
September 16, 2020

Q2 Fiscal 2020 Investor Presentation

Concentra[®]

Speakers

Don Coulter
MSc, CPA, CA
President and CEO



Paul Masterson
CPA, CA, MBA
SVP, Chief
Financial Officer



Martha Moen
CFA, CIMA
Head of
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Jocelyn Tratch
CPI, PMP, BSc Hons.
Sr. Strategic Management Director



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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 in the chat box at the side of the presentation
- We'll answer your questions at the end of the session



Don Coulter

Update from the President & CEO

Business Highlights

- Canadian banks have been strategizing their response to the pandemic
- Concentra has strong capital and liquidity
- Concentra's pipeline of broker deals and mobile mortgage deals is gaining momentum
- Concentra has perhaps the highest percentage of insured mortgages in the Canadian banking sector

Business Highlights

- 35 new Concentra-lead commercial loan syndications executed year-to-date
- Deal flow for Subordinated and Mezzanine Debt Financing appears to be ramping up
- Our priorities are shifting to expanding opportunities and building relationships with new originators

Business Highlights

- Credit union liquidity has increased significantly since the beginning of the pandemic
- Credit union securitization partners have shown renewed interest in custodial accounts
- We have disbursed more than \$56MM in CEBA funding



Martha Moen

Concentra Trust and CADT

What is CADT?

- Blockchain Venture Capital Inc., (BVCI), is a financial services company
- In July 2020, Concentra Trust supported BVCI to launch CADT, a new Canadian stablecoin
- CADT is anchored and pegged to the Canadian dollar
- Users can access CADT through the BvcPay mobile App

Benefits of CADT

- 100% asset-backed—each CADT is backed by a Canadian dollar held in custody in an account by Concentra Trust
- Transparent
- Secure and trusted
- Real-time
- Low fees



Paul Masterson
SVP, Chief Financial Officer

Q2 Fiscal 2020 Franchise Earnings

Q2 2020 Business Highlights

Challenging Q2

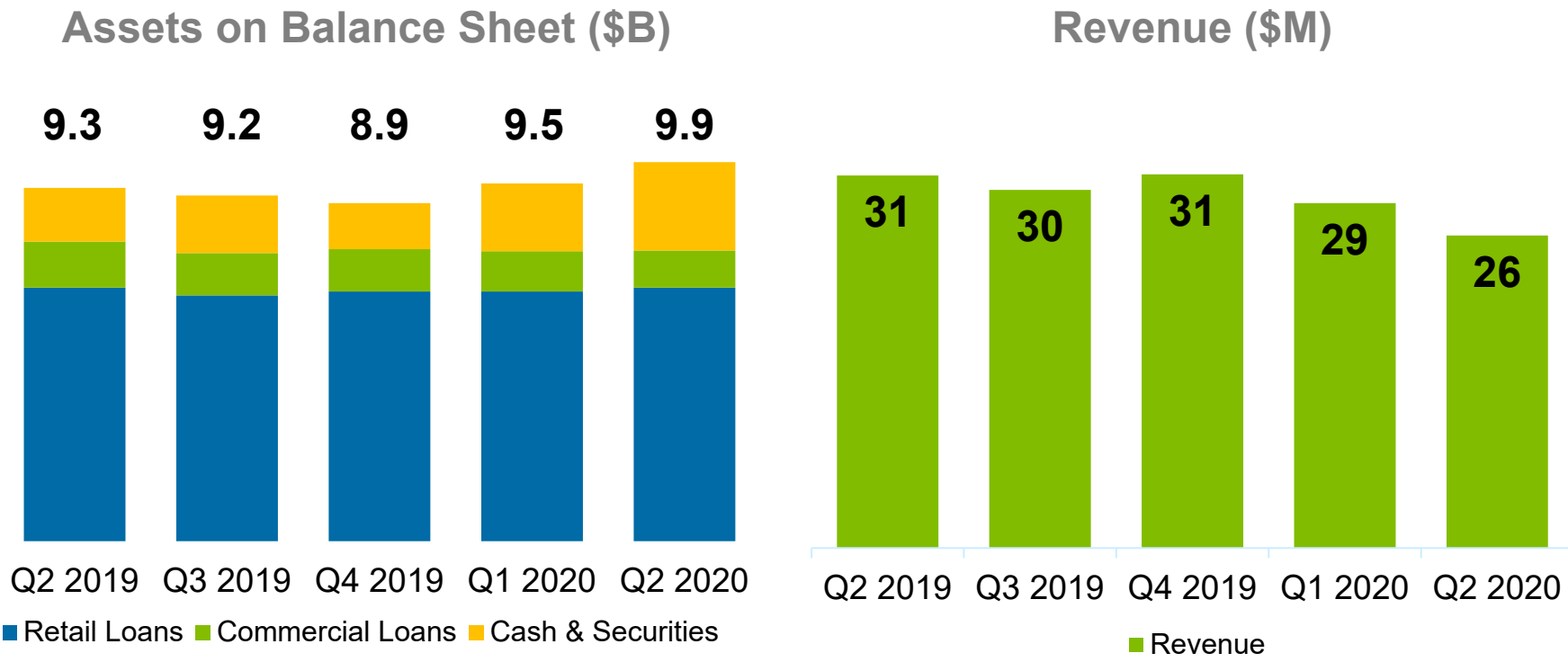
- Reduced ROE% in Q2
 - Revenues down from F19 (spread compression on NII)
 - PCL increased: COVID-19 further impacted Q2 estimate driven by modelling of expected credit losses. Credit risk profile of commercial portfolio remained strong
 - Expenses decreased from Q1
 - Net Income down from Q1 due to shortfall in revenue and higher PCLs

Business Highlights in Q2

- Total assets grew and capital ratios stable
- Strong growth in residential mortgages
- Challenges in Commercial due to increase in expected credit losses under COVID-19

	Q2/F20	Q1/F20	Q2/F19
\$millions			
Revenue	\$ 26.0	\$ 28.6	\$ 31.0
PCL	\$ 6.6	\$ 4.2	\$ 1.3
Expenses	\$ 17.7	\$ 20.4	\$ 20.7
Net Income	\$ 1.7	\$ 4.0	\$ 9.0
ROE %	1.7%	2.9%	8.7%
Total Assets (\$B)	\$ 10.0	\$ 9.5	\$ 9.3

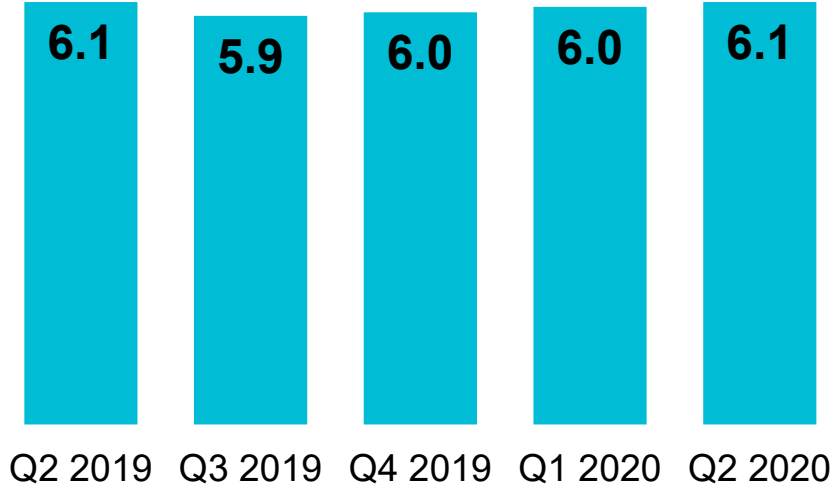
Strong History of Financial Performance



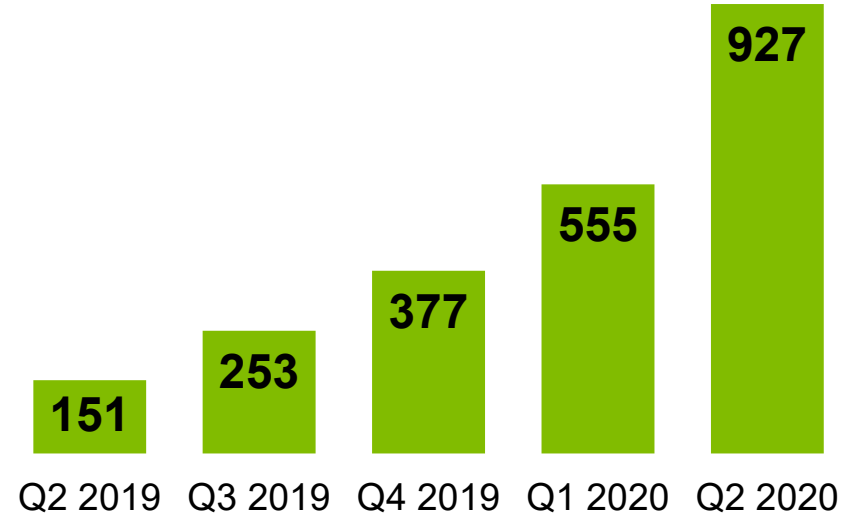
Growth of balance sheet. Margin compression impacting Q2 Revenue.

Residential Loans

Assets on Balance Sheet (\$B)

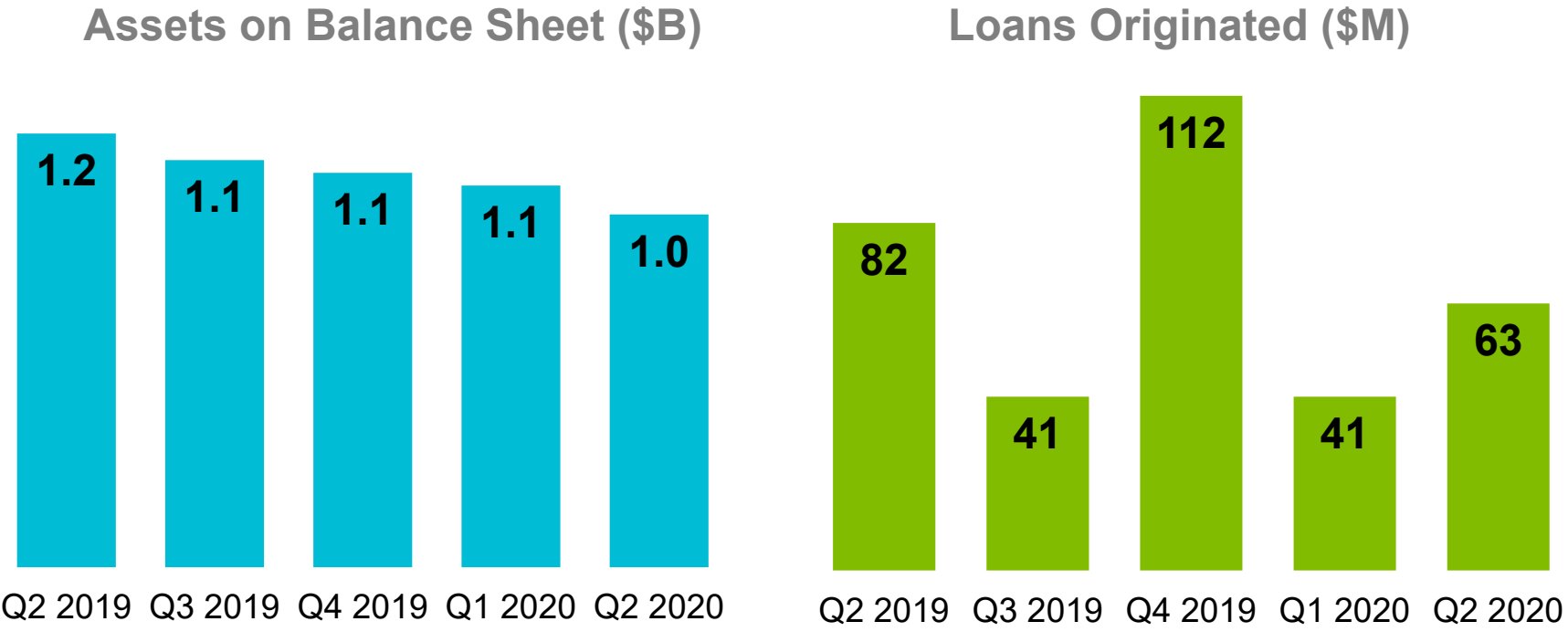


Loans Originated (\$M)



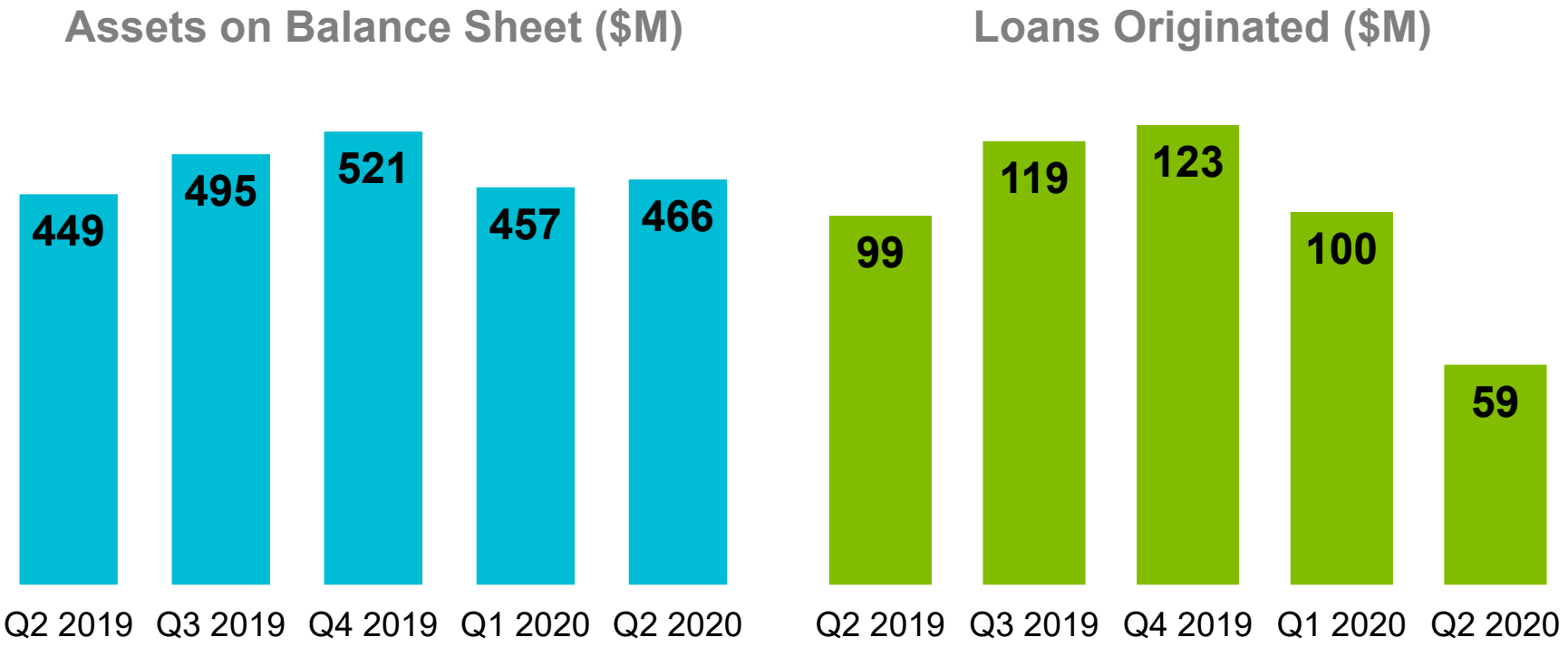
Very strong quarter for RESL originations

Commercial Lending



Commercial portfolio stable, rebounding origination activity

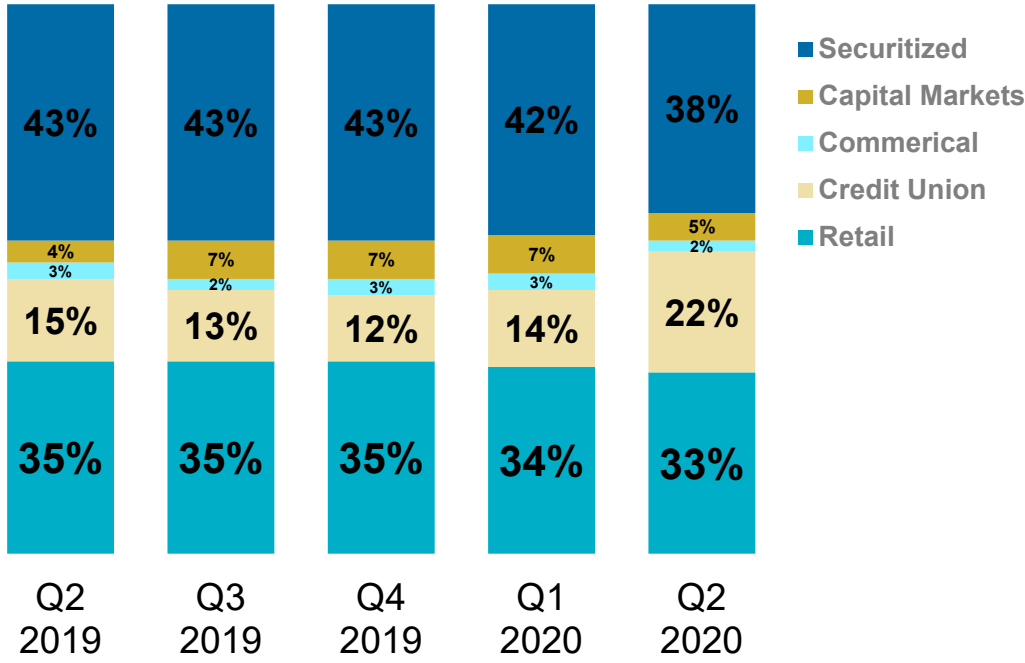
Consumer Loans



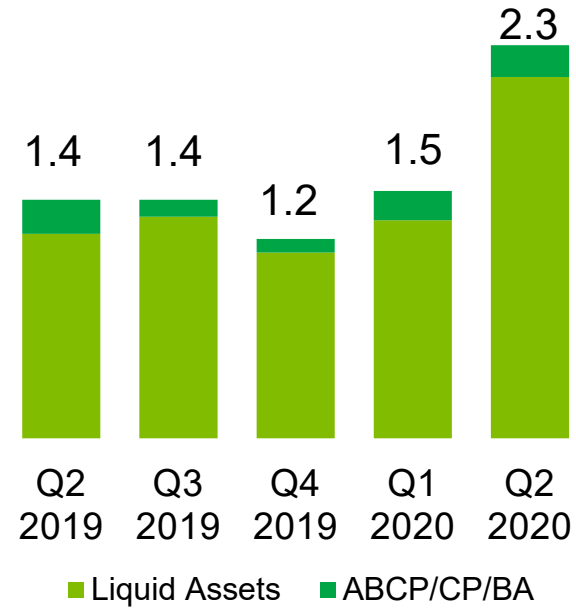
Lower origination activity in Q2 due to COVID-19 concerns

Funding and Liquidity

Total Deposit by Source (%)



Total Liquid Assets (\$B)



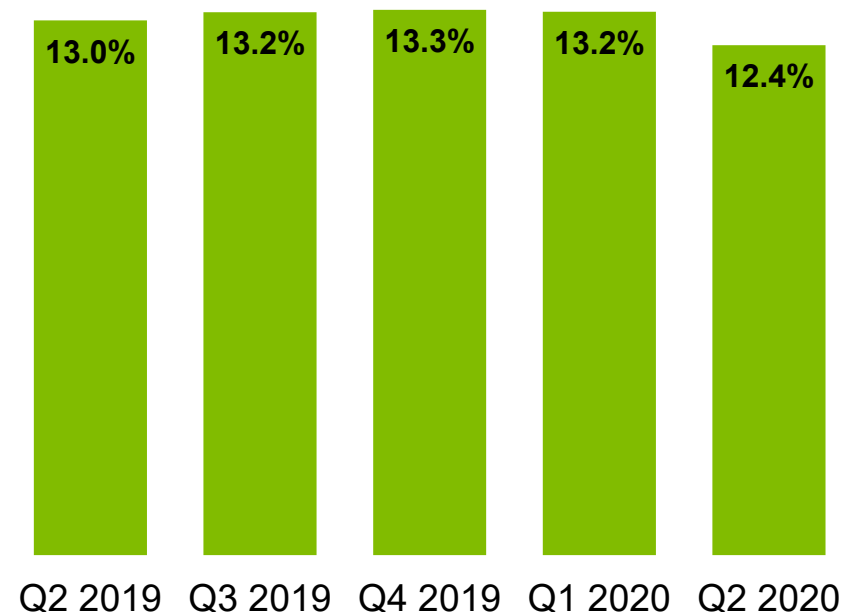
Funding stable/Well-funded/Strong levels in Liquid Assets

Capital Ratios

Capital Ratios remain strong

Q2 F20	Ratio ⁽¹⁾	As prescribed by OSFI
CET1	12.4%	7.0%
Tier 1 Capital	16.0%	8.5%
Total Capital	16.7%	10.5%
Leverage Ratio	4.8%	as prescribed

CET1 RATIO



(1) As per OSFI's capital adequacy requirements



Questions

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