Chesswood Announces Q3 Results and Dividend Increase

Record New Business, Strong Net Income and a Portfolio Milestone

TORONTO, November 9**,** 2016 – Chesswood Group Limited (the “Company” or “Chesswood”) (TSX: CHW) announced today its results for the three and nine months ended September 30, 2016, as well as an increase in its monthly dividend.

The Company generated operating earnings of $7.2 million in the third quarter this year, compared to $6.8 million in the third quarter of last year. Net Income was $5.1 million compared to $3.1 for the same quarter in 2015.

Chesswood’s originations in its equipment finance businesses increased by 55% over the third quarter of last year, setting another quarterly record for new business. “We’re proud of achieving another milestone in the growth of our commercial portfolio as it exceeded $500 million in gross receivables for the first time,” said Barry Shafran, Chesswood’s President and CEO.

“Our net income was also excellent this quarter while our operating earnings were impacted by a $1.9 million increase in our non-cash portfolio reserve on behalf of our non-prime U.S. equipment finance portfolio. While our charge-offs in this portfolio were the same as in the last quarter, higher delinquencies drove our reserve increase, consistent with the pattern of seasonality we typically encounter as collections slow in the last four months of the year,” added Shafran.

On a nine month basis Chesswood’s operating earnings were $24.3 million, an increase of 14% or $3.1 million over the same period in 2015.

“We are also very pleased to provide our shareholders with an increase in our monthly dividend, from $0.065 per share to $0.07 per share, for an increase of 7.7%,” added Mr. Shafran. ”Our free cash flow has grown consistently over the past three years, since we last raised our dividend in November 2013. Our annualized yield will now rise to 7.3% based on yesterday’s closing price,” said Mr. Shafran. The dividend will be payable to shareholders of record at the close of business on November 30, 2016 and will be paid on December 15, 2016. Chesswood has designated its dividends as eligible dividends for purposes of the Income Tax Act (Canada).

Financial Highlights (in CDN $000's, except EPS)	**For the Three Mths Ended September 30,**		**For the Nine Mths Ended September 30,**	
	2016	**2015**	**2016**	**2015**
Operating Income(1)	**$7,220**	**$6,811**	**$24,331**	**$21,237**
Adjusted EBITDA(1)	$7,168	$8,172	$24,958	$25,034
Net Income	$5,083	$3,140	$19,175(2)	$11,752
Earnings Per Share - basic	$0.29	$0.17	$1.08(2)	$0.73

(1) - See "Non-GAAP Measures" below.

(2) - includes gain on sale of EcoHome Financial in the 1st quarter.

Non-GAAP Measures

References to Adjusted EBITDA and Operating Income are not recognized measures under International Financial Reporting Standards and do not have standard meanings. Accordingly, these measures may not be comparable to similar measures presented by other issuers.

Please refer to the Company’s Management Discussion and Analysis for the three and nine months ended September 30, 2016 for additional information concerning these measures and a reconciliation of these measures to the Company’s consolidated net income for the period.

About Chesswood Group Limited

The Company operates in the financial services industry with operating businesses in both Canada and the U.S. To learn more about Chesswood, visit www.ChesswoodGroup.com.

The separate websites of Chesswood Group Limited's operating businesses are at www.PawneeLeasing.com and www.BlueChipLeasing.com

— 30 —

For more information contact:
Barry Shafran
Chesswood Group Limited
416-386-3099
bshafran@chesswoodgroup.com

This press release contains forward-looking statements that involve a number of risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Many factors could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.