



POWER CORPORATION
OF CANADA

A CENTURY STRONGER

2024 ANNUAL REPORT

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The financial information in this Annual Report is presented in Canadian dollars for the period ended December 31, 2024, unless otherwise noted.

A list of the abbreviations used throughout can be found on page XVI of this Annual Report.

Readers are referred to the sections entitled "Cautionary Statement Regarding Forward-Looking Statements", "Statement Regarding Non-IFRS Financial Measures and Other Measures" and "Disclosures Concerning Public Investees Information", in each case on page 2 of this Annual Report.

For the convenience of readers, portions of this Annual Report may be extracted and made available separately as standalone documents. However, in all cases, such extracts should be considered to be part of this Annual Report as a whole.

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Founded in 1925, Power Corporation is an international management and holding company that focuses on financial services in North America, Europe and Asia.

We are active shareholders in a group of leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

A century
of enhancing
shareholder value
by actively managing
operating businesses
and investments to
generate long-term,
sustainable
growth

POWER AT A GLANCE

\$32.7B

Market capitalization^[1]

\$3.0B

Adjusted net earnings from continuing operations^{[2][3]}

\$2.8B

Net earnings from continuing operations^[2]

\$3.6T

Consolidated assets and assets under administration^[3]

\$851B

Total consolidated assets

40,000+

Employees across the Power group

42M+

Client relationships

\$50M

Charitable contributions from Power and its group companies

[1] Market capitalization is at March 31, 2025. The description of market capitalization can be found under the section "Other Measures" in the Review of Financial Performance of this Annual Report.

[2] Attributable to participating shareholders.

[3] Adjusted net earnings from continuing operations and consolidated assets and assets under administration are non-IFRS financial measures. Refer to the section "Non-IFRS Financial Measures" in the Review of Financial Performance of this Annual Report.

Power Corporation has repositioned its business and delivered shareholder value



POWER CORPORATION
OF CANADA

Great-West Lifeco

\$52.5B
Market
capitalization^[1]

68.2%
Ownership^[2]

IGM Financial

\$10.5B
Market
capitalization^[1]

62.2%
Ownership^[2]

GBL

€9.5B
Market
capitalization^[1]

16.5%
Ownership^[2]

Sagard^[3]

Power Sustainable^[3]

KEY INVESTING PRINCIPLES

- Long-term perspective
- Leading franchises with attractive growth profiles
- Strong governance oversight
- Strong financial position and prudent approach to risk

VALUE CREATION THROUGH THREE KEY LEVERS

1

OpCo organic

Realize higher organic growth at our operating companies

2

OpCo M&A

Add to that growth through mergers and acquisitions

3

Power Corporation level

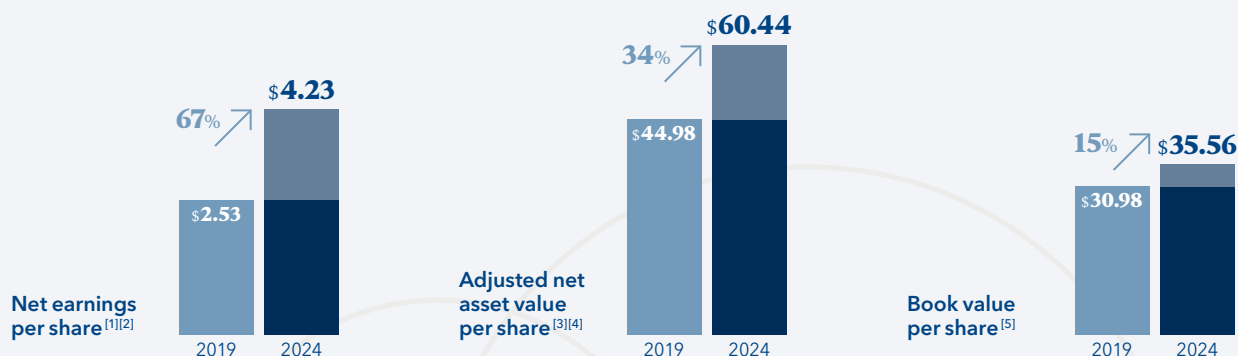
Create additional returns through various opportunities at the Power Corporation level

[1] Market capitalization is at March 31, 2025. The description of market capitalization can be found under the section "Other Measures" in the Review of Financial Performance of this Annual Report.

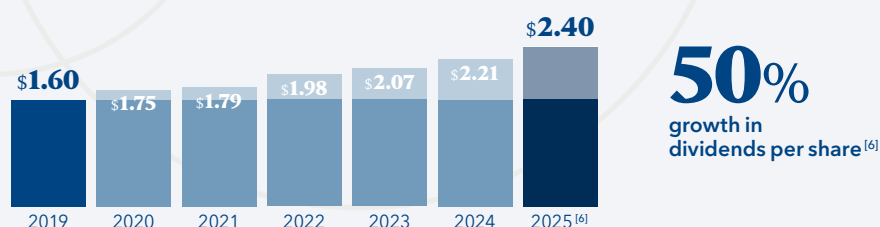
[2] Percentages of participating equity securities beneficially owned, or over which control or direction is exercised, directly or indirectly by Power Corporation. At December 31, 2024, Great-West Lifeco held a 3.9% interest in IGM Financial, and IGM Financial held a 2.4% interest in Great-West Lifeco. GBL is held through Parjointco, a jointly controlled corporation (50%). Parjointco has a 47.0% voting interest in GBL.

[3] As at December 31, 2024, the Corporation held a 50.8% interest in SHMI and a 74.7% interest in PSM. Great-West Lifeco also held a 12.7% interest in SHMI and a 20.8% interest in PSM.

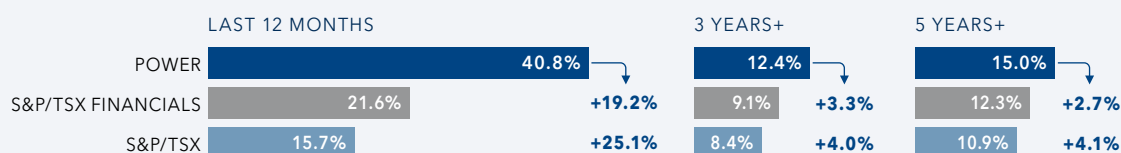
OVER THE LAST 5 YEARS



ANNUAL DIVIDENDS PAID PER SHARE



TOTAL SHAREHOLDER RETURNS^[7] (ANNUALIZED)



IN THE LAST 5 YEARS



[1] Attributable to participating shareholders.

[2] 2019 net earnings are under IFRS 4, *Insurance Contracts* / IAS 39, *Financial Instruments: Recognition and Measurement*.

[3] Adjusted net asset value per share is a non-IFRS ratio. Refer to the section "Non-IFRS Financial Measures" in the Review of Financial Performance of this Annual Report.

[4] Investments held by Power Financial have been reflected on a look-through basis at December 31, 2019.

[5] For an explanation of the composition of book value per participating share, refer to the section "Other Measures" in the Review of Financial Performance of this Annual Report.

[6] Assuming Power's Board of Directors declares the same level of dividend as declared on March 19, 2025 for the remainder of the year.

[7] As at March 31, 2025. The 3- and 5-year total shareholder returns are calculated since December 31, 2021 and 2019, respectively. Assumes dividends are reinvested in the shares when received.

Creating long-term value across the Power group

GREAT-WEST LIFECO INC.

A financial services holding company that provides wealth, retirement, workplace benefits and insurance and risk solutions to its over 40 million customer relationships operating in Canada, the United States and Europe.

FINANCIAL HIGHLIGHTS

\$4.2B
Base earnings^{[1][2]}

17.5%
Base return on equity^{[1][2][3]}

\$3.3T
Total assets under administration^[1]

\$4.0B
Net earnings^[2]

16.7%
Return on equity^{[2][3]}

\$802B
Consolidated assets

GROWTH DRIVERS

- Workplace Solutions
- Wealth and Asset Management
- Insurance & Risk Solutions



IGM Wealth Management Asset Management Financial

A leading wealth and asset management company supporting financial advisors and the clients they serve in Canada, and institutional investors globally.

FINANCIAL HIGHLIGHTS

\$939M
Adjusted net earnings^{[4][5]}

13.1%
Adjusted return on equity^{[4][5]}

\$270B
Assets under management and advisement^[6]

\$934M
Net earnings^[4]

13.0%
Return on equity^{[4][5]}

\$483B
Assets under management and advisement including strategic investments^[6]

GROWTH DRIVERS

Leading core franchises and high-growth businesses in both wealth and asset management segments.

WEALTH MANAGEMENT



ASSET MANAGEMENT



[1] Base earnings, base return on equity and assets under administration are identified as non-GAAP financial measures or ratios by Great-West Lifeco. Additional information regarding these measures and ratios, including reconciliations, is incorporated by reference from and can be found under "Non-GAAP Financial Measures and Ratios" in Great-West Lifeco's annual MD&A for the year ended December 31, 2024, included in the Corporation's annual MD&A for the year ended December 31, 2024, available on SEDAR+ at www.sedarplus.ca.

[2] Attributable to common shareholders. Based on earnings from continuing operations.

[3] The description of return on equity is incorporated by reference from and can be found under "Glossary" in Great-West Lifeco's annual MD&A for the year ended December 31, 2024, included in the Corporation's annual MD&A for the year ended December 31, 2024, available on SEDAR+ at www.sedarplus.ca.

[4] Available to common shareholders.

[5] Adjusted net earnings and adjusted return on equity are identified as non-IFRS financial measures or ratios by IGM. Additional information regarding these measures or ratios, including a reconciliation, as well as a description of return on equity is incorporated by reference from and can be found under "Non-IFRS Financial Measures and Other Financial Measures" in IGM's annual MD&A for the year ended December 31, 2024, included in the Corporation's annual MD&A for the year ended December 31, 2024, available on SEDAR+ at www.sedarplus.ca.

[6] For an explanation of the composition of assets under management and advisement and assets under management and advisement including strategic investments of IGM, refer to the section "Other Measures" in the Review of Financial Performance of this Annual Report.



A leading and active investor in Europe focused on long-term value creation with the support of a stable family shareholder base that aims to grow its diversified, high-quality portfolio of listed, direct private and indirect private investments.

FINANCIAL HIGHLIGHTS

€15.7B
Net asset value^[1]

€113.30
Net asset value per share^[1]

€672M
Capital returned to shareholders^[2]



- 60% LISTED ASSETS^[3]
- 22% DIRECT PRIVATE ASSETS^[3]
- 18% INDIRECT PRIVATE ASSETS^[3]
- <1% THIRD-PARTY ASSET MANAGEMENT^[3]

GROWTH DRIVERS

Disposing part of its listed investments to reposition its portfolio with a focus on private investments while returning capital to shareholders.



A global multi-strategy alternative asset management firm active in venture capital, private equity, private credit and real estate, with offices in Canada, the U.S., Europe and the Middle East. It also engages in private wealth management and holds strategic interests in other alternative asset management businesses.

\$38.2B
Assets under management^{[4][5]}

\$26.5B
Fee-bearing capital^{[4][6]}

95%
Third parties^{[6][7]}
(excluding Power)



A sustainability-focused investment manager. Power Sustainable is comprised of four strategies: Energy Infrastructure, Infrastructure Credit, Agri-Food Private Equity and Decarbonization Private Equity.

\$4.2B
Assets under management^[4]

\$2.9B
Fee-bearing capital^[4]

69%
Third parties^[7]
(excluding Power)

[1] For an explanation of the composition of net asset value reported by GBL, representing the fair value of its investment portfolio, its gross cash, the present value of its Concentrix note and its treasury shares, less its gross debt, refer to the section "Other Measures" in the Review of Financial Performance of this Annual Report.

[2] Includes €292 million in share buybacks and €380 million in dividends in 2024.

[3] Percentage of portfolio value shown as at December 31, 2024.

[4] Assets under management includes unfunded commitments. For an explanation of the composition of assets under management of alternative asset investment platforms and fee-bearing capital, refer to the section "Other Measures" in the Review of Financial Performance of this Annual Report.

[5] Includes investments in WealtheSimple, which represents a fair value of \$2.1 billion at December 31, 2024, and excludes assets under management of Sagard's wealth management platform. In the first quarter of 2024, Sagard acquired a controlling interest of Performance Equity Management, LLC, representing additional assets under management of \$13.1 billion at December 31, 2024.

[6] Excludes fee-bearing capital of the wealth management platform.

[7] Represents the portion of assets under management related to third parties. Included in third parties are associated companies including Great-West Lifeco, IGM and GBL, as well as commitments from management.

Message from the Chief Executive Officer



R. JEFFREY ORR
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

As Power Corporation celebrates its 100th anniversary, it is a moment to reflect on the journey that has brought us here. From our beginnings as a company focused on hydroelectric power to becoming a global leader in diversified financial services, our story has been intertwined with the economic and social history of Canada. Power's growth and long-term success has required adapting to changing environments and navigating difficult economic periods. Our strategies have evolved over time to seize new opportunities and manage emerging challenges.

Just over five years ago, we announced a number of changes to our strategy, with a focus on financial services, a simplified corporate structure and enhanced stakeholder communications. Our value creation strategy is based on three key levers:

- Drive organic growth at our public operating companies;
- Pursue strategic acquisitions and dispose of non-core businesses; and,
- Leverage opportunities at the Power Corporation level.

While the strategy changed, the core values and principles that have guided us for decades did not: we take a long-term perspective, build leading businesses with attractive growth profiles, provide active governance oversight, and maintain a strong financial position and a prudent approach to risk.

Power Corporation has delivered attractive returns to its shareholders since refocusing its strategy, with total shareholder returns exceeding those of the S&P/TSX index and the S&P/TSX Financials sub-index.

Earnings and dividend growth have been led by the strong performance of Great-West Lifeco, which is Power's largest holding. There has also been a shift in Power's asset mix, with Great-West and IGM Financial – the two companies that represent virtually all of Power's ongoing earnings – now being a larger share of our asset value.

The shift in the mix of Power's asset value has resulted from the growth in the value of Great-West and IGM over the period, together with our actions to divest of non-core assets and monetize other investments. Over the past five years, Power has monetized \$3.6 billion of assets, which has funded share buybacks, further investments in Great-West, and the seed capital needs of our alternative asset management platforms.

**Power
Corporation
has delivered
attractive returns
to its shareholders**

Strong financial results in 2024

The execution of our value creation strategy yielded strong results in 2024. Power's net earnings from continuing operations reached \$2.8 billion, or \$4.31 per share in 2024, compared to \$3.45 per share in 2023. Adjusted net earnings from continuing operations were \$3.0 billion, or \$4.58 per share in 2024, compared to \$4.04 per share in 2023. Power's adjusted net asset value per share increased by 13% during the year to \$60.44 at December 31, 2024.

In 2024, Power returned close to \$1.9 billion of capital to its shareholders, including over \$1.4 billion in dividends paid to participating shareholders and \$430 million in share buybacks. The company undertook such actions while also adding to its strong cash position. In March of 2025, Power announced a 9% increase in its quarterly dividend, to 61.25¢ per participating share.

Strong earnings momentum at **Great-West** resulting from significant repositioning of its business over the past five years

Great-West Lifeco: Market leadership and strong performance

Great-West delivered strong double-digit earnings growth in 2024, with the momentum reflecting the significant repositioning of its business over the past five years. Empower, Great-West's U.S. retirement and wealth management platform, is now the largest contributor to its earnings. Growth in the U.S. has been complemented by solid growth from Great-West's other segments. As part of its 2024 fourth quarter earnings release, Great-West announced a 10% dividend increase and its intention to increase its share repurchases under its normal course issuer bid.

The company has met or exceeded all of the medium-term financial objectives it announced publicly several years ago. Thanks to the continued trust placed by customers and advisors in the company, 2024 marked the first time Great-West exceeded \$3 trillion in assets under administration.^[1]

Great-West is a leader in workplace solutions across its markets, allowing organizations to support their employees' financial, physical and mental well-being through innovative retirement, benefit and wellness programs. Empower serves the retirement needs of over 18 million Americans, while Great-West also has leading market positions in workplace solutions in each of Canada, the U.K. and Ireland.

Growth in wealth and asset management remained a priority across multiple segments of Great-West's business. In Canada, the continued integration of Investment Planning Counsel and Value Partners helped expand Great-West's Canadian wealth management offerings for customers and advisors. In Ireland, Irish Life Investment Managers, in collaboration with Aon, launched a €500 million climate transition fund, expanding the range of offerings available to customers.

Great-West's Insurance & Risk Solutions businesses remain a point of strength and stability, contributing to the strong results achieved in 2024 through disciplined underwritings and risk selection across a wide range of markets. In the U.K., the company remains a leader in helping clients manage longevity risk, including growth in pension risk transfer solutions. In Canada, Great-West continued to strengthen its distribution network and product suite by launching a new universal life product with competitive features and rates, as well as improved pricing for disability illness products.

IGM Financial produced solid double-digit earnings growth, ahead of its medium-term growth objective

IGM Financial: Strengthening its position in wealth and asset management

IGM produced solid double-digit earnings growth in 2024, ahead of the 9% medium-term growth objective it communicated in late 2023. IGM holds a mix of well-established and emerging high-growth businesses in each of its wealth and asset management segments. Wealth management includes IG Wealth Management, Rockefeller Capital Management and Wealthsimple, while asset management includes Mackenzie Investments, ChinaAMC and Northleaf Capital Partners.

In the wealth management segment, IG Wealth deepened its client relationships through key partnerships with fintech leaders like ClearEstate, nesto and Conquest, enhancing its integrated financial services platform. These partnerships are helping address the key components of Canadians' financial lives, including estate planning, mortgages, insurance, and tools for small business owners.

[1] Identified as a non-IFRS financial measure by Great-West. Refer to the section "Disclosures Concerning Public Investee Information" in the Review of Financial Performance of this Annual Report.

Wealthsimple more than doubled its assets under administration^[1] in 2024 to \$64.0 billion, further solidifying its status as a leading innovator in digital financial services. Similarly, Rockefeller Capital Management expanded its presence in the high-net-worth and ultra-high-net-worth segments of the U.S. market, achieving 24% asset^[1] growth during the year.

In the asset management segment, Mackenzie Investments strengthened and diversified its core capabilities. The company made significant investments to accelerate its digital transformation by upgrading its back and middle office processes, tools, technology, and training, driving operational excellence and enhancing the client and advisor experience.

Northleaf, a Canadian leader in the private asset management space, experienced impressive growth in 2024, with total assets under management^[1] growing by 20%. The firm saw ongoing strength in fundraising throughout the year, as alternative assets become an increasingly important component of the global asset management pool.

ChinaAMC, China's second-largest asset manager, contributed meaningfully to IGM's success. Assets grew substantially, driven by strong net sales and improved market share of long-term funds.

GBL
is focused on
optimizing value
and cash returns to
shareholders

GBL: Expanding private investments and enhancing shareholder returns

GBL is focused on enhancing returns and optimizing shareholder value through significant portfolio rotation.

The company shifted its investment strategy several years ago towards private investments, reducing its exposure to public markets. Among other transactions in 2024 and early 2025, divestments in the group's stake in adidas and SGS created listed asset disposals of €2.4 billion. In addition, Sanoptis, one of GBL's direct private investments, received a capital raise in preferred equity from Carlyle, demonstrating the value creation potential of this asset.

GBL continued to prioritize cash returns to shareholders, distributing €672 million through dividends and share buybacks in 2024, and proposed an 82% increase in its dividend per share for 2024, subject to approval at GBL's General Shareholders' Meeting in May.

Alternative asset management businesses: Scaling for the future

Power also made progress on a number of important priorities in 2024 regarding its privately held investments. Fundraising continued at its alternative asset management platforms, raising \$2.9 billion^[2] in 2024, mainly from third parties.

Sagard made significant strides in diversifying its investment platform by acquiring strategic stakes in Performance Equity Management and HalseyPoint Asset Management. Additionally, its strategic partnership with Export Development Canada resulted in a US\$250 million commitment to Sagard strategies over the next three years.

In March 2025, it was announced that Sagard would enter a partnership with GBL, with the latter acquiring a 5% equity stake in its management company and committing €250 million over the next five years to Sagard-managed strategies.

[1] Refer to the section "Other Measures" in the Review of Financial Performance of this Annual Report.

[2] For an explanation of the composition of unfunded commitments, refer to the section "Other Measures" in the Review of Financial Performance of this Annual Report.

Throughout the year, Power Sustainable remained focused on growth and optimization. It solidified a long-term partnership with Great-West to accelerate its expansion in sustainable private equity and infrastructure investments. This past fall, Power Sustainable welcomed Bruce Heyman as Chief Executive Officer. Power Sustainable's management team is prioritizing fundraising to provide scale to the platform's attractive lineup of investment vehicles.

A commitment to responsible management

Power Corporation has a long and proud history of integrity, ethical conduct, and responsible management. For us, responsible management means maintaining a balanced approach that aligns with our core values and seeking competitive returns, while contributing to the well-being of our communities.

In 2024, Power and its group companies continued to advance their respective corporate responsibility strategies and initiatives, contributing \$50 million to charitable organizations across Canada.

Leadership change at GBL

GBL recently announced that Paul Desmarais, Jr. will be stepping down as Chairman of its board of directors, a position he has held since 2019, and will become Vice Chairman. At the same time, after more than 14 years of executive duties at GBL, Ian Gallienne will be stepping down as Chief Executive Officer and will be appointed Chairman at the company's next General Meeting on May 2, 2025. Under his strong leadership, GBL has been significantly transformed and is well positioned for future growth. With Mr. Gallienne's appointment as Chairman, GBL will welcome Johannes Huth as its Managing Director. Mr. Huth has been at KKR for 25 years, where he was a partner and chairman of the group's operations in Europe, the Middle East, and Africa.

Looking ahead to the next century of growth

While the past several years have presented us with both opportunities and challenges, we have remained steadfast in our commitment to delivering long-term growth and creating shareholder value.

We thank our management teams and our skilled employees across the group for their tireless commitment. Their hard work has been key in achieving the milestones we have reached. To our clients, business partners, and shareholders, we extend our thanks for your continued trust and ongoing support.

Reaching the milestone of one hundred years is an accomplishment of which we can be proud, and it energizes us for what lies ahead. As we look to the future, we are eager to build upon this rich legacy, seize new opportunities, and write the next chapter of Power Corporation's story.

/s/ R. Jeffrey Orr

R. Jeffrey Orr

President and Chief Executive Officer

Message from the Chairman and Deputy Chairman of the Board



PAUL DESMARAIS, JR.
CHAIRMAN OF THE BOARD



ANDRÉ DESMARAIS
DEPUTY CHAIRMAN OF THE BOARD

As we reflect on Power Corporation's rich history and take stock of where we stand today, we are filled with immense pride and gratitude. For 100 years, our company has stood as a pillar of strength and stability in Canada.

Founded in 1925 to benefit from growing demand for industrial and domestic electricity across the country, Power Corporation evolved significantly in the subsequent decades, particularly after our father acquired control of the company in 1968. Since then, our family, as controlling shareholder, has considered itself both an owner and active manager of Power Corporation and its businesses, with a duty to develop the Corporation so that it grows and prospers for generations to come.

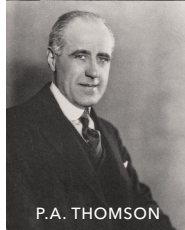
At the core of what we do are our long-held values of integrity, respect, trust, and corporate citizenship. Those values have helped guide us and all our colleagues, as we strived to create long-term value for shareholders and other stakeholders.

In 1996, our father entrusted us with the management of the company, and we have diligently worked to uphold and enrich a great legacy. Our unwavering commitment to long-term shareholder value, responsible ownership, respect for individuals, and community support have remained constant.

These deeply held convictions have had a profound influence on how we do business. We prioritize the Corporation's growth and stability through both prosperous and challenging times. We maintain our focus on having a long-term vision and managing with a prudent view.

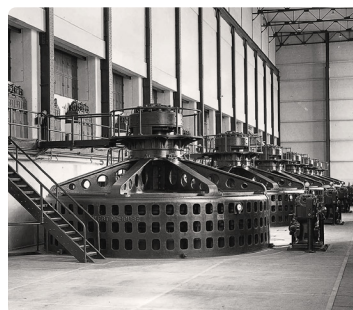
April 18, 1925

Power Corporation is founded by A. J. Nesbitt and P. A. Thomson to invest in electrical infrastructure in Canada, helping consolidate and expand power utilities across the country



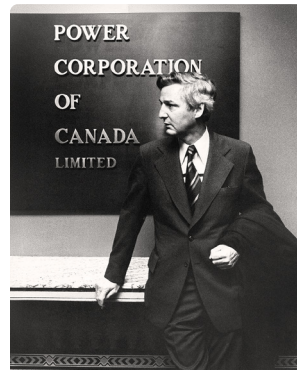
1950s-1960s

Power continues to acquire minority positions in power companies across Canada, while also making substantial investments in diversified companies, including other sources of energy, finance, and pulp and paper



1968

Power's leadership passes to financier Paul Desmarais



1969

Power makes its first direct investment in Investors Group, as part of a financing arrangement by which Investors bought 51% of The Great West Life Assurance Company, a first step in building an integrated financial services group



Power Corporation has experienced steady and sustained growth since it announced its very first financial results in 1926. After our family took controlling ownership 57 years ago, our results clearly continued to demonstrate this upward trajectory. Power now has consolidated assets of \$851 billion at year-end 2024. In 1967, the Corporation reported net earnings attributable to participating shareholders of \$3 million, compared with \$2.74 billion in 2024, an almost thousand-fold increase. Likewise, an investment of \$100 on December 31, 1967 was worth approximately \$180,000 by the end of 2024, including the reinvestment of dividends paid. During that period, shareholders realized total shareholder returns of 14.1 per cent.

We are fortunate to have played a major role in the transformation of the insurance industry in the mid-1990s and early 2000s. Attesting to the success of the actions taken to become a consolidator in the financial services sector, Power Corporation now has more than 98 per cent of its assets in that industry.

Community investment and service are legacies instilled from the beginning and rooted in our corporate DNA. We provide support to a large number of non-profit organizations and social entrepreneurs, and we encourage our employees to get involved, to be leaders, and to give their time to charitable causes they hold dear.

In addition, we have a responsibility to support the financial health of individuals across all levels of society at every major step of their lives, which is now more critical than ever. This is, in fact, the core of our business. Through our group, we are committed to providing accessible and innovative financial solutions that help individuals and families achieve financial security, as well as products and services that provide peace of mind, in terms of health and wellness support, as well as for unforeseen events. This is a commitment that we take to heart.

1971

Power retains Gesca's control over *La Presse* and Les Journaux Trans-Canada, increasing control to 100% in 1973



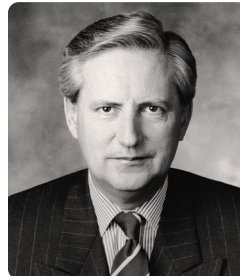
1984

Power Financial Corporation is created as an integrated financial services group, with James W. Burns as its first President and CEO



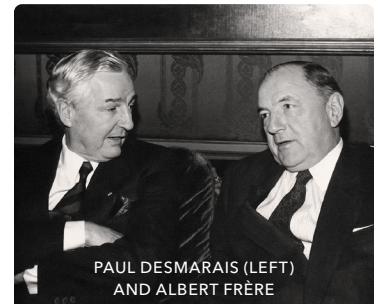
1990

Robert Gratton is appointed President and CEO of Power Financial



1990

Power signs an agreement with the Frère-Bourgeois group to formally link their interests in the joint control of Pargesa by Parjointco



Power Corporation's journey has been one of outstanding leadership and extraordinary people who have contributed to its remarkable achievements. It has been our privilege to work closely with so many of them across our group of companies, and we salute their dedication and unwavering commitment to our vision and shared values, which have helped give the Power group such a successful past and a promising future.

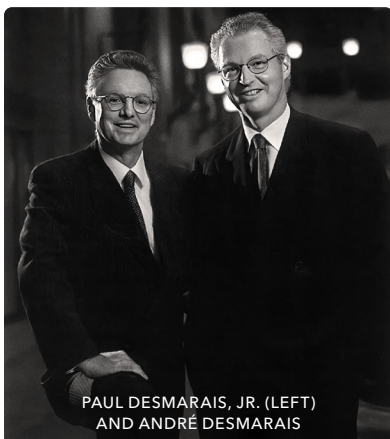
We are also grateful to our many long-term business partners, both in Canada and internationally, with whom we've enjoyed strong relationships that have been integral to our achievements. These have helped us successfully develop synergies, grow our businesses, and deliver long-term value to our shareholders.

To our Directors, past and present, we thank you for your loyalty, expertise, and passion, all of which have been a driving force behind our journey. We also wish to extend our heartfelt thanks to Mr. Pierre Beaudoin, who will not be standing for re-election to our Board of Directors this year. The Directors, on behalf of the shareholders, wish to thank him for his important contributions throughout his 20 years of service.

To our shareholders, we sincerely thank you for your continued confidence in our group. Your unwavering support has been crucial to our success and has helped us deliver strong results and positively position our business for the future.

1996

Paul Desmarais, Jr. becomes Chairman and Co-CEO and André Desmarais becomes President and Co-CEO of Power



1997

Great-West Lifeco buys 100% of London Insurance Group, the first representation of Power's strategy to be a leading participant in the consolidation of the financial services industry



2001

Investors Group (subsequently renamed IGM Financial) acquires Mackenzie Financial, making it Canada's largest mutual fund organization



Early 2000s

Sagard is launched in Europe in 2002, followed by a launch in North America in 2005



2003

Great-West Lifeco acquires Canada Life and secures its position as Canada's leading life and health insurance operation



We would be remiss to not also mention our profound gratitude to all employees at Power Corporation and throughout our group companies. We have had the privilege of working with some of the very best people in the industry. This includes the extremely devoted and talented leaders that we have been able to attract at Power Corporation and its operating companies. Their contributions to Power's success, at every step of its history, have made a tremendous difference. We are forever grateful to them.

We are also deeply grateful to our current president and chief executive officer, Mr. Jeffrey Orr, for his vision, drive and values-based leadership.

As we look to the future with renewed energy and commitment, we will draw from the previous century's experiences to build the next one. The values and principles that have guided us for decades have laid the solid foundation for continued success. With our talented team, strong financial position and strategic vision, we are well prepared and excited to seize new opportunities and meet future challenges.

/s/ Paul Desmarais, Jr.

Paul Desmarais, Jr., O.C., O.Q.

Chairman of the Board

/s/ André Desmarais

André Desmarais, O.C., O.Q.

Deputy Chairman of the Board

2013

Great-West Lifeco acquires all the shares of Irish Life Group Limited, further extending its presence in Europe



2014

Great-West Financial acquires J.P. Morgan Retirement Plan Services and announces that its retirement business would officially be named Empower Retirement™



2019

Power Corporation and Power Financial announce a reorganization with the aim of simplifying the group's corporate structure and refocusing its strategy

2020

Power Sustainable is founded

**POWER
SUSTAINABLE**

2020

R. Jeffrey Orr is appointed President and Chief Executive Officer of Power



VISIT OUR HISTORY MICROSITE
www.powercorporationhistory.com

100 years of community investment and fostering meaningful change

For 100 years, our commitment to investing in our communities has been unwavering. What began as a tradition of giving has grown into a powerful force for social impact - strengthening communities, fostering innovation, and investing in a brighter future.

\$500M+
invested in communities
across Canada
over the past 40 years

Our leadership throughout the years has shaped a culture of generosity that has become embedded into our long-term value creation approach. Also integral to this journey have been our long-term community-based partners, some of whom we have worked with closely for over 40 years.

Our social contributions have been amplified by successive generations of employees who play a key role by dedicating their time, expertise, and energy to supporting local and national initiatives.



BUILDING STRONGER COMMUNITIES

Supporting community initiatives is at the heart of our philanthropic mission. This year alone, we partnered with over 200 organizations to strengthen the social fabric of our communities, including promoting social inclusion and assisting vulnerable families. A cornerstone of our efforts is our deep-rooted partnership with Centraide of Greater Montreal, which has helped drive meaningful change in social development for decades.



EMPOWERING CREATIVITY AND CULTURAL HERITAGE

Arts and culture are powerful drivers of social cohesion and innovation. In 2024, we devoted nearly one third of our community investment to both established and emerging cultural institutions - including theatre groups, museums, music ensembles, and artist residencies.

Our legacy of support has helped shape the cultural landscape, from the Winnipeg Art Gallery to Montréal's Théâtre du Nouveau Monde and the Orchestre symphonique de Montréal, which we have proudly supported since 1982. These investments ensure that creativity continues to inspire future generations.



ENHANCING HEALTH AND WELL-BEING

Access to quality healthcare is essential for thriving communities. Our philanthropic efforts support hospitals, research centres, and mental health organizations.

Over the last 40 years, our company has been a key partner to hospitals, strengthening their capacity to provide essential services to patients and advancing research in care. Our recent investments in the Montreal Heart Institute's biobank, CHU Sainte-Justine's genomics research centre and St. Michael's Hospital's MAP Centre for Urban Health Solutions are advancing medical innovation, improving patient outcomes, and shaping the future of healthcare in Canada.



OPENING DOORS TO THE FUTURE

Education is a key pillar for building a better world. Since 1980, we have invested approximately \$78 million in scholarships, mentorship programs, and research initiatives that expand opportunities for students across the country. We take pride in our strong partnerships with institutions such as Université de Montréal, McGill University, the University of Ottawa, Université Laval, and the University of Manitoba, empowering the next generation of leaders and innovators.



ACTING FOR A GREENER FUTURE

As environmental challenges grow, we remain committed to funding initiatives that aim to protect our planet for future generations. Through key partnerships, we have helped fund major conservation projects with the Nature Conservancy of Canada, supported Les amis de la montagne in preserving Montréal's cherished green spaces, and played an important role in launching a transformative green energy initiative at Concordia University.

ABBREVIATIONS

The following abbreviations are used throughout this report:

adidas (adidas AG)	Irish Life (Irish Life Group Limited)	Power or Power Corporation or the Corporation (Power Corporation of Canada)
Adjusted net earnings (adjusted net earnings from continuing operations)	Irish Life Investment Managers (Irish Life Investment Managers Limited)	Power Financial (Power Financial Corporation)
Affidea (Affidea Group B.V.)	Lion or Lion Electric (The Lion Electric Company)	Power Sustainable (Power Sustainable Capital Inc.)
Alternative asset investment platforms or investment platforms (alternative asset investment platforms)	LMPG (LMPG Inc.)	Power Sustainable China (Power Sustainable Investment Management Inc.)
Aon (Aon plc)	M&A (mergers and acquisitions)	Power Sustainable Energy (Power Sustainable Energy Infrastructure)
AUA (assets under administration)	Mackenzie or Mackenzie Investments (Mackenzie Financial Corporation)	Power Sustainable Energy Infrastructure or PSEIP (Power Sustainable Energy Infrastructure Partnership)
AUM (assets under management)	MassMutual (Massachusetts Mutual Life Insurance Company)	Power Sustainable Infrastructure Credit (Power Sustainable Infrastructure Credit Manager, L.P.)
Canada Life (The Canada Life Assurance Company)	MD&A (Management's Discussion and Analysis)	Power Sustainable Lios (Power Sustainable Lios Inc.)
Canyon (Canyon Bicycles GmbH)	Nautilus or Nautilus Solar (Nautilus Solar Energy, LLC)	Power Sustainable Manager or PSM (Power Sustainable Manager Inc.)
ChinaAMC (China Asset Management Co., Ltd.)	NAV or Net asset value (adjusted net asset value)	Prudential or Prudential Financial (Prudential Financial, Inc.)
ClearEstate (ClearEstate Technologies Inc)	NCIB (normal course issuer bid)	Putnam or Putnam Investments (Putnam U.S. Holdings I, LLC)
Concentrix (Concentrix Corporation)	nesto (nesto Inc.)	Rockefeller (Rockefeller Capital Management)
Conquest (Conquest Planning Inc.)	Northleaf or Northleaf Capital or Northleaf Capital Partners (Northleaf Capital Group Ltd.)	Sagard (Sagard Holdings Inc.)
CSM (contractual service margin)	OCI (other comprehensive income)	Sagard Credit Partners I (Sagard Credit Partners, LP)
Diagram (Diagram Corporation)	OECD (Organization for Economic Co-operation and Development)	Sagard Credit Partners II (Sagard Credit Partners II, LP)
Diagram ClimateTech (Diagram ClimateTech Fund LP)	Ontex (Ontex Group NV)	Sagard Healthcare Partners (Sagard Healthcare Royalty Partners, LP)
Diagram Opportunity (Diagram Opportunity Fund I LP)	OpCo (publicly traded operating companies)	Sagard Holdings Management or SHMI (Sagard Holdings Management Inc.)
Diagram Ventures I (Diagram Ventures LP)	OSFI (Office of the Superintendent of Financial Institutions)	Sagard MidCap (Sagard MidCap II, Sagard MidCap 3 and Sagard MidCap 4)
Diagram Ventures II (Diagram Ventures II LP)	PanAgora (PanAgora Asset Management, Inc.)	Sagard MidCap II (Sagard II-A FPCI and Sagard II-B FPCI)
Diagram Ventures III (Diagram Ventures III LP)	Pargesa (Pargesa SA)	Sagard MidCap 3 (Sagard 3 FPCI)
EBR (Euronext Brussels)	Parjointco (Parjointco SA)	Sagard MidCap 4 (Sagard 4A FPCI and Sagard 4 FIPS)
Empower (Empower Annuity Insurance Company of America)	Parques Reunidos (Parques Reunidos Servicios Centrales, S.A.)	Sagard NewGen (Sagard NewGen FPCI)
EPA (Euronext Paris)	Peak or Peak Achievement Athletics (Peak Achievement Athletics Inc.)	Sagard Private Credit (Sagard Private Credit LP)
ESG (Environmental, Social, Governance)	PEM-PDI III (Performance Direct Investments III, LP)	Sagard Private Equity Canada or SPEC (Sagard Private Equity Canada LP)
EverWest (EverWest Holdings Inc.)	PEM-PDI IV (Performance Direct Investments IV, LP)	Sagard Senior Lending Partners or SSLP (Sagard Senior Lending Partners Holdings (I and II) LP, and Sagard Senior Lending Partners Holdings (I-U and II-U) LP)
Franklin Templeton (Franklin Resources, Inc.)	PEM-PDI V (Performance Direct Investments V, LP)	Sanoptis (Sanoptis AG)
Frère Group (Groupe Frère / Compagnie Nationale à Portefeuille)	PEM-PVC I (Performance Venture Capital, LP)	SGS (SGS SA)
FVOCI (fair value through other comprehensive income)	PEM-PVC II (Performance Venture Capital II, LP)	SIX (Swiss Stock Exchange)
FVPL (fair value through profit or loss)	PEM-PVC III (Performance Venture Capital III, LP)	TSX (Toronto Stock Exchange)
GAAP (Generally Accepted Accounting Principles)	PEM-PVC IV (Performance Venture Capital IV, LP)	Umicore (Umicore, NV/SA)
GBL (Groupe Bruxelles Lambert)	PEM-PVC V (Performance Venture Capital V, LP)	USPF (GWL U.S. Property Fund L.P.)
GEA (GEA Group AG)	PEM-PVC VI (Performance Venture Capital VI, LP)	Value Partners (Value Partners Group Inc.)
Gesca (Gesca Ltée)	PEM-PVC SOF (Performance Venture Capital Special Opportunities Fund I, LP)	Voodoo (Voodoo SAS)
GMT (Global Minimum Tax)	Performance Equity Management or PEM (Performance Equity Management, LLC)	Wealthsimple (Wealthsimple Financial Corp.)
Grayhawk (Grayhawk Wealth Holdings Inc.)	Pernod Ricard (Pernod Ricard SA)	Webhelp (Webhelp Group)
Great-West Lifeco, Great-West or Lifeco (Great-West Lifeco Inc.)	Pillar Two (Pillar Two Global Anti-Base Erosion Model Rules published by the OECD)	XETR (XETRA Stock Exchange)
HalseyPoint or HalseyPoint Asset Management (HalseyPoint Asset Management, LLC)	Portage Capital Solutions (Portage Capital Solutions Fund I LP)	
Holcim (Holcim Ltd.)	Portage Ventures I (Portag3 Ventures Limited Partnership)	
IASB (International Accounting Standards Board)	Portage Ventures II (Portag3 Ventures II Limited Partnership)	
IFRS (International Financial Reporting Standards)	Portage Ventures III (Portage Ventures III Limited Partnership)	
IGM or IGM Financial (IGM Financial Inc.)	Portage Ventures IV (Portage Ventures IV Limited Partnership)	
IG Wealth Management, IG Wealth or IG (Investors Group Inc.)	Portage Ventures Funds (Portage Ventures I, Portage Ventures II, Portage Ventures III, Portage Ventures IV)	
Imerys (Imerys SA)	Potentia or Potentia Renewables (Potentia Renewables Inc.)	
Investment Planning Counsel or IPC (Investment Planning Counsel Inc.)		

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Review of Financial Performance

All tabular amounts are in millions of Canadian dollars, unless otherwise noted.

MARCH 19, 2025

This Annual Report is intended to provide interested shareholders and others with selected information concerning Power Corporation of Canada. For further information concerning the Corporation, shareholders and other interested persons should consult the Corporation's disclosure documents, such as its Annual Information Form and Management's Discussion and Analysis (MD&A). Copies of the Corporation's continuous disclosure documents can be obtained on the Corporation's website at www.powercorporation.com, on SEDAR+ at www.sedarplus.ca, or from the office of the Secretary at the addresses shown at the end of this report.

Readers are reminded that a list of the abbreviations used throughout can be found on page XVI of this Annual Report. In addition, the following abbreviation is used in the Review of financial performance and in the Financial Statements and Notes thereto: Audited Consolidated Financial Statements of Power Corporation and Notes thereto for the year ended December 31, 2024 (the 2024 Consolidated Financial Statements or the Financial Statements).

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS • Certain statements in this Annual Report, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation's public subsidiaries, reflect such subsidiaries' current expectations as disclosed in their respective disclosure materials. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future, and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries including the outlook for North American and international economies for the current fiscal year and subsequent periods, the Corporation's NCIB commenced in 2025, statements concerning deferred taxes, impact of the strategic partnership transaction in Power Sustainable Manager, management of standalone businesses to realize value over time, the fintech strategy, fundraising activities and investment strategies of the investment platforms, capital commitments by the Power group and third parties, the objective to maintain a minimum level of cash and cash equivalents relative to fixed charges, GBL's proposed dividend, GBL's intent to grow its portfolio and third-party asset management activity, the timing, size and expected impact of GBL's proposed investment in SHMI, and the Corporation's subsidiaries' disclosed expectations, including in respect of the ongoing obligations resulting from the sale of Putnam to Franklin Templeton. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation and its subsidiaries and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, fluctuations in interest rates, inflation and foreign exchange rates, monetary policies, business investment and the health of local and global equity and capital markets, management of market liquidity and funding risks, risks related to investments in private companies and illiquid securities, risks associated with financial instruments, changes in accounting policies and methods used to report financial condition (including uncertainties associated with significant judgments, estimates and assumptions), the effect of applying future accounting changes, business competition, operational and reputational risks, technological changes, cybersecurity risks, changes in government administrations, regulation, legislation and policies, changes in tax laws, the impact of trade relations and ongoing trade tensions, including the threat of tariffs and other governmental actions, as well as retaliatory actions, unexpected judicial or regulatory proceedings, catastrophic events, man-made disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors, as well as the risks referenced in the section entitled "Risk Management" herein and in the section entitled "Risk Factors" of the Corporation's most recent Annual Information Form and with respect to forward-looking statements of the Corporation's subsidiaries disclosed in this Annual Report, the factors identified by such subsidiaries in their respective disclosure materials. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, and that strategic transactions, acquisitions, divestitures or other growth or optimization strategies will be completed on expected terms, including that any required approvals will be received when and on such terms as are expected, as well as other considerations that are believed to be appropriate in the circumstances. In arriving at the assessment of the potential exposure to the Global Minimum Tax (GMT) for the Corporation and its subsidiaries and the expectation regarding the impact on adjusted net earnings, management has relied on the interpretation of the relevant legislation by management of the Corporation and its subsidiaries. In estimating the impact on Great-West Lifeco, Great-West Lifeco management has assumed a starting point of its current mix of business and adjusted net earnings (defined as base earnings by Great-West Lifeco) growth consistent with its adjusted net earnings objectives disclosed in Great-West Lifeco's disclosure materials. Other considerations also include the availability of cash to complete purchases under the NCIB, that the list of risks and uncertainties in the previous paragraph, collectively, are not expected to have a material impact on the Corporation, and with

respect to forward-looking statements of the Corporation's subsidiaries disclosed in this Annual Report, that the risks identified by such subsidiaries in their respective disclosure materials and Annual Information Form are not expected to have a material impact on the Corporation. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect. Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Additional information about the risks and uncertainties of the Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its most recent MD&A and its most recent Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedarplus.ca.

STATEMENT REGARDING NON-IFRS FINANCIAL MEASURES AND OTHER MEASURES • This Annual Report contains financial measures (including ratios) that do not have a standard meaning under International Financial Reporting Standards (IFRS). Terms by which non-IFRS financial measures are identified include, but are not limited to, "adjusted net earnings from continuing operations (adjusted net earnings)", "adjusted net earnings from continuing operations per share (adjusted net earnings per share)", "adjusted net asset value", "adjusted net asset value per share", "consolidated assets and assets under management", "consolidated assets and assets under administration" and "fee-related earnings". Management uses these financial measures in its presentation and analysis of the financial performance, financial condition and cash flows of Power Corporation, and believes that they provide additional meaningful information to readers in their analysis of the results of the Corporation. These non-IFRS financial measures may not be comparable to similar measures used by other entities. Refer to the section "Non-IFRS Financial Measures" in this Review of financial performance for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS as well as additional details on each measure. Reconciliations of the adjusted net asset value and the holding company balance sheet are also included in the section "Adjusted Net Asset Value".

Adjusted net earnings from continuing operations (or adjusted net earnings) represents net earnings from continuing operations excluding Adjustments. In 2024, the Corporation modified the definition of adjusted net earnings, a non-IFRS earnings measure, to better reflect the underlying performance of the Corporation. The definition of Adjustments, used to calculate adjusted net earnings, was modified to include the impacts from applying the definition of Adjustments to the net earnings disclosed by GBL, the results of the Corporation's investing activities and the standalone businesses. The definition was also expanded to include impacts related to remeasurements due to market changes that create an accounting mismatch, including the impact of the revaluation of non-controlling interests liabilities related to PSEIP which result from changes in fair value of assets held within the fund, and the share of earnings (losses) from the consolidated activities of PSEIP attributable to third-party investors. The comparative periods have been restated to reflect these changes.

This Annual Report also includes other measures used to discuss activities of the Corporation, its consolidated publicly traded operating companies and alternative asset investment platforms including, but not limited to, "assets under management", "assets under administration", "assets under management and advisement", "assets under management and advisement including strategic investments", "book value per participating share", "carried interest", "fee-bearing capital", "market capitalization", "net asset value", "net carried interest", "unfunded commitments" and "weighted average management fee rate". As well, the presentation of the holding company is used to present and analyze the financial position and cash flows of Power Corporation as a holding company. Refer to the section "Other Measures" in this Review of financial performance for a definition of each measure.

DISCLOSURES CONCERNING PUBLIC INVESTEE INFORMATION • In this Annual Report, (i) disclosure concerning Great-West Lifeco and IGM, as applicable, has been derived from Great-West Lifeco's and IGM's respective annual MD&A for the year ended December 31, 2024, as prepared and disclosed by the respective companies in accordance with applicable securities legislation, and which are available either directly under their respective profiles on SEDAR+ at www.sedarplus.ca or directly from their websites, www.greatwestlifeco.com and www.igmfincan.com and (ii) disclosure concerning GBL has been derived from publicly disclosed information, as issued by GBL, including in its fourth quarter of 2024 press release. Further information on GBL's results is available on its website at www.gbl.com. For definitions and reconciliations of non-IFRS financial measures disclosed by Great-West Lifeco and IGM, refer to the "Non-GAAP Financial Measures and Ratios" section and specifically the sub-sections entitled "Base earnings (loss)", and "Non-GAAP Ratios" of Great-West Lifeco's and "Non-IFRS Financial Measures and Other Financial Measures" section and specifically "Table 1: Reconciliation of Non-IFRS Financial Measures" of IGM's respective annual MD&A for the year ended December 31, 2024, included in Parts B and C, respectively, of the Corporation's annual MD&A for the year ended December 31, 2024, available on SEDAR+ at www.sedarplus.ca.

Power Corporation of Canada

OVERVIEW

Incorporated in 1925, Power Corporation (TSX: POW; POW.PR.E) is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms. Through Power Financial, it holds a controlling interest in Lifeco and IGM and has an active fintech strategy. It also holds, jointly with the Frère Group of Belgium, a controlling interest in GBL.

Power Corporation conducts its investment activities, built upon a network of deep and long-standing relationships, to provide superior returns. Investment activities include investments in alternative asset managers, Sagard and Power Sustainable, investment funds, and interests in China resulting from more than 40 years of engagement. The Corporation aims to act as an owner with a long-term perspective and a strategic vision anchored in strong core values.

Power Corporation adheres to four overriding investing principles to pursue its objective of achieving sustainable long-term value creation in the best interests of the Corporation:

- Long-term perspective;
- Leading franchises with attractive growth profiles;
- Strong governance oversight; and
- Prudent approach to risk management.

VALUE CREATION STRATEGY

Power Corporation's value creation strategy is focused on financial services, designed to generate long-term sustainable growth in earnings and dividends, and is based upon three key levers:

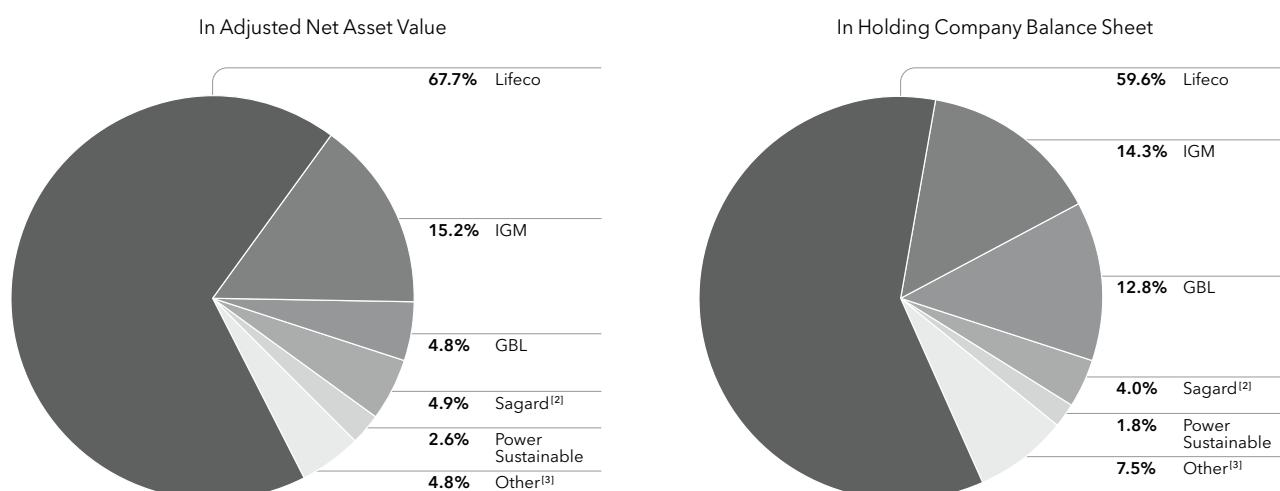
- Operating company organic levers: organic growth strategies at the publicly traded operating companies;
- Operating company inorganic levers: deployment and redeployment of capital; and
- Holding company levers: actions that can be taken at the Corporation and between the Corporation and its publicly traded operating companies and investments.

Power Corporation, through its alternative asset investment platforms, continues to develop its alternative asset management businesses which build upon the investment capabilities that have been created over many years in several high-growth asset classes. The alternative asset investment platforms are focused on growing their asset management businesses through raising third-party capital and the Corporation intends to continue to provide proprietary capital to the different investment products managed by each.

The Corporation also has interests in standalone businesses managed to realize value over time.

As a holding company, the Corporation uses adjusted net asset value^[1], which presents the fair value of the participating shareholders' equity of the holding company, to assess the value, composition and size of its investment holdings. The charts below present the composition and relative size of investment holdings within the Power group, as well as show the composition of the assets included in the adjusted net asset value and the holding company balance sheet, which are discussed in detail later in this review of financial performance.

Total Holding Company Assets



[1] Adjusted net asset value is a non-IFRS financial measure. Refer to the sections "Adjusted Net Asset Value" and "Non-IFRS Financial Measures".

[2] Includes fintech investments held by the Corporation including investments in the Portage Ventures Funds, Portage Capital Solutions and Wealthsimple.

[3] Includes the Corporation's investments in standalone businesses, cash and cash equivalents, and other assets and investments held by the holding company.

Publicly Traded Operating Companies

The Corporation holds controlling interests, through Power Financial, in Lifeco and IGM. It also has significant holdings in a portfolio of European-based global companies through its investment in GBL.

Lifeco

Great-West Lifeco Inc. (TSX: GWO), market capitalization of \$44.4 billion (refer to the section “Other Measures”) at December 31, 2024, is a financial services holding company that provides wealth, retirement, workplace benefits and insurance and risk solutions to its over 40 million customer relationships. Lifeco operates in Canada, the United States (U.S.) and Europe under the brands Canada Life, Empower and Irish Life.

At December 31, 2024, Power Financial and IGM held interests of 68.2% and 2.4%, respectively, in Lifeco’s common shares, representing approximately 65% of the voting rights attached to all outstanding Lifeco voting shares. The *Insurance Companies Act* limits voting rights in life insurance companies to 65%.

IGM Financial

IGM Financial Inc. (TSX: IGM), market capitalization of \$10.9 billion at December 31, 2024, is a leading Canadian diversified wealth and asset management company supporting advisors and the clients they serve in Canada, and institutional investors globally. IGM provides a broad range of financial planning and investment management services to help approximately two million Canadians meet their financial goals. IGM’s principal operating subsidiaries are wealth manager IG Wealth Management and asset manager Mackenzie Investments. IGM also holds a number of strategic investments that provide benefits to its operating subsidiaries while furthering IGM’s growth prospects.

At December 31, 2024, Power Financial and Canada Life, a subsidiary of Lifeco, held interests of 62.2% and 3.9%, respectively, in IGM’s common shares.

GBL

Power Financial Europe SA, a wholly owned subsidiary of Power Financial, and the Frère Group each hold a 50% interest in Parjointco. At December 31, 2024, Parjointco held a 32.9% indirect (47.0% of the voting rights) controlling interest in GBL, a Belgian holding company listed on the Brussels Stock Exchange.

GBL (EBR: GBLB), market capitalization of €9.1 billion at December 31, 2024, is an established investment holding company. As a leading and active investor in Europe, GBL is focused on long-term value creation with the support of a stable family shareholder base. GBL aims to grow its diversified high-quality portfolio of listed, direct private and indirect private investments. GBL Capital conducts the group’s indirect private investment activity which provides additional sources of diversification to GBL’s portfolio. In addition, GBL is developing its third-party asset management activity through GBL Capital and Sienna Investment Managers.

Alternative Asset Investment Platforms

Power Corporation continues to develop alternative asset investment platforms (investment platforms) that manage portfolios in several alternative asset classes principally in North America and Europe. The alternative asset investment platforms offer alternative strategies to traditional long-term investment strategies. Traditional long-term investment strategies generally invest in publicly traded shares and fixed income investments, whereas the alternative asset investment strategies include venture capital, private equity, private credit as well as real estate and infrastructure. At December 31, 2024, the alternative asset investment platforms had \$43.5 billion of assets under management, including unfunded commitments (refer to the section “Other Measures”).

Sagard

Sagard is a global multi-strategy alternative asset management firm active in venture capital, private equity, private credit and real estate. Sagard delivers flexible capital, an entrepreneurial culture, and a global network of investors, commercial partners, advisors, and value creation experts to its portfolio companies. Sagard also engages in private wealth management and holds strategic interests in other alternative asset management businesses. The firm has offices in Canada, the U.S., Europe and the Middle East. At December 31, 2024, Sagard had \$39.3 billion of assets under management, including unfunded commitments.

The alternative investment management business of Sagard is consolidated under Sagard Holdings Management Inc. (SHMI). The Corporation, through Sagard, held a 50.8% controlling interest in SHMI at December 31, 2024 (53.5% at December 31, 2023).

Power Sustainable

Power Sustainable is a sustainability-focused investment manager with offices in Canada and the U.S. Power Sustainable finances companies and projects aiming for both competitive returns and positive sustainability outcomes, and offers institutional investors exposure to alternative assets which aim to accelerate and scale sustainable solutions across multiple industries. Power Sustainable invests in companies and projects that contribute to decarbonization, sustainable cities and communities and resource efficiency, which are priorities shared by its global network of clients, asset owners, partners and employees. Power Sustainable is currently comprised of three strategies: Power Sustainable Energy Infrastructure, Power Sustainable Infrastructure Credit and Power Sustainable Lios (agri-food private equity). At December 31, 2024, Power Sustainable had \$4.2 billion of assets under management, including unfunded commitments.

The management business of Power Sustainable is consolidated under Power Sustainable Manager (PSM). The Corporation, through Power Sustainable, held a 74.7% controlling interest in PSM at December 31, 2024 (100.0% at December 31, 2023).

Standalone Businesses

The standalone businesses include the Corporation’s interest in Lion Electric and a controlling interest in LMPG.

On December 23, 2024, Sagard completed the previously announced sale of its 42.6% interest in Peak to Fairfax Financial Holdings Limited (Fairfax). Refer to the section “Standalone Businesses”.

TABLE OF HOLDINGS

At December 31, 2024, the Corporation's main holdings were as follows:

Holdings	% economic interest	Nature of investment	Accounting method
Publicly traded operating companies^[1]			
Lifeco ^[2]	68.2	Controlling interest	Consolidation
IGM ^[3]	62.2	Controlling interest	Consolidation
GBL ^[4]	16.5	Joint control	Equity method
Alternative asset investment platforms			
Sagard			
SHMI ^[5]	50.8	Controlling interest	Consolidation
PEM ^[6]	38.0	Controlling interest	Consolidation
HalseyPoint	40.0	Joint control	Equity method
Wealthsimple ^[7]	13.8	Controlling interest	Consolidation
Portage Ventures I ^[8]	63.0	Controlling interest	Consolidation
Portage Ventures II ^[9]	12.4	Controlling interest	Consolidation
Portage Ventures III ^[10]	2.4	Controlling interest	Consolidation
Portage Ventures IV ^[11]	5.8	Controlling interest	Consolidation
Portage Capital Solutions ^[12]	29.2	Controlling interest	Consolidation
Sagard Funds ^[13]	various	Investment	Fair value through profit or loss
Power Sustainable			
Power Sustainable Manager ^[14]	74.7	Controlling interest	Consolidation
Power Sustainable Energy Infrastructure Partnership ^[15]	32.8	Controlling interest	Consolidation
Potentia	100.0	Controlling interest	Consolidation
Nautilus	100.0	Controlling interest	Consolidation
Standalone businesses			
LMPG	49.6	Controlling interest	Consolidation
Lion	34.1	Significant influence	Equity method

[1] Investments held by the Corporation through Power Financial.

[2] IGM also holds a 2.4% interest in Lifeco.

[3] Canada Life also holds a 3.9% interest in IGM.

[4] Held through Parjointco, a jointly controlled corporation (50%). Parjointco holds a controlling interest in GBL.

[5] At December 31, 2024, management of Sagard held a 16.7% interest in SHMI. Lifeco also held a 12.7% interest in SHMI. During the second quarter of 2024, management of Sagard made an investment in SHMI and acquired an interest of 2.7%. SHMI also has a long-term incentive program pursuant to which certain key members of management have received, or will receive in the future, compensation in the form of equity of SHMI vesting over a 5-year period.

[6] The Corporation, through Sagard, currently has an exercisable option to buy an additional 13.0% equity interest in PEM.

[7] Portage Ventures I and IGM also hold interests of 10.5% and 30.1%, respectively, in Wealthsimple (see also the section "Wealthsimple" in the section "Sagard and Power Sustainable").

[8] Lifeco and IGM also hold equal interests of 18.5% in Portage Ventures I.

[9] Power Financial holds a 7.7% interest, Sagard holds a 4.7% interest, and Lifeco and IGM also hold equal interests of 7.7% in Portage Ventures II.

[10] Lifeco and IGM also hold interests of 9.0% and 4.0%, respectively, in Portage Ventures III.

[11] Lifeco and IGM also hold interests of 14.0% and 2.3%, respectively, in Portage Ventures IV.

[12] Lifeco and GBL also hold interests of 27.9% and 4.9%, respectively, in Portage Capital Solutions.

[13] The Corporation holds a non-controlling interest in various funds managed by SHMI. Lifeco also holds an investment in certain of these funds. Refer to the section "Asset Management Activities" in the section "Sagard and Power Sustainable" for a list of investments and the respective holdings.

[14] At December 31, 2024, management of Power Sustainable held a 4.5% interest in PSM. Lifeco also held an interest of 20.8% in PSM. PSM also has a long-term incentive program pursuant to which certain key members of management may receive, in the future, compensation in the form of equity of PSM vesting over a 5-year period.

[15] Lifeco also holds a 13.7% interest in PSEIP.

Financial Highlights

SELECTED FINANCIAL INFORMATION

Twelve months ended December 31 [in millions of dollars; except per share and as otherwise noted]	2024	2023
Net earnings ^[1]	2,743	2,195
Net earnings from continuing operations ^[1]	2,792	2,282
Adjusted net earnings from continuing operations ^{[1][2]}	2,971	2,671
Per share—basic ^[1]		
Net earnings	4.23	3.32
Net earnings from continuing operations	4.31	3.45
Adjusted net earnings from continuing operations ^[3]	4.58	4.04
Dividend declared (per participating share)	2.2500	2.1000
Dividend yield ^[4]	5.0%	5.5%
Total consolidated assets (in billions)	851	749
Total consolidated assets and assets under management ^[5] (in billions)	1,316	1,321
Total consolidated assets and assets under administration ^[5] (in billions)	3,599	3,108
Adjusted net asset value ^{[1][5]}	38,974	34,917
Participating shareholders' equity	22,930	21,193
Per share ^[1]		
Adjusted net asset value ^[3]	60.44	53.53
Book value ^[6]	35.56	32.49
Market capitalization ^[7]	28,913	24,714
Share price (Subordinate Voting Shares)		
Ending	44.84	37.89
High	47.89	38.98
Low	35.83	32.00
Number of participating shares outstanding		
End of period	644.8	652.2
Average	648.1	662.0

[1] Attributable to participating shareholders.

[2] Non-IFRS financial measure. In 2024, the Corporation modified the definition of adjusted net earnings. Refer to the section "Non-IFRS Financial Measures". The comparative periods have been restated to reflect these changes.

[3] Non-IFRS ratio. Refer to the section "Non-IFRS Financial Measures".

[4] Dividend yield is calculated as the annualized dividend per participating share based on the dividend declared during the fourth quarter divided by the share price of a Subordinate Voting Share at the end of the reporting period.

[5] Non-IFRS financial measure. Refer to the section "Non-IFRS Financial Measures".

[6] Refer to the section "Other Measures".

[7] Represents the closing price of a Subordinate Voting Share at the end of the reporting period multiplied by the aggregate of Subordinate Voting Shares and Participating Preferred Shares outstanding.

SUMMARY OF THE CONTRIBUTIONS TO POWER CORPORATION'S EARNINGS FROM CONTINUING OPERATIONS

Twelve months ended December 31	2024	2023
Lifeco ^[1]	2,858	2,500
IGM ^[1]	586	524
GBL	75	111
Effect of consolidation—Lifeco and IGM ^[2]	(65)	(23)
Publicly traded operating companies	3,454	3,112
Sagard and Power Sustainable	(71)	(75)
Standalone businesses ^[3]	(64)	(15)
Corporate operations and Other ^{[3][4]}	3,319	3,022
Adjusted net earnings^{[5][6]}	2,971	2,671
Adjustments ^[7]	(179)	(389)
Net earnings^[5]	2,792	2,282

[1] Contribution based on earnings reported by Lifeco and IGM.

[2] Refer to the detailed table in the section "Results of Power Corporation".

[3] In 2024, the Corporation modified its presentation; the contribution to net earnings and adjusted net earnings from Standalone businesses has been presented separately, and the contribution from the Corporation's other investment activities, including ChinaAMC (sold to IGM in January 2023), has been presented within Corporate operations and Other. The comparatives have been reclassified to conform with the current presentation.

[4] Includes the contribution to adjusted net earnings from the Corporation's other investment activities, including ChinaAMC (sold to IGM in January 2023), as well as corporate operations, which includes operating expenses, financing charges, depreciation, income taxes, and dividends on non-participating and perpetual preferred shares. Refer to the section "Corporate operations and Other" below.

[5] Attributable to participating shareholders.

[6] Non-IFRS financial measure. In 2024, the Corporation modified the definition of adjusted net earnings. Refer to the section "Non-IFRS Financial Measures". The comparative periods have been restated to reflect these changes.

[7] Refer to the detailed table of Adjustments in the section "Review of Segments and Operating Results".

2024 Significant Developments and Transactions

HIGHLIGHTS AT THE PUBLICLY TRADED OPERATING COMPANIES

A number of strategic developments and transactions were completed throughout 2024, including:

Lifeco

Putnam Investments: On January 1, 2024, Lifeco completed the previously announced sale of Putnam to Franklin Resources, Inc., operating as Franklin Templeton, in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US\$375 million over a five- to seven-year period. In the first quarter of 2024, Lifeco recorded a net loss of \$115 million reflecting closing costs as well as a \$44 million final gain on sale within discontinued operations. Lifeco retained its controlling interest in PanAgora, a leading quantitative asset manager. Lifeco currently holds approximately 31.6 million Franklin Templeton shares and has agreed to hold a majority of these shares until at least January 1, 2029. The shares are held at fair value with changes in fair market value flowing through other comprehensive income.

In addition to the sale, Lifeco, along with the Corporation and Franklin Templeton, entered into a strategic relationship to distribute Franklin Templeton products for the benefit of clients, distribution partners, and shareholders.

Plan Management Corporation (PMC): On September 23, 2024, Empower acquired PMC, the creator of OptionTrax, a digital equity plan administration and service provider. With the completion of the acquisition, Empower's retirement services expanded to employers who offer equity compensation programs as well as enhanced financial planning services offered through the Empower Personal Wealth business. The acquisition increased Empower's client base by an additional 300 employers with approximately US\$62 billion in plan value. The purchase consideration was funded with existing resources and deferred consideration subject to achievement of target growth objectives. This acquisition is not expected to have a material impact on Lifeco's financial position.

U.K. onshore bond business: On January 23, 2024, Canada Life U.K. announced the immediate closure of the Select Account, The Retirement Account, and the Canada Life Trust Investment Plan to new business, representing less than 1% of its customer base. On December 23, 2024, Canada Life U.K. announced the signing of an agreement to transfer part of this business to Countrywide Assured plc (Countrywide), a subsidiary of Chesnara plc. Concurrently, the two parties entered into a reinsurance agreement such that the risks and rewards of the underlying business are transferred to Countrywide. The transfer is subject to customary closing conditions including regulatory approvals and is expected to complete by the end of 2025. This decision enables Canada Life U.K. to focus on its core lines, including offshore wealth products.

GBL

Dividend increase: In July 2024, GBL announced that it will propose a dividend of €5.00 per share for fiscal year 2024, an increase of 82.0%, funded from its cash earnings and gains on disposals of a portion of its interest in adidas. The proposed dividend is subject to approval at GBL's General Shareholders' Meeting in May 2025.

Share repurchases: During 2024, GBL repurchased, directly and through its subsidiaries, 4.3 million shares of its own capital for a total consideration of €292 million. During the second quarter of 2024, GBL cancelled 8.3 million of its treasury shares.

Portfolio rotation: During 2024, GBL continued to rotate its portfolio, and completed the disposal of a portion of its interest in adidas, reducing its interest from 7.6% at December 31, 2023 to 3.5% at December 31, 2024, generating total proceeds of approximately €1.7 billion and a net capital gain of €1.1 billion for GBL (no impact on the net consolidated earnings in accordance with IFRS 9).

SUBSEQUENT EVENT

- In March 2025, subsequent to year-end, GBL completed the disposal of 8.5 million shares of SGS reducing its interest from 19.1% at December 31, 2024 to 14.6%, for total proceeds of €0.8 billion, generating a capital gain for GBL of €0.2 billion (will have no impact on the net consolidated earnings in accordance with IFRS 9). Following the completion of the transaction, GBL is still the largest shareholder of SGS and remains committed to supporting SGS with a long-term perspective.

HIGHLIGHTS AT THE ALTERNATIVE ASSET INVESTMENT PLATFORMS

Fundraising

In 2024, the alternative asset investment platforms continued their fundraising efforts, raising a total of \$2.9 billion^[1], including the following:

Sagard

- **Portage Ventures IV:** In 2024, Sagard launched its fourth global fintech venture capital fund, Portage Ventures IV, and commenced fundraising, raising total commitments of US\$429 million;
- **Portage Capital Solutions:** In 2024, Sagard completed the final close of Portage Capital Solutions, raising additional commitments of US\$132 million, increasing total committed capital to US\$513 million;
- **Sagard Senior Lending Partners:** In 2024, Sagard completed the final close of Sagard Senior Lending Partners, raising commitments of US\$163 million, increasing total committed capital to US\$501 million;
- **Sagard Private Credit:** On September 10, 2024, Sagard announced the launch of its evergreen credit investment fund for Canadian accredited investors, Sagard Private Credit. The fund had total subscriptions of \$75 million at December 31, 2024;
- **Sagard Healthcare Partners:** In 2024, Sagard Healthcare Partners completed the second close of its second series, raising total capital commitments of US\$200 million; and
- **Performance Equity Management:** In 2024, Sagard's subsidiary, PEM, raised over US\$500 million in additional commitments across its strategies.

Power Sustainable

- **Power Sustainable Lios:** In 2024, Power Sustainable completed the final close of Power Sustainable Lios, raising additional commitments of \$51 million, increasing total committed capital to \$285 million; and
- **Power Sustainable Infrastructure Credit:** In 2024, Power Sustainable raised an additional US\$120 million through a separately managed account.

Other Developments

Sagard

- **Performance Equity Management:** In January 2024, SHMI completed the previously announced transaction to acquire a strategic interest in PEM, a global, multi-product, private equity investment firm. Sagard's investment in PEM marks its establishment of a fund of funds, secondary and co-investment platform. The agreement includes a path for Sagard to acquire all of the remaining equity of PEM on December 31, 2028. Upon the closing of the transaction, the Corporation has determined that it has control of PEM, through Sagard, in accordance with IFRS 10, *Consolidated Financial Statements*. As a result, the Corporation has consolidated PEM on the date of the acquisition. PEM had \$13.1 billion (US\$9.1 billion) of assets under management at December 31, 2024.
- **HalseyPoint Asset Management:** On March 8, 2024, SHMI completed the acquisition of a 40% interest and strategic partnership with HalseyPoint, a U.S.-based collateralized loan obligations (CLO) manager. The HalseyPoint CLO strategy broadens Sagard's credit offering, which includes opportunistic credit and senior lending products across North America. Upon the closing of the transaction, the Corporation has determined that it has joint control of HalseyPoint, through Sagard. As a result, the Corporation's investment in HalseyPoint is accounted for using the equity method. HalseyPoint had \$5.2 billion (US\$3.6 billion) of assets under management at December 31, 2024.

Other:

- In the second quarter of 2024, Sagard and Export Development Canada (EDC) announced a strategic partnership including EDC's commitment of US\$250 million into Sagard's strategies. Sagard and EDC have committed to a partnership to share their ecosystem connections and expertise with the objective of helping Canadian companies access the capital and resources necessary to scale and export their products and services. EDC is expected to deploy this commitment over the next 3 years.

SUBSEQUENT EVENT

- **GBL Investment in SHMI:** On March 13, 2025, subsequent to year-end, Sagard and GBL announced that GBL Capital will invest US\$33 million and acquire a 5% interest in SHMI. GBL has also agreed to make future commitments of €250 million over the next five years in Sagard-managed strategies. This partnership reinforces Sagard's long-term growth strategy, strengthening its capital base as well as solidifying GBL's relationship as an anchor LP in certain strategies. The transaction is expected to close at the end of March 2025. The Corporation will remain the controlling shareholder of SHMI and the transaction is not expected to have a significant impact on the consolidated financial statements.

[1] Includes commitments from the Corporation, associated companies and third parties. Refer to the section "Sagard and Power Sustainable" in the section "Review of Segments and Operating Results".

Power Sustainable

- **Power Sustainable China:** In the first quarter of 2024, Power Sustainable made a strategic decision as part of the realignment of its management business to wind down its China public equity strategy, which included the closing of its investment management operations in China. Power Sustainable is focused on growing its alternative asset management business primarily through fundraising third-party capital, and will reallocate resources to other strategies which are well positioned to raise capital and meet investors' needs. During the period ended December 31, 2024, the investments managed through the China public equity strategy were liquidated and returned to investors accordingly. Power Sustainable recognized a restructuring charge of \$14 million in the twelve-month period ended December 31, 2024 related to this realignment.

The Corporation remains invested in China with investments in mainland China's public equity markets through its Qualified Foreign Institutional Investor (QFII) licence. The Power group of companies also remains invested in China through IGM's 27.8% strategic investment in ChinaAMC. The Corporation will continue to explore opportunities to deploy capital that are in line with its strategy to maximize value and meet return objectives.

- **PSM strategic partnership:** On May 6, 2024, Power Sustainable and Lifeco jointly announced that they had entered into a new long-term strategic partnership. Under the transaction, Lifeco became a minority shareholder in the management business of PSM, with an ownership interest of slightly below 20% on a fully diluted basis, and agreed to invest in certain funds across Power Sustainable's investment strategies in the future. This ongoing relationship will enable Power Sustainable to accelerate its growth and market penetration in sustainable private equity and infrastructure, while supporting Lifeco's value creation strategy as part of a responsible transition. As part of the transaction, management of PSM acquired an interest of 4.5% and the Corporation's interest in PSM decreased to 74.7% at the close of the transaction. The transaction did not have a significant impact on the Corporation's consolidated statements of earnings and balance sheets.

Results of Power Corporation

This section presents:

- The "Consolidated Statements of Earnings in accordance with IFRS"; and
- The contributions to Power Corporation of its operating subsidiaries (Lifeco and IGM) and GBL, which are held through Power Financial, the contribution of the Corporation's alternative asset investment platforms and standalone businesses, as well as the contribution from the corporate operations and other to the net earnings and adjusted net earnings of Power Corporation. A discussion of the contributions of each of the reportable segments and other components follows in the section "Review of Segments and Operating Results".

Adjusted net earnings is a non-IFRS financial measure. Refer to the section "Non-IFRS Financial Measures" for a description and reconciliation of IFRS and non-IFRS financial measures.

BASIS OF PRESENTATION

IFRS Financial Measures and Presentation

The 2024 Consolidated Financial Statements of the Corporation have been prepared in accordance with IFRS, as issued by the IASB, and are presented in Canadian dollars.

The financial statements of the Corporation include the consolidated results of Power Financial which include the results of Lifeco, IGM, Wealthsimple and the Portage Ventures Funds, which are controlled by Power Financial. Power Financial's investment in GBL is held through Parjointco. Parjointco is a holding company jointly controlled by Power Financial and the Frère Group, and is accounted for using the equity method.

The investment platforms manage and operate alternative asset investment funds in which third-party investors, the Corporation and associated companies can participate. The Corporation controls a fund when it is exposed, or has rights, to variable returns from its involvement with the fund and has the ability to affect those returns through its power to direct the relevant activities of the fund.

Presentation of the Holding Company

The Corporation's reportable segments include Lifeco, IGM Financial and GBL, which represent the Corporation's investments in publicly traded operating companies, as well as the holding company. These reportable segments, in addition to the asset management activities, reflect Power Corporation's management structure and internal financial reporting. The Corporation evaluates its performance based on the operating segment's contribution to earnings.

The holding company comprises the corporate activities of the Corporation and Power Financial, on a combined basis, and presents the investment activities of the Corporation. The investment activities of the holding company, including the investments in Lifeco, IGM and controlled entities within the alternative asset investment platforms, are presented using the equity method. The holding company activities present the holding company's assets and liabilities, including cash, investments, debentures and non-participating shares. The discussions included in the sections "Financial Position" and "Cash Flows" present the segmented balance sheets and cash flow statements of the holding company, which are presented in Note 35 of the 2024 Consolidated Financial Statements, and reconciliations of these statements are provided throughout this review of financial performance.

CONSOLIDATED STATEMENTS OF EARNINGS IN ACCORDANCE WITH IFRS

Power Corporation's consolidated statements of earnings for the twelve months ended December 31, 2024 are presented below. The Corporation's reportable segments include Lifeco, IGM and GBL, as well as the holding company. This table reflects the contributions to the net earnings attributable to Power Corporation's participating shareholders from its reportable segments and Sagard and Power Sustainable, the Corporation's alternative asset investment platforms, which include controlled and consolidated investment funds and investments, and the Corporation's standalone businesses.

Consolidated Net Earnings

	Lifeco	IGM	GBL	Holding company	Alternative Asset Investment Platforms and Other ⁽¹⁾	Effect of consolidation ⁽²⁾	Power Corporation Consolidated net earnings	
Twelve months ended December 31							2024	2023
Insurance service result								
Insurance revenue	21,214	–	–	–	–	–	21,214	20,402
Insurance service expenses	(16,368)	–	–	–	–	–	(16,368)	(15,777)
Net expense from reinsurance contracts	(1,599)	–	–	–	–	–	(1,599)	(1,544)
Total insurance service result	3,247	–	–	–	–	–	3,247	3,081
Net investment result								
Net investment income (loss) ⁽³⁾	11,292	53	–	87	817	(12)	12,237	15,859
Net investment result from insurance activities ⁽⁴⁾	(8,860)	–	–	–	–	–	(8,860)	(13,820)
Total net investment result	2,432	53	–	87	817	(12)	3,377	2,039
Fee income and other revenues	7,224	3,438	–	–	1,354	(212)	11,804	10,167
Operating and administrative expenses	(7,587)	(2,366)	–	(188)	(2,507)	186	(12,462)	(11,214)
Financing charges	(402)	(129)	–	(54)	(215)	(12)	(812)	(766)
Earnings before investments in jointly controlled corporations and associates, and income taxes	4,914	996	–	(155)	(551)	(50)	5,154	3,307
Share of earnings (losses) of investments in jointly controlled corporations and associates	67	213	31	–	211	(146)	376	615
Earnings before income taxes	4,981	1,209	31	(155)	(340)	(196)	5,530	3,922
Income tax expense (recovery)	737	272	–	1	(77)	(4)	929	263
Net earnings—continuing operations	4,244	937	31	(156)	(263)	(192)	4,601	3,659
Net loss—discontinued operations	(115)	–	–	–	–	–	(115)	(124)
Net gain—disposal of discontinued operations	44	–	–	–	–	–	44	–
Net earnings	4,173	937	31	(156)	(263)	(192)	4,530	3,535
Attributable to								
Non-controlling interests	1,560	355	–	140	(128)	(192)	1,735	1,288
Non-participating shareholders	–	–	–	52	–	–	52	52
Participating shareholders of Power Corporation ⁽²⁾	2,613	582	31	(348)	(135)	–	2,743	2,195
	4,173	937	31	(156)	(263)	(192)	4,530	3,535

[1] Alternative asset investment platforms and Other is comprised of the Corporation's alternative asset investment platforms, which include consolidated investment funds, as well as the investment activities held through Power Financial including Portage Ventures I, Portage Ventures II and Wealthsimple, and the Corporation's standalone businesses.

[2] The results presented for Lifeco and IGM are as reported by each. The Effect of consolidation includes the elimination of intercompany transactions and the application of the Corporation's accounting method for investments under common control. The contribution from Lifeco, IGM, GBL and Alternative asset investment platforms and Other to net earnings attributable to participating shareholders of the Corporation includes the effect of consolidation, and represents the contribution to the holding company.

[3] Includes net investment income and changes in fair value through profit or loss included in the net investment result on the consolidated statements of earnings.

[4] Includes net finance income (expenses) from insurance contracts, net finance income (expenses) from reinsurance contracts and changes in investment contract liabilities.

As a holding company, the Corporation evaluates the performance of each segment based on its contribution to net earnings and adjusted net earnings attributable to participating shareholders. A discussion of the results of Lifeco, IGM and GBL is provided in the section "Review of Segments and Operating Results" below.

CONTRIBUTION TO NET EARNINGS AND ADJUSTED NET EARNINGS

This section details the contribution to the net earnings and adjusted net earnings attributable to Power Corporation's participating shareholders from Lifeco, IGM, GBL and Sagard and Power Sustainable, the Corporation's alternative asset investment platforms, which include the contribution from controlled and consolidated investments, standalone businesses, and the corporate operations and other.

Twelve months ended December 31	2024	2023
Adjusted net earnings from continuing operations^[1]		
Lifeco ^[2]	2,858	2,500
IGM ^[2]	586	524
GBL	75	111
Effect of consolidation – Lifeco and IGM ^[3]	(65)	(23)
	3,454	3,112
Sagard and Power Sustainable	(71)	(75)
Standalone businesses ^[4]	(64)	(15)
Corporate operations and Other ^{[4][5]}	(348)	(351)
	2,971	2,671
Adjustments^[6]		
Lifeco ^[2]	(123)	(549)
IGM ^[2]	(3)	190
GBL	(44)	312
Effect of consolidation – Lifeco and IGM	(9)	(298)
	(179)	(345)
Sagard and Power Sustainable	(26)	(86)
Standalone businesses	26	(1)
Corporate operations and Other	–	43
	(179)	(389)
Net earnings from continuing operations^[7]		
Lifeco ^[2]	2,735	1,951
IGM ^[2]	583	714
GBL ^[2]	31	423
Effect of consolidation – Lifeco and IGM	(74)	(321)
	3,275	2,767
Sagard and Power Sustainable	(97)	(161)
Standalone businesses ^[4]	(38)	(16)
Corporate operations and Other ^{[4][5]}	(348)	(308)
	2,792	2,282
Net earnings (loss) from discontinued operations – Putnam	(49)	(87)
Net earnings^[7]	2,743	2,195

[1] Adjusted net earnings from continuing operations (adjusted net earnings) is a non-IFRS financial measure. In 2024, the Corporation modified the definition of adjusted net earnings. Refer to the section "Non-IFRS Financial Measures". The comparative periods have been restated to reflect these changes. For a reconciliation of Lifeco, IGM, and Sagard and Power Sustainable's non-IFRS adjusted net earnings to their net earnings and the contribution to adjusted net earnings from GBL and standalone businesses, refer to the sections "Lifeco", "IGM Financial", "GBL", "Sagard and Power Sustainable" and "Standalone Businesses" in the section "Review of Segments and Operating Results" below which detail the contribution to net earnings and adjusted net earnings of each.

[2] Contribution to net and adjusted net earnings based on earnings reported by Lifeco and IGM. Contribution to net earnings based on earnings reported by GBL.

[3] See the table below for details on Effect of consolidation.

[4] In 2024, the Corporation modified its presentation; certain comparatives have been reclassified to conform with the current presentation.

[5] Includes the contribution to net earnings and adjusted net earnings from the Corporation's other investment activities, including ChinaAMC (sold to IGM in January 2023), as well as corporate operations, which includes operating expenses, financing charges, depreciation, income taxes, and dividends on non-participating and perpetual preferred shares. Refer to the section "Corporate operations and Other" below.

[6] See the section "Adjustments" below, including details on Effect of consolidation.

[7] Attributable to participating shareholders.

Adjusted and Net Earnings Per Share

Twelve months ended December 31	2024	2023
Earnings per share – basic^[1]		
Adjusted net earnings from continuing operations	4.58	4.04
Adjustments	(0.27)	(0.59)
Net earnings from continuing operations	4.31	3.45
Net earnings (loss) from discontinued operations – Putnam	(0.08)	(0.13)
Net earnings	4.23	3.32

[1] Attributable to participating shareholders.

EFFECT OF CONSOLIDATION

Effect of consolidation reflects:

- The elimination of intercompany transactions; and
- The application of the Corporation's accounting method for investments under common control to the reported net earnings of the publicly traded operating companies, which include:
 - [i] An adjustment related to Lifeco's investment in PSEIP, PSM and SHMI;
 - [ii] An allocation of the results of the fintech portfolio, including Wealthsimple, the Portage Ventures Funds and Portage Capital Solutions, to the contributions from Lifeco and IGM based on their respective interest.

The following table summarizes the effect of consolidation on adjusted net earnings for Lifeco and IGM:

Twelve months ended December 31	2024	2023
Lifeco	(48)	(16)
IGM	(17)	(7)
	(65)	(23)
Per share ^[1]	(0.09)	(0.04)

[1] Attributable to participating shareholders.

2024 vs. 2023

Net earnings	\$2,743 million or \$4.23 per share, compared with \$2,195 million or \$3.32 per share in the corresponding period in 2023, an increase of 27.4% on a per share basis.
Net earnings from continuing operations	\$2,792 million or \$4.31 per share, compared with \$2,282 million or \$3.45 per share in the corresponding period in 2023, an increase of 24.9% on a per share basis.
Adjusted net earnings from continuing operations	\$2,971 million or \$4.58 per share, compared with \$2,671 million or \$4.04 per share in the corresponding period in 2023, an increase of 13.4% on a per share basis.
Contribution to net earnings and adjusted net earnings from continuing operations from Lifeco, IGM and GBL	Contribution to net earnings from continuing operations of \$3,275 million, compared with \$2,767 million in the corresponding period in 2023, an increase of 18.4%. Contribution to adjusted net earnings from continuing operations of \$3,454 million, compared with \$3,112 million in the corresponding period in 2023, an increase of 11.0%.

Main Drivers of Earnings

Net earnings and adjusted net earnings from continuing operations

The Corporation's net earnings and adjusted net earnings for the twelve-month period ended December 31, 2024 increased by \$510 million or 22.3% and by \$300 million or 11.2%, respectively, from the corresponding period in 2023:

- **Lifeco:** contribution to net earnings and adjusted net earnings increased by \$784 million or 40.2% and by \$358 million or 14.3%, respectively.
- **IGM:** contribution to net earnings decreased by \$131 million or 18.3% and the contribution to adjusted net earnings increased by \$62 million or 11.8%.
- **GBL:** contribution to net earnings of \$31 million and to adjusted net earnings of \$75 million, compared with a contribution of \$423 million and \$111 million, respectively, in 2023.
- **Sagard and Power Sustainable:** net earnings include a positive contribution of \$81 million from Sagard and a negative contribution of \$178 million from Power Sustainable in the twelve-month period ended December 31, 2024, compared with a positive contribution of \$11 million from Sagard and a negative contribution of \$172 million from Power Sustainable in the corresponding period in 2023. Adjusted net earnings include a positive contribution of \$65 million from Sagard and a negative contribution of \$136 million from Power Sustainable, compared with a positive contribution of \$11 million from Sagard and a negative contribution of \$86 million from Power Sustainable in the corresponding period in 2023.

A discussion of the results of Lifeco, IGM, GBL and Sagard and Power Sustainable is provided in the sections "Lifeco", "IGM Financial", "GBL" and "Sagard and Power Sustainable" in the section "Review of Segments and Operating Results" below.

For additional discussion of the results of Lifeco and IGM, refer to their respective annual MD&A.

Review of Segments and Operating Results

PUBLICLY TRADED OPERATING COMPANIES

Lifeco

OVERVIEW OF THE BUSINESS

Lifeco is a financial services holding company with interests in life insurance, health insurance, retirement savings, wealth and asset management and reinsurance businesses. Lifeco operates primarily in Canada, the U.S. and Europe under the brands Canada Life, Empower and Irish Life. For reporting purposes, Lifeco has four major reportable segments: Canada, the United States, Europe, and Capital and Risk Solutions. Lifeco focuses on three key value drivers for its business that extend across its reportable operating segments: Workplace Solutions (including group life & health benefits, group creditor, and group retirement and investment services); Wealth & Asset Management (including retail savings and wealth management products and services); and Insurance & Risk Solutions (including life insurance, disability, and critical illness coverage for individuals, and payout annuities for individuals and pension plans as well as reinsurance). On January 1, 2024, Lifeco completed the sale of Putnam Investments to Franklin Templeton, and as a result of the transaction Putnam is classified as discontinued operations.

The Canada segment is operated by Canada Life, offering a broad portfolio of financial and benefit plan solutions for individuals, families, businesses and organizations primarily through the Workplace Solutions, Individual Wealth Management, and Insurance & Annuities business units. Through the Workplace Solutions business unit, Lifeco offers group life and health benefits, group creditor and group retirement and investment product lines, including life, accidental death and dismemberment, critical illness, disability, health and dental protection, creditor insurance, as well as retirement savings and income and annuity products, and other specialty products to group clients in Canada. Through the Individual Wealth Management business unit, Lifeco provides wealth savings and income products and services to individual customers. The Insurance & Annuities business unit offers individual life, disability and critical illness insurance products and services, as well as individual life annuities and single-premium group annuities.

The United States segment is operated by Empower through the Empower Defined Contribution and the Empower Personal Wealth business units, as well as by PanAgora through the Asset Management business unit. The Empower Defined Contribution business unit, which aligns with the Workplace Solutions business value driver, specializes in saving, investing

and advisory services through employer-sponsored defined contribution, defined benefit and non-qualified plans. The Empower Personal Wealth business unit, which aligns with the Wealth & Asset Management value driver, provides extensive retail wealth management products and services tailored to individuals and offers individual retirement accounts, after-tax investment accounts, high-net-worth wealth management and an array of financial planning solutions integrating digitally advanced tools and platforms. The Asset Management business unit provides investment management services, related administrative functions and distribution services, and offers a broad range of investment products. The Corporate business unit includes items not associated directly with or allocated to the Empower and PanAgora Asset Management business units, including a retained block of life insurance, predominately participating policies, which are now administered by Protective Life Insurance Company, as well as a closed life retrocession block. The United States segment also includes the results of Putnam, classified as discontinued operations.

The Europe segment operates under the Canada Life brand in the U.K. and Germany and under the Irish Life brand in Ireland along with other acquired brands within the broker market in Ireland. The Workplace Solutions business unit consists of group life and health insurance business in the U.K. and Ireland as well as group retirement and employee benefit consulting services in Ireland. The Individual Wealth & Asset Management business unit consists of investment products offered in the U.K., pension, savings and investment products offered in Ireland and pension products offered in Germany. The core products offered are investments, including life bonds, retirement drawdown and pension. Irish Life Investment Managers (ILIM) is one of Lifeco's fund management operations in Ireland. In addition to managing assets on behalf of companies in the Lifeco group, ILIM also manages assets for a wide range of institutional clients across Europe and North America. The Insurance & Annuities business unit consists of bulk and individual payout annuities offered in the U.K. and Ireland, equity-release mortgages offered in the U.K., and individual protection insurance offered in Ireland and Germany.

The Capital and Risk Solutions segment includes Lifeco's reinsurance business under the Insurance & Risk Solutions value driver, which operates primarily in the U.S., Barbados, Bermuda and Ireland. Reinsurance products are provided through Canada Life and its subsidiaries and include both reinsurance and retrocession business transacted directly with clients or through reinsurance brokers.

For additional information on Lifeco, refer to its annual MD&A.

RESULTS**Contribution to Power Corporation**

Twelve months ended December 31	2024	2023
Average direct ownership (%)	68.2	68.2
Contribution to earnings		
Net earnings from continuing operations	2,661	1,898
Adjusted net earnings from continuing operations	2,810	2,484
Dividend received	1,411	1,322
As at December 31	2024	2023
Contribution to holding company balance sheets		
Investment in Lifeco, carrying value	17,108	15,326
% of total holding company assets	59.6	57.1
Investment in Lifeco, fair value	30,292	27,871
% of total holding company assets, at fair value	67.7	68.7

Reconciliation of contribution to net earnings and adjusted net earnings of Power Corporation

Twelve months ended December 31	2024	2023
Contribution to Power Corporation's:		
Adjusted net earnings from continuing operations		
As reported by Lifeco	2,858	2,500
Effect of consolidation ^[1]	(48)	(16)
	2,810	2,484
Adjustments		
As reported by Lifeco	(123)	(549)
Effect of consolidation ^[2]	(26)	(37)
	(149)	(586)
Net earnings from continuing operations	2,661	1,898
Net earnings (loss) from discontinued operations—Putnam	(48)	(85)
Net earnings	2,613	1,813

[1] The Effect of consolidation includes the elimination of intercompany transactions and the application of the Corporation's accounting method for investments under common control including an adjustment for Lifeco's investment in PSEIP, PSM and SHMI and an allocation of the results of the fintech portfolio.

[2] Refer to the section "Adjustments" below for details of Effect of consolidation.

Adjusted and net earnings per share as reported by Lifeco

Twelve months ended December 31	2024	2023
Adjusted net earnings from continuing operations ^{[1][2]}	4.50	3.94
Adjustments ^[3]	(0.20)	(0.87)
Net earnings from continuing operations ^[1]	4.30	3.07
Net earnings^[1]	4.23	2.94

[1] Attributable to Lifeco common shareholders.

[2] Defined as "base earnings per common share" by Lifeco, a non-IFRS ratio in its public disclosure. Refer to the section "Disclosures Concerning Public Investees Information" in this document.

[3] See the section "Adjustments" below.

Contribution to adjusted and net earnings by segments as reported by Lifeco

Twelve months ended December 31	2024	2023
Adjusted net earnings from continuing operations⁽¹⁾⁽²⁾		
Canada	1,262	1,158
United States	1,336	1,006
Europe	829	777
Capital and Risk Solutions	818	794
Lifeco Corporate	(53)	(68)
	4,192	3,667
Adjustments⁽³⁾		
Market experience relative to expectations	214	(307)
Realized OCI gains (losses) from asset rebalancing	–	(121)
Assumption changes and management actions	(149)	(20)
Other non-market related impacts ⁽⁴⁾	(246)	(357)
	(181)	(805)
Net earnings from continuing operations⁽¹⁾		
Canada	1,484	961
United States	1,118	769
Europe	813	384
Capital and Risk Solutions	618	833
Lifeco Corporate	(22)	(85)
	4,011	2,862
Net earnings (loss) from discontinued operations—Putnam	(115)	(124)
Net gain from disposal of discontinued operations—Putnam	44	–
Net earnings⁽¹⁾	3,940	2,738

[1] Attributable to Lifeco common shareholders.

[2] Defined as “base earnings (loss)” by Lifeco, a non-IFRS financial measure in its public disclosure. Refer to the section “Disclosures Concerning Public Investees Information” in this document.

[3] See the section “Adjustments” below. Described as “items excluded from base earnings” by Lifeco.

[4] Includes business transformation impacts (including restructuring and integration costs as well as acquisition and divestiture costs), amortization of acquisition-related intangible assets and tax legislative changes and other tax impacts.

2024 vs. 2023

Net earnings	\$3,940 million or \$4.23 per share, compared with \$2,738 million or \$2.94 per share in the corresponding period in 2023, an increase of 43.9% on a per share basis.
Net earnings from continuing operations	\$4,011 million or \$4.30 per share, compared with \$2,862 million or \$3.07 per share in the corresponding period in 2023, an increase of 40.1% on a per share basis.
Adjusted net earnings from continuing operations	\$4,192 million or \$4.50 per share, compared with \$3,667 million or \$3.94 per share in the corresponding period in 2023, an increase of 14.2% on a per share basis.

CANADA

Net earnings in the twelve-month period ended December 31, 2024 increased by \$523 million to \$1,484 million, compared with the corresponding period in 2023. Adjusted net earnings in the twelve-month period ended December 31, 2024 were \$1,262 million, an increase of \$104 million compared with the corresponding period in 2023, primarily due to:

- Strong Workplace Solutions long-term disability and health experience;
- Organic growth of in-force block earnings in Workplace Solutions; and
- Higher net fee and spread income driven by the addition of IPC and Value Partners and favourable market impacts;
- Partially offset by the impact of assumption changes and lower earnings on surplus.

Adjusted net earnings in the twelve-month period ended December 31, 2024 excluded Adjustments of positive \$222 million, compared with Adjustments of negative \$197 million in the corresponding period in 2023. Market experience relative to expectations was positive \$144 million, compared with negative \$139 million in the corresponding period in 2023, primarily due to favourable impacts of risk-free interest rate movements in 2024, compared with unfavourable impacts in the prior year as well as better non-fixed income performance relative to expectations in the current year compared with the corresponding period in 2023. Assumption changes and management actions were positive \$113 million, compared with negative \$38 million in the corresponding period in 2023. For additional information, refer to the section "Assumption Changes and Management Actions" in Lifeco's annual MD&A.

UNITED STATES (continuing operations)

Net earnings from continuing operations in the twelve-month period ended December 31, 2024 increased by US\$241 million (C\$349 million) to US\$813 million (C\$1,118 million), compared with the corresponding period in 2023. Adjusted net earnings were US\$973 million (C\$1,336 million) in the twelve-month period ended December 31, 2024, an increase of US\$224 million (C\$330 million), compared with the corresponding period in 2023, primarily due to:

- A significant increase in fee income driven by growth in the business; and
- Higher equity markets, lower credit-related impacts on commercial loans, as well as higher earnings on surplus assets.
- Partially offset by higher paid crediting rates resulting in lower spread as well as higher operating expenses attributed to growth in the business.

Adjusted net earnings in the twelve-month period ended December 31, 2024 excluded Adjustments of negative US\$160 million (C\$218 million), compared with negative US\$177 million (C\$237 million) in the corresponding period in 2023. The decrease in negative Adjustments was primarily due to more favourable market experience relative to expectations and the non-recurrence of Prudential integration expenses in the corresponding period in 2023, as well as the non-recurrence of a 2023 provision related to Empower's sale of substantially all of its individual life and annuity business in 2019, partially offset by adjustments to transaction-related expenses, higher guaranty fund assessments and unfavourable actuarial assumption changes in the twelve-month period ended December 31, 2024.

EUROPE

Net earnings in the twelve-month period ended December 31, 2024 increased by \$429 million to \$813 million, compared with the corresponding period in 2023. Adjusted net earnings in the twelve-month period ended December 31, 2024 were \$829 million, an increase of \$52 million compared with the corresponding period in 2023, primarily due to:

- Higher CSM recognized for services provided; and
- Growth in surplus income and higher fee income.

Partially offset by:

- Less favourable group experience in the U.K.;
- A change to certain tax estimates from the prior year in Germany that did not repeat; and
- A higher effective tax rate due to the implementation of the GMT.

Adjusted net earnings in the twelve-month period ended December 31, 2024 excluded Adjustments of negative \$16 million, compared with Adjustments of negative \$393 million in the corresponding period in 2023. Market experience relative to expectations was positive \$19 million, compared with negative \$243 million in the corresponding period in 2023, primarily due to favourable market experience relative to expectations in the fourth quarter of 2024 compared with the corresponding quarter in 2023 due to increases in risk-free interest rates. The twelve-month period of 2023 included realized OCI losses of \$121 million that did not repeat related to asset rebalancing in the surplus account. Assumption changes and management actions were negative \$33 million, compared with positive \$67 million in the corresponding period in 2023. For additional information, refer to the section "Assumption Changes and Management Actions" in Lifeco's annual MD&A.

For the twelve-month period ended December 31, 2024, the impact of the GMT was negative \$33 million on net earnings and negative \$38 million on adjusted net earnings.

CAPITAL AND RISK SOLUTIONS

Net earnings in the twelve-month period ended December 31, 2024 decreased by \$215 million to \$618 million, compared with the corresponding period in 2023. Adjusted net earnings in the twelve-month period ended December 31, 2024 were \$818 million, an increase of \$24 million compared with the corresponding period in 2023, as business growth, favourable claims experience in the U.S. life business and higher earnings on surplus were offset by the impact of the GMT and favourable property catastrophe claims experience in 2023 which did not recur.

Adjusted net earnings in the twelve-month period ended December 31, 2024 excluded Adjustments of negative \$200 million, compared with positive \$39 million in the corresponding period in 2023, primarily due to the impact of assumption changes in the third quarter of 2024 as well as the impact of markets. Refer to the section "Assumption Changes and Management Actions" in Lifeco's annual MD&A.

For the twelve-month period ended December 31, 2024, the impact of the GMT was negative \$78 million on net earnings and negative \$101 million on adjusted net earnings, primarily related to operations in Barbados.

ADJUSTMENTS

Adjustments are items excluded from net earnings from continuing operations in the determination of adjusted net earnings by Lifeco's management. Refer to the further discussion above in each of Lifeco's operating segments.

In 2024, Adjustments with a net negative earnings impact of \$181 million after tax consisted of:

- In the fourth quarter of 2024, Adjustments were a net positive impact of \$1 million, which consisted of market experience relative to expectations of positive \$38 million after tax (positive \$59 million pre-tax), assumption changes and management actions of positive \$16 million after tax (positive \$21 million pre-tax), and a positive impact from tax legislative changes and other tax impacts of \$14 million, partially offset by amortization of acquisition-related finite life intangibles of \$37 million after tax (\$51 million pre-tax), and business transformation impacts of negative \$30 million after tax (negative \$34 million pre-tax).
- In the third quarter of 2024, Adjustments were a net negative impact of \$202 million, which consisted of assumption changes and management actions of negative \$203 million after tax (negative \$235 million pre-tax), business transformation impacts of negative \$4 million after tax (negative

\$7 million pre-tax), and amortization of acquisition-related finite life intangibles of \$36 million after tax (\$47 million pre-tax), partially offset by market experience relative to expectations of positive \$41 million after tax (positive \$46 million pre-tax).

- In the second quarter of 2024, Adjustments were a net negative impact of \$33 million, which consisted of business transformation impacts of negative \$29 million after tax (negative \$36 million pre-tax), amortization of acquisition-related finite life intangibles of \$37 million after tax (\$52 million pre-tax), and a negative impact from tax legislative changes and other tax impacts⁽¹⁾ of \$34 million, partially offset by market experience relative to expectations of positive \$28 million after tax (positive \$45 million pre-tax), and assumption changes and management actions of positive \$39 million after tax (positive \$2 million pre-tax).
- In the first quarter of 2024, Adjustments were a net positive impact of \$53 million, which consisted of market experience relative to expectations of positive \$107 million after tax (positive \$136 million pre-tax), and a positive impact from tax legislative changes and other tax impacts⁽¹⁾ of \$34 million, partially offset by assumption changes and management actions of negative \$1 million after tax (positive \$3 million pre-tax), business transformation impacts of negative \$49 million after tax (negative \$67 million pre-tax), and amortization of acquisition-related finite life intangibles of \$38 million after tax (\$50 million pre-tax).

In 2023, Adjustments with a net negative earnings impact of \$805 million after tax consisted of:

- In the fourth quarter of 2023, Adjustments were a net negative earnings impact of \$228 million, which consisted of market experience relative to expectations of negative \$213 million after tax (negative \$351 million pre-tax), business transformation impacts of negative \$67 million after-tax (negative \$137 million pre-tax), and amortization of acquisition-related finite life intangibles of \$31 million after tax (\$42 million pre-tax), partially offset by assumption changes and management actions of positive \$83 million after tax (negative \$28 million pre-tax).

- In the third quarter of 2023, Adjustments were a net negative earnings impact of \$14 million, which consisted of assumption changes and management actions of negative \$106 million after tax (negative \$125 million pre-tax), business transformation impacts of negative \$25 million after tax (negative \$33 million pre-tax), and amortization of acquisition-related finite life intangibles of \$36 million after tax (\$48 million pre-tax), partially offset by market experience relative to expectations of positive \$153 million after tax (positive \$191 million pre-tax).
- In the second quarter of 2023, Adjustments were a net negative earnings impact of \$351 million, which consisted of market experience relative to expectations of negative \$79 million after tax (negative \$92 million pre-tax), realized OCI losses from the sale of surplus assets measured at FVOCI from asset rebalancing of \$121 million after tax (\$158 million pre-tax), business transformation impacts of negative \$111 million after tax (negative \$144 million pre-tax), amortization of acquisition-related finite life intangibles of \$36 million after tax (\$49 million pre-tax), and assumption changes and management actions of negative \$4 million after tax (negative \$5 million pre-tax).
- In the first quarter of 2023, Adjustments were a net negative earnings impact of \$212 million, which consisted of market experience relative to expectations of negative \$168 million after tax (negative \$209 million pre-tax), business transformation impacts of negative \$19 million after tax (negative \$26 million pre-tax), and amortization of acquisition-related finite life intangibles of \$32 million after tax (\$43 million pre-tax), partially offset by assumption changes and management actions of positive \$7 million after tax (positive \$9 million pre-tax).

The information above has been derived from Lifeco's annual MD&A. Lifeco's most recent annual MD&A is available under its profile on SEDAR+ (www.sedarplus.ca).

[1] Net earnings for the twelve months ended December 31, 2024 includes the negative impact of \$113 million related to the GMT. The GMT legislation was enacted in Canada on June 20, 2024, retroactive to January 1, 2024. The negative impact recognized in the second quarter of 2024 included a \$34 million retroactive impact for the first quarter of 2024 as a result of Canada's enactment of legislation in the second quarter. The adjusted net earnings for the first quarter of 2024 have been presented on a pro forma basis as if the legislation had been enacted in the first quarter of 2024, reflecting the impact to adjusted net earnings of \$34 million. Refer to Lifeco's annual MD&A for further details.

IGM Financial

OVERVIEW OF THE BUSINESS

IGM is a leading wealth and asset management company supporting advisors and the clients they serve in Canada, and institutional investors globally. IGM's core business is comprised of wealth manager IG Wealth Management and asset manager Mackenzie Investments. IGM also holds a number of strategic investments that provide benefits to the operating subsidiaries while furthering IGM's growth prospects. IGM has three reportable segments: Wealth Management, Asset Management, and Corporate and Other.

The Wealth Management segment reflects the activities of its core business and strategic investments that are principally focused on providing financial planning and related services to retail client households. This segment includes the activities of IG Wealth Management, a retail distribution organization that serves Canadian households through its securities dealer, mutual fund dealer and other subsidiaries licensed to distribute financial products and services. IG Wealth Management provides clients with personalized advice, comprehensive financial planning, insurance and mortgage services and professionally managed investment solutions. IG Wealth Management distinguishes itself from its competition by offering comprehensive planning to its clients that synchronizes their financial lives. This segment also includes the investment management activities of these organizations, including mutual fund management and discretionary portfolio management services, as well as IGM's strategic investments in Rockefeller (classified as an investment in an associate) and Wealthsimple (classified by IGM as an investment at FVOCI).

The Asset Management segment reflects the activities of its core business and strategic investments primarily focused on providing investment management services. This segment includes the operations of Mackenzie Investments which provides investment management services to a suite of investment funds that are distributed through third-party dealers and financial advisors, and through institutional advisory mandates to financial institutions, pensions and other institutional investors. Mackenzie Investments is a diversified asset management solutions provider and provides investment management and related services with a wide range of investment mandates through a boutique structure and multiple distribution channels. Mackenzie seeks to be Canada's preferred global asset management solutions provider and business partner. This segment also includes IGM's strategic investments in ChinaAMC and Northleaf which are both classified as an investment in an associate.

The Corporate and Other segment primarily represents the investments made by IGM in Lifeco and the Portage Ventures Funds (refer to the section "Sagard and Power Sustainable"), IGM's unallocated capital, as well as consolidation elimination entries.

For additional information on IGM, refer to its annual MD&A.

RESULTS**Contribution to Power Corporation**

Twelve months ended December 31	2024	2023
Average direct ownership (%)	62.3	62.1
Contribution to earnings		
Net earnings from continuing operations	583	446
Adjusted net earnings from continuing operations	569	517
Dividend received	333	333
As at December 31	2024	2023
Contribution to holding company balance sheets		
Investment in IGM, carrying value	4,094	3,702
% of total holding company assets	14.3	13.8
Investment in IGM, fair value	6,792	5,179
% of total holding company assets, at fair value	15.2	12.8

Reconciliation of contribution to net earnings and adjusted net earnings of Power Corporation

Twelve months ended December 31	2024	2023
Contribution to Power Corporation's		
Adjusted net earnings from continuing operations		
As reported by IGM ^{[1][2]}	586	524
Effect of consolidation ^[3]	(17)	(7)
	569	517
Adjustments		
As reported by IGM ^[2]	(3)	190
Effect of consolidation ^{[2][4]}	17	(261)
	14	(71)
Net earnings from continuing operations	583	446
Net earnings (loss) from discontinued operations		
Effect of consolidation ^[5]	(1)	(2)
Net earnings	582	444

[1] Based on adjusted net earnings available to IGM common shareholders.

[2] In 2024, IGM modified its definition of adjusted net earnings to exclude its proportionate share of items that Lifeco excludes from its net earnings reported in accordance with IFRS. The comparative information for the Corporation's share of adjusted net earnings and adjustments reported by IGM and the Effect of consolidation have been restated to reflect this change.

[3] The Effect of consolidation includes the elimination of intercompany transactions and the application of the Corporation's accounting method for investments under common control including an allocation of the results of the fintech portfolio.

[4] Refer to the section "Adjustments" below for details of Effect of consolidation.

[5] Represents IGM's share of the discontinued operations of Lifeco.

Adjusted and net earnings per share as reported by IGM

Twelve months ended December 31	2024	2023
Adjusted net earnings ^{[1][2][3]}	3.95	3.54
Adjustments ^{[3][4][5]}	(0.02)	1.28
Net earnings^[1]	3.93	4.82

[1] Available to IGM common shareholders.

[2] Adjusted net earnings per share is identified as a non-IFRS ratio in IGM's public disclosure. Refer to the section "Disclosures Concerning Public Investees Information" in this document.

[3] In 2024, IGM modified its definition of adjusted net earnings to exclude its proportionate share of items that Lifeco excludes from its net earnings reported in accordance with IFRS. The comparative information has been restated to reflect this change.

[4] See the section "Adjustments" below.

[5] Described as "Other items" by IGM in its public disclosure. Refer to the section "Disclosures Concerning Public Investees Information" in this document.

Contribution to adjusted net earnings by segments and net earnings as reported by IGM

Twelve months ended December 31	2024	2023
Wealth Management ^[1]	478	443
Asset Management ^[1]	350	310
Corporate and Other ^[1]	111	90
Adjusted net earnings ^{[2][3]}	939	843
Adjustments ^{[3][4]}	(5)	306
Net earnings^[2]	934	1,149

[1] Debt and interest expense is allocated to each segment based on IGM's assessment of: i) capacity to service the debt, and ii) where the debt is being serviced.

[2] Available to IGM common shareholders.

[3] Adjusted net earnings is identified as a non-IFRS financial measure in IGM's public disclosure. Refer to the section "Disclosures Concerning Public Investees Information" in this document. IGM does not allocate Adjustments to segments. In 2024, IGM modified its definition of adjusted net earnings to exclude its proportionate share of items that Lifeco excludes from its net earnings reported in accordance with IFRS. The comparative information has been restated to reflect this change.

[4] Described as "Other items" by IGM in its public disclosure. Refer to the section "Disclosures Concerning Public Investees Information" in this document.

2024 vs. 2023

Net earnings	<p>\$934 million or \$3.93 per share, compared with \$1,149 million or \$4.82 per share in the corresponding period in 2023, a decrease of 18.5% on a per share basis.</p> <p>Net earnings in 2023 include IGM's gain of \$169 million recognized on the sale of a portion of its interest in Lifeco to the Corporation, and its gain of \$221 million recognized on the sale of IPC to Lifeco. The Corporation eliminated these gains on consolidation.</p>
Adjusted net earnings	<p>\$939 million or \$3.95 per share, compared with \$843 million or \$3.54 per share in the corresponding period in 2023, an increase of 11.6% on a per share basis.</p>

Adjusted net earnings exclude Adjustments of a negative earnings impact of \$5 million in the twelve-month period ended December 31, 2024, compared with Adjustments of a positive earnings impact of \$306 million in the corresponding period in 2023. These Adjustments are not allocated to segments. The following is a summary of each segment's net earnings and adjusted net earnings:

WEALTH MANAGEMENT

Adjusted net earnings increased by \$35 million to \$478 million in the twelve-month period ended December 31, 2024, compared with the corresponding period in 2023. Adjusted net earnings of Wealth Management include a negative contribution from strategic investments of \$12 million, compared with a negative contribution of \$4 million in the corresponding period in 2023. As well, adjusted net earnings of Wealth Management in the corresponding period in 2023 included \$15 million of net earnings of IPC, which IGM has presented as discontinued operations. The contribution to adjusted net earnings from IG Wealth Management increased by \$57 million to \$490 million, primarily due to:

- An increase in income from advisory fees of \$107 million to \$1,295 million, primarily due to the increase in average assets under advisement (AUA)^[1] of 12.9%, partially offset by a decrease in the advisory fee rate. The average advisory fee rate for the twelve-month period was 98.8 basis points of average AUA, compared with 102.3 basis points in the corresponding period in 2023. Fee rates are determined based on client AUA levels and the average rate will fluctuate based on changes in a client's AUA as well as product mix;
- An increase in income from product and program fees of \$105 million to \$996 million, primarily due to the increase in average assets under management (AUM)^[1] of 11.5%. The average product and program fee rate for the twelve-month period was 85.6 basis points of AUM, compared with 85.7 basis points in the corresponding period in 2023; and
- An increase in other financial planning revenues of \$29 million to \$155 million, primarily due to higher earnings from the mortgage banking operations and higher revenues from the distribution of insurance products, partially offset by lower revenues from the distribution of banking products. The increase in earnings from the mortgage banking operations was due to higher interest income on mortgages held prior to securitization, partially offset by the increase in negative fair value adjustments.

Partially offset by:

- An increase in advisory and business development expenses of \$111 million to \$1,034 million in the twelve-month period which includes compensation paid to advisors, the majority of which varies directly with asset or sales levels. Asset-based compensation increased by \$81 million to \$666 million, primarily due to increases in AUA and other compensation changes. Sales-based compensation payments are based upon the level of new assets contributed to client accounts and are capitalized and amortized as they reflect incremental costs to obtain a client contract. Sales-based compensation increased by \$13 million to \$104 million. Other advisory and business development expenses increased by \$18 million to \$264 million in the twelve-month period, primarily due to higher compensation paid on the distribution of insurance products;
- An increase in operations and support expenses of \$25 million to \$462 million, which includes costs that support wealth management and other general and administrative functions such as product management, technology and operations, as well as other functional business units and corporate expenses;

- An increase in sub-advisory expenses of \$19 million to \$191 million, primarily due to changes in AUM;
- An increase in interest expense of \$5 million to \$103 million, which includes allocated interest expense on long-term debt and interest expense on leases. Long-term debt interest expense is calculated based on an allocation of IGM's long-term debt to IG Wealth Management. The allocation of debt increased during the second quarter of 2023, as a result of the issuance of long-term debt by IGM; and
- An increase in income taxes of \$21 million to \$178 million.

ASSET MANAGEMENT

The Asset Management segment includes the fees received from IGM's mutual funds, Wealth Management segment and third parties for investment management services.

Adjusted net earnings increased by \$40 million to \$350 million in the twelve-month period ended December 31, 2024, compared with the corresponding period in 2023. Adjusted net earnings of Asset Management include a positive contribution of \$116 million from strategic investments, compared with \$106 million in the corresponding period in 2023. The adjusted net earnings of Mackenzie increased by \$30 million to \$234 million, primarily due to:

- An increase in net asset management fees, which is asset management fees offset by dealer compensation expenses, of \$43 million to \$783 million. Net asset management fees-third party were \$662 million, an increase of \$36 million compared with the corresponding period in 2023, primarily due to an increase in the average AUM of 8.2%, partially offset by a decrease in the net asset management fee rate. Mackenzie's net asset management fee rate was 52.9 basis points for the twelve months ended December 31, 2024, compared with 54.4 basis points in the corresponding period in 2023. Asset management fees-Wealth Management were \$121 million, an increase of \$7 million from the corresponding period in 2023; and
- An increase in net investment income and other of \$12 million to \$24 million. Net investment income and other primarily includes investment returns related to Mackenzie's investments in proprietary funds, which are generally made in the process of launching a fund and are sold as third-party investors subscribe.

Partially offset by:

- An increase in expenses of \$14 million to \$463 million, primarily due to an increase in operations and support expenses of \$10 million and an increase in advisory and business development expenses of \$3 million. Advisory and business development expenses primarily include wholesale distribution activities which vary directly with assets or sales levels. Operations and support expenses include costs associated with business operations, including technology and business processes, in-house investment management and product shelf management, corporate management and support functions. These expenses primarily reflect compensation, technology and other service provider expenses; and
- An increase in income taxes of \$10 million to \$84 million.

[1] Refer to the section "Other Measures" for a definition of AUA and AUM.

ASSETS UNDER MANAGEMENT AND ADVISEMENT

AUA are a key performance indicator for the Wealth Management segment.

AUM are the key driver of the Asset Management segment and an additional driver of revenues and expenses within the Wealth Management segment in relation to its investment management activities.

Total assets under management and advisement (AUM&A) were as follows:

December 31 [in billions of dollars]	2024	2023
Wealth Management		
IG Wealth Management AUM	123.2	107.6
IG Wealth Management other AUA	17.2	13.6
Assets under advisement	140.4	121.2
Asset Management		
Third-party AUM	129.9	118.9
Sub-advisory and AUM to Wealth Management	83.4	76.8
Assets under management	213.3	195.7
Consolidated ^[1]		
Assets under management	253.1	226.6
Assets under management and advisement ^[2]	270.4	240.2

[1] Represents the consolidated AUM&A of IGM. In the Wealth Management segment, assets under management is a component part of assets under advisement. All instances where the Asset Management segment is providing investment management services or distributing its products through the Wealth Management segment are eliminated in IGM's reporting such that there is no double counting of the same client savings held at IGM's operating companies.

[2] Includes adjustment representing the elimination of double counting where business is reflected within multiple segments.

Total average assets under management and advisement were as follows:

	2024				2023			
[in billions of dollars]	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Wealth Management ^[1]								
IG Wealth Management AUA	139.4	132.9	128.1	124.0	117.1	116.9	116.1	114.7
IG Wealth Management AUM	123.3	117.7	113.5	110.0	104.2	104.7	104.2	103.3
Asset Management								
Third-party AUM	130.0	125.7	122.8	121.0	114.1	115.5	116.3	115.7
Total AUM	213.9	207.5	201.8	198.9	189.3	191.9	193.1	192.0
Consolidated ^{[1][2]}								
Assets under management	253.3	243.4	236.3	231.0	219.2	221.5	221.8	220.2
Assets under management and advisement ^[3]	269.3	258.6	250.9	245.0	232.1	233.7	233.6	231.6

[1] Excludes AUM and AUM&A of IPC, reported as discontinued operations by IGM in 2023; comparative information presented has been restated to exclude IPC.

[2] Represents the consolidated AUM&A of IGM. All instances where the Asset Management segment is providing investment management services or distributing its products through the Wealth Management segment are eliminated in IGM's reporting such that there is no double counting of the same client savings held at IGM's operating companies.

[3] Includes adjustment representing the elimination of double counting where business is reflected within multiple segments.

ADJUSTMENTS

Adjustments are items excluded from net earnings in the determination of adjusted net earnings by IGM's management.

In 2024, Adjustments with a negative earnings impact of \$5 million after tax consisted of:

- In the fourth quarter of 2024, adjusted net earnings excluded a positive impact of \$5 million, related to the benefit from a tax loss consolidation transaction that IGM has entered into with a subsidiary of the Corporation.
- In the third quarter of 2024, adjusted net earnings excluded a negative impact of \$5 million related to IGM's proportionate share of Lifeco's adjustments.
- In the second quarter of 2024, adjusted net earnings excluded a negative impact of \$4 million after tax (\$4 million pre-tax), comprised of:
 - IGM's proportionate share of Rockefeller's one-time debt refinancing costs of \$3 million, related to the early repayment of one of Rockefeller's financing facilities; and
 - IGM's proportionate share of Lifeco's adjustments of \$1 million.
- In the first quarter of 2024, adjusted net earnings excluded a negative impact of \$1 million related to IGM's proportionate share of Lifeco's adjustments.

In 2023, Adjustments with a positive earnings impact of \$306 million after tax consisted of:

- In the fourth quarter of 2023, adjusted net earnings excluded a net positive impact of \$215 million after tax comprised of a positive impact of \$221 million after tax (\$221 million pre-tax) related to IGM's net gain, net of transaction costs, recognized on the sale of IPC to Lifeco, partially offset by a negative impact of \$6 million related to IGM's proportionate share of Lifeco's adjustments. The Corporation has not included the amount of the gain on the sale of IPC in its Adjustments as this gain was eliminated on consolidation.

- In the third quarter of 2023, adjusted net earnings excluded a negative impact of \$10 million related to IGM's proportionate share of Lifeco's adjustments.
- In the second quarter of 2023, adjusted net earnings excluded a negative impact of \$74 million after tax (\$100 million pre-tax), comprised of:
 - Restructuring and other charges of \$76 million after tax (\$103 million pre-tax), related to further streamlining and simplifying IGM's operating model to better align with its business priorities.
 - A decrease of \$6 million after tax (\$6 million pre-tax) recorded on a prospective basis related to the gain recognized by IGM in the first quarter on the sale of a portion of its investment in Lifeco to the Corporation. The Corporation has not included the amount of the gain on the sale of Lifeco in its Adjustments as this gain was eliminated on consolidation.
 - An adjustment related to Lifeco's IFRS 17 impact of \$15 million after tax (\$15 million pre-tax), representing a change in estimate which IGM recorded on a prospective basis. This adjustment has been eliminated by the Corporation on consolidation in the effect of consolidation.
 - IGM's proportionate share of Lifeco's adjustments of \$6 million.
- In the first quarter of 2023, adjusted net earnings excluded a positive impact of \$175 million after tax (\$179 million pre-tax) related to IGM's sale of a portion of its investment in Lifeco to the Corporation. The Corporation has not included the amount of the gain on the sale of Lifeco in its Adjustments as this gain was eliminated on consolidation.

The information above has been derived from IGM's annual MD&A. IGM's most recent annual MD&A is available under its profile on SEDAR+ (www.sedarplus.ca).

GBL

OVERVIEW OF THE BUSINESS

GBL is an established investment holding company. As a leading and active investor in Europe, GBL is focused on long-term value creation with the support of a stable family shareholder base. GBL aims to grow its diversified high-quality portfolio of listed, direct private and indirect private investments. GBL Capital, the group's indirect private investment activity,

provides additional sources of diversification to GBL's portfolio. In addition, GBL is developing its third-party asset management activity through GBL Capital and Sienna Investment Managers. GBL's portfolio is composed of global companies, leaders in their sectors, in which GBL can contribute to value creation by being an active professional investor.

At December 31, 2024, GBL's portfolio was mainly comprised of the following investments (% equity ownership):

Publicly listed

- Imerys (EPA: NK) (54.7%)—industrial mineral-based specialty solutions
- SGS (SIX: SGSN) (19.1%)—testing, inspection and certification solutions
- Pernod Ricard (EPA: RI) (6.8%)—spirits
- adidas (XETR: ADS) (3.5%)—design, development and distribution of sporting goods
- Umicore (EBR: UMI) (15.9%)—automotive catalysts, cathode materials for batteries and precious metals recycling
- Concentrix (NASDAQ: CNXC) (13.5%)—global provider of customer experience (CX) solutions and technologies
- Ontex (EBR: ONTEX) (19.98%)—provider of personal hygiene solutions

Privately held

- Affidea (99.1%)—provider of advanced diagnostics and outpatient services
- Sanoptis (83.3%)—provider of ophthalmology services
- Canyon (49.8%)—direct-to-consumer manufacturer of premium bicycles
- Parques Reunidos (23.0%)—operator of leisure parks
- Voodoo (15.0%)—developer and publisher of mobile games

Through GBL Capital and Sienna Investment Managers, GBL has expanded its activities into indirect private assets and third-party asset management. GBL Capital invests in externally managed funds and direct co-investments allocated to buyout, venture capital/growth, private credit and hedge funds. Sienna Investment Managers offers a full range of investment strategies spanning listed and private assets, with a long-term perspective and strong ESG focus. Strategies managed include listed assets, private credit, real estate and hybrid assets.

GBL reported a net asset value (refer to the section “Other Measures”) at December 31, 2024 of €15,681 million or €113.30 per share, compared with €16,671 million or €113.64 per share at December 31, 2023.

For additional information on GBL, refer to its public disclosure.

RESULTS

Contribution to Power Corporation

Twelve months ended December 31	2024	2023
Average direct ownership (%) ^[1]	16.1	15.3
Contribution to earnings		
Net earnings (loss)	31	423
Adjusted net earnings (loss)	75	111
Total dividend received ^[2]	92	92
As at December 31	2024	2023
Contribution to holding company balance sheets		
Investment in GBL, carrying value	3,683	3,717
% of total holding company assets	12.8	13.8
Investment in GBL, fair value	2,162	2,295
% of total holding company assets, at fair value	4.8	5.7

[1] Average direct ownership presented does not consider the effect of the treasury shares held by GBL. The average economic ownership including the effect of treasury shares was 17.9% for the twelve-month period ended December 31, 2024 (16.9% in 2023).

[2] Total dividend received from Parjointco was €62 million for the year ended December 31, 2024, compared with €63 million for the year ended December 31, 2023.

Reconciliation of contribution to net earnings and adjusted net earnings of Power Corporation

Twelve months ended December 31	2024	2023
Contribution to Power Corporation's		
Adjusted net earnings (loss) ^[1]	75	111
Adjustments		
Webhelp deconsolidation and revaluation of NCI liabilities	–	321
Market-related impacts on embedded derivatives	–	15
Imerys' currency translation reclassification and impairment	(44)	(24)
	(44)	312
Net earnings (loss)	31	423

[1] In 2024, the Corporation modified the definition of adjusted net earnings. Refer to the section “Non-IFRS Financial Measures”. The comparative information for the Corporation's share of adjusted net earnings and adjustments has been restated to reflect this change.

Contribution to net earnings (loss) as reported by GBL

Twelve months ended December 31 [in millions of euros]	2024	2023
Share of earnings (loss) of associates and consolidated operating companies of:		
Imerys	(52)	28
Parques Reunidos/Piolin II	(25)	(22)
Canyon	(19)	(6)
Sanoptis	(75)	(47)
Affidea	(15)	(42)
Webhelp	–	14
GBL Capital and Sienna Investment Managers	18	48
	(168)	(27)
Net dividends from investments:		
SGS	126	118
Pernod Ricard	81	81
Umicore	31	31
Concentrix	10	2
adidas	6	8
Holcim	–	34
GEA	–	10
Other	1	2
	255	286
Other financial income (expenses)		
Derivatives associated with exchangeable and convertible bonds	2	61
Change in value of liability to Webhelp's minority shareholders	–	107
Other financial income (expenses)	195	252
	197	420
Other operating income (expenses)		
Change in value of liability for Webhelp's employee incentive plan	–	(112)
Other operating income (expenses)	(171)	(121)
	(171)	(233)
Gains (losses) from disposals, impairments and reversals of non-current assets	41	1,308
Interest income (expenses)	(21)	(30)
Taxes	(1)	(1)
Net earnings (loss)^{[1][2]}	132	1,723

[1] Described as "IFRS consolidated net result" in GBL's publicly disclosed information.

[2] Attributable to GBL shareholders.

2024 vs. 2023

Net earnings (loss)	Net earnings of €132 million, compared with net earnings of €1,723 million in the corresponding period in 2023.
	GBL's net earnings in the third quarter of 2023 included a gain recognized on the deconsolidation of Webhelp of €1.3 billion, including the reversal of the liability to Webhelp's minority shareholders.

For the twelve-month period ended December 31, 2024, net earnings were €132 million, compared with net earnings of €1,723 million in the corresponding period in 2023. The decrease in net earnings of €1,591 million was mainly due to:

- A decrease in the contribution from gains (losses) from disposals, impairments and reversals of non-current assets of €1,267 million to a contribution to GBL of €41 million, compared with a contribution of €1,308 million in the corresponding period in 2023. The contribution in the twelve-month period ended December 31, 2024 included a gain related to the sale of one investment by GBL Capital. In the twelve-month period ended December 31, 2023, GBL recognized a gain on the deconsolidation of Webhelp of €1.3 billion following the closing of the transaction with Concentrix. The gain on deconsolidation of Webhelp included the reversal of the liability to Webhelp's minority shareholders, which was extinguished on closing of the transaction;
- An increase in the negative contribution from the share of earnings of associates and consolidated operating companies of €141 million to a negative contribution to GBL of €168 million, compared with a negative contribution of €27 million for the corresponding period in 2023, mainly due to:
 - A decrease in the contribution from Imerys of €80 million to a negative contribution to GBL of €52 million. In the third quarter of 2024, Imerys disposed of its assets serving the paper market, resulting in a non-cash loss of €302 million from the reclassification of the related cumulative translation adjustment in earnings (mainly arising from the devaluation of the Brazilian real). GBL's share of this loss was €166 million;
 - A decrease in the contribution from Sanoptis and Canyon of €41 million to a negative contribution to GBL of €75 million and €19 million, respectively;
 - A decrease in the contribution from Webhelp of €14 million as it was deconsolidated in the third quarter of 2023 following the closing of the transaction with Concentrix; and
 - A decrease in the contribution from investments consolidated or accounted for using the equity method by GBL Capital and Sienna Investment Managers of €30 million to a contribution to GBL's earnings of €18 million.

Average Exchange Rates

The average exchange rates for the twelve-month period ended December 31, 2024 and 2023 were as follows:

Twelve months ended December 31	2024	2023	Change %
EUR/CAD	1.4818	1.4597	1.5

Adjustments

Effective the fourth quarter of 2024, management of the Corporation has applied the definition of adjusted net earnings to the results reported by GBL and identified Adjustments. Adjustments are items excluded from GBL's contribution to the Corporation's net earnings in the determination of the contribution to adjusted net earnings.

In 2024, Adjustments with a negative earnings impact of \$44 million consisted of the Corporation's proportionate share of the non-cash loss recognized by Imerys in the third quarter of 2024 on its disposition of assets serving the paper market, primarily due to the reclassification of the related cumulative translation adjustment in earnings.

In 2023, Adjustments with a positive earnings impact of \$312 million consisted of the Corporation's proportionate share of:

- The gain on deconsolidation of Webhelp of \$321 million recognized in the third quarter of 2023, primarily related to the reversal of the liability to Webhelp's minority shareholders; and

Partially offset by:

- A decrease in the negative contribution from Affidea of €27 million to a negative contribution to GBL of €15 million.
- A decrease in the contribution from other financial income of €223 million to a positive contribution to GBL of €197 million in the twelve-month period ended December 31, 2024, compared with a positive contribution of €420 million in the corresponding period in 2023. The decrease in other financial income is primarily due to:
 - A gain of €2 million on the marking to market of derivatives associated with the exchangeable and convertible bonds issued by GBL, compared with a gain of €61 million in the corresponding period in 2023;
 - A net increase in the fair value of GBL Capital's investments in alternative funds and direct co-investments in private equity classified as FVPL of €197 million, compared with a net increase in fair value of €188 million in the corresponding period in 2023;
 - A loss of €22 million on the marking to market of the Concentrix earnout shares; and
 - The twelve-month period ended December 31, 2023 included a positive impact of €107 million related to the decrease in the liability to Webhelp's minority shareholders, which was extinguished on closing of the transaction with Concentrix in 2023.
- A decrease in dividends of €31 million to €255 million, mainly due to a decrease in the dividend received from Holcim and GEA, partially offset by an increase in dividends received from Concentrix and SGS.
- Partially offset by a decrease in other operating expenses of €62 million to €171 million. Other operating expenses in the twelve-month period ended December 31, 2024 includes an expense of €39 million related to a new carried interest program implemented in January 2024. The twelve-month period of 2023 included an increase in the liability recorded for Webhelp's employee incentive plan of €112 million, which was extinguished at the closing of the transaction with Concentrix in 2023.

- The remeasurement gain due to the marking to market of derivatives on convertible and exchangeable bonds of \$15 million, of which a loss of \$3 million was recognized in the fourth quarter.

Partially offset by:

- An impairment charge recognized in the fourth quarter by Imerys on its assets serving the paper market, reflecting current market conditions and recent expressions of interest received in respect to that group of assets, of \$24 million.

The information above has been derived from GBL's public disclosure. Further information on GBL's results is available on its website (www.gbl.com).

OTHER COMPONENTS OF EARNINGS**Sagard and Power Sustainable**

The Corporation, through its alternative asset investment platforms, Sagard and Power Sustainable, continues to develop alternative asset management businesses which build upon the investment capabilities that have been created over many years in several high-growth asset classes. The alternative asset investment platforms are focused on growing their asset management businesses through raising third-party capital as well as the expansion of strategies and asset classes:

- Sagard is a global multi-strategy alternative asset management firm active in venture capital, private equity, private credit and real estate. Sagard delivers flexible capital, an entrepreneurial culture, and a global network of investors, commercial partners, advisors, and value creation experts to its portfolio companies. Sagard also engages in private wealth management and holds strategic interests in other alternative asset management businesses. The firm has offices in Canada, the U.S., Europe and the Middle East.

- Power Sustainable is a sustainability-focused investment manager with offices in Canada and the U.S. Power Sustainable finances companies and projects aiming for both competitive returns and positive sustainability outcomes, and offers institutional investors exposure to alternative assets which aim to accelerate and scale sustainable solutions across multiple industries. Power Sustainable is currently comprised of three strategies: Power Sustainable Energy Infrastructure, Power Sustainable Infrastructure Credit and Power Sustainable Lios (agri-food private equity).

Sagard and Power Sustainable comprise the results of the investment platforms, which include income earned from asset management and investing activities. Earnings from asset management activities include income earned from management fees and carried interest, net of investment platform expenses. Earnings from investing activities comprise income earned on the capital invested by the Corporation (proprietary capital) in the investment funds managed by each platform and the share of earnings (losses) of controlled and consolidated subsidiaries held within the investment platforms.

CONTRIBUTION TO POWER CORPORATION

Summary of Adjusted and net earnings (loss) from Sagard and Power Sustainable:

Twelve months ended December 31	2024	2023
Contribution to Power Corporation's:		
Adjusted net earnings (loss)		
Asset management activities		
Sagard	5	(25)
Power Sustainable	(65)	(52)
Investing activities (proprietary capital)		
Sagard	60	36
Power Sustainable	(71)	(34)
	(71)	(75)
Adjustments		
Sagard	16	–
Power Sustainable	(42)	(86)
Net earnings (loss)	(97)	(161)

The following sections discuss the overview and results of the asset management and investing activities of the investment platforms.

ASSET MANAGEMENT ACTIVITIES

Overview of the Businesses

SAGARD

At December 31, 2024 Sagard had \$39.3 billion (US\$27.3 billion) of assets under management (\$21.3 billion (US\$16.1 billion) at December 31, 2023), including unfunded commitments (refer to the section "Other Measures"), across four asset classes: venture capital, private equity, private credit and real estate, including \$1.2 billion through its private wealth investment platform (\$1.5 billion at December 31, 2023). At December 31, 2024, assets under management include \$5.2 billion (US\$3.6 billion) and \$7.9 billion (US\$5.5 billion) managed through PEM's fund of funds, direct investment funds and separately managed accounts, and are presented within the venture capital and private equity asset classes, respectively.

Sagard manages assets within funds, separately managed accounts and co-investment vehicles. The composition of the assets under management by strategy is as follows:

December 31 [In billions of dollars]	2024	2023
Venture Capital ^[1]	11.3	3.8
Private Equity	12.9	4.2
Private Credit ^[2]	6.6	5.1
Real Estate	7.4	6.7
Other ^[3]	1.1	1.5
Assets under management	39.3	21.3
<i>Power Corporation</i>	<i>2.0</i>	<i>1.6</i>
<i>Third parties and associated companies^[4]</i>	<i>37.3</i>	<i>19.7</i>
Fee-bearing capital^{[5][6]}	26.5	14.0
<i>Power Corporation</i>	<i>1.1</i>	<i>1.0</i>
<i>Third parties and associated companies^[4]</i>	<i>25.4</i>	<i>13.0</i>

[1] Includes inter-fund eliminations of Portage Ventures I and Portage Ventures II interests in the Diagram Funds within the Venture Capital asset class.

[2] Includes Sagard Healthcare Partners. Comparative information has been reclassified to conform with the current presentation.

[3] Includes assets managed through its private wealth investment platform, as well as inter-fund eliminations between the private wealth investment platform and other asset classes.

[4] Associated companies includes commitments from management, as well as commitments from Lifeco, IGM and GBL.

[5] Refer to the section "Other Measures".

[6] Excludes the fee-bearing capital of Sagard's private wealth investment platform of \$1.2 billion at December 31, 2024 (\$1.4 billion at December 31, 2023).

REVIEW OF FINANCIAL PERFORMANCE

Sagard's weighted average management fee rate (refer to the section "Other Measures") was 1.03% for the twelve-month period ended December 31, 2024, compared with 1.26% in the corresponding period in 2023. The decrease is primarily due to the change in the composition of assets under management and related fee rates following the acquisition of PEM, a fund of funds manager, in the first quarter of 2024.

The following table summarizes the funds managed by Sagard and the Corporation's interests in each of the funds:

December 31, 2024			Interest held				Manager compensation		
[in millions; except as otherwise noted]	Currency	Vintage	Capital commitments	Power Corporation	Associated companies ^[1]	Third parties	Fees ^[2]		Carried interest ^[3]
			(\$)	(%)	(%)	(%)	(%)		(%)
Venture Capital									
Portage Ventures I ^[4]	C\$	2016	474	38.1	61.9	–	2.00	Invested capital	10.0
Portage Ventures II ^[5]	C\$	2018	427	12.4	16.8	70.8	2.00	Invested capital	20.0
Portage Ventures III ^[5]	US\$	2021	655	2.4	15.3	82.3	2.25	Invested capital	20.0
Portage Ventures IV ^[6]	US\$	2024	429	5.8	16.3	77.9	2.50	Committed capital	20.0
Portage Capital Solutions	US\$	2023	513	29.2	33.9	36.9	2.00	Committed capital	20.0
Diagram Funds ^[7]	C\$	2016-2023	400	17.7	17.5	64.8	1.00-2.50	Committed capital	nil-20.0
PEM Venture Capital (PVC)									
PEM-PVC I	US\$	2005	650	–	0.3	99.7	nil	Committed capital	5.0
PEM-PVC II-III	US\$	2008-2014	833	–	0.7	99.3	0.38-0.50	Committed capital	5.0
PEM-PVC IV-V	US\$	2018-2021	473	–	2.5	97.5	0.30-0.95	Committed capital	5.0
PEM-PVC VI and SOF ^[6]	US\$	2024	177	2.8	1.0	96.2	0.30-0.95	Committed capital	5.0
Private Equity									
Sagard Private Equity Canada	C\$	2021	407	3.7	13.7	82.6	2.00	Committed capital	20.0
Sagard MidCap II ^[5]	€	2007	728	22.4	25.6	51.9	1.75	Invested capital	20.0
Sagard MidCap 3 ^{[5][8]}	€	2013	729	0.2	21.5	78.3	2.00	Invested capital	20.0
Sagard MidCap 4	€	2020	815	18.6	21.7	59.7	1.75	Committed capital	20.0
Sagard NewGen	€	2020	313	6.0	12.6	81.4	2.00	Committed capital	20.0
PEM Direct Investment (PDI)									
PEM-PDI III-IV	US\$	2014-2019	474	–	2.4	97.6	1.00	Invested capital	10.0
PEM-PDI V ^[6]	US\$	2024	230	13.1	1.0	85.9	1.00	Committed capital	10.0
Private Credit									
Sagard Credit Partners I	US\$	2018	557	18.0	1.0	81.0	1.50	Invested capital	15.0
Sagard Credit Partners II	US\$	2022	1,167	4.3	5.2	90.5	1.50	Invested capital	20.0
Sagard Senior Lending Partners	US\$	2023	501	–	20.8	79.2	1.25	Invested capital	15.0
Sagard Private Credit ^{[6][9]}	C\$	2024	75	33.9	–	66.1	1.00-1.30	Net asset value	15.0
Sagard Healthcare Partners ^{[6][10]}	US\$	2019	1,226	10.1	0.4	89.5	1.50-1.75	Committed capital	20.0
Real Estate									
USPF ^{[6][9]}	US\$	2002	887	1.7	24.2	74.1	0.75-0.98	Net asset value	–

[1] Associated companies includes commitments from management as well as commitments from Lifeco (\$33 million in Portage Ventures II, US\$59 million in Portage Ventures III, US\$60 million in Portage Ventures IV, US\$143 million in Portage Capital Solutions, \$50 million in SPEC, €50 million in Sagard MidCap 4, US\$50 million in Sagard Credit Partners II, US\$101 million in SLP, and US\$214 million in USPF), IGM (\$33 million in Portage Ventures II, US\$26 million in Portage Ventures III and US\$10 million in Portage Ventures IV), Pargesa (€33 million in Sagard MidCap II), and GBL (US\$25 million in Portage Capital Solutions, €102 million in Sagard MidCap II, €153 million in Sagard MidCap 3, €105 million in Sagard MidCap 4 and €15 million in Sagard NewGen). Lifeco and IGM have invested \$27 million and \$266 million, respectively, in Portage Ventures I.

[2] Represents the base management fees. The management fees presented for the PEM-PVC funds represent the range of base fees over the remaining life of each fund.

[3] Represents the base carried interest for each fund. Sagard will receive an allocation of carried interest for the PEM funds with vintage years subsequent to its acquisition in 2024. Carried interest for Sagard Private Credit is realized on a quarterly basis when investment returns exceed a predetermined hurdle rate, and is not subject to clawback.

[4] Includes investments held by Portage Ventures I, Power Financial and IGM, through limited partnerships controlled by Power Financial, in Wealthsimple.

[5] During the investment period, management fees were based on committed capital. Since the close of the investment period, management fees are based on invested capital, which may include a reserve for follow-on investments.

[6] Fundraising activities continue for Portage Ventures IV, PEM-PVC VI, PEM-PVC SOF, PEM-PDI V, Sagard Private Credit, Sagard Healthcare Partners and USPF.

[7] The Diagram Funds include Diagram Ventures I, Diagram Ventures II, Diagram Ventures III, Diagram Opportunity and Diagram ClimateTech. Total capital commitments includes amounts committed by Portage Ventures I and Portage Ventures II. Associated companies includes commitments from management as well as commitments from Portage Ventures I (\$10 million in Diagram Ventures I) and Portage Ventures II (\$10 million in Diagram Ventures I and \$35 million in Diagram Ventures II). Diagram Ventures I and II do not have carried interests.

[8] The Corporation's interest is held in carried interest units.

[9] Sagard Private Credit and USPF are open-ended funds and generally invest all committed capital; as such the capital commitments of the funds are representative of the net asset value (refer to the section "Other Measures"). USPF is managed by Sagard Real Estate through a management service agreement.

[10] Represents Series I and II; the interest in the fund is based on invested capital as of December 31, 2024. The investment period is completed for the first series which represents a total commitment of \$726 million; base compensation for Series I is 1.50% on invested capital.

The following table summarizes the activities of each of the funds managed by Sagard:

December 31, 2024		Commitments			Distributions to date ⁽¹⁾	NAV ⁽²⁾
[in millions; except as otherwise noted]	Currency	Total funded	Unfunded	Unfunded		
		(\$)	(\$)	(%)	(\$)	(\$)
Venture Capital						
Portage Ventures I ⁽³⁾	C\$	474	–	–	622	2,245
Portage Ventures II	C\$	414	13	3.0	64	882
Portage Ventures III	US\$	427	228	34.8	–	445
Portage Ventures IV	US\$	24	405	94.4	–	18
Portage Capital Solutions	US\$	183	330	64.4	–	179
Diagram Funds	C\$	199	201	50.2	76	231
PVC Funds⁽⁴⁾						
PEM-PVC I	US\$	641	9	1.4	1,141	177
PEM-PVC II-III	US\$	815	18	2.1	1,813	728
PEM-PVC IV-V	US\$	267	206	43.6	23	317
PEM-PVC VI and SOF	US\$	1	176	99.2	–	1
Private Equity						
Sagard Private Equity Canada	C\$	154	253	62.1	–	163
Sagard MidCap II	€	722	6	0.9	1,163	17
Sagard MidCap 3	€	679	50	6.9	1,174	730
Sagard MidCap 4 ⁽⁵⁾	€	735	80	9.8	–	979
Sagard NewGen ⁽⁵⁾	€	300	40	12.7	66	340
PDI Funds⁽⁴⁾						
PEM-PDI III-IV	US\$	468	6	1.3	370	563
PEM-PDI V	US\$	79	151	65.6	–	82
Private Credit						
Sagard Credit Partners I	US\$	548	9	1.5	617	87
Sagard Credit Partners II ⁽⁵⁾	US\$	546	753	64.5	164	523
Sagard Senior Lending Partners	US\$	158	343	68.4	5	164
Sagard Healthcare Partners ⁽⁵⁾	US\$	886	347	28.3	366	660

[1] Excludes distributions which have been recalled by the fund for reinvestment, as well as distributions made by the fund due to rebalancing from increases in fund size.

[2] Net asset value (NAV) of the fund represents the fair value of investments held within the fund, net of any liabilities, and includes the controlled and consolidated investments held through the fund presented at fair value. Refer to the section "Adjusted Net Asset Value" for a description of the Corporation's fair value adjustments to controlled and consolidated investments.

[3] Includes investments held by Portage Ventures I, Power Financial and IGM, through limited partnerships controlled by Power Financial, in Wealthsimple, which represents a fair value of \$2.1 billion at December 31, 2024 (\$1.1 billion at December 31, 2023).

[4] In the first quarter of 2024, Sagard acquired a controlling interest in PEM. The activities of the funds managed by PEM are presented since the inception of each fund.

[5] Total funded commitments represent the net cash funded for portfolio investments and fund expenses since inception, excluding amounts that have been recalled by the fund. The unfunded commitments presented for funds within the investment period, for Sagard NewGen, Sagard Credit Partners II and Sagard Healthcare Partners, includes amounts distributed of €27 million, US\$132 million and US\$7 million, respectively, which are recallable by the fund.

VENTURE CAPITAL (fintech investments)

- Sagard's venture capital asset class is managed under the Portage, Diagram and PEM platforms.

PORTAGE

- Portage is a global fintech and financial services investment platform. Its mission is to empower entrepreneurs reshaping financial services by partnering with ambitious companies across all stages through Portage Ventures and Portage Capital Solutions.
 - Portage Ventures is a global fintech venture capital investment strategy dedicated to supporting fintech innovators in insurance, consumer & small and medium business finance, wealth & asset management, and fintech enablers. Through its funds, Portage Ventures has invested in more than 110 fintech companies and investment funds.
 - Portage Capital Solutions is a capital partner that delivers flexible equity capital solutions and resources to later-stage fintech and financial services businesses.

DIAGRAM

- Diagram is a venture builder that conceives and launches technology companies and a venture investor that invests in early stage companies, primarily in the financial services (fintech) and climate tech spaces. Diagram has launched and invested in more than 40 companies across five funds.

PEM

- PEM has a venture capital fund of funds program with an emphasis on access-constrained U.S. early and late-stage technology-centric asset managers. This investment strategy, through funds and separately managed accounts, provides investors with access to selected managers, many of which are closed to new investors. Between 2005 and 2024, PEM launched seven funds under this strategy, representing total capital commitments of US\$2.1 billion. The investment period is currently closed for four of the related funds.

PRIVATE EQUITY

- Sagard's private equity asset class is managed under the Sagard and PEM platforms.

SAGARD

- Sagard, under its private equity asset class, manages three strategies: Sagard Private Equity Canada, Sagard MidCap (Europe), and Sagard NewGen (Europe).
 - Sagard Private Equity Canada is a private equity strategy investing in the Canadian middle market, with a focus on business and financial services, as well as manufacturing.
 - Sagard MidCap is a European private equity investment strategy that invests in middle-market business services, healthcare, food & consumer, and industrial sectors.
 - Sagard NewGen is a European private equity investment strategy that supports entrepreneurs in the technology and healthcare industries.

PEM

- PEM manages an investment strategy which focuses on a diversified portfolio of primarily U.S. small and middle-market buyouts sourced from selected asset managers, including co-investment opportunities. PEM offers this investment strategy through funds and separately managed accounts.

Between 2014 and 2022, PEM launched three funds under this strategy, representing total capital commitments of US\$0.7 billion. The investment period is closed for two of these funds.

PRIVATE CREDIT

- Sagard, under the private credit asset class, manages four strategies, Sagard Credit, Sagard Senior Lending, Sagard Private Credit and Sagard Healthcare and includes a strategic investment in HalseyPoint.
 - Sagard Credit is a non-sponsor, direct-lending strategy focused on middle-market public and private companies in North America. It provides bespoke debt solutions across the credit spectrum in first- and second-lien loans, such as unsecured and mezzanine financings, tailored to a company's specific needs.

- Sagard Senior Lending is a senior direct-lending strategy focused on middle-market companies in North America. It provides first-lien, floating-rate debt to public and private middle-market companies to help fund growth and other strategic initiatives.
- Sagard Private Credit is an evergreen fund, designed to offer Canadian accredited investors the opportunity to participate in private credit. The fund seeks to generate attractive and stable returns driven largely by interest income earned on a broadly diversified portfolio of private loans.
- Sagard Healthcare, a biopharmaceutical royalties investment strategy, invests in royalties and credit backed by approved and commercialized biopharmaceutical products, diagnostics and medical devices. Sagard Healthcare aims to accelerate the returns on innovation for owners of intellectual property, while offering investors an attractive healthcare exposure largely uncorrelated to other asset classes.
- HalseyPoint, a manager jointly controlled by Sagard, manages CLOs focused on the U.S. leveraged loan and high-yield bond asset class. HalseyPoint has raised to date eight CLOs.

REAL ESTATE

- Sagard Real Estate (formerly EverWest) is a real estate investment advisor and operator providing investment management services across the U.S. that include acquisitions, asset management, development and property management for its investors. Sagard Real Estate is headquartered in Denver, Colorado with regional offices throughout the U.S. Sagard Real Estate offers a variety of investment strategies including separately managed accounts and funds.

PRIVATE WEALTH INVESTMENT PLATFORM

- Sagard Wealth (formerly Grayhawk) is a dedicated chief investment office providing institutional-calibre capabilities and exclusive access to global investment opportunities, from traditional to alternative strategies, to Canadian families. Sagard Wealth had \$1.2 billion in assets under management at December 31, 2024 (\$1.5 billion at December 31, 2023).

The Corporation, through Sagard, indirectly holds a 60.3% interest in Sagard Wealth.

POWER SUSTAINABLE

At December 31, 2024, Power Sustainable had \$4.2 billion of assets under management (\$4.5 billion at December 31, 2023), including unfunded commitments. Assets under management reflect the fair value of assets, net of liabilities and project debt, and includes unfunded commitments.

Power Sustainable manages assets within funds and separately managed accounts. The composition of assets under management is as follows:

December 31 [in millions of dollars]	2024	2023
Power Sustainable Energy Infrastructure	2,902	2,748
Power Sustainable Infrastructure Credit	1,035	797
Power Sustainable Lios	261	221
Power Sustainable China ^[1]	–	715
Assets under management	4,198	4,481
Power Corporation	1,303	1,605
Third parties and associated companies ^[2]	2,895	2,876
Fee-bearing capital^{[1][3]}	2,943	2,835
Power Corporation	1,107	1,456
Third parties and associated companies ^[2]	1,836	1,379

[1] Power Sustainable China managed open-end funds and assets on behalf of clients through separate investment management agreements. In the first quarter of 2024, Power Sustainable realigned its strategies and wound down the Power Sustainable China strategy. Refer to the section "2024 Developments".

[2] Associated companies includes commitments from management, as well as commitments from Lifeco.

[3] Refer to the section "Other Measures".

Power Sustainable's weighted average management fee rate was 1.0% for the twelve-month period ended December 31, 2024, comparable with the corresponding period in 2023.

The following table summarizes the strategies managed by Power Sustainable and the Corporation's interests in each of the strategies:

December 31, 2024			Commitments ⁽¹⁾		Interest held ⁽²⁾			
[in millions; except as otherwise noted]	Currency	Vintage	Capital commitments	Total funded	Power Corporation	Associated companies ⁽³⁾	Third parties	NAV
			(\$)	(\$)	(%)	(%)	(%)	(\$)
Power Sustainable Energy								
Infrastructure Partnership ⁽⁴⁾⁽⁵⁾	C\$	2021	1,800	1,398	32.8	13.7	53.5	2,012
Power Sustainable Infrastructure Credit ⁽⁶⁾	US\$	2023	715	132	14.8	85.2	–	137
Power Sustainable Lios	C\$	2022	285	134	–	20.7	79.3	110

[1] Includes amounts of separately managed agreements committed within each strategy.

[2] Based on invested capital as of December 31, 2024.

[3] Associated companies includes commitments from management as well as commitments from Lifeco of \$220 million in PSEIP, US\$600 million in Power Sustainable Infrastructure Credit and \$56 million in Power Sustainable Lios.

[4] NAV of the fund represents the fair value of investments held within the fund, net of any liabilities and project debt, and includes the controlled and consolidated investments held through the fund presented at fair value. Refer to the section "Adjusted Net Asset Value" for a description of the Corporation's fair value adjustments to controlled and consolidated investments.

[5] Excludes direct investments in energy assets, which have a net asset value of \$488 million. At December 31, 2024, PSEIP had distributed an amount of \$82 million since inception.

[6] In the second quarter of 2024, the Corporation entered into a separately managed account for a total of US\$120 million in which it will invest alongside the fund on target investments. In the fourth quarter of 2024, the Corporation disposed of committed capital of US\$5 million through a direct secondary offering; the remaining total commitment was US\$115 million at December 31, 2024. At December 31, 2024, the Corporation had invested US\$20 million (\$27 million) through this account.

POWER SUSTAINABLE ENERGY INFRASTRUCTURE

Power Sustainable Energy Infrastructure (Power Sustainable Energy) operates a leading North American-focused renewable energy platform with 3.6 GW of utility-scale and distributed energy assets, including assets under construction, and assets in advanced development projects. Through its wholly owned operating companies, Potentia Renewables and Nautilus Solar, Power Sustainable Energy has a dedicated team of over 185 in-house professionals to oversee the development, construction, financing and operation of renewable energy assets across North America.

- **Potentia Renewables:** Power Sustainable holds a 100% interest in Potentia, a renewable energy generation company, which is a fully integrated developer, operator and manager of solar and wind energy assets, active in North America.
- **Nautilus Solar:** Power Sustainable holds a 100% interest in Nautilus, a company headquartered in New Jersey, U.S. that acquires, develops, finances and manages distributed solar projects across community, municipal/utility-scale, commercial and industrial markets.

The Power Sustainable Energy Infrastructure platform actively manages investments through Power Sustainable Energy Infrastructure Partnership (PSEIP) and through direct investments in energy infrastructure.

The following table details the composition of the total megawatts of utility-scale and distributed energy assets managed:

December 31 [in megawatts (MW)]	2024	2023
Advanced development ⁽¹⁾	866	129
Under construction	253	410
Operating ⁽¹⁾	2,481	1,690
	3,600	2,229

[1] Includes projects in which PSEIP has a joint interest representing 645 MW at December 31, 2024, of which 343 MW is included in Advanced development (312 MW at December 31, 2023, of which nil is included in Advanced development).

Power Sustainable Energy earns management fees of 0.80% to 1.00% charged on the net asset value of PSEIP as well as a carried interest of 15%. Power Sustainable Energy also earns management fees of 0.85% charged on the net asset value of direct investments.

At December 31, 2024, the total assets on a consolidated basis of PSEIP and direct investments were \$6.5 billion (\$4.4 billion at December 31, 2023).

POWER SUSTAINABLE INFRASTRUCTURE CREDIT

Power Sustainable Infrastructure Credit, a global infrastructure credit platform launched in 2023, targets global investments in energy, transportation and logistics, digital, social and other sustainable infrastructure. The platform, based in the U.S., targets sub-investment-grade infrastructure investments and seeks to support sustainable assets, portfolios and operating companies with tailored financing solutions.

POWER SUSTAINABLE LIOS

Power Sustainable Lios is a specialized North American agri-food private equity investment platform supporting the sustainability transformation occurring within our food system. Lios Fund I, its inaugural fund, invests in growth-oriented, mid-market companies across the food value chain in North America to drive positive and sustainable change.

RESULTS – Asset Management Activities

Asset management activities includes fee-related earnings (a non-IFRS financial measure, refer to the section “Non-IFRS Financial Measures”), which is comprised of management fees less investment platform expenses. Asset management activities also includes carried interest and income from other management activities.

Summary of the composition of net earnings (loss) from asset management activities:

Twelve months ended December 31	2024	2023
Adjusted net earnings (loss)		
SAGARD		
Management fees ⁽¹⁾⁽²⁾	232	175
Investment platform expenses	(233)	(184)
Fee-related earnings (loss) ⁽³⁾	(1)	(9)
Net carried interest ⁽⁴⁾	41	(6)
Other ⁽³⁾	(14)	(13)
	26	(28)
Loss from private wealth platform and other asset management activities ⁽⁵⁾	(2)	(6)
Non-controlling interests ⁽⁶⁾	(19)	9
	5	(25)
POWER SUSTAINABLE		
Management fees ⁽¹⁾	27	27
Investment platform expenses ⁽⁷⁾	(66)	(62)
Fee-related earnings (loss) ⁽³⁾	(39)	(35)
Net carried interest ⁽⁴⁾	(15)	12
Other ⁽³⁾⁽⁷⁾⁽⁸⁾	(18)	(29)
Non-controlling interests ⁽⁹⁾	7	–
	(65)	(52)
Adjusted net earnings (loss)	(60)	(77)
Adjustments		
POWER SUSTAINABLE		
Restructuring charges	(14)	–
Net earnings (loss)	(74)	(77)

[1] Includes management fees charged by the investment platform on proprietary capital. Management fees paid by the Corporation are deducted from income from investing activities.

[2] In 2024, Sagard recognized a retroactive management fee of \$11 million related to new capital committed in the fundraising close of Portage Capital Solutions, Sagard Healthcare Partners and PEM-PDI V (\$9 million in 2023 related to new capital committed in the fundraising close of Sagard NewGen and Portage Capital Solutions).

[3] Fee-related earnings is a non-IFRS financial measure. Items excluded from fee-related earnings have been included in Other. Refer to the section “Non-IFRS Financial Measures” for a description and reconciliation.

[4] Net carried interest is comprised of carried interest earned, net of amounts allocated to employees. Carried interest is recognized based on changes in fair value of investments held within each consolidated fund, and based on carried interest earned when it is highly probable that a significant reversal will not occur with respect to unconsolidated funds. The Corporation’s share of carried interest expense payable by the fund is included in investing activities.

[5] Includes the Corporation’s share of earnings (losses) from Sagard’s private wealth investment platform and other asset management activities as well as its interest in HalseyPoint.

[6] Non-controlling interests represent equity interests held in SHMI and PEM, and includes interests held in SHMI by Lifeco and management of Sagard.

[7] Certain amounts were reclassified in comparative figures to conform with the current presentation.

[8] Other includes customer acquisition, development and asset management activities provided by Potentia and Nautilus on behalf of PSEIP. The loss in 2023 was mainly due to expenses incurred related to customer acquisition costs, which were not recoverable from PSEIP.

[9] Non-controlling interests represent equity interests held in PSM by Lifeco and management of Power Sustainable.

ADJUSTMENTS (excluded from adjusted net earnings)**POWER SUSTAINABLE**

In the first quarter of 2024, Power Sustainable realigned its strategies and made a strategic decision to wind down its China public equity strategy, which included the closing of its investment management operations in China. Power Sustainable recognized a restructuring charge of \$12 million and \$2 million in the first and second quarters, respectively. Refer to the section “2024 Significant Developments and Transactions”.

INVESTING ACTIVITIES

Overview

Power Corporation invests proprietary capital in the strategies of its investment platforms to support their growth and development as asset managers. The investment platforms' growth strategy is focused primarily on raising third-party capital, and the Corporation expects that its proprietary capital will represent an increasingly smaller proportion of future funds. The Corporation seeks to earn attractive returns on its proprietary capital investments commensurate with the risk profile of the underlying investments in each strategy.

Returns are expected to be realized over differing time horizons:

- Income-related strategies such as Private Credit, Real Estate, Power Sustainable Energy Infrastructure Partnership and Power Sustainable Infrastructure Credit are expected to generate returns on a regular basis; and
- Capital appreciation strategies such as Venture Capital and Private Equity are expected to generate returns as investments are monetized.

The Corporation holds investments managed by Sagard and Power Sustainable. The following table summarizes the investments held, by asset class, including the investments held through Power Financial:

December 31	2024			2023		
[in millions of dollars]	Investments to date ⁽¹⁾	Distributions to date ⁽¹⁾	Fair value	Investments to date ⁽¹⁾	Distributions to date ⁽¹⁾	Fair value
Sagard						
Venture Capital ⁽²⁾	441	290	1,066	359	274	611
Private Equity	1,218	1,355	364	1,125	1,331	244
Private Credit ⁽³⁾	475	315	241	344	234	154
Real Estate	33	1	32	32	1	30
Cash and other investments ⁽⁴⁾	1	–	43	1	–	23
Power Sustainable						
Power Sustainable China ⁽⁵⁾⁽⁶⁾	420	880	–	417	372	508
Power Sustainable Energy Infrastructure PSEIP ⁽⁷⁾	425	32	624	335	32	482
Direct investments ⁽⁸⁾	1,190	520	488	1,144	514	500
Power Sustainable Infrastructure Credit ⁽⁹⁾	27	–	29	–	–	–
Other investments	13	2	12	9	–	9

[1] Includes distributions which have been recalled by the fund and distributions due to rebalancing.

[2] Includes investment in the controlled and consolidated subsidiary, Wealthsimple, at fair value.

[3] Includes investment in Sagard Healthcare Partners. Comparative information has been reclassified to conform with the current presentation.

[4] Fair value includes \$42 million of cash held within the Sagard investing activities at December 31, 2024 (cash and other assets of \$21 million at December 31, 2023).

[5] The fair value of the investments at December 31, 2023 includes \$98 million held in cash. Refer to the section "2024 Significant Developments and Transactions".

[6] Investments to date includes \$182 million invested in the Power Sustainable China platform since 2005 to fund expenses (\$179 million at December 31, 2023).

[7] Includes the Corporation's share of investments in controlled and consolidated subsidiaries held through PSEIP at fair value. Investments to date include amounts previously held through direct investments which were transferred to PSEIP in 2021 and in each of the third quarters of 2022 and 2023.

[8] Includes the direct investments in energy infrastructure at fair value. Investments to date include funding related to the acquisitions of Potentia and Nautilus and related platform expenses prior to the establishment of Power Sustainable Energy Infrastructure.

[9] Consists of investments through a separately managed account. Investments to date is presented net of a disposal of funded committed capital through a direct secondary offering in the fourth quarter of 2024.

FINTECH INVESTMENTS

Fintech investments are comprised of the Corporation's investments, primarily held through Power Financial, in the Portage Ventures and Diagram funds and Wealthsimple. The Corporation's investments in the Portage Ventures and Diagram funds allow it to deepen its knowledge and accelerate the adoption of innovation within the Power group of companies, while significant investments such as Wealthsimple give direct access to novel capabilities.

WEALTHSIMPLE

At December 31, 2024, Portage Ventures I, Power Financial and IGM collectively held, through a limited partnership controlled by Power Financial as well as direct investments, an undiluted equity interest in Wealthsimple of 54.4% (56.6% at December 31, 2023), representing a voting interest of 59.4% and a fully diluted equity interest of 42.2%. Wealthsimple, founded in 2014, is one of Canada's fastest-growing financial technology companies, and provides simple digital tools for growing and managing money.

Wealthsimple continues to strengthen its presence in the marketplace and offers a suite of financial products, ranging from investing to spending, saving and tax. At December 31, 2024, Wealthsimple had 2.6 million clients, excluding tax filers, across the Canadian market with assets under administration of \$64.0 billion, compared with \$31.0 billion at December 31, 2023.

At December 31, 2024, the Power group had invested \$344 million in Wealthsimple (\$340 million at December 31, 2023), and had received total proceeds of \$500 million from a secondary transaction in 2021.

The fair value of the Power group's interest in Wealthsimple was \$2.2 billion at December 31, 2024 (\$1.1 billion at December 31, 2023). The fair value of the Corporation's 15.3% equity interest in Wealthsimple, including its indirect interest held through Portage Ventures I, on a fully diluted basis, was \$822 million at December 31, 2024 (\$413 million at December 31, 2023). The increase in fair value in the twelve-month period of 2024 is consistent with third-party secondary transactions in the fourth quarter and reflects increases in public peer valuations, and Wealthsimple's business performance and revised revenue expectations.

RESULTS – Investing Activities

Investing activities comprises income earned on the capital invested by the Corporation (proprietary capital) in the investment funds managed by the investment platforms and the share of earnings (losses) of controlled and consolidated subsidiaries held within the investment platforms. The results of certain consolidated funds and controlled and consolidated subsidiaries included in investing activities are not aligned with the fair value changes of the Corporation's respective investment, due to the accounting treatment required for the underlying investments and activities.

The following table summarizes the classification of the investments held by the controlled and consolidated funds and direct investments managed by the investment platforms:

Investment	Classification of Investments held by the fund	Measurement ^[1]
Portage Ventures Funds ^[2]	FVPL	Fair value
Portage Capital Solutions	FVPL	Fair value
Diagram Funds	FVPL	Fair value
Sagard Private Credit	FVPL	Fair value

[1] The Corporation has elected to measure certain of its investments in jointly controlled corporations and associates held by entities that meet the definition of a venture capital organization at FVPL.

[2] Portage Ventures I excludes the investment in Wealthsimple which is controlled and consolidated by the Corporation.

The Corporation consolidates the activities of Power Sustainable Energy Infrastructure Partnership on a historical cost basis; therefore, the increase in fair value of the Corporation's interest held in PSEIP is not recognized in earnings. However, the limited partner equity interests held by third parties which have redemption features, subject to certain restrictions, have been classified as a financial liability and are remeasured at their redemption value. Effective the first quarter of 2024, the impact from the revaluation of the non-controlling interests (NCI) liabilities has been excluded from adjusted net earnings. Refer to the section "Non-IFRS Financial Measures".

Income earned from investment activities (proprietary capital) is volatile in nature as it depends on many factors, including changes in fair value.

Summary of adjusted and net earnings (loss) from investing activities (proprietary capital):

Twelve months ended December 31	2024	2023
Adjusted net earnings (loss)		
SAGARD		
Private equity and other strategies	72	58
Venture capital (fintech investments) ^[1]	(12)	(22)
	60	36
POWER SUSTAINABLE		
Public equity	(2)	–
Energy infrastructure	(69)	(34)
	(71)	(34)
Adjusted net earnings (loss)	(11)	2
Adjustments		
SAGARD		
Remeasurement of deferred tax assets	16	–
POWER SUSTAINABLE		
Revaluation of NCI liabilities and other market-related impacts	(82)	(86)
Currency translation reclassification on Power Sustainable China	54	–
	(12)	(86)
Net earnings (loss)	(23)	(84)

[1] Includes the Corporation's share of earnings (losses) of Wealthsimple. The twelve-month period of 2024 includes a charge of \$32 million related to the Corporation's share of the carried interest payable due to the increase in fair value of the investment held in Wealthsimple.

ADJUSTMENTS (excluded from adjusted net earnings)**SAGARD**

For the twelve-month period ended December 31, 2024, Sagard recognized positive Adjustments of \$16 million, which primarily relates to the Corporation's share of the remeasurement of deferred tax assets by Wealthsimple. There were no Adjustments for the twelve-month period ended December 31, 2023.

POWER SUSTAINABLE

For the twelve-month period ended December 31, 2024, Power Sustainable recognized net negative Adjustments of \$28 million, which include:

- A charge of \$82 million related to the Corporation's share of the revaluation of non-controlling interests liabilities and other market-related impacts:
 - The revaluation of non-controlling interests liabilities results from changes in fair value of assets held in PSEIP, and the share of earnings (losses) from the consolidated activities of PSEIP attributable to third-party investors, of which \$19 million was recorded in the first quarter, \$25 million in the third quarter and \$41 million in the fourth quarter of 2024. The Corporation controls and consolidates the activities of PSEIP on a historical cost basis; however, equity interests held by third parties have redemption features and are classified as a financial liability, which are remeasured at their redemption value. The twelve-month period ended December 31, 2024 includes a charge of \$49 million, related to the Corporation's share of the revaluation of non-controlling interests liabilities which resulted from an increase in fair value of assets held in PSEIP.

- The Corporation's share of fair value remeasurements of derivatives was \$6 million after tax (\$8 million pre-tax) in the twelve-month period ended December 31, 2024, of which a gain of \$13 million after tax (\$17 million pre-tax) was recognized in the fourth quarter and a loss of \$10 million (\$13 million pre-tax) was recognized in the third quarter of 2024.
- Partially offset by a recovery of \$54 million recognized on the closing of Power Sustainable China, a foreign operation, which resulted from the reclassification of the related cumulative translation adjustment to net earnings in the first quarter of 2024. Refer to the section "2024 Significant Developments and Transactions".

For the twelve-month period ended December 31, 2023, Power Sustainable recognized Adjustments of negative \$86 million primarily related to the Corporation's share of the revaluation of non-controlling interests liabilities, as explained above, of which \$45 million and \$48 million was recorded in the first and fourth quarter of 2023, respectively. The twelve-month period ended December 31, 2023 included a charge of \$60 million related to the Corporation's share of the revaluation of non-controlling interests liabilities which resulted from an increase in fair value of assets held in PSEIP.

Standalone Businesses

OVERVIEW

Standalone businesses includes the Corporation's equity investments in:

- **Peak:** Peak designs, develops and commercializes sports equipment and apparel for ice hockey and lacrosse under iconic brands including Bauer. The Corporation's investment was accounted for using the equity method.

During the second quarter of 2024, Peak disposed of its minority interest in Rawlings Sporting Goods Company Inc. (Rawlings), a leading brand in baseball. In July 2024, Sagard received a distribution of US\$60 million from Peak.

On December 23, 2024, Sagard completed the previously announced sale of its 42.6% equity interest (50.0% voting interest) in Peak to Fairfax. On close of the transaction, the Corporation received proceeds of approximately US\$325 million and recognized a net gain in earnings of approximately US\$195 million, net of transaction costs and related long-term incentive payments.

- **LMPG:** Power Sustainable held a controlling interest of 49.6% at December 31, 2024 (same as at December 31, 2023) in LMPG, an internationally recognized designer, developer, and manufacturer of a wide range of high-performance and sustainable specification-grade LED solutions for commercial, institutional, and urban environments.
- **Lion Electric:** Power Sustainable held a 34.1% equity interest at December 31, 2024 (same as at December 31, 2023) in Lion Electric. An innovative manufacturer of zero-emission vehicles, Lion Electric creates, designs and manufactures all-electric Class 5 to Class 8 commercial urban trucks and all-electric buses. Lion designs, builds and assembles many of its vehicles' components, including chassis, battery packs, truck cabins and bus bodies.

On December 19, 2024, Lion and its subsidiaries were granted protection under the *Companies' Creditors Arrangement Act* (CCAA). The Corporation recognized an impairment charge of \$81 million in the fourth quarter of 2024 included as an Adjustment (\$153 million in the twelve-month period ended December 31, 2024). The carrying value of the investment in Lion was nil at December 31, 2024 (\$181 million at December 31, 2023).

RESULTS

For the twelve-month period ended December 31, 2024, the net loss from standalone businesses was \$38 million, compared with a net loss of \$16 million in the corresponding period in 2023. The adjusted net loss from standalone businesses for the twelve-month period ended December 31, 2024 was \$64 million, compared with an adjusted net loss of \$15 million in the corresponding period in 2023.

The net loss in the twelve-month period ended December 31, 2024 excludes Adjustments with a net positive impact of \$26 million, primarily related to a gain on the sale of the Corporation's interest in Peak, partially offset by an impairment charge on the Corporation's investment in Lion and the Corporation's share of a non-cash impairment charge recognized on the goodwill of LMPG.

ADJUSTMENTS (excluded from adjusted net earnings)

Effective the fourth quarter of 2024, management of the Corporation has applied the definition of adjusted net earnings to the results reported by the standalone businesses and identified Adjustments. Adjustments are items excluded from the contribution of the standalone businesses to the Corporation's net earnings in the determination of the contribution to adjusted net earnings.

In 2024, Adjustments with a positive earnings impact of \$26 million after tax consisted of:

- A net gain of \$279 million after tax (\$279 million pre-tax) recognized on the sale of the Corporation's 42.6% interest in Peak in the fourth quarter of 2024;
- The Corporation's share of non-cash impairment charges recognized on goodwill, partially offset by the impact of remeasurement of redemption liabilities by LMPG, of \$177 million after tax (\$177 million pre-tax), of which \$90 million and \$87 million was recorded in the third and fourth quarters, respectively, of 2024. Impairment charges are due primarily to lower-than-expected financial results and uncertainties in the macroeconomic environment;
- Impairment charges on the Corporation's investment in Lion, partially offset by the Corporation's share of the remeasurement of warrant obligations at Lion, of \$122 million after tax (\$130 million pre-tax), due to the declines in market value throughout 2024, of which \$81 million after tax was recorded in the fourth quarter. As a result of Lion filing for CCAA protection, the carrying value of the investment in Lion has been reduced to nil at December 31, 2024; and
- The Corporation's share of Peak's gain on disposal of its investment in Rawlings of \$46 million after tax (\$46 million pre-tax) recorded in the second quarter of 2024.

In 2023, Adjustments with a negative earnings impact of \$1 million after tax consisted of:

- A net negative impact of \$12 million after tax (\$13 million pre-tax) related to an impairment charge on the Corporation's investment in Lion and the Corporation's share of impairment charges recognized by Lion, partially offset by the Corporation's share of the remeasurement of warrant obligations at Lion, mainly due to declines in market value, of which a negative charge of \$19 million after tax was recorded in the fourth quarter; and
- The Corporation's share of the positive impact from the remeasurement of redemption liabilities by LMPG of \$11 million after tax (\$11 million pre-tax), recorded in the fourth quarter of 2023.

Corporate Operations and Other

Corporate operations and Other includes the contribution to net earnings and adjusted net earnings from the Corporation's other investment activities, as well as corporate operations of the holding company which includes operating expenses, financing charges, depreciation, income taxes, and dividends on non-participating and perpetual preferred shares.

Summary of corporate operations and other of the Corporation and Power Financial shown on a combined basis:

Twelve months ended December 31	2024	2023
Contribution to adjusted net earnings (loss)		
Other investments		
Investment funds	15	5
ChinaAMC ⁽¹⁾	–	2
Other ⁽²⁾	72	62
	87	69
Operating and other expenses		
Operating expenses ⁽³⁾	(182)	(153)
Depreciation	(7)	(6)
Fair value change of TSARs, net of hedge ⁽⁴⁾	1	(14)
Financing charges ⁽⁵⁾	(54)	(55)
Income taxes	(1)	(2)
	(243)	(230)
Dividends on non-participating and perpetual preferred shares	(192)	(190)
	(348)	(351)
Adjustments		
ChinaAMC ⁽¹⁾	–	(54)
Recovery on disposal of Bellus	–	97
Net earnings (loss)	(348)	(308)

[1] On January 12, 2023, the Corporation and IGM completed a transaction in which the interest in ChinaAMC was sold to IGM. The Corporation sold its 13.9% interest in ChinaAMC to IGM and no longer holds a direct interest in ChinaAMC. Refer to the section "Adjustments" below.

[2] Includes foreign exchange gains or losses and interest on cash and cash equivalents.

[3] Operating expenses in the twelve-month period ended December 31, 2024 include a charge of \$12 million related to updated performance assumptions used in the measurement of performance share units, recognized in the fourth quarter. Operating expenses related to Power Financial were \$69 million in the twelve-month period ended December 31, 2024 (\$57 million in the corresponding period in 2023).

[4] The Corporation has attached tandem share appreciation rights (TSARs) to certain options, which are classified as cash-settled share-based payments. The Corporation has entered into total return swap agreements to manage exposure to the volatility of a portion of its cash-settled share-based payments and related liability. The fair value change of TSARs represents the change in fair value of the liability, net of the gain on the remeasurement to fair value of the derivative instruments.

[5] Financing charges related to Power Financial were \$17 million in the twelve-month period ended December 31, 2024 (same as in the corresponding period in 2023).

ADJUSTMENTS (excluded from adjusted net earnings)

For the twelve-months ended December 31, 2023, the Corporation recognized net positive Adjustments of \$43 million, which included:

- In the second quarter of 2023, the Corporation recognized a recovery of \$97 million from the sale of its investment in Bellus Health Inc., a Canada-based late-stage biopharmaceutical company. On June 28, 2023, Bellus completed a transaction in which it was acquired by GSK plc for US\$14.75 per share in cash. The investment in Bellus was accounted for as an associate using the equity method, with a carrying value of nil.

- On January 12, 2023, the Corporation and IGM completed a transaction in which the group's interest in ChinaAMC was sold to IGM. The Corporation sold its 13.9% interest in ChinaAMC to IGM. As the Power group continues to hold a 27.8% interest in ChinaAMC, the Corporation did not record a gain on the disposal of its interest. As a result of the transaction, the Corporation incurred transaction costs of \$14 million and income taxes of \$40 million.

Adjustments (excluded from adjusted net earnings)

The following table presents the Corporation's share of Adjustments:

Twelve months ended December 31	2024	2023
Lifeco^[1]		
Market experience relative to expectations	146	(209)
Realized OCI gains (losses) from asset rebalancing	–	(83)
Assumption changes and management actions	(102)	(14)
Other non-market related impacts ^[2]	(167)	(243)
	(123)	(549)
Effect of consolidation ^[3]	(26)	(37)
	(149)	(586)
IGM^[1]		
Tax loss consolidation	3	–
Rockefeller debt refinancing	(2)	–
Gain on disposal of IPC	–	137
Gain on disposal of Lifeco shares	–	105
Restructuring charges	–	(47)
IFRS 17 adjustment (Lifeco)	–	9
Share of Lifeco's adjustments	(4)	(14)
	(3)	190
Effect of consolidation ^[3]	17	(261)
	14	(71)
GBL^[4]		
Webhelp deconsolidation and revaluation of NCI liabilities	–	321
Market-related impacts on embedded derivatives	–	15
Imerys' currency translation reclassification and impairment	(44)	(24)
	(44)	312
Sagard and Power Sustainable		
Remeasurement of deferred tax assets	16	–
Currency translation reclassification on Power Sustainable China	54	–
Revaluation of NCI liabilities and other market-related impacts ^[4]	(82)	(86)
Restructuring charges	(14)	–
	(26)	(86)
Standalone businesses^[4]		
Gain on disposal of Peak and affiliated business	325	–
Lion impairment and other market-related impacts	(122)	(12)
LMPG impairment and other market-related impacts	(177)	11
	26	(1)
Corporate operations and Other		
Income taxes and transaction costs on disposal of ChinaAMC	–	(54)
Recovery on disposal of Bellus ^[4]	–	97
	–	43
	(179)	(389)

[1] As reported by Lifeco and IGM.

[2] Includes business transformation impacts (including restructuring and integration costs as well as acquisition and divestiture costs), amortization of acquisition-related intangible assets and tax legislative changes and other tax impacts.

[3] The Effect of consolidation reflects i) the elimination of intercompany transactions, including the gain recognized by IGM on the sale of a portion of its interest in Lifeco to the Corporation, the gain recognized by IGM on the sale of IPC to Lifeco, as well as IGM's share of Lifeco's IFRS 17 adjustment; and ii) the application of the Corporation's accounting method for investments under common control to the Adjustments reported by Lifeco and IGM.

[4] In 2024, the Corporation modified the definition of adjusted net earnings. Refer to the section "Non-IFRS Financial Measures". The comparative periods have been restated to reflect these changes.

For additional information on each of Lifeco, IGM, GBL, Sagard and Power Sustainable, the Standalone businesses, and Corporate operations and Other, refer to their respective "Adjustments" sections above. Also refer to the section "Non-IFRS Financial Measures" in this review of financial performance.

Financial Position

CONSOLIDATED BALANCE SHEETS (condensed)

The condensed balance sheets of Lifeco, IGM, and the combined holding company balance sheet of Power Corporation and Power Financial, as well as the alternative asset investment platforms and other, are presented below. These tables reconcile the holding company balance sheet with the condensed consolidated balance sheets of the Corporation at December 31, 2024 and 2023, which are included in Note 35 of the 2024 Consolidated Financial Statements.

December 31, 2024	Lifeco	IGM	Holding company	Alternative asset investment platforms and other ^[1]	Effect of consolidation	Power Corporation consolidated balance sheet
Assets						
Cash and cash equivalents	10,709	910	1,606	858	(339)	13,744
Investments	231,478	5,600	101	2,497	311	239,987
Investments in publicly traded operating companies, investment platforms and other:						
Lifeco and IGM	407	634	21,202	–	(22,243)	–
GBL ^[2]	–	–	3,683	–	–	3,683
Other	705	1,331	1,738	–	(3,774)	–
Investments in jointly controlled corporations and associates	486	3,346	–	1,780	(494)	5,118
Insurance contract assets	1,193	–	–	–	–	1,193
Reinsurance contract held assets	17,842	–	–	–	–	17,842
Other assets	26,571	4,948	349	20,047	(160)	51,755
Intangible assets ^[3]	4,958	1,277	1	828	(90)	6,974
Goodwill ^[3]	11,428	2,637	–	204	408	14,677
Investments on account of segregated fund policyholders	496,386	–	–	–	–	496,386
Total assets	802,163	20,683	28,680	26,214	(26,381)	851,359
Liabilities						
Insurance contract liabilities	155,683	–	–	–	–	155,683
Investment contract liabilities	90,157	–	–	–	–	90,157
Reinsurance contract held liabilities	795	–	–	–	–	795
Obligations to securitization entities	–	5,025	–	–	–	5,025
Power Corporation's debentures and other debt instruments	–	–	647	–	–	647
Non-recourse debentures and other debt instruments ^[4]	9,469	2,400	250	3,878	(88)	15,909
Other liabilities	17,019	5,387	1,073	20,050	(758)	42,771
Insurance contracts on account of segregated fund policyholders	66,343	–	–	–	–	66,343
Investment contracts on account of segregated fund policyholders	430,043	–	–	–	–	430,043
Total liabilities	769,509	12,812	1,970	23,928	(846)	807,373
Equity						
Limited recourse capital notes	1,500	–	–	–	(1,500)	–
Perpetual preferred shares	2,720	–	2,830	–	(5,550)	–
Non-participating shares	–	–	950	–	–	950
Participating shareholders' equity	25,321	7,801	22,930	1,972	(35,094)	22,930
Non-controlling interests ^{[5][6]}	3,113	70	–	314	16,609	20,106
Total equity	32,654	7,871	26,710	2,286	(25,535)	43,986
Total liabilities and equity	802,163	20,683	28,680	26,214	(26,381)	851,359

[1] Includes consolidated investment funds and their controlled investments, Wealthsimple and standalone businesses.

[2] Indirectly held through Parjointco. The holding company balance sheet includes the Corporation's investment in GBL, which is separately presented in Note 35 of the 2024 Consolidated Financial Statements.

[3] The assets of Lifeco, IGM, and Alternative asset investment platforms and Other exclude the corporate allocation of goodwill and intangible assets.

[4] The debentures and other debt instruments of controlled and consolidated investments are secured by their assets which are non-recourse to the Corporation.

[5] Lifeco's non-controlling interests include the Participating Account surplus in subsidiaries.

[6] Non-controlling interests in Effect of consolidation represent non-controlling interests in the equity of Lifeco, IGM, PSM, SHMI, and controlled and consolidated investments.

December 31, 2023	Lifeco	IGM	Holding company	Alternative asset investment platforms and other ^[1]	Effect of consolidation	Power Corporation consolidated balance sheet
Assets						
Cash and cash equivalents	7,742	545	1,218	639	(207)	9,937
Investments	217,868	5,260	107	2,017	110	225,362
Investments in publicly traded operating companies, investment platforms and other:						
Lifeco and IGM	387	589	19,028	—	(20,004)	—
GBL ^[2]	—	—	3,717	—	—	3,717
Other	446	712	2,499	—	(3,657)	—
Investments in jointly controlled corporations and associates	367	3,070	3	1,392	(397)	4,435
Insurance contract assets	1,193	—	—	—	—	1,193
Reinsurance contract held assets	17,332	—	—	—	—	17,332
Assets held for sale	4,467	—	—	—	—	4,467
Other assets	24,739	4,599	282	9,439	(300)	38,759
Intangible assets ^[3]	4,484	1,251	2	801	152	6,690
Goodwill ^[3]	11,249	2,637	—	549	195	14,630
Investments on account of segregated fund policyholders	422,956	—	—	—	—	422,956
Total assets	713,230	18,663	26,856	14,837	(24,108)	749,478
Liabilities						
Insurance contract liabilities	144,388	—	—	—	—	144,388
Investment contract liabilities	88,919	—	—	—	—	88,919
Reinsurance contract held liabilities	648	—	—	—	—	648
Liabilities held for sale	2,407	—	—	—	—	2,407
Obligations to securitization entities	—	4,688	—	—	—	4,688
Power Corporation's debentures and other debt instruments	—	—	647	—	—	647
Non-recourse debentures and other debt instruments ^[4]	9,046	2,400	250	3,017	(88)	14,625
Other liabilities	15,015	4,855	986	8,509	(430)	28,935
Insurance contracts on account of segregated fund policyholders	60,302	—	—	—	—	60,302
Investment contracts on account of segregated fund policyholders	362,654	—	—	—	—	362,654
Total liabilities	683,379	11,943	1,883	11,526	(518)	708,213
Equity						
Limited recourse capital notes	1,500	—	—	—	(1,500)	—
Perpetual preferred shares	2,720	—	2,830	—	(5,550)	—
Non-participating shares	—	—	950	—	—	950
Participating shareholders' equity	22,616	6,660	21,193	2,844	(32,120)	21,193
Non-controlling interests ^{[5][6]}	3,015	60	—	467	15,580	19,122
Total equity	29,851	6,720	24,973	3,311	(23,590)	41,265
Total liabilities and equity	713,230	18,663	26,856	14,837	(24,108)	749,478

[1] Includes consolidated investment funds and their controlled investments, Wealthsimple and standalone businesses.

[2] Indirectly held through Parjointco. The holding company balance sheet includes the Corporation's investment in GBL, which is separately presented in Note 35 of the 2024 Consolidated Financial Statements.

[3] The assets of Lifeco, IGM, and Alternative asset investment platforms and Other exclude the corporate allocation of goodwill and intangible assets.

[4] The debentures and other debt instruments of controlled and consolidated investments are secured by their assets which are non-recourse to the Corporation.

[5] Lifeco's non-controlling interests include the Participating Account surplus in subsidiaries.

[6] Non-controlling interests in Effect of consolidation represent non-controlling interests in the equity of Lifeco, IGM, SHMI, and controlled and consolidated investments.

Consolidated Assets and Liabilities

Total assets of the Corporation increased to \$851.4 billion at December 31, 2024, compared with \$749.5 billion at December 31, 2023, primarily due to the impact of currency and market movements in the U.S. segment, partially offset by the divestiture of Putnam.

Liabilities increased to \$807.4 billion at December 31, 2024, compared with \$708.2 billion at December 31, 2023, mainly due to the following, as disclosed by Lifeco:

- Insurance contract liabilities increased by \$11.3 billion, primarily due to market movements and the impact of currency movements.
- Investment contract liabilities increased by \$1.2 billion, primarily due to the impact of currency movements and market movements, partially offset by normal business movements.

- Insurance and investment contracts on account of segregated fund policyholders increased by \$73.4 billion, primarily due to the combined impact of market value gains and investment income of \$53.5 billion, and the positive impact of currency movement of \$21.2 billion.

Insurance and investment contract liabilities represent the amounts that, together with estimated future premiums and investment income, will be sufficient to pay estimated future benefits, dividends and expenses on policies in force. Insurance and investment contract liabilities are determined using generally accepted actuarial practices, according to standards established by the Canadian Institute of Actuaries. For additional information, refer to Lifeco's annual MD&A.

Refer to Lifeco's and IGM's annual MD&As for a discussion on their respective consolidated balance sheets.

HOLDING COMPANY BALANCE SHEETS

In the holding company balance sheets shown below, Power Corporation and Power Financial are shown on a combined basis; investments in subsidiaries are presented using the equity method. This presentation assists the reader by identifying changes in the combined holding company

balance sheet of Power Corporation and Power Financial, and presents the investment activities, as well as the holding company's assets and liabilities, including cash, debentures and non-participating shares.

December 31	2024	2023
Holding company assets		
Cash and cash equivalents ^[1]	1,606	1,218
Investment in:		
Lifeco	17,108	15,326
IGM	4,094	3,702
GBL ^[2]	3,683	3,717
Sagard and Power Sustainable ^[3]	1,649	1,861
Standalone businesses ^[4]	89	641
Other assets and investments ^[5]	451	391
Total holding company assets	28,680	26,856
Holding company liabilities		
Debentures and other debt instruments ^[6]	897	897
Other liabilities	1,073	986
Total holding company liabilities	1,970	1,883
Holding company equity		
Perpetual preferred shares ^[7]	2,830	2,830
Non-participating shares	950	950
Participating shareholders' equity	22,930	21,193
Total holding company equity	26,710	24,973
Total holding company liabilities and equity	28,680	26,856

[1] Cash equivalents include \$340 million (\$304 million at December 31, 2023) of fixed income securities with maturities of more than three months. In accordance with IFRS, these are classified as investments in the 2024 Consolidated Financial Statements.

[2] Indirectly held through Parjointco.

[3] Includes Power Financial's investments in Portage Ventures I, Portage Ventures II and Wealthsimple, presented using the equity method.

[4] Controlled standalone business is presented using the equity method for purposes of the holding company presentation.

[5] Includes \$83 million of dividends declared in the fourth quarter by IGM (same as at December 31, 2023) and received by Power Financial on January 31, 2025. Other investments include portfolio investments in private investment funds, classified as FVPL. At December 31, 2024, the Corporation had outstanding commitments to make future capital contributions to these funds for an aggregate amount of \$29 million.

[6] Includes Power Financial's debentures of \$250 million at December 31, 2024 (same as at December 31, 2023).

[7] Perpetual preferred shares issued by Power Financial.

Cash and Cash Equivalents

Cash and cash equivalents held by the Corporation and Power Financial amounted to \$1,606 million at December 31, 2024, compared with \$1,218 million at the end of December 2023 (see "Holding Company Statements of Cash Flows" below for details).

The cash and cash equivalents held within the investment activities of Sagard and Power Sustainable amounted to \$51 million at December 31, 2024 (\$120 million at December 31, 2023) and are included in the carrying amount of the investment platforms.

Investments

Investments in Lifeco, IGM and GBL (at equity)

The table below presents a continuity of the investments in Lifeco, IGM and GBL, which are presented using the equity method for the purposes of the holding company presentation. The carrying value of the investments in Lifeco, IGM and GBL, accounted for using the equity method, increased to \$24,885 million at December 31, 2024, compared with \$22,745 million at December 31, 2023:

	Lifeco	IGM	GBL ^[1]	Total
Carrying value, beginning of year	15,326	3,702	3,717	22,745
Contribution from adjusted net earnings	2,810	569	75	3,454
Contribution from adjustments	(149)	14	(44)	(179)
Contribution from discontinued operations—Putnam	(48)	(1)	—	(49)
Share of other comprehensive income (loss)	617	144	(10)	751
Dividends	(1,411)	(333)	(92)	(1,836)
Effect of changes in ownership and other	(37)	(1)	37	(1)
Carrying value, at December 31, 2024	17,108	4,094	3,683	24,885

[1] Indirectly held through Parjointco.

Alternative Asset Investment Platforms

The table below presents the components of the alternative asset investment platforms, Sagard and Power Sustainable. The asset management companies, and controlled and consolidated investments held through the investment platforms, are presented using the equity method for the purposes of the holding company presentation.

Alternative asset investment platforms are comprised of the following investments:

	2024	2023
Carrying value, as at December 31		
Asset management companies		
Sagard	115	108
Power Sustainable	2	—
Investing activities		
Sagard ^[1]	1,031	721
Power Sustainable	501	1,032
	1,649	1,861

[1] Includes Power Financial's investments in Portage Ventures I, Portage Ventures II and Wealthsimple.

Income Taxes

The non-capital losses of the holding company, at December 31, 2024, were \$1,473 million (\$1,409 million for which the benefits have not been recognized) and are available to reduce future taxable income (including capital gains). These losses expire from 2028 to 2044.

The capital losses of the holding company, at December 31, 2024, were \$144 million, the benefits of which have not been recognized, and can be used indefinitely to offset capital gains.

In addition, at December 31, 2024, deductible temporary differences for which the benefits have not been recognized were \$523 million.

Equity

Non-Participating Shares

Non-participating (preferred) shares of the Corporation consist of five series of First Preferred Shares with an aggregate share capital of \$950 million at December 31, 2024 (same as at December 31, 2023), all of which are non-cumulative. All series are perpetual preferred shares and are redeemable in whole or in part solely at the Corporation's option.

The terms and conditions of the outstanding First Preferred Shares are described in Note 19 of the Corporation's 2024 Consolidated Financial Statements.

Participating shareholders' equity

Participating shareholders' equity was \$22,930 million at December 31, 2024, compared with \$21,193 million at December 31, 2023:

Twelve months ended December 31	2024	2023
Participating shareholders' equity, at the beginning of the year	21,193	20,911
Changes in participating shares		
Purchase for cancellation of subordinate voting shares under NCIB	(161)	(244)
Issuance of subordinate voting shares (3,165,255 shares in 2024 and 1,273,542 shares in 2023) under the Corporation's Executive Stock Option Plans	113	42
	(48)	(202)
Changes in retained earnings		
Net earnings before dividends on non-participating shares	2,795	2,247
Dividends declared	(1,509)	(1,439)
Purchase for cancellation of subordinate voting shares under NCIB	(269)	(339)
Realized gains (losses) on FVOCI equity instruments transferred to retained earnings	238	21
Effects of changes in capital and ownership of subsidiaries, and other	104	134
	1,359	624
Changes in reserves		
Other comprehensive income (loss)		
Foreign currency translation adjustments	663	(87)
Investment revaluation and cash flow hedges	(210)	178
Actuarial gains (losses) on defined benefit plans	158	(101)
Share of Parjointco and other jointly controlled corporations and associates	(104)	(160)
Share-based compensation, including the effect of changes in capital and ownership of subsidiaries	(81)	30
	426	(140)
Participating shareholders' equity, at December 31	22,930	21,193

The book value per participating share (refer to the section "Other Measures") of the Corporation was \$35.56 at December 31, 2024, compared with \$32.49 at the end of 2023.

Outstanding number of participating shares

At the date hereof, there were 54,860,866 participating preferred shares of the Corporation outstanding (same as at December 31, 2023), and 587,466,675 subordinate voting shares of the Corporation outstanding, compared with 597,387,873 at December 31, 2023.

At the date hereof, options were outstanding to purchase up to an aggregate of 17,561,395 subordinate voting shares of the Corporation, including 6,425,543 subordinate voting shares issuable pursuant to options under the Power Financial Employee Stock Option Plan, which has been assumed by the Corporation, and 310,524 subordinate voting shares were issuable pursuant to outstanding restricted share units.

Normal Course Issuer Bids

The Corporation's Normal Course Issuer Bid (NCIB) that commenced on March 1, 2023 expired on February 29, 2024. The Corporation repurchased 2.1 million Subordinate Voting Shares for a total of \$82 million pursuant to this bid in the first quarter of 2024 (16.1 million Subordinate Voting Shares for a total of \$583 million during the twelve-month period ended December 31, 2023).

On March 1, 2024, the Corporation commenced a new NCIB which is effective until the earlier of February 28, 2025 and the date on which the Corporation has purchased the maximum permitted number of Subordinate Voting Shares. Pursuant to this bid, the Corporation may purchase up to 25 million of its Subordinate Voting Shares outstanding (representing approximately 4.6% of the public float of Subordinate Voting Shares outstanding at February 16, 2024) at market prices. At December 31, 2024, the Corporation had repurchased 8.5 million Subordinate Voting Shares for a total of \$348 million.

SUBSEQUENT EVENT

On March 1, 2025, the Corporation commenced a NCIB which is effective until the earlier of February 28, 2026 and the date on which the Corporation has purchased the maximum permitted number of Subordinate Voting Shares. Pursuant to this bid, the Corporation may purchase up to 20 million of its Subordinate Voting Shares outstanding (representing approximately 3.7% of the public float of Subordinate Voting Shares outstanding at February 18, 2025) at market prices. At March 19, 2025, the Corporation has repurchased 2.6 million Subordinate Voting Shares for a total of \$116 million under the NCIB programs.

In connection with its NCIB, the Corporation has entered into an automatic share purchase plan (ASPP) and may provide parameters thereunder from time to time to allow a designated broker to purchase Subordinate Voting Shares under the NCIB at times when the Corporation would ordinarily not be permitted to purchase shares due to regulatory restrictions or self-imposed blackout periods. Outside of these predetermined trading blackout periods, purchases under the Corporation's NCIB will be completed at management's discretion. The ASPP has been effective since March 1, 2025, the commencement date of the NCIB.

Adjusted Net Asset Value

Adjusted net asset value is presented for Power Corporation and represents management's estimate of the fair value of the participating shareholders' equity of the Corporation. Adjusted net asset value is calculated as the fair value of the assets of the combined Power Corporation and Power Financial holding company less their net debt and preferred shares. In determining the fair value of assets, investments in subsidiaries, jointly controlled corporations and associates are adjusted to fair value as follows:

- Investments in publicly traded companies are valued at their market value, measured as the closing share price on the reporting date;
- Investments in private entities are valued at fair value based on management's estimate using consistently applied valuation models either based on a valuation multiple or discounted cash flows. Certain valuations are prepared by external valuers or subject to review by external valuers. Market-comparable transactions are generally used to corroborate the estimated fair value. The value of investments in private entities is presented net of any management incentives; and
- Investments in investment funds are valued at the fair value reported by the fund which is net of carried interest or other incentives.

The presentation of the participating shareholders' equity at fair value is not in accordance with IFRS; adjusted net asset value is a non-IFRS financial measure. Refer to the section "Non-IFRS Financial Measures" for a description and a reconciliation of IFRS and non-IFRS financial measures.

The Corporation's adjusted net asset value is presented on a look-through basis. The combined holding company balance sheets of Power Corporation and Power Financial include the investments held in public entities through Power Financial (Lifeco, IGM and GBL), and the net debt and preferred shares of Power Financial. The adjusted net asset value per share, a non-IFRS ratio, was \$60.44 at December 31, 2024, compared with \$53.53 at December 31, 2023, representing an increase of 12.9%. The Corporation's book value per participating share (refer to the section "Other Measures") was \$35.56 at December 31, 2024, compared with \$32.49 at December 31, 2023, representing an increase of 9.4%.

	2024			2023		
	Holding company balance sheet	Fair value adjustment	Adjusted net asset value	Holding company balance sheet	Fair value adjustment	Adjusted net asset value
December 31						
Holding company assets						
Investments						
Power Financial						
Lifeco	17,108	13,184	30,292	15,326	12,545	27,871
IGM	4,094	2,698	6,792	3,702	1,477	5,179
GBL ^[1]	3,683	(1,521)	2,162	3,717	(1,422)	2,295
Alternative asset investment platforms						
Asset management companies ^[2]						
Sagard	115	314	429	108	157	265
Power Sustainable	2	–	2	–	–	–
Investing activities						
Sagard ^[3]	1,031	721	1,752	721	341	1,062
Power Sustainable	501	652	1,153	1,032	467	1,499
Standalone businesses	89	(4)	85	641	159	800
Cash and cash equivalents	1,606	–	1,606	1,218	–	1,218
Other assets and investments	451	–	451	391	–	391
Total holding company assets	28,680	16,044	44,724	26,856	13,724	40,580
Holding company liabilities and non-participating shares						
Debentures and other debt instruments	897	–	897	897	–	897
Other liabilities ^[4]	1,073	–	1,073	986	–	986
Non-participating shares and perpetual preferred shares	3,780	–	3,780	3,780	–	3,780
Total holding company liabilities and non-participating shares	5,750	–	5,750	5,663	–	5,663
Net value						
Participating shareholders' equity (IFRS)/						
Adjusted net asset value (non-IFRS)	22,930	16,044	38,974	21,193	13,724	34,917
Per share	35.56		60.44	32.49		53.53

[1] The Corporation's share of GBL's reported net asset value was \$3.9 billion (€2.6 billion) at December 31, 2024 (\$3.8 billion (€2.6 billion) at December 31, 2023).

[2] The management company of Sagard is presented at its fair value. The management company of Power Sustainable is presented at its carrying value.

[3] Includes the Corporation's investments in Portage Ventures I, Portage Ventures II and Wealthsimple, held by Power Financial.

[4] In accordance with IAS 12, *Income Taxes*, no deferred tax liability is recognized with respect to temporary differences associated with investments in subsidiaries and jointly controlled corporations as the Corporation is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. If the Corporation were to dispose of an investment in a subsidiary or a jointly controlled corporation, income taxes payable on such disposition would be minimized through careful and prudent tax planning and structuring, as well as with the use of available tax attributes not otherwise recognized on the balance sheet, including tax losses, tax basis, safe income and foreign tax surplus associated with the subsidiary or jointly controlled corporation.

Investments measured at market value and cash represent 91.7% of the total assets at fair value at December 31, 2024 (92.2% at December 31, 2023). A 10% change in the market value of publicly traded investments would result in a change in the Corporation's adjusted net asset value of \$3,933 million or \$6.10 per share.

Cash Flows

CONSOLIDATED STATEMENTS OF CASH FLOWS (condensed)

The condensed cash flows of Lifeco, IGM and the holding company cash flows of Power Corporation and Power Financial on a combined basis, as well as the Corporation's alternative asset investment platforms, are presented below. These tables reconcile the holding company statement of cash flows to the condensed consolidated statement of cash flows of the Corporation for the twelve-month periods ended December 31, 2024 and 2023, which are included in Note 35 of the 2024 Consolidated Financial Statements. This presentation assists the reader in assessing the cash flows of the holding company.

Twelve months ended December 31, 2024	Lifeco	IGM	Holding company	Alternative asset investment platforms and other ⁽¹⁾	Effect of consolidation	Power Corporation consolidated
Cash flows from:						
Operating activities	4,751	1,153	1,688	(37)	(1,603)	5,952
Financing activities	(2,285)	(314)	(1,958)	1,090	2,146	(1,321)
Investing activities	(408)	(474)	658	(861)	(675)	(1,760)
Effect of changes in exchange rates on cash and cash equivalents	534	—	—	27	—	561
Increase (decrease) in cash and cash equivalents	2,592	365	388	219	(132)	3,432
Cash and cash equivalents, beginning of the year	8,117	545	1,218	639	(207)	10,312
Cash and cash equivalents, at December 31	10,709	910	1,606	858	(339)	13,744

[1] Includes consolidated investment funds and their controlled investments, Wealthsimple and standalone businesses.

Twelve months ended December 31, 2023	Lifeco	IGM	Holding company	Alternative asset investment platforms and other ⁽¹⁾	Effect of consolidation	Power Corporation consolidated
Cash flows from:						
Operating activities	5,203	837	1,488	(90)	(1,505)	5,933
Financing activities	(3,550)	(204)	(2,110)	1,657	1,404	(2,803)
Investing activities	(786)	(1,161)	563	(1,418)	181	(2,621)
Effect of changes in exchange rates on cash and cash equivalents	(40)	—	—	(3)	(2)	(45)
Increase (decrease) in cash and cash equivalents	827	(528)	(59)	146	78	464
Cash and cash equivalents, beginning of the year	7,290	1,073	1,277	493	(285)	9,848
Cash and cash equivalents from continuing and discontinued operations, at December 31	8,117	545	1,218	639	(207)	10,312
Less: cash and cash equivalents from discontinued operations, at December 31 ⁽²⁾	(375)	—	—	—	—	(375)
Cash and cash equivalents, at December 31	7,742	545	1,218	639	(207)	9,937

[1] Includes consolidated investment funds and their controlled investments, Wealthsimple and standalone businesses.

[2] On January 1, 2024, Lifeco completed the sale of Putnam to Franklin Templeton. The cash flows related to the discontinued operations have been presented separately.

Consolidated cash and cash equivalents increased by \$3,432 million in the twelve-month period ended December 31, 2024, compared with an increase of \$464 million in the corresponding period in 2023.

Operating activities produced a net inflow of \$5,952 million in the twelve-month period ended December 31, 2024, compared with a net inflow of \$5,933 million in the corresponding period in 2023.

Cash flows from financing activities, which include the issuance and repayment of capital instruments, the issuance and repurchase of participating and preferred shares, the issuance and redemption of common shares, limited-life fund and redeemable units by subsidiaries, dividends paid on the participating and non-participating shares of the

Corporation, and dividends paid by subsidiaries to non-controlling interests and increases and repayments of obligations to securitization entities by IGM, represented a net outflow of \$1,321 million in the twelve-month period ended December 31, 2024, compared with a net outflow of \$2,803 million in the corresponding period in 2023.

Cash flows from investing activities resulted in a net outflow of \$1,760 million in the twelve-month period ended December 31, 2024, compared with a net outflow of \$2,621 million in the corresponding period in 2023.

Refer to Lifeco's and IGM's annual MD&A for a discussion on their respective cash flows.

HOLDING COMPANY STATEMENTS OF CASH FLOWS

As Power Corporation is a holding company, corporate cash flows are primarily comprised of dividends received, income from investments and income (loss) from cash and cash equivalents, less operating expenses, financing charges, income taxes, and non-participating and participating share dividends. The following combined statements of cash flows of Power Corporation and Power Financial present the cash flows of the holding company. This presentation has been prepared to assist the reader as it isolates the cash flows of the activities of the holding company.

Twelve months ended December 31	2024	2023
Operating activities of the holding company		
Dividends		
Lifeco	1,411	1,322
IGM	333	333
GBL	92	92
Corporate operations, net of non-cash items ^[1]	(148)	(259)
	1,688	1,488
Financing activities of the holding company		
Dividends paid on:		
Non-participating shares	(52)	(52)
Participating shares	(1,437)	(1,374)
Perpetual preferred shares	(140)	(138)
Issuance of subordinate voting shares	103	38
Repurchase of subordinate voting shares	(430)	(583)
Other	(2)	(1)
	(1,958)	(2,110)
Investing activities of the holding company		
Distributions and proceeds from disposal of investments ^[2]	1,109	1,601
Purchase of additional interest in Lifeco	–	(553)
Purchase of investments	(441)	(483)
Other	(10)	(2)
	658	563
Increase (decrease) in cash and cash equivalents	388	(59)
Cash and cash equivalents, at the beginning of the year	1,218	1,277
Cash and cash equivalents, at December 31	1,606	1,218

[1] Includes changes in short-term receivables from, and payables to, investment platforms.

[2] Includes proceeds from disposal of the Corporation's investments within Power Sustainable China in 2024 and its interest in ChinaAMC in 2023.

Cash and cash equivalents of the Corporation and Power Financial increased by \$388 million in the twelve-month period ended December 31, 2024, compared with a decrease of \$59 million in the corresponding period in 2023.

Operating activities resulted in a net inflow of \$1,688 million in the twelve-month period ended December 31, 2024, compared with a net inflow of \$1,488 million in the corresponding period in 2023. Dividends received from the publicly traded operating companies include:

Twelve months ended December 31	2024		2023	
[in millions of dollars; except as otherwise noted]	Dividend per share	Total dividend received	Dividend per share	Total dividend received
Lifeco	2.22	1,411	2.08	1,322
IGM	2.25	333	2.25	333

■ Total dividend received from Parjointco was \$92 million (€62 million) for the period ended December 31, 2024, compared with \$92 million (€63 million) for the period ended December 31, 2023.

■ On February 5, 2025, subsequent to year-end, Lifeco announced a 10% increase in the quarterly dividend on its common shares, from \$0.555 per share to \$0.610 per share, payable on March 31, 2025.

The Corporation's financing activities during the twelve-month period ended December 31, 2024 resulted in a net outflow of \$1,958 million, compared with a net outflow of \$2,110 million in the corresponding period in 2023, and included:

- Dividends paid on non-participating and participating shares by the Corporation of \$1,489 million, compared with \$1,426 million in the corresponding period in 2023. In the twelve-month period ended December 31, 2024, dividends paid on the Corporation's participating shares were \$2.2125 per share, compared with \$2.0700 in the corresponding period in 2023.
- Dividends paid on preferred shares by Power Financial of \$140 million, compared with \$138 million in the corresponding period in 2023.
- Issuance of subordinate voting shares of the Corporation for \$103 million pursuant to the Corporation's Executive Stock Option Plan and the Power Financial Employee Stock Option Plan, compared with issuance for an amount of \$38 million in the corresponding period in 2023.

- Repurchase of subordinate voting shares of \$430 million, as part of the NCIB, in the twelve-month period ended December 31, 2024, compared with repurchase for an amount of \$583 million in the corresponding period in 2023.

The Corporation's investing activities during the twelve-month period ended December 31, 2024 resulted in a net inflow of \$658 million, compared with a net inflow of \$563 million in the corresponding period in 2023.

Proceeds from disposal of investments and purchase of investments are comprised of investment activities of the Corporation and in its investment platforms.

The Corporation increased its level of fixed income securities with maturities of more than three months, resulting in a net outflow of \$36 million in the twelve-month period ended December 31, 2024, compared with a net inflow of \$54 million in the corresponding period in 2023.

Capital Management

As a holding company, Power Corporation's objectives in managing its capital are to:

- provide attractive long-term returns to shareholders of the Corporation;
- provide sufficient financial flexibility to pursue its growth strategy to invest on a timely basis in its operating companies and other investments as opportunities arise;
- maintain a capital structure that matches the long-term nature of its investments by maximizing the use of permanent capital;
- maintain an appropriate credit rating to ensure stable access to the capital markets; and
- maintain available cash and cash equivalents at a minimum of two times fixed charges.

The Corporation manages its capital taking into consideration the risk characteristics and liquidity of its holdings. In order to maintain or adjust its capital structure, the Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue capital.

The Board of Directors of the Corporation is responsible for capital management. Management of the Corporation is responsible for establishing capital management procedures and for implementing and monitoring its capital plans. The Board of Directors of the Corporation reviews and approves capital transactions such as the issuance, redemption and repurchase of participating shares, non-participating shares and debentures. The boards of directors of the Corporation's subsidiaries, as well as those of Parjointco and GBL, oversee and have the responsibility for their respective company's capital management.

With the exception of debentures and other debt instruments, the Corporation's capital is permanent, matching the long-term nature of its investments. The capital structure of the Corporation consists of: debentures, non-participating shares, participating shareholders' equity, and non-controlling interests. The Corporation views non-participating shares as a cost-effective source of permanent capital.

The Corporation's consolidated capitalization includes the debentures, preferred shares and other equity instruments, and other debt instruments issued by its consolidated subsidiaries. Debentures and other debt instruments issued by Power Financial, Lifeco, IGM and controlled investments are non-recourse to the Corporation. The Corporation does not guarantee debt issued by its subsidiaries. Non-participating shares and total equity accounted for 73% of consolidated capitalization at December 31, 2024.

December 31	2024	2023
Debentures and other debt instruments		
Power Corporation	647	647
Power Financial	250	250
Lifeco	9,469	9,046
IGM	2,400	2,400
Other ^[1]	3,878	3,017
Effect of consolidation	(88)	(88)
	15,909	14,625
	16,556	15,272
Non-participating shares and other equity instruments		
Power Corporation	950	950
Power Financial	2,830	2,830
Lifeco	4,220	4,220
	7,050	7,050
	8,000	8,000
Equity		
Participating shareholders' equity	22,930	21,193
Non-controlling interests ^[2]	13,056	12,072
	35,986	33,265
	60,542	56,537

[1] Includes other debt instruments of controlled and consolidated investments and standalone businesses; consists of \$531 million (\$299 million in 2023) of debt including revolving credit facilities held by the investment funds, \$3,091 million (\$2,490 million in 2023) of project-related debt held within the Power Sustainable Energy Infrastructure platform, and \$256 million (\$228 million in 2023) of other debt held by standalone businesses. The other debt instruments are secured by the assets of the controlled investments which are non-recourse to the Corporation. The other debt instruments held by standalone businesses are subject to certain financial covenants including a minimum cumulative earnings before interest, income taxes, depreciation and amortization (EBITDA) covenant. At December 31, 2024, this covenant was not in compliance; however, the lenders have provided a tolerance letter valid until September 30, 2025. See Note 16 B) to the 2024 Consolidated Financial Statements for additional information.

[2] Represents the non-controlling equity interests of the Corporation's subsidiaries excluding Power Financial and Lifeco's preferred shares and limited recourse capital notes, which are shown in this table as non-participating shares.

Power Corporation

- The Corporation filed a short-form base shelf prospectus dated November 19, 2024, pursuant to which, for a period of 25 months thereafter, the Corporation may issue First Preferred Shares, subordinate voting shares, subscription receipts and unsecured debt securities, or any combination thereof. This filing provides the Corporation with the flexibility to access debt and equity markets on a timely basis.
- The Corporation commenced a NCIB on March 1, 2024 which was effective until February 28, 2025. Refer to the section "Participating Shareholders' Equity" for more information.

SUBSEQUENT EVENTS

- The Corporation commenced a NCIB on March 1, 2025 which is effective until the earlier of February 28, 2026 and the date on which the Corporation has purchased the maximum permitted number of subordinate voting shares. Refer to the section "Participating Shareholders' Equity" for more information.

Power Financial

- Power Financial filed a short-form base shelf prospectus dated November 28, 2024, pursuant to which, for a period of 25 months thereafter, Power Financial may issue up to an aggregate of \$3 billion of First Preferred Shares and unsecured debt securities, or any combination thereof. This filing provides the Corporation with the flexibility to access debt and equity markets on a timely basis through Power Financial.

The Corporation itself is not subject to externally imposed regulatory capital requirements; however, Lifeco and certain of its main subsidiaries, certain of IGM's subsidiaries and certain of the Corporation's other subsidiaries are subject to regulatory capital requirements. See Note 22 to the Corporation's 2024 Consolidated Financial Statements for additional information. Lifeco's and IGM's annual MD&As further describe their respective capital management activities.

RATINGS

The current rating by Standard & Poor's (S&P) of the Corporation's debentures is "A+" with a stable outlook. Morningstar DBRS' current rating on the Corporation's debentures is "A" with a stable rating trend.

Credit ratings are intended to provide investors with an independent measure of the credit quality of the securities of a corporation and are indicators of the likelihood of payment and the capacity of a corporation to meet its obligations in accordance with the terms of each obligation. Descriptions of the rating categories for each of the agencies set forth below have been obtained from the respective rating agencies' websites. These ratings are not a recommendation to buy, sell or hold the securities of a corporation and do not address market price or other factors that might determine suitability of a specific security for a particular investor. The ratings also may not reflect the potential impact of all risks on the value of securities and are subject to revision or withdrawal at any time by the rating organization.

The "A+" rating assigned to the Corporation's debentures by S&P is the fifth highest of the 22 ratings used for long-term debt. A long-term debenture rated "A+" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories; however, the obligor's capacity to meet its financial commitment on the obligation is still strong.

The "A" rating assigned to the Corporation's debentures by Morningstar DBRS is the sixth highest of the 26 ratings used for long-term debt. A long-term debenture rated "A" implies that the capacity for repayment is substantial, but of lesser credit quality than AA, and may be vulnerable to future events, although qualifying negative factors are considered manageable.

The current rating by S&P of Power Financial's debentures is "A+" with a stable outlook. Morningstar DBRS' current rating on Power Financial's debentures is "A (High)" with a stable trend.

For additional information on the credit ratings of Lifeco and IGM, refer to their respective annual MD&As.

Risk Management

Power Corporation is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses including a portfolio of alternative asset investment platforms. The Corporation, through Power Financial, holds a controlling interest in Lifeco and IGM and also holds a joint controlling interest in Parjointco, which itself holds a controlling interest in GBL. As a result, the Corporation bears the risks associated with being a significant shareholder of these operating companies. A complete description of these risks is presented in their public disclosures. The respective boards of directors of Lifeco, IGM and GBL are responsible for the risk oversight function at their respective companies. The risk committees of the boards of directors of Lifeco and IGM are responsible for their risk oversight. Certain officers of the Corporation are members of these boards and committees of these boards, including the risk committees, and, consequently, in their role as directors, they participate in the risk oversight function at the operating companies. For additional information on risks related to Lifeco and IGM, refer to their respective annual MD&As.

RISK OVERSIGHT

The Corporation believes that a prudent approach to risk is achieved through a governance model that focuses on the active oversight of its investments. The Board of Directors and executive officers of the Corporation have overall oversight and responsibility for risk management associated with the investment activities and operations of the holding company and maintain a comprehensive and appropriate set of policies and controls.

The Board of Directors provides oversight and carries out its risk management mandate and addresses operational risks primarily through the following committees:

- The Audit Committee addresses risks related to financial reporting, cybersecurity and the use of artificial intelligence.
- The Human Resources Committee considers risks associated with the Corporation's compensation policies and practices.
- The Governance and Sustainability Committee oversees the Corporation's approach to appropriately address potential risks related to governance and sustainability matters.
- The Related Party and Conduct Review Committee reviews and considers for approval transactions with related parties of the Corporation.

There are certain risks inherent in an investment in the securities of the Corporation and in the activities of the Corporation, including the following and others discussed elsewhere in this review of financial performance, which investors should carefully consider before investing in securities of the Corporation. The following is a review of certain risks that could impact the financial condition and financial performance, and the value of the equity of the Corporation. This description of risks does not include all possible risks, and there may be other risks of which the Corporation is not currently aware.

The following section discusses the risks specific to the Corporation including the liquidity risk, credit risk and market risk of the Corporation including Power Financial and the alternative asset investment platforms. For additional information on risk management at Lifeco and IGM, refer to their respective annual MD&As.

STRATEGIC RISK

Strategic risk arises as a result of ineffective strategic decision making, inadequate strategies or a lack of responsiveness to important changes to the business environment, including macroeconomic or country risk events, or changes to the regulatory environment. In addition, strategic risk includes risks associated with the Corporation's holding company structure and potential future acquisitions.

The successful execution of the Corporation's investment strategy is uncertain as it requires suitable opportunities, careful timing and business judgment. The Corporation's approach consists in overseeing, through the Board of Directors, its operating businesses and investments with a view to generate long-term, sustainable growth in earnings and dividends. The Corporation aims to act like an owner with a long-term perspective and a strategic vision anchored in strong core values.

The Chief Executive Officer is responsible for developing the Corporation's proposed strategic plans, in light of emerging opportunities and risks and with a view to the Corporation's sustained profitable growth and long-term value creation, and for implementing the approved strategic plans. The Board of Directors is responsible for approving the long-term goals and objectives for the Corporation, and, after considering alternatives, approving the strategic plans developed by the Chief Executive Officer. The Board of Directors also monitors senior management's implementation of the approved plans; assesses the achievement of the Corporation's goals and objectives; reviews and approves on at least an annual basis management's financial plan; and reviews and approves any significant transactions and strategic capital management decisions regarding the Corporation.

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation would not be able to meet all cash outflow obligations as they come due or not be able to, in a timely manner, raise capital or monetize assets at normal market conditions.

As a holding company, Power Corporation's ability to meet its obligations, including payment of interest, other operating expenses and dividends, and to complete current or desirable future enhancement opportunities or acquisitions generally depends upon dividends from its principal operating subsidiaries, investment platforms and other investments, and its ability to raise additional capital. Dividends to shareholders of Power Corporation is at the discretion of its Board of Directors and is dependent on the operating performance, profitability, financial position and creditworthiness of its subsidiaries, jointly controlled corporations and associates, as well as on their ability to pay dividends. The payment of interest and dividends by the Corporation's principal subsidiaries is subject to restrictions set out in relevant corporate and insurance laws and regulations, which require that solvency and capital ratios be maintained. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiary to pay dividends.

The Corporation makes certain investments through its investment platforms in the securities of private companies and illiquid securities. These investments may offer relatively high potential returns, but may also be subject to a relatively higher degree of risk. From time to time, it may be in the best interests of the Corporation to exit these investments. However, securities of private companies and illiquid securities may not have a ready market and the Corporation may be unable to sell such securities at acceptable prices on a timely basis or at all. Illiquidity may limit the Corporation's ability to realize a return or to vary components of its investment portfolio promptly in response to changing conditions. In some cases, the Corporation may also be restricted by contract or by applicable laws from selling such securities for a period of time. The valuation of private companies is inherently difficult because there is a certain level of uncertainty in the assumptions used to determine the fair value of these investments.

Contractual maturities of certain liabilities were as follows:

	Payments due by period			Total
	1 year or less	1-5 years	Over 5 years	
December 31, 2024				
Deposits and certificates	12,902	–	–	12,902
Power Corporation's debentures and other debt instruments	–	–	650	650
Non-recourse debentures and other debt instruments	1,365	985	1,854	4,204
Future lease payments	47	185	416	648
Pension contributions	16	–	–	16
	14,330	1,170	2,920	18,420

Power Corporation and Power Financial believe their ongoing cash flows from operations, available cash balances and liquidity available through their lines of credit are sufficient to address their liquidity needs.

Power Corporation's management of liquidity risk has not changed materially since December 31, 2023.

CREDIT RISK AND MARKET RISK

In order to maintain an appropriate level of available liquidity, the Corporation maintains a portfolio of financial instruments which can be a combination of cash and cash equivalents, fixed income securities, other investments (consisting of equity securities and investment funds) and derivatives. The Corporation also holds, through Power Financial and its investment platforms, shares of private and publicly traded companies, client funds on deposit and other loans. Those investments bear credit and market risks as described in the following sections.

The Corporation and Power Financial regularly review their liquidity requirements and seek to maintain a sufficient level of liquidity to meet their operating expenses, financing charges and payment of preferred share dividends for a reasonable period of time, as defined in their policies. The ability of Power Corporation, including through Power Financial, to arrange additional financing in the future will depend in part upon prevailing market conditions as well as the business performance and the risk profile of the Corporation and its subsidiaries. Although the Corporation has been able to access capital on financial markets in the past, there can be no assurance this will be possible in the future. The inability of Power Corporation to access sufficient capital on acceptable terms could have a material adverse effect on Power Corporation's business, prospects, dividend paying capability and financial condition, and further enhancement opportunities or acquisitions.

The Corporation held \$1.6 billion of cash and cash equivalents, including fixed income securities and amounts held by Power Financial, at December 31, 2024. Liquidity is also available through the Corporation's lines of credit with Canadian banks. The Corporation has a committed line of credit of \$500 million. The Corporation also maintains an uncommitted line of credit of \$100 million, and any advances are at the bank's sole discretion. At December 31, 2024 and 2023, the Corporation was not utilizing its committed line of credit or uncommitted line of credit.

The investment platforms including the controlled and consolidated investments have committed lines of credit of \$1,120 million with Canadian and U.S. banks (\$578 million was undrawn at December 31, 2024).

Principal repayments on debentures and other debt instruments, and pension funding (other than those of Lifeco and IGM) represent the only significant contractual liquidity requirements. The debt instruments of Power Financial as well as those held by the investment platforms, including the controlled and consolidated investments, are non-recourse to the Corporation.

Credit Risk

Credit risk is the potential for financial loss to the Corporation if a counterparty in a transaction fails to meet its payment obligations. Credit risk can be related to the default of a single debt issuer, the variation of credit spreads on tradable fixed income securities and also to counterparty risk relating to derivatives products.

Power Corporation and Power Financial manage credit risk on their fixed income securities by adhering to an investment policy that establishes guidelines which provide exposure limits by defining admissible securities, minimum ratings and concentration limits.

Fixed income securities, which are included in investments and in cash and cash equivalents, consist primarily of bonds, bankers' acceptances and highly liquid temporary deposits with Canadian chartered banks and banks in jurisdictions where Power Corporation, Power Financial and the investment platforms operate, as well as bonds and short-term securities of, or guaranteed by, the Canadian or U.S. governments. The Corporation and Power Financial regularly review the credit ratings of their counterparties. The maximum exposure to credit risk on these financial instruments is their carrying value.

Other controlled and consolidated investments, including Wealthsimple, held client funds on deposit of \$12,902 million at December 31, 2024 (\$5,123 million in 2023), which are mainly held with Schedule I chartered banks.

Derivatives can be also used mainly to mitigate foreign exchange or equity exposures. Power Corporation and Power Financial regularly review the credit ratings of derivative financial instrument counterparties. Derivative contracts are over-the-counter with counterparties that are highly rated financial institutions.

The financial instruments held by the investment platforms include other loans and are subject to credit risk. The investment platforms held other loans, classified as FVPL, of \$314 million at December 31, 2024 (\$45 million at December 31, 2023). The investment platforms regularly review the credit ratings of their counterparties and the maximum exposure to credit risk on these financial instruments is their carrying value.

The Corporation's exposure to and management of credit risk related to cash and cash equivalents, fixed income securities, client funds on deposit, other loans and derivatives have not changed materially since December 31, 2023.

Market Risk

Market risk is the risk that the market value or future cash flows of a financial instrument will fluctuate as a result of changes in market factors. Market factors include foreign exchange risk, interest rate risk and equity risk.

Foreign Exchange Risk

Foreign exchange risk relates to the Corporation, Power Financial and the investment platforms operating in different currencies and converting non-Canadian investments and earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.

In its ongoing operations, the Corporation may hold cash balances denominated in foreign currencies and thus be exposed to fluctuations in exchange rates. In order to protect against such fluctuations, Power Corporation and Power Financial may from time to time enter into currency-hedging transactions with highly rated financial institutions. At December 31, 2024, approximately 46% of the \$1,606 million of Power Corporation and Power Financial's cash and cash equivalents and fixed income securities were denominated in foreign currencies, consisting of \$617 million in U.S. dollars, \$35 million in euros, \$3 million in Swiss francs and \$76 million in Chinese renminbi. At December 31, 2024, approximately 55% (62% at December 31, 2023) of Power Corporation, Power Financial and investment platforms' cash and cash equivalents and fixed income securities were denominated in Canadian dollars.

Investments held by Power Corporation, Power Financial and through its investment platforms are either classified as FVOCI or at FVPL. These investments are diversified among the U.S. dollar and the euro which contributes to reducing the concentration of foreign exchange risk. All unrealized gains and losses due to foreign exchange rate variations on investments classified as FVOCI are recorded in other comprehensive income. Unrealized gains and losses on investments classified as FVPL resulting from foreign exchange rate variations are recorded directly in net earnings. At December 31, 2024, the impact of a 5% strengthening of the Canadian dollar against foreign currencies would result in a loss recorded

in net earnings of approximately \$82 million. At December 31, 2024, investments classified as FVOCI were not significant. Power Corporation's and Power Financial's debentures are denominated in Canadian dollars.

Power Corporation has net investments in foreign operations. In accordance with IFRS, foreign currency translation gains and losses from net investments in foreign operations are recorded in other comprehensive income. Strengthening or weakening of the Canadian dollar spot rate compared with the U.S. dollar spot rate impacts the Corporation's total equity.

Power Financial is exposed to foreign exchange risk on its investment in GBL held through Parjointco as its functional currency is the euro. Foreign currency translation gains and losses on this investment are recorded in other comprehensive income. At December 31, 2024, the impact of a 5% increase (decrease) in Canadian currency relative to the foreign currency would decrease (increase) the aggregate carrying value of foreign investment by approximately \$185 million (\$185 million in 2023).

Interest Rate Risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate following changes in interest rates.

The investment platforms held other loans, classified as FVPL, of \$314 million and are exposed to interest rate risk. At December 31, 2024, the impact to net earnings of a 110 basis point increase in interest rates would not have been significant.

Power Corporation, Power Financial and the investment platforms' financial instruments do not have significant exposure to interest rate risk.

Equity Risk

Equity risk is the potential loss associated with the sensitivity of the market price of a financial instrument arising from volatility in equity markets.

Investments held by Power Corporation, Power Financial and through its investment platforms are either classified as FVOCI or FVPL. All unrealized gains and losses on investments classified as FVOCI are recorded in other comprehensive income and transferred directly to retained earnings on realization. Unrealized gains and losses on investments classified as FVPL are recorded directly in net earnings. At December 31, 2024, investments classified as FVOCI are not significant. At December 31, 2024, the impact of a 10% decrease in the value of other investments held by Power Corporation, Power Financial and in the investment platforms would have resulted in approximately \$342 million of loss recorded in net earnings related to investments classified as FVPL, including investments in jointly controlled corporations and associates measured at FVPL.

The investments held by Power Corporation, Power Financial and through its investment platforms classified as FVOCI or at FVPL, including jointly controlled corporations and associates measured at FVPL, include shares of private and publicly traded companies. The investment platforms are diversified, investing in three distinct economic regions: Europe, North America and China. This diversification avoids a concentration in any one single economy.

GBL holds a portfolio of investments which the Corporation and GBL have classified as FVOCI or FVPL. All unrealized gains and losses on investments classified as FVOCI are recorded in other comprehensive income and transferred directly to retained earnings on realization. Unrealized gains and losses on investments classified as FVPL are recorded directly in net earnings. At December 31, 2024, the impact of a 10% decrease in equity markets would have resulted in an approximate \$220 million unrealized loss to be recorded in other comprehensive income related to investments classified as FVOCI and a \$75 million loss recorded in net earnings related to investments classified as FVPL, representing the Corporation's share of Parjointco's unrealized losses.

The market price of the equity securities of Power Corporation's subsidiaries and investments may be volatile and subject to numerous factors beyond such subsidiaries' control. At times, financial markets have experienced significant price and volume fluctuations that have affected the market price of the equity securities of the subsidiaries and investments, and that are often unrelated to the operating performance, underlying asset values or prospects of such companies. Volatility in the market price of the equity securities of subsidiaries and investments may have an impact on the adjusted net asset value reported by the Corporation.

Power Corporation's management of financial instruments risk has not changed materially since December 31, 2023. For a further discussion of Power Corporation's risk management, please refer to Note 23 to the Corporation's 2024 Consolidated Financial Statements. Lifeco's and IGM's annual MD&As further describe their management of financial instruments risk.

OPERATIONAL RISK

Operational risk is defined as the risk of loss resulting from people, inadequate or failed internal processes and technologies, or external events, which include the risks of adverse impacts from unethical practices, including internal and external frauds, corruption and bribery, conflicts of interest and data privacy, as well as inadequate human resources practices, execution and processing errors, model risk, valuation risk, suppliers and third-party risk, business disruptions, cybersecurity, risks related to the inappropriate use of artificial intelligence or other emerging technologies, legal risk and regulatory compliance risk. Although operational risk cannot be eliminated entirely, the Corporation's risk management processes are designed to manage these risks in a thorough and diligent manner.

The Corporation manages operational risk by adopting and applying a series of corporate governance policies, procedures and practices such as human resource and compensation practice policies, a clawback policy for all officers, a Code of Business Conduct and Ethics for directors, officers and employees (the Code of Conduct), a Third Party Code of Conduct, a Global Anti-Bribery Policy, a Global Sanctions Policy, a Privacy Policy, an Artificial Intelligence Use Policy, business continuity procedures, related party transactions review and other corporate governance guidelines. The Corporation also has established a series of controls for financial reporting and disclosure purposes, and such controls, which are tested on a regular basis, can contribute to identifying and mitigating operational risks.

Cybersecurity Risk

The Corporation is exposed to risks relating to cybersecurity, in particular cyber threats, which include cyber-attacks such as, but not limited to, hacking, computer viruses, unauthorized access to confidential, proprietary or sensitive information or other breaches of network or Information Technology (IT) security. The Corporation continues to monitor and enhance its defences and procedures to prevent, detect, respond to and manage cybersecurity threats, which are constantly evolving. Consequently, the Corporation's IT defences are continuously monitored and adapted to both prevent and detect cyber-attacks, and then recover and remediate. Disruption to information systems or breaches of security could result in a negative impact on the Corporation's financial results or result in reputational damage.

Model Risk

Model risk is the risk of adverse consequences arising from the inappropriate use or interpretation of models, or the use of deficient models, data or assumptions by the Corporation or by the investment platforms. Changes in the internal assumptions or other factors affecting the models could lead to a change in fair value. The Corporation and the investment platforms use a variety of models to assist in the valuation of financial instruments, operational scenario testing, management of cash flows, capital management, and assessment of potential acquisitions or investment decisions.

Regulatory Compliance Risk

Regulatory compliance risk is the risk of the Corporation or its employees failing to comply with the regulatory requirements in effect where the Corporation does business, both in Canada and internationally. There are many laws, governmental rules and regulations, including financial reporting and disclosure rules, that apply to the Corporation. Interpretation of these laws, rules and regulations by the Corporation, governmental agencies, or the courts could result in situations of regulatory non-compliance and could adversely affect the Corporation's reputation and result in penalties, fines and sanctions or increased oversight by regulators. The Corporation, in addition to complying with these laws, rules and regulations, must also monitor them closely so that changes therein are taken into account in the management of its activities.

The Corporation ensures that the tax implications of all of its strategic decisions comply with its legal and tax reporting obligations as well as anticipate potential changes in the current legal framework to avoid any risk of non-compliance that could have adverse impacts.

REPUTATION RISK

Reputation risk is the risk that an activity undertaken by the Corporation would be judged negatively by its stakeholders or the public, whether that judgment is with or without basis, thereby impairing its image and resulting potentially in the loss of business, limited financing capacity, legal action or increased regulatory oversight. Reputation risk can arise from a number of events and is generally related to a deficiency in managing another risk. For example, non-compliance with laws and regulations as well as deficiencies in financial reporting and disclosures can have a significant reputational impact on the organization.

The Board of Directors has adopted the Code of Conduct, which includes the Corporation's guidelines on conflicts of interest, as well as a Third Party Code of Conduct, that govern the conduct of the Corporation's Directors, officers, employees, advisors, consultants and suppliers. The Board of Directors oversees compliance with the Code of Conduct through the Corporation's General Counsel and Secretary, who monitors compliance with the Code of Conduct. Directors and employees of the Corporation are required to confirm annually, and officers are required to confirm quarterly, their understanding of, and agreement to comply with, the Code of Conduct.

SUSTAINABILITY RISK

Sustainability risk is the potential loss associated with the inability of the Corporation and its employees to identify and manage environmental and social risks, which could adversely impact the Corporation's financial position and reputation.

Environmental risks relate to the adverse impacts that could result from climate change, waste, and resource consumption. Social risks relate to the adverse impacts on people that could result from improper practices related to human rights, labour conditions, health and safety, harassment, diversity, equity and inclusion, wages and benefits, and supplier management.

Anchored by a strong responsible management culture, the Corporation takes a balanced and sustainable approach to conducting business. The Corporation adheres to the clear guidelines set out in its Code of Conduct, which applies to the Corporation's directors, officers and employees, as well as in its Third-Party Code of Conduct, which applies to advisors, consultants and suppliers. The Corporation also maintains other supporting policies, procedures and controls, including a Corporate Sustainability Statement, an Environmental Policy, a Diversity, Equity and Inclusion Policy, and a Respectful Workplace Policy.

The Corporation provides training and capacity building for its employees to ensure sustainability risks are identified and mitigated consistent with its policies and procedures. The Board of Directors' risk management oversight includes ensuring that material sustainability risks are appropriately identified, managed, and monitored. Responsibility for sustainability considerations at the Board of Directors' level is assigned to the Governance and Sustainability Committee. The Corporation's Vice-President, General Counsel and Secretary has been appointed as the Corporation's Sustainability Lead. Sustainability risks and opportunities are reviewed by the Governance and Sustainability Committee through an annual update and progress report provided by the Corporation's Sustainability Lead, or more frequently as appropriate. The Sustainability Lead also reports annually to the Audit Committee on the implementation of the Code of Business Conduct and Ethics and of the Global Anti-Bribery Policy.

The Corporation monitors evolving regulatory requirements regarding sustainability in order to be in compliance with any future requirements.

OTHER RISKS

Tax Risk

Jurisdictions in which the Corporation and its subsidiaries operate periodically review and amend their tax laws and policies. Changes to tax rates may increase the tax expense of the Corporation and its subsidiaries, adversely impacting earnings.

Management actively monitors changes and developments to domestic and international tax laws and policies and their potential impacts.

Under International Pillar Two tax reform, the OECD introduced a 15% global minimum tax (GMT or Pillar Two) regime that has been adopted for 2024 by all countries in which the Corporation and its subsidiaries have significant operations, other than the United States and Isle of Man. Legislation has been enacted by Canada, Barbados, Germany, Ireland, the United Kingdom and Switzerland with an effective date of January 1, 2024.

The Corporation and its subsidiaries are liable for GMT, in respect of operations in Barbados, Ireland, the Isle of Man and Switzerland, jurisdictions where the statutory tax rates are below 15%. In the fourth quarter of 2024,

Lifeco recognized a GMT current tax expense of \$24 million, of which the Corporation's share was \$17 million (\$113 million in the twelve-month period ended December 31, 2024, of which the Corporation's share was \$79 million).

Macroeconomic Risk

Global and macroeconomic conditions remain in a state of heightened volatility owing to a number of factors. These include geopolitical risk and tension, changes in government administrations, regulations, legislation and policies, the impact of trade relations and ongoing trade tensions, including the threat of tariffs and other governmental actions, as well as retaliatory actions. These factors may result in elevated volatility of financial markets and influence inflation, interest rates and economic growth in the geographies in which the Corporation and its subsidiaries operate. The outlook for financial markets over the short and medium term remains uncertain and the Corporation and its subsidiaries actively monitor events and information globally. The diversified business portfolios of the Corporation's operating subsidiaries and its prudent approach to risk management help to mitigate risks presented by ongoing global economic uncertainty.

Emerging Risks

An emerging risk is a risk not well understood at the current time and for which the impacts on the Corporation, including on its strategy and financial results, are difficult to assess or are in the process of being assessed.

Monitoring emerging risks is an important component of risk management. Power Corporation is actively monitoring emerging risks through:

- Review and analysis at the boards and committees of its operating companies around the world where local executives describe the emerging risks in their respective environments.
- The Corporation's executive officers act as the Corporation's risk management committee. They meet regularly to identify, analyze and review the Corporation's risks and to implement strategies to mitigate these risks.

Financial Instruments and Other Instruments

FAIR VALUE MEASUREMENT

Fair value represents the amount that would be exchanged in an arm's-length transaction between willing parties and is best evidenced by a quoted market price, if one exists. Fair values represent management's estimates and are generally calculated using market information and at a specific point in time and may not reflect future fair values. The calculations are subjective in nature, involve uncertainties and matters of significant judgment.

The Corporation's assets and liabilities recorded at fair value and those for which fair value is disclosed have been categorized based upon the following fair value hierarchy:

- Level 1 inputs utilize observable, unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access.
- Level 2 inputs utilize other-than-quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability.

The Corporation and its subsidiaries maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls has been determined based on the lowest level input that is significant to the fair value measurement. The Corporation and its subsidiaries' assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the asset or liability.

The following table presents the carrying amounts and fair value of the Corporation and its subsidiaries' assets and liabilities recorded or disclosed at fair value. The table distinguishes between assets and liabilities recorded at fair value on a recurring basis and those for which fair value is disclosed. The table excludes fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value. Items excluded are: cash and cash equivalents, dividends, accounts and interest receivable, certain other financial assets, accounts payable, dividends and interest payable and certain other financial liabilities.

At December 31	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Assets recorded at fair value				
Bonds				
FVPL	153,266	153,266	145,213	145,213
FVOCI	13,758	13,758	11,750	11,750
Mortgage and other loans				
FVPL	33,932	33,932	33,459	33,459
FVOCI	461	461	578	578
Shares				
FVPL	18,649	18,649	16,177	16,177
FVOCI	923	923	411	411
Investment in jointly controlled corporations and associates ⁽¹⁾	950	950	832	832
Investment properties	8,350	8,350	7,870	7,870
Derivative instruments	2,637	2,637	2,349	2,349
Assets held for sale ⁽²⁾	—	—	2,152	2,152
Trading account assets	3,701	3,701	3,038	3,038
Other assets	395	395	462	462
	237,022	237,022	224,291	224,291
Assets disclosed at fair value				
Bonds				
Amortized cost	376	377	373	371
Mortgage and other loans				
Amortized cost	10,272	9,685	9,531	8,994
	10,648	10,062	9,904	9,365
Total	247,670	247,084	234,195	233,656
Liabilities				
Liabilities recorded at fair value				
Investment contract liabilities	90,157	90,157	88,919	88,919
Derivative instruments	2,180	2,180	1,351	1,351
Collateralized loan obligation liabilities	3,791	3,791	3,110	3,110
Limited-life and redeemable fund units	2,928	2,928	1,833	1,833
Other debt instruments	54	54	—	—
Other liabilities	240	240	526	526
	99,350	99,350	95,739	95,739
Liabilities disclosed at fair value				
Obligations to securitization entities	5,025	5,098	4,688	4,696
Power Corporation's debentures and other debt instruments	647	703	647	670
Non-recourse debentures and other debt instruments	15,855	15,198	14,625	14,037
Deposits and certificates	16,605	16,605	8,713	8,713
Other liabilities	424	424	147	147
	38,556	38,028	28,820	28,263
Total	137,906	137,378	124,559	124,002

[1] Represents investments in jointly controlled corporations and associates held by entities that meet the definition of a venture capital organization, which have been elected to be measured at FVPL.

[2] Assets held for sale measured at fair value includes shares of \$46 million and trading account assets of \$2,106 million.

See Note 29 to the Corporation's 2024 Consolidated Financial Statements for additional disclosure of the Corporation's fair value measurement at December 31, 2024.

DERIVATIVE FINANCIAL INSTRUMENTS

In the course of their activities, the Corporation and its subsidiaries use derivative financial instruments. When using such derivatives, they only act as limited end-users and not as market makers in such derivatives.

The use of derivatives is monitored and reviewed on a regular basis by senior management of the Corporation and by senior management of its subsidiaries. The Corporation and its subsidiaries have each established operating policies, guidelines and procedures relating to the use of derivative financial instruments, which in particular focus on:

- prohibiting the use of derivative instruments for speculative purposes;
- documenting transactions and ensuring their consistency with risk management policies;
- demonstrating the effectiveness of the hedging relationships; and
- monitoring the hedging relationships.

There were no major changes to the Corporation and its subsidiaries' policies and procedures with respect to the use of derivative instruments in the twelve-month period ended December 31, 2024. The following table provides a summary of the Corporation and its subsidiaries' derivatives portfolio:

December 31	2024			2023		
	Notional	Maximum credit risk	Total fair value	Notional	Maximum credit risk	Total fair value
Power Corporation	535	64	63	367	20	20
Power Financial	37	16	16	67	10	10
Lifeco	63,066	2,431	294	51,909	2,219	931
IGM	1,982	36	10	1,903	43	(7)
Other subsidiaries	2,723	90	74	1,270	57	44
	67,808	2,573	394	55,149	2,329	978
	68,343	2,637	457	55,516	2,349	998

During the twelve-month period ended December 31, 2024, there was an increase of \$12.8 billion in the notional amount of derivatives outstanding, primarily due to increases in volume of regular hedging activities by Lifeco. The Corporation and its subsidiaries' exposure to derivative counterparty risk (which represents the current fair value of instruments in a gain position) increased to \$2,637 million at December 31, 2024 from \$2,349 million at

December 31, 2023. The increase was primarily driven by the impact of the U.S. dollar strengthening against the euro and British pound on cross-currency swaps that receive U.S. dollars and pay euros or British pounds.

See Note 28 to the Corporation's 2024 Consolidated Financial Statements for additional information.

Off-Balance Sheet Arrangements

GUARANTEES

In the normal course of their operations, the Corporation and its subsidiaries may enter into certain agreements, the nature of which precludes the possibility of making a reasonable estimate of the maximum potential amount the Corporation or subsidiary could be required to pay third parties, as some of these agreements do not specify a maximum amount and the amounts are dependent on the outcome of future contingent events, the nature and likelihood of which cannot be determined. See also Note 34 to the Corporation's 2024 Consolidated Financial Statements.

LETTERS OF CREDIT

In the normal course of its reinsurance business, Lifeco provides letters of credit to other parties or beneficiaries. A beneficiary will typically hold a letter of credit as collateral to secure statutory credit for insurance and investment contract liabilities ceded to or amounts due from Lifeco. Lifeco may be required to seek collateral alternatives if it is unable to renew existing letters of credit on maturity. See also Note 34 to the Corporation's 2024 Consolidated Financial Statements.

Contingent Liabilities

The Corporation and its subsidiaries are from time to time subject to legal actions, including arbitrations and class actions, arising in the normal course of business. It is inherently difficult to predict the outcome of any of these proceedings with certainty, and it is possible that an adverse resolution could have a material adverse effect on the consolidated financial position of the Corporation. However, based on information presently known, it is not expected that any of the existing legal actions, either individually or in the aggregate, will have a material adverse effect on the consolidated financial position of the Corporation. See also Note 33 to the Corporation's 2024 Consolidated Financial Statements.

Commitments and Contractual Obligations

At December 31, 2024	Payments due by period				Total
	1 year or less	1-5 years	Over 5 years	Undefined ^[1]	
Power Corporation ^[2]	8	3	652	56	719
Power Financial ^[2]	11	–	253	–	264
Lifeco	8,723	3,800	5,728	–	18,251
IGM	4,945	4,434	2,000	–	11,379
Alternative asset investment platforms and consolidation entries	14,062	1,292	1,944	344	17,642
Total	27,749	9,529	10,577	400	48,255
Debtentures and other debt instruments ^[3]	2,229	4,630	9,830	–	16,689
Obligations to securitization entities	1,191	3,816	18	–	5,025
Deposits and certificates	16,605	–	–	–	16,605
Lease obligations ^[4]	132	455	650	–	1,237
Purchase obligations ^[5]	246	474	72	–	792
Pension contributions ^[6]	259	–	–	–	259
Contractual commitments ^{[1][7]}	7,087	154	7	400	7,648
Total	27,749	9,529	10,577	400	48,255

[1] Includes outstanding commitments from the Corporation and the alternative asset investment platforms to make future capital contributions to investment funds; the exact amount and timing of each capital contribution cannot be determined. Excludes commitments to controlled and consolidated funds.

[2] Includes debtentures of the Corporation of \$650 million and Power Financial of \$250 million.

[3] Refer to Note 15 and Note 16 to the Corporation's 2024 Consolidated Financial Statements for further information.

[4] Refer to Note 17 to the Corporation's 2024 Consolidated Financial Statements for further information.

[5] Purchase obligations are commitments of Lifeco to acquire goods and services, primarily related to information services, as well as purchase contracts related to projects under construction at PSEIP.

[6] Pension contributions include expected contributions to defined benefit and defined contribution pension plans as well as other post-employment benefit plans and are subject to change, as contribution decisions are affected by many factors including market performance, regulatory requirements and management's ability to change funding policy. Funding estimates beyond one year are excluded due to variability in the assumptions required to project the timing of future contributions.

[7] Includes \$7,248 million of commitments by Lifeco, net of eliminations in controlled and consolidated investment funds. These contractual commitments are essentially commitments of investment transactions made in the normal course of operations, in accordance with Lifeco's policies and guidelines, which are to be disbursed upon fulfillment of certain contract conditions.

Summary of Critical Accounting Estimates and Judgments

In the preparation of the financial statements, management of the Corporation and the managements of its subsidiaries are required to make significant judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings, comprehensive income and related disclosures. The results of the Corporation reflect the judgments of the managements of the Corporation and of its subsidiaries regarding the impact of prevailing market conditions related to global credit, equities, investment properties and foreign exchange, as well as, with respect to Lifeco, prevailing health and mortality experience. Key sources of estimation, uncertainty and areas where significant judgments are made by the management of the Corporation and the managements of its subsidiaries include: the entities to be consolidated or accounted for using the equity method, fair value measurements, expected credit losses, valuation of goodwill and intangible assets, valuation of insurance contract liabilities, income taxes and pension plans and other post-employment benefits.

Additional details regarding these significant estimates and judgments can be found in Note 2 to the Corporation's 2024 Consolidated Financial Statements.

CONSOLIDATION

Management of the Corporation consolidates all subsidiaries and entities in which it has determined that the Corporation has control. Control is evaluated according to the ability of the Corporation to direct the relevant activities of the subsidiaries, including investment funds or other structured entities, in order to derive variable returns. Management of the Corporation and of each of its subsidiaries exercise judgment in determining whether control exists. Judgment is exercised in evaluating the variable returns and in determining the extent to which the Corporation or its subsidiaries have the ability to exercise their power to affect variable returns.

Management of the Corporation exercises judgment in determining whether the Corporation is a principal or an agent when the Corporation or its subsidiaries act as a fund manager and also invest in the fund. The Corporation determines that it is a principal when it has sufficient capital invested and exposure to variability of returns generated as a result of the decisions of the Corporation or its subsidiaries as a fund manager. Judgment is applied in determining the sufficiency of the variability of returns and overall aggregate economic interest. In making these judgments, the Corporation considers the rights held by other investors, including their ability to remove the fund manager.

JOINTLY CONTROLLED CORPORATIONS AND ASSOCIATES

Jointly controlled corporations are entities in which unanimous consent is required for decisions relating to relevant activities. Associates are entities in which the Corporation exercises significant influence over the entity's operating and financial policies, without having control or joint control. Investments in jointly controlled corporations and associates are accounted for using the equity method. Management of the Corporation and of each of its subsidiaries exercise judgment in determining whether joint control or significant influence exists.

In the case of investments in jointly controlled corporations and associates held by entities that meet the definition of a venture capital organization, the Corporation has elected to measure certain of its investments in jointly controlled corporations and associates at FVPL.

FAIR VALUE MEASUREMENT

A financial asset is measured at fair value on initial recognition and is classified and subsequently measured as FVPL, FVOCI, or amortized cost based upon the Corporation's or its subsidiaries' business models for managing these assets and the contractual cash flow characteristics of these assets.

The Corporation and its subsidiaries maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following is a description of the methodologies used to value instruments carried at fair value.

Bonds at FVPL and FVOCI

Fair values for bonds measured as FVPL or FVOCI are determined with reference to quoted market bid prices primarily provided by third-party independent pricing sources. Where prices are not quoted in an active market, fair values are determined by valuation models. The Corporation and its subsidiaries obtain quoted prices in active markets, when available, for identical assets at the balance sheet date to measure bonds at fair value in its FVPL and FVOCI portfolios.

The Corporation and its subsidiaries estimate the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Mortgage and Other Loans at FVPL and FVOCI

There are no market-observable prices for mortgage and other loans; therefore, fair values for mortgage and other loans are determined by discounting expected future cash flows using current market rates for similar instruments. Valuation inputs typically include benchmark yields and risk-adjusted spreads based on current lending activities and market activity.

Equity-release Mortgages at FVPL

There are no market-observable prices for equity-release mortgages; Lifeco uses an internal valuation model for discounting expected future cash flows and includes consideration of the embedded no-negative-equity guarantee. Inputs to the model include market-observable inputs such as benchmark yields and risk-adjusted spreads. Non-market-observable inputs include property growth and volatility rates, expected rates of voluntary redemptions, death, moving to long-term care and interest cessation assumptions and the value of the no-negative-equity guarantee.

Shares at FVPL and FVOCI

Fair values of publicly traded shares are generally determined by the last bid price for the security from the exchange where it is principally traded. Fair values of shares for which there is no active market are typically based upon alternative valuation techniques such as discounted cash flow analysis, review of price movement relative to the market and utilization of information provided by the underlying investment manager. The Corporation and its subsidiaries obtain quoted prices in active markets, when available, for identical assets at the balance sheet date to measure shares at fair value.

Investment Properties

Fair values of investment properties are determined using independent qualified appraisal services and include adjustments by management of its subsidiaries for material changes in property cash flows, capital expenditures or general market conditions in the interim period between appraisals. The determination of the fair value of investment properties requires the use of estimates including future cash flows (such as future leasing assumptions, rental rates, capital and operating expenditures) and discount, reversionary and overall capitalization rates applicable to the asset based on current market conditions. Investment properties under construction are valued at fair value if such values can be reliably determined; otherwise, they are recorded at cost.

EXPECTED CREDIT LOSSES

Expected credit loss (ECL) allowances are recognized on all financial assets, except for financial assets classified or designated as FVPL and equity instruments designated as FVOCI.

The ECL allowance is based on a probability-weighted estimate of credit losses expected as a result of defaults over the relevant time period as prescribed under the ECL model, which is a three-stage impairment approach.

Performing financial assets that have not experienced a significant increase in credit risk since initial recognition or have low credit risk are categorized into stage 1. A 12-month ECL allowance is calculated for stage 1 financial assets.

Performing financial assets that have experienced a significant increase in credit risk since initial recognition are categorized into stage 2. A lifetime ECL allowance is calculated for stage 2 financial assets.

Impaired financial assets are categorized into stage 3 and require a lifetime ECL allowance.

The Corporation and its subsidiaries monitor all financial assets that are subject to impairment for significant increases in credit risk. In making this assessment, both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, is considered.

GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS IMPAIRMENT TESTING

Goodwill and indefinite life intangible assets, including those resulting from an acquisition during the year, are tested for impairment annually or more frequently if events indicate that impairment may have occurred. Indefinite life intangible assets that were previously impaired are reviewed at each reporting date for evidence of reversal.

Goodwill and indefinite life intangible assets have been allocated to cash generating units or to groups of cash generating units (CGUs), representing the lowest level that the assets are monitored for internal reporting purposes. Goodwill and indefinite life intangible assets are tested for impairment by comparing the carrying value of the CGUs to the recoverable amount of the CGUs to which the goodwill and indefinite life intangible assets have been allocated.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal or value in use, which is calculated using the present value of estimated future cash flows expected to be generated.

INSURANCE, REINSURANCE HELD AND INVESTMENT CONTRACT LIABILITIES

In the computation of insurance contract liabilities, Lifeco has made valuation assumptions regarding rates of mortality/morbidity, investment returns, levels of operating expenses, rates of policy termination and rates of utilization of elective policy options or provisions. The valuation assumptions use best estimates of future experience together with a risk adjustment for non-financial risk. This risk adjustment for non-financial risk represents the compensation that Lifeco requires for bearing uncertainty in the amount and timing of insurance contract cash flows due to non-financial risk. Risk adjustments for non-financial risk are reviewed periodically for continued appropriateness.

The estimates of the present value of future cash flows are measured by Lifeco for reinsurance held using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer.

Investment contract liabilities are measured at fair value determined using discount rates derived from a reference portfolio or stochastic modelling at the end of the reporting period. Lifeco's main valuation techniques incorporate all factors that market participants would consider and make maximum use of observable market data.

The methods for arriving at these valuation assumptions are outlined in Lifeco's annual MD&A, including Lifeco's assumptions and sensitivity disclosures.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

The Corporation and its subsidiaries maintain funded defined benefit pension plans for eligible employees and advisors, unfunded supplementary employee retirement plans (SERP) for eligible employees, and unfunded post-employment health, dental and life insurance benefits to eligible employees, advisors and their dependants. The Corporation and its subsidiaries also maintain defined contribution pension plans for eligible employees and advisors.

The defined benefit pension plans provide pensions based on length of service and final average earnings. Expenses for defined benefit plans are actuarially determined using the projected unit credit method prorated on service, based upon management of the Corporation and of its subsidiaries' assumptions about discount rates, compensation increases, retirement ages of employees, mortality and expected health care costs. The Corporation and its subsidiaries' accrued benefit asset (liability) in respect to defined benefit plans is calculated separately for each plan by discounting the amount of the benefit that employees have earned in return for their service in current and prior periods and deducting the fair value of any plan assets.

- The Corporation and its subsidiaries determine the net interest component of the pension expense for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net accrued benefit asset (liability), where the discount rate is determined by reference to market yields on high-quality corporate bonds.
- If the plan benefits are changed, or a plan is curtailed, any past service costs or curtailment gains or losses are recognized immediately in net earnings.
- Net interest costs, administration expenses, current service costs, past service costs, plan amendments and curtailment and settlement gains or losses are recognized in operating and administrative expenses in the statements of earnings.

- Remeasurements represent actuarial gains and losses, the actual return on plan assets greater (less) than interest income, and changes in the asset ceiling. Remeasurements are recognized immediately through other comprehensive income and are not subsequently reclassified to net earnings.
- The accrued benefit asset (liability) represents the plan surplus (deficit) and is included in other assets (other liabilities).
- Contributions to the defined contribution plans are expensed as incurred.

INCOME TAXES

Current Income Tax

Current income tax is based on taxable income for the year. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the rates that have been enacted or substantively enacted at the balance sheet date in each respective jurisdiction. Current tax assets and current tax liabilities are offset, if a legally enforceable right exists to offset the recognized amounts and the entity intends either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A provision for tax treatment uncertainties which meet the probable threshold for recognition is measured using either the most likely amount or the expected value, depending upon which method provides the better prediction of the resolution of the uncertainty. The provision for tax uncertainties will be classified as current or deferred based on how a disallowance of the underlying uncertain tax treatment would impact the tax provision accrual as of the balance sheet date.

Deferred Income Tax

Deferred income tax is the tax expected to be payable or recoverable on differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income and on unused tax attributes, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences

and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and unused tax attributes can be utilized.

Recognition of deferred tax assets is based on the fact that it is probable that the entity will have taxable profits and/or tax planning opportunities available to allow the deferred tax asset to be utilized. Changes in circumstances in future periods may adversely impact the assessment of the recoverability. The uncertainty of the recoverability is taken into account in establishing the deferred tax assets. The Corporation and its subsidiaries' financial planning process provides a basis for the measurement of deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to net current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, jointly controlled corporations and associates, except where the group controls the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Corporation applied the mandatory exception in IAS 12, *Income Taxes* whereby it is not recognizing and disclosing information about deferred tax assets and liabilities related to the GMT.

Changes in Accounting Policies

The Corporation adopted the amendments to IFRS for IAS 7, *Statement of Cash Flows*, IFRS 7, *Financial Instruments: Disclosures*, and IFRS 16, *Leases* effective January 1, 2024. The adoption of these amendments did not have a material impact on the Corporation's financial statements.

Future Accounting Changes

The Corporation and its subsidiaries monitor changes in IFRS, both proposed and released, by the IASB and analyze the effect that changes in the standards may have on the consolidated financial statements when they become effective. See Note 2 to the 2024 Consolidated Financial Statements for additional information:

Standard	Summary of future changes
IFRS 18— <i>Presentation and Disclosure in Financial Statements</i>	<p>In April 2024, the IASB published IFRS 18, <i>Presentation and Disclosure in Financial Statements</i> (IFRS 18). The standard aims to improve how companies communicate information in their financial statements, with a focus on information about financial performance in the statement of earnings.</p> <p>IFRS 18 will require corporations to:</p> <ul style="list-style-type: none"> ■ Provide defined subtotals in the statement of earnings; ■ Disclose information for any management-defined performance measures related to the statement of earnings; and ■ Implement principles for the grouping of information in the financial statements, and whether to provide it in the primary financial statements or notes. <p>The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is evaluating the impact of the adoption of this standard.</p>
IFRS 9— <i>Financial Instruments</i> and IFRS 7— <i>Financial Instruments: Disclosures</i>	<p>In May 2024, the IASB published amendments to IFRS 9, <i>Financial Instruments</i> and IFRS 7, <i>Financial Instruments: Disclosures</i>. The amendments clarify the classification of financial assets with environmental, social and corporate governance and similar features, the settlement of liabilities through electronic payment systems, and introduce additional disclosure requirements to enhance transparency for investors.</p> <p>These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation is evaluating the impact of the adoption of these amendments.</p>

Transactions with Related Parties

Power Corporation has a Related Party and Conduct Review Committee composed entirely of Directors who are independent of management and independent of the Corporation's controlling shareholder. The mandate of this committee is to review proposed transactions with related parties of the Corporation, including its controlling shareholder, and to approve only those transactions that it deems appropriate and that are done at market terms and conditions.

In the normal course of business, Power Corporation and its subsidiaries enter into various transactions which include capital commitments to investment funds, including commitments from management, performance and base management fees paid to subsidiaries of the group, employee ownership participations and loans to employees. Such transactions are at market terms and conditions and are reviewed by the appropriate related party and conduct review committee.

In the normal course of business, Canada Life and other Lifeco subsidiaries enter into various transactions with related companies which include providing group insurance benefits and sub-advisory services to other companies within the Power Corporation group of companies. Such transactions are at market terms and conditions. These transactions are reviewed by the appropriate related party and conduct review committee.

Lifeco provides asset management, employee benefits and administrative services for employee benefit plans relating to pension and other post-employment benefits for its employees, employees of its subsidiaries, and employees of Power Corporation and Power Financial. These transactions are at market terms and conditions and are reviewed by the appropriate related party and conduct review committee.

IGM enters into transactions with subsidiaries of Lifeco. These transactions are in the normal course of operations and include i) providing certain administrative and technology services; ii) distributing insurance products; and iii) the sale of residential mortgages to Canada Life. These transactions are at market terms and conditions and are reviewed by the appropriate related party and conduct review committee.

On May 6, 2024, Lifeco and Power Sustainable announced that they had entered into a long-term strategic partnership and Lifeco acquired a minority interest in Power Sustainable Manager, a subsidiary of Power Sustainable. This transaction was at market terms and conditions and was reviewed by the relevant related party and conduct review committee. Refer to the section "2024 Significant Developments and Transactions".

In 2024, after obtaining advanced tax rulings, IGM and a subsidiary of Power Corporation agreed to a tax loss consolidation transaction whereby shares of an affiliate of the subsidiary that has generated tax losses were acquired by IGM on December 20, 2024. The benefits of this tax loss consolidation arrangement were recognized in the fourth quarter of 2024.

See Note 32 to the Corporation's 2024 Consolidated Financial Statements for additional information.

Disclosure Controls and Procedures

Based on their evaluations at December 31, 2024, the Chief Executive Officer and the Chief Financial Officer have concluded that the Corporation's disclosure controls and procedures were effective at December 31, 2024.

Internal Control over Financial Reporting

The Corporation's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of financial statements for external purposes is in accordance with IFRS, as issued by the IASB. The Corporation's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining effective internal control over financial reporting. All internal control systems have inherent limitations and may become ineffective because of changes in conditions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

As a management and holding company, the Corporation's business activities are carried out through its investments in businesses, each of which has its own management team. Accordingly, the Corporation's management relies on the certifications filed by management of Lifeco and IGM pursuant to National Instrument 52-109—*Certification of Disclosure in Issuers' Annual and Interim Filings*, as well as a sub-certification process by management at its other significant subsidiaries and investees in order to make determinations regarding the Corporation's disclosure controls and procedures and internal control over financial reporting.

The Corporation's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Corporation's internal control over financial reporting at December 31, 2024, based on the Internal Control—Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Corporation's internal control over financial reporting was effective at December 31, 2024.

There have been no changes in the Corporation's internal control over financial reporting during the three-month period ended December 31, 2024 which have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Power Financial Corporation

Power Financial relies on certain of the continuous disclosure documents filed by Power Corporation of Canada pursuant to an exemption from the requirements of National Instrument 51-102—*Continuous Disclosure Obligations* and as provided in the decision of the Autorité des marchés financiers and the Ontario Securities Commission, dated September 10, 2024, regarding Power Financial and Power Corporation (the Decision). The following disclosure is provided further to the requirements of the Decision:

At December 31, 2024	Lifeco	IGM	Corporate and other ⁽¹⁾	Effect of consolidation	Total Power Financial	Total Power Corporation
Total assets	802,163	20,683	43,111	(24,367)	841,590	851,359
Total liabilities	769,509	12,812	17,062	(417)	798,966	807,373

[1] Includes Power Financial's investment activities including its investment in Portage Ventures I, Portage Ventures II and Wealthsimple.

For the three-month period ended December 31, 2024	Power Financial	Power Corporation
Cash flows from operations	2,395	2,491

Further to the Decision, the earnings coverage ratios set forth below have been prepared in accordance with Item 6.1 of Form 44-101F1—Short Form Prospectus:

For the twelve-month period ended December 31, 2024	Net earnings of Power Financial	Net earnings attributable to shareholders of Power Financial
Earnings coverage ratio (preferred shares (and debt)) ⁽¹⁾	7.3	5.3
Earnings coverage ratio (debt) ⁽²⁾	11.4	8.3

[1] The earnings coverage ratio (preferred shares (and debt)) is calculated based on net earnings of Power Financial before financing charges and income taxes for the twelve months ended December 31, 2024, divided by the aggregate dividend and financing charge requirements for this period. Power Financial's annualized dividend requirements on all of its preferred shares, including those of subsidiaries, have been adjusted to a pre-tax equivalent using effective income tax rates of 16.0% for the twelve months ended December 31, 2024.

[2] The earnings coverage ratio (debt) is calculated based on net earnings of Power Financial before financing charges and income taxes for the twelve months ended December 31, 2024, divided by the aggregate financing charge requirements for this period.

OTHER SUPPLEMENTAL INFORMATION OF POWER FINANCIAL**First Preferred Shares Issued and Outstanding**

December 31	2024		2023	
	Number of shares	Share capital	Number of shares	Share capital
		\$		\$
First Preferred Shares (perpetual)				
Series A ⁽ⁱ⁾	4,000,000	100	4,000,000	100
Series D ⁽ⁱⁱ⁾	6,000,000	150	6,000,000	150
Series E ⁽ⁱⁱ⁾	8,000,000	200	8,000,000	200
Series F ⁽ⁱⁱ⁾	6,000,000	150	6,000,000	150
Series H ⁽ⁱⁱ⁾	6,000,000	150	6,000,000	150
Series K ⁽ⁱⁱ⁾	10,000,000	250	10,000,000	250
Series L ⁽ⁱⁱ⁾	8,000,000	200	8,000,000	200
Series O ⁽ⁱⁱ⁾	6,000,000	150	6,000,000	150
Series P ⁽ⁱⁱ⁾	9,657,516	241	9,657,516	241
Series Q ⁽ⁱⁱ⁾	1,542,484	39	1,542,484	39
Series R ⁽ⁱⁱ⁾	10,000,000	250	10,000,000	250
Series S ⁽ⁱⁱ⁾	12,000,000	300	12,000,000	300
Series T ⁽ⁱⁱ⁾	8,000,000	200	8,000,000	200
Series V ⁽ⁱⁱ⁾	10,000,000	250	10,000,000	250
Series 23 ⁽ⁱⁱⁱ⁾	8,000,000	200	8,000,000	200
		2,830		2,830

First Preferred Shares

- [i] The Series A First Preferred Shares are entitled to a quarterly cumulative dividend, at a floating rate equal to one quarter of 70% of the average prime rate quoted by two major Canadian chartered banks and are redeemable, at Power Financial's option, at \$25.00 per share, together with all declared and unpaid dividends to the date fixed for redemption.
- [ii] The following First Preferred Shares series are entitled to fixed non-cumulative preferential cash dividends payable quarterly. Power Financial may redeem for cash the First Preferred Shares in whole or in part, at Power Financial's option, with all declared and unpaid dividends to, but excluding, the date of redemption. The dividends and redemption terms are as follows:

First Preferred Shares		Cash dividends payable quarterly	Earliest issuer redemption date	Redemption price
		(\$/share)		(\$/share)
Non-cumulative, fixed rate				
Series D,	5.50%	0.343750	Currently redeemable	25.00
Series E,	5.25%	0.328125	Currently redeemable	25.00
Series F,	5.90%	0.368750	Currently redeemable	25.00
Series H,	5.75%	0.359375	Currently redeemable	25.00
Series K,	4.95%	0.309375	Currently redeemable	25.00
Series L,	5.10%	0.318750	Currently redeemable	25.00
Series O,	5.80%	0.362500	Currently redeemable	25.00
Series R,	5.50%	0.343750	Currently redeemable	25.00
Series S,	4.80%	0.300000	Currently redeemable	25.00
Series V,	5.15%	0.321875	Currently redeemable	25.50
Series 23,	4.50%	0.281250	January 31, 2027	26.00
Non-cumulative, 5-year rate reset^[1]				
Series P,	1.998%	0.124875	January 31, 2026	25.00
Series T,	5.595% ^[2]	0.349688	January 31, 2029	25.00
Non-cumulative, variable rate				
Series Q,	3-month Government of Canada Treasury Bill + 1.60% ^[3]	Variable	Currently redeemable	25.50

[1] The dividend rate will reset on the earliest issuer redemption date and every fifth year thereafter at a rate equal to the 5-year Government of Canada bond yield plus a reset spread (1.60% for Series P and 2.37% for Series T). The holders have the option to convert their shares into non-cumulative floating rate First Preferred Shares subject to certain conditions on the earliest redemption date and every fifth year thereafter at a rate equal to the 3-month Government of Canada Treasury Bill rate plus the reset spread indicated.

[2] Pursuant to the terms of the Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series T (Series T shares) and the Non-Cumulative Floating Rate First Preferred Shares, Series U (Series U shares), on January 31, 2024, the Series T shares were subject to a dividend rate reset and the holders of Series T were entitled to convert their shares into Series U. None of the outstanding 8,000,000 Series T shares were converted into Series U shares. The dividend rate for the Series T shares was reset to an annual fixed rate of 5.595% or \$0.349688 per share cash dividend payable quarterly.

[3] The holders have the option to convert their shares into Series P First Preferred Shares, subject to certain conditions, on the earliest redemption date and every fifth year thereafter. Power Financial may redeem for cash the Series Q shares, at Power Financial's option, at \$25.00 per share if redeemed on January 31, 2026 and on January 31 every five years thereafter, or \$25.50 per share if redeemed at any other date.

Non-IFRS Financial Measures

DEFINITIONS

This review of financial performance presents and discusses financial measures which are not in accordance with IFRS. Management uses these financial measures in its presentation and analysis of the financial performance of Power Corporation, and believes that they provide additional meaningful information to readers in their analysis of the results of the Corporation. See also “Statement Regarding Non-IFRS Financial Measures and Other Measures”. The non-IFRS financial measures and non-IFRS ratios used in this review of financial performance are defined as follows:

Non-IFRS financial measure	Definition	Purpose
Adjusted net earnings from continuing operations ^[1]	Net earnings from continuing operations ^[1] excluding Adjustments.	Assists in the comparison of the current period's underlying operating performance to that of previous periods as it reflects management's view of the operating performance of the Corporation and its subsidiaries, excluding items that are not considered to be part of the underlying business results. As a holding company, management reviews and assesses the performance of each operating company's contribution to net earnings and adjusted net earnings.
Adjustments	<p>After-tax impact of any item that in management's judgment, including those identified by management of Lifeco and IGM, would make the period-over-period comparison of results from operations less meaningful. Adjustments include the Corporation's share of Lifeco's impact of:</p> <ul style="list-style-type: none"> ▪ market-related impacts, where actual market returns in the current period are different than longer-term expected returns; ▪ assumption changes and management actions that impact the measurement of assets and liabilities; ▪ realized gains (losses) on the sale of assets measured at FVOCI; ▪ direct equity and interest rate impacts on the measurement of surplus assets and liabilities; and ▪ amortization of acquisition-related finite life intangible assets, <p>as well as items that management believes are not indicative of the underlying business results which include those identified by management of a subsidiary or a jointly controlled corporation, including:</p> <ul style="list-style-type: none"> ▪ business transformation impacts (including restructuring or reorganization and integration costs, acquisition and divestiture costs); ▪ material legal settlements; ▪ material impairment charges; ▪ material impacts of the remeasurement of deferred tax assets and liabilities including those as a result of income tax rate changes, and other tax impairments; ▪ certain non-recurring material items, net gains, losses or costs related to the disposition or acquisition of a business, including those related to an investment in an associate or jointly controlled corporation; ▪ impacts related to remeasurements due to market changes that result in an accounting mismatch including the remeasurement of derivatives where the hedged item is not also measured at fair value and hedge accounting is not applied, and the revaluation of redemption liabilities, share warrants and conversion options on convertible and exchangeable debt obligations; ▪ the impact of the revaluation of non-controlling interests liabilities related to PSEIP which result from changes in fair value of assets held within the fund, and the share of earnings (losses) from the consolidated activities of PSEIP attributable to third-party investors; and ▪ other items that, when removed, assist in explaining underlying operating performance. <p>In 2024, the definition of Adjustments was modified to include the impacts from applying the definition of Adjustments to the net earnings disclosed by GBL, the results of the Corporation's investing activities and the standalone businesses. The definition was also expanded to include impacts related to remeasurements due to market changes that create an accounting mismatch, including the impact of the revaluation of non-controlling interests liabilities related to PSEIP.</p> <p>The comparative periods have been restated to reflect these changes.</p>	Identifies items that are not considered part of operating performance by management, including items identified by management of Lifeco and IGM.

[1] Attributable to participating shareholders of Power Corporation.

Non-IFRS financial measure	Definition	Purpose
Adjusted net asset value	<p>Adjusted net asset value represents the fair value of the participating shareholders' equity of Power Corporation. Adjusted net asset value is calculated as the fair value of the assets of the combined Power Corporation and Power Financial holding company less their net debt and preferred shares.</p> <p>The investments held in publicly traded entities (including Lifeco, IGM and GBL) are measured at their market value and investments in private entities and investment funds are measured at management's estimate of fair value.</p> <p>The definition of adjusted net asset value involves a number of assumptions, judgments and estimates that may prove to be inaccurate, and the adjusted net asset value per share is not a representation or guarantee of the value a participating shareholder will be able to realize.</p>	<p>Presents the fair value of the participating shareholders' equity of the holding company and is used to assist in assessing value.</p> <p>This measure may be used by investors and analysts in determining or comparing the fair value of investments held by the holding company or its overall fair value.</p>
Consolidated assets and assets under management, and Consolidated assets and assets under administration	<p>Consolidated assets and assets under management includes total assets per the financial statements as well as assets managed on behalf of clients which are beneficially owned by clients and are not recognized in the consolidated financial statements including:</p> <ul style="list-style-type: none"> Internally and externally managed funds, including proprietary mutual funds, exchange-traded funds and institutional assets, where the Corporation's publicly traded operating companies and alternative asset investment platforms have oversight of the investment policies; and The fair value of assets managed on behalf of the clients by asset managers controlled within the investment platforms, including assets managed through a separately managed account. <p>Services provided in respect of assets under management include the selection of investments, the provision of investment advice and discretionary portfolio management on behalf of clients.</p> <p>Consolidated assets and assets under administration includes consolidated assets under management and other assets under administration. Other assets under administration includes assets where the Corporation's consolidated publicly traded operating companies and investment management services businesses only provide administration services for which they earn fees and other income. These assets are beneficially owned by the clients and the Corporation's operating subsidiaries do not direct the investing activities. Services provided relating to assets under administration include record keeping, safekeeping, collecting investment income, settling of transactions or other administrative services.</p>	<p>Consolidated assets and assets under management and Consolidated assets and assets under administration provide an indicator of the size and volume of the Corporation's consolidated businesses, including the publicly traded operating companies and alternative asset investment platforms.</p> <p>Consolidated assets and assets under administration includes assets in which the Corporation's consolidated publicly traded operating companies and investment management services businesses only provide administration services, which are an important aspect of the overall business and should be considered when comparing volumes, size and trends.</p>
Fee-related earnings (of alternative asset investment platforms)	<p>Fee-related earnings is presented for Sagard and Power Sustainable and includes management fees and fee-related performance revenues earned across all asset classes, less investment platform expenses which include i) fee-related compensation including salary, bonus, and benefits, and ii) operating expenses. Fee-related performance revenues represents the realized portion of performance revenues from perpetual capital vehicles that are i) measured and expected to be received on a recurring basis, ii) not dependent on realization events from underlying investments, and iii) not subject to clawback. Fee-related earnings is presented on a gross pre-tax basis, including non-controlling interests.</p> <p>Fee-related earnings excludes i) share-based compensation expenses, ii) amortization of acquisition-related finite life intangible assets iii) foreign exchange-related gains and losses, iv) net interest, and v) other items that in management's judgment are not indicative of underlying operating performance of the alternative asset investment platforms, which include restructuring costs, transaction and integration costs related to business acquisitions and certain non-recurring material items.</p>	<p>This measure is presented for the alternative asset investment platforms, Sagard and Power Sustainable, and is used to assess the profitability from their asset management activities. This financial measure provides insight as to whether recurring revenues from management fees and fee-related performance revenues, which are not based on future realization events, are sufficient to cover associated operating expenses.</p>
Adjusted net earnings from continuing operations per share	<p>Earnings per share calculated using adjusted net earnings from continuing operations.</p> <p>Adjusted net earnings from continuing operations divided by the weighted average number of participating shares outstanding.</p>	<p>Assists in comparing adjusted net earnings from continuing operations on a per share basis; refer to "Adjusted net earnings from continuing operations" definition above.</p>
Adjusted net asset value per share	<p>Adjusted net asset value calculated on a per share basis.</p> <p>Adjusted net asset value divided by the number of participating shares outstanding at the end of the reporting period.</p>	<p>Assists the reader in comparing the adjusted net asset value on a per share basis; refer to "Adjusted net asset value" definition above.</p>

These non-IFRS financial measures do not have a standard meaning and may not be comparable to similar measures used by other entities.

RECONCILIATIONS OF IFRS AND NON-IFRS FINANCIAL MEASURES**Adjusted Net Earnings**

The following table presents a reconciliation of adjusted net earnings, a non-IFRS financial measure, to net earnings reported in accordance with IFRS. Adjusted net earnings is presented in the section “Contribution to Net Earnings and Adjusted Net Earnings”:

Twelve months ended December 31	2024	2023
Adjusted net earnings from continuing operations—Non-IFRS financial measure ^[1]	2,971	2,671
Share of Adjustments ^[2] , net of tax		
Lifeco	(149)	(586)
IGM	14	(71)
GBL	(44)	312
Sagard and Power Sustainable	(26)	(86)
Standalone businesses	26	(1)
Corporate operations and Other	—	43
	(179)	(389)
Net earnings from continuing operations—IFRS financial measure ^[1]	2,792	2,282
Net earnings (loss) from discontinued operations—Putnam	(49)	(87)
Net earnings—IFRS financial measure ^[1]	2,743	2,195

[1] Attributable to participating shareholders of Power Corporation.

[2] Refer to the section “Adjustments” for more details on Adjustments from Lifeco, IGM, GBL, Sagard and Power Sustainable, the Standalone businesses and Corporate operations and Other.

Adjustments (excluded from Adjusted net earnings)

The following table presents the Corporation's share of Adjustments on a pre- and post-tax basis:

Twelve months ended December 31	2024	2023
Lifeco⁽¹⁾		
Market experience relative to expectations (pre-tax)	195	(314)
Income tax (expense) benefit	(49)	105
Realized OCI gains (losses) from asset rebalancing (pre-tax)	–	(99)
Income tax (expense) benefit	–	16
Assumption changes and management actions (pre-tax)	(143)	(102)
Income tax (expense) benefit	41	88
Business transformation impacts (pre-tax) ⁽²⁾⁽³⁾	(98)	(231)
Income tax (expense) benefit	22	80
Amortization of acquisition-related finite life intangible assets (pre-tax) ⁽³⁾	(136)	(124)
Income tax (expense) benefit	35	32
Tax legislative changes and other tax impacts ⁽³⁾	10	–
	(123)	(549)
Effect of consolidation (pre-tax) ⁽⁴⁾	(30)	(38)
Income tax (expense) benefit	4	1
	(149)	(586)
IGM⁽¹⁾		
Tax loss consolidation	3	–
Rockefeller debt refinancing (pre-tax)	(2)	–
Income tax (expense) benefit	–	–
Gain on disposal of IPC (pre-tax)	–	137
Income tax (expense) benefit	–	–
Gain on disposal of Lifeco shares (pre-tax)	–	108
Income tax (expense) benefit	–	(3)
Restructuring charges (pre-tax)	–	(64)
Income tax (expense) benefit	–	17
IFRS 17 adjustment (Lifeco) (pre-tax)	–	9
Income tax (expense) benefit	–	–
Share of Lifeco adjustments (pre-tax)	(4)	(14)
Income tax (expense) benefit	–	–
	(3)	190
Effect of consolidation (pre-tax) ⁽⁴⁾	–	(270)
Income tax (expense) benefit	17	9
	14	(71)
GBL⁽⁵⁾		
Webhelp deconsolidation and revaluation of NCI liabilities (pre-tax)	–	321
Income tax (expense) benefit	–	–
Market-related impacts on embedded derivatives (pre-tax)	–	15
Income tax (expense) benefit	–	–
Imerys' currency translation reclassification and impairment (pre-tax)	(44)	(24)
Income tax (expense) benefit	–	–
	(44)	312
Publicly traded operating companies	(179)	(345)

Adjustments (excluded from Adjusted net earnings) (continued)

Twelve months ended December 31	2024	2023
Sagard and Power Sustainable		
Remeasurement of deferred tax assets	16	–
Currency translation reclassification on Power Sustainable China (pre-tax)	54	–
Income tax (expense) benefit	–	–
Revaluation of NCI liabilities and other market-related impacts (pre-tax) ^[5]	(80)	(85)
Income tax (expense) benefit	(2)	(1)
Restructuring charges (pre-tax)	(14)	–
Income tax (expense) benefit	–	–
	(26)	(86)
Standalone businesses^[5]		
Gain on disposal of Peak and affiliated business (pre-tax)	325	–
Income tax (expense) benefit	–	–
Lion impairment and other market-related impacts (pre-tax)	(130)	(13)
Income tax (expense) benefit	8	1
LMPG impairment and other market-related impacts (pre-tax)	(177)	11
Income tax (expense) benefit	–	–
	26	(1)
Corporate operations and Other		
Income taxes and transaction costs on disposal of ChinaAMC (pre-tax)	–	(14)
Income tax (expense) benefit	–	(40)
Recovery on disposal of Bellus (pre-tax) ^[5]	–	97
Income tax (expense) benefit	–	–
	–	43
	(179)	(389)

[1] As reported by Lifeco and IGM.

[2] Business transformation impacts include restructuring and integration costs as well as acquisition and divestiture costs.

[3] Included in other non-market related impacts.

[4] The Effect of consolidation reflects i) the elimination of intercompany transactions, including the gain recognized by IGM on the sale of a portion of its interest in Lifeco to the Corporation, the gain recognized by IGM on the sale of IPC to Lifeco, as well as IGM's share of Lifeco's IFRS 17 adjustment; and ii) the application of the Corporation's accounting method for investments under common control to the Adjustments reported by Lifeco and IGM.

[5] In 2024, the Corporation modified the definition of adjusted net earnings. The comparative periods have been restated to reflect these changes.

Adjusted Net Asset Value

The following table presents a reconciliation of the participating shareholders' equity reported in accordance with IFRS to the adjusted net asset value, a non-IFRS financial measure. Adjusted net asset value is presented in the section "Adjusted Net Asset Value":

December 31	2024	2023
Participating shareholders' equity – IFRS financial measure		
Share capital – participating shares	9,236	9,284
Retained earnings	11,364	10,005
Reserves	2,330	1,904
	22,930	21,193
Fair value adjustments ^[1]		
Lifeco	13,184	12,545
IGM	2,698	1,477
GBL	(1,521)	(1,422)
Sagard and Power Sustainable	1,687	965
Standalone businesses	(4)	159
	16,044	13,724
Adjusted net asset value – Non-IFRS financial measure	38,974	34,917
Per share^[2]		
Participating shareholders' equity (book value)	35.56	32.49
Adjusted net asset value	60.44	53.53

[1] Refer to the section "Adjusted Net Asset Value" for more details on the fair value and other adjustments.

[2] Attributable to participating shareholders.

Consolidated Assets and Assets Under Management and Consolidated Assets and Assets Under Administration

December 31 [in billions of dollars]	2024	2023
Total consolidated assets per financial statements ^[1]	851	749
Other assets under management		
Continuing operations	465	410
Discontinued operations	–	162
Total consolidated assets and assets under management ^[1]	1,316	1,321
Other assets under administration	2,283	1,787
Total consolidated assets and assets under administration ^[1]	3,599	3,108

[1] The amounts presented at December 31, 2023 included assets held for sale and other assets under management related to the discontinued operations of Putnam.

Fee-Related Earnings (of alternative asset investment platforms)

The following table presents the reconciliation of the net earnings attributable to participating shareholders of Power Corporation in accordance with IFRS to the fee-related earnings of the alternative asset investment platforms, a non-IFRS financial measure. Fee-related earnings is presented in the section "Asset Management Activities" of the section "Sagard and Power Sustainable".

Twelve months ended December 31	2024	2023
Net earnings attributable to participating shareholders of Power Corporation – IFRS financial measure	2,743	2,195
Excluding:		
Contribution to net earnings from Lifeco	(2,613)	(1,813)
Contribution to net earnings from IGM	(582)	(444)
Contribution to net earnings from GBL	(31)	(423)
Contribution to net earnings from Lifeco, IGM and GBL	(3,226)	(2,680)
Contribution to net earnings from the holding company	348	308
Contribution to net earnings from Alternative Asset Investment Platforms and Other	(135)	(177)
Excluding:		
Investing activities	23	84
Standalone businesses	38	16
Contribution to net earnings from Asset Management Activities	(74)	(77)
Adjustments:		
Sagard		
Non-controlling interests	19	(9)
Loss from private wealth platform and other asset management activities	2	6
Net carried interest	(41)	6
Share-based compensation	7	7
Amortization of intangibles	5	2
Acquisition-related costs ^[1]	4	(2)
Income taxes and other	(2)	6
Power Sustainable		
Non-controlling interests	(7)	–
Loss (earnings) from development and asset management activities provided by Potentia and Nautilus on behalf of PSEIP	11	28
Net carried interest	15	(12)
Acquisition-related costs	8	–
Income taxes and other	(1)	1
Restructuring charges	14	–
	34	33
Fee-related earnings (loss) – Non-IFRS financial measure	(40)	(44)
<i>Sagard</i>	(1)	(9)
<i>Power Sustainable</i>	(39)	(35)

[1] Includes transaction costs and changes in fair value related to contingent consideration.

Other Measures

This review of financial performance also includes other measures, which include:

Term	Definition
Assets under management and administration	Operating asset management and investment management services businesses within the Power group, including IGM, alternative asset managers and Wealthsimple, present the total value of assets managed or administered which are beneficially owned by clients and are not recognized in the consolidated financial statements. The composition of the assets under management and administration is relative to the activities of the asset managers and are further defined as follows:
Assets under management and advisement (AUM&A) of IGM	<p>AUM&A represents the consolidated AUM and AUA of IGM's core businesses IG Wealth Management and Mackenzie Investments. The comparative figures presented, prior to the sale on November 30, 2023, exclude the AUM and AUA of IPC, which was disclosed by IGM as discontinued operations. In IGM's Wealth Management segment, AUM is a component part of AUA.</p> <p>Assets under management are client assets where IGM provides investment management services, and include investment funds where IGM is the fund manager, investment advisory mandates to institutions, and other client accounts where IGM has discretionary portfolio management responsibilities.</p> <p>Assets under advisement represents savings and investment products held within the client accounts of IGM's Wealth Management segment's core business.</p>
Assets under management and advisement including strategic investments (AUM&A including SI) of IGM	AUM&A including SI represents IGM's AUM&A including its proportionate share of the AUM&A of strategic investments, based on IGM's direct and indirect ownership of the strategic investments. The strategic investments included are those whose activities are primarily in asset and wealth management, and include interests in ChinaAMC, Northleaf, Rockefeller and Wealthsimple. Rockefeller client assets include assets under management and advisement as well as assets held for investment purposes and only receiving administrative services.
Assets under management of alternative asset investment platforms	<p>Assets under management of investment platforms include:</p> <ul style="list-style-type: none"> Net asset value of the investment funds and co-investment vehicles managed, including unfunded commitments and permanent leverage; Gross asset value of investment funds managed within the real estate platform; and Fair value of assets managed on behalf of the Corporation and clients by asset managers controlled within the investment platforms, including assets managed through a separately managed account.
Assets under administration of Wealthsimple	Assets under administration includes the total value of assets held on behalf of clients and includes client assets in which investment management services are provided.
Book value per participating share	Represents Power Corporation's participating shareholders' equity divided by the number of participating shares outstanding at the end of the reporting period.
Carried interest	Carried interest is earned through a contractual arrangement between alternative asset managers and the funds managed in which the asset manager earns a fixed percentage of investment returns over a predetermined hurdle return.

Term	Definition
Fee-bearing capital	<p>Fee-bearing capital includes:</p> <ul style="list-style-type: none"> ■ Total capital commitments of venture capital, private equity, and certain private credit funds during the investment period; ■ Net invested capital of private credit funds, funds which have completed their investment period, separately managed accounts within the credit platforms and certain co-investment vehicles; ■ Net asset value of Power Sustainable China, Power Sustainable Energy Infrastructure including direct investments in energy assets, and funds within the real estate platform; and ■ Invested capital or gross asset value of assets managed through separately managed accounts within the real estate platform.
Market capitalization	Represents the aggregate market value of a company. Market capitalization is determined at a point in time and represents the number of outstanding shares multiplied by the closing share price.
Net asset value reported by GBL	<p>On a quarterly basis, GBL reports its net asset value as it represents an important criterion used in assessing its performance. GBL's net asset value represents the fair value of its investment portfolio, its gross cash, the present value of its Concentrix note and its treasury shares, less its gross debt.</p> <ul style="list-style-type: none"> ■ GBL's investments held in listed entities and treasury shares are measured at their market value, the present value of the Concentrix note is calculated at the market rate taking into account Concentrix's credit quality, investments in private entities are measured using the recommendations of the International Private Equity and Venture Capital Valuation Guidelines, and recent investments are valued at their acquisition cost, which represents GBL management's best estimate. ■ GBL Capital's portfolio of investments is measured by adding all investments at fair value provided by the fund managers with GBL Capital's net cash, less its net debt. ■ Sienna Investment Managers' assets are valued at the acquisition cost of the management companies, less, where applicable, impairments. <p>For more information on GBL's net asset value and valuation principles, refer to its website (www.gbl.com).</p>
Net asset value of investment funds	Net asset value of investment funds represents the fair value of the investments held within the fund, net of any liabilities.
Net carried interest	Represents carried interest earned, net of direct employee costs which are usually recognized over the vesting period.
Unfunded commitments	Represents the capital that has been committed by limited partners, but not called by the fund. In some cases, unfunded commitments include distributions for funds currently in the investment period, which are recallable by the fund.
Weighted average management fee rate	<p>Represents the weighted average management fee rate charged on the fee-bearing capital across all asset classes during the period.</p> <p>Management fees earned during the period are divided by the average fee-bearing capital of funds, co-investment vehicles and separately managed accounts during such period. Management fees include retroactive management fees earned during the period related to the timing of subsequent fundraising closes.</p>

Selected Annual Information

For the years ended December 31	2024	2023	2022 [restated] ^[1]
Total revenues ^[2]	45,255	46,428	5,534
Consolidated assets and assets under management (in billions) ^[3]	1,316	1,321	1,213
Consolidated assets and assets under administration (in billions) ^[3]	3,599	3,108	2,718
Net earnings (attributable to participating shareholders)	2,743	2,195	2,195
per share—basic	4.23	3.32	3.27
per share—diluted	4.19	3.30	3.22
Net earnings from continuing operations (attributable to participating shareholders)	2,792	2,282	2,216
per share—basic	4.31	3.45	3.30
Adjusted net earnings from continuing operations (attributable to participating shareholders) ^[3]	2,971	2,671	2,221
per share—basic	4.58	4.04	3.31
Consolidated assets	851,359	749,478	704,401
Consolidated liabilities	807,373	708,213	663,822
Power Corporation's debentures and other debt instruments	647	647	647
Non-recourse debentures and other debt instruments	15,909	14,625	14,727
Shareholders' equity	23,880	22,143	21,876
Book value per participating share	35.56	32.49	31.37
Adjusted net asset value per share ^[3]	60.44	53.53	41.91
Number of participating shares outstanding (in millions)			
Participating preferred shares	54.9	54.9	54.9
Subordinate voting shares	589.9	597.4	612.2
Dividends per share (declared)			
Participating shares	2.2500	2.1000	1.9800
First preferred shares of Power Corporation			
Series A	1.4000	1.4000	1.4000
Series B	1.3375	1.3375	1.3375
Series C	1.4500	1.4500	1.4500
Series D	1.2500	1.2500	1.2500
Series G	1.4000	1.4000	1.4000
First preferred shares of Power Financial			
Series A ^[4]	1.1808	1.2145	0.7223
Series D	1.3750	1.3750	1.3750
Series E	1.3125	1.3125	1.3125
Series F	1.4750	1.4750	1.4750
Series H	1.4375	1.4375	1.4375
Series K	1.2375	1.2375	1.2375
Series L	1.2750	1.2750	1.2750
Series O	1.4500	1.4500	1.4500
Series P	0.4995	0.4995	0.4995
Series Q ^[5]	1.5709	1.5750	0.8221
Series R	1.3750	1.3750	1.3750
Series S	1.2000	1.2000	1.2000
Series T ^[6]	1.3988	1.0538	1.0538
Series V	1.2875	1.2875	1.2875
Series 23	1.1250	1.1250	1.1250

[1] Comparative 2022 results have been restated to reflect the adoption of IFRS 7, *Insurance Contracts* and IFRS 9, *Financial Instruments*.

[2] Total revenues includes net investment income and changes in fair value through profit or loss included in the net investment result on the consolidated statements of earnings.

[3] Consolidated assets and assets under management, consolidated assets and assets under administration, adjusted net earnings, adjusted net earnings per share and adjusted net asset value per share are non-IFRS financial measures. In 2024, the Corporation modified the definition of adjusted net earnings. The comparative periods have been restated to reflect this change. For a definition of these non-IFRS financial measures, refer to the section "Non-IFRS Financial Measures".

[4] The Series A First Preferred Shares are entitled to a quarterly cumulative dividend at a floating rate equal to one quarter of 70% of the average prime rate quoted by two major Canadian chartered banks.

[5] The Series Q First Preferred Shares are entitled to an annual non-cumulative dividend, payable quarterly at a floating rate equal to the 3-month Government of Canada Treasury Bill rate plus 1.60%.

[6] On January 31, 2024, the Series T First Preferred Shares were subject to a dividend rate reset for the five-year period from and including January 31, 2024. The dividend rate was reset to 5.595% or \$0.349688 per share in cash dividends payable quarterly.

Consolidated Financial Statements

Consolidated Balance Sheets

[in millions of Canadian dollars]		December 31, 2024	December 31, 2023
Assets			
Cash and cash equivalents [Note 4]		13,744	9,937
Investments [Note 5]			
Bonds		167,400	157,336
Mortgage and other loans		44,665	43,568
Shares		19,572	16,588
Investment properties		8,350	7,870
		239,987	225,362
Insurance contract assets [Note 10]		1,193	1,193
Reinsurance contract held assets [Note 11]		17,842	17,332
Assets held for sale		–	4,467
Derivative financial instruments [Note 28]		2,637	2,349
Investments in jointly controlled corporations and associates [Note 6]		8,801	8,152
Owner-occupied properties and capital assets [Note 7]		6,269	5,082
Other assets [Note 8]		40,668	29,434
Deferred tax assets [Note 18]		2,181	1,894
Intangible assets [Note 9]		6,974	6,690
Goodwill [Note 9]		14,677	14,630
Investments on account of segregated fund policyholders [Note 13]		496,386	422,956
Total assets		851,359	749,478
Liabilities			
Insurance contract liabilities [Note 10]		155,683	144,388
Investment contract liabilities [Note 12]		90,157	88,919
Reinsurance contract held liabilities [Note 11]		795	648
Liabilities held for sale		–	2,407
Obligations to securitization entities [Note 14]		5,025	4,688
Power Corporation's debentures and other debt instruments [Note 15]		647	647
Non-recourse debentures and other debt instruments [Note 16]		15,909	14,625
Derivative financial instruments [Note 28]		2,180	1,351
Other liabilities [Note 17]		39,338	26,368
Deferred tax liabilities [Note 18]		1,253	1,216
Insurance contracts on account of segregated fund policyholders [Note 13]		66,343	60,302
Investment contracts on account of segregated fund policyholders [Note 13]		430,043	362,654
Total liabilities		807,373	708,213
Equity			
Share capital [Note 19]			
Non-participating shares		950	950
Participating shares		9,236	9,284
Retained earnings		11,364	10,005
Reserves		2,330	1,904
Total shareholders' equity		23,880	22,143
Non-controlling interests [Note 21]		20,106	19,122
Total equity		43,986	41,265
Total liabilities and equity		851,359	749,478

Approved by the Board of Directors

/s/ Siim A. Vanasselja
Siim A. Vanasselja
Director

/s/ R. Jeffrey Orr
R. Jeffrey Orr
Director

Consolidated Statements of Earnings

For the years ended December 31 [in millions of Canadian dollars, except per share amounts]	2024	2023
Insurance service result		
Insurance revenue [Note 24]	21,214	20,402
Insurance service expenses [Note 25]	(16,368)	(15,777)
Net expense from reinsurance contracts	(1,599)	(1,544)
Total insurance service result	3,247	3,081
Net investment result [Note 5]		
Net investment income	10,360	9,195
Changes in fair value through profit or loss	1,877	6,664
	12,237	15,859
Net finance income (expenses) from insurance contracts	(5,918)	(9,238)
Net finance income (expenses) from reinsurance contracts	(10)	224
Changes in investment contract liabilities	(2,932)	(4,806)
Net investment result	3,377	2,039
Net investment result—Insurance contracts on account of segregated fund policyholders		
Net investment income (loss)	6,828	4,808
Net finance income (expenses) from insurance contracts	(6,828)	(4,808)
Net investment result—Insurance contracts on account of segregated fund policyholders	—	—
Other revenues		
Fee income	11,057	9,477
Other	747	690
Total fee income and other revenues	11,804	10,167
Other expenses		
Operating and administrative expenses [Note 25]	12,462	11,214
Financing charges [Note 26]	812	766
Total other expenses	13,274	11,980
Earnings before investments in jointly controlled corporations and associates, and income taxes	5,154	3,307
Share of earnings of investments in jointly controlled corporations and associates [Note 6]	376	615
Earnings before income taxes	5,530	3,922
Income taxes [Note 18]	929	263
Net earnings from continuing operations	4,601	3,659
Net loss from discontinued operations	(115)	(124)
Net gain from disposal of discontinued operations [Note 3]	44	—
Net earnings	4,530	3,535
Attributable to		
Non-controlling interests [Note 21]	1,735	1,288
Non-participating shareholders	52	52
Participating shareholders	2,743	2,195
	4,530	3,535
Earnings per participating share [Note 31]		
Net earnings from continuing operations attributable to participating shareholders		
Basic	4.31	3.45
Diluted	4.27	3.43
Net earnings attributable to participating shareholders		
Basic	4.23	3.32
Diluted	4.19	3.30

Consolidated Statements of Comprehensive Income

For the years ended December 31
[in millions of Canadian dollars]

	2024	2023
Net earnings	4,530	3,535
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net earnings		
Net unrealized gains (losses) on FVOCI debt instruments		
Unrealized gains (losses)	113	281
Income tax (expense) benefit	(25)	(97)
Realized (gains) losses transferred to net earnings	47	248
Income tax expense (benefit)	(10)	(19)
	125	413
Net unrealized gains (losses) on cash flow hedges		
Unrealized gains (losses)	74	94
Income tax (expense) benefit	(16)	(32)
Realized (gains) losses transferred to net earnings	(61)	(95)
Income tax expense (benefit)	16	25
	13	(8)
Net unrealized foreign exchange gains (losses) on translation of foreign operations		
Unrealized gains (losses) on translation	1,388	(52)
Income tax (expense) benefit	–	5
Realized (gains) losses transferred to net earnings	(265)	(4)
Unrealized gains (losses) on hedges of net investments in foreign operations	(172)	(64)
Income tax (expense) benefit	40	(6)
	991	(121)
Share of other comprehensive income (losses) of investments in jointly controlled corporations and associates	401	(53)
Income tax (expense) benefit	(1)	6
	400	(47)
Total – items that may be reclassified	1,529	237
Items that will not be reclassified subsequently to net earnings		
Net unrealized gains (losses) on FVOCI equity instruments		
Unrealized gains (losses)	(414)	(82)
Income tax (expense) benefit	–	(2)
	(414)	(84)
Share of other comprehensive income (losses) of investments in jointly controlled corporations and associates	(151)	(64)
Actuarial gains (losses) on defined benefit plans [Note 27]	333	(182)
Income tax (expense) benefit	(90)	41
	243	(141)
Total – items that will not be reclassified	(322)	(289)
Other comprehensive income (loss)	1,207	(52)
Comprehensive income	5,737	3,483
Attributable to		
Non-controlling interests	2,180	1,399
Non-participating shareholders	52	52
Participating shareholders	3,505	2,032
	5,737	3,483

Consolidated Statements of Changes in Equity

	Share capital		Reserves					Total equity
	Non-participating shares	Participating shares	Retained earnings	Share-based compensation	Other comprehensive income [Note 30]	Total	Non-controlling interests	
For the year ended December 31, 2024 [in millions of Canadian dollars]								
Balance, beginning of year	950	9,284	10,005	408	1,496	1,904	19,122	41,265
Net earnings	–	–	2,795	–	–	–	1,735	4,530
Other comprehensive income	–	–	–	–	762	762	445	1,207
Comprehensive income	–	–	2,795	–	762	762	2,180	5,737
Subordinate voting shares purchased and cancelled under Normal Course Issuer Bid [Note 19]	–	(161)	(269)	–	–	–	–	(430)
Dividends to shareholders								
Non-participating shares	–	–	(52)	–	–	–	–	(52)
Participating shares	–	–	(1,457)	–	–	–	–	(1,457)
Dividends to non-controlling interests	–	–	–	–	–	–	(1,060)	(1,060)
Expense for share-based compensation [Note 20]	–	–	–	39	–	39	22	61
Stock options exercised	–	113	–	(92)	–	(92)	82	103
Realized gains on FVOCI equity instruments transferred to retained earnings	–	–	238	–	(238)	(238)	–	–
Effects of changes in capital and ownership of subsidiaries, and other	–	–	104	(28)	(17)	(45)	(240)	(181)
Balance, end of year	950	9,236	11,364	327	2,003	2,330	20,106	43,986
	Share capital		Reserves					Total equity
	Non-participating shares	Participating shares	Retained earnings	Share-based compensation	Other comprehensive income [Note 30]	Total	Non-controlling interests	
For the year ended December 31, 2023 [in millions of Canadian dollars]								
Balance, beginning of year	950	9,486	9,381	378	1,666	2,044	18,694	40,555
Net earnings	–	–	2,247	–	–	–	1,288	3,535
Other comprehensive income (loss)	–	–	–	–	(163)	(163)	111	(52)
Comprehensive income	–	–	2,247	–	(163)	(163)	1,399	3,483
Subordinate voting shares purchased and cancelled under Normal Course Issuer Bid [Note 19]	–	(244)	(339)	–	–	–	–	(583)
Dividends to shareholders								
Non-participating shares	–	–	(52)	–	–	–	–	(52)
Participating shares	–	–	(1,387)	–	–	–	–	(1,387)
Dividends to non-controlling interests	–	–	–	–	–	–	(1,019)	(1,019)
Expense for share-based compensation [Note 20]	–	–	–	66	–	66	34	100
Stock options exercised	–	42	–	(43)	–	(43)	39	38
Realized gains on FVOCI equity instruments transferred to retained earnings	–	–	21	–	(21)	(21)	–	–
Effects of changes in capital and ownership of subsidiaries, and other	–	–	134	7	14	21	(25)	130
Balance, end of year	950	9,284	10,005	408	1,496	1,904	19,122	41,265

Consolidated Statements of Cash Flows

For the years ended December 31
[in millions of Canadian dollars]

	2024	2023
Operating activities		
Earnings before income taxes from continuing and discontinued operations	5,370	3,768
Income tax paid, net of refunds	(906)	(720)
Adjusting items		
Change in insurance contract liabilities	5,636	9,316
Change in investment contract liabilities	(5,538)	(4,561)
Change in reinsurance contract held liabilities	115	170
Change in reinsurance contract held assets	586	5
Change in insurance contract assets	38	(480)
Changes in fair value through profit or loss	(1,877)	(6,664)
Lifeco's insurance and investment contract-related activities		
Sales, maturities and repayments of investments	43,802	38,495
Purchases of investments	(42,396)	(35,176)
Other	1,122	1,780
	5,952	5,933
Financing activities		
Dividends paid		
By subsidiaries to non-controlling interests	(1,060)	(1,019)
Non-participating shares	(52)	(52)
Participating shares	(1,437)	(1,374)
	(2,549)	(2,445)
Issue of equity		
Corporation's subordinate voting shares [Note 19]	103	38
Subsidiaries' common shares	388	446
Issuance of investment funds' limited-life and redeemable units	753	434
Repurchase or redemption of equity		
Corporation's subordinate voting shares for cancellation under normal course issuer bid [Note 19]	(430)	(583)
Subsidiaries' common shares	(237)	(234)
Redemption of investment funds' limited-life and redeemable units	(100)	(137)
Acquisition of non-controlling interests	(37)	(50)
Non-recourse debentures and other debt instruments [Note 16]		
Issuance of debentures and senior bonds	—	300
Increase in other debt instruments	1,183	2,170
Repayment of senior bonds	—	(735)
Decrease in other debt instruments	(522)	(1,888)
Repayment of lease liabilities [Note 17]	(91)	(92)
Increase in obligations to securitization entities	1,529	1,256
Repayment of obligations to securitization entities and other	(1,311)	(1,283)
	(1,321)	(2,803)
Investing activities		
Sales maturities and repayment of investments	2,815	3,374
Purchases of investments	(3,293)	(3,362)
Investments in jointly controlled corporations and associates	(413)	(1,209)
Impact from disposal of discontinued operations	(211)	—
Business acquisitions and asset acquisition, net of cash and cash equivalents acquired	(447)	(253)
Distribution and proceeds from disposal of investments in jointly controlled corporations and associates	663	125
Acquisition of capital assets, properties and other	(874)	(1,296)
	(1,760)	(2,621)
Effect of changes in exchange rates on cash and cash equivalents	561	(45)
Increase in cash and cash equivalents	3,432	464
Cash and cash equivalents, beginning of year	10,312	9,848
Cash and cash equivalents from continuing and discontinued operations, end of year	13,744	10,312
Less: Cash and cash equivalents from discontinued operations, end of year	—	(375)
Cash and cash equivalents from continuing operations, end of year	13,744	9,937
Net cash from operating activities includes		
Interest and dividends received	9,025	8,301
Interest paid	1,218	965

Notes to the Consolidated Financial Statements

(ALL TABULAR AMOUNTS ARE IN MILLIONS OF CANADIAN DOLLARS, UNLESS OTHERWISE NOTED)

NOTE 1 Corporate Information

Power Corporation of Canada is a publicly listed company (TSX: POW; POW.PR.E) incorporated and domiciled in Canada and located at 751 Victoria Square, Montréal, Québec, Canada, H2Y 2J3.

Power Corporation is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

The Consolidated Financial Statements (financial statements) of Power Corporation as at and for the year ended December 31, 2024 were approved by its Board of Directors on March 19, 2025.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies

BASIS OF PRESENTATION

The financial statements of Power Corporation as at December 31, 2024 have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IASB).

The financial statements include the accounts of Power Corporation and its subsidiaries on a consolidated basis after elimination of intercompany transactions and balances, and consolidation adjustments.

The financial statements of Power Corporation include, on a consolidated basis, the results of Power Financial, a reporting issuer in all of the provinces and territories of Canada, and Lifeco and IGM Financial, which are both public companies. The amounts shown on the consolidated balance sheets (balance sheets), consolidated statements of earnings (statements of earnings), consolidated statements of comprehensive income (statements of comprehensive income), consolidated statements of changes in equity (statements of changes in equity) and consolidated statements of cash flows (statements of cash flows) are mainly derived from the publicly disclosed consolidated financial statements of Lifeco and IGM Financial, all as at and for the year ended December 31, 2024. Certain notes to Power Corporation's financial statements are derived from the notes to the financial statements of Lifeco and IGM Financial.

SUBSIDIARIES

Subsidiaries, including controlled investment funds, are entities the Corporation controls when: (i) the Corporation has power over the entity; (ii) it is exposed or has rights to variable returns from its involvement; and (iii) it has the ability to affect those returns through its use of power over the entity. Subsidiaries of the Corporation are consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date such control ceases. The Corporation reassesses whether or not it controls an entity if facts and circumstances indicate there are changes to one or more of the elements of control.

JOINTLY CONTROLLED CORPORATIONS AND ASSOCIATES

Jointly controlled corporations are entities in which unanimous consent is required for decisions relating to relevant activities. Associates are entities in which the Corporation exercises significant influence over the entity's operating and financial policies, without having control or joint control. Investments in jointly controlled corporations and associates are accounted for using the equity method. Under the equity method, the Corporation recognizes its share of net earnings (losses) and other comprehensive income (loss) of the jointly controlled corporations and associates, and dividends received.

In the case of investments in jointly controlled corporations and associates held by entities that meet the definition of a venture capital organization, the Corporation has elected to measure certain of its investments in jointly controlled corporations and associates at FVPL.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**PRINCIPAL SUBSIDIARIES, JOINTLY CONTROLLED CORPORATIONS AND ASSOCIATES**

The financial statements of Power Corporation include the operations of the following direct and indirect subsidiaries and investments in jointly controlled corporations and associates:

Corporation	Classification	Incorporated	Primary business operation	% equity interest	
				December 31, 2024	December 31, 2023
Holding company					
Power Corporation of Canada	Parent	Canada	Holding company		
Power Financial Corporation	Subsidiary	Canada	Holding company	100.0	100.0
Publicly traded companies					
Great-West Lifeco Inc. ^{[1][2]}	Subsidiary	Canada	Financial services holding company	70.6	70.5
The Canada Life Assurance Company	Subsidiary	Canada	Insurance and wealth management	100.0	100.0
Irish Life Group Limited	Subsidiary	Ireland	Insurance and wealth management	100.0	100.0
Empower Annuity Insurance Company of America	Subsidiary	United States	Financial services	100.0	100.0
IGM Financial Inc. ^[3]	Subsidiary	Canada	Wealth and asset management	66.1	66.0
IG Wealth Management	Subsidiary	Canada	Financial services	100.0	100.0
Mackenzie Financial Corporation	Subsidiary	Canada	Asset management company	100.0	100.0
China Asset Management Co., Ltd.	Associate	China	Asset management company	27.8	27.8
Northleaf Capital Group Ltd. ^[4]	Associate	Canada	Alternative asset manager	70.0	70.0
Rockefeller Capital Management	Associate	United States	Financial services	20.5	20.5
Parjointco SA	Joint control	Belgium	Holding company	50.0	50.0
Groupe Bruxelles Lambert ^[5]	Subsidiary	Belgium	Holding company	32.9	31.0
Alternative asset investment platforms and other					
Power Sustainable Capital Inc.	Subsidiary	Canada	Holding company	100.0	100.0
Power Sustainable Manager Inc. ^[6]	Subsidiary	Canada	Alternative asset manager	95.5	100.0
Power Sustainable Energy Infrastructure Partnership ^[7]	Subsidiary	Canada	Renewable energy fund	46.5	52.9
Potentia Renewables Inc.	Subsidiary	Canada	Renewable energy	100.0	100.0
Nautilus Solar Energy, LLC	Subsidiary	United States	Renewable energy	100.0	100.0
Sagard Holdings Inc.	Subsidiary	Canada	Holding company	100.0	100.0
Sagard Holdings Management Inc. ^[8]	Subsidiary	Canada	Alternative asset manager	63.5	66.4
Wealthsimple Financial Corp. ^[9]	Subsidiary	Canada	Financial services	54.4	56.6
Portag3 Ventures LP ^[10]	Subsidiary	Canada	Venture capital fund	100.0	100.0
Portag3 Ventures II LP ^[11]	Subsidiary	Canada	Venture capital fund	27.9	27.9
Portage Ventures III LP ^[12]	Subsidiary	Canada	Venture capital fund	15.4	15.4
Portage Capital Solutions Fund I LP ^[13]	Subsidiary	Canada	Venture capital fund	57.1	74.2
Standalone Businesses					
LMPG Inc.	Subsidiary	Canada	Lighting solutions	49.6	49.6
Peak Achievement Athletics Inc. ^[14]	Joint control	Canada	Manufacturer of sports equipment and apparel	—	42.6
The Lion Electric Co.	Associate	Canada	Manufacturer of zero-emission vehicles	34.1	34.1

[1] Power Financial holds a 68.2% equity interest and IGM Financial holds a 2.4% equity interest in Lifeco (68.1% and 2.4%, respectively, at December 31, 2023).

[2] On January 1, 2024, Lifeco completed the sale of its interest in Putnam US Holdings I, LLC (Note 3).

[3] Power Financial holds a 62.2% equity interest and Canada Life holds a 3.9% equity interest in IGM Financial (62.1% and 3.9%, respectively, at December 31, 2023).

[4] Represents a 49.9% non-controlling voting interest. Held through an acquisition vehicle 80% owned by Mackenzie Investments and 20% by Lifeco.

[5] Parjointco has a controlling interest in GBL and holds a 47.0% voting interest (45.3% at December 31, 2023).

[6] On May 6, 2024, Lifeco and Power Sustainable Manager Inc. announced that they had entered into a long-term strategic partnership and Lifeco acquired a minority interest in Power Sustainable Manager Inc. At December 31, 2024, Power Corporation and Lifeco held an equity interest of 74.7% and 20.8%, respectively, in Power Sustainable Manager Inc. (100% held by Power Corporation at December 31, 2023).

[7] Power Corporation holds a 32.8% equity interest and Lifeco holds a 13.7% equity interest in Power Sustainable Energy Infrastructure Partnership (38.2% and 14.7%, respectively, at December 31, 2023).

[8] Power Corporation and Lifeco hold an equity interest of 50.8% and 12.7%, respectively, in Sagard Holdings Management Inc. (53.5% and 12.9%, respectively, at December 31, 2023).

[9] Power Financial, Portage Ventures I and IGM Financial hold an equity interest of 13.8%, 10.5% and 30.1%, respectively, in Wealthsimple (14.4%, 10.9% and 31.3%, respectively, at December 31, 2023).

[10] Power Financial holds a 63.0% equity interest and Lifeco and IGM Financial each hold an equity interest of 18.5% in Portage Ventures I.

[11] Power Financial, Lifeco and IGM Financial each hold an equal equity interest of 7.7% and Sagard holds a 4.7% equity interest in Portage Ventures II.

[12] Sagard, Lifeco and IGM Financial hold an equity interest of 2.4%, 9.0% and 4.0%, respectively, in Portage Ventures III.

[13] Sagard and Lifeco hold an equity interest of 29.2% and 27.9%, respectively, in Portage Capital Solutions Fund I LP (39.4% and 34.8%, respectively, at December 31, 2023).

[14] On December 23, 2024, the Corporation completed the sale of its 42.6% equity interest in Peak to Fairfax Financial Holdings Limited.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)

CHANGES IN ACCOUNTING POLICIES

The Corporation adopted the amendments to IFRS for IAS 7, *Statement of Cash Flows*, IFRS 7, *Financial Instruments: Disclosures*, and IFRS 16, *Leases* effective January 1, 2024. The adoption of these amendments did not have a material impact on the Corporation's financial statements.

USE OF SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of the financial statements, management of the Corporation and management of its subsidiaries are required to make significant judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings, comprehensive income and related disclosures. Key sources of estimation, uncertainty and areas where significant judgments have been made by the management of the Corporation and the management of its subsidiaries are listed below and are discussed throughout the notes in these financial statements, including:

Item or balance affected by judgments or estimates	Applied by	Key judgments or estimates	Corresponding note(s)
Evaluation of control	Management of the Corporation and of its subsidiaries	Determining if the Corporation has the ability to direct the relevant activities of the subsidiaries, including investment funds or other structured entities, in order to derive variable returns. Judgment is exercised in evaluating the variable returns and in determining the extent to which the Corporation has the ability to exercise power to affect variable returns. Determining whether the Corporation is a principal or an agent when the Corporation or its subsidiaries act as a fund manager and also invest in the fund. The Corporation determines that it is a principal when it has sufficient capital invested and exposure to variability of returns generated as a result of the decisions of the Corporation or its subsidiaries as a fund manager. Judgment is applied in determining the sufficiency of the variability of returns and overall aggregate economic interest. In making these judgments, the Corporation considers the rights held by other investors, including their ability to remove the fund manager.	2
Fair value of assets acquired and liabilities assumed	Management of the Corporation and of its subsidiaries	Determining the fair value of assets acquired and liabilities assumed in a business combination requires judgment.	3
Assets and liabilities held for sale	Management of Lifeco	Judgment is required in determining the assets and liabilities to be included in a disposal group. Estimation is required in the determination of the fair value for disposal groups, including contingent consideration and costs to sell.	3
Evaluation of significant influence and joint control	Management of the Corporation and of its subsidiaries	Determining if the Corporation exercises significant influence over the entity's operating and financing policies, or if unanimous consent is required for decisions relating to relevant activities.	2, 6
Classification of insurance and reinsurance contracts	Management of Lifeco	Determining whether arrangements should be accounted for as insurance, investment or service contracts.	2
Valuation of insurance and certain investment contract liabilities	Management of Lifeco	Determining the actuarial assumptions, including mortality, longevity, morbidity, expense and policyholder behaviour.	10, 12
Coverage units	Management of Lifeco	Determining the coverage units, which are based on an estimate of the quantity of coverage provided by the contracts in a group, considering the quantity of benefits provided and the expected coverage duration.	n/a
Amounts payable to a policyholder	Management of Lifeco	All terms of contracts issued are considered to determine whether there are amounts payable to the policyholder in all circumstances, regardless of contract cancellation, maturity, and the occurrence or non-occurrence of an insured event. Some amounts, once paid by the policyholder, are repayable to the policyholder in all circumstances. Such payments are considered to meet the definition of an investment component, irrespective of whether the amount repayable varies over the term of the contract, as the amount is repayable only after it has first been paid by the policyholder.	n/a

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)

Item or balance affected by judgments or estimates	Applied by	Key judgments or estimates	Corresponding note(s)
Discount rates to apply to insurance contract liability cash flows	Management of Lifeco	Determining the discount rates to apply to most insurance contract liability cash flows. Lifeco generally uses the top-down approach for cash flows of non-participating contracts that do not depend on underlying items. Applying this approach, Lifeco uses the yield curve implied in a reference portfolio of assets and adjusts it to exclude the effects of risks (e.g., credit risk) present in the cash flows from the financial instruments that are part of the reference portfolio, but not in the insurance cash flows. One of the key sources of estimation uncertainty is estimating the market risk premiums for credit risk of the underlying items that are only relevant to assets included in the reference portfolio, but not to the non-participating contracts. For some products, discount rates are set using a bottom-up approach, based on risk-free rates, plus an illiquidity premium, which also requires judgment.	10
Risk adjustment for non-financial risk	Management of Lifeco	Judgment is required in reflecting diversification and calculating the confidence level.	10, 11
Onerous contracts	Management of Lifeco	Determining at what level of granularity sufficient information is available to conclude that all contracts within a set will be in the same group. The determination of whether a contract or a group of contracts is onerous is based on the expectations as at the date of initial recognition and subsequently, with fulfillment cash flow expectations determined on a probability-weighted basis. Lifeco determines the appropriate level at which reasonable and supportable information is available to make this assessment.	10, 11
Fair value approach to insurance contracts at transition	Management of Lifeco	Judgment is required in determining which insurance contracts to apply the fair value approach to upon transition to IFRS 17, <i>Insurance Contracts</i> (IFRS 17) and significant judgment is applied in determining the critical assumptions and estimates in determining the fair value for these contracts.	n/a
Measurement of impairment losses	Management of the Corporation and of its subsidiaries	Judgment is required on measurement of impairment losses under IFRS 9, <i>Financial Instruments</i> (IFRS 9) across relevant financial assets, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk.	5, 23
Fair value of financial instruments	Management of the Corporation and of its subsidiaries	Determining fair value inputs to establish the fair value of financial instruments, particularly those items categorized within Level 3 of the fair value hierarchy.	29
Fair value of equity-release mortgages	Management of Lifeco	Internal valuation models are used to determine the fair value of equity-release mortgages. These valuations are adjusted by applying management judgments and estimates for material changes in projected asset cash flows and discount rates.	5, 29
Fair value of investment properties	Management of its subsidiaries	Independent qualified appraisal services are used to determine the fair value of investment properties, which use assumptions that include judgments and estimates. These appraisals are adjusted by applying management's judgments and estimates for material changes in property cash flows, capital expenditures or general market conditions.	5, 29
Initial recognition and measurement of goodwill and intangible assets, as well as subsequent measurement	Management of the Corporation and of its subsidiaries	Evaluating the synergies and future benefits in business combinations for initial recognition and measurement of goodwill and intangible assets as well as determining the recoverable amount. The determination of the recoverable amount of the cash generating units (to which goodwill and intangible assets are assigned) relies upon valuation methodologies that require the use of estimates.	3, 9

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)

Item or balance affected by judgments or estimates	Applied by	Key judgments or estimates	Corresponding note(s)
Determination of cash generating unit groupings	Management of the Corporation and of its subsidiaries	Determining the cash generating unit groupings as the lowest level at which the assets are monitored for internal reporting purposes.	9
Measurement of the pension plans and other post-employment benefit obligations	Management of the Corporation and of its subsidiaries	Determining the actuarial assumptions used to determine the expense for the current year and defined benefit obligations for pension plans and other post-employment benefits. In evaluating the assumptions to be used, management reviews the previous experience of related plan members and market conditions, including interest rates and inflation rates.	27
Recognition and measurement of tax provisions and tax assets and liabilities	Management of the Corporation and of its subsidiaries	Interpreting the relevant tax laws, regulations and legislation where the Corporation and its subsidiaries operate to determine the tax provisions and the carrying amounts of the tax assets and liabilities.	18
Recoverability of deferred tax asset carrying values	Management of the Corporation and of its subsidiaries	Assessing the recoverability of the deferred tax asset carrying values based on future years' taxable income projections.	18
Recognition and measurement of legal and other provisions	Management of the Corporation and of its subsidiaries	Assessing whether a past event will result in a probable outflow of economic resources to settle the obligation. Judgment is applied in evaluating the possible outcomes and risks to determine the best estimate of the provision at the balance sheet date.	33
Derecognition of securitization mortgages	Management of IGM	Determining whether securitized mortgages are derecognized requires judgment with respect to the extent to which the risks and rewards of ownership are transferred.	14
Classification of revenues and expenses in sub-advisor arrangements	Management of Lifeco	Determining whether Lifeco retains the primary obligation with a client in sub-advisor arrangements. Where Lifeco retains the primary obligation to the client, revenues and expenses are recorded on a gross basis.	n/a
Deferred selling commissions	Management of IGM	Determining whether the client or the fund is the customer, as well as the assessment of the recoverability of the deferred selling commissions.	8
Deferred acquisition costs	Management of Lifeco	Determining whether deferred acquisition costs can be recognized on the consolidated balance sheets. Deferred acquisition costs are recognized if Lifeco's management determines the costs meet the definition of an asset, are incremental and related to the issuance of the investment contract.	8
Classification of non-controlling interests in limited-life fund units and redeemable fund units	Management of the Corporation and of its subsidiaries	Determining if non-controlling interests in funds are classified as liabilities or equity depends on whether an obligation exists to distribute residual net assets to non-controlling interests in the form of cash or another financial asset or assets delivered in kind. Judgment is used to determine what the governing documents of each entity require or permit in this regard.	17

The results of the Corporation reflect management of the Corporation and of its subsidiaries' judgments regarding the impact of prevailing global credit, equity and foreign exchange market conditions. The Corporation and its subsidiaries' practice is to use third-party independent credit ratings where available. Judgment is required when setting credit ratings for instruments that do not have a third-party rating.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**MATERIAL ACCOUNTING POLICIES****CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash, current operating accounts, overnight bank and term deposits and fixed income securities with an original term to maturity of three months or less. Overdraft bank balances are included in other liabilities.

INVESTMENTS

Investments include bonds, mortgage and other loans, shares, and investment properties.

A financial asset is measured at fair value on initial recognition and is classified and subsequently measured as FVPL, FVOCI, or amortized cost based upon the Corporation's or its subsidiaries' business models for managing these assets and the contractual cash flow characteristics of these assets.

Business models are determined at the level that reflects how groups of financial assets are managed together to achieve business objectives.

A financial asset is classified as FVOCI if it meets the following criteria and is not designated as FVPL:

- [i] it is held in a business model whose objective is to hold to collect contractual cash flows and sell financial assets; and
- [ii] its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- [iii] it is an investment in an equity instrument that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination, and at initial recognition, the Corporation or its subsidiaries has made an irrevocable election to present subsequent changes in FVOCI.

A financial asset is classified as amortized cost if it meets the following criteria and is not designated as FVPL:

- [i] it is held in a business model whose objective is to hold to collect contractual cash flows; and
- [ii] its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

FVOCI investments are recognized at fair value on the balance sheets with unrealized gains and losses recorded in the statements of comprehensive income.

Any financial asset that does not qualify for measurement at amortized cost or FVOCI is classified as FVPL. For financial instruments that meet the amortized cost or FVOCI criteria, the Corporation and its subsidiaries may designate, at initial recognition, such financial instruments as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Investments measured as FVPL are recognized at fair value on the balance sheets with realized and unrealized gains and losses recorded in the statements of earnings.

Investments in mortgage and other loans are initially classified with respect to the intent of the loan on origination.

Investment properties consist of real estate held to earn rental income or for capital appreciation that have an insignificant portion that is owner-occupied or where there is no intent to occupy on a long-term basis. Properties that do not meet these criteria are classified as owner-occupied properties. Investment properties are initially measured at cost and subsequently carried at fair value on the balance sheets. Changes in fair value are recorded as net investment income in the statements of earnings.

Derecognition

A financial asset is derecognized only when the contractual rights to the cash flows from the asset expire, or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the statements of earnings. In addition, on derecognition of an investment in a debt instrument classified as FVOCI, the cumulative gain or loss previously accumulated is reclassified to the statements of earnings. On derecognition of equity instruments designated as FVOCI, the cumulative gain or losses are not reclassified to the statement of earnings but rather reclassified to retained earnings.

Fair Value Measurement

The Corporation and its subsidiaries maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following is a description of the methodologies used to value instruments carried at fair value.

Bonds at FVPL and FVOCI

Fair values for bonds measured as FVPL or FVOCI are determined with reference to quoted market bid prices primarily provided by third-party independent pricing sources. Where prices are not quoted in an active market, fair values are determined by valuation models. The Corporation and its subsidiaries obtain quoted prices in active markets, when available, for identical assets at the balance sheet date to measure bonds at fair value in its FVPL and FVOCI portfolios.

The Corporation and its subsidiaries estimate the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Mortgage and Other Loans at FVPL and FVOCI

There are no market-observable prices for mortgage and other loans; therefore, fair values for mortgage and other loans are determined by discounting expected future cash flows using current market rates for similar instruments. Valuation inputs typically include benchmark yields and risk-adjusted spreads based on current lending activities and market activity.

Equity-Release Mortgages at FVPL

There are no market-observable prices for equity-release mortgages; Lifeco uses an internal valuation model for discounting expected future cash flows and includes consideration of the embedded no-negative-equity guarantee. Inputs to the model include market-observable inputs such as benchmark yields and risk-adjusted spreads. Non-market-observable inputs include property growth and volatility rates, expected rates of voluntary redemptions, death, moving to long-term care and interest cessation assumptions and the value of the no-negative-equity guarantee.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**Shares at FVPL and FVOCI**

Fair values of publicly traded shares are generally determined by the last bid price for the security from the exchange where it is principally traded. Fair values of shares for which there is no active market are typically based upon alternative valuation techniques such as discounted cash flow analysis, review of price movement relative to the market and utilization of information provided by the underlying investment manager. The Corporation and its subsidiaries obtain quoted prices in active markets, when available, for identical assets at the balance sheet dates to measure shares at fair value.

Investment Properties

Fair values of investment properties are determined using independent qualified appraisal services and include adjustments by management of its subsidiaries for material changes in property cash flows, capital expenditures or general market conditions in the interim period between appraisals. The determination of the fair value of investment properties requires the use of estimates including future cash flows (such as future leasing assumptions, rental rates, capital and operating expenditures) and discount, reversionary and overall capitalization rates applicable to the asset based on current market conditions. Investment properties under construction are valued at fair value if such values can be reliably determined; otherwise, they are recorded at cost.

Net Investment Income

Interest income is accounted for on an accrual basis using the effective interest method for bonds and mortgage and other loans. Interest income is earned on client funds on deposit.

Dividend income is recognized when the right to receive payment is established. This is the ex-dividend date for listed shares and usually the notification date or date when the board of directors has approved the dividend for private equity instruments.

Investment property income includes rents earned from tenants under lease agreements and property tax and operating cost recoveries. Leases with contractual rent increases and rent-free periods are recognized on a straight-line basis over the term of the lease.

Interest income, dividend income and investment property income are recorded in net investment income in the statements of earnings.

Expected Credit Losses

Expected credit loss (ECL) allowances are recognized on all financial assets, except for financial assets classified or designated as FVPL and equity instruments designated as FVOCI.

The ECL allowance is based on a probability-weighted estimate of credit losses expected as a result of defaults over the relevant time period as prescribed under the ECL model, which is a three-stage impairment approach.

Category	Description
Stage 1	<p>Performing financial assets that have not experienced a significant increase in credit risk since initial recognition or have low credit risk are categorized into stage 1.</p> <p>A 12-month ECL allowance is calculated for stage 1 financial assets. To assess if credit risk has increased significantly, the Corporation and its subsidiaries compare the risk of default at initial recognition to the risk as at the current reporting date.</p>
Stage 2	<p>Performing financial assets that have experienced a significant increase in credit risk since initial recognition are categorized into stage 2.</p> <p>A lifetime ECL allowance is calculated for stage 2 financial assets. Financial assets are assessed for a significant increase in credit risk on an individual basis, utilizing the Corporation and its subsidiaries' internal credit risk rating system and the monitoring of timely payments on the assets. Financial assets that have contractual payments more than 30 days past due are generally presumed to have experienced a significant increase in credit risk and are included in stage 2. A financial asset in stage 2 can revert to stage 1 if the credit risk subsequently improves.</p>
Stage 3	<p>Impaired financial assets are categorized into stage 3 and require a lifetime ECL allowance.</p> <p>Financial assets are reviewed on an individual basis at the end of each reporting period to determine whether there is any objective evidence of impairment. The Corporation and its subsidiaries consider various factors in the impairment evaluation process, including, but not limited to, the financial condition of the issuer, specific adverse conditions affecting an industry or region, decline in fair value not related to interest rates, bankruptcy or defaults, and delinquency in payments of interest or principal.</p> <p>Financial assets are deemed to be impaired when there is no longer reasonable assurance of collection. The fair value of a financial asset is not a definitive indicator of impairment, as it may be significantly influenced by other factors, including the remaining term to maturity and liquidity of the asset; however, market price is taken into consideration when evaluating impairment.</p>

The Corporation and its subsidiaries monitor all financial assets that are subject to impairment for significant increases in credit risk. In making this assessment, both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, is considered.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**Modified Financial Assets**

An existing financial asset whose terms have been modified may be derecognized and the renegotiated asset recognized as a new financial asset at fair value in accordance with the Corporation's accounting policies.

If modification does not result in derecognition, the financial asset continues to be subject to the assessment for significant increase in credit risk relative to initial recognition. Expected cash flows arising from the modified contractual terms are considered when calculating the ECL for the modified asset. For loans that were modified while having lifetime ECLs, such loans can revert to having 12-month ECLs if the borrower's financial condition improves.

Definition of Default

The definition of default used in the measurement of ECL is consistent with the definition used for the Corporation and its subsidiaries' internal credit risk management purposes. A financial asset is considered to be in default when the issuer is unlikely to meet its credit obligations in full or when it is 90 days past due.

Securities Lending

Lifeco engages in securities lending through its securities custodians as lending agents. Loaned securities are not derecognized, and continue to be reported within investments, as Lifeco retains substantial risks and rewards and economic benefits related to the loaned securities.

TRANSACTION COSTS

Transaction costs related to financial instruments classified as FVPL are expensed as incurred. Transaction costs related to financial instruments classified as FVOCI are included in the value of the instrument at acquisition. Transaction costs for all other classifications of financial instruments are included in the value of the instrument at acquisition and taken into net earnings using the effective interest method for fixed income instruments or when sold for debt instruments.

FEE INCOME AND OTHER REVENUES**Lifeco**

Fee income primarily includes fees earned from the management of investment contracts on account of segregated fund policyholders, proprietary mutual fund assets, record keeping, fees earned on administrative-services-only Group health contracts, commissions and fees earned from management services. Fee income is recognized on the transfer of services to customers for the amount that reflects the consideration expected to be received in exchange for those services promised.

Lifeco has sub-advisor arrangements where Lifeco retains the primary obligation with the client. As a result, fee income earned is reported on a gross basis, with the corresponding sub-advisor expense recorded in operating and administrative expenses.

IGM Financial

Wealth management revenue is earned for providing financial planning, investment advisory and related financial services. Revenues from financial advisory fees and investment management and related administration fees are based on the net asset value of investment funds or other assets under advisement and are recognized as services are performed. Distribution revenue associated with insurance and banking products and services is also recognized on an accrual basis while distribution fees derived from investment fund and securities transactions are recognized on a trade-date basis.

Asset management revenue related to investment management advisory and administrative services is based on the net asset value of investment funds and other assets under management and is accrued as services are performed.

Wealth and asset management revenue is included in fee income in the statements of earnings.

Other Subsidiaries

Revenues from contracts with customers are recognized by other subsidiaries when control of the goods or services is transferred to the customer for the amount that reflects the consideration which the subsidiary expects to receive in exchange for the goods or services.

Revenues from electricity sales are recognized when the electricity is delivered at the customer's connection point and there is no unfulfilled obligation that could affect the customer's acceptance of the electricity.

Revenues from contracts with customers and from electricity sales are included in other revenues in the statements of earnings.

Management fee revenues earned by the asset management subsidiaries, which manage assets on behalf of investors, include:

- Revenues from asset managers: management fees are earned in accordance with contractual arrangements with investment funds based on the committed or invested capital and are accrued as services are performed.
- Revenues from investment management businesses: management fee revenues are recognized based on daily management services provided to investors as the performance obligation is satisfied.

Carried interest is a performance fee arrangement in which the alternative asset manager receives a percentage of investment returns, generated within an investment fund on carry-eligible capital, based on a contractual formula. Carried interest revenue is recognized when an investment fund's cumulative returns are in excess of preferred returns and when it is highly probable that a significant reversal will not occur.

Management fees and carried interest revenue are included in fee income in the statements of earnings.

OWNER-OCCUPIED PROPERTIES AND CAPITAL ASSETS

Owner-occupied properties and capital assets include right-of-use assets.

Owner-occupied properties and capital assets are carried at cost less accumulated depreciation, disposals and impairments. Capital assets include equipment, renewable power generating assets, furniture and fixtures. Owner-occupied properties and capital assets are depreciated using the straight-line method, over their estimated useful lives, as follows: i) owner-occupied properties (10 to 50 years); and ii) capital assets (3 to 30 years).

Right-of-use assets are depreciated to the earlier of the end of the estimated useful life of the right-of-use asset or the end of the lease term using the straight-line method. Depreciation expense is included within operating and administration expenses.

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted if necessary. Owner-occupied properties and capital assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**LEASES**

At inception of a contract, the Corporation and its subsidiaries assess whether a contract is or contains a lease. The Corporation and its subsidiaries recognize a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs incurred and any lease incentive received. Right-of-use assets are included within owner-occupied properties and capital assets, with the exception of right-of-use assets that meet the definition of investment property, which are presented within investment properties and subject to the Corporation's associated accounting policy.

The lease liability is measured at amortized cost using the effective interest method and is included within other liabilities. Interest expense on lease liabilities is included within financing charges.

The Corporation and its subsidiaries do not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the term within operating and administrative expenses.

Where the Corporation and its subsidiaries are the lessor under an operating lease for its investment property, the assets subject to the lease arrangement are presented within the balance sheets. Income from these leases is recognized in the statements of earnings on a straight-line basis over the lease term.

Leases that transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Where the Corporation and its subsidiaries are the lessor under a finance lease, the investment is recognized as a receivable at an amount equal to the net investment in the lease, which is the present value of the minimum lease payments due from the lessee presented within the balance sheets. Payments received from the lessee are apportioned between the recognition of finance lease income and the reduction of the finance lease receivable. Income from the finance leases is recognized in the statements of earnings at a constant periodic rate of return on net investment in the finance lease.

OTHER ASSETS

Other assets include accounts and interest receivable, client funds on deposit, trading account assets, deferred acquisition costs, deferred selling commissions, prepaid expenses, and other miscellaneous assets which are measured at amortized cost. Other assets also include funds held under investment contracts, which comprises cash and cash equivalents, bonds, mortgages and other miscellaneous assets, which are measured in accordance with the Corporation's corresponding accounting policies.

Trading account assets includes the investments of Lifeco's consolidated collateralized loan obligations (CLOs), sponsored funds, open-ended investment companies and sponsored unit trusts, which are carried at fair value based on the net asset value of these funds.

Each CLO is a special purpose vehicle that owns a portfolio of investments, consisting primarily of senior secured loans, and issues various tranches of senior and subordinated notes to third parties for the purpose of financing the purchase of those investments. Assets of the special purpose vehicle, the senior secured loans, are included in other assets and the associated liabilities, the senior and subordinated notes issued to third parties, are included in other liabilities on the balance sheets.

Client funds on deposit represents cash balances held in client accounts deposited primarily at Canadian financial institutions.

Deferred Acquisition Costs

Deferred acquisition costs related to investment contracts and service contracts are recognized as assets if the costs are incremental and incurred due to the contract being issued. Deferred acquisition costs are amortized on a straight-line basis over the term of the contract, not exceeding 20 years.

Deferred Selling Commissions

Commissions are paid on investment product sales where a fee is either received directly from the client or is received directly from the investment fund.

Commissions paid on investment product sales where fees are earned from a client are capitalized and amortized over their estimated useful lives, not exceeding a period of seven years. The Corporation regularly reviews the carrying value of deferred selling commissions with respect to any events or circumstances that indicate impairment. Among the tests performed to assess recoverability is the comparison of the future economic benefits derived from the deferred selling commission asset in relation to its carrying value.

All other commissions paid on investment product sales are expensed as incurred.

ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

Disposal groups are classified as held for sale when it has been determined that the carrying amount will be recovered through a sale transaction rather than continuing use. The disposal group is measured at the lower of its carrying amount and fair value less cost to sell. Individual assets and liabilities in a disposal group not subject to these measurement requirements include financial assets, investment properties and insurance contract liabilities. These assets and liabilities are measured in accordance with the relevant accounting policies described for those assets and liabilities included in this note before the disposal group as a whole is measured at the lower of its carrying amount and fair value less cost to sell. Any impairment loss for the disposal group is recognized as a reduction to the carrying amount for the portion of the disposal group under the measurement requirements for IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*.

Disposal group assets and liabilities classified as held for sale are presented separately on the balance sheets. Gains and losses from disposal groups held for sale are presented separately in the statement of earnings.

A disposal group qualifies as a discontinued operation if it is a component of an entity for which operations and cash flows can be clearly distinguished from the rest of the corporation, that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal and when the operation meets the criteria to be classified as held for sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in net earnings (loss) from discontinued operations in the statements of earnings and the comparative statements of earnings is re-presented as if the operation had been discontinued from the beginning of the comparative year.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**BUSINESS COMBINATIONS, GOODWILL AND INTANGIBLE ASSETS**

Business combinations are accounted for using the acquisition method. Goodwill represents the excess of purchase consideration over the fair value of net assets acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Intangible assets comprise finite life and indefinite life intangible assets. Finite life intangible assets include the value of technology and software, certain customer contracts and power purchase agreements. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives as follows: i) technology and software (3 to 10 years); ii) customer contract-related (7 to 30 years); and iii) power purchase agreements (5 to 20 years).

Indefinite life intangible assets include brands, trademarks and trade names, certain customer contracts, mutual fund management contracts and the shareholders' portion of acquired future participating account profit. Amounts are classified as indefinite life intangible assets based on an analysis of all the relevant factors, and when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. The identification of indefinite life intangible assets is made by reference to relevant factors such as product life cycles, potential obsolescence, industry stability and competitive position. Following initial recognition, indefinite life intangible assets are measured at cost less accumulated impairment losses.

Impairment Testing

Goodwill and indefinite life intangible assets, including those resulting from an acquisition during the year, are tested for impairment annually or more frequently if events indicate that impairment may have occurred. Indefinite life intangible assets that were previously impaired are reviewed at each reporting date for evidence of reversal.

Goodwill and indefinite life intangible assets have been allocated to cash generating units or to groups of cash generating units (CGUs), representing the lowest level that the assets are monitored for internal reporting purposes. Goodwill and indefinite life intangible assets are tested for impairment by comparing the carrying value of the CGUs to the recoverable amount of the CGUs to which the goodwill and indefinite life intangible assets have been allocated.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal or value in use, which is calculated using the present value of the estimated future cash flows expected to be generated.

Finite life intangible assets are reviewed at least annually to determine if there are indicators of impairment and the amortization period and method are reviewed and adjusted if necessary. If indicators of impairment have been identified, a test for impairment is performed and impairment is recognized as necessary.

SEGREGATED FUNDS

Segregated fund assets and liabilities arise from contracts where all financial risks associated with the related assets are borne by policyholders and are presented separately in the balance sheets. The assets and liabilities are set equal to the fair value of the underlying asset portfolio. Segregated fund contracts are classified as insurance contracts or investment contracts following the classification criteria described in the accounting policy for insurance contracts, investment contracts and reinsurance contracts held. Investment income and changes in fair value of the segregated fund assets are offset by corresponding changes in the segregated fund liabilities. Guarantees on the segregated fund products are accounted for within insurance contract liabilities on the balance sheets.

INSURANCE CONTRACTS, INVESTMENT CONTRACTS AND REINSURANCE CONTRACTS HELD**Contract Classification****Insurance Contracts**

Insurance contracts are identified as arrangements where Lifeco accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or beneficiary of the contract for specified uncertain future events that adversely affect the policyholder and whose amount and timing are unknown.

Lifeco determines whether a contract contains significant insurance risk by assessing if an insured event could cause Lifeco to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance, even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. In making this assessment, Lifeco considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

When Lifeco issues insurance contracts to compensate another entity for claims arising from one or more insurance contracts issued by that other entity, the associated contracts are reinsurance contracts issued, which is part of insurance contracts issued.

Investment Contracts

In the absence of significant insurance risk, Lifeco classifies contracts as investment contracts or service contracts. Investment contracts with discretionary participating features are accounted for in accordance with IFRS 17 and investment contracts without discretionary participating features are accounted for in accordance with IFRS 9. Lifeco has not classified any contracts as investment contracts with discretionary participating features.

Investment contracts may be reclassified as insurance contracts after inception if insurance risk becomes significant. A contract that is classified as an insurance contract at contract inception remains as such until all rights and obligations under the contract are extinguished or expire. Investment contracts are contracts that carry financial risk, which is the risk of a possible future change in one or more of the following: interest rate, commodity price, foreign exchange rate, or credit rating. Refer to Note 23 for a discussion of Lifeco's risk management.

Investment contracts are measured at FVPL in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring the assets that back the contract on different bases.

Reinsurance Contracts Held

Lifeco enters into arrangements to transfer insurance risk, along with the respective premiums, to one or more reinsurers that will share the risks. To the extent that assuming reinsurers are unable to meet their obligations, Lifeco remains liable to its policyholders for the portion reinsured. Contracts of this nature are defined as reinsurance contracts held.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)

Separating Components from Insurance and Reinsurance Contracts

At inception, the following components from an insurance or reinsurance contract held are separated and accounted for as if they were standalone financial instruments:

- Embedded derivatives: derivatives embedded in the contract which have economic characteristics and risks that are not closely related to those of the host contract, and which have terms that would not meet the definition of an insurance or reinsurance contract held as a standalone instrument; and
- Distinct investment components: investment components that are not highly interrelated with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, Lifeco also separates any promises to transfer distinct goods or non-insurance services to policyholders and accounts for them as separate contracts with customers in accordance with IFRS 15, *Revenue from Contracts with Customers*. A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance component, and Lifeco provides a significant service of integrating the good or service with the insurance component.

Level of Aggregation

The level of aggregation for insurance contracts issued is determined by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Lifeco has defined portfolios of insurance contracts issued based on its product lines. Portfolios are further disaggregated into groups of contracts that are issued within an annual period (typically a financial year) and are further divided into: onerous contracts, contracts that have no significant possibility of becoming onerous subsequently, and all other profitable contracts. An insurance contract is onerous if, at the date of initial recognition, the estimated fulfillment cash flow expectations determined on a probability-weighted basis is a net outflow. Lifeco's evaluation of whether contracts are onerous is based on reasonable and supportable information. Lifeco has not identified any groups of insurance contracts that have no significant possibility of becoming onerous subsequently.

In determining groups of contracts, Lifeco has elected to include in the same group contracts where its ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation. Contracts are aggregated into groups once they have been initially recognized.

Lifeco has defined portfolios of reinsurance contracts held based on the portfolios of the underlying insurance contracts issued. Groups of reinsurance contracts held that are entered into within an annual period (typically a financial year) are divided based on whether they are in a net gain or net loss position at initial recognition.

Some reinsurance contracts held provide cover for underlying contracts that are included in different groups. However, these contracts' legal form of a single contract reflects the substance of Lifeco's contractual rights and obligations, considering that the different remaining coverages lapse together and are not sold separately. As a result, the reinsurance contract held is not separated into multiple insurance components that relate to different underlying groups.

Initial Recognition

A group of insurance contracts that it had issued is recognized from the earliest of:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, when the group becomes onerous if facts and circumstances indicate there is such a group.

A group of reinsurance contracts held is recognized on the following date:

- Reinsurance contracts held initiated by Lifeco that provide proportionate coverage: the date on which any underlying insurance contract is initially recognized;
- Other reinsurance contracts held initiated by Lifeco: the beginning of the coverage period of the group of reinsurance contracts. However, if Lifeco recognizes an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract held was entered into before that earlier date, then the group of reinsurance contracts held is recognized on that earlier date; and
- Reinsurance contracts held that are acquired by Lifeco: the date of acquisition.

Contract Boundaries

The measurement of a group of insurance and reinsurance contracts held includes all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which Lifeco can compel the policyholder to pay the premiums (or is compelled to pay amounts to a reinsurer), or in which Lifeco has a substantive obligation to provide the policyholder with services (or receive services from a reinsurer). A substantive obligation to provide services ends when:

- Lifeco has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both the following criteria are satisfied:
 - Lifeco has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
 - The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

For reinsurance contracts held, a substantive obligation to receive services ends when the reinsurer has the practical ability to reassess the risk transferred to it and, as a result, can set a price or level of benefits that fully reflects those risks, or the reinsurer has the substantive right to terminate the coverage.

For insurance contracts with renewal periods, Lifeco assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of renewals is established by Lifeco after considering the risks and terms of coverage for the policyholder, with reference to the pricing of contracts with equivalent risks and terms on the renewal dates. Lifeco reassesses the contract boundary of each group at the end of each reporting period.

Liabilities or assets relating to expected premiums or claims outside the boundary of the insurance contract are not recognized as these amounts relate to future insurance contracts.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**Measurement of Insurance Contracts**

There are three measurement models provided by IFRS 17 to measure insurance contracts:

- The General Measurement Model;
- The Variable Fee Approach; and
- The Premium Allocation Approach.

General Measurement Model (GMM)

The model is applied to Lifeco's medium- to long-term insurance products, such as individual protection, payout annuities, and longevity swaps.

Initial Measurement

On initial recognition, a group of insurance contracts is measured as the total of the fulfillment cash flows and the CSM.

Fulfillment Cash Flows

Fulfillment cash flows comprise probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk.

Lifeco estimates future contractual cash flows within the contracts' boundary by considering evidence from current and past conditions, as well as possible future conditions, to reflect market and non-market variables impacting the valuation of cash flows. The estimates of these cash flows are based on probability-weighted expected values that reflect the average of a full range of possible outcomes and include an explicit risk adjustment for non-financial risk. The risk adjustment is the compensation Lifeco receives in fulfilling an insurance contract that arises from uncertainties surrounding the amount and timing of cash flows for non-financial risks. The non-financial risk assumptions are mortality, longevity, morbidity, lapse, and expense. Estimates and assumptions are reviewed periodically for appropriateness in reflecting current, past, and future conditions.

When estimating fulfillment cash flows, Lifeco includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows;
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims;
- Premium and other transaction-based taxes and cash flows from loans to policyholders;
- Insurance acquisition cash flows which are allocated to groups of contracts on a systematic and rational basis;
- Other fixed and variable expenses directly attributable to the fulfillment of insurance contracts;
- Investment expenses incurred in investment activities related to underlying items such as universal life funds and segregated fund account balances; and
- The impact of funds withheld for reinsurance contracts issued to manage credit risk.

Contractual Service Margin

The CSM of a group of insurance contracts represents the unearned profit that Lifeco expects to recognize in the future as it provides services under those contracts.

On initial recognition of a group of insurance contracts, if the total of the fulfillment cash flows, any derecognized assets for insurance acquisition cash flows and any cash flows arising at that date is a net inflow, the group of contracts is non-onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no net income or expenses arising on initial recognition.

Discount Rates

Lifeco measures the time value of money using discount rates that are consistent with observable market prices and reflect the liquidity characteristics of the insurance contracts. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

Lifeco applies the top-down approach for insurance contract liabilities with backing assets. Under this approach, discount rates are estimated by starting from the yield curve implied in a reference portfolio of assets that closely reflects the duration, currency, and liquidity characteristics of the insurance cash flows, and then excluding the effects of risks (e.g., credit risk) present in the cash flows from the financial instruments that are part of the reference portfolio, but not in the insurance contract cash flows. The allowance for credit risk in the discount rate varies depending on the credit rating, sector and term of the assets reflected in the discount rate. The allowance is estimated based on historic credit experience and prevailing market conditions. For example, if there is a significant widening of market credit spreads, an additional allowance for credit risk to reduce the discount rate may be required to reflect prevailing market conditions. Lifeco uses the fixed income assets supporting the insurance contract liabilities as the reference portfolio to determine the discount rates in the observable period, while the discount rates in the unobservable period are based on an ultimate investment rate. In situations where the fixed income assets supporting the insurance contract liabilities do not appropriately reflect the illiquidity characteristics of the liability, an additional adjustment is made to the discount rate.

In cases where there are no backing assets, Lifeco applies the bottom-up approach to set the discount rate. This approach uses a risk-free rate, plus a spread to reflect the liquidity characteristics of the liability. Risk-free rates are determined by reference to highly liquid government securities in the currency of the insurance contract liability, and the spread is derived from an external benchmark.

Risk Adjustment

The risk adjustment for non-financial risk represents the compensation that Lifeco requires for bearing uncertainty in the amount and timing of insurance contract cash flows due to non-financial risk. Non-financial risks are insurance risks such as life mortality, annuity mortality and morbidity, and other risks such as expense and lapse. The risk adjustment is calculated by applying a margin to non-financial assumptions and discounting the resulting margin cash flows at the same discount rates as the best estimate cash flows. The margins applied reflect diversification benefits across all non-financial risks. Lifeco's target range for the confidence level of the risk adjustment is between the 85th and 90th percentile, and the risk adjustment is currently within the target range. The confidence level is determined on a net-of-reinsurance basis.

Insurance Acquisition Cash Flows

Insurance acquisition cash flows arise from selling and underwriting activities required to initiate a group of contracts.

Any assets or liabilities for insurance acquisition cash flows recognized before the corresponding insurance contracts are recognized and included in the carrying amount of the related groups of insurance contracts issued. Judgments are applied by management of Lifeco to determine which costs are directly attributable to the issuance of a group of contracts and the portion of those costs that are allocated to groups of contracts arising from expected renewals.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)

The asset for insurance acquisition cash flows is tested for impairment annually or more frequently if facts and circumstances indicate that impairment may have occurred. In testing for impairment, the carrying value of the asset is compared to the expected net cash inflow for the related group of insurance contracts.

Additionally, if a portion of the asset for insurance acquisition cash flows has been allocated to future renewals of the related group of contracts, the carrying value of the asset is compared to the expected net cash inflow for those expected renewals. If the carrying value exceeds the expected net cash inflows described above, a loss is recognized in the insurance service result. In the event that facts and circumstances indicate the asset for insurance acquisition cash flows is no longer impaired, the impairment loss, or a portion thereof, is reversed.

Subsequent Measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfillment cash flows that relate to services that will be provided under the contracts in future periods and any remaining CSM at that date. The liability for incurred claims comprises the fulfillment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfillment cash flows for groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of risk adjustment for non-financial risk.

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the start of the reporting period, adjusted for:

- The CSM of any new contracts that are added to the group in the period;
- Interest accreted on the carrying amount of the CSM during the period, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- The changes in fulfillment cash flows that relate to future services (measured using initial recognition discount rates), except to the extent that:
 - Any increases in the fulfillment cash flows exceed the carrying amount of the CSM, in which case the excess is recognized as a loss in the statements of earnings and creates a loss component; or
 - Any decreases in the fulfillment cash flows are allocated to the loss component, reversing losses previously recognized in the statements of earnings;
- The effect of any foreign currency exchange differences on the CSM; and
- The amount recognized as insurance revenue because of the services provided in the period.

The changes in fulfillment cash flows relating to future services that adjust the CSM comprise:

- Experience adjustments arising from premium and premium-related cash flows received in the period that relate to future services;
- Changes in both estimates of the present value of future cash flows and risk adjustment in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that relate to the effects of the time value of money and financial risk changes; and
- Differences between any investment components not separated from the contract expected to become payable in the period (after allowing for financial experience variance) and the actual investment component that becomes payable in the period, measured at the discount rates determined on initial recognition.

Changes in expected future discretionary cash flows are regarded as an assumption relating to future services and accordingly adjust the CSM.

Changes in fulfillment cash flows that relate to current or past service are recognized in the statements of earnings as part of the insurance service result. Changes that relate to the effects of the time value of money and financial risk are recognized in insurance finance income or expenses.

Variable Fee Approach (VFA)

This model is applied to Lifeco's contracts with direct participating features such as participating insurance and segregated fund business with insurance guarantees, where an investment return is provided to the policyholder based on a defined pool of items (e.g., a portfolio of assets).

Recognition

An insurance contract is recognized under the VFA if it meets all of the following conditions at initial recognition:

- The policyholder participates in a share of a clearly identified pool of underlying items;
- Lifeco expects to pay the policyholder an amount equal to a substantial share of the returns from the underlying items; and
- The substantial proportion of the cash flows Lifeco expects to pay to the policyholder is expected to vary with cash flows from the underlying items.

Lifeco performs the test for VFA qualification at initial recognition.

Initial Measurement

Similar to the GMM, the VFA initially measures the insurance contract liabilities as the fulfillment cash flows plus CSM.

Subsequent Measurement

For a group of insurance contracts applying the VFA, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted for the following:

- The effect of any new contracts added to the group;
- Lifeco's share of the change in the fair value of the underlying items, except to the extent that:
 - Lifeco has a previously documented risk management objective and strategy for using derivatives to mitigate financial risk arising from the insurance contracts, as it does for the insured assets contracts;
 - Lifeco's share of a decrease in the fair value of the underlying items exceeds the carrying amount of the CSM, giving rise to a loss; or
 - Lifeco's share of an increase in the fair value of the underlying items reverses the amount previously recognized as a loss;
- The changes in fulfillment cash flows, relating to future service, except to the extent that:
 - Lifeco has a previously documented risk management objective and strategy for using derivatives to mitigate financial risk arising from the insurance contracts, as it does for insured assets contracts;
 - Such increases in the fulfillment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
 - Such decreases in the fulfillment cash flows are allocated to the loss component of the liability for remaining coverage;
- The effect of any foreign currency exchange differences on the CSM; and
- The amount recognized as insurance revenue because of the services provided in the period.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**Risk Mitigation**

Lifeco mitigates the financial risks created by guarantees embedded in some of its insurance contracts with direct participation features through the use of derivatives and reinsurance contracts held. The derivatives are in the scope of IFRS 9 with changes in their fair value reflected in the statements of earnings. In applying risk mitigation, the financial impact on the guarantees embedded in these direct participating contracts does not adjust the CSM and is also reflected in the statements of earnings.

Premium Allocation Approach (PAA)

This model is applied to Lifeco's short-term insurance products, such as group life and health.

Recognition**CONTRACTS WITH COVERAGE PERIODS OF ONE YEAR OR LESS**

The PAA is applied to measure the liability for remaining coverage of insurance contracts with coverage periods of one year or less.

CONTRACTS WITH COVERAGE PERIODS OF MORE THAN ONE YEAR

The PAA is applied to contracts with coverage periods longer than one year that are relatively stable and have low variability in fulfillment cash flows. The low variability in fulfillment cash flows indicates there is no material difference in the liability for remaining coverage measured under the PAA as compared to the GMM. Generally, this applies to products with rate guarantees between 2 and 5 years.

New groups of insurance contracts are assessed to determine whether they can be measured using the PAA at initial recognition.

The eligibility test for the PAA model will not be subsequently performed after initial recognition unless there are substantial changes to the terms of the groups of insurance contracts.

Measurement**INITIAL MEASUREMENT OF THE LIABILITY FOR REMAINING COVERAGE**

On initial recognition, the liability for remaining coverage is initially measured as the premiums received in the period minus any insurance acquisition cash flows not expensed, plus or minus any amount caused by the derecognition of an acquisition cash flow asset or liability which represents any acquisition costs that were paid before the contracts were recognized.

Insurance acquisition costs are included as fulfillment cash flows of the liability and are allocated over the contract boundary on a straight-line basis. For contracts with expected future renewals, a portion of the acquisition costs is capitalized as an asset and deferred until the future contract renewals are recognized.

The fulfillment cash flows of contracts with coverage periods of more than one year are discounted to reflect the impact of financial risk on the contract. The discount rates used reflect the characteristics of the contract cash flows. For contracts where premiums are received within one year of the coverage period, Lifeco has elected not to adjust the liability for the time value of money.

SUBSEQUENT MEASUREMENT

At the end of each reporting period, the liability for remaining coverage for contracts under the PAA is measured as the carrying amount of the liability for remaining coverage at the beginning of the period, adjusted for the following to:

- Add the premiums received in the period;
- Deduct any insurance acquisition cash flows during the period not directly expensed;
- Add the amortization of acquisition cash flows, plus any adjustments to a financing component;
- Deduct the amount recognized as insurance revenue for the coverage provided in the period; and
- Deduct any investment components paid or transferred to the liability for incurred claims.

If circumstances indicate that a contract under the PAA model has become onerous, a loss is immediately recognized in the statements of earnings, and a separate component of the liability for remaining coverage is created to record this loss component. The loss is measured as the difference between the fulfillment cash flows that relate to the remaining coverage of the group and the current carrying amount of the liability for remaining coverage using the measurement described above.

The liability for incurred claims is measured under the same approach as the GMM, which is the fulfillment cash flows related to incurred claims. When claims are expected to be settled less than one year after being incurred, Lifeco has elected not to discount the liability for incurred claims.

Measurement of Reinsurance Contracts Held**General Measurement Model**

The accounting policies used to measure a group of insurance contracts under the GMM apply to the measurement of a group of reinsurance contracts held, with the following modifications:

- The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the remaining coverage component and the incurred claims component. The remaining coverage component comprises:
 - The fulfillment cash flows that relate to services that will be received under the contracts in future periods; and
 - Any remaining CSM at that date.

Lifeco measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognized in the statements of earnings.

The risk adjustment for non-financial risk is the amount of the risk transferred by Lifeco to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of the fulfillment cash flows, any derecognized assets for cash flows occurring before the recognition of the group, any cash flows arising at that date and any income recognized in the statements of earnings because of onerous underlying contracts recognized at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the cost is immediately recognized in the statements of earnings as an expense.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)

Lifeco adjusts the carrying amount of the CSM of a group of reinsurance contracts held at the end of a reporting period to reflect changes in the fulfillment cash flows applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the fulfillment cash flows for underlying insurance contracts is recognized in profit or loss by adjusting the loss component. The respective changes in reinsurance contracts held are also recognized in profit and loss (adjusting the loss recovery component).

Funds withheld under reinsurance contracts held to manage credit risk are included in the carrying amount of the reinsurance contracts held asset.

Premium Allocation Approach

Lifeco holds reinsurance contracts with the direct insurance contracts it issues. The reinsurance contracts held that are eligible for the PAA and have underlying direct contracts measured under the PAA are also classified and measured under the PAA.

Onerous Underlying Insurance Contracts

Lifeco adjusts the CSM of the group to which a reinsurance contract held belongs and as a result recognizes income when it recognizes a loss on initial recognition of onerous underlying contracts, if the reinsurance contract held is entered into before or at the same time as the onerous underlying contracts are recognized. The adjustment to the CSM is determined by multiplying:

- The amount of the loss that relates to the underlying contracts; and
- The percentage of claims on the underlying contracts that Lifeco expects to recover from the reinsurance contracts held.

For reinsurance contracts held that are acquired by Lifeco in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:

- The amount of the loss component that relates to the underlying contracts at the date of acquisition; and
- The percentage of claims on the underlying contracts that Lifeco expects at the date of acquisition to recover from the reinsurance contracts held.

A loss-recovery component is created or adjusted for the group of reinsurance contracts held to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in the statements of earnings as reversals of recoveries of losses from the reinsurance contracts held and are excluded from the allocation of reinsurance premiums paid in the net expense from reinsurance contracts held.

Measurement of Investment Contracts

Investment contracts are recognized when Lifeco becomes a party to the contractual provisions of the contract. At recognition, Lifeco measures an investment contract at its fair value. Transaction costs that are incremental and directly attributable to the acquisition or issue of the investment contract are expensed as incurred.

When the fair value of the investment contract differs from the transaction price on initial recognition, Lifeco recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs or realized through settlement.

Investment contracts are subsequently measured at FVPL where the fair value is set to the higher of the market value of the assets supporting the liability balance and the result of discounting risk-adjusted cash flows rates derived from a reference portfolio or stochastic modelling. Lifeco's main valuation techniques incorporate all factors that market participants would consider and make maximum use of observable market data.

Coverage Units

Amortization of the Contractual Service Margin

The CSM is a component of the group of insurance contracts that represents the unearned profit Lifeco will recognize as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognized in the statements of earnings as insurance revenue in each period to reflect the services provided under the group of insurance contracts in that period. The amount that is recognized in the statements of earnings for the current period is determined by identifying the coverage units in the group, allocating the CSM at the end of the period to each coverage unit provided in the current period and expected to be provided in the future periods.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force.

For reinsurance contracts held, the CSM amortization is similar to the reinsurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force.

Insurance Revenue

Insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which Lifeco expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts (i.e., the amount of premiums paid to Lifeco adjusted for the financing effect (the time value of money) and excluding any investment components).

Insurance Finance Income or Expenses

Insurance finance income or expenses comprises the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Corporation has elected to recognize insurance finance income or expenses in the statements of earnings.

Net Income or Expense from Reinsurance Contracts Held

The Corporation presents separately in the statements of earnings the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. Lifeco considers reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented in the statements of earnings. Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts are included as amounts recoverable from the reinsurer.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**Contract Modifications and Derecognition****Contract Modifications**

When the terms of insurance contracts are modified, Lifeco assesses whether the modification is substantial enough to lead to the derecognition of the original contract and recognition of a new modified contract as if it was entered for the first time. If the contract modification does not lead to a re-recognition of the contract, then the effect of the modification is treated as a change in the estimates of fulfillment cash flows which is recorded as an experience adjustment to the existing contract.

Derecognition of Contracts

A contract is derecognized when it is extinguished, which is when the specified obligations in the contract expire or are discharged or cancelled.

When an insurance contract not accounted for under the PAA is derecognized from within a group of insurance contracts:

- The fulfillment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognized;
- The CSM of the group is adjusted for the change in the fulfillment cash flows, except where such changes are allocated to a loss component; and
- The number of coverage units for the expected remaining coverage is adjusted to reflect the coverage units derecognized from the group.

If a contract is derecognized because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

When an insurance contract accounted for under the PAA is derecognized, adjustments to the fulfillment cash flows to remove related rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to the statements of earnings:

- If the contract is extinguished: any net difference between the derecognized part of the liability for remaining coverage of the original contract and any other cash flows arising from extinguishment; and
- If the contract is transferred to the third party: any difference between the derecognized part of the liability for remaining coverage of the original contract and the premium charged by the third party.

DERECOGNITION OF SECURITIZED MORTGAGES

IGM enters into transactions where it transfers financial assets recognized on its balance sheets. The determination of whether the financial assets are derecognized is based on the extent to which the risks and rewards of ownership are transferred.

If substantially all of the risks and rewards of a financial asset are not retained, IGM derecognizes the financial asset. The gains or losses and the servicing fee revenue for financial assets that are derecognized are reported in net investment income in the statements of earnings.

If all or substantially all risks and rewards are retained, the financial assets are not derecognized and the transactions are accounted for as secured financing transactions.

DEBENTURES AND OTHER DEBT INSTRUMENTS

Debentures and other debt instruments, including capital trust debentures, are initially recorded on the balance sheets at fair value and subsequently carried at amortized cost using the effective interest method with amortization expense recorded in financing charges in the statements of earnings. These liabilities are derecognized when the obligation is expired, cancelled or redeemed.

OTHER LIABILITIES

Other liabilities include accounts payable, bank overdraft, dividends and interest payable, lease liabilities, deferred income reserves, deposits and certificates and other miscellaneous liabilities which are measured at amortized cost. Deferred income reserves related to investment contracts are amortized on a straight-line basis to recognize the initial policy fees over the policy term, not exceeding 20 years.

Other liabilities also include notes of consolidated CLOs, which are classified as FVTPL. Gains or losses are recognized in net investment income in the statements of earnings.

Provisions are recognized within other liabilities when the Corporation or its subsidiaries have a present obligation, either legal or constructive, as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount. Provisions are measured based on management of the Corporation and of its subsidiaries' best estimate at the balance sheet date. The Corporation recognizes a provision for restructuring when a detailed formal plan for the restructuring has been established and the plan has raised a valid expectation in those affected that the restructuring will occur.

Limited-life fund units represent the interest held by third parties in funds consolidated by the Corporation. These fund units have a defined maximum fixed life where the Corporation has an obligation to distribute the residual interests of the fund to fund partners based on their proportionate share of the fund's equity in the form of cash or other financial assets at the end of the fund's life. Redeemable fund units represent interests held by third parties in funds consolidated by the Corporation that have a redemption feature that requires the fund to deliver cash or other financial assets to the holders of the units upon receiving a redemption notice. Limited-life funds and redeemable fund units are classified as financial liabilities and recorded at fair value. Changes in the value are recorded in operating and administrative expenses in the statements of earnings in the period of the change.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

The Corporation and its subsidiaries maintain funded defined benefit pension plans for eligible employees and advisors, unfunded supplementary employee retirement plans (SERP) for eligible employees, and unfunded post-employment health, dental and life insurance benefits to eligible employees, advisors and their dependants. The Corporation and its subsidiaries also maintain defined contribution pension plans for eligible employees and advisors.

The defined benefit pension plans provide pensions based on length of service and final average earnings. Expenses for defined benefit plans are actuarially determined using the projected unit credit method prorated on service, based upon management of the Corporation and of its subsidiaries' assumptions about discount rates, compensation increases, retirement ages of employees, mortality and expected health care costs. The Corporation and its subsidiaries' accrued benefit asset (liability) in respect to defined benefit plans is calculated separately for each plan by discounting the amount of the benefit that employees have earned in return for their service in current and prior periods and deducting the fair value of any plan assets.

The Corporation and its subsidiaries determine the net interest component of the pension expense for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net accrued benefit asset (liability), where the discount rate is determined by reference to market yields on high-quality corporate bonds.

If the plan benefits are changed, or a plan is curtailed, any past service costs or curtailment gains or losses are recognized immediately in net earnings.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)

Net interest costs, administration expenses, current service costs, past service costs, plan amendments, and curtailment and settlement gains or losses are recognized in operating and administrative expenses in the statements of earnings.

Remeasurements represent actuarial gains and losses, the actual return on plan assets greater (less) than interest income, and changes in the asset ceiling. Remeasurements are recognized immediately through other comprehensive income and are not subsequently reclassified to net earnings.

The accrued benefit asset (liability) represents the plan surplus (deficit) and is included in other assets (other liabilities).

Contributions to the defined contribution plans are expensed as incurred.

INCOME TAXES

The income tax expense for the period represents the sum of current income tax and deferred income tax. Income tax is recognized as an expense or recovery in the statements of earnings, except to the extent that it relates to items that are not recognized in the statements of earnings (whether in other comprehensive income or directly in equity), in which case the income tax is also recognized in other comprehensive income or directly in equity.

Current Income Tax

Current income tax is based on taxable income for the year. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the rates that have been enacted or substantively enacted at the balance sheet date in each respective jurisdiction. Current tax assets and current tax liabilities are offset, if a legally enforceable right exists to offset the recognized amounts and the entity intends either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

A provision for tax treatment uncertainties which meet the probable threshold for recognition is measured using either the most likely amount or the expected value, depending upon which method provides the better prediction of the resolution of the uncertainty. The provision for tax uncertainties will be classified as current or deferred based on how a disallowance of the underlying uncertain tax treatment would impact the tax provision accrual as of the balance sheet date.

Deferred Income Tax

Deferred income tax is the tax expected to be payable or recoverable on differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income and on unused tax attributes, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and unused tax attributes can be utilized.

Recognition of deferred tax assets is based on the fact that it is probable that the entity will have taxable profits and/or tax planning opportunities available to allow the deferred tax asset to be utilized. Changes in circumstances in future periods may adversely impact the assessment of the recoverability. The uncertainty of the recoverability is taken into account in establishing the deferred tax assets. The Corporation and its subsidiaries' financial planning process provides a basis for the measurement of deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to net current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, jointly controlled corporations and associates, except where the group controls the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The Corporation applied the mandatory exception in IAS 12, *Income Taxes*, whereby it is not recognizing and disclosing information about deferred tax assets and liabilities related to income taxes arising from tax law to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD).

DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation and its subsidiaries use derivative products as risk management instruments to hedge or manage revenues, asset, liability and capital positions. The Corporation and its subsidiaries' policies prohibit the use of derivative instruments for speculative trading purposes.

Derivatives are measured at fair value and recorded on the balance sheets. The method of recognizing unrealized and realized fair value gains and losses depends on whether the derivatives are designated as hedging instruments. For derivatives that are not designated as hedging instruments, unrealized and realized gains and losses are recorded in net investment income in the statements of earnings. For derivatives designated as hedging instruments, unrealized and realized gains and losses are recognized according to the nature of the hedged item.

Derivatives are valued using market transactions and other market evidence whenever possible, including market-based inputs to models, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. When models are used, the selection of a particular model to value a derivative depends on the contractual terms of, and specific risks inherent in, the instrument, as well as the availability of pricing information in the market. The Corporation and its subsidiaries generally use similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices and rates, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)

As permitted under IFRS 9, the Corporation and its subsidiaries elected to continue to apply the hedge accounting principles under IAS 39, *Financial Instruments*, instead of those under IFRS 9. To qualify for hedge accounting, the relationship between the hedged item and the hedging instrument must meet several strict conditions on documentation, probability of occurrence, hedge effectiveness and reliability of measurement. If these conditions are not met, then the relationship does not qualify for hedge accounting treatment and both the hedged item and the hedging instrument are reported independently, as if there was no hedging relationship.

Where a hedging relationship exists, the Corporation and its subsidiaries document all relationships between hedging instruments and hedged items, as well as their risk management objectives and strategy for undertaking various hedge transactions. This process includes linking derivatives that are used in hedging transactions to specific assets and liabilities on the balance sheets or to specific firm commitments or forecasted transactions. The Corporation and its subsidiaries also assess, both at the hedge's inception and on an ongoing basis, whether derivatives that are used in hedging transactions are effective in offsetting change in fair values or cash flows of hedged items. Hedge effectiveness is reviewed quarterly through correlation testing. Hedge accounting is discontinued when the hedge no longer qualifies for hedge accounting.

Fair Value Hedges

Fair value hedges are used to manage the exposure to change in fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. For fair value hedges, change in fair value of both the hedging instrument and the hedged item are recorded in net investment income and consequently any ineffective portion of the hedge is recorded immediately in net investment income.

Cash Flow Hedges

Cash flow hedges are used to manage the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction and could affect profit or loss. For cash flow hedges, the effective portion of the change in fair value of the hedging instrument is recorded in other comprehensive income, while the ineffective portion is recognized immediately in net investment income. Gains and losses on cash flow hedges that accumulate in other comprehensive income are recorded in net earnings in the same period the hedged item affects net earnings. Gains and losses on cash flow hedges are immediately reclassified from other comprehensive income to net investment income if and when a forecasted transaction is no longer expected to occur.

Net Investment Hedges

Net investment hedges are used to manage the exposure to changes in the reporting entity's share in the net share of a foreign operation. For net investment hedges, the effective portion of changes in the fair value of the hedging instrument is recorded in other comprehensive income while the ineffective portion is recognized immediately in net investment income. The unrealized foreign exchange gains (losses) on the instruments are recorded within other comprehensive income and will be reclassified into net earnings when the investments are derecognized.

EQUITY

Preferred shares are classified as equity if they are non-redeemable or if they are retractable only at the Corporation's option and if any dividends are discretionary. Costs that are directly attributable to the issue of share capital are recognized as a reduction from retained earnings, net of income tax.

Reserves are composed of share-based compensation and other comprehensive income. Share-based compensation reserve represents the vesting of options less options exercised. Other comprehensive income represents the total of the unrealized foreign exchange gains (losses) on translation of foreign operations, the unrealized gains (losses) on hedges of the net investment in foreign operations, the actuarial gains (losses) on defined benefit pension plans, the unrealized gains (losses) on FVOCI assets, the unrealized gains (losses) on cash flow hedges, the re-evaluation surplus on transfer to investment properties and the share of other comprehensive income of jointly controlled corporations and associates.

Non-controlling interests represent the proportion of equity that is attributable to minority shareholders of subsidiaries.

Limited Recourse Capital Notes

Limited recourse capital notes issued by Lifeco are classified as non-controlling interests in the financial statements. Lifeco has the sole discretion to settle the obligation to noteholders through the issuance of a fixed number of Lifeco's equity instruments. Transaction costs incurred in connection with the issuance are charged to equity.

SHARE-BASED PAYMENTS

Options granted to employees of the Corporation and its subsidiaries are measured at fair value on the date of the grant. Compensation expense for equity-settled options is recognized in operating and administrative expenses in the statements of earnings over the vesting period of the granted options, with a corresponding increase in share-based compensation reserve. When the stock options are exercised, the proceeds received, together with the amount recorded in share-based compensation reserve, are included in the share capital of the entity issuing the corresponding shares.

Restricted share units (RSUs) granted to executives of the Corporation are measured at fair value on the date of the grant. Additional RSUs are issued in respect to dividends declared on the Subordinate Voting Shares at the dividend payment date. Compensation expense is recognized in operating and administrative expenses in the statements of earnings over the vesting period of the granted RSUs, with a corresponding increase in share-based compensation reserve. Upon vesting, one Subordinate Voting Share will be issued for each vested RSU, and the amount accumulated in share-based compensation reserve will be reclassified to share capital.

The Corporation and its subsidiaries recognize a liability for cash-settled awards, including tandem share appreciation rights and those granted under Performance Share Unit plans and Deferred Share Unit plans. Compensation expense is recognized in operating and administrative expenses in the statements of earnings over the vesting period, net of related hedges, and a liability is recognized on the balance sheets. The liability is remeasured at fair value at each reporting period with the change in the liability recorded in operating and administrative expenses.

NOTE 2 Basis of Presentation and Summary of Material Accounting Policies (CONTINUED)**FOREIGN CURRENCY TRANSLATION**

The Corporation and its subsidiaries operate with multiple functional currencies. The Corporation's financial statements are prepared in Canadian dollars, which is the functional and presentation currency of the Corporation.

Assets and liabilities denominated in foreign currencies are translated into each entity's functional currency at exchange rates prevailing at the balance sheet dates for monetary items and at exchange rates prevailing at the transaction date for non-monetary items. Revenues and expenses denominated in foreign currencies are translated into each entity's functional currency at an average of daily rates. Realized and unrealized exchange gains and losses are included in net investment income.

Translation of Net Investment in Foreign Operations

Foreign operations are subsidiaries, jointly controlled corporations, associates and/or business units with functional currencies other than the Canadian dollar. Assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet dates and all revenues and expenses are translated at an average of daily rates. Unrealized foreign currency translation gains and losses on the Corporation's net investment in its foreign operations are presented as a component of other comprehensive income. Unrealized foreign currency translation gains and losses are recognized proportionately in net earnings when there has been a disposal of a foreign operation.

FUTURE ACCOUNTING CHANGES

The Corporation and its subsidiaries monitor changes in IFRS, both proposed and released, by the IASB and analyze the effect that changes in the standards may have on the consolidated financial statements when they become effective.

EARNINGS PER PARTICIPATING SHARE

Basic earnings per participating share is determined by dividing net earnings available to participating shareholders by the weighted average number of participating shares outstanding for the year. Diluted earnings per participating share is determined using the same method as basic earnings per participating share, except that net earnings available to participating shareholders and the weighted average number of participating shares outstanding are adjusted to include the potential dilutive effect of outstanding stock options and RSUs granted by the Corporation and its subsidiaries, as determined by the treasury stock method.

Options with tandem share appreciation rights are accounted for as cash-settled share-based payments. As these options can be exercised in exchange for subordinate voting shares or for cash, they are considered potentially dilutive and are included in the calculation of the diluted net earnings per share if they have a dilutive impact during the year. The net earnings used in the diluted calculation is adjusted to reflect the expense had these options been classified as equity-settled.

Standard	Summary of future changes
IFRS 18 – <i>Presentation and Disclosure in Financial Statements</i>	<p>In April 2024, the IASB published IFRS 18, <i>Presentation and Disclosure in Financial Statements</i> (IFRS 18). The standard aims to improve how companies communicate information in their financial statements, with a focus on information about financial performance in the statement of earnings.</p> <p>IFRS 18 will require corporations to:</p> <ul style="list-style-type: none"> ■ Provide defined subtotals in the statement of earnings; ■ Disclose information for any management-defined performance measures related to the statement of earnings; and ■ Implement principles for the grouping of information in the financial statements, and whether to provide it in the primary financial statements or notes. <p>The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is evaluating the impact of the adoption of this standard.</p>
IFRS 9 – <i>Financial Instruments</i> and IFRS 7 – <i>Financial Instruments: Disclosures</i>	<p>In May 2024, the IASB published amendments to IFRS 9, <i>Financial Instruments</i> and IFRS 7, <i>Financial Instruments: Disclosures</i>. The amendments clarify the classification of financial assets with environmental, social and corporate governance and similar features, the settlement of liabilities through electronic payment systems, and introduce additional disclosure requirements to enhance transparency for investors.</p> <p>These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation is evaluating the impact of the adoption of these amendments.</p>

NOTE 3 Business Acquisitions and Other Transactions

LIFECO

Putnam U.S. Holdings I, LLC

On January 1, 2024, Lifeco completed the sale of Putnam U.S. Holdings I, LLC (Putnam Investments) to Franklin Resources, Inc. (Franklin Templeton) in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US\$375 million over a five- to seven-year period. Lifeco has retained its controlling interest in PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc. (collectively, PanAgora),

a quantitative asset manager, and certain assets, including deferred tax assets, related to Putnam Investments. Lifeco currently holds approximately 31,600,000 Franklin Templeton common shares and has agreed to hold a majority of these until at least January 1, 2029.

Financial information relating to the sale of the discontinued operation is set out below, reflecting total estimated fair value of consideration of \$1,909 million. Included in the results for the year ended December 31, 2024, are \$115 million of closing and final adjustments to the carrying value, resulting in a net gain on sale of \$44 million after tax.

January 1	2024
Consideration received or receivable:	
Fair value of Franklin Templeton common shares (US\$29.79 per share)	1,321
Net cash and other deferred and contingent consideration	588
Non-controlling interest in sale of Putnam Investments	(123)
Total estimated net proceeds on disposal of Putnam Investments	1,786
Net carrying value of net assets sold	
Carrying value	2,010
Foreign exchange translation gains reclassified to earnings on disposal of foreign operations	(211)
Net carrying value of discontinued operations	1,799
	(13)
Income tax recovery	57
Net gain on sale after income tax	44

In the 2023 financial statements, the net earnings (loss) and cash flows of Putnam Investments were classified as discontinued operations within the Lifeco segment, and the related assets and liabilities were classified as held for sale.

Net loss from discontinued operations was as follows:

For the year ended December 31	2023
Revenues	
Net investment result	44
Fee income and other	1,008
	1,052
Expenses	
Operating and administrative expenses	1,076
Acquisition and divestiture costs	130
	1,206
Loss before income taxes	(154)
Income tax benefit	(30)
Net loss from discontinued operations	(124)
Attributable to:	
Non-controlling interests	(37)
Participating shareholders	(87)
	(124)

Other comprehensive loss from discontinued operations was as follows:

For the year ended December 31	2023
Exchange differences on translation of discontinued operations	(42)
Other comprehensive loss from discontinued operations	(42)

NOTE 3 Business Acquisitions and Other Transactions (CONTINUED)

Included within the Corporation's cash flows were the following amounts attributable to discontinued operations:

For the year ended December 31	2023
Operating activities	137
Financing activities	(6)
Effect of changes in exchange rates on cash and cash equivalents	(5)
Net increase in cash and cash equivalents	126

Assets and liabilities held for sale were as follows:

December 31	2023
Assets	
Cash and cash equivalents	375
Shares	46
Owner-occupied properties and capital assets	156
Other assets	2,296
Intangible assets	1,594
Assets classified as held for sale	4,467
Liabilities	
Other liabilities	2,407
Liabilities classified as held for sale	2,407

Value Partners Group Inc.

On September 8, 2023, Canada Life, a subsidiary of Lifeco, completed the acquisition of 100% of the equity of Value Partners Group Inc., a Winnipeg-based investment firm that serves clients with complex and sophisticated wealth needs.

In 2024, the comprehensive valuation of the fair value of the net assets acquired including intangible assets and the final purchase price allocation was completed. As a result, initial goodwill presented in the December 31, 2023 Consolidated Financial Statements of \$119 million recognized upon the acquisition was adjusted to \$68 million, mainly due to the recognition and measurement of intangible assets. Comparative information in the Corporation's financial statements has not been restated.

Sale of United Kingdom Onshore Bond Business

On December 23, 2024, Canada Life U.K., a subsidiary of Lifeco, announced the signing of an agreement to transfer its onshore bond business to Countrywide Assured plc (Countrywide), a subsidiary of Chesnara plc. Concurrently, the two parties entered into a reinsurance agreement such

that the risks and rewards of the underlying business are transferred to Countrywide. The transaction resulted in a net gain of \$21 million pre-tax, mainly driven by recognition of assets associated with the reinsurance agreement. The underlying assets and the related liabilities on account of segregated fund policyholders, with a carrying value of \$2,750 million as at December 31, 2024, are to be transferred to Countrywide pending court approval, which is expected to occur within 12 months.

POWER SUSTAINABLE ENERGY INFRASTRUCTURE

On December 30, 2024, Power Sustainable Energy Infrastructure acquired a controlling interest in a 240MW wind facility located in Illinois for a purchase price of \$373 million (US\$259 million). The acquisition has been accounted for as an asset acquisition whereby the assets acquired and liabilities assumed were recorded at the estimated fair value. The amounts assigned to the assets acquired and liabilities assumed for this acquisition are as follows: \$793 million to owner-occupied properties and capital assets, \$12 million to other assets and \$432 million to other liabilities.

NOTE 4 Cash and Cash Equivalents

December 31	2024	2023
Cash	6,809	4,206
Cash equivalents	6,935	5,731
Cash and cash equivalents	13,744	9,937

At December 31, 2024, cash and cash equivalents amounting to \$1,195 million were restricted for use by subsidiaries (\$793 million at December 31, 2023), primarily in respect of cash held in trust for reinsurance agreements or with regulatory authorities, under certain indemnity arrangements and in escrow.

NOTE 5 Investments**CARRYING VALUES AND FAIR VALUES**

Carrying values and estimated fair values of investments are as follows:

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
December 31				
Bonds				
Designated as FVPL	151,279	151,279	143,418	143,418
Classified as FVPL	1,987	1,987	1,795	1,795
FVOCI	13,758	13,758	11,750	11,750
Amortized cost	376	377	373	371
	167,400	167,401	157,336	157,334
Mortgage and other loans				
Designated as FVPL	29,046	29,046	29,226	29,226
Classified as FVPL	4,886	4,886	4,233	4,233
FVOCI	461	461	578	578
Amortized cost	10,272	9,685	9,531	8,994
	44,665	44,078	43,568	43,031
Shares				
Classified as FVPL	18,649	18,649	16,177	16,177
Designated as FVOCI	923	923	411	411
	19,572	19,572	16,588	16,588
Investment properties	8,350	8,350	7,870	7,870
	239,987	239,401	225,362	224,823

BONDS AND MORTGAGE AND OTHER LOANS

Carrying value of bonds and mortgage and other loans by term to maturity is as follows:

December 31, 2024	Term to maturity			Total
	1 year or less	1-5 years	Over 5 years	
Bonds	25,188	49,507	92,705	167,400
Mortgage and other loans ^[1]	5,799	23,920	14,946	44,665
	30,987	73,427	107,651	212,065

December 31, 2023	Term to maturity			Total
	1 year or less	1-5 years	Over 5 years	
Bonds	14,602	47,705	95,029	157,336
Mortgage and other loans ^[1]	4,796	23,663	15,109	43,568
	19,398	71,368	110,138	200,904

[1] Mortgage and other loans include equity-release mortgages which do not have a fixed redemption date. The maturity profile of the portfolio has therefore been estimated based on redemption experience.

NOTE 5 Investments (CONTINUED)**NET INVESTMENT RESULT**

Years ended December 31	2024	2023
Investment return		
Net investment income	10,360	9,195
Changes in FVPL	1,877	6,664
Total investment return	12,237	15,859
Net finance income (expenses) from insurance contracts		
Changes in fair values of underlying items of direct participating contracts	(4,793)	(3,941)
Effects of risk mitigation option	84	68
Interest accreted	(3,810)	(3,433)
Effect of changes in discount rates and other financial assumptions	2,807	(1,919)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(206)	(13)
Total net finance income (expenses) from insurance contracts	(5,918)	(9,238)
Net finance income (expenses) from reinsurance contracts		
Interest accreted	342	78
Other	(352)	146
Total net finance income (expenses) from reinsurance contracts	(10)	224
Changes in investments contract liabilities	(2,932)	(4,806)
Net investment result	3,377	2,039

Net Investment Income

December 31, 2024	Bonds	Mortgage and other loans	Shares	Investment properties	Other	Total
Net investment income						
Investment income earned	7,008	1,522	634	507	991	10,662
Net realized gains (losses) on derecognition of:						
FVOCI assets	(47)	–	–	–	–	(47)
Amortized costs	–	2	–	–	–	2
Net ECL recovery	–	7	–	–	–	7
Other income (expenses)	–	14	(9)	(195)	(74)	(264)
Changes in FVPL	6,961	1,545	625	312	917	10,360
Net investment income	(1,261)	601	1,890	(154)	801	1,877
Net investment income	5,700	2,146	2,515	158	1,718	12,237
December 31, 2023	Bonds	Mortgage and other loans	Shares	Investment properties	Other	Total
Net investment income						
Investment income earned	6,669	1,449	535	506	635	9,794
Net realized gains (losses) on derecognition of:						
FVOCI assets	(248)	–	–	–	–	(248)
Amortized costs	–	9	–	–	–	9
Net ECL charge	(1)	–	–	–	–	(1)
Other income (expenses)	–	3	4	(186)	(180)	(359)
Changes in FVPL	6,420	1,461	539	320	455	9,195
Net investment income	5,103	750	969	(507)	349	6,664
Net investment income	11,523	2,211	1,508	(187)	804	15,859

NOTE 5 Investments (CONTINUED)

Investment income from bonds and mortgage and other loans includes interest income and premium and discount amortization. Income from shares includes dividends and distributions from equity investment funds and gains realized on deconsolidation of subsidiaries and investment funds. Investment properties income includes rental income earned on investment properties, ground rent income earned on leased and subleased land, fee recoveries, lease cancellation income, and interest and other investment income earned on investment properties. Other income includes foreign exchange gains and losses, income earned from derivative financial instruments and other miscellaneous income.

SECURITIES LENDING

Lifeco engages in securities lending to generate additional income. Lifeco's securities custodians are used as lending agents. Collateral, which exceeds the fair value of the loaned securities, is deposited by the borrower with

Lifeco's lending agent and maintained by the lending agent until the underlying security has been returned. The fair value of the loaned securities is monitored on a daily basis by the lending agent, which obtains or refunds additional collateral as the fair value of the loaned securities fluctuates. Collateral primarily consists of government bonds, investment-grade corporate bonds and cash. Included in the collateral deposited with Lifeco's lending agent is cash collateral of \$219 million at December 31, 2024 (\$443 million at December 31, 2023). In addition, the securities lending agent indemnifies Lifeco against borrower risk, meaning that the lending agent agrees contractually to replace securities not returned due to a borrower default. As at December 31, 2024, Lifeco had loaned securities (which are included in investments) with a fair value of \$4,212 million (\$8,154 million at December 31, 2023).

NOTE 6 Investments in Jointly Controlled Corporations and Associates

The carrying values of the investments in jointly controlled corporations and associates are as follows:

December 31, 2024	Jointly controlled corporations		Associates					Total
	Parjointco	Other ⁽¹⁾	ChinaAMC	Lion	Northleaf	Rockefeller	Other ⁽¹⁾⁽²⁾	
Carrying value, beginning of year	3,717	564	1,535	181	302	845	1,008	8,152
Acquisition and investments	–	36	–	–	40	–	820	896
Disposal and derecognition	–	(468)	–	–	–	–	–	(468)
Share of earnings (losses)	31	355	113	(35)	20	(14)	27	497
Changes in FVPL	–	–	–	–	–	–	32	32
Impairment	–	–	–	(153)	–	–	–	(153)
Share of other comprehensive income (loss)	(10)	36	86	7	–	72	59	250
Dividends and distributions	(92)	(99)	(73)	–	(8)	–	(100)	(372)
Effects of changes in ownership and other	37	(11)	–	–	–	–	(59)	(33)
Carrying value, end of year	3,683	413	1,661	–	354	903	1,787	8,801

December 31, 2023	Jointly controlled corporations		Associates					Total
	Parjointco	Other ⁽¹⁾	ChinaAMC	Lion	Northleaf	Rockefeller	Other ⁽¹⁾	
Carrying value, beginning of year	3,314	443	1,570	234	285	–	670	6,516
Acquisition and investments	–	345	–	–	–	858	184	1,387
Disposal and derecognition	–	(134)	–	–	–	–	(97)	(231)
Share of earnings (losses)	423	9	105	(48)	17	(1)	97	602
Changes in FVPL	–	23	–	–	–	–	(2)	21
Impairment	–	–	–	(8)	–	–	–	(8)
Share of other comprehensive income (loss)	(25)	(10)	(71)	3	–	(12)	(2)	(117)
Dividends and distributions	(92)	(28)	(69)	–	–	–	(5)	(194)
Effects of changes in ownership and other	97	(84)	–	–	–	–	163	176
Carrying value, end of year	3,717	564	1,535	181	302	845	1,008	8,152

[1] Includes investments in jointly controlled corporations and associates held by entities that meet the definition of a venture capital organization, which have been elected to be measured at FVPL of \$950 million at December 31, 2024 (\$832 million in 2023).

[2] Includes the investment in Desert Quartzite, LLC, a solar and storage project, located in California. The investment is classified as an associate with a carrying value of \$594 million at December 31, 2024.

NOTE 6 Investments in Jointly Controlled Corporations and Associates (CONTINUED)**PARJOINTCO**

At December 31, 2024, Parjointco held a 100% equity interest (100% of the voting rights) in Pargesa (unchanged from December 31, 2023). Pargesa held a 32.9% equity interest (47.0% of the voting rights) in GBL at December 31, 2024 (31.0% equity interest and 45.3% of the voting rights at December 31, 2023).

At December 31, 2024, the Corporation's share of GBL's net asset value is approximately \$3,852 million. The carrying value of the indirect investment in GBL is \$3,683 million. For the year ended December 31, 2024, revenue of GBL was €6,674 million (C\$9,889 million) (€6,723 million or C\$9,813 million for the year ended December 31, 2023) and net earnings attributable to GBL's common shareholders was €132 million (C\$196 million) (€1,723 million or C\$2,515 million for the year ended December 31, 2023). Other financial information for GBL can be obtained from its publicly available information.

Summarized financial information for ChinaAMC is as follows:

	2024		2023	
	Canadian dollars	Chinese renminbi	Canadian dollars	Chinese renminbi
[in millions]				
Balance sheet at December 31 ⁽¹⁾				
Assets	3,992	20,234	3,514	18,794
Liabilities	1,243	6,302	1,055	5,642
Comprehensive income for the years ended December 31				
Revenue	1,533	8,031	1,398	7,327
Net earnings attributable to common shareholders	411	2,158	384	2,013
Total comprehensive income	416	2,181	387	2,028

[1] Excludes fair value adjustments made at the time of acquisition of \$3,248 million (RMB¥16,380 million).

ROCKEFELLER CAPITAL MANAGEMENT

At December 31, 2024, IGM held an equity interest of 20.5% in Rockefeller, a leading U.S. independent financial services advisory firm focused on the high-net-worth and ultra-high-net-worth segments. IGM accounts for its interest in Rockefeller as an associate using the equity method.

Summarized financial information for Rockefeller is as follows:

	2024		2023	
	Canadian dollars	US dollars	Canadian dollars	US dollars
[in millions]				
Balance sheet at December 31				
Assets	2,223	1,544	1,791	1,353
Liabilities	1,500	1,041	1,116	843
Comprehensive loss for the years ended December 31 ⁽¹⁾				
Revenue	1,344	981	780	578
Net losses attributable to common shareholders	(72)	(53)	(61)	(45)
Total comprehensive loss	(72)	(53)	(61)	(45)

[1] Excludes the first quarter of 2023 earnings as acquisition was on April 3, 2023.

NORTHLEAF CAPITAL GROUP LTD.

At December 31, 2024, IGM's subsidiary, Mackenzie, and Lifeco held a 49.9% non-controlling voting interest and a 70% economic interest in Northleaf, a global private equity, private credit and infrastructure fund manager, through an acquisition vehicle 80% owned by Mackenzie and 20% owned by Lifeco (unchanged from December 31, 2023).

Mackenzie and Lifeco have an obligation and right to purchase the remaining economic and voting interest in Northleaf commencing in approximately five years from the acquisition date on October 29, 2020, and extending into future periods. The equity method is used to account for the investment in Northleaf as Mackenzie and Lifeco exercise significant influence, through the acquisition vehicle.

PEAK ACHIEVEMENT ATHLETICS INC.

On December 23, 2024, the Corporation completed the sale of its 42.6% interest in Peak to Fairfax Financial Holdings Limited. On close of the transaction, the Corporation received proceeds of \$468 million and recognized a net gain of \$279 million. The investment in Peak was classified as a jointly controlled corporation.

CHINAAMC

At December 31, 2024, IGM Financial held an equity interest of 27.8% in ChinaAMC (unchanged from December 31, 2023). ChinaAMC is an asset management company established in Beijing, China. IGM accounts for its interest in ChinaAMC as an associate using the equity method.

The acquisition included additional consideration of up to \$245 million at the end of five years from the acquisition date, subject to Northleaf achieving exceptional growth in certain performance measures over the period. As at December 31, 2024, the estimated fair value of the additional consideration was \$40 million (nil at December 31, 2023). The change in fair value was recorded as an adjustment to the cost of the investment in Northleaf.

The net earnings of Northleaf are not significant to the results of the Corporation.

NOTE 6 Investments in Jointly Controlled Corporations and Associates (CONTINUED)**LION ELECTRIC CO.**

The Corporation held a 34.1% equity interest in Lion at December 31, 2024 (unchanged from December 31, 2023).

On December 19, 2024, Lion and its subsidiaries were granted protection under the *Companies' Creditors Arrangement Act* ("CCAA"). In 2024, the Corporation recorded impairment charges of \$153 million (\$8 million in 2023). The fair value of the Corporation's interest in Lion was nil at December 31, 2024 (\$181 million at December 31, 2023).

BELLUS HEALTH INC.

In 2023, the Corporation recognized a recovery of \$97 million from the sale of its investment in Bellus Health Inc. (Bellus), a Canada-based late-stage biopharmaceutical company. On June 28, 2023, Bellus completed a transaction in which it was acquired by GSK plc for US\$14.75 per share in cash. The investment in Bellus was accounted for as an associate using the equity method, with a carrying value of nil.

NOTE 7 Owner-Occupied Properties and Capital Assets

The carrying value and the changes in the carrying value of owner-occupied properties and capital assets are as follows:

	Right-of-use assets ⁽²⁾	Owner-occupied properties	Capital assets		Total
			Power generating assets	Other	
December 31, 2024					
Cost, beginning of year	1,156	1,068	3,427	2,018	7,669
Additions ⁽¹⁾	161	60	1,062	156	1,439
Modifications	(8)	—	—	—	(8)
Transferred from investment properties	—	9	—	—	9
Disposal/retirements	(29)	—	—	(144)	(173)
Changes in foreign exchange rates and other	31	20	100	20	171
Cost, end of year	1,311	1,157	4,589	2,050	9,107
Accumulated amortization, beginning of year	(474)	(273)	(349)	(1,491)	(2,587)
Amortization and impairment	(106)	(24)	(128)	(112)	(370)
Disposal/retirements	26	—	—	119	145
Changes in foreign exchange rates and other	(13)	—	(7)	(6)	(26)
Accumulated amortization, end of year	(567)	(297)	(484)	(1,490)	(2,838)
Carrying value, end of year	744	860	4,105	560	6,269

	Right-of-use assets ⁽²⁾	Owner-occupied properties	Capital assets		Total
			Power generating assets	Other	
December 31, 2023					
Cost, beginning of year	1,198	1,037	2,536	2,068	6,839
Transfer to assets held for sale	(149)	—	—	(103)	(252)
Additions ⁽¹⁾	117	32	911	124	1,184
Modifications	(1)	—	—	—	(1)
Disposal/retirements	(1)	—	(2)	(70)	(73)
Changes in foreign exchange rates and other	(8)	(1)	(18)	(1)	(28)
Cost, end of year	1,156	1,068	3,427	2,018	7,669
Accumulated amortization, beginning of year	(423)	(253)	(276)	(1,478)	(2,430)
Transfer to assets held for sale	49	—	—	47	96
Amortization and impairment	(103)	(20)	(75)	(127)	(325)
Modifications	2	—	—	—	2
Disposal/retirements	1	—	1	65	67
Changes in foreign exchange rates and other	—	—	1	2	3
Accumulated amortization, end of year	(474)	(273)	(349)	(1,491)	(2,587)
Carrying value, end of year	682	795	3,078	527	5,082

[1] Additions are net of related investment tax credits of \$403 million recorded in 2024 (\$27 million in 2023).

[2] Right-of-use assets include leased properties and leased capital assets.

NOTE 7 Owner-Occupied Properties and Capital Assets (CONTINUED)

The following table provides the carrying value of owner-occupied properties and capital assets by geographic location:

December 31	2024	2023
Canada	3,002	3,235
United States	2,869	1,522
Europe	398	325
	6,269	5,082

NOTE 8 Other Assets

December 31	2024	2023
Accounts and interest receivable	7,326	5,620
Client funds on deposit	16,720	8,490
Trading account assets ⁽¹⁾	3,701	3,038
Deferred acquisition costs and deferred selling commissions	1,484	1,308
Pension benefits [Note 27]	610	427
Income taxes receivable	288	320
Finance leases receivable	927	668
Prepaid expenses	273	209
Funds held under reinsurance contracts	6,895	7,268
Other	2,444	2,086
	40,668	29,434

[1] Includes bonds of \$3,449 million and shares of \$252 million at December 31, 2024 (bonds of \$2,797 million and shares of \$241 million at December 31, 2023).

Other assets of \$30,345 million as at December 31, 2024 (\$19,522 million as at December 31, 2023) are expected to be derecognized within 12 months. This amount excludes deferred acquisition costs and deferred selling commissions, the changes in which are presented below.

DEFERRED ACQUISITION COSTS AND DEFERRED SELLING COMMISSIONS

The changes in the carrying value of the deferred acquisition costs and deferred selling commissions are as follows:

December 31	2024	2023
Balance, beginning of year	1,308	1,295
Additions	377	318
Disposal	(26)	(95)
Amortization	(229)	(208)
Changes in foreign exchange rates and other	54	(2)
Balance, end of year	1,484	1,308

NOTE 9 Goodwill and Intangible Assets

GOODWILL

The carrying value and changes in the carrying value of goodwill are as follows:

December 31	2024			2023		
	Cost	Accumulated impairment	Carrying value	Cost	Accumulated impairment	Carrying value
Balance, beginning of year	14,649	(19)	14,630	15,856	(1,239)	14,617
Transfer to assets held for sale	–	–	–	(1,214)	1,214	–
Business acquisitions	99	–	99	185	–	185
Disposal	(4)	2	(2)	–	–	–
Purchase price allocation adjustments	18	–	18	(1)	–	(1)
Allocated to intangible assets	(69)	–	(69)	(11)	–	(11)
Impairment	–	(390)	(390)	–	–	–
Changes in foreign exchange rates and other	391	–	391	(166)	6	(160)
Balance, end of year	15,084	(407)	14,677	14,649	(19)	14,630

INTANGIBLE ASSETS

The carrying value and changes in the carrying value of the intangible assets are as follows:

Indefinite Life Intangible Assets

December 31, 2024	Brands, trademarks and trade names	Customer contract-related	Mutual fund management contracts	Shareholders' portion of acquired future participating account profit	Total
Cost, beginning of year	886	380	741	354	2,361
Additions	7	55	–	–	62
Disposal	(4)	–	–	–	(4)
Changes in foreign exchange rates and other	13	–	–	–	13
Cost, end of year	902	435	741	354	2,432
Accumulated impairment, beginning of year	(57)	–	–	–	(57)
Changes in foreign exchange rates and other	(3)	–	–	–	(3)
Accumulated impairment, end of year	(60)	–	–	–	(60)
Carrying value, end of year	842	435	741	354	2,372

December 31, 2023	Brands, trademarks and trade names	Customer contract-related	Mutual fund management contracts	Shareholders' portion of acquired future participating account profit	Total
Cost, beginning of year	1,403	2,648	741	354	5,146
Transfer to assets held for sale	(425)	(2,294)	–	–	(2,719)
Additions	–	26	–	–	26
Transfer to finite life intangible assets	(95)	–	–	–	(95)
Changes in foreign exchange rates and other	3	–	–	–	3
Cost, end of year	886	380	741	354	2,361
Accumulated impairment, beginning of year	(137)	(1,092)	–	–	(1,229)
Transfer to assets held for sale	103	1,092	–	–	1,195
Impairment	(23)	–	–	–	(23)
Accumulated impairment, end of year	(57)	–	–	–	(57)
Carrying value, end of year	829	380	741	354	2,304

In 2023, Lifeco recognized an impairment of \$23 million on the PanAgora brand which is presented within operating and administrative expenses in the statement of earnings.

NOTE 9 Goodwill and Intangible Assets (CONTINUED)**Finite Life Intangible Assets**

December 31, 2024	Technology and software	Customer contract-related	Power purchase agreements	Other	Total
Cost, beginning of year	2,980	3,426	623	762	7,791
Additions	403	96	55	36	590
Disposal	(22)	(5)	(2)	–	(29)
Changes in foreign exchange rates and other	84	193	–	24	301
Cost, end of year	3,445	3,710	676	822	8,653
Accumulated amortization, beginning of year	(1,717)	(1,237)	(176)	(275)	(3,405)
Amortization and impairment	(267)	(209)	(42)	(41)	(559)
Disposal	22	5	1	–	28
Changes in foreign exchange rates and other	(51)	(64)	5	(5)	(115)
Accumulated amortization, end of year	(2,013)	(1,505)	(212)	(321)	(4,051)
Carrying value, end of year	1,432	2,205	464	501	4,602

December 31, 2023	Technology and software	Customer contract-related	Power purchase agreements	Other	Total
Cost, beginning of year	3,270	3,400	614	534	7,818
Transfer to assets held for sale	(325)	(50)	–	–	(375)
Additions	352	107	15	133	607
Transfer from indefinite life intangible assets	–	–	–	95	95
Disposal	(312)	–	–	(5)	(317)
Changes in foreign exchange rates and other	(5)	(31)	(6)	5	(37)
Cost, end of year	2,980	3,426	623	762	7,791
Accumulated amortization, beginning of year	(1,958)	(1,093)	(130)	(238)	(3,419)
Transfer to assets held for sale	244	39	–	–	283
Amortization and impairment	(233)	(188)	(46)	(39)	(506)
Disposal	223	–	–	2	225
Changes in foreign exchange rates and other	7	5	–	–	12
Accumulated amortization, end of year	(1,717)	(1,237)	(176)	(275)	(3,405)
Carrying value, end of year	1,263	2,189	447	487	4,386

In 2023, Lifeco recognized an impairment of \$88 million on software assets in the United Kingdom, which is presented within operating and administrative expenses in the statement of earnings.

NOTE 9 Goodwill and Intangible Assets (CONTINUED)**ALLOCATION TO CASH GENERATING UNITS**

Goodwill and indefinite life intangible assets have been assigned to CGUs as follows:

	2024			2023		
December 31	Goodwill	Intangible assets	Total	Goodwill	Intangible assets	Total
Lifeco						
Canada						
Group Customer	1,633	449	2,082	1,633	354	1,987
Individual Customer	3,018	602	3,620	3,078	642	3,720
Europe	2,456	256	2,712	2,429	247	2,676
United States						
Financial Services	4,575	–	4,575	4,151	–	4,151
Asset Management	–	20	20	–	19	19
IGM						
Wealth Management	1,440	–	1,440	1,440	–	1,440
Asset Management	1,255	1,003	2,258	1,255	1,003	2,258
Other	300	42	342	644	39	683
	14,677	2,372	17,049	14,630	2,304	16,934

RECOVERABLE AMOUNT**Lifeco**

For purposes of annual impairment testing, Lifeco allocates goodwill and indefinite life intangible assets to its CGUs. Any potential impairment of goodwill or indefinite life intangible assets is identified by comparing the recoverable amount to its carrying value.

Fair value is initially assessed with reference to valuation multiples of comparable publicly traded financial institutions and previous business acquisition transactions. The calculations utilize earnings and cash flow projections based on financial budgets approved by Lifeco's management. These valuation multiples may include price-to-earnings or price-to-book measures for life insurers and asset managers. This assessment may give regard to a variety of relevant considerations, including expected growth, risk and capital market conditions, among other factors. The valuation multiples used in assessing fair value represent Level 2 inputs.

In the fourth quarter of 2024, Lifeco conducted its annual impairment testing of goodwill and indefinite life intangible assets based on the September 30, 2024 asset balances. It was determined that the recoverable amounts of CGUs were in excess of their carrying values and there was no evidence of impairment.

Any reasonable changes in assumptions and estimates used in determining the recoverable amounts of the CGUs are unlikely to cause the carrying values to exceed their recoverable amounts.

IGM Financial

IGM tests whether goodwill and indefinite life intangible assets are impaired by comparing the carrying amounts with the recoverable amounts. The recoverable amount of IGM's CGUs is based on the best available evidence of fair value less cost to sell (FVLCS).

In assessing recoverable amounts, valuation approaches are used that may include application of capitalization multiples to financial and operating metrics based upon precedent acquisition transactions and trading comparables and discounted cash flow analysis. Valuation multiples may include price-to-earnings or other conventionally used measures for

investment managers or other financial service providers (multiples of value to assets under management, revenues, or other measures of profitability). This assessment may give regard to a variety of relevant considerations, including expected growth, risk and capital market conditions, among other factors. The valuation multiples used in assessing fair value represent Level 2 inputs. Assumptions and estimates employed in discounted cash flows include future changes in assets under management resulting from net sales and investment returns, pricing and profit margin changes and discount rates, which represent Level 3 inputs.

The FVLCS of IGM's CGUs was compared with the carrying amount and it was determined there was no impairment. Changes in assumptions and estimates used in determining the recoverable amounts of the CGUs can result in significant adjustments to the valuation of the CGUs.

LMPG Inc.

In 2024, management conducted the annual impairment test of goodwill at LMPG. The recoverable amount of LMPG has been estimated based on the FVLCS methodology using a comparable public company market approach applying a benchmark multiple to budgeted earnings before interest, income taxes, depreciation and amortization (EBITDA). The determination of fair value using the market approach is most sensitive to the selection of comparable benchmark multiples as well as assumptions used in estimating the budgeted EBITDA. Assumptions used to determine the recoverable amount represent Level 3 inputs. Changes in assumptions and estimates used in determining the recoverable amounts can result in further adjustments to the valuation of LMPG. It was determined that the recoverable amount was lower than the carrying amount of LMPG, primarily due to lower-than-expected financial results and uncertainties in the macroeconomic environment. A non-cash impairment charge of \$383 million for the year ended December 31, 2024 was recognized and is presented within operating and administrative expenses in the statements of earnings. The Corporation's share of this charge based on its economic ownership in LMPG, net of the related impact from the revaluation of the put right liability held by a LMPG non-controlling interest, was \$177 million.

NOTE 10 Insurance Contracts**ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS**

	Liability for remaining coverage			Liability for incurred claims			Total
	Excluding loss component	Loss component	Contracts not under PAA	Contracts under PAA			
				Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Asset for acquisition cash flows	
December 31, 2024							
Opening assets	(2,021)	–	831	(3)	–	–	(1,193)
Opening liabilities	127,300	253	2,876	13,578	555	(174)	144,388
Opening liabilities on account of segregated fund policyholders	60,302	–	–	–	–	–	60,302
Net opening balance	185,581	253	3,707	13,575	555	(174)	203,497
Changes in the statements of earnings and of comprehensive income							
Insurance revenue	(21,214)	–	–	–	–	–	(21,214)
Insurance service expenses							
Incurred claims and other insurance service expenses	–	(21)	9,647	6,615	55	–	16,296
Amortization of insurance acquisition cash flows	748	–	–	–	–	–	748
Losses and reversal of losses on onerous contracts	–	97	–	–	–	–	97
Adjustments to liabilities for incurred claims	–	–	(17)	(689)	(67)	–	(773)
	748	76	9,630	5,926	(12)	–	16,368
Investment components	(10,578)	–	7,523	3,055	–	–	–
Total changes in insurance service result	(31,044)	76	17,153	8,981	(12)	–	(4,846)
Net finance (income) expenses from insurance contracts	7,856	2	5,576	505	17	–	13,956
Effect of movement in exchange rates	4,892	9	87	188	9	–	5,185
Total changes in the statements of earnings and of comprehensive income	(18,296)	87	22,816	9,674	14	–	14,295
Cash flows							
Premiums received	35,406	–	–	–	–	–	35,406
Incurred claims paid and other insurance service expenses paid	(58)	–	(22,760)	(9,355)	–	–	(32,173)
Insurance acquisition cash flows	(878)	–	–	–	–	–	(878)
Insurance acquisition cash flows transferred from the asset for insurance acquisition cash flows at initial recognition	(34)	–	–	–	–	–	(34)
Other cash flows ^[1]	1,211	–	–	–	–	–	1,211
Total cash flows	35,647	–	(22,760)	(9,355)	–	–	3,532
Asset for acquisition cash flows							
Insurance acquisition cash flows paid in the year	–	–	–	–	–	(41)	(41)
Insurance acquisition cash flows allocated to groups of insurance contracts recognized in the year	–	–	–	–	–	34	34
Total changes in asset for acquisition cash flows	–	–	–	–	–	(7)	(7)
Other movements ^[2]	(484)	–	–	–	–	–	(484)
Net closing balance ^[3]	202,448	340	3,763	13,894	569	(181)	220,833
Recorded in:							
Closing assets	(1,414)	3	190	28	–	–	(1,193)
Closing liabilities	137,519	337	3,573	13,866	569	(181)	155,683
Closing liabilities on account of segregated fund policyholders	66,343	–	–	–	–	–	66,343
Net closing balance ^[3]	202,448	340	3,763	13,894	569	(181)	220,833

[1] Other cash flows includes transfer to/from segregated funds, premiums to be settled via funding component balance (FCB), claims to be settled via FCB, net settlements, and other cash flows from policy loans.

[2] Other movements represents changes in the expected fulfillment cash flows on certain reinsurance contracts held where Lifeco has no continuing involvement other than exposure to the remote insolvency risk of the reinsurer. This movement is offset by movement in associated reinsurance assets.

[3] Included in the insurance contract balances are loans to policyholders of \$9,204 million and funds withheld of \$3,640 million.

NOTE 10 Insurance Contracts (CONTINUED)

	Liability for remaining coverage		Liability for incurred claims				
				Contracts under PAA			
	Excluding loss component	Loss component	Contracts not under PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Asset for acquisition cash flows	Total
December 31, 2023							
Opening assets	(1,275)	2	197	(64)	–	–	(1,140)
Opening liabilities	118,505	199	3,366	12,994	545	(171)	135,438
Opening liabilities on account of segregated fund policyholders	57,841	–	–	–	–	–	57,841
Net opening balance	175,071	201	3,563	12,930	545	(171)	192,139
Changes in the statements of earnings and of comprehensive income							
Insurance revenue	(20,402)	–	–	–	–	–	(20,402)
Insurance service expenses							–
Incurred claims and other insurance service expenses	–	(22)	9,311	6,250	99	–	15,638
Amortization of insurance acquisition cash flows	702	–	–	–	–	–	702
Losses and reversal of losses on onerous contracts	–	62	–	–	–	–	62
Adjustments to liabilities for incurred claims	–	–	(47)	(455)	(123)	–	(625)
	702	40	9,264	5,795	(24)	–	15,777
Investment components	(10,085)	–	7,193	2,892	–	–	–
Total changes in insurance service result	(29,785)	40	16,457	8,687	(24)	–	(4,625)
Net finance (income) expenses from insurance contracts	9,515	12	5,274	709	31	–	15,541
Effect of movement in exchange rates	88	–	7	72	3	–	170
Total changes in the statements of earnings and of comprehensive income	(20,182)	52	21,738	9,468	10	–	11,086
Cash flows							
Premiums received	30,906	–	–	–	–	–	30,906
Incurred claims paid and other insurance service expenses paid	(63)	–	(21,594)	(8,823)	–	–	(30,480)
Insurance acquisition cash flows	(865)	–	–	–	–	–	(865)
Insurance acquisition cash flows transferred from the asset for insurance acquisition cash flows at initial recognition	(32)	–	–	–	–	–	(32)
Other cash flows ^[1]	903	–	–	–	–	–	903
Total cash flows	30,849	–	(21,594)	(8,823)	–	–	432
Asset for acquisition cash flows							
Insurance acquisition cash flows paid in the year	–	–	–	–	–	(35)	(35)
Insurance acquisition cash flows allocated to groups of insurance contracts recognized in the year	–	–	–	–	–	32	32
Total changes in asset for acquisition cash flows	–	–	–	–	–	(3)	(3)
Other movements ^[2]	(157)	–	–	–	–	–	(157)
Net closing balance ^[3]	185,581	253	3,707	13,575	555	(174)	203,497
Recorded in:							
Closing assets	(2,021)	–	831	(3)	–	–	(1,193)
Closing liabilities	127,300	253	2,876	13,578	555	(174)	144,388
Closing liabilities on account of segregated fund policyholders	60,302	–	–	–	–	–	60,302
Net closing balance ^[3]	185,581	253	3,707	13,575	555	(174)	203,497

[1] Other cash flows includes transfer to/from segregated funds, premiums to be settled via FCB, claims to be settled via FCB, net settlements, and other cash flows from policy loans.

[2] Other movements represents changes in the expected fulfillment cash flows on certain reinsurance contracts held where Lifeco has no continuing involvement other than exposure to the remote insolvency risk of the reinsurer. This movement is offset by movement in associated reinsurance assets.

[3] Included in the insurance contract balances are loans to policyholders of \$8,945 million and funds withheld of \$3,926 million.

NOTE 10 Insurance Contracts (CONTINUED)**ANALYSIS BY MEASUREMENT COMPONENT FOR INSURANCE CONTRACTS NOT MEASURED UNDER PAA**

December 31, 2024	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening assets	(6,560)	1,654	3,796	(1,110)
Opening liabilities	115,794	5,372	9,952	131,118
Opening liabilities on account of segregated fund policyholders	60,302	–	–	60,302
Net opening balance	169,536	7,026	13,748	190,310
Changes in the statements of earnings and of comprehensive income				
Changes that relate to current service				
CSM recognized for services provided	–	–	(1,262)	(1,262)
Change in risk adjustment for non-financial risk for risk expired	–	(627)	–	(627)
Experience adjustments	161	1	–	162
Changes that relate to future service				
Contracts initially recognized in the year	(1,229)	330	913	14
Changes in estimates that adjust the CSM	(243)	(284)	527	–
Changes in estimates that result in losses and reversal of losses on onerous contracts	69	14	–	83
Changes that relate to past service				
Adjustment to liabilities for incurred claims	(16)	–	–	(16)
Total changes in insurance service result	(1,258)	(566)	178	(1,646)
Net finance (income) expenses from insurance contracts	13,186	74	174	13,434
Effect of movement in foreign exchange rates	4,441	205	340	4,986
Total changes in the statements of earnings and of comprehensive income	16,369	(287)	692	16,774
Cash flows				
Premiums received	22,964	–	–	22,964
Incurred claims paid and other insurance service expenses paid	(22,817)	–	–	(22,817)
Insurance acquisition cash flows	(750)	–	–	(750)
Other cash flows ^[1]	1,271	–	–	1,271
Total cash flows	668	–	–	668
Other movements ^[2]	(484)	–	–	(484)
Net closing balance	186,089	6,739	14,440	207,268
Recorded in:				
Closing assets	(4,397)	584	2,672	(1,141)
Closing liabilities	124,143	6,155	11,768	142,066
Closing liabilities on account of segregated fund policyholders	66,343	–	–	66,343
Net closing balance	186,089	6,739	14,440	207,268

[1] Other cash flows includes transfer to/from segregated funds, premiums to be settled via FCB, claims to be settled via FCB, net settlements, and other cash flows from policy loans.

[2] Other movements represents changes in the expected fulfillment cash flows on certain reinsurance contracts held where Lifeco has no continuing involvement other than exposure to the remote insolvency risk of the reinsurer. This movement is offset by movement in associated reinsurance assets.

NOTE 10 Insurance Contracts (CONTINUED)

December 31, 2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening assets	(4,271)	515	2,773	(983)
Opening liabilities	105,278	6,036	11,361	122,675
Opening liabilities on account of segregated fund policyholders	57,841	–	–	57,841
Net opening balance	158,848	6,551	14,134	179,533
Changes in the statements of earnings and of comprehensive income				
Changes that relate to current service				
CSM recognized for services provided	–	–	(1,224)	(1,224)
Change in risk adjustment for non-financial risk for risk expired	–	(611)	–	(611)
Experience adjustments	214	1	–	215
Changes that relate to future service				
Contracts initially recognized in the year	(1,037)	358	688	9
Changes in estimates that adjust the CSM	(11)	91	(80)	–
Changes in estimates that result in losses and reversal of losses on onerous contracts	56	15	–	71
Changes that relate to past service				
Adjustment to liabilities for incurred claims	(45)	(2)	–	(47)
Total changes in insurance service result	(823)	(148)	(616)	(1,587)
Net finance (income) expenses from insurance contracts	14,058	591	152	14,801
Effect of movement in foreign exchange rates	(22)	32	78	88
Total changes in the statements of earnings and of comprehensive income	13,213	475	(386)	13,302
Cash flows				
Premiums received	19,144	–	–	19,144
Incurred claims paid and other insurance service expenses paid	(21,654)	–	–	(21,654)
Insurance acquisition cash flows	(755)	–	–	(755)
Other cash flows ^[1]	897	–	–	897
Total cash flows	(2,368)	–	–	(2,368)
Other movements ^[2]	(157)	–	–	(157)
Net closing balance	169,536	7,026	13,748	190,310
Recorded in:				
Closing assets	(6,560)	1,654	3,796	(1,110)
Closing liabilities	115,794	5,372	9,952	131,118
Closing liabilities on account of segregated fund policyholders	60,302	–	–	60,302
Net closing balance	169,536	7,026	13,748	190,310

[1] Other cash flows includes transfer to/from segregated funds, premiums to be settled via FCB, claims to be settled via FCB, net settlements, and other cash flows from policy loans.

[2] Other movements represents changes in the expected fulfillment cash flows on certain reinsurance contracts held where Lifeco has no continuing involvement other than exposure to the remote insolvency risk of the reinsurer. This movement is offset by movement in associated reinsurance assets.

NOTE 10 Insurance Contracts (CONTINUED)**CSM AND INSURANCE REVENUE BY TRANSITION APPROACH**

December 31	2024	2023
Insurance contracts under fair value approach		
CSM balance, beginning of year	9,641	10,579
Change related to current service provided		
CSM recognized for services provided	(885)	(929)
Changes that relate to future service		
Changes in estimates that adjust the CSM	58	(116)
Total changes in insurance service result	(827)	(1,045)
Net finance expenses from insurance contracts	62	71
Effect of movement in exchange rates	176	36
Total change	(589)	(938)
CSM balance, end of year	9,052	9,641
Other insurance contracts		
CSM balance, beginning of year	4,107	3,555
Change related to current service provided		
CSM recognized for services provided	(377)	(295)
Changes that relate to future service		
Contracts initially recognized in the year	913	688
Changes in estimates that adjust the CSM	469	36
Total changes in insurance service result	1,005	429
Net finance expenses from insurance contracts	112	81
Effect of movement in exchange rates	164	42
Total change	1,281	552
CSM balance, end of year	5,388	4,107
Net CSM balance, end of year	14,440	13,748
December 31	2024	2023
Insurance revenue for:		
Contracts under fair value approach	8,569	8,529
Contracts under other approaches	12,645	11,873
Total insurance revenue	21,214	20,402

Upon transition, IFRS 17 required an entity to apply the standard retrospectively unless impracticable. Lifeco performed a cut-off date assessment (by region and product) to determine the contracts to which the full retrospective approach can be applied. Lifeco applied the full retrospective approach to all identified insurance contracts unless it was impracticable, where reasonable and supportable information necessary to complete the full retrospective approach was not available.

Lifeco applied the fair value approach to contracts where it was impracticable to apply the full retrospective approach. The fair value approach calculates the CSM or loss component of the liability for remaining coverage as the difference between the fair value of a group of insurance contracts at the date of transition and the fulfillment cash flows measured at that date.

Lifeco used an embedded value approach to determine the fair value within the fair value approach. Under the embedded value approach, the fair value is measured as the third party's present value of fulfillment cash flows, plus future costs of capital, less any future profits. The cost of capital was measured as the total required capital multiplied by a hurdle rate, and the future profits are driven by the release of risk adjustment and investment income on required capital. The development of the assumptions was based on a combination of publicly available industry data, historic economic data and Lifeco's own view of assumptions when the external data sources were not available.

NOTE 10 Insurance Contracts (CONTINUED)**COMPOSITION OF INSURANCE AND INVESTMENT CONTRACT LIABILITIES AND RELATED SUPPORTING ASSETS**

The composition of insurance contract liabilities and reinsurance contract assets and liabilities, as well as investment contract liabilities of Lifeco by business is as follows:

	Assets		Liabilities		
	Insurance contracts	Reinsurance contracts held	Insurance contracts	Investment contracts	Reinsurance contracts held
December 31, 2024					
Participating					
Canada	—	—	55,941	—	—
United States	—	—	5,337	—	—
Europe	—	—	122	—	—
Capital and Risk Solutions	—	—	678	—	—
Non-participating					
Canada	434	1,216	31,309	3,698	283
United States	335	12,756	13,544	85,470	159
Europe	353	3,746	41,944	330	313
Capital and Risk Solutions	71	124	6,808	659	40
	1,193	17,842	155,683	90,157	795
	Assets		Liabilities		
	Insurance contracts	Reinsurance contracts held	Insurance contracts	Investment contracts	Reinsurance contracts held
December 31, 2023					
Participating					
Canada	—	—	50,499	—	—
United States	—	—	5,032	—	—
Europe	—	—	124	—	—
Capital and Risk Solutions	—	—	671	—	—
Non-participating					
Canada	400	1,243	30,956	3,931	208
United States	291	12,243	13,047	83,966	163
Europe	331	3,713	39,266	341	250
Capital and Risk Solutions	171	133	4,793	681	27
	1,193	17,332	144,388	88,919	648

NOTE 10 Insurance Contracts (CONTINUED)

The composition of the assets supporting insurance and investment contract liabilities and equity of Lifeco by business is as follows:

December 31, 2024	Bonds	Mortgage loans	Shares	Investment properties	Other	Total
Participating liabilities						
Canada	27,160	11,939	10,629	4,642	1,571	55,941
United States	4,281	612	251	—	193	5,337
Europe	53	—	34	3	32	122
Capital and Risk Solutions	604	—	—	—	74	678
Non-participating liabilities						
Canada	22,522	4,085	2,698	728	4,974	35,007
United States	53,869	11,483	2,011	—	31,651	99,014
Europe	27,228	7,359	396	1,909	5,382	42,274
Capital and Risk Solutions	6,716	751	—	—	—	7,467
Other	9,229	2,178	1,229	153	510,880	523,669
Total equity	15,452	472	1,578	822	14,330	32,654
Total carrying value	167,114	38,879	18,826	8,257	569,087	802,163
Fair value	167,114	38,262	18,840	8,257	569,087	801,560
December 31, 2023	Bonds	Mortgage loans	Shares	Investment properties	Other	Total
Participating liabilities						
Canada	22,726	12,503	9,853	4,662	755	50,499
United States	4,299	500	187	—	46	5,032
Europe	56	—	41	3	24	124
Capital and Risk Solutions	570	5	—	—	96	671
Non-participating liabilities						
Canada	21,408	4,244	2,782	644	5,809	34,887
United States	53,381	11,760	1,301	—	30,571	97,013
Europe	25,738	6,707	467	2,113	4,582	39,607
Capital and Risk Solutions	4,938	488	—	—	48	5,474
Other	11,448	1,483	164	—	436,977	450,072
Total equity	12,487	724	938	448	15,254	29,851
Total carrying value	157,051	38,414	15,733	7,870	494,162	713,230
Fair value	157,051	37,915	15,667	7,870	494,162	712,665

Cash flows of assets supporting insurance and investment contract liabilities are matched within reasonable limits. Changes in the fair values of these assets are largely offset by changes in the fair value of insurance and investment contract liabilities.

Changes in the fair values of assets backing capital and surplus, less related income taxes, at Lifeco would result in a corresponding change in surplus over time in accordance with Lifeco's investment accounting policies.

NOTE 10 Insurance Contracts (CONTINUED)**EFFECT ON MEASUREMENT COMPONENTS OF INSURANCE CONTRACTS INITIALLY RECOGNIZED IN THE YEAR**

December 31, 2024	Profitable contracts issued	Onerous contracts issued	Total
Insurance acquisition cash flows	582	42	624
Claims and other insurance service expenses payable	9,241	79	9,320
Estimates of present value of cash outflows	9,823	121	9,944
Estimates of present value of cash inflows	(11,050)	(123)	(11,173)
Risk adjustment for non-financial risk	312	18	330
CSM	913	—	913
Total losses (gains) recognized on initial recognition	(2)	16	14

December 31, 2023	Profitable contracts issued	Onerous contracts issued	Total
Insurance acquisition cash flows	465	46	511
Claims and other insurance service expenses payable	11,710	88	11,798
Estimates of present value of cash outflows	12,175	134	12,309
Estimates of present value of cash inflows	(13,208)	(138)	(13,346)
Risk adjustment for non-financial risk	338	20	358
CSM	690	(2)	688
Total losses (gains) recognized on initial recognition	(5)	14	9

Lifeco did not acquire any insurance contracts through transfer or business combination.

MATURITY ANALYSIS OF INSURANCE AND REINSURANCE CONTRACTS HELD

The following table shows the undiscounted expected future cash outflows (inflows) for insurance and reinsurance contracts held by expected timing based on best estimate actuarial assumptions and excludes amounts from insurance contract liabilities on account of segregated fund holders. Whole life individual insurance products have expected cash flows for several decades in the future. Examples of cash outflows are payment of claims and expenses, and examples of cash inflows are premiums.

December 31, 2024	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
Insurance contracts							
Insurance contract liabilities	8,168	4,295	4,429	4,776	4,947	456,281	482,896
Insurance contract assets	(604)	(573)	(541)	(479)	(424)	(3,260)	(5,881)
	7,564	3,722	3,888	4,297	4,523	453,021	477,015
Reinsurance contracts held							
Reinsurance contract held liabilities	182	111	112	99	82	490	1,076
Reinsurance contract held assets	(634)	(189)	(168)	(164)	(167)	(4,306)	(5,628)
	(452)	(78)	(56)	(65)	(85)	(3,816)	(4,552)

December 31, 2023	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
Insurance contracts							
Insurance contract liabilities	7,815	4,180	4,150	4,331	4,602	434,966	460,044
Insurance contract assets	(674)	(675)	(633)	(577)	(534)	(7,892)	(10,985)
	7,141	3,505	3,517	3,754	4,068	427,074	449,059
Reinsurance contracts held							
Reinsurance contract held liabilities	15	110	96	85	69	(41)	334
Reinsurance contract held assets	(407)	(94)	(70)	(83)	(76)	(3,258)	(3,988)
	(392)	16	26	2	(7)	(3,299)	(3,654)

NOTE 10 Insurance Contracts (CONTINUED)**AMOUNT OF INSURANCE CONTRACT LIABILITIES PAYABLE ON DEMAND**

The amounts from insurance contract liabilities that are payable on demand are set out below. The amounts payable on demand include the cash surrender value and/or the account value less applicable surrender charges payable. Insurance contract liabilities held on account of segregated fund holders are excluded from the amounts payable on demand and carrying amounts.

December 31	2024	2023
Amounts payable on demand	64,424	61,367
Carrying amounts	101,715	93,324

EXPECTED REMAINING CSM RECOGNITION

December 31	2024	2023
1 year or less	1,207	1,138
1-2 years	1,121	1,051
2-3 years	1,027	972
3-4 years	950	898
4-5 years	873	827
5-10 years	3,384	3,241
Over 10 years	5,878	5,621
	14,440	13,748

EXPECTED DERECOGNITION OF THE ASSET FOR INSURANCE ACQUISITION CASH FLOWS

December 31	2024	2023
1 year or less	32	30
1-2 years	30	28
2-3 years	27	26
3-4 years	24	24
4-5 years	21	20
5-10 years	47	46
	181	174

NOTE 10 Insurance Contracts (CONTINUED)**CSM**

The concentration of insurance risk of Lifeco by business is as follows:

December 31, 2024	Non-participating (excluding segregated funds)					Segregated funds	Participating account surplus in Lifeco's subsidiaries ⁽¹⁾	Total ⁽²⁾
	Canada	United States	Europe	Capital and Risk Solutions	Total			
CSM, beginning of year	1,159	24	3,255	1,745	6,183	3,298	3,154	12,635
CSM recognized for services provided	(103)	(5)	(286)	(178)	(572)	(408)	(151)	(1,131)
Contracts initially recognized in the year	36	–	371	251	658	170	119	947
Changes in estimates that adjust the CSM	(431)	31	79	477	156	197	113	466
Net finance (income) expenses from insurance contracts	29	1	79	47	156	(17)	–	139
Effect of movement in exchange rates	–	4	166	94	264	28	20	312
CSM, end of year	690	55	3,664	2,436	6,845	3,268	3,255	13,368

[1] Included in non-controlling interests on the balance sheets.

[2] The amounts in the table above are presented net of reinsurance.

December 31, 2023	Non-participating (excluding segregated funds)					Segregated funds	Participating account surplus in Lifeco's subsidiaries ⁽¹⁾	Total ⁽²⁾
	Canada	United States	Europe	Capital and Risk Solutions	Total			
CSM, beginning of year	1,264	41	2,771	1,796	5,872	3,557	3,694	13,123
CSM recognized for services provided	(143)	(4)	(234)	(154)	(535)	(430)	(157)	(1,122)
Contracts initially recognized in the year	41	–	284	49	374	181	111	666
Changes in estimates that adjust the CSM	(40)	(12)	325	–	273	(37)	(490)	(254)
Net finance (income) expenses from insurance contracts	37	–	49	37	123	16	–	139
Effect of movement in exchange rates	–	(1)	60	17	76	11	(4)	83
CSM, end of year	1,159	24	3,255	1,745	6,183	3,298	3,154	12,635

[1] Included in non-controlling interests on the balance sheets.

[2] The amounts in the table above are presented net of reinsurance.

INSURANCE RISK**Actuarial Assumptions**

In the computation of insurance contract liabilities, valuation assumptions have been made regarding rates of mortality/morbidity, investment returns, levels of operating expenses, rates of policy termination and rates of utilization of elective policy options or provisions. The valuation assumptions use best estimates of future experience together with a risk adjustment for non-financial risk. The risk adjustment for non-financial risk represents the compensation that Lifeco requires for bearing uncertainty in the amount and timing of insurance contract cash flows. Risk adjustments for non-financial risk are reviewed periodically by Lifeco for continued appropriateness.

Lifeco measures the estimates of the present value of future cash flows for reinsurance held using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any non-performance by the reinsurer.

Investment contract liabilities are measured at fair value determined using discount rates derived from a reference portfolio or stochastic modelling at the end of the reporting period. Lifeco's main valuation techniques incorporate all factors that market participants would consider and make maximum use of observable market data.

NOTE 10 Insurance Contracts (CONTINUED)

The methods for arriving at these valuation assumptions are outlined below:

Actuarial assumptions	Methods
Mortality	A life insurance mortality study is carried out regularly for each major block of insurance business. The results of each study are used to update Lifeco's experience valuation mortality tables for that business. Annuitant mortality is also studied regularly and the results are used to modify established annuitant mortality tables. When there is insufficient data, use is made of the latest industry experience to derive an appropriate valuation mortality assumption. Improvement scales for life insurance and annuitant mortality are updated periodically based on population and industry studies, product-specific considerations, as well as professional guidance. In addition, appropriate provisions have been made for future mortality deterioration on term insurance.
Morbidity	Lifeco uses industry-developed experience tables modified to reflect emerging Lifeco experience. Both claim incidence and termination are monitored regularly, and emerging experience is factored into the current valuation.
Expenses	Expenses for certain items, such as sales commissions and policy taxes and fees are either contractual or specified by law, and so they are only reflected on a best estimate basis in the liability. Operating expenses, such as policy and claims administration as well as overhead, are more variable. Lifeco produces expense studies for operating expenses regularly to determine an appropriate estimate of future operating expenses for the liability type being valued. An inflation assumption is incorporated in the estimate of future operating expenses held within the liability.
Policy termination	Studies to determine rates of policy termination are updated regularly to form the basis of this estimate. Industry data is also available and is useful where Lifeco has no experience with specific types of policies or its exposure is limited. Lifeco's most significant exposures are in respect of the T-100 and Level Cost of Insurance Universal Life products in Canada and policy renewal rates at the end of term for renewable term policies in Canada and Capital and Risk Solutions. Industry experience has guided Lifeco's assumptions for these products as its own experience is very limited.
Property and casualty reinsurance	Insurance contract liabilities for property and casualty reinsurance written by Capital and Risk Solutions are determined using accepted actuarial practices for property and casualty insurers in Canada. The insurance contract liabilities are based on cession statements provided by ceding companies. In addition, insurance contract liabilities also include an amount for incurred but not reported losses, which may differ significantly from the ultimate loss development. The estimates and underlying methodology are continually reviewed and updated, and adjustments to estimates are reflected in net earnings. Capital and Risk Solutions analyzes the emergence of claims experience against expected assumptions for each reinsurance contract separately and at the portfolio level. If necessary, a more in-depth analysis is undertaken of the cedant experience.
Utilization of elective policy options	There are a wide range of elective options embedded in the policies issued by Lifeco. Examples include term renewals, conversion to whole life insurance (term insurance), settlement annuity purchase at guaranteed rates (deposit annuities) and guarantee resets (segregated fund maturity guarantees). The assumed rates of utilization are based on Lifeco or industry experience when it exists and otherwise based on judgment considering incentives to utilize the option. Generally, whenever it is clearly in the best interests of an informed policyholder to utilize an option, then it is assumed to be elected.
Policyholder dividends and adjustable policy features	Future policyholder dividends and other adjustable policy features are included in the determination of insurance contract liabilities with the assumption that policyholder dividends or adjustable benefits will change in the future in response to the relevant experience. The dividend and policy adjustments are determined consistent with policyholders' reasonable expectations, such expectations being influenced by the participating policyholder dividend policies and/or policyholder communications, marketing material and past practice. It is Lifeco's expectation that changes will occur in policyholder dividend scales or adjustable benefits for participating or adjustable business, respectively, corresponding to changes in the best estimate assumptions, resulting in an immaterial net change in insurance contract liabilities. Where underlying guarantees may limit the ability to pass all of this experience back to the policyholder, the impact of this non-adjustability on net earnings is reflected in the impacts of changes in best estimate assumptions below.
Investment returns	Interest rate risk is managed by investing in assets that are suitable for the products sold. Lifeco utilizes a formal process for managing the matching of assets and liabilities. This involves grouping general fund assets and liabilities into Lifeco's business. Assets in each business are managed in relation to the liabilities in the business. The impact to net earnings from changes in the interest rates would be largely offset by changes in the value of financial assets supporting the liabilities. However, differences in the interest rate sensitivity in the value of assets and the value of insurance and investment contract liabilities lead to a sensitivity to interest rate movements in net earnings.
Insurance and investment contract liabilities	In determining Lifeco's insurance contract liabilities, valuation assumptions are made regarding rates of mortality/morbidity, investment returns, levels of operating expenses, rates of policy termination and rates of utilization of elective policy options or provisions. When the assumptions are revised to reflect emerging experience or change in outlook, the result is a change in the value of liabilities which in turn affects the net earnings.

NOTE 10 Insurance Contracts (CONTINUED)**Non-Financial Exposures and Sensitivities****Insurance risk**

	Net earnings		CSM ^[1]	
	Before reinsurance	Net of reinsurance held	Before reinsurance	Net of reinsurance held
December 31, 2024				
2% life mortality increase	(100)	(100)	(350)	(175)
2% annuity mortality decrease	200	175	(725)	(650)
5% morbidity adverse change	(150)	(125)	(200)	(100)
5% expense increase	–	–	(125)	(150)
10% adverse change in policy termination and renewal	(50)	–	(850)	(850)
	Net earnings		CSM ^[1]	
	Before reinsurance	Net of reinsurance held	Before reinsurance	Net of reinsurance held
December 31, 2023				
2% life mortality increase	(100)	(100)	(375)	(200)
2% annuity mortality decrease	175	150	(700)	(625)
5% morbidity adverse change	(150)	(125)	(225)	(100)
5% expense increase	–	–	(150)	(150)
10% adverse change in policy termination and renewal	50	50	(1,025)	(950)

[1] The impacts to the CSM are pre-tax.

These sensitivities reflect the impact on net earnings and CSM of an immediate change in assumptions on the value of insurance and reinsurance contracts held and investment contracts. The impact on equity is equal to the net earnings impact.

Assumption changes on insurance risk directly impact CSM, for contracts which have CSM. The impact of assumption changes on CSM is measured at locked-in discount rates, for contracts measured under the GMM. Net earnings impacts arise from any differences relative to the fair value impact of assumption changes impacting CSM, as well as assumption changes on contracts which do not have CSM (including short-term insurance contracts). For assumption changes impacting CSM, there is a second-order impact to earnings which captures the present value difference between the impact of assumption changes measured at prevailing discount rates and locked-in discount rates. In general, prevailing discount rates are currently higher than locked-in rates for Lifeco's insurance contracts, as most locked-in rates for the calculation of CSM impacts were determined at January 1, 2022 for the in-force portfolio. Therefore, an unfavourable change in assumptions on insurance risk, leading to a liability-strengthening offset by CSM reduction, also results in a positive earnings impact in the period due to the fair value impact.

Concentration risk may arise from geographic regions, accumulation of risks and market risk.

Reinsurance Risk

Maximum limits per insured life benefit amount (which vary by Lifeco's line of business) are established for life and health insurance, and reinsurance is purchased for amounts in excess of those limits.

Reinsurance costs and recoveries as defined by the reinsurance agreement are reflected in the valuation with these costs and recoveries being appropriately calibrated to the direct assumptions.

Reinsurance contracts do not relieve Lifeco from its obligations to policyholders. Failure of reinsurers to honour their obligations could result in losses to Lifeco. Lifeco evaluates the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvencies.

Certain of the reinsurance contracts are on a funds-withheld basis where Lifeco retains the assets supporting the reinsured insurance contract liabilities, thus minimizing the exposure to significant losses from reinsurer insolvency on those contracts.

NOTE 10 Insurance Contracts (CONTINUED)**Discount Rates**

The following tables provide the lower and upper end of the range of the spot rates used by Lifeco to discount liability cash flows by major currency:

December 31, 2024		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	Lower	4.2%	4.2%	4.5%	4.6%	4.6%	4.9%
	Upper	4.6%	4.6%	4.9%	5.0%	5.0%	5.0%
USD	Lower	4.9%	5.2%	5.4%	5.8%	5.6%	5.1%
	Upper	5.4%	5.7%	5.8%	6.2%	5.9%	5.3%
EUR	Lower	2.5%	2.5%	2.8%	3.0%	3.2%	4.3%
	Upper	3.6%	3.6%	3.8%	4.0%	4.1%	4.5%
GBP	Lower	4.9%	4.8%	5.1%	5.7%	5.7%	4.3%
	Upper	5.7%	5.5%	5.9%	6.5%	6.5%	5.1%
December 31, 2023		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	Lower	6.0%	4.5%	4.4%	4.3%	4.2%	4.5%
	Upper	6.4%	4.9%	4.9%	4.9%	4.8%	4.9%
USD	Lower	5.7%	4.8%	4.8%	5.3%	4.9%	4.7%
	Upper	6.1%	5.2%	5.3%	5.8%	5.4%	5.0%
EUR	Lower	3.2%	2.1%	2.2%	2.5%	2.9%	4.3%
	Upper	4.8%	3.6%	3.8%	4.1%	4.2%	4.5%
GBP	Lower	4.9%	3.8%	4.0%	4.7%	4.6%	3.7%
	Upper	5.9%	4.8%	5.1%	5.7%	5.6%	4.7%

The spot rates in the tables above are calculated based on prevailing interest rates observed in their respective markets. When interest rates are not observable, the yield curve to discount cash flows transitions to an ultimate rate composed of a risk-free rate and illiquidity premium. These amounts are set based on historical data.

NOTE 11 Reinsurance Contracts Held**ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS**

	Asset for remaining coverage		Asset for incurred claims			Total
	Excluding loss recovery component	Loss recovery component	Contracts not under PAA	Contracts under PAA		
				Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
December 31, 2024						
Opening assets	15,981	90	1,002	247	12	17,332
Opening liabilities	(885)	20	218	(1)	–	(648)
Net opening balance	15,096	110	1,220	246	12	16,684
Changes in the statements of earnings and of comprehensive income						
Net expenses from reinsurance contracts	(4,457)	(10)	1,906	961	1	(1,599)
Investment components	(123)	–	123	–	–	–
Net finance income (expenses) from reinsurance contracts, excluding the effect of changes in non-performance risk of reinsurers	(52)	(1)	36	6	1	(10)
Effect of movement in exchange rates	1,036	1	19	5	–	1,061
Total changes in the statements of earnings and of comprehensive income	(3,596)	(10)	2,084	972	2	(548)
Cash flows						
Premiums paid	3,799	–	–	–	–	3,799
Incurred claims received and other insurance service amounts received	–	–	(1,919)	(995)	–	(2,914)
Other cash flows ^[1]	510	–	–	–	–	510
Total cash flows	4,309	–	(1,919)	(995)	–	1,395
Other movements ^[2]	(484)	–	–	–	–	(484)
Net closing balance ^[3]	15,325	100	1,385	223	14	17,047
Recorded in:						
Closing assets	16,594	72	1,046	124	6	17,842
Closing liabilities	(1,269)	28	339	99	8	(795)
Net closing balance ^[3]	15,325	100	1,385	223	14	17,047

[1] Other cash flows includes premiums to be settled via FCB, claims to be settled via FCB, and net settlements.

[2] Other movements represents changes in the expected fulfillment cash flows on certain reinsurance contracts held where Lifeco has no continuing involvement other than exposure to the remote insolvency risk of the reinsurer. This movement is offset by movement in associated reinsurance assets.

[3] Included in the reinsurance contracts held amounts are funds withheld by Lifeco under reinsurance contracts of \$4,276 million.

NOTE 11 Reinsurance Contracts Held (CONTINUED)

	Asset for remaining coverage		Asset for incurred claims			
				Contracts under PAA		
	Excluding loss recovery component	Loss recovery component	Contracts not under PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
December 31, 2023						
Opening assets	16,212	76	952	320	11	17,571
Opening liabilities	(760)	–	223	–	–	(537)
Net opening balance	15,452	76	1,175	320	11	17,034
Changes in the statements of earnings and of comprehensive income						
Net expenses from reinsurance contracts	(3,676)	28	1,319	784	1	(1,544)
Investment components	(107)	–	107	–	–	–
Net finance income (expenses) from reinsurance contracts, excluding the effect of changes in non-performance risk of reinsurers	184	6	34	–	–	224
Effect of movement in exchange rates	(189)	–	11	3	–	(175)
Total changes in the statements of earnings and of comprehensive income	(3,788)	34	1,471	787	1	(1,495)
Cash flows						
Premiums paid	6,930	–	–	–	–	6,930
Incurred claims received and other insurance service amounts received	–	–	(1,426)	(861)	–	(2,287)
Other cash flows ^[1]	(3,341)	–	–	–	–	(3,341)
Total cash flows	3,589	–	(1,426)	(861)	–	1,302
Other movements ^[2]	(157)	–	–	–	–	(157)
Net closing balance ^[3]	15,096	110	1,220	246	12	16,684
Recorded in:						
Closing assets	15,981	90	1,002	247	12	17,332
Closing liabilities	(885)	20	218	(1)	–	(648)
Net closing balance ^[3]	15,096	110	1,220	246	12	16,684

[1] Other cash flows includes premiums to be settled via FCB, claims to be settled via FCB, and net settlements.

[2] Other movements represents changes in the expected fulfillment cash flows on certain reinsurance contracts held where Lifeco has no continuing involvement other than exposure to the remote insolvency risk of the reinsurer. This movement is offset by movement in associated reinsurance assets.

[3] Included in the reinsurance contracts held amounts are funds withheld by Lifeco under reinsurance contracts of \$4,491 million.

NOTE 11 Reinsurance Contracts Held (CONTINUED)**ANALYSIS BY MEASUREMENT COMPONENT FOR REINSURANCE CONTRACTS HELD NOT MEASURED UNDER PAA**

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
December 31, 2024				
Opening assets	16,181	866	163	17,210
Opening liabilities	(2,419)	863	950	(606)
Net opening balance	13,762	1,729	1,113	16,604
Changes in the statements of earnings and of comprehensive income				
Changes that relate to current service				
CSM recognized for services received	–	–	(131)	(131)
Change in risk adjustment for non-financial risk for risk expired	–	(176)	–	(176)
Experience adjustments	43	(1)	–	42
Changes that relate to future service				
Contracts initially recognized in the year	(115)	159	(34)	10
Changes in estimates that adjust the CSM	(27)	(34)	61	–
Changes in estimates that result in losses and reversal of losses on onerous contracts	(17)	11	–	(6)
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liability for incurred claims	25	–	–	25
Net expenses from reinsurance contracts	(91)	(41)	(104)	(236)
Net finance income (expenses) from reinsurance contracts, excluding the effect of changes in non-performance risk of reinsurers	(83)	31	35	(17)
Effect of movement in foreign exchange rates	998	33	28	1,059
Total changes in the statements of earnings and of comprehensive income	824	23	(41)	806
Cash flows				
Premiums paid	1,462	–	–	1,462
Incurred claims received and other insurance service amounts received	(1,918)	–	–	(1,918)
Other cash flows ^[1]	510	–	–	510
Total cash flows	54	–	–	54
Other movements ^[2]	(484)	–	–	(484)
Net closing balance	14,156	1,752	1,072	16,980
Recorded in:				
Closing assets	16,644	731	344	17,719
Closing liabilities	(2,488)	1,021	728	(739)
Net closing balance	14,156	1,752	1,072	16,980

[1] Other cash flows includes premiums to be settled via FCB, claims to be settled via FCB, and net settlements.

[2] Other movements represents changes in the expected fulfillment cash flows on certain reinsurance contracts held where Lifeco has no continuing involvement other than exposure to the remote insolvency risk of the reinsurer. This movement is offset by movement in associated reinsurance assets.

NOTE 11 Reinsurance Contracts Held (CONTINUED)

December 31, 2023	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening assets	15,791	1,062	514	17,367
Opening liabilities	(1,458)	429	497	(532)
Net opening balance	14,333	1,491	1,011	16,835
Changes in the statements of earnings and of comprehensive income				
Changes that relate to current service				
CSM recognized for services received	–	–	(102)	(102)
Change in risk adjustment for non-financial risk for risk expired	–	(156)	–	(156)
Experience adjustments	40	(1)	–	39
Changes that relate to future service				
Contracts initially recognized in the year	(85)	69	22	6
Changes in estimates that adjust the CSM	(332)	158	174	–
Changes in estimates that result in losses and reversal of losses on onerous contracts	20	10	–	30
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liability for incurred claims	(4)	(1)	–	(5)
Net expenses from reinsurance contracts	(361)	79	94	(188)
Net finance income (expenses) from reinsurance contracts, excluding the effect of changes in non-performance risk of reinsurers	62	152	13	227
Effect of movement in foreign exchange rates	(181)	7	(5)	(179)
Total changes in the statements of earnings and of comprehensive income	(480)	238	102	(140)
Cash flows				
Premiums paid	4,834	–	–	4,834
Incurred claims received and other insurance service amounts received	(1,427)	–	–	(1,427)
Other cash flows ^[1]	(3,341)	–	–	(3,341)
Total cash flows	66	–	–	66
Other movements ^[2]	(157)	–	–	(157)
Net closing balance	13,762	1,729	1,113	16,604
Recorded in:				
Closing assets	16,181	866	163	17,210
Closing liabilities	(2,419)	863	950	(606)
Net closing balance	13,762	1,729	1,113	16,604

[1] Other cash flows includes premiums to be settled via FCB, claims to be settled via FCB, and net settlements.

[2] Other movements represents changes in the expected fulfillment cash flows on certain reinsurance contracts held where Lifeco has no continuing involvement other than exposure to the remote insolvency risk of the reinsurer. This movement is offset by movement in associated reinsurance assets.

NOTE 11 Reinsurance Contracts Held (CONTINUED)**CSM BY TRANSITION APPROACH**

December 31	2024	2023
Reinsurance contracts held under fair value approach		
CSM balance, beginning of year	1,106	891
Change related to current service provided		
CSM recognized for services provided	(124)	(87)
Changes that relate to future service		
Changes in estimates that adjust the CSM	(24)	299
Total changes in insurance service result	(148)	212
Net finance expenses from reinsurance contracts	63	3
Total change	(85)	215
CSM balance, end of year	1,021	1,106
Other reinsurance contracts held		
CSM balance, beginning of year	7	120
Change related to current service provided		
CSM recognized for services provided	(7)	(15)
Changes that relate to future service		
Contracts initially recognized in the year	(34)	22
Changes in estimates that adjust the CSM	85	(125)
Total changes in insurance service result	44	(118)
Net finance expenses from reinsurance contracts	–	5
Total change	44	(113)
CSM balance, end of year	51	7
Net CSM balance, end of year	1,072	1,113

EFFECT ON MEASUREMENT COMPONENTS OF CONTRACTS INITIALLY RECOGNIZED IN THE YEAR

December 31	2024	2023
Estimates of present value of cash outflows	3,522	882
Estimates of present value of cash inflows	(3,407)	(797)
Risk adjustment for non-financial risk	(159)	(69)
Income recognized on initial recognition	10	6
CSM	34	(22)

Lifeco did not acquire any reinsurance contracts held through transfer or business combination.

EXPECTED REMAINING CSM RECOGNITION

December 31	2024	2023
1 year or less	(122)	(122)
1–2 years	(109)	(108)
2–3 years	(97)	(97)
3–4 years	(86)	(86)
4–5 years	(76)	(77)
5–10 years	(262)	(266)
Over 10 years	(320)	(357)
	(1,072)	(1,113)

NOTE 12 Investment Contract Liabilities

Change in investment contract liabilities measured at fair value is as follows:

December 31	2024	2023
Balance, beginning of year	88,919	94,810
Normal change in in-force business	(8,469)	(9,356)
Investment experience	2,932	4,806
Management actions and changes in assumptions	–	(9)
Impact of foreign exchange rate changes	6,775	(1,332)
Balance, end of year	90,157	88,919

All investment contract liabilities are measured at FVPL.

NOTE 13 Segregated Funds and Other Structured Entities

Lifeco offers segregated fund products in Canada, the U.S. and Europe that are referred to as segregated funds, separate accounts and unit-linked funds in the respective markets. These funds are contracts issued by insurers to segregated fund policyholders where the benefit is directly linked to the performance of the investments, the risks or rewards of the fair value movements and net investment income is realized by the segregated fund policyholders. The segregated fund policyholders are required to select segregated funds that hold a range of underlying investments. While Lifeco has legal title to the investments, there is a contractual obligation to pass along the investment results to the segregated fund policyholder. These investments are segregated from those of Lifeco itself.

In Canada and the U.S., the segregated fund and separate account assets are legally separated from the general assets of Lifeco under the terms of the policyholder agreement and cannot be used to settle obligations of Lifeco. In Europe, the assets of the funds are functionally and constructively segregated from those of Lifeco. As a result of the legal and constructive arrangements of these funds, the assets of these funds are presented on the balance sheets as investments on account of segregated fund policyholders and the associated liabilities as investment contracts on account of segregated fund policyholders and insurance contracts on account of segregated fund policyholders.

In circumstances where the segregated funds are invested in structured entities and are deemed to control the entity, Lifeco has presented the non-controlling ownership interest within the segregated funds for the risk of policyholders as equal and offsetting amounts in the assets and liabilities. The amounts presented within are \$6,082 million at December 31, 2024 (\$6,070 million at December 31, 2023).

Within the statements of earnings, all segregated fund policyholders' income, including fair value changes and net investment income, is credited to the segregated fund policyholders and reflected in the assets and liabilities on account of segregated fund policyholders within the balance sheets. These revenues and expenses are presented in the statements of earnings where the contracts with the segregated fund policyholders are classified as insurance contracts.

Segregated Funds Guarantee Exposure

Lifeco offers retail segregated fund products, unitized with profits products and variable annuity products that provide for certain guarantees that are tied to the market values of the investment funds. While these products are similar to mutual funds, there is a key difference from mutual funds as the segregated funds have certain guarantee features that protect the segregated fund policyholder from market declines in the underlying investments. These guarantees are Lifeco's primary exposure on these funds. Lifeco accounts for these guarantees within insurance and investment contract liabilities in the financial statements. In addition to Lifeco's exposure on the guarantees, the fees earned by Lifeco on these products are impacted by the market value of these funds.

In Canada, Lifeco offers retail segregated fund products through Canada Life. These products provide guaranteed minimum death benefits and guaranteed minimum accumulation on maturity benefits.

In the U.S., Lifeco has a mix of open and closed blocks of group variable annuities with guaranteed minimum withdrawal benefits and a closed block of group standalone guaranteed minimum death benefits products which mainly provide return of premium on death.

In Europe, Lifeco offers unitized with profits products in Germany and unit-linked products with investment guarantees in Ireland. These products are similar to segregated fund products but include minimum credited interest rates and pooling of policyholders' funds.

Lifeco also offers guaranteed minimum withdrawal benefits products in the U.S. and Germany, and previously offered a guaranteed minimum withdrawal benefits product in Canada and Ireland. Certain guaranteed minimum withdrawal benefits products offered by Lifeco offer levels of death and maturity guarantees. At December 31, 2024, the amount of guaranteed minimum withdrawal benefits products in force in Canada, the U.S., Ireland and Germany was \$7,538 million (\$7,343 million at December 31, 2023).

NOTE 13 Segregated Funds and Other Structured Entities (CONTINUED)

The following presents further details of the investments, determined in accordance with the relevant statutory reporting requirements of each region of Lifeco's operations, on account of segregated fund policyholders:

INVESTMENTS ON ACCOUNT OF SEGREGATED FUND POLICYHOLDERS

December 31	2024	2023
Cash and cash equivalents	18,895	15,024
Bonds	74,444	72,111
Mortgage loans	2,083	2,022
Shares and units in unit trusts	154,439	130,415
Mutual funds	232,073	188,549
Investment properties	11,317	12,071
	493,251	420,192
Accrued income	882	832
Other liabilities	(3,829)	(4,138)
Non-controlling mutual fund interest	6,082	6,070
Total ⁽¹⁾⁽²⁾	496,386	422,956

[1] At December 31, 2024, \$65,315 million of investments on account of segregated fund policyholders are reinsured by Lifeco on a modified co-insurance basis (\$64,097 million at December 31, 2023). Included in this amount are \$517 million of cash and cash equivalents, \$10,623 million of bonds, \$21 million of shares and units in unit trusts, \$54,114 million of mutual funds, \$89 million of accrued income and \$49 million of other liabilities.

[2] At December 31, 2024, \$2,750 million of investments on account of segregated fund policyholders on the balance sheets are expected to be transferred to Countrywide within 12 months (Note 3). Included in this amount are \$104 million of cash and cash equivalents, \$2,672 million of shares and unit trusts and \$26 million of other liabilities.

INSURANCE AND INVESTMENT CONTRACTS ON ACCOUNT OF SEGREGATED FUND POLICYHOLDERS

December 31	2024	2023
Insurance contracts on account of segregated fund policyholders	66,343	60,302
Investment contracts on account of segregated fund policyholders	430,043	362,654
	496,386	422,956

INSURANCE CONTRACTS ON ACCOUNT OF SEGREGATED FUND POLICYHOLDERS**Effect on Measurement Components of Contracts Initially Recognized in the Year**

December 31, 2024	Profitable contracts issued	Onerous contracts issued	Total
Insurance acquisition cash flows	—	—	—
Claims and other insurance service expenses payable	3,938	—	3,938
Estimates of present value of cash outflows	3,938	—	3,938
Estimates of present value of cash inflows	(3,938)	—	(3,938)
Risk adjustment for non-financial risk	—	—	—
Total losses (gains) recognized on initial recognition	—	—	—

December 31, 2023	Profitable contracts issued	Onerous contracts issued	Total
Insurance acquisition cash flows	—	—	—
Claims and other insurance service expenses payable	3,367	—	3,367
Estimates of present value of cash outflows	3,367	—	3,367
Estimates of present value of cash inflows	(3,367)	—	(3,367)
Risk adjustment for non-financial risk	—	—	—
Total losses (gains) recognized on initial recognition	—	—	—

NOTE 13 Segregated Funds and Other Structured Entities (CONTINUED)**CHANGES IN INSURANCE AND INVESTMENT CONTRACTS ON ACCOUNT OF SEGREGATED FUND POLICYHOLDERS**

Years ended December 31	2024	2023
Balance, beginning of year	422,956	387,882
Additions (deductions):		
Policyholder deposits	64,353	51,236
Net investment income	9,653	7,333
Net realized capital gains on investments	13,113	6,430
Net unrealized capital gains on investments	30,777	33,660
Unrealized gains (losses) due to changes in foreign exchange rates	21,161	(1,033)
Policyholder withdrawals	(65,662)	(59,686)
Portfolio transfer	—	(2,662)
Change in segregated fund investment in general fund	5	54
Change in general fund investment in segregated fund	1	14
Net transfer from general fund	17	46
Non-controlling mutual fund interest	12	(318)
	73,430	35,074
Balance, end of year	496,386	422,956

INVESTMENTS ON ACCOUNT OF SEGREGATED FUND POLICYHOLDERS (by fair value hierarchy level)

December 31, 2024	Level 1	Level 2	Level 3	Total
Investments on account of segregated fund policyholders ^[1]	348,889	136,947	13,354	499,190

[1] Excludes other liabilities, net of other assets, of \$2,804 million.

December 31, 2023	Level 1	Level 2	Level 3	Total
Investments on account of segregated fund policyholders ^[1]	299,451	113,199	13,792	426,442

[1] Excludes other liabilities, net of other assets, of \$3,486 million.

In 2024, certain foreign equity holdings valued at \$1,624 million were transferred from Level 1 to Level 2 (\$56 million were transferred from Level 1 to Level 2 at December 31, 2023), primarily based on Lifeco's change in use of inputs in addition to quoted prices in active markets for certain foreign equity holdings. Level 2 assets include the assets where fair value is not available from normal market pricing sources, where inputs are utilized in addition to quoted prices in active markets and where Lifeco does not have access to the underlying asset details within an investment fund.

As at December 31, 2024, \$4,061 million (\$3,912 million at December 31, 2023) of the segregated funds were invested in funds managed by IG Wealth Management and Mackenzie Investments, subsidiaries of IGM and related parties.

The following presents additional information about Lifeco's investments on account of segregated fund policyholders for which Lifeco has utilized Level 3 inputs to determine fair value:

December 31	2024	2023
Balance, beginning of year	13,792	14,455
Total losses included in segregated fund investment income	(758)	(1,073)
Purchases	1,130	795
Sales	(872)	(445)
Transfers into Level 3	97	350
Transfers out of Level 3	(35)	(290)
Balance, end of year	13,354	13,792

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

NOTE 13 Segregated Funds and Other Structured Entities (CONTINUED)**OTHER STRUCTURED ENTITIES**

In addition to the segregated funds, Lifeco has interests in a number of structured unconsolidated entities including mutual funds, open-ended investment companies, and unit trusts. These entities are created as investment strategies for its unit holders based on the directive of each individual fund.

Some of these funds are sub-advised by related parties of Lifeco, which are paid sub-advisory fees at normal market rates for their services.

Lifeco earns management fees related to managing the segregated fund products. Management fees can be variable due to the performance of factors, such as markets or industries, in which the fund invests. Fee income derived in connection with the management of investment funds generally increases or decreases in direct relationship with changes of assets under management, which is affected by prevailing market conditions, and the inflow and outflow of client assets.

Factors that could cause assets under management and fees to decrease include declines in equity markets, changes in fixed income markets, changes in interest rates and defaults, redemptions and other withdrawals, political and other economic risks, changing investment trends and relative investment performance. The risk is that fees may vary but expenses and recovery of initial expenses are relatively fixed, and market conditions may cause a shift in asset mix potentially resulting in a change in revenue.

Fee income earned by Lifeco resulting from Lifeco's interests in segregated funds and other structured entities was \$4,820 million for the year ended December 31, 2024 (\$4,020 million in 2023).

Included within other assets (Note 8) at December 31, 2024 is \$3,540 million (\$2,878 million at December 31, 2023) of investments by Lifeco in bonds and shares of consolidated Empower CLOs and other sponsored funds and \$161 million (\$160 million at December 31, 2023) of investments in shares of sponsored unit trusts in Europe.

NOTE 14 Obligations to Securitization Entities

IGM securitizes residential mortgages through the Canada Mortgage and Housing Corporation (CMHC)-sponsored National Housing Act Mortgage-Backed Securities (NHA MBS) Program and Canada Mortgage Bond (CMB) Program and through Canadian bank-sponsored asset-backed commercial paper (ABCP) programs. These transactions do not meet the requirements for derecognition as IGM retains prepayment risk and certain elements of credit risk. Accordingly, IGM has retained these mortgages on its balance sheets and has recorded offsetting liabilities for the net proceeds received as obligations to securitization entities which are recorded at amortized cost.

IGM earns interest on the mortgages and pays interest on the obligations to securitization entities. As part of the CMB transactions, IGM enters into a swap transaction whereby IGM pays coupons on CMBs and receives

investment returns on the NHA MBS and the reinvestment of repaid mortgage principal. A component of this swap, related to the obligation to pay CMB coupons and receive investment returns on repaid mortgage principal, and the hedging swap used to manage exposure to changes in variable rate investment returns, are recorded as derivatives with a negative fair value of \$7.9 million at December 31, 2024 (negative fair value of \$4.8 million in 2023).

All mortgages securitized under the NHA MBS and CMB Programs are insured by CMHC or another approved insurer under the program. As part of the ABCP transactions, IGM has provided cash reserves for credit enhancement which are recorded at cost. Credit risk is limited to these cash reserves and future net interest income as the ABCP trusts have no recourse to IGM's other assets for failure to make payments when due.

December 31	2024			2023		
	Securitized mortgages	Obligations to securitization entities	Net	Securitized mortgages	Obligations to securitization entities	Net
Carrying value						
NHA MBS and CMB Programs	2,495	2,476	19	2,409	2,389	20
Bank-sponsored ABCP	2,551	2,549	2	2,314	2,299	15
Total	5,046	5,025	21	4,723	4,688	35
Fair value	5,078	5,098	(20)	4,691	4,696	(5)

The carrying value of obligations to securitization entities, which is recorded net of issue costs, includes principal payments received on securitized mortgages that are not due to be settled until after the reporting period. Issue costs are amortized over the life of the obligation using an effective interest rate method.

NOTE 15 Power Corporation's Debentures and Other Debt Instruments

December 31	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
POWER CORPORATION				
Debentures—unsecured				
8.57% debentures due April 22, 2039	150	209	150	200
4.81% debentures due January 31, 2047	249	253	249	245
4.455% debentures due July 27, 2048	248	241	248	225
Total Power Corporation	647	703	647	670

There are no principal repayments on debentures in each of the next five years.

The Corporation has a line of credit of \$500 million bearing interest at Adjusted Term SOFR plus 0.70%. At December 31, 2024 and 2023, the Corporation was not using its line of credit.

NOTE 16 Non-Recourse Debentures and Other Debt Instruments

A) POWER FINANCIAL, LIFECO AND IGM

The following table presents the debentures and other debt instruments issued by Power Financial, Lifeco and IGM. The debentures of Power Financial are direct obligations of Power Financial and are non-recourse to the Corporation. All debentures and other debt instruments of Lifeco and its subsidiaries are direct obligations of Lifeco or its subsidiaries, as applicable, and are non-recourse to the Corporation. All of the debentures of IGM are direct obligations of IGM and are non-recourse to the Corporation.

December 31	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
POWER FINANCIAL				
Debentures—unsecured				
6.90% debentures due March 11, 2033	250	289	250	275
Total Power Financial	250	289	250	275
LIFECO				
Debentures and Senior Bonds—unsecured				
1.75% senior bonds due December 7, 2026 (€500 million) ^[1]	743	731	728	703
3.337% debentures due February 28, 2028	499	498	499	483
6.40% subordinated debentures due December 11, 2028	100	110	100	109
4.70% senior bonds due November 16, 2029 (€500 million) ^[1]	742	806	726	784
2.379% debentures due May 14, 2030	598	563	598	540
6.74% debentures due November 24, 2031	197	231	196	229
6.67% debentures due March 21, 2033	396	467	395	461
5.998% debentures due November 16, 2039	343	396	343	396
2.981% debentures due July 8, 2050	494	378	494	388
7.529% capital trust debentures due June 30, 2052 (face value of \$150 million)	155	179	156	179
	4,267	4,359	4,235	4,272
Other Debt Instruments—unsecured				
Commercial paper and other short-term debt instruments with interest rate of 4.930% (5.729% at December 31, 2023)	144	144	132	132
Revolving credit facility with interest based on Adjusted Term SOFR (US\$45 million at December 31, 2023)	—	—	60	60
0.904% senior notes due August 12, 2025 (US\$500 million)	719	703	663	621
1.357% senior notes due September 17, 2027 (US\$400 million)	575	523	530	475
4.047% senior notes due May 17, 2028 (US\$300 million)	431	417	398	388
4.51% mortgage on investment property, due January 1, 2029 (US\$39 million)	54	54	—	—
1.776% senior notes due March 17, 2031 (US\$400 million)	574	471	530	429
4.15% senior notes due June 3, 2047 (US\$700 million)	993	797	917	787
4.581% senior notes due May 17, 2048 (US\$500 million)	714	603	659	597
3.075% senior notes due September 17, 2051 (US\$700 million)	998	633	922	643
	5,202	4,345	4,811	4,132
Total Lifeco	9,469	8,704	9,046	8,404
IGM FINANCIAL				
Debentures—unsecured				
3.44% debentures due January 26, 2027	400	400	400	386
6.65% debentures due December 13, 2027	125	135	125	133
7.45% debentures due May 9, 2031	150	174	150	173
7.00% debentures due December 31, 2032	175	203	175	202
7.11% debentures due March 7, 2033	150	175	150	174
6.00% debentures due December 10, 2040	200	228	200	226
4.56% debentures due January 25, 2047	200	195	200	192
4.115% debentures due December 9, 2047	250	229	250	225
4.174% debentures due July 13, 2048	200	184	200	182
4.206% debentures due March 21, 2050	250	231	250	227
5.426% debentures due May 26, 2053	300	332	300	333
Debentures of IGM held by Lifeco as investments	(88)	(90)	(88)	(88)
Total IGM	2,312	2,396	2,312	2,365
Total Power Financial, Lifeco and IGM	12,031	11,389	11,608	11,044

[1] Designated by Lifeco as hedges of the net investment in foreign operations.

NOTE 16 Non-Recourse Debentures and Other Debt Instruments (CONTINUED)**Capital Trust Debentures**

Canada Life Capital Trust (CLCT), a trust established by Canada Life, had issued \$150 million of Canada Life Capital Securities—Series B (CLiCS—Series B), the proceeds of which were used by CLCT to purchase Canada Life senior debentures in the amount of \$150 million.

Distributions and interest on the capital trust debentures are classified as financing charges in the statements of earnings (Note 26). The fair value for capital trust securities is determined by the bid-ask price.

Subject to regulatory approval, CLCT may redeem the CLiCS—Series B, in whole or in part, at any time.

CHANGES IN DEBENTURES AND OTHER DEBT INSTRUMENTS – POWER FINANCIAL, LIFECO AND IGM

The table below details changes in the debentures and other debt instruments arising from financing activities, including both cash and non-cash changes.

December 31	2024	2023
Balance, beginning of year	11,608	12,771
Issue of debentures and senior bonds	–	300
Increase in other debt instruments	54	611
Repayment of senior bonds	–	(735)
Decrease in other debt instruments	(60)	(1,284)
Changes in foreign exchange rates and other	429	(55)
Balance, end of year	12,031	11,608

The principal repayments on debentures and other debt instruments in each of the next five years and thereafter are as follows:

2025	864
2026	745
2027	1,068
2028	1,032
2029	800
Thereafter	7,576

NOTE 16 Non-Recourse Debentures and Other Debt Instruments (CONTINUED)**B) ALTERNATIVE ASSET INVESTMENT PLATFORMS AND OTHER – PROJECT AND OTHER DEBT**

The following table presents the other debt instruments held by alternative asset investment platforms and other. All other debt instruments are credit or loan facilities that are direct obligations, and secured by the assets, of subsidiaries of the Corporation and are non-recourse to the Corporation.

December 31	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
OTHER DEBT INSTRUMENTS				
Investment Funds and Other—secured				
Revolving credit facility up to \$450 million, with interest equal to CORRA plus 2.75% prime rate plus 1.75%, U.S. base rate plus 1.75% or SOFR plus 2.25% (\$17 million and US\$179 million) (US\$160 million at December 31, 2023)	274	274	211	211
Revolving credit facility up to US\$90 million, with interest equal to SOFR plus 1.8% (US\$58 million)	83	83	—	—
Revolving credit facility up to US\$75 million, with interest equal to the U.S. base rate minus 0.35% (US\$11 million) (US\$63 million at December 31, 2023)	16	16	84	84
Revolving credit facility up to US\$53 million, with interest equal to U.S. base rate plus 0.5% or SOFR rate plus 2.1% (US\$5 million)	7	7	—	—
Revolving credit facility up to US\$50 million with interest equal to SOFR plus 1.75% or SOFR plus 2.65% (US\$26 million)	37	37	—	—
Revolving credit facility up to US\$49 million, with interest equal to SOFR plus 2.0% (US\$49 million)	71	71	—	—
Revolving credit facility up to \$12 million, with interest equal to prime rate plus 0.25%	—	—	1	1
Revolving credit facility up to \$9 million, with interest equal to prime rate plus 0.15%	—	—	3	3
Mortgage on investment property, due in December 2029, with interest equal to 5.34% (US\$29 million)	43	43	—	—
Renewable Energy—Project Debt—secured				
Construction loan facilities due in May 2026, bearing interest at rates equal to SOFR plus 2.25% or U.S. base rate plus 1.25% (US\$420 million) (\$518 million and US\$220 million at December 31, 2023) ^[1]	604	604	809	854
Loan facilities due from December 2030 to December 2037, bearing interest at various rates from 4.23% to 6.0% and CORRA plus 1.625%	496	479	521	490
Loan facilities due from May 2027 to December 2059, bearing interest at various rates from 3.62% to 6.93% and prime rate plus 1.5% (\$1,105 million and US\$160 million) (\$639 million and US\$19 million at December 31, 2023) ^[1]	1,335	1,341	664	633
Loan facilities due from June 2025 to March 2048, bearing interest at various rates from 2.73% to 6.89% and SOFR plus 2.25% (US\$395 million) (US\$307 million at December 31, 2023)	568	568	405	401
Mezzanine loans due from January 2035 to June 2035, bearing interest at various rates from 7.36% to 7.5%	88	84	91	86
Standalone Businesses—secured				
Revolving credit facility and term loan facilities due in September 2025 bearing interest at various rates equal to prime rate plus 4.0%, CORRA plus 5.0% or SOFR plus 5.0% ^[2]	186	186	163	164
Subordinated term facility of \$65 million, bearing interest at 13.5%, principal and accrued interest payable at maturity in March 2026 ^[2]	70	70	65	66
Total alternative asset investment platforms and other	3,878	3,863	3,017	2,993

[1] In 2024, \$516 million in construction loan facilities were converted to loan facilities for certain projects having achieved substantial completion.

[2] The revolving credit, term loan and subordinated term facilities are subject to certain financial covenants including a minimum cumulative EBITDA covenant. At December 31, 2024, this covenant was not in compliance; however, the lenders have provided a tolerance letter valid until September 30, 2025.

NOTE 16 Non-Recourse Debentures and Other Debt Instruments (CONTINUED)**CHANGES IN OTHER DEBT INSTRUMENTS – ALTERNATIVE ASSET INVESTMENT PLATFORMS AND OTHER**

The table below details changes in the other debt instruments arising from financing activities, including both cash and non-cash changes.

December 31	2024	2023
Balance, beginning of year	3,017	1,956
Acquisitions	23	181
Derecognition	—	(28)
Increase in other debt instruments	1,183	1,559
Decrease in other debt instruments	(462)	(604)
Changes in foreign exchange rates and other	117	(47)
Balance, end of year	3,878	3,017

The principal repayments on other debt instruments in each of the next five years and thereafter are as follows:

2025 ^[1]	1,365
2026	243
2027	141
2028	141
2029	460
Thereafter	1,604

[1] Includes revolving credit facilities of \$488 million.

NOTE 17 Other Liabilities

December 31	2024	2023
Accounts payable	5,954	3,954
Bank overdraft	379	243
Dividends and interest payable	538	525
Income taxes payable	345	154
Deferred income reserves	264	256
Deposits and certificates ^[1]	16,605	8,713
Pension and other post-employment benefits [Note 27]	893	979
Lease liabilities	836	740
Collateralized loan obligation liabilities	3,791	3,110
Limited-life and redeemable fund units	2,928	1,833
Other	6,805	5,861
	39,338	26,368

[1] Deposits and certificates are primarily offset by client funds on deposit included in other assets (Note 8).

Other liabilities of \$29,531 million as at December 31, 2024 (\$21,977 million as at December 31, 2023) are expected to be settled within 12 months.

NOTE 17 Other Liabilities (CONTINUED)**LEASE LIABILITIES**

The changes in the lease liabilities are as follows:

December 31	2024	2023
Lease liabilities, beginning of year	740	916
Additions	168	117
Modifications	(9)	(30)
Lease payments	(126)	(120)
Interest	35	28
Transfer to liabilities held for sale	–	(157)
Change in foreign exchange rates and other	28	(14)
Lease liabilities, end of year	836	740

The table below presents the contractual undiscounted cash flows for lease obligations in each of the next five years and thereafter:

2025	132
2026	126
2027	119
2028	108
2029	100
Thereafter	624
Total undiscounted lease liabilities at December 31, 2024	1,209

NOTE 18 Income Taxes**INCOME TAXES**

The components of the income tax expense recognized in the statements of earnings are:

Years ended December 31	2024	2023
Current taxes		
Current year	1,121	748
Previously unrecognized tax losses, tax credits or temporary differences used in the year	(65)	–
Global minimum tax	113	–
	1,169	748
Deferred taxes		
Origination and reversal of temporary differences	(139)	(481)
Recognition of previously unrecognized tax losses, tax credits or temporary differences	(101)	(4)
	(240)	(485)
	929	263

The following table shows current and deferred taxes relating to items not recognized in the statements of earnings:

	2024		2023	
Years ended December 31	Other comprehensive income	Equity	Other comprehensive income	Equity
Current tax expense (recovery)	(12)	–	42	(1)
Deferred tax expense	98	–	37	1
	86	–	79	–

NOTE 18 Income Taxes (CONTINUED)**EFFECTIVE INCOME TAX RATE**

The Corporation's effective income tax rate is derived as follows:

Years ended December 31	2024	2023
	%	%
Combined statutory Canadian federal and provincial tax rates	26.5	26.5
Increase (decrease) in the income tax rate resulting from:		
Non-taxable investment income	(6.5)	(6.1)
Different tax rates applicable in local and foreign jurisdictions	(6.5)	(12.4)
Global minimum tax	2.0	–
Non-deductible impairment charge of goodwill	1.8	–
Share of earnings (losses) of investments in jointly controlled corporations and associates	(1.2)	(3.1)
Other	0.7	1.8
Effective income tax rate	16.8	6.7

DEFERRED TAXES

Composition and changes in net deferred taxes are as follows:

	Insurance and investment contract liabilities	Investments and investments in associates	Loss carry forwards	Intangible assets	Tax credits and other	Total
For the year ended December 31, 2024						
Balance, beginning of year	(2,727)	2,400	1,648	(1,156)	513	678
Recognized in						
Statements of earnings	358	(188)	(121)	361	(170)	240
Statements of comprehensive income	–	(9)	–	–	(89)	(98)
Statements of changes in equity	–	–	–	–	–	–
Foreign exchange rate changes and other	(251)	170	97	(31)	123	108
Balance, end of year	(2,620)	2,373	1,624	(826)	377	928

	Insurance and investment contract liabilities	Investments and investments in associates	Loss carry forwards	Intangible assets	Tax credits and other	Total
For the year ended December 31, 2023						
Balance, beginning of year	(3,064)	2,163	1,711	(1,167)	576	219
Recognized in						
Statements of earnings	1,098	(667)	(43)	(38)	135	485
Statements of comprehensive income	–	(63)	–	–	26	(37)
Statements of changes in equity	–	–	(6)	–	5	(1)
Foreign exchange rate changes and other	(761)	967	(14)	49	(229)	12
Balance, end of year	(2,727)	2,400	1,648	(1,156)	513	678

December 31	2024	2023
Presented on the balance sheets as follows:		
Deferred tax assets	2,181	1,894
Deferred tax liabilities	(1,253)	(1,216)
	928	678

NOTE 18 Income Taxes (CONTINUED)

Management of the Corporation and of its subsidiaries assess the recoverability of the deferred tax asset carrying values based on future years' taxable income projections and believes the carrying values of the deferred tax assets as of December 31, 2024 are recoverable.

As at December 31, 2024, the Corporation and its subsidiaries have non-capital losses of \$1,813 million (\$2,085 million in 2023) available to reduce future taxable income for which the benefits have not been recognized. Of this amount, \$1,760 million expire from 2025 to 2044, while \$53 million have no expiry date. In addition, the Corporation and its subsidiaries have capital loss carry forwards of \$843 million (\$593 million in 2023) to offset future capital gains for which the benefits have not been recognized. Of this amount, \$348 million expire in 2028 to 2030 and \$495 million can be used indefinitely.

As at December 31, 2024, the Corporation and its subsidiaries have deductible temporary differences of \$1,077 million (\$710 million in 2023) for which the benefits have not been recognized. As at December 31, 2024 and 2023, no deferred tax liability was recognized in respect to temporary

differences associated with investments in subsidiaries and jointly controlled corporations as the Corporation and its subsidiaries are able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

GLOBAL MINIMUM TAX

The OECD introduced a 15% Global minimum tax (GMT) regime that has been adopted for 2024 by all countries in which the Corporation and its subsidiaries have significant operations, other than the United States and Isle of Man. Legislation has been enacted by Canada, Barbados, Germany, Ireland, the United Kingdom and Switzerland with an effective date of January 1, 2024.

The Corporation is liable for GMT in respect of operations in Barbados, Ireland, the Isle of Man and Switzerland, jurisdictions where the statutory tax rate is below 15%.

The Corporation has applied the mandatory temporary exception in IAS 12, whereby it is not recognizing and disclosing information about deferred tax assets and liabilities related to the GMT.

NOTE 19 Share Capital**AUTHORIZED**

The authorized capital of Power Corporation consists of an unlimited number of First Preferred Shares, issuable in series; an unlimited number of Participating Preferred Shares; and an unlimited number of Subordinate Voting Shares.

ISSUED AND OUTSTANDING

	2024		2023	
	Number of shares	Share capital	Number of shares	Share capital
December 31				
		\$		\$
Non-Participating Shares				
First Preferred Shares				
Non-cumulative Redeemable, fixed rate				
Series A	6,000,000	150	6,000,000	150
Series B	8,000,000	200	8,000,000	200
Series C	6,000,000	150	6,000,000	150
Series D	10,000,000	250	10,000,000	250
Series G	8,000,000	200	8,000,000	200
Total Non-Participating Shares		950		950
Participating Shares				
Participating Preferred Shares	54,860,866	233	54,860,866	233
Subordinate Voting Shares				
Balance, beginning of year	597,387,873	9,051	612,219,731	9,253
Issued under Stock Option Plan	3,165,255	113	1,273,542	42
Purchased for cancellation under Normal Course Issuer Bid	(10,604,800)	(161)	(16,105,400)	(244)
Balance, end of year	589,948,328	9,003	597,387,873	9,051
Total Participating Shares		9,236		9,284

NOTE 19 Share Capital (CONTINUED)**Non-Participating Shares**

The following First Preferred Shares series are entitled to fixed non-cumulative preferential cash dividends payable quarterly. The Corporation may redeem for cash the First Preferred Shares in whole or in part, at the Corporation's option, with all declared and unpaid dividends to, but excluding, the date of redemption. The dividends and redemption terms are as follows:

First Preferred Shares	Cash dividends payable quarterly	Earliest issuer redemption date	Redemption price
	(\$/share)		(\$/share)
Non-cumulative, fixed rate			
Series A, 5.60%	0.350000	Currently redeemable	25.00
Series B, 5.35%	0.334375	Currently redeemable	25.00
Series C, 5.80%	0.362500	Currently redeemable	25.00
Series D, 5.00%	0.312500	Currently redeemable	25.00
Series G, 5.60%	0.350000	Currently redeemable	25.00

Participating Shares

Participating Preferred Shares are entitled to ten votes per share; and, subject to the rights of holders of the First Preferred Shares, to a non-cumulative dividend of 0.938¢ per share per annum before dividends on the Subordinate Voting Shares and have the further right to participate, share and share alike, with the holders of the Subordinate Voting Shares in any dividends that may be paid with respect to the Subordinate Voting Shares.

Subordinate Voting Shares are entitled to one vote per share. In 2024, 3,165,255 Subordinate Voting Shares (1,273,542 in 2023) were issued under the Corporation's Executive Stock Option Plan for a consideration of \$103 million (\$38 million in 2023).

Dividends declared on the Corporation's participating shares in 2024 were \$2.25 per share (\$2.10 per share in 2023).

Normal Course Issuer Bids

On March 1, 2023, the Corporation commenced a Normal Course Issuer Bid (NCIB) which was effective until February 29, 2024. During the three months ended March 31, 2024, 2,138,000 Subordinate Voting Shares were purchased for cancellation by the Corporation pursuant to this NCIB for a total of \$82 million (16,105,400 Subordinate Voting Shares for a total of \$583 million in 2023).

On March 1, 2024, the Corporation commenced a new NCIB which is effective until the earlier of February 28, 2025 and the date on which the Corporation has purchased the maximum permitted number of Subordinate Voting Shares. Pursuant to this NCIB, the Corporation may purchase up to 25 million of its Subordinate Voting Shares outstanding (representing approximately 4.6% of the public float of Subordinate Voting Shares outstanding as at February 16, 2024) at market prices. During the year ended December 31, 2024, the Corporation purchased for cancellation 8,466,800 Subordinate Voting Shares pursuant to this NCIB for a total of \$348 million.

The Corporation's share capital was reduced by the average carrying value of the shares repurchased for cancellation. The excess paid over the average carrying value of share capital was \$269 million and was recognized as a reduction to retained earnings (\$339 million in 2023).

In connection with its NCIB, the Corporation has entered into an automatic share purchase plan (ASPP) and may provide parameters thereunder from time to time to allow a designated broker to purchase Subordinate Voting Shares under the NCIB at times when the Corporation would ordinarily not be permitted to purchase shares due to regulatory restrictions or self-imposed blackout periods. Outside of these predetermined trading blackout periods, purchases under the Corporation's NCIB will be completed at management's discretion.

Subsequent event

On March 1, 2025, the Corporation commenced a NCIB which is effective until the earlier of February 28, 2026 and the date on which the Corporation has purchased the maximum permitted number of Subordinate Voting Shares. Pursuant to this bid, the Corporation may purchase up to 20 million of its Subordinate Voting Shares outstanding (representing approximately 3.7% of the public float of Subordinate Voting Shares outstanding at February 18, 2025) at market prices. At March 19, 2025, the Corporation has repurchased 2,601,200 Subordinate Voting Shares for a total of \$116 million under the NCIB programs.

NOTE 20 Share-Based Compensation

STOCK OPTION PLAN

There are 19,878,881 Subordinate Voting Shares and 6,795,175 Subordinate Voting Shares reserved for issuance under Power Corporation's Executive Stock Option Plan and under Power Financial's Employee Stock Option Plan, assumed by Power Corporation (Stock Option Plans). The plans require that the exercise price of the option must not be less than the market value of a share on the date of the grant of the option.

A summary of the status of the Corporation's Stock Option Plans, including tandem share appreciation rights (TSAR or TSARs), as at December 31, 2024 and 2023, and changes during the respective years ended is as follows:

	2024		2023	
	Options	Weighted-average exercise price	Options	Weighted-average exercise price
		\$		\$
Outstanding, beginning of year	23,532,731	32.41	25,567,243	31.86
Granted	1,292,486	38.09	1,284,026	34.54
Exercised or surrendered for cash	(6,020,234)	32.50	(3,313,542)	28.98
Forfeited and expired	—	—	(4,996)	36.93
Outstanding, end of year	18,804,983	32.77	23,532,731	32.41
Options exercisable, end of year	14,211,753	31.75	18,418,324	31.76

The following table summarizes information about stock options, including TSARs, outstanding at December 31, 2024:

Range of exercise prices	Expiry date	Options outstanding			Options exercisable	
		Options	Weighted-average remaining life	Weighted-average exercise price	Options	Weighted-average exercise price
\$			(yrs)	\$		\$
33.82–36.53	2025	1,229,852	0.2	34.73	1,229,852	34.73
27.30–30.79	2026	2,249,783	1.2	30.04	2,249,783	30.04
31.48–33.68	2027	2,304,225	2.2	32.85	2,304,225	32.85
28.51–34.54	2028	3,202,845	3.3	29.76	3,151,628	29.68
31.12–31.84	2029	3,075,520	4.3	31.39	3,075,520	31.39
34.23	2030	2,869,149	5.1	34.23	1,878,957	34.23
33.30–42.45	2031	651,342	6.2	33.47	321,788	33.48
38.34	2032	665,596	7.2	38.34	—	—
34.54	2033	1,264,185	8.2	34.54	—	—
38.09	2034	1,292,486	9.2	38.09	—	—
		18,804,983	4.1	32.77	14,211,753	31.75

TANDEM SHARE APPRECIATION RIGHTS

The Corporation's Stock Option Plans provide for the granting of TSARs in connection with options granted thereunder, at or after the time of grant of such options. A TSAR entitles the optionee to surrender to the Corporation, unexercised, the right to subscribe for a Subordinate Voting Share pursuant to the related option and to receive from the Corporation cash in an amount equal to the excess of the market value of a Subordinate Voting Share over the subscription price under the related option.

A summary of the status of the Corporation's options with TSARs attached, as at December 31, 2024 and 2023, and changes during the respective years ended is as follows:

	2024			2023		
	TSARs	Weighted-average exercise price	Fair value of liability	TSARs	Weighted-average exercise price	Fair value of liability
		\$	\$		\$	\$
Outstanding, beginning of year	10,606,606	31.71	67	12,646,606	31.15	39
Surrendered for cash	(2,854,979)	32.54	(27)	(2,040,000)	28.24	(14)
Change in fair value	—	—	44	—	—	42
Outstanding, end of year	7,751,627	31.40	84	10,606,606	31.71	67
TSARs exercisable, end of year	7,751,627	31.40		10,156,606	31.60	

NOTE 20 Share-Based Compensation (CONTINUED)

The fair value of the outstanding cash-settled liability was \$84 million at December 31, 2024 (\$67 million at December 31, 2023) and is recorded in other liabilities. The intrinsic value of this liability at December 31, 2024 was \$104 million (\$66 million at December 31, 2023).

The fair value of the TSARs was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

December 31	2024	2023
Dividend yield	5.6%	5.4%
Expected volatility	17.9%-19.8%	17.8%-21.5%
Risk-free interest rate	3.0%-3.5%	3.5%-4.7%
Expected life (years)	0.1-4.3	0.4-5.3
Share price (\$/share)	44.84	37.89
Weighted-average exercise price (\$/option)	31.40	31.71
Weighted-average fair value (\$/option)	10.82	6.32

The Corporation entered into total return swap agreements to manage exposure to the volatility of a portion of its cash-settled share-based payments and related liability. For the year ended December 31, 2024, a net gain of \$1 million (a net loss of \$14 million in 2023) arising from the change in fair value of the liability, net of the gain on the remeasurement to fair value of the derivative instruments, was included in operating and administrative expenses in the statements of earnings.

COMPENSATION EXPENSE

During the year ended December 31, 2024, Power Corporation granted 1,292,486 options (1,284,026 options in 2023) under its Executive Stock Option Plan. Generally, the options vest on the basis of [i] the first 50%, three years from the date of the grant and [ii] the remaining 50% four years from the date of the grant.

The fair value of the options granted was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

December 31	2024	2023
Dividend yield	5.5%	5.9%
Expected volatility	18.6%	18.2%
Risk-free interest rate	3.4%	2.7%
Expected life (years)	9.2	9.0
Fair value (\$/option)	3.53	2.41
Weighted-average exercise price (\$/option)	38.09	34.54

The expected volatility has been estimated based on the historical volatility of the Corporation's share price using the expected option life.

Lifeco, IGM and Wealthsimple have also established stock option plans pursuant to which options may be granted to certain officers and employees. In addition, other subsidiaries of the Corporation have established share-based compensation plans. Compensation expense related to equity-settled stock option plans is recorded based on the fair value of the options or the fair value of the equity instruments at the grant date, amortized over the vesting period. Total compensation expense relating to the equity-settled stock options granted by the Corporation and its subsidiaries amounted to \$61 million in 2024 (\$100 million in 2023) and was recorded in operating and administrative expenses in the statements of earnings.

RESTRICTED SHARE UNITS

During the year ended December 31, 2024, the Corporation granted 294,039 Restricted Share Units (RSUs) to an executive to assist in retention and further alignment of its interests with those of the shareholders. The fair value of the RSUs granted was measured based on the market value of the Corporation's Subordinate Voting Shares at the grant date and vest on the basis of [i] 25% two years from the date of grant; [ii] 50% three years from the date of grant; and [iii] 25% four years from the date of grant. Additional RSUs are issued in respect to dividends declared on the Subordinate Voting Shares at the dividend payment date. At December 31, 2024, 306,588 RSUs were outstanding and have not vested.

PERFORMANCE SHARE UNIT PLAN

Power Corporation established a Performance Share Unit (PSU) Plan for selected employees and officers (participants) to assist in retaining and further aligning the interests of participants with those of the shareholders. Under the terms of the Plan, PSUs may be awarded annually and are subject to time and performance vesting conditions. The value of each PSU is based on the share price of the Corporation's Subordinate Voting Shares. The PSUs are cash settled and vest over a three-year period. Participants can elect at the time of grant to receive a portion of their PSUs in the form of performance deferred share units (PDSUs) which also vest over a three-year period. PDSUs are redeemable when a participant is no longer an employee of the Corporation or any of its affiliates, or in the event of the death of the participant, by a lump-sum cash payment based on the value of the PDSU at that time. Additional PSUs and PDSUs are issued in respect of dividends payable on the Subordinate Voting Shares based on the value of the PSU or PDSU at the dividend payment date. At December 31, 2024, the carrying value of the PSU liability was \$67 million (\$36 million at December 31, 2023) and is recorded within other liabilities.

NOTE 20 Share-Based Compensation (CONTINUED)**DEFERRED SHARE UNIT PLAN**

Power Corporation established a Deferred Share Unit (DSU) Plan for its Directors to promote a greater alignment of interests between Directors and shareholders of the Corporation. Under this Plan, Directors participating in the Plan will receive half of their annual retainer in the form of DSUs and may elect to receive the remainder of their annual retainer entirely in the form of DSUs, entirely in cash, or equally in cash and DSUs. The number of DSUs granted is determined by dividing the amount of remuneration payable by the average of the volume weighted-average trading price on the Toronto Stock Exchange of the Subordinate Voting Shares of the Corporation during each of the last three trading days of the preceding fiscal quarter (the value of a DSU). A Director will receive additional DSUs in respect of dividends payable on the Subordinate Voting Shares, based on the value of the DSU at the dividend payment date. A DSU is payable, at the time a Director's membership on the Board is terminated (provided the Director is not then a director, officer or employee of an affiliate of the Corporation), or in the event of the death of a Director, by a lump-sum cash payment, based on the value of the DSU at that time. At December 31, 2024, the value of the DSUs outstanding was \$54 million (\$44 million at December 31, 2023) and was recorded within other liabilities. Alternatively, directors may participate in a Share Purchase Plan for Directors.

EMPLOYEE SHARE PURCHASE PROGRAM

Power Corporation established an Employee Share Purchase Program, giving employees the opportunity to subscribe for up to 6% of their gross salary to purchase Subordinate Voting Shares of the Corporation on the open market. Power Corporation invests, on the employee's behalf, up to an equal amount.

OTHER SHARE-BASED AWARDS OF SUBSIDIARIES

Power Financial and other subsidiaries of the Corporation have also established other share-based awards and performance share unit plans (plans) for their directors, management and employees. Some of these plans are cash settled and included within other liabilities. Total compensation expense related to these subsidiary plans amounted to \$228 million in 2024 (\$204 million in 2023) and was recorded in operating and administrative expenses on the statements of earnings.

NOTE 21 Non-Controlling Interests

The carrying value of non-controlling interests consists of the following:

December 31, 2024	Lifeco	IGM	Power Financial	Other	Total
Common shareholders	7,326	2,222	—	467	10,015
Preferred shareholders	2,720	—	2,830	—	5,550
Participating account surplus	3,041	—	—	—	3,041
Limited recourse capital notes	1,500	—	—	—	1,500
	14,587	2,222	2,830	467	20,106
December 31, 2023	Lifeco	IGM	Power Financial	Other	Total
Common shareholders	6,643	2,015	—	567	9,225
Preferred shareholders	2,720	—	2,830	—	5,550
Participating account surplus	2,847	—	—	—	2,847
Limited recourse capital notes	1,500	—	—	—	1,500
	13,710	2,015	2,830	567	19,122

NOTE 21 Non-Controlling Interests (CONTINUED)

The changes in non-controlling interests are as follows:

December 31, 2024	Lifeco	IGM	Power Financial	Other	Total
Non-controlling interests, beginning of year	13,710	2,015	2,830	567	19,122
Net earnings (losses) attributable to non-controlling interests	1,361	315	141	(82)	1,735
Other comprehensive income (loss) attributable to non-controlling interests	361	79	–	5	445
Dividends	(739)	(180)	(141)	–	(1,060)
Issuance of equity instruments, net of repurchase of common shares	(34)	(12)	–	39	(7)
Effect of changes in ownership interest and other	(72)	5	–	(62)	(129)
Non-controlling interests, end of year	14,587	2,222	2,830	467	20,106

December 31, 2023	Lifeco	IGM	Power Financial	Other	Total
Non-controlling interests, beginning of year	13,394	1,963	2,830	507	18,694
Net earnings (losses) attributable to non-controlling interests	931	242	138	(23)	1,288
Other comprehensive income (loss) attributable to non-controlling interests	139	(37)	–	9	111
Dividends	(699)	(182)	(138)	–	(1,019)
Issuance of equity instruments, net of repurchase of common shares	14	18	–	161	193
Effect of changes in ownership interest and other	(69)	11	–	(87)	(145)
Non-controlling interests, end of year	13,710	2,015	2,830	567	19,122

Financial information of Lifeco and IGM as at and for the year ended December 31, 2024 can be obtained from their publicly available financial statements. Summarized financial information for Lifeco and IGM is as follows:

	2024		2023	
	Lifeco	IGM	Lifeco	IGM
Balance sheet				
Assets	802,163	20,683	713,230	18,663
Liabilities	769,509	12,813	683,379	11,943
Equity	32,654	7,870	29,851	6,720
Comprehensive income				
Net earnings	4,173	937	2,891	1,153
Other comprehensive income (loss)	980	754	261	(30)
Cash flows				
Operating activities	4,751	1,153	5,203	837
Financing activities	(2,285)	(314)	(3,550)	(204)
Investing activities	(408)	(474)	(786)	(1,161)

NOTE 22 Capital Management

POWER CORPORATION

As a holding company, Power Corporation's objectives in managing its capital are to:

- provide attractive long-term returns to shareholders of the Corporation;
- provide sufficient financial flexibility to pursue its growth strategy to invest on a timely basis in its operating companies and other investments as opportunities arise;
- maintain a capital structure that matches the long-term nature of its investments by maximizing the use of permanent capital;
- maintain an appropriate credit rating to ensure stable access to the capital markets; and
- maintain available cash and cash equivalents at a minimum of two times fixed charges.

The Corporation manages its capital taking into consideration the risk characteristics and liquidity of its holdings. In order to maintain or adjust its capital structure, the Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue capital.

The capital structure of the Corporation consists of debentures, non-participating shares, participating shareholders' equity and non-controlling interests. The Corporation views non-participating shares as a cost-effective source of permanent capital. The Corporation is a long-term investor and as such holds positions in long-term investments as well as cash and fixed income securities for liquidity purposes.

The Board of Directors of the Corporation is responsible for capital management. Management of the Corporation is responsible for establishing capital management procedures and for implementing and monitoring its capital plans. The Board of Directors of the Corporation reviews and approves capital transactions such as the issuance, redemption and repurchase of participating shares, non-participating shares and debentures. The boards of directors of the Corporation's subsidiaries, as well as those of Parjointco and GBL, oversee and have the responsibility for their respective company's capital management.

The Corporation itself is not subject to externally imposed regulatory capital requirements. However, Lifeco and certain of its main subsidiaries, certain of IGM's subsidiaries and certain of the Corporation's other subsidiaries are subject to regulatory capital requirements and they manage their capital as described below.

LIFECO

Lifeco manages its capital on both a consolidated basis as well as at the individual operating subsidiary level. The primary objectives of Lifeco's capital management strategy are:

- to maintain the capitalization of its regulated operating subsidiaries at a level that will exceed the relevant minimum regulatory capital requirements in the jurisdictions in which they operate;
- to maintain strong credit and financial strength ratings of Lifeco ensuring stable access to capital markets; and
- to provide an efficient capital structure to maximize shareholder value in the context of Lifeco's operational risks and strategic plans.

The target level of capitalization for Lifeco and its subsidiaries is assessed by considering various factors such as the probability of falling below the minimum regulatory capital requirements in the relevant operating jurisdiction, the views expressed by various credit rating agencies that provide financial strength and other ratings to Lifeco, and the desire to hold sufficient capital to be able to honour all policyholder and other obligations of Lifeco with a high degree of confidence.

Management of Lifeco is responsible for establishing capital management procedures for implementing and monitoring the capital plan.

Lifeco's subsidiaries Canada Life, Empower and entities based in Europe are subject to minimum regulatory capital requirements.

- In Canada, the OSFI has established a regulatory capital adequacy measurement for life insurance companies incorporated under the *Insurance Companies Act* (Canada) and their subsidiaries known as the Life Insurance Capital Adequacy Test (LICAT). The LICAT ratio compares the regulatory capital resources of a company to its required capital defined by OSFI as the aggregate of all defined capital requirements. The total capital resources are provided by the sum of available capital, surplus allowance and eligible deposits. OSFI has established a supervisory target total ratio of 100%, and a supervisory minimum total ratio of 90%. Canada Life's consolidated LICAT ratio at December 31, 2024 was 130% (128% at December 31, 2023).
- For entities based in Europe, the local solvency capital regime is the Solvency II basis. At December 31, 2024 and 2023, all Lifeco's European regulated entities met the capital and solvency requirements as prescribed under Solvency II.
- Empower is subject to the risk-based capital regulatory regime in the U.S.
- Other foreign operations and foreign subsidiaries of Lifeco are required to comply with local capital or solvency requirements in their respective jurisdictions. At December 31, 2024 and 2023, Lifeco maintained capital levels above the minimum local regulatory requirements in each of its other foreign operations.

IGM FINANCIAL

IGM's capital management objective is to maximize shareholder returns while ensuring that IGM is capitalized in a manner which appropriately supports regulatory capital requirements, working capital needs and business expansion. IGM's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base and a strong balance sheet. IGM regularly assesses its capital management practices in response to changing economic conditions.

IGM's capital is primarily used in its ongoing business operations to support working capital requirements, long-term investments made by IGM, business expansion and other strategic objectives.

The IGM subsidiaries that are subject to regulatory capital requirements include investment dealers, mutual fund dealers, exempt market dealers, portfolio managers, investment fund managers and a trust company. These IGM subsidiaries are required to maintain minimum levels of capital based on either working capital, liquidity or shareholders' equity. At December 31, 2024 and 2023, IGM subsidiaries have complied with all regulatory capital requirements.

ALTERNATIVE ASSET INVESTMENT PLATFORMS AND OTHER

Certain subsidiaries are subject to regulatory capital requirements, including portfolio managers, asset managers and an order-execution-only broker. These subsidiaries are required to maintain levels of capital based on their working capital, liquidity or shareholders' equity. At December 31, 2024 and 2023, these subsidiaries have complied with all regulatory capital requirements.

NOTE 23 Risk Management

The Corporation and its subsidiaries have established policies, guidelines and procedures designed to identify, measure, monitor, report and mitigate material risks associated with financial instruments and insurance contracts. The key risks related to financial instruments are liquidity risk, credit risk and market risk.

- Liquidity risk is the risk that the Corporation and its subsidiaries would not be able to meet all cash outflow obligations as they come due or be able to, in a timely manner, raise capital or monetize assets at normal market conditions.
- Credit risk is the potential for financial loss to the Corporation and its subsidiaries if a counterparty in a transaction fails to meet its payment obligations. Credit risk can be related to the default of a single debt issuer, the variation of credit spreads on tradable fixed income securities and also to counterparty risk relating to derivative products.
- Market risk is the risk that the market value or future cash flows of a financial instrument and the value of insurance and investment contract liabilities will fluctuate as a result of changes in market factors. Market factors include three types of risks: foreign exchange risk, interest rate (including inflation) risk and equity risk.
 - Foreign exchange risk relates to the Corporation, its subsidiaries and its jointly controlled corporations and associates operating in different currencies and converting non-Canadian investments and earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.

- Interest rate risk is the risk that the fair value of a financial instrument will fluctuate following changes in the interest rates.
- Equity risk is the potential loss associated with the sensitivity of the market price of a financial instrument arising from volatility in equity markets.

Estimates of sensitivities and risk exposure measures are included for certain risks, such as the sensitivity due to specific changes in interest rate levels projected and market prices as at the valuation date. Actual results can differ significantly from these estimates for a variety of reasons, including, but not limited to, changes in the Corporation and its subsidiaries' asset or liability profile, changes in business mix, effective income tax rates, other market factors, differences in the actual exposure relative to broad market indices, variation in exposures by geography, and general limitations of the Corporation and its subsidiaries internal models.

For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors. Given the nature of these calculations, the Corporation cannot provide assurance that the actual impact on net earnings will be as indicated.

The following is a summary of risks in respect to the Corporation and its subsidiaries' financial instruments and insurance contracts. In the first section below, the risk management policies and procedures of Power Corporation, Power Financial and the Corporation's alternative asset investment platforms and other (other subsidiaries) are discussed. Risks related to Lifeco and IGM are discussed in subsequent sections.

POWER CORPORATION, POWER FINANCIAL AND ALTERNATIVE ASSET INVESTMENT PLATFORMS AND OTHER

LIQUIDITY RISK

Power Corporation is a holding company. As such, the holding company's cash flows are principally derived from dividends received from its subsidiaries and income from investments, less operating expenses, financing charges, income taxes and payment of dividends to its participating and non-participating shareholders. As a holding company, the Corporation's ability to pay dividends is dependent upon the Corporation receiving dividends from its principal operating subsidiaries and other investments. Lifeco and its subsidiaries are subject to restrictions set out in relevant corporate and insurance laws and regulations, which require that solvency and capital ratios be maintained. IGM's subsidiaries are also subject to minimum capital requirements. Regulatory requirements may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends. The declaration and payment of dividends by the Corporation in future periods remains at the discretion of its Board of Directors and is dependent on the operating performance, profitability, financial position and creditworthiness of its operating subsidiaries and other investments, as well as on their ability to pay dividends.

Power Corporation and Power Financial regularly review their liquidity requirements and seek to maintain sufficient levels of liquidities to meet their operating expenses, financing charges and payment of preferred share dividends for a reasonable period of time, as defined in their policies. The ability of Power Corporation, Power Financial and other subsidiaries to arrange additional financing in the future will depend in part upon prevailing market conditions as well as the business performance and risk profile of Power Corporation, Power Financial and their subsidiaries.

Liquidity is also available through the Corporation's lines of credit with Canadian banks. The Corporation has a committed line of credit of \$500 million. The Corporation also maintains an uncommitted line of credit of \$100 million, and any advances are at the bank's sole discretion. At December 31, 2024 and 2023, the Corporation was not utilizing its committed line of credit or uncommitted line of credit. Other subsidiaries also have committed lines of credit of \$1,120 million with Canadian and U.S. banks (\$578 million was undrawn at December 31, 2024).

NOTE 23 Risk Management (CONTINUED)

Principal repayments on debentures and other debt instruments, and pension funding (other than those of Lifeco and IGM discussed below) represent the only significant contractual liquidity requirements. Contractual maturities of certain liabilities were as follows:

December 31, 2024	Payments due by period			Total
	1 year or less	1-5 years	Over 5 years	
Deposits and certificates	12,902	—	—	12,902
Power Corporation's debentures and other debt instruments	—	—	650	650
Non-recourse debentures and other debt instruments	1,365	985	1,854	4,204
Future lease payments	47	185	416	648
Pension contributions	16	—	—	16
	14,330	1,170	2,920	18,420

Power Corporation and Power Financial believe their ongoing cash flows from operations, available cash balances and liquidity available through their lines of credit are sufficient to address their liquidity needs.

Power Corporation, Power Financial and other subsidiaries' management of liquidity risk has not changed materially since December 31, 2023.

CREDIT RISK

Power Corporation, Power Financial and other subsidiaries' cash and cash equivalents, including fixed income securities, client funds on deposit, other loans and derivatives are subject to credit risk. Power Corporation, Power Financial and other subsidiaries manage credit risk on their fixed income securities by adhering to an investment policy that establishes guidelines which provide exposure limits by defining admissible securities, minimum ratings and concentration limits.

Fixed income securities, which are included in investments and in cash and cash equivalents, consist primarily of bonds, bankers' acceptances and highly liquid temporary deposits with Canadian chartered banks and banks in jurisdictions where Power Corporation, Power Financial and other subsidiaries operate, as well as bonds and short-term securities of, or guaranteed by, the Canadian or U.S. governments. Power Corporation and Power Financial regularly review the credit ratings of their counterparties. The maximum exposure to credit risk on these financial instruments is their carrying value.

Other subsidiaries held client funds on deposit of \$12,902 million at December 31, 2024 (\$5,123 million in 2023), which are mainly held with Schedule I chartered banks.

Other subsidiaries held other loans, classified as FVPL, of \$314 million at December 31, 2024 (\$45 million at December 31, 2023). The carrying value represents the maximum exposure to credit risk for those assets.

Derivatives can also be used to mitigate foreign exchange or equity exposures. Power Corporation and Power Financial regularly review the credit ratings of derivative financial instrument counterparties. Derivative contracts are over-the-counter with counterparties that are highly rated financial institutions.

Other subsidiaries are also exposed to credit risk through derivative contracts used to hedge interest rate risk or mitigate foreign exchange exposures. Other subsidiaries regularly review the credit ratings of their counterparties. The exposure to credit risk on these financial instruments is limited to their carrying value.

Power Corporation, Power Financial and other subsidiaries' exposure to and management of credit risk related to cash and cash equivalents, fixed income securities, client funds on deposit, other loans and derivatives have not changed materially since December 31, 2023.

MARKET RISK

Power Corporation and Power Financial and other subsidiaries' financial instruments are comprised of cash and cash equivalents, fixed income securities, other investments (consisting of equity securities, other loans, investment funds and hedge funds), derivatives and debentures and other debt instruments.

Foreign Exchange Risk

In managing their own cash and cash equivalents as well as fixed income securities, Power Corporation, Power Financial and other subsidiaries may hold cash balances denominated in foreign currencies and thus be exposed to fluctuations in exchange rates. In order to protect against such fluctuations, Power Corporation, Power Financial and other subsidiaries may from time to time enter into currency-hedging transactions with highly rated financial institutions. As at December 31, 2024, approximately 55% (62% as at December 31, 2023) of Power Corporation, Power Financial and other subsidiaries' cash and cash equivalents and fixed income securities were denominated in Canadian dollars.

Power Corporation, Power Financial and other subsidiaries held other investments either classified as FVOCI or as FVPL. Unrealized gains and losses on investments classified as FVOCI, resulting from foreign exchange rate variations, are recorded in other comprehensive income and reclassified directly to retained earnings on realization. Unrealized gains and losses on investments classified as FVPL, resulting from foreign exchange rate variations, are recorded directly in net earnings. As at December 31, 2024, the impact of a 5% strengthening of the Canadian dollar against foreign currencies would result in a loss recorded in net earnings of approximately \$82 million (\$65 million in 2023). As at December 31, 2024, the Corporation's investments classified as FVOCI are not significant. Power Corporation's and Power Financial's debentures are denominated in Canadian dollars.

Power Corporation has net investments in foreign operations. In accordance with IFRS, foreign currency translation gains and losses from net investments in foreign operations are recorded in other comprehensive income. Strengthening or weakening of the Canadian dollar spot rate compared to the U.S. dollar spot rate impacts the Corporation's total equity.

Power Financial is exposed to foreign exchange risk on its investment in GBL held through Parjointco as its functional currency is the euro. Foreign currency translation gains and losses on this investment are recorded in other comprehensive income. As at December 31, 2024, the impact of a 5% increase (decrease) in Canadian currency relative to the foreign currency would decrease (increase) the aggregate carrying value of the foreign investment by approximately \$185 million (\$185 million in 2023).

NOTE 23 Risk Management (CONTINUED)**Interest Rate Risk**

Other subsidiaries held other loans, classified as FVPL, of \$314 million and are exposed to interest rate risk. As at December 31, 2024, the impact to net earnings of a 110 basis point increase in interest rates would not have been significant.

Power Corporation, Power Financial and other subsidiaries' financial instruments do not have significant exposure to interest rate risk.

Equity Risk

Power Corporation, Power Financial and other subsidiaries held other investments either classified as FVOCI or FVPL. All unrealized gains and losses on investments classified as FVOCI are recorded in other comprehensive income and transferred directly to retained earnings on realization. Unrealized gains and losses on investments classified as FVPL are recorded directly in net earnings. As at December 31, 2024 the Corporation's investments classified as FVOCI are not significant. As at December 31, 2024, the impact of a 10% decrease in the value of other investments held by Power Corporation, Power Financial and other subsidiaries would have resulted in an approximate \$342 million loss recorded in net earnings related to investments classified as FVPL, including investments in jointly controlled corporations and associates measured at FVPL (\$230 million at December 31, 2023).

GBL holds a portfolio of investments which are classified as FVOCI or FVPL. All unrealized gains and losses on investments classified as FVOCI are recorded in other comprehensive income and transferred directly to retained earnings on realization. Unrealized gains and losses on investments classified as FVPL are recorded directly in net earnings. As at December 31, 2024, the impact of a 10% decrease in equity markets would have resulted in an approximate \$220 million unrealized loss (\$265 million at December 31, 2023) to be recorded in other comprehensive income related to investments classified as FVOCI and a \$75 million loss (\$75 million at December 31, 2023) recorded in net earnings related to investments classified as FVPL, representing the Corporation's share of Parjointco's unrealized losses.

Power Corporation and Power Financial sponsor a number of deferred compensation arrangements for employees where payments to participants are deferred and linked to the performance of the common shares of Power Corporation. Power Corporation and Power Financial hedge their exposure to the equity risk associated with their PSU Plans through the use of total return swaps.

LIFECO

The risk committee of the board of directors of Lifeco is responsible for the oversight of Lifeco's key risks. Lifeco has established policies and procedures designed to identify, measure, manage, monitor and report material risks associated with financial instruments and insurance contracts.

LIQUIDITY RISK

Lifeco's liquidity risk management framework and associated limits are designed to allow Lifeco to meet cash and collateral commitments as they fall due, both on an expected basis and under a severe liquidity stress.

- Lifeco attempts to mitigate liquidity risk through product design and maintaining a high quality, diversified investment portfolio with a spread of asset maturities by year. Approximately 67% of insurance and investment contract liabilities (measured based on carrying value and excluding liabilities held on account of segregated fund holders) are subject to discretionary withdrawal.
- Management of Lifeco closely monitors the solvency and capital positions of its principal subsidiaries opposite liquidity requirements at its holding company. Additional liquidity is available through established lines of credit or via capital market transactions. At December 31, 2024, Lifeco maintained \$950 million of liquidity at its level through committed lines of credit with Canadian chartered banks. As well, Lifeco maintains a US\$1,000 million revolving credit agreement with a syndicate of banks, a US\$500 million revolving credit agreement, and a US\$50 million line of credit at Empower. Empower also has borrowing capacity of approximately US\$587 million under the Federal Home Loan Bank program.

Payments Due by Period

In the normal course of business, Lifeco enters into contracts that give rise to commitments of future minimum payments that impact short-term and long-term liquidity. The following table summarizes the principal repayment schedule of certain of Lifeco's financial liabilities.

December 31, 2024	Payments due by period						Total
	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	
Debentures and other debt instruments	864	745	576	1,032	800	5,356	9,373
Capital trust debentures ⁽¹⁾	—	—	—	—	—	150	150
Purchase obligations	203	146	75	42	22	29	517
Pension contributions	221	—	—	—	—	—	221
	1,288	891	651	1,074	822	5,535	10,261

[1] Payments due have not been reduced to reflect that Lifeco held capital trust securities of \$37 million principal amount (\$44 million carrying value).

NOTE 23 Risk Management (CONTINUED)**CREDIT RISK**

Lifeco has the following policies and procedures in place to manage credit risk:

- Investment and risk policies aim to minimize undue concentration within issuers, connected companies, industries or individual geographies.
- Investment and risk limits specify minimum and maximum limits for each asset class.
- Identification of credit risk through an internal credit risk rating system which includes a detailed assessment of a debtor's creditworthiness. Internal credit risk ratings cannot be higher than the highest rating provided by certain independent ratings companies.
- Portfolios are monitored continuously, and reviewed regularly with the risk committee and the investment committee of the board of directors of Lifeco.
- Credit risk associated with derivative instruments is evaluated quarterly based on conditions that existed at the balance sheet date, using practices that are at least as conservative as those recommended by regulators. Lifeco manages derivative credit risk by including derivative exposure to aggregate credit exposures measured against rating-based debtor limits and through collateral arrangements where possible.
- Counterparties providing reinsurance to Lifeco are reviewed for financial soundness as part of an ongoing monitoring process. The minimum financial strength of reinsurers is outlined in Lifeco's Reinsurance Risk Management Policy. Lifeco seeks to minimize reinsurance credit risk by setting rating-based limits on net ceded exposure by counterparty as well as seeking protection in the form of collateral or funds-withheld arrangements where possible.
- Investment guidelines also specify collateral requirements.

Maximum Exposure to Credit Risk

The following table summarizes Lifeco's maximum exposure to credit risk related to financial instruments as well as insurance and reinsurance contracts. The maximum credit exposure is the carrying value of the asset net of any allowances for losses.

December 31	2024	2023
Financial instruments		
Cash and cash equivalents	10,709	7,742
Bonds	167,114	157,051
Mortgage loans	38,879	38,414
Interest due and accrued	1,778	1,645
Accounts receivable	3,624	3,218
Funds held under investment contracts	6,895	7,268
Trading account assets	3,701	3,038
Finance leases receivable	926	668
Other assets ^[1]	1,979	2,055
Derivative assets	2,431	2,219
	238,036	223,318
Insurance and reinsurance contracts		
Reinsurance contract held assets ^[2]	17,842	17,332
Insurance contract assets	1,193	1,193
Funds held by ceding insurers ^[3]	3,640	3,926
Loans to policyholders ^[3]	9,204	8,945
	31,879	31,396
Total	269,915	254,714

[1] Includes items such as income taxes receivable and miscellaneous other assets of Lifeco.

[2] Includes funds withheld on reinsurance contracts issued.

[3] Included in insurance contract liabilities (Note 10).

Credit risk is also mitigated by entering into collateral agreements. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines have been implemented regarding the acceptability of types of collateral and the valuation parameters. Collateral primarily consists of government bonds, investment-grade corporate bonds and cash. Management of Lifeco monitors the value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. Lifeco had \$1,732 million of collateral received from counterparties as at December 31, 2024 (\$1,715 million as at December 31, 2023) relating to derivative assets.

NOTE 23 Risk Management (CONTINUED)**Concentrations of Credit Risk**

Concentrations of credit risk arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar credit risk characteristics in that they operate in the same geographic region or in similar industries. The characteristics of such debtors are similar in that changes in economic or political environments may impact their ability to meet obligations as they come due.

The following tables provide details of the carrying value of bonds of Lifeco for each business by issuer and industry sector:

December 31, 2024	Canada	United States	Europe	Capital and Risk Solutions	Total
Bond issued or guaranteed by:					
Treasuries	3,304	1,361	7,274	4,220	16,159
Government-related	17,286	2,605	7,444	694	28,029
Agency securitized	186	1,055	—	13	1,254
Non-agency securitized	3,453	12,395	800	163	16,811
Financials	4,726	12,556	5,651	1,124	24,057
Communications	1,194	1,741	856	211	4,002
Consumer products	5,086	10,172	2,084	1,061	18,403
Energy	2,809	3,363	502	370	7,044
Industrials	2,878	7,927	1,178	469	12,452
Technology	1,329	3,568	409	322	5,628
Transportation	4,426	2,021	853	198	7,498
Utilities	12,559	7,468	4,660	1,090	25,777
	59,236	66,232	31,711	9,935	167,114

December 31, 2023	Canada	United States	Europe	Capital and Risk Solutions	Total
Bond issued or guaranteed by:					
Treasuries	1,155	2,289	8,522	2,887	14,853
Government-related	16,618	2,842	6,760	406	26,626
Agency securitized	178	1,057	—	14	1,249
Non-agency securitized	2,924	13,314	803	137	17,178
Financials	5,225	12,095	4,861	997	23,178
Communications	1,089	1,680	748	152	3,669
Consumer products	4,704	9,795	1,774	1,023	17,296
Energy	2,619	3,118	447	336	6,520
Industrials	2,560	7,623	1,156	442	11,781
Technology	1,044	3,307	479	297	5,127
Transportation	3,996	1,899	755	156	6,806
Utilities	10,632	7,599	3,786	751	22,768
	52,744	66,618	30,091	7,598	157,051

The following tables provide details of the carrying value of mortgage loans of Lifeco by business:

December 31, 2024	Canada	United States	Europe	Capital and Risk Solutions	Total
Single-family residential	1,225	—	—	—	1,225
Multi-family residential	4,523	4,065	946	34	9,568
Equity-release	1,949	—	2,279	590	4,818
Commercial	9,228	9,754	4,133	153	23,268
	16,925	13,819	7,358	777	38,879

December 31, 2023	Canada	United States	Europe	Capital and Risk Solutions	Total
Single-family residential	1,511	—	—	—	1,511
Multi-family residential	4,581	3,945	814	32	9,372
Equity-release	1,697	—	2,043	463	4,203
Commercial	8,955	10,376	3,850	147	23,328
	16,744	14,321	6,707	642	38,414

NOTE 23 Risk Management (CONTINUED)**Expected Credit Losses**

The following tables reconcile the allowance for credit losses under the ECL model, by asset classification and stage, at Lifeco.

	Performing		Impaired	Total
	Stage 1	Stage 2	Stage 3	
December 31, 2024				
Bonds at FVOCI				
Balance, beginning of year	3	–	–	3
Provision for credit losses				
Originations	1	–	–	1
Maturities	(1)	–	–	(1)
Net remeasurement of loss allowance	1	–	–	1
Balance, end of year	4	–	–	4
Mortgages at amortized cost				
Balance, beginning of year	1	29	4	34
Provision for credit losses				
Transfers to stage 1	3	(3)	–	–
Net remeasurement of loss allowance	(3)	(7)	3	(7)
Exchange rate and other	–	1	–	1
Balance, end of year	1	20	7	28
Mortgages at FVOCI				
Balance, beginning of year	–	–	–	–
Provision for credit losses				
Net remeasurement of loss allowance	–	1	–	1
Balance, end of year	–	1	–	1
Total allowance for credit losses, end of year	5	21	7	33
	Performing		Impaired	Total
	Stage 1	Stage 2	Stage 3	
December 31, 2023				
Bonds at FVOCI				
Balance, beginning of year	3	–	–	3
Provision for credit losses				
Originations	1	–	–	1
Maturities	(1)	–	–	(1)
Net remeasurement of loss allowance	1	–	–	1
Exchange rate and other	(1)	–	–	(1)
Balance, end of year	3	–	–	3
Mortgages at amortized cost				
Balance, beginning of year	1	32	–	33
Provision for credit losses				
Transfers to stage 1	1	(1)	–	–
Originations	1	–	–	1
Net remeasurement of loss allowance	(2)	(3)	4	(1)
Exchange rate and other	–	1	–	1
Balance, end of year	1	29	4	34
Total allowance for credit losses, end of year	4	29	4	37

NOTE 23 Risk Management (CONTINUED)**Credit Risk Exposure by Internal Risk Rating**

The following tables present the fair value of bonds and mortgages at FVOCI and carrying amounts of mortgages at amortized cost held by Lifeco. Risk ratings are based on internal ratings used in the measurement of ECL as at the reporting date.

	Performing		Impaired	Total
	Stage 1	Stage 2	Stage 3	
December 31, 2024				
Bonds at FVOCI				
Investment grade	13,669	–	–	13,669
Non-investment grade	75	14	–	89
	13,744	14	–	13,758
Mortgages at FVOCI				
Investment grade	446	–	–	446
Non-investment grade	–	15	–	15
	446	15	–	461
Mortgages at amortized cost				
Investment grade	4,562	–	–	4,562
Non-investment grade	–	266	–	266
Impaired	–	–	10	10
	4,562	266	10	4,838
Allowance for credit losses	(1)	(20)	(7)	(28)
	4,561	246	3	4,810
December 31, 2023				
Bonds at FVOCI				
Investment grade	11,668	–	–	11,668
Non-investment grade	77	5	–	82
	11,745	5	–	11,750
Mortgages at FVOCI				
Investment grade	560	–	–	560
Non-investment grade	–	18	–	18
	560	18	–	578
Mortgages at amortized cost				
Investment grade	4,088	–	–	4,088
Non-investment grade	–	357	–	357
Impaired	–	–	11	11
	4,088	357	11	4,456
Allowance for credit losses	(1)	(29)	(4)	(34)
	4,087	328	7	4,422

NOTE 23 Risk Management (CONTINUED)**Credit Impact on Financial Assets Designated as FVPL**

The carrying value of Lifeco's portfolio investments designated as FVPL represents the maximum exposure to credit risk for those assets. The change in fair value attributable to the change in credit risk of these assets is generally insignificant in the absence of significant credit events occurring on specific assets. In 2024, a fair value loss of \$67 million (\$80 million in 2023) was reflected in changes in FVPL in the statement of earnings related to significant credit events occurring on assets designated as FVPL.

Asset Quality

Bond Portfolio Quality December 31	2024	2023
Based on internal ratings:		
AAA	24,462	24,298
AA	32,310	31,435
A	60,041	54,807
BBB	47,936	44,811
BB and lower	2,365	1,700
	167,114	157,051
Derivative Portfolio Quality December 31	2024	2023
Over-the-counter contracts (counterparty ratings):		
AA	1,687	1,448
A	743	770
Exchange-traded	1	1
	2,431	2,219
Reinsurance Contract Held Assets Quality December 31	2024	2023
Based on rating agency ratings:		
AA- to AA+	16,409	15,955
A- to A+	1,424	1,365
BBB+ and lower	8	9
Not rated	1	3
	17,842	17,332
Total reinsurance contract held assets less collateral	4,177	4,296

Total reinsurance contract held assets are net of funds held under reinsurance contracts.

As at December 31, 2024, \$12,633 million of the \$17,842 million of reinsurance contract held assets are ceded to Protective Life Insurance Company (\$12,122 million of \$17,332 million at December 31, 2023). This concentration risk is mitigated by funds held in trust and other arrangements of \$13,774 million as at December 31, 2024 (\$13,710 million at December 31, 2023).

NOTE 23 Risk Management (CONTINUED)**Funds Held Under Investment Contracts and Funds Held by Ceding Insurers**

At December 31, 2024, Lifeco had amounts on deposit of \$6,895 million (\$7,268 million at December 31, 2023) for funds held under investment contracts. This amount has been included in other assets on the balance sheets. At December 31, 2024, Lifeco had amounts on deposit of \$3,640 million (\$3,926 million at December 31, 2023) for funds held by ceding insurers. This amount has been included in the measurement of insurance contract liabilities on the balance sheets. Included in these amounts are assets of \$98 million at December 31, 2024 (\$37 million at December 31, 2023) where Lifeco does not retain the credit risk. Income and expenses arising from the agreements are included in net investment result in the statements of earnings.

The details of the funds on deposit for certain agreements where Lifeco has credit risk are as follows:

Carrying Values and Estimated Fair Values

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
December 31				
Cash and cash equivalents	206	206	189	189
Bonds	9,689	9,689	10,415	10,415
Mortgages	384	384	418	418
Other assets	158	158	135	135
	10,437	10,437	11,157	11,157
Supporting:				
Insurance contract liabilities	3,542	3,542	3,834	3,834
Investment contract liabilities	6,895	6,895	7,268	7,268
Surplus	—	—	55	55
	10,437	10,437	11,157	11,157

Bonds

The following provides details of the carrying value of bonds included in the funds on deposit by issuer and industry sector:

	2024		2023	
December 31				
Bonds issued or guaranteed by:				
Treasuries		265		487
Government-related		1,080		1,139
Agency securitized		94		103
Non-agency securitized		1,063		1,135
Financials		1,670		1,731
Communications		291		332
Consumer products		1,525		1,609
Energy		504		534
Industrials		927		1,011
Technology		349		385
Transportation		306		301
Utilities		1,615		1,648
		9,689		10,415

Asset Quality

	2024		2023	
Bond Portfolio Quality				
December 31				
AAA		794		951
AA		2,332		2,536
A		4,002		3,973
BBB		2,501		2,856
BB and lower		60		99
		9,689		10,415

NOTE 23 Risk Management (CONTINUED)**Mortgages**

The following provides details of the carrying value of mortgages included in the funds on deposit by property type:

December 31	2024	2023
Multi-family residential	81	107
Commercial	303	311
	384	418

MARKET RISK**Foreign Exchange Risk**

If the assets backing insurance and investment contract liabilities are not matched by currency, changes in foreign exchange rates can expose Lifeco to the risk of foreign exchange losses not offset by liability decreases.

- A 10% weakening of the Canadian dollar against foreign currencies would be expected to increase non-participating insurance and investment contract liabilities and their supporting assets by approximately the same amount, resulting in an immaterial immediate change to net earnings. A 10% strengthening of the Canadian dollar against foreign currencies would be expected to decrease non-participating insurance and investment contract liabilities and their supporting assets by approximately the same amount, resulting in an immaterial immediate change to net earnings.

Lifeco has net investments in foreign operations. Lifeco's debt obligations are denominated in Canadian dollars, euros and U.S. dollars. In accordance with IFRS, foreign currency translation gains and losses from net investments in foreign operations, net of related hedging activities and tax effects, are recorded in other comprehensive income. Strengthening or weakening of the Canadian dollar spot rate compared to the U.S. dollar, British pound and euro spot rates impacts Lifeco's total equity. Correspondingly, Lifeco's book value per share and capital ratios monitored by rating agencies are also impacted.

Interest Rate Risk

The following policies and procedures are in place to mitigate Lifeco's exposure to interest rate risk:

- Lifeco manages its interest rate risk by investing in assets that are suitable for the products sold.
- Lifeco uses a formal process for managing the matching of assets and liabilities. This involves grouping general fund assets and liabilities into each of its segments. Assets in each of its segment are generally managed in relation to the liabilities in the segment.

- For products with fixed and highly predictable benefit payments, investments are generally made in fixed income assets or investment properties whose cash flows closely match the liability product cash flows. Where assets are not available to match certain period cash flows, such as long-tail cash flows, a portion of these are invested in equities and non-fixed income assets while the rest are duration matched.
- Hedging instruments are employed when there is a lack of suitable permanent investments or to manage the level of loss exposure to interest rate changes.
- To the extent asset and liability cash flows are matched, protection against interest rate change is achieved and any change in the fair value of the assets will be offset by a similar change in the fair value of the liabilities.
- For products with less predictable timing of benefit payments, investments are made in fixed income assets with cash flows of a shorter duration than the anticipated timing of benefit payments, or equities and non-fixed income assets.
- The risks associated with the mismatch in portfolio duration and cash flow, asset prepayment exposure and the pace of asset acquisition are quantified and reviewed regularly.

The impact to net earnings from changes in the interest rates would be largely offset by changes in the value of financial assets supporting the liabilities. However, differences in the interest rate sensitivity in the value of assets and the value of insurance and investment contract liabilities leads to a sensitivity to interest rate movements in net earnings.

Lifeco's asset liability management strategy uses equities and other non-fixed income assets as a component of general fund assets supporting liabilities, which leads to interest rate exposure in the net earnings. Further, the classification of financial assets, such as mortgage assets which are valued at amortized cost and held in the general fund assets supporting liabilities, also contributes to interest rate exposure in net earnings.

The impact to net earnings and equity from an immediate parallel 50 basis point increase or decrease in interest rates is illustrated in the table below, rounded to the nearest \$25 million:

Change in Market Yield Curves

December 31	2024		2023	
	Increase 50 basis points interest rates	Decrease 50 basis points interest rates	Increase 50 basis points interest rates	Decrease 50 basis points interest rates
Net earnings	125	(150)	175	(225)
Equity	75	(125)	150	(225)

The sensitivities above reflect the immediate impacts on net earnings and equity from market movements.

NOTE 23 Risk Management (CONTINUED)

Actual impacts of interest rate changes will vary depending upon the geography where the changes occur. Net earnings are positively impacted by a parallel increase in interest rates in Canada, the United States and the United Kingdom and are positively impacted by a parallel decrease in interest rates in the eurozone. Actual impacts of interest rate changes also vary by the level of change in interest rates by term. Therefore, actual impacts from interest rate changes may differ from the estimated impact of parallel movements in all geographies, which is presented above.

The potential impact on the net earnings does not take into account any future potential changes to Lifeco's ultimate investment rate (UIR) assumptions. As at both December 31, 2024 and December 31, 2023, the sensitivity of net earnings to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of \$25 million or a decrease of \$25 million post-tax, respectively.

The impact to net earnings and equity from an immediate parallel 50 basis point increase or decrease in credit spreads is illustrated in the table below, rounded to the nearest \$25 million, with no change to the ultimate illiquidity premium.

Change in Credit Spreads

	2024		2023	
	Increase 50 basis points credit spreads	Decrease 50 basis points credit spreads	Increase 50 basis points credit spreads	Decrease 50 basis points credit spreads
December 31				
Net earnings	250	(300)	300	(375)
Equity	325	(400)	350	(450)

The sensitivities above reflect the immediate impacts on net earnings and equity from market movements.

Actual impacts of credit spread changes will vary depending on the geographies where the changes occur, and the changes in credit spreads by term. A change in credit spreads may also lead to a change in the allowance for credit risk within the discount rate, depending on prevailing market and credit conditions at the time; any potential earnings impacts that may arise from such a change are not reflected in the sensitivities above.

Equity Risk

Lifeco has investment policy guidelines in place that provide for prudent investment in equity markets with clearly defined limits to mitigate price risk. The risks associated with segregated fund guarantees on lifetime Guaranteed Minimum Withdrawal Benefits have been mitigated through a hedging program using equity futures, currency forwards and interest rate derivatives.

Some insurance and investment contract liabilities with long-tail cash flows are supported by publicly traded common shares and investments in other non-fixed income assets, primarily comprised of investment properties, real

estate funds, private equities, and equity-release mortgages. Net earnings will reflect changes in the value of non-fixed income assets. However, in most cases the value of the liabilities will not fluctuate with changes in the value of the non-fixed income assets.

The liabilities for segregated fund products with guarantees will fluctuate with changes in the value of the non-fixed income assets. Under current market conditions, there are no earnings impacts to Lifeco on segregated fund business that it does not hedge, as changes in the cost of guarantees are fully offset within the CSM. For segregated fund business that Lifeco hedges, there is a limited earnings impact with respect to the change in liability versus the change in hedge assets.

On January 1, 2024, Lifeco completed the sale of Putnam Investments and currently holds approximately 31,600,000 Franklin Templeton common shares as part of the consideration, which are classified as FVOCI. Lifeco has agreed to hold a majority of these shares until at least January 1, 2029.

The following table provides information on the expected immediate impacts of an immediate 10% or 20% increase or decrease in the value of publicly traded common shares on net earnings and equity, rounded to the nearest \$25 million:

Change in Publicly Traded Common Share Values

	2024 ^[1]				2023			
	Increase		Decrease		Increase		Decrease	
December 31	20%	10%	10%	20%	20%	10%	10%	20%
Net earnings	100	50	(50)	(100)	225	100	(100)	(225)
Equity	525	250	(250)	(525)	525	250	(250)	(525)

[1] The net impact of the sale of Putnam Investments and the receipt of Franklin Templeton common shares is reflected in the December 31, 2024 values in the table above. The Franklin Templeton common shares are measured at FVOCI and therefore unrealized gains and losses do not impact net earnings. The after-tax impact on equity of the Franklin Templeton common shares is approximately \$75 million for every 10% change in the common share equity value.

The sensitivities above reflect the immediate impacts on the net earnings and equity from market movements.

NOTE 23 Risk Management (CONTINUED)

The following table provides information on the expected impacts of an immediate 5% or 10% increase or decrease in the value of other non-fixed income assets on net earnings and equity, rounded to the nearest \$25 million:

Change in Other Non-Fixed Income Asset Values

	2024				2023			
	Increase		Decrease		Increase		Decrease	
	10%	5%	5%	10%	10%	5%	5%	10%
December 31								
Net earnings	425	225	(225)	(450)	400	200	(200)	(425)
Equity	475	250	(250)	(500)	450	225	(225)	(450)

The sensitivities above reflect the immediate impacts on net earnings and equity from market movements.

IGM FINANCIAL

The risk committee of the board of IGM is responsible for assisting the board of directors of IGM in reviewing and overseeing the risk governance structure and risk management program of IGM.

LIQUIDITY RISK

IGM's liquidity profile is structured to ensure it has sufficient liquidity to satisfy current and prospective requirements in both normal and stressed conditions. IGM's liquidity management practices include:

- Maintaining liquid assets and lines of credit to satisfy near-term liquidity needs.
- Ensuring effective controls over liquidity management processes.
- Performing regular cash forecasts and stress testing.
- Regular assessment of capital market conditions and IGM's ability to access bank and capital market funding.
- Ongoing efforts to diversify and expand long-term mortgage funding sources.
- Oversight of liquidity risks by its internal financial risk management committee.

A key liquidity requirement for IGM is the funding of advisor network compensation paid for the distribution of financial products and services. This compensation continues to be paid from operating cash flows.

IGM also maintains sufficient liquidity to fund and temporarily hold mortgages, which include home equity lines of credit (HELOCs), pending sale or securitization to long-term funding sources and to manage any derivative collateral requirements. Through its mortgage banking operations, residential mortgages are sold to third parties including certain mutual funds, institutional investors through private placements, Canadian bank-sponsored securitization trusts, and by issuance and sale of National Housing Act Mortgage-Backed Securities (NHA MBS), including sales to Canada Housing Trust under the Canada Mortgage Bond Program (CMB Program).

Certain subsidiaries of IGM are approved issuers of NHA MBS and are approved sellers into the CMB Program. Capacity for sales under the CMB Program consists of participation in new CMB issues and reinvestment of principal repayments held in principal reinvestment accounts.

IGM maintains committed capacity within certain Canadian bank-sponsored securitization trusts.

IGM accesses the unsecured long-term debt markets for corporate purposes and ensures a well-diversified maturity schedule to manage associate liquidity risks.

IGM's contractual maturities of certain liabilities were as follows:

December 31, 2024	Payments due by period				
	Demand	1 year or less	1-5 years	Over 5 years	Total
Derivative financial instruments	–	11	15	–	26
Deposits and certificates ^[1]	3,703	–	–	–	3,703
Obligations to securitization entities	–	1,191	3,816	18	5,025
Future lease payments	–	29	92	107	228
Debentures	–	–	525	1,875	2,400
Total contractual maturities	3,703	1,231	4,448	2,000	11,382

[1] Deposits and certificates due on demand are primarily offset by IGM's client funds held on deposit.

In addition to IGM's current balance of cash and cash equivalents, liquidity is available through IGM's lines of credit. IGM's lines of credit with various Schedule I Canadian chartered banks totalled \$800 million as at December 31, 2024 (unchanged from December 31, 2023). The lines of credit as at December 31, 2024 consisted of committed lines of \$650 million and uncommitted lines of \$150 million. Any advances made by the banks

under the uncommitted lines are at the banks' sole discretion. As at December 31, 2024 and 2023, IGM was not utilizing its committed lines of credit or its uncommitted lines of credit.

IGM's liquidity position and its management of liquidity risk have not changed materially since December 31, 2023.

NOTE 23 Risk Management (CONTINUED)**CREDIT RISK**

IGM's cash and cash equivalents, client funds on deposit, mortgage portfolios and derivatives are subject to credit risk. IGM monitors its credit risk management practices on an ongoing basis to evaluate their effectiveness.

At December 31, 2024, IGM's cash and cash equivalents of \$910 million (\$545 million in 2023) consisted of cash balances of \$545 million (\$217 million in 2023) on deposit with Canadian chartered banks and cash equivalents of \$365 million (\$328 million in 2023). IGM manages credit risk related to cash and cash equivalents by adhering to its investment and counterparty credit risk management policies that outline credit risk parameters and concentration limits. IGM regularly reviews the credit ratings of its counterparties. The maximum exposure to credit risk on these financial instruments is their carrying value.

Client funds on deposit of \$3.7 billion (\$3.4 billion in 2023) are held with Schedule I chartered banks.

As at December 31, 2024, residential mortgages, including HELOCs, recorded on IGM's balance sheets, of \$5.5 billion (\$5.1 billion in 2023) consisted of \$5.1 billion sold to securitization programs (\$4.7 billion in 2023), \$406 million held pending sale or securitization (\$376 million in 2023) and \$11 million related to IGM's intermediary operations (\$12 million in 2023).

IGM manages credit risk related to residential mortgages through:

- Adhering to its lending policy and underwriting standards;
- Its loan servicing capabilities;
- Use of client-insured mortgage default insurance and mortgage portfolio default insurance held by IGM; and
- Its practice of originating its mortgages exclusively through its own network of Mortgage Advisors and IG Wealth Management advisors as part of a client's IG Living Plan™.

In certain instances, IGM's credit risk is also limited by the terms and nature of securitization transactions as described below:

- Under the NHA MBS program totalling \$2.5 billion (\$2.4 billion in 2023), IGM is obligated to make timely payment of principal and coupons irrespective of whether such payments were received from the mortgage borrower. However, as required by the NHA MBS program, 100% of the loans are insured by an approved insurer.
- Credit risk for mortgages securitized by transfer to bank-sponsored securitization trusts totalling \$2.6 billion (\$2.3 billion in 2023) is limited to amounts held in cash reserve accounts and future net interest income, the fair values of which were \$63 million (\$58 million in 2023) and \$38 million (\$37 million in 2023), respectively, at December 31, 2024. Cash reserve accounts are reflected on the balance sheets, whereas rights to future net interest income are not reflected on the balance sheets and will be recorded over the life of the mortgages.

At December 31, 2024, residential mortgages recorded on the balance sheets were 48.9% insured (50.7% in 2023). At December 31, 2024, impaired mortgages on these portfolios were \$4 million (\$3 million in 2023). Uninsured non-performing mortgages over 90 days on these portfolios were \$2 million at December 31, 2024 (\$3 million in 2023).

IGM also retains certain elements of credit risk on mortgage loans sold to the IG Mackenzie Mortgage and Short-Term Income Fund through an agreement to repurchase mortgages in certain circumstances benefiting the funds. These loans are not recorded on the balance sheets as IGM has transferred substantially all of the risks and rewards of ownership associated with these loans.

IGM regularly reviews the credit quality of the mortgages and the adequacy of the allowance for expected credit losses.

IGM's allowance for expected credit losses was \$1 million at December 31, 2024 (\$1 million in 2023), and is considered adequate by IGM's management to absorb all credit-related losses in the mortgage portfolios based on: i) historical credit performance experience; ii) recent trends in interest rates; iii) current portfolio credit metrics and other relevant characteristics; iv) its strong financial planning relationship with its clients; and v) stress testing of losses under adverse real estate market conditions.

IGM's exposure to and management of credit risk related to cash and cash equivalents, fixed income securities and mortgage portfolios have not changed materially since December 31, 2023.

IGM is exposed to credit risk through the derivative contracts it utilizes to hedge interest rate risk, to facilitate securitization transactions and to hedge market risk related to certain share-based compensation arrangements. These derivatives are discussed more fully under the IGM market risk section below.

To the extent that the fair value of the derivatives is in a gain position, IGM is exposed to the credit risk that its counterparties fail to fulfill their obligations under these arrangements.

IGM's derivative activities are managed in accordance with its derivative policy, which includes counterparty limits and other parameters to manage counterparty risk. Counterparties are all Canadian Schedule I chartered banks and, as a result, management of IGM has determined that its overall credit risk related to derivatives was not significant at December 31, 2024. Management of credit risk related to derivatives has not changed materially since December 31, 2023.

NOTE 23 Risk Management (CONTINUED)**MARKET RISK****Foreign Exchange Risk**

IGM is exposed to foreign exchange risk on its investment in ChinaAMC and Rockefeller. Changes to the carrying value due to changes in foreign exchange rates are recognized in other comprehensive income. As of December 31, 2024, a 5% appreciation (depreciation) in Canadian currency relative to foreign currencies would decrease (increase) the aggregate carrying value of foreign investments by approximately \$138 million (\$152 million in 2023).

Interest Rate Risk

IGM is exposed to interest rate risk on its loan portfolio and on certain of the derivative financial instruments used in IGM's mortgage banking operations.

IGM manages interest rate risk associated with its mortgage banking operations by entering into interest rate swaps with Canadian Schedule I chartered banks as follows:

- IGM has in certain instances funded floating rate mortgages with fixed rate Canada Mortgage Bonds (CMB) as part of the securitization transactions under the CMB Program. As part of the CMB Program, IGM is party to a swap whereby it is entitled to receive investment returns on reinvested mortgage principal and is obligated to pay CMB coupons. This swap had a fair value of \$4 million (\$8 million in 2023) and an outstanding notional value of \$0.3 billion at December 31, 2024 (\$0.2 billion in 2023). IGM enters into interest rate swaps with Canadian Schedule I chartered banks to hedge the risk that the interest rates earned on floating rate mortgages and reinvestment returns decline. The fair value of these swaps totalled negative \$4 million (negative \$13 million in 2023), on an outstanding notional amount of \$1.4 billion at December 31, 2024 (\$1.4 billion in 2023). The net fair value of these swaps recorded on the balance sheets was negative \$8 million at December 31, 2024 (negative \$5 million in 2023) and had an outstanding notional amount of \$1.7 billion at December 31, 2024 (\$1.6 billion in 2023).
- IGM is exposed to the impact that changes in interest rates may have on the value of mortgages committed to or held pending sale or securitization to long-term funding sources. IGM enters into interest rate swaps to hedge the interest rate risk related to funding costs for mortgages held by IGM pending sale or securitization. The fair value of these swaps was negative \$1 million (negative \$1 million in 2023) on an outstanding notional amount of \$166 million at December 31, 2024 (\$182 million in 2023).

As at December 31, 2024, the impact to net earnings of a 100-basis-point increase in interest rates would have been an increase of approximately \$1 million (increase of \$1 million in 2023). IGM's exposure to and management of interest rate risk have not changed materially since December 31, 2023.

Equity Risk

IGM is exposed to equity risk on its equity investments which are classified as FVPL and on its investments in associates, which are accounted for using the equity method.

IGM sponsors a number of deferred compensation arrangements where payments to participants are deferred and linked to the performance of the common shares of IGM Financial Inc. IGM hedges its exposure to this risk through the use of forward agreements and total return swaps.

Risks Related to Assets Under Management and Advisement

Risks related to the performance of the equity markets, changes in interest rates and changes in foreign currencies relative to the Canadian dollar can have a significant impact on the level and mix of assets under management and advisement. These changes in assets under management and advisement directly impact earnings of IGM.

NOTE 24 Insurance Revenue

Years ended December 31	2024	2023
Contracts not measured under the PAA		
Amounts relating to changes in liabilities for remaining coverage		
Experience adjustments	(61)	(87)
CSM recognized for services provided	1,262	1,224
Change in risk adjustment for non-financial risk for risk expired	624	609
Expected incurred claims and other insurance service expenses	9,527	9,161
Recovery of insurance acquisition cash flows	588	556
	11,940	11,463
Contracts measured under the PAA	9,274	8,939
Total insurance revenue	21,214	20,402

NOTE 25 Insurance Service and Operating and Administrative Expenses

Years ended December 31	2024	2023
Claims and benefits incurred	14,598	13,982
Allocation of premium directly to recovery of insurance acquisition cash flows	748	702
Adjustments to the liability for incurred claims	(773)	(625)
Losses and reversal of losses on onerous insurance contracts	97	62
Salaries and other employee benefits	6,352	5,796
General and administrative	3,330	3,170
Amortization, depreciation and impairment	1,319	854
Commissions	3,023	2,714
Restructuring and other	136	336
Total expenses	28,830	26,991
Represented by:		
Insurance service expenses	16,368	15,777
Operating and administrative expenses	12,462	11,214
Total expenses	28,830	26,991

RESTRUCTURING CHARGES

Restructuring and integration expenses are recorded in operating and administrative expenses on the statements of earnings and include:

Lifeco**Canada Restructuring**

For the year ended December 31, 2024, Lifeco recorded a restructuring provision of \$23 million in Canada. The restructuring is related to the transitioning of some of the information technology operations functions to a managed service arrangement with an external provider. As at December 31, 2024, Lifeco has a provision of \$7 million remaining in other liabilities related to this restructuring and expects to utilize a significant portion of these amounts during 2025.

Empower Restructuring and Integration

For the year ended December 31, 2024, Lifeco recorded a restructuring provision of \$29 million in the United States (\$5 million in 2023). As at December 31, 2024, Lifeco has a provision of \$10 million remaining in other liabilities related to this restructuring (\$7 million at December 31, 2023). The restructuring is primarily attributable to staff reductions and other exit costs related to Lifeco's acquisition of the retirement services businesses of Massachusetts Mutual Life Insurance Company and Prudential Financial, Inc. (Prudential). Lifeco expects to pay out a significant portion of these amounts during 2025.

For the year ended December 31, 2024, Lifeco recorded integration expenses of \$44 million (\$95 million in 2023).

Europe Restructuring

For the year ended December 31, 2024, Lifeco recorded a restructuring provision of \$26 million in Europe (\$126 million in 2023). As at December 31, 2024, Lifeco has a provision of \$104 million remaining in other liabilities related to this restructuring (\$106 million at December 31, 2023). The restructuring provisions are related to staff reductions as well as other business transformation initiatives.

IGM Financial

In 2023, IGM recognized restructuring and other charges of \$103 million resulting from streamlining and simplifying IGM's business to more effectively align with its business priorities. The charge includes IGM's changes to its organizational structure to advance the growing needs of its business, digital transformation by retiring duplicate systems and modernizing information technology and an effort to consolidate its real estate footprint to better reflect client and advisor needs.

Power Sustainable Manager Inc.

In 2024, Power Sustainable Manager Inc. realigned its strategies, which included a strategic decision to wind down its China public equity strategy and close its investment management operations in China. Power Sustainable Manager Inc. recorded a restructuring charge of \$14 million for the year ended December 31, 2024.

At December 31, 2024, the balance of restructuring provisions, including those above, amounts to \$148 million (\$175 million in 2023) and is recorded in other liabilities.

NOTE 26 Financing Charges

Years ended December 31	2024	2023
Interest on debentures and other debt instruments	686	644
Interest on lease liabilities	35	28
Interest on limited recourse capital notes	54	54
Interest on capital trust debentures	11	11
Other	26	29
	812	766

NOTE 27 Pension Plans and Other Post-Employment Benefits

CHARACTERISTICS, FUNDING AND RISKS

The Corporation and its subsidiaries maintain funded defined benefit pension plans for eligible employees and advisors as well as unfunded supplementary employee retirement plans (SERP) for eligible employees. The Corporation and its subsidiaries also maintain defined contribution pension plans for eligible employees and advisors.

The defined benefit pension plans provide pensions based on length of service and final average earnings; however, the defined benefit plans of the Corporation and its subsidiaries are closed to new entrants. Many of the defined benefit pension plans also no longer provide future defined benefit accruals. The Corporation and its subsidiaries' defined benefit plan exposure is expected to reduce in future years. Where defined benefit pension accruals continue, in most circumstances active plan participants share in the cost by making contributions in respect of current service. Certain pension payments are indexed either on an ad hoc basis or a guaranteed basis. The determination of the defined benefit obligation reflects pension benefits in accordance with the terms of the plans, and assuming the plans are not terminated. Assets supporting the funded pension plans are held in separate trustee pension funds. Obligations for the wholly unfunded plans are supported by assets of the Corporation or its subsidiaries, as applicable.

New hires are only eligible for defined contribution benefits. The defined contribution pension plans provide pension benefits based on accumulated employee and employer contributions. Contributions to these plans are a set percentage of employees' annual income and may be subject to certain vesting requirements.

The Corporation and its subsidiaries also provide unfunded post-employment health, dental and life insurance benefits to eligible employees, advisors and their dependents. The Corporation and its subsidiaries' plans were previously amended to limit which employees could become eligible to receive benefits and Lifeco's subsidiaries' plans are closed to new hires. The obligations for these benefits are supported by assets of the Corporation or its subsidiaries, as applicable.

The Corporation and its subsidiaries have pension and benefit committees or a trustee arrangement that provides oversight for the benefit plans. The benefit plans are monitored on an ongoing basis to assess the benefit, funding and investment policies, financial status, and funding requirements. Significant changes to benefit plans of the Corporation or of its subsidiaries require approval from the respective board of directors or committee thereof.

The Corporation and its subsidiaries' funding policy for the funded pension plans requires annual contributions equal to or greater than those required by the applicable regulations and plan provisions that govern the funding of the plans. Where funded plans have a net defined benefit asset, the Corporation and its subsidiaries determine if an economic benefit exists in the form of potential reductions in future contributions, the present value of future expenses to be paid from the plan and in the form of surplus refunds, where permitted by applicable regulation and plan provisions.

By their design, the defined benefit plans expose the Corporation and its subsidiaries to the typical risks faced by defined benefit plans, such as investment performance, changes to the discount rates used to value the obligations, longevity of plan members, and future inflation. Pension and benefit risk is managed by regular monitoring of the plans, applicable regulations and other factors that could impact the expenses and cash flows of the Corporation and its subsidiaries.

NOTE 27 Pension Plans and Other Post-Employment Benefits (CONTINUED)**PLAN ASSETS, BENEFIT OBLIGATION AND FUNDED STATUS**

	2024		2023	
	Defined benefit pension plans	Other post-employment benefits	Defined benefit pension plans	Other post-employment benefits
December 31				
Change in fair value of plan assets				
Fair value of plan assets, beginning of year	7,590	—	7,332	—
Interest income	327	—	359	—
Employee contributions	24	—	24	—
Employer contributions	13	23	58	20
Actual return on assets greater than interest income	163	—	216	—
Benefits paid	(380)	(23)	(379)	(20)
Settlements	(56)	—	(27)	—
Administrative expenses	(9)	—	(10)	—
Foreign exchange and other	114	—	17	—
Fair value of plan assets, end of year	7,786	—	7,590	—
Change in defined benefit obligation				
Defined benefit obligation, beginning of year	7,631	298	7,086	294
Current service cost	63	2	56	2
Employee contributions	24	—	24	—
Interest cost	333	13	345	16
Actuarial (gains) losses on:				
Financial assumption changes	(172)	—	511	18
Demographic assumption changes	(3)	(1)	(30)	(2)
Arising from member experience	52	2	33	(2)
Benefits paid	(380)	(23)	(379)	(20)
Plan amendments	—	—	—	(7)
Settlements	(58)	—	(30)	—
Foreign exchange and other	110	1	15	(1)
Defined benefit obligation, end of year	7,600	292	7,631	298
Funded status				
Fund surplus (deficit)	186	(292)	(41)	(298)
Unrecognized amount due to asset ceiling (see below)	(177)	—	(213)	—
Accrued benefit asset (liability)	9	(292)	(254)	(298)

The aggregate defined benefit obligation of pension plans is as follows:

	2024	2023
December 31		
Wholly or partly funded plans	7,012	7,039
Wholly unfunded plans	588	592

NOTE 27 Pension Plans and Other Post-Employment Benefits (CONTINUED)

The net accrued benefit asset (liability) shown above is presented in these financial statements as follows:

	2024			2023		
December 31	Defined benefit pension plans	Other post-employment benefits	Total	Defined benefit pension plans	Other post-employment benefits	Total
Pension benefit assets [Note 8]	610	–	610	427	–	427
Pension and other post-employment benefit liabilities [Note 17]	(601)	(292)	(893)	(681)	(298)	(979)
Accrued benefit asset (liability)	9	(292)	(283)	(254)	(298)	(552)

Under International Financial Reporting Interpretations Committee (IFRIC) 14, *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, the Corporation and its subsidiaries must assess whether each pension plan's asset has economic benefit to the Corporation and its subsidiaries through future contribution reductions, the present value of

future expenses to be paid from the plan, or surplus refunds; in the event the Corporation or its subsidiaries are not entitled to a benefit, a limit or "asset ceiling" is required on the balance sheet. The following provides a breakdown of the changes in the asset ceiling:

December 31	2024	2023
Asset ceiling, beginning of year	213	328
Interest on asset ceiling	8	14
Change in asset ceiling	(48)	(130)
Foreign exchange rate changes	4	1
Asset ceiling, end of year	177	213

PENSION AND OTHER POST-EMPLOYMENT BENEFIT EXPENSE

	2024		2023	
December 31	Pension plans	Other post-employment benefits	Pension plans	Other post-employment benefits
Defined benefit current service cost	63	2	56	2
Net interest cost	14	13	–	16
Past service cost, plan amendments and settlements	(2)	–	(3)	(7)
Administrative expenses	9	–	10	–
Defined contribution current service cost	232	–	248	–
Expense recognized in net earnings	316	15	311	11
Actuarial (gains) losses recognized	(123)	1	514	14
Return on assets greater than discount rate	(163)	–	(216)	–
Change in asset ceiling	(48)	–	(130)	–
Expense (income) recognized in other comprehensive income (loss)	(334)	1	168	14
Total expense (income)	(18)	16	479	25

In 2024, the Corporation and its subsidiaries incurred \$1 million of actuarial gains (\$5 million of actuarial losses in 2023) for pension plan remeasurements not included in the table shown above. This relates to the share of actuarial gains (losses) for investments in jointly controlled corporations and associates.

NOTE 27 Pension Plans and Other Post-Employment Benefits (CONTINUED)**ASSET ALLOCATION BY MAJOR CATEGORY WEIGHTED BY PLAN ASSETS**

December 31 Percentage [%]	Defined benefit pension plans	
	2024	2023
Equity securities	37	36
Debt securities	52	53
All other assets ^[1]	11	11
	100	100

[1] Includes \$109 million of buy-in annuities purchased in 2023 by a subsidiary of the Corporation to cover a portion of its future annuity payments.

No plan assets are directly invested in the Corporation's or subsidiaries' securities. Lifeco's plan assets include investments in segregated and other funds managed by subsidiaries of Lifeco of \$5,971 million at December 31, 2024 (\$5,841 million at December 31, 2023) of which \$5,970 million (\$5,827 million at December 31, 2023) are included in the

balance sheets. Plan assets do not include any property occupied or other assets used by Lifeco. A portion of IGM's plan assets are invested in investment funds managed by IGM or related parties. A portion of Power Corporation and Power Financial's plan assets are invested in segregated funds managed by a subsidiary of Lifeco.

DETAILS OF DEFINED BENEFIT OBLIGATION**Portion of Defined Benefit Obligation Subject to Future Salary Increases**

December 31	2024		2023	
	Defined benefit pension plans	Other post-employment benefits	Defined benefit pension plans	Other post-employment benefits
Benefit obligation without future salary increases	7,085	292	7,097	298
Effect of assumed future salary increases	515	—	534	—
Defined benefit obligation	7,600	292	7,631	298

Maturity Profile of Plan Membership

December 31 Percentage [%]	2024		2023	
	Defined benefit pension plans	Other post-employment benefits	Defined benefit pension plans	Other post-employment benefits
Actives	35	19	36	18
Deferred vesteds	14	—	14	—
Retirees	51	81	50	82
Total	100	100	100	100
Weighted average duration of defined benefit obligation (in years)	14.5	9.9	14.2	9.7

CASH FLOW INFORMATION

The expected employer contributions (use of surplus) for the year 2025 are as follows:

	Pension plans	Other post-employment benefits
Funded (wholly or partly) defined benefit plans	(32)	—
Unfunded defined benefit plans	40	23
Defined contribution plans	228	—
Total	236	23

NOTE 27 Pension Plans and Other Post-Employment Benefits (CONTINUED)**ACTUARIAL ASSUMPTIONS AND SENSITIVITIES****Actuarial Assumptions**

December 31 Percentage [%]	2024		2023	
	Defined benefit pension plans	Other post-employment benefits	Defined benefit pension plans	Other post-employment benefits
Range of discount rates				
To determine benefit cost	4.4-4.6	4.6-5.0	5.0-5.3	5.3-5.4
To determine defined benefit obligation at year-end	4.5-4.8	4.6-5.0	4.4-4.6	4.6-5.0
Weighted average assumptions used to determine benefit cost^[1]				
Discount rate	4.5	4.7	5.1	5.3
Rate of compensation increase	3.4	—	3.8	—
Weighted average assumptions used to determine defined benefit obligation at year-end^[1]				
Discount rate	4.6	4.7	4.5	4.7
Rate of compensation increase	3.4	—	3.4	—
Weighted average healthcare trend rates^[1]				
Initial healthcare trend rate		4.8		4.8
Ultimate healthcare trend rate		3.8		4.1
Year ultimate trend rate is reached		2039		2039

[1] Weighted based on the obligations of each plan.

Sample Life Expectancies Based on Mortality Assumptions

December 31	2024		2023	
	Defined benefit pension plans	Other post-employment benefits	Defined benefit pension plans	Other post-employment benefits
Weighted average life expectancies based on mortality assumptions ^[1] :				
Male				
Age 65 in fiscal year	22.9	22.8	22.8	22.7
Age 65 for those age 35 in the fiscal year	24.7	24.2	24.7	24.2
Female				
Age 65 in fiscal year	25.0	25.0	25.1	25.1
Age 65 for those age 35 in the fiscal year	26.9	26.5	26.8	26.4

[1] Weighted based on the obligations of each plan.

Mortality assumptions are significant in measuring the defined benefit obligation for defined benefit plans. The period of time over which benefits are assumed to be paid is based on best estimates of future mortality, including allowances for mortality improvements. This estimate is subject to considerable uncertainty, and judgment is required in establishing this assumption. The mortality assumptions applied by the Corporation and its subsidiaries take into consideration average life expectancy, including allowances for future longevity improvements as appropriate, and reflect variations in such factors as age, gender and geographic location.

The mortality tables are reviewed at least annually, and assumptions are in accordance with accepted actuarial practice. Emerging plan experience is reviewed and considered in establishing the best estimate for future mortality.

The calculation of the defined benefit obligation is sensitive to the mortality assumptions. The effect of a one-year increase in life expectancy would be an increase in the defined benefit obligation of \$215 million for the defined benefit pension plans and \$7 million for the other post-employment benefits.

Impact of Changes to Assumptions on Defined Benefit Obligation

December 31	2024		2023	
	1% increase	1% decrease	1% increase	1% decrease
Defined benefit pension plans:				
Impact of a change to the discount rate	(949)	1,180	(939)	1,163
Impact of a change to the rate of compensation increase	192	(176)	198	(180)
Impact of a change to the rate of inflation	410	(362)	412	(371)
Other post-employment benefits:				
Impact of a change to the discount rate	(26)	30	(26)	30
Impact of a change to assumed medical cost trend rates	17	(15)	18	(16)

To measure the impact of a change in an assumption, all other assumptions were held constant. It would be expected that there would be interaction between at least some of the assumptions and therefore the sensitivity analysis presented may not be representative of the actual change.

NOTE 28 Derivative Financial Instruments

In the normal course of managing exposure to fluctuations in interest and foreign exchange rates, and to market risks, the Corporation and its subsidiaries are end-users of various derivative financial instruments. Contracts are either exchange traded or over-the-counter with counterparties that are credit-worthy financial intermediaries.

The following tables summarize the portfolio of derivative financial instruments of the Corporation and its subsidiaries:

December 31, 2024	Notional amount				Carrying value	
	1 year or less	1-5 years	Over 5 years	Total	Assets	Liabilities
Derivatives not designated as accounting hedges						
Interest rate contracts						
Swaps	1,293	3,674	7,126	12,093	266	(367)
Options purchased	216	864	2,159	3,239	90	–
Options written	150	–	–	150	–	(1)
Futures–short	159	–	–	159	–	–
	1,818	4,538	9,285	15,641	356	(368)
Foreign exchange contracts						
Cross-currency swaps	3,776	9,416	20,514	33,706	1,862	(1,402)
Forward contracts	5,960	7	–	5,967	16	(225)
Options written	109	–	–	109	–	–
	9,845	9,423	20,514	39,782	1,878	(1,627)
Other derivative contracts						
Equity contracts	1,774	773	–	2,547	80	(18)
Futures–long	14	–	–	14	–	–
Futures–short	599	–	–	599	–	–
Equity options written	–	1,509	–	1,509	28	–
Credit default swaps	–	746	13	759	1	–
	2,387	3,028	13	5,428	109	(18)
	14,050	16,989	29,812	60,851	2,343	(2,013)
Fair value hedges						
Foreign currency risk						
Foreign exchange contracts						
Forward contracts	79	–	–	79	–	(3)
Cash flow hedges						
Interest rate risk						
Interest rate contracts						
Swaps	–	145	1,255	1,400	15	(15)
Foreign currency risk						
Foreign exchange contracts						
Cross-currency swaps	46	25	–	71	6	–
Forward contracts	–	267	–	267	1	–
Equity risk						
Other derivative contracts						
Equity contracts	169	336	–	505	132	–
	215	773	1,255	2,243	154	(15)
Net investment hedges						
Foreign currency risk						
Foreign exchange contracts						
Cross-currency swaps	–	–	2,270	2,270	103	(61)
Forward contracts	2,353	547	–	2,900	37	(88)
	2,353	547	2,270	5,170	140	(149)
	16,697	18,309	33,337	68,343	2,637	(2,180)

NOTE 28 Derivative Financial Instruments (CONTINUED)

December 31, 2023	Notional amount				Carrying value	
	1 year or less	1-5 years	Over 5 years	Total	Assets	Liabilities
Derivatives not designated as accounting hedges						
Interest rate contracts						
Swaps	803	3,249	4,694	8,746	215	(380)
Options purchased	200	798	997	1,995	15	–
Futures–short	153	–	–	153	–	–
	1,156	4,047	5,691	10,894	230	(380)
Foreign exchange contracts						
Cross-currency swaps	2,531	9,552	18,704	30,787	1,651	(856)
Forward contracts	3,964	–	–	3,964	46	(14)
Options written	138	–	–	138	–	–
	6,633	9,552	18,704	34,889	1,697	(870)
Other derivative contracts						
Equity contracts	626	1,458	33	2,117	134	(1)
Futures–long	14	–	–	14	–	–
Futures–short	627	–	–	627	1	(4)
Credit default swaps	326	166	173	665	–	–
	1,593	1,624	206	3,423	135	(5)
	9,382	15,223	24,601	49,206	2,062	(1,255)
Fair value hedges						
Foreign currency risk						
Foreign exchange contracts						
Forward contracts	80	–	–	80	1	–
Cash flow hedges						
Interest rate risk						
Interest rate contracts						
Swaps	–	96	846	942	25	(13)
Foreign currency risk						
Foreign exchange contracts						
Cross-currency swaps	18	75	–	93	2	–
Forward contracts	10	–	–	10	–	–
Equity risk						
Other derivative contracts						
Equity contracts	121	320	–	441	114	(8)
	149	491	846	1,486	141	(21)
Net investment hedges						
Foreign currency risk						
Foreign exchange contracts						
Cross-currency swaps	–	–	2,270	2,270	118	(61)
Forward contracts	1,967	507	–	2,474	27	(14)
	1,967	507	2,270	4,744	145	(75)
	11,578	16,221	27,717	55,516	2,349	(1,351)

The amount subject to maximum credit risk is limited to the current fair value of the instruments which are in a gain position (assets). The maximum credit risk represents the total cost of all derivative contracts with positive values and does not reflect actual or expected losses. The total assets and liabilities represents the total amount that the Corporation and its subsidiaries would receive (or pay) to terminate all agreements at year-end. However, this would not result in a gain or loss to the Corporation and its subsidiaries as the derivative instruments which correlate to certain assets and liabilities provide offsetting gains or losses.

NOTE 28 Derivative Financial Instruments (CONTINUED)**DERIVATIVES DESIGNATED AS ACCOUNTING HEDGES**

The following tables provide further details on the portfolio of derivative financial instruments designated as accounting hedges by the Corporation and its subsidiaries:

December 31, 2024 [exchange rates are expressed in dollar terms]	Notional amount			
	1 year or less	1-5 years	Over 5 years	Total
Fair value hedges				
Foreign currency risk				
Foreign exchange contracts				
Forward contracts	79	–	–	79
Weighted average USD-CAD exchange rate	1.37	–	–	1.37
Cash flow hedges				
Interest rate risk				
Interest rate contracts				
Swaps	–	145	1,255	1,400
Weighted average fixed interest rate (%)	–	2.92	3.29	3.25
Foreign currency risk				
Foreign exchange contracts				
Forward contracts	–	267	–	267
Weighted average USD-CAD exchange rate	–	1.40	–	1.40
Cross-currency swaps	46	25	–	71
Weighted average USD-AUD exchange rate	1.33	–	–	1.33
Weighted average USD-CAD exchange rate	1.26	–	–	1.26
Weighted average USD-EUR exchange rate	0.91	0.92	–	0.91
Weighted average USD-GBP exchange rate	0.76	0.76	–	0.76
Equity risk				
Other derivative contracts				
Equity contracts	169	336	–	505
Weighted average share price (POW) (\$/share)	35.12	32.39	–	34.27
Weighted average share price (GWO) (\$/share)	38.71	39.40	–	39.17
Weighted average share price (IGM) (\$/share)	47.84	45.02	–	45.77
Net investment hedges				
Foreign currency risk				
Foreign exchange contracts				
Cross-currency swaps	–	–	2,270	2,270
Weighted average EUR-CAD exchange rate	–	–	1.41	1.41
Weighted average GBP-CAD exchange rate	–	–	1.73	1.73
Forward contracts	2,353	547	–	2,900
Weighted average USD-CAD exchange rate	1.37	–	–	1.37
Weighted average EUR-GBP exchange rate	0.83	0.83	–	0.83

NOTE 28 Derivative Financial Instruments (CONTINUED)

December 31, 2023 [exchange rates are expressed in dollar terms]	Notional amount			
	1 year or less	1-5 years	Over 5 years	Total
Fair value hedges				
Foreign currency risk				
Foreign exchange contracts				
Forward contracts	80	–	–	80
Weighted average USD-CAD exchange rate	1.34	–	–	1.34
Cash flow hedges				
Interest rate risk				
Interest rate contracts				
Swaps	–	96	846	942
Weighted average fixed interest rate (%)	–	3.87	3.22	3.29
Foreign currency risk				
Foreign exchange contracts				
Forward contracts	10	–	–	10
Weighted average USD-CAD exchange rate	1.29	–	–	1.29
Cross-currency swaps	18	75	–	93
Weighted average USD-AUD exchange rate	–	1.33	–	1.33
Weighted average USD-CAD exchange rate	–	1.26	–	1.26
Weighted average USD-EUR exchange rate	0.92	0.91	–	0.91
Weighted average USD-GBP exchange rate	0.76	0.76	–	0.76
Equity risk				
Other derivative contracts				
Equity contracts	121	320	–	441
Weighted average share price (POW) (\$/share)	33.53	34.77	–	34.41
Weighted average share price (GWO) (\$/share)	32.10	37.69	–	35.82
Weighted average share price (IGM) (\$/share)	36.04	48.03	–	45.23
Net investment hedges				
Foreign currency risk				
Foreign exchange contracts				
Cross-currency swaps	–	–	2,270	2,270
Weighted average EUR-CAD exchange rate	–	–	1.41	1.41
Weighted average GBP-CAD exchange rate	–	–	1.73	1.73
Forward contracts	1,967	507	–	2,474
Weighted average USD-CAD exchange rate	1.34	–	–	1.34
Weighted average EUR-GBP exchange rate	0.86	0.86	–	0.86

NOTE 28 Derivative Financial Instruments (CONTINUED)

The Corporation and its subsidiaries use the following derivatives:

Type	Purpose
Interest rate contracts	Interest rate swaps, futures and options are used as part of a portfolio of assets to manage interest rate risk associated with investment activities and insurance and investment contract liabilities and to reduce the impact of fluctuating interest rates on the mortgage banking operations, intermediary operations and debt instruments. Interest rate swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which payments are based. Call options grant the Corporation and its subsidiaries the right to enter into a swap with predetermined fixed rate payments over a predetermined time period on the exercise date. Call options are used to manage the variability in future interest payments due to a change in credited interest rates and the related potential change in cash flows due to surrenders. Call options are also used to hedge minimum rate guarantees, debt instruments and hedging costs of deferred compensation arrangements.
Foreign exchange contracts	Cross-currency swaps are used in combination with other investments to manage foreign exchange risk associated with investment activities and insurance and investment contract liabilities. Under these swaps, principal amounts and fixed or floating interest payments may be exchanged in different currencies. Cross-currency swaps are also used to hedge the Corporation and its subsidiaries' net investment in foreign operations. The Corporation and its subsidiaries may also enter into certain foreign exchange forward contracts to hedge certain product liabilities and future cash flows.
Other derivative contracts	Equity index swaps, futures and options are used to hedge certain product liabilities. Equity index swaps are also used as substitutes for cash instruments and are used to periodically hedge the market risk associated with certain fee income. Equity put options are used to manage the potential credit risk impact of significant declines in certain equity markets. Equity forward agreements and total return swaps are used to manage exposure to fluctuations in the total return of common shares related to deferred compensation arrangements. Forward agreements and total return swaps require the exchange of net contractual payments periodically or at maturity without the exchange of the notional principal amounts on which the payments are based. Certain of these instruments are not designated as hedges.

HEDGE ACCOUNTING**Fair Value Hedges**

The ineffective portion of fair value hedges recognized in the net investment result, which includes foreign exchange contracts, was nil during 2024 and 2023.

Cash Flow Hedges

The ineffective portion of the cash flow hedges, which include interest rate contracts, foreign exchange contracts, and equity total return swap contracts, was not significant during 2024 and 2023, and the anticipated net gains (losses) expected to be reclassified out of other comprehensive income within the next twelve months are not significant. The maximum time frame for which variable cash flows are hedged is 23 years.

NET INVESTMENT HEDGES

The effects of the net investment hedges on the statements of earnings and statements of comprehensive income are shown in the following tables.

	Change in fair value of hedged items for ineffectiveness measurement	Change in fair value of hedging instruments for ineffectiveness measurement	Gains (losses) deferred in other comprehensive income	Gains (losses) reclassified from other comprehensive income into net investment result	Ineffectiveness recognized in net investment result
December 31, 2024					
Euro-denominated debt	30	(30)	(30)	—	—
Cross-currency swaps	85	(85)	(85)	—	—
Foreign exchange forward contracts	88	(88)	(88)	—	—
	203	(203)	(203)	—	—
December 31, 2023					
Euro-denominated debt	10	(10)	(10)	—	—
Cross-currency swaps	35	(35)	(35)	—	—
Foreign exchange forward contracts	(17)	17	17	—	—
	28	(28)	(28)	—	—

NOTE 28 Derivative Financial Instruments (CONTINUED)**ENFORCEABLE MASTER NETTING AGREEMENTS OR SIMILAR AGREEMENTS**

The Corporation and its subsidiaries enter into the International Swaps and Derivative Association's (ISDA's) master agreements for transacting over-the-counter derivatives. The Corporation and its subsidiaries receive and pledge collateral according to the related ISDA's Credit Support Annexes. The ISDA's master agreements do not meet the criteria for offsetting on the balance sheets because they create a right of set-off that is enforceable only in the event of default, insolvency, or bankruptcy.

For exchange-traded derivatives subject to derivative clearing agreements with exchanges and clearing houses, there is no provision for set-off at default. Initial margin is excluded from the tables below as it would become part of a pooled settlement process.

The following disclosure shows the potential effect on the balance sheets of financial instruments that have been shown in a gross position where right of set-off exists under certain circumstances that do not qualify for netting on the balance sheets.

	Gross amount of financial instruments presented in the balance sheet	Related amounts not set off in the balance sheet		Net exposure
		Offsetting counterparty position ^[1]	Financial collateral received/pledged ^[2]	
December 31, 2024				
Financial instruments—assets				
Derivative financial instruments	2,637	(1,134)	(1,130)	373
	2,637	(1,134)	(1,130)	373
Financial instruments—liabilities				
Derivative financial instruments	2,180	(1,134)	(628)	418
	2,180	(1,134)	(628)	418
December 31, 2023				
Financial instruments—assets				
Derivative financial instruments	2,349	(968)	(1,097)	284
	2,349	(968)	(1,097)	284
Financial instruments—liabilities				
Derivative financial instruments	1,351	(968)	(194)	189
	1,351	(968)	(194)	189

[1] Includes counterparty amounts recognized on the balance sheets where the Corporation and its subsidiaries have a potential offsetting position (as described above) but does not meet the criteria for offsetting on the balance sheets, excluding collateral.

[2] Financial collateral presented above excludes overcollateralization and, for exchange-traded derivatives, initial margin. At December 31, 2024, total financial collateral, including initial margin and overcollateralization, received on derivative assets was \$1,732 million (\$1,715 million at December 31, 2023), and pledged on derivative liabilities was \$2,068 million (\$773 million at December 31, 2023).

NOTE 29 Fair Value Measurement

The Corporation's assets and liabilities recorded at fair value and those for which fair value is disclosed have been categorized based upon the following fair value hierarchy:

Level	Definition	Financial assets and liabilities
Level 1	Utilize observable, unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access.	<ul style="list-style-type: none"> actively exchange-traded equity securities; exchange-traded futures; mutual and segregated funds which have available prices in an active market with no redemption restrictions; open-end investment fund units and other liabilities in instances where there are quoted prices available from active markets.
Level 2	Utilize other-than-quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other-than-quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.	<ul style="list-style-type: none"> assets and liabilities priced using a matrix which is based on credit quality and average life; government and agency securities; restricted shares; certain private bonds and investment funds; most investment-grade and high-yield corporate bonds; most asset-backed securities; most over-the-counter derivatives; most mortgage and other loans; deposits and certificates; most debentures and other debt instruments; most of the investment contracts that are measured at FVPL; notes issued by consolidated CLOs; certain limited-life and redeemable fund units.
Level 3	Utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single-broker quotes, internal pricing models, external appraisers or by discounting projected cash flows.	<ul style="list-style-type: none"> certain bonds; certain asset-backed securities; certain private equities; certain investments in jointly controlled corporations and associates; certain mortgage and other loans, including equity-release mortgages; investments in mutual and segregated funds where there are redemption restrictions; certain over-the-counter derivatives; investment properties; obligations to securitization entities; most of the limited-life and redeemable fund units.

NOTE 29 Fair Value Measurement (CONTINUED)

The Corporation's assets and liabilities recorded or disclosed at fair value, including their levels in the fair value hierarchy using the valuation methods and assumptions described in the summary of significant accounting policies (Note 2) and above, are presented below. Fair values represent management's estimates and are generally calculated using market information at a specific point in time and may not reflect future fair values. The calculations are subjective in nature and involve uncertainties and matters of significant judgment. The following tables distinguish between assets and liabilities recorded at fair value on a recurring basis and those for which fair value is disclosed.

These tables exclude fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value. Items excluded are: cash and cash equivalents, dividends, accounts and interest receivable, certain other financial assets, accounts payable, dividends and interest payable and certain other financial liabilities.

December 31, 2024	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Assets recorded at fair value					
Bonds					
FVPL	153,266	–	153,088	178	153,266
FVOCI	13,758	–	13,758	–	13,758
Mortgage and other loans					
FVPL	33,932	–	28,790	5,142	33,932
FVOCI	461	–	461	–	461
Shares					
FVPL	18,649	11,174	260	7,215	18,649
FVOCI	923	923	–	–	923
Investment in jointly controlled corporations and associates ⁽¹⁾	950	–	–	950	950
Investment properties	8,350	–	–	8,350	8,350
Derivative instruments	2,637	1	2,630	6	2,637
Trading account assets	3,701	252	3,449	–	3,701
Other assets	395	–	219	176	395
	237,022	12,350	202,655	22,017	237,022
Assets disclosed at fair value					
Bonds					
Amortized cost	376	–	377	–	377
Mortgage and other loans					
Amortized cost	10,272	–	4,607	5,078	9,685
	10,648	–	4,984	5,078	10,062
Total	247,670	12,350	207,639	27,095	247,084
Liabilities					
Liabilities recorded at fair value					
Investment contract liabilities	90,157	–	90,157	–	90,157
Derivative instruments	2,180	–	2,171	9	2,180
Collateralized loan obligation liabilities	3,791	–	3,791	–	3,791
Limited-life and redeemable fund units	2,928	–	22	2,906	2,928
Other debt instruments	54	–	54	–	54
Other liabilities	240	–	219	21	240
	99,350	–	96,414	2,936	99,350
Liabilities disclosed at fair value					
Obligations to securitization entities	5,025	–	–	5,098	5,098
Power Corporation's debentures and other debt instruments	647	–	703	–	703
Non-recourse debentures and other debt instruments	15,855	143	15,055	–	15,198
Deposits and certificates	16,605	–	16,605	–	16,605
Other liabilities	424	–	–	424	424
	38,556	143	32,363	5,522	38,028
Total	137,906	143	128,777	8,458	137,378

[1] Represents investments in jointly controlled corporations and associates held by entities that meet the definition of a venture capital organization, which have been elected to be measured at FVPL.

NOTE 29 Fair Value Measurement (CONTINUED)

December 31, 2023	Carrying value	Level 1	Level 2	Level 3	Total fair value
Assets					
Assets recorded at fair value					
Bonds					
FVPL	145,213	–	144,961	252	145,213
FVOCI	11,750	–	11,750	–	11,750
Mortgage and other loans					
FVPL	33,459	–	29,211	4,248	33,459
FVOCI	578	–	578	–	578
Shares					
FVPL	16,177	10,994	218	4,965	16,177
FVOCI	411	411	–	–	411
Investment in jointly controlled corporations and associates ^[1]	832	–	–	832	832
Investment properties	7,870	–	–	7,870	7,870
Derivative instruments	2,349	6	2,327	16	2,349
Assets held for sale ^[2]	2,152	239	1,006	907	2,152
Trading account assets	3,038	242	2,796	–	3,038
Other assets	462	–	443	19	462
	224,291	11,892	193,290	19,109	224,291
Assets disclosed at fair value					
Bonds					
Amortized cost	373	–	371	–	371
Mortgage and other loans					
Amortized cost	9,531	–	4,303	4,691	8,994
	9,904	–	4,674	4,691	9,365
Total	234,195	11,892	197,964	23,800	233,656
Liabilities					
Liabilities recorded at fair value					
Investment contract liabilities	88,919	–	88,919	–	88,919
Derivative instruments	1,351	5	1,338	8	1,351
Collateralized loan obligation liabilities	3,110	–	3,110	–	3,110
Limited-life and redeemable fund units	1,833	3	15	1,815	1,833
Other liabilities	526	–	443	83	526
	95,739	8	93,825	1,906	95,739
Liabilities disclosed at fair value					
Obligations to securitization entities	4,688	–	–	4,696	4,696
Power Corporation's debentures and other debt instruments	647	–	670	–	670
Non-recourse debentures and other debt instruments	14,625	192	13,845	–	14,037
Deposits and certificates	8,713	–	8,713	–	8,713
Other liabilities	147	–	–	147	147
	28,820	192	23,228	4,843	28,263
Total	124,559	200	117,053	6,749	124,002

[1] Represents investments in jointly controlled corporations and associates held by entities that meet the definition of a venture capital organization, which have been elected to be measured at FVPL.

[2] Assets held for sale measured at fair value includes shares of \$46 million and trading account assets of \$2,106 million.

There were no significant transfers between Level 1 and Level 2 in 2024 and 2023.

NOTE 29 Fair Value Measurement (CONTINUED)

Additional information about assets and liabilities measured at fair value on a recurring basis for which the Corporation and its subsidiaries have utilized Level 3 inputs to determine fair value for the years ended December 31, 2024 and 2023 is presented below.

	Bonds	Mortgages and other loans	Shares and investments in jointly controlled corporations and associates							
	FVPL	FVPL	FVPL ⁽¹⁾	FVOCI	Investment properties	Derivatives net	Limited-life and redeemable fund units	Assets held for sale	Other assets (liabilities)	Total
December 31, 2024										
Balance, beginning of year	252	4,248	5,797	–	7,870	8	(1,815)	907	(64)	17,203
Total gains (losses)										
Net earnings	7	196	799	–	(154)	(12)	(143)	–	86	779
Other comprehensive income ⁽¹⁾	–	169	218	–	270	–	(119)	–	9	547
Business acquisition	–	–	–	–	–	–	(177)	–	–	(177)
Purchases	29	327	1,969	–	707	(2)	–	–	130	3,160
Sale of discontinued operations	–	–	–	–	–	–	–	(907)	–	(907)
Issues	–	481	–	–	–	–	(771)	–	–	(290)
Sales	(27)	(41)	(563)	–	(334)	–	–	–	–	(965)
Settlements	–	(227)	–	–	–	3	118	–	–	(106)
Transferred to owner-occupied properties	–	–	–	–	(9)	–	–	–	–	(9)
Transfers into Level 3	–	–	1	–	–	–	–	–	–	1
Transfers out of Level 3	(83)	–	–	–	–	–	–	–	–	(83)
Other	–	(11)	(56)	–	–	–	1	–	(6)	(72)
Balance, end of year	178	5,142	8,165	–	8,350	(3)	(2,906)	–	155	19,081

[1] Amount of other comprehensive income for FVPL investments, investment properties, limited-life and redeemable fund units and other assets and liabilities represents the unrealized gains (losses) on foreign exchange.

[2] Includes investments in mutual and segregated funds where there are redemption restrictions. The fair value is based on observable, quoted prices.

	Bonds	Mortgages and other loans	Shares and investments in jointly controlled corporations and associates							
	FVPL	FVPL	FVPL ⁽¹⁾	FVOCI	Investment properties	Derivatives net	Limited-life and redeemable fund units	Assets held for sale	Other assets (liabilities)	Total
December 31, 2023 ⁽¹⁾										
Balance, beginning of year	195	3,476	4,692	2	8,344	23	(1,577)	–	840	15,995
Total gains (losses)										
Net earnings	6	354	306	–	(507)	(3)	(190)	25	7	(2)
Other comprehensive income ⁽¹⁾	–	52	(30)	18	53	–	2	(14)	–	81
Purchases	68	–	1,445	–	191	(3)	–	12	24	1,737
Issues	–	578	–	–	–	–	(472)	–	–	106
Sales	(17)	–	(690)	(20)	(211)	–	–	(67)	(2)	(1,007)
Settlements	–	(150)	–	–	–	(9)	168	–	–	9
Other ⁽²⁾	–	(62)	74	–	–	–	254	951	(933)	284
Balance, end of year	252	4,248	5,797	–	7,870	8	(1,815)	907	(64)	17,203

[1] Amount of other comprehensive income for FVPL investments, investment properties, limited-life and redeemable fund units and other assets and liabilities represents the unrealized gains (losses) on foreign exchange.

[2] Includes amount reclassified to assets held for sale as a result of the agreement to sell Putnam Investments (Note 3).

[3] Includes investments in mutual and segregated funds where there are redemption restrictions. The fair value is based on observable, quoted prices.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies or the placement of redemption restrictions on investments in mutual and segregated funds. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors or the lifting of redemption restrictions on investments in mutual and segregated funds.

NOTE 29 Fair Value Measurement (CONTINUED)

Significant unobservable inputs used at year-end in measuring assets categorized as Level 3 in the fair value hierarchy are presented below.

Type of asset	Valuation approach	Significant unobservable input	Input value	Interrelationship between key unobservable inputs and fair value measurement
Investment properties	Investment property valuations are generally determined using property valuation models based on expected capitalization rates and models that discount expected future net cash flows. The determination of the fair value of investment property requires the use of estimates such as future leasing assumptions (rental rates, capital and operating expenditures) and discount, reversionary and overall capitalization rates applicable to the asset based on current market rates.	Discount rate Reversionary rate Vacancy rate	Range of 4.2%–12.6% Range of 4.3%–8.0% Weighted average of 5.7%	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value. A decrease in the reversionary rate would result in an increase in fair value. An increase in the reversionary rate would result in a decrease in fair value. A decrease in the expected vacancy rate would generally result in an increase in fair value. An increase in the expected vacancy rate would generally result in a decrease in fair value.
Mortgage and other loans—Equity-release mortgages (FVPL)	The valuation approach for equity-release mortgages is to use an internal valuation model to determine the projected asset cash flows, including the cost of the no-negative-equity guarantee for each individual loan, to aggregate these across all loans and to discount those cash flows back to the valuation date. The projection is done monthly until expected redemption of the loan either voluntarily or on the death/entering into long-term care of the loanholders.	Discount rate	Range of 4.7%–6.5%	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.
Shares and investments in jointly controlled corporations and associates (FVPL)	The determination of the fair value of shares requires the use of estimates such as future cash flows, discount rates, projected earnings multiples, or recent transactions.	Discount rate	Various	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.
Limited-life and redeemable fund units	The determination of the fair value of the limited-life and redeemable fund units is based on the fair value of the underlying fund's investments.	Discount rate	Various	A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.

NOTE 30 Other Comprehensive Income

	Items that may be reclassified subsequently to net earnings				Items that will not be reclassified to net earnings			Total
	Investment revaluation	Cash flow hedges	Foreign currency translation	Share of jointly controlled corporations and associates	Investment revaluation	Actuarial gains (losses) on defined benefit pension plans and other	Share of jointly controlled corporations and associates	
Year ended December 31, 2024								
Balance, beginning of year	(206)	25	1,115	(276)	(36)	(150)	1,024	1,496
Other comprehensive income (loss)	32	7	663	341	(290)	158	(149)	762
Realized (gains) losses on FVOCI equity instruments transferred to retained earnings	—	—	—	—	41	—	(279)	(238)
Other	—	—	—	(47)	—	—	30	(17)
Balance, end of year	(174)	32	1,778	18	(285)	8	626	2,003
	Items that may be reclassified subsequently to net earnings				Items that will not be reclassified to net earnings			Total
	Investment revaluation	Cash flow hedges	Foreign currency translation	Share of jointly controlled corporations and associates	Investment revaluation	Actuarial gains (losses) on defined benefit pension plans and other	Share of jointly controlled corporations and associates	
Year ended December 31, 2023								
Balance, beginning of year	(421)	40	1,202	(184)	(14)	(49)	1,092	1,666
Other comprehensive income (loss)	216	(15)	(87)	(17)	(94)	(101)	(65)	(163)
Realized (gains) losses on FVOCI equity instruments transferred to retained earnings	—	—	—	—	72	—	(93)	(21)
Other	(1)	—	—	(75)	—	—	90	14
Balance, end of year	(206)	25	1,115	(276)	(36)	(150)	1,024	1,496

NOTE 31 Earnings Per Share

The following is a reconciliation of the numerators and the denominators used in the computations of earnings per share:

Years ended December 31	2024	2023
Earnings		
Net earnings attributable to shareholders	2,795	2,247
Dividends on non-participating shares	(52)	(52)
Net earnings attributable to participating shareholders	2,743	2,195
Net loss attributable to participating shareholders from discontinued operations	79	87
Net gain attributable to participating shareholders from disposal of discontinued operations	(30)	–
Net earnings attributable to participating shareholders from continuing operations	2,792	2,282
Dilutive effect of subsidiaries' outstanding stock options	(10)	(5)
Effect of equity-settled method for TSARs ^[1]	(1)	–
Net earnings adjusted for dilutive effect from continuing operations	2,781	2,277
Number of participating shares [millions]		
Weighted average number of participating shares outstanding—Basic	648.1	662.0
Effect of potential exercise of outstanding stock options and RSUs	3.9	1.1
Weighted average number of participating shares outstanding—Diluted	652.0	663.1
Net earnings per participating share from continuing operations		
Basic	4.31	3.45
Diluted	4.27	3.43
Net earnings per participating share		
Basic	4.23	3.32
Diluted	4.19	3.30

[1] Options with TSARs are accounted for as cash-settled share-based payments. As these options can be exercised in exchange for subordinate voting shares or for cash, they are considered potentially dilutive and are included in the calculation of the diluted net earnings per share if they have a dilutive impact in the year, and the net earnings used in the diluted calculation is adjusted to reflect the expense had these options been classified as equity-settled.

For 2024, 0.1 million stock options (1.0 million in 2023) were excluded from the computation of diluted earnings per share as they were anti-dilutive.

NOTE 32 Related Parties

TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, Power Corporation and its subsidiaries enter into various transactions: subsidiaries provide insurance benefits, sub-advisory services, distribution of insurance products and/or other administrative and technology services to other subsidiaries of the group and to the Corporation; sale of residential mortgage loans; employee ownership participations; loans to employees; as well as capital commitments to investment funds, including commitments from management, performance fees and base management fees paid to alternative asset managers of the group. In all cases, these transactions are in the normal course of operations and have been recorded at fair value. Balances and transactions between the Corporation and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of other transactions between the Corporation and related parties are disclosed below.

On May 6, 2024, Lifeco and Power Sustainable announced that they had entered into a long-term strategic partnership and Lifeco acquired a minority interest in Power Sustainable Manager Inc., a subsidiary of Power Sustainable. This transaction was at market terms and conditions and was reviewed by the relevant related party and conduct review committee.

The following table details all compensation paid to, awarded to, or earned by each of the key management personnel for services rendered in all capacities to the Corporation and its subsidiaries:

Years ended December 31	2024	2023
Compensation and employee benefits	33	29
Post-employment benefits	2	1
Share-based payments	22	23
	57	53

In 2024, after obtaining advance tax rulings, IGM and a subsidiary of Power Corporation agreed to a tax loss consolidation transaction whereby shares of an affiliate of the subsidiary that has generated tax losses was acquired by IGM on December 20, 2024. The benefits of this tax loss consolidation arrangement were recognized in the fourth quarter of 2024.

Lifeco provides asset management, employee benefits and administrative services for employee benefit plans relating to pension and other post-employment benefits for employees of Power Corporation, Power Financial, and Lifeco and its subsidiaries.

KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. The persons included in the key management personnel are the members of the Board of Directors of the Corporation, as well as certain management executives of the Corporation and its subsidiaries.

NOTE 33 Contingent Liabilities

The Corporation and its subsidiaries are from time to time subject to legal actions, including arbitrations, class actions and regulatory matters. Provisions are established if, in management of the Corporation and of its subsidiaries' judgment, it is probable a payment will be required and the amount can be reliably estimated. It is inherently difficult to predict the outcome of any of these proceedings with certainty, and it is possible that an adverse resolution could have a material adverse effect on the consolidated financial position of the Corporation. However, based on information presently known, it is not expected that any of the existing legal actions, either individually or in the aggregate, will have a material adverse effect on the consolidated financial position of the Corporation. Actual results could differ from the best estimates of the Corporation's and its subsidiaries' management.

LIFECO

Subsidiaries of Lifeco in the United States are defendants in a class action relating to the costs and features of their retirement and fund products and the conduct of their businesses. Management of Lifeco believes the claim is without merit and will be vigorously defending these actions. Based on the information presently known, these actions will not have a material adverse effect on the financial position of the Corporation.

A proposed class action was filed against a subsidiary of Lifeco in Canada and other third-party defendants relating to the defendants' alleged use of a software application for setting rents in multi-family residential complexes. Management of Lifeco believes the claim to be without merit and will be vigorously defending the action.

IGM FINANCIAL

In late March 2023, IGM was notified by one of its third-party vendors, InvestorCOM Inc., that it was compromised due to a cybersecurity incident related to a technology supplier to InvestorCOM, GoAnywhere. IGM has notified impacted clients and offered credit monitoring at no cost for two years to all clients. Four proposed class actions have been filed against Mackenzie concerning this incident. Although it is difficult to predict the outcome of any such legal actions, based on current knowledge, it is not expected that the outcome of these matters will have a material adverse effect on the financial position of the Corporation.

NOTE 34 Commitments and Guarantees

GUARANTEES

In the normal course of operations, the Corporation and its subsidiaries execute agreements that provide for indemnifications to third parties in transactions such as business dispositions, business acquisitions, loans and securitization transactions and performance contract obligations. The Corporation and its subsidiaries have also agreed to indemnify their directors and certain of their officers. The nature of these agreements precludes the possibility of making a reasonable estimate of the maximum potential amount the Corporation and its subsidiaries could be required to pay third parties as the agreements often do not specify a maximum amount and the amounts are dependent on the outcome of future contingent events, the nature and likelihood of which cannot be determined. Historically, the Corporation has not made any payments under such indemnification agreements. No provisions have been recognized related to these agreements.

LETTERS OF CREDIT

Letters of credit are written commitments provided by a bank. The total amount of letter of credit facilities at Lifeco is US\$1,717 million, of which US\$941 million were issued as of December 31, 2024.

The Capital and Risk Solutions activities also periodically use letters of credit as collateral under certain reinsurance contracts for on-balance-sheet policy liabilities.

Potentia and Power Sustainable Energy Infrastructure have issued letters of credit totalling \$269 million with one-year terms to support required lender reserves, performance guarantees for operating solar and wind assets, as well as commitments for projects under construction.

INVESTMENT COMMITMENTS

With respect to Lifeco, commitments of investment transactions made in the normal course of operations in accordance with policies and guidelines and that are to be disbursed upon fulfillment of certain contract conditions were \$7,248 million as at December 31, 2024, with \$7,087 million maturing within one year, \$116 million maturing within two years, \$30 million maturing within three years, \$8 million maturing within four years and \$7 million maturing within over five years.

The Corporation and other subsidiaries have outstanding commitments of \$400 million representing future capital contributions to investment funds and other investments.

PLEDGING OF ASSETS FOR REINSURANCE AGREEMENTS

In addition to the assets pledged by Lifeco disclosed elsewhere in the financial statements:

- [i] The amount of assets included in the Corporation's balance sheets which have a security interest by way of pledging is \$3,710 million (\$1,462 million at December 31, 2023) in respect of reinsurance agreements.

In addition, under certain reinsurance contracts, bonds presented in investments are held in trust and escrow accounts. Assets are placed in these accounts pursuant to the requirements of certain legal and contractual obligations to support contract liabilities assumed.

- [ii] Lifeco has pledged, in the normal course of business, \$74 million (\$72 million at December 31, 2023) of its assets for the purpose of providing collateral for the counterparty.

ENERGY SALES CONTRACTS

Power Sustainable Energy Infrastructure and Potentia have entered into various power purchase agreements (PPA) to sell substantially all electricity produced from its solar and wind projects to credit-rated counterparties. The contract rates are fixed for a period of 5 to 25 years.

Power Sustainable Energy Infrastructure has entered into purchase contracts related to projects under construction of \$275 million.

Power Sustainable Energy Infrastructure has issued certain indemnifications and guarantees in relation to projects in operation and under construction. These guarantees are non-recourse to the Corporation.

NOTE 35 Segmented Information

The Corporation is an international management and holding company. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

As a holding company, the Corporation evaluates the performance of each operating segment based on its contribution to the earnings attributable to participating shareholders. The contribution to the earnings attributable to participating shareholders from Lifeco, IGM Financial, GBL, Sagard, Power Sustainable and other, represents the Corporation's share of their net earnings.

The Corporation's reportable segments include Lifeco and IGM Financial due to their quantitative contribution, and the Corporation also considers GBL as a reportable segment. Together, they represent the Corporation's investments in publicly traded operating companies. As well, the Corporation considers the Holding company to be a reportable segment.

- **Lifeco** is a financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management, and reinsurance businesses, primarily in Canada, the U.S. and Europe.
- **IGM Financial** is a leading wealth and asset management company supporting advisors and the clients they serve in Canada, and institutional investors globally.
- **GBL** is indirectly held through Parjointco. GBL is a Belgian investment holding company and leading investor in Europe. Its portfolio is comprised of a portfolio of listed, direct private and indirect private investments composed of global companies, which are leaders in their sectors.
- **Holding company** comprises the corporate activities of the Corporation and Power Financial, on a combined basis, and presents the investment activities of the Corporation including its investments in consolidated entities. The Holding company activities present the Holding company's assets and liabilities, including cash, investments, debentures and non-participating shares. The Holding company cash flows are primarily comprised of dividends received, income from investments and income (loss) from cash and cash equivalents, less operating expenses, financing charges, income taxes and non-participating and participating share dividends.

The Corporation's asset management activities through the investment platforms, Sagard and Power Sustainable, together with their investing activities, are presented on a combined basis in another category, Alternative asset investment platforms and other, as they do not qualify as reportable segments.

Alternative asset investment platforms and other are comprised of the results of:

- Alternative asset management businesses, Sagard and Power Sustainable;
- Investments managed by Sagard and Power Sustainable on behalf of the Corporation;
- Entities held through the alternative asset managers which are consolidated; and
- Standalone businesses which are managed to realize value over time.

Effect of consolidation represents the reconciliation between the measurement basis used for the presentation of the Holding company with the consolidated financial statements, as well as the intersegment elimination for investments under common control and other consolidation entries.

The segmented assets present the activities of the holding company, including its investments in consolidated entities, Lifeco and IGM, as well as other controlled entities, using the equity method of accounting as a measurement basis. These entities are consolidated in the Corporation's consolidated balance sheets. Common equity interests in Lifeco, IGM, and alternative asset investment platforms and other (intersegment investments) are included in their respective segment's assets.

Revenues and assets are attributed to geographic areas based on the point of origin of revenues and the location of assets.

NOTE 35 Segmented Information (CONTINUED)**CONSOLIDATED NET EARNINGS**

For the year ended December 31, 2024	Lifeco	IGM	GBL	Holding company	Alternative asset investment platforms and other	Effect of consolidation	Total
Segment revenue							
Insurance revenue ^[1]	21,214	–	–	–	–	–	21,214
Net investment income ^[2]	9,616	47	–	73	572	52	10,360
Changes in fair value through profit or loss ^[2]	1,676	6	–	14	245	(64)	1,877
Fee income ^{[3][4]}	7,224	3,438	–	–	607	(212)	11,057
Other ^[3]	–	–	–	–	747	–	747
Total segment revenue	39,730	3,491	–	87	2,171	(224)	45,255
Other insurance and investment results							
Insurance service expenses ^[1]	(16,368)	–	–	–	–	–	(16,368)
Net expense from reinsurance contracts ^[1]	(1,599)	–	–	–	–	–	(1,599)
Net investment result from insurance activities ^{[2][5]}	(8,860)	–	–	–	–	–	(8,860)
Net investment result from insurance contracts on account of segregated fund policyholders	–	–	–	–	–	–	–
Total other insurance and investment results	(26,827)	–	–	–	–	–	(26,827)
Other expenses							
Operating and administrative expenses ^[4]	7,587	2,366	–	188	2,507	(186)	12,462
Financing charges	402	129	–	54	215	12	812
Total other expenses	7,989	2,495	–	242	2,722	(174)	13,274
Earnings before investments in jointly controlled corporations and associates, and income taxes	4,914	996	–	(155)	(551)	(50)	5,154
Share of earnings (losses) of investments in jointly controlled corporations and associates	67	213	31	–	211	(146)	376
Earnings before income taxes	4,981	1,209	31	(155)	(340)	(196)	5,530
Income taxes	737	272	–	1	(77)	(4)	929
Net earnings from continuing operations	4,244	937	31	(156)	(263)	(192)	4,601
Net loss from discontinued operations	(115)	–	–	–	–	–	(115)
Net gain from disposal of discontinued operations	44	–	–	–	–	–	44
Net earnings	4,173	937	31	(156)	(263)	(192)	4,530
Attributable to							
Non-controlling interests	1,560	355	–	140	(128)	(192)	1,735
Non-participating shareholders	–	–	–	52	–	–	52
Participating shareholders ^{[6][7]}	2,613	582	31	(348)	(135)	–	2,743
	4,173	937	31	(156)	(263)	(192)	4,530

[1] Included within insurance service result in the statements of earnings.

[2] Included within net investment result in the statements of earnings.

[3] Included within fee income and other revenues in the statements of earnings.

[4] Dealer compensation expenses at IGM are included in operating and administrative expenses.

[5] Includes net finance income (expenses) from insurance contracts, net finance income (expenses) from reinsurance contracts and changes in investment contract liabilities.

[6] The contribution from Lifeco, IGM, GBL and alternative asset investment platforms and other to net earnings attributable to participating shareholders of the Corporation includes the effect of consolidation.

[7] The contribution from Lifeco and IGM includes an allocation for the results of investments under common control based on their respective interests.

NOTE 35 Segmented Information (CONTINUED)**TOTAL ASSETS AND LIABILITIES**

December 31, 2024	Lifeco	IGM	GBL	Holding company	Alternative asset investment platforms and other	Effect of consolidation	Total
Cash and cash equivalents	10,709	910	—	1,606	858	(339)	13,744
Investments	231,478	5,600	—	101	2,497	311	239,987
Investments in Lifeco, IGM and alternative asset investment platforms and other	1,112	1,965	—	22,940	—	(26,017)	—
Investments in jointly controlled corporations and associates	486	3,346	3,683	—	1,780	(494)	8,801
Other assets	45,606	4,948	—	349	20,047	(160)	70,790
Goodwill and intangible assets	16,550	3,930	—	1	1,170	—	21,651
Investments on account of segregated fund policyholders	496,386	—	—	—	—	—	496,386
Total assets⁽¹⁾	802,327	20,699	3,683	24,997	26,352	(26,699)	851,359
Insurance and investment contract liabilities	245,840	—	—	—	—	—	245,840
Obligations to securitization entities	—	5,025	—	—	—	—	5,025
Power Corporation's debentures and other debt instruments	—	—	—	647	—	—	647
Non-recourse debentures and other debt instruments	9,469	2,400	—	250	3,878	(88)	15,909
Other liabilities	17,814	5,387	—	1,073	20,050	(758)	43,566
Insurance and investment contracts on account of segregated fund policyholders	496,386	—	—	—	—	—	496,386
Total liabilities	769,509	12,812	—	1,970	23,928	(846)	807,373

[1] Total assets of the Lifeco and IGM operating segments include the allocation of goodwill and certain consolidation adjustments.

TOTAL ASSETS AND TOTAL REVENUES BY GEOGRAPHIC LOCATION

December 31, 2024	Canada	United States	Europe and other	Total
Investments and cash and cash equivalents	106,407	95,513	51,811	253,731
Investments in jointly controlled corporations and associates	1,010	2,027	5,764	8,801
Other assets	29,586	32,964	8,240	70,790
Goodwill and intangible assets	11,403	7,088	3,160	21,651
Investments on account of segregated fund policyholders	114,547	215,986	165,853	496,386
Total assets	262,953	353,578	234,828	851,359
Total revenues	22,797	10,971	11,487	45,255

CONDENSED STATEMENTS OF CASH FLOWS

December 31, 2024	Lifeco	IGM	Holding company	Alternative asset investment platforms and other	Effect of consolidation	Total
Operating activities	4,751	1,153	1,688	(37)	(1,603)	5,952
Financing activities	(2,285)	(314)	(1,958)	1,090	2,146	(1,321)
Investing activities	(408)	(474)	658	(861)	(675)	(1,760)
Effect of changes in exchange rates on cash and cash equivalents	534	—	—	27	—	561
Increase (decrease) in cash and cash equivalents	2,592	365	388	219	(132)	3,432
Cash and cash equivalents, beginning of year	8,117	545	1,218	639	(207)	10,312
Cash and cash equivalents, end of year	10,709	910	1,606	858	(339)	13,744

NOTE 35 Segmented Information (CONTINUED)**CONSOLIDATED NET EARNINGS**

For the year ended December 31, 2023	Lifeco	IGM	GBL	Holding company	Alternative asset investment platforms and other	Effect of consolidation	Total
Segment revenue							
Insurance revenue ^[1]	20,402	–	–	–	–	–	20,402
Net investment income ^[2]	8,859	438	–	12	254	(368)	9,195
Changes in fair value through profit or loss ^[2]	6,489	–	–	55	142	(22)	6,664
Fee income ^{[3][4]}	5,874	3,432	–	–	284	(113)	9,477
Other ^[3]	–	–	–	–	690	–	690
Total segment revenue	41,624	3,870	–	67	1,370	(503)	46,428
Other insurance and investment results							
Insurance service expenses ^[1]	(15,777)	–	–	–	–	–	(15,777)
Net expense from reinsurance contracts ^[1]	(1,544)	–	–	–	–	–	(1,544)
Net investment result from insurance activities ^{[2][5]}	(13,820)	–	–	–	–	–	(13,820)
Net investment result from insurance contracts on account of segregated fund policyholders	–	–	–	–	–	–	–
Total other insurance and investment results	(31,141)	–	–	–	–	–	(31,141)
Other expenses							
Operating and administrative expenses ^[4]	6,994	2,562	–	187	1,540	(69)	11,214
Financing charges	426	141	–	55	137	7	766
Total other expenses	7,420	2,703	–	242	1,677	(62)	11,980
Earnings before investments in jointly controlled corporations and associates, and income taxes	3,063	1,167	–	(175)	(307)	(441)	3,307
Share of earnings (losses) of investments in jointly controlled corporations and associates	5	200	423	99	1	(113)	615
Earnings before income taxes	3,068	1,367	423	(76)	(306)	(554)	3,922
Income taxes	53	214	–	42	(31)	(15)	263
Net earnings from continuing operations	3,015	1,153	423	(118)	(275)	(539)	3,659
Net loss from discontinued operations	(124)	–	–	–	–	–	(124)
Net earnings	2,891	1,153	423	(118)	(275)	(539)	3,535
Attributable to							
Non-controlling interests	1,078	709	–	138	(98)	(539)	1,288
Non-participating shareholders	–	–	–	52	–	–	52
Participating shareholders ^{[6][7]}	1,813	444	423	(308)	(177)	–	2,195
	2,891	1,153	423	(118)	(275)	(539)	3,535

[1] Included within insurance service result in the statements of earnings.

[2] Included within net investment result in the statements of earnings.

[3] Included within fee income and other revenues in the statements of earnings.

[4] Dealer compensation expenses at IGM are included in operating and administrative expenses.

[5] Includes net finance income (expenses) from insurance contracts, net finance income (expenses) from reinsurance contracts and changes in investment contract liabilities.

[6] The contribution from Lifeco, IGM, GBL and alternative asset investment platforms and other to net earnings attributable to participating shareholders of the Corporation includes the effect of consolidation.

[7] The contribution from Lifeco and IGM includes an allocation for the results of investments under common control based on their respective interests.

NOTE 35 Segmented Information (CONTINUED)**TOTAL ASSETS AND LIABILITIES**

December 31, 2023	Lifeco	IGM	GBL	Holding company	Alternative asset investment platforms and other	Effect of consolidation	Total
Cash and cash equivalents	7,742	545	–	1,218	639	(207)	9,937
Investments	217,868	5,260	–	107	2,017	110	225,362
Investments in Lifeco, IGM and alternative asset investment platforms and other	833	1,301	–	21,527	–	(23,661)	–
Investments in jointly controlled corporations and associates	367	3,070	3,717	3	1,392	(397)	8,152
Assets held for sale	4,467	–	–	–	–	–	4,467
Other assets	43,264	4,599	–	282	9,439	(300)	57,284
Goodwill and intangible assets	15,928	3,901	–	2	1,490	(1)	21,320
Investments on account of segregated fund policyholders	422,956	–	–	–	–	–	422,956
Total assets^[1]	713,425	18,676	3,717	23,139	14,977	(24,456)	749,478
Insurance and investment contract liabilities	233,307	–	–	–	–	–	233,307
Liabilities held for sale	2,407	–	–	–	–	–	2,407
Obligations to securitization entities	–	4,688	–	–	–	–	4,688
Power Corporation's debentures and other debt instruments	–	–	–	647	–	–	647
Non-recourse debentures and other debt instruments	9,046	2,400	–	250	3,017	(88)	14,625
Other liabilities	15,663	4,855	–	986	8,509	(430)	29,583
Insurance and investment contracts on account of segregated fund policyholders	422,956	–	–	–	–	–	422,956
Total liabilities	683,379	11,943	–	1,883	11,526	(518)	708,213

[1] Total assets of the Lifeco and IGM operating segments include the allocation of goodwill and certain consolidation adjustments.

TOTAL ASSETS AND TOTAL REVENUES BY GEOGRAPHIC LOCATION

December 31, 2023	Canada	United States	Europe and other	Total
Investments and cash and cash equivalents	96,647	91,498	47,154	235,299
Investments in jointly controlled corporations and associates	947	1,420	5,785	8,152
Assets held for sale	–	4,467	–	4,467
Other assets	19,243	30,236	7,805	57,284
Goodwill and intangible assets	11,739	6,465	3,116	21,320
Investments on account of segregated fund policyholders	101,250	179,770	141,936	422,956
Total assets	229,826	313,856	205,796	749,478
Total revenues	21,293	12,243	12,892	46,428

CONDENSED STATEMENTS OF CASH FLOWS

December 31, 2023	Lifeco	IGM	Holding company	Alternative asset investment platforms and other	Effect of consolidation	Total
Operating activities	5,203	837	1,488	(90)	(1,505)	5,933
Financing activities	(3,550)	(204)	(2,110)	1,657	1,404	(2,803)
Investing activities	(786)	(1,161)	563	(1,418)	181	(2,621)
Effect of changes in exchange rates on cash and cash equivalents	(40)	–	–	(3)	(2)	(45)
Increase (decrease) in cash and cash equivalents	827	(528)	(59)	146	78	464
Cash and cash equivalents, beginning of year	7,290	1,073	1,277	493	(285)	9,848
Cash and cash equivalents, from continuing and discontinued operations, end of year	8,117	545	1,218	639	(207)	10,312
Less: Cash and cash equivalents from discontinued operations, end of year	(375)	–	–	–	–	(375)
Cash and cash equivalents from continuing operations, end of year	7,742	545	1,218	639	(207)	9,937

Independent Auditor's Report

To the Shareholders of Power Corporation of Canada

OPINION

We have audited the consolidated financial statements of Power Corporation of Canada (the "Corporation"), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Insurance Contract Liabilities—Refer to Notes 2 and 10 to the financial statements

Key Audit Matter Description

Great-West Lifeco Inc., a publicly traded operating subsidiary of the Corporation (thereafter, "Lifeco"), has insurance contract liabilities representing a significant portion of the Corporation's total liabilities. Insurance contract liabilities are determined in accordance with IFRS 17, Insurance Contracts ("IFRS 17"). This requires the use of complex valuation models and assumptions to measure groups of contracts as the total of estimates of future cash flows, plus a risk adjustment for non-financial risk and contractual service margin ("CSM"). The CSM component is only relevant for groups of insurance contracts measured using the general measurement model and the variable fee approach.

While there is considerable judgment applied by management of Lifeco and inherent uncertainty in selecting assumptions, the assumptions with the greatest estimation uncertainty are related to mortality, policyholder behaviour and discount rates. These assumptions required significant auditor attention in specific circumstances where (i) there is limited Lifeco and industry experience data, (ii) the historical experience may not be a good indicator of the future and (iii) the determination of discount rates requires complex calculation and measurement of unobservable market inputs. Auditing certain valuation models and significant assumptions (mortality, policyholder behaviour and discount rates) required a high degree of auditor judgment and an increased extent of audit effort, including the need to involve actuarial and fair value specialists.

How the Key Audit Matter was Addressed in the Audit

Our audit procedures related to certain valuation models and significant assumptions included the following, among others:

- With the assistance of actuarial specialists, tested the appropriateness of certain valuation models used in the valuation process by:
 - Calculating an independent estimate of the insurance contract liability for a sample of insurance policies and comparing the results to Lifeco's estimate;
 - Testing the accuracy of certain valuation models for changes in key assumptions.
- With the assistance of actuarial specialists, tested the reasonableness of mortality and policyholder behaviour assumptions by:
 - Evaluating whether management of Lifeco's assumptions were determined in accordance with the requirements of IFRS 17;
 - Testing experience studies and other inputs used in the determination of the assumptions;
 - Analyzing management of Lifeco's interpretation and judgment of its experience study results and emerging claims experience, evaluating new and revised key assumptions, assessing reasonable possible alternative assumptions, and considering industry and other external sources of benchmarking, where applicable.
- With the assistance of actuarial and fair value specialists, evaluated the reasonableness of the discount rates used by:
 - Evaluating whether management of Lifeco's assumptions and methodologies were determined in accordance with the requirements of IFRS 17;
 - Testing the inputs and source information underlying the determination of the discount rates and developing a range of independent estimates and comparing those to the discount rates selected by management of Lifeco.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis, and
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Matthew J. Welchinski.

/s/ Deloitte LLP^[1]

[1] CPA auditor, public accountancy permit No. TA149936

March 19, 2025
Montréal, Quebec

Board of Directors

PIERRE BEAUDOIN^{[1][6]}

Chairman of the Board,
Bombardier Inc.

MARCEL R. COUTU^{[2][3]}

Company Director

ANDRÉ DESMARAIS, O.C., O.Q.^[4]

Deputy Chairman,
Power Corporation of Canada

PAUL DESMARAIS, JR., O.C., O.Q.^[4]

Chairman,
Power Corporation of Canada

GARY A. DOER, O.M.^[2]

Senior Business Advisor,
Dentons Canada LLP

SÉGOLÈNE GALLIENNE-FRÈRE

Company Director

ANTHONY R. GRAHAM, LL.D.^{[3][4][5]}

Chairman, President and Chief Executive Officer,
Sumarria Inc.

SHARON MACLEOD^{[3][4]}

Company Director

PAULA B. MADOFF^[1]

Company Director

ISABELLE MARCOUX, C.M.^[4]

Executive Chair of the Board,
Transcontinental Inc.

R. JEFFREY ORR

President and Chief Executive Officer,
Power Corporation of Canada

T. TIMOTHY RYAN, JR.^[2]

Company Director

SIIM A. VANASELJA, FCPA, FCA^[2]

Company Director

ELIZABETH D. WILSON, FCPA, FCA^{[1][2]}

Chair of the Board,
Chartered Professional Accountants of Canada

[1] MEMBER OF THE RELATED PARTY AND CONDUCT REVIEW COMMITTEE

[2] MEMBER OF THE AUDIT COMMITTEE

[3] MEMBER OF THE HUMAN RESSOURCES COMMITTEE

[4] MEMBER OF THE GOVERNANCE AND SUSTAINABILITY COMMITTEE

[5] LEAD DIRECTOR

[6] MR. PIERRE BEAUDOIN WILL NOT BE STANDING FOR RE-ELECTION AT POWER CORPORATION'S ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 14, 2025.

Officers

R. JEFFREY ORR

President and Chief Executive Officer

JOCELYN LEFEBVRE

Vice-Chairman, Europe

JAKE LAWRENCE

Executive Vice-President
and Chief Financial Officer

CLAUDE GÉNÉREUX

Executive Vice-President

OLIVIER DESMARAIS

Senior Vice-President

PAUL DESMARAIS III

Senior Vice-President

PAUL C. GENEST

Senior Vice-President

CHARLES DUMONT

Vice-President, Strategy

DENIS LE VASSEUR, FCPA, FCA

Vice-President and Controller

STÉPHANE LEMAY

Vice-President,
General Counsel and Secretary

YUHONG LIU (HENRY), CFA

Vice-President

PATRICK MERCIER

Vice-President, Strategy

LUC RENY, CFA

Vice-President,
Human Resources and Administration

HONORARY DEPUTY CHAIRMAN

ROBERT GRATTON

Corporate Information

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416-607-2250

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This document is also available on the Corporation's website and on SEDAR+ at www.sedarplus.ca.

STOCK LISTINGS

Shares of Power Corporation of Canada are listed on the Toronto Stock Exchange:

Subordinate Voting Shares: POW

Participating Preferred Shares: POW.PR.E

First Preferred Shares, Series A: POW.PR.A

First Preferred Shares, Series B: POW.PR.B

First Preferred Shares, Series C: POW.PR.C

First Preferred Shares, Series D: POW.PR.D

First Preferred Shares, Series G: POW.PR.G

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc.

Offices in:

Montréal, Quebec; Toronto, Ontario;

Vancouver, British Columbia

www.investorcentre.com

SHAREHOLDER SERVICES

Shareholders with questions relating to the payment of dividends, change of address, share certificates, direct registration and estate transfers should contact the Transfer Agent:

Computershare Investor Services Inc.

Shareholder Services

100 University Avenue, 8th Floor

Toronto, Ontario, Canada M5J 2Y1

1-800-564-6253 (toll-free in Canada and the U.S.)

or 514-982-7555

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POWER CORPORATION
OF CANADA