

# Interim Condensed Consolidated Financial Statements (Unaudited)

## Consolidated Statements of Earnings

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

Three months ended March 31	2026	2025
<b>Revenues</b>		
Wealth management (Note 3)	\$ 729,733	\$ 639,484
Asset management	275,442	257,932
Dealer compensation expense	(87,054)	(85,092)
Net asset management (Note 3)	188,388	172,840
Net investment income and other	10,379	7,732
Proportionate share of associates' earnings (Note 7)	69,403	55,743
	<b>997,903</b>	<b>875,799</b>
<b>Expenses</b>		
Advisory and business development	338,530	301,255
Operations and support	231,632	214,365
Sub-advisory	28,128	23,164
Interest	32,064	31,974
	<b>630,354</b>	<b>570,758</b>
Earnings before income taxes	367,549	305,041
Income taxes	82,238	69,600
<b>Net earnings</b>	<b>285,311</b>	<b>235,441</b>
Non-controlling interest (Note 7)	(1,495)	(1,664)
<b>Net earnings available to common shareholders</b>	<b>\$ 283,816</b>	<b>\$ 233,777</b>
Earnings per share (in dollars) (Note 14)		
– Basic	\$ 1.21	\$ 0.99
– Diluted	\$ 1.20	\$ 0.98

(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	2026	2025
<b>Net earnings</b>	<b>\$ 285,311</b>	<b>\$ 235,441</b>
<b>Other comprehensive income (loss), net of tax</b>		
<b>Items that will not be reclassified to Net earnings</b>		
<b>Fair value through other comprehensive income investments</b>		
Other comprehensive income (loss) (Note 4), net of tax of \$(134) and \$(2,060)	862	13,195
<b>Employee benefits</b>		
Net actuarial gains (losses), net of tax of \$2,609 and \$165	(7,099)	(447)
<b>Investment in associates – employee benefits and other</b>		
Other comprehensive income (loss), net of tax of nil	539	379
<b>Items that may be reclassified subsequently to Net earnings</b>		
<b>Investment in associates and other</b>		
Other comprehensive income (loss), net of tax of \$(7,625) and \$(508)	56,015	20,311
	<b>50,317</b>	<b>33,438</b>
<b>Total comprehensive income</b>	<b>335,628</b>	<b>268,879</b>
Non-controlling interest	(1,495)	(1,664)
<b>Total comprehensive income available to common shareholders</b>	<b>\$ 334,133</b>	<b>\$ 267,215</b>

(See accompanying notes to interim condensed consolidated financial statements)

# Consolidated Balance Sheets

(unaudited) (in thousands of Canadian dollars)

	March 31 2026	December 31 2025
<b>Assets</b>		
Cash and cash equivalents	\$ 1,150,269	\$ 1,274,211
Other investments (Note 4)	2,541,119	2,522,120
Client funds on deposit	3,474,172	4,316,736
Accounts and other receivables	342,286	292,050
Income taxes recoverable	14,102	13,396
Loans (Note 5)	5,176,472	5,262,064
Derivative financial instruments	55,400	69,961
Other assets	168,122	183,478
Investment in associates (Note 7)	3,799,469	3,753,535
Capital assets	346,084	343,753
Capitalized sales commissions	446,953	440,784
Deferred income taxes	1,757	2,206
Intangible assets	1,288,403	1,290,685
Goodwill	2,636,771	2,636,771
<b>Total assets</b>	<b>\$ 21,441,379</b>	<b>\$ 22,401,750</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 455,632	\$ 570,358
Income taxes payable	13,558	29,123
Derivative financial instruments	12,393	15,150
Client deposits	3,448,617	4,299,128
Other liabilities	374,027	355,460
Obligations to securitization entities (Note 6)	4,785,215	4,815,312
Lease obligations	165,262	165,210
Deferred income taxes	717,664	713,725
Long-term debt	2,400,000	2,400,000
<b>Total liabilities</b>	<b>12,372,368</b>	<b>13,363,466</b>
<b>Equity</b>		
Share capital		
Common shares	1,885,707	1,867,055
Contributed surplus	48,856	50,718
Retained earnings	5,129,653	5,166,596
Accumulated other comprehensive income (loss)	1,909,343	1,859,958
<b>Total shareholders' equity</b>	<b>8,973,559</b>	<b>8,944,327</b>
Non-controlling interest	95,452	93,957
<b>Total equity</b>	<b>9,069,011</b>	<b>9,038,284</b>
<b>Total liabilities and equity</b>	<b>\$ 21,441,379</b>	<b>\$ 22,401,750</b>

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 7, 2026.

(See accompanying notes to interim condensed consolidated financial statements)

## Consolidated Statements of Changes in Equity

(unaudited) (in thousands of Canadian dollars)

Three months ended March 31	Share capital – Common shares (Note 8)	Contributed surplus	Retained earnings	Accumulated other com- prehensive income (loss) (Note 11)	Non- controlling interest	Total equity
<b>2026</b>						
<b>Balance, beginning of period</b>	<b>\$ 1,867,055</b>	<b>\$ 50,718</b>	<b>\$ 5,166,596</b>	<b>\$ 1,859,958</b>	<b>\$ 93,957</b>	<b>\$ 9,038,284</b>
Net earnings	–	–	283,816	–	1,495	285,311
Other comprehensive income (loss), net of tax	–	–	–	50,317	–	50,317
<b>Total comprehensive income (loss)</b>	<b>–</b>	<b>–</b>	<b>283,816</b>	<b>50,317</b>	<b>1,495</b>	<b>335,628</b>
Common shares						
Issued under stock option plan	41,295	–	–	–	–	41,295
Purchased for cancellation	(22,643)	–	–	–	–	(22,643)
Stock options						
Current period expense	–	884	–	–	–	884
Exercised	–	(2,746)	–	–	–	(2,746)
Common share dividends	–	–	(144,680)	–	–	(144,680)
Transfer out of fair value through other comprehensive income	–	–	932	(932)	–	–
Common share cancellation excess and other	–	–	(177,011)	–	–	(177,011)
<b>Balance, end of period</b>	<b>\$ 1,885,707</b>	<b>\$ 48,856</b>	<b>\$ 5,129,653</b>	<b>\$ 1,909,343</b>	<b>\$ 95,452</b>	<b>\$ 9,069,011</b>
<b>2025</b>						
Balance, beginning of period	\$ 1,785,233	\$ 54,589	\$ 4,890,896	\$ 1,070,057	\$ 69,631	\$ 7,870,406
Net earnings	–	–	233,777	–	1,664	235,441
Other comprehensive income (loss), net of tax	–	–	–	33,438	–	33,438
<b>Total comprehensive income (loss)</b>	<b>–</b>	<b>–</b>	<b>233,777</b>	<b>33,438</b>	<b>1,664</b>	<b>268,879</b>
Common shares						
Issued under stock option plan	28,705	–	–	–	–	28,705
Purchased for cancellation	(13,250)	–	–	–	–	(13,250)
Stock options						
Current period expense	–	865	–	–	–	865
Exercised	–	(1,709)	–	–	–	(1,709)
Common share dividends	–	–	(133,213)	–	–	(133,213)
Increase of non-controlling interest	–	–	–	–	2,200	2,200
Transfer out of fair value through other comprehensive income	–	–	3	(3)	–	–
Common share cancellation excess and other	–	–	(66,470)	–	–	(66,470)
<b>Balance, end of period</b>	<b>\$ 1,800,688</b>	<b>\$ 53,745</b>	<b>\$ 4,924,993</b>	<b>\$ 1,103,492</b>	<b>\$ 73,495</b>	<b>\$ 7,956,413</b>

(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	2026	2025
<b>Operating activities</b>		
Earnings before income taxes	\$ 367,549	\$ 305,041
Income taxes paid	(96,006)	(102,807)
Adjustments to determine net cash from operating activities		
Capitalized sales commission amortization	30,487	27,811
Capitalized sales commissions paid	(36,815)	(34,212)
Amortization of capital, intangible and other assets	24,422	24,808
Proportionate share of associates' earnings, net of dividends received	(54,572)	(42,240)
Pension and other post-employment benefits	1,069	1,138
Changes in operating assets and liabilities and other	(94,394)	(102,342)
Cash from operating activities before restructuring provision payments	141,740	77,197
Restructuring provision cash payments	(274)	(7,117)
	<b>141,466</b>	<b>70,080</b>
<b>Financing activities</b>		
Increase in obligations to securitization entities	380,778	285,363
Repayments of obligations to securitization entities and other	(408,506)	(284,939)
Repayment of lease obligations	(5,237)	(5,882)
Issue of common shares	38,549	26,997
Common shares purchased for cancellation	(185,442)	(78,784)
Common share dividends paid	(132,359)	(133,817)
	<b>(312,217)</b>	<b>(191,062)</b>
<b>Investing activities</b>		
Purchase of other investments	(34,474)	(15,809)
Proceeds from the sale of other investments	19,407	16,026
Increase in loans	(424,206)	(389,725)
Repayment of loans and other	505,673	393,130
Net additions to capital assets	(7,771)	(7,679)
Net cash used in additions to intangible assets and other	(11,820)	(13,014)
	<b>46,809</b>	<b>(17,071)</b>
Decrease in cash and cash equivalents	(123,942)	(138,053)
Cash and cash equivalents, beginning of period	1,274,211	910,278
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,150,269</b>	<b>\$ 772,225</b>
Cash	\$ 730,116	\$ 596,151
Cash equivalents	420,153	176,074
	<b>\$ 1,150,269</b>	<b>\$ 772,225</b>
<b>Supplemental disclosure of cash flow information related to operating activities</b>		
Interest and dividends received	\$ 71,716	\$ 70,988
Interest paid	\$ 70,915	\$ 74,444

(See accompanying notes to interim condensed consolidated financial statements)

# Notes to the Interim Condensed Consolidated Financial Statements

March 31, 2026 (unaudited) (in thousands of Canadian dollars, except shares and per share amounts)

## Note 1. Corporate information

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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 IGWM Inc. and Mackenzie Financial Corporation (Mackenzie).

## Note 2. Summary of material accounting policies

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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, 2025. The Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements in the 2025 IGM Financial Inc. Annual Report.

### Changes in accounting policies

#### IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Amendments

As of January 1, 2026, the Company has adopted the amendments to IFRS 9 and IFRS 7. The amendments introduce additional disclosures intended to enhance transparency around changes in fair value of equity instruments designated at FVTOCI, and clarify the timing of derecognition for financial liabilities settled through electronic payment systems.

The amendments did not have material impact on the Company's Interim Financial Statements.

### Comparative figures

The Company reclassified certain comparative figures in its Consolidated Statements of Earnings to conform to the current year's presentation which resulted in prior year expenses being reclassified from Operations and support to Sub-advisory. The reclassifications are intended to provide additional details on the nature of the Company's expense categorizations and had no impact on the net earnings of the Company.

### 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 March 31	2026		2025	
Advisory fees	\$	385,194	\$	342,073
Product and program fees		292,899		260,603
		<b>678,093</b>		602,676
Other financial planning revenues		51,640		36,808
Wealth management		729,733		639,484
Asset management		275,442		257,932
Dealer compensation expense		(87,054)		(85,092)
Net asset management		188,388		172,840
Net revenues from contracts with customers	\$	<b>918,121</b>	\$	812,324

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

	March 31, 2026		December 31, 2025	
	Cost	Fair value	Cost	Fair value
Fair value through other comprehensive income (FVTOCI)				
Corporate investments	\$ 403,662	\$ 2,413,164	\$ 403,284	\$ 2,412,868
Fair value through profit or loss (FVTPL)				
Equity securities	2	2	2	2
Proprietary investment funds	127,434	127,953	107,680	109,250
	<b>127,436</b>	<b>127,955</b>	107,682	109,252
	\$ 531,098	\$ 2,541,119	\$ 510,966	\$ 2,522,120

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 and economic interest is presented net of certain partnership costs. The investment is classified at FVTOCI.

IGM Financial Inc. holds a 25.4% economic interest in Wealthsimple (December 31, 2025 – 25.5%) calculated using the treasury method which includes options that are in the money and assumes option proceeds are used to repurchase shares. The Company holds a 22.3% fully diluted economic interest (December 31, 2025 – 22.3%).

At March 31, 2026, the fair value of the Company's investment in Wealthsimple, net of certain partnership costs, was \$2,258 million, unchanged from December 31, 2025. The fair value considers transactions which closed in the fourth quarter of 2025, public market peer valuations, as well as Wealthsimple's business performance and 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 5. Loans

	Contractual maturity			March 31 2026 Total	December 31 2025 Total
	1 year or less	1 – 5 years	Over 5 years		
<b>Amortized cost</b>					
Residential mortgages	\$ 1,126,672	\$ 4,005,440	\$ 10,005	\$ 5,142,117	\$ 5,262,769
Less: Allowance for expected credit losses				648	705
				<u>5,141,469</u>	<u>5,262,064</u>
<b>Fair value through profit or loss</b>				<u>35,003</u>	<u>–</u>
				<b>\$ 5,176,472</b>	<b>\$ 5,262,064</b>

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

Balance, beginning of period		\$ 705	\$ 783
Write-offs, net of recoveries		(77)	(187)
Change in expected credit losses		20	109
Balance, end of period		<u>\$ 648</u>	<u>\$ 705</u>

Total credit impaired loans as at March 31, 2026 were \$5.6 million (December 31, 2025 – \$5.5 million).

Total interest income on loans was \$52.9 million (2025 – \$53.3 million). Total interest expense on obligations to securitization entities, related to securitized loans, was \$44.3 million (2025 – \$47.1 million). Gains realized on the sale of residential mortgages totalled \$1.6 million (2025 – \$1.2 million). Fair value adjustments related to mortgage banking operations totalled positive \$0.7 million (2025 – negative \$0.8 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 \$3.5 million at March 31, 2026 (December 31, 2025 – negative \$4.7 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
<b>March 31, 2026</b>			
Carrying value			
NHA MBS and CMB Program	\$ 2,614,723	\$ 2,629,540	\$ (14,817)
Bank sponsored ABCP	2,123,474	2,155,675	(32,201)
Total	\$ 4,738,197	\$ 4,785,215	\$ (47,018)
Fair value	\$ 4,871,787	\$ 4,908,947	\$ (37,160)
<b>December 31, 2025</b>			
Carrying value			
NHA MBS and CMB Program	\$ 2,580,268	\$ 2,597,439	\$ (17,171)
Bank sponsored ABCP	2,179,719	2,217,873	(38,154)
Total	\$ 4,759,987	\$ 4,815,312	\$ (55,325)
Fair value	\$ 4,890,342	\$ 4,916,463	\$ (26,121)

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

	Great West	ChinaAMC	Rockefeller	Northleaf	Other	Total
<b>March 31, 2026</b>						
Balance, beginning of period	\$ 670,005	\$ 2,081,216	\$ 480,679	\$ 471,901	\$ 49,734	\$ 3,753,535
Dividends	(14,831)	(61,480)	–	–	–	(76,311)
Proportionate share of:						
Earnings (losses)	29,806	34,612	(1,783)	7,477 <sup>(1)</sup>	(709)	69,403
Other comprehensive income (loss) and other adjustments	(14,699)	59,264	8,277	–	–	52,842
Balance, end of period	\$ 670,281	\$ 2,113,612	\$ 487,173	\$ 479,378	\$ 49,025	\$ 3,799,469
<b>March 31, 2025</b>						
Balance, beginning of period	\$ 633,475	\$ 2,030,081	\$ 903,208	\$ 353,565	\$ 59,415	\$ 3,979,744
Additions	–	–	–	11,000	–	11,000
Dividends	(13,503)	(66,004)	–	–	–	(79,507)
Proportionate share of:						
Earnings (losses)	20,535	30,602	(4,350)	8,321 <sup>(1)</sup>	635	55,743
Other comprehensive income (loss) and other adjustments	16,244	8,358	(1,161)	(3,296)	–	20,145
Balance, end of period	\$ 656,751	\$ 2,003,037	\$ 897,697	\$ 369,590	\$ 60,050	\$ 3,987,125

(1) The Company's proportionate share of Northleaf's earnings net of Non-controlling interest was \$5,982 (2025 – \$6,657).

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

## Note 8. Share capital

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### 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, 2026		March 31, 2025	
	Shares	Stated value	Shares	Stated value
Common shares:				
Balance, beginning of period	235,137,873	\$ 1,867,055	237,878,838	\$ 1,785,233
Issued under Stock Option Plan	1,018,743	41,295	689,326	28,705
Purchased for cancellation	(2,830,000)	(22,643)	(1,754,700)	(13,250)
Balance, end of period	233,326,616	\$ 1,885,707	236,813,464	\$ 1,800,688

### Normal course issuer bid

On December 23, 2025, the Company commenced a Normal Course Issuer Bid (NCIB) which will continue until December 22, 2026, 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 11.8 million or 5.0% of its common shares outstanding as at December 9, 2025. On December 23, 2024, the Company commenced an NCIB, effective until December 22, 2025, which authorized it to purchase up to 5.0 million or 2.1% of its common shares outstanding as at December 9, 2024. On November 13, 2025, the Company amended its NCIB to increase the maximum number of common shares that can be repurchased to 6.0 million shares or 2.5% of its common shares outstanding as at December 9, 2024.

In the three months ended March 31, 2026, there were 2,830,000 shares (2025 – 1,754,700) purchased at a cost of \$185.4 million (2025 – \$78.8 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

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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 2026 Report to Shareholders and in Note 19 to the Consolidated Financial Statements in the 2025 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2025.

## Note 10. Share-based payments

### Stock option plan

	March 31 2026	December 31 2025
Common share options		
– Outstanding	4,734,754	5,427,636
– Exercisable	2,525,591	2,654,864

In the three months ended March 31, 2026, the Company granted 337,040 options to employees (2025 – 538,146). The weighted-average fair value of options granted during the three months ended March 31, 2026, has been estimated at \$13.31 per option (2025 – \$6.58) using the Black-Scholes option pricing model. The weighted-average closing share price at the grant date was \$68.80.

Other assumptions used in these valuation methods include:

Three months ended March 31	2026	2025
Exercise price	\$ 66.48	\$ 44.55
Risk-free interest rate	3.10%	3.09%
Expected option life	7 years	7 years
Expected volatility	24.00%	24.00%
Expected dividend yield	3.60%	4.98%

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
<b>March 31, 2026</b>				
Balance, beginning of period	\$ 22,800	\$ 1,739,295	\$ 97,863	\$ 1,859,958
Other comprehensive income (loss)	(7,099)	862	56,554	50,317
Transfer out of FVTOCI	–	(932)	–	(932)
Balance, end of period	\$ 15,701	\$ 1,739,225	\$ 154,417	\$ 1,909,343
<b>March 31, 2025</b>				
Balance, beginning of period	\$ 34,075	\$ 917,297	\$ 118,685	\$ 1,070,057
Other comprehensive income (loss)	(447)	13,195	20,690	33,438
Transfer out of FVTOCI	–	(3)	–	(3)
Balance, end of period	\$ 33,628	\$ 930,489	\$ 139,375	\$ 1,103,492

Amounts are recorded net of tax.

## Note 12. Risk management

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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 2026 Report to Shareholders and in Note 22 to the Consolidated Financial Statements in the 2025 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2025.

## Note 13. Fair value of financial instruments

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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 cash flows 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 \$2,413 million are predominantly comprised of early-stage financial technology companies, including Wealthsimple with a fair value of \$2,258 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 \$113 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
<b>March 31, 2026</b>					
<b>Financial assets recorded at fair value</b>					
Other investments					
– FVTOCI	\$ 2,413,164	\$ –	\$ –	\$ 2,413,164	\$ 2,413,164
– FVTPL	127,955	127,955	–	–	127,955
Loans					
– FVTPL	35,003	–	35,003	–	35,003
Derivative financial instruments	55,400	–	51,673	3,727	55,400
<b>Financial assets recorded at amortized cost</b>					
Loans					
– Amortized cost	5,141,469	–	401,127	4,871,787	5,272,914
<b>Financial liabilities recorded at fair value</b>					
Derivative financial instruments	12,393	–	7,288	5,105	12,393
<b>Financial liabilities recorded at amortized cost</b>					
Obligations to securitization entities	4,785,215	–	–	4,908,947	4,908,947
Long-term debt	2,400,000	–	2,411,242	–	2,411,242
<b>December 31, 2025</b>					
<b>Financial assets recorded at fair value</b>					
Other investments					
– FVTOCI	\$ 2,412,868	\$ –	\$ –	\$ 2,412,868	\$ 2,412,868
– FVTPL	109,252	109,252	–	–	109,252
Derivative financial instruments	69,961	–	66,874	3,087	69,961
<b>Financial assets recorded at amortized cost</b>					
Loans					
– Amortized cost	5,262,064	–	499,359	4,890,342	5,389,701
<b>Financial liabilities recorded at fair value</b>					
Derivative financial instruments	15,150	–	7,665	7,485	15,150
<b>Financial liabilities recorded at amortized cost</b>					
Obligations to securitization entities	4,815,312	–	–	4,916,463	4,916,463
Long-term debt	2,400,000	–	2,441,727	–	2,441,727

There were no significant transfers between Level 1 and Level 2 in 2026 and 2025.

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 2026 and 2025.

	Balance January 1	Gains (losses) included in Net earnings <sup>(1)</sup>	Gains (losses) included in Other comprehensive income	Purchases and issuances	Settlements	Balance March 31
<b>March 31, 2026</b>						
Other investments						
– FVTOCI	\$ 2,412,868	\$ –	\$ 996	\$ 2,290	\$ 2,990	\$ 2,413,164
Derivative financial instruments, net	(4,398)	2,749	–	(8)	(279)	(1,378)
<b>March 31, 2025</b>						
Other investments						
– FVTOCI	\$ 1,350,376	\$ –	\$ 15,251	\$ 3,009	\$ 733	\$ 1,367,903
Derivative financial instruments, net	(3,594)	(2,555)	–	(61)	2,818	(9,028)

(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 March 31	2026	2025
<b>Earnings</b>		
Net earnings	\$ 285,311	\$ 235,441
Non-controlling interest	(1,495)	(1,664)
Net earnings available to common shareholders	\$ 283,816	\$ 233,777
<b>Number of common shares (in thousands)</b>		
Weighted average number of common shares outstanding	234,153	237,269
Add: Potential exercise of outstanding stock options <sup>(1)</sup>	1,656	964
Average number of common shares outstanding – diluted basis	235,809	238,233
<b>Earnings per common share (in dollars)</b>		
Basic	\$ 1.21	\$ 0.99
Diluted	\$ 1.20	\$ 0.98

(1) Excludes 74 thousand shares for the three months ended March 31, 2026, related to outstanding stock options that were anti-dilutive (2025 – 107 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, one of which was certified in October 2025.

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

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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 investment 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 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 Great West and Portage Ventures LPs, the Company's unallocated capital, as well as consolidation elimination entries.

## 2026

Three months ended March 31	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments <sup>(1)</sup>	Total
Revenues						
Wealth management	\$ 734,747	\$ –	\$ (5,014)	\$ 729,733	\$ –	\$ 729,733
Asset management	–	303,121	(27,679)	275,442	–	275,442
Dealer compensation	–	(85,053)	(2,001)	(87,054)	–	(87,054)
Net asset management	–	218,068	(29,680)	188,388	–	188,388
Net investment income and other	2,860	1,778	5,741	10,379	–	10,379
Proportionate share of associates' earnings	(2,492)	42,089	30,249	69,846	(443)	69,403
	735,115	261,935	1,296	998,346	(443)	997,903
Expenses						
Advisory and business development	311,464	27,068	(2)	338,530	–	338,530
Operations and support	126,224	104,985	423	231,632	–	231,632
Sub-advisory	58,139	4,682	(34,693)	28,128	–	28,128
	495,827	136,735	(34,272)	598,290	–	598,290
	239,288	125,200	35,568	400,056	(443)	399,613
Interest expense <sup>(2)</sup>	25,656	6,408	–	32,064	–	32,064
Earnings before income taxes	213,632	118,792	35,568	367,992	(443)	367,549
Income taxes	57,570	23,243	1,425	82,238	–	82,238
	156,062	95,549	34,143	285,754	(443)	285,311
Non-controlling interest	–	(1,495)	–	(1,495)	–	(1,495)
	\$ 156,062	\$ 94,054	\$ 34,143	284,259	(443)	283,816
Great West other items <sup>(1)</sup>				(443)	443	–
Net earnings available to common shareholders				\$ 283,816	\$ –	\$ 283,816
Identifiable assets	\$ 12,903,506	\$ 4,080,564	\$ 1,820,538	\$ 18,804,608	\$ –	\$ 18,804,608
Goodwill	1,346,245	1,290,526	–	2,636,771	–	2,636,771
Total assets	\$ 14,249,751	\$ 5,371,090	\$ 1,820,538	\$ 21,441,379	\$ –	\$ 21,441,379

(1) The proportionate share of Great West other items is 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

Three months ended March 31	Wealth Management	Asset Management	Corporate and Other	Total Segment	Adjustments <sup>(1)</sup>	Total
<b>Revenues</b>						
Wealth management	\$ 642,831	\$ -	\$ (3,347)	\$ 639,484	\$ -	\$ 639,484
Asset management	-	284,441	(26,509)	257,932	-	257,932
Dealer compensation	-	(83,732)	(1,360)	(85,092)	-	(85,092)
Net asset management	-	200,709	(27,869)	172,840	-	172,840
Net investment income and other	2,027	1,465	4,240	7,732	-	7,732
Proportionate share of associates' earnings	(3,715)	38,923	24,520	59,728	(3,985)	55,743
	641,143	241,097	(2,456)	879,784	(3,985)	875,799
<b>Expenses</b>						
Advisory and business development	275,059	26,198	(2)	301,255	-	301,255
Operations and support	117,893	95,655	817	214,365	-	214,365
Sub-advisory	51,537	2,843	(31,216)	23,164	-	23,164
	444,489	124,696	(30,401)	538,784	-	538,784
	196,654	116,401	27,945	341,000	(3,985)	337,015
Interest expense <sup>(2)</sup>	25,517	6,457	-	31,974	-	31,974
Earnings before income taxes	171,137	109,944	27,945	309,026	(3,985)	305,041
Income taxes	46,874	21,800	926	69,600	-	69,600
	124,263	88,144	27,019	239,426	(3,985)	235,441
Non-controlling interest	-	(1,664)	-	(1,664)	-	(1,664)
	\$ 124,263	\$ 86,480	\$ 27,019	237,762	(3,985)	233,777
Great West other items <sup>(1)</sup>				(3,985)	3,985	-
Net earnings available to common shareholders				\$ 233,777	\$ -	\$ 233,777
Identifiable assets	\$ 12,346,325	\$ 3,851,092	\$ 1,390,997	\$ 17,588,414	\$ -	\$ 17,588,414
Goodwill	1,346,245	1,290,526	-	2,636,771	-	2,636,771
Total assets	\$ 13,692,570	\$ 5,141,618	\$ 1,390,997	\$ 20,225,185	\$ -	\$ 20,225,185

(1) The proportionate share of Great West other items is 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.