
June 10, 2020

Q1 Fiscal 2020 Investor Presentation

Concentra[®]

Speakers



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From time to time Concentra Bank (“Concentra”) makes written and verbal forward-looking statements. These are included in the MD&A, periodic reports to shareholders, regulatory filings, press releases, Concentra presentations and other Concentra communications. Forward-looking statements are made in connection with business objectives and targets, Concentra strategies, operations, anticipated financial results and the outlook for Concentra, its industry, and the Canadian economy. 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 Concentra 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, competition, and other.

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Questions

- Questions are encouraged
- Type your questions on the side of the webinar presentation window
- We'll answer your questions at the end of the session

Don Coulter

Update from the President & CEO

CEBA

- Canada Emergency Business Account (CEBA) helps small businesses with loans of up to \$40,000
- Export Development Canada approved Concentra to offer CEBA to Saskatchewan's credit unions, who can offer it in turn to their business members
- Concentra will manage the governance and auditing of loans for the next 2.5 years
- In collaboration with Cinchy and SaskCentral, we launched an online application solution to 35 credit unions
- More than \$48MM in funding has been disbursed to date, representing more than 1,200 applications

BCAP

- Business Credit Availability Program (BCAP) offered by Export Development Canada (EDC)
- Qualifying business clients can access a maximum 364-day operating line or cash flow term loan of up to \$6.25 million, with the possibility to renew annually for up to five years
- Loan is 80 per cent guaranteed by EDC
- Apply for BCAP online, via EDC website
- EDC will email us and a Concentra account manager will contact you

Paul Masterson
SVP, Chief Financial Officer

Q1 Fiscal 2020 Franchise Earnings

Challenging Q1

- Reduced ROE% in Q1
 - Revenues down from F19 (spread compression on NII)
 - PCL increased—Covid-19 impacted in Q1
 - Expenses decreased from Q4
 - Net Income down from Q4 due to shortfall in revenue and higher PCLs

Business Highlights in Q1

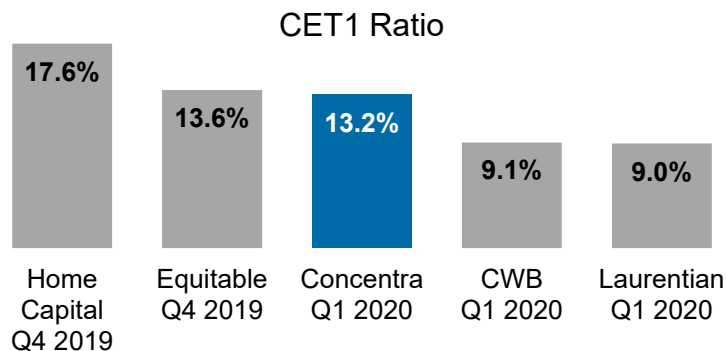
- Total assets growth and capital ratios stable
- Strong growth in residential mortgages
- Challenges in Commercial due to increased Expected Credit Losses under COVID-19

\$millions	Q1/F20	Q4/F19	Q1/F19
Revenue	\$28.6	\$31.1	\$29.1
PCL	\$4.2	\$3.4	\$(1.8)
Expenses	\$20.4	\$22.6	\$21.2
Net Income	\$4.0	\$5.1	\$9.7
ROE %	2.9%	6.6%	9.2%
Total Assets (\$B)	\$9.5	\$8.9	\$9.8

Well Positioned for COVID-19 Market Impacts

Strong Capital Ratios

- Capital Ratios at levels consistent with five-year historical high
- Strong CET1 ratio compared to mid-sized Canadian banks



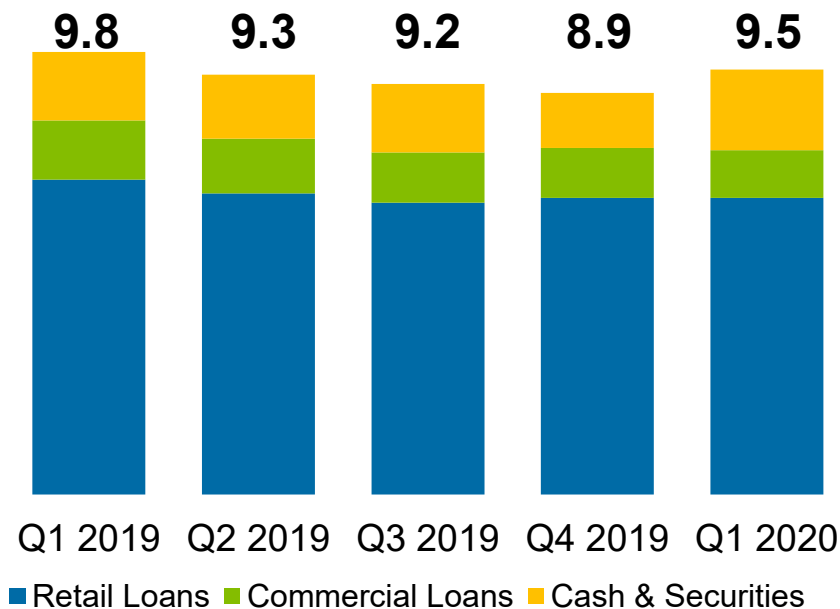
High Levels of Liquidity

- LCR well in excess of regulatory minimum
- \$1.5 billion in liquid assets, equal to 16% of total assets
- Diversified funding sources

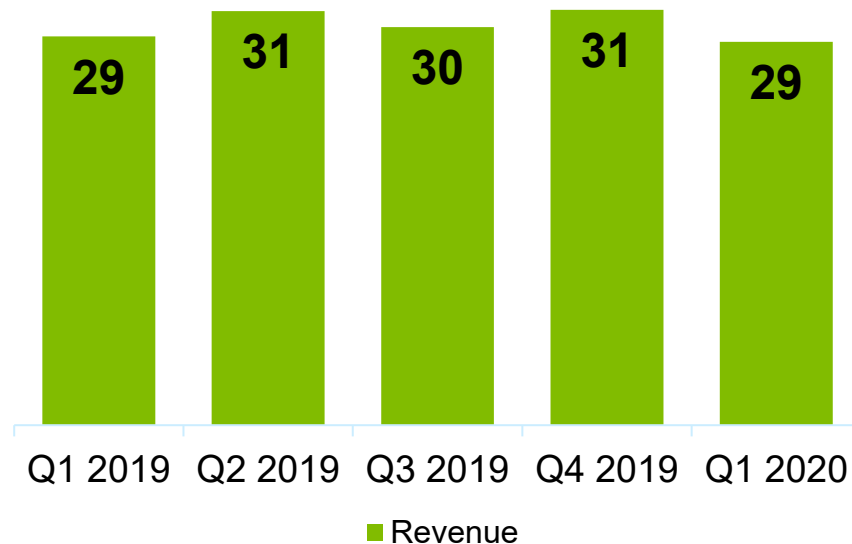
Strong capital and liquidity ratios

Strong History of Financial Performance

Assets on Balance Sheet (\$B)



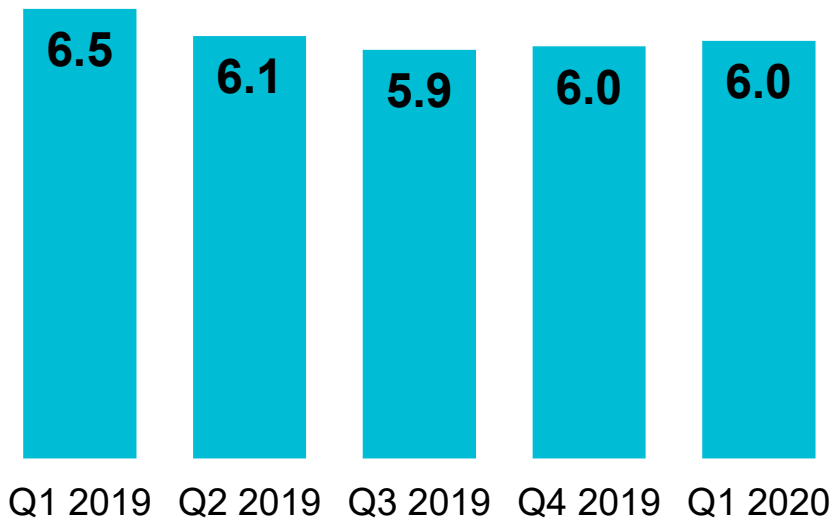
Revenue (\$M)



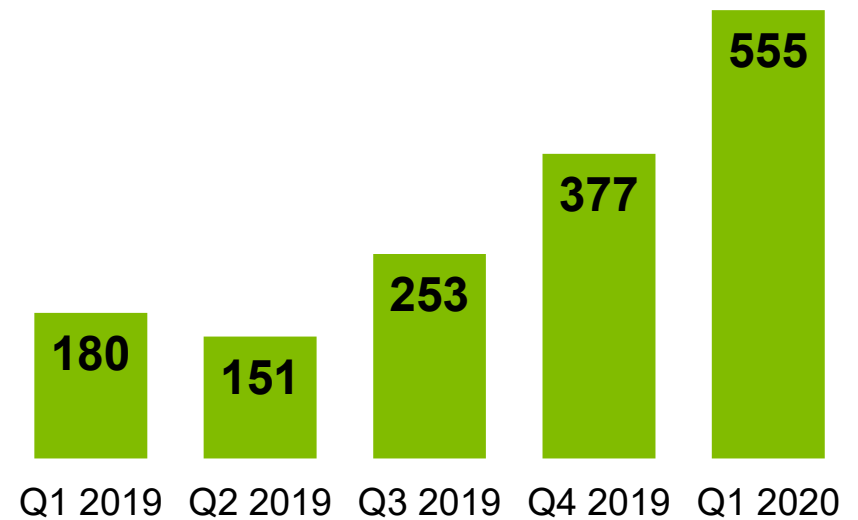
Consistent revenue momentum and stable balance sheet

Residential Loans

Assets on Balance Sheet (\$B)



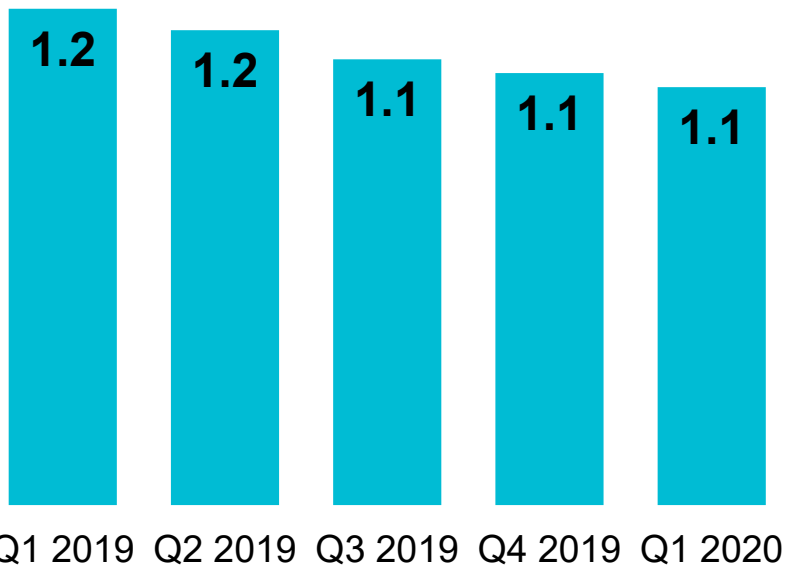
Loans Originated (\$M)



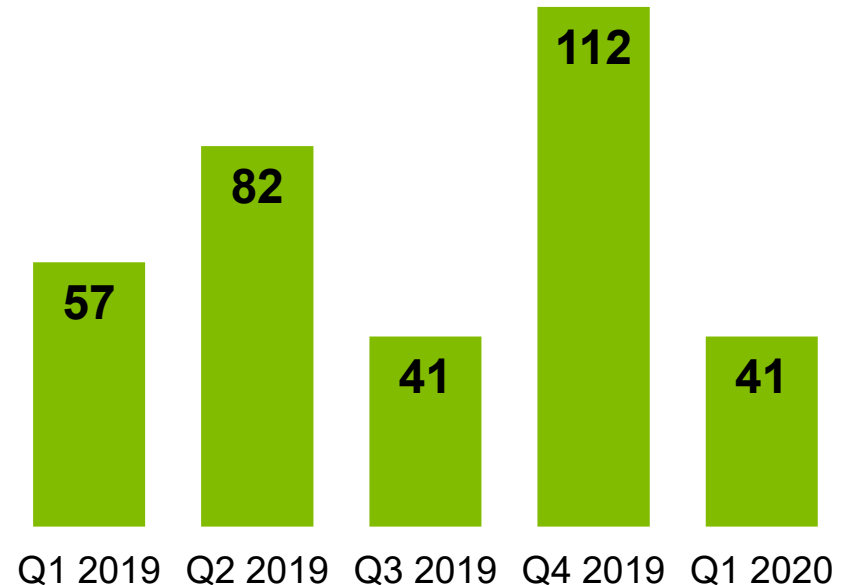
Strong quarter for originations

Commercial Lending

Assets on Balance Sheet (\$B)



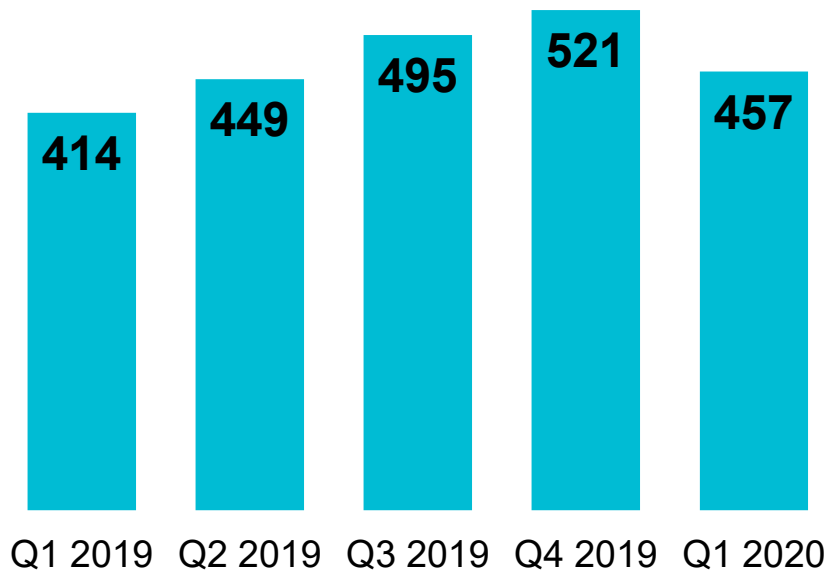
Loans Originated (\$M)



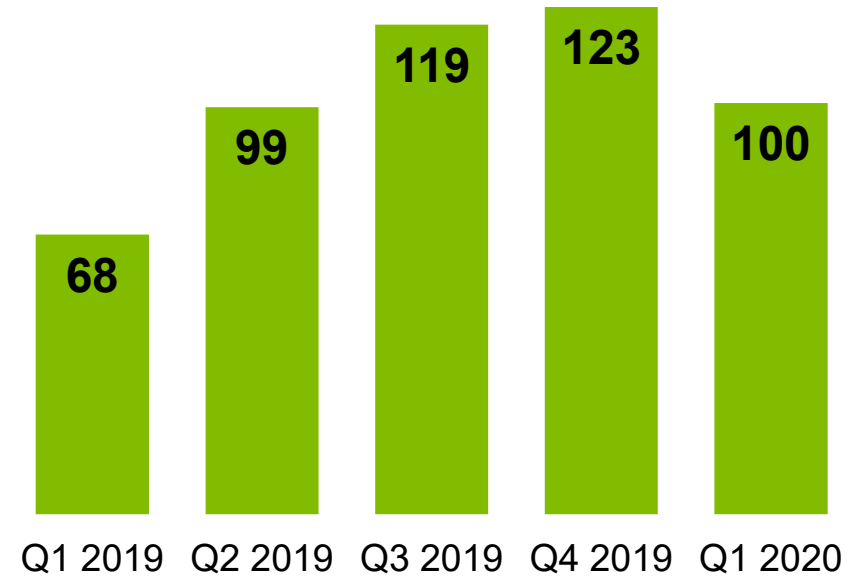
Lower origination activity in Q1 due to COVID-19 concerns

Consumer Loans

Assets on Balance Sheet (\$M)



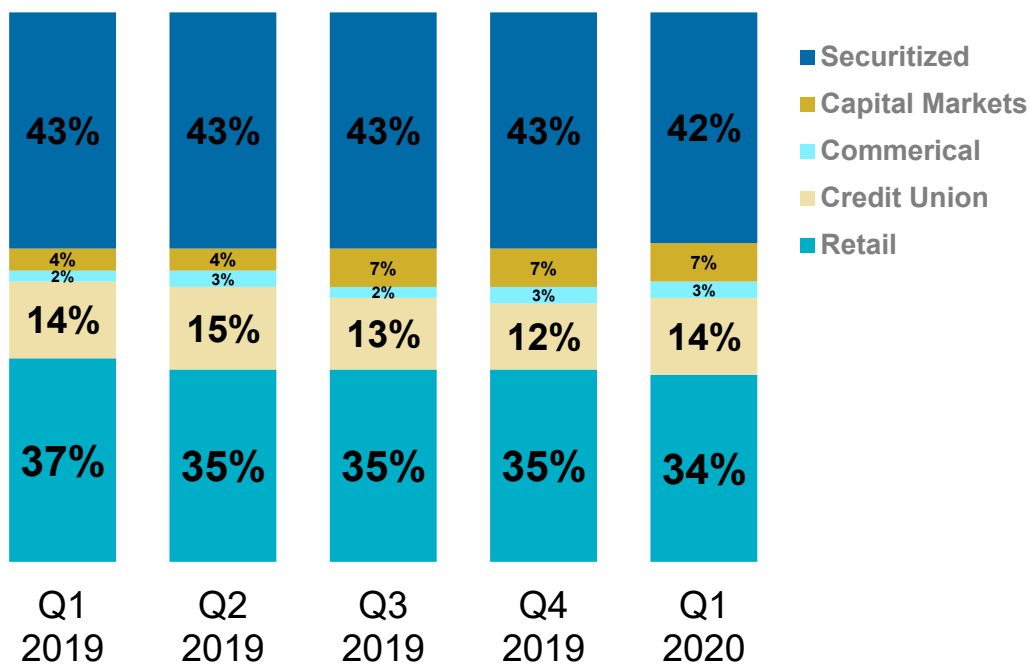
Loans Originated (\$M)



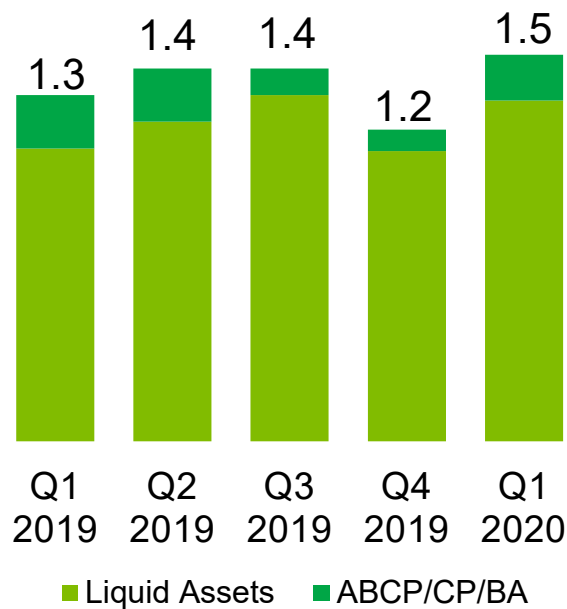
**Q1 sale of a small piece of our Consumer Portfolio
Originations remain strong**

Funding and Liquidity

Total Deposit by Source (%)



Total Liquid Assets (\$B)



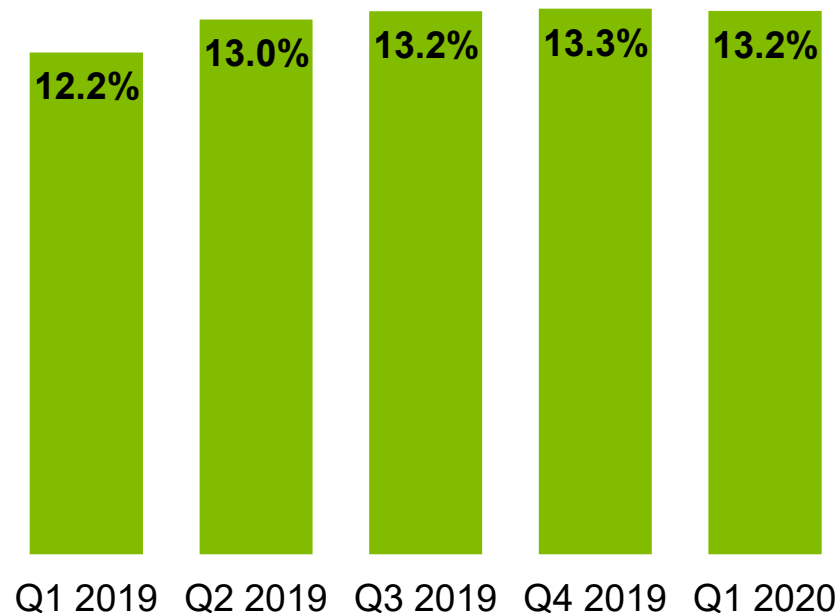
**FRN Note issued early February (raised \$200MM)
Funding stable/Well-funded/Strong levels in liquid assets**

Strengthening Capital Ratios

Capital Ratios remain strong

Q1 F20	Ratio ⁽¹⁾	As prescribed by OSFI
CET1	13.2%	7.0%
Tier 1 Capital	17.1%	8.5%
Total Capital	17.8%	10.5%
Leverage Ratio	5.0%	as prescribed

CET1 RATIO



(1) As per OSFI's capital adequacy requirements

Questions

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