	-	-	(52)	243	247
Non-controlling interests (after-tax)	21	4	6	(2)	38	22	(4)	45	31	56	54
Total items that may be reclassified	(332)	(353)	651	229	(343)	(210)	7	(110)	(34)	(546)	(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)	59	116	37	(78)	104	(65)	(26)	362	212	13	(65)
Non-controlling interests (after-tax)	(6)	(8)	(1)	8	(12)	9	4	(25)	(15)	1	9
	53	108	36	(70)	92	(56)	(22)	337	197	14	(56)
Total other comprehensive income (loss)	(279)	(245)	687	159	(251)	(266)	(15)	227	163	(532)	(373)
Comprehensive income	444	619	1,451	584	365	349	607	934	2,514	1,321	1,905

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

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(CSMM)								
Balance, beginning of year	386	386	386	746	746	746	746	2,218
Other comprehensive income	163	442	687	(373)	(532)	(281)	(15)	(1,472)
Disposal of investment in associate	-	-	-	13	13	13	13	-
Balance, end of period	549	828	1,073	386	227	478	744	746

Lifeco Sales (New Annualized Premium)

(C\$MM)	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
New Annualized Premium											
Canada											
Individual Customer	2,030	2,253	2,525	2,537	2,033	2,293	2,860	2,648	6,808	7,186	9,723
Group Customer	847	787	1,297	1,235	907	940	803	1,223	2,931	2,650	3,885
Total Canada	2,877	3,040	3,822	3,772	2,940	3,233	3,663	3,871	9,739	9,836	13,608
U.S.											
Financial Services	10,156	9,506	11,841	8,146	10,769	6,815	10,392	7,265	31,503	27,976	36,122
Asset Management	14,128	15,002	13,235	11,016	10,404	10,119	13,960	11,119	42,365	34,483	45,499
Total U.S.	24,284	24,508	25,076	19,162	21,173	16,934	24,352	18,384	73,868	62,459	81,621
Europe											
Insurance & Annuities	7,235	5,535	5,739	7,325	5,362	4,835	4,416	4,410	18,509	14,613	21,938
Total New Annualized Premium	34,396	33,083	34,637	30,259	29,475	25,002	32,431	26,665	102,116	86,908	117,167

Lifeco Premiums & Deposits

(C\$MM)	2018			2017				2016	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Premiums & Deposits											
Canada											
Individual Customer	2,419	2,564	2,616	2,809	2,499	2,640	2,932	2,769	7,599	8,071	10,880
Group Customer	3,850	3,774	4,437	4,026	3,648	3,930	4,016	3,912	12,061	11,594	15,620
Total Canada	6,269	6,338	7,053	6,835	6,147	6,570	6,948	6,681	19,660	19,665	26,500
U.S.											
Financial Services	3,230	3,182	3,110	3,134	3,140	3,078	3,598	3,525	9,522	9,816	12,950
Asset Management	14,128	15,002	13,235	11,016	10,404	10,119	13,960	11,119	42,365	34,483	45,499
Total U.S.	17,358	18,184	16,345	14,150	13,544	13,197	17,558	14,644	51,887	44,299	58,449
Europe											
Insurance & Annuities	7,848	6,240	6,412	8,665	5,983	5,623	5,155	4,984	20,500	16,761	25,426
Reinsurance	3,107	3,209	3,316	2,995	2,837	3,020	3,877	3,730	9,632	9,734	12,729
Total Europe	10,955	9,449	9,728	11,660	8,820	8,643	9,032	8,714	30,132	26,495	38,155
Total Revenue Premium	34,582	33,971	33,126	32,645	28,511	28,410	33,538	30,039	101,679	90,459	123,104
Summary											
Risk-based premiums	10,337	7,905	8,174	8,494	8,293	7,761	9,354	8,905	26,416	25,408	33,902
ASO premiums	744	774	748	720	671	720	716	691	2,266	2,107	2,827
Segregated fund deposits											
Individual	3,833	4,142	3,988	5,357	3,641	4,142	3,897	3,399	11,963	11,680	17,037
Group	1,790	1,954	2,422	2,009	1,634	2,020	2,185	1,875	6,166	5,839	7,848
Proprietary mutual funds & institutional deposits	17,878	19,196	17,794	16,065	14,272	13,767	17,386	15,169	54,868	45,425	61,490
	34,582	33,971	33,126	32,645	28,511	28,410	33,538	30,039	101,679	90,459	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 Sept. 30, 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Fee and Other Income											
Canada											
Segregated funds	275	272	271	278	272	272	262	268	818	806	1,084
ASO contracts	47	50	48	49	44	49	49	41	145	142	191
Other	115	111	119	109	110	96	94	77	345	300	409
Total Canada	437	433	438	436	426	417	405	386	1,308	1,248	1,684
U.S.											
Segregated funds	15	15	22	22	21	22	15	16	52	58	80
Asset Management	302	295	290	295	302	308	288	236	887	898	1,193
Other	356	345	319	318	303	328	316	367	1,020	947	1,265
Total U.S.	673	655	631	635	626	658	619	619	1,959	1,903	2,538
Europe											
Segregated funds & Other	373	395	364	368	348	346	324	340	1,132	1,018	1,386
Total Europe	373	395	364	368	348	346	324	340	1,132	1,018	1,386
Total Fee and Other Income	1,483	1,483	1,433	1,439	1,400	1,421	1,348	1,345	4,399	4,169	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 Sept. 30, 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Operating Expenses											
Canada	406	414	416	392	368	377	404	398	1,236	1,149	1,541
U.S.	554	543	537	567	493	527	558	593	1,634	1,578	2,145
Europe	279	279	279	274	242	248	234	250	837	724	998
Lifeco Corporate	5	5	5	4	6	2	9	9	15	17	21
Total Operating Expenses	1,244	1,241	1,237	1,237	1,109	1,154	1,205	1,250	3,722	3,468	4,705
Investment Expenses	31	32	31	33	30	28	31	27	94	89	122
Total Operating & Investment Expenses	1,275	1,273	1,268	1,270	1,139	1,182	1,236	1,277	3,816	3,557	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 Sept. 30, 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Income											
Premium income	3,266	3,141	3,151	3,464	3,220	3,178	3,284	3,597	9,558	9,682	13,146
Regular net investment income	663	666	612	639	640	642	613	636	1,941	1,895	2,534
Changes in fair value through profit or loss	(646)	249	(334)	1,001	(852)	282	375	(1,364)	(731)	(195)	806
Net investment income	17	915	278	1,640	(212)	924	988	(728)	1,210	1,700	3,340
Fee and other income	437	433	438	436	426	417	405	386	1,308	1,248	1,684
Total Income	3,720	4,489	3,867	5,540	3,434	4,519	4,677	3,255	12,076	12,630	18,170
Benefits and Expenses											
Paid or credited to policyholders	2,468	3,184	2,639	4,180	2,219	3,333	3,245	1,444	8,291	8,797	12,977
Commissions	347	312	315	358	320	328	539	624	974	1,187	1,545
General expenses	406	414	416	392	368	377	404	398	1,236	1,149	1,541
Restructuring and acquisition expenses	-	-	-	-	-	215	-	-	-	215	215
Other	140	138	137	133	137	133	139	134	415	409	542
Total Benefits and Expenses	3,361	4,048	3,507	5,063	3,044	4,386	4,327	2,600	10,916	11,757	16,820
Net Earnings before income taxes	359	441	360	477	390	133	350	655	1,160	873	1,350
Income tax	65	92	46	114	74	(22)	65	149	203	117	231
Net Earnings before non-controlling interests	294	349	314	363	316	155	285	506	957	756	1,119
Non-controlling interests	(19)	17	-	25	19	(31)	29	178	(2)	17	42
Net Earnings	313	332	314	338	297	186	256	328	959	739	1,077
Preferred share dividends	29	29	28	26	26	26	26	26	86	78	104
Net Earnings before Capital Allocation	284	303	286	312	271	160	230	302	873	661	973
Capital Allocation	31	31	30	26	25	25	25	24	92	75	101
Net Earnings - Common Shareholders	315	334	316	338	296	185	255	326	965	736	1,074
Common Shareholder Net Earnings (loss)											
Individual Customer	165	211	138	162	141	140	146	179	514	427	589
Group Customer	150	194	142	193	155	189	104	154	486	448	641
Corporate ⁽¹⁾	-	(71)	36	(17)	-	(144)	5	(7)	(35)	(139)	(156)
Total	315	334	316	338	296	185	255	326	965	736	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 Sept. 30, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Lifeco Canada – Individual Customer

	2018			2017				2016	YTD	YTD	Fiscal	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017	
<i>(CSMM)</i>												
Income												
Premium income	392	361	370	373	357	353	392	379	1,123	1,102	1,475	
Net investment income	(265)	256	23	738	(412)	545	311	(918)	14	444	1,182	
Fee and other income	253	252	250	255	236	233	225	225	755	694	949	
Total Income	380	869	643	1,366	181	1,131	928	(314)	1,892	2,240	3,606	
Benefits and Expenses												
Paid or credited to												
policyholders and beneficiaries	(90)	412	196	887	(216)	721	480	(772)	518	985	1,872	
Commissions	132	124	129	145	131	128	151	145	385	410	555	
General expenses	110	76	127	102	79	91	89	79	313	259	361	
Other	15	19	8	17	14	15	15	16	42	44	61	
Total Benefits and Expenses	167	631	460	1,151	8	955	735	(532)	1,258	1,698	2,849	
Net Earnings before income taxes	213	238	183	215	173	176	193	218	634	542	757	
Income tax	45	24	41	49	28	32	43	38	110	103	152	
Net Earnings before Capital Allocation	168	214	142	166	145	144	150	180	524	439	605	
Capital Allocation	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(1)	(10)	(12)	(16)	
Net Earnings - Common Shareholders	165	211	138	162	141	140	146	179	514	427	589	
Sales	Participating	76	56	48	67	53	66	227	286	180	346	413
	Universal Life	13	12	9	15	10	8	24	29	34	42	57
	Term/Permanent	12	11	11	14	14	16	16	15	34	46	60
	Third party	-	1	-	-	1	1	-	1	1	2	2
	Total Individual Life	101	80	68	96	78	91	267	331	249	436	532
	Critical Illness	4	5	4	5	4	5	4	6	13	13	18
	Disability	4	3	4	5	4	4	4	4	11	12	17
	Total Living Benefits	8	8	8	10	8	9	8	10	24	25	35
	Total Individual Insurance	109	88	76	106	86	100	275	341	273	461	567
	Risk-based	124	98	126	120	94	96	143	146	348	333	453
Segregated funds	1,016	1,097	1,314	1,450	1,128	1,286	1,535	1,426	3,427	3,949	5,399	
Proprietary mutual funds	280	409	388	320	296	364	388	326	1,077	1,048	1,368	
Third party	501	561	621	541	429	447	519	409	1,683	1,395	1,936	
Total Individual Wealth	1,921	2,165	2,449	2,431	1,947	2,193	2,585	2,307	6,535	6,725	9,156	
Total Individual Customer Sales	2,030	2,253	2,525	2,537	2,033	2,293	2,860	2,648	6,808	7,186	9,723	
Revenue Premium	Risk Based Premiums											
	Participating	1,086	1,087	1,001	1,322	1,029	1,068	1,117	1,219	3,174	3,214	4,536
	Individual Life	243	231	242	243	236	231	250	239	716	717	960
	Living Benefits	86	84	85	87	86	83	85	85	255	254	341
	Total Individual Insurance	1,415	1,402	1,328	1,652	1,351	1,382	1,452	1,543	4,145	4,185	5,837
	Risk-based revenue premiums	63	45	43	43	36	38	58	55	151	132	175
	Segregated funds deposits	711	774	922	863	849	906	1,094	908	2,407	2,849	3,712
	Proprietary mutual fund deposits	230	343	323	251	263	314	328	263	896	905	1,156
	Total Individual Wealth	1,004	1,162	1,288	1,157	1,148	1,258	1,480	1,226	3,454	3,886	5,043
	Total Individual Customer Revenue Premium	2,419	2,564	2,616	2,809	2,499	2,640	2,932	2,769	7,599	8,071	10,880

Lifeco Canada – Group Customer

	2018			2017				2016	YTD	YTD	Fiscal	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017	
<i>(C\$MM)</i>												
Income												
Premium income	1,788	1,693	1,780	1,769	1,834	1,757	1,775	1,999	5,261	5,366	7,135	
Net investment income	67	127	128	235	24	172	155	5	322	351	586	
Fee and other income	173	170	170	169	161	165	160	147	513	486	655	
Total Income	2,028	1,990	2,078	2,173	2,019	2,094	2,090	2,151	6,096	6,203	8,376	
Benefits and Expenses												
Paid or credited to policyholders and beneficiaries	1,471	1,406	1,517	1,564	1,470	1,531	1,583	1,602	4,394	4,584	6,148	
Commissions	87	86	95	90	86	87	89	87	268	262	352	
General expenses	211	213	213	206	196	196	215	196	637	607	813	
Other	59	55	58	49	58	58	59	56	172	175	224	
Total Benefits and Expenses	1,828	1,760	1,883	1,909	1,810	1,872	1,946	1,941	5,471	5,628	7,537	
Net Earnings before income taxes	200	230	195	264	209	222	144	210	625	575	839	
Income tax	48	34	51	69	51	30	37	55	133	118	187	
Net Earnings before Capital Allocation	152	196	144	195	158	192	107	155	492	457	652	
Capital Allocation	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(1)	(6)	(9)	(11)	
Net Earnings - Common Shareholders	150	194	142	193	155	189	104	154	486	448	641	
Sales	Small/mid-size case	90	65	67	85	101	65	71	86	222	237	322
	Large case	9	111	280	59	8	100	60	67	400	168	227
	Creditor/Direct marketing	5	75	14	17	27	21	3	27	94	51	68
	Total Group Insurance	104	251	361	161	136	186	134	180	716	456	617
	Risk-based	257	141	233	278	344	258	127	520	631	729	1,007
	Segregated funds	486	395	703	796	427	490	542	523	1,584	1,459	2,255
	Third party	-	-	-	-	-	6	-	-	-	6	6
	Total Group Wealth	743	536	936	1,074	771	754	669	1,043	2,215	2,194	3,268
	Total Group Customer Sales	847	787	1,297	1,235	907	940	803	1,223	2,931	2,650	3,885
	Revenue Premium	Small/mid-size case - Insured	701	698	694	686	678	672	668	673	2,093	2,018
Large case -Insured		737	737	727	715	699	705	836	690	2,201	2,240	2,955
ASO		744	774	748	720	671	720	716	691	2,266	2,107	2,827
Creditor/Direct marketing		43	43	43	43	43	42	43	43	129	128	171
Total Group Insurance		2,225	2,252	2,212	2,164	2,091	2,139	2,263	2,097	6,689	6,493	8,657
Risk-based revenue premiums		307	216	316	325	413	339	227	593	839	979	1,304
Segregated funds deposits		1,318	1,306	1,909	1,537	1,144	1,452	1,526	1,222	4,533	4,122	5,659
Total Group Wealth		1,625	1,522	2,225	1,862	1,557	1,791	1,753	1,815	5,372	5,101	6,963
Total Group Customer Revenue Premium		3,850	3,774	4,437	4,026	3,648	3,930	4,016	3,912	12,061	11,594	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 Sept. 30, 2018 consolidated financial statements and within the IFRS section of the MD&A

Canada Wealth – Assets under Administration

(C\$MM)	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Assets Under Administration								
Individual Customer								
Risk-based products	5,020	5,111	5,164	5,252	5,234	5,370	5,471	5,527
Segregated funds	32,927	33,218	32,779	33,356	32,505	32,431	32,488	31,931
Proprietary mutual funds	6,431	6,426	6,190	6,211	5,980	5,873	5,774	5,530
Group Customer								
Risk-based products	8,183	8,112	8,096	7,978	7,797	7,663	7,555	7,595
Segregated funds	48,234	48,143	46,947	47,043	45,127	44,794	44,370	42,978
Institutional Assets	785	729	647	599	533	471	389	322
Total assets under management	101,580	101,739	99,823	100,439	97,176	96,602	96,047	93,883
Other assets under administration ⁽¹⁾								
Individual Customer	8,826	8,692	8,397	8,283	7,870	7,717	7,603	7,240
Group Customer	421	448	465	506	534	541	557	538
Total	9,247	9,140	8,862	8,789	8,404	8,258	8,160	7,778
Summary by Business/Product								
Individual Customer	53,204	53,447	52,530	53,102	51,589	51,391	51,336	50,228
Group Customer	57,623	57,432	56,155	56,126	53,991	53,469	52,871	51,433
Total assets under administration	110,827	110,879	108,685	109,228	105,580	104,860	104,207	101,661

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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Premium income	1,086	1,087	1,001	1,322	1,029	1,068	1,117	1,219	3,174	3,214	4,536
Net investment income	197	517	92	653	161	192	501	166	806	854	1,507
Total Income	1,283	1,604	1,093	1,975	1,190	1,260	1,618	1,385	3,980	4,068	6,043
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	1,082	1,361	921	1,724	960	1,076	1,176	609	3,364	3,212	4,936
Commissions	128	102	91	123	103	113	299	392	321	515	638
General expenses	85	109	58	71	82	72	86	113	252	240	311
Restructuring and acquisition expenses	-	-	-	-	-	43	-	-	-	43	43
Other	30	30	33	30	28	26	30	31	93	84	114
Total Benefits and Expenses	1,325	1,602	1,103	1,948	1,173	1,330	1,591	1,145	4,030	4,094	6,042
Net Earnings (loss) before income taxes	(42)	2	(10)	27	17	(70)	27	240	(50)	(26)	1
Income tax	(23)	(15)	(10)	2	(2)	(39)	(2)	62	(48)	(43)	(41)
Net Earnings (loss) before non-controlling interests	(19)	17	-	25	19	(31)	29	178	(2)	17	42
Non-controlling interests	(19)	17	-	25	19	(31)	29	178	(2)	17	42
Net Earnings	-	-	-	-	-	-	-	-	-	-	-
Sales (New annualized premiums)	76	56	48	67	53	66	227	286	180	346	413
Risk-based revenue premiums	1,086	1,087	1,001	1,322	1,029	1,068	1,117	1,219	3,174	3,214	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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Income											
Net investment income	18	15	35	14	15	15	21	19	68	51	65
Fee and other income	11	11	18	12	29	19	20	14	40	68	80
Total Income	29	26	53	26	44	34	41	33	108	119	145
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	5	5	5	5	5	5	6	5	15	16	21
General Expenses	-	16	18	13	11	18	14	10	34	43	56
Restructuring and acquisition expenses	-	-	-	-	-	172	-	-	-	172	172
Other	36	34	38	37	37	34	35	31	108	106	143
Total Benefits and Expenses	41	55	61	55	53	229	55	46	157	337	392
Net Earnings (loss) before income taxes	(12)	(29)	(8)	(29)	(9)	(195)	(14)	(13)	(49)	(218)	(247)
Income tax	(5)	49	(36)	(6)	(3)	(45)	(13)	(6)	8	(61)	(67)
Net Earnings (loss) before non-controlling interests	(7)	(78)	28	(23)	(6)	(150)	(1)	(7)	(57)	(157)	(180)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Net Earnings (loss)	(7)	(78)	28	(23)	(6)	(150)	(1)	(7)	(57)	(157)	(180)
Preferred share dividends	29	29	28	26	26	26	26	26	86	78	104
Net Earnings (loss) before Capital Allocation	(36)	(107)	-	(49)	(32)	(176)	(27)	(33)	(143)	(235)	(284)
Capital Allocation	36	36	36	32	32	32	32	26	108	96	128
Net Earnings (loss) - Common Shareholders ⁽¹⁾	-	(71)	36	(17)	-	(144)	5	(7)	(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 Sept. 30, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Lifeco Canada – Balance Sheets

(C\$MM)

Assets	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash and cash equivalents	703	717	693	701	556	645	535	615
Bonds	46,588	46,814	46,582	46,304	45,159	45,661	45,288	44,718
Mortgage loans	13,752	13,567	13,491	13,142	12,912	13,118	12,900	12,892
Stocks	8,732	8,602	8,178	8,324	8,114	7,879	8,056	7,903
Investment properties	2,203	2,165	2,131	1,960	1,899	1,868	1,633	1,574
Loans to policyholders	2,796	2,767	2,720	2,679	2,677	2,655	2,627	2,609
Total invested assets	74,774	74,632	73,795	73,110	71,317	71,826	71,039	70,311
Reinsurance assets	137	227	133	119	248	112	434	480
Derivative financial instruments	196	167	161	187	198	184	162	165
Owner occupied properties	397	400	399	396	392	393	389	390
Fixed assets	195	186	153	151	156	152	156	158
Other assets	2,106	1,810	2,010	1,749	2,092	1,937	1,958	1,803
Total other assets	2,894	2,563	2,723	2,483	2,838	2,666	2,665	2,516
Deferred tax assets	195	180	206	202	249	235	188	182
Goodwill	4,013	4,012	4,010	3,969	4,079	3,787	3,787	3,787
Intangible assets	1,491	1,481	1,473	1,478	1,321	1,321	1,341	1,346
Investments on account of segregated fund policyholders	81,161	81,361	79,726	80,399	77,632	77,225	76,858	74,909
Total assets	164,665	164,456	162,066	161,760	157,684	157,172	156,312	153,531
Liabilities								
Insurance contract liabilities	67,582	67,419	66,615	66,135	64,453	64,322	63,660	62,800
Investment contract liabilities	328	321	296	325	338	342	343	344
	67,910	67,740	66,911	66,460	64,791	64,664	64,003	63,144
Debentures and other debt instruments	2,473	2,481	2,499	2,177	2,165	2,167	2,149	2,148
Funds held under reinsurance contracts	52	50	47	44	42	41	37	34
Other liabilities	4,044	4,071	4,507	4,202	3,919	4,300	3,992	4,026
Deferred tax liabilities	669	640	667	671	666	582	643	664
Capital trust securities and debentures	160	160	160	160	160	160	161	161
Investment and insurance contracts on account of segregated fund policyholders	81,161	81,361	79,726	80,399	77,632	77,225	76,858	74,909
Total liabilities	156,469	156,503	154,517	154,113	149,375	149,139	147,843	145,086
Equity								
Non-controlling interests	2,731	2,762	2,743	2,752	2,733	2,732	2,788	2,758
Share capital								
Perpetual preferred shares	2,164	2,164	2,164	2,164	2,164	2,164	1,964	1,964
Common shares	7,287	7,291	7,268	7,260	7,262	7,261	7,254	7,130
Accumulated surplus	(2,964)	(3,163)	(3,412)	(3,402)	(2,827)	(3,008)	(2,973)	(2,897)
Accumulated other comprehensive income (loss)	(453)	(531)	(646)	(558)	(453)	(545)	(397)	(352)
Contributed surplus	(569)	(570)	(568)	(569)	(570)	(571)	(167)	(158)
	8,196	7,953	7,549	7,647	8,309	8,033	8,469	8,445
Total liabilities and equity	164,665	164,456	162,066	161,760	157,684	157,172	156,312	153,531
Proprietary mutual funds and institutional net assets	7,216	7,155	6,837	6,810	6,513	6,344	6,163	5,852
Other assets under administration	13,773	13,632	12,978	11,580	11,135	16,196	16,011	15,911
Total assets under administration	185,654	185,243	181,881	180,150	175,332	179,712	178,486	175,294

Lifeco United States



Lifeco U.S. Net Earnings – Consolidated

	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<i>(C\$MM, unless otherwise stated)</i>											
Income											
Premium income	1,148	894	1,074	1,059	1,241	942	1,229	1,164	3,116	3,412	4,471
Regular net investment income	460	462	441	452	458	451	455	440	1,363	1,364	1,816
Changes in fair value through profit or loss	(160)	(260)	(580)	(48)	11	274	102	(1,008)	(1,000)	387	339
Net investment income	300	202	(139)	404	469	725	557	(568)	363	1,751	2,155
Fee and other income	673	655	631	635	626	658	619	619	1,959	1,903	2,538
Total Income	2,121	1,751	1,566	2,098	2,336	2,325	2,405	1,215	5,438	7,066	9,164
Benefits and Expenses											
Paid or credited to policyholders	1,233	894	752	1,294	1,492	1,476	1,552	387	2,879	4,520	5,814
Commissions	132	131	125	138	132	135	140	84	388	407	545
General expenses	554	543	537	567	493	527	558	593	1,634	1,578	2,145
Restructuring and acquisition expenses	-	-	-	-	-	-	17	35	-	17	17
Loss on assets held for sale	-	-	-	202	-	-	-	-	-	-	202
Other	61	3	62	41	61	70	68	69	126	199	240
Total Benefits and Expenses	1,980	1,571	1,476	2,242	2,178	2,208	2,335	1,168	5,027	6,721	8,963
Net Earnings before income taxes	141	180	90	(144)	158	117	70	47	411	345	201
Income tax	24	31	13	163	41	28	11	(9)	68	80	243
Net Earnings before non-controlling interests	117	149	77	(307)	117	89	59	56	343	265	(42)
Non-controlling interests	2	1	-	(14)	2	3	(1)	-	3	4	(10)
Net Earnings	115	148	77	(293)	115	86	60	56	340	261	(32)
Preferred share dividends	-	-	-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation	115	148	77	(293)	115	86	60	56	340	261	(32)
Capital Allocation	(2)	(3)	(2)	(5)	(5)	(4)	(4)	(1)	(7)	(13)	(18)
Net Earnings - Common Shareholders	113	145	75	(298)	110	82	56	55	333	248	(50)
Common Shareholder Net Earnings (loss)											
Financial Services	121	101	91	80	104	88	85	80	313	277	357
Asset Management	(8)	(8)	(16)	(5)	6	(6)	(16)	(23)	(32)	(16)	(21)
Corporate ⁽¹⁾	-	52	-	(373)	-	-	(13)	(2)	52	(13)	(386)
Total	113	145	75	(298)	110	82	56	55	333	248	(50)
Common Shareholder Net Earnings (US \$) ⁽²⁾	87	105	59	(234)	88	62	42	41	251	192	(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.

2) Q2/18 U.S. Corporate US\$ earnings exclude \$9 million of net foreign currency exchange gains as a result of debt redemptions as they do not have a US\$ equivalent.

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 Sept. 30, 2018 consolidated financial statements and within the IFRS section of the MD&A.

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

	2018			2017				2016	YTD	YTD	Fiscal
(C\$MM, unless otherwise stated)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Income											
Premium income	1,129	877	1,045	1,040	1,223	923	1,201	1,143	3,051	3,347	4,387
Net investment income	283	170	(137)	376	426	683	518	(526)	316	1,627	2,003
Fee and other income	371	360	341	340	324	350	331	383	1,072	1,005	1,345
Total Income	1,783	1,407	1,249	1,756	1,973	1,956	2,050	1,000	4,439	5,979	7,735
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	1,202	868	729	1,196	1,449	1,418	1,495	404	2,799	4,362	5,558
Commissions	72	70	63	72	68	67	72	75	205	207	279
General expenses	321	306	303	330	269	301	317	367	930	887	1,217
Other	30	30	31	32	30	30	31	30	91	91	123
Total Benefits and Expenses	1,625	1,274	1,126	1,630	1,816	1,816	1,915	876	4,025	5,547	7,177
Net Earnings before income taxes	158	133	123	126	157	140	135	124	414	432	558
Income tax	31	25	25	39	46	45	43	38	81	134	173
Net Income before non-controlling interests	127	108	98	87	111	95	92	86	333	298	385
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation	127	108	98	87	111	95	92	86	333	298	385
Capital Allocation	(6)	(7)	(7)	(7)	(7)	(7)	(7)	(6)	(20)	(21)	(28)
Net Earnings - Common Shareholders	121	101	91	80	104	88	85	80	313	277	357
Net Earnings - Common Shareholders (US\$)	93	78	72	64	83	66	64	59	243	213	277
Sales											
Individual Markets	429	503	359	376	491	394	466	467	1,291	1,351	1,727
Empower Retirement	9,727	9,003	11,482	7,770	10,278	6,421	9,926	6,798	30,212	26,625	34,395
Total Sales	10,156	9,506	11,841	8,146	10,769	6,815	10,392	7,265	31,503	27,976	36,122
Total Sales (US \$)	7,753	7,369	9,398	6,414	8,615	5,086	7,873	5,462	24,520	21,574	27,988
Revenue Premium											
Risk-based premiums	1,129	877	1,045	1,040	1,223	923	1,201	1,143	3,051	3,347	4,387
Segregated fund deposits											
Individual	307	416	275	280	232	206	230	263	998	668	948
Group	472	648	513	472	490	568	659	653	1,633	1,717	2,189
Proprietary Mutual Funds	1,303	1,224	1,248	1,323	1,177	1,362	1,480	1,445	3,775	4,019	5,342
Total Revenue by Type⁽¹⁾	3,211	3,165	3,081	3,115	3,122	3,059	3,570	3,504	9,457	9,751	12,866
Individual Markets	629	658	567	580	679	543	738	653	1,854	1,960	2,540
Empower Retirement	2,582	2,507	2,514	2,535	2,443	2,516	2,832	2,851	7,603	7,791	10,326
Total Revenue by Business Line⁽¹⁾	3,211	3,165	3,081	3,115	3,122	3,059	3,570	3,504	9,457	9,751	12,866
Total Revenue Premium (US \$)	2,452	2,453	2,445	2,452	2,498	2,283	2,705	2,634	7,350	7,486	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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Income											
Premium income	322	242	292	300	446	337	508	390	856	1,291	1,591
Net investment income	161	108	(86)	260	263	441	318	(313)	183	1,022	1,282
Fee and other income	41	41	38	33	34	36	34	31	120	104	137
Total Income	524	391	244	593	743	814	860	108	1,159	2,417	3,010
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	374	263	121	434	601	690	710	(60)	758	2,001	2,435
Commissions	30	29	22	31	27	25	29	33	81	81	112
General expenses	34	34	31	37	30	30	32	33	99	92	129
Other	4	5	8	10	8	5	8	10	17	21	31
Total Benefits and Expenses	442	331	182	512	666	750	779	16	955	2,195	2,707
Net Earnings before income taxes	82	60	62	81	77	64	81	92	204	222	303
Income tax	16	9	12	29	24	21	27	28	37	72	101
Net Income before non-controlling interests	66	51	50	52	53	43	54	64	167	150	202
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation	66	51	50	52	53	43	54	64	167	150	202
Capital Allocation	(6)	(5)	(6)	(5)	(5)	(6)	(5)	(6)	(17)	(16)	(21)
Net Earnings - Common Shareholders	60	46	44	47	48	37	49	58	150	134	181
Net Earnings - Common Shareholders (US\$)	46	35	35	36	39	28	37	44	116	104	140
Sales											
Individual Annuity	337	299	227	196	169	177	173	173	863	519	715
Executive Benefits	42	142	93	112	240	121	202	184	277	563	675
Individual Life	50	62	39	68	82	96	91	110	151	269	337
	429	503	359	376	491	394	466	467	1,291	1,351	1,727
Sales (US \$)	327	390	285	296	393	294	353	351	1,002	1,040	1,336
Revenue Premium											
Risk-based premiums	322	242	292	300	446	337	508	390	856	1,291	1,591
Segregated fund deposits	307	416	275	280	232	206	230	263	998	668	948
Proprietary Mutual Funds	-	-	-	-	1	-	-	-	-	1	1
Total Revenue by Type⁽¹⁾	629	658	567	580	679	543	738	653	1,854	1,960	2,540
Total Revenue (US \$)	481	510	450	456	543	406	559	490	1,441	1,508	1,964

1. Excludes participating policy revenue premiums.

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

(C\$MM, unless otherwise stated)

	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Premium income	807	635	753	740	777	586	693	753	2,195	2,056	2,796
Net investment income	113	53	(60)	107	154	233	191	(222)	106	578	685
Fee and other income	330	319	303	307	290	314	297	352	952	901	1,208
Total Income	1,250	1,007	996	1,154	1,221	1,133	1,181	883	3,253	3,535	4,689
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	828	605	608	762	848	728	785	464	2,041	2,361	3,123
Commissions	42	41	41	41	41	42	43	42	124	126	167
General expenses	283	268	269	281	256	266	282	332	820	804	1,085
Other	16	16	13	13	14	16	14	11	45	44	57
Total Benefits and Expenses	1,169	930	931	1,097	1,159	1,052	1,124	849	3,030	3,335	4,432
Net Earnings before income taxes	81	77	65	57	62	81	57	34	223	200	257
Income tax	18	17	15	16	18	27	19	13	50	64	80
Net Income before non-controlling interests	63	60	50	41	44	54	38	21	173	136	177
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation	63	60	50	41	44	54	38	21	173	136	177
Capital Allocation	(5)	(6)	(6)	(5)	(5)	(5)	(6)	(4)	(17)	(16)	(21)
Net Earnings - Common Shareholders	58	54	44	36	39	49	32	17	156	120	156
Net Earnings - Common Shareholders (US\$)	44	42	35	30	31	36	24	12	121	91	121
Sales											
Empower Retirement	9,727	9,003	11,482	7,770	10,278	6,421	9,926	6,798	30,212	26,625	34,395
Sales (US \$)	7,426	6,979	9,113	6,118	8,222	4,792	7,520	5,111	23,518	20,534	26,652
Revenue Premium (by Type) ⁽¹⁾											
Risk-based premiums	807	635	753	740	777	586	693	753	2,195	2,056	2,796
Segregated fund deposits	472	648	513	472	490	568	659	653	1,633	1,717	2,189
Proprietary Mutual Funds	1,303	1,224	1,248	1,323	1,176	1,362	1,480	1,445	3,775	4,018	5,341
Total Revenue Premium (by Type)	2,582	2,507	2,514	2,535	2,443	2,516	2,832	2,851	7,603	7,791	10,326
Total Revenue Premium (US \$)	1,971	1,943	1,995	1,996	1,955	1,877	2,146	2,144	5,909	5,978	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 Sept. 30, 2018 consolidated financial statements and within the IFRS section of the MD&A.

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

(C\$MM, unless otherwise stated)

	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Net investment income	9	9	9	9	9	9	9	9	27	27	36
Total Income	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>27</u>	<u>27</u>	<u>36</u>
Benefits and Expenses											
General expenses	4	4	3	12	(17)	5	3	2	11	(9)	3
Other	10	9	10	9	8	9	9	9	29	26	35
Total Benefits and Expenses	<u>14</u>	<u>13</u>	<u>13</u>	<u>21</u>	<u>(9)</u>	<u>14</u>	<u>12</u>	<u>11</u>	<u>40</u>	<u>17</u>	<u>38</u>
Net Earnings (loss) before income taxes	<u>(5)</u>	<u>(4)</u>	<u>(4)</u>	<u>(12)</u>	<u>18</u>	<u>(5)</u>	<u>(3)</u>	<u>(2)</u>	<u>(13)</u>	<u>10</u>	<u>(2)</u>
Income tax	(3)	(1)	(2)	(6)	4	(3)	(3)	(3)	(6)	(2)	(8)
Net Earnings (loss) before Capital Allocation	<u>(2)</u>	<u>(3)</u>	<u>(2)</u>	<u>(6)</u>	<u>14</u>	<u>(2)</u>	<u>-</u>	<u>1</u>	<u>(7)</u>	<u>12</u>	<u>6</u>
Capital Allocation	5	4	5	3	3	4	4	4	14	11	14
Net Earnings (loss) - Common Shareholders	<u>3</u>	<u>1</u>	<u>3</u>	<u>(3)</u>	<u>17</u>	<u>2</u>	<u>4</u>	<u>5</u>	<u>7</u>	<u>23</u>	<u>20</u>
Net Earnings - Common Shareholders (US\$)	3	1	2	(2)	13	2	3	3	6	18	16

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

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

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<i>(000's)</i>								
Empower Retirement	8,664	8,537	8,495	8,334	8,304	8,272	8,234	8,055
Individual Markets	430	435	434	446	444	448	455	458
Total	9,094	8,972	8,929	8,780	8,748	8,720	8,689	8,513

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

<i>(C\$MM)</i>	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
General Account	16,580	16,755	16,437	15,885	15,718	16,015	16,360	16,373
Segregated Funds	21,672	22,472	23,551	23,947	24,093	25,520	26,086	26,024
Proprietary Mutual Funds	32,813	32,156	31,247	29,944	28,657	28,421	27,982	26,733
Unaffiliated Retail Investment Options & ASO	659,602	642,274	617,388	597,596	567,984	572,286	564,833	534,426

Lifeco U.S. – Asset Management

(C\$MM, unless otherwise stated)

	2018			2017				2016	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Income											
Net investment income	-	3	3	6	16	(1)	7	(6)	6	22	28
Fee and other income	302	295	290	295	302	308	288	236	887	898	1,193
Total Income	302	298	293	301	318	307	295	230	893	920	1,221
Benefits and Expenses											
Commissions	60	60	61	66	64	67	67	8	181	198	264
General expenses	233	227	233	226	223	225	237	228	693	685	911
Other	28	35	31	8	29	38	35	34	94	102	110
Restructuring and acquisition expenses	-	-	-	-	-	-	-	33	-	-	-
Total Benefits and Expenses	321	322	325	300	316	330	339	303	968	985	1,285
Net Earnings (loss) before income taxes	(19)	(24)	(32)	1	2	(23)	(44)	(73)	(75)	(65)	(64)
Income tax	(8)	(13)	(11)	5	(5)	(17)	(25)	(46)	(32)	(47)	(42)
Net Earnings (loss) before non-controlling interests	(11)	(11)	(21)	(4)	7	(6)	(19)	(27)	(43)	(18)	(22)
Non-controlling interests	1	1	-	3	3	3	-	1	2	6	9
Net Earnings (loss) before Capital Allocation	(12)	(12)	(21)	(7)	4	(9)	(19)	(28)	(45)	(24)	(31)
Capital Allocation	4	4	5	2	2	3	3	5	13	8	10
Net Earnings (loss) - Common Shareholders ⁽¹⁾	(8)	(8)	(16)	(5)	6	(6)	(16)	(23)	(32)	(16)	(21)
Net Earnings (loss) - Common Shareholders (US\$) ⁽¹⁾	(6)	(6)	(13)	(4)	5	(4)	(12)	(17)	(25)	(11)	(15)

Sales (C\$)

Gross sales ⁽²⁾	14,128	15,002	13,235	11,016	10,404	10,119	13,960	11,119	42,365	34,483	45,499
Redemptions	(12,543)	(12,988)	(14,753)	(12,069)	(10,283)	(11,315)	(12,227)	(13,049)	(40,284)	(33,825)	(45,893)
Net Sales	1,585	2,014	(1,518)	(1,053)	121	(1,196)	1,733	(1,930)	2,081	658	(394)

Fee Income (C\$)

Investment management fees	212	207	203	204	198	208	198	194	622	604	808
Performance fees	(9)	(10)	(11)	(10)	5	(5)	(13)	(5)	(30)	(13)	(23)
Service fees	38	37	36	37	36	39	38	37	111	113	150
Underwriting & distribution fees	61	61	62	64	63	66	65	10	184	194	258
Total Fee Income (C\$)	302	295	290	295	302	308	288	236	887	898	1,193

Fee Income (US \$)

	231	228	230	232	240	230	219	178	689	689	921
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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 Sept. 30, 2018 consolidated financial statements and within the IFRS section of the MD&A.

Lifeco U.S. – Asset Management AUM

(C\$MM, unless otherwise stated)

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Mutual Funds								
Growth equity	16,269	15,176	14,369	13,881	13,100	13,109	13,015	12,282
Value equity	23,181	22,537	21,996	22,185	21,279	21,476	22,090	21,921
Blend equity	26,468	27,372	27,567	28,502	28,381	29,436	29,774	29,268
Fixed income	41,227	38,772	36,086	34,433	33,298	33,794	33,769	32,905
Total Mutual Funds	107,145	103,857	100,018	99,001	96,058	97,815	98,648	96,376
Institutional Accounts								
Equity	81,812	80,570	78,912	79,772	76,119	74,394	72,783	67,071
Fixed income	39,629	41,475	39,684	37,265	37,570	39,578	41,296	40,396
Total Institutional Accounts	121,441	122,045	118,596	117,037	113,689	113,972	114,079	107,467
Total End of Period Assets Under Management	<u>228,586</u>	<u>225,902</u>	<u>218,614</u>	<u>216,038</u>	<u>209,747</u>	<u>211,787</u>	<u>212,727</u>	<u>203,843</u>
Total End of Period Assets Under Management - US\$	177,199	172,445	169,468	171,458	167,798	162,913	159,945	152,122

Lifeco U.S. – Participating Account

(C\$MM, unless otherwise stated)

	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Premium income	19	17	29	19	18	19	28	21	65	65	84
Net investment income	17	13	(5)	22	27	43	32	(36)	25	102	124
Total Income	36	30	24	41	45	62	60	(15)	90	167	208
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	31	26	23	37	43	58	57	(17)	80	158	195
Commissions	-	1	1	-	-	1	1	1	2	2	2
General expenses	-	1	1	1	1	1	1	1	2	3	4
Other	3	2	-	-	2	2	2	1	5	6	6
Total Benefits and Expenses	34	30	25	38	46	62	61	(14)	89	169	207
Net Earnings (loss) before income taxes	2	-	(1)	3	(1)	-	(1)	(1)	1	(2)	1
Income tax	1	-	(1)	1	-	-	-	-	-	-	1
Net Earnings (loss) before non-controlling interests	1	-	-	2	(1)	-	(1)	(1)	1	(2)	-
Non-controlling interests	1	-	-	2	(1)	-	(1)	(1)	1	(2)	-
Net Earnings	-	-	-	-	-	-	-	-	-	-	-
Revenue Premium											
Risk-based premiums	19	17	29	19	18	19	28	21	65	65	84
Revenue Premium (US \$)	14	13	23	15	15	14	21	16	50	50	65

Lifeco U.S. – Corporate ⁽¹⁾

(C\$MM, unless otherwise stated)

	2018			2017				2016	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	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)	9	3	13
Restructuring and acquisition expenses	-	-	-	-	-	-	17	2	-	17	17
Loss on assets held for sale	-	-	-	202	-	-	-	-	-	-	202
Other	-	(64)	-	1	-	-	-	4	(64)	-	1
Total Benefits and Expenses	-	(55)	-	274	-	-	20	3	(55)	20	294
Net Earnings (loss) before income taxes	-	71	-	(274)	-	-	(20)	(3)	71	(20)	(294)
Income tax	-	19	-	118	-	-	(7)	(1)	19	(7)	111
Net Earnings (loss) before non-controlling interests	-	52	-	(392)	-	-	(13)	(2)	52	(13)	(405)
Non-controlling interests	-	-	-	(19)	-	-	-	-	-	-	(19)
Net Earnings (loss) before Capital Allocation	-	52	-	(373)	-	-	(13)	(2)	52	(13)	(386)
Capital Allocation	-	-	-	-	-	-	-	-	-	-	-
Net Earnings (loss) - Common Shareholders	-	52	-	(373)	-	-	(13)	(2)	52	(13)	(386)
Net Earnings - Common Shareholders (US\$) ⁽²⁾	-	33	-	(294)	-	-	(10)	(1)	33	(10)	(304)

1) The US Corporate segment includes general expenses of \$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.

2) Q2/18 US\$ earnings exclude \$9 million of net foreign currency exchange gains as a result of debt redemptions as they do not have a US\$ equivalent.

Lifeco U.S. Balance Sheets

(C\$MM)

Assets	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash and cash equivalents	1,158	1,050	854	1,017	893	1,042	885	852
Bonds	31,639	32,427	32,553	32,190	31,785	32,274	32,718	32,973
Mortgage loans	6,150	6,146	5,811	5,447	5,315	5,479	5,503	5,169
Stocks	186	180	123	112	175	161	167	160
Investment properties	5	5	5	5	5	5	5	5
Loans to policyholders	5,623	5,731	5,577	5,492	5,410	5,627	5,696	5,745
Total invested assets	44,761	45,539	44,923	44,263	43,583	44,588	44,974	44,904
Reinsurance assets	282	302	298	287	295	318	330	323
Derivative financial instruments	86	85	45	67	126	157	188	200
Owner occupied properties	163	180	175	172	168	175	179	180
Fixed assets	137	125	100	93	83	83	86	90
Other assets	2,765	2,693	2,764	2,299	2,238	2,349	2,448	2,170
Total other assets	3,151	3,083	3,084	2,631	2,615	2,764	2,901	2,640
Deferred tax assets	699	716	763	700	1,069	1,109	1,323	1,388
Goodwill	198	201	198	194	192	199	203	205
Intangible assets	1,826	1,854	1,821	1,781	2,034	2,119	2,166	2,183
Assets held for sale	-	-	-	169	-	-	-	-
Investments on account of segregated fund policyholders	32,971	33,508	33,983	34,038	33,701	35,224	35,728	35,414
Total assets	83,888	85,203	85,070	84,063	83,489	86,321	87,625	87,057
Liabilities								
Insurance contract liabilities	40,136	40,860	40,355	39,799	39,290	40,328	40,808	40,662
Investment contract liabilities	148	161	165	171	176	190	202	209
	40,284	41,021	40,520	39,970	39,466	40,518	41,010	40,871
Debentures and other debt instruments	2,409	2,484	2,319	2,388	2,204	2,334	2,551	2,559
Other liabilities	2,295	2,304	2,436	2,036	1,975	2,007	2,254	2,088
Deferred tax liabilities	133	125	121	81	297	290	299	329
Investment and insurance contracts on account of segregated fund policyholders	32,971	33,508	33,983	34,038	33,701	35,224	35,728	35,414
Total liabilities	78,092	79,442	79,379	78,513	77,643	80,373	81,842	81,261
Equity								
Non-controlling interests	156	156	206	185	225	234	285	248
Accumulated surplus	4,189	4,076	4,001	4,014	4,312	4,201	4,112	4,114
Accumulated other comprehensive income (loss)	746	831	795	639	610	821	1,106	1,129
Contributed surplus	705	698	689	712	699	692	280	305
	5,796	5,761	5,691	5,550	5,846	5,948	5,783	5,796
Total liabilities and equity	83,888	85,203	85,070	84,063	83,489	86,321	87,625	87,057
Proprietary mutual funds and institutional net assets	246,151	243,506	235,926	232,623	225,481	227,545	228,245	219,699
Other assets under administration	659,602	642,276	617,388	597,596	567,984	572,289	564,835	534,428
Total assets under administration	989,641	970,985	938,384	914,282	876,954	886,155	880,705	841,184

Europe



Lifeco Europe Net Earnings – Consolidated

(C\$MM)	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Premium income	5,923	3,870	3,949	3,971	3,832	3,641	4,841	4,144	13,742	12,314	16,285
Regular net investment income	451	445	517	471	418	496	402	433	1,413	1,316	1,787
Changes in fair value through profit or loss	(565)	(339)	(573)	462	(147)	(252)	258	(1,571)	(1,477)	(141)	321
Net investment income	(114)	106	(56)	933	271	244	660	(1,138)	(64)	1,175	2,108
Fee and other income	373	395	364	368	348	346	324	340	1,132	1,018	1,386
Total Income	6,182	4,371	4,257	5,272	4,451	4,231	5,825	3,346	14,810	14,507	19,779
Benefits and Expenses											
Paid or credited to policyholders	5,345	3,478	3,389	4,513	3,856	3,418	5,065	2,542	12,212	12,339	16,852
Commissions	132	153	154	150	127	146	134	145	439	407	557
General expenses	279	279	279	274	242	248	234	250	837	724	998
Restructuring and Acquisition Expenses	67	-	-	5	1	1	20	-	67	22	27
Other	43	44	42	44	37	29	37	26	129	103	147
Total Benefits and Expenses	5,866	3,954	3,864	4,986	4,263	3,842	5,490	2,963	13,684	13,595	18,581
Net Earnings before income taxes	316	417	393	286	188	389	335	383	1,126	912	1,198
Income tax	19	31	18	(95)	(20)	45	23	51	68	48	(47)
Net Earnings before non-controlling interests	297	386	375	381	208	344	312	332	1,058	864	1,245
Non-controlling interests	1	-	-	(1)	-	-	(1)	(1)	1	(1)	(2)
Net Earnings	296	386	375	382	208	344	313	333	1,057	865	1,247
Preferred share dividends	5	4	5	5	5	4	5	5	14	14	19
Net Earnings before Capital Allocation	291	382	370	377	203	340	308	328	1,043	851	1,228
Capital Allocation	(28)	(27)	(26)	(19)	(19)	(19)	(19)	(21)	(81)	(57)	(76)
Net Earnings - Common Shareholders	263	355	344	358	184	321	289	307	962	794	1,152
Common Shareholder Net Earnings (loss)											
Insurance & Annuities	240	281	244	250	233	239	225	225	765	697	947
Reinsurance ⁽¹⁾	87	97	104	67	(41)	83	81	86	288	123	190
Corporate ⁽²⁾	(64)	(23)	(4)	41	(8)	(1)	(17)	(4)	(91)	(26)	15
Total	263	355	344	358	184	321	289	307	962	794	1,152

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

2) Q3 2018 includes Europe restructuring costs of \$56m (after-tax). Q4 2017 includes a net benefit for U.S. tax reform of \$54m (after-tax).

Lifeco Europe – Insurance & Annuities

	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<i>(C\$MM)</i>											
Income											
Premium income	2,809	656	627	968	989	614	957	405	4,092	2,560	3,528
Net investment income	(128)	83	70	710	202	120	415	(846)	25	737	1,447
Fee and other income	370	392	360	361	344	342	319	333	1,122	1,005	1,366
Total Income	3,051	1,131	1,057	2,039	1,535	1,076	1,691	(108)	5,239	4,302	6,341
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	2,360	403	365	1,374	919	416	1,094	(757)	3,128	2,429	3,803
Commissions	106	111	112	114	91	104	93	107	329	288	402
General expenses	252	251	251	247	220	228	215	228	754	663	910
Other	35	31	32	27	24	23	20	20	98	67	94
Total Benefits and Expenses	2,753	796	760	1,762	1,254	771	1,422	(402)	4,309	3,447	5,209
Net Earnings before income taxes	298	335	297	277	281	305	269	294	930	855	1,132
Income tax	24	19	19	2	25	41	19	47	62	85	87
Net Earnings before non-controlling interests	274	316	278	275	256	264	250	247	868	770	1,045
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Net Earnings	274	316	278	275	256	264	250	247	868	770	1,045
Perpetual share dividends	-	-	-	-	-	-	-	-	-	-	-
Net Earnings before Capital Allocation	274	316	278	275	256	264	250	247	868	770	1,045
Capital Allocation	(34)	(35)	(34)	(25)	(23)	(25)	(25)	(22)	(103)	(73)	(98)
Net Earnings - Common Shareholders	240	281	244	250	233	239	225	225	765	697	947
Sales											
UK / Isle of Man	3,274	1,151	949	809	1,086	873	1,095	591	5,374	3,054	3,863
Ireland / Germany	3,961	4,384	4,790	6,516	4,276	3,962	3,321	3,819	13,135	11,559	18,075
Total - Insurance & Annuities	7,235	5,535	5,739	7,325	5,362	4,835	4,416	4,410	18,509	14,613	21,938
Revenue Premium											
Risk-based revenue premiums	2,809	656	627	968	989	614	957	405	4,092	2,560	3,528
Segregated fund deposits	2,815	2,952	2,791	4,214	2,560	3,030	2,573	2,228	8,558	8,163	12,377
Proprietary mutual funds & institutional deposits	2,217	2,627	2,988	3,475	2,428	1,972	1,618	2,342	7,832	6,018	9,493
	7,841	6,235	6,406	8,657	5,977	5,616	5,148	4,975	20,482	16,741	25,398
UK / Isle of Man	3,245	1,238	954	969	1,125	1,099	1,230	692	5,437	3,454	4,423
Ireland / Germany	4,596	4,997	5,452	7,688	4,852	4,517	3,918	4,283	15,045	13,287	20,975
Total - Insurance & Annuities ⁽¹⁾	7,841	6,235	6,406	8,657	5,977	5,616	5,148	4,975	20,482	16,741	25,398

1. Excludes participating policy revenue premiums.

Lifeco Europe – Reinsurance

(C\$MM)	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
Income											
Premium income	3,107	3,209	3,316	2,995	2,837	3,020	3,877	3,730	9,632	9,734	12,729
Net investment income	13	17	(101)	197	59	102	222	(244)	(71)	383	580
Fee and other income	3	3	4	7	4	4	5	7	10	13	20
Total Income	3,123	3,229	3,219	3,199	2,900	3,126	4,104	3,493	9,571	10,130	13,329
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	2,978	3,066	3,045	3,060	2,921	2,971	3,947	3,338	9,089	9,839	12,899
Commissions	26	42	42	36	36	42	41	38	110	119	155
General expenses	17	18	20	18	16	17	17	20	55	50	68
Other	3	3	5	9	6	5	7	4	11	18	27
Total Benefits and Expenses	3,024	3,129	3,112	3,123	2,979	3,035	4,012	3,400	9,265	10,026	13,149
Net Earnings (loss) before income taxes	99	100	107	76	(79)	91	92	93	306	104	180
Income tax	9	-	1	6	(42)	5	8	4	10	(29)	(23)
Net Earnings (loss) before non-controlling interests	90	100	106	70	(37)	86	84	89	296	133	203
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Net Earnings (loss)	90	100	106	70	(37)	86	84	89	296	133	203
Preferred share dividends	-	-	-	-	-	-	-	-	-	-	-
Net Earnings (loss) before Capital Allocation	90	100	106	70	(37)	86	84	89	296	133	203
Capital Allocation	(3)	(3)	(2)	(3)	(4)	(3)	(3)	(3)	(8)	(10)	(13)
Net Earnings (loss) - Common Shareholders ⁽¹⁾	87	97	104	67	(41)	83	81	86	288	123	190
Risk-based revenue premiums	3,107	3,209	3,316	2,995	2,837	3,020	3,877	3,730	9,632	9,734	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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Premium income	7	5	6	8	6	7	7	9	18	20	28
Net investment income	1	7	(23)	25	10	21	22	(48)	(15)	53	78
Fee and other income	-	-	-	-	-	-	-	-	-	-	-
Total Income	8	12	(17)	33	16	28	29	(39)	3	73	106
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	7	10	(18)	31	16	30	24	(37)	(1)	70	101
Commissions	-	-	-	-	-	-	-	-	-	-	-
General expenses	1	-	1	-	1	2	1	1	2	4	4
Other	(1)	2	-	3	(1)	(4)	5	(2)	1	-	3
Total Benefits and Expenses	7	12	(17)	34	16	28	30	(38)	2	74	108
Net Earnings (loss) before income taxes	1	-	-	(1)	-	-	(1)	(1)	1	(1)	(2)
Income tax	-	-	-	-	-	-	-	-	-	-	-
Net Earnings (loss) before non-controlling interests	1	-	-	(1)	-	-	(1)	(1)	1	(1)	(2)
Non-controlling interests	1	-	-	(1)	-	-	(1)	(1)	1	(1)	(2)
Net Earnings	-	-	-	-	-	-	-	-	-	-	-
Risk-based revenue premiums	7	5	6	8	6	7	7	9	18	20	28

Lifeco Europe – Corporate

(C\$MM)	2018			2017				2016	YTD 2018	YTD 2017	Fiscal 2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Income											
Premium income	-	-	-	-	-	-	-	-	-	-	-
Net investment income	-	(1)	(2)	1	-	1	1	-	(3)	2	3
Fee and other income	-	-	-	-	-	-	-	-	-	-	-
Total Income	-	(1)	(2)	1	-	1	1	-	(3)	2	3
Benefits and Expenses											
Paid or credited to policyholders and beneficiaries	-	(1)	(3)	48	-	1	-	(2)	(4)	1	49
Commissions	-	-	-	-	-	-	-	-	-	-	-
General expenses	9	10	7	9	5	1	1	1	26	7	16
Restructuring and acquisition expenses	67	-	-	5	1	1	20	-	67	22	27
Other	6	8	5	5	8	5	5	4	19	18	23
Total Benefits and Expenses	82	17	9	67	14	8	26	3	108	48	115
Net Earnings (loss) before income taxes	(82)	(18)	(11)	(66)	(14)	(7)	(25)	(3)	(111)	(46)	(112)
Income tax	(14)	12	(2)	(103)	(3)	(1)	(4)	-	(4)	(8)	(111)
Net Earnings (loss)	(68)	(30)	(9)	37	(11)	(6)	(21)	(3)	(107)	(38)	(1)
Preferred shareholder dividends	5	4	5	5	5	4	5	5	14	14	19
Net Earnings (loss) before Capital Allocation	(73)	(34)	(14)	32	(16)	(10)	(26)	(8)	(121)	(52)	(20)
Capital Allocation	9	11	10	9	8	9	9	4	30	26	35
Net Earnings (loss) - Common Shareholders ⁽¹⁾	(64)	(23)	(4)	41	(8)	(1)	(17)	(4)	(91)	(26)	15

1) Q3 2018 includes Europe restructuring costs of \$56m (after-tax). 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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash and cash equivalents	2,021	2,027	2,048	1,833	1,657	1,711	1,622	1,792
Bonds	43,882	43,196	45,370	41,710	39,804	40,280	39,835	39,082
Mortgage loans	4,296	4,493	4,553	3,596	3,644	3,704	3,624	3,590
Stocks	432	444	424	428	418	395	454	602
Investment properties	2,856	2,928	3,081	2,886	2,834	2,835	2,783	2,761
Loans to policyholders	111	113	111	109	107	112	113	113
Total invested assets	53,598	53,201	55,587	50,562	48,464	49,037	48,431	47,940
Funds withheld by ceding insurers	9,145	9,581	10,070	9,893	9,977	10,317	10,496	10,781
Reinsurance assets	5,476	5,566	5,834	4,639	4,875	4,986	4,815	4,824
Derivative financial instruments	114	130	145	130	112	122	126	163
Owner occupied properties	139	140	144	138	133	85	80	79
Fixed assets	60	61	64	59	56	58	56	56
Other assets	3,078	3,315	3,510	3,157	2,783	2,827	2,935	2,771
Total other assets	3,391	3,646	3,863	3,484	3,084	3,092	3,197	3,069
Deferred tax assets	22	41	39	28	21	33	19	23
Goodwill	2,290	2,267	2,300	2,016	2,002	2,006	1,986	1,985
Intangible assets	532	486	500	473	459	460	445	443
Investments on account of segregated fund policyholders	106,075	106,248	107,322	102,920	96,713	96,087	92,080	90,080
Total assets	180,529	181,036	185,515	174,015	165,595	166,018	161,469	159,145
Liabilities								
Insurance contract liabilities	55,658	55,619	58,678	53,590	52,514	53,147	52,851	52,478
Investment contract liabilities	1,246	1,287	1,316	1,345	1,366	1,421	1,455	1,456
	56,904	56,906	59,994	54,935	53,880	54,568	54,306	53,934
Debentures and other debt instruments	1,044	1,066	1,107	1,052	1,023	1,030	988	1,273
Funds held under reinsurance contracts	1,286	1,333	1,405	329	309	295	289	286
Other liabilities	2,148	2,129	2,071	1,998	1,953	2,066	2,144	2,277
Deferred tax liabilities	440	448	421	442	486	525	542	528
Investment and insurance contracts on account of segregated fund policyholders	106,075	106,248	107,322	102,920	96,713	96,087	92,080	90,080
Total liabilities	167,897	168,130	172,320	161,676	154,364	154,571	150,349	148,378
Equity								
Non-controlling interests	19	(1)	(1)	(2)	(1)	(1)	-	-
Share capital								
Perpetual preferred shares	550	550	550	550	550	550	550	550
Common shares	-	-	-	-	-	-	-	-
Accumulated surplus	11,807	11,829	11,722	11,486	10,612	10,696	10,535	10,248
Accumulated other comprehensive income (loss)	256	528	924	305	70	202	35	(31)
Contributed surplus	-	-	-	-	-	-	-	-
	12,632	12,906	13,195	12,339	11,231	11,447	11,120	10,767
Total liabilities and equity	180,529	181,036	185,515	174,015	165,595	166,018	161,469	159,145
Proprietary mutual funds and institutional net assets	40,399	44,229	43,080	39,521	37,000	37,797	35,713	33,664
Other assets under administration	45,035	41,772	43,231	41,945	39,413	39,148	39,218	38,952
Total assets under administration	265,963	267,037	271,826	255,481	242,008	242,963	236,400	231,761

Lifeco Corporate

(C\$MM)	2018			2017				2016	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Income											
Premium income	-	-	-	-	-	-	-	-	-	-	-
Net investment income	4	2	3	2	1	2	(1)	(2)	9	2	4
Fee and other income	-	-	-	-	-	-	-	-	-	-	-
Total Income	4	2	3	2	1	2	(1)	(2)	9	2	4
Benefits and Expenses											
General expenses	5	5	5	4	6	2	9	9	15	17	21
Other	1	-	-	-	1	1	-	2	1	2	2
Total Benefits and Expenses	6	5	5	4	7	3	9	11	16	19	23
Net Earnings (loss) before income taxes	(2)	(3)	(2)	(2)	(6)	(1)	(10)	(13)	(7)	(17)	(19)
Income tax	(1)	(1)	-	-	(2)	-	(3)	(3)	(2)	(5)	(5)
Net Earnings (loss) before non-controlling interests	(1)	(2)	(2)	(2)	(4)	(1)	(7)	(10)	(5)	(12)	(14)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Net Earnings (loss)	(1)	(2)	(2)	(2)	(4)	(1)	(7)	(10)	(5)	(12)	(14)
Preferred share dividends	-	-	-	2	4	-	-	-	-	4	6
Net Earnings (loss) before Capital Allocation	(1)	(2)	(2)	(4)	(8)	(1)	(7)	(10)	(5)	(16)	(20)
Capital Allocation	(1)	(1)	(2)	(2)	(1)	(2)	(2)	(2)	(4)	(5)	(7)
Net Earnings (loss) - Common Shareholders	(2)	(3)	(4)	(6)	(9)	(3)	(9)	(12)	(9)	(21)	(27)

Lifeco – Consolidated Source of Earnings

	For the three months ended Sept. 30, 2018					2018		2017				2016	YTD 2018	YTD 2017	Fiscal 2017	
	Canada	U.S.	Europe	Corp	Total	Q2	Q1	Q4	Q3	Q2	Q1	Q4				
(C\$MM)																
Expected profit on in-force business	314	132	296	(4)	738	723	711	704	682	681	605	695	2,172	1,968	2,672	
Impact of new business	(1)	(37)	8	-	(30)	(58)	(96)	(18)	(12)	(61)	(24)	(43)	(184)	(97)	(115)	
Experience gains and losses	36	(8)	(59)	(1)	(32)	69	85	83	(91)	230	119	88	122	258	341	
Management actions and changes in assumptions	68	49	128	-	245	232	135	125	152	38	44	141	612	234	359	
Impact of U.S. tax reform on insurance contract liabilities & expenses	-	-	-	-	-	-	-	(119)	-	-	-	-	-	-	(119)	
Other	-	-	(67)	-	(67)	(9)	-	(187)	(1)	(174)	(40)	(35)	(76)	(215)	(402)	
Earnings on surplus (incl. financing charges)	15	2	(18)	2	1	75	17	1	(16)	(5)	16	(12)	93	(5)	(4)	
Net income before tax	432	138	288	(3)	855	1,032	852	589	714	709	720	834	2,739	2,143	2,732	
Taxes (excl. impact of U.S. tax reform)	(88)	(24)	(19)	1	(130)	(167)	(88)	(64)	(95)	(91)	(98)	(127)	(385)	(284)	(348)	
U.S. tax reform impact on deferred tax balances	-	-	-	-	-	-	-	(154)	-	-	-	-	-	-	(154)	
Tax recovery on impact of U.S. tax reform on insurance contract liabilities & expenses	-	-	-	-	-	-	-	38	-	-	-	-	-	-	38	
Net income before non-controlling interests & preferred dividends	344	114	269	(2)	725	865	764	409	619	618	622	707	2,354	1,859	2,268	
Non-controlling interests & preferred dividends	(29)	(1)	(6)	-	(36)	(34)	(33)	(36)	(38)	(33)	(31)	(31)	(103)	(102)	(138)	
Impact of U.S. tax reform on non-controlling interests	-	-	-	-	-	-	-	19	-	-	-	-	-	-	19	
Net income - Common Shareholders	315	113	263	(2)	689	831	731	392	581	585	591	676	2,251	1,757	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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2018	2017	2017
Expected profit on in-force business	9	11	4	5	4	10	(12)	1	24	2	7
Impact of new business	(10)	(8)	(9)	(8)	(5)	(8)	(8)	(8)	(27)	(21)	(29)
Experience gains and losses	(1)	(5)	(11)	-	15	4	(3)	1	(17)	16	16
Management actions and changes in assumptions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	20	-	-	-	(33)	-	-	20
Earnings on surplus (incl. financing charges)	(13)	(18)	(11)	(14)	(10)	(26)	(18)	(29)	(42)	(54)	(68)
Net income before tax	(15)	(20)	(27)	3	4	(20)	(41)	(68)	(62)	(57)	(54)
Taxes	8	13	11	(5)	5	17	25	45	32	47	42
Net income before non-controlling interests & preferred dividends	(7)	(7)	(16)	(2)	9	(3)	(16)	(23)	(30)	(10)	(12)
Non-controlling interests & preferred dividends	(1)	(1)	-	(3)	(3)	(3)	-	-	(2)	(6)	(9)
Net income - common shareholders ⁽¹⁾	(8)	(8)	(16)	(5)	6	(6)	(16)	(23)	(32)	(16)	(21)

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