Equitable Group Inc.

News Release

EQUITABLE GROUP REPORTS RECORD QUARTERLY EARNINGS, DILUTED EPS $4.30, ROE of 19.8%

Toronto, Ontario (November 3, 2020): Equitable Group Inc. (TSX: EQB and EQB.PR.C) ("Equitable," "Company" or "Bank") today announced that it set an all-time record for quarterly earnings during the three months ended September 30, 2020 while maintaining a strong capital position, credit reserves and liquidity and delivering on its purpose of driving change in banking to enrich people's lives.

"Canadians need their banks more than ever right now and I'm proud to say Equitable is answering the call to serve in ways that are making a difference to them, to liquidity in the economy and to our shareholders," said Andrew Moor, President and Chief Executive Officer. "During the quarter, our customers substantially increased their use of *EQ Bank's* digital banking services and drove deposits for our digital platform to $4.3 billion. Monthly average of account openings for the third quarter was over three times the average of 12 months before the COVID-19 pandemic. These very positive results illustrate that Canadians are rethinking their banking habits and choosing *Canada's Challenger Bank™* for a better experience. As a result of strong operating performance and lower funding costs, quarterly earnings were our best-ever, and we exceeded our traditionally high band for ROE. We expect these results to continue through the fourth quarter."

THIRD QUARTER HIGHLIGHTS

- **Diluted earnings per share** ("EPS") grew 35% to $4.30 from $3.18 in Q3 2019.
- **Adjusted EPS**[1] grew 30% to $4.13 from $3.17 in Q3 2019.
- **Return on Shareholders' Equity** ("ROE") was 19.8%, up from 16.2% in Q3 2019.
- **Adjusted ROE**[1] was 19.0%, up from 16.2% in Q3 2019.
- **Book value per common share** of $89.25 at September 30, 2020 grew 12% or $9.28 per share from a year ago and 5% or $4.36 since June 30, 2020.
- **The Bank's CET1 Capital Ratio** of 14.3% at September 30, 2020 was 0.83% or $84 million above the mid-point of management's target range and compared favourably with 14.0% at June 30, 2020 and 13.3% at September 30, 2019.
- **Liquid assets** were $2.8 billion or 9.1% of total assets at September 30, 2020 compared to $1.4 billion or 5.2% of assets at September 30, 2019.
- **Deposits** at September 30, 2020 were $16.4 billion, up 10% from $14.9 billion a year ago.
- ***EQ Bank*****,** Equitable's digital platform, experienced 72% year-over-year growth in deposits on a 68% increase in its customer base which stood at approximately 149,000 at quarter end.
- **Loans Under Management** at September, 2020 were $32.6 billion, up 6% from $30.6 billion a year ago on growth in most retail and commercial lending businesses led by a $1.1 billion increase in Prime mortgages.

1) Excludes $4.1 million of net mark-to-market gains on certain security investments, loans, and derivative positions.

- **Decumulation** business increased by more than three-fold since last year, with balances now amounting to $67 million.
- **Provision for Credit Losses** ("PCL") was a net benefit of $2.4 million, driven by reserve releases resulting from an improvement in independent macroeconomic forecasts used for loss modelling.
- Successfully raised $200 million through **issuance of a 3-year fixed rate deposit note** in September on favourable terms and with participation by 37 investors.
- Chosen as one of **Canada's Best Workplaces™** in Financial Services and Insurance subsequent to quarter end.
- Announced the appointment of **Chadwick Westlake** as the Bank's new Senior Vice-President and Chief Financial Officer, **Mahima Poddar** as Group Head, Personal Banking and **Darren Lorimer** as Group Head, Commercial Banking as part of a new streamlined organizational structure to better reflect the scope, scale, and customer service ambitions of *Canada's Challenger Bank*™.

DIVIDEND DECLARATIONS

The Board of Directors ("Board") today declared a dividend of $0.37 per common share, payable on December 31, 2020 to common shareholders of record at the close of business December 15, 2020, unchanged from the dividend paid in September 2020 but a 6% increase over the dividend declared in November 2019. The Board's previously announced plan to increase the dividend remains on hold as a result of regulatory guidance from OSFI to all federally regulated banks.

The Board declared a quarterly dividend in the amount of $0.373063 per preferred share, payable on December 31, 2020 to preferred shareholders of record at the close of business on December 15, 2020.

COMMENTARY ON PERFORMANCE

One of the ways Equitable strives to enrich the lives of customers is through *EQ Bank*. As evidenced by strong growth in deposits and *EQ Bank* account openings this year, there is notable shift in consumer preference for all-digital banking. *EQ Bank*'s recent developments including the July launch of the *EQ Bank Joint Savings Plus* account and the February introduction of an international money service, as well as planned future service introductions are intended to make *EQ Bank* even more valuable for Canadians as they make their preferences known. These additional services sit alongside features such as no everyday banking fees, great rates and easy transfers. Equitable's cloud-based systems enable the Bank to develop and launch new features quickly and cost effectively and position the Bank well for the introduction of open banking which the federal government is contemplating.

"Over the past seven months, Equitable has continued to advance its position in the marketplace while also making a number of pandemic-related adjustments, including a successful pivot in our lending businesses," said Mr. Moor. "This spring, we chose to take a constructive role in providing liquidity to the Canadian economy by increasing the Bank's focus on insured mortgage lending by redeploying resources to our insured single-family business and increasing the origination of multi-family insured mortgages. Since May, our internally-generated Prime single-family business has set new origination records each month and now sits as a meaningful complement to our Alternative single family book and our emerging Decumulation businesses. This tells us that customers appreciate having a challenger bank choice in the market. Gains in securitization activities have also increased markedly. As we've grown and adapted to new realities, I'm pleased to say the core pillars of our challenger bank approach including service excellence and passion for enriching people's lives have kept our incredibly dedicated and responsive team firmly grounded and focused."

Equitable Bank's selection as one of Canada's Best Workplaces™ in Financial Services and Insurance by Great Place to Work® reflects "the challenger bank culture we're building here at Equitable," said Mr. Moor. "The collective spirit of bettering ourselves so we can better serve our customers and partners shines through in this important and most appreciated award."

MORTGAGE PAYMENT DEFERRALS AND CREDIT

As a result of the pandemic, Equitable deferred loan payments for customers. As at October 23rd, active deferrals were down to only 0.3% of our loan portfolio.

In its commercial business, the Bank recovered the full amount of a $39 million impaired commercial loan and two commercial loans totalling $26 million returned to performing status.

"These are excellent outcomes that reflect the constructive approach we take in working with customers and working out problem loans when necessary," said Mr. Moor. "Despite these successes, the Bank remains conservative in reserving for losses as shown by the high level of provisioning in the past two quarters. Even with the small release of provisions in the third quarter, we are well positioned for economic turbulence."

Actual realized losses and write-offs in Q3 2020 amounted to $2.0 million or just 3 bps of total loan assets annualized.

OUTLOOK

As the duration of COVID-19 is not known, the timetable for an economic recovery is also uncertain. Management therefore did not provide a quantitative outlook. Qualitatively, earnings in Q4 2020 are expected to continue to trend positively year over year. The Bank's CET1 ratio is expected to remain stable as compared to Q3 as the benefit of additional earnings added to Bank's capital base will be used to support increases in risk weighted assets. If economic projections unfold along with consensus forecasts, there may be additional releases of reserves. The duration and depth of the economic contraction, as well as the impact of government support initiatives, will be the key determinants of the defaults and loan losses that are ultimately realized. The Bank's liquidity position is solid.

Management's updated business outlook can be found in Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2020 which is available on SEDAR and on Equitable's website.

CONFERENCE CALL AND WEBCAST

Equitable will hold its third quarter conference call and webcast at 8:30 a.m. ET Wednesday, November 4, 2020. To access the call live, please dial (647) 427-7450 five minutes prior to the start time. The listen-only webcast with accompanying slides will be available on the Investor Relations section of the Equitable Bank website at http://eqbank.investorroom.com/events-webcasts. The call will be hosted by Andrew Moor, President and Chief Executive Officer.

A replay of the call will be available until November 11, 2020 at midnight and it can be accessed by dialing (416) 849-0833 and entering passcode 2647803 followed by the number sign. Alternatively, the call will be archived on the Company's website for three months.

OPEN BANKING FORUM

On November 5, 2020 at 2:30 pm ET, Mr. Moor will deliver the keynote address to Canada's Open Banking Expo, a three-day virtual conference featuring thought leaders from banking, insurance and fintech. To join the Expo live, register at www.openbankingexpo.com/canada. Following the conference, Mr. Moor's remarks will be posted to www.eqbank.ca.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (unaudited)

AS AT SEPTEMBER 30, 2020

With comparative figures as at December 31, 2019 and September 30, 2019

($ THOUSANDS)

	September 30, 2020	December 31, 2019	September 30, 2019
Assets:			
Cash and cash equivalents	**$ 1,148,004**	$ 508,853	$ 373,904
Restricted cash	**567,994**	462,992	408,635
Securities purchased under reverse repurchase agreements	**200,008**	150,069	250,079
Investments	**554,975**	362,611	250,927
Loans – Retail	**18,963,470**	18,359,805	18,059,496
Loans – Commercial	**8,628,451**	8,248,025	7,900,558
Securitization retained interests	**171,736**	139,009	132,683
Other assets	**212,448**	161,088	168,694
	$ 30,447,086	$ 28,392,452	$ 27,544,976
Liabilities and Shareholders' Equity			
Liabilities:			
Deposits	**$ 16,603,178**	$ 15,442,207	$ 15,111,948
Securitization liabilities	**11,691,653**	10,706,956	10,294,459
Obligations under repurchase agreements	**154,364**	507,044	463,071
Deferred tax liabilities	**55,691**	54,689	63,284
Other liabilities	**218,038**	213,842	200,692
Bank facilities	**150,261**	-	-
	28,873,185	26,924,738	26,133,454
Shareholders' equity:			
Preferred shares	**72,557**	72,557	72,557
Common shares	**214,657**	213,277	210,794
Contributed surplus	**8,245**	6,973	6,898
Retained earnings	**1,323,855**	1,193,493	1,144,628
Accumulated other comprehensive loss	**(45,413)**	(18,586)	(23,355)
	1,573,901	1,467,714	1,411,522
	$ 30,447,086	$ 28,392,452	$ 27,544,976

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2020

With comparative figures for the three and nine month periods ended September 30, 2019

($THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
Interest income:				
Loans – Retail	**$ 169,447**	$ 176,082	**$ 523,023**	$ 503,440
Loans – Commercial	**101,859**	98,477	**301,039**	294,314
Investments	**3,569**	2,304	**9,372**	6,209
Other	**3,872**	6,720	**13,039**	19,378
	278,747	283,583	**846,473**	823,341
Interest expense:				
Deposits	**89,658**	98,872	**285,500**	288,848
Securitization liabilities	**59,932**	64,858	**190,255**	190,414
Bank facilities	**1,726**	1,706	**4,429**	6,258
	151,316	165,436	**480,184**	485,520
Net interest income	**127,431**	118,147	**366,289**	337,821
Provision for credit losses	**(2,357)**	3,463	**42,177**	14,477
Net interest income after provision for credit losses	**129,788**	114,684	**324,112**	323,344
Other income:				
Fees and other income	**5,025**	6,110	**16,878**	17,654
Net gain (loss) on investments	**4,367**	(327)	**4,489**	(1,072)
Gains on securitization activities and income from securitization retained interests	**11,885**	3,919	**17,227**	8,481
	21,277	9,702	**38,594**	25,063
Net interest and other income	**151,065**	124,386	**362,706**	348,407
Non-interest expenses:				
Compensation and benefits	**26,589**	25,696	**79,737**	75,731
Other	**26,476**	24,793	**78,975**	69,365
	53,065	50,489	**158,712**	145,096
Income before income taxes	**98,000**	73,897	**203,994**	203,311
Income taxes:				
Current	**18,927**	14,524	**50,613**	45,961
Deferred	**5,145**	4,431	**1,001**	6,725
	24,072	18,955	**51,614**	52,686
Net income	**$ 73,928**	$ 54,942	**$ 152,380**	$ 150,625
Dividends on preferred shares	**1,119**	1,191	**3,357**	3,573
Net income available to common shareholders	**$ 72,809**	$ 53,751	**$ 149,023**	$ 147,052
Earnings per share:				
Basic	**$ 4.33**	$ 3.22	**$ 8.87**	$ 8.84
Diluted	**$ 4.30**	$ 3.18	**$ 8.81**	$ 8.75

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2020

With comparative figures for the three and nine month periods ended September 30, 2019

($ THOUSANDS)

	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
Net income	**$ 73,928**	$ 54,942	**$ 152,380**	$ 150,625
Other comprehensive income – items that will be reclassified subsequently to income:				
Debt instruments at Fair Value through Other Comprehensive Income:				
Net unrealized gains (losses) from change in fair value	**1,091**	(71)	**4,165**	474
Reclassification of net gains to income	**(281)**	-	**(1,300)**	(162)
Other comprehensive income – items that will not be reclassified subsequently to income:				
Equity instruments designated at Fair Value through Other Comprehensive Income:				
Net unrealized gains (losses) from change in fair value	**5,901**	(425)	**(10,768)**	(3,924)
Reclassification of net gains to retained earnings	**-**	-	**-**	(638)
	6,711	(496)	**(7,903)**	(4,250)
Income tax (expense) recovery	**(1,773)**	128	**2,088**	1,127
	4,938	(368)	**(5,815)**	(3,123)
Cash flow hedges*:*				
Net unrealized gains (losses) from change in fair value	**1,770**	582	**(31,584)**	(5,863)
Reclassification of net losses (gains) to income	**418**	(1,496)	**3,028**	(1,373)
	2,188	(914)	**(28,556)**	(7,236)
Income tax (expense) recovery	**(578)**	240	**7,544**	1,920
	1,610	(674)	**(21,012)**	(5,316)
Total other comprehensive income (loss)	**6,548**	(1,042)	**(26,827)**	(8,439)
Total comprehensive income	**$ 80,476**	$ 53,900	**$ 125,553**	$ 142,186

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2020

With comparative figures for the three month period ended September 30, 2019

($ THOUSANDS)

									September 30, 2020
					Accumulated other comprehensive income (loss)				
		Preferred shares	**Common shares**	**Contributed surplus**	**Retained earnings**	**Cash flow hedges**	**Financial instruments at FVOCI**	**Total**	**Total**
Balance, beginning of period	**$**	**72,557 $**	**213,701 $**	**7,818 $**	**1,257,268 $**	**(22,381) $**	**(29,580) $**	**(51,961) $**	**1,499,383**
Net income		**-**	**-**	**-**	**73,928**	**-**	**-**	**-**	**73,928**
Other comprehensive loss, net of tax		**-**	**-**	**-**	**-**	**1,610**	**4,938**	**6,548**	**6,548**
Exercise of stock options		**-**	**812**	**-**	**-**	**-**	**-**	**-**	**812**
Dividends:									
Preferred shares		**-**	**-**	**-**	**(1,119)**	**-**	**-**	**-**	**(1,119)**
Common shares		**-**	**-**	**-**	**(6,222)**	**-**	**-**	**-**	**(6,222)**
Stock-based compensation		**-**	**-**	**571**	**-**	**-**	**-**	**-**	**571**
Transfer relating to the exercise of stock options		**-**	**144**	**(144)**	**-**	**-**	**-**	**-**	**-**
Balance, end of period	**$**	**72,557 $**	**214,657 $**	**8,245 $**	**1,323,855 $**	**(20,771) $**	**(24,642) $**	**(45,413) $**	**1,573,901**

									September 30, 2019
					Accumulated other comprehensive income (loss)				
		Preferred shares	Common shares	Contributed surplus	Retained earnings	Cash flow hedges	Financial instruments at FVOCI	Total	Total
Balance, beginning of period	$	72,557 $	206,039 $	7,132 $	1,096,231 $	(1,993) $	(20,320) $	(22,313) $	1,359,646
Net income		-	-	-	54,942	-	-	-	54,942
Transfer of losses on sale of equity instruments		-	-	-	169	-	(169)	(169)	-
Other comprehensive loss, net of tax		-	-	-	-	(674)	(199)	(873)	(873)
Exercise of stock options		-	4,132	-	-	-	-	-	4,132
Dividends:									
Preferred shares		-	-	-	(1,191)	-	-	-	(1,191)
Common shares		-	-	-	(5,523)	-	-	-	(5,523)
Stock-based compensation		-	-	389	-	-	-	-	389
Transfer relating to the exercise of stock options		-	623	(623)	-	-	-	-	-
Balance, end of period	$	72,557 $	210,794 $	6,898 $	1,144,628 $	(2,667) $	(20,688) $	(23,355) $	1,411,522

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2020

With comparative figures for the nine month period ended September 30, 2019

($ THOUSANDS)

								September 30, 2020
					Accumulated other comprehensive income (loss)			
	Preferred shares	**Common shares**	**Contributed surplus**	**Retained earnings**	**Cash flow hedges**	**Financial instruments at FVOCI**	**Total**	**Total**
Balance, beginning of period	**$ 72,557 $**	**213,277 $**	**6,973 $**	**1,193,493 $**	**241 $**	**(18,827) $**	**(18,586) $**	**1,467,714**
Net income	**-**	**-**	**-**	**152,380**	**-**	**-**	**-**	**152,380**
Other comprehensive loss, net of tax	**-**	**-**	**-**	**-**	**(21,012)**	**(5,815)**	**(26,827)**	**(26,827)**
Exercise of stock options	**-**	**1,169**	**-**	**-**	**-**	**-**	**-**	**1,169**
Dividends:								
Preferred shares	**-**	**-**	**-**	**(3,357)**	**-**	**-**	**-**	**(3,357)**
Common shares	**-**	**-**	**-**	**(18,661)**	**-**	**-**	**-**	**(18,661)**
Stock-based compensation	**-**	**-**	**1,483**	**-**	**-**	**-**	**-**	**1,483**
Transfer relating to the exercise of stock options	**-**	**211**	**(211)**	**-**	**-**	**-**	**-**	**-**
Balance, end of period	**$ 72,557 $**	**214,657 $**	**8,245 $**	**1,323,855 $**	**(20,771) $**	**(24,642) $**	**(45,413) $**	**1,573,901**

								September 30, 2019
					Accumulated other comprehensive income (loss)			
	Preferred shares	Common shares	Contributed surplus	Retained earnings	Cash flow hedges	Financial instruments at FVOCI	Total	Total
Balance, beginning of period	$ 72,557 $	200,792 $	7,035 $	1,014,559 $	2,649 $	(17,565) $	(14,916) $	1,280,027
Cumulative effect of adopting IFRS 16[(1)]	-	-	-	(840)	-	-	-	(840)
Restated balance as at January 1, 2019	72,557	200,792	7,035	1,013,719	2,649	(17,565)	(14,916)	1,279,187
Net income	-	-	-	150,625	-	-	-	150,625
Transfer of losses on sale of equity instruments	-	-	-	(469)	-	469	469	-
Other comprehensive loss, net of tax	-	-	-	-	(5,316)	(3,592)	(8,908)	(8,908)
Exercise of stock options	-	8,664	-	-	-	-	-	8,664
Dividends:								
Preferred shares	-	-	-	(3,573)	-	-	-	(3,573)
Common shares	-	-	-	(15,674)	-	-	-	(15,674)
Stock-based compensation	-	-	1,201	-	-	-	-	1,201
Transfer relating to the exercise of stock options	-	1,338	(1,338)	-	-	-	-	-
Balance, end of period	$ 72,557 $	210,794 $	6,898 $	1,144,628 $	(2,667) $	(20,688) $	(23,355) $	1,411,522

(1) The Company adopted IFRS 16 effective January 1, 2019 using the modified retrospective approach, with the cumulative effect of initially applying the standard recognized in opening retained earnings at the date of initial application. The adjustment of $840 is net of tax.

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2020

With comparative figures for the three and nine month periods ended September 30, 2019

($ THOUSANDS)

	Three months ended		Nine months ended	
	September 30, 2020	September 30, 2019	**September 30, 2020**	September 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	**$ 73,928**	$ 54,942	**$ 152,380**	$ 150,625
Adjustments for non-cash items in net income:				
Financial instruments at fair value through income	**(6,191)**	4,715	**8,153**	9,938
Amortization of premiums/discount on investments	**301**	483	**1,758**	2,075
Amortization of capital assets and intangible costs	**5,806**	4,454	**16,541**	12,538
Provision for credit losses	**(2,357)**	3,463	**42,177**	14,477
Securitization gains	**(11,693)**	(2,861)	**(16,976)**	(7,221)
Stock-based compensation	**571**	389	**1,483**	1,201
Income taxes	**24,072**	18,955	**51,614**	52,686
Securitization retained interests	**18,011**	7,930	**27,009**	22,969
Changes in operating assets and liabilities:				
Restricted cash	**21,052**	53,802	**(105,002)**	(38,961)
Securities purchased under reverse repurchase agreements	**364**	(125,011)	**(49,939)**	(79)
Loans, net of securitizations	**91,169**	(1,107,255)	**(1,054,112)**	(2,046,715)
Other assets	**(22,910)**	(6,234)	**(26,900)**	38,095
Deposits	**744,324**	393,648	**1,148,638**	1,427,120
Securitization liabilities	**500,952**	270,452	**979,191**	668,621
Obligations under repurchase agreements	**(444,592)**	463,071	**(352,680)**	121,061
Bank facilities	**(350,113)**	-	**150,261**	(320,421)
Other liabilities	**(31,400)**	(4,769)	**(17,597)**	(25,080)
Income taxes paid	**(38,991)**	(11,328)	**(76,910)**	(37,019)
Cash flows from operating activities	**572,303**	18,846	**879,089**	45,910
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares	**812**	4,132	**1,169**	8,664
Dividends paid on preferred shares	**(1,119)**	(1,191)	**(3,357)**	(3,573)
Dividends paid on common shares	**(6,222)**	(5,523)	**(18,661)**	(20,309)
Cash flows used in financing activities	**(6,529)**	(2,582)	**(20,849)**	(15,218)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	**(27,563)**	(37,325)	**(297,340)**	(70,708)
Acquisition of subsidiary	**-**	-	**-**	(46,772)
Proceeds on sale or redemption of investments	**36,372**	43	**148,598**	22,591
Net change in Canada Housing Trust re-investment Accounts	**10,796**	(24,363)	**(49,871)**	(24,208)
Purchase of capital assets and system development costs	**(7,063)**	(5,137)	**(20,476)**	(14,301)
Cash flows from (used in) investing activities	**12,542**	(66,782)	**(219,089)**	(133,398)
Net increase (decrease) in cash and cash equivalents	**578,316**	(50,518)	**639,151**	(102,706)
Cash and cash equivalents, beginning of period	**569,688**	424,422	**508,853**	476,610
Cash and cash equivalents, end of period	**$ 1,148,004**	$ 373,904	**$ 1,148,004**	$ 373,904
Cash flows from operating activities include:				
Interest received	**$ 278,199**	$ 276,761	**$ 833,558**	$ 791,791
Interest paid	**(125,440)**	(173,966)	**(419,163)**	(379,096)
Dividends received	**4,867**	1,505	**7,943**	5,119

ABOUT EQUITABLE GROUP INC.

Equitable Group Inc. is a growing Canadian financial services business that operates through its wholly-owned subsidiary, Equitable Bank. Equitable Bank, *Canada's Challenger Bank™*, has grown to become the country's ninth largest independent Schedule I bank through its proven branchless approach and customer service focus in providing residential lending, commercial lending and savings solutions to Canadians.

EQ Bank, the digital banking platform launched in 2016 by Equitable Bank provides state-of-the-art digital banking services. The *Savings Plus Account* reimagines banking by offering an everyday high interest rate, plus the flexibility of a chequing account, with free transactions, no everyday banking fees, no minimum balances, fast, cheap, and fully transparent international money transfers, and more — all from one account. Its Guaranteed Investment Certificates (GICs) also offer Canadians a wide range of options with competitive rates. *EQ Bank* continually challenges the status quo to bring better banking solutions to Canadians. To learn more, please visit www.eqbank.ca.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements made by the Company in the sections of this news release, in other filings with Canadian securities regulators and in other communications include forward-looking statements within the meaning of applicable securities laws ("forward-looking statements"). These statements include, but are not limited to, statements about the Company's objectives, strategies and initiatives, financial performance expectations and other statements made herein, whether with respect to the Company's businesses or the Canadian economy. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "planned", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases which state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved", or other similar expressions of future or conditional verbs. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, closing of transactions, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to capital markets and additional funding requirements, fluctuating interest rates and general economic conditions, legislative and regulatory developments, changes in accounting standards, the nature of our customers and rates of default, and competition as well as those factors discussed under the heading "Risk Management" in the MD&A and in the Company's documents filed on SEDAR at www.sedar.com. All material assumptions used in making forward-looking statements are based on management's knowledge of current business conditions and expectations of future business conditions and trends, including their knowledge of the current credit, interest rate and liquidity conditions affecting the Company and the Canadian economy. Although the Company believes the assumptions used to make such statements are reasonable at this time and has attempted to identify in its continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material assumptions are applied by the Company in making forward-looking statements, including without limitation, assumptions regarding its continued ability to fund its mortgage business, a continuation of the current level of economic uncertainty that affects real estate market conditions, continued acceptance of its products in the marketplace, as well as no material changes in its operating cost structure and the current tax regime. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

NON-GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") FINANCIAL MEASURES

This news release references certain non-GAAP measures such as Adjusted EPS, Return on Shareholders' Equity, Adjusted ROE, Book value per common share, CET1 Capital Ratio, Liquid Assets, and Loans under Management that management believes provide useful information to investors regarding the Company's financial condition and results of operations. The "NON-GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") FINANCIAL MEASURES" section of the Company's third quarter 2020 MD&A provides a detailed description of each non-GAAP measure and should be read in conjunction with this release. The MD&A also provides a reconciliation between all non-GAAP measures and the most directly comparable GAAP measure, where applicable. Readers are cautioned that non-GAAP measures often do not have any standardized meaning, and therefore, may not be comparable to similar measures presented by other companies.

FOR MORE INFORMATION:

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