

TSX:EQB | EQB.PR.C

EQB Inc.

Supplemental Financial
Information



RETURNS

+16% ROE 10-YEAR AVERAGE

GROWTH

11.4% EPS GROWTH 10-YEAR CAGR

WEALTH

305% 10-YEAR TSR

DRIVE CHANGE

TO ENRICH PEOPLE'S LIVES

INNOVATION

TECHNOLOGY TO BETTER SERVE CANADIANS

SCALE

EQB WELCOMES CONCENTRA BANK

GAINS

543K CUSTOMERS

SUSTAINABILITY

CARBON NEUTRAL IN SCOPE 1 & 2 GHG EMISSIONS

For the three and six months ended June 30, 2023

Note: all cover measures as at December 31, 2022,
except customer number as at June 30, 2023

Canada's Challenger Bank™



Notes to Readers

Purpose of this document

This Supplemental Financial Information Report (Report) aims to provide the readers with additional financial information that will assist the readers' assessment of business performance of EQB Inc. (EQB) and its wholly-owned subsidiary, Equitable Bank, including disclosures related to Equitable Bank's loan portfolio, some of which relate to disclosure requirements outlined in OSFI's Guideline B-20, 'Residential Practices and Procedures'.

Use of this document

Readers are cautioned that financial information contained in this Report include both Generally Accepted Accounting Principles (GAAP) and non-GAAP measures. The latter often does not have any standardized meaning, and therefore, are not comparable to similar measures presented by other financial institutions.

This Report should be read in conjunction with EQB's unaudited interim consolidated financial statements and accompanying notes, as well as Management's Discussion and Analysis ("MD&A") for the quarter ended June 30, 2023.

Basis of presentation

All numbers in this Report are Canadian dollars and are unaudited.

GAAP measures have been prepared in accordance with International Accounting Standard (IAS) 34 unless otherwise stated. Non-GAAP measures used in this Report are defined under the Section "Non-GAAP measures".



**SECOND QUARTER 2023
SUPPLEMENTAL FINANCIAL INFORMATION**

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**Table 1: Financial highlights**

| | 2023 | | 2022 | | | | 2021 | | YTD | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2023 | 2022 |
| Adjusted results (\$ thousands, unless stated otherwise)⁽¹⁾ | | | | | | | | | | |
| Net interest income | 251,699 | 236,630 | 218,775 | 187,264 | 167,604 | 163,086 | 155,952 | 150,852 | 488,329 | 330,690 |
| Non-interest revenue | 32,883 | 27,975 | 16,317 | 9,481 | (2,528) | 25,446 | 15,911 | 11,248 | 60,858 | 22,918 |
| Revenue | 284,582 | 264,605 | 235,092 | 196,745 | 165,076 | 188,532 | 171,863 | 162,100 | 549,187 | 353,608 |
| Non-Interest expenses | 121,910 | 120,262 | 102,259 | 78,903 | 75,567 | 69,800 | 69,702 | 67,442 | 242,172 | 145,367 |
| Pre-provision pre-tax income ⁽¹⁾ | 162,672 | 144,343 | 132,833 | 117,842 | 89,509 | 118,732 | 102,161 | 94,658 | 307,015 | 208,241 |
| Provision for credit losses (recoveries) | 13,042 | 6,248 | 7,776 | 5,354 | 5,233 | (125) | (1,420) | (3,500) | 19,290 | 5,108 |
| Income before income taxes | 149,630 | 138,095 | 125,057 | 112,488 | 84,276 | 118,857 | 103,581 | 98,158 | 287,725 | 203,133 |
| Income tax expense | 34,124 | 36,366 | 32,562 | 30,339 | 22,742 | 26,447 | 22,984 | 25,685 | 70,490 | 49,189 |
| Net income | 115,506 | 101,729 | 92,495 | 82,149 | 61,534 | 92,410 | 80,597 | 72,473 | 217,235 | 153,944 |
| Net income available to common shareholders | 113,175 | 99,411 | 90,190 | 81,063 | 60,448 | 91,321 | 79,508 | 71,374 | 212,586 | 151,769 |
| Earnings per share – diluted (\$) | 2.98 | 2.62 | 2.46 | 2.35 | 1.75 | 2.64 | 2.30 | 2.07 | 5.60 | 4.40 |
| Return on equity ⁽⁴⁾ | 18.3 | 16.9 | 15.9 | 15.6 | 12.1 | 19.2 | 17.1 | 16.0 | 17.5 | 15.6 |
| Efficiency ratio (%) ⁽²⁾⁽⁴⁾ | 42.8 | 45.4 | 43.5 | 40.1 | 45.8 | 37.0 | 40.6 | 41.6 | 44.1 | 41.1 |
| Net interest margin (%) ⁽¹⁾ | 1.99 | 1.92 | 1.87 | 1.94 | 1.81 | 1.87 | 1.81 | 1.83 | 1.95 | 1.84 |
| Reported results (\$ thousands, unless stated otherwise) | | | | | | | | | | |
| Net interest income | 251,699 | 240,797 | 218,325 | 186,251 | 166,657 | 162,172 | 155,952 | 150,852 | 492,496 | 328,829 |
| Non-interest revenue | 60,848 | 27,034 | 16,382 | 9,481 | (2,528) | 25,446 | 15,911 | 11,248 | 87,882 | 22,918 |
| Revenue | 312,547 | 267,831 | 234,707 | 195,732 | 164,129 | 187,618 | 171,863 | 162,100 | 580,378 | 351,747 |
| Non-Interest expenses | 127,030 | 126,548 | 139,180 | 84,082 | 78,276 | 74,933 | 70,427 | 67,442 | 253,578 | 153,209 |
| Pre-provision pre-tax income | 185,517 | 141,283 | 95,527 | 111,650 | 85,853 | 112,685 | 101,436 | 94,658 | 326,800 | 198,538 |
| Provision for credit losses (recoveries) | 13,042 | 6,248 | 26,796 | 5,354 | 5,233 | (125) | (1,420) | (3,500) | 19,290 | 5,108 |
| Income before income taxes | 172,475 | 135,035 | 68,731 | 106,296 | 80,620 | 112,810 | 102,856 | 98,158 | 307,510 | 193,430 |
| Income tax expense | 41,550 | 35,516 | 22,912 | 28,717 | 21,784 | 24,863 | 22,794 | 25,685 | 77,066 | 46,647 |
| Net income | 130,925 | 99,519 | 45,819 | 77,579 | 58,836 | 87,947 | 80,062 | 72,473 | 230,444 | 146,783 |
| Net income available to common shareholders | 128,594 | 97,201 | 43,514 | 76,493 | 57,750 | 86,858 | 78,973 | 71,374 | 225,795 | 144,608 |
| Earnings per share – basic (\$) ⁽³⁾ | 3.41 | 2.58 | 1.20 | 2.24 | 1.69 | 2.55 | 2.32 | 2.10 | 6.00 | 4.24 |
| Earnings per share – diluted ⁽³⁾ | 3.39 | 2.56 | 1.19 | 2.22 | 1.67 | 2.51 | 2.29 | 2.07 | 5.95 | 4.19 |
| Return on equity | 20.8 | 16.5 | 7.7 | 14.8 | 11.6 | 18.3 | 17.0 | 16.0 | 18.6 | 14.9 |
| Efficiency ratio (%) | 40.6 | 47.2 | 59.3 | 43.0 | 47.7 | 39.9 | 41.0 | 41.6 | 43.7 | 43.6 |
| Net interest margin (%) | 1.99 | 1.95 | 1.85 | 1.93 | 1.80 | 1.86 | 1.81 | 1.83 | 1.97 | 1.83 |
| Return on average assets ⁽⁴⁾ | 1.0 | 0.8 | 0.4 | 0.8 | 0.6 | 1.0 | 0.9 | 0.9 | 0.9 | 0.8 |
| Return on RWA ⁽⁴⁾ | 2.68 | 2.10 | 1.07 | 2.10 | 1.60 | 2.60 | 2.50 | 2.40 | 2.35 | 2.10 |

⁽¹⁾ See Non-GAAP financial measures and ratios section.⁽²⁾ Increases in this ratio reflect reduced efficiencies, whereas decreases reflect improved efficiencies.⁽³⁾ YTD EPS may not equal the sum of the quarterly EPS' as a result of rounding and the computation of in the money options for the year versus the quarter.⁽⁴⁾ See Glossary section.

**Table 1: Financial highlights (continued)**

| (\$000s, except share, per share amounts and percentages) | 2023 | | 2022 | | | | 2021 | | YTD | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|--------|-------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2023 | 2022 |
| Select balance sheet and other information (\$ millions, unless stated otherwise) | | | | | | | | | | |
| Total assets | 53,319 | 51,793 | 51,145 | 40,150 | 39,418 | 37,150 | 36,159 | 34,425 | | |
| Assets under management ⁽¹⁾ | 65,910 | 63,336 | 61,569 | 47,331 | 45,767 | 43,422 | 42,020 | 40,172 | | |
| Loans receivable | 47,437 | 46,580 | 46,510 | 36,792 | 36,246 | 34,217 | 32,901 | 31,475 | | |
| Loans under management ⁽¹⁾ | 60,011 | 58,152 | 57,008 | 43,853 | 42,492 | 40,393 | 38,663 | 37,121 | | |
| Assets under administration ⁽¹⁾ | 42,037 | 41,469 | 41,234 | - | - | - | - | - | | |
| Total deposits principal | 31,783 | 31,278 | 30,831 | 23,824 | 23,533 | 22,080 | 20,695 | 19,758 | | |
| EQ Bank deposits principal | 8,204 | 8,097 | 7,923 | 7,562 | 7,588 | 7,261 | 6,968 | 6,914 | | |
| Other deposits principal | 23,579 | 23,181 | 22,908 | 16,262 | 15,945 | 14,819 | 13,727 | 12,844 | | |
| Total risk-weighted assets ⁽²⁾ | 19,427 | 18,981 | 18,926 | 15,459 | 14,748 | 14,018 | 13,310 | 12,427 | | |
| Common shareholders' equity ⁽²⁾ | 2,538 | 2,429 | 2,354 | 2,091 | 2,024 | 1,967 | 1,882 | 1,800 | | |
| Preferred shares | 181 | 181 | 181 | 70 | 70 | 71 | 71 | 71 | | |
| Liquid assets ⁽¹⁾ | 4,101 | 3,882 | 3,938 | 3,203 | 3,068 | 3,045 | 3,056 | 3,188 | | |
| Total assets held for regulatory purposes as a % of total Equitable Bank assets (%) | 7.6 | 7.4 | 7.6 | 7.8 | 7.6 | 7.9 | 8.0 | 8.8 | | |
| Total liquid assets as a % of total assets (%) | 7.7 | 7.5 | 7.7 | 8.0 | 7.8 | 8.2 | 8.5 | 9.3 | | |
| Credit quality (% unless stated otherwise) | | | | | | | | | | |
| Provision for credit losses (\$ thousands) | 13,042 | 6,248 | 26,796 | 5,354 | 5,233 | (125) | (1,420) | (3,500) | 19,290 | 5,108 |
| Provision for credit losses - rate ⁽²⁾ | 0.11 | 0.05 | 0.35 | 0.06 | 0.06 | (0.00) | (0.02) | (0.05) | 0.08 | 0.03 |
| Net impaired loan as a % of total loan assets | 0.47 | 0.32 | 0.28 | 0.23 | 0.18 | 0.22 | 0.27 | 0.23 | | |
| Net allowance for credit losses as a % of total loan assets | 0.20 | 0.19 | 0.18 | 0.15 | 0.14 | 0.14 | 0.15 | 0.17 | | |
| Share information | | | | | | | | | | |
| Common share price - close (\$) | 70.00 | 58.30 | 56.73 | 46.44 | 53.15 | 71.74 | 68.91 | 71.45 | | |
| Book value per common share ⁽²⁾ (\$) | 67.33 | 64.47 | 62.65 | 61.14 | 59.25 | 57.64 | 55.24 | 52.90 | | |
| Common shares outstanding | 37,729,584 | 37,680,498 | 37,564,114 | 34,204,632 | 34,160,770 | 34,130,326 | 34,070,810 | 34,029,266 | | |
| Common share market capitalization (\$ millions) | 2,641 | 2,197 | 2,131 | 1,588 | 1,816 | 2,449 | 2,348 | 2,431 | | |
| Dividends declared - common share (\$) ⁽³⁾ | 0.37 | 0.35 | 0.33 | 0.31 | 0.29 | 0.28 | 0.19 | 0.19 | 0.72 | 0.57 |
| Dividends declared - preferred share - Series 3 (\$) ⁽³⁾ | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.37 | 0.74 | 0.74 |
| Dividend Yield - common shares (%) ⁽²⁾ | 2.3 | 2.3 | 2.5 | 2.3 | 1.9 | 1.5 | 1.0 | 1.0 | 2.3 | 1.70 |
| Dividend Payout (%) ⁽²⁾ | 10.9 | 13.7 | 27.7 | 14.0 | 17.4 | 11.2 | 8.1 | 8.9 | 12.1 | 13.6 |
| Equitable Bank capital information (%)⁽⁴⁾ | | | | | | | | | | |
| CET1 ratio | 14.1 | 14.0 | 13.7 | 13.3 | 13.5 | 13.5 | 13.3 | 13.7 | | |
| Tier 1 capital ratio | 14.8 | 15.0 | 14.7 | 13.7 | 14.0 | 14.0 | 13.9 | 14.3 | | |
| Total capital ratio | 15.4 | 15.5 | 15.1 | 14.0 | 14.3 | 14.3 | 14.2 | 14.6 | | |
| Leverage ratio | 5.2 | 5.3 | 5.3 | 5.1 | 5.1 | 5.1 | 4.9 | 5.0 | | |

⁽¹⁾ See Non-GAAP financial measures and ratios section.⁽²⁾ See Glossary section.⁽³⁾ YTD dividends declared per share may not equal the sum of the quarterly dividends per share as a result of rounding.⁽⁴⁾ Regulatory capital requirements for Equitable Bank are determined in accordance with OSFI's Capital Adequacy Requirements (CAR) Guideline, which is based on the capital standards developed by the Basel Committee on Banking Supervision. See Glossary section.

**Table 2: Consolidated balance sheet**

| (\$000s) | 2023 | | 2022 | | | | 2021 | |
|--|-------------------|------------|------------|------------|------------|------------|------------|------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Assets | | | | | | | | |
| Cash and cash equivalents | 373,492 | 345,621 | 495,106 | 298,999 | 539,509 | 725,281 | 773,251 | 646,501 |
| Restricted cash | 870,247 | 666,530 | 737,656 | 547,836 | 557,283 | 448,631 | 462,164 | 466,641 |
| Securities purchased under reverse repurchase agreements | 1,208,930 | 732,608 | 200,432 | 750,072 | 420,009 | - | 550,030 | 600,007 |
| Investments | 2,235,530 | 2,483,604 | 2,289,618 | 1,092,628 | 1,097,004 | 1,220,397 | 1,033,438 | 829,561 |
| Loans – Personal | 32,333,611 | 32,183,036 | 31,996,950 | 24,343,276 | 24,122,303 | 23,324,211 | 22,421,603 | 21,413,300 |
| Loans – Commercial | 15,103,519 | 14,397,192 | 14,513,265 | 12,448,825 | 12,123,469 | 10,893,131 | 10,479,159 | 10,061,492 |
| Securitization retained interests | 474,542 | 410,441 | 373,455 | 276,464 | 227,013 | 220,685 | 207,889 | 204,820 |
| Deferred tax assets | 14,392 | 15,024 | - | - | - | - | - | - |
| Other assets | 704,440 | 558,962 | 538,475 | 392,009 | 331,168 | 317,632 | 231,536 | 202,745 |
| | 53,318,703 | 51,793,018 | 51,144,957 | 40,150,109 | 39,417,758 | 37,149,968 | 36,159,070 | 34,425,067 |
| Liabilities and Shareholders' Equity | | | | | | | | |
| Liabilities: | | | | | | | | |
| Deposits | 32,137,347 | 31,589,063 | 31,051,813 | 24,048,937 | 23,708,958 | 22,238,382 | 20,856,383 | 19,932,120 |
| Securitization liabilities | 15,397,103 | 15,311,657 | 15,023,627 | 11,611,083 | 11,366,847 | 10,966,178 | 11,375,020 | 11,195,418 |
| Obligations under repurchase agreements | 875,718 | 904,658 | 665,307 | 748,881 | 814,494 | 880,203 | 1,376,763 | 804,300 |
| Deferred tax liabilities | 106,723 | 92,417 | 72,675 | 75,755 | 64,180 | 64,488 | 63,141 | 70,118 |
| Funding facilities | 1,487,008 | 768,717 | 1,239,704 | 800,283 | 711,380 | 324,575 | 200,128 | 330,479 |
| Subscription receipts | - | - | - | 232,018 | 230,821 | 230,386 | - | - |
| Other liabilities | 594,952 | 515,871 | 556,876 | 471,499 | 426,527 | 407,920 | 335,001 | 221,354 |
| | 50,598,851 | 49,182,383 | 48,610,002 | 37,988,456 | 37,323,207 | 35,112,132 | 34,206,436 | 32,553,789 |
| Shareholders' equity: | | | | | | | | |
| Preferred shares | 181,411 | 181,411 | 181,411 | 70,424 | 70,424 | 70,607 | 70,607 | 71,195 |
| Common shares | 466,711 | 463,862 | 462,561 | 236,368 | 234,372 | 232,854 | 230,160 | 228,645 |
| Contributed surplus | 12,668 | 12,002 | 11,445 | 10,908 | 10,106 | 9,357 | 8,693 | 8,272 |
| Retained earnings | 2,065,478 | 1,954,394 | 1,870,100 | 1,839,561 | 1,773,658 | 1,727,169 | 1,650,757 | 1,578,128 |
| Accumulated other comprehensive (loss) income | (6,416) | (1,034) | 9,438 | 4,392 | 5,991 | (2,151) | (7,583) | (14,962) |
| | 2,719,852 | 2,610,635 | 2,534,955 | 2,161,653 | 2,094,551 | 2,037,836 | 1,952,634 | 1,871,278 |
| | 53,318,703 | 51,793,018 | 51,144,957 | 40,150,109 | 39,417,758 | 37,149,968 | 36,159,070 | 34,425,067 |

**Table 3: Consolidated statement of income**

| (\$000s, except share and per share amounts) | 2023 | | 2022 | | | | 2021 | | YTD | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2023 | 2022 |
| Interest income: | | | | | | | | | | |
| Loans – Personal | 420,578 | 391,816 | 327,596 | 225,502 | 190,830 | 173,780 | 170,354 | 165,171 | 812,394 | 364,610 |
| Loans – Commercial | 256,731 | 241,768 | 218,428 | 172,579 | 133,540 | 115,746 | 110,762 | 107,203 | 498,499 | 249,286 |
| Investments | 18,856 | 21,893 | 10,754 | 3,377 | 3,351 | 3,855 | 3,491 | 4,223 | 40,749 | 7,206 |
| Other | 21,083 | 17,352 | 19,298 | 9,178 | 5,558 | 2,859 | 2,111 | 2,209 | 38,435 | 8,417 |
| | 717,248 | 672,829 | 576,076 | 410,636 | 333,279 | 296,240 | 286,718 | 278,806 | 1,390,077 | 629,519 |
| Interest expense: | | | | | | | | | | |
| Deposits | 322,503 | 293,231 | 244,413 | 146,202 | 106,221 | 82,162 | 78,695 | 74,787 | 615,734 | 188,383 |
| Securitization liabilities | 118,416 | 118,174 | 93,163 | 64,567 | 53,741 | 49,290 | 51,096 | 52,269 | 236,590 | 103,031 |
| Funding facilities | 11,891 | 7,917 | 11,025 | 6,180 | 2,468 | 306 | 231 | 327 | 19,808 | 2,774 |
| Others | 12,739 | 12,710 | 9,150 | 7,436 | 4,192 | 2,310 | 744 | 571 | 25,449 | 6,502 |
| | 465,549 | 432,032 | 357,751 | 224,385 | 166,622 | 134,068 | 130,766 | 127,954 | 897,581 | 300,690 |
| Net interest income | 251,699 | 240,797 | 218,325 | 186,251 | 166,657 | 162,172 | 155,952 | 150,852 | 492,496 | 328,829 |
| Non-interest revenue ⁽¹⁾ : | | | | | | | | | | |
| Fees and other income ⁽²⁾ | 14,489 | 13,898 | 10,155 | 6,679 | 7,866 | 6,033 | 5,355 | 5,629 | 28,387 | 13,899 |
| Gains (losses) on strategic investments | 27,933 | (2,613) | (5,137) | (7,403) | (8,655) | 15,901 | 8,990 | 3,178 | 25,320 | 7,246 |
| Net gains (losses) on other investments ⁽²⁾ | 1,726 | (687) | 272 | (606) | (165) | (1,912) | (656) | 2,084 | 1,039 | (2,077) |
| Gain on sale and income from retained interests | 16,104 | 14,332 | 9,247 | 10,277 | 2,197 | 5,044 | 3,851 | 3,282 | 30,436 | 7,241 |
| Net gains (losses) on securitization activities and derivatives | 596 | 2,104 | 1,845 | 535 | (3,771) | 380 | (1,629) | (2,925) | 2,700 | (3,391) |
| | 60,848 | 27,034 | 16,382 | 9,481 | (2,528) | 25,446 | 15,911 | 11,248 | 87,882 | 22,918 |
| Revenue | 312,547 | 267,831 | 234,707 | 195,732 | 164,129 | 187,618 | 171,863 | 162,100 | 580,378 | 351,747 |
| Provision for credit losses (recoveries) | 13,042 | 6,248 | 26,796 | 5,354 | 5,233 | (125) | (1,420) | (3,500) | 19,290 | 5,108 |
| Revenue after provision for credit losses | 299,505 | 261,583 | 207,911 | 190,378 | 158,896 | 187,743 | 173,283 | 165,600 | 561,088 | 346,639 |
| Non-interest expenses: | | | | | | | | | | |
| Compensation and benefits | 59,707 | 58,362 | 64,999 | 41,767 | 40,067 | 36,772 | 34,166 | 33,430 | 118,069 | 76,839 |
| Other | 67,323 | 68,186 | 74,181 | 42,315 | 38,209 | 38,161 | 36,261 | 34,012 | 135,509 | 76,370 |
| | 127,030 | 126,548 | 139,180 | 84,082 | 78,276 | 74,933 | 70,427 | 67,442 | 253,578 | 153,209 |
| Income before income taxes | 172,475 | 135,035 | 68,731 | 106,296 | 80,620 | 112,810 | 102,856 | 98,158 | 307,510 | 193,430 |
| Income taxes: | | | | | | | | | | |
| Current | 26,612 | 28,651 | 22,154 | 17,142 | 22,091 | 23,516 | 29,720 | 23,102 | 55,263 | 45,607 |
| Deferred | 14,938 | 6,865 | 758 | 11,575 | (307) | 1,347 | (6,926) | 2,583 | 21,803 | 1,040 |
| | 41,550 | 35,516 | 22,912 | 28,717 | 21,784 | 24,863 | 22,794 | 25,685 | 77,066 | 46,647 |
| Net income | 130,925 | 99,519 | 45,819 | 77,579 | 58,836 | 87,947 | 80,062 | 72,473 | 230,444 | 146,783 |
| Dividends on preferred shares | 2,331 | 2,318 | 2,305 | 1,086 | 1,086 | 1,089 | 1,089 | 1,099 | 4,649 | 2,175 |
| Net income available to common shareholders | 128,594 | 97,201 | 43,514 | 76,493 | 57,750 | 86,858 | 78,973 | 71,374 | 225,795 | 144,608 |
| Common shares outstanding: | | | | | | | | | | |
| Weighted average basic | 37,684,983 | 37,608,878 | 36,354,160 | 34,162,438 | 34,132,726 | 34,085,536 | 34,048,160 | 33,974,960 | 37,647,141 | 34,109,261 |
| Weighted average diluted | 37,975,115 | 37,910,348 | 36,632,711 | 34,450,617 | 34,479,387 | 34,545,393 | 34,538,314 | 34,492,008 | 37,942,911 | 34,512,207 |
| Earnings per share: | | | | | | | | | | |
| Basic | 3.41 | 2.58 | 1.20 | 2.24 | 1.69 | 2.55 | 2.32 | 2.10 | 6.00 | 4.24 |
| Diluted | 3.39 | 2.56 | 1.19 | 2.22 | 1.67 | 2.51 | 2.29 | 2.07 | 5.95 | 4.19 |

⁽¹⁾ Prior period comparatives have been reclassified to conform to current period presentation.⁽²⁾ The grouping for certain gains reported under Net gains (losses) on other investments in Q1, was changed to Fees and other income in Q2. Prior period grouping has not been changed.

**Table 4: Net interest income and margin**

| | 2023 | | | | | | 2022 | | | | | |
|--|--------------------------------|--------------|-----------------|--------------------------------|--------------|-----------------|--------------------------------|--------------|-----------------|--------------------------------|--------------|-----------------|
| | Q2 | | | Q1 | | | Q4 | | | Q3 | | |
| | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense |
| Revenues derived from: | | | | | | | | | | | | |
| Cash and debt securities | 3,411,998 | 4.60% | 39,111 | 3,239,039 | 4.51% | 36,025 | 2,851,708 | 3.75% | 26,925 | 1,506,881 | 3.07% | 11,676 |
| Equity securities | 70,065 | 4.74% | 828 | 71,071 | 5.65% | 990 | 69,271 | 5.29% | 923 | 74,882 | 4.66% | 879 |
| Single-family mortgages - insured ⁽³⁾ | 10,992,114 | 3.34% | 91,534 | 11,149,777 | 3.35% | 92,078 | 10,283,555 | 2.78% | 71,975 | 8,092,490 | 2.63% | 53,645 |
| Single-family mortgages - uninsured ⁽³⁾ | 19,217,107 | 5.96% | 285,560 | 18,949,397 | 5.56% | 259,653 | 17,746,942 | 4.68% | 209,462 | 15,494,667 | 4.21% | 164,379 |
| Decumulation loans | 1,146,939 | 6.85% | 19,585 | 1,039,004 | 6.69% | 17,150 | 860,039 | 5.79% | 12,557 | 549,657 | 5.40% | 7,478 |
| Consumer lending | 814,707 | 11.77% | 23,899 | 816,651 | 11.04% | 22,221 | 570,938 | 9.19% | 13,225 | - | - | - |
| Total Personal loans | 32,170,867 | 5.24% | 420,578 | 31,954,829 | 4.96% | 391,102 | 29,461,474 | 4.14% | 307,219 | 24,136,814 | 3.71% | 225,502 |
| Commercial loans | 8,221,422 | 9.13% | 187,053 | 7,891,891 | 8.89% | 173,061 | 7,740,333 | 8.04% | 156,922 | 6,734,195 | 6.60% | 112,022 |
| Equipment financing | 1,246,770 | 9.45% | 29,375 | 1,229,381 | 9.31% | 28,233 | 1,142,903 | 8.89% | 25,624 | 920,795 | 9.27% | 21,516 |
| Insured multi-unit residential mortgages | 5,662,415 | 2.85% | 40,303 | 5,672,807 | 2.89% | 40,473 | 5,071,626 | 2.71% | 34,609 | 4,944,913 | 3.13% | 39,041 |
| Total Commercial loans | 15,130,607 | 6.81% | 256,731 | 14,794,079 | 6.63% | 241,767 | 13,954,862 | 6.17% | 217,155 | 12,599,903 | 5.43% | 172,579 |
| Average interest earning assets | 50,783,537 | 5.66% | 717,248 | 50,059,018 | 5.43% | 669,884 | 46,337,315 | 4.73% | 552,222 | 38,318,480 | 4.25% | 410,636 |
| Expenses related to: | | | | | | | | | | | | |
| Deposits | 31,425,561 | 4.12% | 322,503 | 31,111,263 | 3.84% | 294,403 | 28,706,869 | 3.15% | 228,256 | 23,772,964 | 2.44% | 146,202 |
| Securitization liabilities | 15,258,203 | 3.11% | 118,416 | 16,589,281 | 2.89% | 118,157 | 15,319,192 | 2.19% | 84,689 | 12,721,965 | 2.01% | 64,567 |
| Other | 1,895,837 | 5.21% | 24,630 | 1,665,067 | 5.04% | 20,694 | 1,813,408 | 4.49% | 20,502 | 1,556,113 | 3.21% | 12,603 |
| Average interest bearing liabilities | 48,579,601 | 3.84% | 465,549 | 49,365,611 | 3.56% | 433,254 | 45,839,469 | 2.89% | 333,447 | 38,051,042 | 2.33% | 223,372 |
| Adjusted net interest income and margin⁽²⁾ | | 1.99% | 251,699 | | 1.92% | 236,630 | | 1.87% | 218,775 | | 1.94% | 187,264 |
| Interest earned on the subscription receipt escrow account | - | - | - | - | - | - | 77,344 | - | 2,220 | - | - | - |
| Interest paid to subscription receipt-holders | - | - | - | - | - | - | - | - | 654 | - | - | (1,013) |
| Net fair value amortization adjustment - assets | - | - | - | (357) | - | 2,976 | (207,643) | - | 21,714 | - | - | - |
| Net fair value amortization adjustment - liabilities | - | - | - | - | - | 1,191 | - | - | (25,038) | - | - | - |
| Reported net interest income and margin | 50,783,537 | 1.99% | 251,699 | 50,058,661 | 1.95% | 240,797 | 46,207,016 | 1.85% | 218,325 | | 1.93% | 186,251 |

⁽¹⁾ Average balances are calculated based on the daily average balances outstanding during the period.

⁽²⁾ See Non-GAAP financial measures and ratios section.

⁽³⁾ The presentation has changed for single family mortgages from previous quarters from "alternative and prime" to "uninsured and insured" to better align characteristics of mortgages within each lending portfolio, including both asset yield and capital required. Prior period comparatives have been updated to conform to current period's presentation.

**Table 4: Net interest income and margin (continued)**

| | 2022 | | | | | | 2021 | | | | | |
|--|--------------------------------|--------------|-----------------|--------------------------------|--------------|-----------------|--------------------------------|--------------|-----------------|--------------------------------|--------------|-----------------|
| | Q2 | | Q1 | | Q4 | | Q3 | | | | | |
| | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense |
| Revenues derived from: | | | | | | | | | | | | |
| Cash and debt securities | 1,860,012 | 1.74% | 8,074 | 1,782,923 | 1.27% | 5,579 | 1,887,149 | 0.93% | 4,418 | 1,794,586 | 0.97% | 4,392 |
| Equity securities | 82,217 | 4.07% | 835 | 107,185 | 4.29% | 1,135 | 124,947 | 3.76% | 1,184 | 165,146 | 4.90% | 2,040 |
| Single-family mortgages - insured ⁽³⁾ | 8,331,632 | 2.08% | 43,215 | 8,586,852 | 1.91% | 40,468 | 8,833,729 | 1.93% | 42,867 | 9,031,256 | 2.04% | 46,382 |
| Single-family mortgages - uninsured ⁽³⁾ | 14,812,033 | 3.86% | 142,644 | 13,878,478 | 3.80% | 129,884 | 12,824,481 | 3.86% | 124,848 | 11,519,662 | 4.02% | 116,843 |
| Decumulation loans | 427,368 | 4.67% | 4,971 | 329,939 | 4.21% | 3,428 | 257,179 | 4.07% | 2,639 | 194,454 | 3.97% | 1,946 |
| Consumer lending | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Personal loans | 23,571,033 | 3.25% | 190,830 | 22,795,269 | 3.09% | 173,780 | 21,915,389 | 3.08% | 170,354 | 20,745,372 | 3.16% | 165,171 |
| Commercial loans | 6,240,134 | 5.35% | 83,291 | 5,753,730 | 4.88% | 69,175 | 5,402,356 | 5.03% | 68,531 | 5,111,839 | 5.09% | 65,559 |
| Equipment financing | 814,594 | 9.49% | 19,278 | 730,638 | 10.16% | 18,310 | 693,809 | 9.86% | 17,250 | 644,750 | 9.80% | 15,926 |
| Insured multi-unit residential mortgages | 4,606,319 | 2.70% | 30,971 | 4,228,059 | 2.71% | 28,261 | 4,182,663 | 2.37% | 24,981 | 4,207,371 | 2.43% | 25,718 |
| Total Commercial loans | 11,661,047 | 4.59% | 133,540 | 10,712,427 | 4.38% | 115,746 | 10,278,828 | 4.28% | 110,762 | 9,963,960 | 4.27% | 107,203 |
| Average interest earning assets | 37,174,309 | 3.60% | 333,279 | 35,397,804 | 3.39% | 296,240 | 34,206,313 | 3.33% | 286,718 | 32,669,064 | 3.39% | 278,806 |
| Expenses related to: | | | | | | | | | | | | |
| Deposits | 22,739,126 | 1.87% | 106,221 | 21,255,610 | 1.57% | 82,162 | 20,317,254 | 1.54% | 78,695 | 18,969,500 | 1.56% | 74,787 |
| Securitization liabilities | 12,344,432 | 1.75% | 53,741 | 11,915,319 | 1.68% | 49,290 | 12,100,428 | 1.68% | 51,096 | 11,745,589 | 1.77% | 52,269 |
| Other | 1,482,795 | 1.55% | 5,713 | 1,417,133 | 0.71% | 1,702 | 953,285 | 0.41% | 975 | 709,098 | 0.50% | 898 |
| Average interest bearing liabilities | 36,566,353 | 1.82% | 165,675 | 34,588,062 | 1.56% | 133,154 | 33,370,967 | 1.55% | 130,766 | 31,424,187 | 1.62% | 127,954 |
| Adjusted net interest income and margin⁽²⁾ | | 1.81% | 167,604 | | 1.87% | 163,086 | | 1.81% | 155,952 | | 1.83% | 150,852 |
| Interest earned on the subscription receipt escrow account | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest paid to subscription receipt-holders | - | - | (947) | - | - | (914) | - | - | - | - | - | - |
| Net fair value amortization adjustment - assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Net fair value amortization adjustment - liabilities | - | - | - | - | - | - | - | - | - | - | - | - |
| Reported net interest income and margin | | 1.80% | 166,657 | | 1.86% | 162,172 | | 1.81% | 155,952 | | 1.83% | 150,852 |

⁽¹⁾ Average balances are calculated based on the daily average balances outstanding during the period.

⁽²⁾ See Non-GAAP financial measures and ratios section.

⁽³⁾ The presentation has changed for single family mortgages from previous quarters from "alternative and prime" to "uninsured and insured" to better align characteristics of mortgages within each lending portfolio, including both asset yield and capital required. Prior period comparatives have been updated to conform to current period's presentation.

**Table 4: Net interest income and margin (continued)**

| (\$000s, except percentages) | YTD | | | | | |
|--|--------------------------------|--------------|------------------|--------------------------------|--------------|-----------------|
| | 2023 | | | 2022 | | |
| | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense | Average Balance ⁽¹⁾ | Average rate | Revenue/Expense |
| Revenues derived from: | | | | | | |
| Cash and debt securities | 3,325,519 | 4.56% | 75,136 | 1,821,468 | 1.51% | 13,653 |
| Equity securities | 70,568 | 5.20% | 1,818 | 94,701 | 4.20% | 1,970 |
| Single-family mortgages - insured ⁽³⁾ | 11,070,945 | 3.34% | 183,612 | 8,459,242 | 1.99% | 83,683 |
| Single-family mortgages - uninsured ⁽³⁾ | 19,083,252 | 5.76% | 545,213 | 14,345,256 | 3.83% | 272,528 |
| Decumulation loans | 1,092,971 | 6.78% | 36,735 | 378,654 | 4.47% | 8,399 |
| Consumer lending | 815,679 | 11.40% | 46,120 | - | - | - |
| Total Personal loans | 32,062,848 | 5.11% | 811,680 | 23,183,151 | 3.17% | 364,610 |
| Commercial loans | 8,056,656 | 9.01% | 360,114 | 5,996,932 | 5.13% | 152,466 |
| Equipment financing | 1,238,075 | 9.38% | 57,608 | 772,616 | 9.81% | 37,588 |
| Insured multi-unit residential mortgages | 5,667,611 | 2.87% | 80,776 | 4,417,189 | 2.70% | 59,232 |
| Total Commercial loans | 14,962,343 | 6.72% | 498,498 | 11,186,737 | 4.49% | 249,286 |
| Average interest earning assets | 50,421,278 | 5.55% | 1,387,132 | 36,286,057 | 3.50% | 629,519 |
| Expenses related to: | | | | | | |
| Deposits | 31,268,412 | 3.98% | 616,906 | 21,997,368 | 1.73% | 188,383 |
| Securitization liabilities | 15,923,742 | 3.00% | 236,573 | 12,129,876 | 1.71% | 103,031 |
| Other | 1,780,452 | 5.13% | 45,324 | 1,449,964 | 1.03% | 7,415 |
| Average interest bearing liabilities | 48,972,606 | 3.70% | 898,803 | 35,577,208 | 1.56% | 298,829 |
| Adjusted net interest income and margin⁽²⁾ | | 1.95% | 488,329 | | 1.84% | 330,690 |
| Interest earned on the subscription receipt escrow account | - | - | - | - | - | - |
| Interest paid to subscription receipt-holders | - | - | - | - | - | (1,861) |
| Net fair value amortization adjustment - assets | (357) | - | 2,976 | - | - | - |
| Net fair value amortization adjustment - liabilities | - | - | 1,191 | - | - | - |
| Reported net interest income and margin | 50,420,921 | 1.97% | 492,496 | | 1.83% | 328,829 |

⁽¹⁾ Average balances are calculated based on the daily average balances outstanding during the period.

⁽²⁾ See Non-GAAP financial measures and ratios section.

⁽³⁾ The presentation has changed for single family mortgages from previous quarters from "alternative and prime" to "uninsured and insured" to better align characteristics of mortgages within each lending portfolio, including both asset yield and capital required. Prior period comparatives have been updated to conform to current period's presentation.



Table 5: Non-interest expenses and efficiency ratio

| (\$000s, except percentages and FTE) | 2023 | | 2022 | | | | 2021 | | YTD | |
|--|----------------|---------|----------|---------|---------|---------|--------|--------|-----------------|---------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2023 | 2022 |
| Compensation and benefits | 59,707 | 58,362 | 64,999 | 41,767 | 40,067 | 36,772 | 34,166 | 33,430 | 118,069 | 76,839 |
| Technology and system costs | 17,937 | 18,174 | 23,969 | 11,572 | 11,250 | 11,950 | 11,557 | 11,544 | 36,111 | 23,200 |
| Regulatory, legal and professional fees | 12,419 | 12,863 | 11,303 | 11,570 | 8,492 | 10,085 | 6,383 | 5,646 | 25,282 | 18,577 |
| Product costs | 18,866 | 17,957 | 14,943 | 8,618 | 8,090 | 7,211 | 7,212 | 7,032 | 36,823 | 15,301 |
| Marketing and corporate expenses | 15,455 | 14,671 | 20,146 | 6,902 | 6,564 | 5,065 | 7,178 | 5,792 | 30,126 | 11,629 |
| Premises | 2,646 | 4,521 | 3,820 | 3,653 | 3,813 | 3,850 | 3,931 | 3,998 | 7,167 | 7,663 |
| Total non-interest expenses - reported | 127,030 | 126,548 | 139,180 | 84,082 | 78,276 | 74,933 | 70,427 | 67,442 | 253,578 | 153,209 |
| Less: integration related costs and other expenses | (5,120) | (6,286) | (36,921) | (5,179) | (2,709) | (5,133) | (725) | - | (11,406) | (7,842) |
| Total non-interest expenses - adjusted | 121,910 | 120,262 | 102,259 | 78,903 | 75,567 | 69,800 | 69,702 | 67,442 | 242,172 | 145,367 |
| Efficiency ratio - reported | 40.6% | 47.2% | 59.3% | 43.0% | 47.7% | 39.9% | 41.0% | 41.6% | 43.7% | 43.6% |
| Efficiency ratio - adjusted ⁽¹⁾ | 42.8% | 45.4% | 43.5% | 40.1% | 45.8% | 37.0% | 40.6% | 41.6% | 44.1% | 41.1% |
| Full-time equivalent (FTE) - period average | 1,740 | 1,685 | 1,635 | 1,373 | 1,295 | 1,191 | 1,121 | 1,068 | 1,716 | 1,247 |

⁽¹⁾ See Non-GAAP financial measures and ratios section.

**Table 6: Average balance sheet information⁽¹⁾**

| (\$000s) | 2023 | | 2022 | | | | 2021 | |
|--|-------------------|------------|------------|------------|------------|------------|------------|------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Assets | | | | | | | | |
| Cash and cash equivalents | 809,759 | 496,180 | 525,718 | 398,120 | 765,963 | 821,431 | 910,976 | 644,388 |
| Restricted cash | 767,334 | 677,468 | 668,525 | 569,508 | 552,648 | 443,528 | 488,461 | 507,107 |
| Securities purchased under reverse repurchase agreements | 485,385 | 233,260 | 337,720 | 385,020 | 167,503 | 205,863 | 287,509 | 200,006 |
| Investments | 2,331,173 | 2,342,268 | 1,613,407 | 1,109,114 | 1,171,394 | 1,120,923 | 960,840 | 869,592 |
| Loans – Personal | 32,289,530 | 32,080,702 | 28,158,496 | 24,249,633 | 23,689,488 | 22,878,985 | 21,952,479 | 20,823,336 |
| Loans – Commercial | 14,870,987 | 14,620,041 | 13,576,278 | 12,437,054 | 11,541,125 | 10,657,146 | 10,242,454 | 9,934,588 |
| Securitization retained interests | 434,763 | 385,140 | 320,166 | 245,940 | 220,052 | 213,216 | 204,563 | 203,194 |
| Deferred tax assets | 14,808 | 3,756 | - | - | - | - | - | - |
| Other assets | 609,506 | 531,674 | 481,731 | 345,427 | 338,301 | 264,049 | 230,991 | 191,988 |
| | 52,613,245 | 51,370,489 | 45,682,041 | 39,739,816 | 38,446,474 | 36,605,141 | 35,278,273 | 33,374,199 |
| Liabilities and Shareholders' Equity | | | | | | | | |
| Liabilities: | | | | | | | | |
| Deposits | 31,943,248 | 31,415,708 | 27,716,569 | 23,961,807 | 22,946,697 | 21,519,411 | 20,477,756 | 19,184,441 |
| Securitization liabilities | 15,387,868 | 15,165,554 | 13,267,215 | 11,435,783 | 11,318,630 | 11,209,242 | 11,397,001 | 11,342,854 |
| Obligations under repurchase agreements | 899,719 | 865,860 | 716,273 | 786,466 | 872,770 | 1,199,223 | 887,745 | 592,360 |
| Deferred tax liabilities | 95,932 | 76,841 | 99,231 | 67,436 | 64,533 | 63,782 | 67,901 | 68,627 |
| Funding facilities | 1,064,116 | 740,180 | 868,288 | 688,431 | 493,330 | 201,965 | 233,158 | 129,069 |
| Subscription receipts | - | - | 116,123 | 231,361 | 230,574 | 57,597 | - | - |
| Other liabilities | 556,128 | 531,123 | 541,783 | 439,244 | 451,607 | 357,848 | 300,404 | 221,637 |
| | 49,947,011 | 48,795,266 | 43,325,482 | 37,610,528 | 36,378,141 | 34,609,068 | 33,363,965 | 31,538,988 |
| Shareholders' equity: | | | | | | | | |
| Preferred shares | 181,411 | 181,411 | 125,918 | 70,424 | 70,508 | 70,607 | 70,821 | 71,499 |
| Common shares | 464,644 | 463,322 | 348,726 | 234,910 | 233,243 | 230,973 | 229,395 | 226,488 |
| Contributed surplus | 12,366 | 11,746 | 11,247 | 10,510 | 9,743 | 9,001 | 8,536 | 8,405 |
| Retained earnings | 2,006,350 | 1,911,935 | 1,864,715 | 1,810,052 | 1,753,392 | 1,691,548 | 1,614,035 | 1,546,012 |
| Accumulated other comprehensive income (loss) | 1,463 | 6,809 | 5,953 | 3,392 | 1,447 | (6,056) | (8,479) | (17,193) |
| | 2,666,234 | 2,575,223 | 2,356,559 | 2,129,288 | 2,068,333 | 1,996,073 | 1,914,308 | 1,835,211 |
| | 52,613,245 | 51,370,489 | 45,682,041 | 39,739,816 | 38,446,474 | 36,605,141 | 35,278,273 | 33,374,199 |

⁽¹⁾ Average balance is calculated based on opening and closing month-end balances outstanding during the period.

**Table 7: Loans under management – by lending business⁽¹⁾**

| (\$000s) | 2023 | | | 2022 | | | 2021 | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Insured | | | | | | | | |
| Personal | 10,863,782 | 11,109,325 | 11,249,787 | 7,942,977 | 8,113,893 | 8,369,594 | 8,591,090 | 8,813,753 |
| Commercial | 6,933,999 | 6,265,073 | 6,356,334 | 5,077,883 | 5,254,149 | 4,561,886 | 4,416,171 | 4,383,393 |
| Total loan principal outstanding | 17,797,781 | 17,374,398 | 17,606,121 | 13,020,860 | 13,368,042 | 12,931,480 | 13,007,261 | 13,197,146 |
| Total loan principal outstanding percentage | 38% | 37% | 38% | 36% | 37% | 38% | 40% | 42% |
| Uninsured | | | | | | | | |
| Personal | 21,433,274 | 21,077,823 | 20,792,906 | 16,274,744 | 15,891,513 | 14,835,047 | 13,711,450 | 12,476,189 |
| Commercial | 8,188,509 | 8,157,463 | 8,185,062 | 7,376,146 | 6,883,048 | 6,354,456 | 6,083,529 | 5,700,411 |
| Total loan principal outstanding | 29,621,783 | 29,235,286 | 28,977,968 | 23,650,890 | 22,774,561 | 21,189,503 | 19,794,979 | 18,176,600 |
| Total loan principal outstanding percentage | 62% | 63% | 62% | 64% | 63% | 62% | 60% | 58% |
| Total loan principal outstanding – on Balance Sheet | 47,419,564 | 46,609,684 | 46,584,089 | 36,671,750 | 36,142,603 | 34,120,983 | 32,802,240 | 31,373,746 |
| Derecognized | | | | | | | | |
| Commercial | 12,591,570 | 11,542,502 | 10,424,114 | 7,181,301 | 6,349,413 | 6,272,342 | 5,860,830 | 5,746,788 |
| Total loan principal outstanding – off Balance Sheet | 12,591,570 | 11,542,502 | 10,424,114 | 7,181,301 | 6,349,413 | 6,272,342 | 5,860,830 | 5,746,788 |
| Total Loans under management | 60,011,134 | 58,152,186 | 57,008,203 | 43,853,051 | 42,492,016 | 40,393,325 | 38,663,070 | 37,120,534 |
| Personal | | | | | | | | |
| Single family mortgages – insured ⁽³⁾ | 10,863,782 | 11,109,325 | 11,249,787 | 7,942,977 | 8,113,893 | 8,369,594 | 8,591,090 | 8,813,753 |
| Single family mortgages – uninsured ⁽³⁾ | 19,414,981 | 19,204,814 | 18,949,300 | 15,681,114 | 15,396,888 | 14,471,566 | 13,414,945 | 12,259,720 |
| Decumulation loans | 1,139,800 | 1,029,087 | 951,950 | 593,630 | 494,625 | 363,481 | 296,505 | 216,469 |
| Consumer lending ⁽²⁾ | 878,493 | 843,922 | 891,656 | - | - | - | - | - |
| Total | 32,297,056 | 32,187,148 | 32,042,693 | 24,217,721 | 24,005,406 | 23,204,641 | 22,302,540 | 21,289,942 |
| Commercial | | | | | | | | |
| Mortgages – to Corporates | 2,895,401 | 2,845,597 | 2,971,525 | 2,814,127 | 2,611,121 | 2,446,158 | 2,326,676 | 2,285,164 |
| Mortgages – to Small Business | 1,351,892 | 1,333,971 | 1,327,917 | 1,318,727 | 1,228,665 | 1,154,573 | 1,086,826 | 1,043,089 |
| Specialized financing loans | 1,026,748 | 1,097,176 | 1,069,963 | 750,322 | 738,675 | 714,856 | 645,588 | 506,268 |
| Construction loans | 3,047,115 | 2,738,680 | 2,570,361 | 2,159,031 | 1,904,891 | 1,665,236 | 1,616,160 | 1,451,823 |
| Equipment financing | 1,320,927 | 1,264,212 | 1,262,584 | 965,155 | 902,054 | 772,868 | 732,682 | 680,642 |
| Insured multi-unit residential mortgages | 18,071,995 | 16,685,402 | 15,763,160 | 11,627,968 | 11,101,204 | 10,434,993 | 9,952,598 | 9,863,606 |
| Total | 27,714,078 | 25,965,038 | 24,965,510 | 19,635,330 | 18,486,610 | 17,188,684 | 16,360,530 | 15,830,592 |
| Total Loans under management | 60,011,134 | 58,152,186 | 57,008,203 | 43,853,051 | 42,492,016 | 40,393,325 | 38,663,070 | 37,120,534 |

⁽¹⁾ The numbers in this table are reported on consolidated basis, including Concentra, prior to acquisition-related fair value adjustments that are captured in balance sheet measures.

⁽²⁾ A sub-portfolio of consumer lending carries a limited financial guarantee backed by a cash reserve account held on deposit with EQB's subsidiary, Concentra Bank, reducing the credit risk exposure. As at June 30, 2023, approximately 94.8% of the consumer term loans portfolio is covered by the limited financial guarantee.

⁽³⁾ The presentation has changed for single family mortgages from previous quarters from “alternative and prime” to “uninsured and insured” to better align characteristics of mortgages within each lending portfolio, including both asset yield and capital required. Prior period comparatives have been updated to conform to current period’s presentation.

**Table 8: Deposit principal⁽¹⁾**

| (\$000s) | 2023 | | 2022 | | | | 2021 | |
|---------------------------------------|-------------------|------------|------------|------------|------------|------------|------------|------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Term deposits: | | | | | | | | |
| Brokered | 15,718,746 | 15,405,626 | 15,653,371 | 12,511,263 | 11,869,556 | 11,066,252 | 10,370,958 | 9,941,469 |
| EQ Bank | 4,272,539 | 4,161,586 | 3,729,785 | 3,055,028 | 2,306,170 | 2,486,567 | 1,525,299 | 880,053 |
| Credit unions | 2,159,688 | 2,323,444 | 2,016,627 | - | - | - | - | - |
| Deposit notes | 1,943,910 | 1,967,938 | 1,961,029 | 1,715,494 | 1,922,576 | 1,935,380 | 1,451,940 | 1,052,951 |
| Covered bonds | 1,665,211 | 1,259,708 | 1,242,608 | 827,784 | 856,340 | 473,486 | 502,058 | 518,196 |
| Corporate and institution | 101,955 | 139,502 | 260,320 | - | - | - | - | - |
| Total | 25,862,049 | 25,257,804 | 24,863,740 | 18,109,569 | 16,954,642 | 15,961,685 | 13,850,255 | 12,392,669 |
| Share of term deposits of total (%) | 81% | 81% | 81% | 76% | 72% | 72% | 67% | 63% |
| Demand deposits: | | | | | | | | |
| Brokered | 614,775 | 725,201 | 707,327 | 850,770 | 918,097 | 954,830 | 1,004,691 | 902,515 |
| EQ Bank | 3,931,305 | 3,935,798 | 4,193,476 | 4,506,817 | 5,281,371 | 4,774,100 | 5,442,811 | 6,033,917 |
| Credit unions | 443,303 | 639,025 | 369,851 | - | - | - | - | - |
| Strategic partnerships | 735,868 | 551,937 | 505,836 | 357,315 | 379,096 | 389,713 | 396,866 | 429,024 |
| Corporate and institution | 195,361 | 167,961 | 190,587 | - | - | - | - | - |
| Total | 5,920,612 | 6,019,922 | 5,967,077 | 5,714,902 | 6,578,564 | 6,118,643 | 6,844,368 | 7,365,456 |
| Share of demand deposits of total (%) | 19% | 19% | 19% | 24% | 28% | 28% | 33% | 37% |
| Total deposit principal | 31,782,661 | 31,277,726 | 30,830,817 | 23,824,471 | 23,533,206 | 22,080,328 | 20,694,623 | 19,758,125 |
| EQ Bank deposit principal | 8,203,844 | 8,097,384 | 7,923,261 | 7,561,845 | 7,587,541 | 7,260,667 | 6,968,110 | 6,913,970 |

⁽¹⁾ The numbers in this table are reported on consolidated basis, including Concentra, prior to acquisition-related fair value adjustments that are captured in balance sheet measures.

**Table 9: Impaired loans – by lending business**

| (\$000s, except percentages) | 2023 | | | 2022 | | | 2021 | |
|---|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Gross impaired loan assets | | | | | | | | |
| Personal excluding consumer lending | 82,491 | 60,350 | 51,235 | 22,965 | 17,016 | 17,960 | 21,352 | 25,803 |
| Consumer lending | 974 | 1,044 | 916 | - | - | - | - | - |
| Commercial excluding equipment financing | 125,911 | 77,987 | 64,472 | 45,627 | 29,785 | 38,602 | 49,121 | 25,900 |
| Equipment financing | 23,921 | 17,482 | 21,890 | 19,283 | 20,927 | 20,650 | 20,495 | 22,908 |
| Total | 233,297 | 156,863 | 138,513 | 87,875 | 67,728 | 77,212 | 90,968 | 74,611 |
| Net impaired loan assets | | | | | | | | |
| Personal excluding consumer lending | 78,771 | 57,561 | 48,993 | 22,323 | 16,482 | 17,560 | 20,720 | 25,129 |
| Consumer lending | 155 | 187 | 161 | - | - | - | - | - |
| Commercial excluding equipment financing | 122,859 | 74,974 | 62,170 | 43,514 | 28,434 | 37,030 | 47,835 | 24,934 |
| Equipment financing | 20,193 | 15,306 | 20,338 | 18,505 | 19,857 | 19,904 | 19,825 | 21,899 |
| Total | 221,978 | 148,028 | 131,662 | 84,342 | 64,773 | 74,494 | 88,380 | 71,962 |
| Net impaired loan assets as a % of portfolio loan assets | | | | | | | | |
| Personal excluding consumer lending | 0.25% | 0.18% | 0.16% | 0.09% | 0.07% | 0.08% | 0.09% | 0.12% |
| Consumer lending | 0.02% | 0.02% | 0.02% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Commercial excluding equipment financing | 0.89% | 0.57% | 0.47% | 0.38% | 0.25% | 0.36% | 0.49% | 0.26% |
| Equipment financing | 1.56% | 1.22% | 1.62% | 1.92% | 2.20% | 2.58% | 2.71% | 3.22% |
| Total | 0.47% | 0.32% | 0.28% | 0.23% | 0.18% | 0.22% | 0.27% | 0.23% |

**Table 10: Provision for credit losses (PCL) – by lending business**

| (\$000s, except percentages) | 2023 | | 2022 | | | | 2021 | |
|--|---------------|--------------|---------------|----------------|--------------|-----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Stage 1 | | | | | | | | |
| Personal excluding consumer lending | 1,768 | (337) | 6,811 | 534 | 336 | (1,666) | (2,461) | (1,782) |
| Consumer lending | 53 | 244 | 3,969 | - | - | - | - | - |
| Commercial excluding equipment financing | 1,846 | 1,571 | (677) | (2,342) | (144) | 1,165 | (2,085) | (2,188) |
| Equipment financing | 537 | 909 | 1,602 | 594 | 1,157 | 662 | 1,282 | 492 |
| Total | 4,204 | 2,387 | 11,705 | (1,214) | 1,349 | 161 | (3,264) | (3,478) |
| Stage 2 | | | | | | | | |
| Personal excluding consumer lending | 593 | 3,099 | 2,211 | 1,256 | 966 | 370 | 1,658 | (348) |
| Consumer lending | 288 | 650 | 1,755 | - | - | - | - | - |
| Commercial excluding equipment financing | (329) | (2,409) | 7,712 | 1,714 | 763 | (1,173) | (159) | 683 |
| Equipment financing | 1,127 | (982) | 1,142 | 1,217 | 469 | (581) | (1,367) | (1,609) |
| Total | 1,679 | 358 | 12,820 | 4,187 | 2,198 | (1,384) | 132 | (1,274) |
| Stage 3 | | | | | | | | |
| Personal excluding consumer lending | 1,086 | 908 | 878 | 112 | 116 | (198) | 99 | (291) |
| Consumer lending | 128 | (89) | (304) | - | - | - | - | - |
| Commercial excluding equipment financing | 39 | (1,615) | (1,063) | 760 | 343 | 281 | 261 | 400 |
| Equipment financing | 5,906 | 4,299 | 2,760 | 1,509 | 1,227 | 1,015 | 1,352 | 1,143 |
| Total | 7,159 | 3,503 | 2,271 | 2,381 | 1,686 | 1,098 | 1,712 | 1,252 |
| Total PCL | | | | | | | | |
| Personal excluding consumer lending | 3,447 | 3,670 | 9,900 | 1,902 | 1,418 | (1,494) | (704) | (2,421) |
| Consumer lending | 469 | 805 | 5,420 | - | - | - | - | - |
| Commercial excluding equipment financing | 1,556 | (2,453) | 5,972 | 132 | 962 | 273 | (1,983) | (1,105) |
| Equipment financing | 7,570 | 4,226 | 5,504 | 3,320 | 2,853 | 1,096 | 1,267 | 26 |
| Total | 13,042 | 6,248 | 26,796 | 5,354 | 5,233 | (125) | (1,420) | (3,500) |
| PCL – rate | | | | | | | | |
| Personal excluding consumer lending | 0.05% | 0.09% | 0.23% | 0.03% | 0.02% | (0.03%) | (0.01%) | (0.05%) |
| Consumer lending | 0.22% | 0.37% | 7.29% | -% | -% | -% | -% | -% |
| Commercial excluding equipment financing | 0.05% | (0.07%) | 0.28% | 0.01% | 0.04% | 0.01% | (0.08%) | (0.03%) |
| Equipment financing | 2.34% | 1.34% | 2.10% | 1.42% | 1.36% | 0.58% | 0.72% | 0.02% |
| Total | 0.11% | 0.05% | 0.35% | 0.06% | 0.06% | (0.001%) | (0.02%) | (0.05%) |

**Table 11: Allowance for credit losses continuity⁽¹⁾**

| (\$000s, except percentages) | 2023 | | | 2022 | | | 2021 | | YTD | |
|--|----------|---------|---------|---------|---------|---------|---------|---------|----------|---------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | 2023 | 2022 |
| Stage 1 & 2 allowances | | | | | | | | | | |
| Balance, beginning of period | 92,607 | 89,931 | 51,658 | 48,685 | 45,138 | 46,361 | 49,493 | 54,245 | 89,931 | 46,361 |
| Provision for credit losses: | | | | | | | | | | |
| Transfer from Stage 3 | 5,745 | (5,007) | 214 | 457 | 189 | 696 | 544 | 583 | 738 | 885 |
| Transfer to Stage 3 | (11,420) | 264 | (268) | (289) | (213) | (288) | (159) | (170) | (11,156) | (501) |
| Re-measurement ⁽²⁾ | 9,757 | 6,983 | 4,445 | 416 | 727 | (3,300) | (5,203) | (6,793) | 16,740 | (2,573) |
| Originations | 6,780 | 4,191 | 3,469 | 4,273 | 5,146 | 3,760 | 2,084 | 2,032 | 10,971 | 8,906 |
| Discharges | (4,508) | (3,755) | (2,129) | (1,884) | (2,302) | (2,091) | (398) | (404) | (8,263) | (4,393) |
| Loans acquired from business combination | - | - | 32,542 | - | - | - | - | - | - | - |
| Balance, end of period | 98,961 | 92,607 | 89,931 | 51,658 | 48,685 | 45,138 | 46,361 | 49,493 | 98,961 | 48,685 |
| Stage 3 allowance | | | | | | | | | | |
| Balance, beginning of period | 8,835 | 6,851 | 3,533 | 2,955 | 2,718 | 2,588 | 2,649 | 2,549 | 6,851 | 2,588 |
| Provision for credit losses: | | | | | | | | | | |
| Transfer to Stage 1 | (80) | (11) | (68) | (222) | (101) | (617) | (452) | (493) | (91) | (718) |
| Transfer to Stage 2 | (394) | (253) | (146) | (235) | (88) | (79) | (92) | (90) | (647) | (167) |
| Transfer from Stage 1 | 932 | 571 | 21 | 74 | 19 | 13 | 13 | 8 | 1,503 | 32 |
| Transfer from Stage 2 | 5,217 | 4,436 | 247 | 215 | 194 | 275 | 146 | 162 | 9,653 | 469 |
| Re-measurement ⁽²⁾ | 1,447 | (814) | 2,366 | 2,549 | 1,662 | 1,506 | 2,097 | 1,665 | 633 | 3,168 |
| Loans acquired from business combination | - | - | 4,117 | - | - | - | - | - | - | - |
| Write-offs | (4,298) | (3,519) | (3,217) | (1,803) | (902) | (939) | (1,691) | (1,132) | (7,817) | (1,841) |
| Realized losses | (692) | (1,036) | (20) | (19) | (573) | (69) | (191) | (30) | (1,728) | (642) |
| Recoveries | 352 | 2,610 | 18 | 19 | 26 | 40 | 109 | 10 | 2,962 | 66 |
| Balance, end of period | 11,319 | 8,835 | 6,851 | 3,533 | 2,955 | 2,718 | 2,588 | 2,649 | 11,319 | 2,955 |
| Total allowance | | | | | | | | | | |
| Balance, beginning of period | 101,442 | 96,782 | 55,191 | 51,640 | 47,856 | 48,949 | 52,142 | 56,794 | 96,782 | 48,949 |
| Provision for credit losses: | | | | | | | | | | |
| Re-measurement ⁽²⁾ | 11,204 | 6,169 | 6,811 | 2,965 | 2,389 | (1,794) | (3,106) | (5,128) | 17,373 | 595 |
| Originations | 6,780 | 4,191 | 3,469 | 4,273 | 5,146 | 3,760 | 2,084 | 2,032 | 10,971 | 8,906 |
| Discharges | (4,508) | (3,755) | (2,129) | (1,884) | (2,302) | (2,091) | (398) | (404) | (8,263) | (4,393) |
| Loans acquired from business combination | - | - | 36,659 | - | - | - | - | - | - | - |
| Write-offs | (4,298) | (3,519) | (3,217) | (1,803) | (902) | (939) | (1,691) | (1,132) | (7,817) | (1,841) |
| Realized losses | (692) | (1,036) | (20) | (19) | (573) | (69) | (191) | (30) | (1,728) | (642) |
| Recoveries | 352 | 2,610 | 18 | 19 | 26 | 40 | 109 | 10 | 2,962 | 66 |
| Balance, end of period | 110,280 | 101,442 | 96,782 | 55,191 | 51,640 | 47,856 | 48,949 | 52,142 | 110,280 | 51,640 |

⁽¹⁾ The allowance for credit losses as at June 30, 2023 includes allowance on loan commitments amounting to \$1.6 million.⁽²⁾ Includes movement as a result of significant changes in credit risk, changes in credit risk that did not result in a transfer between stages and changes in model inputs and assumptions.

**Table 12: Allowance for credit losses – by lending business**

| (\$000s, except percentages) | 2023 | | 2022 | | | | 2021 | |
|--|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Stage 1 | | | | | | | | |
| Personal excluding consumer lending | 13,948 | 12,180 | 12,517 | 5,705 | 5,171 | 4,835 | 6,501 | 8,962 |
| Consumer lending | 16,190 | 15,917 | 15,786 | - | - | - | - | - |
| Commercial excluding equipment financing | 18,458 | 16,583 | 14,999 | 15,716 | 18,058 | 18,202 | 17,037 | 19,122 |
| Equipment financing | 9,835 | 9,328 | 8,431 | 6,788 | 6,194 | 5,037 | 4,375 | 3,093 |
| Total | 58,431 | 54,008 | 51,733 | 28,209 | 29,423 | 28,074 | 27,913 | 31,177 |
| Stage 2 | | | | | | | | |
| Personal excluding consumer lending | 13,439 | 12,846 | 9,749 | 7,537 | 6,281 | 5,315 | 4,945 | 3,287 |
| Consumer lending | 4,917 | 4,377 | 3,683 | - | - | - | - | - |
| Commercial excluding equipment financing | 8,795 | 9,085 | 11,448 | 3,821 | 2,107 | 1,344 | 2,517 | 2,676 |
| Equipment financing | 13,379 | 12,291 | 13,318 | 12,091 | 10,874 | 10,405 | 10,986 | 12,353 |
| Total | 40,530 | 38,599 | 38,198 | 23,449 | 19,262 | 17,064 | 18,448 | 18,316 |
| Stage 3 | | | | | | | | |
| Personal excluding consumer lending | 3,719 | 2,789 | 2,242 | 642 | 534 | 400 | 632 | 674 |
| Consumer lending | 820 | 857 | 755 | - | - | - | - | - |
| Commercial excluding equipment financing | 3,052 | 3,013 | 2,302 | 2,113 | 1,351 | 1,572 | 1,286 | 966 |
| Equipment financing | 3,728 | 2,176 | 1,552 | 778 | 1,070 | 746 | 670 | 1,009 |
| Total | 11,319 | 8,835 | 6,851 | 3,533 | 2,955 | 2,718 | 2,588 | 2,649 |
| Total allowance for credit losses | | | | | | | | |
| Personal excluding consumer lending | 31,106 | 27,815 | 24,508 | 13,884 | 11,986 | 10,550 | 12,078 | 12,923 |
| Consumer lending | 21,927 | 21,151 | 20,224 | - | - | - | - | - |
| Consumer lending - cash reserve | (14,895) | (14,446) | (14,089) | - | - | - | - | - |
| Commercial excluding equipment financing | 30,305 | 28,681 | 28,749 | 21,650 | 21,516 | 21,118 | 20,840 | 22,764 |
| Equipment financing | 26,942 | 23,795 | 23,301 | 19,657 | 18,138 | 16,188 | 16,031 | 16,455 |
| Total - net of cash reserves⁽¹⁾ | 95,385 | 86,996 | 82,693 | 55,191 | 51,640 | 47,856 | 48,949 | 52,142 |
| Total gross allowance | 110,280 | 101,442 | 96,782 | 55,191 | 51,640 | 47,856 | 48,949 | 52,142 |
| Allowance for credit losses as a % of portfolio loan assets | | | | | | | | |
| Personal excluding consumer lending | 0.10% | 0.09% | 0.08% | 0.06% | 0.05% | 0.05% | 0.05% | 0.06% |
| Consumer lending - net of cash reserve | 0.82% | 0.81% | 0.70% | - | - | - | - | - |
| Commercial excluding equipment financing | 0.22% | 0.22% | 0.22% | 0.19% | 0.19% | 0.21% | 0.21% | 0.24% |
| Equipment financing | 2.05% | 1.89% | 1.86% | 2.04% | 2.01% | 2.09% | 2.19% | 2.42% |
| Total allowance - net of cash reserves | 0.20% | 0.19% | 0.18% | 0.15% | 0.14% | 0.14% | 0.15% | 0.17% |

⁽¹⁾ As at June 30, 2023, the consumer lending portfolio is backed by a cash reserve of \$14.9 million held for a limited financial guarantee provided by a third party. Allowance amounts are shown net of these cash reserves.

**Table 13: Loan principal outstanding – by province⁽¹⁾⁽²⁾**

| | (\$000s except percentages) | | | | | | | | | | | | | | | |
|-----------------------------|-----------------------------|-------------|------------|------|------------|------|------------|------|------------|------|------------|------|------------|------|------------|------|
| | 2023 | | | | | | 2022 | | | | | | 2021 | | | |
| | Q2 | | Q1 | | Q4 | | Q3 | | Q2 | | Q1 | | Q4 | | Q3 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Personal | | | | | | | | | | | | | | | | |
| Alberta | 4,820,830 | 10% | 4,860,561 | 10% | 4,879,324 | 10% | 3,448,027 | 9% | 3,427,735 | 9% | 3,375,888 | 10% | 3,299,064 | 10% | 3,220,772 | 10% |
| British Columbia | 4,288,566 | 9% | 4,209,342 | 9% | 4,127,188 | 9% | 3,027,547 | 8% | 2,980,893 | 8% | 2,854,658 | 8% | 2,645,671 | 8% | 2,480,972 | 8% |
| Manitoba | 418,134 | 1% | 422,931 | 1% | 123,632 | 0% | - | 0% | - | 0% | - | 0% | - | 0% | - | 0% |
| Ontario | 19,306,145 | 41% | 19,240,616 | 41% | 19,160,049 | 41% | 14,873,588 | 41% | 14,748,869 | 41% | 14,227,522 | 42% | 13,676,683 | 42% | 12,972,888 | 41% |
| Quebec | 2,138,356 | 5% | 2,112,579 | 5% | 2,096,974 | 5% | 1,752,315 | 5% | 1,717,446 | 5% | 1,609,800 | 5% | 1,533,727 | 5% | 1,459,289 | 5% |
| Saskatchewan | 527,830 | 1% | 535,543 | 1% | 543,036 | 1% | 309,867 | 1% | 312,250 | 1% | 319,708 | 1% | 323,677 | 1% | 329,373 | 1% |
| Other Provinces | 797,195 | 2% | 805,577 | 2% | 1,112,490 | 2% | 806,377 | 2% | 818,213 | 2% | 817,065 | 2% | 823,718 | 3% | 826,648 | 3% |
| | 32,297,056 | 68% | 32,187,148 | 69% | 32,042,693 | 69% | 24,217,721 | 66% | 24,005,406 | 66% | 23,204,641 | 68% | 22,302,540 | 68% | 21,289,942 | 68% |
| Commercial | | | | | | | | | | | | | | | | |
| Alberta | 1,855,746 | 4% | 1,664,292 | 4% | 1,696,509 | 4% | 1,349,136 | 4% | 1,362,212 | 4% | 1,178,072 | 3% | 1,112,541 | 3% | 1,168,696 | 4% |
| British Columbia | 1,533,366 | 3% | 1,585,945 | 3% | 1,531,211 | 3% | 1,366,464 | 4% | 1,328,549 | 4% | 1,139,090 | 3% | 1,187,823 | 4% | 1,155,423 | 4% |
| Manitoba | 408,447 | 1% | 310,056 | 1% | 30,353 | 0% | - | 0% | - | 0% | - | 0% | - | 0% | - | 0% |
| Ontario | 7,847,310 | 17% | 7,542,308 | 16% | 7,601,354 | 16% | 6,584,470 | 18% | 6,349,838 | 18% | 5,871,062 | 17% | 5,494,279 | 17% | 5,187,314 | 17% |
| Quebec | 2,667,466 | 6% | 2,487,608 | 5% | 2,579,798 | 6% | 2,356,352 | 6% | 2,242,041 | 6% | 1,910,623 | 6% | 1,909,268 | 6% | 1,885,565 | 6% |
| Saskatchewan | 222,705 | 0% | 221,285 | 0% | 295,494 | 1% | 152,946 | 0% | 163,219 | 0% | 140,960 | 0% | 126,085 | 0% | 115,909 | 0% |
| Other Provinces | 587,468 | 1% | 611,043 | 1% | 806,677 | 2% | 644,661 | 2% | 691,338 | 2% | 676,535 | 2% | 669,704 | 2% | 570,897 | 2% |
| | 15,122,508 | 32% | 14,422,536 | 31% | 14,541,396 | 31% | 12,454,029 | 34% | 12,137,197 | 34% | 10,916,342 | 32% | 10,499,700 | 32% | 10,083,804 | 32% |
| Total loan principal | | | | | | | | | | | | | | | | |
| Alberta | 6,676,576 | 14% | 6,524,852 | 14% | 6,575,833 | 14% | 4,797,163 | 13% | 4,789,947 | 13% | 4,553,960 | 13% | 4,411,605 | 13% | 4,389,468 | 14% |
| British Columbia | 5,821,932 | 12% | 5,795,286 | 12% | 5,658,399 | 12% | 4,394,011 | 12% | 4,309,442 | 12% | 3,993,748 | 12% | 3,833,494 | 12% | 3,636,395 | 12% |
| Manitoba | 826,581 | 2% | 732,987 | 2% | 153,985 | 0% | - | 0% | - | 0% | - | 0% | - | 0% | - | 0% |
| Ontario | 27,153,455 | 57% | 26,782,924 | 57% | 26,761,403 | 57% | 21,458,058 | 59% | 21,098,707 | 58% | 20,098,584 | 59% | 19,170,962 | 58% | 18,160,202 | 58% |
| Quebec | 4,805,822 | 10% | 4,600,186 | 10% | 4,676,772 | 10% | 4,108,667 | 11% | 3,959,487 | 11% | 3,520,423 | 10% | 3,442,995 | 10% | 3,344,854 | 11% |
| Saskatchewan | 750,535 | 2% | 756,827 | 2% | 838,530 | 2% | 462,813 | 1% | 475,469 | 1% | 460,668 | 1% | 449,762 | 1% | 445,282 | 1% |
| Other Provinces | 1,384,663 | 3% | 1,416,620 | 3% | 1,919,167 | 4% | 1,451,038 | 4% | 1,509,551 | 4% | 1,493,600 | 4% | 1,493,422 | 5% | 1,397,545 | 4% |
| Total loan principal | 47,419,564 | 100% | 46,609,684 | 100% | 46,584,089 | 100% | 36,671,750 | 100% | 36,142,603 | 100% | 34,120,983 | 100% | 32,802,240 | 100% | 31,373,746 | 100% |

⁽¹⁾ Geographic location based on the address of the property mortgaged or the address of leasee.⁽²⁾ The numbers in this table are reported on consolidated basis, including Concentra, acquisition-related fair value adjustments that are captured in balance sheet measures.



Table 14: Residential mortgage and HELOC principal outstanding - by province⁽¹⁾⁽²⁾⁽⁵⁾

| | Residential mortgages | | | | HELOC ⁽⁴⁾ | | Total | | | |
|------------------|------------------------|------------|-------------------|------------|----------------------|-------------|-------------------|------------|-------------------|------------|
| | Insured ⁽³⁾ | | Uninsured | | Uninsured | | Insured | | Uninsured | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | Q2 2023 | | | | | | | | | |
| Alberta | 3,363,705 | 11% | 1,304,227 | 4% | 34,943 | 3% | 3,363,705 | 11% | 1,339,170 | 4% |
| British Columbia | 1,303,151 | 4% | 2,616,870 | 9% | 281,553 | 25% | 1,303,151 | 4% | 2,898,423 | 9% |
| Manitoba | 306,172 | 1% | 85,384 | 0% | 2,464 | 0% | 306,172 | 1% | 87,848 | 0% |
| Ontario | 4,397,134 | 15% | 13,826,523 | 46% | 741,294 | 67% | 4,397,134 | 14% | 14,567,817 | 47% |
| Quebec | 543,368 | 2% | 1,217,543 | 4% | 36,213 | 3% | 543,368 | 2% | 1,253,756 | 4% |
| Saskatchewan | 422,963 | 1% | 72,025 | 0% | 4,730 | 0% | 422,963 | 1% | 76,755 | 0% |
| Other Provinces | 526,966 | 2% | 210,674 | 1% | 5,840 | 1% | 526,966 | 2% | 216,514 | 1% |
| Total | 10,863,459 | 36% | 19,333,246 | 64% | 1,107,037 | 100% | 10,863,459 | 35% | 20,440,283 | 65% |
| | Q2 2022 | | | | | | | | | |
| Alberta | 2,354,825 | 10% | 1,061,118 | 5% | 9,741 | 2% | 2,354,825 | 10% | 1,070,859 | 4% |
| British Columbia | 939,524 | 4% | 1,924,378 | 8% | 107,453 | 22% | 939,524 | 4% | 2,031,831 | 8% |
| Manitoba | 237,983 | 1% | 61,507 | 0% | 469 | 0% | 237,983 | 1% | 61,976 | 0% |
| Ontario | 3,410,807 | 15% | 10,934,987 | 47% | 357,518 | 73% | 3,410,807 | 14% | 11,292,505 | 47% |
| Quebec | 582,133 | 2% | 1,118,252 | 5% | 12,650 | 3% | 582,133 | 2% | 1,130,902 | 5% |
| Saskatchewan | 256,823 | 1% | 49,238 | 0% | 682 | 0% | 256,823 | 1% | 49,920 | 0% |
| Other Provinces | 331,798 | 1% | 179,281 | 1% | 1,022 | 0% | 331,798 | 1% | 180,303 | 1% |
| Total | 8,113,893 | 35% | 15,328,760 | 65% | 489,535 | 100% | 8,113,893 | 34% | 15,818,295 | 66% |

⁽¹⁾ Geographic location based on the address of the property mortgaged.

⁽²⁾ This table was prepared based on the disclosure requirements outlined in OSFI's Guideline B-20. For the purpose of this guideline, all reverse mortgages secured by residential property are considered to be HELOC.

⁽³⁾ Insured by either CMHC, Sagen or Canada Guaranty.

⁽⁴⁾ HELOC, Standalone HELOC (SHELOC), and Reverse Mortgage are collectively referred to as "HELOC" in this Report wherever applicable.

⁽⁵⁾ The numbers in this table are reported on consolidated basis, including Concentra, prior to acquisition-related fair value adjustments that are captured in balance sheet measures.



Table 15: Residential mortgage principal outstanding – by remaining amortization⁽¹⁾⁽²⁾

| (\$000s except percentages) | <=20 years | >20 to <=25 years | >25 to <=30 years | >30 to <=35 years ⁽³⁾ | >35 years | Total |
|------------------------------------|---------------------|----------------------|----------------------|-------------------------------------|--------------|-----------------------|
| Q2 2023 | 6,046,030 | 7,454,161 | 16,679,755 | 16,142 | 617 | 30,196,705 |
| Total residential mortgages | 20.02% | 24.69% | 55.24% | 0.05% | 0.00% | 100.00% |
| Q1 2023 | | | | | | |
| Total residential mortgages | 5,893,213 19.49% | 7,657,396 25.33% | 16,662,717 55.11% | 19,905 0.07% | 335 0.00% | 30,233,566 100.00% |
| Q2 2022 | 3,544,245 | 6,039,968 | 13,854,449 | 3,651 | 340 | 23,442,653 |
| Total residential mortgages | 15.12% | 25.76% | 59.10% | 0.02% | 0.00% | 100.00% |

⁽¹⁾ The residential mortgage balances do not include HELOC (HELOC, SHELOC and Reverse Mortgage) amount.

⁽²⁾ The numbers in this table are reported on consolidated basis, including Concentra, prior to acquisition-related fair value adjustments that are captured in balance sheet measures.

⁽³⁾ The Q1 2023 increase in this bucket mainly resulted from Concentra Bank's residential mortgages that were originated prior to 2019 with amortization term up to 35 years.



Table 16: Uninsured average loan-to-value of newly originated and newly acquired⁽¹⁾

| | 2023 | | | | | | 2022 | | | | | | 2021 | | | | | |
|------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|--|--|
| | Q2 | | Q1 | | Q4 | | Q3 | | Q2 | | Q1 | | Q4 | | Q3 | | | |
| | Residential mortgages | HELOC ⁽²⁾ | Residential mortgages | HELOC ⁽²⁾ | Residential mortgages | HELOC ⁽²⁾ | Residential mortgages | HELOC ⁽²⁾ | Residential mortgages | HELOC ⁽²⁾ | Residential mortgages | HELOC ⁽²⁾ | Residential mortgages | HELOC ⁽²⁾ | Residential mortgages | HELOC ⁽²⁾ | | |
| Alberta | 73% | 35% | 73% | 0% | 73% | 32% | 72% | 38% | 73% | 29% | 73% | 38% | 73% | 38% | 72% | 27% | | |
| British Columbia | 70% | 40% | 70% | 33% | 71% | 38% | 71% | 44% | 69% | 42% | 70% | 39% | 70% | 41% | 70% | 38% | | |
| Manitoba | 70% | 6% | 72% | 35% | 76% | 0% | 73% | 12% | 71% | 1% | 77% | 7% | 72% | 6% | 76% | 0% | | |
| Ontario | 71% | 39% | 72% | 35% | 71% | 38% | 72% | 40% | 72% | 41% | 71% | 39% | 71% | 42% | 72% | 40% | | |
| Saskatchewan | 68% | 0% | 70% | 0% | 69% | 0% | 68% | 4% | 68% | 3% | 69% | 0% | 70% | 5% | 67% | 2% | | |
| Other Provinces | 70% | 38% | 70% | 42% | 70% | 43% | 69% | 47% | 71% | 43% | 71% | 40% | 70% | 39% | 72% | 48% | | |
| Total Canada | 71% | 39% | 71% | 35% | 71% | 38% | 71% | 42% | 71% | 41% | 71% | 39% | 71% | 41% | 72% | 40% | | |

⁽¹⁾ Geographic location based on the address of the property mortgaged.

⁽²⁾ HELOC includes HELOC, SHELOC, and Reverse Mortgage.

The loan-to-value (LTV) of HELOC represents the authorized amount as a percentage of the original property value at the time of origination.

In the case of non-standalone HELOCs, there are mortgages associated with most of these properties, but the aggregate LTVs are not presented on this chart. Aggregate LTVs do not exceed 80%.

For SHELOCs, there are no mortgages associated to these properties.



Table 17: Average loan-to-value of existing uninsured single - family residential mortgages⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

| | 2023 | | 2022 | | | | 2021 | |
|------------------|------------|-----|------|-----|-----|-----|------|-----|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Alberta | 63% | 63% | 63% | 61% | 62% | 63% | 63% | 63% |
| British Columbia | 64% | 65% | 66% | 64% | 58% | 61% | 62% | 61% |
| Manitoba | 63% | 65% | 65% | 61% | 57% | 58% | 59% | 58% |
| Ontario | 63% | 66% | 66% | 63% | 56% | 58% | 60% | 58% |
| Saskatchewan | 51% | 53% | 56% | 52% | 48% | 50% | 52% | 51% |
| Other Provinces | 64% | 66% | 66% | 63% | 58% | 60% | 62% | 60% |
| Total Canada | 63% | 65% | 65% | 63% | 57% | 58% | 60% | 59% |

⁽¹⁾ Geographic location based on the address of the property mortgaged.

⁽²⁾ Based on property values estimated using the Teranet National Bank House Price Indices (as of June 30, 2023), adjusting for EQB's unique portfolio by using sub-indices corresponding to the 11 cities in Teranet-National Bank National Composite 11 to estimate property values loan by loan. The index is based on actual transaction dates and prices, which EQB believes to be most accurate and representative; however, may lag other indices leveraging data tied to date of sale.

⁽³⁾ The LTV of our HELOC (HELOC, SHELOC and Reverse Mortgage) products is not included in this chart.

⁽⁴⁾ Equitable Bank has arrangements with other lenders to participate in its single family residential loans in certain circumstances, namely if Equitable Bank wants to cap the value of its own exposure to stay within the boundaries of its risk appetite while still meeting a borrower's needs. The arrangements, which have been entered into in the normal course of business at arm's length and on market terms, are structured such that the other lenders' participation would always bear the first loss on the mortgage. The loan-to-value ratios above therefore do not take into account the other lenders' participation in order to reflect both the substance and legal form of Equitable Bank's exposure. Equitable Bank underwrites the loans based on the total value of its own advance and the other lender's participation to ensure that the borrower is able to service the aggregate amount of the loan. Other lenders' participation in Equitable Bank's (including Concentra) single family residential loans was \$89.7 million at June 30, 2023.



Table 18: Uninsured single - family residential mortgages - weighted average beacon score by LTV⁽¹⁾⁽²⁾

| | 2023 | | 2021 | | | | 2021 | |
|------------------|------------|-----|------|-----|-----|-----|------|-----|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| <50% LTV | 728 | 727 | 726 | 724 | 723 | 719 | 720 | 721 |
| 50% - 64.99% LTV | 714 | 714 | 714 | 712 | 711 | 711 | 708 | 707 |
| 65% - 69.99% LTV | 708 | 708 | 708 | 707 | 705 | 702 | 702 | 700 |
| 70% - 75% LTV | 707 | 708 | 707 | 711 | 710 | 706 | 702 | 703 |
| >75% LTV | 717 | 717 | 718 | 720 | 717 | 711 | 707 | 706 |
| Total | 714 | 714 | 714 | 715 | 713 | 709 | 707 | 706 |

⁽¹⁾ The beacon scores reported here represent the combination of current weighted average beacon score of Equitable Bank's uninsured single-family lending business and the original weighted average beacon score of Concentra Bank's uninsured single-family portfolio.

⁽²⁾ LTVs are based on property values at origination.



Non-GAAP financial measures and ratios

This section provides further discussion regarding the variety of financial measures to evaluate EQB's performance. In addition to GAAP prescribed measures, we also use certain non-GAAP financial measures and ratios that we believe provide useful information to investors regarding EQB's financial condition and results of operations. Readers are cautioned that non-GAAP financial measures and ratios often do not have any standardized meaning, and therefore, are unlikely to be comparable to similar measures presented by other companies.

Adjusted results:

Adjustments impacting current and prior periods:

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

- Q2 2023
 - \$28.0 million gain from a strategic investment,
 - \$3.4 million acquisition and integration-related costs,
 - \$0.9 million intangible asset amortization, and
 - \$0.9 million other expenses
- Q1 2023
 - \$3.2 million net fair value amortization adjustment,
 - \$4.7 million acquisition and integration-related costs, and
 - \$1.5 million intangible asset amortization.
- Q4 2022
 - \$36.9 million of 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 earned on the escrow account where the proceeds of the subscription receipts are held⁽¹⁾;
 - \$0.7 million reversal of interest expenses paid to subscription receipt holders; and
 - \$5.6 million tax expenses true-up due to increase in tax rate.
- Q3 2022 – \$5.2 million of acquisition and integration related costs and \$1.0 million of interest expense paid to subscription receipt holders.
- Q2 2022 – \$2.7 million of acquisition and integration related costs and \$0.9 million of interest expenses paid to subscription receipt holders.
- Q1 2022 – \$5.1 million of acquisition and integration related costs and \$0.9 million of interest expenses paid to subscription receipt holders.
- Q4 2021 – \$0.7 million of acquisition costs.

(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.

Adjusted efficiency ratio

is derived by dividing adjusted non-interest expenses by adjusted revenue.

Adjusted return on equity

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.

Conventional loans

is the total on-balance sheet loan principal excluding insured single-family mortgages and insured multi-unit residential mortgages.

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)

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)

is the difference between revenue and non-interest expenses.

Total loan assets

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.



Glossary

Book value per common share

is calculated by dividing common shareholders' equity by the number of common shares outstanding.

Common Equity Tier 1 Capital (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.

CET1 ratio

is defined as CET1 Capital as a percentage of total RWA. This ratio is calculated for Equitable Bank in accordance with OSFI's Capital Adequacy Requirements (CAR) Guideline.

Dividend payout ratio

is defined as dividend per common share as a percentage of diluted earnings per share.

Dividend yield

is calculated on an annualized basis and is defined as dividend per common share divided by average of daily closing price per common share for the period.

Efficiency ratio

is derived by dividing non-interest expenses by revenue. A lower efficiency ratio reflects a more efficient cost structure.

Leverage ratio

is calculated by dividing Tier 1 Capital by an exposure measure. The exposure measure consists of total assets (excluding items deducted from Tier 1 Capital) and certain off-balance sheet items converted into credit exposure equivalents. Adjustments are also made to derivatives and secured financing transactions to reflect credit and other risks. This ratio is calculated for Equitable Bank in accordance with OSFI's CAR Guideline.

Provision for credit losses (PCL) – rate

is calculated on an annualized basis and is defined as the provision for credit losses as a percentage of average loan principal outstanding during the period.

Return on average assets

is calculated on an annualized basis and is defined as net income as a percentage of average month-end total assets balances outstanding during the period.

Return on RWA

is calculated on an annualized basis and is defined as net income as a percentage of average RWA during the period.

Return on equity (ROE)

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.

Risk-weighted assets (RWA)

represents Equitable Bank's assets and off-balance sheet exposures, weighted according to risk as prescribed by OSFI under the CAR Guideline.

Tier 1 Capital

is calculated by adding non-cumulative preferred shares, as well as additional Tier 1 capital issued by a subsidiary to third parties that is allowed in Tier 1, to CET1 capital.

Tier 2 Capital

is equal to the sum of Equitable Bank's eligible Stage 1 and 2 allowance plus additional Tier 1 capital issued by a subsidiary to third parties that is allowed in Tier 2 capital.

Tier 1 capital ratio

is calculated by dividing Tier 1 Capital by Total RWA. This ratio is calculated for Equitable Bank in accordance with OSFI's CAR Guideline.

Total Capital

equals to Tier 1 plus Tier 2 Capital.

Total capital ratio

is calculated by dividing Total Capital by Total RWA. This ratio is calculated for Equitable Bank in accordance with OSFI's CAR Guideline.



Acronyms

AOCI

Accumulated Other Comprehensive Income (Loss)

CAR

Capital Adequacy Requirements

CMHC

Canada Mortgage and Housing Corporation

EPS

Earnings per Share

GAAP

Generally Accepted Accounting Principles

HELOC

Home Equity Line of Credit

IAS

International Accounting Standard

IASB

International Accounting Standards Board

IFRS

International Financial Reporting Standards

LTV

Loan-to-Value ratio

NIM

Net Interest Margin

OSFI

Office of the Superintendent of Financial Institutions Canada