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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  
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**B A N K**™ 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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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 twelve months ended December 31, 2019



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**Notes to Readers****Reporting Changes**

Effective Q1 2019, Equitable Group Inc. ("Equitable" or the "Company") began reporting the financial results of its businesses based on two portfolios: Retail and Commercial. This reporting structure better aligns our assets with our customer segments and the way in which we manage the businesses. It is also more consistent with market practice. Please refer to Note 2(f) to the 2019 consolidated financial statements for further details. In addition, the calculation of Net interest margin ("NIM") and the Efficiency Ratio does not include Tax equivalent basis ("TEB") adjustments.

We have updated all historical figures contained in this Supplemental Information and Regulatory Disclosures Report (the "Rep ort") to conform to this new reporting format.

**Purpose of this document**

This 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.

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 2019 annual report.

**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".

**Adoption of IFRS 16**

Effective January 1, 2019, the Company adopted IFRS 16 *Leases* ("IFRS 16") issued by the IASB, which replaced the IAS 17 *Leases*. Please refer Note 3 to the consolidated financial statements for a summary of Company's accounting policies as it relates to IFRS 16. We restated the opening retained earnings balance on January 1, 2019 to reflect the impact of the new requirements but did not restate the comparative periods, as permitted by the standard. Therefore, current year disclosures are not directly comparable to prior year periods.



**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	<b>Table 21: ten-year statistical review</b>	27
Table 6: Average balance sheet information	12		
Table 7: Loan principal under administration – by lending business	13	<b>Non-GAAP measures</b>	29
Table 8: Deposit principal	14		
		<b>Acronyms</b>	31
<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)	2019				2018				YTD	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2019	2018
<b>RESULTS OF OPERATIONS</b>										
Net income	\$ 55,854	\$ 54,942	\$ 54,022	\$ 41,661	\$ 40,116	\$ 47,806	\$ 37,537	\$ 40,167	\$ 206,479	\$ 165,626
Adjusted net income <sup>(1)</sup>	56,045	54,754	54,512	46,579	45,535	45,662	41,510	40,071	211,890	172,778
Net income available to common shareholders	54,736	53,751	52,831	40,470	38,926	46,615	36,346	38,976	201,788	160,863
Net interest income	124,827	118,147	114,322	105,352	94,591	93,024	79,496	81,270	462,648	348,381
Total revenue	302,822	293,285	283,625	271,494	239,568	232,410	214,958	200,786	1,151,226	887,722
EPS – basic <sup>(2)</sup>	3.27	3.22	3.17	2.44	2.35	2.82	2.20	2.36	12.10	9.73
EPS – diluted <sup>(2)</sup>	3.21	3.18	3.15	2.42	2.33	2.80	2.19	2.34	11.97	9.67
Adjusted EPS – diluted <sup>(1)</sup>	3.22	3.17	3.18	2.72	2.66	2.67	2.43	2.34	12.29	10.10
ROE <sup>(3)</sup>	15.9%	16.2%	16.8%	13.4%	12.9%	15.9%	13.0%	14.5%	15.5%	14.1%
Adjusted ROE <sup>(1)</sup>	15.9%	16.2%	16.9%	15.0%	14.7%	15.2%	14.4%	14.5%	15.9%	14.7%
Return on average assets <sup>(3)</sup>	0.8%	0.8%	0.8%	0.7%	0.7%	0.8%	0.7%	0.8%	0.8%	0.7%
Return on RWA <sup>(3)</sup>	2.3%	2.3%	2.3%	1.8%	1.9%	2.4%	2.0%	2.2%	2.2%	2.1%
NIM <sup>(3)</sup>	1.78%	1.75%	1.76%	1.67%	1.58%	1.66%	1.50%	1.60%	1.74%	1.59%
Efficiency Ratio <sup>(3)(4)</sup>	40.6%	39.5%	39.5%	41.1%	41.7%	36.5%	43.2%	37.9%	40.2%	39.7%
<b>BALANCE SHEET</b>										
Total assets	28,392,452	27,544,976	26,361,201	26,327,464	25,037,145	23,147,614	21,944,721	21,054,763		
Assets Under Management <sup>(3)</sup>	33,005,353	32,333,820	30,909,183	30,830,162	29,410,999	27,495,398	26,142,735	25,259,152		
Loans receivable	26,607,830	25,960,054	24,867,909	24,446,452	23,526,404	21,671,338	20,455,377	19,676,690		
Loans Under Management <sup>(3)</sup>	31,123,254	30,640,893	29,321,091	28,848,831	27,800,546	25,935,686	24,568,457	23,794,216		
Preferred Shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557		
Common shareholders' equity	1,395,157	1,338,965	1,287,089	1,241,411	1,207,470	1,187,318	1,140,395	1,108,915		
Liquid assets <sup>(3)</sup>	1,690,337	1,431,940	1,592,125	2,046,896	1,406,592	1,439,394	1,782,905	1,775,459		
Total assets held for regulatory purposes as a % of total										
Equitable Bank assets	5.5%	4.8%	5.6%	7.3%	5.1%	5.6%	7.5%	7.8%		
Total liquid assets as a % of total assets	6.0%	5.2%	6.0%	7.8%	5.6%	6.2%	8.1%	8.4%		
Deposit principal	15,231,888	14,904,198	14,532,042	14,637,787	13,522,012	12,894,384	12,366,734	11,880,741		

<sup>(1)</sup> These adjusted results are derived by removing after-tax mark-to-market gains/losses on certain securities 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").

Q2 2018 results are also adjusted for the after-tax write-down of unamortized upfront costs associated with the reduction of the Company's secured backstop facility.

<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)	2019				2018				YTD	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2019	2018
<b>CREDIT QUALITY</b>										
Provision for credit losses	\$ 3,917	\$ 3,463	\$ 1,386	\$ 9,628	\$ 628	\$ 517	\$ 168	\$ 770	\$ 18,394	\$ 2,083
Provision for credit losses – rate <sup>(1)</sup>	0.06%	0.05%	0.02%	0.16%	0.01%	0.01%	0.003%	0.02%	0.07%	0.01%
Net impaired loan as a % of total loan assets	0.44%	0.47%	0.42%	0.49%	0.16%	0.16%	0.13%	0.13%		
Allowance for credit losses as a % of total loan assets	0.14%	0.13%	0.13%	0.13%	0.11%	0.11%	0.12%	0.13%		
<b>SHARE CAPITAL</b>										
Common shares outstanding	16,797,593	16,743,253	16,666,896	16,642,685	16,554,018	16,553,113	16,520,618	16,515,238		
Book value per common share <sup>(1)(2)</sup>	83.06	79.97	77.22	74.59	72.94	71.73	69.03	67.14		
Common share price – close	109.35	103.81	72.59	64.73	59.12	68.87	59.56	53.68		
Common share market capitalization	1,836,817	1,738,117	1,209,850	1,077,281	978,674	1,140,013	983,968	886,538		
Dividends declared per: <sup>(3)</sup>										
Common share	0.35	0.33	0.31	0.30	0.28	0.27	0.27	0.26	1.29	1.08
Preferred share – Series 3	0.37	0.40	0.40	0.40	0.40	0.40	0.40	0.40	1.56	1.59
Dividend Yield <sup>(4)</sup>	1.3%	1.5%	1.8%	1.8%	1.7%	1.7%	1.9%	1.7%	1.5%	1.7%
Dividend Payout <sup>(4)</sup>	10.9%	10.4%	9.8%	12.4%	12.0%	9.6%	12.3%	11.1%	10.8%	11.2%
<b>EQUITABLE BANK CAPITAL RATIOS<sup>(1)(4)</sup></b>										
RWA	9,761,287	9,586,356	9,373,293	9,229,237	8,802,891	8,389,236	7,790,674	7,396,553		
CET1 Ratio	13.6%	13.3%	13.1%	12.9%	13.5%	13.8%	14.3%	14.7%		
Tier 1 Capital Ratio	14.4%	14.1%	13.9%	13.7%	14.3%	14.7%	15.3%	15.7%		
Total Capital Ratio	14.7%	14.4%	14.2%	14.0%	14.5%	15.0%	15.6%	16.0%		
Leverage Ratio	4.9%	4.8%	4.9%	4.7%	5.0%	5.3%	5.4%	5.5%		

<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.

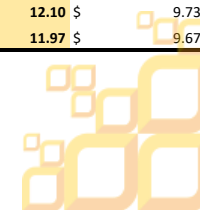
<sup>(4)</sup> Effective January 1, 2019, the Bank adopted IFRS 16 and the transitional impact on regulatory capital and RWA was recognized upon adoption.





**Table 2: Consolidated statements of income**

(\$ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	2019				2018				YTD	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2019	2018
Interest income:										
Loans – Retail	\$ 182,524	\$ 176,082	\$ 168,136	\$ 159,222	\$ 151,238	\$ 138,553	\$ 129,328	\$ 122,467	\$ 685,964	\$ 541,586
Loans – Commercial	101,546	98,477	98,208	97,629	82,059	76,923	70,258	65,524	395,860	294,764
Investments	2,462	2,304	2,084	1,821	1,825	1,496	1,500	1,046	8,671	5,867
Other	6,937	6,720	6,724	5,934	4,914	4,964	4,163	3,805	26,315	17,846
	<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>205,249</b>	<b>192,842</b>	<b>1,116,810</b>	<b>860,063</b>
Interest expense:										
Deposits	99,385	97,169	96,280	92,363	84,433	76,666	68,748	61,144	385,197	290,991
Securitization liabilities	65,950	64,858	62,653	62,903	55,898	47,581	44,825	43,562	256,364	191,866
Bank facilities	1,061	1,706	1,897	2,655	3,557	3,423	11,536	5,726	7,319	24,242
Others	2,246	1,703	-	1,333	1,557	1,242	644	1,140	5,282	4,583
	<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>125,753</b>	<b>111,572</b>	<b>654,162</b>	<b>511,682</b>
Net interest income	<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>79,496</b>	<b>81,270</b>	<b>462,648</b>	<b>348,381</b>
Provision for credit losses	<b>3,917</b>	<b>3,463</b>	<b>1,386</b>	<b>9,628</b>	<b>628</b>	<b>517</b>	<b>168</b>	<b>770</b>	<b>18,394</b>	<b>2,083</b>
Net interest income after provision for credit losses	<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>79,328</b>	<b>80,500</b>	<b>444,254</b>	<b>346,298</b>
Other income:										
Fees and other income	6,201	6,110	5,900	5,644	4,462	4,843	6,547	5,377	23,855	21,229
Net (loss) gain on investments	99	(327)	76	(821)	(3,754)	131	138	(370)	(973)	(3,855)
Gains (losses) on securitization activities and income from securitization retained interests	3,053	3,919	2,497	2,065	(1,176)	5,500	3,024	2,937	11,534	10,285
	<b>9,353</b>	<b>9,702</b>	<b>8,473</b>	<b>6,888</b>	<b>(468)</b>	<b>10,474</b>	<b>9,709</b>	<b>7,944</b>	<b>34,416</b>	<b>27,659</b>
Net interest and other income	<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>89,037</b>	<b>88,444</b>	<b>478,670</b>	<b>373,957</b>
Non-interest expenses:										
Compensation and benefits	25,920	25,696	25,751	24,284	20,021	19,406	19,032	18,603	101,651	77,062
Other	28,557	24,793	22,745	21,827	19,212	18,391	19,491	15,207	97,922	72,301
	<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>38,523</b>	<b>33,810</b>	<b>199,573</b>	<b>149,363</b>
Income before income taxes	<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>50,514</b>	<b>54,634</b>	<b>279,097</b>	<b>224,594</b>
Income taxes:										
Current	27,916	14,524	17,861	13,576	10,526	17,124	12,404	14,320	73,877	54,374
Deferred	(7,984)	4,431	1,030	1,264	3,620	254	573	147	(1,259)	4,594
	<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>12,977</b>	<b>14,467</b>	<b>72,618</b>	<b>58,968</b>
Net income	<b>\$ 55,854</b>	<b>\$ 54,942</b>	<b>\$ 54,022</b>	<b>\$ 41,661</b>	<b>\$ 40,116</b>	<b>\$ 47,806</b>	<b>\$ 37,537</b>	<b>\$ 40,167</b>	<b>\$ 206,479</b>	<b>\$ 165,626</b>
Dividends on preferred shares	<b>1,118</b>	<b>1,191</b>	<b>1,191</b>	<b>1,191</b>	<b>1,190</b>	<b>1,191</b>	<b>1,191</b>	<b>1,191</b>	<b>4,691</b>	<b>4,763</b>
Net income available to common shareholders	<b>\$ 54,736</b>	<b>\$ 53,751</b>	<b>\$ 52,831</b>	<b>\$ 40,470</b>	<b>\$ 38,926</b>	<b>\$ 46,615</b>	<b>\$ 36,346</b>	<b>\$ 38,976</b>	<b>\$ 201,788</b>	<b>\$ 160,863</b>
Common shares outstanding:										
Weighted average basic	<b>16,756,323</b>	<b>16,705,416</b>	<b>16,650,635</b>	<b>16,573,522</b>	<b>16,553,212</b>	<b>16,528,351</b>	<b>16,517,020</b>	<b>16,507,603</b>	<b>16,672,068</b>	<b>16,526,676</b>
Weighted average diluted	<b>17,031,780</b>	<b>16,920,557</b>	<b>16,770,276</b>	<b>16,702,520</b>	<b>16,672,512</b>	<b>16,654,209</b>	<b>16,603,186</b>	<b>16,629,832</b>	<b>16,857,362</b>	<b>16,640,095</b>
Earnings per share:										
Basic	\$ 3.27	\$ 3.22	\$ 3.17	\$ 2.44	\$ 2.35	\$ 2.82	\$ 2.20	\$ 2.36	\$ 12.10	\$ 9.73
Diluted	\$ 3.21	\$ 3.18	\$ 3.15	\$ 2.42	\$ 2.33	\$ 2.80	\$ 2.19	\$ 2.34	\$ 11.97	\$ 9.67



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

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2019											
	Q4			Q3			Q2			Q1		
	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	\$ 1,534,834	2.04%	\$ 7,894	\$ 1,493,616	1.94%	\$ 7,319	\$ 1,435,249	2.04%	\$ 7,289	\$ 1,341,761	1.93%	\$ 6,379
Equity securities	122,148	4.89%	1,505	119,546	5.66%	1,705	123,456	4.93%	1,519	129,862	4.30%	1,376
Alternative single family mortgages	11,323,793	4.94%	141,065	11,200,968	4.90%	138,443	11,006,951	4.85%	133,183	10,730,758	4.78%	126,348
Prime single family mortgages	6,753,477	2.42%	41,186	6,114,664	2.43%	37,447	5,773,940	2.42%	34,835	5,621,753	2.37%	32,803
Other retail loans	19,136	5.66%	273	12,965	5.86%	192	7,911	5.99%	118	4,595	6.28%	71
<b>Total Retail loans</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>	<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>
Conventional commercial loans	3,806,919	6.03%	57,824	3,864,738	5.98%	58,208	3,804,596	6.05%	57,409	3,877,759	6.10%	58,355
Equipment leases <sup>(2)</sup>	487,138	11.58%	14,215	471,264	11.05%	13,128	452,400	12.00%	13,537	416,836	11.88%	12,215
Insured Multi-unit residential mortgages	3,701,514	3.16%	29,507	3,505,267	3.07%	27,141	3,491,212	3.13%	27,262	3,401,457	3.23%	27,059
<b>Total Commercial loans</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>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>Average interest earning assets</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>	<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>
<i>Expenses related to:</i>												
Deposits	\$ 15,020,110	2.63%	\$ 99,385	\$ 14,579,766	2.64%	\$ 97,169	\$ 14,610,659	2.64%	\$ 96,280	\$ 14,057,319	2.66%	\$ 92,363
Secured backstop funding facility <sup>(3)</sup>	-	N/A	625	-	N/A	632	-	N/A	1,441	-	N/A	2,249
Securitization liabilities	10,518,470	2.49%	65,950	10,079,157	2.55%	64,858	9,839,097	2.55%	62,653	9,697,566	2.63%	62,903
Other	513,408	2.07%	2,682	545,930	2.02%	2,777	39,996	4.57%	456	192,275	3.67%	1,739
<b>Average interest bearing liabilities</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>\$ 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>Net interest income and margin</b>		<b>1.78%</b>	<b>\$ 124,827</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>

<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)	2018											
	Q4			Q3			Q2			Q1		
	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	\$ 1,106,050	1.84%	\$ 5,124	\$ 1,118,262	1.77%	\$ 4,979	\$ 1,165,096	1.43%	\$ 4,164	\$ 1,147,715	1.34%	\$ 3,805
Equity securities	143,068	4.48%	1,615	145,433	4.04%	1,481	141,869	4.24%	1,499	104,331	4.07%	1,046
Alternative single family mortgages	10,377,724	4.65%	121,683	10,005,745	4.58%	115,614	9,622,198	4.54%	108,887	9,406,019	4.43%	102,846
Prime single family mortgages	5,119,956	2.29%	29,516	4,192,967	2.17%	22,914	3,933,205	2.08%	20,412	3,893,568	2.04%	19,619
Other retail loans	2,481	6.19%	39	1,609	6.22%	25	891	13.06%	29	122	5.80%	2
<b>Total Retail loans</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>	<b>13,556,294</b>	<b>3.83%</b>	<b>129,328</b>	<b>13,299,709</b>	<b>3.73%</b>	<b>122,467</b>
Conventional commercial loans	3,703,914	5.80%	54,183	3,421,150	5.70%	49,136	3,235,323	5.53%	44,607	2,956,079	5.52%	40,267
Equipment leases <sup>(2)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Insured Multi-unit residential mortgages	3,353,071	3.30%	27,876	3,331,698	3.31%	27,787	3,149,418	3.27%	25,651	3,062,534	3.34%	25,257
<b>Total Commercial loans</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>6,384,741</b>	<b>4.41%</b>	<b>70,258</b>	<b>6,018,613</b>	<b>4.42%</b>	<b>65,524</b>
<b>Average interest earning assets</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>	<b>\$ 21,248,000</b>	<b>3.87%</b>	<b>\$ 205,249</b>	<b>\$ 20,570,368</b>	<b>3.80%</b>	<b>\$ 192,842</b>
<i>Expenses related to:</i>												
Deposits	\$ 13,173,201	2.54%	\$ 84,432	\$ 12,626,633	2.41%	\$ 76,666	\$ 12,106,838	2.28%	\$ 68,748	\$ 11,430,882	2.17%	\$ 61,144
Secured backstop funding facility <sup>(3)</sup>	-	N/A	2,273	-	N/A	2,289	-	N/A	10,999	-	N/A	5,293
Securitization liabilities	8,653,299	2.56%	55,898	7,723,784	2.44%	47,581	7,496,880	2.40%	44,825	7,494,697	2.36%	43,562
Other	485,294	2.32%	2,842	433,512	2.17%	2,376	219,020	2.16%	1,181	311,148	2.05%	1,573
<b>Average interest bearing liabilities</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>\$ 19,822,738</b>	<b>2.54%</b>	<b>\$ 125,753</b>	<b>\$ 19,236,727</b>	<b>2.35%</b>	<b>\$ 111,572</b>
<b>Net interest income and margin</b>		<b>1.58%</b>	<b>\$ 94,591</b>		<b>1.66%</b>	<b>\$ 93,024</b>		<b>1.50%</b>	<b>\$ 79,496</b>		<b>1.60%</b>	<b>\$ 81,270</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	\$ 1,435,296	2.01%	\$ 28,881	\$ 1,134,281	1.59%	\$ 18,072
Equity securities	123,753	4.93%	6,105	133,675	4.22%	5,641
Alternative single family mortgages	11,065,617	4.87%	539,039	9,852,921	4.56%	449,030
Prime single family mortgages	6,065,959	2.41%	146,271	4,284,924	2.16%	92,461
Other retail loans	11,152	5.85%	654	1,276	7.42%	95
<b>Total Retail loans</b>	<b>17,142,728</b>	<b>4.00%</b>	<b>685,964</b>	<b>14,139,121</b>	<b>3.83%</b>	<b>541,586</b>
Conventional commercial loans	3,838,503	6.04%	231,796	3,329,119	5.65%	188,193
Equipment leases <sup>(2)</sup>	456,910	11.62%	53,095	N/A	N/A	N/A
Insured Multi-unit residential mortgages	3,524,862	3.15%	110,969	3,224,180	3.31%	106,571
<b>Total Commercial loans</b>	<b>7,820,275</b>	<b>5.06%</b>	<b>395,860</b>	<b>6,553,299</b>	<b>4.50%</b>	<b>294,764</b>
<b>Average interest earning assets</b>	<b>\$ 26,522,052</b>	<b>4.21%</b>	<b>\$ 1,116,810</b>	<b>\$ 21,960,376</b>	<b>3.92%</b>	<b>\$ 860,063</b>
<i>Expenses related to:</i>						
Deposits	\$ 14,566,963	2.64%	\$ 385,197	\$ 12,334,389	2.36%	\$ 290,990
Secured backstop funding facility <sup>(3)</sup>	-	N/A	4,947	-	N/A	20,854
Securitization liabilities	10,033,573	2.56%	256,364	7,842,165	2.45%	191,866
Other	322,902	2.37%	7,654	362,244	2.20%	7,972
<b>Average interest bearing liabilities</b>	<b>\$ 24,923,438</b>	<b>2.62%</b>	<b>\$ 654,162</b>	<b>\$ 20,538,798</b>	<b>2.49%</b>	<b>\$ 511,682</b>
<b>Net interest income and margin</b>		<b>1.74%</b>	<b>\$ 462,648</b>		<b>1.59%</b>	<b>\$ 348,381</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)	2019				2018				YTD	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2019	2018
Compensation and benefits	\$ 25,920	\$ 25,696	\$ 25,751	\$ 24,284	\$ 20,021	\$ 19,406	\$ 19,032	\$ 18,603	\$ 101,651	\$ 77,062
Technology and system costs	8,976	8,254	7,617	7,429	5,858	6,137	5,751	4,901	32,276	22,647
Marketing and corporate expenses	7,724	4,801	4,776	3,654	3,830	3,509	5,696	2,962	20,955	15,997
Regulatory, legal and professional fees	5,261	5,136	4,447	4,674	4,303	3,780	3,117	2,749	19,518	13,949
Product costs	4,453	4,339	3,645	3,842	3,372	3,278	3,377	3,055	16,279	13,082
Premises	2,143	2,263	2,260	2,228	1,849	1,687	1,550	1,540	8,894	6,626
<b>Total non-interest expenses</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>\$ 38,523</b>	<b>\$ 33,810</b>	<b>\$ 199,573</b>	<b>\$ 149,363</b>
Efficiency Ratio	40.6%	39.5%	39.5%	41.1%	41.7%	36.5%	43.2%	37.9%	40.2%	39.7%
Full-time employee ("FTE") – period average	857	839	820	795	665	640	613	604	828	631



**Table 5: Consolidated balance sheets**

(\$ THOUSANDS)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Assets</b>								
Cash and cash equivalents	\$ 508,853	\$ 373,904	\$ 424,422	\$ 486,422	\$ 477,243	\$ 755,952	\$ 793,688	\$ 698,359
Restricted cash	462,992	408,635	462,438	381,144	327,097	359,283	347,285	333,097
Securities purchased under reverse repurchase agreements	150,069	250,079	125,069	547,620	250,000	-	-	-
Investments	362,611	250,927	196,699	198,321	193,399	159,034	155,048	148,072
Loans – Retail	18,359,805	18,059,496	17,014,738	16,734,424	16,203,139	14,692,346	13,874,941	13,465,351
Loans – Commercial	8,248,025	7,900,558	7,853,171	7,712,028	7,323,265	6,978,992	6,580,436	6,211,339
Securitization retained interests	139,009	132,683	124,561	119,183	115,331	111,202	109,191	106,222
Other assets	161,088	168,694	160,103	148,322	147,671	90,805	84,132	92,323
	<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>\$ 21,944,721</b>	<b>\$ 21,054,763</b>
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 15,442,207	\$ 15,111,948	\$ 14,720,700	\$ 14,821,107	\$ 13,668,521	\$ 13,021,485	\$ 12,476,974	\$ 11,999,157
Securitization liabilities	10,706,956	10,294,459	10,024,334	9,926,375	9,236,045	8,175,776	7,584,327	7,554,866
Obligations under repurchase agreements	507,044	463,071	-	-	342,010	299,028	202,928	104,652
Deferred tax liabilities	54,689	63,284	58,100	59,366	42,610	38,990	38,735	38,162
Other liabilities	213,842	200,692	198,421	206,648	177,961	178,946	177,994	176,454
Bank facilities	-	-	-	-	289,971	173,514	250,811	-
	<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>20,731,769</b>	<b>19,873,291</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	213,277	210,794	206,039	204,492	200,792	200,760	199,305	199,123
Contributed surplus	6,973	6,898	7,132	6,907	7,035	6,707	6,612	6,309
Retained earnings <sup>(1)</sup>	1,193,493	1,144,628	1,096,231	1,049,208	1,014,559	980,272	938,122	906,235
Accumulated other comprehensive loss ("AOCI")	(18,586)	(23,355)	(22,313)	(19,196)	(14,916)	(421)	(3,644)	(2,752)
	<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>1,212,952</b>	<b>1,181,472</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>\$ 21,944,721</b>	<b>\$ 21,054,763</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>**

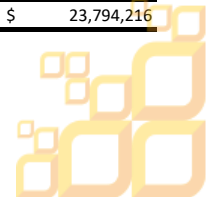
(\$ THOUSANDS)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Assets</b>								
Cash and cash equivalents	\$ 581,075	\$ 584,793	\$ 561,251	\$ 573,721	\$ 545,301	\$ 690,518	\$ 665,875	\$ 636,435
Restricted cash	461,746	449,363	438,358	354,320	373,391	345,071	358,210	344,718
Securities purchased under reverse repurchase agreements	100,037	93,787	168,172	199,405	62,500	-	-	-
Investments	335,034	228,392	200,607	193,993	178,856	157,159	152,376	122,329
Loans – Retail	18,210,190	17,537,941	16,876,702	16,471,346	15,534,431	14,279,044	13,651,722	13,375,158
Loans – Commercial	7,996,155	7,928,967	7,821,675	7,669,674	7,156,407	6,820,397	6,429,401	6,123,584
Securitization retained interests	135,248	126,927	120,231	116,101	111,361	109,398	106,295	103,878
Other assets	164,703	162,010	150,078	143,523	105,843	88,430	89,594	96,453
	<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>\$ 21,453,473</b>	<b>\$ 20,802,555</b>
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 15,254,471	\$ 14,846,749	\$ 14,804,803	\$ 14,248,729	\$ 13,333,004	\$ 12,778,575	\$ 12,226,341	\$ 11,549,408
Securitization liabilities	10,540,175	10,136,834	9,921,044	9,676,235	8,710,856	7,821,158	7,549,145	7,532,079
Obligations under repurchase agreements	465,028	367,032	-	166,245	321,594	276,134	166,565	261,137
Deferred tax liabilities	61,585	59,236	59,050	54,545	40,378	38,805	38,305	37,499
Other liabilities	223,535	194,292	214,424	207,504	192,834	169,752	192,965	156,279
Bank facilities	-	122,221	-	72,493	196,605	168,070	79,816	101,735
	<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>20,253,137</b>	<b>19,638,137</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	211,587	208,101	205,081	201,799	200,768	199,724	199,189	198,816
Contributed surplus	7,014	7,169	7,027	7,071	6,871	6,719	6,468	6,152
Retained earnings	1,170,175	1,121,719	1,073,636	1,031,358	999,819	960,246	924,969	889,168
Accumulated other comprehensive loss	(21,939)	(23,730)	(20,548)	(16,453)	(7,196)	(1,723)	(2,847)	(2,275)
	<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>1,200,336</b>	<b>1,164,418</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>\$ 21,453,473</b>	<b>\$ 20,802,555</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)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Insured</b>								
Retail	\$ 7,766,184	\$ 7,597,081	\$ 6,821,367	\$ 6,870,059	\$ 6,609,559	\$ 5,538,746	\$ 5,242,287	\$ 5,294,502
Commercial	3,849,455	3,596,116	3,643,498	3,444,287	3,528,139	3,401,099	3,358,404	3,135,804
Total loan principal outstanding	\$ 11,615,639	\$ 11,193,197	\$ 10,464,865	\$ 10,314,346	\$ 10,137,698	\$ 8,939,845	\$ 8,600,691	\$ 8,430,306
Total loan principal outstanding percentage	44%	43%	42%	42%	43%	41%	42%	43%
<b>Uninsured</b>								
Retail	\$ 10,484,390	\$ 10,350,390	\$ 10,094,543	\$ 9,759,495	\$ 9,492,604	\$ 9,070,288	\$ 8,547,797	\$ 8,061,562
Commercial	4,410,324	4,308,462	4,213,701	4,272,292	3,796,390	3,577,769	3,221,955	3,097,959
Total loan principal outstanding	\$ 14,894,714	\$ 14,658,852	\$ 14,308,244	\$ 14,031,787	\$ 13,288,994	\$ 12,648,057	\$ 11,769,752	\$ 11,159,521
Total loan principal outstanding percentage	56%	57%	58%	58%	57%	59%	58%	57%
Total loan principal outstanding – on Balance Sheet	\$ 26,510,353	\$ 25,852,049	\$ 24,773,109	\$ 24,346,133	\$ 23,426,692	\$ 21,587,902	\$ 20,370,443	\$ 19,589,827
<b>Derecognized</b>								
Commercial	\$ 4,612,901	\$ 4,788,844	\$ 4,547,982	\$ 4,502,698	\$ 4,373,854	\$ 4,347,784	\$ 4,198,014	\$ 4,204,389
Total loan principal outstanding – off Balance Sheet	\$ 4,612,901	\$ 4,788,844	\$ 4,547,982	\$ 4,502,698	\$ 4,373,854	\$ 4,347,784	\$ 4,198,014	\$ 4,204,389
Loans Under Management	\$ 31,123,254	\$ 30,640,893	\$ 29,321,091	\$ 28,848,831	\$ 27,800,546	\$ 25,935,686	\$ 24,568,457	\$ 23,794,216
<b>Retail</b>								
Alternative single family mortgages	\$ 11,415,214	\$ 11,346,539	\$ 11,155,609	\$ 10,920,051	\$ 10,602,110	\$ 10,225,608	\$ 9,826,147	\$ 9,497,132
Prime single family mortgages	6,813,331	6,586,036	5,749,924	5,703,570	5,496,655	4,381,735	3,962,788	3,858,527
Other retail loans	22,029	14,896	10,377	5,933	3,398	1,691	1,149	405
Total	18,250,574	17,947,471	16,915,910	16,629,554	16,102,163	14,609,034	13,790,084	13,356,064
<b>Commercial</b>								
Mortgages – to Corporates	1,809,579	1,586,030	1,590,603	1,734,367	1,689,641	1,625,780	1,439,961	1,479,025
Mortgages – to Small Business	870,580	880,589	854,743	836,892	817,182	806,774	779,985	760,268
Equipment leases <sup>(1)</sup>	496,056	488,716	469,271	448,812	N/A	N/A	N/A	N/A
Insured Multi-unit residential mortgages	8,336,686	8,288,222	8,125,261	7,879,612	7,827,046	7,697,701	7,526,050	7,308,787
Specialty financing loans	239,442	230,230	226,711	224,546	262,647	247,950	243,558	251,329
Construction loans	1,120,337	1,219,635	1,138,592	1,095,048	1,101,867	948,447	788,819	638,743
Total	12,872,680	12,693,422	12,405,181	12,219,277	11,698,383	11,326,652	10,778,373	10,438,152
Loans Under Management	\$ 31,123,254	\$ 30,640,893	\$ 29,321,091	\$ 28,848,831	\$ 27,800,546	\$ 25,935,686	\$ 24,568,457	\$ 23,794,216

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


**Table 8: Deposit principal**

(\$ THOUSANDS)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Brokered deposits								
Term	\$ 11,056,440	\$ 10,943,430	\$ 11,097,490	\$ 11,316,137	\$ 10,345,979	\$ 9,839,929	\$ 9,402,210	\$ 9,104,613
Demand	557,211	573,261	597,664	637,777	679,147	714,291	773,437	891,783
	<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>	<b>10,175,647</b>	<b>9,996,396</b>
<i>EQ Bank</i> deposits								
Term	516,195	912,049	549,593	529,144	753,687	278,940	157,861	32,677
Demand	2,150,356	1,604,372	1,701,405	1,689,463	1,434,494	1,791,139	1,816,125	1,701,617
	<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>	<b>1,973,986</b>	<b>1,734,294</b>
Strategic partnerships	602,970	520,948	435,423	315,266	158,705	120,085	67,101	51
Deposit notes	348,716	350,138	150,467	150,000	150,000	150,000	150,000	150,000
<b>Total deposit principal</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>	<b>\$ 12,366,734</b>	<b>\$ 11,880,741</b>



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

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Gross impaired loan assets</b>								
Retail	\$ 51,061	\$ 61,459	\$ 50,264	\$ 51,923	\$ 38,469	\$ 35,245	\$ 27,527	\$ 26,879
Commercial excluding equipment leases	45,451	42,464	41,906	42,235	462	272	867	154
Equipment leases <sup>(1)</sup>	25,942	22,325	17,038	27,730	N/A	N/A	N/A	N/A
<b>Total</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>\$ 28,394</b>	<b>\$ 27,033</b>
<b>Net impaired loan assets</b>								
Retail	\$ 48,863	\$ 59,372	\$ 48,253	\$ 50,253	\$ 36,955	\$ 34,014	\$ 26,313	\$ 26,040
Commercial excluding equipment leases	45,296	42,343	41,846	42,176	450	272	846	154
Equipment leases <sup>(1)</sup>	23,233	20,708	15,641	27,242	N/A	N/A	N/A	N/A
<b>Total</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>\$ 27,159</b>	<b>\$ 26,194</b>
<b>Net impaired loan assets as a % of portfolio loan assets</b>								
Retail	0.27%	0.33%	0.28%	0.30%	0.23%	0.23%	0.19%	0.19%
Commercial excluding equipment leases	0.58%	0.57%	0.56%	0.58%	0.01%	0.004%	0.01%	0.002%
Equipment leases <sup>(1)</sup>	4.68%	4.24%	3.33%	6.07%	N/A	N/A	N/A	N/A
<b>Total</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>	<b>0.13%</b>	<b>0.13%</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)	2019				2018				YTD	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2019	2018
<b>Stage 1</b>										
Retail	\$ 568	\$ 495	\$ (70)	\$ 233	\$ 121	\$ 718	\$ (289)	\$ 124	\$ 1,226	\$ 674
Commercial excluding equipment leases	(13)	33	(82)	91	56	(497)	517	(84)	29	(8)
Equipment leases <sup>(1)</sup>	(463)	4	(78)	4,737	N/A	N/A	N/A	N/A	4,200	N/A
<b>Total</b>	<b>92</b>	<b>532</b>	<b>(230)</b>	<b>5,061</b>	<b>177</b>	<b>221</b>	<b>228</b>	<b>40</b>	<b>5,455</b>	<b>666</b>
<b>Stage 2</b>										
Retail	157	165	(120)	5	(25)	(433)	(305)	294	207	(469)
Commercial excluding equipment leases	30	18	(76)	(99)	(79)	462	(450)	85	(127)	18
Equipment leases <sup>(1)</sup>	895	305	26	1,312	N/A	N/A	N/A	N/A	2,538	N/A
<b>Total</b>	<b>1,082</b>	<b>488</b>	<b>(170)</b>	<b>1,218</b>	<b>(104)</b>	<b>29</b>	<b>(755)</b>	<b>379</b>	<b>2,618</b>	<b>(451)</b>
<b>Stage 3</b>										
Retail	182	567	884	781	488	271	593	234	2,414	1,586
Commercial excluding equipment leases	14	104	8	38	67	(4)	102	117	164	282
Equipment leases <sup>(1)</sup>	2,547	1,772	894	2,530	N/A	N/A	N/A	N/A	7,743	N/A
<b>Total</b>	<b>2,743</b>	<b>2,443</b>	<b>1,786</b>	<b>3,349</b>	<b>555</b>	<b>267</b>	<b>695</b>	<b>351</b>	<b>10,321</b>	<b>1,868</b>
<b>Total provision for credit losses</b>										
Retail	907	1,227	694	1,019	584	556	(1)	652	3,847	1,791
Commercial excluding equipment leases	31	155	(150)	30	44	(39)	169	118	66	292
Equipment leases <sup>(1)</sup>	2,979	2,081	842	8,579	N/A	N/A	N/A	N/A	14,481	N/A
<b>Total</b>	<b>\$ 3,917</b>	<b>\$ 3,463</b>	<b>\$ 1,386</b>	<b>\$ 9,628</b>	<b>\$ 628</b>	<b>\$ 517</b>	<b>\$ 168</b>	<b>\$ 770</b>	<b>\$ 18,394</b>	<b>\$ 2,083</b>
<b>Total provision for credit losses as a % of average portfolio loan principal</b>										
Retail	0.02%	0.03%	0.02%	0.02%	0.02%	0.02%	(0.00%)	0.02%	0.02%	0.01%
Commercial excluding equipment leases	0.002%	0.01%	(0.01%)	0.002%	0.002%	(0.002%)	0.01%	0.01%	0.001%	0.004%
Equipment leases <sup>(1)</sup>	2.42%	1.74%	0.73%	7.74%	N/A	N/A	N/A	N/A	3.10%	N/A
<b>Total</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>0.003%</b>	<b>0.02%</b>	<b>0.07%</b>	<b>0.01%</b>

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



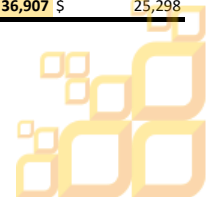

**Table 11: Allowance for credit losses continuity<sup>(1)</sup>**

(\$ THOUSANDS)	2019				2018				YTD	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	2019	2018
<b>Stage 1 &amp; 2 allowances</b>										
Balance, beginning of period <sup>(2)</sup>	\$ 30,671	\$ 29,651	\$ 30,051	\$ 23,772	\$ 23,699	\$ 23,449	\$ 23,976	\$ 23,557	\$ 23,772	\$ 23,557
Provision for credit losses:										
Transfer from Stage 3	296	298	227	91	48	41	145	85	912	319
Transfer to Stage 3	(8)	(6)	(7)	(6)	(3)	(3)	(4)	(2)	(27)	(12)
Re-measurement <sup>(3)</sup>	14	(33)	(837)	(191)	(317)	(172)	(943)	101	(1,047)	(1,331)
Originations	584	552	340	394	447	446	346	270	1,870	1,509
Discharges	(143)	(100)	(71)	(58)	(102)	(62)	(71)	(35)	(372)	(270)
Finance leases acquired <sup>(4)</sup>	431	309	(52)	6,049	-	-	-	-	6,737	-
<b>Balance, end of period</b>	<b>\$ 31,845</b>	<b>\$ 30,671</b>	<b>\$ 29,651</b>	<b>\$ 30,051</b>	<b>\$ 23,772</b>	<b>\$ 23,699</b>	<b>\$ 23,449</b>	<b>\$ 23,976</b>	<b>\$ 31,845</b>	<b>\$ 23,772</b>
<b>Stage 3 allowance</b>										
Balance, beginning of period <sup>(2)</sup>	\$ 3,825	\$ 3,468	\$ 2,217	\$ 1,526	\$ 1,231	\$ 1,235	\$ 839	\$ 1,327	\$ 1,526	\$ 1,327
Provision for credit losses:										
Transfer to Stage 1	(224)	(264)	(179)	(51)	(25)	(22)	(93)	(74)	(718)	(214)
Transfer to Stage 2	(72)	(34)	(48)	(40)	(23)	(19)	(52)	(11)	(194)	(105)
Transfer from Stage 1	2	1	1	1	-	1	1	-	5	2
Transfer from Stage 2	6	5	6	5	3	2	3	2	22	10
Re-measurement <sup>(3)</sup>	483	963	1,112	904	600	305	836	434	3,462	2,175
Originations	-	-	-	-	-	-	-	-	-	-
Discharges	-	-	-	-	-	-	-	-	-	-
Finance leases acquired <sup>(4)</sup>	2,548	1,772	894	2,530	-	-	-	-	7,744	-
Write-offs	(1,456)	(1,552)	15	(2,042)	-	-	-	-	(5,035)	-
Realized losses	(351)	(545)	(598)	(661)	(343)	(302)	(308)	(857)	(2,155)	(1,810)
Recoveries	301	11	48	45	83	31	9	18	405	141
<b>Balance, end of period</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>\$ 1,235</b>	<b>\$ 839</b>	<b>\$ 5,062</b>	<b>\$ 1,526</b>
<b>Total allowance</b>										
Balance, beginning of period <sup>(2)</sup>	\$ 34,496	\$ 33,119	\$ 32,268	\$ 25,298	\$ 24,930	\$ 24,684	\$ 24,815	\$ 24,884	\$ 25,298	\$ 24,884
Provision for credit losses:										
Re-measurement <sup>(3)</sup>	497	930	275	713	283	133	(107)	535	2,415	844
Originations	584	552	340	394	447	446	346	270	1,870	1,509
Discharges	(143)	(100)	(71)	(58)	(102)	(62)	(71)	(35)	(372)	(270)
Finance leases acquired <sup>(4)</sup>	2,979	2,081	842	8,579	-	-	-	-	14,481	-
Write-offs	(1,456)	(1,552)	15	(2,042)	-	-	-	-	(5,035)	-
Realized losses	(351)	(545)	(598)	(661)	(343)	(302)	(308)	(857)	(2,155)	(1,810)
Recoveries	301	11	48	45	83	31	9	18	405	141
<b>Balance, end of period</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>\$ 24,684</b>	<b>\$ 24,815</b>	<b>\$ 36,907</b>	<b>\$ 25,298</b>

<sup>(1)</sup> The allowance for credit losses as at December 31, 2019 includes allowance on loan commitments amounting to \$131 thousand.

<sup>(2)</sup> Balance, beginning of period for Q1 2018 was reported after IFRS 9 transition adjustments.

<sup>(3)</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>(4)</sup> Bennington equipment leases data for periods prior to acquisition are not included.


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

(\$ THOUSANDS)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Stage 1</b>								
Retail	\$ 3,295	\$ 2,726	\$ 2,231	\$ 2,301	\$ 2,068	\$ 1,946	\$ 1,291	\$ 1,580
Commercial excluding equipment leases	12,558	12,570	12,537	12,619	12,528	12,473	12,907	12,390
Equipment leases <sup>(1)</sup>	4,200	4,663	4,659	4,737	N/A	N/A	N/A	N/A
<b>Total</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>14,198</b>	<b>13,970</b>
<b>Stage 2</b>								
Retail	2,417	2,260	2,095	2,215	2,210	2,236	2,606	2,911
Commercial excluding equipment leases	6,838	6,809	6,791	6,867	6,966	7,044	6,645	7,095
Equipment leases <sup>(1)</sup>	2,537	1,643	1,338	1,312	N/A	N/A	N/A	N/A
<b>Total</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>9,251</b>	<b>10,006</b>
<b>Stage 3</b>								
Retail	2,198	2,087	2,011	1,670	1,514	1,231	1,214	839
Commercial excluding equipment leases	155	121	60	59	12	-	21	-
Equipment leases <sup>(1)</sup>	2,709	1,617	1,397	488	N/A	N/A	N/A	N/A
<b>Total</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>1,235</b>	<b>839</b>
<b>Total allowance for credit losses</b>								
Retail	7,910	7,073	6,337	6,186	5,792	5,413	5,111	5,330
Commercial excluding equipment leases	19,551	19,500	19,388	19,545	19,506	19,517	19,573	19,485
Equipment leases <sup>(1)</sup>	9,446	7,923	7,394	6,537	N/A	N/A	N/A	N/A
<b>Total</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>\$ 24,684</b>	<b>\$ 24,815</b>
<b>Allowance for credit losses as a % of portfolio loan assets</b>								
Retail	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Commercial excluding equipment leases	0.25%	0.26%	0.26%	0.27%	0.27%	0.28%	0.30%	0.31%
Equipment leases <sup>(1)</sup>	1.90%	1.62%	1.58%	1.46%	N/A	N/A	N/A	N/A
<b>Total</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>	<b>0.12%</b>	<b>0.13%</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)	2019								2018							
	Q4		Q3		Q2		Q1		Q4		Q3		Q2		Q1	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Retail</b>																
Ontario	\$ 11,664,548	44%	\$ 11,585,563	45%	\$ 11,151,859	45%	\$ 10,983,327	45%	\$ 10,699,449	46%	\$ 10,058,307	47%	\$ 9,598,952	47%	\$ 9,312,945	48%
Alberta	2,489,464	9%	2,410,230	9%	2,216,237	9%	2,188,969	9%	2,108,739	9%	1,852,860	9%	1,738,058	9%	1,695,539	9%
Quebec	1,044,110	4%	981,571	4%	801,727	3%	762,169	3%	701,573	3%	501,533	2%	443,046	2%	404,815	2%
British Columbia	1,984,221	7%	1,923,325	7%	1,778,406	7%	1,731,984	7%	1,661,146	7%	1,419,254	7%	1,305,037	6%	1,251,922	6%
Saskatchewan	331,581	1%	329,188	1%	314,279	1%	312,872	1%	303,723	1%	266,119	1%	249,367	1%	244,693	1%
Other Provinces	736,650	3%	717,594	3%	653,402	3%	650,233	3%	627,533	3%	510,961	2%	455,624	2%	446,150	2%
	18,250,574	69%	17,947,471	69%	16,915,910	68%	16,629,554	68%	16,102,163	69%	14,609,034	68%	13,790,084	68%	13,356,064	68%
<b>Commercial<sup>(2)</sup></b>																
Ontario	4,007,850	15%	3,685,224	14%	3,612,566	15%	3,584,789	15%	3,412,270	15%	3,300,921	15%	3,078,203	15%	3,046,936	16%
Alberta	1,213,530	5%	1,246,695	5%	1,264,191	5%	1,231,133	5%	1,162,608	5%	1,136,552	5%	1,068,692	5%	1,058,492	5%
Quebec	1,547,294	6%	1,453,123	6%	1,446,802	6%	1,365,608	6%	1,350,466	6%	1,278,949	6%	1,256,974	6%	1,216,502	6%
British Columbia	960,632	4%	997,045	4%	978,984	4%	999,871	4%	901,253	4%	814,189	4%	700,199	3%	531,593	3%
Saskatchewan	125,488	0%	129,764	1%	152,249	1%	151,804	1%	125,925	1%	116,012	1%	118,396	1%	98,243	1%
Other Provinces	404,985	2%	392,727	2%	402,407	2%	383,374	2%	372,007	2%	332,245	2%	357,896	2%	281,996	1%
	8,259,779	31%	7,904,578	31%	7,857,199	32%	7,716,579	32%	7,324,529	31%	6,978,868	32%	6,580,359	32%	6,233,763	32%
<b>Total loan principal</b>	\$ 26,510,353	100%	\$ 25,852,049	100%	\$ 24,773,109	100%	\$ 24,346,133	100%	\$ 23,426,692	100%	\$ 21,587,902	100%	\$ 20,370,443	100%	\$ 19,589,827	100%
<b>Total<sup>(2)</sup></b>																
Ontario	\$ 15,672,398	59%	\$ 15,270,787	59%	\$ 14,764,425	60%	\$ 14,568,116	60%	\$ 14,111,719	60%	\$ 13,359,228	62%	\$ 12,677,155	62%	\$ 12,359,880	63%
Alberta	3,702,994	14%	3,656,925	14%	3,480,428	14%	3,420,102	14%	3,271,347	14%	2,989,412	14%	2,806,750	14%	2,754,032	14%
Quebec	2,591,404	10%	2,434,694	9%	2,248,529	9%	2,127,777	9%	2,052,039	9%	1,780,482	8%	1,700,020	8%	1,621,318	8%
British Columbia	2,944,853	11%	2,920,370	11%	2,757,390	11%	2,731,855	11%	2,562,399	11%	2,233,443	10%	2,005,236	10%	1,783,515	9%
Saskatchewan	457,069	2%	458,952	2%	466,528	2%	464,676	2%	429,648	2%	382,131	2%	367,763	2%	342,936	2%
Other Provinces	1,141,635	4%	1,110,321	4%	1,055,809	4%	1,033,607	4%	999,540	4%	843,206	4%	813,520	4%	728,146	4%
<b>Total loan principal</b>	\$ 26,510,353	100%	\$ 25,852,049	100%	\$ 24,773,109	100%	\$ 24,346,133	100%	\$ 23,426,692	100%	\$ 21,587,902	100%	\$ 20,370,443	100%	\$ 19,589,827	100%

<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)								
	Q4 2019							
Ontario	\$ 3,809,900	21%	\$ 7,794,246	43%	\$ 58,590	76%	\$ 7,852,836	43%
Alberta	1,658,986	9%	826,054	5%	4,364	6%	830,418	5%
British Columbia	967,607	5%	1,004,936	6%	11,678	15%	1,016,614	6%
Manitoba	220,510	1%	64,057	0%	505	1%	64,562	0%
Saskatchewan	281,713	2%	48,774	0%	893	1%	49,667	0%
Other Provinces	827,468	5%	666,820	4%	1,303	2%	668,123	4%
<b>Total residential mortgages</b>	<b>\$ 7,766,184</b>	<b>43%</b>	<b>\$ 10,404,887</b>	<b>57%</b>	<b>\$ 77,333</b>	<b>100%</b>	<b>\$ 10,482,220</b>	<b>57%</b>

					Q4 2018			
	Total	%	Total	%	Total	%	Total	%
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
Ontario	\$ 3,531,349	22%	\$ 7,127,238	44%	\$ 40,862	78%	\$ 7,168,100	45%
Alberta	1,292,977	8%	811,859	5%	3,903	7%	815,762	5%
British Columbia	780,989	5%	874,661	5%	5,496	11%	880,157	5%
Manitoba	171,108	1%	68,017	0%	407	1%	68,424	0%
Saskatchewan	249,733	2%	53,344	0%	646	1%	53,990	0%
Other Provinces	583,403	4%	505,204	3%	967	2%	506,171	3%
<b>Total residential mortgages</b>	<b>\$ 6,609,559</b>	<b>41%</b>	<b>\$ 9,440,323</b>	<b>59%</b>	<b>\$ 52,281</b>	<b>100%</b>	<b>\$ 9,492,604</b>	<b>59%</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.

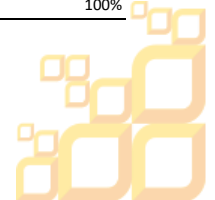




**Table 15: Residential mortgage principal outstanding – by remaining amortization<sup>(1)</sup>**

(\$ 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>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%
<b>Q2 2018</b>									
Total residential mortgages	\$ 3,659	\$ 21,329	\$ 127,905	\$ 681,941	\$ 3,433,559	\$ 9,443,631	\$ 31,615	\$ 370	\$ 13,744,009
	0.03%	0.16%	0.93%	4.96%	24.98%	68.71%	0.23%	0.00%	100%
<b>Q1 2018</b>									
Total residential mortgages	\$ 2,936	\$ 19,907	\$ 116,206	\$ 601,827	\$ 3,324,131	\$ 9,213,358	\$ 33,366	\$ 563	\$ 13,312,294
	0.02%	0.15%	0.87%	4.52%	24.97%	69.21%	0.25%	0.01%	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>**

	2019								2018							
	Q4		Q3		Q2		Q1		Q4		Q3		Q2		Q1	
	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	70%	17%	71%	19%	71%	19%	71%	19%	70%	14%	72%	17%	72%	17%	71%	17%
Alberta	69%	5%	71%	4%	70%	31%	71%	11%	71%	16%	71%	28%	72%	10%	72%	11%
British Columbia	67%	7%	64%	14%	68%	14%	67%	9%	65%	6%	67%	7%	68%	14%	68%	7%
Manitoba	70%	6%	70%	6%	62%	16%	69%	7%	72%	18%	71%	6%	73%	5%	72%	4%
Saskatchewan	67%	6%	61%	0%	62%	6%	68%	2%	67%	15%	67%	36%	72%	36%	63%	33%
Other Provinces	72%	20%	72%	12%	72%	3%	72%	2%	70%	29%	71%	2%	71%	3%	70%	19%
<b>Total Canada</b>	<b>70%</b>	<b>16%</b>	<b>70%</b>	<b>18%</b>	<b>70%</b>	<b>18%</b>	<b>71%</b>	<b>16%</b>	<b>70%</b>	<b>13%</b>	<b>71%</b>	<b>16%</b>	<b>71%</b>	<b>16%</b>	<b>70%</b>	<b>16%</b>

<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>**

	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Ontario	64%	64%	64%	65%	65%	64%	64%	64%
Alberta	67%	67%	67%	67%	67%	65%	65%	66%
British Columbia	64%	64%	64%	65%	64%	63%	63%	64%
Manitoba	66%	65%	67%	67%	67%	66%	68%	68%
Saskatchewan	57%	57%	57%	58%	57%	57%	56%	57%
Other Provinces	66%	66%	67%	67%	66%	65%	65%	65%
<b>Total Canada</b>	<b>65%</b>	64%	65%	66%	65%	64%	64%	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 \$36.5 million at December 31, 2019 (September 30, 2019 – \$37.7 million, December 31, 2018 – \$42.7 million).



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

LTV at origination	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<50% LTV	707	705	703	703	702	700	697	696
50% - 64.99% LTV	696	696	696	695	694	692	692	691
65% - 69.99% LTV	690	688	688	687	688	687	686	685
70% - 75% LTV	689	689	688	687	687	685	684	681
>75% LTV	696	696	694	694	693	691	690	686
<b>Total</b>	<b>694</b>	<b>693</b>	<b>692</b>	<b>692</b>	<b>691</b>	<b>690</b>	<b>688</b>	<b>686</b>

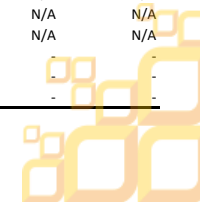
<sup>(1)</sup> The beacon scores reported here represent the current weighted average beacon score of the Bank's insured and uninsured mortgage portfolio within its Alternative Single Family Lending Business.





Table 19: Modified Capital Disclosure Template – Equitable Bank

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<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	\$ 213,995	\$ 211,528	\$ 207,376	\$ 206,418	\$ 203,270	\$ 203,237	\$ 201,784	\$ 201,602
2 Retained earnings	1,199,627	1,150,579	1,101,625	1,053,959	1,019,179	984,299	941,626	909,493
3 Accumulated other comprehensive income (and other reserves)	(18,827)	(20,687)	(20,320)	(18,607)	(17,565)	(6,516)	(7,146)	(6,308)
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)	-	-	-	-	-	-	-	-
<b>6 Common Equity Tier 1 capital before regulatory adjustments</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>\$ 1,181,020</b>	<b>\$ 1,136,264</b>	<b>\$ 1,104,787</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>								
28 Total regulatory adjustments to Common Equity Tier 1	\$ (66,591)	\$ (63,240)	\$ (61,883)	\$ (53,324)	\$ (20,684)	\$ (19,520)	\$ (18,745)	\$ (17,592)
<b>29 Common Equity Tier 1 capital (CET1)</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>\$ 1,161,500</b>	<b>\$ 1,117,519</b>	<b>\$ 1,087,195</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	-	-	-	-	-	-	-	-
<b>36 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
<b>45 Tier 1 capital (T1 = CET1 + AT1)</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>\$ 1,234,054</b>	<b>\$ 1,190,073</b>	<b>\$ 1,159,749</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	31,844	30,671	29,651	30,051	23,772	23,699	23,449	23,976
<b>51 Tier 2 capital before regulatory adjustments</b>	<b>\$ 31,844</b>	<b>\$ 30,671</b>	<b>\$ 29,651</b>	<b>\$ 30,051</b>	<b>\$ 23,772</b>	<b>\$ 23,699</b>	<b>\$ 23,449</b>	<b>\$ 23,976</b>
<b>Tier 2 capital: regulatory adjustments</b>								
57 Total regulatory adjustments to Tier 2 capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58 Tier 2 capital (T2)	31,844	30,671	29,651	30,051	23,772	23,699	23,449	23,976
<b>59 Total capital (TC = T1 + T2)</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>	<b>\$ 1,257,753</b>	<b>\$ 1,213,522</b>	<b>\$ 1,183,725</b>
<b>60 Total risk-weighted assets</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>\$ 8,389,236</b>	<b>\$ 7,790,674</b>	<b>\$ 7,396,553</b>
<b>Capital ratios</b>								
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.6%	13.3%	13.1%	12.9%	13.5%	13.8%	14.3%	14.7%
62 Tier 1 (as a percentage of risk-weighted assets)	14.4%	14.1%	13.9%	13.7%	14.3%	14.7%	15.3%	15.7%
63 Total capital (as a percentage of risk-weighted assets)	14.7%	14.4%	14.2%	14.0%	14.5%	15.0%	15.6%	16.0%
<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)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>On-balance sheet exposure</b>								
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 27,948,720	\$ 27,007,109	\$ 25,950,516	\$ 25,494,724	\$ 24,481,165	\$ 22,806,548	\$ 21,607,008	\$ 20,712,758
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)	(66,832)	(60,572)	(59,891)	(52,735)	(23,333)	(25,616)	(22,248)	(21,149)
<b>5 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 4)</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>\$ 21,584,760</b>	<b>\$ 20,691,609</b>
<b>Derivative exposures</b>								
6 Replacement cost associated with all derivative transactions	\$ 21,560	\$ 12,815	\$ 8,727	\$ 6,241	\$ 20,237	\$ 17,018	\$ 12,991	\$ 9,170
7 Add-on amounts for potential future exposure associated with all derivative transactions	9,860	13,888	14,045	13,864	40,137	37,098	33,207	32,660
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>\$ 31,420</b>	<b>\$ 26,703</b>	<b>\$ 22,772</b>	<b>\$ 20,105</b>	<b>\$ 60,374</b>	<b>\$ 54,116</b>	<b>\$ 46,198</b>	<b>\$ 41,830</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	\$ 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	10,174	-	-	-	-	-	-	-
15 Agent transaction exposures	-	-	-	-	-	-	-	-
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>\$ 160,243</b>	<b>\$ 250,079</b>	<b>\$ 125,069</b>	<b>\$ 547,620</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other off-balance sheet exposures</b>								
17 Off-balance sheet exposure at gross notional amount	\$ 1,935,711	\$ 2,116,158	\$ 2,051,512	\$ 1,833,658	\$ 1,544,684	\$ 1,788,625	\$ 1,698,465	\$ 1,419,735
18 (Adjustments for conversion to credit equivalent amounts)	(1,260,667)	(1,455,407)	(1,371,438)	(1,224,751)	(992,212)	(1,221,402)	(1,203,478)	(992,268)
<b>19 Off-balance sheet items (sum of lines 17 and 18)</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>\$ 494,987</b>	<b>\$ 427,467</b>
<b>Capital and Total Exposure</b>								
20 Tier 1 capital	\$ 1,400,758	\$ 1,350,734	\$ 1,299,352	\$ 1,261,000	\$ 1,256,754	\$ 1,234,054	\$ 1,190,073	\$ 1,159,749
<b>21 Total Exposures (sum of lines 5, 11, 16 and 19)</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>\$ 22,125,945</b>	<b>\$ 21,160,906</b>
<b>Leverage Ratios</b>								
<b>22 Basel III Leverage Ratio</b>	<b>4.9%</b>	<b>4.8%</b>	<b>4.9%</b>	<b>4.7%</b>	<b>5.0%</b>	<b>5.3%</b>	<b>5.4%</b>	<b>5.5%</b>



**Table 21: Ten-year statistical review**

(\$ THOUSANDS, EXCEPT SHARE, PER SHARE AMOUNTS AND PERCENTAGES)	2019 <sup>(1)</sup>	2018 <sup>(1)</sup>	2017	2016	2015	2014	2013	2012	2011	2010
<b>RESULTS OF OPERATIONS</b>										
Net income	\$ 206,479	\$ 165,626	\$ 160,617	\$ 138,330	\$ 125,865	\$ 106,718	\$ 93,530	\$ 81,207	\$ 62,186	\$ 55,893
Adjusted net income <sup>(2)</sup>	211,890	172,778	160,400	138,596	126,059	107,147	94,544	81,207	62,186	55,893
Net income available to common shareholders	201,788	160,863	155,854	133,567	121,102	102,107	89,905	77,582	58,561	52,268
Net interest income	462,648	348,381	308,362	279,357	242,227	204,522	174,537	156,170	133,772	119,949
Total revenue	1,151,226	887,722	751,488	663,923	581,994	522,967	508,565	483,199	438,990	393,245
EPS – basic	12.10	9.73	9.46	8.57	7.83	6.63	5.89	5.15	3.91	3.50
EPS – diluted	11.97	9.67	9.39	8.49	7.73	6.53	5.82	5.11	3.88	3.48
Adjusted EPS – diluted <sup>(2)</sup>	12.29	10.10	9.38	8.51	7.74	6.55	5.88	5.11	3.88	3.48
ROE	15.5%	14.1%	15.8%	16.9%	17.9%	17.4%	18.1%	18.7%	16.5%	17.0%
Adjusted ROE <sup>(2)</sup>	15.9%	14.7%	15.8%	16.9%	17.9%	17.5%	18.3%	18.7%	16.5%	17.0%
Return on average assets	0.8%	0.7%	0.8%	0.8%	0.9%	0.9%	0.8%	0.7%	0.6%	0.6%
Return on RWA	2.2%	2.1%	2.4%	2.4%	2.5%	2.4%	2.3%	2.3%	2.0%	2.1%
NIM <sup>(3)</sup>	1.74%	1.59%	1.58%	1.63%	1.72%	1.68%	1.48%	1.44%	1.39%	1.46%
Efficiency Ratio	40.2%	39.7%	36.9%	38.1%	34.0%	32.9%	30.4%	30.8%	33.3%	27.2%
<b>BALANCE SHEET</b>										
Total assets	28,392,452	25,037,145	20,634,250	18,973,588	15,527,584	12,854,903	11,816,453	11,601,440	10,257,013	8,884,129
Assets Under Management	33,005,353	29,410,999	24,652,969	22,277,769	17,600,072	14,373,911	12,815,373	11,934,362	10,257,013	8,884,129
Loans receivable	26,607,830	23,526,404	19,298,548	17,783,803	14,700,806	12,269,945	11,129,867	10,609,472	9,577,087	8,217,301
Loans Under Management	31,123,254	27,800,546	23,233,420	21,004,013	16,706,935	13,759,706	12,105,968	10,909,480	9,538,153	8,178,033
Preferred Shares	72,557	72,557	72,557	72,557	72,557	72,412	48,494	48,494	48,494	48,494
Common shareholders' equity	1,395,157	1,207,470	1,065,560	904,593	723,559	631,282	539,824	453,077	378,146	332,961
Liquid assets	1,690,337	1,406,592	1,479,429	1,280,591	895,056	676,559	704,012	965,969	784,386	799,740
Deposit principal	15,231,888	13,522,012	11,024,720	9,680,163	8,115,483	7,385,456	6,377,987	5,567,038	4,535,138	3,805,937

<sup>(1)</sup> Please refer to the 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9.

Prior year comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior years.

<sup>(2)</sup> These adjusted results are derived by removing after-tax mark-to-market gains/losses on certain securities and derivatives from reported results.

2019 results are also adjusted for the after-tax provision for credit losses on performing leases recorded immediately after the acquisition of Bennington.

2018 results are also adjusted for the after-tax write-down of unamortized upfront costs associated with the reduction of the Bank's secured backstop facility.

<sup>(3)</sup> NIM of 2014 – 2019 was calculated based on the daily average balances outstanding during the period. NIM for 2013 or prior years was calculated using the average of the month-end balances outstanding during the period.



**Table 21: Ten-year statistical review (continued)**

(\$ THOUSANDS, EXCEPT SHARE, PER SHARE AMOUNTS AND PERCENTAGES)	2019 <sup>(1)</sup>	2018 <sup>(1)</sup>	2017	2016	2015	2014	2013	2012	2011	2010
<b>CREDIT QUALITY</b>										
Provision for credit losses	\$ 18,394	\$ 2,083	\$ 1,543	\$ 2,445	\$ 3,638	\$ 2,627	\$ 6,732	\$ 7,992	\$ 7,183	\$ 9,748
Provision for credit losses – rate	0.07%	0.01%	0.01%	0.02%	0.03%	0.02%	0.06%	0.08%	0.08%	0.12%
Net impaired loan as a % of total loan assets	0.44%	0.16%	0.12%	0.21%	0.22%	0.30%	0.24%	0.30%	0.25%	0.42%
Allowance for credit losses as a % of total loan assets	0.14%	0.11%	0.17%	0.19%	0.23%	0.27%	0.28%	0.25%	0.21%	0.26%
<b>SHARE CAPITAL</b>										
Common shares outstanding	16,797,593	16,554,018	16,503,437	16,460,142	15,538,605	15,435,356	15,355,405	15,189,983	15,018,401	14,943,437
Book value per common share	83.06	72.94	64.57	54.96	46.57	40.90	35.14	29.83	25.18	22.28
Common share price – close	109.35	59.12	71.50	60.46	51.50	65.67	50.76	32.65	25.00	24.99
Common share market capitalization	1,836,817	978,674	1,179,996	995,180	800,238	1,013,640	779,440	495,953	375,460	373,436
Dividends declared per:										
Common share	1.29	1.08	0.95	0.84	0.76	0.68	0.60	0.52	0.45	0.40
Preferred share - Series 1 <sup>(2)</sup>	N/A	N/A	N/A	N/A	N/A	1.36	1.81	1.81	1.81	1.81
Preferred share - Series 3 <sup>(3)</sup>	1.56	1.59	1.59	1.59	1.59	0.63	N/A	N/A	N/A	N/A
Dividend yield	1.5%	1.7%	1.6%	1.5%	1.3%	1.1%	1.5%	1.8%	1.6%	1.8%
Dividend payout ratio	10.8%	11.2%	10.1%	9.9%	9.8%	10.4%	10.3%	10.2%	11.6%	11.5%
Common shares outstanding										
Weighted average basic	16,672,068	16,526,676	16,476,721	15,591,297	15,466,907	15,398,991	15,272,463	15,075,159	14,977,289	14,922,263
Weighted average diluted	16,857,362	16,640,095	16,594,492	15,728,988	15,672,334	15,647,497	15,451,445	15,183,842	15,101,294	14,998,838
<b>EQUITABLE BANK CAPITAL RATIOS<sup>(4)</sup></b>										
RWA	9,761,287	8,802,891	7,035,380	6,385,825	5,259,384	4,721,132	4,328,555	3,767,442	3,383,805	2,905,512
CET1 Ratio <sup>(5)</sup>	13.6%	13.5%	14.8%	14.0%	13.6%	13.5%	12.4%	N/A	N/A	N/A
Tier 1 Capital Ratio	14.4%	14.3%	15.9%	15.1%	15.0%	14.9%	13.5%	13.5%	13.4%	14.3%
Total Capital Ratio	14.7%	14.5%	16.3%	16.6%	16.8%	17.3%	16.3%	17.4%	15.8%	16.9%
Leverage Ratio <sup>(6)</sup>	4.9%	5.0%	5.4%	5.1%	5.2%	N/A	N/A	N/A	N/A	N/A

<sup>(1)</sup> Please refer to the 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9. Prior year comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior years.

<sup>(2)</sup> The Company fully redeemed its Series 1 Preferred Shares on September 30, 2014.

<sup>(3)</sup> The Company issued its Series 3 Preferred Shares in August 2014 and the 2014 Series 3 Preferred Shares dividend declaration represented dividends payable for the period from August 8, 2014 to December 31, 2014.

<sup>(4)</sup> RWA and Capital Ratios are calculated on the "all-in" basis using the Basel III framework for the years 2013 to 2017. The 2010 – 2012 RWA and Capital Ratios, as applicable, were calculated using the Basel II framework. Basel III and Basel II are not directly comparable.

<sup>(5)</sup> The CET1 Ratio is effective the first quarter of 2013, thus it is not applicable for the prior years.

<sup>(6)</sup> The Leverage Ratio is measured under Basel III framework, effective the first quarter of 2015. Thus it is not applicable for the prior years.



**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 – 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

