

Bennington Financial Acquisition

December 2018



CONFIDENTIAL

Forward-Looking Statements

Certain forward-looking statements may be made in this presentation, including statements regarding possible future business, financing and growth objectives. Forward-looking statements include, but are not limited to, statements relating to our financial performance objectives, vision, strategic goals, benefits of the Bennington Financial Services Corp. acquisition, the economic and market review and outlook, the regulatory environment in which we operate, the outlook and priorities for each of our business lines, the risk environment including our liquidity and funding risk, and statements by our Chief Executive Officer and Chief Financial Officer. The forward-looking information contained herein is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”. Investors are cautioned that such forward-looking statements involve risks and uncertainties detailed from time to time in the Company’s periodic reports filed with Canadian regulatory authorities. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Equitable Group Inc. does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf except in accordance with applicable securities laws.

EQB Reaches Definitive Agreement To Acquire Bennington Financial Services Corp For \$47MM

Bennington Financial Overview

- 22-year track record of success in the equipment finance market
- \$400MM+ portfolio of Prime through Sub-Prime commercial equipment leases
- Distribution nationally through 3rd party equipment finance brokers
- Experienced team and leading-edge systems



Transaction Highlights

- Acquired at 1.3x P/BV and 6.9x P/E multiples
- All-cash transaction that will be immediately accretive to EPS¹
- Offers both strategic and financial value
- Will be operated as a standalone entity with oversight from Equitable
 - Bennington will be a subsidiary of Equitable Bank

¹ Not including the effects of a one-time IFRS9 related provision that Equitable will record in Q1 2019

Acquisition Creates Value for Both Equitable and Bennington Businesses

Benefits for EQB

- Entry into this attractive market another step in Equitable's Challenger Bank™ journey
- Utilizes the Bank's excess capital
- Further diversifies Equitable's balance sheet
- Provides a platform for additional growth, through an experienced team and proven systems

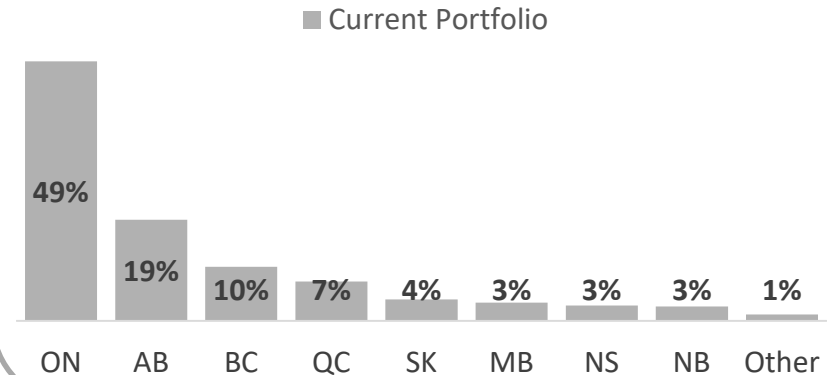
Benefits for Bennington

- Provides access to lower cost and more flexible funding
 - Equitable's funding will allow Bennington to be more competitive across a broader range of the credit spectrum and asset categories
- Scale, relationships, and capital of Equitable will facilitate further growth
- Longer term cross sell opportunities with Equitable BES (SME) brokers

Bennington Highlights

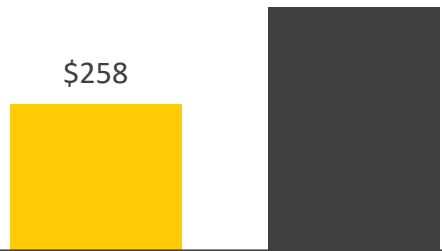
- \$52MM of annual revenues; 10% CAGR over the past five years
- ~125 employees
- Service-oriented culture and deep broker relationships

Bennington Geographic Breakdown



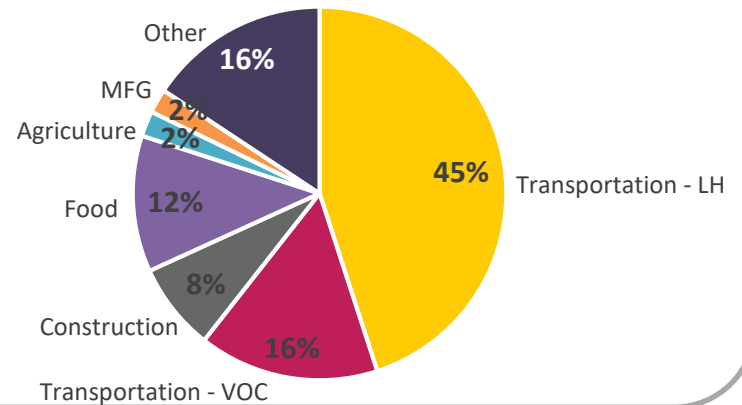
Originations & Portfolio (\$M)

■ Originations ■ Portfolio \$429



2018E

Bennington Industry Composition



Bennington Led By Industry Veterans Larry Mlynowski And Troy Campbell

Larry Mlynowski, Bennington CEO

Leasing industry depth

- Founded Equirex in 1996
- Successfully grew the business to current position

Prior executive experience

- Keystone Industries Ltd. from 1984 to 1994
- Dynovation Machine Systems Inc. from 1994 until 1996

Education

B.Comm from McGill University

MBA from University of Michigan

Troy Campbell, Bennington President/COO

Extensive industry and executive experience

- Element Fleet Management, President of wholly-owned subsidiary Transportation Lease Systems Inc. from 2012 to 2014
- PHH Arval, VP Sales & Client Relations from 2008 until 2012
- Pollock NationalLease, VP Sales & marketing from 2002 to 2007

Education

BBA from University of New Brunswick

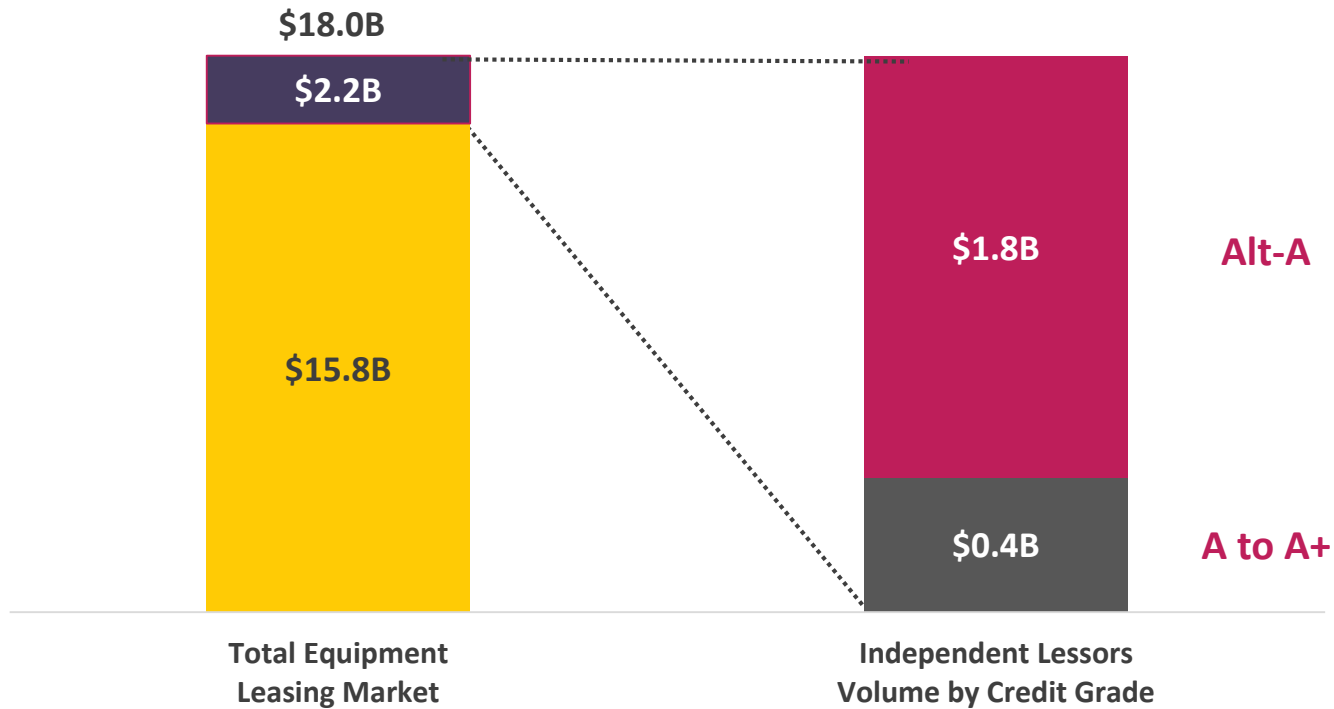
Executive Education at Ivey Business School

Equipment Finance Is A Sizeable Market In Canada

Canadian Equipment Leasing Industry Breakdown






\$ billions CAD

- Banks, Captives, Public Companies
- Independent Lessors



1. Company estimates. CFLA data indicates \$32.4B of new volumes in 2016 for machinery & equipment and commercial vehicles.

Acquisition Will Have An Impact On Many Of Equitable's Key Operating Metrics

Metric	Impact	Reason
EPS/ROE		<ul style="list-style-type: none"> • Cash purchase • Profitability and operating strength of Bennington
Margins		<ul style="list-style-type: none"> • High yield on leasing assets • Migration to lower cost funding over time
Arrears and PCLs/ECLs		<ul style="list-style-type: none"> • Nature of business; higher risk than mortgages • Effect should gradually reduce as we originate a greater proportion of near-prime assets
Efficiency Ratio		<ul style="list-style-type: none"> • Higher operating cost business • Little opportunity for cost synergies
BVPS		<ul style="list-style-type: none"> • Cash purchase

IFRS9 Requires Equitable To Record A Significant Provision In Q1 2019

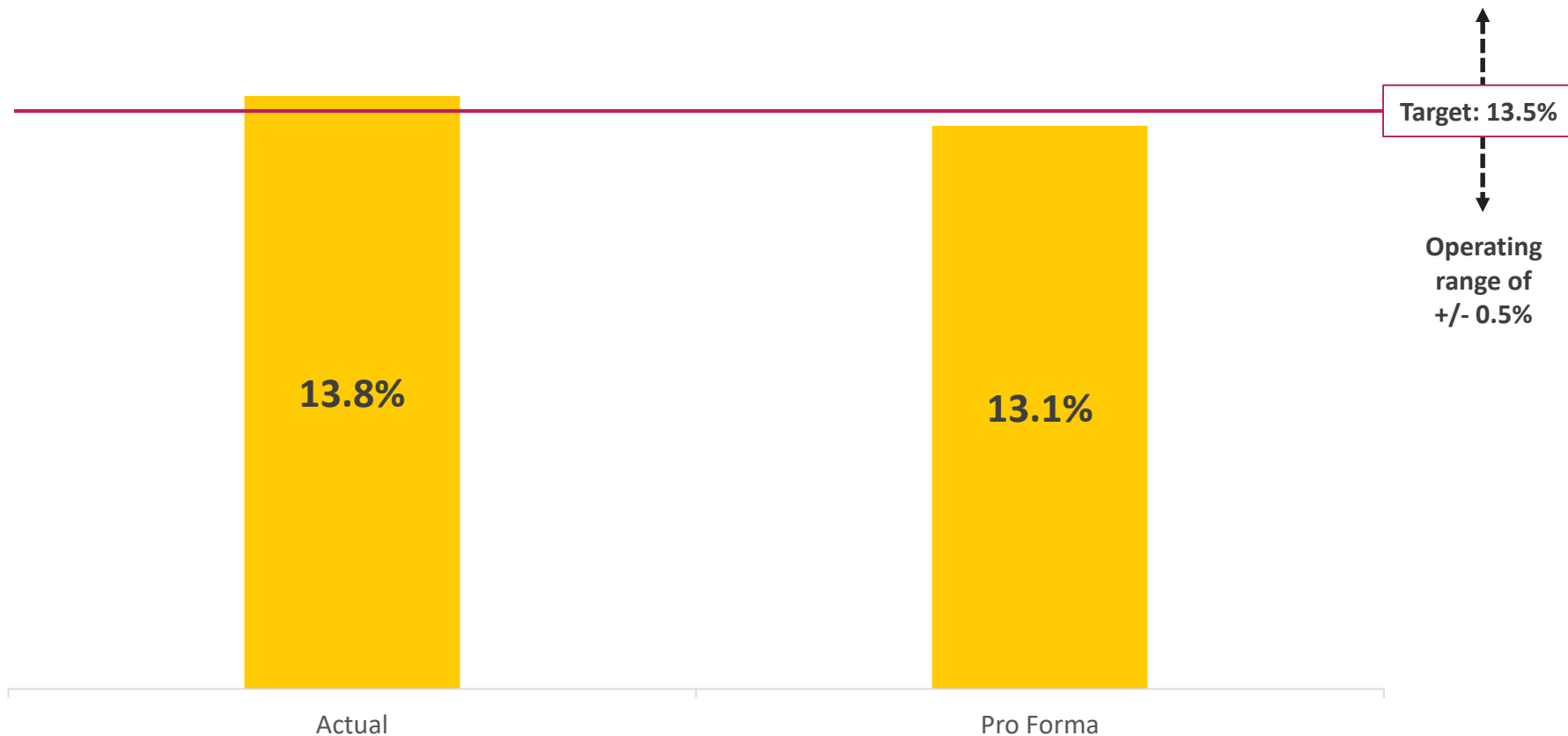
- IFRS9 requires that Equitable establish an allowance for credit losses on all unimpaired loans immediately after the deal closes
- The premise is that we should treat acquired leases in the same way we would if we originated them directly (e.g. 12-month expected loss booked on origination)
- Market precedent exists with Scotiabank and RIFCO acquisitions in 2017
- The allowance will be established by booking a provision for credit losses through Equitable's income statement in Q1

Provision may be up to \$9MM; will confirm impact in early 2019

EQB Retains Strong Capital Position Post-Acquisition, And Should Return To 13.5% Range by Early 2020

EQB CET1 Capital Ratio

Actual September 30, 2018 and Pro Forma Reflecting Bennington Acquisition



Questions?