

Interim Condensed Consolidated Financial Statements

Consolidated Statements of Earnings

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

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Revenues				
Wealth management (Note 3)	\$ 649,456	\$ 590,046	\$ 1,288,940	\$ 1,172,611
Asset management	253,816	245,846	511,748	487,712
Dealer compensation expense	(82,309)	(81,072)	(167,401)	(161,164)
Net asset management (Note 3)	171,507	164,774	344,347	326,548
Net investment income and other	11,665	9,970	19,397	25,597
Proportionate share of associates' earnings (Note 7)	60,092	51,515	115,835	103,215
	892,720	816,305	1,768,519	1,627,971
Expenses				
Advisory and business development	304,796	278,527	606,051	544,154
Operations and support	213,822	205,963	429,627	409,791
Sub-advisory	21,684	19,069	43,408	36,904
Interest	32,260	32,228	64,234	64,478
	572,562	535,787	1,143,320	1,055,327
Earnings before income taxes	320,158	280,518	625,199	572,644
Income taxes	71,578	63,269	141,178	130,587
Net earnings	248,580	217,249	484,021	442,057
Non-controlling interest (Note 7)	(1,871)	(1,062)	(3,535)	(2,485)
Net earnings available to common shareholders	\$ 246,709	\$ 216,187	\$ 480,486	\$ 439,572
Earnings per share (in dollars) (Note 14)				
Net earnings available to common shareholders				
– Basic	\$ 1.04	\$ 0.91	\$ 2.03	\$ 1.85
– Diluted	\$ 1.04	\$ 0.91	\$ 2.02	\$ 1.85

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Comprehensive Income

(unaudited) (in thousands of Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Net earnings	\$ 248,580	\$ 217,249	\$ 484,021	\$ 442,057
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 4), net of tax of \$(34,702), \$(13,828), \$(36,762) and \$(29,094)	229,879	95,068	243,074	192,883
Employee benefits				
Net actuarial gains (losses), net of tax of \$(4,854), \$(5,863), \$(4,689) and \$(15,945)	13,211	16,050	12,764	43,420
Investment in associates – employee benefits and other				
Other comprehensive income (loss), net of tax of nil	406	2,968	785	2,540
Items that may be reclassified subsequently to Net earnings				
Investment in associates and other				
Other comprehensive income (loss), net of tax of \$7,518, \$(1,124), \$7,010 and \$(1,525)	(115,361)	18,866	(95,050)	42,452
	128,135	132,952	161,573	281,295
Total comprehensive income	376,715	350,201	645,594	723,352
Non-controlling interest	(1,871)	(1,062)	(3,535)	(2,485)
Total comprehensive income available to common shareholders	\$ 374,844	\$ 349,139	\$ 642,059	\$ 720,867

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Balance Sheets

(unaudited) (in thousands of Canadian dollars)

	June 30 2025	December 31 2024
Assets		
Cash and cash equivalents	\$ 830,701	\$ 910,278
Other investments (Note 4)	1,754,064	1,468,457
Client funds on deposit	2,942,218	3,723,661
Accounts and other receivables	315,971	268,413
Income taxes recoverable	39,418	1,281
Loans (Note 5)	5,405,511	5,462,405
Derivative financial instruments	21,259	36,022
Other assets	224,318	187,139
Investment in associates (Note 7)	3,958,558	3,979,744
Capital assets	317,064	309,119
Capitalized sales commissions	428,972	418,996
Deferred income taxes	483	3,486
Intangible assets	1,281,698	1,277,200
Goodwill	2,636,771	2,636,771
Total assets	\$ 20,157,006	\$ 20,682,972
Liabilities		
Accounts payable and accrued liabilities	\$ 443,637	\$ 492,326
Income taxes payable	21,615	33,464
Derivative financial instruments	21,788	25,721
Client deposits	2,923,007	3,702,514
Other liabilities	446,826	409,524
Obligations to securitization entities (Note 6)	4,959,330	5,024,916
Lease obligations	158,009	160,804
Deferred income taxes	609,416	563,297
Long-term debt	2,400,000	2,400,000
Total liabilities	11,983,628	12,812,566
Equity		
Share capital		
Common shares	1,796,398	1,785,233
Contributed surplus	54,541	54,589
Retained earnings	5,024,314	4,890,896
Accumulated other comprehensive income (loss)	1,212,759	1,070,057
Total shareholders' equity	8,088,012	7,800,775
Non-controlling interest	85,366	69,631
Total equity	8,173,378	7,870,406
Total liabilities and equity	\$ 20,157,006	\$ 20,682,972

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 6, 2025.

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Changes in Equity

(unaudited) (in thousands of Canadian dollars)

Six months ended June 30	Share capital – Common shares (Note 8)	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss) (Note 11)	Non- controlling interest	Total equity
2025						
Balance, beginning of period	\$ 1,785,233	\$ 54,589	\$ 4,890,896	\$ 1,070,057	\$ 69,631	\$ 7,870,406
Net earnings	–	–	480,486	–	3,535	484,021
Other comprehensive income (loss), net of tax	–	–	–	161,573	–	161,573
Total comprehensive income (loss)	–	–	480,486	161,573	3,535	645,594
Common shares						
Issued under stock option plan	30,534	–	–	–	–	30,534
Purchased for cancellation	(19,369)	–	–	–	–	(19,369)
Stock options						
Current period expense	–	1,764	–	–	–	1,764
Exercised	–	(1,812)	–	–	–	(1,812)
Common share dividends	–	–	(266,003)	–	–	(266,003)
Issuance of non-controlling interest (Note 7)	–	–	–	–	12,200	12,200
Transfer out of fair value through other comprehensive income	–	–	18,871	(18,871)	–	–
Common share cancellation excess and other	–	–	(99,936)	–	–	(99,936)
Balance, end of period	\$ 1,796,398	\$ 54,541	\$ 5,024,314	\$ 1,212,759	\$ 85,366	\$ 8,173,378
2024						
Balance, beginning of period	\$ 1,690,626	\$ 57,926	\$ 4,595,620	\$ 316,290	\$ 59,946	\$ 6,720,408
Net earnings	–	–	439,572	–	2,485	442,057
Other comprehensive income (loss), net of tax	–	–	–	281,295	–	281,295
Total comprehensive income (loss)	–	–	439,572	281,295	2,485	723,352
Common shares						
Issued under stock option plan	623	–	–	–	–	623
Purchased for cancellation	(9,792)	–	–	–	–	(9,792)
Stock options						
Current period expense	–	1,700	–	–	–	1,700
Exercised	–	(30)	–	–	–	(30)
Common share dividends	–	–	(266,975)	–	–	(266,975)
Dividends to non-controlling interest	–	–	–	–	(2,240)	(2,240)
Transfer out of fair value through other comprehensive income	–	–	(38)	38	–	–
Common share cancellation excess and other	–	–	(41,252)	–	–	(41,252)
Balance, end of period	\$ 1,681,457	\$ 59,596	\$ 4,726,927	\$ 597,623	\$ 60,191	\$ 7,125,794

(See accompanying notes to interim condensed consolidated financial statements)

Consolidated Statements of Cash Flows

(unaudited) (in thousands of Canadian dollars)

Six months ended June 30	2025	2024
Operating activities		
Earnings before income taxes	\$ 625,199	\$ 572,644
Income taxes paid	(168,383)	(112,202)
Adjustments to determine net cash from operating activities		
Capitalized sales commission amortization	56,170	51,528
Capitalized sales commissions paid	(61,635)	(65,278)
Amortization of capital, intangible and other assets	48,957	46,003
Proportionate share of associates' earnings, net of dividends received	(22,825)	2,185
Pension and other post-employment benefits	2,510	4,919
Changes in operating assets and liabilities and other	(115,167)	(28,091)
Cash from operating activities before restructuring provision payments	364,826	471,708
Restructuring provision cash payments	(9,197)	(18,937)
	355,629	452,771
Financing activities		
Net decrease in client certificates	–	(5)
Increase in obligations to securitization entities	646,748	644,245
Repayments of obligations to securitization entities and other	(737,942)	(694,419)
Repayment of lease obligations	(9,642)	(13,517)
Issue of common shares	28,722	593
Common shares purchased for cancellation	(113,645)	(49,121)
Common share dividends paid	(267,030)	(267,732)
	(452,789)	(379,956)
Investing activities		
Purchase of other investments	(68,637)	(61,028)
Proceeds from the sale of other investments	57,047	44,339
Increase in loans	(913,233)	(672,641)
Repayment of loans and other	995,363	581,228
Net additions to capital assets	(19,887)	(8,508)
Net cash used in additions to intangible assets and other	(33,070)	(46,624)
	17,583	(163,234)
Decrease in cash and cash equivalents	(79,577)	(90,419)
Cash and cash equivalents, beginning of period	910,278	544,633
Cash and cash equivalents, end of period	\$ 830,701	\$ 454,214
Cash	\$ 598,002	\$ 337,795
Cash equivalents	232,699	116,419
	\$ 830,701	\$ 454,214
Supplemental disclosure of cash flow information related to operating activities		
Interest and dividends received	\$ 208,642	\$ 209,708
Interest paid	\$ 157,472	\$ 150,624

(See accompanying notes to interim condensed consolidated financial statements)

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2025 (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). Effective July 1, 2025, Investors Group Inc. changed its name to IGWM Inc.

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, 2024. The Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements in the 2024 IGM Financial Inc. Annual Report.

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. Revenues from contracts with customers

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Advisory fees	\$ 346,285	\$ 315,228	\$ 688,358	\$ 624,365
Product and program fees	260,149	240,088	520,752	472,334
	606,434	555,316	1,209,110	1,096,699
Other financial planning revenues	43,022	34,730	79,830	75,912
Wealth management	649,456	590,046	1,288,940	1,172,611
Asset management	253,816	245,846	511,748	487,712
Dealer compensation expense	(82,309)	(81,072)	(167,401)	(161,164)
Net asset management	171,507	164,774	344,347	326,548
Net revenues from contracts with customers	\$ 820,963	\$ 754,820	\$ 1,633,287	\$ 1,499,159

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 4. Other investments

	June 30, 2025		December 31, 2024	
	Cost	Fair value	Cost	Fair value
Fair value through other comprehensive income (FVTOCI)				
Corporate investments	\$ 293,003	\$ 1,611,494	\$ 289,904	\$ 1,350,376
Fair value through profit or loss (FVTPL)				
Equity securities	1,802	2,086	1,772	1,974
Proprietary investment funds	127,901	140,484	107,782	116,107
	129,703	142,570	109,554	118,081
	\$ 422,706	\$ 1,754,064	\$ 399,458	\$ 1,468,457

Wealthsimple Financial Corp. (Wealthsimple) is a financial company that provides simple digital tools for growing and managing client money. The Company's investment in Wealthsimple is primarily held through a limited partnership controlled by Power. The investment is classified at FVTOCI. IGM Financial Inc. holds a 26.7% economic interest in Wealthsimple (December 31, 2024 – 27.2%).

At June 30, 2025, the Company increased the fair value of its investment in Wealthsimple to \$1,476 million (December 31, 2024 – \$1,219 million). The increase in fair value considers the increase in public market peer valuations, Wealthsimple's business performance and revised revenue expectations, as well as recent third party secondary transactions. 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 5. Loans

	Contractual maturity			June 30 2025 Total	December 31 2024 Total
	1 year or less	1 – 5 years	Over 5 years		
Amortized cost					
Residential mortgages	\$ 1,459,964	\$ 3,894,957	\$ 11,616	\$ 5,366,537	\$ 5,463,188
Less: Allowance for expected credit losses				760	783
				5,365,777	5,462,405
Fair value through profit or loss				39,734	–
				\$ 5,405,511	\$ 5,462,405

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

Balance, beginning of period	\$ 783	\$ 737
Write-offs, net of recoveries	(31)	(111)
Change in expected credit losses	8	157
Balance, end of period	\$ 760	\$ 783

Total credit impaired loans as at June 30, 2025 were \$3.2 million (December 31, 2024 – \$3.5 million).

Total interest income on loans was \$107.3 million (2024 – \$98.0 million). Total interest expense on obligations to securitization entities, related to securitized loans, was \$94.5 million (2024 – \$81.3 million). Gains realized on the sale of residential mortgages totalled \$2.8 million (2024 – \$0.5 million). Fair value adjustments related to mortgage banking operations totalled negative \$2.2 million (2024 – negative \$5.4 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 6. 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 fair value of negative \$5.5 million at June 30, 2025 (December 31, 2024 – negative \$7.9 million).

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

	Securitized mortgages	Obligations to securitization entities	Net
June 30, 2025			
Carrying value			
NHA MBS and CMB Program	\$ 2,477,878	\$ 2,495,022	\$ (17,144)
Bank sponsored ABCP	2,418,832	2,464,308	(45,476)
Total	\$ 4,896,710	\$ 4,959,330	\$ (62,620)
Fair value	\$ 4,996,448	\$ 5,083,835	\$ (87,387)
December 31, 2024			
Carrying value			
NHA MBS and CMB Program	\$ 2,494,701	\$ 2,475,814	\$ 18,887
Bank sponsored ABCP	2,551,546	2,549,102	2,444
Total	\$ 5,046,247	\$ 5,024,916	\$ 21,331
Fair value	\$ 5,078,431	\$ 5,098,441	\$ (20,010)

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 7. Investment in associates

	Lifeco	ChinaAMC	Rockefeller	Northleaf	Other	Total
June 30, 2025						
Balance, beginning of period	\$ 633,475	\$ 2,030,081	\$ 903,208	\$ 353,565	\$ 59,415	\$ 3,979,744
Additions	–	–	–	61,000	–	61,000
Dividends	(27,006)	(66,004)	–	–	–	(93,010)
Proportionate share of:						
Earnings (losses)	41,989	60,261	(4,976)	17,677 ⁽¹⁾	884	115,835
Other comprehensive income (loss) and other adjustments	17,954	(72,434)	(47,235)	(3,296)	–	(105,011)
Balance, end of period	\$ 666,412	\$ 1,951,904	\$ 850,997	\$ 428,946	\$ 60,299	\$ 3,958,558
June 30, 2024						
Balance, beginning of period	\$ 589,288	\$ 1,885,223	\$ 844,795	\$ 301,845	\$ 38,023	\$ 3,659,174
Additions	–	–	85	–	10,000	10,085
Dividends	(24,571)	(72,926)	–	(7,903)	–	(105,400)
Proportionate share of:						
Earnings (losses)	46,415	55,228	(10,583)	12,423 ⁽¹⁾	(268)	103,215
Other comprehensive income (loss) and other adjustments	(1,692)	13,194	27,840	–	–	39,342
Balance, end of period	\$ 609,440	\$ 1,880,719	\$ 862,137	\$ 306,365	\$ 47,755	\$ 3,706,416

(1) The Company's proportionate share of Northleaf's earnings net of Non-controlling interest was \$14,142 (2024 – \$9,938).

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.

Northleaf

Additional consideration of up to \$245.0 million may be payable in the fourth quarter of 2025, subject to Northleaf achieving exceptional growth in certain performance measures. As at June 30, 2025, the estimated fair value of the additional consideration was \$101.0 million (December 31, 2024 – \$40.0 million). The change in fair value of \$61.0 million during 2025 was recorded as an adjustment to the cost of the Company's investment in Northleaf, of which \$12.2 million was attributable to Non-controlling interest.

Note 8. Share capital

Authorized

Unlimited number of:

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

Issued and outstanding

	June 30, 2025		June 30, 2024	
	Shares	Stated value	Shares	Stated value
Common shares:				
Balance, beginning of period	237,878,838	\$ 1,785,233	238,131,738	\$ 1,690,626
Issued under Stock Option Plan	735,055	30,534	17,076	623
Purchased for cancellation	(2,559,100)	(19,369)	(1,379,000)	(9,792)
Balance, end of period	236,054,793	\$ 1,796,398	236,769,814	\$ 1,681,457

Normal course issuer bid

On December 23, 2024, the Company commenced a Normal Course Issuer Bid (NCIB) which will continue until December 22, 2025, 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 5.0 million or 2.1% of its common shares outstanding as at December 9, 2024. On December 21, 2023, the Company commenced a NCIB, effective until December 20, 2024, which authorized it to purchase up to 3 million or 1.3% of its common shares outstanding as at December 7, 2023.

In the second quarter of 2025, there were 804,400 shares (2024 – 1,039,000) purchased at a cost of \$34.9 million (2024 – \$37.1 million). In the six months ended June 30, 2025, there were 2,559,100 shares (2024 – 1,379,000) purchased at a cost of \$113.6 million (2024 – \$49.1 million). The premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

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

Note 9. Capital management

The capital management policies, procedures and activities of the Company are discussed in the Capital Resources section of the Company's Management's Discussion and Analysis contained in the Second Quarter 2025 Report to Shareholders and in Note 20 to the Consolidated Financial Statements in the 2024 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2024.

Note 10. Share-based payments

Stock option plan

	June 30 2025	December 31 2024
Common share options		
– Outstanding	7,827,494	8,026,118
– Exercisable	4,911,449	4,786,815

In the second quarter of 2025, the Company granted 1,164 options to employees (2024 – 9,238). In the six months ended June 30, 2025, the Company granted 539,310 options to employees (2024 – 673,814). The weighted-average fair value of options granted during the six months ended June 30, 2025, has been estimated at \$6.58 per option (2024 – \$4.15) using the Black-Scholes option pricing model. The weighted-average closing share price at the grant date was \$45.18.

Other assumptions used in these valuation methods include:

Six months ended June 30	2025	2024
Exercise price	\$ 44.55	\$ 35.68
Risk-free interest rate	3.09%	3.61%
Expected option life	7 years	7 years
Expected volatility	24.00%	24.00%
Expected dividend yield	4.98%	6.33%

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 11. Accumulated other comprehensive income (loss)

	Employee benefits	Other investments	Investment in associates and other	Total
June 30, 2025				
Balance, beginning of period	\$ 34,075	\$ 917,297	\$ 118,685	\$ 1,070,057
Other comprehensive income (loss)	12,764	243,074	(94,265)	161,573
Transfer out of FVTOCI	–	(18,871)	–	(18,871)
Balance, end of period	\$ 46,839	\$ 1,141,500	\$ 24,420	\$ 1,212,759
June 30, 2024				
Balance, beginning of period	\$ (13,995)	\$ 393,956	\$ (63,671)	\$ 316,290
Other comprehensive income (loss)	43,420	192,883	44,992	281,295
Transfer out of FVTOCI	–	38	–	38
Balance, end of period	\$ 29,425	\$ 586,877	\$ (18,679)	\$ 597,623

Amounts are recorded net of tax.

Note 12. Risk management

The risk management policies and procedures of the Company are discussed in the Financial Risk section of the Company's Management's Discussion and Analysis contained in the Second Quarter 2025 Report to Shareholders and in Note 23 to the Consolidated Financial Statements in the 2024 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2024.

Note 13. 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.

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 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 is 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 \$1,611.5 million are predominantly comprised of early-stage financial technology companies, including Wealthsimple with a fair value of \$1,476 million. 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. 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 \$74 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, client funds on deposit, accounts and other receivables, certain other financial assets, accounts payable and accrued liabilities, client deposits, and certain other financial liabilities.

	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
June 30, 2025					
Financial assets recorded at fair value					
Other investments					
– FVTOCI	\$ 1,611,494	\$ –	\$ –	\$ 1,611,494	\$ 1,611,494
– FVTPL	142,570	142,570	–	–	142,570
Loans					
– FVTPL	39,734	–	39,734	–	39,734
Derivative financial instruments	21,259	–	17,221	4,038	21,259
Financial assets recorded at amortized cost					
Loans					
– Amortized cost	5,365,777	–	465,636	4,996,448	5,462,084
Financial liabilities recorded at fair value					
Derivative financial instruments	21,788	–	11,459	10,329	21,788
Financial liabilities recorded at amortized cost					
Obligations to securitization entities	4,959,330	–	–	5,083,835	5,083,835
Long-term debt	2,400,000	–	2,483,234	–	2,483,234
December 31, 2024					
Financial assets recorded at fair value					
Other investments					
– FVTOCI	\$ 1,350,376	\$ –	\$ –	\$ 1,350,376	\$ 1,350,376
– FVTPL	118,081	118,081	–	–	118,081
Derivative financial instruments	36,022	–	30,212	5,810	36,022
Financial assets recorded at amortized cost					
Loans					
– Amortized cost	5,462,405	–	413,443	5,078,431	5,491,874
Financial liabilities recorded at fair value					
Derivative financial instruments	25,721	–	16,317	9,404	25,721
Financial liabilities recorded at amortized cost					
Obligations to securitization entities	5,024,916	–	–	5,098,441	5,098,441
Long-term debt	2,400,000	–	2,485,403	–	2,485,403

There were no significant transfers between Level 1 and Level 2 in 2025 and 2024.

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 2025 and 2024.

	Balance January 1	Gains (losses) included in Net earnings ⁽¹⁾	Gains (losses) included in Other comprehensive income	Purchases and issuances	Settlements	Balance June 30
June 30, 2025						
Other investments						
– FVTOCI	\$ 1,350,376	\$ –	\$ 279,831	\$ 6,847	\$ 25,560	\$ 1,611,494
Derivative financial instruments, net	(3,594)	(197)	–	(74)	2,426	(6,291)
June 30, 2024						
Other investments						
– FVTOCI	\$ 721,379	\$ –	\$ 222,022	\$ 11,692	\$ 179	\$ 954,914
– FVTPL	11,429	–	–	–	–	11,429
Derivative financial instruments, net	7,721	(2,439)	–	(1,763)	(3,670)	7,189

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

Note 14. Earnings per common share

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Earnings				
Net earnings	\$ 248,580	\$ 217,249	\$ 484,021	\$ 442,057
Non-controlling interest	(1,871)	(1,062)	(3,535)	(2,485)
Net earnings available to common shareholders	\$ 246,709	\$ 216,187	\$ 480,486	\$ 439,572
Number of common shares (in thousands)				
Weighted average number of common shares outstanding	236,435	237,232	236,850	237,646
Add: Potential exercise of outstanding stock options ⁽¹⁾	801	165	881	142
Average number of common shares outstanding – diluted basis	237,236	237,397	237,731	237,788
Earnings per common share (in dollars)				
Basic	\$ 1.04	\$ 0.91	\$ 2.03	\$ 1.85
Diluted	\$ 1.04	\$ 0.91	\$ 2.02	\$ 1.85

(1) Excludes 182 thousand shares for the three months ended June 30, 2025, related to outstanding stock options that were anti-dilutive (2024 – 1,173 thousand). Excludes 135 thousand shares for the six months ended June 30, 2025, related to outstanding stock options that were anti-dilutive (2024 – 1,229 thousand).

Note 15. 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 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 16. Segmented information

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 Wealtheasy. Rockefeller is classified as an investment in associate and accounted for using the equity method, with the proportionate share of earnings included in revenue. Wealtheasy is classified as an investment which is accounted for at FVTOCI and therefore has no impact on the segment earnings.
- **Asset Management** – reflects the activities of its core business and strategic investments primarily focused on providing investment management services. This segment includes the operations of Mackenzie Investments which provides investment management services to a suite of investment funds that are distributed through third party dealers and financial advisors, and through institutional advisory mandates to financial institutions, pensions and other institutional investors. This segment also includes the Company's strategic investment in ChinaAMC and Northleaf which are classified as investments in associates and accounted for using the equity method. The proportionate share of earnings on these investments are included in the segment's revenue.
- **Corporate and Other** – primarily represents investments in Lifeco and Portage Ventures LPs, the Company's unallocated capital, as well as consolidation elimination entries.

2025

Three months ended June 30	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Revenues						
Wealth management	\$ 653,004	\$ –	\$ (3,548)	\$ 649,456	\$ –	\$ 649,456
Asset management	–	280,097	(26,281)	253,816	–	253,816
Dealer compensation	–	(80,870)	(1,439)	(82,309)	–	(82,309)
Net asset management	–	199,227	(27,720)	171,507	–	171,507
Net investment income and other	2,199	5,011	4,455	11,665	–	11,665
Proportionate share of associates' earnings	(377)	39,015	27,431	66,069	(5,977)	60,092
	654,826	243,253	618	898,697	(5,977)	892,720
Expenses						
Advisory and business development	283,452	21,346	(2)	304,796	–	304,796
Operations and support	116,136	96,879	807	213,822	–	213,822
Sub-advisory	51,574	1,378	(31,268)	21,684	–	21,684
	451,162	119,603	(30,463)	540,302	–	540,302
	203,664	123,650	31,081	358,395	(5,977)	352,418
Interest expense ⁽²⁾	25,763	6,497	–	32,260	–	32,260
Earnings before income taxes	177,901	117,153	31,081	326,135	(5,977)	320,158
Income taxes	47,043	23,548	987	71,578	–	71,578
	130,858	93,605	30,094	254,557	(5,977)	248,580
Non-controlling interest	–	(1,871)	–	(1,871)	–	(1,871)
	\$ 130,858	\$ 91,734	\$ 30,094	252,686	(5,977)	246,709
Lifeco other items ⁽¹⁾				(5,977)	5,977	–
Net earnings available to common shareholders				\$ 246,709	\$ –	\$ 246,709

(1) The proportionate share of 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.

2024

Three months ended June 30	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Revenues						
Wealth management	\$ 592,238	\$ –	\$ (2,192)	\$ 590,046	\$ –	\$ 590,046
Asset management	–	271,493	(25,647)	245,846	–	245,846
Dealer compensation	–	(80,174)	(898)	(81,072)	–	(81,072)
Net asset management	–	191,319	(26,545)	164,774	–	164,774
Net investment income and other	2,769	3,149	4,052	9,970	–	9,970
Proportionate share of associates' earnings	(2,463)	33,656	24,507	55,700	(4,185)	51,515
	592,544	228,124	(178)	820,490	(4,185)	816,305
Expenses						
Advisory and business development	257,148	21,381	(2)	278,527	–	278,527
Operations and support	114,374	90,849	740	205,963	–	205,963
Sub-advisory	46,413	1,391	(28,735)	19,069	–	19,069
	417,935	113,621	(27,997)	503,559	–	503,559
	174,609	114,503	27,819	316,931	(4,185)	312,746
Interest expense ⁽²⁾	25,710	6,518	–	32,228	–	32,228
Earnings before income taxes	148,899	107,985	27,819	284,703	(4,185)	280,518
Income taxes	40,198	22,177	894	63,269	–	63,269
	108,701	85,808	26,925	221,434	(4,185)	217,249
Non-controlling interest	–	(1,062)	–	(1,062)	–	(1,062)
	\$ 108,701	\$ 84,746	\$ 26,925	220,372	(4,185)	216,187
Lifeco other items ⁽¹⁾				(885)	885	–
Rockefeller debt refinancing ⁽¹⁾				(3,300)	3,300	–
Net earnings available to common shareholders				\$ 216,187	\$ –	\$ 216,187

(1) The proportionate share of Lifeco other items and Rockefeller debt refinancing are not related to a specific segment and therefore excluded from segment results. These items have been adjusted to reconcile Total Segment results to the Company's Consolidated Statements of Earnings.

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

2025

Six months ended June 30	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Revenues						
Wealth management	\$ 1,295,835	\$ –	\$ (6,895)	\$ 1,288,940	\$ –	\$ 1,288,940
Asset management	–	564,538	(52,790)	511,748	–	511,748
Dealer compensation	–	(164,602)	(2,799)	(167,401)	–	(167,401)
Net asset management	–	399,936	(55,589)	344,347	–	344,347
Net investment income and other	4,226	6,476	8,695	19,397	–	19,397
Proportionate share of associates' earnings	(4,092)	77,938	51,951	125,797	(9,962)	115,835
	1,295,969	484,350	(1,838)	1,778,481	(9,962)	1,768,519
Expenses						
Advisory and business development	558,511	47,544	(4)	606,051	–	606,051
Operations and support	234,029	193,974	1,624	429,627	–	429,627
Sub-advisory	103,111	2,781	(62,484)	43,408	–	43,408
	895,651	244,299	(60,864)	1,079,086	–	1,079,086
	400,318	240,051	59,026	699,395	(9,962)	689,433
Interest expense ⁽²⁾	51,280	12,954	–	64,234	–	64,234
Earnings before income taxes	349,038	227,097	59,026	635,161	(9,962)	625,199
Income taxes	93,917	45,348	1,913	141,178	–	141,178
	255,121	181,749	57,113	493,983	(9,962)	484,021
Non-controlling interest	–	(3,535)	–	(3,535)	–	(3,535)
	\$ 255,121	\$ 178,214	\$ 57,113	490,448	(9,962)	480,486
Lifeco other items ⁽¹⁾				(9,962)	9,962	–
Net earnings available to common shareholders				\$ 480,486	\$ –	\$ 480,486
Identifiable assets	\$ 12,212,065	\$ 3,863,637	\$ 1,444,533	\$ 17,520,235	\$ –	\$ 17,520,235
Goodwill	1,346,245	1,290,526	–	2,636,771	–	2,636,771
Total assets	\$ 13,558,310	\$ 5,154,163	\$ 1,444,533	\$ 20,157,006	\$ –	\$ 20,157,006

(1) The proportionate share of 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.

Six months ended June 30	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments ⁽¹⁾	Total
Revenues						
Wealth management	\$ 1,176,737	\$ –	\$ (4,126)	\$ 1,172,611	\$ –	\$ 1,172,611
Asset management	–	539,415	(51,703)	487,712	–	487,712
Dealer compensation	–	(159,470)	(1,694)	(161,164)	–	(161,164)
Net asset management	–	379,945	(53,397)	326,548	–	326,548
Net investment income and other	8,043	9,675	7,879	25,597	–	25,597
Proportionate share of associates' earnings	(7,551)	67,651	48,407	108,507	(5,292)	103,215
	1,177,229	457,271	(1,237)	1,633,263	(5,292)	1,627,971
Expenses						
Advisory and business development	501,324	42,834	(4)	544,154	–	544,154
Operations and support	229,328	179,366	1,097	409,791	–	409,791
Sub-advisory	91,750	2,676	(57,522)	36,904	–	36,904
	822,402	224,876	(56,429)	990,849	–	990,849
	354,827	232,395	55,192	642,414	(5,292)	637,122
Interest expense ⁽²⁾	51,460	13,018	–	64,478	–	64,478
Earnings before income taxes	303,367	219,377	55,192	577,936	(5,292)	572,644
Income taxes	83,468	45,311	1,808	130,587	–	130,587
	219,899	174,066	53,384	447,349	(5,292)	442,057
Non-controlling interest	–	(2,485)	–	(2,485)	–	(2,485)
	\$ 219,899	\$ 171,581	\$ 53,384	444,864	(5,292)	439,572
Lifeco other items ⁽¹⁾				(1,992)	1,992	–
Rockefeller debt refinancing ⁽¹⁾				(3,300)	3,300	–
Net earnings available to common shareholders				\$ 439,572	\$ –	\$ 439,572
Identifiable assets						
Goodwill	\$ 11,292,617	\$ 3,620,381	\$ 1,116,472	\$ 16,029,470	\$ –	\$ 16,029,470
	1,346,245	1,290,526	–	2,636,771	–	2,636,771
Total assets	\$ 12,638,862	\$ 4,910,907	\$ 1,116,472	\$ 18,666,241	\$ –	\$ 18,666,241

(1) The proportionate share of Lifeco other items and Rockefeller debt refinancing are not related to a specific segment and therefore excluded from segment results. These items have been adjusted to reconcile Total Segment results to the Company's Consolidated Statements of Earnings.

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