News Release

EQB Reports Record Q3 Earnings on Margin Expansion, AUM Surpasses $47B, Board Declares Fourth Consecutive Quarterly Dividend Increase and Appoints New Directors

Initial 2023 guidance shows ROE performance to continue including the benefit of Concentra Bank

Toronto, Ontario (November 8, 2022): EQB Inc. (*TSX: EQB, EQB.PR.C*) ("EQB") today reported its financial results for the three and nine months ended September 30, 2022, that were driven by strong conventional lending, customer account and core earnings growth with rigorous margin management. It also issued preliminary guidance for 2023 that incorporates the initial contributions of its Concentra Bank acquisition that closed on November 1, 2022.

Record Q3 results reflected growth in core businesses aligned to 2022 guidance across Personal and Commercial Banking portfolios, stable provisions for credit losses, resilient capital, and the margin benefit of funding diversification including EQ Bank deposits and covered bonds. Compared to Q2 2022, non-interest revenue increased particularly due to growth in the Bank's core revenue from insured multi-family securitization, outpacing the impacts of headwinds that led to non-core mark-to-market adjustments in strategic investments and fair value adjustments.

Q3 adjusted net interest income[1] reaches record $187 million, +24% y/y (reported $186 million, +23% y/y) on core revenue growth, margin expansion

- Adjusted earnings[1] +13% y/y to $82.1 million, (reported earnings +7% y/y to $77.6 million)
- Adjusted diluted EPS[1] +14% y/y to $2.35, (reported diluted EPS +7% to $2.22)
- Adjusted NIM[1,2] 1.94% +11 basis points y/y, (reported NIM[2] 1.93%, +10 bps y/y)
- Adjusted ROE[1] 15.6%, (reported ROE 14.8%)

Conventional loan[2] growth across all asset classes

- Conventional loans[2] +29% y/y to $25.1 billion
- Single family alternative +24% y/y to $16.5 billion
- Decumulation loans +174% y/y to $594 million
- Commercial Finance Group +33% y/y to $5.0 billion, Specialized Finance +48% y/y to $750 million, and Equipment Leases +42% y/y to $965 million
- Assets Under Management (AUM) +18% y/y to $47.3 billion

EQ Bank customer accounts grow to over 290,000 with digital transactions +63% y/y

Year-to-date, EQB set an all-time record for earnings, adjusted pre-provision, pre-tax earnings[1] and book value per share. These results are tracking ahead of annual guidance and supported today's announcement of a sequential common share dividend increase of 7%.

YTD adjusted net interest income[1] reaches record $518 million, +21% y/y (reported $515 million, +21%)

- Adjusted earnings[1] +11% y/y to $236.1 million, (reported earnings +6% y/y to $224.4 million)
- Adjusted diluted EPS[1] +11% y/y to $6.75, (reported diluted EPS +5% to $6.41)
- Adjusted NIM[1,2] 1.87%, +6 bps y/y, (reported NIM[2] 1.86%, +5 bps y/y)

Strong credit metrics reflect effective risk management in a changing economy

- Net impaired loans 0.23% of total assets unchanged from 2021

Capital ratios support strategy, growth in dividends

- CET1 ratio 13.3%
- YTD dividends declared $0.88 per share, +59% y/y

Record BVPS, YTD Adjusted ROE[1] tracking to guidance

- Adjusted ROE[1] 15.6%, (reported ROE 14.9%)
- Book value per share +16% to $61.14

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

"On November 1st, we became the 7th largest independent bank in Canada by assets with the successful closing of our Concentra acquisition, now taking us to a pro forma $100 billion in combined assets under management and assets under administration. I can't think of a better way to begin this exciting next chapter than with the momentum generated on an organic basis in the third quarter. We grew conventional loans 29% year-over-year or $5.6 billion without deviating from our proven methods of assessing credit worthiness and contribution to ROE. With interest rates rising, our high standards for loan quality have never been more necessary or appropriate. This performance, bolstered by our focus on margin management, will propel future earnings. Most important, growth in our customer base presents additional opportunities to live up to our Challenger Bank purpose of driving change in banking to enrich people's lives," said Andrew Moor, President and CEO. "Now, as we integrate Concentra, and pursue our 2023 performance targets, this purpose takes on additional meaning as we welcome new employees, customers and credit union partners and work to realize the substantial benefits of the transaction."

Record YTD performance puts full-year organic growth guidance in range

- Although the fourth quarter will include various impacts of the Concentra acquisition, EQB today expressed confidence that it will achieve existing adjusted guidance for the full-year 2022 (pre-Concentra) of 12-15% in total lending portfolio growth on an organic basis (YTD 17%), +8-10% adjusted EPS[1] growth (YTD +11%), adjusted ROE[1] of 15%+ (YTD 15.6%), adjusted pre-provision, pre-tax income[1] 12%+ (YTD +16%), book value per share 12%+ (YTD +16%) and CET1 of 13%+ (September 20, 2022, 13.3%)
- EQB's risk mitigation strategies continue to deliver leading credit performance and protect the business as markets adjust to higher interest rates
- *See "Preliminary 2023 guidance" in the EQB Q3 2022 MD&A for additional information on performance expectations inclusive of the impact of the Concentra acquisition*

Net interest income increases to all-time record on growth in portfolio and NIM

- Q3 adjusted[1] net interest income +24% y/y to $187.3 million (+23% to $186.3 million reported) driven by growth across conventional loans and expanding margins
- Q3 adjusted net interest margin[1] (NIM) of 1.94% (1.93% reported) was higher than any quarter in history, 13bps higher than last quarter, and well-ahead of 2022 guidance (flat to moderate expansion from 2021) due to growth of conventional lending asset mix and benefits of funding diversification. EQB is confident around holding strong margins, especially considering the growing benefits of EQB's growing deposit franchise and covered bond programs

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

Non-interest revenue improves from a loss in Q2 2022 to net revenue of $9.5 million

- Core non-interest revenue was $17.0 million in Q3, an increase of $6.9 million, with fee-based revenue of $6.7 million and growing contributions from EQB's insured multi-family lending business, delivering $10.3 million in Q3 alone
- Strategic investment market-to-market revenue contributed a decline of -$7.4 million in Q3 reflecting equity market conditions. Strategic investments, while non-core to earnings, are expected to continue to yield overall positive returns and ROE well-above internal hurdle rates during the investment period

Personal Banking conventional lending +27% y/y with reverse mortgages +194% y/y

- Single-family alternative portfolio +24% y/y to $16.5 billion (2022 annual guidance +12-15%) led by first half originations and a 0.3% decline in the loan attrition rate. Despite slowing demand for housing in the third quarter on higher interest rates, the portfolio grew 1% from Q2 2022
- Reverse mortgage assets grew +194% y/y to $514 million (2022 annual guidance +150%) and +22% q/q. Growth reflected expanded distribution, increasing brand awareness among those Canadians nearing or in retirement, and market growth
- Insurance lending +91% y/y to $80 million (2022 annual guidance +100%) and +9% q/q as EQB's solutions including the *Immediate Financing Arrangement* begin to gain broader distribution with nine of Canada's leading insurance companies

Commercial Banking assets +24% y/y to $12.5 billion, well-ahead of target

- Commercial Finance Group loan portfolio +33% y/y to $5.0 billion (2022 annual guidance +10-15%) and +10% q/q with Business Enterprise Solutions +26% y/y to $1.3 billion (2022 annual guidance +10-15%) and +7% q/q. EQB's Specialized Finance business +48% y/y to $750 million (2022 annual guidance +20-30%)
- Bennington equipment leasing portfolio +42% y/y to $965 million (2022 annual guidance +10-15%) and +7% q/q
- EQB continues to grow its insured multi-family residential loans under management by $527 million in Q3 (+4.7% q/q and +17.9% y/y). Gains on securitization in this portfolio contributed $10.3 million in Q3 due to derecognition activity

Credit quality indicators reflect prudence in a higher interest rate environment

- EQB provisioned $5.4 million for credit losses (PCL) in Q3 to account for continued portfolio growth, evolving macroeconomic forecasts and loss modelling that contemplates further increases in interest rates plus various scenarios for economic performance
- Net impaired loans were 0.23% of total assets at September 30, 2022, up from 0.18% at June 30, 2022, but still lower than the prior eight quarters
- Realized losses for Q3 were less than 1 basis point of total loan assets ($1.8 million), better than its industry-leading 10-year credit history, compared to 1 basis points a year ago ($1.2 million)
- EQB remains well reserved for credit losses with allowances as a percentage of total loan assets of 15 bps at September 30, 2022. PCL in Q4 is expected to be in a similar range sequentially, assuming no significant deterioration to the macroeconomic environment beyond expectations

EQ Bank customers +23% y/y, deposits consistent at $7.6 billion

- EQ Bank expanded its customer base by +23% y/y to over 290,000 and during October, further increased its customer base to over 295,000. EQ Bank will soon launch in Quebec, offering its **Make Bank** value proposition across all-digital deposit and savings products
- EQ Bank total deposits are expected to end 2022 below guidance, due to the bank's focus on margin management. EQ Bank consistently offers everyday great rates to all customers, it focuses on building and expanding value to Canadians, and does not aim to match high-rate short term competitive campaigns and gimmicks
- EQ Bank customer engagement remained high in Q3 (digital transactions +63% y/y and products held +15% y/y) and recent enhancements to its artificial intelligence enabled "selfie-ID" account opening process improved onboarding for new customers
- In October, EQ Bank introduced its first payment card in *Beta* with an initial group of customers with strong positive early feedback. EQB generated its first payments-as-a-service revenue (BIN-Banking Identification Number sponsorship) revenue through a white-label agreement with an innovative global payments fintech. As a regulated financial institution, Equitable Bank can now issue payment cards on behalf of fintechs and in turn participate in payments revenue

Equitable Bank continues to diversify funding sources, optimize cost of funds

- Subsequent to Q3, on October 5, 2022, Equitable Bank announced that its offering of €250 million 3-year covered bonds was oversubscribed at an attractive spread of 37 basis points over the Euro mid-swap rate. This brings the total issuance for 2022 to €550 million, well ahead of management's goal. Inclusive of all costs, covered bonds remain the lowest cost of wholesale funding available to the Bank. With the completion of the Concentra acquisition, the Bank now has additional covered bond issuance capacity
- Equitable Bank's other deposit principal (excluding EQ Bank deposits) +27% y/y and +2% q/q to $16.3 billion at September 30, 2022, including its Deposit Note program of $1.7 billion

Strong capital and liquidity positions

- Equitable Bank's Common Equity Tier 1 ratio was 13.3% at September 30, 2022 (compared to 13.5% at June 30, 2022 and 13.7% a year ago), reflecting success in deploying capital organically, at total risk-weighted assets +24% y/y and +5% q/q to $15.5 billion
- Liquid assets[1] were $3.2 billion or 8.0% of total assets at September 30, 2022 reflecting anticipated cash needs for upcoming quarters, compared to $3.1 billion or 7.8% of total assets at June 30, 2022 and $3.2 billion (9.3% of assets a year ago)
- Retail and securitization funding markets remain liquid and efficient and with rising interest rates deposit markets are expected to continue to see positive inflows

EQB announces +7% q/q increase in common share dividend for the quarter, +78% y/y

- EQB's Board of Directors declared a common share dividend of $0.33 per common share or $1.32 annualized, payable on December 30, 2022 to shareholders of record December 15, 2022. The four dividend increases announced in 2022 reflect EQB's philosophy of growing the dividend while maintaining a payout ratio that is much lower than other Canadian banks and using retained capital to fuel growth with high ROE
- EQB's Board also declared a quarterly dividend of $0.373063 per preferred share, payable on December 30, 2022 to shareholders of record at the close of business December 15, 2022

Concentra Bank integration underway following November 1, 2022 closing

- On February 7, 2022, Equitable Bank entered into a definitive agreement, as well as supporting agreements, to acquire Concentra Bank, Canada's 13th largest Schedule I bank by assets. During the third quarter, the federal Minister of Finance approved the acquisition and on November 1, the remaining conditions were successfully met as described in a news release issued that day
- Using the detailed plans formulated by a Transformation Management Office over the past nine months, management is now engaged in integration activities aligned to the full achievement of previously announced synergy objectives, earnings accretion, customer service and joint value creation with credit unions and new partners
- EQB's Q4 2022 results will include two months of contribution from Concentra, which are expected to include one-time financial impacts associated with the purchase transaction and integration. Going forward, EQB will provide consolidated results for Equitable Bank that will include the contributions of Concentra Bank and Concentra Trust

EQB publishes preliminary 2023 adjusted guidance including Concentra Bank

- With the introduction of the Concentra integration during 2023, currently the bank expects to be able to deliver ROE in the range of 15%+, diluted EPS growth 10-15%+, pre-provision pre-tax earnings of 25-35%, BVPS growth of 12-15% and consistent stable CET1 of 13%+
- Please refer to the Q3 EQB MD&A for preliminary balance sheet growth ranges. Note, guidance includes contributions from Concentra. Per share amounts also include the increase in the count of common shares and associated book value of contributed equity related to the acquisition.

"We've reinforced that EQB's operating model is designed to perform across economic cycles, and this resilience translated again in Q3. The balance sheet, credit and capital are well positioned, diversified and performing to plan. Combined with our team's exceptional focus on ROE and margin management, we believe 2022 will close out on track or ahead of guidance, and we will enter 2023 from a point of strength, including with the addition of Concentra Bank. We will refine our 2023 guidance with Q4 results in February 2023 after operating Concentra Bank for a few months and managing through continued macroeconomic developments. That said, achieving 2023 guidance will be tremendously rewarding to all stakeholders as Canada's Challenger Bank takes its place among the country's largest financial institutions," said Chadwick Westlake, EQB's Chief Financial Officer.

Equitable Bank announces appointment of three deeply experienced, independent directors, effective immediately taking the Board to 12 independent directors

- **Carolyn Schuetz** is an accomplished executive with more than 30 years of global experience in financial services. Having spent 16 years at HSBC, most recently as the Chief Operating Officer for Group Retail Banking and Wealth Management, she brings deep operational expertise and a proven track record of delivering large-scale transformational change in complex, highly regulated industries. She serves on the board of OakNorth Bank plc, a UK-regulated private FinTech bank and Altus Group Limited, which provides the global corporate real estate industry with intelligence-as-a-service solutions to maximize returns and reduce risk. Ms. Schuetz holds a Bachelor of Mathematics from the University of Waterloo, is a Chartered Professional Accountant and has an MBA from Stanford
- **Marcos Lopez** is the former CEO of Solium Capital Inc. (now Shareworks by Morgan Stanley). His long stewardship of Solium culminated in its acquisition by Morgan Stanley for $1.1 billion. Under his leadership, Solium's Shareworks platform evolved into a world-class suite of products and services

used by more than 3,000 companies worldwide. After Solium was acquired by Morgan Stanley, he became Co-Head of Morgan Stanley at Work, ensuring a successful integration of the business and ultimately helping create the largest employee share plan administration business globally. Before becoming Solium's CEO, he was the co-founder of Bitonic Solutions Inc. Mr. Lopez holds a Bachelor's Degree in Computer Science from the University of Calgary, and was the 2012 recipient of the Ernst & Young Entrepreneur of the Year award for the technology sector, Western Canada

- **Michael Hanley** is a Corporate Director with over 25 years of experience in leadership roles and corporate governance. He serves on the Board of Directors and acts as chair of the audit committee of LyondellBasell Industries N.V., where he is also a member of the Compensation and Talent Development Committee. In addition, he is the Lead Director of Nuvei Corporation and a member of the Board of Directors of ExCellThera Inc. Previously, Mr. Hanley served as a member of the Board of Directors, the audit committee and the human resources and compensation committee of Industrial Alliance Insurance and Financial Services Inc. and the Board of Directors and the audit committee of Le Groupe Jean Coutu (PJC) Inc. Earlier in his career, Mr. Hanley was Senior Vice-President Operations and Strategic Initiatives at National Bank of Canada and held a number of positions at Alcan Inc., including Executive Vice-President and Chief Financial Officer, and President and CEO of the Global Bauxite and Alumina business group. He also served as Chief Financial Officer of two other Canadian public companies, Gaz Métro (now Energir) and St-Laurent Paperboard Inc. Mr. Hanley is a Chartered Professional Accountant and member of the Ordre des comptables professionnels agrees du Québec (CPA) since 1987
- Today's announcement also reflects the Board's focus on preparing for future retirements. Having reached the 12-year term limit set out in our policies, David LeGresley and Lynn McDonald will not stand for re-election as Directors at the 2023 AGM. Accordingly, Mr. Lopez and Mr. Hanley were also appointed to the EQB Inc. Board of Directors immediately and Ms. Schuetz will stand for election to the EQB Inc. Board at the 2023 AGM.

"As Canada's 7th largest independent Canadian bank by assets, Equitable Bank's scope and scale dictate that we enhance our governance, which is exactly what the appointments of these accomplished leaders achieves," said David LeGresley, Chair of the Board of Equitable Bank. "Their presence will be accretive to our deliberations as Canada's Challenger Bank embarks on its next chapter of growth, service and performance. I welcome Carolyn, Marcos and Michael and look forward to the contributions they will make to our Bank's broader purpose of enriching people's lives."

Analyst conference call and webcast: 8:30 a.m. ET Eastern November 9, 2022

EQB will host its third quarter conference call and webcast on Wednesday November 9, 2022. To access the call live, please dial **(416) 764-8609** five minutes prior to the start time. The listen-only webcast with accompanying slides will be available at eqbank.investorroom.com/events-webcasts.

Call archive

A replay of the call will be available until November 23, 2022 at midnight at (416) 764-8677 (passcode 753301 followed by the number sign). Alternatively, the webcast will be archived on the Bank's Investor Relations website.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance sheets (unaudited)

($000s) As at	**September 30, 2022**	December 31, 2021	September 30, 2021
Assets:			
Cash and cash equivalents	**298,999**	773,251	646,501
Restricted cash	**547,836**	462,164	466,641
Securities purchased under reverse repurchase agreements	**750,072**	550,030	600,007
Investments	**1,092,628**	1,033,438	829,561
Loans – Personal	**24,343,276**	22,421,603	21,413,300
Loans – Commercial	**12,448,825**	10,479,159	10,061,492
Securitization retained interests	**276,464**	207,889	204,820
Other assets	**392,009**	231,536	202,745
	40,150,109	36,159,070	34,425,067
Liabilities and shareholders' equity			
Liabilities:			
Deposits	**24,048,937**	20,856,383	19,932,120
Securitization liabilities	**11,611,083**	11,375,020	11,195,418
Obligations under repurchase agreements	**748,881**	1,376,763	804,300
Deferred tax liabilities	**75,755**	63,141	70,118
Funding facilities	**800,283**	200,128	330,479
Subscription receipts	**232,018**	-	-
Other liabilities	**471,499**	335,001	221,354
	37,988,456	34,206,436	32,553,789
Shareholders' equity:			
Preferred shares	**70,424**	70,607	71,195
Common shares	**236,368**	230,160	228,645
Contributed surplus	**10,908**	8,693	8,272
Retained earnings	**1,839,561**	1,650,757	1,578,128
Accumulated other comprehensive income (loss)	**4,392**	(7,583)	(14,962)
	2,161,653	1,952,634	1,871,278
	40,150,109	36,159,070	34,425,067

Consolidated statements of income (unaudited)

($000s, except per share amounts)	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	**September 30, 2022**	September 30, 2021
Interest income:				
Loans – Personal	**225,502**	165,171	**590,112**	490,591
Loans – Commercial	**172,579**	107,203	**421,865**	311,630
Investments	**3,377**	4,223	**10,583**	10,946
Other	**9,178**	2,209	**17,595**	7,435
	410,636	278,806	**1,040,155**	820,602
Interest expense:				
Deposits	**153,638**	75,358	**348,523**	229,836
Securitization liabilities	**64,567**	52,269	**167,598**	163,439
Funding facilities	**6,180**	327	**8,954**	670
	224,385	127,954	**525,075**	393,945
Net interest income	**186,251**	150,852	**515,080**	426,657
Non-interest revenue:				
Fees and other income	**6,679**	5,629	**20,578**	16,802
Net (loss) gain on loans and investments	**(7,697)**	4,569	**(19,738)**	8,015
Gains on securitization activities and income from securitization retained interests	**10,499**	1,050	**31,559**	19,570
	9,481	11,248	**32,399**	44,387
Revenue	**195,732**	162,100	**547,479**	471,044
Provision for credit losses	**5,354**	(3,500)	**10,462**	(6,254)
Revenue after provision for credit losses	**190,378**	165,600	**537,017**	477,298
Non-interest expenses:				
Compensation and benefits	**41,767**	33,430	**118,606**	94,799
Other	**42,315**	34,012	**118,685**	94,950
	84,082	67,442	**237,291**	189,749
Income before income taxes	**106,296**	98,158	**299,726**	287,549
Income taxes:				
Current	**17,142**	23,102	**62,749**	65,842
Deferred	**11,575**	2,583	**12,615**	9,239
	28,717	25,685	**75,364**	75,081
Net income	**77,579**	72,473	**224,362**	212,468
Dividends on preferred shares	**1,086**	1,099	**3,261**	3,324
Net income available to common shareholders	**76,493**	71,374	**221,101**	209,144
Earnings per share:				
Basic	**2.24**	2.10	**6.48**	6.17
Diluted	**2.22**	2.07	**6.41**	6.08

Consolidated statements of comprehensive income (unaudited)

($000s)	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	**September 30, 2022**	September 30, 2021
Net income	**77,579**	72,473	**224,362**	212,468
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 investment	**(84)**	-	**(1,010)**	-
Net unrealized (losses) from change in fair value	**(2,510)**	(502)	**(31,890)**	(3,730)
Reclassification of net losses (gains) to income	**1,324**	(1,264)	**6,330**	54
Other comprehensive income – items that will not be reclassified subsequently to income:				
Equity instruments designated at Fair Value through Other Comprehensive Income:				
Net unrealized (losses) gains from change in fair value	**(4,910)**	1,151	**(11,613)**	17,253
Reclassification of net losses to retained earnings	**-**	-	**3,045**	-
	(6,180)	(615)	**(35,138)**	13,577
Income tax recovery (expense)	**1,625**	163	**9,218**	(3,566)
	(4,555)	(452)	**(25,920)**	10,011
Cash flow hedges:				
Net unrealized gains from change in fair value	**2,967**	3,189	**48,876**	19,254
Reclassification of net losses (gains) to income	**1,126**	(61)	**3,499**	(295)
	4,093	3,128	**52,375**	18,959
Income tax (expense)	**(1,075)**	(822)	**(13,735)**	(4,980)
	3,018	2,306	**38,640**	13,979
Total other comprehensive (loss) income	**(1,537)**	1,854	**12,720**	23,990
Total comprehensive income	**76,042**	74,327	**237,082**	236,458

Consolidated statements of changes in shareholders' equity (unaudited)

($000s) Three month period ended								September 30, 2022
					Accumulated other comprehensive income (loss)			
	Preferred Shares	Common Shares	Contributed Surplus	Retained Earnings	Cash Flow Hedges	Financial Instruments at FVOCI	Total	Total
Balance, beginning of period	**70,424**	**234,372**	**10,106**	**1,773,658**	**36,302**	**(30,311)**	**5,991**	**2,094,551**
Net Income	-	-	-	**77,579**	-	-	-	**77,579**
Transfer of Losses of AOCI to Retained Earnings	-	-	-	-	-	**(62)**	**(62)**	**(62)**
Other comprehensive income, net of tax	-	-	-	-	**3,018**	**(4,555)**	**(1,537)**	**(1,537)**
Exercise of stock options	-	**1,974**	-	-	-	-	-	**1,974**
Dividends:								
Preferred shares	-	-	-	**(1,086)**	-	-	-	**(1,086)**
Common shares	-	-	-	**(10,590)**	-	-	-	**(10,590)**
Stock-based compensation	-	-	**824**	-	-	-	-	**824**
Transfer relating to the exercise of stock options	-	**22**	**(22)**	-	-	-	-	-
Balance, end of period	**70,424**	**236,368**	**10,908**	**1,839,561**	**39,320**	**(34,928)**	**4,392**	**2,161,653**
($000s) Three month period ended								September 30, 2021
Balance, beginning of period	72,001	224,997	8,237	1,513,118	(8,273)	(8,543)	(16,816)	1,801,537
Net Income	-	-	-	72,473	-	-	-	72,473
Other comprehensive income, net of tax	-	-	-	-	2,306	(452)	1,854	1,854
Exercise of stock options	-	3,060	-	-	-	-	-	3,060
Purchase of treasury preferred shares	(806)	-	-	-	-	-	-	(806)
Net loss on cancellation of treasury preferred shares	-	-	-	(71)	-	-	-	(71)
Dividends:								
Preferred shares	-	-	-	(1,099)	-	-	-	(1,099)
Common shares	-	-	-	(6,293)	-	-	-	(6,293)
Stock-based compensation	-	-	623	-	-	-	-	623
Transfer relating to the exercise of stock options	-	588	(588)	-	-	-	-	-
Balance, end of period	71,195	228,645	8,272	1,578,128	(5,967)	(8,995)	(14,962)	1,871,278

Consolidated statements of changes in shareholders' equity (unaudited)

($000s) Nine month period ended								**September 30, 2022**
					Accumulated other comprehensive income (loss)			
	Preferred Shares	**Common Shares**	**Contributed Surplus**	**Retained Earnings**	**Cash Flow Hedges**	**Financial Instruments at FVOCI**	**Total**	**Total**
Balance, beginning of period	**70,607**	**230,160**	**8,693**	**1,650,757**	**680**	**(8,263)**	**(7,583)**	**1,952,634**
Net Income	**-**	**-**	**-**	**224,362**	**-**	**-**	**-**	**224,362**
Realized Loss on Sale of Shares	**-**	**-**	**-**	**(2,251)**	**-**	**-**	**-**	**(2,251)**
Transfer of Losses of AOCI to Retained Earnings	**-**	**-**	**-**	**-**	**-**	**(745)**	**(745)**	**(745)**
Other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**38,640**	**(25,920)**	**12,720**	**12,720**
Exercise of stock options	**-**	**5,841**	**-**	**-**	**-**	**-**	**-**	**5,841**
Purchase of treasury preferred shares	**(183)**	**-**	**-**	**-**	**-**	**-**	**-**	**(183)**
Net loss on cancellation of treasury preferred shares	**-**	**-**	**-**	**(6)**	**-**	**-**	**-**	**(6)**
Dividends:								
Preferred shares	**-**	**-**	**-**	**(3,261)**	**-**	**-**	**-**	**(3,261)**
Common shares	**-**	**-**	**-**	**(30,040)**	**-**	**-**	**-**	**(30,040)**
Stock-based compensation	**-**	**-**	**2,582**	**-**	**-**	**-**	**-**	**2,582**
Transfer relating to the exercise of stock options	**-**	**367**	**(367)**	**-**	**-**	**-**	**-**	**-**
Balance, end of period	**70,424**	**236,368**	**10,908**	**1,839,561**	**39,320**	**(34,928)**	**4,392**	**2,161,653**
($000s) Nine month period ended								September 30, 2021
Balance, beginning of period	72,477	218,166	8,092	1,387,919	(19,943)	(19,009)	(38,952)	1,647,702
Net Income	-	-	-	212,468	-	-	-	212,468
Other comprehensive income, net of tax	-	-	-	-	13,979	10,011	23,990	23,990
Exercise of stock options	-	8,775	-	-	-	-	-	8,775
Purchase of treasury preferred shares	(1,282)	-	-	-	-	-	-	(1,282)
Net loss on cancellation of treasury preferred shares	-	-	-	(91)	-	-	-	(91)
Dividends:								
Preferred shares	-	-	-	(3,324)	-	-	-	(3,324)
Common shares	-	-	-	(18,844)	-	-	-	(18,844)
Stock-based compensation	-	-	1,884	-	-	-	-	1,884
Transfer relating to the exercise of stock options	-	1,704	(1,704)	-	-	-	-	-
Balance, end of period	71,195	228,645	8,272	1,578,128	(5,964)	(8,998)	(14,962)	1,871,278

Consolidated statements of cash flows (unaudited)

($000s) Three and nine month periods ended	Three months ended **September 30, 2022**	 September 30, 2021	Nine months ended **September 30, 2022**	 September 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	**77,579**	72,473	**224,362**	212,468
Adjustments for non-cash items in net income:				
Financial instruments at fair value through income	**(3,990)**	(5,240)	**(2,614)**	(10,852)
Amortization of premiums/discount on investments	**311**	22	**941**	68
Amortization of capital assets and intangible costs	**9,696**	8,555	**27,740**	23,789
Provision for credit losses	**5,354**	(3,500)	**10,462**	(6,254)
Securitization gains	**(8,973)**	(3,084)	**(15,221)**	(15,439)
Stock-based compensation	**824**	623	**2,582**	1,884
Income taxes	**28,717**	25,685	**75,364**	75,081
Securitization retained interests	**13,477**	11,395	**38,637**	33,295
Changes in operating assets and liabilities:				
Restricted cash	**9,447**	40,654	**(85,672)**	37,398
Securities purchased under reverse repurchase agreements	**(330,063)**	(499,992)	**(200,042)**	(149,804)
Loans receivable, net of securitizations	**(577,886)**	(1,588,722)	**(3,922,620)**	(3,260,888)
Other assets	**(6,277)**	(8,276)	**(7,382)**	(3,078)
Deposits	**382,733**	1,350,465	**3,285,759**	3,359,352
Securitization liabilities	**245,281**	(284,294)	**245,054**	(792,361)
Obligations under repurchase agreements	**(65,613)**	603,029	**(627,882)**	552,423
Funding facilities	**88,903**	330,479	**600,155**	330,479
Subscription receipts	**1,197**	-	**232,018**	-
Other liabilities	**(34,422)**	3,544	**(21,331)**	15,191
Income taxes paid	**(31,958)**	(10,485)	**(125,616)**	(43,016)
Cash flows (used in) from operating activities	**(195,663)**	43,331	**(265,306)**	359,736
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares	**1,974**	3,060	**5,841**	8,775
Dividends paid on preferred shares	**(1,086)**	(1,099)	**(3,261)**	(3,324)
Dividends paid on common shares	**(10,590)**	(6,293)	**(30,040)**	(18,844)
Cash flows used in financing activities	**(9,702)**	(4,332)	**(27,460)**	(13,393)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	**(8,466)**	(189,056)	**(67,292)**	(673,906)
Proceeds on sale or redemption of investments	**44,150**	244,963	**277,918**	474,429
Net change in Canada Housing Trust re-investment accounts	**(51,141)**	(29,530)	**(346,244)**	(29,619)
Purchase of capital assets and system development costs	**(19,688)**	(10,627)	**(45,868)**	(28,489)
Cash flows (used in) from investing activities	**(35,145)**	15,750	**(181,486)**	(257,585)
Net (decrease) increase in cash and cash equivalents	**(240,510)**	54,749	**(474,252)**	88,758
Cash and cash equivalents, beginning of period	**539,509**	591,752	**773,251**	557,743
Cash and cash equivalents, end of period	**298,999**	646,501	**298,999**	646,501
Cash flows from operating activities include:				
Interest received	**362,766**	256,184	**922,920**	764,336
Interest paid	**(152,137)**	(112,378)	**(417,217)**	(386,564)
Dividends received	**859**	1,198	**3,029**	4,114

About EQB Inc.

EQB trades on the Toronto Stock Exchange (TSX: EQB and EQB.PR.C) and serves more than 370,000 Canadians through its wholly owned subsidiary Equitable Bank, Canada's Challenger Bank™. Equitable Banks wholly owned subsidiary Concentra Bank supports credit unions across Canada that serve more than 5 million members. Equitable Bank has over $100 billion in combined assets under management and administration, with a clear mandate to drive change in Canadian banking to enrich people's lives. Founded over 50 years ago, Canada's Challenger Bank™ provides diversified personal and commercial banking and through its EQ Bank platform (eqbank.ca) has been named the top Schedule I Bank in Canada on the Forbes World's Best Banks 2022 and 2021 lists. Please visit equitablebank.ca for details.

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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.

Adjusted financial results

On February 7, 2022, Equitable Bank announced a definitive agreement to acquire a majority interest in Concentra Bank (Concentra), subject to customary closing conditions and regulatory approvals. On September 28, 2022, the Bank received approval from the Ministry of Finance to acquire Concentra and subsequently closed the transaction on November 1, 2022. The EQB.R subscription receipts were converted to common shares and proceeds were used to fund the transaction. Beginning in Q4 2021, Equitable Bank incurred certain acquisition costs. To enhance comparability between reporting periods, increase consistency with other financial institutions, and provide the reader with a better understanding of EQB's performance, adjusted results were introduced starting in Q1 2022. Adjusted results are non-GAAP financial measures.

Adjustments impacting current and prior periods:

Concentra acquisition/integration costs, pre-tax:

- Q3 2022 – $5.2 million of acquisition and integration related costs and $1.0 million of interest expense paid to subscription receipt holders(1), and
- Q2 2022 – $2.7 million of acquisition and integration related costs and $0.9 million of interest expenses paid to subscription receipt holders.

(1) The interest expense refers to the dividend equivalent amount paid to subscription receipt holders. The subscription receipt holders are entitled to receive a payment equal to the common share dividend declared multiplied by the number of subscription receipts held on the common share dividend payment date. These subscription receipts were converted into common shares at a 1:1 ratio upon the closing of the Concentra acquisition. The net proceeds from the issuance were held in an escrow account and the interest income earned is not recognized until the closing date.

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

Reconciliation of reported and adjusted financial results	As at or for the three months ended			For the nine months ended	
	30-Sep-22	30-Jun-22	30-Sep-21	**30-Sep-22**	30-Sep-21
Reported financial results ($thousands)					
Net interest income	**186,251**	166,657	150,852	**515,080**	426,657
Non-interest revenue	**9,481**	(2,528)	11,248	**32,399**	44,387
Revenue	**195,732**	164,129	162,100	**547,479**	471,044
Non-interest expense	**84,082**	78,276	67,442	**237,291**	189,749
Pre-provision pre-tax income	**111,650**	85,853	94,658	**310,188**	281,295
Provision for credit loss	**5,354**	5,233	(3,500)	**10,462**	(6,254)
Income tax expense	**28,717**	21,784	25,685	**75,364**	75,081
Net income	**77,579**	58,836	72,473	**224,362**	212,468
Net income available to common shareholders	**76,493**	57,750	71,374	**221,101**	209,144
Adjustments ($ thousands)					
Interest expenses – paid to subscription receipt holders(1)	**1,013**	947	-	**2,874**	-
Non-interest expenses – acquisition / integration related costs	**5,179**	2,709	-	**13,021**	-
Pre-tax adjustments	**6,192**	3,656	-	**15,895**	-
Income tax expense(2)	**1,622**	958	-	**4,165**	-
Post-tax adjustments	**4,570**	2,698	-	**11,730**	-
Adjusted financial results ($ thousands)					
Net interest income	**187,264**	167,604	150,852	**517,954**	426,657
Non-interest revenue	**9,481**	(2,528)	11,248	**32,399**	44,387
Revenue	**196,745**	165,076	162,100	**550,353**	471,044
Non-interest expense	**78,903**	75,567	67,442	**224,270**	189,749
Pre-provision pre-tax income	**117,842**	89,509	94,658	**326,083**	281,295
Provision for credit loss	**5,354**	5,233	(3,500)	**10,462**	(6,254)
Income tax expense	**30,339**	22,742	25,685	**79,528**	75,081
Net income	**82,149**	61,534	72,473	**236,093**	212,468
Net income available to common shareholders	**81,063**	60,448	71,374	**232,831**	209,144
Diluted earnings per share ($, except number of shares)					
Weighted average number of diluted common shares outstanding	**34,450,617**	34,479,387	34,492,008	**34,491,452**	34,414,146
Diluted earnings per share - reported	**2.22**	1.67	2.07	**6.41**	6.08
Diluted earnings per share - adjusted	**2.35**	1.75	2.07	**6.75**	6.08
Impact of adjustments on diluted earnings per share	**0.13**	0.08	-	**0.34**	-

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

In addition to the adjusted results that are presented above, additional adjusted financial measures and ratios are disclosed as follows:

Reconciliation of adjusted efficiency ratio

($000s, except percentages)	For the three months ended					For the nine months ended		
	30-Sep-22	30-Jun-22	Change	30-Sep-21	Change	**30-Sep-22**	30-Sep-21	Change
Non-interest expenses – reported	**84,082**	78,276	7%	67,442	25%	**237,291**	189,749	25%
Adjustments on a pre-tax basis:								
Non-interest expenses – acquisition/integration related costs	**(5,179)**	(2,709)	91%	-	N/A	**(13,021)**	-	N/A
Non-interest expenses – adjusted	**78,903**	75,567	4%	67,442	17%	**224,270**	189,749	18%
Revenue – reported	**195,732**	164,129	19%	162,100	21%	**547,479**	471,044	16%
Adjustment on a pre-tax basis:								
Interest expenses – paid to subscription receipt holders	**1,013**	947	7%	-	N/A	**2,874**	-	N/A
Revenue – adjusted	**196,745**	165,076	19%	162,100	21%	**550,353**	471,044	17%
Efficiency ratio – adjusted	**40.1%**	45.8%	(5.7%)	41.6%	(1.5%)	**40.8%**	40.3%	0.5%

Reconciliation of adjusted return on equity (ROE)

($000s, except percentages)	For the three months ended					For the nine months ended		
	30-Sep-22	30-Jun-22	Change	30-Sep-21	Change	**30-Sep-22**	30-Sep-21	Change
Net income available to common shareholders – reported	**76,493**	57,750	32%	71,374	7%	**221,101**	209,144	6%
Adjustments on an after-tax basis:								
Costs associated with Concentra acquisition	**4,570**	2,698	69%	-	N/A	**11,730**	-	N/A
Net income available to common shareholders – adjusted	**81,063**	60,448	34%	71,374	14%	**232,831**	209,144	11%
Weighted average common equity outstanding – adjusted	**2,066,734**	2,001,383	3%	1,764,632	17%	**1,992,412**	1,688,350	18%
Return on equity - adjusted	**15.6%**	12.1%	3.5%	16.0%	(0.4%)	**15.6%**	16.6%	(1.0%)

Other non-GAAP financial measures and ratios

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

($000s)	30-Sep-22	30-Jun-22	Change	30-Sep-21	Change
Total assets on the consolidated balance sheet	**40,150,109**	39,417,758	2%	34,425,067	17%
Loan principal derecognized	**7,181,301**	6,349,413	13%	5,746,788	25%
Assets under management	**47,331,410**	45,767,171	3%	40,171,855	18%

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

($000s)	30-Sep-22	30-Jun-22	Change	30-Sep-21	Change
Alternative single-family mortgages	**16,492,710**	16,264,259	1%	13,262,144	24%
Reverse mortgages	**514,020**	421,406	22%	174,844	194%
Insurance lending	**79,610**	73,219	9%	41,625	91%
Total Conventional loans – Personal	**17,086,340**	16,758,884	2%	13,478,613	27%
Business Enterprise Solutions	**1,318,727**	1,228,665	7%	1,043,089	26%
Commercial Finance Group	**4,973,158**	4,516,012	10%	3,736,987	33%
Specialized finance	**750,322**	738,675	2%	506,268	48%
Equipment leasing	**965,155**	902,054	7%	680,642	42%
Total Conventional loans – Commercial	**8,007,362**	7,385,406	8%	5,966,986	34%
Total Conventional loans	**25,093,702**	24,144,290	4%	19,445,599	29%

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: is the difference between revenue and non-interest expenses.