

Interim Condensed Consolidated Financial Statements

Consolidated Statements of Earnings

(unaudited) (in thousands of Canadian dollars, except per share amounts)

Three months ended March 31	2024	2023
Revenues		
Wealth management (Note 4)	\$ 582,565	\$ 534,111
Asset management	241,866	236,154
Dealer compensation expense	(80,092)	(79,326)
Net asset management (Note 4)	161,774	156,828
Net investment income and other	15,627	10,949
Gain on sale of Lifeco shares (Note 8)	-	179,118
Proportionate share of associates' earnings (Note 8)	51,700	53,044
	811,666	934,050
Expenses		
Advisory and business development	265,627	245,641
Operations and support	203,828	201,775
Sub-advisory	17,835	15,846
Interest	32,250	28,055
	519,540	491,317
Earnings before income taxes	292,126	442,733
Income taxes	67,318	63,361
Net earnings from continuing operations	224,808	379,372
Net earnings from discontinued operations (Note 3)	-	3,129
Net earnings	224,808	382,501
Non-controlling interest (Notes 3, 8)	(1,423)	(1,163)
Net earnings available to common shareholders	\$ 223,385	\$ 381,338
Earnings per share (in dollars) (Note 15)		
Net earnings available to common shareholders from continuing operations		
- Basic	\$ 0.94	\$ 1.59
- Diluted	\$ 0.94	\$ 1.59
Net earnings available to common shareholders		
- Basic	\$ 0.94	\$ 1.60
- Diluted	\$ 0.94	\$ 1.60

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Comprehensive Income

(unaudited) (in thousands of Canadian dollars)

Three months ended March 31	2024	2023
Net earnings	\$ 224,808	\$ 382,501
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to Net earnings		
Fair value through other comprehensive income investments		
Other comprehensive income (loss) (Note 5), net of tax of \$(15,266) and \$(375)	97,815	2,408
Employee benefits		
Net actuarial gains (losses), net of tax of \$(10,082) and \$355	27,370	(963)
Investment in associates – employee benefits and other		
Other comprehensive income (loss), net of tax of nil	(428)	1,043
Items that may be reclassified subsequently to Net earnings		
Investment in associates and other		
Other comprehensive income (loss), net of tax of \$(401) and \$689	23,586	7,393
	148,343	9,881
Total comprehensive income	\$ 373,151	\$ 392,382

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Balance Sheets

(unaudited) (in thousands of Canadian dollars)

	March 31 2024	December 31 2023
Assets		
Cash and cash equivalents	\$ 500,128	\$ 544,633
Other investments (Note 5)	975,344	863,598
Client funds on deposit	3,023,187	3,365,722
Accounts and other receivables	399,353	335,552
Income taxes recoverable	28,010	38,292
Loans (Note 6)	5,088,955	5,108,696
Derivative financial instruments	39,343	42,729
Other assets	140,464	112,474
Investment in associates (Note 8)	3,639,001	3,659,174
Capital assets	305,927	306,961
Capitalized sales commissions	402,463	394,736
Deferred income taxes	600	3,232
Intangible assets	1,252,666	1,250,712
Goodwill	2,636,771	2,636,771
	\$ 18,432,212	\$ 18,663,282
Liabilities		
Accounts payable and accrued liabilities	\$ 372,158	\$ 444,690
Income taxes payable	2,313	9,535
Derivative financial instruments	50,118	49,580
Deposits and certificates	2,999,439	3,344,190
Other liabilities	376,977	394,926
Obligations to securitization entities (Note 7)	4,647,384	4,687,827
Lease obligations	170,071	169,940
Deferred income taxes	468,159	442,186
Long-term debt	2,400,000	2,400,000
	11,486,619	11,942,874
Shareholders' Equity		
Share capital		
Common shares	1,688,397	1,690,626
Contributed surplus	58,788	57,926
Retained earnings	4,674,646	4,595,620
Accumulated other comprehensive income (loss)	464,633	316,290
Non-controlling interest	59,129	59,946
	6,945,593	6,720,408
	\$ 18,432,212	\$ 18,663,282

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 2, 2024.

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Changes in Shareholders' Equity

(unaudited) (in thousands of Canadian dollars)

	Share capital – Common shares (Note 9)	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss) (Note 12)	Non- controlling interest	Total shareholders' equity
Three months ended March 31						
2024						
Balance, beginning of period	\$ 1,690,626	\$ 57,926	\$ 4,595,620	\$ 316,290	\$ 59,946	\$ 6,720,408
Net earnings	-	-	224,808	-	-	224,808
Other comprehensive income (loss), net of tax	-	-	-	148,343	-	148,343
Total comprehensive income	-	-	224,808	148,343	-	373,151
Common shares						
Issued under stock option plan	185	-	-	-	-	185
Purchased for cancellation	(2,414)	-	-	-	-	(2,414)
Stock options						
Current period expense	-	870	-	-	-	870
Exercised	-	(8)	-	-	-	(8)
Common share dividends	-	-	(133,783)	-	-	(133,783)
Non-controlling interest	-	-	(1,423)	-	(817)	(2,240)
Common share cancellation excess and other	-	-	(10,576)	-	-	(10,576)
Balance, end of period	\$ 1,688,397	\$ 58,788	\$ 4,674,646	\$ 464,633	\$ 59,129	\$ 6,945,593
2023						
Balance, beginning of period	\$ 1,672,799	\$ 54,134	\$ 3,973,456	\$ 362,766	\$ 66,677	\$ 6,129,832
Net earnings	-	-	382,501	-	-	382,501
Other comprehensive income (loss), net of tax	-	-	-	9,881	-	9,881
Total comprehensive income	-	-	382,501	9,881	-	392,382
Common shares						
Issued under stock option plan	14,264	-	-	-	-	14,264
Stock options						
Current period expense	-	1,191	-	-	-	1,191
Exercised	-	(768)	-	-	-	(768)
Common share dividends	-	-	(133,896)	-	-	(133,896)
Non-controlling interest	-	-	(1,163)	-	(9,187)	(10,350)
Disposal of investment in associate (Note 8)	-	-	(2,017)	(16,008)	-	(18,025)
Other	-	-	11,311	-	-	11,311
Balance, end of period	\$ 1,687,063	\$ 54,557	\$ 4,230,192	\$ 356,639	\$ 57,490	\$ 6,385,941

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Cash Flows

(unaudited) (in thousands of Canadian dollars)

Three months ended March 31	2024	2023
Operating activities		
Earnings before income taxes from continuing and discontinued operations	\$ 292,126	\$ 447,112
Income taxes paid	(57,339)	(67,324)
Adjustments to determine net cash from operating activities		
Capitalized sales commission amortization	25,457	21,929
Capitalized sales commissions paid	(33,184)	(33,314)
Amortization of capital, intangible and other assets	23,571	26,153
Proportionate share of associates' earnings, net of dividends received	(31,512)	(41,532)
Pension and other post-employment benefits	2,439	(186)
Gain on sale of Lifeco shares (Note 8)	-	(179,118)
Changes in operating assets and liabilities and other	(74,974)	(61,337)
Cash from operating activities before restructuring provision payments	146,584	112,383
Restructuring provision cash payments	(14,681)	(609)
	131,903	111,774
Financing activities		
Net decrease in deposits and certificates	(14)	(23)
Increase in obligations to securitization entities	256,425	196,194
Repayments of obligations to securitization entities and other	(294,897)	(216,603)
Repayment of lease obligations	(6,171)	(5,104)
Issue of common shares	177	13,496
Common shares purchased for cancellation	(11,993)	-
Common share dividends paid	(133,949)	(133,688)
	(190,422)	(145,728)
Investing activities		
Purchase of other investments	(22,919)	(21,599)
Proceeds from the sale of other investments	34,616	21,319
Increase in loans	(246,586)	(135,769)
Repayment of loans and other	268,203	271,798
Net additions to capital assets	(3,504)	(7,644)
Net cash used in additions to intangible assets and other	(15,711)	(18,746)
Investment in ChinaAMC (Note 8)	-	(1,154,100)
Investment in Rockefeller (Note 8)	(85)	-
Proceeds from sale of Lifeco shares (Note 8)	-	552,655
	14,014	(492,086)
Decrease in cash and cash equivalents	(44,505)	(526,040)
Cash and cash equivalents from continuing and discontinued operations, beginning of period	544,633	1,072,892
Cash and cash equivalents, end of period	500,128	546,852
Less: Cash and cash equivalents from discontinued operations, end of period (Note 3)	-	30,469
Cash and cash equivalents, end of period – continuing operations	\$ 500,128	\$ 516,383
Cash	\$ 232,460	\$ 263,570
Cash equivalents	267,668	252,813
	\$ 500,128	\$ 516,383
Supplemental disclosure of cash flow information related to operating activities		
Interest and dividends received	\$ 68,796	\$ 55,647
Interest paid	\$ 73,286	\$ 65,311

(See accompanying notes to interim condensed consolidated financial statements)

Notes to the Interim Condensed Consolidated Financial Statements

March 31, 2024 (unaudited) (In thousands of Canadian dollars, except shares and per share amounts)

Note 1. Corporate information

IGM Financial Inc. (the Company) is a publicly listed company (TSX: IGM), incorporated and domiciled in Canada. The registered address of the Company is 447 Portage Avenue, Winnipeg, Manitoba, Canada. The Company is controlled by Power Corporation of Canada (Power).

IGM Financial Inc. is a wealth and asset management company which serves the financial needs of Canadians through its principal subsidiaries, each operating distinctly within the advice segment of the financial services market. The Company's wholly-owned principal subsidiaries are Investors Group Inc. and Mackenzie Financial Corporation (Mackenzie).

Note 2. Summary of material accounting policies

The unaudited Interim Condensed Consolidated Financial Statements of the Company (Interim Financial Statements) have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, using the accounting policies as set out in Note 2 to the Consolidated Financial Statements for the year ended December 31, 2023, except as noted below. The Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements in the 2023 IGM Financial Inc. Annual Report.

Changes in accounting policies

IAS 12 – Income Taxes

The Company adopted the amendments to IFRS for IAS 12 – *Income Taxes* effective May 2023 and has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD).

Future accounting changes

The Company continuously monitors changes proposed by the International Accounting Standards Board (IASB) and analyzes the effect that changes in the standards may have on the Company's operations.

Note 3. Discontinued operations

On November 30, 2023, the Company completed the sale of 100% of Investment Planning Counsel Inc. (IPC) to The Canada Life Assurance Company (Canada Life) for proceeds of \$575 million plus adjustments. Canada Life is a subsidiary of the Company's affiliate, Lifeco, which is a subsidiary of Power.

In accordance with IFRS 5 – *Non-Current Assets Held for Sale and Discontinued Operations*, the operating results and cash flows of IPC have been classified as discontinued operations within the Wealth Management segment.

As at November 30, 2023, IPC's total assets were \$692.6 million, including \$30.6 million of cash and cash equivalents, and total liabilities were \$345.7 million.

Net earnings from discontinued operations

	<i>Three months ended March 31</i>	
	2023	
Revenues		
Wealth management	\$	76,139
Net asset management		4,342
Net investment income and other		1,015
		<u>81,496</u>
Expenses		77,117
Earnings before income taxes		4,379
Income taxes		1,250
Net earnings from discontinued operations		3,129
Non-controlling interest		(150)
Net earnings available to common shareholders from discontinued operations	\$	<u>2,979</u>

Cash flows from discontinued operations

Included within the Company's cash flows are the following amounts attributable to discontinued operations:

	<i>Three months ended March 31</i>	
	2023	
Net cash (used in) provided by:		
Operating activities	\$	(77)
Financing activities		(344)
Investing activities		(8,388)
Net increase (decrease) in cash and cash equivalents	\$	<u>(8,809)</u>

Note 4. Revenues from contracts with customers

	<i>Three months ended March 31</i>		
	2024		2023
Advisory fees	\$	309,137	\$ 290,676
Product and program fees		<u>232,246</u>	217,150
		<u>541,383</u>	<u>507,826</u>
Redemption fees		-	594
Other financial planning revenues		<u>41,182</u>	25,691
Wealth management		<u>582,565</u>	534,111
Asset management		<u>241,866</u>	236,154
Dealer compensation expense		<u>(80,092)</u>	(79,326)
Net asset management		<u>161,774</u>	156,828
Net revenues from contracts with customers	\$	<u>744,339</u>	\$ 690,939

Wealth management revenue is earned by providing financial planning, investment advisory and related financial services. Advisory fees, related to financial planning, are associated with assets under management and advisement. Product and program fees, related to investment management and administration services, are associated with assets under management. Other financial planning revenues include insurance, banking products and services, and mortgage lending activities.

Asset management revenue, related to investment management advisory and administrative services, depends on the level and composition of assets under management.

Note 5. Other investments

	March 31, 2024		December 31, 2023	
	Cost	Fair value	Cost	Fair value
Fair value through other comprehensive income (FVTOCI)				
Corporate investments	\$ 266,988	\$ 836,532	\$ 264,915	\$ 721,379
Fair value through profit or loss (FVTPL)				
Equity securities	12,820	13,293	12,778	13,140
Proprietary investment funds	119,253	125,519	126,550	129,079
	132,073	138,812	139,328	142,219
	\$ 399,061	\$ 975,344	\$ 404,243	\$ 863,598

Wealthsimple Financial Corp. (Wealthsimple) is a financial company that provides simple digital tools for growing and managing your money. The Company's investment in Wealthsimple is primarily held through a limited partnership controlled by Power. The investment is classified at fair value through other comprehensive income. IGM Financial Inc. holds directly and indirectly a 27.1% interest in Wealthsimple (December 31, 2023 – 27.5%). In the first quarter of 2024, the Company updated its methodology for calculating the disclosure of its interest in Wealthsimple to use the treasury method which includes options that are in the money.

At March 31, 2024, the Company increased the fair value of its investment in Wealthsimple to \$722 million (December 31, 2023 – \$607 million). The increase in fair value is consistent with the increase in public market peer valuations, as well as Wealthsimple's business performance and revised revenue expectations. Fair value is determined by using observable transactions in the investments' securities where available, discounted cash flows, and other valuation metrics, including revenue multiples used in the valuation of comparable public companies.

Note 6. Loans

	Contractual maturity			March 31 2024 Total	December 31 2023 Total
	1 year or less	1 – 5 years	Over 5 years		
Amortized cost					
Residential mortgages	\$ 940,811	\$ 4,147,944	\$ 937	\$ 5,089,692	\$ 5,109,433
Less: Allowance for expected credit losses				737	737
				\$ 5,088,955	\$ 5,108,696

The change in the allowance for expected credit losses is as follows:

Balance, beginning of period	\$ 737	\$ 815
Write-offs, net of recoveries	(14)	204
Change in expected credit losses	14	(282)
Balance, end of period	\$ 737	\$ 737

Total credit impaired loans as at March 31, 2024 were \$1,924 (December 31, 2023 – \$3,131).

Total interest income on loans was \$47.6 million (2023 – \$39.3 million). Total interest expense on obligations to securitization entities, related to securitized loans, was \$40.5 million (2023 – \$33.6 million). Gains realized on the sale of residential mortgages totalled \$0.5 million (2023 – losses of \$1.0 million). Fair value adjustments related to mortgage banking operations totalled \$2.0 million (2023 – negative \$3.3 million). These amounts were included in Wealth management revenue. Wealth management revenue also includes other mortgage banking related items including portfolio insurance, issue costs, and other items.

Note 7. Securitizations

The Company securitizes residential mortgages through the Canada Mortgage and Housing Corporation (CMHC) sponsored National Housing Act Mortgage-Backed Securities (NHA MBS) Program and Canada Mortgage Bond (CMB) Program and through Canadian bank-sponsored asset-backed commercial paper (ABCP) programs. These transactions do not meet the requirements for derecognition as the Company retains prepayment risk and certain elements of credit risk. Accordingly, the Company has retained these mortgages on its balance sheets and has recorded offsetting liabilities for the net proceeds received as Obligations to securitization entities which are recorded at amortized cost.

The Company earns interest on the mortgages and pays interest on the obligations to securitization entities. As part of the CMB transactions, the Company enters into a swap transaction whereby the Company pays coupons on CMBs and receives investment returns on the NHA MBS and the reinvestment of repaid mortgage principal. A component of this swap, related to the obligation to pay CMB coupons and receive investment returns on repaid mortgage principal, and the hedging swap used to manage exposure to changes in variable rate investment returns, are recorded as derivatives with a negative fair value of \$4.0 million at March 31, 2024 (December 31, 2023 – negative \$4.8 million).

All mortgages securitized under the NHA MBS and CMB Program are insured by CMHC or another approved insurer under the program. As part of the ABCP transactions, the Company has provided cash reserves for credit enhancement which are recorded at cost. Credit risk is limited to these cash reserves and future net interest income as the ABCP Trusts have no recourse to the Company's other assets for failure to make payments when due.

	Securitized mortgages	Obligations to securitization entities	Net
March 31, 2024			
Carrying value			
NHA MBS and CMB Program	\$ 2,374,226	\$ 2,347,753	\$ 26,473
Bank sponsored ABCP	2,307,623	2,299,631	7,992
Total	\$ 4,681,849	\$ 4,647,384	\$ 34,465
Fair value	\$ 4,593,758	\$ 4,641,508	\$ (47,750)
December 31, 2023			
Carrying value			
NHA MBS and CMB Program	\$ 2,408,639	\$ 2,389,389	\$ 19,250
Bank sponsored ABCP	2,313,806	2,298,438	15,368
Total	\$ 4,722,445	\$ 4,687,827	\$ 34,618
Fair value	\$ 4,690,885	\$ 4,695,738	\$ (4,853)

The carrying value of Obligations to securitization entities, which is recorded net of issue costs, includes principal payments received on securitized mortgages that are not due to be settled until after the reporting period. Issue costs are amortized over the life of the obligation on an effective interest rate basis.

Note 8. Investment in associates

	Lifeco	ChinaAMC	Rockefeller	Northleaf	Other	Total
March 31, 2024						
Balance, beginning of period	\$ 589,288	\$ 1,885,223	\$ 844,795	\$ 301,845	\$ 38,023	\$ 3,659,174
Additions	-	-	85	-	-	85
Dividends	(12,285)	(72,926)	-	(7,903)	-	(93,114)
Proportionate share of:						
Earnings (losses)	22,793	26,878	(4,417)	7,117 ⁽¹⁾	(671)	51,700
Other comprehensive income (loss) and other adjustments	(1,635)	3,794	18,997	-	-	21,156
Balance, end of period	\$ 598,161	\$ 1,842,969	\$ 859,460	\$ 301,059	\$ 37,352	\$ 3,639,001
March 31, 2023						
Balance, beginning of period	\$ 939,567	\$ 787,171	\$ -	\$ 284,499	\$ 40,066	\$ 2,051,303
Additions	-	1,154,100	-	-	542	1,154,642
Disposition	(391,564)	-	-	-	-	(391,564)
Dividends	(11,512)	(69,180)	-	-	-	(80,692)
Proportionate share of:						
Earnings (losses)	20,602	28,133	-	5,066 ⁽¹⁾	(757)	53,044
Other comprehensive income (loss) and other adjustments	14,024	(5,319)	-	-	-	8,705
Balance, end of period	\$ 571,117	\$ 1,894,905	\$ -	\$ 289,565	\$ 39,851	\$ 2,795,438

(1) For the three months ended March 31, 2024, the Company's proportionate share of Northleaf's earnings net of Non-controlling interest was \$5,694 (2023 - \$4,053).

The Company uses the equity method to account for its investments in associates, which include Great-West Lifeco Inc. (Lifeco), China Asset Management Co., Ltd. (ChinaAMC), Rockefeller Capital Management (Rockefeller), and Northleaf Capital Group Ltd. (Northleaf), as it exercises significant influence.

On January 12, 2023, the Company closed the transaction to acquire Power's 13.9% interest in ChinaAMC for cash consideration of \$1.16 billion including transaction costs, increasing the Company's equity interest in ChinaAMC from 13.9% to 27.8%. To partially fund the transaction, IGM Financial sold 15,200,662 common shares of Lifeco to Power for cash consideration of \$553 million which reduced the Company's equity interest in Lifeco from 4.0% to 2.4%. The remaining \$597 million of consideration was funded from the Company's existing financial resources including \$22 million in dividends received after March 31, 2022 with respect to the Lifeco shares that were sold. The Company continues to equity account for its 27.8% interest in ChinaAMC and 2.4% interest in Lifeco.

In the first quarter of 2023, the Company recognized a gain on the sale of the Lifeco shares of \$179.1 million before-tax (\$174.8 million after-tax).

On April 3, 2023, the Company acquired a 20.5% interest in Rockefeller for a total cost of \$858 million, which was comprised of cash consideration of \$835 million (USD \$622 million) and transaction costs.

Note 9. Share capital

Authorized

Unlimited number of:

- First preferred shares, issuable in series
- Second preferred shares, issuable in series
- Class 1 non-voting shares
- Common shares, no par value

Issued and outstanding

	March 31, 2024		March 31, 2023	
	Shares	Stated value	Shares	Stated value
Common shares:				
Balance, beginning of period	238,131,738	\$ 1,690,626	237,668,062	\$ 1,672,799
Issued under Stock Option Plan	5,075	185	369,737	14,264
Purchased for cancellation	(340,000)	(2,414)	-	-
Balance, end of period	237,796,813	\$ 1,688,397	238,037,799	\$ 1,687,063

Normal course issuer bid

On December 21, 2023, the Company commenced a Normal Course Issuer Bid (NCIB) which will continue until December 20, 2024, when the bid expires, or such earlier date as the Company completes its purchases pursuant to the notice of intention filed with the TSX. Pursuant to this bid, the Company may purchase up to 3 million or 1.3% of its common shares outstanding as at December 7, 2023.

In the three months ended March 31, 2024, there were 340,000 shares (2023 – nil) purchased at a cost of \$12.0 million. The premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

In connection with its NCIB, the Company has established an automatic securities purchase plan for its common shares. The automatic securities purchase plan provides standard instructions regarding how IGM Financial's common shares are to be purchased under the NCIB during certain pre-determined trading blackout periods, subject to pre-established parameters. Outside of these pre-determined trading blackout periods, purchases under the Company's NCIB will be completed based upon management's discretion.

Note 10. Capital management

The capital management policies, procedures and activities of the Company are discussed in the Capital Resources section of the Company's Management's Discussion and Analysis contained in the First Quarter 2024 Report to Shareholders and in Note 20 to the Consolidated Financial Statements in the 2023 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2023.

Note 11. Share-based payments

Stock option plan

	March 31 2024	December 31 2023
Common share options		
- Outstanding	10,874,590	10,902,118
- Exercisable	7,449,098	6,924,596

In the three months ended March 31, 2024, the Company granted 664,576 options to employees (2023 – 661,372). The fair value of options granted during the three months ended March 31, 2024, has been estimated at \$4.14 per option (2023 – \$5.56) using the Black-Scholes option pricing model. The closing share price at the grant date was \$35.55.

Other assumptions used in these valuation models include:

	<i>Three months ended March 31</i>	
	2024	2023
Exercise price	\$ 35.65	\$ 42.54
Risk-free interest rate	3.61%	3.44%
Expected option life	7 years	7 years
Expected volatility	24.00%	23.00%
Expected dividend yield	6.33%	5.31%

Expected volatility has been estimated based on the historic volatility of the Company's share price over seven years which is reflective of the expected option life. Options vest over a period of up to 7.5 years from the grant date and are exercisable no later than 10 years after the grant date.

Note 12. Accumulated other comprehensive income (loss)

	Employee benefits	Other investments	Investment in associates and other	Total
March 31, 2024				
Balance, beginning of period	\$ (13,995)	\$ 393,956	\$ (63,671)	\$ 316,290
Other comprehensive income (loss)	27,370	97,815	23,158	148,343
Balance, end of period	\$ 13,375	\$ 491,771	\$ (40,513)	\$ 464,633
March 31, 2023				
Balance, beginning of period	\$ 4,383	\$ 309,605	\$ 48,778	\$ 362,766
Other comprehensive income (loss)	(963)	2,408	8,436	9,881
Disposal of investment in associate (Note 8)	-	-	(16,008)	(16,008)
Balance, end of period	\$ 3,420	\$ 312,013	\$ 41,206	\$ 356,639

Amounts are recorded net of tax.

Note 13. Risk management

The risk management policies and procedures of the Company are discussed in the Financial Risk section of the Company's Management's Discussion and Analysis contained in the First Quarter 2024 Report to Shareholders and in Note 23 to the Consolidated Financial Statements in the 2023 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2023.

Note 14. Fair value of financial instruments

Fair values are management's estimates and are calculated using market conditions at a specific point in time and may not reflect future fair values. The calculations are subjective in nature, involve uncertainties and are matters of significant judgment.

All financial instruments measured at fair value and those for which fair value is disclosed are classified into one of three levels that distinguish fair value measurements by the significance of the inputs used for valuation.

Fair value is determined based on the price that would be received for an asset or paid to transfer a liability in the most advantageous market, utilizing a hierarchy of three different valuation techniques, based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable inputs other than Level 1 quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable or corroborated by observable market data; and

Level 3 – Unobservable inputs that are supported by little or no market activity. Valuation techniques are primarily model-based.

Markets are considered inactive when transactions are not occurring with sufficient regularity. Inactive markets may be characterized by a significant decline in the volume and level of observed trading activity or through large or erratic bid/offer spreads. In those instances where traded markets are not considered sufficiently active, fair value is measured using valuation models which may utilize predominantly observable market inputs (Level 2) or may utilize predominantly non-observable market inputs (Level 3). Management considers all reasonably available information including indicative broker quotations, any available pricing for similar instruments, recent arm's length market transactions, any relevant observable market inputs, and internal model-based estimates. Management exercises judgment in determining the most appropriate inputs and the weighting ascribed to each input as well as in the selection of valuation methodologies.

Fair value is determined using the following methods and assumptions:

Other investments and other financial assets and financial liabilities are valued using quoted prices from active markets, when available. When a quoted market price is not readily available, valuation techniques are used that require assumptions related to discount rates and the timing and amount of future cash flows. Wherever possible, observable market inputs are used in the valuation techniques.

Loans classified as Level 2 are valued using market interest rates for loans with similar credit risk and maturity.

Loans classified as Level 3 are valued by discounting the expected future cash flows at prevailing market yields.

Valuation methods used for Other investments classified as Level 3 include comparison to market transactions with arm's length third parties, use of market multiples, and discounted cash flow analysis.

Obligations to securitization entities are valued by discounting the expected future cash flows at prevailing market yields for securities issued by these securitization entities having similar terms and characteristics.

Deposits and certificates are valued by discounting the contractual cash flows using market interest rates currently offered for deposits with similar terms and credit risks.

Long-term debt is valued using quoted prices for each debenture available in the market.

Derivative financial instruments are valued based on quoted market prices, where available, prevailing market rates for instruments with similar characteristics and maturities, or discounted cash flow analysis.

Level 1 financial instruments include exchange-traded equity investments and open-end investment fund units and other financial liabilities in instances where there are quoted prices available from active markets.

Level 2 assets and liabilities include fixed income securities, loans, derivative financial instruments, deposits and certificates and long-term debt. The fair value of fixed income securities is determined using quoted market prices or independent dealer price quotes. The fair value of derivative financial instruments and deposits and certificates are determined using valuation models, discounted cash flow methodologies, or similar techniques using primarily observable market inputs. The fair value of long-term debt is determined using indicative broker quotes.

Level 3 assets and liabilities include investments with little or no trading activity valued using broker-dealer quotes, loans, other financial assets, obligations to securitization entities and derivative financial instruments. Derivative financial instruments consist of principal reinvestment account swaps which represent the component of a swap entered into under the CMB Program whereby the Company pays coupons on Canada Mortgage Bonds and receives investment returns on the reinvestment of repaid mortgage principal. Fair value is determined by discounting the projected cashflows of the swaps. The notional amount, which is an input used to determine the fair value of the swap, is determined using an average unobservable prepayment rate of 15% which is based on historical prepayment patterns. An increase (decrease) in the assumed mortgage prepayment rate increases (decreases) the notional amount of the swap. Level 3 Other investments of \$837 million are predominantly comprised of early-stage financial technology companies, including Wealthsimple with a fair value of \$722 million. Fair value is determined by using observable transactions in the investments' securities, where available, forecasted cash flows, and other valuation metrics, including revenue multiples, used in the valuation of comparable public companies. A 5% increase (decrease) to forecasted cash flows or revenue multiples would result in an increase (decrease) in fair value of the Company's investment in Wealthsimple of approximately \$36 million.

The following table presents the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table distinguishes between those financial instruments recorded at fair value and those recorded at amortized cost. The table also excludes fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. These items include cash and cash equivalents, accounts and other receivables, certain other financial assets, accounts payable and accrued liabilities, credit facility and certain other financial liabilities.

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
March 31, 2024					
Financial assets recorded at fair value					
Other investments					
– FVTOCI	\$ 836,532	\$ –	\$ –	\$ 836,532	\$ 836,532
– FVTPL	138,812	127,383	–	11,429	138,812
Derivative financial instruments	39,343	–	19,942	19,401	39,343
Financial assets recorded at amortized cost					
Loans					
– Amortized cost	5,088,955	–	404,271	4,593,758	4,998,029
Financial liabilities recorded at fair value					
Derivative financial instruments	50,118	–	45,420	4,698	50,118
Financial liabilities recorded at amortized cost					
Deposits and certificates	2,999,439	–	2,999,462	–	2,999,462
Obligations to securitization entities	4,647,384	–	–	4,641,508	4,641,508
Long-term debt	2,400,000	–	2,410,913	–	2,410,913
December 31, 2023					
Financial assets recorded at fair value					
Other investments					
– FVTOCI	\$ 721,379	\$ –	\$ –	\$ 721,379	\$ 721,379
– FVTPL	142,219	130,790	–	11,429	142,219
Derivative financial instruments	42,729	–	26,801	15,928	42,729
Financial assets recorded at amortized cost					
Loans					
– Amortized cost	5,108,696	–	379,954	4,690,885	5,070,839
Financial liabilities recorded at fair value					
Derivative financial instruments	49,580	–	41,373	8,207	49,580
Financial liabilities recorded at amortized cost					
Deposits and certificates	3,344,190	–	3,344,223	–	3,344,223
Obligations to securitization entities	4,687,827	–	–	4,695,738	4,695,738
Long-term debt	2,400,000	–	2,453,390	–	2,453,390

There were no significant transfers between Level 1 and Level 2 in 2024 and 2023.

The following table provides a summary of changes in Level 3 assets and liabilities measured at fair value on a recurring basis. There were no transfers in or out of Level 3 in 2024 and 2023.

	Balance January 1	Gains (losses) included in Net earnings ⁽¹⁾	Gains (losses) included in Other comprehensive income	Purchases and issuances	Settlements	Balance March 31
March 31, 2024						
Other investments						
– FVTOCI	\$ 721,379	\$ –	\$ 113,081	\$ 2,072	\$ –	\$ 836,532
– FVTPL	11,429	–	–	–	–	11,429
Derivative financial instruments, net	7,721	5,790	–	(305)	(1,497)	14,703
March 31, 2023						
Other investments						
– FVTOCI	\$ 602,612	\$ –	\$ 2,783	\$ –	\$ –	\$ 605,395
– FVTPL	11,429	–	–	–	–	11,429
Derivative financial instruments, net	20,516	(5,587)	–	(634)	(219)	14,514

(1) Included in Wealth management revenue or Net investment income and other in the Consolidated Statements of Earnings.

Note 15. Earnings per common share

	<i>Three months ended March 31</i>	
	2024	2023
Earnings		
Net earnings from continuing operations	\$ 224,808	\$ 379,372
Non-controlling interest	(1,423)	(1,013)
Net earnings available to common shareholders – continuing operations	223,385	378,359
Net earnings from discontinued operations	–	3,129
Non-controlling interest	–	(150)
Net earnings available to common shareholders – discontinued operations	–	2,979
Net earnings available to common shareholders	\$ 223,385	\$ 381,338
Number of common shares (in thousands)		
Weighted average number of common shares outstanding	238,062	237,838
Add: Potential exercise of outstanding stock options ⁽¹⁾	50	586
Average number of common shares outstanding – diluted basis	238,112	238,424
Earnings per common share (in dollars)		
Basic		
From continuing operations	\$ 0.94	\$ 1.59
From discontinued operations	–	0.01
Net earnings available to common shareholders	\$ 0.94	\$ 1.60
Diluted		
From continuing operations	\$ 0.94	\$ 1.59
From discontinued operations	–	0.01
Net earnings available to common shareholders	\$ 0.94	\$ 1.60

(1) Excludes 1,877 thousand shares for the three months ended March 31, 2024, related to outstanding stock options that were anti-dilutive (2023 – 876 thousand).

Note 16. Contingent liabilities

The Company is subject to legal actions arising in the normal course of its business. In December 2018, a proposed class action was filed in the Ontario Superior Court against Mackenzie Financial Corporation (Mackenzie) which alleges that the company should not have paid mutual fund trailing commissions to order execution only dealers. This action was certified in January 2024. In August 2022, a second proposed class action concerning the same subject matter was filed against Mackenzie.

In late March 2023, the Company was notified by one of our third-party vendors, InvestorCOM Inc., that they were compromised due to a cybersecurity incident related to a technology supplier to InvestorCOM, GoAnywhere. The Company has notified impacted clients and offered credit monitoring at no cost for two years to all clients. Four proposed class actions have been filed against Mackenzie concerning this incident.

Although it is difficult to predict the outcome of any such legal actions, based on current knowledge, management does not expect the outcome of any of these matters, individually or in aggregate, to have a material adverse effect on the Company's consolidated financial position.

Note 17. Segmented information

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

The Company's reportable segments are:

- Wealth Management
- Asset Management
- Corporate and Other

These segments reflect the Company's internal financial reporting and performance measurement.

- **Wealth Management** – reflects the activities of its core business and strategic investments that are principally focused on providing financial planning and related services to retail client households. This segment includes the activities of IG Wealth Management which is a retail distribution organization that serves Canadian households through its securities dealer, mutual fund dealer and other subsidiaries licensed to distribute financial products and services. A majority of the revenues of this segment are derived from providing financial advice and distributing financial products and services to Canadian households. This segment also includes the investment management activities of these organizations, including mutual fund management and discretionary portfolio management services. This segment also includes the Company's strategic investments in Rockefeller and Wealthsimple. Rockefeller is classified as an investment in associate and accounted for using the equity method, with the proportionate share of earnings included in revenue. Wealthsimple is classified as an investment which is accounted for as fair value through other comprehensive income and therefore has no impact on the segment earnings. This segment also included IPC, which was sold on November 30, 2023. IPC's results were classified as discontinued operations.
- **Asset Management** – reflects the activities of its core business and strategic investments primarily focused on providing investment management services. This segment includes the operations of Mackenzie Investments which provides investment management services to a suite of investment funds that are distributed through third party dealers and financial advisors, and through institutional advisory mandates to financial institutions, pensions and other institutional investors. This segment also includes the Company's strategic investment in ChinaAMC and Northleaf which are classified as investments in associates and accounted for using the equity method. The proportionate share of earnings on these investments are included in the segment's revenue.
- **Corporate and Other** – primarily represents investments in Lifeco and Portage, the Company's unallocated capital, as well as consolidation elimination entries.

2024

<i>Three months ended March 31</i>	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Revenues						
Wealth management	\$ 584,499	\$ -	\$ (1,934)	\$ 582,565	\$ -	\$ 582,565
Asset management	-	267,922	(26,056)	241,866	-	241,866
Dealer compensation	-	(79,296)	(796)	(80,092)	-	(80,092)
Net asset management	-	188,626	(26,852)	161,774	-	161,774
Net investment income and other	5,274	6,526	3,827	15,627	-	15,627
Proportionate share of associates' earnings	(5,088)	33,995	23,900	52,807	(1,107)	51,700
	584,685	229,147	(1,059)	812,773	(1,107)	811,666
Expenses						
Advisory and business development	244,176	21,453	(2)	265,627	-	265,627
Operations and support	114,954	88,517	357	203,828	-	203,828
Sub-advisory	45,337	1,285	(28,787)	17,835	-	17,835
	404,467	111,255	(28,432)	487,290	-	487,290
	180,218	117,892	27,373	325,483	(1,107)	324,376
Interest expense ⁽²⁾	25,750	6,500	-	32,250	-	32,250
Earnings before income taxes	154,468	111,392	27,373	293,233	(1,107)	292,126
Income taxes	43,270	23,134	914	67,318	-	67,318
	111,198	88,258	26,459	225,915	(1,107)	224,808
Non-controlling interest	-	(1,423)	-	(1,423)	-	(1,423)
	\$ 111,198	\$ 86,835	\$ 26,459	224,492	(1,107)	223,385
Lifeco other items ⁽¹⁾				(1,107)	1,107	-
Net earnings available to common shareholders				\$ 223,385	\$ -	\$ 223,385
Identifiable assets	\$ 11,041,278	\$ 3,633,123	\$ 1,121,040	\$ 15,795,441	\$ -	\$ 15,795,441
Goodwill	1,346,245	1,290,526	-	2,636,771	-	2,636,771
Total assets	\$ 12,387,523	\$ 4,923,649	\$ 1,121,040	\$ 18,432,212	\$ -	\$ 18,432,212

(1) Lifeco other items is not related to a specific segment and therefore excluded from segment results. This item has been adjusted to reconcile Total Segment results to the Company's Consolidated Statements of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.

2023

Three months ended March 31	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Revenues						
Wealth management	\$ 535,668	\$ -	\$ (1,557)	\$ 534,111	\$ -	\$ 534,111
Asset management	-	261,814	(25,660)	236,154	-	236,154
Dealer compensation	-	(78,696)	(630)	(79,326)	-	(79,326)
Net asset management	-	183,118	(26,290)	156,828	-	156,828
Net investment income and other	3,428	4,504	3,017	10,949	-	10,949
Gain on sale of Lifeco shares (Note 8)	-	-	-	-	179,118	179,118
Proportionate share of associates' earnings	(757)	33,199	20,360	52,802	242	53,044
	538,339	220,821	(4,470)	754,690	179,360	934,050
Expenses						
Advisory and business development	222,977	22,666	(2)	245,641	-	245,641
Operations and support	108,288	93,144	343	201,775	-	201,775
Sub-advisory	42,583	1,109	(27,846)	15,846	-	15,846
	373,848	116,919	(27,505)	463,262	-	463,262
	164,491	103,902	23,035	291,428	179,360	470,788
Interest expense ⁽²⁾	22,249	5,806	-	28,055	-	28,055
Earnings before income taxes	142,242	98,096	23,035	263,373	179,360	442,733
Income taxes	38,401	19,807	834	59,042	4,319	63,361
Net earnings from continuing operations	103,841	78,289	22,201	204,331	175,041	379,372
Net earnings from discontinued operations	2,927	-	202	3,129	-	3,129
	106,768	78,289	22,403	207,460	175,041	382,501
Non-controlling interest	(150)	(1,013)	-	(1,163)	-	(1,163)
	\$ 106,618	\$ 77,276	\$ 22,403	206,297	175,041	381,338
Gain on sale of Lifeco shares, net of tax ⁽¹⁾				174,799	(174,799)	-
Lifeco other items ⁽¹⁾				242	(242)	-
Net earnings available to common shareholders				\$ 381,338	\$ -	\$ 381,338
Identifiable assets	\$ 11,606,677	\$ 3,607,433	\$ 981,077	\$ 16,195,187	\$ -	\$ 16,195,187
Goodwill	1,491,687	1,310,486	-	2,802,173	-	2,802,173
Total assets	\$ 13,098,364	\$ 4,917,919	\$ 981,077	\$ 18,997,360	\$ -	\$ 18,997,360

(1) Gain on sale of Lifeco shares and Lifeco other items are not related to a specific segment and therefore excluded from segment results. These items have been added back, including the impact to Income taxes, to reconcile Total Segment results to the Company's Consolidated Statements of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.