



EQB redefines challenger banking in Canada with agreement to acquire PC Financial from Loblaw, delivering transformational benefits for Canadians

- *Creates one of Canada's largest loyalty-linked banking ecosystems with significant benefit for millions of Canadians*
- *Expands the benefits of PC Optimum™ and will offer more ways for Canadians to earn rewards on their everyday banking*
- *Cements EQB as the challenger in Canadian banking, servicing more than three million Canadians with a scaled credit card portfolio and distribution across Loblaw banners*
- *EQB will become the exclusive financial partner for the PC Optimum™ loyalty program through a long-term commercial agreement*
- *Financially compelling transaction for EQB expected to be mid-single digit accretive to adjusted EPS in the first full year post-closing, with Loblaw becoming a significant minority shareholder of EQB*

TORONTO, Dec. 3, 2025 /CNW/ – EQB Inc. (“EQB”) (TSX: EQB) and Loblaw Companies Limited (“Loblaw”) (TSX:L) announced today that they have entered into a definitive agreement (the “Transaction Agreement”) pursuant to which EQB will acquire President’s Choice Bank (“PC Bank”), PC® Financial Insurance Agency Inc., PC® Financial Insurance Brokers Inc. and certain other affiliated entities of PC Bank (collectively, “PC Financial”) (the “Acquisition”).

In connection with the closing of the Acquisition, EQB will enter into a long-term strategic relationship with Loblaw pursuant to a commercial agreement (the “Program Participation Agreement”) to become the exclusive financial partner of the PC Optimum™ loyalty program (together with the Acquisition, the “Transaction”). The Transaction will unite two of Canada’s most innovative banking brands, redefining the sector by delivering extraordinary value, products and services to Canadians.

EQB will acquire PC Financial for 1.15x book value at closing, excluding excess capital above a 13% CET1 ratio, for consideration estimated at \$800 million, subject to adjustment pursuant to the terms of the Transaction Agreement. The consideration will be satisfied by the issuance to one or more subsidiaries of Loblaw of 7.2 million common shares of EQB, representing approximately 16% of EQB’s issued and outstanding common shares as at the date hereof on a pro-forma basis, and the remainder in cash. In addition, prior to the closing of the transaction and subject to regulatory approval, Loblaw will release and receive approximately \$500 million of excess capital and other value from PC Bank, for estimated total value of \$1.3 billion to Loblaw. Pursuant to and subject to the terms of the Transaction Agreement, Loblaw will own a minimum of 17% of EQB’s issued and outstanding common shares on closing of the Acquisition. Closing is expected to occur within calendar 2026, subject to customary closing conditions and regulatory approvals.

Pursuant to the Acquisition, EQB will acquire PC Financial’s products and services, including the PC Mastercard™ portfolio – one of the largest and most recognizable credit card portfolios in Canada with more than two million active accounts. The Acquisition is expected to expand EQB’s



total customer base to over three million Canadians and add \$5.8 billion in assets with more than \$800 million in direct retail deposits.

“Today’s announcement marks a new era for banking in Canada. By combining EQ Bank’s exceptional digital platform and product shelf with PC Financial’s spending solutions, distribution and expertise in loyalty, we’re creating a better banking ecosystem for all Canadians that prioritizes innovation and value,” said Chadwick Westlake, President and CEO, EQB. “Fueled by our combined digital strengths and new ways to connect with customers, this transaction offers a unique opportunity for Canada’s Challenger Bank to redefine what Canadians should expect from their banks. We couldn’t be more excited to bring challenger banking to more Canadians and look forward to welcoming Loblaw as a shareholder and valued long-term partner.”

“This new relationship between EQB and Loblaw will yield significant benefits to our customers, and those of EQ Bank. PC Financial’s products will be better positioned for long-term growth under EQB’s ownership, while maintaining the high level of quality and care our customers expect,” said Richard Dufresne, Chief Financial Officer of Loblaw. “Bringing together EQB’s digital platform with PC Optimum’s reach and personalization will bring more value and more rewards to Canadians.”

Combination will unlock significant benefits for millions of Canadians

- The new relationship will create one of Canada’s largest loyalty-linked banking ecosystems and one of Canada’s largest digital banks by customers. The combined organization will provide end-to-end access to more products, services and, over time, more ways to earn rewards for over three million customers and more than 17 million active PC Optimum™ loyalty members.
- PC Financial customers will benefit from EQ Bank’s digital platform, expertise and everyday banking products and services, including a broader suite of savings and registered accounts, with the intent to provide future offerings that address more holistic banking.
- EQ Bank customers will benefit from PC Financial’s credit card offerings for an all-in-one daily banking experience, complemented by retail touchpoints at approximately 2,500 Loblaw stores, over 180 in-store banking pavilions and a 600+ ATM network across the country. Customers will also gain exclusive access to rewards as customers of the only bank in Canada that gives them the ability to earn PC Optimum™ points.

Provides immediate scale to drive deeper change in Canadian banking

- The Transaction will bring together two made-in-Canada brands to drive change in banking with a louder voice to champion consumer interests.
- The unified organization gains significant scale to advance a shared track record of delivering competitive banking services that cater to diverse, dynamic financial needs – including the no-fee, interest bearing accounts that EQ Bank and PC Financial pioneered.
- EQ Bank and PC Financial both have lean, digital-forward operating models, with the combined organization aiming to bring globally inspired innovation to the Canadian market faster than incumbent peers.



Transaction Highlights

The Transaction presents an attractive value creation opportunity for EQB with realizable revenue opportunities. EQB anticipates attractive annual run-rate cost synergies of \$30 million (pre-tax) and estimates total one-time acquisition and integration costs of \$105 million. At a 1.15x multiple of book and PC Financial's book value as of September 30, 2025, the implied purchase price is estimated to be \$800 million.

Further, the Transaction is expected to be mid-single digit accretive to consensus adjusted EPS in the first full year post-closing and to enhance ROE. Equitable Bank, EQB's wholly owned subsidiary, expects to maintain its prudent strong capital structure and liquidity profile at close.

The two banks plan to transition PC Financial into EQB's digital EQ Bank brand over time. In the interim, both organizations will maintain the trusted and familiar EQ Bank and PC Financial brands. The PC Optimum™ program will continue to be owned and operated by Loblaw and the value of PC Optimum™ points remains unchanged. EQB will become the PC Optimum™ program's exclusive financial partner, pursuant to the Program Participation Agreement.

Transaction Agreements

Pursuant to the Transaction Agreement, EQB will acquire (i) all of the issued and outstanding common shares in the capital of PC Bank, together with its reinsurance vehicles, and (ii) all of the issued and outstanding common shares in the capital of PC Financial Insurance Broker Inc. and PC Financial Insurance Agency Inc.

The Transaction Agreement contains customary representations, warranties and covenants by Loblaw and EQB. Completion of the Acquisition is subject to certain conditions set forth in the Transaction Agreement, including, among others, receipt of approval from the Minister of Finance, clearance under the *Competition Act* (Canada) and execution and delivery of the Program Participation Agreement and an investor rights agreement.

The Transaction Agreement contains a termination right for Loblaw in connection with specified intervening events, including if the EQB board of directors announces a change of control transaction during the interim period. If the Transaction Agreement is terminated following an intervening event, then EQB will be required to pay to Loblaw a termination fee equal to \$40 million.

EQB intends to finance the cash consideration with its current balance sheet resources. The Acquisition is not subject to any financing condition or contingency.

In connection with the closing of the Acquisition, EQB and Loblaw will enter into an investor rights agreement pursuant to which Loblaw will have board nomination rights, registration rights and pre-emptive rights, and will be subject to a four-year lock-up and a standstill restricting Loblaw and its affiliates from acquiring common shares of EQB if it would bring Loblaw's ownership above 25% of the issued and outstanding EQB common shares.



Pursuant to the terms and conditions of the Program Participation Agreement, EQB will be Loblaw's exclusive financial services loyalty partner and will receive access to Loblaw's national retail channels to market its financial services products, with an initial focus on credit cards and deposit accounts. The Program Participation Agreement has an initial 12-year term and will establish a joint governance framework to guide strategic priorities of the program. The Program Participation Agreement contains termination and other rights for each of Loblaw and EQB commensurate for such agreements.

EQB and Loblaw to host joint conference call: 5:45 p.m. ET on December 3, 2025

Chadwick Westlake, President and CEO of EQB, and Richard Dufresne, President and CFO of George Weston Limited and CFO of Loblaw, will host a conference call on December 3, 2025, at 5:45 p.m. ET to discuss the Transaction, followed by a short question and answer period for analysts.

- All participants can join the listen-only call by dialing 416-945-7677 or 1-888-699-1199; please join 10 minutes prior to start time
- To join the listen-only webcast with slides: <https://app.webinar.net/JE0vrDaPD15>

Call archive

A replay of the conference call with the accompanying slides will be archived on EQB's investor relations website at eqb.investorroom.com/events#past.

Advisors

RBC Capital Markets is acting as lead financial advisor to EQB in connection with the transaction, with Blake, Cassels & Graydon LLP acting as legal counsel. CIBC Capital Markets is acting as exclusive financial advisor to Loblaw, with Torys LLP acting as legal advisor.

About EQB Inc.

EQB Inc. (TSX: EQB) is a leading digital financial services company with \$137 billion in combined assets under management and administration (as at July 31, 2025). It offers personal and commercial banking services through Equitable Bank, a wholly owned subsidiary and Canada's seventh largest bank by assets, and wealth management through ACM Advisors, a majority-owned subsidiary specializing in alternative assets. As Canada's Challenger Bank™, Equitable Bank has a clear mission to drive change in Canadian banking to enrich people's lives. It leverages technology to deliver exceptional personal and commercial banking experiences and services to nearly 761,000 customers and more than six million credit union members through its businesses. Through its digital EQ Bank platform (eqbank.ca) its customers have named it one of Canada's top banks on the Forbes World's Best Banks list since 2021.

To learn more, please visit eqb.investorroom.com or connect with us on [LinkedIn](#).



About President's Choice Financial

PC Financial®, a trusted Canadian banking brand, provides unprecedented value to customers, simplifying financial products to help Canadians Live Life Well®. Through the PC® Mastercard® and the PC Money™ Account, its dedicated base of more than 2.5 million customers save on banking fees and have earned more than \$1 billion worth of PC Optimum™ points to redeem for beauty, groceries, gas, apparel, and other products at participating stores. The company is committed to being one of Canada's most diverse and inclusive employers and makes it a priority to reflect this in its people and culture.

Established in 1998, PC Financial® is a part of Loblaw Companies Limited. For more information, visit pcfinancial.ca.

About Loblaw Companies Limited

Loblaw is Canada's food and pharmacy leader, and the nation's largest retailer. Loblaw provides Canadians with grocery, pharmacy and health services, other health and beauty products, apparel, general merchandise, financial services and wireless mobile products and services. With more than 2,800 locations, Loblaw, its franchisees and Associate-owners employ more than 220,000 full- and part-time employees, making it one of Canada's largest private sector employers.

Loblaw's purpose – Live Life Well® – puts first the needs and well-being of Canadians who make one billion transactions annually in the company's stores. Loblaw is positioned to meet and exceed those needs in many ways: convenient locations; more than 1,100 grocery stores that span the value spectrum from discount to specialty; full-service pharmacies at nearly 1,400 Shoppers Drug Mart® and Pharmaprix® locations and in close to 500 grocery stores; PC Financial® services; affordable Joe Fresh® fashion and family apparel; and four of Canada's top-consumer brands in Life Brand®, Farmer's Market™, no name® and President's Choice®.

For more information, visit Loblaw's website at www.loblaw.ca and Loblaw's issuer profile at www.sedarplus.ca.

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Forward Looking Information

Statements made in this news release include forward-looking statements within the meaning of applicable securities laws (“forward looking statements”). Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “guidance”, “planned”, “estimates”, “forecasts”, “outlook”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases which state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will be taken”, “occur”, “be achieved”, “will likely” or other similar expressions of future or conditional verbs. These statements include, but are not limited to, statements relating to EQB’s objectives, strategies and initiatives; financial performance expectations, whether with respect to EQB’s businesses, the Transaction or the Canadian economy; the expected impact of the Transaction, including the expected impact on EQB’s size, operations, capabilities, growth drivers and opportunities, activities, attributes, profile, business services portfolio and loans, revenue and assets mix, market position, profitability, performance, and strategy; the anticipated benefits of the Transaction; the expected impact of the Transaction on EQB’s financial performance; the terms and conditions of the Transaction Agreement, the Program Participation Agreement and the investor rights agreement; expectations regarding EQB’s business model, plans and strategy; the maintenance of EQB’s CET1 ratio, capital structure and liquidity profile and changes in adjusted EPS; the composition of the Board following closing of the Acquisition; the anticipated timing and the various steps to be completed in connection with the Transaction, including receipt of regulatory approvals and the anticipated timing for closing of the Acquisition; the strategic fit and complementarity of PC Financial and EQB; anticipated synergies and estimated transaction and integration costs and the timing of incurrence thereof; EQB’s financial performance objectives, vision and strategic goals; the economic and market review and outlook, the outlook and priorities for each of EQB’s business lines; and statements by EQB representatives.

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 EQB 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 including, without limitation, global geopolitical risk, uncertainty arising from ongoing United States/Canada tariff concerns and related impacts; business acquisitions; legislative and regulatory developments; changes in accounting standards; the nature of EQB’s customers and rates of default; the possibility that the Transaction will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all due to a failure to



obtain or satisfy, in a timely manner or otherwise, required conditions of closing necessary to complete the Transaction or for other reasons; the possibility of adverse reactions or changes in business relationships resulting from the announcement or completion of the Transaction; the retention of key personnel of EQB and PC Financial; the integration of PC Bank and the realization of the anticipated benefits and synergies of the Transaction in the timeframe anticipated, including impact and accretion in various financial metrics; competition; as well as those factors discussed under the heading “Risk Management” in EQB’s Annual MD&A and in EQB’s other documents filed on SEDAR+ at www.sedarplus.ca.

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 EQB and the Canadian economy. Although EQB believes the assumptions used to make such statements are reasonable at this time and has attempted to identify above and in its continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material assumptions are applied by EQB in making forward-looking statements, including without limitation, the maintenance of EQB’s CET1 ratio; EQB’s ability to execute its transformation plan and strategy; the successful and timely integration of EQB and PC Bank and the realization of the anticipated benefits and synergies of the Transaction in the timeframe anticipated, including impact and accretion in various financial metrics; the ability to retain management and key employees of PC Bank; the ability of EQB to access the capital markets; the absence of significant undisclosed costs or liabilities associated with the Transaction; the expectation of regulatory stability; no downturn in economic conditions; sufficient liquidity and capital resources; no material changes in competition, market conditions or in government monetary, fiscal and economic policies; the maintenance of credit ratings; assumptions regarding EQB’s continued ability to fund its loan business, a continuation of the current level of economic uncertainty that affects real estate market conditions including, without limitation, continued acceptance of its products in the marketplace; as well as no material changes in its operating cost structure 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. EQB does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws. Additional information on items of note, reported results, risk factors and assumptions related to forward-looking statements are available in EQB’s Annual MD&A and other public filings available on SEDAR+ at www.sedarplus.ca.

This news release also contains future-oriented financial information (“FOFI”) and information which could be considered to be in the nature of a “financial outlook”. All FOFI contained in this news release is subject to the same assumptions, risk factors, limitations and qualifications as set forth herein. FOFI contained in this news release was made as of the date hereof, based on



information available to EQB and Loblaw as of the date hereof, and is being provided to assist investors in understanding the potential financial impact of the Transaction. Such information may not be appropriate for other purposes. The actual results of operations of EQB may vary from the amounts set forth herein and such variation may be material. Each of EQB and Loblaw disclaims any intention or obligation to update or revise any FOFI in this news release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities laws.