

CONDENSED CONSOLIDATED BALANCE SHEETS

| (unaudited) [in millions of Canadian dollars] | June 30, 2024 | December 31, 2023 |
|--|------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | 10,890 | 9,937 |
| Investments [Note 4] | | |
| Bonds | 156,591 | 157,336 |
| Mortgage and other loans | 43,617 | 43,568 |
| Shares | 17,886 | 16,588 |
| Investment properties | 7,910 | 7,870 |
| | 226,004 | 225,362 |
| Insurance contract assets [Note 7] | 1,315 | 1,193 |
| Reinsurance contract held assets [Note 7] | 17,180 | 17,332 |
| Assets held for sale [Note 3] | - | 4,467 |
| Derivative financial instruments | 2,040 | 2,349 |
| Investments in jointly controlled corporations and associates [Note 5] | 8,292 | 8,152 |
| Owner-occupied properties and capital assets | 5,292 | 5,082 |
| Other assets | 36,030 | 29,434 |
| Deferred tax assets | 1,963 | 1,894 |
| Intangible assets | 6,789 | 6,690 |
| Goodwill | 14,803 | 14,630 |
| Investments on account of segregated fund policyholders [Note 6] | 460,231 | 422,956 |
| Total assets | 790,829 | 749,478 |
| Liabilities | | |
| Insurance contract liabilities [Note 7] | 145,282 | 144,388 |
| Investment contract liabilities | 87,070 | 88,919 |
| Reinsurance contract held liabilities [Note 7] | 731 | 648 |
| Liabilities held for sale [Note 3] | - | 2,407 |
| Obligations to securitization entities | 4,651 | 4,688 |
| Power Corporation's debentures and other debt instruments [Note 8] | 647 | 647 |
| Non-recourse debentures and other debt instruments [Note 9] | 14,947 | 14,625 |
| Derivative financial instruments | 1,736 | 1,351 |
| Other liabilities | 32,214 | 26,368 |
| Deferred tax liabilities | 1,160 | 1,216 |
| Insurance contracts on account of segregated fund policyholders [Note 7] | 62,473 | 60,302 |
| Investment contracts on account of segregated fund policyholders | 397,758 | 362,654 |
| Total liabilities | 748,669 | 708,213 |
| Equity | | |
| Share capital [Note 10] | | |
| Non-participating shares | 950 | 950 |
| Participating shares | 9,259 | 9,284 |
| Retained earnings | 10,774 | 10,005 |
| Reserves | 1,716 | 1,904 |
| Total shareholders' equity | 22,699 | 22,143 |
| Non-controlling interests | 19,461 | 19,122 |
| Total equity | 42,160 | 41,265 |
| Total liabilities and equity | 790,829 | 749,478 |

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

| (unaudited) [in millions of Canadian dollars, except per share amounts] | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|------------|---------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Insurance service result | | | | |
| Insurance revenue [Note 14] | 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) |
| Total insurance service result | 831 | 703 | 1,628 | 1,403 |
| Net investment result | | | | |
| Net investment income [Note 4] | 2,548 | 2,154 | 5,064 | 4,304 |
| Changes in fair value through profit or loss [Note 4] | (848) | (2,626) | (2,181) | 980 |
| | 1,700 | (472) | 2,883 | 5,284 |
| 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) |
| Net investment result | 804 | 439 | 1,792 | 836 |
| 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) |
| Net investment result - Insurance contracts on account of segregated fund policyholders | - | - | - | - |
| Other revenues | | | | |
| Fee income | 2,735 | 2,377 | 5,306 | 4,669 |
| Other | 200 | 187 | 358 | 328 |
| Total fee income and other revenues | 2,935 | 2,564 | 5,664 | 4,997 |
| Other expenses | | | | |
| Operating and administrative expenses | 2,907 | 2,829 | 5,807 | 5,462 |
| Financing charges | 202 | 186 | 403 | 377 |
| Total other expenses | 3,109 | 3,015 | 6,210 | 5,839 |
| Earnings before investments in jointly controlled corporations and associates, and income taxes | 1,461 | 691 | 2,874 | 1,397 |
| Share of earnings of investments in jointly controlled corporations and associates [Note 5] | 73 | 248 | 137 | 281 |
| Earnings before income taxes | 1,534 | 939 | 3,011 | 1,678 |
| Income taxes [Note 16] | 305 | 88 | 539 | 208 |
| Net earnings from continuing operations | 1,229 | 851 | 2,472 | 1,470 |
| Net loss from discontinued operations | - | (71) | (115) | (90) |
| Net gain from disposal of discontinued operations [Note 3] | - | - | 44 | - |
| Net earnings | 1,229 | 780 | 2,401 | 1,380 |
| Attributable to | | | | |
| Non-controlling interests | 486 | 266 | 936 | 540 |
| Non-participating shareholders | 13 | 13 | 26 | 26 |
| Participating shareholders | 730 | 501 | 1,439 | 814 |
| | 1,229 | 780 | 2,401 | 1,380 |
| Earnings per participating share [Note 18] | | | | |
| Net earnings from continuing operations attributable to participating shareholders | | | | |
| Basic | 1.12 | 0.82 | 2.29 | 1.31 |
| Diluted | 1.12 | 0.82 | 2.27 | 1.31 |
| Net earnings attributable to participating shareholders | | | | |
| Basic | 1.12 | 0.75 | 2.21 | 1.22 |
| Diluted | 1.12 | 0.75 | 2.20 | 1.22 |

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| (unaudited) [in millions of Canadian dollars] | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|--------------|---------------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net earnings | 1,229 | 780 | 2,401 | 1,380 |
| Other comprehensive income (loss) | | | | |
| Items that may be reclassified subsequently to net earnings | | | | |
| Net unrealized gains (losses) on FVOCI debt instruments | | | | |
| Unrealized gains (losses) | 8 | (197) | (34) | (12) |
| Income tax (expense) benefit | (3) | 3 | 6 | (40) |
| Realized (gains) losses transferred to net earnings | 19 | 178 | 38 | 214 |
| Income tax expense (benefit) | (4) | (4) | (9) | (12) |
| | 20 | (20) | 1 | 150 |
| Net unrealized gains (losses) on cash flow hedges | | | | |
| Unrealized gains (losses) | (36) | 61 | (12) | 60 |
| Income tax (expense) benefit | 10 | (13) | 6 | (21) |
| Realized (gains) losses transferred to net earnings | 9 | (17) | 4 | (45) |
| Income tax expense (benefit) | (2) | 5 | (1) | 13 |
| | (19) | 36 | (3) | 7 |
| Net unrealized foreign exchange gains (losses) on translation of foreign operations | | | | |
| Unrealized gains (losses) on translation | 233 | (350) | 497 | (213) |
| Income tax (expense) benefit | - | - | - | 5 |
| Realized (gains) losses transferred to net earnings | - | - | (265) | - |
| Unrealized gains (losses) on hedges of net investments in foreign operations | 2 | 36 | (62) | 10 |
| Income tax (expense) benefit | 5 | (10) | 12 | (8) |
| | 240 | (324) | 182 | (206) |
| Share of other comprehensive income (losses) of investments in jointly controlled corporations and associates | | | | |
| Income tax (expense) benefit | 39 | (178) | 71 | (110) |
| | 1 | - | 1 | 6 |
| | 40 | (178) | 72 | (104) |
| Total - items that may be reclassified | 281 | (486) | 252 | (153) |
| Items that will not be reclassified subsequently to net earnings | | | | |
| Net unrealized gains (losses) on FVOCI equity instruments | | | | |
| Unrealized gains (losses) | (249) | (36) | (325) | (34) |
| Income tax (expense) benefit | 64 | - | 83 | (2) |
| | (185) | (36) | (242) | (36) |
| Share of other comprehensive income (losses) of investments in jointly controlled corporations and associates | | | | |
| Actuarial gains (losses) on defined benefit plans | 119 | (20) | 338 | (89) |
| Income tax (expense) benefit | (30) | 5 | (86) | 19 |
| | 89 | (15) | 252 | (70) |
| Total - items that will not be reclassified | (253) | (91) | (146) | 35 |
| Other comprehensive income (loss) | 28 | (577) | 106 | (118) |
| Comprehensive income | 1,257 | 203 | 2,507 | 1,262 |
| Attributable to | | | | |
| Non-controlling interests | 551 | 107 | 1,030 | 501 |
| Non-participating shareholders | 13 | 13 | 26 | 26 |
| Participating shareholders | 693 | 83 | 1,451 | 735 |
| | 1,257 | 203 | 2,507 | 1,262 |

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| Six months ended June 30, 2024 (unaudited) [in millions of Canadian dollars] | Share capital | | | | Reserves | | | | Total equity |
|--|--------------------------|----------------------|-------------------|--------------------------|--------------------------------------|-------|---------------------------|--------|--------------|
| | Non-participating shares | Participating shares | Retained earnings | Share-based compensation | Other comprehensive income [Note 17] | Total | Non-controlling interests | | |
| Balance, beginning of year | 950 | 9,284 | 10,005 | 408 | 1,496 | 1,904 | 19,122 | 41,265 | |
| Net earnings | - | - | 1,465 | - | - | - | 936 | 2,401 | |
| Other comprehensive income | - | - | - | - | 12 | 12 | 94 | 106 | |
| Comprehensive income | - | - | 1,465 | - | 12 | 12 | 1,030 | 2,507 | |
| Subordinate voting shares purchased and cancelled under Normal Course Issuer Bid [Note 10] | - | (74) | (115) | - | - | - | - | (189) | |
| Dividends to shareholders | | | | | | | | | |
| Non-participating shares | - | - | (26) | - | - | - | - | (26) | |
| Participating shares | - | - | (731) | - | - | - | - | (731) | |
| Dividends to non-controlling interests | - | - | - | - | - | - | (533) | (533) | |
| Expense for share-based compensation [Note 11] | - | - | - | 13 | - | 13 | 9 | 22 | |
| Stock options exercised | - | 49 | - | (54) | - | (54) | 50 | 45 | |
| Realized gains on FVOCI equity instruments transferred to retained earnings | - | - | 135 | - | (135) | (135) | - | - | |
| Effects of changes in capital and ownership of subsidiaries, and other | - | - | 41 | (26) | 2 | (24) | (217) | (200) | |
| Balance, end of period | 950 | 9,259 | 10,774 | 341 | 1,375 | 1,716 | 19,461 | 42,160 | |

| Six months ended June 30, 2023 (unaudited) [in millions of Canadian dollars] | Share capital | | | | Reserves | | | | Total equity |
|--|--------------------------|----------------------|-------------------|--------------------------|--------------------------------------|-------|---------------------------|--------|--------------|
| | Non-participating shares | Participating shares | Retained earnings | Share-based compensation | Other comprehensive income [Note 17] | Total | Non-controlling interests | | |
| Balance, beginning of year | 950 | 9,486 | 9,381 | 378 | 1,666 | 2,044 | 18,694 | 40,555 | |
| Net earnings | - | - | 840 | - | - | - | 540 | 1,380 | |
| Other comprehensive loss | - | - | - | - | (79) | (79) | (39) | (118) | |
| Comprehensive income | - | - | 840 | - | (79) | (79) | 501 | 1,262 | |
| Subordinate voting shares purchased and cancelled under Normal Course Issuer Bid [Note 10] | - | (52) | (71) | - | - | - | - | (123) | |
| Dividends to shareholders | | | | | | | | | |
| Non-participating shares | - | - | (26) | - | - | - | - | (26) | |
| Participating shares | - | - | (698) | - | - | - | - | (698) | |
| Dividends to non-controlling interests | - | - | - | - | - | - | (511) | (511) | |
| Expense for share-based compensation [Note 11] | - | - | - | 36 | - | 36 | 17 | 53 | |
| Stock options exercised | - | 13 | - | (31) | - | (31) | 30 | 12 | |
| Realized gains on FVOCI equity instruments transferred to retained earnings | - | - | 9 | - | (9) | (9) | - | - | |
| Effects of changes in capital and ownership of subsidiaries, and other | - | - | 26 | 2 | 3 | 5 | (120) | (89) | |
| Balance, end of period | 950 | 9,447 | 9,461 | 385 | 1,581 | 1,966 | 18,611 | 40,435 | |

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| (unaudited) [in millions of Canadian dollars] | Six months ended June 30, | |
|---|---------------------------|---------------------|
| | 2024 | 2023 ^[1] |
| Operating activities | | |
| Earnings before income taxes from continuing and discontinued operations | 2,851 | 1,563 |
| Income tax paid, net of refunds | (488) | (438) |
| Adjusting items | | |
| 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 | 2,181 | (980) |
| Lifeco's insurance and investment contract-related activities | | |
| Sales, maturities and repayments of investments | 21,226 | 20,178 |
| Purchases of investments | (19,120) | (17,205) |
| Other | (185) | 920 |
| | 2,194 | 2,899 |
| Financing activities | | |
| Dividends paid | | |
| By subsidiaries to non-controlling interests | (532) | (511) |
| Non-participating shares | (26) | (26) |
| Participating shares | (708) | (680) |
| | (1,266) | (1,217) |
| Issue of equity | | |
| Corporation's subordinate voting shares [Note 10] | 45 | 12 |
| Subsidiaries' common shares | 93 | 170 |
| Issuance of investment funds' limited-life and redeemable units | 205 | 250 |
| Repurchase or redemption of equity | | |
| Corporation's subordinate voting shares for cancellation under normal course issuer bid [Note 10] | (189) | (123) |
| Subsidiaries' common shares | (97) | (94) |
| Redemption of investment funds' limited-life and redeemable units | (5) | (101) |
| Acquisition of non-controlling interests | (35) | - |
| Non-recourse debentures and other debt instruments [Note 9] | | |
| Issuance of debentures and increase in other debt instruments | 310 | 1,580 |
| Repayment of debentures and decrease in other debt instruments | (196) | (1,416) |
| Repayment of lease liabilities | (54) | (53) |
| Increase in obligations to securitization entities | 644 | 409 |
| Repayments of obligations to securitization entities and other | (716) | (550) |
| | (1,261) | (1,133) |
| Investing activities | | |
| Sales, maturities and repayment of investments | 1,684 | 1,841 |
| Purchases of investments | (1,381) | (1,955) |
| Investments in jointly controlled corporations and associates [Note 5] | (251) | (950) |
| Impact from the disposal of discontinued operations | (211) | - |
| Business acquisitions, net of cash and cash equivalents acquired | (25) | (175) |
| Acquisition of capital assets, properties and other | (352) | (644) |
| | (536) | (1,883) |
| Effect of changes in exchange rates on cash and cash equivalents | 181 | (74) |
| Increase (decrease) in cash and cash equivalents | 578 | (191) |
| Cash and cash equivalents, beginning of year | 10,312 | 9,848 |
| Cash and cash equivalents from continuing and discontinued operations, end of period | 10,890 | 9,657 |
| Less: Cash and cash equivalents from discontinued operations, end of period | - | (258) |
| Cash and cash equivalents from continuing operations, end of period | 10,890 | 9,399 |
| Net cash from operating activities includes | | |
| Interest and dividends received | 4,523 | 4,054 |
| Interest paid | 535 | 424 |

[1] The Corporation 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 Corporation.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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

| | | | | | |
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The following abbreviations are used in these Consolidated Financial Statements:

| | | | |
|------------------------------------|---|--------------------------------------|--|
| Canada Life | The Canada Life Assurance Company | OSFI | Office of the Superintendent of Financial Institutions |
| ChinaAMC | China Asset Management Co., Ltd. | PAA | Premium allocation approach |
| CSM | Contractual service margin | Parjointco | Parjointco SA |
| Empower | Empower Annuity Insurance Company of America | Portage Ventures I | Portag3 Ventures Limited Partnership |
| FVOCI | Fair value through other comprehensive income | Portage Ventures II | Portag3 Ventures II Limited Partnership |
| FVPL | Fair value through profit or loss | Portage Ventures III | Portage Ventures III Limited Partnership |
| GBL | Groupe Bruxelles Lambert | Power Corporation or the Corporation | Power Corporation of Canada |
| IFRS | International Financial Reporting Standards | Power Financial | Power Financial Corporation |
| IGM or IGM Financial | IGM Financial Inc. | Power Sustainable | Power Sustainable Capital Inc. |
| IG Wealth Management | Investors Group Inc. | Rockefeller | Rockefeller Capital Management |
| Lifeco | Great-West Lifeco Inc. | Sagard | Sagard Holdings Inc. |
| Lion | The Lion Electric Co. | TSX | Toronto Stock Exchange |
| Mackenzie or Mackenzie Investments | Mackenzie Financial Corporation | Wealthsimple | Wealthsimple Financial Corp. |
| Northleaf | Northleaf Capital Group Ltd. | | |

NOTE 1 CORPORATE INFORMATION

Power Corporation of Canada is a publicly listed company (TSX: POW; POW.PR.E) incorporated and domiciled in Canada and located at 751 Victoria Square, Montréal, Quebec, Canada, H2Y 2J3.

Power Corporation is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

The unaudited Interim Condensed Consolidated Financial Statements (financial statements) of Power Corporation as at and for the three months and six months ended June 30, 2024 were approved by its Board of Directors on August 8, 2024.

NOTE 2 BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of Power Corporation as at June 30, 2024 have been prepared in accordance with International Accounting Standard 34 - *Interim Financial Reporting* (IAS 34) using the same accounting policies as set out in Note 2 to the consolidated financial statements of the Corporation for the year ended December 31, 2023 except as described in the section Changes in Accounting Policies below.

The financial statements include the accounts of Power Corporation and its subsidiaries on a consolidated basis after elimination of intercompany transactions and balances and consolidation adjustments.

The financial statements of Power Corporation include, on a consolidated basis, the results of Power Financial, a reporting issuer in all of the provinces and territories of Canada, and Lifeco and IGM Financial, which are both public companies. The amounts shown on the consolidated balance sheets (balance sheets), consolidated statements of earnings (statements of earnings), consolidated statements of comprehensive income (statements of comprehensive income), consolidated statements of changes in equity (statements of changes in equity) and consolidated statements of cash flows (statements of cash flows) are mainly derived from the publicly disclosed consolidated financial statements of Lifeco and IGM Financial, all as at and for the three months and six months ended June 30, 2024. Certain notes to Power Corporation's financial statements are derived from the notes to the financial statements of Lifeco and IGM Financial.

SUBSIDIARIES

Subsidiaries, including controlled investment funds, are entities the Corporation controls when: (i) the Corporation has power over the entity; (ii) it is exposed or has rights to variable returns from its involvement; and (iii) it has the ability to affect those returns through its use of power over the entity. Subsidiaries of the Corporation are consolidated from the date of acquisition, being the date on which the Corporation obtains control, and continue to be consolidated until the date such control ceases. The Corporation reassesses whether or not it controls an entity if facts and circumstances indicate there are changes to one or more of the elements of control.

JOINTLY CONTROLLED CORPORATIONS AND ASSOCIATES

Jointly controlled corporations are entities in which unanimous consent is required for decisions relating to relevant activities. Associates are entities in which the Corporation exercises significant influence over the entity's operating and financial policies, without having control or joint control. Investments in jointly controlled corporations and associates are accounted for using the equity method. Under the equity method, the Corporation recognizes its share of net earnings (losses) and other comprehensive income (loss) of the jointly controlled corporations and associates, and dividends received.

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

NOTE 2 BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

PRINCIPAL SUBSIDIARIES, JOINTLY CONTROLLED CORPORATIONS AND ASSOCIATES

The financial statements of Power Corporation include the operations of the following direct and indirect subsidiaries and investments in jointly controlled corporations and associates:

| Corporation | Classification | Incorporated in | Primary business operation | % equity interest | |
|--|----------------|-----------------|--|-------------------|-------------------|
| | | | | June 30, 2024 | December 31, 2023 |
| Holding company | | | | | |
| Power Corporation of Canada | Parent | Canada | Holding company | | |
| Power Financial Corporation | Subsidiary | Canada | Holding company | 100.0 | 100.0 |
| Publicly traded companies | | | | | |
| Great-West Lifeco Inc. ^{[1][2]} | Subsidiary | Canada | Financial services holding company | 70.5 | 70.5 |
| The Canada Life Assurance Company | Subsidiary | Canada | Insurance and wealth management | 100.0 | 100.0 |
| Irish Life Group Limited | Subsidiary | Ireland | Insurance and wealth management | 100.0 | 100.0 |
| Empower Annuity Insurance Company of America | Subsidiary | United States | Financial services | 100.0 | 100.0 |
| IGM Financial Inc. ^[3] | Subsidiary | Canada | Wealth and asset management | 66.4 | 66.0 |
| IG Wealth Management | Subsidiary | Canada | Financial services | 100.0 | 100.0 |
| Mackenzie Financial Corporation | Subsidiary | Canada | Asset management company | 100.0 | 100.0 |
| China Asset Management Co., Ltd. | Associate | China | Asset management company | 27.8 | 27.8 |
| Northleaf Capital Group Ltd. ^[4] | Associate | Canada | Alternative asset manager | 70.0 | 70.0 |
| Rockefeller Capital Management | Associate | United States | Financial services | 20.5 | 20.5 |
| Parjointco SA | Joint control | Belgium | Holding company | 50.0 | 50.0 |
| Groupe Bruxelles Lambert ^[5] | Subsidiary | Belgium | Holding company | 32.9 | 31.0 |
| Alternative asset investment platforms and other | | | | | |
| Power Sustainable Capital Inc. | Subsidiary | Canada | Holding company | 100.0 | 100.0 |
| Power Sustainable Manager Inc. ^[6] | Subsidiary | Canada | Alternative asset manager | 95.5 | 100.0 |
| Power Sustainable Energy Infrastructure Partnership ^[7] | Subsidiary | Canada | Renewable energy fund | 52.3 | 52.9 |
| Potentia Renewables Inc. | Subsidiary | Canada | Renewable energy | 100.0 | 100.0 |
| Nautilus Solar Energy, LLC | Subsidiary | United States | Renewable energy | 100.0 | 100.0 |
| Sagard Holdings Inc. | Subsidiary | Canada | Holding company | 100.0 | 100.0 |
| Sagard Holdings Management Inc. ^[8] | Subsidiary | Canada | Alternative asset manager | 64.7 | 66.4 |
| Wealthsimple Financial Corp. ^[9] | Subsidiary | Canada | Financial services | 55.1 | 56.6 |
| Portag3 Ventures LP ^[10] | Subsidiary | Canada | Venture capital fund | 100.0 | 100.0 |
| Portag3 Ventures II LP ^[11] | Subsidiary | Canada | Venture capital fund | 27.9 | 27.9 |
| Portage Ventures III LP ^[12] | Subsidiary | Canada | Venture capital fund | 15.4 | 15.4 |
| Standalone Businesses | | | | | |
| LMPG Inc. | Subsidiary | Canada | Lighting solutions | 49.6 | 49.6 |
| Peak Achievement Athletics Inc. | Joint control | Canada | Manufacturer of sports equipment and apparel | 42.6 | 42.6 |
| The Lion Electric Co. | Associate | Canada | Manufacturer of zero-emission vehicles | 34.1 | 34.1 |

- [1] Power Financial holds a 68.1% equity interest and IGM Financial holds a 2.4% equity interest in Lifeco.
- [2] On January 1, 2024, Lifeco completed the sale of its interest in Putnam US Holdings I, LLC (Note 3).
- [3] Power Financial holds a 62.5% equity interest and Canada Life holds a 3.9% equity interest in IGM Financial (62.1% and 3.9%, respectively, at December 31, 2023).
- [4] Represents a 49.9% non-controlling voting interest. Held through an acquisition vehicle 80% owned by Mackenzie Investments and 20% by Lifeco.
- [5] Parjointco has a controlling interest in GBL and holds 47.0% of the voting interest (45.3% at December 31, 2023).
- [6] On May 6, 2024, Lifeco and Power Sustainable Manager Inc. announced that they had entered into a long-term strategic partnership and Lifeco acquired a minority interest in Power Sustainable Manager Inc. At June 30, 2024, Power Corporation and Lifeco held an equity interest of 74.7% and 20.8%, respectively, in Power Sustainable Manager Inc. (100% held by Power Corporation at December 31, 2023).
- [7] Power Corporation holds a 37.7% equity interest and Lifeco holds a 14.6% equity interest in Power Sustainable Energy Infrastructure Partnership (38.2% and 14.7%, respectively, at December 31, 2023).
- [8] Power Corporation and Lifeco hold an equity interest of 52.0% and 12.7%, respectively, in Sagard Holdings Management Inc. (53.5% and 12.9%, respectively, at December 31, 2023).
- [9] Power Financial, Portage Ventures I and IGM Financial hold an equity interest of 14.0%, 10.5% and 30.6%, respectively, in Wealthsimple (14.4%, 10.9% and 31.3%, respectively, at December 31, 2023).
- [10] Power Financial holds a 63.0% equity interest and Lifeco and IGM Financial each hold an equity interest of 18.5% in Portage Ventures I.
- [11] Power Financial, Lifeco and IGM Financial each hold an equal equity interest of 7.7% and Sagard holds a 4.7% equity interest in Portage Ventures II.
- [12] Sagard, Lifeco and IGM Financial hold an equity interest of 2.4%, 9.0% and 4.0%, respectively, in Portage Ventures III.

NOTE 2 BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**CHANGES IN ACCOUNTING POLICIES**

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

USE OF SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the preparation of the financial statements, management of the Corporation and management of its subsidiaries are required to make significant judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings, comprehensive income and related disclosures. Key sources of estimation uncertainty and areas where significant judgments have been made by the management of the Corporation and management of its subsidiaries are further described in the relevant accounting policies in the Corporation's consolidated financial statements and notes thereto for the year ended December 31, 2023.

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 since the December 31, 2023 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. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Corporation is evaluating the impact of the adoption of these amendments.</p> |

NOTE 3 BUSINESS ACQUISITIONS AND OTHER TRANSACTION**LIFECO****Putnam U.S. Holdings I, LLC**

On January 1, 2024, Lifeco completed the sale of Putnam U.S. Holdings I, LLC (Putnam Investments) to Franklin Resources, Inc. (Franklin Templeton) in exchange for Franklin Templeton common shares, cash, and contingent consideration of up to US\$375 million over a five- to seven-year period. Lifeco has retained its controlling interest in PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc. (collectively, PanAgora), a quantitative asset manager, and certain assets, including deferred tax assets, related to Putnam Investments. Lifeco currently holds approximately 31,600,000 Franklin Templeton common shares and 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 Lifeco 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 million. Included in the results for the six months ended June 30, 2024, are \$115 million of closing and final adjustments to the carrying value, resulting in a net gain on sale of \$44 million after tax.

| | January 1, 2024 |
|---|-----------------|
| Consideration received or receivable: | |
| Fair value of Franklin Templeton common shares (US\$29.79 per share) | 1,321 |
| Net cash and other deferred and contingent consideration | 588 |
| Non-controlling interest in sale of Putnam Investments | (123) |
| Total 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 |

Value Partners Group Inc.

On September 8, 2023, Canada Life, a subsidiary of Lifeco, completed the acquisition of 100% of the equity of Value Partners Group Inc., a Winnipeg-based investment firm that serves clients with complex and sophisticated wealth needs. As at June 30, 2024, the accounting for the acquisition is not finalized, with the initial amount of \$119 million 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.

NOTE 4 INVESTMENTS**CARRYING VALUES AND FAIR VALUES**

Carrying values and estimated fair values of investments are as follows:

| | June 30, 2024 | | December 31, 2023 | |
|---------------------------------|----------------|------------|-------------------|------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Bonds | | | | |
| Designated as FVPL | 142,638 | 142,638 | 143,418 | 143,418 |
| Classified as FVPL | 1,589 | 1,589 | 1,795 | 1,795 |
| FVOCI | 12,034 | 12,034 | 11,750 | 11,750 |
| Amortized cost | 330 | 330 | 373 | 371 |
| | 156,591 | 156,591 | 157,336 | 157,334 |
| Mortgage and other loans | | | | |
| Designated as FVPL | 28,872 | 28,872 | 29,226 | 29,226 |
| Classified as FVPL | 4,458 | 4,458 | 4,233 | 4,233 |
| FVOCI | 578 | 578 | 578 | 578 |
| Amortized cost | 9,709 | 9,129 | 9,531 | 8,994 |
| | 43,617 | 43,037 | 43,568 | 43,031 |
| Shares | | | | |
| Classified as FVPL | 16,893 | 16,893 | 16,177 | 16,177 |
| Designated as FVOCI | 993 | 993 | 411 | 411 |
| | 17,886 | 17,886 | 16,588 | 16,588 |
| Investment properties | 7,910 | 7,910 | 7,870 | 7,870 |
| | 226,004 | 225,424 | 225,362 | 224,823 |

NET INVESTMENT INCOME

| Three months ended June 30, 2024 | Bonds | Mortgage and other loans | Shares | Investment properties | Other | Total |
|--|---------|--------------------------|--------|-----------------------|-------|-------|
| Net investment income | | | | | | |
| Investment income earned | 1,779 | 380 | 168 | 127 | 205 | 2,659 |
| Net realized gains (losses) on derecognition of: | | | | | | |
| FVOCI assets | (19) | - | - | - | - | (19) |
| Amortized cost assets | - | 1 | - | - | - | 1 |
| Net expected credit loss (ECL) recovery | - | 2 | - | - | - | 2 |
| Other income (expenses) | - | (2) | 6 | (46) | (53) | (95) |
| | 1,760 | 381 | 174 | 81 | 152 | 2,548 |
| Changes in FVPL | (1,065) | 112 | (64) | (22) | 191 | (848) |
| Net investment income (loss) | 695 | 493 | 110 | 59 | 343 | 1,700 |

| Six months ended June 30, 2024 | Bonds | Mortgage and other loans | Shares | Investment properties | Other | Total |
|--|---------|--------------------------|--------|-----------------------|-------|---------|
| Net investment income | | | | | | |
| Investment income earned | 3,448 | 756 | 337 | 251 | 418 | 5,210 |
| Net realized gains (losses) on derecognition of: | | | | | | |
| FVOCI assets | (38) | - | - | - | - | (38) |
| Amortized cost assets | - | 1 | - | - | - | 1 |
| Net ECL recovery | - | 4 | - | - | - | 4 |
| Other income (expenses) | - | 5 | 14 | (90) | (42) | (113) |
| | 3,410 | 766 | 351 | 161 | 376 | 5,064 |
| Changes in FVPL | (2,637) | 82 | 576 | (88) | (114) | (2,181) |
| Net investment income (loss) | 773 | 848 | 927 | 73 | 262 | 2,883 |

NOTE 4 INVESTMENTS (continued)

| Three months ended June 30, 2023 | Bonds | Mortgage and other loans | Shares | Investment properties | Other | Total |
|--|---------|--------------------------|--------|-----------------------|-------|---------|
| Net investment income | | | | | | |
| Investment income earned | 1,708 | 359 | 169 | 131 | 38 | 2,405 |
| Net realized gains (losses) on derecognition of: | | | | | | |
| FVOCI assets | (178) | - | - | - | - | (178) |
| Amortized cost assets | - | 8 | - | - | - | 8 |
| Net ECL (charge) recovery | (1) | 1 | - | - | - | - |
| Other income (expenses) | - | 3 | (7) | (50) | (27) | (81) |
| | 1,529 | 371 | 162 | 81 | 11 | 2,154 |
| Changes in FVPL | (2,337) | (581) | 148 | (72) | 216 | (2,626) |
| Net investment income (loss) | (808) | (210) | 310 | 9 | 227 | (472) |
| | | | | | | |
| Six months ended June 30, 2023 | Bonds | Mortgage and other loans | Shares | Investment properties | Other | Total |
| Net investment income | | | | | | |
| Investment income earned | 3,301 | 707 | 281 | 251 | 144 | 4,684 |
| Net realized gains (losses) on derecognition of: | | | | | | |
| FVOCI assets | (214) | - | - | - | - | (214) |
| Amortized cost assets | - | 8 | - | - | - | 8 |
| Net ECL (charge) recovery | (1) | 2 | - | - | - | 1 |
| Other income (expenses) | - | 2 | (7) | (94) | (76) | (175) |
| | 3,086 | 719 | 274 | 157 | 68 | 4,304 |
| Changes in FVPL | 512 | (133) | 472 | (212) | 341 | 980 |
| Net investment income (loss) | 3,598 | 586 | 746 | (55) | 409 | 5,284 |

Investment income from bonds and mortgage and other loans includes interest income and premium and discount amortization. Income from shares includes dividends and distributions from equity investment funds and gains realized on deconsolidation of subsidiaries and investment funds. Investment properties income includes rental income earned on investment properties, ground rent income earned on leased and subleased land, fee recoveries, lease cancellation income, and interest and other investment income earned on investment properties. Other income includes foreign exchange gains and losses, income earned from derivative financial instruments and other miscellaneous income.

NOTE 5 INVESTMENTS IN JOINTLY CONTROLLED CORPORATIONS AND ASSOCIATES

The carrying values of the investments in jointly controlled corporations and associates are as follows:

| June 30, 2024 | Jointly controlled corporations | | | Associates | | | | Total |
|--|---------------------------------|-------|----------|------------|-----------|-------------|----------------------|-------|
| | Parjointco | Other | ChinaAMC | Lion | Northleaf | Rockefeller | Other ^[1] | |
| Carrying value, beginning of year | 3,717 | 564 | 1,535 | 181 | 302 | 845 | 1,008 | 8,152 |
| Acquisition and investments | - | 32 | - | - | - | - | 219 | 251 |
| Share of earnings (losses) | 75 | 47 | 55 | (19) | 12 | (11) | 7 | 166 |
| Changes in FVPL | - | - | - | - | - | - | 33 | 33 |
| Impairment | - | - | - | (62) | - | - | - | (62) |
| Share of other comprehensive income (loss) | (142) | 13 | 11 | (4) | - | 28 | 9 | (85) |
| Dividends and distributions | (92) | (3) | (73) | - | (8) | - | - | (176) |
| Effects of changes in ownership and other | 14 | (10) | - | - | - | - | 9 | 13 |
| Carrying value, end of period | 3,572 | 643 | 1,528 | 96 | 306 | 862 | 1,285 | 8,292 |

[1] Includes investments in associates held by entities that meet the definition of a venture capital organization, which have been elected to be measured at FVPL of \$1,010 million at June 30, 2024 (\$832 million at December 31, 2023).

| June 30, 2023 | Jointly controlled corporations | | | Associates | | | | Total |
|--|---------------------------------|----------------------|----------|------------|-----------|-------------|----------------------|-------|
| | Parjointco | Other ^[1] | ChinaAMC | Lion | Northleaf | Rockefeller | Other ^[1] | |
| Carrying value, beginning of year | 3,314 | 443 | 1,570 | 234 | 285 | - | 670 | 6,516 |
| Acquisition and investments | - | 78 | - | - | - | 856 | 16 | 950 |
| Disposal | - | - | - | - | - | - | (97) | (97) |
| Share of earnings (losses) | 109 | 1 | 57 | (12) | 8 | (2) | 104 | 265 |
| Changes in FVPL | - | 24 | - | - | - | - | (8) | 16 |
| Share of other comprehensive income (loss) | 149 | (3) | (105) | 3 | - | (12) | (1) | 31 |
| Dividends and distributions | (92) | (1) | (69) | - | - | - | - | (162) |
| Effects of changes in ownership and other | 18 | (134) | - | - | - | - | (5) | (121) |
| Carrying value, end of period | 3,498 | 408 | 1,453 | 225 | 293 | 842 | 679 | 7,398 |

[1] Includes investments in jointly controlled corporations and associates held by entities that meet the definition of a venture capital organization, which have been elected to be measured at FVPL of \$587 million at June 30, 2023 (\$697 million at December 31, 2022).

LION ELECTRIC CO.

In 2024, the Corporation recorded a non-cash impairment charge of \$62 million on its investment in Lion reflecting a decline in the market value at June 30, 2024. At June 30, 2024, the fair value of the Corporation's interest in Lion was \$96 million (\$181 million at December 31, 2023), based on the quoted market price.

NOTE 6 SEGREGATED FUNDS AND OTHER STRUCTURED ENTITIES

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

INVESTMENTS ON ACCOUNT OF SEGREGATED FUND POLICYHOLDERS

| | 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 |
| Shares 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 fund interest | 8,943 | 6,070 |
| Total ^[1] | 460,231 | 422,956 |

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

INSURANCE AND INVESTMENT CONTRACTS ON ACCOUNT OF SEGREGATED FUND POLICYHOLDERS

| | 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 on investments | 5,533 | 696 |
| Net unrealized capital gains 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 general fund | 13 | 40 |
| Non-controlling mutual fund interest | 2,873 | (1,188) |
| | 37,275 | 22,734 |
| Balance, end of period | 460,231 | 410,616 |

[1] The Corporation reclassified certain comparative figures to conform to the current period's presentation.

NOTE 6 SEGREGATED FUNDS AND OTHER STRUCTURED ENTITIES (continued)**INVESTMENTS ON ACCOUNT OF SEGREGATED FUND POLICYHOLDERS**

(by fair value hierarchy level)

| | June 30, 2024 | | | Total |
|--|---------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | |
| 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 million.

| | December 31, 2023 | | | Total |
|--|-------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | |
| Investments on account of segregated fund policyholders ^[1] | 299,451 | 113,199 | 13,792 | 426,442 |

[1] Excludes other liabilities, net of other assets, of \$3,486 million.

During the six months ended June 30, 2024, certain foreign equity holdings valued at \$149 million were transferred from Level 2 to Level 1 (\$56 million were transferred from Level 1 to Level 2 at December 31, 2023), primarily based on Lifeco's change in use of inputs in addition to quoted prices in active markets for certain foreign equity holdings. Level 2 assets include the assets where fair value is not available from normal market pricing sources, where inputs are utilized in addition to quoted prices in active markets and where Lifeco does not have access to the underlying asset details within an investment fund.

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

| | June 30, 2024 | December 31, 2023 |
|--|------------------|----------------------|
| Balance, beginning of year | 13,792 | 14,455 |
| Total 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.

NOTE 7 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD**INSURANCE CONTRACT (ASSETS) LIABILITIES**

| June 30, 2024 | Not measured under the PAA | | | | | Total |
|---|---|--|--------|--------|--|---------|
| | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | CSM | PAA | | |
| 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 |
| | 172,640 | 6,723 | 14,070 | 13,007 | | 206,440 |

| December 31, 2023 | Not measured under the PAA | | | | | Total |
|---|---|--|--------|--------|--|---------|
| | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | CSM | PAA | | |
| 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 |
| | 169,536 | 7,026 | 13,748 | 13,187 | | 203,497 |

REINSURANCE CONTRACT HELD ASSETS (LIABILITIES)

| June 30, 2024 | Not measured under the PAA | | | | | Total |
|---------------|---|--|-------|------|--|--------|
| | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | CSM | PAA | | |
| Assets | 15,919 | 704 | 427 | 130 | | 17,180 |
| Liabilities | (2,271) | 971 | 635 | (66) | | (731) |
| | 13,648 | 1,675 | 1,062 | 64 | | 16,449 |

| December 31, 2023 | Not measured under the PAA | | | | | Total |
|-------------------|---|--|-------|------|--|--------|
| | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | CSM | PAA | | |
| Assets | 16,181 | 866 | 163 | 122 | | 17,332 |
| Liabilities | (2,419) | 863 | 950 | (42) | | (648) |
| | 13,762 | 1,729 | 1,113 | 80 | | 16,684 |

NOTE 7 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (continued)**DISCOUNT RATES**

The following tables provide the lower and upper end of the range of the spot rates used by Lifeco to discount liability cash flows by major currency:

| 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 tables above are calculated based on prevailing interest rates observed in their respective markets. When interest rates are not observable, the yield curve to discount cash flows transitions to an ultimate rate composed of a risk-free rate and illiquidity premium. These amounts are set based on historical data.

NOTE 7 INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD (continued)**CSM**

The continuity of the CSM of Lifeco by business is as follows:

| For the six months ended June 30, 2024 | Non-participating (excluding segregated funds) | | | | | Segregated funds | Participating account surplus in Lifeco's subsidiaries ⁽¹⁾ | Total ⁽²⁾ |
|--|--|---------------|--------|----------------------------|-------|------------------|---|----------------------|
| | Canada | United States | Europe | Capital and Risk Solutions | Total | | | |
| CSM, beginning of year | 1,159 | 24 | 3,255 | 1,745 | 6,183 | 3,298 | 3,154 | 12,635 |
| CSM recognized for services provided | (67) | (2) | (135) | (76) | (280) | (202) | (77) | (559) |
| Contracts initially recognized in the period | 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] Included in non-controlling interests on the balance sheets.

[2] The amounts in the table above are presented net of reinsurance.

| For the year ended December 31, 2023 | Non-participating (excluding segregated funds) | | | | | Segregated funds | Participating account surplus in Lifeco's subsidiaries ⁽¹⁾ | Total ⁽²⁾ |
|--|--|---------------|--------|----------------------------|-------|------------------|---|----------------------|
| | Canada | United States | Europe | Capital and Risk Solutions | Total | | | |
| CSM, beginning of year | 1,264 | 41 | 2,771 | 1,796 | 5,872 | 3,557 | 3,694 | 13,123 |
| CSM recognized for services provided | (143) | (4) | (234) | (154) | (535) | (430) | (157) | (1,122) |
| Contracts initially recognized in the year | 41 | - | 284 | 49 | 374 | 181 | 111 | 666 |
| Changes in estimates that adjust the CSM | (40) | (12) | 325 | - | 273 | (37) | (490) | (254) |
| Net finance (income) expenses from insurance contracts | 37 | - | 49 | 37 | 123 | 16 | - | 139 |
| Effect of movement in exchange rates | - | (1) | 60 | 17 | 76 | 11 | (4) | 83 |
| CSM, end of year | 1,159 | 24 | 3,255 | 1,745 | 6,183 | 3,298 | 3,154 | 12,635 |

[1] Included in non-controlling interests on the balance sheets.

[2] The amounts in the table above are presented net of reinsurance.

NOTE 8 POWER CORPORATION'S DEBENTURES AND OTHER DEBT INSTRUMENTS

| | June 30, 2024 | December 31, 2023 |
|---------------------------------------|---------------|-------------------|
| POWER CORPORATION | | |
| Debentures - unsecured | | |
| 8.57% debentures due April 22, 2039 | 150 | 150 |
| 4.81% debentures due January 31, 2047 | 249 | 249 |
| 4.455% debentures due July 27, 2048 | 248 | 248 |
| Total Power Corporation | 647 | 647 |

The Corporation has a line of credit of \$500 million bearing interest at Adjusted Term SOFR plus 0.70%. At June 30, 2024 and December 31, 2023, the Corporation was not using its line of credit.

NOTE 9 NON-RECOURSE DEBENTURES AND OTHER DEBT INSTRUMENTS**A) POWER FINANCIAL, LIFECO AND IGM**

The following table presents the debentures and other debt instruments issued by Power Financial, Lifeco and IGM. The 6.90% debentures of Power Financial are direct obligations of Power Financial and are non-recourse to the Corporation. All debentures and other debt instruments of Lifeco and its subsidiaries are direct obligations of Lifeco or its subsidiaries, as applicable, and are non-recourse to the Corporation. All of the debentures of IGM are direct obligations of IGM and are non-recourse to the Corporation.

| | June 30, 2024 | December 31, 2023 |
|---|------------------|----------------------|
| POWER FINANCIAL | | |
| Debentures - unsecured | | |
| 6.90% debentures due March 11, 2033 | 250 | 250 |
| Total Power Financial | 250 | 250 |
| LIFECO | | |
| Debentures and senior bonds - unsecured | | |
| 1.75% senior bonds due December 7, 2026 (€500 million) ^[1] | 733 | 728 |
| 3.337% debentures due February 28, 2028 | 499 | 499 |
| 6.40% subordinated debentures due December 11, 2028 | 100 | 100 |
| 4.70% senior bonds due November 16, 2029 (€500 million) ^[1] | 731 | 726 |
| 2.379% debentures due May 14, 2030 | 598 | 598 |
| 6.74% debentures due November 24, 2031 | 196 | 196 |
| 6.67% debentures due March 21, 2033 | 396 | 395 |
| 5.998% debentures due November 16, 2039 | 343 | 343 |
| 2.981% debentures due July 8, 2050 | 494 | 494 |
| 7.529% capital trust debentures due June 30, 2052 (face value of \$150 million) | 156 | 156 |
| | 4,246 | 4,235 |
| Other debt instruments - unsecured | | |
| Commercial paper and other short-term debt instruments with interest rate of 5.602% (5.729% at December 31, 2023) | 137 | 132 |
| Revolving credit facility with interest equal to Adjusted Term SOFR (US\$45 million at December 31, 2023) | - | 60 |
| 0.904% senior notes due August 12, 2025 (US\$500 million) | 684 | 663 |
| 1.357% senior notes due September 17, 2027 (US\$400 million) | 547 | 530 |
| 4.047% senior notes due May 17, 2028 (US\$300 million) | 410 | 398 |
| 1.776% senior notes due March 17, 2031 (US\$400 million) | 546 | 530 |
| 4.15% senior notes due June 3, 2047 (US\$700 million) | 944 | 917 |
| 4.581% senior notes due May 17, 2048 (US\$500 million) | 679 | 659 |
| 3.075% senior notes due September 17, 2051 (US\$700 million) | 949 | 922 |
| | 4,896 | 4,811 |
| Total Lifeco | 9,142 | 9,046 |

[1] Designated by Lifeco as hedges of the net investment in foreign operations.

NOTE 9 NON-RECOURSE DEBENTURES AND OTHER DEBT INSTRUMENTS (continued)

| | June 30, 2024 | December 31, 2023 |
|---|------------------|----------------------|
| IGM FINANCIAL | | |
| Debentures - unsecured | | |
| 3.44% debentures due January 26, 2027 | 400 | 400 |
| 6.65% debentures due December 13, 2027 | 125 | 125 |
| 7.45% debentures due May 9, 2031 | 150 | 150 |
| 7.00% debentures due December 31, 2032 | 175 | 175 |
| 7.11% debentures due March 7, 2033 | 150 | 150 |
| 6.00% debentures due December 10, 2040 | 200 | 200 |
| 4.56% debentures due January 25, 2047 | 200 | 200 |
| 4.115% debentures due December 9, 2047 | 250 | 250 |
| 4.174% debentures due July 13, 2048 | 200 | 200 |
| 4.206% debentures due March 21, 2050 | 250 | 250 |
| 5.426% debentures due May 26, 2053 | 300 | 300 |
| Debentures of IGM held by Lifeco as investments | (88) | (88) |
| Total IGM | 2,312 | 2,312 |
| Total Power Financial, Lifeco and IGM | 11,704 | 11,608 |

CHANGES IN DEBENTURES AND OTHER DEBT INSTRUMENTS - POWER FINANCIAL, LIFECO AND IGM

The table below details changes in the debentures and other debt instruments arising from financing activities, including both cash and non-cash changes:

| | June 30, 2024 | June 30, 2023 |
|---|------------------|------------------|
| Balance, beginning of the year | 11,608 | 12,771 |
| Issue of debentures | - | 300 |
| Increase in other debt instruments | - | 550 |
| Repayment of euro-denominated debt | - | (735) |
| Decrease in other debt instruments | (60) | (468) |
| Changes in foreign exchange rates and other | 156 | (105) |
| Balance, end of period | 11,704 | 12,313 |

NOTE 9 NON-RECOURSE DEBENTURES AND OTHER DEBT INSTRUMENTS (continued)**B) ALTERNATIVE ASSET INVESTMENT PLATFORMS AND OTHER - PROJECT AND OTHER DEBT**

The following table presents the other debt instruments held by alternative asset investment platforms and other. All other debt instruments are credit or loan facilities that are direct obligations, and secured by the assets, of subsidiaries of the Corporation and are non-recourse to the Corporation.

| | June 30, 2024 | December 31, 2023 |
|---|------------------|----------------------|
| OTHER DEBT INSTRUMENTS | | |
| Investment Funds and Other - secured | | |
| Revolving credit facility up to \$10 million, with interest equal to prime rate plus 0.15% | 8 | 3 |
| Revolving credit facility up to US\$75 million, with interest equal to the U.S. base rate minus 0.35% (US\$60 million) (US\$63 million at December 31, 2023) | 83 | 84 |
| Revolving credit facility up to US\$75 million, with interest equal to SOFR plus 1.8% (US\$20 million) | 27 | - |
| Revolving credit facility up to \$525 million, with interest equal to prime rate plus 0.6%, U.S. base rate plus 0.6% or SOFR plus 1.6% (\$16 million and US\$157 million) (US\$160 million at December 31, 2023) | 230 | 211 |
| Revolving credit facility up to \$12 million, with interest equal to prime rate plus 0.25% | 4 | 1 |
| Revolving credit facility up to \$14 million, with interest equal to prime rate plus 0.25% | 9 | - |
| Renewable Energy - Project debt - secured | | |
| Construction loan facilities due from May 2026 to December 2043, bearing interest at various rates from 4.02% to 4.72%, SOFR plus 2.25% and U.S. base rate plus 1.25% (\$347 million and US\$306 million) (\$518 million and US\$220 million at December 31, 2023) ^[1] | 766 | 809 |
| Loan facilities due from March 2026 to December 2037, bearing interest at various rates from 4.23% to 6.0%, prime rate and CDOR plus 1.6% | 524 | 521 |
| Loan facilities due from May 2027 to December 2059, bearing interest at various rates from 3.62% to 6.50% and prime rate plus 1.5% (\$792 million and US\$17 million) (\$639 million and US\$19 million at December 31, 2023) ^[1] | 815 | 664 |
| Loan facilities due from June 2025 to March 2048, bearing interest at various rates from 2.73% to 6.89% and SOFR plus 2.25% (US\$323 million) (US\$307 million at December 31, 2023) | 443 | 405 |
| Mezzanine loans due from January 2035 to June 2035, bearing interest at various rates from 7.36% to 7.5% | 90 | 91 |
| Standalone Businesses - secured | | |
| Revolving credit facility and term loan facilities due in November 2025 bearing interest at various rates equal to U.S. base rate or prime rate plus margin from 1.0% to 3.25%, or bankers' acceptances or SOFR plus margin from 2.0% to 4.25% | 178 | 163 |
| Subordinated term facility of \$65 million, bearing interest at 12.0%, principal and accrued interest payable at maturity in June 2026 | 66 | 65 |
| Total alternative asset investment platforms and other | 3,243 | 3,017 |

[1] In the second quarter of 2024, \$164 million in construction loan facilities were converted to loan facilities for certain projects having achieved substantial completion.

CHANGES IN OTHER DEBT INSTRUMENTS - ALTERNATIVE ASSET INVESTMENT PLATFORMS AND OTHER

The table below details changes in the other debt instruments arising from financing activities, including both cash and non-cash changes:

| | June 30, 2024 | June 30, 2023 |
|---|------------------|------------------|
| Balance, beginning of the year | 3,017 | 1,956 |
| Acquisitions | 26 | 68 |
| Increase in other debt instruments | 310 | 730 |
| Decrease in other debt instruments | (136) | (213) |
| Changes in foreign exchange rates and other | 26 | (52) |
| Balance, end of period | 3,243 | 2,489 |

NOTE 10 SHARE CAPITAL**AUTHORIZED**

The authorized capital of Power Corporation consists of an unlimited number of First Preferred Shares, issuable in series; an unlimited number of Participating Preferred Shares; and an unlimited number of Subordinate Voting Shares.

ISSUED AND OUTSTANDING

| | June 30, 2024 | | December 31, 2023 | |
|---|------------------|---------------|-------------------|---------------|
| | Number of shares | Share capital | Number of shares | Share capital |
| | | \$ | | \$ |
| Non-Participating Shares | | | | |
| First Preferred Shares | | | | |
| Non-cumulative Redeemable, fixed rate | | | | |
| Series A | 6,000,000 | 150 | 6,000,000 | 150 |
| Series B | 8,000,000 | 200 | 8,000,000 | 200 |
| Series C | 6,000,000 | 150 | 6,000,000 | 150 |
| Series D | 10,000,000 | 250 | 10,000,000 | 250 |
| Series G | 8,000,000 | 200 | 8,000,000 | 200 |
| Total Non-Participating Shares | | 950 | | 950 |
| Participating Shares | | | | |
| Participating Preferred Shares | 54,860,866 | 233 | 54,860,866 | 233 |
| Subordinate Voting Shares | | | | |
| Balance, beginning of year | 597,387,873 | 9,051 | 612,219,731 | 9,253 |
| Issued under Stock Option Plan | 1,372,215 | 49 | 1,273,542 | 42 |
| Purchased for cancellation under Normal Course Issuer Bid | (4,909,800) | (74) | (16,105,400) | (244) |
| Balance, end of period | 593,850,288 | 9,026 | 597,387,873 | 9,051 |
| Total Participating Shares | | 9,259 | | 9,284 |

NOTE 10 SHARE CAPITAL (continued)**Participating Shares**

During the six months ended June 30, 2024, 1,372,215 Subordinate Voting Shares were issued under the Corporation's Executive Stock Option Plan for a consideration of \$45 million (422,348 Subordinate Voting Shares issued for the six months ended June 30, 2023 for a consideration of \$12 million).

During the six months ended June 30, 2024, dividends declared on the Corporation's participating shares amounted to \$1.1250 per share (\$1.05 per share in 2023).

Normal Course Issuer Bids

On March 1, 2023, the Corporation commenced a Normal Course Issuer Bid (NCIB) which was effective until February 29, 2024. During the three months ended March 31, 2024, 2,138,000 Subordinate Voting Shares were purchased for cancellation by the Corporation pursuant to this NCIB for a total of \$82 million (3,460,700 Subordinate Voting Shares for a total of \$123 million during the six months 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 NCIB, the Corporation may purchase up to 25 million of its Subordinate Voting Shares outstanding (representing approximately 4.6% of the public float of Subordinate Voting Shares outstanding as at February 16, 2024) at market prices. During the six months ended June 30, 2024, the Corporation purchased for cancellation 2,771,800 Subordinate Voting Shares pursuant to this NCIB for a total of \$107 million.

In the six months ended June 30, 2024, the Corporation's share capital was reduced by the average carrying value of the shares repurchased for cancellation. The excess paid over the average carrying value of share capital was \$115 million and was recognized as a reduction to retained earnings (\$71 million during the six months ended June 30, 2023).

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

Subsequent event

Subsequent to quarter-end, the Corporation purchased, as of August 8, 2024, an additional 1,455,500 Subordinate Voting Shares pursuant to its current NCIB, for a total of \$57 million.

NOTE 11 SHARE-BASED COMPENSATION**STOCK OPTION PLAN**

On June 30, 2024, there were 20,457,986 Subordinate Voting Shares and 8,333,151 Subordinate Voting Shares reserved for issuance under Power Corporation's Executive Stock Option Plan and under Power Financial's Employee Stock Option Plan, assumed by Power Corporation (Stock Option Plans).

A summary of the status of the Corporation's Stock Option Plans, including tandem share appreciation rights (TSARs), as at June 30, 2024 and 2023, and changes during the respective periods then ended, is as follows:

| | June 30, 2024 | | June 30, 2023 | |
|------------------------------------|---------------|---------------------------------|---------------|---------------------------------|
| | Options | Weighted-average exercise price | Options | Weighted-average exercise price |
| | | \$ | | \$ |
| Outstanding, beginning of year | 23,532,731 | 32.41 | 25,567,243 | 31.86 |
| Granted | 1,292,486 | 38.09 | 1,284,026 | 34.54 |
| Exercised or surrendered for cash | (3,103,153) | 31.87 | (2,462,348) | 28.27 |
| Forfeited | - | - | (1,604) | 38.34 |
| Outstanding, end of period | 21,722,064 | 32.82 | 24,387,317 | 32.36 |
| Options exercisable, end of period | 17,125,521 | 31.99 | 19,269,518 | 31.73 |

The exercise price of the 21,722,064 outstanding options ranges from \$27.30 to \$42.45.

TANDEM SHARE APPRECIATION RIGHTS

A summary of the status of the Corporation's options with TSARs attached, as at June 30, 2024 and 2023, and changes during the respective periods ended is as follows:

| | June 30, 2024 | | | June 30, 2023 | | |
|----------------------------------|---------------|---------------------------------|-------------------------|---------------|---------------------------------|-------------------------|
| | TSARs | Weighted-average exercise price | Fair value of liability | TSARs | Weighted-average exercise price | Fair value of liability |
| | | \$ | \$ | | \$ | \$ |
| Outstanding, beginning of year | 10,606,606 | 31.71 | 67 | 12,646,606 | 31.15 | 39 |
| Surrendered for cash | (1,730,938) | 31.10 | (13) | (2,040,000) | 28.24 | (14) |
| Change in fair value | - | - | 2 | - | - | 27 |
| Outstanding, end of period | 8,875,668 | 31.83 | 56 | 10,606,606 | 31.71 | 52 |
| TSARs exercisable, end of period | 8,875,668 | 31.83 | | 10,156,606 | 31.60 | |

The fair value of the outstanding cash-settled liability was \$56 million at June 30, 2024 (\$67 million at December 31, 2023) and is recorded in other liabilities. The intrinsic value of this liability at June 30, 2024 was \$55 million (\$66 million at December 31, 2023).

The fair value of the TSARs was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

| | June 30, 2024 | June 30, 2023 |
|---|---------------|---------------|
| Dividend yield | 5.4% | 5.7% |
| Expected volatility | 17.5% - 20.8% | 15.5% - 22.8% |
| Risk-free interest rate | 3.7% - 4.8% | 4.0% - 5.2% |
| Expected life (years) | 0.6 - 4.8 | 0.9 - 5.8 |
| Share price (\$/share) | 38.02 | 35.66 |
| Weighted-average exercise price (\$/option) | 31.83 | 31.71 |
| Weighted-average fair value (\$/option) | 6.26 | 4.92 |

The Corporation entered into total return swap agreements to manage exposure to the volatility of a portion of its cash-settled share-based payments and related liability. For the six months ended June 30, 2024, a net loss of \$1 million (a net loss of \$9 million in 2023) arising from the change in fair value of the liability, net of the gain on the remeasurement to fair value of the derivative instruments, was included in operating and administrative expenses in the statements of earnings.

NOTE 11 SHARE-BASED COMPENSATION (continued)**RESTRICTED SHARE UNITS**

During the six months ended June 30, 2024, the Corporation granted 294,039 Restricted Share Units (RSUs) to an executive to assist in retention and further alignment of its interests with those of the shareholders. The fair value of the RSUs granted was measured based on the market value of the Corporation's Subordinate Voting Shares at the grant date and vest on the basis of [i] 25% two years from the date of grant; [ii] 50% three years from the date of grant; and [iii] 25% four years from the date of grant. Additional RSUs are issued in respect to dividends declared on the Subordinate Voting Shares at the dividend payment date. Upon vesting, one Subordinate Voting Share will be issued for each vested RSU, and the amount accumulated in contributed surplus will be reclassified to share capital. At June 30, 2024, 298,564 RSUs were outstanding and have not vested.

COMPENSATION EXPENSE

During the six months ended June 30, 2024, Power Corporation granted 1,292,486 options (1,284,026 options were granted for the six months ended June 30, 2023) under its Executive Stock Option Plan. Options granted in the six months ended June 30, 2024 vest on the basis of [i] 50% three years from the date of grant; and [ii] 50% four years from the date of grant.

The fair value of the options granted was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

| | June 30, 2024 | June 30, 2023 |
|---|------------------|------------------|
| Dividend yield | 5.5% | 5.9% |
| Expected volatility | 18.6% | 18.2% |
| Risk-free interest rate | 3.4% | 2.7% |
| Expected life (years) | 9.2 | 9.0 |
| Fair value (\$/option) | 3.53 | 2.41 |
| Weighted-average exercise price (\$/option) | 38.09 | 34.54 |

The expected volatility has been estimated based on the historical volatility of the Corporation's share price using the expected option life.

Lifeco, IGM and Wealthsimple have also established stock option plans pursuant to which options may be granted to certain officers and employees. In addition, other subsidiaries of the Corporation have established share-based compensation plans. Compensation expense related to equity-settled stock option plans is recorded based on the fair value of the options or the fair value of the equity instruments at the grant date, amortized over the vesting period. For the three months ended June 30, 2024, total compensation expense relating to the equity-settled stock options granted by the Corporation and its subsidiaries amounted to \$13 million (\$23 million in 2023), and \$22 million for the six months ended June 30, 2024 (\$53 million in 2023), and was recorded in operating and administrative expenses in the statements of earnings.

NOTE 12 CAPITAL MANAGEMENT

POWER CORPORATION

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

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

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

The capital structure of the Corporation consists of debentures, non-participating shares, participating shareholders' equity and non-controlling interests. The Corporation views non-participating shares as a cost-effective source of permanent capital. The Corporation is a long-term investor and as such holds positions in long-term investments as well as cash and fixed income securities for liquidity purposes.

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

The Corporation itself is not subject to externally imposed regulatory capital requirements. However, Lifeco and certain of its main subsidiaries, IGM's subsidiaries and certain of the Corporation's other subsidiaries are subject to regulatory capital requirements and they manage their capital as described below.

NOTE 12 CAPITAL MANAGEMENT (continued)**LIFECO**

Lifeco manages its capital on both a consolidated basis and at the individual operating subsidiary level. The primary objectives of Lifeco's capital management strategy are:

- to maintain the capitalization of its regulated operating subsidiaries at a level that will exceed the relevant minimum regulatory capital requirements in the jurisdictions in which they operate;
- to maintain strong credit and financial strength ratings of Lifeco ensuring stable access to capital markets; and
- to provide an efficient capital structure to maximize shareholder value in the context of Lifeco's operational risks and strategic plans.

Management of Lifeco is responsible for establishing capital management procedures for implementing and monitoring the capital plan.

The target level of capitalization for Lifeco and its subsidiaries is assessed by considering various factors such as the probability of falling below the minimum regulatory capital requirements in the relevant operating jurisdiction, the views expressed by various credit rating agencies that provide financial strength and other ratings to Lifeco, and the desire to hold sufficient capital to be able to honour all policyholder and other obligations of Lifeco with a high degree of confidence.

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 compares the regulatory capital resources of a company to its required capital, defined by OSFI as the aggregate of all defined capital requirements. The total capital resources are provided by the sum of available capital, surplus allowance and eligible deposits. OSFI has established a supervisory target total ratio of 100%, and a supervisory minimum total ratio of 90%. Canada Life's consolidated LICAT ratio at June 30, 2024 was 130% (128% at December 31, 2023).

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

IGM FINANCIAL

IGM's capital management objective is to maximize shareholder returns while ensuring that IGM is capitalized in a manner which appropriately supports regulatory capital requirements, working capital needs and business expansion. IGM's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base and a strong balance sheet. IGM regularly assesses its capital management practices in response to changing economic conditions.

IGM's capital is primarily used in its ongoing business operations to support working capital requirements, long-term investments made by IGM, business expansion and other strategic objectives.

The IGM subsidiaries that are subject to regulatory capital requirements include investment dealers, mutual fund dealers, exempt market dealers, portfolio managers, investment fund managers and a trust company. These IGM subsidiaries are required to maintain minimum levels of capital based on either working capital, liquidity or shareholders' equity. At June 30, 2024, IGM subsidiaries have complied with all regulatory capital requirements.

ALTERNATIVE ASSET INVESTMENT PLATFORMS AND OTHER

Certain subsidiaries are subject to regulatory capital requirements, including portfolio managers, asset managers and an order-execution-only broker. These subsidiaries are required to maintain levels of capital based on their working capital, liquidity or shareholders' equity. At June 30, 2024, these subsidiaries have complied with all regulatory capital requirements.

NOTE 13 RISK MANAGEMENT

The Corporation and its subsidiaries have established policies, guidelines and procedures designed to identify, measure, monitor, report and mitigate risks associated with financial instruments and insurance contracts. The key risks related to financial instruments are liquidity risk, credit risk and market risk.

- Liquidity risk is the risk that the Corporation and its subsidiaries would not be able to meet all cash outflow obligations as they come due or be able to, in a timely manner, raise capital or monetize assets at normal market conditions.
- Credit risk is the potential for financial loss to the Corporation and its subsidiaries if a counterparty in a transaction fails to meet its payment obligations. Credit risk can be related to the default of a single debt issuer, the variation of credit spreads on tradable fixed income securities and also to counterparty risk relating to derivative products.
- Market risk is the risk that the market value or future cash flows of a financial instrument and the value of insurance and investment contract liabilities will fluctuate as a result of changes in market factors. Market factors include three types of risks: foreign exchange risk, interest rate (including inflation) risk and equity risk.
 - Foreign exchange risk relates to the Corporation, its subsidiaries and its jointly controlled corporations and associates operating in different currencies and converting non-Canadian investments and earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.
 - Interest rate risk is the risk that the fair value of a financial instrument will fluctuate following changes in the interest rates.
 - Equity risk is the potential loss associated with the sensitivity of the market price of a financial instrument arising from volatility in equity markets.

Estimates of sensitivities and risk exposure measures are included for certain risks, such as the sensitivity due to specific changes in interest rate levels projected and market prices as at the valuation date. Actual results can differ significantly from these estimates for a variety of reasons, including, but not limited to, changes in the Corporation and its subsidiaries' asset or liability profile, changes in business mix, effective income tax rates, other market factors, difference in the actual exposure relative to broad market indices, variation in exposures by geography, and general limitations of the Corporation and its subsidiaries' internal models.

For these reasons, the sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors. Given the nature of these calculations, the Corporation cannot provide assurance that the actual impact on net earnings will be as indicated.

The following is a summary of risks in respect to the Corporation and its subsidiaries' financial instruments and insurance contracts. In the first section below, the risk management policies and procedures of Power Corporation, Power Financial and the Corporation's alternative asset investment platforms and other (other subsidiaries) are discussed. Risks related to Lifeco and IGM are discussed in subsequent sections. For a more detailed discussion, refer to Note 24 to the Corporation's Consolidated Financial Statements for the year ended December 31, 2023.

NOTE 13 RISK MANAGEMENT (continued)**POWER CORPORATION, POWER FINANCIAL AND ALTERNATIVE ASSET INVESTMENT PLATFORMS AND OTHER****LIQUIDITY RISK**

As a holding company, the Corporation's ability to pay dividends is dependent upon the Corporation receiving dividends from its principal operating subsidiaries and other investments. Lifeco and its subsidiaries are subject to restrictions set out in relevant corporate and insurance laws and regulations, which require that solvency and capital ratios be maintained. IGM's subsidiaries are also subject to minimum capital requirements. Regulatory requirements may change from time to time, and thereby impact the ability of the operating subsidiaries to pay dividends. The declaration and payment of dividends by the Corporation in future periods remains at the discretion of its Board of Directors and is dependent on the operating performance, profitability, financial position and creditworthiness of its operating subsidiaries and other investments, as well as on their ability to pay dividends.

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

CREDIT RISK

Power Corporation, Power Financial and other subsidiaries' cash and cash equivalents, including fixed income securities, client funds on deposit, other loans and derivatives are subject to credit risk.

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

The maximum exposure to credit risk on these financial instruments is limited to their carrying value.

MARKET RISK

Power Corporation and Power Financial and other subsidiaries' financial instruments are comprised of cash and cash equivalents, fixed income securities, other investments (consisting of equity securities, other loans, investment funds and hedge funds), derivatives and debentures and other debt instruments.

Equity risk

Power Corporation, Power Financial and other subsidiaries held other investments either classified as FVOCI or FVPL. All unrealized gains and losses on investments classified as FVOCI are recorded in other comprehensive income and transferred directly to retained earnings on realization. Unrealized gains and losses on investments classified as FVPL are recorded directly in net earnings. As at June 30, 2024, the Corporation's investments classified as FVOCI are not significant. At June 30, 2024, the impact of a 10% decrease in the value of other investments held by Power Corporation, Power Financial and other subsidiaries would have resulted in an approximate \$270 million loss (\$230 million at December 31, 2023) recorded in net earnings related to investments classified as FVPL, including investments in jointly controlled corporations and associates measured at FVPL.

GBL holds a portfolio of investments which are classified as FVOCI or FVPL. All unrealized gains and losses on investments classified as FVOCI are recorded in other comprehensive income and transferred directly to retained earnings on realization. Unrealized gains and losses on investments classified as FVPL are recorded directly in net earnings. As at June 30, 2024, the impact of a 10% decrease in equity markets would have resulted in an approximate \$230 million unrealized loss (\$265 million at December 31, 2023) to be recorded in other comprehensive income related to investments classified as FVOCI and a \$80 million loss (\$75 million at December 31, 2023) recorded in net earnings related to investments classified as FVPL, representing the Corporation's share of Parjointco's unrealized losses.

Power Corporation, Power Financial and other subsidiaries' exposure and management of liquidity risk, credit risk and market risk have not changed materially since December 31, 2023.

NOTE 13 RISK MANAGEMENT (continued)**LIFECO**

The risk committee of the board of directors of Lifeco is responsible for the oversight of Lifeco's key risks. Lifeco has established policies and procedures designed to identify, measure, manage, monitor and report material risks associated with financial instruments and insurance contracts. Lifeco's approach to risk management has not changed significantly since December 31, 2023. Certain risks are presented below. For a more detailed discussion of Lifeco's risk governance structure and risk management approach, refer to Note 24 to the Corporation's Consolidated Financial Statements for the year ended December 31, 2023.

LIQUIDITY RISK

Lifeco has the following policies and procedures in place to manage liquidity risk:

- Management of Lifeco 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 of Lifeco 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. Lifeco maintains committed lines of credit with Canadian chartered banks.

CREDIT RISK**Concentrations of Credit Risk**

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

Expected Credit Losses

The majority of Lifeco's financial assets are measured at FVPL 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 at Lifeco was \$35 million at June 30, 2024, of which \$4 million was Stage 1, \$27 million was Stage 2 and \$4 million was Stage 3 (\$37 million at December 31, 2023, of which \$4 million was Stage 1, \$29 million was Stage 2 and \$4 million was Stage 3).

Credit Impact on Financial Assets Designated as FVPL

The carrying value of Lifeco's portfolio investments designated as FVPL represents the maximum exposure to credit risk for those assets. The change in fair value attributable to the change in credit risk of these assets is generally insignificant in the absence of significant credit events occurring on specific assets.

A loss of \$40 million related to significant credit events occurring on Lifeco's assets designated as FVPL is included in the statements of earnings for the three and six months ended June 30, 2024, consisting of a fair value loss of \$24 million included in changes in fair value on FVPL assets, and a loss of \$16 million included in changes in investment contract liabilities.

Losses of \$13 million and \$17 million related to significant credit events occurring on Lifeco's assets designated as FVPL are included in the 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 FVPL assets.

MARKET RISK**Foreign exchange risk**

If the assets backing insurance and investment contract liabilities are not matched by currency, changes in foreign exchange rates can expose Lifeco to the risk of foreign exchange losses not offset by liability decreases.

- A 10% weakening of the Canadian dollar against foreign currencies would be expected to increase non-participating insurance and investment contract liabilities and their supporting assets by approximately the same amount, resulting in an immaterial immediate change to net earnings. A 10% strengthening of the Canadian dollar against foreign currencies would be expected to decrease non-participating insurance and investment contract liabilities and their supporting assets by approximately the same amount, resulting in an immaterial immediate change to net earnings.

NOTE 13 RISK MANAGEMENT (continued)

Lifeco has net investments in foreign operations. Lifeco's debt obligations are denominated in Canadian dollars, euros and U.S. dollars. In accordance with IFRS, foreign currency translation gains and losses from net investments in foreign operations, net of related hedging activities and tax effects, are recorded in other comprehensive income. Strengthening or weakening of the Canadian dollar spot rate compared to the U.S. dollar, British pound and euro spot rates impacts Lifeco's total equity. Correspondingly, Lifeco's book value per share and capital ratios monitored by rating agencies are also impacted.

Interest rate risk

The following policies and procedures are in place to mitigate Lifeco's exposure to interest rate risk:

- Lifeco manages its interest rate risk by investing in assets that are suitable for the products sold.
- Lifeco uses a formal process for managing the matching of assets and liabilities. This involves grouping general fund assets and liabilities into each of its segments. Assets in each 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 utilized when there is a lack of suitable permanent investments or to manage the level of loss exposure to interest rate changes.
- To the extent assets and liabilities 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 risks associated with the mismatch in portfolio duration and cash flow, asset prepayment exposure and the pace of asset acquisition are quantified and reviewed regularly.

The impact to net earnings from changes in the interest rates would be largely offset by changes in the value of financial assets supporting the liabilities. However, differences in the interest rate sensitivity in the value of assets and the value of insurance and investment contract liabilities leads to a sensitivity to interest rate movements in net earnings under IFRS 17, *Insurance Contracts* (IFRS 17) and IFRS 9, *Financial Instruments* (IFRS 9).

Lifeco'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 valued at amortized cost and held in the general fund assets supporting liabilities, also contributes to interest rate exposure in net earnings.

The impact to net earnings and equity from an immediate parallel 50 basis point increase or decrease in interest rates is illustrated in the table below, rounded to the nearest \$25 million:

Change in market yield curves

| | 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 |
| Net earnings | 125 | (150) | 175 | (225) |
| 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, the United States and the United Kingdom and are positively impacted by a parallel decrease in interest rates in the eurozone. Actual impacts of interest rate changes also vary by the level of change in interest rates by term. Therefore, actual impacts from interest rate changes may differ from the estimated impact of parallel movements in all geographies, which is presented above.

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

NOTE 13 RISK MANAGEMENT (continued)

The impact to net earnings and equity from an immediate parallel 50 basis point increase or decrease in credit spreads is illustrated in the table below, rounded to the nearest \$25 million:

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 credit spreads | Decrease 50 basis points credit spreads |
| Net earnings | 225 | (275) | 300 | (375) |
| 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.

Equity risk

Lifeco has investment policy guidelines in place that provide for prudent investment in equity markets with clearly defined limits to mitigate price risk. The risks associated with segregated fund guarantees on lifetime Guaranteed Minimum Withdrawal Benefits have been mitigated through a hedging program using equity futures, currency forwards and interest rate derivatives.

Some insurance and investment contract liabilities with long-tail cash flows are supported by publicly traded common shares and investments in other non-fixed income assets, primarily comprised of investment properties, real estate funds, private equities, and equity-release mortgages. Net earnings will reflect changes in the value of non-fixed income assets. However, in most cases the value of the liabilities will not fluctuate with changes in the value of the non-fixed income assets.

The liabilities for segregated fund products with guarantees will fluctuate with changes in the value of the non-fixed income assets. Under current market conditions, there are no earnings impacts to Lifeco on segregated fund business that it does not hedge, as changes in the cost of guarantees are fully offset within the CSM. For segregated fund business that Lifeco hedges, there is a limited earnings impact with respect to the change in liability versus the change in hedge assets.

On January 1, 2024, Lifeco completed the sale of Putnam Investments and currently holds approximately 31,600,000 Franklin Templeton common shares as part of the consideration, which are classified as FVOCI. Lifeco will hold a majority of these shares for a minimum five-year period.

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

Change in publicly traded common share values

| | June 30, 2024 ⁽¹⁾ | | | | December 31, 2023 | | | |
|--------------|------------------------------|-----|----------|-------|-------------------|-----|----------|-------|
| | Increase | | Decrease | | Increase | | Decrease | |
| | 20% | 10% | 10% | 20% | 20% | 10% | 10% | 20% |
| Net earnings | 125 | 50 | (50) | (125) | 225 | 100 | (100) | (225) |
| 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 net earnings. The after-tax impact on equity of the Franklin Templeton common shares is approximately \$75 million for every 10% change in the common share equity value.

The 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 net earnings and equity, rounded to the nearest \$25 million:

Change in other non-fixed income asset values

| | June 30, 2024 | | | | December 31, 2023 | | | |
|--------------|---------------|-----|----------|-------|-------------------|-----|----------|-------|
| | Increase | | Decrease | | Increase | | Decrease | |
| | 10% | 5% | 5% | 10% | 10% | 5% | 5% | 10% |
| Net earnings | 425 | 200 | (225) | (450) | 400 | 200 | (200) | (425) |
| Equity | 450 | 225 | (225) | (475) | 450 | 225 | (225) | (450) |

NOTE 13 RISK MANAGEMENT (continued)**IGM FINANCIAL**

The risk committee of the board of IGM is responsible for assisting the board of directors of IGM in reviewing and overseeing the risk governance structure and risk management program of IGM.

The risk management policies and procedures of IGM are discussed in the IGM section of the Corporation's Management's Discussion and Analysis (Part C) for the six months ended June 30, 2024 and in Note 24 to the Corporation's Consolidated Financial Statements for the year ended December 31, 2023 and have not changed significantly since December 31, 2023.

LIQUIDITY RISK

IGM's liquidity profile is structured to ensure it has sufficient liquidity to satisfy current and prospective requirements in both normal and stressed conditions. IGM's liquidity management practices include:

- Maintaining liquid assets and lines of credit to satisfy near-term liquidity needs.
- Ensuring effective controls over liquidity management processes.
- Performing regular cash forecasts and stress testing.
- Regular assessment of capital market conditions and IGM's ability to access bank and capital market funding.
- Ongoing efforts to diversify and expand long-term mortgage funding sources.
- Oversight of liquidity and funding risks by the financial risk management committee, a committee of finance and other IGM business leaders.

A key liquidity requirement for IGM is the funding of advisor network compensation paid for the distribution of financial products and services. This compensation continues to be paid from operating cash flows.

IGM believes its cash flows from operations, available cash balances and liquidity available through its lines of credit are sufficient to meet its liquidity needs. IGM's liquidity position and its management of liquidity and funding risk have not changed materially since December 31, 2023.

CREDIT RISK

IGM's cash and cash equivalents, client funds on deposit, mortgage portfolios and derivatives are subject to credit risk. IGM monitors its credit risk management practices on an ongoing basis to evaluate their effectiveness.

IGM's allowance for expected credit losses was \$1 million at June 30, 2024, unchanged from December 31, 2023, and is considered adequate by IGM's management to absorb all credit-related losses in the mortgage portfolios based on: i) historical credit performance experience; ii) recent trends including increasing interest rates; iii) current portfolio credit metrics and other relevant characteristics; iv) its strong financial planning relationship with its clients; and v) stress testing of losses under adverse real estate market conditions.

IGM's exposure to and management of credit risk related to cash and cash equivalents, client funds on deposit, mortgage portfolios and derivatives have not changed materially since December 31, 2023.

NOTE 14 INSURANCE REVENUE

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|--------------|---------------------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Contracts not measured under the 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 |

NOTE 15 RESTRUCTURING AND INTEGRATION EXPENSES

Restructuring and integration expenses are recorded in operating and administrative expenses on the statements of earnings and include:

LIFECO**Canada Restructuring**

For the three months and six months ended June 30, 2024, Lifeco recorded a restructuring provision of nil and \$23 million, respectively, in Canada. The restructuring is related to the transitioning of some of the information technology operations functions to a managed service arrangement with an external provider. As at June 30, 2024, Lifeco has a provision of \$20 million remaining in other liabilities related to this restructuring and expects to utilize a significant portion of these amounts during 2024.

Empower Restructuring and Integration

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

For the three months and six months ended June 30, 2024, Lifeco recorded integration expenses of \$15 million and \$43 million, respectively (\$23 million and \$49 million for the three months and six months ended June 30, 2023, respectively).

POWER SUSTAINABLE MANAGER INC.

In 2024, Power Sustainable Manager Inc. realigned its strategies, which included a strategic decision to wind down its China public equity strategy and close its investment management operations in China. Power Sustainable Manager Inc. recorded a restructuring provision of \$2 million and \$12 million for the three months and six months ended June 30, 2024, respectively, a significant portion of which is expected to be paid in 2024.

NOTE 16 INCOME TAXES**INCOME TAX EXPENSE**

The components of income tax expense (recovery) recognized in net earnings are:

| | Three months ended June 30, | | Six months ended June 30, | |
|----------------|-----------------------------|-------|---------------------------|-------|
| | 2024 | 2023 | 2024 | 2023 |
| Current taxes | 295 | 205 | 564 | 505 |
| Deferred taxes | 10 | (117) | (25) | (297) |
| | 305 | 88 | 539 | 208 |

GLOBAL MINIMUM TAX

Under International Pillar Two tax reform, the Organisation for Economic Co-operation and Development introduced a 15% global minimum tax (GMT) 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%. For the three months ended June 30, 2024, the Corporation recognized a GMT current tax expense of \$62 million (\$66 million for the six months ended June 30, 2024), primarily related to Lifeco's 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 Corporation has applied the mandatory temporary exception in IAS 12, *Income Taxes*, whereby it is not recognizing and disclosing information about deferred tax assets and liabilities related to the GMT.

EFFECTIVE INCOME TAX RATE

The effective income tax rate for the Corporation for the six months ended June 30, 2024, was 17.9%, compared with 12.4% for the six months ended June 30, 2023.

The effective income tax rate for the six months ended June 30, 2024 is higher than the effective income tax rate for the same period last year primarily due to the jurisdictional mix of earnings and the GMT at Lifeco, partially offset by the non-recurring tax expense recorded in 2023 resulting from the ChinaAMC transaction between the Corporation and IGM. The GMT increased the effective income tax rate by 2.2%.

The effective income tax rates are generally lower than the Corporation's statutory income tax rate of 26.5% due to non-taxable investment income, lower tax in certain foreign jurisdictions and results from jointly controlled corporations and associates that are not taxable.

NOTE 17 OTHER COMPREHENSIVE INCOME

| | Items that may be reclassified subsequently to net earnings | | | | Items that will not be reclassified to net earnings | | | Total |
|--|---|------------------|------------------------------|---|---|---|---|-------|
| | Investment revaluation | Cash flow hedges | Foreign currency translation | Share of jointly controlled corporations and associates | Investment revaluation | Actuarial gains (losses) on defined benefit pension plans and other | Share of jointly controlled corporations and associates | |
| Six months ended June 30, 2024 | | | | | | | | |
| Balance, beginning of year | (206) | 25 | 1,115 | (276) | (36) | (150) | 1,024 | 1,496 |
| Other comprehensive income (loss) | (7) | 2 | 114 | 58 | (170) | 170 | (155) | 12 |
| Realized (gains) losses on FVOCI equity instruments transferred to retained earnings | - | - | - | - | 29 | - | (164) | (135) |
| Other | - | - | - | (9) | - | - | 11 | 2 |
| Balance, end of period | (213) | 27 | 1,229 | (227) | (177) | 20 | 716 | 1,375 |

| | Items that may be reclassified subsequently to net earnings | | | | Items that will not be reclassified to net earnings | | | Total |
|--|---|------------------|------------------------------|---|---|---|---|-------|
| | Investment revaluation | Cash flow hedges | Foreign currency translation | Share of jointly controlled corporations and associates | Investment revaluation | Actuarial gains (losses) on defined benefit pension plans and other | Share of jointly controlled corporations and associates | |
| Six months ended June 30, 2023 | | | | | | | | |
| Balance, beginning of year | (421) | 40 | 1,202 | (184) | (14) | (49) | 1,092 | 1,666 |
| Other comprehensive income (loss) | 84 | (1) | (153) | (61) | (40) | (50) | 142 | (79) |
| Realized (gains) losses on FVOCI equity instruments transferred to retained earnings | - | - | - | - | 41 | - | (50) | (9) |
| Other | (4) | - | 9 | (31) | - | - | 29 | 3 |
| Balance, end of period | (341) | 39 | 1,058 | (276) | (13) | (99) | 1,213 | 1,581 |

NOTE 18 EARNINGS PER SHARE

The following is a reconciliation of the numerators and the denominators used in the computations of earnings per share:

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|-------|---------------------------|-------|
| | 2024 | 2023 | 2024 | 2023 |
| Earnings | | | | |
| Net earnings attributable to shareholders | 743 | 514 | 1,465 | 840 |
| Dividends on non-participating shares | (13) | (13) | (26) | (26) |
| Net earnings attributable to participating shareholders | 730 | 501 | 1,439 | 814 |
| Net loss attributable to participating shareholders from discontinued operations | - | 49 | 79 | 62 |
| Net gain attributable to participating shareholders from disposal of discontinued operations | - | - | (30) | - |
| Net earnings attributable to participating shareholders from continuing operations | 730 | 550 | 1,488 | 876 |
| Dilutive effect of subsidiaries' outstanding stock options | (1) | (1) | (4) | (1) |
| Effect of equity-settled method for TSARs ^[1] | - | - | 1 | - |
| Net earnings adjusted for dilutive effect from continuing operations | 729 | 549 | 1,485 | 875 |
| Number of participating shares [millions] | | | | |
| Weighted average number of participating shares outstanding - Basic | 649.4 | 665.8 | 650.0 | 666.3 |
| Effect of potential exercise of outstanding stock options and RSUs | 3.1 | 1.0 | 3.2 | 1.0 |
| Weighted average number of participating shares outstanding - Diluted | 652.5 | 666.8 | 653.2 | 667.3 |
| Net earnings per participating share from continuing operations | | | | |
| Basic | 1.12 | 0.82 | 2.29 | 1.31 |
| Diluted | 1.12 | 0.82 | 2.27 | 1.31 |
| Net earnings per participating share | | | | |
| Basic | 1.12 | 0.75 | 2.21 | 1.22 |
| Diluted | 1.12 | 0.75 | 2.20 | 1.22 |

[1] Options with TSARs are accounted for as cash-settled share-based payments. As these options can be exercised in exchange for subordinate voting shares or for cash, they are considered potentially dilutive and are included in the calculation of the diluted net earnings per share if they have a dilutive impact in the year, and the net earnings used in the diluted calculation is adjusted to reflect the expense had these options been classified as equity-settled.

For the six months ended June 30, 2024, 1.3 million stock options (2.2 million in 2023) were excluded from the computation of diluted earnings per share as they were anti-dilutive.

NOTE 19 FAIR VALUE MEASUREMENT

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

| Level | Definition | Financial assets and liabilities |
|---------|---|--|
| Level 1 | Utilize observable, unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access. | <ul style="list-style-type: none"> ▪ actively exchange-traded equity securities; ▪ exchange-traded futures; ▪ mutual and segregated funds which have available prices in an active market with no redemption restrictions; ▪ open-end investment fund units and other liabilities in instances where there are quoted prices available from active markets. |
| Level 2 | Utilize other-than-quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other-than-quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. 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. | <ul style="list-style-type: none"> ▪ assets and liabilities priced using a matrix which is based on credit quality and average life; ▪ government and agency securities; ▪ restricted shares; ▪ certain private bonds and investment funds; ▪ most investment-grade and high-yield corporate bonds; ▪ most asset-backed securities; ▪ most over-the-counter derivatives; ▪ most mortgage and other loans; ▪ deposits and certificates; ▪ most debentures and other debt instruments; ▪ most of the investment contracts that are measured at FVPL; ▪ certain limited-life and redeemable fund units. |
| Level 3 | Utilize one or more significant inputs that are not based on observable market inputs and include situations where there is little, if any, market activity for the asset or liability. The values of the majority of Level 3 securities were obtained from single-broker quotes, internal pricing models, external appraisers or by discounting projected cash flows. | <ul style="list-style-type: none"> ▪ certain bonds; ▪ certain asset-backed securities; ▪ certain private equities; ▪ certain investments in jointly controlled corporations and associates; ▪ certain mortgage and other loans, including equity-release mortgages; ▪ investments in mutual and segregated funds where there are redemption restrictions; ▪ certain over-the-counter derivatives; ▪ investment properties; ▪ obligations to securitization entities; ▪ certain other debt instruments; ▪ most of the limited-life and redeemable fund units. |

NOTE 19 FAIR VALUE MEASUREMENT (continued)

The Corporation's assets and liabilities recorded at fair value, including their levels in the fair value hierarchy using the valuation methods and assumptions described in the summary of material accounting policies of the Corporation's December 31, 2023 Consolidated Financial Statements and above, are presented below. Fair values represent management's estimates and are generally calculated using market information at a specific point in time and may not reflect future fair values. The calculations are subjective in nature, and involve uncertainties and matters of significant judgment.

| June 30, 2024 | Level 1 | Level 2 | Level 3 | Total fair value |
|--|---------|---------|---------|---------------------|
| Assets | | | | |
| Bonds | | | | |
| FVPL | - | 144,050 | 177 | 144,227 |
| FVOCI | - | 12,034 | - | 12,034 |
| Mortgage and other loans | | | | |
| FVPL | - | 28,846 | 4,484 | 33,330 |
| FVOCI | - | 578 | - | 578 |
| Shares | | | | |
| FVPL | 10,746 | 307 | 5,840 | 16,893 |
| FVOCI | 993 | - | - | 993 |
| Investments in jointly controlled corporations and associates ^[1] | - | - | 1,010 | 1,010 |
| Investment properties | - | - | 7,910 | 7,910 |
| Derivative instruments | 4 | 2,022 | 14 | 2,040 |
| Other assets | 239 | 3,605 | 83 | 3,927 |
| | 11,982 | 191,442 | 19,518 | 222,942 |
| Liabilities | | | | |
| Investment contract liabilities | - | 87,070 | - | 87,070 |
| Derivative instruments | 1 | 1,728 | 7 | 1,736 |
| Limited-life and redeemable fund units | - | 22 | 2,168 | 2,190 |
| Other liabilities | - | 161 | 83 | 244 |
| | 1 | 88,981 | 2,258 | 91,240 |

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

NOTE 19 FAIR VALUE MEASUREMENT (continued)

| December 31, 2023 | Level 1 | Level 2 | Level 3 | Total fair value |
|--|---------|---------|---------|---------------------|
| Assets | | | | |
| Bonds | | | | |
| FVPL | - | 144,961 | 252 | 145,213 |
| FVOCI | - | 11,750 | - | 11,750 |
| Mortgage and other loans | | | | |
| FVPL | - | 29,211 | 4,248 | 33,459 |
| FVOCI | - | 578 | - | 578 |
| Shares | | | | |
| FVPL | 10,994 | 218 | 4,965 | 16,177 |
| FVOCI | 411 | - | - | 411 |
| Investments in jointly controlled corporations and associates ^[1] | - | - | 832 | 832 |
| Investment properties | - | - | 7,870 | 7,870 |
| Derivative instruments | 6 | 2,327 | 16 | 2,349 |
| Assets held for sale ^[2] | 239 | 1,006 | 907 | 2,152 |
| Other assets | 242 | 3,239 | 19 | 3,500 |
| | 11,892 | 193,290 | 19,109 | 224,291 |
| Liabilities | | | | |
| Investment contract liabilities | - | 88,919 | - | 88,919 |
| Derivative instruments | 5 | 1,338 | 8 | 1,351 |
| Limited-life and redeemable fund units | 3 | 15 | 1,815 | 1,833 |
| Other liabilities | - | 443 | 83 | 526 |
| | 8 | 90,715 | 1,906 | 92,629 |

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

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

There were no significant transfers between Level 1 and Level 2 in these periods.

NOTE 19 FAIR VALUE MEASUREMENT (continued)

Additional information about assets and liabilities measured at fair value on a recurring basis for which the Corporation and its subsidiaries have utilized Level 3 inputs to determine fair value is presented below.

| For the six months ended June 30, 2024 | Bonds | Mortgage and other loans | Shares and investments in jointly controlled corporations and associates | | Investment properties | Derivatives, net | Limited-life and redeemable fund units | Assets held for sale | Other assets (liabilities) | Total |
|--|-------|--------------------------------|--|-------|--------------------------|---------------------|---|----------------------------|----------------------------------|--------|
| | FVPL | FVPL | FVPL ^[1] | FVOCI | | | | | | |
| Balance, beginning of year | 252 | 4,248 | 5,797 | - | 7,870 | 8 | (1,815) | 907 | (64) | 17,203 |
| Total gains (losses) | | | | | | | | | | |
| Net earnings | - | 71 | 248 | - | (88) | (3) | (11) | - | - | 217 |
| Other comprehensive income ^[2] | - | 59 | 74 | - | 95 | - | (38) | - | 2 | 192 |
| Business acquisition | - | - | - | - | - | - | (104) | - | 62 | (42) |
| Purchases | 23 | - | 947 | - | 138 | (2) | - | - | - | 1,106 |
| Sale of discontinued operations | - | - | - | - | - | - | - | (907) | - | (907) |
| Issues | - | 225 | - | - | - | - | (211) | - | - | 14 |
| Sales | (27) | - | (235) | - | (96) | - | - | - | - | (358) |
| Settlements | - | (99) | - | - | - | 4 | 11 | - | - | (84) |
| Transfers out of Level 3 | (71) | - | - | - | - | - | - | - | - | (71) |
| Other | - | (20) | 19 | - | (9) | - | - | - | - | (10) |
| Balance, end of period | 177 | 4,484 | 6,850 | - | 7,910 | 7 | (2,168) | - | - | 17,260 |

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

[2] Amount of other comprehensive income for FVPL investments, investment properties, limited-life and redeemable fund units, and other assets and liabilities represents the unrealized gains (losses) on foreign exchange.

| For the year ended December 31, 2023 | Bonds | Mortgage and other loans | Shares and investments in jointly controlled corporations and associates | | Investment properties | Derivatives, net | Limited-life and redeemable fund units | Assets held for sale | Other assets (liabilities) | Total |
|--|-------|--------------------------------|--|-------|--------------------------|---------------------|---|----------------------------|----------------------------------|---------|
| | FVPL | FVPL | FVPL ^[1] | FVOCI | | | | | | |
| Balance, beginning of year | 195 | 3,476 | 4,692 | 2 | 8,344 | 23 | (1,577) | - | 840 | 15,995 |
| Total gains (losses) | | | | | | | | | | |
| Net earnings | 6 | 354 | 306 | - | (507) | (3) | (190) | 25 | 7 | (2) |
| Other comprehensive income ^[2] | - | 52 | (30) | 18 | 53 | - | 2 | (14) | - | 81 |
| Purchases | 68 | - | 1,445 | - | 191 | (3) | - | 12 | 24 | 1,737 |
| Issues | - | 578 | - | - | - | - | (472) | - | - | 106 |
| Sales | (17) | - | (690) | (20) | (211) | - | - | (67) | (2) | (1,007) |
| Settlements | - | (150) | - | - | - | (9) | 168 | - | - | 9 |
| Other ^[3] | - | (62) | 74 | - | - | - | 254 | 951 | (933) | 284 |
| Balance, end of year | 252 | 4,248 | 5,797 | - | 7,870 | 8 | (1,815) | 907 | (64) | 17,203 |

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

[2] Amount of other comprehensive income for FVPL investments, investment properties, limited-life and redeemable fund units, and other assets and liabilities represents the unrealized gains (losses) on foreign exchange.

[3] Includes amounts reclassified to assets held for sale as a result of the agreement to sell Putnam Investments (Note 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.

NOTE 19 FAIR VALUE MEASUREMENT (continued)

Significant unobservable inputs used at period-end in measuring assets categorized as Level 3 in the fair value hierarchy are presented below.

| Type of asset | Valuation approach | Significant unobservable input | Input value | Interrelationship between key unobservable inputs and fair value measurement |
|--|--|--------------------------------|--------------------------|---|
| Investment properties | Investment property valuations are generally determined using property valuation models based on expected capitalization rates and models that discount expected future net cash flows. The determination of the fair value of investment property requires the use of estimates such as future 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 | Range of 4.2% - 12.9% | 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. |
| | | Reversionary rate | Range of 4.3% - 8.0% | 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. |
| | | Vacancy rate | Weighted average of 4.6% | A decrease in the expected vacancy rate would generally result in an increase in fair value. An increase in the expected vacancy rate would generally result in a decrease in fair value. |
| Mortgage and other loans - equity-release mortgages (FVPL) | The valuation approach for equity-release mortgages is to use an internal valuation model to determine the projected asset cash flows, including the cost of the no-negative-equity guarantee for each individual loan, to aggregate these across all loans and to discount those cash flows back to the valuation date. The projection is done monthly until expected redemption of the loan either voluntarily or on the death/entering into long-term care of the loanholders. | Discount rate | Range of 4.6% - 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. |
| Shares and investments in jointly controlled corporations and associates | The determination of the fair value of shares requires the use of estimates such as future cash flows, discount rates, projected earnings multiples, or recent transactions. | Discount rate | Various | A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value. |
| Limited-life and redeemable fund units | The determination of the fair value of the limited-life and redeemable fund units is based on the fair value of the underlying fund's investments. | Discount rate | Various | A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value. |

NOTE 20 SEGMENTED INFORMATION

The Corporation is an international management and holding company. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms.

As a holding company, the Corporation evaluates the performance of each operating segment based on its contribution to the earnings attributable to participating shareholders. The contribution to the earnings attributable to participating shareholders from Lifeco, IGM Financial, GBL, Sagard, Power Sustainable and other, represents the Corporation's share of their net earnings.

The Corporation's reportable segments include Lifeco and IGM Financial due to their quantitative contribution, and the Corporation also considers GBL as a reportable segment. Together, they represent the Corporation's investments in publicly traded operating companies. As well, the Corporation considers the Holding company to be a reportable segment.

- **Lifeco** is a financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management, and reinsurance businesses, primarily in Canada, the United States and Europe.
- **IGM Financial** 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.
- **GBL** is indirectly held through Parjointco. GBL is a Belgian investment holding company and leading investor in Europe. Its portfolio is comprised of a portfolio of listed, private and alternative investments composed of global companies, which are leaders in their sectors.
- **Holding company** comprises the corporate activities of the Corporation and Power Financial, on a combined basis, and presents the investment activities of the Corporation including its investments in consolidated entities. The Holding company activities present the Holding company's assets and liabilities, including cash, investments, debentures and non-participating shares. The Holding company cash flows are primarily comprised of dividends received, income from investments and income (loss) from cash and cash equivalents, less operating expenses, financing charges, income taxes and non-participating and participating share dividends.

The Corporation's asset management activities through the investment platforms, Sagard and Power Sustainable, together with their investing activities, are presented on a combined basis in another category, Alternative asset investment platforms and other, as they do not qualify as reportable segments.

Alternative asset investment platforms and other are comprised of the results of:

- Alternative asset management businesses, Sagard and Power Sustainable;
- Investments managed by Sagard and Power Sustainable on behalf of the Corporation;
- Entities held through the alternative asset managers which are consolidated; and
- Standalone businesses representing a subsidiary, a jointly controlled corporation and an associate which are managed to realize value over time.

Effect of consolidation represents the reconciliation between the measurement basis used for the presentation of the Holding company with the consolidated financial statements, as well as the intersegment elimination for investments under common control and other consolidation entries.

The segmented assets present the activities of the holding company, including its investments in consolidated entities, Lifeco and IGM, as well as other controlled entities, using the equity method of accounting as a measurement basis. These entities are consolidated in the Corporation's consolidated balance sheets. Common equity interests in Lifeco, IGM, and alternative asset investment platforms and other (intersegment investments) are included in their respective segment's assets.

NOTE 20 SEGMENTED INFORMATION (continued)

CONSOLIDATED NET EARNINGS

| Three months ended June 30, 2024 | Lifeco | IGM | GBL | Holding company | Alternative asset investment platforms and other | Effect of consolidation | Total |
|---|----------------|------------|-----------|-----------------|--|-------------------------|----------------|
| Segment revenue | | | | | | | |
| Insurance revenue ^[1] | 5,273 | - | - | - | - | - | 5,273 |
| Net investment income ^[2] | 2,400 | 9 | - | 17 | 119 | 3 | 2,548 |
| Changes in fair value through profit or loss ^[2] | (864) | 1 | - | 2 | 31 | (18) | (848) |
| Fee income ^{[3][4]} | 1,794 | 836 | - | - | 148 | (43) | 2,735 |
| Other ^[3] | - | - | - | - | 200 | - | 200 |
| Total segment revenue | 8,603 | 846 | - | 19 | 498 | (58) | 9,908 |
| Other insurance and investment results | | | | | | | |
| Insurance service expenses ^[1] | (4,057) | - | - | - | - | - | (4,057) |
| Net expense from reinsurance contracts ^[1] | (385) | - | - | - | - | - | (385) |
| Net investment result from insurance activities ^{[2][5]} | (896) | - | - | - | - | - | (896) |
| Net investment result from insurance contracts on account of segregated fund policyholders | - | - | - | - | - | - | - |
| Total other insurance and investment results | (5,338) | - | - | - | - | - | (5,338) |
| Other expenses | | | | | | | |
| Operating and administrative expenses ^[4] | 1,859 | 584 | - | 45 | 458 | (39) | 2,907 |
| Financing charges | 101 | 32 | - | 13 | 52 | 4 | 202 |
| Total other expenses | 1,960 | 616 | - | 58 | 510 | (35) | 3,109 |
| Earnings before investments in jointly controlled corporations and associates, and income taxes | 1,305 | 230 | - | (39) | (12) | (23) | 1,461 |
| Share of earnings (losses) of investments in jointly controlled corporations and associates | 9 | 51 | 21 | - | 26 | (34) | 73 |
| Earnings before income taxes | 1,314 | 281 | 21 | (39) | 14 | (57) | 1,534 |
| Income taxes | 229 | 64 | - | - | 1 | 11 | 305 |
| Net earnings from continuing operations | 1,085 | 217 | 21 | (39) | 13 | (68) | 1,229 |
| Net loss from discontinued operations | - | - | - | - | - | - | - |
| Net gain from disposal of discontinued operations [Note 3] | - | - | - | - | - | - | - |
| Net earnings | 1,085 | 217 | 21 | (39) | 13 | (68) | 1,229 |
| Attributable to | | | | | | | |
| Non-controlling interests | 415 | 81 | - | 35 | 23 | (68) | 486 |
| Non-participating shareholders | - | - | - | 13 | - | - | 13 |
| Participating shareholders ^{[6][7]} | 670 | 136 | 21 | (87) | (10) | - | 730 |
| | 1,085 | 217 | 21 | (39) | 13 | (68) | 1,229 |

[1] Included within insurance service result in the statements of earnings.

[2] Included within net investment result in the statements of earnings.

[3] Included within fee income and other revenues in the statements of earnings.

[4] Dealer compensation expenses at IGM are included in operating and administrative expenses.

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

[6] The contribution from Lifeco, IGM, GBL and alternative asset investment platforms and other to net earnings attributable to participating shareholders of the Corporation includes the effect of consolidation.

[7] The contribution from Lifeco and IGM includes an allocation for the results of investments under common control based on their respective interests.

NOTE 20 SEGMENTED INFORMATION (continued)

CONSOLIDATED NET EARNINGS

| Three months ended June 30, 2023 | Lifeco | IGM | GBL | Holding company | Alternative asset investment platforms and other | Effect of consolidation | Total |
|---|----------------|------------|-----------|-----------------|--|-------------------------|----------------|
| Segment revenue | | | | | | | |
| Insurance revenue ^[1] | 5,081 | - | - | - | - | - | 5,081 |
| Net investment income ^[2] | 2,049 | 5 | - | (6) | 88 | 18 | 2,154 |
| Changes in fair value through profit or loss ^[2] | (2,668) | (2) | - | 11 | 52 | (19) | (2,626) |
| Fee income ^{[3][4]} | 1,466 | 868 | - | - | 72 | (29) | 2,377 |
| Other ^[3] | - | - | - | - | 187 | - | 187 |
| Total segment revenue | 5,928 | 871 | - | 5 | 399 | (30) | 7,173 |
| Other insurance and investment results | | | | | | | |
| Insurance service expenses ^[1] | (3,963) | - | - | - | - | - | (3,963) |
| Net expense from reinsurance contracts ^[1] | (415) | - | - | - | - | - | (415) |
| Net investment result from insurance activities ^{[2][5]} | 911 | - | - | - | - | - | 911 |
| Net investment result from insurance contracts on account of segregated fund policyholders | - | - | - | - | - | - | - |
| Total other insurance and investment results | (3,467) | - | - | - | - | - | (3,467) |
| Other expenses | | | | | | | |
| Operating and administrative expenses ^[4] | 1,687 | 721 | - | 46 | 393 | (18) | 2,829 |
| Financing charges | 104 | 33 | - | 13 | 36 | - | 186 |
| Total other expenses | 1,791 | 754 | - | 59 | 429 | (18) | 3,015 |
| Earnings before investments in jointly controlled corporations and associates, and income taxes | 670 | 117 | - | (54) | (30) | (12) | 691 |
| Share of earnings (losses) of investments in jointly controlled corporations and associates | 12 | 58 | 90 | 97 | 34 | (43) | 248 |
| Earnings before income taxes | 682 | 175 | 90 | 43 | 4 | (55) | 939 |
| Income taxes | 56 | 37 | - | 1 | (3) | (3) | 88 |
| Net earnings from continuing operations | 626 | 138 | 90 | 42 | 7 | (52) | 851 |
| Net loss from discontinued operations | (71) | - | - | - | - | - | (71) |
| Net earnings | 555 | 138 | 90 | 42 | 7 | (52) | 780 |
| Attributable to | | | | | | | |
| Non-controlling interests | 228 | 59 | - | 35 | (4) | (52) | 266 |
| Non-participating shareholders | - | - | - | 13 | - | - | 13 |
| Participating shareholders ^{[6][7]} | 327 | 79 | 90 | (6) | 11 | - | 501 |
| | 555 | 138 | 90 | 42 | 7 | (52) | 780 |

[1] Included within insurance service result in the statements of earnings.

[2] Included within net investment result in the statements of earnings.

[3] Included within fee income and other revenues in the statements of earnings.

[4] Dealer compensation expenses at IGM are included in operating and administrative expenses.

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

[6] The contribution from Lifeco, IGM, GBL and alternative asset investment platforms and other to net earnings attributable to participating shareholders of the Corporation includes the effect of consolidation.

[7] The contribution from Lifeco and IGM includes an allocation for the results of investments under common control based on their respective interests.

NOTE 20 SEGMENTED INFORMATION (continued)

CONSOLIDATED NET EARNINGS

| Six months ended June 30, 2024 | Lifeco | IGM | GBL | Holding company | Alternative asset investment platforms and other | Effect of consolidation | Total |
|---|----------------|--------------|-----------|-----------------|--|-------------------------|----------------|
| Segment revenue | | | | | | | |
| Insurance revenue ^[1] | 10,523 | - | - | - | - | - | 10,523 |
| Net investment income ^[2] | 4,721 | 21 | - | 33 | 270 | 19 | 5,064 |
| Changes in fair value through profit or loss ^[2] | (2,249) | 5 | - | 9 | 74 | (20) | (2,181) |
| Fee income ^{[3][4]} | 3,466 | 1,660 | - | - | 266 | (86) | 5,306 |
| Other ^[3] | - | - | - | - | 358 | - | 358 |
| Total segment revenue | 16,461 | 1,686 | - | 42 | 968 | (87) | 19,070 |
| Other insurance and investment results | | | | | | | |
| Insurance service expenses ^[1] | (8,124) | - | - | - | - | - | (8,124) |
| Net expense from reinsurance contracts ^[1] | (771) | - | - | - | - | - | (771) |
| Net investment result from insurance activities ^{[2][5]} | (1,091) | - | - | - | - | - | (1,091) |
| Net investment result from insurance contracts on account of segregated fund policyholders | - | - | - | - | - | - | - |
| Total other insurance and investment results | (9,986) | - | - | - | - | - | (9,986) |
| Other expenses | | | | | | | |
| Operating and administrative expenses ^[4] | 3,730 | 1,152 | - | 88 | 913 | (76) | 5,807 |
| Financing charges | 201 | 64 | - | 27 | 105 | 6 | 403 |
| Total other expenses | 3,931 | 1,216 | - | 115 | 1,018 | (70) | 6,210 |
| Earnings before investments in jointly controlled corporations and associates, and income taxes | 2,544 | 470 | - | (73) | (50) | (17) | 2,874 |
| Share of earnings (losses) of investments in jointly controlled corporations and associates | 28 | 103 | 75 | - | 8 | (77) | 137 |
| Earnings before income taxes | 2,572 | 573 | 75 | (73) | (42) | (94) | 3,011 |
| Income taxes | 398 | 131 | - | - | (7) | 17 | 539 |
| Net earnings from continuing operations | 2,174 | 442 | 75 | (73) | (35) | (111) | 2,472 |
| Net loss from discontinued operations | (115) | - | - | - | - | - | (115) |
| Net gain from disposal of discontinued operations [Note 3] | 44 | - | - | - | - | - | 44 |
| Net earnings | 2,103 | 442 | 75 | (73) | (35) | (111) | 2,401 |
| Attributable to | | | | | | | |
| Non-controlling interests | 792 | 173 | - | 70 | 12 | (111) | 936 |
| Non-participating shareholders | - | - | - | 26 | - | - | 26 |
| Participating shareholders ^{[6][7]} | 1,311 | 269 | 75 | (169) | (47) | - | 1,439 |
| | 2,103 | 442 | 75 | (73) | (35) | (111) | 2,401 |

[1] Included within insurance service result in the statements of earnings.

[2] Included within net investment result in the statements of earnings.

[3] Included within fee income and other revenues in the statements of earnings.

[4] Dealer compensation expenses at IGM are included in operating and administrative expenses.

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

[6] The contribution from Lifeco, IGM, GBL and alternative asset investment platforms and other to net earnings attributable to participating shareholders of the Corporation includes the effect of consolidation.

[7] The contribution from Lifeco and IGM includes an allocation for the results of investments under common control based on their respective interests.

NOTE 20 SEGMENTED INFORMATION (continued)

CONSOLIDATED NET EARNINGS

| Six months ended June 30, 2023 | Lifeco | IGM | GBL | Holding company | Alternative asset investment platforms and other | Effect of consolidation | Total |
|---|-----------------|--------------|------------|-----------------|--|-------------------------|-----------------|
| Segment revenue | | | | | | | |
| Insurance revenue ^[1] | 10,118 | - | - | - | - | - | 10,118 |
| Net investment income ^[2] | 4,147 | 195 | - | 12 | 108 | (158) | 4,304 |
| Changes in fair value through profit or loss ^[2] | 904 | (1) | - | 14 | 70 | (7) | 980 |
| Fee income ^{[3][4]} | 2,866 | 1,714 | - | - | 140 | (51) | 4,669 |
| Other ^[3] | - | - | - | - | 328 | - | 328 |
| Total segment revenue | 18,035 | 1,908 | - | 26 | 646 | (216) | 20,399 |
| Other insurance and investment results | | | | | | | |
| Insurance service expenses ^[1] | (7,958) | - | - | - | - | - | (7,958) |
| Net expense from reinsurance contracts ^[1] | (757) | - | - | - | - | - | (757) |
| Net investment result from insurance activities ^{[2][5]} | (4,448) | - | - | - | - | - | (4,448) |
| Net investment result from insurance contracts on account of segregated fund policyholders | - | - | - | - | - | - | - |
| Total other insurance and investment results | (13,163) | - | - | - | - | - | (13,163) |
| Other expenses | | | | | | | |
| Operating and administrative expenses ^[4] | 3,332 | 1,336 | - | 97 | 734 | (37) | 5,462 |
| Financing charges | 219 | 61 | - | 27 | 66 | 4 | 377 |
| Total other expenses | 3,551 | 1,397 | - | 124 | 800 | (33) | 5,839 |
| Earnings before investments in jointly controlled corporations and associates, and income taxes | 1,321 | 511 | - | (98) | (154) | (183) | 1,397 |
| Share of earnings (losses) of investments in jointly controlled corporations and associates | 15 | 111 | 109 | 99 | 21 | (74) | 281 |
| Earnings before income taxes | 1,336 | 622 | 109 | 1 | (133) | (257) | 1,678 |
| Income taxes | 86 | 101 | - | 41 | (8) | (12) | 208 |
| Net earnings from continuing operations | 1,250 | 521 | 109 | (40) | (125) | (245) | 1,470 |
| Net loss from discontinued operations | (90) | - | - | - | - | - | (90) |
| Net earnings | 1,160 | 521 | 109 | (40) | (125) | (245) | 1,380 |
| Attributable to | | | | | | | |
| Non-controlling interests | 438 | 321 | - | 69 | (43) | (245) | 540 |
| Non-participating shareholders | - | - | - | 26 | - | - | 26 |
| Participating shareholders ^{[6][7]} | 722 | 200 | 109 | (135) | (82) | - | 814 |
| | 1,160 | 521 | 109 | (40) | (125) | (245) | 1,380 |

[1] Included within insurance service result in the statements of earnings.

[2] Included within net investment result in the statements of earnings.

[3] Included within fee income and other revenues in the statements of earnings.

[4] Dealer compensation expenses at IGM are included in operating and administrative expenses.

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

[6] The contribution from Lifeco, IGM, GBL and alternative asset investment platforms and other to net earnings attributable to participating shareholders of the Corporation includes the effect of consolidation.

[7] The contribution from Lifeco and IGM includes an allocation for the results of investments under common control based on their respective interests.

NOTE 20 SEGMENTED INFORMATION (continued)

TOTAL ASSETS AND LIABILITIES

| June 30, 2024 | Lifeco | IGM | GBL | Holding company | Alternative asset investment platforms and other | Effect of consolidation | Total |
|---|----------------|---------------|--------------|-----------------|--|-------------------------|----------------|
| 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 Lifeco, IGM and alternative asset investment platforms and other | 930 | 1,551 | - | 21,895 | - | (24,376) | - |
| Investments in jointly controlled corporations and associates | 478 | 3,097 | 3,572 | - | 1,569 | (424) | 8,292 |
| Other assets | 44,806 | 4,282 | - | 270 | 14,615 | (153) | 63,820 |
| Goodwill and intangible assets | 16,104 | 3,912 | - | 1 | 1,575 | - | 21,592 |
| Investments on account of segregated fund policyholders | 460,231 | - | - | - | - | - | 460,231 |
| Total assets ⁽¹⁾ | 749,757 | 18,679 | 3,572 | 23,841 | 20,018 | (25,038) | 790,829 |
| Insurance and investment contract liabilities | 232,352 | - | - | - | - | - | 232,352 |
| Obligation to securitization entities | - | 4,651 | - | - | - | - | 4,651 |
| Power Corporation's debentures and other debt instruments | - | - | - | 647 | - | - | 647 |
| Non-recourse debentures and other debt instruments | 9,142 | 2,400 | - | 250 | 3,243 | (88) | 14,947 |
| Other liabilities | 16,967 | 4,489 | - | 987 | 13,934 | (536) | 35,841 |
| Insurance and investment contracts on account of segregated fund policyholders | 460,231 | - | - | - | - | - | 460,231 |
| Total liabilities | 718,692 | 11,540 | - | 1,884 | 17,177 | (624) | 748,669 |

| December 31, 2023 | Lifeco | IGM | GBL | Holding company | Alternative asset investment platforms and other | Effect of consolidation | Total |
|---|----------------|---------------|--------------|-----------------|--|-------------------------|----------------|
| Cash and cash equivalents | 7,742 | 545 | - | 1,218 | 639 | (207) | 9,937 |
| Investments | 217,868 | 5,260 | - | 107 | 2,017 | 110 | 225,362 |
| Investments in Lifeco, IGM and alternative asset investment platforms and other | 833 | 1,301 | - | 21,527 | - | (23,661) | - |
| Investments in jointly controlled corporations and associates | 367 | 3,070 | 3,717 | 3 | 1,392 | (397) | 8,152 |
| Assets held for sale | 4,467 | - | - | - | - | - | 4,467 |
| Other assets | 43,264 | 4,599 | - | 282 | 9,439 | (300) | 57,284 |
| Goodwill and intangible assets | 15,928 | 3,901 | - | 2 | 1,490 | (1) | 21,320 |
| Investments on account of segregated fund policyholders | 422,956 | - | - | - | - | - | 422,956 |
| Total assets ⁽¹⁾ | 713,425 | 18,676 | 3,717 | 23,139 | 14,977 | (24,456) | 749,478 |
| Insurance and investment contract liabilities | 233,307 | - | - | - | - | - | 233,307 |
| Liabilities held for sale | 2,407 | - | - | - | - | - | 2,407 |
| Obligation to securitization entities | - | 4,688 | - | - | - | - | 4,688 |
| Power Corporation's debentures and other debt instruments | - | - | - | 647 | - | - | 647 |
| Non-recourse debentures and other debt instruments | 9,046 | 2,400 | - | 250 | 3,017 | (88) | 14,625 |
| Other liabilities | 15,663 | 4,855 | - | 986 | 8,509 | (430) | 29,583 |
| Insurance and investment contracts on account of segregated fund policyholders | 422,956 | - | - | - | - | - | 422,956 |
| Total liabilities | 683,379 | 11,943 | - | 1,883 | 11,526 | (518) | 708,213 |

[1] Total assets of the Lifeco and IGM operating segments include the allocation of goodwill and certain consolidation adjustments.

NOTE 20 SEGMENTED INFORMATION (continued)

CONDENSED STATEMENTS OF CASH FLOWS

| Six months ended June 30, 2024 | Lifeco | IGM | Holding company | Alternative asset investment platforms and other | Effect of consolidation | Total |
|--|---------|-------|-----------------|--|-------------------------|---------|
| 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 year | 8,117 | 545 | 1,218 | 639 | (207) | 10,312 |
| Cash and cash equivalents, end of period | 8,582 | 454 | 1,540 | 607 | (293) | 10,890 |

| Six months ended June 30, 2023 ^[1] | Lifeco | IGM | Holding company | Alternative asset investment platforms and other | Effect of consolidation | Total |
|--|---------|---------|-----------------|--|-------------------------|---------|
| Operating activities | 2,552 | 378 | 745 | 15 | (791) | 2,899 |
| Financing activities | (2,260) | 486 | (886) | 820 | 707 | (1,133) |
| Investing activities | (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 year | 7,290 | 1,073 | 1,277 | 493 | (285) | 9,848 |
| Cash and cash equivalents from continuing and discontinued operations, end of period | 7,429 | 451 | 1,717 | 441 | (381) | 9,657 |
| Less: Cash and cash equivalents from discontinued operations, end of period | (258) | - | - | - | - | (258) |
| Cash and cash equivalents from continuing operations, end of period | 7,171 | 451 | 1,717 | 441 | (381) | 9,399 |

[1] The Corporation 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 Corporation.