

M A Z S B E T T E R B A N K I N G  
I N N O V A T I V E D D H W K V C  
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  
R E S O U R C E F U L K I O P V B  
**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  
K I E D E C U M U L A T I O N I O  
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 nine months ended September 30, 2020



TSX.EQB | EQB.PR.C

**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 September 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".



**Table of Contents**

	Page		Page
<b>Notes to Readers</b>	2	<b>Regulatory and voluntary mortgage portfolio disclosures</b>	
		Table 13: Loan principal outstanding – by province	19
<b>Highlights</b>		Table 14: Residential mortgage and HELOC principal outstanding – by province	20
Table 1: Financial highlights	4	Table 15: Residential mortgage principal outstanding – by remaining amortization	21
		Table 16: Uninsured average loan-to-value of newly originated and newly acquired	22
<b>Consolidated results of operations</b>		Table 17: Average loan-to-value of existing uninsured residential mortgages	23
Table 2: Consolidated statements of income	6	Table 18: Alternative single family – weighted average beacon score by LTV	24
Table 3: Net interest income and margin	7		
Table 4: Non-interest expenses and Efficiency Ratio	10	<b>Regulatory Basel III capital disclosures</b>	
		Table 19: Modified Capital Disclosure Template – Equitable Bank	25
<b>Financial condition</b>		Table 20: Leverage Ratio – Equitable Bank	26
Table 5: Consolidated balance sheets	11		
Table 6: Average balance sheet information	12	<b>Non-GAAP measures</b>	27
Table 7: Loan principal under administration – by lending business	13		
Table 8: Deposit principal	14	<b>Acronyms</b>	29
<b>Credit quality</b>			
Table 9: Impaired loans – by lending business	15		
Table 10: Provision for credit losses – by lending business	16		
Table 11: Allowance for credit losses continuity	17		
Table 12: Allowance for credit losses – by lending business	18		



**Table 1: Financial highlights**

(\$ THOUSANDS, EXCEPT SHARE, PER SHARE AMOUNTS AND PERCENTAGES)	2020			2019				2018	YTD	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2020	2019
<b>RESULTS OF OPERATIONS</b>										
Net income	\$ 73,928	\$ 52,482	\$ 25,970	\$ 55,854	\$ 54,942	\$ 54,022	\$ 41,661	\$ 40,116	\$ 152,380	\$ 150,625
Adjusted net income <sup>(1)</sup>	70,910	49,259	29,948	56,045	54,754	54,512	46,579	45,535	150,117	155,845
Net income available to common shareholders	72,809	51,363	24,851	54,736	53,751	52,831	40,470	38,926	149,023	147,052
Net interest income	127,431	118,707	120,151	124,827	118,147	114,322	105,352	94,591	366,289	337,821
Total revenue	300,024	290,151	294,892	302,822	293,285	283,625	271,494	239,568	885,067	848,404
EPS – basic <sup>(2)</sup>	4.33	3.06	1.48	3.27	3.22	3.17	2.44	2.35	8.87	8.84
EPS – diluted <sup>(2)</sup>	4.30	3.05	1.46	3.21	3.18	3.15	2.42	2.33	8.81	8.75
Adjusted EPS – diluted <sup>(1)(2)</sup>	4.13	2.86	1.70	3.22	3.17	3.18	2.72	2.66	8.67	9.06
ROE <sup>(3)</sup>	19.8%	14.7%	7.2%	15.9%	16.2%	16.8%	13.4%	12.9%	13.7%	15.5%
Adjusted ROE <sup>(1)</sup>	19.0%	13.8%	8.4%	15.9%	16.2%	16.9%	15.0%	14.7%	13.5%	16.0%
Return on average assets <sup>(3)</sup>	1.0%	0.7%	0.4%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.8%
Return on RWA <sup>(3)</sup>	2.9%	2.1%	1.1%	2.3%	2.3%	2.3%	1.8%	1.9%	2.0%	2.2%
NIM <sup>(3)</sup>	1.69%	1.64%	1.71%	1.78%	1.75%	1.76%	1.67%	1.58%	1.68%	1.73%
Efficiency Ratio <sup>(3)(4)</sup>	35.7%	39.2%	43.4%	40.6%	39.5%	39.5%	41.1%	41.7%	39.2%	40.0%
<b>BALANCE SHEET</b>										
Total assets	30,447,086	29,957,246	29,153,879	28,392,452	27,544,976	26,361,201	26,327,464	25,037,145		
Assets Under Management <sup>(3)</sup>	35,510,826	34,662,258	33,936,125	33,005,353	32,333,820	30,909,183	30,830,162	29,410,999		
Loans receivable	27,591,921	27,708,917	26,781,248	26,607,830	25,960,054	24,867,909	24,446,452	23,526,404		
Loans Under Management <sup>(3)</sup>	32,550,738	32,330,889	31,496,058	31,123,254	30,640,893	29,321,091	28,848,831	27,800,546		
Preferred Shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557		
Common shareholders' equity	1,501,344	1,426,826	1,378,144	1,395,157	1,338,965	1,287,089	1,241,411	1,207,470		
Liquid assets <sup>(3)</sup>	2,774,642	1,920,289	2,270,331	1,690,337	1,431,940	1,592,125	2,046,896	1,406,592		
Total assets held for regulatory purposes as a % of total										
Equitable Bank assets	8.8%	6.1%	7.5%	5.5%	4.8%	5.6%	7.3%	5.1%		
Total liquid assets as a % of total assets	9.1%	6.4%	7.8%	6.0%	5.2%	6.0%	7.8%	5.6%		
Deposit principal	16,372,790	15,636,120	15,474,853	15,231,888	14,904,198	14,532,042	14,637,787	13,522,012		

<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	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2020	2019
<b>CREDIT QUALITY</b>										
PCL	\$ (2,357)	\$ 8,847	\$ 35,687	\$ 3,917	\$ 3,463	\$ 1,386	\$ 9,628	\$ 628	\$ 42,177	\$ 14,477
PCL – rate <sup>(1)</sup>	(0.03%)	0.13%	0.54%	0.06%	0.05%	0.02%	0.16%	0.01%	0.21%	0.08%
Net impaired loan as a % of total loan assets	0.33%	0.54%	0.47%	0.44%	0.47%	0.42%	0.49%	0.16%		
Allowance for credit losses as a % of total loan assets	0.25%	0.27%	0.26%	0.14%	0.13%	0.13%	0.13%	0.11%		
<b>SHARE CAPITAL</b>										
Common shares outstanding	16,822,244	16,807,317	16,807,317	16,797,593	16,743,253	16,666,896	16,642,685	16,554,018		
Book value per common share <sup>(1)(2)</sup>	89.25	84.89	82.00	83.06	79.97	77.22	74.59	72.94		
Common share price – close	75.09	71.39	58.07	109.35	103.81	72.59	64.73	59.12		
Common share market capitalization	1,263,182	1,199,874	976,001	1,836,817	1,738,117	1,209,850	1,077,281	978,674		
Dividends declared per: <sup>(3)</sup>										
Common share	0.37	0.37	0.37	0.35	0.33	0.31	0.30	0.28	1.11	0.94
Preferred share – Series 3	0.37	0.37	0.37	0.37	0.40	0.40	0.40	0.40	1.12	1.20
Dividend Yield <sup>(1)</sup>	1.9%	2.3%	1.6%	1.3%	1.5%	1.8%	1.8%	1.7%	1.9%	1.7%
Dividend Payout <sup>(1)</sup>	8.6%	12.1%	25.3%	10.9%	10.4%	9.8%	12.4%	12.0%	12.6%	10.7%
<b>EQUITABLE BANK CAPITAL RATIOS<sup>(1)(4)</sup></b>										
RWA	10,179,647	9,936,298	9,916,286	9,761,287	9,586,356	9,373,293	9,229,237	8,802,891		
CET1 Ratio	14.3%	14.0%	13.5%	13.6%	13.3%	13.1%	12.9%	13.5%		
Tier 1 Capital Ratio	15.0%	14.7%	14.3%	14.4%	14.1%	13.9%	13.7%	14.3%		
Total Capital Ratio	15.5%	15.2%	14.7%	14.7%	14.4%	14.2%	14.0%	14.5%		
Leverage Ratio	4.9%	4.8%	4.7%	4.9%	4.8%	4.9%	4.7%	5.0%		

<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.

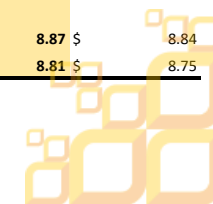
<sup>(4)</sup> Effective January 1, 2019, the Bank adopted IFRS 16 and the transitional impact on regulatory capital and RWA was recognized upon adoption.





**Table 2: Consolidated statements of income**

(\$ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	2020			2019				2018	YTD	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2020	2019
Interest income:										
Loans – Retail	\$ 169,447	\$ 172,019	\$ 181,557	\$ 182,524	\$ 176,082	\$ 168,136	\$ 159,222	\$ 151,238	\$ 523,023	\$ 503,440
Loans – Commercial	101,859	98,974	100,206	101,546	98,477	98,208	97,629	82,059	301,039	294,314
Investments	3,569	3,315	2,488	2,462	2,304	2,084	1,821	1,825	9,372	6,209
Other	3,872	3,220	5,947	6,937	6,720	6,724	5,934	4,914	13,039	19,378
	<b>278,747</b>	<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>846,473</b>	<b>823,341</b>
Interest expense:										
Deposits	89,088	93,147	99,378	99,385	97,169	96,280	92,363	84,433	281,613	285,812
Securitization liabilities	59,932	63,302	67,021	65,950	64,858	62,653	62,903	55,898	190,255	190,414
Bank facilities	1,726	1,497	1,206	1,061	1,706	1,897	2,655	3,557	4,429	6,258
Others	570	875	2,442	2,246	1,703	-	1,333	1,557	3,887	3,036
	<b>151,316</b>	<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>480,184</b>	<b>485,520</b>
Net interest income	127,431	118,707	120,151	124,827	118,147	114,322	105,352	94,591	366,289	337,821
Provision for credit losses	(2,357)	8,847	35,687	3,917	3,463	1,386	9,628	628	42,177	14,477
Net interest income after provision for credit losses	129,788	109,860	84,464	120,910	114,684	112,936	95,724	93,963	324,112	323,344
Other income:										
Fees and other income	5,025	5,130	6,723	6,201	6,110	5,900	5,644	4,462	16,878	17,654
Net gain (loss) on loans and investments	4,367	8,653	(8,531)	99	(327)	76	(821)	(3,754)	4,489	(1,072)
(Losses) gains on securitization activities and income from securitization retained interests	11,885	(1,160)	6,502	3,053	3,919	2,497	2,065	(1,176)	17,227	8,481
	<b>21,277</b>	<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>38,594</b>	<b>25,063</b>
Net interest and other income	151,065	122,483	89,158	130,263	124,386	121,409	102,612	93,495	362,706	348,407
Non-interest expenses:										
Compensation and benefits	26,589	26,253	26,895	25,920	25,696	25,751	24,284	20,021	79,737	75,731
Other	26,476	25,214	27,285	28,557	24,793	22,745	21,827	19,212	78,975	69,365
	<b>53,065</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>158,712</b>	<b>145,096</b>
Income before income taxes	98,000	71,016	34,978	75,786	73,897	72,913	56,501	54,262	203,994	203,311
Income taxes:										
Current	18,927	16,106	15,580	27,916	14,524	17,861	13,576	10,526	50,613	45,961
Deferred	5,145	2,428	(6,572)	(7,984)	4,431	1,030	1,264	3,620	1,001	6,725
	<b>24,072</b>	<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>51,614</b>	<b>52,686</b>
Net income	\$ 73,928	\$ 52,482	\$ 25,970	\$ 55,854	\$ 54,942	\$ 54,022	\$ 41,661	\$ 40,116	\$ 152,380	\$ 150,625
Dividends on preferred shares	1,119	1,119	1,119	1,118	1,191	1,191	1,191	1,190	3,357	3,573
Net income available to common shareholders	\$ 72,809	\$ 51,363	\$ 24,851	\$ 54,736	\$ 53,751	\$ 52,831	\$ 40,470	\$ 38,926	\$ 149,023	\$ 147,052
Common shares outstanding:										
Weighted average basic	16,812,434	16,807,317	16,800,410	16,756,323	16,705,416	16,650,635	16,573,522	16,553,212	16,806,741	16,643,674
Weighted average diluted	16,914,812	16,857,386	16,989,227	17,031,780	16,920,557	16,770,276	16,702,520	16,672,512	16,920,179	16,798,583
Earnings per share:										
Basic	\$ 4.33	\$ 3.06	\$ 1.48	\$ 3.27	\$ 3.22	\$ 3.17	\$ 2.44	\$ 2.35	\$ 8.87	\$ 8.84
Diluted	\$ 4.30	\$ 3.05	\$ 1.46	\$ 3.21	\$ 3.18	\$ 3.15	\$ 2.42	\$ 2.33	\$ 8.81	\$ 8.75



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

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2020									2019		
	Q3			Q2			Q1			Q4		
	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	\$ 2,113,990	1.00%	\$ 5,292	\$ 1,874,389	1.10%	\$ 5,131	\$ 1,494,861	1.90%	\$ 7,067	\$ 1,534,834	2.04%	\$ 7,894
Equity securities	112,027	7.63%	2,149	102,369	5.52%	1,404	123,408	4.46%	1,368	122,148	4.89%	1,505
Alternative single family mortgages	11,191,571	4.63%	130,257	11,545,673	4.73%	135,863	11,495,361	4.91%	140,441	11,323,793	4.94%	141,065
Prime single family mortgages	7,706,126	1.99%	38,567	7,061,913	2.03%	35,704	6,830,670	2.40%	40,764	6,753,477	2.42%	41,186
Other retail loans	56,451	4.39%	623	37,803	4.80%	452	25,945	5.46%	352	19,136	5.66%	273
<b>Total Retail loans</b>	<b>18,954,148</b>	<b>3.56%</b>	<b>169,447</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>
Conventional commercial loans	4,256,744	5.72%	61,185	4,165,752	5.60%	58,012	4,033,077	5.90%	59,116	3,806,919	6.03%	57,824
Equipment leases <sup>(2)</sup>	507,084	11.02%	14,052	484,911	11.18%	13,485	491,021	11.06%	13,508	487,138	11.58%	14,215
Insured Multi-unit residential mortgages	4,003,621	2.65%	26,622	3,785,028	2.92%	27,477	3,768,859	2.94%	27,582	3,701,514	3.16%	29,507
<b>Total Commercial loans</b>	<b>8,767,449</b>	<b>4.62%</b>	<b>101,859</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>Average interest earning assets</b>	<b>\$ 29,947,614</b>	<b>3.70%</b>	<b>\$ 278,747</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>
<i>Expenses related to:</i>												
Deposits	\$ 15,940,883	2.22%	\$ 89,088	\$ 15,580,916	2.40%	\$ 93,147	\$ 15,279,798	2.62%	\$ 99,378	\$ 15,020,110	2.63%	\$ 99,385
Secured backstop funding facility <sup>(3)</sup>	-	N/A	623	-	N/A	617	-	N/A	617	-	N/A	625
Securitization liabilities	11,436,731	2.08%	59,932	10,891,921	2.34%	63,302	10,776,732	2.50%	67,021	10,518,470	2.49%	65,950
Other	797,568	0.83%	1,673	822,590	0.86%	1,755	498,397	2.45%	3,031	513,408	2.07%	2,682
<b>Average interest bearing liabilities</b>	<b>\$ 28,175,182</b>	<b>2.14%</b>	<b>\$ 151,316</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>Net interest income and margin</b>		<b>1.69%</b>	<b>\$ 127,431</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>

<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		
	Q3			Q2			Q1			Q4		
	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	\$ 1,493,616	1.94%	\$ 7,319	\$ 1,435,249	2.04%	\$ 7,289	\$ 1,341,761	1.93%	\$ 6,379	\$ 1,106,050	1.84%	\$ 5,124
Equity securities	119,546	5.66%	1,705	123,456	4.93%	1,519	129,862	4.30%	1,376	143,068	4.48%	1,615
Alternative single family mortgages	11,200,968	4.90%	138,443	11,006,951	4.85%	133,183	10,730,758	4.78%	126,348	10,377,724	4.65%	121,683
Prime single family mortgages	6,114,664	2.43%	37,447	5,773,940	2.42%	34,835	5,621,753	2.37%	32,803	5,119,956	2.29%	29,516
Other retail loans	12,965	5.86%	192	7,911	5.99%	118	4,595	6.28%	71	2,481	6.19%	39
<b>Total Retail loans</b>	<b>17,328,597</b>	<b>4.03%</b>	<b>176,082</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>
Conventional commercial loans	3,864,738	5.98%	58,208	3,804,596	6.05%	57,409	3,877,759	6.10%	58,355	3,703,914	5.80%	54,183
Equipment leases <sup>(2)</sup>	471,264	11.05%	13,128	452,400	12.00%	13,537	416,836	11.88%	12,215	N/A	N/A	N/A
Insured Multi-unit residential mortgages	3,505,267	3.07%	27,141	3,491,212	3.13%	27,262	3,401,457	3.23%	27,059	3,353,071	3.30%	27,876
<b>Total Commercial loans</b>	<b>7,841,269</b>	<b>4.98%</b>	<b>98,477</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>Average interest earning assets</b>	<b>\$ 26,783,028</b>	<b>4.20%</b>	<b>\$ 283,583</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>
<i>Expenses related to:</i>												
Deposits	\$ 14,579,766	2.64%	\$ 97,169	\$ 14,610,659	2.64%	\$ 96,280	\$ 14,057,319	2.66%	\$ 92,363	\$ 13,173,201	2.54%	\$ 84,432
Secured backstop funding facility <sup>(3)</sup>	-	N/A	632	-	N/A	1,441	-	N/A	2,249	-	N/A	2,273
Securitization liabilities	10,079,157	2.55%	64,858	9,839,097	2.55%	62,653	9,697,566	2.63%	62,903	8,653,299	2.56%	55,898
Other	545,930	2.02%	2,777	39,996	4.57%	456	192,275	3.67%	1,739	485,294	2.32%	2,842
<b>Average interest bearing liabilities</b>	<b>\$ 25,204,853</b>	<b>2.60%</b>	<b>\$ 165,436</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>Net interest income and margin</b>		<b>1.75%</b>	<b>\$ 118,147</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>

<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					
	2020			2019		
(\$ 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	\$ 1,827,747	1.28%	\$ 17,490	\$ 1,402,116	2.00%	\$ 20,987
Equity securities	112,601	5.84%	4,921	124,288	4.95%	4,600
Alternative single family mortgages	11,410,868	4.76%	406,561	10,979,559	4.85%	397,974
Prime single family mortgages	7,199,570	2.13%	115,035	5,836,786	2.41%	105,085
Other retail loans	40,066	4.76%	1,427	8,490	5.97%	381
<b>Total Retail loans</b>	<b>18,650,504</b>	<b>3.75%</b>	<b>523,023</b>	<b>16,824,835</b>	<b>4.00%</b>	<b>503,440</b>
Conventional commercial loans	4,151,858	5.74%	178,313	3,849,031	6.04%	173,972
Equipment leases <sup>(2)</sup>	494,339	11.09%	41,045	446,833	11.63%	38,880
Insured Multi-unit residential mortgages	3,852,503	2.83%	81,681	3,465,979	3.14%	81,462
<b>Total Commercial loans</b>	<b>8,498,699</b>	<b>4.73%</b>	<b>301,039</b>	<b>7,761,843</b>	<b>5.07%</b>	<b>294,314</b>
<b>Average interest earning assets</b>	<b>\$ 29,089,551</b>	<b>3.89%</b>	<b>\$ 846,473</b>	<b>\$ 26,113,082</b>	<b>4.22%</b>	<b>\$ 823,341</b>
<i>Expenses related to:</i>						
Deposits	\$ 15,600,532	2.41%	\$ 281,613	14,415,915	2.65%	\$ 285,812
Secured backstop funding facility <sup>(3)</sup>	-	N/A	1,857	-	N/A	4,322
Securitization liabilities	11,035,128	2.30%	190,255	9,871,940	2.58%	190,414
Other	706,185	1.22%	6,459	259,400	2.56%	4,972
<b>Average interest bearing liabilities</b>	<b>\$ 27,341,845</b>	<b>2.35%</b>	<b>\$ 480,184</b>	<b>\$ 24,547,255</b>	<b>2.64%</b>	<b>\$ 485,520</b>
<b>Net interest income and margin</b>		<b>1.68%</b>	<b>\$ 366,289</b>		<b>1.73%</b>	<b>\$ 337,821</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	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2020	2019
Compensation and benefits	\$ 26,589	\$ 26,253	\$ 26,895	\$ 25,920	\$ 25,696	\$ 25,751	\$ 24,284	\$ 20,021	\$ 79,737	\$ 75,731
Technology and system costs	9,244	8,790	9,491	8,976	8,254	7,617	7,429	5,858	27,525	23,300
Product costs	5,540	4,758	5,094	4,453	4,339	3,645	3,842	3,372	15,392	11,826
Regulatory, legal and professional fees	4,788	4,624	5,157	5,261	5,136	4,447	4,674	4,303	14,569	14,257
Marketing and corporate expenses	4,076	4,513	4,745	7,724	4,801	4,776	3,654	3,830	13,334	13,231
Premises	2,828	2,529	2,798	2,143	2,263	2,260	2,228	1,849	8,155	6,751
<b>Total non-interest expenses</b>	<b>\$ 53,065</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>\$ 158,712</b>	<b>\$ 145,096</b>
Efficiency Ratio	35.7%	39.2%	43.4%	40.6%	39.5%	39.5%	41.1%	41.7%	39.2%	40.0%
Full-time employee ("FTE") – period average	887	884	879	857	839	820	795	665	882	818



**Table 5: Consolidated balance sheets**

(\$ THOUSANDS)	2020			2019				2018	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
<b>Assets</b>									
Cash and cash equivalents	\$ 1,148,004	\$ 569,688	\$ 737,335	\$ 508,853	\$ 373,904	\$ 424,422	\$ 486,422	\$ 477,243	
Restricted cash	567,994	589,046	390,398	462,992	408,635	462,438	381,144	327,097	
Securities purchased under reverse repurchase agreements	200,008	200,370	499,966	150,069	250,079	125,069	547,620	250,000	
Investments	554,975	566,859	410,639	362,611	250,927	196,699	198,321	193,399	
Loans – Retail	18,963,470	19,135,799	18,552,216	18,359,805	18,059,496	17,014,738	16,734,424	16,203,139	
Loans – Commercial	8,628,451	8,573,118	8,229,032	8,248,025	7,900,558	7,853,171	7,712,028	7,323,265	
Securitization retained interests	171,736	149,307	145,850	139,009	132,683	124,561	119,183	115,331	
Other assets	212,448	173,059	188,443	161,088	168,694	160,103	148,322	147,671	
	<b>\$ 30,447,086</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>Liabilities and Shareholders' Equity</b>									
<b>Liabilities:</b>									
Deposits	\$ 16,603,178	\$ 15,861,725	\$ 15,695,407	\$ 15,442,207	\$ 15,111,948	\$ 14,720,700	\$ 14,821,107	\$ 13,668,521	
Securitization liabilities	11,691,653	11,190,224	10,777,497	10,706,956	10,294,459	10,024,334	9,926,375	9,236,045	
Obligations under repurchase agreements	154,364	598,956	429,347	507,044	463,071	-	-	342,010	
Deferred tax liabilities	55,691	50,546	48,117	54,689	63,284	58,100	59,366	42,610	
Other liabilities	218,038	256,038	252,822	213,842	200,692	198,421	206,648	177,961	
Bank facilities	150,261	500,374	499,988	-	-	-	-	289,971	
	<b>28,873,185</b>	<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>Shareholders' equity:</b>									
Preferred shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557	
Common shares	214,657	213,701	213,701	213,277	210,794	206,039	204,492	200,792	
Contributed surplus	8,245	7,818	7,405	6,973	6,898	7,132	6,907	7,035	
Retained earnings <sup>(1)</sup>	1,323,855	1,257,268	1,212,125	1,193,493	1,144,628	1,096,231	1,049,208	1,014,559	
Accumulated other comprehensive loss ("AOCI")	(45,413)	(51,961)	(55,087)	(18,586)	(23,355)	(22,313)	(19,196)	(14,916)	
	<b>1,573,901</b>	<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>\$ 30,447,086</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>	

<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>**

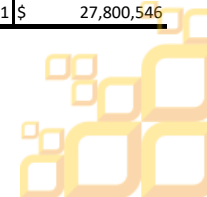
(\$ THOUSANDS)	2020			2019			2018	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Assets</b>								
Cash and cash equivalents	\$ 958,934	\$ 764,370	\$ 639,738	\$ 581,075	\$ 584,793	\$ 561,251	\$ 573,721	\$ 545,301
Restricted cash	580,882	503,034	401,532	461,746	449,363	438,358	354,320	373,391
Securities purchased under reverse repurchase agreements	100,095	175,084	162,509	100,037	93,787	168,172	199,405	62,500
Investments	561,074	519,472	377,116	335,034	228,392	200,607	193,993	178,856
Loans – Retail	19,039,876	18,815,432	18,450,900	18,210,190	17,537,941	16,876,702	16,471,346	15,534,431
Loans – Commercial	8,710,188	8,408,342	8,315,963	7,996,155	7,928,967	7,821,675	7,669,674	7,156,407
Securitization retained interests	158,216	145,172	140,053	135,248	126,927	120,231	116,101	111,361
Other assets	186,837	179,800	170,270	164,703	162,010	150,078	143,523	105,843
	<b>\$ 30,296,102</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>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 16,206,171	\$ 15,812,642	\$ 15,534,859	\$ 15,254,471	\$ 14,846,749	\$ 14,804,803	\$ 14,248,729	\$ 13,333,004
Securitization liabilities	11,503,379	11,000,628	10,799,959	10,540,175	10,136,834	9,921,044	9,676,235	8,710,856
Obligations under repurchase agreements	438,560	525,983	440,066	465,028	367,032	-	166,245	321,594
Deferred tax liabilities	51,903	48,550	53,051	61,585	59,236	59,050	54,545	40,378
Other liabilities	240,910	270,500	232,734	223,535	194,292	214,424	207,504	192,834
Bank facilities	317,721	375,144	124,997	-	122,221	-	72,493	196,605
	<b>28,758,644</b>	<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>Shareholders' equity:</b>								
Preferred shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557
Common shares	214,044	213,701	213,402	211,587	208,101	205,081	201,799	200,768
Contributed surplus	8,028	7,611	7,163	7,014	7,169	7,027	7,071	6,871
Retained earnings	1,290,495	1,236,580	1,211,189	1,170,175	1,121,719	1,073,636	1,031,358	999,819
Accumulated other comprehensive loss	(47,666)	(53,190)	(31,896)	(21,939)	(23,730)	(20,548)	(16,453)	(7,196)
	<b>1,537,458</b>	<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>\$ 30,296,102</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>

<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
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Insured</b>								
Retail	\$ 9,100,091	\$ 9,037,705	\$ 7,678,682	\$ 7,766,184	\$ 7,597,081	\$ 6,821,367	\$ 6,870,059	\$ 6,609,559
Commercial	3,929,152	4,000,688	3,839,374	3,849,455	3,596,116	3,643,498	3,444,287	3,528,139
Total loan principal outstanding	\$ 13,029,243	\$ 13,038,393	\$ 11,518,056	\$ 11,615,639	\$ 11,193,197	\$ 10,464,865	\$ 10,314,346	\$ 10,137,698
Total loan principal outstanding percentage	47%	47%	43%	44%	43%	42%	42%	43%
<b>Uninsured</b>								
Retail	\$ 9,731,527	\$ 9,967,426	\$ 10,777,714	\$ 10,484,390	\$ 10,350,390	\$ 10,094,543	\$ 9,759,495	\$ 9,492,604
Commercial	4,726,228	4,620,058	4,418,042	4,410,324	4,308,462	4,213,701	4,272,292	3,796,390
Total loan principal outstanding	\$ 14,457,755	\$ 14,587,484	\$ 15,195,756	\$ 14,894,714	\$ 14,658,852	\$ 14,308,244	\$ 14,031,787	\$ 13,288,994
Total loan principal outstanding percentage	53%	53%	57%	56%	57%	58%	58%	57%
Total loan principal outstanding – on Balance Sheet	\$ 27,486,998	\$ 27,625,877	\$ 26,713,812	\$ 26,510,353	\$ 25,852,049	\$ 24,773,109	\$ 24,346,133	\$ 23,426,692
<b>Derecognized</b>								
Commercial	\$ 5,063,740	\$ 4,705,012	\$ 4,782,246	\$ 4,612,901	\$ 4,788,844	\$ 4,547,982	\$ 4,502,698	\$ 4,373,854
Total loan principal outstanding – off Balance Sheet	\$ 5,063,740	\$ 4,705,012	\$ 4,782,246	\$ 4,612,901	\$ 4,788,844	\$ 4,547,982	\$ 4,502,698	\$ 4,373,854
Loans Under Management	\$ 32,550,738	\$ 32,330,889	\$ 31,496,058	\$ 31,123,254	\$ 30,640,893	\$ 29,321,091	\$ 28,848,831	\$ 27,800,546
<b>Retail</b>								
Alternative single family mortgages	\$ 11,039,734	\$ 11,397,453	\$ 11,646,720	\$ 11,415,214	\$ 11,346,539	\$ 11,155,609	\$ 10,920,051	\$ 10,602,110
Prime single family mortgages	7,724,801	7,560,146	6,780,160	6,813,331	6,586,036	5,749,924	5,703,570	5,496,655
Other retail loans	67,083	47,532	29,516	22,029	14,896	10,377	5,933	3,398
Total	18,831,618	19,005,131	18,456,396	18,250,574	17,947,471	16,915,910	16,629,554	16,102,163
<b>Commercial</b>								
Mortgages – to Corporates	1,803,180	1,749,765	1,645,641	1,809,579	1,586,030	1,590,603	1,734,367	1,689,641
Mortgages – to Small Business	911,123	926,999	901,718	870,580	880,589	854,743	836,892	817,182
Equipment leases <sup>(1)</sup>	542,603	518,483	511,191	496,056	488,716	469,271	448,812	N/A
Insured Multi-unit residential mortgages	8,917,951	8,502,298	8,471,128	8,336,686	8,288,222	8,125,261	7,879,612	7,827,046
Specialty financing loans	271,582	273,152	314,817	239,442	230,230	226,711	224,546	262,647
Construction loans	1,272,681	1,355,061	1,195,167	1,120,337	1,219,635	1,138,592	1,095,048	1,101,867
Total	13,719,120	13,325,758	13,039,662	12,872,680	12,693,422	12,405,181	12,219,277	11,698,383
Loans Under Management	\$ 32,550,738	\$ 32,330,889	\$ 31,496,058	\$ 31,123,254	\$ 30,640,893	\$ 29,321,091	\$ 28,848,831	\$ 27,800,546

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


**Table 8: Deposit principal**

(\$ THOUSANDS)	2020			2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Brokered deposits								
Term	\$ 10,086,228	\$ 10,679,411	\$ 11,278,428	\$ 11,056,440	\$ 10,943,430	\$ 11,097,490	\$ 11,316,137	\$ 10,345,979
Demand	735,306	638,409	523,974	557,211	573,261	597,664	637,777	679,147
	<b>10,821,534</b>	<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>
<i>EQ Bank</i> deposits								
Term	669,951	469,062	861,540	516,195	912,049	549,593	529,144	753,687
Demand	3,648,861	2,818,540	1,845,643	2,150,356	1,604,372	1,701,405	1,689,463	1,434,494
	<b>4,318,812</b>	<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>
Strategic partnerships	677,813	675,433	610,141	602,970	520,948	435,423	315,266	158,705
Deposit notes	554,631	355,265	355,127	348,716	350,138	150,467	150,000	150,000
<b>Total deposit principal</b>	<b>\$ 16,372,790</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>



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

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2020			2019			2018	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Gross impaired loan assets</b>								
Retail	\$ 45,458	\$ 51,065	\$ 46,297	\$ 51,061	\$ 61,459	\$ 50,264	\$ 51,923	\$ 38,469
Commercial excluding equipment leases	19,286	72,206	54,611	45,451	42,464	41,906	42,235	462
Equipment leases <sup>(1)</sup>	30,127	33,317	32,558	25,942	22,325	17,038	27,730	N/A
<b>Total</b>	<b>\$ 94,871</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>Net impaired loan assets</b>								
Retail	\$ 43,760	\$ 49,297	\$ 44,235	\$ 48,863	\$ 59,372	\$ 48,253	\$ 50,253	\$ 36,955
Commercial excluding equipment leases	19,071	71,639	54,205	45,296	42,343	41,846	42,176	450
Equipment leases <sup>(1)</sup>	28,131	30,211	28,846	23,233	20,708	15,641	27,242	N/A
<b>Total</b>	<b>\$ 90,962</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>Net impaired loan assets as a % of portfolio loan assets</b>								
Retail	0.23%	0.26%	0.24%	0.27%	0.33%	0.28%	0.30%	0.23%
Commercial excluding equipment leases	0.23%	0.88%	0.70%	0.58%	0.57%	0.56%	0.58%	0.01%
Equipment leases <sup>(1)</sup>	5.18%	5.83%	5.64%	4.68%	4.24%	3.33%	6.07%	N/A
<b>Total</b>	<b>0.33%</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>

<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	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2020	2019
<b>Stage 1</b>										
Retail	\$ 3,053	\$ 550	\$ 4,477	\$ 568	\$ 495	\$ (70)	\$ 233	\$ 121	\$ 8,080	\$ 658
Commercial excluding equipment leases	2,815	683	2,483	(13)	33	(82)	91	56	5,981	42
Equipment leases <sup>(1)</sup>	(512)	484	468	(463)	4	(78)	4,737	N/A	440	4,663
<b>Total</b>	<b>5,356</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>14,501</b>	<b>5,363</b>
<b>Stage 2</b>										
Retail	(3,608)	1,713	7,186	157	165	(120)	5	(25)	5,291	50
Commercial excluding equipment leases	(5,350)	1,301	3,536	30	18	(76)	(99)	(79)	(513)	(157)
Equipment leases <sup>(1)</sup>	728	655	12,911	895	305	26	1,312	N/A	14,294	1,643
<b>Total</b>	<b>(8,230)</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>19,072</b>	<b>1,536</b>
<b>Stage 3</b>										
Retail	190	133	791	182	567	884	781	488	1,114	2,232
Commercial excluding equipment leases	(339)	160	257	14	104	8	38	67	78	150
Equipment leases <sup>(1)</sup>	666	3,168	3,578	2,547	1,772	894	2,530	N/A	7,412	5,196
<b>Total</b>	<b>517</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>8,604</b>	<b>7,578</b>
<b>Total provision for credit losses</b>										
Retail	(365)	2,396	12,454	907	1,227	694	1,019	584	14,485	2,940
Commercial excluding equipment leases	(2,874)	2,144	6,276	31	155	(150)	30	44	5,546	35
Equipment leases <sup>(1)</sup>	882	4,307	16,957	2,979	2,081	842	8,579	N/A	22,146	11,502
<b>Total</b>	<b>\$ (2,357)</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>\$ 42,177</b>	<b>\$ 14,477</b>
<b>Total provision for credit losses as a % of average portfolio loan principal</b>										
Retail	(0.01%)	0.05%	0.27%	0.02%	0.03%	0.02%	0.02%	0.02%	0.10%	0.02%
Commercial excluding equipment leases	(0.14%)	0.11%	0.32%	0.002%	0.01%	(0.01%)	0.002%	(0.002%)	0.09%	0.001%
Equipment leases <sup>(1)</sup>	0.66%	3.35%	13.47%	2.42%	1.74%	0.73%	7.74%	N/A	5.69%	3.31%
<b>Total</b>	<b>(0.03%)</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>0.21%</b>	<b>0.08%</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		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2020	2019
<b>Stage 1 &amp; 2 allowances</b>										
Balance, beginning of period	\$ 68,292	\$ 62,906	\$ 31,845	\$ 30,671	\$ 29,651	\$ 30,051	\$ 23,772	\$ 23,699	\$ 31,845	\$ 23,772
Provision for credit losses:										
Transfer from Stage 3	641	256	418	296	298	227	91	48	1,315	616
Transfer to Stage 3	(759)	(443)	(466)	(8)	(6)	(7)	(6)	(3)	(1,668)	(19)
Re-measurement <sup>(2)</sup>	(3,433)	2,222	29,146	14	(33)	(837)	(191)	(317)	27,935	(1,061)
Originations	2,119	4,091	2,187	584	552	340	394	447	8,397	1,286
Discharges	(1,442)	(740)	(224)	(143)	(100)	(71)	(58)	(102)	(2,406)	(229)
Finance leases acquired <sup>(3)</sup>	-	-	-	431	309	(52)	6,049	-	-	6,306
Balance, end of period	\$ 65,418	\$ 68,292	\$ 62,906	\$ 31,845	\$ 30,671	\$ 29,651	\$ 30,051	\$ 23,772	\$ 65,418	\$ 30,671
<b>Stage 3 allowance</b>										
Balance, beginning of period	\$ 5,441	\$ 6,180	\$ 5,062	\$ 3,825	\$ 3,468	\$ 2,217	\$ 1,526	\$ 1,231	\$ 5,062	\$ 1,526
Provision for credit losses:										
Transfer to Stage 1	(312)	(183)	(341)	(224)	(264)	(179)	(51)	(25)	(836)	(494)
Transfer to Stage 2	(329)	(73)	(77)	(72)	(34)	(48)	(40)	(23)	(479)	(122)
Transfer from Stage 1	10	25	19	2	1	1	1	-	54	3
Transfer from Stage 2	749	418	447	6	5	6	5	3	1,614	16
Re-measurement <sup>(2)</sup>	399	3,274	4,578	483	963	1,112	904	600	8,251	2,979
Originations	-	-	-	-	-	-	-	-	-	-
Discharges	-	-	-	-	-	-	-	-	-	-
Finance leases acquired <sup>(3)</sup>	-	-	-	2,548	1,772	894	2,530	-	-	5,196
Write-offs	(1,777)	(3,774)	(2,575)	(1,456)	(1,552)	15	(2,042)	-	(8,126)	(3,579)
Realized losses	(280)	(436)	(948)	(351)	(545)	(598)	(661)	(343)	(1,664)	(1,804)
Recoveries	8	10	15	301	11	48	45	83	33	104
Balance, end of period	\$ 3,909	\$ 5,441	\$ 6,180	\$ 5,062	\$ 3,825	\$ 3,468	\$ 2,217	\$ 1,526	\$ 3,909	\$ 3,825
<b>Total allowance</b>										
Balance, beginning of period	\$ 73,733	\$ 69,086	\$ 36,907	\$ 34,496	\$ 33,119	\$ 32,268	\$ 25,298	\$ 24,930	\$ 36,907	\$ 25,298
Provision for credit losses:										
Re-measurement <sup>(2)</sup>	(3,034)	5,496	33,724	497	930	275	713	283	36,186	1,918
Originations	2,119	4,091	2,187	584	552	340	394	447	8,397	1,286
Discharges	(1,442)	(740)	(224)	(143)	(100)	(71)	(58)	(102)	(2,406)	(229)
Finance leases acquired <sup>(3)</sup>	-	-	-	2,979	2,081	842	8,579	-	-	11,502
Write-offs	(1,777)	(3,774)	(2,575)	(1,456)	(1,552)	15	(2,042)	-	(8,126)	(3,579)
Realized losses	(280)	(436)	(948)	(351)	(545)	(598)	(661)	(343)	(1,664)	(1,804)
Recoveries	8	10	15	301	11	48	45	83	33	104
Balance, end of period	\$ 69,327	\$ 73,733	\$ 69,086	\$ 36,907	\$ 34,496	\$ 33,119	\$ 32,268	\$ 25,298	\$ 69,327	\$ 34,496

<sup>(1)</sup> The allowance for credit losses as at September 30, 2020 includes allowance on loan commitments amounting to \$133 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	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
<b>Stage 1</b>									
Retail	\$ 11,375	\$ 8,322	\$ 7,771	\$ 3,295	\$ 2,726	\$ 2,231	\$ 2,301	\$ 2,068	
Commercial excluding equipment leases	18,539	15,724	15,042	12,558	12,570	12,537	12,619	12,528	
Equipment leases <sup>(1)</sup>	4,640	5,152	4,668	4,200	4,663	4,659	4,737	N/A	
<b>Total</b>	<b>34,554</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>Stage 2</b>									
Retail	7,708	11,316	9,603	2,417	2,260	2,095	2,215	2,210	
Commercial excluding equipment leases	6,325	11,675	10,374	6,838	6,809	6,791	6,867	6,966	
Equipment leases <sup>(1)</sup>	16,831	16,103	15,448	2,537	1,643	1,338	1,312	N/A	
<b>Total</b>	<b>30,864</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>Stage 3</b>									
Retail	1,698	1,768	2,062	2,198	2,087	2,011	1,670	1,514	
Commercial excluding equipment leases	215	567	406	155	121	60	59	12	
Equipment leases <sup>(1)</sup>	1,996	3,106	3,712	2,709	1,617	1,397	488	N/A	
<b>Total</b>	<b>3,909</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>Total allowance for credit losses</b>									
Retail	20,781	21,406	19,436	7,910	7,073	6,337	6,186	5,792	
Commercial excluding equipment leases	25,079	27,966	25,822	19,551	19,500	19,388	19,545	19,506	
Equipment leases <sup>(1)</sup>	23,467	24,361	23,828	9,446	7,923	7,394	6,537	N/A	
<b>Total</b>	<b>\$ 69,327</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>Allowance for credit losses as a % of portfolio loan assets</b>									
Retail	0.11%	0.11%	0.10%	0.04%	0.04%	0.04%	0.04%	0.04%	
Commercial excluding equipment leases	0.31%	0.34%	0.33%	0.25%	0.26%	0.26%	0.27%	0.27%	
Equipment leases <sup>(1)</sup>	4.32%	4.70%	4.66%	1.90%	1.62%	1.58%	1.46%	N/A	
<b>Total</b>	<b>0.25%</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>	

<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>**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2020						2019						2018			
	Q3		Q2		Q1		Q4		Q3		Q2		Q1		Q4	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Retail</b>																
Ontario	\$ 11,504,198	42%	\$ 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%
Alberta	2,772,944	10%	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%
Quebec	1,284,399	5%	1,274,217	5%	1,059,841	4%	1,044,110	4%	981,571	4%	801,727	3%	762,169	3%	701,573	3%
British Columbia	2,147,403	8%	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%
Saskatchewan	336,411	1%	342,451	1%	329,372	1%	331,581	1%	329,188	1%	314,279	1%	312,872	1%	303,723	1%
Other Provinces	786,263	3%	771,983	3%	730,242	3%	736,650	3%	717,594	3%	653,402	3%	650,233	3%	627,533	3%
	<b>18,831,618</b>	<b>69%</b>	<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>Commercial<sup>(2)</sup></b>																
Ontario	4,327,316	16%	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%
Alberta	1,304,998	5%	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%
Quebec	1,505,162	5%	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%
British Columbia	897,595	3%	983,089	4%	1,010,526	4%	960,632	4%	997,045	4%	978,984	4%	999,871	4%	901,253	4%
Saskatchewan	153,723	1%	147,267	1%	136,889	1%	125,488	0%	129,764	1%	152,249	1%	151,804	1%	125,925	1%
Other Provinces	466,586	2%	421,273	2%	427,854	2%	404,985	2%	392,727	2%	402,407	2%	383,374	2%	372,007	2%
	<b>8,655,380</b>	<b>31%</b>	<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>Total loan principal</b>	<b>\$ 27,486,998</b>	<b>100%</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>Total<sup>(2)</sup></b>																
Ontario	\$ 15,831,514	58%	\$ 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%
Alberta	4,077,942	15%	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%
Quebec	2,789,561	10%	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%
British Columbia	3,044,998	11%	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%
Saskatchewan	490,134	2%	489,718	2%	466,261	2%	457,069	2%	458,952	2%	466,528	2%	464,676	2%	429,648	2%
Other Provinces	1,252,849	5%	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%
<b>Total loan principal</b>	<b>\$ 27,486,998</b>	<b>100%</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>

<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)								
	Q3 2020							
Ontario	\$ 4,345,072	23%	\$ 7,067,850	38%	\$ 75,519	73%	\$ 7,143,369	38%
Alberta	1,994,603	11%	773,598	4%	4,340	4%	777,938	4%
British Columbia	1,110,937	6%	1,015,801	5%	20,521	20%	1,036,322	6%
Manitoba	246,951	1%	57,728	0%	565	1%	58,293	0%
Saskatchewan	290,632	2%	43,656	0%	770	1%	44,426	0%
Other Provinces	1,111,896	6%	651,101	3%	1,740	2%	652,841	3%
Total residential mortgages	\$ 9,100,091	49%	\$ 9,609,734	51%	\$ 103,455	100%	\$ 9,713,189	52%

							Q3 2019	
	Total	%	Total	%	Total	%	Total	%
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
Ontario	\$ 3,808,574	21%	\$ 7,723,803	43%	\$ 52,842	76%	\$ 7,776,645	43%
Alberta	1,577,160	9%	828,624	5%	4,412	6%	833,036	5%
British Columbia	932,665	5%	980,376	5%	10,284	15%	990,660	6%
Manitoba	210,753	1%	65,633	0%	582	1%	66,215	0%
Saskatchewan	277,056	2%	51,123	0%	810	1%	51,933	0%
Other Provinces	790,873	4%	630,267	4%	957	1%	631,224	4%
Total residential mortgages	\$ 7,597,081	42%	\$ 10,279,826	58%	\$ 69,887	100%	\$ 10,349,713	58%

<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.

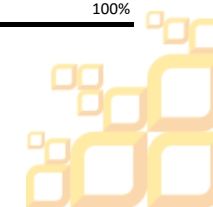
<sup>(4)</sup> HELOC, Standalone HELOC ("SHELOC"), and *Equitable Bank Reverse Mortgage* (formerly called *PATH Home Plan*) are collectively referred to as "HELOC" in this Report wherever applicable.



**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 <sup>(2)</sup>	>=35 years <sup>(2)</sup>	Total
<b>Q3 2020</b>									
Total residential mortgages	\$ 9,518	\$ 93,892	\$ 381,777	\$ 2,431,210	\$ 6,158,885	\$ 8,913,583	\$ 717,507	\$ 3,453	\$ 18,709,825
	0.05%	0.50%	2.04%	12.99%	32.92%	47.64%	3.83%	0.02%	100%
<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%

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

<sup>(2)</sup> The increase in mortgages in the 30 - <35 and >=35 year remaining amortization buckets during Q2 and Q3 2020 is the result of COVID-19 mortgage payment deferrals.


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

	2020						2019						2018			
	Q3		Q2		Q1		Q4		Q3		Q2		Q1		Q4	
	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%	32%	68%	23%	70%	19%	70%	17%	71%	19%	71%	19%	71%	19%	70%	14%
Alberta	70%	31%	67%	56%	70%	33%	69%	5%	71%	4%	70%	31%	71%	11%	71%	16%
British Columbia	66%	22%	67%	27%	69%	20%	67%	7%	64%	14%	68%	14%	67%	9%	65%	6%
Manitoba	67%	0%	73%	0%	69%	12%	70%	6%	70%	6%	62%	16%	69%	7%	72%	18%
Saskatchewan	68%	0%	69%	1%	66%	1%	67%	6%	61%	0%	62%	6%	68%	2%	67%	15%
Other Provinces	69%	30%	71%	29%	71%	2%	72%	20%	72%	12%	72%	3%	72%	2%	70%	29%
Total Canada	68%	30%	68%	26%	70%	20%	70%	16%	70%	18%	70%	18%	71%	16%	70%	13%

<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	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Ontario	61%	62%	64%	64%	64%	64%	65%	65%
Alberta	67%	67%	68%	67%	67%	67%	67%	67%
British Columbia	64%	64%	64%	64%	64%	64%	65%	64%
Manitoba	63%	65%	67%	66%	65%	67%	67%	67%
Saskatchewan	55%	56%	57%	57%	57%	57%	58%	57%
Other Provinces	63%	64%	66%	66%	66%	67%	67%	66%
Total Canada	62%	62%	64%	65%	64%	65%	66%	65%

<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 \$42.7 million at September 30, 2020 (June 30, 2020 – \$36.8 million, September 30, 2019 – \$37.7 million).



**Table 18: Alternative single family – weighted average beacon score by LTV<sup>(1)(2)</sup>**

	2020			2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<50% LTV	717	711	710	707	705	703	703	702
50% - 64.99% LTV	703	700	698	696	696	696	695	694
65% - 69.99% LTV	699	694	692	690	688	688	687	688
70% - 75% LTV	698	693	690	689	689	688	687	687
>75% LTV	698	695	696	696	696	694	694	693
<b>Total</b>	<b>700</b>	697	695	694	693	692	692	691

<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.

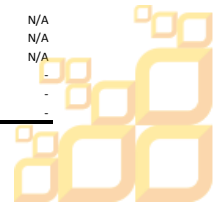






Table 19: Modified Capital Disclosure Template – Equitable Bank

	2020			2019			2018		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
(\$ THOUSANDS, EXCEPT PERCENTAGES)									
<b>Common Equity Tier 1 capital: instruments and reserves</b>									
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 214,980	\$ 214,418	\$ 214,418	\$ 213,995	\$ 211,528	\$ 207,376	\$ 206,418	\$ 203,270
2	Retained earnings	1,331,184	1,264,191	1,218,543	1,199,627	1,150,579	1,101,625	1,053,959	1,019,179
3	Accumulated other comprehensive income (and other reserves)	(24,643)	(29,580)	(36,781)	(18,827)	(20,687)	(20,320)	(18,607)	(17,565)
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	-	-	-	-	-	-	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	-	-	-	-	-	-
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>\$ 1,521,521</b>	<b>\$ 1,449,029</b>	<b>\$ 1,396,180</b>	<b>\$ 1,394,795</b>	<b>\$ 1,341,420</b>	<b>\$ 1,288,681</b>	<b>\$ 1,241,770</b>	<b>\$ 1,204,884</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>									
26	Other deductions and regulatory adjustments to CET1 as determined by OSFI	\$ 17,293	\$ 18,772	\$ 16,125	\$ -	\$ -	\$ -	\$ -	\$ -
28	Total regulatory adjustments to Common Equity Tier 1	(80,569)	(76,986)	(71,505)	(66,591)	(63,240)	(61,883)	(53,324)	(20,684)
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>\$ 1,458,245</b>	<b>\$ 1,390,815</b>	<b>\$ 1,340,800</b>	<b>\$ 1,328,204</b>	<b>\$ 1,278,180</b>	<b>\$ 1,226,798</b>	<b>\$ 1,188,446</b>	<b>\$ 1,184,200</b>
29a	<b>Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied</b>	<b>\$ 1,440,952</b>	<b>\$ 1,372,043</b>	<b>\$ 1,324,675</b>	<b>\$ 1,328,204</b>	<b>\$ 1,278,180</b>	<b>\$ 1,226,798</b>	<b>\$ 1,188,446</b>	<b>\$ 1,184,200</b>
<b>Additional Tier 1 capital: instruments</b>									
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554	\$ 72,554
31	of which: classified as equity under applicable accounting standards	72,554	72,554	72,554	72,554	72,554	72,554	72,554	72,554
32	of which: classified as liabilities under applicable accounting standards	-	-	-	-	-	-	-	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	-	-	-	-	-	-	-
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	of which: instruments issued by subsidiaries subject to phase out	-	-	-	-	-	-	-	-
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>									
43	Total regulatory adjustments to Additional Tier 1 capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Additional Tier 1 capital (AT1)	72,554	72,554	72,554	72,554	72,554	72,554	72,554	72,554
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>\$ 1,530,799</b>	<b>\$ 1,463,369</b>	<b>\$ 1,413,354</b>	<b>\$ 1,400,758</b>	<b>\$ 1,350,734</b>	<b>\$ 1,299,352</b>	<b>\$ 1,261,000</b>	<b>\$ 1,256,754</b>
45a	<b>Tier 1 capital with transitional arrangements for ECL provisioning not applied</b>	<b>\$ 1,513,506</b>	<b>\$ 1,444,597</b>	<b>\$ 1,397,229</b>	<b>\$ 1,400,758</b>	<b>\$ 1,350,734</b>	<b>\$ 1,299,352</b>	<b>\$ 1,261,000</b>	<b>\$ 1,256,754</b>
<b>Tier 2 capital: instruments and allowances</b>									
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Directly issued capital instruments subject to phase out from Tier 2	-	-	-	-	-	-	-	-
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	of which: instruments issued by subsidiaries subject to phase out	-	-	-	-	-	-	-	-
50	Collective allowances	48,125	49,519	46,781	31,844	30,671	29,651	30,051	23,772
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>\$ 48,125</b>	<b>\$ 49,519</b>	<b>\$ 46,781</b>	<b>\$ 31,844</b>	<b>\$ 30,671</b>	<b>\$ 29,651</b>	<b>\$ 30,051</b>	<b>\$ 23,772</b>
<b>Tier 2 capital: regulatory adjustments</b>									
57	Total regulatory adjustments to Tier 2 capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	Tier 2 capital (T2)	48,125	49,519	46,781	31,844	30,671	29,651	30,051	23,772
59	<b>Total capital (TC = T1 + T2)</b>	<b>\$ 1,578,924</b>	<b>\$ 1,512,888</b>	<b>\$ 1,460,135</b>	<b>\$ 1,432,602</b>	<b>\$ 1,381,405</b>	<b>\$ 1,329,003</b>	<b>\$ 1,291,051</b>	<b>\$ 1,280,526</b>
59a	<b>Total capital with transitional arrangements for ECL provisioning not applied</b>	<b>\$ 1,578,924</b>	<b>\$ 1,512,888</b>	<b>\$ 1,460,135</b>	<b>\$ 1,432,602</b>	<b>\$ 1,381,405</b>	<b>\$ 1,329,003</b>	<b>\$ 1,291,051</b>	<b>\$ 1,280,526</b>
60	<b>Total risk-weighted assets</b>	<b>\$ 10,179,647</b>	<b>\$ 9,936,298</b>	<b>\$ 9,916,286</b>	<b>\$ 9,761,287</b>	<b>\$ 9,586,356</b>	<b>\$ 9,373,293</b>	<b>\$ 9,229,237</b>	<b>\$ 8,802,891</b>
<b>Capital ratios</b>									
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	14.3%	14.0%	13.5%	13.6%	13.3%	13.1%	12.9%	13.5%
61a	CET1 Ratio with transitional arrangements for ECL provisioning not applied	14.2%	13.8%	13.4%	13.6%	13.3%	13.1%	12.9%	13.5%
62	Tier 1 (as a percentage of risk-weighted assets)	15.0%	14.7%	14.3%	14.4%	14.1%	13.9%	13.7%	14.3%
62a	Tier 1 Capital Ratio with transitional arrangements for ECL provisioning not applied	14.9%	14.5%	14.1%	14.4%	14.1%	13.9%	13.7%	14.3%
63	Total capital (as a percentage of risk-weighted assets)	15.5%	15.2%	14.7%	14.7%	14.4%	14.2%	14.0%	14.5%
63a	Total Capital Ratio with transitional arrangements for ECL provisioning not applied	15.5%	15.2%	14.7%	14.7%	14.4%	14.2%	14.0%	14.5%
<b>OSFI all-in target</b>									
69	Common Equity Tier 1 capital all-in target ratio	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
70	Tier 1 capital all-in target ratio	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
71	Total capital all-in target ratio	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	Current cap on CET1 instruments subject to phase out arrangements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
81	Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
82	Current cap on AT1 instruments subject to phase out arrangements	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
83	Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-	-	-	-	-	-	-
85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-	-	-



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

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2020			2019			2018	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>On-balance sheet exposure</b>								
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 30,217,624	\$ 29,733,736	\$ 28,614,420	\$ 27,948,720	\$ 27,007,109	\$ 25,950,516	\$ 25,494,724	\$ 24,481,165
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)	(59,799)	(54,605)	(53,199)	(66,832)	(60,572)	(59,891)	(52,735)	(23,333)
5 <b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 4)</b>	\$ 30,157,825	\$ 29,679,131	\$ 28,561,221	\$ 27,881,888	\$ 26,946,537	\$ 25,890,625	\$ 25,441,989	\$ 24,457,832
<b>Derivative exposures</b>								
6 Replacement cost associated with all derivative transactions	\$ 24,124	\$ 15,336	\$ 35,280	\$ 21,560	\$ 12,815	\$ 8,727	\$ 6,241	\$ 20,237
7 Add-on amounts for potential future exposure associated with all derivative transactions	22,649	23,440	8,938	9,860	13,888	14,045	13,864	40,137
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)	-	-	-	-	-	-	-	-
11 <b>Total derivative exposures (sum of lines 6 to 10)</b>	\$ 46,773	\$ 38,776	\$ 44,218	\$ 31,420	\$ 26,703	\$ 22,772	\$ 20,105	\$ 60,374
<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	\$ 200,008	\$ 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	8,669	11,638	14,847	10,174	-	-	-	-
15 Agent transaction exposures	-	-	-	-	-	-	-	-
16 <b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	\$ 208,677	\$ 212,008	\$ 514,843	\$ 160,243	\$ 250,079	\$ 125,069	\$ 547,620	\$ 250,000
<b>Other off-balance sheet exposures</b>								
17 Off-balance sheet exposure at gross notional amount	\$ 2,029,676	\$ 1,835,653	\$ 2,016,432	\$ 1,935,711	\$ 2,116,158	\$ 2,051,512	\$ 1,833,658	\$ 1,544,684
18 (Adjustments for conversion to credit equivalent amounts)	(1,375,901)	(1,192,191)	(1,331,641)	(1,260,667)	(1,455,407)	(1,371,438)	(1,224,751)	(992,212)
19 <b>Off-balance sheet items (sum of lines 17 and 18)</b>	\$ 653,775	\$ 643,462	\$ 684,791	\$ 675,044	\$ 660,751	\$ 680,074	\$ 608,907	\$ 552,472
<b>Capital and Total Exposure</b>								
20 Tier 1 capital	\$ 1,530,799	\$ 1,463,369	\$ 1,413,354	\$ 1,400,758	\$ 1,350,734	\$ 1,299,352	\$ 1,261,000	\$ 1,256,754
20a Tier 1 capital with transitional arrangements for ECL provisioning not applied	1,513,506	1,444,597	1,397,229	1,400,758	1,350,734	1,299,352	1,261,000	1,256,754
21 <b>Total Exposures (sum of lines 5, 11, 16 and 19)</b>	\$ 31,067,050	\$ 30,573,377	\$ 29,805,073	\$ 28,748,595	\$ 27,884,070	\$ 26,718,540	\$ 26,618,621	\$ 25,320,678
<b>Leverage Ratios</b>								
22 <b>Basel III Leverage Ratio</b>	4.9%	4.8%	4.7%	4.9%	4.8%	4.9%	4.7%	5.0%
22a <b>Basel III Leverage Ratio with transitional arrangements for ECL provisioning not applied</b>	4.9%	4.7%	4.7%	4.9%	4.8%	4.9%	4.7%	5.0%



**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

