

M A Z S B E T T E R B A N K I N G  
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E D I G I T A L L Y C E N T R I C  
P V T R A N S P A R E N T P V E O  
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**C A N A D A ' S H J W G R O W T H**  
**C H A L L E N G E R W S I P Q V G**  
**B A N K <sup>TM</sup> A Z V D G E T M O R E L**  
O P E N B A N K I N G Q E T Y O L  
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S T J B C U S T O M E R V A L U E  
K S L R E S P E C T S Z G V H G D  
R E L E N T L E S S D G F M T H M

## **EQUITABLE**

**CANADA'S CHALLENGER BANK™**

Supplemental Information and Regulatory Disclosures

For the three and six months ended June 30, 2020



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**Notes to Readers****Purpose of this document**

This Supplemental Information and Regulatory Disclosures Report (the "Report") aims to provide the readers with the following regulatory disclosures and other additional voluntary disclosures that will assist the readers' assessment of business performance of Equitable Group Inc. (the "Company" or "Equitable").

1. Disclosures related to the Company's loan portfolio, some of which relate to disclosure requirements outlined in OSFI's Guideline B-20, 'Residential Practices and Procedures', effective for Equitable Bank on January 1, 2013.
2. Equitable Bank (the "Bank")'s regulatory capital Basel Pillar III disclosures.

**Use of this document**

Readers are cautioned that financial information contained in this Report include both Generally Accepted Accounting Principles ("GAAP") and non-GAAP measures. The latter often does not have any standardized meaning, and therefore, are not comparable to similar measures presented by other financial institutions.

This Report should be read in conjunction with the Company's unaudited interim consolidated financial statements and accompanying notes, as well as Management's Discussion and Analysis ("MD&A") for the quarter ended June 30, 2020.

**Basis of presentation**

All amounts in this Report are Canadian dollars and quarterly numbers are unaudited.

GAAP measures have been prepared in accordance with International Financial Reporting Standards ("IFRS") unless otherwise stated. Non-GAAP measures used in this Report are defined under the Section "Non-GAAP measures".



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**Table 1: Financial highlights**

(\$ THOUSANDS, EXCEPT SHARE, PER SHARE AMOUNTS AND PERCENTAGES)	2020		2019				2018		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2020	2019
<b>RESULTS OF OPERATIONS</b>										
Net income	\$ 52,482	\$ 25,970	\$ 55,854	\$ 54,942	\$ 54,022	\$ 41,661	\$ 40,116	\$ 47,806	\$ 78,452	\$ 95,683
Adjusted net income <sup>(1)</sup>	49,259	29,948	56,045	54,754	54,512	46,579	45,535	45,662	79,207	101,091
Net income available to common shareholders	51,363	24,851	54,736	53,751	52,831	40,470	38,926	46,615	76,214	93,301
Net interest income	118,707	120,151	124,827	118,147	114,322	105,352	94,591	93,024	238,858	219,674
Total revenue	290,151	294,892	302,822	293,285	283,625	271,494	239,568	232,410	585,043	555,119
EPS – basic <sup>(2)</sup>	3.06	1.48	3.27	3.22	3.17	2.44	2.35	2.82	4.54	5.62
EPS – diluted <sup>(2)</sup>	3.05	1.46	3.21	3.18	3.15	2.42	2.33	2.80	4.50	5.57
Adjusted EPS – diluted <sup>(1)</sup>	2.86	1.70	3.22	3.17	3.18	2.72	2.66	2.67	4.55	5.90
ROE <sup>(3)</sup>	14.7%	7.2%	15.9%	16.2%	16.8%	13.4%	12.9%	15.9%	10.9%	15.1%
Adjusted ROE <sup>(1)</sup>	13.8%	8.4%	15.9%	16.2%	16.9%	15.0%	14.7%	15.2%	11.0%	15.9%
Return on average assets <sup>(3)</sup>	0.7%	0.4%	0.8%	0.8%	0.8%	0.7%	0.7%	0.8%	0.5%	0.7%
Return on RWA <sup>(3)</sup>	2.1%	1.1%	2.3%	2.3%	2.3%	1.8%	1.9%	2.4%	1.6%	2.1%
NIM <sup>(3)</sup>	1.64%	1.71%	1.78%	1.75%	1.76%	1.67%	1.58%	1.66%	1.68%	1.72%
Efficiency Ratio <sup>(3)(4)</sup>	39.2%	43.4%	40.6%	39.5%	39.5%	41.1%	41.7%	36.5%	41.2%	40.3%
<b>BALANCE SHEET</b>										
Total assets	29,957,246	29,153,879	28,392,452	27,544,976	26,361,201	26,327,464	25,037,145	23,147,614		
Assets Under Management <sup>(3)</sup>	34,662,258	33,936,125	33,005,353	32,333,820	30,909,183	30,830,162	29,410,999	27,495,398		
Loans receivable	27,708,917	26,781,248	26,607,830	25,960,054	24,867,909	24,446,452	23,526,404	21,671,338		
Loans Under Management <sup>(3)</sup>	32,330,889	31,496,058	31,123,254	30,640,893	29,321,091	28,848,831	27,800,546	25,935,686		
Preferred Shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557		
Common shareholders' equity	1,426,826	1,378,144	1,395,157	1,338,965	1,287,089	1,241,411	1,207,470	1,187,318		
Liquid assets <sup>(3)</sup>	1,920,289	2,270,331	1,690,337	1,431,940	1,592,125	2,046,896	1,406,592	1,439,394		
Total assets held for regulatory purposes as a % of total Equitable Bank assets	6.1%	7.5%	5.5%	4.8%	5.6%	7.3%	5.1%	5.6%		
Total liquid assets as a % of total assets	6.4%	7.8%	6.0%	5.2%	6.0%	7.8%	5.6%	6.2%		
Deposit principal	15,636,120	15,474,853	15,231,888	14,904,198	14,532,042	14,637,787	13,522,012	12,894,384		

<sup>(1)</sup> These adjusted results are derived by removing after-tax net mark-to-market gains/losses on certain securities, loans and derivatives from reported results.

Q1 2019 results are also adjusted for the after-tax provision for credit losses on performing leases recorded immediately after the acquisition of Bennington Financial Corp ("Bennington").

<sup>(2)</sup> YTD EPS may not equal the sum of the quarterly EPS' as a result of rounding and the computation of in the money options for the year versus the quarter.

<sup>(3)</sup> See Non-GAAP Measures section.

<sup>(4)</sup> Increases in this ratio reflect reduced efficiencies, whereas decreases reflect improved efficiencies.



**Table 1: Financial highlights (continued)**

(\$ THOUSANDS, EXCEPT SHARE, PER SHARE AMOUNTS AND PERCENTAGES)	2020		2019				2018		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2020	2019
<b>CREDIT QUALITY</b>										
PCL	\$ 8,847	\$ 35,687	\$ 3,917	\$ 3,463	\$ 1,386	\$ 9,628	\$ 628	\$ 517	\$ 44,534	\$ 11,014
PCL – rate <sup>(1)</sup>	0.13%	0.54%	0.06%	0.05%	0.02%	0.16%	0.01%	0.01%	0.33%	0.09%
Net impaired loan as a % of total loan assets	0.54%	0.47%	0.44%	0.47%	0.42%	0.49%	0.16%	0.16%		
Allowance for credit losses as a % of total loan assets	0.27%	0.26%	0.14%	0.13%	0.13%	0.13%	0.11%	0.11%		
<b>SHARE CAPITAL</b>										
Common shares outstanding	16,807,317	16,807,317	16,797,593	16,743,253	16,666,896	16,642,685	16,554,018	16,553,113		
Book value per common share <sup>(1)(2)</sup>	84.89	82.00	83.06	79.97	77.22	74.59	72.94	71.73		
Common share price – close	71.39	58.07	109.35	103.81	72.59	64.73	59.12	68.87		
Common share market capitalization	1,199,874	976,001	1,836,817	1,738,117	1,209,850	1,077,281	978,674	1,140,013		
Dividends declared per: <sup>(3)</sup>										
Common share	0.37	0.37	0.35	0.33	0.31	0.30	0.28	0.27	0.74	0.61
Preferred share – Series 3	0.37	0.37	0.37	0.40	0.40	0.40	0.40	0.40	0.75	0.80
Dividend Yield <sup>(1)</sup>	2.3%	1.6%	1.3%	1.5%	1.8%	1.8%	1.7%	1.7%	1.9%	1.8%
Dividend Payout <sup>(1)</sup>	12.1%	25.3%	10.9%	10.4%	9.8%	12.4%	12.0%	9.6%	16.4%	11.0%
<b>EQUITABLE BANK CAPITAL RATIOS<sup>(1)(4)</sup></b>										
RWA	9,936,298	9,916,286	9,761,287	9,586,356	9,373,293	9,229,237	8,802,891	8,389,236		
CET1 Ratio	14.0%	13.5%	13.6%	13.3%	13.1%	12.9%	13.5%	13.8%		
Tier 1 Capital Ratio	14.7%	14.3%	14.4%	14.1%	13.9%	13.7%	14.3%	14.7%		
Total Capital Ratio	15.2%	14.7%	14.7%	14.4%	14.2%	14.0%	14.5%	15.0%		
Leverage Ratio	4.8%	4.7%	4.9%	4.8%	4.9%	4.7%	5.0%	5.3%		

<sup>(1)</sup> See Non-GAAP Measures section.

<sup>(2)</sup> The adoption of IFRS 16 resulted in a \$0.05 decrease in our book value per common share as at January 1, 2019.

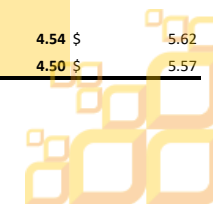
<sup>(3)</sup> YTD dividends declared per share may not equal the sum of the quarterly dividends per share as a result of rounding.

<sup>(4)</sup> Effective January 1, 2019, the Bank adopted IFRS 16 and the transitional impact on regulatory capital and RWA was recognized upon adoption.



**Table 2: Consolidated statements of income**

(\$ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	2020		2019				2018		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2020	2019
Interest income:										
Loans – Retail	\$ 172,019	\$ 181,557	\$ 182,524	\$ 176,082	\$ 168,136	\$ 159,222	\$ 151,238	\$ 138,553	\$ 353,576	\$ 327,358
Loans – Commercial	98,974	100,206	101,546	98,477	98,208	97,629	82,059	76,923	199,180	195,837
Investments	3,315	2,488	2,462	2,304	2,084	1,821	1,825	1,496	5,803	3,905
Other	3,220	5,947	6,937	6,720	6,724	5,934	4,914	4,964	9,167	12,658
	<b>277,528</b>	<b>290,198</b>	<b>293,469</b>	<b>283,583</b>	<b>275,152</b>	<b>264,606</b>	<b>240,036</b>	<b>221,936</b>	<b>567,726</b>	<b>539,758</b>
Interest expense:										
Deposits	93,147	99,378	99,385	97,169	96,280	92,363	84,433	76,666	192,525	188,643
Securitization liabilities	63,302	67,021	65,950	64,858	62,653	62,903	55,898	47,581	130,323	125,556
Bank facilities	1,497	1,206	1,061	1,706	1,897	2,655	3,557	3,423	2,703	4,552
Others	875	2,442	2,246	1,703	-	1,333	1,557	1,242	3,317	1,333
	<b>158,821</b>	<b>170,047</b>	<b>168,642</b>	<b>165,436</b>	<b>160,830</b>	<b>159,254</b>	<b>145,445</b>	<b>128,912</b>	<b>328,868</b>	<b>320,084</b>
Net interest income	<b>118,707</b>	<b>120,151</b>	<b>124,827</b>	<b>118,147</b>	<b>114,322</b>	<b>105,352</b>	<b>94,591</b>	<b>93,024</b>	<b>238,858</b>	<b>219,674</b>
Provision for credit losses	<b>8,847</b>	<b>35,687</b>	<b>3,917</b>	<b>3,463</b>	<b>1,386</b>	<b>9,628</b>	<b>628</b>	<b>517</b>	<b>44,534</b>	<b>11,014</b>
Net interest income after provision for credit losses	<b>109,860</b>	<b>84,464</b>	<b>120,910</b>	<b>114,684</b>	<b>112,936</b>	<b>95,724</b>	<b>93,963</b>	<b>92,507</b>	<b>194,324</b>	<b>208,660</b>
Other income:										
Fees and other income	5,130	6,723	6,201	6,110	5,900	5,644	4,462	4,843	11,853	11,544
Net gain (loss) on loans and investments	8,653	(8,531)	99	(327)	76	(821)	(3,754)	131	122	(745)
(Losses) gains on securitization activities and income from securitization retained interests	(1,160)	6,502	3,053	3,919	2,497	2,065	(1,176)	5,500	5,342	4,562
	<b>12,623</b>	<b>4,694</b>	<b>9,353</b>	<b>9,702</b>	<b>8,473</b>	<b>6,888</b>	<b>(468)</b>	<b>10,474</b>	<b>17,317</b>	<b>15,361</b>
Net interest and other income	<b>122,483</b>	<b>89,158</b>	<b>130,263</b>	<b>124,386</b>	<b>121,409</b>	<b>102,612</b>	<b>93,495</b>	<b>102,981</b>	<b>211,641</b>	<b>224,021</b>
Non-interest expenses:										
Compensation and benefits	26,253	26,895	25,920	25,696	25,751	24,284	20,021	19,406	53,148	50,035
Other	25,214	27,285	28,557	24,793	22,745	21,827	19,212	18,391	52,499	44,572
	<b>51,467</b>	<b>54,180</b>	<b>54,477</b>	<b>50,489</b>	<b>48,496</b>	<b>46,111</b>	<b>39,233</b>	<b>37,797</b>	<b>105,647</b>	<b>94,607</b>
Income before income taxes	<b>71,016</b>	<b>34,978</b>	<b>75,786</b>	<b>73,897</b>	<b>72,913</b>	<b>56,501</b>	<b>54,262</b>	<b>65,184</b>	<b>105,994</b>	<b>129,414</b>
Income taxes:										
Current	16,106	15,580	27,916	14,524	17,861	13,576	10,526	17,124	31,686	31,437
Deferred	2,428	(6,572)	(7,984)	4,431	1,030	1,264	3,620	254	(4,144)	2,294
	<b>18,534</b>	<b>9,008</b>	<b>19,932</b>	<b>18,955</b>	<b>18,891</b>	<b>14,840</b>	<b>14,146</b>	<b>17,378</b>	<b>27,542</b>	<b>33,731</b>
Net income	\$ <b>52,482</b>	\$ 25,970	\$ 55,854	\$ 54,942	\$ 54,022	\$ 41,661	\$ 40,116	\$ 47,806	\$ <b>78,452</b>	\$ 95,683
Dividends on preferred shares	1,119	1,119	1,118	1,191	1,191	1,191	1,190	1,191	2,238	2,382
Net income available to common shareholders	\$ <b>51,363</b>	\$ 24,851	\$ 54,736	\$ 53,751	\$ 52,831	\$ 40,470	\$ 38,926	\$ 46,615	\$ <b>76,214</b>	\$ 93,301
Common shares outstanding:										
Weighted average basic	<b>16,807,317</b>	16,800,410	16,756,323	16,705,416	16,650,635	16,573,522	16,553,212	16,528,351	<b>16,803,864</b>	16,612,292
Weighted average diluted	<b>16,857,386</b>	16,989,227	17,031,780	16,920,557	16,770,276	16,702,520	16,672,512	16,654,209	<b>16,923,307</b>	16,736,586
Earnings per share:										
Basic	\$ <b>3.06</b>	\$ 1.48	\$ 3.27	\$ 3.22	\$ 3.17	\$ 2.44	\$ 2.35	\$ 2.82	\$ <b>4.54</b>	\$ 5.62
Diluted	\$ <b>3.05</b>	\$ 1.46	\$ 3.21	\$ 3.18	\$ 3.15	\$ 2.42	\$ 2.33	\$ 2.80	\$ <b>4.50</b>	\$ 5.57



**Table 3: Net interest income and margin**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2020						2019					
	Q2			Q1			Q4			Q3		
	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense
<i>Revenues derived from:</i>												
Cash and equivalents	\$ 1,874,389	1.10%	\$ 5,131	\$ 1,494,861	1.90%	\$ 7,067	\$ 1,534,834	2.04%	\$ 7,894	\$ 1,493,616	1.94%	\$ 7,319
Equity securities	102,369	5.52%	1,404	123,408	4.46%	1,368	122,148	4.89%	1,505	119,546	5.66%	1,705
Alternative single family mortgages	11,545,673	4.73%	135,863	11,495,361	4.91%	140,441	11,323,793	4.94%	141,065	11,200,968	4.90%	138,443
Prime single family mortgages	7,061,913	2.03%	35,704	6,830,670	2.40%	40,764	6,753,477	2.42%	41,186	6,114,664	2.43%	37,447
Other retail loans	37,803	4.80%	452	25,945	5.46%	352	19,136	5.66%	273	12,965	5.86%	192
<b>Total Retail loans</b>	<b>18,645,389</b>	<b>3.71%</b>	<b>172,019</b>	<b>18,351,976</b>	<b>3.98%</b>	<b>181,557</b>	<b>18,096,406</b>	<b>4.00%</b>	<b>182,524</b>	<b>17,328,597</b>	<b>4.03%</b>	<b>176,082</b>
Conventional commercial loans	4,165,752	5.60%	58,012	4,033,077	5.90%	59,116	3,806,919	6.03%	57,824	3,864,738	5.98%	58,208
Equipment leases <sup>(2)</sup>	484,911	11.18%	13,485	491,021	11.06%	13,508	487,138	11.58%	14,215	471,264	11.05%	13,128
Insured Multi-unit residential mortgages	3,785,028	2.92%	27,477	3,768,859	2.94%	27,582	3,701,514	3.16%	29,507	3,505,267	3.07%	27,141
<b>Total Commercial loans</b>	<b>8,435,691</b>	<b>4.72%</b>	<b>98,974</b>	<b>8,292,957</b>	<b>4.86%</b>	<b>100,206</b>	<b>7,995,571</b>	<b>5.04%</b>	<b>101,546</b>	<b>7,841,269</b>	<b>4.98%</b>	<b>98,477</b>
<b>Average interest earning assets</b>	<b>\$ 29,057,838</b>	<b>3.84%</b>	<b>\$ 277,528</b>	<b>\$ 28,263,202</b>	<b>4.13%</b>	<b>\$ 290,198</b>	<b>\$ 27,748,959</b>	<b>4.20%</b>	<b>\$ 293,469</b>	<b>\$ 26,783,028</b>	<b>4.20%</b>	<b>\$ 283,583</b>
<i>Expenses related to:</i>												
Deposits	\$ 15,580,916	2.40%	\$ 93,147	\$ 15,279,798	2.62%	\$ 99,378	\$ 15,020,110	2.63%	\$ 99,385	\$ 14,579,766	2.64%	\$ 97,169
Secured backstop funding facility <sup>(3)</sup>	-	N/A	617	-	N/A	617	-	N/A	625	-	N/A	632
Securitization liabilities	10,891,921	2.34%	63,302	10,776,732	2.50%	67,021	10,518,470	2.49%	65,950	10,079,157	2.55%	64,858
Other	822,590	0.86%	1,755	498,397	2.45%	3,031	513,408	2.07%	2,682	545,930	2.02%	2,777
<b>Average interest bearing liabilities</b>	<b>\$ 27,295,427</b>	<b>2.34%</b>	<b>\$ 158,821</b>	<b>\$ 26,554,927</b>	<b>2.58%</b>	<b>\$ 170,047</b>	<b>\$ 26,051,988</b>	<b>2.57%</b>	<b>\$ 168,642</b>	<b>\$ 25,204,853</b>	<b>2.60%</b>	<b>\$ 165,436</b>
<b>Net interest income and margin</b>		<b>1.64%</b>	<b>\$ 118,707</b>		<b>1.71%</b>	<b>\$ 120,151</b>		<b>1.78%</b>	<b>\$ 124,827</b>		<b>1.75%</b>	<b>\$ 118,147</b>

<sup>(1)</sup> Average balances are calculated based on the daily average balances outstanding during the period.

<sup>(2)</sup> The revenue derived from and the average rate on Equipment leases represents earnings on the Bennington equipment lease portfolio. Bennington was consolidated as of January 1, 2019. Bennington data for periods prior to acquisition are not included.

<sup>(3)</sup> Since its establishment in June 2017, there have been no draws on the secured backstop funding facility.



**Table 3: Net interest income and margin (continued)**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2019						2018					
	Q2			Q1			Q4			Q3		
	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense
<i>Revenues derived from:</i>												
Cash and equivalents	\$ 1,435,249	2.04%	\$ 7,289	\$ 1,341,761	1.93%	\$ 6,379	\$ 1,106,050	1.84%	\$ 5,124	\$ 1,118,262	1.77%	\$ 4,979
Equity securities	123,456	4.93%	1,519	129,862	4.30%	1,376	143,068	4.48%	1,615	145,433	4.04%	1,481
Alternative single family mortgages	11,006,951	4.85%	133,183	10,730,758	4.78%	126,348	10,377,724	4.65%	121,683	10,005,745	4.58%	115,614
Prime single family mortgages	5,773,940	2.42%	34,835	5,621,753	2.37%	32,803	5,119,956	2.29%	29,516	4,192,967	2.17%	22,914
Other retail loans	7,911	5.99%	118	4,595	6.28%	71	2,481	6.19%	39	1,609	6.22%	25
<b>Total Retail loans</b>	<b>16,788,802</b>	<b>4.02%</b>	<b>168,136</b>	<b>16,357,106</b>	<b>3.95%</b>	<b>159,222</b>	<b>15,500,161</b>	<b>3.87%</b>	<b>151,238</b>	<b>14,200,321</b>	<b>3.87%</b>	<b>138,553</b>
Conventional commercial loans	3,804,596	6.05%	57,409	3,877,759	6.10%	58,355	3,703,914	5.80%	54,183	3,421,150	5.70%	49,136
Equipment leases <sup>(2)</sup>	452,400	12.00%	13,537	416,836	11.88%	12,215	N/A	N/A	N/A	N/A	N/A	N/A
Insured Multi-unit residential mortgages	3,491,212	3.13%	27,262	3,401,457	3.23%	27,059	3,353,071	3.30%	27,876	3,331,698	3.31%	27,787
<b>Total Commercial loans</b>	<b>7,748,208</b>	<b>5.08%</b>	<b>98,208</b>	<b>7,696,052</b>	<b>5.14%</b>	<b>97,629</b>	<b>7,056,985</b>	<b>4.61%</b>	<b>82,059</b>	<b>6,752,848</b>	<b>4.52%</b>	<b>76,923</b>
<b>Average interest earning assets</b>	<b>\$ 26,095,715</b>	<b>4.23%</b>	<b>\$ 275,152</b>	<b>\$ 25,524,781</b>	<b>4.20%</b>	<b>\$ 264,606</b>	<b>\$ 23,806,264</b>	<b>4.00%</b>	<b>\$ 240,036</b>	<b>\$ 22,216,864</b>	<b>3.96%</b>	<b>\$ 221,936</b>
<i>Expenses related to:</i>												
Deposits	\$ 14,610,659	2.64%	\$ 96,280	\$ 14,057,319	2.66%	\$ 92,363	\$ 13,173,201	2.54%	\$ 84,432	\$ 12,626,633	2.41%	\$ 76,666
Secured backstop funding facility <sup>(3)</sup>	-	N/A	1,441	-	N/A	2,249	-	N/A	2,273	-	N/A	2,289
Securitization liabilities	9,839,097	2.55%	62,653	9,697,566	2.63%	62,903	8,653,299	2.56%	55,898	7,723,784	2.44%	47,581
Other	39,996	4.57%	456	192,275	3.67%	1,739	485,294	2.32%	2,842	433,512	2.17%	2,376
<b>Average interest bearing liabilities</b>	<b>\$ 24,489,752</b>	<b>2.63%</b>	<b>\$ 160,830</b>	<b>\$ 23,947,160</b>	<b>2.70%</b>	<b>\$ 159,254</b>	<b>\$ 22,311,794</b>	<b>2.59%</b>	<b>\$ 145,445</b>	<b>\$ 20,783,929</b>	<b>2.46%</b>	<b>\$ 128,912</b>
<b>Net interest income and margin</b>		<b>1.76%</b>	<b>\$ 114,322</b>		<b>1.67%</b>	<b>\$ 105,352</b>		<b>1.58%</b>	<b>\$ 94,591</b>		<b>1.66%</b>	<b>\$ 93,024</b>

<sup>(1)</sup> Average balances are calculated based on the daily average balances outstanding during the period.

<sup>(2)</sup> The revenue derived from and the average rate on Equipment leases represents earnings on the Bennington equipment lease portfolio. Bennington was consolidated as of January 1, 2019. Bennington data for periods prior to acquisition are not included.

<sup>(3)</sup> Since its establishment in June 2017, there have been no draws on the secured backstop funding facility.





**Table 3: Net interest income and margin (continued)**

	YTD					
	2019			2018		
(\$ THOUSANDS, EXCEPT PERCENTAGES)	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense
<i>Revenues derived from:</i>						
Cash and equivalents	\$ 1,684,625	1.46%	\$ 12,198	\$ 1,356,366	2.03%	\$ 13,668
Equity securities	112,889	4.94%	2,772	126,659	4.61%	2,895
Alternative single family mortgages	11,520,517	4.82%	276,304	10,868,854	4.82%	259,531
Prime single family mortgages	6,946,292	2.21%	76,468	5,697,847	2.39%	67,638
Other retail loans	31,874	5.07%	804	6,253	6.05%	189
<b>Total Retail loans</b>	<b>18,498,683</b>	<b>3.84%</b>	<b>353,576</b>	<b>16,572,954</b>	<b>3.98%</b>	<b>327,358</b>
Conventional commercial loans	4,099,415	5.75%	117,128	3,841,177	6.08%	115,764
Equipment leases <sup>(2)</sup>	487,966	11.12%	26,993	434,618	11.95%	25,752
Insured Multi-unit residential mortgages	3,776,944	2.93%	55,059	3,446,335	3.18%	54,321
<b>Total Commercial loans</b>	<b>8,364,324</b>	<b>4.79%</b>	<b>199,180</b>	<b>7,722,130</b>	<b>5.11%</b>	<b>195,837</b>
<b>Average interest earning assets</b>	<b>\$ 28,660,520</b>	<b>3.98%</b>	<b>\$ 567,726</b>	<b>\$ 25,778,109</b>	<b>4.22%</b>	<b>\$ 539,758</b>
<i>Expenses related to:</i>						
Deposits	\$ 15,430,357	2.51%	\$ 192,525	\$ 14,333,989	2.65%	\$ 188,643
Secured backstop funding facility <sup>(3)</sup>	-	N/A	1,234	-	N/A	3,690
Securitization liabilities	10,834,327	2.42%	130,323	9,768,332	2.59%	125,556
Other	660,494	1.46%	4,786	116,136	3.81%	2,195
<b>Average interest bearing liabilities</b>	<b>\$ 26,925,177</b>	<b>2.46%</b>	<b>\$ 328,868</b>	<b>\$ 24,218,457</b>	<b>2.67%</b>	<b>\$ 320,084</b>
<b>Net interest income and margin</b>		<b>1.68%</b>	<b>\$ 238,858</b>		<b>1.72%</b>	<b>\$ 219,674</b>

<sup>(1)</sup> Average balances are calculated based on the daily average balances outstanding during the period.

<sup>(2)</sup> The revenue derived from and the average rate on Equipment leases represents earnings on the Bennington equipment lease portfolio. Bennington was consolidated as of January 1, 2019. Bennington data for periods prior to acquisition are not included.

<sup>(3)</sup> Since its establishment in June 2017, there have been no draws on the secured backstop funding facility.



**Table 4: Non-interest expenses and Efficiency Ratio**

(\$ THOUSANDS, EXCEPT PERCENTAGES AND FTE)	2020		2019				2018		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2020	2019
Compensation and benefits	\$ 26,253	\$ 26,895	\$ 25,920	\$ 25,696	\$ 25,751	\$ 24,284	\$ 20,021	\$ 19,406	\$ 53,148	\$ 50,035
Technology and system costs	8,790	9,491	8,976	8,254	7,617	7,429	5,858	6,137	18,281	15,046
Product costs	4,758	5,094	4,453	4,339	3,645	3,842	3,372	3,278	9,852	7,487
Regulatory, legal and professional fees	4,624	5,157	5,261	5,136	4,447	4,674	4,303	3,780	9,781	9,121
Marketing and corporate expenses	4,513	4,745	7,724	4,801	4,776	3,654	3,830	3,509	9,258	8,430
Premises	2,529	2,798	2,143	2,263	2,260	2,228	1,849	1,687	5,327	4,488
<b>Total non-interest expenses</b>	<b>\$ 51,467</b>	<b>\$ 54,180</b>	<b>\$ 54,477</b>	<b>\$ 50,489</b>	<b>\$ 48,496</b>	<b>\$ 46,111</b>	<b>\$ 39,233</b>	<b>\$ 37,797</b>	<b>\$ 105,647</b>	<b>\$ 94,607</b>
Efficiency Ratio	39.2%	43.4%	40.6%	39.5%	39.5%	41.1%	41.7%	36.5%	41.2%	40.3%
Full-time employee ("FTE") – period average	884	879	857	839	820	795	665	640	880	810



**Table 5: Consolidated balance sheets**

(\$ THOUSANDS)	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Assets</b>								
Cash and cash equivalents	\$ 569,688	\$ 737,335	\$ 508,853	\$ 373,904	\$ 424,422	\$ 486,422	\$ 477,243	\$ 755,952
Restricted cash	589,046	390,398	462,992	408,635	462,438	381,144	327,097	359,283
Securities purchased under reverse repurchase agreements	200,370	499,966	150,069	250,079	125,069	547,620	250,000	-
Investments	566,859	410,639	362,611	250,927	196,699	198,321	193,399	159,034
Loans – Retail	19,135,799	18,552,216	18,359,805	18,059,496	17,014,738	16,734,424	16,203,139	14,692,346
Loans – Commercial	8,573,118	8,229,032	8,248,025	7,900,558	7,853,171	7,712,028	7,323,265	6,978,992
Securitization retained interests	149,307	145,850	139,009	132,683	124,561	119,183	115,331	111,202
Other assets	173,059	188,443	161,088	168,694	160,103	148,322	147,671	90,805
	<b>\$ 29,957,246</b>	<b>\$ 29,153,879</b>	<b>\$ 28,392,452</b>	<b>\$ 27,544,976</b>	<b>\$ 26,361,201</b>	<b>\$ 26,327,464</b>	<b>\$ 25,037,145</b>	<b>\$ 23,147,614</b>
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 15,861,725	\$ 15,695,407	\$ 15,442,207	\$ 15,111,948	\$ 14,720,700	\$ 14,821,107	\$ 13,668,521	\$ 13,021,485
Securitization liabilities	11,190,224	10,777,497	10,706,956	10,294,459	10,024,334	9,926,375	9,236,045	8,175,776
Obligations under repurchase agreements	598,956	429,347	507,044	463,071	-	-	342,010	299,028
Deferred tax liabilities	50,546	48,117	54,689	63,284	58,100	59,366	42,610	38,990
Other liabilities	256,038	252,822	213,842	200,692	198,421	206,648	177,961	178,946
Bank facilities	500,374	499,988	-	-	-	-	289,971	173,514
	<b>28,457,863</b>	<b>27,703,178</b>	<b>26,924,738</b>	<b>26,133,454</b>	<b>25,001,555</b>	<b>25,013,496</b>	<b>23,757,118</b>	<b>21,887,739</b>
<b>Shareholders' equity:</b>								
Preferred shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557
Common shares	213,701	213,701	213,277	210,794	206,039	204,492	200,792	200,760
Contributed surplus	7,818	7,405	6,973	6,898	7,132	6,907	7,035	6,707
Retained earnings <sup>(1)</sup>	1,257,268	1,212,125	1,193,493	1,144,628	1,096,231	1,049,208	1,014,559	980,272
Accumulated other comprehensive loss ("AOCI")	(51,961)	(55,087)	(18,586)	(23,355)	(22,313)	(19,196)	(14,916)	(421)
	<b>1,499,383</b>	<b>1,450,701</b>	<b>1,467,714</b>	<b>1,411,522</b>	<b>1,359,646</b>	<b>1,313,968</b>	<b>1,280,027</b>	<b>1,259,875</b>
	<b>\$ 29,957,246</b>	<b>\$ 29,153,879</b>	<b>\$ 28,392,452</b>	<b>\$ 27,544,976</b>	<b>\$ 26,361,201</b>	<b>\$ 26,327,464</b>	<b>\$ 25,037,145</b>	<b>\$ 23,147,614</b>

<sup>(1)</sup> Retained earnings as at January 1, 2019 were restated by reducing \$0.8 million as a result of adoption of IFRS 16.



**Table 6: Average balance sheet information<sup>(1)</sup>**

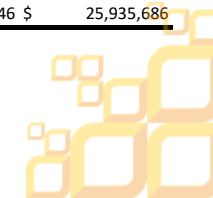
(\$ THOUSANDS)	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Assets</b>								
Cash and cash equivalents	\$ 764,370	\$ 639,738	\$ 581,075	\$ 584,793	\$ 561,251	\$ 573,721	\$ 545,301	\$ 690,518
Restricted cash	503,034	401,532	461,746	449,363	438,358	354,320	373,391	345,071
Securities purchased under reverse repurchase agreements	175,084	162,509	100,037	93,787	168,172	199,405	62,500	-
Investments	519,472	377,116	335,034	228,392	200,607	193,993	178,856	157,159
Loans – Retail	18,815,432	18,450,900	18,210,190	17,537,941	16,876,702	16,471,346	15,534,431	14,279,044
Loans – Commercial	8,408,342	8,315,963	7,996,155	7,928,967	7,821,675	7,669,674	7,156,407	6,820,397
Securitization retained interests	145,172	140,053	135,248	126,927	120,231	116,101	111,361	109,398
Other assets	179,800	170,270	164,703	162,010	150,078	143,523	105,843	88,430
	<b>\$ 29,510,706</b>	<b>\$ 28,658,081</b>	<b>\$ 27,984,188</b>	<b>\$ 27,112,180</b>	<b>\$ 26,337,074</b>	<b>\$ 25,722,083</b>	<b>\$ 24,068,090</b>	<b>\$ 22,490,017</b>
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 15,812,642	\$ 15,534,859	\$ 15,254,471	\$ 14,846,749	\$ 14,804,803	\$ 14,248,729	\$ 13,333,004	\$ 12,778,575
Securitization liabilities	11,000,628	10,799,959	10,540,175	10,136,834	9,921,044	9,676,235	8,710,856	7,821,158
Obligations under repurchase agreements	525,983	440,066	465,028	367,032	-	166,245	321,594	276,134
Deferred tax liabilities	48,550	53,051	61,585	59,236	59,050	54,545	40,378	38,805
Other liabilities	270,500	232,734	223,535	194,292	214,424	207,504	192,834	169,752
Bank facilities	375,144	124,997	-	122,221	-	72,493	196,605	168,070
	<b>28,033,447</b>	<b>27,185,666</b>	<b>26,544,794</b>	<b>25,726,364</b>	<b>24,999,321</b>	<b>24,425,751</b>	<b>22,795,271</b>	<b>21,252,494</b>
<b>Shareholders' equity:</b>								
Preferred shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557
Common shares	213,701	213,402	211,587	208,101	205,081	201,799	200,768	199,724
Contributed surplus	7,611	7,163	7,014	7,169	7,027	7,071	6,871	6,719
Retained earnings	1,236,580	1,211,189	1,170,175	1,121,719	1,073,636	1,031,358	999,819	960,246
Accumulated other comprehensive loss	(53,190)	(31,896)	(21,939)	(23,730)	(20,548)	(16,453)	(7,196)	(1,723)
	<b>1,477,259</b>	<b>1,472,415</b>	<b>1,439,394</b>	<b>1,385,816</b>	<b>1,337,753</b>	<b>1,296,332</b>	<b>1,272,819</b>	<b>1,237,523</b>
	<b>\$ 29,510,706</b>	<b>\$ 28,658,081</b>	<b>\$ 27,984,188</b>	<b>\$ 27,112,180</b>	<b>\$ 26,337,074</b>	<b>\$ 25,722,083</b>	<b>\$ 24,068,090</b>	<b>\$ 22,490,017</b>

<sup>(1)</sup> Average balance is calculated based on opening and closing month-end balances outstanding during the period.



**Table 7: Loan principal under administration – by lending business**

(\$ THOUSANDS)	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Insured</b>								
Retail	\$ 9,037,705	\$ 7,678,682	\$ 7,766,184	\$ 7,597,081	\$ 6,821,367	\$ 6,870,059	\$ 6,609,559	\$ 5,538,746
Commercial	4,000,688	3,839,374	3,849,455	3,596,116	3,643,498	3,444,287	3,528,139	3,401,099
Total loan principal outstanding	\$ 13,038,393	\$ 11,518,056	\$ 11,615,639	\$ 11,193,197	\$ 10,464,865	\$ 10,314,346	\$ 10,137,698	\$ 8,939,845
Total loan principal outstanding percentage	47%	43%	44%	43%	42%	42%	43%	41%
<b>Uninsured</b>								
Retail	\$ 9,967,426	\$ 10,777,714	\$ 10,484,390	\$ 10,350,390	\$ 10,094,543	\$ 9,759,495	\$ 9,492,604	\$ 9,070,288
Commercial	4,620,058	4,418,042	4,410,324	4,308,462	4,213,701	4,272,292	3,796,390	3,577,769
Total loan principal outstanding	\$ 14,587,484	\$ 15,195,756	\$ 14,894,714	\$ 14,658,852	\$ 14,308,244	\$ 14,031,787	\$ 13,288,994	\$ 12,648,057
Total loan principal outstanding percentage	53%	57%	56%	57%	58%	58%	57%	59%
Total loan principal outstanding – on Balance Sheet	\$ 27,625,877	\$ 26,713,812	\$ 26,510,353	\$ 25,852,049	\$ 24,773,109	\$ 24,346,133	\$ 23,426,692	\$ 21,587,902
<b>Derecognized</b>								
Commercial	\$ 4,705,012	\$ 4,782,246	\$ 4,612,901	\$ 4,788,844	\$ 4,547,982	\$ 4,502,698	\$ 4,373,854	\$ 4,347,784
Total loan principal outstanding – off Balance Sheet	\$ 4,705,012	\$ 4,782,246	\$ 4,612,901	\$ 4,788,844	\$ 4,547,982	\$ 4,502,698	\$ 4,373,854	\$ 4,347,784
Loans Under Management	\$ 32,330,889	\$ 31,496,058	\$ 31,123,254	\$ 30,640,893	\$ 29,321,091	\$ 28,848,831	\$ 27,800,546	\$ 25,935,686
<b>Retail</b>								
Alternative single family mortgages	\$ 11,397,453	\$ 11,646,720	\$ 11,415,214	\$ 11,346,539	\$ 11,155,609	\$ 10,920,051	\$ 10,602,110	\$ 10,225,608
Prime single family mortgages	7,560,146	6,780,160	6,813,331	6,586,036	5,749,924	5,703,570	5,496,655	4,381,735
Other retail loans	47,532	29,516	22,029	14,896	10,377	5,933	3,398	1,691
Total	19,005,131	18,456,396	18,250,574	17,947,471	16,915,910	16,629,554	16,102,163	14,609,034
<b>Commercial</b>								
Mortgages – to Corporates	1,749,765	1,645,641	1,809,579	1,586,030	1,590,603	1,734,367	1,689,641	1,625,780
Mortgages – to Small Business	926,999	901,718	870,580	880,589	854,743	836,892	817,182	806,774
Equipment leases <sup>(1)</sup>	518,483	511,191	496,056	488,716	469,271	448,812	N/A	N/A
Insured Multi-unit residential mortgages	8,502,298	8,471,128	8,336,686	8,288,222	8,125,261	7,879,612	7,827,046	7,697,701
Specialty financing loans	273,152	314,817	239,442	230,230	226,711	224,546	262,647	247,950
Construction loans	1,355,061	1,195,167	1,120,337	1,219,635	1,138,592	1,095,048	1,101,867	948,447
Total	13,325,758	13,039,662	12,872,680	12,693,422	12,405,181	12,219,277	11,698,383	11,326,652
Loans Under Management	\$ 32,330,889	\$ 31,496,058	\$ 31,123,254	\$ 30,640,893	\$ 29,321,091	\$ 28,848,831	\$ 27,800,546	\$ 25,935,686

<sup>(1)</sup> Bennington equipment leases data for periods prior to acquisition are not included.


**Table 8: Deposit principal**

(\$ THOUSANDS)	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Brokered deposits								
Term	\$ 10,679,411	\$ 11,278,428	\$ 11,056,440	\$ 10,943,430	\$ 11,097,490	\$ 11,316,137	\$ 10,345,979	\$ 9,839,929
Demand	638,409	523,974	557,211	573,261	597,664	637,777	679,147	714,291
	<b>11,317,820</b>	<b>11,802,402</b>	<b>11,613,651</b>	<b>11,516,691</b>	<b>11,695,154</b>	<b>11,953,914</b>	<b>11,025,126</b>	<b>10,554,220</b>
<i>EQ Bank</i> deposits								
Term	469,062	861,540	516,195	912,049	549,593	529,144	753,687	278,940
Demand	2,818,540	1,845,643	2,150,356	1,604,372	1,701,405	1,689,463	1,434,494	1,791,139
	<b>3,287,602</b>	<b>2,707,183</b>	<b>2,666,551</b>	<b>2,516,421</b>	<b>2,250,998</b>	<b>2,218,607</b>	<b>2,188,181</b>	<b>2,070,079</b>
Strategic partnerships	675,433	610,141	602,970	520,948	435,423	315,266	158,705	120,085
Deposit notes	355,265	355,127	348,716	350,138	150,467	150,000	150,000	150,000
<b>Total deposit principal</b>	<b>\$ 15,636,120</b>	<b>\$ 15,474,853</b>	<b>\$ 15,231,888</b>	<b>\$ 14,904,198</b>	<b>\$ 14,532,042</b>	<b>\$ 14,637,787</b>	<b>\$ 13,522,012</b>	<b>\$ 12,894,384</b>



**Table 9: Impaired loans – by lending business**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Gross impaired loan assets</b>								
Retail	\$ 51,065	\$ 46,297	\$ 51,061	\$ 61,459	\$ 50,264	\$ 51,923	\$ 38,469	\$ 35,245
Commercial excluding equipment leases	72,206	54,611	45,451	42,464	41,906	42,235	462	272
Equipment leases <sup>(1)</sup>	33,317	32,558	25,942	22,325	17,038	27,730	N/A	N/A
<b>Total</b>	<b>\$ 156,588</b>	<b>\$ 133,466</b>	<b>\$ 122,454</b>	<b>\$ 126,248</b>	<b>\$ 109,208</b>	<b>\$ 121,888</b>	<b>\$ 38,931</b>	<b>\$ 35,517</b>
<b>Net impaired loan assets</b>								
Retail	\$ 49,297	\$ 44,235	\$ 48,863	\$ 59,372	\$ 48,253	\$ 50,253	\$ 36,955	\$ 34,014
Commercial excluding equipment leases	71,639	54,205	45,296	42,343	41,846	42,176	450	272
Equipment leases <sup>(1)</sup>	30,211	28,846	23,233	20,708	15,641	27,242	N/A	N/A
<b>Total</b>	<b>\$ 151,147</b>	<b>\$ 127,286</b>	<b>\$ 117,392</b>	<b>\$ 122,423</b>	<b>\$ 105,740</b>	<b>\$ 119,671</b>	<b>\$ 37,405</b>	<b>\$ 34,286</b>
<b>Net impaired loan assets as a % of portfolio loan assets</b>								
Retail	0.26%	0.24%	0.27%	0.33%	0.28%	0.30%	0.23%	0.23%
Commercial excluding equipment leases	0.88%	0.70%	0.58%	0.57%	0.56%	0.58%	0.01%	0.004%
Equipment leases <sup>(1)</sup>	5.83%	5.68%	4.68%	4.24%	3.33%	6.07%	N/A	N/A
<b>Total</b>	<b>0.54%</b>	<b>0.47%</b>	<b>0.44%</b>	<b>0.47%</b>	<b>0.42%</b>	<b>0.49%</b>	<b>0.16%</b>	<b>0.16%</b>

<sup>(1)</sup> Bennington equipment leases data for periods prior to acquisition are not included.



**Table 10: Provision for credit losses – by lending business**

(\$ THOUSANDS)	2020		2019				2018		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2020	2019
<b>Stage 1</b>										
Retail	\$ 550	\$ 4,477	\$ 568	\$ 495	\$ (70)	\$ 233	\$ 121	\$ 718	\$ 5,027	\$ 163
Commercial excluding equipment leases	683	2,483	(13)	33	(82)	91	56	(497)	3,166	9
Equipment leases <sup>(1)</sup>	484	468	(463)	4	(78)	4,737	N/A	N/A	952	4,659
<b>Total</b>	<b>1,717</b>	<b>7,428</b>	<b>92</b>	<b>532</b>	<b>(230)</b>	<b>5,061</b>	<b>177</b>	<b>221</b>	<b>9,145</b>	<b>4,831</b>
<b>Stage 2</b>										
Retail	1,713	7,186	157	165	(120)	5	(25)	(433)	8,899	(115)
Commercial excluding equipment leases	1,301	3,536	30	18	(76)	(99)	(79)	462	4,837	(175)
Equipment leases <sup>(1)</sup>	655	12,911	895	305	26	1,312	N/A	N/A	13,566	1,338
<b>Total</b>	<b>3,669</b>	<b>23,633</b>	<b>1,082</b>	<b>488</b>	<b>(170)</b>	<b>1,218</b>	<b>(104)</b>	<b>29</b>	<b>27,302</b>	<b>1,048</b>
<b>Stage 3</b>										
Retail	133	791	182	567	884	781	488	271	924	1,665
Commercial excluding equipment leases	160	257	14	104	8	38	67	(4)	417	46
Equipment leases <sup>(1)</sup>	3,168	3,578	2,547	1,772	894	2,530	N/A	N/A	6,746	3,424
<b>Total</b>	<b>3,461</b>	<b>4,626</b>	<b>2,743</b>	<b>2,443</b>	<b>1,786</b>	<b>3,349</b>	<b>555</b>	<b>267</b>	<b>8,087</b>	<b>5,135</b>
<b>Total provision for credit losses</b>										
Retail	2,396	12,454	907	1,227	694	1,019	584	556	14,850	1,713
Commercial excluding equipment leases	2,144	6,276	31	155	(150)	30	44	(39)	8,420	(120)
Equipment leases <sup>(1)</sup>	4,307	16,957	2,979	2,081	842	8,579	N/A	N/A	21,264	9,421
<b>Total</b>	<b>\$ 8,847</b>	<b>\$ 35,687</b>	<b>\$ 3,917</b>	<b>\$ 3,463</b>	<b>\$ 1,386</b>	<b>\$ 9,628</b>	<b>\$ 628</b>	<b>\$ 517</b>	<b>\$ 44,534</b>	<b>\$ 11,014</b>
<b>Total provision for credit losses as a % of average portfolio loan principal</b>										
Retail	0.05%	0.27%	0.02%	0.03%	0.02%	0.02%	0.02%	0.02%	0.16%	0.02%
Commercial excluding equipment leases	0.11%	0.32%	0.002%	0.01%	(0.01%)	0.002%	0.002%	(0.002%)	0.21%	(0.003%)
Equipment leases <sup>(1)</sup>	3.35%	13.47%	2.42%	1.74%	0.73%	7.74%	N/A	N/A	8.38%	4.15%
<b>Total</b>	<b>0.13%</b>	<b>0.54%</b>	<b>0.06%</b>	<b>0.05%</b>	<b>0.02%</b>	<b>0.16%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.33%</b>	<b>0.09%</b>

<sup>(1)</sup> Bennington equipment leases data for periods prior to acquisition are not included.



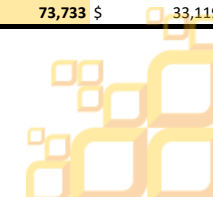


**Table 11: Allowance for credit losses continuity<sup>(1)</sup>**

(\$ THOUSANDS)	2020		2019				2018		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2020	2019
<b>Stage 1 &amp; 2 allowances</b>										
Balance, beginning of period	\$ 62,906	\$ 31,845	\$ 30,671	\$ 29,651	\$ 30,051	\$ 23,772	\$ 23,699	\$ 23,449	\$ 31,845	\$ 23,772
Provision for credit losses:										
Transfer from Stage 3	256	418	296	298	227	91	48	41	674	318
Transfer to Stage 3	(443)	(466)	(8)	(6)	(7)	(6)	(3)	(3)	(909)	(13)
Re-measurement <sup>(2)</sup>	2,222	29,146	14	(33)	(837)	(191)	(317)	(172)	31,368	(1,028)
Originations	4,091	2,187	584	552	340	394	447	446	6,278	734
Discharges	(740)	(224)	(143)	(100)	(71)	(58)	(102)	(62)	(964)	(129)
Finance leases acquired <sup>(3)</sup>	-	-	431	309	(52)	6,049	-	-	-	5,997
Balance, end of period	\$ 68,292	\$ 62,906	\$ 31,845	\$ 30,671	\$ 29,651	\$ 30,051	\$ 23,772	\$ 23,699	\$ 68,292	\$ 29,651
<b>Stage 3 allowance</b>										
Balance, beginning of period	\$ 6,180	\$ 5,062	\$ 3,825	\$ 3,468	\$ 2,217	\$ 1,526	\$ 1,231	\$ 1,235	\$ 5,062	\$ 1,526
Provision for credit losses:										
Transfer to Stage 1	(183)	(341)	(224)	(264)	(179)	(51)	(25)	(22)	(524)	(230)
Transfer to Stage 2	(73)	(77)	(72)	(34)	(48)	(40)	(23)	(19)	(150)	(88)
Transfer from Stage 1	25	19	2	1	1	1	-	1	44	2
Transfer from Stage 2	418	447	6	5	6	5	3	2	865	11
Re-measurement <sup>(2)</sup>	3,274	4,578	483	963	1,112	904	600	305	7,852	2,016
Originations	-	-	-	-	-	-	-	-	-	-
Discharges	-	-	-	-	-	-	-	-	-	-
Finance leases acquired <sup>(3)</sup>	-	-	2,548	1,772	894	2,530	-	-	-	3,424
Write-offs	(3,774)	(2,575)	(1,456)	(1,552)	15	(2,042)	-	-	(6,349)	(2,027)
Realized losses	(436)	(948)	(351)	(545)	(598)	(661)	(343)	(302)	(1,384)	(1,259)
Recoveries	10	15	301	11	48	45	83	31	25	93
Balance, end of period	\$ 5,441	\$ 6,180	\$ 5,062	\$ 3,825	\$ 3,468	\$ 2,217	\$ 1,526	\$ 1,231	\$ 5,441	\$ 3,468
<b>Total allowance</b>										
Balance, beginning of period	\$ 69,086	\$ 36,907	\$ 34,496	\$ 33,119	\$ 32,268	\$ 25,298	\$ 24,930	\$ 24,684	\$ 36,907	\$ 25,298
Provision for credit losses:										
Re-measurement <sup>(2)</sup>	5,496	33,724	497	930	275	713	283	133	39,220	988
Originations	4,091	2,187	584	552	340	394	447	446	6,278	734
Discharges	(740)	(224)	(143)	(100)	(71)	(58)	(102)	(62)	(964)	(129)
Finance leases acquired <sup>(3)</sup>	-	-	2,979	2,081	842	8,579	-	-	-	9,421
Write-offs	(3,774)	(2,575)	(1,456)	(1,552)	15	(2,042)	-	-	(6,349)	(2,027)
Realized losses	(436)	(948)	(351)	(545)	(598)	(661)	(343)	(302)	(1,384)	(1,259)
Recoveries	10	15	301	11	48	45	83	31	25	93
Balance, end of period	\$ 73,733	\$ 69,086	\$ 36,907	\$ 34,496	\$ 33,119	\$ 32,268	\$ 25,298	\$ 24,930	\$ 73,733	\$ 33,119

<sup>(1)</sup> The allowance for credit losses as at June 30, 2020 includes allowance on loan commitments amounting to \$130 thousand.

<sup>(2)</sup> Includes movement as a result of significant changes in credit risk, changes in credit risk that did not result in a transfer between stages and changes in model inputs and assumptions.

<sup>(3)</sup> Bennington equipment leases data for periods prior to acquisition are not included. Starting Q1 2020, the provision for credit losses on equipment leases have been recorded in the same manner as mortgages.


**Table 12: Allowance for credit losses – by lending business**

(\$ THOUSANDS)	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Stage 1</b>								
Retail	\$ 8,322	\$ 7,771	\$ 3,295	\$ 2,726	\$ 2,231	\$ 2,301	\$ 2,068	\$ 1,946
Commercial excluding equipment leases	15,724	15,042	12,558	12,570	12,537	12,619	12,528	12,473
Equipment leases <sup>(1)</sup>	5,152	4,668	4,200	4,663	4,659	4,737	N/A	N/A
<b>Total</b>	<b>29,198</b>	<b>27,481</b>	<b>20,053</b>	<b>19,959</b>	<b>19,427</b>	<b>19,657</b>	<b>14,596</b>	<b>14,419</b>
<b>Stage 2</b>								
Retail	11,316	9,603	2,417	2,260	2,095	2,215	2,210	2,236
Commercial excluding equipment leases	11,675	10,374	6,838	6,809	6,791	6,867	6,966	7,044
Equipment leases <sup>(1)</sup>	16,103	15,448	2,537	1,643	1,338	1,312	N/A	N/A
<b>Total</b>	<b>39,094</b>	<b>35,425</b>	<b>11,792</b>	<b>10,712</b>	<b>10,224</b>	<b>10,394</b>	<b>9,176</b>	<b>9,280</b>
<b>Stage 3</b>								
Retail	1,768	2,062	2,198	2,087	2,011	1,670	1,514	1,231
Commercial excluding equipment leases	567	406	155	121	60	59	12	-
Equipment leases <sup>(1)</sup>	3,106	3,712	2,709	1,617	1,397	488	N/A	N/A
<b>Total</b>	<b>5,441</b>	<b>6,180</b>	<b>5,062</b>	<b>3,825</b>	<b>3,468</b>	<b>2,217</b>	<b>1,526</b>	<b>1,231</b>
<b>Total allowance for credit losses</b>								
Retail	21,406	19,436	7,910	7,073	6,337	6,186	5,792	5,413
Commercial excluding equipment leases	27,966	25,822	19,551	19,500	19,388	19,545	19,506	19,517
Equipment leases <sup>(1)</sup>	24,361	23,828	9,446	7,923	7,394	6,537	N/A	N/A
<b>Total</b>	<b>\$ 73,733</b>	<b>\$ 69,086</b>	<b>\$ 36,907</b>	<b>\$ 34,496</b>	<b>\$ 33,119</b>	<b>\$ 32,268</b>	<b>\$ 25,298</b>	<b>\$ 24,930</b>
<b>Allowance for credit losses as a % of portfolio loan assets</b>								
Retail	0.11%	0.10%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Commercial excluding equipment leases	0.34%	0.33%	0.25%	0.26%	0.26%	0.27%	0.27%	0.28%
Equipment leases <sup>(1)</sup>	4.70%	4.70%	1.90%	1.62%	1.58%	1.46%	N/A	N/A
<b>Total</b>	<b>0.27%</b>	<b>0.26%</b>	<b>0.14%</b>	<b>0.13%</b>	<b>0.13%</b>	<b>0.13%</b>	<b>0.11%</b>	<b>0.11%</b>

<sup>(1)</sup> Bennington equipment leases data for periods prior to acquisition are not included.



**Table 13: Loan principal outstanding – by province<sup>(1)</sup>**

	2020				2019						2018					
	Q2		Q1		Q4		Q3		Q2		Q1		Q4		Q3	
(\$ THOUSANDS, EXCEPT PERCENTAGES)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Retail</b>																
Ontario	\$ 11,766,867	43%	\$ 11,798,197	44%	\$ 11,664,548	44%	\$ 11,585,563	45%	\$ 11,151,859	45%	\$ 10,983,327	45%	\$ 10,699,449	46%	\$ 10,058,307	47%
Alberta	2,705,963	10%	2,515,023	9%	2,489,464	9%	2,410,230	9%	2,216,237	9%	2,188,969	9%	2,108,739	9%	1,852,860	9%
Quebec	1,274,217	5%	1,059,841	4%	1,044,110	4%	981,571	4%	801,727	3%	762,169	3%	701,573	3%	501,533	2%
British Columbia	2,143,650	8%	2,023,721	8%	1,984,221	7%	1,923,325	7%	1,778,406	7%	1,731,984	7%	1,661,146	7%	1,419,254	7%
Saskatchewan	342,451	1%	329,372	1%	331,581	1%	329,188	1%	314,279	1%	312,872	1%	303,723	1%	266,119	1%
Other Provinces	771,983	3%	730,242	3%	736,650	3%	717,594	3%	653,402	3%	650,233	3%	627,533	3%	510,961	2%
	<b>19,005,131</b>	<b>69%</b>	<b>18,456,396</b>	<b>69%</b>	<b>18,250,574</b>	<b>69%</b>	<b>17,947,471</b>	<b>69%</b>	<b>16,915,910</b>	<b>68%</b>	<b>16,629,554</b>	<b>68%</b>	<b>16,102,163</b>	<b>69%</b>	<b>14,609,034</b>	<b>68%</b>
<b>Commercial<sup>(2)</sup></b>																
Ontario	4,314,510	16%	4,039,054	15%	4,007,850	15%	3,685,224	14%	3,612,566	15%	3,584,789	15%	3,412,270	15%	3,300,921	15%
Alberta	1,278,689	5%	1,277,040	5%	1,213,530	5%	1,246,695	5%	1,264,191	5%	1,231,133	5%	1,162,608	5%	1,136,552	5%
Quebec	1,475,918	5%	1,366,053	5%	1,547,294	6%	1,453,123	6%	1,446,802	6%	1,365,608	6%	1,350,466	6%	1,278,949	6%
British Columbia	983,089	4%	1,010,526	4%	960,632	4%	997,045	4%	978,984	4%	999,871	4%	901,253	4%	814,189	4%
Saskatchewan	147,267	1%	136,889	1%	125,488	0%	129,764	1%	152,249	1%	151,804	1%	125,925	1%	116,012	1%
Other Provinces	421,273	2%	427,854	2%	404,985	2%	392,727	2%	402,407	2%	383,374	2%	372,007	2%	332,245	2%
	<b>8,620,746</b>	<b>31%</b>	<b>8,257,416</b>	<b>31%</b>	<b>8,259,779</b>	<b>31%</b>	<b>7,904,578</b>	<b>31%</b>	<b>7,857,199</b>	<b>32%</b>	<b>7,716,579</b>	<b>32%</b>	<b>7,324,529</b>	<b>31%</b>	<b>6,978,868</b>	<b>32%</b>
<b>Total loan principal</b>	<b>\$ 27,625,877</b>	<b>100%</b>	<b>\$ 26,713,812</b>	<b>100%</b>	<b>\$ 26,510,353</b>	<b>100%</b>	<b>\$ 25,852,049</b>	<b>100%</b>	<b>\$ 24,773,109</b>	<b>100%</b>	<b>\$ 24,346,133</b>	<b>100%</b>	<b>\$ 23,426,692</b>	<b>100%</b>	<b>\$ 21,587,902</b>	<b>100%</b>
<b>Total<sup>(2)</sup></b>																
Ontario	\$ 16,081,377	58%	\$ 15,837,251	59%	\$ 15,672,398	59%	\$ 15,270,787	59%	\$ 14,764,425	60%	\$ 14,568,116	60%	\$ 14,111,719	60%	\$ 13,359,228	62%
Alberta	3,984,652	14%	3,792,063	14%	3,702,994	14%	3,656,925	14%	3,480,428	14%	3,420,102	14%	3,271,347	14%	2,989,412	14%
Quebec	2,750,135	10%	2,425,894	9%	2,591,404	10%	2,434,694	9%	2,248,529	9%	2,127,777	9%	2,052,039	9%	1,780,482	8%
British Columbia	3,126,739	11%	3,034,247	11%	2,944,853	11%	2,920,370	11%	2,757,390	11%	2,731,855	11%	2,562,399	11%	2,233,443	10%
Saskatchewan	489,718	2%	466,261	2%	457,069	2%	458,952	2%	466,528	2%	464,676	2%	429,648	2%	382,131	2%
Other Provinces	1,193,256	4%	1,158,096	4%	1,141,635	4%	1,110,321	4%	1,055,809	4%	1,033,607	4%	999,540	4%	843,206	4%
<b>Total loan principal</b>	<b>\$ 27,625,877</b>	<b>100%</b>	<b>\$ 26,713,812</b>	<b>100%</b>	<b>\$ 26,510,353</b>	<b>100%</b>	<b>\$ 25,852,049</b>	<b>100%</b>	<b>\$ 24,773,109</b>	<b>100%</b>	<b>\$ 24,346,133</b>	<b>100%</b>	<b>\$ 23,426,692</b>	<b>100%</b>	<b>\$ 21,587,902</b>	<b>100%</b>

<sup>(1)</sup> Geographic location based on the address of the property mortgaged or the address of leasee.

<sup>(2)</sup> Bennington equipment leases geographic location data for periods prior to acquisition are not included.


**Table 14: Residential mortgage and HELOC principal outstanding – by province** <sup>(1)(2)</sup>

	Residential mortgages				HELOC <sup>(4)</sup>		Total	
	Insured <sup>(3)</sup>		Uninsured		Uninsured		Uninsured	
	Total	%	Total	%	Total	%	Total	%
(\$ THOUSANDS, EXCEPT PERCENTAGES)	Q2 2020							
Ontario	\$ 4,358,905	23%	\$ 7,329,841	39%	\$ 66,259	73%	\$ 7,396,100	39%
Alberta	1,917,808	10%	783,304	4%	4,216	5%	787,520	4%
British Columbia	1,114,840	6%	1,011,833	5%	16,906	19%	1,028,739	5%
Manitoba	235,916	1%	59,788	0%	574	1%	60,362	0%
Saskatchewan	296,531	2%	44,513	0%	897	1%	45,410	0%
Other Provinces	1,113,705	6%	634,361	3%	1,533	2%	635,894	3%
<b>Total residential mortgages</b>	<b>\$ 9,037,705</b>	<b>48%</b>	<b>\$ 9,863,640</b>	<b>52%</b>	<b>\$ 90,385</b>	<b>100%</b>	<b>\$ 9,954,025</b>	<b>52%</b>

							Q2 2019	
	Total	%	Total	%	Total	%	Total	%
(\$ THOUSANDS, EXCEPT PERCENTAGES)	Q2 2019							
Ontario	\$ 3,573,802	21%	\$ 7,529,533	45%	\$ 48,184	76%	\$ 7,577,717	45%
Alberta	1,390,187	8%	821,834	5%	4,216	7%	826,050	5%
British Columbia	799,311	5%	970,519	6%	8,576	14%	979,095	6%
Manitoba	179,685	1%	65,982	0%	516	1%	66,498	0%
Saskatchewan	259,923	2%	53,694	0%	662	1%	54,356	0%
Other Provinces	618,460	4%	589,460	3%	986	2%	590,446	3%
<b>Total residential mortgages</b>	<b>\$ 6,821,367</b>	<b>40%</b>	<b>\$ 10,031,022</b>	<b>60%</b>	<b>\$ 63,140</b>	<b>100%</b>	<b>\$ 10,094,162</b>	<b>60%</b>

<sup>(1)</sup> Geographic location based on the address of the property mortgaged.

<sup>(2)</sup> This table was prepared based on the disclosure requirements outlined in OSFI's Guideline B-20. For the purpose of this guideline, all reverse mortgages secured by residential property are considered to be HELOC.

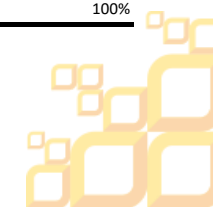
<sup>(3)</sup> Insured by either CMHC, Genworth or Canada Guaranty.

<sup>(4)</sup> HELOC, Standalone HELOC ("SHELOC"), and *Equitable Bank Reverse Mortgage* (formerly called *PATH Home Plan*) are collectively referred to as "HELOC" in this Report wherever applicable.



**Table 15: Residential mortgage principal outstanding – by remaining amortization<sup>(1)</sup>**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
<b>Q2 2020</b>									
Total residential mortgages	\$ 8,898	\$ 80,519	\$ 339,189	\$ 2,259,140	\$ 6,134,561	\$ 9,422,858	\$ 653,500	\$ 2,680	\$ 18,901,345
	0.05%	0.43%	1.79%	11.95%	32.46%	49.85%	3.46%	0.01%	100%
<b>Q1 2020</b>									
Total residential mortgages	\$ 8,652	\$ 73,889	\$ 316,350	\$ 2,360,849	\$ 5,811,658	\$ 9,775,447	\$ 20,079	\$ -	\$ 18,366,924
	0.05%	0.40%	1.72%	12.85%	31.64%	53.22%	0.11%	0.00%	100%
<b>Q4 2019</b>									
Total residential mortgages	\$ 7,263	\$ 67,382	\$ 285,570	\$ 1,895,949	\$ 5,745,033	\$ 10,153,928	\$ 15,946	\$ -	\$ 18,171,071
	0.04%	0.37%	1.57%	10.43%	31.62%	55.88%	0.09%	0.00%	100%
<b>Q3 2019</b>									
Total residential mortgages	\$ 7,203	\$ 59,986	\$ 247,825	\$ 1,665,883	\$ 5,674,785	\$ 10,200,070	\$ 21,155	\$ -	\$ 17,876,907
	0.04%	0.34%	1.39%	9.32%	31.74%	57.06%	0.12%	0.00%	100%
<b>Q2 2019</b>									
Total residential mortgages	\$ 6,419	\$ 48,512	\$ 218,932	\$ 1,367,755	\$ 5,067,113	\$ 10,120,852	\$ 22,807	\$ -	\$ 16,852,390
	0.04%	0.29%	1.30%	8.12%	30.07%	60.06%	0.14%	0.00%	100%
<b>Q1 2019</b>									
Total residential mortgages	\$ 4,253	\$ 42,989	\$ 203,295	\$ 1,216,448	\$ 5,117,817	\$ 9,963,921	\$ 24,919	\$ -	\$ 16,573,642
	0.03%	0.26%	1.23%	7.34%	30.88%	60.12%	0.15%	0.00%	100%
<b>Q4 2018</b>									
Total residential mortgages	\$ 4,154	\$ 33,981	\$ 187,162	\$ 1,077,086	\$ 4,997,438	\$ 9,733,965	\$ 16,096	\$ -	\$ 16,049,882
	0.03%	0.21%	1.17%	6.71%	31.14%	60.65%	0.10%	0.00%	100%
<b>Q3 2018</b>									
Total residential mortgages	\$ 3,353	\$ 26,131	\$ 142,371	\$ 785,595	\$ 3,866,630	\$ 9,716,297	\$ 18,755	\$ -	\$ 14,559,132
	0.02%	0.18%	0.98%	5.40%	26.56%	66.74%	0.13%	0.00%	100%

<sup>(1)</sup> The residential mortgage balances do not include HELOC (HELOC, SHELOC and *Equitable Bank Reverse Mortgage*) amount.


**Table 16: Uninsured average loan-to-value of newly originated and newly acquired<sup>(1)</sup>**

	2020				2019								2018			
	Q2		Q1		Q4		Q3		Q2		Q1		Q4		Q3	
	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>
Ontario	68%	23%	70%	19%	70%	17%	71%	19%	71%	19%	71%	19%	70%	14%	72%	17%
Alberta	67%	56%	70%	33%	69%	5%	71%	4%	70%	31%	71%	11%	71%	16%	71%	28%
British Columbia	67%	27%	69%	20%	67%	7%	64%	14%	68%	14%	67%	9%	65%	6%	67%	7%
Manitoba	73%	0%	69%	12%	70%	6%	70%	6%	62%	16%	69%	7%	72%	18%	71%	6%
Saskatchewan	69%	1%	66%	1%	67%	6%	61%	0%	62%	6%	68%	2%	67%	15%	67%	36%
Other Provinces	71%	29%	71%	2%	72%	20%	72%	12%	72%	3%	72%	2%	70%	29%	71%	2%
Total Canada	68%	26%	70%	20%	70%	16%	70%	18%	70%	18%	71%	16%	70%	13%	71%	16%

<sup>(1)</sup> Geographic location based on the address of the property mortgaged.

<sup>(2)</sup> HELOC includes HELOC, SHELOC, and *Equitable Bank Reverse Mortgage*.

The loan-to-value ("LTV") of HELOC represents the authorized amount as a percentage of the original property value at the time of origination.

In the case of non-standalone HELOCs, there are mortgages associated with most of these properties, but the aggregate LTVs are not presented on this chart. Aggregate LTVs do not exceed 80%.

For SHELOCs, there are no mortgages associated to these properties.



**Table 17: Average loan-to-value of existing uninsured residential mortgages<sup>(1)(2)(3)(4)</sup>**

	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Ontario	62%	64%	64%	64%	64%	65%	65%	64%
Alberta	67%	68%	67%	67%	67%	67%	67%	65%
British Columbia	64%	64%	64%	64%	64%	65%	64%	63%
Manitoba	65%	67%	66%	65%	67%	67%	67%	66%
Saskatchewan	56%	57%	57%	57%	57%	58%	57%	57%
Other Provinces	64%	66%	66%	66%	67%	67%	66%	65%
Total Canada	62%	64%	65%	64%	65%	66%	65%	64%

<sup>(1)</sup> Geographic location based on the address of the property mortgaged.

<sup>(2)</sup> Based on current property values. Current values are estimated using a Housing Price Index.

<sup>(3)</sup> The LTV of our HELOC (HELOC, SHELOC and *Equitable Bank Reverse Mortgage*) products is not included in this chart.

<sup>(4)</sup> Equitable has arrangements with other lenders to participate in its single family residential loans in certain circumstances, namely if Equitable wants to cap the value of its own exposure to stay within the boundaries of its risk appetite while still meeting a borrower's needs. The arrangements, which have been entered into in the normal course of business at arm's length and on market terms, are structured such that the other lenders' participation would always bear the first loss on the mortgage. The loan-to-value ratios above therefore do not take into account the other lenders' participation in order to reflect both the substance and legal form of Equitable's exposure. Equitable underwrites the loans based on the total value of its own advance and the other lender's participation to ensure that the borrower is able to service the aggregate amount of the loan. Other lenders' participation in Equitable's single family residential loans was \$36.8 million at June 30, 2020 (March 31, 2020 – \$35.5 million, June 30, 2019 – \$39.8 million).



**Table 18: Alternative single family – weighted average beacon score by LTV<sup>(1)</sup>**

LTV at origination	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<50% LTV	711	710	707	705	703	703	702	700
50% - 64.99% LTV	700	698	696	696	696	695	694	692
65% - 69.99% LTV	694	692	690	688	688	687	688	687
70% - 75% LTV	693	690	689	689	688	687	687	685
>75% LTV	695	696	696	696	694	694	693	691
<b>Total</b>	<b>697</b>	<b>695</b>	<b>694</b>	<b>693</b>	<b>692</b>	<b>692</b>	<b>691</b>	<b>690</b>

<sup>(1)</sup> The beacon scores reported here represent the current weighted average beacon score of the Bank's insured and uninsured mortgage portfolio within its Alternative Single Family Lending Business.

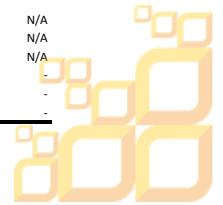
<sup>(2)</sup> LTVs are based on property values at origination.





Table 19: Modified Capital Disclosure Template – Equitable Bank

	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
<b>Common Equity Tier 1 capital: instruments and reserves</b>								
1	\$ 214,418	\$ 214,418	\$ 213,995	\$ 211,528	\$ 207,376	\$ 206,418	\$ 203,270	\$ 203,237
2	1,264,191	1,218,543	1,199,627	1,150,579	1,101,625	1,053,959	1,019,179	984,299
3	(29,580)	(36,781)	(18,827)	(20,687)	(20,320)	(18,607)	(17,565)	(6,516)
4	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-
6	\$ 1,449,029	\$ 1,396,180	\$ 1,394,795	\$ 1,341,420	\$ 1,288,681	\$ 1,241,770	\$ 1,204,884	\$ 1,181,020
<b>Common Equity Tier 1 capital: regulatory adjustments</b>								
26	\$ 18,772	\$ 16,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	(76,986)	(71,505)	(66,591)	(63,240)	(61,883)	(53,324)	(20,684)	(19,520)
29	\$ 1,390,815	\$ 1,340,800	\$ 1,328,204	\$ 1,278,180	\$ 1,226,798	\$ 1,188,446	\$ 1,184,200	\$ 1,161,500
29a	\$ 1,372,043	\$ 1,324,675	\$ 1,328,204	\$ 1,278,180	\$ 1,226,798	\$ 1,188,446	\$ 1,184,200	\$ 1,161,500
<b>Additional Tier 1 capital: instruments</b>								
30	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554
31	72,554	72,554	72,554	72,554	72,554	72,554	72,554	72,554
32	-	-	-	-	-	-	-	-
33	-	-	-	-	-	-	-	-
34	-	-	-	-	-	-	-	-
35	-	-	-	-	-	-	-	-
36	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554
<b>Additional Tier 1 capital: regulatory adjustments</b>								
43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	72,554	72,554	72,554	72,554	72,554	72,554	72,554	72,554
45	\$ 1,463,369	\$ 1,413,354	\$ 1,400,758	\$ 1,350,734	\$ 1,299,352	\$ 1,261,000	\$ 1,256,754	\$ 1,234,054
45a	\$ 1,444,597	\$ 1,397,229	\$ 1,400,758	\$ 1,350,734	\$ 1,299,352	\$ 1,261,000	\$ 1,256,754	\$ 1,234,054
<b>Tier 2 capital: instruments and allowances</b>								
46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	-	-	-	-	-	-	-	-
48	-	-	-	-	-	-	-	-
49	-	-	-	-	-	-	-	-
50	49,519	46,781	31,844	30,671	29,651	30,051	23,772	23,699
51	\$ 49,519	\$ 46,781	\$ 31,844	\$ 30,671	\$ 29,651	\$ 30,051	\$ 23,772	\$ 23,699
<b>Tier 2 capital: regulatory adjustments</b>								
57	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	49,519	46,781	31,844	30,671	29,651	30,051	23,772	23,699
59	\$ 1,512,888	\$ 1,460,135	\$ 1,432,602	\$ 1,381,405	\$ 1,329,003	\$ 1,291,051	\$ 1,280,526	\$ 1,257,753
59a	\$ 1,512,888	\$ 1,460,135	\$ 1,432,602	\$ 1,381,405	\$ 1,329,003	\$ 1,291,051	\$ 1,280,526	\$ 1,257,753
60	\$ 9,936,298	\$ 9,916,286	\$ 9,761,287	\$ 9,586,356	\$ 9,373,293	\$ 9,229,237	\$ 8,802,891	\$ 8,389,236
<b>Capital ratios</b>								
61	14.0%	13.5%	13.6%	13.3%	13.1%	12.9%	13.5%	13.8%
61a	13.8%	13.4%	13.6%	13.3%	13.1%	12.9%	13.5%	13.8%
62	14.7%	14.3%	14.4%	14.1%	13.9%	13.7%	14.3%	14.7%
62a	14.5%	14.1%	14.4%	14.1%	13.9%	13.7%	14.3%	14.7%
63	15.2%	14.7%	14.7%	14.4%	14.2%	14.0%	14.5%	15.0%
63a	15.2%	14.7%	14.7%	14.4%	14.2%	14.0%	14.5%	15.0%
<b>OSFI all-in target</b>								
69	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
70	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
71	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>								
80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
81	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
82	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
83	-	-	-	-	-	-	-	-
84	-	-	-	-	-	-	-	-
85	-	-	-	-	-	-	-	-



**Table 20: Leverage Ratio – Equitable Bank**

	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
<b>On-balance sheet exposure</b>								
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 29,733,736	\$ 28,614,420	\$ 27,948,720	\$ 27,007,109	\$ 25,950,516	\$ 25,494,724	\$ 24,481,165	\$ 22,806,548
2 Grossed-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework (IFRS)	-	-	-	-	-	-	-	-
3 (Deductions of receivables assets for cash variation margin provided in derivative transactions)	-	-	-	-	-	-	-	-
4 (Asset amounts deducted in determining Basel III Tier 1 capital)	(54,605)	(53,199)	(66,832)	(60,572)	(59,891)	(52,735)	(23,333)	(25,616)
<b>5 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 4)</b>	<b>\$ 29,679,131</b>	<b>\$ 28,561,221</b>	<b>\$ 27,881,888</b>	<b>\$ 26,946,537</b>	<b>\$ 25,890,625</b>	<b>\$ 25,441,989</b>	<b>\$ 24,457,832</b>	<b>\$ 22,780,932</b>
<b>Derivative exposures</b>								
6 Replacement cost associated with all derivative transactions	\$ 15,336	\$ 35,280	\$ 21,560	\$ 12,815	\$ 8,727	\$ 6,241	\$ 20,237	\$ 17,018
7 Add-on amounts for potential future exposure associated with all derivative transactions	23,440	8,938	9,860	13,888	14,045	13,864	40,137	37,098
8 (Exempted central counterparty-leg of client cleared trade exposures)	-	-	-	-	-	-	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-	-	-	-	-	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-	-	-	-
<b>11 Total derivative exposures (sum of lines 6 to 10)</b>	<b>\$ 38,776</b>	<b>\$ 44,218</b>	<b>\$ 31,420</b>	<b>\$ 26,703</b>	<b>\$ 22,772</b>	<b>\$ 20,105</b>	<b>\$ 60,374</b>	<b>\$ 54,116</b>
<b>Securities financing transaction exposures</b>								
12 Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	\$ 200,370	\$ 499,996	\$ 150,069	\$ 250,079	\$ 125,069	\$ 547,620	\$ 250,000	\$ -
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-	-	-	-	-
14 Counterparty credit risk (CCR) exposure for SFTs	11,638	14,847	10,174	-	-	-	-	-
15 Agent transaction exposures	-	-	-	-	-	-	-	-
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>\$ 212,008</b>	<b>\$ 514,843</b>	<b>\$ 160,243</b>	<b>\$ 250,079</b>	<b>\$ 125,069</b>	<b>\$ 547,620</b>	<b>\$ 250,000</b>	<b>\$ -</b>
<b>Other off-balance sheet exposures</b>								
17 Off-balance sheet exposure at gross notional amount	\$ 1,835,653	\$ 2,016,432	\$ 1,935,711	\$ 2,116,158	\$ 2,051,512	\$ 1,833,658	\$ 1,544,684	\$ 1,788,625
18 (Adjustments for conversion to credit equivalent amounts)	(1,192,191)	(1,331,641)	(1,260,667)	(1,455,407)	(1,371,438)	(1,224,751)	(992,212)	(1,221,402)
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>\$ 643,462</b>	<b>\$ 684,791</b>	<b>\$ 675,044</b>	<b>\$ 660,751</b>	<b>\$ 680,074</b>	<b>\$ 608,907</b>	<b>\$ 552,472</b>	<b>\$ 567,223</b>
<b>Capital and Total Exposure</b>								
20 Tier 1 capital	\$ 1,463,369	\$ 1,413,354	\$ 1,400,758	\$ 1,350,734	\$ 1,299,352	\$ 1,261,000	\$ 1,256,754	\$ 1,234,054
20a Tier 1 capital with transitional arrangements for ECL provisioning not applied	1,444,597	1,397,229	1,400,758	1,350,734	1,299,352	1,261,000	1,256,754	1,234,054
<b>21 Total Exposures (sum of lines 5, 11, 16 and 19)</b>	<b>\$ 30,573,377</b>	<b>\$ 29,805,073</b>	<b>\$ 28,748,595</b>	<b>\$ 27,884,070</b>	<b>\$ 26,718,540</b>	<b>\$ 26,618,621</b>	<b>\$ 25,320,678</b>	<b>\$ 23,402,271</b>
<b>Leverage Ratios</b>								
22 Basel III Leverage Ratio	4.8%	4.7%	4.9%	4.8%	4.9%	4.7%	5.0%	5.3%
22a Basel III Leverage Ratio with transitional arrangements for ECL provisioning not applied	4.7%	4.7%	4.9%	4.8%	4.9%	4.7%	5.0%	5.3%



**Non-GAAP measures**

Management uses a variety of financial measures to evaluate the Company's performance. In addition to GAAP prescribed measures, management uses certain non-GAAP measures that it believes provide useful information to investors regarding the Company's financial condition and results of operations. Readers are cautioned that non-GAAP measures often do not have any standardized meaning, and therefore, are unlikely to be comparable to similar measures presented by other companies.

**Adjusted results**

in periods where management determines that non-recurring or unusual items will have a significant impact on a user's assessment of business performance, the Company may present adjusted results in addition to reported results by removing the non-recurring or unusual items from the reported results. Management believes that adjusted results, if any, can to some extent enhance comparability between reporting periods or provide the reader with a better understanding of how management views the Company's performance. Adjusted results are also intended to provide the user with greater consistency and comparability to other financial institutions. Adjustments that remove non-recurring or unusual items from net income will affect the calculation of other measures such as adjusted ROE and adjusted EPS.

**Assets Under Management ("AUM")**

is the sum of total assets reported on the consolidated balance sheet and loan principal derecognized but still managed by the Company.

**Book value per common share**

is calculated by dividing common shareholders' equity by the number of common shares outstanding.

**Common Equity Tier 1 Capital ("CET1 Capital")**

is defined as shareholders' equity plus any qualifying other non-controlling interest in subsidiaries less preferred shares issued and outstanding, any goodwill, other intangible assets and cash flow hedge reserve components of accumulated other comprehensive income.

**CET1 Ratio**

is defined as CET1 Capital as a percentage of total RWA. This ratio is calculated for the Bank in accordance with OSFI's Capital Adequacy Requirements ("CAR") Guideline.

**Dividend Payout ratio**

is defined as dividend per common share as a percentage of diluted earnings per share.

**Dividend Yield**

is calculated on an annualized basis and is defined as dividend per common share divided by average of daily closing price per common share for the period.

**Efficiency Ratio**

is derived by dividing non-interest expenses by the sum of net revenue. A lower efficiency ratio reflects a more efficient cost structure.

**Leverage Ratio**

is calculated by dividing Tier 1 Capital by an exposure measure. The exposure measure consists of total assets (excluding items deducted from Tier 1 Capital) and certain off-balance sheet items converted into credit exposure equivalents. Adjustments are also made to derivatives and secured financing transactions to reflect credit and other risks. This ratio is calculated for the Bank in accordance with OSFI's CAR Guideline.

**Liquid assets**

is a measure of the Company's cash or assets that can be readily converted into cash, which are held for the purposes of funding loans, deposit maturities, and the ability to collect other receivables and settle other obligations.

**Loans Under Management ("LUM")**

is the sum of loan principal reported on the consolidated balance sheet and loan principal derecognized but still managed by the Company.

**Net interest margin ("NIM")**

is calculated on an annualized basis by dividing net interest income by the average total interest earning assets for the period.

**Net revenue**

is calculated as the sum of net interest income and other income.





**Provision for credit losses ("PCL") – rate**

is calculated on an annualized basis and is defined as the provision for credit losses as a percentage of average loan principal outstanding during the period.

**Return on average assets**

is calculated on an annualized basis and is defined as net income as a percentage of average month-end total assets balances outstanding during the period.

**Return on RWA**

is calculated on an annualized basis and is defined as net income as a percentage of average RWA during the period.

**Return on shareholders' equity ("ROE")**

is calculated on an annualized basis and is defined as net income available to common shareholders as a percentage of the weighted average common equity outstanding during the period.

**Risk-weighted assets ("RWA")**

represents the Bank's assets and off-balance sheet exposures, weighted according to risk as prescribed by OSFI under the CAR Guideline.

**Tier 1 Capital**

is calculated by adding non-cumulative preferred shares to CET1 Capital.

**Tier 2 Capital**

is equal to the sum of the Bank's eligible stage 1 and 2 allowance.

**Tier 1 Ratio**

is calculated by dividing Tier 1 Capital by Total RWA. This ratio is calculated for the Bank in accordance with OSFI's CAR Guideline.

**Total Capital**

equals to Tier 1 plus Tier 2 Capital.

**Total Capital Ratio**

is calculated by dividing Total Capital by Total RWA. This ratio is calculated for the Bank in accordance with OSFI's CAR Guideline.



**Acronyms**

**AOCI**

Accumulated Other Comprehensive Income (Loss)

**CAR**

Capital Adequacy Requirements

**CMHC**

Canada Mortgage and Housing Corporation

**EPS**

Earnings per Share

**GAAP**

Generally Accepted Accounting Principles

**HELOC**

Home Equity Line of Credit

**IFRS**

International Financial Reporting Standards

**IASB**

International Accounting Standards Board

**IAS**

International Accounting Standard

**LTV**

Loan-to-Value ratio

**NIM**

Net Interest Margin

**OSFI**

Office of the Superintendent of Financial Institutions Canada

