



**SECOND QUARTER 2014
SUPPLEMENTAL INFORMATION AND
REGULATORY DISCLOSURES**



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Notes to Readers

This Supplemental Information and Regulatory Disclosures Report provides additional quantitative disclosures related to the Company's mortgage portfolio and the regulatory capital of its subsidiary, Equitable Bank. Some of these disclosures relate to disclosure requirements outlined in OSFI's Guideline B-20, 'Residential Mortgage Underwriting Practices and Procedures', which became effective for Equitable Bank on January 1, 2013.



Table 1: Mortgage principal outstanding – by property type

(\$ THOUSANDS)	June 30, 2014			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 4,071,168	\$ 88,234	\$ 4,159,402	37.4%
Mixed-use property	363,301	-	363,301	3.3%
Multi-unit residential	562,576	730	563,306	5.1%
Commercial	1,052,902	-	1,052,902	9.5%
Construction	278,435	-	278,435	2.5%
Mortgage principal – Core Lending	6,328,382	88,964	6,417,346	57.8%
Single family dwelling	-	577,820	577,820	5.2%
Multi-unit residential	-	4,112,110	4,112,110	37.0%
Mortgage principal – Securitization Financing	-	4,689,930	4,689,930	42.2%
Total mortgage principal outstanding	\$ 6,328,382	\$ 4,778,894	\$ 11,107,276	100.0%
	57.0%	43.0%	100.0%	

(\$ THOUSANDS)	March 31, 2014			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 3,794,146	\$ 263,266	\$ 4,057,412	36.3%
Mixed-use property	354,092	-	354,092	3.2%
Multi-unit residential	625,664	751	626,415	5.6%
Commercial	1,157,700	-	1,157,700	10.4%
Construction	244,567	-	244,567	2.2%
Mortgage principal – Core Lending	6,176,169	264,016	6,440,186	57.6%
Single family dwelling	-	450,219	450,219	4.0%
Multi-unit residential	-	4,289,941	4,289,941	38.4%
Mortgage principal – Securitization Financing	-	4,740,160	4,740,160	42.4%
Total mortgage principal outstanding	\$ 6,176,169	\$ 5,004,176	\$ 11,180,346	100.0%
	55.2%	44.8%	100.0%	

(\$ THOUSANDS)	June 30, 2013			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 3,190,833	\$ 183,827	\$ 3,374,660	31.3%
Mixed-use property	354,893	-	354,893	3.3%
Multi-unit residential	551,411	797	552,208	5.1%
Commercial	1,031,029	-	1,031,029	9.6%
Construction	260,953	-	260,953	2.4%
Mortgage principal – Core Lending	5,389,119	184,624	5,573,743	51.7%
Single family dwelling	-	394,397	394,397	3.7%
Multi-unit residential	-	4,799,221	4,799,221	44.6%
Mortgage principal – Securitization Financing	-	5,193,618	5,193,618	48.3%
Total mortgage principal outstanding	\$ 5,389,119	\$ 5,378,242	\$ 10,767,361	100.0%
	50.1%	49.9%	100.0%	



Table 2: Mortgage principal under administration – by business line

(\$ THOUSANDS)	Jun 30, 2014	Mar 31, 2014	% change	Jun 30, 2013	% change
Alternative single family lending	\$ 4,159,178	\$ 4,052,115	3%	\$ 3,386,331	23%
Commercial lending	2,258,168	2,388,071	(5%)	2,187,410	3%
Total Core Lending	6,417,346	6,440,186	(0%)	5,573,741	15%
Alternative single family lending	414,162	282,097	47%	210,199	97%
Prime single family lending	163,659	168,122	(3%)	184,198	(11%)
Multi-unit residential	4,112,109	4,289,941	(4%)	4,799,223	(14%)
Total Securitization Financing	4,689,930	4,740,160	(1%)	5,193,620	(10%)
Total on-balance sheet mortgage principal	11,107,276	11,180,346	(1%)	10,767,361	3%
Prime single family lending	128,304	131,790	(3%)	141,901	(10%)
Multi-unit residential	1,051,687	953,121	10%	451,462	133%
Total derecognized mortgage principal	1,179,991	1,084,911	9%	593,363	99%
Mortgages under management	\$ 12,287,267	\$ 12,265,257	0%	\$ 11,360,724	8%
Alternative single family lending	4,573,340	4,334,212	6%	3,596,530	27%
Prime single family lending	291,963	299,912	(3%)	326,099	(10%)
Commercial lending	2,258,168	2,388,071	(5%)	2,187,410	3%
Multi-unit residential	5,163,796	5,243,062	(2%)	5,250,685	(2%)
Mortgages under management	\$ 12,287,267	\$ 12,265,257	0%	\$ 11,360,724	8%



Table 3: Mortgage principal by interest rate type

	Jun 30, 2014	Mar 31, 2014	Jun 30, 2013
Fixed rate mortgages	88%	88%	89%
Floating rate mortgages with interest rate floors	6%	6%	6%
Floating rate mortgages without interest rate floors	6%	6%	5%
Total	100%	100%	100%

Table 4: Mortgage principal by province

(\$ THOUSANDS)	Jun 30, 2014		Mar 31, 2014		Jun 30, 2013	
	Total	%	Total	%	Total	%
Ontario	\$ 6,682,023	60%	\$ 6,706,728	60%	\$ 6,301,588	59%
Alberta	1,724,898	16%	1,693,886	15%	1,605,751	15%
Quebec	1,308,733	12%	1,339,668	12%	1,359,145	13%
British Columbia	620,982	6%	640,427	6%	650,772	6%
Other Provinces	770,640	6%	799,637	7%	850,105	7%
Net Income	\$ 11,107,276	100%	\$ 11,180,346	100%	\$ 10,767,361	100%



Table 5: Residential mortgage principal by location

(\$ THOUSANDS)	June 30, 2014									
	Insured ⁽¹⁾				Uninsured ⁽²⁾			Total		
	Core Lending	Securitization Financing	Total	%	Total	%	Total	%		
Ontario	\$ 63,964	\$ 376,780	\$ 440,744	9%	\$ 3,137,610	66%	\$ 3,578,354	75%		
Alberta	16,925	107,916	124,841	3%	652,635	14%	777,476	17%		
British Columbia	4,690	46,630	51,320	1%	132,954	3%	184,274	4%		
Manitoba	1,402	9,897	11,299	0%	62,829	1%	74,128	1%		
Other Provinces	1,253	36,597	37,850	1%	85,140	2%	122,990	3%		
Total residential	\$ 88,234	\$ 577,820	\$ 666,054	14%	\$ 4,071,168	86%	\$ 4,737,222	100%		
Downtown Toronto condominiums ⁽³⁾	\$ 1,225	\$ 5,649	\$ 6,874	0.2%	\$ 48,639	1.0%	\$ 55,513	1.2%		
March 31, 2014										
Total residential	\$ 263,265	\$ 450,219	\$ 713,484	16%	\$ 3,794,146	84%	\$ 4,507,631	100%		
Downtown Toronto condominiums ⁽³⁾	\$ 2,122	\$ 5,042	\$ 7,164	0.2%	\$ 49,193	1.1%	\$ 56,357	1.3%		
June 30, 2013										
Total residential	\$ 183,827	\$ 394,397	\$ 578,224	15%	\$ 3,190,833	85%	\$ 3,769,057	100%		
Downtown Toronto condominiums ⁽³⁾	\$ 2,800	\$ 4,251	\$ 7,051	0.2%	\$ 50,743	1.3%	\$ 57,794	1.5%		

⁽¹⁾ Insured by either CMHC or Genworth.

⁽²⁾ There are no uninsured mortgages in the Company's Securitization Financing business.

⁽³⁾ Represents single family residential condominium mortgages and are included in Ontario totals above.



Table 6: Residential mortgage portfolio by remaining amortization

June 30, 2014									
(\$ THOUSANDS)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
Total residential mortgages	\$ 1,535	\$ 6,327	\$ 22,110	\$ 101,961	\$ 386,977	\$ 3,708,389	\$ 487,822	\$ 22,101	\$ 4,737,222
	0%	0%	1%	2%	8%	78%	10%	1%	100%

March 31, 2014									
(\$ THOUSANDS)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
Total residential mortgages	\$ 1,443	\$ 6,594	\$ 22,450	\$ 98,845	\$ 393,656	\$ 3,437,934	\$ 523,420	\$ 23,289	\$ 4,507,631
	0%	0%	0%	2%	9%	76%	12%	1%	100%

June 30, 2013									
(\$ THOUSANDS)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
Total residential mortgages	\$ 6,723	\$ 4,786	\$ 22,215	\$ 90,323	\$ 355,047	\$ 2,582,069	\$ 650,694	\$ 57,200	\$ 3,769,057
	0%	0%	1%	2%	9%	69%	17%	2%	100%



Table 7: Average loan-to-value of newly originated and existing residential mortgages

(\$ THOUSANDS)	Jun 30, 2014		Mar 31, 2014		Jun 30, 2013	
	Average LTV% newly originated residential mortgages	Average LTV% total residential mortgages ⁽¹⁾	Average LTV% newly originated residential mortgages	Average LTV% total residential mortgages ⁽¹⁾	Average LTV% newly originated residential mortgages	Average LTV% total residential mortgages ⁽¹⁾
Ontario	75%	68%	75%	69%	75%	69%
Alberta	74%	66%	74%	68%	73%	68%
British Columbia	74%	68%	71%	69%	70%	71%
Manitoba	74%	67%	74%	67%	71%	65%
Other Provinces	73%	69%	71%	70%	73%	71%
Total Canada	75%	68%	75%	69%	74%	69%
Downtown Toronto condominiums ⁽²⁾	67%	56%	65%	57%	67%	59%

⁽¹⁾ Based on current property values. Current values are estimated using the Teranet Housing Price Index.

⁽²⁾ Included in Ontario totals above.

Table 8: Modified Capital Disclosure Template

Modified Capital Disclosure Template		All-in	Transitional
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	147,368	
2	Retained earnings	443,977	
3	Accumulated other comprehensive income (and other reserves)	(2,016)	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	589,329	
Common Equity Tier 1 capital: regulatory adjustments			
28	Total regulatory adjustments to Common Equity Tier 1	1,160	
29	Common Equity Tier 1 capital (CET1)	588,169	592,192
Additional Tier 1 capital : instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	40,000	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
36	Additional Tier 1 capital before regulatory adjustments	40,000	
Additional Tier 1 capital : regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	40,000	
45	Tier 1 capital (T1 = CET1 + AT1)	628,169	629,329
Tier 2 capital: instruments and allowances			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	92,483	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in row 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
50	Collective allowances	28,858	
51	Tier 2 capital before regulatory adjustments	121,341	
Tier 2 capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)	121,341	
59	Total capital(TC = T1 +T2)	749,510	750,671
60	Total risk-weighted assets	4,399,956	4,401,116
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.37%	13.46%
62	Tier 1 (as a percentage of risk-weighted assets)	14.28%	14.30%
63	Total capital (as a percentage of risk-weighted assets)	17.03%	17.06%
OSFI all-in target			
69	Common Equity Tier 1 capital all-in target ratio	7.0%	
70	Tier 1 capital all-in target ratio	8.5%	
71	Total capital all-in target ratio	10.5%	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	N/A	
81	<i>Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	N/A	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	80%	
83	<i>Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>		10,000
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	80%	
85	<i>Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	-	