

EQUITABLE

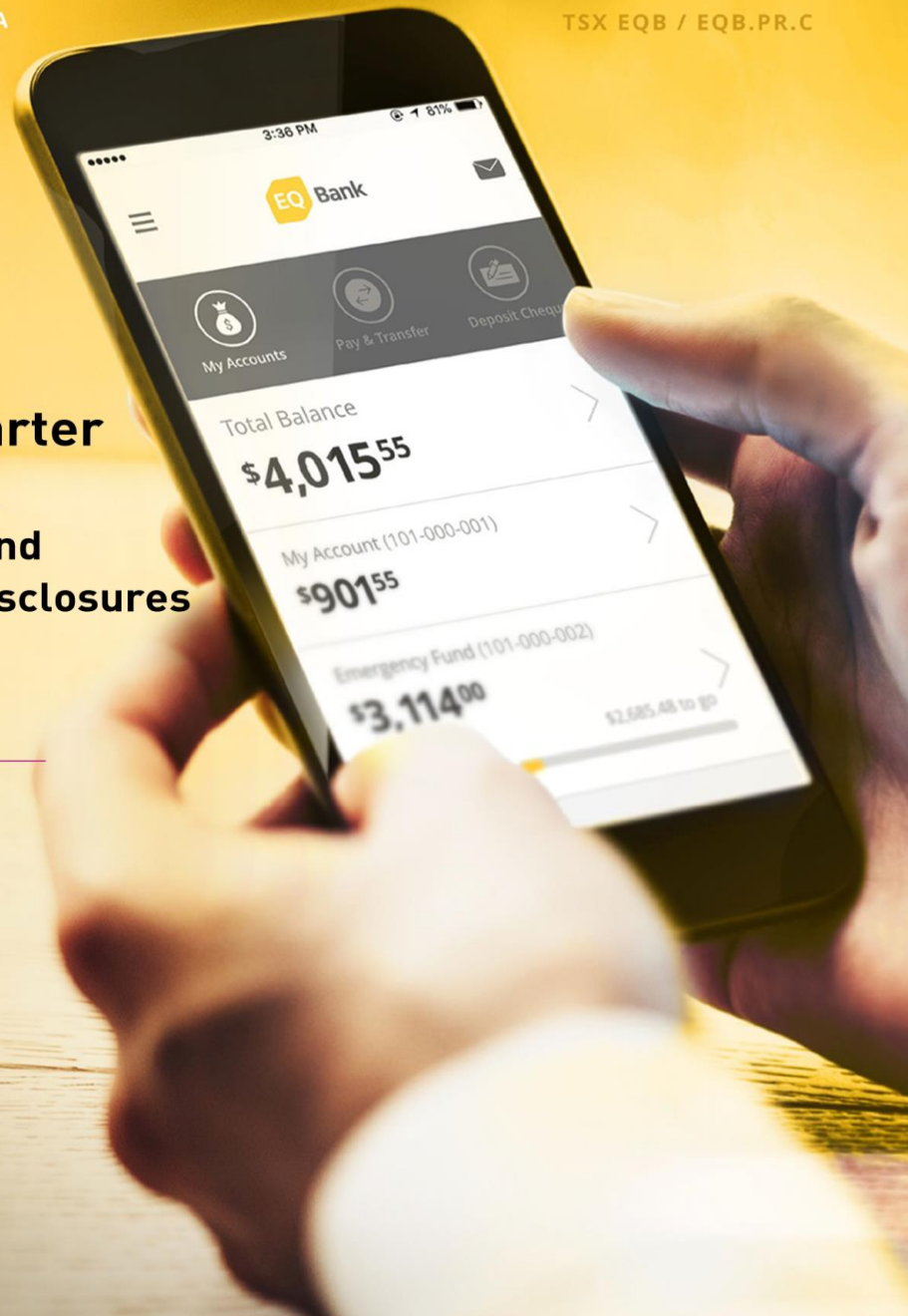
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Second Quarter Supplemental Information and Regulatory Disclosures

For the three and
six months ended
June 30, 2016

2016





**SECOND QUARTER 2016
SUPPLEMENTAL INFORMATION AND REGULATORY DISCLOSURES**

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Notes to Readers

Purpose of this document

This Supplemental Information and Regulatory Disclosure 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 mortgage portfolio, some of which relate to disclosure requirements outlined in OSFI's Guideline B-20, 'Residential Mortgage Underwriting 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.

In addition to GAAP and non-GAAP financial measures, management also uses additional GAAP financial measures it believes provide useful information to investors regarding the Company's financial results of operations. Readers are cautioned that additional GAAP measures do not have any standardized meaning, and they may not be comparable to similar measures presented by other companies.

This Report should be read in conjunction with the Company's unaudited interim consolidated financial statements and accompanying notes, as well as Management Discussion and Analysis ("MD&A") for the quarter ended June 30, 2016.

Basis of presentation

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

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

Comparative figures

Certain prior period comparative numbers have been reclassified to conform with current period presentation.



Table 1: Financial highlights

(\$ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	2016		2015				2014		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2016	2015
RESULTS OF OPERATIONS										
Net income	\$ 33,410	\$ 28,012	\$ 31,436	\$ 31,448	\$ 33,520	\$ 29,461	\$ 26,885	\$ 27,764	\$ 61,422	\$ 62,981
Net income available to common shareholders	32,219	26,821	30,245	30,257	32,330	28,270	24,993	26,857	59,040	60,600
Total revenue ⁽¹⁾	162,861	151,691	151,495	147,625	145,595	137,279	134,928	131,900	314,552	282,874
EPS – basic	\$ 2.07	\$ 1.73	\$ 1.95	\$ 1.96	\$ 2.09	\$ 1.83	\$ 1.62	\$ 1.74	\$ 3.80	\$ 3.92
EPS – diluted	\$ 2.05	\$ 1.71	\$ 1.93	\$ 1.93	\$ 2.06	\$ 1.81	\$ 1.59	\$ 1.71	\$ 3.76	\$ 3.87
Net interest income	67,010	63,594	63,458	61,437	60,995	56,337	54,220	51,716	130,604	117,332
NIM – TEB ⁽²⁾										
Total Assets	1.62%	1.63%	1.70%	1.73%	1.79%	1.73%	1.76%	1.76%	1.62%	1.76%
Core Lending	2.59%	2.55%	2.68%	2.59%	2.65%	2.60%	2.62%	2.66%	2.57%	2.62%
Securitization Financing	0.17%	0.25%	0.18%	0.28%	0.28%	0.23%	0.29%	0.27%	0.21%	0.25%
ROE ⁽³⁾	17.1%	14.7%	17.0%	17.5%	19.8%	17.9%	16.0%	17.8%	15.7%	18.4%
Return on average assets ⁽²⁾	0.8%	0.7%	0.8%	0.9%	1.0%	0.9%	0.8%	0.9%	0.7%	0.9%
Efficiency Ratio – TEB ⁽²⁾⁽³⁾	38.2%	43.2%	35.7%	33.4%	32.8%	32.4%	35.4%	31.5%	40.6%	32.6%
BALANCE SHEET										
Total assets	17,147,854	16,411,221	15,527,584	14,827,610	14,329,824	13,387,915	12,854,903	12,193,335		
Assets under Management ⁽²⁾	19,709,617	18,616,018	17,600,072	16,839,263	16,214,123	15,075,279	14,373,911	13,557,782		
Mortgages receivable	16,244,106	15,540,241	14,700,806	13,959,432	13,216,267	12,785,852	12,269,945	11,555,700		
Mortgages under Management ⁽²⁾	18,723,056	17,668,821	16,706,935	15,917,079	15,059,846	14,437,643	13,759,706	12,897,244		
Liquid assets	1,033,634	939,691	895,056	849,349	1,251,692	756,017	676,559	664,663		
Total assets held for regulatory purposes as a % of total Equitable										
Bank assets	5.3%	4.9%	4.9%	4.9%	7.8%	4.5%	4.1%	4.4%		
Total liquid assets as a % of total assets	6.0%	5.7%	5.8%	5.7%	8.7%	5.6%	5.3%	5.5%		
Deposit principal	9,048,465	8,732,113	8,115,483	7,961,678	8,128,474	7,633,996	7,385,456	6,959,533		
Shareholders' equity	843,924	816,049	796,116	764,679	750,149	723,606	703,694	682,863		
CREDIT QUALITY										
Provision for credit losses	105	227	1,064	930	830	814	842	733	332	1,644
Net impaired mortgages as a % of total mortgage assets ⁽⁴⁾	0.20%	0.22%	0.22%	0.21%	0.18%	0.28%	0.30%	0.32%		
Allowance for credit losses as a % of total mortgage assets	0.20%	0.21%	0.23%	0.25%	0.26%	0.26%	0.27%	0.28%		
SHARE CAPITAL										
Shares outstanding	15,566,465	15,551,865	15,538,605	15,476,687	15,469,787	15,452,125	15,435,356	15,412,206		
Book value per share ⁽²⁾	\$ 49.55	\$ 47.81	\$ 46.57	\$ 44.72	\$ 43.80	\$ 42.13	\$ 40.90	\$ 39.61		
Share price – close	\$ 55.99	\$ 50.76	\$ 51.50	\$ 56.25	\$ 61.27	\$ 56.51	\$ 65.67	\$ 62.51		
Market capitalization	871,566	789,413	800,238	870,564	947,834	873,200	1,013,640	963,417		
Dividends declared per:										
Common share	\$ 0.21	\$ 0.20	\$ 0.20	\$ 0.19	\$ 0.19	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.41	\$ 0.37
Preferred share - Series 1 ⁽⁵⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.45	\$ -	\$ -
Preferred share - Series 3 ⁽⁶⁾	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.63	\$ -	\$ 0.80	\$ 0.80
EQUITABLE BANK CAPITAL RATIOS ⁽⁸⁾										
CET1 Ratio	13.5%	13.5%	13.6%	13.4%	13.5%	13.2%	13.5%	13.3%		
Tier 1 Capital Ratio	14.8%	14.9%	15.0%	14.8%	14.9%	14.7%	14.9%	14.9%		
Total Capital Ratio	16.5%	16.7%	16.8%	17.1%	17.2%	17.0%	17.3%	17.5%		
Leverage Ratio ⁽⁷⁾	5.0%	5.0%	5.2%	5.2%	5.3%	5.5%	N/A	N/A		
Assets-to-Capital Multiple ("ACM") ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A	N/A	14.7	13.8		

⁽¹⁾ See Additional GAAP Measures section.

⁽²⁾ See Non-GAAP Measures section.

⁽³⁾ Increases in this ratio reflect reduced efficiencies, whereas decreases reflect improved efficiencies.

⁽⁴⁾ Net impaired mortgages do not include insured mortgages that are less than 365 days in arrears and reflect gross impaired mortgage assets less individual allowances.

⁽⁵⁾ The Company fully redeemed its Series 1 Preferred Shares on September 30, 2014.

⁽⁶⁾ The Company issued its Series 3 Preferred Shares in August 2014 and the Q4 2014 Series 3 Preferred Shares dividend declaration represented dividends payable for the period from August 8, 2014 to December 31, 2014.

⁽⁷⁾ The Leverage Ratio is measured under Basel III framework, effective the first quarter of 2015. Thus it is not applicable for the prior periods.

⁽⁸⁾ The ACM was replaced by Leverage Ratio effective the first quarter of 2015.



Table 2: Interim consolidated statements of income

(\$ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	2016		2015				2014		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2016	2015
Interest income:										
Mortgages – Core Lending	\$ 107,544	\$ 101,419	\$ 101,848	\$ 99,135	\$ 98,146	\$ 93,333	\$ 89,883	\$ 86,342	\$ 208,963	\$ 191,479
Mortgages – Securitization Financing	45,296	43,607	41,978	40,907	39,066	37,296	38,051	38,291	88,903	76,362
Investments	2,372	1,876	1,894	1,599	2,102	1,578	2,123	1,315	4,248	3,680
Other	1,227	1,052	1,464	1,821	1,726	1,265	1,542	1,703	2,279	2,991
	156,439	147,954	147,184	143,462	141,040	133,472	131,599	127,651	304,393	274,512
Interest expense:										
Deposits	46,084	43,659	42,085	43,560	43,226	41,828	41,630	38,913	89,743	85,054
Securitization liabilities	41,354	39,185	38,979	35,466	34,120	33,002	33,414	34,859	80,539	67,122
Bank facilities	1,040	566	1,292	1,407	885	614	838	760	1,606	1,499
Debentures	950	950	1,213	1,274	1,269	1,277	1,402	1,403	1,900	2,546
Other	1	-	157	318	545	414	95	-	1,00	959
	89,429	84,360	83,726	82,025	80,045	77,135	77,379	75,935	173,789	157,180
Net interest income	67,010	63,594	63,458	61,437	60,995	56,337	54,220	51,716	130,604	117,332
Provision for credit losses	105	227	1,064	930	830	814	842	733	332	1,644
Net interest income after provision for credit losses	66,905	63,367	62,394	60,507	60,165	55,523	53,378	50,983	130,272	115,688
Other income:										
Fees and other income	3,781	3,177	3,454	3,117	2,534	2,308	2,480	2,231	6,958	4,842
Net gain (loss) on investments	747	-	(13)	-	(247)	(203)	(1)	426	747.00	(450)
Gains on securitization activities and income from securitization retained interests	1,894	560	870	1,046	2,268	1,702	850	1,592	2,454	3,970
	6,422	3,737	4,311	4,163	4,555	3,807	3,329	4,249	10,159	8,362
Net interest and other income	73,327	67,104	66,705	64,670	64,720	59,330	56,707	55,232	140,431	124,050
Non-interest expenses:										
Compensation and benefits	15,882	14,978	13,572	12,474	12,804	11,386	11,443	10,742	30,860	24,190
Other	12,490	14,400	10,857	9,649	8,906	8,314	9,109	7,025	26,890	17,220
	28,372	29,378	24,429	22,123	21,710	19,700	20,552	17,767	57,750	41,410
Income before income taxes	44,955	37,726	42,276	42,547	43,010	39,630	36,155	37,465	82,681	82,640
Income taxes										
Current	7,875	8,419	7,855	6,133	7,250	6,609	5,567	8,820	16,294	13,859
Deferred	3,670	1,295	2,985	4,966	2,240	3,560	3,703	881	4,965	5,800
	11,545	9,714	10,840	11,099	9,490	10,169	9,270	9,701	21,259	19,659
Net income	\$ 33,410	\$ 28,012	\$ 31,436	\$ 31,448	\$ 33,520	\$ 29,461	\$ 26,885	\$ 27,764	\$ 61,422	\$ 62,981
Dividends on preferred shares	1,191	1,191	1,191	1,191	1,190	1,191	1,892	907	2,382	2,381
Net income available to common shareholders	\$ 32,219	\$ 26,821	\$ 30,245	\$ 30,257	\$ 32,330	\$ 28,270	\$ 24,993	\$ 26,857	\$ 59,040	\$ 60,600
Common shares outstanding										
Weighted average basic	15,556,836	15,543,952	15,493,549	15,471,960	15,461,161	15,440,328	15,416,625	15,408,311	15,550,394	15,450,802
Weighted average diluted	15,709,456	15,674,734	15,677,954	15,661,842	15,687,647	15,660,067	15,683,821	15,672,253	15,692,212	15,674,815
Earnings per share										
Basic	\$ 2.07	\$ 1.73	\$ 1.95	\$ 1.96	\$ 2.09	\$ 1.83	\$ 1.62	\$ 1.74	\$ 3.80	\$ 3.92
Diluted	\$ 2.05	\$ 1.71	\$ 1.93	\$ 1.93	\$ 2.06	\$ 1.81	\$ 1.59	\$ 1.71	\$ 3.76	\$ 3.87



Table 3: Net interest income

	2016				2015								2014				YTD		2015	
	Q2		Q1		Q4		Q3		Q2		Q1		Q4		Q3		2016		2015	
	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾	Revenue/ Expense	Average rate ⁽¹⁾
(\$ THOUSANDS)																				
Core Lending:																				
Revenues derived from:																				
Mortgages	\$ 107,544	4.63%	\$ 101,419	4.59%	\$ 101,848	4.74%	\$ 99,135	4.77%	\$ 98,146	4.84%	\$ 93,333	4.80%	\$ 89,883	4.84%	\$ 86,342	4.95%	\$ 208,963	4.61%	\$ 191,479	4.82%
Liquidity investments	1,573	1.09%	1,161	1.04%	1,318	1.07%	1,713	1.18%	1,700	1.28%	1,076	1.36%	1,214	1.48%	1,301	1.68%	2,734	1.07%	2,776	1.26%
Equity securities – TEB ⁽²⁾	2,520	7.77%	2,159	6.66%	2,285	6.88%	2,031	6.07%	2,595	7.00%	2,047	5.42%	2,459	7.28%	1,573	4.88%	4,679	7.26%	4,642	6.22%
	111,637	4.47%	104,739	4.45%	105,451	4.58%	102,879	4.56%	102,441	4.66%	96,456	4.68%	93,556	4.74%	89,216	4.81%	216,376	4.46%	198,897	4.66%
Expenses related to:																				
Deposits and bank facilities	42,066	2.10%	40,017	2.10%	40,271	2.08%	41,506	2.13%	41,819	2.18%	40,351	2.23%	39,938	2.30%	37,716	2.33%	82,258	2.10%	82,321	2.21%
Debentures	950	5.88%	950	5.86%	1,213	6.02%	1,274	5.94%	1,269	5.99%	1,277	6.09%	1,402	6.14%	1,403	6.02%	1,900	5.88%	2,546	6.04%
Securitization liabilities	3,646	1.45%	3,466	1.57%	2,622	1.60%	1,830	1.73%	1,112	1.73%	784	2.40%	796	2.29%	953	2.27%	7,112	1.50%	1,896	1.87%
	46,662	2.05%	44,433	2.07%	44,106	2.08%	44,610	2.14%	44,200	2.21%	42,412	2.28%	42,136	2.35%	40,072	2.38%	91,270	2.07%	86,763	2.24%
Net interest income – TEB ⁽²⁾⁽³⁾	64,975	2.59%	60,306	2.55%	61,345	2.68%	58,269	2.59%	58,241	2.65%	54,044	2.60%	51,420	2.62%	49,144	2.66%	125,106	2.57%	112,134	2.62%
Taxable Equivalent Basis – adjustment ⁽²⁾	(838)		(624)		(609)		(589)		(660)		(624)		(499)		(433)		(1,462)		(1,284)	
Core Lending	\$ 64,137		\$ 59,682		\$ 60,736		\$ 57,680		\$ 57,581		\$ 53,420		\$ 50,921		\$ 48,711		\$ 123,644		\$ 110,850	
Securitization Financing:																				
Revenues derived from:																				
Mortgages	\$ 45,296	2.73%	\$ 43,607	2.79%	\$ 41,978	2.90%	\$ 40,907	3.09%	\$ 39,066	3.21%	\$ 37,296	3.20%	\$ 38,051	3.38%	\$ 38,291	3.50%	\$ 88,903	2.76%	\$ 76,362	3.20%
Liquidity investments	344	1.31%	232	1.20%	364	0.97%	265	1.06%	193	0.93%	344	1.77%	491	1.78%	577	1.56%	576	1.27%	537	1.28%
	45,640	2.71%	43,839	2.77%	42,342	2.85%	41,172	3.06%	39,259	3.22%	37,640	3.18%	38,542	3.34%	38,868	3.44%	89,479	2.74%	76,899	3.17%
Expenses related to:																				
Securitization liabilities	37,708	2.62%	35,719	2.60%	36,357	2.76%	33,636	2.90%	33,008	3.02%	32,218	3.08%	32,618	3.15%	33,906	3.26%	73,427	2.61%	65,226	3.05%
Deposits and secured funding facility	5,059	2.16%	4,208	2.13%	3,263	2.05%	3,779	2.14%	2,837	2.21%	2,505	2.24%	2,625	2.36%	1,957	2.41%	9,092	2.11%	5,191	2.20%
	42,767	2.56%	39,927	2.54%	39,620	2.68%	37,415	2.80%	35,845	2.94%	34,723	2.99%	35,243	3.07%	35,863	3.20%	82,519	2.55%	70,417	2.97%
Securitization Financing	\$ 2,873	0.17%	\$ 3,912	0.25%	\$ 2,722	0.18%	\$ 3,757	0.28%	\$ 3,414	0.28%	\$ 2,917	0.23%	\$ 3,299	0.29%	\$ 3,005	0.27%	\$ 6,960	0.21%	\$ 6,482	0.25%
Total – TEB ⁽²⁾⁽³⁾	\$ 67,848	1.62%	\$ 64,218	1.63%	\$ 64,067	1.70%	\$ 62,026	1.73%	\$ 61,655	1.79%	\$ 56,961	1.73%	\$ 54,719	1.76%	\$ 52,149	1.76%	\$ 132,066	1.62%	\$ 118,616	1.76%
Net interest income	\$ 67,010		\$ 63,594		\$ 63,458		\$ 61,437		\$ 60,995		\$ 56,337		\$ 54,220		\$ 51,716		\$ 130,604		\$ 117,332	

⁽¹⁾ Average rates are calculated based on the average of the month-end asset or liability balances outstanding during the period.

⁽²⁾ See Non-GAAP Measures section.

⁽³⁾ See Additional GAAP Measures section.



Table 4: Securitization and derecognition activity

(\$ THOUSANDS)	2016		2015				2014		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2016	2015
Securitization derecognized - non-prepayable Multis	\$ 125,432	\$ 151,544	\$ 69,263	\$ 143,742	\$ 214,098	\$ 180,753	\$ 166,709	\$ 197,927	\$ 276,976	\$ 394,851
Securitization derecognized - prepayable mortgages ⁽¹⁾	253,087	-	9,157	-	-	-	-	-	253,087	-
Total principal derecognized	\$ 378,519	\$ 151,544	\$ 78,420	\$ 143,742	\$ 214,098	\$ 180,753	\$ 166,709	\$ 197,927	\$ 530,063	\$ 394,851
Gains on sale	\$ 1,894	\$ 1,619	\$ 755	\$ 1,259	\$ 1,703	\$ 1,530	\$ 1,154	\$ 1,291	\$ 3,513	\$ 3,233
Income from securitization activities and retained interests:										
Income from retained interests	154	178	195	175	281	268	122	247	332	549
Fair value (losses) gains on derivative financial instruments	(154)	(1,237)	(80)	(388)	284	(96)	(426)	54	(1,391)	188
Gains on securitization activities and income from securitization retained interests	\$ 1,894	\$ 560	\$ 870	\$ 1,046	\$ 2,268	\$ 1,702	\$ 850	\$ 1,592	\$ 2,454	\$ 3,970
Gains on sale margin ⁽²⁾	0.50%	1.07%	0.96%	0.88%	0.80%	0.85%	0.69%	0.65%	0.66%	0.82%

⁽¹⁾ In order to derecognize prepayable mortgages, Equitable needs to securitize the mortgages through CMHC's CMB or NHA-MBS programs and also then engage in a transaction that transfers the residual risks and rewards to third parties.

This additional transaction is not required to derecognize non-prepayable mortgages.

⁽²⁾ Gains on sale margin represents the gains on sale as a percentage of total principal derecognized.



Table 5: Non-interest expenses and Efficiency Ratio

(\$ THOUSANDS, EXCEPT FTE)	2016		2015				2014		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2016	2015
Growth of our franchise:										
Compensation and benefits	\$ 14,529	\$ 13,555	\$ 12,666	\$ 11,941	\$ 12,277	\$ 10,835	\$ 10,961	\$ 10,437	\$ 28,084	\$ 23,112
Premises, equipment, and systems costs	3,619	3,494	3,141	2,680	2,879	2,586	2,162	2,343	7,113	5,465
Other	2,403	2,347	2,151	2,246	2,238	2,017	1,927	1,396	4,750	4,255
Licenses, regulatory fees and insurance	1,611	1,337	1,472	1,366	1,181	1,010	1,135	1,123	2,948	2,191
Mortgage servicing	886	980	1,000	1,039	1,018	999	961	976	1,866	2,017
Marketing and travel	726	780	676	618	630	503	1,156	504	1,506	1,133
Amortization	1,174	1,146	930	771	823	657	692	683	2,320	1,480
Non-interest expenses before strategic investments	24,948	23,639	22,036	20,661	21,046	18,607	18,994	17,462	48,587	39,653
Investments in our future:										
Compensation and benefits	1,353	1,423	906	533	527	551	482	305	2,776	1,078
Other	2071	4,316	1,487	929	137	542	1,076	-	6,387	679
Total investments in our future ⁽¹⁾	3,424	5,739	2,393	1,462	664	1,093	1,558	305	9,163	1,757
Total non-interest expenses	\$ 28,372	\$ 29,378	\$ 24,429	\$ 22,123	\$ 21,710	\$ 19,700	\$ 20,552	\$ 17,767	\$ 57,750	\$ 41,410
Efficiency Ratio - TEB ⁽¹⁾	38.2%	43.2%	35.7%	33.4%	32.8%	32.4%	35.4%	31.5%	40.6%	32.6%
Full-time employee ("FTE") - period average	528	507	484	452	430	412	391	360	516	421

⁽¹⁾ See Non-GAAP Measures section.



Table 6: Interim consolidated balance sheets

(\$ THOUSANDS)	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Assets								
Cash and cash equivalents	\$ 336,237	\$ 427,800	\$ 423,366	\$ 413,518	\$ 631,917	\$ 243,634	\$ 230,063	\$ 317,306
Restricted cash	150,691	129,453	107,988	116,894	107,338	64,117	67,690	47,698
Securities purchased under reverse repurchase agreements	150,906	30,346	19,918	63,598	102,025	10,535	18,117	23,546
Investments	130,770	154,397	153,714	149,734	163,390	182,221	187,664	177,538
Mortgages receivable – Core Lending	9,591,449	9,061,191	8,674,599	8,458,087	8,229,510	8,014,573	7,684,425	7,184,989
Mortgages receivable – Securitization Financing	6,652,657	6,479,050	6,026,207	5,501,345	4,986,757	4,771,279	4,585,520	4,370,711
Securitization retained interests	74,563	66,665	61,650	61,524	56,982	52,957	44,983	40,645
Other assets	60,581	62,319	60,142	62,910	51,905	48,599	36,441	30,902
	\$ 17,147,854	\$ 16,411,221	\$ 15,527,584	\$ 14,827,610	\$ 14,329,824	\$ 13,387,915	\$ 12,854,903	\$ 12,193,335
Liabilities and Shareholders' Equity								
Liabilities:								
Deposits	\$ 9,148,025	\$ 8,845,184	\$ 8,211,265	\$ 8,055,591	\$ 8,236,361	\$ 7,750,244	\$ 7,489,418	\$ 7,054,617
Securitization liabilities	6,807,964	6,576,177	6,109,436	5,485,344	4,870,987	4,457,760	4,355,328	4,182,709
Obligations under repurchase agreements	-	-	-	163,189	167,767	225,698	52,413	33,569
Deferred tax liabilities	33,663	29,993	28,698	25,713	20,747	18,507	14,843	11,140
Other liabilities	79,278	78,818	81,290	58,094	57,011	60,014	61,971	40,967
Bank facilities	170,000	-	235,779	190,000	141,802	67,086	92,236	94,987
Debentures	65,000	65,000	65,000	85,000	85,000	85,000	85,000	92,483
	16,303,930	15,595,172	14,731,468	14,062,931	13,579,675	12,664,309	12,151,209	11,510,472
Shareholders' equity:								
Preferred shares	72,557	72,557	72,557	72,557	72,557	72,557	72,412	72,412
Common shares	144,615	144,159	143,690	141,971	141,794	141,245	140,657	139,985
Contributed surplus	5,099	4,935	4,706	4,808	4,640	4,505	4,331	4,213
Retained earnings	658,098	629,147	605,436	578,295	550,979	521,587	496,097	473,882
Accumulated other comprehensive loss	(36,445)	(34,749)	(30,273)	(32,952)	(19,821)	(16,288)	(9,803)	(7,629)
	843,924	816,049	796,116	764,679	750,149	723,606	703,694	682,863
	\$ 17,147,854	\$ 16,411,221	\$ 15,527,584	\$ 14,827,610	\$ 14,329,824	\$ 13,387,915	\$ 12,854,903	\$ 12,193,335



Table 7: Average balance sheet information ⁽¹⁾

(\$ THOUSANDS)	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Assets								
Cash and cash equivalents	\$ 474,928	\$ 355,924	\$ 397,610	\$ 505,232	\$ 469,249	\$ 274,312	\$ 286,245	\$ 256,833
Restricted cash	143,195	113,817	167,553	109,885	89,727	77,389	70,595	84,270
Securities purchased under reverse repurchase agreements	55,688	15,199	50,991	46,019	30,645	13,252	34,088	12,278
Investments	143,819	172,083	151,647	156,371	174,885	187,204	178,057	227,181
Mortgages receivable – Core Lending	9,324,530	8,885,286	8,602,257	8,314,489	8,140,272	7,840,103	7,435,567	6,992,071
Mortgages receivable – Securitization Financing	6,668,744	6,278,452	5,800,723	5,290,134	4,890,747	4,687,897	4,511,993	4,374,285
Securitization retained interests	68,086	63,063	61,059	58,459	54,026	48,147	41,704	37,357
Other assets	59,911	63,134	61,294	56,518	47,644	42,398	31,926	28,950
	\$ 16,938,901	\$ 15,946,958	\$ 15,293,134	\$ 14,537,107	\$ 13,897,195	\$ 13,170,702	\$ 12,590,175	\$ 12,013,225
Liabilities and Shareholders' Equity								
Liabilities:								
Deposits	\$ 8,963,513	\$ 8,474,357	\$ 8,085,075	\$ 8,133,780	\$ 7,968,948	\$ 7,602,609	\$ 7,268,269	\$ 6,730,913
Securitization liabilities	6,800,005	6,396,861	5,926,749	5,059,275	4,657,870	4,386,508	4,297,869	4,340,098
Obligations under repurchase agreements	-	-	64,655	161,496	218,438	186,342	42,663	8,392
Deferred tax liabilities	30,911	29,022	26,933	21,989	19,067	15,724	12,534	11,714
Other liabilities	79,830	84,519	68,690	53,654	59,683	66,092	50,288	37,646
Bank facilities	167,087	94,134	258,599	264,076	150,409	116,178	133,363	118,873
Debentures	65,000	65,000	80,000	85,000	85,000	85,000	90,612	92,483
	16,106,346	15,143,893	14,510,701	13,779,270	13,159,415	12,458,453	11,895,598	11,340,119
Shareholders' equity:								
Preferred shares	72,557	72,557	72,557	72,557	72,557	72,498	72,412	72,667
Common shares	144,356	143,869	142,499	141,867	141,491	140,838	140,181	139,871
Contributed surplus	5,042	4,812	4,839	4,740	4,607	4,419	4,281	5,251
Retained earnings	644,154	618,199	593,009	565,578	536,707	509,321	486,255	462,455
Accumulated other comprehensive loss	(33,554)	(36,372)	(30,471)	(26,905)	(17,582)	(14,827)	(8,552)	(7,138)
	832,555	803,065	782,433	757,837	737,780	712,249	694,577	673,106
	\$ 16,938,901	\$ 15,946,958	\$ 15,293,134	\$ 14,537,107	\$ 13,897,195	\$ 13,170,702	\$ 12,590,175	\$ 12,013,225

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



Table 8: Mortgage principal under administration – by lending business

(\$ THOUSANDS)	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Single Family Lending	\$ 7,155,246	\$ 6,751,013	\$ 6,449,663	\$ 6,225,409	\$ 5,946,464	\$ 5,691,465	\$ 5,385,848	\$ 4,909,131
Commercial Lending	2,437,546	2,313,337	2,229,466	2,240,474	2,289,859	2,328,651	2,305,375	2,283,825
Total Core Lending	9,592,792	9,064,350	8,679,129	8,465,883	8,236,323	8,020,116	7,691,223	7,192,956
Multi-unit residential	3,726,566	4,013,890	3,992,388	3,911,108	3,860,512	3,988,627	3,975,531	4,026,918
Prime single family residential	2,841,935	2,385,784	1,962,930	1,528,435	1,078,712	741,536	573,944	312,923
Total Securitization Financing	6,568,501	6,399,674	5,955,318	5,439,543	4,939,224	4,730,163	4,549,475	4,339,841
Total on-balance sheet mortgage principal	16,161,293	15,464,024	14,634,447	13,905,426	13,175,547	12,750,279	12,240,698	11,532,797
Multi-unit residential	2,462,533	2,100,591	1,965,663	1,901,926	1,771,894	1,570,278	1,399,816	1,241,999
Prime single family residential	99,230	104,206	106,825	109,727	112,405	117,086	119,192	122,448
Total derecognized mortgage principal	2,561,763	2,204,797	2,072,488	2,011,653	1,884,299	1,687,364	1,519,008	1,364,447
Mortgages Under Management	\$ 18,723,056	\$ 17,668,821	\$ 16,706,935	\$ 15,917,079	\$ 15,059,846	\$ 14,437,643	\$ 13,759,706	\$ 12,897,244
Single Family Lending	\$ 7,155,246	\$ 6,751,013	\$ 6,449,663	\$ 6,225,409	\$ 5,946,464	\$ 5,691,465	\$ 5,385,848	\$ 4,909,131
Prime single family residential	2,941,165	2,489,990	2,069,755	1,638,162	1,191,117	858,622	693,136	435,371
Commercial Lending	2,437,546	2,313,337	2,229,466	2,240,474	2,289,859	2,328,651	2,305,375	2,283,825
Multi-unit residential	6,189,099	6,114,481	5,958,051	5,813,034	5,632,406	5,558,905	5,375,347	5,268,917
Mortgages Under Management	\$ 18,723,056	\$ 17,668,821	\$ 16,706,935	\$ 15,917,079	\$ 15,059,846	\$ 14,437,643	\$ 13,759,706	\$ 12,897,244



Table 9: Mortgage originations - by lending business

(\$ THOUSANDS)	2016		2015				2014		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2016	2015
Single Family Lending	\$ 952,937	\$ 674,417	\$ 719,361	\$ 744,416	\$ 641,095	\$ 568,278	\$ 758,442	\$ 645,842	\$ 1,627,354	\$ 1,209,373
Commercial Lending	323,061	201,849	259,502	235,987	199,977	207,767	253,961	193,668	524,910	407,744
Total Core Lending	1,275,998	876,266	978,863	980,403	841,072	776,045	1,012,403	839,510	2,152,264	1,617,117
Multi-unit residential	245,677	248,773	269,948	267,103	175,585	277,308	306,352	321,845	494,450	452,893
Prime single family residential	499,732	444,354	489,310	522,919	379,687	191,414	270,175	157,259	944,086	571,101
Total Securitization Financing	745,409	693,127	759,258	790,022	555,272	468,722	576,527	479,104	1,438,536	1,023,994
Total mortgage originations	\$ 2,021,407	\$ 1,569,393	\$ 1,738,121	\$ 1,770,425	\$ 1,396,344	\$ 1,244,767	\$ 1,588,930	\$ 1,318,614	\$ 3,590,800	\$ 2,641,111



Table 10: Deposit principal

(\$ THOUSANDS)	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
GICs	\$ 6,742,096	\$ 6,606,137	\$ 6,931,771	\$ 6,934,026	\$ 7,239,484	\$ 6,894,012	\$ 6,869,073	\$ 6,547,226
Brokered HISAs	1,075,208	1,096,641	947,675	791,472	652,806	503,554	366,239	262,297
Savings Plus Accounts	995,645	793,633	91	-	-	-	-	-
Deposit notes	235,516	235,702	235,946	236,180	236,184	236,430	150,144	150,010
Total deposit principal	\$ 9,048,465	\$ 8,732,113	\$ 8,115,483	\$ 7,961,678	\$ 8,128,474	\$ 7,633,996	\$ 7,385,456	\$ 6,959,533



Table 11: Mortgage credit metrics

(\$ THOUSANDS)	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Provision for credit losses	\$ 105	\$ 227	\$ 1,064	\$ 930	\$ 830	\$ 814	\$ 842	\$ 733
Provision for credit losses-rate ⁽¹⁾	0.00%	0.01%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Gross impaired mortgage assets ⁽²⁾	33,531	36,048	34,183	33,241	27,566	39,436	41,254	40,521
Net impaired mortgage assets ⁽²⁾⁽³⁾	32,181	34,783	32,857	29,622	24,382	35,742	37,315	36,904
Net impaired mortgage assets as a % of total mortgage assets ⁽²⁾⁽³⁾	0.20%	0.22%	0.22%	0.21%	0.18%	0.28%	0.30%	0.32%
Allowance for credit losses	33,240	33,155	33,216	34,911	34,007	33,772	33,447	32,928
Allowance for credit losses as a % of total mortgage assets	0.20%	0.21%	0.23%	0.25%	0.26%	0.26%	0.27%	0.28%
Allowances for credit losses as a % of gross impaired mortgage assets	99%	92%	97%	105%	123%	86%	81%	81%

⁽¹⁾ See Non-GAAP Measures section.

⁽²⁾ Conventional mortgages are deemed to be impaired at the earlier of the date they have been individually provided for or when they have been in arrears for 90 days. Mortgages guaranteed by the Government of Canada are deemed to be impaired when payment is contractually past due 365 days.

⁽³⁾ Net impaired mortgage assets reflect gross impaired mortgages less individual allowances.



Table 12: Allowance for credit losses continuity

(\$ THOUSANDS)	2016		2015				2014		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2016	2015
Individual allowance										
Balance, beginning of period	\$ 1,265	\$ 1,326	\$ 3,619	\$ 3,184	\$ 3,694	\$ 3,937	\$ 3,617	\$ 3,394	\$ 1,326	\$ 3,937
Provision for credit losses	105	227	466	461	85	246	643	280	332	331
Realized losses	(58)	(307)	(2,763)	(32)	(615)	(491)	(323)	(60)	(365)	(1,106)
Recoveries	38	19	4	6	20	2	0	3	57	22
Balance, end of period	\$ 1,350	\$ 1,265	\$ 1,326	\$ 3,619	\$ 3,184	\$ 3,694	\$ 3,937	\$ 3,617	\$ 1,350	\$ 3,184
Collective allowance										
Balance, beginning of period	\$ 31,890	\$ 31,890	\$ 31,292	\$ 30,823	\$ 30,078	\$ 29,510	\$ 29,311	\$ 28,858	\$ 31,890	\$ 29,510
Provision for credit losses	-	-	598	469	745	568	199	453	-	1,313
Balance, end of period	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,292	\$ 30,823	\$ 30,078	\$ 29,510	\$ 29,311	\$ 31,890	\$ 30,823
Total allowance										
Balance, beginning of period	\$ 33,155	\$ 33,216	\$ 34,911	\$ 34,007	\$ 33,772	\$ 33,447	\$ 32,928	\$ 32,252	\$ 33,216	\$ 33,447
Provision for credit losses	105	227	1,064	930	830	814	842	733	332	1,644
Realized losses	(58)	(307)	(2,763)	(32)	(615)	(491)	(323)	(60)	(365)	(1,106)
Recoveries	38	19	4	6	20	2	0	3	57	22
Balance, end of period	\$ 33,240	\$ 33,155	\$ 33,216	\$ 34,911	\$ 34,007	\$ 33,772	\$ 33,447	\$ 32,928	\$ 33,240	\$ 34,007



Table 13: Mortgage principal outstanding – by property type

(\$ THOUSANDS)	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Uninsured								
Single family dwelling	\$ 6,490,980	\$ 6,019,695	\$ 5,666,406	\$ 5,588,827	\$ 5,240,123	\$ 5,041,423	\$ 4,700,722	\$ 4,452,025
Mixed-use property	363,318	368,175	357,738	362,013	360,338	357,642	346,850	362,528
Multi-unit residential	455,987	506,860	507,921	489,986	534,130	509,560	516,371	508,017
Commercial	976,872	868,590	854,016	926,301	923,779	1,009,257	1,037,015	1,047,122
Construction	636,374	564,747	510,408	461,337	470,663	451,093	404,873	364,416
Mortgage principal – Core Lending	8,923,531	8,328,067	7,896,489	7,828,464	7,529,033	7,368,975	7,005,831	6,734,108
Single family dwelling	43,953	70,133	53,149	2,386	-	-	-	-
Mortgage principal – Securitization Financing	43,953	70,133	53,149	2,386	-	-	-	-
Total mortgage principal outstanding	\$ 8,967,484	\$ 8,398,200	\$ 7,949,638	\$ 7,830,850	\$ 7,529,033	\$ 7,368,975	\$ 7,005,831	\$ 6,734,108
Total mortgage principal outstanding percentage	55%	54%	54%	56%	57%	58%	57%	58%
Insured								
Single family dwelling	\$ 663,161	\$ 730,160	\$ 782,035	\$ 636,793	\$ 706,643	\$ 650,473	\$ 684,702	\$ 458,138
Multi-unit residential	6,100	6,123	605	626	647	668	690	710
Mortgage principal – Core Lending	669,261	736,283	782,640	637,419	707,290	651,141	685,392	458,848
Single family dwelling	2,797,982	2,315,651	1,909,781	1,526,049	1,078,712	741,536	573,944	312,923
Multi-unit residential	3,726,566	4,013,890	3,992,388	3,911,108	3,860,512	3,988,627	3,975,531	4,026,918
Mortgage principal – Securitization Financing	6,524,548	6,329,541	5,902,169	5,437,157	4,939,224	4,730,163	4,549,475	4,339,841
Total mortgage principal outstanding	\$ 7,193,809	\$ 7,065,824	\$ 6,684,809	\$ 6,074,576	\$ 5,646,514	\$ 5,381,304	\$ 5,234,867	\$ 4,798,689
Total mortgage principal outstanding percentage	45%	46%	46%	44%	43%	42%	43%	42%
Total								
Single family dwelling	\$ 7,154,141	\$ 6,749,855	\$ 6,448,441	\$ 6,225,620	\$ 5,946,766	\$ 5,691,896	\$ 5,385,424	\$ 4,910,163
Mixed-use property	363,318	368,175	357,738	362,013	360,338	357,642	346,850	362,528
Multi-unit residential	462,087	512,983	508,526	490,612	534,777	510,228	517,061	508,727
Commercial	976,872	868,590	854,016	926,301	923,779	1,009,257	1,037,015	1,047,122
Construction	636,374	564,747	510,408	461,337	470,663	451,093	404,873	364,416
Mortgage principal – Core Lending	9,592,792	9,064,350	8,679,129	8,465,883	8,236,323	8,020,116	7,691,223	7,192,956
Single family dwelling	2,841,935	2,385,784	1,962,930	1,528,435	1,078,712	741,536	573,944	312,923
Multi-unit residential	3,726,566	4,013,890	3,992,388	3,911,108	3,860,512	3,988,627	3,975,531	4,026,918
Mortgage principal – Securitization Financing	6,568,501	6,399,674	5,955,318	5,439,543	4,939,224	4,730,163	4,549,475	4,339,841
Total mortgage principal outstanding	\$ 16,161,293	\$ 15,464,024	\$ 14,634,447	\$ 13,905,426	\$ 13,175,547	\$ 12,750,279	\$ 12,240,698	\$ 11,532,797
Total mortgage principal outstanding percentage	100%	100%	100%	100%	100%	100%	100%	100%



Table 14: Mortgage principal outstanding – by interest rate type

	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Fixed rate mortgages	82%	82%	83%	84%	85%	86%	87%	87%
Floating rate mortgages with interest rate floors ⁽¹⁾	7%	7%	7%	7%	7%	7%	7%	7%
Floating rate mortgages without interest rate floors	11%	11%	10%	9%	8%	7%	6%	6%
Total	100%	100%	100%	100%	100%	100%	100%	100%

⁽¹⁾ Floating rate mortgages with interest rate floors represent mortgages whose rate are allowed to move up or down by way of reference to an index rate, but are subject to a minimum fixed rate.

Table 15: Mortgage principal outstanding – by province⁽¹⁾

(\$ THOUSANDS)	2016				2015								2014			
	Q2		Q1		Q4		Q3		Q2		Q1		Q4		Q3	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Single Family Lending																
Ontario	\$ 5,485,009	34%	\$ 5,184,491	34%	\$ 4,958,225	34%	\$ 4,765,953	34%	\$ 4,542,015	34%	\$ 4,355,572	34%	\$ 4,122,706	34%	\$ 3,771,434	33%
Alberta	919,447	6%	914,251	6%	909,425	6%	909,805	7%	906,994	7%	895,001	7%	876,586	7%	800,149	7%
Quebec	198,040	1%	163,888	1%	137,910	1%	114,548	1%	86,872	1%	61,484	0%	36,877	0%	16,628	0%
British Columbia	346,034	2%	284,356	2%	243,914	2%	235,591	2%	216,048	2%	190,129	1%	170,725	1%	154,624	1%
Saskatchewan	74,752	0%	76,435	0%	77,252	1%	79,903	1%	80,363	1%	82,188	1%	78,694	1%	74,927	1%
Other Provinces	131,964	1%	127,592	1%	122,938	1%	119,609	1%	114,172	1%	107,091	1%	100,260	1%	91,369	1%
	\$ 7,155,246	44%	\$ 6,751,013	44%	\$ 6,449,663	44%	\$ 6,225,409	45%	\$ 5,946,464	45%	\$ 5,691,465	45%	\$ 5,385,848	44%	\$ 4,909,131	43%
Commercial Lending																
Ontario	\$ 1,574,719	10%	\$ 1,465,093	9%	\$ 1,426,315	10%	\$ 1,413,563	10%	\$ 1,464,394	11%	\$ 1,468,631	12%	\$ 1,460,167	12%	\$ 1,468,037	13%
Alberta	272,609	2%	267,008	2%	246,922	2%	272,998	2%	278,400	2%	295,090	2%	290,705	2%	290,778	3%
Quebec	423,578	3%	393,323	3%	384,052	3%	386,402	3%	381,832	3%	378,753	3%	389,599	3%	362,490	3%
British Columbia	72,468	0%	50,886	0%	32,606	0%	30,111	0%	38,594	0%	60,290	0%	55,231	0%	49,826	0%
Saskatchewan	13,929	0%	39,429	0%	38,156	0%	35,941	0%	35,420	0%	32,498	0%	29,658	0%	34,875	0%
Other Provinces	80,243	0%	97,599	1%	101,415	1%	101,459	1%	91,219	1%	93,388	1%	80,014	1%	77,819	1%
	\$ 2,437,546	15%	\$ 2,313,337	15%	\$ 2,229,466	15%	\$ 2,240,474	16%	\$ 2,289,859	17%	\$ 2,328,651	18%	\$ 2,305,375	19%	\$ 2,283,825	20%
Total mortgage principal - Core Lending	\$ 9,592,792	59%	\$ 9,064,350	59%	\$ 8,679,129	59%	\$ 8,465,883	61%	\$ 8,236,323	63%	\$ 8,020,116	63%	\$ 7,691,223	63%	\$ 7,192,956	62%
Multi-unit residential																
Ontario	\$ 1,458,201	9%	\$ 1,560,075	10%	\$ 1,516,645	10%	\$ 1,551,250	11%	\$ 1,543,023	12%	\$ 1,686,992	13%	\$ 1,656,273	14%	\$ 1,685,359	15%
Alberta	641,089	4%	673,371	4%	670,894	5%	628,166	5%	588,644	4%	608,581	5%	600,977	5%	612,865	5%
Quebec	790,335	5%	880,665	6%	885,550	6%	833,527	6%	822,084	6%	821,493	6%	834,182	7%	881,238	8%
British Columbia	403,411	2%	410,498	3%	438,295	3%	409,698	3%	412,730	3%	382,201	3%	410,328	3%	396,652	3%
Saskatchewan	154,093	1%	158,013	1%	155,411	1%	156,354	1%	159,788	1%	156,894	1%	143,558	1%	106,326	1%
Other Provinces	279,436	2%	331,268	2%	325,593	2%	332,113	2%	334,243	3%	332,466	3%	330,213	3%	344,477	3%
	\$ 3,726,566	23%	\$ 4,013,890	26%	\$ 3,992,388	27%	\$ 3,911,108	28%	\$ 3,860,512	29%	\$ 3,988,627	31%	\$ 3,975,531	32%	\$ 4,026,918	35%
Prime single family residential																
Ontario	\$ 1,564,574	10%	\$ 1,280,348	8%	\$ 1,033,032	7%	\$ 758,823	5%	\$ 503,539	4%	\$ 310,014	2%	\$ 223,626	2%	\$ 100,581	1%
Alberta	571,655	4%	514,056	3%	448,413	3%	378,425	3%	293,769	2%	218,176	2%	176,501	1%	98,598	1%
Quebec	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
British Columbia	362,871	2%	285,527	2%	213,577	1%	166,826	1%	135,721	1%	102,064	1%	86,607	1%	60,978	1%
Saskatchewan	128,991	1%	117,454	1%	106,499	1%	92,675	1%	62,032	0%	47,543	0%	38,059	0%	22,972	0%
Other Provinces	213,844	1%	188,399	1%	161,409	1%	131,686	1%	83,651	1%	63,739	0%	49,151	0%	29,795	0%
	\$ 2,841,935	18%	\$ 2,385,784	15%	\$ 1,962,930	14%	\$ 1,528,435	11%	\$ 1,078,712	8%	\$ 741,536	6%	\$ 573,944	5%	\$ 312,923	3%
Total mortgage principal - Securitization Financing	\$ 6,568,501	41%	\$ 6,399,674	41%	\$ 5,955,318	41%	\$ 5,439,543	39%	\$ 4,939,224	37%	\$ 4,730,163	37%	\$ 4,549,475	37%	\$ 4,339,841	38%
Total																
Ontario	\$ 10,082,500	62%	\$ 9,490,008	61%	\$ 8,934,217	61%	\$ 8,489,589	61%	\$ 8,052,971	61%	\$ 7,821,210	61%	\$ 7,462,772	61%	\$ 7,025,411	61%
Alberta	2,404,800	15%	2,368,686	15%	2,275,654	16%	2,189,394	16%	2,067,807	16%	2,016,848	16%	1,944,770	16%	1,802,390	16%
Quebec	1,411,952	9%	1,437,876	9%	1,407,511	10%	1,334,477	10%	1,290,788	10%	1,261,729	10%	1,260,658	10%	1,260,356	11%
British Columbia	1,184,784	7%	1,031,267	7%	928,391	6%	842,226	6%	803,093	6%	734,685	6%	722,890	6%	662,081	6%
Saskatchewan	371,766	2%	391,330	3%	377,319	3%	364,873	3%	337,602	3%	319,123	3%	289,970	2%	239,100	2%
Other Provinces	705,487	4%	744,859	5%	711,355	5%	684,867	5%	623,286	5%	596,684	5%	559,638	5%	543,459	5%
Total mortgage principal	\$ 16,161,293	100%	\$ 15,464,024	100%	\$ 14,634,447	100%	\$ 13,905,426	100%	\$ 13,175,547	100%	\$ 12,750,279	100%	\$ 12,240,698	100%	\$ 11,532,797	100%

⁽¹⁾ Geographic location based on the address of the property mortgaged.



Table 16: Residential mortgage and HELOC principal outstanding – by province⁽¹⁾

(\$ THOUSANDS)	Residential mortgages				HELOC ⁽²⁾		Total	
	Insured ⁽³⁾		Uninsured		Uninsured		Uninsured	
	Total	%	Total	%	Total	%	Total	%
	Q2 2016							
Ontario	\$ 2,043,299	20%	\$ 4,987,092	50%	\$ 18,980	80%	\$ 5,006,072	50%
Alberta	672,523	7%	814,829	8%	2,858	12%	817,687	8%
British Columbia	369,529	4%	338,344	3%	1,032	4%	339,376	3%
Manitoba	69,035	1%	71,047	1%	252	1%	71,299	1%
Saskatchewan	140,119	1%	63,275	1%	349	1%	63,624	1%
Other Provinces	166,638	2%	236,674	2%	201	2%	236,875	2%
Total residential mortgages	\$ 3,461,143	35%	\$ 6,511,261	65%	\$ 23,672	100%	\$ 6,534,933	65%
Downtown Toronto condominiums ⁽⁴⁾	\$ 6,641	0%	\$ 74,436	1%	\$ 162	1%	\$ 74,598	1%
	Q4 2015							
Ontario	\$ 1,592,575	19%	\$ 4,383,369	52%	\$ 15,220	79%	\$ 4,398,589	52%
Alberta	561,389	7%	792,865	9%	2,684	14%	795,549	9%
British Columbia	232,672	3%	224,016	3%	802	4%	224,818	3%
Manitoba	59,608	1%	70,371	1%	220	1%	70,591	1%
Saskatchewan	118,918	1%	64,558	1%	276	1%	64,834	1%
Other Provinces	126,654	2%	164,997	2%	177	1%	165,174	2%
Total residential mortgages	\$ 2,691,816	33%	\$ 5,700,176	67%	\$ 19,379	100%	\$ 5,719,555	68%
Downtown Toronto condominiums ⁽⁴⁾	\$ 7,920	0%	\$ 54,704	1%	\$ 111	1%	\$ 54,815	1%
	Q2 2015							
Ontario	\$ 1,045,484	15%	\$ 3,990,231	57%	\$ 11,049	78%	\$ 4,001,280	57%
Alberta	410,633	6%	787,053	11%	2,170	15%	789,223	11%
British Columbia	153,264	2%	198,000	3%	505	4%	198,505	3%
Manitoba	33,450	0%	70,783	1%	164	1%	70,947	1%
Saskatchewan	74,267	1%	67,888	1%	241	2%	68,129	1%
Other Provinces	68,257	1%	111,917	2%	122	0%	112,039	2%
Total residential mortgages	\$ 1,785,355	25%	\$ 5,225,872	75%	\$ 14,251	100%	\$ 5,240,123	75%
Downtown Toronto condominiums ⁽⁴⁾	\$ 8,474	0%	\$ 47,519	1%	\$ 27	0%	\$ 47,546	1%

⁽¹⁾ Geographic location based on the address of the property mortgaged.

⁽²⁾ HELOC represents the drawn amount of the secured line of credit.

⁽³⁾ Insured by either CMHC or Genworth.

⁽⁴⁾ Represents single family residential condominium mortgages and are included in Ontario totals above.



Table 17: Residential mortgage principal outstanding – by remaining amortization⁽¹⁾

(\$ THOUSANDS)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
Q2 2016									
Total residential mortgages	\$ 831 0%	\$ 11,857 0%	\$ 55,950 1%	\$ 247,111 2%	\$ 2,434,154 24%	\$ 7,088,276 71%	\$ 132,704 1%	\$ 1,521 0%	\$ 9,972,404 100%
Q1 2016									
Total residential mortgages	\$ 1,095 0%	\$ 10,686 0%	\$ 44,659 0%	\$ 221,261 2%	\$ 2,170,411 24%	\$ 6,525,904 72%	\$ 138,318 2%	\$ 1,735 0%	\$ 9,114,069 100%
Q4 2015									
Total residential mortgages	\$ 935 0%	\$ 9,367 0%	\$ 35,678 0%	\$ 185,372 3%	\$ 1,931,540 23%	\$ 6,074,542 72%	\$ 153,039 2%	\$ 1,519 0%	\$ 8,391,992 100%
Q3 2015									
Total residential mortgages	\$ 1,078 0%	\$ 7,745 0%	\$ 31,889 0%	\$ 157,311 3%	\$ 1,656,206 21%	\$ 5,680,184 73%	\$ 201,087 3%	\$ 1,911 0%	\$ 7,737,411 100%
Q2 2015									
Total residential mortgages	\$ 1,380 0%	\$ 8,420 0%	\$ 28,337 0%	\$ 138,473 2%	\$ 1,284,811 18%	\$ 5,273,219 75%	\$ 271,991 4%	\$ 4,595 0%	\$ 7,011,226 100%
Q1 2015									
Total residential mortgages	\$ 987 0%	\$ 8,384 0%	\$ 28,631 0%	\$ 122,656 2%	\$ 999,152 16%	\$ 4,911,680 76%	\$ 344,319 5%	\$ 6,393 0%	\$ 6,422,202 100%
Q4 2014									
Total residential mortgages	\$ 717 0%	\$ 7,304 0%	\$ 24,697 0%	\$ 111,945 2%	\$ 816,774 14%	\$ 4,580,706 77%	\$ 396,498 7%	\$ 12,667 0%	\$ 5,951,308 100%
Q3 2014									
Total residential mortgages	\$ 388 0%	\$ 7,217 0%	\$ 21,497 0%	\$ 103,829 2%	\$ 559,440 11%	\$ 4,064,455 78%	\$ 445,999 9%	\$ 15,826 0%	\$ 5,218,651 100%

⁽¹⁾ The above residential mortgage balances do not include HELOC amount.

Table 18: Uninsured average loan-to-value of newly originated and newly acquired⁽¹⁾

	2016				2015								2014			
	Q2		Q1		Q4		Q3		Q2		Q1		Q4		Q3	
	Residential mortgages	HELOC ⁽²⁾	Residential mortgages	HELOC ⁽²⁾	Residential mortgages	HELOC ⁽²⁾	Residential mortgages	HELOC ⁽²⁾	Residential mortgages	HELOC ⁽²⁾	Residential mortgages	HELOC ⁽²⁾	Residential mortgages	HELOC ⁽²⁾	Residential mortgages	HELOC ⁽²⁾
Ontario	73%	5%	73%	7%	74%	6%	75%	6%	74%	5%	75%	6%	75%	6%	75%	5%
Alberta	73%	2%	72%	4%	71%	6%	72%	3%	72%	4%	72%	10%	74%	9%	75%	5%
British Columbia	69%	5%	71%	6%	68%	3%	72%	4%	70%	4%	71%	3%	73%	3%	73%	5%
Manitoba	77%	1%	75%	1%	75%	5%	74%	8%	74%	3%	77%	2%	74%	3%	74%	8%
Saskatchewan	72%	2%	69%	2%	73%	1%	68%	8%	66%	2%	71%	18%	72%	5%	73%	2%
Other Provinces	71%	18%	71%	3%	70%	2%	71%	2%	70%	5%	70%	4%	71%	3%	71%	5%
Total Canada	73%	5%	73%	7%	74%	6%	75%	6%	74%	5%	74%	6%	75%	7%	75%	5%
Downtown Toronto condominiums ⁽³⁾	69%	5%	64%	2%	64%	2%	64%	2%	64%	2%	64%	2%	68%	3%	70%	0%

⁽¹⁾ Geographic location based on the address of the property mortgaged.

⁽²⁾ The loan-to-value ("LTV") of the HELOC represents the authorized HELOC amount as a percentage of the original property value. There are also mortgages associated with most of these properties, but the aggregate LTVs are not presented on this chart.

Aggregate LTVs do not exceed 80%.

⁽³⁾ Included in Ontario totals above.

Table 19: Average loan-to-value of existing residential mortgages⁽¹⁾⁽³⁾

	2016						2015					
	Q2			Q1			Q4			Q3		
	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾
Ontario	75%	64%	68%	74%	67%	69%	74%	67%	69%	74%	66%	68%
Alberta	83%	67%	75%	85%	70%	77%	85%	69%	76%	84%	67%	74%
British Columbia	80%	64%	72%	76%	62%	69%	79%	63%	71%	81%	64%	72%
Manitoba	83%	69%	76%	82%	70%	76%	83%	70%	76%	84%	70%	76%
Saskatchewan	86%	60%	78%	83%	63%	77%	85%	64%	77%	85%	63%	77%
Other Provinces	87%	66%	75%	87%	70%	77%	86%	69%	76%	87%	68%	76%
Total Canada	78%	65%	70%	78%	67%	71%	78%	67%	71%	78%	66%	70%

	2015						2014					
	Q2			Q1			Q4			Q3		
	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾
Ontario	73%	67%	69%	72%	69%	70%	67%	69%	68%	65%	68%	67%
Alberta	83%	68%	73%	82%	68%	72%	79%	67%	70%	76%	66%	68%
British Columbia	82%	64%	72%	84%	65%	73%	84%	66%	73%	82%	66%	71%
Manitoba	81%	69%	73%	80%	70%	73%	77%	68%	71%	72%	67%	68%
Saskatchewan	85%	65%	75%	85%	67%	75%	84%	67%	74%	81%	66%	71%
Other Provinces	86%	68%	75%	87%	70%	76%	86%	69%	76%	80%	67%	72%
Total Canada	77%	67%	70%	77%	69%	71%	73%	69%	69%	70%	67%	68%

⁽¹⁾ Geographic location based on the address of the property mortgaged.

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

⁽³⁾ The LTV of HELOC is not included in this chart.



Table 20: Alberta and Saskatchewan portfolios

(\$ THOUSANDS)	Insured ⁽¹⁾						Uninsured						Total	%
	Residential	%	Commercial ⁽²⁾	%	Total	%	Residential ⁽³⁾	%	Commercial ⁽⁴⁾	%	Total	%		
	Q2 2016													
Alberta	\$ 672,523	4%	\$ 641,077	4%	\$ 1,313,600	8%	\$ 817,687	5%	\$ 273,513	2%	\$ 1,091,200	7%	\$ 2,404,800	15%
Saskatchewan	140,119	1%	154,093	1%	294,212	2%	63,624	0%	13,930	0%	77,554	0%	371,766	2%
Other provinces	2,648,501	16%	2,937,496	18%	5,585,997	35%	5,653,622	35%	2,145,108	13%	7,798,730	48%	13,384,727	83%
Total Mortgage Principal	\$ 3,461,143	21%	\$ 3,732,666	23%	\$ 7,193,809	45%	\$ 6,534,933	40%	\$ 2,432,551	15%	\$ 8,967,484	55%	\$ 16,161,293	100%
Included in Alberta:														
Greater Edmonton	\$ 274,484	2%	\$ 361,351	2%	\$ 635,835	4%	\$ 339,332	2%	\$ 103,885	1%	\$ 443,217	3%	\$ 1,079,052	7%
Greater Calgary	285,325	2%	236,531	1%	521,856	3%	435,767	3%	132,251	1%	568,018	4%	1,089,874	7%
	\$ 559,809	3%	\$ 597,882	4%	\$ 1,157,691	7%	\$ 775,099	5%	\$ 236,136	1%	\$ 1,011,235	6%	\$ 2,168,926	13%
Included in Saskatchewan:														
Regina	\$ 38,930	0%	\$ 59,700	0%	\$ 98,630	1%	\$ 34,568	0%	\$ -	0%	\$ 34,568	0%	\$ 133,198	1%
Saskatoon	65,043	0%	75,919	0%	140,962	1%	24,288	0%	13,929	0%	38,217	0%	179,199	1%
	\$ 103,973	1%	\$ 135,619	1%	\$ 239,592	1%	\$ 58,856	0%	\$ 13,929	0%	\$ 72,785	0%	\$ 312,377	2%
	Q4 2015													
Alberta	\$ 561,389	4%	\$ 670,881	5%	\$ 1,232,270	8%	\$ 795,549	5%	\$ 247,835	2%	\$ 1,043,384	7%	\$ 2,275,654	16%
Saskatchewan	118,918	1%	155,411	1%	274,329	2%	64,834	0%	38,156	0%	102,990	1%	377,319	3%
Other provinces	2,011,509	14%	3,166,701	22%	5,178,210	35%	4,859,172	33%	1,944,092	13%	6,803,264	46%	11,981,474	81%
Total Mortgage Principal	\$ 2,691,816	18%	\$ 3,992,993	27%	\$ 6,684,809	46%	\$ 5,719,555	39%	\$ 2,230,083	15%	\$ 7,949,638	54%	\$ 14,634,447	100%
Included in Alberta:														
Greater Edmonton	\$ 232,490	2%	\$ 356,017	2%	\$ 588,507	4%	\$ 325,784	2%	\$ 92,474	1%	\$ 418,258	3%	\$ 1,006,765	7%
Greater Calgary	226,430	2%	225,313	2%	451,743	3%	425,986	3%	114,391	1%	540,377	4%	992,120	7%
	\$ 458,920	3%	\$ 581,330	4%	\$ 1,040,250	7%	\$ 751,770	5%	\$ 206,865	1%	\$ 958,635	7%	\$ 1,998,885	14%
Included in Saskatchewan:														
Regina	\$ 32,898	0%	\$ 60,315	0%	\$ 93,213	1%	\$ 33,839	0%	\$ -	0%	\$ 33,839	0%	\$ 127,052	1%
Saskatoon	54,868	0%	76,175	1%	131,043	1%	26,172	0%	38,156	0%	64,328	0%	195,371	1%
	\$ 87,766	1%	\$ 136,490	1%	\$ 224,256	2%	\$ 60,011	0%	\$ 38,156	0%	\$ 98,167	1%	\$ 322,423	2%
	Q2 2015													
Alberta	\$ 410,633	3%	\$ 588,630	4%	\$ 999,263	8%	\$ 789,223	6%	\$ 279,321	2%	\$ 1,068,544	8%	\$ 2,067,807	16%
Saskatchewan	74,267	1%	159,779	1%	234,046	2%	68,129	1%	35,427	0%	103,556	1%	337,602	3%
Other provinces	1,300,455	10%	3,112,750	24%	4,413,205	34%	4,382,771	33%	1,974,162	15%	6,356,933	48%	10,770,138	81%
Total Mortgage Principal	\$ 1,785,355	14%	\$ 3,861,159	29%	\$ 5,646,514	43%	\$ 5,240,123	40%	\$ 2,288,910	17%	\$ 7,529,033	57%	\$ 13,175,547	100%
Included in Alberta:														
Greater Edmonton	\$ 167,598	1%	\$ 321,736	2%	\$ 489,334	4%	\$ 332,993	3%	\$ 150,064	1%	\$ 483,057	4%	\$ 972,391	7%
Greater Calgary	160,817	1%	178,238	1%	339,055	3%	414,637	3%	83,752	1%	498,389	4%	837,444	6%
	\$ 328,415	2%	\$ 499,974	4%	\$ 828,389	6%	\$ 747,630	6%	\$ 233,816	2%	\$ 981,446	7%	\$ 1,809,835	14%
Included in Saskatchewan:														
Regina	\$ 21,078	0%	\$ 60,919	0%	\$ 81,997	1%	\$ 36,214	0%	\$ 1,874	0%	\$ 38,088	0%	\$ 120,085	1%
Saskatoon	33,500	0%	77,008	1%	110,508	1%	27,033	0%	33,546	0%	60,579	0%	171,087	1%
	\$ 54,578	0%	\$ 137,927	1%	\$ 192,505	1%	\$ 63,247	0%	\$ 35,420	0%	\$ 98,667	1%	\$ 291,172	2%

⁽¹⁾ Insured by either CMHC or Genworth.

⁽²⁾ Insured Commercial mortgages are all multi-unit residential mortgages.

⁽³⁾ Uninsured residential includes \$23.7 million (December 31, 2015 - \$19.4 million, June 30, 2015 - \$14.3 million) HELOC principal outstanding.

⁽⁴⁾ There are no multi-units residential mortgages in the uninsured commercial portfolio.



Table 21: Modified Capital Disclosure Template - Equitable Bank

(\$ THOUSANDS)	2016				2015			
	Q2		Q1		Q4		Q3	
	All-in	Transitional	All-in	Transitional	All-in	Transitional	All-in	Transitional
Common Equity Tier 1 capital: instruments and reserves								
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 147,096	\$ -	\$ 152,667	\$ -	\$ 151,962	\$ -	\$ 150,353
2	Retained earnings	652,872	-	623,756	-	600,128	-	572,947
3	Accumulated other comprehensive income (and other reserves)	(20,201)	-	(26,605)	-	(22,458)	-	(25,762)
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	Common Equity Tier 1 capital before regulatory adjustments	\$ 779,767	\$ -	\$ 749,818	\$ -	\$ 729,632	\$ -	\$ 697,538
Common Equity Tier 1 capital: regulatory adjustments								
28	Total regulatory adjustments to Common Equity Tier 1	\$ (14,495)	\$ -	\$ (13,951)	\$ -	\$ (14,574)	\$ -	\$ (13,206)
29	Common Equity Tier 1 capital (CET1)	\$ 765,272	\$ 798,224	\$ 735,867	\$ 752,089	\$ 715,058	\$ 737,277	\$ 684,332
Additional Tier 1 capital: instruments								
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31	of which: classified as equity under applicable accounting standards	-	-	-	-	-	-	-
32	of which: classified as liabilities under applicable accounting standards	-	-	-	-	-	-	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	72,554	-	72,554	-	72,554	-	72,554
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	Additional Tier 1 capital before regulatory adjustments	\$ 72,554	\$ -	\$ 72,554	\$ -	\$ 72,554	\$ -	\$ 72,554
Additional Tier 1 capital: regulatory adjustments								
43	Total regulatory adjustments to Additional Tier 1 capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Additional Tier 1 capital (AT1)	72,554	-	72,554	-	72,554	-	72,554
45	Tier 1 capital (T1 = CET1 + AT1)	\$ 837,826	\$ 848,656	\$ 808,421	\$ 814,001	\$ 787,612	\$ 796,356	\$ 756,886
Tier 2 capital: instruments and allowances								
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Directly issued capital instruments subject to phase out from Tier 2	65,000	-	65,000	-	65,000	-	85,000
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	31,890	-	31,890	-	31,889	-	31,292
51	Tier 2 capital before regulatory adjustments	\$ 96,890	\$ -	\$ 96,890	\$ -	\$ 96,889	\$ -	\$ 116,292
Tier 2 capital: regulatory adjustments								
57	Total regulatory adjustments to Tier 2 capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58	Tier 2 capital (T2)	96,890	-	96,890	-	96,889	-	116,292
59	Total capital (TC = T1 + T2)	\$ 934,716	\$ 945,545	\$ 905,311	\$ 910,890	\$ 884,501	\$ 893,245	\$ 873,178
60	Total risk-weighted assets	\$ 5,664,575	\$ 5,680,450	\$ 5,433,025	\$ 5,440,496	\$ 5,259,384	\$ 5,270,468	\$ 5,113,009
Capital ratios								
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.5%	14.1%	13.5%	13.8%	13.6%	14.0%	13.4%
62	Tier 1 (as a percentage of risk-weighted assets)	14.8%	14.9%	14.9%	15.0%	15.0%	15.1%	14.8%
63	Total capital (as a percentage of risk-weighted assets)	16.5%	16.6%	16.7%	16.7%	16.8%	16.9%	17.1%
OSFI all-in target								
69	Common Equity Tier 1 capital all-in target ratio	7.0%	-	7.0%	-	7.0%	-	7.0%
70	Tier 1 capital all-in target ratio	8.5%	-	8.5%	-	8.5%	-	8.5%
71	Total capital all-in target ratio	10.5%	-	10.5%	-	10.5%	-	10.5%
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)								
80	Current cap on CET1 instruments subject to phase out arrangements	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
82	Current cap on AT1 instruments subject to phase out arrangements	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	N/A	-	N/A	-	N/A	-	N/A
85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-	-



Table 21: Modified Capital Disclosure Template - Equitable Bank

	2015				2014			
	Q2		Q1		Q4		Q3	
(\$ THOUSANDS)	All-in	Transitional	All-in	Transitional	All-in	Transitional	All-in	Transitional
Common Equity Tier 1 capital: instruments and reserves								
1 Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 150,008		\$ 149,324		\$ 148,564		\$ 147,773	
2 Retained earnings	545,500		516,230		490,774		468,342	
3 Accumulated other comprehensive income (and other reserves)	(13,023)		(8,263)		(2,453)		(786)	
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 Common Equity Tier 1 capital before regulatory adjustments	\$ 682,485		\$ 657,291		\$ 636,885		\$ 615,329	
Common Equity Tier 1 capital: regulatory adjustments								
28 Total regulatory adjustments to Common Equity Tier 1	\$ (12,088)		\$ (11,396)		\$ (1,723)		\$ (1,755)	
29 Common Equity Tier 1 capital (CET1)	\$ 670,397	\$ 686,445	\$ 645,895	\$ 657,872	\$ 635,162	\$ 640,654	\$ 613,574	\$ 617,943
Additional Tier 1 capital: instruments								
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	\$ -		\$ -		\$ -		\$ -	
31 of which: classified as equity under applicable accounting standards	-		-		-		-	
32 of which: classified as liabilities under applicable accounting standards	-		-		-		-	
33 Directly issued capital instruments subject to phase out from Additional Tier 1	72,554		72,554		72,409		72,409	
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 Additional Tier 1 capital before regulatory adjustments	\$ 72,554		\$ 72,554		\$ 72,409		\$ 72,409	
Additional Tier 1 capital: regulatory adjustments								
43 Total regulatory adjustments to Additional Tier 1 capital	\$ -		\$ (4,735)		\$ (4,806)		\$ -	
44 Additional Tier 1 capital (AT1)	72,554		67,819		67,603		72,409	
45 Tier 1 capital (T1 = CET1 + AT1)	\$ 742,951	\$ 750,204	\$ 713,714	\$ 722,371	\$ 702,765	\$ 707,988	\$ 685,983	\$ 687,387
Tier 2 capital: instruments and allowances								
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	\$ -		\$ -		\$ -		\$ -	
47 Directly issued capital instruments subject to phase out from Tier 2	85,000		85,000		85,000		92,483	
48 Tier 2 instruments (and CET1 and AT1 instruments not included in row 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-		-		-		-	
49 of which: instruments issued by subsidiaries subject to phase out	-		-		-		-	
50 Collective allowances	30,275		29,082		29,510		29,311	
51 Tier 2 capital before regulatory adjustments	\$ 115,275		\$ 114,082		\$ 114,510		\$ 121,794	
Tier 2 capital: regulatory adjustments								
57 Total regulatory adjustments to Tier 2 capital	\$ -		\$ -		\$ -		\$ -	
58 Tier 2 capital (T2)	115,275		114,082		114,510		121,794	
59 Total capital (TC = T1 + T2)	\$ 858,226	\$ 865,479	\$ 827,796	\$ 836,453	\$ 817,275	\$ 822,498	\$ 807,777	\$ 809,181
60 Total risk-weighted assets	\$ 4,983,762	\$ 4,993,524	\$ 4,867,218	\$ 4,879,538	\$ 4,721,132	\$ 4,729,127	\$ 4,614,415	\$ 4,615,819
Capital ratios								
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.5%	13.7%	13.2%	13.5%	13.5%	13.5%	13.3%	13.4%
62 Tier 1 (as a percentage of risk-weighted assets)	14.9%	15.0%	14.7%	14.8%	14.9%	15.0%	14.9%	14.9%
63 Total capital (as a percentage of risk-weighted assets)	17.2%	17.3%	17.0%	17.1%	17.3%	17.4%	17.5%	17.5%
OSFI all-in target								
69 Common Equity Tier 1 capital all-in target ratio	7.0%		7.0%		7.0%		7.0%	
70 Tier 1 capital all-in target ratio	8.5%		8.5%		8.5%		8.5%	
71 Total capital all-in target ratio	10.5%		10.5%		10.5%		10.5%	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)								
80 Current cap on CET1 instruments subject to phase out arrangements	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	
82 Current cap on AT1 instruments subject to phase out arrangements	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	N/A		N/A		N/A		N/A	
85 Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		-		-		-	



Table 22: Leverage Ratio - Equitable Bank⁽¹⁾⁽²⁾

(\$ THOUSANDS)	2016		2015				
	Q2	Q1	Q4	Q3	Q2	Q1	
On-balance sheet exposure							
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 16,486,914	\$ 15,853,057	\$ 14,956,797	\$ 14,185,631	\$ 13,629,767	\$ 12,741,624	
2 (Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	4,441	5,807	6,760	6,016	5,290	10,148	
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	\$ 16,482,473	\$ 15,847,250	\$ 14,950,037	\$ 14,179,615	\$ 13,624,477	\$ 12,731,476	
Derivative exposures							
4 Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	\$ 1,775	\$ 627	\$ 1,468	\$ 1,983	\$ 1,956	\$ 6,863	
5 Add-on amounts for PFE associated with all derivative transactions	9,113	13,476	9,411	11,128	11,128	4,260	
6 Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-	-	-	
7 (Deductions of receivables assets for cash variation margin provided in derivative transactions)	-	-	-	-	-	-	
8 (Exempted CCP-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 Total derivative exposures (sum of lines 4 to 10)	\$ 10,888	\$ 14,103	\$ 10,879	\$ 13,111	\$ 13,084	\$ 11,123	
12 Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	\$ 150,906	\$ 30,346	\$ 19,918	\$ 63,598	\$ 102,025	\$ 10,535	
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-	-	-	
14 Counterparty credit risk (CCR) exposure for SFTs	-	-	-	-	-	-	
15 Agent transaction exposures	-	-	-	-	-	-	
16 Total securities financing transaction exposures (sum of lines 12 to 15)	\$ 150,906	\$ 30,346	\$ 19,918	\$ 63,598	\$ 102,025	\$ 10,535	
Other off-balance sheet exposures							
17 Off-balance sheet exposure at gross notional amount	\$ 1,104,870	\$ 657,181	\$ 659,411	\$ 552,537	\$ 514,332	\$ 432,460	
18 (Adjustments for conversion to credit equivalent amounts)	(826,196)	(408,910)	(402,620)	(326,121)	(329,787)	(274,384)	
19 Off-balance sheet items (sum of lines 17 and 18)	\$ 278,674	\$ 248,271	\$ 256,791	\$ 226,416	\$ 184,545	\$ 158,076	
Capital and Total Exposure							
20 Tier 1 capital	\$ 837,826	\$ 808,421	\$ 787,612	\$ 756,886	\$ 742,951	\$ 713,714	
21 Total Exposures (sum of lines 3, 11, 16 and 19)	\$ 16,922,941	\$ 16,139,970	\$ 15,237,625	\$ 14,482,740	\$ 13,924,131	\$ 12,911,210	
Leverage Ratios							
22 Basel III Leverage Ratio	5.0%	5.0%	5.2%	5.2%	5.3%	5.5%	

⁽¹⁾ This table has been extracted from and should be read in conjunction with the BCBS Leverage Ratio Framework and OSFI's Leverage Requirements guideline.

⁽²⁾ The Leverage Ratio has replaced the OSFI ACM effective January 1, 2015, thus it is not applicable for prior periods.



Non-GAAP measures

Assets-to-Capital Multiple ("ACM")

is measured by dividing the Bank's gross adjusted assets by total regulatory capital. The ACM is calculated on the "transitional" basis in accordance with OSFI's CAR Guideline.

Assets Under Management ("AUM")

is the sum of total assets reported on the consolidated balance sheet and mortgage 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")

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 as a percentage of total RWA. This ratio is calculated for the Bank on the "all-in" basis in accordance with the guidelines issued by OSFI.

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.

Investments in our future

is the portion of non-interest expenses spent on various strategic initiatives to enable future growth and maintain our superior level of service.

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 on the "all-in" basis in accordance with the guidelines issued by OSFI.

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 mortgages, deposit maturities, and the ability to collect other receivables and settle other obligations.

Mortgages Under Management ("MUM")

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

Net interest margin ("NIM")

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

Net revenue

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

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 portfolio 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 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.



Non-GAAP measures

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.

Securitization Financing MUM

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

Taxable equivalent basis ("TEB")

The TEB methodology grosses up tax-exempt income, such as dividends from equity securities, by an amount which makes this income comparable on a pre-tax basis to regular taxable income such as mortgage interest.

Tier 1 Capital

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

Tier 2 Capital

is equal to the sum of the Bank's collective allowance and subordinated debentures.

Tier 1 Ratio

is calculated by dividing Tier 1 Capital by Total RWA. This ratio is calculated for the Bank on the "all-in" basis in accordance with the guidelines issued by OSFI.

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 on the "all-in" basis in accordance with the guidelines issued by OSFI.



Additional GAAP measures

Net interest income

is defined as total revenues derived from interest or dividend generating assets less total expenses related to interest bearing liabilities.

Total revenue

is defined as interest income plus other income.



Acronyms

AOCI

Accumulated Other Comprehensive Income (Loss)

BCBS

Basel Committee on Banking Supervision

CAR

Capital Adequacy Requirements

CMHC

Canada Mortgage and Housing Corporation

EPS

Earnings per Share

GAAP

Generally Accepted Accounting Principles

GICs

Guaranteed Investment Certificates

HELOC

Home Equity Line of Credit

HISAs

High Interest Savings Accounts

LTV

Loan-to-Value ratio

OSFI

Office of the Superintendent of Financial Institutions Canada

TFSAs

Tax-Free Savings Accounts