

Readers are referred to the disclaimer regarding Forward-Looking Statements, Non-IFRS Financial Measures and Additional IFRS Measures at the end of this Release.

IGM FINANCIAL INC. REPORTS FOURTH QUARTER AND 2020 EARNINGS

Winnipeg – February 11, 2021: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the fourth quarter of 2020 and for the year ended December 31, 2020.

IGM HIGHLIGHTS

- Fourth quarter net earnings of \$229.1 million or 96 cents per share compared to \$191.6 million or 80 cents per share in the fourth quarter 2019.
- Fourth quarter adjusted net earnings, excluding other items,¹ of \$204.3 million or 86 cents per share compared to \$200.8 million or 84 cents per share in the fourth quarter 2019. **Adjusted earnings per share of 86 cents represented the highest fourth quarter result in the Company's history.**
- Annual net earnings of \$764.4 million or \$3.21 per share compared to \$746.7 million or \$3.12 per share in 2019.
- Annual adjusted net earnings, excluding other items,¹ of \$762.9 million or \$3.20 per share compared to \$763.9 million or \$3.19 per share in 2019.
- **Record high assets under management and advisement of \$240.0 billion**, up 6.7% in the quarter and 10.3% in the year (excluding \$30.3 billion in net business acquisitions).
- **Record high fourth quarter net inflows of \$2.2 billion and record high full year net inflows of \$7.1 billion**, compared to net outflows of \$7 million in the fourth quarter of 2019 and net outflows of \$1.7 billion in 2019.

"We are pleased with the momentum in our business as we ended 2020, with record high asset levels, net flows and adjusted net earnings per share in the fourth quarter," said James O'Sullivan, President and Chief Executive Officer of IGM Financial Inc. "We also closed a number of important acquisitions in the quarter that enhance our product capabilities while expanding our distribution reach."

WEALTH MANAGEMENT

Reflects the activities of operating companies that are principally focused on providing financial planning and related services to Canadian households and includes the activities of IG Wealth Management and Investment Planning Counsel.

Adjusted EBIT in the fourth quarter of 2020 was \$188.7 million and represented 65.3% of IGM's adjusted EBIT. This was a decrease of 6.3% compared to the fourth quarter of 2019 and an increase of 0.9% compared to the third quarter of 2020.

Record high assets under advisement at December 31, 2020 of \$132.6 billion, an increase of 6.1% from \$125.0 billion at September 30, 2020 and an increase of 6.2% from \$124.8 billion at December 31, 2019.

IG Wealth Management

Record high assets under advisement at December 31, 2020 of \$103.3 billion, an increase of 5.9% from \$97.5 billion at September 30, 2020 and an increase of 6.4% from \$97.1 billion at December 31, 2019.

Best fourth quarter net client inflows in over two decades of \$485 million, an improvement from net client outflows of \$109 million in 2019. Net client inflows for the twelve month period were \$795 million, an improvement from net client outflows of \$780 million in 2019.

Record high fourth quarter gross client inflows of \$2.9 billion, up from gross inflows of \$2.5 billion in 2019.

ASSET MANAGEMENT (MACKENZIE INVESTMENTS)

Reflects the activities of operating companies primarily focused on providing investment management services, and represents the operations of Mackenzie Investments.

Adjusted EBIT in the fourth quarter of 2020 was \$60.1 million and represented 20.8% of IGM's adjusted EBIT. This was an increase of 14.5% compared to the fourth quarter of 2019 and a decrease of 14.8% compared to the third quarter of 2020.

Total assets under management were at an all-time high of \$186.8 billion, compared to \$147.3 billion at September 30, 2020 and \$141.8 billion at December 31, 2019. Excluding \$30.3 billion in net business acquisitions in the fourth quarter of GLC Asset Management Group Ltd. (GLC) and Greenchip Financial Corp. (Greenchip), assets under management at December 31, 2020 were up 6.2% from September 30, 2020 and 10.3% from December 31, 2019. Assets under management excluding sub-advisory to the Wealth Management segment were \$110.9 billion at December 31, 2020, and excluding the net business acquisitions were up 8.1% from September 30, 2020 and 18.1% from December 31, 2019.

Record high investment fund net sales in the quarter of \$1.7 billion,² compared to \$220 million in 2019. Net sales for the year were \$4.2 billion² compared to net sales of \$1.2 billion a year ago.

Record high gross mutual fund sales in the quarter of \$4.5 billion,² an increase of 74.0% from \$2.6 billion in the fourth quarter of 2019. Mutual fund net sales for the fourth quarter were \$1.4 billion² compared to net sales of \$18 million in 2019.

ETF business - ETF assets under management totalled \$8.5 billion at December 31, 2020, up from \$4.7 billion at December 31, 2019. Excluding investment in ETFs by IGM mutual funds, ETF assets under management were \$3.8 billion at December 31, 2020, compared to \$2.4 billion at December 31, 2019.

STRATEGIC INVESTMENTS AND OTHER

Represents the key strategic investments made by the Company, including China Asset Management Co., Ltd., Great-West Lifeco Inc., Northleaf Capital Group Ltd., Wealthsimple Financial Corporation, and Portag3 Ventures LPs, as well as unallocated capital.

Great-West Lifeco Inc. (Lifeco) – The Company's proportionate share of Lifeco's fourth quarter earnings was \$27.3 million, a decrease of 8.7% from \$29.9 million in the fourth quarter of 2019.

China Asset Management Co., Ltd. (China AMC) – The Company's proportionate share of China AMC's fourth quarter earnings was \$11.8 million, **an increase of 63.9%** from \$7.2 million in the fourth quarter of 2019 and was the highest quarterly result since IGM's investment in China AMC.

Investment in Northleaf Capital Group Ltd. (Northleaf) – The Company, together with Lifeco, acquired a 70% economic interest and 49.9% voting interest in Northleaf for \$241 million through an acquisition vehicle 80% owned by Mackenzie and 20% owned by Lifeco.

DIVIDENDS

The Board of Directors has declared a dividend of 56.25 cents per share on the Company's common shares which is payable on April 30, 2021 to shareholders of record on March 31, 2021.

¹ Other items in 2020 consisted of:

- A gain on the sale of the Quadrus Group of Funds net of acquisitions costs, of \$21.4 million after-tax (\$25.2 million pre-tax), recorded in the fourth quarter.
- The Company's proportionate share in Great-West Lifeco Inc.'s after-tax adjustments related to the revaluation of a deferred tax asset less certain restructuring and transaction costs, of \$3.4 million, recorded in the fourth quarter.
- A gain on the sale of the investment in Personal Capital Corporation recorded in the third quarter of \$31.4 million after-tax (\$37.2 million pre-tax).
- Restructuring and other charges of \$54.7 million after-tax (\$74.5 million pre-tax) recorded in the third quarter resulting from our ongoing multi-year transformation initiatives and efforts to enhance our operational effectiveness and also from the acquisition of GLC Asset Management Group Ltd. and other changes to our investment management teams.

Other items in 2019 consisted of:

- A one-time charge of \$9.2 million, recorded in the fourth quarter, which represented the Company's proportionate share in Great-West Lifeco Inc.'s after-tax adjustments related to the revaluation of a deferred tax asset, restructuring costs and the net gain on the Scottish Friendly transaction.
- A one-time charge of \$8.0 million, recorded in the second quarter, which represented the Company's proportionate share in Great-West Lifeco Inc.'s after-tax loss on the sale of its United States individual life insurance and annuity business.

² During 2020, institutional clients, which include Mackenzie mutual funds within their investment offerings, made fund allocation changes which resulted in sales of \$625 million and net sales of \$32 million for the fourth quarter and sales of \$1.4 billion and net sales of \$612 million for the year.

FORWARD-LOOKING STATEMENTS

Certain statements in this Release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial's current expectations. Forward-looking statements are provided to assist the reader in understanding the Company's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

A variety of material factors, many of which are beyond the Company's and its subsidiaries' control, affect the operations, performance and results of the Company, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report

financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), the Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.

Other than as specifically required by applicable Canadian law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Company's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at www.sedar.com.

NON-IFRS FINANCIAL MEASURES AND ADDITIONAL IFRS MEASURES

This release contains non-IFRS financial measures and additional IFRS measures. Net earnings available to common shareholders, which is an additional measure in accordance with International Financial Reporting Standards (IFRS), may be subdivided into two components consisting of:

- *Adjusted net earnings available to common shareholders; and*
- *Other items, which include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful.*

Terms by which non-IFRS financial measures are identified include but are not limited to "adjusted net earnings available to common shareholders", "adjusted earnings per share", "adjusted return on average common equity" and other similar expressions used to provide management and investors with additional measures to assess earnings performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Please refer to the attached Financial Highlights for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

Terms by which additional IFRS measures are identified include "earnings before income taxes" and "net earnings available to common shareholders". Additional IFRS measures are used to provide management and investors with additional measures to assess earnings performance. These measures are considered additional IFRS measures as they are in addition to the minimum line items required by IFRS and are relevant to an understanding of the entity's financial performance.

FOURTH QUARTER WEBCAST AND CONFERENCE CALL

IGM Financial Inc.'s Fourth Quarter 2020 results conference call and webcast will be held on Friday, February 12, 2021 at 8:00 a.m. ET. The webcast and conference call can be accessed respectively through www.igmfinancial.com or by phone at 1-800-319-4610 or 1-416-915-3239.

The most recent Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) of operating results are available on IGM Financial Inc.'s website at www.igmfinancial.com.

ABOUT IGM FINANCIAL INC.

IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$239 billion in total assets under management and advisement at January 31, 2021. The company provides a broad range of financial planning and investment management services to help more than two million Canadians meet their financial goals. Its activities are carried out principally through IG Wealth Management, Mackenzie Investments and Investment Planning Counsel.

A MEMBER OF THE POWER CORPORATION GROUP OF COMPANIES.

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IGM FINANCIAL INC.**Consolidated Statements of Earnings***(unaudited)**(in thousands of Canadian dollars,
except per share amounts)*Three months ended
December 31Twelve months ended
December 31**2020**

2019

2020

2019

Revenues

Wealth management	\$ 594,137	\$ 587,112	\$ 2,259,576	\$ 2,299,048
Asset management	216,320	203,436	812,931	792,327
Dealer compensation expense	(74,320)	(69,816)	(283,163)	(277,075)
Net asset management	142,000	133,620	529,768	515,252
Net investment income and other	33,105	6,716	78,209	24,825
Proportionate share of associates' earnings	43,571	23,409	150,429	105,225
	812,813	750,857	3,017,982	2,944,350

Expenses

Advisory and business development	283,084	270,974	1,040,146	1,066,021
Operations and support	193,765	182,508	830,650	733,045
Sub-advisory	18,294	18,152	71,213	68,232
Interest	27,909	27,758	110,597	108,386
	523,052	499,392	2,052,606	1,975,684

Earnings before income taxes

	289,761	251,465	965,376	968,666
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Income taxes

	60,486	59,835	200,770	219,719
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Net earnings

	229,275	191,630	764,606	748,947
Non-controlling interest	(198)	-	(198)	-
Perpetual preferred share dividends	-	-	-	(2,213)

Net earnings available to common shareholders

	\$ 229,077	\$ 191,630	\$ 764,408	\$ 746,734
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Earnings per share (in dollars)

- Basic	\$ 0.96	\$ 0.80	\$ 3.21	\$ 3.12
- Diluted	\$ 0.96	\$ 0.80	\$ 3.21	\$ 3.12

Financial Highlights

	For the three months ended December 31			As at and for the twelve months ended December 31		
(unaudited)	2020	2019	Change	2020	2019	Change
Net earnings available to common shareholders (\$ millions)						
Net Earnings	\$ 229.1	\$ 191.6	19.6 %	\$ 764.4	\$ 746.7	2.4 %
Adjusted Net Earnings ⁽¹⁾	204.3	200.8	1.7	762.9	763.9	(0.1)
Diluted earnings per share						
Net Earnings	0.96	0.80	20.0	3.21	3.12	2.9
Adjusted Net Earnings ⁽¹⁾	0.86	0.84	2.4	3.20	3.19	0.3
Return on equity						
Net Earnings				16.1%	16.9%	
Adjusted Net Earnings ⁽¹⁾				16.1%	17.2%	
Dividends per share	0.5625	0.5625	-	2.25	2.25	-
Total assets under management and advisement ⁽²⁾ (\$ millions)						
Total assets under management ⁽²⁾				\$ 239,950	\$ 190,035	26.3 %
				213,971	166,809	28.3
Wealth Management						
Assets under advisement ⁽²⁾				132,583	124,820	6.2
IG Wealth Management						
Assets under management ⁽³⁾				97,713	93,161	
Other assets under advisement				5,560	3,939	
Assets under advisement				103,273	97,100	6.4
Investment Planning Counsel						
Assets under management ⁽³⁾				5,320	5,391	
Other assets under advisement				23,998	22,337	
Assets under advisement				29,318	27,728	5.7
Asset Management (Mackenzie Investments)						
Mutual funds ⁽⁴⁾				55,462	60,839	
ETFs ⁽⁵⁾				3,788	2,372	
Investment funds				59,250	63,211	
Institutional SMA ⁽⁴⁾				51,688	5,046	
Total excluding subadvisory to Wealth Management				110,938	68,257	
Sub-advisory to Wealth Management ⁽⁴⁾				75,821	73,575	
Total assets under management				186,759	141,832	31.7
Net Flows						
(\$ millions)						

⁽¹⁾ Non-IFRS Financial Measures:

2020 adjusted net earnings excluded:

- A gain on the sale of the Quadrus Group of Funds net of acquisition costs, of \$21.4 million after-tax, recorded in the fourth quarter.
- The Company's proportionate share in Great-West Lifeco Inc.'s after-tax adjustments related to the revaluation of a deferred tax asset less certain restructuring and transaction costs, of \$3.4 million, recorded in the fourth quarter.
- A gain on the sale of the investment in Personal Capital Corporation of \$31.4 million after-tax, recorded in the second quarter.
- Restructuring and other charges of \$54.7 million after-tax, recorded in the second quarter, resulting from our ongoing multi-year transformation initiatives and efforts to enhance our operational effectiveness and also from the acquisition of GLC Asset Management Group Ltd. and other changes to our investment management teams.

2019 adjusted net earnings excluded:

- A one-time charge of \$9.2 million, recorded in the fourth quarter, representing the Company's proportionate share in Great-West Lifeco Inc.'s after-tax adjustments related to the revaluation of a deferred tax asset, restructuring costs and the net gain on the Scottish Friendly transaction.
- A one-time charge of \$8.0 million, recorded in the second quarter, representing the Company's proportionate share in Great-West Lifeco Inc.'s after-tax loss on the sale of substantially all of its U.S. individual life insurance and annuity business.

⁽²⁾ Consolidated results eliminate double counting where business is reflected within multiple segments.

⁽³⁾ Includes separately managed accounts.

⁽⁴⁾ Mutual fund assets under management decrease reflects the net decrease of \$13.2 billion due to divestiture of Quadrus Group of Funds and Greenchip acquisition. Institutional assets under management increase reflects \$43.5 billion increase due to the GLC Asset Management Group Ltd. acquisition.

⁽⁵⁾ Total ETFs in the Asset Management section including ETFs held within IGM investment funds were \$8.5 billion at December 31, 2020 compared to \$4.7 billion at December 31, 2019.