Consolidated Statements of Earnings

(unaudited) *(in thousands of Canadian dollars, except shares and per share amounts)*	THREE MONTHS ENDED MARCH 31 2015	2014
Revenues		
Management fees	**$ 509,111**	$ 485,766
Administration fees	**102,236**	95,223
Distribution fees	**94,533**	92,411
Net investment income and other	**29,081**	22,002
Proportionate share of affiliate's earnings	**25,902**	19,444
	760,863	714,846
Expenses		
Commission	**266,867**	243,169
Non-commission	**213,622**	195,777
Interest	**22,750**	22,749
	503,239	461,695
Earnings before income taxes	**257,624**	253,151
Income taxes	**55,065**	56,490
Net earnings	**202,559**	196,661
Perpetual preferred share dividends	**2,213**	2,213
Net earnings available to common shareholders	**$ 200,346**	$ 194,448
Average number of common shares *(in thousands) (Note 11)*		
– Basic	**251,211**	252,368
– Diluted	**251,421**	253,413
Earnings per share *(in dollars) (Note 11)*		
– Basic	**$ 0.80**	$ 0.77
– Diluted	**$ 0.80**	$ 0.77

(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 **2015**	 2014
Net earnings	**$ 202,559**	$ 196,661
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to Net earnings		
Employee benefits		
Net actuarial gains (losses), *net of tax of $4,788 and $5,552*	**(12,950)**	(15,016)
Investment in affiliate – employee benefits and other		
Other comprehensive income (loss), *net of tax of nil*	**(5,736)**	5,756
Items that may be reclassified subsequently to Net earnings		
Available for sale securities		
Net unrealized gains (losses), *net of tax of $(1,185) and $(44)*	**3,208**	122
Reclassification of realized (gains) losses to net earnings, *net of tax of $233 and $40*	**(637)**	(111)
	2,571	11
Investment in affiliate and other		
Other comprehensive income (loss), *net of tax of $(51) and $404*	**9,599**	15,041
	(6,516)	5,792
Comprehensive income	**$ 196,043**	$ 202,453

(See accompanying notes to interim condensed consolidated financial statements.)

Consolidated Balance Sheets

(unaudited) *(in thousands of Canadian dollars)*	MARCH 31 2015	DECEMBER 31 2014
Assets		
Cash and cash equivalents	**$ 1,122,939**	$ 1,215,980
Securities	**82,588**	89,545
Accounts and other receivables	**473,137**	470,708
Income taxes recoverable	**30,081**	22,710
Loans *(Note 3)*	**7,017,081**	7,018,893
Derivative financial instruments	**70,889**	39,449
Other assets	**53,334**	45,757
Investment in affiliate	**802,860**	794,381
Capital assets	**122,071**	121,854
Deferred selling commissions	**736,506**	710,447
Deferred income taxes	**73,659**	69,405
Intangible assets	**1,169,233**	1,161,513
Goodwill	**2,659,856**	2,656,539
	$ 14,414,234	$ 14,417,181
Liabilities		
Accounts payable and accrued liabilities	**$ 340,109**	$ 374,369
Income taxes payable	**14,530**	30,916
Derivative financial instruments	**58,083**	29,788
Deposits and certificates	**252,499**	223,328
Other liabilities	**564,647**	528,289
Obligations to securitization entities *(Note 4)*	**6,695,025**	6,754,048
Deferred income taxes	**327,446**	310,564
Long-term debt	**1,325,000**	1,325,000
	9,577,339	9,576,302
Shareholders' Equity		
Share capital		
Perpetual preferred shares	**150,000**	150,000
Common shares	**1,661,017**	1,655,581
Contributed surplus	**32,268**	33,504
Retained earnings	**3,110,844**	3,112,512
Accumulated other comprehensive income (loss)	**(117,234)**	(110,718)
	4,836,895	4,840,879
	$ 14,414,234	$ 14,417,181

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 8, 2015.

(See accompanying notes to interim condensed consolidated financial statements.)

Consolidated Statements of Changes in Shareholders' Equity

(unaudited) (in thousands of Canadian dollars)	Share capital: Perpetual preferred shares (Note 5)	Share capital: Common shares (Note 5)	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss) (Note 8)	Total shareholders' equity
						Three months ended March 31
2015						
Balance, beginning of period	**$ 150,000**	**$ 1,655,581**	**$ 33,504**	**$ 3,112,512**	**$ (110,718)**	**$ 4,840,879**
Net earnings	–	–	–	**202,559**	–	**202,559**
Other comprehensive income (loss), net of tax	–	–	–	–	**(6,516)**	**(6,516)**
Total comprehensive income (loss)	–	–	–	**202,559**	**(6,516)**	**196,043**
Common shares						
Issued under stock option plan	–	**14,608**	–	–	–	**14,608**
Purchased for cancellation	–	**(9,172)**	–	–	–	**(9,172)**
Stock options						
Current period expense	–	–	**1,134**	–	–	**1,134**
Exercised	–	–	**(2,370)**	–	–	**(2,370)**
Perpetual preferred share dividends	–	–	–	**(2,213)**	–	**(2,213)**
Common share dividends	–	–	–	**(140,941)**	–	**(140,941)**
Common share cancellation excess and other *(Note 5)*	–	–	–	**(61,073)**	–	**(61,073)**
Balance, end of period	**$ 150,000**	**$ 1,661,017**	**$ 32,268**	**$ 3,110,844**	**$ (117,234)**	**$ 4,836,895**
2014						
Balance, beginning of period	$ 150,000	$ 1,630,844	$ 32,627	$ 2,977,083	$ (82,959)	$ 4,707,595
Net earnings	–	–	–	196,661	–	196,661
Other comprehensive income (loss), net of tax	–	–	–	–	5,792	5,792
Total comprehensive income (loss)	–	–	–	196,661	5,792	202,453
Common shares						
Issued under stock option plan	–	17,117	–	–	–	17,117
Purchased for cancellation	–	(2,014)	–	–	–	(2,014)
Stock options						
Current period expense	–	–	1,342	–	–	1,342
Exercised	–	–	(2,419)	–	–	(2,419)
Perpetual preferred share dividends	–	–	–	(2,213)	–	(2,213)
Common share dividends	–	–	–	(135,657)	–	(135,657)
Common share cancellation excess and other *(Note 5)*	–	–	–	(16,297)	–	(16,297)
Balance, end of period	$ 150,000	$ 1,645,947	$ 31,550	$ 3,019,577	$ (77,167)	$ 4,769,907

(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 2015	2014
Operating activities		
Earnings before income taxes	**$ 257,624**	$ 253,151
Income taxes paid	**(62,203)**	(65,252)
Adjustments to determine net cash from operating activities		
Deferred selling commission amortization	**58,703**	60,684
Amortization of capital and intangible assets	**9,409**	8,105
Changes in operating assets and liabilities and other	**(47,047)**	(73,240)
	216,486	183,448
Deferred selling commissions paid	**(84,762)**	(82,243)
	131,724	101,205
Financing activities		
Net increase in deposits and certificates	**29,171**	3,346
Net (decrease) increase in obligations to securitization entities	**(61,671)**	155,451
Issue of common shares	**12,238**	14,698
Common shares purchased for cancellation	**(62,086)**	(16,763)
Perpetual preferred share dividends paid	**(2,213)**	(2,213)
Common share dividends paid	**(141,449)**	(135,612)
	(226,010)	18,907
Investing activities		
Purchase of securities	**(9,964)**	(6,937)
Proceeds from the sale of securities	**21,774**	10,696
Net decrease (increase) in loans	**7,882**	(68,390)
Net additions to capital assets	**(4,514)**	(638)
Net cash used in acquisitions and additions to intangible assets	**(13,933)**	(9,127)
	1,245	(74,396)
(Decrease) increase in cash and cash equivalents	**(93,041)**	45,716
Cash and cash equivalents, beginning of period	**1,215,980**	1,082,437
Cash and cash equivalents, end of period	**$ 1,122,939**	$ 1,128,153
Cash	**$ 56,935**	$ 55,867
Cash equivalents	**1,066,004**	1,072,286
	$ 1,122,939	$ 1,128,153
Supplemental disclosure of cash flow information related to operating activities		
Interest and dividends received	**$ 63,751**	$ 55,893
Interest paid	**$ 44,977**	$ 40,287

(See accompanying notes to interim condensed consolidated financial statements.)

Notes to the Interim Condensed Consolidated Financial Statements

MARCH 31, 2015 *(unaudited) (In thousands of Canadian dollars, except shares and per share amounts)*

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 Financial Corporation.

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

2. SUMMARY OF SIGNIFICANT 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, 2014. The Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements in the 2014 IGM Financial Inc. Annual Report.

Future accounting changes

The Company continuously monitors the potential 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.

IFRS 9 Financial Instruments

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

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

This standard is effective for annual periods beginning on or after January 1, 2018 and the impact of the standard is currently being assessed.

IFRS 15 Revenue from Contracts with Customers

The IASB issued IFRS 15 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The model requires an entity to recognize revenue as the goods or services are transferred to the customer in an amount that reflects the expected consideration. Subsequent to quarter end, the IASB has tentatively approved to defer the current effective date of January 1, 2017 to annual periods beginning on or after January 1, 2018.

3. LOANS

	CONTRACTUAL MATURITY				
	1 YEAR OR LESS	1 – 5 YEARS	OVER 5 YEARS	MARCH 31 2015 TOTAL	DECEMBER 31 2014 TOTAL
Loans and receivables					
Residential mortgages	**$ 1,310,393**	**$ 5,298,276**	**$ 2,511**	**$ 6,611,180**	$ 6,653,428
Less: Collective allowance				**673**	762
				6,610,507	6,652,666
Held for trading				**406,574**	366,227
				$ 7,017,081	$ 7,018,893

The change in the collective allowance for credit losses is as follows:		
Balance, beginning of period	**$ 762**	$ 728
Losses (recoveries)	**42**	(236)
Provision for credit losses	**(131)**	270
Balance, end of period	**$ 673**	$ 762

Total impaired loans as at March 31, 2015 were $2,393 (December 31, 2014 – $2,056).

Total interest income on loans classified as loans and receivables was $47.4 million (2014 – $42.0 million). Total interest expense on obligations to securitization entities, related to securitized loans, was $35.4 million (2014 – $30.8 million). Gains realized on the sale of residential mortgages totalled $7.1 million (2014 – $2.9 million). Fair value adjustments related to mortgage banking operations totalled $4.0 million (2014 – $0.4 million). These amounts were included in Net investment income and other. Net investment income and other also includes other mortgage banking related items including interest income on mortgages held for trading, portfolio insurance, issue costs, and other items.

4. 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 an offsetting liability for the net proceeds received as Obligations to securitization entities which is carried 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, is recorded as a derivative and had a negative fair value of $50.7 million at March 31, 2015 (December 31, 2014 – negative $26.3 million).

Under the NHA MBS and CMB Program, the Company has an obligation to make timely payments to security holders regardless of whether amounts are received from mortgagors. 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 carried 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. Credit risk is further limited to the extent these mortgages are insured.

4. SECURITIZATIONS *(continued)*

MARCH 31, 2015	SECURITIZED MORTGAGES	OBLIGATIONS TO SECURITIZATION ENTITIES	NET
Carrying value			
NHA MBS and CMB Program	**$ 4,624,931**	**$ 4,685,386**	**$ (60,455)**
Bank sponsored ABCP	**1,957,812**	**2,009,639**	**(51,827)**
Total	**$ 6,582,743**	**$ 6,695,025**	**$ (112,282)**
Fair value	**$ 6,824,883**	**$ 6,847,195**	**$ (22,312)**

DECEMBER 31, 2014			
Carrying value			
NHA MBS and CMB Program	$ 4,611,253	$ 4,691,792	$ (80,539)
Bank sponsored ABCP	2,012,702	2,062,256	(49,554)
Total	$ 6,623,955	$ 6,754,048	$ (130,093)
Fair value	$ 6,819,531	$ 6,858,924	$ (39,393)

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.

5. 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, 2015		MARCH 31, 2014	
	SHARES	STATED VALUE	SHARES	STATED VALUE
Perpetual preferred shares – classified as equity:				
First preferred shares, Series B	**6,000,000**	**$ 150,000**	6,000,000	$ 150,000
Common shares:				
Balance, beginning of period	**251,469,346**	**$ 1,655,581**	252,309,767	$ 1,630,844
Issued under Stock Option Plan *(Note 7)*	**327,049**	**14,608**	361,124	17,117
Purchased for cancellation	**(1,385,000)**	**(9,172)**	(310,000)	(2,014)
Balance, end of period	**250,411,395**	**$ 1,661,017**	252,360,891	$ 1,645,947

5. SHARE CAPITAL *(continued)*

Normal course issuer bid

In the first quarter of 2015, 1,385,000 shares (2014 – 310,000 shares) were purchased at a cost of $62.1 million (2014 – $16.8 million). The premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

The Company commenced a normal course issuer bid on March 20, 2015 which is effective until March 19, 2016. Pursuant to this bid, the Company may purchase up to 12.5 million or 5% of its common shares outstanding as at March 13, 2015. On April 14, 2014, the Company commenced a normal course issuer bid, effective until March 19, 2015, which authorized it to purchase up to 12.6 million or 5% of its common shares outstanding as at March 31, 2014.

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

6. 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 2015 Report to Shareholders and in Note 17 to the Consolidated Financial Statements in the 2014 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2014.

7. SHARE-BASED PAYMENTS

Stock option plan

	MARCH 31 2015	DECEMBER 31 2014
Common share options		
– Outstanding	**7,826,084**	6,940,248
– Exercisable	**3,495,954**	3,124,226

In the first quarter of 2015, the Company granted 1,293,075 options to employees (2014 – 1,024,685). The fair value of options granted during the three months ended March 31, 2015 has been estimated at $3.49 per option (2014 – $6.59) using the Black-Scholes option pricing model. The closing share price at the grant date was $44.09. The assumptions used in the valuation model include:

	THREE MONTHS ENDED MARCH 31 2015	2014
Exercise price	**$ 43.97**	$ 53.81
Risk-free interest rate	**1.04%**	1.90%
Expected option life	**6 years**	6 years
Expected volatility	**20.00%**	21.00%
Expected dividend yield	**5.12%**	4.00%

Expected volatility has been estimated based on the historic volatility of the Company's share price over six 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. A portion of the outstanding options can only be exercised once certain performance targets are met.

8. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

MARCH 31, 2015	EMPLOYEE BENEFITS	AVAILABLE FOR SALE SECURITIES	INVESTMENT IN AFFILIATE AND OTHER	TOTAL
Balance, beginning of period	**$ (123,510)**	**$ 194**	**$ 12,598**	**$ (110,718)**
Other comprehensive income (loss)	**(12,950)**	**2,571**	**3,863**	**(6,516)**
Balance, end of period	**$ (136,460)**	**$ 2,765**	**$ 16,461**	**$ (117,234)**

MARCH 31, 2014				
Balance, beginning of period	$ (68,593)	$ 420	$ (14,786)	$ (82,959)
Other comprehensive income (loss)	(15,016)	11	20,797	5,792
Balance, end of period	$ (83,609)	$ 431	$ 6,011	$ (77,167)

Amounts are recorded net of tax.

9. RISK MANAGEMENT

The risk management policies and procedures of the Company are discussed in the Financial Instruments Risk section of the Company's Management's Discussion and Analysis contained in the First Quarter 2015 Report to Shareholders and in Note 20 to the Consolidated Financial Statements in the 2014 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2014.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values are management's estimates and are generally 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 arms 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.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

Fair value is determined using the following methods and assumptions:

Securities 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.

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 securities 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 securities 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.

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, and certain other financial liabilities.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

		FAIR VALUE			
	CARRYING VALUE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
MARCH 31, 2015					
Financial assets recorded at fair value					
Securities					
– Available for sale	**$ 4,675**	**$ 4,675**	**$ –**	**$ –**	**$ 4,675**
– Held for trading	**77,913**	**74,940**	**1,351**	**1,622**	**77,913**
Loans					
– Held for trading	**406,574**	**–**	**406,574**	**–**	**406,574**
Derivative financial instruments	**70,889**	**–**	**70,593**	**296**	**70,889**
Other financial assets	**9,273**	**–**	**–**	**9,273**	**9,273**
Financial assets recorded at amortized cost					
Loans					
– Loans and receivables	**6,610,507**	**–**	**28,723**	**6,824,883**	**6,853,606**
Financial liabilities recorded at fair value					
Derivative financial instruments	**58,083**	**–**	**7,048**	**51,035**	**58,083**
Other financial liabilities	**6,108**	**6,108**	**–**	**–**	**6,108**
Financial liabilities recorded at amortized cost					
Deposits and certificates	**252,499**	**–**	**254,198**	**–**	**254,198**
Obligations to securitization entities	**6,695,025**	**–**	**–**	**6,847,195**	**6,847,195**
Long-term debt	**1,325,000**	**–**	**1,729,693**	**–**	**1,729,693**
DECEMBER 31, 2014					
Financial assets recorded at fair value					
Securities					
– Available for sale	$ 10,220	$ 10,220	$ –	$ –	$ 10,220
– Held for trading	79,325	76,953	769	1,603	79,325
Loans					
– Held for trading	366,227	–	366,227	–	366,227
Derivative financial instruments	39,449	–	39,449	–	39,449
Financial assets recorded at amortized cost					
Loans					
– Loans and receivables	6,652,666	–	29,749	6,819,531	6,849,280
Financial liabilities recorded at fair value					
Derivative financial instruments	29,788	–	3,461	26,327	29,788
Other financial liabilities	6,585	6,585	–	–	6,585
Financial liabilities recorded at amortized cost					
Deposits and certificates	223,328	–	225,266	–	225,266
Obligations to securitization entities	6,754,048	–	–	6,858,924	6,858,924
Long-term debt	1,325,000	–	1,681,954	–	1,681,954

There were no significant transfers between Level 1 and Level 2 in 2015 and 2014.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

The following table provides a summary of changes in Level 3 assets and liabilities measured at fair value on a recurring basis.

	BALANCE JANUARY 1	GAINS/ (LOSSES) INCLUDED IN NET EARNINGS[(1)]	GAINS/(LOSSES) INCLUDED IN OTHER COMPREHENSIVE INCOME[(2)]	PURCHASES AND ISSUANCES	SETTLEMENTS	TRANSFERS IN/OUT	BALANCE MARCH 31
MARCH 31, 2015							
Assets							
Securities							
– Held for trading	**$ 1,603**	**$ 19**	**$ –**	**$ –**	**$ –**	**$ –**	**$ 1,622**
Other financial assets[(3)]	**–**	**–**	**3,562**	**–**	**–**	**5,711**	**9,273**
Liabilities							
Derivative financial instruments, net	**26,327**	**(27,506)**	**–**	**(793)**	**2,301**	**–**	**50,739**
MARCH 31, 2014							
Assets							
Securities							
– Held for trading	$ 1,446	$ –	$ –	$ 51	$ –	$ –	$ 1,497
Liabilities							
Derivative financial instruments, net	16,163	(12,642)	–	(626)	4,583	–	23,596

(1) Included in Net investment income in the Consolidated Statements of Earnings.
(2) Included in Available for sale securities – Net unrealized gains (losses) in the Consolidated Statements of Comprehensive Income.
(3) Other financial assets previously recorded at cost were re-measured at fair value using recent market transactions.

11. EARNINGS PER COMMON SHARE

	THREE MONTHS ENDED MARCH 31 2015	2014
Earnings		
Net earnings	**$ 202,559**	$ 196,661
Perpetual preferred share dividends	**2,213**	2,213
Net earnings available to common shareholders	**$ 200,346**	$ 194,448
Number of common shares *(in thousands)*		
Average number of common shares outstanding	**251,211**	252,368
Add: Potential exercise of outstanding stock options	**210**	1,045
Average number of common shares outstanding – diluted basis	**251,421**	253,413
Earnings per common share *(in dollars)*		
Basic	**$ 0.80**	$ 0.77
Diluted	**$ 0.80**	$ 0.77

12. RELATED PARTY TRANSACTIONS

The Company entered into tax loss consolidation transactions with its parent company, Power Financial Corporation, after obtaining advance tax rulings:

- On January 7, 2014, the Company acquired $1.67 billion of 4.51% preferred shares of a wholly-owned subsidiary of Power Financial Corporation. As sole consideration for the preferred shares, the Company issued $1.67 billion of 4.50% secured demand debentures to Power Financial Corporation. The Company has legally enforceable rights to settle these financial instruments on a net basis and the Company intends to exercise these rights.
- On January 6, 2015, the Company acquired $0.33 billion of 4.51% preferred shares of a wholly-owned subsidiary of Power Financial Corporation. As sole consideration for the preferred shares, the Company issued $0.33 billion of 4.50% secured demand debentures to Power Financial Corporation. The Company has legally enforceable rights to settle these financial instruments on a net basis and the Company intends to exercise these rights.

The preferred shares and debentures and related dividend income and interest expense are offset in the Consolidated Financial Statements of the Company. Tax savings arise due to the tax deductibility of the interest expense.

13. SEGMENTED INFORMATION

The Company's reportable segments are:

- Investors Group
- Mackenzie
- Corporate and Other

These segments reflect the current organizational structure and internal financial reporting. Management measures and evaluates the performance of these segments based on earnings before interest and taxes.

Investors Group earns fee-based revenues in the conduct of its core business activities which are primarily related to the distribution, management and administration of its investment funds. It also earns fee revenues from the provision of brokerage services and the distribution of insurance and banking products. In addition, Investors Group earns intermediary revenues primarily from mortgage banking and servicing activities and from the assets funded by deposit and certificate products.

Mackenzie earns fee-based revenues from services it provides as fund manager to its investment funds and as investment advisor to sub-advisory and institutional accounts.

Corporate and Other includes Investment Planning Counsel, equity income from its investment in Lifeco, net investment income on unallocated investments, other income, and also includes consolidation elimination entries.

13. SEGMENTED INFORMATION *(continued)*

				2015
Three months ended March 31	INVESTORS GROUP	MACKENZIE	CORPORATE AND OTHER	TOTAL
Revenues				
Management fees	$ 316,181	$ 177,962	$ 14,968	$ 509,111
Administration fees	73,029	25,540	3,667	102,236
Distribution fees	46,270	3,246	45,017	94,533
Net investment income and other	21,518	4,218	29,247	54,983
	456,998	210,966	92,899	760,863
Expenses				
Commission	144,979	77,858	44,030	266,867
Non-commission	121,331	76,186	16,105	213,622
	266,310	154,044	60,135	480,489
Earnings before undernoted	$ 190,688	$ 56,922	$ 32,764	280,374
Interest expense				22,750
Earnings before income taxes				257,624
Income taxes				55,065
Net earnings				202,559
Perpetual preferred share dividends				2,213
Net earnings available to common shareholders				$ 200,346
Identifiable assets	$ 8,272,283	$ 1,342,012	$ 2,140,083	$11,754,378
Goodwill	1,347,781	1,168,580	143,495	2,659,856
Total assets	$ 9,620,064	$ 2,510,592	$ 2,283,578	$14,414,234

13. SEGMENTED INFORMATION *(continued)*

				2014
Three months ended March 31	INVESTORS GROUP	MACKENZIE	CORPORATE AND OTHER	TOTAL
Revenues				
Management fees	$ 300,682	$ 171,720	$ 13,364	$ 485,766
Administration fees	66,009	26,045	3,169	95,223
Distribution fees	48,495	3,214	40,702	92,411
Net investment income and other	13,243	1,359	26,844	41,446
	428,429	202,338	84,079	714,846
Expenses				
Commission	130,457	73,780	38,932	243,169
Non-commission	109,943	70,800	15,034	195,777
	240,400	144,580	53,966	438,946
Earnings before undernoted	$ 188,029	$ 57,758	$ 30,113	275,900
Interest expense				22,749
Earnings before income taxes				253,151
Income taxes				56,490
Net earnings				196,661
Perpetual preferred share dividends				2,213
Net earnings available to common shareholders				$ 194,448
Identifiable assets	$ 7,048,431	$ 1,343,281	$ 2,030,019	$ 10,421,731
Goodwill	1,347,781	1,168,580	140,178	2,656,539
Total assets	$ 8,396,212	$ 2,511,861	$ 2,170,197	$ 13,078,270