



Canada's Challenger Bank™

Q2 Report

For the three and six months ended June 30, 2020

Published July 28, 2020

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Forward-Looking Statements

Certain forward-looking statements may be made in this presentation, including statements regarding possible future business, financing and growth objectives. 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”. These statements include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, 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 all Equitable representatives. There can be no assurance that the expectations represented by our forward-looking statements will prove to be correct.

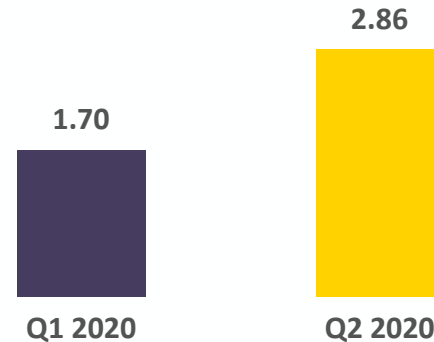
Investors are cautioned that such forward-looking statements involve risks and uncertainties detailed from time to time in the Company’s periodic reports filed with Canadian regulatory authorities. These risks and uncertainties include, but are not limited to, the length, duration and impact of the novel coronavirus (COVID-19) pandemic, including measures adopted by governmental or public authorities in response to it, global economic conditions and market activity, changes in government monetary and economic policies, legislative and regulatory developments, changes in accounting standards as well as changes in competition. The preceding list is not exhaustive. 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. Additional information on items of note, the Company’s reported results, risk factors and assumptions related to forward-looking statements are available in Equitable Bank’s Q2 2020 Management’s Discussion and Analysis (“MD&A”) as well as the earnings news release as well as the Company’s other public filings available on SEDAR at www.SEDAR.com

Successfully Navigating Early Stage COVID-19 Lockdown with Earnings Up Significantly From Q1

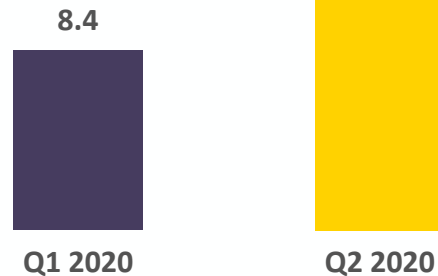
Today's Presentation

1. Describe encouraging developments since Q1 including deposit rates, housing market resiliency
2. Discuss credit profile of loan book including deferral program and PCLs
3. Profile recent expansion of Canada's Challenger Bank™ services, unprecedented new account growth

Adjusted EPS¹
(\$)



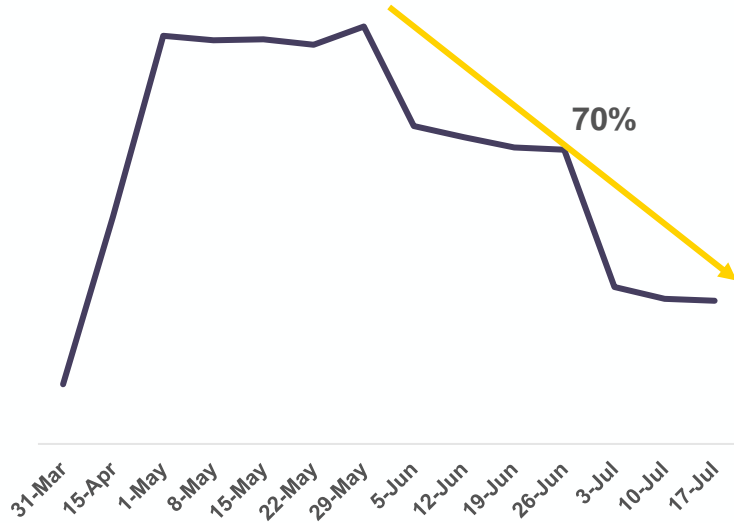
Adjusted ROE¹
(%)



¹ Adjusted measures exclude the impact of net mark-to-market gains / losses on certain investments, loans and securitization-related derivative positions.

Serving Customers: Loan Deferral Experience

Total Active Mortgage Payment Deferrals



(% of total portfolio)	Retail	Commercial	Total Portfolio
Peak	26%	8%	20%
Expired	(18%)	(5%)	(14%)
Active*	8%	2%	6%

- Since March 13, we have provided assistance to 18,229 accounts, representing \$5.6B of balances

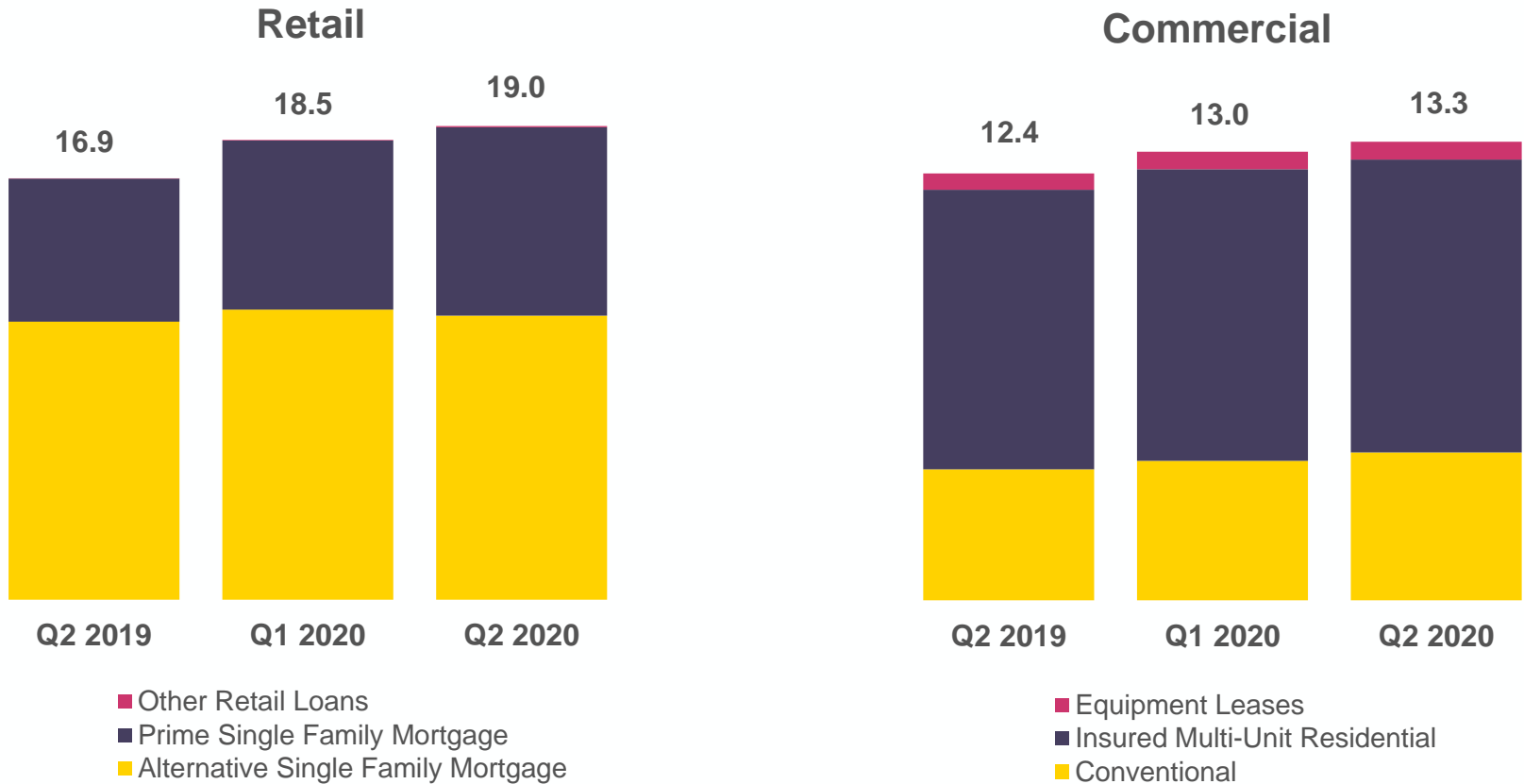
* As of July 17, 2020

Total Active Mortgage Payment Deferrals Down to 30% of Peak Levels

¹ Numbers in the table may not add due to rounding.

Serving Customers: Loan Growth

(\$Billions)



Expect Stable Loan Balances In Established Businesses Through Q4

Serving Customers: *EQ Bank* Makes Banking Better



Accelerating Consumer Adoption of Digital Banking Services Leads to Account Growth

Introducing *EQ Bank Joint Savings Plus Accounts*

Earn more, together
Introducing the Joint Savings Plus Account.

- + 2.00% interest* on every dollar
- + Quick online sign-up
- + Add up to 3 people in a click

Join now

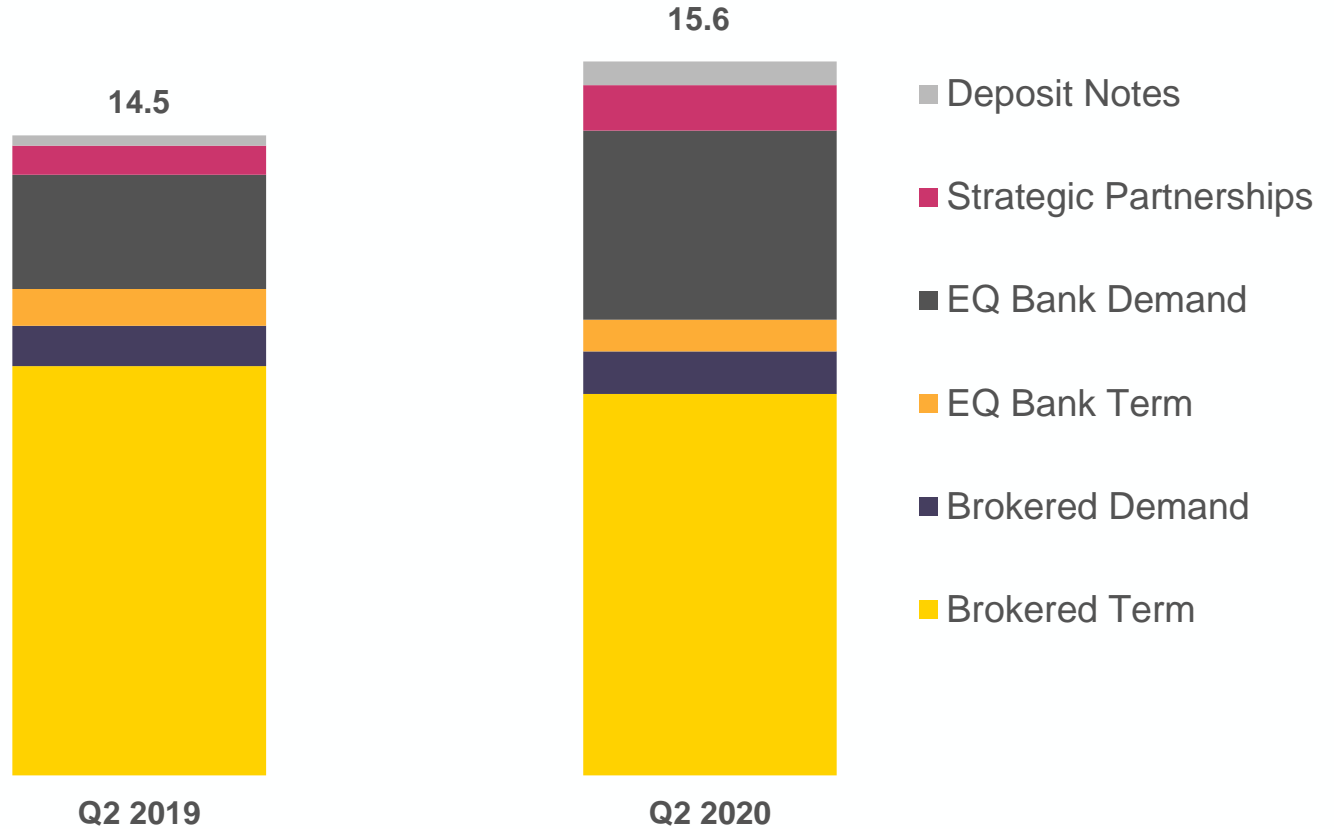


A joint account in minutes

A Transformative Joint Account Sign Up, Free of Paperwork, Phone Calls, Branch Visits

Serving Customers: Diverse Deposit Choices

(\$Billions)



Total Deposit Principal Up \$1.1 Billion YoY and \$161 Million in Q2 Led by EQ Bank

Retail, Securitization Markets More Efficient Than Expected

- GIC rates decreased from mid-March at a faster pace than relevant benchmarks, making funding cost competitive
- Liquid assets totalled \$1.9 billion, 6.4% of total assets
- Insured \$687 million of Alternative single-family mortgages under CMHC program with corresponding benefit to Q2 liquidity but with 20 cent drag on Q2 earnings per share
- Net funding cost and capital benefits to insurance through 2024 with EPS drag reducing in Q3 and Q4 and turning positive in 2021

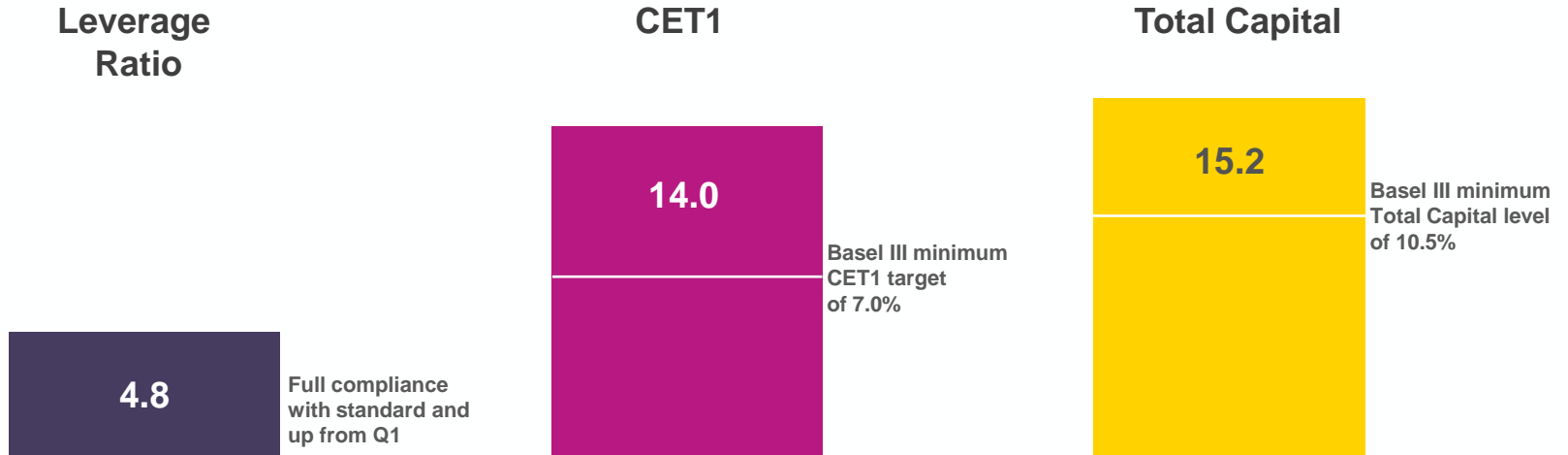
We Will Continue to Hold Sufficient Liquid Assets to Protect the Bank

Sufficient Capital to Absorb Potential Losses

Equitable Bank Regulatory Capital Ratios










June 30, 2020

(%)



CET1 Ratio at Top of Management's Target Range, Expected to Increase on Positive Earnings, Slower Risk-Weighted Asset Growth

Q2 Earnings Rebound from Q1

Metric		Q2 Result	Change from Q1
LUM ¹		\$32.3B	+3%
Adjusted Net Income ^{1,2}		\$49.3M	+64%
Adjusted EPS ^{1,2}		\$2.86	+68%
Adjusted ROE ^{1,2}		13.8%	+5.4%
Book Value per Share ¹		\$84.89	+4%
Common Share Dividend Declared		\$0.37	NC
Net Interest Margin ¹		1.64%	-7bps  mortgage insurance impact
PCL – rate ¹		0.13%	-41bps

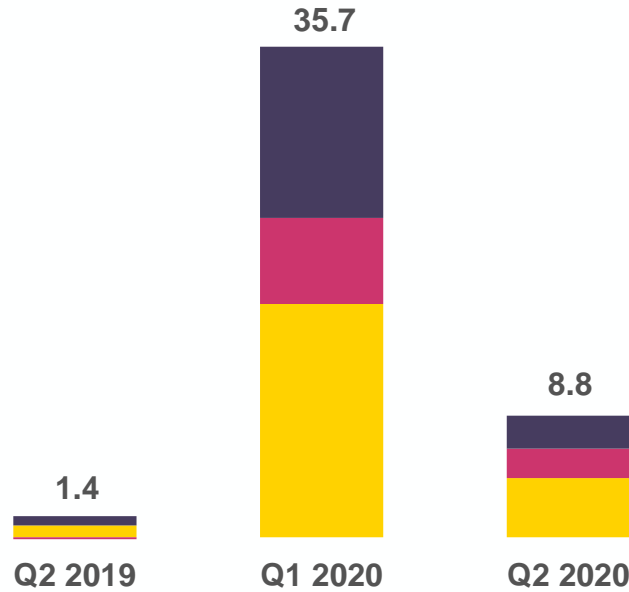
¹ See Non-Generally Accepted Accounting Principles Financial Measures in the MD&A

² Exclude impact of \$4.4 million mark-to-market gains on certain security investments, loans and securitization-related derivative financial positions.

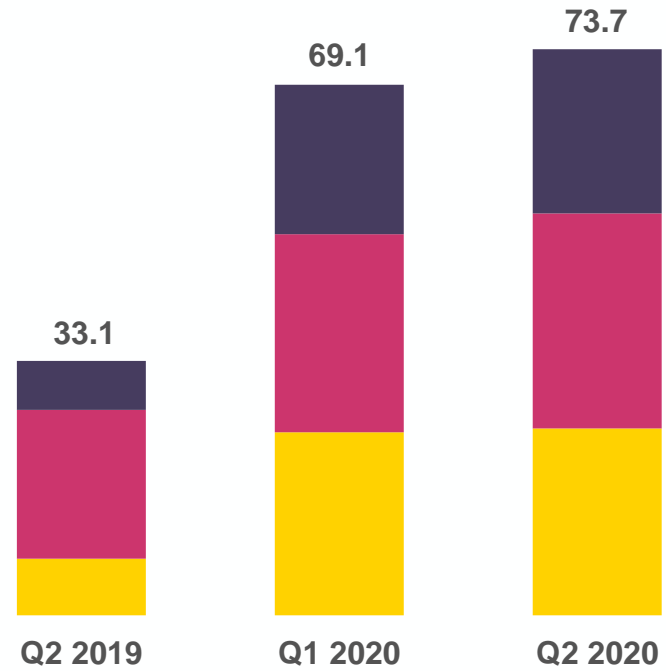
ACLs and PCLs by Business

(\$Millions)

PCLs by Quarter



ACLs by Quarter



■ Leasing ■ Commercial ■ Retail

Modelled 5 Scenarios to Determine Credit Loss Reserves

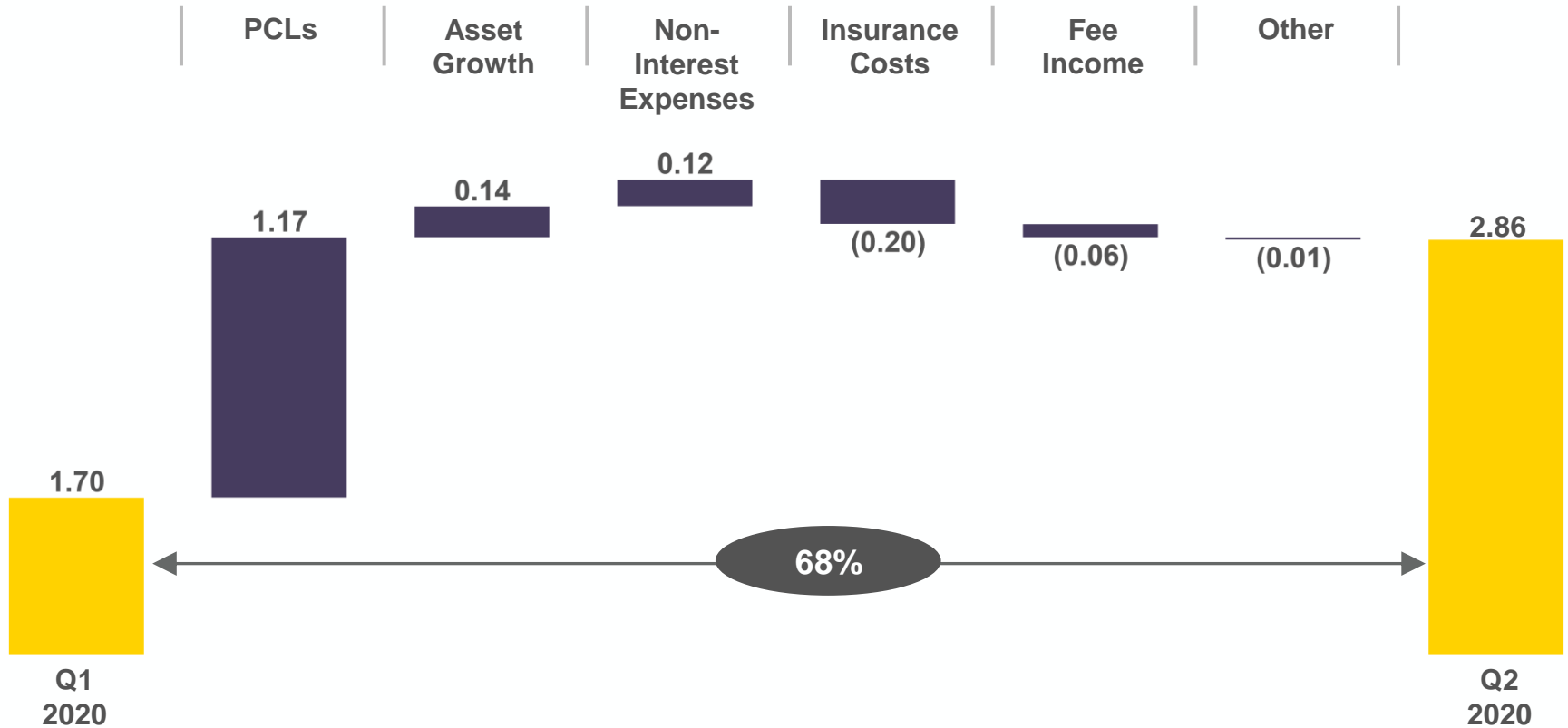
Base Case	June 30 forecast		March 31 forecast	
	Next 12 months	2 to 5 years	Next 12 months	2 to 5 years
Unemployment rate %	10.2	7.3	7.9	7.5
Real GDP growth rate %	(5.9)	3.6	(2.3)	2.3
Home Price Index growth rate %	(3.6)	2.8	(3.8)	0.9
Commercial Property Index growth rate %	(12.1)	5.3	(2.6)	1.9
Household income growth rate %	(8.2)	1.0	(1.8)	0.4

- Most future expected losses were recorded in Q1 but macroeconomic forecasts deteriorated in Q2 requiring a further increase to the allowance for performing loans (Stages 1 and 2)
- As a result, PCLs were elevated again in Q2

PCLs Should Decrease if Economic Forecasts and Borrower Behaviour Do Not Change Unexpectedly

Adjusted EPS Change Analysis

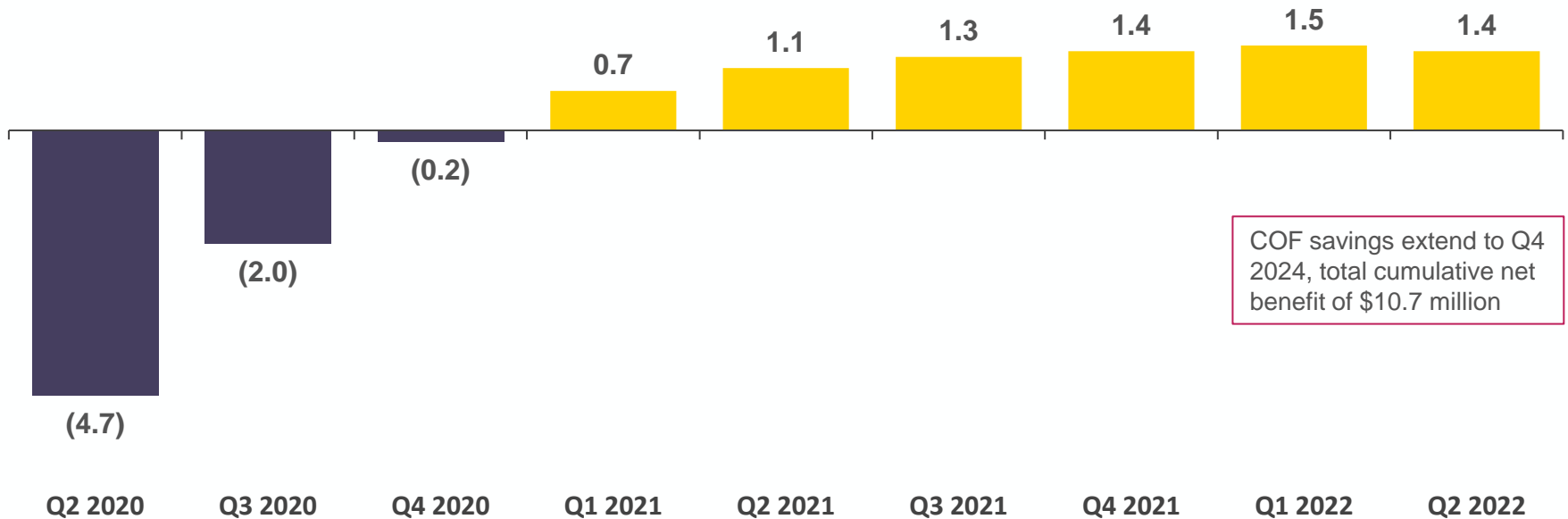
(\$)



Portfolio Insurance Provides Net Benefits Starting 2021

Portfolio Insurance Cost/Benefit Analysis

(\$Millions)

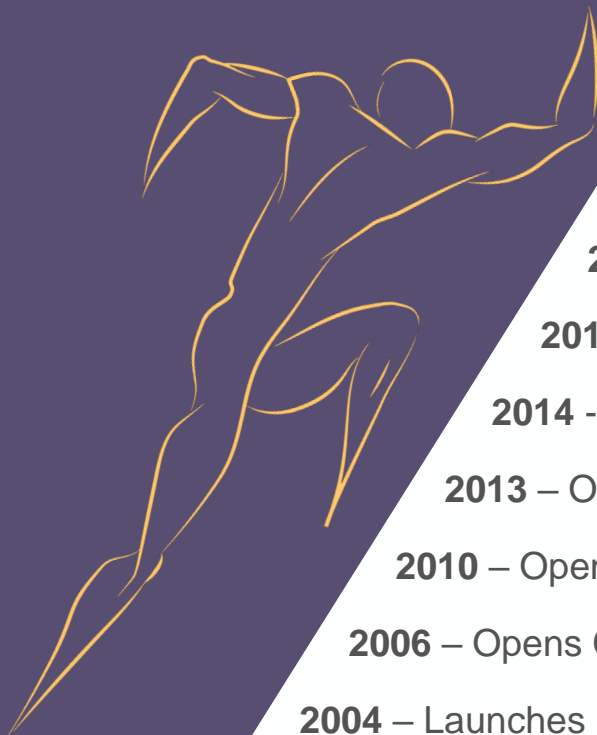


COF savings extend to Q4 2024, total cumulative net benefit of \$10.7 million

\$622 Million Insured in early April and \$65 Million Insured in late June

Celebrating 50 Years of Customer Service

CANADA'S
Challenger Bank™



- 2020** – Celebrates **Best Workplaces in Canada** award
- 2019** – Launches international money transfer service
- 2019** – Moves **EQ Bank** core banking to the cloud, a Canadian first
- 2019** – Joins S&P/TSX Composite Index
- 2017** – Creates *stnce* to empower financial confidence in women
- 2016** – Launches *EQ Bank*, Canada's first digital banking platform
- 2015** – Opens Vancouver office - **\$17.6 billion AUM**
- 2014** - Launches residential prime mortgage products
- 2013** – Obtains Schedule I bank license becoming Equitable Bank
- 2010** – Opens Montreal office; **\$8.9 billion AUM**
- 2006** – Opens Calgary office
- 2004** – Launches Equitable Group Inc. on TSX - **\$1.5 billion AUM**
- 1990** – Becomes an operating company - **\$50 million in assets**
- 1970** – Forms The Equitable Trust Company

A Strong Bank in a Unique Position

- Adjusted well to new realities
- Expect PCLs to reduce, earnings to improve on economic recovery
- Strong capital and liquidity positions to protect against extreme scenarios
- *EQ Bank* innovations creating surge of new account activity
- Well positioned for accelerated consumer adoption of digital services as Canada's Challenger Bank™