

EQUITABLE GROUP

FOURTH QUARTER & ANNUAL 2014 FINANCIAL SUMMARY

February 25, 2015



Forward-Looking Statements

Certain forward-looking statements may be made in this presentation, including statements regarding possible future business, financing and growth objectives. Investors are cautioned that such forward-looking statements involve risks and uncertainties detailed from time to time in the Company's periodic reports filed with Canadian regulatory authorities. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Equitable Group Inc. does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf except in accordance with applicable securities laws.

www.eqbank.ca

Your Hosts

Andrew Moor

President and Chief Executive Officer

Tim Wilson

Vice-President and Chief Financial Officer

Ron Tratch

Vice-President and Chief Risk Officer

A Year Of Growth And Performance

Gained significant share of mortgage broker channel

Diversified our saving and lending product offerings

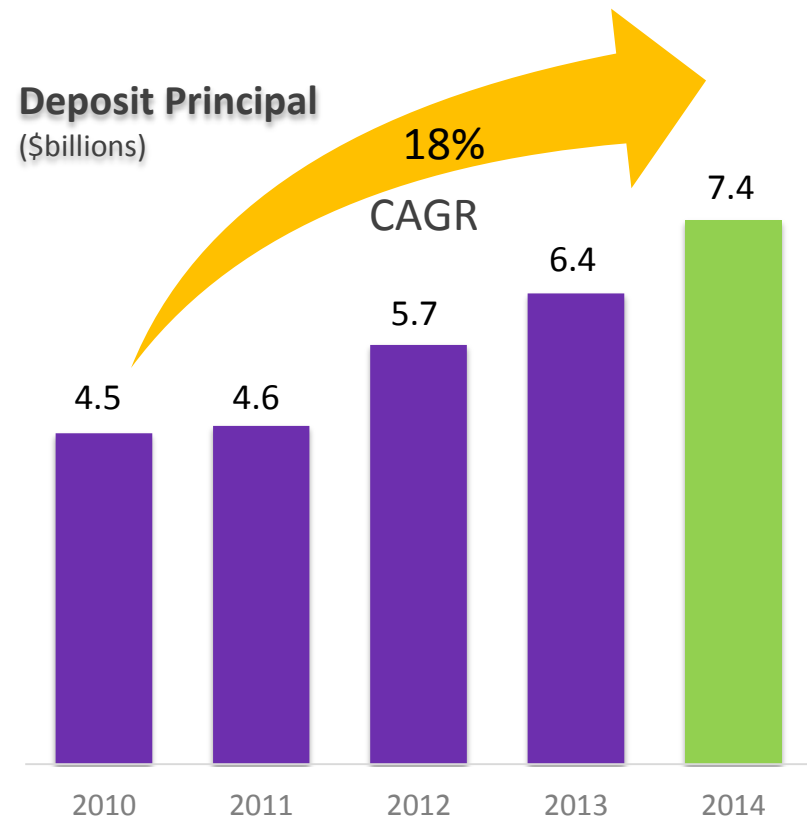
Became a true coast-to-coast lender

Drove annual earnings to over **\$100 million**

Remained among best value creators among Canada's banks

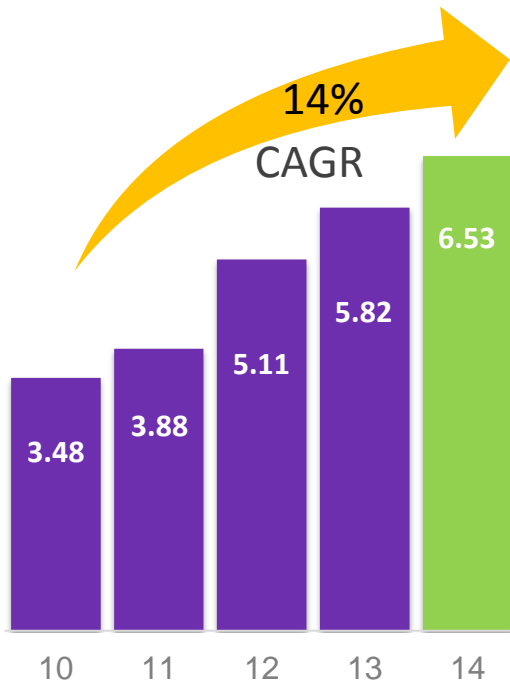
Branchless Makes Us More Competitive

- High interest rates offer compelling value to Canadian savers
- \$1 billion of growth in deposits with us in 2014 – a record
- Equitable High Interest Savings Account balances responsible for 34% of net deposit growth

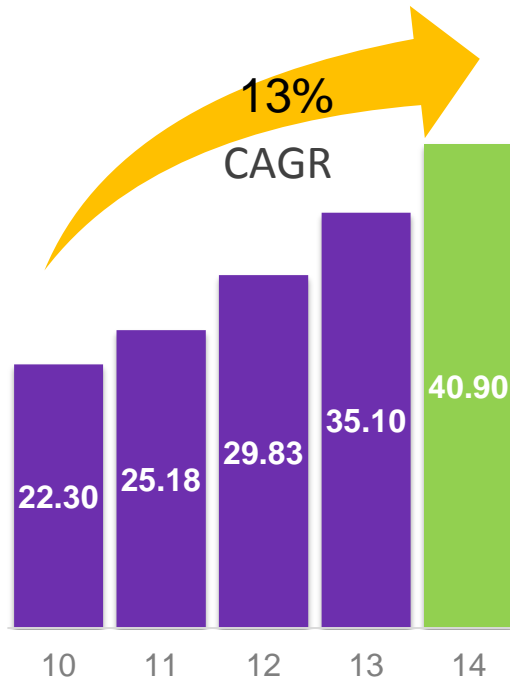


Consistent Value Creation

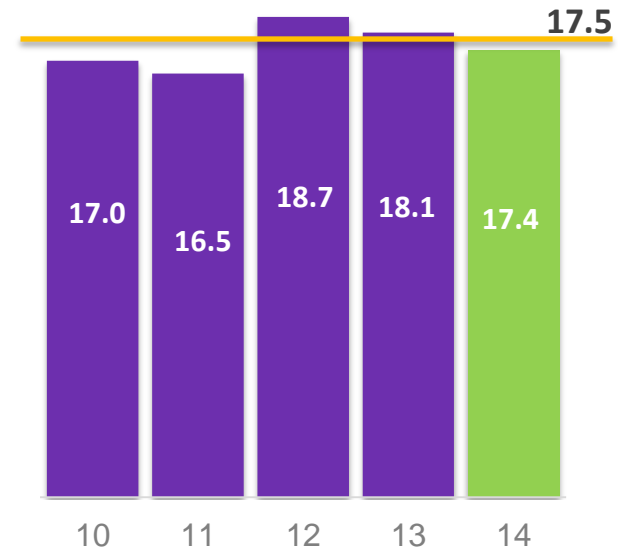
Diluted EPS
(\$)



Book Value per Share
(\$)



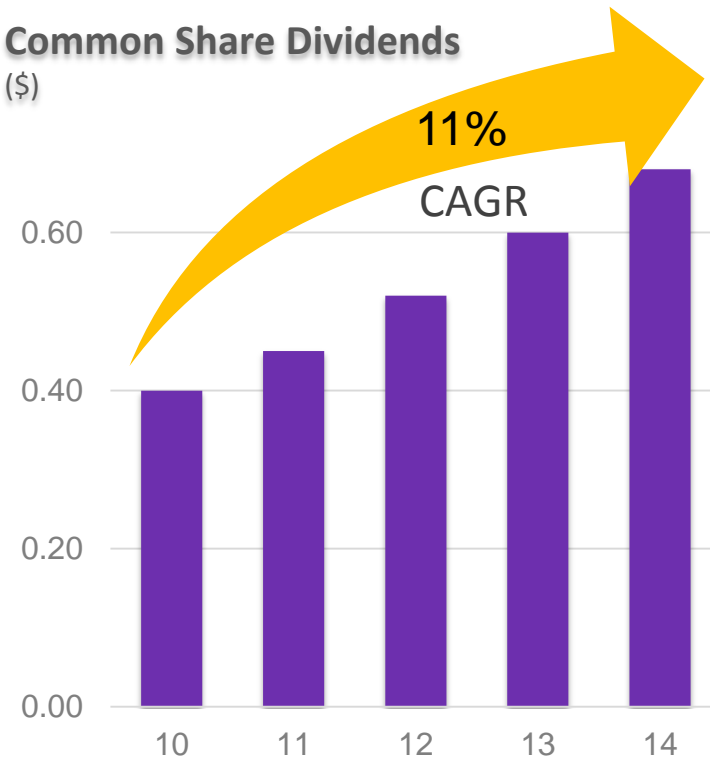
ROE
(%)



Rewarding Our Shareholders

- Returned \$27.5MM to our shareholders as dividends over the past three years – even while reserving ~90% of annual earnings for redeployment at high ROE
- Common share dividend increased 5 times in same period
- Three-year total shareholder return 174%

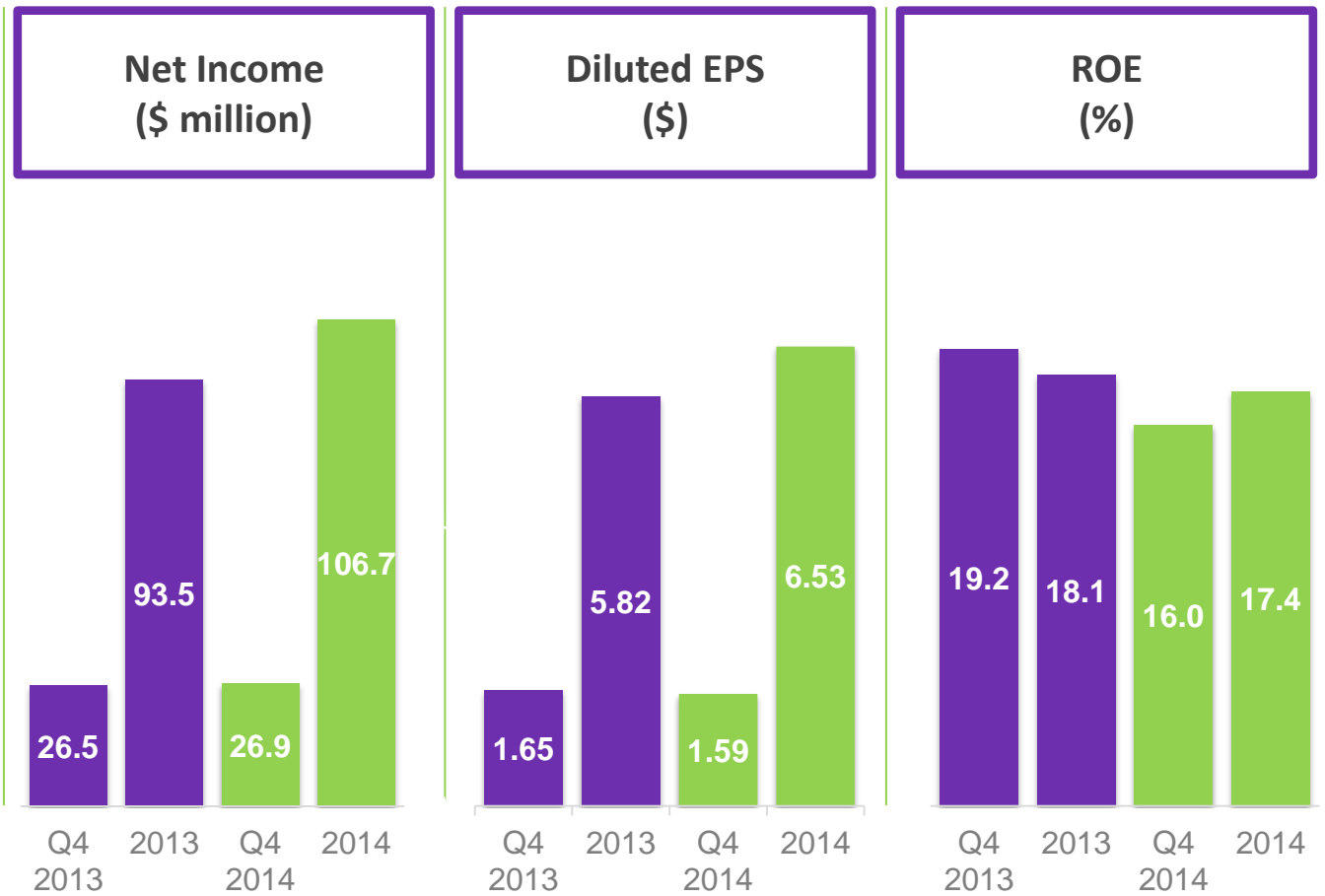
Common Share Dividends (\$)



Low Payout Ratio, High Rate of Dividend Growth

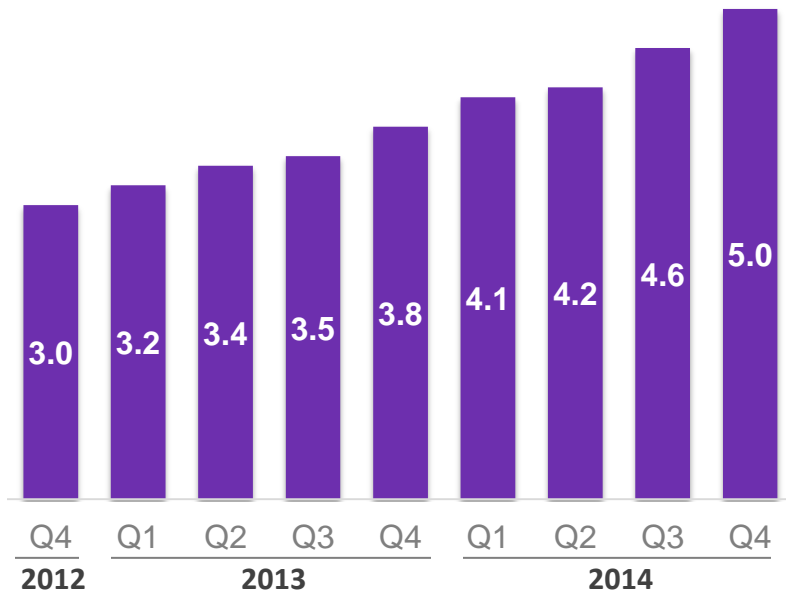
Fourth Quarter Performance

EPS reduced by 4 cents due to stub period preferred share dividend payments and 8 cents due to investments made to support future growth

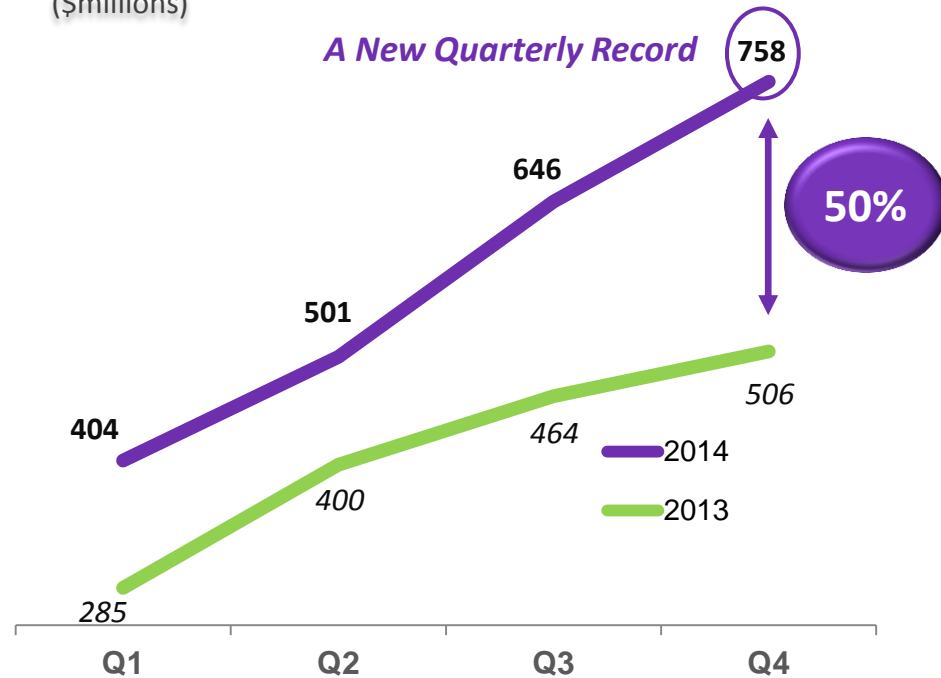


Single Family Lending

Mortgage Principal
(\$billions)



Mortgage Origination
(\$millions)



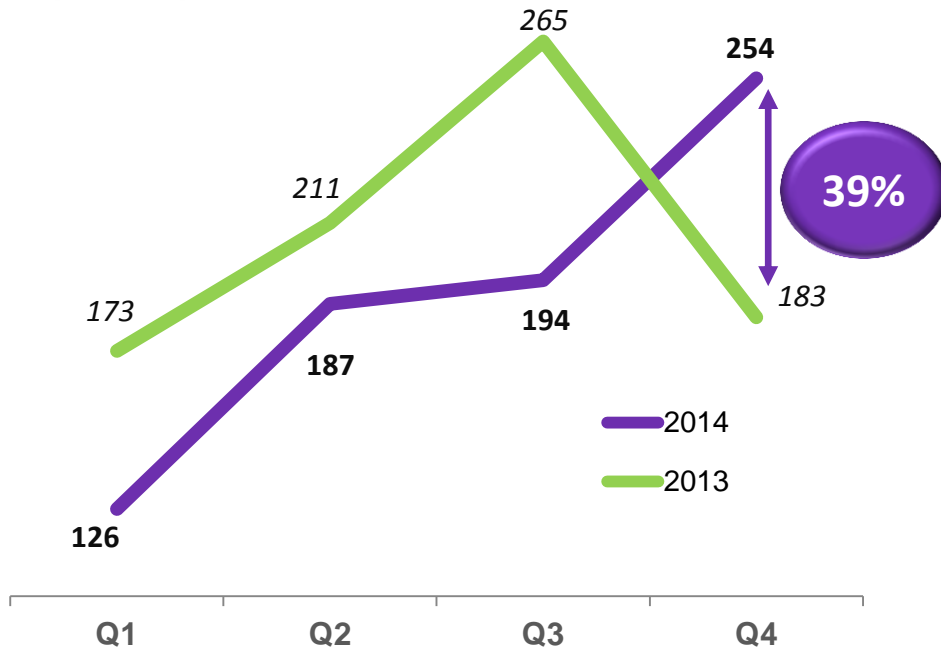
Best Ever Quarterly Originations Cap a Great Year

Commercial Lending

Mortgage Principal
(\$billions)



Mortgage Origination
(\$millions)



Building Partnerships While Maintaining ROE Discipline

Securitization Financing MUM

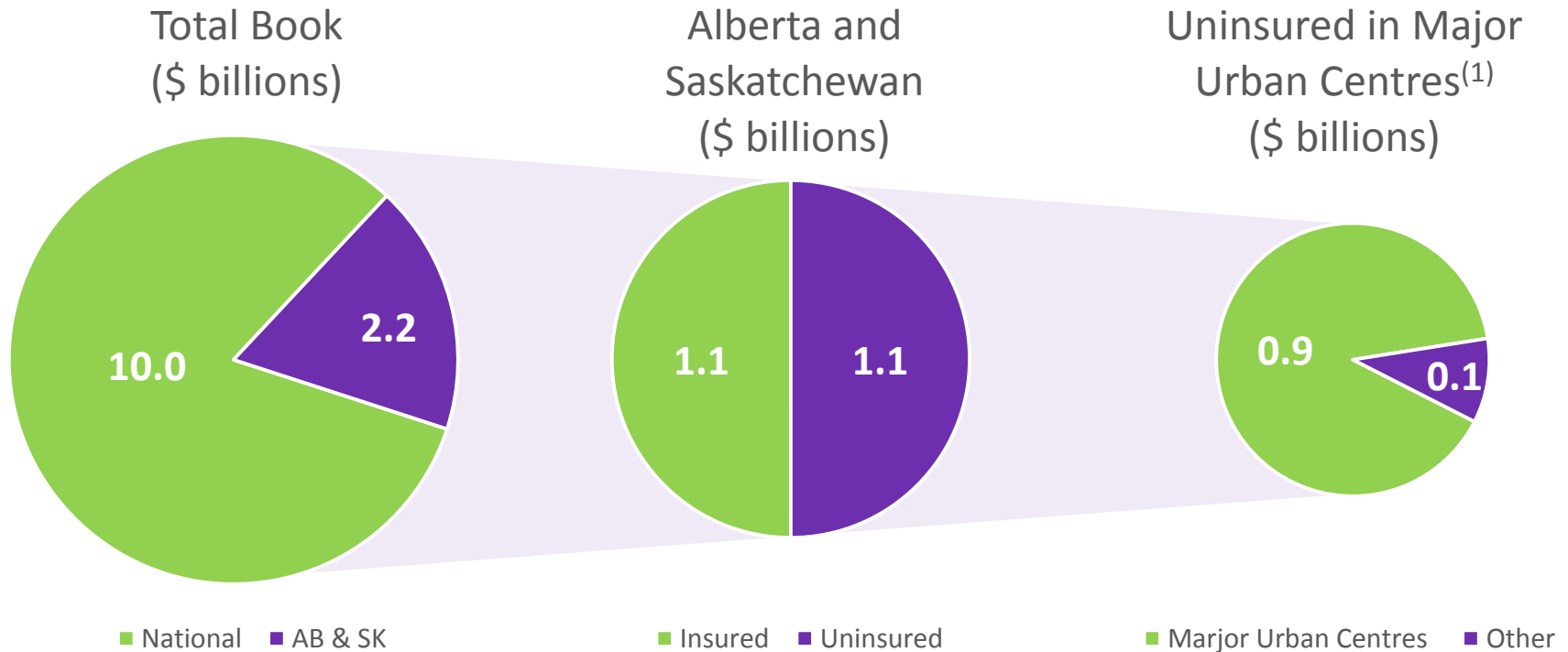
- 10% year-over-year growth due to strong multi-unit residential activity plus \$270MM of prime single family mortgage originations (through partners and internally-generated)

Securitization Financing MUM
(\$billions)



Performance Assisted by \$270MM of Q4 Prime Mortgage Originations

A High Quality Portfolio in Western Canada



- Uninsured mortgages in Alberta and Saskatchewan represent 10% of total mortgages
- Do not anticipate material losses in either province
- 67% LTV on uninsured Single Family loans

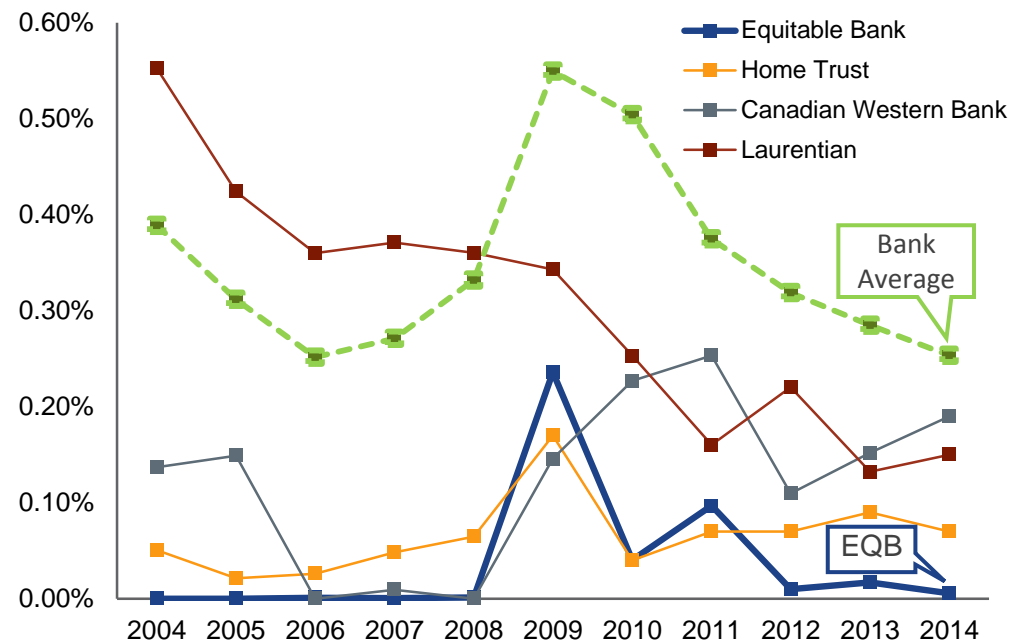
⁽¹⁾ Includes Calgary, Edmonton, Saskatoon, and Regina.

⁽²⁾ Numbers above may not add due to rounding.

Historical Loan Loss Performance

- Actual losses continue to benchmark exceptionally well against competition
- Impairment provision just two basis points of total mortgage portfolio in Q4
- Expect arrears rates and impairment provision to remain low nationally in 2015

**Net Realized Credit Losses
as a % of Total Loans**

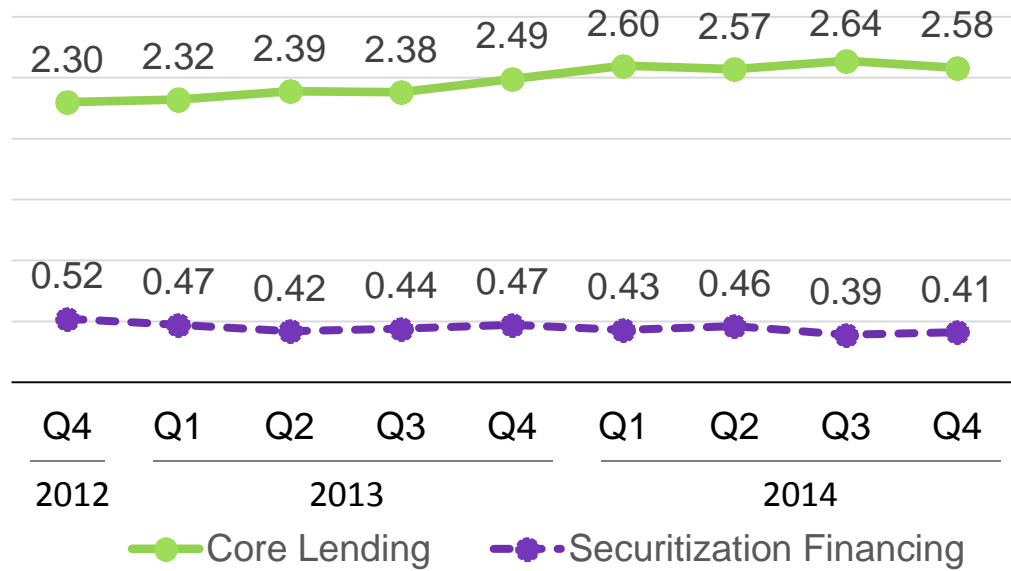


Strong Relative Performance Highlights Portfolio Quality

Margin Trends

- 15% growth in net interest income and 12 bp increase in NIM YoY
- Core Lending NIM down slightly QoQ, due to prepayment income and mix shift
- Expect net interest income to increase in 2015 at low double-digit rates
- NIM for 2015 to decrease slightly on change in expected mix

Net Interest Margin – TEB

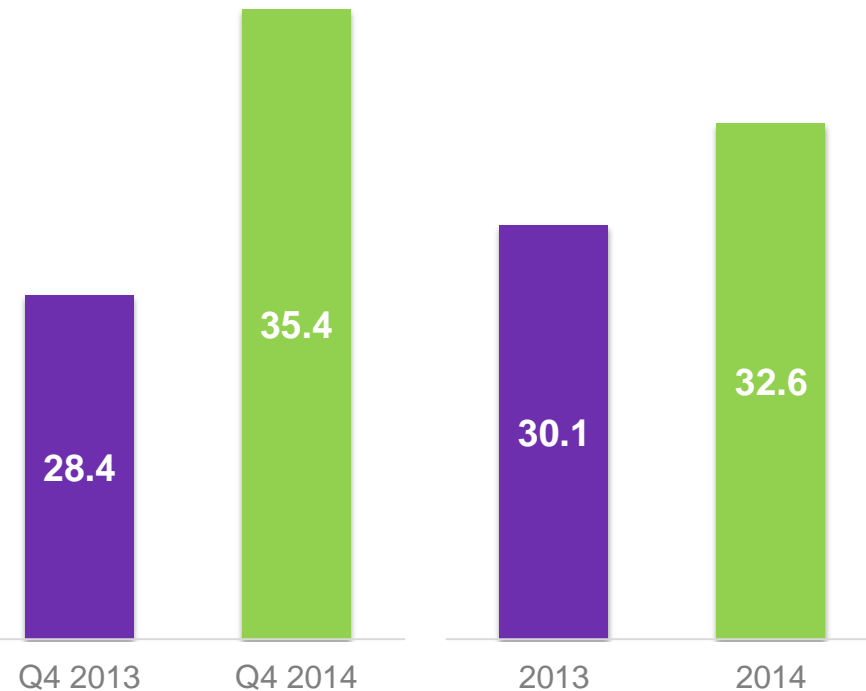


Total NIM	1.44	1.42	1.46	1.50	1.60	1.67	1.69	1.72	1.72

Investing For Our Future

- Costs to maintain existing business increased \$4.4MM reflecting FTE growth and \$0.8MM in mortgage broker incentives
- Also incurred \$1.4MM of additional costs to drive product and service expansions that will benefit future revenues
- Expect first half 2015 expense levels to reduce slightly with higher spending planned for second half

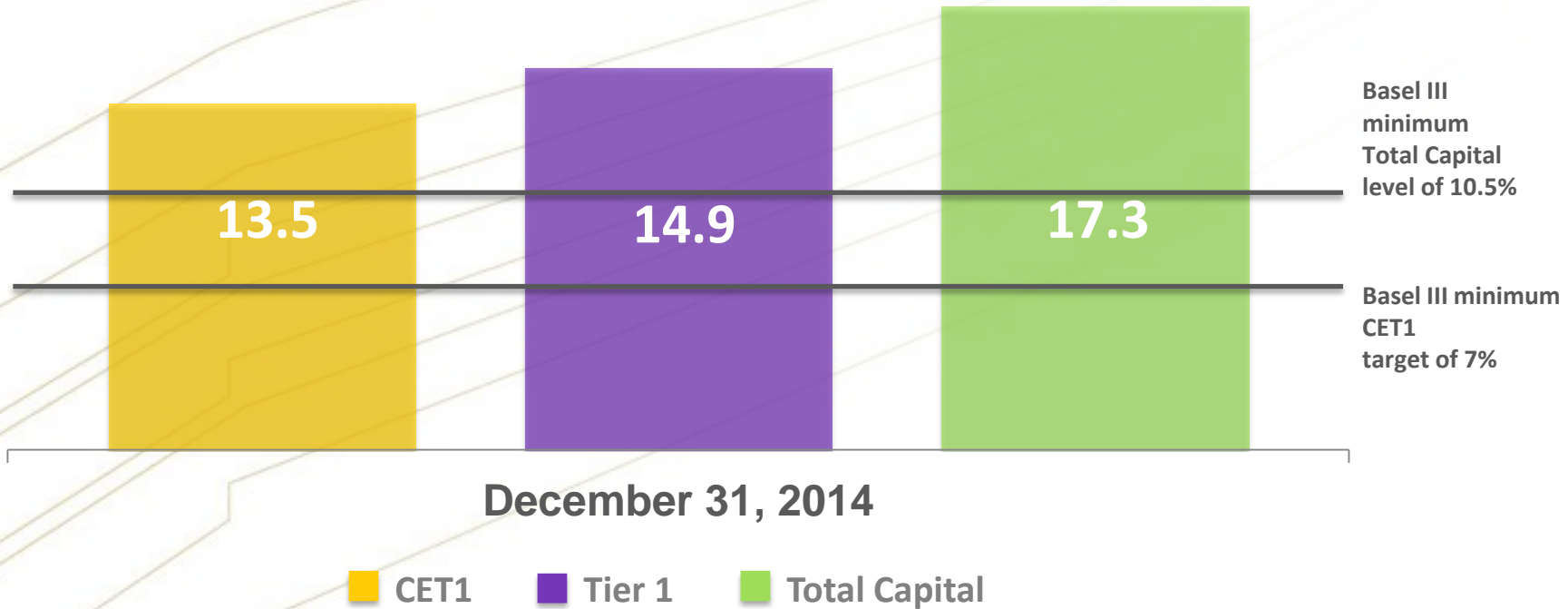
Efficiency Ratio
(%)



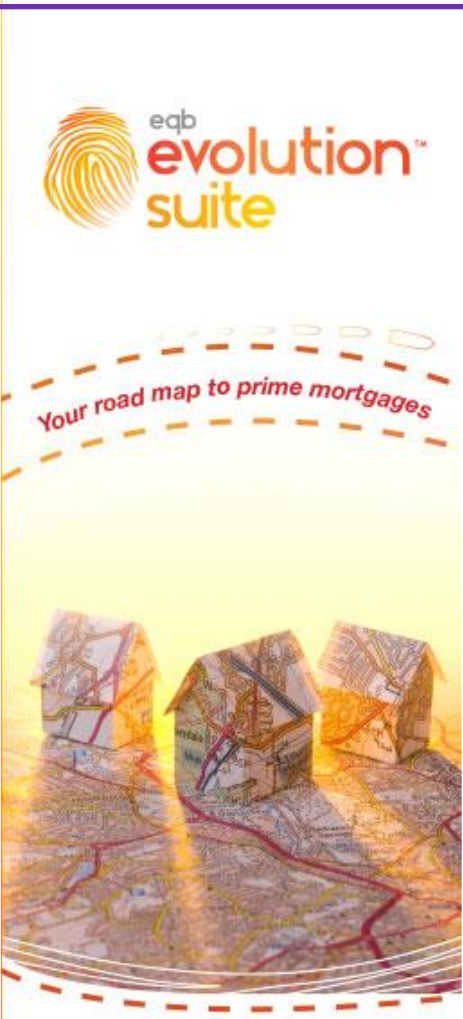
Branchless Model Makes Us One of Canada's Most Efficient Banks

Solid Capital Ratios

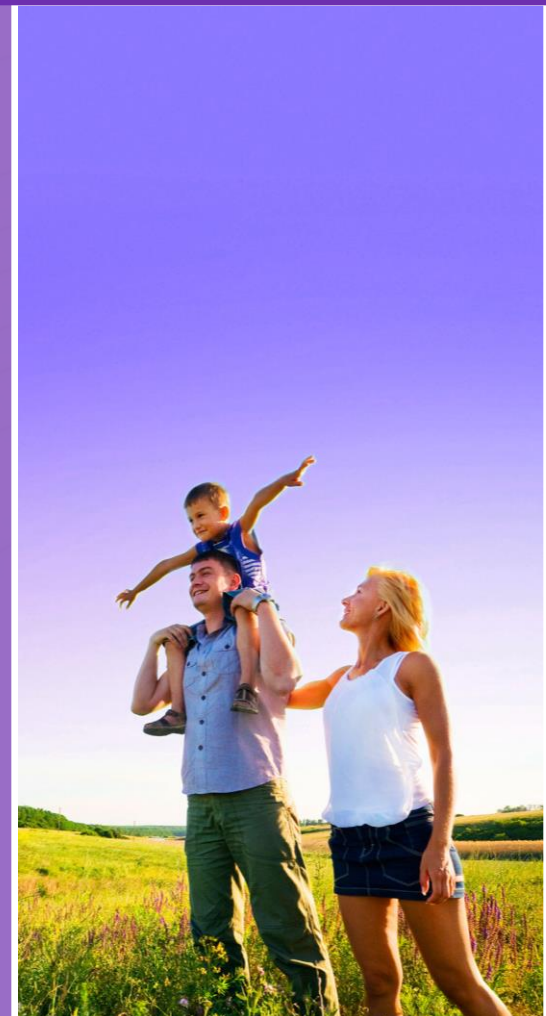
Equitable Bank Capital Ratios (%)



Prime Mortgage Market Debut



- Q4 \$40MM+ of internally generated prime mortgages in limited GTA/Calgary launch
- Positive market reaction
- Additional roll outs in 2015; growth opportunity is significant
- Plays to our strengths
- Target \$1-2B annually in 3-5 years



Now a Coast-to-Coast Lender

- Simultaneous openings in urban centres in Maritimes in November, Quebec in December
- Expansion into these markets positions the Bank as a more capable partner to mortgage brokers nationally, regionally, locally
- Each new urban centre has a good mix of public/private sector employment, diversified real estate stock



Driving Consumer Brand Awareness

Firming up plans for new digital banking capabilities and launch of consumer branding strategy

- Raising consumer awareness will benefit asset gathering and retention at our Bank
- \$3-5 MM of spend in last half of year, ahead of associated benefits



Preparing for the Next Stage of Value Creation

Summary

1. | 2014 a record-setting year of performance
2. | New banking products successfully launched
3. | Stage set for solid earnings growth and high returns on equity in 2015

