

Q2 2021 INVESTOR WEBINAR

SEPTEMBER 15, 2021



Concentra®



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President and CEO



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SVP, Chief Financial Officer



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Chief Digital Officer



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Acting Chief Risk Officer

Disclaimer: Forward-Looking Statements

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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.

Questions

- Questions are encouraged
- Please type your questions in the chat box
- We'll answer questions at the end of the webinar

BUSINESS HIGHLIGHTS

Don Coulter, President & CEO

CEO Update

- Addition of two new leaders
- Strong YTD financial results
- Upcoming launch of Canada's first cloud-based digital banking platform
- Continued direct engagement with credit unions

Digital Platform

Dave Baldarelli, CDO

Risk Management Update

Silvia Brudar, Acting CRO

Strong Integrated Risk Governance Framework

Our risk management culture has been maturing over the past four years, as Concentra became a Schedule I bank

Risk Appetite Framework

- We only take on risk that can be identified and understood, is transparent and can be managed
- We only take on productive risk to grow our business while maintaining a stable risk profile
- We have a consistent approach to taking on risk that supports our customer strategy, delivers on our commitments and sustains our business practices in the long term

Risk Appetite		
Credit & Counterparty Risk	Model Risk	Market Risk
Liquidity & Funding Risk	Operational Risk	Strategic Risk
Legal, Regulatory & Reputation Risk		

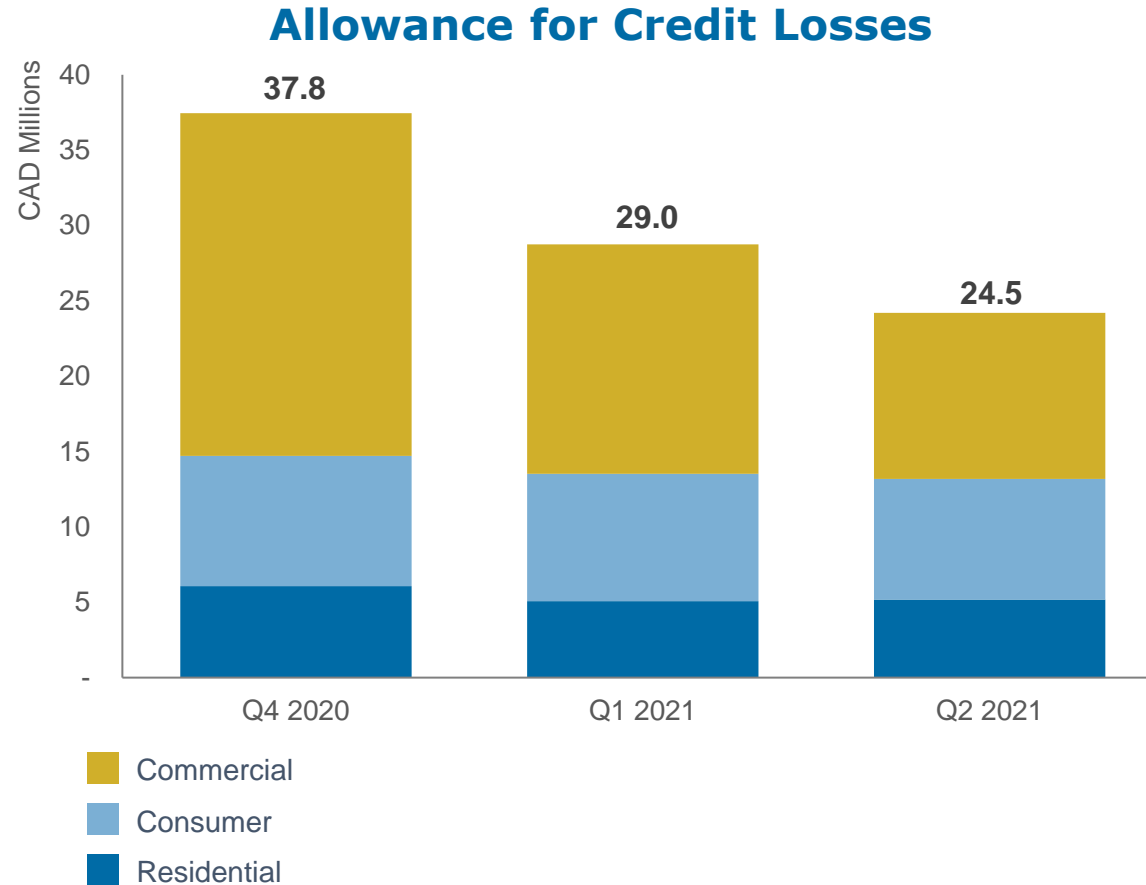
Risk Management Framework



Dual Stream Adjudication Process

1st Line of Defense recommends a transaction, 2nd Line of Defense (RMG) conducts an independent assessment before concurring with 1st Line's recommendation

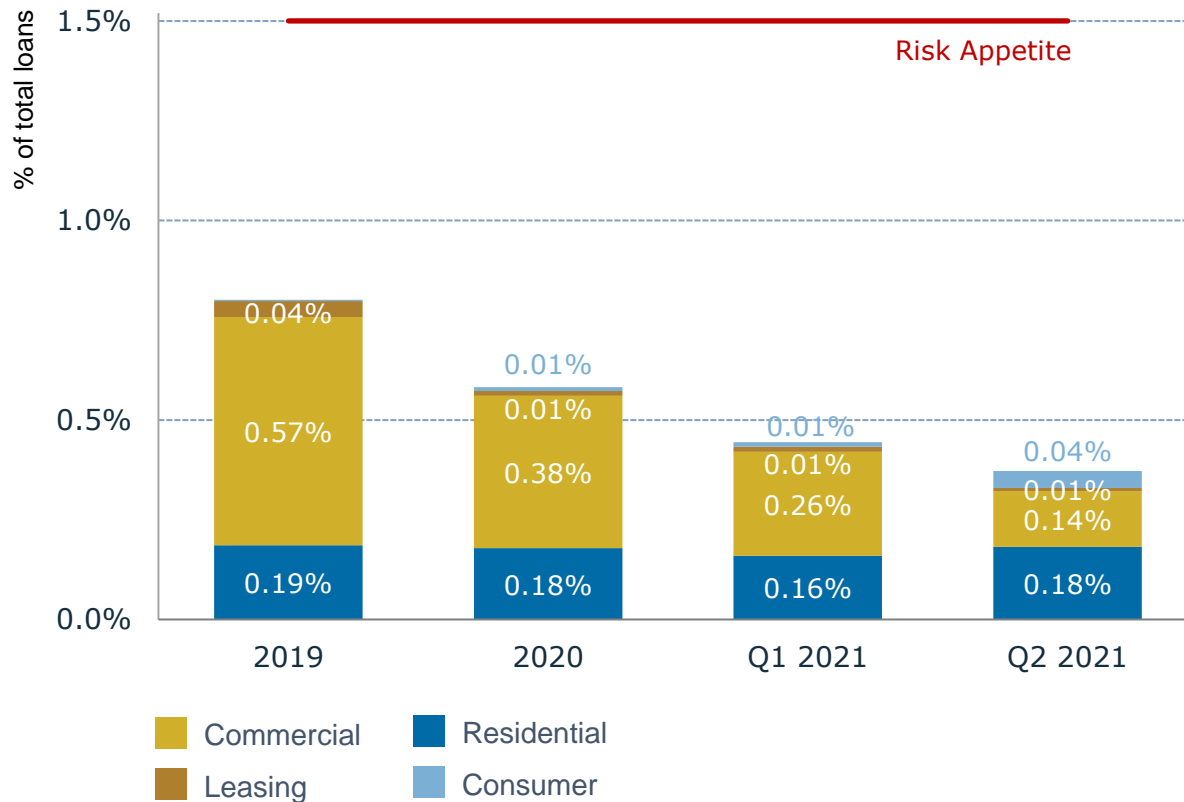
Allowance for Credit Losses Continue to Improve



- Allowances for the Commercial Loan book have been decreasing, due to improving quality of the loan book and improving macroeconomic forecasts.
- Other allowances are improving due to a shifting asset mix and improving macroeconomic forecasts.

Other Key Risk Indicators Improve

Non-Performing Loans
(as at June 30, 2021)



- Our aggregate NPL rate is at the six consecutive quarter low - from a high of 0.80% or \$61 million at the end of 2019, to 0.37% or \$32.2 million in gross non-performing loans in Q2.
- We continue to monitor sectors most negatively impacted by the Pandemic (i.e. hospitality, commercial real estate, transportation) in our Special Account Management Unit (SAMU).
- 73% of our SAMU accounts are active.

Q2 FISCAL 2021 FRANCHISE EARNINGS

Paul Masterson, SVP, CFO

Record revenue and earnings as growth continues

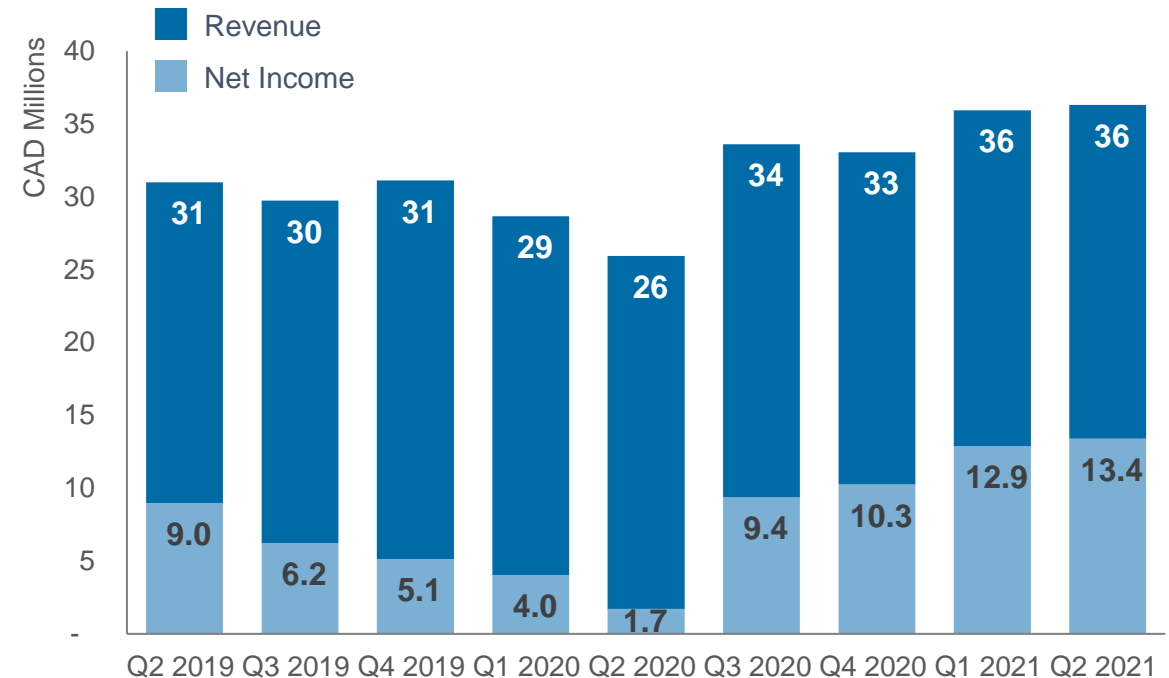
Another record net revenue in Q2 2021, driven by strong net interest income

(CAD millions)	Q2 2020	Q1 2021	Q2 2021
Summary Income Statement			
Total Net Revenue	26.0	36.0	36.3
Operating Expenses	(17.0)	(21.0)	(21.7)
Pre-Provision Profit	9.0	15.0	14.7
Provision for credit losses	(6.6)	2.7	3.7
Income before tax	2.4	17.7	18.4
Income tax expense	(0.7)	(4.8)	(4.9)
Net Income	1.7	12.9	13.4

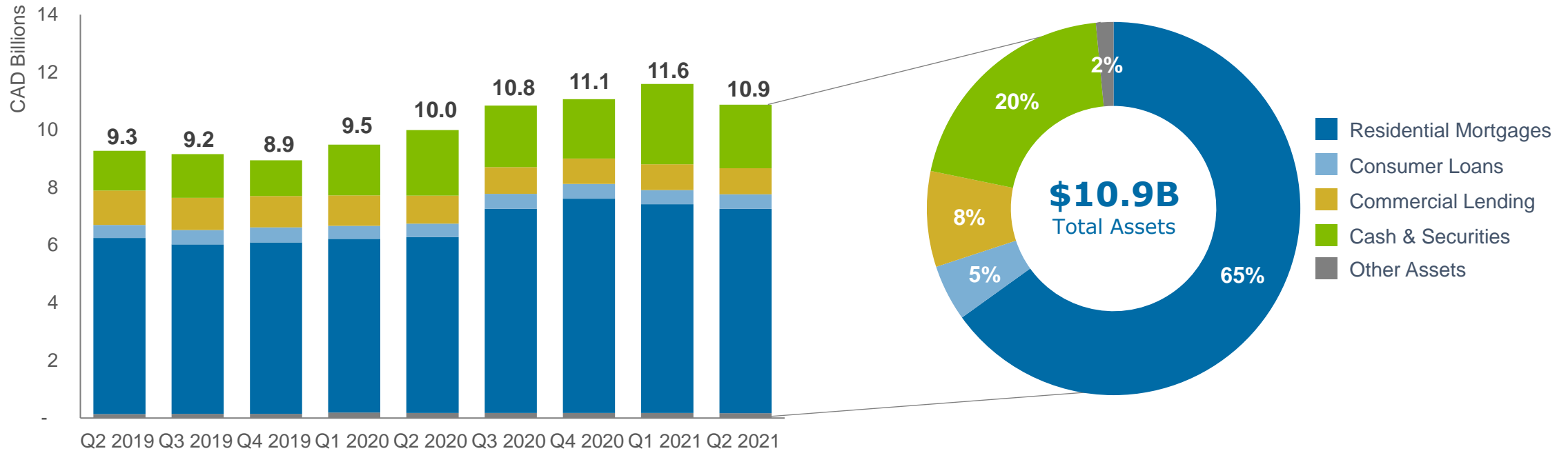
YTD ROE 11.7%

Efficiency Ratio 59.1%

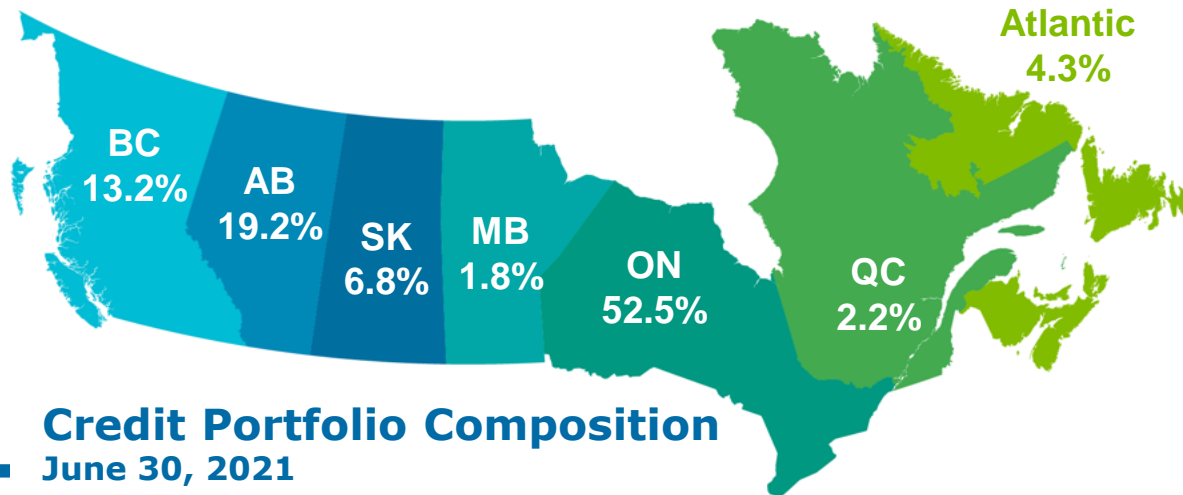
YoY Growth in Q2 NI 688%



Well diversified & growing asset base



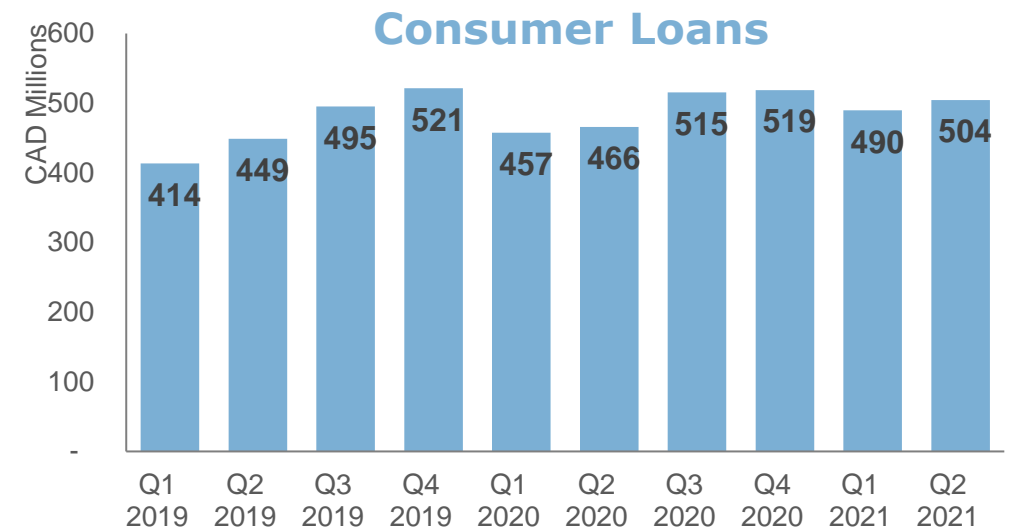
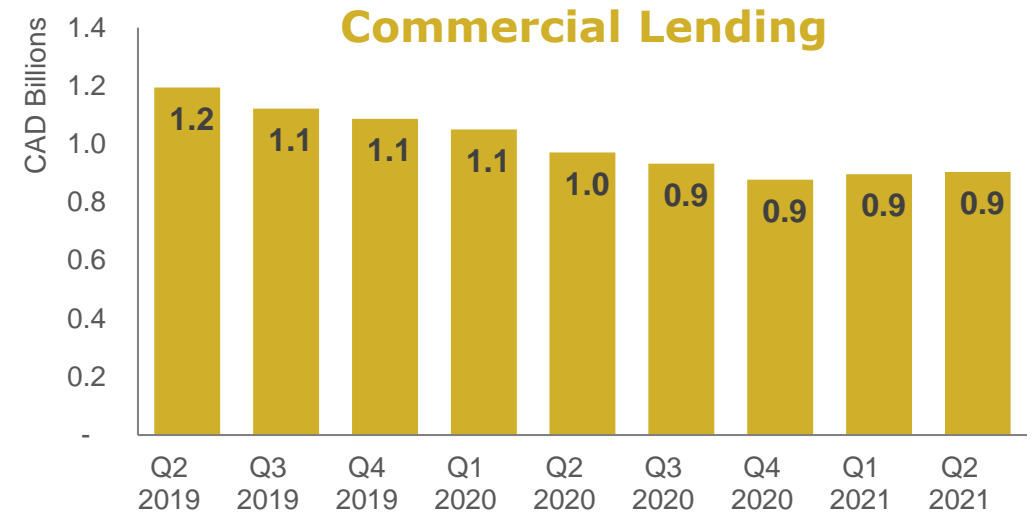
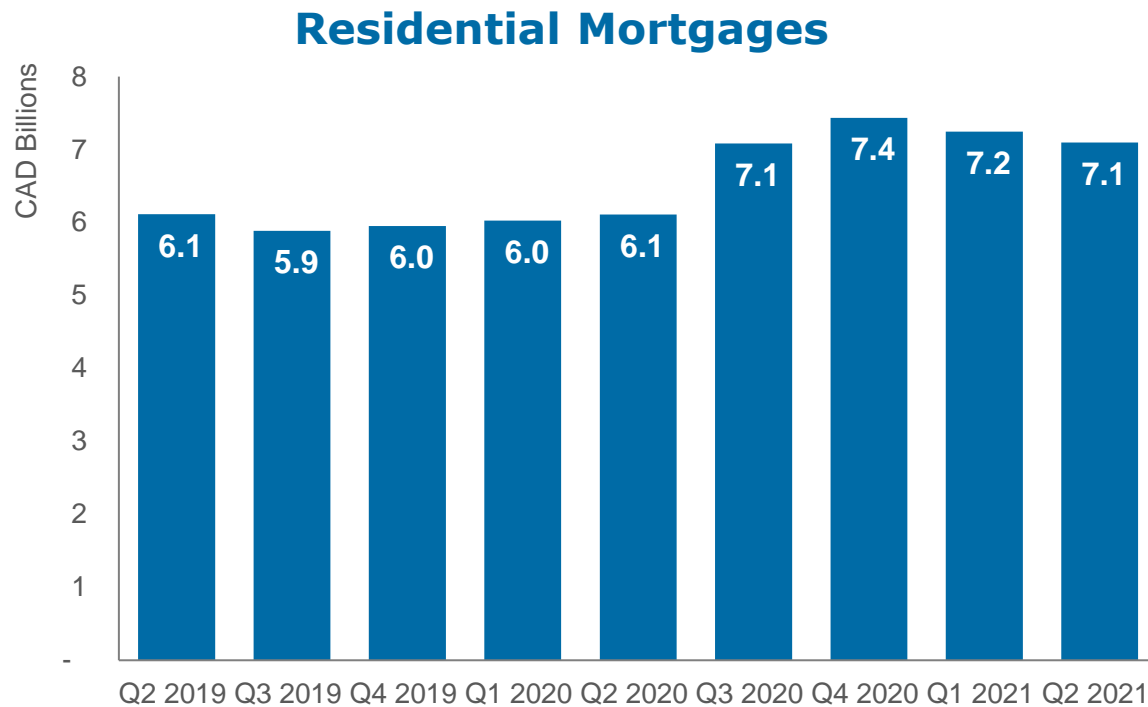
Low-risk loan portfolio with a high percentage of insured, geographically diversified assets



Credit Portfolio Composition
June 30, 2021

Loan assets on balance sheet

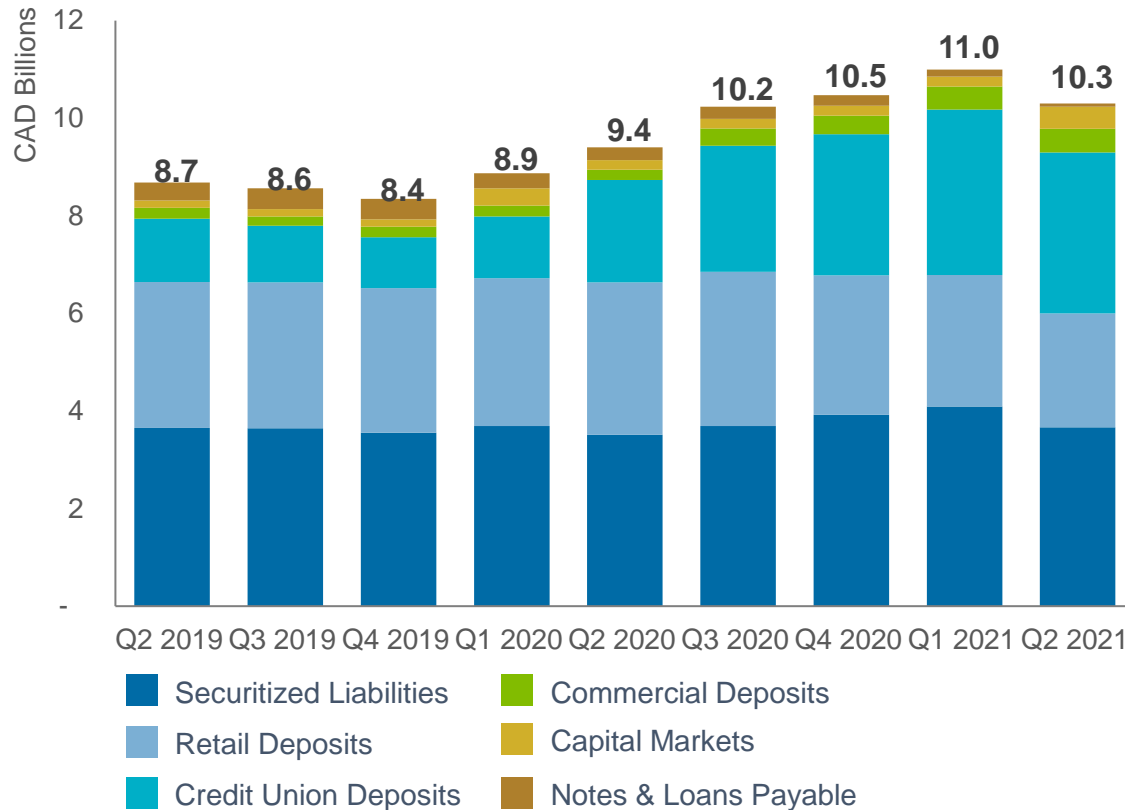
Loan portfolio remained stable, with asset levels decreasing due to lower levels of liquid access compared to Q1



Strong funding and liquidity positions

The Bank maintained a stable funding base with high levels of liquid assets.

Funding By Source

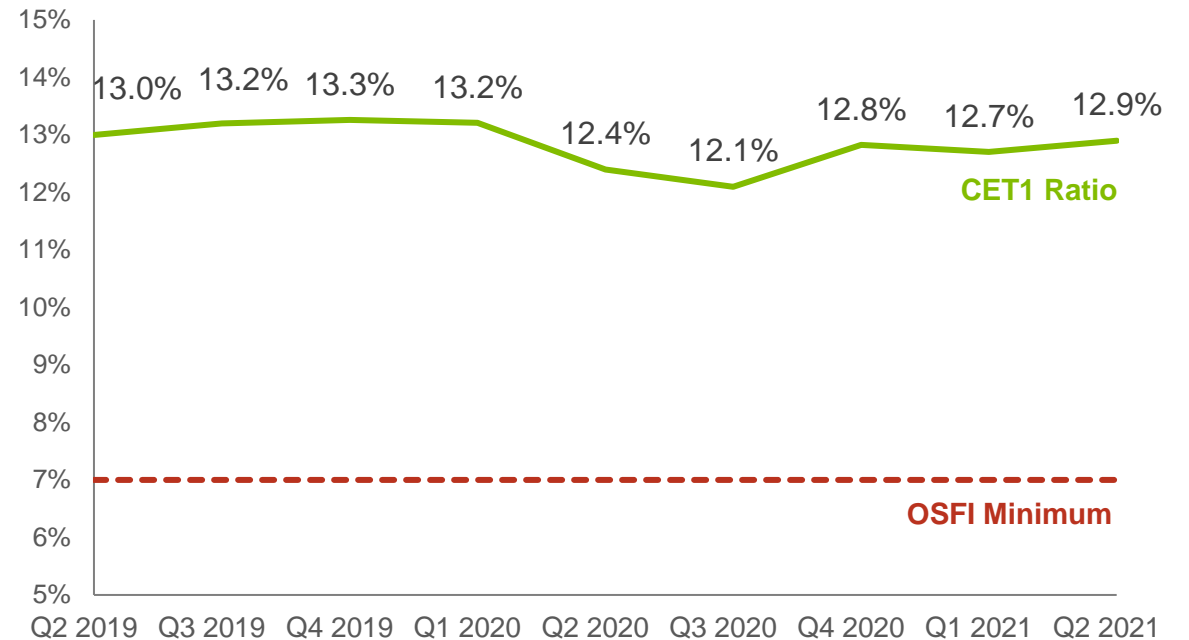


Liquid Assets for Regulatory Purposes



Capital ratios remain strong

Capital Ratios - Q2 2021	Ratio	OSFI Minimum
CET1	12.9%	7.0%
Tier 1 Capital	16.4%	8.5%
Total Capital	16.9%	10.5%
Leverage Ratio	4.6%	as prescribed



Q&A

We're happy to answer your questions—please type them in the chat window.

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