CONSOLIDATED STATEMENTS OF EARNINGS

(unaudited) *(in thousands of Canadian dollars, except per share amounts)*	THREE MONTHS ENDED SEPTEMBER 30 2018	THREE MONTHS ENDED SEPTEMBER 30 2017	NINE MONTHS ENDED SEPTEMBER 30 2018	NINE MONTHS ENDED SEPTEMBER 30 2017
Revenues				
Management fees	$ 573,825	$ 541,836	$ 1,693,207	$ 1,616,539
Administration fees	109,054	109,126	323,711	329,328
Distribution fees	93,344	89,855	276,561	289,890
Net investment income and other	15,974	7,644	48,760	52,866
Proportionate share of associates' earnings	39,793	24,875	115,360	72,652
	831,990	773,336	2,457,599	2,361,275
Expenses				
Commission	270,073	275,996	826,335	849,751
Non-commission	268,676	238,792	774,448	704,768
Interest	37,703	28,949	96,737	84,439
	576,452	543,737	1,697,520	1,638,958
Earnings before income taxes	255,538	229,599	760,079	722,317
Income taxes	55,172	54,026	166,045	164,397
Net earnings	200,366	175,573	594,034	557,920
Perpetual preferred share dividends	2,213	2,213	6,638	6,638
Net earnings available to common shareholders	$ 198,153	$ 173,360	$ 587,396	$ 551,282
Earnings per common share *(in dollars) (Note 16)*				
– Basic	$ 0.82	$ 0.72	$ 2.44	$ 2.29
– Diluted	$ 0.82	$ 0.72	$ 2.44	$ 2.29

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited) *(in thousands of Canadian dollars)*	THREE MONTHS ENDED SEPTEMBER 30 2018	2017	NINE MONTHS ENDED SEPTEMBER 30 2018	2017
Net earnings	$ 200,366	$ 175,573	$ 594,034	$ 557,920
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), *net of tax of $164 and $1,059*	(1,032)	N/A	(6,784)	N/A
Employee benefits				
Net actuarial gains (losses), *net of tax of $(4,742), $(6,822), $(7,426) and $4,005*	12,818	18,453	20,081	(10,825)
Investment in associates – employee benefits and other				
Other comprehensive income (loss), *net of tax of nil*	4,349	(2,249)	2,918	10,550
Items that may be reclassified subsequently to Net earnings				
Available for sale investments				
Net unrealized gains (losses), *net of tax of $665 and $309*	N/A	(4,323)	N/A	1,079
Reclassification of realized (gains) losses to net earnings, *net of tax of $11 and $38*	N/A	(34)	N/A	(106)
	N/A	(4,357)	N/A	973
Investment in associates and other				
Other comprehensive income (loss), *net of tax of $4,866, $1,207, $3,024 and $82*	(45,018)	(17,027)	4,944	(13,965)
	(28,883)	(5,180)	21,159	(13,267)
Total comprehensive income	$ 171,483	$ 170,393	$ 615,193	$ 544,653

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

CONSOLIDATED BALANCE SHEETS

(unaudited) *(in thousands of Canadian dollars)*	**SEPTEMBER 30 2018**	DECEMBER 31 2017
Assets		
Cash and cash equivalents	**$ 586,670**	$ 966,843
Other investments *(Note 4)*	**413,136**	379,696
Client funds on deposit	**446,089**	489,626
Accounts and other receivables	**353,418**	305,062
Income taxes recoverable	**6,499**	33,928
Loans *(Note 5)*	**7,748,747**	7,849,873
Derivative financial instruments	**32,305**	35,692
Other assets	**53,369**	64,558
Investment in associates *(Note 7)*	**1,608,722**	1,551,013
Capital assets	**142,021**	150,468
Capitalized sales commissions *(Note 8)*	**96,156**	767,315
Deferred income taxes	**58,819**	60,661
Intangible assets	**1,192,390**	1,184,451
Goodwill	**2,660,267**	2,660,267
	$ 15,398,608	$ 16,499,453
Liabilities		
Accounts payable and accrued liabilities	**$ 387,500**	$ 406,821
Income taxes payable	**44,389**	8,018
Derivative financial instruments	**36,656**	28,444
Deposits and certificates	**466,403**	504,996
Other liabilities	**417,861**	491,280
Obligations to securitization entities *(Note 6)*	**7,357,699**	7,596,028
Deferred income taxes	**287,100**	463,862
Long-term debt *(Note 9)*	**1,850,000**	2,175,000
	10,847,608	11,674,449
Shareholders' Equity		
Share capital		
Perpetual preferred shares	**150,000**	150,000
Common shares	**1,609,831**	1,602,726
Contributed surplus	**44,699**	42,633
Retained earnings	**2,796,424**	3,100,775
Accumulated other comprehensive income (loss)	**(49,954)**	(71,130)
	4,551,000	4,825,004
	$ 15,398,608	$ 16,499,453

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 2, 2018.

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	SHARE CAPITAL					NINE MONTHS ENDED SEPTEMBER 30
(unaudited) *(in thousands of Canadian dollars)*	PERPETUAL PREFERRED SHARES *(Note 10)*	COMMON SHARES *(Note 10)*	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) *(Note 13)*	TOTAL SHAREHOLDERS' EQUITY
2018						
Balance, beginning of period						
As previously reported	$ 150,000	$ 1,602,726	$ 42,633	$ 3,100,775	$ (71,130)	$ 4,825,004
Change in accounting policy *(Note 2)*						
IFRS 9	–	–	–	36,334	17	36,351
IFRS 15	–	–	–	(516,312)	–	(516,312)
As restated	150,000	1,602,726	42,633	2,620,797	(71,113)	4,345,043
Net earnings	–	–	–	594,034	–	594,034
Other comprehensive income (loss), net of tax	–	–	–	–	21,159	21,159
Total comprehensive income	–	–	–	594,034	21,159	615,193
Common shares						
Issued under stock option plan	–	7,105	–	–	–	7,105
Stock options						
Current period expense	–	–	2,773	–	–	2,773
Exercised	–	–	(707)	–	–	(707)
Perpetual preferred share dividends	–	–	–	(6,638)	–	(6,638)
Common share dividends	–	–	–	(406,384)	–	(406,384)
Other	–	–	–	(5,385)	–	(5,385)
Balance, end of period	$ 150,000	$ 1,609,831	$ 44,699	$ 2,796,424	$ (49,954)	$ 4,551,000
2017						
Balance, beginning of period	$ 150,000	$ 1,597,208	$ 39,552	$ 3,042,442	$ (82,442)	$ 4,746,760
Net earnings	–	–	–	557,920	–	557,920
Other comprehensive income (loss), net of tax	–	–	–	–	(13,267)	(13,267)
Total comprehensive income	–	–	–	557,920	(13,267)	544,653
Common shares						
Issued under stock option plan	–	2,279	–	–	–	2,279
Stock options						
Current period expense	–	–	2,773	–	–	2,773
Exercised	–	–	(119)	–	–	(119)
Perpetual preferred share dividends	–	–	–	(6,638)	–	(6,638)
Common share dividends	–	–	–	(405,992)	–	(405,992)
Other	–	–	–	(2,176)	–	(2,176)
Balance, end of period	$ 150,000	$ 1,599,487	$ 42,206	$ 3,185,556	$ (95,709)	$ 4,881,540

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) *(in thousands of Canadian dollars)*	NINE MONTHS ENDED SEPTEMBER 30 2018	 2017
Operating activities		
Earnings before income taxes	$ 760,079	$ 722,317
Income taxes paid	(94,939)	(137,386)
Adjustments to determine net cash from operating activities		
Capitalized sales commission amortization	10,132	173,262
Capitalized sales commissions paid	(42,467)	(207,965)
Amortization of capital and intangible assets	41,697	41,293
Proportionate share of associates' earnings, net of dividends received	(58,046)	(30,697)
Pension and other post-employment benefits	(18,253)	8,236
Pension plan amendment	–	(50,381)
Restructuring provisions and other	22,758	22,940
Changes in operating assets and liabilities and other	4,400	(45,994)
	625,361	495,625
Restructuring provision cash payments	(44,487)	(16,481)
	580,874	479,144
Financing activities		
Net decrease in deposits and certificates	(806)	(1,114)
Increase in obligations to securitization entities	1,238,291	1,433,192
Repayments of obligations to securitization entities and other	(1,530,838)	(1,890,875)
Issue of debentures	200,000	600,000
Repayment of debentures	(525,000)	–
Issue of common shares	6,398	2,160
Perpetual preferred share dividends paid	(6,638)	(6,638)
Common share dividends paid	(406,290)	(405,949)
	(1,024,883)	(269,224)
Investing activities		
Purchase of other investments	(93,160)	(136,977)
Proceeds from the sale of other investments	67,420	42,675
Increase in loans	(1,300,332)	(1,978,614)
Repayment of loans and other	1,441,776	2,340,693
Net additions to capital assets	(8,167)	(11,314)
Net cash used in additions to intangible assets and acquisitions	(43,701)	(38,743)
Investment in China Asset Management Co., Ltd.	–	(439,344)
	63,836	(221,624)
Decrease in cash and cash equivalents	(380,173)	(11,704)
Cash and cash equivalents, beginning of period	966,843	611,032
Cash and cash equivalents, end of period	$ 586,670	$ 599,328
Cash	$ 63,703	$ 55,639
Cash equivalents	522,967	543,689
	$ 586,670	$ 599,328
Supplemental disclosure of cash flow information related to operating activities		
Interest and dividends received	$ 222,977	$ 199,762
Interest paid	$ 222,920	$ 170,049

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 *(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 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.

NOTE 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 this note and in Note 2 to the Consolidated Financial Statements for the year ended December 31, 2017. The Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements in the 2017 IGM Financial Inc. Annual Report.

CHANGES IN ACCOUNTING POLICIES

IFRS 9 FINANCIAL INSTRUMENTS (IFRS 9)

As of January 1, 2018, the Company has adopted IFRS 9 which replaces IAS 39, *Financial Instruments: Recognition and Measurement* (IAS 39). IFRS 9 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 incurred loss model for impairment of financial assets with an expected credit loss model.
- Hedge accounting: This phase replaces the rule-based hedge accounting requirements with guidance that more closely aligns the accounting with an entity's risk management activities.

The Company has elected not to restate its comparative financial information for the effect of applying IFRS 9, as permitted by the transitional provisions within IFRS 9. The cumulative impact of applying IFRS 9 has therefore been recognized as an adjustment to the current period's opening retained earnings and comparative information continues to be presented in accordance with IAS 39.

The cumulative impact relating to classification and measurement under IFRS 9 has resulted in an after tax increase to opening retained earnings of approximately $36.3 million ($49.7 million before tax) as at January 1, 2018.

Loans of $282.6 million previously classified as held for trading were reclassified to amortized cost as a result of the Company's business model and contractual cash flow characteristics assessment.

A total remeasurement of $49.7 million was recorded due to the reversal of discounts related to fair value losses recognized on the loans and the capitalization of previously expensed mortgage issue costs.

Other investments of $19.9 million were reclassified from available for sale to fair value through profit or loss (FVTPL).

CHANGES IN ACCOUNTING POLICIES *(continued)*

IFRS 9 FINANCIAL INSTRUMENTS (IFRS 9) *(continued)*

The Company elected to classify other investments of $262.8 million at fair value through other comprehensive income (FVTOCI). This reclassification had no impact to opening retained earnings, however under this election, unrealized gains and losses on these investments will never be recycled through profit or loss.

The Company has adopted the hedge accounting requirements of IFRS 9. As a result of the business model assessment, mortgages previously classified as held for trading and subsequently reclassified to loans and receivables are now classified at amortized cost when originated. The Company has therefore designated certain derivative instruments as hedging instruments to avoid an accounting mismatch between derivative instruments and associated loans. Application of IFRS 9 hedge accounting requirements did not have a material impact in the first quarter of 2018.

The application of the expected credit loss model did not have a material impact to the Company's loan loss provision.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)

As of January 1, 2018, the Company has adopted 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.

IFRS 15 outlines various criteria for the eligibility of capitalizing contract costs. Determining whether the customer is the fund or the end investor impacts whether costs should be capitalized as a cost of obtaining a contract with a customer or whether they should be assessed as a cost of fulfilling a contract with a customer.

To determine whether sales commissions associated with the distribution of investment funds should be capitalized, the Company assesses whether the customer is the investment fund or the individual investor. Where it is determined that the investment fund is the customer, contract costs are expensed as incurred. Where it is determined that the individual investor is the customer, contract costs are capitalized and amortized over a period not exceeding seven years.

The Company has elected not to restate its comparative financial information for the effect of applying IFRS 15, as permitted by the transitional provisions within IFRS 15. The cumulative impact of applying IFRS 15 has therefore been recognized as an adjustment to the current period's opening retained earnings and comparative information continues to be presented in accordance with the Company's accounting policies in effect as at December 31, 2017.

The cumulative impact from the Company's application of IFRS 15 has resulted in an after tax decrease to opening retained earnings of approximately $514.6 million ($703.5 million before tax) as at January 1, 2018.

Capitalized sales commissions of $703.5 million were derecognized as they related to commissions paid on sales where the customer was the investment fund. This resulted in a decrease to the Company's Deferred income taxes liability of $188.9 million.

On January 1, 2018, Great-West Lifeco Inc. (Lifeco) also adopted IFRS 15 (Note 7). The impact from Lifeco's application of IFRS 15 has resulted in a decrease in the Company's investment in associates of $1.7 million and a decrease in opening retained earnings of $1.7 million as at January 1, 2018.

CHANGES IN ACCOUNTING POLICIES *(continued)*

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15) *(continued)*

Impact of the changes in accounting policies on the Consolidated Balance Sheet:

	DECEMBER 31, 2017		ADJUSTMENT DUE TO CHANGES IN :		JANUARY 1, 2018	
	CLASSIFICATION	CARRYING VALUE	CLASSIFICATION	MEASUREMENT	CARRYING VALUE	CLASSIFICATION
Assets						
Loans[1]	Held for trading	286,682	(282,572)	–	4,110	FVTPL
	Loans & receivables	7,563,191	282,572	49,729	7,895,492	Amortized Cost
		7,849,873	–	49,729	7,899,602	
Other investments[1]	Available for sale	282,756	(19,931)	–	262,825	FVTOCI
	FVTPL	96,940	19,931	–	116,871	FVTPL
Investment in associates[2]		1,551,013	–	(1,728)	1,549,285	
Capitalized sales commissions[2]		767,315	–	(703,494)	63,821	
			–	(655,493)		
Liabilities & Shareholders' Equity						
Income tax payable[1]		8,018	–	6,880	14,898	
Deferred income taxes[1][2]		463,862	–	(182,412)	281,450	
Retained earnings[1][2]		3,100,775	(17)	(479,961)	2,620,797	
AOCI[1]		(71,130)	17	–	(71,113)	
			–	(655,493)		

(1) Transition to IFRS 9
(2) Transition to IFRS 15

FINANCIAL INSTRUMENTS

All financial assets are initially recognized at fair value in the Consolidated Balance Sheets and are subsequently classified as measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on the Company's assessment of the business model within which the financial asset is managed and the financial asset's contractual cash flow characteristics.

A financial asset is measured at amortized cost if it is held within a business model of holding financial assets and collecting contractual cash flows and those cash flows are comprised solely of payments of principal and interest. A financial asset is measured at FVTOCI if the financial asset is held within a business model of both collecting contractual cash flows and selling the financial assets or through an irrevocable election for equity instruments that are not held for trading. All other financial assets are measured at FVTPL. A financial asset that would otherwise be measured at amortized cost or FVTOCI can be designated as FVTPL through an irrevocable election if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets can only be reclassified when there is a change to the business model within which they are managed. Such reclassifications are applied on a prospective basis.

Financial liabilities are classified either as measured at amortized cost using the effective interest method or as FVTPL, which are recorded at fair value.

Unrealized gains and losses on financial assets classified as FVTOCI as well as other comprehensive income amounts, including unrealized foreign currency translation gains and losses related to the Company's investment in its associates, are recorded in the Consolidated Statements of Comprehensive Income on a net of tax basis. Accumulated other comprehensive income forms part of Shareholders' equity.

OTHER INVESTMENTS

Other investments, which are recorded on a trade date basis, are classified as either FVTOCI or FVTPL.

The Company has elected to classify equity investments held for long-term investments as FVTOCI. Unrealized gains and losses on FVTOCI investments are recorded in Other comprehensive income and transferred directly to retained earnings when realized without being recorded through profit or loss. Dividends declared are recorded in Net investment income and other in the Consolidated Statements of Earnings.

FVTPL investments are held for trading and are comprised of fixed income and equity investments and investments in proprietary investment funds. Unrealized and realized gains and losses, dividends declared, and interest income on these investments are recorded in Net investment income and other in the Consolidated Statements of Earnings.

LOANS

Loans are classified as either FVTPL or amortized cost, based on the Company's assessment of the business model within which the loan is managed.

Changes in fair value of loans measured at FVTPL are recorded in Net investment income and other in the Consolidated Statements of Earnings. Loans measured at amortized cost are recorded net of an allowance for expected credit losses. Interest income is accounted for on the accrual basis using the effective interest method for all loans and is recorded in Net investment income and other in the Consolidated Statements of Earnings.

The Company applies a three-stage impairment approach to measure expected credit losses on loans: 1) On origination, an allowance for 12-month expected credit losses is established, 2) Lifetime expected credit losses are recognized where there is a significant deterioration of credit quality, and 3) A loan is considered credit impaired when there is no longer reasonable assurance of collection.

SALES COMMISSIONS

Commissions are paid on investment product sales where the Company either receives a fee directly from the client or where it receives a fee directly from the investment fund.

Commissions paid on investment product sales where the Company receives a fee directly from the client are capitalized and amortized over their estimated useful lives, not exceeding a period of seven years. The Company regularly reviews the carrying value of capitalized selling commissions with respect to any events or circumstances that indicate impairment. Among the tests performed by the Company to assess recoverability is the comparison of the future economic benefits derived from the capitalized selling commission asset in relation to its carrying value.

All other commissions paid on investment product sales are expensed as incurred.

COMPARATIVE FIGURES

The Company reclassified certain comparative figures in its Statements of Cash Flows to conform to the current year's presentation. The reclassifications are intended to provide additional details on the nature of the Company's cash flows and had no impact on the net earnings of the Company.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IFRS 16 LEASES

The IASB issued IFRS 16 which requires a lessee to recognize a right-of-use asset representing its right to use the underlying leased asset and a corresponding lease liability representing its obligation to make lease payments for all leases. A lessee recognizes the related expense as depreciation on the right-of-use asset and interest on the lease liability. Short-term (less than 12 months) and low-value asset leases are exempt from these requirements. IFRS 16 may be implemented using a retrospective approach or a modified retrospective approach, which permits the use of certain practical expedients upon transition. The Company is still considering which method it will apply on transition.

The adoption of IFRS 16 will result in an increase to the Company's assets and liabilities through the recognition of a right-of-use asset and lease liability. Amortization expense will increase due to the amortization of the right-of-use asset and interest expense will increase due to the imputed interest on the lease liability. Overall expenses are not expected to be materially different due to the offsetting decrease to operating lease expense. The standard is effective for annual reporting periods beginning on or after January 1, 2019. The Company continues to assess the quantitative impact of the adoption of IFRS 16.

NOTE 3 NON-COMMISSION EXPENSES

During the third quarter, the Company incurred restructuring and other charges of $22.7 million related to the re-engineering of North American equity offerings and associated personnel changes, as well as other initiatives to improve the Company's offerings and operational effectiveness.

NOTE 4 OTHER INVESTMENTS

	SEPTEMBER 30, 2018		DECEMBER 31, 2017	
	COST	FAIR VALUE	COST	FAIR VALUE
Available for sale				
Corporate investments	$ N/A	$ N/A	$ 215,050	$ 262,825
Proprietary investment funds	N/A	N/A	19,601	19,931
	N/A	N/A	234,651	282,756
Fair value through other comprehensive income				
Corporate investments	281,247	321,179	N/A	N/A
Fair value through profit or loss				
Equity securities	17,230	17,696	17,115	17,062
Proprietary investment funds	74,746	74,261	79,575	79,878
	91,976	91,957	96,690	96,940
	$ 373,223	$ 413,136	$ 331,341	$ 379,696

NOTE 5 LOANS

	CONTRACTUAL MATURITY				
	1 YEAR OR LESS	1 – 5 YEARS	OVER 5 YEARS	SEPTEMBER 30 2018 TOTAL	DECEMBER 31 2017 TOTAL
Amortized cost					
Residential mortgages	$ 1,225,359	$ 6,502,970	$ 16,506	$ 7,744,835	$ 7,563,997
Less: Allowance for expected credit losses				801	806
				7,744,034	7,563,191
Fair value through profit or loss				4,713	286,682
				$ 7,748,747	$ 7,849,873

The change in the allowance for expected credit losses is as follows:		
Balance, beginning of period	$ 806	$ 722
Write-offs, net of recoveries	(267)	(612)
Provision for credit losses	262	696
Balance, end of period	$ 801	$ 806

Total credit impaired loans as at September 30, 2018 were $2,589 (December 31, 2017 – $2,842).

Total interest income on loans was $159.2 million (2017 – $156.0 million). Total interest expense on obligations to securitization entities, related to securitized loans, was $122.6 million (2017 – $100.0 million). Gains realized on the sale of residential mortgages totalled $1.5 million (2017 – $7.5 million). Fair value adjustments related to mortgage banking operations totalled negative $7.5 million (2017 – negative $11.7 million). These amounts were included in Net investment income and other. Net investment income and other 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, is recorded as a derivative and had a positive fair value of $15.7 million at September 30, 2018 (December 31, 2017 – positive $4.1 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 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. Credit risk is further limited to the extent these mortgages are insured.

NOTE 6 SECURITIZATIONS *(continued)*

SEPTEMBER 30, 2018	SECURITIZED MORTGAGES	OBLIGATIONS TO SECURITIZATION ENTITIES	NET
Carrying value			
NHA MBS and CMB Program	$ 4,226,619	$ 4,247,067	$ (20,448)
Bank sponsored ABCP	3,071,988	3,110,632	(38,644)
Total	$ 7,298,607	$ 7,357,699	$ (59,092)
Fair value	$ 7,287,736	$ 7,374,745	$ (87,009)
DECEMBER 31, 2017			
Carrying value			
NHA MBS and CMB Program	$ 4,461,926	$ 4,470,908	$ (8,982)
Bank sponsored ABCP	3,076,083	3,125,120	(49,037)
Total	$ 7,538,009	$ 7,596,028	$ (58,019)
Fair value	$ 7,649,591	$ 7,657,761	$ (8,170)

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

	SEPTEMBER 30, 2018			SEPTEMBER 30, 2017		
	LIFECO	CHINA AMC	TOTAL	LIFECO	CHINA AMC	TOTAL
Balance, beginning of period						
As previously reported	$ 903,133	$ 647,880	$ 1,551,013	$ 888,851	$ –	$ 888,851
Change in accounting policy *(Note 2)*	(1,728)	–	(1,728)	–	–	–
	901,405	647,880	1,549,285	888,851	–	888,851
Additional investment	–	–	–	–	637,619	637,619
Dividends received	(46,374)	(12,156)	(58,530)	(43,751)	–	(43,751)
Proportionate share of:						
Earnings[(1)]	93,598	21,762	115,360	74,764	2,986	77,750
Associates' provision	–	–	–	(5,098)	–	(5,098)
Other comprehensive income (loss) and other adjustments	18,769	(16,162)	2,607	(3,902)	(6,737)	(10,639)
Balance, end of period	$ 967,398	$ 641,324	$ 1,608,722	$ 910,864	$ 633,868	$ 1,544,732

(1) Recorded in Proportionate share of associates' earnings in the Consolidated Statements of Earnings.

GREAT-WEST LIFECO INC. (LIFECO)

At September 30, 2018, the Company held 39,737,388 (December 31, 2017 – 39,737,388) shares of Lifeco, which represented an equity interest of 4.0% (December 31, 2017 – 4.0%).

In the second quarter of 2017, Lifeco established a restructuring provision. The Company's after-tax proportionate share was $5.1 million and is recorded in the Consolidated Statements of Earnings.

NOTE 7 INVESTMENT IN ASSOCIATES *(continued)*

CHINA ASSET MANAGEMENT CO., LTD. (CHINA AMC)

On August 31, 2017, the Company finalized its investment in China AMC which resulted in a 13.9% ownership interest at a total cost of $638.3 million.

China AMC is an asset management company established in Beijing, China and is controlled by CITIC Securities Company Limited.

As at September 30, 2018, the Company held a 13.9% ownership interest in China AMC. The Company uses the equity method to account for its investment in China AMC as it exercises significant influence. Significant influence arises from board representation, participating in the policy making process, shared strategic initiatives including joint product launches and collaboration between management and investment teams.

NOTE 8 CAPITALIZED SALES COMMISSIONS

	SEPTEMBER 30 2018	DECEMBER 31 2017
Cost	$ 112,049	$ 1,429,042
Less: accumulated amortization	(15,893)	(661,727)
	$ 96,156	$ 767,315

	SEPTEMBER 30 2018	SEPTEMBER 30 2017
Changes in capitalized sales commissions:		
Balance, beginning of period		
As previously reported	$ 767,315	$ 726,608
Change in accounting policy *(Note 2)*	(703,494)	–
	63,821	726,608
Changes due to:		
Sales of investment products	42,467	207,964
Amortization	(10,132)	(173,262)
	32,335	34,702
Balance, end of period	$ 96,156	$ 761,310

NOTE 9 LONG-TERM DEBT

On July 11, 2018, the Company issued $200.0 million of 4.174% debentures maturing July 13, 2048. On August 10, 2018, the net proceeds were used by the Company, together with a portion of IGM Financial's existing internal cash resources, to fund the early redemption of all of its $375 million aggregate principal amount of 7.35% debentures due April 8, 2019. A premium of $10.7 million was paid on the early redemption of the 7.35% debentures.

NOTE 10 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

	SEPTEMBER 30, 2018		SEPTEMBER 30, 2017	
	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	**240,666,131**	**$ 1,602,726**	240,515,968	$ 1,597,208
Issued under Stock Option Plan	**168,389**	**7,105**	77,581	2,279
Balance, end of period	**240,834,520**	**$ 1,609,831**	240,593,549	$ 1,599,487

NOTE 11 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 Third Quarter 2018 Report to Shareholders and in Note 17 to the Consolidated Financial Statements in the 2017 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2017.

NOTE 12 SHARE-BASED PAYMENTS

STOCK OPTION PLAN

	SEPTEMBER 30 2018	DECEMBER 31 2017
Common share options		
– Outstanding	**9,815,931**	8,912,748
– Exercisable	**4,813,369**	4,063,668

In the third quarter of 2018, the Company granted 725 options to employees (2017 – nil). In the nine months ended September 30, 2018, the Company granted 1,336,990 options to employees (2017 – 1,418,930). The weighted-average fair value of options granted during the nine months ended September 30, 2018 has been estimated at $2.56 per option (2017 – $2.52) using the Black-Scholes option pricing model. The weighted-average closing share price at the grant dates was $39.10. The assumptions used in these valuation models include:

NOTE 12 SHARE-BASED PAYMENTS *(continued)*

	NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017
Exercise price	**$ 39.28**	$ 41.70
Risk-free interest rate	**2.35%**	1.53%
Expected option life	**6 years**	6 years
Expected volatility	**17.00%**	17.00%
Expected dividend yield	**5.73%**	5.40%

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.

NOTE 13 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

SEPTEMBER 30, 2018	EMPLOYEE BENEFITS	OTHER INVESTMENTS	INVESTMENT IN ASSOCIATES AND OTHER	TOTAL
Balance, beginning of period				
As previously reported	**$ (132,529)**	**$ 39,051**	**$ 22,348**	**$ (71,130)**
Change in accounting policy *(Note 2)*	**–**	**17**	**–**	**17**
	(132,529)	**39,068**	**22,348**	**(71,113)**
Other comprehensive income (loss)	**20,081**	**(6,784)**	**7,862**	**21,159**
Balance, end of period	**$ (112,448)**	**$ 32,284**	**$ 30,210**	**$ (49,954)**
SEPTEMBER 30, 2017				
Balance, beginning of period	$ (110,913)	$ 8,617	$ 19,854	$ (82,442)
Other comprehensive income (loss)	(10,825)	973	(3,415)	(13,267)
Balance, end of period	$ (121,738)	$ 9,590	$ 16,439	$ (95,709)

Amounts are recorded net of tax.

NOTE 14 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 Third Quarter 2018 Report to Shareholders and in Note 20 to the Consolidated Financial Statements in the 2017 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2017.

NOTE 15 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.

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

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

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

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

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

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

Level 3 assets and liabilities include investments with little or no trading activity valued using broker-dealer quotes, loans, other financial assets, obligations to securitization entities and derivative financial instruments. Derivative financial instruments consist of principal reinvestment account swaps which represent the component of a swap entered into under the CMB Program whereby the Company pays coupons on Canada Mortgage Bonds and receives investment returns on the reinvestment of repaid mortgage principal. Fair value is determined by discounting the projected cashflows of the swaps. The notional amount, which is an input used to determine the fair value of the swap, is determined using an average unobservable prepayment rate of 15% which is based on historical prepayment patterns. An increase (decrease) in the assumed mortgage prepayment rate increases (decreases) the notional amount of the swap.

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.

		FAIR VALUE			
	CARRYING VALUE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
SEPTEMBER 30, 2018					
Financial assets recorded at fair value					
Other investments					
– FVTOCI	**$ 321,179**	**$ –**	**$ –**	**$ 321,179**	**$ 321,179**
– FVTPL	**91,957**	**91,348**	**–**	**609**	**91,957**
Loans					
– FVTPL	**4,713**	**–**	**4,713**	**–**	**4,713**
Derivative financial instruments	**32,305**	**–**	**12,284**	**20,021**	**32,305**
Financial assets recorded at amortized cost					
Loans					
– Amortized cost	**7,744,034**	**–**	**441,790**	**7,287,736**	**7,729,526**
Financial liabilities recorded at fair value					
Derivative financial instruments	**36,656**	**–**	**32,305**	**4,351**	**36,656**
Other financial liabilities	**8,998**	**8,895**	**103**	**–**	**8,998**
Financial liabilities recorded at amortized cost					
Deposits and certificates	**466,403**	**–**	**466,661**	**–**	**466,661**
Obligations to securitization entities	**7,357,699**	**–**	**–**	**7,374,745**	**7,374,745**
Long-term debt	**1,850,000**	**–**	**2,056,730**	**–**	**2,056,730**
DECEMBER 31, 2017					
Financial assets recorded at fair value					
Other investments					
– Available for sale	$ 282,756	$ 19,931	$ –	$ 262,825	$ 282,756
– Held for trading	96,940	95,390	889	661	96,940
Loans					
– Held for trading	286,682	–	286,682	–	286,682
Derivative financial instruments	35,692	–	22,879	12,813	35,692
Financial assets recorded at amortized cost					
Loans					
– Loans and receivables	7,563,191	–	25,917	7,649,591	7,675,508
Financial liabilities recorded at fair value					
Derivative financial instruments	28,444	–	19,726	8,718	28,444
Other financial liabilities	9,262	9,146	116	–	9,262
Financial liabilities recorded at amortized cost					
Deposits and certificates	504,996	–	505,486	–	505,486
Obligations to securitization entities	7,596,028	–	–	7,657,761	7,657,761
Long-term debt	2,175,000	–	2,470,182	–	2,470,182

NOTE 15 FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

There were no significant transfers between Level 1 and Level 2 in 2018 and 2017.

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	PURCHASES AND ISSUANCES	SETTLEMENTS	TRANSFERS IN/OUT	BALANCE SEPTEMBER 30
SEPTEMBER 30, 2018							
Assets							
Other investments							
– FVTOCI	**$ 262,825**	**$ –**	**$ (7,843)**	**$ 66,197**	**$ –**	**$ –**	**$ 321,179**
– FVTPL	**661**	**49**	**–**	**–**	**–**	**(101)**	**609**
Derivative financial instruments, net	**4,095**	**125**	**–**	**446**	**11,004**	**–**	**15,670**
SEPTEMBER 30, 2017							
Assets							
Other investments							
– Available for sale	$ 151,949	$ –	$ 2,874	$ 72,650	$ –	$ –	$ 227,473
– Held for trading	1,438	35	–	–	–	–	1,473
Liabilities							
Derivative financial instruments, net	23,055	12,180	–	1,015	11,818	–	72

(1) Included in Net investment income in the Consolidated Statements of Earnings.

NOTE 16 EARNINGS PER COMMON SHARE

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2018	2017	**2018**	2017
Earnings				
Net earnings	**$ 200,366**	$ 175,573	**$ 594,034**	$ 557,920
Perpetual preferred share dividends	**2,213**	2,213	**6,638**	6,638
Net earnings available to common shareholders	**$ 198,153**	$ 173,360	**$ 587,396**	$ 551,282
Number of common shares *(in thousands)*				
Weighted average number of common shares outstanding	**240,829**	240,589	**240,799**	240,573
Add: Potential exercise of outstanding stock options[1]	**137**	326	**215**	289
Average number of common shares outstanding – diluted basis	**240,966**	240,915	**241,014**	240,862
Earnings per common share *(in dollars)*				
– Basic	**$ 0.82**	$ 0.72	**$ 2.44**	$ 2.29
– Diluted	**$ 0.82**	$ 0.72	**$ 2.44**	$ 2.29

(1) Excludes 1,370 thousand shares for the three months ended September 30, 2018 (2017 – 766 thousand) related to outstanding stock options that were anti-dilutive. Excludes 1,139 thousand shares for the nine months ended September 30, 2018 (2017 – 888 thousand) related to outstanding stock options that were anti-dilutive.

NOTE 17 SEGMENTED INFORMATION

The Company's reportable segments are:

- IG Wealth Management
- Mackenzie Investments
- Corporate and Other

These segments reflect the Company's internal financial reporting and performance measurement. In the third quarter of 2018, the Company announced that it has rebranded Investors Group as IG Wealth Management. In 2017, the Company announced the combination of investment management functions of IG Wealth Management and Mackenzie Investments resulting in the formation of a single global investment management organization. As a result, the Company has changed the methodology used to charge its segments the costs associated with the single investment management function to better align it with internal reporting.

IG Wealth Management 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, IG Wealth Management earns intermediary revenues primarily from mortgage banking and servicing activities and from the assets funded by deposit and certificate products.

Mackenzie Investments 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 and China AMC (Note 7), net investment income on unallocated investments, other income, and also includes consolidation elimination entries.

2018

THREE MONTHS ENDED SEPTEMBER 30	IG WEALTH MANAGEMENT	MACKENZIE INVESTMENTS	CORPORATE AND OTHER	TOTAL
Revenues				
Management fees	$ 374,743	$ 178,577	$ 20,505	$ 573,825
Administration fees	79,645	24,791	4,618	109,054
Distribution fees	42,585	1,694	49,065	93,344
Net investment income and other	13,315	(1,091)	3,750	15,974
Proportionate share of associates' earnings	–	–	39,793	39,793
	510,288	203,971	117,731	831,990
Expenses				
Commission	150,627	73,221	46,225	270,073
Non-commission	146,088	78,062	21,768	245,918
	296,715	151,283	67,993	515,991
Earnings before undernoted	$ 213,573	$ 52,688	$ 49,738	315,999
Interest expense				(27,023)
Premium paid on early redemption of debentures *(Note 9)*				(10,680)
Restructuring and other charges *(Note 3)*				(22,758)
Earnings before income taxes				255,538
Income taxes				55,172
Net earnings				200,366
Perpetual preferred share dividends				2,213
Net earnings available to common shareholders				$ 198,153

NOTE 17 SEGMENTED INFORMATION *(continued)*

2017

THREE MONTHS ENDED SEPTEMBER 30	IG WEALTH MANAGEMENT	MACKENZIE INVESTMENTS	CORPORATE AND OTHER	TOTAL
Revenues				
Management fees	$ 352,508	$ 175,287	$ 14,041	$ 541,836
Administration fees	79,865	24,494	4,767	109,126
Distribution fees	41,569	1,687	46,599	89,855
Net investment income and other	5,274	(301)	2,671	7,644
Proportionate share of associates' earnings	–	–	24,875	24,875
	479,216	201,167	92,953	773,336
Expenses				
Commission	156,195	74,164	45,637	275,996
Non-commission	142,077	81,626	15,089	238,792
	298,272	155,790	60,726	514,788
Earnings before undernoted	$ 180,944	$ 45,377	$ 32,227	258,548
Interest expense				(28,949)
Earnings before income taxes				229,599
Income taxes				54,026
Net earnings				175,573
Perpetual preferred share dividends				2,213
Net earnings available to common shareholders				$ 173,360

NOTE 17 SEGMENTED INFORMATION *(continued)*

2018

NINE MONTHS ENDED SEPTEMBER 30	IG WEALTH MANAGEMENT	MACKENZIE INVESTMENTS	CORPORATE AND OTHER	TOTAL
Revenues				
Management fees	$ 1,101,376	$ 531,506	$ 60,325	$ 1,693,207
Administration fees	235,196	74,590	13,925	323,711
Distribution fees	126,392	5,301	144,868	276,561
Net investment income and other	35,746	1,172	11,842	48,760
Proportionate share of associates' earnings	–	–	115,360	115,360
	1,498,710	612,569	346,320	2,457,599
Expenses				
Commission	467,093	221,434	137,808	826,335
Non-commission	437,671	248,198	65,821	751,690
	904,764	469,632	203,629	1,578,025
Earnings before undernoted	$ 593,946	$ 142,937	$ 142,691	879,574
Interest expense				(86,057)
Premium paid on early redemption of debentures *(Note 9)*				(10,680)
Restructuring and other charges *(Note 3)*				(22,758)
Earnings before income taxes				760,079
Income taxes				166,045
Net earnings				594,034
Perpetual preferred share dividends				6,638
Net earnings available to common shareholders				$ 587,396
Identifiable assets	$ 8,787,767	$ 1,174,561	$ 2,776,013	$ 12,738,341
Goodwill	1,347,781	1,168,580	143,906	2,660,267
Total assets	$ 10,135,548	$ 2,343,141	$ 2,919,919	$ 15,398,608

NOTE 17 SEGMENTED INFORMATION *(continued)*

2017

NINE MONTHS ENDED SEPTEMBER 30	IG WEALTH MANAGEMENT	MACKENZIE INVESTMENTS	CORPORATE AND OTHER	TOTAL
Revenues				
Management fees	$ 1,048,162	$ 524,307	$ 44,070	$ 1,616,539
Administration fees	241,092	73,817	14,419	329,328
Distribution fees	145,162	5,875	138,853	289,890
Net investment income and other	45,380	(2,075)	9,561	52,866
Proportionate share of associates' earnings	–	–	77,750	77,750
	1,479,796	601,924	284,653	2,366,373
Expenses				
Commission	488,669	224,258	136,824	849,751
Non-commission	437,510	247,356	47,343	732,209
	926,179	471,614	184,167	1,581,960
Earnings before undernoted	$ 553,617	$ 130,310	$ 100,486	784,413
Interest expense				(84,439)
Pension plan				50,381
Restructuring and other charges				(22,940)
Proportionate share of affiliate's provision				(5,098)
Earnings before income taxes				722,317
Income taxes				164,397
Net earnings				557,920
Perpetual preferred share dividends				6,638
Net earnings available to common shareholders				$ 551,282
Identifiable assets	$ 9,301,439	$ 1,301,888	$ 2,586,247	$ 13,189,574
Goodwill	1,347,781	1,168,580	143,906	2,660,267
Total assets	$ 10,649,220	$ 2,470,468	$ 2,730,153	$ 15,849,841