News Release

EQB delivers record annual earnings and increases dividend 5% sequentially as fiscal year changes to align with industry

Toronto, December 7, 2023: EQB Inc. (TSX: EQB) (TSX: EQB.PR.C) today reported record annual earnings for its new fiscal year ended October 31, 2023, highlighted by growth in loans under management, margin expansion, higher non-interest revenues, accretion from the prior-year acquisition of Concentra Bank and effective risk management. On the strength of this performance, EQB raised its common share dividend and issued guidance for fiscal 2024 anchored in the expectation of another consecutive year of greater than 15% ROE.

EQB now reports its financial results on the same fiscal year basis as the Canadian banking industry, which will enable better performance comparison between EQB's wholly owned subsidiary Equitable Bank (the "Bank") and its peers. To effect this changeover, fiscal year 2023 ("FY23") is for the ten month-period from January 1, 2023 to October 31, 2023. The fourth quarter ("Q4") is for the four months ended October 31, 2023. For FY23 only, there was no Q3 and, as a result, quarter-over-quarter ("q/q") comparisons below are to the three months ended June 30, 2023. All references to year-over-year ("y/y") comparisons are to the twelve months ended December 31, 2022. There is no change to the dividend schedule.

- **Adjusted ROE**[1] Q4 16.5% and FY23 17.1% (reported Q4 15.8% and FY23 17.5%)
- **Adjusted diluted EPS**[1] Q4 $3.80 and FY23 $9.40 (reported Q4 $3.64 and FY23 $9.59)
- **Book value per share** $70.33 (+4% q/q, +12% y/y)
- **Common share dividends** declared $0.40 per share (+5% q/q, +21% y/y vs. December 2022)
- **Total AUM + AUA**[2] $111 billion (+3% q/q, +8% y/y) with $20 billion of loans under management reflecting the total multi-unit insured portfolio
- **Net interest margin (NIM)** expanded 1 bps q/q to 2.00% in Q4 with FY23 adjusted NIM 1.97% (reported 1.98%)
- **EQ Bank** customer growth +9% q/q and 30% y/y to over 400,000 customers at October 31, 2023
- **Total capital ratio** 15.2% with CET1 of 14.0%; total liquid assets $3.8 billion or 7.2% of total assets and Equitable Bank's Liquidity Coverage Ratio well in excess of the regulatory minimum of 100%[3]

"Forward thinking customers look to Canada's Challenger Bank for innovation, while EQB shareholders look for consistently superior value creation. Our team delivered both in 2023," said Andrew Moor, President and Chief Executive Officer, EQB. "We introduced new services across EQ Bank, Equitable Bank and Concentra Trust where we support our credit union partners. Customer enthusiasm for our new EQ Bank card offering and all-digital First Home Savings Account was nothing short of brilliant, and EQ Bank set the foundation for our brand journey with its remarkably successful "Make Bank" campaign. In lending, we increased customer retention and market share while adhering to our long-standing risk disciplines to keep our credit book strong against economic headwinds. With its overwhelming focus on lending to build and renovate housing for Canadians, our commercial banking business generated strong growth in insured multi-unit loans. We also prepared well for the future with robust capital ratios, excellent liquidity and a sound approach to managing interest rate in the banking book. We will have new opportunities for diversified growth when we close our announced agreement to acquire a majority interest in ACM Advisors Ltd., a leading Canadian alternative asset manager that will become part of EQB Inc. As we enter our 20th year as a public company, our purpose to change Canadian banking to enrich people's lives is making an important impact, and we're positioned to move from strength to strength."

EQB surpassed raised earnings guidance for ten-month FY23 with strong revenue

- Adjusted and reported Q4 revenue[1] $395 million and FY23 $944 million (reported $976 million) on lending growth, NIM expansion and higher non-interest revenue
- Adjusted and reported Q4 net interest income[1] $346 million and FY23 $834 million (reported $838 million), with Q4 NIM 2.00% and FY23 NIM 1.97% adjusted[1] (1.98% reported)
- Adjusted and reported Q4 non-interest revenue[1] $49.5 million and FY23 $110.4 million adjusted (reported $137.4 million) on higher fee income and strength in multi-unit insured lending gains on sale and securitization income
- Adjusted pre-provision pre-tax income[1] $529.3 million (reported $540.9 million) exceeded guidance of $490 million to $520 million
- Adjusted diluted EPS[1] Q4 $3.80 (reported $3.64) and FY23 $9.40 (reported $9.59) compared to annual guidance of $9.00-9.20 per share

EQ Bank customers +30% in FY23 to over 400,000 with deposits of $8.2 billion

- EQ Bank customer base +9% q/q and +30% y/y as daily account openings accelerated in 2023 due to the increasing popularity of the Savings Plus Account that operates like a high interest chequing account, as well as the addition of new digital offerings such as the EQ Bank First Home Savings Account (FHSA), the introduction of the EQ Bank Card and expanded offerings in Québec
- In FY24, EQ Bank expects to launch a new brand campaign following tremendous success with FY23's "Make Bank" campaign, and introduce Canada's first all-digital small business banking services to help business owners save and earn more through an easy, secure and delightful experience

Personal Banking lending +1% y/y to $32.4 billion

- Single family portfolio increased to $30.0 billion at October 31, 2023 as customer retention increased while new originations moderated as a result of recent Bank of Canada interest rate increases. As expected, Equitable Bank stayed the course with its proven credit risk management approach. Single family uninsured flat q/q and +3% y/y
- 35% of single-family lending is insured against default and the average credit score for uninsured mortgage customers is 713 (new originations 742)
- Decumulation lending assets (which include reverse mortgages and insurance lending) +18% q/q and +43% y/y to $1.5 billion. With its new multi-media advertising campaign to support brand awareness of its challenger product offering, the Bank expects strong continued growth in FY24

Commercial Banking loans under management +20% y/y to $30 billion

- The Bank's commercial operations primarily finance development and renovation of rental housing and construction of condominium buildings in Canada's major cities. More than 70% of the Bank's commercial loans under management are insured, including construction loans
- Exposures to higher risk asset classes are low, with office, hotel, shopping malls and big box retail sectors accounting for approximately 2% of the Bank's total loan assets. Over two-thirds of commercial banking loans under management (LUM) are insured multi-unit residential mortgages
- Insured multi-unit residential LUM +11% q/q and +27% y/y to $20.0 billion

Consistent and active credit risk management approach

- Provision for credit losses (PCL) $19.6 million in Q4 reflecting contributions of the four-month period and the impacts of both future expected losses driven by macroeconomic forecasts and loss modelling ($2.3 million of this PCL was for Stages 1 and 2), and increased provisions of $17.3 million associated with Stage 3. In Q4, 87% of Stage 3 provision was contributed by equipment financing and a single commercial loan
- Net impaired loans 76 bps of total assets at October 31, 2023, +48 bps from December 31, 2022 and +29 bps from June 30, 2023. Annualized realized loss rate for Q4 was 7 bps of total loan assets ($10.6 million), compared to 3 basis points ($3.2 million) in 2022
- The Bank is appropriately reserved for credit losses with net allowances as a percentage of total loan assets of 22 bps at October 31, 2023 compared to 20 bps at June 30, 2023 and 18 bps at December 31, 2022

Stable, diversified and growing funding with more than 95% term or insured

- Total deposits flat q/q and +2% y/y to $32.0 billion
- As part of the Bank's ongoing funding diversification, EQB successfully launched a Bearer Deposit Note (BDN) program in Sept 2023. This program facilitates issuance of short-term instruments to a new class of fixed income investors

EQB increases common share dividend

- EQB's Board of Directors declared a dividend of $0.40 per common share payable on December 29, 2023 to shareholders of record as of December 20, 2023, representing a 5% increase from the dividend paid on September 29, 2023 and 21% above the payment made on December 30, 2022 consistent with guidance of 20 to 25% annual growth
- The Board also declared a quarterly dividend of $0.373063 per preferred share, payable on December 29, 2023 to shareholders of record at the close of business December 20, 2023
- For the purposes of the Income Tax Act (Canada) and any similar provincial legislation, dividends declared are eligible dividends, unless otherwise indicated

FY24 guidance includes earnings growth, 15%+ Adjusted ROE

- FY2024 guidance for adjusted pre-provision pre-tax earnings, adjusted diluted EPS, adjusted ROE, dividends, book value per share and CET1 ratio of 13%+, along with balance sheet growth are found in the Q4 2023 MD&A
- Guidance incorporates fee-based revenue and earnings accretion from the acquisition of a majority interest in ACM Advisors expected to close before the end of the calendar year

"Fiscal 2023 again validated the strength of EQB across economic and credit cycles. Our focus on diversifying sources of funding, revenue and asset classes positioned the business to perform above the increased guidance we provided last quarter," said Chadwick Westlake, Chief Financial Officer, EQB. "Our 2024 outlook recognizes both near-term economic challenges and the strength of our distinct challenger business platforms. We benefited from the Concentra Bank acquisition over the past year and grew sources of non-interest revenue. With this momentum and our strategic roadmap, we believe EQB can deliver increasing long-term value to customers and shareholders."

[1] Adjusted measures and ratios are Non-Generally Accepted Accounting Principles (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 and ratios" section.

[2] These are non-GAAP measures, see the "Non-GAAP financial measures and ratios" section.

[3] At October 31, 2023 Equitable Bank's liquid assets held for regulatory purposes was $3.7 billion, which represents 228% of the Bank's minimum required policy liquidity. For additional information, see EQB's Management Discussion & Analysis.

Analyst conference call and webcast: 8:00 a.m. Eastern December 8, 2023

EQB's Andrew Moor, President and Chief Executive Officer, and Chadwick Westlake, Chief Financial Officer, will host the company's fourth quarter conference call and webcast. The listen-only webcast with accompanying slides will be available at: eqbank.investorroom.com/events-webcasts. To access the conference call with operator assistance, dial **416-764-8609** five minutes prior to the start time.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

($000s) As at	**October 31, 2023**	December 31, 2022
Assets:		
Cash and cash equivalents	**549,474**	495,106
Restricted cash	**767,195**	737,656
Securities purchased under reverse repurchase agreements	**908,833**	200,432
Investments	**2,120,645**	2,289,618
Loans – Personal	**32,390,527**	31,996,950
Loans – Commercial	**14,970,604**	14,513,265
Securitization retained interests	**559,271**	373,455
Deferred tax assets	**14,230**	-
Other assets	**652,675**	538,475
	52,933,454	51,144,957
Liabilities and Shareholders' Equity		
Liabilities:		
Deposits	**31,996,450**	31,051,813
Securitization liabilities	**14,501,161**	15,023,627
Obligations under repurchase agreements	**1,128,238**	665,307
Deferred tax liabilities	**128,436**	72,675
Funding facilities	**1,731,587**	1,239,704
Other liabilities	**602,039**	556,876
	50,087,911	48,610,002
Shareholders' Equity:		
Preferred shares	**181,411**	181,411
Common shares	**471,014**	462,561
Contributed surplus	**12,795**	11,445
Retained earnings	**2,185,480**	1,870,100
Accumulated other comprehensive (loss) income	**(5,157)**	9,438
	2,845,543	2,534,955
	52,933,454	51,144,957

Consolidated Statement of Income

($000s, except per share amounts) Period/Year ended	2023	2022
Interest income:		
Loans – Personal	**1,410,571**	917,708
Loans – Commercial	**860,363**	640,293
Investments	**65,362**	21,337
Other	**70,123**	36,893
	2,406,419	1,616,231
Interest expense:		
Deposits	**1,077,520**	578,998
Securitization liabilities	**402,443**	260,761
Funding facilities	**44,527**	19,979
Other	**43,650**	23,088
	1,568,140	882,826
Net interest income	**838,279**	733,405
Non-interest revenue:		
Fees and other income	**46,895**	31,081
Net gains (losses) on loans and investments	**34,442**	(8,054)
Gains on sale and income from retained interests	**56,384**	26,765
Net losses on securitization activities and derivatives	**(336)**	(1,011)
	137,385	48,781
Revenue	**975,664**	782,186
Provision for credit losses	**38,856**	37,258
Revenue after provision for credit losses	**936,808**	744,928
Non-interest expenses:		
Compensation and benefits	**199,752**	183,605
Other	**234,991**	192,866
	434,743	376,471
Income before income taxes	**502,065**	368,457
Income taxes:		
Current	**84,066**	84,903
Deferred	**46,409**	13,373
	130,475	98,276
Net income	**371,590**	270,181
Dividends on preferred shares	**6,998**	5,566
Net income available to common shareholders	**364,592**	264,615
Earnings per share:		
Basic	**9.67**	7.63
Diluted	**9.59**	7.55

Consolidated Statement of Comprehensive Income

($000s) Period/Year ended	**2023**	2022
Net income	**371,590**	270,181
Other comprehensive income – items that may be reclassified subsequently to income		
Debt instruments at Fair Value through OtherComprehensive Income:		
Reclassification of losses from AOCI on sale of investment	**-**	(1,010)
Net unrealized losses from change in fair value	**(36,208)**	(33,678)
Reclassification of net losses to income	**37,432**	10,315
Other comprehensive income – items that will not be reclassified subsequently to income		
Equity instruments designated at Fair Value through Other Comprehensive Income:		
Reclassification of (losses) gains from AOCI on sale of investment	**(10,951)**	604
Net unrealized losses from change in fair value	**(34,767)**	(13,156)
Reclassification of net losses to retained earnings	**11,042**	3,843
	(33,452)	(33,082)
Income tax recovery	**9,210**	9,033
	(24,242)	(24,049)
Cash flow hedges		
Net unrealized gains from change in fair value	**40,951**	53,926
Reclassification of net (gains) losses to income	**(38,718)**	2,103
	2,233	56,029
Income tax expense	**(631)**	(14,693)
	1,602	41,336
Total other comprehensive (loss) income	**(22,640)**	17,287
Total comprehensive income	**348,950**	287,468

Consolidated Statement of Changes in Shareholders' Equity

($000s)								2023
					Accumulated other comprehensive income (loss)			
	Preferred shares	Common shares	Contributed surplus	Retained earnings	Cashflow hedges	Financial instruments at FVOCI	Total	Total
Balance, beginning of year	181,411	462,561	11,445	1,870,100	42,016	(32,578)	9,438	2,534,955
Net income	-	-	-	371,590	-	-	-	371,590
Realized losses on sale of shares	-	-	-	(7,722)	-	-	-	(7,722)
Transfer of AOCI losses to retained earnings					-	8,045	8,045	8,045
Other comprehensive income, net of tax	-	-	-	-	1,602	(24,242)	(22,640)	(22,640)
Exercise of stock options	-	13,161	-	-	-	-	-	13,161
Share issuance costs, net of tax	-	(6,230)	-	-	-	-	-	(6,230)
Dividends:								
Preferred shares	-	-	-	(6,998)	-	-	-	(6,998)
Common shares	-	-	-	(41,490)	-	-	-	(41,490)
Stock-based compensation	-	-	2,872	-	-	-	-	2,872
Transfer relating to the exercise of stock options	-	1,522	(1,522)	-	-	-	-	-
Balance, end of year	181,411	471,014	12,795	2,185,480	43,618	(48,775)	(5,157)	2,845,543

($000s)								2022
					Accumulated other comprehensive income (loss)			
	Preferred shares	Common shares	Contributed surplus	Retained earnings	Cashflow hedges	Financial instruments at FVOCI	Total	Total
Balance, beginning of year	70,607	230,160	8,693	1,650,757	680	(8,263)	(7,583)	1,952,634
Net income	-	-	-	270,181	-	-	-	270,181
Realized losses on sale of shares	-	-	-	(2,839)	-	-	-	(2,839)
Transfer of AOCI losses to retained earnings	-	-	-	-	-	(299)	(299)	(299)
Investment elimination on acquisition	-	-	-	-	-	33	33	33
Other comprehensive income, net of tax	-	-	-	-	41,336	(24,049)	17,287	17,287
Common shares issued	-	223,112	-	-	-	-	-	223,112
Exercise of stock options	-	9,274	-	-	-	-	-	9,274
Purchase of treasury preferred shares	(183)	-	-	-	-	-	-	(183)
Net loss on cancellation of treasury preferred shares	-	-	-	(6)	-	-	-	(6)
Dividend payout from principal	-	(655)	-	-	-	-	-	(655)
Dividends:								
Preferred shares	-	-	-	(5,566)	-	-	-	(5,566)
Common shares	-	-	-	(42,427)	-	-	-	(42,427)
Stock-based compensation	-	-	3,422	-	-	-	-	3,422
Transfer relating to the exercise of stock options	-	670	(670)	-	-	-	-	-
Shares on acquisition	110,987	-	-	-	-	-	-	110,987
Balance, end of year	181,411	462,561	11,445	1,870,100	42,016	(32,578)	9,438	2,534,955

Consolidated Statement of Cash Flows

($000s) Period/Year ended	**2023**	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**371,590**	270,181
Adjustments for non-cash items in net income:		
Financial instruments at fair value through profit or loss	**45,533**	(10,816)
Amortization of premiums/discount on investments	**7,678**	1,215
Amortization of capital assets and intangible costs	**39,155**	46,870
Provision for credit losses	**38,856**	37,258
Securitization gains	**(46,948)**	(22,418)
Stock-based compensation	**2,871**	3,422
Dividend income earned, not received	**(28,380)**	-
Income taxes	**130,475**	98,276
Securitization retained interests	**75,304**	53,834
Changes in operating assets and liabilities:		
Restricted cash	**(29,539)**	(193,620)
Securities purchased under reverse repurchase agreements	**(708,401)**	349,598
Loans receivable, net of securitizations	**(1,126,698)**	(5,061,011)
Other assets	**(57,566)**	168,660
Deposits	**865,734**	3,702,998
Securitization liabilities	**(519,066)**	925,452
Obligations under repurchase agreements	**462,931**	(711,456)
Funding facilities	**491,883**	685,469
Other liabilities	**108,201**	(157,502)
Income taxes paid	**(90,318)**	(156,525)
Cash flows from operating activities	**33,295**	29,885
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**6,931**	231,731
Term loan facility	**-**	275,000
Dividends paid on preferred shares	**(6,998)**	(5,566)
Dividends paid on common shares	**(41,490)**	(42,427)
Cash flows (used in) from financing activities	**(41,557)**	458,738
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	**(989,055)**	(585,721)
Investment in subsidiary	**-**	(495,369)
Proceeds from sale or redemption of investments	**1,007,663**	559,680
Net change in Canada Housing Trust re-investment accounts	**78,988**	(168,787)
Purchase of capital assets and system development costs	**(34,966)**	(76,571)
Cash flows from (used in) investing activities	**62,630**	(766,768)
Net increase (decrease) in cash and cash equivalents	**54,368**	(278,145)
Cash and cash equivalents, beginning of year	**495,106**	773,251
Cash and cash equivalents, end of year	**549,474**	495,106
Cash flows from operating activities include:		
Interest received	**2,137,216**	1,437,499
Interest paid	**(1,221,598)**	(560,656)
Dividends received	**31,243**	4,074

About EQB Inc.

EQB Inc. trades on the Toronto Stock Exchange (TSX: EQB and EQB.PR.C) and has over $111 billion in combined assets under management and administration[2]. A wholly owned subsidiary of EQB, Equitable Bank, Canada's Challenger Bank™, is the seventh largest bank in Canada by assets and serves more than 578,000 customers. Equitable Bank's subsidiaries Concentra Bank and Concentra Trust support Canadian credit unions and their more than 6 million members. Equitable Bank has a clear mandate to drive change in Canadian banking to enrich people's lives. Founded more than 50 years ago, it provides diversified personal and commercial banking, and through its digital EQ Bank platform (eqbank.ca) has been named the top Schedule I Bank in Canada on the Forbes World's Best Banks 2021, 2022 and 2023 lists. Please visit eqbank.investorroom.com for more details.

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Cautionary Note Regarding Forward-Looking Statements

Statements made by EQB 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 EQB's objectives, strategies and initiatives, financial performance expectations and other statements made herein, whether with respect to EQB'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 EQB 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 EQB'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 EQB and the Canadian economy. Although EQB 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 EQB 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. EQB 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 and Ratios

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 EQB'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.

Adjustments listed below are presented on a pre-tax basis:

2023

- $28.0 million related to a strategic investment,
- $15.1 million acquisition and integration-related costs associated with Concentra and ACM,
- $3.5 million intangible asset amortization,
- $3.3 million net fair value amortization adjustments, and
- $0.9 million other expenses.

2022

- $2.2 million interest earned on the escrow account where the proceeds of the subscription receipts are held(1),
- $49.9 million acquisition and integration-related costs,
- $19.0 million provision credit for credit losses recorded on purchased loan portfolios,
- $3.3 million net fair value-related amortization recorded for November and December 2022,
- $2.2 million interest expenses paid to subscription receipt holders(2) in connection with the Concentra acquisition, and
- $3.8 million increase in future tax expense associated with additional 1.5% tax rate introduced for banks in 2022.

(1) The net proceeds from the issuance of subscription receipts were held in an escrow account and the interest income earned was recognized upon closing of the Concentra acquisition. (2) The interest expense refers to the dividend equivalent amount paid to subscription receipt holders. The subscription receipt holders were 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 were converted into common shares at a 1:1 ratio upon the closing of the Concentra acquisition.

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

Reconciliation of reported and adjusted financial results	As at or for the quarter ended			For the year ended	
($000, except share and per share amounts)	**31-Oct-23**	**30-Jun-23**	**31-Dec-22**	**31-Oct-23**	**31-Dec-22**
Reported results					
Net interest income	**345,783**	251,699	218,325	**838,279**	733,405
Non-interest revenue	**49,503**	60,848	16,382	**137,385**	48,781
Revenue	**395,286**	312,547	234,707	**975,664**	782,186
Non-interest expense	**181,165**	127,030	139,180	**434,743**	376,471
Pre-provision pre-tax income(3)	**214,121**	185,517	95,527	**540,921**	405,715
Provision for credit loss	**19,566**	13,042	26,796	**38,856**	37,258
Income tax expense	**53,409**	41,550	22,912	**130,475**	98,276
Net income	**141,146**	130,925	45,819	**371,590**	270,181
Net income available to common shareholders	**138,797**	128,594	43,514	**364,592**	264,615
Adjustments					
Net interest income – earned on the escrow account	**-**	-	(2,220)	**-**	(2,220)
Net interest income – fair value amortization/adjustments	**-**	-	3,324	**(4,167)**	3,324
Net interest income – paid to subscription receipt holders	**-**	-	(654)	**-**	2,220
Non-interest revenue – strategic investment	**-**	(27,965)	-	**(27,965)**	-
Non-interest revenue – fair value amortization/adjustments	**-**	-	(65)	**941**	(65)
Non-interest expenses – acquisition-related costs(1)	**(6,972)**	(3,377)	(36,921)	**(15,093)**	(49,942)
Non-interest expenses – other expenses	**-**	(858)	-	**(858)**	-
Non-interest expenses – intangible asset amortization	**(1,181)**	(885)	-	**(3,542)**	-
Non-interest expenses – fair value amortization/adjustments	**-**	-	-	**(66)**	-
Provision for credit loss – purchased loans	**-**	-	(19,020)	**-**	(19,020)
Pre-tax adjustments	**8,153**	(22,844)	56,326	**(11,631)**	72,221
Income tax expense – tax impact on above adjustments(2)	**2,264**	(7,425)	15,271	**(4,311)**	19,435
Income tax expense – 2022 tax rate adjustment	**-**	-	(5,621)	**-**	(3,769)
Post-tax adjustments	**5,889**	(15,419)	46,676	**(7,320)**	56,555
Adjusted results					
Net interest income	**345,783**	251,699	218,775	**834,112**	736,729
Non-interest revenue	**49,503**	32,883	16,317	**110,361**	48,716
Revenue	**395,286**	284,582	235,092	**944,473**	785,445
Non-interest expense	**173,012**	121,910	102,259	**415,184**	326,529
Pre-provision pre-tax income(3)	**222,274**	162,672	132,833	**529,289**	458,916
Provision for credit loss	**19,566**	13,042	7,776	**38,856**	18,238
Income tax expenses	**55,673**	34,124	32,562	**126,163**	113,942
Net income	**147,035**	115,506	92,495	**364,270**	326,736
Net income available to common shareholders	**144,686**	113,175	90,190	**357,272**	321,170
Diluted earnings per share					
Weighted average diluted common shares outstanding	**38,117,929**	37,975,115	36,632,711	**38,013,724**	35,031,166
Diluted earnings per share – reported	**3.64**	3.39	1.19	**9.59**	7.55
Diluted earnings per share – adjusted	**3.80**	2.98	2.46	**9.40**	9.17
Diluted earnings per share – adjustment impact	**0.16**	(0.41)	1.27	**(0.19)**	1.62

(1) Includes costs associated with ACM acquisition.

(2) Income tax expense associated with non-GAAP adjustment was calculated based on the statutory tax rate applicable for that period, taking into account the federal tax rate increase.

(3) This is a non-GAAP measure, see Other Non-GAAP financial measures and ratios section.

Other non-GAAP financial measures and ratios

- **Adjusted return on equity (ROE):** it is calculated on an annualized basis and is defined as adjusted net income available to common shareholders as a percentage of weighted average common shareholders' equity (reported) outstanding during the period.
- **Assets under administration (AUA):** is sum of (1) assets over which EQB's subsidiaries have been named as trustee, custodian, executor, administrator or other similar role; (2) loans held by credit unions for which EQB's subsidiaries act as servicer.
- **Assets under management (AUM):** is the sum of total assets reported on the consolidated balance sheet and loan principal derecognized but still managed by EQB.

($000s)	31-Oct-23	30-Jun-23	Change	31-Dec-22	Change
Total assets on the consolidated balance sheet	**52,933,454**	53,318,703	(1%)	51,144,957	3%
Loan principal derecognized	**14,998,436**	12,591,570	19%	10,424,114	44%
Assets under management	**67,931,890**	65,910,273	3%	61,569,071	10%

- **Liquid assets:** is a measure of EQB'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.
- **Loans under management (LUM):** is the sum of loan principal reported on the consolidated balance sheet and loan principal derecognized but still managed by EQB.
- **Net interest margin (NIM):** this profitability measure is calculated on an annualized basis by dividing net interest income by the average total interest earning assets for the period.
- **Pre-provision pre-tax income (PPPT):** this is the difference between revenue and non-interest expenses.
- **Total loan assets:** this is calculated on a gross basis (prior to allowance for credit losses) as the sum of both **Loans – Personal** and **Loans – Commercial** on the balance sheet and adding their associated allowance for credit losses**.**