NOTE 31 COMMITMENTS AND GUARANTEES

GUARANTEES

In the normal course of operations, the Corporation and its subsidiaries execute agreements that provide for indemnifications to third parties in transactions such as business dispositions, business acquisitions, loans and securitization transactions. The Corporation and its subsidiaries have also agreed to indemnify their directors and certain of their officers. The nature of these agreements precludes the possibility of making a reasonable estimate of the maximum potential amount the Corporation and its subsidiaries could be required to pay third parties as the agreements often do not specify a maximum amount and the amounts are dependent on the outcome of future contingent events, the nature and likelihood of which cannot be determined. Historically, the Corporation has not made any payments under such indemnification agreements. No amounts have been accrued related to these agreements.

LETTERS OF CREDIT

Letters of credit are written commitments provided by a bank. For Lifeco, the total amount of letter of credit facilities is US$3.0 billion, of which US$2.6 billion were issued as of December 31, 2014.

The Reinsurance operation periodically uses letters of credit as collateral under certain reinsurance contracts for on-balance sheet policy liabilities.

INVESTMENT COMMITMENTS

With respect to Lifeco, commitments of investment transactions made in the normal course of operations in accordance with policies and guidelines and that are to be disbursed upon fulfilment of certain contract conditions were $591 million as at December 31, 2014 ($466 million as at December 31, 2013). At December 31, 2014, the full amount of $591 million will mature within 1 year (at December 31, 2013, $466 million was to mature within 1 year).

INVESTED ASSETS ON DEPOSIT FOR REINSURANCE AGREEMENTS

As at December 31, 2014, Lifeco has $598 million ($582 million at December 31, 2013) of invested assets maintained on deposit in respect of certain reinsurance agreements. Lifeco retains all rights to the cash flows on these assets, however, the investment policies for these assets are governed by the terms of the reinsurance agreements.

COMMITMENTS

The Corporation and its subsidiaries enter into operating leases for office space and certain equipment used in the normal course of operations. Lease payments are charged to operations over the period of use. The future minimum lease payments in aggregate and by year are as follows:

	2015	2016	2017	2018	2019	2020 AND THEREAFTER	TOTAL
Future lease payments	165	146	123	98	61	120	713

NOTE 32 SEGMENTED INFORMATION

The Corporation's reportable operating segments are Lifeco, IGM Financial and Parjointco. These reportable segments reflect Power Financial's management structure and internal financial reporting. The following provides a brief description of the three reportable operating segments:

> Lifeco is a financial service holding company with subsidiaries offering life insurance, health insurance, retirement and investment management services and engaged in the asset management and reinsurance businesses primarily in Canada, the United States and Europe.

> IGM Financial is a financial services company operating in Canada primarily within the advice segment of the financial services market. IGM earns revenues from a range of sources, but primarily from management fees, which are charged to its mutual funds for investment advisory and management services. IGM also earns revenues from fees charged to its mutual funds for administrative services.

> Parjointco holds the Corporation's interest in Pargesa, a holding company with diversified interests in Europe-based companies active in various sectors: minerals-based specialties for industry; cement, aggregates and concrete; oil, gas and alternative energies; testing, inspection and certification, wines and spirits; electricity, natural gas, and energy and environmental services; and water and waste management services.

The Corporate column is comprised of corporate activities of Power Financial and also includes consolidation elimination entries.

The accounting policies of the operating segments are those described in Note 2 – Basis of Presentation and Summary of Significant Accounting Policies of these financial statements.

The Corporation evaluates the performance based on the operating segment's contribution to net earnings. Revenues and assets are attributed to geographic areas based on the point of origin of revenues and the location of assets. The contribution to net earnings of each segment is calculated after taking into account the investment Lifeco and IGM have in each other.