



**CHESSWOOD REPORTS FIRST QUARTER 2017 RESULTS**  
*Solid Earnings Underpin Strong Growth*

TORONTO, May 9, 2017 – Chesswood Group Limited (“Chesswood” or “the Company”) (TSX: CHW), a North American wide commercial equipment finance provider for small and medium-sized businesses, today reported first quarter operating income of \$8.0 million and record originations of \$79 million. While operating income was relatively unchanged from the first quarter of 2016, last year’s first quarter results related to Windset Capital were \$531,000 higher than in 2017 and included an additional \$354,000 in earnings resulting from a stronger U.S. dollar in 2016. Windset Capital, the Company’s U.S. based working capital loan business, has been in wind down since September 2016.

“We increased our first quarter originations by 64% over the same period last year as our core businesses in both the U.S. and Canada continue to grow. Our results highlight the positive impact of our strategic decision to focus on our strong positions in the equipment finance market for small and medium-sized businesses,” said Barry Shafran, Chesswood’s President and CEO.

Strong organic growth increased Chesswood’s finance income and expanded the Company’s gross lease and loan receivables at Pawnee and Blue Chip to \$585 million as at March 31, 2017, up from \$547 million at 2016 year end. The Company also exercised US\$30 million of additional borrowing capacity under the US\$80 million accordion feature of its bank credit facility, subsequent to quarter-end, in support of future growth.

“As expected, our portfolio delinquency declined during the quarter from seasonal highs at December 31<sup>st</sup>. The lower delinquency helped generate a lower provision for credit losses this quarter, while charge-offs in our U.S. portfolio, driven by our non-prime receivables, remained very similar to our last quarter,” said Shafran. The provision for credit losses was \$5.1 million in the first quarter of 2017, down from \$6.3 million a year ago. At March 31, 2017, Chesswood’s North American wide portfolio included about 27,200 leases and loans.

Financial Highlights (in CDN \$000's, except EPS)	For the Three Months Ended	
	March 31	
	2017 <sup>(2)</sup>	2016 <sup>(2)(3)</sup>
<b>Operating Income<sup>(1)(2)</sup></b>	<b>\$8,049</b>	<b>\$8,095</b>
Adjusted EBITDA <sup>(1)</sup>	\$8,092	\$8,700
<b>Net Income<sup>(2)(3)</sup></b>	<b>\$4,696</b>	<b>\$10,107</b>
Earnings per Share – continuing operations	\$0.26	\$0.17
Earnings per Share – discontinued operations	\$0.00	\$0.40
Earnings Per Share - basic	\$0.26	\$0.57

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

(2) 2016 Operating Income includes \$498,500 of pre-tax income from Windset compared to a pre-tax loss of \$32,600 in 2017.

(3) 2016 net income includes \$6.8 million gain on the sale of EcoHome Financial.

## Non-GAAP Measures

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 in Chesswood's 2016 Annual Report and 2017 First Quarter Report for additional information concerning these measures and a reconciliation of these measures to the Company's consolidated net income.

## About Chesswood

Through two wholly-owned subsidiaries in the U.S. and Canada, Chesswood Group Limited is North America's only publicly-traded commercial equipment finance company focused on small and medium-sized businesses. Our Colorado-based Pawnee Leasing Corporation, founded in 1982, finances a highly diversified portfolio of commercial equipment leases and loans through established relationships with over 600 independent brokers in 48 U.S. states. In Canada, Blue Chip Leasing Corporation has been originating and servicing commercial equipment leases and loans since 1996, and today operates through a nationwide network of more than 50 independent brokers. Based in Toronto, Canada, Chesswood's shares trade on the Toronto Stock Exchange under the symbol CHW (convertible debentures: CHW.DB).

Learn more at [www.chesswoodgroup.com](http://www.chesswoodgroup.com), [www.PawneeLeasing.com](http://www.PawneeLeasing.com) and [www.BlueChipLeasing.com](http://www.BlueChipLeasing.com).

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