

NEWS RELEASE

FOR IMMEDIATE RELEASE



Power Financial Reports First Quarter 2019 Financial Results

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

Toronto, Ontario, May 13, 2019 – Power Financial Corporation (Power Financial or the Corporation) (TSX: PWF) today reported earnings results for the three months ended March 31, 2019.

Consolidated Results of Power Financial For the period ended March 31

Highlights

- Power Financial announced on April 17, 2019 the successful completion of its substantial issuer bid to repurchase for cancellation \$1.65 billion of its common shares. The Corporation also announced its participation in Great-West Lifeco Inc.'s (Lifeco) substantial issuer bid to repurchase for cancellation \$2.0 billion of its common shares. Power Financial's proceeds from its participation in the Lifeco substantial issuer bid were \$1.65 billion. As a result, the Corporation's direct interest in Lifeco decreased to 66.8% (67.8% at March 31, 2019).
- Lifeco's sales for the first quarter of 2019 were \$90.2 billion, up 160% from the first quarter of 2018, primarily driven by a very large sale at Empower Retirement and a large fund management mandate in Europe.
- On April 3, 2019, Lifeco announced that its three Canadian life insurance companies, The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company, are moving to one brand in Canada: Canada Life. Canada Life will become the brand under which the organization will create, deliver and communicate products and services in Canada across all of its lines of business.
- IGM Financial Inc. (IGM) reported record high quarter-end assets under management at March 31, 2019 of \$160.5 billion, an increase of 7.6% in the quarter and 3.0% from the prior year driven by favourable investment returns.
- Pargesa Holding SA's (Pargesa) reported net asset value at March 31, 2019 increased 13.4% from December 31, 2018.

First Quarter

Net earnings attributable to common shareholders were \$536 million or \$0.75 per share, compared with \$586 million or \$0.82 per share in 2018.

Contributions to Power Financial's net earnings were:

(in millions of dollars)

	2019	2018
• Lifeco	444	495
• IGM	110	107
• Pargesa	46	44
• Power Financial Corporate and Other	(64)	(60)
	536	586



Results of Great-West Lifeco, IGM Financial and Pargesa Holding

For the period ended March 31

GREAT-WEST LIFECO INC.

First Quarter

Net earnings attributable to common shareholders were \$657 million or \$0.67 per share, compared with \$731 million or \$0.74 per share in 2018.

On May 2, 2019, Lifeco declared a quarterly dividend of \$0.4130 per common share, unchanged from the previous quarter.

IGM FINANCIAL INC.

First Quarter

Net earnings available to common shareholders were \$168 million or \$0.70 per share, compared with \$186 million or \$0.77 per share in 2018. See contribution to Power Financial's net earnings in the table below.

On May 3, 2019, IGM declared a quarterly dividend of \$0.5625 per common share, unchanged from the previous quarter.

PARGESA HOLDING SA

First Quarter

Pargesa reported net earnings of SF91 million, compared with SF61 million in 2018. See contribution to Power Financial's net earnings in the tables below.

On May 8, 2019, Pargesa declared a dividend of SF2.56 per bearer share, an increase of 2.4% over the previous year.

Dividends on Power Financial Common Shares

The Board of Directors today declared a quarterly dividend of 45.55 cents on the Corporation's common shares, payable August 1, 2019 to shareholders of record June 28, 2019.

Dividends on Power Financial Preferred Shares

The Board of Directors also declared quarterly dividends on the Corporation's preferred shares.

Dividends payable August 15, 2019 to shareholders of record July 25, 2019:

Series - Stock Symbol	Amount
Series A - PWF.PR.A	Floating rate ^[1]

[1] Equal to one quarter of 70% of the average prime rate of two major Canadian chartered banks for the period April 1 to June 30, 2019.



Dividends payable July 31, 2019 to shareholders of record July 10, 2019:

Series	Stock Symbol	Amount	Series	Stock Symbol	Amount
Series D	PWF.PR.E	34.375¢	Series O	PWF.PR.O	36.25¢
Series E	PWF.PR.F	32.8125¢	Series P	PWF.PR.P	14.4125¢
Series F	PWF.PR.G	36.875¢	Series Q	PWF.PR.Q	20.4795¢
Series H	PWF.PR.H	35.9375¢	Series R	PWF.PR.R	34.375¢
Series I	PWF.PR.I	37.50¢	Series S	PWF.PR.S	30¢
Series K	PWF.PR.K	30.9375¢	Series T	PWF.PR.T	26.3438¢
Series L	PWF.PR.L	31.875¢	Series V	PWF.PR.Z	32.1875¢

About Power Financial

Power Financial Corporation is a diversified international management and holding company with interests substantially in the financial services sector in Canada, the United States and Europe. It also has significant holdings in global industrial and services companies based in Europe. Power Financial Corporation is a member of the Power Corporation Group of Companies. To learn more, visit www.PowerFinancial.com.

At March 31, 2019, Power Financial held the following economic interests:

- 67.8% – Great-West Lifeco (TSX: GWO) ^[1] www.greatwestlifeco.com
- 61.5% – IGM Financial (TSX: IGM) www.igmfincial.com
- 27.8% – Pargesa Holding (SIX: PARG) www.pargesa.ch
- 88.6% – Wealthsimple Financial Corp. ^[2] www.wealthsimple.com

[1] On April 17, 2019, following the Corporation's participation in Lifeco's substantial issuer bid, Power Financial's interest in Lifeco decreased to approximately 66.8%.

[2] Interest held by Lifeco, IGM and the Corporation.



Earnings Summary

(unaudited) (in millions of Canadian dollars, except per share amounts)	Three months ended	
	2019	March 31, 2018
Adjusted net earnings		
Lifeco ^[1]	444	495
IGM ^{[1] [2]}	110	107
Pargesa ^[1]	46	44
	600	646
Corporate operations ^[3]	(29)	(26)
Dividends on perpetual preferred shares	(35)	(34)
Adjusted net earnings ^[4]	536	586
Other items	-	-
Net earnings ^[4]	536	586
Earnings per share – Basic ^[4]		
Adjusted net earnings	0.75	0.82
Other items	-	-
Net earnings	0.75	0.82

[1] The contributions from Lifeco and IGM are adjusted for their share of the results of Wealthsimple Financial Corp. and Portag3 Ventures Limited Partnership, based on their respective interests. Contributions from IGM and Pargesa reflect adjustments in accordance with IAS 39.

[2] In the first quarter, IGM invested a further \$66.8 million in Personal Capital Corporation which increased its voting interest to 22.7%. IGM has significant influence and accounts for its interest as an associate using the equity method. This reclassification of the investment to an associate, under IAS 39, resulted in a gain included in the contribution to Power Financial's net earnings.

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

[4] Attributable to common shareholders.

Contribution to Power Financial's Net Earnings

Three months ended March 31, 2019 (unaudited) (in millions of Canadian dollars)	Contribution to net earnings as reported	Consolidation entries	Contribution to Power Financial's net earnings
Lifeco	445	(1)	444
IGM	103	7	110
Pargesa	34	12	46

Adjustments to Pargesa's Contribution

Power Financial 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 Financial's earnings in accordance with IAS 39:

(unaudited) (in millions of Canadian dollars)	Three months ended	
	2019	March 31, 2018
Gain on partial disposal of interest in adidas ^[1]	18	-
Gain on disposal of private equity funds ^[2]	-	21
Reversal of unrealized (gains) losses on private equity funds	(6)	1
Total	12	22

[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 Financial continues to apply IAS 39 and has adjusted its share of these items.

[2] Investments in private equity funds were reclassified from AFS to fair value through profit and loss (FVPL) and unrealized gains accumulated to December 31, 2017 were permanently transferred to retained earnings. Power Financial continues to apply IAS 39 and has adjusted its share of these gains.



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, 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.

Net asset value is commonly used by holding companies to determine their 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 Groupe Bruxelles Lambert 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 and common 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, 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, 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, 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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