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

MARCH 23, 2016

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

FORWARD-LOOKING STATEMENTS › Certain statements in this document, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation's public subsidiaries, reflect such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation and its subsidiaries and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, business competition, operational and reputational risks, technological change, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its most recent Management's Discussion and Analysis and its most recent Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedar.com.

Readers are reminded that a list of the abbreviations used throughout can be found on the inside front cover of this report. In addition, the following abbreviations are used in the Review of Financial Performance and in the Financial Statements and Notes thereto: Audited Consolidated Financial Statements of Power Corporation and Notes thereto for the year ended December 31, 2015 (the 2015 Consolidated Financial Statements or the Financial Statements); International Financial Reporting Standards (IFRS).

Overview

Power Corporation is a diversified international management and holding company with interests in companies in the financial services, communications and other business sectors. Its principal asset is a controlling interest in Power Financial, which in turn controls Lifeco and IGM. Power Financial also holds, together with the Frère Group, of Belgium, a controlling interest in Pargesa. Power Financial (TSX: PWF), Lifeco (TSX: GWO) and IGM (TSX: IGM) are public companies listed on the Toronto Stock Exchange. Pargesa is a public company listed on the Swiss Stock Exchange (SIX: PARG). As of March 23, 2016, Power Corporation held 65.6% of the equity and voting interests in Power Financial.

POWER FINANCIAL

Power Financial is a diversified management and holding company with operations in the financial services sector in Canada, the United States, Europe and Asia, through its controlling interests in Lifeco and IGM. Power Financial also holds, together with the Frère Group of Belgium, a controlling interest in Pargesa, a holding company which focuses on a limited number of significant and strategic core holdings, held through its subsidiary, GBL.

LIFECO

Lifeco is an international financial services holding company with subsidiaries offering life insurance, health insurance, retirement and investment services and engaged in the asset management and reinsurance businesses.

As at December 31, 2015, Power Financial and IGM held 67.4% and 4.0%, respectively, of Lifeco's common shares, representing approximately 65% of the voting rights attached to all outstanding Lifeco voting shares. Voting rights of a life insurance company are limited by law to 65%.

During 2015, Lifeco completed two acquisitions in its Europe segment. In the first quarter of 2015, Lifeco acquired the assets and liabilities associated with The Equitable Life Assurance Society's annuity business in the U.K. The transaction involved the initial reinsurance of approximately 31,000 policies with liabilities and supporting assets of approximately $1.6 billion. The initial reinsurance arrangement was effective January 1, 2015 and the ultimate transfer is expected to be completed in 2016, subject to final court approval. In the third quarter of 2015, Lifeco completed the acquisition of Legal & General International (Ireland) Limited (LGII), a provider of investment and wealth management solutions for high-net-worth individuals in the U.K.

IGM FINANCIAL

IGM is a financial services company which serves the financial needs of Canadians through its principal subsidiaries, each operating distinctly within the advice segment of the financial services market.

As at December 31, 2015, Power Financial and Great-West Life, a subsidiary of Lifeco, held 60.4% and 3.8%, respectively, of IGM's common shares. Power Financial's equity interest in IGM increased by 1.6% from 58.8% as at December 31, 2014 to 60.4% as at December 31, 2015, as a result of IGM's repurchases and subsequent cancellation of its common shares. Great-West Life's equity interest increased from 3.7% to 3.8% over the same period.

PARGESA AND GBL

Power Financial Europe B.V., a wholly owned subsidiary of Power Financial, and the Frère Group of Belgium each hold a 50% interest in Parjointco, which, as at December 31, 2015, held a 55.5% interest in Pargesa, representing 75.4% of the voting rights in that company.

Pargesa is a holding company, which at December 31, 2015, held a 50% interest in GBL, representing 52% of the voting rights in that company. GBL, a Belgian holding company, is listed on the Brussels Stock Exchange (EBR: GBLB).

As at December 31, 2015, GBL's portfolio was mainly comprised of investments in: Imerys – mineral-based specialty solutions for industry (EPA: NK); LafargeHolcim – cement, aggregates and concrete (SIX: HOLN and EPA: LHN); Total – oil, gas and alternative energies (EPA: FP); Pernod Ricard – wines and spirits (EPA: RI); SGS – testing, inspection and certification (SIX: SGSN); and Engie (formerly called GDF Suez) – electricity, natural gas, and energy and environmental services (EPA: GSZ).

On June 1, 2015, Holcim Ltd (Holcim) launched a public exchange offer for all the shares of Lafarge. The offer closed on July 3, 2015. Shares representing 87.46% of the share capital of Lafarge were tendered to the offer. Holcim and Lafarge announced on July 10, 2015, that they had completed their global merger and officially launched LafargeHolcim, whose shares are traded on the Swiss Exchange and on the Euronext in Paris. The exchange offer was subsequently reopened from July 15 to July 28, 2015, resulting in LafargeHolcim holding 96.4% of the share capital of Lafarge. In September 2015, LafargeHolcim implemented a "squeeze-out" procedure for the Lafarge shares not tendered to the public exchange offer, which closed on October 23, 2015. LafargeHolcim also distributed in September 2015 a post-closing stock dividend of one new LafargeHolcim share for 20 existing shares (with no impact on the earnings of GBL).

On June 30, 2015, in accordance with IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*, GBL classified its investment in Lafarge as held for sale. On July 10, 2015, GBL classified its resulting investment in LafargeHolcim as available for sale and consequently the investment was recorded at fair value. Accordingly, mark-to-market gains representing reversals of a portion of a previously recorded impairment charge were recorded by GBL (see "Other Items" below).

At December 31, 2015, GBL held a 9.4% economic and voting interest in LafargeHolcim and the LafargeHolcim share price was lower than the carrying value of the investment. Under IFRS, available-for-sale investments are marked to market and impairment charges are recorded if the loss is significant or prolonged. As these criteria were not present at December 31, 2015, GBL did not record an impairment charge on LafargeHolcim. The share price has continued to decline in 2016 and was €38.8 per share on March 11, 2016, a price where the above mentioned criteria are present. GBL has indicated, should the March 31, 2016 share price be the same as March 11, they would record a non-cash impairment charge of €1,584 million, of which the Corporation's share is approximately C$ 225 million.

In 2015, GBL disposed of a 0.5% equity interest in Total, which resulted in gains of SF225 million for Pargesa. As at December 31, 2015, GBL held a 2.4% equity interest in Total. In February 2016, GBL sold an additional 1% equity interest in Total, resulting in a gain to be recorded in the first quarter of 2016. Following this transaction, GBL held a 1.4% equity interest in Total.

WEALTHSIMPLE

In 2015, Power Financial, through a wholly owned subsidiary, invested in Wealthsimple, a technology-driven investment manager. Power Financial's investment amounted to $17 million at December 31, 2015. Subsequent to December 31, 2015, Power Financial made a second equity investment in Wealthsimple, bringing the total investment to date to $30 million, representing a 60.4% equity interest.

SAGARD INVESTMENT FUNDS

The Corporation has invested in equity investment funds in three geographies: Sagard Europe, Sagard Capital in the United States, and Sagard China. Each of the Sagard Investment Funds operates with separate dedicated teams. Power Corporation conducts its investment fund activities to: (i) leverage its extensive global network and business relationships; (ii) achieve long-term capital appreciation through fundamental investment analysis; and (iii) seek opportunities to increase its ownership in successful investments.

SAGARD EUROPE

The Corporation has invested in three funds in Europe: Sagard Private Equity Partners (Sagard 1), Sagard II (Sagard 2) and Sagard 3, which together are operated as Sagard Europe. Sagard Europe is managed by Sagard SAS, based in France, a wholly owned subsidiary of the Corporation. Pargesa and GBL have also invested in Sagard Europe's funds. Sagard Europe invests in mid-sized private companies based in France, Belgium, Luxembourg and Switzerland with the objective of exercising significant influence.

The Corporation does not have significant influence in respect of either Sagard 1 or Sagard 2, therefore the Corporation's interest in the portfolio investments of each of these two funds is accounted for as available-for-sale investments. However, the Corporation controls Sagard 3, and as such, Sagard 3's financial statements are consolidated with those of Power Corporation. Investments in companies that are controlled by Sagard 3 are consolidated with Sagard 3. At December 31, 2015, Sagard 3 held a controlling interest in Alvest (46.6% economic interest and 50.01% voting interest) and in Les Délices des 7 Vallées (59.5% economic and voting interest) (see "Other Subsidiaries" below).

Sagard Europe funds:

DECEMBER 31, 2015 [IN MILLIONS; IN CANADIAN DOLLARS EXCEPT AS OTHERWISE NOTED]	SAGARD 1	SAGARD 2	SAGARD 3
Fund size	€535	€748	€404
Corporation's commitment [1]	€100	€148	€201
Corporation's outstanding commitment at December 31, 2015 [1]	€3	€37	€92
Corporation's share of distributions to date	405	109	23
Fair value of the Corporation's share at December 31, 2015	11	94	152

[1] Excluding commitments of Pargesa (€37 million in Sagard 2), and GBL (€50 million in Sagard 1, €113 million in Sagard 2, and €200 million in Sagard 3).

At December 31, 2015, the fair value of the Corporation's investments in the Sagard Europe funds, excluding the Corporation's share of such investments held indirectly through Pargesa and GBL, and including the investments in Alvest and Les Délices des 7 Vallées, was $257 million compared with $153 million at December 31, 2014.

SAGARD CAPITAL

Sagard Capital Partners, L.P. (Sagard Capital) primarily invests in mid-cap public companies in the United States. Sagard Capital also holds a 97.3% interest in IntegraMed (see "Other Subsidiaries" below). At December 31, 2015, the fair value of Sagard Capital's investments, including cash and the investment in IntegraMed at fair value, was $951 million compared with $626 million at December 31, 2014.

SAGARD CHINA

Power Corporation invests as a Qualified Foreign Institutional Investor (QFII) in the Chinese "A" shares market. In addition, the Corporation has invested in Chinese companies listed on the Hong Kong Stock Exchange ("H" shares) and the Shenzhen or Shanghai Stock Exchange ("B" shares). Collectively, the Chinese "A", "B" and "H" share investment activities are herein called Sagard China. In the second quarter of 2015, the Corporation invested an incremental US$100 million in Sagard China ("B" and "H" shares).

DECEMBER 31	2015	2014
Fair value		
Investments		
Money market funds	350	–
Equities A, B and H	148	315
Cash	168	88
Total portfolio	666	403

OTHER SUBSIDIARIES

Other subsidiaries consist of Power Energy and SVCG as well as companies in which the Sagard Investment Funds own a controlling interest (Alvest, Les Délices des 7 Vallées and IntegraMed).

POWER ENERGY

Power Energy, a wholly owned subsidiary of the Corporation, holds two investments in companies that operate in the renewable energy sector:

- An interest of 62.9% as at December 31, 2015 in Potentia Solar, a rooftop solar power producer in Ontario;
- An indirect interest of 47.2% as at December 31, 2015 in Eagle Creek, a U.S.-based owner and operator of hydropower facilities.

In 2015, Power Energy invested $56 million and investments to date in these two companies total $174 million.

SQUARE VICTORIA COMMUNICATIONS GROUP

Square Victoria Communications Group is a wholly owned subsidiary of the Corporation which participates in the communications and media industry through its wholly owned subsidiaries.

Square Victoria Communications Group, through its subsidiary La Presse, publishes LaPresse+, a digital edition for iPad and Android tablets, and *La Presse*, a newspaper. It also operates the related website LaPresse.ca. On January 1, 2016, La Presse completed a significant component of its digital transition by ceasing to publish its paper edition from Monday to Friday. The Saturday edition continues to be available as a paper edition.

During 2015, La Presse also implemented a workforce reduction program coincident with the termination of the weekday print edition of *La Presse* and the adoption of a digital model (see "Other Items" below). On March 17, 2015, SVCG, through Gesca, sold its subsidiary that publishes six daily regional newspapers in the Province of Québec. In July 2015, SVCG sold its controlling interest in ByTheOwner Inc.

CONTROLLED PORTFOLIO INVESTMENTS

At December 31, 2015, the following Sagard funds held a controlling interest in three companies:

- 46.6% (50.01% voting interest) in Alvest, a global leader of airport ground support equipment and replacement parts distribution which is held through Sagard 3;
- 59.5% in Les Délices des 7 Vallées, a French supplier of premium frozen desserts which is held through Sagard 3; and
- 97.3% in IntegraMed, private healthcare services companies which are held through Sagard Capital.

OTHER INVESTMENTS

The Corporation holds a 10% interest in China AMC; at December 31, 2015, the fair value of this private investment was estimated to be $310 million. China AMC was established in 1998 and was one of the first asset management companies approved by the China Securities Regulatory Commission. It is recognized as a leader in the Chinese asset management sector.

In April 2015, the Corporation disposed of its 0.60% equity interest in CITIC (a public corporation whose shares are listed on the Hong Kong Stock Exchange), for proceeds of $363 million, representing a partial recovery of prior period impairment charges of $183 million (including a foreign currency gain of $41 million). A portion of these proceeds (US$100 million) was invested in Sagard China. The Corporation continues to pursue its China strategy through its investments in China AMC and in Sagard China.

Basis of Presentation

The 2015 Consolidated Financial Statements of the Corporation have been prepared in accordance with IFRS and are presented in Canadian dollars.

The financial statements of Power Financial are consolidated with those of the Corporation. Lifeco and IGM are controlled by Power Financial (itself controlled by the Corporation) and their financial statements are consolidated with those of Power Financial. Consolidated financial statements present, as a single economic entity, the assets, liabilities, revenues, expenses and cash flows of the parent company and its subsidiaries. The consolidated financial statements present the financial results of Power Corporation (parent), its subsidiaries, and other controlled entities after the elimination of intercompany balances and transactions.

Power Financial's investment in Pargesa is held through Parjointco. Parjointco is a holding company jointly controlled by Power Financial and the Frère Group. Parjointco's only investment is its interest in Pargesa. Power Financial's investment in Parjointco is accounted for using the equity method, in which:

- The investment is initially recognized at cost and adjusted thereafter for post-acquisition changes in Power Financial's share of Pargesa's net assets (shareholders' equity);
- Power Financial's net earnings or loss includes its share of Pargesa's net earnings or loss; and
- Power Financial's other comprehensive income includes its share of Pargesa's other comprehensive income.

Power Financial's investment in Wealthsimple is accounted for using the equity method.

The following table summarizes the accounting presentation for the Corporation's holdings:

CONTROL	BASIS OF ACCOUNTING	EARNINGS AND OTHER COMPREHENSIVE INCOME	IMPAIRMENT TESTING	IMPAIRMENT REVERSAL
Controlling interest in the entity	▪ Consolidation	▪ Consolidated with non-controlling interests	▪ Goodwill and indefinite life intangible assets are tested annually for impairment	▪ Impairment of goodwill cannot be reversed ▪ Impairment of intangible assets is reversed if there is evidence of recovery of value
Significant influence or joint control	▪ Equity method of accounting	▪ Corporation's share of earnings and other comprehensive income	▪ Entire investment is tested for impairment	▪ Reversed if there is evidence the investment has recovered its value
Non-controlled portfolio investments	▪ Available for sale (AFS)	▪ Earnings consist of dividends received and gains or losses on disposals ▪ The investments are marked to market through other comprehensive income ▪ Earnings are reduced by impairment charges, if any	▪ Impairment testing is done at the individual investment level ▪ A significant or prolonged decline in the value of the investment results in an impairment charge	▪ Cannot be reversed even if there is a subsequent recovery of value ▪ A share price decrease subsequent to an impairment leads to a further impairment

As at December 31, 2015, the Corporation's holdings were as follows:

HOLDINGS	% ECONOMIC INTEREST	BASIS OF ACCOUNTING	METHOD OF ACCOUNTING
Power Financial	65.6	Controlling interest	Consolidation
Lifeco[1]	67.4	Controlling interest	Consolidation
IGM[2]	60.4	Controlling interest	Consolidation
Pargesa[3]	27.8	Joint control	Equity method of accounting
Wealthsimple[4]	33.2	Significant influence	Equity method of accounting
Power Energy	100.0	Controlling interest	Consolidation
Potentia Solar	62.9	Controlling interest	Consolidation
Power Energy Eagle Creek	60.0	Controlling interest	Consolidation
Eagle Creek	47.2	Significant influence	Equity method of accounting
Square Victoria Communications Group	100.0	Controlling interest	Consolidation

[1] IGM also holds a 4.0% interest in Lifeco.

[2] Great-West Life also holds a 3.8% interest in IGM.

[3] Held through Parjointco, a jointly controlled corporation (50%).

[4] On February 4, 2016, Power Financial made an additional investment in Wealthsimple; the Corporation now holds a 60.4% equity interest.

As at December 31, 2015, Pargesa's holdings were as follows:

HOLDINGS	% ECONOMIC INTEREST	BASIS OF ACCOUNTING	METHOD OF ACCOUNTING
GBL	50.0	Controlling interest	Consolidation
Imerys	53.9	Controlling interest	Consolidation
LafargeHolcim[1]	9.4	Portfolio investment	Available for sale
Total	2.4	Portfolio investment	Available for sale
Pernod Ricard	7.5	Portfolio investment	Available for sale
SGS	15.0	Portfolio investment	Available for sale
Engie	2.3	Portfolio investment	Available for sale

[1] Until June 30, 2015, the investment in Lafarge, in which GBL had significant influence with an equity interest of 21.0%, was accounted for using the equity method. On June 30, 2015, the investment in Lafarge was classified as held for sale. Following the merger of Lafarge and Holcim on July 10, 2015, the investment in LafargeHolcim was classified as available for sale.

As at December 31, 2015, the holdings of the Sagard Investment Funds were as follows:

SAGARD INVESTMENT FUNDS	% ECONOMIC INTEREST	BASIS OF ACCOUNTING	METHOD OF ACCOUNTING
Sagard Europe			
Sagard 1	18.7	Portfolio investments	Available for sale
Sagard 2	19.8	Portfolio investments	Available for sale
Sagard 3	49.7	Controlling interest	Consolidation
Alvest	46.6	Controlling interest	Consolidation
Les Délices des 7 Vallées	59.5	Controlling interest	Consolidation
Other investments	10–15	Portfolio investments	Available for sale
Sagard Capital	100.0		
IntegraMed	97.3	Controlling interest	Consolidation
Other investments	1–20.5	Portfolio investments	Available for sale
Sagard China	100.0		
Various investments	less than 5	Portfolio investments	Available for sale

This summary of accounting presentation should be read in conjunction with the following notes to the Corporation's 2015 Consolidated Financial Statements:

- Basis of presentation and summary of significant accounting policies;
- Investments;
- Investments in jointly controlled corporations and associates;
- Goodwill and intangible assets; and
- Non-controlling interests.

NON-IFRS FINANCIAL MEASURES AND PRESENTATION

In analyzing the financial results of the Corporation and consistent with the presentation in previous periods, "Net earnings attributable to participating shareholders", presented in the section "Results of Power Corporation of Canada", are comprised of:

- **operating earnings** attributable to participating shareholders; and
- **other items** or **non-operating earnings**, which include the after-tax impact of any item that in management's judgment would make the period-over-period comparison of results from operations less meaningful. Other items include the Corporation's share of items presented as other items or non-operating earnings by a subsidiary or a jointly controlled corporation or associate.

Management uses these financial measures in its presentation and analysis of the financial performance of Power Corporation, and believes that they provide additional meaningful information to readers in their analysis of the results of the Corporation. Operating earnings, as defined by the Corporation, assist the reader in comparing the current period's results to those of previous periods as items that are not considered to be ongoing operating activities are excluded from this non-IFRS measure.

Operating earnings attributable to participating shareholders and operating earnings per share are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities. For a reconciliation of these non-IFRS measures to results reported in accordance with IFRS, see the "Results of Power Corporation of Canada – Earnings Summary – Condensed Supplementary Non-Consolidated Statements of Earnings" section below.

In this review of financial performance, a non-consolidated basis of presentation is also used by the Corporation to present and analyze its results, financial position and cash flows. In this basis of presentation, Power Corporation's interests in Power Financial and other subsidiaries are accounted for using the equity method. Presentation on a non-consolidated basis is a non-IFRS presentation. However, it is useful to the reader as it presents the holding company's (parent) results separately from the results of its operating subsidiaries. Reconciliations of the non-IFRS basis of presentation with the presentation in accordance with IFRS are included elsewhere in this review of financial performance.

Results of Power Corporation of Canada

EARNINGS SUMMARY — CONDENSED SUPPLEMENTARY NON-CONSOLIDATED STATEMENTS OF EARNINGS

The following table is a reconciliation of non-IFRS financial measures: operating earnings, non-operating earnings, operating earnings per share and non-operating earnings per share with financial measures presented in accordance with IFRS: net earnings and net earnings per share. In this section, the contributions from Power Financial and other subsidiaries, which represent most of the earnings of Power Corporation, are accounted for using the equity method.

TWELVE MONTHS ENDED DECEMBER 31	2015	2014
Operating earnings		
Power Financial	1,470	1,385
Other subsidiaries[1]	(66)	(79)
	1,404	1,306
Corporate operations		
Income from investments[2]	355	115
Operating and other expenses	(134)	(131)
Dividends on non-participating shares	(52)	(52)
Operating earnings (attributable to participating shareholders)	1,573	1,238
Other items (non-operating earnings)[3]		
Power Financial	51	20
Other subsidiaries[1]	(21)	17
Corporate operations	183	–
	213	37
Net earnings (attributable to participating shareholders)	1,786	1,275
Earnings per share (attributable to participating shareholders)		
Operating earnings	3.40	2.69
Non-operating earnings	0.46	0.08
Net earnings	3.86	2.77

[1] Other subsidiaries include controlled portfolio investments.

[2] Includes income from Sagard Investment Funds (excluding income from controlled portfolio investments) and from Other Investments.

[3] See "Other Items" below.

NET EARNINGS
(attributable to participating shareholders)

Net earnings attributable to participating shareholders for the twelve-month period ended December 31, 2015 were $1,786 million or $3.86 per share, compared with $1,275 million or $2.77 per share in the corresponding period in 2014, an increase of 39.4% on a per share basis.

A discussion on the results of the Corporation is provided in the sections "Contribution to operating earnings", "Corporate operations of Power Corporation", and "Other items" below.

OPERATING EARNINGS
(attributable to participating shareholders)

Operating earnings attributable to participating shareholders for the twelve-month period ended December 31, 2015 were $1,573 million or $3.40 per share, compared with $1,238 million or $2.69 per share in the corresponding period in 2014, an increase of 26.4% on a per share basis.

CONTRIBUTION TO OPERATING EARNINGS

Power Corporation's share of operating earnings from Power Financial and other subsidiaries increased by 7.5% for the twelve-month period ended December 31, 2015, compared with the same period in 2014, from $1,306 million to $1,404 million.

POWER FINANCIAL

Power Financial reported operating earnings attributable to common shareholders of $2,241 million or $3.14 per share for the twelve-month period ended December 31, 2015, compared with $2,105 million or $2.96 per share for the corresponding period in 2014.

Power Financial's operating earnings are summarized below:

TWELVE MONTHS ENDED DECEMBER 31	2015	2014
Contribution to operating earnings from:		
Lifeco	1,862	1,710
IGM	474	488
Pargesa	112	112
	2,448	2,310
Corporate operations of Power Financial	(77)	(73)
Dividends on perpetual preferred shares	(130)	(132)
Operating earnings (attributable to common shareholders)	2,241	2,105
Power Corporation's share	1,470	1,385

Power Financial's contribution to Power Corporation's operating earnings was $1,470 million for the twelve-month period ended December 31, 2015, compared with $1,385 million in the same period in 2014.

The reportable operating segments of Power Financial and Power Corporation are Lifeco, IGM and Pargesa.

LIFECO

Lifeco's contribution to Power Financial's operating earnings for the twelve-month period ended December 31, 2015, was $1,862 million, compared with $1,710 million for the corresponding period in 2014.

- Lifeco reported operating earnings attributable to Lifeco common shareholders of $2,762 million or $2.774 per share for the twelve-month period ended December 31, 2015, compared with $2,546 million or $2.549 per share in the corresponding period in 2014, an increase of 8.8% on a per share basis.
- Summary of Lifeco's operating segment results:

TWELVE MONTHS ENDED DECEMBER 31	2015	2014
CANADA		
Individual Insurance	307	395
Wealth Management	479	383
Group Insurance	432	422
Canada Corporate	(23)	28
	1,195	1,228
UNITED STATES		
Financial Services	384	382
Asset Management	32	(71)
U.S. Corporate	(7)	(5)
	409	306
EUROPE		
Insurance and Annuities	886	810
Reinsurance	313	265
Europe Corporate	(25)	(37)
	1,174	1,038
LIFECO CORPORATE	(16)	(26)
Operating earnings (attributable to Lifeco common shareholders)	2,762	2,546
Power Financial's share	1,862	1,710

For the twelve months ended December 31, 2015, Lifeco's operating earnings attributable to Lifeco common shareholders increased by 8.5% from the previous year, reflecting earnings growth in the Europe and U.S. segments.

Canada

Operating earnings for the twelve months ended December 31, 2015 were $1,195 million, compared to $1,228 million for the corresponding period in 2014. The results of 2014 included changes to actuarial standards related to economic reinvestment assumptions that positively impacted operating earnings in the twelve-month period ended December 31, 2014 that did not recur in 2015.

United States

Operating earnings for the twelve months ended December 31, 2015 were US$318 million (C$409 million), compared to US$274 million (C$306 million) for the corresponding period in 2014. This increase in the twelve-month period is primarily due to higher net investment income and the positive impact of an adjustment to certain income tax estimates of US$27 million, partially offset by lower fee income.

Europe

Operating earnings for the twelve months ended December 31, 2015 were $1,174 million, an increase of $136 million compared to the same period in 2014, primarily due to the impact of currency movements, higher contributions from insurance contract liability basis changes, and higher asset management fees, partially offset by lower contributions from investment experience.

IGM FINANCIAL

IGM's contribution to Power Financial's operating earnings was $474 million for the twelve-month period ended December 31, 2015, compared with $488 million for the corresponding period in 2014.

- IGM reported operating earnings available to IGM common shareholders of $796 million or $3.21 per share for the twelve-month period ended December 31, 2015, compared with $826 million or $3.27 per share in the corresponding period in 2014.
- Operating earnings before interest and taxes of IGM's segments (a non-IFRS measure) and operating earnings available to IGM common shareholders were as follows:

TWELVE MONTHS ENDED DECEMBER 31	2015	2014
Investors Group	761	777
Mackenzie	216	246
Corporate and other	140	133
Operating earnings (before interest, income taxes, preferred share dividends and other)	1,117	1,156
Interest expense, income taxes, preferred share dividends and other	(321)	(330)
Operating earnings (available to IGM common shareholders)	796	826
Power Financial's share	474	488

Investors Group

Operating earnings decreased in the twelve-month periods ended December 31, 2015, compared to the same period in 2014, due to higher expenses principally resulting from consultant network expansion, other business development efforts, pension expense, as well as the timing of certain expenditures, partially offset by higher revenue primarily due to higher assets under management.

Mackenzie

Operating earnings decreased in the twelve-month periods ended December 31, 2015, compared to the same period in 2014, due to a combination of lower total assets under management, as well as higher expenses related to the enhancement of future operating capabilities (systems and technology) and the investment in revenue-generating initiatives to further grow its business.

- Total assets under management were as follows:

[IN BILLIONS OF DOLLARS]	DECEMBER 31, 2015	SEPTEMBER 30, 2015	DECEMBER 31, 2014	SEPTEMBER 30, 2014
Investors Group	74.9	73.5	73.5	72.7
Mackenzie	61.7	60.3	70.9	70.0
Corporate and other [1]	(3.0)	(2.9)	(2.5)	(2.1)
Total	133.6	130.9	141.9	140.6

[1] Includes Investment Planning Counsel's assets under management less an adjustment for assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.

- Total average daily mutual fund assets under management were as follows:

[IN BILLIONS OF DOLLARS]	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1
Investors Group	75.3	75.4	76.8	75.5	72.5	73.1	71.5	69.3
Mackenzie	48.5	49.2	50.6	50.5	48.3	49.3	48.5	47.0
Corporate and other[1]	4.0	4.0	4.0	3.9	3.8	3.8	3.6	3.4
Total	127.8	128.6	131.4	129.9	124.6	126.2	123.6	119.7

[1] Includes Investment Planning Counsel's assets under management less an adjustment for assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.

PARGESA

Pargesa's contribution to Power Financial's operating earnings was $112 million for the twelve-month period ended December 31, 2015, same as in the corresponding period in 2014.

The components of Pargesa's operating earnings were:

TWELVE MONTHS ENDED DECEMBER 31 [IN MILLIONS OF SWISS FRANCS]	2015	2014
Contribution from principal holdings		
Share of earnings of:		
Imerys	102	113
Lafarge[1]	13	55
Dividends from:		
Total	85	97
SGS	37	40
Pernod Ricard	20	20
Engie	26	35
Suez Environnement	–	2
	283	362
Contribution from private equity activities and other investment funds	14	34
Net financing charges	34	(33)
Other operating income from holding company activities	10	6
General expenses and taxes	(33)	(30)
Operating earnings	308	339
Power Financial's share (in millions of Canadian dollars)	112	112

[1] Share of earnings of Lafarge until June 30, 2015.

Results for the twelve-month period ended December 31, 2015 reflect the impact of the euro's depreciation relative to the Swiss franc since the beginning of the year on GBL's contribution to Pargesa. GBL's functional currency is the euro and its contribution constitutes most of Pargesa's earnings. As there has not been a significant depreciation of the euro relative to the Canadian dollar in 2015, Power Financial's share of GBL's earnings in 2015 is the same as in 2014.

The average exchange rates for the twelve-month period ended December 31, 2015 were as follows:

	2015	2014	CHANGE %
Euro/SF	SF1.07	SF1.21	(12)
SF/CAD	C$1.33	C$1.21	10

Pargesa's operating earnings decreased in the twelve-month period ended December 31, 2015, mainly due to:

- As of July 1, 2015, the investment in Lafarge was no longer being accounted for using the equity method (see "Overview" above); the contribution from Lafarge in 2015 is therefore not comparable with the same period in 2014;
- A decrease in the contribution from private equity activities and other investment funds; and
- A decrease in the contribution from GBL to Pargesa's operating earnings due to the depreciation of the euro relative to the Swiss franc (see table above).

A significant portion of Pargesa's earnings consists of dividends received from:

- Total (regularly declared in the second, third and fourth quarters);
- SGS (regularly declared in the first quarter);
- Pernod Ricard (regularly declared in the second and fourth quarters); and
- Engie (regularly declared in the second and third quarters).

In addition to the effect of exchange rates discussed above, the changes in dividends received reflect the 0.5% decrease in GBL's equity interest in Total in 2015 and the decrease in the dividend declared by Engie.

Net financing charges include interest income and expenses and the result of the mark to market of derivative financial instruments. Net financing charges for the twelve-month period ended December 31, 2015 include Pargesa's share of:

- Net gains (losses) are related to call options embedded in bonds exchangeable for Suez Environnement shares and Engie shares and in bonds issued by GBL in 2013 which are convertible for GBL shares. GBL has issued in the past bonds exchangeable for Suez Environnement (issued in 2012 and now expired) and Engie (issued in 2013 and expiring in 2017) shares. Net gains for the twelve-month period ended December 31, 2015 recorded by GBL in the amount of SF56 million, compared to a loss of SF6 million in the corresponding period of 2014.

OTHER SUBSIDIARIES

The contribution from other subsidiaries to the Corporation's operating earnings was a loss of $66 million for the twelve-month period ended December 31, 2015, compared with a loss of $79 million in the corresponding period in 2014. Other subsidiaries' contribution includes a gain realized in the third quarter of $17 million by a controlled portfolio investment.

CORPORATE OPERATIONS OF POWER CORPORATION

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

INCOME FROM INVESTMENTS

Summary of income from investments:

TWELVE MONTHS ENDED DECEMBER 31	2015	2014
Sagard Investment Funds		
Sagard Europe[1]	31	29
Sagard Capital[2]	(29)	12
Sagard China	143	7
Other Investments		
Investment and hedge funds	119	43
China AMC	6	4
CITIC[3]	–	6
Other	85	14
	355	115

[1] Excludes the Corporation's share of the results of Alvest and Les Délices des 7 Vallées, presented in the section "Other subsidiaries".

[2] Excludes the Corporation's share of the results of IntegraMed, presented in the section "Other subsidiaries".

[3] The investment in CITIC was disposed of in April 2015.

In the twelve-month period ended December 31, 2015, Sagard Europe disposed of two investments. The Corporation received cash distributions of $62 million, representing gains of $36 million.

In 2015, Sagard Capital did not realize significant gains or losses on its portfolio. However, there was a significant increase in the fair value of the fund from $626 million to $951 million which is reflected in compensation expenses.

Sagard China contributed significantly to income from investments in the twelve-month period ended December 31, 2015. Sagard China invests in Chinese companies listed on the Hong Kong, the Shenzhen and the Shanghai Stock Exchanges. During the most recent twelve-month period ended December 31, 2015, markets in China were volatile and reached near record highs in June. As many of Sagard China's portfolio investments reached historically high valuations, investment gains of $143 million were realized on certain holdings over the period.

Income from investment and hedge funds for the twelve-month period ended December 31, 2015 was $119 million, representing distributions received from investment funds as well as gains on the disposition of two funds during the year.

Other income from investments for the twelve-month period ended December 31, 2015 included a gain of $46 million on the disposal of an investment in China in the second quarter of 2015. Other income from investments also included interest on cash and cash equivalents and foreign exchange gains for an amount of $40 million, compared with a gain of $14 million in the corresponding period in 2014.

Income from investments was net of impairment charges of $15 million in the twelve-month period ended December 31, 2015, the same as in the corresponding period in 2014.

Earnings from the Sagard Investment Funds, as well as from Other Investments, are volatile in nature as they depend on many factors, including the timing of disposals and distributions.

OPERATING AND OTHER EXPENSES

Operating and other expenses were $134 million for the twelve-month period ended December 31, 2015, compared with $131 million in the corresponding period in 2014.

OTHER ITEMS (non-operating earnings)

TWELVE MONTHS ENDED DECEMBER 31	2015	2014
Power Financial		
IGM		
Restructuring and other charges	(10)	(5)
Distribution to clients	–	(24)
Pargesa		
Total – Gain on partial disposal	38	45
Suez Environnement – Gain on exchange	2	11
LafargeHolcim – Mark-to-market gains and reversal of impairment charges related to the merger	58	–
Lafarge – Impairment and restructuring charges	(15)	–
Imerys – Impairment and restructuring charges	(17)	–
Other (charge) income	(5)	(7)
	51	20
Other subsidiaries	(21)	17
Corporate operations	183	–
	213	37

Other items in 2015 were mainly comprised of the following:

POWER FINANCIAL

The Corporation's share of:

FIRST QUARTER

- Total – Gain on partial disposal: GBL disposed of a 0.1% equity interest in Total for a gain of $6 million.
- Suez Environnement – Gain on exchange: a gain of $1 million, resulting from delivery of Suez Environnement shares pursuant to the exercise of exchange rights by certain holders of Suez Environnement's exchangeable bonds.

SECOND QUARTER

- Suez Environnement – Gain on exchange: a gain of $1 million, as described in the first quarter above.
- Lafarge – Impairment and restructuring charges: a charge of $15 million, representing non-operating items recorded by Lafarge, comprised of impairment charges and charges recorded in connection with the merger with Holcim.
- LafargeHolcim – Mark-to-market gains of $53 million representing the partial reversal of previous impairment charges recorded by GBL on its investment in Lafarge, resulting from its merger with Holcim.

THIRD QUARTER

- LafargeHolcim – Mark-to-market gains of $5 million as described in the second quarter above.

FOURTH QUARTER

- IGM – Restructuring and other charges: reflecting severance and payments to third parties related to exiting certain investment management activities and third-party back office relationships associated with Mackenzie and Investors Group, for an amount of $10 million.
- Total – Gain on partial disposal: GBL disposed of an additional 0.4% equity interest in Total for a gain of $32 million.
- Imerys – Impairment and restructuring charges: a charge of $17 million, representing non-operating items recorded by Imerys, comprised of the impairment charge on its Oilfield Solutions division and restructuring charges relating to the integration of S&B's activities (S&B is a global provider of mineral-based specialties).

OTHER SUBSIDIARIES

SECOND QUARTER

- SVCG – Impairment charges of $28 million, primarily on goodwill and deferred tax assets.

THIRD QUARTER

- SVCG – A net gain of $20 million on the disposals of its controlling interest in Bytheowner Inc. and interests in two other companies, net of restructuring charges recorded in connection with a workforce reduction (see "Overview" above).

FOURTH QUARTER

- SVCG – Impairment charge of $13 million on an investment in a jointly controlled corporation.

CORPORATE OPERATIONS

SECOND QUARTER

- CITIC – A partial recovery of prior-period impairment charges of $183 million on the disposal of the Corporation's interest in CITIC (see "Overview" above).

Other items in 2014 were mainly comprised of the following:

POWER FINANCIAL

The Corporation's share of:

FIRST QUARTER

- Total – Gain on partial disposal: GBL disposed of a 0.2% equity interest in Total for an amount of $17 million.

SECOND QUARTER

- IGM – Restructuring and other charges: primarily reflecting severance and other one-time costs associated with Mackenzie cost rationalization activities as well as senior management changes announced and implemented during the second quarter of 2014, for an amount of $5 million.
- Total – Gain on partial disposal: GBL disposed of an additional 0.2% equity interest in Total for an amount of $11 million.
- Suez Environnement – Gain on exchange: a gain of $11 million, resulting from the delivery of Suez Environnement shares pursuant to the exercise of exchange rights by certain holders of Suez Environnement's exchangeable bonds.

THIRD QUARTER

- Total – Gain on partial disposal: GBL disposed of an additional portion of its interest in Total for an amount of $1 million.

FOURTH QUARTER

- IGM – Distribution to clients: in the amount of $24 million. In the third quarter of 2012, Investors Group introduced investment solutions for clients with household account balances in excess of $500,000. At December 31, 2014, an accrual was recorded related to these lower-fee investment solutions. This amount primarily reflects distributions to clients who did not transfer to these lower-priced solutions when eligible.
- Total – Gain on partial disposal: GBL disposed of an additional 0.2% equity interest in Total for an amount of $16 million.

OTHER SUBSIDIARIES

SECOND QUARTER

- SVCG – Impairment charges of $25 million, primarily on certain investments and charges in connection with restructuring initiatives.

FOURTH QUARTER

- Power Energy – Attained control of Potentia Solar with its interest of 63%. A $50 million gain was recognized as a result, reflecting the Corporation's investment in Potentia Solar at its fair value.
- SVCG – Charges of $8 million in connection with restructuring.

Financial Position

CONSOLIDATED BALANCE SHEETS (condensed)

The condensed balance sheet of Lifeco, IGM and other subsidiaries, as well as Power Corporation's and Power Financial's non-consolidated balance sheets are presented below. This table reconciles the non-consolidated balance sheet, which is not in accordance with IFRS, with the condensed consolidated balance sheet of the Corporation as of December 31, 2015.

							POWER CORPORATION CONSOLIDATED BALANCE SHEETS	
	POWER CORPORATION	POWER FINANCIAL	LIFECO	IGM	OTHER SUBSIDIARIES	CONSOLIDATION ADJUSTMENTS [1]	DECEMBER 31, 2015	DECEMBER 31, 2014
ASSETS								
Cash and cash equivalents	831	870	2,813	983	258	(670)	5,085	4,431
Investments	1,966	55	158,133	7,443	157	482	168,236	153,192
Investments in subsidiaries at equity	11,435	16,631	358	904	134	(29,462)	–	–
Investment in Parjointco	–	2,610	–	–	–	–	2,610	2,440
Investments in jointly controlled corporations and associates	–	–	277	–	142	18	437	378
Funds held by ceding insurers	–	–	15,512	–	–	–	15,512	12,154
Reinsurance assets	–	–	5,131	–	–	–	5,131	5,151
Other assets	486	123	9,568	894	884	(271)	11,684	9,999
Intangible assets	–	–	4,036	1,947	318	–	6,301	5,753
Goodwill	–	–	5,913	2,660	459	637	9,669	9,317
Interest on account of segregated fund policyholders	–	–	198,194	–	–	–	198,194	174,966
Total assets	14,718	20,289	399,935	14,831	2,352	(29,266)	422,859	377,781
LIABILITIES								
Insurance and investment contract liabilities	–	–	160,672	–	–	–	160,672	146,055
Obligations to securitization entities	–	–	–	7,092	–	–	7,092	6,754
Debentures and other debt instruments	400	250	5,395	1,325	708	(43)	8,035	7,558
Other liabilities	290	489	10,414	1,566	811	(211)	13,359	10,963
Insurance and investment contracts on account of segregated fund policyholders	–	–	198,194	–	–	–	198,194	174,966
Total liabilities	690	739	374,675	9,983	1,519	(254)	387,352	346,296
EQUITY								
Non-participating shares	970	2,580	2,514	150	–	(5,244)	970	973
Participating shareholders' equity	13,058	16,970	19,940	4,698	697	(42,305)	13,058	11,008
Non-controlling interests [2, 3]	–	–	2,806	–	136	18,537	21,479	19,504
Total equity	14,028	19,550	25,260	4,848	833	(29,012)	35,507	31,485
Total liabilities and equity	14,718	20,289	399,935	14,831	2,352	(29,266)	422,859	377,781

[1] Consolidation adjustments include eliminations and reclassifications.

[2] Non-controlling interests for Lifeco includes the Participating Account surplus in subsidiaries.

[3] Non-controlling interests for consolidation adjustments represents non-controlling interests in the equity of Power Financial and Other subsidiaries.

Total assets of the Corporation increased to $422.9 billion at December 31, 2015, compared with $377.8 billion at December 31, 2014, mainly due to the following:

- Investments at December 31, 2015 were $168.2 billion, a $15.0 billion increase from December 31, 2014, primarily due to the impact of currency movements as the U.S. dollar and British pound strengthened against the Canadian dollar.
- Interest on account of segregated fund policyholders increased by $23.2 billion, primarily due to the impact of currency movements and the impact of the acquisition of Legal & General International (Ireland) Limited (LGII).
- Goodwill increased by $352 million, primarily related to Sagard 3's investment in Alvest and Les Délices des 7 Vallées (See Note 3 to the Corporation's 2015 Consolidated Financial Statements).

Liabilities increased to $387.4 billion at December 31, 2015, compared with $346.3 billion at December 31, 2014, mainly due to the following:

- Insurance and investment contract liabilities increased by $14.6 billion, primarily due to the strengthening of the U.S. dollar, euro and British pound against the Canadian dollar and Lifeco's acquisition of Equitable Life's annuity business and a block of investment contract liabilities in the form of structured settlements with fixed terms and amounts.

- Insurance and investment contract liabilities on account of segregated fund policyholders increased by $23.2 billion, primarily due to the impact of currency movements of $12.9 billion, the $5.5 billion impact of the acquisition of LGII, and the combined impact of market value gains and investment income of $4.7 billion, partially offset by net withdrawals of $0.3 billion.
- Debentures and other debt instruments increased by $477 million, primarily due to Sagard 3's investment in Alvest and Les Délices des 7 Vallées (see Note 3 to the Corporation's 2015 Consolidated Financial Statements).

NON-CONSOLIDATED BALANCE SHEETS

In the non-consolidated basis of presentation shown below, investments in subsidiaries are presented by the Corporation using the equity method. These non-consolidated balance sheets, which are not in accordance with IFRS, assist the reader by identifying changes in Power Corporation's non-consolidated balance sheets, which include its investments in subsidiaries at equity.

DECEMBER 31	2015	2014
ASSETS		
Cash and cash equivalents [1]	831	571
Investments	1,966	2,085
Investments in subsidiaries at equity [2]	11,435	9,634
Other assets	486	346
Total assets	14,718	12,636
LIABILITIES		
Debentures	400	400
Other liabilities	290	255
Total liabilities	690	655
EQUITY		
Non-participating shares	970	973
Participating shareholders' equity	13,058	11,008
Total equity	14,028	11,981
Total liabilities and equity	14,718	12,636

[1] In these non-consolidated balance sheets, cash equivalents include $191 million ($303 million at December 31, 2014) of fixed income securities with maturities of more than 90 days. In the 2015 Consolidated Financial Statements, this amount is classified in investments.

[2] Includes controlled portfolio investments.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents held by Power Corporation amounted to $831 million at December 31, 2015, compared with $571 million at the end of December 2014 (see "Non-consolidated Statements of Cash Flows" below for details).

INVESTMENTS

Investments amounted to $1,966 million at December 31, 2015, compared with $2,085 million at December 31, 2014. These investments, which are shown in the table below, are classified as available-for-sale investments.

	2015			2014		
DECEMBER 31	COST	UNREALIZED GAIN (LOSS)	FAIR VALUE	COST	UNREALIZED GAIN (LOSS)	FAIR VALUE
Sagard Investment Funds						
Sagard Europe [1]	154	40	194	127	26	153
Sagard Capital [2]	268	202	470	264	182	446
Sagard China [3]	462	36	498	195	122	317
Other Investments						
China AMC	282	28	310	282	28	310
CITIC [4]	–	–	–	180	131	311
Investment and hedge funds and other	281	213	494	343	205	548
Total [5]	1,447	519	1,966	1,391	694	2,085

[1] Including Sagard Europe's investment in Alvest and Les Délices des 7 Vallées at fair value (which are presented at equity in "Investments in Power Financial and Other subsidiaries" below), the fair value of Sagard Europe's portfolio at December 31, 2015 was $257 million ($153 million at December 31, 2014).

[2] Including cash and Sagard Capital's investment in IntegraMed at fair value (which is presented at equity in "Investments in Power Financial and Other subsidiaries" below), the fair value of Sagard Capital's portfolio at December 31, 2015 was $951 million ($626 million at December 31, 2014).

[3] Including cash, the fair value of Sagard China's portfolio at December 31, 2015 was $666 million ($403 million at December 31, 2014).

[4] The investment in CITIC was disposed of in April 2015.

[5] Total fair value includes $972 million of investments at December 31,2015 ($1,097 million at December 31, 2014) valued using quoted prices in active markets.

Power Corporation invests in private equity funds. At December 31, 2015, the fair value of these investments was $404 million and the Corporation had outstanding commitments to make future capital contributions to private equity funds for an aggregate amount of $161 million. The Corporation expects that future distributions from these funds will be sufficient to meet these outstanding commitments. The Corporation has also invested in a selected number of hedge funds and other investments. At December 31, 2015, the fair value of these investments in hedge funds and other investments was $90 million.

INVESTMENTS IN POWER FINANCIAL AND IN OTHER SUBSIDIARIES

The carrying value of Power Corporation's investments in Power Financial and in Other subsidiaries, at equity, increased to $11,435 million at December 31, 2015, compared with $9,634 million at December 31, 2014:

	POWER FINANCIAL	OTHER SUBSIDIARIES	TOTAL
Carrying value, at the beginning of the year	9,491	143	9,634
Investments in subsidiaries	–	193	193
Share of operating earnings	1,470	(66)	1,404
Share of other items	51	(21)	30
Share of other comprehensive income	886	104	990
Dividends	(697)	–	(697)
Other, mainly related to effects of change in ownership	(70)	(49)	(119)
Carrying value, at December 31, 2015	11,131	304	11,435

EQUITY

NON-PARTICIPATING SHARES

Non-participating (preferred) shares of the Corporation consist of six series of First Preferred Shares with an aggregate stated capital amount of $970 million as at December 31, 2015 ($973 million as at December 31, 2014), of which $950 million are non-cumulative. All series are perpetual preferred shares and are redeemable in whole or in part solely at the Corporation's option from specified dates. The First Preferred Shares, 1986 Series, have a stated value of $20 million ($23 million as at December 31, 2014).

PARTICIPATING SHAREHOLDERS' EQUITY

Participating shareholders' equity was $13,058 million at December 31, 2015, compared with $11,008 million at December 31, 2014:

TWELVE MONTHS ENDED DECEMBER 31	2015
Participating shareholders' equity, at the beginning of the year	11,008
Changes in retained earnings	
Net earnings	1,838
Dividends declared	(618)
Effects of changes in ownership in subsidiaries and other[1]	(119)
	1,101
Changes in reserves	
Other comprehensive income (loss)	
Foreign currency translation adjustments	1,062
Available-for-sale assets and cash flow hedges	(358)
Actuarial gains (losses) related to benefit plans	138
Share of Pargesa's and other associates' other comprehensive income	50
Share-based compensation	(6)
	886
Issuance of 1,568,362 subordinate voting shares under the Corporation's Executive Stock Option Plan[2]	63
Participating shareholders' equity at December 31	13,058

[1] Includes the reversal of actuarial losses as a result of the disposal of a subsidiary.

[2] Issued for $51 million and including an amount of $12 million representing the cumulative expenses related to these options.

The book value per participating share of the Corporation was $28.19 at December 31, 2015, compared with $23.85 at the end of 2014.

OUTSTANDING NUMBER OF PARTICIPATING SHARES

As of the date hereof, there were 48,854,772 Participating Preferred Shares of the Corporation outstanding, the same as at December 31, 2014, and 414,366,313 Subordinate Voting Shares of the Corporation outstanding, compared with 412,637,791 as at December 31, 2014. The increase in the number of outstanding Subordinate Voting Shares reflects the options exercised under the Corporation's Executive Stock Option Plan. As of the date hereof, options were outstanding to purchase up to an aggregate of 18,690,790 Subordinate Voting Shares of the Corporation under the Corporation's Executive Stock Option Plan.

The Corporation filed a short-form base shelf prospectus dated November 24, 2014, pursuant to which, for a period of 25 months thereafter, the Corporation may issue up to an aggregate of $2 billion of First Preferred Shares, Subordinate Voting Shares, subscription receipts and unsecured debt securities, or any combination thereof. This filing provides the Corporation with the flexibility to access debt and equity markets on a timely basis.

Cash Flows

CONSOLIDATED STATEMENTS OF CASH FLOWS (condensed)

The condensed cash flow of Lifeco, IGM and other subsidiaries, as well as Power Corporation's and Power Financial's non-consolidated cash flow, are presented below. This table reconciles the non-consolidated statement of cash flows, which is not in accordance with IFRS, to the condensed consolidated statement of cash flows of the Corporation for the twelve-month period ended December 31, 2015.

	POWER FINANCIAL								POWER CORPORATION CONSOLIDATED CASH FLOWS	
TWELVE MONTHS ENDED DECEMBER 31	POWER FINANCIAL	LIFECO	IGM	ELIMINATIONS	SUB-TOTAL	POWER CORPORATION	OTHER SUBSIDIARIES	CONSOLIDATION ADJUSTMENTS	2015	2014
Cash flow from:										
Operating activities	1,229	5,123	622	(1,278)	5,696	598	118	(785)	5,627	5,976
Financing activities	(1,127)	(1,683)	(420)	1,278	(1,952)	(569)	623	430	(1,468)	(1,023)
Investing activities	(18)	(3,424)	(435)	33	(3,844)	203	(667)	467	(3,841)	(5,388)
Effect of changes in exchange rates on cash and cash equivalents	–	299	–	–	299	28	9	–	336	99
Increase (decrease) in cash and cash equivalents	84	315	(233)	33	199	260	83	112	654	(336)
Cash and cash equivalents, at the beginning of the year	786	2,498	1,216	(511)	3,989	571	174	(303)	4,431	4,767
Cash and cash equivalents, at December 31	870	2,813	983	(478)	4,188	831	257	(191)	5,085	4,431

On a consolidated basis, cash and cash equivalents increased by $654 million in the twelve-month period ended December 31, 2015, compared with a decrease of $336 million in the corresponding period of 2014.

Operating activities produced a net inflow of $5,627 million in the twelve-month period ended December 31, 2015, compared with a net inflow of $5,976 million in the corresponding period of 2014.

Cash flows from financing activities, which include dividends paid on the participating and non-participating shares of the Corporation and dividends paid by subsidiaries to non-controlling interests, represented a net outflow of $1,468 million in the twelve-month period ended December 31, 2015, compared with a net outflow of $1,023 million in the corresponding period of 2014.

Cash flows from investing activities resulted in a net outflow of $3,841 million in the twelve-month period ended December 31, 2015, compared with a net outflow of $5,388 million in the corresponding period of 2014.

Financing and investing activities of Other subsidiaries mainly consist of amounts related to acquisitions of Controlled Portfolio Investments.

The Corporation decreased its level of fixed income securities with maturities of more than 90 days, resulting in a net inflow of $112 million in the twelve-month period ended December 31, 2015, compared with a net inflow of $81 million in the corresponding period of 2014.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

As Power Corporation is a holding company, corporate cash flows are primarily comprised of dividends received and income from investments, less operating expenses, financing charges, income taxes, and non-participating and participating share dividends. Dividends received from Power Financial, which is also a holding company, represent a significant component of the Corporation's corporate cash flows.

The following non-consolidated cash flows statement of the Corporation, which is not presented in accordance with IFRS, has been prepared to assist the reader as it isolates the cash flows of Power Corporation, the parent company.

TWELVE MONTHS ENDED DECEMBER 31	2015	2014
OPERATING ACTIVITIES		
Net earnings before dividends on non-participating shares	1,838	1,327
Adjusting items		
Earnings from subsidiaries not received in cash	(742)	(688)
Impairment charges	15	15
Net gains on disposal of investments	(531)	(125)
Other	18	31
	598	560
FINANCING ACTIVITIES		
Dividends paid on non-participating shares	(52)	(52)
Dividends paid on participating shares	(566)	(535)
Issuance of subordinate voting shares	51	32
Repurchase of non-participating shares	(2)	(3)
	(569)	(558)
INVESTING ACTIVITIES		
Proceeds from disposal of investments	1,103	421
Purchase of investments	(692)	(394)
Investment in subsidiaries	(193)	(100)
Other	(15)	(22)
	203	(95)
Effect of changes in exchange rates on cash and cash equivalents	28	20
Increase (decrease) in cash and cash equivalents	260	(73)
Cash and cash equivalents, at the beginning of the year	571	644
Cash and cash equivalents, at December 31	831	571

On a non-consolidated basis, cash and cash equivalents increased by $260 million in the twelve-month period ended December 31, 2015, compared with a decrease of $73 million in the corresponding period in 2014.

Operating activities produced a net inflow of $598 million in the twelve-month period ended December 31, 2015, compared with a net inflow of $560 million in the corresponding period in 2014.

- Power Corporation received dividends of $687 million from Power Financial in the twelve-month period ended December 31, 2015, compared with $655 million in the corresponding period of 2014. Dividends declared by Power Financial on its common shares during the twelve-month period ended December 31, 2015 were $1.49 per share, compared with $1.40 per share in the corresponding period of 2014.

The Corporation's financing activities during the twelve-month period ended December 31, 2015 were a net outflow of $569 million, compared with a net outflow of $558 million in the corresponding period in 2014, and included:

- Dividends paid on non-participating and participating shares by the Corporation of $618 million, compared with $587 million in the corresponding period of 2014. In the twelve-month period ended December 31, 2015, dividends declared on the Corporation's participating shares were $1.22 per share, compared with $1.16 per share in the corresponding period of 2014.
- Issuance of Subordinate Voting Shares of the Corporation for $51 million pursuant to the Corporation's Executive Stock Option Plan, compared with $32 million in the corresponding period of 2014.

The Corporation's investing activities during the twelve-month period ended December 31, 2015 represented a net inflow of $203 million, compared with a net outflow of $95 million in the corresponding period of 2014. Proceeds from disposal of investments and purchase of investments are comprised of investment activities of the Sagard Investment Funds and other investments.

Capital Management

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

- provide attractive long-term returns to shareholders of the Corporation;
- provide sufficient financial flexibility to pursue its growth strategy to invest on a timely basis in its operating companies and other investments as opportunities present; and
- maintain an appropriate credit rating to ensure stable access to the capital markets.

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

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

The Corporation holds positions in long-term investments as well as cash and fixed income securities for liquidity purposes. With the exception of debentures and other debt instruments the Corporation's capital is permanent, matching the long-term nature of its investments. The capital structure of the Corporation consists of non-participating shares, debentures, participating shareholders' equity, and non-controlling interests. The Corporation views non-participating shares as a permanent and cost-effective source of capital consistent with its strategy of maintaining a relatively low level of debt.

In the following table, consolidated capitalization reflects the consolidation of the Corporation's subsidiaries. The Corporation's consolidated capitalization includes the debentures and other debt instruments of its consolidated subsidiaries including those of its controlled portfolio investments. Debentures and other debt instruments of Other subsidiaries increased compared to December 31, 2014, following the acquisition of Alvest and Les Délices des 7 Vallées. Debentures and other debt instruments issued by Power Financial, Lifeco, IGM and Other subsidiaries are non-recourse to the Corporation. Non-participating shares and total equity account for 82% of consolidated capitalization at December 31, 2015.

DECEMBER 31	2015	2014
DEBENTURES AND OTHER DEBT INSTRUMENTS		
Power Corporation	400	400
Power Financial	250	250
Lifeco	5,395	5,355
IGM	1,325	1,325
Other subsidiaries [1]	708	271
Consolidating adjustments	(43)	(43)
	8,035	7,558
NON-PARTICIPATING SHARES		
Power Corporation	970	973
Power Financial	2,580	2,580
Lifeco	2,514	2,514
IGM	150	150
	6,214	6,217
EQUITY		
Participating shareholders' equity	13,058	11,008
Non-controlling interests [2]	16,235	14,260
	29,293	25,268
	43,542	39,043

[1] Other subsidiaries include controlled portfolio investments.

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

The Corporation is not subject to externally imposed regulatory capital requirements; however, Lifeco and certain of its main subsidiaries and IGM's subsidiaries are subject to regulatory capital requirements.

RATINGS

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

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

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

The "A" rating assigned to the Corporation's debentures by DBRS is the sixth highest of the 26 ratings used for long-term debt. A long-term debenture rated "A" implies that the capacity for the repayment is substantial, but of lesser credit quality than AA, and may be vulnerable to future events, although qualifying negative factors are considered manageable. On December 17, 2015, DBRS adopted a new Global Insurance Methodology and the Corporation's rating changed from "A (High)" to "A".

Risk Management

Power Corporation is a holding company whose principal asset is its controlling interest in Power Financial. Power Financial holds substantial interests in the financial services sector through its controlling interest in each of Lifeco and IGM. As a result, the Corporation bears the risks associated with being a significant shareholder of these operating companies. The respective boards of directors of Power Financial, Lifeco, IGM, Pargesa and GBL are responsible for the risk oversight function at their respective companies. The risk committee of the board of directors of Lifeco is responsible for its risk oversight, and the board of directors of IGM provides oversight and carries out its risk management mandate through various committees. Certain officers of the Corporation are members of these boards and committees of these boards and, consequently, in their role as directors, they participate in the risk oversight function at the operating companies.

The Corporation believes that a prudent approach to risk is achieved through a governance model that focuses on the active oversight of its investments. The Board of Directors of the Corporation has overall responsibility for operational risks associated with financial instruments and for monitoring management's implementation and maintenance of policies and controls to manage the risks associated with the Corporation's business as a holding company.

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

- The Audit Committee addresses risks related to financial reporting.
- The Compensation Committee considers risks associated with the Corporation's compensation policies and practices.
- The Governance and Nominating Committee oversees the Corporation's approach to appropriately address potential risks related to governance matters.
- The Related Party and Conduct Review Committee oversees the risks related to transactions with related parties of the Corporation.

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

OWNERSHIP OF COMMON AND PREFERRED SHARES

The share price of Power Corporation, Power Financial and its subsidiaries may be volatile and subject to fluctuations in response to numerous factors beyond Power Corporation's and such subsidiaries' control. Economic conditions may adversely affect Power Corporation and its subsidiaries, including fluctuations in foreign exchange, inflation and interest rates, as well as monetary policies, business investment and the health of capital markets in Canada, the United States, Europe and Asia. In recent years, financial markets have experienced significant price and volume fluctuations that have affected the market prices of equity securities held by the Corporation and its subsidiaries and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. These factors may cause decreases in asset values that are deemed to be significant or prolonged, which may result in impairment charges. In periods of increased levels of volatility and related market turmoil, Power Corporation subsidiaries' operations could be adversely impacted and the trading price of Power Corporation's securities may be adversely affected.

LAWS, RULES AND REGULATIONS

There are many laws, governmental rules and regulations and stock exchange rules that apply to the Corporation. Changes in these laws, rules and regulations, or their interpretation by governmental agencies or the courts, could have a significant effect on the business and the financial condition of the Corporation. The Corporation, in addition to complying with these laws, rules and regulations, must also monitor them closely so that changes therein are taken into account in the management of its activities.

FINANCIAL INSTRUMENTS RISK

Power Corporation has established policies, guidelines and procedures designed to identify, measure, monitor and mitigate material risks associated with financial instruments. The key risks related to financial instruments are liquidity risk, credit risk and market risk.

- Liquidity risk is the risk that the Corporation will not be able to meet all cash outflow obligations as they come due.
- Credit risk is the potential for financial loss to the Corporation if a counterparty in a transaction fails to meet its obligations.
- Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market factors. Market factors include three types of risks: currency risk, interest rate risk and equity price risk.
  - Currency risk relates to the Corporation operating in different currencies and converting non-Canadian 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 future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.
  - Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets.

LIQUIDITY RISK

As a holding company, Power Corporation's ability to meet its obligations, including payment of interest, other operating expenses and dividends, and to complete current or desirable future enhancement opportunities or acquisitions generally depends upon dividends from its principal subsidiaries and other investments, and its ability to raise additional capital. Dividends to shareholders of Power Corporation will be dependent on the operating performance, profitability, financial position and creditworthiness of the subsidiaries of Power Corporation and on their ability to pay dividends to Power Corporation. The ability of Power Financial to meet its obligations and pay dividends is dependent upon receipt of dividends from its subsidiaries. The payment of interest and dividends by Power Financial's principal subsidiaries is subject to restrictions set out in relevant corporate and insurance laws and regulations, which require that solvency and capital ratios be maintained.

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

Power Corporation's management of liquidity risk has not changed materially since December 31, 2014.

CREDIT RISK

Fixed income securities and derivatives are subject to credit risk. Power Corporation mitigates credit risk on its fixed income securities by adhering to an investment policy that establishes guidelines which provide exposure limits by defining admissible securities, minimum rating and concentration limits.

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

Derivatives continue to be utilized on a basis consistent with the risk management guidelines of Power Corporation and are monitored by the Corporation for effectiveness as economic hedges even if specific hedge accounting requirements are not met. Power Corporation regularly reviews the credit ratings of derivative financial instrument counterparties. Derivative contracts are over-the-counter with counterparties that are highly rated financial institutions.

Power Corporation's exposure to and management of credit risk related to cash and cash equivalents, fixed income securities and derivatives have not changed materially since December 31, 2014.

MARKET RISK

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

CURRENCY RISK

In managing its own cash and cash equivalents and fixed income securities, Power Corporation may hold cash balances denominated in foreign currencies and thus be exposed to fluctuations in exchange rates. In order to protect against such fluctuations, Power Corporation may from time to time enter into currency-hedging transactions with highly rated financial institutions. As at December 31, 2015, approximately 51% of the $831 million of Power Corporation's cash and cash equivalents and fixed income securities were denominated in Canadian dollars.

Most of Power Corporation's other investments are classified as available for sale. Therefore unrealized gains and losses on these investments, resulting from foreign exchange rate variations, are recorded in other comprehensive income until realized. As at December 31, 2015, the impact of a 5% decrease in foreign exchange rates would have been a $102 million unrealized loss recorded in other comprehensive income.

INTEREST RATE RISK

Power Corporation's financial instruments do not have significant exposure to interest rate risk.

EQUITY PRICE RISK

Power Corporation's other investments are classified as available for sale and therefore unrealized gains and losses on these investments are recorded in other comprehensive income until realized. Other investments are reviewed periodically to determine whether there is objective evidence of an impairment in value.

As at December 31, 2015, the impact of a 5% decrease in the value of other investments would have been a $93 million unrealized loss recorded in other comprehensive income.

Power Corporation's management of financial instruments risk has not changed materially since December 31, 2014. For a further discussion of Power Corporation's financial instruments risk management, refer to Note 21 to the Corporation's 2015 Consolidated Financial Statements. Power Financial's, Lifeco's and IGM's management of financial instruments risk have not changed materially since December 31, 2014.

Financial Instruments

FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments held by the Corporation and its subsidiaries include investments, derivative financial instruments, debentures and other debt instruments, investment contract liabilities and certain other assets and liabilities.

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

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

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

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

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

		2015		2014
AS AT DECEMBER 31	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
FINANCIAL ASSETS				
Financial assets recorded at fair value				
Bonds				
Fair value through profit or loss	86,460	86,460	79,957	79,957
Available for sale	12,205	12,205	10,804	10,804
Mortgage loans				
Fair value through profit or loss	384	384	366	366
Shares				
Fair value through profit or loss	6,692	6,692	6,698	6,698
Available for sale	2,096	2,096	2,106	2,106
Investment properties	5,237	5,237	4,613	4,613
Derivative instruments	520	520	693	693
Other assets	599	599	421	421
	114,193	114,193	105,658	105,658
Financial assets recorded at amortized cost				
Bonds				
Loans and receivables	16,905	18,253	13,178	14,659
Mortgage loans				
Loans and receivables	29,029	30,712	27,199	29,016
Shares				
Available for sale[1]	534	534	560	560
	46,468	49,499	40,937	44,235
Total financial assets	160,661	163,692	146,595	149,893
FINANCIAL LIABILITIES				
Financial liabilities recorded at fair value				
Investment contract liabilities	2,180	2,180	857	857
Derivative instruments	2,689	2,689	1,228	1,228
Other liabilities	4	4	16	16
	4,873	4,873	2,101	2,101
Financial liabilities recorded at amortized cost				
Obligations to securitization entities	7,092	7,272	6,754	6,859
Debentures and other debt instruments	8,035	9,222	7,558	8,878
Capital trust debentures	161	215	162	220
Deposits and certificates	310	312	223	225
	15,598	17,021	14,697	16,182
Total financial liabilities	20,471	21,894	16,798	18,283

[1] Fair value of certain shares available for sale cannot be reliably measured, therefore these investments are recorded at cost.

Refer to Note 26 to the Corporation's 2015 Consolidated Financial Statements for additional disclosure of the Corporation's fair value measurement of financial instruments at December 31, 2015.

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

There were no major changes to the Corporation and its subsidiaries' policies and procedures with respect to the use of derivative instruments in the twelve-month period ended December 31, 2015. The following table provides a summary of the Corporation and its subsidiaries' derivatives portfolio:

			2015			2014
DECEMBER 31	NOTIONAL	MAXIMUM CREDIT RISK	TOTAL FAIR VALUE	NOTIONAL	MAXIMUM CREDIT RISK	TOTAL FAIR VALUE
Power Corporation	43	–	(5)	43	–	(2)
Power Financial	11	1	1	8	1	1
Lifeco	16,712	461	(2,163)	15,460	652	(543)
IGM	2,702	58	–	2,621	40	10
Other subsidiaries	138	–	(2)	29	–	(1)
	19,606	520	(2,169)	18,161	693	(535)

During the twelve-month period ended December 31, 2015, there was an increase of $1.4 billion in the notional amount outstanding and a decrease in the maximum credit risk that represents the market value of those instruments, which are in a gain position, primarily as a result of regular hedging activities.

See Note 25 to the Corporation's 2015 Consolidated Financial Statements for additional information.

Off-Balance Sheet Arrangements

GUARANTEES

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

LETTERS OF CREDIT

In the normal course of Lifeco's reinsurance business, Lifeco provides letters of credit to other parties or beneficiaries. A beneficiary will typically hold a letter of credit as collateral in order to secure statutory credit for insurance and investment contract liabilities ceded to or amounts due from Lifeco. Lifeco may be required to seek collateral alternatives if it is unable to renew existing letters of credit on maturity. (See also Note 31 to the Corporation's 2015 Consolidated Financial Statements.)

Contingent Liabilities

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

Commitments and Contractual Obligations

PAYMENTS DUE BY PERIOD	LESS THAN 1 YEAR	1–5 YEARS	MORE THAN 5 YEARS	TOTAL
Debentures and other debt instruments[1]	533	2,056	5,495	8,084
Capital trust debentures	–	–	150	150
Deposits and certificates	299	8	3	310
Obligations to securitization entities	1,235	5,799	58	7,092
Operating leases[2]	182	465	218	865
Purchase obligations[3]	85	135	7	227
Pension contributions[4]	248	–	–	248
Contractual commitments[5, 6]				587
Total				17,563
Power Corporation[6, 7]	4	253	152	793
Power Financial	6	3	251	260
Lifeco	1,069	1,414	4,183	6,666
IGM	1,587	6,406	857	8,850
Other subsidiaries	119	387	488	994
Total				17,563

[1] Please refer to Note 14 to the Corporation's 2015 Consolidated Financial Statements for further information.

[2] Includes office space and equipment used in the normal course of business. Lease payments are charged to operations over the period of use. Subsequent to year-end, Lifeco's subsidiaries signed an office lease for 15 years commencing in 2018, for an additional commitment of $271 million over the period of the lease.

[3] Purchase obligations are commitments of Lifeco to acquire goods and services, primarily related to information services.

[4] Pension contributions include post-retirement benefits and are subject to change, as contribution decisions are affected by many factors including market performance, regulatory requirements and management's ability to change funding policy. Funding estimates beyond one year are excluded due to variability on the assumptions required to project the timing of future contributions.

[5] Includes $203 million of commitments by Lifeco. These contractual commitments are essentially commitments to investment transactions made in the normal course of operations, in accordance with its policies and guidelines, which are to be disbursed upon fulfilment of certain contract conditions.

[6] Includes $384 million of outstanding commitments from the Corporation to make future capital contributions to investment funds; the exact amount and timing of each capital contribution cannot be determined.

[7] Includes debentures of the Corporation of $400 million.

Income Taxes (Non-Consolidated Basis)

The Corporation had, at December 31, 2015, non-capital losses of $178 million available to reduce future taxable income (including capital gains). These losses expire from 2026 to 2035.

Transactions with Related Parties

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

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

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

IGM enters into transactions with subsidiaries of Lifeco. These transactions are in the normal course of operations and include (i) providing certain administrative services, (ii) distributing insurance products and (iii) the sale of residential mortgages to Great-West Life and London Life. These transactions are at market terms and conditions.

See Note 29 to the Corporation's 2015 Consolidated Financial Statements for more information.

Summary of Critical Accounting Estimates and Judgments

In the preparation of the financial statements, management of the Corporation and the managements of its subsidiaries are required to make estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings and related disclosures. Key sources of estimation uncertainty and areas where significant judgments made by the management of the Corporation and the managements of its subsidiaries are: the entities to be consolidated, insurance and investment contract liabilities, fair value measurements, investment impairment, goodwill and intangible assets (including deferred selling commissions), income taxes and employee future benefits. These are described in the notes to the Corporation's 2015 Consolidated Financial Statements.

CONSOLIDATION

Management of the Corporation consolidates all subsidiaries and entities in which it has determined that the Corporation has control. Control is evaluated according to the ability of the Corporation to direct the activities of the subsidiary or other structured entity in order to derive variable returns. Management of the Corporation and each of its subsidiaries exercise judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Corporation and its subsidiaries have the ability to exercise the power to generate variable returns.

INSURANCE AND INVESTMENT CONTRACT LIABILITIES

Insurance and investment contract liabilities represent the amounts required, in addition to future premiums and investment income, to provide for future benefit payments, policyholder dividends, commission and policy administrative expenses for all insurance and annuity policies in force with Lifeco. The Appointed Actuaries of Lifeco's subsidiaries are responsible for determining the amount of the liabilities to make appropriate provisions for Lifeco's obligations to policyholders. The Appointed Actuaries determine the insurance and investment contract liabilities using generally accepted actuarial practices, according to the standards established by the Canadian Institute of Actuaries. The valuation of insurance contracts uses the Canadian Asset Liability Method (CALM). This method involves the projection of future events in order to determine the amount of assets that must be set aside currently to provide for all future obligations and involves a significant amount of judgment.

In the computation of insurance contract liabilities, valuation assumptions have been made regarding rates of mortality and morbidity, investment returns, levels of operating expenses, rates of policy termination and rates of utilization of elective policy options or provisions. The valuation assumptions use best estimates of future experience together with a margin for adverse deviation. These margins are necessary to provide for possibilities of misestimation and/or future deterioration in the best estimate assumptions and provide reasonable assurance that insurance contract liabilities cover a range of possible outcomes. Margins are reviewed periodically for continued appropriateness.

Investment contract liabilities are measured at fair value determined using discounted cash flows utilizing the yield curves of financial instruments with similar cash flow characteristics.

Additional details regarding these estimates can be found in Note 12 to the Corporation's 2015 Consolidated Financial Statements.

FAIR VALUE MEASUREMENT

The carrying values of financial assets necessarily reflect the prevailing market liquidity and the liquidity premiums embedded in the market pricing methods that the Corporation and its subsidiaries rely upon.

Fair value movement on the assets supporting insurance contract liabilities is a major factor in the movement of insurance contract liabilities. Changes in the fair value of bonds designated or classified as fair value through profit or loss that support insurance contract liabilities are largely offset by corresponding changes in the fair value of liabilities, except when the bond has been deemed impaired.

The following is a description of the methodologies used to determine fair value.

BONDS AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE FOR SALE

Fair values for bonds recorded at fair value through profit or loss or available for sale are determined with reference to quoted market bid prices primarily provided by third-party independent pricing sources. The Corporation and its subsidiaries maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Corporation and its subsidiaries obtain quoted prices in active markets, when available, for identical assets at the balance sheet dates to measure bonds at fair value in its fair value through profit or loss and available-for-sale portfolios. Where prices are not quoted in a normally active market, fair values are determined by valuation models.

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

SHARES AT FAIR VALUE THROUGH PROFIT OR LOSS AND AVAILABLE FOR SALE

Fair values for publicly traded shares are generally determined by the last bid price for the security from the exchange where it is principally traded. Fair values for shares for which there is no active market are determined by discounting expected future cash flows. The Corporation and its subsidiaries maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Corporation and its subsidiaries obtain quoted prices in active markets, when available, for identical assets at the balance sheet dates to measure shares at fair value in its fair value through profit or loss and available-for-sale portfolios.

MORTGAGE LOANS AND BONDS CLASSIFIED AS LOANS AND RECEIVABLES

The fair values disclosed for bonds and mortgage loans classified as loans and receivables are determined by discounting expected future cash flows using current market rates. Valuation inputs typically include benchmark yields and risk-adjusted spreads based on current lending activities and market activity.

INVESTMENT PROPERTIES

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

INVESTMENT IMPAIRMENT

Investments are reviewed regularly on an individual basis at the end of each reporting period to determine whether there is any objective evidence that the investment is impaired. The Corporation and its subsidiaries consider various factors in the impairment evaluation process, including, but not limited to, the financial condition of the issuer, specific adverse conditions affecting an industry or region, decline in fair value not related to interest rates, bankruptcy or defaults, and delinquency in payments of interest or principal.

Investments are deemed to be impaired when there is no longer reasonable assurance of collection. The fair value of an investment is not a definitive indicator of impairment, as it may be significantly influenced by other factors, including the remaining term to maturity and liquidity of the asset. However, market price is taken into consideration when evaluating impairment.

For impaired mortgage loans, and bonds classified as loans and receivables, provisions are established or impairments recorded to adjust the carrying value to the net realizable amount. Wherever possible the fair value of collateral underlying the loans or observable market price is used to establish net realizable value. For impaired available-for-sale bonds, the accumulated loss recorded in other comprehensive income is reclassified to net investment income. Impairments on available-for-sale debt instruments are reversed if there is objective evidence that a permanent recovery has occurred. As well, when determined to be impaired, interest is no longer accrued and previous interest accruals are reversed.

Impairment losses on available-for-sale shares are recorded if the loss is significant or prolonged and subsequent losses are recorded in net earnings.

GOODWILL AND INDEFINITE LIFE INTANGIBLES IMPAIRMENT TESTING

Goodwill and indefinite life intangible assets are tested for impairment annually or more frequently if events indicate that impairment may have occurred. Indefinite life intangible assets that were previously impaired are reviewed at each reporting date for evidence of reversal.

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

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

DEFERRED SELLING COMMISSIONS

Commissions paid by IGM on the sale of certain mutual fund products are deferred and amortized over a maximum period of seven years. IGM regularly reviews the carrying value of deferred selling commissions with respect to any events or circumstances that indicate impairment. Among the tests performed by IGM to assess recoverability is the comparison of the future economic benefits derived from the deferred selling commission asset in relation to its carrying value. At December 31, 2015, there were no indications of impairment to deferred selling commissions.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

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

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

- The Corporation and its subsidiaries determine the net interest component of the pension expense for the period by applying the discount rate used to measure the accrued benefit liability at the beginning of the annual period to the net accrued benefit liability. The discount rate used to value liabilities is determined using a yield curve of AA corporate debt securities.
- If the plan benefits are changed, or a plan is curtailed, any past service costs or curtailment gains or losses are recognized immediately in net earnings.
- Net interest costs, current service costs, past service costs and curtailment gains or losses are included in operating and administrative expenses.
- Remeasurements arising from defined benefit plans represent actuarial gains and losses, and the actual return on plan assets, less interest calculated at the discount rate and changes in the asset ceiling. Remeasurements are recognized immediately through other comprehensive income and are not reclassified to net earnings.
- The accrued benefit asset (liability) represents the plan surplus (deficit).
- Payments to the defined contribution plans are expensed as incurred.

INCOME TAXES

CURRENT INCOME TAX

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

A provision for tax uncertainties which meets the probable threshold for recognition is measured based on the probability weighted average approach.

DEFERRED INCOME TAX

Deferred income tax is the tax expected to be payable or recoverable on differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income and on unused tax attributes, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and unused tax attributes can be utilized.

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

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

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

Changes in Accounting Policies

There were no changes to the Corporation's accounting policies for the year ended December 31, 2015.

Future Accounting Changes

The Corporation and its subsidiaries continuously monitor the potential changes proposed by the International Accounting Standards Board (IASB) and analyze the effect that changes in the standards may have on their consolidated financial statements when they become effective.

IFRS 4 – INSURANCE CONTRACTS

In June 2013, the IASB issued a revised IFRS 4, *Insurance Contracts* exposure draft proposing changes to the accounting standard for insurance contracts. The IASB continues to deliberate the proposals in this exposure draft. The proposed standard differs significantly from Lifeco's current accounting and actuarial practices under the Canadian Asset Liability Method (CALM) and is expected to produce more volatile financial results.

Lifeco has disclosed that it is actively monitoring developments in this area and that it will continue to measure insurance contract liabilities under current accounting and actuarial policies, including CALM, until a new IFRS for insurance contract measurement is issued and effective.

IFRS 9 — FINANCIAL INSTRUMENTS

The IASB issued IFRS 9, *Financial Instruments*, which replaces IAS 39, *Financial Instruments: Recognition and Measurement*, the current standard for accounting for financial instruments. The standard was completed in three separate phases:

- Classification and measurement: this phase requires that financial assets be classified at either amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.
- Impairment methodology: this phase replaces the current incurred loss model for impairment of financial assets with an expected loss model.
- Hedge accounting: this phase replaces the current rule-based hedge accounting requirements in IAS 39 with guidance that more closely aligns the accounting with an entity's risk management activities.

In December 2015, the IASB published an exposure draft with proposed amendments to IFRS 4, *Insurance Contracts* to alleviate the temporary consequences of the different effective dates with IFRS 9. Companies whose business model is to predominantly issue insurance contracts are allowed the option to defer the effective date of IFRS 9 until the earliest of the mandatory effective date of IFRS 4 or January 1, 2021. For companies that do not issue insurance contracts, the effective date of January 1, 2018 should remain. The Corporation and its subsidiaries are evaluating the impact of the adoption of this standard.

IFRS 15 — REVENUE FROM CONTRACTS WITH CUSTOMERS

The IASB issued IFRS 15, *Revenue from Contracts with Customers*, which provides a single model for entities to use in accounting for revenue arising from contracts with customers. The model requires an entity to recognize revenue as the goods or services are transferred to customers in an amount that reflects the expected consideration. The revenue recognition requirements in IFRS 15 do not apply to the revenue arising from insurance contracts, leases and financial instruments.

The standard will be effective January 1, 2018. The Corporation and its subsidiaries are evaluating the impact of the adoption of this standard.

IFRS 16 — LEASES

In January 2016, the IASB issued IFRS 16, *Leases*, which requires a lessee to recognize a right-of-use asset representing its right to use the underlying leased asset and a corresponding lease liability representing its obligation to make lease payments for all leases. A lessee recognizes the related expense as depreciation on the right-of-use asset and interest on the lease liability. Short-term (less than 12 months) and low-value asset leases are exempt from these requirements.

The standard will be effective January 1, 2019. The Corporation and its subsidiaries are evaluating the impact of the adoption of this standard.

Disclosure Controls and Procedures

Based on their evaluations as at December 31, 2015, the Co-Chief Executive Officers and Chief Financial Officer have concluded that the Corporation's disclosure controls and procedures were effective as at December 31, 2015.

Internal Control Over Financial Reporting

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

The Corporation's management, under the supervision of the Co-Chief Executive Officers and the Chief Financial Officer, has evaluated the effectiveness of the Corporation's internal control over financial reporting as at December 31, 2015, based on the Internal Control – Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, the Co-Chief Executive Officers and the Chief Financial Officer have concluded that the Corporation's internal control over financial reporting was effective as at December 31, 2015.

There have been no changes in the Corporation's internal control over financial reporting during the year ended December 31, 2015 which have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Selected Annual Information

FOR THE YEARS ENDED DECEMBER 31	2015	2014	2013
Total revenue	38,265	42,629	29,642
Operating earnings (attributable to participating shareholders) [1]	1,573	1,238	959
per share – basic	3.40	2.69	2.08
Net earnings (attributable to participating shareholders)	1,786	1,275	977
per share – basic	3.86	2.77	2.12
per share – diluted	3.84	2.75	2.08
Consolidated assets	422,859	377,781	344,976
Total financial liabilities	23,703	19,514	18,060
Debentures and other debt instruments	8,035	7,558	7,767
Shareholders' equity	14,028	11,981	10,974
Book value per participating share	28.19	23.85	21.72
Number of participating shares outstanding [millions]			
Participating preferred shares	48.9	48.9	48.9
Subordinate voting shares	414.4	412.6	411.4
Dividends per share [declared]			
Participating shares	1.2238	1.1600	1.1600
First preferred shares			
1986 Series [2]	0.9862	1.0500	1.0500
Series A	1.4000	1.4000	1.4000
Series B	1.3375	1.3375	1.3375
Series C	1.4500	1.4500	1.4500
Series D	1.2500	1.2500	1.2500
Series G	1.4000	1.4000	1.4000

[1] Operating earnings and operating earnings per share are non-IFRS financial measures. For a definition of these non-IFRS financial measures, please refer to the "Basis of Presentation – Non-IFRS Financial Measures and Presentation" section of this review of financial performance.

[2] The 1986 Series First Preferred Shares are entitled to a quarterly cumulative dividend at a floating rate equal to one quarter of 70% of the average prime rates quoted by two major Canadian chartered banks.