

# GREAT-WEST LIFECO INC.

## Supplemental Information Package For Analysts and Investors (Unaudited) Q3 2019



## **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 Q3 2019 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	Reinsured Insurance & Annuity Business	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
<b>Lifeco</b>		Corporate Statements of Earnings	44
Capital Structure	13	U.S. Balance Sheets	45
Statements of Earnings	14		
Balance Sheets	15	<b>Europe</b>	46
Supplemental Balance Sheet Information	16	Consolidated Statements of Earnings	47
Impaired Loans & Credit Losses	17	Insurance & Annuities Statements of Earnings	48
Cash Flow Statements	18	Reinsurance Statements of Earnings	49
Statements of Accumulated and Contributed Surplus	19	Participating Account Statements of Earnings	50
Reconciliation of Accumulated Other Comprehensive Income	20	Corporate Statements of Earnings	51
Sales (New Annualized Premium)	21	Europe Balance Sheets	52
Premiums & Deposits	22		
Fee Income and Other Income	23	<b>Lifeco Corporate Statements of Earnings</b>	53
Expense Summary	24	<b>Lifeco Consolidated Source of Earnings</b>	54
		<b>Putnam Source of Earnings</b>	55
<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 \$1,597 billion in assets under administration. Lifeco is a member of the Power Financial Corporation group of companies.

## Investor Relations Contact Information

### David McCarthy

Executive Vice-President & Deputy Chief Financial Officer

Great-West Lifeco Inc.  
330 University Avenue  
Toronto, ON M5G 1R8  
Tel: (416) 552-3822  
E-mail: david.mccarthy@gwl.ca

### Deirdre Neary

Assistant Vice-President, Investor Relations

Great-West Lifeco Inc.  
330 University Avenue  
Toronto, ON M5G 1R8  
Tel: (416) 552-3208  
E-mail: deirdre.neary@gwl.ca

### Sean Brokop, CFA

Manager, Corporate Finance & Treasury

Great-West Lifeco Inc.  
100 Osborne Street  
Winnipeg, MB R3C 3A5  
Tel: (204) 946-4390  
E-mail: sean.brokop@gwl.ca

---

## Great-West Lifeco Inc.



## Lifeco Financial Highlights

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

	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Income</b>											
Premium Income	9,324	(3,887)	9,595	9,045	10,337	7,905	8,174	8,494	15,032	26,416	35,461
Net Investment Income	3,554	4,042	5,815	1,234	207	1,225	86	2,979	13,411	1,518	2,752
Fee & Other Income	1,496	2,591	1,479	1,420	1,483	1,483	1,433	1,439	5,566	4,399	5,819
<b>Total Income</b>	<b>14,374</b>	<b>2,746</b>	<b>16,889</b>	<b>11,699</b>	<b>12,027</b>	<b>10,613</b>	<b>9,693</b>	<b>12,912</b>	<b>34,009</b>	<b>32,333</b>	<b>44,032</b>
<b>Operating Earnings - Common Shareholders</b>	<b>730</b>	<b>459</b>	<b>657</b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>1,846</b>	<b>2,251</b>	<b>2,961</b>
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings - Common Shareholders</b>	<b>730</b>	<b>459</b>	<b>657</b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>1,846</b>	<b>2,251</b>	<b>2,961</b>
Net Earnings attributable to Perpetual Preferred Shareholders	33	34	33	33	34	33	33	33	100	100	133
<b>Net Earnings - Total Shareholders</b>	<b>763</b>	<b>493</b>	<b>690</b>	<b>743</b>	<b>723</b>	<b>864</b>	<b>764</b>	<b>425</b>	<b>1,946</b>	<b>2,351</b>	<b>3,094</b>
<b>Earnings per Common Share</b>											
Operating Earnings	\$0.786	\$0.489	\$0.665	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$1.940	\$2.277	\$2.996
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-	-
Basic earnings per share	\$0.786	\$0.489	\$0.665	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$1.940	\$2.277	\$2.996
Diluted earnings per share	\$0.785	\$0.489	\$0.665	\$0.719	\$0.697	\$0.839	\$0.739	\$0.396	\$1.939	\$2.275	\$2.994
<b>Common Shareholder Net Earnings (Loss) - by Segment</b>											
Canada	300	280	283	310	315	334	316	338	863	965	1,275
U.S.	77	(98)	81	55	113	145	75	(298)	60	333	388
Europe	357	282	299	349	263	355	344	358	938	962	1,311
Corporate	(4)	(5)	(6)	(4)	(2)	(3)	(4)	(6)	(15)	(9)	(13)
<b>Total</b>	<b>730</b>	<b>459</b>	<b>657</b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>1,846</b>	<b>2,251</b>	<b>2,961</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

(CSMM)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Common Shareholder Net Earnings (Loss)</b>											
<b>Canada</b>											
Individual Customer	85	135	124	171	165	211	138	162	344	514	685
Group Customer	206	161	151	144	150	194	142	193	518	486	630
Corporate <sup>(1)</sup>	9	(16)	8	(5)	-	(71)	36	(17)	1	(35)	(40)
	<b>300</b>	<b>280</b>	<b>283</b>	<b>310</b>	<b>315</b>	<b>334</b>	<b>316</b>	<b>338</b>	<b>863</b>	<b>965</b>	<b>1,275</b>
<b>U.S.</b>											
Financial Services	63	62	86	84	121	101	91	80	211	313	397
Asset Management	13	6	(4)	(29)	(8)	(8)	(16)	(5)	15	(32)	(61)
Corporate <sup>(2)</sup>	1	3	(1)	-	-	52	-	(373)	3	52	52
Reinsured Insurance & Annuity Business <sup>(3) (4)</sup>	-	(169)	-	-	-	-	-	-	(169)	-	-
	<b>77</b>	<b>(98)</b>	<b>81</b>	<b>55</b>	<b>113</b>	<b>145</b>	<b>75</b>	<b>(298)</b>	<b>60</b>	<b>333</b>	<b>388</b>
<b>Europe</b>											
Insurance & Annuities	306	207	203	271	240	281	244	250	716	765	1,036
Reinsurance <sup>(5)</sup>	55	77	97	89	87	97	104	67	229	288	377
Corporate <sup>(5)</sup>	(4)	(2)	(1)	(11)	(64)	(23)	(4)	41	(7)	(91)	(102)
	<b>357</b>	<b>282</b>	<b>299</b>	<b>349</b>	<b>263</b>	<b>355</b>	<b>344</b>	<b>358</b>	<b>938</b>	<b>962</b>	<b>1,311</b>
<b>Corporate</b>	(4)	(5)	(6)	(4)	(2)	(3)	(4)	(6)	(15)	(9)	(13)
<b>Total <sup>(6)</sup></b>	<b>730</b>	<b>459</b>	<b>657</b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>1,846</b>	<b>2,251</b>	<b>2,961</b>

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

2) 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).

Q2 2018 includes a net positive impact of \$60m arising from refinancing in the U.S. segment completed in the second quarter of 2018

3) Reinsured Insurance & Annuity Business reflects business transferred to Protective Life under an indemnity reinsurance agreement effective June 1, 2019. Comparative figures for the U.S. segment have not been restated to reflect current presentation

4) Q2 2019 includes a net charge of \$199m (after-tax) relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business

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

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>(C\$ / US\$)</b>								
Balance Sheet	1.32	1.31	1.34	1.36	1.29	1.31	1.29	1.26
Income & Expenses	1.32	1.34	1.33	1.32	1.31	1.29	1.26	1.27
<b>(C\$ / £)</b>								
Balance Sheet	1.63	1.66	1.74	1.74	1.69	1.73	1.81	1.70
Income & Expenses	1.63	1.72	1.73	1.70	1.70	1.76	1.76	1.69
<b>(C\$ / €)</b>								
Balance Sheet	1.44	1.49	1.50	1.56	1.50	1.53	1.59	1.51
Income & Expenses	1.47	1.50	1.51	1.51	1.52	1.54	1.55	1.50



## 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			Substantial Issuer Bid			Basic Shares Outstanding
		Private/ Public	Exercised Options	Shares Bought	Price	Cost	Shares Bought	Price	Cost	
<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
<b>Q1 2019</b>	987,739,408	-	494,565	-	-	-	-	-	-	988,233,973
<b>Q2 2019</b>	988,233,973	-	313,921	-	-	-	59,700,974	\$33.50	\$1,999,982,629	928,846,920
<b>Q3 2019</b>	928,846,920	-	38,480	-	-	-	-	-	-	928,885,400

**3 months ended Sept. 30, 2019**

Average common shares outstanding - Basic	928,855,248
Potential exercise of outstanding stock options	343,713
Average common shares outstanding - Diluted	929,198,961

## Lifeco Financial Ratio Highlights

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Share Price</b>								
High	\$31.88	\$34.38	\$32.72	\$31.45	\$32.72	\$34.34	\$35.51	\$36.40
Low	\$27.59	\$29.69	\$27.90	\$27.10	\$30.30	\$32.04	\$32.43	\$34.66
Close	\$31.81	\$30.15	\$32.36	\$28.18	\$31.34	\$32.32	\$32.88	\$35.10
<b>Operating EPS</b>								
Operating EPS	\$0.786	\$0.489	\$0.665	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397
Operating EPS Growth <i>(qtr / qtr)</i>	60.7%	(26.5%)	(7.5%)	3.2%	(16.9%)	13.4%	86.4%	(32.4%)
<b>Dividends</b>								
Common Dividends Declared / Share		\$0.4130	\$0.4130	\$0.4130	\$0.3890	\$0.3890	\$0.3890	\$0.3890
Common Dividends Paid / Share	\$0.4130	\$0.4130	\$0.4130	\$0.3890	\$0.3890	\$0.3890	\$0.3890	\$0.3670
Paid Dividend Growth <i>(qtr / qtr)</i>	0.0%	0.0%	6.2%	0.0%	0.0%	0.0%	6.0%	0.0%
Paid Dividend Growth <i>(yr / yr)</i>	6.2%	6.2%	6.2%	6.0%	6.0%	6.0%	6.0%	6.1%
Dividend Payout Ratio <sup>(1)</sup>	52.5%	84.5%	62.1%	54.1%	55.8%	46.4%	52.6%	92.4%
Dividend Yield (annualized) <sup>(2)</sup>	5.2%	5.5%	5.1%	5.5%	5.0%	4.8%	4.7%	4.2%
<b>Ratios</b>								
P/E Ratio <i>(rolling 4 qtrs - operating earnings)</i>	12.0x	11.7x	11.1x	9.4x	11.7x	12.6x	14.2x	16.2x
P/Book Value Ratio	1.5x	1.4x	1.5x	1.3x	1.5x	1.5x	1.6x	1.7x
ROE <sup>(3)</sup> (12 Months Trailing)	12.4%	12.0%	13.5%	14.0%	12.8%	12.5%	11.4%	10.9%
<b>Share Information</b>								
Total Shares Outstanding (mm)	928.9	928.8	988.2	987.7	988.4	989.0	988.6	988.7
Majority Shareholder Beneficial Ownership (mm)	657.6	657.6	709.3	709.3	709.3	709.3	709.3	709.3
Public Float Shares (mm)	271.3	271.2	278.9	278.4	279.1	279.7	279.3	279.4
Total Market Capitalization (mm)	\$29,548	\$28,003	\$31,979	\$27,834	\$30,976	\$31,964	\$32,506	\$34,704
Public Float (mm)	\$8,630	\$8,177	\$9,026	\$7,846	\$8,746	\$9,039	\$9,184	\$9,808
Book Value per Share	\$21.02	\$20.84	\$22.07	\$22.08	\$21.25	\$21.22	\$21.01	\$20.11

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)

	2019			2018			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>LICAT</b>							
<b>Great-West Life Assurance Company</b>							
Tier 1 Capital	11,603	11,134	12,404	12,455	12,315	12,398	12,536
Tier 2 Capital	3,466	3,655	3,722	3,686	3,255	3,262	3,212
<b>Available Capital</b>	<b>15,069</b>	<b>14,789</b>	<b>16,126</b>	<b>16,141</b>	<b>15,570</b>	<b>15,660</b>	<b>15,748</b>
Surplus Allowance & Eligible Deposits	11,927	11,723	11,137	10,665	10,258	10,130	10,342
<b>Total Capital Resources</b>	<b>26,996</b>	<b>26,512</b>	<b>27,263</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>19,368</b>	<b>19,542</b>	<b>19,508</b>	<b>19,165</b>	<b>19,322</b>	<b>19,429</b>	<b>20,034</b>
Total Ratio	139%	136%	140%	140%	134%	133%	130%
Core Ratio	103%	99%	104%	104%	101%	100%	99%
<b>London Life Insurance Company</b>							
Tier 1 Capital	2,567	2,551	2,676	2,689	2,750	2,647	2,832
Tier 2 Capital	1,154	1,225	1,331	1,321	1,157	1,171	1,020
<b>Available Capital</b>	<b>3,721</b>	<b>3,776</b>	<b>4,007</b>	<b>4,010</b>	<b>3,907</b>	<b>3,818</b>	<b>3,852</b>
Surplus Allowance & Eligible Deposits	1,929	1,957	1,905	1,901	1,929	1,987	2,064
<b>Total Capital Resources</b>	<b>5,650</b>	<b>5,733</b>	<b>5,912</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>4,447</b>	<b>4,341</b>	<b>4,482</b>	<b>4,412</b>	<b>3,983</b>	<b>3,936</b>	<b>3,985</b>
Total Ratio	127%	132%	132%	134%	147%	147%	148%
Core Ratio	88%	90%	89%	91%	103%	103%	107%
<b>Canada Life Assurance Company</b>							
Tier 1 Capital	9,052	8,761	9,245	9,162	9,035	9,305	9,370
Tier 2 Capital	2,475	2,529	2,513	2,532	2,250	2,212	2,278
<b>Available Capital</b>	<b>11,527</b>	<b>11,290</b>	<b>11,758</b>	<b>11,694</b>	<b>11,285</b>	<b>11,517</b>	<b>11,648</b>
Surplus Allowance & Eligible Deposits	8,625	8,369	7,918	7,521	7,121	6,932	7,056
<b>Total Capital Resources</b>	<b>20,152</b>	<b>19,659</b>	<b>19,676</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>13,542</b>	<b>13,795</b>	<b>13,690</b>	<b>13,460</b>	<b>12,814</b>	<b>12,964</b>	<b>13,493</b>
Total Ratio	149%	143%	144%	143%	144%	142%	139%
Core Ratio	111%	106%	108%	107%	109%	109%	106%
<b>Risk-Based Capital (RBC) - US\$</b>							
<b>GWL&amp;A</b>							
Total Adjusted Capital				1,556	1,361		
Company Action Level				324	271		
Ratio				480%	502%		

Great-West Life Assurance Company – LICAT

(C\$MM unless otherwise stated)

	2019			2018			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Available Capital:</b>							
<b>Tier 1 Capital</b>							
Common shares	8,882	8,882	8,882	8,882	8,882	8,882	8,882
Shareholder Surplus	11,499	11,071	12,132	12,065	11,853	11,562	11,291
Other Tier 1	2,374	2,544	2,952	3,103	2,830	3,058	3,349
Less: Goodwill & Intangibles	(8,080)	(8,086)	(8,115)	(8,136)	(8,070)	(7,982)	(8,018)
Less: Other Deductions	(3,072)	(3,277)	(3,447)	(3,459)	(3,180)	(3,122)	(2,968)
<b>Total Tier 1 Capital</b>	<b>11,603</b>	<b>11,134</b>	<b>12,404</b>	<b>12,455</b>	<b>12,315</b>	<b>12,398</b>	<b>12,536</b>
<b>Tier 2 Capital</b>	<b>3,466</b>	<b>3,655</b>	<b>3,722</b>	<b>3,686</b>	<b>3,255</b>	<b>3,262</b>	<b>3,212</b>
<b>Available Capital</b>	<b>15,069</b>	<b>14,789</b>	<b>16,126</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>11,927</b>	<b>11,723</b>	<b>11,137</b>	<b>10,665</b>	<b>10,258</b>	<b>10,130</b>	<b>10,342</b>
<b>Total Capital Resources</b>	<b>26,996</b>	<b>26,512</b>	<b>27,263</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	2,649	2,610	2,606	2,526	2,439	2,489	2,591
Market Risk	2,227	2,339	2,415	2,352	2,189	2,208	2,388
Insurance Risk, Net of Adjustable Credits	11,262	11,516	11,503	11,405	10,841	10,981	11,349
	<b>16,138</b>	<b>16,465</b>	<b>16,524</b>	<b>16,283</b>	<b>15,469</b>	<b>15,678</b>	<b>16,328</b>
Participating Business Total Risk	2,983	2,857	2,907	2,812	3,849	3,727	3,725
Less: Diversification & Other Credits	(3,370)	(3,392)	(3,451)	(3,395)	(3,380)	(3,356)	(3,467)
Segregated Fund Guarantee Risk	321	317	324	332	275	265	268
Operational Risk	2,374	2,364	2,275	2,220	2,189	2,190	2,226
<b>Solvency Buffers prior to OSFI scalar</b>	<b>18,446</b>	<b>18,611</b>	<b>18,579</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>19,368</b>	<b>19,542</b>	<b>19,508</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%)	139%	136%	140%	140%	134%	133%	130%
Core Ratio <sup>(2)</sup> (OSFI Supervisory Target = 70%)	103%	99%	104%	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	2019			2018		
	Q3	Q2	Q1	Q4	Q3	Q2
<b>Short Term</b>						
Commercial Paper & other short term borrowings	131	130	134	135	129	130
Putnam revolving credit facility	159	242	355	340	148	190
1.96125 % Short-term bank loan due July 16, 2019	-	25	-	-	-	-
2.0175% Short-term bank loan due July 16, 2019	-	100	-	-	-	-
1.96% Short-term bank loan due November 21, 2019	225	-	-	-	-	-
<b>Total Short Term</b>	<b>515</b>	<b>497</b>	<b>489</b>	<b>475</b>	<b>277</b>	<b>320</b>
<b>Capital</b>						
<b>Lifeco</b>						
6.74% Debenture due Nov 24, 2031	194	194	194	194	193	193
6.67% Debenture due Mar 21, 2033	393	393	393	393	393	393
5.998% Debenture due Nov 16, 2039	342	342	342	342	342	342
4.65% Debenture due Aug 13, 2020	500	500	500	500	500	500
2.50% Euro Bond Debt due April 18, 2023	718	743	747	778	747	762
1.75% Euro Bond Debt due December 7, 2026	715	740	745	774	745	759
3.337% Debenture due Feb 28, 2028	498	498	497	497	497	497
<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)	228	226	232	235	223	226
<b>Lifeco Finance (Delaware)</b>						
4.150% Senior Notes due June 3, 2047 (LP)	907	900	921	934	886	900
<b>Lifeco Finance 2018</b>						
4.047% Senior Notes due May 17, 2028	394	391	399	405	385	390
4.581% Senior Notes due May 17, 2048	653	648	663	673	638	649
<b>Total Debt and Other Loans</b>	<b>6,157</b>	<b>6,172</b>	<b>6,222</b>	<b>6,300</b>	<b>5,926</b>	<b>6,031</b>
<b>Capital Trust Securities</b>						
<b>CLiCS</b>						
Acquisition related FMV adjustment	9	9	9	9	10	10
Trust securities held by consolidated group	159	159	159	159	160	160
Capital Trust Securities (externally held)	(37)	(37)	(37)	(37)	(37)	(37)
	122	122	122	122	123	123

EQUITY	2019			2018		
	Q3	Q2	Q1	Q4	Q3	Q2
<b>Non-Controlling Interests</b>						
Non-controlling interest in capital stock & surplus	121	125	125	138	154	135
<b>Undistributed Participating Account Surplus</b>						
Great-West Life	599	612	614	608	603	623
London Life	1,880	1,828	1,830	1,827	1,844	1,797
Canada Life	303	302	294	288	291	347
GWL&A	14	14	14	14	14	15
	2,796	2,756	2,752	2,737	2,752	2,782
<b>Total Non-Controlling Interest</b>	<b>2,917</b>	<b>2,881</b>	<b>2,877</b>	<b>2,875</b>	<b>2,906</b>	<b>2,917</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>(1)</sup>	213	213	213	213	213	213
Series O Non-Cumulative Floating Rate Preferreds <sup>(2)</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	5,633	5,632	7,298	7,283	7,287	7,291
Accumulated & Contributed Surplus	13,744	13,391	13,636	13,481	13,168	12,870
Accumulated Other Comprehensive Income (loss)	149	337	875	1,045	549	828
<b>Total Equity Capital</b>	<b>25,157</b>	<b>24,955</b>	<b>27,400</b>	<b>27,398</b>	<b>26,624</b>	<b>26,620</b>

1) Fixed dividend rate until Dec. 30, 2020, at which time the dividend becomes equal to the five year Government of Canada yield plus 1.30% for the subsequent five year period

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

## Lifeco Statements of Earnings

	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<i>(C\$MM, unless otherwise stated)</i>											
<b>Income</b>											
Premium income	9,324	(3,887)	9,595	9,045	10,337	7,905	8,174	8,494	15,032	26,416	35,461
Regular net investment income	1,452	1,797	1,450	1,632	1,578	1,575	1,573	1,564	4,699	4,726	6,358
Changes in fair value through profit or loss	2,102	2,245	4,365	(398)	(1,371)	(350)	(1,487)	1,415	8,712	(3,208)	(3,606)
Net investment income	3,554	4,042	5,815	1,234	207	1,225	86	2,979	13,411	1,518	2,752
Fee and other income	1,496	2,591	1,479	1,420	1,483	1,483	1,433	1,439	5,566	4,399	5,819
Total Income	14,374	2,746	16,889	11,699	12,027	10,613	9,693	12,912	34,009	32,333	44,032
<b>Benefits and Expenses</b>											
Paid or credited to policyholders	11,440	(30)	13,912	8,686	9,046	7,556	6,780	9,987	25,322	23,382	32,068
Commissions	571	598	610	673	611	596	594	646	1,779	1,801	2,474
Operating expenses	1,258	1,374	1,301	1,311	1,244	1,241	1,237	1,237	3,933	3,722	5,033
Premium taxes	123	125	130	128	122	124	121	115	378	367	495
Financing charges	70	72	72	70	69	11	71	74	214	151	221
Amortization of finite life intangible assets	57	54	53	59	54	50	49	29	164	153	212
Restructuring and acquisition expenses	-	-	-	-	67	-	-	5	-	67	67
Loss on assets held for sale	-	-	-	-	-	-	-	202	-	-	-
Total Benefits and Expenses	13,519	2,193	16,078	10,927	11,213	9,578	8,852	12,295	31,790	29,643	40,570
<b>Net Earnings before income taxes</b>	855	553	811	772	814	1,035	841	617	2,219	2,690	3,462
Income Tax - Current	26	83	71	78	78	81	84	(39)	180	243	321
- Deferred	21	(30)	59	(28)	29	72	(7)	221	50	94	66
<b>Net Earnings before non-controlling interests</b>	808	500	681	722	707	882	764	435	1,989	2,353	3,075
Non-controlling interests	45	7	(9)	(21)	(16)	18	-	10	43	2	(19)
<b>Net Earnings</b>	763	493	690	743	723	864	764	425	1,946	2,351	3,094
Perpetual preferred share dividends	33	34	33	33	34	33	33	33	100	100	133
<b>Net Earnings - Common Shareholders</b>	730	459	657	710	689	831	731	392	1,846	2,251	2,961
<b>Earnings per Common Share</b>											
Operating Earnings	\$0.786	\$0.489	\$0.665	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$1.940	\$2.277	\$2.996
Adjustments (after-tax)	-	-	-	-	-	-	-	-	-	-	-
Basic Earnings	\$0.786	\$0.489	\$0.665	\$0.719	\$0.697	\$0.839	\$0.740	\$0.397	\$1.940	\$2.277	\$2.996
Diluted Earnings	\$0.785	\$0.489	\$0.665	\$0.719	\$0.697	\$0.839	\$0.739	\$0.396	\$1.939	\$2.275	\$2.994
Average number of shares outstanding (MM) - basic	928.9	939.3	987.8	988.0	988.7	989.1	988.6	989.3	951.8	988.8	988.6
Average number of shares outstanding (MM) - diluted	929.2	940.0	988.1	988.0	989.4	990.0	989.7	990.7	952.2	989.7	989.1
Effective tax rate	5.5%	9.6%	16.0%	6.4%	13.1%	14.8%	9.1%	29.5%	10.4%	12.5%	11.2%

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**

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Government bonds	47,899	47,360	48,731	48,787	48,608	47,728	49,620	49,897
Corporate bonds	67,994	66,267	77,568	76,075	73,501	74,709	74,885	70,307
Total bonds <sup>(1)</sup>	115,893	113,627	126,299	124,862	122,109	122,437	124,505	120,204
Mortgage loans	24,141	23,605	25,509	25,014	24,198	24,206	23,855	22,185
Stocks	10,086	9,833	10,063	9,290	9,350	9,226	8,725	8,864
Investment properties	5,542	5,416	5,449	5,218	5,064	5,098	5,217	4,851
Loans to policyholders	8,717	8,917	8,826	8,929	8,530	8,611	8,408	8,280
Cash and cash equivalents	3,853	3,835	4,481	4,168	3,882	3,794	3,595	3,551
Total invested assets	168,232	165,233	180,627	177,481	173,133	173,372	174,305	167,935
Funds withheld by ceding insurers	8,791	8,959	9,299	9,251	9,145	9,581	10,070	9,893
Reinsurance assets	21,195	20,479	6,124	6,126	5,895	6,095	6,265	5,045
Premiums in course of collection, accounts and interest receivable	5,321	5,718	6,074	5,202	5,105	4,990	5,436	4,647
Current income taxes	264	222	185	218	194	224	226	134
Derivative financial instruments	694	655	496	417	396	382	351	384
Owner occupied properties	733	732	724	731	699	720	718	706
Fixed assets	452	452	445	448	392	372	317	303
Other assets	3,051	2,956	2,996	2,567	2,650	2,604	2,622	2,424
Deferred tax assets	876	906	928	981	916	937	1,008	930
Goodwill	6,490	6,492	6,530	6,548	6,501	6,480	6,508	6,179
Intangible assets	3,875	3,866	3,931	3,976	3,849	3,821	3,794	3,732
Assets held for sale	876	857	908	897	-	-	-	169
Investments on account of segregated fund policyholders	222,604	221,092	219,793	209,527	220,207	221,117	221,031	217,357
Investments on account of segregated fund policyholders held for sale	3,172	3,278	3,432	3,319	-	-	-	-
<b>Total assets</b>	<b>446,626</b>	<b>441,897</b>	<b>442,492</b>	<b>427,689</b>	<b>429,082</b>	<b>430,695</b>	<b>432,651</b>	<b>419,838</b>
<b>Liabilities</b>								
Insurance contract liabilities	174,433	171,490	170,790	166,720	163,376	163,898	165,648	159,524
Investment contract liabilities	1,721	1,714	1,729	1,711	1,722	1,769	1,777	1,841
	176,154	173,204	172,519	168,431	165,098	165,667	167,425	161,365
Liabilities held for sale	876	857	908	897	-	-	-	-
Debentures and other debt instruments	6,316	6,331	6,381	6,459	6,086	6,191	6,085	5,777
Funds held under reinsurance contracts	1,410	1,381	1,381	1,367	1,338	1,383	1,452	373
Other liabilities	9,810	9,642	9,442	9,081	8,487	8,504	9,014	8,236
Deferred tax liabilities	1,127	1,157	1,236	1,210	1,242	1,213	1,209	1,194
Investment and insurance contracts on account of segregated fund policyholders	222,604	221,092	219,793	209,527	220,207	221,117	221,031	217,357
Investment and insurance contracts on account of segregated fund policyholders held for sale	3,172	3,278	3,432	3,319	-	-	-	-
<b>Total liabilities</b>	<b>421,469</b>	<b>416,942</b>	<b>415,092</b>	<b>400,291</b>	<b>402,458</b>	<b>404,075</b>	<b>406,216</b>	<b>394,302</b>
<b>Equity</b>								
Non-controlling interests	2,917	2,881	2,877	2,875	2,906	2,917	2,948	2,935
Share capital								
Perpetual preferred shares	2,714	2,714	2,714	2,714	2,714	2,714	2,714	2,714
Common shares	5,633	5,632	7,298	7,283	7,287	7,291	7,268	7,260
Accumulated surplus	13,578	13,231	13,483	13,342	13,032	12,742	12,311	12,098
Accumulated other comprehensive income (loss)	149	337	875	1,045	549	828	1,073	386
Contributed surplus	166	160	153	139	136	128	121	143
	25,157	24,955	27,400	27,398	26,624	26,620	26,435	25,536
<b>Total liabilities and equity</b>	<b>446,626</b>	<b>441,897</b>	<b>442,492</b>	<b>427,689</b>	<b>429,082</b>	<b>430,695</b>	<b>432,651</b>	<b>419,838</b>
<b>Proprietary mutual funds and institutional assets</b>	<b>308,425</b>	<b>305,252</b>	<b>304,230</b>	<b>281,664</b>	<b>293,766</b>	<b>294,890</b>	<b>285,843</b>	<b>278,954</b>
<b>Other assets under administration</b>	<b>841,700</b>	<b>820,808</b>	<b>804,202</b>	<b>689,520</b>	<b>718,410</b>	<b>697,680</b>	<b>673,597</b>	<b>651,121</b>
<b>Total assets under administration</b>	<b>1,596,751</b>	<b>1,567,957</b>	<b>1,550,924</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>

1) Includes short-term bonds



# Lifeco Supplemental Balance Sheet Information

(C\$MM, unless otherwise stated)

## Bond Portfolio Quality

### Canada

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
AAA	7,882	7,857	7,944	7,845	8,331	8,369	8,765	9,218
AA	11,230	10,857	10,599	10,274	9,976	10,187	10,337	10,049
A	18,417	18,101	17,768	17,259	17,201	17,369	17,104	17,237
BBB	10,058	9,746	9,378	9,020	8,515	8,237	7,871	7,249
BB or Lower	90	90	105	77	78	76	76	77
<b>Total</b>	<b>47,677</b>	<b>46,651</b>	<b>45,794</b>	<b>44,475</b>	<b>44,101</b>	<b>44,238</b>	<b>44,153</b>	<b>43,830</b>

### U.S.

AAA	5,784	5,723	7,090	7,066	6,681	6,801	6,970	7,263
AA	2,929	2,839	5,188	5,196	4,830	5,075	5,006	4,824
A	7,214	7,040	11,113	10,960	10,586	10,972	10,908	10,876
BBB	5,083	4,451	9,939	9,796	9,060	9,063	8,993	8,609
BB or Lower	360	353	542	465	422	449	493	540
<b>Total</b>	<b>21,370</b>	<b>20,406</b>	<b>33,872</b>	<b>33,483</b>	<b>31,579</b>	<b>32,360</b>	<b>32,370</b>	<b>32,112</b>

### Europe

AAA	5,368	5,065	5,310	5,751	5,564	5,676	6,247	5,822
AA	16,846	17,022	17,356	16,927	17,120	16,143	17,308	16,075
A	12,783	12,717	12,875	12,637	12,823	12,773	13,104	12,053
BBB	6,629	6,488	6,451	6,715	6,292	6,414	6,656	5,591
BB or Lower	134	132	364	408	415	434	524	516
<b>Total</b>	<b>41,760</b>	<b>41,424</b>	<b>42,356</b>	<b>42,438</b>	<b>42,214</b>	<b>41,440</b>	<b>43,839</b>	<b>40,057</b>

## Total Bond Portfolio Quality

AAA	19,034	18,645	20,344	20,662	20,576	20,846	21,982	22,303
AA	31,005	30,718	33,143	32,397	31,926	31,405	32,651	30,948
A	38,414	37,858	41,756	40,856	40,610	41,114	41,116	40,166
BBB	21,770	20,685	25,768	25,531	23,867	23,714	23,520	21,449
BB or Lower	584	575	1,011	950	915	959	1,093	1,133
<b>Total <sup>(1)</sup></b>	<b>110,807</b>	<b>108,481</b>	<b>122,022</b>	<b>120,396</b>	<b>117,894</b>	<b>118,038</b>	<b>120,362</b>	<b>115,999</b>

1. Excludes short term bonds.

(C\$B)

## Bonds unrealized Gain / Loss

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Unrealized Gains	10.4	8.7	7.7	5.6	6.3	7.5	8.2	9.0
Unrealized Losses	(0.2)	(0.2)	(0.4)	(1.4)	(1.5)	(1.2)	(0.9)	(0.5)
<b>Net Gains / Losses</b>	<b>10.2</b>	<b>8.5</b>	<b>7.3</b>	<b>4.2</b>	<b>4.8</b>	<b>6.3</b>	<b>7.3</b>	<b>8.5</b>

## Segregated Fund Net Assets

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Stocks, mutual funds and units in unit trusts	152,228	150,831	150,750	140,809	153,257	152,752	150,992	148,123
Bonds	44,960	43,657	42,915	42,142	41,385	42,746	43,113	42,270
Mortgage loans	2,724	2,719	2,741	2,746	2,705	2,693	2,660	2,610
Investment properties	12,871	12,849	12,696	12,319	11,979	11,783	11,842	11,520
Cash & other	9,821	11,036	10,691	11,511	10,881	11,143	12,424	12,834
<b>Total</b>	<b>222,604</b>	<b>221,092</b>	<b>219,793</b>	<b>209,527</b>	<b>220,207</b>	<b>221,117</b>	<b>221,031</b>	<b>217,357</b>

## Mortgage Loan Portfolio

### Q3 2019

	Insured	Non-Insured	Total
Single-family residential	583	1,491	2,074
Multi-family residential	3,711	3,468	7,179
Equity Release	-	1,160	1,160
Commercial	272	13,456	13,728
<b>Total Mortgage Loans</b>	<b>4,566</b>	<b>19,575</b>	<b>24,141</b>

### Q2 2019

Single-family residential	592	1,491	2,083
Multi-family residential	3,810	3,509	7,319
Equity Release	-	979	979
Commercial	276	12,948	13,224
<b>Total Mortgage Loans</b>	<b>4,678</b>	<b>18,927</b>	<b>23,605</b>

### Q1 2019

Single-family residential	602	1,491	2,093
Multi-family residential	3,861	3,759	7,620
Equity Release	-	924	924
Commercial	297	14,575	14,872
<b>Total Mortgage Loans</b>	<b>4,760</b>	<b>20,749</b>	<b>25,509</b>

### Q4 2018

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
<b>Total Mortgage Loans</b>	<b>4,832</b>	<b>20,182</b>	<b>25,014</b>

### Q3 2018

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

### Q2 2018

Single-family residential	632	1,481	2,113
Multi-family residential	3,856	3,545	7,401
Equity Release	-	768	768
Commercial	310	13,614	13,924
<b>Total Mortgage Loans</b>	<b>4,798</b>	<b>19,408</b>	<b>24,206</b>

### Q1 2018

Single-family residential	649	1,475	2,124
Multi-family residential	3,761	3,293	7,054
Equity Release	-	832	832
Commercial	315	13,530	13,845
<b>Total Mortgage Loans</b>	<b>4,725</b>	<b>19,130</b>	<b>23,855</b>

### Q4 2017

Single-family residential	656	1,483	2,139
Multi-family residential	3,549	3,217	6,766
Commercial	328	12,952	13,280
<b>Total Mortgage Loans</b>	<b>4,533</b>	<b>17,652</b>	<b>22,185</b>

## Lifeco Impaired Loans and Credit Losses

(C\$MM)

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Gross Impaired Loans</b>								
Fair value through profit or loss <sup>(1)</sup>	117	118	236	164	175	182	186	213
Available for sale	18	18	31	31	32	34	34	16
Loans & receivables	84	86	21	48	47	62	65	81
<b>Total</b>	<b>219</b>	<b>222</b>	<b>288</b>	<b>243</b>	<b>254</b>	<b>278</b>	<b>285</b>	<b>310</b>
Canada	1	1	1	2	1	1	2	2
US	134	135	265	195	203	212	215	224
Europe	84	86	22	46	50	65	68	84
<b>Total</b>	<b>219</b>	<b>222</b>	<b>288</b>	<b>243</b>	<b>254</b>	<b>278</b>	<b>285</b>	<b>310</b>
<b>Impaired Investment Provisions</b>								
Fair value through profit or loss <sup>(1)</sup>	(20)	(16)	(15)	(14)	(17)	(16)	(16)	(20)
Available for sale	(1)	(1)	-	1	(3)	(2)	(3)	(1)
Loans & receivables	50	51	9	20	20	27	29	40
<b>Total</b>	<b>29</b>	<b>34</b>	<b>(6)</b>	<b>7</b>	<b>-</b>	<b>9</b>	<b>10</b>	<b>19</b>
Canada	-	-	-	-	-	-	-	-
US	(20)	(16)	(13)	(12)	(18)	(16)	(17)	(19)
Europe	49	50	7	19	18	25	27	38
<b>Total</b>	<b>29</b>	<b>34</b>	<b>(6)</b>	<b>7</b>	<b>-</b>	<b>9</b>	<b>10</b>	<b>19</b>
<b>Carrying Amount</b>	<b>190</b>	<b>188</b>	<b>294</b>	<b>236</b>	<b>254</b>	<b>269</b>	<b>275</b>	<b>291</b>
<b>Provisions for Future Credit Losses in Insurance Contract Liabilities</b>	<b>2,385</b>	<b>2,439</b>	<b>2,657</b>	<b>2,595</b>	<b>2,988</b>	<b>3,012</b>	<b>3,020</b>	<b>2,891</b>

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

## Lifeco Cash Flow Statements

(CSMM)	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<b>Operations</b>											
Net earnings before income taxes	855	553	811	772	814	1,035	841	617	2,219	2,690	3,462
Income taxes paid, net of refunds received	(61)	(107)	(37)	(97)	(128)	(80)	(123)	(35)	(205)	(331)	(428)
Adjustments:											
Change in insurance and investment contract liabilities	3,032	3,963	5,206	133	421	(128)	(805)	1,993	12,201	(512)	(379)
Change in funds held by ceding insurers	195	19	78	182	153	97	231	312	292	481	663
Change in funds held under reinsurance contracts	55	61	15	(12)	(14)	(7)	(4)	18	131	(25)	(37)
Change in reinsurance assets	(481)	(626)	(172)	(7)	82	(48)	24	499	(1,279)	58	51
Changes in fair value through profit or loss	(2,102)	(2,245)	(4,365)	398	1,371	350	1,487	(1,415)	(8,712)	3,208	3,606
Other	(222)	1,121	(727)	196	(88)	(60)	(492)	298	172	(640)	(444)
	<b>1,271</b>	<b>2,739</b>	<b>809</b>	<b>1,565</b>	<b>2,611</b>	<b>1,159</b>	<b>1,159</b>	<b>2,287</b>	<b>4,819</b>	<b>4,929</b>	<b>6,494</b>
<b>Financing Activities</b>											
Issue of common shares	1	10	15	1	1	26	11	5	26	38	39
Purchased and cancelled common shares	-	(2,000)	-	(21)	(19)	(14)	(15)	(36)	(2,000)	(48)	(69)
Substantial issuer bid transaction costs	-	(3)	-	-	-	-	-	-	(3)	-	-
Increase (decrease) in line of credit of subsidiary	(86)	(107)	20	178	(39)	(26)	(94)	171	(173)	(159)	19
Issue of debentures and senior notes	-	-	-	-	-	1,014	498	-	-	1,512	1,512
Repayment of debentures	-	-	-	-	-	(896)	(200)	-	-	(1,096)	(1,096)
Increase (decrease) in debentures and other debt instruments	101	123	1	(1)	-	18	(18)	-	225	-	(1)
Dividends paid on common shares	(384)	(383)	(408)	(384)	(384)	(385)	(385)	(363)	(1,175)	(1,154)	(1,538)
Dividends paid on preferred shares	(33)	(34)	(33)	(33)	(34)	(33)	(33)	(33)	(100)	(100)	(133)
Cash flow from financing activities	<b>(401)</b>	<b>(2,394)</b>	<b>(405)</b>	<b>(260)</b>	<b>(475)</b>	<b>(296)</b>	<b>(236)</b>	<b>(256)</b>	<b>(3,200)</b>	<b>(1,007)</b>	<b>(1,267)</b>
<b>Investment Activities</b>											
Bond sales and maturities	5,281	7,414	5,653	5,884	5,966	6,474	6,677	7,582	18,348	19,117	25,001
Mortgage loan repayments	463	725	436	652	724	777	655	783	1,624	2,156	2,808
Stock sales	703	869	528	474	1,522	461	482	798	2,100	2,465	2,939
Investment property sales	-	1	7	43	-	8	12	28	8	20	63
Change in loans to policyholders	245	(275)	13	(90)	(8)	(113)	3	(41)	(17)	(118)	(208)
Proceeds from assets held for sale	-	-	-	-	-	-	169	-	-	169	169
Business acquisitions, net of cash and equivalents acquired	-	-	-	-	(57)	-	(222)	-	-	(279)	(279)
Change in cash and cash equivalents classified as held for sale	9	(1)	31	(112)	-	-	-	-	39	-	(112)
Investment in bonds	(5,638)	(8,033)	(5,040)	(5,714)	(7,498)	(6,290)	(6,951)	(9,046)	(18,711)	(20,739)	(26,453)
Investment in mortgage loans	(999)	(1,021)	(983)	(943)	(941)	(1,268)	(1,094)	(980)	(3,003)	(3,303)	(4,246)
Investment in stocks	(724)	(512)	(474)	(1,228)	(1,638)	(635)	(601)	(714)	(1,710)	(2,874)	(4,102)
Investment in investment properties	(165)	(62)	(214)	(136)	(58)	(29)	(133)	(37)	(441)	(220)	(356)
Cash flow from investment activities	<b>(825)</b>	<b>(895)</b>	<b>(43)</b>	<b>(1,170)</b>	<b>(1,988)</b>	<b>(615)</b>	<b>(1,003)</b>	<b>(1,627)</b>	<b>(1,763)</b>	<b>(3,606)</b>	<b>(4,776)</b>
Effect of changes in exchange rates on cash & cash equivalents	(27)	(96)	(48)	151	(60)	(49)	124	41	(171)	15	166
Increase (decrease) in cash and cash equivalents	18	(646)	313	286	88	199	44	445	(315)	331	617
Cash and cash equivalents, beginning of period	3,835	4,481	4,168	3,882	3,794	3,595	3,551	3,106	4,168	3,551	3,551
Cash and cash equivalents, end of period	<b>3,853</b>	<b>3,835</b>	<b>4,481</b>	<b>4,168</b>	<b>3,882</b>	<b>3,794</b>	<b>3,595</b>	<b>3,551</b>	<b>3,853</b>	<b>3,882</b>	<b>4,168</b>

## Statements of Accumulated and Contributed Surplus

Lifeco Accumulated & Contributed Surplus								
(C\$MM)	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Balance, beginning of year</b>	13,481	13,481	13,481	12,241	12,241	12,241	12,241	11,612
Change in accounting policy	(109)	(109)	(109)	(64)	(64)	(64)	(64)	-
Revised balance, beginning of year	13,372	13,372	13,372	12,177	12,177	12,177	12,177	11,612
Net earnings - YTD	1,946	1,183	690	3,094	2,351	1,628	764	2,278
Stock option expense	28	20	11	38	34	26	16	58
Share issue / redemption <sup>(1)</sup>	(1,662)	(1,660)	(30)	(53)	(78)	(64)	(50)	(50)
Share capital carrying value adjustment <sup>(2)</sup>	1,304	1,304	-	-	-	-	-	-
Dividends to shareholders								
Preferred shareholders	(100)	(67)	(33)	(133)	(100)	(66)	(33)	(129)
Common shareholders	(1,175)	(791)	(408)	(1,538)	(1,154)	(770)	(385)	(1,453)
Other	31	30	34	(104)	(62)	(61)	(57)	(75)
<b>Balance, end of period</b>	<b>13,744</b>	<b>13,391</b>	<b>13,636</b>	<b>13,481</b>	<b>13,168</b>	<b>12,870</b>	<b>12,432</b>	<b>12,241</b>

Lifeco Surplus - Participating Account								
(C\$MM)	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Balance, beginning of period</b>	2,737	2,737	2,737	2,771	2,771	2,771	2,771	2,782
Net earnings before policyholder dividend - YTD	1,071	700	346	1,332	1,004	695	343	1,329
Participating policyholder dividend	(1,031)	(704)	(356)	(1,352)	(1,004)	(678)	(343)	(1,289)
Other	19	23	25	(14)	(19)	(6)	(8)	(51)
<b>Balance, end of period</b>	<b>2,796</b>	<b>2,756</b>	<b>2,752</b>	<b>2,737</b>	<b>2,752</b>	<b>2,782</b>	<b>2,763</b>	<b>2,771</b>
<b>By Company:</b>								
Great-West Life	599	612	614	608	603	623	619	622
London Life	1,880	1,828	1,830	1,827	1,844	1,797	1,786	1,796
Canada Life	303	302	294	288	291	347	343	339
GWL&A	14	14	14	14	14	15	15	14
	<b>2,796</b>	<b>2,756</b>	<b>2,752</b>	<b>2,737</b>	<b>2,752</b>	<b>2,782</b>	<b>2,763</b>	<b>2,771</b>

## Reconciliation of Accumulated Other Comprehensive Income

Comprehensive Income											
(C\$MM)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Net Earnings</b>	763	493	690	743	723	864	764	425	1,946	2,351	3,094
<b>Other comprehensive income (loss)</b>											
<b>net of income taxes</b>											
Unrealized foreign exchange gains (losses) on translation of foreign operations	(183)	(466)	(214)	684	(334)	(339)	755	251	(863)	82	766
Unrealized foreign exchange gains (losses) on euro debt designated as hedge of net investment in foreign operations	43	9	52	(52)	26	52	(69)	(35)	104	9	(43)
Unrealized gains (losses) on available for sale assets (after-tax)	63	77	130	37	(47)	(10)	(72)	19	270	(129)	(92)
Realized gains on available-for-sale assets (after-tax)	(16)	(20)	(5)	(1)	2	3	1	(10)	(41)	6	5
Unrealized gains (losses) on cash flow hedges (after-tax)	1	1	1	-	-	(2)	21	2	3	19	19
Realized gains on cash flow hedges (after-tax)	-	-	-	-	-	(61)	9	4	-	(52)	(52)
Non-controlling interests (after-tax)	3	(8)	(54)	(6)	21	4	6	(2)	(59)	31	25
<b>Total items that may be reclassified</b>	(89)	(407)	(90)	662	(332)	(353)	651	229	(586)	(34)	628
<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)	(100)	(143)	(88)	(183)	59	116	37	(78)	(331)	212	29
Non-controlling interests (after-tax)	1	12	8	17	(6)	(8)	(1)	8	21	(15)	2
	(99)	(131)	(80)	(166)	53	108	36	(70)	(310)	197	31
<b>Total other comprehensive income (loss)</b>	(188)	(538)	(170)	496	(279)	(245)	687	159	(896)	163	659
<b>Comprehensive income</b>	575	(45)	520	1,239	444	619	1,451	584	1,050	2,514	3,753

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

(C\$MM)	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Balance, beginning of year</b>	1,045	1,045	1,045	386	386	386	386	746
Other comprehensive income	(896)	(708)	(170)	659	163	442	687	(373)
Disposal of investment in associate	-	-	-	-	-	-	-	13
<b>Balance, end of period</b>	149	337	875	1,045	549	828	1,073	386

**Lifeco Sales (New Annualized Premium)**

(C\$MM)	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<b>New Annualized Premium</b>											
<b>Canada</b>											
Individual Customer	2,020	2,223	2,357	2,479	2,030	2,253	2,525	2,537	6,600	6,808	9,287
Group Customer	1,500	717	823	968	847	787	1,297	1,235	3,040	2,931	3,899
<b>Total Canada</b>	<b>3,520</b>	<b>2,940</b>	<b>3,180</b>	<b>3,447</b>	<b>2,877</b>	<b>3,040</b>	<b>3,822</b>	<b>3,772</b>	<b>9,640</b>	<b>9,739</b>	<b>13,186</b>
<b>U.S.</b>											
Financial Services	16,885	11,807	61,298	14,597	10,156	9,506	11,841	8,146	89,990	31,503	46,100
Asset Management	14,360	12,406	14,550	17,483	14,128	15,002	13,235	11,016	41,316	42,365	59,848
<b>Total U.S.</b>	<b>31,245</b>	<b>24,213</b>	<b>75,848</b>	<b>32,080</b>	<b>24,284</b>	<b>24,508</b>	<b>25,076</b>	<b>19,162</b>	<b>131,306</b>	<b>73,868</b>	<b>105,948</b>
<b>Europe</b>											
Insurance & Annuities	7,098	7,131	11,181	5,972	7,235	5,535	5,739	7,325	25,410	18,509	24,481
<b>Total New Annualized Premium</b>	<b>41,863</b>	<b>34,284</b>	<b>90,209</b>	<b>41,499</b>	<b>34,396</b>	<b>33,083</b>	<b>34,637</b>	<b>30,259</b>	<b>166,356</b>	<b>102,116</b>	<b>143,615</b>

## Lifeco Premiums & Deposits

(C\$MM)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Premiums &amp; Deposits</b>											
<b>Canada</b>											
Individual Customer	2,490	2,511	2,508	2,862	2,419	2,564	2,616	2,809	7,509	7,599	10,461
Group Customer	4,563	3,909	4,136	3,776	3,850	3,774	4,437	4,026	12,608	12,061	15,837
<b>Total Canada</b>	<b>7,053</b>	<b>6,420</b>	<b>6,644</b>	<b>6,638</b>	<b>6,269</b>	<b>6,338</b>	<b>7,053</b>	<b>6,835</b>	<b>20,117</b>	<b>19,660</b>	<b>26,298</b>
<b>U.S.</b>											
Financial Services <sup>(1)</sup>	3,310	3,083	3,286	3,105	3,230	3,182	3,110	3,134	9,679	9,522	12,627
Asset Management	14,360	12,406	14,550	17,483	14,128	15,002	13,235	11,016	41,316	42,365	59,848
<b>Total U.S.</b>	<b>17,670</b>	<b>15,489</b>	<b>17,836</b>	<b>20,588</b>	<b>17,358</b>	<b>18,184</b>	<b>16,345</b>	<b>14,150</b>	<b>50,995</b>	<b>51,887</b>	<b>72,475</b>
<b>Europe</b>											
Insurance & Annuities	7,596	7,936	11,911	6,485	7,848	6,240	6,412	8,665	27,443	20,500	26,985
Reinsurance	4,098	4,435	4,454	3,872	3,107	3,209	3,316	2,995	12,987	9,632	13,504
<b>Total Europe</b>	<b>11,694</b>	<b>12,371</b>	<b>16,365</b>	<b>10,357</b>	<b>10,955</b>	<b>9,449</b>	<b>9,728</b>	<b>11,660</b>	<b>40,430</b>	<b>30,132</b>	<b>40,489</b>
<b>Total Revenue Premium</b>	<b>36,417</b>	<b>34,280</b>	<b>40,845</b>	<b>37,583</b>	<b>34,582</b>	<b>33,971</b>	<b>33,126</b>	<b>32,645</b>	<b>111,542</b>	<b>101,679</b>	<b>139,262</b>
<b>Summary</b>											
Risk-based premiums	9,324	10,002	9,595	9,045	10,337	7,905	8,174	8,494	28,921	26,416	35,461
ASO premiums	813	830	811	802	744	774	748	720	2,454	2,266	3,068
Segregated fund deposits											
Individual	4,146	3,723	3,632	4,705	3,833	4,142	3,988	5,357	11,501	11,963	16,668
Group	1,999	1,732	2,094	1,641	1,790	1,954	2,422	2,009	5,825	6,166	7,807
Proprietary mutual funds & institutional deposits	20,135	17,993	24,713	21,390	17,878	19,196	17,794	16,065	62,841	54,868	76,258
	<b>36,417</b>	<b>34,280</b>	<b>40,845</b>	<b>37,583</b>	<b>34,582</b>	<b>33,971</b>	<b>33,126</b>	<b>32,645</b>	<b>111,542</b>	<b>101,679</b>	<b>139,262</b>

1) Q2 2019 excludes initial ceded premium of \$13,889m related to the business transferred to Protective Life under an indemnity reinsurance agreement effective June 1, 2019.

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)	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<b>Fee and Other Income</b>											
<b>Canada</b>											
Segregated funds	270	268	254	264	275	272	271	278	792	818	1,082
ASO contracts	51	50	51	50	48	50	48	49	152	146	196
Other	126	122	117	114	114	111	119	109	365	344	458
<b>Total Canada</b>	<b>447</b>	<b>440</b>	<b>422</b>	<b>428</b>	<b>437</b>	<b>433</b>	<b>438</b>	<b>436</b>	<b>1,309</b>	<b>1,308</b>	<b>1,736</b>
<b>U.S.</b>											
Segregated funds	12	19	21	37	15	15	22	22	52	52	89
Asset Management	296	298	285	285	302	295	290	295	879	887	1,172
Other	357	367	353	322	356	345	319	318	1,077	1,020	1,342
Life insurance and annuity reinsurance ceding commission <sup>(1)</sup>	-	1,080	-	-	-	-	-	-	1,080	-	-
<b>Total U.S.</b>	<b>665</b>	<b>1,764</b>	<b>659</b>	<b>644</b>	<b>673</b>	<b>655</b>	<b>631</b>	<b>635</b>	<b>3,088</b>	<b>1,959</b>	<b>2,603</b>
<b>Europe</b>											
Segregated funds & Other	384	387	398	348	373	395	364	368	1,169	1,132	1,480
<b>Total Europe</b>	<b>384</b>	<b>387</b>	<b>398</b>	<b>348</b>	<b>373</b>	<b>395</b>	<b>364</b>	<b>368</b>	<b>1,169</b>	<b>1,132</b>	<b>1,480</b>
<b>Total Fee and Other Income</b>	<b>1,496</b>	<b>2,591</b>	<b>1,479</b>	<b>1,420</b>	<b>1,483</b>	<b>1,483</b>	<b>1,433</b>	<b>1,439</b>	<b>5,566</b>	<b>4,399</b>	<b>5,819</b>

1) Q2 2019 includes a ceding commission of \$1,080m related to the Protective Life transaction

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)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Operating Expenses</b>											
Canada	417	417	444	452	406	414	416	392	1,278	1,236	1,688
U.S.	555	666	557	552	554	543	537	567	1,778	1,634	2,186
Europe	283	283	294	299	279	279	279	274	860	837	1,136
Lifeco Corporate	3	8	6	8	5	5	5	4	17	15	23
<b>Total Operating Expenses</b>	<b>1,258</b>	<b>1,374</b>	<b>1,301</b>	<b>1,311</b>	<b>1,244</b>	<b>1,241</b>	<b>1,237</b>	<b>1,237</b>	<b>3,933</b>	<b>3,722</b>	<b>5,033</b>
<b>Investment Expenses</b>	46	41	36	34	31	32	31	33	123	94	128
<b>Total Operating &amp; Investment Expenses</b>	<b>1,304</b>	<b>1,415</b>	<b>1,337</b>	<b>1,345</b>	<b>1,275</b>	<b>1,273</b>	<b>1,268</b>	<b>1,270</b>	<b>4,056</b>	<b>3,816</b>	<b>5,161</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)	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<b>Income</b>											
Premium income	3,606	3,225	3,087	3,535	3,266	3,141	3,151	3,464	9,918	9,558	13,093
Regular net investment income	732	717	656	667	663	666	612	639	2,105	1,941	2,608
Changes in fair value through profit or loss	366	954	2,282	(554)	(646)	249	(334)	1,001	3,602	(731)	(1,285)
Net investment income	1,098	1,671	2,938	113	17	915	278	1,640	5,707	1,210	1,323
Fee and other income	447	440	422	428	437	433	438	436	1,309	1,308	1,736
<b>Total Income</b>	<b>5,151</b>	<b>5,336</b>	<b>6,447</b>	<b>4,076</b>	<b>3,720</b>	<b>4,489</b>	<b>3,867</b>	<b>5,540</b>	<b>16,934</b>	<b>12,076</b>	<b>16,152</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders	3,867	4,118	5,172	2,733	2,468	3,184	2,639	4,180	13,157	8,291	11,024
Commissions	341	336	341	390	347	312	315	358	1,018	974	1,364
General expenses	417	417	444	452	406	414	416	392	1,278	1,236	1,688
Restructuring and acquisition expenses	-	-	-	-	-	-	-	-	-	-	-
Other	148	144	145	148	140	138	137	133	437	415	563
<b>Total Benefits and Expenses</b>	<b>4,773</b>	<b>5,015</b>	<b>6,102</b>	<b>3,723</b>	<b>3,361</b>	<b>4,048</b>	<b>3,507</b>	<b>5,063</b>	<b>15,890</b>	<b>10,916</b>	<b>14,639</b>
<b>Net Earnings before income taxes</b>	<b>378</b>	<b>321</b>	<b>345</b>	<b>353</b>	<b>359</b>	<b>441</b>	<b>360</b>	<b>477</b>	<b>1,044</b>	<b>1,160</b>	<b>1,513</b>
Income tax	31	36	70	65	65	92	46	114	137	203	268
<b>Net Earnings before non-controlling interests</b>	<b>347</b>	<b>285</b>	<b>275</b>	<b>288</b>	<b>294</b>	<b>349</b>	<b>314</b>	<b>363</b>	<b>907</b>	<b>957</b>	<b>1,245</b>
Non-controlling interests	47	4	(8)	(19)	(19)	17	-	25	43	(2)	(21)
<b>Net Earnings</b>	<b>300</b>	<b>281</b>	<b>283</b>	<b>307</b>	<b>313</b>	<b>332</b>	<b>314</b>	<b>338</b>	<b>864</b>	<b>959</b>	<b>1,266</b>
Preferred share dividends	28	29	28	28	29	29	28	26	85	86	114
<b>Net Earnings before Capital Allocation</b>	<b>272</b>	<b>252</b>	<b>255</b>	<b>279</b>	<b>284</b>	<b>303</b>	<b>286</b>	<b>312</b>	<b>779</b>	<b>873</b>	<b>1,152</b>
Capital Allocation	28	28	28	31	31	31	30	26	84	92	123
<b>Net Earnings - Common Shareholders</b>	<b>300</b>	<b>280</b>	<b>283</b>	<b>310</b>	<b>315</b>	<b>334</b>	<b>316</b>	<b>338</b>	<b>863</b>	<b>965</b>	<b>1,275</b>
<b>Common Shareholder Net Earnings (loss)</b>											
Individual Customer	85	135	124	171	165	211	138	162	344	514	685
Group Customer	206	161	151	144	150	194	142	193	518	486	630
Corporate	9	(16)	8	(5)	-	(71)	36	(17)	1	(35)	(40)
<b>Total</b>	<b>300</b>	<b>280</b>	<b>283</b>	<b>310</b>	<b>315</b>	<b>334</b>	<b>316</b>	<b>338</b>	<b>863</b>	<b>965</b>	<b>1,275</b>

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

		2019			2018				2017	YTD	YTD	Fiscal
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<i>(C\$MM)</i>												
<b>Income</b>												
	Premium income	375	361	372	385	392	361	370	373	1,108	1,123	1,508
	Net investment income	377	718	1,140	65	(265)	256	23	738	2,235	14	79
	Fee and other income	252	248	237	242	253	252	250	255	737	755	997
	<b>Total Income</b>	<b>1,004</b>	<b>1,327</b>	<b>1,749</b>	<b>692</b>	<b>380</b>	<b>869</b>	<b>643</b>	<b>1,366</b>	<b>4,080</b>	<b>1,892</b>	<b>2,584</b>
<b>Benefits and Expenses</b>												
	Paid or credited to policyholders and beneficiaries	659	896	1,318	199	(90)	412	196	887	2,873	518	717
	Commissions	132	135	125	135	132	124	129	145	392	385	520
	General expenses	109	120	122	121	110	76	127	102	351	313	434
	Other	14	18	19	16	15	19	8	17	51	42	58
	<b>Total Benefits and Expenses</b>	<b>914</b>	<b>1,169</b>	<b>1,584</b>	<b>471</b>	<b>167</b>	<b>631</b>	<b>460</b>	<b>1,151</b>	<b>3,667</b>	<b>1,258</b>	<b>1,729</b>
<b>Net Earnings before income taxes</b>		<b>90</b>	<b>158</b>	<b>165</b>	<b>221</b>	<b>213</b>	<b>238</b>	<b>183</b>	<b>215</b>	<b>413</b>	<b>634</b>	<b>855</b>
	Income tax	2	19	38	47	45	24	41	49	59	110	157
<b>Net Earnings before Capital Allocation</b>		<b>88</b>	<b>139</b>	<b>127</b>	<b>174</b>	<b>168</b>	<b>214</b>	<b>142</b>	<b>166</b>	<b>354</b>	<b>524</b>	<b>698</b>
	Capital Allocation	(3)	(4)	(3)	(3)	(3)	(3)	(4)	(4)	(10)	(10)	(13)
<b>Net Earnings - Common Shareholders</b>		<b>85</b>	<b>135</b>	<b>124</b>	<b>171</b>	<b>165</b>	<b>211</b>	<b>138</b>	<b>162</b>	<b>344</b>	<b>514</b>	<b>685</b>
<b>Sales</b>	Participating	68	62	74	108	76	56	48	67	204	180	288
	Universal Life	12	12	8	14	13	12	9	15	32	34	48
	Term/Permanent	12	15	12	14	12	11	11	14	39	34	48
	Third party	1	-	-	-	-	1	-	-	1	1	1
	<b>Total Individual Life</b>	<b>93</b>	<b>89</b>	<b>94</b>	<b>136</b>	<b>101</b>	<b>80</b>	<b>68</b>	<b>96</b>	<b>276</b>	<b>249</b>	<b>385</b>
	Critical Illness	5	5	4	5	4	5	4	5	14	13	18
	Disability	4	4	3	4	4	3	4	5	11	11	15
	<b>Total Living Benefits</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>10</b>	<b>25</b>	<b>24</b>	<b>33</b>
	<b>Total Individual Insurance</b>	<b>102</b>	<b>98</b>	<b>101</b>	<b>145</b>	<b>109</b>	<b>88</b>	<b>76</b>	<b>106</b>	<b>301</b>	<b>273</b>	<b>418</b>
	Risk-based	116	103	120	129	124	98	126	120	339	348	477
Segregated funds	932	988	1,072	1,277	1,016	1,097	1,314	1,450	2,992	3,427	4,704	
Proprietary mutual funds	321	379	392	339	280	409	388	320	1,092	1,077	1,416	
Third party	549	655	672	589	501	561	621	541	1,876	1,683	2,272	
<b>Total Individual Wealth</b>	<b>1,918</b>	<b>2,125</b>	<b>2,256</b>	<b>2,334</b>	<b>1,921</b>	<b>2,165</b>	<b>2,449</b>	<b>2,431</b>	<b>6,299</b>	<b>6,535</b>	<b>8,869</b>	
<b>Total Individual Customer Sales</b>	<b>2,020</b>	<b>2,223</b>	<b>2,357</b>	<b>2,479</b>	<b>2,030</b>	<b>2,253</b>	<b>2,525</b>	<b>2,537</b>	<b>6,600</b>	<b>6,808</b>	<b>9,287</b>	
<b>Revenue Premium</b>	<b>Risk Based Premiums</b>											
	Participating	1,128	1,150	1,061	1,412	1,086	1,087	1,001	1,322	3,339	3,174	4,586
	Individual Life	244	234	241	243	243	231	242	243	719	716	959
	Living Benefits	87	88	88	89	86	84	85	87	263	255	344
	<b>Total Individual Insurance</b>	<b>1,459</b>	<b>1,472</b>	<b>1,390</b>	<b>1,744</b>	<b>1,415</b>	<b>1,402</b>	<b>1,328</b>	<b>1,652</b>	<b>4,321</b>	<b>4,145</b>	<b>5,889</b>
	Risk-based revenue premiums	44	39	43	54	63	45	43	43	126	151	205
	Segregated funds deposits	716	689	769	738	711	774	922	863	2,174	2,407	3,145
	Proprietary mutual fund deposits	271	311	306	326	230	343	323	251	888	896	1,222
	<b>Total Individual Wealth</b>	<b>1,031</b>	<b>1,039</b>	<b>1,118</b>	<b>1,118</b>	<b>1,004</b>	<b>1,162</b>	<b>1,288</b>	<b>1,157</b>	<b>3,188</b>	<b>3,454</b>	<b>4,572</b>
	<b>Total Individual Customer Revenue Premium</b>	<b>2,490</b>	<b>2,511</b>	<b>2,508</b>	<b>2,862</b>	<b>2,419</b>	<b>2,564</b>	<b>2,616</b>	<b>2,809</b>	<b>7,509</b>	<b>7,599</b>	<b>10,461</b>

## Lifeco Canada – Group Customer

		2019			2018				2017	YTD	YTD	Fiscal
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<i>(C\$MM)</i>												
<b>Income</b>												
	Premium income	2,103	1,714	1,654	1,738	1,788	1,693	1,780	1,769	5,471	5,261	6,999
	Net investment income	159	255	298	159	67	127	128	235	712	322	481
	Fee and other income	179	175	170	172	173	170	170	169	524	513	685
	<b>Total Income</b>	<b>2,441</b>	<b>2,144</b>	<b>2,122</b>	<b>2,069</b>	<b>2,028</b>	<b>1,990</b>	<b>2,078</b>	<b>2,173</b>	<b>6,707</b>	<b>6,096</b>	<b>8,165</b>
<b>Benefits and Expenses</b>												
	Paid or credited to policyholders and beneficiaries	1,802	1,566	1,521	1,492	1,471	1,406	1,517	1,564	4,889	4,394	5,886
	Commissions	95	92	100	91	87	86	95	90	287	268	359
	General expenses	205	216	231	227	211	213	213	206	652	637	864
	Other	61	61	62	61	59	55	58	49	184	172	233
	<b>Total Benefits and Expenses</b>	<b>2,163</b>	<b>1,935</b>	<b>1,914</b>	<b>1,871</b>	<b>1,828</b>	<b>1,760</b>	<b>1,883</b>	<b>1,909</b>	<b>6,012</b>	<b>5,471</b>	<b>7,342</b>
<b>Net Earnings before income taxes</b>		<b>278</b>	<b>209</b>	<b>208</b>	<b>198</b>	<b>200</b>	<b>230</b>	<b>195</b>	<b>264</b>	<b>695</b>	<b>625</b>	<b>823</b>
	Income tax	69	46	55	52	48	34	51	69	170	133	185
<b>Net Earnings before Capital Allocation</b>		<b>209</b>	<b>163</b>	<b>153</b>	<b>146</b>	<b>152</b>	<b>196</b>	<b>144</b>	<b>195</b>	<b>525</b>	<b>492</b>	<b>638</b>
	Capital Allocation	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(7)	(6)	(8)
<b>Net Earnings - Common Shareholders</b>		<b>206</b>	<b>161</b>	<b>151</b>	<b>144</b>	<b>150</b>	<b>194</b>	<b>142</b>	<b>193</b>	<b>518</b>	<b>486</b>	<b>630</b>
Sales	Small/mid-size case	75	74	80	115	90	65	67	85	229	222	337
	Large case	150	21	97	31	9	111	280	59	268	400	431
	Creditor/Direct marketing	12	14	9	5	5	75	14	17	35	94	99
	<b>Total Group Insurance</b>	<b>237</b>	<b>109</b>	<b>186</b>	<b>151</b>	<b>104</b>	<b>251</b>	<b>361</b>	<b>161</b>	<b>532</b>	<b>716</b>	<b>867</b>
	Risk-based	467	117	54	198	257	141	233	278	638	631	829
	Segregated funds	796	491	583	619	486	395	703	796	1,870	1,584	2,203
Third party	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total Group Wealth</b>	<b>1,263</b>	<b>608</b>	<b>637</b>	<b>817</b>	<b>743</b>	<b>536</b>	<b>936</b>	<b>1,074</b>	<b>2,508</b>	<b>2,215</b>	<b>3,032</b>
	<b>Total Group Customer Sales</b>	<b>1,500</b>	<b>717</b>	<b>823</b>	<b>968</b>	<b>847</b>	<b>787</b>	<b>1,297</b>	<b>1,235</b>	<b>3,040</b>	<b>2,931</b>	<b>3,899</b>
Revenue Premium	Small/mid-size case - Insured	725	723	723	708	701	698	694	686	2,171	2,093	2,801
	Large case -Insured	799	757	755	748	737	737	727	715	2,311	2,201	2,949
	ASO	813	830	811	802	744	774	748	720	2,454	2,266	3,068
	Creditor/Direct marketing	48	48	44	44	43	43	43	43	140	129	173
	<b>Total Group Insurance</b>	<b>2,385</b>	<b>2,358</b>	<b>2,333</b>	<b>2,302</b>	<b>2,225</b>	<b>2,252</b>	<b>2,212</b>	<b>2,164</b>	<b>7,076</b>	<b>6,689</b>	<b>8,991</b>
	Risk-based revenue premiums	531	186	132	237	307	216	316	325	849	839	1,076
Segregated funds deposits	1,647	1,365	1,671	1,237	1,318	1,306	1,909	1,537	4,683	4,533	5,770	
	<b>Total Group Wealth</b>	<b>2,178</b>	<b>1,551</b>	<b>1,803</b>	<b>1,474</b>	<b>1,625</b>	<b>1,522</b>	<b>2,225</b>	<b>1,862</b>	<b>5,532</b>	<b>5,372</b>	<b>6,846</b>
	<b>Total Group Customer Revenue Premium</b>	<b>4,563</b>	<b>3,909</b>	<b>4,136</b>	<b>3,776</b>	<b>3,850</b>	<b>3,774</b>	<b>4,437</b>	<b>4,026</b>	<b>12,608</b>	<b>12,061</b>	<b>15,837</b>

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

**Canada Wealth – Assets under Administration**

(C\$MM)	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Assets Under Administration</b>								
<b>Individual Customer</b>								
Risk-based products	5,042	5,081	5,071	5,002	5,020	5,111	5,164	5,252
Segregated funds	32,622	32,559	32,562	30,925	32,927	33,218	32,779	33,356
Proprietary mutual funds	6,673	6,596	6,494	6,037	6,431	6,426	6,190	6,211
<b>Group Customer</b>								
Risk-based products	8,574	8,226	8,185	8,207	8,183	8,112	8,096	7,978
Segregated funds	51,170	50,109	49,432	45,708	48,234	48,143	46,947	47,043
Institutional Assets	180	182	182	177	785	729	647	599
<b>Total assets under management</b>	<b>104,261</b>	<b>102,753</b>	<b>101,926</b>	<b>96,056</b>	<b>101,580</b>	<b>101,739</b>	<b>99,823</b>	<b>100,439</b>
<b>Other assets under administration <sup>(1)</sup></b>								
Individual Customer	9,652	9,453	9,191	8,397	8,826	8,692	8,397	8,283
Group Customer	468	444	463	400	421	448	465	506
<b>Total</b>	<b>10,120</b>	<b>9,897</b>	<b>9,654</b>	<b>8,797</b>	<b>9,247</b>	<b>9,140</b>	<b>8,862</b>	<b>8,789</b>
<b>Summary by Business/Product</b>								
Individual Customer	53,989	53,689	53,318	50,361	53,204	53,447	52,530	53,102
Group Customer	60,392	58,961	58,262	54,492	57,623	57,432	56,155	56,126
<b>Total assets under administration</b>	<b>114,381</b>	<b>112,650</b>	<b>111,580</b>	<b>104,853</b>	<b>110,827</b>	<b>110,879</b>	<b>108,685</b>	<b>109,228</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)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Income</b>											
Premium income	1,128	1,150	1,061	1,412	1,086	1,087	1,001	1,322	3,339	3,174	4,586
Net investment income	532	679	1,463	(137)	197	517	92	653	2,674	806	669
Total Income	1,660	1,829	2,524	1,275	1,283	1,604	1,093	1,975	6,013	3,980	5,255
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	1,401	1,651	2,328	1,037	1,082	1,361	921	1,724	5,380	3,364	4,401
Commissions	114	109	116	164	128	102	91	123	339	321	485
General expenses	77	73	76	85	85	109	58	71	226	252	337
Restructuring and acquisition expenses	-	-	-	-	-	-	-	-	-	-	-
Other	29	32	30	33	30	30	33	30	91	93	126
Total Benefits and Expenses	1,621	1,865	2,550	1,319	1,325	1,602	1,103	1,948	6,036	4,030	5,349
<b>Net Earnings (loss) before income taxes</b>	39	(36)	(26)	(44)	(42)	2	(10)	27	(23)	(50)	(94)
Income tax	(8)	(40)	(18)	(25)	(23)	(15)	(10)	2	(66)	(48)	(73)
<b>Net Earnings (loss) before non-controlling interests</b>	47	4	(8)	(19)	(19)	17	-	25	43	(2)	(21)
Non-controlling interests	47	4	(8)	(19)	(19)	17	-	25	43	(2)	(21)
<b>Net Earnings</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Sales (New annualized premiums)</b>	68	62	74	108	76	56	48	67	204	180	288
<b>Risk-based revenue premiums</b>	1,128	1,150	1,061	1,412	1,086	1,087	1,001	1,322	3,339	3,174	4,586

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

(CSMM)	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<b>Income</b>											
Net investment income	30	19	37	26	18	15	35	14	86	68	94
Fee and other income	16	17	15	14	11	11	18	12	48	40	54
<b>Total Income</b>	<b>46</b>	<b>36</b>	<b>52</b>	<b>40</b>	<b>29</b>	<b>26</b>	<b>53</b>	<b>26</b>	<b>134</b>	<b>108</b>	<b>148</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	5	5	5	5	5	5	5	5	15	15	20
General Expenses	26	8	15	19	-	16	18	13	49	34	53
Restructuring and acquisition expenses	-	-	-	-	-	-	-	-	-	-	-
Other	44	33	34	38	36	34	38	37	111	108	146
<b>Total Benefits and Expenses</b>	<b>75</b>	<b>46</b>	<b>54</b>	<b>62</b>	<b>41</b>	<b>55</b>	<b>61</b>	<b>55</b>	<b>175</b>	<b>157</b>	<b>219</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(29)</b>	<b>(10)</b>	<b>(2)</b>	<b>(22)</b>	<b>(12)</b>	<b>(29)</b>	<b>(8)</b>	<b>(29)</b>	<b>(41)</b>	<b>(49)</b>	<b>(71)</b>
Income tax	(32)	11	(5)	(9)	(5)	49	(36)	(6)	(26)	8	(1)
<b>Net Earnings (loss) before non-controlling interests</b>	<b>3</b>	<b>(21)</b>	<b>3</b>	<b>(13)</b>	<b>(7)</b>	<b>(78)</b>	<b>28</b>	<b>(23)</b>	<b>(15)</b>	<b>(57)</b>	<b>(70)</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss)</b>	<b>3</b>	<b>(21)</b>	<b>3</b>	<b>(13)</b>	<b>(7)</b>	<b>(78)</b>	<b>28</b>	<b>(23)</b>	<b>(15)</b>	<b>(57)</b>	<b>(70)</b>
Preferred share dividends	28	29	28	28	29	29	28	26	85	86	114
<b>Net Earnings (loss) before Capital Allocation</b>	<b>(25)</b>	<b>(50)</b>	<b>(25)</b>	<b>(41)</b>	<b>(36)</b>	<b>(107)</b>	<b>-</b>	<b>(49)</b>	<b>(100)</b>	<b>(143)</b>	<b>(184)</b>
Capital Allocation	34	34	33	36	36	36	36	32	101	108	144
<b>Net Earnings (loss) - Common Shareholders <sup>(1)</sup></b>	<b>9</b>	<b>(16)</b>	<b>8</b>	<b>(5)</b>	<b>-</b>	<b>(71)</b>	<b>36</b>	<b>(17)</b>	<b>1</b>	<b>(35)</b>	<b>(40)</b>

1) 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	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash and cash equivalents	568	483	551	455	703	717	693	701
Bonds	50,062	48,978	48,187	47,265	46,588	46,814	46,582	46,304
Mortgage loans	14,731	14,461	14,424	14,039	13,752	13,567	13,491	13,142
Stocks	9,499	9,247	9,482	8,724	8,732	8,602	8,178	8,324
Investment properties	2,918	2,728	2,603	2,330	2,203	2,165	2,131	1,960
Loans to policyholders	2,960	2,925	2,871	2,834	2,796	2,767	2,720	2,679
<b>Total invested assets</b>	<b>80,738</b>	<b>78,822</b>	<b>78,118</b>	<b>75,647</b>	<b>74,774</b>	<b>74,632</b>	<b>73,795</b>	<b>73,110</b>
Reinsurance assets	271	187	163	149	137	227	133	119
Derivative financial instruments	230	291	201	119	196	167	161	187
Owner occupied properties	404	399	397	396	397	400	399	396
Fixed assets	242	238	222	216	195	186	153	151
Other assets	2,692	2,541	2,277	2,006	2,106	1,810	2,010	1,749
<b>Total other assets</b>	<b>3,568</b>	<b>3,469</b>	<b>3,097</b>	<b>2,737</b>	<b>2,894</b>	<b>2,563</b>	<b>2,723</b>	<b>2,483</b>
Deferred tax assets	226	234	205	224	195	180	206	202
Goodwill	4,044	4,024	4,024	4,015	4,013	4,012	4,010	3,969
Intangible assets	1,510	1,504	1,501	1,501	1,491	1,481	1,473	1,478
Investments on account of segregated fund policyholders	83,792	82,668	81,994	76,633	81,161	81,361	79,726	80,399
<b>Total assets</b>	<b>174,149</b>	<b>170,908</b>	<b>169,102</b>	<b>160,906</b>	<b>164,665</b>	<b>164,456</b>	<b>162,066</b>	<b>161,760</b>
<b>Liabilities</b>								
Insurance contract liabilities	74,154	72,506	70,768	67,931	67,582	67,419	66,615	66,135
Investment contract liabilities	310	314	315	321	328	321	296	325
	74,464	72,820	71,083	68,252	67,910	67,740	66,911	66,460
Debentures and other debt instruments	2,841	2,755	2,633	2,650	2,633	2,641	2,659	2,337
Funds held under reinsurance contracts	63	61	58	55	52	50	47	44
Other liabilities	4,908	4,641	4,552	4,521	4,044	4,071	4,507	4,202
Deferred tax liabilities	572	583	623	637	669	640	667	671
Investment and insurance contracts on account of segregated fund policyholders	83,792	82,668	81,994	76,633	81,161	81,361	79,726	80,399
<b>Total liabilities</b>	<b>166,640</b>	<b>163,528</b>	<b>160,943</b>	<b>152,748</b>	<b>156,469</b>	<b>156,503</b>	<b>154,517</b>	<b>154,113</b>
<b>Equity</b>								
Non-controlling interests	2,776	2,733	2,731	2,715	2,731	2,762	2,743	2,752
Share capital								
Perpetual preferred shares	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164
Common shares	5,633	5,632	7,298	7,283	7,287	7,291	7,268	7,260
Accumulated surplus	(1,862)	(1,906)	(2,852)	(2,817)	(2,964)	(3,163)	(3,412)	(3,402)
Accumulated other comprehensive income (loss)	(635)	(676)	(613)	(618)	(453)	(531)	(646)	(558)
Contributed surplus	(567)	(567)	(569)	(569)	(569)	(570)	(568)	(569)
	7,509	7,380	8,159	8,158	8,196	7,953	7,549	7,647
<b>Total liabilities and equity</b>	<b>174,149</b>	<b>170,908</b>	<b>169,102</b>	<b>160,906</b>	<b>164,665</b>	<b>164,456</b>	<b>162,066</b>	<b>161,760</b>
<b>Proprietary mutual funds and institutional net assets</b>	<b>6,853</b>	<b>6,778</b>	<b>6,676</b>	<b>6,214</b>	<b>7,216</b>	<b>7,155</b>	<b>6,837</b>	<b>6,810</b>
<b>Other assets under administration</b>	<b>17,210</b>	<b>16,756</b>	<b>16,736</b>	<b>13,615</b>	<b>13,773</b>	<b>13,632</b>	<b>12,978</b>	<b>11,580</b>
<b>Total assets under administration</b>	<b>198,212</b>	<b>194,442</b>	<b>192,514</b>	<b>180,735</b>	<b>185,654</b>	<b>185,243</b>	<b>181,881</b>	<b>180,150</b>

---

# Lifeco United States



## Lifeco U.S. Net Earnings – Consolidated

	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<i>(C\$MM, unless otherwise stated)</i>											
<b>Income</b>											
Premium income	966	(12,879)	1,266	1,134	1,148	894	1,074	1,059	(10,647)	3,116	4,250
Regular net investment income	319	644	469	473	460	462	441	452	1,432	1,363	1,836
Changes in fair value through profit or loss	201	567	666	110	(160)	(260)	(580)	(48)	1,434	(1,000)	(890)
Net investment income	520	1,211	1,135	583	300	202	(139)	404	2,866	363	946
Fee and other income	665	1,764	659	644	673	655	631	635	3,088	1,959	2,603
<b>Total Income</b>	<b>2,151</b>	<b>(9,904)</b>	<b>3,060</b>	<b>2,361</b>	<b>2,121</b>	<b>1,751</b>	<b>1,566</b>	<b>2,098</b>	<b>(4,693)</b>	<b>5,438</b>	<b>7,799</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders	1,362	(10,630)	2,219	1,568	1,233	894	752	1,294	(7,049)	2,879	4,447
Commissions	97	115	118	125	132	131	125	138	330	388	513
General expenses	555	666	557	552	554	543	537	567	1,778	1,634	2,186
Restructuring and acquisition expenses	-	-	-	-	-	-	-	-	-	-	-
Loss on assets held for sale	-	-	-	-	-	-	-	202	-	-	-
Other	53	59	62	61	61	3	62	41	174	126	187
<b>Total Benefits and Expenses</b>	<b>2,067</b>	<b>(9,790)</b>	<b>2,956</b>	<b>2,306</b>	<b>1,980</b>	<b>1,571</b>	<b>1,476</b>	<b>2,242</b>	<b>(4,767)</b>	<b>5,027</b>	<b>7,333</b>
<b>Net Earnings before income taxes</b>	<b>84</b>	<b>(114)</b>	<b>104</b>	<b>55</b>	<b>141</b>	<b>180</b>	<b>90</b>	<b>(144)</b>	<b>74</b>	<b>411</b>	<b>466</b>
Income tax	7	(23)	20	(2)	24	31	13	163	4	68	66
<b>Net Earnings before non-controlling interests</b>	<b>77</b>	<b>(91)</b>	<b>84</b>	<b>57</b>	<b>117</b>	<b>149</b>	<b>77</b>	<b>(307)</b>	<b>70</b>	<b>343</b>	<b>400</b>
Non-controlling interests	(3)	3	-	(1)	2	1	-	(14)	-	3	2
<b>Net Earnings</b>	<b>80</b>	<b>(94)</b>	<b>84</b>	<b>58</b>	<b>115</b>	<b>148</b>	<b>77</b>	<b>(293)</b>	<b>70</b>	<b>340</b>	<b>398</b>
Preferred share dividends	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>80</b>	<b>(94)</b>	<b>84</b>	<b>58</b>	<b>115</b>	<b>148</b>	<b>77</b>	<b>(293)</b>	<b>70</b>	<b>340</b>	<b>398</b>
Capital Allocation	(3)	(4)	(3)	(3)	(2)	(3)	(2)	(5)	(10)	(7)	(10)
<b>Net Earnings - Common Shareholders</b>	<b>77</b>	<b>(98)</b>	<b>81</b>	<b>55</b>	<b>113</b>	<b>145</b>	<b>75</b>	<b>(298)</b>	<b>60</b>	<b>333</b>	<b>388</b>
<b>Common Shareholder Net Earnings (loss)</b>											
Financial Services <sup>(1)</sup>	63	(107)	86	84	121	101	91	80	42	313	397
Asset Management	13	6	(4)	(29)	(8)	(8)	(16)	(5)	15	(32)	(61)
Corporate <sup>(2)</sup>	1	3	(1)	-	-	52	-	(373)	3	52	52
<b>Total</b>	<b>77</b>	<b>(98)</b>	<b>81</b>	<b>55</b>	<b>113</b>	<b>145</b>	<b>75</b>	<b>(298)</b>	<b>60</b>	<b>333</b>	<b>388</b>
<b>Common Shareholder Net Earnings (US \$) <sup>(3)</sup></b>	<b>59</b>	<b>(73)</b>	<b>61</b>	<b>41</b>	<b>87</b>	<b>105</b>	<b>59</b>	<b>(234)</b>	<b>47</b>	<b>251</b>	<b>292</b>

1) Q2 2019 includes a net charge of \$199m (after-tax) relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business

2) 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 2018 includes a net positive impact of \$60m arising from refinancing in the U.S. segment completed in the second quarter of 2018

3) Q2 2018 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 (1)

		2019			2018				2017	YTD	YTD	Fiscal
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<i>(CSMM, unless otherwise stated)</i>												
<b>Income</b>												
	Premium income	950	(12,893)	1,245	1,116	1,129	877	1,045	1,040	(10,698)	3,051	4,167
	Net investment income	457	1,134	1,065	564	283	170	(137)	376	2,656	316	880
	Fee and other income	369	1,466	374	359	371	360	341	340	2,209	1,072	1,431
	<b>Total Income</b>	<b>1,776</b>	<b>(10,293)</b>	<b>2,684</b>	<b>2,039</b>	<b>1,783</b>	<b>1,407</b>	<b>1,249</b>	<b>1,756</b>	<b>(5,833)</b>	<b>4,439</b>	<b>6,478</b>
<b>Benefits and Expenses</b>												
	Paid or credited to policyholders and beneficiaries	1,295	(10,701)	2,144	1,518	1,202	868	729	1,196	(7,262)	2,799	4,317
	Commissions	38	55	61	68	72	70	63	72	154	205	273
	General expenses	332	446	331	319	321	306	303	330	1,109	930	1,249
	Restructuring and acquisition expenses											
	Loss on assets held for sale											-
	Other	27	25	38	28	30	30	31	32	90	91	119
	<b>Total Benefits and Expenses</b>	<b>1,692</b>	<b>(10,175)</b>	<b>2,574</b>	<b>1,933</b>	<b>1,625</b>	<b>1,274</b>	<b>1,126</b>	<b>1,630</b>	<b>(5,909)</b>	<b>4,025</b>	<b>5,958</b>
	<b>Net Earnings before income taxes</b>	<b>84</b>	<b>(118)</b>	<b>110</b>	<b>106</b>	<b>158</b>	<b>133</b>	<b>123</b>	<b>126</b>	<b>76</b>	<b>414</b>	<b>520</b>
	Income tax	12	(22)	16	15	31	25	25	39	6	81	96
	<b>Net Income before non-controlling interests</b>	<b>72</b>	<b>(96)</b>	<b>94</b>	<b>91</b>	<b>127</b>	<b>108</b>	<b>98</b>	<b>87</b>	<b>70</b>	<b>333</b>	<b>424</b>
	Non-controlling interests	1	2	-	-	-	-	-	-	3	-	-
	<b>Net Earnings before Capital Allocation</b>	<b>71</b>	<b>(98)</b>	<b>94</b>	<b>91</b>	<b>127</b>	<b>108</b>	<b>98</b>	<b>87</b>	<b>67</b>	<b>333</b>	<b>424</b>
	Capital Allocation	(8)	(9)	(8)	(7)	(6)	(7)	(7)	(7)	(25)	(20)	(27)
	<b>Net Earnings - Common Shareholders</b>	<b>63</b>	<b>(107)</b>	<b>86</b>	<b>84</b>	<b>121</b>	<b>101</b>	<b>91</b>	<b>80</b>	<b>42</b>	<b>313</b>	<b>397</b>
	<b>Net Earnings - Common Shareholders (US\$)</b>	<b>49</b>	<b>(80)</b>	<b>65</b>	<b>63</b>	<b>93</b>	<b>78</b>	<b>72</b>	<b>64</b>	<b>34</b>	<b>243</b>	<b>306</b>
<b>Sales</b>	Individual Markets	-	87	321	363	429	503	359	376	408	1,291	1,654
	Empower Retirement	16,885	11,720	60,977	14,234	9,727	9,003	11,482	7,770	89,582	30,212	44,446
	<b>Total Sales</b>	<b>16,885</b>	<b>11,807</b>	<b>61,298</b>	<b>14,597</b>	<b>10,156</b>	<b>9,506</b>	<b>11,841</b>	<b>8,146</b>	<b>89,990</b>	<b>31,503</b>	<b>46,100</b>
	<b>Total Sales (US \$)</b>	<b>12,792</b>	<b>8,811</b>	<b>46,088</b>	<b>11,058</b>	<b>7,753</b>	<b>7,369</b>	<b>9,398</b>	<b>6,414</b>	<b>67,691</b>	<b>24,520</b>	<b>35,578</b>
<b>Revenue Premium</b>	Risk-based premiums	950	(12,893)	1,245	1,116	1,129	877	1,045	1,040	(10,698)	3,051	4,167
	Segregated fund deposits											
	Individual	222	157	204	307	307	416	275	280	583	998	1,305
	Group	352	367	423	404	472	648	513	472	1,142	1,633	2,037
	Proprietary Mutual Funds	1,770	1,549	1,393	1,260	1,303	1,224	1,248	1,323	4,712	3,775	5,035
	<b>Total Revenue by Type<sup>(1)</sup></b>	<b>3,294</b>	<b>(10,820)</b>	<b>3,265</b>	<b>3,087</b>	<b>3,211</b>	<b>3,165</b>	<b>3,081</b>	<b>3,115</b>	<b>(4,261)</b>	<b>9,457</b>	<b>12,544</b>
Individual Markets	239	(13,596)	550	562	629	658	567	580	(12,807)	1,854	2,416	
Other	29	36	-	-	-	-	-	-	65	-	-	-
Empower Retirement	3,026	2,740	2,715	2,525	2,582	2,507	2,514	2,535	8,481	7,603	10,128	
	<b>Total Revenue by Business Line<sup>(2)</sup></b>	<b>3,294</b>	<b>(10,820)</b>	<b>3,265</b>	<b>3,087</b>	<b>3,211</b>	<b>3,165</b>	<b>3,081</b>	<b>3,115</b>	<b>(4,261)</b>	<b>9,457</b>	<b>12,544</b>
	<b>Total Revenue Premium (US \$)</b>	<b>2,495</b>	<b>(8,075)</b>	<b>2,454</b>	<b>2,338</b>	<b>2,452</b>	<b>2,453</b>	<b>2,445</b>	<b>2,452</b>	<b>(3,126)</b>	<b>7,350</b>	<b>9,688</b>

1. Reinsured Insurance & Annuity Business reflects business transferred to Protective Life under an indemnity reinsurance agreement effective June 1, 2019. Comparative figures for the U.S. segment have not been restated to reflect current presentation.

2. Excludes participating policy revenue premiums.

**Lifeco U.S. – Great-West Financial – Reinsured Insurance & Annuity Business (1)**

<i>(C\$MM, unless otherwise stated)</i>	2019	
	Q3	Q2
<b>Income</b>		
Premium income	17	(13,753)
Net investment income	-	617
Fee and other income	-	1,112
<b>Total Income</b>	17	(12,024)
<b>Benefits and Expenses</b>		
Paid or credited to policyholders and beneficiaries	17	(11,970)
Commissions	-	14
General expenses	-	137
Other	-	4
<b>Total Benefits and Expenses</b>	17	(11,815)
<b>Net Earnings before income taxes</b>	-	(209)
Income tax	-	(40)
<b>Net Income before non-controlling interests</b>	-	(169)
Non-controlling interests	-	-
<b>Net Earnings before Capital Allocation</b>	-	(169)
Capital Allocation	-	-
<b>Net Earnings - Common Shareholders</b>	-	(169)
<b>Net Earnings - Common Shareholders (US\$)</b>	-	(126)

Sales	<b>Sales</b>	
	-	23
	-	32
	-	32
	-	87
	<b>Sales (US \$)</b>	<b>65</b>

Revenue Premium	<b>Revenue Premium</b>	
	17	(13,753)
	222	157
	-	-
	<b>Total Revenue by Type (2)</b>	<b>239 (13,596)</b>
	<b>Total Revenue (US \$)</b>	<b>181 (10,146)</b>

1. Reinsured Insurance & Annuity Business reflects business transferred to Protective Life under an indemnity reinsurance agreement effective June 1, 2019

2. Excludes participating policy revenue premiums.

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

	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<i>(C\$MM, unless otherwise stated)</i>											
<b>Income</b>											
Premium income	904	824	899	862	807	635	753	740	2,627	2,195	3,057
Net investment income	298	334	390	210	113	53	(60)	107	1,022	106	316
Fee and other income	361	350	329	318	330	319	303	307	1,040	952	1,270
<b>Total Income</b>	<b>1,563</b>	<b>1,508</b>	<b>1,618</b>	<b>1,390</b>	<b>1,250</b>	<b>1,007</b>	<b>996</b>	<b>1,154</b>	<b>4,689</b>	<b>3,253</b>	<b>4,643</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	1,117	1,071	1,210	997	828	605	608	762	3,398	2,041	3,038
Commissions	37	38	36	39	42	41	41	41	111	124	163
General expenses	313	299	295	279	283	268	269	281	907	820	1,099
Other	14	16	17	15	16	16	13	13	47	45	60
<b>Total Benefits and Expenses</b>	<b>1,481</b>	<b>1,424</b>	<b>1,558</b>	<b>1,330</b>	<b>1,169</b>	<b>930</b>	<b>931</b>	<b>1,097</b>	<b>4,463</b>	<b>3,030</b>	<b>4,360</b>
<b>Net Earnings before income taxes</b>	<b>82</b>	<b>84</b>	<b>60</b>	<b>60</b>	<b>81</b>	<b>77</b>	<b>65</b>	<b>57</b>	<b>226</b>	<b>223</b>	<b>283</b>
Income tax	17	19	12	13	18	17	15	16	48	50	63
<b>Net Income before non-controlling interests</b>	<b>65</b>	<b>65</b>	<b>48</b>	<b>47</b>	<b>63</b>	<b>60</b>	<b>50</b>	<b>41</b>	<b>178</b>	<b>173</b>	<b>220</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>65</b>	<b>65</b>	<b>48</b>	<b>47</b>	<b>63</b>	<b>60</b>	<b>50</b>	<b>41</b>	<b>178</b>	<b>173</b>	<b>220</b>
Capital Allocation	(7)	(8)	(8)	(6)	(5)	(6)	(6)	(5)	(23)	(17)	(23)
<b>Net Earnings - Common Shareholders</b>	<b>58</b>	<b>57</b>	<b>40</b>	<b>41</b>	<b>58</b>	<b>54</b>	<b>44</b>	<b>36</b>	<b>155</b>	<b>156</b>	<b>197</b>
<b>Net Earnings - Common Shareholders (US\$)</b>	<b>45</b>	<b>43</b>	<b>30</b>	<b>32</b>	<b>44</b>	<b>42</b>	<b>35</b>	<b>30</b>	<b>118</b>	<b>121</b>	<b>153</b>
<b>Sales</b>											
Empower Retirement	16,885	11,720	60,977	14,234	9,727	9,003	11,482	7,770	89,582	30,212	44,446
<b>Sales (US \$)</b>	<b>12,792</b>	<b>8,746</b>	<b>45,847</b>	<b>10,783</b>	<b>7,426</b>	<b>6,979</b>	<b>9,113</b>	<b>6,118</b>	<b>67,385</b>	<b>23,518</b>	<b>34,301</b>
<b>Revenue Premium (by Type) <sup>(1)</sup></b>											
Risk-based premiums	904	824	899	862	807	635	753	740	2,627	2,195	3,057
Segregated fund deposits	352	367	423	404	472	648	513	472	1,142	1,633	2,037
Proprietary Mutual Funds	1,770	1,549	1,393	1,259	1,303	1,224	1,248	1,323	4,712	3,775	5,034
<b>Total Revenue Premium (by Type)</b>	<b>3,026</b>	<b>2,740</b>	<b>2,715</b>	<b>2,525</b>	<b>2,582</b>	<b>2,507</b>	<b>2,514</b>	<b>2,535</b>	<b>8,481</b>	<b>7,603</b>	<b>10,128</b>
<b>Total Revenue Premium (US \$)</b>	<b>2,293</b>	<b>2,045</b>	<b>2,041</b>	<b>1,911</b>	<b>1,971</b>	<b>1,943</b>	<b>1,995</b>	<b>1,996</b>	<b>6,379</b>	<b>5,909</b>	<b>7,820</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, 2018 consolidated financial statements and within the IFRS section of the MD&A.

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

	<u>2019</u>	
	<u>Q3</u>	<u>Q2</u>
<i>(C\$MM, unless otherwise stated)</i>		
<b>Income</b>		
Premium income	29	36
Net investment income	159	183
Fee and other income	8	4
<b>Total Income</b>	<b>196</b>	<b>223</b>
<b>Benefits and Expenses</b>		
Paid or credited to policyholders and beneficiaries	161	198
Commissions	1	3
General expenses	19	10
Other	13	5
<b>Total Benefits and Expenses</b>	<b>194</b>	<b>216</b>
<b>Net Earnings (loss) before income taxes</b>	<b>2</b>	<b>7</b>
Income tax	(5)	(1)
<b>Net Income before non-controlling interests</b>	<b>7</b>	<b>8</b>
Non-controlling interests	1	2
<b>Net Earnings before Capital Allocation</b>	<b>6</b>	<b>6</b>
Capital Allocation	(1)	(1)
<b>Net Earnings (loss) - Common Shareholders</b>	<b>5</b>	<b>5</b>
<b>Net Earnings - Common Shareholders (US\$)</b>	<b>4</b>	<b>3</b>

1) Other reflects certain expense items of the Financial Services segment. As of Q2 2019, the Other segment will also reflect the retained portion of the Individual Markets business following the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business.

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

<i>(000's)</i>	<b>2019</b>			<b>2018</b>				<b>2017</b>
	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
<b>Empower Retirement</b>	9,463	9,237	9,100	8,768	8,664	8,537	8,495	8,334
<b>Individual Markets</b>	382	48	420	431	430	435	434	446
<b>Total</b>	<b>9,845</b>	<b>9,285</b>	<b>9,520</b>	<b>9,199</b>	<b>9,094</b>	<b>8,972</b>	<b>8,929</b>	<b>8,780</b>



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

<i>(C\$MM)</i>	<b>2019</b>			<b>2018</b>				<b>2017</b>
	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
General Account	17,872	17,436	17,634	17,652	16,580	16,755	16,437	15,885
Segregated Funds	26,055	26,475	20,684	20,354	21,672	22,472	23,551	23,947
Proprietary Mutual Funds	38,426	36,962	36,110	32,773	32,813	32,156	31,247	29,944
Unaffiliated Retail Investment Options & ASO	778,450	757,569	742,238	630,881	659,602	642,274	617,388	597,596

## Lifeco U.S. – Asset Management

	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<i>(C\$MM, unless otherwise stated)</i>											
<b>Income</b>											
Net investment income	2	9	14	(17)	-	3	3	6	25	6	(11)
Fee and other income	296	298	285	285	302	295	290	295	879	887	1,172
<b>Total Income</b>	<b>298</b>	<b>307</b>	<b>299</b>	<b>268</b>	<b>302</b>	<b>298</b>	<b>293</b>	<b>301</b>	<b>904</b>	<b>893</b>	<b>1,161</b>
<b>Benefits and Expenses</b>											
Commissions	59	59	56	57	60	60	61	66	174	181	238
General expenses	211	219	223	233	233	227	233	226	653	693	926
Other	24	28	26	30	28	35	31	8	78	94	124
Restructuring and acquisition expenses	-	-	-	-	-	-	-	-	-	-	-
<b>Total Benefits and Expenses</b>	<b>294</b>	<b>306</b>	<b>305</b>	<b>320</b>	<b>321</b>	<b>322</b>	<b>325</b>	<b>300</b>	<b>905</b>	<b>968</b>	<b>1,288</b>
<b>Net Earnings (loss) before income taxes</b>	<b>4</b>	<b>1</b>	<b>(6)</b>	<b>(52)</b>	<b>(19)</b>	<b>(24)</b>	<b>(32)</b>	<b>1</b>	<b>(1)</b>	<b>(75)</b>	<b>(127)</b>
Income tax	(5)	(1)	3	(18)	(8)	(13)	(11)	5	(3)	(32)	(50)
<b>Net Earnings (loss) before non-controlling interests</b>	<b>9</b>	<b>2</b>	<b>(9)</b>	<b>(34)</b>	<b>(11)</b>	<b>(11)</b>	<b>(21)</b>	<b>(4)</b>	<b>2</b>	<b>(43)</b>	<b>(77)</b>
Non-controlling interests	1	1	-	(1)	1	1	-	3	2	2	1
<b>Net Earnings (loss) before Capital Allocation</b>	<b>8</b>	<b>1</b>	<b>(9)</b>	<b>(33)</b>	<b>(12)</b>	<b>(12)</b>	<b>(21)</b>	<b>(7)</b>	<b>-</b>	<b>(45)</b>	<b>(78)</b>
Capital Allocation	5	5	5	4	4	4	5	2	15	13	17
<b>Net Earnings (loss) - Common Shareholders</b>	<b>13</b>	<b>6</b>	<b>(4)</b>	<b>(29)</b>	<b>(8)</b>	<b>(8)</b>	<b>(16)</b>	<b>(5)</b>	<b>15</b>	<b>(32)</b>	<b>(61)</b>
<b>Net Earnings (loss) - Common Shareholders (US\$)</b>	<b>9</b>	<b>5</b>	<b>(3)</b>	<b>(22)</b>	<b>(6)</b>	<b>(6)</b>	<b>(13)</b>	<b>(4)</b>	<b>11</b>	<b>(25)</b>	<b>(47)</b>
<b>Sales (C\$)</b>											
Gross sales <sup>(1)</sup>	14,360	12,406	14,550	17,483	14,128	15,002	13,235	11,016	41,316	42,365	59,848
Redemptions	(16,402)	(13,170)	(17,230)	(19,002)	(12,543)	(12,988)	(14,753)	(12,069)	(46,802)	(40,284)	(59,286)
Net Sales	(2,042)	(764)	(2,680)	(1,519)	1,585	2,014	(1,518)	(1,053)	(5,486)	2,081	562
<b>Fee Income (C\$)</b>											
Investment management fees	205	204	198	199	212	207	203	204	607	622	821
Performance fees	(3)	(3)	(6)	(8)	(9)	(10)	(11)	(10)	(12)	(30)	(38)
Service fees	37	38	37	37	38	37	36	37	112	111	148
Underwriting & distribution fees	57	59	56	57	61	61	62	64	172	184	241
<b>Total Fee Income (C\$)</b>	<b>296</b>	<b>298</b>	<b>285</b>	<b>285</b>	<b>302</b>	<b>295</b>	<b>290</b>	<b>295</b>	<b>879</b>	<b>887</b>	<b>1,172</b>
<b>Fee Income (US \$)</b>	<b>224</b>	<b>222</b>	<b>215</b>	<b>216</b>	<b>231</b>	<b>228</b>	<b>230</b>	<b>232</b>	<b>661</b>	<b>689</b>	<b>905</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**

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<i>(C\$MM, unless otherwise stated)</i>								
<b>Mutual Funds</b>								
Growth equity	16,813	16,915	16,404	14,419	16,269	15,176	14,369	13,881
Value equity	22,326	21,876	21,752	20,692	23,181	22,537	21,996	22,185
Blend equity	22,366	22,939	23,536	22,617	26,468	27,372	27,567	28,502
Fixed income	50,299	47,321	47,238	45,040	41,227	38,772	36,086	34,433
<b>Total Mutual Funds</b>	111,804	109,051	108,930	102,768	107,145	103,857	100,018	99,001
<b>Institutional Accounts</b>								
Equity	73,548	75,844	76,862	72,777	81,812	80,570	78,912	79,772
Fixed income	44,580	43,911	42,785	42,327	39,629	41,475	39,684	37,265
<b>Total Institutional Accounts</b>	118,128	119,755	119,647	115,104	121,441	122,045	118,596	117,037
<b>Total End of Period Assets Under Management</b>	229,932	228,806	228,577	217,872	228,586	225,902	218,614	216,038
<b>Total End of Period Assets Under Management - US\$</b>	174,191	174,661	170,580	160,200	177,199	172,445	169,468	171,458

Lifeco U.S. – Participating Account

(C\$MM, unless otherwise stated)

	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Income</b>											
Premium income	16	14	21	18	19	17	29	19	51	65	83
Net investment income	49	63	56	36	17	13	(5)	22	168	25	61
<b>Total Income</b>	<b>65</b>	<b>77</b>	<b>77</b>	<b>54</b>	<b>36</b>	<b>30</b>	<b>24</b>	<b>41</b>	<b>219</b>	<b>90</b>	<b>144</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	67	71	75	50	31	26	23	37	213	80	130
Commissions	-	1	1	-	-	1	1	-	2	2	2
General expenses	1	1	1	-	-	1	1	1	3	2	2
Other	2	4	(1)	3	3	2	-	-	5	5	8
<b>Total Benefits and Expenses</b>	<b>70</b>	<b>77</b>	<b>76</b>	<b>53</b>	<b>34</b>	<b>30</b>	<b>25</b>	<b>38</b>	<b>223</b>	<b>89</b>	<b>142</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(5)</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>(1)</b>	<b>3</b>	<b>(4)</b>	<b>1</b>	<b>2</b>
Income tax	-	-	1	1	1	-	(1)	1	1	-	1
<b>Net Earnings (loss) before non-controlling interests</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(5)</b>	<b>1</b>	<b>1</b>
Non-controlling interests	(5)	-	-	-	1	-	-	2	(5)	1	1
<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>-</b>
<b>Revenue Premium</b>											
Risk-based premiums	16	14	21	18	19	17	29	19	51	65	83
<b>Revenue Premium (US \$)</b>	<b>12</b>	<b>11</b>	<b>16</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>23</b>	<b>15</b>	<b>39</b>	<b>50</b>	<b>64</b>

Lifeco U.S. – Corporate (1)

(C\$MM, unless otherwise stated)

	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Income</b>											
Net investment income	12	5	-	-	-	16	-	-	17	16	16
<b>Total Income</b>	12	5	-	-	-	16	-	-	17	16	16
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	-	-	-	-	-	-	-	61	-	-	-
General expenses	11	-	2	-	-	9	-	10	13	9	9
Restructuring and acquisition expenses	-	-	-	-	-	-	-	-	-	-	-
Loss on assets held for sale	-	-	-	-	-	-	-	202	-	-	-
Other	-	2	(1)	-	-	(64)	-	1	1	(64)	(64)
<b>Total Benefits and Expenses</b>	11	2	1	-	-	(55)	-	274	14	(55)	(55)
<b>Net Earnings (loss) before income taxes</b>	1	3	(1)	-	-	71	-	(274)	3	71	71
Income tax	-	-	-	-	-	19	-	118	-	19	19
<b>Net Earnings (loss) before non-controlling interests</b>	1	3	(1)	-	-	52	-	(392)	3	52	52
Non-controlling interests	-	-	-	-	-	-	-	(19)	-	-	-
<b>Net Earnings (loss) before Capital Allocation</b>	1	3	(1)	-	-	52	-	(373)	3	52	52
Capital Allocation	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss) - Common Shareholders</b>	1	3	(1)	-	-	52	-	(373)	3	52	52
<b>Net Earnings - Common Shareholders (US\$) (2)</b>	1	2	(1)	-	-	33	-	(294)	2	33	33

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. Q2 2018 includes a net positive impact of \$60m arising from refinancing in the U.S. segment completed in the second quarter of 2018, 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)

	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Assets</b>								
Cash and cash equivalents	957	1,162	1,518	1,330	1,158	1,050	854	1,017
Bonds	22,613	21,679	33,984	33,557	31,639	32,427	32,553	32,190
Mortgage loans	4,325	4,327	6,310	6,440	6,150	6,146	5,811	5,447
Stocks	213	192	185	187	186	180	123	112
Investment properties	6	6	6	7	5	5	5	5
Loans to policyholders	5,641	5,878	5,839	5,979	5,623	5,731	5,577	5,492
Total invested assets	33,755	33,244	47,842	47,500	44,761	45,539	44,923	44,263
Reinsurance assets	15,391	14,650	282	286	282	302	298	287
Derivative financial instruments	243	186	147	167	86	85	45	67
Owner occupied properties	193	192	186	189	163	180	175	172
Fixed assets	151	154	163	168	137	125	100	93
Other assets	2,964	3,010	3,302	2,957	2,765	2,693	2,764	2,299
Total other assets	3,551	3,542	3,798	3,481	3,151	3,083	3,084	2,631
Deferred tax assets	636	651	688	728	699	716	763	700
Goodwill	183	181	205	208	198	201	198	194
Intangible assets	1,837	1,822	1,888	1,922	1,826	1,854	1,821	1,781
Assets held for sale	-	-	-	-	-	-	-	169
Investments on account of segregated fund policyholders	31,737	32,036	32,736	31,816	32,971	33,508	33,983	34,038
<b>Total assets</b>	<b>87,090</b>	<b>86,126</b>	<b>87,439</b>	<b>85,941</b>	<b>83,888</b>	<b>85,203</b>	<b>85,070</b>	<b>84,063</b>
<b>Liabilities</b>								
Insurance contract liabilities	44,423	43,059	43,107	42,760	40,136	40,860	40,355	39,799
Investment contract liabilities	133	140	150	152	148	161	165	171
	44,556	43,199	43,257	42,912	40,284	41,021	40,520	39,970
Debentures and other debt instruments	2,471	2,537	2,703	2,722	2,409	2,484	2,319	2,388
Other liabilities	2,566	2,661	2,480	2,231	2,295	2,304	2,436	2,036
Deferred tax liabilities	129	128	156	147	133	125	121	81
Investment and insurance contracts on account of segregated fund policyholders	31,737	32,036	32,736	31,816	32,971	33,508	33,983	34,038
<b>Total liabilities</b>	<b>81,459</b>	<b>80,561</b>	<b>81,332</b>	<b>79,828</b>	<b>78,092</b>	<b>79,442</b>	<b>79,379</b>	<b>78,513</b>
<b>Equity</b>								
Non-controlling interests	123	129	127	140	156	156	206	185
Accumulated surplus	3,964	3,887	4,288	4,244	4,189	4,076	4,001	4,014
Accumulated other comprehensive income (loss)	811	822	970	1,021	746	831	795	639
Contributed surplus	733	727	722	708	705	698	689	712
	5,631	5,565	6,107	6,113	5,796	5,761	5,691	5,550
<b>Total liabilities and equity</b>	<b>87,090</b>	<b>86,126</b>	<b>87,439</b>	<b>85,941</b>	<b>83,888</b>	<b>85,203</b>	<b>85,070</b>	<b>84,063</b>
<b>Proprietary mutual funds and institutional net assets</b>	250,183	248,253	247,725	235,075	246,151	243,506	235,926	232,623
<b>Other assets under administration</b>	778,450	757,569	742,238	630,881	659,602	642,276	617,388	597,596
<b>Total assets under administration</b>	<b>1,115,723</b>	<b>1,091,948</b>	<b>1,077,402</b>	<b>951,897</b>	<b>989,641</b>	<b>970,985</b>	<b>938,384</b>	<b>914,282</b>

---

# Europe



## Lifeco Europe Net Earnings – Consolidated

(C\$MM)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Income</b>											
Premium income	4,752	5,767	5,242	4,376	5,923	3,870	3,949	3,971	15,761	13,742	18,118
Regular net investment income	402	433	326	488	451	445	517	471	1,161	1,413	1,901
Changes in fair value through profit or loss	1,535	724	1,417	46	(565)	(339)	(573)	462	3,676	(1,477)	(1,431)
Net investment income	1,937	1,157	1,743	534	(114)	106	(56)	933	4,837	(64)	470
Fee and other income	384	387	398	348	373	395	364	368	1,169	1,132	1,480
<b>Total Income</b>	<b>7,073</b>	<b>7,311</b>	<b>7,383</b>	<b>5,258</b>	<b>6,182</b>	<b>4,371</b>	<b>4,257</b>	<b>5,272</b>	<b>21,767</b>	<b>14,810</b>	<b>20,068</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders	6,211	6,482	6,521	4,385	5,345	3,478	3,389	4,513	19,214	12,212	16,597
Commissions	133	147	151	158	132	153	154	150	431	439	597
General expenses	283	283	294	299	279	279	279	274	860	837	1,136
Restructuring and Acquisition Expenses	-	-	-	-	67	-	-	5	-	67	67
Other	48	46	49	48	43	44	42	44	143	129	177
<b>Total Benefits and Expenses</b>	<b>6,675</b>	<b>6,958</b>	<b>7,015</b>	<b>4,890</b>	<b>5,866</b>	<b>3,954</b>	<b>3,864</b>	<b>4,986</b>	<b>20,648</b>	<b>13,684</b>	<b>18,574</b>
<b>Net Earnings before income taxes</b>	<b>398</b>	<b>353</b>	<b>368</b>	<b>368</b>	<b>316</b>	<b>417</b>	<b>393</b>	<b>286</b>	<b>1,119</b>	<b>1,126</b>	<b>1,494</b>
Income tax	11	42	41	(12)	19	31	18	(95)	94	68	56
<b>Net Earnings before non-controlling interests</b>	<b>387</b>	<b>311</b>	<b>327</b>	<b>380</b>	<b>297</b>	<b>386</b>	<b>375</b>	<b>381</b>	<b>1,025</b>	<b>1,058</b>	<b>1,438</b>
Non-controlling interests	1	-	(1)	(1)	1	-	-	(1)	-	1	-
<b>Net Earnings</b>	<b>386</b>	<b>311</b>	<b>328</b>	<b>381</b>	<b>296</b>	<b>386</b>	<b>375</b>	<b>382</b>	<b>1,025</b>	<b>1,057</b>	<b>1,438</b>
Preferred share dividends	5	5	5	5	5	4	5	5	15	14	19
<b>Net Earnings before Capital Allocation</b>	<b>381</b>	<b>306</b>	<b>323</b>	<b>376</b>	<b>291</b>	<b>382</b>	<b>370</b>	<b>377</b>	<b>1,010</b>	<b>1,043</b>	<b>1,419</b>
Capital Allocation	(24)	(24)	(24)	(27)	(28)	(27)	(26)	(19)	(72)	(81)	(108)
<b>Net Earnings - Common Shareholders</b>	<b>357</b>	<b>282</b>	<b>299</b>	<b>349</b>	<b>263</b>	<b>355</b>	<b>344</b>	<b>358</b>	<b>938</b>	<b>962</b>	<b>1,311</b>
<b>Common Shareholder Net Earnings (loss)</b>											
Insurance & Annuities	306	207	203	271	240	281	244	250	716	765	1,036
Reinsurance	55	77	97	89	87	97	104	67	229	288	377
Corporate <sup>(1)</sup>	(4)	(2)	(1)	(11)	(64)	(23)	(4)	41	(7)	(91)	(102)
<b>Total</b>	<b>357</b>	<b>282</b>	<b>299</b>	<b>349</b>	<b>263</b>	<b>355</b>	<b>344</b>	<b>358</b>	<b>938</b>	<b>962</b>	<b>1,311</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 – Insurance & Annuities

	2019			2018				2017 Q4	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1				
<i>(C\$MM)</i>											
<b>Income</b>											
Premium income	647	1,326	782	496	2,809	656	627	968	2,755	4,092	4,588
Net investment income	1,581	899	1,348	460	(128)	83	70	710	3,828	25	485
Fee and other income	382	385	395	345	370	392	360	361	1,162	1,122	1,467
<b>Total Income</b>	<b>2,610</b>	<b>2,610</b>	<b>2,525</b>	<b>1,301</b>	<b>3,051</b>	<b>1,131</b>	<b>1,057</b>	<b>2,039</b>	<b>7,745</b>	<b>5,239</b>	<b>6,540</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	1,848	1,926	1,828	586	2,360	403	365	1,374	5,602	3,128	3,714
Commissions	105	115	117	119	106	111	112	114	337	329	448
General expenses	258	259	268	265	252	251	251	247	785	754	1,019
Other	37	35	35	38	35	31	32	27	107	98	136
<b>Total Benefits and Expenses</b>	<b>2,248</b>	<b>2,335</b>	<b>2,248</b>	<b>1,008</b>	<b>2,753</b>	<b>796</b>	<b>760</b>	<b>1,762</b>	<b>6,831</b>	<b>4,309</b>	<b>5,317</b>
<b>Net Earnings before income taxes</b>	<b>362</b>	<b>275</b>	<b>277</b>	<b>293</b>	<b>298</b>	<b>335</b>	<b>297</b>	<b>277</b>	<b>914</b>	<b>930</b>	<b>1,223</b>
Income tax	24	37	42	(11)	24	19	19	2	103	62	51
<b>Net Earnings before non-controlling interests</b>	<b>338</b>	<b>238</b>	<b>235</b>	<b>304</b>	<b>274</b>	<b>316</b>	<b>278</b>	<b>275</b>	<b>811</b>	<b>868</b>	<b>1,172</b>
Non-controlling interests	1	-	-	-	-	-	-	-	1	-	-
<b>Net Earnings</b>	<b>337</b>	<b>238</b>	<b>235</b>	<b>304</b>	<b>274</b>	<b>316</b>	<b>278</b>	<b>275</b>	<b>810</b>	<b>868</b>	<b>1,172</b>
Perpetual share dividends	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings before Capital Allocation</b>	<b>337</b>	<b>238</b>	<b>235</b>	<b>304</b>	<b>274</b>	<b>316</b>	<b>278</b>	<b>275</b>	<b>810</b>	<b>868</b>	<b>1,172</b>
Capital Allocation	(31)	(31)	(32)	(33)	(34)	(35)	(34)	(25)	(94)	(103)	(136)
<b>Net Earnings - Common Shareholders</b>	<b>306</b>	<b>207</b>	<b>203</b>	<b>271</b>	<b>240</b>	<b>281</b>	<b>244</b>	<b>250</b>	<b>716</b>	<b>765</b>	<b>1,036</b>
<b>Sales</b>											
UK / Isle of Man	1,238	1,748	1,216	1,096	3,274	1,151	949	809	4,202	5,374	6,470
Ireland / Germany	5,860	5,383	9,965	4,876	3,961	4,384	4,790	6,516	21,208	13,135	18,011
<b>Total - Insurance &amp; Annuities</b>	<b>7,098</b>	<b>7,131</b>	<b>11,181</b>	<b>5,972</b>	<b>7,235</b>	<b>5,535</b>	<b>5,739</b>	<b>7,325</b>	<b>25,410</b>	<b>18,509</b>	<b>24,481</b>
<b>Revenue Premium</b>											
Risk-based revenue premiums	647	1,326	782	496	2,809	656	627	968	2,755	4,092	4,588
Segregated fund deposits	3,208	2,877	2,659	3,660	2,815	2,952	2,791	4,214	8,744	8,558	12,218
Proprietary mutual funds & institutional deposits	3,734	3,727	8,464	2,321	2,217	2,627	2,988	3,475	15,925	7,832	10,153
	<b>7,589</b>	<b>7,930</b>	<b>11,905</b>	<b>6,477</b>	<b>7,841</b>	<b>6,235</b>	<b>6,406</b>	<b>8,657</b>	<b>27,424</b>	<b>20,482</b>	<b>26,959</b>
UK / Isle of Man	1,127	1,827	1,233	1,064	3,245	1,238	954	969	4,187	5,437	6,501
Ireland / Germany	6,462	6,103	10,672	5,413	4,596	4,997	5,452	7,688	23,237	15,045	20,458
<b>Total - Insurance &amp; Annuities <sup>(1)</sup></b>	<b>7,589</b>	<b>7,930</b>	<b>11,905</b>	<b>6,477</b>	<b>7,841</b>	<b>6,235</b>	<b>6,406</b>	<b>8,657</b>	<b>27,424</b>	<b>20,482</b>	<b>26,959</b>

1. Excludes participating policy revenue premiums.

## Lifeco Europe – Reinsurance

(C\$MM)	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
<b>Income</b>											
Premium income	4,098	4,435	4,454	3,872	3,107	3,209	3,316	2,995	12,987	9,632	13,504
Net investment income	300	214	336	73	13	17	(101)	197	850	(71)	2
Fee and other income	2	2	3	3	3	3	4	7	7	10	13
<b>Total Income</b>	<b>4,400</b>	<b>4,651</b>	<b>4,793</b>	<b>3,948</b>	<b>3,123</b>	<b>3,229</b>	<b>3,219</b>	<b>3,199</b>	<b>13,844</b>	<b>9,571</b>	<b>13,519</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	4,304	4,509	4,633	3,792	2,978	3,066	3,045	3,060	13,446	9,089	12,881
Commissions	28	32	34	39	26	42	42	36	94	110	149
General expenses	20	20	21	19	17	18	20	18	61	55	74
Other	3	4	5	4	3	3	5	9	12	11	15
<b>Total Benefits and Expenses</b>	<b>4,355</b>	<b>4,565</b>	<b>4,693</b>	<b>3,854</b>	<b>3,024</b>	<b>3,129</b>	<b>3,112</b>	<b>3,123</b>	<b>13,613</b>	<b>9,265</b>	<b>13,119</b>
<b>Net Earnings (loss) before income taxes</b>	<b>45</b>	<b>86</b>	<b>100</b>	<b>94</b>	<b>99</b>	<b>100</b>	<b>107</b>	<b>76</b>	<b>231</b>	<b>306</b>	<b>400</b>
Income tax	(12)	7	2	2	9	-	1	6	(3)	10	12
<b>Net Earnings (loss) before non-controlling interests</b>	<b>57</b>	<b>79</b>	<b>98</b>	<b>92</b>	<b>90</b>	<b>100</b>	<b>106</b>	<b>70</b>	<b>234</b>	<b>296</b>	<b>388</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss)</b>	<b>57</b>	<b>79</b>	<b>98</b>	<b>92</b>	<b>90</b>	<b>100</b>	<b>106</b>	<b>70</b>	<b>234</b>	<b>296</b>	<b>388</b>
Preferred share dividends	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss) before Capital Allocation</b>	<b>57</b>	<b>79</b>	<b>98</b>	<b>92</b>	<b>90</b>	<b>100</b>	<b>106</b>	<b>70</b>	<b>234</b>	<b>296</b>	<b>388</b>
Capital Allocation	(2)	(2)	(1)	(3)	(3)	(3)	(2)	(3)	(5)	(8)	(11)
<b>Net Earnings (loss) - Common Shareholders <sup>(1)</sup></b>	<b>55</b>	<b>77</b>	<b>97</b>	<b>89</b>	<b>87</b>	<b>97</b>	<b>104</b>	<b>67</b>	<b>229</b>	<b>288</b>	<b>377</b>
<b>Risk-based revenue premiums</b>	<b>4,098</b>	<b>4,435</b>	<b>4,454</b>	<b>3,872</b>	<b>3,107</b>	<b>3,209</b>	<b>3,316</b>	<b>2,995</b>	<b>12,987</b>	<b>9,632</b>	<b>13,504</b>

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

## Lifeco Europe – Participating Account

(C\$MM)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Income</b>											
Premium income	7	6	6	8	7	5	6	8	19	18	26
Net investment income	52	41	56	-	1	7	(23)	25	149	(15)	(15)
Fee and other income	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>59</b>	<b>47</b>	<b>62</b>	<b>8</b>	<b>8</b>	<b>12</b>	<b>(17)</b>	<b>33</b>	<b>168</b>	<b>3</b>	<b>11</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	56	45	58	8	7	10	(18)	31	159	(1)	7
Commissions	-	-	-	-	-	-	-	-	-	-	-
General expenses	1	1	1	1	1	-	1	-	3	2	3
Other	2	1	4	-	(1)	2	-	3	7	1	1
<b>Total Benefits and Expenses</b>	<b>59</b>	<b>47</b>	<b>63</b>	<b>9</b>	<b>7</b>	<b>12</b>	<b>(17)</b>	<b>34</b>	<b>169</b>	<b>2</b>	<b>11</b>
<b>Net Earnings (loss) before income taxes</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>	<b>-</b>
Income tax	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss) before non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>	<b>-</b>
Non-controlling interests	-	-	(1)	(1)	1	-	-	(1)	(1)	1	-
<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>-</b>
<b>Risk-based revenue premiums</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>7</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>19</b>	<b>18</b>	<b>26</b>

## Lifeco Europe – Corporate

(C\$MM)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Income</b>											
Premium income	-	-	-	-	-	-	-	-	-	-	-
Net investment income	4	3	3	1	-	(1)	(2)	1	10	(3)	(2)
Fee and other income	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>(2)</b>	<b>1</b>	<b>10</b>	<b>(3)</b>	<b>(2)</b>
<b>Benefits and Expenses</b>											
Paid or credited to policyholders and beneficiaries	3	2	2	(1)	-	(1)	(3)	48	7	(4)	(5)
Commissions	-	-	-	-	-	-	-	-	-	-	-
General expenses	4	3	4	14	9	10	7	9	11	26	40
Restructuring and acquisition expenses	-	-	-	-	67	-	-	5	-	67	67
Other	6	6	5	6	6	8	5	5	17	19	25
<b>Total Benefits and Expenses</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>19</b>	<b>82</b>	<b>17</b>	<b>9</b>	<b>67</b>	<b>35</b>	<b>108</b>	<b>127</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(9)</b>	<b>(8)</b>	<b>(8)</b>	<b>(18)</b>	<b>(82)</b>	<b>(18)</b>	<b>(11)</b>	<b>(66)</b>	<b>(25)</b>	<b>(111)</b>	<b>(129)</b>
Income tax	(1)	(2)	(3)	(3)	(14)	12	(2)	(103)	(6)	(4)	(7)
<b>Net Earnings (loss)</b>	<b>(8)</b>	<b>(6)</b>	<b>(5)</b>	<b>(15)</b>	<b>(68)</b>	<b>(30)</b>	<b>(9)</b>	<b>37</b>	<b>(19)</b>	<b>(107)</b>	<b>(122)</b>
Preferred shareholder dividends	5	5	5	5	5	4	5	5	15	14	19
<b>Net Earnings (loss) before Capital Allocation</b>	<b>(13)</b>	<b>(11)</b>	<b>(10)</b>	<b>(20)</b>	<b>(73)</b>	<b>(34)</b>	<b>(14)</b>	<b>32</b>	<b>(34)</b>	<b>(121)</b>	<b>(141)</b>
Capital Allocation	9	9	9	9	9	11	10	9	27	30	39
<b>Net Earnings (loss) - Common Shareholders <sup>(1)</sup></b>	<b>(4)</b>	<b>(2)</b>	<b>(1)</b>	<b>(11)</b>	<b>(64)</b>	<b>(23)</b>	<b>(4)</b>	<b>41</b>	<b>(7)</b>	<b>(91)</b>	<b>(102)</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)

Assets	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash and cash equivalents	2,328	2,190	2,412	2,383	2,021	2,027	2,048	1,833
Bonds	43,218	42,970	44,128	44,040	43,882	43,196	45,370	41,710
Mortgage loans	5,085	4,817	4,775	4,535	4,296	4,493	4,553	3,596
Stocks	374	394	396	379	432	444	424	428
Investment properties	2,618	2,682	2,840	2,881	2,856	2,928	3,081	2,886
Loans to policyholders	116	114	116	116	111	113	111	109
<b>Total invested assets</b>	<b>53,739</b>	<b>53,167</b>	<b>54,667</b>	<b>54,334</b>	<b>53,598</b>	<b>53,201</b>	<b>55,587</b>	<b>50,562</b>
Assets held for sale	876	857	908	897	-	-	-	-
Funds withheld by ceding insurers	8,791	8,959	9,299	9,251	9,145	9,581	10,070	9,893
Reinsurance assets	5,533	5,642	5,679	5,691	5,476	5,566	5,834	4,639
Derivative financial instruments	221	178	148	131	114	130	145	130
Owner occupied properties	136	141	141	146	139	140	144	138
Fixed assets	59	60	60	64	60	61	64	59
Other assets	2,980	3,345	3,676	3,024	3,078	3,315	3,510	3,157
<b>Total other assets</b>	<b>3,396</b>	<b>3,724</b>	<b>4,025</b>	<b>3,365</b>	<b>3,391</b>	<b>3,646</b>	<b>3,863</b>	<b>3,484</b>
Deferred tax assets				29	22	41	39	28
Goodwill	2,263	2,287	2,301	2,325	2,290	2,267	2,300	2,016
Intangible assets	528	540	542	553	532	486	500	473
Deferred tax assets	14	21	35	-	-	-	-	-
Investments on account of segregated fund policyholders	107,075	106,388	105,063	101,078	106,075	106,248	107,322	102,920
Investments on account of segregated fund policyholders held for sale	3,172	3,278	3,432	3,319	-	-	-	-
<b>Total assets</b>	<b>185,387</b>	<b>184,863</b>	<b>185,951</b>	<b>180,842</b>	<b>180,529</b>	<b>181,036</b>	<b>185,515</b>	<b>174,015</b>
<b>Liabilities</b>								
Insurance contract liabilities	55,856	55,925	56,915	56,029	55,658	55,619	58,678	53,590
Investment contract liabilities	1,278	1,260	1,264	1,238	1,246	1,287	1,316	1,345
	57,134	57,185	58,179	57,267	56,904	56,906	59,994	54,935
Liabilities held for sale	876	857	908	897	-	-	-	-
Debentures and other debt instruments	1,004	1,039	1,045	1,087	1,044	1,066	1,107	1,052
Funds held under reinsurance contracts	1,347	1,320	1,323	1,312	1,286	1,333	1,405	329
Other liabilities	2,336	2,340	2,410	2,329	2,148	2,129	2,071	1,998
Deferred tax liabilities	426	446	457	426	440	448	421	442
Investment and insurance contracts on account of segregated fund policyholders	107,075	106,388	105,063	101,078	106,075	106,248	107,322	102,920
Investment and insurance contracts on account of segregated fund policyholders held for sale	3,172	3,278	3,432	3,319	-	-	-	-
<b>Total liabilities</b>	<b>173,370</b>	<b>172,853</b>	<b>172,817</b>	<b>167,715</b>	<b>167,897</b>	<b>168,130</b>	<b>172,320</b>	<b>161,676</b>
<b>Equity</b>								
Non-controlling interests	18	19	19	20	19	(1)	(1)	(2)
Share capital								
Perpetual preferred shares	550	550	550	550	550	550	550	550
Accumulated surplus	11,476	11,250	12,047	11,915	11,807	11,829	11,722	11,486
Accumulated other comprehensive income (loss)	(27)	191	518	642	256	528	924	305
	12,017	12,010	13,134	13,127	12,632	12,906	13,195	12,339
<b>Total liabilities and equity</b>	<b>185,387</b>	<b>184,863</b>	<b>185,951</b>	<b>180,842</b>	<b>180,529</b>	<b>181,036</b>	<b>185,515</b>	<b>174,015</b>
<b>Proprietary mutual funds and institutional net assets</b>	<b>51,389</b>	<b>50,221</b>	<b>49,829</b>	<b>40,375</b>	<b>40,399</b>	<b>44,229</b>	<b>43,080</b>	<b>39,521</b>
<b>Other assets under administration</b>	<b>46,040</b>	<b>46,483</b>	<b>45,228</b>	<b>45,024</b>	<b>45,035</b>	<b>41,772</b>	<b>43,231</b>	<b>41,945</b>
<b>Total assets under administration</b>	<b>282,816</b>	<b>281,567</b>	<b>281,008</b>	<b>266,241</b>	<b>265,963</b>	<b>267,037</b>	<b>271,826</b>	<b>255,481</b>

**Lifeco Corporate**

(C\$MM)	2019			2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
<b>Income</b>											
Premium income	-	-	-	-	-	-	-	-	-	-	-
Net investment income	(1)	3	(1)	4	4	2	3	2	1	9	13
Fee and other income	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>(1)</b>	<b>3</b>	<b>(1)</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>9</b>	<b>13</b>
<b>Benefits and Expenses</b>											
General expenses	3	8	6	8	5	5	5	4	17	15	23
Other	1	2	-	-	1	-	-	-	3	1	1
<b>Total Benefits and Expenses</b>	<b>4</b>	<b>10</b>	<b>6</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>20</b>	<b>16</b>	<b>24</b>
<b>Net Earnings (loss) before income taxes</b>	<b>(5)</b>	<b>(7)</b>	<b>(7)</b>	<b>(4)</b>	<b>(2)</b>	<b>(3)</b>	<b>(2)</b>	<b>(2)</b>	<b>(19)</b>	<b>(7)</b>	<b>(11)</b>
Income tax	(2)	(2)	(2)	(1)	(1)	(1)	-	-	(6)	(2)	(3)
<b>Net Earnings (loss) before non-controlling interests</b>	<b>(3)</b>	<b>(5)</b>	<b>(5)</b>	<b>(3)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(13)</b>	<b>(5)</b>	<b>(8)</b>
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
<b>Net Earnings (loss)</b>	<b>(3)</b>	<b>(5)</b>	<b>(5)</b>	<b>(3)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(13)</b>	<b>(5)</b>	<b>(8)</b>
Preferred share dividends	-	-	-	-	-	-	-	2	-	-	-
<b>Net Earnings (loss) before Capital Allocation</b>	<b>(3)</b>	<b>(5)</b>	<b>(5)</b>	<b>(3)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(4)</b>	<b>(13)</b>	<b>(5)</b>	<b>(8)</b>
Capital Allocation	(1)	-	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(4)	(5)
<b>Net Earnings (loss) - Common Shareholders</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(4)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(6)</b>	<b>(15)</b>	<b>(9)</b>	<b>(13)</b>

## Lifeco – Consolidated Source of Earnings

(C\$MM)	For the three months ended Sept. 30, 2019					2019		2018				2017	YTD 2019	YTD 2018	Fiscal 2018
	Canada	U.S.	Europe	Corp	Total	Q2	Q1	Q4	Q3	Q2	Q1	Q4			
Expected profit on in-force business	324	109	323	(4)	752	734	704	745	738	723	711	704	2,190	2,172	2,917
Impact of new business	25	(33)	(5)	-	(13)	(17)	(73)	(11)	(30)	(58)	(96)	(18)	(103)	(184)	(195)
Experience gains and losses	77	5	(85)	1	(2)	37	18	(19)	(32)	69	85	83	53	122	103
Management actions and changes in assumptions	(76)	(2)	143	-	65	(10)	151	105	245	232	135	125	206	612	717
Impact of U.S. tax reform on insurance contract liabilities & expenses	-	-	-	-	-	-	-	-	-	-	-	(119)	-	-	-
Other	-	-	-	-	-	(202)	-	-	(67)	(9)	-	(187)	(202)	(76)	(76)
Earnings on surplus (incl. financing charges)	18	7	(2)	(3)	20	44	38	(3)	1	75	17	1	102	93	90
<b>Net income before tax</b>	<b>368</b>	<b>86</b>	<b>374</b>	<b>(6)</b>	<b>822</b>	<b>586</b>	<b>838</b>	<b>817</b>	<b>855</b>	<b>1,032</b>	<b>852</b>	<b>589</b>	<b>2,246</b>	<b>2,739</b>	<b>3,556</b>
Taxes (excl. impact of U.S. tax reform)	(40)	(8)	(11)	2	(57)	(92)	(148)	(76)	(130)	(167)	(88)	(64)	(297)	(385)	(461)
U.S. tax reform impact on deferred tax balances	-	-	-	-	-	-	-	-	-	-	-	(154)	-	-	-
Tax recovery on impact of U.S. tax reform on insurance contract liabilities & expenses	-	-	-	-	-	-	-	-	-	-	-	38	-	-	-
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>328</b>	<b>78</b>	<b>363</b>	<b>(4)</b>	<b>765</b>	<b>494</b>	<b>690</b>	<b>741</b>	<b>725</b>	<b>865</b>	<b>764</b>	<b>409</b>	<b>1,949</b>	<b>2,354</b>	<b>3,095</b>
Non-controlling interests & preferred dividends	(28)	(1)	(6)	-	(35)	(35)	(33)	(31)	(36)	(34)	(33)	(36)	(103)	(103)	(134)
Impact of U.S. tax reform on non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	19	-	-	-
<b>Net income - Common Shareholders</b>	<b>300</b>	<b>77</b>	<b>357</b>	<b>(4)</b>	<b>730</b>	<b>459</b>	<b>657</b>	<b>710</b>	<b>689</b>	<b>831</b>	<b>731</b>	<b>392</b>	<b>1,846</b>	<b>2,251</b>	<b>2,961</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)	2019			2018				2017	YTD	YTD	Fiscal
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2019	2018	2018
Expected profit on in-force business	26	18	1	6	9	11	4	5	45	24	30
Impact of new business	(9)	(9)	(8)	(12)	(10)	(8)	(9)	(8)	(26)	(27)	(39)
Experience gains and losses	3	3	6	(9)	(1)	(5)	(11)	-	12	(17)	(26)
Management actions and changes in assumptions	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	20	-	-	-
Earnings on surplus (incl. financing charges)	(11)	(6)	-	(33)	(13)	(18)	(11)	(14)	(17)	(42)	(75)
<b>Net income before tax</b>	<b>9</b>	<b>6</b>	<b>(1)</b>	<b>(48)</b>	<b>(15)</b>	<b>(20)</b>	<b>(27)</b>	<b>3</b>	<b>14</b>	<b>(62)</b>	<b>(110)</b>
Taxes	5	1	(3)	18	8	13	11	(5)	3	32	50
<b>Net income before non-controlling interests &amp; preferred dividends</b>	<b>14</b>	<b>7</b>	<b>(4)</b>	<b>(30)</b>	<b>(7)</b>	<b>(7)</b>	<b>(16)</b>	<b>(2)</b>	<b>17</b>	<b>(30)</b>	<b>(60)</b>
Non-controlling interests & preferred dividends	(1)	(1)	-	1	(1)	(1)	-	(3)	(2)	(2)	(1)
<b>Net income - common shareholders</b>	<b>13</b>	<b>6</b>	<b>(4)</b>	<b>(29)</b>	<b>(8)</b>	<b>(8)</b>	<b>(16)</b>	<b>(5)</b>	<b>15</b>	<b>(32)</b>	<b>(61)</b>