News Release

EQB changed its fiscal year in 2023 to end October 31, resulting in a one-time ten-month transition year and a four-month final quarter of 2023. As a result, the comparisons below are shown year-over-year from the second quarter ending June 30, 2023, as the most similar and comparable three-month period ("y/y").

EQB announces 4% q/q and 24% y/y dividend increase bolstered by record Q3 adjusted revenue and earnings with ROE continuing ahead of 15%+ target

TORONTO, Aug 28, 2024 – EQB Inc. (TSX: EQB, EQB.PR.C) today reported record revenue and earnings[1] for the three and nine months ended July 31, 2024, that reflect growth in net interest income, loans under management and higher non-interest revenue reaching 17% of total revenue in the quarter, including contributions from its alternative asset management platform, ACM Advisors.

Third quarter 2024 compared to second quarter of 2024 and 2023:

- **Adjusted ROE[2]** 15.9% (reported 15.2%)
- **Adjusted diluted EPS[2]** $2.96, +5% q/q, -1% y/y (reported $2.84, +6% q/q, -16% y/y)
- **Revenue** $327.2 million, +3% q/q, +15% y/y
- **Net interest margin[3]** 2.09%, -2 bps q/q, +10 bps y/y
- **PPPT[4]** $181.5 million, +5% q/q, +12% y/y (reported $176.7 million, +6% q/q, -5% y/y)
- **Adjusted net income[2]** $117.2 million, +6% q/q, +1% y/y (reported $112.2 million, +6% q/q, -14% y/y)
- **Total AUM + AUA[3]** $125.4 billion, +2% q/q, +16% y/y
- **EQ Bank** customer growth +6% q/q and +32% y/y to over 485,000 customers
- **Book value per share** $75.67, +3% q/q, +12% y/y
- **Common share dividends** $0.47 per share declared, increasing 2 cents or +4% q/q, +24% y/y
- **Total capital ratio** 16.6% with CET1 of 14.7%

Nine months ended July 31, 2024, compared to nine months ended June 30, 2023:

- **Adjusted ROE[2]** 15.7% (reported 15.1%)
- **Adjusted diluted EPS[2]** $8.53, +6% y/y (reported $8.17, +14% y/y)
- **Adjusted net income[2]** $336.6 million, +9% y/y (reported $322.3 million, +17% y/y)

"This was another quarter of strong financial performance from Canada's Challenger Bank™ despite the moderating effects of higher interest rates on real estate market activity," said Andrew Moor, president and CEO, EQB. "Highlights included sequential earnings growth, ROE above our 15% target – consistent with our 10-year average – and continued expansion of EQ Bank's customer base driven most recently by consumer demand for our new Notice Savings Account, the first-of-its-kind-in Canada with no fees or minimum balance requirements. PCLs also improved in line with our expectations, and we anticipate continued progress now that monetary policy is normalizing. This emerging backdrop is conducive to the return of more pronounced asset growth in fiscal 2025 as we help Canadians meet their needs for all forms of housing in a supply-constrained environment."

[1]Record quarterly performance excludes Q4 2023 which had four months due to the change of EQB's fiscal year to end October 31.
[2] 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.
[3] These are non-GAAP measures, see the "Non-GAAP financial measures and ratios" section.
[4] PPPT represents pre-provision-pre-tax income, a non-GAAP measure of financial performance.

EQ Bank welcomes over 28,000 customers in Q3 growing to 485,000, +6% q/q and +32% 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 led to a substantial increase in consumer awareness of EQ Bank and supported the rapid growth of new customer accounts as Canadians explored the advantages that accrue from using all-digital, interest-bearing accounts with no fees on everyday banking.
- The recently launched and first-of-its-kind Notice Savings Account, with no fees or minimum balance requirements, pairs high interest rates with the flexibility to withdraw on short notice. It has proven to be attractive to both existing and new customers who now benefit from greater diversity in the savings product landscape.

Personal Banking loans under management reach $32.5 billion with strong retention

- The single-family uninsured portfolio remained steady q/q at $19.8 billion, as strong customer retention offset the impact of slower housing market activity on new originations.
- Decumulation lending assets (including reverse mortgages and insurance lending) +11% q/q and +56% y/y to $1.9 billion with growth accelerating as a result of successful consumer advertising that bolstered public awareness, strong broker service and value to borrowers.
- The innovative Laneway House Mortgage, introduced subsequent to quarter-end, diversifies the Bank’s single-family solutions portfolio and improves options to borrowers in urban centres while helping to address access to housing. This dedicated construction financing loan, available through broker partners, supports Canadians wishing to expand living space, add additional rental income streams or downsize in place through secondary suites.

Commercial Banking loans under management +$1.6 billion q/q to $34.4 billion

- EQB continues to prioritize insured multi-unit residential lending in major cities across the country with nearly 80% of its total commercial loans under management (LUM) insured through various CMHC programs. Insured multi-unit residential LUM +7% q/q and +33% y/y to $24.1 billion.
- As a result of the Bank’s lending focus on properties where people live, it has very limited exposure to the Canadian commercial office real estate market (~0.5% of loan assets) and those balances declined in the quarter. Consistent with the Bank’s long-term risk appetite, commercial office lending is generally confined to multi-tenanted, mixed-used properties occupied by medical and professional businesses.

Provisions reflect credit risk at this point in the cycle

- The Bank is appropriately reserved for credit losses with net allowances as a percentage of total loan assets of 26 bps, compared to 23 bps at April 30, 2024, and 20 bps at June 30, 2023.
- Adjusted provision for credit losses (PCL)[2] of $19.6 million (reported $21.3 million in Q3) reflected the impacts of improving macroeconomic forecasts and expected credit loss modelling, Stage 3 provisions of $4.5 million associated with residential and commercial lending and $16.0 million associated with the equipment financing business. Realized losses excluding equipment financing were $1.4 million, annualized 1 bp of lending assets.
- Net impaired loans increased by $84.7 million to $526.6 million, which corresponds to 109 bps of total loan assets compared to 92 bps at April 30, 2024, and 47 bps from June 30, 2023. This increase is attributed to increases in Commercial lending with ~60% related to two commercial loans where the Bank does not expect to incur losses, as well as equipment finance and single-family residential.

EQB increases common share dividend

- EQB's Board of Directors declared a dividend of $0.47 per common share payable on September 30, 2024, to shareholders of record as of September 13, 2024, representing a 4% increase from the dividend paid in June 2024 and 24% above the payment made in September 2023.
- On August 28, 2024, EQB's Board suspended the Dividend Reinvestment Plan (DRIP) due to the strength of the Bank's capital position and ability to confidently generate sufficient capital over the medium to long-term to support the growth of the Bank. EQB maintains the right to reinstate the DRIP in future periods.
- The Board declared a quarterly dividend of $0.373063 per preferred share, payable on September 30, 2024, to shareholders of record at the close of business September 13, 2024.
- For the purposes of the Income Tax Act (Canada) and any similar provincial legislation, dividends declared are eligible dividends, unless otherwise indicated.

EQB preferred share redemption

- On September 30, 2024, EQB will redeem all of the 2,911,800 outstanding shares of its Non-Cumulative 5-Year Rate Reset Preferred Shares, Series 3 (the "Series 3 Preferred Shares"). The redemption price per share for the Series 3 Preferred Shares will be $25.00 for each Series 3 Preferred Share of the Company.
- The Series 3 Preferred Shares are currently listed for trading on the Toronto Stock Exchange under the symbol EQB.PR.C and will be de-listed from the TSX, as at the close of trading on September 30, 2024. Beneficial holders of Series 3 Preferred Shares should contact the financial institution, broker or other intermediary through which they hold these shares to confirm how they will receive their redemption proceeds.

Fiscal 2024 earnings guidance now reflects year-to-date results with reaffirmed 15%+ ROE

- With three quarters of the fiscal year complete, EQB today reaffirmed previously stated annual guidance for adjusted ROE of 15%+, as well as for pre-provision pre-tax income, dividend growth and CET1 capital.
- Full year range for EPS, now $11.50-$11.75, and book value per share growth, now 11-13%, incorporate year-to-date results and trends including credit provision experience and for book value, includes the liability associated with the option EQB has to acquire the remaining interest in ACM.

"With three quarters of the fiscal year complete, we are trending well relative to expectations with record quarterly revenue and another quarter of ROE at nearly 16%," said Chadwick Westlake, CFO, EQB. "We've built a resilient and diverse business model that should gain even more traction as economic activity improves and we enter a lower rate environment with higher consumer confidence. We remain focused on allocating capital to benefit long-term franchise value, while increasing our emphasis on business mix and operational effectiveness as we scale EQB."

Analyst conference call and webcast: 7:00 a.m. ET August 29, 2024

EQB's Andrew Moor, president and CEO, Chadwick Westlake, CFO, and Marlene Lenarduzzi, CRO, will host the company's third 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.

EQB renews its base shelf prospectus

EQB has renewed its existing base shelf prospectus effective August 27, 2024, and filed and obtained a receipt for a short form base shelf prospectus (the "Shelf Prospectus") with the Securities Commissions in each of the provinces and territories of Canada. With the Shelf Prospectus, EQB is allowed to make public offerings of common shares, preferred shares, debt securities, subscription receipts, warrants, share purchase contracts and units (the "Securities") during the 25-month period that the Shelf Prospectus is effective. The Securities may be offered in one or more offerings, separately or together, in separate series, in amounts, at prices and on terms to be determined based on market conditions at the time of sale, and set forth in an accompanying prospectus supplement. EQB has filed the Shelf Prospectus in order to maintain financial flexibility and to have the ability to offer Securities on an accelerated basis to fund current and future growth of the business. A copy of the Shelf Prospectus is available under the Company's profile on **www.sedarplus.ca**.

This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of Securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Further, this news release does not constitute an offer to sell or the solicitation of an offer to buy in the United States and the Securities referred to in this news release may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933 or pursuant to an applicable exemption from the registration requirements under the U.S. Securities Act of 1933 and applicable state securities laws.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet (unaudited)

($000s) As at	**July 31, 2024**	October 31, 2023	June 30, 2023
Assets:			
Cash and cash equivalents	**509,608**	549,474	373,492
Restricted cash	**904,196**	767,195	870,247
Securities purchased under reverse repurchase agreements	**1,339,578**	908,833	1,208,930
Investments	**1,806,413**	2,120,645	2,235,530
Loans – Personal	**32,584,931**	32,390,527	32,333,611
Loans – Commercial	**15,372,643**	14,970,604	15,103,519
Securitization retained interests	**738,986**	559,271	474,542
Deferred tax assets	**30,481**	14,230	14,392
Other assets	**782,900**	652,675	704,440
Total assets	**54,069,736**	52,933,454	53,318,703
Liabilities and Shareholders' Equity			
Liabilities:			
Deposits	**33,258,969**	31,996,450	32,137,347
Securitization liabilities	**14,919,830**	14,501,161	15,397,103
Obligations under repurchase agreements	**-**	1,128,238	875,718
Deferred tax liabilities	**161,025**	128,436	106,723
Funding facilities	**1,803,221**	1,731,587	1,487,008
Other liabilities	**681,213**	602,039	594,952
Total liabilities	**50,824,258**	50,087,911	50,598,851
Shareholders' Equity:			
Preferred shares	**181,411**	181,411	181,411
Common shares	**501,594**	471,014	466,711
Other equity instruments	**147,808**	-	-
Contributed (deficit) surplus	**(25,801)**	12,795	12,668
Retained earnings	**2,432,426**	2,185,480	2,065,478
Accumulated other comprehensive loss	**(3,964)**	(5,157)	(6,416)
	3,233,474	2,845,543	2,719,852
Non-controlling interests	**12,004**	-	-
Total equity	**3,245,478**	2,845,543	2,719,852
Total liabilities and equity	**54,069,736**	52,933,454	53,318,703

Consolidated statement of income (unaudited)

($000s, except per share amounts)	Three months ended July 31, 2024	Three months ended June 30, 2023	Nine months ended July 31, 2024	Nine months ended June 30, 2023
Interest income:				
Loans – Personal	**501,420**	420,578	**1,452,673**	1,139,990
Loans – Commercial	**256,788**	256,731	**777,511**	716,927
Investments	**16,432**	18,856	**51,187**	51,503
Other	**32,210**	21,083	**81,518**	57,733
	806,850	717,248	**2,362,889**	1,966,153
Interest expense:				
Deposits	**387,208**	322,503	**1,111,772**	860,147
Securitization liabilities	**132,810**	118,416	**391,839**	329,753
Funding facilities	**12,773**	11,891	**41,577**	30,817
Other	**2,692**	12,739	**22,986**	34,615
	535,483	465,549	**1,568,174**	1,255,332
Net interest income	**271,367**	251,699	**794,715**	710,821
Non-interest revenue:				
Fees and other income	**22,561**	14,489	**59,740**	38,890
Net gains on loans and investments	**6,145**	29,659	**18,267**	21,145
Gain on sale and income from retained interests	**22,755**	16,104	**65,341**	39,683
Net gains on securitization activities and derivatives	**4,410**	596	**4,607**	4,546
	55,871	60,848	**147,955**	104,264
Revenue	**327,238**	312,547	**942,670**	815,085
Provision for credit losses	**21,274**	13,042	**59,026**	46,086
Revenue after provision for credit losses	**305,964**	299,505	**883,644**	768,999
Non-interest expenses:				
Compensation and benefits	**69,912**	59,707	**202,242**	183,068
Other	**80,657**	67,323	**238,232**	209,690
	150,569	127,030	**440,474**	392,758
Income before income taxes	**155,395**	172,475	**443,170**	376,241
Income taxes:				
Current	**44,083**	26,612	**115,351**	77,417
Deferred	**(842)**	14,938	**5,567**	22,561
	43,241	41,550	**120,918**	99,978
Net income	**112,154**	130,925	**322,252**	276,263
Dividends on preferred shares	**2,351**	2,331	**7,054**	6,954
Net income available to common shareholders and non-controlling interests	**109,803**	128,594	**315,198**	269,309
Net income attributable to:				
Common shareholders	**109,538**	128,594	**314,454**	269,309
Non-controlling interests	**265**	-	**744**	-
	109,803	128,594	**315,198**	269,309
Earnings per share:				
Basic	**2.86**	3.41	**8.24**	7.24
Diluted	**2.84**	3.39	**8.17**	7.18

Consolidated statement of comprehensive income (unaudited)

	Three months ended		Nine months ended	
($000s)	**July 31, 2024**	June 30, 2023	**July 31, 2024**	June 30, 2023
Net income	**112,154**	130,925	**322,252**	276,263
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	**(1,591)**	-	**(1,734)**	-
Net unrealized gains (losses) gains from change in fair value	**34,658**	(31,474)	**59,979**	(19,372)
Reclassification of net (gains) losses to income	**(29,687)**	32,302	**(48,184)**	25,165
Other comprehensive income – items that will not be reclassified subsequently to income:				
Equity instruments designated at Fair Value through Other Comprehensive Income:				
Reclassification of (losses) gains from AOCI on sale of investments	**(25,599)**	-	**(25,599)**	604
Net unrealized gains (losses) from change in fair value	**534**	(30,989)	**2,086**	(33,325)
Reclassification of net losses to retained earnings	**26,089**	4,936	**26,089**	5,712
	4,404	(25,225)	**12,637**	(21,216)
Income tax (expense) recovery	**(1,194)**	7,005	**(3,427)**	6,279
	3,210	(18,220)	**9,210**	(14,937)
Cash flow hedges:				
Net unrealized (losses) gains from change in fair value	**(23,284)**	28,856	**(23,553)**	18,090
Reclassification of net gains to income	**(2,844)**	(11,082)	**(14,608)**	(13,100)
	(26,128)	17,774	**(38,161)**	4,990
Income tax recovery (expense)	**7,084**	(4,936)	**10,366**	(1,340)
	(19,044)	12,838	**(27,795)**	3,650
Total other comprehensive loss	**(15,834)**	(5,382)	**(18,585)**	(11,287)
Total comprehensive income	**96,320**	125,543	**303,667**	264,976
Total comprehensive income attributable to:				
Common shareholders	**96,054**	125,543	**302,922**	264,976
Non-controlling interests	**265**	-	**744**	-
	96,319	125,543	**303,666**	264,976

Consolidated statement of changes in shareholders’ equity (unaudited)

($000s) Three-month period ended											July 31, 2024
						Accumulated other comprehensive income (loss)					
	Preferred Shares	Common Shares	Other equity instruments	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	495,707	-	(24,811)	2,359,116	34,867	(42,671)	(7,804)	3,003,619	12,189	3,015,808
Net Income	-	-	-	-	111,889	-	-	-	111,889	265	112,154
Realized loss on sale of shares, net of tax	-	-	-	-	(18,975)	-	-	-	(18,975)	-	(18,975)
Transfer of AOCI losses to retained earnings, net of tax	-	-	-	-	-	-	18,618	18,618	18,618	-	18,618
Transfer of AOCI losses to net income, net of tax	-	-	-	-	-	-	1,056	1,056	1,056	-	1,056
Other comprehensive loss, net of tax	-	-	-	-	-	(19,044)	3,210	(15,834)	(15,834)	-	(15,834)
Exercise of stock options	-	5,005	-	-	-	-	-	-	5,005	-	5,005
Limited recourse capital notes issued	-	-	150,000	-	-	-	-	-	150,000	-	150,000
Issuance cost, net of tax	-	-	(2,192)	-	-	-	-	-	(2,192)	-	(2,192)
Dividends:											
Preferred shares	-	-	-	-	(2,351)	-	-	-	(2,351)	-	(2,351)
Common shares	-	-	-	-	(17,253)	-	-	-	(17,253)	(450)	(17,703)
Share tender rights	-	-	-	(1,032)	-	-	-	-	(1,032)	-	(1,032)
Stock-based compensation	-	-	-	924	-	-	-	-	924	-	924
Transfer relating to the exercise of stock options	-	882	-	(882)	-	-	-	-	-	-	-
Balance, end of period	181,411	501,594	147,808	(25,801)	2,432,426	15,823	(19,787)	(3,964)	3,233,474	12,004	3,245,478

($000s) Three-month period ended										June 30, 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	463,862	12,002	1,954,394	30,132	(31,166)	(1,034)	2,610,635	-	2,610,635
Net Income	-	-	-	130,925	-	-	-	130,925	-	130,925
Realized Loss on sale of investment securities	-	-	-	(3,565)	-	-	-	(3,565)	-	(3,565)
Other comprehensive loss, net of tax	-	-	-	-	12,838	(18,220)	(5,382)	(5,382)	-	(5,382)
Exercise of stock options	-	2,707	-	-	-	-	-	2,707	-	2,707
Dividends:										
Preferred shares	-	-	-	(2,331)	-	-	-	(2,331)	-	(2,331)
Common shares	-	-	-	(13,945)	-	-	-	(13,945)	-	(13,945)
Stock-based compensation	-	-	808	-	-	-	-	808	-	808
Transfer relating to the exercise of stock options	-	142	(142)	-	-	-	-	-	-	-
Balance, end of period	181,411	466,711	12,668	2,065,478	42,970	(49,386)	(6,416)	2,719,852	-	2,719,852

($000s) Nine-month period ended											July 31, 2024
						Accumulated other comprehensive income (loss)					
	Preferred Shares	Common Shares	Other equity instruments	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	471,014	-	12,795	2,185,480	43,618	(48,775)	(5,157)	2,845,543	-	2,845,543
NCI on acquisition	-	-	-	-	-	-	-	-	-	12,310	12,310
Net Income	-	-	-	-	321,508	-	-	-	321,508	744	322,252
Realized loss on sale of shares, net of tax	-	-	-	-	(18,975)	-	-	-	(18,975)	-	(18,975)
Transfer of AOCI losses to retained earnings, net of tax	-	-	-	-	-	-	18,618	18,618	18,618	-	18,618
Transfer of AOCI losses to net income, net of tax	-	-	-	-	-	-	1,160	1,160	1,160	-	1,160
Other comprehensive loss, net of tax	-	-	-	-	-	(27,795)	9,210	(18,585)	(18,585)	-	(18,585)
Common shares issued	-	11,000	-	-	-	-	-	-	11,000	-	11,000
Exercise of stock options	-	16,844	-	-	-	-	-	-	16,844	-	16,844
Limited recourse capital notes issued	-	-	150,000	-	-	-	-	-	150,000	-	150,000
Issuance cost, net of tax	-	-	(2,192)	-	-	-	-	-	(2,192)	-	(2,192)
Dividends:											
Preferred shares	-	-	-	-	(7,054)	-	-	-	(7,054)	-	(7,054)
Common shares	-	-	-	-	(48,533)	-	-	-	(48,533)	(1,050)	(49,583)
Share tender rights	-	-	-	(38,897)	-	-	-	-	(38,897)	-	(38,897)
Stock-based compensation	-	-	-	3,037	-	-	-	-	3,037	-	3,037
Transfer relating to the exercise of stock options	-	2,736	-	(2,736)	-	-	-	-	-	-	-
Balance, end of period	181,411	501,594	147,808	(25,801)	2,432,426	15,823	(19,787)	(3,964)	3,233,474	12,004	3,245,478

($000s) Nine-month period ended					Accumulated other comprehensive income (loss)					June 30, 2023
	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	-	-	-	276,263	-	-	-	276,263	-	276,263
Realized loss on sale of financial instruments, net of tax	-	-	-	(3,882)	-	-	-	(3,882)	-	(3,882)
Transfer of AOCI losses to retained earnings, net of tax	-	-	-	-	-	446	446	446	-	446
Investment elimination on acquisition	-	-	-	-	-	33	33	33	-	33
Other comprehensive loss, net of tax	-	-	-	-	3,650	(14,937)	(11,287)	(11,287)	-	(11,287)
Common shares issued	-	223,112	-	-	-	-	-	223,112	-	223,112
Exercise of stock options	-	9,903	-	-	-	-	-	9,903	-	9,903
Share issuance cost, net of tax	-	(2,908)	-	-	-	-	-	(2,908)	-	(2,908)
Dividend payout from principal	-	(655)	-	-	-	-	-	(655)	-	(655)
Dividends:										
Preferred shares	-	-	-	(6,954)	-	-	-	(6,954)	-	(6,954)
Common shares	-	-	-	(39,510)	-	-	-	(39,510)	-	(39,510)
Stock-based compensation	-	-	2,651	-	-	-	-	2,651	-	2,651
Transfer relating to the exercise of stock options	-	891	(891)	-	-	-	-	-	-	-
Shares on acquisition	110,987	-	-	-	-	-	-	110,987	-	110,987
Balance, end of period	181,411	466,711	12,668	2,065,478	42,970	(49,386)	(6,416)	2,719,852	-	2,719,852

Consolidated statement of cash flows (unaudited)

($000s)	Three months ended July 31 2024	Three months ended June 30, 2023	Nine months ended July 31 2024	Nine months ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	**112,154**	130,925	**322,252**	276,263
Adjustments for non-cash items in net income:				
Financial instruments at fair value through income	**(14,453)**	56,610	**(3,093)**	9,982
Amortization of premiums/discount on investments	**(13,393)**	2,439	**(44,422)**	4,497
Amortization of capital assets and intangible costs	**13,253**	11,919	**36,373**	43,293
Provision for credit losses	**21,274**	13,042	**59,026**	46,086
Securitization gains	**(16,656)**	(13,690)	**(48,658)**	(33,632)
Stock-based compensation	**924**	808	**3,037**	2,651
Dividend income earned, not received	**-**	(27,964)	**-**	(27,964)
Income taxes	**43,241**	41,550	**120,918**	99,978
Securitization retained interests	**33,670**	22,055	**92,304**	57,109
Changes in operating assets and liabilities:				
Restricted cash	**(121,048)**	(203,717)	**(137,001)**	(240,539)
Securities purchased under reverse repurchase agreements	**60,377**	(476,322)	**(430,745)**	(458,858)
Loans receivable, net of securitizations	**(132,856)**	(943,719)	**(847,878)**	(2,136,227)
Other assets	**(97,507)**	(65,068)	**(106,038)**	84,525
Deposits	**(924,138)**	549,817	**1,165,004**	1,471,007
Securitization liabilities	**(269,988)**	89,135	**407,423**	1,053,921
Obligations under repurchase agreements	**-**	(28,940)	**(1,128,238)**	126,837
Funding facilities	**963,380**	718,291	**71,634**	332,618
Subscription receipts	**-**	-	**-**	(232,018)
Other liabilities	**(53,946)**	57,750	**(12,310)**	(129,537)
Income taxes paid	**(21,742)**	(34,342)	**(71,816)**	(112,768)
Cash flows (used in) from operating activities	**(417,454)**	(99,421)	**(552,228)**	237,224
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of common shares	**5,005**	2,707	**27,844**	229,453
Net proceeds from issuance of limited recourse notes	**147,808**	-	**147,808**	-
Term loan facility	**-**	-	**-**	275,000
Dividends paid on preferred shares	**(2,351)**	(2,331)	**(7,054)**	(6,954)
Dividends paid on common shares	**(17,253)**	(13,945)	**(48,533)**	(39,510)
Cash flows used in financing activities	**133,209**	(13,569)	**120,065**	457,989
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	**(7,896)**	(162,220)	**(352,319)**	(1,227,957)
Acquisition of subsidiary	**-**	-	**(75,483)**	(495,369)
Proceeds on sale or redemption of investments	**132,370**	374,215	**789,016**	1,044,039
Net change in Canada Housing Trust re-investment accounts	**22,050**	(58,762)	**69,009**	109,878
Purchase of capital assets and system development costs	**(9,890)**	(12,372)	**(37,926)**	(51,311)
Cash flows from (used in) investing activities	**136,634**	140,861	**392,297**	(620,720)
Net (decrease) increase in cash and cash equivalents	**(147,611)**	27,871	**(39,866)**	74,493
Cash and cash equivalents, beginning of period	**657,219**	345,621	**549,474**	298,999
Cash and cash equivalents, end of period	**509,608**	373,492	**509,608**	373,492
Cash flows from operating activities include:				
Interest received	**975,954**	743,478	**2,510,358**	1,747,881
Interest paid	**(646,530)**	(432,654)	**(1,461,202)**	(810,895)
Dividends received	**521**	1,022	**1,634**	3,108

About EQB Inc.

EQB Inc. (TSX: EQB and EQB.PR.C) is a leading digital financial services company with $125 billion in combined assets under management and administration (as at July 31, 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 670,000 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 expectation, statements with respect to the anticipated timing of the redemption of the Series 3 Preferred Shares, 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:

Q3 2024

- $2.7 million non-recurring operational effectiveness expenses and acquisition and integration-related costs associated with Concentra and ACM;
- $2.2 million intangible asset amortization; and
- $1.7 million provision for credit losses due to change in ECL methodology from five to four economic scenarios and associated weights.

Q2 2024

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

Q2 2023

- $28.0 million related to a strategic investment;
- $3.4 million acquisition and integration-related costs;
- $0.9 million intangible asset amortization; and
- $0.9 million other expenses.

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 nine months ended	
($000, except share and per share amounts)	31-Jul-24	30-Apr-24	30-Jun-23	31-Jul-24	30-Jun-23
Reported results					
Net interest income	**271,367**	267,338	251,699	**794,715**	710,821
Non-interest revenue	**55,871**	49,322	60,848	**147,955**	104,264
Revenue	**327,238**	316,660	312,547	**942,670**	815,085
Non-interest expense	**150,569**	150,420	127,030	**440,474**	392,758
Pre-provision pre-tax income(3)	**176,669**	166,240	185,517	**502,196**	422,327
Provision for credit loss	**21,274**	22,217	13,042	**59,026**	46,086
Income tax expense	**43,241**	38,307	41,550	**120,918**	99,978
Net income	**112,154**	105,716	130,925	**322,252**	276,263
Net income available to common shareholders	**109,538**	103,041	128,594	**314,454**	269,309
Adjustments					
Net interest income – earned on the escrow account	**-**	-	-	**-**	(2,220)
Net interest income – fair value amortization/adjustments	**-**	-	-	**-**	(843)
Net interest income – paid to subscription receipt holders	**-**	-	-	**-**	(654)
Non-interest revenue – strategic investment	**-**	-	(27,965)	**-**	(27,965)
Non-interest revenue – fair value amortization/adjustments	**-**	-	-	**-**	876
Non-interest expenses – non-recurring operational effectiveness and acquisition-related costs(1)	**(2,652)**	(5,710)	(3,377)	**(10,416)**	(45,042)
Non-interest expenses – other expenses	**-**	-	(858)	**-**	(858)
Non-interest expenses – fair value amortization/adjustments	**-**	-	-	**-**	(66)
Non-interest expenses – intangible asset amortization	**(2,223)**	(1,599)	(885)	**(7,219)**	(2,361)
Provision for credit loss – purchased loans	**-**	-	-	**-**	(19,020)
Provision for credit loss – ECL methodology change and weights	**(1,698)**	-	-	**(1,698)**	-
Pre-tax adjustments – income before tax	**6,573**	7,309	(22,844)	**19,333**	36,542
Income tax expense – tax impact on above adjustments(2)	**1,543**	1,983	(7,425)	**5,009**	8,695
Income tax expense – 2022 tax rate adjustment	**-**	-	-	**-**	(5,621)
Post-tax adjustments – net income	**5,030**	5,326	(15,419)	**14,324**	33,468
Adjustments attributed to minority interests	**(310)**	(190)	-	**(624)**	-
Post-tax adjustments – net income to common shareholders	**4,720**	5,136	(15,419)	**13,700**	33,467
Adjusted results					
Net interest income	**271,367**	267,338	251,699	**794,715**	707,104
Non-interest revenue	**55,871**	49,322	32,883	**147,955**	77,175
Revenue	**327,238**	316,660	284,582	**942,670**	784,279
Non-interest expense	**145,694**	143,111	121,910	**422,839**	344,431
Pre-provision pre-tax income(3)	**181,544**	173,549	162,672	**519,831**	439,848
Provision for credit loss	**19,576**	22,217	13,042	**57,328**	27,066
Income tax expenses	**44,784**	40,290	34,124	**125,927**	103,052
Net income	**117,184**	111,042	115,506	**336,576**	309,730
Net income available to common shareholders	**114,258**	108,177	113,175	**328,154**	302,777
Diluted earnings per share					
Weighted average diluted common shares outstanding	**38,606,268**	38,522,025	37,975,115	**38,490,651**	37,501,378
Diluted earnings per share – reported	**2.84**	2.67	3.39	**8.17**	7.18
Diluted earnings per share – adjusted	**2.96**	2.81	2.98	**8.53**	8.07
Diluted earnings per share – adjustment impact	**0.12**	0.14	(0.41)	**0.36**	0.89

(1) Includes non-recurring operational effectiveness 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.
- **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.