

FINANCIAL HIGHLIGHTS

As at December 31

(Dollar amounts in thousands except where otherwise indicated)

	2016	2015
Net income	79,959	53,800
Return on policyholders' equity	14.8%	11.4%
MCCSR ratio	226%	216%
Participating policyholders' equity	580,192	500,233
Gross premium revenue	795,144	685,853
Segregated funds deposits	179,450	168,380
ASO/HCSA premium equivalents & investment contract deposits	101,322	85,538
Total premiums and deposits	1,075,916	939,771
Sales		
Individual	92,964	58,148
Savings and Retirement	278,116	229,928
Group	66,247	43,794
Assets		
General fund	2,621,076	2,453,158
Segregated funds	1,079,015	1,009,292
Assets under administration	3,700,091	3,462,450
Dividends to participating policyholders	20,567	17,925
Benefits and payments to policyholders	645,920	646,172
Life insurance in-force (billions \$)	102.7	92.2

THE YEAR IN REVIEW

Equitable Life of Canada had an outstanding year in 2016, surpassing previous records on almost all financial fronts and achieving several significant milestones over the course of the year.

Most notably, the Company realized earnings of \$80 million, an increase of 49% over last year's net income of \$53.8 million. These earnings resulted in a return on policyholders' equity of 14.8%.

In 2016, the Company also experienced exceptional growth, having achieved a new high of \$1.1 billion for premiums and deposits and \$3.7 billion in assets under administration.

This growth was bolstered by exceptional sales results across all three lines of business, with a greater than 20% increase over 2015 in sales for each of Individual, Group Employee Benefits and Savings and Retirement. The highlight for 2016 was Individual sales, which experienced a record year on all fronts. Sales in Individual far exceeded the previous year, reaching \$93 million, an increase of 60% over 2015. The Group line of business reached \$66.2 million in sales, representing a 51% increase over the past year. Savings and Retirement experienced record growth in both the segregated fund and payout annuity markets, reaching \$278 million compared to \$230 million in 2015, a 21% increase over last year.

The Company continued to maintain a strong capital position, reporting a Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio of 226%. As well,

the Company's participating policyholders' equity, one of the key measures of a mutual life insurer's financial stability, increased by 16% to \$580 million from \$500 million at the end of 2015. As in past years, Equitable Life's investment portfolio performed very well in 2016; a conservative approach continues to serve the Company well, providing ongoing stability.

We are proud to report that 2016 was an outstanding year for Equitable Life. Our financial success reflects our continued commitment to profitable growth and our ability to navigate a changing regulatory and economic environment to deliver exceptional results on all fronts.

2016 Financial Highlights

- Net income of \$80 million, for a return on policyholders' equity of 14.8%
- Capital strength, as measured by the MCCSR ratio, ended the year at 226%
- Participating policyholders' equity increased by 16% to \$580 million
- Premiums and deposits increased by 14.5% to \$1.1 billion
- Sales in all lines of business exceeded last year by more than 20%
- Assets under administration grew 6.9% to \$3.7 billion
- Payments of \$646 million to policyholders for death, disability and health benefits, withdrawals and annuity payments
- Dividends to participating policyholders increased by 15% to \$20.6 million



MCCSR RATIO FINISHED
THE YEAR AT

226%



ASSETS UNDER
ADMINISTRATION
INCREASED BY

6.9%



LIFE INSURANCE
IN FORCE GREW BY

11.4%



ACHIEVED A RETURN
ON POLICYHOLDERS'
EQUITY OF

14.8%