

Power Corporation of Canada

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This document contains management’s discussion and analysis of the financial condition, financial performance and cash flows of Power Corporation of Canada (the Corporation) for the three months and six months ended June 30, 2024 and the unaudited interim condensed consolidated financial statements of the Corporation as at and for the three months and six months ended June 30, 2024. This document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada and is available under the Corporation’s profile on SEDAR+, at www.sedarplus.ca.

Power Corporation of Canada

PART A

Great-West Lifeco Inc.

PART B

IGM Financial Inc.

PART C

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Power Corporation of Canada

PART A

Management’s Discussion and Analysis

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Abbreviations used throughout this Management's Discussion and Analysis (MD&A) are defined in the section "Abbreviations".

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this MD&A, 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 MD&A. 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 2024, statements concerning deferred taxes, impact of the strategic partnership transaction in Power Sustainable Manager, the expectation based on the Corporation's assessment of the impact of Global Minimum Tax (GMT or Pillar Two) on adjusted net earnings, 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, 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 regulation and legislation, changes in tax laws, 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, and with respect to forward-looking statements of the Corporation's subsidiaries disclosed in this MD&A, the factors identified by such subsidiaries in their respective MD&A.

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, that any required approvals (including regulatory approvals) for strategic transactions, acquisitions, divestitures or other growth or optimization strategies 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 Pillar Two income taxes 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 Lifeco, Lifeco management has assumed a starting point of its current mix of business and adjusted net earnings (defined as base earnings by Lifeco) growth consistent with its adjusted net earnings objectives disclosed in Part B of this MD&A. 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 its subsidiaries, and with respect to forward-looking statements of the Corporation's subsidiaries disclosed in this MD&A, the risks identified by such subsidiaries in their respective MD&A and Annual Information Form most recently filed with the securities regulatory authorities in Canada and available at www.sedarplus.ca. 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 this 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 MD&A 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 MD&A for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS as well as additional details on each measure. 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. Effective the first quarter of 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 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 this change.

Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, in the second quarter of 2024, the impact of the GMT including the retroactive amount related to the first quarter was recognized in net earnings. The comparative results for adjusted net earnings and Adjustments for the first quarter of 2024 are presented on a pro forma basis to reflect the related first quarter impact as if the legislation had been enacted in the first quarter of 2024. Refer to the section "Tax Risk" in this MD&A.

This MD&A 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 MD&A for a definition of each measure.

AUGUST 8, 2024

ALL TABULAR AMOUNTS ARE IN MILLIONS OF CANADIAN DOLLARS, UNLESS OTHERWISE NOTED.

The following MD&A of Power Corporation of Canada (Power Corporation or the Corporation) (TSX: POW; POW.PR.E), a public corporation, is for the three-month and six-month periods ended June 30, 2024. This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements of Power Corporation and notes thereto for the three-month and six-month periods ended June 30, 2024 (the Interim Consolidated Financial Statements), the MD&A for the year ended December 31, 2023 (the 2023 Annual MD&A), and the audited consolidated financial statements and notes thereto for the year ended December 31, 2023 (the 2023 Consolidated Financial Statements). Additional information relating to Power Corporation, including its Annual Information Form, may be found on the Corporation's website at www.powercorporation.com and on SEDAR+ at www.sedarplus.ca.

ORGANIZATION OF THE INTERIM MD&A

The Corporation's MD&A consists of three parts:

- Part A - Power Corporation, presented on a consolidated basis, and including a discussion of the contribution to the holding company from Lifeco, IGM, GBL, and its alternative asset investment platforms and other investments;
- Part B - Lifeco's interim MD&A, as prepared and disclosed by Lifeco in accordance with applicable securities legislation, which is also available either directly from SEDAR+ (www.sedarplus.ca) or from Lifeco's website (www.greatwestlifeco.com);
- Part C - IGM's interim MD&A, as prepared and disclosed by IGM in accordance with applicable securities legislation, which is also available either directly from SEDAR+ (www.sedarplus.ca) or from IGM's website (www.igmfincial.com).

Lifeco (TSX: GWO) and IGM (TSX: IGM) are public companies listed on the Toronto Stock Exchange. GBL is a public company listed on the Brussels Stock Exchange (EBR: GBLB). Market capitalizations reported in the following sections are at June 30, 2024 (refer to the section "Other Measures").

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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:

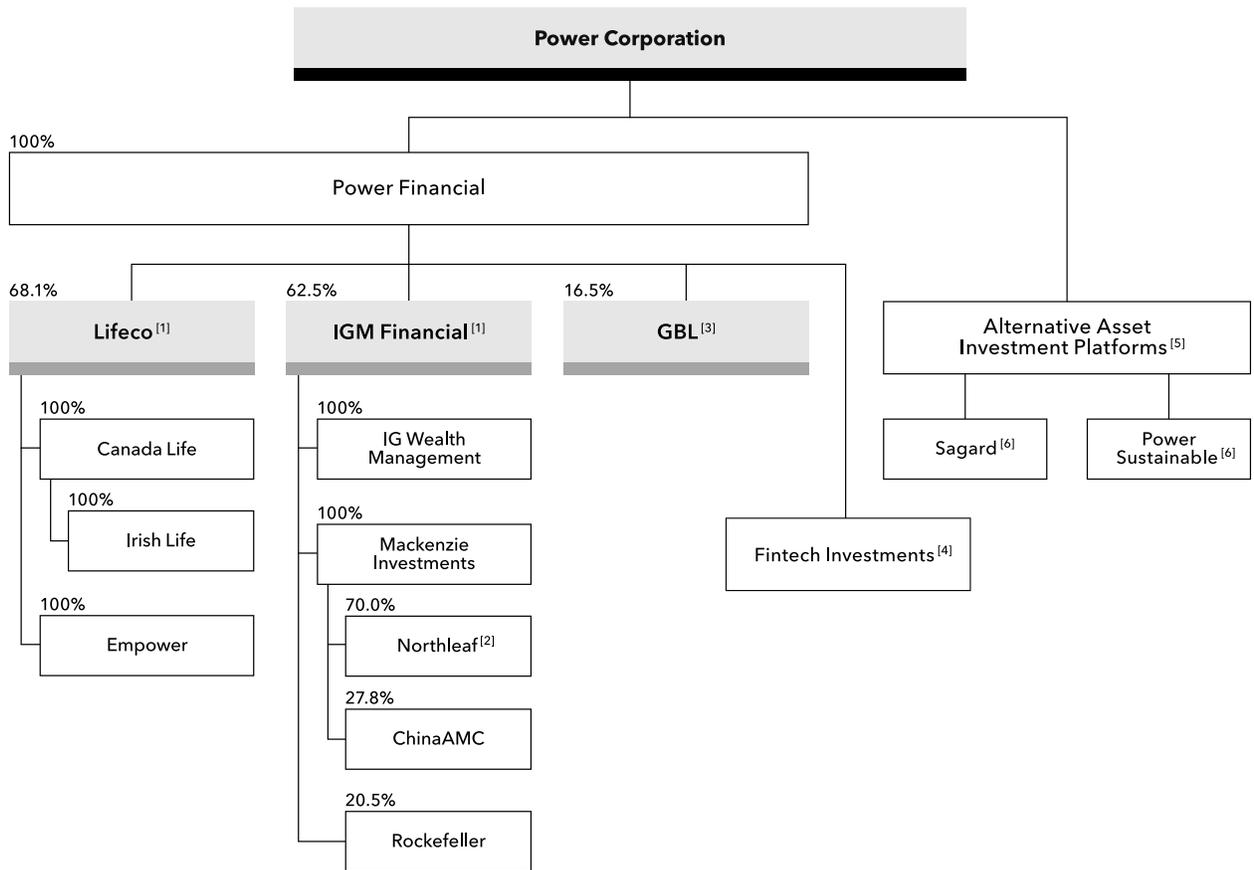
- Operating company organic levers: organic growth strategies at the publicly traded operating companies;
- Operating company inorganic levers: deployment and redeployment of capital; and
- Holding company levers: actions that can be taken at the Corporation and between the Corporation and its publicly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

Power Corporation, through its alternative asset investment platforms, is developing 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 significant influence and controlling interests in several standalone businesses managed to create and realize value over time.

GROUP STRUCTURE

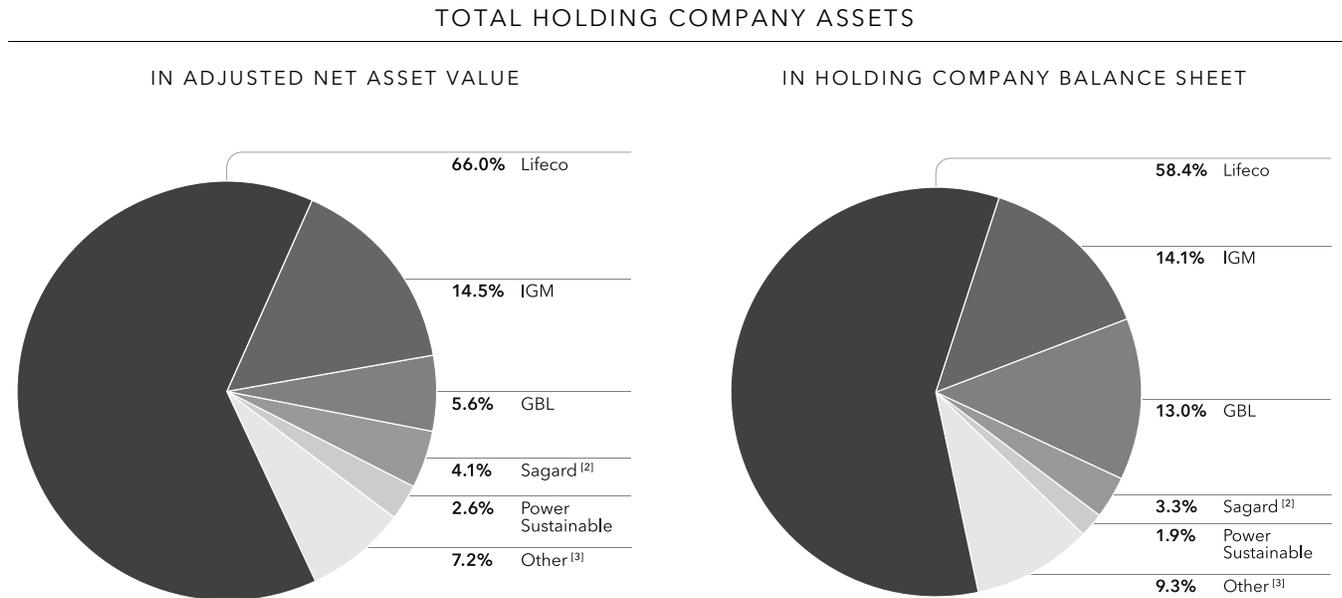
The following chart reflects the economic interests held by the Corporation at June 30, 2024, which include the operating subsidiaries (Lifeco and IGM) and its interest in GBL, held through Power Financial, and interests held through the Corporation’s alternative asset investment platforms.



In bold: Publicly listed holdings

- [1] Lifeco, through Canada Life, holds a 3.9% interest in IGM, and IGM holds a 2.4% interest in Lifeco.
- [2] Represents a 49.9% non-controlling voting interest. The interest in Northleaf is held through an acquisition vehicle in which IGM holds an 80% equity interest and Lifeco holds a 20% equity interest.
- [3] Held through Parjointco, a jointly controlled corporation (50%). Parjointco has a 47.0% voting interest in GBL. Refer to the section “GBL” for a list of investments.
- [4] Includes a controlling interest in Portage Ventures I, Portage Ventures II, Portage Ventures III and Wealthsimple, held through Power Financial, Lifeco and IGM.
- [5] Refer to the section “Alternative Asset Investment Platforms” for a list of investments held by each investment platform.
- [6] The Corporation holds a 52.0% interest in SHMI and a 74.7% interest in PSM. Refer to the section “Alternative Asset Investment Platforms”.

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 of companies, 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 MD&A.



- [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 Portage Ventures I, Portage Ventures II, Portage Ventures III and Wealthsimple, held through Power Financial.
- [3] Includes the Corporation's other investments and investments in standalone businesses, cash and cash equivalents, and other assets 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 \$37.2 billion (refer to the section “Other Measures”) at June 30, 2024, is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Lifeco operates primarily in Canada, the United States (U.S.) and Europe under the brands Canada Life, Empower and Irish Life.

At June 30, 2024, Power Financial and IGM held interests of 68.1% 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 \$8.9 billion at June 30, 2024, is a leading wealth and asset management company supporting advisors and the clients they serve in Canada, and institutional investors throughout North America, Europe and Asia. 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 June 30, 2024, Power Financial and Canada Life, a subsidiary of Lifeco, held interests of 62.5% 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 June 30, 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 €9.2 billion at June 30, 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 and considers environmental, social and governance (ESG) factors as being inextricably linked to value creation. GBL aims to grow its diversified high-quality portfolio of listed, private and alternative investments. GBL Capital conducts the group’s alternative assets activity which provides additional sources of diversification to GBL’s portfolio. In addition, GBL is developing its third-party asset management activity through 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 strategies include venture capital, private equity, private credit as well as real estate and infrastructure. At June 30, 2024, the alternative asset investment platforms had \$38.6 billion of assets under management, including unfunded commitments (refer to the section “Other Measures”).

SAGARD

Sagard is a multi-strategy alternative asset management firm with professionals principally located in Canada, the U.S., Europe and the Middle East. Sagard has active strategies in venture capital, private equity, private credit and real estate. Sagard also engages in private wealth management and holds strategic interests in other alternative asset management businesses. Sagard seeks to generate attractive returns by matching investment opportunities with flexible capital solutions and pairing entrepreneurs with teams that have deep industry knowledge. Sagard develops long-term partnerships and empowers the growth of its investments through a unique global network of portfolio companies, limited partners, advisors and other valued relationships. At June 30, 2024, Sagard had \$34.7 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 52.0% controlling interest in SHMI at June 30, 2024 (53.5% at December 31, 2023).

POWER SUSTAINABLE

Power Sustainable is a climate-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, social progress and quality growth, 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). At June 30, 2024, Power Sustainable had \$3.9 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 June 30, 2024 (100.0% at December 31, 2023).

Other Investments and Standalone Businesses

Other investments and standalone businesses includes the Corporation's investments held in investment funds as well as equity investments in standalone businesses which are managed to create and realize value over time. The standalone businesses include the Corporation's interest in Peak and Lion Electric, as well as a controlling interest in LMPG.

TABLE OF HOLDINGS

At June 30, 2024, the Corporation's main holdings were as follows:

Holdings	% economic interest	Nature of investment	Accounting method
Publicly traded operating companies^[1]			
Lifeco ^[2]	68.1	Controlling interest	Consolidation
IGM ^[3]	62.5	Controlling interest	Consolidation
GBL ^[4]	16.5	Joint control	Equity method
Alternative asset investment platforms			
Sagard			
SHMI ^[5]	52.0	Controlling interest	Consolidation
PEM ^[6]	38.0	Controlling interest	Consolidation
HalseyPoint	40.0	Joint control	Equity method
Wealthsimple ^{[1][7]}	14.0	Controlling interest	Consolidation
Portage Ventures I ^{[1][8]}	63.0	Controlling interest	Consolidation
Portage Ventures II ^{[1][9]}	12.4	Controlling interest	Consolidation
Portage Ventures III ^[10]	2.4	Controlling interest	Consolidation
Portage Capital Solutions ^[11]	31.5	Controlling interest	Consolidation
Sagard Funds ^[12]	various	Investment	Fair value through profit or loss
Power Sustainable			
Power Sustainable Manager ^[13]	74.7	Controlling interest	Consolidation
Power Sustainable Energy Infrastructure Partnership ^[14]	37.7	Controlling interest	Consolidation
Potentia	100.0	Controlling interest	Consolidation
Nautilus	100.0	Controlling interest	Consolidation
Standalone businesses			
Peak	42.6	Joint control	Equity method
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 June 30, 2024, management of Sagard held a 15.0% 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 30.6%, 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 also holds a 30.1% interest in Portage Capital Solutions.

[12] 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.

[13] At June 30, 2024, management of Power Sustainable held a 4.5% interest in PSM. Lifeco also held an interest of 20.8%. 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.

[14] Lifeco also holds a 14.6% interest in PSEIP.

FINANCIAL HIGHLIGHTS

SELECTED FINANCIAL INFORMATION

(in millions of dollars; except per share and as otherwise noted)	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net earnings ^[1]	730	709	501	1,439	814
Net earnings from continuing operations ^[1]	730	758	550	1,488	876
Adjusted net earnings from continuing operations ^{[1][2][3]}	761	703	842	1,464	1,430
Per share - basic ^[1] :					
Net earnings	1.12	1.09	0.75	2.21	1.22
Net earnings from continuing operations	1.12	1.17	0.82	2.29	1.31
Adjusted net earnings from continuing operations ^[4]	1.17	1.08	1.26	2.25	2.14
Dividend declared (per participating share)	0.5625	0.5625	0.5250	1.1250	1.0500
Dividend yield ^[5]	5.9%	5.9%	5.9%		
Total consolidated assets (in billions)	791	776	724		
Total consolidated assets and assets under management ^[6] (in billions)	1,215	1,191	1,258		
Total consolidated assets and assets under administration ^[6] (in billions)	3,221	3,140	2,911		
Adjusted net asset value ^{[1][6]}	32,746	34,513	32,448		
Participating shareholders' equity	21,749	21,474	20,874		
Per share ^[1] :					
Adjusted net asset value ^[4]	50.48	53.10	48.86		
Book value ^[7]	33.53	33.04	31.43		
Market capitalization ^[8]	24,664	24,686	23,680		
Share price (Subordinate Voting Shares)					
Ending	38.02	37.98	35.66	38.02	35.66
High	40.59	40.30	36.75	40.59	37.66
Low	35.83	36.86	33.66	35.83	32.00
Number of participating shares outstanding					
End of period	648.7	650.0	664.0	648.7	664.0
Average	649.4	650.6	665.8	650.0	666.3

[1] Attributable to participating shareholders.

[2] Non-IFRS financial measure. Effective the first quarter of 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 this change.

[3] GMT legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, the comparative results for adjusted net earnings and Adjustments for the first quarter of 2024 are presented on a pro forma basis as if the legislation had been enacted in the first quarter of 2024. Refer to the section "Statement Regarding Non-IFRS Financial Measures and Other Measures".

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

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

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

[7] Refer to the section "Other measures".

[8] 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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Lifeco ^[1]	708	666	628	1,374	1,189
IGM ^[1]	137	140	132	277	260
GBL ^[1]	21	54	90	75	109
Effect of consolidation ^[2]	(13)	(15)	(10)	(28)	(7)
Publicly traded operating companies	853	845	840	1,698	1,551
Sagard and Power Sustainable	–	(28)	–	(28)	(43)
ChinaAMC	–	–	–	–	2
Other investments and standalone businesses	14	(9)	110	5	126
	867	808	950	1,675	1,636
Corporate operations and other ^[3]	(106)	(105)	(108)	(211)	(206)
Adjusted net earnings^{[4][5]}	761	703	842	1,464	1,430
Adjustments ^[6]	(31)	55	(292)	24	(554)
Net earnings^[4]	730	758	550	1,488	876

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

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

[3] Includes operating and other expenses, and dividends on non-participating shares of the Corporation and Power Financial.

[4] Attributable to participating shareholders.

[5] Non-IFRS financial measure. Effective the first quarter of 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 this change.

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

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 the Corporation’s other investments and standalone businesses 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 Interim Consolidated Financial Statements of the Corporation have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* (IAS 34) 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 I, Portage Ventures II and Portage Ventures III 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 20 of the Interim Consolidated Financial Statements, and reconciliations of these statements are provided throughout this MD&A.

CONSOLIDATED STATEMENTS OF EARNINGS IN ACCORDANCE WITH IFRS

Power Corporation's consolidated statements of earnings for the three months and six months ended June 30, 2024 are presented below. The Corporation's reportable segments include Lifeco, IGM and GBL, as well as the holding company. These tables reflect 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 other investments and standalone businesses.

Consolidated Net Earnings - Three months ended

	Lifeco	IGM	GBL	Holding company	Alternative Asset Investment Platforms and Other ^[1]	Effect of consolidation ^[2]	Power Corporation Consolidated net earnings		
							June 30, 2024	March 31, 2024	June 30, 2023
Insurance service result									
Insurance revenue	5,273	-	-	-	-	-	5,273	5,250	5,081
Insurance service expenses	(4,057)	-	-	-	-	-	(4,057)	(4,067)	(3,963)
Net expense from reinsurance contracts	(385)	-	-	-	-	-	(385)	(386)	(415)
Total insurance service result	831	-	-	-	-	-	831	797	703
Net investment result									
Net investment income (loss) ^[3]	1,536	10	-	19	150	(15)	1,700	1,183	(472)
Net investment result from insurance activities ^[4]	(896)	-	-	-	-	-	(896)	(195)	911
Total net investment result	640	10	-	19	150	(15)	804	988	439
Fee income and other revenues	1,794	836	-	-	348	(43)	2,935	2,729	2,564
Operating and administrative expenses	(1,859)	(584)	-	(45)	(458)	39	(2,907)	(2,900)	(2,829)
Financing charges	(101)	(32)	-	(13)	(52)	(4)	(202)	(201)	(186)
Earnings before investments in jointly controlled corporations and associates, and income taxes	1,305	230	-	(39)	(12)	(23)	1,461	1,413	691
Share of earnings (losses) of investments in jointly controlled corporations and associates	9	51	21	-	26	(34)	73	64	248
Earnings before income taxes	1,314	281	21	(39)	14	(57)	1,534	1,477	939
Income tax expense (recovery)	229	64	-	-	1	11	305	234	88
Net earnings - continuing operations	1,085	217	21	(39)	13	(68)	1,229	1,243	851
Net loss - discontinued operations	-	-	-	-	-	-	-	(115)	(71)
Net gain - disposal of discontinued operations	-	-	-	-	-	-	-	44	-
Net earnings	1,085	217	21	(39)	13	(68)	1,229	1,172	780
Attributable to									
Non-controlling interests	415	81	-	35	23	(68)	486	450	266
Non-participating shareholders	-	-	-	13	-	-	13	13	13
Participating shareholders of Power Corporation ^[2]	670	136	21	(87)	(10)	-	730	709	501
	1,085	217	21	(39)	13	(68)	1,229	1,172	780

[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.

Consolidated Net Earnings - Six months ended

	Lifeco	IGM	GBL	Holding company	Alternative Asset Investment Platforms and Other ^[1]	Effect of consolidation ^[2]	Power Corporation Consolidated net earnings	
							June 30, 2024	June 30, 2023
Insurance service result								
Insurance revenue	10,523	-	-	-	-	-	10,523	10,118
Insurance service expenses	(8,124)	-	-	-	-	-	(8,124)	(7,958)
Net expense from reinsurance contracts	(771)	-	-	-	-	-	(771)	(757)
Total insurance service result	1,628	-	-	-	-	-	1,628	1,403
Net investment result								
Net investment income (loss) ^[3]	2,472	26	-	42	344	(1)	2,883	5,284
Net investment result from insurance activities ^[4]	(1,091)	-	-	-	-	-	(1,091)	(4,448)
Total net investment result	1,381	26	-	42	344	(1)	1,792	836
Fee income and other revenues	3,466	1,660	-	-	624	(86)	5,664	4,997
Operating and administrative expenses	(3,730)	(1,152)	-	(88)	(913)	76	(5,807)	(5,462)
Financing charges	(201)	(64)	-	(27)	(105)	(6)	(403)	(377)
Earnings before investments in jointly controlled corporations and associates, and income taxes	2,544	470	-	(73)	(50)	(17)	2,874	1,397
Share of earnings (losses) of investments in jointly controlled corporations and associates	28	103	75	-	8	(77)	137	281
Earnings before income taxes	2,572	573	75	(73)	(42)	(94)	3,011	1,678
Income tax expense (recovery)	398	131	-	-	(7)	17	539	208
Net earnings - continuing operations	2,174	442	75	(73)	(35)	(111)	2,472	1,470
Net loss - discontinued operations	(115)	-	-	-	-	-	(115)	(90)
Net gain - disposal of discontinued operations	44	-	-	-	-	-	44	-
Net earnings	2,103	442	75	(73)	(35)	(111)	2,401	1,380
Attributable to								
Non-controlling interests	792	173	-	70	12	(111)	936	540
Non-participating shareholders	-	-	-	26	-	-	26	26
Participating shareholders of Power Corporation ^[2]	1,311	269	75	(169)	(47)	-	1,439	814
	2,103	442	75	(73)	(35)	(111)	2,401	1,380

[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, and the Corporation's other investments and standalone businesses.

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted net earnings from continuing operations^[1]					
Lifeco ^{[2][3]}	708	666	628	1,374	1,189
IGM ^[3]	137	140	132	277	260
GBL ^[3]	21	54	90	75	109
Effect of consolidation ^[4]	(13)	(15)	(10)	(28)	(7)
	853	845	840	1,698	1,551
Sagard and Power Sustainable	–	(28)	–	(28)	(43)
ChinaAMC ^[5]	–	–	–	–	2
Other investments and standalone businesses	14	(9)	110	5	126
Corporate operating and other expenses	(58)	(57)	(60)	(115)	(111)
Dividends on non-participating and perpetual preferred shares	(48)	(48)	(48)	(96)	(95)
	761	703	842	1,464	1,430
Adjustments^{[2][6]}					
Lifeco ^[3]	(22)	36	(240)	14	(384)
IGM ^[3]	(2)	(1)	(46)	(3)	63
Effect of consolidation	(2)	(3)	(9)	(5)	(137)
	(26)	32	(295)	6	(458)
Power Sustainable	(5)	23	3	18	(42)
ChinaAMC ^[5]	–	–	–	–	(54)
	(31)	55	(292)	24	(554)
Net earnings from continuing operations^[7]					
Lifeco ^[3]	686	702	388	1,388	805
IGM ^[3]	135	139	86	274	323
GBL ^[3]	21	54	90	75	109
Effect of consolidation	(15)	(18)	(19)	(33)	(144)
	827	877	545	1,704	1,093
Sagard and Power Sustainable	(5)	(5)	3	(10)	(85)
ChinaAMC ^[5]	–	–	–	–	(52)
Other investments and standalone businesses	14	(9)	110	5	126
Corporate operating and other expenses	(58)	(57)	(60)	(115)	(111)
Dividends on non-participating and perpetual preferred shares	(48)	(48)	(48)	(96)	(95)
	730	758	550	1,488	876
Net earnings (loss) from discontinued operations - Putnam	–	(49)	(49)	(49)	(62)
Net earnings^[7]	730	709	501	1,439	814

[1] Adjusted net earnings from continuing operations (adjusted net earnings) is a non-IFRS financial measure. Effective the first quarter of 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 this change. For a reconciliation of Lifeco, IGM, and Sagard and Power Sustainable's non-IFRS adjusted net earnings to their net earnings, refer to the sections "Lifeco", "IGM Financial", and "Sagard and Power Sustainable" in the section "Review of Segments and Operating Results" below which detail the contribution to net earnings and adjusted net earnings of each.

[2] GMT legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, the comparative results for adjusted net earnings and Adjustments for the first quarter of 2024 are presented on a pro forma basis as if the legislation had been enacted in the first quarter of 2024. Refer to the section "Statement Regarding Non-IFRS Financial Measures and Other Measures".

[3] Contribution based on earnings reported by Lifeco, IGM and GBL.

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

[5] On January 12, 2023, the Corporation and IGM completed a transaction in which the interest in ChinaAMC was combined under 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.

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

[7] Attributable to participating shareholders.

Adjusted and Net Earnings Per Share

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Earnings per share - basic^[1]					
Adjusted net earnings from continuing operations	1.17	1.08	1.26	2.25	2.14
Adjustments	(0.05)	0.09	(0.44)	0.04	(0.83)
Net earnings from continuing operations	1.12	1.17	0.82	2.29	1.31
Net earnings (loss) from discontinued operations - Putnam	-	(0.08)	(0.07)	(0.08)	(0.09)
Net earnings	1.12	1.09	0.75	2.21	1.22

[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, Portage Ventures I, Portage Ventures II, Portage Ventures III 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:

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Lifeco	(15)	(8)	(13)	(23)	(5)
IGM	2	(7)	3	(5)	(2)
	(13)	(15)	(10)	(28)	(7)
Per share ^[1]	(0.02)	(0.01)	(0.02)	(0.04)	(0.02)

[1] Attributable to participating shareholders.

Q2 2024 vs. Q2 2023 and Q1 2024

Year-to-date 2024 vs. 2023

Net earnings

\$730 million or \$1.12 per share, compared with \$501 million or \$0.75 per share in the corresponding period in 2023, an increase of 49.3% on a per share basis, and \$709 million or \$1.09 per share in the first quarter of 2024.

\$1,439 million or \$2.21 per share, compared with \$814 million or \$1.22 per share in the corresponding period in 2023, an increase of 81.1% on a per share basis.

Net earnings from continuing operations

\$730 million or \$1.12 per share, compared with \$550 million or \$0.82 per share in the corresponding period in 2023, an increase of 36.6% on a per share basis, and \$758 million or \$1.17 per share in the first quarter of 2024.

\$1,488 million or \$2.29 per share, compared with \$876 million or \$1.31 per share in the corresponding period in 2023, an increase of 74.8% on a per share basis.

Adjusted net earnings from continuing operations

\$761 million or \$1.17 per share, compared with \$842 million or \$1.26 per share in the corresponding period in 2023, a decrease of 7.1% on a per share basis, and \$703 million or \$1.08 per share in the first quarter of 2024.

\$1,464 million or \$2.25 per share, compared with \$1,430 million or \$2.14 per share in the corresponding period in 2023, an increase of 5.1% 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 \$827 million, compared with \$545 million in the corresponding period in 2023, an increase of 51.7%, and \$877 million in the first quarter of 2024.

Contribution to net earnings from continuing operations of \$1,704 million, compared with \$1,093 million in the corresponding period in 2023, an increase of 55.9%.

Contribution to adjusted net earnings from continuing operations of \$853 million, compared with \$840 million in the corresponding period in 2023, an increase of 1.5%, and \$845 million in the first quarter of 2024.

Contribution to adjusted net earnings from continuing operations of \$1,698 million, compared with \$1,551 million in the corresponding period in 2023, an increase of 9.5%.

Main Drivers of Earnings**NET EARNINGS AND ADJUSTED NET EARNINGS FROM CONTINUING OPERATIONS**

The Corporation's net earnings increased by \$180 million or 32.7% for the three-month period ended June 30, 2024 and adjusted net earnings decreased by \$81 million or 9.6% from the corresponding quarter in 2023:

- **Lifeco:** contribution to net earnings and adjusted net earnings increased by \$298 million or 76.8% and by \$80 million or 12.7%, respectively.
- **IGM:** contribution to net earnings and adjusted net earnings increased by \$49 million or 57.0% and by \$5 million or 3.8%, respectively.
- **GBL:** contribution to net earnings of \$21 million in the second quarter of 2024, compared with a contribution of \$90 million in the second quarter of 2023.
- **Sagard and Power Sustainable:** net earnings include a positive contribution of \$27 million from Sagard and a negative contribution of \$32 million from Power Sustainable in the second quarter of 2024, compared with a positive contribution of \$5 million from Sagard and a negative contribution of \$2 million from Power Sustainable in the corresponding quarter in 2023. Adjusted net earnings include a positive contribution of \$27 million from Sagard and a negative contribution of \$27 million from Power Sustainable, compared with a positive contribution of \$5 million from Sagard and a negative contribution of \$5 million from Power Sustainable in the corresponding quarter in 2023.

The Corporation's net earnings and adjusted net earnings for the six-month period ended June 30, 2024 increased by \$612 million and by \$34 million or 2.4%, respectively, from the corresponding period in 2023:

- **Lifeco:** contribution to net earnings and adjusted net earnings increased by \$583 million or 72.4% and by \$185 million or 15.6%, respectively.
- **IGM:** contribution to net earnings decreased by \$49 million or 15.2% and the contribution to adjusted net earnings increased by \$17 million or 6.5%.
- **GBL:** contribution to net earnings of \$75 million, compared with a contribution of \$109 million in 2023.
- **Sagard and Power Sustainable:** net earnings include a positive contribution of \$32 million from Sagard and a negative contribution of \$42 million from Power Sustainable in the six-month period ended June 30, 2024, compared with a negative contribution from Sagard and Power Sustainable of \$6 million and \$79 million, respectively, in the corresponding period in 2023. Adjusted net earnings include a positive contribution of \$32 million from Sagard and a negative contribution of \$60 million from Power Sustainable, compared with a negative contribution from Sagard and Power Sustainable of \$6 million and \$37 million, respectively, 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 Part B and C, respectively, of this MD&A.

REVIEW OF SEGMENTS AND OPERATING RESULTS

PUBLICLY TRADED OPERATING COMPANIES

Lifeco

OVERVIEW OF THE BUSINESS

Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, 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: Workplace Solutions (including group life & health, group retirement, and pension administration and record-keeping services); Wealth & Asset Management (including retail savings and wealth products); 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 products, including life, accidental death and dismemberment, critical illness, disability, health and dental protection, and creditor insurance, as well as retirement savings and income and annuity products and other speciality 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 by PanAgora through the Asset Management business unit. The Empower Defined Contribution business unit helps people with saving, investing and advice through employer-sponsored defined contribution, defined benefit and non-qualified plans. The Empower Personal Wealth business unit offers individual product solutions and provides retail wealth management products and services to individuals, including individual retirement accounts and after-tax investment accounts. 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 retrocession block of life insurance. 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 (including life bonds, retirement drawdown and pension) offered in the U.K., pension, savings and investment products offered in Ireland and pension products offered in Germany. 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 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.

2024 DEVELOPMENTS

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 will hold a majority of these shares for a minimum five-year period.

In addition to the sale, Lifeco, along with the Corporation and Franklin Templeton, has entered into a strategic partnership to distribute Franklin Templeton products. Lifeco will provide an initial long-term asset allocation of US\$25 billion of assets under management to Franklin Templeton within 12 months of closing, with the potential for that amount to increase over the next several years.

See Part B of this MD&A for additional information on Lifeco.

RESULTS

Contribution to Power Corporation

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Average direct ownership (%)	68.1	68.1	68.2	68.1	68.1
Contribution to earnings					
Net earnings from continuing operations	670	689	375	1,359	783
Adjusted net earnings from continuing operations	693	658	615	1,351	1,184
Dividend received				706	661
As at				June 30, 2024	December 31, 2023
Contribution to holding company balance sheets					
Investment in Lifeco, carrying value				15,996	15,326
% of total holding company assets				58.4	57.1
Investment in Lifeco, fair value				25,361	27,871
% of total holding company assets, at fair value				66.0	68.7

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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Contribution to Power Corporation's:					
Adjusted net earnings from continuing operations					
As reported by Lifeco	708	666	628	1,374	1,189
Effect of consolidation ^[1]	(15)	(8)	(13)	(23)	(5)
	693	658	615	1,351	1,184
Adjustments					
As reported by Lifeco	(22)	36	(240)	14	(384)
Effect of consolidation ^[2]	(1)	(5)	–	(6)	(17)
	(23)	31	(240)	8	(401)
Net earnings from continuing operations	670	689	375	1,359	783
Net earnings (loss) from discontinued operations – Putnam	–	(48)	(48)	(48)	(61)
Net earnings	670	641	327	1,311	722

[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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted net earnings from continuing operations ^{[1][2]}	1.11	1.05	0.99	2.16	1.87
Adjustments ^[3]	(0.03)	0.05	(0.38)	0.02	(0.60)
Net earnings from continuing operations ^[1]	1.08	1.10	0.61	2.18	1.27
Net earnings^[1]	1.08	1.03	0.53	2.11	1.17

[1] Attributable to Lifeco common shareholders.

[2] Defined as "base earnings per common share" by Lifeco, a non-IFRS ratio; refer to the section "Non-GAAP Financial Measures and Ratios" in Part B of this MD&A.

[3] See the section "Adjustments" below.

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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted net earnings from continuing operations^{[1][2][3]}					
Canada	322	302	283	624	561
United States	324	286	265	610	483
Europe ^[3]	206	197	180	403	358
Capital and Risk Solutions ^[3]	190	195	203	385	360
Lifeco Corporate	(4)	(2)	(11)	(6)	(16)
	1,038	978	920	2,016	1,746
Adjustments^{[3][4]}					
Market experience relative to expectations ^[5]	28	107	(79)	135	(247)
Realized OCI gains (losses) from asset rebalancing	–	–	(121)	–	(121)
Assumption changes and management actions ^[5]	39	(1)	(4)	38	3
Other non-market related impacts ^{[3][6]}	(100)	(53)	(147)	(153)	(198)
	(33)	53	(351)	20	(563)
Net earnings from continuing operations^[1]					
Canada	335	353	148	688	381
United States	274	233	161	507	331
Europe	201	187	102	388	142
Capital and Risk Solutions	155	260	169	415	353
Lifeco Corporate	40	(2)	(11)	38	(24)
Net earnings from continuing operations^[1]	1,005	1,031	569	2,036	1,183
Net earnings (loss) from discontinued operations – Putnam	–	(115)	(71)	(115)	(90)
Net gain from disposal of discontinued operations – Putnam	–	44	–	44	–
Net earnings^[1]	1,005	960	498	1,965	1,093

[1] Attributable to Lifeco common shareholders.

[2] Defined as "base earnings (loss)" by Lifeco, a non-IFRS financial measure; refer to Part B of this MD&A for additional details including a definition and reconciliation by segment.

[3] GMT legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, the comparative results for adjusted net earnings and Adjustments for the first quarter of 2024 are presented on a pro forma basis as if the legislation had been enacted in the first quarter of 2024. Refer to Part B of this MD&A.

[4] See the section "Adjustments" below. Described as "items excluded from base earnings" by Lifeco; refer to Part B of this MD&A.

[5] Refer to Part B of this MD&A for more details, including a definition of these Adjustments.

[6] 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 impacts.

Q2 2024 vs. Q2 2023 and Q1 2024

Year-to-date 2024 vs. 2023

Net earnings

\$1,005 million or \$1.08 per share, compared with \$498 million or \$0.53 per share in the corresponding period in 2023, and \$960 million or \$1.03 per share in the first quarter of 2024.

\$1,965 million or \$2.11 per share, compared with \$1,093 million or \$1.17 per share in the corresponding period in 2023, an increase of 80.3% on a per share basis.

Net earnings from continuing operations

\$1,005 million or \$1.08 per share, compared with \$569 million or \$0.61 per share in the corresponding period in 2023, an increase of 77.0% on a per share basis, and \$1,031 million or \$1.10 per share in the first quarter of 2024.

\$2,036 million or \$2.18 per share, compared with \$1,183 million or \$1.27 per share in the corresponding period in 2023, an increase of 71.7% on a per share basis.

Adjusted net earnings from continuing operations

\$1,038 million or \$1.11 per share, compared with \$920 million or \$0.99 per share in the corresponding period in 2023, an increase of 12.1% on a per share basis, and \$978 million or \$1.05 per share in the first quarter of 2024.

\$2,016 million or \$2.16 per share, compared with \$1,746 million or \$1.87 per share in the corresponding period in 2023, an increase of 15.5% on a per share basis.

CANADA

Net earnings in the three-month period ended June 30, 2024 increased by \$187 million to \$335 million, compared with the corresponding quarter in 2023. Adjusted net earnings in the three-month period ended June 30, 2024 were \$322 million, an increase of \$39 million compared with the corresponding quarter in 2023, reflecting:

- Strong long-term disability and health experience driven by management actions in Workplace Solutions, as well as organic growth in Workplace Solutions;
- Higher net fee and spread income partially driven by the addition of IPC and Value Partners; and
- Higher equity markets, improved mortality experience in Insurance and Annuities, and favourable tax impacts;
- Partially offset by higher than normal commodity taxes in the second quarter of 2024.

Adjusted net earnings in the three-month period ended June 30, 2024 excluded Adjustments of positive \$13 million, compared with Adjustments of negative \$135 million in the corresponding quarter in 2023. Market experience relative to expectations was positive \$25 million in the second quarter of 2024, compared with negative \$129 million in the corresponding quarter in 2023, primarily due to favourable impacts of risk-free interest rate and credit spread movements in the three-month period ended June 30, 2024, compared with unfavourable impacts in the prior year, and less unfavourable non-fixed income experience.

Net earnings in the six-month period ended June 30, 2024 increased by \$307 million to \$688 million, compared with the corresponding period in 2023. Adjusted net earnings in the six-month period ended June 30, 2024 were \$624 million, an increase of \$63 million compared with the corresponding period in 2023, primarily due to:

- Favourable long-term disability and health experience driven by management actions in Workplace Solutions, as well as organic growth in Workplace Solutions;
- Higher net fee and spread income partially driven by the addition of IPC and Value Partners; and
- Higher equity markets, and improved mortality experience in Insurance & Annuities;
- Partially offset by a favourable tax item from 2023 in Individual Wealth Management which did not repeat, and lower earnings on surplus.

Adjusted net earnings in the six-month period ended June 30, 2024 excluded Adjustments of positive \$64 million, compared with Adjustments of negative \$180 million in the corresponding period in 2023. Market experience relative to expectations was positive \$92 million, compared with negative \$172 million in the corresponding period in 2023, primarily due to the same reasons explained in the three-month period above.

UNITED STATES (CONTINUING OPERATIONS)

Net earnings from continuing operations in the three-month period ended June 30, 2024 increased by US\$80 million (C\$113 million) to US\$200 million (C\$274 million), compared with the corresponding quarter in 2023. Adjusted net earnings were US\$236 million (C\$324 million) in the three-month period ended June 30, 2024, an increase of US\$38 million (C\$59 million), compared with the corresponding quarter in 2023, primarily due to:

- Increased fee income driven by higher equity markets;
- A US\$22 million (C\$30 million) fee income adjustment related to the acquired Prudential business; and
- Dividends on Franklin Templeton shares of US\$9 million (C\$12 million), and growth in the business;
- Partially offset by US\$29 million (C\$40 million) of credit-related impacts on commercial mortgage loans in the second quarter of 2024 and higher paid crediting rates resulting in lower spread income.

Adjusted net earnings in the three-month period ended June 30, 2024 excluded Adjustments of negative US\$36 million (C\$50 million), compared with negative US\$78 million (C\$104 million) in the corresponding quarter in 2023. The decrease in negative Adjustments was primarily due to the non-recurrence of a 2023 provision related to Empower's sale of substantially all of its individual life and annuity business in 2019.

Net earnings from continuing operations in the six-month period ended June 30, 2024 increased by US\$124 million (C\$176 million) to US\$372 million (C\$507 million), compared with the corresponding period in 2023. Adjusted net earnings were US\$447 million (C\$610 million) in the six-month period ended June 30, 2024, an increase of US\$86 million (C\$127 million), compared with the corresponding period in 2023, primarily due to the same reasons explained in the three-month period above as well as higher earnings on surplus assets.

Adjusted net earnings in the six-month period ended June 30, 2024 excluded Adjustments of negative US\$75 million (C\$103 million), compared with negative US\$113 million (C\$152 million) in the corresponding period in 2023. The decrease in negative Adjustments was primarily due to the same reasons explained in the three-month period above.

EUROPE

Net earnings in the three-month period ended June 30, 2024 increased by \$99 million to \$201 million, compared with the corresponding quarter in 2023. Adjusted net earnings in the three-month period ended June 30, 2024 were \$206 million, an increase of \$26 million, compared with the corresponding quarter in 2023, primarily due to:

- Favourable group experience in the U.K.; and
- Higher fee income, lower operating expenses, higher contractual service margin recognized and higher surplus income;
- Partially offset by unfavourable health claims experience in Ireland and a higher effective tax rate due to the implementation of GMT. Refer to Part B of this MD&A for more details.

Adjusted net earnings in the three-month period ended June 30, 2024 excluded Adjustments of negative \$5 million, compared with Adjustments of negative \$78 million in the corresponding quarter in 2023. The decrease in negative Adjustments was primarily due to realized OCI losses in the prior year that did not repeat related to asset rebalancing in the surplus account and a loss from the sale of Canada Life U.K.'s onshore individual protection business in the prior year. These items were partially offset by less favourable market experience relative to expectations in the three-month period ended June 30, 2024, compared with the corresponding quarter in 2023 due to increases in risk-free interest rates. Adjustments in the second quarter of 2024 include the true-up for GMT impact for the first quarter of 2024.

Net earnings in the six-month period ended June 30, 2024 increased by \$246 million to \$388 million, compared with the corresponding period in 2023. Adjusted net earnings in the six-month period ended June 30, 2024 were \$403 million, an increase of \$45 million compared with the corresponding period in 2023, primarily due to:

- Growth in the group and annuity protection business in the U.K.; and
- Lower operating expenses and higher surplus income growth;
- Partially offset by unfavourable health claims experience in Ireland and the impact of GMT. The impact of GMT on net earnings for the six-month period ended June 30, 2024 was negative \$15 million.

Adjusted net earnings in the six-month period ended June 30, 2024 excluded Adjustments of negative \$15 million, compared with Adjustments of negative \$216 million in the corresponding period in 2023. The increase was primarily due to the same reasons explained in the three-month period above and positive market experience relative to expectations from smaller decreases in commercial property, compared with the corresponding period in 2023.

CAPITAL AND RISK SOLUTIONS

Net earnings in the three-month period ended June 30, 2024 decreased by \$14 million to \$155 million, compared with the corresponding quarter in 2023. Adjusted net earnings in the three-month period ended June 30, 2024 were \$190 million, a decrease of \$13 million compared with the corresponding quarter in 2023, as growth in the structured reinsurance business and higher net investment revenue were offset by unfavourable experience primarily driven by the U.S. life reinsurance business and a \$24 million impact of GMT. Refer to Part B of this MD&A for more details.

Adjusted net earnings in the three-month period ended June 30, 2024 excluded Adjustments of negative \$35 million, compared with negative \$34 million in the corresponding quarter in 2023, primarily due to market experience relative to expectations from interest rate movements and the implementation of GMT. Adjustments in the second quarter of 2024 include the true-up for GMT impact for the first quarter of 2024.

Net earnings in the six-month period ended June 30, 2024 increased by \$62 million to \$415 million, compared with the corresponding period in 2023. Adjusted net earnings in the six-month period ended June 30, 2024 were \$385 million, an increase of \$25 million compared with the corresponding period in 2023, primarily due to growth in the structured business, higher net investment revenue and improved experience primarily driven by the U.S. life business, partially offset by the impact of GMT. The impact of GMT on net earnings for the six-month period ended June 30, 2024 was negative \$51 million, primarily related to operations in Barbados.

Adjusted net earnings in the six-month period ended June 30, 2024 excluded Adjustments of positive \$30 million, compared with negative \$7 million in the corresponding period in 2023, primarily due to the same reasons explained in the three-month period above.

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 the first and second quarters of 2024, Adjustments with a net positive earnings impact of \$20 million after tax consist of:

- 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 (\$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^[1] of \$34 million after tax (\$34 million pre-tax), partially offset by market experience relative to expectations of positive \$28 million after tax (\$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 (\$136 million pre-tax), and a positive impact from tax legislative changes^[1] of \$34 million after tax (\$34 million pre-tax), 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 (\$67 million pre-tax), and amortization of acquisition-related finite life intangibles of \$38 million after tax (\$50 million pre-tax).

In the first and second quarters of 2023, Adjustments with a net negative earnings impact of \$563 million after tax consisted of:

- 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 (\$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 (\$144 million pre-tax), amortization of acquisition-related finite life intangibles of \$36 million after tax (\$49 million pre-tax), and a negative earnings impact from assumption changes and management actions of \$4 million after tax (\$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 (\$209 million pre-tax), business transformation impacts of negative \$19 million after tax (\$26 million pre-tax), and amortization of acquisition-related finite life intangibles of \$32 million after tax (\$43 million pre-tax), partially offset by a positive earnings impact from assumption changes and management actions of \$7 million after tax (\$9 million pre-tax).

The information above has been derived from Lifeco's interim and most recent Annual MD&A; see Part B of this MD&A for additional information on Lifeco's interim results. Lifeco's interim and most recent Annual MD&A are available under its profile on SEDAR+ (www.sedarplus.ca).

[1] Adjusted net earnings for the six months ended June 30, 2024 include the negative impact of \$66 million, primarily related to the enactment of the GMT legislation in Canada on June 20, 2024 which is retroactive to January 1, 2024. This negative impact includes a \$34 million retroactive impact for the first quarter of 2024 as a result of Canada's enactment of legislation in the 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 Part B of this 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 throughout North America, Europe and Asia. 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 comprehensive personal financial planning by offering a broad range of financial products and services in the areas of advanced financial planning, mortgage banking, insurance, and securities. 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 "Alternative Asset Investment Platforms"), IGM's unallocated capital, as well as consolidation elimination entries.

See Part C of this MD&A for additional information on IGM.

RESULTS

Contribution to Power Corporation

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Average direct ownership (%)	62.5	62.2	62.1	62.3	62.2
Contribution to earnings					
Net earnings from continuing operations	136	134	80	270	201
Adjusted net earnings from continuing operations	139	133	135	272	258
Dividend received				166	166
As at				June 30, 2024	December 31, 2023
Contribution to holding company balance sheets					
Investment in IGM, carrying value				3,849	3,702
% of total holding company assets				14.1	13.8
Investment in IGM, fair value				5,587	5,179
% of total holding company assets, at fair value				14.5	12.8

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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Contribution to Power Corporation's:					
Adjusted net earnings from continuing operations					
As reported by IGM ^{[1][2]}	137	140	132	277	260
Effect of consolidation ^[3]	2	(7)	3	(5)	(2)
	139	133	135	272	258
Adjustments					
As reported by IGM ^[2]	(2)	(1)	(46)	(3)	63
Effect of consolidation ^{[2][4]}	(1)	2	(9)	1	(120)
	(3)	1	(55)	(2)	(57)
Net earnings from continuing operations	136	134	80	270	201
Net earnings (loss) from discontinued operations					
Effect of consolidation ^[5]	–	(1)	(1)	(1)	(1)
Net earnings	136	133	79	269	200

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

[2] In the first quarter of 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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted net earnings ^{[1][2][3]}	0.93	0.94	0.89	1.87	1.75
Adjustments ^{[3][4][5]}	(0.02)	–	(0.31)	(0.02)	0.43
Net earnings^[1]	0.91	0.94	0.58	1.85	2.18

[1] Available to IGM common shareholders.

[2] Adjusted net earnings per share is a non-IFRS ratio; refer to the section "Non-IFRS Financial Measures and Other Financial Measures" in Part C of this MD&A.

[3] In the first quarter of 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; refer to Part C of this MD&A.

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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Wealth Management ^{[1][2]}	109	111	114	220	221
Asset Management ^{[1][2]}	85	87	77	172	154
Corporate and Other ^{[1][2]}	27	26	21	53	43
Adjusted net earnings ^{[3][4]}	221	224	212	445	418
Adjustments ^{[4][5]}	(4)	(1)	(74)	(5)	101
Net earnings^[3]	217	223	138	440	519

[1] In the fourth quarter of 2023, IGM realigned its reportable segments to better characterize and simplify its business lines into wealth management and asset management segments. The revised segments reflect a realignment of Rockefeller and Wealthsimple to the wealth management segment and ChinaAMC and Northleaf to the asset management segment. These changes have no impact on the reported earnings of IGM. The comparative information has been restated to reflect the realigned segments.

[2] 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.

[3] Available to IGM common shareholders.

[4] Adjusted net earnings is a non-IFRS financial measure; refer to Part C of this MD&A for additional details including a definition and reconciliation. IGM does not allocate Adjustments to segments. In the first quarter of 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.

[5] Described as "Other items" by IGM; refer to Part C of this MD&A.

Q2 2024 vs. Q2 2023 and Q1 2024	Year-to-date 2024 vs. 2023
Net earnings	
\$217 million or \$0.91 per share, compared with \$138 million or \$0.58 per share in the corresponding period in 2023, an increase of 56.9% on a per share basis, and \$223 million or \$0.94 per share in the first quarter of 2024.	\$440 million or \$1.85 per share, compared with \$519 million or \$2.18 per share in the corresponding period in 2023, a decrease of 15.1% on a per share basis. 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. The Corporation eliminated this gain on consolidation.
Adjusted net earnings	
\$221 million or \$0.93 per share, compared with \$212 million or \$0.89 per share in the corresponding period in 2023, an increase of 4.5% on a per share basis, and \$224 million or \$0.94 per share in the first quarter of 2024.	\$445 million or \$1.87 per share, compared with \$418 million or \$1.75 per share in the corresponding period in 2023, an increase of 6.9% on a per share basis.

Adjusted net earnings exclude Adjustments of a negative earnings impact of \$5 million in the six-month period ended June 30, 2024, compared with Adjustments of a positive earnings impact of \$101 million in the corresponding period in 2023, which included a positive earnings impact of \$175 million in the first quarter and a negative earnings impact of \$74 million in the second quarter. 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 decreased by \$5 million to \$109 million in the three-month period ended June 30, 2024, compared with the corresponding quarter in 2023. Adjusted net earnings of Wealth Management include a negative contribution from strategic investments of \$3 million, comparable with the corresponding quarter of 2023. As well, adjusted net earnings of Wealth Management in the corresponding quarter of 2023 included \$4 million of net earnings of IPC, which IGM has presented as discontinued operations. The contribution to adjusted net earnings from IG Wealth Management decreased by \$1 million to \$112 million, primarily due to:

- An increase in advisory and business development expenses of \$24 million to \$257 million in the three-month period which includes compensation paid to advisors, the majority of which varies directly with asset or sales levels. Asset-based compensation increased by \$15 million to \$161 million, primarily due to increases in assets under advisement 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 \$3 million to \$26 million. Other advisory and business development expenses increased by \$6 million to \$70 million in the three-month period, primarily due to higher compensation paid on the distribution of insurance products and timing of certain projects and other expenses;
- An increase in operations and support expenses of \$9 million to \$114 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 \$4 million to \$47 million, primarily due to changes in assets under management;
- A decrease in other financial planning revenues of \$1 million to \$35 million, primarily due to an earnings decline in the mortgage banking operations and lower revenues from the distribution of banking products, partially offset by higher revenues from the distribution of insurance products. The decrease in earnings from the mortgage banking operations was due to negative fair value adjustments;
- A decrease in net investment income and other of \$1 million to \$3 million. Net investment income and other consists of unrealized gains or losses on investments in proprietary funds in the three-month period, and investment income earned on cash and cash equivalents and securities and other income not related to IG Wealth Management's core business. It also includes a charge from the Corporate and Other segment for the use of unallocated capital; and
- An increase in interest expense of \$2 million to \$26 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.

Partially offset by:

- An increase in income from advisory fees of \$20 million to \$315 million, primarily due to the increase in average assets under advisement of 10.4%, partially offset by a decrease in the advisory fee rate. The average advisory fee rate for the three-month period was 98.9 basis points of average assets under advisement, compared with 102.2 basis points in the corresponding quarter in 2023. Fee rates are determined based on client assets under advisement levels and the average rate will fluctuate based on changes in a client's assets under advisement as well as product mix; and
- An increase in income from product and program fees of \$20 million to \$242 million, primarily due to the increase in average assets under management of 8.9%. The average product and program fee rate for the three-month period was 85.6 basis points of assets under management, compared with 85.8 basis points in the corresponding quarter in 2023.

Adjusted net earnings decreased by \$1 million to \$220 million in the six-month period ended June 30, 2024, compared with the corresponding period in 2023. Adjusted net earnings of Wealth Management include a negative contribution from strategic investments of \$9 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 \$7 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 \$12 million to \$229 million, primarily due to:

- An increase in income from advisory fees of \$38 million to \$624 million, primarily due to the increase in average assets under advisement of 9.3%, partially offset by a decrease in the advisory fee rate. The average advisory fee rate for the six-month period was 99.6 basis points of average assets under advisement, compared with 102.5 basis points in the corresponding period in 2023;
- An increase in income from product and program fees of \$36 million to \$477 million, primarily due to the increase in average assets under management of 7.7%. The average product and program fee rate for the six-month period was 85.6 basis points of assets under management, compared with 85.8 basis points in the corresponding period in 2023; and
- An increase in other financial planning revenues of \$14 million to \$76 million, primarily due to higher earnings from 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 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 \$45 million to \$501 million in the six-month period. Asset-based compensation increased by \$27 million to \$318 million, primarily due to increases in assets under advisement and other compensation changes. Sales-based compensation increased by \$7 million to \$51 million. Other advisory and business development expenses increased by \$11 million to \$133 million in the six-month period, primarily due to higher compensation paid on the distribution of insurance products;
- An increase in operations and support expenses of \$15 million to \$229 million;
- An increase in sub-advisory expenses of \$6 million to \$92 million, primarily due to changes in assets under management;
- An increase in interest expense of \$5 million to \$52 million, primarily due to the same reason explained in the three-month period above; and
- An increase in income taxes of \$4 million to \$83 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 \$8 million to \$85 million in the three-month period ended June 30, 2024, compared with the corresponding quarter in 2023. Adjusted net earnings of Asset Management include a positive contribution of \$29 million from strategic investments, compared with \$27 million in the corresponding quarter in 2023. The adjusted net earnings of Mackenzie increased by \$6 million to \$56 million, primarily due to:

- An increase in net asset management fees, which is asset management fees offset by dealer compensation expenses, of \$6 million to \$191 million. Net asset management fees - third party were \$162 million, an increase of \$5 million compared with the corresponding quarter in 2023, primarily due to an increase in the average assets under management of 5.5%, partially offset by a decrease in the net asset management fee rate. Mackenzie's net asset management fee rate was 53.0 basis points for the three months ended June 30, 2024, compared with 54.3 basis points in the corresponding quarter in 2023. Asset management fees - Wealth Management were \$29 million, an increase of \$1 million from the corresponding quarter in 2023; and
- An increase in net investment income and other of \$3 million to \$4 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 \$2 million to \$113 million, primarily due to an increase in operations and support expenses of \$1 million in the three-month period. 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.

Adjusted net earnings increased by \$18 million to \$172 million in the six-month period ended June 30, 2024, compared with the corresponding period in 2023. Adjusted net earnings of Asset Management include a positive contribution of \$58 million from strategic investments, compared with \$56 million in the corresponding period in 2023. The adjusted net earnings of Mackenzie increased by \$15 million to \$113 million, primarily due to:

- An increase in net asset management fees, which is asset management fees offset by dealer compensation expenses, of \$11 million to \$380 million. Net asset management fees - third party were \$322 million, an increase of \$10 million compared with the corresponding period in 2023, primarily due to an increase in the average assets under management of 5.0%, partially offset by a decrease in the net asset management fee rate. Mackenzie's net asset management fee rate was 53.1 basis points for the six months ended June 30, 2024, compared with 54.3 basis points in the corresponding period in 2023. Asset management fees - Wealth Management were \$58 million, an increase of \$1 million from the corresponding period in 2023;
- An increase in net investment income and other of \$5 million to \$11 million; and
- A decrease in expenses of \$4 million to \$224 million, primarily due to a decrease in operations and support expenses of \$3 million and a decrease in advisory and business development expenses of \$1 million in the six-month period. Advisory and business development expenses primarily include wholesale distribution activities which vary directly with assets or sales levels.
- Partially offset by an increase in income taxes of \$4 million to \$40 million.

ASSETS UNDER MANAGEMENT AND ADVISEMENT

Assets under advisement (AUA) are a key performance indicator for the Wealth Management segment.

Assets under management (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. Refer to the section "Other Measures" for a definition of AUM and AUA.

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

(In billions of dollars)	June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2023
Wealth Management ^[1]				
IG Wealth Management AUM	114.7	113.6	104.8	104.1
IG Wealth Management other AUA	15.0	14.4	12.0	11.8
Assets under advisement	129.7	128.0	116.8	115.9
Asset Management				
Third-party AUM	122.7	124.2	116.6	117.0
Sub-advisory and AUM to Wealth Management	79.4	79.5	76.7	76.8
Assets under management	202.1	203.7	193.3	193.8
Consolidated ^{[1][2]}				
Assets under management	237.4	237.7	222.6	222.3
Assets under management and advisement ^[3]	252.4	252.2	234.7	234.1

[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. 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.

[3] 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:

(In billions of dollars)	2024		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Wealth Management^[1]						
IG Wealth Management AUA	128.1	124.0	117.1	116.9	116.1	114.7
IG Wealth Management AUM	113.5	110.0	104.2	104.7	104.2	103.3
Asset Management						
Third-party AUM	122.8	121.0	114.1	115.5	116.3	115.7
Total AUM	201.8	198.9	189.3	191.9	193.1	192.0
Consolidated^{[1][2]}						
Assets under management	236.3	231.0	219.2	221.5	221.8	220.2
Assets under management and advisement ^[3]	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 the second quarter of 2024, adjusted net earnings excludes 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 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 after tax (\$6 million pre-tax).

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 interim and most recent Annual MD&A; see Part C of this MD&A for additional information on IGM's interim results. IGM's interim and most recent Annual MD&A are 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 and considers ESG factors as being inextricably linked to value creation. GBL aims to grow its diversified high-quality portfolio of listed, private and alternative investments. GBL Capital, the group's alternative assets activity, provides additional sources of diversification to GBL's portfolio. In addition, GBL is developing its third-party asset management activity through Sienna Investment Managers, a wholly owned subsidiary. 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 June 30, 2024, GBL's portfolio was mainly comprised of the following investments (% equity ownership):

PUBLICLY LISTED

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- | | |
|--|--|
| <ul style="list-style-type: none"> ▪ Imerys (EPA: NK) (54.7%) - industrial mineral-based specialty solutions ▪ SGS (SIX: SGSN) (18.9%) - testing, inspection and certification solutions ▪ Pernod Ricard (EPA: RI) (6.8%) - spirits ▪ adidas (XETR: ADS) (5.1%) - design, development and distribution of sporting goods | <ul style="list-style-type: none"> ▪ Umicore (EBR: UMI) (15.9%) - automotive catalysts, cathode materials for batteries and precious metals recycling ▪ Concentrix (NASDAQ: CNXC) (13.3%) - global provider of customer experience (CX) solutions and technologies ▪ Ontex (EBR: ONTEX) (19.98%) - provider of personal hygiene solutions |
|--|--|

PRIVATELY HELD

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- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Affidea (99.0%) - provider of advanced diagnostics and outpatient services ▪ Sanoptis (83.2%) - provider of ophthalmology services ▪ Canyon (48.8%) - direct-to-consumer manufacturer of premium bicycles | <ul style="list-style-type: none"> ▪ Parques Reunidos (23.0%) - operator of leisure parks ▪ Voodoo (15.6%) - developer and publisher of mobile games |
|---|--|

Through GBL Capital and Sienna Investment Managers, GBL has expanded its activities into alternative asset management and is developing an alternative investment portfolio including investments in funds externally managed and direct co-investments in private equity, and offers a full range of investment strategies with a strong ESG focus through its multi-expertise third-party asset managers. Strategies managed by Sienna Investment Managers include listed assets, private equity, private credit, venture capital and real estate.

GBL reported a net asset value (refer to the section "Other Measures") at June 30, 2024 of €15,764 million or €113.90 per share, compared with €16,671 million or €113.64 per share at December 31, 2023.

GBL's financial results and other disclosures are derived from publicly disclosed information, as issued by GBL in its half-year report at June 30, 2024. Further information on GBL's results is available on its website (www.gbl.com).

2024 DEVELOPMENTS

- **Portfolio Rotation:** During the first and second quarters of 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 5.1% at June 30, 2024, generating total proceeds of approximately €1.0 billion and a net capital gain of €630 million for GBL (no impact on the net consolidated result in accordance with IFRS 9).
- **Dividend increase:** GBL announced that it will propose a dividend of €5.00 per share, an increase of 82.0%, for fiscal year 2024, reflecting its policy of allowing exceptional dividends, 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 the first and second quarters of 2024, GBL repurchased, directly and through its subsidiaries, 1.5 million shares of its own capital for a total consideration of €103 million. During the second quarter of 2024, GBL cancelled 8.3 million of its treasury shares.

RESULTS**Contribution to Power Corporation**

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Average direct ownership (%) ^[1]	16.1	15.5	15.3	15.8	15.1
Contribution to net earnings	21	54	90	75	109
Total dividend received ^[2]				92	92
As at				June 30, 2024	December 31, 2023
Contribution to holding company balance sheets					
Investment in GBL, carrying value				3,572	3,717
% of total holding company assets				13.0	13.8
Investment in GBL, fair value				2,150	2,295
% of total holding company assets, at fair value				5.6	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 17.7% for the three-month period ended June 30, 2024 (16.6% in the second quarter of 2023).

[2] Total dividend received from Parjointco was €62 million for the period ended June 30, 2024, compared with €63 million for the period ended June 30, 2023.

Contribution to net earnings (loss) as reported by GBL

(in millions of euros)	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Share of earnings (loss) of associates and consolidated operating companies of:					
Imerys	40	38	24	78	80
Canyon	3	(3)	(2)	–	(1)
Parques Reunidos/Piolin II	(5)	(27)	(5)	(32)	(32)
Sanoptis	(18)	(12)	(8)	(30)	(1)
Affidea	(5)	(8)	(12)	(13)	(15)
Webhelp	–	–	(1)	–	9
GBL Capital and Sienna Investment Managers	(16)	30	9	14	8
	(1)	18	5	17	48
Net dividends from investments:					
SGS	–	126	–	126	118
Pernod Ricard	41	–	35	41	35
Umicore	22	–	22	22	22
Concentrix	3	4	–	7	–
adidas	6	–	8	6	8
Holcim	–	–	34	–	34
GEA	–	–	10	–	10
Other	–	–	–	–	1
	72	130	109	202	228
Other financial income (expenses)					
Derivatives associated with exchangeable and convertible bonds	1	1	47	2	35
Change in value of liability to Webhelp's minority shareholders	–	–	188	–	144
Other financial income (expenses)	54	54	94	108	142
	55	55	329	110	321
Other operating income (expenses)					
Change in value of liability for Webhelp's employee incentive plan	–	–	(38)	–	(76)
Other operating income (expenses)	(41)	(37)	(25)	(78)	(54)
	(41)	(37)	(63)	(78)	(130)
Gains (losses) from disposals, impairments and reversals of non-current assets	–	30	3	30	2
Interest income (expenses)	1	(2)	(10)	(1)	(19)
Taxes	(1)	–	–	(1)	–
Net earnings (loss) ^{[1][2]}	85	194	373	279	450

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

[2] Attributable to GBL shareholders.

Q2 2024 vs. Q2 2023 and Q1 2024**Year-to-date 2024 vs. 2023****Net earnings (loss)**

Net earnings of €85 million, compared with net earnings of €373 million in the corresponding period in 2023, and net earnings of €194 million in the first quarter of 2024.

Net earnings of €279 million, compared with net earnings of €450 million in the corresponding period in 2023.

For the three-month period ended June 30, 2024, net earnings decreased by €288 million to €85 million, compared with the corresponding quarter in 2023. The decrease in net earnings was mainly due to:

- A decrease in other financial income of €274 million to income of €55 million in the three-month period ended June 30, 2024, compared with financial income of €329 million in the corresponding quarter in 2023. The decrease in other financial income is primarily due to:
 - A gain of €1 million on marking to market derivatives associated with the exchangeable and convertible bonds issued by GBL, compared with a gain of €47 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 €59 million, compared with a net increase in fair value of €69 million in the corresponding quarter in 2023;
 - A loss of €2 million on the mark to market of the Concentrix earnout shares; and
 - The second quarter of 2023 included a positive impact of €188 million related to the increase 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 €37 million to €72 million, mainly due to a decrease in the dividend received from Holcim and GEA, partially offset by an increase in dividends received from Pernod Ricard. The decrease in the dividend received from Holcim and GEA was due to a decrease in GBL's interest;
- A decrease in the contribution from investments consolidated or accounted for using the equity method by GBL Capital and Sienna Investment Managers of €25 million to a contribution to GBL's earnings of negative €16 million, compared with a contribution of €9 million for the corresponding quarter in 2023;
- A decrease in the contribution from Sanoptis to GBL's earnings of €10 million to a contribution to GBL of negative €18 million, compared with a negative contribution of €8 million for the corresponding quarter in 2023; and
- A decrease in the contribution from gains (losses) from disposals, impairments and reversals of non-current assets of €3 million to a contribution to GBL of nil, compared with a contribution of €3 million for the corresponding quarter in 2023.

Partially offset by:

- A decrease in other operating expenses of €22 million to €41 million. The second quarter of 2023 included a negative impact of €38 million related to the increase in liabilities recorded for Webhelp's employee incentive plan, which was extinguished at the closing of the transaction with Concentrix in 2023;
- An increase in the contribution from Imerys to GBL's earnings of €16 million to a contribution to GBL of €40 million, compared with a contribution of €24 million for the corresponding quarter in 2023;
- A decrease in the negative contribution from Affidea to GBL's earnings of €7 million to a contribution to GBL of negative €5 million, compared with a contribution of negative €12 million for the corresponding quarter in 2023; and
- An increase in the contribution from Canyon to GBL's earnings of €5 million to a contribution to GBL of €3 million, compared with a negative contribution of €2 million for the corresponding quarter in 2023.

For the six-month period ended June 30, 2024, net earnings decreased by €171 million to €279 million, compared with the corresponding period in 2023. The decrease in net earnings was mainly due to:

- A decrease in other financial income of €211 million to income of €110 million in the six-month period ended June 30, 2024, compared with financial income of €321 million in the corresponding period in 2023. The decrease in other financial income is primarily due to:
 - A gain of €2 million on marking to market derivatives associated with the exchangeable and convertible bonds issued by GBL, compared with a gain of €35 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 €120 million, compared with a net increase in fair value of €102 million in the corresponding period in 2023;
 - A loss of €15 million on the mark to market of the Concentrix earnout shares; and
 - The six-month period ended June 30, 2023 included a positive impact of €144 million related to the increase in the liability to Webhelp's minority shareholders, which was extinguished on closing of the transaction with Concentrix in 2023.
- A decrease in the contribution from Sanoptis to GBL's earnings of €29 million to a contribution to GBL of negative €30 million, compared with a negative contribution of €1 million for the corresponding period in 2023;
- A decrease in dividends of €26 million to €202 million, mainly due to a decrease in the dividend received from Holcim and GEA, partially offset by an increase in dividends received from SGS, Pernod Ricard and Concentrix;
- A decrease in the contribution from Webhelp of €9 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 Imerys to GBL's earnings of €2 million to a contribution to GBL of €78 million, compared with a contribution of €80 million for the corresponding period in 2023.

Partially offset by:

- A decrease in other operating expenses of €52 million to €78 million. Other operating expenses in the six-month period ended June 30, 2024 includes an expense of €17 million related to a new carry structure implemented in January 2024. The six-month period of 2023 included an increase in liabilities recorded for Webhelp's employee incentive plan of €76 million, which was extinguished at the closing of the transaction with Concentrix in 2023;
- An increase in the contribution from gains (losses) from disposals, impairments and reversals of non-current assets of €28 million to a contribution to GBL of €30 million, compared with a contribution of €2 million in the corresponding period in 2023. The gain in the first quarter of 2024 relates to the sale of one investment by GBL Capital;
- An increase in the contribution from investments consolidated or accounted for using the equity method by GBL Capital and Sienna Investment Managers of €6 million to a contribution to GBL's earnings of €14 million, compared with a contribution of €8 million for the corresponding period in 2023; and
- A decrease in the negative contribution from Affidea to GBL's earnings of €2 million to a contribution to GBL of negative €13 million, compared with a contribution of negative €15 million for the corresponding period in 2023.

Average Exchange Rates

The average exchange rates for the three-month and six-month periods ended June 30, 2024 and 2023 were as follows:

	Three months ended			Six months ended		
	June 30, 2024	June 30, 2023	Change %	June 30, 2024	June 30, 2023	Change %
Euro/CAD	1.4730	1.4621	0.7	1.4686	1.4568	0.8

The information above has been derived from GBL's publicly disclosed financial information, as issued by GBL in its half-year report at June 30, 2024. 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, is developing 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 multi-strategy alternative asset management firm with professionals principally located in Canada, the U.S., Europe and the Middle East. Sagard has active strategies in venture capital, private equity, private credit and real estate. Sagard also engages in private wealth management and holds strategic interests in other alternative asset management businesses. Sagard looks to generate attractive returns by matching investment opportunities with flexible capital solutions and pairing entrepreneurs with teams that have deep industry knowledge.
- Power Sustainable is a climate-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).

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.

2024 DEVELOPMENTS

Sagard

- In January 2024, SHMI completed the previously announced transaction to acquire a strategic interest in Performance Equity Management, LLC (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 \$12.3 billion (US\$9.0 billion) of assets under management at June 30, 2024.
- On March 8, 2024, SHMI completed the acquisition of a 40% interest and strategic partnership with HalseyPoint Asset Management, LLC (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 \$4.3 billion (US\$3.1 billion) of assets under management at June 30, 2024.
- 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 capital and resources necessary to scale and export their products and services. EDC is expected to deploy this commitment over the next 3 years.

Power Sustainable

- 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 June 30, 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 six-month period ended June 30, 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.

- 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 Power Sustainable Manager (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% at June 30, 2024. The Corporation's interest in PSM decreased to 74.7% at June 30, 2024; the transaction did not have a significant impact on the Corporation's consolidated statements of earnings and balance sheets.

CONTRIBUTION TO POWER CORPORATION

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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Contribution to Power Corporation's:					
Adjusted net earnings (loss)					
Asset management activities					
Sagard	1	(1)	(13)	–	(23)
Power Sustainable	(18)	(14)	(9)	(32)	(21)
Investing activities (proprietary capital)					
Sagard	26	6	18	32	17
Power Sustainable	(9)	(19)	4	(28)	(16)
	–	(28)	–	(28)	(43)
Adjustments					
Power Sustainable	(5)	23	3	18	(42)
Net earnings (loss)	(5)	(5)	3	(10)	(85)

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 June 30, 2024, Sagard had \$34.7 billion (US\$25.4 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 \$1.3 billion through its private wealth investment platform (\$1.5 billion at December 31, 2023). At June 30, 2024, assets under management include \$5.0 billion (US\$3.6 billion) and \$7.3 billion (US\$5.4 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 assets 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:

(In billions of dollars)	June 30, 2024	December 31, 2023
Venture Capital ^{[1][2]}	9.4	3.8
Private Equity	11.9	4.2
Private Credit ^[3]	5.7	5.1
Real Estate	6.5	6.7
Other ^[4]	1.2	1.5
Assets under management^[2]	34.7	21.3
Power Corporation	1.6	1.6
Third parties and associated companies ^[5]	33.1	19.7
Fee-bearing capital^{[2][6][7]}	23.5	14.0
Power Corporation	1.0	1.0
Third parties and associated companies ^[5]	22.5	13.0

[1] Formerly Venture Capital & Growth.

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

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

[4] 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.

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

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

[7] Excludes the fee bearing capital of Sagard's private wealth investment platform of \$1.2 billion at June 30, 2024 (\$1.4 billion at December 31, 2023).

Sagard's weighted average management fee rate (refer to the section "Other Measures") was 0.95% for the three-month period ended June 30, 2024, compared with 1.33% in the corresponding quarter 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.

Sagard's weighted average management fee rate (refer to the section "Other Measures") was 1.05% for the six-month period ended June 30, 2024, compared with 1.34% in the corresponding period in 2023. The decrease is primarily due to the same reasons discussed in the three-month period above.

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

June 30, 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][5]}	C\$	2016	470	38.0	62.0	–	2.00	Invested capital	10.0
Portage Ventures II ^{[4][6]}	C\$	2018	427	12.4	16.8	70.8	2.00	Invested capital	20.0
Portage Ventures III	US\$	2021	655	2.4	15.3	82.3	2.25	Committed capital	20.0
Portage Capital Solutions ^[7]	US\$	2022	476	31.5	30.1	38.4	2.00	Committed capital	20.0
Diagram Funds ^[8]	C\$	2016-2023	375	18.9	20.0	61.1	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\$	2018-2022	473	–	2.5	97.5	0.30-0.95	Committed capital	5.0
PEM-PVC VI ^[7]	US\$	2024	98	–	1.0	99.0	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 ^[6]	€	2006	728	22.4	25.6	51.9	1.75	Invested capital	20.0
Sagard MidCap 3 ^{[6][9]}	€	2013	729	0.2	26.9	72.9	2.00	Invested capital	20.0
Sagard MidCap 4	€	2020	815	18.6	27.2	54.2	1.75	Committed capital	20.0
Sagard NewGen	€	2020	313	6.0	23.8	70.2	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 ^{[7][9]}	US\$	2024	163	0.1	0.9	99.0	1.00	Committed capital	10.0
Private Credit									
Sagard Credit Partners I	US\$	2017	557	18.0	1.0	81.0	1.50	Invested capital	15.0
Sagard Credit Partners II	US\$	2020	1,167	4.3	5.2	90.5	1.50	Invested capital	20.0
Sagard Senior Lending Partners	US\$	2022	501	–	20.8	79.2	1.25	Invested capital	15.0
Sagard Healthcare Partners ^{[7][10]}	US\$	2019	1,026	10.3	0.5	89.2	1.50-1.75	Committed capital	20.0
Real Estate									
USPF ^{[7][11]}	US\$	2002	898	1.7	21.8	76.5	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\$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 SSSL, and US\$196 million in USPF), IGM (\$33 million in Portage Ventures II and US\$26 million in Portage Ventures III), Pargesa (€33 million in Sagard MidCap II), and GBL (€102 million in Sagard MidCap II, €192 million in Sagard MidCap 3, €150 million in Sagard MidCap 4 and €50 million in Sagard NewGen). Lifeco and IGM have invested \$27 million and \$264 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.

[4] Includes an interest in Portage Ventures I and Portage Ventures II of 38.0% and 7.7%, respectively, held through Power Financial.

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

[6] 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.

[7] Fundraising activities continue for Portage Capital Solutions, PEM-PVC VI, PEM-PDI V, Sagard Healthcare Partners and USPF.

[8] 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 performance fees.

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

[10] Represents Series I and II; the interest in the fund is based on invested capital as of June 30, 2024. During the third quarter of 2023, Sagard Healthcare Partners completed the first close of the second series raising total capital commitments of up to US\$300 million. The investment period is completed for the first series which represents a total commitment of \$726 million; base compensation changed from 1.75% on committed capital to 1.50% on invested capital.

[11] USPF is managed by Sagard Real Estate through a management service agreement. USPF is an open-end real estate fund and generally invests all committed capital; as such the capital commitments of the fund is representative of the net asset value (refer to the section "Other Measures").

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

June 30, 2024 (in millions; except as otherwise noted)	Currency	Total funded (\$)	Unfunded (\$)	Commitments		Distributions to date ^[1] (\$)	NAV ^[2] (\$)
				Unfunded (\$)	Unfunded (%)		
Venture Capital							
Portage Ventures I ^[3]	C\$	470	–	–	–	622	1,568
Portage Ventures II	C\$	405	22	5.1	–	55	805
Portage Ventures III	US\$	359	296	45.2	–	–	366
Portage Capital Solutions	US\$	112	364	76.5	–	–	106
Diagram Funds	C\$	178	197	52.5	–	76	218
PVC Funds^[4]							
PEM-PVC I	US\$	641	9	1.4	–	1,133	206
PEM-PVC II-III	US\$	814	19	2.3	–	1,769	786
PEM-PVC IV-V	US\$	225	248	52.4	–	20	266
PEM-PVC VI	US\$	–	98	100.0	–	–	–
Private Equity							
Sagard Private Equity Canada	C\$	144	263	64.5	–	–	138
Sagard MidCap II	€	722	6	0.9	–	1,163	22
Sagard MidCap 3	€	677	52	7.2	–	1,162	602
Sagard MidCap 4 ^[5]	€	679	149	18.3	–	13	842
Sagard NewGen ^[5]	€	210	120	38.2	–	26	277
PDI Funds^[4]							
PEM-PDI III-IV	US\$	462	12	2.5	–	347	539
PEM-PDI V	US\$	51	112	68.7	–	–	51
Private Credit							
Sagard Credit Partners I	US\$	548	9	1.6	–	616	86
Sagard Credit Partners II ^[5]	US\$	446	819	70.2	–	117	436
Sagard Senior Lending Partners	US\$	119	382	76.2	–	–	124
Sagard Healthcare Partners	US\$	763	263	25.8	–	174	719

[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 \$1.5 billion at June 30, 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, Sagard MidCap 4, Sagard NewGen and Sagard Credit Partners II includes amounts distributed of €13 million, €17 million and US\$98 million, respectively, which are callable by the fund.

Venture Capital (fintech investments)

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

PORTAGE

- Portage has a mission 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 100 fintech companies and investment funds.
 - Portage Capital Solutions is a capital partner for fintech and financial services businesses which aims to deliver flexible equity capital solutions and resources to later-stage fintech and financial services companies, and will generally target investments over US\$50 million.

DIAGRAM

- Diagram is a venture builder that conceives and launches technology companies, primarily in the financial services (fintech) and climate tech spaces. Diagram has launched and invested in more than 30 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 six 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 including 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 which invests in middle-market business services, healthcare, food & consumer, and industrial sectors.
 - Sagard NewGen is a European lower-middle-market private equity investment strategy that invests in high-growth technology and healthcare industry leaders, with investment sizes typically between €10 million and €50 million.

PEM

- PEM manages an investment strategy which focuses on a diversified portfolio of primarily U.S. small and middle-market buyout 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\$0.6 billion. The investment period is closed for two of the related funds.

Private Credit

- Sagard, under the private credit asset class, manages three strategies, Sagard Credit, Sagard Senior Lending 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 across the U.S. and Canada. It provides non-sponsor first-lien, floating-rate debt to public and private middle-market companies to help fund growth and other strategic initiatives.
 - 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 seven CLOs.

Real Estate

- Sagard Real Estate (formerly EverWest) is a full-service real estate investment platform operating in acquisitions, development, asset management, and property management in specific sub-markets within the U.S. 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 indirectly holds a 60.3% controlling interest in Grayhawk, a private wealth investment platform offering independent, bespoke and client-centric investment solutions for Canadian families. Grayhawk had \$1.3 billion in assets under management at June 30, 2024 (\$1.5 billion at December 31, 2023).

POWER SUSTAINABLE

At June 30, 2024, Power Sustainable had \$3.9 billion of assets under management (\$4.5 billion at December 31, 2023), including unfunded commitments. Assets under management reflects 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:

(in millions of dollars)	June 30, 2024	December 31, 2023
Power Sustainable Energy Infrastructure	2,690	2,748
Power Sustainable Infrastructure Credit	990	797
Power Sustainable Lios	264	221
Power Sustainable China ^[1]	–	715
Assets under management	3,944	4,481
<i>Power Corporation</i>	1,197	1,605
<i>Third parties and associated companies</i> ^[2]	2,747	2,876
Fee-bearing capital ^{[1][3]}	2,234	2,835
<i>Power Corporation</i>	921	1,456
<i>Third parties and associated companies</i> ^[2]	1,313	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 three-month and six-month periods ended June 30, 2024, comparable with the corresponding periods in 2023.

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

June 30, 2024 (in millions of dollars; except as otherwise noted)			Commitments ^[1]		Interest held ^[2]			NAV (\$)
	Currency	Vintage	Capital commitments (\$)	Total funded (\$)	Power Corporation (%)	Associated companies ^[3] (%)	Third parties (%)	
Power Sustainable Energy Infrastructure Partnership ^{[4][5]}	C\$	2021	1,800	1,013	37.7	14.6	47.7	1,472
Power Sustainable Infrastructure Credit ^[6]	US\$	2023	720	59	–	100.0	–	62
Power Sustainable Lios	C\$	2022	285	100	–	20.7	79.3	79

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

[2] Based on invested capital as of June 30, 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 \$431 million. At June 30, 2024, PSEIP had distributed an amount of \$80 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. The Corporation will invest alongside the fund on target investments. At June 30, 2024, no capital has been invested under this agreement.

Power Sustainable Energy Infrastructure

Power Sustainable Energy Infrastructure (Power Sustainable Energy) operates a leading North American-focused renewable energy platform with 3.1 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:

(in megawatts (MW))	June 30, 2024	December 31, 2023
Advanced development ^[1]	837	129
Under construction	353	410
Operating ^[1]	1,899	1,690
	3,089	2,229

[1] Includes projects in which PSEIP has a joint interest representing 645 MW at June 30, 2024 (312 MW at December 31, 2023).

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 June 30, 2024, the total assets on a consolidated basis of PSEIP and direct investments were \$4.6 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, social, digital 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:

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted net earnings (loss)					
SAGARD					
Management fees ^{[1][2]}	56	51	45	107	90
Investment platform expenses	(58)	(55)	(46)	(113)	(93)
Fee-related earnings (loss) ^[3]	(2)	(4)	(1)	(6)	(3)
Net carried interest ^[4]	10	3	(2)	13	(4)
Other ^[3]	(4)	3	(11)	(1)	(16)
	4	2	(14)	6	(23)
Loss from private wealth platform and other asset management activities ^[5]	–	(1)	(1)	(1)	(3)
Non-controlling interests ^[6]	(3)	(2)	2	(5)	3
	1	(1)	(13)	–	(23)
POWER SUSTAINABLE					
Management fees ^[1]	7	7	7	14	13
Investment platform expenses ^[7]	(16)	(17)	(14)	(33)	(31)
Fee-related earnings (loss) ^[3]	(9)	(10)	(7)	(19)	(18)
Net performance fees and carried interest ^[4]	(5)	(1)	–	(6)	6
Other ^{[3][7][8]}	(5)	(3)	(2)	(8)	(9)
Non-controlling interests ^[9]	1	–	–	1	–
	(18)	(14)	(9)	(32)	(21)
Adjusted net earnings (loss)	(17)	(15)	(22)	(32)	(44)
Adjustments					
POWER SUSTAINABLE					
Restructuring charges	(2)	(12)	–	(14)	–
Net earnings (loss)	(19)	(27)	(22)	(46)	(44)

[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 the second quarter of 2024, Sagard recognized a retroactive management fee of \$4 million related to new capital committed in the fundraising close of Portage Capital Solutions (\$6 million and \$3 million, in the first and second quarters of 2023, respectively, 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 employee costs which are recognized over the vesting period. 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.

[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 Developments”.

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 and Power Sustainable Energy Infrastructure Partnership 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:

(in millions of dollars)	June 30, 2024			December 31, 2023		
	Investments to date ^[1]	Distributions to date ^[1]	Fair value	Investments to date ^[1]	Distributions to date ^[1]	Fair value
Sagard						
Venture Capital ^[2]	388	274	782	359	274	611
Private Equity	1,160	1,346	285	1,125	1,331	244
Private Credit ^[3]	366	271	158	344	234	154
Real Estate	32	1	30	32	1	30
Cash and other investments ^[4]	1	–	23	1	–	23
Power Sustainable						
Power Sustainable China ^{[5][6]}	420	880	–	417	372	508
Power Sustainable Energy Infrastructure						
PSEIP ^[7]	373	32	524	335	32	482
Direct investments ^[8]	1,163	520	431	1,144	514	500
Other investments	12	–	13	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 \$22 million of cash held within the Sagard investing activities at June 30, 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 Developments".

[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.

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 June 30, 2024, Portage Ventures I, Power Financial and IGM collectively held, through a limited partnership controlled by Power Financial, an undiluted equity interest in Wealthsimple of 55.1% (56.6% at December 31, 2023), representing a voting interest of 59.4% and a fully diluted equity interest of 43.6%. 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 June 30, 2024, Wealthsimple had 2.5 million clients, excluding tax filers, across the Canadian market with assets under administration of \$43.6 billion, compared with \$31.0 billion at December 31, 2023.

At June 30, 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 \$1.5 billion at June 30, 2024 (\$1.1 billion at December 31, 2023). The fair value of the Corporation's 15.8% equity interest in Wealthsimple, including its indirect interest held through Portage Ventures I, on a fully diluted basis, was \$563 million at June 30, 2024 (\$413 million at December 31, 2023). The increase in fair value in the six-month period of 2024 reflects public market peer valuations, as well as 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 I ^[2]	FVPL	Fair value
Portage Ventures II	FVPL	Fair value
Portage Ventures III	FVPL	Fair value
Portage Capital Solutions	FVPL	Fair value
Diagram Funds	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] Excludes 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 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):

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted net earnings (loss)					
SAGARD					
Private equity and other strategies	25	9	17	34	26
Venture capital (fintech investments) ^[1]	1	(3)	1	(2)	(9)
	26	6	18	32	17
POWER SUSTAINABLE					
Public equity	–	(2)	1	(2)	(1)
Energy infrastructure ^[2]	(9)	(17)	3	(26)	(15)
	(9)	(19)	4	(28)	(16)
Adjusted net earnings (loss)	17	(13)	22	4	1
Adjustments					
POWER SUSTAINABLE					
Revaluation of non-controlling interests liabilities	(3)	(19)	3	(22)	(42)
Reclassification to earnings of foreign currency gains on Power Sustainable China	–	54	–	54	–
	(3)	35	3	32	(42)
Net earnings (loss)	14	22	25	36	(41)

[1] Includes the Corporation's share of earnings (losses) of Wealthsimple. The net increase in fair value of the Corporation's investments, including its investments held through Power Financial in Portage Ventures I, Portage Ventures II, Portage Ventures III and Wealthsimple, was \$138 million in the six-month period ended June 30, 2024, compared with a net decrease of \$5 million in fair value in the corresponding period in 2023.

[2] Consists of the Corporation's share of earnings (losses) from direct investments in energy infrastructure and in the consolidated activities of PSEIP. The first quarter of 2023 included the Corporation's share of carried interest expense of \$5 million, which resulted from an increase in fair value of assets held in PSEIP.

ADJUSTMENTS (EXCLUDED FROM ADJUSTED NET EARNINGS)

Power Sustainable

For the six-month period ended June 30, 2024, Power Sustainable recognized Adjustments of a net positive impact of \$32 million, which include:

- The closing of Power Sustainable China, a foreign operation, resulted in a recovery of \$54 million from the reclassification of the related cumulative translation adjustment to net earnings in the first quarter of 2024. Refer to the section "2024 Developments".
- Partially offset by a charge of \$22 million related to the Corporation's share of the revaluation of non-controlling interests liabilities resulting 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 of 2024 and \$3 million in the second 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 six-month period ended June 30, 2024 includes a charge of \$8 million, related to the Corporation's share of the revaluation of non-controlling interests liabilities which mainly resulted from an increase in fair value of assets held in PSEIP.

For the six-month period ended June 30, 2023, Power Sustainable recognized Adjustments of negative \$42 million related to the Corporation's share of the revaluation of non-controlling interests liabilities, as explained above, of which \$45 million was recorded in the first quarter of 2023. The six-month period ended June 30, 2023 included a charge of \$31 million related to the Corporation's share of the revaluation of non-controlling interests liabilities which mainly resulted from an increase in fair value of assets held in PSEIP.

Other Investments and Standalone Businesses

OVERVIEW

Other investments and standalone businesses includes the Corporation's investments held in investment funds as well as the following equity investments in standalone businesses which are managed to create and realize value over time.

Standalone Businesses

- Peak: Sagard held a 42.6% equity interest and a 50% voting interest in Peak at June 30, 2024 (same as at December 31, 2023). Peak designs, develops and commercializes sports equipment and apparel for ice hockey and lacrosse under iconic brands including Bauer. During the second quarter of 2024, Peak disposed of its minority interest in Rawlings Sporting Goods Company Inc. (Rawlings), a leading brand in baseball. The Corporation's investment is accounted for using the equity method.
- In July 2024, subsequent to quarter-end, Sagard received a distribution of US\$60 million from Peak.
- LMPG: Power Sustainable, through Power Sustainable Energy, held a controlling interest of 49.6% at June 30, 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 (NYSE: LEV) (TSX: LEV): Power Sustainable, through Power Sustainable Energy, held a 34.1% equity interest at June 30, 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.

At June 30, 2024, Power Sustainable also held 9,842,519 warrants. The fair value of the warrants was \$2 million at June 30, 2024 (\$5 million at December 31, 2023).

RESULTS

Summary of other investments and standalone businesses:

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Other investments					
Investment funds	2	7	(5)	9	(5)
Other ^[1]	17	16	107	33	128
Standalone businesses ^[2]	(5)	(32)	8	(37)	3
Net earnings	14	(9)	110	5	126

[1] Includes foreign exchange gains or losses and interest on cash and cash equivalents. In the second quarter of 2023, income earned from other investments included a recovery of \$97 million from the sale of the Corporation's investment in Bellus Health Inc., which was accounted for as an associate using the equity method, with a carrying value of nil.

[2] Includes the Corporation's share of earnings (losses) of Lion, LMPG, and Peak.

For the three-month period ended June 30, 2024, net earnings from other investments and standalone businesses was \$14 million, compared with net earnings of \$110 million in the corresponding quarter in 2023. Standalone businesses had a net loss of \$5 million, compared with net earnings of \$8 million in the corresponding quarter in 2023. The net loss in the second quarter of 2024 includes the Corporation's share of losses of Lion and LMPG, and a non-cash impairment charge of \$36 million after tax (\$42 million pre-tax) on the Corporation's investment in Lion, which reflects a decline in market value at June 30, 2024. The negative contribution from Lion and LMPG was partially offset by a positive contribution from Peak of \$56 million, mainly resulting from a gain on the disposal of its minority interest in Rawlings.

For the six-month period ended June 30, 2024, net earnings from other investments and standalone businesses was \$5 million, compared with net earnings of \$126 million in the corresponding period in 2023. Standalone businesses had a net loss of \$37 million, compared with net earnings of \$3 million in the corresponding period in 2023. The increase in the net loss in the six-month period is primarily due to the same reasons discussed in the three-month period above. The six-month period ended June 30, 2024 included a non-cash impairment charge of \$53 million after tax (\$62 million pre-tax) on the Corporation's investment in Lion.

Corporate Operations (of the holding company)

Corporate operations include operating expenses, financing charges, depreciation and income taxes.

OPERATING AND OTHER EXPENSES

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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating expenses ^[1]	(43)	(41)	(39)	(84)	(70)
Depreciation	(2)	(1)	(2)	(3)	(4)
Fair value change of TSARs, net of hedge ^[2]	–	(1)	(5)	(1)	(9)
Financing charges ^[3]	(13)	(14)	(13)	(27)	(27)
Income taxes	–	–	(1)	–	(1)
	(58)	(57)	(60)	(115)	(111)

[1] Operating expenses related to Power Financial were \$30 million in the six-month period ended June 30, 2024 (\$26 million in the corresponding period in 2023).

[2] 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.

[3] Financing charges related to Power Financial were \$9 million in the six-month period ended June 30, 2024 (same as in the corresponding period in 2023).

Adjustments (excluded from adjusted net earnings)

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

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Lifeco^[1]					
Market experience relative to expectations	19	73	(54)	92	(168)
Assumption changes and management actions	27	(1)	(3)	26	2
Realized OCI gains (losses) from asset rebalancing	–	–	(83)	–	(83)
Other non-market related impacts ^{[2][3]}	(68)	(36)	(100)	(104)	(135)
	(22)	36	(240)	14	(384)
Effect of consolidation ^{[4][5]}	(1)	(5)	–	(6)	(17)
	(23)	31	(240)	8	(401)
IGM^[1]					
Rockefeller debt refinancing	(2)	–	–	(2)	–
Gain on disposal of Lifeco Shares	–	–	(4)	–	105
Restructuring charges	–	–	(47)	–	(47)
IFRS 17 adjustment (Lifeco)	–	–	9	–	9
Share of Lifeco's adjustments	–	(1)	(4)	(1)	(4)
	(2)	(1)	(46)	(3)	63
Effect of consolidation ^[4]	(1)	2	(9)	1	(120)
	(3)	1	(55)	(2)	(57)
Power Sustainable					
Reclassification to earnings of foreign currency gains on Power Sustainable China	–	54	–	54	–
Revaluation of non-controlling interests liabilities ^[5]	(3)	(19)	3	(22)	(42)
Restructuring charges	(2)	(12)	–	(14)	–
	(5)	23	3	18	(42)
ChinaAMC^[6]					
Transaction costs on disposal of ChinaAMC	–	–	–	–	(14)
Income taxes on disposal of ChinaAMC	–	–	–	–	(40)
	–	–	–	–	(54)
	(31)	55	(292)	24	(554)

[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 impacts.

[3] GMT legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, the comparative results for adjusted net earnings and Adjustments for the first quarter of 2024 are presented on a pro forma basis as if the legislation had been enacted in the first quarter of 2024. Refer to the section "Statement Regarding Non-IFRS Financial Measures and Other Measures".

[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, 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] Effective the first quarter of 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 this change.

[6] On January 12, 2023, the Corporation and IGM completed a transaction in which the group's interest in ChinaAMC was combined under 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. The Corporation has recorded these amounts as an Adjustment.

For additional information on each of Lifeco, IGM and Sagard and Power Sustainable, refer to their respective "Adjustments" sections above. Also refer to the section "Non-IFRS Financial Measures" in this MD&A.

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 June 30, 2024 and December 31, 2023, which are included in Note 20 of the Interim Consolidated Financial Statements.

	June 30, 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	8,582	454	1,540	607	(293)	10,890
Investments	218,626	5,383	135	1,652	208	226,004
Investments in publicly traded operating companies, investment platforms and other:						
Lifeco and IGM	401	609	19,845	–	(20,855)	–
GBL ^[2]	–	–	3,572	–	–	3,572
Other	529	942	2,050	–	(3,521)	–
Investments in jointly controlled corporations and associates	478	3,097	–	1,569	(424)	4,720
Insurance contract assets	1,315	–	–	–	–	1,315
Reinsurance contract held assets	17,180	–	–	–	–	17,180
Other assets	26,311	4,282	270	14,615	(153)	45,325
Intangible assets ^[3]	4,532	1,262	1	840	154	6,789
Goodwill ^[3]	11,377	2,637	–	594	195	14,803
Investments on account of segregated fund policyholders	460,231	–	–	–	–	460,231
Total assets	749,562	18,666	27,413	19,877	(24,689)	790,829
Liabilities						
Insurance contract liabilities	145,282	–	–	–	–	145,282
Investment contract liabilities	87,070	–	–	–	–	87,070
Reinsurance contract held liabilities	731	–	–	–	–	731
Obligations to securitization entities	–	4,651	–	–	–	4,651
Power Corporation's debentures and other debt instruments	–	–	647	–	–	647
Non-recourse debentures and other debt instruments ^[4]	9,142	2,400	250	3,243	(88)	14,947
Other liabilities	16,236	4,489	987	13,934	(536)	35,110
Insurance contracts on account of segregated fund policyholders	62,473	–	–	–	–	62,473
Investment contracts on account of segregated fund policyholders	397,758	–	–	–	–	397,758
Total liabilities	718,692	11,540	1,884	17,177	(624)	748,669
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	23,636	7,066	21,749	2,261	(32,963)	21,749
Non-controlling interests ^{[5][6]}	3,014	60	–	439	15,948	19,461
Total equity	30,870	7,126	25,529	2,700	(24,065)	42,160
Total liabilities and equity	749,562	18,666	27,413	19,877	(24,689)	790,829

[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 20 of the Interim 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 20 of the Interim 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 \$790.8 billion at June 30, 2024, compared with \$749.5 billion at December 31, 2023, primarily due to the impact of equity market movement as well as currency movement, partially offset by the divestiture of Putnam.

Liabilities increased to \$748.7 billion at June 30, 2024, compared with \$708.2 billion at December 31, 2023, mainly due to the following, as disclosed by Lifeco:

- Insurance contract liabilities increased by \$0.9 billion, primarily due to the impact of currency movements.
- Investment contract liabilities decreased by \$1.8 billion, primarily due to normal business movements.
- Investment and insurance contracts on account of segregated fund policyholders increased by \$37.3 billion, primarily due to the combined impact of market value gains and investment income of \$28.7 billion, and the positive impact of currency movement of \$7.3 billion, partially offset by net withdrawals (net of policyholder deposits) of \$1.5 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. Refer to Part B of this MD&A for additional information.

Parts B and C of this MD&A include a discussion of the consolidated balance sheets of Lifeco and IGM, respectively.

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.

	June 30, 2024	December 31, 2023
Holding company assets		
Cash and cash equivalents ^[1]	1,540	1,218
Investment in:		
Lifeco	15,996	15,326
IGM	3,849	3,702
GBL ^[2]	3,572	3,717
Sagard and Power Sustainable ^[3]	1,442	1,861
Other investments and standalone businesses	743	748
Other assets ^[4]	271	284
Total holding company assets	27,413	26,856
Holding company liabilities		
Debentures and other debt instruments ^[5]	897	897
Other liabilities	987	986
Total holding company liabilities	1,884	1,883
Holding company equity		
Perpetual preferred shares ^[6]	2,830	2,830
Non-participating shares	950	950
Participating shareholders' equity	21,749	21,193
Total holding company equity	25,529	24,973
Total holding company liabilities and equity	27,413	26,856

[1] Cash equivalents include \$293 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 Interim 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] Includes \$83 million of dividends declared in the second quarter by IGM (same as at December 31, 2023) and received by Power Financial on July 31, 2024.

[5] Includes Power Financial's debentures of \$250 million at June 30, 2024 (same as at December 31, 2023).

[6] Perpetual preferred shares issued by Power Financial.

Cash and cash equivalents

Cash and cash equivalents held by the Corporation and Power Financial amounted to \$1,540 million at June 30, 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 \$22 million at June 30, 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 \$23,417 million at June 30, 2024, compared with \$22,745 million at December 31, 2023:

	Lifeco	IGM	GBL ^[1]	Total
Carrying value, at the beginning of the year	15,326	3,702	3,717	22,745
Contribution from adjusted net earnings	1,351	272	75	1,698
Contribution from adjustments	8	(2)	–	6
Contribution from discontinued operations - Putnam	(48)	(1)	–	(49)
Share of other comprehensive income (loss)	99	53	(142)	10
Dividends	(706)	(166)	(92)	(964)
Effect of changes in ownership and other	(34)	(9)	14	(29)
Carrying value, at June 30, 2024	15,996	3,849	3,572	23,417

[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:

	June 30, 2024	December 31, 2023
Carrying value, as at		
Asset management companies		
Sagard	116	108
Power Sustainable	16	–
Investing activities		
Sagard ^[1]	796	721
Power Sustainable	514	1,032
	1,442	1,861

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

OTHER INVESTMENTS AND STANDALONE BUSINESSES

The table below presents the components of other investments and standalone businesses; certain controlled standalone businesses are presented using the equity method for the purposes of the holding company presentation.

Other investments and standalone businesses are comprised of the following:

	June 30, 2024	December 31, 2023
Carrying value, as at		
Other investments ^[1]	135	107
Standalone businesses	608	641
	743	748

[1] Other investments include portfolio investments in private investment funds, classified as FVPL. At June 30, 2024, the Corporation had outstanding commitments to make future capital contributions to these funds for an aggregate amount of \$28 million.

Income Taxes

The non-capital losses of the holding company, at June 30, 2024, were \$1,420 million (\$1,371 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 June 30, 2024, were \$144 million, the benefits of which have not been recognized, and can be used indefinitely to offset capital gains.

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 June 30, 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 20 of the Corporation's 2023 Consolidated Financial Statements.

PARTICIPATING SHAREHOLDERS' EQUITY

Participating shareholders' equity was \$21,749 million at June 30, 2024, compared with \$21,193 million at December 31, 2023:

Six months ended June 30	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	(74)	(52)
Issuance of subordinate voting shares (1,372,215 shares in 2024 and 422,348 shares in 2023) under the Corporation's Executive Stock Option Plans	49	13
	(25)	(39)
Changes in retained earnings		
Net earnings before dividends on non-participating shares	1,465	840
Dividends declared	(757)	(724)
Purchase for cancellation of subordinate voting shares under NCIB	(115)	(71)
Realized gains on FVOCI equity instruments transferred to retained earnings	135	9
Effects of changes in capital and ownership of subsidiaries, and other	41	26
	769	80
Changes in reserves		
Other comprehensive income (loss)		
Foreign currency translation adjustments	114	(144)
Investment revaluation and cash flow hedges	(146)	80
Actuarial gains (losses) on defined benefit plans	170	(50)
Share of Parjointco and other jointly controlled corporations and associates	(259)	29
Share-based compensation, including the effect of changes in capital and ownership of subsidiaries	(67)	7
	(188)	(78)
Participating shareholders' equity, at June 30	21,749	20,874

The book value per participating share (refer to the section "Other Measures") of the Corporation was \$33.53 at June 30, 2024, compared with \$32.49 at the end of 2023.

OUTSTANDING NUMBER OF PARTICIPATING SHARES

At the date of this MD&A, there were 54,860,866 participating preferred shares of the Corporation outstanding (same as at December 31, 2023), and 592,428,219 subordinate voting shares of the Corporation outstanding, compared with 597,387,873 at December 31, 2023.

At the date of this MD&A, options were outstanding to purchase up to an aggregate of 21,688,633 subordinate voting shares of the Corporation, including 8,315,689 subordinate voting shares issuable pursuant to options under the Power Financial Employee Stock Option Plan, which has been assumed by the Corporation.

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 (3.5 million Subordinate Voting Shares for a total of \$123 million during the six-month period ended June 30, 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 June 30, 2024, the Corporation had repurchased 2.8 million Subordinate Voting Shares for a total of \$107 million.

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, 2024, the commencement date of the NCIB.

SUBSEQUENT EVENT

Subsequent to quarter-end, the Corporation purchased, as at August 8, 2024, an additional 1.4 million Subordinate Voting Shares pursuant to its current NCIB for a total of \$57 million.

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 \$50.48 at June 30, 2024, compared with \$53.53 at December 31, 2023, representing a decrease of 5.7%. The Corporation's book value per participating share (refer to the section "Other Measures") was \$33.53 at June 30, 2024, compared with \$32.49 at December 31, 2023, representing an increase of 3.2%.

	June 30, 2024			December 31, 2023		
	Holding company balance sheet	Fair value adjustment	Adjusted net asset value	Holding company balance sheet	Fair value adjustment	Adjusted net asset value
Holding company assets						
Investments						
Power Financial						
Lifeco	15,996	9,365	25,361	15,326	12,545	27,871
IGM	3,849	1,738	5,587	3,702	1,477	5,179
GBL ^[1]	3,572	(1,422)	2,150	3,717	(1,422)	2,295
Alternative asset investment platforms						
Asset management companies ^[2]						
Sagard	116	175	291	108	157	265
Power Sustainable	16	–	16	–	–	–
Investing activities						
Sagard ^{[3][4]}	796	482	1,278	721	341	1,062
Power Sustainable ^[5]	514	454	968	1,032	467	1,499
Other investments and standalone businesses						
Other investments ^[5]	135	–	135	107	–	107
Standalone businesses ^[6]	608	205	813	641	159	800
Cash and cash equivalents	1,540	–	1,540	1,218	–	1,218
Other assets	271	–	271	284	–	284
Total holding company assets	27,413	10,997	38,410	26,856	13,724	40,580
Holding company liabilities and non-participating shares						
Debentures and other debt instruments	897	–	897	897	–	897
Other liabilities ^[7]	987	–	987	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	5,664	–	5,664	5,663	–	5,663
Net value						
Participating shareholders' equity (IFRS) / Adjusted net asset value (non-IFRS)	21,749	10,997	32,746	21,193	13,724	34,917
Per share	33.53		50.48	32.49		53.53

[1] The Corporation's share of GBL's reported net asset value was \$3.8 billion (€2.6 billion) at June 30, 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] Includes \$22 million of cash held within the Sagard investing activities at June 30, 2024 (cash and other assets of \$21 million at December 31, 2023).

[5] At the end of March 2024, Power Sustainable made a strategic decision to wind down the Power Sustainable China strategy; the Corporation's remaining investments are included in other investments.

[6] An additional deferred tax liability of \$10 million has been included in the adjusted net asset value at June 30, 2024 (\$4 million at December 31, 2023) with respect to the investments in standalone businesses at fair value, without taking into account possible tax planning strategies. The Corporation has tax attributes (not otherwise recognized on the balance sheet) that could be available to minimize the tax if the Corporation were to dispose of its interests held in the standalone businesses.

[7] 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 90.8% of the total assets at fair value at June 30, 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 \$3,327 million or \$5.13 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 six-month periods ended June 30, 2024 and 2023, which are included in Note 20 of the Interim Consolidated Financial Statements. This presentation assists the reader in assessing the cash flows of the holding company.

Six months ended June 30						2024
	Lifeco	IGM	Holding company	Alternative Asset Investment Platforms and Other ^[1]	Effect of consolidation	Power Corporation Consolidated
Cash flows from:						
Operating activities	1,788	453	898	(104)	(841)	2,194
Financing activities	(1,177)	(380)	(951)	138	1,109	(1,261)
Investing activities	(319)	(164)	375	(74)	(354)	(536)
Effect of changes in exchange rates on cash and cash equivalents	173	–	–	8	–	181
Increase (decrease) in cash and cash equivalents	465	(91)	322	(32)	(86)	578
Cash and cash equivalents, beginning of the year	8,117	545	1,218	639	(207)	10,312
Cash and cash equivalents, at June 30	8,582	454	1,540	607	(293)	10,890

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

Six months ended June 30						2023
	Lifeco	IGM	Holding company	Alternative Asset Investment Platforms and Other ^[1]	Effect of consolidation	Power Corporation Consolidated
Cash flows from:						
Operating activities ^[2]	2,552	378	745	15	(791)	2,899
Financing activities	(2,260)	486	(886)	820	707	(1,133)
Investing activities ^[2]	(85)	(1,486)	581	(884)	(9)	(1,883)
Effect of changes in exchange rates on cash and cash equivalents	(68)	–	–	(3)	(3)	(74)
Increase (decrease) in cash and cash equivalents	139	(622)	440	(52)	(96)	(191)
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 June 30	7,429	451	1,717	441	(381)	9,657
Less: cash and cash equivalents from discontinued operations, at June 30 ^[3]	(258)	–	–	–	–	(258)
Cash and cash equivalents, at June 30	7,171	451	1,717	441	(381)	9,399

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

[2] The cash flows related to Lifeco's sales, maturities, repayments and purchases of portfolio investments have been reclassified to Operating activities to align with its practice of managing the matching of general fund assets with insurance and investment contract liabilities. This activity had previously been presented in Investing activities.

[3] 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 \$578 million in the six-month period ended June 30, 2024, compared with a decrease of \$191 million in the corresponding period in 2023.

Operating activities produced a net inflow of \$2,194 million in the six-month period ended June 30, 2024, compared with a net inflow of \$2,899 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 \$1,261 million in the six-month period ended June 30, 2024, compared with a net outflow of \$1,133 million in the corresponding period in 2023.

Cash flows from investing activities resulted in a net outflow of \$536 million in the six-month period ended June 30, 2024, compared with a net outflow of \$1,883 million in the corresponding period in 2023.

Parts B and C of this MD&A include a discussion of the cash flows of Lifeco and IGM, respectively.

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.

Six months ended June 30	2024	2023
Operating activities of the holding company		
Dividends		
Lifeco	706	661
IGM	166	166
GBL	92	92
Corporate operations, net of non-cash items ^[1]	(66)	(174)
	898	745
Financing activities of the holding company		
Dividends paid on:		
Non-participating shares	(26)	(26)
Participating shares	(708)	(680)
Perpetual preferred shares	(70)	(69)
Issuance of subordinate voting shares	45	12
Repurchase of subordinate voting shares	(189)	(123)
Other	(3)	–
	(951)	(886)
Investing activities of the holding company		
Distributions and proceeds from disposal of investments ^[2]	518	1,342
Purchase of additional interest in Lifeco	–	(553)
Purchase of investments	(140)	(209)
Other	(3)	1
	375	581
Increase in cash and cash equivalents	322	440
Cash and cash equivalents, at the beginning of the year	1,218	1,277
Cash and cash equivalents, at June 30	1,540	1,717

[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 \$322 million in the six-month period ended June 30, 2024, compared with an increase of \$440 million in the corresponding period in 2023.

Operating activities resulted in a net inflow of \$898 million in the six-month period ended June 30, 2024, compared with a net inflow of \$745 million in the corresponding period in 2023. Dividends received from the publicly traded operating companies include:

Six months ended (in millions of dollars; except as otherwise noted)	June 30, 2024		June 30, 2023	
	Dividend per share	Total dividend received	Dividend per share	Total dividend received
Lifeco	1.1100	706	1.0400	661
IGM	1.1250	166	1.1250	166

- Total dividend received from Parjointco was \$92 million (€62 million) for the period ended June 30, 2024, compared with \$92 million (€63 million) for the period ended June 30, 2023.

The Corporation's financing activities during the six-month period ended June 30, 2024 resulted in a net outflow of \$951 million, compared with a net outflow of \$886 million in the corresponding period in 2023, and included:

- Dividends paid on non-participating and participating shares by the Corporation of \$734 million, compared with \$706 million in the corresponding period in 2023. In the six-month period ended June 30, 2024, dividends paid on the Corporation's participating shares were \$1.0875 per share, compared with \$1.0200 in the corresponding period in 2023.
- Dividends paid on preferred shares by Power Financial of \$70 million, compared with \$69 million in the corresponding period in 2023.
- Issuance of subordinate voting shares of the Corporation for \$45 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 \$12 million in the corresponding period in 2023.
- Repurchase of subordinate voting shares of \$189 million, as part of the NCIB, in the six-month period ended June 30, 2024, compared with repurchase for an amount of \$123 million in the corresponding period in 2023.

The Corporation's investing activities during the six-month period ended June 30, 2024 resulted in a net inflow of \$375 million, compared with a net inflow of \$581 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 decreased its level of fixed income securities with maturities of more than three months, resulting in a net inflow of \$11 million in the six-month period ended June 30, 2024, compared with a net outflow of \$34 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 June 30, 2024.

	June 30, 2024	December 31, 2023
Debentures and other debt instruments		
Power Corporation	647	647
Power Financial	250	250
Lifeco	9,142	9,046
IGM	2,400	2,400
Other ^[1]	3,243	3,017
Effect of consolidation	(88)	(88)
	14,947	14,625
	15,594	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	21,749	21,193
Non-controlling interests ^[2]	12,411	12,072
	34,160	33,265
	57,754	56,537

[1] Includes other debt instruments of controlled and consolidated investments and standalone businesses; consists of \$361 million (\$299 million in 2023) of debt including revolving credit facilities held by the investment funds, \$2,638 million (\$2,490 million in 2023) of project-related debt held within the Power Sustainable Energy Infrastructure platform, and \$244 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. See Note 9 B) to the Interim 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 16, 2022, 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 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. Refer to the section "Participating Shareholders' Equity" for more information.

Power Financial

- Power Financial filed a short-form base shelf prospectus dated December 5, 2022, 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, IGM's subsidiaries and certain of the Corporation's other subsidiaries are subject to regulatory capital requirements. Parts B and C of this MD&A further describe the capital management activities of Lifeco and IGM, respectively. See Note 23 to the Corporation's 2023 Consolidated Financial Statements for additional information.

RATINGS

The current rating by Standard & Poor's (S&P) of the Corporation's debentures is "A+" with a stable outlook. Dominion Bond Rating Service's (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 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. DBRS' current rating on Power Financial's debentures is "A (High)" with a stable trend.

Parts B and C of this MD&A provide information on the ratings of the debentures of Lifeco and IGM, respectively.

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. Parts B and C of this MD&A further describe risks related to Lifeco and IGM, respectively.

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 and cybersecurity.
- 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, which investors should carefully consider before investing in securities of the Corporation. The 2023 Annual MD&A reviews 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.

During the six-month period ended June 30, 2024, there were no significant changes to the Corporation's risk oversight approach, and the identification and management of the specific risks.

Tax risk

Under International Pillar Two tax reform, the OECD introduced a 15% global minimum tax (GMT or Pillar Two) regime that has been adopted by all countries in which the Corporation and its subsidiaries have significant operations, other than the United States. Canada enacted GMT legislation on June 20, 2024, which applies retroactively to January 1, 2024. Other countries where the Corporation and its subsidiaries have significant operations, including Barbados, Germany, Ireland and the United Kingdom, had previously enacted GMT legislation, also effective January 1, 2024.

The Corporation currently expects the GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rate is below 15%. In the second quarter of 2024, Lifeco recognized a GMT current tax expense of \$62 million, primarily related to its operations in Barbados and Ireland, of which the Corporation's share is \$43 million. The amount recognized in the second quarter of 2024 included \$34 million for the retroactive application for the first quarter of 2024, as a result of Canada's enactment of legislation in the quarter, primarily in respect of Barbados where the GMT was contingent upon Canada's enactment, of which the Corporation's share is \$23 million.

In the six-month period ended June 30, 2024, Lifeco recognized a GMT current tax expense of \$66 million, primarily related to its operations in Barbados and Ireland, of which the Corporation's share is \$46 million.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

FAIR VALUE MEASUREMENT

At June 30, 2024, there have been changes to the carrying amounts and fair value of the Corporation and its subsidiaries' assets and liabilities recorded at fair value since December 31, 2023. These changes did not have a material impact on the financial condition of the Corporation and its subsidiaries. See Note 19 to the Corporation's Interim Consolidated Financial Statements for additional disclosure of the Corporation's fair value measurement.

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 six-month period ended June 30, 2024. The following table provides a summary of the Corporation and its subsidiaries' derivatives portfolio:

	June 30, 2024			December 31, 2023		
	Notional	Maximum credit risk	Total fair value	Notional	Maximum credit risk	Total fair value
Power Corporation	453	10	7	367	20	20
Power Financial	68	11	11	67	10	10
Lifeco	56,463	1,911	225	51,909	2,219	931
IGM	2,045	35	(7)	1,903	43	(7)
Other subsidiaries	1,448	73	68	1,270	57	44
	60,024	2,030	297	55,149	2,329	978
	60,477	2,040	304	55,516	2,349	998

During the six-month period ended June 30, 2024, there was an increase of \$5.0 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) decreased to \$2,040 million at June 30, 2024 from \$2,349 million at December 31, 2023. The decrease was primarily driven by the impact of the U.S. dollar strengthening against the Canadian dollar on cross-currency swaps that pay U.S. dollars and receive Canadian dollars.

Parts B and C of this MD&A provide information on the types of derivative financial instruments used by Lifeco and IGM, respectively.

See Note 29 to the Corporation's 2023 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 35 to the Corporation's 2023 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 Part B of this MD&A and Note 35 to the Corporation's 2023 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 Parts B and C of this MD&A and Note 34 to the Corporation's 2023 Consolidated Financial Statements.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

At June 30, 2024, there have been no material changes in the contractual obligations of the Corporation and its subsidiaries from those reported in the 2023 Annual MD&A.

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 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, reinsurance held and investment contract liabilities, income taxes, and pension plans and other post-employment benefits. These are described in the Corporation's 2023 Annual MD&A and the notes to the Corporation's 2023 Consolidated Financial Statements.

CHANGES IN ACCOUNTING POLICIES

There were no changes to the Corporation's accounting policies from those reported at December 31, 2023, except for: 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 International Accounting Standards Board (IASB) and analyze the effect that changes in the standards may have on the consolidated financial statements when they become effective. The following sets out standards released and updates to the Corporation's 2023 Consolidated Financial Statements.

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 employees of Power Corporation, Power Financial, and Lifeco and its subsidiaries. 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 "Sagard and Power Sustainable".

See Note 33 to the Corporation's 2023 Consolidated Financial Statements for additional information.

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. 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.

There have been no changes in the Corporation's internal control over financial reporting during the three-month period ended June 30, 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* (NI 51-102) and as provided in the decision of the Autorité des marchés financiers and the Ontario Securities Commission, dated January 19, 2021, regarding Power Financial and Power Corporation. The following disclosure is provided further to the requirements of such decision:

At June 30, 2024	Lifeco	IGM	Corporate and other ^[1]	Effect of consolidation	Total Power Financial	Total Power Corporation
Total assets	749,562	18,666	37,177	(22,455)	782,950	790,829
Total liabilities	718,692	11,540	12,687	(343)	742,576	748,669

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

For the period ending June 30, 2024	Three months		Six months	
	Power Financial	Power Corporation	Power Financial	Power Corporation
Cash flows from operations	1,885	1,829	2,332	2,194

NON-IFRS FINANCIAL MEASURES

DEFINITIONS

This MD&A 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 MD&A 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 its publicly traded operating companies, would make the period-over-period comparison of results from operations less meaningful.</p> <p>Includes the Corporation's share of Lifeco's impact of 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, as well as items that management believes are not indicative of the underlying business results which include those identified by a subsidiary or a jointly controlled corporation. Items that management and management of its subsidiaries believe are not indicative of the underlying business results include business transformation impacts (including restructuring or reorganization and integration costs, acquisition and divestiture costs), material legal settlements, material impairment charges, impacts of income tax rate changes on the remeasurement of deferred tax assets and liabilities and other tax impairments, certain non-recurring material items, net gains, losses or costs related to the disposition or acquisition of a business, and other items that, when removed, assist in explaining underlying operating performance.</p> <p>Effective the first quarter of 2024, the definition of Adjustments was modified to include 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 this change.</p>	Identifies items that are not considered part of operating performance by management, including items identified by management of its publicly traded operating companies.

[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>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 revenues from management fees 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 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, which are not based on future realization events, are sufficient to cover associated operating expenses.</p>

Non-IFRS ratio	Definition	Purpose
Adjusted net earnings from continuing operations per share	Earnings per share calculated using adjusted net earnings from continuing operations. Adjusted net earnings from continuing operations divided by the weighted average number of participating shares outstanding.	Assists in comparing adjusted net earnings from continuing operations on a per share basis; refer to "Adjusted net earnings from continuing operations" definition above.
Adjusted net asset value per share	Adjusted net asset value calculated on a per share basis. Adjusted net asset value divided by the number of participating shares outstanding.	Assists the reader in comparing the adjusted net asset value on a per share basis; refer to "Adjusted net asset value" definition above.

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":

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted net earnings from continuing operations - Non-IFRS financial measure ^[1]	761	703	842	1,464	1,430
Share of Adjustments ^[2] , net of tax					
Lifeco	(23)	31	(240)	8	(401)
IGM	(3)	1	(55)	(2)	(57)
Power Sustainable	(5)	23	3	18	(42)
ChinaAMC	-	-	-	-	(54)
	(31)	55	(292)	24	(554)
Net earnings from continuing operations - IFRS financial measure ^[1]	730	758	550	1,488	876
Net earnings (loss) from discontinued operations - Putnam	-	(49)	(49)	(49)	(62)
Net earnings - IFRS financial measure ^[1]	730	709	501	1,439	814

[1] Attributable to participating shareholders of Power Corporation.

[2] Refer to the section "Adjustments" for more detail on Adjustments from Lifeco, IGM, Power Sustainable, and ChinaAMC.

Adjustments (excluded from Adjusted net earnings)

The following table presents the Corporation's share of Adjustments on a pre- and post-tax basis:

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Lifeco^[1]					
Market experience relative to expectations (pre-tax)	30	93	(63)	123	(205)
Income tax (expense) benefit	(11)	(20)	9	(31)	37
Assumption changes and management actions (pre-tax)	2	2	(3)	4	3
Income tax (expense) benefit	25	(3)	–	22	(1)
Business transformation impacts (pre-tax) ^{[2][3]}	(25)	(45)	(98)	(70)	(116)
Income tax (expense) benefit	5	12	22	17	27
Realized OCI gains (losses) from asset rebalancing (pre-tax)	–	–	(99)	–	(99)
Income tax (expense) benefit	–	–	16	–	16
Amortization of acquisition-related finite life intangible assets (pre-tax) ^[3]	(35)	(34)	(33)	(69)	(62)
Income tax (expense) benefit	10	8	9	18	16
Tax legislative changes impact ^{[3][4]}	(23)	23	–	–	–
	(22)	36	(240)	14	(384)
Effect of consolidation (pre-tax) ^{[5][6]}	(1)	(5)	(1)	(6)	(18)
Income tax (expense) benefit	–	–	1	–	1
	(23)	31	(240)	8	(401)
IGM^[1]					
Rockefeller debt refinancing (pre-tax)	(2)	–	–	(2)	–
Income tax (expense) benefit	–	–	–	–	–
Gain on disposal of Lifeco shares (pre-tax)	–	–	(4)	–	108
Income tax (expense) benefit	–	–	–	–	(3)
Restructuring charges (pre-tax)	–	–	(64)	–	(64)
Income tax (expense) benefit	–	–	17	–	17
IFRS 17 adjustment (pre-tax)	–	–	9	–	9
Income tax (expense) benefit	–	–	–	–	–
Share of Lifeco adjustments (pre-tax)	–	(1)	(4)	(1)	(4)
Income tax (expense) benefit	–	–	–	–	–
	(2)	(1)	(46)	(3)	63
Effect of consolidation (pre-tax) ^[5]	(1)	1	(9)	–	(130)
Income tax (expense) benefit	–	1	–	1	10
	(3)	1	(55)	(2)	(57)
Power Sustainable					
Reclassification to earnings of foreign currency gains on Power Sustainable China (pre-tax)	–	54	–	54	–
Income tax (expense) benefit	–	–	–	–	–
Revaluation of non-controlling interests liabilities (pre-tax) ^[6]	(3)	(19)	3	(22)	(42)
Income tax (expense) benefit	–	–	–	–	–
Restructuring charges (pre-tax)	(2)	(12)	–	(14)	–
Income tax (expense) benefit	–	–	–	–	–
	(5)	23	3	18	(42)
ChinaAMC					
Transaction costs on disposal of ChinaAMC (pre-tax)	–	–	–	–	(14)
Income tax (expense) benefit	–	–	–	–	–
Income taxes on disposal of ChinaAMC	–	–	–	–	(40)
	–	–	–	–	(54)
	(31)	55	(292)	24	(554)

[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] GMT legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, the comparative results for adjusted net earnings and Adjustments for the first quarter of 2024 are presented on a pro forma basis as if the legislation had been enacted in the first quarter of 2024.

[5] 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, 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.

[6] Effective the first quarter of 2024, the Corporation modified the definition of adjusted net earnings. The comparative periods have been restated to reflect this change.

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":

	June 30, 2024	December 31, 2023
Participating shareholders' equity - IFRS financial measure		
Share capital - participating shares	9,259	9,284
Retained earnings	10,774	10,005
Reserves	1,716	1,904
	21,749	21,193
Fair value adjustments ^[1]		
Lifeco	9,365	12,545
IGM	1,738	1,477
GBL	(1,422)	(1,422)
Sagard and Power Sustainable	1,111	965
Other investments and standalone businesses	205	159
	10,997	13,724
Adjusted net asset value - Non-IFRS financial measure	32,746	34,917
Per share^[2]		
Participating shareholders' equity (book value)	33.53	32.49
Adjusted net asset value	50.48	53.53

[1] Refer to the section "Adjusted Net Asset Value" for more details on the fair value adjustments.

[2] Attributable to participating shareholders.

Consolidated Assets and Assets Under Management and Consolidated Assets and Assets Under Administration

(In billions of dollars)	June 30, 2024	December 31, 2023
Total consolidated assets per financial statements ^[1]	791	749
Other assets under management		
Continuing operations	424	410
Discontinued operations	–	162
Total consolidated assets and assets under management ^[1]	1,215	1,321
Other assets under administration	2,006	1,787
Total consolidated assets and assets under administration ^[1]	3,221	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".

	Three months ended			Six months ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net earnings attributable to participating shareholders of Power Corporation - IFRS financial measure	730	709	501	1,439	814
Excluding:					
Contribution to net earnings from Lifeco	(670)	(641)	(327)	(1,311)	(722)
Contribution to net earnings from IGM	(136)	(133)	(79)	(269)	(200)
Contribution to net earnings from GBL	(21)	(54)	(90)	(75)	(109)
Contribution to net earnings from Lifeco, IGM and GBL	(827)	(828)	(496)	(1,655)	(1,031)
Contribution to net earnings from the holding company	87	82	6	169	135
Contribution to net earnings from Alternative Asset Investment Platforms and Other	(10)	(37)	11	(47)	(82)
Excluding:					
Investing activities	(14)	(22)	(25)	(36)	41
Standalone businesses	5	32	(8)	37	(3)
Contribution to net earnings from Asset Management Activities	(19)	(27)	(22)	(46)	(44)
Adjustments:					
Sagard					
Non-controlling interests	3	2	(2)	5	(3)
Loss from private wealth platform and other asset management activities	–	1	1	1	3
Net carried interest	(10)	(3)	2	(13)	4
Share-based compensation	4	–	3	4	6
Amortization of intangibles	1	1	1	2	1
Acquisition-related costs ^[1]	1	–	5	1	5
Income taxes and other	(2)	(4)	2	(6)	4
Power Sustainable					
Non-controlling interests	(1)	–	–	(1)	–
Loss from development and asset management activities provided by Potentia and Nautilus on behalf of PSEIP	4	3	1	7	9
Net performance fees and carried interest	5	1	–	6	(6)
Income taxes and other	1	–	1	1	–
Restructuring charges	2	12	–	14	–
	8	13	14	21	23
Fee-related earnings (loss) - Non-IFRS financial measure	(11)	(14)	(8)	(25)	(21)
Sagard	(2)	(4)	(1)	(6)	(3)
Power Sustainable	(9)	(10)	(7)	(19)	(18)

[1] Includes transaction costs and changes in fair value related to contingent consideration.

OTHER MEASURES

This MD&A 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	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. 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. Assets under advisement represents savings and investment products held within the client accounts of IGM's Wealth Management segment's core business.
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	Assets under management of investment platforms include: <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.
Fee-bearing capital	Fee-bearing capital includes: <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.

Term	Definition
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>

ABBREVIATIONS

The following abbreviations are used throughout this report:

adidas	adidas AG	Peak	Peak Achievement Athletics Inc.
Adjusted net earnings	Adjusted net earnings from continuing operations	PEM	Performance Equity Management, LLC
Affidea	Affidea Group B.V.	PEM-PDI III	Performance Direct Investments III, L.P.
Alternative asset investment platforms or Investment platforms	Alternative Asset Investment Platforms	PEM-PDI IV	Performance Direct Investments IV, L.P.
Canada Life	The Canada Life Assurance Company	PEM-PDI V	Performance Direct Investments V, L.P.
Canyon	Canyon Bicycles GmbH	PEM-PVC I	Performance Venture Capital, L.P.
ChinaAMC	China Asset Management Co., Ltd.	PEM-PVC II	Performance Venture Capital II, L.P.
Concentrix	Concentrix Corporation	PEM-PVC III	Performance Venture Capital III, L.P.
Diagram	Diagram Corporation	PEM-PVC IV	Performance Venture Capital IV, L.P.
Diagram ClimateTech	Diagram ClimateTech Fund LP	PEM-PVC V	Performance Venture Capital V, L.P.
Diagram Opportunity	Diagram Opportunity Fund I LP	PEM-PVC VI	Performance Venture Capital VI, L.P.
Diagram Ventures I	Diagram Ventures LP	Pernod Ricard	Pernod Ricard SA
Diagram Ventures II	Diagram Ventures II LP	Pillar Two	Pillar Two Global Anti-Base Erosion Model Rules published by the OECD
Diagram Ventures III	Diagram Ventures III LP	Portage Capital Solutions	Portage Capital Solutions Fund I LP
EBR	Euronext Brussels	Portage Ventures I	Portag3 Ventures Limited Partnership
Empower	Empower Annuity Insurance Company of America	Portage Ventures II	Portag3 Ventures II Limited Partnership
EPA	Euronext Paris	Portage Ventures III	Portage Ventures III Limited Partnership
EverWest	EverWest Holdings Inc.	Potentia or Potentia Renewables	Potentia Renewables Inc.
Franklin Templeton	Franklin Resources, Inc.	Power Financial	Power Financial Corporation
FVOCI	Fair value through other comprehensive income	Power Sustainable	Power Sustainable Capital Inc.
FVPL	Fair value through profit or loss	Power Sustainable China	Power Sustainable Investment Management Inc.
GBL	Groupe Bruxelles Lambert	Power Sustainable Energy	Power Sustainable Energy Infrastructure
GEA	GEA Group AG	Power Sustainable	Power Sustainable Infrastructure
GMT	Global Minimum Tax	Infrastructure Credit	Credit Manager, L.P.
Grayhawk	Grayhawk Wealth Holdings Inc.	Power Sustainable Lios	Power Sustainable Lios Inc.
HalseyPoint	HalseyPoint Asset Management, LLC	Power Sustainable Manager or PSM	Power Sustainable Manager Inc.
Holcim	Holcim Ltd.	Prudential	Prudential Financial, Inc.
IFRS	International Financial Reporting Standards	PSEIP	Power Sustainable Energy Infrastructure Partnership
IGM or IGM Financial	IGM Financial Inc.	Putnam	Putnam U.S. Holdings I, LLC
IG Wealth Management	Investors Group Inc.	Rockefeller	Rockefeller Capital Management
Imerys	Imerys SA	Sagard	Sagard Holdings Inc.
Investment Planning Counsel or IPC	Investment Planning Counsel Inc.	Sagard Credit Partners I	Sagard Credit Partners, LP
Irish Life	Irish Life Group Limited	Sagard Credit Partners II	Sagard Credit Partners II, LP
Lifeco	Great-West Lifeco Inc.	Sagard Healthcare Partners	Sagard Healthcare Royalty Partners, LP
Lion or Lion Electric	The Lion Electric Company	Sagard Holdings Management or SHMI	Sagard Holdings Management Inc.
LMPG	LMPG Inc.	Sagard MidCap	Sagard MidCap II, Sagard MidCap 3, and Sagard MidCap 4
Mackenzie or Mackenzie Investments	Mackenzie Financial Corporation	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
Nautilus or Nautilus Solar	Nautilus Solar Energy, LLC	Sanoptis	Sanoptis AG
NCIB	Normal Course Issuer Bid	SGS	SGS SA
Northleaf	Northleaf Capital Group Ltd.	SIX	Swiss Stock Exchange
NYSE	New York Stock Exchange	SPEC	Sagard Private Equity Canada LP
OECD	Organisation for Economic Co-operation and Development	TSX	Toronto Stock Exchange
Ontex	Ontex Group NV	Umicore	Umicore, NV/SA
OSFI	Office of the Superintendent of Financial Institutions	USPF	GWL U.S. Property Fund L.P.
PanAgora	PanAgora Asset Management, Inc.	Wealthsimple	Wealthsimple Financial Corp.
Pargesa	Pargesa SA	Webhelp	Webhelp Group
Parjointco	Parjointco SA	XETR	XETRA Stock Exchange
Parques Reunidos	Parques Reunidos Servicios Centrales, S.A.		

SUMMARY OF QUARTERLY RESULTS

	2024		2023				2022			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Insurance revenue	5,273	5,250	5,174	5,110	5,081	5,037	5,442	4,648	4,762	4,780
Net investment income	2,548	2,516	2,500	2,391	2,154	2,150	2,151	2,061	1,981	1,420
Change in FVPL on investments	(848)	(1,333)	11,098	(5,414)	(2,626)	3,606	1,356	(7,350)	(13,683)	(11,301)
Fee income and other revenues	2,935	2,729	2,601	2,569	2,564	2,433	2,378	2,296	2,350	2,243
Total revenues	9,908	9,162	21,373	4,656	7,173	13,226	11,327	1,655	(4,590)	(2,858)
Net earnings ^[1]	730	709	406	975	501	313	89	643	601	862
per share - basic	1.12	1.09	0.63	1.47	0.75	0.47	0.14	0.96	0.89	1.28
per share - diluted	1.12	1.08	0.61	1.47	0.75	0.47	0.13	0.96	0.86	1.27
Earnings from continuing operations										
Net earnings from continuing operations ^[1]	730	758	409	997	550	326	106	642	606	862
per share - basic	1.12	1.17	0.63	1.50	0.82	0.49	0.16	0.96	0.90	1.28
per share - diluted	1.12	1.16	0.61	1.50	0.82	0.49	0.15	0.96	0.87	1.27
Adjusted net earnings from continuing operations ^{[1][2][3][4]}	761	703	645	1,006	842	588	487	529	649	440
per share - basic ^[2]	1.17	1.08	0.99	1.52	1.26	0.88	0.73	0.79	0.97	0.65
Adjustments ^{[2][3][4][5]}	(31)	55	(236)	(9)	(292)	(262)	(381)	113	(43)	422
per share - basic ^[2]	(0.05)	0.09	(0.36)	(0.02)	(0.44)	(0.39)	(0.57)	0.17	(0.07)	0.63

[1] Attributable to participating shareholders.

[2] Adjusted net earnings from continuing operations attributable to participating shareholders and adjusted net earnings from continuing operations per share, and adjustments and adjustments per share are non-IFRS financial measures. For a definition of these non-IFRS financial measures, please refer to the section "Non-IFRS Financial Measures" in this MD&A.

[3] Effective the first quarter of 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 this change.

[4] GMT legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, the comparative results for adjusted net earnings and Adjustments for the first quarter of 2024 are presented on a pro forma basis as if the legislation had been enacted in the first quarter of 2024. Refer to the section "Statement Regarding Non-IFRS Financial Measures and Other Measures" in this MD&A.

[5] The Corporation's share of Lifeco, IGM and Sagard and Power Sustainable's Adjustments, including the effect of consolidation, and Adjustments of the Corporation, including in relation to its investment in ChinaAMC, are as follows:

	2024		2023				2022			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Lifeco										
Pre-tax	(29)	11	(398)	(13)	(297)	(200)	(366)	153	(30)	524
Tax effect	6	20	224	2	57	39	70	(38)	(18)	(109)
	(23)	31	(174)	(11)	(240)	(161)	(296)	115	(48)	415
IGM										
Pre-tax	(3)	-	(13)	-	(72)	(9)	(14)	6	9	19
Tax effect	-	1	(1)	-	17	7	2	(1)	(2)	(4)
	(3)	1	(14)	-	(55)	(2)	(12)	5	7	15
Sagard and Power Sustainable										
Pre-tax	(5)	23	(48)	2	3	(45)	(73)	(7)	(2)	(11)
Tax effect	-	-	-	-	-	-	-	-	-	3
	(5)	23	(48)	2	3	(45)	(73)	(7)	(2)	(8)
ChinaAMC										
Pre-tax	-	-	-	-	-	(14)	-	-	-	-
Tax effect	-	-	-	-	-	(40)	-	-	-	-
	-	-	-	-	-	(54)	-	-	-	-
	(31)	55	(236)	(9)	(292)	(262)	(381)	113	(43)	422

Great-West Lifeco Inc.

PART B

Management's Discussion and Analysis

PAGE B 2

Financial Statements and Notes

PAGE B 47

Please note that the bottom of each page in Part B contains two different page numbers. A page number with the prefix "B" refers to the number of such page in this document and the page number without any prefix refers to the number of such page in the original document issued by Great-West Lifeco Inc.

The attached documents concerning Great-West Lifeco Inc. are documents prepared and publicly disclosed by such subsidiary, and are available under such subsidiary's profile on SEDAR+, at www.sedarplus.ca. Certain statements in the attached documents, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the current expectations of the subsidiary as set forth therein. Forward-looking statements are provided for the purposes of assisting the reader in understanding the subsidiary's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about the subsidiary's 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.

By its nature, forward-looking 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.

For further information provided by the subsidiary as to the material factors that could cause actual results to differ materially from the content of forward-looking statements, the material factors and assumptions that were applied in making the forward-looking statements, and the subsidiary's policy for updating the content of forward-looking statements, please see the attached documents, including the section entitled Cautionary Note Regarding Forward-Looking Information. The reader is cautioned to consider these factors and assumptions carefully and not to put undue reliance on forward-looking statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS**FOR THE PERIOD ENDED JUNE 30, 2024****DATED: AUGUST 6, 2024**

This Management's Discussion and Analysis (MD&A) presents management's view of the financial condition, financial performance and cash flows of Great-West Lifeco Inc. (Lifeco or the Company) for the three and six months ended June 30, 2024 and includes a comparison to the corresponding periods in 2023, to the three months ended March 31, 2024, and to the Company's financial condition as at December 31, 2023, as applicable. This MD&A provides an overall discussion, followed by analysis of the performance of Lifeco's four major reportable segments: Canada, United States (U.S.), Europe, and Capital and Risk Solutions.

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Basis of Presentation and Summary of Material Accounting Policies

The condensed consolidated financial statements of Lifeco, which are the basis for data presented in this report, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) unless otherwise noted and are presented in millions of Canadian dollars unless otherwise indicated. This MD&A should be read in conjunction with the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2024. Refer also to the "Accounting Policies" section of this MD&A and the Annual MD&A and audited consolidated financial statements for the year ended December 31, 2023.

Base earnings figures for the first quarter of 2024 are presented on a "pro forma" basis as if the Global Minimum Tax legislation had been enacted in Canada in the first quarter of 2024. Base earnings have been presented on this basis for the Europe and Capital & Risk Solutions segments, at the Lifeco consolidated level and also by value driver. See the "Taxes" section in this MD&A for further details.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "will", "may", "expects", "anticipates", "intends", "plans", "believes", "estimates", "objective", "target", "potential" and other similar expressions or negative versions thereof. Forward-looking information includes, without limitation, statements about the Company and its operations, business (including business mix), financial condition, expected financial performance (including revenues, earnings or growth rates, medium-term financial objectives and base earnings objectives for the Empower business), strategies and prospects, expected costs and benefits of acquisitions and divestitures (including timing of integration activities and timing and extent of revenue and expense synergies), expected expenditures or investments (including but not limited to investment in technology infrastructure and digital capabilities and solutions and investments in strategic partnerships), expected utilization of restructuring provisions, value creation and realization and growth opportunities, expected dividend levels, expected cost reductions and savings, expected capital management activities and use of capital, estimates of risk sensitivities affecting capital adequacy ratios, anticipated global economic conditions, and the impact of regulatory developments on the Company's business strategy and growth objectives.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance, mutual fund and retirement solutions industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. In particular, in setting its objective to achieve base earnings growth in the Empower business of 15-20% in 2024, management has assumed pre-tax revenue synergies related to the Prudential acquisition of US\$20 million by the end of 2024 and that the performance of equity, interest rate and credit markets during the relevant period is consistent with management's expectations, which take into account current market information and assume no credit impairments. In arriving at our assessment of the Company's potential exposure to Pillar Two income taxes and our expectation regarding the impact on our effective income tax rate and base earnings, management has relied on its interpretation of the relevant legislation. It has also assumed a starting point of its current mix of business and base earnings growth consistent with management's base earnings objectives disclosed in this MD&A. In all cases, whether or not actual results differ from forward-looking information may depend on numerous factors, developments and assumptions, including, without limitation, the ability to integrate and leverage acquisitions and achieve anticipated benefits and synergies, the achievement of expense synergies and client retention targets from the acquisition of the Prudential retirement business, the Company's ability to execute strategic plans and adapt or recalibrate these plans as needed, the Company's reputation, business competition, assumptions around sales, pricing, fee rates, customer behaviour (including contributions, redemptions, withdrawals and lapse rates), mortality and morbidity experience, expense levels, reinsurance arrangements, global equity and capital markets (including continued access to equity and debt markets and credit instruments on economically feasible terms), geopolitical tensions and related economic impacts, interest and foreign exchange rates, inflation levels, liquidity requirements, investment values and asset breakdowns, hedging activities, financial condition of industry sectors and individual issuers that comprise part of the Company's investment portfolio, credit ratings, taxes, impairments of goodwill and other intangible assets, technological changes, breaches or failure of information systems and security (including cyber attacks), assumptions around third-party suppliers, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, changes in actuarial standards, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, unplanned changes to the Company's facilities, customer and employee relations, levels of administrative and operational efficiencies, and other general economic, political and market factors in North America and internationally.

The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors listed in other filings with securities regulators, including factors set out in the "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" sections of this document and in the Company's annual information form dated February 14, 2024 under "Risk Factors", which, along with other filings, is available for review at www.sedarplus.com. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking information.

Other than as specifically required by applicable law, the Company does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

Important Note Regarding Sustainability Disclosure

Certain forward-looking statements in the Company's filings relate to the Company's climate-related and diversity-related measures, objectives, goals, priorities, strategies and commitments or actions that will be taken to achieve them. The climate-related statements include statements with respect to achieving net-zero GHG emissions for its operating and financing activities by 2050, the Company's initial interim net zero goals for operations and investments, the Company's plan to review and revise initial interim net zero goals as appropriate, the causes and potential impacts of climate change globally, and the Company's approach to identifying and managing climate-related risks and opportunities. The diversity-related statements include statements with respect to growing representation of women and underrepresented minorities in management. The forward-looking information in this update is presented for the purpose of assisting our stakeholders in understanding how we currently intend to address climate-related and diversity-related governance, strategy, risks, opportunities, and objectives, and is not appropriate for other purposes.

Any commitments, objectives, goals, ambitions or targets discussed here, including but not limited to the Company's net-zero related goals (including interim net zero goals) and diversity-related measures, are aspirational. They may need to change or be recalibrated as data improve and as climate science, regulatory requirements and market practices regarding standards, methodologies, metrics and measurements evolve. Our climate risk analysis and net-zero strategy remain under development, and the data underlying our analysis and strategy remain subject to evolution over time and the scope of assets to be included in our 2050 net zero related goals, remains under review. While the Company has begun to develop a global transition plan in connection with its net-zero related goals, the Company does not currently have a comprehensive transition plan in place to achieve these goals and the timing for completion of the plan is uncertain. Moreover, the data needed to define the Company's plan to achieve those goals is limited in quality, unavailable or inconsistent across the sectors the Company chooses to focus on. We are also continuing to develop our diversity-related data. There is a strong possibility that our expectations, forecasts, estimates, predictions and conclusions may not prove to be accurate and our assumptions may prove to be incorrect, and there is a material risk we will not achieve our climate-related and diversity-related goals, objectives, ambitions, strategies and commitments. In addition, many of the assumptions, standards, metrics and measurements used in preparing these forward-looking statements are not audited or independently verified, have limited comparability and continue to evolve.

Any goals, objectives, priorities, ambitions, commitments or targets discussed in the Company's filings, may also need to change or be recalibrated to meet our other strategic objectives and the reasonable expectations of our stakeholders, including expectations around financial performance. As a financial services company, our primary purpose is to provide our clients and customers with solutions to meet their financial security needs and to deliver on the promises we make to them. Our ability to fulfil this corporate purpose depends in large part on effective and responsible capital allocation and the ability to create value within the boundaries of our stakeholders' expectations, including expectations around financial performance. The path to achieving net zero and our climate-related objectives will require significant investment, resources, systems and technologies by third parties we do not control. Faced with a wide range of stakeholder interests, we will need to effectively manage trade-offs and make choices about how to deploy financial and human capital. These choices could include prioritizing other strategic objectives over our climate-related goals in pursuit of fulfilling our primary purpose, delivering value to our stakeholders and meeting expectations around financial performance. As our business, our industry and climate science evolve over time, we may need to adjust our climate-related goals and our approach to meeting them. We will also need to remain thoughtful about the regulatory and business environment of the jurisdictions in which we operate, as our ability to achieve our climate goals is contingent on the success of our partners and communities.

We caution readers not to place undue reliance on forward-looking statements because numerous factors (many of which are beyond the control of the Company) may cause actual results to differ materially from those expressed or implied by forward-looking information and impact the Company's ability to achieve its climate-related and diversity-related goals, objectives, priorities, ambitions, strategies and targets. These factors include, without limitation, the transition to a low-carbon economy, the need for more and better climate data and standardization of climate-related measurement methodologies, our ability to gather and verify data, our ability to develop indicators to effectively monitor our advancements and assess and manage climate-related risks, the need for active and continued action by stakeholders (including governmental and non-governmental organizations, our counterparties and other businesses and individuals), trade-offs and choices we make that prioritize other strategic objectives and financial performance over our climate-related objectives, the ability of clients, regulators and suppliers to meet and report on their publicly stated emissions and commitments, the viability of third-party decarbonization scenarios, the availability of carbon offset and renewable energy instruments on economically feasible terms, compliance with our policies and procedures, our ability to recruit and retain key personnel in a competitive environment for talent, technological advancements, the evolution of consumer behaviour, varying decarbonization efforts across economies, the challenges of balancing emission reduction objectives with an orderly, just and inclusive transition and geopolitical factors that impact global energy needs, the legal and regulatory environment, and regulatory compliance considerations. In relation to our climate-related objectives, goals, objectives, priorities, ambitions, strategies and targets, there are limitations and uncertainties inherent in climate science, climate risk analysis and reporting. The Company has made good faith approximations and assumptions in establishing its interim Scope 1 and 2 reduction goals and initial reduction goals for Scope 3 financed emissions. However, there are many factors that are the subject of ongoing climate science and that we cannot foresee or accurately predict which will impact our ability to achieve those goals.

Cautionary Note Regarding Non-GAAP Financial Measures and Ratios

This MD&A contains some non-Generally Accepted Accounting Principles (GAAP) financial measures and non-GAAP ratios as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure". Terms by which non-GAAP financial measures are identified include, but are not limited to, "base earnings (loss)", "base earnings (loss) (US\$)", "base earnings: insurance service result", "base earnings: net investment result", "assets under management" and "assets under administration". Terms by which non-GAAP ratios are identified include, but are not limited to, "base earnings per common share (EPS)", "base return on equity (ROE)", "base dividend payout ratio" and "effective income tax rate - base earnings - common shareholders". Non-GAAP financial measures and ratios are used to provide management and investors with additional measures of performance to help assess results where no comparable GAAP (IFRS) measure exists. However, non-GAAP financial measures and ratios do not have standard meanings prescribed by GAAP (IFRS) and are not directly comparable to similar measures used by other companies. Refer to the "Non-GAAP Financial Measures and Ratios" section in this MD&A for the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP as well as additional details on each measure and ratio.

Consolidated Operating Results

Selected consolidated financial information

(in Canadian \$ millions, except per share amounts)	As at or for the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings ^{1,2}	\$ 1,038	\$ 978	\$ 920	\$ 2,016	\$ 1,746
Net earnings from continuing operations ³	1,005	1,031	569	2,036	1,183
Net earnings - common shareholders	1,005	960	498	1,965	1,093
Per common share					
Basic:					
Base earnings ^{2,4}	1.11	1.05	0.99	2.16	1.87
Net earnings from continuing operations	1.08	1.10	0.61	2.18	1.27
Net earnings	1.08	1.03	0.53	2.11	1.17
Dividends paid	0.555	0.555	0.520	1.110	1.040
Book value ³	25.36	24.74	23.22		
Base return on equity ^{2,4}	17.2 %	17.0 %	15.9 %		
Return on equity - continuing operations ³	16.2 %	14.6 %	12.2 %		
Base dividend payout ratio ^{2,4}	50.0 %	52.9 %	52.6 %		
Dividend payout ratio ³	51.4 %	54.4 %	97.4 %		
Financial leverage ratio ⁵	29 %	30 %	31 %		
Total assets per financial statements	\$ 749,562	\$ 736,722	\$ 690,003		
Total assets under management ¹	961,501	941,373	1,042,373		
Total assets under administration ¹	2,929,042	2,855,164	2,643,378		
Total contractual service margin (net of reinsurance contracts held)	\$ 13,008	\$ 13,047	\$ 13,058		
Total equity	\$ 30,870	\$ 30,239	\$ 28,774		
Canada Life Assurance Company consolidated LICAT Ratio ⁶	130 %	129%	126%		

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

⁴ This metric is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

⁵ The calculation for financial leverage ratio includes the after-tax non-participating contractual service margin (CSM) balance in the denominator, excluding CSM associated with segregated fund guarantees. This reflects that the CSM represents future profit and is considered available capital under LICAT. These ratios are estimates based on available data.

⁶ The Life Insurance Capital Adequacy Test (LICAT) Ratio is based on the consolidated results of The Canada Life Assurance Company, Lifeco's major Canadian operating subsidiary. The LICAT Ratio is calculated in accordance with the Office of Superintendent of Financial Institutions' guideline - Life Insurance Capital Adequacy Test. Refer to the "Capital Management and Adequacy" section of this document for additional details.

2024 Developments

- Under International Pillar Two tax reform, the Organization for Economic Co-Operation and Development (OECD) introduced a 15% Global Minimum Tax (GMT) regime that has been adopted by all countries in which the Company has significant operations, other than the U.S. Canada enacted GMT legislation on June 20, 2024 which applies retroactively to January 1, 2024. Other countries where the Company has significant operations, including Barbados, Germany, Ireland and the U.K. had previously enacted GMT legislation, effective January 1, 2024.

The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rates are below 15%. In the second quarter of 2024, the Company recognized a GMT current tax expense of \$62 million, primarily related to its operations in Barbados and Ireland. This included \$34 million, for the retroactive application for the first quarter of 2024 as a result of Canada's enactment of legislation in the quarter, primarily in respect of Barbados where the GMT was contingent upon Canada's enactment.

- In the second quarter of 2024, the integration of Prudential's full-service retirement services business into Empower was completed and retention targets have been exceeded. The integration delivered the expected US\$180 million pre-tax run rate cost synergies.
- On July 1, 2024, Canada Life successfully moved Investment Planning Counsel Inc. (IPC) to Canada Life's financial systems, programs and processes, technology and human resources. IPC continues to operate as a separate brand in the Canadian wealth marketplace.
- In the United States, on January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments 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, the Company recorded a net loss of \$115 million reflecting closing costs as well as a \$44 million final gain on sale within discontinued operations. Lifeco retains its controlling interest in PanAgora Asset Management, a leading quantitative asset manager. The Company currently holds approximately 31,600,000 Franklin Templeton shares and will hold a majority of these shares for a minimum five-year period.

In addition to the sale, Lifeco, along with Power Corporation of Canada and Franklin Templeton, has entered into a strategic partnership to distribute Franklin Templeton products. Lifeco will provide an initial long-term asset allocation of US\$25 billion assets under management to Franklin Templeton within 12 months of closing with the potential for that amount to increase over the next several years.

Base and Net Earnings

Consolidated base earnings and net earnings of Lifeco include the base earnings and net earnings of Canada Life (and its operating subsidiaries), Empower and PanAgora Asset Management, together with Lifeco's Corporate operating results. Net earnings also include the earnings from Putnam Investments reported as discontinued operations.

For a further description of base earnings, refer to the "Non-GAAP Financial Measures and Ratios" section of this document.

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss)^{1,2}					
Canada	\$ 322	\$ 302	\$ 283	\$ 624	\$ 561
United States	324	286	265	610	483
Europe ²	206	197	180	403	358
Capital and Risk Solutions ²	190	195	203	385	360
Lifeco Corporate	(4)	(2)	(11)	(6)	(16)
Lifeco base earnings^{1,2}	\$ 1,038	\$ 978	\$ 920	\$ 2,016	\$ 1,746
Items excluded from base earnings					
Market experience relative to expectations ³	\$ 28	\$ 107	\$ (79)	\$ 135	\$ (247)
Realized OCI gains / (losses) from asset rebalancing	—	—	(121)	—	(121)
Assumption changes and management actions ³	39	(1)	(4)	38	3
Other non-market related impacts ^{2,4}	(100)	(53)	(147)	(153)	(198)
Items excluded from Lifeco base earnings²	\$ (33)	\$ 53	\$ (351)	\$ 20	\$ (563)
Net earnings (loss) from continuing operations³					
Canada	\$ 335	\$ 353	\$ 148	\$ 688	\$ 381
United States	274	233	161	507	331
Europe	201	187	102	388	142
Capital and Risk Solutions	155	260	169	415	353
Lifeco Corporate	40	(2)	(11)	38	(24)
Lifeco net earnings from continuing operations³	\$ 1,005	\$ 1,031	\$ 569	\$ 2,036	\$ 1,183
Net earnings (loss) from discontinued operations	—	(115)	(71)	(115)	(90)
Net gain from disposal of discontinued operations	—	44	—	44	—
Lifeco net earnings - common shareholders	\$ 1,005	\$ 960	\$ 498	\$ 1,965	\$ 1,093

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

⁴ Included in other non-market related impacts are 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 impact.

Base Earnings

Base earnings for the second quarter of 2024 of \$1,038 million (\$1.11 per common share) increased by \$118 million or 13% from \$920 million (\$0.99 per common share) a year ago reflecting pre-tax growth from all segments, the successful integration of recent acquisitions in the U.S. and Canada segments and broadly positive insurance experience. The impact of GMT implementation is reflected in results for the Capital and Risk Solutions and Europe segments.

Base earnings growth for the second quarter of 2024 was driven by improved net fee and spread income driven by equity market growth as well as the addition of IPC and Value Partners, strong Workplace Solutions earnings driven by group health experience and organic growth in the Canada segment, growth in the structured reinsurance business in the Capital and Risk Solutions segment and higher earnings on surplus. These items were partially offset by unfavourable experience in the U.S. life reinsurance business and the impact of the GMT implementation.

For the six months ended June 30, 2024, Lifeco's base earnings were \$2,016 million (\$2.16 per common share) compared to \$1,746 million (\$1.87 per common share) a year ago. The increase was primarily due to dividend income on Franklin

Templeton shares acquired through the Putnam divestiture in the U.S. segment as well as the same reasons discussed for the in-quarter results.

Base earnings for the six months ended June 30, 2024 include the negative impact of \$66 million, primarily related to the enactment of the GMT legislation in Canada on June 20, 2024 which is retroactive to January 1, 2024. This negative impact includes a \$34 million retroactive impact for the first quarter of 2024 as a result of Canada's enactment of legislation in the quarter. 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 base earnings in the Europe segment of \$7 million and Capital and Risk Solutions segment of \$27 million. Refer to the "Taxes" section of this document for further details.

Net Earnings

Lifeco's net earnings from continuing operations for the three month period ended June 30, 2024 of \$1,005 million (\$1.08 per common share) increased by \$436 million or 77% compared to \$569 million (\$0.61 per common share) a year ago. The increase was primarily due to an increase in base earnings, favourable risk-free interest rates and credit spread in-period movements in the Canada segment, and the impact of the finalization of a prior year reinsurance recapture transaction in the Lifeco Corporate segment. Additionally, the prior period results included realized other comprehensive income (OCI) losses related to asset rebalancing in the surplus account as well as a loss from sale of Canada Life U.K.'s onshore individual protection business in the Europe segment and a provision related to Empower's sale of substantially all of its individual life and annuity business in 2019. These items were partially offset by less favourable interest rate movements in Europe and the implementation of GMT. The results from discontinued operations for the second quarter of 2024 were nil compared to a net loss of \$71 million a year ago.

For the six months ended June 30, 2024, Lifeco's net earnings from continuing operations were \$2,036 million (\$2.18 per common share) compared to \$1,183 million (\$1.27 per common share) a year ago. The increase was primarily due to the same reasons discussed for the in-quarter results. The results from discontinued operations for the six months ended June 30 included a net loss of \$115 million as well as a \$44 million final gain on sale compared to a net loss of \$90 million a year ago.

Lifeco's net earnings from continuing operations for the three month period ended June 30, 2024 of \$1,005 million (\$1.08 per common share) decreased by \$26 million or 3% compared to \$1,031 million (\$1.10 per common share) in the previous quarter. The decrease was primarily due to less favourable market experience relative to expectations in the Capital and Risk Solutions and Canada segments and the implementation of GMT. These items were partially offset by higher base earnings in the U.S., Canada and Europe segments as well as the impact of the finalization of a prior year reinsurance recapture transaction in the Lifeco Corporate segment. The results from discontinued operations for the second quarter of 2024 as discussed for the year-over-year results were nil compared to a net loss of \$115 million as well as a \$44 million final gain on sale in the previous quarter.

Items Excluded from Base Earnings

Market Experience Relative to Expectations

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Public equity market impacts	\$ 1	\$ 26	\$ (2)	\$ 27	\$ 2
Real estate and other non-fixed income asset impacts	(26)	(59)	(69)	(85)	(180)
Interest rate and other impacts	53	140	(8)	193	(69)
Total market experience relative to expectations	\$ 28	\$ 107	\$ (79)	\$ 135	\$ (247)

Market experience relative to expectations, which are reflected in the net investment result of the Company's consolidated statement of earnings, positively impacted net earnings by \$28 million in the second quarter of 2024 which compares favourably to negative impact of \$79 million in the second quarter of 2023.

In-quarter impacts reflect interest rate movements including spread movements, lower returns than expected on real estate assets, partially offset by higher returns on other non-fixed income assets. The positive interest rate and other impacts result primarily arose from liabilities decreasing by more than their supporting assets in the Canada and Europe segments, driven by risk-free rate increases. The lower returns than expected on real estate and other non-fixed income assets arose on real estate assets in the U.K. and Canada, partially offset by higher returns than expected on other non-fixed income assets in Canada.

For the six months ended June 30, 2024, market experience relative to expectations positively impacted net earnings by \$135 million which compares favourably to negative impact of \$247 million for the same period in 2023. The 2024 year-to-date positive impact was primarily due to risk-free rate increases, partially offset by lower returns than expected on real estate assets.

In order to mitigate the Company's exposure to interest rate fluctuations, the Company follows disciplined processes for matching asset and liability cash flows. As a result, the impact of changing interest rates is mostly mitigated in the current

period, with the impact of changes in fair values of bonds backing insurance contract liabilities mostly offset by a corresponding change in the insurance contract 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 under IFRS 17 and IFRS 9, due to the Company's asset liability management strategies and accounting policy choices. These choices include consideration of the impact on regulatory capital, which can result in increased net earnings sensitivity, but decreased capital sensitivity. For example, the Company's asset liability management strategy uses public 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; and the classification of financial assets under IFRS 9 which are valued at amortized cost and held in the general fund assets supporting liabilities (for example, mortgage assets in the U.K.), also contributes to interest rate exposure in net earnings. Furthermore, sensitivities to interest rate movements vary depending upon the geography where the changes occur and the level of change in interest rates by term.

For a further description of the Company's sensitivity to equity market and interest rate fluctuations, including sensitivity disclosures as a result of current market conditions, refer to "Risk Management", note 6 to the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2024.

Assumption Changes and Management Actions

Under IFRS 17, assumption changes on insurance risks and certain management actions directly impact CSM, for contracts which have CSM. The impact of assumption changes and certain management actions on CSM are measured at locked-in rates, for contracts measured under the General Measurement Model.

Net earnings impacts arise from the fair value impact of measuring assumption changes impacting CSM at fair value (relative to the impacts on CSM measured at locked-in rates), as well as assumption changes on financial risks on certain products and assumption changes on insurance risks on contracts which do not have CSM (including short-term insurance contracts).

For the three months ended June 30, 2024, assumption changes and management actions resulted in a positive net earnings impact of \$39 million and a decrease in CSM of \$8 million on non-participating business. These impacts arise from management actions relating to the finalization of a prior year reinsurance recapture transaction, as well as minor assumption changes and model refinements. This compares to a negative net earnings impact of \$4 million and a decrease in CSM of \$17 million for the same quarter last year, and a negative net earnings impact of \$1 million and a decrease in CSM of \$10 million for the previous quarter.

In the Canada segment, net earnings were positively impacted by \$1 million and the CSM was negatively impacted by \$2 million. In the Europe segment, net earnings were negatively impacted by \$2 million and CSM was negatively impacted by \$6 million. In the Corporate segment, net earnings were positively impacted by \$40 million.

For the six months ended June 30, 2024, assumption changes and management actions resulted in a positive net earnings impact of \$38 million and a decrease in CSM of \$18 million on non-participating business. This is compared to a positive net earnings impact of \$3 million and a decrease in CSM of \$22 million on non-participating business for the same period in 2023.

Other Items Excluded from Base Earnings

For the second quarter of 2024, other items excluded from base earnings were negative \$100 million compared to negative \$147 million a year ago. Business transformation costs were \$29 million, a decrease of \$82 million compared to the same period in the prior year. The decrease was primarily due to a provision related to Empower's sale of substantially all of its individual life and annuity business in 2019 and a loss from the sale of Canada Life U.K.'s onshore individual protection business in the prior year that did not repeat, partially offset by higher integration and restructuring costs related to the completion of the Prudential acquisition in the U.S. segment.

For the six months ended June 30, 2024, other items excluded from base earnings were negative \$153 million compared to negative \$198 million a year ago. Business transformation costs were \$78 million, a decrease of \$52 million compared to the same period in the prior year. The decrease was primarily due to the same reasons discussed for the in-quarter results. The results from discontinued operations included a net loss of \$115 million reflecting Putnam transaction related closing costs as well as a \$44 million final gain on sale in the first quarter of 2024 compared to a net loss of \$90 million a year ago.

GMT legislation in Canada was enacted on June 20, 2024 and applies retroactively to January 1, 2024, which resulted in a negative \$34 million retroactive charge for the first quarter of 2024. Base earnings and items excluded from base earnings (tax legislative changes impact) for the first quarter of 2024 are presented on a "pro forma" basis to reflect the impacts in the Europe segment of \$7 million and the Capital and Risk Solutions segment of \$27 million retroactively. Refer to the "Taxes" and "Non-GAAP Financial Measures and Ratios" sections of this document for further details.

Foreign Currency

The average currency translation rate for the second quarter of 2024 increased for the euro, the U.S dollar and the British pound, compared to the second quarter of 2023. For the three months ended June 30, 2024, the overall impact of currency movement on the Company's base earnings was an increase of \$16 million (increase of \$22 million year-to-date) compared to

translation rates a year ago. The overall impact of currency movement on the Company's net earnings was an increase of \$15 million (increase of 22 million year-to-date) compared to translation rates a year ago.

From March 31, 2024 to June 30, 2024, the market rates at the end of the reporting period used to translate the euro, the U.S. dollar and the British pound assets and liabilities to the Canadian dollar increased. The movements in end-of-period exchange rates impact the translation of foreign operations, including related hedging activities, resulting in post-tax unrealized foreign exchange gains of \$240 million in-quarter, recorded in other comprehensive income.

Translation rates for the reporting period and comparative periods are detailed in the "Translation of Foreign Currency" section.

Taxes

The Company's effective income tax rate on earnings attributable to common shareholders and total Lifeco earnings are presented below.

Effective Income Tax Rates	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024 ^{2,3}	June 30 2023	June 30 2024 ²	June 30 2023
Base earnings - common shareholders ^{1,2}	19.3 %	17.9 %	15.6 %	18.6 %	13.4 %
Net earnings - common shareholders ³	19.4 %	15.1 %	12.0 %	17.3 %	9.2 %
Net earnings - total Lifeco	17.4 %	13.4 %	8.2 %	15.5 %	6.4 %

¹ This metric is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative effective tax rates on base earnings are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024.

³ The Company recorded a current tax expense of \$62 million during the second quarter of 2024, of which \$34 million was retroactive to the first quarter of 2024. The Company's effective tax rate for the first quarter of 2024 would have been 17.8% had the Global Minimum Tax been enacted in the first quarter of 2024.

The Company's effective income tax rate is generally lower than the statutory income tax rate of 28.0% due to benefits related to non-taxable investment income and lower income tax in certain foreign jurisdictions.

Under International Pillar Two tax reform, the Organization for Economic Co-Operation and Development (OECD) introduced a 15% Global Minimum Tax (GMT) regime that has been adopted by all countries in which the Company has significant operations, other than the U.S. Canada enacted GMT legislation on June 20, 2024 which applies retroactively to January 1, 2024. Other countries where the Company has significant operations, including Barbados, Germany, Ireland and the U.K. had previously enacted GMT legislation, effective January 1, 2024.

The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rates are below 15%. In the second quarter of 2024, the Company recognized a GMT current tax expense of \$62 million, primarily related to its operations in Barbados and Ireland. This included \$34 million, for the retroactive application for the first quarter of 2024 as a result of Canada's enactment of legislation in the quarter, primarily in respect of Barbados where the GMT was contingent upon Canada's enactment.

The impact of the GMT on the Company's effective income tax rate on earnings attributable to common shareholders and total Lifeco earnings are presented below.

Impact of GMT on Effective Income Tax Rates	For the three months ended June 30, 2024	For the six months ended June 30, 2024
Base earnings - common shareholders ¹	2.1 %	2.6 %
Net earnings - common shareholders	4.8 %	2.6 %
Net earnings - total Lifeco	4.7 %	2.6 %

¹ This metric is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

In the second quarter of 2024, the Company's effective income tax rates increased from the second quarter of 2023, primarily due to the GMT as well as the jurisdictional mix of earnings.

For the six months ended June 30, 2024, the Company's effective income tax rates were up from the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Refer to note 14 of the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2024 for further details.

Lifeco Value Drivers

The Company has a diversified mix of business across its reportable operating segments and accordingly supplements its analysis of results with reporting and disclosures by business type or "value driver". The Company focuses on three key value drivers for its business that extend across its reportable operating segments:

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

Lifeco Base Earnings by Value Driver

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss)^{1,2}					
Workplace Solutions	\$ 512	\$ 453	\$ 454	\$ 965	\$ 899
Wealth & Asset Management	157	143	119	300	238
Insurance & Risk Solutions	335	352	377	687	669
Corporate	34	30	(30)	64	(60)
Lifeco base earnings^{1,2}	\$ 1,038	\$ 978	\$ 920	\$ 2,016	\$ 1,746
Lifeco net earnings from continuing operations³	\$ 1,005	\$ 1,031	\$ 569	\$ 2,036	\$ 1,183

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

The information in the table above is a summary of base earnings by the Company's value drivers. Additional commentary regarding base earnings by value drivers is included, as applicable, in the sections below.

Workplace Solutions

The Company has built millions of trusted relationships with customers through Workplace Solutions. These relationships are based on the consistent delivery of health and wellness benefits, as well as retirement solutions that are delivered at scale through employer sponsored plans as a core part of the business. The Company is also building lifetime customer relationships through a focus on deepening the advice and solutions to better meet customers' retirement, investment and wellness needs.

Selected Financial Results

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss) ^{1,2}	\$ 512	\$ 453	\$ 454	\$ 965	\$ 899
Retirement net cash flows ³	(4,936)	(8,814)	4,388	(13,750)	14,297
Fee and other income	1,226	1,125	1,067	2,351	2,086
Group life and health book premiums ³	17,395	17,444	15,067		

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

Base earnings

Workplace Solutions base earnings for the second quarter of 2024 of \$512 million increased by \$58 million or 13% compared to the same quarter last year. The increase was primarily due to favourable long-term disability and health experience and organic business growth in the Canada segment, increased fee income in Empower Defined Contribution and favourable group experience in the U.K., partially offset by unfavourable health claims experience in Ireland.

For the six months ended June 30, 2024, Workplace Solutions base earnings of \$965 million increased by \$66 million or 7% compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results as well as growth in the group and annuity protection business in the U.K.

Net cash flows

Net cash outflows for the second quarter of 2024 were \$4.9 billion compared to net cash inflows of \$4.4 billion for the same quarter last year, primarily due to higher participant net redemptions in Empower Defined Contribution in the current year. Average account balances of participants have increased due to market growth over the past year, resulting in increased distributions, which have outpaced contributions. Net cash outflows for the second quarter of 2024 were also driven by one acquired Prudential large client loss which was in line with expectations. Overall, acquired Prudential retention targets have been exceeded.

For the six months ended June 30, 2024, net cash outflows were \$13.8 billion compared to net cash inflows of \$14.3 billion for the same period last year, primarily due to the same reason discussed for the in-quarter result, as well as a large plan redemption that was partially offset by another large plan addition in Empower Defined Contribution. Large plan sales can be highly variable from period to period and tend to be lower margin; but nevertheless contribute to covering fixed overhead costs.

Fee and other income

Fee and other income for the second quarter of 2024 of \$1,226 million increased by \$159 million compared to the same quarter last year, primarily due to the impact of higher equity market levels in Empower Defined Contribution and adjustments related to the Prudential acquisition in the U.S. segment and growth in administrative services only (ASO) fees in the Canada segment.

For the six months ended June 30, 2024, fee and other income of \$2,351 million increased by \$265 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Group life and health book premiums

Group life and health book premiums at June 30, 2024 were \$17,395 million, a decrease of \$49 million compared to March 31, 2024, primarily due to the termination of one large plan in the Canada segment, partially offset by organic growth of in-force business in the Canada and Europe segments.

Wealth & Asset Management

In partnership with over 106,000 advisor relationships globally at the start of 2024, the Company is delivering targeted and sophisticated solutions supported by personalized advice to meet customers' most complex personal wealth needs. The approach is enabled through investments in technology platforms and in market leading managed solutions to help advisors continue to meet the evolving needs of customers.

Selected Financial Results

	As at or for the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss) ^{1,2}	\$ 157	\$ 143	\$ 119	\$ 300	\$ 238
Wealth net cash flows ^{3,4}	3,784	219	1,882	4,003	8,139
Fee and other income	550	528	384	1,078	756
CSM, segregated fund products ⁵	3,348	3,424	3,302		

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

⁴ Comparative results are restated for the re-mapping of certain business units to value drivers in the Europe segment following internal reviews for the period ended June 30, 2023.

⁵ The U.S. segment does not have a material CSM balance and has been excluded.

Base earnings

Wealth & Asset Management base earnings for the second quarter of 2024 of \$157 million increased by \$38 million or 32% compared to the same quarter last year. The increase was primarily due to higher net fee and spread income in the Canada and Europe segments driven by higher average equity markets as well as the addition of IPC and Value Partners in the Canada segment.

For the six months ended June 30, 2024, Wealth & Asset Management base earnings of \$300 million increased by \$62 million or 26% compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter

results as well as higher net fee and spread income in Empower Personal Wealth, partially offset by a favourable tax item from 2023 that did not repeat in the Canada segment.

Net cash flows

Net cash inflows for the second quarter of 2024 were \$3,784 million compared to net inflows of \$1,882 million for the same quarter last year, primarily due to higher wealth fund management sales in Ireland driven by a large client sale as well as the additions of IPC and Value Partners and higher individual wealth sales in the Canada segment. These items were partially offset by lower inflows in Empower Personal Wealth.

For the six months ended June 30, 2024, net cash inflows were \$4,003 million compared to net cash inflows of \$8,139 million for the same period last year, primarily due to lower inflows in Empower Personal Wealth. These items were partially offset by higher wealth fund management sales in Ireland driven by a large client sale as well as the additions of IPC and Value Partners and higher individual wealth sales in the Canada segment.

Fee and other income

Fee and other income for the second quarter of 2024 of \$550 million increased by \$166 million compared to the same quarter last year, primarily due to the additions of IPC and Value Partners in the Canada segment, higher assets under administration due to higher equity market levels and overall growth in the U.S. segment and higher management fees from higher average assets under administration in the Europe segment.

For the six months ended June 30, 2024, fee and other income of \$1,078 million increased by \$322 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

CSM, segregated fund products

CSM for segregated fund products at June 30, 2024 of \$3,348 million decreased by \$76 million compared to March 31, 2024, primarily due to unfavourable market impacts in the Europe segment and segregated fund net outflows in the Canada segment.

Insurance & Risk Solutions

The Company has a strong and stable insurance base which helps produce capital that is invested in areas of opportunity for growth. Additionally, with its sophisticated risk and capital management expertise, the Company is helping organizations manage their risks and deliver sustainable customer solutions. By leveraging this expertise, Lifeco is diversifying its portfolio, offsetting or counterbalancing risks and creating value for stakeholders including strong financial performance.

Selected Financial Results

	As at or for the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss) ^{1,2}	\$ 335	\$ 352	\$ 377	\$ 687	\$ 669
New business non-participating CSM, excluding segregated fund products ³	82	127	85	209	144
Non-participating CSM, excluding segregated fund products ³	6,163	6,209	5,896		

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ The U.S. segment does not have a material CSM balance and has been excluded.

Base earnings

Insurance & Risk Solutions base earnings for the second quarter of 2024 of \$335 million decreased by \$42 million or 11% compared to the same quarter last year. The decrease was primarily due to unfavourable experience in the U.S. life business and the impact of GMT in the Capital and Risk Solutions and Europe segments, partially offset by growth in the structured business in the Capital and Risk Solutions segment and improved mortality experience in the Canada segment.

For the six months ended June 30, 2024, Insurance & Risk Solutions base earnings of \$687 million increased by \$18 million or 3% compared to the same period last year. The increase was primarily due to growth in the structured business in the Capital and Risk Solutions segment, partially offset by the impact of GMT in the Capital and Risk Solutions and Europe segments.

New business non-participating CSM, excluding segregated fund products

Insurance & Risk Solutions new business non-participating CSM, excluding segregated fund products, for the second quarter of 2024 of \$82 million was comparable to the same quarter last year.

For the six months ended June 30, 2024, Insurance & Risk Solutions new business non-participating CSM, excluding segregated fund products, of \$209 million increased by \$65 million compared to the same period last year, primarily due to higher new business growth in bulk and individual annuities in the U.K. in the Europe segment.

Non-participating CSM, excluding segregated fund products

Non-participating CSM, excluding segregated fund products, at June 30, 2024 of \$6,163 million decreased by \$46 million compared to March 31, 2024, primarily due to insurance experience losses across all segments, partially offset by strong contributions of CSM from new business in the Europe segment.

Segmented Operating Results

The segmented operating results of Lifeco, including the comparative figures, are presented on an IFRS basis after capital allocation. Consolidated operating results for Lifeco comprise the net earnings of Canada Life (and its operating subsidiaries), Empower and Putnam (primarily reflected as discontinued operations), together with Lifeco's corporate results. The following sections analyze the performance of Lifeco's four major reportable segments: Canada, United States (U.S.), Europe and Capital and Risk Solutions.

Translation of Foreign Currency

For the United States, Europe and Capital and Risk Solutions segments, foreign currency assets and liabilities are translated into Canadian dollars at the market rate at the end of the financial period. All income and expense items are translated at an average rate for the period.

Canada

The Canada segment of Lifeco includes the operating results of the Canadian businesses operated by Canada Life, together with an allocation of a portion of Lifeco's corporate results.

2024 Developments

- On July 1, 2024, Canada Life successfully moved Investment Planning Counsel Inc. (IPC) to Canada Life's financial systems, programs and processes, technology and human resources. IPC continues to operate as a separate brand in the Canadian wealth marketplace.
- To help clients maximize their short-term savings potential, Canada Life expanded its segregated fund lineup to offer a new high interest savings fund. Canada Life is committed to offering a broad range of solutions to help advisors manage their clients' investment goals through changing market environments. This offering allows clients to earn an attractive return, while preserving capital and maintaining flexibility.
- Canada Life is piloting the Rx Food app with selected plan sponsors for use by their members at no charge. The number of people with chronic diseases continues to rise in Canada. To help sponsors and their members deal with the impact, Canada Life is increasing its focus on providing more holistic chronic disease solutions by providing a 12-week medical nutrition program using technology to make nutrition easier, more personal and accessible.
- Canada Life has administered dental benefits for employees of the federal public service since 1987. As previously announced, Canada Life was also selected to administer the dental plan for retired public servants. The Government of Canada agreed to harmonize the implementation dates of these two plans to November 1, 2024 to improve the experience for all plan members.

Selected Financial Information - Canada

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss)¹					
Workplace Solutions	\$ 190	\$ 190	\$ 164	\$ 380	\$ 323
Individual Wealth Management	59	52	46	111	107
Insurance & Annuities	58	58	63	116	106
Corporate	15	2	10	17	25
Base earnings (loss)¹	\$ 322	\$ 302	\$ 283	\$ 624	\$ 561
Items excluded from base earnings	13	51	(135)	64	(180)
Net earnings - common shareholders	\$ 335	\$ 353	\$ 148	\$ 688	\$ 381
Sales²					
Group Life & Health	\$ 124	\$ 159	\$ 108	\$ 283	\$ 288
Group Retirement	787	761	633	1,548	1,391
Workplace Solutions	911	920	741	1,831	1,679
Individual Wealth Management	4,577	4,465	2,174	9,042	4,832
Insurance & Annuities	161	155	154	316	310
Net cash flows²					
Group Retirement	\$ 64	\$ 253	\$ 157	\$ 317	\$ 575
Individual Wealth Management	(402)	(276)	(524)	(678)	(961)
Net cash flows²	\$ (338)	\$ (23)	\$ (367)	\$ (361)	\$ (386)
Fee and other income					
Workplace Solutions	\$ 264	\$ 263	\$ 240	\$ 527	\$ 468
Individual Wealth Management	202	190	92	392	182
Individual Insurance	1	—	—	1	—
Corporate	7	7	9	14	16
Fee and other income	\$ 474	\$ 460	\$ 341	\$ 934	\$ 666
Group life and health book premiums²	\$ 14,896	\$ 14,985	\$ 12,761		
Total assets	\$ 212,101	\$ 210,404	\$ 196,673		
Other assets under management ^{2,3}	13,293	13,424	3,971		
Total assets under management¹	225,394	223,828	200,644		
Other assets under administration ²	60,100	59,294	27,362		
Total assets under administration¹	\$ 285,494	\$ 283,122	\$ 228,006		
Contractual service margin					
Insurance & Annuities - Non-Participating	\$ 1,124	\$ 1,166	\$ 1,213		
Individual Wealth Management - Segregated Funds	1,895	1,936	1,912		
Insurance & Annuities - Participating	3,232	3,145	3,241		
Contractual service margin	\$ 6,251	\$ 6,247	\$ 6,366		

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Refer to the "Glossary" section of this document for additional details on the composition of this measure.

³ At June 30, 2024, Canada Life had \$7.1 billion of proprietary mutual fund assets held by retail clients (\$7.1 billion at December 31, 2023). \$3.6 billion (\$3.3 billion as at December 31, 2023) of these assets are consolidated as investments on account of segregated fund policyholders on the Company's balance sheet.

Base and net earnings

In the second quarter of 2024, the Canada segment's base earnings of \$322 million increased by \$39 million or 14% compared to the same quarter last year, reflecting strong long-term disability and health experience driven by management actions in Workplace Solutions, organic growth in Workplace Solutions, higher net fee and spread income partially driven by the addition of IPC and Value Partners and higher equity markets, improved mortality experience in Insurance and Annuities, and favourable tax impacts. These items were partially offset by higher than normal commodity taxes in the second quarter of 2024.

In the second quarter of 2024, net earnings of \$335 million increased by \$187 million compared to the same quarter last year. Items excluded from base earnings were positive \$13 million compared to negative \$135 million for the same quarter last year. Market experience relative to expectations was positive \$25 million in the second quarter of 2024 compared to negative \$129 million in the same quarter last year, primarily due to favourable impacts of risk-free interest rate and credit spread movements in the current quarter compared to unfavourable impacts in the prior year, and less unfavourable non-fixed income experience.

For the six months ended June 30, 2024, base earnings of \$624 million increased by \$63 million or 11% compared to the same period last year, primarily due to favourable long-term disability and health experience driven by management action in Workplace Solutions, organic growth in Workplace Solutions, higher net fee and spread income partially driven by the addition of IPC and Value Partners and higher equity markets, and improved mortality experience in Insurance & Annuities. These items were partially offset by a favourable tax item from 2023 in Individual Wealth Management which did not repeat, and lower earnings on surplus.

For the six months ended June 30, 2024, net earnings of \$688 million increased by \$307 million compared to the same period last year. Items excluded from base earnings were positive \$64 million compared to negative \$180 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

For the second quarter of 2024, net earnings attributable to the participating account was \$51 million compared to net earnings of \$23 million for the same quarter last year, primarily due to favourable tax impacts.

For the six months ended June 30, 2024, the net earnings attributable to the participating account was \$77 million compared to net earnings of \$1 million for the same period last year, primarily due to the same reason discussed for the in-quarter result.

Sales

Group life and health sales for the second quarter of 2024 of \$124 million increased by \$16 million compared to the same quarter last year, primarily due to higher small and national sales. Group retirement sales for the second quarter of 2024 of \$787 million increased by \$154 million compared to the same quarter last year, primarily due to higher asset retention sales. Individual wealth management sales for the second quarter of 2024 of \$4,577 million increased by \$2,403 million compared to the same quarter last year, primarily due to strong segregated fund and mutual fund (both proprietary and third party) sales, as well as the addition of IPC and Value Partners. Insurance and annuities sales for the second quarter of 2024 of \$161 million increased by \$7 million compared to the same quarter last year, primarily due to strong participating life product sales.

For the six months ended June 30, 2024, group life and health sales of \$283 million were comparable to the same period last year. Group retirement sales for the six months ended June 30, 2024 of \$1,548 million increased by \$157 million, primarily due to the same reason discussed for the in-quarter results. Individual wealth management sales for the six months ended June 30, 2024 of \$9,042 million increased by \$4,210 million, due to the same reason discussed for the in-quarter results. Insurance and annuities sales for the six months ended June 30, 2024 of \$316 million increased by \$6 million, due to the same reasons discussed for the in-quarter results.

Group life and health book premiums

Group life and health book premiums at June 30, 2024 were \$14,896 million, a decrease of \$89 million compared to March 31, 2024, primarily due to the termination of one sizable plan, partially offset by organic growth of in-force business.

Net cash flows

In the second quarter of 2024, net cash outflows were \$338 million compared to net cash outflows of \$367 million for the same quarter last year, primarily due to the additions of IPC and Value Partners and higher individual wealth sales.

For the six months ended June 30, 2024, net cash outflows were \$361 million compared to net cash outflows of \$386 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Fee and other income

Fee and other income for the second quarter of 2024 of \$474 million increased by \$133 million compared to the same quarter last year, primarily due to growth in administrative services only (ASO) fees and the acquisitions of IPC and Value Partners.

For the six months ended June 30, 2024, fee and other income of \$934 million increased by \$268 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Contractual service margin

CSM at June 30, 2024 of \$6,251 million, was comparable to March 31, 2024. Favourable market movements on participating CSM were offset by unfavourable experience in the non-participating account and segregated funds.

United States

The United States segment operating results for Lifeco include the results of Empower Annuity Insurance Company of America (Empower), PanAgora Asset Management and the results of the legacy insurance businesses in the U.S. branch of Canada Life, together with an allocation of a portion of Lifeco's corporate results. Items not associated directly with or allocated to Empower and PanAgora Asset Management are included in the Corporate business unit. Those include a retained block of life insurance, predominately participating policies, which are now administered by Protective Life, as well as a closed life retrocession block. The U.S. segment also includes the results of Putnam Investments classified as discontinued operations.

2024 Developments

- As of June 30, 2024, with the successful completion of system migrations of the full-service retirement services business of Prudential, Empower achieved US\$180 million pre-tax run rate synergies following the acquisition on April 1, 2022, consistent with expectations. Revenue synergies of US\$20 million are expected on a run-rate basis by the end of 2024 and are expected to grow to US\$50 million by the end of 2026.

Overall, acquired Prudential retention targets have been exceeded.

Empower has incurred one-time integration and restructuring expenses materially in line with original expectations, with US\$19 million pre-tax incurred in the second quarter of 2024.

(in US\$ millions)

	For the three months ended		For the six months ended	Total expensed to date
	June 30 2024	March 31 2024	June 30 2024	June 30 2024
Restructuring and integration (pre-tax)	\$ 19	\$ 31	\$ 50	\$ 183
Restructuring and integration (post-tax)	14	23	37	136

- In the United States, on January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments 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, the Company recorded a net loss of \$115 million reflecting closing costs as well as a \$44 million final gain on sale within discontinued operations. Lifeco retains its controlling interest in PanAgora Asset Management, a leading quantitative asset manager. The Company currently holds approximately 31,600,000 Franklin Templeton shares and will hold a majority of these shares for a minimum five-year period.

In addition to the sale, Lifeco, along with Power Corporation of Canada and Franklin Templeton, has entered into a strategic partnership to distribute Franklin Templeton products. Lifeco will provide an initial long-term asset allocation of US\$25 billion assets under management to Franklin Templeton within 12 months of closing with the potential for that amount to increase over the next several years.

Selected Financial Information - United States

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss) (US\$)¹					
Empower Defined Contribution	\$ 185	\$ 162	\$ 175	\$ 347	\$ 341
Empower Personal Wealth	39	38	37	77	57
Asset Management	1	(3)	(1)	(2)	(5)
Corporate	11	14	(13)	25	(32)
Base earnings (loss) (US\$)	\$ 236	\$ 211	\$ 198	\$ 447	\$ 361
Items excluded from base earnings (US\$)	(36)	(39)	(78)	(75)	(113)
Net earnings from continuing operations (US\$)²	\$ 200	\$ 172	\$ 120	\$ 372	\$ 248
Base earnings (loss) (C\$)¹	\$ 324	\$ 286	\$ 265	\$ 610	\$ 483
Net earnings from continuing operations (C\$)²	\$ 274	\$ 233	\$ 161	\$ 507	\$ 331
Net flows (US\$)²					
Empower Defined Contribution	\$ (3,757)	\$ (7,019)	\$ 2,762	\$ (10,776)	\$ 9,676
Empower Personal Wealth	1,614	1,286	1,842	2,900	4,985
Asset Management	(643)	(1,800)	(707)	(2,443)	(1,296)
Net flows (US\$)²	\$ (2,786)	\$ (7,533)	\$ 3,897	\$ (10,319)	\$ 13,365
Net flows (C\$)²	\$ (3,817)	\$ (10,170)	\$ 5,222	\$ (13,987)	\$ 18,004
Fee and other income (US\$)					
Empower Defined Contribution	\$ 659	\$ 600	\$ 570	\$ 1,259	\$ 1,118
Empower Personal Wealth	120	118	97	238	185
Asset Management	23	21	21	44	42
Corporate	1	2	—	3	—
Fee and other income (US\$)	\$ 803	\$ 741	\$ 688	\$ 1,544	\$ 1,345
Fee and other income (C\$)	\$ 1,099	\$ 1,001	\$ 921	\$ 2,100	\$ 1,808
Total assets (US\$)	\$ 233,467	\$ 232,384	\$ 227,492		
Continuing operations - other assets under management ²	94,081	91,741	103,604		
Discontinued operations - other assets under management ²	—	—	116,223		
Total assets under management¹	327,548	324,125	447,319		
Other assets under administration ²	1,382,648	1,364,241	1,183,399		
Total assets under administration (US\$)¹	\$ 1,710,196	\$ 1,688,366	\$ 1,630,718		
Total assets under administration (C\$)¹	\$ 2,342,969	\$ 2,279,294	\$ 2,152,548		

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Refer to the "Glossary" section of this document for additional details on the composition of this measure.

Note: The United States segment does not have a material CSM balance.

Base earnings and net earnings from continuing operations

In the second quarter of 2024, net earnings from continuing operations increased by US\$80 million to US\$200 million compared to the same quarter last year. Base earnings of US\$236 million increased by US\$38 million compared to the same quarter last year, primarily due to increased fee income driven by higher equity markets, a US\$22 million (\$30 million) fee income adjustment related to the acquired Prudential business, US\$9 million (\$12 million) of dividends on Franklin Templeton shares and growth in the business. These items were partially offset by US\$29 million (\$40 million) of credit related impacts on commercial mortgage loans in the current year and higher paid crediting rates resulting in lower spread income.

Items excluded from base earnings were negative US\$36 million compared to negative US\$78 million for the same quarter last year, primarily due to the non-recurrence of a 2023 provision related to Empower's sale of substantially all of its individual life and annuity business in 2019.

For the six months ended June 30, 2024, net earnings from continuing operations increased by US\$124 million to US\$372 million compared to the same period last year. Base earnings of US\$447 million increased by US\$86 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results as well as higher earnings on surplus assets.

For the six months ended June 30, 2024, items excluded from base earnings were negative US\$75 million compared to negative US\$113 million for the same period last year. The decrease in expense was primarily due to the same reasons discussed for the in-quarter results.

Net flows

In the second quarter of 2024, net outflows were US\$2.8 billion compared to net inflows of US\$3.9 billion for the same quarter last year, primarily due to participant net redemptions in the current year as well as one acquired Prudential large client loss which was in line with expectations. Average account balances of participants have increased due to market growth over the past year, resulting in increased distributions, which have outpaced contributions. The number of participants at the end of the second quarter of 2024 has increased from the end of the second quarter of 2023.

For the six months ended June 30, 2024, net outflows were US\$10.3 billion compared to net inflows of US\$13.4 billion for the same period last year, primarily due to a large plan termination in the first quarter of 2024 as well as the same reasons discussed for the in-quarter results. This was partially offset by large plan sales in 2024. Large plan sales and terminations can be highly variable from period to period and tend to result in lower margins but nonetheless contribute to covering fixed overhead costs.

Overall, acquired Prudential retention targets have been exceeded.

Fee and other income

Fee income is derived primarily from assets under management, assets under administration, shareholder servicing fees, administration and recordkeeping services, investment advisory services, investment management fees, performance fees, transfer agency and other service fees, as well as underwriting and distribution fees.

Fee and other income for the second quarter of 2024 of US\$803 million increased by US\$115 million compared to the same quarter last year. The increase was primarily driven by higher equity market levels and adjustments related to Prudential fee income, as well as overall growth in the business.

For the six months ended June 30, 2024, fee and other income of US\$1,544 million increased by US\$199 million compared to the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results.

Europe

The Europe segment is comprised of three distinct business units: Workplace Solutions, Individual Wealth & Asset Management and Insurance & Annuities. The segment serves customers in the United Kingdom (U.K.), Ireland and Germany. The Company 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.

2024 Developments

- In the second quarter of 2024, Canada Life Home Finance was awarded the prestigious Scottish Mortgage Award for Later Life Lender of the Year. This award demonstrates the Company's position as a key player in the U.K. later life lending market.
- Canada Life Home Finance launched six new Capital Select products at the start of the second quarter of 2024. This strategic initiative underscores Canada Life U.K.'s dedication to continuous product development and market responsiveness. By introducing lower loan-to-value (LTV) tiers, Canada Life U.K. has successfully unlocked access to new customer segments, supporting clients in achieving their financial goals and further positioning Canada Life at the forefront of the equity release market.
- During the second quarter of 2024, Irish Life won the 2024 Gold Award in the 'Product and Service Innovation' category at the Global Qorus Innovation in Insurance awards. The CARA (Claims AI Reasoning Assistant) initiative has developed an advanced AI system designed to assist Irish Life's claims assessors in efficiently evaluating claims and has reduced assessment time by 70% for targeted claim types with additional benefits from other claim types being explored. This initiative will allow Irish Life to provide greater benefits to its diverse customer base.
- Irish Life's EMPOWER MasterTrust won the Pension Innovation Award at the European Pension Awards 2024 in London. With over \$10.3 billion (€7 billion) in the fund, EMPOWER is Ireland's largest master trust enabling innovation and investment.
- During the second quarter of 2024, Canada Life's German business received the strongest credit rating of "AA" from the German insurance rating agency Assekurata for the third year in a row with a stable outlook. This is the highest credit rating awarded by the rating agency.

Selected Financial Information - Europe

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss)^{1,2}					
Workplace Solutions	\$ 68	\$ 43	\$ 56	\$ 111	\$ 118
Individual Wealth & Asset Management	44	43	23	87	59
Insurance & Annuities	93	99	116	192	212
Corporate	1	12	(15)	13	(31)
Base earnings (loss)^{1,2}	\$ 206	\$ 197	\$ 180	\$ 403	\$ 358
Items excluded from base earnings ²	(5)	(10)	(78)	(15)	(216)
Net earnings (loss) - common shareholders	\$ 201	\$ 187	\$ 102	\$ 388	\$ 142
Sales³					
Workplace Solutions	\$ 389	\$ 411	\$ 740	\$ 800	\$ 1,179
Individual Wealth & Asset Management	8,401	5,304	6,473	13,705	13,417
Insurance & Annuities	716	1,560	791	2,276	1,214
Net cash flows^{3,4}					
Workplace Solutions	\$ 147	\$ 409	\$ 530	\$ 556	\$ 687
Individual Wealth & Asset Management	2,856	1,189	885	4,045	4,131
Insurance & Annuities	1	20	20	21	42
Net cash flows^{3,4}	\$ 3,004	\$ 1,618	\$ 1,435	\$ 4,622	\$ 4,860
Fee and other income					
Workplace Solutions	\$ 59	\$ 51	\$ 64	\$ 110	\$ 115
Individual Wealth & Asset Management	153	151	134	304	269
Insurance & Annuities and Corporate	5	6	2	11	2
Fee and other income	\$ 217	\$ 208	\$ 200	\$ 425	\$ 386
Group life and health book premiums³	\$ 2,499	\$ 2,459	\$ 2,306		
Total assets	\$ 208,588	\$ 203,583	\$ 184,354		
Other assets under management ³	69,755	67,376	58,228		
Total assets under management¹	278,343	270,959	242,582		
Other assets under administration ^{3,5}	13,213	12,772	11,555		
Total assets under administration¹	\$ 291,556	\$ 283,731	\$ 254,137		
Contractual service margin					
Insurance & Annuities - Non-Participating	\$ 3,337	\$ 3,307	\$ 2,943		
Individual Wealth & Asset Management - Segregated Funds	1,453	1,488	1,390		
Contractual service margin	\$ 4,790	\$ 4,795	\$ 4,333		

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

⁴ Following internal reviews, the mapping of certain business units to value drivers has been modified and comparative results for the periods ended June 30, 2023 have been restated, as applicable.

⁵ At June 30, 2024, other assets under administration excludes \$16.1 billion of assets managed for other business units within the Lifeco group of companies (\$14.3 billion at March 31, 2024 and \$11.3 billion at June 30, 2023).

Base and net earnings

In the second quarter of 2024, the Europe segment's net earnings of \$201 million increased by \$99 million compared to the same quarter last year. Base earnings of \$206 million increased by \$26 million compared to the same quarter last year, primarily due to favourable group experience in the U.K., higher fee income, lower operating expenses, higher CSM recognized and higher surplus income. These items were partially offset by unfavourable health claims experience in Ireland and a higher effective tax rate due to the implementation of GMT. Refer to the "Taxes" section of this document for further details.

Items excluded from base earnings for the second quarter of 2024 were negative \$5 million compared to negative \$78 million for the same quarter last year. The increase was primarily due to realized OCI losses in the prior year that did not repeat related to asset rebalancing in the surplus account and a loss from the sale of Canada Life U.K.'s onshore individual protection

business in the prior year. These items were partially offset by less favourable market experience relative to expectations in the current year compared to the prior year due to increases in risk-free interest rates. Second quarter of 2024 excluded from base items include the true-up for GMT impact for the first quarter of 2024.

For the six months ended June 30, 2024, net earnings of \$388 million increased by \$246 million compared to the same period last year. Base earnings of \$403 million increased by \$45 million compared to the same period last year, primarily due to growth in the group and annuity protection business in the U.K., lower operating expenses and higher surplus income growth. These items were partially offset by unfavourable health claims experience in Ireland and the impact of GMT.

For the six months ended June 30, 2024, items excluded from base earnings were negative \$15 million compared to negative \$216 million for the same period last year. The increase was primarily due to the same reasons discussed for the in-quarter results and positive market experience relative to expectations from smaller decreases in commercial property compared to the prior period.

For the six months ended June 30, 2024, the impact of GMT was negative \$15 million.

Sales

Individual wealth and asset management sales for the second quarter of 2024 of \$8,401 million increased by \$1,928 million compared to the same quarter last year, primarily due to higher wealth fund management sales in Ireland driven by a large client sale. Insurance and annuities sales for the second quarter of 2024 of \$716 million decreased by \$75 million compared to the same quarter last year, primarily due to a bulk annuity sale in Ireland in the prior year that did not repeat. Workplace Solutions sales for the second quarter of 2024 of \$389 million decreased by \$351 million compared to the same quarter last year, primarily due to lower pension sales in Ireland.

For the six months ended June 30, 2024, individual wealth and asset management sales of \$13,705 million increased by \$288 million compared to the same period last year, primarily due to the same reason discussed for the in-quarter results. Insurance and annuities sales for the six months ended June 30, 2024 of \$2,276 million increased by \$1,062 million compared to the same period last year, primarily due to strong bulk annuity sales and higher individual annuity sales in the U.K. driven by market demand. Workplace Solutions sales for the six months ended June 30, 2024 of \$800 million decreased by \$379 million compared to the same period last year, primarily due to the same reason discussed for the in-quarter results.

Group life and health book premiums

Group life and health book premiums at June 30, 2024 were \$2.5 billion, an increase of \$40 million compared to March 31, 2024, primarily due to organic growth of in-force business and the impact of currency movement.

Net cash flows

In the second quarter of 2024, net cash inflows were \$3.0 billion compared to net cash inflows of \$1.4 billion for the same quarter last year. The increase was primarily due to higher wealth fund management sales in Ireland mainly driven by a large client sale, partially offset by lower net inflows in Workplace Solutions driven by reduced pension sales in Ireland.

For the six months ended June 30, 2024, net cash inflows were \$4.6 billion compared to net cash inflows of \$4.9 billion for the same period last year. The decrease was primarily due to lower individual and wealth management net cash flows from higher surrenders and maturities in the U.K. and Germany as well as lower net cash flows in Workplace Solutions driven by lower pension sales in Ireland.

Fee and other income

Fee and other income for the second quarter of 2024 of \$217 million increased by \$17 million compared to the same quarter last year, primarily due to higher management fees from higher average assets under administration.

For the six months ended June 30, 2024, fee and other income of \$425 million increased by \$39 million compared to the same period last year, primarily due to the same reasons discussed for in-quarter results.

Contractual service margin

Contractual service margin at June 30, 2024 of \$4,790 million was comparable to March 31, 2024.

Capital and Risk Solutions

The Capital and Risk Solutions segment includes Lifeco's reinsurance business and an allocation of a portion of Lifeco's corporate results. Capital and Risk Solutions also includes the results for the Company's legacy international businesses.

At Lifeco, the Capital and Risk Solutions offerings are generally included in the Insurance & Risk Solutions value driver. The segment's surplus earnings and an allocation of corporate capital are included in Corporate.

2024 Developments

- The Capital and Risk Solutions segment continued to grow by providing tailored solutions to customers while increasing diversification within the portfolio. In 2024, the Capital and Risk Solutions segment continues to expand its international presence in targeted new markets, while continuing to focus on core markets and product expansion in Europe and the U.S. In the first half of 2024, the Company entered into numerous transactions, primarily in the structured products segment.
- The Company offers property catastrophe coverage to reinsurance companies and as a result, the Company is exposed to potential claims arising from major weather events and other catastrophic events, primarily hurricanes, windstorms and earthquakes. Current preliminary estimates of industry losses arising from catastrophe events in the first half of 2024 do not reach the level where any significant claims would be anticipated. In addition, the Company continues to monitor potential impacts of recent geopolitical conflicts, which are not expected to have a material effect on results.

Selected Financial Information - Capital and Risk Solutions

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss)^{1,2}					
Reinsurance	\$ 184	\$ 195	\$ 198	\$ 379	\$ 351
Corporate	6	—	5	6	9
Base earnings (loss)^{1,2}	\$ 190	\$ 195	\$ 203	\$ 385	\$ 360
Items excluded from base earnings ²	(35)	65	(34)	30	(7)
Net earnings - common shareholders	\$ 155	\$ 260	\$ 169	\$ 415	\$ 353
Total assets³	\$ 9,023	\$ 9,017	\$ 8,687		
Contractual service margin					
Reinsurance - Non-Participating	\$ 1,702	\$ 1,736	\$ 1,740		
Reinsurance - Participating	23	23	24		
Contractual service margin	\$ 1,725	\$ 1,759	\$ 1,764		

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ The Capital and Risk Solutions segment does not have assets under management or other assets under administration.

Base and net earnings

In the second quarter of 2024, the Capital and Risk Solutions segment's net earnings of \$155 million decreased by \$14 million compared to the same quarter last year. Base earnings of \$190 million decreased by \$13 million compared to the same quarter last year, as growth in the structured reinsurance business and higher net investment revenue were offset by unfavourable experience primarily driven by the U.S. life reinsurance business and a \$24 million impact of GMT. Refer to the "Taxes" section of this document for further details.

Items excluded from base earnings for the second quarter of 2024 were negative \$35 million compared to negative \$34 million for the same quarter last year, primarily due to market experience relative to expectations from interest rate movements and the implementation of GMT. Second quarter of 2024 excluded from base items include the true-up for GMT impact for the first quarter of 2024.

For the six months ended June 30, 2024, net earnings of \$415 million increased by \$62 million compared to the same period last year. Base earnings of \$385 million increased by \$25 million compared to the same period last year, primarily due to growth in the structured business, higher net investment revenue and improved experience primarily driven by the U.S. life business, partially offset by the impact of GMT.

For the six months ended June 30, 2024, items excluded from base earnings were positive \$30 million compared to negative \$7 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

For the six months ended June 30, 2024, the impact of GMT on net earnings was negative \$51 million, primarily related to operations in Barbados.

Contractual service margin

Contractual service margin at June 30, 2024 was \$1,725 million, a decrease of \$34 million compared to March 31, 2024, primarily due to business run-off and experience, partially offset by new business and currency impacts.

Lifeco Corporate

The Lifeco Corporate segment includes operating results for activities of Lifeco that are not associated with the major business units of the Company.

Selected Financial Information - Lifeco Corporate

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss)¹	\$ (4)	\$ (2)	\$ (11)	\$ (6)	\$ (16)
Items excluded from base earnings	44	—	—	44	(8)
Net earnings (loss) - common shareholders	\$ 40	\$ (2)	\$ (11)	\$ 38	\$ (24)

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

In the second quarter of 2024, Lifeco Corporate had net earnings of \$40 million compared to a net loss of \$11 million for the same period last year. Base loss of \$4 million decreased by \$7 million compared to the same quarter last year, primarily due to higher net investment income and lower operating expenses.

Items excluded from base earnings for the second quarter of 2024 were positive \$44 million compared to nil for the same quarter last year, primarily due to the finalization of a prior year reinsurance recapture transaction and market experience relative to expectations.

For the six months ended June 30, 2024, Lifeco Corporate had net earnings of \$38 million compared to a net loss of \$24 million for the same period last year. Base loss of \$6 million decreased by \$10 million compared to the same period last year, primarily due to the same reasons discussed for the in-quarter results.

For the six months ended June 30, 2024, items excluded from base earnings were positive \$44 million compared to negative \$8 million for the same period last year, primarily due to the same reasons discussed for the in-quarter results.

Consolidated Financial Position

Assets

Assets under administration¹

	Canada	United States	Europe	Capital and Risk Solutions	Total
As at June 30, 2024					
Assets					
Invested assets	\$ 91,309	\$ 86,053	\$ 42,588	\$ 8,666	\$ 228,616
Insurance contract assets	452	321	352	190	1,315
Reinsurance contract held assets	1,131	12,318	3,602	129	17,180
Goodwill and intangible assets	6,565	6,292	3,052	—	15,909
Other assets	5,577	16,991	3,705	38	26,311
Investments on account of segregated fund policyholders	107,067	197,875	155,289	—	460,231
Total assets	212,101	319,850	208,588	9,023	749,562
Other assets under management ²	13,293	128,891	69,755	—	211,939
Total assets under management¹	225,394	448,741	278,343	9,023	961,501
Other assets under administration ²	60,100	1,894,228	13,213	—	1,967,541
Total assets under administration¹	\$ 285,494	\$ 2,342,969	\$ 291,556	\$ 9,023	\$ 2,929,042
As at December 31, 2023					
Assets					
Invested assets	\$ 89,382	\$ 86,715	\$ 41,981	\$ 8,732	\$ 226,810
Insurance contract assets	400	291	331	171	1,193
Reinsurance contract held assets	1,243	12,243	3,713	133	17,332
Goodwill and intangible assets	6,545	6,151	3,037	—	15,733
Other assets	4,964	16,192	3,531	52	24,739
Assets held for sale ³	—	4,467	—	—	4,467
Investments on account of segregated fund policyholders	101,250	179,770	141,936	—	422,956
Total assets	203,784	305,829	194,529	9,088	713,230
Continuing operations - other assets under management ²	13,056	143,997	63,525	—	220,578
Discontinued operations - other assets under management ^{2,4}	—	161,566	—	—	161,566
Total assets under management¹	216,840	611,392	258,054	9,088	1,095,374
Other assets under administration ²	55,635	1,689,455	12,076	—	1,757,166
Total assets under administration¹	\$ 272,475	\$ 2,300,847	\$ 270,130	\$ 9,088	\$ 2,852,540

¹ This metric is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Refer to the "Glossary" section of this document for additional details on the composition of this measure.

³ On May 31, 2023, Lifeco announced an agreement to sell Putnam Investments to Franklin Templeton. Beginning Q2 2023, the related assets were classified as assets held for sale. The transaction closed on January 1, 2024.

⁴ At Q4 2023, other assets under management related to Putnam Investments were classified as discontinued operations - other assets under management.

Total assets under administration at June 30, 2024 increased by \$76.5 billion to \$2.9 trillion compared to December 31, 2023, primarily due to the impact of equity market movement as well as currency movement in the U.S. segment, partially offset by the divestiture of Putnam Investments.

Invested Assets

The Company manages its general fund assets to support the cash flow, liquidity and profitability requirements of the Company's insurance and investment products. The Company's investment policies are designed to be prudent and conservative, so that assets are not unduly exposed to concentration, credit or market risks. Within the framework of the Company's policies, the Company implements strategies and reviews and adjusts them on an ongoing basis considering liability cash flows and capital market conditions. The majority of investments of the general fund are in medium-term and long-term fixed-income investments, primarily bonds and mortgages, reflecting the characteristics of the Company's liabilities.

Bond portfolio

It is the Company's policy to acquire primarily investment grade bonds subject to prudent and well-defined investment policies. Modest investments in below investment grade rated securities may occur while not changing the overall discipline and conservative approach to the investment strategy. The total bond portfolio, including short-term investments, was \$156.3 billion or 68% of invested assets at June 30, 2024 compared to \$157.1 billion or 69% at December 31, 2023. The decrease in the bond portfolio was primarily due to disposals as well as a decline in fair values resulting from an increase in bond yields across all geographies. The overall quality of the bond portfolio remained high, with 99% of the portfolio rated investment grade and 70% rated A or higher.

Bond credit ratings reflect bond rating agency activity up to June 30, 2024. Management continues to closely monitor bond rating agency activity and general market conditions.

Bond portfolio quality

	As at June 30, 2024		As at December 31, 2023	
	\$	%	\$	%
AAA	22,588	15 %	24,298	15 %
AA	29,928	19	31,435	20
A	56,368	36	54,807	35
BBB	45,467	29	44,811	29
BB or lower	1,998	1	1,700	1
Total	\$ 156,349	100 %	\$ 157,051	100 %

Mortgage portfolio

It is the Company's practice to acquire high quality commercial mortgages meeting strict underwriting standards and diversification criteria. The Company has a well-defined risk-rating system, which it uses in its underwriting and credit monitoring processes for commercial loans. The majority of the commercial mortgages held in the Europe segment are classified as amortized cost and therefore there are no fair value movements recorded on these holdings. Equity release mortgages are originated in the Europe segment following well-defined lending criteria and held in the Canada, Europe and Capital and Risk Solutions segments. Equity release mortgages are loans provided to people who want to continue living in their homes while accessing some of the underlying equity value in their homes. Loans are typically repaid when the borrower dies or moves into long-term care.

Mortgage loans by type	As at June 30, 2024				As at December 31, 2023	
	Insured ¹	Non-insured	Total		Total	
Single family residential	\$ 303	\$ 1,103	\$ 1,406	4 %	\$ 1,511	4 %
Multi-family residential	2,484	6,789	9,273	24	9,372	24
Equity release	—	4,430	4,430	11	4,203	11
Commercial	—	23,246	23,246	61	23,328	61
Total	\$ 2,787	\$ 35,568	\$ 38,355	100 %	\$ 38,414	100 %

¹ Insured mortgages include mortgages where insurance is provided by a third party and protects the Company in the event that the borrower is unable to fulfill their mortgage obligations.

The total mortgage portfolio was \$38.4 billion or 17% of invested assets at June 30, 2024, compared to \$38.4 billion or 17% of invested assets at December 31, 2023. At June 30, 2024, total insured loans were \$2.8 billion or 7% of the mortgage portfolio, compared to \$2.9 billion or 8% at December 31, 2023.

Derivative Financial Instruments

During the second quarter of 2024, there were no major changes to the Company's policies and procedures with respect to the use of derivative financial instruments. The Company's derivative transactions are generally governed by the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, which provide for legally enforceable set-off and close-out netting of exposure to specific counterparties in the event of an early termination of a transaction, which includes, but is not limited to, events of default and bankruptcy. In the event of an early termination, the Company is permitted to set off receivables from a counterparty against payables to the same counterparty, in the same legal entity, arising out of all included transactions. The Company's ISDA Master Agreement may include Credit Support Annex provisions, which require both the pledging and accepting of collateral in connection with its derivative transactions.

At June 30, 2024, total financial collateral, including initial margin and overcollateralization, received on derivative assets was \$1.5 billion (\$1.7 billion at December 31, 2023) and pledged on derivative liabilities was \$1.7 billion (\$0.8 billion at December 31, 2023). Collateral received on derivatives assets decreased and collateral pledged on derivatives liabilities increased in 2024, primarily driven by the impact of the U.S. dollar strengthening against the Canadian dollar on cross-currency swaps that pay U.S. and receive Canadian dollars.

During the six-month period ended June 30, 2024, the outstanding notional amount of derivative contracts increased by \$4.6 billion to \$56.5 billion, primarily due to increases in volume of regular hedging activities.

The Company's exposure to derivative counterparty credit risk, which reflects the current fair value of those instruments in a gain position, decreased to \$1.9 billion at June 30, 2024 from \$2.2 billion at December 31, 2023. The decrease was primarily driven by the impact of the U.S. dollar strengthening against the Canadian dollar on cross-currency swaps that pay U.S. and receive Canadian dollars. There were no changes to derivative counterparty ratings during the second quarter of 2024 and all had investment grade ratings as of June 30, 2024.

Liabilities

Total Liabilities

	<u>As at June 30, 2024</u>	<u>As at December 31, 2023</u>
Insurance contract liabilities	\$ 145,282	\$ 144,388
Investment contract liabilities	87,070	88,919
Reinsurance contract held liabilities	731	648
Other general fund liabilities	25,378	24,061
Liabilities held for sale ¹	—	2,407
Insurance contracts on account of segregated fund policyholders	62,473	60,302
Investment contracts on account of segregated fund policyholders	397,758	362,654
Total	\$ 718,692	\$ 683,379

¹ On May 31, 2023, Lifeco announced an agreement to sell Putnam Investments to Franklin Templeton. Beginning Q2 2023, the related liabilities were classified as liabilities held for sale. The transaction closed on January 1, 2024.

Total liabilities increased by \$35.3 billion to \$718.7 billion at June 30, 2024 from December 31, 2023.

Insurance contract liabilities increased by \$0.9 billion. The increase was primarily due to the impact of currency movements.

Investment contract liabilities decreased by \$1.8 billion. The decrease was primarily due to normal business movements.

Other general fund liabilities increased by \$1.3 billion. The increase was primarily due to increases in other liabilities and derivative financial instruments, partially offset by a reduction in accounts payable.

Investment and insurance contracts on account of segregated fund policyholders increased by \$37.3 billion, primarily due to the combined impact of market value gains and investment income of \$28.7 billion and the positive impact of currency movement of \$7.3 billion, partially offset by net withdrawals of \$1.5 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. Also, refer to the "Summary of Critical Accounting Estimates" section of the Company's Annual MD&A for the period ended December 31, 2023 for additional information.

Insurance Contract Liabilities and Assets

Insurance contract liabilities and assets¹

	Insurance contracts not under PAA method						Total net insurance contract liabilities
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total	Contracts under PAA method		
As at June 30, 2024							
Canada	\$ 97,358	\$ 1,857	\$ 6,251	\$ 105,466	\$ 9,057	\$ 114,523	
United States	18,787	135	242	19,164	1	19,165	
Europe	42,158	1,016	4,790	47,964	3,636	51,600	
Capital and Risk Solutions	689	2,040	1,725	4,454	249	4,703	
Total	\$ 158,992	\$ 5,048	\$ 13,008	\$ 177,048	\$ 12,943	\$ 189,991	
As at December 31, 2023							
Canada	\$ 95,943	\$ 1,935	\$ 5,872	\$ 103,750	\$ 9,267	\$ 113,017	
United States	18,187	136	276	18,599	1	18,600	
Europe	40,615	1,064	4,718	46,397	3,614	50,011	
Capital and Risk Solutions	1,029	2,162	1,769	4,960	225	5,185	
Total	\$ 155,774	\$ 5,297	\$ 12,635	\$ 173,706	\$ 13,107	\$ 186,813	

¹ Insurance contract liabilities and assets presented in the above tables also include insurance contracts on account of segregated fund policyholders and reinsurance contract held assets and liabilities.

At June 30, 2024, total net insurance contract liabilities were \$190.0 billion, an increase of \$3.2 billion from December 31, 2023. The increase in net insurance contract liabilities was primarily due to market movements and the impact of currency movements, partially offset by normal business movements.

Contractual Service Margin

The CSM of a group of insurance contracts represents the unearned profit that the Company 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 fulfilment cash flows, any derecognized assets for insurance acquisition cash flows and any cash flows arising at that date is a net inflow, then the group is classified as non-onerous. For non-onerous contracts, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group of insurance contracts is onerous. In this case, the net outflow is recognized as a loss in the current period. A loss component is created to depict any losses recognized in the current period, which determines the amounts that are subsequently recognized in future periods as reversals on onerous groups.

Contractual service margin continuity¹

	Non-Participating (excluding Segregated Funds)							
	Canada	United States	Europe	Capital and Risk Solutions	Total	Seg Funds	Par	Total
CSM beginning of period, December 31, 2023	\$ 1,159	\$ 24	\$ 3,255	\$ 1,745	\$ 6,183	\$ 3,298	\$ 3,154	\$ 12,635
Impact of new insurance business	20	—	171	18	209	87	56	352
Expected movements from asset returns & locked-in rates	17	—	37	20	74	120	96	290
CSM recognized for services provided	(67)	(2)	(135)	(76)	(280)	(202)	(77)	(559)
Insurance experience gains/losses	(15)	—	(29)	(18)	(62)	(94)	—	(156)
Organic CSM movement	\$ (45)	\$ (2)	\$ 44	\$ (56)	\$ (59)	\$ (89)	\$ 75	\$ (73)
Impact of markets	—	—	—	—	—	108	258	366
Impact of changes in assumptions and management actions	10	—	(20)	(9)	(19)	1	—	(18)
Currency impact	—	1	58	22	81	9	8	98
Total CSM movement	\$ (35)	\$ (1)	\$ 82	\$ (43)	\$ 3	\$ 29	\$ 341	\$ 373
CSM end of period, June 30, 2024	\$ 1,124	\$ 23	\$ 3,337	\$ 1,702	\$ 6,186	\$ 3,327	\$ 3,495	\$ 13,008

¹ The CSM shown in the above table is presented net of reinsurance contracts held and includes CSM attributed to insurance contract assets and insurance contract liabilities.

At June 30, 2024, total contractual service margin on non-participating business excluding segregated funds was \$6.2 billion, an increase of \$3 million from December 31, 2023. The increase was mainly driven by currency impacts of \$81 million, offset by insurance experience losses of \$62 million and minor assumption changes and management actions of negative \$19 million.

At June 30, 2024, total contractual service margin was \$13.0 billion, an increase of \$373 million from December 31, 2023. The increase was mainly driven by impacts of market movements of \$366 million.

Further detail on the assumption changes and management actions on non-participating business is provided in the section "Assumption Changes and Management Actions".

Lifeco Capital Structure

In establishing the appropriate mix of capital required to support the operations of the Company and its subsidiaries, management utilizes a variety of debt, equity and other hybrid instruments considering both the short and long-term capital needs of the Company.

Debentures and Other Debt Instruments

At June 30, 2024, debentures and other debt instruments increased by \$96 million to \$9,142 million compared to December 31, 2023, primarily due to the impact of currency movement.

Share Capital and Surplus

Share capital outstanding at June 30, 2024 was \$10,244 million, which comprises \$6,024 million of common shares and \$2,720 million of preferred shares and \$1,500 million Limited Recourse Capital Notes (LRCN Series 1). Preferred shares included \$2,470 million of non-cumulative First Preferred Shares and \$250 million of non-cumulative 5-year rate reset First Preferred Shares.

The Company renewed its normal course issuer bid (NCIB) effective January 29, 2024 for one year to purchase and cancel up to 20,000,000 of its common shares at market prices in order to mitigate the dilutive effect of stock options granted under the Company's Stock Option Plan and for other capital management purposes. Effective March 5, 2024, the Company entered into an automatic share purchase plan (ASPP). The ASPP is intended to facilitate repurchases of common shares under the NCIB, including at times when the Company would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. All purchases of common shares made under the ASPP are included in determining the number of common shares purchased under the NCIB. Any common shares purchased by the Corporation pursuant to the NCIB will be cancelled.

During the six months ended June 30, 2024, the Company repurchased and subsequently cancelled 1,157,085 common shares under the current NCIB at an average cost per share of \$41.55.

Liquidity and Capital Management

Liquidity

Total Liquid Assets

	On-balance sheet assets	Non-liquid/ Pledged	Net liquid assets
As at June 30, 2024			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	\$ 8,582	\$ 8	\$ 8,574
Short-term bonds ¹	4,948	91	4,857
Sub-total	\$ 13,530	\$ 99	\$ 13,431
Other assets and marketable securities			
Government bonds ¹	\$ 36,372	\$ 10,908	\$ 25,464
Corporate bonds ¹	115,029	54,867	60,162
Stocks	17,420	5,159	12,261
Mortgage loans	38,355	35,568	2,787
Sub-total	\$ 207,176	\$ 106,502	\$ 100,674
Total	\$ 220,706	\$ 106,601	\$ 114,105
As at December 31, 2023			
Cash, cash equivalents and short-term bonds			
Cash and cash equivalents	\$ 7,742	\$ 12	\$ 7,730
Short-term bonds ¹	5,876	—	5,876
Sub-total	\$ 13,618	\$ 12	\$ 13,606
Other assets and marketable securities			
Government bonds ¹	\$ 38,369	\$ 10,639	\$ 27,730
Corporate bonds ¹	112,806	53,800	59,006
Stocks	15,733	4,134	11,599
Mortgage loans	38,414	35,500	2,914
Sub-total	\$ 205,322	\$ 104,073	\$ 101,249
Total	\$ 218,940	\$ 104,085	\$ 114,855

¹ Total short-term bonds, government bonds and corporate bonds as at June 30, 2024 was \$156.3 billion (\$157.1 billion at December 31, 2023). Refer to the consolidated balance sheet in the Company's June 30, 2024 condensed consolidated interim unaudited financial statements for on-balance sheet bonds amounts.

The Company's liquidity requirements are largely self-funded, with short-term obligations being met by internal funds and maintaining levels of liquid investments adequate to meet anticipated liquidity needs. The Company holds cash, cash equivalents and short-term bonds at the Lifeco holding company level and with the Lifeco consolidated subsidiary companies. At June 30, 2024, the Company and its operating subsidiaries held liquid cash, cash equivalents and short-term bonds of \$13.4 billion (\$13.6 billion at December 31, 2023) and other liquid assets and marketable securities of \$100.7 billion (\$101.2 billion at December 31, 2023). Included in the cash, cash equivalents and short-term bonds at June 30, 2024 was \$1.0 billion (\$0.5 billion at December 31, 2023) held at the Lifeco holding company level which includes cash at Great-West Lifeco U.S. LLC, the Company's U.S. holding company. In addition, the Company maintains committed lines of credit with Canadian chartered banks for potential unanticipated liquidity needs, if required. Refer to note 6(b) in the Company's June 30, 2024 condensed consolidated interim unaudited financial statements for additional detail.

The Company does not have a formal common shareholder dividend policy. The Company maintains a target dividend payout ratio range of 45% to 55% of base earnings that is considered in dividend decisions. Dividends on outstanding common shares of the Company are declared and paid at the sole discretion of the Board of Directors of the Company. The decision to declare a dividend on the common shares of the Company takes into account a variety of factors including the level of earnings, adequacy of capital and availability of cash resources.

As a holding company, the Company's ability to pay dividends and, in part, its ability to deploy capital is dependent upon the Company receiving dividends from its operating subsidiaries. The Company's operating subsidiaries are subject to regulation in a number of jurisdictions, each of which maintains its own regime for determining the amount of capital that must be held in connection with the different businesses carried on by the operating subsidiaries. The requirements imposed by the regulators in any jurisdiction may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends to the Company. In the second quarter of 2024, the Company's main operating subsidiaries made cash payments to the holding company in the form of dividends in the amount of \$0.7 billion which was comparable to the average of the previous five quarters.

Liquidity risk is assessed and mitigated through prudent product design and contract terms; and by maintaining a high quality, diversified investment portfolio with sufficient liquidity to meet policyholder and financing obligations under normal and stress conditions. Refer to the "Liquidity Risk" section of the Company's Annual MD&A for the period ended December 31, 2023 for additional information.

Cash Flows

Cash flows

	For the three months ended June 30		For the six months ended June 30	
	2024	2023 ¹	2024	2023 ¹
Cash flows relating to the following activities:				
Operations	\$ 1,535	\$ 2,373	\$ 1,788	\$ 2,552
Financing	(641)	(1,508)	(1,177)	(2,260)
Investment	(105)	(8)	(319)	(85)
	789	857	292	207
Effects of changes in exchange rates on cash and cash equivalents	85	(94)	173	(68)
Increase (decrease) in cash and cash equivalents in the period	874	763	465	139
Cash and cash equivalents, beginning of period	7,708	6,666	8,117	7,290
Cash and cash equivalents from continuing and discontinued operations, end of period	\$ 8,582	\$ 7,429	\$ 8,582	\$ 7,429
Cash and cash equivalents from discontinued operations, end of period ²	—	258	—	258
Cash and cash equivalents from continuing operations, end of period	\$ 8,582	\$ 7,171	\$ 8,582	\$ 7,171

¹ The Company has reclassified certain comparative figures to conform to the current period's presentation. These classifications had no impact on the equity or net earnings of the Company.

² On January 1, 2024, Lifeco completed the sale of Putnam Investments to Franklin Templeton. Beginning in Q2 2023, the cash flows related to the discontinued operations have been presented separately.

The principal source of funds for the Company on a consolidated basis is cash provided by operating activities, including insurance revenue, net investment income and fee income. These funds are used primarily to pay policy benefits, policyholder dividends and claims, as well as operating expenses and commissions. The operations category on the statement of cash flows also includes transfers and withdrawals by clients that are funded in part by the sale of assets for cash. Cash flows generated by operations are mainly invested to support future liability cash requirements. Cash flows related to financing activities include the issuance and repayment of capital instruments and associated dividends and interest payments.

In the second quarter of 2024, cash and cash equivalents increased by \$874 million from March 31, 2024. Cash flows provided by operations during the second quarter of 2024 were \$1,535 million, a decrease of \$838 million compared to the second quarter of 2023. The decrease was primarily due to higher net sales of portfolio investments in the prior year, partially offset by higher net earnings after taxes. Cash flows used by financing activities of \$641 million were primarily used for payment of dividends to common and preferred shareholders. Cash flows used by investment activities were \$105 million.

For the six months ended June 30, 2024, cash and cash equivalents increased by \$465 million from December 31, 2023. Cash flows provided by operations were \$1,788 million, a decrease of \$764 million compared to the same period last year, primarily due to the same reasons discussed as the in-quarter results. Cash flows used by financing activities of \$1,177 million were primarily used for the same reasons discussed for the in-quarter results. Cash flows used by investment activities were \$319 million primarily related to the sale of Putnam Investments classified as discontinued operations.

Commitments/Contractual Obligations

Commitments/contractual obligations have not changed materially from December 31, 2023.

Capital Management and Adequacy

The Board of Directors reviews and approves an annual capital plan as well as capital transactions undertaken by management pursuant to the plan. The capital plan is designed to ensure that the Company maintains adequate capital, taking into account the Company's strategy, risk profile and business plans. The Company has established policies and procedures designed to identify, measure and report all material risks. Management is responsible for establishing capital management procedures for implementing and monitoring the capital plan. In addition to undertaking capital transactions, the Company uses and provides traditional and structured reinsurance to support capital and risk management.

At the holding company level, the Company monitors the amount of consolidated capital available and the amounts deployed in its various operating subsidiaries. The amount of capital deployed in any particular company or country is dependent upon local regulatory requirements as well as the Company's internal assessment of capital requirements in the context of its operational risks and requirements and strategic plans. The Company's practice is 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. The capitalization decisions of the Company and its operating subsidiaries also give consideration to the impact such actions may have on the opinions expressed by various credit rating agencies that provide financial strength and other ratings to the Company.

In Canada, 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 is calculated in accordance with the 2024 OSFI Guideline - Life Insurance Capital Adequacy Test.

The LICAT Ratio compares the regulatory capital resources of a company to its required capital. The required capital is calibrated so that a life insurer can both withstand severe stress events and support the continuity of existing business. The LICAT guideline uses a risk-based approach for measuring specific life insurer risks and for aggregating the results to calculate the amount of a life insurer's capital requirements.

OSFI has established a Supervisory Target Total Ratio of 100% and a Supervisory Minimum Total Ratio of 90%. Lifeco's major Canadian operating subsidiary, Canada Life, is operating well above these supervisory ratios.

Canada Life's consolidated LICAT Ratio at June 30, 2024 was 130%. The LICAT Ratio does not take into account any impact from \$1.0 billion of liquidity at the Lifeco holding company level at June 30, 2024 (\$0.9 billion at March 31, 2024).

The following provides a summary of the LICAT information and ratios for Canada Life:

LICAT Ratio

	June 30 2024	Dec. 31 2023
Tier 1 Capital	\$ 19,478	\$ 18,285
Tier 2 Capital	5,168	5,223
Total Available Capital	24,646	23,508
Surplus Allowance & Eligible Deposits	5,166	5,406
Total Capital Resources	\$ 29,812	\$ 28,914
Required Capital	\$ 22,852	\$ 22,525
Total Ratio (OSFI Supervisory Target = 100%)¹	130 %	128 %

¹ Total Ratio (%) = (Total Capital Resources / Required Capital)

The LICAT Ratio increased by two points from 128% at December 31, 2023 to 130% at June 30, 2024 as a result of earnings which increased total capital resources. In-quarter growth of one point from March 31, 2024 was as a result of similar factors.

In the U.S, the National Association of Insurance Commissioners has established Risk-Based Capital (RBC) as a regulatory capital adequacy measurement. Empower, Lifeco's U.S. operating company, reports its RBC ratio annually to U.S. Insurance Regulators. The RBC ratio is for information only and is not intended as a means to rank insurers generally or for any other purpose. The reported December 31, 2023 ratio was 522%. At June 30, 2024, the ratio is estimated to continue to be above 500%.

OSFI Regulatory Capital Initiatives

OSFI is developing a new approach, planned to be implemented in 2025, to determine capital requirements for Segregated Fund Guarantee Risk. The Company will continue to participate in future public consultations relating to this and other developments.

Return on Equity (ROE)

	June 30 2024	March 31 2024	June 30 2023
Base Return on Equity¹ by Segment			
Canada	16.4 %	16.2 %	17.6 %
United States	13.3 %	12.6 %	11.4 %
Europe ²	17.3 %	16.8 %	17.5 %
Capital and Risk Solutions ²	50.8 %	52.9 %	37.1 %
Total Lifeco Base Return on Equity²	17.2 %	17.0 %	15.9 %
Return on Equity - Continuing Operations³ by Segment			
Canada	17.0 %	14.9 %	15.3 %
United States	11.1 %	9.8 %	8.2 %
Europe	13.2 %	11.2 %	11.8 %
Capital and Risk Solutions	55.5 %	57.8 %	30.0 %
Total Lifeco Return on Equity - Continuing Operations	16.2 %	14.6 %	12.2 %

¹ This metric is a non-GAAP ratio. Refer to the "Non-GAAP Financial Measures and Ratios" section of this document for additional details.

² Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

³ Refer to the "Glossary" section of this document for additional details on the composition of this measure.

The Company has a capital allocation methodology, which allocates financing costs in proportion to allocated capital. For the Canada, Europe and Capital and Risk Solutions segments (essentially Canada Life), this allocation method generally tracks the regulatory capital requirements, while for the United States, it tracks the financial statement carrying value of the business units. Total leverage capital is consistently allocated across all business units in proportion to total capital resulting in a debt-to-equity ratio in each business unit consistent with the consolidated Company.

Lifeco's base ROE as at June 30, 2024 increased by 1.3 percentage points compared to the same quarter last year. The increase was driven by the U.S. and Capital and Risk Solutions segments, for which base ROEs increased by 1.9 and 13.7 percentage points, respectively. The increase in the U.S. segment was driven by strong earnings growth that outpaced growth in equity. In the Capital and Risk Solutions segment, trailing four quarter base earnings for the comparative period ended June 30, 2023 included a net loss provision of \$128 million after-tax for estimated claims resulting from the impact of Hurricane Ian in the third quarter of 2022.

Lifeco's ROE as at June 30, 2024 increased by 4.0 percentage points compared to the same quarter last year, primarily for the same reasons as discussed for Lifeco's base ROE.

Ratings

Lifeco maintains ratings from five independent ratings companies. Credit ratings¹ are intended to provide investors with an independent measure of the credit quality of a corporation and 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.

In the second quarter of 2024, the existing credit ratings for Lifeco and its major operating subsidiaries were unchanged. The Company continued to receive strong ratings relative to its North American peer group resulting from its conservative risk profile, stable net earnings and strong capitalization.

For a complete listing of credit ratings for Great-West Lifeco and its major operating subsidiaries, please refer to the "Investor Relations" section of the Company's website at www.greatwestlifeco.com.

¹ These ratings are not a recommendation to buy, sell or hold the securities of the Company or its subsidiaries 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 agency.

Risk Management and Control Practices

The Company's Enterprise Risk Management (ERM) Framework facilitates the alignment of business strategy with risk appetite, informs and improves the deployment of capital; and supports the identification, mitigation and management of exposure to potential losses and risk. The Company's Risk Function is responsible for developing and maintaining the Risk Appetite Framework (RAF), the supporting risk policies and risk limit structure, and provides independent risk oversight across the Company's operations. The Board of Directors is ultimately accountable and responsible for the Company's risk governance and associated risk policies. These include the ERM Policy, which establishes the guiding principles of risk management, and the RAF, which reflects the levels and types of risk that the Company is willing to accept to achieve its business objectives.

During the six months ended June 30, 2024, there were no significant changes to the Company's risk management and control practices. Refer to the Company's 2023 Annual MD&A for a detailed description of the Company's risk management and control practices.

Exposures and Sensitivities

Insurance and Investment Contract Liabilities

In determining the Company'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 Company's earnings.

Financial Exposures and Sensitivities

The following table illustrates the approximate impact to the Company's shareholders' net earnings that would arise as a result of changes to management's best estimate of certain assumptions. A description of the methodologies used to calculate the Company's financial risk sensitivities is included in the "Summary of Critical Accounting Estimates" section of the Company's 2023 Annual MD&A. For changes in financial assumptions, the sensitivity is shown net of the corresponding impact on earnings of the change in the value of liabilities and the value of assets supporting liabilities.

The impact to shareholders' net earnings from an immediate 50 basis point increase or decrease in credit spreads is illustrated in the table below, with no change to the ultimate illiquidity premium. 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 IFRS 17 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 below.

On January 1, 2024, the Company completed the sale of Putnam Investments and currently holds approximately 31,600,000 Franklin Templeton shares as part of the consideration, which are classified as fair value through other comprehensive income (FVOCI). The Company will hold a majority of these shares for a minimum five-year period.

Financial Exposures and Sensitivities

	Net earnings		Equity ¹		CSM ²		LICAT ³	
	June 30 2024	Dec. 31 2023	June 30 2024	Dec. 31 2023	June 30 2024	Dec. 31 2023	June 30 2024	Dec. 31 2023
Investment returns:								
Change in risk free interest rates								
50 basis points increase	\$ 125	\$ 175	\$ 100	\$ 150	\$ 125	\$ 175	(1 point)	0 point
50 basis points decrease	(150)	(225)	(150)	(225)	(200)	(250)	0 point	0 point
Change in credit spreads								
50 basis points increase	\$ 225	\$ 300	\$ 275	\$ 350	\$ 100	\$ 175	0 point	1 point
50 basis points decrease	(275)	(375)	(350)	(450)	(175)	(250)	(1 point)	(1 point)
Change in publicly traded common stock values ¹								
20% increase	\$ 125	\$ 225	\$ 575	\$ 525	\$ 550	\$ 525	(1 point)	0 point
10% increase	50	100	275	250	275	275	< 1 point	0 point
10% decrease	(50)	(100)	(275)	(250)	(300)	(300)	0 point	0 point
20% decrease	(125)	(225)	(575)	(525)	(575)	(550)	< 1 point	(1 point)
Change in other non-fixed income asset values								
10% increase	\$ 425	\$ 400	\$ 450	\$ 450	\$ —	\$ —	1 point	1 point
5% increase	200	200	225	225	—	—	< 1 point	< 1 point
5% decrease	(225)	(200)	(225)	(225)	—	—	< 1 point	< 1 point
10% decrease	(450)	(425)	(475)	(450)	—	—	(1 point)	(1 point)

¹ The net impact of the sale of Putnam Investments and the receipt of Franklin Templeton common shares is reflected in the June 30, 2024 values in the table above. The Franklin Templeton common shares are measured at FVOCI and therefore unrealized gains and losses do not impact shareholders' net earnings. The after-tax impact on shareholders' equity of the Franklin Templeton common shares is approximately \$75 for every 10% change in the common stock equity value.

² The impacts to the total contractual service margin are pre-tax.

³ LICAT sensitivities should be viewed as directional estimates only of the underlying sensitivities for the respective factors. Given the nature of these calculations, the Company cannot provide assurance that the actual impact on the Canada Life consolidated LICAT Ratio will be as indicated. LICAT sensitivities are rounded to the nearest point.

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 and credit spreads in Canada, U.K. and the U.S., 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 shareholders' net earnings of the Company does not take into account any future potential changes to the Company's ultimate investment rate (UIR) assumptions. As at both June 30, 2024 and December 31, 2023, the sensitivity of shareholders' net earnings of the Company 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. In addition, the sensitivity of the CSM of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of \$75 million or a decrease of \$75 million pre-tax, respectively.

Refer to the "Accounting Policies - Summary of Critical Accounting Estimates" and "Capital Management and Adequacy" sections of the Company's 2023 Annual MD&A for additional information on earnings and LICAT sensitivities.

International Financial Reporting Standards

Due to the evolving nature of IFRS, there are a number of IFRS changes impacting the Company in 2024, as well as standards that could impact the Company in future reporting periods. The Company actively monitors future IFRS changes proposed by the International Accounting Standards Board (IASB) to assess if the changes to the standards may have an impact on the Company's results or operations.

Changes in Accounting Policies

The Company adopted the amendments to International Financial Reporting Standards (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 Company's financial statements.

For additional detail, refer to note 2 of the Company's condensed consolidated interim unaudited financial statements for the period ended June 30, 2024.

Other Information

Non-GAAP Financial Measures and Ratios

Non-GAAP Financial Measures

The Company uses several non-GAAP financial measures to measure overall performance of the Company and to assess each of its business units. A financial measure is considered a non-GAAP measure for Canadian securities law purposes if it is presented other than in accordance with generally accepted accounting principles (GAAP) used for the Company's consolidated financial statements. The consolidated financial statements of the Company have been prepared in compliance with IFRS as issued by the IASB. Non-GAAP financial measures do not have a standardized meaning under GAAP and may not be comparable to similar financial measures presented by other issuers. Investors may find these financial measures useful in understanding how management views the underlying business performance of the Company.

Base earnings (loss)

Base earnings (loss) reflect management's view of the underlying business performance of the Company and provides an alternate measure to understand the underlying business performance compared to IFRS net earnings.

Base earnings (loss) exclude the following items from IFRS reported net earnings:

- 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;
- Business transformation impacts which include acquisition and divestiture costs and restructuring and integration costs;
- Material legal settlements, material impairment charges related to goodwill and intangible assets, impacts of income tax rate changes on the remeasurement of deferred tax assets and liabilities and other tax impairments, net gains, losses or costs related to the disposition or acquisition of a business; net earnings (loss) from discontinued operations;
- Realized gains (losses) on the sale of assets measured at fair value through other comprehensive income (FVOCI);
- The direct equity and interest rate impacts on the measurement of surplus assets and liabilities;
- Amortization of acquisition related finite life intangible assets; and
- Other items that, when removed, assist in explaining the Company's underlying business performance.

Lifeco

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings¹	\$ 1,038	\$ 978	\$ 920	\$ 2,016	\$ 1,746
Items excluded from Lifeco base earnings					
Market experience relative to expectations (pre-tax)	\$ 45	\$ 136	\$ (92)	\$ 181	\$ (301)
Income tax (expense) benefit	(17)	(29)	13	(46)	54
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	(158)	—	(158)
Income tax (expense) benefit	—	—	37	—	37
Assumption changes and management actions (pre-tax)	2	3	(5)	5	4
Income tax (expense) benefit	37	(4)	1	33	(1)
Business transformation impacts (pre-tax) ²	(36)	(67)	(144)	(103)	(170)
Income tax (expense) benefit ²	7	18	33	25	40
Amortization of acquisition-related finite life intangibles (pre-tax) ²	(52)	(50)	(49)	(102)	(92)
Income tax (expense) benefit ²	15	12	13	27	24
Tax legislative changes impact (pre-tax) ^{1,2}	—	—	—	—	—
Income tax (expense) benefit ^{1,2}	(34)	34	—	—	—
Total pre-tax items excluded from base earnings	\$ (41)	\$ 22	\$ (448)	\$ (19)	\$ (717)
Impact of items excluded from base earnings on income taxes ¹	8	31	97	39	154
Net earnings from continuing operations	\$ 1,005	\$ 1,031	\$ 569	\$ 2,036	\$ 1,183
Net earnings (loss) from discontinued operations (post-tax)	—	(115)	(71)	(115)	(90)
Net gain from disposal of discontinued operations (post-tax)	—	44	—	44	—
Net earnings - common shareholders	\$ 1,005	\$ 960	\$ 498	\$ 1,965	\$ 1,093

¹ Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

² Included in other non-market related impacts.

Canada

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings	\$ 322	\$ 302	\$ 283	\$ 624	\$ 561
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	\$ 35	\$ 93	\$ (179)	\$ 128	\$ (239)
Income tax (expense) benefit	(10)	(26)	50	(36)	67
Assumption changes and management actions (pre-tax)	1	9	1	10	4
Income tax (expense) benefit	—	(3)	—	(3)	(1)
Business transformation impacts (pre-tax) ¹	(9)	(23)	(3)	(32)	(3)
Income tax (expense) benefit ¹	2	6	1	8	1
Amortization of acquisition-related finite life intangibles (pre-tax) ¹	(8)	(7)	(6)	(15)	(12)
Income tax (expense) benefit ¹	2	2	1	4	3
Net earnings - common shareholders	\$ 335	\$ 353	\$ 148	\$ 688	\$ 381

¹ Included in other non-market related impacts.

United States

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings	\$ 324	\$ 286	\$ 265	\$ 610	\$ 483
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	\$ (2)	\$ 9	\$ (4)	\$ 7	\$ (9)
Income tax (expense) benefit	1	(2)	—	(1)	—
Business transformation impacts (pre-tax) ¹	(27)	(44)	(95)	(71)	(121)
Income tax (expense) benefit ¹	5	12	22	17	29
Amortization of acquisition-related finite life intangibles (pre-tax) ¹	(39)	(37)	(37)	(76)	(69)
Income tax (expense) benefit ¹	12	9	10	21	18
Net earnings from continuing operations	\$ 274	\$ 233	\$ 161	\$ 507	\$ 331
Net earnings (loss) from discontinued operations (post-tax)	—	(115)	(71)	(115)	(90)
Net gain from disposal of discontinued operations (post-tax)	—	44	—	44	—
Net earnings - common shareholders	\$ 274	\$ 162	\$ 90	\$ 436	\$ 241

¹ Included in other non-market related impacts.

Europe

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings¹	\$ 206	\$ 197	\$ 180	\$ 403	\$ 358
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	\$ 13	\$ (15)	\$ 100	\$ (2)	\$ (55)
Income tax (expense) benefit	(5)	3	(16)	(2)	—
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	(158)	—	(158)
Income tax (expense) benefit	—	—	37	—	37
Assumption changes and management actions (pre-tax)	(2)	—	(1)	(2)	5
Income tax (expense) benefit	—	—	—	—	(1)
Business transformation impacts (pre-tax) ²	—	—	(46)	—	(46)
Income tax (expense) benefit ²	—	—	10	—	10
Amortization of acquisition-related finite life intangibles (pre-tax) ²	(5)	(6)	(6)	(11)	(11)
Income tax (expense) benefit ²	1	1	2	2	3
Tax legislative changes impact (pre-tax) ^{1,2}	—	—	—	—	—
Income tax (expense) benefit ^{1,2}	(7)	7	—	—	—
Net earnings - common shareholders	\$ 201	\$ 187	\$ 102	\$ 388	\$ 142

¹ Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

² Included in other non-market related impacts.

Capital and Risk Solutions

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings¹	\$ 190	\$ 195	\$ 203	\$ 385	\$ 360
Items excluded from base earnings					
Market experience relative to expectations (pre-tax)	\$ (6)	\$ 49	\$ (9)	\$ 43	\$ 13
Income tax (expense) benefit	(2)	(4)	(21)	(6)	(16)
Assumption changes and management actions (pre-tax)	(1)	(6)	(5)	(7)	(5)
Income tax (expense) benefit	1	(1)	1	—	1
Tax legislative changes impact (pre-tax) ^{1,2}	—	—	—	—	—
Income tax (expense) benefit ^{1,2}	(27)	27	—	—	—
Net earnings - common shareholders	\$ 155	\$ 260	\$ 169	\$ 415	\$ 353

¹ Global Minimum Tax legislation was enacted in Canada on June 20, 2024 and applies retroactively to January 1, 2024. As a result, comparative results for base earnings and items excluded from base earnings for the first quarter of 2024 are presented on a "pro forma" basis as if the legislation was enacted in the first quarter of 2024. See "Taxes" section of this document for further details.

² Included in other non-market related impacts.

Lifeco Corporate

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (loss)	\$ (4)	\$ (2)	\$ (11)	\$ (6)	\$ (16)
Items excluded from base earnings (loss)					
Market experience relative to expectations (pre-tax)	\$ 5	\$ —	\$ —	\$ 5	\$ (11)
Income tax (expense) benefit	(1)	—	—	(1)	3
Assumption changes and management actions (pre-tax)	4	—	—	4	—
Income tax (expense) benefit	36	—	—	36	—
Net earnings (loss) - common shareholders	\$ 40	\$ (2)	\$ (11)	\$ 38	\$ (24)

Base earnings - insurance service result

Represents the profit earned from providing insurance coverage and comprises the expected insurance earnings, impacts of new insurance business written and insurance experience gains and losses for the Company's insurance businesses. This metric is presented on a common shareholders' basis by removing the participating account results.

Lifeco (pre-tax)

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings - insurance service result	\$ 794	\$ 763	\$ 711	\$ 1,557	\$ 1,370
Items excluded from base earnings	(1)	(2)	(46)	(3)	(43)
Participating account	38	36	38	74	76
Net earnings - insurance service result	\$ 831	\$ 797	\$ 703	\$ 1,628	\$ 1,403

Base earnings - net investment result

Represents the difference between management's expected return on assets backing insurance contract liabilities and the unwinding of discount rates used to measure corresponding insurance contract liabilities. Includes the release of credit provisions into profit and the impact of credit experience for the period as well as the impact of certain trading activity on fixed income assets and non-directly attributable investment expenses. Additionally, includes expected investment income on surplus assets net of associated investment expenses. This metric is presented on a common shareholders' basis by removing the participating account results. This measure removes spread income earned on certain investment products which represents the difference between earned rates and rates credited to clients.

Lifeco (pre-tax)

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings - net investment result	\$ 255	\$ 297	\$ 266	\$ 552	\$ 480
Items excluded from base earnings	49	144	(255)	193	(464)
Spread income	328	321	305	649	663
Participating account	17	(2)	(12)	15	(61)
Net earnings - net investment result	\$ 649	\$ 760	\$ 304	\$ 1,409	\$ 618

Base earnings - pre-tax

Represents base earnings (loss) before income taxes, earnings (losses) attributable to non-controlling interests and preferred share dividends.

Lifeco

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Base earnings (pre-tax)	\$ 1,325	\$ 1,230	\$ 1,131	\$ 2,555	\$ 2,092
Items excluded from Lifeco base earnings					
Market experience relative to expectations (pre-tax)	\$ 45	\$ 136	\$ (92)	\$ 181	\$ (301)
Realized OCI gains / (losses) from asset rebalancing (pre-tax)	—	—	(158)	—	(158)
Assumption changes and management actions (pre-tax)	2	3	(5)	5	4
Business transformation impacts (pre-tax) ¹	(36)	(67)	(144)	(103)	(170)
Amortization of acquisition-related finite life intangibles (pre-tax) ¹	(52)	(50)	(49)	(102)	(92)
Total pre-tax items excluded from base earnings	\$ (41)	\$ 22	\$ (448)	\$ (19)	\$ (717)
Participating account	30	6	(1)	36	(39)
Earnings before income taxes	\$ 1,314	\$ 1,258	\$ 682	\$ 2,572	\$ 1,336

¹ Included in other non-market related impacts.

Empower Defined Contribution and Personal Wealth net revenue

For the Empower Defined Contribution (Empower DC) and Empower Personal Wealth (Empower PW) business lines in the U.S segment, the Company discloses net revenue, which is a measure of financial performance and growth for these businesses. Net revenue includes net asset-based fee income and other fee income related to businesses such as mutual funds products and recordkeeping. Net asset-based expenses include certain direct expenses incurred such as commissions, managed account expenses and sub-advisor expenses. Net revenue also includes spread income earned on general account investment products, net of credit experience on assets held to back general account liabilities.

United States

	For the three months ended			For the six months ended	
	June 30 2024	March 31 2024	June 30 2023	June 30 2024	June 30 2023
Empower Defined Contribution (US\$)					
Gross AUM fees	\$ 437	\$ 425	\$ 406	\$ 862	\$ 802
Asset-based expenses	(110)	(109)	(108)	(219)	(210)
Asset-based fee income (net)	\$ 327	\$ 316	\$ 298	\$ 643	\$ 592
Spread income	175	173	195	348	396
Credit experience	(29)	—	(10)	(29)	(13)
Spread income (net)	\$ 146	\$ 173	\$ 185	\$ 319	\$ 383
Other fees	222	175	164	397	316
Total net revenue (US\$)	\$ 695	\$ 664	\$ 647	\$ 1,359	\$ 1,291
Empower Personal Wealth (US\$)					
Gross AUM fees	\$ 102	\$ 99	\$ 81	\$ 201	\$ 157
Asset-based expenses	(14)	(14)	(10)	(28)	(22)
Asset-based fee income (net)	\$ 88	\$ 85	\$ 71	\$ 173	\$ 135
Spread income (net)	44	46	39	90	76
Other fees	18	19	16	37	28
Total net revenue (US\$)	\$ 150	\$ 150	\$ 126	\$ 300	\$ 239
Reconciliation to Income Statement					
Fee and other income					
Gross AUM and other fees (US\$)	\$ 779	\$ 718	\$ 667	\$ 1,497	\$ 1,303
Gross AUM and other fees (C\$)	1,067	970	893	2,037	1,752
Add: Other fee and other income	32	31	28	63	56
Fee and other income	\$ 1,099	\$ 1,001	\$ 921	\$ 2,100	\$ 1,808
Net investment result					
Empower DC and PW spread income (net) (US\$)	\$ 190	\$ 219	\$ 224	\$ 409	\$ 459
Empower DC and PW spread income (net) (C\$)	\$ 261	\$ 295	\$ 300	\$ 556	\$ 616
Add: Other U.S. segment net investment results	69	81	20	150	65
Add: Items excluded from base earnings	(2)	9	(4)	7	(9)
Add: Participating account	1	1	—	2	—
Net investment result	\$ 329	\$ 386	\$ 316	\$ 715	\$ 672
Operating and administrative expenses					
Asset-based expenses (US\$)	\$ (124)	\$ (123)	\$ (118)	\$ (247)	\$ (232)
Empower DC other operating expenses (US\$)	(437)	(462)	(436)	(899)	(876)
Empower PW other operating expenses (US\$)	(96)	(95)	(73)	(191)	(159)
Total Empower DC and PW fee and spread income-related operating expenses (US\$)	\$ (657)	\$ (680)	\$ (627)	\$ (1,337)	\$ (1,267)
Total Empower DC and PW operating expenses (C\$)	(900)	(918)	(840)	(1,818)	(1,698)
Add: Items excluded from base earnings	(15)	—	(67)	(15)	(67)
Add: Other U.S. segment operating expenses	(24)	(56)	(26)	(80)	(109)
Add: Participating account	(4)	(1)	(3)	(5)	(5)
Operating and administrative expenses	\$ (943)	\$ (975)	\$ (936)	\$ (1,918)	\$ (1,879)

Assets under management (AUM) and assets under administration (AUA)

Assets under management and assets under administration are non-GAAP measures that provide an indicator of the size and volume of the Company's overall business. Administrative services are an important aspect of the overall business of the Company and should be considered when comparing volumes, size and trends.

Total assets under administration includes total assets per financial statements, proprietary mutual funds and institutional assets and other assets under administration.

Lifeco

	June 30 2024	March 31 2024	June 30 2023
Total assets per financial statements¹	\$ 749,562	\$ 736,722	\$ 690,003
Continuing operations - other AUM	211,939	204,651	198,956
Discontinued operations - other AUM	—	—	153,414
Total AUM¹	\$ 961,501	\$ 941,373	\$ 1,042,373
Other AUA	1,967,541	1,913,791	1,601,005
Total AUA¹	\$ 2,929,042	\$ 2,855,164	\$ 2,643,378

¹ Comparative figures include assets held for sale and other AUM related to the discontinued operations of Putnam Investments.

Canada

	June 30 2024	March 31 2024	June 30 2023
Canada wealth fee business AUA			
Segregated fund assets	\$ 107,067	\$ 106,530	\$ 98,216
Other AUM	13,293	13,424	3,971
Wealth fee business other AUA	57,771	57,142	25,141
Total Canada wealth fee business AUA	\$ 178,131	\$ 177,096	\$ 127,328
Add: Other balance sheet assets	\$ 105,034	\$ 103,874	\$ 98,457
Add: Other AUA	2,329	2,152	2,221
Consolidated Canada balance sheet assets	\$ 212,101	\$ 210,404	\$ 196,673
Consolidated Canada other AUM	13,293	13,424	3,971
Consolidated Canada other AUA	60,100	59,294	27,362
Total Canada AUA	\$ 285,494	\$ 283,122	\$ 228,006

United States

	June 30 2024	March 31 2024	June 30 2023
Empower AUA			
General account	\$ 87,553	\$ 87,471	\$ 91,817
Segregated funds	193,030	186,611	170,566
Other AUM	82,843	80,609	92,860
Other AUA	1,894,228	1,841,725	1,562,088
Empower AUA	\$ 2,257,654	\$ 2,196,416	\$ 1,917,331
PanAgora - other AUM	\$ 46,117	\$ 45,164	\$ 43,897
Discontinued operations - other AUM	—	—	184,309
Subtotal	\$ 2,303,771	\$ 2,241,580	\$ 2,145,537
Add: Other AUM consolidated adjustment	\$ (69)	\$ (1,922)	\$ (30,895)
Add: Other balance sheet assets	39,267	39,636	37,906
Consolidated United States balance sheet assets	\$ 319,850	\$ 313,718	\$ 300,289
Consolidated United States other AUM	128,891	123,851	290,171
Consolidated United States other AUA	1,894,228	1,841,725	1,562,088
Total United States AUA	\$ 2,342,969	\$ 2,279,294	\$ 2,152,548

Europe

	June 30 2024	March 31 2024	June 30 2023
Europe wealth and investment only AUA			
Segregated fund assets	\$ 155,289	\$ 150,177	\$ 135,542
Other AUM	69,755	67,376	58,228
Other AUA	13,213	12,772	11,555
Total Europe wealth and investment only AUA	\$ 238,257	\$ 230,325	\$ 205,325
Add: Other balance sheet assets	\$ 53,299	\$ 53,406	\$ 48,812
Consolidated Europe balance sheet assets	\$ 208,588	\$ 203,583	\$ 184,354
Consolidated Europe other AUM	69,755	67,376	58,228
Consolidated Europe other AUA	13,213	12,772	11,555
Total Europe AUA	\$ 291,556	\$ 283,731	\$ 254,137

Non-GAAP Ratios

A non-GAAP ratio is a financial measure in the form of a ratio, fraction, percentage or similar representation that is not disclosed in the financial statements of the Company and has a non-GAAP financial measure as one or more of its components. These financial measures do not have a standardized definition under IFRS and might not be comparable to similar financial measures disclosed by other issuers.

The non-GAAP ratios disclosed by the Company each use base earnings (loss) as the non-GAAP component. Base earnings (loss) reflect management's view of the underlying business performance of the Company and provides an alternate measure to understand the underlying business performance compared to IFRS net earnings.

- **Base dividend payout ratio** - Dividends paid to common shareholders are divided by base earnings (loss).
- **Base earnings per share** - Base earnings (loss) for the period is divided by the number of average common shares outstanding for the period.
- **Base earnings per share (diluted)** - Base earnings (loss) for the period is divided by the number of average common shares outstanding on a diluted basis for the period.
- **Base return on equity** - Base earnings (loss) for the trailing four quarters are divided by the average common shareholders' equity over the trailing four quarters. This measure provides an indicator of business unit profitability.
- **Cost of management ratio** - Compares the amount paid by the Company to compensate its Named Executive Officers (NEOs) relative to the Company's base earnings for the same period. Calculated by dividing total annual compensation paid to NEOs (as disclosed in the Executive Compensation section of the Company's management proxy circular) by base earnings for the year.
- **Effective income tax rate - base earnings - common shareholders** - Calculated by adjusting the Company's reported income taxes and net earnings before income taxes attributable to common shareholders to remove the impact of items excluded from base earnings, to calculate the effective tax rates for common shareholders.
- **Price/base earnings ratio** - The Company's closing share price divided by its base earnings per share on a trailing four quarter basis.

Glossary

- **Assumption changes and management actions** - The net earnings impact of: (i) revisions to the methodologies and assumptions used in the measurement of the Company's assets, insurance contract liabilities and investment contract liabilities, and (ii) actions taken by management in the current reporting period which include, but are not limited to, changes in in-force product features (including prices), and new or revised reinsurance deals on in-force business. Assumption changes and management actions are excluded from base earnings.
- **Business transformation impacts** - Business transformation impacts include acquisition and divestiture costs as well as restructuring and integration costs.
- **Book value per common share** - Measure is calculated by dividing Lifeco's common shareholders' equity by the number of common shares outstanding at the end of the period.
- **Contractual service margin (CSM)** - The CSM of a group of insurance contracts represents the unearned profit that the Company 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.

- **Common shareholders' equity** - A financial measure comprised of the following items from Lifeco's balance sheet: share capital - common shares, accumulated surplus, accumulated other comprehensive income and contributed surplus.
- **Dividend payout ratio** - Dividends paid to common shareholders are divided by net earnings - common shareholders.
- **Drivers of earnings (DOE)** - Drivers of earnings analysis provides additional detail on the primary sources of Lifeco's earnings and is a consistent presentation across Canadian insurance industry peers. The DOE view presents net earnings attributable to common shareholders, comprising base earnings on a DOE basis and items excluded from base earnings. For base insurance service result, the DOE view provides detail on expected insurance earnings, the impact of new business and experience gains and losses. For base net investment result, the DOE view provides detail on expected investment earnings, credit experience, trading activity and earnings on surplus. Base other income and expenses are presented separately in the DOE view with additional detail on net fee and spread income, non-directly attributable and other expenses, income taxes on base earnings, non-controlling interests, preferred dividends and other items.
- **Financial leverage ratio** - Defined as debt, hybrid securities, and preferred shares divided by total consolidated capitalization. The denominator also includes the after-tax non-participating CSM balance in the denominator, other than CSM associated with segregated fund guarantees. This reflects that the CSM represents future profit and is considered available capital under LICAT.
- **General Measurement Model (GMM)** - The Company applies this measurement model to all IFRS 17 contracts not measured under the PAA or VFA measurement models.
- **Group life and health book premiums** - For group life and health insurance, this measure represents the value of in-force premiums at the end of the reporting period.
- **Impact of currency movement (constant currency basis)** - Items impacting the Company's Consolidated Statements of Earnings, such as income and benefits and expenses and net earnings, are translated into Canadian dollars at an average rate for the period. These measures highlight the impact of changes in currency translation rates on Canadian dollar equivalent IFRS results and have been calculated using the average rates, as shown below, in effect at the date of the comparative period. These measures provide useful information as it facilitates the comparability of results between periods.

	Period ended	
	June 30, 2024	June 30, 2023
United States dollar	1.37	1.34
British pound	1.73	1.68
Euro	1.47	1.46

- **Market experience relative to expectations** - The net earnings impact related to the direct equity and interest rate market impacts on insurance and investment contract liabilities, net of hedging, and related deferred tax liabilities, which includes:
 - the impact of hedge ineffectiveness related to segregated fund guarantee liabilities that are hedged and the performance of the related hedge assets;
 - the impact on segregated fund guarantee liabilities not hedged;
 - the market-related impacts that are different than expectations on surplus assets, general account assets and the insurance and investment contract liabilities they support; and
 - other market impacts on general account assets and the insurance and investment contract liabilities they support that cannot be attributed to expectations within the period.
- **Net cash flows and net flows** - Indicator of the Company's ability to attract and retain business. Net cash flows and net asset flows are measured by the following:
 - Canada wealth management net cash flows include cash inflows and outflows related to segregated fund assets and proprietary and non-proprietary mutual funds.
 - Europe wealth and investment only net cash flows include cash inflows and outflows related to segregated fund assets, proprietary mutual funds and institutional assets as well as other assets under administration.

- Empower net cash flows include cash inflows and outflows related to segregated fund assets, general fund assets, proprietary and non-proprietary mutual funds as well as other assets under management.
- PanAgora net flows include institutional sales and redemptions.
- **Net earnings from continuing operations** - Defined as net earnings - common shareholders less net earnings (loss) from discontinued operations and the net gain from disposal of discontinued operations. The discontinued operations represent the results of Putnam Investments. On January 1, 2024, Lifeco completed the previously announced sale of Putnam Investments to Franklin Resources, Inc., operating as "Franklin Templeton".
- **Office of the Superintendent of Financial Institutions Canada (OSFI)** - Is an independent Canadian federal government agency that regulates and supervises federally regulated financial institutions and pension plans to determine whether they are in sound financial condition and meeting their requirements.
- **Other assets under administration** - Includes assets where the Company only provides administration services for which the Company earns fees and other income. These assets are beneficially owned by the clients and the Company does not direct the investing activities. Services provided relating to assets under administration include recordkeeping, safekeeping, collecting investment income, settling of transactions or other administrative services. Administrative services are an important aspect of the overall business of the Company and should be considered when comparing volumes, size and trends.
- **Other assets under management** - Includes external client funds where the Company has oversight of the investment policies. Services provided in respect of proprietary mutual funds and institutional assets include the selection of investments, the provision of investment advice and discretionary portfolio management on behalf of clients.
- **Premium Allocation Approach (PAA)** - The Company applies this IFRS 17 measurement model to contracts with coverage periods of one year or less and those that are relatively stable and have low variability in fulfillment cash flows. Low variability in fulfillment cash flows indicates that no significant difference in measurement exists when compared to the general measurement model (GMM).
- **Price/book value ratio** - The Company's closing share price divided by its book value per share.
- **Price/earnings ratio** - The Company's closing share price divided by its net earnings per share on a trailing four quarter basis.
- **Return on equity (ROE) - continuing operations** - Net earnings from continuing operations for the trailing four quarters are divided by the average common shareholders' equity over the trailing four quarters. This measure provides an indicator of business unit profitability.
- **Sales** - Sales are measured according to product type:
 - For risk-based insurance and annuity products, sales include 100% of single premium and annualized premiums expected in the first twelve months of the plan.
 - Group insurance and ASO sales reflect annualized premiums and premium equivalents for new policies and new benefits covered or expansion of coverage on existing policies.
 - For individual wealth management products, sales include deposits on segregated fund products, proprietary mutual funds and institutional accounts as well as deposits on non-proprietary mutual funds.
 - For group wealth management products, sales include assets transferred from previous plan providers and the expected annual contributions from the new plan.
- **Segmented common shareholders' equity** - The Company has a capital allocation methodology, which allocates financing costs in proportion to allocated capital. For the Canada, Europe and Capital and Risk Solutions segments (essentially Canada Life), this allocation method generally tracks the regulatory capital requirements, while for Empower and Putnam, it tracks the financial statement carrying value of the business units. Total leverage capital is consistently allocated across all business units in proportion to total capital resulting in a debt-to-equity ratio in each business unit mirroring the consolidated Company.

The capital allocation methodology allows the Company to calculate comparable ROE for each business unit. These ROEs are therefore based on the capital the business unit has been allocated and the financing charges associated with that capital. IFRS does not prescribe the calculation of ROE and therefore a comparable measure under IFRS is not available.
- **Variable Fee Approach (VFA)** - The Company applies this IFRS 17 measurement model to 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).

Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that information relating to the Company which is required to be disclosed in reports filed under provincial and territorial securities legislation is: (a) recorded, processed, summarized and reported within the time periods specified in the provincial and territorial securities legislation, and (b) accumulated and communicated to the Company's senior management, including the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management 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.

There have been no changes during the six months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Transactions with Related Parties

On May 6, 2024, the Company announced it had entered into a new long-term strategic partnership with Power Sustainable Manager Inc. (Power Sustainable), a climate-focused investment manager and subsidiary of the Company's parent, Power Corporation of Canada. Under the transaction, the Company has become a minority shareholder in Power Sustainable with an ownership share of slightly below 20% on a fully diluted basis. The Company has agreed to invest in certain funds across Power Sustainable's investment strategies in the future.

Otherwise, related party transactions have not changed materially from December 31, 2023.

Quarterly Financial Information

Quarterly financial information
(in \$ millions, except per share amounts)

	2024		2023				2022 (Restated)	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Insurance revenue	\$ 5,273	\$ 5,250	\$ 5,174	\$ 5,110	\$ 5,081	\$ 5,037	\$ 5,442	\$ 4,648
Net investment income	2,409	2,340	2,431	2,271	2,061	2,101	2,085	2,027
Changes in fair value on FVTPL assets	(864)	(1,385)	11,042	(5,457)	(2,668)	3,572	1,351	(7,399)
Fee and other income	1,794	1,672	1,558	1,450	1,466	1,400	1,372	1,280
Total revenue¹	\$ 8,612	\$ 7,877	\$ 20,205	\$ 3,374	\$ 5,940	\$ 12,110	\$ 10,250	\$ 556
Net earnings from continuing operations²								
Total	\$ 1,005	\$ 1,031	\$ 743	\$ 936	\$ 569	\$ 614	\$ 478	\$ 986
Basic - per share	1.08	1.10	0.80	1.01	0.61	0.66	0.51	1.06
Diluted - per share	1.08	1.10	0.79	1.00	0.61	0.66	0.51	1.06
Net earnings - Common Shareholders								
Total	\$ 1,005	\$ 960	\$ 740	\$ 905	\$ 498	\$ 595	\$ 452	\$ 987
Basic - per share	1.08	1.03	0.79	0.97	0.53	0.64	0.48	1.06
Diluted - per share	1.08	1.03	0.79	0.97	0.53	0.64	0.48	1.06

¹ Total revenue and its components exclude revenue from discontinued operations related to Putnam Investments.

² Refer to the "Glossary" section of this document for additional details on the composition of this measure.

Total revenue

Total revenue for the second quarter of 2024 was \$8,612 million and comprises insurance revenue of \$5,273 million (\$5,081 million for the same quarter last year), net investment income of \$2,409 million (\$2,061 million for the same quarter last year), changes in fair value through profit or loss on investment assets of negative \$864 million (changes of negative \$2,668 million for the same quarter last year) and fee and other income of \$1,794 million (\$1,466 million for the same quarter last year).

Insurance revenue

Insurance revenue for the second quarter of 2024 was \$5,273 million, an increase of \$192 million compared to the same quarter last year, primarily due to favourable group experience in the U.K.

Total net investment income

Total net investment income for the second quarter of 2024 was \$1,545 million, an increase of \$2,152 million compared to the same quarter last year. The changes in fair value in the second quarter of 2024 were a decrease of \$864 million compared to a decrease of \$2,668 million in the second quarter of 2023, primarily due to a smaller increase in bond yields across all geographies in the current period compared to last year. Net investment income in the second quarter of 2024 of \$2,409 million, which excludes changes in fair value through profit or loss, increased \$348 million compared to the same quarter last year, primary due to the same reason discussed for the changes in fair value results.

Fee and other income

Fee and other income for the second quarter of 2024 was \$1,794 million, an increase of \$328 million compared to the same quarter last year, primarily due to additions of IPC and Value Partners and growth in administrative services only (ASO) fees in the Canada segment, higher assets under administration due to higher equity market levels, adjustments related to the Prudential acquisition and overall growth in the U.S. segment as well as higher management fees from higher average assets under administration in the Europe segment.

Net earnings

Lifeco's consolidated net earnings attributable to common shareholders were \$1,005 million for the second quarter of 2024 compared to \$498 million for the same quarter last year. On a per share basis, this represents \$1.08 per common share (\$1.08 diluted) for the second quarter of 2024 compared to \$0.53 per common share (\$0.53 diluted) a year ago.

Translation of Foreign Currency

Through its operating subsidiaries, Lifeco conducts business in multiple currencies. The four primary currencies are the Canadian dollar, the U.S. dollar, the British pound and the euro. Throughout this document, foreign currency assets and liabilities are translated into Canadian dollars at the market rate at the end of the reporting period. All income and expense items are translated at an average rate for the period. The rates employed are:

Period ended	June 30 2024	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
United States dollar						
Balance sheet	\$ 1.37	\$ 1.35	\$ 1.33	\$ 1.36	\$ 1.32	\$ 1.35
Income and expenses	\$ 1.37	\$ 1.35	\$ 1.36	\$ 1.34	\$ 1.34	\$ 1.35
British pound						
Balance sheet	\$ 1.73	\$ 1.71	\$ 1.69	\$ 1.66	\$ 1.68	\$ 1.67
Income and expenses	\$ 1.73	\$ 1.71	\$ 1.69	\$ 1.70	\$ 1.68	\$ 1.64
Euro						
Balance sheet	\$ 1.47	\$ 1.46	\$ 1.46	\$ 1.44	\$ 1.45	\$ 1.47
Income and expenses	\$ 1.47	\$ 1.46	\$ 1.47	\$ 1.46	\$ 1.46	\$ 1.45

Additional Information

Additional information relating to Lifeco, including Lifeco's most recent consolidated financial statements, CEO/CFO certification and Annual Information Form are available at www.sedarplus.com.

Consolidated Statements of Earnings (unaudited)

(in Canadian \$ millions except per share amounts)

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Insurance service result				
Insurance revenue (note 8)	\$ 5,273	\$ 5,081	\$ 10,523	\$ 10,118
Insurance service expenses	(4,057)	(3,963)	(8,124)	(7,958)
Net expense from reinsurance contracts	(385)	(415)	(771)	(757)
	831	703	1,628	1,403
Net investment result				
Net investment income (note 5)	2,409	2,061	4,749	4,162
Changes in fair value on fair value through profit or loss assets (note 5)	(864)	(2,668)	(2,249)	904
	1,545	(607)	2,500	5,066
Net finance income (expenses) from insurance contracts	(209)	631	(182)	(2,939)
Net finance income (expenses) from reinsurance contracts	(114)	(6)	(165)	87
Changes in investment contract liabilities	(573)	286	(744)	(1,596)
	649	304	1,409	618
Net investment result - insurance contracts on account of segregated fund policyholders				
Net investment income (loss)	446	914	2,919	2,635
Net finance income (expenses) from insurance contracts	(446)	(914)	(2,919)	(2,635)
	—	—	—	—
Other income and expenses				
Fee and other income	1,794	1,466	3,466	2,866
Operating and administrative expenses	(1,729)	(1,571)	(3,432)	(3,100)
Amortization of finite life intangible assets	(103)	(97)	(203)	(187)
Financing costs	(101)	(104)	(201)	(219)
Restructuring and integration expenses (note 4)	(27)	(19)	(95)	(45)
	1,314	682	2,572	1,336
Earnings before income taxes				
Income taxes (note 14)	229	56	398	86
	1,085	626	2,174	1,250
Net earnings from continuing operations before non-controlling interests				
Attributable to non-controlling interests	47	24	73	2
	1,038	602	2,101	1,248
Net earnings from continuing operations before preferred share dividends				
Preferred share dividends	33	33	65	65
	1,005	569	2,036	1,183
Net earnings from continuing operations				
Net loss from discontinued operations	—	(71)	(115)	(90)
Net gain from disposal of discontinued operations (note 3)	—	—	44	—
	\$ 1,005	\$ 498	\$ 1,965	\$ 1,093
Net earnings - common shareholders				
Earnings per common share (note 12)				
Basic	\$ 1.08	\$ 0.53	\$ 2.11	\$ 1.17
Diluted	\$ 1.08	\$ 0.53	\$ 2.10	\$ 1.17
Earnings per common share from continuing operations (note 12)				
Basic	\$ 1.08	\$ 0.61	\$ 2.18	\$ 1.27
Diluted	\$ 1.08	\$ 0.61	\$ 2.18	\$ 1.27

Consolidated Statements of Comprehensive Income *(unaudited)*

(in Canadian \$ millions)

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Net earnings - common shareholders, before preferred dividends	\$ 1,038	\$ 531	\$ 2,030	\$ 1,158
Other comprehensive income (loss)				
Items that may be reclassified subsequently to Consolidated Statements of Earnings				
Unrealized foreign exchange gains (losses) on translation of foreign operations	233	(297)	489	(153)
Foreign exchange translation gains reclassified to earnings on disposal of foreign operations (note 3)	—	—	(211)	—
Unrealized gains (losses) on hedges of the net investment in foreign operations	2	36	(62)	10
Income tax (expense) benefit	5	(10)	12	(8)
Unrealized gains (losses) on bonds and mortgages at fair value through other comprehensive income	8	(197)	(34)	(12)
Income tax (expense) benefit	(3)	3	6	(40)
Realized (gains) losses on bonds and mortgages at fair value through other comprehensive income (note 5)	19	178	38	214
Income tax expense (benefit)	(4)	(4)	(9)	(12)
Unrealized gains (losses) on cash flow hedges	(33)	33	(33)	70
Income tax (expense) benefit	9	(9)	9	(19)
Realized (gains) losses on cash flow hedges	9	(18)	4	(47)
Income tax expense (benefit)	(2)	5	(1)	13
Non-controlling interests	(26)	54	(11)	(40)
Income tax (expense) benefit	7	(14)	4	12
Total items that may be reclassified	224	(240)	201	(12)
Items that will not be reclassified to Consolidated Statements of Earnings				
Unrealized gains (losses) on stocks at fair value through other comprehensive income	(249)	—	(321)	—
Income tax (expense) benefit	64	—	83	—
Re-measurements on defined benefit pension and other post-employment benefit plans	90	(9)	258	(66)
Income tax (expense) benefit	(24)	4	(70)	19
Non-controlling interests	(8)	1	(21)	5
Income tax (expense) benefit	2	—	6	(1)
Total items that will not be reclassified	(125)	(4)	(65)	(43)
Total other comprehensive income (loss)	99	(244)	136	(55)
Comprehensive income	\$ 1,137	\$ 287	\$ 2,166	\$ 1,103

Consolidated Balance Sheets *(unaudited)*

(in Canadian \$ millions)

	June 30 2024	December 31 2023
Assets		
Cash and cash equivalents	\$ 8,582	\$ 7,742
Bonds (note 5)	156,349	157,051
Mortgage loans (note 5)	38,355	38,414
Stocks (note 5)	17,420	15,733
Investment properties (note 5)	7,910	7,870
	<u>228,616</u>	<u>226,810</u>
Insurance contract assets (note 9)	1,315	1,193
Reinsurance contract held assets (note 9)	17,180	17,332
Assets held for sale (note 3)	—	4,467
Goodwill	11,377	11,249
Intangible assets	4,532	4,484
Derivative financial instruments	1,911	2,219
Owner occupied properties	747	731
Fixed assets	328	335
Accounts and interest receivable	5,290	4,863
Other assets	15,808	14,483
Current income taxes	296	260
Deferred tax assets	1,931	1,848
Investments on account of segregated fund policyholders (note 10)	460,231	422,956
Total assets	<u>\$ 749,562</u>	<u>\$ 713,230</u>
Liabilities		
Insurance contract liabilities (note 9)	\$ 145,282	\$ 144,388
Investment contract liabilities	87,070	88,919
Reinsurance contract held liabilities (note 9)	731	648
Liabilities held for sale (note 3)	—	2,407
Debentures and other debt instruments	9,142	9,046
Derivative financial instruments	1,686	1,288
Accounts payable	2,667	3,216
Other liabilities	10,965	9,587
Current income taxes	203	137
Deferred tax liabilities	715	787
Insurance contracts on account of segregated fund policyholders (note 9)	62,473	60,302
Investment contracts on account of segregated fund policyholders	397,758	362,654
Total liabilities	<u>718,692</u>	<u>683,379</u>
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,945	2,847
Non-controlling interests in subsidiaries	69	168
Shareholders' equity		
Share capital		
Limited recourse capital notes	1,500	1,500
Preferred shares	2,720	2,720
Common shares (note 11)	6,024	6,000
Accumulated surplus	16,381	15,492
Accumulated other comprehensive income	1,026	890
Contributed surplus	205	234
Total equity	<u>30,870</u>	<u>29,851</u>
Total liabilities and equity	<u>\$ 749,562</u>	<u>\$ 713,230</u>

Consolidated Statements of Changes in Equity (unaudited)

(in Canadian \$ millions)

June 30, 2024

	Share capital	Contributed surplus	Accumulated surplus	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance, beginning of year	\$ 10,220	\$ 234	\$ 15,492	\$ 890	\$ 3,015	\$ 29,851
Net earnings - common shareholders, before preferred dividends	—	—	2,030	—	73	2,103
Other comprehensive income	—	—	—	136	22	158
	10,220	234	17,522	1,026	3,110	32,112
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(65)	—	—	(65)
Common shareholders	—	—	(1,035)	—	—	(1,035)
Shares exercised and issued under share-based payment plans (note 11)	31	(2)	—	—	3	32
Shares purchased and cancelled under normal course issuer bid (note 11)	(48)	—	—	—	—	(48)
Excess of redemption proceeds over stated capital per normal course issuer bid (note 11)	41	—	(41)	—	—	—
Impact of sale of discontinued operations	—	(32)	—	—	(99)	(131)
Share-based payment plans expense	—	5	—	—	—	5
Balance, end of period	\$ 10,244	\$ 205	\$ 16,381	\$ 1,026	\$ 3,014	\$ 30,870

June 30, 2023

	Share capital	Contributed surplus	Accumulated surplus	Accumulated other comprehensive income (loss)	Non-controlling interests	Total equity
Balance, beginning of year	\$ 10,011	\$ 209	\$ 14,976	\$ 713	\$ 2,886	\$ 28,795
Impact of initial application of IFRS 9	—	—	(33)	3	—	(30)
Revised balance, beginning of year	10,011	209	14,943	716	2,886	28,765
Net earnings - common shareholders, before preferred dividends	—	—	1,158	—	2	1,160
Other comprehensive income (loss)	—	—	—	(55)	24	(31)
	10,011	209	16,101	661	2,912	29,894
Dividends to shareholders						
Preferred shareholders (note 12)	—	—	(65)	—	—	(65)
Common shareholders	—	—	(969)	—	—	(969)
Shares exercised and issued under share-based payment plans (note 11)	71	(40)	—	—	33	64
Shares purchased and cancelled under normal course issuer bid (note 11)	(94)	—	—	—	—	(94)
Equity settlement of Putnam share-based plans	—	—	—	—	(8)	(8)
Excess of redemption proceeds over stated capital per normal course issuer bid (note 11)	78	—	(78)	—	—	—
Shares cancelled under Putnam share-based plans	—	3	—	—	(3)	—
Share-based payment plans expense	—	39	—	—	—	39
Acquisition of non-controlling interest in subsidiary	—	—	(52)	—	(35)	(87)
Dilution loss on non-controlling interests	—	—	(27)	—	27	—
Balance, end of period	\$ 10,066	\$ 211	\$ 14,910	\$ 661	\$ 2,926	\$ 28,774

Consolidated Statements of Cash Flows (unaudited)

(in Canadian \$ millions)

	For the six months ended June 30	
	2024	2023 ¹
Operations		
Earnings before income taxes	\$ 2,412	\$ 1,221
Income taxes paid, net of refunds received	(375)	(248)
Adjustments:		
Change in insurance contract liabilities	(424)	1,619
Change in investment contract liabilities	(4,360)	(3,066)
Change in reinsurance contract held liabilities	72	85
Change in reinsurance contract held assets	551	522
Change in insurance contract assets	(110)	(299)
Changes in fair value through profit or loss	2,249	(904)
Sales, maturities and repayments of portfolio investments	21,226	20,182
Purchases of portfolio investments	(19,162)	(17,223)
Other	(291)	663
	1,788	2,552
Financing Activities		
Issue of common shares	31	71
Purchased and cancelled common shares	(48)	(94)
Repayment of euro denominated debt	—	(735)
Decrease in line of credit of subsidiaries	(60)	(468)
Dividends paid on common shares	(1,035)	(969)
Dividends paid on preferred shares	(65)	(65)
	(1,177)	(2,260)
Investment Activities		
Impact from sale of discontinued operations	(211)	—
Investment in associates and joint ventures	(108)	(85)
	(319)	(85)
Effect of changes in exchange rates on cash and cash equivalents	173	(68)
Increase in cash and cash equivalents	465	139
Cash and cash equivalents from continuing and discontinued operations, beginning of year	8,117	7,290
Cash and cash equivalents from continuing and discontinued operations, end of period	\$ 8,582	\$ 7,429
Less: Cash and cash equivalents from discontinued operations, end of period	—	258
Cash and cash equivalents from continuing operations, end of period	\$ 8,582	\$ 7,171
Supplementary cash flow information		
Interest income received	\$ 3,816	\$ 3,636
Interest paid	154	216
Dividend income received	262	205

¹ The Company has reclassified certain comparative figures to conform to the current period's presentation. These classifications had no impact on the equity or net earnings of the Company.

(in Canadian \$ millions except per share amounts and where otherwise indicated)

1. Corporate Information

Great-West Lifeco Inc. (Lifeco or the Company) is a publicly listed company (Toronto Stock Exchange: GWO), incorporated and domiciled in Canada. The registered address of the Company is 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

Lifeco is a financial services holding company with interests in the life insurance, health insurance, retirement savings, wealth and asset management, and reinsurance businesses, primarily in Canada, the United States and Europe through its operating subsidiaries including The Canada Life Assurance Company (Canada Life) and Empower Annuity Insurance Company of America (Empower).

The condensed consolidated interim unaudited financial statements (financial statements) of the Company as at and for the three and six months ended June 30, 2024 were approved by the Board of Directors on August 6, 2024.

2. Basis of Presentation and Summary of Material Accounting Policies

These financial statements should be read in conjunction with the Company's December 31, 2023 consolidated annual audited financial statements and notes thereto.

The financial statements of the Company at June 30, 2024 have been prepared in compliance with the requirements of International Accounting Standard (IAS) 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB) using the same accounting policies and methods of computation followed in the consolidated annual audited financial statements for the year ended December 31, 2023 except as described below.

Changes in Accounting Policies

The Company adopted the amendments to International Financial Reporting Standards (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 Company's financial statements.

Use of Significant Judgments, Estimates and Assumptions

In preparation of these financial statements, management is required to make significant judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings and related disclosures. Although some uncertainty is inherent in these judgments and estimates, management believes that the amounts recorded are reasonable. Key sources of estimation uncertainty and areas where significant judgments have been made are further described in the relevant accounting policies as described in note 2 of the Company's December 31, 2023 consolidated annual audited financial statements and notes thereto.

Future Accounting Policies

The Company actively monitors changes in IFRS, both proposed and released, by the IASB for potential impact on the Company. The following sets out standards released and updates to the Company's analysis since the year ended December 31, 2023:

New 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 companies 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 Company 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 Company is evaluating the impact of the adoption of these amendments.</p>

3. Business Acquisitions and Other Transactions

(a) Sale of Putnam US Holdings I, LLC (Putnam Investments)

On January 1, 2024, the Company completed the sale of Putnam Investments to Franklin Resources, Inc., operating as Franklin Templeton, in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to U.S. \$375 over a five to seven-year period. The Company 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. The Company currently holds approximately 31,600,000 Franklin Templeton common shares and will hold a majority of these shares for a minimum five-year period.

In the 2023 financial statements, the net earnings (loss) and cash flows of Putnam Investments were classified as discontinued operations within the United States operating segment, and the related assets and liabilities were classified as held for sale. Financial information relating to the sale of the discontinued operation is set out below, reflecting total estimated fair value of consideration of \$1,909. Included in the results for the six months ended June 30, 2024 are \$115 of closing costs and final adjustments to the carrying value, resulting in a net gain on sale of \$44 after-tax.

Details of the Sale of Putnam Investments

	January 1, 2024
Consideration received or receivable	
Fair value of Franklin Templeton Common Shares (U.S. \$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 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

(b) Acquisition of Investment Planning Counsel

On November 30, 2023, Canada Life completed the acquisition of 100% of the equity of Investment Planning Counsel Inc., an independent wealth management firm, from IGM Financial Inc. (IGM) for total purchase consideration of \$585. The acquisition extends Canada Life’s wealth management reach and capabilities. IGM is an affiliated company and a member of the Power Corporation group of companies. Therefore, the transaction was reviewed and approved by the Conduct Review Committee of each of the Company and Canada Life.

The initial amounts assigned to the assets acquired, goodwill, and liabilities assumed on November 30, 2023, reported as at June 30, 2024 are as follows:

Assets acquired and goodwill

Cash	\$	31
Fixed assets		6
Accounts receivable		33
Other assets		273
Current income taxes		1
Goodwill		583

Total assets acquired and goodwill

\$	927
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Liabilities assumed

Accounts payable	\$	55
Other liabilities		274
Current income taxes		1
Deferred tax liabilities		12

Total liabilities assumed

\$	342
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Accounting for the acquisition is not finalized, pending the completion of a comprehensive valuation of the net assets acquired. The financial statements as at June 30, 2024 reflect management’s current best estimate of the purchase price allocation. As at June 30, 2024, provisional amounts for intangible assets have not been separately identified and valued within the assets of the purchase price allocation, pending completion of the valuation exercise. Final valuation of the assets acquired and liabilities assumed and the completion of the purchase price allocation will occur by the fourth quarter of 2024.

As a result, the excess of the purchase price over the fair value of net assets acquired, representing goodwill of \$583 as at June 30, 2024, will be adjusted in future periods.

The goodwill represents the excess of the purchase price over the fair value of the net assets, representing the synergies or future economic benefits arising from other assets acquired that are not individually identified and separately recognized in the acquisition. These synergies represent meaningful expense and revenue opportunities which are expected to be accretive to earnings. The goodwill is not deductible for tax purposes.

(c) Acquisition of Value Partners

On September 8, 2023, Canada Life 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. As at June 30, 2024, the accounting for the acquisition is not finalized, with the initial amount of \$119 assigned to goodwill on the date of the acquisition to be adjusted, pending the completion of a comprehensive valuation of the net assets acquired. Final valuation of the assets acquired and liabilities assumed and the completion of the purchase price allocation will occur by the third quarter of 2024.

(d) Strategic Relationship with Power Sustainable

On May 6, 2024, the Company announced that it had agreed to enter into a long-term strategic partnership with Power Sustainable Manager Inc. (Power Sustainable), a climate-focused investment manager and a subsidiary of Power Corporation. Under the transaction, the Company became a minority shareholder in Power Sustainable, with an ownership share of slightly below 20% on a fully diluted basis, and has agreed to invest in certain funds across Power Sustainable’s investment strategies in the future. Power Corporation remains the controlling shareholder of Power Sustainable. Power Sustainable is a related party, therefore the transaction was reviewed and approved by the Company’s Conduct Review Committee. The investment in Power Sustainable is not material to the Company.

4. Restructuring and Integration Expenses

(a) Canada Restructuring

The Company recorded a restructuring provision of nil and \$23 in Canada for the three and six months ended June 30, 2024, respectively (\$21 in the shareholder account and \$2 in the participating account for the six months ended June 30, 2024). 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 June 30, 2024, the Company has a provision of \$20 remaining in other liabilities related to this restructuring. The Company expects to utilize a significant portion of these amounts during 2024.

(b) Empower Restructuring and Integration

The Company recorded a restructuring provision of \$12 and \$29 in the United States for the three and six months ended June 30, 2024, respectively (\$5 for the three and six months ended June 30, 2023). The restructuring is primarily attributable to staff reductions and other exit costs related to the Company's acquisition of the retirement services businesses of Massachusetts Mutual Life Insurance Company and Prudential Financial, Inc. (Prudential). As at June 30, 2024, the Company has a provision of \$19 remaining in other liabilities related to this restructuring (\$7 at December 31, 2023). The Company expects to pay out a significant portion of these amounts during the year. The Company does not expect to incur further restructuring and integration expenses associated with the Prudential acquisition during the year.

The Company recorded integration expenses in the Consolidated Statements of Earnings of \$15 and \$43 for the three and six months ended June 30, 2024, respectively (\$23 and \$49 for the three and six months ended June 30, 2023, respectively).

5. Portfolio Investments

(a) Carrying Values and Estimated Fair Values of Portfolio Investments are as Follows:

	June 30, 2024		December 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Bonds				
Fair value through profit or loss (FVTPL) - designated	\$ 142,726	\$ 142,726	\$ 143,506	\$ 143,506
FVTPL - mandatory	1,589	1,589	1,795	1,795
Fair value through other comprehensive income (FVOCI)	12,034	12,034	11,750	11,750
	156,349	156,349	157,051	157,051
Mortgage loans				
FVTPL - designated	28,846	28,846	29,211	29,211
FVTPL - mandatory	4,430	4,430	4,203	4,203
FVOCI	578	578	578	578
Amortized cost	4,501	3,961	4,422	3,923
	38,355	37,815	38,414	37,915
Stocks				
FVTPL - mandatory	15,482	15,482	14,890	14,890
FVOCI - designated ¹	966	966	—	—
Equity method	972	917	843	777
	17,420	17,365	15,733	15,667
Investment properties				
	7,910	7,910	7,870	7,870
Total	\$ 220,034	\$ 219,439	\$ 219,068	\$ 218,503

¹ Represents Franklin Templeton common shares received on the sale of Putnam Investments.

(b) Net Investment Income Comprises the Following:

For the three months ended June 30, 2024

	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	\$ 1,764	\$ 374	\$ 167	\$ 127	\$ 90	\$ 2,522
Net realized losses on derecognition of FVOCI assets	(19)	—	—	—	—	(19)
Gains on derecognition of amortized cost assets	—	1	—	—	—	1
Net expected credit loss (ECL) recovery	—	2	—	—	—	2
Other income and expenses	—	—	—	(48)	(49)	(97)
	1,745	377	167	79	41	2,409
Changes in fair value on FVTPL assets:						
FVTPL - designated	(1,060)	187	—	—	191	(682)
FVTPL - mandatory	(5)	(75)	(80)	—	—	(160)
Recorded at fair value	—	—	—	(22)	—	(22)
	(1,065)	112	(80)	(22)	191	(864)
Total	\$ 680	\$ 489	\$ 87	\$ 57	\$ 232	\$ 1,545

For the three months ended June 30, 2023

	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	\$ 1,696	\$ 352	\$ 138	\$ 131	\$ 5	\$ 2,322
Net realized losses on derecognition of FVOCI assets	(178)	—	—	—	—	(178)
Gains on derecognition of amortized cost assets	—	8	—	—	—	8
Net ECL (charge) recovery	(1)	1	—	—	—	—
Other income and expenses	—	—	—	(53)	(38)	(91)
	1,517	361	138	78	(33)	2,061
Changes in fair value on FVTPL assets:						
FVTPL - designated	(2,337)	(392)	—	—	216	(2,513)
FVTPL - mandatory	—	(189)	106	—	—	(83)
Recorded at fair value	—	—	—	(72)	—	(72)
	(2,337)	(581)	106	(72)	216	(2,668)
Total	\$ (820)	\$ (220)	\$ 244	\$ 6	\$ 183	\$ (607)

For the six months ended June 30, 2024

	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	\$ 3,423	\$ 747	\$ 333	\$ 251	\$ 221	\$ 4,975
Net realized losses on derecognition of FVOCI assets	(38)	—	—	—	—	(38)
Gains on derecognition of amortized cost assets	—	1	—	—	—	1
Net ECL recovery	—	4	—	—	—	4
Other income and expenses	—	—	—	(94)	(99)	(193)
	3,385	752	333	157	122	4,749
Changes in fair value on FVTPL assets:						
FVTPL - designated	(2,634)	117	—	—	(114)	(2,631)
FVTPL - mandatory	(3)	(35)	508	—	—	470
Recorded at fair value	—	—	—	(88)	—	(88)
	(2,637)	82	508	(88)	(114)	(2,249)
Total	\$ 748	\$ 834	\$ 841	\$ 69	\$ 8	\$ 2,500

For the six months ended June 30, 2023	Bonds	Mortgage loans	Stocks	Investment properties	Other	Total
Net investment income:						
Investment income earned	\$ 3,276	\$ 697	\$ 244	\$ 251	\$ 81	\$ 4,549
Net realized losses on derecognition of FVOCI assets	(214)	—	—	—	—	(214)
Gains on derecognition of amortized cost assets	—	8	—	—	—	8
Net ECL (charge) recovery	(1)	2	—	—	—	1
Other income and expenses	—	—	—	(99)	(83)	(182)
	3,061	707	244	152	(2)	4,162
Changes in fair value on FVTPL assets:						
FVTPL - designated	512	(33)	—	—	341	820
FVTPL - mandatory	—	(100)	396	—	—	296
Recorded at fair value	—	—	—	(212)	—	(212)
	512	(133)	396	(212)	341	904
Total	\$ 3,573	\$ 574	\$ 640	\$ (60)	\$ 339	\$ 5,066

Investment income from bonds and mortgages includes interest income, and premium and discount amortization. Investment income from stocks includes dividends, distributions from private equity and equity income from the investment in IGM. Investment properties income includes rental income earned on investment properties, ground rent income earned on leased and sub-leased land, fee recoveries, lease cancellation income, and interest and other investment income earned on investment properties. Other investment income includes foreign exchange gains and losses, income earned from derivative financial instruments and other miscellaneous income.

6. Risk Management

The Company has policies relating to the identification, measurement, management, monitoring and reporting of risks associated with financial instruments and insurance contracts. The key risks related to financial instruments are credit risk, liquidity risk and market risk (currency, interest rate and equity). The Risk Committee of the Board of Directors is responsible for the oversight of the Company's key risks. The Company's approach to risk management has not substantially changed from that described in the Company's 2023 Annual Report. Certain risks have been outlined below. For a discussion of the Company's risk governance structure and risk management approach see the "Risk Management" note in the Company's December 31, 2023 consolidated annual audited financial statements.

The Company has also established policies and procedures designed to identify, measure and report all material risks. Management is responsible for establishing capital management procedures for implementing and monitoring the capital plan. The Board of Directors reviews and approves all capital transactions undertaken by management.

(a) Credit Risk

Credit risk is the risk of loss resulting from an obligor's potential inability or unwillingness to fully meet its contractual obligations.

(i) Concentration of Credit Risk

Concentrations of credit risk arise from exposures to a single obligor, a group of related obligors or groups of obligors that have similar credit risk characteristics and operate in the same geographic region or in similar industries. The characteristics are similar in that changes in economic or political environments may impact their ability to meet obligations as they come due. No significant changes have occurred from the year ended December 31, 2023.

(ii) Expected Credit Losses

The majority of the Company's financial assets are measured at FVTPL and therefore are not subject to the ECL model. The ECL model only applies to FVOCI and amortized cost fixed income investments. The ECL allowance was \$35 at June 30, 2024, of which \$4 was Stage 1, \$27 was Stage 2 and \$4 was Stage 3 (\$37 at December 31, 2023, of which \$4 was Stage 1, \$29 was Stage 2 and \$4 was Stage 3).

(iii) Credit Impact on Financial Assets Designated as FVTPL

The carrying value of the Company's portfolio investments designated as FVTPL 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.

A loss of \$40 related to significant credit events occurring on assets designated as FVTPL is included in the Consolidated Statements of Earnings for the three and six months ended June 30, 2024; consisting of a fair value loss of \$24 included in changes in fair value on FVTPL assets, and a loss of \$16 included in changes in investment contract liabilities.

Losses of \$13 and \$17 related to significant credit events occurring on assets designated as FVTPL are included in the Consolidated Statements of Earnings for the three and six months ended June 30, 2023, respectively; consisting of fair value losses included in changes in fair value on FVTPL assets.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet all cash outflow obligations as they come due. The following policies and procedures are in place to manage this risk:

- The Company closely manages operating liquidity through cash flow matching of assets and liabilities and forecasting earned and required yields, to ensure consistency between policyholder requirements and the yield of assets.
- Management closely monitors the solvency and capital positions of its principal subsidiaries opposite liquidity requirements at the holding company. Additional liquidity is available through established lines of credit or via capital market transactions. The Company maintains committed lines of credit with Canadian chartered banks.

(c) Market Risk

Market risk is the risk that the fair 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 which include three types: currency risk, interest rate (including related inflation) risk and equity risk.

Caution Related to Risk Sensitivities

These financial statements include estimates of sensitivities and risk exposure measures 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 Company's 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 Company's 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 Company cannot provide assurance that the actual impact on shareholders' net earnings will be as indicated.

(i) Currency Risk

Currency risk relates to the Company operating and holding financial instruments in different currencies. For the assets backing insurance and investment contract liabilities that are not matched by currency, changes in foreign exchange rates can expose the Company 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 in shareholders' net earnings.

The Company has net investments in foreign operations. The Company'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 accumulated 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 the Company's total equity. Correspondingly, the Company's book value per share and capital ratios monitored by rating agencies are also impacted.

(ii) Interest Rate Risk

Interest rate risk exists if asset and liability cash flows are not closely matched and interest rates change, causing a difference in the value of assets and the value of liabilities. The following policies and procedures are in place to mitigate the Company's exposure to interest rate risk:

- Interest rate risk is managed by investing in assets that are suitable for the products sold.
- The Company utilizes a formal process for managing the matching of assets and liabilities. This involves grouping general fund assets and liabilities into segments. Assets in each segment are 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 other 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 other non-fixed income assets.
- The risk 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 shareholders' 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 shareholders' net earnings under IFRS 17, *Insurance Contracts* (IFRS 17) and IFRS 9, *Financial Instruments* (IFRS 9).

The Company's asset liability management strategy uses public 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 under IFRS 9, such as mortgage assets in the United Kingdom which are carried at amortized cost and held in the general fund assets supporting liabilities, also contributes to interest rate exposure in shareholders' net earnings.

The impact to shareholders' 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:

Change in Market Yield Curves

	June 30, 2024		December 31, 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
Shareholders' net earnings	\$ 125	\$ (150)	\$ 175	\$ (225)
Shareholders' equity	100	(150)	150	(225)

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, 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 shareholders' net earnings of the Company does not take into account any future potential changes to the Company's ultimate investment rate (UIR) assumptions. As at both June 30, 2024 and December 31, 2023, the sensitivity of shareholders' net earnings of the Company to a 10 basis point increase or decrease in the UIR in all geographies would be an increase of \$25 or a decrease of \$25 post-tax, respectively.

The impact to shareholders' 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, with no change to the ultimate illiquidity premium:

Change in Credit Spreads

	June 30, 2024		December 31, 2023	
	Increase 50 basis points credit spreads	Decrease 50 basis points credit spreads	Increase 50 basis points interest rates	Decrease 50 basis points interest rates
Shareholders' net earnings	\$ 225	\$ (275)	\$ 300	\$ (375)
Shareholders' equity	275	(350)	350	(450)

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 IFRS 17

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.

(iii) Equity Risk

Equity risk is the uncertainty associated with the valuation of assets and liabilities arising from changes in equity markets and other pricing risk. To mitigate this risk, the Company has investment policy guidelines in place that provide for prudent investment in equity markets within clearly defined limits. 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 stocks and investments in other non-fixed income assets, primarily comprised of investment properties, real estate funds, private stocks, and equity release mortgages. Shareholders' net earnings will reflect changes in the values 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 the Company on segregated fund business that it does not hedge, as changes in the cost of guarantees are fully offset within the contractual service margin (CSM). For segregated fund business that the Company hedges, there is a limited earnings impact with respect to the change in liability versus the change in hedge assets.

On January 1, 2024, the Company 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. The Company will hold a majority of these shares for a minimum five-year period.

The following table provides information on the expected impacts of an immediate 10% or 20% increase or decrease in the value of publicly traded common stocks on the shareholders' net earnings and equity, rounded to the nearest \$25:

Change in Publicly Traded Common Stock Values

	June 30, 2024 ¹				December 31, 2023			
	20% increase	10% increase	10% decrease	20% decrease	20% increase	10% increase	10% decrease	20% decrease
Shareholders' net earnings	\$ 125	\$ 50	\$ (50)	\$ (125)	\$ 225	\$ 100	\$ (100)	\$ (225)
Shareholders' equity	575	275	(275)	(575)	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 June 30, 2024 values in the table above. The Franklin Templeton common shares are measured at FVOCI and therefore unrealized gains and losses do not impact shareholders' net earnings. The after-tax impact on shareholders' equity of the Franklin Templeton common shares is approximately \$75 for every 10% change in the common stock equity value.

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 the shareholders' net earnings and equity, rounded to the nearest \$25:

Change in Other Non-Fixed Income Asset Values

	June 30, 2024				December 31, 2023			
	10% increase	5% increase	5% decrease	10% decrease	10% increase	5% increase	5% decrease	10% decrease
Shareholders' net earnings	\$ 425	\$ 200	\$ (225)	\$ (450)	\$ 400	\$ 200	\$ (200)	\$ (425)
Shareholders' equity	450	225	(225)	(475)	450	225	(225)	(450)

7. Fair Value Measurement

The Company's assets and liabilities recorded at fair value have been categorized based upon the following fair value hierarchy:

Level 1: Fair value measurements utilize observable, quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Assets and liabilities utilizing Level 1 inputs include actively exchange-traded equity securities, exchange-traded futures, and mutual and segregated funds which have available prices in an active market with no redemption restrictions.

Level 2: Fair value measurements utilize inputs 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. The fair values for some Level 2 securities were obtained from a pricing service. The pricing service inputs include, but are not limited to, benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, offers and reference data. Level 2 assets and liabilities include those priced using a matrix which is based on credit quality and average life, government and agency securities, restricted stock, some private bonds and investment funds, most investment-grade and high-yield corporate bonds, most asset-backed securities, most over-the-counter derivatives, and mortgage loans. Investment contracts that are measured at FVTPL are mostly included in the Level 2 category.

Level 3: Fair value measurements 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, or external appraisers. Assets and liabilities utilizing Level 3 inputs generally include certain bonds, certain asset-backed securities, some private equities, investments in mutual and segregated funds where there are redemption restrictions, certain over-the-counter derivatives, investment properties and equity release mortgages.

The following presents the Company's assets and liabilities measured at fair value on a recurring basis by hierarchy level:

Assets measured at fair value	June 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 8,582	\$ —	\$ —	\$ 8,582	\$ 7,742	\$ —	\$ —	\$ 7,742
Financial assets at FVTPL								
Bonds	—	144,138	177	144,315	—	145,049	252	145,301
Mortgage loans	—	28,846	4,430	33,276	—	29,211	4,203	33,414
Stocks	10,595	307	4,580	15,482	10,863	218	3,809	14,890
Total financial assets at FVTPL	10,595	173,291	9,187	193,073	10,863	174,478	8,264	193,605
Financial assets at FVOCI								
Bonds	—	12,034	—	12,034	—	11,750	—	11,750
Mortgage loans	—	578	—	578	—	578	—	578
Stocks	966	—	—	966	—	—	—	—
Total financial assets at FVOCI	966	12,612	—	13,578	—	12,328	—	12,328
Investment properties	—	—	7,910	7,910	—	—	7,870	7,870
Derivatives ¹	2	1,909	—	1,911	1	2,218	—	2,219
Assets held for sale ²	—	—	—	—	614	1,006	907	2,527
Other assets:								
Trading account assets	239	3,444	—	3,683	242	2,796	—	3,038
Other ³	—	161	—	161	—	443	—	443
Total assets measured at fair value	\$ 20,384	\$ 191,417	\$ 17,097	\$ 228,898	\$ 19,462	\$ 193,269	\$ 17,041	\$ 229,772
Liabilities measured at fair value								
Derivatives ⁴	\$ 1	\$ 1,685	\$ —	\$ 1,686	\$ 5	\$ 1,283	\$ —	\$ 1,288
Investment contract liabilities	—	87,070	—	87,070	—	88,919	—	88,919
Other liabilities	—	161	—	161	—	443	—	443
Total liabilities measured at fair value	\$ 1	\$ 88,916	\$ —	\$ 88,917	\$ 5	\$ 90,645	\$ —	\$ 90,650

¹ Excludes collateral received from counterparties of \$964 at June 30, 2024 (\$1,346 at December 31, 2023).

² Assets held for sale measured at fair value includes cash of \$375, stocks of \$46 and trading account assets of \$2,106 as at December 31, 2023.

³ Includes collateral received under securities lending arrangements.

⁴ Excludes collateral pledged to counterparties of \$1,014 at June 30, 2024 (\$247 at December 31, 2023).

There were no transfers of the Company's assets and liabilities between Level 1 and Level 2 during the period ended June 30, 2024 and the year ended December 31, 2023.

The following presents additional information about assets and liabilities measured at fair value on a recurring basis and for which the Company has utilized Level 3 inputs to determine fair value:

For the six months ended June 30, 2024							
	FVTPL bonds	FVTPL mortgage loans	FVTPL stocks ⁴	Investment properties	Trading account assets	Assets held for sale	Total Level 3 assets
Balance, beginning of year	\$ 252	\$ 4,203	\$ 3,809	\$ 7,870	\$ —	\$ 907	\$ 17,041
Total gains (losses)							
Included in net earnings	—	71	154	(88)	—	—	137
Included in other comprehensive income ¹	—	60	39	95	—	—	194
Purchases	23	—	738	138	—	—	899
Sale of discontinued operations	—	—	—	—	—	(907)	(907)
Issues	—	195	—	—	—	—	195
Sales	(27)	—	(160)	(96)	—	—	(283)
Settlements	—	(99)	—	—	—	—	(99)
Transferred to owner occupied properties	—	—	—	(9)	—	—	(9)
Other	—	—	—	—	—	—	—
Transfers into Level 3 ³	—	—	—	—	—	—	—
Transfers out of Level 3 ³	(71)	—	—	—	—	—	(71)
Balance, end of period	\$ 177	\$ 4,430	\$ 4,580	\$ 7,910	\$ —	\$ —	\$ 17,097
Total gains (losses) for the period included in net investment result	\$ —	\$ 71	\$ 154	\$ (88)	\$ —	\$ —	\$ 137
Change in unrealized gains (losses) for the period included in earnings for assets held at June 30, 2024	\$ —	\$ 69	\$ 154	\$ (89)	\$ —	\$ —	\$ 134
For the year ended December 31, 2023							
	FVTPL bonds	FVTPL mortgage loans	FVTPL stocks ⁴	Investment properties	Trading account assets	Assets held for sale	Total Level 3 assets
Balance, beginning of year	\$ 195	\$ 3,371	\$ 3,029	\$ 8,344	\$ 940	\$ —	\$ 15,879
Total gains (losses)							
Included in net earnings	6	345	148	(507)	(12)	25	5
Included in other comprehensive income ¹	—	52	(12)	53	—	(14)	79
Purchases	68	—	948	191	23	12	1,242
Issues	—	569	—	—	—	—	569
Sales	(17)	—	(304)	(211)	—	(67)	(599)
Settlements	—	(134)	—	—	—	—	(134)
Other ²	—	—	—	—	(951)	951	—
Transfers into Level 3 ³	—	—	—	—	—	—	—
Transfers out of Level 3 ³	—	—	—	—	—	—	—
Balance, end of year	\$ 252	\$ 4,203	\$ 3,809	\$ 7,870	\$ —	\$ 907	\$ 17,041
Total gains (losses) for the year included in net investment result	\$ 6	\$ 345	\$ 148	\$ (507)	\$ (12)	\$ 25	\$ 5
Change in unrealized gains (losses) for the year included in earnings for assets held at December 31, 2023	\$ 6	\$ 334	\$ 148	\$ (499)	\$ —	\$ 25	\$ 14

¹ Amount of other comprehensive income for FVTPL bonds, mortgage loans and investment properties represents the unrealized gains (losses) on foreign exchange.

² Represents amounts reclassified to assets held for sale as a result of the agreement to sell Putnam Investments (note 3).

³ 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.

⁴ Includes investments in mutual and segregated funds where there are redemption restrictions. The fair value is based on observable, quoted prices.

The following sets out information about significant unobservable inputs used at period-end in measuring assets and liabilities categorized as Level 3 in the fair value hierarchy:

Type of asset	Valuation approach	Significant unobservable input	Input value	Inter-relationship 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 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 rates.	Discount rate Reversionary rate Vacancy rate	Range of 4.2% - 12.9% Range of 4.3% - 8.0% Weighted average of 4.6%	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 loans - equity release mortgages (FVTPL)	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 4.6% - 6.4%	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.
Stocks	The determination of the fair value of stocks 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.

8. Insurance Revenue

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Contracts not measured under the premium allocation approach (PAA)				
Amounts relating to changes in liabilities for remaining coverage				
Experience adjustments	\$ (22)	\$ (47)	\$ (31)	\$ (61)
CSM recognized for services provided	312	316	622	623
Change in risk adjustment for non-financial risk for risk expired	154	152	306	301
Expected incurred claims and other insurance service expenses	2,367	2,293	4,699	4,536
Recovery of insurance acquisition cash flows	145	138	288	276
	2,956	2,852	5,884	5,675
Contracts measured under the PAA	2,317	2,229	4,639	4,443
Total insurance revenue	\$ 5,273	\$ 5,081	\$ 10,523	\$ 10,118

9. Insurance Contracts and Reinsurance Contracts Held

(a) Insurance Contract (Assets) / Liabilities

		June 30, 2024				
		Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total	
Assets	\$ (6,684)	\$ 1,594	\$ 3,861	\$ (86)	\$ (1,315)	
Liabilities	116,851	5,129	10,209	13,093	145,282	
Liabilities on account of segregated fund policyholders	62,473	—	—	—	62,473	
	<u>\$ 172,640</u>	<u>\$ 6,723</u>	<u>\$ 14,070</u>	<u>\$ 13,007</u>	<u>\$ 206,440</u>	
		December 31, 2023				
		Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total	
Assets	\$ (6,560)	\$ 1,654	\$ 3,796	\$ (83)	\$ (1,193)	
Liabilities	115,794	5,372	9,952	13,270	144,388	
Liabilities on account of segregated fund policyholders	60,302	—	—	—	60,302	
	<u>\$ 169,536</u>	<u>\$ 7,026</u>	<u>\$ 13,748</u>	<u>\$ 13,187</u>	<u>\$ 203,497</u>	

(b) Reinsurance Contract Held Assets / (Liabilities)

		June 30, 2024				
		Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total	
Assets	\$ 15,919	\$ 704	\$ 427	\$ 130	\$ 17,180	
Liabilities	(2,271)	971	635	(66)	(731)	
	<u>\$ 13,648</u>	<u>\$ 1,675</u>	<u>\$ 1,062</u>	<u>\$ 64</u>	<u>\$ 16,449</u>	
		December 31, 2023				
		Not measured under the PAA				
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	PAA	Total	
Assets	\$ 16,181	\$ 866	\$ 163	\$ 122	\$ 17,332	
Liabilities	(2,419)	863	950	(42)	(648)	
	<u>\$ 13,762</u>	<u>\$ 1,729</u>	<u>\$ 1,113</u>	<u>\$ 80</u>	<u>\$ 16,684</u>	

(c) Discount Rates

The following table provides the lower and upper end of the range of the spot rates used by the Company to discount liability cash flows by major currency:

June 30, 2024		Year 1	Year 5	Year 10	Year 20	Year 30	Year 50
CAD	Lower	5.7 %	4.6 %	4.6 %	4.6 %	4.5 %	4.7 %
	Upper	6.2 %	5.2 %	5.3 %	5.3 %	5.2 %	5.1 %
USD	Lower	6.0 %	5.2 %	5.3 %	5.7 %	5.4 %	5.1 %
	Upper	6.4 %	5.7 %	5.7 %	6.1 %	5.9 %	5.3 %
EUR	Lower	3.5 %	2.8 %	2.9 %	3.1 %	3.4 %	4.4 %
	Upper	4.7 %	4.0 %	4.1 %	4.3 %	4.4 %	4.6 %
GBP	Lower	5.1 %	4.5 %	4.7 %	5.2 %	5.2 %	4.2 %
	Upper	6.1 %	5.4 %	5.6 %	6.2 %	6.1 %	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 table 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.

10. Segregated Funds and Other Structured Entities

The following presents further details of the investments, determined in accordance with the relevant statutory reporting requirements of each region of the Company's operations, on account of segregated fund policyholders:

(a) Investments on Account of Segregated Fund Policyholders

	June 30 2024	December 31 2023
Cash and cash equivalents	\$ 14,920	\$ 15,024
Bonds	73,061	72,111
Mortgage loans	2,048	2,022
Stocks and units in unit trusts	141,481	130,415
Mutual funds	205,791	188,549
Investment properties	11,646	12,071
	448,947	420,192
Accrued income	876	832
Other assets (liabilities)	1,465	(4,138)
Non-controlling mutual funds interest	8,943	6,070
Total ¹	\$ 460,231	\$ 422,956

¹ At June 30, 2024, \$64,444 of investments on account of segregated fund policyholders are reinsured by the Company on a modified coinsurance basis (\$64,097 at December 31, 2023). Included in this amount are \$130 of cash and cash equivalents, \$10,646 of bonds, \$18 of stocks and units in unit trusts, \$53,592 of mutual funds, \$86 of accrued income and \$(28) of other liabilities.

(b) Insurance and Investment Contracts on Account of Segregated Funds Policyholders

	For the six months ended June 30	
	2024	2023 ¹
Balance, beginning of year	\$ 422,956	\$ 387,882
Additions (deductions):		
Policyholder deposits	21,319	20,492
Net investment income	2,348	1,982
Net realized capital gains (losses) on investments	5,533	696
Net unrealized capital gains (losses) on investments	20,789	24,243
Unrealized gains (losses) due to changes in foreign exchange rates	7,276	(3,063)
Policyholder withdrawals	(22,855)	(20,509)
Change in segregated fund investment in general fund	(21)	39
Change in general fund investment in segregated fund	—	2
Net transfer from (to) general fund	13	40
Non-controlling mutual funds interest	2,873	(1,188)
Total	37,275	22,734
Balance, end of period	\$ 460,231	\$ 410,616

¹ The Company has reclassified certain comparative figures to conform to the current period's presentation.

(c) Investments on Account of Segregated Fund Policyholders by Fair Value Hierarchy Level

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Investments on account of segregated fund policyholders ¹	\$ 331,410	\$ 112,901	\$ 13,582	\$ 457,893

¹ Excludes other assets, net of other liabilities, of \$2,338.

	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.

For the six months ended June 30, 2024, certain foreign stock holdings valued at \$149 have been transferred from Level 2 to Level 1 (\$56 were transferred from Level 1 to Level 2 at December 31, 2023) primarily based on the Company's change in use of inputs in addition to quoted prices in active markets for certain foreign stock holdings. Level 2 assets include those 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 the Company does not have access to the underlying asset details within an investment fund.

The following presents additional information about the Company's investments on account of segregated fund policyholders for which the Company has utilized Level 3 inputs to determine fair value:

	June 30 2024	December 31 2023
	Balance, beginning of year	\$ 13,792
Total gains (losses) included in segregated fund investment income	(416)	(1,073)
Purchases	441	795
Sales	(315)	(445)
Transfers into Level 3	97	350
Transfers out of Level 3	(17)	(290)
Balance, end of period	\$ 13,582	\$ 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.

11. Share Capital

Common Shares

	For the six months ended June 30			
	2024		2023	
	Number	Carrying value	Number	Carrying value
Common shares				
Balance, beginning of year	932,427,987	\$ 6,000	931,853,110	\$ 5,791
Exercised and issued under stock option plan	868,866	31	1,953,151	71
Purchased and cancelled under normal course issuer bid	(1,157,085)	(48)	(2,519,200)	(94)
Excess of redemption proceeds over stated capital per normal course issuer bid	—	41	—	78
Balance, end of period	932,139,768	\$ 6,024	931,287,061	\$ 5,846

During the six months ended June 30, 2024, 868,866 common shares were exercised under the Company's stock plan with a carrying value of \$31, including \$2 from contributed surplus transferred upon exercise (1,953,151 with a carrying value of \$71, including \$8 from contributed surplus transferred upon exercise for the six months ended June 30, 2023).

On January 25, 2024, the Company announced the renewal of its normal course issuer bid (NCIB) commencing January 29, 2024 and terminating January 28, 2025 to purchase for cancellation up to but not more than 20,000,000 of its common shares at market prices.

During the six months ended June 30, 2024, the Company repurchased and subsequently cancelled 1,157,085 common shares under the current NCIB at a cost of \$48 (2,519,200 common shares at a cost of \$94 for the six months ended June 30, 2023, under the previous NCIB). The Company's share capital was reduced by the average carrying value of the shares repurchased for cancellation. The excess paid over the average carrying value was \$41 and was recognized as a reduction to accumulated surplus for the six months ended June 30, 2024 (\$78 for the six months ended June 30, 2023, under the previous NCIB).

12. Earnings Per Common Share

The following provides the reconciliation between basic and diluted earnings per common share:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Earnings				
Net earnings from continuing operations before preferred share dividends	\$ 1,038	\$ 602	\$ 2,101	\$ 1,248
Preferred share dividends	(33)	(33)	(65)	(65)
Net earnings from continuing operations	\$ 1,005	\$ 569	\$ 2,036	\$ 1,183
Net loss from discontinued operations	—	(71)	(115)	(90)
Net gain from disposal of discontinued operations	—	—	44	—
Net earnings - common shareholders	\$ 1,005	\$ 498	\$ 1,965	\$ 1,093
Number of common shares				
Average number of common shares outstanding	932,504,449	931,201,149	932,615,570	931,606,252
Add: Potential exercise of outstanding stock options	2,281,108	1,891,728	2,624,643	1,355,395
Average number of common shares outstanding - diluted basis	934,785,557	933,092,877	935,240,213	932,961,647
Basic earnings per common share	\$ 1.08	\$ 0.53	\$ 2.11	\$ 1.17
Diluted earnings per common share	\$ 1.08	\$ 0.53	\$ 2.10	\$ 1.17
Basic earnings per common share from continuing operations	\$ 1.08	\$ 0.61	\$ 2.18	\$ 1.27
Diluted earnings per common share from continuing operations	\$ 1.08	\$ 0.61	\$ 2.18	\$ 1.27
Dividends per common share	\$ 0.555	\$ 0.520	\$ 1.110	\$ 1.040

13. Capital Management

(a) Policies and Objectives

Managing capital is the continual process of establishing and maintaining the quantity and quality of capital appropriate for the Company and ensuring capital is deployed in a manner consistent with the expectations of the Company’s stakeholders. For these purposes, the Board considers the key stakeholders to be the Company’s shareholders, policyholders and holders of subordinated liabilities in addition to the relevant regulators in the various jurisdictions where the Company and its subsidiaries operate.

The Company manages its capital on both a consolidated basis as well as at the individual operating subsidiary level. The primary objectives of the Company’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 the Company ensuring stable access to capital markets; and
- To provide an efficient capital structure to maximize shareholders' value in the context of the Company’s operational risks and strategic plans.

The target level of capitalization for the Company 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 the Company, and the desire to hold sufficient capital to be able to honour all policyholder and other obligations of the Company with a high degree of confidence.

The Company has established policies and procedures designed to identify, measure and report all material risks. Management is responsible for establishing capital management procedures for implementing and monitoring the capital plan.

The capital planning process is the responsibility of the Company’s Chief Financial Officer. The capital plan is approved by the Company’s Board of Directors on an annual basis. The Board of Directors reviews and approves all material capital transactions undertaken by management.

(b) Regulatory Capital

In Canada, The Office of the Superintendent of Financial Institutions (OSFI) has established a regulatory capital adequacy measurement for life insurance companies incorporated under the Insurance Companies Act (Canada) and their subsidiaries.

The Life Insurance Capital Adequacy Test (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.

The following provides a summary of the LICAT information and ratio for Canada Life:

	June 30 2024	December 31 2023
Tier 1 Capital	\$ 19,478	\$ 18,285
Tier 2 Capital	5,168	5,223
Total Available Capital	24,646	23,508
Surplus Allowance and Eligible Deposits	5,166	5,406
Total Capital Resources	\$ 29,812	\$ 28,914
Required Capital	\$ 22,852	\$ 22,525
Total LICAT Ratio (OSFI Supervisory Target = 100%) ¹	130 %	128 %

¹ Total Ratio (%) = (Total Capital Resources / Required Capital)

Other foreign operations and foreign subsidiaries of the Company are required to comply with local capital or solvency requirements in their respective jurisdictions.

14. Income Taxes

(a) Income Tax Expense

Income tax recognized in Consolidated Statements of Earnings:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Current income taxes	\$ 225	\$ 163	\$ 422	\$ 337
Deferred income taxes	4	(107)	(24)	(251)
Total income tax expense	\$ 229	\$ 56	\$ 398	\$ 86

(b) Effective Income Tax Rate

The effective income tax rates are generally lower than the Company's statutory income tax rate of 28.0% due to benefits related to non-taxable investment income and lower income tax in certain foreign jurisdictions.

Under International Pillar Two tax reform, the Organization for Economic Co-Operation and Development (OECD) introduced a 15% global minimum tax (GMT) regime that has been adopted by all significant countries in which the Company operates, other than the U.S. Canada enacted GMT legislation on June 20, 2024 which applies retroactively to January 1, 2024. Other countries where the Company has significant operations, including Barbados, Germany, Ireland and the U.K. had previously enacted GMT legislation, also effective January 1, 2024.

The GMT is complex in nature and applies to Lifeco as part of a larger related group of companies. The Company currently expects GMT in Barbados, Ireland and Isle of Man, jurisdictions where the statutory tax rate is below 15%. In the second quarter of 2024, the Company recognized a GMT current tax expense of \$62, primarily related to its operations in Barbados and Ireland. This included \$34, for the retroactive application for the first quarter of 2024 as a result of Canada's enactment of legislation in the quarter, primarily in respect of Barbados where the GMT was contingent upon Canada's enactment.

The Company has applied the mandatory temporary exception in IAS 12, *Income Taxes* from recognizing and disclosing deferred tax assets and liabilities related to the GMT.

The overall effective income tax rate for the three months ended June 30, 2024 was 17.4% compared to 8.2% for the three months ended June 30, 2023. The effective income tax rate for the three months ended June 30, 2024 was higher than the effective income tax rate for the three months ended June 30, 2023 primarily due to the GMT, as well as the jurisdictional mix of earnings. The GMT increased the effective income tax rate by 4.7%, which included the amount discussed above pertaining to the first quarter of 2024 of 2.6%.

The overall effective income tax rate for the six months ended June 30, 2024 was 15.5% compared to 6.4% for the six months ended June 30, 2023. The effective income tax rate for the six months ended June 30, 2024 was higher than the effective income tax rate for the six months ended June 30, 2023 primarily due to the jurisdictional mix of earnings and the GMT. The GMT increased the effective income tax rate by 2.6%.

The effective income tax rate for the shareholder account for the three months ended June 30, 2024 was 19.4% compared to 12.0% for the three months ended June 30, 2023.

The effective income tax rate for the shareholder account for the six months ended June 30, 2024 was 17.3% compared to 9.2% for the six months ended June 30, 2023.

15. Segmented Information

(a) Consolidated Net Earnings

For the three months ended June 30, 2024

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue ¹	\$ 2,377	\$ 59	\$ 1,618	\$ 1,219	\$ —	\$ 5,273
Net investment income ²	900	985	404	107	13	2,409
Changes in fair value on FVTPL assets ²	35	(96)	(630)	(180)	7	(864)
	3,312	948	1,392	1,146	20	6,818
Fee and other income ³	474	1,099	217	4	—	1,794
	3,786	2,047	1,609	1,150	20	8,612
Other insurance results						
Insurance service expenses	(1,598)	(48)	(1,387)	(1,024)	—	(4,057)
Net income (expenses) from reinsurance contracts	(358)	(8)	(17)	(2)	—	(385)
	(1,956)	(56)	(1,404)	(1,026)	—	(4,442)
Other investment results						
Net finance income (expenses) from insurance contracts	(751)	(5)	441	106	—	(209)
Net finance income (expenses) from reinsurance contracts	4	(21)	(98)	1	—	(114)
Changes in investment contract liabilities	(41)	(534)	—	2	—	(573)
	(788)	(560)	343	109	—	(896)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	427	—	19	—	—	446
Net finance income (expenses) from insurance contracts	(427)	—	(19)	—	—	(446)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(517)	(943)	(250)	(11)	(8)	(1,729)
Amortization of finite life intangible assets	(31)	(57)	(14)	(1)	—	(103)
Financing costs	(34)	(56)	(10)	(1)	—	(101)
Restructuring and integration expenses	—	(27)	—	—	—	(27)
Earnings before income taxes	460	348	274	220	12	1,314
Income taxes	73	76	56	58	(34)	229
Net earnings from continuing operations before non-controlling interests	387	272	218	162	46	1,085
Attributable to non-controlling interests	47	—	—	—	—	47
Net earnings from continuing operations before preferred share dividends	340	272	218	162	46	1,038
Preferred share dividends	28	—	5	—	—	33
Net earnings from continuing operations before capital allocation	312	272	213	162	46	1,005
Impact of capital allocation	23	2	(12)	(7)	(6)	—
Net earnings from continuing operations	335	274	201	155	40	1,005
Net loss from discontinued operations	—	—	—	—	—	—
Net gain from disposal of discontinued operations	—	—	—	—	—	—
Net earnings - common shareholders	\$ 335	\$ 274	\$ 201	\$ 155	\$ 40	\$ 1,005

¹ Included within insurance service result in the Consolidated Statements of Earnings.

² Included within net investment result in the Consolidated Statements of Earnings.

³ Included within other income and expenses in the Consolidated Statements of Earnings.

Condensed Notes to the Consolidated Interim Financial Statements (*unaudited*)

For the three months ended June 30, 2023

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue ¹	\$ 2,339	\$ 56	\$ 1,492	\$ 1,194	\$ —	\$ 5,081
Net investment income ²	750	952	194	157	8	2,061
Changes in fair value on FVTPL assets ²	(447)	(972)	(1,171)	(79)	1	(2,668)
	2,642	36	515	1,272	9	4,474
Fee and other income ³	341	921	200	4	—	1,466
	2,983	957	715	1,276	9	5,940
Other insurance results						
Insurance service expenses	(1,649)	(43)	(1,286)	(985)	—	(3,963)
Net income (expenses) from reinsurance contracts	(336)	2	(74)	(7)	—	(415)
	(1,985)	(41)	(1,360)	(992)	—	(4,378)
Other investment results						
Net finance income (expenses) from insurance contracts	(397)	45	1,056	(73)	—	631
Net finance income (expenses) from reinsurance contracts	4	(2)	(8)	—	—	(6)
Changes in investment contract liabilities	(13)	293	(1)	7	—	286
	(406)	336	1,047	(66)	—	911
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	545	—	369	—	—	914
Net finance income (expenses) from insurance contracts	(545)	—	(369)	—	—	(914)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(352)	(936)	(255)	(14)	(14)	(1,571)
Amortization of finite life intangible assets	(26)	(52)	(18)	—	(1)	(97)
Financing costs	(34)	(59)	(11)	—	—	(104)
Restructuring and integration expenses	—	(28)	9	—	—	(19)
Earnings (loss) before income taxes	180	177	127	204	(6)	682
Income taxes	4	17	8	28	(1)	56
Net earnings (loss) from continuing operations before non-controlling interests	176	160	119	176	(5)	626
Attributable to non-controlling interests	23	1	—	—	—	24
Net earnings (loss) from continuing operations before preferred share dividends	153	159	119	176	(5)	602
Preferred share dividends	28	—	5	—	—	33
Net earnings (loss) from continuing operations before capital allocation	125	159	114	176	(5)	569
Impact of capital allocation	23	2	(12)	(7)	(6)	—
Net earnings (loss) from continuing operations	148	161	102	169	(11)	569
Net loss from discontinued operations	—	(71)	—	—	—	(71)
Net earnings (loss) - common shareholders	\$ 148	\$ 90	\$ 102	\$ 169	\$ (11)	\$ 498

¹ Included within insurance service result in the Consolidated Statements of Earnings.

² Included within net investment result in the Consolidated Statements of Earnings.

³ Included within other income and expenses in the Consolidated Statements of Earnings.

Condensed Notes to the Consolidated Interim Financial Statements (*unaudited*)

For the six months ended June 30, 2024

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue ¹	\$ 4,783	\$ 118	\$ 3,203	\$ 2,419	\$ —	\$ 10,523
Net investment income ²	1,775	2,003	749	207	15	4,749
Changes in fair value on FVTPL assets ²	(496)	(570)	(923)	(273)	13	(2,249)
	6,062	1,551	3,029	2,353	28	13,023
Fee and other income ³	934	2,100	425	7	—	3,466
	6,996	3,651	3,454	2,360	28	16,489
Other insurance results						
Insurance service expenses	(3,273)	(97)	(2,748)	(2,006)	—	(8,124)
Net income (expenses) from reinsurance contracts	(697)	(16)	(48)	(10)	—	(771)
	(3,970)	(113)	(2,796)	(2,016)	—	(8,895)
Other investment results						
Net finance income (expenses) from insurance contracts	(875)	(5)	524	174	—	(182)
Net finance income (expenses) from reinsurance contracts	(11)	(21)	(133)	—	—	(165)
Changes in investment contract liabilities	(61)	(692)	1	8	—	(744)
	(947)	(718)	392	182	—	(1,091)
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	2,299	—	620	—	—	2,919
Net finance income (expenses) from insurance contracts	(2,299)	—	(620)	—	—	(2,919)
	—	—	—	—	—	—
Other income and expenses						
Operating and administrative expenses	(995)	(1,918)	(488)	(21)	(10)	(3,432)
Amortization of finite life intangible assets	(59)	(113)	(29)	(1)	(1)	(203)
Financing costs	(68)	(111)	(20)	(2)	—	(201)
Restructuring and integration expenses	(23)	(72)	—	—	—	(95)
Earnings before income taxes	934	606	513	502	17	2,572
Income taxes	163	103	92	73	(33)	398
Net earnings from continuing operations before non-controlling interests	771	503	421	429	50	2,174
Attributable to non-controlling interests	73	—	—	—	—	73
Net earnings from continuing operations before preferred share dividends	698	503	421	429	50	2,101
Preferred share dividends	56	—	9	—	—	65
Net earnings from continuing operations before capital allocation	642	503	412	429	50	2,036
Impact of capital allocation	46	4	(24)	(14)	(12)	—
Net earnings from continuing operations	688	507	388	415	38	2,036
Net loss from discontinued operations	—	(115)	—	—	—	(115)
Net gain from disposal of discontinued operations	—	44	—	—	—	44
Net earnings - common shareholders	\$ 688	\$ 436	\$ 388	\$ 415	\$ 38	\$ 1,965

¹ Included within insurance service result in the Consolidated Statements of Earnings.

² Included within net investment result in the Consolidated Statements of Earnings.

³ Included within other income and expenses in the Consolidated Statements of Earnings.

Condensed Notes to the Consolidated Interim Financial Statements (*unaudited*)

For the six months ended June 30, 2023

	Canada	United States	Europe	Capital and Risk Solutions	Lifeco Corporate	Total
Segment revenue						
Insurance revenue ¹	\$ 4,696	\$ 117	\$ 2,964	\$ 2,341	\$ —	\$ 10,118
Net investment income ²	1,507	1,948	487	209	11	4,162
Changes in fair value on FVTPL assets ²	1,104	403	(702)	104	(5)	904
	<u>7,307</u>	<u>2,468</u>	<u>2,749</u>	<u>2,654</u>	<u>6</u>	<u>15,184</u>
Fee and other income ³	666	1,808	386	6	—	2,866
	<u>7,973</u>	<u>4,276</u>	<u>3,135</u>	<u>2,660</u>	<u>6</u>	<u>18,050</u>
Other insurance results						
Insurance service expenses	(3,331)	(89)	(2,567)	(1,971)	—	(7,958)
Net income (expenses) from reinsurance contracts	(670)	4	(83)	(8)	—	(757)
	<u>(4,001)</u>	<u>(85)</u>	<u>(2,650)</u>	<u>(1,979)</u>	<u>—</u>	<u>(8,715)</u>
Other investment results						
Net finance income (expenses) from insurance contracts	(2,711)	(143)	164	(249)	—	(2,939)
Net finance income (expenses) from reinsurance contracts	21	(4)	65	5	—	87
Changes in investment contract liabilities	(47)	(1,532)	(2)	(15)	—	(1,596)
	<u>(2,737)</u>	<u>(1,679)</u>	<u>227</u>	<u>(259)</u>	<u>—</u>	<u>(4,448)</u>
Net investment result - insurance contracts on account of segregated fund policyholders						
Net investment income (loss)	1,817	—	818	—	—	2,635
Net finance income (expenses) from insurance contracts	(1,817)	—	(818)	—	—	(2,635)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other income and expenses						
Operating and administrative expenses	(687)	(1,879)	(488)	(26)	(20)	(3,100)
Amortization of finite life intangible assets	(51)	(100)	(34)	(1)	(1)	(187)
Financing costs	(68)	(124)	(25)	(1)	(1)	(219)
Restructuring and integration expenses	—	(54)	9	—	—	(45)
	<u>429</u>	<u>355</u>	<u>174</u>	<u>394</u>	<u>(16)</u>	<u>1,336</u>
Earnings (loss) before income taxes	429	355	174	394	(16)	1,336
Income taxes	37	27	(1)	27	(4)	86
	<u>392</u>	<u>328</u>	<u>175</u>	<u>367</u>	<u>(12)</u>	<u>1,250</u>
Net earnings (loss) from continuing operations before non-controlling interests	392	328	175	367	(12)	1,250
Attributable to non-controlling interests	1	1	—	—	—	2
	<u>391</u>	<u>327</u>	<u>175</u>	<u>367</u>	<u>(12)</u>	<u>1,248</u>
Net earnings (loss) from continuing operations before preferred share dividends	391	327	175	367	(12)	1,248
Preferred share dividends	56	—	9	—	—	65
	<u>335</u>	<u>327</u>	<u>166</u>	<u>367</u>	<u>(12)</u>	<u>1,183</u>
Net earnings (loss) from continuing operations before capital allocation	335	327	166	367	(12)	1,183
Impact of capital allocation	46	4	(24)	(14)	(12)	—
	<u>381</u>	<u>331</u>	<u>142</u>	<u>353</u>	<u>(24)</u>	<u>1,183</u>
Net earnings (loss) from continuing operations	381	331	142	353	(24)	1,183
Net loss from discontinued operations	—	(90)	—	—	—	(90)
	<u>\$ 381</u>	<u>\$ 241</u>	<u>\$ 142</u>	<u>\$ 353</u>	<u>\$ (24)</u>	<u>\$ 1,093</u>
Net earnings (loss) - common shareholders	\$ 381	\$ 241	\$ 142	\$ 353	\$ (24)	\$ 1,093

¹ Included within insurance service result in the Consolidated Statements of Earnings.

² Included within net investment result in the Consolidated Statements of Earnings.

³ Included within other income and expenses in the Consolidated Statements of Earnings.

The Revenue by Source Currency for Capital and Risk Solutions

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Revenue				
United States	\$ 268	\$ 311	\$ 602	\$ 705
United Kingdom	476	447	907	938
Japan	(85)	9	(79)	167
Other	491	509	930	850
Total revenue	\$ 1,150	\$ 1,276	\$ 2,360	\$ 2,660

Negative income in the table above is primarily due to unrealized fair value losses through profit or loss on bonds.

(b) Consolidated Total Assets and Liabilities

	June 30, 2024				
	Canada	United States	Europe	Capital and Risk Solutions	Total
Assets					
Invested assets	\$ 91,309	\$ 86,053	\$ 42,588	\$ 8,666	\$ 228,616
Insurance contract assets	452	321	352	190	1,315
Reinsurance contract held assets	1,131	12,318	3,602	129	17,180
Goodwill and intangible assets	6,565	6,292	3,052	—	15,909
Other assets	5,577	16,991	3,705	38	26,311
Investments on account of segregated fund policyholders	107,067	197,875	155,289	—	460,231
Total	\$ 212,101	\$ 319,850	\$ 208,588	\$ 9,023	\$ 749,562
Liabilities					
Insurance contract liabilities	\$ 82,017	\$ 18,135	\$ 40,136	\$ 4,994	\$ 145,282
Investment contract liabilities	3,824	82,240	345	661	87,070
Reinsurance contract held liabilities	205	155	343	28	731
Other liabilities	8,527	12,846	3,132	873	25,378
Insurance contracts on account of segregated fund policyholders	33,884	13,514	15,075	—	62,473
Investment contracts on account of segregated fund policyholders	73,183	184,361	140,214	—	397,758
Total	\$ 201,640	\$ 311,251	\$ 199,245	\$ 6,556	\$ 718,692

Condensed Notes to the Consolidated Interim Financial Statements (*unaudited*)

December 31, 2023					
	Canada	United States	Europe	Capital and Risk Solutions	Total
Assets					
Invested assets	\$ 89,382	\$ 86,715	\$ 41,981	\$ 8,732	\$ 226,810
Insurance contract assets	400	291	331	171	1,193
Reinsurance contract held assets	1,243	12,243	3,713	133	17,332
Assets held for sale	—	4,467	—	—	4,467
Goodwill and intangible assets	6,545	6,151	3,037	—	15,733
Other assets	4,964	16,192	3,531	52	24,739
Investments on account of segregated fund policyholders	101,250	179,770	141,936	—	422,956
Total	\$ 203,784	\$ 305,829	\$ 194,529	\$ 9,088	\$ 713,230
Liabilities					
Insurance contract liabilities	\$ 81,455	\$ 18,079	\$ 39,390	\$ 5,464	\$ 144,388
Investment contract liabilities	3,931	83,966	341	681	88,919
Reinsurance contract held liabilities	208	163	250	27	648
Liabilities held for sale	—	2,407	—	—	2,407
Other liabilities	7,153	12,804	3,408	696	24,061
Insurance contracts on account of segregated fund policyholders	32,997	12,892	14,413	—	60,302
Investment contracts on account of segregated fund policyholders	68,253	166,878	127,523	—	362,654
Total	\$ 193,997	\$ 297,189	\$ 185,325	\$ 6,868	\$ 683,379

The Assets by Source Currency for Capital and Risk Solutions

	June 30 2024	December 31 2023
Assets		
United States	\$ 4,568	\$ 4,334
United Kingdom	1,406	1,350
Japan	2,795	3,047
Other	254	357
Total assets	\$ 9,023	\$ 9,088

(c) CSM

For the six months ended June 30, 2024								
Non-Participating (excluding Segregated Funds)								
	Canada	United States	Europe	Capital and Risk Solutions	Total	Segregated Funds	Par	Total ¹
CSM, beginning of year	\$ 1,159	\$ 24	\$ 3,255	\$ 1,745	\$ 6,183	\$ 3,298	\$ 3,154	\$ 12,635
CSM recognized for services provided	(67)	(2)	(135)	(76)	(280)	(202)	(77)	(559)
Contracts initially recognized in the year	20	—	171	18	209	87	56	352
Changes in estimates that adjust the CSM	(5)	—	(49)	(27)	(81)	143	354	416
Net finance (income) expenses from insurance contracts	17	—	37	20	74	(8)	—	66
Effect of movement in exchange rates	—	1	58	22	81	9	8	98
CSM, end of period	\$ 1,124	\$ 23	\$ 3,337	\$ 1,702	\$ 6,186	\$ 3,327	\$ 3,495	\$ 13,008

¹ The amounts in the table above are presented net of reinsurance.

For the year ended December 31, 2023

	Non-Participating (excluding Segregated Funds)							
	Canada	United States	Europe	Capital and Risk Solutions	Total	Segregated Funds	Par	Total ¹
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 The amounts in the table above are presented net of reinsurance.

IGM Financial Inc.

PART C

Management's Discussion and Analysis

PAGE C 2

Financial Statements and Notes

PAGE C 69

Please note that the bottom of each page in Part C contains two different page numbers. A page number with the prefix "C" refers to the number of such page in this document and the page number without any prefix refers to the number of such page in the original document issued by IGM Financial Inc.

The attached documents concerning IGM Financial Inc. are documents prepared and publicly disclosed by such subsidiary, and are available under such subsidiary's profile on SEDAR+, at www.sedarplus.ca. Certain statements in the attached documents, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the current expectations of the subsidiary as set forth therein. Forward-looking statements are provided for the purposes of assisting the reader in understanding the subsidiary's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about the subsidiary's 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.

By its nature, forward-looking 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.

For further information provided by the subsidiary as to the material factors that could cause actual results to differ materially from the content of forward-looking statements, the material factors and assumptions that were applied in making the forward-looking statements, and the subsidiary's policy for updating the content of forward-looking statements, please see the attached documents, including the section entitled Forward-Looking Statements. The reader is cautioned to consider these factors and assumptions carefully and not to put undue reliance on forward-looking statements.

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) presents management's view of the results of operations and financial condition of IGM Financial Inc. (IGM Financial or the Company) as at and for the three and six months ended June 30, 2024 and should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements (Interim Financial Statements) as well as the 2023 IGM Financial Inc. Annual Report and the 2024 IGM Financial Inc. First Quarter Report to Shareholders filed on www.sedarplus.ca. Commentary in the MD&A as at and for the three and six months ended June 30, 2024 is as of August 7, 2024.

Basis of Presentation and Summary of Accounting Policies

The Interim Financial Statements of IGM Financial, which are the basis of the information presented in the Company's MD&A, have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (IFRS) and are presented in Canadian dollars (Note 2 of the Interim Financial Statements).

Forward-looking Statements

Certain statements in this report, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial Inc.'s (IGM Financial, IGM or the Company) and, where applicable, its subsidiaries' and strategic investments', current expectations. Forward-looking statements are provided to assist the reader in understanding the Company's, and its subsidiaries and strategic investments, financial position and results of operations 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. Readers are 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 Company, and its subsidiaries and strategic investments, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. 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".

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

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 material factors, many of which are beyond the Company's and its subsidiaries' and strategic investments' control, affect the operations,

performance and results of the Company and its subsidiaries and strategic investments, 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, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), the Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company's and its subsidiaries' and strategic investments' success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.

Other than as specifically required by applicable Canadian law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are 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 Company's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including this Management's Discussion and Analysis and its most recent Annual Information Form, filed with the securities regulatory authorities in Canada, available at www.sedarplus.ca.

Non-IFRS Financial Measures and Other Financial Measures

This report contains Non-IFRS financial measures and non-IFRS ratios that do not have standard meanings prescribed by IFRS and may not be directly comparable to similar measures used by other companies. These measures and ratios are used to provide management, investors and investment analysts with additional measures to assess earnings performance.

Non-IFRS financial measures include, but are not limited to, “adjusted net earnings available to common shareholders”, “adjusted net earnings”, “adjusted earnings before income taxes”, “adjusted earnings before interest and taxes” (Adjusted EBIT), “earnings before interest, taxes, depreciation and amortization before sales commissions” (EBITDA before sales commissions), and “earnings before interest, taxes, depreciation and amortization after sales commissions” (EBITDA after sales commissions). These measures exclude other items which are items of a non-recurring nature, or that could make the period-over-period comparison of results from operations less meaningful. Effective in the first quarter of 2024, these measures also exclude the Company's proportionate share of items that Great-West Lifeco Inc. (Lifeco) excludes from its IFRS reported net earnings in arriving at Lifeco's base earnings. Base earnings is an alternate measure Lifeco uses to understand the underlying business performance compared to IFRS net earnings. Lifeco's financial information can be obtained in its disclosure materials filed on www.sedarplus.ca. Comparative periods have been restated to reflect this change. EBITDA before sales commissions excludes all sales commissions. EBITDA after sales commissions includes all sales commissions and highlights aggregate cash flows.

Non-IFRS ratios include the following:

Ratio	Numerator	Denominator
Adjusted earnings per share (Adjusted EPS)	Adjusted net earnings available to common shareholders	Average number of outstanding common shares on a diluted basis
Return (Adjusted return) on equity (ROE, Adjusted ROE)	Net earnings (Adjusted net earnings) available to common shareholders	Average shareholders' equity excluding non-controlling interest
ROE (Adjusted ROE) excluding the impact of fair value through other comprehensive income investments	Net earnings (Adjusted net earnings) available to common shareholders	Average shareholders' equity excluding non-controlling interest and the impact of fair value through other comprehensive income investments net of tax

Refer to the appropriate reconciliations of non-IFRS financial measures, including as components of non-IFRS ratios, to reported results in accordance with IFRS in Tables 1 to 4.

This report also contains other financial measures which include:

- **Assets Under Management and Advice (AUM&A)** represents the consolidated AUM and AUA of IGM Financial's core businesses IG Wealth Management and Mackenzie Investments. In the Wealth Management segment, AUM is a component part of AUA. All instances where the asset management segment is providing investment management services or distributing its products through the Wealth Management segment are eliminated in our reporting such that there is no double-counting of the same client savings held at IGM Financial's core businesses. AUM&A excludes Investment Planning Counsel's (IPC's) AUM, AUA, sales, redemptions and net flows which have been disclosed as discontinued operations.
- **Assets Under Advice (AUA)** are the key driver of the Wealth Management segment. AUA are savings and investment products held within client accounts of our Wealth Management segment core business.
- **Assets Under Management (AUM)** are the key driver of the Asset Management segment. AUM are an additional driver of revenues and expenses within the Wealth Management segment in relation to its investment management activities. AUM are client assets where we provide investment management services, and include investment funds where we are the fund manager, investment advisory mandates to institutions, and other client accounts where we have discretionary portfolio management responsibilities.
- **Assets Under Management and Advice Including Strategic Investments (AUM&A Including SI)** represents AUM&A including the Company's proportionate share of the AUM&A of strategic investments based on the Company'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 ChinaAMC, Northleaf, Rockefeller and Wealthsimple. Rockefeller client assets include assets under management and advice as well as assets held for investment purposes and only receiving administrative services.
- **Working Capital** which consists of current assets less current liabilities excluding assets and liabilities not reflective of ongoing operations.

IGM Financial Inc.

Summary of Consolidated Operating Results

IGM Financial Inc. (TSX:IGM) is a leading wealth and asset management company supporting advisors and the clients they serve in Canada, and institutional investors throughout North America, Europe and Asia. The Company operates through a number of operating subsidiaries and also holds a number of strategic investments that provide benefits to these subsidiaries while furthering the Company's growth prospects. The Company's wealth management segment consists of IG Wealth Management (IG), and strategic investments in Rockefeller Capital Management (Rockefeller) and Wealthsimple Financial Corp. (Wealthsimple). The asset management segment consists of Mackenzie Investments (Mackenzie) and strategic investments in China Asset Management Co., Ltd. (ChinaAMC) and Northleaf Capital Group Ltd. (Northleaf). The Company also holds an investment in Great-West Lifeco Inc. (Lifeco).

IGM Financial's Assets Under Management and Advisement Including Strategic Investments (AUM&A Including SI) were \$431.7 billion as at June 30, 2024 compared to \$376.1 billion at June 30, 2023 and \$390.6 billion at December 31, 2023, as detailed in Tables 6 and 7.

IGM Financial's Assets Under Management and Advisement (AUM&A) were \$252.4 billion as at June 30, 2024, compared to \$234.7 billion at June 30, 2023 and \$240.2 billion at December 31, 2023, as detailed in Tables 6 and 7. Average total AUM&A for the second quarter of 2024 were \$250.9 billion compared to \$233.6 billion in the second quarter of 2023. Average total AUM&A for the six months ended June 30, 2024 were \$247.8 billion compared to \$232.5 billion for the six months ended June 30, 2023.

Net earnings available to common shareholders for the three months ended June 30, 2024 were \$216.2 million or \$0.91 per share compared to net earnings available to common shareholders of \$138.2 million or \$0.58 per share for the comparative period in 2023, representing an increase of 56.9% in earnings per share. Net earnings available to common shareholders for the three months ended March 31, 2024 were \$223.4 million or \$0.94 per share. Net earnings available to common shareholders for the six months ended June 30, 2024 were \$439.6 million or \$1.85 per share compared to net earnings available to common shareholders of \$519.5 million or \$2.18 per share for the comparative period in 2023, representing a decrease of 15.1% in earnings per share.

Adjusted net earnings available to common shareholders (a non-IFRS measure – see Non-IFRS Financial Measures and

Other Financial Measures and Table 1), excluding other items outlined below, for the three months ended June 30, 2024 were \$220.4 million or \$0.93 per share compared to adjusted net earnings available to common shareholders of \$211.4 million or \$0.89 per share in 2023, representing an increase of 4.5% in earnings per share. Adjusted net earnings available to common shareholders in the current quarter represented a decrease of 1.1% from \$224.5 million or \$0.94 per share for the three months ended March 31, 2024. Adjusted net earnings available to common shareholders, excluding other items outlined below, for the six months ended June 30, 2024 were \$444.9 million or \$1.87 per share compared to adjusted net earnings available to common shareholders of \$417.7 million or \$1.75 per share in 2023.

Other items for the six months ended June 30, 2024 consisted of:

- The Company's proportionate share of items Lifeco excludes from its base earnings (Lifeco other items) of (\$2.0) million, including (\$0.9) million recorded in the second quarter. Effective in the first quarter of 2024, IGM began to exclude the Company's proportionate share of items that Lifeco excludes from its IFRS reported net earnings in arriving at Lifeco's base earnings. Base earnings is an alternate measure Lifeco uses to understand the underlying business performance compared to IFRS net earnings. Lifeco's financial information can be obtained in its disclosure materials filed on www.sedarplus.ca. Comparative periods have been restated to reflect this change.

Lifeco other items may include market related impacts; assumption changes and management actions; business transformation impacts; realized gains and losses on assets measured at Fair Value Through Other Comprehensive Income; equity and interest impacts on the measurement of surplus assets and liabilities; amortization of acquisition related finite life intangible assets; material legal, impairment, and tax related charges, impacts of disposals and acquisitions; and other items that, when removed, assist in explaining Lifeco's underlying business.

- The Company's proportionate share of Rockefeller's one-time debt refinancing costs of \$3.3 million, recorded in the second quarter, related to the early repayment of one of Rockefeller's financing facilities.

Other items for the six months ended June 30, 2023 consisted of:

- Restructuring and other charges of \$76.2 million after-tax (\$103.3 million pre-tax), recorded in the second quarter,

related to further streamlining and simplifying the Company's operating model to better align with business priorities.

- A gain on the sale of a portion of the Company's investment in Lifeco of \$168.6 million after-tax (\$172.9 million pre-tax), consisting of \$174.8 million recorded in the first quarter and a decrease of \$6.2 million that was recorded on a prospective basis in the second quarter.
- Lifeco IFRS 17 adjustment of \$15.1 million, recorded in the second quarter, representing a change of estimate which was recorded on a prospective basis.

- Lifeco other items of (\$5.7) million, including (\$5.9) million recorded in the second quarter.

Shareholders' equity was \$7.1 billion as at June 30, 2024, compared to \$6.7 billion at December 31, 2023. Adjusted ROE (a non-IFRS ratio – see Non-IFRS Financial Measures and Other Financial Measures) for the six months ended June 30, 2024 was 12.9% compared to 13.5% for the comparative period in 2023. Adjusted ROE excluding the impact of fair value through other comprehensive income investments (a non-IFRS ratio – see Non-IFRS Financial Measures and Other Financial

Table 1: Reconciliation of Non-IFRS Financial Measures

	Three months ended			Six months ended	
	2024 Jun. 30	2024 Mar. 31	2023 Jun. 30	2024 Jun. 30	2023 Jun. 30
(\$ millions except EPS)					
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 220.4	\$ 224.5	\$ 211.4	\$ 444.9	\$ 417.7
Restructuring and other, net of tax	-	-	(76.2)	-	(76.2)
Gain on sale of Lifeco, net of tax	-	-	(6.2)	-	168.6
Lifeco IFRS 17 adjustment	-	-	15.1	-	15.1
Lifeco other items	(0.9)	(1.1)	(5.9)	(2.0)	(5.7)
Rockefeller debt refinancing	(3.3)	-	-	(3.3)	-
Net earnings available to common shareholders	\$ 216.2	\$ 223.4	\$ 138.2	\$ 439.6	\$ 519.5
Adjusted earnings per share⁽¹⁾	\$ 0.93	\$ 0.94	\$ 0.89	\$ 1.87	\$ 1.75
Restructuring and other, net of tax	-	-	(0.32)	-	(0.32)
Gain on sale of Lifeco, net of tax	-	-	(0.02)	-	0.71
Lifeco IFRS 17 adjustment	-	-	0.06	-	0.06
Lifeco other items	-	-	(0.03)	(0.01)	(0.02)
Rockefeller debt refinancing	(0.02)	-	-	(0.01)	-
Earnings per share⁽²⁾	\$ 0.91	\$ 0.94	\$ 0.58	\$ 1.85	\$ 2.18
Average outstanding shares – Diluted (thousands)	237,397	238,112	238,631	237,788	238,619
EBITDA before sales commissions⁽¹⁾	\$ 365.4	\$ 374.5	\$ 357.7	\$ 739.9	\$ 701.8
Sales-based commissions paid	(32.1)	(33.2)	(26.5)	(65.3)	(59.8)
EBITDA after sales commissions⁽¹⁾	333.3	341.3	331.2	674.6	642.0
Sales-based commissions paid subject to amortization	32.1	33.2	26.5	65.3	59.8
Amortization of capitalized sales commissions	(26.1)	(25.4)	(22.9)	(51.5)	(44.8)
Amortization of capital, intangible and other assets	(22.4)	(23.6)	(26.7)	(46.0)	(52.9)
Adjusted earnings before interest and income taxes⁽¹⁾	316.9	325.5	308.1	642.4	604.1
Interest expense ⁽³⁾	32.2	32.3	32.9	64.5	61.1
Adjusted earnings before income taxes – continuing and discontinued operations⁽¹⁾	284.7	293.2	275.2	577.9	543.0
Income taxes	63.2	67.3	63.2	130.5	123.5
Adjusted net earnings⁽¹⁾	221.5	225.9	212.0	447.4	419.5
Restructuring and other, net of tax	-	-	(76.2)	-	(76.2)
Gain on sale of Lifeco, net of tax	-	-	(6.2)	-	168.6
Lifeco IFRS 17 adjustment	-	-	15.1	-	15.1
Lifeco other items	(0.9)	(1.1)	(5.9)	(2.0)	(5.7)
Rockefeller debt refinancing	(3.3)	-	-	(3.3)	-
Net earnings	217.3	224.8	138.8	442.1	521.3
Non-controlling interest	1.1	1.4	0.6	2.5	1.8
Net earnings available to common shareholders	\$ 216.2	\$ 223.4	\$ 138.2	\$ 439.6	\$ 519.5

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) Diluted earnings per share.

(3) Interest expense includes interest on long-term debt and leases and in Q2 2023, also included interest on the credit facility.

Measures) for the six months ended June 30, 2024 was 13.9% compared to 14.2% for the comparative period in 2023. The quarterly dividend per common share declared in the second quarter of 2024 was 56.25 cents, unchanged from the first quarter of 2024.

Market Overview

Financial market returns were generally positive for the second quarter of 2024:

- The S&P TSX Composite total return index decreased by 0.5% in the second quarter and increased by 6.6% in the first quarter.
- U.S. equity markets, as measured by the S&P 500 total return index, increased by 4.3% in the second quarter and increased by 10.6% in the first quarter.
- European equity markets, as measured by the MSCI Europe net total return index, increased by 1.3% in the second quarter and increased by 7.6% in the first quarter.
- Asian equity markets, as measured by the MSCI AC Asia Pacific net total return index, increased by 2.7% in the second quarter and increased by 5.0% in the first quarter.
- Chinese equity markets, as measured by the CSI 300 net total return index, decreased by 1.0% in the second quarter and increased by 3.1% in the first quarter.
- The FTSE TMX Canada Universe Bond total return index increased by 0.9% in the second quarter and decreased by 1.2% in the first quarter.
- Our clients experienced average investment returns of 1.4% in the second quarter and 5.7% in the first quarter.

IGM Financial's AUM&A increased by 5.1% from \$240.2 billion at December 31, 2023 to \$252.4 billion at June 30, 2024. See Table 29 for the composition of IGM Financial's AUM&A.

Reportable Segments

In the fourth quarter of 2023, the Company realigned its reportable segments to better characterize and simplify the Company's business lines into wealth management and asset management segments.

The revised segments reflect a realignment of Rockefeller and Wealthsimple to the wealth management segment and ChinaAMC and Northleaf to the asset management segment. These changes have no impact on the reported earnings of the Company. Prior period comparative information has been restated to reflect the realigned segments.

The Company's reportable segments are Wealth Management, Asset Management and Corporate & Other and reflect the Company's internal financial reporting and performance measurement (Tables 2, 3 and 4):

- **Wealth Management** – 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 which is 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. A majority of the revenues of this segment are derived from providing financial advice and distributing financial products and services to Canadian households. This segment also includes the investment management activities of these organizations, including mutual fund management and discretionary portfolio management services. This segment also includes the Company's strategic investments in Rockefeller and Wealthsimple. Rockefeller is classified as an investment in associate and accounted for using the equity method, with the proportionate share of earnings included in revenue. Wealthsimple is classified as an investment which is accounted for as fair value through other comprehensive income (FVTOCI) and therefore has no impact on the segment earnings. This segment previously included IPC, which was sold on November 30, 2023. In comparative periods, IPC's results were classified as discontinued operations.
- **Asset Management** – 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. This segment also includes the Company's strategic investment in ChinaAMC and Northleaf which are classified as investments in associates and accounted for using the equity method. The proportionate share of earnings on these investments are included in the segment's revenue.
- **Corporate and Other** – primarily represents the investments in Lifeco and Portage Ventures LPs, the Company's unallocated capital, as well as consolidation elimination entries.

Assets Under Management and Advisement (AUM&A)

represents the consolidated AUM and AUA of IGM Financial's core businesses IG Wealth Management and Mackenzie Investments. In the Wealth Management segment, AUM is a component part of AUA. All instances where the Asset Management segment is providing investment management services or distributing its products through the Wealth Management segment are eliminated in our reporting such that there is no double-counting of the same client savings held at IGM Financial's core businesses. AUM&A excludes IPC's

Table 2: Consolidated Operating Results by Segment – Q2 2024 vs. Q2 2023

Three months ended (\$ millions)	Wealth Management		Asset Management		Corporate & Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30
Revenues								
Wealth management	\$ 592.3	\$ 554.0	\$ -	\$ -	\$ (2.3)	\$ (1.5)	\$ 590.0	\$ 552.5
Asset management	-	-	271.5	264.2	(25.7)	(25.5)	245.8	238.7
Dealer compensation expense	-	-	(80.2)	(78.8)	(0.9)	(0.7)	(81.1)	(79.5)
Net asset management	-	-	191.3	185.4	(26.6)	(26.2)	164.7	159.2
Net investment income and other	2.7	4.0	3.2	1.0	4.1	3.1	10.0	8.1
Proportionate share of associates' earnings	(2.4)	(2.4)	33.6	30.8	24.5	20.4	55.7	48.8
	592.6	555.6	228.1	217.2	(0.3)	(4.2)	820.4	768.6
Expenses								
Advisory and business development	257.1	233.0	21.4	21.0	-	-	278.5	254.0
Operations and support	114.3	105.5	90.8	89.7	0.8	0.2	205.9	195.4
Sub-advisory	46.5	43.0	1.4	1.1	(28.8)	(27.7)	19.1	16.4
	417.9	381.5	113.6	111.8	(28.0)	(27.5)	503.5	465.8
Adjusted earnings before interest and taxes⁽¹⁾	174.7	174.1	114.5	105.4	27.7	23.3	316.9	302.8
Interest expense ⁽²⁾	25.7	24.0	6.5	6.1	-	-	32.2	30.1
Adjusted earnings before income taxes ⁽¹⁾	149.0	150.1	108.0	99.3	27.7	23.3	284.7	272.7
Income taxes	40.3	39.9	22.1	21.6	0.8	1.0	63.2	62.5
Adjusted net earnings – continuing operations⁽¹⁾	108.7	110.2	85.9	77.7	26.9	22.3	221.5	210.2
Net earnings – discontinued operations	-	4.0	-	-	-	(2.2)	-	1.8
Adjusted net earnings⁽¹⁾	108.7	114.2	85.9	77.7	26.9	20.1	221.5	212.0
Non-controlling interest	-	-	1.1	0.6	-	-	1.1	0.6
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 108.7	\$ 114.2	\$ 84.8	\$ 77.1	\$ 26.9	\$ 20.1	220.4	211.4
Other items⁽¹⁾, net of tax								
Restructuring and other							-	(76.2)
Gain on sale of Lifeco							-	(6.2)
Lifeco IFRS 17 adjustment							-	15.1
Lifeco other items							(0.9)	(5.9)
Rockefeller debt refinancing							(3.3)	-
Net earnings available to common shareholders							\$ 216.2	\$ 138.2

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) Interest expense includes interest on long-term debt and leases.

AUM, AUA, sales, redemptions and net flows which have been disclosed as discontinued operations.

Assets Under Advisement (AUA) are the key driver of the Wealth Management segment. AUA are savings and investment products held within client accounts of our Wealth Management segment operating companies.

Assets Under Management (AUM) are the key driver of the Asset Management segment. AUM are an additional driver of revenues and expenses within the Wealth Management segment in relation to its investment management activities. AUM are client assets where we provide investment management services, and include investment funds where we are the fund manager, investment advisory mandates

to institutions, and other client accounts where we have discretionary portfolio management responsibilities.

Assets Under Management and Advisement Including Strategic Investments (AUM&A Including SI) represents AUM&A including the Company's proportionate share of the AUM&A of strategic investments based on the Company'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 ChinaAMC, Northleaf, Rockefeller and Wealthsimple. Rockefeller client assets include AUM&A as well as assets held for investment purposes and only receiving administrative services.

Table 3: Consolidated Operating Results by Segment – Six Months Ended

Six months ended (\$ millions)	Wealth Management		Asset Management		Corporate & Other		Total	
	2024 Jun. 30	2023 Jun. 30						
Revenues								
Wealth management	\$ 1,176.8	\$ 1,089.7	\$ -	\$ -	\$ (4.2)	\$ (3.1)	\$ 1,172.6	\$ 1,086.6
Asset management	-	-	539.4	526.0	(51.7)	(51.2)	487.7	474.8
Dealer compensation expense	-	-	(159.5)	(157.5)	(1.7)	(1.3)	(161.2)	(158.8)
Net asset management	-	-	379.9	368.5	(53.4)	(52.5)	326.5	316.0
Net investment income and other	8.0	7.4	9.7	5.5	7.9	6.2	25.6	19.1
Proportionate share of associates' earnings	(7.5)	(3.2)	67.6	64.0	48.4	40.8	108.5	101.6
	1,177.3	1,093.9	457.2	438.0	(1.3)	(8.6)	1,633.2	1,523.3
Expenses								
Advisory and business development	501.3	456.0	42.8	43.7	-	-	544.1	499.7
Operations and support	229.3	213.8	179.3	182.8	1.2	0.6	409.8	397.2
Sub-advisory	91.8	85.6	2.7	2.2	(57.6)	(55.6)	36.9	32.2
	822.4	755.4	224.8	228.7	(56.4)	(55.0)	990.8	929.1
Adjusted earnings before interest and taxes⁽¹⁾	354.9	338.5	232.4	209.3	55.1	46.4	642.4	594.2
Interest expense ⁽²⁾	51.5	46.3	13.0	11.9	-	-	64.5	58.2
Adjusted earnings before income taxes ⁽¹⁾	303.4	292.2	219.4	197.4	55.1	46.4	577.9	536.0
Income taxes	83.5	78.3	45.3	41.3	1.7	1.9	130.5	121.5
Adjusted net earnings – continuing operations⁽¹⁾	219.9	213.9	174.1	156.1	53.4	44.5	447.4	414.5
Net earnings – discontinued operations	-	7.0	-	-	-	(2.0)	-	5.0
Adjusted net earnings⁽¹⁾	219.9	220.9	174.1	156.1	53.4	42.5	447.4	419.5
Non-controlling interest	-	0.2	2.5	1.6	-	-	2.5	1.8
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 219.9	\$ 220.7	\$ 171.6	\$ 154.5	\$ 53.4	\$ 42.5	444.9	417.7
Other items⁽¹⁾, net of tax								
Restructuring and other							-	(76.2)
Gain on sale of Lifeco							-	168.6
Lifeco IFRS 17 adjustment							-	15.1
Lifeco other items							(2.0)	(5.7)
Rockefeller debt refinancing							(3.3)	-
Net earnings available to common shareholders							\$ 439.6	\$ 519.5

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) Interest expense includes interest on long-term debt and leases.

Financial Presentation

The financial presentation includes revenues and expenses to align with the key drivers of business activity and to reflect our emphasis on business growth and operational efficiency. The categories are as follows:

- **Wealth management revenue** – revenues earned by the Wealth Management segment for providing financial planning, investment advisory and related financial services. Revenues include financial advisory fees, investment management and related administration fees, distribution revenue associated with insurance and banking products and services, and revenue relating to mortgage lending activities.
- **Asset management revenue** – revenues earned by the Asset Management segment related to investment management advisory and administrative services.
- **Dealer compensation** – asset-based and sales-based compensation paid to dealers by the Asset Management segment.
- **Proportionate share of associates' earnings** – the Company's proportionate share of earnings from equity investments including Lifeco, ChinaAMC, Northleaf and Rockefeller.
- **Advisory and business development expenses** – expenses incurred on activities directly associated with providing financial planning services to clients of the Wealth Management segment and wholesale distribution activities performed by the Asset Management segment. Expenses

Table 4: Consolidated Operating Results by Segment – Q2 2024 vs. Q1 2024

Three months ended (\$ millions)	Wealth Management		Asset Management		Corporate & Other		Total	
	2024	2024	2024	2024	2024	2024	2024	2024
	Jun. 30	Mar. 31	Jun. 30	Mar. 31	Jun. 30	Mar. 31	Jun. 30	Mar. 31
Revenues								
Wealth management	\$ 592.3	\$ 584.5	\$ -	\$ -	\$ (2.3)	\$ (1.9)	\$ 590.0	\$ 582.6
Asset management	-	-	271.5	267.9	(25.7)	(26.0)	245.8	241.9
Dealer compensation expense	-	-	(80.2)	(79.3)	(0.9)	(0.8)	(81.1)	(80.1)
Net asset management	-	-	191.3	188.6	(26.6)	(26.8)	164.7	161.8
Net investment income and other	2.7	5.3	3.2	6.5	4.1	3.8	10.0	15.6
Proportionate share of associates' earnings	(2.4)	(5.1)	33.6	34.0	24.5	23.9	55.7	52.8
	592.6	584.7	228.1	229.1	(0.3)	(1.0)	820.4	812.8
Expenses								
Advisory and business development	257.1	244.2	21.4	21.4	-	-	278.5	265.6
Operations and support	114.3	115.0	90.8	88.5	0.8	0.4	205.9	203.9
Sub-advisory	46.5	45.3	1.4	1.3	(28.8)	(28.8)	19.1	17.8
	417.9	404.5	113.6	111.2	(28.0)	(28.4)	503.5	487.3
Adjusted earnings before interest and taxes⁽¹⁾	174.7	180.2	114.5	117.9	27.7	27.4	316.9	325.5
Interest expense ⁽²⁾	25.7	25.8	6.5	6.5	-	-	32.2	32.3
Adjusted earnings before income taxes ⁽¹⁾	149.0	154.4	108.0	111.4	27.7	27.4	284.7	293.2
Income taxes	40.3	43.2	22.1	23.2	0.8	0.9	63.2	67.3
Adjusted net earnings – continuing operations⁽¹⁾	108.7	111.2	85.9	88.2	26.9	26.5	221.5	225.9
Net earnings – discontinued operations	-	-	-	-	-	-	-	-
Adjusted net earnings⁽¹⁾	108.7	111.2	85.9	88.2	26.9	26.5	221.5	225.9
Non-controlling interest	-	-	1.1	1.4	-	-	1.1	1.4
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 108.7	\$ 111.2	\$ 84.8	\$ 86.8	\$ 26.9	\$ 26.5	220.4	224.5
Other items⁽¹⁾, net of tax								
Lifeco other items							(0.9)	(1.1)
Rockefeller debt refinancing							(3.3)	-
Net earnings available to common shareholders							\$ 216.2	\$ 223.4

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) Interest expense includes interest on long-term debt and leases.

include compensation, recognition and other support provided to our advisors, field management, product & planning specialists; expenses associated with facilities, technology and training relating to our advisors and specialists; other business development activities including direct marketing and advertising. A significant component of these expenses varies directly with levels of assets under management or advisement, business development measures including sales and client acquisition, and the number of advisor and client relationships.

- **Operations and support expenses** – expenses 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.

- **Sub-advisory expenses** – reflects fees relating to investment management services provided by third party or related party investment management organizations. These fees typically are variable with the level of assets under management. These fees include investment advisory services performed for the Wealth Management segment by the Asset Management segment.

Interest expense represents interest expense on long-term debt and leases. The change in interest expense for the three and six months ended June 30, 2024 compared to 2023 resulted from the impact of the issuance of \$300 million 5.426% debentures on May 26, 2023. Interest expense is allocated to each segment based on management's assessment of: i) capacity to service the debt, and ii) where the debt is being serviced. Interest expense related to the credit facility, which was temporary financing put in place in the second quarter of

Table 5: Effective Income Tax Rate

	<i>Three months ended</i>			<i>Six months ended</i>	
	2024 Jun. 30	2024 Mar. 31	2023 Jun. 30	2024 Jun. 30	2023 Jun. 30
Income taxes at Canadian federal and provincial statutory rates	26.58 %	26.59 %	26.52 %	26.59 %	26.67 %
Effect of:					
Proportionate share of associates' earnings ⁽¹⁾	(4.29)	(3.87)	(5.93)	(4.09)	(3.48)
Other	(0.14)	0.22	0.41	0.05	0.13
Effective income tax rate – before other items	22.15	22.94	21.00	22.55	23.32
Gain on sale of Lifeco	-	-	0.96	-	(6.85)
Lifeco IFRS 17 adjustment	-	-	(2.34)	-	(0.66)
Lifeco other items ⁽²⁾	0.08	0.10	0.93	0.09	0.25
Rockefeller debt refinancing	0.32	-	-	0.16	-
Effective income tax rate – net earnings from continuing operations	22.55 %	23.04 %	20.55 %	22.80 %	16.06 %

(1) Includes proportionate share of Lifeco's base earnings.

(2) Comparative figures have been restated to include Lifeco other items.

2023 and was repaid in the fourth quarter prior to the close of the IPC sale, is included in discontinued operations and totalled \$2.7 million for the three months ended June 30, 2023.

Income taxes are reported in each segment. IGM Financial consolidated changes in the effective tax rates are detailed in Table 5.

Tax planning may result in the Company recording lower levels of income taxes. Management monitors the status of its income tax filings and regularly assesses the overall adequacy of its provision for income taxes and, as a result, income taxes recorded in prior years may be adjusted in the current year. The effect of changes in management's best estimates reported in adjusted net earnings is reflected in Other, which also includes, but is not limited to, the effect of lower effective income tax rates on foreign operations.

In December 2021, the Organization for Economic Co-operation and Development (OECD) published the Pillar Two model rules outlining a structure for a new 15% global minimum tax regime. Pillar Two legislation in Canada was enacted on June 20, 2024, and applies retroactively to January 1, 2024. Other countries where the Company operates, including Ireland and the UK, had previously enacted Pillar Two legislation, also effective January 1, 2024.

The global minimum tax is very complex in nature and will apply to the Company as part of a larger related group of companies. The Company currently expects the global minimum tax to apply to income in Ireland where the statutory tax rate is below 15%. The amount of tax is not expected to be material to the Company.

Other items, as reflected in Tables 2, 3 and 4, include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful and are not allocated to segments.

Other items for the six months ended June 30, 2024 consisted of:

- The Company's proportionate share of items Lifeco excludes from its base earnings (Lifeco other items) of (\$2.0) million, including (\$0.9) million recorded in the second quarter.
- The Company's proportionate share of Rockefeller one-time debt refinancing costs of \$3.3 million, recorded in the second quarter, related to the early repayment of one of Rockefeller's financing facilities.

Other items for the three and six months ended June 30, 2023 consisted of:

- Restructuring and other charges of \$76.2 million after-tax (\$103.3 million pre-tax), recorded in the second quarter, related to further streamlining and simplifying the Company's operating model to better align with business priorities.
- A gain on the sale of a portion of the Company's investment in Lifeco of \$168.6 million after-tax (\$172.9 million pre-tax), consisting of \$174.8 million recorded in the first quarter and a decrease of \$6.2 million that was recorded on a prospective basis in the second quarter.
- Lifeco IFRS 17 adjustment of \$15.1 million, recorded in the second quarter, representing a change of estimate which was recorded on a prospective basis.
- Lifeco other items of (\$5.7) million, including (\$5.9) million recorded in the second quarter.

Total AUM&A

IGM Financial's AUM&A Including SI were \$431.7 billion as at June 30, 2024 compared to \$376.1 billion at June 30, 2023, as detailed in Table 6.

AUM&A were \$252.4 billion at June 30, 2024 compared to \$234.7 billion at June 30, 2023, an increase of 7.6%, as detailed in Table 6. AUM were \$237.4 billion at June 30, 2024 compared to \$222.6 billion at June 30, 2023, an increase of 6.6%.

AUM&A net outflows in the second quarter of 2024 were \$1.1 billion compared to net outflows of \$767 million in the second quarter of 2023, as detailed in Table 6. Second quarter investment fund net redemptions were \$1.4 billion, compared to net redemptions of \$1.1 billion in the second quarter of 2023. Net outflows for the six months ended June 30, 2024 were \$1.2 billion compared to net outflows of \$93 million in 2023. Investment fund net redemptions for the six month period were \$1.9 billion in 2024 compared to net redemptions of \$1.3 billion in 2023. Net flows and net sales are based on AUM&A excluding sub-advisory assets to Canada Life and to the Wealth Management segment.

In January 2024, the IG Wealth Management pension plan executed a redemption of \$177 million from IG Wealth Management mutual funds. These funds were subsequently reallocated into a separately managed account managed by Mackenzie. Excluding this specific activity, IGM Financial investment funds net redemptions for the six months ended June 30, 2024 amounted to \$1.7 billion, while separately managed accounts experienced net sales of \$26 million. Notably, this transaction had no impact on the overall net flows for IGM Financial.

In June 2024, IGM Financial experienced heightened investment fund gross sales, redemptions and heightened positive other net flows due to clients strategically triggering capital gains in advance of changes to Canada's capital gains tax policy that took effect on June 25, 2024.

The Company also benefits from the underlying assets under management of the Company's investments in associates, including ChinaAMC, Northleaf, Rockefeller and its investment in Wealthsimple which is classified as FVTOCI. The Company has included its proportionate share of the AUM&A of these investments in its AUM&A Including SI based on its direct and indirect interest in these companies.

At June 30, 2024, ChinaAMC's AUM was RMB¥ 2,158.5 billion (\$406.5 billion) compared to RMB¥ 1,801.7 billion (\$328.9 billion) at June 30, 2023, an increase of 19.8% (CAD 23.6%). IGM Financial holds a 27.8% interest in ChinaAMC.

At June 30, 2024, Northleaf's AUM was \$29.1 billion compared to \$25.2 billion at June 30, 2023, an increase of 15.5%. IGM Financial holds a 56% economic interest in Northleaf.

At June 30, 2024, Rockefeller's client assets were USD \$140.0 billion (\$191.6 billion) compared to USD \$112.2 billion (\$148.6 billion) at June 30, 2023, an increase of 24.8% (CAD 28.9%). IGM Financial holds a 20.5% interest in Rockefeller.

At June 30, 2024, Wealthsimple's AUA was \$43.6 billion compared to \$23.4 billion at June 30, 2023, an increase of 86.7%. IGM Financial holds a 28.3% interest in Wealthsimple.

Changes in AUM&A for the Wealth Management and Asset Management segments are discussed further in each of their respective Review of the Business sections in the MD&A.

Summary of Quarterly Results

The Summary of Quarterly Results in Table 7 includes the eight most recent quarters and the reconciliation of non-IFRS financial measures to net earnings in accordance with IFRS.

Changes in average AUM&A over the eight most recent quarters, as shown in Table 7, largely reflect the impact of changes in domestic and foreign markets and net sales of the Company.

Table 6: AUM&A

(\$ millions)	Wealth Management ⁽¹⁾		Asset Management ⁽²⁾		Intercompany Eliminations ⁽³⁾		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30
Three months ended								
Gross flows								
Mutual fund gross sales ⁽⁴⁾	\$ 4,214	\$ 2,581	\$ 2,142	\$ 1,742	\$ -	\$ -	\$ 6,356	\$ 4,323
Dealer gross inflows ⁽³⁾	3,565	2,795	-	-	-	-	3,565	2,795
Discontinued operations inflows	-	1,033	-	-	-	-	-	1,033
Net flows								
Mutual fund net sales ⁽⁴⁾	(612)	(509)	(906)	(701)	-	-	(1,518)	(1,210)
ETF net creations	-	-	161	85	-	-	161	85
Investment fund net sales	(612)	(509)	(745)	(616)	-	-	(1,357)	(1,125)
Institutional SMA net sales ⁽⁵⁾	-	-	(171)	273	-	-	(171)	273
IGM product net sales	(612)	(509)	(916)	(343)	-	-	(1,528)	(852)
Other dealer net flows	439	85	-	-	-	-	439	85
Total net flows ⁽³⁾	(173)	(424)	(916)	(343)	-	-	(1,089)	(767)
Discontinued operations net flows	-	(88)	-	-	-	34	-	(54)
Total net flows including discontinued operations ⁽³⁾	(173)	(511)	(916)	(343)	-	33	(1,089)	(821)
Six months ended								
Gross flows								
Mutual fund gross sales ⁽⁴⁾	\$ 8,011	\$ 5,602	\$ 4,499	\$ 4,031	\$ -	\$ -	\$ 12,510	\$ 9,633
Dealer gross inflows ⁽³⁾	7,264	6,458	-	-	-	-	7,264	6,458
Discontinued operations inflows	-	2,382	-	-	-	-	-	2,382
Net flows								
Mutual fund net sales ⁽⁴⁾⁽⁶⁾	(927)	(782)	(1,432)	(615)	-	-	(2,359)	(1,397)
ETF net creations	-	-	493	71	-	-	493	71
Investment fund net sales	(927)	(782)	(939)	(544)	-	-	(1,866)	(1,326)
Institutional SMA net sales ⁽⁵⁾⁽⁶⁾	-	-	(151)	371	-	-	(151)	371
IGM product net sales	(927)	(782)	(1,090)	(173)	-	-	(2,017)	(955)
Other dealer net flows	800	862	-	-	-	-	800	862
Total net flows ⁽³⁾	(127)	80	(1,090)	(173)	-	-	(1,217)	(93)
Discontinued operations net flows	-	225	-	-	-	37	-	262
Total net flows including discontinued operations ⁽³⁾	(127)	307	(1,090)	(173)	-	35	(1,217)	169

(1) Effective January 2023, Mackenzie Investment fund products sold through IG Wealth Management are reported within IG Wealth Management's AUM and Mackenzie Sub-advisory and AUM to Wealth Management.

(2) Asset Management flows activity excludes sub-advisory to Canada Life and the Wealth Management segment.

(3) Consolidated results eliminate double counting where business is reflected within multiple segments.

(4) Wealth Management AUM and net sales include separately managed accounts.

(5) Sub-advisory, institutional and other accounts - During the second quarter of 2023, Mackenzie onboarded an institutional mandate of \$490 million.

(6) In the first quarter of 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

Table 6: AUM&A (continued)

(\$ millions)	Wealth Management		Asset Management		Intercompany Eliminations ⁽¹⁾		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30
AUM&A								
IG Wealth Management								
AUM ⁽²⁾	\$114,655	\$104,761						
Other AUA	15,061	12,053						
AUA	129,716	116,814						
Mackenzie Investments								
Mutual funds			\$58,505	\$56,371				
ETFs ⁽³⁾			6,250	5,168				
Investment funds			64,755	61,539				
Institutional SMA			8,011	7,203				
Sub-advisory to Canada Life ⁽⁴⁾			49,960	47,871				
Total Institutional SMA			57,971	55,074				
Third Party AUM			122,726	116,613				
Sub-advisory and AUM to Wealth Management ⁽⁴⁾			79,393	76,722				
Total AUM			202,119	193,335				
Consolidated excluding discontinued operations⁽⁵⁾								
AUM	\$114,655	\$104,761	\$202,119	\$193,335	\$ (79,393)	\$ (75,484)	\$237,381	\$222,612
AUM&A	129,716	116,814	202,119	193,335	(79,393)	(75,484)	252,442	234,665
Strategic investments⁽⁶⁾								
ChinaAMC			112,998	91,443				
Northleaf			16,308	14,120				
Rockefeller	39,195	30,395						
Wealthsimple	12,354	6,635						
Intra-segment eliminations	(7)	(5)	(329)	(255)				
	51,542	37,025	128,977	105,308	(1,275)	(897)	179,244	141,436
Consolidated AUM&A Including SI⁽⁵⁾	\$181,258	\$153,839	\$331,096	\$298,643	\$ (80,668)	\$ (76,381)	\$431,686	\$376,101

(1) Consolidated results eliminate double counting where business is reflected within multiple segments.

(2) Wealth Management AUM includes separately managed accounts.

(3) ETF assets inclusive of IGM Financial's managed products were \$14.4 billion at June 30, 2024 (2023 - \$12.9 billion).

(4) Effective November 30, 2023, Mackenzie's sub-advisory to discontinued operations, which had previously been reported in sub-advisory and AUM to Wealth Management, are now reported in sub-advisory to Canada Life.

(5) 2023 excludes discontinued operations of IPC: Wealth Management AUM of \$4.9 billion and AUA of \$31.0 billion; AUA elimination entries of (\$4.6) billion; and IGM consolidated AUM&A of \$26.4 billion.

(6) Proportionate share of strategic investments' AUM comprised of 27.8% (2023 - 27.8%) of ChinaAMC's AUM, 56% (2023 - 56%) of Northleaf's AUM, 20.5% (2023 - 20.5%) of Rockefeller's client assets, and 28.3% (2023 - 28.4%) of Wealthsimple's AUA.

Table 7: Summary of Quarterly Results

	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Consolidated statements of earnings (\$ millions)								
Revenues								
Wealth management	\$ 590.0	\$ 582.6	\$ 550.0	\$ 563.1	\$ 552.5	\$ 534.1	\$ 530.8	\$ 532.6
Asset management	245.8	241.9	234.3	239.9	238.7	236.1	233.5	235.7
Dealer compensation expense	(81.1)	(80.1)	(76.7)	(78.6)	(79.5)	(79.3)	(77.0)	(77.4)
Net asset management	164.7	161.8	157.6	161.3	159.2	156.8	156.5	158.3
Net investment income and other	10.0	15.6	10.6	7.9	8.1	11.0	14.9	10.3
Proportionate share of associates' earnings	55.7	52.8	56.6	49.2	48.8	52.8	60.1	46.6
	820.4	812.8	774.8	781.5	768.6	754.7	762.3	747.8
Expenses								
Advisory and business development	278.5	265.6	253.2	253.3	254.0	245.7	238.5	235.1
Operations and support	205.9	203.9	208.8	196.4	195.4	201.8	200.0	189.9
Sub-advisory	19.1	17.8	16.7	16.8	16.4	15.8	15.5	15.2
Interest ⁽¹⁾	32.2	32.3	32.5	32.5	30.1	28.1	28.5	28.5
	535.7	519.6	511.2	499.0	495.9	491.4	482.5	468.7
Earnings before undernoted	284.7	293.2	263.6	282.5	272.7	263.3	279.8	279.1
Restructuring and other	-	-	-	-	(103.3)	-	-	-
Gain on sale of Lifeco	-	-	-	-	(6.2)	179.1	-	-
Lifeco IFRS 17 adjustment	-	-	-	-	15.1	-	-	-
Lifeco other items	(0.9)	(1.1)	(6.0)	(10.7)	(5.9)	0.2	5.3	0.3
Rockefeller debt refinancing	(3.3)	-	-	-	-	-	-	-
Earnings before income taxes	280.5	292.1	257.6	271.8	172.4	442.6	285.1	279.4
Income taxes	63.2	67.3	56.0	60.4	35.4	63.3	61.8	63.4
Net earnings from continuing operations	217.3	224.8	201.6	211.4	137.0	379.3	223.3	216.0
Net earnings from discontinued operations	-	-	219.7	(1.5)	1.8	3.2	3.7	1.0
Net earnings	217.3	224.8	421.3	209.9	138.8	382.5	227.0	217.0
Non-controlling interest	1.1	1.4	1.7	0.1	0.6	1.2	2.3	0.9
Net earnings available to common shareholders	\$ 216.2	\$ 223.4	\$ 419.6	\$ 209.8	\$ 138.2	\$ 381.3	\$ 224.7	\$ 216.1
Reconciliation of non-IFRS financial measures (\$ millions)								
Adjusted net earnings available to common shareholders ⁽²⁾	\$ 220.4	\$ 224.5	\$ 204.9	\$ 220.5	\$ 211.4	\$ 206.3	\$ 219.4	\$ 215.8
Other items:								
Gain on sale of IPC	-	-	220.7	-	-	-	-	-
Restructuring and other, net of tax (\$27.1 million)	-	-	-	-	(76.2)	-	-	-
Gain on sale of Lifeco, net of tax (Q1 – \$4.3 million)	-	-	-	-	(6.2)	174.8	-	-
Lifeco IFRS 17 adjustment	-	-	-	-	15.1	-	-	-
Lifeco other items	(0.9)	(1.1)	(6.0)	(10.7)	(5.9)	0.2	5.3	0.3
Rockefeller debt refinancing	(3.3)	-	-	-	-	-	-	-
Net earnings available to common shareholders	\$ 216.2	\$ 223.4	\$ 419.6	\$ 209.8	\$ 138.2	\$ 381.3	\$ 224.7	\$ 216.1
Earnings per share (\$)								
Adjusted earnings per share ⁽²⁾								
– Basic	\$ 0.93	\$ 0.94	\$ 0.86	\$ 0.93	\$ 0.89	\$ 0.87	\$ 0.92	\$ 0.91
– Diluted	0.93	0.94	0.86	0.92	0.89	0.87	0.92	0.91
Earnings per share								
– Basic	0.91	0.94	1.76	0.88	0.58	1.60	0.95	0.91
– Diluted	0.91	0.94	1.76	0.88	0.58	1.60	0.94	0.91
Average outstanding shares – Diluted (thousands)	237,397	238,112	238,156	238,550	238,631	238,424	237,958	237,808
Average AUM&A⁽³⁾ (\$ billions)								
Investment fund AUM	\$ 178.0	\$ 173.0	\$ 164.0	\$ 165.7	\$ 165.4	\$ 164.2	\$ 158.6	\$ 159.5
Total AUM	236.3	231.0	219.2	221.5	221.8	220.2	213.1	213.8
AUM&A	250.9	245.0	232.1	233.7	233.6	231.6	222.6	222.4
Ending AUM&A⁽³⁾ (\$ billions)								
Investment fund AUM	\$ 179.4	\$ 178.5	\$ 169.5	\$ 160.9	\$ 166.3	\$ 165.6	\$ 158.9	\$ 153.0
Total AUM	237.4	237.7	226.6	215.2	222.6	222.3	213.6	205.3
AUM&A	252.4	252.2	240.2	227.4	234.7	234.1	224.2	214.1
Ending AUM&A Including SI⁽³⁾ (\$ billions)	\$ 431.7	\$ 422.8	\$ 390.6	\$ 373.8	\$ 376.1	\$ 349.9	\$ 288.9	\$ 277.9

(1) Interest expense includes interest on long-term debt and leases.

(2) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(3) As detailed in AUM&A definitions, AUM, AUA and AUM&A exclude IPC discontinued operations.

Wealth Management

The Wealth Management segment includes IG Wealth Management and strategic investments in Rockefeller and Wealthsimple.

The Wealth Management segment also included IPC in 2023, which was classified as discontinued operations and was sold in the fourth quarter of 2023.

Wealth Management revenue consists of:

- **Advisory fees** are related to providing financial advice to clients including fees related to the distribution of products and depend largely on the level and composition of AUA.
- **Product and program fees** are related to the management of investment products and include management, administration and other related fees and depend largely on the level and composition of assets under management.

- **Other financial planning revenues** are fees related to providing clients other financial products including mortgages, insurance and banking products.
- **Proportionate share of associates' earnings** is the Company's proportionate share of earnings from the segment's equity investments.

Sub-advisory fees are paid between segments and to third parties for investment management services provided to our investment products. Wealth Management is considered a client of the Asset Management segment and transfer pricing is based on values for similar sized asset management mandates.

Debt and interest expense is allocated to each IGM Financial segment based on management's assessment of: i) capacity to service the debt, and ii) where the debt is being serviced. Income taxes are also reported in each segment.

Review of the Business

IG Wealth Management, founded in 1926, is a leading wealth management company in Canada that focuses on providing comprehensive personal financial planning to Canadians through its advisors by offering a broad range of financial products and services.

Rockefeller, founded in 2018, is a leading U.S. independent financial services advisory firm focused on the high-net-worth and ultra-high-net-worth segments. Rockefeller's goal is to be a premier advisory firm that redefines and elevates the financial services experience to empower individuals, families, institutions and corporations to realize their aspirations and achieve their most important goals.

Wealthsimple, founded in 2014, is one of Canada's fastest growing financial services companies and provides simple digital tools for growing and managing your money. Wealthsimple's mission is to help everyone achieve financial freedom.

Rockefeller Capital Management

On April 3, 2023, IGM Financial acquired a 20.5% equity interest in Rockefeller for cash consideration of \$835 million (USD \$622 million).

Investment Planning Counsel

On November 30, 2023, IGM Financial completed the sale of 100% of the common shares of IPC.

The operating results of IPC included within the Wealth Management segment Table 10 – *Operating Results – Wealth Management* have been classified as discontinued operations and are shown as a separate line item for comparative periods under review.

IG Wealth Management

IG Wealth Management is one of the largest independent financial planning firms in Canada, with advisors in every community from coast to coast. We are driven by our mission to inspire financial confidence that can transform the lives of our clients and their families and we are deeply committed to improving financial literacy in the communities where we work and live.

Our exclusive network is comprised of 3,176 advisors. IG Wealth Management clients are more than one million individuals, families and business owners.

Canadians hold \$6.2 trillion in discretionary financial assets with financial institutions at December 31, 2022, based on the most recent report from Investor Economics, and we

view these savings as IG Wealth Management's addressable market. 75% of these savings are held by households with over \$1 million, which are referred to as high net worth, and another 22% reside with households with between \$100,000 and \$1 million, which are referred to as mass affluent. These segments tend to have more complicated financial needs, and IG Wealth Management's focus on providing comprehensive financial planning solutions positions it well to compete and grow in these segments.

Strategy

Our goal is to help Canadians achieve financial well-being through better planning as Canada's top financial planning firm.

We strive to meet our strategic mandate by:

- 1) Focusing on key mass affluent and high net worth segments by aligning our capabilities to industry wealth drivers.
- 2) Utilizing a segmented advice model to align our best-in-class advice with Canadians' financial planning needs and complexities.
- 3) Leveraging leading innovation to enhance client experience and improve operational efficiencies.

IG Wealth Management has a client-centric strategy with a focus on high net worth (HNW) and mass affluent client segments, which we define as households with over \$1 million and between \$100 thousand and \$1 million, respectively.

IG Wealth Management is committed to increasing the financial confidence of all Canadians by leveraging our people, expertise and resources because we believe it will help create stronger communities and a better future for all.

We believe that Canadians deserve a high standard of advice that takes into consideration all dimensions of their financial lives with financial plans tailored to meet and adapt to their needs.

We focus on providing comprehensive financial advice and well-constructed investment solutions designed to deliver returns and risks that take into account each client's needs and requirements.

Financial Advice

Our advisors focus on providing financial advice which is the value of all efforts that sit outside the investment portfolio construction. This includes the value that an advisor adds to a client relationship and comes from the creation and follow through of a well-constructed financial plan.

Advisors

IG Wealth Management has a national distribution network of more than 3,000 advisors in communities throughout Canada.

Our advisory services are most suited to individuals with complicated financial needs.

IG Wealth Management provides advice through two primary channels:

- IG Wealth Management entrepreneurial advisors are focused on households with more complex needs by focusing on households with greater than \$250,000 of assets.
- IG Wealth Management corporate channel advisors are focused on servicing households with less complex requirements with assets up to \$250,000.

Our entrepreneurial advisor network creates a competitive advantage and drives client engagement with a focus on comprehensive financial planning and product solutions. Our advantage is further enabled by hiring top quality advisors, increasing proficiency, improving technology, implementing a client segmentation approach and enhancing a strong brand.

AUA consists of the following:

- Clients with household assets greater than \$1 million (defined as "high net worth") which totalled \$53.0 billion at June 30, 2024, an increase of 26.3% from one year ago, and represented 41% of total AUA.
- Clients with household assets between \$100 thousand and \$1 million (defined as "mass affluent") which totalled \$68.1 billion at June 30, 2024, an increase of 4.2% from one year ago, and represented 52% of total AUA.
- Clients with household assets less than \$100 thousand (defined as "mass market") which totalled \$8.6 billion at June 30, 2024, a decrease of 9.4% from one year ago, and represented 7% of total AUA.

IG Wealth Management advisor practices are industry leaders in holding a credentialed financial planning designation. These designations are nationally recognized financial planning qualifications that require an individual to demonstrate financial planning competence through education, standardized examinations, continuing education requirements, and accountability to ethical standards.

The following provides a breakdown of the IG Wealth Management advisor network into its significant components at June 30, 2024:

- 1,655 advisor practices (1,776 at June 30, 2023), which reflect advisors with more than four years of experience. These practices may include associates as described below. The level and productivity of advisor practices is a key measurement of our business as they serve clientele representing approximately 94% of AUM.
- 270 new advisors (304 at June 30, 2023), which are those advisors with less than four years of experience.
- 1,251 associates and regional vice-presidents (1,163 at June 30, 2023). Associates are licensed team members of

advisor practices who provide financial planning services and advice to the clientele served by the team.

- IG Wealth Management had a total advisor network of 3,176 (3,243 at June 30, 2023).

IG Wealth Management uses advisor productivity as a key performance measure in evaluating its advisor network. The productivity is measured based on gross inflows per advisor and is monitored for both advisor recruits with less than 4 years experience and advisor practices with greater than 4 years experience.

- The advisor recruit's gross inflows were \$0.7 million per advisor compared to \$0.6 million in the comparative period of 2023.
- The advisor practice gross inflows were \$1.9 million per practice compared to \$1.4 million in the comparative period of 2023.

Key initiatives that impact advisor productivity are:

- Tightened recruiting standards that increased the likelihood of success while also enhancing our culture and brand.
- Corporate advice channel that provides consistent service levels to clients with less complex needs and creates capacity for advisors.
- Product and pricing enhancements with a focus on the high net worth and mass affluent segments.
- Continued technology enhancements such as the Advisor Desktop powered by Salesforce.
- IG Living Plan™ and other client experience enhancements.
- Digital application to deliver tailored client investment proposals (powered by CapIntel).

We also support advisors and clients through our network of product and planning specialists, who assist in the areas of advanced financial planning, insurance, and securities. As part of the strategic mortgage partnership, we have engaged nesto Inc. to provide mortgage planning assistance to clients. These specialists help to ensure that we are providing comprehensive financial planning across all elements of a client's financial life. Clients are served by our mutual fund licensed and securities licensed advisors and specialists.

Client Experiences

IG Wealth Management distinguishes itself from our competition by offering comprehensive planning to our clients that synchronize every aspect of their financial life. IG Wealth Management serves approximately one million clients located in communities throughout Canada. A primary focus is on advising and attracting high net worth and mass affluent clients.

For the distinct needs of the high net worth market, IG Private Wealth Management focuses on industry wealth drivers including tax planning and optimization, retirement readiness,

wealth transfer and estate planning, small and medium enterprise monetization, high net worth financial literacy and philanthropy and legacy planning.

IG Living Plan allows clients to collaborate with an IG Wealth Management advisor through an enhanced digital experience to develop and track a financial plan which is unique to each client's goals.

IG Wealth Management has a full range of products that allow us to provide a tailored IG Living Plan that evolves over time. These products include:

- Powerful financial solutions that include investment vehicles, focusing on managed solutions, that match risk and investment performance to each client's needs and requirements.
- Insurance products that include a variety of policy types from the leading insurers in Canada.
- Mortgage banking solutions that are offered as part of a comprehensive financial plan.

The Charitable Giving Program is a donor-advised giving program which enables Canadians to make donations and build an enduring charitable giving legacy with considerably less expense and complexity than setting up and administering their own private foundation.

The IG Advisory Account (IGAA) is a fee-based account that improves client experience by offering the ability to simplify and consolidate selected investments into a single account while providing all our clients with a transparent advisory fee. IGAA increases fee transparency and can hold most securities and investment products available in the marketplace to individual investors.

Financial Solutions

IG Wealth Management strives to achieve expected investment returns for the lowest possible risk focusing on managed solutions that create value for clients through active management. To do this, we select and engage high-quality sub-advisors so our clients have access to a diverse range of investment products and solutions. Each asset manager is selected through a proven and rigorous process. We oversee all sub-advisors to ensure that their activities are consistent with their investment philosophies and with the investment objectives and strategies of the products they advise.

Our investment solutions leverage top global asset manager relationships including Mackenzie Investments and other world class investment firms such as Fidelity Investments Canada, T. Rowe Price (Canada), Sagard Credit Partners, Portage, Beutel Goodman & Company, PanAgora Asset Management, PIMCO Canada Corp., Northleaf Capital Partners (Canada), BristolGate Capital Partners, Aristotle Capital Boston, Putnam Investments

Canada, Franklin Templeton Investment Management, Wellington Management Canada, Rockefeller & Co., JPMorgan Asset Management (Canada), BlackRock Asset Management Canada, ClearBridge Investments, 1832 Asset Management (Dynamic), American Century Investment Management, and ChinaAMC.

We provide clients with an extensive suite of well-constructed and competitively priced financial solutions that incorporate public and private market investments as well as alternative investment strategies. We regularly enhance the scope and diversity of our investment offering with new funds and product changes that enable clients to achieve their goals. We believe that well-constructed managed solutions provide advisors with the best opportunity to focus on providing financial advice to their clients.

We provide portfolio construction with investment solutions that include public markets, private markets, and alternative strategies.

Our investment solutions include:

- Managed solutions that rebalance investments to ensure that a chosen mix of investments and risk and return is maintained. These solutions include IG Core Portfolios, IG Managed Growth Portfolios, IG Managed Payout Portfolios, Investors Portfolios, IG Climate Action Portfolios, IG U.S. Taxpayer Portfolios, IG Target Education Portfolios, and IG Managed Risk Portfolios.
- *iProfile™ Portfolios* – iProfile Portfolios are a suite of six managed solutions that provide comprehensive diversification and are designed to suit personal preferences for risk tolerance and investment goals. These portfolios provide exposure similar to the investments of the iProfile Private Pools.
- *iProfile™ Private Discretionary Portfolios* – iProfile Private Discretionary Portfolios are model portfolios comprised of iProfile Private Pools, available for households with investments held at IG Wealth Management in excess of \$250,000. iProfile Private Discretionary Portfolios have been designed to deliver strong risk-adjusted returns by diversifying across asset classes, management styles and geographic regions. The portfolios include discretionary model portfolios and iProfile Private Pools to support the models: four iProfile Active Allocation Private Pools, iProfile Alternatives Private Pool with mandates including global macro and global equity hedge strategies, iProfile ETF Private Pool providing exposure through exchange traded funds (ETF) and iProfile Low Volatility Private Pool with Canadian, U.S., International and Emerging Market geographic coverage, Emerging Markets Private Pool, Fixed Income Private Pool, Canadian Equity Private Pool, U.S. Equity Private Pool and International Equity Private Pool.

- A deep and broad selection of mutual funds, diversified by manager, asset category, investment style, geography, market capitalization and sector.
- Segregated funds that provide for long-term investment growth potential combined with risk management, benefit guarantee features and estate planning efficiencies.
- Separately managed accounts (discretionary dealer-managed accounts).

We have incorporated investments in private assets into the iProfile Fixed Income Private Pool, iProfile Canadian Equity Private Pool, and iProfile U.S. Equity Private Pool through commitments to investments managed by Northleaf, BlackRock, PIMCO and Sagard.

IG Wealth Management monitors its investment performance by comparing to certain benchmarks. Morningstar[†] fund ranking service is one of the rankings monitored when determining fund performance.

At June 30, 2024, 94.0% of IG Wealth Management mutual fund assets had a rating of three stars or better from Morningstar[†] fund ranking service and 66.0% had a rating of four or five stars. This compared to the Morningstar[†] universe of 86.1% for three stars or better and 54.2% for four and five star funds at June 30, 2024. Morningstar Ratings[†] are an objective, quantitative measure of a fund's three, five and ten year risk-adjusted performance relative to comparable funds.

Other Products and Services

Segregated Funds

IG Wealth Management offers segregated funds which include the IG Series of Guaranteed Investment Funds (GIFs). Select GIF policies allow for a Lifetime Income Benefit (LIB) option to provide guaranteed retirement income for life. The investment components of these segregated funds are managed by IG Wealth Management. At June 30, 2024, total segregated fund assets were \$1.2 billion, unchanged from June 30, 2023.

Insurance

IG Wealth Management distributes life insurance in Canada through its arrangements with leading insurance companies, and offers a broad range of term, universal life, whole life, disability, critical illness, long-term care, personal health care coverage and group insurance.

At June 30, 2024, total in-force policies were approximately 373 thousand with an insured value of \$105 billion, compared to approximately 375 thousand with an insured value of \$104 billion at June 30, 2023. Distribution of insurance products is enhanced through IG Wealth Management's Insurance Planning Specialists, located throughout Canada, who assist advisors with advanced estate planning solutions for high net worth clients.

Securities Operations

Investors Group Securities Inc. is an investment dealer registered in all Canadian provinces and territories providing clients with securities services to complement their financial and investment planning. IG Wealth Management advisors can refer clients to one of our Wealth Specialists available through Investors Group Securities Inc.

Mortgage and Banking Operations

Mortgages are offered to clients by IG Wealth Management. Licensed mortgage brokers are located throughout each province in Canada, and work with our clients and their advisors to develop mortgage and lending strategies that meet the individual needs and goals of each client as part of their comprehensive financial plan.

Mortgage fundings offered through IG Wealth Management for the three and six months ended June 30, 2024 were \$235 million and \$371 million compared to \$230 million and \$312 million in 2023, an increase of 2.2% and 18.9%, respectively. At June 30, 2024, mortgages serviced totalled \$6.6 billion, compared to \$6.8 billion at June 30, 2023, a decrease of 2.0%.

Private Company Advisory

Private Company Advisory is a comprehensive service to business owners in the small to midsize segment that provides advice on debt and equity financing, business valuation and succession.

Wealth Management AUM and AUA

AUM and AUA are key performance indicators for the Wealth Management segment and are detailed in Tables 8 and 9.

Wealth Management AUA including strategic investments were \$181.3 billion at June 30, 2024, compared to \$153.8 billion at June 30, 2023. Strategic investments AUA is based on the Company's direct and indirect ownership interest in these companies.

IG Wealth Management's AUA were \$129.7 billion at June 30, 2024, an increase of 11.0% from June 30, 2023. The level of AUA is influenced by three factors: client inflows, client outflows and investment returns. AUA represents savings and investment products, including AUM where we provide investment management services, that are held within our clients' accounts. Advisory fees are charged based on an annual percentage of substantially all AUA, through the IG Advisory Account fee, and represent the majority of the fees earned from our clients. Our entrepreneurial advisors' compensation is also based on AUA and net assets contributed by our clients.

At June 30, 2024, Rockefeller's client assets were USD \$140.0 billion (\$191.6 billion) compared to USD \$112.2 billion (\$148.6 billion) at June 30, 2023, an increase of 24.8% (CAD 28.9%). IGM Financial holds a 20.5% interest in Rockefeller.

At June 30, 2024, Wealthsimple's AUA was \$43.6 billion compared to \$23.4 billion at June 30, 2023, an increase of 86.7%. IGM Financial holds a 28.3% interest in Wealthsimple at June 30, 2024, compared to 28.4% at June 30, 2023.

IG Wealth Management AUM and AUA

Change in AUM & AUA – 2024 vs. 2023

IG Wealth Management's AUA were \$129.7 billion at June 30, 2024, an increase of 11.0% from \$116.8 billion at June 30, 2023. IG Wealth Management's mutual fund AUM were \$114.7 billion at June 30, 2024, representing an increase of 9.4% from \$104.8 billion at June 30, 2023. Average daily mutual fund assets were \$113.5 billion in the second quarter of 2024, up 8.9% from \$104.2 billion in the second quarter of 2023. Average daily mutual fund assets were \$111.7 billion for the six months ended June 30, 2024, an increase of 7.7% from \$103.8 billion in 2023.

At June 30, 2024, \$94.6 billion, or 83% of IG Wealth Management's mutual fund AUM, were in products with unbundled fee structures, up 13.8% from \$83.2 billion at June 30, 2023 which represented 80% of AUM.

For the quarter ended June 30, 2024, gross client inflows of IG Wealth Management AUA were \$3.6 billion, compared to \$2.8 billion in 2023. For the quarter ended June 30, 2024, gross inflows from newly acquired clients with more than \$1.0 million of assets accounted for 31.9% of all newly acquired client inflows. Net client outflows were \$173 million compared to net client outflows of \$424 million in the comparable period in 2023. During the second quarter, investment returns resulted in an increase of \$1.9 billion in AUA compared to an increase of \$1.4 billion in the second quarter of 2023.

In June 2024, IG Wealth Management experienced heightened investment fund gross sales, redemptions and heightened positive other net flows due to clients strategically triggering capital gains in advance of changes to Canada's capital gains tax policy.

For the quarter ended June 30, 2024, sales of IG Wealth Management mutual funds through its advisor network were \$4.2 billion, an increase of 63.3% from the comparable period in 2023. Mutual fund redemptions totalled \$4.8 billion, an increase of 56.2% from 2023. IG Wealth Management mutual fund net redemptions for the second quarter of 2024 were \$612 million compared to net redemptions of \$509 million in 2023. During the second quarter, investment returns resulted in an increase of \$1.7 billion in mutual fund assets compared to an increase of \$1.2 billion in the second quarter of 2023.

Table 8: Change in AUA – Wealth Management

<i>Three months ended</i> (\$ millions)	Change				
	2024 Jun. 30	2024 Mar. 31	2023 Jun. 30	2024 Mar. 31	2023 Jun. 30
Change in AUA – IG Wealth Management					
Gross client inflows	\$ 3,565	\$ 3,699	\$ 2,795	(3.6)%	27.5 %
Gross client outflows ⁽¹⁾	3,738	3,653	3,219	2.3	16.1
Net flows	(173)	46	(424)	N/M	59.2
Investment returns	1,868	6,752	1,365	(72.3)	36.8
Net change in assets	1,695	6,798	941	(75.1)	80.1
Beginning assets	128,021	121,223	115,873	5.6	10.5
Ending AUA	\$ 129,716	\$ 128,021	\$ 116,814	1.3 %	11.0 %
Strategic investments ending AUA					
Rockefeller	\$ 39,195	\$ 36,957	\$ 30,395	6.1 %	29.0 %
Wealthsimple	12,354	11,013	6,635	12.2	86.2
Intra-segment eliminations	(7)	(6)	(5)	(16.7)	(40.0)
	\$ 51,542	\$ 47,964	\$ 37,025	7.5 %	39.2 %
Consolidated ending AUA including strategic investments⁽²⁾	\$ 181,258	\$ 175,985	\$ 153,839	3.0 %	17.8 %
Daily average AUA					
IG Wealth Management	\$ 128,146	\$ 123,975	\$ 116,057	3.4 %	10.4 %
Six months ended (\$ millions)					
			2024 Jun. 30	2023 Jun. 30	Change
Change in AUA – IG Wealth Management					
IG gross client inflows			\$ 7,264	\$ 6,458	12.5 %
IG gross client outflows ⁽¹⁾			7,391	6,378	15.9
Net flows			(127)	80	N/M
Investment returns			8,620	5,918	45.7
Net change in assets			8,493	5,998	41.6
Beginning assets			121,223	110,816	9.4
Ending AUA			\$ 129,716	\$ 116,814	11.0 %
Daily average AUA					
IG Wealth Management			\$ 126,061	\$ 115,357	9.3 %

(1) In Q1 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

(2) 2023 excludes discontinued operations of IPC of \$31.0 billion in Q2.

IG Wealth Management's annualized quarterly redemption rate for long-term funds was 16.3% in the second quarter of 2024, compared to 11.5% in the second quarter of 2023. IG Wealth Management's twelve month trailing redemption rate for long-term funds was 13.9% at June 30, 2024, compared to 11.1% at June 30, 2023. The increase in IG Wealth Management's redemption rate was due in part to the change to Canada's capital gains tax policy noted above. The corresponding average redemption rate for all other members of the Investment Funds Institute of Canada (IFIC) was approximately 16.8% at June 30, 2024.

For the six months ended June 30, 2024, gross client inflows of IG Wealth Management AUA were \$7.3 billion and represented an increase of 12.5% from \$6.5 billion in the comparable period in 2023. For the six months ended June 30, 2024, gross inflows

from newly acquired clients with more than \$1.0 million of assets accounted for 30.1% of all newly acquired client inflows. Net client outflows were \$127 million in the six month period, compared to net client inflows of \$80 million in the comparable period in 2023. During 2024, investment returns resulted in an increase of \$8.6 billion in AUA compared to an increase of \$5.9 billion in 2023.

For the six months ended June 30, 2024, sales of IG Wealth Management mutual funds through its advisor network were \$8.0 billion, an increase of 43.0% from 2023. Mutual fund redemptions totalled \$8.9 billion, an increase of 40.0% from 2023. Net redemptions of IG Wealth Management mutual funds were \$927 million compared to net redemptions of \$782 million in 2023. During 2024, investment returns resulted in an

Table 9: Change in AUM - IG Wealth Management

<i>Three months ended</i> (\$ millions)	2024		2023		Change	
	Jun. 30	Mar. 31	Jun. 30	Mar. 31	2024 Mar. 31	2023 Jun. 30
Sales ⁽¹⁾	\$ 4,214	\$ 3,797	\$ 2,581		11.0 %	63.3 %
Redemptions ⁽¹⁾⁽²⁾	4,826	4,112	3,090		17.4	56.2
Net sales (redemptions)	(612)	(315)	(509)		(94.3)	(20.2)
Investment returns	1,701	6,246	1,201		(72.8)	41.6
Net change in assets	1,089	5,931	692		(81.6)	57.4
Beginning assets	113,566	107,635	104,069		5.5	9.1
Ending assets	\$ 114,655	\$ 113,566	\$ 104,761		1.0 %	9.4 %
Daily average AUM	\$ 113,494	\$ 110,003	\$ 104,221		3.2 %	8.9 %

<i>Six months ended</i> (\$ millions)	2024		2023		Change	
	Jun. 30	Jun. 30	Jun. 30	Jun. 30	2024 Jun. 30	2023 Jun. 30
Sales ⁽¹⁾	\$ 8,011	\$ 5,602			43.0 %	
Redemptions ⁽¹⁾⁽²⁾	8,938	6,384			40.0	
Net sales (redemptions)	(927)	(782)			(18.5)	
Investment returns	7,947	6,268			26.8	
Net change in assets	7,020	5,486			28.0	
Beginning assets	107,635	99,275			8.4	
Ending assets	\$ 114,655	\$ 104,761			9.4 %	
Daily average AUM	\$ 111,749	\$ 103,774			7.7 %	

(1) In Q2 2024, IG Wealth Management experienced heightened investment fund gross sales, redemptions and heightened positive other net flows due to clients strategically triggering capital gains in advance of changes to Canada's capital gains tax policy.

(2) In Q1 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

increase of \$7.9 billion in mutual fund assets compared to an increase of \$6.3 billion in 2023.

In January 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie Investments. Excluding this activity, net client inflows and net redemptions for the six month period of 2024 were \$50 million and \$750 million, respectively.

Change in AUM & AUA - Q2 2024 vs. Q1 2024

IG Wealth Management's AUA were \$129.7 billion at June 30, 2024, an increase of 1.3% from \$128.0 billion at March 31, 2024. IG Wealth Management's mutual fund AUM were \$114.7 billion at June 30, 2024, an increase of 1.0% from \$113.6 billion at March 31, 2024. Average daily mutual fund assets were \$113.5 billion in the second quarter of 2024 compared to \$110.0 billion in the first quarter of 2024, an increase of 3.2%.

For the quarter ended June 30, 2024, gross client inflows of IG Wealth Management AUA were \$3.6 billion, compared to \$3.7 billion in the prior quarter. Net client outflows were \$173 million compared to net client inflows of \$46 million in the prior quarter. During the second quarter, investment returns resulted in an increase of \$1.9 billion in AUA compared to an increase of \$6.8 billion in the prior quarter.

For the quarter ended June 30, 2024, sales of IG Wealth Management mutual funds through its advisor network were \$4.2 billion, an increase of 11.0% from the first quarter of 2024. Mutual fund redemptions totalled \$4.8 billion for the second quarter, an increase of 17.4% from the previous quarter, and the annualized quarterly redemption rate was 16.3% in the second quarter compared to 14.4% in the first quarter of 2024. The increase in IG Wealth Management's redemption rate was due in part to the change to Canada's capital gains tax policy previously noted. IG Wealth Management mutual fund net redemptions were \$612 million for the current quarter compared to net redemptions of \$315 million in the previous quarter.

Review of Segment Operating Results

The Wealth Management segment's adjusted net earnings are presented in Table 10 and include the operations of IG Wealth Management, earnings related to strategic investments and IPC.

As a result of the sale of IPC completed on November 30, 2023, the operating results of IPC included within the Wealth Management segment were classified as discontinued operations and are shown as a separate line item in Table 10 for all periods under review.

IG Wealth Management

IG Wealth Management's adjusted net earnings are presented within Table 11. Adjusted net earnings for the second quarter of 2024 were \$111.7 million, a decrease of 1.0% from the second quarter in 2023 and a decrease of 4.7% from the prior quarter. Adjusted net earnings for the six months ended June 30, 2024 were \$228.9 million, an increase of 5.3% from 2023.

Adjusted earnings before interest and taxes for the second quarter of 2024 were \$177.3 million, an increase of 0.3% from the second quarter in 2023 and a decrease of 4.5% from the prior quarter. Adjusted earnings before interest and taxes for

Table 10: Operating Results – Wealth Management

<i>Three months ended</i> (\$ millions)	2024		2023	Change	
	Jun. 30	Mar. 31	Jun. 30	2024 Mar. 31	2023 Jun. 30
Revenues					
Wealth Management					
Advisory fees	\$ 315.3	\$ 309.1	\$ 295.6	2.0 %	6.7 %
Product and program fees	242.3	234.2	222.3	3.5	9.0
	557.6	543.3	517.9	2.6	7.7
Redemption fees	–	–	0.3	–	(100.0)
Other financial planning revenues	34.7	41.2	35.8	(15.8)	(3.1)
Total Wealth Management	592.3	584.5	554.0	1.3	6.9
Net investment income and other	2.7	5.3	4.0	(49.1)	(32.5)
Proportionate share of associates' earnings	(2.4)	(5.1)	(2.4)	52.9	–
	592.6	584.7	555.6	1.4	6.7
Expenses					
Advisory and business development					
Asset-based compensation	161.2	156.7	146.4	2.9	10.1
Sales-based compensation	25.7	25.1	22.4	2.4	14.7
Other					
Other product commissions	20.0	19.4	16.0	3.1	25.0
Business development	50.2	43.0	48.2	16.7	4.1
	70.2	62.4	64.2	12.5	9.3
Total advisory and business development	257.1	244.2	233.0	5.3	10.3
Operations and support	114.3	115.0	105.5	(0.6)	8.3
Sub-advisory	46.5	45.3	43.0	2.6	8.1
	417.9	404.5	381.5	3.3	9.5
Adjusted earnings before interest and taxes ⁽¹⁾	174.7	180.2	174.1	(3.1)	0.3
Interest expense	25.7	25.8	24.0	(0.4)	7.1
Adjusted earnings before income taxes ⁽¹⁾	149.0	154.4	150.1	(3.5)	(0.7)
Income taxes	40.3	43.2	39.9	(6.7)	1.0
Adjusted net earnings – continuing operations⁽¹⁾	108.7	111.2	110.2	(2.2)	(1.4)
Net earnings – discontinued operations⁽²⁾	–	–	4.0	–	(100.0)
Adjusted net earnings ⁽¹⁾	108.7	111.2	114.2	(2.2)	(4.8)
Non-controlling interest	–	–	–	–	–
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 108.7	\$ 111.2	\$ 114.2	(2.2)%	(4.8)%

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) IPC segment operating results.

Table 10: Operating Results – Wealth Management (continued)

<i>Six months ended</i> (\$ millions)	2024 Jun. 30	2023 Jun. 30	Change
Revenues			
Wealth Management			
Advisory fees	\$ 624.4	\$ 586.3	6.5 %
Product and program fees	476.5	441.0	8.0
	1,100.9	1,027.3	7.2
Redemption fees	-	0.9	(100.0)
Other financial planning revenues	75.9	61.5	23.4
Total Wealth Management	1,176.8	1,089.7	8.0
Net investment income and other	8.0	7.4	8.1
Proportionate share of associates' earnings	(7.5)	(3.2)	(134.4)
	1,177.3	1,093.9	7.6
Expenses			
Advisory and business development			
Asset-based compensation	317.9	290.8	9.3
Sales-based compensation	50.8	43.9	15.7
Other			
Other product commissions	39.4	30.8	27.9
Business development	93.2	90.5	3.0
	132.6	121.3	9.3
Total advisory and business development	501.3	456.0	9.9
Operations and support	229.3	213.8	7.2
Sub-advisory	91.8	85.6	7.2
	822.4	755.4	8.9
Adjusted earnings before interest and taxes ⁽¹⁾	354.9	338.5	4.8
Interest expense	51.5	46.3	11.2
Adjusted earnings before income taxes ⁽¹⁾	303.4	292.2	3.8
Income taxes	83.5	78.3	6.6
Adjusted net earnings – continuing operations⁽¹⁾	219.9	213.9	2.8
Net earnings – discontinued operations⁽²⁾	-	7.0	(100.0)
Adjusted net earnings ⁽¹⁾	219.9	220.9	(0.5)
Non-controlling interest	-	0.2	(100.0)
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 219.9	\$ 220.7	(0.4)%

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) IPC segment operating results.

the six months ended June 30, 2024 were \$362.9 million, an increase of 6.1% from 2023.

2024 VS. 2023

Fee Income

Advisory fees include fees for providing financial advice to clients including fees related to the distribution of products, and depend largely on the level and composition of AUA. Advisory fees were \$315.3 million in the second quarter of 2024, an increase of \$19.7 million or 6.7% from \$295.6 million in 2023. For the six months ended June 30, 2024, advisory fees were \$624.4 million, an increase of \$38.1 million or 6.5% from \$586.3 million in 2023.

The increase in advisory fees in the three months ending June 30, 2024 was primarily due to the increase in average AUA of 10.4%, as shown in Table 8, partially offset by a decrease in the advisory fee rate. The increase in advisory fees in the six months ending June 30, 2024 was primarily due to the increase in average AUA of 9.3% partially offset by a decrease in the advisory fee rate. The average advisory fee rate for the second quarter was 98.9 basis points of average AUA compared to 102.2 basis points in 2023. The average advisory fee rate for the six months ended June 30, 2024, was 99.6 basis points of average AUA, compared to 102.5 basis points 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.

Table 11: Operating Results – IG Wealth Management

<i>Three months ended</i> (\$ millions)	2024 Jun. 30	2024 Mar. 31	2023 Jun. 30	Change	
				2024 Mar. 31	2023 Jun. 30
Revenues					
Wealth Management					
Advisory fees	\$ 315.3	\$ 309.1	\$ 295.6	2.0 %	6.7 %
Product and program fees	242.3	234.2	222.3	3.5	9.0
	557.6	543.3	517.9	2.6	7.7
Redemption fees	–	–	0.3	–	(100.0)
Other financial planning revenues	34.7	41.2	35.8	(15.8)	(3.1)
Total Wealth Management	592.3	584.5	554.0	1.3	6.9
Net investment income and other	2.7	5.3	4.0	(49.1)	(32.5)
	595.0	589.8	558.0	0.9	6.6
Expenses					
Advisory and business development					
Asset-based compensation	161.2	156.7	146.4	2.9	10.1
Sales-based compensation	25.7	25.1	22.4	2.4	14.7
Other					
Other product commissions	20.0	19.4	16.0	3.1	25.0
Business development	50.2	43.0	48.2	16.7	4.1
	70.2	62.4	64.2	12.5	9.3
Total advisory and business development	257.1	244.2	233.0	5.3	10.3
Operations and support	114.1	114.7	105.2	(0.5)	8.5
Sub-advisory	46.5	45.3	43.0	2.6	8.1
	417.7	404.2	381.2	3.3	9.6
Adjusted earnings before interest and taxes ⁽¹⁾	177.3	185.6	176.8	(4.5)	0.3
Interest expense	25.7	25.8	24.0	(0.4)	7.1
Adjusted earnings before income taxes ⁽¹⁾	151.6	159.8	152.8	(5.1)	(0.8)
Income taxes	39.9	42.6	40.0	(6.3)	(0.3)
Adjusted net earnings⁽¹⁾	\$ 111.7	\$ 117.2	\$ 112.8	(4.7)%	(1.0)%

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

Product and program fees depend largely on the level and composition of mutual fund AUM. Product and program fees totalled \$242.3 million in the current quarter, up 9.0% from \$222.3 million a year ago primarily due to the increase in average AUM of 8.9%, as shown in Table 9. Product and program fees were \$476.5 million for the six month period ended June 30, 2024 compared to \$441.0 million in 2023, an increase of 8.0% primarily due to an increase in average AUM of 7.7%. The average product and program fee rate for the three and six month periods ending June 30, 2024 was 85.6 basis points of AUM in both periods, compared to 85.8 basis points for both comparable periods in 2023.

Other financial planning revenues are primarily earned from:

- Mortgage banking operations
- Distribution of insurance products through I.G. Insurance Services Inc.
- Securities trading services provided through Investors Group Securities Inc.

Other financial planning revenues of \$34.7 million for the second quarter of 2024 decreased by \$1.1 million from \$35.8 million in 2023. For the six month period, other financial planning revenues of \$75.9 million increased by \$14.4 million from \$61.5 million in 2023. The change for the three months was due to an earnings decline in the mortgage banking operations and lower revenues from the distribution of banking products partially offset by higher revenues from the distribution of insurance products. The lower earnings in the mortgage banking operations was due to negative fair value adjustments. The change for the six months was 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 higher earnings in 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.

Table 11: Operating Results – IG Wealth Management (continued)

<i>Six months ended</i> (\$ millions)	2024 Jun. 30	2023 Jun. 30	Change
Revenues			
Wealth Management			
Advisory fees	\$ 624.4	\$ 586.3	6.5 %
Product and program fees	476.5	441.0	8.0
	1,100.9	1,027.3	7.2
Redemption fees	-	0.9	(100.0)
Other financial planning revenues	75.9	61.5	23.4
Total Wealth Management	1,176.8	1,089.7	8.0
Net investment income and other	8.0	7.4	8.1
	1,184.8	1,097.1	8.0
Expenses			
Advisory and business development			
Asset-based compensation	317.9	290.8	9.3
Sales-based compensation	50.8	43.9	15.7
Other			
Other product commissions	39.4	30.8	27.9
Business development	93.2	90.5	3.0
	132.6	121.3	9.3
Total advisory and business development	501.3	456.0	9.9
Operations and support	228.8	213.4	7.2
Sub-advisory	91.8	85.6	7.2
	821.9	755.0	8.9
Adjusted earnings before interest and taxes ⁽¹⁾	362.9	342.1	6.1
Interest expense	51.5	46.3	11.2
Adjusted earnings before income taxes ⁽¹⁾	311.4	295.8	5.3
Income taxes	82.5	78.4	5.2
Adjusted net earnings⁽¹⁾	\$ 228.9	\$ 217.4	5.3 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

A summary of mortgage banking operations for the three and six month periods under review is presented in Table 12.

Net Investment Income and Other

Net investment income and other consists of unrealized gains or losses on investments in proprietary funds in the three and six months ended June 30, 2024, and investment income earned on our cash and cash equivalents and securities and other income not related to our core business. It also includes a charge from the Corporate and Other segment for the use of unallocated capital.

Expenses

IG Wealth Management incurs advisory and business development expenses that include compensation paid to our advisors. The majority of these costs vary directly with asset or sales levels. Also included are other distribution and business development activities which do not vary directly with asset or sales levels, such as corporate channel, direct marketing and advertising, financial planning specialist support and

other costs incurred to support our advisor networks. These expenses tend to be discretionary or vary based upon the number of advisors or clients.

Asset based compensation includes compensation paid to both the entrepreneurial advisor and the corporate channels. The entrepreneurial advisor channel compensation fluctuates primarily with the value of AUA and product mix while the corporate channel fluctuates largely based on the number of clients within the channel. Asset-based compensation increased by \$14.8 million and \$27.1 million for the three and six month periods ended June 30, 2024 to \$161.2 million and \$317.9 million, respectively, compared to 2023. The increase for both the three and six month periods was primarily due to increases in AUA and other compensation changes.

IG Wealth Management sales-based compensation is based upon the level of new assets contributed to client accounts at IG Wealth Management (subject to eligibility requirements). All sales-based compensation payments are capitalized and

Table 12: Mortgage Banking Operations – IG Wealth Management

<i>Three months ended</i> (\$ millions)	2024		2023		Change	
	Jun. 30	Mar. 31	Jun. 30	Mar. 31	2024 Mar. 31	2023 Jun. 30
Total mortgage banking income						
Net interest income on securitized loans						
Interest income	\$ 44.3	\$ 42.8	\$ 36.9		3.5 %	20.1 %
Interest expense	40.8	40.5	33.8		0.7	20.7
Net interest income	3.5	2.3	3.1		52.2	12.9
Gains (losses) on sales ⁽¹⁾	-	0.5	-		(100.0)	-
Fair value adjustments	(7.4)	2.0	1.3		N/M	N/M
Other	7.0	5.6	3.6		25.0	94.4
	\$ 3.1	\$ 10.4	\$ 8.0		(70.2)%	(61.3)%
Average mortgages serviced						
Securitized	\$ 4,634	\$ 4,676	\$ 4,577		(0.9)%	1.2 %
Other	2,009	2,031	2,165		(1.1)	(7.2)
	\$ 6,643	\$ 6,707	\$ 6,742		(1.0)%	(1.5)%
Mortgage sales to:⁽²⁾						
Securitized	\$ 392	\$ 262	\$ 231		49.6 %	69.7 %
Other ⁽¹⁾	-	47	-		(100.0)	-
	\$ 392	\$ 309	\$ 231		26.9 %	69.7 %
Six months ended (\$ millions)						
			2024 Jun. 30	2023 Jun. 30	Change	
Total mortgage banking income						
Net interest income on securitized loans						
Interest income			\$ 87.1	\$ 73.3	18.8 %	
Interest expense			81.3	67.4	20.6	
Net interest income			5.8	5.9	(1.7)	
Gains (losses) on sales ⁽¹⁾			0.5	(1.0)	N/M	
Fair value adjustments			(5.4)	(2.0)	(170.0)	
Other			12.6	5.9	113.6	
			\$ 13.5	\$ 8.8	53.4 %	
Average mortgages serviced						
Securitized			\$ 4,655	\$ 4,607	1.0 %	
Other			2,020	2,165	(6.7)	
			\$ 6,675	\$ 6,772	(1.4)%	
Mortgage sales to:⁽²⁾						
Securitized			\$ 654	\$ 406	61.1 %	
Other ⁽¹⁾			47	108	(56.5)	
			\$ 701	\$ 514	36.4 %	

(1) Represents sales to institutional investors through private placements and to IG Mackenzie Mortgage and Short Term Income Fund, as well as gains (losses) realized on those sales.

(2) Represents principal amounts sold.

amortized as they reflect incremental costs to obtain a client contract. Sales-based compensation was \$25.7 million for the second quarter of 2024, an increase of \$3.3 million from \$22.4 million in 2023. For the six month period, sales-based compensation expense was \$50.8 million, an increase of \$6.9 million from \$43.9 million in 2023.

Other advisory and business development expenses were \$70.2 million in the second quarter of 2024, compared to \$64.2 million in 2023, an increase of \$6.0 million primarily due to higher compensation paid on the distribution of insurance products and timing of certain projects and other expenses. Other advisory and business development expenses were \$132.6 million in the six months ended June 30, 2024, an increase of \$11.3 million from \$121.3 million in 2023 primarily due to higher compensation paid on the distribution of insurance products.

Operations and support includes costs that support our 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. Operations and support expenses were \$114.1 million for the second quarter of 2024 compared to \$105.2 million in 2023, an increase of \$8.9 million. For the six month period, operations and support expenses were \$228.8 million in 2024 compared to \$213.4 million in 2023, an increase of \$15.4 million or 7.2%.

Sub-advisory expenses were \$46.5 million for the second quarter of 2024 compared to \$43.0 million in 2023, an increase of \$3.5 million or 8.1%. For the six month period, sub-advisory expenses were \$91.8 million in 2024 compared to \$85.6 million in 2023, an increase of \$6.2 million or 7.2%. The change in both periods was primarily due to changes in AUM.

Interest Expense

Interest expense, which includes allocated interest expense on long-term debt and interest expense on leases, totalled \$25.7 million in the second quarter of 2024, compared to \$24.0 million in 2023. For the six month period, interest expense totalled \$51.5 million compared to \$46.3 million in 2023. Long-term debt interest expense is calculated based on an allocation of IGM Financial's long-term debt to IG Wealth Management. The allocation of debt increased to \$1.95 billion during the second quarter of 2023, as a result of the issuance of long-term debt by IGM Financial. Previously, the allocation was \$1.7 billion.

Q2 2024 VS. Q1 2024

Fee Income

Advisory fee income increased by \$6.2 million or 2.0% to \$315.3 million in the second quarter of 2024 compared to the first quarter of 2024. The increase in advisory fees in the second quarter was primarily due to the increase in average AUA of 3.4% for the quarter, as shown in Table 8. The average advisory fee rate for the second quarter was 98.9 basis points of average AUM, compared to 100.3 basis points in the first quarter. Fee rates are determined based on ranges of AUA and the average rate will fluctuate based on changes in client's AUA. 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.

Product and program fees were \$242.3 million in the second quarter of 2024, an increase of \$8.1 million from \$234.2 million in the first quarter of 2024. The increase was primarily due to the increase in average AUM of 3.2%, as shown in Table 9. The average product and program fee rate remained consistent with the first quarter at 85.6 basis points.

Other financial planning revenues of \$34.7 million in the second quarter of 2024 decreased by \$6.5 million from \$41.2 million in the first quarter due to lower earnings from the mortgage banking operations partially offset by higher revenues on the distribution of insurance products. The lower earnings from the mortgage banking operations are due to negative fair value adjustments.

Expenses

Advisory and business development expenses in the current quarter were \$257.1 million, an increase of \$12.9 million from \$244.2 million in the previous quarter. The increase is primarily due to increases in asset based compensation as a result of higher AUA and compensation changes and seasonality of expenses.

Operations and support expenses were \$114.1 million for the second quarter of 2024 compared to \$114.7 million in the previous quarter.

Wealth Management Strategic Investments

Wealth Management strategic investment's adjusted net earnings are presented within Table 13. Adjusted net earnings for the second quarter of 2024 were (\$3.0) million, compared to (\$2.6) million in 2023 and (\$6.0) million in the prior quarter. Adjusted net earnings for the six months ended were (\$9.0) million, compared to (\$3.5) million in 2023.

The Company's share of Rockefeller's earnings of (\$2.8) million exclude the Company's proportionate share of one-time debt refinancing costs of \$3.3 million related to the early repayment of one of Rockefeller's financing facilities, which has been reclassified to other items as detailed in Tables 2 to 4.

Table 13: Operating Results – Wealth Management Strategic Investments

<i>Three months ended</i> (\$ millions)	2024 Jun. 30	2024 Mar. 31	2023 Jun. 30	Change	
				2024 Mar. 31	2023 Jun. 30
Revenues					
Proportionate share of associates' earnings					
Rockefeller	\$ (2.8)	\$ (4.4)	\$ (1.9)	36.4 %	(47.4)%
Other	0.4	(0.7)	(0.5)	N/M	N/M
	(2.4)	(5.1)	(2.4)	52.9	-
Expenses					
Operations and support	0.2	0.3	0.3	(33.3)	(33.3)
Adjusted earnings before income taxes ⁽¹⁾	(2.6)	(5.4)	(2.7)	51.9	3.7
Income taxes	0.4	0.6	(0.1)	(33.3)	N/M
Adjusted net earnings⁽¹⁾	\$ (3.0)	\$ (6.0)	\$ (2.6)	50.0 %	(15.4)%
Six months ended (\$ millions)					
			2024 Jun. 30	2023 Jun. 30	Change
Revenues					
Proportionate share of associates' earnings					
Rockefeller			\$ (7.2)	\$ (1.9)	N/M %
Other			(0.3)	(1.3)	76.9
			(7.5)	(3.2)	(134.4)
Expenses					
Operations and support			0.5	0.4	25.0
Adjusted earnings before income taxes ⁽¹⁾			(8.0)	(3.6)	(122.2)
Income taxes			1.0	(0.1)	N/M
Adjusted net earnings⁽¹⁾			\$ (9.0)	\$ (3.5)	(157.1)%

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

Asset Management

The Asset Management segment includes Mackenzie Investments and strategic investments in ChinaAMC and Northleaf.

Asset Management revenue reflects:

- **Net asset management fees – third party** includes fees received from our investment funds and fees from third parties for investment management services. Compensation paid to dealers offsets the fees earned.
- **Asset management fees – Wealth Management** includes fees received from the Wealth Management segment. Wealth Management is considered a client of the Asset Management

segment and transfer pricing is based on values for similar sized asset management mandates.

- **Proportionate share of associates' earnings** is the Company's proportionate share of earnings from the equity investments in ChinaAMC and Northleaf.

Assets managed by Mackenzie for IG Wealth Management are included in the Asset Management segment's AUM.

Debt and interest expense is allocated to each IGM Financial segment based on management's assessment of: i) capacity to service the debt, and ii) where the debt is being serviced. Income taxes are also reported in each segment.

Review of the Business

Mackenzie Investments is a diversified asset management solutions provider founded in 1967. We provide investment management and related services with a wide range of investment mandates through a boutique structure and multiple distribution channels. We are committed to delivering strong investment performance for our clients by drawing on more than 50 years of investment management experience.

Mackenzie earns asset management fees primarily from:

- Management fees earned from its investment funds, sub-advised accounts and institutional clients.
- Fees earned from its mutual funds for administrative services.
- Redemption fees on deferred sales charge and low load units.

The largest component of Mackenzie's revenues is management fees. The amount of management fees depends on the level and composition of AUM. Management fee rates vary depending on the investment objective and the account type of the underlying AUM. Equity based mandates have higher management fee rates than fixed income mandates and retail mutual fund accounts have higher management fee rates than exchange traded funds, sub-advised accounts and institutional accounts.

Founded in 1998 as one of the first fund management companies in China, ChinaAMC has developed and maintained a position among the market leaders in China's asset management industry. ChinaAMC drives for growth through product innovation and offering multi-asset investment solutions and services to a diversified group of retail and institutional clients.

Northleaf is a global private equity, private credit and infrastructure fund manager headquartered in Toronto. Northleaf seeks to deliver high absolute risk-adjusted returns from access to value creation outside public markets.

Mackenzie Investments

Strategy

Mackenzie's mission is to create a more invested world, together.

Mackenzie's objective is to become Canada's preferred global asset management solutions provider and business partner.

Mackenzie's strategic mandates are: win Canadian retail; build meaningful strategic partnerships; and develop presence in underpenetrated channels with a targeted approach. We achieve our strategic mandates with the following focus areas:

- Continuously improving distribution with a segmented approach;
- Delivering competitive risk adjusted investment performance;
- Advancing brand leadership;
- Creating innovative and relevant products and solutions;
- Encouraging a sustainable future;
- Ensuring operational excellence and efficiency;
- Fostering a high performing, diverse and winning culture.

Our focus areas drive future business growth. We aim to achieve this by being committed to the success of our clients,

attracting and fostering the best minds in the investment industry, maintaining a boutique investment approach, having an innovative and future oriented product focus, and being responsible in everything we do.

Our investment management capabilities are delivered through a boutique structure, with separate in-house teams having distinct focuses and diverse styles. Our research and portfolio management teams are located in Toronto, Montreal, Winnipeg, Vancouver, Boston, Dublin and Hong Kong. In addition, our ownership interest in Northleaf enhances our investment capabilities by offering global private equity, private credit and infrastructure investment solutions to our clients and our ownership interest in ChinaAMC offers our clients access to Chinese capital markets. We also supplement our investment capabilities with strategic partners (third party sub-advisors) in selected areas. The development of a broad range of investment capabilities and products is a key strength in supporting the evolving financial needs of investors.

Our business focuses on three key distribution channels: retail, strategic alliances and institutional.

Mackenzie primarily distributes its retail investment products through third-party financial advisors. Our sales teams work with many of the more than 30,000 independent financial advisors and their firms across Canada. Our innovative, comprehensive lineup of investment solutions covers all asset classes and parts of the globe. We offer a range of relevant products and investment solutions designed to help advisors meet the evolving needs of their clients. We regularly introduce new funds and we may merge or streamline our fund offerings to provide enhanced investment solutions.

In addition to our retail distribution team, Mackenzie also has specialty teams focused on strategic alliances and the institutional marketplace.

Within the strategic alliance channel, Mackenzie offers certain series of our mutual funds and provides sub-advisory services to third-party and related party investment programs offered by banks, insurance companies and other investment companies. Strategic alliances with related parties include providing advisory services to IG Wealth Management and Lifeco subsidiaries (including IPC). Mackenzie partners with Wealthsimple to distribute ETFs through their product shelf. Mackenzie also serves as one of two exclusive investment solutions providers to PFSL Investment Canada Ltd. (Primerica) and launched a suite of 27 funds designed to address the specific needs of Primerica advisors and their clients. Within the strategic alliance channel, Mackenzie's primary distribution relationship is with the head office of the respective bank, insurance company or investment company.

In the institutional channel, Mackenzie provides investment management services to pension plans, foundations and other institutions. We attract new institutional business through our relationships with pension and management consultants.

Gross sales and redemption activity in strategic alliance and institutional accounts can be more pronounced than in the retail channel, given the relative size and the nature of the distribution relationships of these accounts. These accounts are also subject to ongoing reviews and rebalance activities which may result in a significant change in the level of AUM.

Mackenzie continues to be positioned to build and enhance our distribution relationships given our team of experienced investment professionals, strength of our distribution network, broad product shelf, competitively priced products and our focus on client experience and investment excellence.

Investment Management

Mackenzie has \$202.1 billion in AUM at June 30, 2024, including \$79.4 billion of sub-advisory mandates to the Wealth Management segment. It has teams located in Toronto, Montreal, Winnipeg, Vancouver, Boston, Dublin and Hong Kong.

We continue to deliver our investment offerings through a boutique structure, with separate in-house investment teams which each have a distinct focus and investment approach. Our investment team currently consists of 16 boutiques. This boutique approach promotes diversification of styles and ideas and provides Mackenzie with a breadth of capabilities. Oversight is conducted through a common process intended to promote superior risk-adjusted returns over time. This oversight process focuses on i) identifying and encouraging each team's performance edge, ii) promoting best practices in portfolio construction, and iii) emphasizing risk management.

Mackenzie's 56% economic interest in Northleaf enhances its investment capabilities by offering global private equity, private credit and infrastructure investment solutions to our clients.

In addition to our own investment teams, Mackenzie supplements investment capabilities through the use of third party sub-advisors and strategic beta index providers in selected areas. These include Putnam Investments and ChinaAMC. With the launch of the suite of 27 Futurepath Funds for Primerica, the following third party sub-advisors were added: 1832 Asset Management, Addenda, Brandywine, Blackrock, and T. Rowe Price.

Long-term investment performance is a key measure of Mackenzie's ongoing success. At June 30, 2024, 37.1% of Mackenzie mutual fund assets were rated in the top two performance quartiles for the one year time frame, 53.9% for the three year time frame and 48.7% for the five year

time frame. Mackenzie also monitors its fund performance relative to the ratings it receives on its mutual funds from the Morningstar[†] fund ranking service. At June 30, 2024, 84.8% of Mackenzie mutual fund assets measured by Morningstar[†] had a rating of three stars or better and 51.7% had a rating of four or five stars. This compared to the Morningstar[†] universe of 86.1% for three stars or better and 54.2% for four and five star funds at June 30, 2024.

Products

Mackenzie continues to evolve its product shelf by providing enhanced investment solutions for financial advisors to offer their clients.

Mutual Funds

Mackenzie manages its product shelf through new fund launches and fund mergers to streamline fund offerings for advisors and investors. During the current quarter, Mackenzie launched two mutual funds and announced proposed fund mergers.

Alternative Funds

Mackenzie currently has ten alternative funds including four products in collaboration with Northleaf Capital Partners (Northleaf) as part of its ongoing commitment to expand retail investor access to private market investment solutions.

Exchange Traded Funds

The addition of Exchange Traded Funds (ETF) has complemented Mackenzie's broad and innovative fund line-up and reflects its investor-focused vision to provide advisors and investors with new solutions to drive investor outcomes and achieve their personal goals. These ETFs offer investors another investment option when building long-term diversified portfolios. During the current quarter, Mackenzie launched three ETFs.

Mackenzie's current line-up consists of 53 ETFs: 29 active and strategic beta ETFs and 24 traditional index ETFs. ETF AUM ended the quarter at \$14.4 billion, inclusive of \$8.1 billion in investments from IGM managed products. This ranks Mackenzie in seventh place in the Canadian ETF industry for AUM.

2024 Launches

During the second quarter, Mackenzie launched two mutual funds and three ETFs:

- Mackenzie Emerging Markets Ex-China Equity Fund seeks to provide long-term capital growth by investing primarily in equity securities of companies in emerging markets, excluding China.
- Mackenzie Global Corporate Fixed Income Fund seeks to generate income with the potential for long-term capital growth by investing primarily in fixed income securities of global corporate issuers.

- Mackenzie Global Dividend ETF seeks to provide long-term capital growth and current income by investing in equity securities of global companies that pay, or may be expected to pay, dividends.
- Mackenzie Canadian Low Volatility ETF and Mackenzie US Low Volatility ETF use a proprietary stock selection process based on fundamental insights to construct risk-optimized portfolios of Canadian and U.S. companies diversified across markets and sectors.

Asset Management AUM

AUM is a key performance indicator for the Asset Management segment.

The changes in total AUM are summarized in Table 14 and the changes in investment fund AUM are summarized in Table 15. Assets managed for the Wealth Management segment are included in total AUM.

Asset Management AUM including strategic investments were \$331.1 billion at June 30, 2024, compared to \$298.6 billion at June 30, 2023. Strategic investments AUM is based on the Company's direct and indirect ownership interest in these companies.

At June 30, 2024, Mackenzie's total AUM were \$202.1 billion, an increase of 4.5% from \$193.3 billion last year. Mackenzie's total third party AUM were \$122.7 billion, an increase of 5.2% from \$116.6 billion last year. The change in Mackenzie's AUM is determined by investment returns and net contributions from our clients.

At June 30, 2024, ChinaAMC's AUM was RMB¥ 2,158.5 billion (\$406.5 billion) compared to RMB¥ 1,801.7 billion (\$328.9 billion) at June 30, 2023, an increase of 19.8% (CAD 23.6%). Mackenzie holds a 27.8% interest in ChinaAMC.

At June 30, 2024, Northleaf's AUM was \$29.1 billion compared to \$25.2 billion at June 30, 2023, an increase of 15.5%. Mackenzie holds a 56% economic interest in Northleaf.

Mackenzie Investments AUM

Change in AUM – 2024 vs. 2023

Mackenzie's total AUM at June 30, 2024 were \$202.1 billion, an increase of 4.5% from \$193.3 billion at June 30, 2023. Third party AUM were \$122.7 billion, an increase of 5.2% from \$116.6 billion at June 30, 2023.

Investment fund AUM were \$64.8 billion at June 30, 2024, compared to \$61.5 billion at June 30, 2023, an increase of 5.2%. Mackenzie's mutual fund AUM of \$58.5 billion increased by 3.8% from \$56.4 billion at June 30, 2023. Mackenzie's ETF assets excluding ETFs held within IGM Financial's managed

Table 14: Change in Total AUM – Asset Management

<i>Three months ended</i> (\$ millions)	Change				
	2024 Jun. 30	2024 Mar. 31	2023 Jun. 30	2024 Mar. 31	2023 Jun. 30
Mackenzie AUM excluding sub-advisory to Canada Life and the Wealth Management Segment					
Net sales (redemptions)					
Mutual funds	\$ (906)	\$ (526)	\$ (701)	(72.2)%	(29.2)%
ETF net creations	161	332	85	(51.5)	89.4
Investment funds ⁽¹⁾⁽²⁾	(745)	(194)	(616)	N/M	(20.9)
Sub-advisory, institutional and other accounts ⁽³⁾⁽⁴⁾	(171)	20	273	N/M	N/M
Total net sales (redemptions)	(916)	(174)	(343)	N/M	(167.1)
Investment returns	795	3,779	683	(79.0)	16.4
Net change in assets	(121)	3,605	340	N/M	N/M
Beginning assets	72,887	69,282	68,402	5.2	6.6
Ending assets	\$ 72,766	\$ 72,887	\$ 68,742	(0.2)%	5.9 %
Mackenzie Consolidated AUM					
Mutual funds	\$ 58,505	\$ 58,847	\$ 56,371	(0.6)%	3.8 %
ETFs	6,250	6,074	5,168	2.9	20.9
Investment funds ⁽¹⁾⁽²⁾	64,755	64,921	61,539	(0.3)	5.2
Sub-advisory, institutional and other accounts ⁽⁴⁾	8,011	7,966	7,203	0.6	11.2
	72,766	72,887	68,742	(0.2)	5.9
Sub-advisory to Canada Life ⁽⁵⁾	49,960	51,281	47,871	(2.6)	4.4
Third party AUM	122,726	124,168	116,613	(1.2)	5.2
Sub-advisory and AUM to Wealth Management ⁽²⁾⁽⁵⁾	79,393	79,503	76,722	(0.1)	3.5
Consolidated AUM	\$ 202,119	\$ 203,671	\$ 193,335	(0.8)%	4.5 %
Strategic investments ending AUM					
ChinaAMC	\$ 112,998	\$ 108,798	\$ 91,443	3.9 %	23.6 %
Northleaf	16,308	15,283	14,120	6.7	15.5
Intra-segment eliminations	(329)	(309)	(255)	(6.5)	(29.0)
	\$ 128,977	\$ 123,772	\$ 105,308	4.2 %	22.5 %
Consolidated ending AUM including strategic investments	\$ 331,096	\$ 327,443	\$ 298,643	1.1 %	10.9 %
Mackenzie average total AUM⁽⁶⁾					
Third party AUM	\$ 122,773	\$ 121,000	\$ 116,318	1.5 %	5.5 %
Consolidated	201,757	198,874	193,052	1.4	4.5

(1) Investment fund AUM and net sales exclude investments into Mackenzie mutual funds and ETFs by IGM Financial's investment funds.

(2) Effective January 2023, Mackenzie investment fund products sold through IG Wealth Management are reclassified from Investment funds to Sub-advisory and AUM to Wealth Management.

(3) In the first quarter of 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

(4) Sub-advisory, institutional and other accounts – During the second quarter of 2023, Mackenzie onboarded an institutional mandate of \$490 million.

(5) Effective November 30, 2023, Mackenzie's sub-advisory to discontinued operations, which had previously been reported in sub-advisory and AUM to Wealth Management, are now reported in sub-advisory to Canada Life.

(6) Based on daily average investment fund assets and month-end average sub-advisory, institutional and other assets.

products were \$6.3 billion at June 30, 2024, an increase of 20.9% from \$5.2 billion at June 30, 2023. ETF assets inclusive of IGM Financial's managed products were \$14.4 billion at June 30, 2024 compared to \$12.9 billion at June 30, 2023.

In the three months ended June 30, 2024, Mackenzie's mutual fund gross sales were \$2.1 billion, an increase of 23.0% compared to \$1.7 billion in 2023. Mutual fund redemptions in the current quarter were \$3.0 billion, an increase of 24.8% from last year. Mutual fund net redemptions for the three

months ended June 30, 2024 were \$906 million, compared to net redemptions of \$701 million last year. In the three months ended June 30, 2024, ETF net creations were \$161 million compared to \$85 million last year. Investment fund net redemptions in the current quarter were \$745 million compared to net redemptions of \$616 million last year. During the current quarter, investment returns resulted in investment fund assets increasing by \$579 million consistent with last year.

Table 14: Change in Total AUM – Asset Management (continued)

<i>Six months ended</i> (\$ millions)	2024 Jun. 30	2023 Jun. 30	Change
Mackenzie AUM excluding sub-advisory to Canada Life and the Wealth Management Segment			
Net sales (redemptions)			
Mutual funds	\$ (1,432)	\$ (615)	(132.8)%
ETF net creations	493	71	N/M
Investment funds ⁽¹⁾⁽²⁾	(939)	(544)	(72.6)
Sub-advisory, institutional and other accounts ⁽³⁾⁽⁴⁾	(151)	371	N/M
Total net sales (redemptions)	(1,090)	(173)	N/M
Investment returns	4,574	2,840	61.1
Net change in assets	3,484	2,667	30.6
Beginning assets	69,282	66,075	4.9
Ending assets	\$ 72,766	\$ 68,742	5.9 %
Mackenzie average total AUM⁽⁵⁾			
Third party AUM	\$ 121,728	\$ 115,957	5.0 %
Consolidated	200,040	192,415	4.0

(1) Investment fund AUM and net sales exclude investments into Mackenzie mutual funds and ETFs by IGM Financial's investment funds.

(2) Effective January 2023, Mackenzie investment fund products sold through IG Wealth Management are reclassified from Investment funds to Sub-advisory and AUM to Wealth Management.

(3) In the first quarter of 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

(4) Sub-advisory, institutional and other accounts – During the second quarter of 2023, Mackenzie onboarded an institutional mandate of \$490 million.

(5) Based on daily average investment fund assets and month-end average sub-advisory, institutional and other assets.

Table 15: Change in Investment Fund AUM – Mackenzie Investments⁽¹⁾

<i>Three months ended</i> (\$ millions)	2024		2023		Change	
	Jun. 30	Mar. 31	Jun. 30	Mar. 31	Mar. 31	Jun. 30
Sales	\$ 2,142	\$ 2,357	\$ 1,742	(9.1)%	23.0 %	
Redemptions	3,048	2,883	2,443	5.7	24.8	
Mutual fund net sales (redemptions)	(906)	(526)	(701)	(72.2)	(29.2)	
ETF net creations	161	332	85	(51.5)	89.4	
Investment fund net sales (redemptions)⁽²⁾⁽³⁾	(745)	(194)	(616)	N/M	(20.9)	
Investment returns	579	3,200	579	(81.9)	-	
Net change in assets	(166)	3,006	(37)	N/M	N/M	
Beginning assets	64,921	61,915	61,576	4.9	5.4	
Ending assets	\$ 64,755	\$ 64,921	\$ 61,539	(0.3)%	5.2 %	
Consists of:						
Mutual funds	\$ 58,505	\$ 58,847	\$ 56,371	(0.6)%	3.8 %	
ETFs	6,250	6,074	5,168	2.9	20.9	
Investment funds ⁽³⁾	\$ 64,755	\$ 64,921	\$ 61,539	(0.3)%	5.2 %	
Daily average investment fund assets	\$ 64,468	\$ 63,020	\$ 61,201	2.3 %	5.3 %	

(1) Investment fund AUM and net sales excludes investments into Mackenzie mutual funds and ETFs by IGM Financial's investment funds.

(2) Total investment fund net sales and AUM exclude Mackenzie mutual fund investments in ETFs.

(3) Effective January 2023, Mackenzie investment fund products sold through IG Wealth Management are reclassified from Investment funds to Sub-advisory and AUM to Wealth Management.

Table 15: Change in Investment Fund AUM – Mackenzie Investments⁽¹⁾ (continued)

<i>Six months ended</i> <i>(\$ millions)</i>	2024 Jun. 30	2023 Jun. 30	Change
Sales	\$ 4,499	\$ 4,031	11.6 %
Redemptions	5,931	4,646	27.7
Mutual fund net sales (redemptions)	(1,432)	(615)	(132.8)
ETF net creations	493	71	N/M
Investment fund net sales (redemptions)⁽²⁾⁽³⁾	(939)	(544)	(72.6)
Investment returns	3,779	2,430	55.5
Net change in assets	2,840	1,886	50.6
Beginning assets	61,915	59,653	3.8
Ending assets	\$ 64,755	\$ 61,539	5.2 %
Daily average investment fund assets	\$ 63,744	\$ 61,045	4.4 %

(1) Investment fund AUM and net sales excludes investments into Mackenzie mutual funds and ETFs by IGM Financial's investment funds.

(2) Total investment fund net sales and AUM exclude Mackenzie mutual fund investments in ETFs.

(3) Effective January 2023, Mackenzie investment fund products sold through IG Wealth Management are reclassified from Investment funds to Sub-advisory and AUM to Wealth Management.

Total net redemptions excluding sub-advisory to Canada Life and to the Wealth Management segment for the three months ended June 30, 2024 were \$916 million compared to net redemptions of \$343 million last year. During the current quarter, investment returns resulted in assets increasing by \$795 million compared to an increase of \$683 million last year.

During the second quarter of 2023, Mackenzie onboarded an institutional mandate of \$490 million. Excluding this transaction, total net redemptions excluding sub-advisory to Canada Life and to the Wealth Management segment for the three months ended June 2023 were \$833 million.

In the six months ended June 30, 2024, Mackenzie's mutual fund gross sales were \$4.5 billion, an increase of 11.6% from \$4.0 billion in 2023. Mutual fund redemptions in the current period were \$5.9 billion, an increase of 27.7% from last year. Mutual fund net redemptions for the six months ended June 30, 2024 were \$1.4 billion, compared to net redemptions of \$615 million in 2023. In the six months ended June 30, 2024, ETF net creations were \$493 million compared to \$71 million last year. Investment fund net redemptions in the current period were \$939 million compared to net redemptions of \$544 million last year. During the current period, investment returns resulted in investment fund assets increasing by \$3.8 billion compared to an increase of \$2.4 billion last year.

Redemptions of long-term mutual funds in the three and six months ended June 30, 2024, were \$3.0 billion and \$5.8 billion, respectively, compared to \$2.4 billion and \$4.5 billion last year. Mackenzie's annualized quarterly redemption rate for long-term mutual funds was 21.0% in the second quarter of 2024, compared to 17.3% in the second quarter of 2023. Mackenzie's twelve month trailing redemption rate for long-term mutual

funds was 19.1% at June 30, 2024, compared to 16.2% last year. The corresponding average twelve month trailing redemption rate for long-term mutual funds for all other members of IFIC was approximately 16.5% at June 30, 2024. Mackenzie's twelve month trailing redemption rate is comprised of the weighted average redemption rate for front-end load assets, deferred sales charge and low load assets with redemption fees, and deferred sales charge assets without redemption fees (matured assets). Generally, redemption rates for front-end load assets and matured assets are higher than the redemption rates for deferred sales charge and low load assets with redemption fees.

Total net redemptions excluding sub-advisory to Canada Life and to the Wealth Management segment for the six months ended June 30, 2024 were \$1.1 billion compared to net redemptions of \$173 million in 2023. During the six month period, investment returns resulted in assets increasing by \$4.6 billion compared to an increase of \$2.8 billion last year.

In January 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie. Excluding this activity, and the \$490 million onboarding in the second quarter of 2023 discussed above, total net redemptions were \$1.3 billion in the six months ended June 30, 2024 compared to net redemptions of \$683 million last year.

As at June 30, 2024, Mackenzie's sub-advisory to Canada Life were \$50.0 billion compared to \$47.9 billion at June 30, 2023.

As at June 30, 2024, Mackenzie's sub-advisory and AUM to the Wealth Management segment were \$79.4 billion or 69.2% of Wealth Management AUM excluding strategic investments

compared to \$76.7 billion or 70.0% of Wealth Management AUM excluding strategic investments at June 30, 2023.

Change in AUM – Q2 2024 vs. Q1 2024

Mackenzie's total AUM at June 30, 2024 were \$202.1 billion, a decrease of 0.8% from \$203.7 billion at March 31, 2024. Third party AUM were \$122.7 billion, a decrease of 1.2% from \$124.2 billion at March 31, 2024.

Investment fund AUM were \$64.8 billion at June 30, 2024, a decrease of 0.3% from \$64.9 billion at March 31, 2024. Mackenzie's mutual fund AUM were \$58.5 billion at June 30, 2024, a decrease of 0.6% from \$58.8 billion at March 31, 2024. Mackenzie's ETF assets were \$6.3 billion at June 30, 2024 compared to \$6.1 billion at March 31, 2024. ETF assets inclusive of IGM Financial's managed products were \$14.4 billion at June 30, 2024 compared to \$13.8 billion at March 31, 2024.

For the quarter ended June 30, 2024, Mackenzie mutual fund gross sales were \$2.1 billion, a decrease of 9.1% from the first quarter of 2024. Mutual fund redemptions were \$3.0 billion, an increase of 5.7% from the first quarter of 2024. Net redemptions of Mackenzie mutual funds for the current quarter were \$906 million compared to net redemptions of \$526 million in the previous quarter.

Redemptions of long-term mutual fund assets in the current quarter were \$3.0 billion, compared to \$2.9 billion in the first quarter. Mackenzie's annualized quarterly redemption rate for long-term mutual funds for the current quarter was 21.0% compared to 20.1% in the first quarter.

For the quarter ended June 30, 2024, Mackenzie ETF net creations were \$161 million compared to \$332 million in the first quarter.

Investment fund net redemptions in the current quarter were \$745 million compared to net redemptions of \$194 million in the first quarter.

As at June 30, 2024, Mackenzie's sub-advisory to Canada Life were \$50.0 billion compared to \$51.3 billion at March 31, 2024.

As at June 30, 2024, Mackenzie's sub-advisory and AUM to the Wealth Management segment were \$79.4 billion or 69.2% of Wealth Management AUM excluding strategic investments compared to \$79.5 billion or 70.0% of Wealth Management AUM excluding strategic investments at March 31, 2024.

Review of Segment Operating Results

The Asset Management segment's adjusted net earnings are presented in Table 16 and include the operations of Mackenzie Investments and earnings related to strategic investments.

Mackenzie Investments

Mackenzie Investments' adjusted net earnings are presented in Table 17. Adjusted net earnings for the second quarter of 2024 were \$55.9 million, an increase of 11.6% from the second quarter in 2023 and a decrease of 2.4% from the prior quarter. Adjusted net earnings for the six months ended June 30, 2024 were \$113.2 million, an increase of 14.9% from 2023.

Adjusted earnings before interest and taxes for the second quarter of 2024 were \$82.1 million, an increase of 9.3% from the second quarter in 2023 and a decrease of 2.6% from the prior quarter. Adjusted earnings before interest and taxes for

the six months ended June 30, 2024 were \$166.4 million, an increase of 13.7% from 2023.

2024 vs. 2023

Revenues

Asset management fees are classified as either Asset management fees – third party or Asset management fees – Wealth Management.

- Net asset management fees – third party is comprised of the following:
 - Asset management fees – third party consists of management and administration fees earned from our investment funds and management fees from our third party sub-advisory, institutional and other accounts. The largest component is management fees from our investment funds. The amount of management

Table 16: Operating Results – Asset Management

Three months ended (\$ millions)	2024 Jun. 30	2024 Mar. 31	2023 Jun. 30	Change	
				2024 Mar. 31	2023 Jun. 30
Revenues					
Asset management					
Asset management fees – third party	\$ 241.5	\$ 238.2	\$ 235.1	1.4 %	2.7 %
Redemption fees	0.9	0.6	0.8	50.0	12.5
	242.4	238.8	235.9	1.5	2.8
Dealer compensation expenses					
Asset-based compensation	(80.2)	(79.3)	(78.8)	1.1	1.8
Net asset management fees – third party	162.2	159.5	157.1	1.7	3.2
Asset management fees – Wealth Management	29.1	29.1	28.3	–	2.8
Net asset management	191.3	188.6	185.4	1.4	3.2
Net investment income and other	3.2	6.5	1.0	(50.8)	220.0
Proportionate share of associates' earnings	33.6	34.0	30.8	(1.2)	9.1
	228.1	229.1	217.2	(0.4)	5.0
Expenses					
Advisory and business development	21.4	21.4	21.0	–	1.9
Operations and support	90.8	88.5	89.7	2.6	1.2
Sub-advisory	1.4	1.3	1.1	7.7	27.3
	113.6	111.2	111.8	2.2	1.6
Adjusted earnings before interest and taxes ⁽¹⁾	114.5	117.9	105.4	(2.9)	8.6
Interest expense	6.5	6.5	6.1	–	6.6
Adjusted earnings before income taxes ⁽¹⁾	108.0	111.4	99.3	(3.1)	8.8
Income taxes	22.1	23.2	21.6	(4.7)	2.3
Adjusted net earnings ⁽¹⁾	85.9	88.2	77.7	(2.6)	10.6
Non-controlling interest	1.1	1.4	0.6	(21.4)	83.3
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 84.8	\$ 86.8	\$ 77.1	(2.3)%	10.0 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

Table 16: Operating Results – Asset Management (continued)

<i>Six months ended</i> (\$ millions)	2024 Jun. 30	2023 Jun. 30	Change
Revenues			
Asset management			
Asset management fees – third party	\$ 479.7	\$ 467.5	2.6 %
Redemption fees	1.5	1.7	(11.8)
	481.2	469.2	2.6
Dealer compensation expenses			
Asset-based compensation	(159.5)	(157.5)	1.3
Net asset management fees – third party	321.7	311.7	3.2
Asset management fees – Wealth Management	58.2	56.8	2.5
Net asset management	379.9	368.5	3.1
Net investment income and other	9.7	5.5	76.4
Proportionate share of associates' earnings	67.6	64.0	5.6
	457.2	438.0	4.4
Expenses			
Advisory and business development	42.8	43.7	(2.1)
Operations and support	179.3	182.8	(1.9)
Sub-advisory	2.7	2.2	22.7
	224.8	228.7	(1.7)
Adjusted earnings before interest and taxes ⁽¹⁾	232.4	209.3	11.0
Interest expense	13.0	11.9	9.2
Adjusted earnings before income taxes ⁽¹⁾	219.4	197.4	11.1
Income taxes	45.3	41.3	9.7
Adjusted net earnings ⁽¹⁾	174.1	156.1	11.5
Non-controlling interest	2.5	1.6	56.3
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 171.6	\$ 154.5	11.1 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

fees depends on the level and composition of AUM. Management fee rates vary depending on the investment objective and the account type of the underlying AUM. For example, equity-based mandates have higher management fee rates than exchange traded funds, fixed income mandates and retail mutual fund accounts have higher management fee rates than sub-advised and institutional accounts. The majority of Mackenzie's mutual fund assets are retail and sold through third party financial advisors.

- Redemption fees – consists of fees earned from the redemptions of mutual fund assets sold on a deferred sales charge purchase option and on a low load purchase option. Redemption fees charged for deferred sales charge assets range from 5.5% in the first year and decrease to zero after seven years. Redemption fees for low load assets range from 2.0% to 3.0% in the first year and decrease to zero after two or three years, depending on the purchase option.
- Dealer compensation expenses – consists of asset-based and sales-based compensation. Asset-based

compensation represents trailing commissions paid to dealers on certain classes of retail mutual funds and are calculated as a percentage of mutual fund AUM. These fees vary depending on the fund type and the purchase option upon which the fund was sold: front-end, deferred sales charge or low load. Sales-based compensation are paid to dealers on the sale of mutual funds under the deferred sales charge purchase option and on a low load purchase option. Mackenzie stopped selling deferred sales charge purchase options and low load purchase options as of June 1, 2022, in accordance with regulatory changes.

- Asset management fees – Wealth Management consists of sub-advisory fees earned from the Wealth Management segment.

Net asset management fees – third party were \$162.2 million for the three months ended June 30, 2024, an increase of \$5.1 million or 3.2% from \$157.1 million last year. The increase in net asset management fees – third party was primarily due to a 5.5% increase in average AUM, as shown in Table 14, partially offset by a decrease in the net asset management fee rate. Mackenzie's net asset management fee rate was 53.0 basis

Table 17: Operating Results – Mackenzie Investments

<i>Three months ended</i> (\$ millions)	2024		2023	Change	
	Jun. 30	Mar. 31	Jun. 30	2024 Mar. 31	2023 Jun. 30
Revenues					
Asset management					
Asset management fees – third party	\$ 241.5	\$ 238.2	\$ 235.1	1.4 %	2.7 %
Redemption fees	0.9	0.6	0.8	50.0	12.5
	242.4	238.8	235.9	1.5	2.8
Dealer compensation expenses					
Asset-based compensation	(80.2)	(79.3)	(78.8)	1.1	1.8
Net asset management fees – third party	162.2	159.5	157.1	1.7	3.2
Asset management fees – Wealth Management	29.1	29.1	28.3	–	2.8
Net asset management	191.3	188.6	185.4	1.4	3.2
Net investment income and other	4.0	6.5	1.0	(38.5)	N/M
	195.3	195.1	186.4	0.1	4.8
Expenses					
Advisory and business development	21.4	21.4	21.0	–	1.9
Operations and support	90.4	88.1	89.2	2.6	1.3
Sub-advisory	1.4	1.3	1.1	7.7	27.3
	113.2	110.8	111.3	2.2	1.7
Adjusted earnings before interest and taxes ⁽¹⁾	82.1	84.3	75.1	(2.6)	9.3
Interest expense	6.5	6.5	6.1	–	6.6
Adjusted earnings before income taxes ⁽¹⁾	75.6	77.8	69.0	(2.8)	9.6
Income taxes	19.7	20.5	18.9	(3.9)	4.2
Adjusted net earnings⁽¹⁾	\$ 55.9	\$ 57.3	\$ 50.1	(2.4)%	11.6 %
Six months ended (\$ millions)					
			2024 Jun. 30	2023 Jun. 30	Change
Revenues					
Asset management					
Asset management fees – third party			\$ 479.7	\$ 467.5	2.6 %
Redemption fees			1.5	1.7	(11.8)
			481.2	469.2	2.6
Dealer compensation expenses					
Asset-based compensation			(159.5)	(157.5)	1.3
Net asset management fees – third party			321.7	311.7	3.2
Asset management fees – Wealth Management			58.2	56.8	2.5
Net asset management			379.9	368.5	3.1
Net investment income and other			10.5	5.5	90.9
			390.4	374.0	4.4
Expenses					
Advisory and business development			42.8	43.7	(2.1)
Operations and support			178.5	181.7	(1.8)
Sub-advisory			2.7	2.2	22.7
			224.0	227.6	(1.6)
Adjusted earnings before interest and taxes ⁽¹⁾			166.4	146.4	13.7
Interest expense			13.0	11.9	9.2
Adjusted earnings before income taxes ⁽¹⁾			153.4	134.5	14.1
Income taxes			40.2	36.0	11.7
Adjusted net earnings⁽¹⁾			\$ 113.2	\$ 98.5	14.9 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

points for the three months ended June 30, 2024, compared to 54.3 basis points in the comparative period in 2023.

Net asset management fees – third party were \$321.7 million for the six months ended June 30, 2024, an increase of \$10.0 million or 3.2% from \$311.7 million last year. The increase in net asset management fees – third party was primarily due to a 5.0% increase in average AUM, as shown in Table 14, offset by a decrease in the net management fee rate. Mackenzie's net asset management fee rate was 53.1 basis points for the six months ended June 30, 2024, compared to 54.3 basis points in the comparative period in 2023.

Asset management fees – Wealth Management were \$29.1 million for the three months ended June 30, 2024, an increase of \$0.8 million or 2.8% from \$28.3 million last year. The increase in management fees was due to a 2.9% increase in average AUM, partially offset by a decrease in the management fee rate. Mackenzie's management fee rate was 14.8 basis points for the three months ended June 30, 2024 compared to 14.9 basis points in the comparative period in 2023.

Asset management fees – Wealth Management were \$58.2 million for the six months ended June 30, 2024, an increase of \$1.4 million or 2.5% from \$56.8 million last year. The increase in management fees was due to a 2.4% increase in average AUM. Mackenzie's management fee rate was 14.9 basis points for the six months ended June 30, 2024, compared to 15.0 basis points in the comparative period in 2023.

Net investment income and other primarily includes investment returns related to Mackenzie's investments in proprietary funds. These investments are generally made in the process of launching a fund and are sold as third party investors subscribe. Net investment income and other was \$4.0 million for the three months ended June 30, 2024 compared to \$1.0 million last year, and was \$10.5 million for the six months ended June 30, 2024 compared to \$5.5 million last year.

Expenses

Mackenzie incurs advisory and business development expenses that primarily include wholesale distribution activities and these costs vary directly with assets or sales levels. Advisory and business development expenses were \$21.4 million for the three months ended June 30, 2024, an increase of \$0.4 million or 1.9% from \$21.0 million in 2023. Expenses for the six months ended June 30, 2024 were \$42.8 million, a decrease of \$0.9 million or 2.1% from \$43.7 million last year.

Operations and support includes 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. Operations

and support expenses were \$90.4 million for the three months ended June 30, 2024, an increase of \$1.2 million or 1.3% from \$89.2 million in 2023. Expenses for the six months ended June 30, 2024 were \$178.5 million, a decrease of \$3.2 million or 1.8% from \$181.7 million last year.

Sub-advisory expenses were \$1.4 million for the three months ended June 30, 2024, compared to \$1.1 million in 2023. Expenses for the six months ended June 30, 2024 were \$2.7 million, compared to \$2.2 million last year.

Interest Expense

Interest expense, which includes allocated interest expense on long-term debt and interest expense on leases, totaled \$6.5 million in the second quarter of 2024, compared to \$6.1 million in the comparative period in 2023. Interest expense for the six month period was \$13.0 million compared to \$11.9 million in 2023. Long-term debt interest expense is calculated based on an allocation of IGM Financial's long-term debt to Mackenzie. The allocation of debt increased to \$450 million during the second quarter of 2023, as a result of the issuance of long-term debt by IGM Financial. Previously, the allocation was \$400 million.

Q2 2024 vs. Q1 2024

Revenues

Net asset management fees – third party were \$162.2 million for the current quarter, an increase of \$2.7 million or 1.7% from \$159.5 million in the first quarter of 2024. Factors contributing to the net increase were:

- Average AUM were \$122.8 billion in the current quarter, an increase of 1.5% from the prior quarter.
- Net asset management fee rate was 53.0 basis points for the current quarter consistent with the first quarter.

Asset management fees – Wealth Management were \$29.1 million in the current quarter, consistent with the first quarter of 2024.

Net investment income and other was \$4.0 million for the current quarter, compared to \$6.5 million in the first quarter.

Expenses

Advisory and business development expenses were \$21.4 million for the current quarter, consistent with the first quarter.

Operations and support expenses were \$90.4 million for the current quarter, an increase of \$2.3 million or 2.6% from \$88.1 million in the first quarter.

Sub-advisory expenses were \$1.4 million for the current quarter, compared to \$1.3 in the first quarter.

Asset Management Strategic Investments

Asset Management strategic investment's adjusted net earnings are presented within Table 18. Adjusted net earnings for the second quarter of 2024 were \$28.9 million, compared to \$27.0 million in 2023 and \$29.5 million in the prior quarter. Adjusted net earnings for the six months ended were \$58.4 million, compared to \$56.0 million in 2023.

The proportionate share of associates' earnings consists of equity earnings from ChinaAMC and Northleaf.

The Company's share of ChinaAMC's earnings were \$28.3 million in the second quarter of 2024 compared to \$27.7 million in the comparable period in 2023, and were \$55.2 million in the six month period of 2024, compared to \$55.8 million in 2023.

The Company's share of Northleaf's earnings were \$5.3 million in the second quarter of 2024 compared to \$3.1 million in the comparable period in 2023, and were \$12.4 million in the six month period of 2024, compared to \$8.2 million in 2023. This is offset by non-controlling interest as reflected in the table.

Table 18: Operating Results – Asset Management Strategic Investments

Three months ended (\$ millions)	2024		2023		Change	
	Jun. 30	2024 Mar. 31	Jun. 30	2024 Mar. 31	2023 Jun. 30	2023 Jun. 30
Revenues						
Net investment income and other	\$ (0.8)	\$ –	\$ –	N/M %	N/M %	
Proportionate share of associates' earnings						
ChinaAMC	28.3	26.9	27.7	5.2	2.2	
Northleaf	5.3	7.1	3.1	(25.4)	71.0	
	32.8	34.0	30.8	(3.5)	6.5	
Expenses						
Operations and support	0.4	0.4	0.5	–	(20.0)	
Adjusted earnings before income taxes ⁽¹⁾	32.4	33.6	30.3	(3.6)	6.9	
Income taxes	2.4	2.7	2.7	(11.1)	(11.1)	
Adjusted net earnings ⁽¹⁾	30.0	30.9	27.6	(2.9)	8.7	
Non-controlling interest	1.1	1.4	0.6	(21.4)	83.3	
Adjusted net earnings available to common shareholders⁽¹⁾	\$ 28.9	\$ 29.5	\$ 27.0	(2.0)%	7.0 %	
Six months ended						
(\$ millions)	2024		2023		Change	
	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30	Jun. 30
Revenues						
Net investment income and other			\$ (0.8)	\$ –	N/M %	
Proportionate share of associates' earnings						
ChinaAMC			55.2	55.8	(1.1)	
Northleaf			12.4	8.2	51.2	
			66.8	64.0	4.4	
Expenses						
Operations and support			0.8	1.1	(27.3)	
Adjusted earnings before income taxes ⁽¹⁾			66.0	62.9	4.9	
Income taxes			5.1	5.3	(3.8)	
Adjusted net earnings ⁽¹⁾			60.9	57.6	5.7	
Non-controlling interest			2.5	1.6	56.3	
Adjusted net earnings available to common shareholders⁽¹⁾			\$ 58.4	\$ 56.0	4.3 %	

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

Corporate and Other

Review of Segment Operating Results

The Corporate and Other segment includes the Company's investments in Lifeco and Portage Ventures LPs (Portage), and unallocated capital.

Adjusted earnings from the Corporate and Other segment include the Company's proportionate share of Lifeco's base earnings, an alternate measure Lifeco uses to understand the underlying business performance compared to IFRS net earnings. Lifeco's financial information can be obtained in its disclosure materials filed on www.sedarplus.ca. Comparative periods have been restated to reflect this change. Net investment income on unallocated capital and consolidation elimination entries are also included in this segment.

At June 30, 2024, the Company held a 2.4% equity interest in Lifeco. IGM Financial and Lifeco are controlled by Power.

Portage consists of early-stage investment funds dedicated to backing innovating financial services companies and are controlled by Power.

In addition to Lifeco and other investments held by the Company, the Corporate and Other segment includes unallocated capital which totalled \$378.6 million at June 30, 2024 compared to \$282.3 million at December 31, 2023, as detailed in Table 19.

Unallocated capital represents capital not allocated to any of the operating companies and which would be available for investment, debt repayment, distribution to shareholders or other corporate purposes. This capital is invested in highly liquid, high quality financial instruments in accordance with the Company's Investment Policy.

Corporate and Other segment adjusted net earnings are presented in Table 20.

2024 vs. 2023

The proportionate share of Lifeco's base earnings was \$24.5 million, an increase of \$4.1 million in the second quarter of 2024 compared to the second quarter of 2023, and were \$48.4 million for the six month period of 2024, compared to \$40.8 million in 2023. The proportionate share of Lifeco's net earnings was \$23.6 million, a decrease of \$6.0 million in the second quarter of 2024 compared to the second quarter of 2023, and were \$46.4 million for the six month period of 2024, a decrease of \$3.8 million compared to last year. These earnings reflect the proportionate share of equity earnings from Lifeco, as discussed in the Consolidated Financial Position section of this MD&A. In the fourth quarter of 2023 and in 2024, the Company recorded its proportionate share of Lifeco earnings based on actual earnings. In the first three quarters of 2023, the Company recorded its proportionate share of Lifeco earnings using consensus analysts' earnings estimates, as Lifeco had reported quarterly earnings after the Company.

Net investment income and other was \$4.1 million in the second quarter of 2024, an increase of \$1.0 million from \$3.1 million in 2023. For the six month period, net investment income and other was \$7.9 million, an increase of \$1.7 million from \$6.2 million in 2023.

Q2 2024 VS. Q1 2024

The proportionate share of Lifeco's base earnings was \$24.5 million in the second quarter of 2024, an increase of \$0.6 million from the first quarter of 2024. The proportionate share of Lifeco's net earnings was \$23.6 million, an increase of \$0.8 million from the first quarter of 2024.

Table 19: Total Assets – Corporate and Other

(\$ millions)	June 30, 2024	December 31, 2023
Investments in associate		
Lifeco	\$ 609.4	\$ 589.3
FVTOCI investments		
Portage and other investments	128.5	114.7
Unallocated capital	378.6	282.3
Total assets	\$ 1,116.5	\$ 986.3
<i>Lifeco fair value</i>	\$ 882.8	\$ 970.9

Table 20: Operating Results – Corporate and Other

<i>Three months ended</i> (\$ millions)	2024		2023		Change	
	Jun. 30	Mar. 31	Jun. 30	Mar. 31	2024 Mar. 31	2023 Jun. 30
Revenues						
Wealth Management	\$ (2.3)	\$ (1.9)	\$ (1.5)		(21.1)%	(53.3)%
Asset management	(25.7)	(26.0)	(25.5)		1.2	(0.8)
Dealer compensation expense	(0.9)	(0.8)	(0.7)		12.5	28.6
Net asset management	(26.6)	(26.8)	(26.2)		0.7	(1.5)
Net investment income and other	4.1	3.8	3.1		7.9	32.3
Proportionate share of Lifeco's base earnings	24.5	23.9	20.4		2.5	20.1
	(0.3)	(1.0)	(4.2)		70.0	92.9
Expenses						
Operations and support	0.8	0.4	0.2		100.0	N/M
Sub-advisory	(28.8)	(28.8)	(27.7)		-	(4.0)
	(28.0)	(28.4)	(27.5)		1.4	(1.8)
Adjusted earnings before income taxes ⁽¹⁾	27.7	27.4	23.3		1.1	18.9
Income taxes	0.8	0.9	1.0		(11.1)	(20.0)
Adjusted net earnings – continuing operations ⁽¹⁾	26.9	26.5	22.3		1.5	20.6
Net earnings – discontinued operations	-	-	(2.2)		-	100.0
Adjusted net earnings⁽¹⁾	\$ 26.9	\$ 26.5	\$ 20.1		1.5 %	33.8 %
Six months ended (\$ millions)						
			2024 Jun. 30	2023 Jun. 30	Change	
Revenues						
Wealth Management			\$ (4.2)	\$ (3.1)	(35.5)%	
Asset management			(51.7)	(51.2)	(1.0)	
Dealer compensation expense			(1.7)	(1.3)	30.8	
Net asset management			(53.4)	(52.5)	(1.7)	
Net investment income and other			7.9	6.2	27.4	
Proportionate share of Lifeco's base earnings			48.4	40.8	18.6	
			(1.3)	(8.6)	84.9	
Expenses						
Operations and support			1.2	0.6	100.0	
Sub-advisory			(57.6)	(55.6)	(3.6)	
			(56.4)	(55.0)	(2.5)	
Adjusted earnings before income taxes ⁽¹⁾			55.1	46.4	18.8	
Income taxes			1.7	1.9	(10.5)	
Adjusted net earnings – continuing operations ⁽¹⁾			53.4	44.5	20.0	
Net earnings – discontinued operations			-	(2.0)	100.0	
Adjusted net earnings⁽¹⁾			\$ 53.4	\$ 42.5	25.6 %	

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

IGM Financial Inc.

Consolidated Financial Position

IGM Financial's total assets were \$18.7 billion at June 30, 2024, unchanged from December 31, 2023.

Other Investments

The composition of the Company's securities holdings is detailed in Table 21.

Fair Value Through Other Comprehensive Income (FVTOCI)

Gains and losses on FVTOCI investments are recorded in Other comprehensive income.

Corporate Investments

Corporate investments is primarily comprised of the Company's investments in Wealthsimple, and Portage and are recorded at FVTOCI.

Wealthsimple Financial Corp. (Wealthsimple) is a financial company that provides simple digital tools for growing and managing your money. The Company's investment in Wealthsimple is primarily held through a limited partnership controlled by Power. The investment is classified as FVTOCI. IGM Financial Inc. holds directly and indirectly a 28.3% interest in Wealthsimple (December 31, 2023 – 28.7%), calculated using the treasury method which includes options that are in the money and assumes option proceeds are used to repurchase shares.

At June 30, 2024, the Company increased the fair value of its investment in Wealthsimple to \$835 million (December 31, 2023 – \$607 million). The increase in fair value for the six month period reflects public market peer valuations, as well as Wealthsimple's business performance and revised revenue expectations. Fair value is determined by using observable transactions in the investments' securities where available,

discounted cash flows, and other valuation metrics, including revenue multiples used in the valuation of comparable public companies.

The total fair value of Corporate investments of \$955 million at June 30, 2024 is presented net of certain costs incurred within the limited partnership structures holding the underlying investments.

Fair Value Through Profit or Loss (FVTPL)

Securities classified as FVTPL include equity securities and proprietary investment funds. Gains and losses are recorded in Net investment income and other in the Consolidated Statements of Earnings.

Certain proprietary investment funds are consolidated where the Company has made the assessment that it controls the investment fund. The underlying securities of these funds are classified as FVTPL.

Loans

The composition of the Company's loans is detailed in Table 22.

Loans consisted of residential mortgages and represented 27.9% of total assets at June 30, 2024, compared to 27.4% at December 31, 2023.

Loans measured at amortized cost are primarily comprised of residential mortgages sold to securitization programs sponsored by third parties that in turn issue securities to investors. An offsetting liability, Obligations to securitization entities, has been recorded and totalled \$4.7 billion at June 30, 2024, unchanged from December 31, 2023.

Table 21: Other Investments

(\$ millions)	June 30, 2024		December 31, 2023	
	Cost	Fair Value	Cost	Fair Value
Fair value through other comprehensive income				
Corporate investments	\$ 276.4	\$ 954.9	\$ 264.9	\$ 721.4
Fair value through profit or loss				
Equity securities	12.9	13.3	12.8	13.1
Proprietary investment funds	141.2	148.9	126.5	129.1
	154.1	162.2	139.3	142.2
	\$ 430.5	\$ 1,117.1	\$ 404.2	\$ 863.6

Table 22: Loans

(\$ millions)	June 30, 2024	December 31, 2023
Amortized cost	\$ 5,208.9	\$ 5,109.4
Allowance for expected credit losses	(0.6)	(0.7)
	\$ 5,208.3	\$ 5,108.7

The Company holds loans pending sale or securitization. Loans measured at FVTPL are residential mortgages held temporarily by the Company pending sale. Loans held for securitization are carried at amortized cost. Total loans being held pending sale or securitization are \$531.0 million at June 30, 2024, compared to \$375.5 million at December 31, 2023.

Residential mortgages originated by IG Wealth Management are funded primarily through sales to third parties on a fully serviced basis, including Canada Mortgage and Housing Corporation (CMHC) or Canadian bank sponsored securitization programs. At June 30, 2024, IG Wealth Management serviced \$6.6 billion of residential mortgages.

Securitization Arrangements

Through the Company's mortgage banking operations, residential mortgages are sold to securitization trusts sponsored by third parties that in turn issue securities to investors. The Company securitizes residential mortgages through the CMHC sponsored National Housing Act Mortgage-Backed Securities (NHA MBS) and the Canada Mortgage Bond (CMB) Program and through Canadian bank-sponsored asset-backed commercial paper (ABCP) programs. The Company retains servicing responsibilities and certain elements of credit risk and prepayment risk associated with the transferred assets. The Company's credit risk on its securitized mortgages is partially mitigated through the use of insurance. Derecognition of financial assets in accordance with IFRS is based on the transfer of risks and rewards of ownership. As the Company has retained prepayment risk and certain elements of credit risk associated with the Company's securitization transactions through the CMB and ABCP programs, they are accounted for as secured borrowings. The Company records the transactions under these programs as follows: i) the mortgages and related obligations are carried at amortized cost, with interest income and interest expense, utilizing the effective interest rate method, recorded over the term of the mortgages, ii) the component of swaps entered into under the CMB Program whereby the Company pays coupons on Canada Mortgage Bonds and receives investment returns on the reinvestment of repaid mortgage principal, are recorded at fair value, and iii) cash reserves held under the ABCP program are carried at amortized cost.

In the second quarter of 2024, the Company securitized loans through its mortgage banking operations with cash proceeds of \$385.0 million compared to \$218.7 million in 2023. Additional information related to the Company's securitization activities, including the Company's hedges of related reinvestment and interest rate risk, can be found in the Financial Risk section of this MD&A and in Note 8 to the Interim Financial Statements.

Investment in Associates

Great-West Lifeco Inc.

At June 30, 2024, the Company held a 2.4% equity interest in Lifeco. IGM Financial and Lifeco are controlled by Power.

The equity method is used to account for IGM Financial's investment in Lifeco, as it exercises significant influence. Changes in the carrying value for the three and six months ended June 30, 2024 compared to 2023 are shown in Table 23.

On January 12, 2023, to partially fund the acquisition of an additional 13.9% interest in ChinaAMC, the Company sold 15,200,662 common shares of Lifeco to Power for cash consideration of \$553 million, which reduced the Company's equity interest in Lifeco from 4.0% to 2.4%. IGM Financial's accounting gain on the sale of the Lifeco shares is \$172.9 million before-tax (\$168.6 million after tax), consisting of \$179.1 million recorded in the first quarter of 2023 and a decrease of \$6.2 million that was recorded in the second quarter of 2023.

China Asset Management Co., Ltd.

The equity method is used to account for the Company's 27.8% equity interest in ChinaAMC, as it exercises significant influence. Changes in the carrying value for the three and six months ended June 30, 2024 are shown in Table 23. The change in Other comprehensive income of positive \$9.5 million in the three months ended June 30, 2024, was due to a 0.5% appreciation of the Chinese yuan relative to the Canadian dollar.

ChinaAMC's total assets under management, excluding subsidiary assets under management, were RMB¥ 2,158.5 billion (\$406.5 billion) at June 30, 2024, representing an increase of 18.4% (CAD 19.2%) from RMB¥ 1,823.6 billion (\$341.0 billion) at December 31, 2023. Mutual fund net flows, which exclude subsidiary and institutional assets under management, were RMB¥ 64.5 billion and RMB¥ 265.2 billion for the three and six

Table 23: Investment in Associates

(\$ millions)	Jun. 30, 2024						Jun. 30, 2023					
	Lifeco	ChinaAMC	Rockefeller	Northleaf	Other	Total	Lifeco	ChinaAMC	Rockefeller	Northleaf	Other	Total
Three months ended												
Carrying value, April 1	\$ 598.2	\$ 1,843.0	\$ 859.5	\$ 301.0	\$ 37.3	\$ 3,639.0	\$ 571.0	\$ 1,894.9	\$ -	\$ 289.6	\$ 39.9	\$ 2,795.4
Investment	-	-	-	-	10.0	10.0	-	7.4	855.6	-	-	863.0
Disposition	-	-	-	-	-	-	(6.2)	-	-	-	-	(6.2)
Dividends	(12.3)	-	-	-	-	(12.3)	(11.5)	-	-	-	-	(11.5)
Proportionate share of:												
Earnings (losses) ⁽¹⁾⁽²⁾	23.6	28.3	(6.1)	5.3	0.4	51.5	14.5	27.7	(1.9)	3.1	(0.5)	42.9
IFRS 17 adjustment	-	-	-	-	-	-	15.1	-	-	-	-	15.1
Other comprehensive income (loss) and other adjustments	(0.1)	9.5	8.8	-	-	18.2	1.3	(136.0)	(11.8)	-	-	(146.5)
Carrying value, June 30	\$ 609.4	\$ 1,880.8	\$ 862.2	\$ 306.3	\$ 47.7	\$ 3,706.4	\$ 584.2	\$ 1,794.0	\$ 841.9	\$ 292.7	\$ 39.4	\$ 3,552.2
Six months ended												
Carrying value, January 1	\$ 589.3	\$ 1,885.3	\$ 844.8	\$ 301.8	\$ 38.0	\$ 3,659.2	\$ 939.5	\$ 787.2	\$ -	\$ 284.5	\$ 40.1	\$ 2,051.3
Investment	-	-	0.1	-	10.0	10.1	-	1,161.5	855.6	-	0.6	2,017.7
Disposition	-	-	-	-	-	-	(397.7)	-	-	-	-	(397.7)
Dividends	(24.6)	(73.0)	-	(7.9)	-	(105.5)	(23.0)	(69.2)	-	-	-	(92.2)
Proportionate share of:												
Earnings (losses) ⁽¹⁾⁽²⁾	46.4	55.2	(10.5)	12.4	(0.3)	103.2	35.1	55.8	(1.9)	8.2	(1.3)	95.9
IFRS 17 adjustment	-	-	-	-	-	-	15.1	-	-	-	-	15.1
Other comprehensive income (loss) and other adjustments	(1.7)	13.3	27.8	-	-	39.4	15.2	(141.3)	(11.8)	-	-	(137.9)
Carrying value, June 30	\$ 609.4	\$ 1,880.8	\$ 862.2	\$ 306.3	\$ 47.7	\$ 3,706.4	\$ 584.2	\$ 1,794.0	\$ 841.9	\$ 292.7	\$ 39.4	\$ 3,552.2

(1) The proportionate share of earnings from the Company's investment in associates is recorded in the Wealth Management, Asset Management and Corporate and Other segment. The proportionate share of Lifeco earnings includes Lifeco other items of (\$0.9) million and (\$2.0) million, respectively, for the three and six month periods of 2024 compared to (\$5.9) million and (\$5.7) million, respectively, in 2023. The proportionate share of Rockefeller includes Rockefeller debt refinancing of (\$3.3) million for the three and six month periods of 2024.

(2) The Company's proportionate share of Northleaf's earnings, net of Non-controlling interest, was \$4.2 million and \$9.9 million, respectively, for the three and six month periods of 2024 compared to \$2.5 million and \$6.6 million, respectively, in 2023.

month periods ended June 30, 2024, respectively (net flows obtained from Wind Information Co., Ltd.).

On January 12, 2023, the Company acquired an additional 13.9% interest in ChinaAMC for cash consideration of \$1.15 billion from Power which increased the Company's equity interest in ChinaAMC from 13.9% to 27.8%.

Rockefeller Capital Management

The financial results of Rockefeller are accounted for using the equity method of accounting as the Company exercises significant influence arising from board representation, participation in the policy making process and shared strategic initiatives.

Rockefeller's client assets were USD \$140.0 billion (\$191.6 billion) at June 30, 2024, representing an increase of 14.7% (CAD 18.6%) from USD \$122.1 billion (\$161.6 billion) at December 31, 2023.

On April 3, 2023, the Company acquired a 20.5% equity interest in Rockefeller for cash consideration of \$835 million (USD \$622 million).

Northleaf Capital Group Ltd.

The Company, through an acquisition vehicle held by the Company's subsidiary, Mackenzie, holds a 49.9% voting interest and a 70% economic interest in Northleaf. The acquisition vehicle is owned 80% by Mackenzie and 20% by Lifeco.

Mackenzie and Lifeco have an obligation and right to purchase the remaining equity and voting interest in Northleaf commencing in approximately five years from the acquisition date and extending into future periods. The equity method is used to account for the acquisition vehicle's 70% economic interest as it exercises significant influence. Significant

influence arises from board representation, participating in the policy making process and shared strategic initiatives.

The Company controls the acquisition vehicle therefore it recognizes the full 70% economic interest in Northleaf and recognizes Non-controlling interest (NCI) related to Lifeco's net interest in Northleaf of 14%.

Northleaf's assets under management, including invested capital and uninvested commitments, were \$29.1 billion as at June 30, 2024, representing an increase of \$2.5 billion or 9.4% from \$26.6 billion at December 31, 2023. The increase during the six month period was driven by \$2.5 billion in new commitments and \$0.7 billion related to foreign exchange on USD denominated assets, offset in part by a decrease of \$0.7 billion related to return of capital.

Consolidated Liquidity and Capital Resources

Liquidity

Cash and cash equivalents totalled \$454.2 million at June 30, 2024 compared to \$544.6 million at December 31, 2023 and \$413.2 million at June 30, 2023. Cash and cash equivalents related to the Company's deposit operations were \$2.0 million at June 30, 2024, compared to \$0.6 million at December 31, 2023 and \$1.5 million at June 30, 2023, as shown in Table 24.

Client funds on deposit represents cash balances held by clients within their investment accounts and with the offset included in Deposit liabilities.

Working capital, which consists of current assets less current liabilities, totalled \$365.2 million at June 30, 2024, compared

to \$358.2 million at December 31, 2023 and \$239.8 million at June 30, 2023 (Table 25).

Working capital, which includes unallocated capital, is utilized to:

- Finance ongoing operations, including the funding of sales commissions.
- Temporarily finance mortgages in its mortgage banking operations.
- Pay interest related to long-term debt.
- Maintain liquidity requirements for regulated entities.
- Pay quarterly dividends on its outstanding common shares.
- Finance common share repurchases and retirement of long-term debt.

Table 24: Deposit Operations – Financial Position

(\$ millions)	2024 Jun. 30	2023 Dec. 31	2023 Jun. 30
Assets			
Cash and cash equivalents	\$ 2.0	\$ 0.6	\$ 1.5
Client funds on deposit	3,000.8	3,365.7	3,892.0
Accounts and other receivables	0.4	0.7	0.4
Loans	8.3	9.3	9.0
Total assets	\$ 3,011.5	\$ 3,376.3	\$ 3,902.9
Liabilities and shareholders' equity			
Deposit liabilities	\$ 2,978.4	\$ 3,344.2	\$ 3,872.7
Other liabilities	24.1	23.3	21.1
Shareholders' equity	9.0	8.8	9.1
Total liabilities and shareholders' equity	\$ 3,011.5	\$ 3,376.3	\$ 3,902.9

- Capital investment in the business and business acquisitions.

IGM Financial continues to generate significant cash flows from its operations. Earnings before interest, taxes, depreciation and amortization before sales commissions (EBITDA before sales commissions), a non-IFRS measure (see Non-IFRS Financial Measures and Other Financial Measures), totalled \$365.4 million for the second quarter of 2024 compared to \$357.7 million for the second quarter of 2023 and \$374.5 million for the first quarter of 2024. For the six months ended June 30, 2024, EBITDA before sales commissions totalled \$739.9 million compared to \$701.8 million for the comparative period of 2023. EBITDA before sales commissions excludes the impact of both commissions paid and commission amortization (Table 1).

Earnings before interest, taxes, depreciation and amortization after sales commissions (EBITDA after sales commissions), a non-IFRS measure (see Non-IFRS Financial Measures and Other Financial Measures), totalled \$333.3 million in the second quarter of 2024 compared to \$331.2 million in the second quarter of 2023 and \$341.3 million in the first quarter of 2024. For the six months ended June 30, 2024, EBITDA after sales commissions totalled \$674.6 million compared to \$642.0 million for the comparative period of 2023. EBITDA after sales commissions excludes the impact of commission amortization (Table 1).

Refer to the Financial Risk section of this MD&A for information related to other sources of liquidity and to the Company's exposure to and management of liquidity and funding risk.

Cash Flows

Table 26 – Cash Flows is a summary of the Consolidated Statements of Cash Flows which forms part of the Interim Financial Statements for the three and six month periods ended June 30, 2024. Cash and cash equivalents decreased

by \$45.9 million in the second quarter of 2024 compared to a decrease of \$96.3 million in 2023. For the six months ended June 30, 2024, cash and cash equivalents decreased by \$90.4 million, compared to a decrease of \$622.3 million in 2023. Cash and cash equivalents from discontinued operations of \$37.4 million have been reclassified as assets held for sale on the balance sheet at June 30, 2023.

Adjustments to determine net cash from operating activities during the three and six month periods of 2024 compared to 2023 consist of non-cash operating activities offset by cash operating activities:

- The add-back of amortization of capitalized sales commissions offset by the deduction of capitalized sales commissions paid.
- The add-back of amortization of capital, intangible and other assets.
- The deduction of investment in associates' equity earnings offset by dividends received.
- The add-back of pension and other post-employment benefits offset by cash contributions.
- Changes in operating assets and liabilities and other.
- The adjustment for other items in 2023 which included the gain on the partial sale of the Company's investment in Lifeco.
- The add-back of a one-time adjustment in 2023 in respect of a restructuring provision and other.
- The deduction of restructuring provision cash payments.

Financing activities during the second quarter of 2024 compared to 2023 related to:

- An increase in obligations to securitization entities of \$387.8 million and repayments of obligations to securitization entities of \$399.5 million in 2024 compared to an increase in obligations to securitization entities of \$213.2 million

Table 25: Working Capital

(\$ millions)	2024 Jun. 30	2023 Dec. 31	2023 Jun. 30
Current assets			
Cash and cash equivalents	\$ 454.2	\$ 544.6	\$ 413.2
Client funds on deposit	3,000.8	3,365.7	3,892.0
Accounts receivable and other assets	453.1	431.6	468.3
Current portion of securitized mortgages and other	1,028.4	1,020.8	1,226.5
	4,936.5	5,362.7	6,000.0
Current liabilities			
Accounts and other payables	685.5	712.9	733.4
Deposits and certificates	2,977.3	3,343.1	3,871.5
Current portion of obligations to securitization entities and other	908.5	948.5	1,155.3
	4,571.3	5,004.5	5,760.2
Working capital	\$ 365.2	\$ 358.2	\$ 239.8

Table 26: Cash Flows

(\$ millions)	Three months ended June 30			Six months ended June 30		
	2024	2023	Change	2024	2023	Change
Operating activities						
Earnings before income taxes	\$ 280.5	\$ 175.0	60.3 %	\$ 572.6	\$ 622.1	(8.0)%
Income taxes paid	(54.9)	(61.0)	10.0	(112.2)	(128.3)	12.5
Adjustments to determine net cash from operating activities	95.2	152.7	(37.7)	(7.6)	(115.3)	93.4
	320.8	266.7	20.3	452.8	378.5	19.6
Financing activities	(189.5)	631.3	N/M	(380.0)	485.6	N/M
Investing activities	(177.2)	(994.3)	82.2	(163.2)	(1,486.4)	89.0
Change in cash and cash equivalents	(45.9)	(96.3)	52.3	(90.4)	(622.3)	85.5
Cash and cash equivalents from continuing and discontinued operations, beginning of period	500.1	546.9	(8.6)	544.6	1,072.9	(49.2)
Cash and cash equivalents, end of period	454.2	450.6	0.8	454.2	450.6	0.8
Less: Cash and cash equivalents from discontinued operations, end of period	-	37.4	(100.0)	-	37.4	(100.0)
Cash and cash equivalents, end of period – continuing operations	\$ 454.2	\$ 413.2	9.9 %	\$ 454.2	\$ 413.2	9.9 %

and repayments of obligations to securitization entities of \$292.8 million in 2023.

- The purchase of 1,039,000 common shares in 2024 under IGM Financial's normal course issuer bid at a cost of \$37.1 million. There were no purchases in 2023.
- The payment of regular common share dividends which totalled \$133.8 million in 2024, compared to \$133.9 million in 2023.

Financing activities during the six months ended June 30, 2024 compared to 2023 related to:

- An increase in obligations to securitization entities of \$644.2 million and repayments of obligations to securitization entities of \$694.4 million in 2024 compared to an increase in obligations to securitization entities of \$409.4 million and repayments of obligations to securitization entities of \$509.4 million in 2023.
- The purchase of 1,379,000 common shares in 2024 under IGM Financial's normal course issuer bid at a cost of \$49.1 million. There were no purchases in 2023.
- The payment of regular common share dividends which totalled \$267.7 million in 2024, compared to \$267.6 million in 2023.

The three and six month periods of 2023 also included the following:

- Net proceeds on the credit facility of \$550.0 million related to temporary financing put in place until the sale of IPC closed.
- The issuance of debentures of \$300.0 million in 2023.

Investing activities during the second quarter of 2024 compared to 2023 primarily related to:

- The purchases of other investments totalling \$38.1 million and sales of other investments with proceeds of \$9.7 million in 2024 compared to \$15.8 million and \$18.7 million, respectively, in 2023.
- An increase in loans of \$426.1 million with repayments of loans and other of \$313.0 million in 2024 compared to \$343.3 million and \$232.0 million, respectively, in 2023 primarily related to residential mortgages in the Company's mortgage banking operations.
- Net cash used in additions to intangible assets and other was \$30.8 million in 2024 compared to \$15.7 million in 2023.

The second quarter of 2023 also included the investment in Rockefeller of \$855.6 million.

Investing activities during the six months ended June 30, 2024 compared to 2023 related to:

- The purchases of other investments totalling \$61.0 million and sales of other investments with proceeds of \$44.3 million in 2024 compared to \$37.4 million and \$40.1 million, respectively, in 2023.
- An increase in loans of \$672.6 million with repayments of loans and other of \$581.2 million in 2024 compared to \$479.1 million and \$503.8 million, respectively, in 2023 primarily related to residential mortgages in the Company's mortgage banking.
- Net cash used in additions to intangible assets and other was \$46.5 million in 2024 compared to \$34.4 million in 2023.

The six month period of 2023 also included the following:

- The investment in ChinaAMC of \$1,161.5 million.
- The investment in Rockefeller of \$855.6 million.
- Sale of Lifeco shares with proceeds of \$552.7 million.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income totalled \$597.6 million at June 30, 2024, compared to \$202.4 million at June 30, 2023, as detailed in Table 27.

Other comprehensive income for employee benefits in 2024 resulted from an increase in the discount rate by approximately 0.40% and higher investment returns from the registered pension plan assets.

The gain related to Other investments in 2024 is primarily due to a change in fair value of Wealthsimple of approximately 37%. The change is consistent with the increase in public market peer valuations, as well as Wealthsimple's business performance and revised revenue expectations.

Other comprehensive income for Investment in associates in 2024 was primarily related to the foreign exchange translation related to the Company's investment in ChinaAMC and Rockefeller.

Capital Resources

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory capital requirements, working capital needs and business expansion. The Company'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. Capital of the Company consists of

long-term debt and common shareholders' equity which totalled \$9.5 billion at June 30, 2024, compared to \$9.1 billion at December 31, 2023. The Company regularly assesses its capital management practices in response to changing economic conditions.

The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements, long-term investments made by the Company, business expansion and other strategic objectives. Subsidiaries subject to regulatory capital requirements include investment dealers, mutual fund dealers, exempt market dealers, portfolio managers, investment fund managers and a trust company. These subsidiaries are required to maintain minimum levels of capital based on either working capital, liquidity or shareholders' equity. The Company's subsidiaries have complied with all regulatory capital requirements.

The total outstanding long-term debt was \$2.4 billion at June 30, 2024, unchanged from December 31, 2023. Long-term debt is comprised of debentures which are senior unsecured debt obligations of the Company subject to standard covenants, including negative pledges, but which do not include any specified financial or operational covenants.

The Company purchased 1,379,000 common shares during the six months ended June 30, 2024 at a cost of \$49.1 million under its Normal Course Issuer Bid (NCIB) (refer to Note 10 to the Interim Financial Statements). The Company commenced the NCIB on December 21, 2023 to purchase for cancellation up to 3 million of its common shares. The program will be used to mitigate the dilutive effect of stock options issued under the Company's stock option plan and for other capital management purposes.

In connection with its NCIB, the Company has established an automatic securities purchase plan (ASPP) for its common shares. The ASPP provides standard instructions regarding

Table 27: Accumulated Other Comprehensive Income (Loss)

<i>(\$ millions)</i>	Employee Benefits	Other Investments	Investment in Associates and Other	Total
2024				
Balance, January 1	\$ (14.0)	\$ 394.0	\$ (63.7)	\$ 316.3
Other comprehensive income (loss)	43.4	192.9	45.0	281.3
Balance, June 30	\$ 29.4	\$ 586.9	\$ (18.7)	\$ 597.6
2023				
Balance, January 1	\$ 4.3	\$ 309.7	\$ 48.8	\$ 362.8
Other comprehensive income (loss)	(8.3)	(0.5)	(135.7)	(144.5)
Disposal of investment in associate	-	-	(16.0)	(16.0)
Transfer out of FVTOCI	-	0.1	-	0.1
Balance, June 30	\$ (4.0)	\$ 309.3	\$ (102.9)	\$ 202.4

how IGM Financial's common shares are to be purchased under the NCIB during certain pre-determined trading blackout periods, subject to pre-established parameters. Outside of these pre-determined trading blackout periods, purchases under the Company's NCIB will be completed based upon management's discretion.

Other activities in 2024 included the declaration of common share dividends of \$267.0 million or \$1.125 per share. Changes in common share capital are reflected in the Consolidated Statements of Changes in Shareholders' Equity.

Standard & Poor's (S&P) current rating on the Company's senior unsecured debentures is "A" with a stable outlook. Morningstar DBRS current rating on the Company's senior unsecured debentures is "A (High)" 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 company and are indicators of the likelihood of payment and the capacity of a company 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 the Company 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 IGM Financial's senior unsecured debentures by S&P is the sixth highest of the 22 ratings used for long-term debt. This rating indicates S&P's view that the

Company's capacity to meet its financial commitment on the obligation is strong, but the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories.

The A (High) rating assigned to IGM Financial's senior unsecured debentures by Morningstar DBRS is the fifth highest of the 22 ratings used for long-term debt. Under the Morningstar DBRS long-term rating scale, debt securities rated A (High) are of good credit quality and the capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. Entities in the A (High) category may be vulnerable to future events, but qualifying negative factors are considered manageable.

Financial Instruments

Table 28 presents the carrying amounts and fair values of financial assets and financial liabilities. 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 fair value. These items include cash and cash equivalents, accounts and other receivables, certain other financial assets, accounts payable and accrued liabilities, credit facility, and certain other financial liabilities.

Fair value is determined using the following methods and assumptions:

- Other investments and other financial assets and financial liabilities are valued using quoted prices from active markets, when available. When a quoted market price is not readily available, valuation techniques are used that require assumptions related to discount rates and the timing and

Table 28: Financial Instruments

(\$ millions)	June 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets recorded at fair value				
Other investments				
– FVTOCI	\$ 954.9	\$ 954.9	\$ 721.4	\$ 721.4
– FVTPL	162.2	162.2	142.2	142.2
Derivative financial instruments	35.0	35.0	42.7	42.7
Financial assets recorded at amortized cost				
Loans				
– Amortized cost	5,208.3	5,168.1	5,108.7	5,070.8
Financial liabilities recorded at fair value				
Derivative financial instruments	41.9	41.9	49.6	49.6
Financial liabilities recorded at amortized cost				
Deposits and certificates	2,978.4	2,978.4	3,344.2	3,344.2
Obligations to securitization entities	4,651.3	4,676.5	4,687.8	4,695.7
Long-term debt	2,400.0	2,401.9	2,400.0	2,453.4

amount of future cash flows. Wherever possible, observable market inputs are used in the valuation techniques.

- Loans classified as held for trading are valued using market interest rates for loans with similar credit risk and maturity, specifically lending rates offered to retail borrowers by financial institutions.
- Loans classified as amortized cost are valued by discounting the expected future cash flows at prevailing market yields.
- Valuation methods used for Other investments classified as FVTOCI include comparison to market transactions with arm's length third parties, use of market multiples, and discounted cash flow analysis.
- Obligations to securitization entities are valued by discounting the expected future cash flows at prevailing market yields for securities issued by these securitization entities having similar terms and characteristics.

- Deposits and certificates are valued by discounting the contractual cash flows using market interest rates currently offered for deposits with similar terms and credit risks.
- Long-term debt is valued using quoted prices for each debenture available in the market.
- Derivative financial instruments are valued based on quoted market prices, where available, prevailing market rates for instruments with similar characteristics and maturities, or discounted cash flow analysis.

See Note 15 of the Interim Financial Statements which provides additional discussion on the determination of fair value of financial instruments.

Although there were changes to both the carrying values and fair values of financial instruments, these changes did not have a material impact on the financial condition of the Company for the six months ended June 30, 2024.

Risk Management

IGM Financial is exposed to a variety of risks that are inherent in our business activities. Our ability to manage these risks is key to our ongoing success. The Company emphasizes a strong risk management culture and the implementation of an effective risk management approach. Our approach coordinates risk management across the organization and its business units and seeks to ensure prudent and measured risk-taking in order to achieve an appropriate balance between risk and return. Fundamental to our enterprise risk management program is protecting and enhancing our reputation.

Risk Management Framework

The Company's risk management approach is undertaken through our comprehensive Risk Management Framework which is composed of four core elements: risk governance, risk appetite, a defined risk management process, and risk management culture. The Risk Management Framework is approved by the Board of Directors.

Risk Governance

Our risk governance structure emphasizes ownership of risk management in each business unit and oversight by an Executive Risk Management Committee accountable to the Risk Committee of the Board (Risk Committee) and ultimately to the Board of Directors. Additional oversight is provided by the Risk, Compliance and Internal Audit functions.

The Risk Committee provides primary oversight and carries out its risk management mandate. The Risk Committee is responsible for assisting the Board in reviewing and overseeing the risk governance structure and risk management program of the Company by: i) ensuring that appropriate procedures are in place to identify and manage risks and establish risk appetite, ii) ensuring that appropriate policies, procedures and controls are implemented to manage risks, and iii) reviewing the risk management process on a regular basis to ensure that it is functioning effectively.

Other specific risks are managed with the support of the following Board committees:

- The Audit Committee has specific risk oversight responsibilities in relation to financial disclosure, internal controls and the control environment as well as our compliance activities, including administration of the Code of Conduct.
- The Human Resource Committee oversees human resources and talent practices and policies including compensation.
- The Governance and Nominating Committee oversees corporate governance practices.

- The Related Party and Conduct Review Committee oversees conflicts of interest.

Management oversight for risk management resides with the Executive Risk Management Committee which is comprised of the Chief Executive Officers of IGM Financial, IG Wealth Management and Mackenzie Investments, the Chief Financial Officer, the General Counsel, the Chief Operating Officer, the Chief Information Officer, the Chief Human Resources Officer, and the Chief Risk Officer, who reports to the Chief Executive Officer of IGM Financial. The committee is responsible for oversight of IGM Financial's risk management process by: i) establishing and maintaining the risk framework and policy; ii) defining the risk appetite; iii) ensuring our risk profile and processes are aligned with corporate strategy and risk appetite; and iv) establishing "tone at the top" and reinforcing a strong culture of risk management.

The Chief Executive Officers of the operating companies have overall responsibility for overseeing risk management of their respective companies.

The Company has assigned responsibility for risk management using the Three Lines of Defence model, with the First Line reflecting the business units having primary responsibility for risk management, supported by Second Line risk management functions and a Third Line (the Internal Audit function) providing assurance and validation of the design and effectiveness of the Risk Management Framework.

First Line of Defence

The leaders of the various business units and support functions have primary ownership and accountability for the ongoing risk management associated with their respective activities. Responsibilities of business unit and support function leaders include: i) executing and maintaining procedures for the identification, assessment, documentation and escalation of risks, ii) implementing control activities to mitigate risks, iii) identifying opportunities for risk reduction or transfer, and iv) aligning business and operational strategies with the risk culture and risk appetite of the organization as established by the Executive Risk Management Committee.

Second Line of Defence

The Risk function, overseen by the Chief Risk Officer, provides oversight, analysis and reporting to the Executive Risk Management Committee on the level of risks relative to the established risk appetite for all activities of the Company. Other responsibilities include: i) developing and maintaining the risk management program and framework, ii) managing the risk management process, and iii) providing guidance and training to business unit and support function leaders.

The Company has a number of committees of senior business leaders which provide oversight of specific business risks, including the Financial Risk Management and Operational Risk Management committees. These committees perform critical reviews of risk assessments, risk management practices and risk response plans developed by business units and support functions.

Other oversight accountabilities reside with the Company's Legal and Compliance functions which are responsible for ensuring compliance with policies, laws and regulations.

Third Line of Defence

The Internal Audit function is the third line of defence and provides independent assurance to senior management and the Board of Directors on the effectiveness of the Company's risk management policies, processes and practices.

Risk Appetite

The Company's appetite for different types of risk is established through the Risk Appetite Framework which is approved by the Board of Directors. Under the Risk Appetite Framework, one of four appetite levels is established for each risk type and business activity of the Company. These appetite levels range from those where the Company has no appetite for risk and seeks to minimize any losses, to those where the Company readily accepts exposure while seeking to ensure that risks are well understood and managed. These appetite levels guide our business units as they engage in business activities, and inform them in establishing policies, limits, controls and risk transfer activities.

The Risk Appetite Framework facilitates the alignment of business strategy with risk appetite, supports capital deployment assessments, and supports the identification, mitigation, and management of risks.

Risk Management Process

The Company's risk management process is designed to foster:

- Ongoing assessment of risks and tolerance in a changing operating environment.
- Appropriate identification and understanding of existing and emerging risks and risk response.
- Timely monitoring and escalation of risks based upon changing circumstances.

Significant risks that may adversely affect the Company's ability to achieve its strategic and business objectives are identified through the Company's ongoing risk management process.

We use a consistent methodology across our organizations and business units for identification and assessment of risks.

Risks are assessed by evaluating the impact and likelihood of the potential risk event after consideration of controls and any risk transfer activities. The results of these assessments are considered relative to risk appetite and may result in action plans to adjust the risk profile.

Risk assessments are monitored and reviewed on an ongoing basis by business units and by oversight areas including the Risk function. The Risk function promotes and coordinates communication and consultation to support effective risk management and escalation. The Risk function regularly reports on the results of risk assessments and on the assessment process to the Executive Risk Management Committee and to the Risk Committee.

Risk Management Culture

Risk management is everyone's responsibility within the organization. The Risk function engages all business units in risk workshops to foster awareness and to incorporate our risk framework into business activities.

We have an established business planning process which reinforces our risk management culture. Our compensation programs are typically objectives-based, do not encourage or reward excessive or inappropriate risk taking, and often are aligned specifically with risk management objectives.

Our risk management program emphasizes integrity, ethical practices, responsible management and measured risk-taking with a long-term view. Our standards of integrity and ethics are reflected within our Code of Conduct which applies to directors, officers and employees.

Key Risks of the Business

Significant risks that may adversely affect our ability to achieve strategic and business objectives are identified through our ongoing risk management process.

Risks are identified based on our established methodology, considering factors both internal and external to the organization. These risks are broadly grouped into three categories: financial, operational, and strategic and business.

1) Financial Risk

This is the risk of financial loss related to AUM&A, liquidity and funding risk, credit risk, or market risk.

Risks Related to AUM&A

At June 30, 2024, IGM Financial's AUM&A were \$252.4 billion compared to \$240.2 billion at December 31, 2023.

The Company's primary sources of revenues are advisory fees and asset management fees which are applied as an annual percentage of the level of AUM&A. AUM&A levels are impacted by both net sales and changes in the market.

Global markets by their nature are subject to uncertainty and a variety of risks. Movement in equity market prices, foreign exchange rates, real asset values, interest rates/credit spreads, or other asset values could cause the Company's AUM&A, revenue and earnings to decline. A general economic downturn, market volatility, client rebalancing, poor investment performance, or a lack of investor confidence could also lead to lower sales, higher redemption levels and lower AUM&A.

The Company believes that exposure to investment returns on its client portfolios is beneficial over the long term to financial results and consistent with stakeholder expectations, and therefore does not typically engage in risk transfer activities such as hedging in relation to these exposures.

The Company's exposure to market risk aligns with the experience of its clients. AUM are broadly diversified by asset class, geographic region, industry sector, investment team and style. The Company regularly reviews the sensitivity of its AUM, revenues, earnings and cash flow to changes in financial markets.

Domestic and foreign equity securities are exposed to equity price risk which may negatively impact AUM&A, revenues and earnings. Equity price risk can be classified into two categories: general equity risk and issuer-specific risk. The Company's internal and external fund managers reduce exposure to issuer-specific risks through diversification.

Fixed-income securities are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall while a decrease in interest rates causes market prices to rise, thus impacting AUM&A, revenue and earnings.

Foreign currency denominated securities are exposed to foreign exchange risk. A depreciation in foreign currency versus the Canadian dollar will cause the Canadian value of securities to fall while an appreciation in foreign currency versus the Canadian dollar will cause the Canadian value of securities to rise, thus impacting AUM&A, revenue and earnings.

Liquidity and Funding Risk

This is the risk of an inability to generate or obtain sufficient cash in a timely and cost-effective manner to meet contractual or anticipated commitments as they come due or arise.

Our liquidity profile is structured to ensure we have sufficient liquidity to satisfy current and prospective requirements in both normal and stressed conditions. Our 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 the Company's ability to access bank and capital market funding.
- Ongoing efforts to diversify and expand long-term mortgage funding sources.
- Oversight of liquidity and funding risks by the Financial Risk Management Committee, a committee of finance and other business leaders.

A key funding requirement 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.

Table 29: IGM Financial AUM – Asset and Currency Mix

<i>As at June 30, 2024</i>	Investment Funds	Total
Cash	0.7 %	2.1 %
Short-term fixed income and mortgages	3.5	3.6
Other fixed income	22.1	22.1
Domestic equity	20.3	25.0
Foreign equity	51.1	45.5
Real Property	2.3	1.7
	100.0 %	100.0 %
CAD	48.0 %	54.7 %
USD	36.1	32.1
Other	15.9	13.2
	100.0 %	100.0 %

The Company also maintains sufficient liquidity to fund and temporarily hold mortgages 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 CMB Program. The Company maintains committed capacity within certain Canadian bank-sponsored securitization trusts. Capacity for sales under the CMB Program consists of participation in new CMB issues and reinvestment of principal repayments held in the Principal Reinvestment Accounts. The Company's continued ability to fund residential mortgages through Canadian bank-sponsored securitization trusts and NHA MBS is dependent on securitization market conditions and government regulations that are subject to change. A condition of the NHA MBS and CMB Program is that securitized loans be insured by an insurer that is approved by CMHC. The availability of mortgage insurance is dependent upon market conditions and is subject to change.

The Company accesses the unsecured long-term debt markets for corporate purposes, and ensures a well-diversified maturity structure to manage associated funding risks.

The Company's contractual obligations are reflected in Table 30.

In addition to IGM Financial's current balance of cash and cash equivalents, liquidity is available through the Company's lines of credit. The Company's lines of credit with various Schedule I Canadian chartered banks totalled \$800 million at June 30, 2024, unchanged from December 31, 2023. The lines of credit at June 30, 2024 consisted of committed lines of \$650 million and uncommitted lines of \$150 million, unchanged from December 31, 2023. Any advances made by a bank under the uncommitted lines of credit are at the bank's sole discretion. As at June 30, 2024 and December 31, 2023, the Company was not utilizing its committed lines of credit or its uncommitted lines of credit.

Schedule I Canadian chartered banks provided the Company with a non-revolving term loan facility related to the proceeds on the sale of IPC. The term loan facility was repaid prior to the sale of IPC.

Management believes cash flows from operations, available cash balances and other sources of liquidity are sufficient to meet the Company's liquidity needs. The Company continues to have the ability to meet its operational cash flow requirements, its contractual obligations, and its declared dividends. The current practice of the Company is to declare and pay dividends to common shareholders on a quarterly basis at the discretion of the Board of Directors. The declaration of dividends by the Board of Directors is dependent on a variety of factors, including earnings which are significantly influenced by the impact that market risk has on the Company's fee income and commission and certain other expenses. The Company's liquidity position and its management of liquidity and funding risk have not changed materially since December 31, 2023.

Credit Risk

This is the risk of financial loss to the Company if a counterparty to a transaction fails to meet its obligations.

The Company is exposed to credit risk through its cash and cash equivalents, client funds on deposit, mortgage portfolio, and use of over-the-counter derivatives. The Company monitors its credit risk management practices on an ongoing basis to evaluate their effectiveness.

Cash and Cash Equivalents and Client Funds on Deposit

At June 30, 2024, cash and cash equivalents of \$454.2 million (December 31, 2023 – \$544.6 million) consisted of cash balances of \$337.8 million (December 31, 2023 – \$216.5 million) on deposit with Canadian chartered banks and cash equivalents of \$116.4 million (December 31, 2023 – \$328.1 million). Cash equivalents are comprised of Government of Canada treasury bills totalling \$0.5 million (December 31, 2023 – \$0.5 million), provincial government treasury bills and promissory notes of \$18.8 million (December 31, 2023

Table 30: Contractual Obligations

As at June 30, 2024 (\$ millions)	Maturity				Total
	Demand	Less than 1 Year	1-5 Years	After 5 Years	
Derivative financial instruments	\$ -	\$ 2.3	\$ 39.4	\$ 0.2	\$ 41.9
Deposits and certificates ⁽¹⁾	2,977.0	0.3	0.5	0.6	2,978.4
Obligations to securitization entities	-	906.2	3,742.0	3.1	4,651.3
Leases ⁽²⁾	-	29.8	85.8	97.4	213.0
Long-term debt	-	-	525.0	1,875.0	2,400.0
Total contractual obligations	\$ 2,977.0	\$ 938.6	\$ 4,392.7	\$ 1,976.3	\$ 10,284.6

(1) Deposits and certificates due on demand are primarily offset by client funds held on deposit.

(2) Includes remaining lease payments related to office space and equipment used in the normal course of business.

– \$36.4 million) and bankers' acceptances of \$97.1 million (December 31, 2023 – \$291.2 million).

The Company manages credit risk related to cash and cash equivalents by adhering to its Investment Policy that outlines credit risk parameters and concentration limits. The Company regularly reviews the credit ratings of its counterparties. The maximum exposure to credit risk on these financial instruments is their carrying value.

The Company's exposure to and management of credit risk related to cash and cash equivalents and fixed income securities have not changed materially since December 31, 2023.

IG Wealth Management's client funds on deposit of \$3.0 billion (December 31, 2023 – \$3.4 billion) are held with Schedule I chartered banks and approximately 90% of the client deposits were insured by the Canada Deposit Insurance Corporation (CDIC) at June 30, 2024.

Mortgage Portfolio

At June 30, 2024, residential mortgages, recorded on the Company's balance sheet, of \$5.2 billion (December 31, 2023 – \$5.1 billion) consisted of \$4.7 billion sold to securitization programs (December 31, 2023 – \$4.7 billion), \$531.0 million held pending sale or securitization (December 31, 2023 – \$375.5 million) and \$13.2 million related to the Company's intermediary operations (December 31, 2023 – \$11.5 million).

The Company 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 the Company; and
- Its practice of originating its mortgages exclusively through a network of Mortgage Advisors and IG Wealth Management advisors as part of a client's IG Living Plan.

In certain instances, credit risk is also limited by the terms and nature of securitization transactions as described below:

- Under the NHA MBS program totalling \$2.4 billion (December 31, 2023 – \$2.4 billion), the Company 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 \$2.3 billion (December 31, 2023 – \$2.3 billion) is limited to amounts held in cash reserve accounts and future net interest income, the fair values of which were \$58.3 million (December 31,

2023 – \$58.0 million) and \$33.5 million (December 31, 2023 – \$37.0 million), respectively, at June 30, 2024. Cash reserve accounts are reflected on the balance sheet, whereas rights to future net interest income are not reflected on the balance sheet and will be recorded over the life of the mortgages.

At June 30, 2024, residential mortgages recorded on balance sheet were 52.4% insured (December 31, 2023 – 50.7%). At June 30, 2024, impaired mortgages on these portfolios were \$2.0 million, compared to \$3.1 million at December 31, 2023. Uninsured non-performing mortgages over 90 days on these portfolios were \$1.9 million at June 30, 2024, compared to \$2.8 million at December 31, 2023.

The Company 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 Company's balance sheet as the Company has transferred substantially all of the risks and rewards of ownership associated with these loans.

The Company regularly reviews the credit quality of the mortgages and the adequacy of the allowance for expected credit losses.

The Company's allowance for expected credit losses was \$0.6 million at June 30, 2024, compared to \$0.7 million at December 31, 2023, and is considered adequate by management to absorb all credit-related losses in the mortgage portfolios based on: i) historical credit performance experience, ii) recent trends including increasing interest rates, iii) current portfolio credit metrics and other relevant characteristics, iv) our strong financial planning relationship with our clients, and v) stress testing of losses under adverse real estate market conditions.

The Company's exposure to and management of credit risk related to mortgage portfolios have not changed materially since December 31, 2023.

Derivatives

The Company is exposed to credit risk through derivative contracts it utilizes to hedge interest rate risk, to facilitate securitization transactions and to hedge market risk related to certain stock-based compensation arrangements. These derivatives are discussed more fully under the Market Risk section of this MD&A.

To the extent that the fair value of the derivatives is in a gain position, the Company is exposed to credit risk if its counterparties fail to fulfil their obligations under these arrangements.

The Company's derivative activities are managed in accordance with its Derivative Policy which includes counterparty limits and other parameters to manage counterparty risk. The aggregate credit risk exposure related to derivatives that are in a gain position of \$42.9 million (December 31, 2023 – \$51.2 million) does not give effect to any netting agreements or collateral arrangements. The exposure to credit risk, considering netting agreements and collateral arrangements and including rights to future net interest income, was \$3.7 million at June 30, 2024 (December 31, 2023 – \$3.7 million). Counterparties are all Canadian Schedule I chartered banks and, as a result, management has determined that the Company's overall credit risk related to derivatives was not significant at June 30, 2024. Management of credit risk related to derivatives has not changed materially since December 31, 2023.

Additional information related to the Company's securitization activities and utilization of derivative contracts can be found in Note 8 to the Interim Financial Statements and Notes 2, 7, 8 and 24 to the Consolidated Financial Statements included in the 2023 IGM Financial Inc. Annual Report.

Market Risk

This is the risk of loss arising from changes in the values of the Company's financial instruments due to changes in interest rates, equity prices or foreign exchange rates.

Interest Rate Risk

IGM Financial is exposed to interest rate risk on its mortgage portfolio and on certain of the derivative financial instruments used in our mortgage banking operations.

The Company manages interest rate risk associated with its mortgage banking operations by entering into interest rate swaps with Canadian Schedule I chartered banks as follows:

- The Company has in certain instances funded floating rate mortgages with fixed rate Canada Mortgage Bonds as part of the securitization transactions under the CMB Program. As part of the CMB Program, the Company is party to a swap whereby it is entitled to receive investment returns on reinvested mortgage principal and is obligated to pay Canada Mortgage Bond coupons. This swap had a fair value of \$7.2 million (December 31, 2023 – \$7.7 million) and an outstanding notional amount of \$0.2 billion at June 30, 2024 (December 31, 2023 – \$0.2 billion). The Company 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 \$16.2 million (December 31, 2023 – negative \$12.5 million), on an outstanding notional amount of \$1.5 billion at June 30, 2024 (December 31, 2023 – \$1.4 billion). The net fair value

of these swaps of negative \$9.0 million at June 30, 2024 (December 31, 2023 – negative \$4.8 million) is recorded on the balance sheet and has an outstanding notional amount of \$1.7 billion (December 31, 2023 – \$1.6 billion).

- The Company 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. The Company enters into interest rate swaps to hedge the interest rate risk related to funding costs for mortgages held by the Company pending sale or securitization. Hedge accounting is applied to the cost of funds on certain securitization activities. The effective portion of fair value changes of the associated interest rate swaps are initially recognized in Other comprehensive income and subsequently recognized in Wealth Management revenue over the term of the related Obligations to securitization entities. The fair value of these swaps was nil (December 31, 2023 – negative \$1.1 million) on an outstanding notional amount of \$253.3 million at June 30, 2024 (December 31, 2023 – \$181.5 million).

As at June 30, 2024, the impact to annual net earnings of a 100 basis point increase in interest rates would have been an increase of approximately \$0.1 million (December 31, 2023 – increase of \$0.5 million). The Company's exposure to and management of interest rate risk have not changed materially since December 31, 2023.

Equity Price Risk

IGM Financial is exposed to equity price risk on our equity investments which are classified as either FVTOCI or FVTPL, and on our investments in associates, which are accounted for using the equity method. The fair value of the other investments was \$1.1 billion at June 30, 2024 (December 31, 2023 – \$0.9 billion), as shown in Table 21, and the carrying value of the investment in associates was \$3.7 billion at June 30, 2024 (December 31, 2023 – \$3.7 billion).

The Company 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. The Company hedges its exposure to this risk through the use of forward agreements and total return swaps.

Foreign Exchange Risk

IGM Financial 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 at June 30, 2024, a 5% appreciation (depreciation) in Canadian currency relative to foreign currencies would decrease (increase) the aggregate carrying value of foreign investments by approximately \$128.7 million (\$142.2 million).

The Company's proportionate share of ChinaAMC's and Rockefeller's earnings, recorded in Proportionate share of associates' earnings in the Consolidated Statements of Earnings, is also affected by changes in foreign exchange rates. For the quarter ended June 30, 2024, the impact to net earnings of a 5% appreciation (depreciation) in Canadian currency relative to foreign currencies would decrease (increase) the Company's proportionate share of associates' earnings by approximately \$1.1 million (\$1.2 million).

2) Operational Risk

This is the risk of financial loss, reputational damage or regulatory actions resulting from inadequate or failed internal processes or systems, human interaction or external events.

We are exposed to a broad range of operational risks, including information security and system failures, errors relating to transaction processing, financial models and valuations, failure of key third parties, fraud and misappropriation of assets, and inadequate application of internal control processes.

Operational risks relating to people and processes are mitigated through policies and process controls. Oversight of risks and ongoing evaluation of the effectiveness of controls is provided by the Company's Risk, Compliance, and Internal Audit functions.

The Company's insurance governance process includes oversight by the Insurance Steering Committee and senior executives. As part of this process, the nature and extent of the Company's insurance is regularly reviewed to ensure coverage remains appropriate and complies with relevant laws, regulations, and contractual agreements.

The business unit leaders are responsible for management of the day to day operational risks of their respective business units. Specific programs, policies, training, standards and governance processes have been developed to help manage operational risk.

Technology and Cyber Risk

This is the risk related to unplanned downtime on critical business processes, loss of customer/business data and/or the misalignment between the technology capabilities of the organization and its business strategy.

Technology underpins our business operations and the client, employee and advisor experience. As a result, we are exposed to cyber security risks such as identity theft, compromise of technology systems and malicious software attacks. Globally, the volume of these activities has increased and could compromise confidential information of the Company and its clients or other stakeholders and result in other negative

consequences including lost revenue, litigation, regulatory scrutiny or reputational damage. Our enterprise-wide cyber security programs, benchmarking of capabilities to sound industry practices, and threat and vulnerability assessment and response capabilities provide resiliency in addressing this risk.

Third Party Risk

This is the risk that exists due to the use of external parties to assist or wholly perform activities necessary to the operations and strategy of the business.

We regularly engage third parties to provide expertise and efficiencies that support our operational activities. Our exposure to third party risk could include reputational, regulatory and other operational risks. Policies, standard operating procedures and dedicated resources, including a supplier code of conduct and material outsourcing policy, have been developed and implemented to specifically address third party risk. We perform due diligence and monitoring activities before entering into contractual relationships with third parties and on an ongoing basis. As our reliance on third parties continues to grow, we continue to enhance resources and processes to support third party risk management.

Model Risk

This is the risk of financial loss or reputational harm resulting from conclusions and decisions based on incorrect or misused models.

We 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. These models incorporate internal assumptions, observable market inputs and available market prices. Effective controls exist over the development, implementation and application of these models. However, changes in the internal assumptions or other factors affecting the models could have an adverse effect on the Company's consolidated financial position and reputation.

Legal and Regulatory Risk

This is the risk of not complying with laws, contractual agreements or regulatory requirements. These risks relate to regulation governing product distribution, investment management, accounting, reporting and communications.

The Company is subject to complex and changing legal, taxation and regulatory requirements, including the requirements of agencies of the federal, provincial and territorial governments in Canada which regulate the Company and its activities. The Company and its subsidiaries are also subject to the requirements of a single self-regulatory organization, the

Canadian Investment Regulatory Organization (CIRO). These and other regulatory bodies regularly adopt new laws, rules, regulations and policies that apply to the Company and its subsidiaries. These requirements include those that apply to IGM Financial as a publicly traded company and those that apply to the Company's subsidiaries based on the nature of their activities. They include regulations related to the management and provision of financial products and services, including securities, insurance and mortgages, and other activities carried on by the Company in the markets in which it operates. Regulatory standards affecting the Company and the financial services industry are significant and continually evolve. The Company and its subsidiaries are subject to reviews as part of the normal ongoing process of oversight by the various regulators.

Failure to comply with laws, rules or regulations could lead to regulatory sanctions and civil liability, and may have an adverse reputational or financial effect on the Company. The Company manages legal and regulatory risk through its efforts to promote a strong culture of compliance. The monitoring of regulatory developments and their impact on the Company is overseen by the Regulatory Initiatives Committee chaired by the General Counsel. The Company also continues to develop and maintain compliance policies, processes and oversight, including specific communications on compliance and legal matters, training, testing, monitoring and reporting. The Audit Committee of the Board receives regular reporting on compliance initiatives and issues.

The Company promotes a strong culture of ethics and integrity through its Code of Conduct approved by the Board of Directors, which outlines standards of conduct that apply to all IGM Financial directors, officers and employees. The Code of Conduct references many policies relating to the conduct of directors, officers and employees. Other corporate policies cover anti-money laundering and privacy. Training is provided on these policies on an annual basis. Individuals subject to the Code of Conduct attest annually that they understand the requirements and have complied with its provisions.

Privacy Risk

Privacy risk is the potential for access to, collection, use, transfer, disclosure and retention of personal information in contravention of applicable laws, regulations and/or ethical standards. We collect only the personal information that is necessary to provide our products and services to clients, and where we have consent to do so.

If we need to share personal information with third parties, we remain responsible for that information and protect it through contractual and other measures that commit the service providers to maintain levels of protection comparable to ours.

IGM Financial has established an enterprise Privacy Risk Management Framework to manage privacy risk. Our Chief Privacy Officer (CPO) leads and oversees our privacy program, partnering with cross-functional teams to develop and implement enterprise-wide policies, standards and controls regarding the handling and safeguarding of personal information. Ultimately reporting to the CPO, the enterprise privacy team works with front-line business units to address privacy matters.

Employees and advisors are required to complete mandatory privacy training at onboarding, and annually thereafter. The training includes our privacy obligations, privacy best practices, and how to prevent, handle and report privacy breaches, complaints and access to information requests.

Contingencies

The Company is subject to legal actions arising in the normal course of its business. In December 2018, a proposed class action was filed in the Ontario Superior Court against Mackenzie Financial Corporation (Mackenzie) which alleges that the company should not have paid mutual fund trailing commissions to order execution only dealers. This action was certified in January 2024. In August 2022, a second proposed class action concerning the same subject matter was filed against Mackenzie.

In late March 2023, the Company was notified by one of our third-party vendors, InvestorCOM Inc., that they were compromised due to a cybersecurity incident related to a technology supplier to InvestorCOM, GoAnywhere. The Company has notified impacted clients and offered credit monitoring at no cost 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, management does not expect the outcome of any of these matters, individually or in aggregate, to have a material adverse effect on the Company's consolidated financial position.

People Risk

This risk refers to the potential inability to: attract or retain employees or Wealth Management advisors; have a diverse, equitable and inclusive workforce; provide development opportunities to achieve current and future business objectives; support employee wellbeing and engagement; and sustain ongoing personnel or business succession and/or transition plans.

We manage this risk through competitive compensation and benefit offerings, training and development programs, and periodic employee and advisor surveys.

We have a Diversity, Equity and Inclusion Strategy with the purpose of driving an inclusive, equitable and consistent experience for employees, Wealth Management advisors, and clients that supports our business objectives now and into the future. To achieve the desired outcomes, we focus on three pillars of action: raising awareness; improving inclusive leadership behaviours; and building external partnerships and community engagement.

We also have a Wellness Strategy to support our employees' wellbeing with a goal to ensure our employees are physically thriving, emotionally balanced, socially connected and financially secure.

Business Continuity Management

This is the risk that the organization cannot effectively recover and maintain critical business processes in the event of a disruption (internal, third-party, physical or natural circumstances) or respond to a crisis or emergency event.

A business continuity management program ensures the Company's critical processes function in the event of a business disruption.

The Company's crisis response plan outlines policies and procedures to address situations that could significantly impact the organization's reputation, brands or business operations. A crisis assessment team comprised of senior leadership is responsible for setting strategy, overseeing response and ensuring appropriate subject matter experts are engaged in scenario-dependent crisis response teams.

On a regular basis, the Company tests business continuity and disaster recovery plans as well as conducting crisis simulation exercises.

3) Strategic and Business Risk

This is the risk of potential adverse impacts resulting from factors in the external environment or related to the strategy or specific business activities of the Company.

General Business Conditions

This risk refers to the potential for unfavourable impacts on IGM Financial resulting from competitive or other external factors relating to the marketplace.

Global economic conditions, changes in equity markets, inflation and demographics can affect investor confidence, income levels and savings. In addition, geopolitical risk, government instability and other factors can influence inflation, interest rates, global economic growth, and business conditions in markets in which the Company operates. These environments could result in reduced sales of IGM Financial's products and services and/or result in investors redeeming their investments. These factors may also affect the level and volatility of financial markets and the value of the Company's AUM, as described more fully under the Risks Related to AUM&A section of this MD&A.

To manage this risk, the Company, across its operating subsidiaries, communicates with clients and underscores the importance of financial planning across economic cycles. The Company and the industry continue to take steps to educate Canadian investors on the merits of financial planning, diversification and long-term investing. In periods of volatility, Wealth Management advisors and independent financial advisors play a key role in assisting investors in maintaining perspective and focus on their long-term objectives.

Redemption rates for long-term funds are summarized in Table 31 and are discussed in the Wealth Management and the Asset Management Segment Operating Results sections of this MD&A.

Strategy Setting

This is the risk of failing to set or meet appropriate strategic objectives resulting in an impact on business performance.

IGM Financial believes in the importance of good corporate governance and the central role played by directors in the governance process. We believe that sound corporate governance is essential to the well-being of the Company and our shareholders.

Table 31: Twelve Month Trailing Redemption Rate for Long-term Funds

	2024 Jun. 30	2023 Jun. 30
IGM Financial Inc.		
IG Wealth Management	13.9 %	11.1 %
Mackenzie	19.1 %	16.2 %

Oversight of IGM Financial is performed by the Board of Directors directly and through its five committees. The Company's President and Chief Executive Officer has overall responsibility for management of the Company. The Company's activities are carried out principally by two operating companies – Investors Group Inc. and Mackenzie Financial Corporation – each of which are managed by a President and Chief Executive Officer. The Company also has a strategy execution oversight function and committee that reviews and approves strategic initiative business cases and oversees progress against our strategic priorities and objectives.

The President and Chief Executive Officer of the Company, in collaboration with the Board of Directors, is responsible each year to develop, review and update the Company's strategic plan. The strategic plan sets out both the annual and longer-term objectives for the Company in light of emerging opportunities and risks and with a view to the Company's sustained profitable growth and long-term value creation. The Board is responsible for approving the Company's overall business strategy. In carrying out this responsibility, the Board reviews the short-, medium- and long-term risks associated with the strategic plan, considers the strengths and potential weaknesses of trends and opportunities, and approves the Company's annual business, financial and capital management plans. A portion of each Board meeting is dedicated to discussion of strategic matters including receiving updates on the progress and implementation of the strategic plan.

Competitive Risk

Product / Service Offering

This risk refers to the potential for unfavourable impacts on IGM Financial resulting from inadequate product or service performance, quality or breadth.

IGM Financial and its subsidiaries operate in a highly competitive environment, competing with other financial service providers, investment managers and product and service types. Client development and retention can be influenced by a number of factors, including investment performance, products and services offered by competitors, relative service levels, relative pricing, product attributes, reputation and actions taken by competitors. This competition could have an adverse impact upon the Company's financial position and operating results. Please refer to The Competitive Landscape section of this MD&A for further discussion.

We provide Wealth Management advisors, independent financial advisors, as well as retail and institutional clients with a high level of service and support and a broad range of investment products, with a focus on building enduring relationships. The Company's subsidiaries also continually

review their respective product and service offering and pricing to ensure competitiveness in the marketplace.

We strive to deliver strong investment performance on our products relative to benchmarks and peers. Poor investment performance relative to benchmarks or peers could reduce the level of AUM and sales and asset retention, as well as adversely impact our brands and reputation. Meaningful and/or sustained underperformance could affect the Company's results. Our objective is to cultivate investment processes and disciplines that give us a competitive advantage, and we do this by diversifying our AUM and product shelf by investment team, brand, asset class, mandate, style and geographic region.

Business / Client Relationships

This risk refers to the potential for unfavourable impacts on IGM Financial resulting from changes to key business or client relationships. These relationships primarily include IG Wealth Management clients and advisors, Mackenzie retail distribution, strategic and significant business partners, clients of Mackenzie funds, and sub-advisors and other product suppliers.

IG Wealth Management derives all of its investment fund sales, insurance sales, and mortgage and banking sales through its advisor network. IG Wealth Management advisors have regular direct contact with clients which can lead to a strong and personal client relationship based on the client's confidence in that individual advisor. The market for advisors is extremely competitive. The loss of a significant number of key advisors could lead to the loss of client accounts which could have an adverse effect on IG Wealth Management's results of operations and business prospects, as well as our culture and ability to attract key advisors. IG Wealth Management is focused on strengthening its distribution network of advisors and on responding to the complex financial needs of its clients by delivering a diverse range of products and services in the context of personalized financial advice.

Mackenzie derives the majority of its mutual fund sales through third party financial advisors. Financial advisors generally offer their clients investment products in addition to, and in competition with Mackenzie. Mackenzie also derives sales of its investment products and services from its strategic alliance and institutional clients. Due to the nature of the distribution relationship in these relationships and the relative size of these accounts, gross sale and redemption activity can be more pronounced in these accounts than in a retail relationship. Mackenzie's ability to market its investment products is highly dependent on continued access to these distribution networks. Lack of access could have a material adverse effect on Mackenzie's operating results and business prospects. Mackenzie is well positioned to manage this risk and to continue to build and enhance its distribution relationships. Mackenzie's diverse portfolio of financial products and its long-

term investment performance record, marketing, educational and service support has made Mackenzie one of Canada's leading investment management companies. These factors are discussed further in the Asset Management Review of the Business section of this MD&A.

Regulatory Development Risk

This is the potential for changes to regulatory, legal, or tax requirements that may have an adverse impact on the Company's business activities or financial results.

We are exposed to the risk of changes in laws, taxation and regulation that could have an adverse impact on the Company, including changes in foreign jurisdictions in which the Company or companies it invests in have operations. Particular regulatory initiatives may have the effect of making the products of the Company's subsidiaries appear to be less competitive than the products of other financial service providers, to third party distribution channels and to clients. Regulatory differences that may impact the competitiveness of the Company's products include regulatory costs, tax treatment, disclosure requirements, transaction processes or other differences that may be as a result of differing regulation or application of regulation. Regulatory developments may also impact product structures, pricing, and dealer and advisor compensation. While the Company and its subsidiaries actively monitor such initiatives, and where feasible comment upon or discuss them with regulators, the ability of the Company and its subsidiaries to mitigate the imposition of differential regulatory treatment of financial products or services is limited.

The Company continuously monitors regulatory developments, guidance and communications.

Acquisition Risk

This risk refers to the potential that desired objectives are not attained from the Company's acquisitions and strategic investments. The Company undertakes thorough due diligence prior to completing an acquisition, but there is no assurance that the Company will achieve the expected strategic objectives or cost and revenue synergies subsequent to an acquisition. Subsequent changes in the economic environment and other unanticipated factors may affect the Company's ability to achieve expected earnings growth or expense reductions. The success of an acquisition and of the Company's strategic investments is dependent on retaining AUM, clients, and key employees of an acquired company.

Natural or Human Caused Disasters

This is the risk that events such as earthquakes, floods, fire, tornadoes, pandemics, or terrorism could adversely affect the Company's financial performance.

Catastrophic events can cause economic uncertainty, affect investor confidence, income levels and financial planning decisions. This could affect the level and volatility of financial markets and the level of the Company's AUM&A. The Company has an insurance review process where it assesses and determines the nature and extent of insurance that is appropriate to provide adequate protection against unexpected losses, and where it is required by law, regulators or contractual agreements.

Environmental and Social Risk (Including Climate Change)

This is the potential for financial loss or other unfavourable impacts resulting from the Company's inability to manage or respond to changing environmental or social (E&S) issues connected to our business operations, investment activities, meeting our sustainability commitments, and increasingly for regulatory compliance. We recognize that E&S risks can be within our operations or impact stakeholders along our supply chain, including clients, investee companies and suppliers.

On March 13, 2024, the Canadian Sustainability Standards Board (CSSB) released its first two proposed Canadian sustainability disclosure standards: Canadian Sustainability Disclosure Standard (CSDS) 1 – *General Requirements for Disclosure of Sustainability-related Financial Information* and CSDS 2 – *Climate-related Disclosures*. CSDS 1 sets out the general requirements for disclosing material information about sustainability-related risks and opportunities to meet investor information needs, and CSDS 2 sets out specific disclosure requirements for climate-related risks and opportunities and is designed to be used with CSDS 1. The proposed standards are aligned with the previously issued International Sustainability Standards Board (ISSB) standards with the exception of a Canadian-specific effective date of January 1, 2025 and transition relief. The proposed standards are voluntary until required by the Canadian Securities Administrators. The Company will continue to monitor any updates and future developments.

Environmental risks include issues such as climate change, biodiversity and land use, pollution, waste, and the unsustainable use of energy, water and other resources. Social risks include issues such as human rights; labour standards; diversity, equity and inclusion; Indigenous reconciliation; and community impacts.

The Company's Executive Risk Management Committee is responsible for oversight of the risk management process, including E&S and climate change risks. The Executive Sustainability Committee is responsible for ensuring central management governance for sustainability across IGM,

including policy and strategy, goals and targets, measuring progress, and reviewing public reports and disclosures.

Our commitment to responsible management is demonstrated through various mechanisms. These include our Code of Conduct for directors, officers and employees; our Supplier Code of Conduct; our Workplace Harassment and Discrimination Prevention Policy; our Diversity Policy; our Environmental Policy; and other related policies.

IG Wealth Management and Mackenzie Investments, and their investment sub-advisors, are signatories to the Principles for Responsible Investment (PRI). Under the PRI, investors formally commit to incorporate environmental, social and governance (ESG) issues into their investment decision making and active ownership processes. In addition, our operating companies have implemented Sustainable Investment Policies outlining the practices at each company.

IGM Financial reports annually on sustainability management and performance in its Sustainability Report available on our website.

IGM Financial is a long-standing participant in the CDP (formerly Carbon Disclosure Project), which promotes corporate disclosures on greenhouse gas emissions and climate change management including setting and monitoring emission reduction targets.

Global practices are continually evolving relating to the identification, analysis, and management of climate risks and opportunities. The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) was established in response to investor demand for enhanced information on climate-related risks and opportunities. IGM Financial and its operating companies support the TCFD recommendations which include a framework for consistent, voluntary climate-related financial disclosures that provide decision-useful information to investors, analysts, rating agencies and other stakeholders. Various global regulators and standard setting bodies, including the International Sustainability Standards Board, are publishing guidelines and standards aligned with the TCFD recommendations.

TCFD Disclosure

The TCFD recommends that organizations disclose information about climate-related risks and opportunities in four areas: governance, strategy, risk management, and metrics and targets.

Governance

Our Board is responsible for providing oversight on risk and strategy, which includes sustainability and climate-related matters. The Board meets with management at least annually to discuss plans and emerging ESG issues, including climate.

Through its Risk Committee, the Board is responsible for ensuring that material ESG and climate-related risks are appropriately identified, managed and monitored. Its responsibilities include ensuring that appropriate procedures are in place to identify and manage risks and establish risk tolerances; ensuring that appropriate policies, procedures and controls are implemented to manage risks; and reviewing the risk management process on a regular basis to confirm that it is functioning effectively.

Senior management at each of our operating companies have primary ownership and accountability for the ongoing climate risk and opportunity management associated with their respective activities. Our Executive Risk Management and Executive Sustainability Committees perform oversight functions, and our Chief Risk Officer oversees implementation of the Corporate Sustainability and Risk Management programs, reporting into the President and Chief Executive Officer.

Other management committees and working groups also oversee climate-related governance across the Company.

Strategy

Through IGM Financial's wealth and asset management businesses, the company plays a role in the global transition to a low-carbon economy, with a focus on three key areas:

1. *Investing in a greener, climate resilient economy* – Our investment processes and products give us the opportunity to manage climate risks and create innovative solutions to our ongoing climate issues.
2. *Collaborating and engaging to help shape the global transition* – We play a role in bringing climate-smart investment advice and solutions to clients, helping companies adapt, and participating in industry and policy advancements.
3. *Demonstrating alignment through our corporate actions* – We will hold ourselves to a similar standard that we expect from the companies we invest in and empower our employees to stand behind our commitments.

Our operating companies are active participants in collaborative industry groups that support our climate commitments by engaging companies on improving climate change governance, reducing emissions and strengthening climate-related financial disclosures. IGM Financial also joined the Partnership for Carbon Accounting Financials (PCAF) to support our journey to measure and disclose the greenhouse gas emissions associated with our mortgage loans and investments.

Climate-related risks and opportunities are identified and assessed within IGM Financial through our business planning processes which define our strategic priorities, initiatives and budgets. Our climate-related risks and opportunities can be

grouped into the physical impacts of climate change and the impacts related to the transition to a low-carbon economy.

Risks

Our climate risks relate primarily to the potential for physical or transition risks to: negatively affect the performance of our clients' investments, resulting in reduced fee revenue; harm our reputation; create market risks through shifts in product demand; or lead to new regulatory, legal or disclosure requirements that could affect our business. Diversification within and across our investment portfolios aids in managing exposure to any one company, sector or geographic region that might be exposed to climate-related risks. We are also exposed to the impact of extreme weather events on our corporate properties which could lead to business disruption, and on the valuations of investment properties and client mortgages, which if not addressed proactively, could affect financial performance and the ability to use the assets long-term.

Our operating companies are committed to sustainable investing programs and policies that include a focus on climate risk.

We provide data and tools for our investment teams to carry out current and forward-looking climate analysis and we integrate material climate risks into our investment and oversight processes for investment management sub-advisors. As part of the hiring process and ongoing assessment of sub-advisors, our teams request information about how ESG, including climate risks and opportunities, is resourced, what processes and tools are used, metrics and targets, and how strategy and governance are influenced. As we continue to implement the TCFD recommendations, we are devoting increased resources to areas such as training, analysis, metrics, target-setting, strategy planning and working with collaborative organizations.

IG Wealth Management and Mackenzie, and their investment sub-advisors, are signatories to the PRI. Under the PRI, investors formally commit to incorporate ESG issues, including climate change, into their investment decision making and active ownership processes. In addition, IG Wealth Management and Mackenzie have implemented sustainable investing policies outlining the practices at their respective companies.

Opportunities

We are focused on meeting growing demand for sustainable investing and the opportunity to invest in the transition to a net-zero economy. We are also increasing our focus on educating and communicating with clients and advisors on sustainable investing and climate change.

At Mackenzie Investments, sustainable investing is an area of strategic emphasis, and we have established a dedicated team within Mackenzie's Sustainability Centre of Excellence who bring

focus to ESG and climate within asset management. Mackenzie has expanded its suite of funds investing to directly support the transition to a low-carbon economy through its acquisition of Greenchip, an investment boutique which is exclusively focused on thematic investing to combat climate change; the launch of the Betterworld team in 2021, that invests in companies making a positive impact on the people and the planet, and funds prioritizing sustainability and ESG-labelled debt, including green bonds.

IG Wealth Management has integrated environmental and climate issues into its sub-advisory selection and oversight processes, and product development strategy. In 2021, IG Wealth Management launched its Climate Action Portfolios, a suite of four diversified managed solutions which aim to provide clients with the opportunity to support and benefit from the global transition to net zero emissions.

Scenarios

We have implemented tools for our investment funds to enhance our quantitative assessment of climate risks by analyzing emissions and other climate-related information at the investee company, asset class and portfolio levels. This system enables us to model potential transition pathways and track our portfolios against the goal of limiting global warming to 2°C above pre-industrial levels and examine the adequacy of emissions reductions over time in meeting the goals of the Paris Agreement. We are exploring scenario analysis tools with external data providers to support us in our efforts to run climate-related scenario analysis across our business.

Risk Management

The identification and assessment of risks, including climate change, is coordinated through the Risk function who provide oversight, analysis and reporting on the level of risks relative to the established risk appetite of the Company. The Risk function identifies possible risks that could impact our business through methods such as: (i) risk workshops with business units across the organization, (ii) risk surveys completed by senior leaders and business unit management, (iii) discussions with key stakeholders and business partners, and (iv) by conducting research on emerging risks and internal and external events impacting our business. We use a consistent methodology across our organizations and business units for identification and assessment of risks, considering factors both internal and external to the organization. Risks are broadly grouped into three categories: financial, operational, and strategic/business risks. Climate risk is captured under strategic risks, but we are also increasingly focused on defining the relationship of climate risk to other risks.

Once identified, possible risks are assessed by taking into consideration both the likelihood and severity of the impact

of the risk event using a standard set of assessment criteria including consideration of financial, reputational, operational, and regulatory/compliance impact. Based on the assessment, the Risk function will consider our risk appetite and work with the business to put in place measures to mitigate, transfer, or accept the risk or capitalize on opportunities.

Risk assessments are monitored and reviewed on an ongoing basis by business units and by oversight areas including the Risk function. The Risk function promotes and coordinates communication and consultation to support effective risk management and escalation. It regularly reports on the results of risk assessments and on the assessment process to the Executive Risk Management Committee and to the Board Risk Committee.

At Mackenzie Investments, each boutique investment team is responsible for determining when and how climate transition and physical risks are material, and for incorporating these risks into their investment process. We have focused on developing resources and tools to assess climate-related risks and opportunities for our Mackenzie managed equity portfolios. Through these tools we can assess historical greenhouse gas emissions data and portfolio temperature alignment to identify the highest emitters and inform engagement activities with companies facing transition risks. At IG Wealth Management, management evaluates the sustainable investing practices of investment manager sub-advisors, including the integration of climate risks into their investment and active ownership practice.

Engagement

To maximize stewardship efforts, engagement at Mackenzie is undertaken through direct conversations between portfolio

managers and companies/issuers; through Mackenzie firm-wide engagements; and through collaborations with peers on initiatives where the collective investor voice has more influence. At IG Wealth Management, investment management sub-advisors including Mackenzie are responsible for engagement activities and IG Wealth Management monitors their practices as part of regular due diligence and oversight.

Mackenzie Investments is a founding participant in Climate Engagement Canada and participates in CERES' Investor Network on Climate Risk. Both Mackenzie and IG Wealth Management joined Climate Action 100+ and became founding signatories to the Canadian Investor Statement on Climate Change.

Metrics and Targets

We set, monitor and report on climate change-related metrics and targets annually in our CDP response and our Sustainability Report which are available on our website. Mackenzie Investments also joined the Net Zero Asset Managers initiative.

At Mackenzie, each boutique investment team is responsible for integrating ESG into its investment process, including determining appropriate GHG emissions and other metrics to assess climate-related risks and opportunities in investment strategies. The teams have access to ESG data tools and metrics to support their assessment.

We currently report Scope 1, 2 and 3 GHG emissions, where possible, including a portion of our Scope 3 investment emissions and weighted average carbon intensity. We are continuing to expand and enhance our measurement and reporting of emissions related to our investment portfolios as tools and information improves.

The Financial Services Environment

Canadians held \$6.2 trillion in discretionary financial assets with financial institutions at December 31, 2022 based on the most recent report from Investor Economics. The nature of holdings was diverse, ranging from demand deposits held for short-term cash management purposes to longer-term investments held for retirement purposes. Approximately 64% (\$4.0 trillion) of these financial assets are held within the context of a relationship with a financial advisor, and this is the primary channel serving the longer-term savings needs of Canadians. Of the \$2.2 trillion held outside of a financial advisory relationship, approximately 60% consisted of bank deposits.

Financial advisors represent the primary distribution channel for IGM Financial's products and services, and the core emphasis of our business model is to support these financial advisors as they work with clients to plan for and achieve their financial goals. Multiple sources of emerging research show significantly better financial outcomes for Canadians who use financial advisors compared to those who do not. We actively promote the value of financial advice and the importance of a relationship with an advisor to develop and remain focused on long-term financial plans and goals.

Approximately 38% of Canadian discretionary financial assets or \$2.4 trillion resided in investment funds at December 31,

2022, making it the largest financial asset class held by Canadians. Other asset types include deposit products and direct securities such as stocks and bonds. Approximately 73% of investment funds are comprised of mutual fund products, with other product categories including segregated funds, hedge funds, pooled funds, closed end funds and exchange traded funds. With \$179 billion in investment fund AUM at June 30, 2024, IGM Financial is among the country's largest investment fund managers. We believe that investment funds are likely to remain the preferred savings vehicle of Canadians. They offer the benefits of diversification, professional management, flexibility and convenience, and are available in a broad range of mandates and structures to meet most investor requirements and preferences.

Traditional distinctions between bank branches, full-service brokerages, financial planning firms and insurance agent sales forces have become obscured as many of these financial service providers strive to offer comprehensive financial advice implemented through access to a broad product shelf. Accordingly, the Canadian financial services industry is characterized by a number of large, diversified, vertically-integrated participants, similar to IGM Financial, that offer both financial planning and investment management services.

Canadian banks distribute financial products and services through their traditional bank branches, as well as through their full service and discount brokerage subsidiaries. Bank branches continue to place increased emphasis on both financial planning and mutual funds. In addition, each of the "big six" banks has one or more mutual fund management subsidiaries. Collectively, mutual fund assets of the "big six" bank-owned mutual fund managers and affiliated firms represented 46% of total industry long-term mutual fund assets at June 30, 2024.

The Canadian mutual fund industry continues to be very concentrated, with the 10 largest firms and their subsidiaries representing 71% of industry long-term mutual fund assets and 71% of total mutual fund AUM at June 30, 2024. We anticipate continuing consolidation in this segment of the industry as smaller participants are acquired by larger organizations.

We believe that the financial services industry will continue to be influenced by the following trends:

- Shifting demographics as the number of Canadians in their prime savings and retirement years continues to increase.
- Changes in investor attitudes based on economic conditions.
- Continued importance of the role of the financial advisor.
- Public policy related to retirement savings.
- Changes in the regulatory environment.
- A highly competitive landscape.
- Advancing and changing technology.

The Competitive Landscape

IG Wealth Management competes directly with other retail financial service providers in the advice segment, including other financial planning firms, as well as full service brokerages, banks and insurance companies. Mackenzie Investments competes directly with other investment managers for AUM, and our products compete with stocks, bonds and other asset classes for a share of Canadians' investment assets.

Competition from other financial service providers, alternative product types or delivery channels, and changes in regulations or public preferences could impact the characteristics of our product and service offerings, including pricing, product structures, dealer and advisor compensation and disclosure. We monitor developments on an ongoing basis, and engage in policy discussions and develop product and service responses as appropriate.

IGM Financial continues to focus on our commitment to provide quality investment advice and financial products, service innovations, effective and responsible management of the Company and long-term value for our clients and shareholders. This includes efforts to modernize our digital platforms and technology infrastructure to enhance operations, achieve efficiencies and improve the service experience for our clients. We believe that IGM Financial is well-positioned to meet competitive challenges and capitalize on future growth opportunities.

Our competitive strength includes:

- Broad and diversified distribution through more than 35,000 financial advisors, with an emphasis on comprehensive financial planning.
- Broad product capabilities, leading brands and quality sub-advisory relationships.
- Enduring client relationships and the long-standing heritages and cultures of its subsidiaries.
- Benefits of being part of the Power Corporation group of companies.

Broad and Diversified Distribution

In addition to owning one of Canada's largest financial planning organizations, IG Wealth Management, IGM Financial has, through Mackenzie, access to distribution through over 30,000 independent financial advisors. Mackenzie also, in its growing strategic alliance business, partners with global manufacturing and distribution entities to provide investment management services.

Broad Product Capabilities

Our subsidiaries continue to develop and launch innovative products and strategic investment planning tools to assist advisors in building optimized portfolios for clients.

Enduring Client Relationships

IGM Financial enjoys significant advantages as a result of the enduring relationships that advisors have developed with clients. In addition, our subsidiaries have strong heritages and cultures which are challenging for competitors to replicate.

Part of the Power Corporation Group of Companies

As part of the Power Corporation group of companies, IGM Financial benefits through expense savings from shared service arrangements, as well as through access to distribution, products and capital.

Critical Accounting Estimates and Policies

Summary of Critical Accounting Estimates

There were no changes to the Company's assumptions related to critical accounting estimates from those reported at December 31, 2023, except as follows:

- *Goodwill and intangible assets* – The Company completed its annual impairment tests of goodwill and indefinite life intangible assets based on April 1, 2024 financial information and determined there was no impairment in the value of those assets.

The Company tests the fair value of goodwill and indefinite life intangible assets for impairment at least once a year and more frequently if an event or circumstance indicates the asset may be impaired.

An impairment loss is recognized if the amount of the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units). Finite life intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

These tests involve the use of estimates and assumptions appropriate in the circumstances. In assessing the recoverable amounts, valuation approaches are used that include discounted cash flow analysis and application of

capitalization multiples to financial and operating metrics based upon precedent acquisition transactions and trading comparables. Assumptions and estimates employed include future changes in assets under management resulting from net sales and investment returns, pricing and profit margin changes, discount rates, and capitalization multiples.

Changes in Accounting Policies

IAS 12 – Income Taxes

The Company adopted the amendments to IFRS for IAS 12 – *Income Taxes* effective May 2023 and has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD).

Future Accounting Changes

The Company continuously monitors the changes proposed by the International Accounting Standards Board (IASB) and analyzes the effect that changes in the standards may have on the Company's operations.

The IASB is currently undertaking a number of projects which will result in changes to existing IFRS standards that may affect the Company. Updates will be provided as the projects develop.

Internal Control Over Financial Reporting

During the second quarter of 2024, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Other Information

Transactions with Related Parties

There were no changes to the types of related party transactions from those reported at December 31, 2023. For further information on transactions involving related parties, see Notes 3, 10 and 28 to the Company's Consolidated Financial Statements included in the 2023 IGM Financial Inc. Annual Report.

SEDAR

Additional information relating to IGM Financial, including the Company's most recent financial statements and Annual Information Form, is available at www.sedarplus.ca.

Outstanding Share Data

Outstanding common shares of IGM Financial as at June 30, 2024 totalled 236,769,814. Outstanding stock options as at June 30, 2024 totalled 10,857,856 of which 7,447,802 were exercisable. As at July 31, 2024, outstanding common shares totalled 236,648,326 and outstanding stock options totalled 10,724,544 of which 7,314,490 were exercisable.

Interim Condensed Consolidated Financial Statements

Consolidated Statements of Earnings

(unaudited) (in thousands of Canadian dollars, except per share amounts)

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Revenues				
Wealth management (Note 4)	\$ 590,046	\$ 552,482	\$ 1,172,611	\$ 1,086,593
Asset management	245,846	238,652	487,712	474,806
Dealer compensation expense	(81,072)	(79,423)	(161,164)	(158,749)
Net asset management (Note 4)	164,774	159,229	326,548	316,057
Net investment income and other	9,970	8,108	25,597	19,057
Gain on sale of Lifeco shares (Note 9)	-	(6,141)	-	172,977
Proportionate share of associates' earnings (Note 9)	51,515	57,976	103,215	111,020
	816,305	771,654	1,627,971	1,705,704
Expenses (Note 5)				
Advisory and business development	278,527	254,064	544,154	499,705
Operations and support	205,963	298,671	409,791	500,446
Sub-advisory	19,069	16,322	36,904	32,168
Interest	32,228	30,120	64,478	58,175
	535,787	599,177	1,055,327	1,090,494
Earnings before income taxes	280,518	172,477	572,644	615,210
Income taxes	63,269	35,438	130,587	98,799
Net earnings from continuing operations	217,249	137,039	442,057	516,411
Net earnings from discontinued operations (Note 3)	-	1,789	-	4,918
Net earnings	217,249	138,828	442,057	521,329
Non-controlling interest (Notes 3, 9)	(1,062)	(627)	(2,485)	(1,790)
Net earnings available to common shareholders	\$ 216,187	\$ 138,201	\$ 439,572	\$ 519,539
Earnings per share (in dollars) (Note 16)				
Net earnings available to common shareholders from continuing operations				
- Basic	\$ 0.91	\$ 0.57	\$ 1.85	\$ 2.16
- Diluted	\$ 0.91	\$ 0.57	\$ 1.85	\$ 2.16
Net earnings available to common shareholders				
- Basic	\$ 0.91	\$ 0.58	\$ 1.85	\$ 2.18
- Diluted	\$ 0.91	\$ 0.58	\$ 1.85	\$ 2.18

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Comprehensive Income

(unaudited) (in thousands of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Net earnings	\$ 217,249	\$ 138,828	\$ 442,057	\$ 521,329
Other comprehensive income (loss), net of tax				
Items that will not be reclassified to Net earnings				
Fair value through other comprehensive income investments				
Other comprehensive income (loss) (Note 6), net of tax of \$(13,828), \$1,401, \$(29,094) and \$1,026	95,068	(2,841)	192,883	(433)
Employee benefits				
Net actuarial gains (losses), net of tax of \$(5,863), \$2,725, \$(15,945) and \$3,080	16,050	(7,397)	43,420	(8,360)
Investment in associates – employee benefits and other				
Other comprehensive income (loss), net of tax of nil	2,968	(928)	2,540	115
Items that may be reclassified subsequently to Net earnings				
Investment in associates and other				
Other comprehensive income (loss), net of tax of \$(1,124), \$2,605, \$(1,525) and \$3,294	18,866	(143,158)	42,452	(135,765)
	132,952	(154,324)	281,295	(144,443)
Total comprehensive income (loss)	\$ 350,201	\$ (15,496)	\$ 723,352	\$ 376,886

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Balance Sheets

(unaudited) (in thousands of Canadian dollars)

	June 30 2024	December 31 2023
Assets		
Cash and cash equivalents	\$ 454,214	\$ 544,633
Other investments (Note 6)	1,117,065	863,598
Client funds on deposit	3,000,761	3,365,722
Accounts and other receivables	342,027	335,552
Income taxes recoverable	19,680	38,292
Loans (Note 7)	5,208,251	5,108,696
Derivative financial instruments	34,974	42,729
Other assets	173,111	112,474
Investment in associates (Note 9)	3,706,416	3,659,174
Capital assets	302,023	306,961
Capitalized sales commissions	408,486	394,736
Deferred income taxes	781	3,232
Intangible assets	1,261,681	1,250,712
Goodwill	2,636,771	2,636,771
	\$ 18,666,241	\$ 18,663,282
Liabilities		
Accounts payable and accrued liabilities	\$ 437,717	\$ 444,690
Income taxes payable	1,499	9,535
Derivative financial instruments	41,919	49,580
Deposits and certificates	2,978,400	3,344,190
Other liabilities	374,803	394,926
Obligations to securitization entities (Note 8)	4,651,287	4,687,827
Lease obligations	164,791	169,940
Deferred income taxes	490,031	442,186
Long-term debt	2,400,000	2,400,000
	11,540,447	11,942,874
Shareholders' Equity		
Share capital		
Common shares	1,681,457	1,690,626
Contributed surplus	59,596	57,926
Retained earnings	4,726,927	4,595,620
Accumulated other comprehensive income (loss)	597,623	316,290
Non-controlling interest	60,191	59,946
	7,125,794	6,720,408
	\$ 18,666,241	\$ 18,663,282

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 7, 2024.

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Changes in Shareholders' Equity

(unaudited) (in thousands of Canadian dollars)

Six months ended June 30	Share capital – Common shares (Note 10)	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss) (Note 13)	Non- controlling interest	Total shareholders' equity
2024						
Balance, beginning of period	\$ 1,690,626	\$ 57,926	\$ 4,595,620	\$ 316,290	\$ 59,946	\$ 6,720,408
Net earnings	-	-	442,057	-	-	442,057
Other comprehensive income (loss), net of tax	-	-	-	281,295	-	281,295
Total comprehensive income (loss)	-	-	442,057	281,295	-	723,352
Common shares						
Issued under stock option plan	623	-	-	-	-	623
Purchased for cancellation	(9,792)	-	-	-	-	(9,792)
Stock options						
Current period expense	-	1,700	-	-	-	1,700
Exercised	-	(30)	-	-	-	(30)
Common share dividends	-	-	(266,975)	-	-	(266,975)
Non-controlling interest	-	-	(2,485)	-	245	(2,240)
Transfer out of fair value through other comprehensive income	-	-	(38)	38	-	-
Common share cancellation excess and other	-	-	(41,252)	-	-	(41,252)
Balance, end of period	\$ 1,681,457	\$ 59,596	\$ 4,726,927	\$ 597,623	\$ 60,191	\$ 7,125,794
2023						
Balance, beginning of period	\$ 1,672,799	\$ 54,134	\$ 3,973,456	\$ 362,766	\$ 66,677	\$ 6,129,832
Net earnings	-	-	521,329	-	-	521,329
Other comprehensive income (loss), net of tax	-	-	-	(144,443)	-	(144,443)
Total comprehensive income (loss)	-	-	521,329	(144,443)	-	376,886
Common shares						
Issued under stock option plan	15,423	-	-	-	-	15,423
Stock options						
Current period expense	-	2,207	-	-	-	2,207
Exercised	-	(832)	-	-	-	(832)
Common share dividends	-	-	(267,807)	-	-	(267,807)
Non-controlling interest	-	-	(1,790)	-	(8,560)	(10,350)
Disposal of investment in associate (Note 9)	-	-	(2,017)	(16,008)	-	(18,025)
Transfer out of fair value through other comprehensive income	-	-	(118)	118	-	-
Other	-	-	11,679	-	-	11,679
Balance, end of period	\$ 1,688,222	\$ 55,509	\$ 4,234,732	\$ 202,433	\$ 58,117	\$ 6,239,013

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Cash Flows

(unaudited) (in thousands of Canadian dollars)

Six months ended June 30	2024	2023
Operating activities		
Earnings before income taxes from continuing and discontinued operations	\$ 572,644	\$ 622,082
Income taxes paid	(112,202)	(128,296)
Adjustments to determine net cash from operating activities		
Capitalized sales commission amortization	51,528	44,818
Capitalized sales commissions paid	(65,278)	(59,824)
Amortization of capital, intangible and other assets	46,003	52,923
Proportionate share of associates' earnings, net of dividends received	2,185	(18,816)
Pension and other post-employment benefits	4,919	725
Restructuring provisions and other	-	103,266
Gain on sale of Lifeco shares (Note 9)	-	(172,977)
Changes in operating assets and liabilities and other	(28,091)	(39,077)
Cash from operating activities before restructuring provision payments	471,708	404,824
Restructuring provision cash payments	(18,937)	(26,319)
	452,771	378,505
Financing activities		
Net decrease in deposits and certificates	(5)	(5)
Increase in obligations to securitization entities	644,245	409,415
Repayments of obligations to securitization entities and other	(694,419)	(509,413)
Repayment of lease obligations	(13,517)	(11,413)
Net proceeds on credit facility	-	550,000
Issue of debentures	-	300,000
Issue of common shares	593	14,591
Common shares purchased for cancellation	(49,121)	-
Common share dividends paid	(267,732)	(267,585)
	(379,956)	485,590
Investing activities		
Purchase of other investments	(61,028)	(37,363)
Proceeds from the sale of other investments	44,339	40,056
Increase in loans	(672,641)	(479,095)
Repayment of loans and other	581,228	503,820
Net additions to capital assets	(8,508)	(14,897)
Net cash used in additions to intangible assets and other	(46,539)	(34,414)
Investment in ChinaAMC (Note 9)	-	(1,161,506)
Investment in Rockefeller (Note 9)	(85)	(855,649)
Proceeds from sale of Lifeco shares (Note 9)	-	552,655
	(163,234)	(1,486,393)
Decrease in cash and cash equivalents	(90,419)	(622,298)
Cash and cash equivalents from continuing and discontinued operations, beginning of period	544,633	1,072,892
Cash and cash equivalents, end of period	454,214	450,594
Less: Cash and cash equivalents from discontinued operations, end of period (Note 3)	-	37,422
Cash and cash equivalents, end of period - continuing operations	\$ 454,214	413,172
Cash	\$ 337,795	\$ 209,148
Cash equivalents	116,419	204,024
	\$ 454,214	413,172
Supplemental disclosure of cash flow information related to operating activities		\$
Interest and dividends received	\$ 209,708	181,518
Interest paid	\$ 150,624	\$ 129,696

(See accompanying notes to interim condensed consolidated financial statements)

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024 (unaudited) (in thousands of Canadian dollars, except shares and per share amounts)

Note 1. Corporate information

IGM Financial Inc. (the Company) is a publicly listed company (TSX: IGM), incorporated and domiciled in Canada. The registered address of the Company is 447 Portage Avenue, Winnipeg, Manitoba, Canada. The Company is controlled by Power Corporation of Canada (Power).

IGM Financial Inc. is a wealth and asset management company which serves the financial needs of Canadians through its principal subsidiaries, each operating distinctly within the advice segment of the financial services market. The Company's wholly-owned principal subsidiaries are Investors Group Inc. and Mackenzie Financial Corporation (Mackenzie).

Note 2. Summary of material accounting policies

The unaudited Interim Condensed Consolidated Financial Statements of the Company (Interim Financial Statements) have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using the accounting policies as set out in Note 2 to the Consolidated Financial Statements for the year ended December 31, 2023, except as noted below. The Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements in the 2023 IGM Financial Inc. Annual Report.

Changes in accounting policies

IAS 12 – Income Taxes

The Company adopted the amendments to IFRS for IAS 12 – *Income Taxes* effective May 2023 and has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD).

Future accounting changes

The Company continuously monitors changes proposed by the International Accounting Standards Board (IASB) and analyzes the effect that changes in the standards may have on the Company's operations.

Note 3. Discontinued operations

On November 30, 2023, the Company completed the sale of 100% of Investment Planning Counsel Inc. (IPC) to The Canada Life Assurance Company (Canada Life) for proceeds of \$575 million plus adjustments. Canada Life is a subsidiary of the Company's affiliate, Lifeco, which is a subsidiary of Power.

In accordance with IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*, the operating results and cash flows of IPC have been classified as discontinued operations within the Wealth Management segment.

As at November 30, 2023, IPC's total assets were \$692.6 million, including \$30.6 million of cash and cash equivalents, and total liabilities were \$345.7 million.

Net earnings from discontinued operations

	Three months ended June 30, 2023	Six months ended June 30, 2023
Revenues		
Wealth management	\$ 77,230	\$ 153,369
Net asset management	4,331	8,673
Net investment income and other	799	1,814
	82,360	163,856
Expenses	79,867	156,984
Earnings before income taxes	2,493	6,872
Income taxes	704	1,954
Net earnings from discontinued operations	1,789	4,918
Non-controlling interest	-	(150)
Net earnings available to common shareholders from discontinued operations	\$ 1,789	\$ 4,768

Cash flows from discontinued operations

Included within the Company's cash flows are the following amounts attributable to discontinued operations:

	Six months ended June 30 2023
Net cash (used in) provided by:	
Operating activities	\$ 11,606
Financing activities	(1,400)
Investing activities	(12,062)
Net decrease in cash and cash equivalents	\$ (1,856)

Note 4. Revenues from contracts with customers

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Advisory fees	\$ 315,228	\$ 295,631	\$ 624,365	\$ 586,307
Product and program fees	240,088	220,679	472,334	437,829
	555,316	516,310	1,096,699	1,024,136
Redemption fees	-	326	-	920
Other financial planning revenues	34,730	35,846	75,912	61,537
Wealth management	590,046	552,482	1,172,611	1,086,593
Asset management	245,846	238,652	487,712	474,806
Dealer compensation expense	(81,072)	(79,423)	(161,164)	(158,749)
Net asset management	164,774	159,229	326,548	316,057
Net revenues from contracts with customers	\$ 754,820	\$ 711,711	\$ 1,499,159	\$ 1,402,650

Wealth management revenue is earned by providing financial planning, investment advisory and related financial services. Advisory fees, related to financial planning, are associated with assets under management and advisement. Product and program fees, related to investment management and administration services, are associated with assets under management. Other financial planning revenues include insurance, banking products and services, and mortgage lending activities.

Asset management revenue, related to investment management advisory and administrative services, depends on the level and composition of assets under management.

Note 5. Expenses

In the second quarter of 2023, the Company incurred restructuring and other charges of \$103.3 million (\$76.2 million after-tax) resulting from streamlining and simplifying the business to more effectively align with business priorities. The charge includes the Company's changes to the organizational structure to advance the growing needs of the 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.

Note 6. Other investments

	June 30, 2024		December 31, 2023	
	Cost	Fair value	Cost	Fair value
Fair value through other comprehensive income (FVTOCI)				
Corporate investments	\$ 276,428	\$ 954,914	\$ 264,915	\$ 721,379
Fair value through profit or loss (FVTPL)				
Equity securities	12,886	13,305	12,778	13,140
Proprietary investment funds	141,188	148,846	126,550	129,079
	154,074	162,151	139,328	142,219
	\$ 430,502	\$ 1,117,065	\$ 404,243	\$ 863,598

Wealthsimple Financial Corp. (Wealthsimple) is a financial company that provides simple digital tools for growing and managing your money. The Company's investment in Wealthsimple is primarily held through a limited partnership controlled by Power. The investment is classified as FVTOCI. IGM Financial Inc. holds directly and indirectly a 28.3% interest in Wealthsimple (December 31, 2023 – 28.7%), calculated using the treasury method which includes options that are in the money and assumes option proceeds are used to repurchase shares.

At June 30, 2024, the Company increased the fair value of its investment in Wealthsimple to \$835 million (December 31, 2023 – \$607 million). The increase in fair value for the six month period reflects public market peer valuations, as well as Wealthsimple's business performance and revised revenue expectations. Fair value is determined by using observable transactions in the investments' securities where available, discounted cash flows, and other valuation metrics, including revenue multiples used in the valuation of comparable public companies.

Note 7. Loans

	Contractual maturity			June 30 2024 Total	December 31 2023 Total
	1 year or less	1-5 years	Over 5 years		
Amortized cost					
Residential mortgages	\$ 1,014,086	\$ 4,193,034	\$ 1,779	\$ 5,208,899	\$ 5,109,433
Less: Allowance for expected credit losses				648	737
				\$ 5,208,251	\$ 5,108,696
The change in the allowance for expected credit losses is as follows:					
Balance, beginning of period				\$ 737	\$ 815
Write-offs, net of recoveries				(53)	204
Change in expected credit losses				(36)	(282)
Balance, end of period				\$ 648	\$ 737

Total credit impaired loans as at June 30, 2024 were \$1,997 (December 31, 2023 – \$3,131).

Total interest income on loans was \$98.0 million (2023 – \$79.6 million). Total interest expense on obligations to securitization entities, related to securitized loans, was \$81.3 million (2023 – \$67.4 million). Gains realized on the sale of residential mortgages totalled \$0.5 million (2023 – losses of \$1.0 million). Fair value adjustments related to mortgage banking operations totalled negative \$5.4 million (2023 – negative \$2.0 million). These amounts were included in Wealth management revenue. Wealth management revenue also includes other mortgage banking related items including portfolio insurance, issue costs, and other items.

Note 8. Securitizations

The Company 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 the Company retains prepayment risk and certain elements of credit risk. Accordingly, the Company 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.

The Company earns interest on the mortgages and pays interest on the obligations to securitization entities. As part of the CMB transactions, the Company enters into a swap transaction whereby the Company 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 \$9.0 million at June 30, 2024 (December 31, 2023 – negative \$4.8 million).

All mortgages securitized under the NHA MBS and CMB Program are insured by CMHC or another approved insurer under the program. As part of the ABCP transactions, the Company 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 the Company's other assets for failure to make payments when due.

	Securitized mortgages	Obligations to securitization entities	Net
June 30, 2024			
Carrying value			
NHA MBS and CMB Program	\$ 2,350,084	\$ 2,338,023	\$ 12,061
Bank sponsored ABCP	2,314,566	2,313,264	1,302
Total	\$ 4,664,650	\$ 4,651,287	\$ 13,363
Fair value	\$ 4,627,457	\$ 4,676,457	\$ (49,000)
December 31, 2023			
Carrying value			
NHA MBS and CMB Program	\$ 2,408,639	\$ 2,389,389	\$ 19,250
Bank sponsored ABCP	2,313,806	2,298,438	15,368
Total	\$ 4,722,445	\$ 4,687,827	\$ 34,618
Fair value	\$ 4,690,885	\$ 4,695,738	\$ (4,853)

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 on an effective interest rate basis.

Note 9. Investment in associates

	Lifeco	ChinaAMC	Rockefeller	Northleaf	Other	Total
June 30, 2024						
Balance, beginning of period	\$ 589,288	\$ 1,885,223	\$ 844,795	\$ 301,845	\$ 38,023	\$ 3,659,174
Additions	-	-	85	-	10,000	10,085
Dividends	(24,571)	(72,926)	-	(7,903)	-	(105,400)
Proportionate share of:						
Earnings (losses)	46,415	55,228	(10,583)	12,423 ⁽¹⁾	(268)	103,215
Other comprehensive income (loss) and other adjustments	(1,692)	13,194	27,840	-	-	39,342
Balance, end of period	\$ 609,440	\$ 1,880,719	\$ 862,137	\$ 306,365	\$ 47,755	\$ 3,706,416
June 30, 2023						
Balance, beginning of period	\$ 939,567	\$ 787,171	\$ -	\$ 284,499	\$ 40,066	\$ 2,051,303
Additions	-	1,161,505	855,649	-	542	2,017,696
Disposition	(397,705)	-	-	-	-	(397,705)
Dividends	(23,024)	(69,180)	-	-	-	(92,204)
Proportionate share of:						
Earnings (losses)	35,116	55,736	(1,866)	8,198 ⁽¹⁾	(1,262)	95,922
IFRS 17 adjustment	15,098	-	-	-	-	15,098
Other comprehensive income (loss) and other adjustments	15,139	(141,233)	(11,867)	-	-	(137,961)
Balance, end of period	\$ 584,191	\$ 1,793,999	\$ 841,916	\$ 292,697	\$ 39,346	\$ 3,552,149

(1) For the six months ended June 30, 2024, the Company's proportionate share of Northleaf's earnings net of Non-controlling interest was \$9,938, (2023 - \$6,558).

The Company uses the equity method to account for its investments in associates, which include Great-West Lifeco Inc. (Lifeco), China Asset Management Co., Ltd. (ChinaAMC), Rockefeller Capital Management (Rockefeller), and Northleaf Capital Group Ltd. (Northleaf), as it exercises significant influence.

On January 12, 2023, the Company closed the transaction to acquire Power's 13.9% interest in ChinaAMC for cash consideration of \$1.16 billion including transaction costs, increasing the Company's equity interest in ChinaAMC from 13.9% to 27.8%. To partially fund the transaction, IGM Financial sold 15,200,662 common shares of Lifeco to Power for cash consideration of \$553 million which reduced the Company's equity interest in Lifeco from 4.0% to 2.4%. The remaining \$597 million of consideration was funded from the Company's existing financial resources including \$22 million in dividends received after March 31, 2022 with respect to the Lifeco shares that were sold. The Company continues to equity account for its 27.8% interest in ChinaAMC and 2.4% interest in Lifeco.

In 2023, the Company recognized a gain on the sale of the Lifeco shares of \$172.9 million before-tax (\$168.6 million after-tax), consisting of \$179.1 million recorded in the first quarter and a decrease of \$6.2 million that was recorded on a prospective basis in the second quarter.

The Company recorded a Lifeco IFRS 17 adjustment of \$15.1 million in the second quarter of 2023, representing a change of estimate which has been recorded on a prospective basis.

On April 3, 2023, the Company acquired a 20.5% interest in Rockefeller for a total cost of \$858 million, which was comprised of cash consideration of \$835 million (USD \$622 million) and transaction costs.

Note 10. Share capital

Authorized

- Unlimited number of:
 - First preferred shares, issuable in series
 - Second preferred shares, issuable in series
 - Class 1 non-voting shares
 - Common shares, no par value

Issued and outstanding

	June 30, 2024		June 30, 2023	
	Shares	Stated value	Shares	Stated value
Common shares:				
Balance, beginning of period	238,131,738	\$ 1,690,626	237,668,062	\$ 1,672,799
Issued under Stock Option Plan	17,076	623	399,843	15,423
Purchased for cancellation	(1,379,000)	(9,792)	-	-
Balance, end of period	236,769,814	\$ 1,681,457	238,067,905	\$ 1,688,222

Normal course issuer bid

On December 21, 2023, the Company commenced a Normal Course Issuer Bid (NCIB) which will continue until December 20, 2024, when the bid expires, or such earlier date as the Company completes its purchases pursuant to the notice of intention filed with the TSX. Pursuant to this bid, the Company may purchase up to 3 million or 1.3% of its common shares outstanding as at December 7, 2023.

In the second quarter of 2024, there were 1,039,000 shares (2023 – nil) purchased at a cost of \$37.1 million. In the six months ended June 30, 2024, there were 1,379,000 shares (2023 – nil) purchased at a cost of \$49.1 million. The premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

In connection with its NCIB, the Company has established an automatic securities purchase plan for its common shares. The automatic securities purchase plan provides standard instructions regarding how IGM Financial's common shares are to be purchased under the NCIB during certain pre-determined trading blackout periods, subject to pre-established parameters. Outside of these pre-determined trading blackout periods, purchases under the Company's NCIB will be completed based upon management's discretion.

Note 11. Capital management

The capital management policies, procedures and activities of the Company are discussed in the Capital Resources section of the Company's Management's Discussion and Analysis contained in the Second Quarter 2024 Report to Shareholders and in Note 20 to the Consolidated Financial Statements in the 2023 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2023.

Note 12. Share-based payments

Stock option plan

	June 30 2024	December 31 2023
Common share options		
– Outstanding	10,857,856	10,902,118
– Exercisable	7,447,802	6,924,596

In the second quarter of 2024, the Company granted 9,238 options to employees (2023 – 1,234). In the six months ended June 30, 2024, the Company granted 673,814 options to employees (2023 – 662,606). The weighted-average fair value of options granted during the six months ended June 30, 2024, has been estimated at \$4.15 per option (2023 – \$5.56) using the Black-Scholes option pricing model. The weighted-average closing share price at the grant date was \$35.57.

Other assumptions used in these valuation models include:

	Six months ended June 30	
	2024	2023
Exercise price	\$ 35.68	\$ 42.53
Risk-free interest rate	3.61%	3.44%
Expected option life	7 years	7 years
Expected volatility	24.00%	23.00%
Expected dividend yield	6.33%	5.31%

Expected volatility has been estimated based on the historic volatility of the Company's share price over seven years which is reflective of the expected option life. Options vest over a period of up to 7.5 years from the grant date and are exercisable no later than 10 years after the grant date.

Note 13. Accumulated other comprehensive income (loss)

	Employee benefits	Other investments	Investment in associates and other	Total
June 30, 2024				
Balance, beginning of period	\$ (13,995)	\$ 393,956	\$ (63,671)	\$ 316,290
Other comprehensive income (loss)	43,420	192,883	44,992	281,295
Transfer out of FVTOCI	–	38	–	38
Balance, end of period	\$ 29,425	\$ 586,877	\$ (18,679)	\$ 597,623
June 30, 2023				
Balance, beginning of period	\$ 4,383	\$ 309,605	\$ 48,778	\$ 362,766
Other comprehensive income (loss)	(8,360)	(433)	(135,650)	(144,443)
Disposal of investment in associate (Note 9)	–	–	(16,008)	(16,008)
Transfer out of FVTOCI	–	118	–	118
Balance, end of period	\$ (3,977)	\$ 309,290	\$ (102,880)	\$ 202,433

Amounts are recorded net of tax.

Note 14. Risk management

The risk management policies and procedures of the Company are discussed in the Financial Risk section of the Company's Management's Discussion and Analysis contained in the Second Quarter 2024 Report to Shareholders and in Note 23 to the Consolidated Financial Statements in the 2023 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2023.

Note 15. Fair value of financial instruments

Fair values are management's estimates and are calculated using market conditions at a specific point in time and may not reflect future fair values. The calculations are subjective in nature, involve uncertainties and are matters of significant judgment.

All financial instruments measured at fair value and those for which fair value is disclosed are classified into one of three levels that distinguish fair value measurements by the significance of the inputs used for valuation.

Fair value is determined based on the price that would be received for an asset or paid to transfer a liability in the most advantageous market, utilizing a hierarchy of three different valuation techniques, based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable inputs other than Level 1 quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable or corroborated by observable market data; and

Level 3 – Unobservable inputs that are supported by little or no market activity. Valuation techniques are primarily model-based.

Markets are considered inactive when transactions are not occurring with sufficient regularity. Inactive markets may be characterized by a significant decline in the volume and level of observed trading activity or through large or erratic bid/offer spreads. In those instances where traded markets are not considered sufficiently active, fair value is measured using valuation models which may utilize predominantly observable market inputs (Level 2) or may utilize predominantly non-observable market inputs (Level 3). Management considers all reasonably available information including indicative broker quotations, any available pricing for similar instruments, recent arm's length market transactions, any relevant observable market inputs, and internal model-based estimates. Management exercises judgment in determining the most appropriate inputs and the weighting ascribed to each input as well as in the selection of valuation methodologies.

Fair value is determined using the following methods and assumptions:

Other investments and other financial assets and financial liabilities are valued using quoted prices from active markets, when available. When a quoted market price is not readily available, valuation techniques are used that require assumptions related to discount rates and the timing and amount of future cash flows. Wherever possible, observable market inputs are used in the valuation techniques.

Loans classified as Level 2 are valued using market interest rates for loans with similar credit risk and maturity.

Loans classified as Level 3 are valued by discounting the expected future cash flows at prevailing market yields.

Valuation methods used for Other investments classified as Level 3 include comparison to market transactions with arm's length third parties, use of market multiples, and discounted cash flow analysis.

Obligations to securitization entities are valued by discounting the expected future cash flows at prevailing market yields for securities issued by these securitization entities having similar terms and characteristics.

Deposits and certificates are valued by discounting the contractual cash flows using market interest rates currently offered for deposits with similar terms and credit risks.

Long-term debt is valued using quoted prices for each debenture available in the market.

Derivative financial instruments are valued based on quoted market prices, where available, prevailing market rates for instruments with similar characteristics and maturities, or discounted cash flow analysis.

Level 1 financial instruments include exchange-traded equity investments and open-end investment fund units and other financial liabilities in instances where there are quoted prices available from active markets.

Level 2 assets and liabilities include fixed income securities, loans, derivative financial instruments, deposits and certificates and long-term debt. The fair value of fixed income securities is determined using quoted market prices or independent dealer price quotes. The fair value of derivative financial instruments and deposits and certificates are determined using valuation models, discounted cash flow methodologies, or similar techniques using primarily observable market inputs. The fair value of long-term debt is determined using indicative broker quotes.

Level 3 assets and liabilities include investments with little or no trading activity valued using broker-dealer quotes, loans, other financial assets, obligations to securitization entities and derivative financial instruments. Derivative financial instruments consist of principal reinvestment account swaps which represent the component of a swap entered into under the CMB Program whereby the Company pays coupons on Canada Mortgage Bonds and receives investment returns on the reinvestment of repaid mortgage principal. Fair value is determined by discounting the projected cashflows of the swaps. The notional amount, which is an input used to determine the fair value of the swap, is determined using an average unobservable prepayment rate of 15% which is based on historical prepayment patterns. An increase (decrease) in the assumed mortgage prepayment rate increases (decreases) the notional amount of the swap. Level 3 Other investments of \$955 million are predominantly comprised of early-stage financial technology companies, including Wealthsimple with a fair value of \$835 million. Fair value is determined by using observable transactions in the investments' securities, where available, forecasted cash flows, and other valuation metrics, including revenue multiples, used in the valuation of comparable public companies. A 5% increase (decrease) to forecasted cash flows or revenue multiples would result in an increase (decrease) in fair value of the Company's investment in Wealthsimple of approximately \$42 million.

The following table presents the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table distinguishes between those financial instruments recorded at fair value and those recorded at amortized cost. The table also excludes fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. These items include cash and cash equivalents, accounts and other receivables, certain other financial assets, accounts payable and accrued liabilities, credit facility and certain other financial liabilities.

	Carrying value	Fair value				Total
		Level 1	Level 2	Level 3		
June 30, 2024						
Financial assets recorded at fair value						
Other investments						
– FVTOCI	\$ 954,914	\$ –	\$ –	\$ 954,914	\$ 954,914	
– FVTPL	162,151	150,722	–	11,429	162,151	
Derivative financial instruments	34,974	–	21,285	13,689	34,974	
Financial assets recorded at amortized cost						
Loans						
– Amortized cost	5,208,251	–	540,661	4,627,457	5,168,118	
Financial liabilities recorded at fair value						
Derivative financial instruments	41,919	–	35,419	6,500	41,919	
Financial liabilities recorded at amortized cost						
Deposits and certificates	2,978,400	–	2,978,427	–	2,978,427	
Obligations to securitization entities	4,651,287	–	–	4,676,457	4,676,457	
Long-term debt	2,400,000	–	2,401,869	–	2,401,869	
December 31, 2023						
Financial assets recorded at fair value						
Other investments						
– FVTOCI	\$ 721,379	\$ –	\$ –	\$ 721,379	\$ 721,379	
– FVTPL	142,219	130,790	–	11,429	142,219	
Derivative financial instruments	42,729	–	26,801	15,928	42,729	
Financial assets recorded at amortized cost						
Loans						
– Amortized cost	5,108,696	–	379,954	4,690,885	5,070,839	
Financial liabilities recorded at fair value						
Derivative financial instruments	49,580	–	41,373	8,207	49,580	
Financial liabilities recorded at amortized cost						
Deposits and certificates	3,344,190	–	3,344,223	–	3,344,223	
Obligations to securitization entities	4,687,827	–	–	4,695,738	4,695,738	
Long-term debt	2,400,000	–	2,453,390	–	2,453,390	

There were no significant transfers between Level 1 and Level 2 in 2024 and 2023.

The following table provides a summary of changes in Level 3 assets and liabilities measured at fair value on a recurring basis. There were no transfers in or out of Level 3 in 2024 and 2023.

	Balance January 1	Gains (losses) included in Net earnings ⁽¹⁾	Gains (losses) included in Other comprehensive income	Purchases and issuances	Settlements	Balance June 30
June 30, 2024						
Other investments						
– FVTOCI	\$ 721,379	\$ –	\$ 222,022	\$ 11,692	\$ 179	\$ 954,914
– FVTPL	11,429	–	–	–	–	11,429
Derivative financial instruments, net	7,721	(2,439)	–	(1,763)	(3,670)	7,189
June 30, 2023						
Other investments						
– FVTOCI	\$ 602,612	\$ –	\$ (1,323)	\$ 5,497	\$ 638	\$ 606,148
– FVTPL	11,429	–	–	–	–	11,429
Derivative financial instruments, net	20,516	1,360	–	(1,145)	(1,945)	22,676

(1) Included in Wealth management revenue or Net investment income and other in the Consolidated Statements of Earnings.

Note 16. Earnings per common share

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Earnings				
Net earnings from continuing operations	\$ 217,249	\$ 137,039	\$ 442,057	\$ 516,411
Non-controlling interest	(1,062)	(627)	(2,485)	(1,640)
Net earnings available to common shareholders – continuing operations	216,187	136,412	439,572	514,771
Net earnings from discontinued operations	-	1,789	-	4,918
Non-controlling interest	-	-	-	(150)
Net earnings available to common shareholders – discontinued operations	-	1,789	-	4,768
Net earnings available to common shareholders	\$ 216,187	\$ 138,201	\$ 439,572	\$ 519,539
Number of common shares (in thousands)				
Weighted average number of common shares outstanding	237,232	238,048	237,646	237,943
Add: Potential exercise of outstanding stock options ⁽¹⁾	165	583	142	676
Average number of common shares outstanding – diluted basis	237,397	238,631	237,788	238,619
Earnings per common share (in dollars)				
Basic				
From continuing operations	\$ 0.91	\$ 0.57	\$ 1.85	\$ 2.16
From discontinued operations	-	0.01	-	0.02
Net earnings available to common shareholders	\$ 0.91	\$ 0.58	\$ 1.85	\$ 2.18
Diluted				
From continuing operations	\$ 0.91	\$ 0.57	\$ 1.85	\$ 2.16
From discontinued operations	-	0.01	-	0.02
Net earnings available to common shareholders	\$ 0.91	\$ 0.58	\$ 1.85	\$ 2.18

(1) Excludes 1,173 thousand shares for the three months ended June 30, 2024, related to outstanding stock options that were anti-dilutive (2023 – 731 thousand). Excludes 1,229 thousand shares for the six months ended June 30, 2024, related to outstanding stock options that were anti-dilutive (2023 – 651 thousand).

Note 17. Contingent liabilities

The Company is subject to legal actions arising in the normal course of its business. In December 2018, a proposed class action was filed in the Ontario Superior Court against Mackenzie Financial Corporation (Mackenzie) which alleges that the company should not have paid mutual fund trailing commissions to order execution only dealers. This action was certified in January 2024. In August 2022, a second proposed class action concerning the same subject matter was filed against Mackenzie.

In late March 2023, the Company was notified by one of our third-party vendors, InvestorCOM Inc., that they were compromised due to a cybersecurity incident related to a technology supplier to InvestorCOM, GoAnywhere. The Company has notified impacted clients and offered credit monitoring at no cost 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, management does not expect the outcome of any of these matters, individually or in aggregate, to have a material adverse effect on the Company's consolidated financial position.

Note 18. Segmented information

In 2023, the Company realigned its reportable segments to better characterize and simplify the Company's business lines into wealth management and asset management segments. The revised segments reflect a realignment of Rockefeller and Wealthsimple to the wealth management segment and ChinaAMC and Northleaf to the asset management segment. These changes have no impact on the reported earnings of the Company. Prior period comparative information has been restated to reflect the realigned segments.

The Company's reportable segments are:

- Wealth Management
- Asset Management
- Corporate and Other

These segments reflect the Company's internal financial reporting and performance measurement.

- **Wealth Management** – 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 which is 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. A majority of the revenues of this segment are derived from providing financial advice and distributing financial products and services to Canadian households. This segment also includes the investment management activities of these organizations, including mutual fund management and discretionary portfolio management services. This segment also includes the Company's strategic investments in Rockefeller and Wealthsimple. Rockefeller is classified as an investment in associate and accounted for using the equity method, with the proportionate share of earnings included in revenue. Wealthsimple is classified as an investment which is accounted for as fair value through other comprehensive income and therefore has no impact on the segment earnings. This segment previously included IPC, which was sold on November 30, 2023. IPC's results were classified as discontinued operations.
- **Asset Management** – 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. This segment also includes the Company's strategic investment in ChinaAMC and Northleaf which are classified as investments in associates and accounted for using the equity method. The proportionate share of earnings on these investments are included in the segment's revenue.
- **Corporate and Other** – primarily represents investments in Lifeco and Portage Ventures LPs, the Company's unallocated capital, as well as consolidation elimination entries.

2024

Three months ended June 30	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments⁽¹⁾	Total
Revenues						
Wealth management	\$ 592,238	\$ -	\$ (2,192)	\$ 590,046	\$ -	\$ 590,046
Asset management	-	271,493	(25,647)	245,846	-	245,846
Dealer compensation	-	(80,174)	(898)	(81,072)	-	(81,072)
Net asset management	-	191,319	(26,545)	164,774	-	164,774
Net investment income and other	2,769	3,149	4,052	9,970	-	9,970
Proportionate share of associates' earnings	(2,463)	33,656	24,507	55,700	(4,185)	51,515
	592,544	228,124	(178)	820,490	(4,185)	816,305
Expenses						
Advisory and business development	257,148	21,381	(2)	278,527	-	278,527
Operations and support	114,374	90,849	740	205,963	-	205,963
Sub-advisory	46,413	1,391	(28,735)	19,069	-	19,069
	417,935	113,621	(27,997)	503,559	-	503,559
	174,609	114,503	27,819	316,931	(4,185)	312,746
Interest expense ⁽²⁾	25,710	6,518	-	32,228	-	32,228
Earnings before income taxes	148,899	107,985	27,819	284,703	(4,185)	280,518
Income taxes	40,198	22,177	894	63,269	-	63,269
	108,701	85,808	26,925	221,434	(4,185)	217,249
Non-controlling interest	-	(1,062)	-	(1,062)	-	(1,062)
	\$ 108,701	\$ 84,746	\$ 26,925	220,372	(4,185)	216,187
Lifeco other items ⁽¹⁾				(885)	885	-
Rockefeller debt refinancing ⁽¹⁾				(3,300)	3,300	-
Net earnings available to common shareholders				\$ 216,187	\$ -	\$ 216,187

(1) The proportionate share of Lifeco other items and Rockefeller debt refinancing are not related to a specific segment and therefore excluded from segment results. These items have been adjusted to reconcile Total Segment results to the Company's Consolidated Statement of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.

2023

Three months ended June 30	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Revenues						
Wealth management	\$ 554,095	\$ -	\$ (1,613)	\$ 552,482	\$ -	\$ 552,482
Asset management	-	264,198	(25,546)	238,652	-	238,652
Dealer compensation	-	(78,764)	(659)	(79,423)	-	(79,423)
Net asset management	-	185,434	(26,205)	159,229	-	159,229
Net investment income and other	3,948	945	3,215	8,108	-	8,108
Gain on sale of Lifeco shares (Note 9)	-	-	-	-	(6,141)	(6,141)
Proportionate share of associates' earnings	(2,371)	30,735	20,488	48,852	9,124	57,976
	555,672	217,114	(4,115)	768,671	2,983	771,654
Expenses						
Advisory and business development	233,014	21,052	(2)	254,064	-	254,064
Operations and support	105,554	89,550	301	195,405	103,266	298,671
Sub-advisory	43,007	1,134	(27,819)	16,322	-	16,322
	381,575	111,736	(27,520)	465,791	103,266	569,057
	174,097	105,378	23,405	302,880	(100,283)	202,597
Interest expense ⁽²⁾	24,000	6,120	-	30,120	-	30,120
Earnings before income taxes	150,097	99,258	23,405	272,760	(100,283)	172,477
Income taxes	39,875	21,495	1,126	62,496	(27,058)	35,438
Net earnings from continuing operations	110,222	77,763	22,279	210,264	(73,225)	137,039
Net earnings from discontinued operations	3,943	-	(2,154)	1,789	-	1,789
	114,165	77,763	20,125	212,053	(73,225)	138,828
Non-controlling interest	-	(627)	-	(627)	-	(627)
	\$ 114,165	\$ 77,136	\$ 20,125	211,426	(73,225)	138,201
Restructuring and other, net of tax ⁽¹⁾				(76,208)	76,208	-
Gain on sale of Lifeco shares, net of tax ⁽¹⁾				(6,141)	6,141	-
Lifeco IFRS 17 adjustment ⁽¹⁾				15,098	(15,098)	-
Lifeco other items ⁽¹⁾				(5,974)	5,974	-
Net earnings available to common shareholders				\$ 138,201	\$ -	\$ 138,201

(1) Restructuring and other, Gain on sale of Lifeco shares, and the proportionate share of Lifeco IFRS 17 adjustment and Lifeco other items are not related to a specific segment and therefore excluded from segment results. These items have been added back, including the to income taxes, to reconcile Total Segment results to the Company's Consolidated Statement of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.

2024

<i>Six months ended June 30</i>	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Revenues						
Wealth management	\$ 1,176,737	\$ -	\$ (4,126)	\$ 1,172,611	\$ -	\$ 1,172,611
Asset management	-	539,415	(51,703)	487,712	-	487,712
Dealer compensation	-	(159,470)	(1,694)	(161,164)	-	(161,164)
Net asset management	-	379,945	(53,397)	326,548	-	326,548
Net investment income and other	8,043	9,675	7,879	25,597	-	25,597
Proportionate share of associates' earnings	(7,551)	67,651	48,407	108,507	(5,292)	103,215
	1,177,229	457,271	(1,237)	1,633,263	(5,292)	1,627,971
Expenses						
Advisory and business development	501,324	42,834	(4)	544,154	-	544,154
Operations and support	229,328	179,366	1,097	409,791	-	409,791
Sub-advisory	91,750	2,676	(57,522)	36,904	-	36,904
	822,402	224,876	(56,429)	990,849	-	990,849
	354,827	232,395	55,192	642,414	(5,292)	637,122
Interest expense ⁽²⁾	51,460	13,018	-	64,478	-	64,478
Earnings before income taxes	303,367	219,377	55,192	577,936	(5,292)	572,644
Income taxes	83,468	45,311	1,808	130,587	-	130,587
	219,899	174,066	53,384	447,349	(5,292)	442,057
Non-controlling interest	-	(2,485)	-	(2,485)	-	(2,485)
	\$ 219,899	\$ 171,581	\$ 53,384	444,864	(5,292)	439,572
Lifeco other items ⁽¹⁾				(1,992)	1,992	-
Rockefeller debt refinancing ⁽¹⁾				(3,300)	3,300	-
Net earnings available to common shareholders				\$ 439,572	\$ -	\$ 439,572
Identifiable assets	\$ 11,292,617	\$ 3,620,381	\$ 1,116,472	\$ 16,029,470	\$ -	\$ 16,029,470
Goodwill	1,346,245	1,290,526	-	2,636,771	-	2,636,771
Total assets	\$ 12,638,862	\$ 4,910,907	\$ 1,116,472	\$ 18,666,241	\$ -	\$ 18,666,241

(1) The proportionate share of Lifeco other items and Rockefeller debt refinancing are not related to a specific segment and therefore excluded from segment results. These items have been adjusted to reconcile Total Segment results to the Company's Consolidated Statement of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.

2023

	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Six months ended June 30						
Revenues						
Wealth management	\$ 1,089,763	\$ -	\$ (3,170)	\$ 1,086,593	\$ -	\$ 1,086,593
Asset management	-	526,012	(51,206)	474,806	-	474,806
Dealer compensation	-	(157,460)	(1,289)	(158,749)	-	(158,749)
Net asset management	-	368,552	(52,495)	316,057	-	316,057
Net investment income and other	7,376	5,449	6,232	19,057	-	19,057
Gain on sale of Lifeco shares (Note 9)	-	-	-	-	172,977	172,977
Proportionate share of associates' earnings	(3,128)	63,934	40,848	101,654	9,366	111,020
	1,094,011	437,935	(8,585)	1,523,361	182,343	1,705,704
Expenses						
Advisory and business development	455,991	43,718	(4)	499,705	-	499,705
Operations and support	213,842	182,694	644	397,180	103,266	500,446
Sub-advisory	85,590	2,243	(55,665)	32,168	-	32,168
	755,423	228,655	(55,025)	929,053	103,266	1,032,319
	338,588	209,280	46,440	594,308	79,077	673,385
Interest expense ⁽²⁾	46,249	11,926	-	58,175	-	58,175
Earnings before income taxes	292,339	197,354	46,440	536,133	79,077	615,210
Income taxes	78,276	41,302	1,960	121,538	(22,739)	98,799
Net earnings from continuing operations	214,063	156,052	44,480	414,595	101,816	516,411
Net earnings from discontinued operations	6,870	-	(1,952)	4,918	-	4,918
	220,933	156,052	42,528	419,513	101,816	521,329
Non-controlling interest	(150)	(1,640)	-	(1,790)	-	(1,790)
	\$ 220,783	\$ 154,412	\$ 42,528	417,723	101,816	519,539
Restructuring and other, net of tax ⁽¹⁾				(76,208)	76,208	-
Gain on sale of Lifeco shares, net of tax ⁽¹⁾				168,658	(168,658)	-
Lifeco IFRS 17 adjustment ⁽¹⁾				15,098	(15,098)	-
Lifeco other items ⁽¹⁾				(5,732)	5,732	-
Net earnings available to common shareholders				\$ 519,539	\$ -	\$ 519,539
Identifiable assets						
Identifiable assets	\$ 12,303,680	\$ 3,531,916	\$ 958,732	\$ 16,794,328	\$ -	\$ 16,794,328
Goodwill	1,346,245	1,290,526	-	2,636,771	-	2,636,771
Total assets	\$ 13,649,925	\$ 4,822,442	\$ 958,732	\$ 19,431,099	\$ -	\$ 19,431,099

(1) Restructuring and other, Gain on sale of Lifeco shares, and the proportionate share of Lifeco IFRS 17 adjustment and Lifeco other items are not related to a specific segment and therefore excluded from segment results. These items have been added back, including the to income taxes, to reconcile Total Segment results to the Company's Consolidated Statement of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.