

GREAT-WEST
LIFECO INC.

Supplemental Information Package
For Analysts and Investors
(Unaudited)

Q1 2021

canada  Irish Life   

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, “base earnings (loss)”, “base earnings per common share”, “return on equity”, “base return on equity”, “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. Where a non-IFRS measure has not been described in this document, refer to the “Non-IFRS Financial Measures” section in the Company’s Q1 2021 MD&A for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS as well as additional details on each measure.

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Lifeco Overview

Great-West Lifeco Inc. (GWO, Lifeco or the Company) is a financial services holding company with interests in the life insurance, health insurance, retirement savings, investment management, and reinsurance businesses, primarily in Canada, the United States, and Europe through its operating subsidiaries including The Canada Life Assurance Company, Great-West Life & Annuity Insurance Company, Putnam Investments, LLC and Irish Life Group Limited. Lifeco and its companies have approximately \$2,078 billion in assets under administration. Lifeco is a member of the Power Corporation group of companies.

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Great-West Lifeco Inc.



Lifeco Financial Highlights

(C\$MM, except Earnings per common share)

	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	14,361	11,747	9,976	10,390	10,906	9,478	9,324	(3,887)	43,019	24,510
Total net investment income (loss)	(3,995)	3,544	2,278	7,914	(2,074)	(304)	3,554	4,042	11,662	13,107
Fee and other income	1,751	1,569	1,486	1,406	1,441	1,515	1,496	2,591	5,902	7,081
Total income	12,117	16,860	13,740	19,710	10,273	10,689	14,374	2,746	60,583	44,698
Net earnings - common shareholders	707	912	826	863	342	513	730	459	2,943	2,359
Net earnings attributable to preferred shareholders	33	33	33	34	33	33	33	34	133	133
Net earnings - total shareholders	740	945	859	897	375	546	763	493	3,076	2,492
Common shareholder earnings (loss) - by segment										
Net earnings (loss)										
Canada	287	300	266	353	151	188	300	280	1,070	1,051
U.S.	89	208	89	78	5	(121)	77	(98)	380	(61)
Europe	195	253	316	253	91	335	282	193	913	1,004
Capital and Risk Solutions	145	167	167	187	93	117	75	89	614	386
Corporate	(9)	(16)	(12)	(8)	2	(6)	(4)	(5)	(34)	(21)
Total	707	912	826	863	342	513	730	459	2,943	2,359
Base earnings (loss)										
Canada	298	348	270	315	273	274	355	292	1,206	1,178
U.S.	104	90	83	83	17	89	79	101	273	350
Europe	201	195	182	179	132	317	161	155	688	796
Capital and Risk Solutions	145	124	156	137	119	157	86	84	536	401
Corporate	(9)	(16)	(12)	(8)	2	(6)	(4)	(5)	(34)	(21)
Total	739	741	679	706	543	831	677	627	2,669	2,704
Earnings per common share										
Net earnings (Basic)	\$0.762	\$0.983	\$0.891	\$0.930	\$0.369	\$0.552	\$0.786	\$0.489	\$3.173	\$2.494
Net earnings (Diluted)	\$0.761	\$0.983	\$0.891	\$0.930	\$0.369	\$0.552	\$0.785	\$0.489	\$3.172	\$2.493
Base earnings (Basic)	\$0.796	\$0.799	\$0.732	\$0.761	\$0.585	\$0.895	\$0.729	\$0.668	\$2.878	\$2.859
Base earnings (Diluted)	\$0.796	\$0.799	\$0.732	\$0.761	\$0.585	\$0.894	\$0.728	\$0.667	\$2.877	\$2.857

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

Lifeco Common Shareholder Net Earnings

(CSMM)	2021	2020			2019			Fiscal	Fiscal	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Common shareholder net earnings (loss)										
Canada										
Individual Customer	126	(9)	119	195	12	87	85	135	317	431
Group Customer	155	189	134	197	147	114	206	161	667	632
Corporate ⁽¹⁾	6	120	13	(39)	(8)	(13)	9	(16)	86	(12)
	287	300	266	353	151	188	300	280	1,070	1,051
U.S.										
Financial Services ⁽²⁾⁽³⁾⁽⁴⁾	93	62	112	68	44	100	63	62	286	311
Asset Management	(3)	35	13	12	(42)	18	13	6	18	33
Corporate ⁽⁵⁾	(1)	111	(36)	(2)	3	(239)	1	3	76	(236)
Reinsured Insurance & Annuity Business ⁽²⁾	—	—	—	—	—	—	—	(169)	—	(169)
	89	208	89	78	5	(121)	77	(98)	380	(61)
Europe ⁽⁶⁾										
U.K.	108	156	67	109	91	206	167	71	423	566
Ireland	46	54	196	101	(16)	88	83	75	335	279
Germany	43	47	56	46	19	35	36	49	168	160
Corporate	(2)	(4)	(3)	(3)	(3)	6	(4)	(2)	(13)	(1)
	195	253	316	253	91	335	282	193	913	1,004
Capital and Risk Solutions										
Reinsurance	146	171	168	188	94	128	75	89	621	397
Corporate	(1)	(4)	(1)	(1)	(1)	(11)	—	—	(7)	(11)
	145	167	167	187	93	117	75	89	614	386
Lifeco Corporate	(9)	(16)	(12)	(8)	2	(6)	(4)	(5)	(34)	(21)
Total common shareholder net earnings	707	912	826	863	342	513	730	459	2,943	2,359

⁽¹⁾ Q4 2020 includes a \$143m (after-tax) net gain on the sale of GLC Asset Management Inc. (GLC), as well as restructuring costs of \$34m (after-tax).

⁽²⁾ The Financial Services business unit includes the operating results of the business that was transferred to Protective Life Insurance Company (Protective Life) under an indemnity reinsurance agreement effective June 1, 2019, up to and including Q2 2019. The net charge of \$199m (after-tax) relating to the transfer of this business is included in the Reinsured Insurance & Annuity Business in Q2 2019. Comparative figures for the U.S. segment have not been restated to reflect current presentation.

⁽³⁾ Q3 2020 includes the operating results of Personal Capital Corporation (Personal Capital) for the period from the acquisition date of August 17, 2020 to September 30, 2020.

⁽⁴⁾ Q1 2021 includes integration costs of \$12m (after-tax). Q4 2020 includes integration costs of \$4m (after-tax).

⁽⁵⁾ Q1 2021 includes \$1m (after-tax) of transaction costs related to the acquisition of the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual). Q4 2020 includes a \$196m revaluation of a deferred tax asset, \$47m (after-tax) of transaction costs related to the Personal Capital and MassMutual retirement services business acquisitions and restructuring costs of \$29m (after-tax). Q3 2020 includes \$31m (after-tax) of transaction costs related to the Personal Capital and MassMutual retirement services business acquisitions. Q4 2019 includes \$36m (after-tax) of restructuring costs and a charge of \$199m relating to the revaluation of a deferred tax asset.

⁽⁶⁾ Q3 2020 includes a \$94m (after-tax) net gain on the Irish Progressive Services International Limited (IPSI) transaction. Q4 2019 includes an \$8m (after-tax) net gain on the Scottish Friendly transaction.

Lifeco Base Earnings

<i>(C\$MM)</i>	2021					2020			Fiscal	Fiscal
Base earnings (loss)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Canada										
Individual Customer	138	132	123	159	138	143	165	147	552	580
Group Customer	154	205	134	195	143	144	181	161	677	610
Corporate	6	11	13	(39)	(8)	(13)	9	(16)	(23)	(12)
	298	348	270	315	273	274	355	292	1,206	1,178
U.S.										
Financial Services ⁽¹⁾⁽²⁾	107	64	75	73	56	75	65	92	268	318
Asset Management	(3)	35	13	12	(42)	18	13	6	18	33
Corporate	—	(9)	(5)	(2)	3	(4)	1	3	(13)	(1)
	104	90	83	83	17	89	79	101	273	350
Europe										
U.K.	120	96	78	88	72	233	105	69	334	503
Ireland	43	62	70	53	27	52	29	54	212	166
Germany	40	41	37	41	36	34	31	34	155	136
Corporate	(2)	(4)	(3)	(3)	(3)	(2)	(4)	(2)	(13)	(9)
	201	195	182	179	132	317	161	155	688	796
Capital and Risk Solutions										
Reinsurance	146	124	157	138	120	162	85	84	539	405
Corporate	(1)	—	(1)	(1)	(1)	(5)	1	—	(3)	(4)
	145	124	156	137	119	157	86	84	536	401
Lifeco Corporate	(9)	(16)	(12)	(8)	2	(6)	(4)	(5)	(34)	(21)
Total base earnings	739	741	679	706	543	831	677	627	2,669	2,704

⁽¹⁾ The Financial Services business unit includes the operating results of the business that was transferred to Protective Life under an indemnity reinsurance agreement effective June 1, 2019, up to and including Q2 2019.

⁽²⁾ Q3 2020 includes the operating results of Personal Capital for the period from the acquisition date of August 17, 2020 to September 30, 2020.

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

Lifeco – Reconciliation of Earnings

(CSMM)	2021					2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019			
Lifeco totals													
Base earnings (loss)	739	741	679	706	543	831	677	627	2,669	2,704			
Items excluded from base earnings													
Actuarial assumption changes and other management actions	5	(23)	66	122	(52)	(78)	81	38	113	170			
Market-related impacts on liabilities	(24)	(31)	18	35	(149)	(13)	(28)	(7)	(127)	(89)			
Revaluation of deferred tax asset	—	196	—	—	—	(199)	—	—	196	(199)			
Restructuring and integration costs	(12)	(67)	—	—	—	(36)	—	—	(67)	(36)			
Net gain/charge on business dispositions ⁽¹⁾	—	143	94	—	—	8	—	(199)	237	(191)			
Transaction costs related to the acquisitions of Personal Capital and MassMutual	(1)	(47)	(31)	—	—	—	—	—	(78)	—			
Net earnings	707	912	826	863	342	513	730	459	2,943	2,359			

⁽¹⁾ Net gain/charge on business dispositions includes:

- In Q4 2020, a net gain of \$143m on the sale of GLC included in the Canada Corporate business unit.
- In Q3 2020, a net gain of \$94m on the sale of IPSI included in Europe Ireland business unit.
- In Q4 2019 a net gain of \$8m on the sale of heritage block of individual policies to Scottish Friendly included in the Europe Corporate business unit.
- In Q2 2019, a net charge of \$199m relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business included in the U.S. Reinsured Insurance & Annuity Business unit.

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

Canada – Reconciliation of Earnings

(C\$MM)	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Canada										
Individual Customer										
Base earnings	138	132	123	159	138	143	165	147	552	580
Items excluded from base earnings										
Actuarial assumption changes and other management actions	(14)	(131)	4	41	(98)	(52)	(80)	(12)	(184)	(143)
Market-related impacts on liabilities	2	(10)	(8)	(5)	(28)	(4)	—	—	(51)	(6)
Net earnings (loss)	126	(9)	119	195	12	87	85	135	317	431
Group Customer										
Base earnings	154	205	134	195	143	144	181	161	677	610
Items excluded from base earnings										
Actuarial assumption changes and other management actions	1	(16)	—	2	4	(30)	25	—	(10)	22
Net earnings	155	189	134	197	147	114	206	161	667	632
Corporate										
Base earnings (loss)	6	11	13	(39)	(8)	(13)	9	(16)	(23)	(12)
Items excluded from base earnings										
Restructuring and integration costs	—	(34)	—	—	—	—	—	—	(34)	—
Net gain/charge on business dispositions ⁽¹⁾	—	143	—	—	—	—	—	—	143	—
Net earnings (loss)	6	120	13	(39)	(8)	(13)	9	(16)	86	(12)
Canada totals										
Base earnings	298	348	270	315	273	274	355	292	1,206	1,178
Items excluded from base earnings										
Actuarial assumption changes and other management actions	(13)	(147)	4	43	(94)	(82)	(55)	(12)	(194)	(121)
Market-related impacts on liabilities	2	(10)	(8)	(5)	(28)	(4)	—	—	(51)	(6)
Restructuring and integration costs	—	(34)	—	—	—	—	—	—	(34)	—
Net gain/charge on business dispositions ⁽¹⁾	—	143	—	—	—	—	—	—	143	—
Net earnings	287	300	266	353	151	188	300	280	1,070	1,051

⁽¹⁾ Net gain/charge on business dispositions includes:

- In Q4 2020, a net gain of \$143m on the sale of GLC included in the Canada Corporate business unit.

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

U.S. – Reconciliation of Earnings

(C\$MM)	2021	2020			2019			Fiscal 2020	Fiscal 2019	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
U.S.										
Financial Services ⁽¹⁾										
Base earnings	107	64	75	73	56	75	65	92	268	318
Items excluded from base earnings										
Actuarial assumption changes and other management actions	—	3	38	—	—	25	(2)	—	41	23
Market-related impacts on liabilities	(2)	(1)	(1)	(5)	(12)	—	—	—	(19)	—
Restructuring and integration costs	(12)	(4)	—	—	—	—	—	—	(4)	—
Net gain/charge on business dispositions ⁽²⁾	—	—	—	—	—	—	—	(199)	—	(199)
Net earnings (loss)	93	62	112	68	44	100	63	(107)	286	142
Asset Management										
Base earnings (loss)	(3)	35	13	12	(42)	18	13	6	18	33
Net earnings (loss)	(3)	35	13	12	(42)	18	13	6	18	33
Corporate										
Base earnings (loss)	—	(9)	(5)	(2)	3	(4)	1	3	(13)	(1)
Items excluded from base earnings										
Revaluation of deferred tax asset	—	196	—	—	—	(199)	—	—	196	(199)
Restructuring and integration costs	—	(29)	—	—	—	(36)	—	—	(29)	(36)
Transaction costs related to the acquisitions of Personal Capital and MassMutual	(1)	(47)	(31)	—	—	—	—	—	(78)	—
Net earnings (loss)	(1)	111	(36)	(2)	3	(239)	1	3	76	(236)
U.S. Totals										
Base earnings	104	90	83	83	17	89	79	101	273	350
Items excluded from base earnings										
Actuarial assumption changes and other management actions	—	3	38	—	—	25	(2)	—	41	23
Market-related impacts on liabilities	(2)	(1)	(1)	(5)	(12)	—	—	—	(19)	—
Revaluation of deferred tax asset	—	196	—	—	—	(199)	—	—	196	(199)
Restructuring and integration costs	(12)	(33)	—	—	—	(36)	—	—	(33)	(36)
Net gain/charge on business dispositions ⁽²⁾	—	—	—	—	—	—	—	(199)	—	(199)
Transaction costs related to the acquisitions of Personal Capital and MassMutual	(1)	(47)	(31)	—	—	—	—	—	(78)	—
Net earnings (loss)	89	208	89	78	5	(121)	77	(98)	380	(61)

⁽¹⁾ Q3 2020 includes the operating results of Personal Capital for the period from the acquisition date of August 17, 2020 to September 30, 2020.

⁽²⁾ Net gain/charge on business dispositions includes:

- In Q2 2019, a net charge of \$199m relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business included in the U.S. Reinsured Insurance & Annuity business unit.

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

Europe – Reconciliation of Earnings

(C\$MM)	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Europe										
U.K.										
Base earnings	120	96	78	88	72	233	105	69	334	503
Items excluded from base earnings										
Actuarial assumption changes and other management actions	10	80	(27)	39	22	(9)	81	13	114	150
Market-related impacts on liabilities	(22)	(20)	16	(18)	(3)	(18)	(19)	(11)	(25)	(87)
Net earnings	108	156	67	109	91	206	167	71	423	566
Ireland										
Base earnings	43	62	70	53	27	52	29	54	212	166
Items excluded from base earnings										
Actuarial assumption changes and other management actions	7	(6)	31	11	16	27	66	17	52	114
Market-related impacts on liabilities	(4)	(2)	1	37	(59)	9	(12)	4	(23)	(1)
Net gain/charge on business dispositions ⁽¹⁾	—	—	94	—	—	—	—	—	94	—
Net earnings (loss)	46	54	196	101	(16)	88	83	75	335	279
Germany										
Base earnings	40	41	37	41	36	34	31	34	155	136
Items excluded from base earnings										
Actuarial assumption changes and other management actions	1	4	18	—	—	1	2	15	22	19
Market-related impacts on liabilities	2	2	1	5	(17)	—	3	—	(9)	5
Net earnings	43	47	56	46	19	35	36	49	168	160
Corporate										
Base earnings (loss)	(2)	(4)	(3)	(3)	(3)	(2)	(4)	(2)	(13)	(9)
Items excluded from base earnings										
Net gain/charge on business dispositions ⁽¹⁾	—	—	—	—	—	8	—	—	—	8
Net earnings (loss)	(2)	(4)	(3)	(3)	(3)	6	(4)	(2)	(13)	(1)
Europe totals										
Base earnings	201	195	182	179	132	317	161	155	688	796
Items excluded from base earnings										
Actuarial assumption changes and other management actions	18	78	22	50	38	19	149	45	188	283
Market-related impacts on liabilities	(24)	(20)	18	24	(79)	(9)	(28)	(7)	(57)	(83)
Net gain/charge on business dispositions ⁽¹⁾	—	—	94	—	—	8	—	—	94	8
Net earnings	195	253	316	253	91	335	282	193	913	1,004

⁽¹⁾ Net gain/charge on business dispositions includes:

- In Q3 2020, a net gain of \$94m on the sale of IPSI included in Europe Ireland business unit.
- In Q4 2019 a net gain of \$8m on the sale of heritage block of individual policies to Scottish Friendly included in the Europe Corporate business unit.

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

Capital and Risk Solutions – Reconciliation of Earnings

(CSMM)

	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Capital and Risk Solutions										
Reinsurance										
Base earnings	146	124	157	138	120	162	85	84	539	405
Items excluded from base earnings										
Actuarial assumption changes and other management actions	—	47	2	29	4	(34)	(10)	5	82	(8)
Market-related impacts on liabilities	—	—	9	21	(30)	—	—	—	—	—
Net earnings	<u>146</u>	<u>171</u>	<u>168</u>	<u>188</u>	<u>94</u>	<u>128</u>	<u>75</u>	<u>89</u>	<u>621</u>	<u>397</u>
Corporate										
Base earnings (loss)	(1)	—	(1)	(1)	(1)	(5)	1	—	(3)	(4)
Items excluded from base earnings										
Actuarial assumption changes and other management actions	—	(4)	—	—	—	(6)	(1)	—	(4)	(7)
Net earnings (loss)	<u>(1)</u>	<u>(4)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(11)</u>	<u>—</u>	<u>—</u>	<u>(7)</u>	<u>(11)</u>
Capital and Risk Solutions Totals										
Base earnings	145	124	156	137	119	157	86	84	536	401
Items excluded from base earnings										
Actuarial assumption changes and other management actions	—	43	2	29	4	(40)	(11)	5	78	(15)
Market-related impacts on liabilities	—	—	9	21	(30)	—	—	—	—	—
Net earnings	<u>145</u>	<u>167</u>	<u>167</u>	<u>187</u>	<u>93</u>	<u>117</u>	<u>75</u>	<u>89</u>	<u>614</u>	<u>386</u>

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

Currency Translation Rates

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
(C\$ / US\$)								
Balance sheet	1.26	1.27	1.33	1.36	1.40	1.30	1.32	1.31
Income and expenses	1.27	1.30	1.33	1.39	1.34	1.32	1.32	1.34
(C\$ / £)								
Balance sheet	1.73	1.74	1.72	1.68	1.74	1.72	1.63	1.66
Income and expenses	1.75	1.72	1.72	1.72	1.72	1.70	1.63	1.72
(C\$ / €)								
Balance sheet	1.47	1.55	1.56	1.52	1.55	1.46	1.44	1.49
Income and expenses	1.53	1.55	1.56	1.53	1.48	1.46	1.47	1.50

Financial Strength – Credit Ratings

Rating Agency	Measurement	Lifeco	Canada Life	Irish Life	GWL&A
A.M. Best Company	Financial Strength		A+		A+
DBRS Morningstar	Issuer Rating Financial Strength Senior Debt Subordinated Debt	A (high) A (high)	AA AA AA (low)		NR
Fitch Ratings	Insurer Financial Strength Senior Debt Subordinated Debt	A	AA A+	AA	AA
Moody's Investors Service	Insurance Financial Strength		Aa3		Aa3
S&P Global Ratings	Insurer Financial Strength Senior Debt Subordinated Debt	A+	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	
Q2 2019	988,233,973	—	313,921	—	—	—	59,700,974	\$33.50	\$1,999,982,629	928,846,920
Q3 2019	928,846,920	—	38,480	—	—	—	—	—	—	928,885,400
Q4 2019	928,885,400	—	395,786	2,000,000	\$32.91	\$65,820,000	—	—	—	927,281,186
Q1 2020	927,281,186	—	398,720	—	—	—	—	—	—	927,679,906
Q2 2020	927,679,906	—	5,000	—	—	—	—	—	—	927,684,906
Q3 2020	927,684,906	—	41,800	—	—	—	—	—	—	927,726,706
Q4 2020	927,726,706	—	126,400	—	—	—	—	—	—	927,853,106
Q1 2021	927,853,106	—	576,540	—	—	—	—	—	—	928,429,646
3 months ended Mar. 31 2021										
Average common shares outstanding - Basic										928,134,473
Potential exercise of outstanding stock options										421,066
Average common shares outstanding - Diluted										<u>928,555,539</u>

Lifeco Financial Ratio Highlights

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Share Price								
High	\$33.60	\$31.10	\$27.43	\$25.73	\$35.30	\$33.75	\$31.88	\$34.38
Low	\$29.20	\$26.01	\$23.28	\$19.86	\$19.16	\$30.13	\$27.59	\$29.69
Close	\$33.44	\$30.35	\$26.02	\$23.80	\$24.31	\$33.26	\$31.81	\$30.15
Earnings per share								
Net EPS	\$0.762	\$0.983	\$0.891	\$0.930	\$0.369	\$0.552	\$0.786	\$0.489
Base EPS	\$0.796	\$0.799	\$0.732	\$0.761	\$0.585	\$0.895	\$0.729	\$0.668
Dividends								
Common dividends declared / share		\$0.4380	\$0.4380	\$0.4380	\$0.4380	\$0.4380	\$0.4130	\$0.4130
Common dividends paid / share	\$0.4380	\$0.4380	\$0.4380	\$0.4380	\$0.4380	\$0.4130	\$0.4130	\$0.4130
Paid dividend growth (qtr / qtr)	0.0%	0.0%	0.0%	0.0 %	6.1 %	0.0 %	0.0 %	0.0 %
Paid dividend growth (yr / yr)	0.0%	6.1%	6.1%	6.1 %	6.1 %	6.2 %	6.2 %	6.2 %
Dividend payout ratio ⁽¹⁾	57.5%	44.6%	49.2%	47.1 %	118.7 %	74.8 %	52.5 %	84.5 %
Dividend yield (annualized) ⁽²⁾	5.2%	5.8%	6.7%	7.4 %	7.2 %	5.0 %	5.2 %	5.5 %
Ratios								
P/E ratio (rolling 4 qtrs - net earnings)	9.4x	9.6x	9.5x	9.0x	11.1x	13.3x	12.0x	11.7x
P/Book value ratio	1.4x	1.3x	1.2x	1.1x	1.1x	1.5x	1.5x	1.4x
ROE ⁽³⁾ (12 months trailing)	15.7%	14.1%	12.4%	12.1 %	10.3 %	11.7 %	12.4 %	12.0 %
Share information								
Total shares outstanding (mm)	928.4	927.9	927.7	927.7	927.7	927.3	928.9	928.8
Majority shareholder beneficial ownership (mm)	657.6	657.6	657.6	657.6	657.6	657.6	657.6	657.6
Public float shares (mm)	270.8	270.3	270.1	270.1	270.1	269.7	271.3	271.2
Total market capitalization (mm)	\$31,047	\$28,160	\$24,139	\$22,079	\$22,552	\$30,841	\$29,548	\$28,003
Public float (mm)	\$9,057	\$8,203	\$7,029	\$6,428	\$6,566	\$8,970	\$8,630	\$8,177
Book value per share	\$23.36	\$22.97	\$22.57	\$21.98	\$22.34	\$21.53	\$21.02	\$20.84

⁽¹⁾ Common dividends paid per share / net earnings per common share (basic)

⁽²⁾ Common dividends paid per share * 4 / quarterly closing share price

⁽³⁾ Return on common shareholder equity

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

The Canada Life Assurance Company - LICAT

(C\$MM unless otherwise stated)

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Available Capital:								
Tier 1 Capital								
Common shares	7,884	7,884	7,884	7,884	7,884	8,884	8,882	8,882
Shareholder Surplus	12,452	12,218	12,132	12,168	11,655	11,824	11,499	11,071
Other Tier 1	2,947	3,048	2,985	2,757	3,481	2,747	2,374	2,544
Less: Goodwill & Intangibles	(8,421)	(8,453)	(8,368)	(8,313)	(8,314)	(8,176)	(8,080)	(8,086)
Less: Other Deductions	(3,112)	(3,104)	(3,233)	(3,166)	(3,223)	(3,327)	(3,072)	(3,277)
Total Tier 1 Capital	11,750	11,593	11,400	11,330	11,483	11,952	11,603	11,134
Tier 2 Capital	4,174	4,568	4,787	4,709	4,340	3,637	3,466	3,655
Available Capital	15,924	16,161	16,187	16,039	15,823	15,589	15,069	14,789
Surplus Allowance and Eligible Deposits	13,378	14,226	13,788	13,341	12,942	12,625	11,927	11,723
Total Capital Resources	29,302	30,387	29,975	29,380	28,765	28,214	26,996	26,512
Base Solvency Buffers								
Non-Participating Business:								
Credit Risk	2,961	3,012	2,867	2,819	2,732	2,692	2,649	2,610
Market Risk	2,900	2,735	2,651	2,581	2,574	2,306	2,227	2,339
Insurance Risk, Net of Adjustable Credits	13,649	13,790	13,484	13,273	12,911	12,691	11,262	11,516
	19,510	19,537	19,002	18,673	18,217	17,689	16,138	16,465
Participating Business Total Risk	3,994	3,689	3,350	3,183	2,909	2,933	2,983	2,857
Less: Diversification & Other Credits	(4,097)	(4,093)	(3,960)	(3,889)	(3,742)	(3,592)	(3,370)	(3,392)
Segregated Fund Guarantee Risk	650	694	738	720	735	359	321	317
Operational Risk	2,713	2,656	2,587	2,547	2,522	2,526	2,374	2,364
Solvency Buffers prior to OSFI scalar	22,770	22,483	21,717	21,234	20,641	19,915	18,446	18,611
Base Solvency Buffer (includes OSFI scalar of 1.05)	23,909	23,607	22,803	22,296	21,673	20,911	19,368	19,542
LICAT Ratios:								
Total Ratio ⁽¹⁾ (OSFI Supervisory Target = 100%)	123%	129%	131%	132%	133%	135%	139%	136%
Core Ratio ⁽²⁾ (OSFI Supervisory Target = 70%)	88%	91%	92%	93%	95%	99%	103%	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)

GWL&A Risk-Based Capital

	<u>2020</u>	<u>2019</u>
	Q4	Q4
Risk-Based Capital (RBC) - (US\$)		
GWL&A		
Total Adjusted Capital	2,382	1,654
Company Action Level	492	250
Ratio	484 %	662 %

Note: The RBC ratio is included for information only and it is not intended as a means to rank insurers generally or for any other purpose.

Q1 2021 Quarterly Information Package

Lifeco Capital Structure

(CSMM)

	2021					2020					2019				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
LIABILITIES															
Short-term															
Commercial paper and other short-term debt instruments, unsecured	125	125	132	135	139	130									
Putnam revolving credit facility	101	210	33	159	281	299									
Great-West Lifeco U.S. LLC revolving credit facility	630	635	—	—	—	—									
Total short-term	856	970	165	294	420	429									
Long-term															
Lifeco															
4.65% Debentures due August 13, 2020, unsecured, repaid during the year	—	—	—	500	500	500									
6.74% Debentures due November 24, 2031, unsecured	195	195	194	194	194	194									
6.67% Debentures due March 21, 2033, unsecured	394	394	394	394	394	393									
5.998% Debentures due November 16, 2039, unsecured	342	342	342	342	342	342									
3.337% Debentures due February 28, 2028, unsecured	498	498	498	498	498	498									
2.981% Debentures due July 8, 2050, unsecured	493	493	494	—	—	—									
2.50% Debentures due April 18, 2023, unsecured, (500 euro)	734	774	779	758	773	728									
2.379% Debentures due May 14, 2030, unsecured	597	597	597	597	—	—									
1.75% Debentures due December 7, 2026, unsecured, (500 euro)	731	771	776	755	770	725									
Canada Life															
6.40% Subordinated debentures due December 11, 2028, unsecured	100	100	100	100	100	100									
Great-West Lifeco Finance 2018, LP															
4.581% Senior notes due May 17, 2048, unsecured, (U.S. \$500)	624	628	658	673	693	643									
4.047% Senior notes due May 17, 2028, unsecured, (U.S. \$300)	376	379	397	406	418	388									
Great-West Lifeco Finance (Delaware) LP															
4.15% Senior notes due June 3, 2047, unsecured, (U.S. \$700)	867	874	915	933	961	894									
Great-West Lifeco U.S. Finance 2020, LP															
0.904% Senior notes due August 12, 2025, unsecured, (U.S. \$500)	626	631	661	—	—	—									
Empower Finance 2020, LP															
3.075% Senior notes due September 17, 2051, unsecured, (U.S. \$700)	872	879	921	—	—	—									
1.776% Senior notes due March 17, 2031, unsecured, (U.S. \$400)	501	505	529	—	—	—									
1.357% Senior notes due September 17, 2027, unsecured, (U.S. \$400)	501	505	530	—	—	—									
Total Debt and Other Loans	9,307	9,535	8,950	6,444	6,063	5,834									
Canada Life Capital Trust (CLCT)															
7.529% due June 30, 2052, unsecured, face value	150	150	150	150	150	150									
Acquisition related FMV adjustment	8	8	8	8	8	9									
	158	158	158	158	158	159									
Trust securities held by consolidated group	(37)	(37)	(37)	(37)	(37)	(37)									
Capital Trust Securities (externally held)	121	121	121	121	121	122									
EQUITY															
Non-Controlling Interests															
Non-controlling interest in capital stock & surplus	112	116	119	152	151	107									
Undistributed Participating Account Surplus															
Canada Life	2,856	2,858	2,858	2,836	2,833	2,745									
GWL&A	12	13	14	14	15	14									
	2,868	2,871	2,872	2,850	2,848	2,759									
Total Non-Controlling Interest	2,980	2,987	2,991	3,002	2,999	2,866									
Lifeco															
Series F 5.90% Non-Cumulative Preferreds	194	194	194	194	194	194									
Series G 5.20% Non-Cumulative Preferreds	300	300	300	300	300	300									
Series H 4.85% Non-Cumulative Preferreds	300	300	300	300	300	300									
Series I 4.50% Non-Cumulative Preferreds	300	300	300	300	300	300									
Series L 5.65% Non-Cumulative Preferreds	170	170	170	170	170	170									
Series M 5.80% Non-Cumulative Preferreds	150	150	150	150	150	150									
Series N 1.749% Non-Cumulative Rate Reset Preferreds ⁽¹⁾	250	250	213	213	213	213									
Series O Non-Cumulative Floating Rate Preferreds ⁽²⁾	—	—	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	5,669	5,651	5,647	5,646	5,646	5,633									
Accumulated & Contributed Surplus	15,466	15,176	14,660	14,205	13,740	13,835									
Accumulated Other Comprehensive Income	556	487	636	542	1,342	495									
Total Equity Capital	27,385	27,015	26,648	26,109	26,441	25,543									

⁽¹⁾ Fixed dividend rate per annum until December 30, 2025, at which time the dividend becomes equal to the five year Government of Canada yield plus 1.30% for the subsequent five year period. The fixed dividend rate had been 2.176% per annum for the five year period beginning December 31, 2015 and ending December 30, 2020.

⁽²⁾ Floating dividend rate which is reset quarterly to the three month Government of Canada Treasury Bill yield plus 1.30%. On December 31, 2020, all outstanding Series O Shares were automatically converted into Series N Shares on a one-for-one basis. Please refer to the "Lifeco Capital Structure" section of the annual 2020 Lifeco Management's Discussion and Analysis for additional details on the conversion.

Lifeco Statements of Net Earnings

(CSMM, unless otherwise stated)

	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	14,361	11,747	9,976	10,390	10,906	9,478	9,324	(3,887)	43,019	24,510
Regular net investment income	1,556	1,560	1,493	1,596	1,314	1,462	1,452	1,797	5,963	6,161
Changes in fair value through profit or loss	(5,551)	1,984	785	6,318	(3,388)	(1,766)	2,102	2,245	5,699	6,946
Total net investment income (loss)	(3,995)	3,544	2,278	7,914	(2,074)	(304)	3,554	4,042	11,662	13,107
Fee and other income	1,751	1,569	1,486	1,406	1,441	1,515	1,496	2,591	5,902	7,081
Total Income	12,117	16,860	13,740	19,710	10,273	10,689	14,374	2,746	60,583	44,698
Benefits and expenses										
Total paid or credited to policyholders	8,795	13,555	10,668	16,559	7,705	7,769	11,440	(30)	48,487	33,091
Commissions	661	657	549	565	625	650	571	598	2,396	2,429
Operating and administrative expenses ⁽¹⁾	1,533	1,498	1,365	1,294	1,335	1,298	1,258	1,374	5,492	5,231
Premium taxes	123	124	119	121	116	128	123	125	480	506
Financing charges	79	79	71	69	65	71	70	72	284	285
Amortization of finite life intangible assets	79	63	58	61	56	60	57	54	238	224
Restructuring and integration expenses	16	134	—	—	—	52	—	—	134	52
Total benefits and expenses	11,286	16,110	12,830	18,669	9,902	10,028	13,519	2,193	57,511	41,818
Earnings before income taxes	831	750	910	1,041	371	661	855	553	3,072	2,880
Income taxes - Current	96	131	87	10	43	16	26	83	271	196
- Deferred	(39)	(314)	(68)	85	(56)	127	21	(30)	(353)	177
Net earnings before non-controlling interests	774	933	891	946	384	518	808	500	3,154	2,507
Non-controlling interests	34	(12)	32	49	9	(28)	45	7	78	15
Net earnings	740	945	859	897	375	546	763	493	3,076	2,492
Preferred share dividends	33	33	33	34	33	33	33	34	133	133
Net earnings - common shareholders	707	912	826	863	342	513	730	459	2,943	2,359
Earnings per common share										
Basic	\$0.762	\$0.983	\$0.891	\$0.930	\$0.369	\$0.552	\$0.786	\$0.489	\$3.173	\$2.494
Diluted	\$0.761	\$0.983	\$0.891	\$0.930	\$0.369	\$0.552	\$0.785	\$0.489	\$3.172	\$2.493
Average number of shares outstanding (MM) - basic	928.1	927.8	927.7	927.7	927.5	928.9	928.9	939.3	927.7	946.0
Average number of shares outstanding (MM) - diluted	928.6	928.0	927.8	927.7	928.0	929.6	929.2	940.0	927.8	946.5
Effective tax rate	6.9%	-24.4%	2.1%	9.1%	-3.5%	21.6%	5.5%	9.6%	-2.7%	13.0%

⁽¹⁾ Includes pre-tax transaction costs related to the Personal Capital and MassMutual acquisitions of \$59m in Q4 2020 and \$36m in Q3 2020.

Q1 2021 Quarterly Information Package

Lifeco Balance Sheets

(C\$MM, unless otherwise stated)

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets								
Cash and cash equivalents	5,616	7,946	5,372	5,869	5,635	4,628	3,853	3,835
Government bonds	46,926	49,389	51,206	47,501	46,047	47,149	47,899	47,360
Corporate bonds	87,129	88,203	75,884	72,839	70,165	67,879	67,994	66,267
Total bonds ⁽¹⁾	134,055	137,592	127,090	120,340	116,212	115,028	115,893	113,627
Mortgage loans	27,615	27,803	25,369	25,159	25,069	24,268	24,141	23,605
Stocks	11,823	11,000	9,793	10,075	9,620	10,375	10,086	9,833
Investment properties	6,490	6,270	5,853	5,616	5,836	5,887	5,542	5,416
Loans to policyholders	8,417	8,387	8,899	9,068	9,186	8,601	8,717	8,917
Total invested assets	194,016	198,998	182,376	176,127	171,558	168,787	168,232	165,233
Funds held by ceding insurers	17,619	18,383	8,273	8,404	8,580	8,714	8,791	8,959
Reinsurance assets	20,252	22,121	22,335	22,221	21,025	20,707	21,195	20,479
Premiums in course of collection, accounts and interest receivable	6,132	6,102	6,134	5,756	6,154	5,881	5,321	5,718
Current income taxes	171	145	189	256	201	236	264	222
Derivative financial instruments	669	829	787	863	929	451	694	655
Owner occupied properties	735	741	741	752	753	727	733	732
Fixed assets	419	426	449	443	467	455	452	452
Other assets	3,940	3,347	3,211	3,230	3,343	3,110	3,051	2,956
Deferred tax assets	925	975	750	627	665	693	876	906
Goodwill	8,784	10,106	7,573	6,600	6,612	6,505	6,490	6,492
Intangible assets	5,521	4,285	3,976	3,998	4,039	3,879	3,875	3,866
Assets held for sale	—	—	—	—	—	—	876	857
Investments on account of segregated fund policyholders	333,576	334,032	236,943	228,719	212,577	231,022	222,604	221,092
Investments on account of segregated fund policyholders held for sale	—	—	—	—	—	—	3,172	3,278
Total assets	592,759	600,490	473,737	457,996	436,903	451,167	446,626	441,897
Liabilities								
Insurance contract liabilities	202,010	208,902	184,379	182,201	176,634	174,521	174,433	171,490
Investment contract liabilities	8,824	9,145	4,047	1,762	1,745	1,656	1,721	1,714
	210,834	218,047	188,426	183,963	178,379	176,177	176,154	173,204
Liabilities held for sale	—	—	—	—	—	—	876	857
Debentures and other debt instruments	9,465	9,693	9,108	6,602	6,221	5,993	6,316	6,331
Funds held under reinsurance contracts	1,552	1,648	1,602	1,499	1,399	1,433	1,410	1,381
Other liabilities	9,245	9,409	10,114	10,151	10,846	9,883	9,810	9,642
Deferred tax liabilities	702	646	896	953	1,040	1,116	1,127	1,157
Investment and insurance contracts on account of segregated fund policyholders	333,576	334,032	236,943	228,719	212,577	231,022	222,604	221,092
Investment and insurance contracts on account of segregated fund policyholders held for sale	—	—	—	—	—	—	3,172	3,278
Total liabilities	565,374	573,475	447,089	431,887	410,462	425,624	421,469	416,942
Equity								
Non-controlling interests	2,980	2,987	2,991	3,002	2,999	2,866	2,917	2,881
Share capital								
Preferred shares	2,714	2,714	2,714	2,714	2,714	2,714	2,714	2,714
Common shares	5,669	5,651	5,647	5,646	5,646	5,633	5,633	5,632
Accumulated surplus	15,290	14,990	14,485	14,045	13,591	13,660	13,578	13,231
Accumulated other comprehensive income	556	487	636	542	1,342	495	149	337
Contributed surplus	176	186	175	160	149	175	166	160
Total equity	27,385	27,015	26,648	26,109	26,441	25,543	25,157	24,955
Total liabilities and equity	592,759	600,490	473,737	457,996	436,903	451,167	446,626	441,897
Proprietary mutual funds and institutional assets	350,882	350,943	341,436	315,326	288,309	320,548	308,425	305,252
Other assets under administration	1,134,222	1,024,414	845,862	889,929	798,847	857,966	841,700	820,808
Total assets under administration	2,077,863	1,975,847	1,661,035	1,663,251	1,524,059	1,629,681	1,596,751	1,567,957

⁽¹⁾ Includes short-term bonds

Q1 2021 Quarterly Information Package

Lifeco Supplemental Balance Sheet Information

(C\$MM, unless otherwise stated)

	2021					2020				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Bond Portfolio Quality										
Canada										
AAA	7,020	7,524	8,002	7,945	7,905	7,645	7,882	7,857		
AA	12,318	12,976	12,904	12,898	12,251	12,007	11,230	10,857		
A	18,089	18,839	18,536	18,470	17,777	17,635	18,417	18,101		
BBB	12,002	12,149	11,849	11,358	10,397	9,943	10,058	9,746		
BB or Lower	138	120	133	157	155	124	90	90		
Total	49,567	51,608	51,424	50,828	48,485	47,354	47,677	46,651		
U.S.										
AAA	4,919	5,464	5,075	5,428	5,751	5,629	5,784	5,723		
AA	4,543	4,329	3,158	3,049	2,925	2,797	2,929	2,839		
A	13,021	12,569	9,075	7,613	7,753	6,912	7,214	7,040		
BBB	15,253	14,563	7,331	6,185	5,721	5,218	5,083	4,451		
BB or Lower	837	856	409	368	295	230	360	353		
Total	38,573	37,781	25,048	22,643	22,445	20,786	21,370	20,406		
Europe										
AAA	4,567	4,773	4,709	4,629	4,855	4,425	4,478	4,307		
AA	15,036	15,798	15,386	15,721	15,582	16,035	15,574	15,713		
A	11,694	12,410	11,479	11,037	10,915	10,909	10,996	10,941		
BBB	5,371	5,729	5,948	5,936	5,585	5,783	5,653	5,555		
BB or Lower	172	172	171	159	124	152	120	118		
Total	36,840	38,882	37,693	37,482	37,061	37,304	36,821	36,634		
Capital and Risk Solutions										
AAA	1,301	1,255	1,082	989	918	804	890	758		
AA	1,067	1,123	1,028	1,325	1,301	1,291	1,272	1,309		
A	2,801	1,619	1,687	1,742	1,773	1,687	1,787	1,776		
BBB	849	883	937	954	951	978	976	933		
BB or Lower	34	39	49	49	18	12	14	14		
Total	6,052	4,919	4,783	5,059	4,961	4,772	4,939	4,790		
Total Bond Portfolio Quality										
AAA	17,807	19,016	18,868	18,991	19,429	18,503	19,034	18,645		
AA	32,964	34,226	32,476	32,993	32,059	32,130	31,005	30,718		
A	45,605	45,437	40,777	38,862	38,218	37,143	38,414	37,858		
BBB	33,475	33,324	26,065	24,433	22,654	21,922	21,770	20,685		
BB or Lower	1,181	1,187	762	733	592	518	584	575		
Total ⁽¹⁾	131,032	133,190	118,948	116,012	112,952	110,216	110,807	108,481		

⁽¹⁾ Excludes short term bonds.

	2021					2020				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Bonds Unrealized Gain / Loss										
Unrealized Gains	8.1	12.9	12.3	12.1	8.2	8.6	10.4	8.7		
Unrealized Losses	(1.2)	(0.1)	(0.3)	(0.3)	(1.3)	(0.2)	(0.2)	(0.2)		
Net Gains / Losses	6.9	12.8	12.0	11.8	6.9	8.4	10.2	8.5		
Segregated Fund Net Assets										
Stocks, mutual funds and units in unit trusts	247,075	240,252	159,550	153,254	139,141	160,109	152,228	150,831		
Bonds	62,471	65,338	49,646	48,034	45,701	44,973	44,960	43,657		
Mortgage loans	2,590	2,686	2,631	2,649	2,709	2,670	2,724	2,719		
Investment properties	12,271	12,430	12,657	12,535	13,315	12,986	12,871	12,849		
Cash & other	9,169	13,326	12,459	12,247	11,711	10,284	9,821	11,036		
Total	333,576	334,032	236,943	228,719	212,577	231,022	222,604	221,092		

Mortgage Loan Portfolio

	Non-Insured		Total
	Insured	Non-Insured	
Q1 2021			
Single-family residential	513	1,522	2,035
Multi-family residential	3,211	4,104	7,315
Equity Release	—	2,034	2,034
Commercial	232	15,999	16,231
Total Mortgage Loans	3,956	23,659	27,615
Q4 2020			
Single-family residential	530	1,533	2,063
Multi-family residential	3,255	4,098	7,353
Equity Release	—	2,020	2,020
Commercial	236	16,131	16,367
Total Mortgage Loans	4,021	23,782	27,803
Q3 2020			
Single-family residential	537	1,552	2,089
Multi-family residential	3,354	3,475	6,829
Equity Release	—	1,805	1,805
Commercial	241	14,405	14,646
Total Mortgage Loans	4,132	21,237	25,369
Q2 2020			
Single-family residential	550	1,540	2,090
Multi-family residential	3,412	3,525	6,937
Equity Release	—	1,708	1,708
Commercial	245	14,179	14,424
Total Mortgage Loans	4,207	20,952	25,159
Q1 2020			
Single-family residential	564	1,512	2,076
Multi-family residential	3,455	3,622	7,077
Equity Release	—	1,433	1,433
Commercial	251	14,232	14,483
Total Mortgage Loans	4,270	20,799	25,069
Q4 2019			
Single-family residential	572	1,497	2,069
Multi-family residential	3,569	3,435	7,004
Equity Release	—	1,314	1,314
Commercial	267	13,614	13,881
Total Mortgage Loans	4,408	19,860	24,268
Q3 2019			
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
Total Mortgage Loans	4,566	19,575	24,141
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
Total Mortgage Loans	4,678	18,927	23,605

Lifeco Impaired Loans and Credit Losses

(C\$MM)	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Gross Impaired Loans								
Fair value through profit or loss ⁽¹⁾	22	23	25	26	19	19	117	118
Available-for-sale	16	16	18	16	17	16	18	18
Loans and receivables	91	80	74	74	75	80	84	86
Total	129	119	117	116	111	115	219	222
Canada	—	1	—	1	—	—	1	1
US	29	30	33	33	35	35	134	135
Europe	100	88	84	82	76	80	84	86
Capital and Risk Solutions	—	—	—	—	—	—	—	—
Total	129	119	117	116	111	115	219	222
Impaired Investment Provisions								
Fair value through profit or loss ⁽¹⁾	3	3	3	2	(1)	(2)	(20)	(16)
Available-for-sale	(2)	(1)	—	—	1	—	(1)	(1)
Loans and receivables	56	57	49	48	49	51	50	51
Total	57	59	52	50	49	49	29	34
Canada	—	—	—	—	—	—	—	—
US	(3)	(2)	(2)	(2)	—	(2)	(20)	(16)
Europe	60	61	54	52	49	51	50	51
Capital and Risk Solutions	—	—	—	—	—	—	(1)	(1)
Total	57	59	52	50	49	49	29	34
Carrying Amount	72	60	65	66	62	66	190	188
Provisions for Future Credit								
Losses in Insurance Contract Liabilities	3,138	3,368	2,781	2,696	2,628	2,575	2,385	2,439

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

Lifeco Cash Flow Statements

(CSMM)	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Operations										
Earnings before income taxes	831	750	910	1,041	371	661	855	553	3,072	2,880
Income taxes paid, net of refunds received	(92)	(116)	(35)	(102)	(114)	(30)	(61)	(107)	(367)	(235)
Adjustments:										
Change in insurance and investment contract liabilities	(5,752)	4,145	4,377	8,617	(2,663)	(1,789)	3,032	3,963	14,476	10,412
Change in funds held by ceding insurers	388	(89)	228	165	163	278	195	19	467	570
Change in funds held under reinsurance contracts	(88)	32	108	116	(55)	(50)	55	61	201	81
Change in reinsurance assets	1,530	(550)	(346)	(1,799)	1,066	379	(481)	(626)	(1,629)	(900)
Changes in fair value through profit or loss	5,551	(1,984)	(785)	(6,318)	3,388	1,766	(2,102)	(2,245)	(5,699)	(6,946)
Other	(575)	(292)	(131)	(262)	(226)	76	(222)	1,121	(911)	248
Cash flow from operations ⁽¹⁾	1,793	1,896	4,326	1,458	1,930	1,291	1,271	2,739	9,610	6,110
Financing Activities										
Issue of common shares	18	4	1	—	13	13	1	10	18	39
Purchased and cancelled common shares	—	—	—	—	—	(66)	—	(2,000)	—	(2,066)
Substantial issuer bid transaction costs	—	—	—	—	—	—	—	(3)	—	(3)
Issue of debentures and senior notes	—	—	3,116	597	—	—	—	—	3,713	—
Repayment of debentures	—	—	(500)	—	—	(232)	—	—	(500)	(232)
Increase (decrease) in credit line of subsidiary	(108)	817	(122)	(117)	(39)	145	(86)	(107)	539	(28)
Increase (decrease) in debentures and other debt instruments	—	—	—	—	(1)	(224)	101	123	(1)	1
Dividends paid on common shares	(406)	(407)	(406)	(406)	(407)	(384)	(384)	(383)	(1,626)	(1,559)
Dividends paid on preferred shares	(33)	(33)	(33)	(34)	(33)	(33)	(33)	(34)	(133)	(133)
Cash flow from financing activities	(529)	381	2,056	40	(467)	(781)	(401)	(2,394)	2,010	(3,981)
Investment Activities										
Bond sales and maturities	6,544	6,000	5,913	5,814	4,923	6,807	5,281	7,414	22,650	25,155
Mortgage loan repayments	866	820	493	489	537	908	463	725	2,339	2,532
Stock sales	1,317	602	1,276	1,021	960	714	703	869	3,859	2,814
Investment property sales	9	3	3	66	1	(3)	—	1	73	5
Change in loans to policyholders	(73)	254	36	(55)	(151)	33	245	(275)	84	16
Business acquisitions, net of cash and equivalents acquired	—	(343)	(1,017)	(14)	(29)	—	—	—	(1,403)	—
Sale of businesses, net of cash and cash equivalents in subsidiaries	—	173	108	—	—	—	—	—	281	—
Cash and cash equivalents related to transfer of business	—	—	—	—	—	(4)	—	—	—	(4)
Cash and cash equivalents classified as held for sale	—	—	—	—	—	(39)	9	(1)	—	—
Investment in bonds	(9,636)	(4,849)	(12,148)	(6,917)	(4,028)	(6,376)	(5,638)	(8,033)	(27,942)	(25,087)
Investment in mortgage loans	(909)	(959)	(654)	(753)	(1,011)	(813)	(999)	(1,021)	(3,377)	(3,816)
Investment in stocks	(1,469)	(911)	(732)	(742)	(1,900)	(800)	(724)	(512)	(4,285)	(2,510)
Investment in investment properties	(180)	(326)	(126)	(16)	(13)	(203)	(165)	(62)	(481)	(644)
Cash flow from investment activities	(3,531)	464	(6,848)	(1,107)	(711)	224	(825)	(895)	(8,202)	(1,539)
Effect of changes in exchange rates on cash and cash equivalents	(63)	(167)	(31)	(157)	255	41	(27)	(96)	(100)	(130)
Increase (decrease) in cash and cash equivalents	(2,330)	2,574	(497)	234	1,007	775	18	(646)	3,318	460
Cash and cash equivalents, beginning of period	7,946	5,372	5,869	5,635	4,628	3,853	3,835	4,481	4,628	4,168
Cash and cash equivalents, end of period	5,616	7,946	5,372	5,869	5,635	4,628	3,853	3,835	7,946	4,628

⁽¹⁾ Q3 2020 Cash flow from operations includes \$2.3 billion of deposits transferred from assets under administration to general fund assets in the U.S. segment.

Statements of Accumulated and Contributed Surplus

Lifeco Accumulated & Contributed Surplus

(C\$MM)	2021		2020			2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Balance, beginning of year	15,176	13,835	13,835	13,835	13,835	13,481	13,481	13,481
Change in accounting policy	—	—	—	—	—	(109)	(109)	(109)
Revised balance, beginning of year	15,176	13,835	13,835	13,835	13,835	13,372	13,372	13,372
Net earnings - YTD	740	3,076	2,131	1,272	375	2,492	1,946	1,183
Stock option expense	20	54	43	32	21	37	28	20
Share issue / redemption ⁽¹⁾	(32)	(50)	(50)	(49)	(49)	(1,717)	(1,662)	(1,660)
Share capital carrying value adjustment ⁽²⁾	—	—	—	—	—	1,304	1,304	1,304
Dividends to shareholders								
Preferred shareholders	(33)	(133)	(100)	(67)	(33)	(133)	(100)	(67)
Common shareholders	(406)	(1,626)	(1,219)	(813)	(407)	(1,559)	(1,175)	(791)
Other	1	20	20	(5)	(2)	39	31	30
Balance, end of period	15,466	15,176	14,660	14,205	13,740	13,835	13,744	13,391

Lifeco Surplus - Participating Account

(C\$MM)	2021		2020			2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Balance, beginning of period	2,871	2,759	2,759	2,759	2,759	2,737	2,737	2,737
Net earnings before policyholder dividend - YTD	378	1,430	1,088	747	366	1,374	1,071	700
Participating policyholder dividend	(353)	(1,364)	(1,022)	(703)	(356)	(1,364)	(1,031)	(704)
Other	(28)	46	47	47	79	12	19	23
Balance, end of period	2,868	2,871	2,872	2,850	2,848	2,759	2,796	2,756
By Company:								
Canada Life	2,856	2,858	2,858	2,836	2,833	2,745	2,782	2,742
GWL&A	12	13	14	14	15	14	14	14
	2,868	2,871	2,872	2,850	2,848	2,759	2,796	2,756

⁽¹⁾ Q2 2019 includes (\$1,628m) for excess of redemption proceeds over stated capital per Substantial Issuer Bid

⁽²⁾ Q2 2019 includes \$1,304m for common share carrying value adjustment per Substantial Issuer Bid

Reconciliation of Accumulated Other Comprehensive Income

Comprehensive Income										
(CSMM)	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Net Earnings	740	945	859	897	375	546	763	493	3,076	2,492
Other comprehensive income (loss)										
net of income taxes										
Unrealized foreign exchange gains (losses)										
on translation of foreign operations	(347)	(280)	123	(523)	783	302	(183)	(466)	103	(561)
Unrealized foreign exchange gains (losses) on euro debt (after tax)										
designated as hedge of net investment in foreign operations (after-tax)	69	8	(34)	26	(78)	(18)	43	9	(78)	86
Unrealized gains (losses) on available-for-sale assets (after-tax)	(161)	21	11	188	18	(75)	63	77	238	195
Realized (gains) losses on available-for-sale assets (after-tax)	(8)	(13)	(9)	(69)	(35)	(22)	(16)	(20)	(126)	(63)
Unrealized gains (losses) on cash flow hedges (after-tax)	14	8	16	(2)	4	(1)	1	1	26	2
Realized (gains) losses on cash flow hedges (after-tax)	(8)	(7)	(9)	1	—	—	—	—	(15)	—
Non-controlling interests (after-tax)	77	—	11	—	(59)	20	3	(8)	(48)	(39)
Total Items that may be reclassified	(364)	(263)	109	(379)	633	206	(89)	(407)	100	(380)
Items that will not be reclassified to										
Consolidated Statement of Earnings										
Re-measurements on defined benefit pension										
and other post-employment benefit plans (after-tax)	473	122	(24)	(470)	243	152	(100)	(143)	(129)	(179)
Revaluation surplus on transfer to investment properties	—	—	10	—	—	—	—	—	10	—
Non-controlling interests (after-tax)	(40)	(8)	(1)	49	(29)	(12)	1	12	11	9
	<u>433</u>	<u>114</u>	<u>(15)</u>	<u>(421)</u>	<u>214</u>	<u>140</u>	<u>(99)</u>	<u>(131)</u>	<u>(108)</u>	<u>(170)</u>
Total other comprehensive income (loss)	69	(149)	94	(800)	847	346	(188)	(538)	(8)	(550)
Comprehensive income (loss)	809	796	953	97	1,222	892	575	(45)	3,068	1,942

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

(CSMM)	2021		2020			2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Balance, beginning of year	487	495	495	495	495	1,045	1,045	1,045
Other comprehensive income (loss)	69	(8)	141	47	847	(550)	(896)	(708)
Balance, end of period	<u>556</u>	<u>487</u>	<u>636</u>	<u>542</u>	<u>1,342</u>	<u>495</u>	<u>149</u>	<u>337</u>

Lifeco Sales

(C\$MM)	2021					2020			Fiscal 2020	Fiscal 2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
Canada										
Individual Customer	3,352	2,934	1,928	1,777	2,902	2,718	2,020	2,223	9,541	9,318
Group Customer	1,381	795	592	613	730	891	1,500	717	2,730	3,931
Total Canada	4,733	3,729	2,520	2,390	3,632	3,609	3,520	2,940	12,271	13,249
U.S.										
Financial Services ⁽¹⁾	82,844	10,596	9,621	7,222	33,581	15,798	16,885	11,807	61,020	105,788
Asset Management	16,095	16,843	18,366	21,005	19,650	15,983	14,360	12,406	75,864	57,299
Total U.S.	98,939	27,439	27,987	28,227	53,231	31,781	31,245	24,213	136,884	163,087
Europe										
U.K.	1,092	1,469	672	1,059	1,102	1,027	1,238	1,748	4,302	5,229
Ireland	6,031	5,270	4,561	6,001	8,480	5,393	5,784	5,313	24,312	26,378
Germany	103	135	80	81	86	146	76	70	382	369
Total Europe	7,226	6,874	5,313	7,141	9,668	6,566	7,098	7,131	28,996	31,976
Total	110,898	38,042	35,820	37,758	66,531	41,956	41,863	34,284	178,151	208,312

⁽¹⁾ Q3 2020 includes Personal Capital for the period from the acquisition date of August 17, 2020 to September 30, 2020.

Lifeco Premiums & Deposits

<i>(C\$MM)</i>	2021	2020				2019			Fiscal 2020	Fiscal 2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
Premiums & Deposits										
Canada										
Individual Customer	2,977	3,049	2,503	2,290	2,784	3,110	2,490	2,511	10,626	10,619
Group Customer	4,698	3,968	3,658	3,370	4,216	4,119	4,563	3,909	15,212	16,727
Total Canada	7,675	7,017	6,161	5,660	7,000	7,229	7,053	6,420	25,838	27,346
U.S.										
Financial Services ⁽¹⁾	6,602	3,739	5,772	3,343	4,761	3,497	3,310	3,083	17,615	13,176
Asset Management	16,095	16,843	18,366	21,005	19,650	15,983	14,360	12,406	75,864	57,299
Total U.S.	22,697	20,582	24,138	24,348	24,411	19,480	17,670	15,489	93,479	70,475
Europe										
U.K.	1,031	1,361	677	1,125	1,028	957	1,127	1,827	4,191	5,144
Ireland	7,078	6,160	5,136	6,728	9,142	6,602	6,157	5,840	27,166	29,008
Germany	325	374	301	297	290	366	305	262	1,262	1,196
Par	—	1	—	1	—	—	1	1	2	3
Total Europe	8,434	7,896	6,114	8,151	10,460	7,925	7,590	7,930	32,621	35,351
Capital and Risk Solutions										
Reinsurance	7,462	5,330	4,484	4,970	4,601	4,455	4,098	4,436	19,385	17,443
Par	4	6	6	5	5	7	6	5	22	23
Total Capital and Risk Solutions	7,466	5,336	4,490	4,975	4,606	4,462	4,104	4,441	19,407	17,466
Total Revenue Premium	46,272	40,831	40,903	43,134	46,477	39,096	36,417	34,280	171,345	150,638
Summary										
Risk-based premiums	14,361	11,747	9,976	10,390	10,906	9,478	9,324	10,002	43,019	38,399
ASO contracts and other	1,703	1,687	3,104	520	812	841	813	830	6,123	3,295
Segregated fund deposits										
Individual	4,152	3,962	3,578	3,156	4,338	5,446	4,146	3,723	15,034	16,947
Group	3,801	1,679	1,538	1,597	2,068	1,913	1,999	1,732	6,882	7,738
Proprietary mutual funds & institutional deposits	22,255	21,756	22,707	27,471	28,353	21,418	20,135	17,993	100,287	84,259
	46,272	40,831	40,903	43,134	46,477	39,096	36,417	34,280	171,345	150,638

⁽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.

Lifeco Fee and Other Income

(C\$MM)	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Fee and Other Income										
Canada										
Segregated funds	325	315	311	291	304	270	270	268	1,221	1,062
ASO contracts	53	54	48	36	50	53	51	50	188	205
Other	91	92	86	83	86	134	126	122	347	499
Total Canada	469	461	445	410	440	457	447	440	1,756	1,766
U.S.										
Segregated funds	38	11	11	10	12	12	12	19	44	64
Asset Management	300	326	301	284	291	303	296	298	1,202	1,182
Other ⁽¹⁾	589	417	384	360	362	364	357	367	1,523	1,441
Life insurance and annuity reinsurance ceding commission ⁽²⁾	—	—	—	—	—	—	—	1,080	—	1,080
Total U.S.	927	754	696	654	665	679	665	1,764	2,769	3,767
Europe										
Segregated funds & Other	353	351	342	340	333	377	382	385	1,366	1,539
Total Europe	353	351	342	340	333	377	382	385	1,366	1,539
Capital and Risk Solutions										
Reinsurance & Other	2	3	3	2	3	2	2	2	11	9
Total Capital and Risk Solutions	2	3	3	2	3	2	2	2	11	9
Total Fee and Other Income	1,751	1,569	1,486	1,406	1,441	1,515	1,496	2,591	5,902	7,081

⁽¹⁾ Q3 2020 includes Personal Capital from the acquisition date of August 17, 2020 to September 30, 2020.

⁽²⁾ Q2 2019 includes a ceding commission of \$1,080m related to the Protective Life transaction.

Lifeco Expense Summary

<i>(C\$MM)</i>	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Expenses										
Canada	461	471	431	411	453	451	417	417	1,766	1,729
U.S. ⁽¹⁾	747	706	627	569	572	543	555	666	2,474	2,321
Europe	295	285	275	283	283	276	262	262	1,126	1,073
Capital and Risk Solutions	25	25	25	24	23	22	21	21	97	85
Lifeco Corporate	5	11	7	7	4	6	3	8	29	23
Total Operating Expenses	1,533	1,498	1,365	1,294	1,335	1,298	1,258	1,374	5,492	5,231
Investment Expenses	41	34	32	42	43	43	46	41	151	166
Total Expenses	1,574	1,532	1,397	1,336	1,378	1,341	1,304	1,415	5,643	5,397

⁽¹⁾ Includes pre-tax transaction costs related to the acquisitions of Personal Capital and MassMutual's retirement services business of \$59m in Q4 2020 and \$36m in Q3 2020.

Canada



Lifeco Canada Net Earnings – Consolidated

(C\$MM)	2021					2020			Fiscal 2020	Fiscal 2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
Income										
Total net premiums	3,196	3,628	3,230	3,083	3,247	3,587	3,606	3,225	13,188	13,505
Regular net investment income	713	913	714	807	616	680	732	717	3,050	2,785
Changes in fair value through profit or loss	(2,248)	1,063	486	3,290	(2,206)	(445)	366	954	2,633	3,157
Total net investment income	(1,535)	1,976	1,200	4,097	(1,590)	235	1,098	1,671	5,683	5,942
Fee and other income	469	461	445	410	440	457	447	440	1,756	1,766
Total Income	2,130	6,065	4,875	7,590	2,097	4,279	5,151	5,336	20,627	21,213
Benefits and expenses										
Total paid or credited to policyholders	805	4,675	3,694	6,251	952	3,111	3,867	4,118	15,572	16,268
Commissions	370	388	321	336	370	390	341	336	1,415	1,408
General expenses	461	471	431	411	453	451	417	417	1,766	1,729
Restructuring and integration expenses	—	92	—	—	—	—	—	—	92	—
Other	147	154	150	144	147	156	148	144	595	593
Total benefits and expenses	1,783	5,780	4,596	7,142	1,922	4,108	4,773	5,015	19,440	19,998
Earnings before income taxes	347	285	279	448	175	171	378	321	1,187	1,215
Income taxes	33	(21)	(7)	65	17	12	31	36	54	149
Net earnings before non-controlling interests	314	306	286	383	158	159	347	285	1,133	1,066
Non-controlling interests	26	9	23	33	11	(30)	47	4	76	13
Net earnings	288	297	263	350	147	189	300	281	1,057	1,053
Preferred share dividends	29	29	28	29	28	29	28	29	114	114
Net earnings before capital allocation	259	268	235	321	119	160	272	252	943	939
Capital allocation	28	32	31	32	32	28	28	28	127	112
Net earnings - common shareholders	287	300	266	353	151	188	300	280	1,070	1,051
Common Shareholder Net Earnings (loss)										
Individual Customer	126	(9)	119	195	12	87	85	135	317	431
Group Customer	155	189	134	197	147	114	206	161	667	632
Corporate	6	120	13	(39)	(8)	(13)	9	(16)	86	(12)
Total	287	300	266	353	151	188	300	280	1,070	1,051

Lifeco Canada – Individual Customer

(C\$MM)

	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	380	381	417	356	394	381	375	361	1,548	1,489
Total net investment income	(1,460)	430	203	1,840	(626)	(170)	377	718	1,847	2,065
Fee and other income	266	251	251	233	246	258	252	248	981	995
Total income	(814)	1,062	871	2,429	14	469	1,004	1,327	4,376	4,549
Benefits and expenses										
Total paid or credited to policyholders	(1,274)	794	486	1,915	(266)	94	659	896	2,929	2,967
Commissions	145	145	127	127	136	139	132	135	535	531
General expenses	139	131	114	119	130	120	109	120	494	471
Other	16	13	20	27	14	18	14	18	74	69
Total benefits and expenses	(974)	1,083	747	2,188	14	371	914	1,169	4,032	4,038
Earnings before income taxes	160	(21)	124	241	—	98	90	158	344	511
Income taxes	33	(13)	4	45	(13)	7	2	19	23	66
Net earnings (loss) before capital allocation	127	(8)	120	196	13	91	88	139	321	445
Capital Allocation	(1)	(1)	(1)	(1)	(1)	(4)	(3)	(4)	(4)	(14)
Net earnings (loss) - common shareholders	126	(9)	119	195	12	87	85	135	317	431
Participating	80	85	52	69	89	90	68	62	295	294
Universal Life	7	8	6	9	9	16	12	12	32	48
Term/Permanent	14	15	11	12	12	12	12	15	50	51
Third party	—	—	—	—	—	—	1	—	—	1
Total Individual Life	101	108	69	90	110	118	93	89	377	394
Critical Illness	5	5	5	6	5	6	5	5	21	20
Disability	3	3	2	2	3	4	4	4	10	15
Total Living Benefits	8	8	7	8	8	10	9	9	31	35
Total Individual Insurance	109	116	76	98	118	128	102	98	408	429
Risk-based	94	101	138	87	132	123	116	103	458	462
Segregated funds	1,459	1,374	847	688	1,392	1,450	932	988	4,301	4,442
Proprietary mutual funds	522	491	303	324	445	364	321	379	1,563	1,456
Third party	1,168	852	564	580	815	653	549	655	2,811	2,529
Total Individual Wealth	3,243	2,818	1,852	1,679	2,784	2,590	1,918	2,125	9,133	8,889
Total Individual Customer Sales	3,352	2,934	1,928	1,777	2,902	2,718	2,020	2,223	9,541	9,318
Risk Based Premiums										
Participating	1,137	1,499	1,158	1,158	1,124	1,428	1,128	1,150	4,939	4,767
Individual Life	251	240	245	226	247	249	244	234	958	968
Living Benefits	91	92	90	91	89	89	87	88	362	352
Total Individual Insurance	1,479	1,831	1,493	1,475	1,460	1,766	1,459	1,472	6,259	6,087
Risk-based revenue premiums	38	49	82	39	58	43	44	39	228	169
Segregated funds deposits	1,033	780	618	518	904	1,021	716	689	2,820	3,195
Proprietary mutual fund deposits	427	389	310	258	362	280	271	311	1,319	1,168
Total Individual Wealth	1,498	1,218	1,010	815	1,324	1,344	1,031	1,039	4,367	4,532
Total Individual Customer Revenue Premium	2,977	3,049	2,503	2,290	2,784	3,110	2,490	2,511	10,626	10,619

Sales

Revenue Premium

Lifeco Canada – Group Customer

(CSMM)

	2021	2020				2019			Fiscal 2020	Fiscal 2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
Income										
Total net premiums	1,679	1,748	1,655	1,569	1,729	1,778	2,103	1,714	6,701	7,249
Total net investment income	(316)	214	181	439	61	86	159	255	895	798
Fee and other income	188	195	179	163	179	184	179	175	716	708
Total income	1,551	2,157	2,015	2,171	1,969	2,048	2,441	2,144	8,312	8,755
Benefits and expenses										
Total paid or credited to policyholders	944	1,502	1,458	1,618	1,373	1,504	1,802	1,566	5,951	6,393
Commissions	103	99	96	96	104	100	95	92	395	387
General expenses	233	238	226	208	230	225	205	216	902	877
Other	61	62	59	60	62	61	61	61	243	245
Total benefits and expenses	1,341	1,901	1,839	1,982	1,769	1,890	2,163	1,935	7,491	7,902
Earnings before income taxes	210	256	176	189	200	158	278	209	821	853
Income taxes	54	66	41	(9)	53	42	69	46	151	212
Net earnings before capital allocation	156	190	135	198	147	116	209	163	670	641
Capital allocation	(1)	(1)	(1)	(1)	—	(2)	(3)	(2)	(3)	(9)
Net earnings - common shareholders	155	189	134	197	147	114	206	161	667	632
Sales										
Small/mid-size case	54	57	52	53	81	75	75	74	243	304
Large case	219	43	41	20	35	30	150	21	139	298
Creditor/Direct marketing	3	11	16	2	2	(3)	12	14	31	32
Total Group Insurance	276	111	109	75	118	102	237	109	413	634
Risk-based	62	118	40	68	74	128	467	117	300	766
Segregated funds	1,043	566	443	470	538	661	796	491	2,017	2,531
Total Group Wealth	1,105	684	483	538	612	789	1,263	608	2,317	3,297
Total Group Customer Sales	1,381	795	592	613	730	891	1,500	717	2,730	3,931
Revenue Premium										
Small/mid-size case - Insured	706	706	709	644	733	735	725	723	2,792	2,906
Large case - Insured	832	818	798	763	804	811	799	757	3,183	3,122
ASO	859	846	786	520	812	841	813	830	2,964	3,295
Creditor/Direct marketing	35	36	36	36	37	42	48	48	145	182
Total Group Insurance	2,432	2,406	2,329	1,963	2,386	2,429	2,385	2,358	9,084	9,505
Risk-based revenue premiums	106	188	112	126	155	190	531	186	581	1,039
Segregated funds deposits	2,160	1,374	1,217	1,281	1,675	1,500	1,647	1,365	5,547	6,183
Total Group Wealth	2,266	1,562	1,329	1,407	1,830	1,690	2,178	1,551	6,128	7,222
Total Group Customer Revenue Premium	4,698	3,968	3,658	3,370	4,216	4,119	4,563	3,909	15,212	16,727

Canada Wealth – Assets Under Administration

(C\$MM)	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets Under Administration								
Individual Customer								
Risk-based products	4,738	4,899	4,915	4,918	4,764	4,920	5,042	5,081
Segregated funds	34,842	33,866	32,311	31,581	29,356	32,915	32,622	32,559
Proprietary mutual funds	6,437	7,311	6,800	6,606	6,008	6,803	6,673	6,596
Group Customer								
Risk-based products	8,093	8,693	8,655	8,705	8,612	8,532	8,574	8,226
Segregated funds	57,620	56,814	53,574	51,914	47,255	52,697	51,170	50,109
Institutional Assets ⁽¹⁾	—	—	179	179	176	183	180	182
Total assets under management	111,730	111,583	106,434	103,903	96,171	106,050	104,261	102,753
Other assets under administration ⁽²⁾								
Individual Customer	12,259	11,597	10,765	10,202	9,041	9,996	9,652	9,453
Group Customer	534	481	410	370	357	472	468	444
Total	12,793	12,078	11,175	10,572	9,398	10,468	10,120	9,897
Summary by Business/Product								
Individual Customer	58,276	57,673	54,791	53,307	49,169	54,634	53,989	53,689
Group Customer	66,247	65,988	62,818	61,168	56,400	61,884	60,392	58,961
Total assets under administration	124,523	123,661	117,609	114,475	105,569	116,518	114,381	112,650

⁽¹⁾ As a result of the sale of GLC in Q4 2020, there are no institutional assets included as part of total assets under management.

⁽²⁾ Includes mutual funds distributed by Quadrus Investment Services and stock purchase plans administered by Canada Life. Prior to the sale of GLC in Q4 2020, the stock purchase plans were managed by GLC.

Lifeco Canada – Participating Account ⁽¹⁾

(C\$MM)	2021					2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019			
Income													
Net premium income	1,137	1,499	1,158	1,158	1,124	1,428	1,128	1,150	4,939	4,767			
Total net investment income	213	1,132	794	1,811	(1,054)	297	532	679	2,683	2,971			
Total income	1,350	2,631	1,952	2,969	70	1,725	1,660	1,829	7,622	7,738			
Benefits and expenses													
Total paid or credited to policyholders	1,131	2,375	1,746	2,714	(159)	1,508	1,401	1,651	6,676	6,888			
Commissions	122	144	98	113	130	151	114	109	485	490			
General expenses	68	73	77	69	72	86	77	73	291	312			
Restructuring and integration expenses	—	24	—	—	—	—	—	—	24	—			
Other	24	30	32	35	27	37	29	32	124	128			
Total benefits and expenses	1,345	2,646	1,953	2,931	70	1,782	1,621	1,865	7,600	7,818			
Earnings (loss) before income taxes	5	(15)	(1)	38	—	(57)	39	(36)	22	(80)			
Income taxes	(21)	(24)	(24)	5	(11)	(27)	(8)	(40)	(54)	(93)			
Net earnings (loss) before non-controlling interests	26	9	23	33	11	(30)	47	4	76	13			
Non-controlling interests	26	9	23	33	11	(30)	47	4	76	13			
Net earnings	—												
Sales (New annualized premiums)	80	85	52	69	89	90	68	62	295	294			
Risk-based revenue premiums	1,137	1,499	1,158	1,158	1,124	1,428	1,128	1,150	4,939	4,767			

⁽¹⁾ The Lifeco Canada participating account represents the aggregate of the participating accounts of Canada Life.

The Canada Life participating account is comprised of two components; the closed block represents participating policies issued prior to demutualization and the open block represents policies issued after demutualization.

Lifeco Canada – Corporate

(C\$MM)	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net investment income	28	200	22	7	29	22	30	19	258	108
Fee and other income	15	15	15	14	15	15	16	17	59	63
Total income	43	215	37	21	44	37	46	36	317	171
Benefits and expenses										
Total paid or credited to policyholders	4	4	4	4	4	5	5	5	16	20
General expenses	21	29	14	15	21	20	26	8	79	69
Restructuring and integration expenses	—	68	—	—	—	—	—	—	68	—
Other	46	49	39	22	44	40	44	33	154	151
Total benefits and expenses	71	150	57	41	69	65	75	46	317	240
Earnings (loss) before income taxes	(28)	65	(20)	(20)	(25)	(28)	(29)	(10)	—	(69)
Income taxes	(33)	(50)	(28)	24	(12)	(10)	(32)	11	(66)	(36)
Net earnings (loss) before non-controlling interests	5	115	8	(44)	(13)	(18)	3	(21)	66	(33)
Non-controlling interests	—	—	—	—	—	—	—	—	—	—
Net earnings (loss)	5	115	8	(44)	(13)	(18)	3	(21)	66	(33)
Preferred share dividends	29	29	28	29	28	29	28	29	114	114
Net earnings (loss) before capital allocation	(24)	86	(20)	(73)	(41)	(47)	(25)	(50)	(48)	(147)
Capital allocation	30	34	33	34	33	34	34	34	134	135
Net earnings (loss) - common shareholders	6	120	13	(39)	(8)	(13)	9	(16)	86	(12)

Q1 2021 Quarterly Information Package

Lifeco Canada – Balance Sheets

(C\$MM, unless otherwise stated)

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets								
Cash and cash equivalents	964	962	622	621	454	558	568	483
Bonds	50,881	53,940	54,584	53,479	50,124	50,034	50,062	48,978
Mortgage loans	16,279	16,036	15,558	15,448	15,154	14,810	14,731	14,461
Stocks	10,908	10,125	9,121	9,422	8,998	9,675	9,499	9,247
Investment properties	3,838	3,626	3,260	3,108	3,157	3,130	2,918	2,728
Loans to policyholders	3,042	3,043	3,079	3,055	3,029	2,972	2,960	2,925
Total invested assets	85,912	87,732	86,224	85,133	80,916	81,179	80,738	78,822
Reinsurance assets	118	439	392	370	330	251	271	187
Derivative financial instruments	359	472	336	310	280	167	230	291
Owner occupied properties	424	421	413	406	400	399	404	399
Fixed assets	217	219	232	236	246	251	242	238
Other assets	2,345	1,906	2,461	2,639	2,739	2,649	2,692	2,541
Total other assets	3,345	3,018	3,442	3,591	3,665	3,466	3,568	3,469
Deferred tax assets	213	204	206	178	179	236	226	234
Goodwill	4,016	4,017	4,037	4,039	4,050	4,043	4,044	4,024
Intangible assets	1,618	1,608	1,541	1,539	1,520	1,517	1,510	1,504
Investments on account of segregated fund policyholders	92,462	90,680	85,885	83,495	76,611	85,612	83,792	82,668
Total assets	187,684	187,698	181,727	178,345	167,271	176,304	174,149	170,908
Liabilities								
Insurance contract liabilities	79,166	81,256	79,182	77,581	73,438	74,635	74,154	72,506
Investment contract liabilities	297	300	301	297	300	304	310	314
	79,463	81,556	79,483	77,878	73,738	74,939	74,464	72,820
Debentures and other debt instruments	3,216	3,239	3,243	3,237	2,649	2,621	2,841	2,755
Funds held under reinsurance contracts	80	78	74	72	70	67	63	61
Other liabilities	4,010	4,130	5,051	5,928	6,048	5,188	4,908	4,641
Deferred tax liabilities	363	284	385	449	538	572	572	583
Investment and insurance contracts on account of segregated fund policyholders	92,462	90,680	85,885	83,495	76,611	85,612	83,792	82,668
Total liabilities	179,594	179,967	174,121	171,059	159,654	168,999	166,640	163,528
Equity								
Non-controlling interests	2,861	2,861	2,853	2,828	2,828	2,739	2,776	2,733
Share capital								
Preferred shares	2,164	2,164	2,164	2,164	2,164	2,164	2,164	2,164
Common shares	5,669	5,651	5,647	5,646	5,646	5,633	5,633	5,632
Accumulated surplus	(1,686)	(1,629)	(1,699)	(2,030)	(2,020)	(2,067)	(1,862)	(1,906)
Accumulated other comprehensive income (loss)	(352)	(750)	(793)	(756)	(434)	(597)	(635)	(676)
Contributed surplus	(566)	(566)	(566)	(566)	(567)	(567)	(567)	(567)
Total equity	8,090	7,731	7,606	7,286	7,617	7,305	7,509	7,380
Total liabilities and equity	187,684	187,698	181,727	178,345	167,271	176,304	174,149	170,908
Proprietary mutual funds and institutional net assets	6,437	7,311	6,979	6,785	6,184	6,986	6,853	6,778
Other assets under administration	19,412	18,554	17,749	17,263	16,379	17,118	17,210	16,756
Total assets under administration	213,533	213,563	206,455	202,393	189,834	200,408	198,212	194,442

Lifeco United States



Lifeco U.S. Net Earnings – Consolidated

(CSMM, unless otherwise stated)

	2021					2020			Fiscal 2020	Fiscal 2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
Income										
Total net premiums	2,755	1,386	1,722	1,403	2,262	988	966	(12,879)	6,773	(9,659)
Regular net investment income	483	310	313	343	312	353	319	644	1,278	1,785
Changes in fair value through profit or loss	(1,224)	169	136	943	(310)	(63)	201	567	938	1,371
Total net investment income	(741)	479	449	1,286	2	290	520	1,211	2,216	3,156
Fee and other income	927	754	696	654	665	679	665	1,764	2,769	3,767
Total income	2,941	2,619	2,867	3,343	2,929	1,957	2,151	(9,904)	11,758	(2,736)
Benefits and expenses										
Total paid or credited to policyholders	1,848	1,717	1,973	2,517	2,206	1,117	1,362	(10,630)	8,413	(5,932)
Commissions	136	93	96	89	100	102	97	115	378	432
General expenses	747	706	627	569	572	543	555	666	2,474	2,321
Restructuring and integration expenses	16	42	—	—	—	52	—	—	42	52
Other	84	60	50	54	47	56	53	59	211	230
Total benefits and expenses	2,831	2,618	2,746	3,229	2,925	1,870	2,067	(9,790)	11,518	(2,897)
Earnings (loss) before income taxes	110	1	121	114	4	87	84	(114)	240	161
Income taxes	14	(195)	22	17	(2)	201	7	(23)	(158)	205
Net earnings (loss) before non-controlling interests	96	196	99	97	6	(114)	77	(91)	398	(44)
Non-controlling interests	7	(15)	8	16	(2)	3	(3)	3	7	3
Net earnings (loss) before capital allocation	89	211	91	81	8	(117)	80	(94)	391	(47)
Capital allocation	—	(3)	(2)	(3)	(3)	(4)	(3)	(4)	(11)	(14)
Net earnings (loss) - common shareholders	89	208	89	78	5	(121)	77	(98)	380	(61)
Common shareholder net earnings (loss)										
Financial Services ⁽¹⁾⁽²⁾⁽³⁾	93	62	112	68	44	100	63	(107)	286	142
Asset Management	(3)	35	13	12	(42)	18	13	6	18	33
Corporate ⁽⁴⁾	(1)	111	(36)	(2)	3	(239)	1	3	76	(236)
Total	89	208	89	78	5	(121)	77	(98)	380	(61)
Common shareholder net earnings (loss) (US\$)	70	159	67	57	4	(92)	59	(73)	287	(45)

⁽¹⁾ The Financial Services business unit includes the operating results of the business that was transferred to Protective Life under an indemnity reinsurance agreement effective June 1, 2019, up to and including Q2 2019. The net charge of \$199m (after-tax) relating to the transfer of this business is included in the Reinsured Insurance and Annuity Business in Q2 2019. Comparative figures for the U.S. segment have not been restated to reflect current presentation.

⁽²⁾ The Financial Services business unit includes the operating results and sales of Personal Capital for the period from the acquisition date of August 17, 2020 to September 30, 2020.

⁽³⁾ Q1 2021 includes integration costs of \$16m (after-tax). Q4 2020 includes integration costs of \$4m (after-tax).

⁽⁴⁾ Q1 2021 includes \$1m (after-tax) of transaction costs related to the acquisition of the retirement services business of MassMutual. Q4 2020 includes a \$196m revaluation of a deferred tax asset, \$47m (after-tax) of transaction costs related to the acquisitions of Personal Capital and the retirement services business of MassMutual, and restructuring costs of \$29m (after-tax). Q3 2020 includes \$31m (after-tax) of transaction costs related to the Personal Capital and MassMutual retirement services business acquisitions. Q4 2019 includes \$36m (after-tax) of restructuring costs and a charge of \$199m relating to the revaluation of a deferred tax asset.

Lifeco U.S. – Financial Services – Consolidated ⁽¹⁾⁽²⁾

(C\$MM, unless otherwise stated)

	2021	2020			2019			Fiscal	Fiscal	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	2,739	1,372	1,708	1,390	2,245	973	950	(12,893)	6,715	(9,725)
Total net investment income	(710)	427	389	1,133	34	259	457	1,134	1,983	2,915
Fee and other income	627	428	395	370	374	376	369	1,466	1,567	2,585
Total income	2,656	2,227	2,492	2,893	2,653	1,608	1,776	(10,293)	10,265	(4,225)
Benefits and expenses										
Total paid or credited to policyholders	1,868	1,669	1,918	2,400	2,191	1,089	1,295	(10,701)	8,178	(6,173)
Commissions	78	36	39	33	39	39	38	55	147	193
General expenses	517	414	365	340	335	318	332	446	1,454	1,427
Restructuring and integration expenses	16	5	—	—	—	—	—	—	5	—
Other	58	22	24	25	21	25	27	25	92	115
Total benefits and expenses	2,537	2,146	2,346	2,798	2,586	1,471	1,692	(10,175)	9,876	(4,438)
Earnings (loss) before income taxes	119	81	146	95	67	137	84	(118)	389	213
Income taxes	22	10	27	19	15	29	12	(22)	71	35
Net earnings (loss) before non-controlling interests	97	71	119	76	52	108	72	(96)	318	178
Non-controlling interests	—	1	—	—	—	(1)	1	2	1	2
Net earnings (loss) before capital allocation	97	70	119	76	52	109	71	(98)	317	176
Capital allocation	(4)	(8)	(7)	(8)	(8)	(9)	(8)	(9)	(31)	(34)
Net earnings (loss) - common shareholders ⁽³⁾	93	62	112	68	44	100	63	(107)	286	142
Net earnings (loss) - common shareholders (US\$)	74	47	84	49	33	76	49	(80)	213	110
Sales										
Individual Markets	—	—	—	—	—	—	—	87	—	408
Empower Retirement	81,067	9,078	8,900	7,222	33,581	15,798	16,885	11,720	58,781	105,380
Personal Capital ⁽²⁾	1,777	1,518	721	—	—	—	—	—	2,239	—
Total Sales	82,844	10,596	9,621	7,222	33,581	15,798	16,885	11,807	61,020	105,788
Total Sales (US\$)	65,231	8,151	7,234	5,196	25,060	11,968	12,792	8,811	45,641	79,659
Revenue Premium										
Risk-based premiums	2,739	1,372	1,708	1,390	2,245	973	950	(12,893)	6,715	(9,725)
ASO contracts and other	844	841	2,318	—	—	—	—	—	3,159	—
Segregated fund deposits										
Individual	157	197	86	104	156	283	222	157	543	866
Group	1,641	305	321	316	393	413	352	367	1,335	1,555
Proprietary Mutual Funds	1,205	1,010	1,325	1,520	1,950	1,813	1,770	1,549	5,805	6,525
Total Revenue by Type	6,586	3,725	5,758	3,330	4,744	3,482	3,294	(10,820)	17,557	(779)
Individual Markets	111	234	107	242	53	347	239	(13,596)	636	(12,460)
Other	27	48	27	40	26	54	29	36	141	119
Empower Retirement	6,448	3,443	5,624	3,048	4,665	3,081	3,026	2,740	16,780	11,562
Total Revenue by Business Line ⁽⁴⁾	6,586	3,725	5,758	3,330	4,744	3,482	3,294	(10,820)	17,557	(779)
Total Revenue Premium (US\$)	5,185	2,865	4,330	2,396	3,541	2,495	2,495	(8,075)	13,132	(631)

⁽¹⁾ The Financial Services business unit includes the operating results of the business that was transferred to Protective Life under an indemnity reinsurance agreement effective June 1, 2019, up to and including Q2 2019. The net charge of \$199m (after-tax) relating to the transfer of this business is included in the Reinsured Insurance and Annuity Business in Q2 2019. Comparative figures for the U.S. segment have not been restated to reflect current presentation.

⁽²⁾ The Financial Services business unit includes the operating results and sales of Personal Capital for the period from the acquisition date of August 17, 2020.

⁽³⁾ Q1 2021 includes integration costs of \$12m (after-tax). Q4 2020 includes integration costs of \$4m (after-tax).

⁽⁴⁾ Excludes participating policy revenue premiums.

Lifeco U.S. – Financial Services – Reinsured Insurance & Annuity Business ⁽¹⁾*(C\$MM, unless otherwise stated)*

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income								
Total net premiums	(46)	37	21	138	(103)	64	17	(13,753)
Total net investment income	—	—	—	—	—	—	—	617
Fee and other income	—	—	—	—	—	—	—	1,112
Total income	(46)	37	21	138	(103)	64	17	(12,024)
Benefits and expenses								
Total paid or credited to policyholders	(46)	37	21	138	(103)	64	17	(11,970)
Commissions	—	—	—	—	—	—	—	14
General expenses	—	—	—	—	—	—	—	137
Other	—	—	—	—	—	—	—	4
Total benefits and expenses	(46)	37	21	138	(103)	64	17	(11,815)
Earnings (loss) before income taxes	—	—	—	—	—	—	—	(209)
Income taxes	—	—	—	—	—	—	—	(40)
Net earnings before non-controlling interests	—	—	—	—	—	—	—	(169)
Non-controlling interests	—	—	—	—	—	—	—	—
Net earnings before capital allocation	—	—	—	—	—	—	—	(169)
Capital allocation	—	—	—	—	—	—	—	—
Net earnings - common shareholders	—	—	—	—	—	—	—	(169)
Net earnings - common shareholders (US\$)	—	—	—	—	—	—	—	(126)
Sales								
Individual Annuity	—	—	—	—	—	—	—	23
Executive Benefits	—	—	—	—	—	—	—	32
Individual Life	—	—	—	—	—	—	—	32
	—	—	—	—	—	—	—	87
Sales (US\$)	—	—	—	—	—	—	—	65
Revenue Premium								
Risk-based premiums	(46)	37	21	138	(103)	64	17	(13,753)
Segregated fund deposits	157	197	86	104	156	283	222	157
Total Revenue by Type ⁽²⁾	111	234	107	242	53	347	239	(13,596)
Total Revenue (US\$)	87	180	80	174	39	262	181	(10,146)

⁽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. – Financial Services – Empower Retirement

(C\$MM, unless otherwise stated)

	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	2,758	1,287	1,660	1,212	2,322	855	904	824	6,481	3,482
Total net investment income	(720)	314	263	905	(56)	169	298	334	1,426	1,191
Fee and other income	581	385	373	364	368	367	361	350	1,490	1,407
Total income	2,619	1,986	2,296	2,481	2,634	1,391	1,563	1,508	9,397	6,080
Benefits and expenses										
Total paid or credited to policyholders	1,886	1,490	1,759	2,015	2,192	865	1,117	1,071	7,456	4,263
Commissions	77	35	36	33	37	37	37	38	141	148
General expenses	455	345	327	326	321	337	313	299	1,319	1,244
Restructuring and integration expenses	13	—	—	—	—	—	—	—	—	—
Other	47	18	18	18	17	16	14	16	71	63
Total benefits and expenses	2,478	1,888	2,140	2,392	2,567	1,255	1,481	1,424	8,987	5,718
Earnings before income taxes	141	98	156	89	67	136	82	84	410	362
Income taxes	28	17	33	19	17	28	17	19	86	76
Net earnings before non-controlling interests	113	81	123	70	50	108	65	65	324	286
Non-controlling interests	—	—	—	—	—	—	—	—	—	—
Net earnings before capital allocation	113	81	123	70	50	108	65	65	324	286
Capital allocation	(4)	(8)	(7)	(8)	(8)	(7)	(7)	(8)	(31)	(30)
Net earnings - common shareholders	109	73	116	62	42	101	58	57	293	256
Net earnings - common shareholders (US\$)	87	56	87	44	31	77	45	43	218	195
Sales (C\$)										
Gross sales	81,067	9,078	8,900	7,222	33,581	15,798	16,885	11,720	58,781	105,380
Redemptions	(2,546)	(3,333)	(33,810)	(1,298)	(18,806)	(33,452)	(2,996)	(2,993)	(57,247)	(47,801)
Net Sales	78,521	5,745	(24,910)	5,924	14,775	(17,654)	13,889	8,727	1,534	57,579

Sales

Lifeco U.S. – Financial Services – Personal Capital

(C\$MM, unless otherwise stated)

	2021	2020		Fiscal
	Q1	Q4	Q3 ⁽¹⁾	2020
Income				
Total net premiums	—	—	—	—
Total net investment income	—	—	—	—
Fee and other income	40	36	17	53
Total income	40	36	17	53
Benefits and expenses				
Total paid or credited to policyholders	—	—	—	—
Commissions	—	(1)	1	—
General expenses	52	45	24	69
Restructuring and integration expenses	3	3	—	3
Other	7	2	1	3
Total benefits and expenses	62	49	26	75
Earnings (loss) before income taxes	(22)	(13)	(9)	(22)
Income taxes	(6)	(5)	(2)	(7)
Net earnings (loss) before non-controlling interests	(16)	(8)	(7)	(15)
Non-controlling interests	—	—	—	—
Net earnings (loss) before capital allocation	(16)	(8)	(7)	(15)
Capital allocation	—	—	—	—
Net earnings (loss) - common shareholders	(16)	(8)	(7)	(15)
Net earnings (loss) - common shareholders (US\$)	(13)	(7)	(5)	(12)
Earnings (loss) before income taxes	(22)	(13)	(9)	(22)
Customer acquisition costs	22	17	9	26
Depreciation and amortization	5	1	1	2
Restructuring and integration expenses	3	3	1	4
Interest expense	2	2	1	3
Total customer acquisition, depreciation and amortization, interest and integration expenses	32	23	12	35
Pre-tax earnings excluding customer acquisition, depreciation and amortization, interest and integration expenses	10	10	3	13
Sales				
Personal Capital	1,777	1,518	721	2,239
Sales (US\$)	1,399	1,168	542	1,710
Metrics				
Total End of Period Trading Clients (000's)	27.1	25.8	24.9	
Net New Assets ⁽²⁾ (\$)	1,159	917	400	
Total End of Period Assets Under Management (\$)	22,545	20,665	18,415	

⁽¹⁾ Operating results for Q3 2020 are for the period from the acquisition date of August 17, 2020 to September 30, 2020.⁽²⁾ Net New Assets for Q3 2020 reflect Personal Capital net cash inflows (outflows) for the period from the acquisition date of August 17, 2020 to September 30, 2020.

Lifeco U.S. – Financial Services – Other ⁽¹⁾*(C\$MM, unless otherwise stated)*

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income								
Total net premiums	27	48	27	40	26	54	29	36
Total net investment income	10	113	126	228	90	90	159	183
Fee and other income	6	7	5	6	6	9	8	4
Total income	43	168	158	274	122	153	196	223
Benefits and expenses								
Total paid or credited to policyholders	28	142	138	247	102	160	161	198
Commissions	1	2	2	—	2	2	1	3
General expenses	10	24	14	14	14	(19)	19	10
Restructuring and integration expenses	—	2	—	—	—	—	—	—
Other	4	2	5	7	4	9	13	5
Total Benefits and Expenses	43	172	159	268	122	152	194	216
Earnings (loss) before income taxes	—	(4)	(1)	6	—	1	2	7
Income taxes	—	(2)	(4)	—	(2)	1	(5)	(1)
Net earnings before non-controlling interests	—	(2)	3	6	2	—	7	8
Non-controlling interests	—	1	—	—	—	(1)	1	2
Net earnings before capital allocation	—	(3)	3	6	2	1	6	6
Capital allocation	—	—	—	—	—	(2)	(1)	(1)
Net earnings (loss) - common shareholders	—	(3)	3	6	2	(1)	5	5
Net earnings (loss) - common shareholders (US\$)	—	(2)	2	5	2	(1)	4	3

⁽¹⁾ Other reflects certain expense items of the Financial Services business unit. 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. – Empower Retirement – Participants and Customer Account Values

<i>Participants - (000's) ⁽¹⁾</i>	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Empower Retirement	12,582	11,877	9,382	9,696	9,642	9,370	9,463	9,237

<i>Customer Account Values - (C\$MM) ⁽¹⁾</i>	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
General Account	44,947	46,469	22,443	19,761	20,119	17,592	17,872	17,436
Segregated Funds	109,847	111,223	26,669	26,889	24,814	25,355	26,055	26,475
Proprietary Mutual Funds	43,747	43,130	41,345	42,758	38,617	40,234	38,426	36,962
Unaffiliated Retail Investment Options & ASO	1,104,495	994,989	817,693	817,404	732,379	792,111	778,450	757,569
	<u>1,303,036</u>	<u>1,195,811</u>	<u>908,150</u>	<u>906,812</u>	<u>815,929</u>	<u>875,292</u>	<u>860,803</u>	<u>838,442</u>

⁽¹⁾ Effective Q4 2020, Empower participants and customer account values reflect the MassMutual retirement services business acquisition.

Lifeco U.S. – Asset Management

(C\$MM, unless otherwise stated)

	2021	2020				2019			Fiscal 2020	Fiscal 2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
Income										
Total net investment income	3	14	24	45	(37)	10	2	9	46	35
Fee and other income	300	326	301	284	291	303	296	298	1,202	1,182
Total income	303	340	325	329	254	313	298	307	1,248	1,217
Benefits and expenses										
Commissions	57	57	57	55	60	63	59	59	229	237
General expenses	226	230	224	226	236	221	211	219	916	874
Other	25	23	26	27	25	28	24	28	101	106
Total benefits and expenses	308	310	307	308	321	312	294	306	1,246	1,217
Earnings (loss) before income taxes	(5)	30	18	21	(67)	1	4	1	2	—
Income taxes	(6)	13	1	(1)	(18)	(13)	(5)	(1)	(5)	(16)
Net earnings (loss) before non-controlling interests	1	17	17	22	(49)	14	9	2	7	16
Non-controlling interests	8	(13)	9	15	(2)	1	1	1	9	3
Net earnings (loss) before capital allocation	(7)	30	8	7	(47)	13	8	1	(2)	13
Capital allocation	4	5	5	5	5	5	5	5	20	20
Net earnings (loss) - common shareholders	(3)	35	13	12	(42)	18	13	6	18	33
Net earnings (loss) - common shareholders (US\$)	(3)	26	10	9	(31)	13	9	5	14	24
Sales (C\$)										
Gross sales ⁽¹⁾	16,095	16,843	18,366	21,005	19,650	15,983	14,360	12,406	75,864	57,299
Redemptions	(18,605)	(18,129)	(15,630)	(16,306)	(34,569)	(15,712)	(16,402)	(13,170)	(84,634)	(62,514)
Net Sales	(2,510)	(1,286)	2,736	4,699	(14,919)	271	(2,042)	(764)	(8,770)	(5,215)
Fee Income (C\$)										
Investment management fees	207	203	206	193	199	206	205	204	801	813
Performance fees	1	32	2	(2)	(2)	2	(3)	(3)	30	(10)
Service fees	36	36	37	38	37	37	37	38	148	149
Underwriting & distribution fees	56	55	56	55	57	58	57	59	223	230
Total Fee Income (C\$)	300	326	301	284	291	303	296	298	1,202	1,182
Fee Income (US\$)	237	252	226	203	218	229	224	222	899	890

⁽¹⁾ Includes dividends reinvested

Lifeco U.S. – Asset Management AUM*(C\$MM, unless otherwise stated)*

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Mutual Funds								
Growth equity	22,095	22,817	22,340	19,612	16,235	17,834	16,813	16,915
Value equity	25,436	21,769	21,102	21,037	18,626	23,302	22,326	21,876
Blend equity	23,296	23,081	21,297	22,058	19,598	22,955	22,366	22,939
Fixed income	49,113	50,227	51,638	50,535	48,651	52,289	50,299	47,321
Total Mutual Funds	119,940	117,894	116,377	113,242	103,110	116,380	111,804	109,051
Institutional Accounts								
Equity	74,572	76,843	70,669	67,187	58,883	74,529	73,548	75,844
Fixed income	49,260	48,536	51,048	48,768	46,485	45,332	44,580	43,911
Total Institutional Accounts	123,832	125,379	121,717	115,955	105,368	119,861	118,128	119,755
Total End of Period Assets Under Management	243,772	243,273	238,094	229,197	208,478	236,241	229,932	228,806
Total End of Period Assets Under Management (US\$)	193,470	191,554	179,018	168,526	148,912	181,724	174,191	174,661

Lifeco U.S. – Participating Account*(C\$MM, unless otherwise stated)*

	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	16	14	14	13	17	15	16	14	58	66
Total net investment income	(34)	36	39	108	1	18	49	63	184	186
Total income	(18)	50	53	121	18	33	65	77	242	252
Benefits and expenses										
Total paid or credited to policyholders	(20)	48	55	117	15	28	67	71	235	241
Commissions	1	—	—	1	1	—	—	1	2	2
General expenses	1	2	1	—	1	1	1	1	4	4
Other	1	3	(2)	2	1	1	2	4	4	6
Total benefits and expenses	(17)	53	54	120	18	30	70	77	245	253
Earnings (loss) before income taxes	(1)	(3)	(1)	1	—	3	(5)	—	(3)	(1)
Income taxes	—	—	—	—	—	—	—	—	—	1
Net earnings (loss) before non-controlling interests	(1)	(3)	(1)	1	—	3	(5)	—	(3)	(2)
Non-controlling interests	(1)	(3)	(1)	1	—	3	(5)	—	(3)	(2)
Net earnings	—	—	—	—	—	—	—	—	—	—
Revenue Premium										
Risk-based premiums	16	14	14	13	17	15	16	14	58	66
Revenue Premium (US\$)	13	11	11	9	12	12	12	11	42	51

Lifeco U.S. – Corporate ⁽¹⁾

(C\$MM, unless otherwise stated)

	2021	2020			2019			Fiscal	Fiscal	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net investment income	—	2	(3)	—	4	3	12	5	3	20
Total income	—	2	(3)	—	4	3	12	5	3	20
Benefits and expenses										
Total paid or credited to policyholders	—	—	—	—	—	—	—	—	—	—
General expenses	3	60	37	3	—	3	11	—	100	16
Restructuring and integration expenses	—	37	—	—	—	52	—	—	37	52
Other	—	12	2	—	—	2	—	2	14	3
Total benefits and expenses	3	109	39	3	—	57	11	2	151	71
Earnings (loss) before income taxes	(3)	(107)	(42)	(3)	4	(54)	1	3	(148)	(51)
Income taxes	(2)	(218)	(6)	(1)	1	185	—	—	(224)	185
Net earnings (loss) before non-controlling interests	(1)	111	(36)	(2)	3	(239)	1	3	76	(236)
Non-controlling interests	—	—	—	—	—	—	—	—	—	—
Net earnings (loss) before capital allocation	(1)	111	(36)	(2)	3	(239)	1	3	76	(236)
Capital allocation	—	—	—	—	—	—	—	—	—	—
Net earnings (loss) - common shareholders ⁽¹⁾⁽²⁾	(1)	111	(36)	(2)	3	(239)	1	3	76	(236)
Net earnings (loss) - common shareholders (US\$)	(1)	86	(27)	(1)	2	(181)	1	2	60	(179)

⁽¹⁾ Q4 2019 includes \$36m (after-tax) of restructuring costs and C\$199m of revaluation of a deferred tax asset.

⁽²⁾ Q1 2021 includes \$1m (after-tax) of transaction costs related to the MassMutual retirement services business acquisition. Q4 2020 includes a \$196m revaluation of a deferred tax asset, \$47m (after-tax) of transaction costs related to the Personal Capital and MassMutual retirement services business acquisitions, and restructuring costs of \$29m (after-tax). Q3 2020 includes \$31m (after-tax) of transaction costs related to the Personal Capital and MassMutual retirement services business acquisitions.

Lifeco U.S. Balance Sheets

(C\$MM, unless otherwise stated)

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets								
Cash and cash equivalents	2,184	4,544	2,147	2,750	2,424	1,445	957	1,162
Bonds	38,885	38,338	28,481	23,147	22,935	21,506	22,613	21,679
Mortgage loans	5,684	5,957	3,989	4,060	4,266	3,996	4,325	4,327
Stocks	479	448	271	257	258	301	213	192
Investment properties	7	6	6	6	6	6	6	6
Loans to policyholders	5,259	5,229	5,700	5,892	6,034	5,514	5,641	5,878
Total invested assets	52,498	54,522	40,594	36,112	35,923	32,768	33,755	33,244
Funds held by ceding insurers	9,709	9,928		—	—	—	—	—
Reinsurance assets	14,748	15,921	16,345	16,435	15,395	15,103	15,391	14,650
Derivative financial instruments	144	148	260	362	473	137	243	186
Owner occupied properties	184	186	195	200	206	190	193	192
Fixed assets	136	135	148	148	156	144	151	154
Other assets	3,493	3,303	3,000	2,902	3,268	3,403	2,964	3,010
Total other assets	3,957	3,772	3,603	3,612	4,103	3,874	3,551	3,542
Deferred tax assets	678	726	509	414	458	444	636	651
Goodwill	2,407	3,694	1,138	188	194	180	183	181
Intangible assets	3,269	2,035	1,827	1,873	1,933	1,810	1,837	1,822
Investments on account of segregated fund policyholders	116,710	117,982	33,088	33,151	30,392	31,433	31,737	32,036
Total assets	203,976	208,580	97,104	91,785	88,398	85,612	87,090	86,126
Liabilities								
Insurance contract liabilities	66,232	69,189	48,161	48,145	46,850	43,562	44,423	43,059
Investment contract liabilities	7,347	7,604	2,443	150	155	127	133	140
	73,579	76,793	50,604	48,295	47,005	43,689	44,556	43,199
Debentures and other debt instruments	5,223	5,372	4,777	2,305	2,491	2,354	2,471	2,537
Other liabilities	2,623	2,652	2,671	2,229	2,692	2,535	2,566	2,661
Deferred tax liabilities	(23)	(20)	147	127	127	146	129	128
Investment and insurance contracts on account of segregated fund policyholders	116,710	117,982	33,088	33,151	30,392	31,433	31,737	32,036
Total liabilities	198,112	202,779	91,287	86,107	82,707	80,157	81,459	80,561
Equity								
Non-controlling interests	106	112	117	154	151	109	123	129
Accumulated surplus	4,408	4,323	4,116	3,862	3,787	3,848	3,964	3,887
Accumulated other comprehensive income	608	614	843	936	1,037	756	811	822
Contributed surplus	742	752	741	726	716	742	733	727
Total equity	5,864	5,801	5,817	5,678	5,691	5,455	5,631	5,565
Total liabilities and equity	203,976	208,580	97,104	91,785	88,398	85,612	87,090	86,126
Proprietary mutual funds and institutional net assets	284,847	284,251	276,401	251,190	228,058	257,301	250,183	248,253
Other assets under administration	1,104,495	994,989	817,693	817,404	732,379	792,110	778,450	757,569
Total assets under administration	1,593,318	1,487,820	1,191,198	1,160,379	1,048,835	1,135,023	1,115,723	1,091,948

Europe



Lifeco Europe Net Earnings – Consolidated

(C\$MM)	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	944	1,397	534	929	791	441	648	1,326	3,651	3,198
Regular net investment income	299	275	388	357	293	383	315	335	1,313	1,285
Changes in fair value through profit or loss	(1,694)	590	102	1,641	(664)	(1,115)	1,279	571	1,669	1,851
Total net investment income	(1,395)	865	490	1,998	(371)	(732)	1,594	906	2,982	3,136
Fee and other income	353	351	342	340	333	377	382	385	1,366	1,539
Total income	(98)	2,613	1,366	3,267	753	86	2,624	2,617	7,999	7,873
Benefits and expenses										
Total paid or credited to policyholders	(790)	1,832	594	2,534	224	(655)	1,882	1,945	5,184	5,026
Commissions	122	126	101	112	126	124	105	115	465	461
General expenses	295	285	275	283	283	276	262	262	1,126	1,073
Other	46	45	41	46	39	43	45	42	171	174
Total benefits and expenses	(327)	2,288	1,011	2,975	672	(212)	2,294	2,364	6,946	6,734
Earnings before income taxes	229	325	355	292	81	298	330	253	1,053	1,139
Income taxes	11	46	12	11	(36)	(62)	21	34	33	31
Net earnings before non-controlling interests	218	279	343	281	117	360	309	219	1,020	1,108
Non-controlling interests	1	—	—	1	—	(1)	1	—	1	(1)
Net earnings	217	279	343	280	117	361	308	219	1,019	1,109
Preferred share dividends	4	4	5	5	5	4	5	5	19	19
Net earnings before capital allocation	213	275	338	275	112	357	303	214	1,000	1,090
Capital allocation	(18)	(22)	(22)	(22)	(21)	(22)	(21)	(21)	(87)	(86)
Net earnings - common shareholders	195	253	316	253	91	335	282	193	913	1,004
Common shareholder net earnings (loss)										
U.K.	108	156	67	109	91	206	167	71	423	566
Ireland	46	54	196	101	(16)	88	83	75	335	279
Germany	43	47	56	46	19	35	36	49	168	160
Corporate	(2)	(4)	(3)	(3)	(3)	6	(4)	(2)	(13)	(1)
Total ⁽¹⁾	195	253	316	253	91	335	282	193	913	1,004

(1) Q3 2020 includes a \$94m (after-tax) net gain on the IPSI transaction. Q4 2019 includes an \$8m (after-tax) net gain on the Scottish Friendly transaction.

Lifeco Europe – U.K.

(C\$MM)

	2021	2020			2019			Fiscal	Fiscal	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	491	929	282	713	380	255	498	1,135	2,304	2,429
Total net investment income	(1,073)	757	274	1,740	(330)	(448)	1,290	611	2,441	2,564
Fee and other income	46	43	42	44	39	63	54	52	168	225
Total income	(536)	1,729	598	2,497	89	(130)	1,842	1,798	4,913	5,218
Benefits and expenses										
Total paid or credited to policyholders	(779)	1,412	406	2,257	(103)	(383)	1,540	1,580	3,972	4,156
Commissions	35	28	25	32	35	28	31	33	120	124
General expenses	86	77	85	83	79	78	79	77	324	316
Other	3	3	3	3	4	3	4	4	13	15
Total benefits and expenses	(655)	1,520	519	2,375	15	(274)	1,654	1,694	4,429	4,611
Earnings before income taxes	119	209	79	122	74	144	188	104	484	607
Income taxes	(3)	35	(7)	(5)	(35)	(80)	4	15	(12)	(30)
Net earnings before non-controlling interests	122	174	86	127	109	224	184	89	496	637
Non-controlling interests	—	—	—	—	—	—	—	—	—	—
Net earnings	122	174	86	127	109	224	184	89	496	637
Perpetual share dividends	—	—	—	—	—	—	—	—	—	—
Net earnings before capital allocation	122	174	86	127	109	224	184	89	496	637
Capital allocation	(14)	(18)	(19)	(18)	(18)	(18)	(17)	(18)	(73)	(71)
Net earnings - common shareholders	108	156	67	109	91	206	167	71	423	566
Sales										
UK / Isle of Man	1,092	1,469	672	1,059	1,102	1,027	1,238	1,748	4,302	5,229
Total - UK / Isle of Man	1,092	1,469	672	1,059	1,102	1,027	1,238	1,748	4,302	5,229
Revenue Premium										
Risk-based revenue premiums	491	929	282	713	380	255	498	1,135	2,304	2,429
Segregated fund deposits	540	432	395	412	648	702	629	692	1,887	2,715
Total - UK / Isle of Man ⁽¹⁾	1,031	1,361	677	1,125	1,028	957	1,127	1,827	4,191	5,144

⁽¹⁾ Excludes participating policy revenue premiums.

Lifeco Europe – Ireland

<i>(C\$MM)</i>		2021		2020			2019			Fiscal	Fiscal
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income											
Total net premiums		438	451	243	206	399	168	109	189	1,299	706
Total net investment income		(267)	125	222	276	(87)	(229)	263	270	536	547
Fee and other income		191	189	189	185	189	229	238	225	752	927
Total income		362	765	654	667	501	168	610	684	2,587	2,180
Benefits and expenses											
Total paid or credited to policyholders		59	454	215	302	263	(168)	292	367	1,234	935
Commissions		40	44	36	42	44	45	34	41	166	163
General expenses		164	163	151	160	166	152	146	149	640	600
Other		34	32	30	35	30	33	31	30	127	123
Total benefits and expenses		297	693	432	539	503	62	503	587	2,167	1,821
Earnings (loss) before income taxes		65	72	222	128	(2)	106	107	97	420	359
Income taxes		7	5	15	15	3	7	12	12	38	36
Net earnings (loss) before non-controlling interests		58	67	207	113	(5)	99	95	85	382	323
Non-controlling interests		1	1	—	1	—	—	1	—	2	1
Net earnings (loss) before capital allocation		57	66	207	112	(5)	99	94	85	380	322
Capital allocation		(11)	(12)	(11)	(11)	(11)	(11)	(11)	(10)	(45)	(43)
Net earnings (loss) - common shareholders		46	54	196	101	(16)	88	83	75	335	279
Sales	Ireland	6,031	5,270	4,561	6,001	8,480	5,393	5,784	5,313	24,312	26,378
	Total - Ireland	6,031	5,270	4,561	6,001	8,480	5,393	5,784	5,313	24,312	26,378
Revenue Premium	Risk-based revenue premiums	438	451	243	206	399	168	109	189	1,299	706
	Segregated fund deposits	2,112	2,195	2,187	1,834	2,352	3,092	2,314	1,924	8,568	9,035
	Proprietary mutual funds & institutional deposits	4,528	3,514	2,706	4,688	6,391	3,342	3,734	3,727	17,299	19,267
	Total - Ireland ⁽¹⁾	7,078	6,160	5,136	6,728	9,142	6,602	6,157	5,840	27,166	29,008

⁽¹⁾ Excludes participating policy revenue premiums.

Lifeco Europe – Germany

<i>(C\$MM)</i>		2021					2020			Fiscal	Fiscal
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income											
	Total net premiums	15	16	9	9	12	18	40	1	46	60
	Total net investment income	(62)	(22)	(5)	(24)	63	(43)	29	19	12	—
	Fee and other income	116	119	111	111	105	109	90	108	446	411
	Total income	69	113	115	96	180	84	159	128	504	471
Benefits and expenses											
	Total paid or credited to policyholders	(75)	(40)	(27)	(30)	76	(55)	40	(7)	(21)	(47)
	Commissions	47	54	40	38	47	51	40	41	179	174
	General expenses	41	40	37	36	35	39	33	33	148	139
	Other	2	2	2	1	1	2	2	1	6	6
	Total benefits and expenses	15	56	52	45	159	37	115	68	312	272
	Earnings before income taxes	54	57	63	51	21	47	44	60	192	199
	Income taxes	9	9	6	3	—	10	6	9	18	31
	Net earnings before capital allocation	45	48	57	48	21	37	38	51	174	168
	Capital allocation	(2)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(6)	(8)
	Net earnings - common shareholders	43	47	56	46	19	35	36	49	168	160
Sales	Germany	103	135	80	81	86	146	76	70	382	369
	Total - Germany	103	135	80	81	86	146	76	70	382	369
Revenue Premium	Risk-based revenue premiums	15	16	9	9	12	18	40	1	46	60
	Segregated fund deposits	310	358	292	288	278	348	265	261	1,216	1,136
	Total - Germany ⁽¹⁾	325	374	301	297	290	366	305	262	1,262	1,196

⁽¹⁾ Excludes participating policy revenue premiums.

Lifeco Europe – Participating Account

(C\$MM)	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	—	1	—	1	—	—	1	1	2	3
Total net investment income	6	5	(1)	6	(16)	(5)	12	6	(6)	32
Fee and other income	—	—	—	—	—	—	—	—	—	—
Total income	6	6	(1)	7	(16)	(5)	13	7	(4)	35
Benefits and expenses										
Total paid or credited to policyholders	5	6	—	5	(12)	(6)	10	5	(1)	25
Commissions	—	—	—	—	—	—	—	—	—	—
General expenses	—	—	—	—	—	2	1	1	—	5
Other	1	1	(1)	1	(3)	(1)	2	1	(2)	6
Total benefits and expenses	6	7	(1)	6	(15)	(5)	13	7	(3)	36
Earnings (loss) before										
income taxes	—	(1)	—	1	(1)	—	—	—	(1)	(1)
Income taxes	—	—	—	1	(1)	1	—	—	—	1
Net earnings (loss) before										
non-controlling interests	—	(1)	—	—	—	(1)	—	—	(1)	(2)
Non-controlling interests	—	(1)	—	—	—	(1)	—	—	(1)	(2)
Net earnings - common shareholders	—	—	—	—	—	—	—	—	—	—
Risk-based revenue premiums	—	1	—	1	—	—	1	1	2	3

Lifeco Europe – Corporate

(C\$MM)	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Net premium income	—	—	—	—	—	—	—	—	—	—
Total net investment income	1	—	—	—	(1)	(7)	—	—	(1)	(7)
Fee and other income	—	—	—	—	—	(24)	—	—	—	(24)
Total income	1	—	—	—	(1)	(31)	—	—	(1)	(31)
Benefits and expenses										
Total paid or credited to policyholders	—	—	—	—	—	(43)	—	—	—	(43)
Commissions	—	—	—	—	—	—	—	—	—	—
General expenses	4	5	2	4	3	5	3	2	14	13
Other	6	7	7	6	7	6	6	6	27	24
Total benefits and expenses	10	12	9	10	10	(32)	9	8	41	(6)
Earnings (loss) before										
income taxes	(9)	(12)	(9)	(10)	(11)	1	(9)	(8)	(42)	(25)
Income taxes	(2)	(3)	(2)	(3)	(3)	—	(1)	(2)	(11)	(7)
Net Earnings (loss)	(7)	(9)	(7)	(7)	(8)	1	(8)	(6)	(31)	(18)
Preferred shareholder dividends	4	4	5	5	5	4	5	5	19	19
Net earnings (loss) before										
capital allocation	(11)	(13)	(12)	(12)	(13)	(3)	(13)	(11)	(50)	(37)
Capital allocation	9	9	9	9	10	9	9	9	37	36
Net earnings (loss) -										
common shareholders	(2)	(4)	(3)	(3)	(3)	6	(4)	(2)	(13)	(1)

Q1 2021 Quarterly Information Package

Lifeco Europe – Balance Sheets

(C\$MM, unless otherwise stated)

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets								
Cash and cash equivalents	1,879	2,032	1,939	1,797	2,006	1,952	1,689	1,622
Bonds	37,832	39,948	38,760	38,295	37,814	38,353	37,954	37,813
Mortgage loans	5,590	5,746	5,755	5,581	5,570	5,388	5,008	4,741
Stocks	436	427	401	396	364	399	374	392
Investment properties	2,645	2,638	2,587	2,502	2,673	2,751	2,618	2,682
Loans to policyholders	2	2	2	2	2	2	3	3
Total invested assets	48,384	50,793	49,444	48,573	48,429	48,845	47,646	47,253
Assets held for sale	—	—	—	—	—	—	876	857
Funds withheld by ceding insurers	—	2	—	—	—	—	—	—
Reinsurance assets	5,264	5,622	5,460	5,281	5,169	5,231	5,420	5,524
Derivative financial instruments	164	208	191	191	176	147	221	178
Owner occupied properties	127	134	133	146	147	138	136	141
Fixed assets	65	71	67	57	63	58	57	58
Other assets	4,061	4,075	3,775	3,391	3,350	2,879	2,737	3,055
Total other assets	4,417	4,488	4,166	3,785	3,736	3,222	3,151	3,432
Goodwill	2,361	2,395	2,398	2,373	2,368	2,282	2,263	2,287
Intangible assets	634	642	608	586	586	552	528	540
Deferred tax assets	26	39	45	34	41	12	12	19
Investments on account of segregated fund policyholders	124,404	125,370	117,970	112,073	105,574	113,977	107,075	106,388
Investments on account of segregated fund policyholders held for sale	—	—	—	—	—	—	3,172	3,278
Total assets	185,490	189,351	180,091	172,705	165,903	174,121	170,143	169,578
Liabilities								
Insurance contract liabilities	45,439	47,998	46,568	45,809	45,518	45,447	44,767	44,756
Investment contract liabilities	266	245	254	231	226	215	230	227
	45,705	48,243	46,822	46,040	45,744	45,662	44,997	44,983
Liabilities held for sale	—	—	—	—	—	—	876	857
Debentures and other debt instruments	1,026	1,082	1,088	1,060	1,081	1,018	1,004	1,039
Funds held under reinsurance contracts	1,472	1,570	1,528	1,427	1,329	1,366	1,347	1,319
Other liabilities	1,703	1,827	1,597	961	908	994	1,276	1,300
Deferred tax liabilities	276	288	258	250	260	275	282	296
Investment and insurance contracts on account of segregated fund policyholders	124,404	125,370	117,970	112,073	105,574	113,977	107,075	106,388
Investment and insurance contracts on account of segregated fund policyholders held for sale	—	—	—	—	—	—	3,172	3,278
Total liabilities	174,586	178,380	169,263	161,811	154,896	163,292	160,029	159,460
Equity								
Non-controlling interests	24	24	26	24	24	22	22	23
Share capital								
Preferred shares	550	550	550	550	550	550	550	550
Accumulated surplus	10,188	10,002	9,951	10,229	10,023	10,145	9,766	9,551
Accumulated other comprehensive income (loss)	142	395	301	91	410	112	(224)	(6)
Total equity	10,904	10,971	10,828	10,894	11,007	10,829	10,114	10,118
Total liabilities and equity	185,490	189,351	180,091	172,705	165,903	174,121	170,143	169,578
Proprietary mutual funds and institutional net assets	59,598	59,381	58,056	57,351	54,067	56,261	51,389	50,221
Other assets under administration	10,315	10,871	10,420	55,262	50,089	48,738	46,040	46,483
Total assets under administration	255,403	259,603	248,567	285,318	270,059	279,120	267,572	266,282

Capital and Risk Solutions

Capital and Risk Solutions Net Earnings – Consolidated

(C\$MM)	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	7,466	5,336	4,490	4,975	4,606	4,462	4,104	4,441	19,407	17,466
Regular net investment income	65	68	80	88	84	47	87	98	320	306
Changes in fair value										
through profit or loss	(387)	162	61	444	(208)	(143)	256	153	459	567
Total net investment income	(322)	230	141	532	(124)	(96)	343	251	779	873
Fee and other income	2	3	3	2	3	2	2	2	11	9
Total income	7,146	5,569	4,634	5,509	4,485	4,368	4,449	4,694	20,197	18,348
Benefits and expenses										
Total paid or credited to policyholders	6,932	5,331	4,407	5,257	4,323	4,196	4,329	4,537	19,318	17,729
Commissions	33	50	31	28	29	34	28	32	138	128
General expenses	25	25	25	24	23	22	21	21	97	85
Other	3	4	3	5	4	4	3	4	16	16
Total benefits and expenses	6,993	5,410	4,466	5,314	4,379	4,256	4,381	4,594	19,569	17,958
Earnings before income taxes	153	159	168	195	106	112	68	100	628	390
Income taxes	1	(7)	(5)	4	7	(7)	(10)	8	(1)	(6)
Net earnings before non-controlling interests	152	166	173	191	99	119	78	92	629	396
Non-controlling interests	—	(6)	1	(1)	—	—	—	—	(6)	—
Net earnings	152	172	172	192	99	119	78	92	635	396
Preferred share dividends	—	—	—	—	—	—	—	—	—	—
Net earnings before capital allocation	152	172	172	192	99	119	78	92	635	396
Capital allocation	(7)	(5)	(5)	(5)	(6)	(2)	(3)	(3)	(21)	(10)
Net earnings - common shareholders	145	167	167	187	93	117	75	89	614	386
Common shareholder net earnings (loss)										
Reinsurance	146	171	168	188	94	128	75	89	621	397
Corporate	(1)	(4)	(1)	(1)	(1)	(11)	—	—	(7)	(11)
Total	145	167	167	187	93	117	75	89	614	386

Capital and Risk Solutions – Reinsurance

(C\$MM)	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	7,462	5,330	4,484	4,970	4,601	4,455	4,098	4,436	19,385	17,443
Regular net investment income	57	61	73	79	77	37	77	90	290	270
Changes in fair value through profit or loss	(316)	148	54	390	(210)	(129)	222	123	382	485
Total net investment income	(259)	209	127	469	(133)	(92)	299	213	672	755
Fee and other income	2	3	3	2	3	2	2	2	11	9
Total income	7,205	5,542	4,614	5,441	4,471	4,365	4,399	4,651	20,068	18,207
Benefits and expenses										
Total paid or credited to policyholders	6,992	5,296	4,389	5,188	4,310	4,183	4,280	4,495	19,183	17,581
Commissions	33	50	31	28	29	34	28	32	138	128
General expenses	23	23	23	23	21	21	20	20	90	81
Other	3	4	3	5	4	4	3	4	16	16
Total benefits and expenses	7,051	5,373	4,446	5,244	4,364	4,242	4,331	4,551	19,427	17,806
Earnings before income taxes	154	169	168	197	107	123	68	100	641	401
Income taxes	1	(7)	(5)	4	7	(7)	(10)	8	(1)	(6)
Net earnings before capital allocation	153	176	173	193	100	130	78	92	642	407
Capital allocation	(7)	(5)	(5)	(5)	(6)	(2)	(3)	(3)	(21)	(10)
Net earnings - common shareholders	146	171	168	188	94	128	75	89	621	397
Risk-based revenue premiums	7,462	5,330	4,484	4,970	4,601	4,455	4,098	4,436	19,385	17,443

Capital and Risk Solutions – Participating Account

(C\$MM)	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	4	6	6	5	5	7	6	5	22	23
Regular net investment income	7	7	7	9	7	8	9	8	30	33
Changes in fair value through profit or loss	(65)	12	6	48	4	(13)	31	27	70	74
Total net investment income	(58)	19	13	57	11	(5)	40	35	100	107
Total income	(54)	25	19	62	16	2	46	40	122	130
Benefits and expenses										
Total paid or credited to policyholders	(54)	32	19	62	16	7	46	40	129	135
Commissions	—	—	—	—	—	—	—	—	—	—
General expenses	—	(1)	—	—	—	(5)	—	—	(1)	(5)
Other	—	—	—	—	—	—	—	—	—	—
Total benefits and expenses	(54)	31	19	62	16	2	46	40	128	130
Earnings before income taxes	—	(6)	—	—	—	—	—	—	(6)	—
Income taxes	—	—	—	—	—	—	—	—	—	—
Net earnings before non-controlling interests	—	(6)	—	—	—	—	—	—	(6)	—
Non-controlling interests	—	(6)	—	—	—	—	—	—	(6)	—
Net earnings	—	—	—	—	—	—	—	—	—	—
Net earnings before capital allocation	—	—	—	—	—	—	—	—	—	—
Capital allocation	—	—	—	—	—	—	—	—	—	—
Net earnings - common shareholders	—	—	—	—	—	—	—	—	—	—
Risk-based revenue premiums	4	6	6	5	5	7	6	5	22	23

Capital and Risk Solutions – Corporate

(C\$MM)	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	—	—	—	—	—	—	—	—	—	—
Regular net investment income	1	—	—	—	—	2	1	—	—	3
Changes in fair value through profit or loss	(6)	2	1	6	(2)	(1)	3	3	7	8
Total net investment income	(5)	2	1	6	(2)	1	4	3	7	11
Total income	(5)	2	1	6	(2)	1	4	3	7	11
Benefits and expenses										
Total paid or credited to policyholders	(6)	3	(1)	7	(3)	6	3	2	6	13
Commissions	—	—	—	—	—	—	—	—	—	—
General expenses	2	3	2	1	2	6	1	1	8	9
Other	—	—	—	—	—	—	—	—	—	—
Total benefits and expenses	(4)	6	1	8	(1)	12	4	3	14	22
Earnings (loss) before income taxes	(1)	(4)	—	(2)	(1)	(11)	—	—	(7)	(11)
Income taxes	—	—	—	—	—	—	—	—	—	—
Net earnings (loss) before non-controlling interests	(1)	(4)	—	(2)	(1)	(11)	—	—	(7)	(11)
Non-controlling interests	—	—	1	(1)	—	—	—	—	—	—
Net earnings (loss)	(1)	(4)	(1)	(1)	(1)	(11)	—	—	(7)	(11)
Preferred share dividends	—	—	—	—	—	—	—	—	—	—
Net earnings (loss) before capital allocation	(1)	(4)	(1)	(1)	(1)	(11)	—	—	(7)	(11)
Capital allocation	—	—	—	—	—	—	—	—	—	—
Net earnings (loss) - common shareholders	(1)	(4)	(1)	(1)	(1)	(11)	—	—	(7)	(11)

Q1 2021 Quarterly Information Package

Capital and Risk Solutions – Balance Sheets

(C\$MM)

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Assets								
Cash and cash equivalents	589	408	664	701	751	673	639	568
Bonds	6,457	5,366	5,265	5,419	5,339	5,135	5,264	5,157
Mortgage loans	62	64	67	70	79	74	77	76
Stocks	—	—	—	—	—	—	—	2
Loans to policyholders	114	113	118	119	121	113	113	111
Total invested assets	7,222	5,951	6,114	6,309	6,290	5,995	6,093	5,914
Funds held by ceding insurers	7,910	8,453	8,273	8,404	8,580	8,714	8,791	8,959
Reinsurance assets	122	139	138	135	131	122	113	118
Derivative financial instruments	2	1	—	—	—	—	—	—
Fixed assets	1	1	2	2	2	2	2	2
Other assets	344	310	298	310	341	296	243	290
Total other assets	347	312	300	312	343	298	245	292
Deferred tax assets	8	6	(10)	1	(13)	1	2	2
Total assets	15,609	14,861	14,815	15,161	15,331	15,130	15,244	15,285
Liabilities								
Insurance contract liabilities	11,173	10,459	10,468	10,666	10,828	10,877	11,089	11,169
Investment contract liabilities	914	996	1,049	1,084	1,064	1,010	1,048	1,033
	12,087	11,455	11,517	11,750	11,892	11,887	12,137	12,202
Funds held under reinsurance contracts	—	—	—	—	—	—	—	1
Other liabilities	909	800	795	1,033	1,198	1,166	1,060	1,040
Deferred tax liabilities	86	94	106	127	115	123	144	150
Total liabilities	13,082	12,349	12,418	12,910	13,205	13,176	13,341	13,393
Equity								
Non-controlling interests	(11)	(10)	(5)	(4)	(4)	(4)	(4)	(4)
Share capital								
Accumulated surplus	2,380	2,294	2,117	1,984	1,801	1,734	1,710	1,699
Accumulated other comprehensive income	158	228	285	271	329	224	197	197
Total equity	2,527	2,512	2,397	2,251	2,126	1,954	1,903	1,892
Total liabilities and equity	15,609	14,861	14,815	15,161	15,331	15,130	15,244	15,285

Lifeco Corporate*(C\$MM)*

	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Income										
Total net premiums	—	—	—	—	—	—	—	—	—	—
Total net investment income	(2)	(6)	(2)	1	9	(1)	(1)	3	2	—
Fee and other income	—	—	—	—	—	—	—	—	—	—
Total income	(2)	(6)	(2)	1	9	(1)	(1)	3	2	—
Benefits and expenses										
General expenses	5	11	7	7	4	6	3	8	29	23
Other	1	3	4	2	—	(1)	1	2	9	2
Total benefits and expenses	6	14	11	9	4	5	4	10	38	25
Earnings (loss) before income taxes	(8)	(20)	(13)	(8)	5	(6)	(5)	(7)	(36)	(25)
Income taxes	(2)	(6)	(3)	(2)	1	—	(2)	(2)	(10)	(6)
Net earnings (loss) before capital allocation	(6)	(14)	(10)	(6)	4	(6)	(3)	(5)	(26)	(19)
Capital allocation	(3)	(2)	(2)	(2)	(2)	—	(1)	—	(8)	(2)
Net earnings (loss) - common shareholders	(9)	(16)	(12)	(8)	2	(6)	(4)	(5)	(34)	(21)

Lifeco – Consolidated Source of Earnings

(C\$MM)

	For the three months ended March 31, 2021						2020				2019			Fiscal	Fiscal
	Canada	U.S.	Europe	C&RS	Corp	Total	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Expected profit on in-force business	311	177	221	181	(5)	885	842	803	732	729	762	752	734	3,106	2,952
Impact of new business	2	(64)	(8)	(1)	—	(71)	(86)	(66)	(69)	(86)	(5)	(13)	(17)	(307)	(108)
Experience gains and losses	66	28	(6)	(29)	(1)	58	93	36	98	(195)	55	(2)	37	32	108
Management actions and changes in assumptions	(18)	(2)	22	—	—	2	29	132	140	(81)	(102)	65	(10)	220	104
Other	—	(16)	—	—	—	(16)	(110)	—	—	—	(52)	—	(202)	(110)	(254)
Earnings on surplus (incl. financing charges)	9	(12)	(18)	(5)	(5)	(31)	6	8	102	4	57	20	44	120	159
Earnings (loss) before income taxes	370	111	211	146	(11)	827	774	913	1,003	371	715	822	586	3,061	2,961
Income taxes	(54)	(14)	(11)	(1)	2	(78)	158	(44)	(90)	2	(167)	(57)	(92)	26	(464)
Net earnings (loss) before non-controlling interests & preferred dividends	316	97	200	145	(9)	749	932	869	913	373	548	765	494	3,087	2,497
Non-controlling interests & preferred dividends	(29)	(8)	(5)	—	—	(42)	(20)	(43)	(50)	(31)	(35)	(35)	(35)	(144)	(138)
Net earnings (loss) - Common Shareholders	287	89	195	145	(9)	707	912	826	863	342	513	730	459	2,943	2,359
Items excluded from Base Earnings - post tax															
Actuarial assumption changes and other management actions	(13)	—	18	—	—	5	(23)	66	122	(52)	(78)	81	38	113	170
Market-related impacts on liabilities (experience gains and losses and taxes)	2	(2)	(24)	—	—	(24)	(31)	18	35	(149)	(13)	(28)	(7)	(127)	(89)
Net gain/charge on business dispositions ⁽¹⁾	—	—	—	—	—	—	143	94	—	—	8	—	(199)	237	(191)
Transaction costs related to the acquisitions of Personal Capital and MassMutual (management actions)	—	(1)	—	—	—	(1)	(47)	(31)	—	—	—	—	—	(78)	—
Revaluation of deferred tax asset (taxes)	—	—	—	—	—	—	196	—	—	—	(199)	—	—	196	(199)
Restructuring and integration costs (other)	—	(12)	—	—	—	(12)	(67)	—	—	—	(36)	—	—	(67)	(36)
Items excluded from Base Earnings	(11)	(15)	(6)	—	—	(32)	171	147	157	(201)	(318)	53	(168)	274	(345)
Base Earnings (loss)	298	104	201	145	(9)	739	741	679	706	543	831	677	627	2,669	2,704

⁽¹⁾ Net gain/charge on business dispositions includes: In Q4 2020, a net gain of \$143m on the sale of GLC included in the Canada Corporate business unit; in Q3 2020, a net gain of \$94m on the sale of IPSI included in the Europe Ireland business unit; in Q4 2019, a net gain of \$8m on the sale of heritage block of individual policies to Scottish Friendly included in the Europe Corporate business unit; and in Q2 2019, a net charge of \$199m (US\$148m) relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business included in the U.S. Reinsured Insurance & Annuity Business unit.

Note: Base earnings (loss) are defined as net earnings excluding the impact of actuarial assumption changes and other management actions, direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, and items that management believes are not indicative of the Company's underlying business results. These items would include restructuring and integration costs, material legal settlements, material impairment charges related to goodwill and intangible assets, legislative tax changes and other tax impairments, and gains or losses related to the disposition of a business.

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.

Earnings on Surplus - This component represents the earnings on the Company's surplus funds including investment income on seed capital and external financing costs.

Canada – Consolidated Source of Earnings

(CSMM)

	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Expected profit on in-force business	311	322	319	303	297	328	324	296	1,241	1,230
Impact of new business	2	2	(16)	(12)	(17)	(6)	25	9	(43)	29
Experience gains and losses	66	87	(6)	69	33	32	77	76	183	226
Management actions and changes in assumptions	(18)	(40)	4	58	(128)	(113)	(76)	(16)	(106)	(166)
Other	—	(68)	—	—	—	—	—	—	(68)	—
Earnings on surplus (incl. financing charges)	9	29	11	24	22	13	18	19	86	86
Earnings (loss) before income taxes	370	332	312	442	207	254	368	384	1,293	1,405
Income taxes	(54)	(3)	(18)	(60)	(28)	(37)	(40)	(75)	(109)	(240)
Net earnings (loss) before non-controlling interests & preferred dividends	316	329	294	382	179	217	328	309	1,184	1,165
Non-controlling interests & preferred dividends	(29)	(29)	(28)	(29)	(28)	(29)	(28)	(29)	(114)	(114)
Net earnings (loss) - Common Shareholders	287	300	266	353	151	188	300	280	1,070	1,051
Items excluded from Base Earnings - post tax										
Actuarial assumption changes and other management actions	(13)	(147)	4	43	(94)	(82)	(55)	(12)	(194)	(121)
Market-related impacts on liabilities (<i>experience gains and losses and taxes</i>)	2	(10)	(8)	(5)	(28)	(4)	—	—	(51)	(6)
Net gain/charge on business dispositions (<i>management actions</i>) ⁽¹⁾	—	143	—	—	—	—	—	—	143	—
Restructuring and integration costs (<i>other</i>)	—	(34)	—	—	—	—	—	—	(34)	—
Items excluded from Base Earnings	(11)	(48)	(4)	38	(122)	(86)	(55)	(12)	(136)	(127)
Base Earnings	298	348	270	315	273	274	355	292	1,206	1,178

⁽¹⁾ Net gain/charge on business dispositions includes:

- In Q4 2020, a net gain of \$143m on the sale of GLC included in the Canada Corporate business unit.

U.S. – Consolidated Source of Earnings

(CSMM)

	2021	2020			2019			Fiscal	Fiscal	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Expected profit on in-force business	177	148	114	90	95	108	109	123	447	450
Impact of new business	(64)	(51)	(40)	(32)	(41)	(37)	(33)	(31)	(164)	(137)
Experience gains and losses	28	(1)	11	5	(20)	23	5	16	(5)	63
Management actions and changes in assumptions	(2)	(56)	13	—	—	32	(2)	(45)	(43)	(15)
Other	(16)	(42)	—	—	—	(52)	—	(202)	(42)	(254)
Earnings on surplus (incl. financing charges)	(12)	3	22	47	(33)	7	7	19	39	41
Earnings (loss) before income taxes	111	1	120	110	1	81	86	(120)	232	148
Income taxes	(14)	194	(22)	(17)	2	(201)	(8)	23	157	(206)
Net earnings (loss) before non-controlling interests & preferred dividends	97	195	98	93	3	(120)	78	(97)	389	(58)
Non-controlling interests & preferred dividends	(8)	13	(9)	(15)	2	(1)	(1)	(1)	(9)	(3)
Net earnings (loss) - Common Shareholders	89	208	89	78	5	(121)	77	(98)	380	(61)
Items excluded from Base Earnings - post tax										
Actuarial assumption changes and other management actions	—	3	38	—	—	25	(2)	—	41	23
Market-related impacts on liabilities (experience gains and losses and taxes)	(2)	(1)	(1)	(5)	(12)	—	—	—	(19)	—
Net gain/charge on business dispositions (management actions) ⁽¹⁾	—	—	—	—	—	—	—	(199)	—	(199)
Transaction costs related to the acquisitions of Personal Capital and MassMutual (management actions)	(1)	(47)	(31)	—	—	—	—	—	(78)	—
Revaluation of deferred tax asset (taxes)	—	196	—	—	—	(199)	—	—	196	(199)
Restructuring and integration costs (other)	(12)	(33)	—	—	—	(36)	—	—	(33)	(36)
Items excluded from Base Earnings	(15)	118	6	(5)	(12)	(210)	(2)	(199)	107	(411)
Base Earnings	104	90	83	83	17	89	79	101	273	350

⁽¹⁾ Net gain/charge on business dispositions includes:

- In Q2 2019, a net charge of \$199m (US\$148m) relating to the sale, via indemnity reinsurance, of the U.S. individual life insurance and annuity business included in the U.S. Reinsured Insurance & Annuity Business unit.

Putnam – Source of Earnings

(C\$MM)

	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Expected profit on in-force business	16	42	13	2	12	21	26	18	69	66
Impact of new business	(7)	(9)	(10)	(10)	(14)	(13)	(9)	(9)	(43)	(39)
Experience gains and losses	—	4	8	2	(10)	5	3	3	4	17
Management actions and changes in assumptions	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Earnings on surplus (incl. financing charges)	(10)	(2)	12	32	(50)	(7)	(11)	(6)	(8)	(24)
Earnings (loss) before income taxes	(1)	35	23	26	(62)	6	9	6	22	20
Income taxes	6	(13)	(1)	1	18	13	5	1	5	16
Net earnings (loss) before non-controlling interests & preferred dividends	5	22	22	27	(44)	19	14	7	27	36
Non-controlling interests & preferred dividends	(8)	13	(9)	(15)	2	(1)	(1)	(1)	(9)	(3)
Net earnings (loss) - common shareholders	(3)	35	13	12	(42)	18	13	6	18	33

Europe – Consolidated Source of Earnings

(CSMM)

	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Expected profit on in-force business	221	213	213	189	193	196	194	194	808	778
Impact of new business	(8)	3	(19)	(29)	(26)	(15)	15	41	(71)	20
Experience gains and losses	(6)	20	40	33	(152)	33	(61)	(55)	(59)	(93)
Management actions and changes in assumptions	22	83	120	56	45	30	167	47	304	326
Other	—	—	—	—	—	—	—	—	—	—
Earnings on surplus (incl. financing charges)	(18)	(16)	(20)	21	—	31	(6)	4	(15)	22
Earnings (loss) before income taxes	211	303	334	270	60	275	309	231	967	1,053
Income taxes	(11)	(46)	(12)	(11)	36	65	(21)	(33)	(33)	(28)
Net earnings (loss) before non-controlling interests & preferred dividends	200	257	322	259	96	340	288	198	934	1,025
Non-controlling interests & preferred dividends	(5)	(4)	(6)	(6)	(5)	(5)	(6)	(5)	(21)	(21)
Net earnings (loss) - Common Shareholders	195	253	316	253	91	335	282	193	913	1,004
Items excluded from Base Earnings - post tax										
Actuarial assumption changes and other management actions	18	78	22	50	38	19	149	45	188	283
Market-related impacts on liabilities (<i>experience gains and losses and taxes</i>)	(24)	(20)	18	24	(79)	(9)	(28)	(7)	(57)	(83)
Net gain/charge on business dispositions (<i>management actions</i>) ⁽¹⁾	—	—	94	—	—	8	—	—	94	8
Items excluded from Base Earnings	(6)	58	134	74	(41)	18	121	38	225	208
Base Earnings	201	195	182	179	132	317	161	155	688	796

⁽¹⁾ Net gain/charge on business dispositions includes:

- In Q3 2020, a net gain of \$94m on the sale of IPSI included in Europe Ireland business unit
- In Q4 2019, a net gain of \$8m on the sale of heritage block of individual policies to Scottish Friendly included in the Europe Corporate business unit

Capital and Risk Solutions – Consolidated Source of Earnings

(CSMM)

	2021		2020			2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Expected profit on in-force business	181	163	161	155	149	134	129	127	628	512
Impact of new business	(1)	(40)	9	4	(2)	53	(20)	(36)	(29)	(20)
Experience gains and losses	(29)	(6)	(7)	(7)	(57)	(31)	(24)	2	(77)	(84)
Management actions and changes in assumptions	—	42	(5)	26	2	(51)	(24)	4	65	(41)
Other	—	—	—	—	—	—	—	—	—	—
Earnings on surplus (incl. financing charges)	(5)	1	4	13	8	7	4	1	26	15
Earnings (loss) before income taxes	146	160	162	191	100	112	65	98	613	382
Income taxes	(1)	7	5	(4)	(7)	5	10	(9)	1	4
Net earnings (loss) before non-controlling interests & preferred dividends	145	167	167	187	93	117	75	89	614	386
Non-controlling interests & preferred dividends	—	—	—	—	—	—	—	—	—	—
Net earnings (loss) - Common Shareholders	145	167	167	187	93	117	75	89	614	386
Items excluded from Base Earnings - post tax										
Actuarial assumption changes and other management actions	—	43	2	29	4	(40)	(11)	5	78	(15)
Market-related impacts on liabilities (<i>experience gains and losses and taxes</i>)	—	—	9	21	(30)	—	—	—	—	—
Items excluded from Base Earnings	—	43	11	50	(26)	(40)	(11)	5	78	(15)
Base Earnings	145	124	156	137	119	157	86	84	536	401

Corporate – Consolidated Source of Earnings

(C\$MM)

	2021	2020				2019			Fiscal	Fiscal
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	2020	2019
Expected profit on in-force business	(5)	(4)	(4)	(5)	(5)	(4)	(4)	(6)	(18)	(18)
Impact of new business	—	—	—	—	—	—	—	—	—	—
Experience gains and losses	(1)	(7)	(2)	(2)	1	(2)	1	(2)	(10)	(4)
Management actions and changes in assumptions	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Earnings on surplus (incl. financing charges)	(5)	(11)	(9)	(3)	7	(1)	(3)	1	(16)	(5)
Earnings (loss) before income taxes	(11)	(22)	(15)	(10)	3	(7)	(6)	(7)	(44)	(27)
Income taxes	2	6	3	2	(1)	1	2	2	10	6
Net earnings (loss) before non-controlling interests & preferred dividends	(9)	(16)	(12)	(8)	2	(6)	(4)	(5)	(34)	(21)
Non-controlling interests & preferred dividends	—	—	—	—	—	—	—	—	—	—
Net earnings (loss) - Common Shareholders	(9)	(16)	(12)	(8)	2	(6)	(4)	(5)	(34)	(21)
Base Earnings (loss)	(9)	(16)	(12)	(8)	2	(6)	(4)	(5)	(34)	(21)