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May 27, 2019

# **Q1 Fiscal 2019 Investor Presentation**

Concentra<sup>®</sup>

# Speakers



**Don Coulter**  
Bsc, Msc, CPA, CA  
President and CEO



**Paul Masterson**  
CPA, CA, MBA  
Chief Finance Officer

# Caution Regarding Forward-Looking Statements

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.

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 Concentra and the Canadian economy. Although Concentra believes the assumptions used to make such statements are reasonable at this time, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material assumptions are applied by Concentra in making forward-looking statements, including without limitation, assumptions regarding its continued ability to fund its lending business, a continuation of the current level of economic uncertainty that affects market conditions, continued acceptance of its products in the marketplace, 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. Concentra does not undertake to update any forward-looking statements that are contained herein.

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Don Coulter

# Update from the President & CEO

# Performance

## Strong foundation

- Consistent earnings, strong value back to owners, returning more than \$81M in dividend payments
- High-quality assets, good liquidity and capital position
- One of a limited number of Canadian organizations with two federal financial institution licences

## Q1 2019 highlights

- Net Income \$9.7M
- Revenue result \$29.1M

# Purpose and strategy

- Moving ahead with our new strategy and purpose
- Working through our technology roadmap
- Building products that complement credit unions
- Reaching out to customers
- Making operational improvements
- Developing our employees
- Looking at banking trends



# Empowering communities together

Congratulations to all grant recipients

Concentra® | *Empowering*  
YOUR COMMUNITY

# Concentra Quick Overview

## Concentra Facts



**10 Provinces**  
Nationwide Offerings



**\$2.3B**  
Annual Loan Originations in 2018



**\$243M**  
Fintech Originated Loans on Balance Sheet in 2018



**194**  
Credit Union Customers in 2018



**Branchless**  
Business offices in Surrey, Regina, Saskatoon, Toronto and Halifax





Paul Masterson  
EVP, CFO

# Q1 Fiscal 2019 Franchise Earnings

## Strong results in Q1

- Strong ROE% in Q1
- Revenues down slightly from Q4
- PCL remains low
- Expenses consistent with Q4
- Net Income up from Q4 due to PCL recoveries in Q1

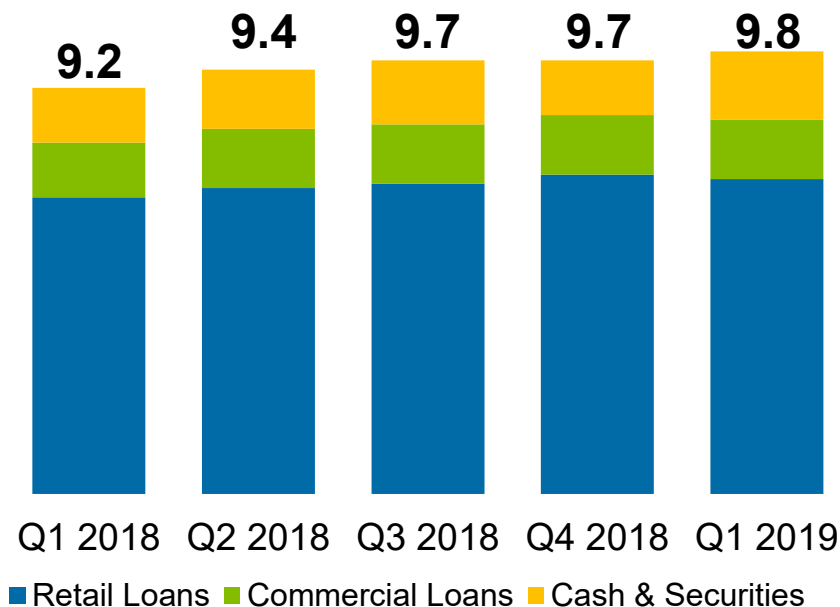
## Business Highlights in Q1

- Total Assets maintain position from Q4
- Steady results in our Commercial Lending business
- Strong results in residential mortgages due to opportunities captured in Alt A
- Steady results in residential securitization
- Steady results in our Consumer Lending business
- Consistent results for our Trust and Leasing businesses

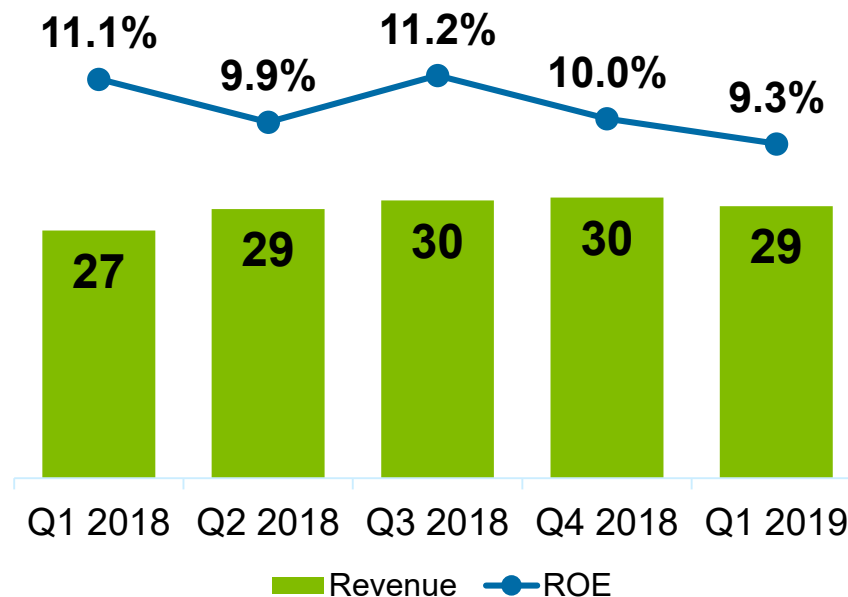
	Q1/F19	Q4/F18	Q1/F18
<b>\$millions</b>			
Revenue	\$ 29.1	\$ 29.9	\$ 26.5
PCL	\$ (1.8)	\$ 0.8	\$ (3.0)
Expenses	\$ 21.2	\$ 21.7	\$ 18.8
Net Income	\$ 9.7	\$ 7.4	\$ 10.7
ROE %	9.3%	10.0%	11.1%
Total Assets (\$B)	\$ 9.8	\$ 9.7	\$ 9.2

# Strong History of Financial Performance

Assets on Balance Sheet (\$B)



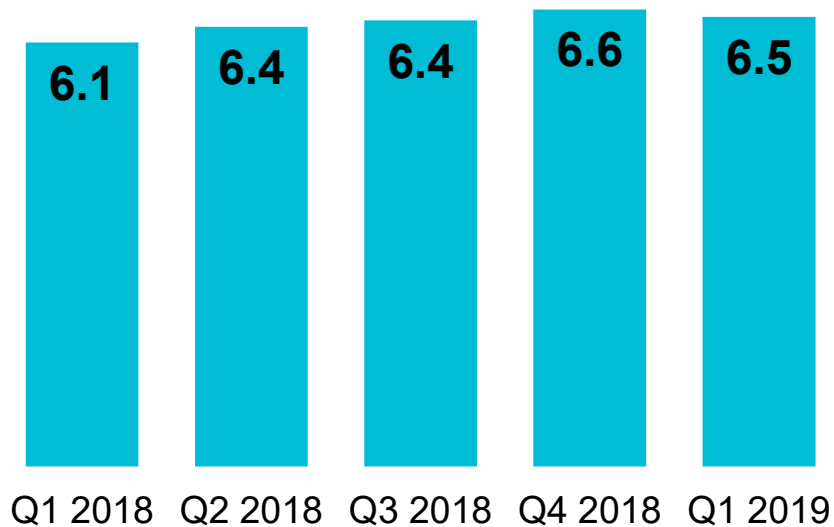
Revenue (\$M) and ROE (%)



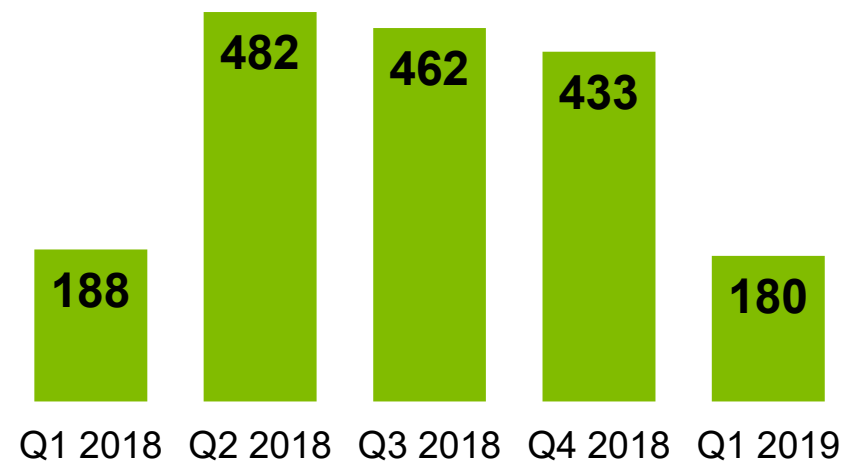
**Consistent revenue growth and stable profitability**

# Residential Loans

Assets on Balance Sheet (\$B)



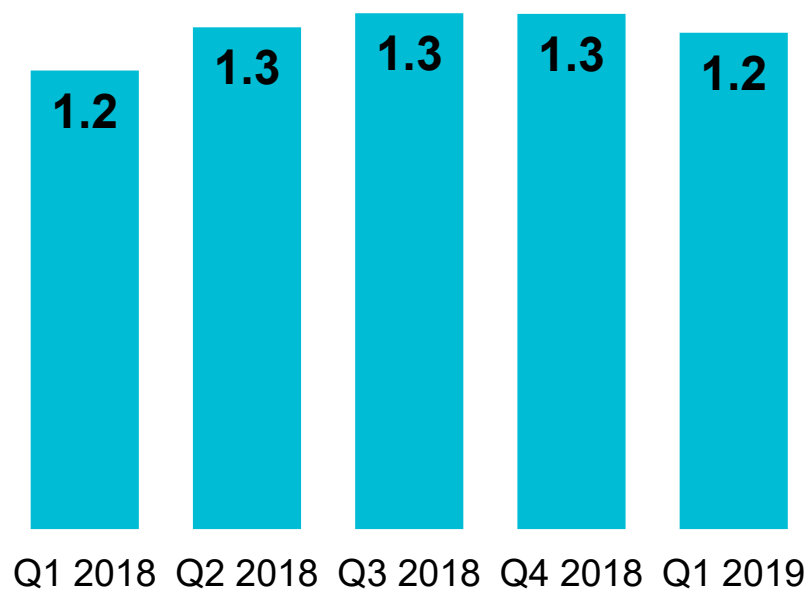
Loans Originated (\$M)



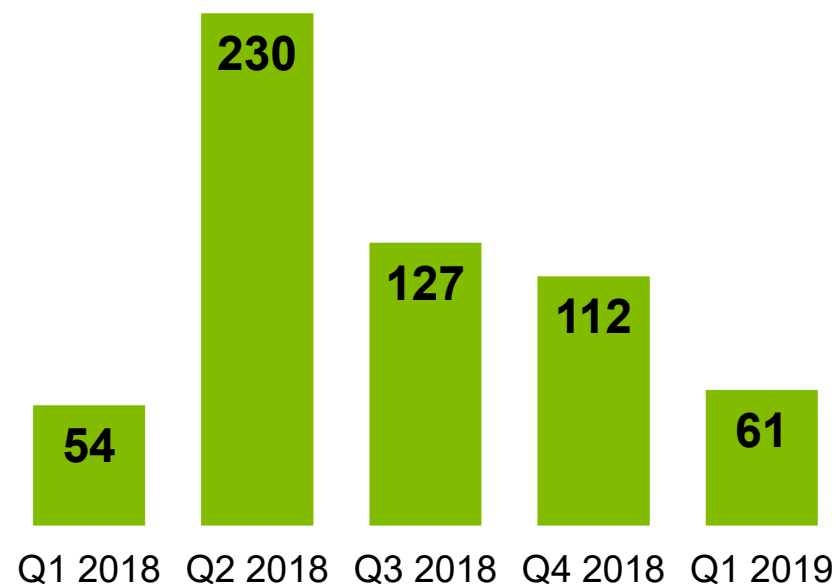
**Seasonally consistent origination activity in Q1**

# Commercial Lending

Assets on Balance Sheet (\$B)



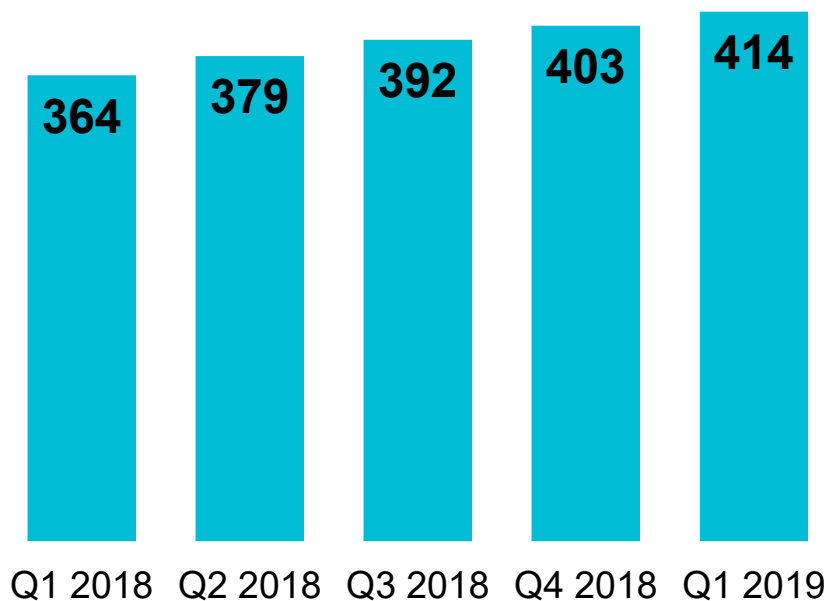
Loans Originated (\$M)



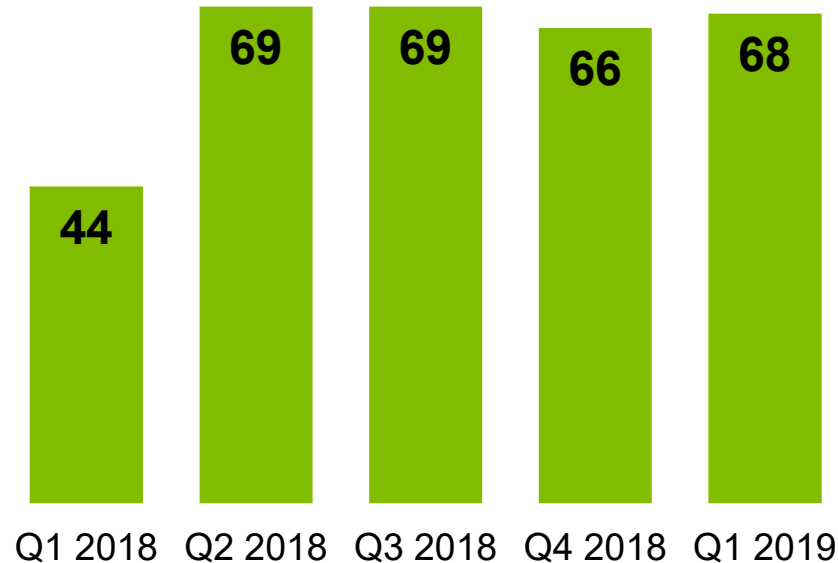
**Originations slowed in Q1 in order to focus on other higher return business**

# Consumer Loans

Assets on Balance Sheet (\$M)



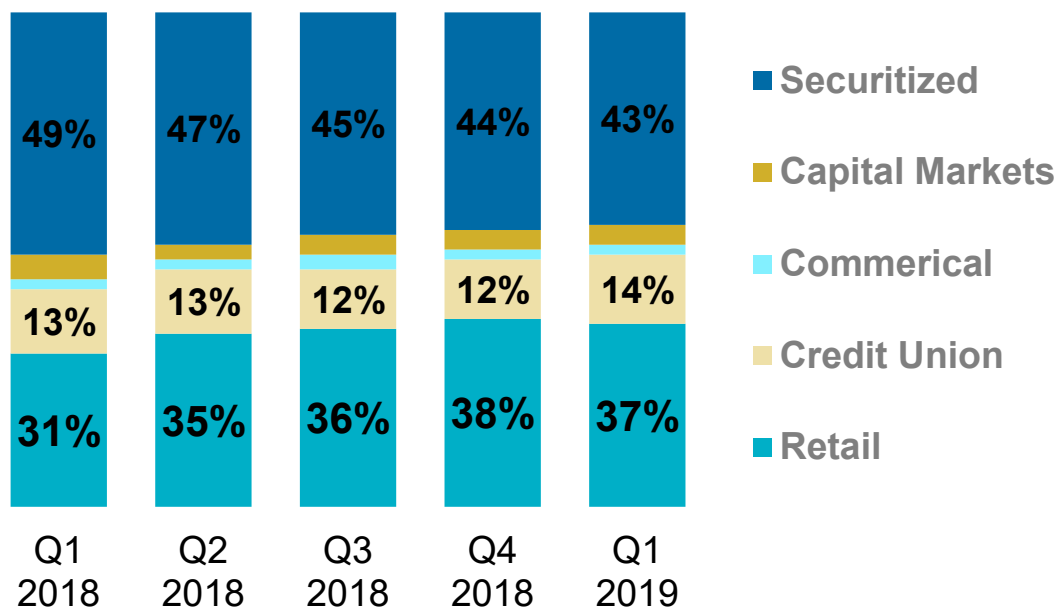
Loans Originated (\$M)



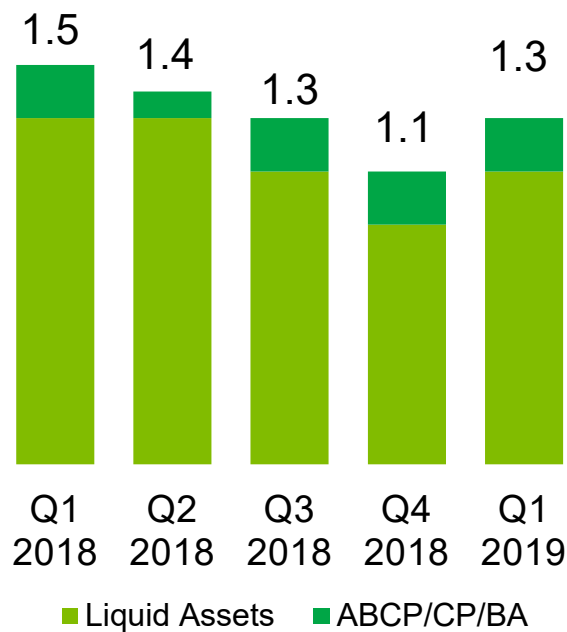
**Continued growth from consumer lending sources**

# Funding and Liquidity

Total Deposit by Source (%)



Total Liquid Assets (\$B)



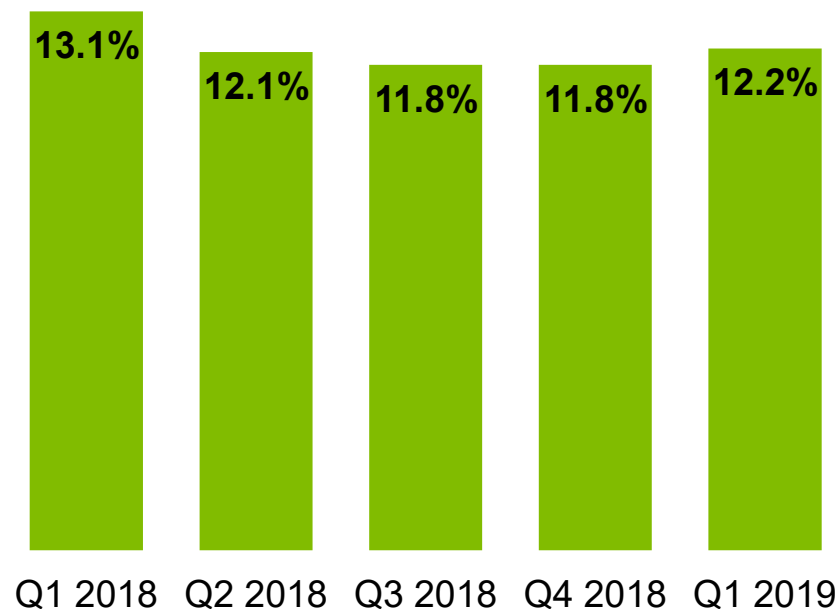
**Liquidity levels strengthened through strong credit union deposit growth**

# Strong Capital Ratios

Capital Ratios remain stable

Q1 F19	Ratio <sup>(1)</sup>	As prescribed by OSFI
CET1	12.2%	7.0%
Tier 1 Capital	16.0%	8.5%
Total Capital	16.5%	10.5%
Leverage Ratio	4.7%	as prescribed

CET1 RATIO



(1) As per OSFI's capital adequacy requirements



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# Questions

# Investor Relations Contact

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