

# GREAT-WEST LIFECO INC.

## Supplemental Information Package For Analysts and Investors (Unaudited) Q4 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", "premiums and deposits", "sales", "assets under management" and "assets under administration". 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. Refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS in the Company's 2018 Annual Management's Discussion and Analysis.

## Table of Contents

<b>Overview</b>	3	<b>United States</b>	33
<b>Great-West Lifeco Inc.</b>		Consolidated Statements of Earnings	34
<b>Lifeco Financial Highlights</b>	5	Great-West Financial Consolidated Statements of Earnings	35
Lifeco Common Shareholder Net Earnings	6	Individual Markets	36
Currency Translation Rates	7	Empower Retirement	37
Financial Strength - Credit Ratings	8	U.S. Other	38
Lifeco Common Shares Outstanding	9	Great-West Financial Participants	39
Lifeco Financial Ratio Highlights	10	Empower Retirement Customer Account Values	40
Lifeco Regulatory Capital Ratios	11	Asset Management Statements of Earnings	41
Great-West Life Assurance Company - LICAT	12	Asset Management AUM	42
		Participating Account Statements of Earnings	43
		Corporate Statements of Earnings	44
		U.S. Balance Sheets	45
<b>Lifeco</b>		<b>Europe</b>	46
Capital Structure	13	Consolidated Statements of Earnings	47
Statements of Earnings	14	Insurance & Annuities Statements of Earnings	48
Balance Sheets	15	Reinsurance Statements of Earnings	49
Supplemental Balance Sheet Information	16	Participating Account Statements of Earnings	50
Impaired Loans & Credit Losses	17	Corporate Statements of Earnings	51
Cash Flow Statements	18	Europe Balance Sheets	52
Statements of Accumulated and Contributed Surplus	19	<b>Lifeco Corporate Statements of Earnings</b>	53
Reconciliation of Accumulated Other Comprehensive Income	20	<b>Lifeco Consolidated Source of Earnings</b>	54
Sales (New Annualized Premium)	21	<b>Putnam Source of Earnings</b>	55
Premiums & Deposits	22		
Fee Income and Other Income	23		
Expense Summary	24		
<b>Canada</b>	25		
Consolidated Statements of Earnings	26		
Individual Customer Statements of Earnings	27		
Group Customer Statements of Earnings	28		
Canada Wealth Assets Under Administration	29		
Participating Account Statements of Earnings	30		
Corporate Statements of Earnings	31		
Canada Balance Sheets	32		

## 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 \$1,399 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				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium Income	9,045	10,337	7,905	8,174	8,494	8,293	7,761	9,354	35,461	33,902
Net Investment Income	1,234	207	1,225	86	2,979	529	1,895	2,204	2,752	7,607
Fee & Other Income	1,420	1,483	1,483	1,433	1,439	1,400	1,421	1,348	5,819	5,608
Total Income	11,699	12,027	10,613	9,693	12,912	10,222	11,077	12,906	44,032	47,117
<b>Operating Earnings - Common Shareholders</b>	710	689	831	731	392	581	585	591	2,961	2,149
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings - Common Shareholders</b>	710	689	831	731	392	581	585	591	2,961	2,149
Net Earnings attributable to Perpetual Preferred Shareholders	33	34	33	33	33	35	30	31	133	129
<b>Net Earnings - Total Shareholders</b>	743	723	864	764	425	616	615	622	3,094	2,278
<b>Earnings per Common Share</b>										
Operating Earnings	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$2.996	\$2.173
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-
Basic earnings per share	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$2.996	\$2.173
Diluted earnings per share	\$0.719	\$0.697	\$0.839	\$0.739	\$0.396	\$0.587	\$0.590	\$0.597	\$2.994	\$2.170
<b>Common Shareholder Net Earnings (Loss) - by Segment</b>										
Canada	310	315	334	316	338	296	185	255	1,275	1,074
U.S.	55	113	145	75	(298)	110	82	56	388	(50)
Europe	349	263	355	344	358	184	321	289	1,311	1,152
Corporate	(4)	(2)	(3)	(4)	(6)	(9)	(3)	(9)	(13)	(27)
<b>Total</b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>581</b>	<b>585</b>	<b>591</b>	<b>2,961</b>	<b>2,149</b>

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 Dec. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A

## Lifeco Common Shareholder Net Earnings

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Common Shareholder Net Earnings (Loss)</b>										
<b>Canada</b>										
Individual Customer	171	165	211	138	162	141	140	146	685	589
Group Customer	144	150	194	142	193	155	189	104	630	641
Corporate <sup>(1) (2)</sup>	(5)	-	(71)	36	(17)	-	(144)	5	(40)	(156)
	<b>310</b>	<b>315</b>	<b>334</b>	<b>316</b>	<b>338</b>	<b>296</b>	<b>185</b>	<b>255</b>	<b>1,275</b>	<b>1,074</b>
<b>U.S.</b>										
Financial Services	84	121	101	91	80	104	88	85	397	357
Asset Management	(29)	(8)	(8)	(16)	(5)	6	(6)	(16)	(61)	(21)
Corporate <sup>(3)</sup>	-	-	52	-	(373)	-	-	(13)	52	(386)
	<b>55</b>	<b>113</b>	<b>145</b>	<b>75</b>	<b>(298)</b>	<b>110</b>	<b>82</b>	<b>56</b>	<b>388</b>	<b>(50)</b>
<b>Europe</b>										
Insurance & Annuities	271	240	281	244	250	233	239	225	1,036	947
Reinsurance <sup>(4)</sup>	89	87	97	104	67	(41)	83	81	377	190
Corporate <sup>(5)</sup>	(11)	(64)	(23)	(4)	41	(8)	(1)	(17)	(102)	15
	<b>349</b>	<b>263</b>	<b>355</b>	<b>344</b>	<b>358</b>	<b>184</b>	<b>321</b>	<b>289</b>	<b>1,311</b>	<b>1,152</b>
<b>Corporate</b>	(4)	(2)	(3)	(4)	(6)	(9)	(3)	(9)	(13)	(27)
<b>Total <sup>(6)</sup></b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>581</b>	<b>585</b>	<b>591</b>	<b>2,961</b>	<b>2,149</b>

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 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)

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

5) 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)

6) 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**

	<b>2018</b>				<b>2017</b>			
	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
<b>(C\$ / US\$)</b>								
Balance Sheet	1.36	1.29	1.31	1.29	1.26	1.25	1.30	1.33
Income & Expenses	1.32	1.31	1.29	1.26	1.27	1.25	1.34	1.32
<b>(C\$ / £)</b>								
Balance Sheet	1.74	1.69	1.73	1.81	1.70	1.67	1.69	1.67
Income & Expenses	1.70	1.70	1.76	1.76	1.69	1.64	1.72	1.64
<b>(C\$ / €)</b>								
Balance Sheet	1.56	1.50	1.53	1.59	1.51	1.47	1.48	1.42
Income & Expenses	1.51	1.52	1.54	1.55	1.50	1.47	1.48	1.41



## 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	
<b>Q1 2017</b>	986,398,335	-	3,552,684	12,698	\$37.10	\$471,157	989,938,321
<b>Q2 2017</b>	989,938,321	-	287,720	328,985	\$35.48	\$11,673,619	989,897,056
<b>Q3 2017</b>	989,897,056	-	116,120	439,026	\$34.58	\$15,179,876	989,574,150
<b>Q4 2017</b>	989,574,150	-	167,800	1,019,291	\$35.31	\$35,991,706	988,722,659
<b>Q1 2018</b>	988,722,659	-	330,380	431,000	\$34.22	\$14,748,099	988,622,039
<b>Q2 2018</b>	988,622,039	-	774,029	426,048	\$33.37	\$14,218,016	988,970,020
<b>Q3 2018</b>	988,970,020	-	13,840	600,408	\$31.98	\$19,201,658	988,383,452
<b>Q4 2018</b>	988,383,452	-	25,800	669,844	\$30.51	\$20,437,594	987,739,408

**12 months ended Dec. 31, 2018**

Average common shares outstanding - Basic	988,588,610
Potential exercise of outstanding stock options	510,961
Average common shares outstanding - Diluted	<u>989,099,571</u>

## Lifeco Financial Ratio Highlights

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Share Price</b>								
High	\$31.45	\$32.72	\$34.34	\$35.51	\$36.40	\$36.14	\$37.15	\$37.74
Low	\$27.10	\$30.30	\$32.04	\$32.43	\$34.66	\$34.13	\$33.32	\$35.24
Close	\$28.18	\$31.34	\$32.32	\$32.88	\$35.10	\$35.91	\$35.15	\$36.85
<b>Operating EPS</b>								
Operating EPS	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598
Operating EPS Growth <i>(qtr / qtr)</i>	3.2%	(16.9%)	13.4%	86.4%	(32.4%)	(0.7%)	(1.2%)	(12.8%)
<b>Dividends</b>								
Common Dividends Declared / Share		\$0.3890	\$0.3890	\$0.3890	\$0.3890	\$0.3670	\$0.3670	\$0.3670
Common Dividends Paid / Share	\$0.3890	\$0.3890	\$0.3890	\$0.3890	\$0.3670	\$0.3670	\$0.3670	\$0.3670
Paid Dividend Growth <i>(qtr / qtr)</i>	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	6.1%
Paid Dividend Growth <i>(yr / yr)</i>	6.0%	6.0%	6.0%	6.0%	6.1%	6.1%	6.1%	6.1%
Dividend Payout Ratio <sup>(1)</sup>	54.1%	55.8%	46.4%	52.6%	92.4%	62.5%	62.1%	61.4%
Dividend Yield (annualized) <sup>(2)</sup>	5.5%	5.0%	4.8%	4.7%	4.2%	4.1%	4.2%	4.0%
<b>Ratios</b>								
P/E Ratio <i>(rolling 4 qtrs - operating earnings)</i>	9.4x	11.7x	12.6x	14.2x	16.2x	14.6x	13.7x	14.0x
P/Book Value Ratio	1.3x	1.5x	1.5x	1.6x	1.7x	1.8x	1.8x	1.8x
ROE <sup>(3)</sup> (12 Months Trailing)	14.0%	12.8%	12.5%	11.4%	10.9%	12.4%	13.0%	13.6%
<b>Share Information</b>								
Total Shares Outstanding (mm)	987.7	988.4	989.0	988.6	988.7	989.6	989.9	989.9
Majority Shareholder Beneficial Ownership (mm)	709.3	709.3	709.3	709.3	709.3	709.3	709.3	709.3
Public Float Shares (mm)	278.4	279.1	279.7	279.3	279.4	280.3	280.6	280.6
Total Market Capitalization (mm)	\$27,834	\$30,976	\$31,964	\$32,506	\$34,704	\$35,536	\$34,795	\$36,479
Public Float (mm)	\$7,846	\$8,746	\$9,039	\$9,184	\$9,808	\$10,064	\$9,863	\$10,341
Book Value per Share	\$22.08	\$21.25	\$21.22	\$21.01	\$20.11	\$19.92	\$19.95	\$19.99

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			
	Q4	Q3	Q2	Q1
<b>LICAT</b>				
<b>Great-West Life Assurance Company</b>				
Tier 1 Capital	12,455	12,315	12,398	12,536
Tier 2 Capital	3,686	3,255	3,262	3,212
<b>Available Capital</b>	<b>16,141</b>	<b>15,570</b>	<b>15,660</b>	<b>15,748</b>
Surplus Allowance & Eligible Deposits	10,665	10,258	10,130	10,342
<b>Total Capital Resources</b>	<b>26,806</b>	<b>25,828</b>	<b>25,790</b>	<b>26,090</b>
<b>Base Solvency Buffer (includes OSFI scalar of 1.05)</b>	<b>19,165</b>	<b>19,322</b>	<b>19,429</b>	<b>20,034</b>
Total Ratio	140%	134%	133%	130%
Core Ratio	104%	101%	100%	99%
<b>London Life Insurance Company</b>				
Tier 1 Capital	2,689	2,750	2,647	2,832
Tier 2 Capital	1,321	1,157	1,171	1,020
<b>Available Capital</b>	<b>4,010</b>	<b>3,907</b>	<b>3,818</b>	<b>3,852</b>
Surplus Allowance & Eligible Deposits	1,901	1,929	1,987	2,064
<b>Total Capital Resources</b>	<b>5,911</b>	<b>5,836</b>	<b>5,805</b>	<b>5,916</b>
<b>Base Solvency Buffer (includes OSFI scalar of 1.05)</b>	<b>4,412</b>	<b>3,983</b>	<b>3,936</b>	<b>3,985</b>
Total Ratio	134%	147%	147%	148%
Core Ratio	91%	103%	103%	107%
<b>Canada Life Assurance Company</b>				
Tier 1 Capital	9,162	9,035	9,305	9,370
Tier 2 Capital	2,532	2,250	2,212	2,278
<b>Available Capital</b>	<b>11,694</b>	<b>11,285</b>	<b>11,517</b>	<b>11,648</b>
Surplus Allowance & Eligible Deposits	7,521	7,121	6,932	7,056
<b>Total Capital Resources</b>	<b>19,215</b>	<b>18,406</b>	<b>18,449</b>	<b>18,704</b>
<b>Base Solvency Buffer (includes OSFI scalar of 1.05)</b>	<b>13,460</b>	<b>12,814</b>	<b>12,964</b>	<b>13,493</b>
Total Ratio	143%	144%	142%	139%
Core Ratio	107%	109%	109%	106%
<b>Risk-Based Capital (RBC) - US\$</b>				
<b>GWL&amp;A</b>				
Total Adjusted Capital	1,493	1,361		
Company Action Level	330	271		
Ratio	452% <sup>(1)</sup>	502%		
<b>2018</b>				
<b>2017</b>				
<b>Q4</b>				
<b>Q4</b>				

1) Estimated to be 452% at December 31, 2018

**Great-West Life Assurance Company – LICAT**

(C\$MM unless otherwise stated)

	2018			
	Q4	Q3	Q2	Q1
<b>Available Capital:</b>				
<b>Tier 1 Capital</b>				
Common shares	8,882	8,882	8,882	8,882
Shareholder Surplus	12,065	11,853	11,562	11,291
Other Tier 1	3,103	2,830	3,058	3,349
Less: Goodwill & Intangibles	(8,136)	(8,070)	(7,982)	(8,018)
Less: Other Deductions	(3,459)	(3,180)	(3,122)	(2,968)
<b>Total Tier 1 Capital</b>	<b>12,455</b>	<b>12,315</b>	<b>12,398</b>	<b>12,536</b>
<b>Tier 2 Capital</b>	<b>3,686</b>	<b>3,255</b>	<b>3,262</b>	<b>3,212</b>
<b>Available Capital</b>	<b>16,141</b>	<b>15,570</b>	<b>15,660</b>	<b>15,748</b>
<b>Surplus Allowance and Eligible Deposits</b>	<b>10,665</b>	<b>10,258</b>	<b>10,130</b>	<b>10,342</b>
<b>Total Capital Resources</b>	<b>26,806</b>	<b>25,828</b>	<b>25,790</b>	<b>26,090</b>
<b>Base Solvency Buffers</b>				
Non-Participating Business:				
Credit Risk	2,526	2,439	2,489	2,591
Market Risk	2,352	2,189	2,208	2,388
Insurance Risk, Net of Adjustable Credits	11,405	10,841	10,981	11,349
	<b>16,283</b>	<b>15,469</b>	<b>15,678</b>	<b>16,328</b>
Participating Business Total Risk	2,812	3,849	3,727	3,725
Less: Diversification & Other Credits	(3,395)	(3,380)	(3,356)	(3,467)
Segregated Fund Guarantee Risk	332	275	265	268
Operational Risk	2,220	2,189	2,190	2,226
<b>Solvency Buffers prior to OSFI scalar</b>	<b>18,252</b>	<b>18,402</b>	<b>18,504</b>	<b>19,080</b>
<b>Base Solvency Buffer (includes OSFI scalar of 1.05)</b>	<b>19,165</b>	<b>19,322</b>	<b>19,429</b>	<b>20,034</b>
<b>LICAT Ratios:</b>				
Total Ratio <sup>(1)</sup> (OSFI Supervisory Target = 100%)	140%	134%	133%	130%
Core Ratio <sup>(2)</sup> (OSFI Supervisory Target = 70%)	104%	101%	100%	99%

(1) Total Ratio = Total Capital Resources / Base Solvency Buffer (after 1.05 Scalar)

(2) Core Ratio = [Total Tier 1 Capital + 70% (Surplus Allowance and Eligible Deposits)] / Base Solvency Buffer (after 1.05 Scalar)

## Lifeco Capital Structure

(CSMM)

LIABILITIES	2018				2017	
	Q4	Q3	Q2	Q1	Q4	Q3
<b>Short Term</b>						
Commercial Paper & other short term borrowings	135	129	130	111	126	125
Putnam revolving credit facility	340	148	190	213	302	131
<b>Total Short Term</b>	<b>475</b>	<b>277</b>	<b>320</b>	<b>324</b>	<b>428</b>	<b>256</b>
<b>Capital</b>						
<b>Lifeco</b>						
6.14% Debenture due Mar 21, 2018	-	-	-	-	200	200
6.74% Debenture due Nov 24, 2031	194	193	193	193	193	193
6.67% Debenture due Mar 21, 2033	393	393	393	393	393	392
5.998% Debenture due Nov 16, 2039	342	342	342	342	342	342
4.65% Debenture due Aug 13, 2020	500	500	500	499	499	499
2.50% Euro Bond Debt due April 18, 2023	778	747	762	792	752	732
1.75% Euro Bond Debt due December 7, 2026	774	745	759	789	749	729
3.337% Debenture due Feb 28, 2028	497	497	497	498	-	-
<b>CLAC</b>						
6.40% Series B Subordinated Debenture due Dec 11, 2028	100	100	100	100	100	100
<b>GWL&amp;A Insurance Capital</b>						
6.625% Deferrable Debenture (LP)	235	223	226	223	218	216
2.538% (plus 3-month LIBOR) Subordinated Debenture (LP II) <sup>(1)</sup>	-	-	-	387	378	375
<b>Lifeco Finance (Delaware)</b>						
5.691% Subordinated Debenture due June 21, 2067 (LP)	-	-	-	-	-	-
4.150% Senior Notes due June 3, 2047 (LP)	934	886	900	885	865	858
7.127% Subordinated Debenture due June 26, 2068 (LPII)	-	-	-	500	500	500
<b>Lifeco Finance 2018</b>						
4.047% Senior Notes due May 17, 2028	405	385	390	-	-	-
4.581% Senior Notes due May 17, 2048	673	638	649	-	-	-
<b>Total Debt and Other Loans</b>	<b>6,300</b>	<b>5,926</b>	<b>6,031</b>	<b>5,925</b>	<b>5,617</b>	<b>5,392</b>
<b>Capital Trust Securities</b>						
<b>CLiCS</b>	150	150	150	150	150	150
Acquisition related FMV adjustment	9	10	10	10	10	10
	159	160	160	160	160	160
Trust securities held by consolidated group	(37)	(37)	(37)	(37)	(37)	(37)
Capital Trust Securities (externally held)	122	123	123	123	123	123

EQUITY	2018				2017	
	Q4	Q3	Q2	Q1	Q4	Q3
<b>Non-Controlling Interests</b>						
Non-controlling interest in capital stock & surplus	138	154	135	185	164	204
<b>Undistributed Participating Account Surplus</b>						
Great-West Life	608	603	623	619	622	612
London Life	1,827	1,844	1,797	1,786	1,796	1,796
Canada Life	288	291	347	343	339	331
GWL&A	14	14	15	15	14	14
	2,737	2,752	2,782	2,763	2,771	2,753
<b>Total Non-Controlling Interest</b>	<b>2,875</b>	<b>2,906</b>	<b>2,917</b>	<b>2,948</b>	<b>2,935</b>	<b>2,957</b>
<b>Lifeco</b>						
Series F 5.90% Non-Cumulative Preferreds	194	194	194	194	194	194
Series G 5.20% Non-Cumulative Preferreds	300	300	300	300	300	300
Series H 4.85% Non-Cumulative Preferreds	300	300	300	300	300	300
Series I 4.50% Non-Cumulative Preferreds	300	300	300	300	300	300
Series L 5.65% Non-Cumulative Preferreds	170	170	170	170	170	170
Series M 5.80% Non-Cumulative Preferreds	150	150	150	150	150	150
Series N 2.176% Non-Cumulative Rate Reset Preferreds <sup>(2)</sup>	213	213	213	213	213	213
Series O Non-Cumulative Floating Rate Preferreds <sup>(3)</sup>	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	7,283	7,287	7,291	7,268	7,260	7,262
Accumulated & Contributed Surplus	13,481	13,168	12,870	12,432	12,241	12,226
Accumulated Other Comprehensive Income (loss)	1,045	549	828	1,073	386	227
<b>Total Equity Capital</b>	<b>27,398</b>	<b>26,624</b>	<b>26,620</b>	<b>26,435</b>	<b>25,536</b>	<b>25,386</b>

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

(CSMM, unless otherwise stated)

	2018				2017				Fiscal	Fiscal
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017
<b>Income</b>										
Premium income	9,045	10,337	7,905	8,174	8,494	8,293	7,761	9,354	35,461	33,902
Regular net investment income	1,632	1,578	1,575	1,573	1,564	1,517	1,591	1,469	6,358	6,141
Changes in fair value through profit or loss	(398)	(1,371)	(350)	(1,487)	1,415	(988)	304	735	(3,606)	1,466
Net investment income	1,234	207	1,225	86	2,979	529	1,895	2,204	2,752	7,607
Fee and other income	1,420	1,483	1,483	1,433	1,439	1,400	1,421	1,348	5,819	5,608
<b>Total Income</b>	<b>11,699</b>	<b>12,027</b>	<b>10,613</b>	<b>9,693</b>	<b>12,912</b>	<b>10,222</b>	<b>11,077</b>	<b>12,906</b>	<b>44,032</b>	<b>47,117</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders	8,686	9,046	7,556	6,780	9,987	7,567	8,227	9,862	32,068	35,643
Commissions	673	611	596	594	646	579	609	813	2,474	2,647
Operating expenses	1,311	1,244	1,241	1,237	1,237	1,109	1,154	1,205	5,033	4,705
Premium taxes	128	122	124	121	115	118	107	123	495	463
Financing charges	70	69	11	71	74	71	79	76	221	300
Amortization of finite life intangible assets	59	54	50	49	29	47	47	45	212	168
Restructuring and acquisition expenses	-	67	-	-	5	1	216	37	67	259
Loss on assets held for sale	-	-	-	-	202	-	-	-	-	202
<b>Total Benefits and Expenses</b>	<b>10,927</b>	<b>11,213</b>	<b>9,578</b>	<b>8,852</b>	<b>12,295</b>	<b>9,492</b>	<b>10,439</b>	<b>12,161</b>	<b>40,570</b>	<b>44,387</b>
<b>Net Earnings before income taxes</b>	<b>772</b>	<b>814</b>	<b>1,035</b>	<b>841</b>	<b>617</b>	<b>730</b>	<b>638</b>	<b>745</b>	<b>3,462</b>	<b>2,730</b>
Income Tax - Current	78	78	81	84	(39)	60	134	104	321	259
- Deferred	(28)	29	72	(7)	221	33	(83)	(8)	66	163
<b>Net Earnings before non-controlling interests</b>	<b>722</b>	<b>707</b>	<b>882</b>	<b>764</b>	<b>435</b>	<b>637</b>	<b>587</b>	<b>649</b>	<b>3,075</b>	<b>2,308</b>
Non-controlling interests	(21)	(16)	18	-	10	21	(28)	27	(19)	30
<b>Net Earnings</b>	<b>743</b>	<b>723</b>	<b>864</b>	<b>764</b>	<b>425</b>	<b>616</b>	<b>615</b>	<b>622</b>	<b>3,094</b>	<b>2,278</b>
Perpetual preferred share dividends	33	34	33	33	33	35	30	31	133	129
<b>Net Earnings - Common Shareholders</b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>581</b>	<b>585</b>	<b>591</b>	<b>2,961</b>	<b>2,149</b>
<b>Earnings per Common Share</b>										
Operating Earnings	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$2.996	\$2.173
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-
Basic Earnings	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$0.587	\$0.591	\$0.598	\$2.996	\$2.173
Diluted Earnings	\$0.719	\$0.697	\$0.839	\$0.739	\$0.396	\$0.587	\$0.590	\$0.597	\$2.994	\$2.170
Average number of shares outstanding (MM) - basic	988.0	988.7	989.1	988.6	989.3	989.7	990.0	987.7	988.6	989.2
Average number of shares outstanding (MM) - diluted	988.0	989.4	990.0	989.7	990.7	991.1	991.3	989.8	989.1	990.7
Effective tax rate	6.4%	13.1%	14.8%	9.1%	29.5%	12.7%	8.0%	12.9%	11.2%	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 Dec. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A



## Lifeco Balance Sheets

(C\$MM)

Assets	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Government bonds	48,787	48,608	47,728	49,620	49,897	47,880	48,762	49,652
Corporate bonds	76,075	73,501	74,709	74,885	70,307	68,868	69,453	68,189
<b>Total bonds <sup>(1)</sup></b>	<b>124,862</b>	<b>122,109</b>	<b>122,437</b>	<b>124,505</b>	<b>120,204</b>	<b>116,748</b>	<b>118,215</b>	<b>117,841</b>
Mortgage loans	25,014	24,198	24,206	23,855	22,185	21,871	22,301	22,027
Stocks	9,290	9,350	8,864	8,725	8,864	8,707	8,435	8,677
Investment properties	5,218	5,064	5,098	5,217	4,851	4,738	4,708	4,421
Loans to policyholders	8,929	8,530	8,611	8,408	8,280	8,194	8,394	8,436
Cash and cash equivalents	4,168	3,882	3,794	3,595	3,551	3,106	3,398	3,042
<b>Total invested assets</b>	<b>177,481</b>	<b>173,133</b>	<b>173,372</b>	<b>174,305</b>	<b>167,935</b>	<b>163,364</b>	<b>165,451</b>	<b>164,444</b>
Funds withheld by ceding insurers	9,251	9,145	9,581	10,070	9,893	9,977	10,317	10,496
Reinsurance assets	6,126	5,895	6,095	6,265	5,045	5,418	5,416	5,579
Premiums in course of collection, accounts and interest receivable	5,202	5,105	4,990	5,436	4,647	4,648	4,550	4,776
Current income taxes	218	194	224	226	134	169	204	181
Derivative financial instruments	417	396	382	351	384	436	463	476
Owner occupied properties	731	699	720	718	706	693	653	648
Fixed assets	448	392	372	317	303	295	293	298
Other assets	2,567	2,650	2,604	2,622	2,424	2,296	2,359	2,384
Deferred tax assets	981	916	937	1,008	930	1,339	1,377	1,530
Goodwill	6,548	6,501	6,480	6,508	6,179	6,273	5,992	5,976
Intangible assets	3,976	3,849	3,821	3,794	3,732	3,814	3,900	3,952
Assets held for sale	897	-	-	-	169	-	-	-
Investments on account of segregated fund policyholders	209,527	220,207	221,117	221,031	217,357	208,046	208,536	204,666
Investments on account of segregated fund policyholders held for sale	3,319	-	-	-	-	-	-	-
<b>Total assets</b>	<b>427,689</b>	<b>429,082</b>	<b>430,695</b>	<b>432,651</b>	<b>419,838</b>	<b>406,768</b>	<b>409,511</b>	<b>405,406</b>
<b>Liabilities</b>								
Insurance contract liabilities	166,720	163,376	163,898	165,648	159,524	156,257	157,797	157,319
Investment contract liabilities	1,711	1,722	1,769	1,777	1,841	1,880	1,953	2,000
	168,431	165,098	165,667	167,425	161,365	158,137	159,750	159,319
Liabilities held for sale	897	-	-	-	-	-	-	-
Debentures and other debt instruments	6,459	6,086	6,191	6,085	5,777	5,552	5,691	5,849
Funds held under reinsurance contracts	1,367	1,338	1,383	1,452	373	351	336	326
Other liabilities	9,081	8,487	8,504	9,014	8,236	7,847	8,373	8,390
Deferred tax liabilities	1,210	1,242	1,213	1,209	1,194	1,449	1,397	1,484
Investment and insurance contracts on account of segregated fund policyholders	209,527	220,207	221,117	221,031	217,357	208,046	208,536	204,666
Investment and insurance contracts on account of segregated fund policyholders held for sale	3,319	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>400,291</b>	<b>402,458</b>	<b>404,075</b>	<b>406,216</b>	<b>394,302</b>	<b>381,382</b>	<b>384,083</b>	<b>380,034</b>
<b>Equity</b>								
Non-controlling interests	2,875	2,906	2,917	2,948	2,935	2,957	2,965	3,073
Share capital								
Perpetual preferred shares	2,714	2,714	2,714	2,714	2,714	2,714	2,714	2,514
Common shares	7,283	7,287	7,291	7,268	7,260	7,262	7,261	7,254
Accumulated surplus	13,342	13,032	12,742	12,311	12,098	12,097	11,889	11,674
Accumulated other comprehensive income (loss)	1,045	549	828	1,073	386	227	478	744
Contributed surplus	139	136	128	121	143	129	121	113
	27,398	26,624	26,620	26,435	25,536	25,386	25,428	25,372
<b>Total liabilities and equity</b>	<b>427,689</b>	<b>429,082</b>	<b>430,695</b>	<b>432,651</b>	<b>419,838</b>	<b>406,768</b>	<b>409,511</b>	<b>405,406</b>
<b>Proprietary mutual funds and institutional assets</b>	<b>281,664</b>	<b>293,766</b>	<b>294,890</b>	<b>285,843</b>	<b>278,954</b>	<b>268,994</b>	<b>271,686</b>	<b>270,121</b>
<b>Other assets under administration</b>	<b>689,520</b>	<b>718,410</b>	<b>697,680</b>	<b>673,597</b>	<b>651,121</b>	<b>618,532</b>	<b>627,633</b>	<b>620,064</b>
<b>Total assets under administration</b>	<b>1,398,873</b>	<b>1,441,258</b>	<b>1,423,265</b>	<b>1,392,091</b>	<b>1,349,913</b>	<b>1,294,294</b>	<b>1,308,830</b>	<b>1,295,591</b>

1) Includes short-term bonds



## Lifeco Supplemental Balance Sheet Information

(C\$MM, unless otherwise stated)

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Bond Portfolio Quality</b>								
<b>Canada</b>								
AAA	7,845	8,331	8,369	8,765	9,218	9,340	9,837	10,040
AA	10,274	9,976	10,187	10,337	10,049	9,823	9,583	9,170
A	17,259	17,201	17,369	17,104	17,237	16,569	17,089	16,493
BBB	9,020	8,515	8,237	7,871	7,249	6,424	6,221	6,078
BB or Lower	77	78	76	76	77	91	91	85
Total	44,475	44,101	44,238	44,153	43,830	42,247	42,821	41,866
<b>U.S.</b>								
AAA	7,066	6,681	6,801	6,970	7,263	6,877	6,925	7,430
AA	5,196	4,830	5,075	5,006	4,824	4,552	4,749	4,768
A	10,960	10,586	10,972	10,908	10,876	10,773	10,678	10,470
BBB	9,796	9,060	9,063	8,993	8,609	8,512	8,733	8,835
BB or Lower	465	422	449	493	540	580	664	693
Total	33,483	31,579	32,360	32,370	32,112	31,294	31,749	32,196
<b>Europe</b>								
AAA	5,751	5,564	5,676	6,247	5,822	4,891	4,929	4,525
AA	16,927	17,120	16,143	17,308	16,075	16,266	16,125	16,230
A	12,637	12,823	12,773	13,104	12,053	11,596	11,943	11,602
BBB	6,715	6,292	6,414	6,656	5,591	5,554	5,616	5,694
BB or Lower	408	415	434	524	516	479	502	492
Total	42,438	42,214	41,440	43,839	40,057	38,786	39,115	38,543
<b>Total Bond Portfolio Quality</b>								
AAA	20,662	20,576	20,846	21,982	22,303	21,108	21,691	21,995
AA	32,397	31,926	31,405	32,651	30,948	30,641	30,457	30,168
A	40,856	40,610	41,114	41,116	40,166	38,938	39,710	38,565
BBB	25,531	23,867	23,714	23,520	21,449	20,490	20,570	20,607
BB or Lower	950	915	959	1,093	1,133	1,150	1,257	1,270
Total <sup>(1)</sup>	<b>120,396</b>	<b>117,894</b>	<b>118,038</b>	<b>120,362</b>	<b>115,999</b>	<b>112,327</b>	<b>113,685</b>	<b>112,605</b>

1. Excludes short term bonds.

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Bonds unrealized Gain / Loss</b>								
Unrealized Gains	5.6	6.3	7.5	8.2	9.0	8.2	9.3	9.3
Unrealized Losses	(1.4)	(1.5)	(1.2)	(0.9)	(0.5)	(0.7)	(0.5)	(0.6)
Net Gains / Losses	<b>4.2</b>	<b>4.8</b>	<b>6.3</b>	<b>7.3</b>	<b>8.5</b>	<b>7.5</b>	<b>8.8</b>	<b>8.7</b>

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Segregated Fund Net Assets</b>								
Stocks, mutual funds and units in unit trusts	140,809	153,257	152,752	150,992	148,123	140,316	138,600	137,311
Bonds	42,142	41,385	42,746	43,113	42,270	41,683	42,827	41,801
Mortgage loans	2,746	2,705	2,693	2,660	2,610	2,663	2,684	2,662
Investment properties	12,319	11,979	11,783	11,842	11,520	11,685	11,573	11,256
Cash & other	11,511	10,881	11,143	12,424	12,834	11,699	12,852	11,636
Total	<b>209,527</b>	<b>220,207</b>	<b>221,117</b>	<b>221,031</b>	<b>217,357</b>	<b>208,046</b>	<b>208,536</b>	<b>204,666</b>

### Mortgage Loan Portfolio

	Insured	Non-Insured	Total
	<b>Q4 2018</b>		
Single-family residential	610	1,494	2,104
Multi-family residential	3,920	3,697	7,617
Equity Release	-	813	813
Commercial	302	14,178	14,480
Total Mortgage Loans	4,832	20,182	25,014
<b>Q3 2018</b>			
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
<b>Q2 2018</b>			
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
<b>Q1 2018</b>			
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
<b>Q4 2017</b>			
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
<b>Q3 2017</b>			
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
<b>Q2 2017</b>			
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
<b>Q1 2017</b>			
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

**Lifeco Impaired Loans and Credit Losses**

(C\$MM)

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Gross Impaired Loans</b>								
Fair value through profit or loss <sup>(1)</sup>	164	175	182	186	213	217	201	215
Available for sale	31	32	34	34	16	15	9	10
Loans & receivables	48	47	62	65	81	87	126	127
<b>Total</b>	<b>243</b>	<b>254</b>	<b>278</b>	<b>285</b>	<b>310</b>	<b>319</b>	<b>336</b>	<b>352</b>
Canada	2	1	1	2	2	1	1	1
US	195	203	212	215	224	229	234	248
Europe	46	50	65	68	84	89	101	103
<b>Total</b>	<b>243</b>	<b>254</b>	<b>278</b>	<b>285</b>	<b>310</b>	<b>319</b>	<b>336</b>	<b>352</b>
<b>Impaired Investment Provisions</b>								
Fair value through profit or loss <sup>(1)</sup>	(14)	(17)	(16)	(16)	(20)	(24)	(52)	(52)
Available for sale	1	(3)	(2)	(3)	(1)	(4)	(3)	(2)
Loans & receivables	20	20	27	29	40	34	46	47
<b>Total</b>	<b>7</b>	<b>-</b>	<b>9</b>	<b>10</b>	<b>19</b>	<b>6</b>	<b>(9)</b>	<b>(7)</b>
Canada	-	-	-	-	-	-	-	-
US	(12)	(18)	(16)	(17)	(19)	(24)	(44)	(43)
Europe	19	18	25	27	38	30	35	36
<b>Total</b>	<b>7</b>	<b>-</b>	<b>9</b>	<b>10</b>	<b>19</b>	<b>6</b>	<b>(9)</b>	<b>(7)</b>
<b>Carrying Amount</b>	<b>236</b>	<b>254</b>	<b>269</b>	<b>275</b>	<b>291</b>	<b>313</b>	<b>345</b>	<b>359</b>
<b>Provisions for Future Credit Losses in Insurance Contract Liabilities</b>	<b>2,595</b>	<b>2,988</b>	<b>3,012</b>	<b>3,020</b>	<b>2,891</b>	<b>2,842</b>	<b>2,996</b>	<b>2,986</b>

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

## Lifeco Cash Flow Statements

(C\$MM)

	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Operations</b>										
Net earnings before income taxes	772	814	1,035	841	617	730	638	745	3,462	2,730
Income taxes paid, net of refunds received	(97)	(128)	(80)	(123)	(35)	(30)	(159)	(90)	(428)	(314)
Adjustments:										
Change in insurance and investment contract liabilities	133	421	(128)	(805)	1,993	249	497	1,652	(379)	4,391
Change in funds held by ceding insurers	182	153	97	231	312	114	206	225	663	857
Change in funds held under reinsurance contracts	(12)	(14)	(7)	(4)	18	22	6	4	(37)	50
Change in reinsurance assets	(7)	82	(48)	24	499	(56)	341	46	51	830
Changes in fair value through profit or loss	398	1,371	350	1,487	(1,415)	988	(304)	(735)	3,606	(1,466)
Other	196	(88)	(60)	(492)	298	(316)	67	(370)	(444)	(321)
	<b>1,565</b>	<b>2,611</b>	<b>1,159</b>	<b>1,159</b>	<b>2,287</b>	<b>1,701</b>	<b>1,292</b>	<b>1,477</b>	<b>6,494</b>	<b>6,757</b>
<b>Financing Activities</b>										
Issue of common shares	1	1	26	11	5	3	8	110	39	126
Issue of preferred shares	-	-	-	-	-	-	200	-	-	200
Purchased and cancelled common shares	(21)	(19)	(14)	(15)	(36)	(15)	(12)	-	(69)	(63)
Increase (decrease) in line of credit of subsidiary	178	(39)	(26)	(94)	171	(93)	(54)	-	19	24
Issue of debentures and senior notes	-	-	1,014	498	-	-	925	-	1,512	925
Repayment of debentures	-	-	(896)	(200)	-	-	(1,284)	-	(1,096)	(1,284)
Increase (decrease) in debentures and other debt instruments	(1)	-	18	(18)	-	35	247	(284)	(1)	(2)
Share issue costs	-	-	-	-	-	2	(5)	-	-	(3)
Dividends paid on common shares	(384)	(384)	(385)	(385)	(363)	(364)	(363)	(363)	(1,538)	(1,453)
Dividends paid on preferred shares	(33)	(34)	(33)	(33)	(33)	(35)	(30)	(31)	(133)	(129)
Cash flow from financing activities	<b>(260)</b>	<b>(475)</b>	<b>(296)</b>	<b>(236)</b>	<b>(256)</b>	<b>(467)</b>	<b>(368)</b>	<b>(568)</b>	<b>(1,267)</b>	<b>(1,659)</b>
<b>Investment Activities</b>										
Bond sales and maturities	5,884	5,966	6,474	6,677	7,582	5,129	6,317	7,826	25,001	26,854
Mortgage loan repayments	652	724	777	655	783	811	680	563	2,808	2,837
Stock sales	474	1,522	461	482	798	1,465	427	753	2,939	3,443
Investment property sales	43	-	8	12	28	28	16	-	63	72
Change in loans to policyholders	(90)	(8)	(113)	3	(41)	(21)	(90)	(13)	(208)	(165)
Proceeds from assets held for sale	-	-	-	169	-	-	-	-	169	-
Business acquisitions, net of cash and equivalents acquired	-	(57)	-	(222)	-	(291)	-	-	(279)	(291)
Cash and cash equivalents classified as held for sale	(112)	-	-	-	-	-	-	-	(112)	-
Investment in bonds	(5,714)	(7,498)	(6,290)	(6,951)	(9,046)	(6,323)	(6,373)	(8,677)	(26,453)	(30,419)
Investment in mortgage loans	(943)	(941)	(1,268)	(1,094)	(980)	(653)	(1,049)	(961)	(4,246)	(3,643)
Investment in stocks	(1,228)	(1,638)	(635)	(601)	(714)	(1,567)	(270)	(576)	(4,102)	(3,127)
Investment in investment properties	(136)	(58)	(29)	(133)	(37)	(40)	(229)	(33)	(356)	(339)
Cash flow from investment activities	<b>(1,170)</b>	<b>(1,988)</b>	<b>(615)</b>	<b>(1,003)</b>	<b>(1,627)</b>	<b>(1,462)</b>	<b>(571)</b>	<b>(1,118)</b>	<b>(4,776)</b>	<b>(4,778)</b>
Effect of changes in exchange rates on cash & cash equivalents	151	(60)	(49)	124	41	(64)	3	(8)	166	(28)
Increase (decrease) in cash and cash equivalents	286	88	199	44	445	(292)	356	(217)	617	292
Cash and cash equivalents, beginning of period	3,882	3,794	3,595	3,551	3,106	3,398	3,042	3,259	3,551	3,259
Cash and cash equivalents, end of period	<b>4,168</b>	<b>3,882</b>	<b>3,794</b>	<b>3,595</b>	<b>3,551</b>	<b>3,106</b>	<b>3,398</b>	<b>3,042</b>	<b>4,168</b>	<b>3,551</b>

## Statements of Accumulated and Contributed Surplus

### Lifeco Accumulated & Contributed Surplus

(C\$MM)	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Balance, beginning of year</b>	12,241	12,241	12,241	12,241	11,612	11,612	11,612	11,612
Change in accounting policy	(64)	(64)	(64)	(64)	-	-	-	-
Revised balance, beginning of year	12,177	12,177	12,177	12,177	11,612	11,612	11,612	11,612
Net earnings - YTD	3,094	2,351	1,628	764	2,278	1,853	1,237	622
Stock option expense	38	34	26	16	58	41	32	21
Share issue / redemption	(53)	(78)	(64)	(50)	(50)	(22)	(15)	-
Dividends to shareholders								
Preferred shareholders	(133)	(100)	(66)	(33)	(129)	(96)	(61)	(31)
Common shareholders	(1,538)	(1,154)	(770)	(385)	(1,453)	(1,090)	(726)	(363)
Other	(104)	(62)	(61)	(57)	(75)	(72)	(69)	(74)
<b>Balance, end of period</b>	<b>13,481</b>	<b>13,168</b>	<b>12,870</b>	<b>12,432</b>	<b>12,241</b>	<b>12,226</b>	<b>12,010</b>	<b>11,787</b>

### Lifeco Surplus - Participating Account

(C\$MM)	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Balance, beginning of period</b>	2,771	2,771	2,771	2,771	2,782	2,782	2,782	2,782
Net earnings before policyholder dividend - YTD	1,332	1,004	695	343	1,329	974	692	381
Participating policyholder dividend	(1,352)	(1,004)	(678)	(343)	(1,289)	(960)	(696)	(354)
Other	(14)	(19)	(6)	(8)	(51)	(43)	(25)	1
<b>Balance, end of period</b>	<b>2,737</b>	<b>2,752</b>	<b>2,782</b>	<b>2,763</b>	<b>2,771</b>	<b>2,753</b>	<b>2,753</b>	<b>2,810</b>
<b>By Company:</b>								
Great-West Life	608	603	623	619	622	612	609	612
London Life	1,827	1,844	1,797	1,786	1,796	1,796	1,738	1,786
Canada Life	288	291	347	343	339	331	390	395
GWL&A	14	14	15	15	14	14	16	17
	<b>2,737</b>	<b>2,752</b>	<b>2,782</b>	<b>2,763</b>	<b>2,771</b>	<b>2,753</b>	<b>2,753</b>	<b>2,810</b>

## Reconciliation of Accumulated Other Comprehensive Income

Comprehensive Income										
(CSMM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Net Earnings</b>	743	723	864	764	425	616	615	622	3,094	2,278
<b>Other comprehensive income (loss) net of income taxes</b>										
Unrealized foreign exchange gains (losses) on translation of foreign operations	684	(334)	(339)	755	251	(359)	(365)	(22)	766	(495)
Unrealized foreign exchange gains (losses) on euro debt designated as hedge of net investment in foreign operations	(52)	26	52	(69)	(35)	9	(52)	-	(43)	(78)
Unrealized gains (losses) on available for sale assets (after-tax)	37	(47)	(10)	(72)	19	(33)	(36)	24	(92)	(26)
Realized gains on available-for-sale assets (after-tax)	(1)	2	3	1	(10)	1	(10)	(6)	5	(25)
Unrealized gains (losses) on cash flow hedges (after-tax)	-	-	(2)	21	2	7	(18)	15	19	6
Realized gains on cash flow hedges (after-tax)	-	-	(61)	9	4	(6)	249	-	(52)	247
Non-controlling interests (after-tax)	(6)	21	4	6	(2)	38	22	(4)	25	54
<b>Total Items that may be reclassified</b>	<b>662</b>	<b>(332)</b>	<b>(353)</b>	<b>651</b>	<b>229</b>	<b>(343)</b>	<b>(210)</b>	<b>7</b>	<b>628</b>	<b>(317)</b>
<b>Items that will not be reclassified to Consolidated Statement of Earnings</b>										
Re-measurements on defined benefit pension and other post-employment benefit plans (after-tax)	(183)	59	116	37	(78)	104	(65)	(26)	29	(65)
Non-controlling interests (after-tax)	17	(6)	(8)	(1)	8	(12)	9	4	2	9
	(166)	53	108	36	(70)	92	(56)	(22)	31	(56)
<b>Total other comprehensive income (loss)</b>	<b>496</b>	<b>(279)</b>	<b>(245)</b>	<b>687</b>	<b>159</b>	<b>(251)</b>	<b>(266)</b>	<b>(15)</b>	<b>659</b>	<b>(373)</b>
<b>Comprehensive income</b>	<b>1,239</b>	<b>444</b>	<b>619</b>	<b>1,451</b>	<b>584</b>	<b>365</b>	<b>349</b>	<b>607</b>	<b>3,753</b>	<b>1,905</b>

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

(CSMM)	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Balance, beginning of year</b>	386	386	386	386	746	746	746	746
Other comprehensive income	659	163	442	687	(373)	(532)	(281)	(15)
Disposal of investment in associate	-	-	-	-	13	13	13	13
<b>Balance, end of period</b>	<b>1,045</b>	<b>549</b>	<b>828</b>	<b>1,073</b>	<b>386</b>	<b>227</b>	<b>478</b>	<b>744</b>

**Lifeco Sales (New Annualized Premium)**

<i>(C\$MM)</i>	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>New Annualized Premium</b>										
<b>Canada</b>										
Individual Customer	2,479	2,030	2,253	2,525	2,537	2,033	2,293	2,860	9,287	9,723
Group Customer	968	847	787	1,297	1,235	907	940	803	3,899	3,885
<b>Total Canada</b>	<b>3,447</b>	<b>2,877</b>	<b>3,040</b>	<b>3,822</b>	<b>3,772</b>	<b>2,940</b>	<b>3,233</b>	<b>3,663</b>	<b>13,186</b>	<b>13,608</b>
<b>U.S.</b>										
Financial Services	14,597	10,156	9,506	11,841	8,146	10,769	6,815	10,392	46,100	36,122
Asset Management	17,483	14,128	15,002	13,235	11,016	10,404	10,119	13,960	59,848	45,499
<b>Total U.S.</b>	<b>32,080</b>	<b>24,284</b>	<b>24,508</b>	<b>25,076</b>	<b>19,162</b>	<b>21,173</b>	<b>16,934</b>	<b>24,352</b>	<b>105,948</b>	<b>81,621</b>
<b>Europe</b>										
Insurance & Annuities	5,972	7,235	5,535	5,739	7,325	5,362	4,835	4,416	24,481	21,938
<b>Total New Annualized Premium</b>	<b>41,499</b>	<b>34,396</b>	<b>33,083</b>	<b>34,637</b>	<b>30,259</b>	<b>29,475</b>	<b>25,002</b>	<b>32,431</b>	<b>143,615</b>	<b>117,167</b>

## Lifeco Premiums & Deposits

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Premiums &amp; Deposits</b>										
<b>Canada</b>										
Individual Customer	2,862	2,419	2,564	2,616	2,809	2,499	2,640	2,932	10,461	10,880
Group Customer	3,776	3,850	3,774	4,437	4,026	3,648	3,930	4,016	15,837	15,620
<b>Total Canada</b>	<b>6,638</b>	<b>6,269</b>	<b>6,338</b>	<b>7,053</b>	<b>6,835</b>	<b>6,147</b>	<b>6,570</b>	<b>6,948</b>	<b>26,298</b>	<b>26,500</b>
<b>U.S.</b>										
Financial Services	3,105	3,230	3,182	3,110	3,134	3,140	3,078	3,598	12,627	12,950
Asset Management	17,483	14,128	15,002	13,235	11,016	10,404	10,119	13,960	59,848	45,499
<b>Total U.S.</b>	<b>20,588</b>	<b>17,358</b>	<b>18,184</b>	<b>16,345</b>	<b>14,150</b>	<b>13,544</b>	<b>13,197</b>	<b>17,558</b>	<b>72,475</b>	<b>58,449</b>
<b>Europe</b>										
Insurance & Annuities	6,485	7,848	6,240	6,412	8,665	5,983	5,623	5,155	26,985	25,426
Reinsurance	3,872	3,107	3,209	3,316	2,995	2,837	3,020	3,877	13,504	12,729
<b>Total Europe</b>	<b>10,357</b>	<b>10,955</b>	<b>9,449</b>	<b>9,728</b>	<b>11,660</b>	<b>8,820</b>	<b>8,643</b>	<b>9,032</b>	<b>40,489</b>	<b>38,155</b>
<b>Total Revenue Premium</b>	<b>37,583</b>	<b>34,582</b>	<b>33,971</b>	<b>33,126</b>	<b>32,645</b>	<b>28,511</b>	<b>28,410</b>	<b>33,538</b>	<b>139,262</b>	<b>123,104</b>
<b>Summary</b>										
Risk-based premiums	9,045	10,337	7,905	8,174	8,494	8,293	7,761	9,354	35,461	33,902
ASO premiums	802	744	774	748	720	671	720	716	3,068	2,827
Segregated fund deposits										
Individual	4,705	3,833	4,142	3,988	5,357	3,641	4,142	3,897	16,668	17,037
Group	1,641	1,790	1,954	2,422	2,009	1,634	2,020	2,185	7,807	7,848
Proprietary mutual funds & institutional deposits	21,390	17,878	19,196	17,794	16,065	14,272	13,767	17,386	76,258	61,490
	<b>37,583</b>	<b>34,582</b>	<b>33,971</b>	<b>33,126</b>	<b>32,645</b>	<b>28,511</b>	<b>28,410</b>	<b>33,538</b>	<b>139,262</b>	<b>123,104</b>

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 Dec. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.



**Lifeco Fee and Other Income**

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Fee and Other Income</b>										
<b>Canada</b>										
Segregated funds	264	275	272	271	278	272	272	262	1,082	1,084
ASO contracts	50	48	50	48	49	44	49	49	196	191
Other	114	114	111	119	109	110	96	94	458	409
<b>Total Canada</b>	<b>428</b>	<b>437</b>	<b>433</b>	<b>438</b>	<b>436</b>	<b>426</b>	<b>417</b>	<b>405</b>	<b>1,736</b>	<b>1,684</b>
<b>U.S.</b>										
Segregated funds	37	15	15	22	22	21	22	15	89	80
Asset Management	285	302	295	290	295	302	308	288	1,172	1,193
Other	322	356	345	319	318	303	328	316	1,342	1,265
<b>Total U.S.</b>	<b>644</b>	<b>673</b>	<b>655</b>	<b>631</b>	<b>635</b>	<b>626</b>	<b>658</b>	<b>619</b>	<b>2,603</b>	<b>2,538</b>
<b>Europe</b>										
Segregated funds & Other	348	373	395	364	368	348	346	324	1,480	1,386
<b>Total Europe</b>	<b>348</b>	<b>373</b>	<b>395</b>	<b>364</b>	<b>368</b>	<b>348</b>	<b>346</b>	<b>324</b>	<b>1,480</b>	<b>1,386</b>
<b>Total Fee and Other Income</b>	<b>1,420</b>	<b>1,483</b>	<b>1,483</b>	<b>1,433</b>	<b>1,439</b>	<b>1,400</b>	<b>1,421</b>	<b>1,348</b>	<b>5,819</b>	<b>5,608</b>

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 Dec. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.



## Lifeco Expense Summary

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Operating Expenses</b>										
Canada	452	406	414	416	392	368	377	404	1,688	1,541
U.S.	552	554	543	537	567	493	527	558	2,186	2,145
Europe	299	279	279	279	274	242	248	234	1,136	998
Lifeco Corporate	8	5	5	5	4	6	2	9	23	21
<b>Total Operating Expenses</b>	<b>1,311</b>	<b>1,244</b>	<b>1,241</b>	<b>1,237</b>	<b>1,237</b>	<b>1,109</b>	<b>1,154</b>	<b>1,205</b>	<b>5,033</b>	<b>4,705</b>
<b>Investment Expenses</b>	34	31	32	31	33	30	28	31	128	122
<b>Total Operating &amp; Investment Expenses</b>	<b>1,345</b>	<b>1,275</b>	<b>1,273</b>	<b>1,268</b>	<b>1,270</b>	<b>1,139</b>	<b>1,182</b>	<b>1,236</b>	<b>5,161</b>	<b>4,827</b>

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 Dec. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

# Canada



## Lifeco Canada Net Earnings – Consolidated

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium income	3,535	3,266	3,141	3,151	3,464	3,220	3,178	3,284	13,093	13,146
Regular net investment income	667	663	666	612	639	640	642	613	2,608	2,534
Changes in fair value through profit or loss	(554)	(646)	249	(334)	1,001	(852)	282	375	(1,285)	806
Net investment income	113	17	915	278	1,640	(212)	924	988	1,323	3,340
Fee and other income	428	437	433	438	436	426	417	405	1,736	1,684
<b>Total Income</b>	<b>4,076</b>	<b>3,720</b>	<b>4,489</b>	<b>3,867</b>	<b>5,540</b>	<b>3,434</b>	<b>4,519</b>	<b>4,677</b>	<b>16,152</b>	<b>18,170</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders	2,733	2,468	3,184	2,639	4,180	2,219	3,333	3,245	11,024	12,977
Commissions	390	347	312	315	358	320	328	539	1,364	1,545
General expenses	452	406	414	416	392	368	377	404	1,688	1,541
Restructuring and acquisition expenses	-	-	-	-	-	-	215	-	-	215
Other	148	140	138	137	133	137	133	139	563	542
<b>Total Benefits and Expenses</b>	<b>3,723</b>	<b>3,361</b>	<b>4,048</b>	<b>3,507</b>	<b>5,063</b>	<b>3,044</b>	<b>4,386</b>	<b>4,327</b>	<b>14,639</b>	<b>16,820</b>
<b>Net Earnings before income taxes</b>	<b>353</b>	<b>359</b>	<b>441</b>	<b>360</b>	<b>477</b>	<b>390</b>	<b>133</b>	<b>350</b>	<b>1,513</b>	<b>1,350</b>
Income tax	65	65	92	46	114	74	(22)	65	268	231
<b>Net Earnings before non-controlling interests</b>	<b>288</b>	<b>294</b>	<b>349</b>	<b>314</b>	<b>363</b>	<b>316</b>	<b>155</b>	<b>285</b>	<b>1,245</b>	<b>1,119</b>
Non-controlling interests	(19)	(19)	17	-	25	19	(31)	29	(21)	42
<b>Net Earnings</b>	<b>307</b>	<b>313</b>	<b>332</b>	<b>314</b>	<b>338</b>	<b>297</b>	<b>186</b>	<b>256</b>	<b>1,266</b>	<b>1,077</b>
Preferred share dividends	28	29	29	28	26	26	26	26	114	104
<b>Net Earnings before Capital Allocation</b>	<b>279</b>	<b>284</b>	<b>303</b>	<b>286</b>	<b>312</b>	<b>271</b>	<b>160</b>	<b>230</b>	<b>1,152</b>	<b>973</b>
Capital Allocation	31	31	31	30	26	25	25	25	123	101
<b>Net Earnings - Common Shareholders</b>	<b>310</b>	<b>315</b>	<b>334</b>	<b>316</b>	<b>338</b>	<b>296</b>	<b>185</b>	<b>255</b>	<b>1,275</b>	<b>1,074</b>
<b>Common Shareholder Net Earnings (loss)</b>										
Individual Customer	171	165	211	138	162	141	140	146	685	589
Group Customer	144	150	194	142	193	155	189	104	630	641
Corporate <sup>(1)</sup>	(5)	-	(71)	36	(17)	-	(144)	5	(40)	(156)
<b>Total</b>	<b>310</b>	<b>315</b>	<b>334</b>	<b>316</b>	<b>338</b>	<b>296</b>	<b>185</b>	<b>255</b>	<b>1,275</b>	<b>1,074</b>

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 Dec. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

## Lifeco Canada – Individual Customer

		2018				2017				Fiscal 2018	Fiscal 2017
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
(C\$MM)											
<b>Income</b>											
	Premium income	385	392	361	370	373	357	353	392	1,508	1,475
	Net investment income	65	(265)	256	23	738	(412)	545	311	79	1,182
	Fee and other income	242	253	252	250	255	236	233	225	997	949
	<b>Total Income</b>	<b>692</b>	<b>380</b>	<b>869</b>	<b>643</b>	<b>1,366</b>	<b>181</b>	<b>1,131</b>	<b>928</b>	<b>2,584</b>	<b>3,606</b>
<b>Benefits and Expenses</b>											
	Paid or credited to policyholders and beneficiaries	199	(90)	412	196	887	(216)	721	480	717	1,872
	Commissions	135	132	124	129	145	131	128	151	520	555
	General expenses	121	110	76	127	102	79	91	89	434	361
	Other	16	15	19	8	17	14	15	15	58	61
	<b>Total Benefits and Expenses</b>	<b>471</b>	<b>167</b>	<b>631</b>	<b>460</b>	<b>1,151</b>	<b>8</b>	<b>955</b>	<b>735</b>	<b>1,729</b>	<b>2,849</b>
	<b>Net Earnings before income taxes</b>	<b>221</b>	<b>213</b>	<b>238</b>	<b>183</b>	<b>215</b>	<b>173</b>	<b>176</b>	<b>193</b>	<b>855</b>	<b>757</b>
	Income tax	47	45	24	41	49	28	32	43	157	152
	<b>Net Earnings before Capital Allocation</b>	<b>174</b>	<b>168</b>	<b>214</b>	<b>142</b>	<b>166</b>	<b>145</b>	<b>144</b>	<b>150</b>	<b>698</b>	<b>605</b>
	Capital Allocation	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(13)	(16)
	<b>Net Earnings - Common Shareholders</b>	<b>171</b>	<b>165</b>	<b>211</b>	<b>138</b>	<b>162</b>	<b>141</b>	<b>140</b>	<b>146</b>	<b>685</b>	<b>589</b>
Sales	Participating	108	76	56	48	67	53	66	227	288	413
	Universal Life	14	13	12	9	15	10	8	24	48	57
	Term/Permanent	14	12	11	11	14	14	16	16	48	60
	Third party	-	-	1	-	-	1	1	-	1	2
	<b>Total Individual Life</b>	<b>136</b>	<b>101</b>	<b>80</b>	<b>68</b>	<b>96</b>	<b>78</b>	<b>91</b>	<b>267</b>	<b>385</b>	<b>532</b>
	Critical Illness	5	4	5	4	5	4	5	4	18	18
	Disability	4	4	3	4	5	4	4	4	15	17
	<b>Total Living Benefits</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>33</b>	<b>35</b>
	<b>Total Individual Insurance</b>	<b>145</b>	<b>109</b>	<b>88</b>	<b>76</b>	<b>106</b>	<b>86</b>	<b>100</b>	<b>275</b>	<b>418</b>	<b>567</b>
	Risk-based	129	124	98	126	120	94	96	143	477	453
Segregated funds	1,277	1,016	1,097	1,314	1,450	1,128	1,286	1,535	4,704	5,399	
Proprietary mutual funds	339	280	409	388	320	296	364	388	1,416	1,368	
Third party	589	501	561	621	541	429	447	519	2,272	1,936	
<b>Total Individual Wealth</b>	<b>2,334</b>	<b>1,921</b>	<b>2,165</b>	<b>2,449</b>	<b>2,431</b>	<b>1,947</b>	<b>2,193</b>	<b>2,585</b>	<b>8,869</b>	<b>9,156</b>	
<b>Total Individual Customer Sales</b>	<b>2,479</b>	<b>2,030</b>	<b>2,253</b>	<b>2,525</b>	<b>2,537</b>	<b>2,033</b>	<b>2,293</b>	<b>2,860</b>	<b>9,287</b>	<b>9,723</b>	
Revenue Premium	<b>Risk Based Premiums</b>										
	Participating	1,412	1,086	1,087	1,001	1,322	1,029	1,068	1,117	4,586	4,536
	Individual Life	243	243	231	242	243	236	231	250	959	960
	Living Benefits	89	86	84	85	87	86	83	85	344	341
	<b>Total Individual Insurance</b>	<b>1,744</b>	<b>1,415</b>	<b>1,402</b>	<b>1,328</b>	<b>1,652</b>	<b>1,351</b>	<b>1,382</b>	<b>1,452</b>	<b>5,889</b>	<b>5,837</b>
	Risk-based revenue premiums	54	63	45	43	43	36	38	58	205	175
	Segregated funds deposits	738	711	774	922	863	849	906	1,094	3,145	3,712
	Proprietary mutual fund deposits	326	230	343	323	251	263	314	328	1,222	1,156
	<b>Total Individual Wealth</b>	<b>1,118</b>	<b>1,004</b>	<b>1,162</b>	<b>1,288</b>	<b>1,157</b>	<b>1,148</b>	<b>1,258</b>	<b>1,480</b>	<b>4,572</b>	<b>5,043</b>
	<b>Total Individual Customer Revenue Premium</b>	<b>2,862</b>	<b>2,419</b>	<b>2,564</b>	<b>2,616</b>	<b>2,809</b>	<b>2,499</b>	<b>2,640</b>	<b>2,932</b>	<b>10,461</b>	<b>10,880</b>

## Lifeco Canada – Group Customer

		2018				2017				Fiscal 2018	Fiscal 2017
(C\$MM)		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>											
	Premium income	1,738	1,788	1,693	1,780	1,769	1,834	1,757	1,775	6,999	7,135
	Net investment income	159	67	127	128	235	24	172	155	481	586
	Fee and other income	172	173	170	170	169	161	165	160	685	655
	<b>Total Income</b>	<b>2,069</b>	<b>2,028</b>	<b>1,990</b>	<b>2,078</b>	<b>2,173</b>	<b>2,019</b>	<b>2,094</b>	<b>2,090</b>	<b>8,165</b>	<b>8,376</b>
<b>Benefits and Expenses</b>											
	Paid or credited to policyholders and beneficiaries	1,492	1,471	1,406	1,517	1,564	1,470	1,531	1,583	5,886	6,148
	Commissions	91	87	86	95	90	86	87	89	359	352
	General expenses	227	211	213	213	206	196	196	215	864	813
	Other	61	59	55	58	49	58	58	59	233	224
	<b>Total Benefits and Expenses</b>	<b>1,871</b>	<b>1,828</b>	<b>1,760</b>	<b>1,883</b>	<b>1,909</b>	<b>1,810</b>	<b>1,872</b>	<b>1,946</b>	<b>7,342</b>	<b>7,537</b>
	<b>Net Earnings before income taxes</b>	<b>198</b>	<b>200</b>	<b>230</b>	<b>195</b>	<b>264</b>	<b>209</b>	<b>222</b>	<b>144</b>	<b>823</b>	<b>839</b>
	Income tax	52	48	34	51	69	51	30	37	185	187
	<b>Net Earnings before Capital Allocation</b>	<b>146</b>	<b>152</b>	<b>196</b>	<b>144</b>	<b>195</b>	<b>158</b>	<b>192</b>	<b>107</b>	<b>638</b>	<b>652</b>
	Capital Allocation	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(8)	(11)
	<b>Net Earnings - Common Shareholders</b>	<b>144</b>	<b>150</b>	<b>194</b>	<b>142</b>	<b>193</b>	<b>155</b>	<b>189</b>	<b>104</b>	<b>630</b>	<b>641</b>
<b>Sales</b>	Small/mid-size case	115	90	65	67	85	101	65	71	337	322
	Large case	31	9	111	280	59	8	100	60	431	227
	Creditor/Direct marketing	5	5	75	14	17	27	21	3	99	68
	<b>Total Group Insurance</b>	<b>151</b>	<b>104</b>	<b>251</b>	<b>361</b>	<b>161</b>	<b>136</b>	<b>186</b>	<b>134</b>	<b>867</b>	<b>617</b>
	Risk-based	198	257	141	233	278	344	258	127	829	1,007
	Segregated funds	619	486	395	703	796	427	490	542	2,203	2,255
Third party	-	-	-	-	-	-	6	-	-	6	
	<b>Total Group Wealth</b>	<b>817</b>	<b>743</b>	<b>536</b>	<b>936</b>	<b>1,074</b>	<b>771</b>	<b>754</b>	<b>669</b>	<b>3,032</b>	<b>3,268</b>
	<b>Total Group Customer Sales</b>	<b>968</b>	<b>847</b>	<b>787</b>	<b>1,297</b>	<b>1,235</b>	<b>907</b>	<b>940</b>	<b>803</b>	<b>3,899</b>	<b>3,885</b>
<b>Revenue Premium</b>	Small/mid-size case - Insured	708	701	698	694	686	678	672	668	2,801	2,704
	Large case - Insured	748	737	737	727	715	699	705	836	2,949	2,955
	ASO	802	744	774	748	720	671	720	716	3,068	2,827
	Creditor/Direct marketing	44	43	43	43	43	43	42	43	173	171
	<b>Total Group Insurance</b>	<b>2,302</b>	<b>2,225</b>	<b>2,252</b>	<b>2,212</b>	<b>2,164</b>	<b>2,091</b>	<b>2,139</b>	<b>2,263</b>	<b>8,991</b>	<b>8,657</b>
	Risk-based revenue premiums	237	307	216	316	325	413	339	227	1,076	1,304
	Segregated funds deposits	1,237	1,318	1,306	1,909	1,537	1,144	1,452	1,526	5,770	5,659
	<b>Total Group Wealth</b>	<b>1,474</b>	<b>1,625</b>	<b>1,522</b>	<b>2,225</b>	<b>1,862</b>	<b>1,557</b>	<b>1,791</b>	<b>1,753</b>	<b>6,846</b>	<b>6,963</b>
	<b>Total Group Customer Revenue Premium</b>	<b>3,776</b>	<b>3,850</b>	<b>3,774</b>	<b>4,437</b>	<b>4,026</b>	<b>3,648</b>	<b>3,930</b>	<b>4,016</b>	<b>15,837</b>	<b>15,620</b>

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

**Canada Wealth – Assets under Administration**

<i>(C\$MM)</i>	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Assets Under Administration</b>								
<b>Individual Customer</b>								
Risk-based products	5,002	5,020	5,111	5,164	5,252	5,234	5,370	5,471
Segregated funds	30,925	32,927	33,218	32,779	33,356	32,505	32,431	32,488
Proprietary mutual funds	6,037	6,431	6,426	6,190	6,211	5,980	5,873	5,774
<b>Group Customer</b>								
Risk-based products	8,207	8,183	8,112	8,096	7,978	7,797	7,663	7,555
Segregated funds	45,708	48,234	48,143	46,947	47,043	45,127	44,794	44,370
Institutional Assets	177	785	729	647	599	533	471	389
<b>Total assets under management</b>	<b>96,056</b>	<b>101,580</b>	<b>101,739</b>	<b>99,823</b>	<b>100,439</b>	<b>97,176</b>	<b>96,602</b>	<b>96,047</b>
<b>Other assets under administration <sup>(1)</sup></b>								
Individual Customer	8,397	8,826	8,692	8,397	8,283	7,870	7,717	7,603
Group Customer	400	421	448	465	506	534	541	557
<b>Total</b>	<b>8,797</b>	<b>9,247</b>	<b>9,140</b>	<b>8,862</b>	<b>8,789</b>	<b>8,404</b>	<b>8,258</b>	<b>8,160</b>
<b>Summary by Business/Product</b>								
Individual Customer	50,361	53,204	53,447	52,530	53,102	51,589	51,391	51,336
Group Customer	54,492	57,623	57,432	56,155	56,126	53,991	53,469	52,871
<b>Total assets under administration</b>	<b>104,853</b>	<b>110,827</b>	<b>110,879</b>	<b>108,685</b>	<b>109,228</b>	<b>105,580</b>	<b>104,860</b>	<b>104,207</b>

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

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

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium income	1,412	1,086	1,087	1,001	1,322	1,029	1,068	1,117	4,586	4,536
Net investment income	(137)	197	517	92	653	161	192	501	669	1,507
<b>Total Income</b>	<b>1,275</b>	<b>1,283</b>	<b>1,604</b>	<b>1,093</b>	<b>1,975</b>	<b>1,190</b>	<b>1,260</b>	<b>1,618</b>	<b>5,255</b>	<b>6,043</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	1,037	1,082	1,361	921	1,724	960	1,076	1,176	4,401	4,936
Commissions	164	128	102	91	123	103	113	299	485	638
General expenses	85	85	109	58	71	82	72	86	337	311
Restructuring and acquisition expenses	-	-	-	-	-	-	43	-	-	43
Other	33	30	30	33	30	28	26	30	126	114
<b>Total Benefits and Expenses</b>	<b>1,319</b>	<b>1,325</b>	<b>1,602</b>	<b>1,103</b>	<b>1,948</b>	<b>1,173</b>	<b>1,330</b>	<b>1,591</b>	<b>5,349</b>	<b>6,042</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(44)</b>	<b>(42)</b>	<b>2</b>	<b>(10)</b>	<b>27</b>	<b>17</b>	<b>(70)</b>	<b>27</b>	<b>(94)</b>	<b>1</b>
Income tax	(25)	(23)	(15)	(10)	2	(2)	(39)	(2)	(73)	(41)
<b>Net Earnings (loss) before non-controlling interests</b>	<b>(19)</b>	<b>(19)</b>	<b>17</b>	<b>-</b>	<b>25</b>	<b>19</b>	<b>(31)</b>	<b>29</b>	<b>(21)</b>	<b>42</b>
Non-controlling interests	(19)	(19)	17	-	25	19	(31)	29	(21)	42
<b>Net Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sales (New annualized premiums)</b>	<b>108</b>	<b>76</b>	<b>56</b>	<b>48</b>	<b>67</b>	<b>53</b>	<b>66</b>	<b>227</b>	<b>288</b>	<b>413</b>
<b>Risk-based revenue premiums</b>	<b>1,412</b>	<b>1,086</b>	<b>1,087</b>	<b>1,001</b>	<b>1,322</b>	<b>1,029</b>	<b>1,068</b>	<b>1,117</b>	<b>4,586</b>	<b>4,536</b>

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				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Net investment income	26	18	15	35	14	15	15	21	94	65
Fee and other income	14	11	11	18	12	29	19	20	54	80
Total Income	40	29	26	53	26	44	34	41	148	145
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	5	5	5	5	5	5	5	6	20	21
General Expenses	19	-	16	18	13	11	18	14	53	56
Restructuring and acquisition expenses	-	-	-	-	-	-	172	-	-	172
Other	38	36	34	38	37	37	34	35	146	143
Total Benefits and Expenses	62	41	55	61	55	53	229	55	219	392
<b>Net Earnings (loss) before income taxes</b>	(22)	(12)	(29)	(8)	(29)	(9)	(195)	(14)	(71)	(247)
Income tax	(9)	(5)	49	(36)	(6)	(3)	(45)	(13)	(1)	(67)
<b>Net Earnings (loss) before non-controlling interests</b>	(13)	(7)	(78)	28	(23)	(6)	(150)	(1)	(70)	(180)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss)</b>	(13)	(7)	(78)	28	(23)	(6)	(150)	(1)	(70)	(180)
Preferred share dividends	28	29	29	28	26	26	26	26	114	104
<b>Net Earnings (loss) before Capital Allocation</b>	(41)	(36)	(107)	-	(49)	(32)	(176)	(27)	(184)	(284)
Capital Allocation	36	36	36	36	32	32	32	32	144	128
<b>Net Earnings (loss) - Common Shareholders <sup>(1)</sup></b>	(5)	-	(71)	36	(17)	-	(144)	5	(40)	(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 Dec. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.



## Lifeco Canada – Balance Sheets

(C\$MM)

Assets	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash and cash equivalents	455	703	717	693	701	556	645	535
Bonds	47,265	46,588	46,814	46,582	46,304	45,159	45,661	45,288
Mortgage loans	14,039	13,752	13,567	13,491	13,142	12,912	13,118	12,900
Stocks	8,724	8,732	8,602	8,178	8,324	8,114	7,879	8,056
Investment properties	2,330	2,203	2,165	2,131	1,960	1,899	1,868	1,633
Loans to policyholders	2,834	2,796	2,767	2,720	2,679	2,677	2,655	2,627
<b>Total invested assets</b>	<b>75,647</b>	<b>74,774</b>	<b>74,632</b>	<b>73,795</b>	<b>73,110</b>	<b>71,317</b>	<b>71,826</b>	<b>71,039</b>
Reinsurance assets	149	137	227	133	119	248	112	434
Derivative financial instruments	119	196	167	161	187	198	184	162
Owner occupied properties	396	397	400	399	396	392	393	389
Fixed assets	216	195	186	153	151	156	152	156
Other assets	2,006	2,106	1,810	2,010	1,749	2,092	1,937	1,958
<b>Total other assets</b>	<b>2,737</b>	<b>2,894</b>	<b>2,563</b>	<b>2,723</b>	<b>2,483</b>	<b>2,838</b>	<b>2,666</b>	<b>2,665</b>
Deferred tax assets	224	195	180	206	202	249	235	188
Goodwill	4,015	4,013	4,012	4,010	3,969	4,079	3,787	3,787
Intangible assets	1,501	1,491	1,481	1,473	1,478	1,321	1,321	1,341
Investments on account of segregated fund policyholders	76,633	81,161	81,361	79,726	80,399	77,632	77,225	76,858
<b>Total assets</b>	<b>160,906</b>	<b>164,665</b>	<b>164,456</b>	<b>162,066</b>	<b>161,760</b>	<b>157,684</b>	<b>157,172</b>	<b>156,312</b>
<b>Liabilities</b>								
Insurance contract liabilities	67,931	67,582	67,419	66,615	66,135	64,453	64,322	63,660
Investment contract liabilities	321	328	321	296	325	338	342	343
	68,252	67,910	67,740	66,911	66,460	64,791	64,664	64,003
Debentures and other debt instruments	2,650	2,633	2,641	2,659	2,337	2,325	2,327	2,310
Funds held under reinsurance contracts	55	52	50	47	44	42	41	37
Other liabilities	4,521	4,044	4,071	4,507	4,202	3,919	4,300	3,992
Deferred tax liabilities	637	669	640	667	671	666	582	643
Investment and insurance contracts on account of segregated fund policyholders	76,633	81,161	81,361	79,726	80,399	77,632	77,225	76,858
<b>Total liabilities</b>	<b>152,748</b>	<b>156,469</b>	<b>156,503</b>	<b>154,517</b>	<b>154,113</b>	<b>149,375</b>	<b>149,139</b>	<b>147,843</b>
<b>Equity</b>								
Non-controlling interests	2,715	2,731	2,762	2,743	2,752	2,733	2,732	2,788
Share capital								
Perpetual preferred shares	2,164	2,164	2,164	2,164	2,164	2,164	2,164	1,964
Common shares	7,283	7,287	7,291	7,268	7,260	7,262	7,261	7,254
Accumulated surplus	(2,817)	(2,964)	(3,163)	(3,412)	(3,402)	(2,827)	(3,008)	(2,973)
Accumulated other comprehensive income (loss)	(618)	(453)	(531)	(646)	(558)	(453)	(545)	(397)
Contributed surplus	(569)	(569)	(570)	(568)	(569)	(570)	(571)	(167)
	8,158	8,196	7,953	7,549	7,647	8,309	8,033	8,469
<b>Total liabilities and equity</b>	<b>160,906</b>	<b>164,665</b>	<b>164,456</b>	<b>162,066</b>	<b>161,760</b>	<b>157,684</b>	<b>157,172</b>	<b>156,312</b>
<b>Proprietary mutual funds and institutional net assets</b>	<b>6,214</b>	<b>7,216</b>	<b>7,155</b>	<b>6,837</b>	<b>6,810</b>	<b>6,513</b>	<b>6,344</b>	<b>6,163</b>
<b>Other assets under administration</b>	<b>13,615</b>	<b>13,773</b>	<b>13,632</b>	<b>12,978</b>	<b>11,580</b>	<b>11,135</b>	<b>16,196</b>	<b>16,011</b>
<b>Total assets under administration</b>	<b>180,735</b>	<b>185,654</b>	<b>185,243</b>	<b>181,881</b>	<b>180,150</b>	<b>175,332</b>	<b>179,712</b>	<b>178,486</b>

# Lifeco United States



## Lifeco U.S. Net Earnings – Consolidated

	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<i>(C\$MM, unless otherwise stated)</i>										
<b>Income</b>										
Premium income	1,134	1,148	894	1,074	1,059	1,241	942	1,229	4,250	4,471
Regular net investment income	473	460	462	441	452	458	451	455	1,836	1,816
Changes in fair value through profit or loss	110	(160)	(260)	(580)	(48)	11	274	102	(890)	339
Net investment income	583	300	202	(139)	404	469	725	557	946	2,155
Fee and other income	644	673	655	631	635	626	658	619	2,603	2,538
<b>Total Income</b>	<b>2,361</b>	<b>2,121</b>	<b>1,751</b>	<b>1,566</b>	<b>2,098</b>	<b>2,336</b>	<b>2,325</b>	<b>2,405</b>	<b>7,799</b>	<b>9,164</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders	1,568	1,233	894	752	1,294	1,492	1,476	1,552	4,447	5,814
Commissions	125	132	131	125	138	132	135	140	513	545
General expenses	552	554	543	537	567	493	527	558	2,186	2,145
Restructuring and acquisition expenses	-	-	-	-	-	-	-	17	-	17
Loss on assets held for sale	-	-	-	-	202	-	-	-	-	202
Other	61	61	3	62	41	61	70	68	187	240
<b>Total Benefits and Expenses</b>	<b>2,306</b>	<b>1,980</b>	<b>1,571</b>	<b>1,476</b>	<b>2,242</b>	<b>2,178</b>	<b>2,208</b>	<b>2,335</b>	<b>7,333</b>	<b>8,963</b>
<b>Net Earnings before income taxes</b>	<b>55</b>	<b>141</b>	<b>180</b>	<b>90</b>	<b>(144)</b>	<b>158</b>	<b>117</b>	<b>70</b>	<b>466</b>	<b>201</b>
Income tax	(2)	24	31	13	163	41	28	11	66	243
<b>Net Earnings before non-controlling interests</b>	<b>57</b>	<b>117</b>	<b>149</b>	<b>77</b>	<b>(307)</b>	<b>117</b>	<b>89</b>	<b>59</b>	<b>400</b>	<b>(42)</b>
Non-controlling interests	(1)	2	1	-	(14)	2	3	(1)	2	(10)
<b>Net Earnings</b>	<b>58</b>	<b>115</b>	<b>148</b>	<b>77</b>	<b>(293)</b>	<b>115</b>	<b>86</b>	<b>60</b>	<b>398</b>	<b>(32)</b>
Preferred share dividends	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>58</b>	<b>115</b>	<b>148</b>	<b>77</b>	<b>(293)</b>	<b>115</b>	<b>86</b>	<b>60</b>	<b>398</b>	<b>(32)</b>
Capital Allocation	(3)	(2)	(3)	(2)	(5)	(5)	(4)	(4)	(10)	(18)
<b>Net Earnings - Common Shareholders</b>	<b>55</b>	<b>113</b>	<b>145</b>	<b>75</b>	<b>(298)</b>	<b>110</b>	<b>82</b>	<b>56</b>	<b>388</b>	<b>(50)</b>
<b>Common Shareholder Net Earnings (loss)</b>										
Financial Services	84	121	101	91	80	104	88	85	397	357
Asset Management	(29)	(8)	(8)	(16)	(5)	6	(6)	(16)	(61)	(21)
Corporate <sup>(1)</sup>	-	-	52	-	(373)	-	-	(13)	52	(386)
<b>Total</b>	<b>55</b>	<b>113</b>	<b>145</b>	<b>75</b>	<b>(298)</b>	<b>110</b>	<b>82</b>	<b>56</b>	<b>388</b>	<b>(50)</b>
<b>Common Shareholder Net Earnings (US \$) <sup>(2)</sup></b>	<b>41</b>	<b>87</b>	<b>105</b>	<b>59</b>	<b>(234)</b>	<b>88</b>	<b>62</b>	<b>42</b>	<b>292</b>	<b>(42)</b>

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 Dec. 31, 2018 consolidated financial statements and within the IFRS section of the MD&A.

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

		2018				2017				Fiscal 2018	Fiscal 2017
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<i>(C\$MM, unless otherwise stated)</i>											
<b>Income</b>											
	Premium income	1,116	1,129	877	1,045	1,040	1,223	923	1,201	4,167	4,387
	Net investment income	564	283	170	(137)	376	426	683	518	880	2,003
	Fee and other income	359	371	360	341	340	324	350	331	1,431	1,345
	<b>Total Income</b>	<b>2,039</b>	<b>1,783</b>	<b>1,407</b>	<b>1,249</b>	<b>1,756</b>	<b>1,973</b>	<b>1,956</b>	<b>2,050</b>	<b>6,478</b>	<b>7,735</b>
<b>Benefits and Expenses</b>											
	Paid or credited to policyholders and beneficiaries	1,518	1,202	868	729	1,196	1,449	1,418	1,495	4,317	5,558
	Commissions	68	72	70	63	72	68	67	72	273	279
	General expenses	319	321	306	303	330	269	301	317	1,249	1,217
	Other	28	30	30	31	32	30	30	31	119	123
	<b>Total Benefits and Expenses</b>	<b>1,933</b>	<b>1,625</b>	<b>1,274</b>	<b>1,126</b>	<b>1,630</b>	<b>1,816</b>	<b>1,816</b>	<b>1,915</b>	<b>5,958</b>	<b>7,177</b>
	<b>Net Earnings before income taxes</b>	<b>106</b>	<b>158</b>	<b>133</b>	<b>123</b>	<b>126</b>	<b>157</b>	<b>140</b>	<b>135</b>	<b>520</b>	<b>558</b>
	Income tax	15	31	25	25	39	46	45	43	96	173
	<b>Net Income before non-controlling interests</b>	<b>91</b>	<b>127</b>	<b>108</b>	<b>98</b>	<b>87</b>	<b>111</b>	<b>95</b>	<b>92</b>	<b>424</b>	<b>385</b>
	Non-controlling interests	-	-	-	-	-	-	-	-	-	-
	<b>Net Earnings before Capital Allocation</b>	<b>91</b>	<b>127</b>	<b>108</b>	<b>98</b>	<b>87</b>	<b>111</b>	<b>95</b>	<b>92</b>	<b>424</b>	<b>385</b>
	Capital Allocation	(7)	(6)	(7)	(7)	(7)	(7)	(7)	(7)	(27)	(28)
	<b>Net Earnings - Common Shareholders</b>	<b>84</b>	<b>121</b>	<b>101</b>	<b>91</b>	<b>80</b>	<b>104</b>	<b>88</b>	<b>85</b>	<b>397</b>	<b>357</b>
	<b>Net Earnings - Common Shareholders (US\$)</b>	<b>63</b>	<b>93</b>	<b>78</b>	<b>72</b>	<b>64</b>	<b>83</b>	<b>66</b>	<b>64</b>	<b>306</b>	<b>277</b>
<b>Sales</b>	Individual Markets	363	429	503	359	376	491	394	466	1,654	1,727
	Empower Retirement	14,234	9,727	9,003	11,482	7,770	10,278	6,421	9,926	44,446	34,395
	<b>Total Sales</b>	<b>14,597</b>	<b>10,156</b>	<b>9,506</b>	<b>11,841</b>	<b>8,146</b>	<b>10,769</b>	<b>6,815</b>	<b>10,392</b>	<b>46,100</b>	<b>36,122</b>
	<b>Total Sales (US \$)</b>	<b>11,058</b>	<b>7,753</b>	<b>7,369</b>	<b>9,398</b>	<b>6,414</b>	<b>8,615</b>	<b>5,086</b>	<b>7,873</b>	<b>35,578</b>	<b>27,988</b>
<b>Revenue Premium</b>	Risk-based premiums	1,116	1,129	877	1,045	1,040	1,223	923	1,201	4,167	4,387
	Segregated fund deposits										
	Individual	307	307	416	275	280	232	206	230	1,305	948
	Group	404	472	648	513	472	490	568	659	2,037	2,189
	Proprietary Mutual Funds	1,260	1,303	1,224	1,248	1,323	1,177	1,362	1,480	5,035	5,342
	<b>Total Revenue by Type<sup>(1)</sup></b>	<b>3,087</b>	<b>3,211</b>	<b>3,165</b>	<b>3,081</b>	<b>3,115</b>	<b>3,122</b>	<b>3,059</b>	<b>3,570</b>	<b>12,544</b>	<b>12,866</b>
	Individual Markets	562	629	658	567	580	679	543	738	2,416	2,540
	Empower Retirement	2,525	2,582	2,507	2,514	2,535	2,443	2,516	2,832	10,128	10,326
	<b>Total Revenue by Business Line<sup>(1)</sup></b>	<b>3,087</b>	<b>3,211</b>	<b>3,165</b>	<b>3,081</b>	<b>3,115</b>	<b>3,122</b>	<b>3,059</b>	<b>3,570</b>	<b>12,544</b>	<b>12,866</b>
	<b>Total Revenue Premium (US \$)</b>	<b>2,338</b>	<b>2,452</b>	<b>2,453</b>	<b>2,445</b>	<b>2,452</b>	<b>2,498</b>	<b>2,283</b>	<b>2,705</b>	<b>9,688</b>	<b>9,938</b>

1. Excludes participating policy revenue premiums.

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

(C\$MM, unless otherwise stated)

	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium income	254	322	242	292	300	446	337	508	1,110	1,591
Net investment income	344	161	108	(86)	260	263	441	318	527	1,282
Fee and other income	41	41	41	38	33	34	36	34	161	137
<b>Total Income</b>	<b>639</b>	<b>524</b>	<b>391</b>	<b>244</b>	<b>593</b>	<b>743</b>	<b>814</b>	<b>860</b>	<b>1,798</b>	<b>3,010</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	517	374	263	121	434	601	690	710	1,275	2,435
Commissions	29	30	29	22	31	27	25	29	110	112
General expenses	34	34	34	31	37	30	30	32	133	129
Other	2	4	5	8	10	8	5	8	19	31
<b>Total Benefits and Expenses</b>	<b>582</b>	<b>442</b>	<b>331</b>	<b>182</b>	<b>512</b>	<b>666</b>	<b>750</b>	<b>779</b>	<b>1,537</b>	<b>2,707</b>
<b>Net Earnings before income taxes</b>	<b>57</b>	<b>82</b>	<b>60</b>	<b>62</b>	<b>81</b>	<b>77</b>	<b>64</b>	<b>81</b>	<b>261</b>	<b>303</b>
Income tax	8	16	9	12	29	24	21	27	45	101
<b>Net Income before non-controlling interests</b>	<b>49</b>	<b>66</b>	<b>51</b>	<b>50</b>	<b>52</b>	<b>53</b>	<b>43</b>	<b>54</b>	<b>216</b>	<b>202</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>49</b>	<b>66</b>	<b>51</b>	<b>50</b>	<b>52</b>	<b>53</b>	<b>43</b>	<b>54</b>	<b>216</b>	<b>202</b>
Capital Allocation	(6)	(6)	(5)	(6)	(5)	(5)	(6)	(5)	(23)	(21)
<b>Net Earnings - Common Shareholders</b>	<b>43</b>	<b>60</b>	<b>46</b>	<b>44</b>	<b>47</b>	<b>48</b>	<b>37</b>	<b>49</b>	<b>193</b>	<b>181</b>
<b>Net Earnings - Common Shareholders (US\$)</b>	<b>31</b>	<b>46</b>	<b>35</b>	<b>35</b>	<b>36</b>	<b>39</b>	<b>28</b>	<b>37</b>	<b>147</b>	<b>140</b>
<b>Sales</b>										
Individual Annuity	289	337	299	227	196	169	177	173	1,152	715
Executive Benefits	26	42	142	93	112	240	121	202	303	675
Individual Life	48	50	62	39	68	82	96	91	199	337
	363	429	503	359	376	491	394	466	1,654	1,727
<b>Sales (US \$)</b>	<b>275</b>	<b>327</b>	<b>390</b>	<b>285</b>	<b>296</b>	<b>393</b>	<b>294</b>	<b>353</b>	<b>1,277</b>	<b>1,336</b>
<b>Revenue Premium</b>										
Risk-based premiums	254	322	242	292	300	446	337	508	1,110	1,591
Segregated fund deposits	307	307	416	275	280	232	206	230	1,305	948
Proprietary Mutual Funds	1	-	-	-	-	1	-	-	1	1
<b>Total Revenue by Type <sup>(1)</sup></b>	<b>562</b>	<b>629</b>	<b>658</b>	<b>567</b>	<b>580</b>	<b>679</b>	<b>543</b>	<b>738</b>	<b>2,416</b>	<b>2,540</b>
<b>Total Revenue (US \$)</b>	<b>427</b>	<b>481</b>	<b>510</b>	<b>450</b>	<b>456</b>	<b>543</b>	<b>406</b>	<b>559</b>	<b>1,868</b>	<b>1,964</b>

1. Excludes participating policy revenue premiums.

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

(C\$MM, unless otherwise stated)

	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium income	862	807	635	753	740	777	586	693	3,057	2,796
Net investment income	210	113	53	(60)	107	154	233	191	316	685
Fee and other income	318	330	319	303	307	290	314	297	1,270	1,208
<b>Total Income</b>	<b>1,390</b>	<b>1,250</b>	<b>1,007</b>	<b>996</b>	<b>1,154</b>	<b>1,221</b>	<b>1,133</b>	<b>1,181</b>	<b>4,643</b>	<b>4,689</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	997	828	605	608	762	848	728	785	3,038	3,123
Commissions	39	42	41	41	41	41	42	43	163	167
General expenses	279	283	268	269	281	256	266	282	1,099	1,085
Other	15	16	16	13	13	14	16	14	60	57
<b>Total Benefits and Expenses</b>	<b>1,330</b>	<b>1,169</b>	<b>930</b>	<b>931</b>	<b>1,097</b>	<b>1,159</b>	<b>1,052</b>	<b>1,124</b>	<b>4,360</b>	<b>4,432</b>
<b>Net Earnings before income taxes</b>	<b>60</b>	<b>81</b>	<b>77</b>	<b>65</b>	<b>57</b>	<b>62</b>	<b>81</b>	<b>57</b>	<b>283</b>	<b>257</b>
Income tax	13	18	17	15	16	18	27	19	63	80
<b>Net Income before non-controlling interests</b>	<b>47</b>	<b>63</b>	<b>60</b>	<b>50</b>	<b>41</b>	<b>44</b>	<b>54</b>	<b>38</b>	<b>220</b>	<b>177</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>47</b>	<b>63</b>	<b>60</b>	<b>50</b>	<b>41</b>	<b>44</b>	<b>54</b>	<b>38</b>	<b>220</b>	<b>177</b>
Capital Allocation	(6)	(5)	(6)	(6)	(5)	(5)	(5)	(6)	(23)	(21)
<b>Net Earnings - Common Shareholders</b>	<b>41</b>	<b>58</b>	<b>54</b>	<b>44</b>	<b>36</b>	<b>39</b>	<b>49</b>	<b>32</b>	<b>197</b>	<b>156</b>
<b>Net Earnings - Common Shareholders (US\$)</b>	<b>32</b>	<b>44</b>	<b>42</b>	<b>35</b>	<b>30</b>	<b>31</b>	<b>36</b>	<b>24</b>	<b>153</b>	<b>121</b>
<b>Sales</b>										
Empower Retirement	14,234	9,727	9,003	11,482	7,770	10,278	6,421	9,926	44,446	34,395
<b>Sales (US \$)</b>	<b>10,783</b>	<b>7,426</b>	<b>6,979</b>	<b>9,113</b>	<b>6,118</b>	<b>8,222</b>	<b>4,792</b>	<b>7,520</b>	<b>34,301</b>	<b>26,652</b>
<b>Revenue Premium (by Type) <sup>(1)</sup></b>										
Risk-based premiums	862	807	635	753	740	777	586	693	3,057	2,796
Segregated fund deposits	404	472	648	513	472	490	568	659	2,037	2,189
Proprietary Mutual Funds	1,259	1,303	1,224	1,248	1,323	1,176	1,362	1,480	5,034	5,341
<b>Total Revenue Premium (by Type)</b>	<b>2,525</b>	<b>2,582</b>	<b>2,507</b>	<b>2,514</b>	<b>2,535</b>	<b>2,443</b>	<b>2,516</b>	<b>2,832</b>	<b>10,128</b>	<b>10,326</b>
<b>Total Revenue Premium (US \$)</b>	<b>1,911</b>	<b>1,971</b>	<b>1,943</b>	<b>1,995</b>	<b>1,996</b>	<b>1,955</b>	<b>1,877</b>	<b>2,146</b>	<b>7,820</b>	<b>7,974</b>

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 Dec. 31, 2017 consolidated financial statements and within the IFRS section of the MD&A.

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

	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<i>(C\$MM, unless otherwise stated)</i>										
<b>Income</b>										
Net investment income	10	9	9	9	9	9	9	9	37	36
<b>Total Income</b>	10	9	9	9	9	9	9	9	37	36
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	4	-	-	-	-	-	-	-	4	-
General expenses	6	4	4	3	12	(17)	5	3	17	3
Other	11	10	9	10	9	8	9	9	40	35
<b>Total Benefits and Expenses</b>	21	14	13	13	21	(9)	14	12	61	38
<b>Net Earnings (loss) before income taxes</b>	(11)	(5)	(4)	(4)	(12)	18	(5)	(3)	(24)	(2)
Income tax	(6)	(3)	(1)	(2)	(6)	4	(3)	(3)	(12)	(8)
<b>Net Earnings (loss) before Capital Allocation</b>	(5)	(2)	(3)	(2)	(6)	14	(2)	-	(12)	6
Capital Allocation	5	5	4	5	3	3	4	4	19	14
<b>Net Earnings (loss) - Common Shareholders</b>	-	3	1	3	(3)	17	2	4	7	20
<b>Net Earnings - Common Shareholders (US\$)</b>	-	3	1	2	(2)	13	2	3	6	16

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

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

<i>(000's)</i>	<b>2018</b>				<b>2017</b>			
	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
<b>Empower Retirement</b>	8,768	8,664	8,537	8,495	8,334	8,304	8,272	8,234
<b>Individual Markets</b>	431	430	435	434	446	444	448	455
<b>Total</b>	<b>9,199</b>	<b>9,094</b>	<b>8,972</b>	<b>8,929</b>	<b>8,780</b>	<b>8,748</b>	<b>8,720</b>	<b>8,689</b>



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

<i>(C\$MM)</i>	<b>2018</b>				<b>2017</b>			
	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
General Account	17,652	16,580	16,755	16,437	15,885	15,718	16,015	16,360
Segregated Funds	20,354	21,672	22,472	23,551	23,947	24,093	25,520	26,086
Proprietary Mutual Funds	32,773	32,813	32,156	31,247	29,944	28,657	28,421	27,982
Unaffiliated Retail Investment Options & ASO	630,881	659,602	642,274	617,388	597,596	567,984	572,286	564,833

## Lifeco U.S. – Asset Management

		2018				2017				Fiscal 2018	Fiscal 2017
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<i>(C\$MM, unless otherwise stated)</i>											
<b>Income</b>											
	Net investment income	(17)	-	3	3	6	16	(1)	7	(11)	28
	Fee and other income	285	302	295	290	295	302	308	288	1,172	1,193
	<b>Total Income</b>	<b>268</b>	<b>302</b>	<b>298</b>	<b>293</b>	<b>301</b>	<b>318</b>	<b>307</b>	<b>295</b>	<b>1,161</b>	<b>1,221</b>
<b>Benefits and Expenses</b>											
	Commissions	57	60	60	61	66	64	67	67	238	264
	General expenses	233	233	227	233	226	223	225	237	926	911
	Other	30	28	35	31	8	29	38	35	124	110
	Restructuring and acquisition expenses	-	-	-	-	-	-	-	-	-	-
	<b>Total Benefits and Expenses</b>	<b>320</b>	<b>321</b>	<b>322</b>	<b>325</b>	<b>300</b>	<b>316</b>	<b>330</b>	<b>339</b>	<b>1,288</b>	<b>1,285</b>
<b>Net Earnings (loss) before income taxes</b>											
		(52)	(19)	(24)	(32)	1	2	(23)	(44)	(127)	(64)
	Income tax	(18)	(8)	(13)	(11)	5	(5)	(17)	(25)	(50)	(42)
<b>Net Earnings (loss) before non-controlling interests</b>											
		<b>(34)</b>	<b>(11)</b>	<b>(11)</b>	<b>(21)</b>	<b>(4)</b>	<b>7</b>	<b>(6)</b>	<b>(19)</b>	<b>(77)</b>	<b>(22)</b>
	Non-controlling interests	(1)	1	1	-	3	3	3	-	1	9
<b>Net Earnings (loss) before Capital Allocation</b>											
		<b>(33)</b>	<b>(12)</b>	<b>(12)</b>	<b>(21)</b>	<b>(7)</b>	<b>4</b>	<b>(9)</b>	<b>(19)</b>	<b>(78)</b>	<b>(31)</b>
	Capital Allocation	4	4	4	5	2	2	3	3	17	10
<b>Net Earnings (loss) - Common Shareholders</b>											
		<b>(29)</b>	<b>(8)</b>	<b>(8)</b>	<b>(16)</b>	<b>(5)</b>	<b>6</b>	<b>(6)</b>	<b>(16)</b>	<b>(61)</b>	<b>(21)</b>
<b>Net Earnings (loss) - Common Shareholders (US\$) <sup>(1)</sup></b>											
		<b>(22)</b>	<b>(6)</b>	<b>(6)</b>	<b>(13)</b>	<b>(4)</b>	<b>5</b>	<b>(4)</b>	<b>(12)</b>	<b>(47)</b>	<b>(15)</b>
<b>Sales</b>	<b>Sales (C\$)</b>										
	Gross sales <sup>(1)</sup>	17,483	14,128	15,002	13,235	11,016	10,404	10,119	13,960	59,848	45,499
	Redemptions	(19,002)	(12,543)	(12,988)	(14,753)	(12,069)	(10,283)	(11,315)	(12,227)	(59,286)	(45,893)
	Net Sales	(1,519)	1,585	2,014	(1,518)	(1,053)	121	(1,196)	1,733	562	(394)
<b>Fee Income</b>	<b>Fee Income (C\$)</b>										
	Investment management fees	199	212	207	203	204	198	208	198	821	808
	Performance fees	(8)	(9)	(10)	(11)	(10)	5	(5)	(13)	(38)	(23)
	Service fees	37	38	37	36	37	36	39	38	148	150
	Underwriting & distribution fees	57	61	61	62	64	63	66	65	241	258
	<b>Total Fee Income (C\$)</b>	<b>285</b>	<b>302</b>	<b>295</b>	<b>290</b>	<b>295</b>	<b>302</b>	<b>308</b>	<b>288</b>	<b>1,172</b>	<b>1,193</b>
	<b>Fee Income (US \$)</b>	<b>216</b>	<b>231</b>	<b>228</b>	<b>230</b>	<b>232</b>	<b>240</b>	<b>230</b>	<b>219</b>	<b>905</b>	<b>921</b>

1) 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 Dec. 31, 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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Mutual Funds</b>								
Growth equity	14,419	16,269	15,176	14,369	13,881	13,100	13,109	13,015
Value equity	20,692	23,181	22,537	21,996	22,185	21,279	21,476	22,090
Blend equity	22,617	26,468	27,372	27,567	28,502	28,381	29,436	29,774
Fixed income	45,040	41,227	38,772	36,086	34,433	33,298	33,794	33,769
<b>Total Mutual Funds</b>	<b>102,768</b>	<b>107,145</b>	<b>103,857</b>	<b>100,018</b>	<b>99,001</b>	<b>96,058</b>	<b>97,815</b>	<b>98,648</b>
<b>Institutional Accounts</b>								
Equity	72,777	81,812	80,570	78,912	79,772	76,119	74,394	72,783
Fixed income	42,327	39,629	41,475	39,684	37,265	37,570	39,578	41,296
<b>Total Institutional Accounts</b>	<b>115,104</b>	<b>121,441</b>	<b>122,045</b>	<b>118,596</b>	<b>117,037</b>	<b>113,689</b>	<b>113,972</b>	<b>114,079</b>
<b>Total End of Period Assets Under Management</b>	<b>217,872</b>	<b>228,586</b>	<b>225,902</b>	<b>218,614</b>	<b>216,038</b>	<b>209,747</b>	<b>211,787</b>	<b>212,727</b>
<b>Total End of Period Assets Under Management - US\$</b>	<b>160,200</b>	<b>177,199</b>	<b>172,445</b>	<b>169,468</b>	<b>171,458</b>	<b>167,798</b>	<b>162,913</b>	<b>159,945</b>

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

	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<i>(C\$MM, unless otherwise stated)</i>										
<b>Income</b>										
Premium income	18	19	17	29	19	18	19	28	83	84
Net investment income	36	17	13	(5)	22	27	43	32	61	124
<b>Total Income</b>	54	36	30	24	41	45	62	60	144	208
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	50	31	26	23	37	43	58	57	130	195
Commissions	-	-	1	1	-	-	1	1	2	2
General expenses	-	-	1	1	1	1	1	1	2	4
Other	3	3	2	-	-	2	2	2	8	6
<b>Total Benefits and Expenses</b>	53	34	30	25	38	46	62	61	142	207
<b>Net Earnings (loss) before income taxes</b>	1	2	-	(1)	3	(1)	-	(1)	2	1
Income tax	1	1	-	(1)	1	-	-	-	1	1
<b>Net Earnings (loss) before non-controlling interests</b>	-	1	-	-	2	(1)	-	(1)	1	-
Non-controlling interests	-	1	-	-	2	(1)	-	(1)	1	-
<b>Net Earnings</b>	-	-	-	-	-	-	-	-	-	-
<b>Revenue Premium</b>										
Risk-based premiums	18	19	17	29	19	18	19	28	83	84
<b>Revenue Premium (US \$)</b>	14	14	13	23	15	15	14	21	64	65

## Lifeco U.S. – Corporate <sup>(1)</sup>

	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<i>(C\$MM, unless otherwise stated)</i>										
<b>Income</b>										
Net investment income	-	-	16	-	-	-	-	-	16	-
<b>Total Income</b>	-	-	16	-	-	-	-	-	16	-
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	-	-	-	-	61	-	-	-	-	61
General expenses	-	-	9	-	10	-	-	3	9	13
Restructuring and acquisition expenses	-	-	-	-	-	-	-	17	-	17
Loss on assets held for sale	-	-	-	-	202	-	-	-	-	202
Other	-	-	(64)	-	1	-	-	-	(64)	1
<b>Total Benefits and Expenses</b>	-	-	(55)	-	274	-	-	20	(55)	294
<b>Net Earnings (loss) before income taxes</b>	-	-	71	-	(274)	-	-	(20)	71	(294)
Income tax	-	-	19	-	118	-	-	(7)	19	111
<b>Net Earnings (loss) before non-controlling interests</b>	-	-	52	-	(392)	-	-	(13)	52	(405)
Non-controlling interests	-	-	-	-	(19)	-	-	-	-	(19)
<b>Net Earnings (loss) before Capital Allocation</b>	-	-	52	-	(373)	-	-	(13)	52	(386)
Capital Allocation	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss) - Common Shareholders</b>	-	-	52	-	(373)	-	-	(13)	52	(386)
<b>Net Earnings - Common Shareholders (US\$) <sup>(2)</sup></b>	-	-	33	-	(294)	-	-	(10)	33	(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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash and cash equivalents	1,330	1,158	1,050	854	1,017	893	1,042	885
Bonds	33,557	31,639	32,427	32,553	32,190	31,785	32,274	32,718
Mortgage loans	6,440	6,150	6,146	5,811	5,447	5,315	5,479	5,503
Stocks	187	186	180	123	112	175	161	167
Investment properties	7	5	5	5	5	5	5	5
Loans to policyholders	5,979	5,623	5,731	5,577	5,492	5,410	5,627	5,696
<b>Total invested assets</b>	<b>47,500</b>	<b>44,761</b>	<b>45,539</b>	<b>44,923</b>	<b>44,263</b>	<b>43,583</b>	<b>44,588</b>	<b>44,974</b>
Reinsurance assets	286	282	302	298	287	295	318	330
Derivative financial instruments	167	86	85	45	67	126	157	188
Owner occupied properties	189	163	180	175	172	168	175	179
Fixed assets	168	137	125	100	93	83	83	86
Other assets	2,957	2,765	2,693	2,764	2,299	2,238	2,349	2,448
<b>Total other assets</b>	<b>3,481</b>	<b>3,151</b>	<b>3,083</b>	<b>3,084</b>	<b>2,631</b>	<b>2,615</b>	<b>2,764</b>	<b>2,901</b>
Deferred tax assets	728	699	716	763	700	1,069	1,109	1,323
Goodwill	208	198	201	198	194	192	199	203
Intangible assets	1,922	1,826	1,854	1,821	1,781	2,034	2,119	2,166
Assets held for sale	-	-	-	-	169	-	-	-
Investments on account of segregated fund policyholders	31,816	32,971	33,508	33,983	34,038	33,701	35,224	35,728
<b>Total assets</b>	<b>85,941</b>	<b>83,888</b>	<b>85,203</b>	<b>85,070</b>	<b>84,063</b>	<b>83,489</b>	<b>86,321</b>	<b>87,625</b>
<b>Liabilities</b>								
Insurance contract liabilities	42,760	40,136	40,860	40,355	39,799	39,290	40,328	40,808
Investment contract liabilities	152	148	161	165	171	176	190	202
	42,912	40,284	41,021	40,520	39,970	39,466	40,518	41,010
Debentures and other debt instruments	2,722	2,409	2,484	2,319	2,388	2,204	2,334	2,551
Other liabilities	2,231	2,295	2,304	2,436	2,036	1,975	2,007	2,254
Deferred tax liabilities	147	133	125	121	81	297	290	299
Investment and insurance contracts on account of segregated fund policyholders	31,816	32,971	33,508	33,983	34,038	33,701	35,224	35,728
<b>Total liabilities</b>	<b>79,828</b>	<b>78,092</b>	<b>79,442</b>	<b>79,379</b>	<b>78,513</b>	<b>77,643</b>	<b>80,373</b>	<b>81,842</b>
<b>Equity</b>								
Non-controlling interests	140	156	156	206	185	225	234	285
Accumulated surplus	4,244	4,189	4,076	4,001	4,014	4,312	4,201	4,112
Accumulated other comprehensive income (loss)	1,021	746	831	795	639	610	821	1,106
Contributed surplus	708	705	698	689	712	699	692	280
	6,113	5,796	5,761	5,691	5,550	5,846	5,948	5,783
<b>Total liabilities and equity</b>	<b>85,941</b>	<b>83,888</b>	<b>85,203</b>	<b>85,070</b>	<b>84,063</b>	<b>83,489</b>	<b>86,321</b>	<b>87,625</b>
<b>Proprietary mutual funds and institutional net assets</b>	<b>235,075</b>	<b>246,151</b>	<b>243,506</b>	<b>235,926</b>	<b>232,623</b>	<b>225,481</b>	<b>227,545</b>	<b>228,245</b>
<b>Other assets under administration</b>	<b>630,881</b>	<b>659,602</b>	<b>642,276</b>	<b>617,388</b>	<b>597,596</b>	<b>567,984</b>	<b>572,289</b>	<b>564,835</b>
<b>Total assets under administration</b>	<b>951,897</b>	<b>989,641</b>	<b>970,985</b>	<b>938,384</b>	<b>914,282</b>	<b>876,954</b>	<b>886,155</b>	<b>880,705</b>

# Europe



## Lifeco Europe Net Earnings – Consolidated

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium income	4,376	5,923	3,870	3,949	3,971	3,832	3,641	4,841	18,118	16,285
Regular net investment income	488	451	445	517	471	418	496	402	1,901	1,787
Changes in fair value through profit or loss	46	(565)	(339)	(573)	462	(147)	(252)	258	(1,431)	321
Net investment income	534	(114)	106	(56)	933	271	244	660	470	2,108
Fee and other income	348	373	395	364	368	348	346	324	1,480	1,386
<b>Total Income</b>	<b>5,258</b>	<b>6,182</b>	<b>4,371</b>	<b>4,257</b>	<b>5,272</b>	<b>4,451</b>	<b>4,231</b>	<b>5,825</b>	<b>20,068</b>	<b>19,779</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders	4,385	5,345	3,478	3,389	4,513	3,856	3,418	5,065	16,597	16,852
Commissions	158	132	153	154	150	127	146	134	597	557
General expenses	299	279	279	279	274	242	248	234	1,136	998
Restructuring and Acquisition Expenses	-	67	-	-	5	1	1	20	67	27
Other	48	43	44	42	44	37	29	37	177	147
<b>Total Benefits and Expenses</b>	<b>4,890</b>	<b>5,866</b>	<b>3,954</b>	<b>3,864</b>	<b>4,986</b>	<b>4,263</b>	<b>3,842</b>	<b>5,490</b>	<b>18,574</b>	<b>18,581</b>
<b>Net Earnings before income taxes</b>	<b>368</b>	<b>316</b>	<b>417</b>	<b>393</b>	<b>286</b>	<b>188</b>	<b>389</b>	<b>335</b>	<b>1,494</b>	<b>1,198</b>
Income tax	(12)	19	31	18	(95)	(20)	45	23	56	(47)
<b>Net Earnings before non-controlling interests</b>	<b>380</b>	<b>297</b>	<b>386</b>	<b>375</b>	<b>381</b>	<b>208</b>	<b>344</b>	<b>312</b>	<b>1,438</b>	<b>1,245</b>
Non-controlling interests	(1)	1	-	-	(1)	-	-	(1)	-	(2)
<b>Net Earnings</b>	<b>381</b>	<b>296</b>	<b>386</b>	<b>375</b>	<b>382</b>	<b>208</b>	<b>344</b>	<b>313</b>	<b>1,438</b>	<b>1,247</b>
Preferred share dividends	5	5	4	5	5	5	4	5	19	19
<b>Net Earnings before Capital Allocation</b>	<b>376</b>	<b>291</b>	<b>382</b>	<b>370</b>	<b>377</b>	<b>203</b>	<b>340</b>	<b>308</b>	<b>1,419</b>	<b>1,228</b>
Capital Allocation	(27)	(28)	(27)	(26)	(19)	(19)	(19)	(19)	(108)	(76)
<b>Net Earnings - Common Shareholders</b>	<b>349</b>	<b>263</b>	<b>355</b>	<b>344</b>	<b>358</b>	<b>184</b>	<b>321</b>	<b>289</b>	<b>1,311</b>	<b>1,152</b>
<b>Common Shareholder Net Earnings (loss)</b>										
Insurance & Annuities	271	240	281	244	250	233	239	225	1,036	947
Reinsurance <sup>(1)</sup>	89	87	97	104	67	(41)	83	81	377	190
Corporate <sup>(2)</sup>	(11)	(64)	(23)	(4)	41	(8)	(1)	(17)	(102)	15
<b>Total</b>	<b>349</b>	<b>263</b>	<b>355</b>	<b>344</b>	<b>358</b>	<b>184</b>	<b>321</b>	<b>289</b>	<b>1,311</b>	<b>1,152</b>

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				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<i>(C\$MM)</i>										
<b>Income</b>										
Premium income	496	2,809	656	627	968	989	614	957	4,588	3,528
Net investment income	460	(128)	83	70	710	202	120	415	485	1,447
Fee and other income	345	370	392	360	361	344	342	319	1,467	1,366
<b>Total Income</b>	<b>1,301</b>	<b>3,051</b>	<b>1,131</b>	<b>1,057</b>	<b>2,039</b>	<b>1,535</b>	<b>1,076</b>	<b>1,691</b>	<b>6,540</b>	<b>6,341</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	586	2,360	403	365	1,374	919	416	1,094	3,714	3,803
Commissions	119	106	111	112	114	91	104	93	448	402
General expenses	265	252	251	251	247	220	228	215	1,019	910
Other	38	35	31	32	27	24	23	20	136	94
<b>Total Benefits and Expenses</b>	<b>1,008</b>	<b>2,753</b>	<b>796</b>	<b>760</b>	<b>1,762</b>	<b>1,254</b>	<b>771</b>	<b>1,422</b>	<b>5,317</b>	<b>5,209</b>
<b>Net Earnings before income taxes</b>	<b>293</b>	<b>298</b>	<b>335</b>	<b>297</b>	<b>277</b>	<b>281</b>	<b>305</b>	<b>269</b>	<b>1,223</b>	<b>1,132</b>
Income tax	(11)	24	19	19	2	25	41	19	51	87
<b>Net Earnings before non-controlling interests</b>	<b>304</b>	<b>274</b>	<b>316</b>	<b>278</b>	<b>275</b>	<b>256</b>	<b>264</b>	<b>250</b>	<b>1,172</b>	<b>1,045</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings</b>	<b>304</b>	<b>274</b>	<b>316</b>	<b>278</b>	<b>275</b>	<b>256</b>	<b>264</b>	<b>250</b>	<b>1,172</b>	<b>1,045</b>
Perpetual share dividends	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>304</b>	<b>274</b>	<b>316</b>	<b>278</b>	<b>275</b>	<b>256</b>	<b>264</b>	<b>250</b>	<b>1,172</b>	<b>1,045</b>
Capital Allocation	(33)	(34)	(35)	(34)	(25)	(23)	(25)	(25)	(136)	(98)
<b>Net Earnings - Common Shareholders</b>	<b>271</b>	<b>240</b>	<b>281</b>	<b>244</b>	<b>250</b>	<b>233</b>	<b>239</b>	<b>225</b>	<b>1,036</b>	<b>947</b>
<b>Sales</b>										
UK / Isle of Man	1,096	3,274	1,151	949	809	1,086	873	1,095	6,470	3,863
Ireland / Germany	4,876	3,961	4,384	4,790	6,516	4,276	3,962	3,321	18,011	18,075
<b>Total - Insurance &amp; Annuities</b>	<b>5,972</b>	<b>7,235</b>	<b>5,535</b>	<b>5,739</b>	<b>7,325</b>	<b>5,362</b>	<b>4,835</b>	<b>4,416</b>	<b>24,481</b>	<b>21,938</b>
<b>Revenue Premium</b>										
Risk-based revenue premiums	496	2,809	656	627	968	989	614	957	4,588	3,528
Segregated fund deposits	3,660	2,815	2,952	2,791	4,214	2,560	3,030	2,573	12,218	12,377
Proprietary mutual funds & institutional deposits	2,321	2,217	2,627	2,988	3,475	2,428	1,972	1,618	10,153	9,493
	<b>6,477</b>	<b>7,841</b>	<b>6,235</b>	<b>6,406</b>	<b>8,657</b>	<b>5,977</b>	<b>5,616</b>	<b>5,148</b>	<b>26,959</b>	<b>25,398</b>
UK / Isle of Man	1,064	3,245	1,238	954	969	1,125	1,099	1,230	6,501	4,423
Ireland / Germany	5,413	4,596	4,997	5,452	7,688	4,852	4,517	3,918	20,458	20,975
<b>Total - Insurance &amp; Annuities <sup>(1)</sup></b>	<b>6,477</b>	<b>7,841</b>	<b>6,235</b>	<b>6,406</b>	<b>8,657</b>	<b>5,977</b>	<b>5,616</b>	<b>5,148</b>	<b>26,959</b>	<b>25,398</b>

1. Excludes participating policy revenue premiums.

Lifeco Europe – Reinsurance

(C\$MM)	2018				2017				Fiscal	Fiscal
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2018	2017
<b>Income</b>										
Premium income	3,872	3,107	3,209	3,316	2,995	2,837	3,020	3,877	13,504	12,729
Net investment income	73	13	17	(101)	197	59	102	222	2	580
Fee and other income	3	3	3	4	7	4	4	5	13	20
<b>Total Income</b>	<b>3,948</b>	<b>3,123</b>	<b>3,229</b>	<b>3,219</b>	<b>3,199</b>	<b>2,900</b>	<b>3,126</b>	<b>4,104</b>	<b>13,519</b>	<b>13,329</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	3,792	2,978	3,066	3,045	3,060	2,921	2,971	3,947	12,881	12,899
Commissions	39	26	42	42	36	36	42	41	149	155
General expenses	19	17	18	20	18	16	17	17	74	68
Other	4	3	3	5	9	6	5	7	15	27
<b>Total Benefits and Expenses</b>	<b>3,854</b>	<b>3,024</b>	<b>3,129</b>	<b>3,112</b>	<b>3,123</b>	<b>2,979</b>	<b>3,035</b>	<b>4,012</b>	<b>13,119</b>	<b>13,149</b>
<b>Net Earnings (loss) before income taxes</b>	<b>94</b>	<b>99</b>	<b>100</b>	<b>107</b>	<b>76</b>	<b>(79)</b>	<b>91</b>	<b>92</b>	<b>400</b>	<b>180</b>
Income tax	2	9	-	1	6	(42)	5	8	12	(23)
<b>Net Earnings (loss) before non-controlling interests</b>	<b>92</b>	<b>90</b>	<b>100</b>	<b>106</b>	<b>70</b>	<b>(37)</b>	<b>86</b>	<b>84</b>	<b>388</b>	<b>203</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss)</b>	<b>92</b>	<b>90</b>	<b>100</b>	<b>106</b>	<b>70</b>	<b>(37)</b>	<b>86</b>	<b>84</b>	<b>388</b>	<b>203</b>
Preferred share dividends	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss) before Capital Allocation</b>	<b>92</b>	<b>90</b>	<b>100</b>	<b>106</b>	<b>70</b>	<b>(37)</b>	<b>86</b>	<b>84</b>	<b>388</b>	<b>203</b>
Capital Allocation	(3)	(3)	(3)	(2)	(3)	(4)	(3)	(3)	(11)	(13)
<b>Net Earnings (loss) - Common Shareholders <sup>(1)</sup></b>	<b>89</b>	<b>87</b>	<b>97</b>	<b>104</b>	<b>67</b>	<b>(41)</b>	<b>83</b>	<b>81</b>	<b>377</b>	<b>190</b>
<b>Risk-based revenue premiums</b>	<b>3,872</b>	<b>3,107</b>	<b>3,209</b>	<b>3,316</b>	<b>2,995</b>	<b>2,837</b>	<b>3,020</b>	<b>3,877</b>	<b>13,504</b>	<b>12,729</b>

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

Lifeco Europe – Participating Account

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium income	8	7	5	6	8	6	7	7	26	28
Net investment income	-	1	7	(23)	25	10	21	22	(15)	78
Fee and other income	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>8</b>	<b>8</b>	<b>12</b>	<b>(17)</b>	<b>33</b>	<b>16</b>	<b>28</b>	<b>29</b>	<b>11</b>	<b>106</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	8	7	10	(18)	31	16	30	24	7	101
Commissions	-	-	-	-	-	-	-	-	-	-
General expenses	1	1	-	1	-	1	2	1	3	4
Other	-	(1)	2	-	3	(1)	(4)	5	1	3
<b>Total Benefits and Expenses</b>	<b>9</b>	<b>7</b>	<b>12</b>	<b>(17)</b>	<b>34</b>	<b>16</b>	<b>28</b>	<b>30</b>	<b>11</b>	<b>108</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(2)</b>
Income tax	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss) before non-controlling interests</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(2)</b>
Non-controlling interests	(1)	1	-	-	(1)	-	-	(1)	-	(2)
<b>Net Earnings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Risk-based revenue premiums</b>	<b>8</b>	<b>7</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>26</b>	<b>28</b>

Lifeco Europe – Corporate

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium income	-	-	-	-	-	-	-	-	-	-
Net investment income	1	-	(1)	(2)	1	-	1	1	(2)	3
Fee and other income	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>(2)</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>(2)</b>	<b>3</b>
<b>Benefits and Expenses</b>										
Paid or credited to policyholders and beneficiaries	(1)	-	(1)	(3)	48	-	1	-	(5)	49
Commissions	-	-	-	-	-	-	-	-	-	-
General expenses	14	9	10	7	9	5	1	1	40	16
Restructuring and acquisition expenses	-	67	-	-	5	1	1	20	67	27
Other	6	6	8	5	5	8	5	5	25	23
<b>Total Benefits and Expenses</b>	<b>19</b>	<b>82</b>	<b>17</b>	<b>9</b>	<b>67</b>	<b>14</b>	<b>8</b>	<b>26</b>	<b>127</b>	<b>115</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(18)</b>	<b>(82)</b>	<b>(18)</b>	<b>(11)</b>	<b>(66)</b>	<b>(14)</b>	<b>(7)</b>	<b>(25)</b>	<b>(129)</b>	<b>(112)</b>
Income tax	(3)	(14)	12	(2)	(103)	(3)	(1)	(4)	(7)	(111)
<b>Net Earnings (loss)</b>	<b>(15)</b>	<b>(68)</b>	<b>(30)</b>	<b>(9)</b>	<b>37</b>	<b>(11)</b>	<b>(6)</b>	<b>(21)</b>	<b>(122)</b>	<b>(1)</b>
Preferred shareholder dividends	5	5	4	5	5	5	4	5	19	19
<b>Net Earnings (loss) before Capital Allocation</b>	<b>(20)</b>	<b>(73)</b>	<b>(34)</b>	<b>(14)</b>	<b>32</b>	<b>(16)</b>	<b>(10)</b>	<b>(26)</b>	<b>(141)</b>	<b>(20)</b>
Capital Allocation	9	9	11	10	9	8	9	9	39	35
<b>Net Earnings (loss) - Common Shareholders <sup>(1)</sup></b>	<b>(11)</b>	<b>(64)</b>	<b>(23)</b>	<b>(4)</b>	<b>41</b>	<b>(8)</b>	<b>(1)</b>	<b>(17)</b>	<b>(102)</b>	<b>15</b>

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)

	2018				2017			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Assets</b>								
Cash and cash equivalents	2,383	2,021	2,027	2,048	1,833	1,657	1,711	1,622
Bonds	44,040	43,882	43,196	45,370	41,710	39,804	40,280	39,835
Mortgage loans	4,535	4,296	4,493	4,553	3,596	3,644	3,704	3,624
Stocks	379	432	444	424	428	418	395	454
Investment properties	2,881	2,856	2,928	3,081	2,886	2,834	2,835	2,783
Loans to policyholders	116	111	113	111	109	107	112	113
Total invested assets	54,334	53,598	53,201	55,587	50,562	48,464	49,037	48,431
Assets held for sale	897	-	-	-	-	-	-	-
Funds withheld by ceding insurers	9,251	9,145	9,581	10,070	9,893	9,977	10,317	10,496
Reinsurance assets	5,691	5,476	5,566	5,834	4,639	4,875	4,986	4,815
Derivative financial instruments	131	114	130	145	130	112	122	126
Owner occupied properties	146	139	140	144	138	133	85	80
Fixed assets	64	60	61	64	59	56	58	56
Other assets	3,024	3,078	3,315	3,510	3,157	2,783	2,827	2,935
Total other assets	3,365	3,391	3,646	3,863	3,484	3,084	3,092	3,197
Deferred tax assets	29	22	41	39	28	21	33	19
Goodwill	2,325	2,290	2,267	2,300	2,016	2,002	2,006	1,986
Intangible assets	553	532	486	500	473	459	460	445
Investments on account of segregated fund policyholders	101,078	106,075	106,248	107,322	102,920	96,713	96,087	92,080
Investments on account of segregated fund policyholders held for sale	3,319	-	-	-	-	-	-	-
<b>Total assets</b>	<b>180,842</b>	<b>180,529</b>	<b>181,036</b>	<b>185,515</b>	<b>174,015</b>	<b>165,595</b>	<b>166,018</b>	<b>161,469</b>
<b>Liabilities</b>								
Insurance contract liabilities	56,029	55,658	55,619	58,678	53,590	52,514	53,147	52,851
Investment contract liabilities	1,238	1,246	1,287	1,316	1,345	1,366	1,421	1,455
	57,267	56,904	56,906	59,994	54,935	53,880	54,568	54,306
Liabilities held for sale	897	-	-	-	-	-	-	-
Debentures and other debt instruments	1,087	1,044	1,066	1,107	1,052	1,023	1,030	988
Funds held under reinsurance contracts	1,312	1,286	1,333	1,405	329	309	295	289
Other liabilities	2,329	2,148	2,129	2,071	1,998	1,953	2,066	2,144
Deferred tax liabilities	426	440	448	421	442	486	525	542
Investment and insurance contracts on account of segregated fund policyholders	101,078	106,075	106,248	107,322	102,920	96,713	96,087	92,080
Investment and insurance contracts on account of segregated fund policyholders held for sale	3,319	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>167,715</b>	<b>167,897</b>	<b>168,130</b>	<b>172,320</b>	<b>161,676</b>	<b>154,364</b>	<b>154,571</b>	<b>150,349</b>
<b>Equity</b>								
Non-controlling interests	20	19	(1)	(1)	(2)	(1)	(1)	-
Share capital								
Perpetual preferred shares	550	550	550	550	550	550	550	550
Common shares	-	-	-	-	-	-	-	-
Accumulated surplus	11,915	11,807	11,829	11,722	11,486	10,612	10,696	10,535
Accumulated other comprehensive income (loss)	642	256	528	924	305	70	202	35
Contributed surplus	-	-	-	-	-	-	-	-
	13,127	12,632	12,906	13,195	12,339	11,231	11,447	11,120
<b>Total liabilities and equity</b>	<b>180,842</b>	<b>180,529</b>	<b>181,036</b>	<b>185,515</b>	<b>174,015</b>	<b>165,595</b>	<b>166,018</b>	<b>161,469</b>
<b>Proprietary mutual funds and institutional net assets</b>	<b>40,375</b>	<b>40,399</b>	<b>44,229</b>	<b>43,080</b>	<b>39,521</b>	<b>37,000</b>	<b>37,797</b>	<b>35,713</b>
<b>Other assets under administration</b>	<b>45,024</b>	<b>45,035</b>	<b>41,772</b>	<b>43,231</b>	<b>41,945</b>	<b>39,413</b>	<b>39,148</b>	<b>39,218</b>
<b>Total assets under administration</b>	<b>266,241</b>	<b>265,963</b>	<b>267,037</b>	<b>271,826</b>	<b>255,481</b>	<b>242,008</b>	<b>242,963</b>	<b>236,400</b>

**Lifeco Corporate**

(C\$MM)	2018				2017				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
<b>Income</b>										
Premium income	-	-	-	-	-	-	-	-	-	-
Net investment income	4	4	2	3	2	1	2	(1)	13	4
Fee and other income	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>(1)</b>	<b>13</b>	<b>4</b>
<b>Benefits and Expenses</b>										
General expenses	8	5	5	5	4	6	2	9	23	21
Other	-	1	-	-	-	1	1	-	1	2
<b>Total Benefits and Expenses</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>7</b>	<b>3</b>	<b>9</b>	<b>24</b>	<b>23</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(4)</b>	<b>(2)</b>	<b>(3)</b>	<b>(2)</b>	<b>(2)</b>	<b>(6)</b>	<b>(1)</b>	<b>(10)</b>	<b>(11)</b>	<b>(19)</b>
Income tax	(1)	(1)	(1)	-	-	(2)	-	(3)	(3)	(5)
<b>Net Earnings (loss) before non-controlling interests</b>	<b>(3)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(4)</b>	<b>(1)</b>	<b>(7)</b>	<b>(8)</b>	<b>(14)</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss)</b>	<b>(3)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(4)</b>	<b>(1)</b>	<b>(7)</b>	<b>(8)</b>	<b>(14)</b>
Preferred share dividends	-	-	-	-	2	4	-	-	-	6
<b>Net Earnings (loss) before Capital Allocation</b>	<b>(3)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(4)</b>	<b>(8)</b>	<b>(1)</b>	<b>(7)</b>	<b>(8)</b>	<b>(20)</b>
Capital Allocation	(1)	(1)	(1)	(2)	(2)	(1)	(2)	(2)	(5)	(7)
<b>Net Earnings (loss) - Common Shareholders</b>	<b>(4)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(6)</b>	<b>(9)</b>	<b>(3)</b>	<b>(9)</b>	<b>(13)</b>	<b>(27)</b>

## Lifeco – Consolidated Source of Earnings

(CSMM)	For the three months ended Dec. 31, 2018					2018			2017				Fiscal 2018	Fiscal 2017
	Canada	U.S.	Europe	Corp	Total	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Expected profit on in-force business	299	127	323	(4)	745	738	723	711	704	682	681	605	2,917	2,672
Impact of new business	7	(29)	11	-	(11)	(30)	(58)	(96)	(18)	(12)	(61)	(24)	(195)	(115)
Experience gains and losses	54	(32)	(36)	(5)	(19)	(32)	69	85	83	(91)	230	119	103	341
Management actions and changes in assumptions	46	5	54	-	105	245	232	135	125	152	38	44	717	359
Impact of U.S. tax reform on insurance contract liabilities & expenses	-	-	-	-	-	-	-	-	(119)	-	-	-	-	(119)
Other	-	-	-	-	-	(67)	(9)	-	(187)	(1)	(174)	(40)	(76)	(402)
Earnings on surplus (incl. financing charges)	23	(19)	(11)	4	(3)	1	75	17	1	(16)	(5)	16	90	(4)
<b>Net income before tax</b>	<b>429</b>	<b>52</b>	<b>341</b>	<b>(5)</b>	<b>817</b>	<b>855</b>	<b>1,032</b>	<b>852</b>	<b>589</b>	<b>714</b>	<b>709</b>	<b>720</b>	<b>3,556</b>	<b>2,732</b>
Taxes (excl. impact of U.S. tax reform)	(91)	2	12	1	(76)	(130)	(167)	(88)	(64)	(95)	(91)	(98)	(461)	(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
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>338</b>	<b>54</b>	<b>353</b>	<b>(4)</b>	<b>741</b>	<b>725</b>	<b>865</b>	<b>764</b>	<b>409</b>	<b>619</b>	<b>618</b>	<b>622</b>	<b>3,095</b>	<b>2,268</b>
Non-controlling interests & preferred dividends	(28)	1	(4)	-	(31)	(36)	(34)	(33)	(36)	(38)	(33)	(31)	(134)	(138)
Impact of U.S. tax reform on non-controlling interests	-	-	-	-	-	-	-	-	19	-	-	-	-	19
<b>Net income - Common Shareholders</b>	<b>310</b>	<b>55</b>	<b>349</b>	<b>(4)</b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>581</b>	<b>585</b>	<b>591</b>	<b>2,961</b>	<b>2,149</b>

### Expected Profit on In-Force Business

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

### Impact of New Business

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

### Experience Gains and Losses

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

### Management Actions and Changes in Assumptions

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

### Other

This component represents the amounts not included in any other line of the sources of earnings. 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				Fiscal 2018	Fiscal 2017
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1		
Expected profit on in-force business	6	9	11	4	5	4	10	(12)	30	7
Impact of new business	(12)	(10)	(8)	(9)	(8)	(5)	(8)	(8)	(39)	(29)
Experience gains and losses	(9)	(1)	(5)	(11)	-	15	4	(3)	(26)	16
Management actions and changes in assumptions	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	20	-	-	-	-	20
Earnings on surplus (incl. financing charges)	(33)	(13)	(18)	(11)	(14)	(10)	(26)	(18)	(75)	(68)
<b>Net income before tax</b>	<b>(48)</b>	<b>(15)</b>	<b>(20)</b>	<b>(27)</b>	<b>3</b>	<b>4</b>	<b>(20)</b>	<b>(41)</b>	<b>(110)</b>	<b>(54)</b>
Taxes	18	8	13	11	(5)	5	17	25	50	42
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>(30)</b>	<b>(7)</b>	<b>(7)</b>	<b>(16)</b>	<b>(2)</b>	<b>9</b>	<b>(3)</b>	<b>(16)</b>	<b>(60)</b>	<b>(12)</b>
Non-controlling interests & preferred dividends	1	(1)	(1)	-	(3)	(3)	(3)	-	(1)	(9)
<b>Net income - common shareholders <sup>(1)</sup></b>	<b>(29)</b>	<b>(8)</b>	<b>(8)</b>	<b>(16)</b>	<b>(5)</b>	<b>6</b>	<b>(6)</b>	<b>(16)</b>	<b>(61)</b>	<b>(21)</b>