



Equitable Canada's Challenger Bank™

Q4 2021 Results
February 7, 2022

DRIVE CHANGE
IN CANADIAN
BANKING
TO ENRICH
PEOPLE'S
LIVES

16.6%

ROE 10-year average

325K+

Customers

**Carbon
Neutral**

Scope 1 & 2 GHG emissions

**CANADA'S
CHALLENGER
BANK™**

540%

10-year total
shareholder return

15.7%

EPS growth 10-year CAGR

Caution regarding forward-looking statements

Certain forward-looking statements may be made in this presentation, including statements regarding possible future business, financing and growth objectives. Such forward looking information 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 the expected timing and completion of the acquisition of Concentra described herein (the “Acquisition”), the anticipated sources of financing thereof (including the related subscription receipt offering and debt financing); the fact that closing of the Acquisition is subject to conditions; the anticipated benefits of the Acquisition, including the expected impact on the Company’s size, operations, capabilities, growth drivers and opportunities, activities, attributes, profile, business services portfolio and loans, revenue and assets mix, market position, profitability, performance, and strategy; the expected impact of the Acquisition on the Company’s financial performance; expectations regarding the Company’s business model, plans and strategy, the maintenance of CET1 ratio and changes in adjusted EPS; retention of Concentra management and employees and the strategic fit and complementarity of Concentra and Equitable Bank; anticipated synergies and estimated transaction and integration costs and the timing of incurrence thereof as well as 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 representatives.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that our predictions, forecast, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct and/or that our financial performance objectives, vision and strategic goals will not be achieved. As such, there can be no assurance that the expectations represented by our forward-looking statements will prove to be correct. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Certain important assumptions by the Company in making forward-looking statements include, but are not limited to: the satisfaction of all conditions to the completion of Acquisition and the related financings within the anticipated timeframe; the maintenance of the Equitable Bank’s CET1 ratio; the Company’s ability to execute its transformation plan and strategy; the successful and timely integration of the Company and Concentra and the realization of the anticipated benefits and synergies of the acquisition in the timeframe anticipated, including impact and accretion in various financial metrics; the ability to retain management and key employees of Concentra; the ability of the Company to access the capital markets; the absence of significant undisclosed costs or liabilities associated with the Acquisition; the expectation of regulatory stability; no downturn in economic conditions; sufficient liquidity and capital resources; no material changes in competition, market conditions or in government monetary, fiscal and economic policies; and the maintenance of credit ratings.

The Company cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include: the failure or delay to receive or fulfill regulatory approvals and notifications or otherwise satisfy the conditions to the completion of the acquisition or the subscription receipt or debt financing; potential undisclosed costs or liabilities associated with the acquisition; historical and pro forma consolidated financial information may not be representative of future performance; reputational risks and the reaction of the Company’s and Concentra’s personnel and customers to the transaction; the failure to realize, in the timeframe anticipated or at all, the anticipated benefits and synergies of the acquisition; factors relating to the integration of the Company and Concentra, diversion of management time and unanticipated costs of integration. These risks and uncertainties, many of which are beyond our control and the effects of which can be difficult to predict, also 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. Investors are cautioned that such forward-looking statements involve risks and uncertainties detailed from time to time in our 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. We do not undertake to update any forward-looking statements, oral or written, made by us or on our behalf except in accordance with applicable securities laws. Additional information on items of note, reported results, risk factors and assumptions related to forward-looking statements are available in our Annual MD&A and other public filings available on SEDAR at www.sedar.com

Generated a new all-time annual earnings record in 2021

\$292.5MM

Net income

+\$68.7MM, +31% y/y

\$8.36

Diluted EPS

+\$1.89, +29% y/y

16.7%

ROE

+1.9% y/y

13.3%

CET1

>13.0% target

\$55.24

BVPS

+\$8.56, +18% y/y

325,000+

Customers

+96,000, +42% y/y

\$42.0B

Assets Under Management

+\$6.1B, +17% y/y

\$21.1B

Conventional Loans

+4.9B, +31% y/y

\$20.7B

Customer Deposits

+4.3B, +26% y/y

1,161

Employees

+236, +26% y/y

Achieved and significantly exceeded 2021 growth guidance

Personal Banking		2021 Guidance ¹	2021 Performance ²
EQ Bank	Deposits	30%-50%	53%
Single Family Residential Lending	Alternative mortgages	12%-15%	30%
	Prime mortgages	5%-10%	(7%)
Wealth Decumulation	Reverse mortgages	200%+	325%
	Cash Surrender Value loans	150%+	84%
Commercial Banking		2021 Guidance ¹	2021 Performance ²
Business Enterprise Solutions	Loans to entrepreneurs & SMEs	7%-10%	16%
Commercial Finance Group	Loans to institutional/corporates	20%-25%	22%
Multi-Unit Insured ³	CMHC insured mortgages (on-balance sheet)	Slight Decline	7%
Specialized Finance	Total Loans	20%-25%	122%
Equipment Leasing	Total Loans	5%-8%	31%

2021 y/y loan growth was 16%, well in excess of 8%-12% target

1. 2021 Guidance represents y/y principal growth guidance from Dec 31, 2020 to Dec 31, 2021
2. 2021 Performance represents y/y principal growth from Dec 31, 2020 to Dec 31, 2021
3. Insured multi-unit residential mortgages under management grew by 10% y/y from Dec 31, 2020 to Dec 31, 2021

Expanding and reaffirming 2022 guidance

Medium-term core guidance	2022 Adjusted ¹
ROE	15%+
Pre-Provision Pre-Tax Income Growth (PPPT)	12%+
Diluted EPS Growth	8-10%
Dividend Growth	51% increase announced in Q1 2022 followed by quarterly ² increases
BVPS Growth	12%+
CET1 Ratio	13%+

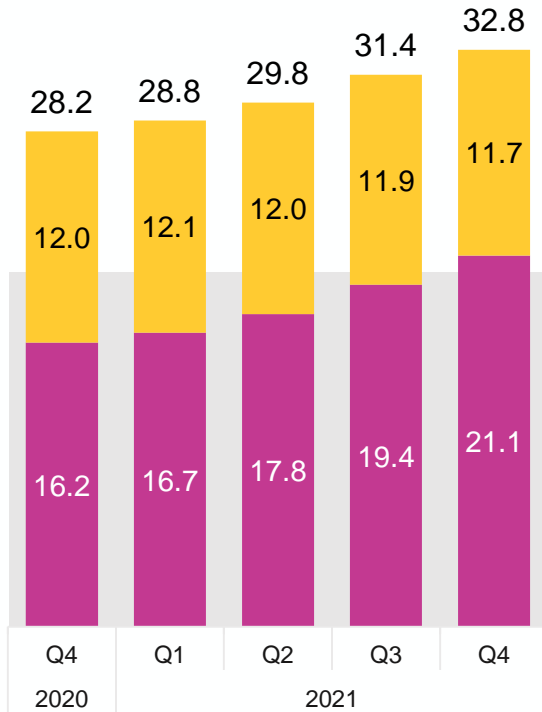
Y/Y Growth	2022 Guidance
Total Lending	12% – 15%
Risk Weighted Assets	16% – 18%
EQ Bank Deposits	20% – 30%
Single Family Alternative	12% – 15%
Reverse Mortgages	150% +
CSV Lending	100% +
BES	10% – 15%
CFG	10% – 15%
Insured Multi-unit Residential ³	0% – 5%
Specialized Financing	20% – 30%
Equipment Leasing	10% – 15%

1. In Q1 Equitable will introduce adjusted earnings to account for the costs associated with the announced agreement to acquire Concentra Bank
 2. The dividend declared on February 7, 2022 represents a 51% increase over the dividend declared February 2021. Dividends are expected to increase between 20% - 25% from the levels that otherwise would have been paid out in 2021 had capital distributions not been restricted by OSFI at the onset of the pandemic.
 3. Insured multi-unit residential mortgages include only on-balance sheet loans

Conventional uninsured business driving AUM growth

Loan Principal

\$B

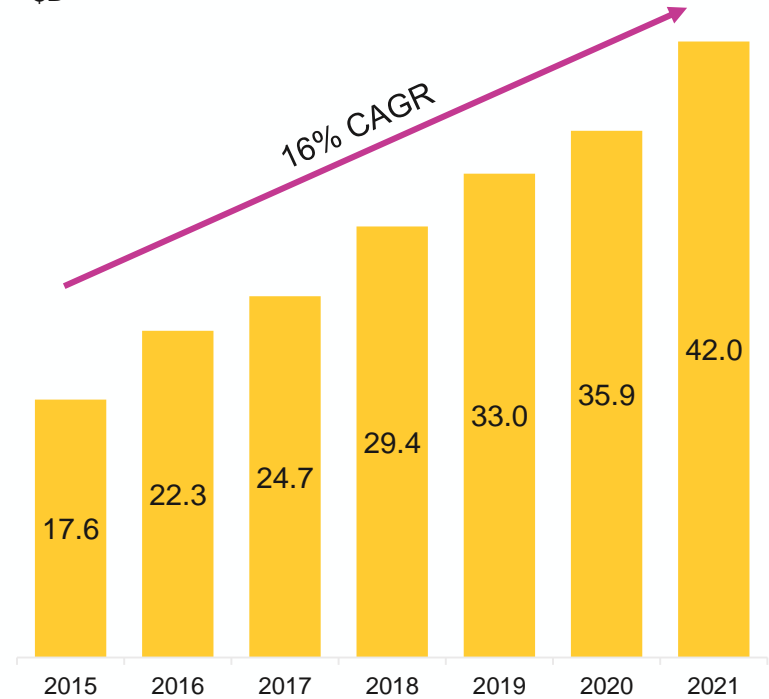


Conventional loan growth

+31% y/y
+8% q/q

Assets Under Management

\$B

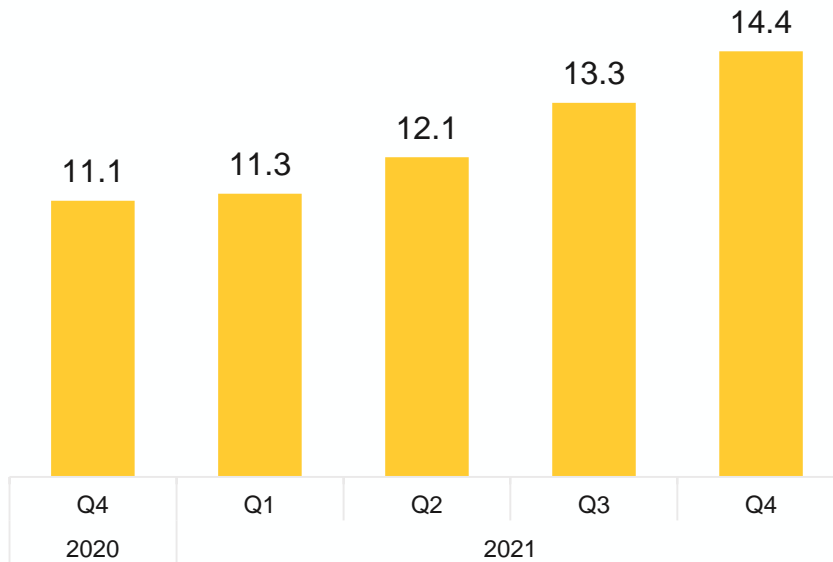


- Conventional
- Insured (Prime + Multis)

SFR Alt leading Q4 growth in Personal Banking portfolio

SFR Alt Loan Principal

\$B



SFR Alt loan growth of 30% y/y, 9% q/q

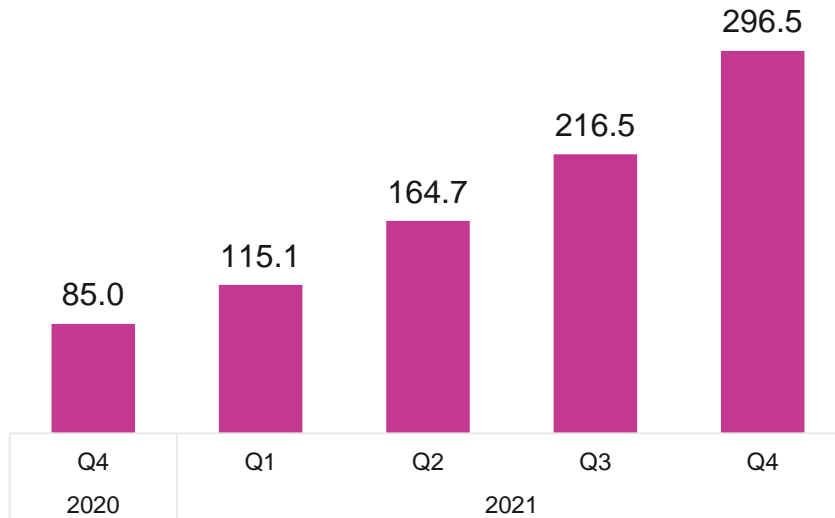
- Originations of \$2.0B in Q4 2021, slightly below record origination levels seen in Q3
- Quarterly originations +91% y/y reflecting a return to our pre-pandemic risk appetite and the resiliency of the Canadian housing market
- Average Beacon score of 707 (up 5 points from Q4 2020)

Total Personal Banking growth +\$3.0B or +16% y/y

Growing our Reverse Mortgage business

Decumulation Loan Principal

\$MM



- Decumulation originations quadrupled in Q4 2021 over the same quarter one year earlier
- Built brand awareness for reverse mortgage business and increased market penetration in 2021
- Extended CSV partnerships with SunLife, Manulife, Desjardins and Foresters through the year

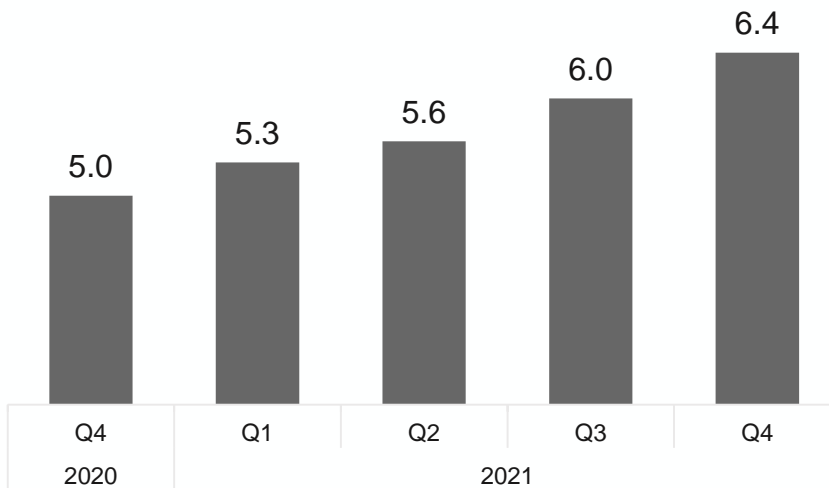
Decumulation loan growth of +2.5x y/y

- Reverse mortgage portfolio +325% y/y
- Cash surrender value portfolio +84% y/y

Double-digit origination growth in Commercial Banking

Conventional Commercial Loan Principal¹

\$B



Conventional Commercial loans grew by 27% y/y or 7% q/q

- YTD conventional commercial originations +51% y/y
- Each commercial loan type ended the year in line with or ahead of guidance
 - Expanded our specialized financing business to a record level of \$646 million
 - Equipment leasing (logistics & transportation) proving resilient through pandemic, portfolio +31% y/y

Commercial Banking loans² reached \$10.5B in Q4, growing \$1.6B or 19% y/y

1. Chart includes equipment leases
 2. Represents on balance sheet commercial loan principal

Continuing to build out our digital banking offering

+95%

YTD Y/Y
Digital Transactions

+19%

YTD y/y
Average Products per Customer

7-10x

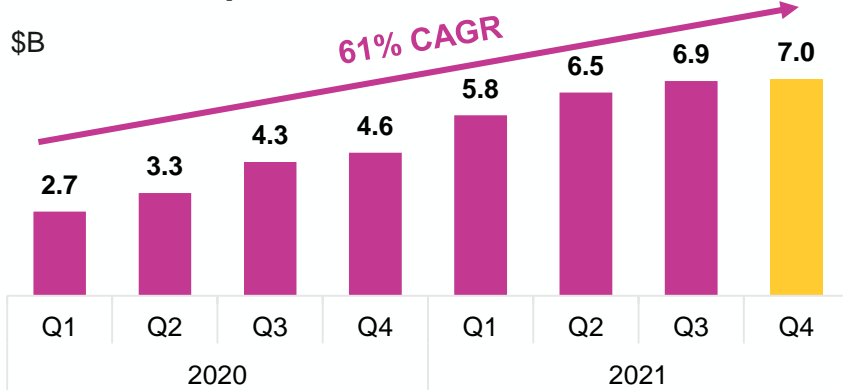
Customer lifetime value
with customer acquisition
cost

250,000+

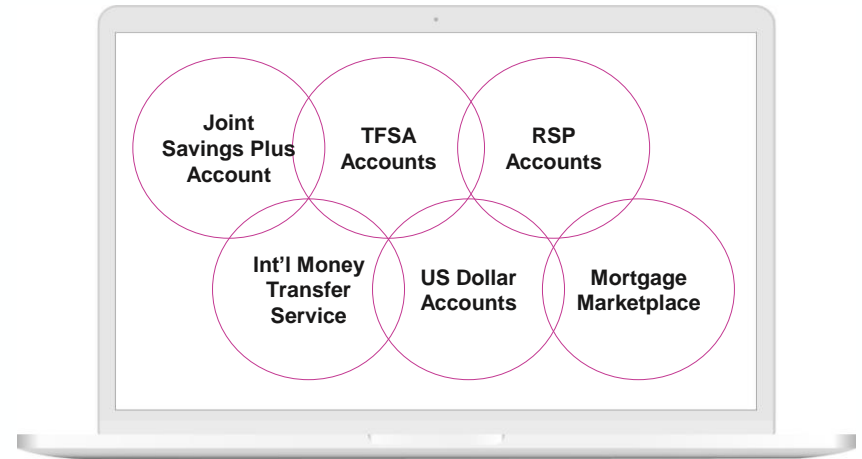
Customers
+44% y/y

EQ Bank Deposits

\$B



EQ Bank product suite now includes:



**EQ Bank payment card
in 2022**



Q4 snapshot: the momentum continues

In \$MM, unless otherwise noted and except for per share amounts	Change		
	Q4 2021	Y/Y	Q/Q
ROE	17.0%	(1.2%)	1.0%
Revenue	\$171.9	13.1%	6.0%
Non-Interest Expenses	\$70.4	27.2%	4.4%
Pre-Provision Pre-Tax	\$101.4	5.0%	7.2%
PCL	(\$1.4)	(1478.6%)	(59.4%)
Net Income After Tax	\$80.1	12.1%	10.5%
Diluted EPS	\$2.29	10.6%	10.6%
NIM	1.81%	0.07%	(0.02%)
Efficiency Ratio	41.0%	4.6%	(0.6%)
YTD Operating Leverage	(6.0%)	(10.7%)	(2.7%)
Conventional Loans (\$B)	\$21.1	30.5%	8.5%
Book Value Per Share	\$55.24	18.3%	4.4%
CET1	13.3%	(1.3%)	(0.4%)

ROE

- ROE landed at the top of our target range of 15% to 17% in Q4, finishing the year at 16.7%

Revenue

- Revenue grew y/y and sequentially, driven by strong average asset growth of 13.9% y/y and 4.7% sequentially despite a 2bps decrease in NIM q/q
- Q4 2021 increase in non-interest income driven by a higher net gain on strategic investments, leading to 6.0% revenue growth q/q and 13.1% revenue growth y/y

Expenses

- Investment in the business driving NIE growth in compensation and benefits by 20.1% y/y due to 22.9% growth in FTE over the same period
- Finished the year within efficiency ratio target of 39.0% to 41.0%; full year efficiency ratio was at 40.5%, maintaining best efficiency across Canadian banking peers

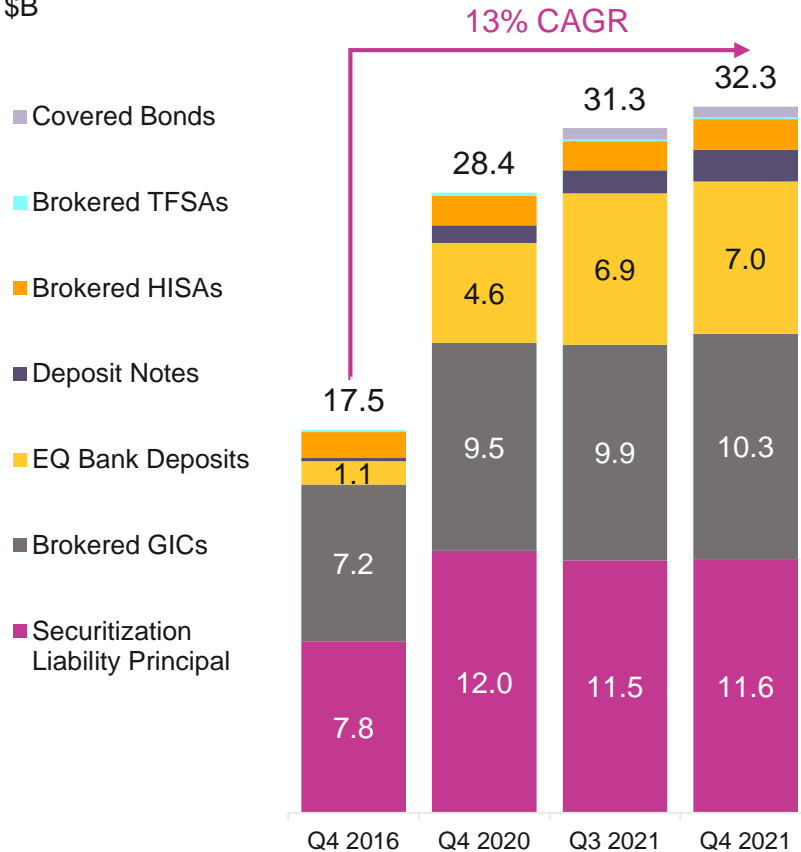
Earnings

- Outcome was an all-time record Q4 EPS, up \$0.22 from one year ago. Results were enabled by loan portfolio growth, risk-managed underwriting and efficient operating structure.

Growing and diversifying our sources of funds

Sources of Funding (on B/S)

\$B



Total deposits \$20.7B +26% y/y

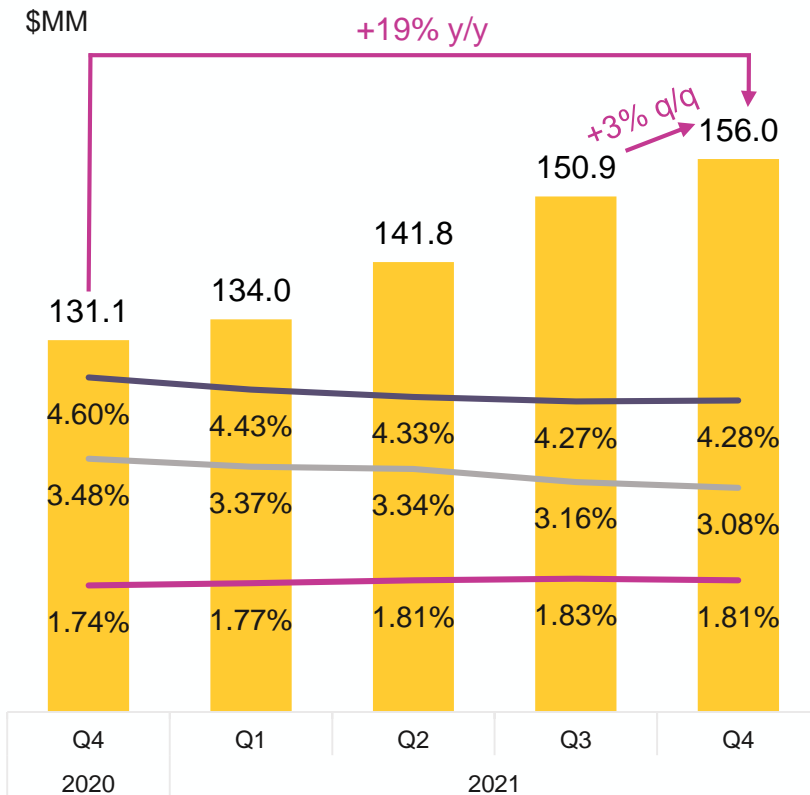
- EQ Bank deposit principal +53% y/y to \$7.0B
- Brokered deposits +10% y/y, growth across both term and demand deposits

Issued largest single deposit note transaction worth \$400MM

- Establishing regular cadence for deposit note program and seeing excellent demand for our credit
- Grows deposit note program to \$1.5B

Q4 record revenue driven by strong NII growth

Net Interest Income and Impact on NIM



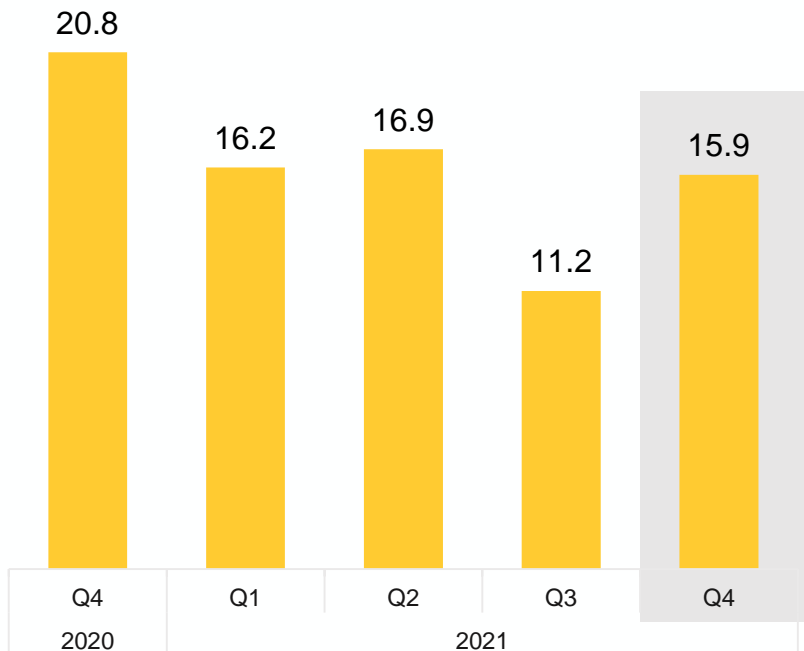
- Q4 NII +19% y/y on 14% growth in average assets and 7bps increase in NIM
- Decumulation business yielding 4.07% in Q4 making it the top Personal Banking segment performer
- Equipment leasing highest yielding business line at 9.86% in Q4, including impact of significant growth in prime
 - Prime equipment leasing portfolio grew by \$105MM or 83% y/y



Non-interest income benefitted from gains on strategic investments

Non-interest Income

\$MM

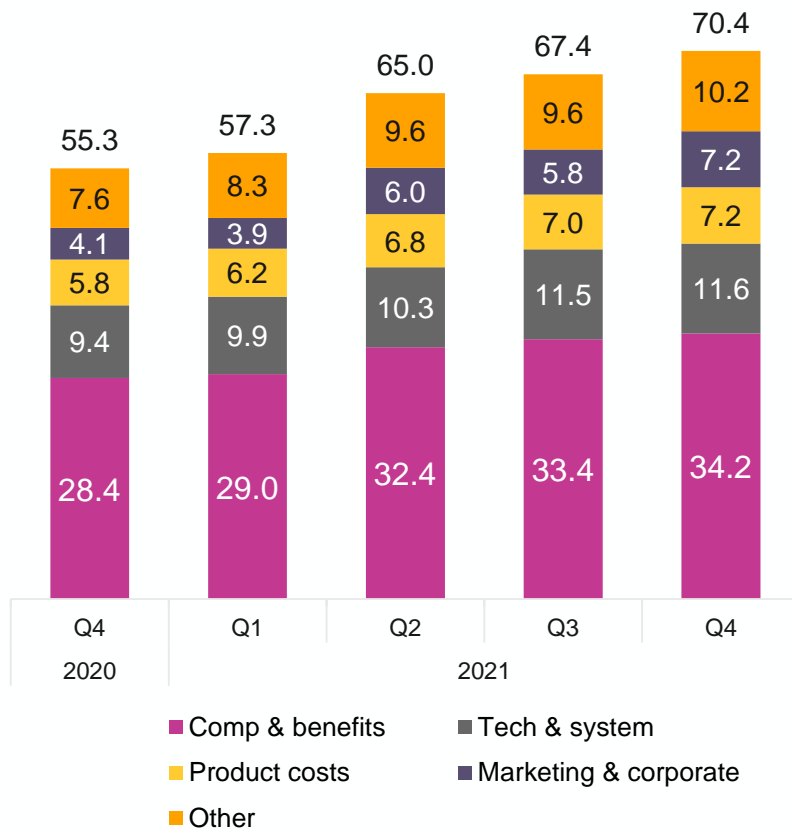


- Non-interest income +41% or +\$4.7MM sequentially driven by gains on strategic investments, but -24% y/y following high in Q4 2020
- Gains on securitization +17% from Q3 but down y/y
 - -67% y/y caused by abnormally high gain on sale margins in Q4 2020 driven by wider-spread multi-unit residential mortgages originated during the funding market disruption

Investing in our business to seed future growth

Non-interest Expenses

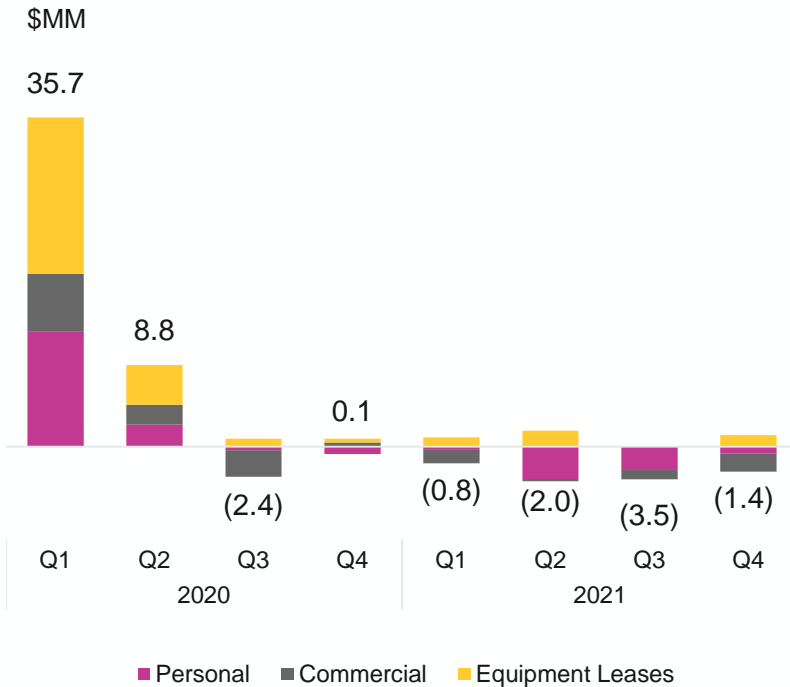
\$MM



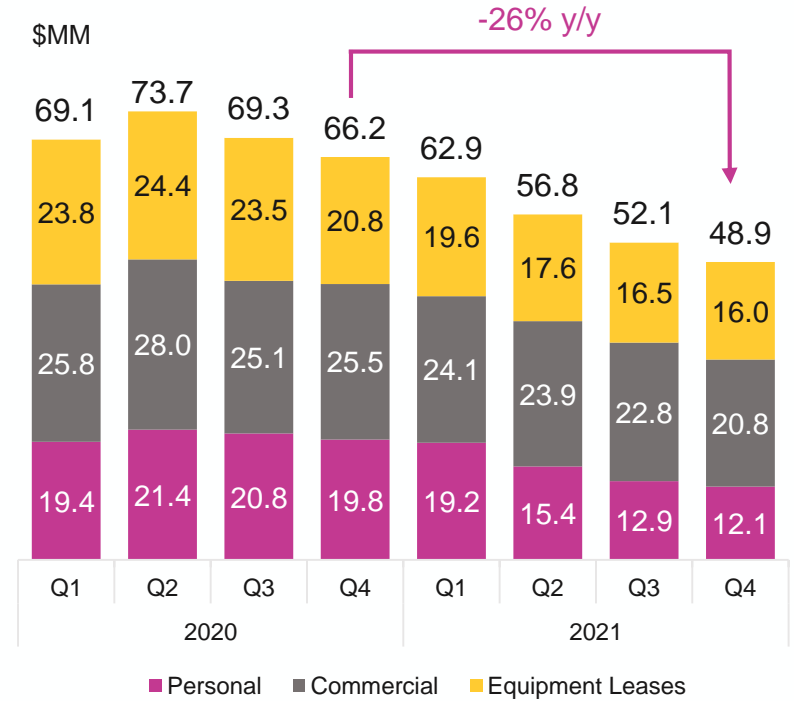
- 2021 efficiency ratio was 40.5%, up from 38.4% in 2020 but within 39-41% guideposts
- Compensation expenses represented 49% of our total NIE at \$34.2MM, consistent with prior periods
 - Increase of 20% y/y and 2% q/q driven by 23% growth in avg. FTE y/y to 1,121 in Q4 2021 – we’re investing in recruiting and retaining the best talent
- The 22% y/y increase in full year NIE was mostly due to compensation growth, investments in tech and products, and concentrated marketing campaigns.

Macroeconomic forecasts led to PCL reversals; loan books remain well provisioned

Provision for Credit Losses



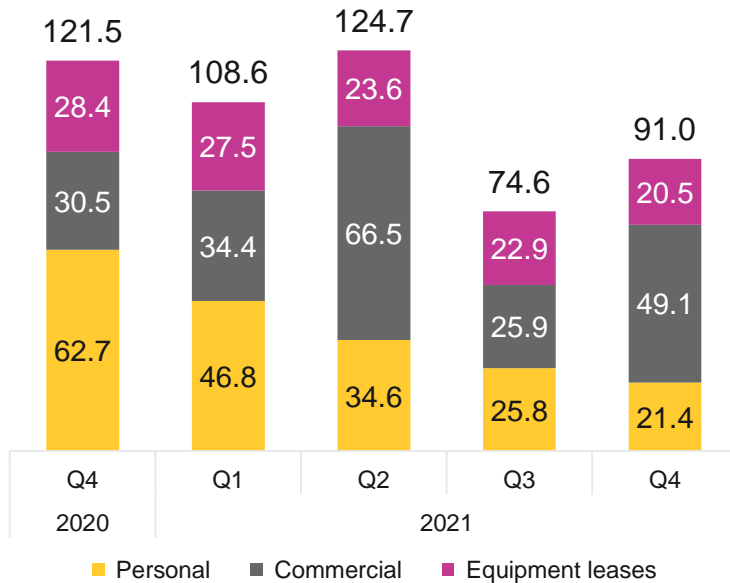
Allowance for Credit Losses



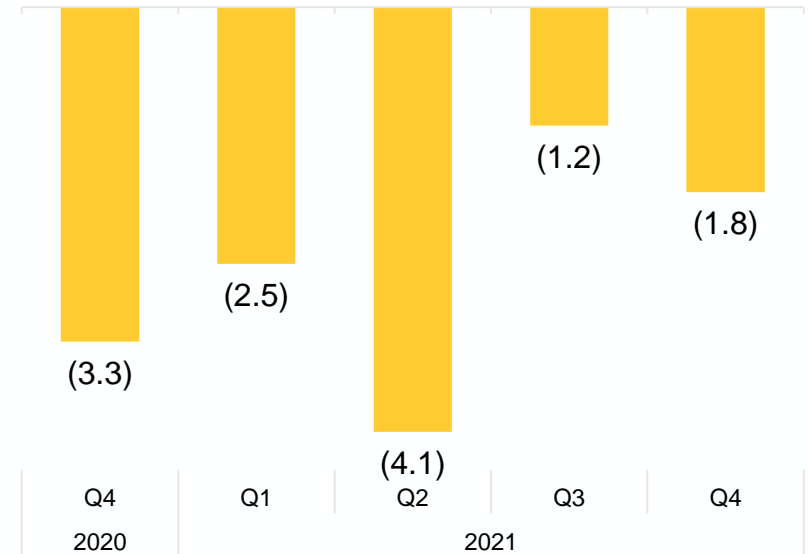
Released \$3.1MM of Stage 1 and 2 allowances based on expected loss modelling

Credit trends still strong

Gross Impaired Loans
\$MM

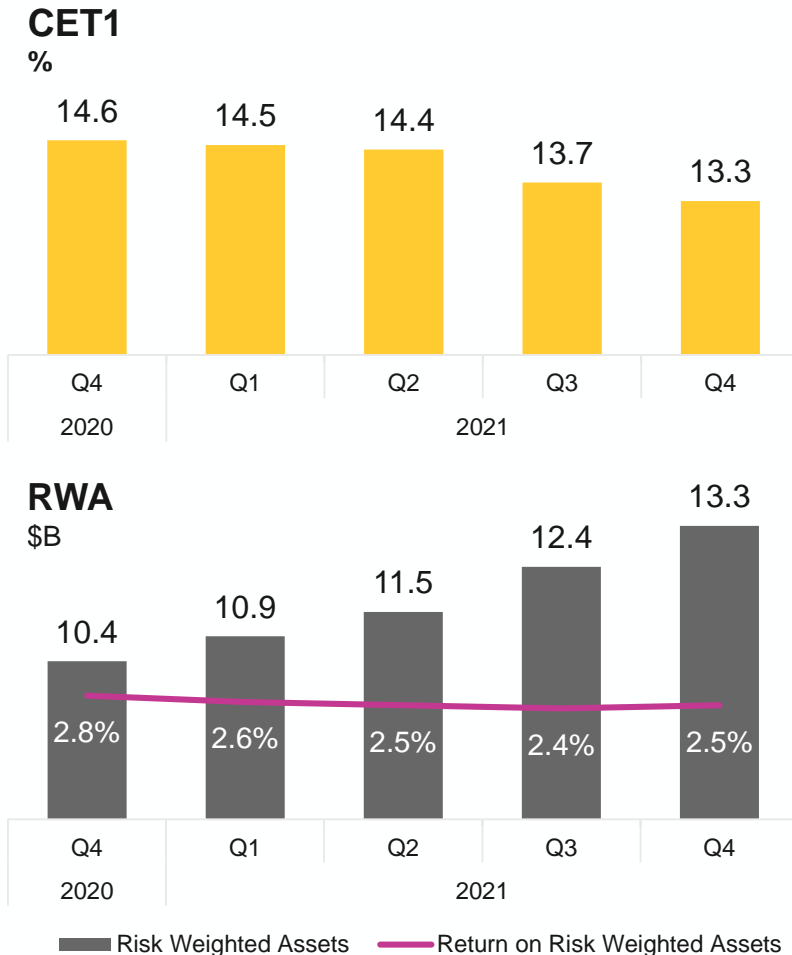


Write-offs
\$MM



- Gross impaired loans down \$30.6MM or 25% y/y. Improvement attributable to a net reduction in single family mortgages of \$41.1MM and impaired equipment leases of \$7.9MM, offset in part by newly impaired commercial loans.
 - Newly impaired conventional commercial loans have LTVs between 57% and 85% and as such, management does not expect to incur material losses on these loans

Remain in excess capital position and increasing dividend



- CET1 down sequentially due to higher relative increase in RWA, building a strong earnings platform for 2022
 - Pace of RWA growth exceeding pace of CET1 growth due to timing delay between earnings and capital deployment
- Remain in excess capital position, and above regulatory buffers
- Capital treatment changes may provide a material release in 2023
 - Objective remains to transition to AIRB in late 2023
- Resuming plans for dividend growth after OSFI restrictions were lifted in November.
 - Announcing 51% increase q/q and y/y beginning in March 2022, in line with guidance to grow dividend by 20-25% per year for 5 years from 2019.

Final Thoughts

- Executed on 2021 guidance and reaffirming early 2022 targets, showcasing growth and diversification momentum
- Solidifying our EQ Bank value proposition with expanding product suite, resulting in growth and engagement
- Strong capital position with smart capital deployment, growing dividend
- Motivated to fulfill our purpose of driving change in Canadian banking to enrich people's lives