News Release

EQB delivers ROE ahead of target with record quarterly revenue and pre-provision pre-tax earnings and a 7% q/q and 22% y/y dividend increase

TORONTO, May 29, 2024 – EQB Inc. (TSX: EQB, EQB.PR.C) today reported record revenue and pre-provision, pre-tax earnings for the three and six months ended April 30, 2024 that reflected growth in revenue from margin expansion and higher non-interest revenue including a full quarter of results from ACM Advisors, increasing loans under management and EQ Bank customers and deposits. Equitable Bank reported a net reduction in total Gross Impaired Loans (GILs) from the first quarter driven by a 22% reduction in commercial banking GILs.

EQB changed its fiscal year in 2023 to end October 31, resulting in a one-time 10-month transition year and a four-month final quarter of 2023. As a result, the comparisons below are shown year-over-year from the first quarter ending March 31, 2023, as the most similar and comparable three-month period ("y/y").

Second quarter 2024 compared to first quarter of 2024 and 2023:

- **Adjusted ROE[1]** 15.9% (reported 15.1%)
- **Adjusted diluted EPS[1]** $2.81, +2% q/q, +7% y/y (reported $2.67, +0.4% q/q, +4% y/y)
- **Revenue** $317 million, +6% q/q, +20% y/y
- **Net Interest Margin** 2.11%, +10 bps q/q, +16 bps y/y
- **PPPT:** $173.5 million, +5% q/q, +20% y/y (reported $166.2 million, +4% q/q, +18% y/y)
- **Adjusted net income[1]** $111 million, +2% q/q, +9% y/y (reported $106 million, +1% q/q, +6% y/y)
- **Total AUM + AUA[2]** $123.5 billion, +4% q/q, +18% y/y
- **EQ Bank** customer growth +7% q/q and +36% y/y to over 457,000 customers
- **Book value per share** $73.73, +3% q/q, +14% y/y
- **Common share dividends** $0.45 per share, +7% q/q, +22% y/y
- **Total capital ratio** 15.3% with CET1 of 14.1%

Six months ended April 30, 2024 compared to six months ended March 31, 2023:

- **Adjusted ROE[1]** 15.7% (reported 15.0%)
- **Adjusted diluted EPS[1]** $5.57, +9% y/y (reported $5.33, +41% y/y)
- **Adjusted net income[1]** $219.4 million, +13% y/y (reported $210.1 million, +45% y/y)

"The execution of our Challenger Bank strategy, guided by our approach to managing risk and allocating capital, is clearly and sustainably delivering exceptional customer and shareholder value," said Andrew Moor, president and CEO. "With the momentum of our Second Chance campaign, over 31,000 new EQ Bank customers joined us for a discernably better banking experience. Arrears in the commercial loan book improved in the quarter, as expected, and we continue to expect moderation in PCLs in the second half of 2024. Continuing development of our EQ Bank digital banking platform with the launches of an innovative Notice Deposit Savings Account and EQ Bank for small business positions us to deliver even more value for more customers and expand the value of the Bank's franchise."

[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 and ACM acquisition and integration related costs, and other non-recurring items which management determines would have a significant impact on a reader's assessment of business performance. 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.

EQ Bank added over 31,000 customers in Q2 growing to 457,000, +7% q/q and +36% y/y

- The “Second Chance” marketing campaign across English Canada with Eugene and Dan Levy and “Deuxième chance” across Québec with Diane Lavallée et Laurence Leboeuf continued to encourage Canadians to move on from their first-ever bank accounts to EQ Bank / Banque EQ’s Personal Account that combines the best features of high interest chequing with no fees
- EQ Bank continues to challenge the status quo with the launch of an innovative Notice Deposit Savings Account, providing Canadians a new way to earn higher rates on their savings
- An invite-only launch of EQ Bank’s Small Business banking solution was completed at the end of Q2, that will help Canadians manage day-to-day transactions, save and earn more with an easy, secure and differentiated experience. Later this summer this experience will be available to millions of eligible small business owners across Canada

Strong funding growth and diversification with EQ Bank increasing 4% q/q to $8.7 billion

- Equitable Bank total deposits remain more than 95% term or insured and increased +6% q/q and +7% y/y to $33.6 billion, with EQ Bank deposits increasing $325 million in the second quarter
- On April 8, Equitable Bank issued a $300 million fixed rate deposit note. This was the bank's first issuance since 2022. The offer was 4.2 times oversubscribed and attracted a record 47 investors of which one-third were new to the Equitable Bank program. The successful issuance led to significant narrowing of the bank's credit spread
- On April 23, Equitable Bank completed the first-ever European Social Covered Bond issued by a Canadian Bank, raising a benchmark €500 million (CAD $735 million) in an 8 times over-subscribed issuance with 100+ investors of which approximately two-thirds are new to Equitable Bank's Covered Bond Programme. Social bond issuance is a natural extension of the Bank's sustainable business practices that enables it to further support lending activities with a social benefit
- Equitable Bank holds $4.5 billion in liquid assets for regulatory purposes, which cover 74% of all demand deposits with sufficient contingency funding available to cover the balance

Personal Banking loans under management reach $32.8 billion with strong retention

- Single family uninsured portfolio increased to $19.9 billion, +0.5% q/q, as strong customer retention offset the impact of slower housing market activity on new originations
- Decumulation lending assets (including reverse mortgages and insurance lending) +10% q/q and +57% y/y to $1.7 billion, with growth accelerating as a result of successful consumer advertising that bolstered public awareness, strong broker service and value to the borrower

Commercial Banking loans under management +$1.5 billion q/q to $32.7 billion

- The Bank continues to prioritize multi-unit residential lending in major cities across the country with nearly 77% of its total commercial loans under management (“LUM”) insured through various CMHC programs. Insured multi-unit residential LUM +7% q/q and +35% y/y to $22.6 billion
- The Canadian commercial office real estate market continues to experience significant economic challenges; however, as part of the Bank’s risk appetite, only ~1% of the Bank’s loan assets are associated with offices, and those balances declined in the quarter. Equitable Bank’s office lending is mostly restricted to properties located in major urban centres and to smaller buildings

Provisions reflect credit risk at this point in the cycle, expected to moderate

- The Bank is appropriately reserved for credit losses with net allowances as a percentage of total loan assets of 23 bps, compared to 22 bps at January 31, 2024, and 19 bps at March 31, 2023
- Provision for credit losses (PCL) of $22.2 million in Q2 reflected the impacts of both future expected losses driven by macroeconomic forecasts and loss modelling, Stage 3 provisions of $11.1 million associated with residential and commercial lending, and provisions of $14.0 million associated with the equipment financing business. Realized loan losses excluding equipment financing were $1.8 million for the quarter, representing 0.4bps of lending assets
- Net impaired loans decreased by $10.8 million to $441.9 million, representing 92 bps of total loan assets compared to 94 bps at January 31, 2024, and +60 bps from March 31, 2023. Net commercial impaired loans (excl. equipment financing) declined by $68.4 million to 133 bps from 183 bps at January 31, 2024 and up from 57 bps at March 31, 2023 with several commercial loans resolving

EQB increases common share dividend

- EQB's Board of Directors declared a dividend of $0.45 per common share payable on June 28, 2024, to shareholders of record as of June 14, 2024, representing a +7% increase from the dividend paid in March 2024 and 22% above the payment made in June 2023
- The Board declared a quarterly dividend of $0.373063 per preferred share, payable on June 28, 2024, to shareholders of record at the close of business June 14, 2024
- For the purposes of the Income Tax Act (Canada) and any similar provincial legislation, dividends declared are eligible dividends, unless otherwise indicated

"The first half of 2024 has been trending to our expectations with strong revenue, earnings growth and ROE well-above target at nearly 16% year-to-date. This reflects how the EQB business model is positioned to perform across economic cycles. We have momentum for strong performance in the second half of the year and have high confidence in the quality of our credit book. We are continuing to invest in growing the long-term value of our Challenger franchise and are pleased to be rewarding our shareholders with another consecutive dividend increase," said Chadwick Westlake, CFO, EQB.

Analyst conference call and webcast: 10:00 a.m. Eastern May 30, 2024

EQB's Andrew Moor, president and CEO, Chadwick Westlake, CFO, and Marlene Lenarduzzi, CRO, will host the company's second quarter conference call and webcast. The listen-only webcast with accompanying slides will be available at: eqb.investorroom.com. To access the conference call with operator assistance, dial **416-764-8609** five minutes prior to the start time.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

($000s) As at	**April 30, 2024**	October 31, 2023	March 31, 2023
Assets:			
Cash and cash equivalents	**657,219**	549,474	345,621
Restricted cash	**783,148**	767,195	666,530
Securities purchased under reverse repurchase agreements	**1,399,955**	908,833	732,608
Investments	**1,817,916**	2,120,645	2,483,604
Loans – Personal	**32,823,421**	32,390,527	32,183,036
Loans – Commercial	**15,085,481**	14,970,604	14,397,192
Securitization retained interests	**663,593**	559,271	410,441
Deferred tax assets	**14,921**	14,230	15,024
Other assets	**694,542**	652,675	558,962
Total assets	**53,940,196**	52,933,454	51,793,018
Liabilities and Shareholders' Equity			
Liabilities:			
Deposits	**34,123,703**	31,996,450	31,589,063
Securitization liabilities	**15,181,341**	14,501,161	15,311,657
Obligations under repurchase agreements	**-**	1,128,238	904,658
Deferred tax liabilities	**148,549**	128,436	92,417
Funding facilities	**839,841**	1,731,587	768,717
Other liabilities	**630,954**	602,039	515,871
Total liabilities	**50,924,388**	50,087,911	49,182,383
Shareholders' Equity:			
Preferred shares	**181,411**	181,411	181,411
Common shares	**495,707**	471,014	463,862
Contributed (deficit) surplus	**(24,811)**	12,795	12,002
Retained earnings	**2,359,116**	2,185,480	1,954,394
Accumulated other comprehensive loss	**(7,804)**	(5,157)	(1,034)
	3,003,619	2,845,543	2,610,635
Non-controlling interests	**12,189**	-	-
Total equity	**3,015,808**	2,845,543	2,610,635
Total liabilities and equity	**53,940,196**	52,933,454	51,793,018

Consolidated statement of income (unaudited)

	Three months ended		Six months ended	
($000s, except per share amounts)	**April 30, 2024**	March 31, 2023	**April 30, 2024**	March 31, 2023
Interest income:				
Loans – Personal	**482,299**	391,816	**951,253**	719,412
Loans – Commercial	**257,842**	241,768	**520,723**	460,196
Investments	**16,879**	21,893	**34,755**	32,647
Other	**27,209**	17,352	**49,308**	36,650
	784,229	672,829	**1,556,039**	1,248,905
Interest expense:				
Deposits	**366,002**	293,231	**724,564**	537,644
Securitization liabilities	**131,776**	118,174	**259,029**	211,337
Funding facilities	**13,521**	7,918	**28,804**	18,942
Other	**5,592**	12,709	**20,294**	21,860
	516,891	432,032	**1,032,691**	789,783
Net interest income	**267,338**	240,797	**523,348**	459,122
Non-interest revenue:				
Fees and other income	**20,564**	13,898	**37,179**	24,401
Net gains (losses) on loans and investments	**7,129**	(3,300)	**12,122**	(8,514)
Gain on sale and income from retained interests	**23,177**	14,332	**42,586**	23,579
Net (losses) gains on securitization activities and derivatives	**(1,548)**	2,104	**197**	3,950
	49,322	27,034	**92,084**	43,416
Revenue	**316,660**	267,831	**615,432**	502,538
Provision for credit losses	**22,217**	6,248	**37,752**	33,044
Revenue after provision for credit losses	**294,443**	261,583	**577,680**	469,494
Non-interest expenses:				
Compensation and benefits	**66,961**	58,362	**132,330**	123,361
Other	**83,459**	68,186	**157,575**	142,367
	150,420	126,548	**289,905**	265,728
Income before income taxes	**144,023**	135,035	**287,775**	203,766
Income taxes:				
Current	**32,734**	28,651	**71,268**	50,805
Deferred	**5,573**	6,865	**6,409**	7,623
	38,307	35,516	**77,677**	58,428
Net income	**105,716**	99,519	**210,098**	145,338
Dividends on preferred shares	**2,346**	2,318	**4,703**	4,623
Net income available to common shareholders and non-controlling interests	**103,370**	97,201	**205,395**	140,715
Net income attributable to:				
Common shareholders	**103,041**	97,201	**204,916**	140,715
Non-controlling interests	**329**	-	**479**	-
	103,370	97,201	**205,395**	140,715
Earnings per share:				
Basic	**2.70**	2.58	**5.38**	3.81
Diluted	**2.67**	2.56	**5.33**	3.78

Consolidated statement of comprehensive income (unaudited)

($000s)	Three months ended April 30, 2024	Three months ended March 31, 2023	Six months ended April 30, 2024	Six months ended March 31, 2023
Net income	**105,716**	99,519	**210,098**	145,338
Other comprehensive income – items that will be reclassified subsequently to income:				
Debt instruments at Fair Value through Other Comprehensive Income:				
Reclassification of losses from AOCI on sale of investments	**(30)**	-	**(143)**	-
Net unrealized (losses) gains from change in fair value	**(16,240)**	14,974	**25,321**	13,186
Reclassification of net losses (gains) to income	**17,217**	(12,205)	**(18,497)**	(8,220)
Other comprehensive income – items that will not be reclassified subsequently to income:				
Equity instruments designated at Fair Value through Other Comprehensive Income:				
Reclassification of gains from AOCI on sale of investments	**-**	-	**-**	604
Net unrealized gains (losses) from change in fair value	**3,132**	(793)	**1,552**	(2,336)
Reclassification of net (gains) losses to retained earnings	-	(22)	-	776
	4,079	1,954	**8,233**	4,010
Income tax expense	**(1,090)**	(542)	**(2,233)**	(727)
	2,989	1,412	**6,000**	3,283
Cash flow hedges:				
Net unrealized gains (losses) from change in fair value	**11,961**	(15,802)	**(269)**	(10,752)
Reclassification of net gains to income	**(5,070)**	(651)	**(11,764)**	(2,047)
	6,891	(16,453)	**(12,033)**	(12,799)
Income tax (expense) recovery	**(1,879)**	4,569	**3,282**	3,611
	5,012	(11,884)	**(8,751)**	(9,188)
Total other comprehensive income (loss)	**8,001**	(10,472)	**(2,751)**	(5,905)
Total comprehensive income	**113,717**	89,047	**207,347**	139,433
Total comprehensive income attributable to:				
Common shareholders	**113,388**	89,047	**206,868**	139,433
Non-controlling interests	**329**	-	**479**	-
	113,717	89,047	**207,347**	139,433

Consolidated statement of changes in shareholders' equity (unaudited)

($000s) Three-month period end										April 30, 2024
					Accumulated other comprehensive income (loss)					
	Preferred Shares	Common Shares	Contributed Deficit	Retained Earnings	Cash Flow Hedges	Financial Instruments at FVOCI	Total	Attributable to equity holders	Non-controlling interests	Total
Balance, beginning of period	181,411	489,944	(23,055)	2,272,116	29,855	(45,681)	(15,826)	2,904,590	12,460	2,917,050
Net Income	-	-	-	105,387	-	-	-	105,387	329	105,716
Transfer of AOCI losses to income	-	-	-	-	-	21	21	21	-	21
Other comprehensive loss, net of tax	-	-	-	-	5,012	2,989	8,001	8,001	-	8,001
Exercise of stock options	-	4,881	-	-	-	-	-	4,881	-	4,881
Dividends:										
Preferred shares	-	-	-	(2,346)	-	-	-	(2,346)	-	(2,346)
Common shares	-	-	-	(16,041)	-	-	-	(16,041)	(600)	(16,641)
Share tender rights	-	-	(1,974)	-	-	-	-	(1,974)	-	(1,974)
Stock-based compensation	-	-	1,100	-	-	-	-	1,100	-	1,100
Transfer relating to the exercise of stock options	-	882	(882)	-	-	-	-	-	-	-
Balance, end of period	181,411	495,707	(24,811)	2,359,116	34,867	(42,671)	(7,804)	3,003,619	12,189	3,015,808

($000s) Three-month period end										March 31, 2023
					Accumulated other comprehensive income (loss)					
	Preferred Shares	Common Shares	Contributed Surplus	Retained Earnings	Cash Flow Hedges	Financial Instruments at FVOCI	Total	Attributable to equity holders	Non-controlling interests	Total
Balance, beginning of period	181,411	462,561	11,445	1,870,100	42,016	(32,578)	9,438	2,534,955	-	2,534,955
Net Income	-	-	-	99,519	-	-	-	99,519	-	99,519
Realized gain on sale of financial instruments	-	-	-	271	-	-	-	271	-	271
Other comprehensive loss, net of tax	-	-	-	-	(11,884)	1,412	(10,472)	(10,472)	-	(10,472)
Exercise of stock options	-	3,763	-	-	-	-	-	3,763	-	3,763
Share issuance cost, net of tax	-	(2,908)	-	-	-	-	-	(2,908)	-	(2,908)
Dividends:										
Preferred shares	-	-	-	(2,318)	-	-	-	(2,318)	-	(2,318)
Common shares	-	-	-	(13,178)	-	-	-	(13,178)	-	(13,178)
Stock-based compensation	-	-	1,003	-	-	-	-	1,003	-	1,003
Transfer relating to the exercise of stock options	-	446	(446)	-	-	-	-	-	-	-
Balance, end of period	181,411	463,862	12,002	1,954,394	30,132	(31,166)	(1,034)	2,610,635	-	2,610,635

($000s) Six-month period ended										**April 30, 2024**
					Accumulated other comprehensive income (loss)					
	Preferred Shares	**Common Shares**	**Contributed Surplus (Deficit)**	**Retained Earnings**	**Cash Flow Hedges**	**Financial Instruments at FVOCI**	**Total**	**Attributable to equity holders**	**Non-controlling interests**	**Total**
Balance, beginning of period	**181,411**	**471,014**	**12,795**	**2,185,480**	**43,618**	**(48,775)**	**(5,157)**	**2,845,543**	**-**	**2,845,543**
Non-controlling interests on acquisition	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12,310**	**12,310**
Net Income	**-**	**-**	**-**	**209,619**	**-**	**-**	**-**	**209,619**	**479**	**210,098**
Transfer of AOCI losses to income	**-**	**-**	**-**	**-**	**-**	**104**	**104**	**104**	**-**	**104**
Other comprehensive loss, net of tax	**-**	**-**	**-**	**-**	**(8,751)**	**6,000**	**(2,751)**	**(2,751)**	**-**	**(2,751)**
Common shares issued	**-**	**11,000**	**-**	**-**	**-**	**-**	**-**	**11,000**	**-**	**11,000**
Exercise of stock options	**-**	**11,839**	**-**	**-**	**-**	**-**	**-**	**11,839**	**-**	**11,839**
Dividends:										
Preferred shares	**-**	**-**	**-**	**(4,703)**	**-**	**-**	**-**	**(4,703)**	**-**	**(4,703)**
Common shares	**-**	**-**	**-**	**(31,280)**	**-**	**-**	**-**	**(31,280)**	**(600)**	**(31,880)**
Share tender rights	**-**	**-**	**(37,865)**	**-**	**-**	**-**	**-**	**(37,865)**	**-**	**(37,865)**
Stock-based compensation	**-**	**-**	**2,113**	**-**	**-**	**-**	**-**	**2,113**	**-**	**2,113**
Transfer relating to the exercise of stock options	**-**	**1,854**	**(1,854)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance, end of period	**181,411**	**495,707**	**(24,811)**	**2,359,116**	**34,867**	**(42,671)**	**(7,804)**	**3,003,619**	**12,189**	**3,015,808**

($000s) Six-month period ended										March 31, 2023
					Accumulated other comprehensive income (loss)					
	Preferred Shares	Common Shares	Contributed Surplus	Retained Earnings	Cash Flow Hedges	Financial Instruments at FVOCI	Total	Attributable to equity holders	Non-controlling interests	Total
Balance, beginning of period	70,424	236,368	10,908	1,839,561	39,320	(34,928)	4,392	2,161,653	-	2,161,653
Net Income	-	-	-	145,338	-	-	-	145,338	-	145,338
Realized gain on sale of financial instruments	-	-	-	(317)	-	-	-	(317)	-	(317)
Transfer of AOCI losses to retained earnings	-	-	-	-	-	446	446	446	-	446
Investment elimination on acquisition	-	-	-	-	-	33	33	33	-	33
Other comprehensive loss, net of tax	-	-	-	-	(9,188)	3,283	(5,905)	(5,905)	-	(5,905)
Common shares issued	-	223,112	-	-	-	-	-	223,112	-	223,112
Exercise of stock options	-	7,196	-	-	-	-	-	7,196	-	7,196
Share issuance cost, net of tax	-	(2,908)	-	-	-	-	-	(2,908)	-	(2,908)
Dividend payout from principal	-	(655)	-	-	-	-	-	(655)	-	(655)
Dividends:										
Preferred shares	-	-	-	(4,623)	-	-	-	(4,623)	-	(4,623)
Common shares	-	-	-	(25,565)	-	-	-	(25,565)	-	(25,565)
Stock-based compensation	-	-	1,843	-	-	-	-	1,843	-	1,843
Transfer relating to the exercise of stock options	-	749	(749)	-	-	-	-	-	-	-
Shares on acquisition	110,987	-	-	-	-	-	-	110,987	-	110,987
Balance, end of period	181,411	463,862	12,002	1,954,394	30,132	(31,166)	(1,034)	2,610,635	-	2,610,635

Consolidated statement of cash flows (unaudited)

	Three months ended		Six months ended	
($000s)	**April 30, 2024**	March 31, 2023	**April 30, 2024**	March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	**105,716**	99,519	**210,098**	145,338
Adjustments for non-cash items in net income:				
Financial instruments at fair value through income	**(5,177)**	(38,426)	**11,360**	(46,628)
Amortization of premiums/discount on investments	**(34,159)**	1,784	**(31,029)**	2,058
Amortization of capital assets and intangible costs	**11,679**	12,244	**23,120**	31,374
Provision for credit losses	**22,217**	6,248	**37,752**	33,044
Securitization gains	**(17,486)**	(12,745)	**(32,002)**	(19,942)
Stock-based compensation	**1,100**	1,003	**2,113**	1,843
Income taxes	**38,307**	35,516	**77,677**	58,428
Securitization retained interests	**30,701**	19,857	**58,634**	35,054
Changes in operating assets and liabilities:				
Restricted cash	**(120,389)**	71,126	**(15,953)**	(36,822)
Securities purchased under reverse repurchase agreements	**(594,342)**	(532,176)	**(491,122)**	17,464
Loans receivable, net of securitizations	**(222,907)**	(54,117)	**(715,022)**	(1,192,508)
Other assets	**(7,205)**	(26,449)	**(8,531)**	149,593
Deposits	**1,887,780**	503,951	**2,089,142**	921,190
Securitization liabilities	**(205,820)**	284,388	**677,411**	964,786
Obligations under repurchase agreements	**(482,574)**	239,351	**(1,128,238)**	155,777
Funding facilities	**(493,062)**	(470,987)	**(891,746)**	(385,673)
Subscription receipts	**-**	-	**-**	(232,018)
Other liabilities	**47,598**	(51,115)	**41,636**	(187,287)
Income taxes paid	**(23,962)**	(47,517)	**(50,074)**	(78,426)
Cash flows (used in) from operating activities	**(61,985)**	41,455	**(134,774)**	336,645
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares	**4,881**	855	**22,839**	226,745
Term loan facility	**-**	-	**-**	275,000
Dividends paid on preferred shares	**(2,346)**	(2,318)	**(4,703)**	(4,622)
Dividends paid on common shares	**(16,041)**	(13,178)	**(31,280)**	(25,565)
Cash flows used in financing activities	**(13,506)**	(14,641)	**(13,144)**	471,558
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	**(8,004)**	(547,308)	**(344,423)**	(1,065,737)
Acquisition of subsidiary	**45**	-	**(75,483)**	(495,369)
Proceeds on sale or redemption of investments	**191,245**	388,062	**656,646**	669,824
Net change in Canada Housing Trust re-investment accounts	**28,954**	(8,817)	**46,959**	168,640
Purchase of capital assets and system development costs	**(23,289)**	(8,236)	**(28,036)**	(38,939)
Cash flows from (used in) investing activities	**188,951**	(176,299)	**255,663**	(761,581)
Net increase (decrease) in cash and cash equivalents	**113,460**	(149,485)	**107,745**	46,622
Cash and cash equivalents, beginning of period	**543,759**	495,106	**549,474**	298,999
Cash and cash equivalents, end of period	**657,219**	345,621	**657,219**	345,621
Cash flows from operating activities include:				
Interest received	**846,075**	489,824	**1,534,404**	1,004,403
Interest paid	**(443,052)**	(234,912)	**(814,672)**	(378,241)
Dividends received	**564**	1,041	**1,113**	2,086

About EQB Inc.

EQB Inc. (TSX: EQB and EQB.PR.C) is a leading digital financial services company with $123 billion in combined assets under management and administration (as at April 30, 2024). It offers banking services through Equitable Bank, a wholly owned subsidiary and Canada's seventh largest bank by assets, and wealth management through ACM Advisors, a majority owned subsidiary specializing in alternative assets. As Canada's Challenger Bank™, Equitable Bank has a clear mission to drive change in Canadian banking to enrich people's lives. It leverages technology to deliver exceptional personal and commercial banking experiences and services to over 639,000 customers and more than six million credit union members through its businesses. Through its digital EQ Bank platform (eqbank.ca), its customers have named it one of Canada's top banks on the Forbes World's Best Banks list since 2021.

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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:

Q2 2024

- $5.7 million non-recurring expenses and acquisition and integration-related costs associated with Concentra and ACM; and
- $1.6 million intangible asset amortization.

Q1 2024

- $2.1 million acquisition and integration-related costs associated with Concentra and ACM, and
- $3.4 million intangible asset amortization.

Q1 2023

- $3.2 million net fair value amortization adjustments,
- $4.7 million acquisition and integration-related costs, and
- $1.5 million intangible asset amortization.

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

Reconciliation of reported and adjusted financial results	For the three months ended			For the six months ended	
($000, except share and per share amounts)	30-Apr-24	31-Jan-24	31-Mar-23	30-Apr-24	31-Mar-23
Reported results					
Net interest income	**267,338**	256,010	240,797	**523,348**	459,122
Non-interest revenue	**49,322**	42,762	27,034	**92,084**	43,416
Revenue	**316,660**	298,772	267,831	**615,432**	502,538
Non-interest expense	**150,420**	139,485	126,548	**289,905**	265,728
Pre-provision pre-tax income[3]	**166,240**	159,287	141,283	**325,527**	236,810
Provision for credit loss	**22,217**	15,535	6,248	**37,752**	33,044
Income tax expense	**38,307**	39,370	35,516	**77,677**	58,428
Net income	**105,716**	104,382	99,519	**210,098**	145,338
Net income available to common shareholders	**103,041**	101,875	97,201	**204,916**	140,715
Adjustments					
Net interest income – earned on the escrow account	**-**	-	-	**-**	(2,220)
Net interest income – fair value amortization/adjustments	**-**	-	(4,167)	**-**	(843)
Net interest income – paid to subscription receipt holders	**-**	-	-	**-**	(654)
Non-interest revenue – fair value amortization/adjustments	**-**	-	941	**-**	876
Non-interest expenses – non-recurring and acquisition-related costs[1]	**(5,710)**	(2,053)	(4,744)	**(7,763)**	(41,665)
Non-interest expenses – fair value amortization/adjustments	**-**	-	(66)	**-**	(66)
Non-interest expenses – intangible asset amortization	**(1,599)**	(3,398)	(1,476)	**(4,997)**	(1,476)
Provision for credit loss – purchased loans	**-**	-	-	**-**	(19,020)
Pre-tax adjustments – income before tax	**7,309**	5,451	3,060	**12,760**	59,386
Income tax expense – tax impact on above adjustments[2]	**1,983**	1,483	850	**3,466**	16,121
Income tax expense – 2022 tax rate adjustment	**-**	-	-	**-**	(5,621)
Post-tax adjustments – net income	**5,326**	3,968	2,210	**9,294**	48,886
Adjusted results					
Net interest income	**267,338**	256,010	236,630	**523,348**	455,405
Non-interest revenue	**49,322**	42,762	27,975	**92,084**	44,292
Revenue	**316,660**	298,772	264,605	**615,432**	499,697
Non-interest expense	**143,111**	134,034	120,262	**277,145**	222,521
Pre-provision pre-tax income[3]	**173,549**	164,738	144,343	**338,287**	277,176
Provision for credit loss	**22,217**	15,535	6,248	**37,752**	14,024
Income tax expenses	**40,290**	40,853	36,366	**81,143**	68,928
Net income	**111,042**	108,350	101,729	**219,392**	194,224
Net income available to common shareholders	**108,177**	105,719	99,411	**213,896**	189,601
Diluted earnings per share					
Weighted average diluted common shares outstanding	**38,522,025**	38,344,339	37,910,348	**38,434,002**	37,264,510
Diluted earnings per share – reported	**2.67**	2.66	2.56	**5.33**	3.78
Diluted earnings per share – adjusted	**2.81**	2.76	2.62	**5.57**	5.09
Diluted earnings per share – adjustment impact	**0.14**	0.10	0.06	**0.24**	1.31

(1) Includes non-recurring and acquisition and integration-related costs associated with Concentra Bank and ACM.

(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)** 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 balance sheet assets, loan principal derecognized but still managed by EQB, and assets managed on behalf on investors.
- **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.