

Concentra®

# Q4 Fiscal 2020 Investor Presentation

March 11, 2021

# Speakers

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**Don Coulter**  
MSc, CPA, CA, ICD.D  
President and CEO



**Paul Masterson**  
CPA, CA, MBA, ICD.D  
SVP, Chief  
Financial Officer



**Ryan Graham**  
CPA, CMA, SVP  
Chief Banking Officer



**Jocelyn Tratch**  
CPI, PMP, BSc Hons.  
Sr. Strategic  
Management Director

# Disclaimer: Forward-Looking Statement

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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

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# Update from the President & CEO

Don Coulter

# CEO update

- Concentra finished 2020 strong
- Employee engagement remained high
- We have strong liquidity and capital
- All our business lines—including RESL, commercial lending, consumer finance, equipment finance and securitization—are performing well

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# Neo Financial

Ryan Graham

Concentra®



# CBO update

- Partnership with Neo Financial is example of our innovative approach to leveraging technology
- Partnerships help us rapidly develop, progress and opens us to new markets
- Increases profitability and diversification
- Broadens products we deliver to credit unions



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# Q4 Fiscal 2020 Franchise Earnings

Paul Masterson

SVP, Chief Financial Officer

# 2020 by the Numbers



**\$11.1B**

**Total Assets**

**\$8.8B**

**Total Loans**

**\$121M**

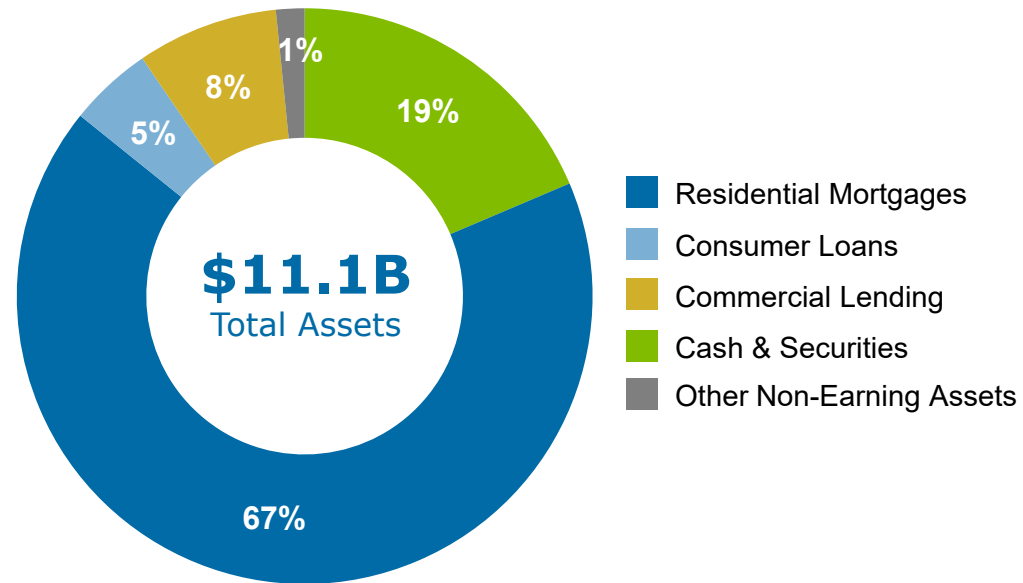
**Net Revenue**

**\$25.4M**

**Net Income**

# 2020 Finished Strong with \$11.1B Total Asset Balance

<i>(CAD millions)</i>	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
<b>Summary Income Statement</b>					
<b>Total Net Revenue</b>	<b>28.6</b>	<b>26.0</b>	<b>33.6</b>	<b>33.1</b>	<b>121.3</b>
Operating Expenses	(18.9)	(17.0)	(18.6)	(23.1)	(77.6)
<b>Pre-Provision Profit</b>	<b>9.7</b>	<b>9.0</b>	<b>15.0</b>	<b>10.0</b>	<b>43.7</b>
Provision for credit losses	(4.2)	(6.6)	(2.1)	4.0	(8.9)
<b>Income before tax</b>	<b>5.5</b>	<b>2.4</b>	<b>12.9</b>	<b>14.0</b>	<b>34.8</b>
Income tax expense	(1.5)	(0.7)	(3.5)	(3.7)	(9.4)
<b>Net Income</b>	<b>4.0</b>	<b>1.7</b>	<b>9.4</b>	<b>10.3</b>	<b>25.4</b>



# Fiscal 2020 Financial Highlights

*Bank remained strong and resilient through COVID impacts of F2020:*

- F2020 Net Income of \$25.4MM with ROE% of 5.2%*
- Maintained strong CET1 capital at 12.8%*
- Drove strong asset growth in F2020 (assets increased by 25% to \$11.1B)*

	<b>F2020 Actual</b>	<b>F2019 Actual</b>
Revenue (\$M)	\$121.3	\$121.0
PCLs (\$M)	\$8.9	\$6.9
Expenses (\$M)	\$87.0	\$84.0
Net Income (\$M)	\$25.4	\$30.1
YTD ROE %	5.2%	6.6%
CET1 / RWA (%)	12.8%	13.3%
Efficiency Ratio (%)	64.0%	59.0%
NIM (bps)	95	102
Total Assets (\$B)	\$11.1	\$8.9

# Q4 2020 Financial Highlights

- Net income – strong bounce back in Q3 & Q4 of 2020
- PCLs - a recovery of \$4.0 million was recorded in Q4 due to management actions taken in the Commercial portfolio combined with improvement in the macroeconomic factors used in modeling the PCLs.
- Total assets grew to \$11.1 billion, driven in part by strong growth in the residential mortgage portfolio.
- Capital ratios remain stable.

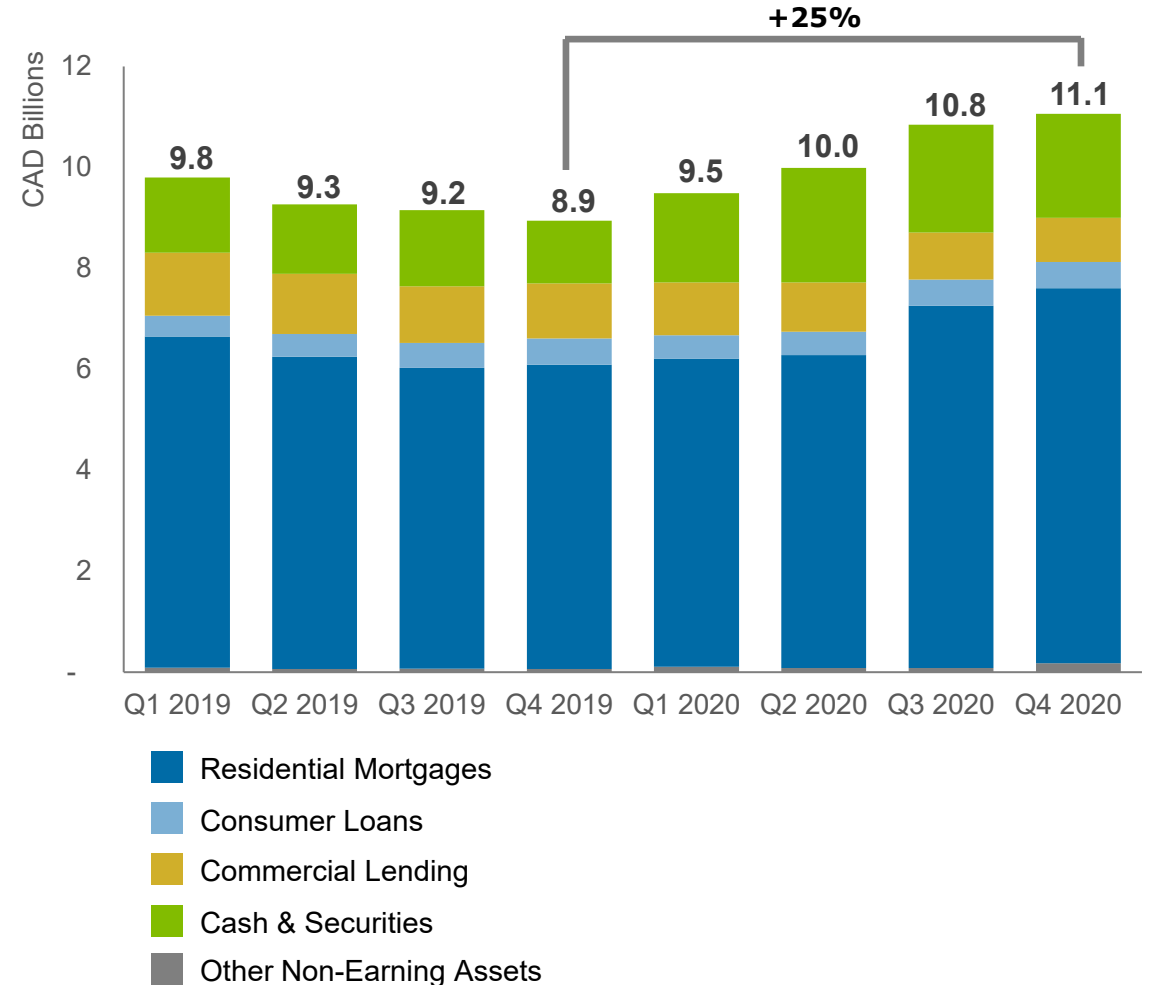
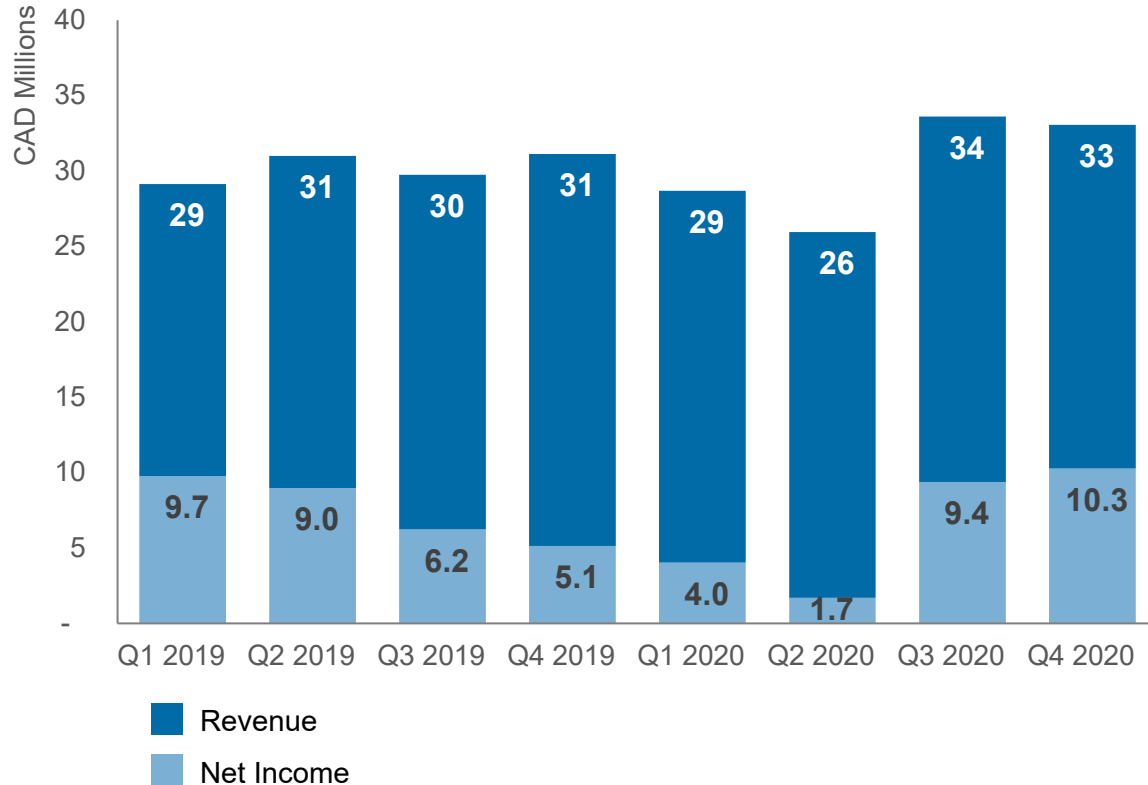
<i>(CAD millions)</i>	Q4 2019	Q3 2020	Q4 2020
<b>Summary Income Statement</b>			
<b>Total Net Revenue</b>	<b>31.1</b>	<b>33.6</b>	<b>33.1</b>
Operating Expenses	(19.2)	(18.6)	(23.1)
<b>Pre-Provision Profit</b>	<b>11.9</b>	<b>15.0</b>	<b>10.0</b>
Provision for credit losses	(3.4)	(2.1)	4.0
<b>Income before tax</b>	<b>8.5</b>	<b>12.9</b>	<b>14.0</b>
Income tax expense	(3.4)	(3.5)	(3.7)
<b>Net Income</b>	<b>5.1</b>	<b>9.4</b>	<b>10.3</b>

<i>(CAD billions)</i>	Q4 2019	Q3 2020	Q4 2020
<b>Assets</b>			
Cash and Securities	1.2	2.1	2.1
Residential Mortgages	6.0	7.1	7.4
Consumer Loans	0.5	0.5	0.5
Commercial Loans	1.1	0.9	0.9
Other non-earning assets	0.1	0.2	0.2
<b>Total Assets</b>	<b>8.9</b>	<b>10.8</b>	<b>11.1</b>

+25%

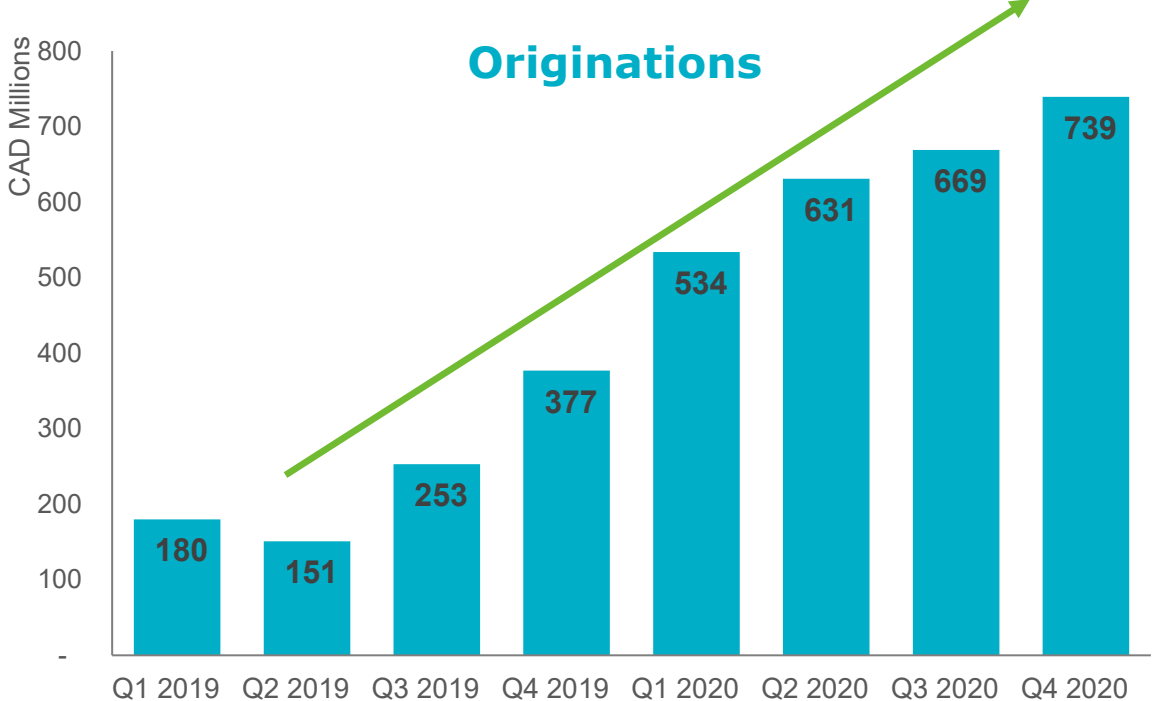
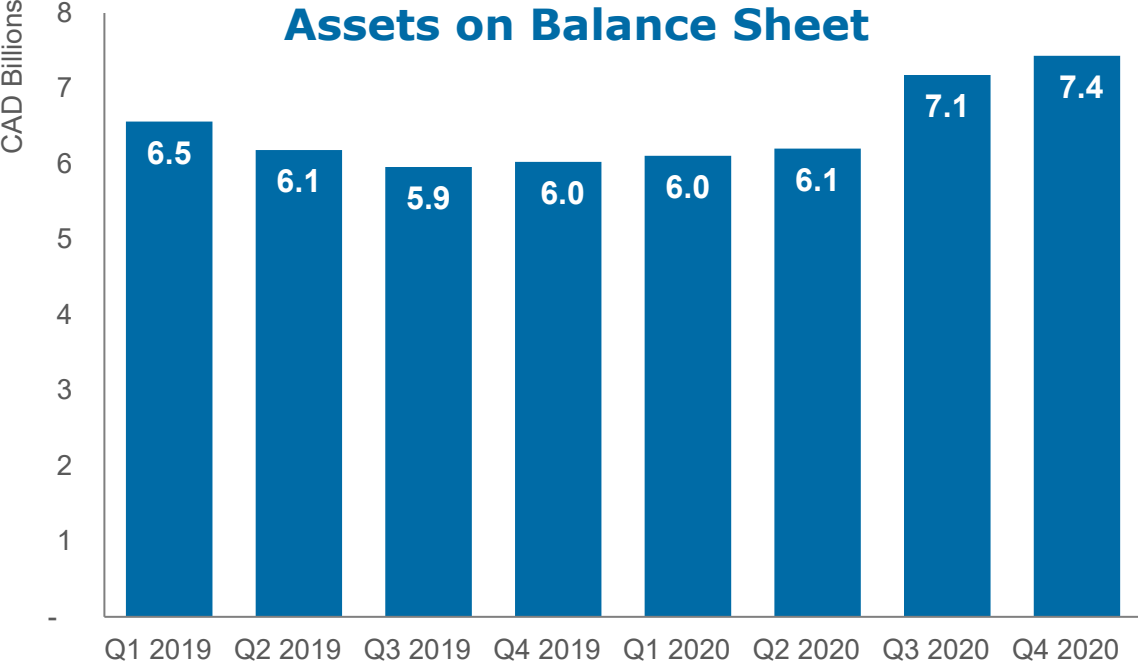
# Strong Revenue Momentum in Q3 & Q4 Driving Bounce Back in Net Income

*Building earnings momentum as balance sheet grows*



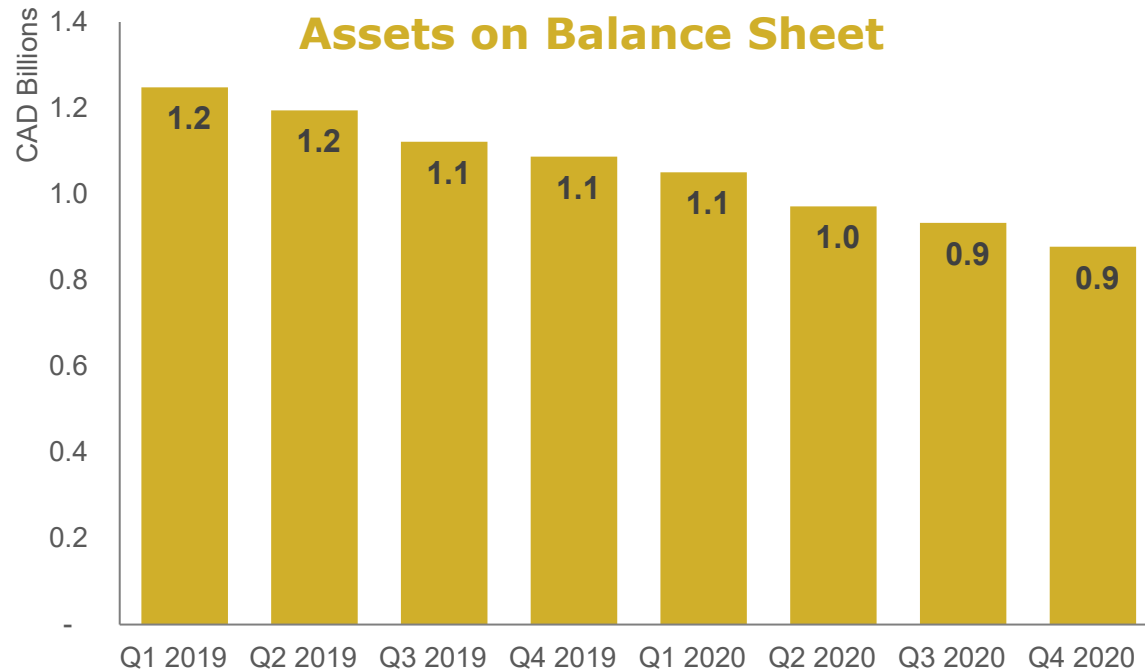
# Residential Mortgages

*Residential mortgage portfolio continues to grow through strong originations*



# Commercial Lending Portfolio Remains Stable

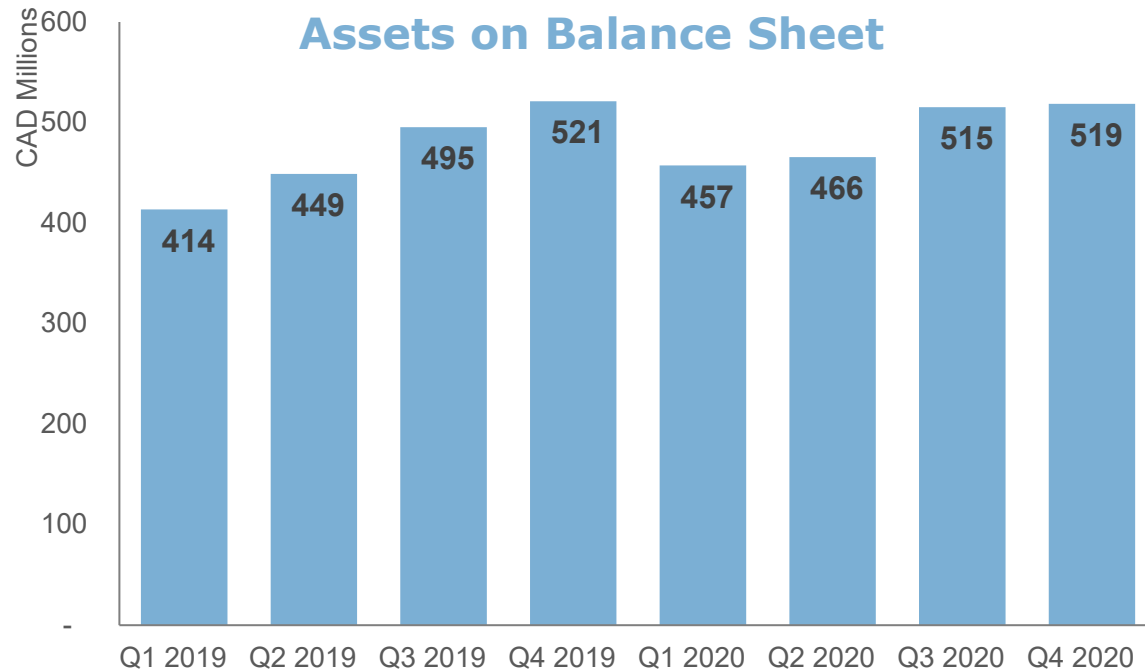
*Origination activity (including commitments) was very strong in Q4*





# Consumer Loans Remained Steady

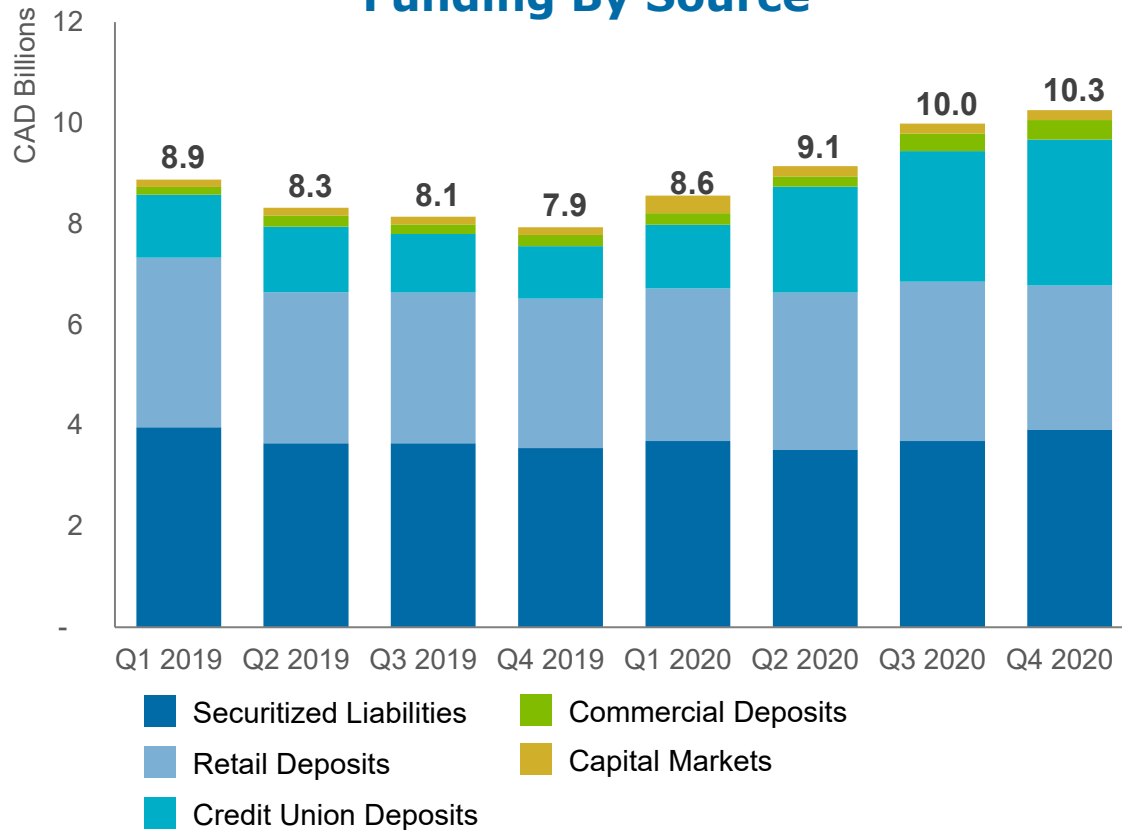
*Origination activity in Q4 slowed, impacted by COVID*



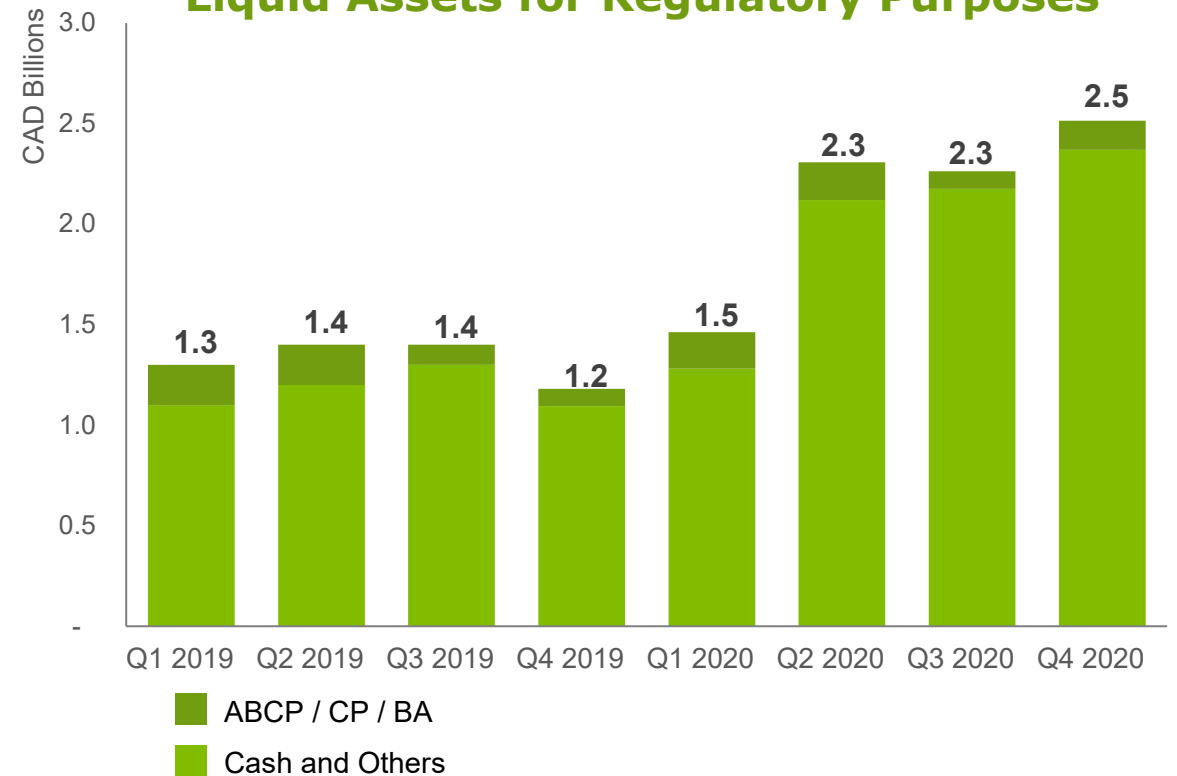
# Strong Funding and Liquidity Positions Maintained

*Strong growth in Credit Union deposits through F2020  
Bank maintained a stable funding base with high levels of liquid assets*

## Funding By Source

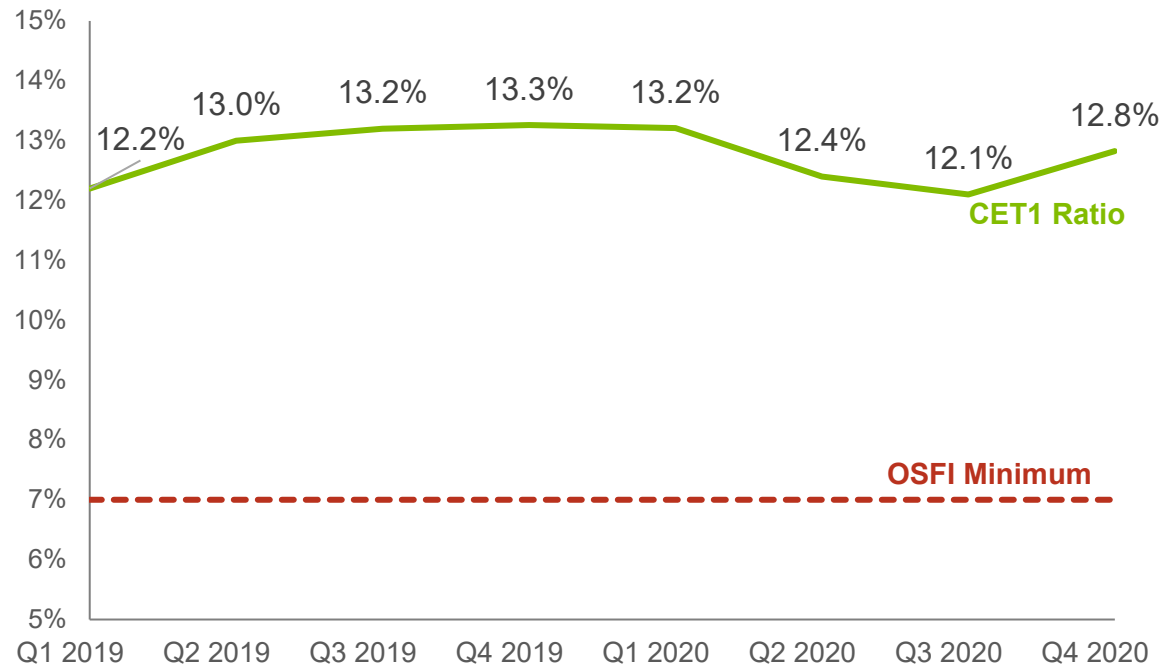


## Liquid Assets for Regulatory Purposes



# Capital Ratios Remain Strong

Capital Ratios - Q4 2020	Ratio	OSFI Minimum
CET1	12.8%	7.0%
Tier 1 Capital	16.4%	8.5%
Total Capital	17.1%	10.5%
Leverage Ratio	4.4%	as prescribed





## Question & Answer Period

# Investor Relations Contact

**Paul Masterson, CPA, CA, MBA**

Chief Financial Officer

[paul.masterson@concentra.ca](mailto:paul.masterson@concentra.ca)

306.523.5026

[concentra.ca/investor](http://concentra.ca/investor)

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