Equitable Delivers Record Earnings, ROE[1] Surpasses Top End of Target Range, Dividend Increases Again

AUM[2] Exceeds $43 Billion on Diversified Lending, Confidence in 2022 Guidance Confirmed

Toronto, Ontario (May 10, 2022): Equitable Group Inc. (*TSX: EQB, EQB.PR.C, EQB.R*) (Equitable or the Bank) today reported its best-ever quarter of earnings for the period ended March 31, 2022, as Equitable Bank (Canada's Challenger Bank™) delivered strong revenue growth across its personal and commercial business lines while boldly driving change in Canadian banking with expanded products, services and partnerships to enrich people's lives.

Strong 2022 start with best-ever quarterly earnings
- Q1 reported earnings +27% y/y to $87.9 million, adjusted earnings[3] +34% to $92.4 million
- Q1 reported diluted EPS +27% to $2.51, adjusted diluted EPS[3] +33% to $2.64
- Reported efficiency ratio[1] 39.9%, adjusted efficiency ratio[3] 37.0% with 3.7% adjusted operating leverage[1,3]

High-quality revenue and asset growth
- Assets under management[2] +18% y/y to $43.4 billion
- Loan originations +29% y/y to $3.5 billion
- Reported revenue +25% y/y to $187.6 million, adjusted revenue[3] +26% to $188.5 million

ROE and Book Value Per Share Growth ahead of target
- Q1 reported ROE[1] 18.3%, adjusted ROE[3] 19.2%
- Book value per share[1] +18% to $57.64

Conventional loans[2] +35% y/y to $22.5 billion
- Single family alternative +37% y/y to $15.4 billion
- Decumulation loans +216% y/y to $363 million
- Commercial Finance Group +16% y/y to $4.1 billion, Specialized lending +178% y/y to $715 million and equipment leasing +31% y/y to $773 million

EQ Bank now exceeds 270,000 customers at May 1, 2022
- Q1 customers +32% y/y to 266,188 at March 31, 2022
- Deposits surpassed $7.3 billion, +25% y/y
- Customer transactions +91% y/y, number of products held +15% y/y

Capital ratios provide strong support for future growth
- CETI ratio[1] 13.5%, 0.5% above target floor representing $1.96 per share of excess capital

"Our Challenger Bank approach was validated again this quarter. Our lending activities produced double-digit growth and some of the best credit metrics I have seen since joining Equitable 15 years ago. The 216% year-over-year growth in our new decumulation lending services demonstrates the effectiveness of the Bank's strategic approach to building businesses organically, while ongoing strength in Bennington's performance proves our ability to grow through acquisition. EQ Bank's addition this week of a sleek new account opening process, using informed AI, will make our award-winning digital platform even more customer friendly as we go from strength to strength. Record earnings and an

1. For information about these financial and banking measures and terms, see the "Other financial and banking measures and terms" section.
2. These are non-Generally Accepted Accounting Principles (GAAP) measures, see the "Non-GAAP financial measures" section.
3. Adjusted measures and ratios are Non-GAAP measures and ratios. Adjusted measures and ratios are calculated in the same manner as reported measures and ratios, except that financial information included in the calculation of adjusted measures and ratios is adjusted to exclude the impact of the Concentra Bank acquisition and integration related costs. For additional information and a reconciliation of reported results to adjusted results, see the "Non-GAAP financial measures" section.

adjusted ROE[1] of 19.2% (reported – 18.3%) point to really effective execution by a talented team that I am privileged to work with every day," said Andrew Moor, President and CEO. "I am also pleased to see the federal government's new appointment of an Open Banking lead as our country moves closer to giving Canadians access to valuable new choices and more control over their financial lives."

First Quarter Provides a Springboard to Achieve Ambitious 2022 Guidance

- Based on first quarter growth in conventional assets, its current outlook, and the strength and advantage of its asset diversification and pricing strategies, the Bank today expressed confidence in prior annual guidance for the full-year 2022 of +12-15% in total lending growth (Q1 +19%), +8-10% EPS growth (Q1 adjusted[1] +33%, Q1 reported +27%), ROE of 15%+ (Q1 adjusted[1] 19.2%, Q1 reported 18.3%), pre-provision, pre-tax income +12% (Q1 adjusted[1] +28%, Q1 reported +21%), book value per share +12% (Q1 +18%) and CET1 13%+ (Q1 13.5%)
- Net interest income and net interest margin (NIM)[2] were both higher on a y/y and q/q basis with the full-year 2022 outlook for NIM remaining strong and stable as previously indicated, supported by systems and tools put in place over the years to manage margins, even in a changing rate environment

Personal Banking Asset Growth 20% to $23.2 Billion

- Single family alternative portfolio +37% y/y and +7% q/q to $15.4 billion (2022 annual guidance +12-15%), with originations +63% y/y supported by deep broker partnerships and a decline in loan attrition
- Reverse mortgage assets +262% y/y to $304 million (2022 annual guidance +150%) reflecting expanded distribution and growing brand awareness of Equitable as an attractive provider of reverse mortgages to Canadians nearing or in retirement
- Insurance lending (CSV) +91% y/y to nearly $60 million (2022 annual guidance +100%) assisted by the introduction of *Immediate Financing Arrangement,* enabling customers who purchase whole life insurance policies with an Equitable insurance partner to immediately access 100% of their total annual premium as equity as well as by the addition of Equitable Life of Canada as one of nine leading insurers to partner with Equitable
- During Q1, the Bank introduced Equitable Connect, a digital portal enabling mortgage brokers to more easily submit and manage client documentation as part of the origination process for alternative, prime and reverse mortgages, and the Bank to send real-time communication and status updates on the fulfillment process

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Commercial Asset Growth 16% Y/Y to $10.9 Billion on Diversified Platform Expansion

- Conventional commercial loan asset expansion +26% y/y to $6.0 billion on +16% growth in Commercial Finance Group loan portfolio (2022 annual guidance +10-15%), +19% growth in Business Enterprise Solutions (2022 annual guidance +10-15%) and +178% growth in Specialized Finance (2022 annual guidance +20-30%)
- Equipment leasing portfolio +31% y/y to $773 million (2022 annual guidance +10-15%) with 69% of new assets comprised of high credit-quality prime leases
- Multi-unit insured portfolio +2% to $4.2 billion (2022 guidance 0-5%)

EQ Bank Again Named Top in Canada by Forbes

- With EQ Bank customer growth of +32% y/y to 266,188 (including 15,000+ new account openings in the first quarter, further increasing to more than 270,000 as of May 1, 2022), EQ Bank continues to demonstrate why its digital platform is a better choice for Canadians who are looking to gain an edge through features that are built to help customers make more money, save time and benefit from transparency
- EQ Bank deposits increased $1.5 billion or 25% y/y (2022 annual guidance +20-30%) to $7.3 billion
- With the second quarter introduction of AI-enabled identity verification technology, opening an EQ Bank account using various forms of government-issued ID should become even easier for customers and is expected to support additional account and deposit growth
- In recognition of its leadership, the EQ Bank platform was recently named top Schedule I Bank in Canada on the Forbes World's Best Banks list for 2022 – a title it also held in 2021

Solid Progress on Path to Closing the Acquisition of Concentra Bank in 2022

- On February 7, 2022, Equitable Bank announced its intent to acquire Concentra Bank for an estimated $470 million, Canada's 13th largest Schedule I bank, which will add new customers, significant scale in core business lines and the opportunity to achieve mid-single digit EPS accretion in the first full year following closing including from $30 million+ in annual synergies within the first two years
- The acquisition is subject to satisfaction of customary closing conditions and receipt of required regulatory approvals, including those required under the Bank Act (Canada), the Trust and Loan Companies Act (Canada), and the Competition Act (Canada)
- A formal Application to acquire a significant and controlling interest in Concentra Bank was filed with OSFI on February 28, 2022 and is currently undergoing review for approval

Credit Quality Indicators Reflect Long-Term Success in Risk Management

- PCL was a net benefit of $0.1 million in Q1 2022 (Q1 2021 net benefit $0.8 million, Q4 2021 benefit $1.4 million) as future expected losses recorded in 2020 continued to be released because of improving macroeconomic variables
- Net impaired loans declined to 0.22% at March 31, 2022 compared to 0.36% a year ago reflecting net reductions of $26.8 million in single family mortgages and $6.9 million of equipment leases over the past 12 months, partially offset by $6.0 million in conventional commercial loans. Management does not expect to incur material loss on these loans

- Equitable remains well reserved for credit losses with allowances as a percentage of total loan assets of 14 bps at March 31, 2022 compared to 22 bps at March 31, 2021
- Realized losses were less than 1 basis point of total loan assets or $1.0 million in Q1 – better even than the Bank's industry-leading 10-year credit history– compared to $2.5 million or 3 basis points in Q1 2021
- The Bank's risk management outlook for full-year 2022 is founded on a constructive view of Canadian residential and commercial real estate with expected credit loss provisions to return to pre-pandemic levels, assuming the Canadian economy continues on its path to recovery, while mortgage arrears rates in both the Personal and Commercial Bank segments are expected to remain low

Strong Capital and Liquidity Even with Record Capital Deployment

- Liquid assets[1] were $3.0 billion or 8.0% of total assets at March 31, 2022, a prudent level that reflects upcoming obligations, compared to the deliberately elevated level of $3.2 billion or 10.2% a year ago when pandemic-related uncertainties were much higher. Retail and securitization funding markets remain liquid and efficient
- Equitable Bank's Common Equity Tier 1 ratio[1] was 13.5% at March 31, 2022 compared to 13.3% at December 31, 2021, driven by quarterly earnings retention and a $50 million capital investment funded through Equitable Group Inc.'s new funding facility

New Milestone Reached with Bank's Institutional Deposit Note Program

- During the first quarter, the Bank simultaneously closed two deposit note offerings, raising a combined total of $500 million – its largest total issuance to date – to bring its total Deposit Note program to $1.95 billion
- Included in the successful offering was a $250 million, 1.8-year fixed rate note at 2.753% due December 4, 2023 and a $250 million, 4-year fixed rate note at 3.362% due March 2, 2026, priced respectively at 123 and 162 basis points over the interpolated Government of Canada bond curve
- Despite market volatility, both offerings were well oversubscribed, reflecting investor confidence in the Bank
- Retail funding markets also feature extraordinary liquidity compared to historical norms, supporting further deposit growth potential

NCIB and DRIP

- In the first quarter, Equitable's common share Dividend Reinvestment Plan (DRIP) was reinstated to enable shareholders to reinvest their cash dividends to purchase additional common shares at a 2% discount to the volume weighted average trading price of the shares on the TSX for the five trading days immediately preceding the dividend payment date. Common shares issued through the DRIP are from the Bank's treasury

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- In the fourth quarter of 2021, Equitable Group renewed its normal course issuer bid (NCIB), allowing it to repurchase up to 2,325,951 of its common shares and 289,340 of its non-cumulative 5-year reset preferred shares Series 3, representing approximately 10% of its public float as at December 10, 2021. No shares were purchased under this renewed NCIB during the first quarter

Equitable Announces 4% Q/Q Increase in Common Share Dividend or 57% Y/Y Growth

- Equitable's Board of Directors declared a common share dividend of $0.29 per common share or $1.16 annualized, payable on June 30, 2022 to shareholders of record June 15, 2022
- This represents an 57% increase over the $0.185 dividend declared a year ago or a 4% increase over the dividend declared in February 2022
- The latest increase reflects Equitable's philosophy of growing the dividend while maintaining a payout ratio that is much lower than other Canadian banks and using incremental capital to fuel asset expansion with high future ROE as well as the recent lifting of a pandemic-related regulatory moratorium restricting Canadian banks from raising dividends
- Equitable's Board also declared a quarterly dividend of $0.373063 per preferred share, payable on June 30, 2022 to preferred shareholders of record at the close of business June 15, 2022
- Equitable's dividends are designated as eligible dividends for the purposes of the Income Tax Act (Canada) and any similar provincial and territorial legislation

Equitable Produces First-Ever ESG Report

- In May 2022, the Bank issued its inaugural Environmental, Social and Governance (ESG) Report, providing detailed data on its dedicated environmental and social programs that are overseen by the Board of Directors through the recently expanded mandate of its Governance and Nominating Committee
- The Report, available on the Bank's Investor Relations website, is modelled on industry best practices and recommendations made by the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosures
- As a result of the Bank's focus on ESG, Equitable's Sustainalytics risk rating improved to 21.1, its MSCI rating is AA and S&P's Global Corporate Sustainability Assessment of Equitable significantly improved year over year

Institutional Investor Day Set for June 13, 2022 in Person

- Equitable's senior leadership team will showcase the next phase of the Bank's strategies, profile growth opportunities and elaborate on digital innovations at the Globe & Mail Centre in Toronto's King East Design District
- A replay will be available at eqbank.investorroom.com following the event

"Every measure of Equitable's performance in Q1, whether reported or adjusted, demonstrated that challenging the status quo in Canadian banking with purpose is creating value for our stakeholders. In addition to expanding adjusted revenue[1] by 26% (reported +25%) and earnings[1] by 34% (reported +27%) year over year, we continued to invest in top talent, process and product innovation – while again delivering a Canadian banking best-in-class efficiency ratio. Our strategic focus on conventional asset growth, and diversification in sources and uses of funding is allowing us to maintain strong and stable margin performance while deploying resources to closing the Concentra Bank acquisition later in 2022. With these priorities and our resilient business model across economic cycles, we have conviction in the Bank's ability to achieve consistent north-star performance of greater than 15% ROE for the full year of 2022, building off the foundation of our record results in the first quarter," said Chadwick Westlake, Chief Financial Officer of Equitable.

Analyst Conference Call and Webcast: 8:30 a.m. ET Eastern May 11, 2022

Equitable will host its first quarter conference call and webcast on Wednesday May 11, 2022. To access the call live, please dial **(416) 764-8609** five minutes prior to the start time. The listen-only webcast with accompanying slides will be available at eqbank.investorroom.com/events-webcasts.

Call Archive

A replay of the call will be available until May 25, 2022 at midnight at (416) 764-8677 (passcode 369923 followed by the number sign). Alternatively, the webcast will be archived on the Bank's website.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheets (unaudited)

($000s) As at	**March 31, 2022**	December 31, 2021	March 31, 2021
Assets:			
Cash and cash equivalents	**725,281**	773,251	596,267
Restricted cash	**448,631**	462,164	532,693
Securities purchased under reverse repurchase agreements	**-**	550,030	350,037
Investments	**1,220,397**	1,033,438	611,718
Loans – Personal	**23,324,211**	22,421,603	19,507,100
Loans – Commercial	**10,893,131**	10,479,159	9,384,917
Securitization retained interests	**220,685**	207,889	187,866
Other assets	**317,632**	231,536	183,939
	37,149,968	36,159,070	31,354,537
Liabilities and Shareholders' Equity			
Liabilities:			
Deposits	**22,238,382**	20,856,383	17,609,846
Securitization liabilities	**10,966,178**	11,375,020	11,731,668
Obligations under repurchase agreements	**880,203**	1,376,763	-
Deferred tax liabilities	**64,488**	63,141	63,269
Funding facilities	**324,575**	200,128	-
Subscription receipts	**230,386**	-	-
Other liabilities	**407,920**	335,001	217,975
	35,112,132	34,206,436	29,622,758
Shareholders' equity:			
Preferred shares	**70,607**	70,607	72,194
Common shares	**232,854**	230,160	224,397
Contributed surplus	**9,357**	8,693	7,722
Retained earnings	**1,727,169**	1,650,757	1,449,715
Accumulated other comprehensive loss	**(2,151)**	(7,583)	(22,249)
	2,037,836	1,952,634	1,731,779
	37,149,968	36,159,070	31,354,537

Consolidated statements of income (unaudited)

($000s, except per share amounts) Three month period ended	**March 31, 2022**	March 31, 2021
Interest income:		
Loans – Personal	**173,780**	161,057
Loans – Commercial	**115,746**	101,258
Investments	**3,855**	2,899
Other	**2,859**	2,620
	296,240	267,834
Interest expense:		
Deposits	**84,472**	77,785
Securitization liabilities	**49,290**	55,892
Bank facilities	**306**	191
	134,068	133,868
Net interest income	**162,172**	133,966
Non-interest income:		
Fees and other income	**6,033**	5,575
Net loss on loans and investments	**4,798**	(1,461)
Gains on securitization activities and income from securitization retained interests	**14,615**	12,090
	25,446	16,204
Revenue	**187,618**	150,170
Provision for credit losses	**(125)**	(772)
Revenue after provision for credit losses	**187,743**	150,942
Non-interest expenses:		
Compensation and benefits	**36,772**	28,973
Other	**38,161**	28,344
	74,933	57,317
Income before income taxes	**112,810**	93,625
Income taxes:		
Current	**23,516**	22,042
Deferred	**1,347**	2,389
	24,863	24,431
Net income	**87,947**	69,194
Dividends on preferred shares	**1,089**	1,114
Net income available to common shareholders	**86,858**	68,080
Earnings per share:		
Basic	**2.55**	2.01
Diluted	**2.51**	1.98

Consolidated statements of comprehensive income (unaudited)

($000s) Three month period ended	**March 31, 2022**	March 31, 2021
Net income	**87,947**	69,194
Other comprehensive income – items that will be reclassified subsequently to income:		
Debt instruments at Fair Value through Other Comprehensive Income:		
Net unrealized losses from change in fair value	**(21,369)**	(1,658)
Reclassification of net losses to income	**2,277**	1,139
Other comprehensive income – items that will not be reclassified subsequently to income:		
Equity instruments designated at Fair Value through Other Comprehensive Income:		
Net unrealized (losses) gains from change in fair value	**(1,425)**	9,728
Reclassification of net losses to retained earnings	**1,209**	-
	(19,308)	9,209
Income tax recovery (expense)	**5,063**	(2,418)
	(14,245)	6,791
Cash flow hedges:		
Net unrealized gains from change in fair value	**26,241**	13,910
Reclassification of net losses (gains) to income	**429**	(465)
	26,670	13,445
Income tax expense	**(6,993)**	(3,533)
	19,677	9,912
Total other comprehensive income	**5,432**	16,703
Total comprehensive income	**93,379**	85,897

Consolidated statements of changes in shareholders' equity (unaudited)

($000s)								March 31, 2022
					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	**70,607**	**230,160**	**8,693**	**1,650,757**	**680**	**(8,263)**	**(7,583)**	**1,952,634**
Net Income	-	-	-	**87,947**	-	-	-	**87,947**
Realized loss on sale of shares	-	-	-	**(896)**	-	-	-	**(896)**
Other comprehensive income, net of tax	-	-	-	-	**19,677**	**(14,245)**	**5,432**	**5,432**
Exercise of stock options	-	**2,405**	-	-	-	-	-	**2,405**
Dividends:								
Preferred shares	-	-	-	**(1,089)**	-	-	-	**(1,089)**
Common shares	-	-	-	**(9,550)**	-	-	-	**(9,550)**
Stock-based compensation	-	-	**953**	-	-	-	-	**953**
Transfer relating to the exercise of stock options	-	**289**	**(289)**	-	-	-	-	-
Balance, end of period	**70,607**	**232,854**	**9,357**	**1,727,169**	**20,357**	**(22,508)**	**(2,151)**	**2,037,836**
($000s)								March 31, 2021
Balance, beginning of period	72,477	218,166	8,092	1,387,919	(19,943)	(19,009)	(38,952)	1,647,702
Net Income	-	-	-	69,194	-	-	-	69,194
Other comprehensive income, net of tax	-	-	-	-	9,912	6,791	16,703	16,703
Exercise of stock options	-	5,226	-	-	-	-	-	5,226
Purchase of treasury preferred shares	(283)	-	-	-	-	-	-	(283)
Net loss on cancellation of treasury preferred shares	-	-	-	(10)	-	-	-	(10)
Dividends:								
Preferred shares	-	-	-	(1,114)	-	-	-	(1,114)
Common shares	-	-	-	(6,274)	-	-	-	(6,274)
Stock-based compensation	-	-	635	-	-	-	-	635
Transfer relating to the exercise of stock options	-	1,005	(1,005)	-	-	-	-	-
Balance, end of period	72,194	224,397	7,722	1,449,715	(10,031)	(12,218)	(22,249)	1,731,779

Consolidated statements of cash flows (unaudited)

($000s) Three month period ended	**March 31, 2022**	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**86,858**	69,194
Adjustments for non-cash items in net income:		
Financial instruments at fair value through income	**(1,727)**	(7,390)
Amortization of premiums/discount on investments	**300**	18
Amortization of capital assets and intangible costs	**8,833**	7,337
Provision for credit losses	**(125)**	(772)
Securitization gains	**(4,628)**	(4,178)
Stock-based compensation	**953**	635
Income taxes	**24,863**	24,431
Securitization retained interests	**12,418**	10,679
Changes in operating assets and liabilities:		
Restricted cash	**13,533**	(28,654)
Securities purchased under reverse repurchase agreements	**550,030**	100,166
Loans receivable, net of securitizations	**(1,342,712)**	(647,107)
Other assets	**(4,267)**	5,907
Deposits	**1,409,648**	1,028,166
Securitization liabilities	**(401,560)**	(260,329)
Obligations under repurchase agreements	**(496,560)**	(251,877)
Funding facilities	**124,447**	-
Subscription receipts	**230,386**	-
Other liabilities	**46,697**	35,578
Income taxes paid	**(65,042)**	(17,225)
Cash flows from operating activities	**192,345**	64,579
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**2,405**	5,226
Dividends paid on preferred shares	**(1,089)**	(1,114)
Dividends paid on common shares	**(9,550)**	(6,274)
Cash flows used in financing activities	**(8,234)**	(2,162)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	**(57,900)**	(31,307)
Proceeds on sale or redemption of investments	**111,468**	16,355
Net change in Canada Housing Trust re-investment accounts	**(273,221)**	(425)
Purchase of capital assets and system development costs	**(12,428)**	(8,516)
Cash flows used in investing activities	**(232,081)**	(23,893)
Net (decrease) increase in cash and cash equivalents	**(47,970)**	38,524
Cash and cash equivalents, beginning of period	**773,251**	557,743
Cash and cash equivalents, end of period	**725,281**	596,267
Cash flows from operating activities include:		
Interest received	**271,048**	338,505
Interest paid	**(122,071)**	(139,957)
Dividends received	**1,271**	1,482

About Equitable

Equitable Group Inc. trades on the Toronto Stock Exchange (TSX: EQB, EQB.PR.C and EQB.R) and serves more than 340,000 Canadians through its wholly owned subsidiary Equitable Bank, Canada's Challenger Bank™. Equitable Bank has a clear mandate to drive change in Canadian banking to enrich people's lives. Founded over 50 years ago, Equitable Bank provides diversified personal and commercial banking and through its EQ Bank platform (eqbank.ca) has been named the top Schedule I Bank in Canada on the Forbes World's Best Banks 2022 and 2021 lists. Please visit equitablebank.ca for details.

Investor contact:
Richard Gill
Vice President, Corporate Development & Investor Relations
investor_enquiry@eqbank.ca
416-513-3638

Media contact:
Jessica Kosmack
Senior Manager, Communications
jkosmack@eqbank.ca
647-600-2512

Cautionary Note Regarding Forward-Looking Statements

Statements made by the Bank 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 Bank's objectives, strategies and initiatives, financial performance expectations and other statements made herein, whether with respect to the Bank'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", "guidance", "planned", "estimates", "forecasts", "outlook", "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", "should", "might" or "will be taken", "occur", "be achieved", "will likely" 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 Bank 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 including, without limitation, impacts as a result of COVID-19, global geopolitical risk, 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 Bank'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 Bank and the Canadian economy. Although the Bank 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 Bank in making forward-looking statements, including without limitation, assumptions regarding its continued ability to fund its loan business, a continuation of the current level of economic uncertainty that affects real estate market conditions including, without limitation, impacts as a result of COVID-19, 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 Bank 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

In addition to GAAP prescribed measures, this news release references certain non-GAAP measures, including adjusted financial results, that we believe provide useful information to investors regarding the Bank's financial condition and results of operations. Readers are cautioned that non-GAAP measures often do not have any standardized meaning, and therefore, are unlikely to be comparable to similar measures presented by other companies.

Adjusted financial results

On February 7, 2022, Equitable Bank announced that it entered into a definitive agreement to acquire a majority interest in Concentra Bank (Concentra), subject to customary closing conditions and regulatory approvals, and is expected to close in the second half of 2022. As a result of the announced agreement, Equitable Bank has incurred certain acquisition costs beginning in Q4 2021. To enhance comparability between reporting periods, increase consistency with other financial institutions, and provide the reader with a better understanding of the Bank's performance, adjusted results are being introduced starting Q1 2022. Adjusted results are non-GAAP financial measures.

Adjustments impacting current and prior periods:

Concentra acquisition/integration costs, pre-tax:

- Q1 2022 – $5.1 million of acquisition and integration related costs and $0.9 million of interest expenses paid to subscription receipt holders[1], and
- Q4 2021 – $0.7 million of acquisition costs.

The following table presents a reconciliation of GAAP reported financial results to non-GAAP adjusted financial results.

1. The interest expense refers to the dividend equivalent amount paid to subscription receipt holders. The subscription receipt holders are entitled to receive a payment equal to the common share dividend declared multiplied by the number of subscription receipts held on the common share dividend payment date. These subscription receipts will be converted into common shares at a 1:1 ratio upon the closing of Concentra acquisition. The net proceeds from the issuance are held in an escrow account and the interest income earned is not recognized until the closing date. In the event that the acquisition does not close, the interest that accrues to the investment will be paid to the subscription receipt holders, along with the return of their initial investment.

Reconciliation of reported and adjusted financial results	As at or for the three months ended		
	31-Mar-22	31-Dec-21	31-Mar-21
Reported financial results ($ thousands)			
Net interest income	**162,172**	155,952	133,966
Non-interest income	**25,446**	15,911	16,204
Revenue	**187,618**	171,863	150,170
Non-interest expense	**74,933**	70,427	57,317
Pre-provision pre-tax income	**112,685**	101,436	92,853
Provision for credit loss	**(125)**	(1,420)	(772)
Income tax expense	**24,862**	22,795	24,431
Net income	**87,948**	80,061	69,194
Net income available to common shareholders	**86,858**	78,973	68,080
Adjustments ($ thousands)			
Interest expenses – paid to Subscription Receipt holders(1)	**914**	-	-
Non-interest expenses – acquisition/integration related costs	**5,133**	725	-
Pre-tax adjustments	**6,047**	725	-
Income tax expense(2)	**1,584**	190	-
Post-tax adjustments	**4,463**	535	-
Adjusted financial results ($ thousands)			
Net interest income	**163,086**	155,952	133,966
Non-interest income	**25,446**	15,911	16,204
Revenue	**188,532**	171,863	150,170
Non-interest expense	**69,800**	69,702	57,317
Pre-provision pre-tax income	**118,732**	102,161	92,853
Provision for credit loss	**(125)**	(1,420)	(772)
Income tax expense	**26,447**	22,985	24,431
Net income	**92,410**	80,596	69,194
Net income available to common shareholders	**91,321**	79,508	68,080
Diluted earnings per share ($, except number of shares)			
Weighted average number of diluted common shares outstanding	**34,545,393**	34,538,314	34,314,264
Diluted earnings per share - reported	**2.51**	2.29	1.98
Diluted earnings per share - adjusted	**2.64**	2.30	1.98
Impact of adjustments on diluted earnings per share	**0.13**	0.01	-

(1) The interest expense refers to the dividend equivalent amount paid to subscription receipt holders. The subscription receipt holders are entitled to receive a payment equal to the common share dividend declared multiplied by the number of subscription receipts held on the common share dividend payment date. These subscription receipts will be converted into common shares at a 1:1 ratio upon the closing of Concentra acquisition. The net proceeds from the issuance are held in an escrow account and the interest income earned is not recognized until the closing date. In the event that the acquisition does not close, the interest that accrues to the investment will be paid to the subscription receipt holders, along with the return of their initial investment. (2) Income tax expense associated with non-GAAP adjustment was calculated based on the statutory tax rate applicable for that period.

- **Reconciliation of adjusted efficiency ratio**

($000s, except percentages)	**31-Mar-22**	31-Dec-21	Change	31-Mar-21	Change
Non-interest expenses - reported	**74,933**	70,427	6%	57,317	31%
Adjustments on a pre-tax basis:					
Non-interest expenses – integration related costs	**(5,133)**	(725)	608%	-	N/A
Non-interest expenses – adjusted	**69,800**	69,702	0%	57,317	22%
Revenue - reported	**187,618**	171,863	9%	150,170	25%
Adjustment on a pre-tax basis:					
Interest expenses – paid to Subscription Receipt holders	**914**	-	N/A	-	N/A
Revenue - adjusted	**188,532**	171,863	10%	150,170	26%
Efficiency ratio - adjusted	**37.0%**	40.6%	(3.6%)	38.2%	(1.2%)

- **Reconciliation of adjusted return on equity (ROE)**

($000s, except percentages)	**31-Mar-22**	31-Dec-21	Change	31-Mar-21	Change
Net income available to common shareholders – reported	**86,858**	78,973	10%	68,080	28%
Adjustments on an after-tax basis:					
Costs associated with Concentra acquisition	**4,463**	535	734%	-	N/A
Net income available to common shareholders – adjusted	**91,321**	79,508	15%	68,080	34%
Weighted average common equity outstanding - adjusted	**1,926,646**	1,841,008	5%	1,617,447	19%
Return on equity - adjusted	**19.2%**	17.1%	2.1%	17.1%	2.1%

Other non-GAAP measures and ratios

- **Assets under management (AUM):** is the sum of total assets reported on the consolidated balance sheet and loan principal derecognized but still managed by the Bank.

($000s)	**31-Mar-22**	31-Dec-21	Change	31-Mar-21	Change
Total assets on the consolidated balance sheet	**37,149,968**	36,159,070	3%	31,354,537	18%
Loan principal derecognized	**6,272,342**	5,860,830	7%	5,386,980	16%
Assets under management	**43,422,310**	42,019,900	3%	36,741,517	18%

- **Conventional loans:** are the total on-balance sheet loan principal excluding Prime single family and Insured multi-unit residential mortgages.

($000s)	**31-Mar-22**	31-Dec-21	Change	31-Mar-21	Change
Alternative single family mortgages	**15,399,287**	14,392,904	7%	11,257,582	37%
Reverse mortgages	**304,285**	247,363	23%	84,027	262%
Cash surrender value loans	**59,196**	49,142	20%	31,061	91%
Total Conventional loans – Personal	**15,762,768**	14,689,409	7%	11,372,670	39%
Business Enterprise Solutions	**1,154,573**	1,086,826	6%	966,317	19%
Commercial Finance Group	**4,111,394**	3,942,836	4%	3,532,112	16%
Specialized finance	**714,856**	645,588	11%	256,760	178%
Equipment leasing	**772,868**	732,682	5%	589,456	31%
Total Conventional loans – Commercial	**6,753,691**	6,407,932	5%	5,344,645	26%
Total Conventional loans	**22,516,459**	21,097,341	7%	16,717,315	35%

- **Net interest margin (NIM):** this profitability measure is calculated on an annualized basis by dividing netinterest income by the average total interest earning assets for the period.

- **Pre-provision pre-tax income:** is the difference between revenue and non-interest expenses.

Other financial and banking measures and terms

- **Book value per common share:** is calculated by dividing common shareholders' equity by the number of common shares outstanding.

($000s)	**31-Mar-22**	31-Dec-21	Change	31-Mar-21	Change
Shareholders' equity	**2,037,836**	1,952,634	4%	1,731,779	18%
Preferred shares	**(70,607)**	(70,607)	0%	(72,194)	(2%)
Common shareholders' equity	**1,967,229**	1,882,027	5%	1,659,585	19%
Common shares outstanding	**34,130,326**	34,070,810	0%	33,917,172	1%
Book value per common share - reported	**57.64**	55.24	4%	48.93	18%

- **CET1 ratio:** this key measure of capital strength is defined as CET1 Capital as a percentage of total RWA. This ratio is calculated for the Bank in accordance with the guidelines issued by OSFI. CET1 Capital is defined as shareholders' equity plus any qualifying other non-controlling interest in subsidiaries less preferred shares issued and outstanding, any goodwill, other intangible assets and cash flow hedge reserve components of accumulated other comprehensive income.

- **Efficiency ratio:** this measure is used to assess the efficiency of the Bank's cost structure in terms of revenue generation. This ratio is derived by dividing non-interest expenses by revenue. A lower efficiency ratio reflects a more efficient cost structure.

($000s, except percentages)	**For the three months ended**				
	31-Mar-22	31-Dec-21	Change	31-Mar-21	Change
Non-interest expenses	**74,933**	70,427	6%	57,317	31%
Revenue	**187,618**	171,863	9%	150,170	25%
Efficiency ratio - reported	**39.9%**	41.0%	(1.1%)	38.2%	1.7%

- **Liquid assets:** is a measure of the Bank's cash or assets that can be readily converted into cash, which are held for the purposes of funding loans, deposit maturities, and the ability to collect other receivables and settle other obligations.

- **Operating leverage:** is the growth rate in revenue less the growth rate in non-interest expenses.

- **Return on equity (ROE):** this profitability measure is calculated on an annualized basis and is defined as net income available to common shareholders as a percentage of the weighted average common equity outstanding during the period.

($000s, except percentages)	For the three months ended				
	31-Mar-22	31-Dec-21	Change	31-Mar-21	Change
Net income available to common shareholders	**86,858**	78,973	10%	68,080	28%
Weighted average common equity outstanding	**1,923,879**	1,841,008	5%	1,617,447	19%
Return on equity - reported	**18.3%**	17.0%	1.3%	17.1%	1.2%

- **Risk-weighted assets (RWA):** represents the Bank’s assets and off-balance sheet exposures, weighted according to risk as prescribed by OSFI under the CAR Guideline.