POWER FINANCIAL CORPORATION

ADDRESS TO THE SHAREHOLDERS BY

R. JEFFREY ORR

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Annual Meeting of Shareholders

TORONTO, MAY 11, 2017

Forward-Looking Statements

In the course of today's meeting, officers of the Corporation may make, in their remarks or in response to questions, and the accompanying materials may include, statements containing forward-looking information. Certain statements, 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 listener/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 listener/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 listener/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 its most recent Annual Information Form, filed with the securities regulatory authorities in Canada and available at www.sedar.com.

Certain financial terms which may be included in statements today or in the accompanying materials, such as adjusted net earnings, are non-IFRS financial measures that do not have a standard meaning and may not be comparable to similar measures used by other entities. Please refer to the Corporation's annual and most recent interim Management's Discussion and Analysis for more information, including how such measures are defined, an explanation of their purpose and a reconciliation of the non-IFRS measures to the corresponding IFRS measures, where comparable IFRS measures exist.

Abbreviations

The following abbreviations are used throughout this address: Power Financial Corporation (Power Financial or the Corporation); adidas AG (adidas); China Asset Management Co., Ltd. (China AMC); Great-West Life & Annuity Insurance Company (Great-West Financial or Great-West Life & Annuity); Great-West Lifeco Inc. (Great-West Lifeco); Groupe Bruxelles Lambert (GBL); IGM Financial Inc. (IGM or IGM Financial); International Financial Reporting Standards (IFRS); Investors Group Inc. (Investors Group); Irish Life Group Limited (Irish Life); LafargeHolcim Ltd (LafargeHolcim); London Life Insurance Company (London Life); Mackenzie Financial Corporation (Mackenzie or Mackenzie Investments); Pargesa Holding SA (Pargesa); Portag3 Ventures Limited Partnership (Portag3 or Portag3 Ventures); Power Corporation of Canada (Power Corporation); Putnam Investments, LLC (Putnam or Putnam Investments); The Canada Life Assurance Company (Canada Life); The Great-West Life Assurance Company (Great-West Life); Wealthsimple Financial Corp. (Wealthsimple).

ADDRESS TO THE SHAREHOLDERS BY

R. JEFFREY ORR

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Annual Meeting of Shareholders

MAY 11, 2017

Good morning ladies and gentlemen. It's my pleasure to address you this morning and report to you on the results of the Power Financial Corporation group of companies.

We are pleased to be here in Toronto to hold our annual meeting. As you know, Toronto is very important to our group. Many of our companies have long had a significant presence here. As we celebrate Canada's 150th anniversary, Canada Life, our oldest brand, whose iconic building is just a block from here, will mark its 170th year. Many critical functions of Great-West Lifeco as well as the head offices of Mackenzie Investments, Investment Planning Counsel and Wealthsimple are based in Toronto.

We are pleased to be here to re-affirm our strong relationship with this city.

Power Financial reported solid earnings in 2016 in the face of a number of external challenges. Net earnings were $1,919 million or $2.69 per share.

Adjusted net earnings were $2,105 million, or $2.95 per share.

Weak equity markets during the first half of the year impacted results, as did the decline in the value of the British pound, which reduced the reported earnings of our U.K. businesses when expressed in Canadian dollars.

Power Financial increased the dividend on its common shares, which totalled $1.57 per common share in 2016, compared with $1.49 per share in 2015.

In March of 2017, the Board of Directors announced an additional increase in the quarterly dividend to $0.4125 per share, being an annualized dividend of $1.65.

Return on shareholders' equity was 12.7 per cent during 2016.

INDUSTRY ENVIRONMENT

The Corporation's principal financial service subsidiaries provide critical products and services for the benefit of society.

We help people plan and save for retirement. We protect people and their families from various risks, such as unexpected health-care costs, disability or death. We help people live in comfort and security during retirement by providing various products, such as guaranteed lifetime income.

The need for these products and services will continue to increase and evolve with growing populations and changing demographics. But the industry is going through a period of rapid change, driven by heightened client expectations, the fast pace of technological development and growing regulatory expectations.

We believe we will be well positioned to continue to meet clients' needs well into the future, so long as we embrace change, make the necessary investments to transform our businesses and continue to put the well-being of our clients at the centre of our decision making and actions.

The environment we have been operating under during the past few years has created challenges to growing our profitability. Numerous factors have contributed to this. We are still being impacted by the consequences of the financial crisis. Since the crisis, central banks around the world have pushed interest rates to record low levels. Insurance companies make long-term promises to their clients and invest client premiums to meet such promises. Our profits are hurt when investment yields are kept at such low levels for so long.

Regulators responded to the financial crisis by demanding that financial institutions hold higher levels of capital and build much more robust risk and control oversight functions. These measures have strengthened financial institutions, but the resulting higher operating costs and capital levels have contributed to lower profitability and returns on capital.

Since the crisis, financial markets have also tended to move more in tandem than they did previously. That is to say, if markets were fixated on risk for a particular period, or conversely were going through a period of greater optimism, the prices of individual securities and different asset classes have tended to move together. This has provided an environment where lower-cost, "passive" investment strategies have outperformed many active strategies, which has contributed to downward pressure on fees and margins for many traditional investment vehicles.

Finally, our clients increasingly expect to be served digitally, however and whenever they want. They don't expect to pay more for this capability – they usually expect to pay less. This has created the need for us to invest heavily in people and systems, and manage enormous internal transformations. But if established businesses like those owned by our group do not respond to changing client expectations, there are many competitors, including many fintech start-ups, who will gladly take our place.

While the headwinds we are facing are the reality of the day, there are many factors contributing to our optimism about our future growth.

Across many of our businesses, we have already made investments to enhance our client experiences and the quality of our products and services, and have in many instances witnessed growing sales and market share gains.

The nature of our internal transformation efforts are also entering a different stage. They are increasingly focused on reducing costs while also providing clients with a better experience. This will remain our focus, after several years in which our costs have grown at much higher rates than they had historically.

Rapid industry change may also increase the opportunities for further consolidation in a number of our various businesses. We have always sought to pursue opportunities to drive scale through acquisitions, and it will remain a key part of our strategy in the future.

We may also be entering a new post-crisis phase where interest rates begin to rise and the value of active management is more highly rewarded. It is still early, but we have seen evidence of this during the past year.

Fortunately, we face these numerous opportunities and challenges from a position of strength.

Our strategy has been to build market-leading businesses, wherever we operate. We have millions of clients – over 30 million of them – in Canada, the United States, the U.K., Ireland and Germany.

We are strong financially and we have scale. Our scale is highlighted by our $1.4 trillion of assets under administration and $792 billion of assets under management.

We have strong distribution networks – in fact, more than 20 distribution platforms across our geographies – and thousands of financial advisors who partner with us to better serve their clients.

We have engaged employees and experienced and energized leadership teams.

Let me now make some comments about our various businesses to highlight some of the initiatives being taken.

GREAT-WEST LIFECO

Power Financial holds a 71.9 per cent interest in Great-West Lifeco.

Great-West Lifeco's net earnings were $2.6 billion in 2016. Great-West Lifeco contributed $1,790 million to Power Financial's adjusted net earnings.

Great-West Lifeco is led by Paul Mahon, President and Chief Executive Officer, who was appointed to this role in 2013. The company has growth-oriented leadership teams in place in each of Canada, the U.S. and Europe.

Great-West Lifeco is investing strategically to drive future growth and productivity while maintaining a strong risk and expense discipline to deliver long-term value to its customers and shareholders.

Great-West Lifeco – Canada

Great-West Lifeco's Canadian operations are led by Stefan Kristjanson, President and Chief Operating Officer, Canada.

Great-West Life, London Life and Canada Life are focused on improving the financial, physical and mental well-being of Canadians. Their products and services touch the lives of more than 13 million people – approximately one in three Canadians.

Solid growth was achieved in 2016 with strong sales across all lines of business, particularly in Individual Life, where a huge surge in sales was prompted by changes in the *Tax Act*.

In November 2016, Great-West Lifeco began the journey to transform its Canadian organization and build a more customer-focused operating model that supports changing customer expectations.

This was followed by the announcement of a reorganization around two core business units based upon customers – Individual Customers and Group Customers. The company also created a new Strategic Customer Marketing function, focused on making the right investments in digital services, innovation and data analytics.

Investment in digital capabilities has been ongoing for a number of years. A good example is Great-West Life's Canadian Group business, where 88 per cent of the 56 million health and dental claims paid in 2016 were processed digitally.

Another example is Wayfinder, a new app for retirement plan participants piloted last fall. Wayfinder gives participants a complete picture of their retirement savings by creating an aggregated view of their financial assets across all of the financial institutions they deal with.

Not only are customers demanding greater digital and mobile access to financial services, they are becoming increasingly cost-sensitive. So, as our companies continue to invest, they must be vigilant in managing their cost bases.

This involves everything from process redesign and automation to looking for ways to organize more efficiently. It also involves adapting workforces to acquire the skills needed to drive business forward.

Of course, this comes with difficult decisions. Two weeks ago, Great-West Lifeco announced the next major step in this Canadian transformation, including a reduction in its workforce and a restructuring charge.

Similar to the actions taken at the time of major acquisitions, we are confident that the changes we make today will drive long-term growth and profitability, positively impacting customers, advisors, employees, shareholders and communities.

Great-West Lifeco – United States

Looking to the United States, Robert Reynolds is President and CEO of Great-West Lifeco U.S.

Great-West Financial, Empower Retirement and Putnam Investments support the financial security of millions of Americans with insurance, retirement and asset management products and services.

Great-West Financial has operated in the U.S. for over 100 years. The company provides life insurance, annuities and executive benefits, distributing its products and services through multiple channels. In 2016, the company expanded its distribution force and strengthened its annuity product suite, while expanded distribution partnerships generated stronger sales in the executive benefits business.

With over 8.2 million individuals in its plans, Empower Retirement is the second-largest record keeper of defined contribution pension plans in the U.S., such as 401 (k) plans. It is focused upon helping Americans achieve their best possible retirement. Through innovative tools and technology, Empower is helping families track their spending and gain insight into their retirement goals, including the impact of health-care costs in retirement.

As for Putnam, it continues to deliver strong investment results for clients. The firm was recognized for its five-year investment performance across asset classes, ranking 5th out of 54 companies in the U.S. in the 2016 Barron's/Lipper Best Fund Families report. In addition, it was ranked No. 1 for digital communications with financial advisors by DST kasina, a leading industry consultant.

Active U.S. mutual fund managers like Putnam have been challenged over the last few years with an industry shift in flows to passive investments that track stock market indices. In response to these challenges, Putnam took steps in late 2016 to reduce expense levels, with a targeted reduction of US$65 million.

While these changes were necessary given the current environment, we believe that active management will continue to be at the core of meeting investors' future investment needs.

Our objective of building an "at scale", profitable asset management franchise in the U.S. remains unchanged.

Great-West Lifeco – Europe

Turning to Great-West Lifeco's business in Europe, Arshil Jamal, President and Chief Operating Officer, leads its Europe & Reinsurance operations, which include its diverse businesses in the U.K., Ireland and Germany.

The Brexit vote last year created instability in the European market, and reduced the value of the British pound, which reduced our U.K. earnings when reported back into Canadian dollars.

However, unlike many other financial institutions which serve the European market from the U.K., Great-West Lifeco's business in the U.K. is solely a domestic one. As such, it does not need to change its business model as a result of Brexit.

In the U.K., Canada Life re-established its market-leading position in payout annuities with strong sales in 2016. In addition, it launched a range of investment products that complement payout annuities and offer U.K. consumers a broad range of retirement solutions.

Canada Life continued to maintain its leading position in the U.K. group insurance business supported by Simply Class, a fully digital tool that brokers can use to process new applications for small business customers.

In Ireland, Irish Life holds a market-leading presence across the diverse markets and channels where it participates.

In 2016, Irish Life acquired Aviva Health Insurance and the balance of GloHealth Financial Services that it did not already own. These two businesses were brought together to create Irish Life Health, a leading health and dental benefits provider with over 400,000 health insurance customers in Ireland.

In Germany, Canada Life's business is small in scale, but it is growing fast, supported by a competitive product offering and excellence in digital support of the broker channel. Canada Life's first branch office opened in Cologne in 2000 and today it serves more than 325,000 customers.

IGM FINANCIAL

Power Financial's other significant financial services subsidiary is IGM Financial, in which it holds a 65.3 per cent interest.

IGM is one of Canada's premier personal financial services companies, and one of the country's largest managers and distributors of managed asset products. The company serves the financial needs of Canadians through multiple businesses, including Investors Group, Mackenzie Investments and Investment Planning Counsel.

In 2016, Jeffrey Carney was appointed President and Chief Executive Officer of IGM Financial and of Investors Group. For the previous three years, Mr. Carney was Co-President and Chief Executive Officer of IGM Financial and President and Chief Executive Officer of Mackenzie Investments.

IGM's adjusted net earnings were $737 million in 2016. It contributed $452 million to Power Financial's adjusted net earnings.

Total assets under management at December 31, 2016 totalled $142 billion.

Investors Group

Investors Group celebrated its 90th anniversary in 2016. Its vision is to improve its clients' financial well-being.

It pursues this vision through a commitment to financial planning delivered through 4,700 Investors Group advisors located across Canada.

Management took a number of decisive actions in 2016 to continue to enhance client experience and drive company growth.

In September, the company announced it would eliminate the deferred sales charge from its mutual funds effective January 1, 2017 and it reduced fees on its no-load mutual funds.

The company's objective is to provide transparent and competitive pricing across a broad and differentiated product offering, and to clearly explain to clients what they are paying for and the value they are receiving.

Investors Group is committed to serving its clients' needs through high-quality and highly trained advisors who are passionate about client outcomes.

In the fourth quarter, the company accelerated the departure of 400 advisors who were not expected to develop successful practices. The company also announced that it was making mandatory the Certified Financial Planner designation, or "CFP", and its Québec equivalent, for all advisors with more than four years' experience. Investors Group already has more CFP designation holders than any other organization in Canada.

On the product front, Investors Group made great progress in its objective of increasing the use of portfolio funds, or managed solutions, providing more consistent client outcomes and a greater ability for advisors to focus on financial planning and client needs. In the first quarter of 2017, over 65 per cent of gross mutual funds sales went into such managed solutions.

A new Investors Risk Parity Private Pool was also introduced for high-net-worth households. The company's experience in serving higher net worth clients is an additional source of future growth. It now has over $32 billion of assets in high-net worth solutions for households with more than $500,000 with Investors Group.

These changes helped propel strong sales momentum in the last quarter of the year. Investors Group achieved record fourth quarter gross sales of $2.1 billion. This represents a 15 per cent increase compared to a year ago, while the industry's gross sales increased by just 3 per cent. Fourth quarter net sales, at $261 million, were the highest since 2007.

The momentum has continued through the first quarter of 2017. Investors Group's gross sales rose 29 per cent, to $2.9 billion, an all-time high. Net sales increased by 91 per cent, to $890 million, the best in a decade.

Mutual fund assets ended 2016 at $81.2 billion, up 8.5 per cent from year-end 2015. At the end of the first quarter of 2017, they had reached $83.9 billion.

Mackenzie Investments

Mackenzie Investments is led by Barry McInerney, President and Chief Executive Officer, who joined the company in 2016.

Four years ago, Mackenzie embarked on a journey to become the best asset management company in the country.

It adopted a new vision – "We are committed to the financial success of investors through their eyes".

The strategy was based upon six key pillars. The company proceeded to strengthen its investment teams, launch new and innovative products, improve its distribution organization and promote its brand more aggressively.

The year 2016 marked a significant inflection point in the company's journey. It was a momentum-building year – momentum that accelerated throughout the year.

Despite a challenging year for the industry in terms of flows and volatile markets right from the onset, Mackenzie had a strong 2016. It ended the year at $64 billion in overall managed assets, and, as at March 31 of this year, achieved an all-time company high in mutual fund assets at nearly $53 billion.

Mackenzie gained market share in 2016 as mutual fund gross sales were up 2.6 per cent at almost $7 billion, while industry peers were down 5.1 per cent. The fourth quarter of 2016 marked the company's best in the last ten years, and this momentum continued into 2017 with Mackenzie registering its best first quarter in ten years with gross sales 38 per cent higher than in the first quarter of 2016.

Mutual fund net sales and ETF net creations totalled $444 million in the first quarter, compared to outflows of $198 million in 2016.

Improvement in Mackenzie's investment performance is also accelerating. The company had its highest share of fund assets rated four or five stars since 2013, reaching 43 per cent during the first quarter of this year.

In the product area, Mackenzie continues to focus on the development of innovative products and solutions that are aligned with the leading trends in the Canadian and global investment industries.

Overall, it has launched 40 mutual funds and 10 ETFs since 2013, with $2 billion of cumulative net inflows since inception – $700 million in net inflows overall in 2016 and $600 million in net inflows already in the first quarter of 2017. The company plans to launch a number of new and innovative products throughout 2017 and beyond.

There is still lots of work to do for Mackenzie to reach its ambitious objectives, but the momentum experienced in 2016 and continuing into the first quarter of 2017 is very encouraging.

INVESTMENTS IN CHINA ASSET MANAGEMENT

As we entered 2017, IGM announced that Mackenzie had purchased a 13.9 per cent interest in China Asset Management, one of China's first and largest fund management companies. The purchase price was $647 million and the transactions are expected to close in the third quarter of 2017, subject to customary closing conditions.

Power Corporation was already a 10 per cent shareholder of China AMC, and announced in January it was increasing its stake to 13.9 per cent. IGM and Power Corporation will own a combined 27.8 per cent of the company.

The opportunities are very attractive. China is the world's second-largest economy and the world's second largest stock market, and the government is trying to create a retirement system for a large aging population. We believe that China AMC is the premier asset management firm in the country. It had $232 billion in assets under management at year end 2016, and has more individual customers – 40 million – than we have people in Canada.

IGM's investment in China AMC will allow both companies to identify opportunities to work together on developing products in each other's geographies and may lead the way to sub-advisory relationships. This move, in short, will give IGM Financial exposure in one of the largest and fastest-growing economies in the world.

FINTECH

Power Financial, in partnership with Great-West Lifeco and IGM Financial, is pursuing a multi-pronged strategy in the fintech area. While we are seeking to earn a good return on these investments, the amount we have invested is relatively small in the context of our overall business. We are equally interested in learning how new technology applications and disruptive business models will impact our existing business, and on being able to serve our clients more effectively based upon such learnings.

We have invested in Toronto-based Wealthsimple, Canada's largest and fastest-growing technology-driven investment manager. Since its launch in 2014, Wealthsimple has attracted 30,000 clients across Canada and the U.S. For the second year in a row, Wealthsimple has been awarded the "Webby" award for having the best website among all financial firms worldwide.

Our group also launched Portag3 Ventures in 2016. This new fund invests in promising fintech companies that have the potential for innovative change and global impact. Portag3 is committed to finding and supporting creative, ambitious entrepreneurs who will help reshape the Canadian fintech sector for the benefit of all consumers.

In addition, IGM Financial invested US$75 million in 2016 in Personal Capital Corporation, a U.S.-based, market-leading digital wealth advisor for mass-affluent investors, enabling the company to participate in the emerging digital wealth management industry in the United States.

There are many fintech ventures that have been launched worldwide over the past few years, addressing virtually every market sector of the financial services industry. Some will succeed, while many will undoubtedly fail. What is certain is that they will impact the way financial services will be delivered. As a large incumbent player with millions of clients, we are intent on knowing how our industry will change and how best to serve our clients in the future.

PARGESA HOLDING

I will now turn to the Pargesa group. Paul Desmarais, Jr. is Chairman and Executive Director of Pargesa, and he works closely with Arnaud Vial, who is Managing Director. At December 31, 2016, together with the Frère group of Belgium, Power Financial held a 55.5 per cent equity interest in Pargesa. Pargesa in turn held a 50 per cent equity interest in the Belgian holding company Groupe Bruxelles Lambert, or "GBL," which holds significant positions in major global companies based in Europe.

The Pargesa group has been very busy over the past few years positioning its portfolio of companies for future growth.

As in the previous four years, 2016 was characterized by portfolio changes at Pargesa. A total of €1.6 billion was invested, primarily in existing shareholdings, and there were disposals of €2.5 billion. GBL continued in 2016 to increase its stake in adidas and, at December 31, 2016, held 7.5 per cent of adidas' capital, with a market value of €2.4 billion. GBL also continued during the year to gradually reduce its stake in Total. This disposal had a significant impact on Total's contribution to Pargesa's earnings. However, the proceeds from the sale will be used over time to make investments that will gradually contribute to earnings.

Pargesa reported adjusted net earnings of SF321 million in 2016.

The contribution to Power Financial's adjusted net earnings was $119 million.

CORPORATE SOCIAL RESPONSIBILITY

Over the past year, Power Financial and its subsidiaries continued to strengthen their commitment to corporate social responsibility.

As a signatory to the United Nations Global Compact (UNGC), we remain committed to supporting the UNGC's ten principles on human rights, labour, the environment and the fight against corruption. In 2016, we strengthened our reporting to an "Advanced Level" Communication on Progress, providing information on our management policies and procedures and on the alignment of our programs to the United Nations' Sustainable Development Goals.

We are also committed to working closely with our suppliers to ensure good ethical practices and business integrity, while managing potential environmental, social and governance, or "ESG", risks to our business. In 2016, as part of our Third Party Code of Conduct deployment, we reached out to our key suppliers, consultants, advisors and other business partners.

Power Financial also gained listing status on the FTSE4Good Global Index in 2016 – one of the most important indices that measures the performance of companies demonstrating strong ESG practices.

INDUSTRY MATTERS

In addition to our social responsibility as a corporation, we play an important role in helping millions of households save for retirement. Providing financial security and peace of mind to our clients is the primary goal of the investment, retirement and insurance solutions that our group companies offer.

Internationally and in Canada, regulators are becoming more proactive in ensuring client's interests are at the forefront of changes in regulation. Regulators share a common objective with us of putting the interest of clients first.

In Canada, there are several reform initiatives being considered by regulators, many of which we support.

The coming into full effect next month across Canada of what is known as CRM2 will result in plain disclosure to clients of the dollar value being paid to their distribution or financial advisory firm by the companies managing their mutual funds. This represents a big step in providing greater fee transparency to clients. While CRM2 has yet to come into full effect and its impact is yet to be observed, securities regulators have already gone further and are proposing an outright ban on commissions, as was done in the U.K. a few years back.

In the U.K., changes in advice channel regulations made as part of what was called Retail Distribution Review were focused, in part, on improving the quality of advice. The U.K. effectively banned the payment of commissions from product suppliers to financial advisory firms. Unfortunately, these changes had a significant and unintended negative consequence in that the number of advisors operating in the U.K. was greatly reduced, creating an advice gap for consumers.

Financial advisors provide value to their clients, mostly by influencing their behaviours. They induce higher savings rates. They encourage the use of more tax-efficient savings vehicles and they increase investments in higher-return asset classes. They keep clients invested when financial markets are experiencing periods of high volatility.

The value of advice is very significant and has been empirically demonstrated in numerous studies.

Regulators who are advocating for a ban on commissions may hope that Canadians who lose access to an advisor will get advice through other forms of distribution, including from automated platforms or "robo-advisors". These alternative channels will take time to develop, however, and it is not at all intuitive that those particular individuals who lose access to their advisor will seek or find suitable advice elsewhere.

Our companies and our industry operate with many different fee structures, both fee-based and commission-based, and we will adapt to whatever regulations eventually come to pass. Our advice, however, would be to make changes on a measured basis, or risk hurting the very people whose interests the regulations are trying to protect. The unintended consequences of depriving millions of Canadians from having access to financial advice will be detrimental to the very important goal of helping Canadians prepare for retirement.

FIRST QUARTER 2017 EARNINGS

I will now report on earnings of the Corporation for the first quarter of 2017.

Net earnings were $484 million, compared with $259 million in 2016. Earnings in 2016 included a non-cash impairment charge on the LafargeHolcim investment.

Adjusted net earnings were $501 million, compared with $476 million in 2016. The increase was mainly due to a larger contribution to earnings from Pargesa and IGM.

QUARTERLY DIVIDEND

At the meeting of the Board which was held earlier today, the Directors declared a quarterly dividend of 41.25 cents per share on the common shares of the Corporation.

CONCLUSION

Our group companies provide financial security and peace of mind to millions of people through various investment, retirement and insurance solutions. Such solutions are provided to our clients through one-on-one relationships with their financial advisors and through workplace programs. We have the capacity to provide solutions to many of the financial needs that our clients will face over their lifetimes.

We are investing to meet rapidly changing needs in a dynamic market. We do so secure in the belief that by continuing to put the interests of our clients at the centre of our decision making, we will build upon our leading franchises and add to the 30 million individuals whose needs we already serve.

Together with its subsidiaries, Power Financial is committed to creating long-term value for shareholders predicated on the success of our clients, our employees and our business partners, while contributing positively to the communities in which we operate.

Ladies and gentlemen, allow me to express our thanks to you, our shareholders, for your continuing support, as well as to the management teams and to all the employees of our group companies for their outstanding work and for their active community involvement. We would also like to thank the thousands of financial advisors who work hard to serve the interests of their clients. Last, but certainly not least, we thank our clients for the trust they have shown and continue to show in our companies.