POWER FINANCIAL CORPORATION

FOR IMMEDIATE RELEASE

NEWS RELEASE

All figures are in Canadian dollars unless otherwise noted. Readers are referred to the sections "Non-IFRS Financial Measures and Presentation" and "Forward-Looking Statements" at the end of this release.

Power Financial Reports Third Quarter and Nine-Month Financial Results and Dividends

Toronto, Ontario, November 10, 2017 – Power Financial Corporation (TSX: PWF) today reported earnings results for the third quarter and nine months ended September 30, 2017.

THIRD QUARTER RESULTS

Net earnings attributable to common shareholders were $463 million or $0.65 per share, compared with $539 million or $0.76 per share in 2016.

Net earnings attributable to common shareholders include the Corporation's share ($123 million or $0.17 per share) of a $175 million charge at Great-West Lifeco Inc. (Lifeco) related to recent hurricanes. Excluding this charge, net earnings of Power Financial were $586 million or $0.82 per share.

NINE-MONTH RESULTS

Net earnings attributable to common shareholders were $1,492 million or $2.09 per share, compared with $1,303 million or $1.83 per share in 2016.

Adjusted net earnings attributable to common shareholders (a non-IFRS financial measure) were $1,588 million or $2.22 per share, compared with $1,589 million or $2.23 per share in 2016.

Other items, not included in adjusted net earnings, resulted in a net charge of $96 million. Other items, recorded in the second quarter, consisted of the Corporation's share of Lifeco's restructuring charges to realign its Canadian operations and of IGM Financial Inc.'s (IGM) favourable revaluation of its registered pension plan obligation.

RESULTS OF GREAT-WEST LIFECO, IGM FINANCIAL AND PARGESA HOLDING

FOR THE PERIOD ENDED SEPTEMBER 30

GREAT-WEST LIFECO INC.

For the third quarter, Lifeco reported net earnings attributable to common shareholders of $581 million or $0.587 per share, compared with $674 million or $0.682 per share in 2016. Lifeco's net earnings for the third quarter of 2017 included property catastrophe reinsurance losses of $175 million after tax relating to estimated claims resulting from the impact of Hurricanes Harvey, Irma and Maria which reduced net earnings per share by $0.177. Excluding this item, Lifeco's net earnings were $756 million, up $82 million from a year ago.

For the nine-month period, Lifeco reported net earnings attributable to common shareholders of $1,757 million or $1.776 per share, compared with $1,965 million or $1.982 per share in 2016. Adjusted net earnings attributable to common shareholders were $1,913 million or $1.934 per share, compared with $1,987 million or $2.004 per share in 2016. Other items were a charge of $156 million related to restructuring charges to realign its Canadian operations.

At September 30, 2017, Power Financial and IGM held 67.7% and 4.0%, respectively, of Lifeco's common shares. Lifeco's contribution to Power Financial's net earnings was $392 million for the quarter, compared with $459 million in 2016. For the nine-month period, Lifeco's contribution to Power Financial's net earnings was $1,188 million, compared with $1,331 million in 2016. For the nine-month period, Lifeco's contribution to Power Financial's adjusted net earnings was $1,292 million, compared with $1,346 million in 2016.

IGM FINANCIAL INC.

For the third quarter, IGM reported net earnings available to common shareholders of $173 million or $0.72 per share, compared with $198 million or $0.82 per share in 2016.

For the nine-month period, IGM reported net earnings available to common shareholders of $551 million or $2.29 per share, and adjusted net earnings of $536 million or $2.23 per share. Other items, not included in adjusted net earnings, were a contribution of $15 million in the second quarter. In 2016, net earnings and adjusted net earnings were $538 million or $2.22 per share.

At September 30, 2017, Power Financial and The Great-West Life Assurance Company held 61.5% and 3.8%, respectively, of IGM's common shares. IGM's contribution to Power Financial's net earnings was $102 million for the quarter, compared with $122 million in 2016. For the nine-month period, IGM's contribution to Power Financial's net earnings was $330 million, same as in the corresponding period of 2016. For the nine-month period, IGM's contribution to Power Financial's adjusted net earnings was $322 million, compared with $330 million in 2016.

PARGESA HOLDING SA

For the third quarter, Pargesa Holding SA (Pargesa) reported net earnings of SF96.0 million, compared with SF47.6 million in 2016. Adjusted net earnings were SF98.8 million, compared with SF52.5 million in 2016.

For the nine-month period, Pargesa reported net earnings of SF348.5 million, compared with a net loss of SF313.6 million in 2016. Adjusted net earnings were SF348.1 million, compared with SF280.8 million in 2016. Details of the other items for the nine-month period ended September 30, 2016, are provided in the table below.

At September 30, 2017, Power Financial held an indirect equity interest of 27.8% in Pargesa. Pargesa's contribution to Power Financial's net earnings was $34 million for the quarter, compared with $17 million in 2016. For the nine-month period, Pargesa's contribution to Power Financial's net earnings was $128 million compared with a loss of $167 million in 2016. For the nine-month period, Pargesa's contribution to Power Financial's adjusted net earnings was $128 million, compared with $104 million in 2016.

DIVIDEND ON COMMON SHARES

The Board of Directors today declared a quarterly dividend of 41.25 cents per share on the Corporation's common shares, payable February 1, 2018 to shareholders of record December 29, 2017.

DIVIDENDS ON PREFERRED SHARES

The Board of Directors also declared quarterly dividends on the Corporation's preferred shares, as follows:

SERIES – STOCK SYMBOL	RECORD DATE	PAYMENT DATE	DIVIDEND
Series A – PWF.PR.A	January 25, 2018	February 15, 2018	At a floating rate equal to one quarter of 70% of the average prime rate of two major Canadian chartered banks [1]
Series D – PWF.PR.E	January 10, 2018	January 31, 2018	34.375¢
Series E – PWF.PR.F	January 10, 2018	January 31, 2018	32.8125¢
Series F – PWF.PR.G	January 10, 2018	January 31, 2018	36.875¢
Series H – PWF.PR.H	January 10, 2018	January 31, 2018	35.9375¢
Series I – PWF.PR.I	January 10, 2018	January 31, 2018	37.50¢
Series K – PWF.PR.K	January 10, 2018	January 31, 2018	30.9375¢
Series L – PWF.PR.L	January 10, 2018	January 31, 2018	31.875¢
Series O – PWF.PR.O	January 10, 2018	January 31, 2018	36.25¢
Series P – PWF.PR.P	January 10, 2018	January 31, 2018	14.4125¢
Series Q – PWF.PR.Q	January 10, 2018	January 31, 2018	16.4466¢
Series R – PWF.PR.R	January 10, 2018	January 31, 2018	34.375¢
Series S – PWF.PR.S	January 10, 2018	January 31, 2018	30¢
Series T – PWF.PR.T	January 10, 2018	January 31, 2018	26.25¢
Series V – PWF.PR.Z	January 10, 2018	January 31, 2018	32.1875¢

[1] In accordance with the articles of the Corporation

ABOUT POWER FINANCIAL

Power Financial Corporation is a diversified management and holding company that has interests, directly or indirectly, in companies in the financial services sector in Canada, the United States and Europe. It also has diversified investments in industrial companies based in Europe. Power Financial Corporation is a member of the Power Corporation Group of Companies. To learn more, visit www.powerfinancial.com.

POWER FINANCIAL CORPORATION

EARNINGS SUMMARY

(unaudited) (in millions of Canadian dollars, except per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Adjusted net earnings				
Lifeco	**392**	469	**1,292**	1,346
IGM	**102**	122	**322**	330
Pargesa	**36**	19	**128**	104
	530	610	**1,742**	1,780
Corporate operations [1]	**(28)**	(28)	**(55)**	(98)
Dividends on perpetual preferred shares	**(37)**	(31)	**(99)**	(93)
Adjusted net earnings [2]	**465**	**551**	**1,588**	**1,589**
Other items – see below	**(2)**	(12)	**(96)**	(286)
Net earnings [2]	**463**	**539**	**1,492**	**1,303**
Earnings per share – basic [2]				
Adjusted net earnings	**0.65**	0.77	**2.22**	2.23
Other items	**–**	(0.01)	**(0.13)**	(0.40)
Net earnings	**0.65**	0.76	**2.09**	1.83

[1] Includes operating expenses, financing charges, depreciation, income taxes, interest on cash and cash equivalents, foreign exchange gains (losses) and income (losses) from investments.

[2] Attributable to common shareholders.

OTHER ITEMS

(unaudited) (in millions of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Share of Lifeco's other items:				
Restructuring charges [1]	**–**	(10)	**(104)**	(15)
Share of IGM's other items:				
Restructuring charges	**–**	–	**(10)**	–
Pension plan	**–**	–	**22**	–
Share of Lifeco's other items	**–**	–	**(4)**	–
	–	–	**8**	–
Share of Pargesa's other items:				
Total SA – Gain on partial disposal	**–**	–	**–**	101
LafargeHolcim Ltd – Impairment charges	**–**	–	**–**	(360)
Engie – Impairment charges	**–**	–	**–**	(9)
Other (charge) income	**(2)**	(2)	**–**	(3)
	(2)	(2)	**–**	(271)
	(2)	(12)	**(96)**	(286)

[1] Amounts in comparative period have been reclassified.

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 and common shares are eligible dividends.

Non-IFRS Financial Measures and Presentation

Net earnings attributable to common shareholders are comprised of:

- adjusted net earnings attributable to common shareholders; and
- other items, 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. Other items include the Corporation's share of items presented as other items by a subsidiary or a jointly controlled corporation.

Management uses these financial measures in its presentation and analysis of the financial performance of Power Financial, 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 items that are not considered to be part of ongoing activities are excluded from this non-IFRS measure.

Adjusted net earnings attributable to common 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 Lifeco and IGM, Portag3 Ventures Limited Partnership and Wealthsimple Financial Corp. 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.

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, 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".

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, 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, business competition, operational and reputational risks, technological change, changes in government regulation and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, 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 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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For further information, please contact: Mr. Stéphane Lemay
Vice-President, General Counsel and Secretary
514-286-7400