NEWS RELEASE

FOR IMMEDIATE RELEASE

POWER CORPORATION OF CANADA

Power Corporation Reports Third Quarter 2020 Financial Results

Readers are referred to the sections "Non-IFRS Financial Measures and Presentation" and "Forward-Looking Statements" at the end of this release.

Montréal, Québec, November 11, 2020 – Power Corporation of Canada (Power Corporation or the Corporation) (TSX: POW) today reported earnings results for the three and nine months ended September 30, 2020.

Power Corporation

Consolidated results for the period ended September 30

Highlights

- The Corporation's net asset value per share (a non-IFRS financial measure, see Non-IFRS Financial Measures and Presentation later in this news release) was $34.94 at September 30, 2020, compared with $32.96 at June 30, 2020, representing an increase of 6.0%.
- August 17, 2020: Great-West Lifeco Inc. (Lifeco)'s subsidiary Empower Retirement completed the acquisition of Personal Capital Corporation (Personal Capital), a hybrid wealth manager that combines a leading-edge digital experience with personalized advice delivered by human advisors.
- September 8, 2020: Empower Retirement announced that it entered into an agreement to purchase the retirement services business of Massachusetts Mutual Life Insurance Company (MassMutual), strengthening Empower Retirement's position as the second-largest player in the U.S. retirement market.
- September 17, 2020: Mackenzie Financial Corporation (Mackenzie) and Lifeco announced a strategic relationship with Northleaf Capital Partners Ltd. (Northleaf) to expand and enhance their private markets capabilities. The transaction was completed on October 29, 2020.
- October 14, 2020: Wealthsimple Financial Corp. (Wealthsimple) announced the closing of a $114 million investment on a pre-money valuation of $1.4 billion.
- October 23, 2020: Sagard Holdings Inc. (Sagard Holdings) completed the first closing of Sagard Credit Partners II, LP, its second credit fund. Sagard Credit Partners will continue fundraising activities through 2021.
- IGM Financial Inc. (IGM) assets under management and advisement were a record high of $196.4 billion, up 4.3% from June 30, 2020 and 6.1% from September 30, 2019. Investment fund net sales were $610 million, compared with net sales of $103 million in the third quarter of 2019.
- IGM reported net earnings of $191 million or $0.80 per share, compared with $202 million or $0.85 per share in the third quarter of 2019. Adjusted net earnings, excluding adjustments, were $214 million or $0.90 per share, compared with $202 million or $0.85 per share in the third quarter of 2019. This is the second highest adjusted earnings per share in IGM's history.

Third Quarter

Net earnings attributable to participating shareholders were $505 million or $0.75 per share, compared with $359 million or $0.84 per share in 2019.

Adjusted net earnings attributable to participating shareholders (a non-IFRS financial measure, see Non-IFRS Financial Measures and Presentation later in this news release) were $438 million or $0.65 per share, compared with $308 million or $0.72 per share in 2019.

Contributions to Power Corporation's earnings per share:

(in dollars per Power Corporation share)	2020 [1] Net Earnings	2020 [1] Adjusted Net Earnings	2019 Net Earnings	2019 Adjusted Net Earnings
Lifeco	0.82	0.67	0.73	0.67
IGM	0.18	0.20	0.19	0.19
Pargesa/GBL	(0.02)	(0.02)	0.05	0.06
Alternative investment platforms [2]	0.03	0.03	(0.01)	(0.01)
China AMC [3]	0.02	0.02	0.02	0.02
	1.03	0.90	0.98	0.93
Corporate operations and Other [4]	(0.28)	(0.25)	(0.14)	(0.21)
	0.75	0.65	0.84	0.72
Average shares outstanding (in millions)		676.3		425.6

Lifeco: contribution to net earnings per share increased by 12%, contribution to adjusted net earnings per share was the same.
IGM: contribution to net earnings per share decreased by 5%, contribution to adjusted net earnings per share increased by 5%.
Pargesa/GBL (Pargesa Holding SA): results reflect the impact of COVID-19 on its portfolio as well as a charge of $0.06 per share in the quarter for losses due to an increase in the put right liability of the non-controlling interests in Webhelp.
Corporate and Other: the third quarter includes a charge of $0.10 per share for the remeasurement of the put right liability of the non-controlling interests in Wealthsimple and carried interests payable, both due to the increase in the fair value of Wealthsimple.

As part of the Reorganization completed in February 2020, the Corporation anticipates significant near-term cost reductions of approximately $50 million per year within two years by eliminating duplicative public company-related expenses and rationalizing other general and administrative expenses. To date, the Corporation has implemented actions to achieve 47% of the targeted reduction.

Adjustments in the third quarter of 2020, excluded from adjusted net earnings, were a net positive impact to earnings of $67 million or $0.10 per share, mainly related to the Corporation's share of Lifeco's and IGM's adjustments. Adjustments in the third quarter of 2019 were a net positive impact to earnings of $51 million or $0.12 per share, mainly related to the Corporation's share of Lifeco's and Pargesa's adjustments and a favourable change to the Corporation's income tax provision.

Nine Months

Net earnings attributable to participating shareholders were $1,371 million or $2.15 per share, compared with $929 million or $2.11 per share in 2019.

Adjusted net earnings attributable to participating shareholders were $1,316 million or $2.06 per share, compared with $918 million or $2.09 per share in 2019.

[1] The Corporation completed a reorganization transaction on February 13, 2020 in which it acquired the minority interests of Power Financial (the Reorganization) and now holds 100% of the common shares in the capital of Power Financial.
[2] Alternative investment platforms includes earnings (losses) from investment platforms including controlled and consolidated subsidiaries and other investments.
[3] China Asset Management Co., Ltd.
[4] Includes operating and other expenses, dividends on non-participating shares of the Corporation and its share of Power Financial's corporate operations and consolidation entries; refer to the Earnings Summary below.

Contributions to Power Corporation's earnings per share:

(in dollars per Power Corporation share)	2020 [1] Net Earnings	2020 [1] Adjusted Net Earnings	2019 Net Earnings	2019 Adjusted Net Earnings
Lifeco [2]	2.02	1.91	1.81	1.84
IGM	0.50	0.52	0.50	0.51
Pargesa/GBL	0.10	0.11	0.17	0.19
Alternative investment platforms [3]	0.12	0.08	0.05	0.05
China AMC	0.04	0.04	0.05	0.05
	2.78	2.66	2.58	2.64
Corporate operations and Other [4]	(0.63)	(0.60)	(0.47)	(0.55)
	2.15	2.06	2.11	2.09
Average shares outstanding (in millions)		637.7		441.3

Adjustments in the nine-month period of 2020, excluded from adjusted net earnings, were a net positive impact to earnings of $55 million or $0.09 per share, mainly related to the Corporation's share of Lifeco's adjustments and a recovery on the deconsolidation of IntegraMed America, Inc. (IntegraMed), offset by the Corporation's share of IGM's adjustments. Adjustments in the nine-month period of 2019 were a net positive impact to earnings of $11 million or $0.02 per share, mainly related to a favourable change to the Corporation's income tax provision estimates of $31 million, offset by the Corporation's share of Lifeco's and Pargesa's adjustments.

Great-West Lifeco, IGM Financial and Pargesa

Results for the third quarter ended September 30

The information below is derived from Lifeco and IGM's interim MD&As, as prepared and disclosed by the respective companies in accordance with applicable securities legislation, and which are also available either directly from SEDAR (www.sedar.com) or from their websites, www.greatwestlifeco.com and www.igmfinancial.com. The information below related to Pargesa is derived from publicly disclosed information, as issued by Pargesa in its third quarter press release. Further information on Pargesa's results is available on its website at www.pargesa.ch.

GREAT-WEST LIFECO INC.

Net earnings attributable to common shareholders were $826 million or $0.891 per share, compared with $730 million or $0.786 per share in 2019.

Adjusted net earnings [5] attributable to common shareholders were $679 million or $0.732 per share, compared with $677 million or $0.729 per share in 2019.

Adjustments in the third quarter of 2020, excluded from adjusted net earnings, were a net positive impact to earnings of $147 million, compared with a net positive impact to earnings of $53 million in 2019. Lifeco's adjustments in 2020 consisted of a net positive impact of actuarial assumption changes and other management actions, market-related impacts on liabilities and a net gain on the sale of Irish Progressive Services International Limited, offset by transaction costs related to the acquisitions of Personal Capital and MassMutual.

[1] The Corporation completed the Reorganization on February 13, 2020 and now holds 100% of the common shares in the capital of Power Financial. In the second quarter of 2019, the Corporation completed a substantial issuer bid and repurchased 9.8% of its Subordinate Voting Shares.
[2] Power Financial participated in Lifeco's substantial issuer bid in the second quarter of 2019; the number of shares held by Power Financial decreased by 7.4%.
[3] Alternative investment platforms includes earnings (losses) from investment platforms including controlled and consolidated subsidiaries and other investments.
[4] Includes operating and other expenses, dividends on non-participating shares of the Corporation and its share of Power Financial's corporate operations and consolidation entries; refer to the Earnings Summary below.
[5] Described as "base earnings" by Lifeco. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section later in this news release.

IGM FINANCIAL INC.

Net earnings available to common shareholders were $191 million or $0.80 per share, compared with $202 million or $0.85 per share in 2019.

Adjusted net earnings available to common shareholders were $214 million or $0.90 per share, compared with $202 million or $0.85 per share in 2019.

Adjustments in the third quarter of 2020, excluded from adjusted net earnings, were a net negative impact to earnings of $23 million consisting of restructuring and other charges, offset by a gain on the sale of IGM's investment in Personal Capital.

Assets under management and advisement at September 30, 2020 were $196.4 billion, an increase of 4.3% from June 30, 2020.

PARGESA HOLDING SA

Pargesa reported a net loss of SF23 million, compared with net earnings of SF91 million in 2019.

Adjusted net earnings were a net loss of SF21 million, compared with adjusted net earnings of SF107 million in 2019. Adjustments, not included in adjusted net earnings, were a charge of SF2 million in the third quarter, compared with a charge of SF16 million in 2019, mainly consisting of other charges at Pargesa related to Parques Reunidos Servicios Centrales, S.A. (Parques), an equity investment.

Pargesa reported a net asset value at September 30, 2020 of SF8,375 million, representing SF98.8 per share, compared with SF8,393 million or SF99.0 per share at June 30, 2020.

Pargesa adopted IFRS 9 in 2018. Power Corporation continues to apply IAS 39; this results in a negative adjustment to the contribution from Pargesa of $28 million in the third quarter of 2020.

Parjointco N.V. (Parjointco) and Pargesa announced on March 11, 2020 a public exchange offer for all Pargesa shares not held by Parjointco to be exchanged for Groupe Bruxelles Lambert (GBL) shares. Following the successful public exchange offer, Power Financial holds an interest of 48.7% in Pargesa. Pargesa in turn holds a 29.5% in GBL. The transaction is expected to be completed in the fourth quarter of 2020.

Alternative and Other Investments

For the period ended September 30

Alternative and other investments are comprised of the results of the Corporation's investment platforms, Sagard Holdings and Power Sustainable Capital Inc. (Power Sustainable Capital), which includes income earned from asset management activities and investing activities. Asset management activities includes management fees and carried interests, net of investment platform expenses. Investing activities comprises income earned on the capital invested by the Corporation (proprietary capital) in each platform and the share of earnings (losses) of controlled and consolidated subsidiaries held within the investment platforms. Other includes the share of earnings (losses) of standalone businesses and the Corporation's investments in investment and hedge funds. For additional information, refer to the table later in this news release.

Third Quarter

Income from the Corporation's alternative and other investments was $20 million, compared with a loss of $5 million in 2019.

COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have responded with significant monetary and fiscal interventions designed to stabilize economic conditions. Equity markets in particular have been volatile, experiencing material and rapid declines in the first quarter of 2020. However, following March 31, 2020, the markets have experienced recoveries.

The Corporation is managing the risks associated with the COVID-19 pandemic utilizing its existing risk management framework. At Power Corporation and its group companies, the focus has continued to be on managing the safety and well-being of its people, maintaining operational effectiveness, ensuring that the group can serve its customers, assessing impacts on earnings, liquidity and capital, planning for different potential scenarios and engaging with stakeholders. The respective boards of directors of Power Financial, Lifeco, IGM, Pargesa and GBL are responsible for the governance structures and processes to oversee the management of the risk and potential impacts presented by the current economic slowdown and other potential consequences due to COVID-19.

The duration and impact of the COVID-19 pandemic is unknown at this time. Economic damage and market weakness are being felt across the global economy. Significant economic headwinds are expected to continue into the fourth quarter of 2020 and beyond as a result of anticipated negative credit experiences, impairment of valuations in certain sectors of the economy and asset classes, and uncertainties in the durability and effectiveness of government and central bank interventions, among others. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

Dividend on Power Corporation Participating Shares

The Board of Directors declared a quarterly dividend of 44.75 cents per share on the Participating Preferred Shares and the Subordinate Voting Shares of the Corporation, payable February 1, 2021 to shareholders of record December 31, 2020.

Dividends on Power Corporation Non-Participating Preferred Shares

The Board of Directors also declared quarterly dividends on the Corporation's preferred shares, payable January 15, 2021 to shareholders of record December 24, 2020:

Series	Stock Symbol	Amount	Series	Stock Symbol	Amount
1986 Series	POW.PR.F	Floating rate [1]	Series C	POW.PR.C	36.25¢
Series A	POW.PR.A	35¢	Series D	POW.PR.D	31.25¢
Series B	POW.PR.B	33.4375¢	Series G	POW.PR.G	35¢

[1] Equal to one quarter of 70% of the average prime rate of two major Canadian chartered banks for the period September 1 to November 30, 2020.

About Power Corporation

Power Corporation is an international management and holding company that focuses on financial services in North America, Europe and Asia. Its core holdings are leading insurance, retirement, wealth management and investment businesses, including a portfolio of alternative asset investment platforms. To learn more, visit www.PowerCorporation.com.

At September 30, 2020, Power Corporation held the following economic interests:

- 100% – Power Financial — www.powerfinancial.com
    - 66.9% – Great-West Lifeco (TSX: GWO) — www.greatwestlifeco.com
    - 62.1% – IGM Financial (TSX: IGM) — www.igmfinancial.com
    - 48.7% – Pargesa (SIX: PARG) — www.pargesa.ch
    - 83.4% – Wealthsimple [1] — www.wealthsimple.com
- Investment Platforms
    - 100% – Sagard Holdings [2] — www.sagardholdings.com
    - 100% – Power Sustainable Capital — www.powersustainable.com
        - Power Pacific Investment Management — www.powerpacificim.com
        - Power Energy Corporation — www.powerenergycorporation.com
- 27.8% – China AMC [3] — www.chinaamc.com

[1] Undiluted equity interest held by Lifeco, IGM and Power Financial (the Group), representing a fully diluted equity interest of 70.1%. On October 14, 2020, Wealthsimple announced the closing of a $114 million investment on a pre-money valuation of $1.4 billion. The investment was led by TCV, one of the largest growth equity investors focused on technology, along with Greylock Partners, Meritech Capital, Allianz X and Two Sigma Ventures. With the closing of the investment, the Group now has an ownership interest in Wealthsimple of 61.7% on a fully diluted basis.

[2] Includes the Corporation's interest in European private equity funds (formerly Sagard Europe). Refer to the Corporation's most recent MD&A for interest in the funds managed by Sagard Holdings.

[3] IGM and the Corporation each hold a 13.9% interest in China AMC.

POWER CORPORATION OF CANADA

Earnings Summary

Earnings

(unaudited) (in millions of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	**2020**	2019
Adjusted net earnings [1]				
Power Financial				
Lifeco [2]	**454**	452	**1,289**	1,258
IGM [2]	**133**	126	**347**	348
Pargesa [2]	**(15)**	40	**73**	130
Corporate operations of Power Financial				
Income (loss) from investments [3]	**(34)**	2	**(38)**	(2)
Operating and other expenses	**(15)**	(24)	**(64)**	(74)
Dividends on perpetual preferred shares	**(34)**	(35)	**(103)**	(104)
Consolidation entries [4]	**(54)**	(8)	**(33)**	36
	435	553	**1,471**	1,592
Attributable to non-controlling interests of Power Financial	**–**	200	**116**	566
Corporation's share of Power Financial	**435**	353	**1,355**	1,026
Alternative and other investments [5]	**20**	(5)	**50**	19
China AMC	**11**	8	**30**	23
Corporate operations	**(15)**	(35)	**(80)**	(111)
Dividends on non-participating shares	**(13)**	(13)	**(39)**	(39)
Adjusted net earnings [6]	**438**	308	**1,316**	918
Adjustments – see below	**67**	51	**55**	11
Net earnings [6]	**505**	359	**1,371**	929

[1] Effective the first quarter of 2020, the Corporation introduced a modified definition of its Non-IFRS earnings measures, Adjusted net earnings. The comparative figures have been restated. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section later in this news release.
[2] As reported by Lifeco, IGM and Pargesa.
[3] The third quarter of 2020 includes Power Financial's share in the amount of $33 million related to the impact of the remeasurement of the put right liability of the non-controlling interests in Wealthsimple to fair value and an increase in carried interests payable.
[4] The consolidation entries include an allocation of the results of Wealthsimple, KOHO Financial Inc. (Koho), Portag3 Ventures Limited Partnership (Portag3 I), Portag3 Ventures II Limited Partnership (Portag3 II), to the contributions from Lifeco and IGM based on their respective interest. The third quarter of 2020 includes a charge of $36 million related to the allocation of the remeasurement of the put right liability of the non-controlling interests in Wealthsimple to fair value and carried interests payable. This charge was offset by IGM's gain on Personal Capital which the Corporation has not included as an Adjustment. The consolidation entries also reflect adjustments in accordance with IAS 39 for IGM and Pargesa.
[5] Includes earnings of the Corporation's investment platforms and earnings (losses) from Power Energy Corporation and standalone businesses, which include IntegraMed (up to the date of deconsolidation on May 20, 2020).
[6] Attributable to participating shareholders.

Earnings per Share

(unaudited) (in dollars per share)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Adjusted net earnings per share – basic [1]				
Power Financial				
Lifeco [2]	0.67	0.67	1.91	1.84
IGM [2]	0.20	0.19	0.52	0.51
Pargesa [2]	(0.02)	0.06	0.11	0.19
Corporate operations of Power Financial [3]	(0.12)	(0.08)	(0.31)	(0.26)
Consolidation entries [4]	(0.09)	(0.02)	(0.10)	0.05
	0.64	0.82	2.13	2.33
Alternative and other investments [5]	0.03	(0.01)	0.08	0.05
China AMC	0.02	0.02	0.04	0.05
Corporate operations and dividends on non-participating shares	(0.04)	(0.11)	(0.19)	(0.34)
Adjusted net earnings per share [6]	0.65	0.72	2.06	2.09
Adjustments – see below	0.10	0.12	0.09	0.02
Net earnings per share [6]	0.75	0.84	2.15	2.11

[1] Effective the first quarter of 2020, the Corporation introduced a modified definition of its Non-IFRS earnings measures, Adjusted net earnings. The comparative figures have been restated. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section later in this news release.
[2] As reported by Lifeco, IGM and Pargesa.
[3] The third quarter of 2020 includes Power Financial's share in the amount of $33 million or $0.05 per share related to the impact of the remeasurement of the put right liability of the non-controlling interests in Wealthsimple to fair value and an increase in carried interests payable.
[4] The consolidation entries include an allocation of the results of Wealthsimple, Koho, Portag3 I and Portag3 II, to the contributions from Lifeco and IGM based on their respective interest. The third quarter of 2020 includes a charge of $36 million or $0.05 per share related to the allocation of the remeasurement of the put right liability of the non-controlling interests in Wealthsimple to fair value and carried interests payable. This charge was offset by IGM's gain on Personal Capital which the Corporation has not included as an Adjustment. The consolidation entries also reflect adjustments in accordance with IAS 39 for IGM and Pargesa.
[5] Includes earnings of the Corporation's investment platforms and earnings (losses) from Power Energy Corporation and standalone businesses, which include IntegraMed (up to the date of deconsolidation on May 20, 2020).
[6] Attributable to participating shareholders.

Alternative and Other Investments

(unaudited) (in millions of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Sagard Holdings				
Asset management activities [1]	4	(4)	–	(24)
Investing activities (proprietary capital)	–	–	32	8
Power Sustainable Capital				
Investing activities (proprietary capital)	(5)	14	38	66
Other				
Standalone businesses [2]	23	(18)	(16)	(52)
Investment and hedge funds and other [3]	(2)	3	(4)	21
	20	(5)	50	19

[1] Includes management fees charged by the investment platform on proprietary capital. Management fees paid by the Corporation are deducted from income from investment activities.
[2] Includes the Corporation's share of earnings (losses) of IntegraMed (up to the date of deconsolidation on May 20, 2020), Lumenpulse Group Inc., The Lion Electric Co., and a jointly controlled corporation and associates.
[3] Other consists mainly of foreign exchange gains or losses and interest on cash and cash equivalents.

Adjustments (not included in adjusted net earnings)

(unaudited) (in millions of Canadian dollars)	Three months ended September 30, 2020	2019	Nine months ended September 30, 2020	2019
Share of Lifeco's adjustments:				
Actuarial assumption changes and other management actions	44	54	91	167
Market-related impacts on liabilities	13	(19)	(64)	(51)
Net gain on sale of Irish Progressive Services International Limited	63	–	63	–
Transaction costs related to the acquisitions of Personal Capital and MassMutual	(21)	–	(21)	–
Net charge on the sale, via reinsurance, of U.S. individual life insurance and annuity business	–	–	–	(134)
	99	35	69	(18)
Share of IGM's adjustments [1]:				
Restructuring and other charges	(34)	–	(34)	–
Share of Lifeco's adjustments	4	1	3	(1)
	(30)	1	(31)	(1)
Share of Pargesa's adjustments:				
Imerys – Impairments, restructuring charges and other	(1)	–	(3)	(7)
Parques and other charges	(1)	(6)	(3)	(6)
	(2)	(6)	(6)	(13)
	67	30	32	(32)
Attributable to non-controlling interests of Power Financial	–	10	4	(12)
Corporation's share of Power Financial	67	20	28	(20)
Other investments				
Recovery on deconsolidation of IntegraMed	–	–	27	–
Corporate operations				
Reduction of income tax estimates [2]	–	31	–	31
	67	51	55	11

[1] Includes IGM's share of Lifeco's Adjustments for the impact of actuarial assumption changes and management actions and market impact on insurance contract liabilities, in accordance with the Corporation's definition of Adjusted net earnings. Excludes the Corporation's share of IGM's Adjustment related to the gain on disposal of Personal Capital; the Corporation has not included this amount as an Adjustment as the gain recognized by the Corporation relates to the remeasurement of the investment in Personal Capital at fair value on the date Lifeco acquired control. For additional information, please refer to the Non-IFRS Financial Measures and Presentation section later in this news release.

[2] Related to a favourable change in income tax provision estimates recorded in the third quarter of 2019.

Contribution to Power Corporation's Adjusted Net Earnings

Three months ended September 30, 2020 (unaudited) (in Canadian dollars)	In millions: Contribution to adjusted net earnings as reported	Consolidation entries [1]	Contribution to Power Corporation's adjusted net earnings	Per share: Contribution to adjusted net earnings as reported	Consolidation entries [1]	Contribution to Power Corporation's adjusted net earnings
Lifeco	454	(7)	447	0.67	(0.01)	0.66
IGM [2]	133	(19)	114	0.20	(0.03)	0.17
Pargesa	(15)	(28)	(43)	(0.02)	(0.05)	(0.07)

Nine months ended September 30, 2020 (unaudited) (in Canadian dollars)	In millions: Contribution to adjusted net earnings as reported	Consolidation entries [1]	Contribution to Power Corporation's adjusted net earnings	Per share: Contribution to adjusted net earnings as reported	Consolidation entries [1]	Contribution to Power Corporation's adjusted net earnings
Lifeco	1,216	(9)	1,207	1.91	(0.01)	1.90
IGM [2]	330	(28)	302	0.52	(0.05)	0.47
Pargesa	73	(28)	45	0.11	(0.04)	0.07

[1] The contributions from Lifeco and IGM include an allocation of the results of Portag3 I, Portag3 II, Wealthsimple and Koho, based on their respective interest. The contributions from IGM and Pargesa reflect adjustments in accordance with IAS 39.

[2] In the third quarter of 2020, the adjustment of IGM mainly relates to the allocation of the remeasurement of the put right liability of the non-controlling interests in Wealthsimple to fair value and carried interests payable. This charge was offset by IGM's gain on Personal Capital which the Corporation has not included as an Adjustment; the Corporation has not included this amount as an Adjustment as the gain recognized by the Corporation relates to the remeasurement of the investment in Personal Capital at fair value on the date Lifeco acquired control.

Adjustments to Pargesa's Contribution

Power Corporation has deferred the adoption of IFRS 9 and continues to apply IAS 39. The following table presents adjustments to the contribution of Pargesa to Power Corporation's earnings in accordance with IAS 39:

(unaudited) (in millions of Canadian dollars)	2020 Q3	Q2	Q1	Total
Disposal of interest in Total SA [1]	–	–	45	45
Impairment charges [1]	(7)	(5)	(40)	(52)
Disposal of private equity funds and other	(2)	(4)	17	11
Reversal of unrealized (gains) losses on private equity funds and other [2]	(19)	(33)	20	(32)
Total	(28)	(42)	42	(28)

[1] On January 1, 2018, Pargesa adopted IFRS 9 which resulted in the reclassification of the majority of its investments (excluding private equity funds) from available for sale (AFS) to fair value through other comprehensive income (FVOCI). All changes in fair value of equity investments designated as FVOCI are recognized permanently in other comprehensive income. Power Corporation continues to apply IAS 39 and has adjusted its share of these items.

[2] Pargesa classifies private equity investments at fair value through profit and loss in accordance with IFRS 9 and recognizes unrealized changes in fair value in earnings. Power Corporation does not recognize these unrealized fair value changes in earnings as it continues to classify these private equity funds as available for sale in accordance with IAS 39.

Net Asset Value

Net asset value represents management's estimate of the fair value of the participating shareholders' equity of the Corporation. Net asset value is the fair value of the assets of the combined Power Financial and Power Corporation's non-consolidated balance sheet less their net debt and preferred shares. The Corporation's net asset value per share is presented on a look-through basis.

The Corporation's net asset value per share was $34.94 at September 30, 2020, compared with $32.96 at June 30, 2020, representing an increase of 6.0%.

September 30, 2020 (in millions of Canadian dollars, except per share amounts)	Combined non-consolidated balance sheet	Fair value adjustment	Net asset value
Assets			
Investments			
Power Financial			
Lifeco	14,291	1,848	16,139
IGM	2,785	1,731	4,516
Pargesa/GBL [1]	3,860	(1,182)	2,678
Other Power Financial investments	152	362	514
Alternative and other investments			
Sagard Holdings			
Asset management companies [2]	177	–	177
Investments [3]	709	–	709
Power Sustainable Capital			
Power Pacific	977	–	977
Power Energy Corporation	418	317	735
Other			
Standalone businesses	536	89	625
Other	150	15	165
China AMC [4]	709	–	709
Cash and cash equivalents	1,216	–	1,216
Other assets	351	–	351
Total assets	26,331	3,180	29,511
Liabilities and non-participating shares			
Debentures and other debt instruments	1,044	–	1,044
Other liabilities [5]	1,053	–	1,053
Non-participating shares and perpetual preferred shares	3,787	–	3,787
Total liabilities and non-participating shares	5,884	–	5,884
Net value			
Participating shareholders' equity / Net asset value	20,447	3,180	23,627
Per share	**30.24**		**34.94**

[1] As part of the Pargesa reorganization, Parjointco holds approximately 97% of Pargesa's shares at September 30, 2020; the fair value of Parjointco at September 30, 2020 is based on the market value of GBL.
[2] The management companies of the investment funds are presented at their carrying value in accordance with IFRS.
[3] Includes investments in European private equity, formerly Sagard Europe.
[4] Valued at carrying value in accordance with IFRS.
[5] In accordance with IAS 12, *Income taxes*, no deferred tax liability is recognized with respect to temporary differences associated with investments in subsidiaries and jointly controlled corporations as the Corporation is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. If the Corporation were to dispose of an investment in a subsidiary or a jointly controlled corporation, income taxes payable on such disposition would be minimized through careful and prudent tax planning and structuring, as well as with the use of available tax attributes not otherwise recognized on the balance sheet, including tax losses, tax basis, safe income and foreign tax surplus associated with the subsidiary or jointly controlled corporation.

Non-IFRS Financial Measures and Presentation

In the second quarter of 2020, the Corporation modified the presentation of the asset management companies held by the investment platforms. Previously, the asset management activities were consolidated and included as corporate activities within the non-consolidated balance sheet of the Corporation. Pursuant to the Corporation's recently announced strategy, the activities of each asset management company are now presented within their operations. The comparatives in the non-consolidated balance sheets and non-consolidated statement of cash flows have been restated to reflect this change.

Effective the first quarter of 2020, the Corporation introduced a modified definition of its non-IFRS earnings measure, Adjusted net earnings. This change is consistent with the introduction of base earnings (loss) by Lifeco which was introduced in the first quarter of 2020 to reflect management's view of the operating performance of Lifeco. Lifeco defines base earnings (loss) as net earnings excluding the impact of actuarial assumption changes and management actions, direct equity and interest rate market impacts on insurance contract liabilities net of hedging, and items that management believes are not indicative of the company's underlying business results. The definition of Adjustments includes what the Corporation previously presented as other items and also includes Lifeco's impact of actuarial assumption changes and management actions, and direct equity and interest rate market impacts on insurance contract liabilities net of hedging. The definition of Adjustments used in Adjusted net earnings is being adopted to enhance comparability of results between reporting periods and in anticipation of Lifeco's implementation of accounting changes related to IFRS 17, *Insurance Contracts*, on January 1, 2023. The comparative periods have been restated to reflect the introduction of this modified measure.

Net earnings attributable to participating shareholders are comprised of:

- Adjusted net earnings attributable to participating shareholders; and
- Adjustments, which include the after-tax impact of any item that in management's judgment would make the period-over-period comparison of results from operations less meaningful. Adjustments include the Corporation's share of Lifeco's impact of actuarial assumption changes and management actions, direct equity and interest rate market impacts on insurance contract liabilities net of hedging, as well as items that management believes are not indicative of the underlying business results which include those identified by a subsidiary or a jointly controlled corporation.

Management uses these financial measures in its presentation and analysis of the financial performance of Power Corporation and believes that they provide additional meaningful information to readers in their analysis of the results of the Corporation. Adjusted net earnings, as defined by the Corporation, assist the reader in comparing the current period's results to those of previous periods as it reflects management's view of the operating performance of the Corporation and its subsidiaries and excludes items that are not considered to be part of the underlying business results from this non-IFRS financial measure.

Adjusted net earnings attributable to participating shareholders and adjusted net earnings per share are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities.

The Corporation also uses a non-consolidated basis of presentation to present and analyze its results whereby the Corporation's interests in Power Financial and other subsidiaries are accounted for using the equity method. Presentation on a non-consolidated basis is a non-IFRS presentation. However, it is useful to the reader as it presents the holding company's (parent) results separately from the results of its operating subsidiaries.

Net asset value is commonly used by holding companies to determine their value. Net asset value is the fair value of Power Corporation's non-consolidated assets less its net debt and preferred shares. The investments held in public entities (including Lifeco, IGM and GBL (through Parjointco)) are measured at their market value and investments in private entities and investment funds are measured at management's estimate of fair value. Pargesa's net asset value is determined on the basis of current market values for listed shareholdings, plus the fair value of private equity activities and GBL treasury shares, less net debt. This measure presents the fair value of the net assets of the holding company to management and investors and assists the reader in determining the value of the holding company.

This news release may also contain other non-IFRS financial measures which are publicly disclosed by the Corporation's subsidiaries such as sales, assets under management and assets under administration. Refer to the "Non-IFRS Financial Measures and Presentation" section of the Corporation's most recent Management's Discussion and Analysis for the definition of non-IFRS financial measures and their reconciliation with IFRS financial measures.

Eligible Dividends

For purposes of the *Income Tax Act* (Canada) and any similar provincial legislation, all of the above dividends on the Corporation's preferred shares (including the Participating Preferred Shares) and Subordinate Voting Shares are eligible dividends.

Forward-Looking Statements

Certain statements in this news release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations, or with respect to disclosure regarding the Corporation's public subsidiaries, reflect such subsidiaries' disclosed current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows 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 and the reader is 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 Corporation and its subsidiaries, including the fintech strategy, the expected impact of the COVID-19 pandemic on the Corporation and its subsidiaries' operations, results and dividends, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, the intended effects of the Reorganization (as defined herein), and the proposed redemption by the Corporation and Power Financial of certain classes of their First Preferred Shares. 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".

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 factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation 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, fluctuations in interest rates, inflation and foreign exchange rates, monetary policies, business investment and the health of local and global equity and capital markets, management of market liquidity and funding risks, risks related to investments in private companies and illiquid securities, risks associated with financial instruments, changes in accounting policies and methods used to report financial condition (including uncertainties associated with significant judgments, estimates and assumptions), the effect of applying future accounting changes, business competition, operational and reputational risks, technological changes, cybersecurity risks, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, man-made disasters, terrorist attacks, wars and other conflicts, or an outbreak of a public health pandemic or other public health crises (such as COVID-19), the Corporation's and its subsidiaries' ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the availability of cash to redeem First Preferred Shares of the Corporation and Power Financial and that the list of factors in the previous paragraph, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is 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 Corporation's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including its most recent Management's Discussion and Analysis and Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedar.com.

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