

Power Financial Announces Dividend Rates on Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series P, and Non-Cumulative Floating Rate First Preferred Shares, Series Q

Readers are referred to the section "Forward-Looking Statements" at the end of this release.

Montréal, Québec, January 4, 2021 – Further to Power Financial Corporation's ("Power Financial" or the "Corporation") (TSX: PWF.PR.P, PWF.PR.Q) news release dated December 2, 2020, Power Financial announced today the applicable dividend rates for its Non-Cumulative 5-Year Rate Reset First Preferred Shares, Series P (the "Series P shares") and Non-Cumulative Floating Rate First Preferred Shares, Series Q (the "Series Q shares").

With respect to any Series P shares that remain outstanding after February 1, 2021, holders thereof will be entitled to receive quarterly fixed non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors of Power Financial. The dividend rate for the 5-year period from and including January 31, 2021 to but excluding January 31, 2026 will be 1.998%, being equal to the 5-year Government of Canada bond yield determined as of today plus 1.60%, in accordance with the terms of the Series P shares.

With respect to any Series Q shares that remain outstanding after February 1, 2021, holders thereof will be entitled to receive quarterly floating rate non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors of Power Financial. The dividend rate for the 3-month floating rate period from and including January 31, 2021 to but excluding April 30, 2021 will be 1.715%, being equal to the 3-month Government of Canada Treasury Bill yield determined as of today plus 1.60%, calculated on the basis of the actual number of days in such quarterly period divided by 365, in accordance with the terms of the Series Q shares.

Beneficial owners of Series P shares or Series Q shares who wish to exercise their conversion right should communicate with their broker or other nominee to ensure their instructions are followed so that the registered holders of Series P shares or Series Q shares can meet the deadline to exercise such conversion right, which is 5:00 p.m. (Eastern Time) on January 18, 2021.

About Power Financial

Power Financial, a wholly owned subsidiary of Power Corporation of Canada, is an international management and holding company with interests in financial services and asset management businesses in Canada, the United States and Europe. It also has significant holdings in a portfolio of global companies based in Europe. Power Financial's head office is located at 751 Victoria Square, Montréal, Québec. To learn more, visit www.PowerFinancial.com.



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 and the declaration of dividends by the Corporation, 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, 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 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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