



# Supplemental Information and Regulatory Disclosures

For the three months ended March 31, 2017

Canada's Challenger Bank. **Money Well Banked.**



FIRST QUARTER 2017  
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 therefore, 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's Discussion and Analysis ("MD&A") for the quarter ended March 31, 2017.

### **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 GAAP 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, PER SHARE AMOUNTS AND PERCENTAGES)	2017		2016				2015		
	Q1		Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>RESULTS OF OPERATIONS</b>									
Net income	\$ 43,393	\$	41,678	\$ 35,230	\$ 33,410	\$ 28,012	\$ 31,436	\$ 31,448	\$ 33,520
Net income available to common shareholders	42,202		40,488	34,039	32,219	26,821	30,245	30,257	32,330
Net interest income <sup>(1)</sup>	78,352		77,926	70,827	67,010	63,594	63,458	61,437	60,995
Total revenue <sup>(1)</sup>	181,525		179,939	169,432	162,861	151,691	151,495	147,625	145,595
EPS – basic	\$ 2.56	\$	2.58	\$ 2.19	\$ 2.07	\$ 1.73	\$ 1.95	\$ 1.96	\$ 2.09
EPS – diluted	\$ 2.54	\$	2.56	\$ 2.16	\$ 2.05	\$ 1.71	\$ 1.93	\$ 1.93	\$ 2.06
ROE <sup>(2)</sup>	18.4%		19.3%	17.2%	17.1%	14.7%	17.0%	17.5%	19.8%
Return on average assets <sup>(2)</sup>	0.9%		0.9%	0.8%	0.8%	0.7%	0.8%	0.9%	1.0%
NIM – TEB <sup>(2)</sup>									
Total Assets	1.66%		1.70%	1.64%	1.61%	1.62%	1.69%	1.73%	1.79%
Core Lending	2.55%		2.64%	2.60%	2.55%	2.50%	2.64%	2.56%	2.62%
Securitization Financing	0.22%		0.24%	0.19%	0.22%	0.31%	0.22%	0.34%	0.31%
Efficiency Ratio – TEB <sup>(2)(3)</sup>	33.2%		33.9%	37.0%	38.2%	43.2%	35.7%	33.4%	32.8%
<b>BALANCE SHEET</b>									
Total assets	19,300,418		18,973,588	18,062,846	17,147,854	16,411,221	15,527,584	14,827,610	14,329,824
Assets Under Management <sup>(2)</sup>	22,959,080		22,277,769	21,024,401	19,709,617	18,616,018	17,600,072	16,839,263	16,214,123
Mortgages receivable	18,164,958		17,783,803	17,049,744	16,244,106	15,540,241	14,700,806	13,959,432	13,216,267
Mortgages Under Management <sup>(2)</sup>	21,743,431		21,004,013	19,922,211	18,723,056	17,668,821	16,706,935	15,917,079	15,059,846
Shareholders' equity	1,023,702		977,150	879,367	843,924	816,049	796,116	764,679	750,149
Liquid assets <sup>(2)</sup>	1,153,174		1,280,591	1,037,259	1,033,634	939,691	895,056	849,349	1,251,692
Total assets held for regulatory purposes as a % of total									
Equitable Bank assets	5.4%		6.2%	5.1%	5.3%	4.9%	4.9%	4.9%	7.8%
Total liquid assets as a % of total assets	6.0%		6.7%	5.7%	6.0%	5.7%	5.8%	5.7%	8.7%
Deposit principal	9,949,511		9,680,163	9,180,647	9,048,465	8,732,113	8,115,483	7,961,678	8,128,474
<b>CREDIT QUALITY</b>									
Provision for credit losses	738		870	1,243	105	227	1,064	930	830
Provision for credit losses – rate <sup>(2)</sup>	0.02%		0.02%	0.03%	0.00%	0.01%	0.03%	0.03%	0.03%
Net impaired mortgages as a % of total mortgage assets <sup>(4)</sup>	0.21%		0.21%	0.19%	0.20%	0.22%	0.22%	0.21%	0.18%
Allowance for credit losses as a % of total mortgage assets	0.19%		0.19%	0.20%	0.20%	0.21%	0.23%	0.25%	0.26%
<b>SHARE CAPITAL</b>									
Common shares outstanding	16,475,149		16,460,142	15,599,657	15,566,465	15,551,865	15,538,605	15,476,687	15,469,787
Book value per common share <sup>(2)</sup>	\$ 57.73	\$	54.96	\$ 51.72	\$ 49.55	\$ 47.81	\$ 46.57	\$ 44.72	\$ 43.80
Common share price – close	\$ 69.37	\$	60.46	\$ 58.86	\$ 55.99	\$ 50.76	\$ 51.50	\$ 56.25	\$ 61.27
Common share market capitalization	1,142,881		995,180	918,196	871,566	789,413	800,238	870,564	947,834
Dividends declared per:									
Common share	\$ 0.23	\$	0.22	\$ 0.21	\$ 0.21	\$ 0.20	\$ 0.20	\$ 0.19	\$ 0.19
Preferred share – Series 3	\$ 0.40	\$	0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40
<b>EQUITABLE BANK CAPITAL RATIOS <sup>(2)</sup></b>									
Risk-weighted assets ("RWA") <sup>(2)(5)</sup>	6,739,517		6,385,825	5,968,000	5,664,575	5,433,025	5,259,384	5,113,009	4,983,762
CET1 Ratio	13.9%		14.0%	13.4%	13.5%	13.5%	13.6%	13.4%	13.5%
Tier 1 Capital Ratio	15.0%		15.1%	14.6%	14.8%	14.9%	15.0%	14.8%	14.9%
Total Capital Ratio	16.4%		16.6%	16.2%	16.5%	16.7%	16.8%	17.1%	17.2%
Leverage Ratio	5.3%		5.1%	4.9%	5.0%	5.0%	5.2%	5.2%	5.3%

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

<sup>(2)</sup> See Non-GAAP Measures section.

<sup>(3)</sup> Increases in this ratio reflect reduced efficiencies, whereas decreases reflect improved efficiencies.

<sup>(4)</sup> 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.

<sup>(5)</sup> The RWA in this table is measured on "all-in" basis in accordance with OSFI's CAR Guideline.



**Table 2: Interim consolidated statements of income**

	2017	2016				2015		
(\$ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Interest income:								
Mortgages – Core Lending	\$ 121,892	\$ 120,714	\$ 114,416	\$ 107,544	\$ 101,419	\$ 101,848	\$ 99,135	\$ 98,146
Mortgages – Securitization Financing	45,155	46,159	44,776	45,296	43,607	41,978	40,907	39,066
Investments	2,128	2,431	2,142	2,372	1,876	1,894	1,599	2,102
Other	1,328	1,347	1,087	1,227	1,052	1,464	1,821	1,726
	170,503	170,651	162,421	156,439	147,954	147,184	143,462	141,040
Interest expense:								
Deposits	46,994	46,393	47,204	46,084	43,659	42,085	43,560	43,226
Securitization liabilities	43,933	43,932	41,489	41,354	39,185	38,979	35,466	34,120
Bank facilities	274	1,224	1,926	1,040	566	1,292	1,407	885
Debentures	950	950	950	950	950	1,213	1,274	1,269
Other	-	226	25	1	-	157	318	545
	92,151	92,725	91,594	89,429	84,360	83,726	82,025	80,045
Net interest income	78,352	77,926	70,827	67,010	63,594	63,458	61,437	60,995
Provision for credit losses	738	870	1,243	105	227	1,064	930	830
Net interest income after provision for credit losses	77,614	77,056	69,584	66,905	63,367	62,394	60,507	60,165
Other income:								
Fees and other income	7,804	6,809	3,873	3,781	3,177	3,454	3,117	2,534
Net (loss) gain on investments	-	(557)	(44)	747	-	(13)	-	(247)
Gains on securitization activities and income from securitization retained interests	3,218	3,036	3,182	1,894	560	870	1,046	2,268
	11,022	9,288	7,011	6,422	3,737	4,311	4,163	4,555
Net interest and other income	88,636	86,344	76,595	73,327	67,104	66,705	64,670	64,720
Non-interest expenses:								
Compensation and benefits	16,423	14,863	15,574	15,193	14,650	13,273	12,015	11,883
Other	13,397	14,887	13,465	13,179	14,728	11,156	10,108	9,827
	29,820	29,750	29,039	28,372	29,378	24,429	22,123	21,710
Income before income taxes	58,816	56,594	47,556	44,955	37,726	42,276	42,547	43,010
Income taxes:								
Current	16,191	13,426	8,227	7,875	8,419	7,855	6,133	7,250
Deferred	(768)	1,490	4,099	3,670	1,295	2,985	4,966	2,240
	15,423	14,916	12,326	11,545	9,714	10,840	11,099	9,490
Net income	\$ 43,393	\$ 41,678	\$ 35,230	\$ 33,410	\$ 28,012	\$ 31,436	\$ 31,448	\$ 33,520
Dividends on preferred shares	1,191	1,190	1,191	1,191	1,191	1,191	1,191	1,190
Net income available to common shareholders	\$ 42,202	\$ 40,488	\$ 34,039	\$ 32,219	\$ 26,821	\$ 30,245	\$ 30,257	\$ 32,330
Common shares outstanding:								
Weighted average basic	16,464,170	15,692,833	15,570,678	15,556,836	15,543,952	15,493,549	15,471,960	15,461,161
Weighted average diluted	16,614,221	15,808,124	15,722,532	15,709,456	15,674,734	15,677,954	15,661,842	15,687,467
Earnings per share:								
Basic	\$ 2.56	\$ 2.58	\$ 2.19	\$ 2.07	\$ 1.73	\$ 1.95	\$ 1.96	\$ 2.09
Diluted	\$ 2.54	\$ 2.56	\$ 2.16	\$ 2.05	\$ 1.71	\$ 1.93	\$ 1.93	\$ 2.06



**Table 3: Net interest income**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017		2016								2015					
	Q1		Q4		Q3		Q2		Q1		Q4		Q3		Q2	
	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>
<b>Core Lending:</b>																
<i>Revenues derived from:</i>																
Mortgages	\$ 121,892	4.55%	\$ 120,714	4.63%	\$ 114,416	4.65%	\$ 107,544	4.65%	\$ 101,419	4.60%	\$ 101,848	4.75%	\$ 99,135	4.80%	\$ 98,146	4.86%
Liquidity investments	1,604	0.84%	1,611	0.84%	1,428	1.01%	1,573	0.97%	1,161	0.85%	1,318	0.97%	1,713	1.06%	1,700	1.19%
Equity securities – TEB <sup>(2)</sup>	1,828	6.43%	2,197	7.55%	2,040	6.67%	2,520	7.72%	2,159	6.70%	2,285	6.92%	2,031	5.99%	2,595	6.95%
	<b>125,324</b>	<b>4.32%</b>	<b>124,522</b>	<b>4.40%</b>	<b>117,884</b>	<b>4.48%</b>	<b>111,637</b>	<b>4.45%</b>	<b>104,739</b>	<b>4.41%</b>	<b>105,451</b>	<b>4.56%</b>	<b>102,879</b>	<b>4.55%</b>	<b>102,441</b>	<b>4.65%</b>
<i>Expenses related to:</i>																
Deposits and bank facilities	43,101	1.98%	43,195	1.98%	44,290	2.09%	42,944	2.13%	41,080	2.15%	40,608	2.10%	42,023	2.15%	42,237	2.19%
Debentures	950	5.93%	950	5.80%	950	5.81%	950	5.88%	950	5.88%	1,213	5.99%	1,274	5.94%	1,269	5.99%
Securitization liabilities	6,616	1.59%	6,025	1.55%	4,485	1.60%	3,643	1.50%	3,306	1.53%	2,796	1.66%	2,041	1.99%	1,126	2.21%
	<b>50,667</b>	<b>1.94%</b>	<b>50,170</b>	<b>1.94%</b>	<b>49,725</b>	<b>2.06%</b>	<b>47,537</b>	<b>2.09%</b>	<b>45,336</b>	<b>2.11%</b>	<b>44,617</b>	<b>2.10%</b>	<b>45,338</b>	<b>2.18%</b>	<b>44,632</b>	<b>2.23%</b>
Net interest income – TEB <sup>(2)(3)</sup>	74,657	2.55%	74,352	2.64%	68,159	2.60%	64,100	2.55%	59,403	2.50%	60,834	2.64%	57,541	2.56%	57,809	2.62%
Taxable Equivalent Basis – adjustment <sup>(2)</sup>	(485)		(617)		(569)		(838)		(624)		(609)		(589)		(660)	
<b>Core Lending</b>	<b>\$ 74,172</b>		<b>\$ 73,735</b>		<b>\$ 67,590</b>		<b>\$ 63,262</b>		<b>\$ 58,779</b>		<b>\$ 60,225</b>		<b>\$ 56,952</b>		<b>\$ 57,149</b>	
<b>Securitization Financing:</b>																
<i>Revenues derived from:</i>																
Mortgages	\$ 45,155	2.54%	\$ 46,159	2.65%	\$ 44,776	2.61%	\$ 45,296	2.73%	\$ 43,607	2.81%	\$ 41,978	2.92%	\$ 40,907	3.13%	\$ 39,066	3.25%
Liquidity investments	509	1.19%	587	1.08%	330	1.03%	344	0.89%	232	1.01%	364	0.57%	265	0.80%	193	0.61%
	<b>45,664</b>	<b>2.51%</b>	<b>46,746</b>	<b>2.61%</b>	<b>45,106</b>	<b>2.59%</b>	<b>45,640</b>	<b>2.68%</b>	<b>43,839</b>	<b>2.79%</b>	<b>42,342</b>	<b>2.82%</b>	<b>41,172</b>	<b>3.07%</b>	<b>39,259</b>	<b>3.18%</b>
<i>Expenses related to:</i>																
Securitization liabilities	37,317	2.43%	37,907	2.51%	37,004	2.54%	37,711	2.60%	35,879	2.62%	36,183	2.74%	33,425	2.94%	32,994	3.02%
Deposits and secured funding facility	4,167	1.62%	4,648	1.70%	4,865	1.70%	4,181	1.79%	3,145	1.64%	2,926	1.73%	3,262	1.75%	2,419	1.97%
	<b>41,484</b>	<b>2.31%</b>	<b>42,555</b>	<b>2.39%</b>	<b>41,869</b>	<b>2.40%</b>	<b>41,892</b>	<b>2.49%</b>	<b>39,024</b>	<b>2.50%</b>	<b>39,109</b>	<b>2.63%</b>	<b>36,687</b>	<b>2.77%</b>	<b>35,413</b>	<b>2.91%</b>
<b>Securitization Financing</b>	<b>\$ 4,180</b>	<b>0.22%</b>	<b>\$ 4,191</b>	<b>0.24%</b>	<b>\$ 3,237</b>	<b>0.19%</b>	<b>\$ 3,748</b>	<b>0.22%</b>	<b>\$ 4,815</b>	<b>0.31%</b>	<b>\$ 3,233</b>	<b>0.22%</b>	<b>\$ 4,485</b>	<b>0.34%</b>	<b>\$ 3,846</b>	<b>0.31%</b>
<b>Total interest earning asset – TEB<sup>(2)</sup></b>	<b>\$ 78,837</b>	<b>1.66%</b>	<b>\$ 78,543</b>	<b>1.70%</b>	<b>\$ 71,396</b>	<b>1.64%</b>	<b>\$ 67,848</b>	<b>1.61%</b>	<b>\$ 64,218</b>	<b>1.62%</b>	<b>\$ 64,067</b>	<b>1.69%</b>	<b>\$ 62,026</b>	<b>1.73%</b>	<b>\$ 61,655</b>	<b>1.79%</b>
<b>Net interest income</b>	<b>\$ 78,352</b>		<b>\$ 77,926</b>		<b>\$ 70,827</b>		<b>\$ 67,010</b>		<b>\$ 63,594</b>		<b>\$ 63,458</b>		<b>\$ 61,437</b>		<b>\$ 60,995</b>	

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

<sup>(2)</sup> See Non-GAAP Measures section.

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



**Table 4: Securitization and derecognition activity**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Securitization derecognized - non-prepayable Multis	\$ 242,542	\$ 172,778	\$ 130,656	\$ 125,432	\$ 151,544	\$ 69,264	\$ 143,743	\$ 214,098
Securitization derecognized - prepayable mortgages <sup>(1)</sup>	149,049	198,364	296,626	253,087	-	9,157	-	-
<b>Total principal derecognized</b>	<b>\$ 391,591</b>	<b>\$ 371,142</b>	<b>\$ 427,282</b>	<b>\$ 378,519</b>	<b>\$ 151,544</b>	<b>\$ 78,421</b>	<b>\$ 143,743</b>	<b>\$ 214,098</b>
Gains on sale	\$ 3,570	\$ 2,117	\$ 2,505	\$ 1,894	\$ 1,619	\$ 755	\$ 1,259	\$ 1,703
Income from securitization activities and retained interests:								
Income from retained interests	391	330	238	154	178	194	175	281
Fair value (losses) gains on derivative financial instruments	(743)	589	439	(154)	(1,237)	(79)	(388)	284
Gains on securitization activities and income from securitization retained interests	<b>\$ 3,218</b>	<b>\$ 3,036</b>	<b>\$ 3,182</b>	<b>\$ 1,894</b>	<b>\$ 560</b>	<b>\$ 870</b>	<b>\$ 1,046</b>	<b>\$ 2,268</b>
Gains on sale margin <sup>(2)</sup>	<b>0.91%</b>	0.57%	0.59%	0.50%	1.07%	0.96%	0.88%	0.80%

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 PERCENTAGES AND FTE)	2017	2016					2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Compensation and benefits	\$ 16,423	\$ 14,863	\$ 15,574	\$ 15,193	\$ 14,650	\$ 13,273	\$ 12,015	\$ 11,883	
Technology and system costs	4,809	5,198	4,929	5,046	4,413	3,897	3,259	2,886	
Product costs	3,028	2,968	2,808	2,425	2,533	1,700	2,070	1,765	
Regulatory, legal and professional fees	1,974	2,259	2,287	1,881	1,451	2,036	1,686	1,655	
Marketing and corporate expenses	1,922	3,058	1,946	2,298	4,608	2,573	2,280	2,538	
Premises	1,664	1,404	1,495	1,529	1,723	950	813	983	
<b>Total non-interest expenses</b>	<b>\$ 29,820</b>	<b>\$ 29,750</b>	<b>\$ 29,039</b>	<b>\$ 28,372</b>	<b>\$ 29,378</b>	<b>\$ 24,429</b>	<b>\$ 22,123</b>	<b>\$ 21,710</b>	
Efficiency Ratio – TEB	33.2%	33.9%	37.0%	38.2%	43.2%	35.7%	33.4%	32.8%	
Full-time employee ("FTE") – period average	565	552	542	528	507	484	452	430	





**Table 6: Interim consolidated balance sheets**

(\$ THOUSANDS)	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Assets</b>								
Cash and cash equivalents	\$ 537,645	\$ 444,179	\$ 383,788	\$ 336,237	\$ 427,800	\$ 423,366	\$ 413,518	\$ 631,917
Restricted cash	258,599	247,878	238,945	150,691	129,453	107,988	116,894	107,338
Securities purchased under reverse repurchase agreements	4,984	199,401	102,760	150,906	30,346	19,918	63,598	102,025
Investments	170,176	136,718	124,485	130,770	154,397	153,714	149,734	163,390
Mortgages receivable – Core Lending	11,212,879	10,678,452	10,199,787	9,591,449	9,061,191	8,674,599	8,458,087	8,229,510
Mortgages receivable – Securitization Financing	6,952,079	7,105,351	6,849,957	6,652,657	6,479,050	6,026,207	5,501,345	4,986,757
Securitization retained interests	93,975	88,782	87,262	74,563	66,665	61,650	61,524	56,982
Other assets	70,081	72,827	75,862	60,581	62,319	60,142	62,910	51,905
	<b>\$ 19,300,418</b>	<b>\$ 18,973,588</b>	<b>\$ 18,062,846</b>	<b>\$ 17,147,854</b>	<b>\$ 16,411,221</b>	<b>\$ 15,527,584</b>	<b>\$ 14,827,610</b>	<b>\$ 14,329,824</b>
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 10,047,387	\$ 9,763,082	\$ 9,268,606	\$ 9,148,025	\$ 8,845,184	\$ 8,211,265	\$ 8,055,591	\$ 8,236,361
Securitization liabilities	7,793,863	7,762,632	7,258,672	6,807,964	6,576,177	6,109,436	5,485,344	4,870,987
Obligations under repurchase agreements	145,495	112,488	69,290	-	-	-	163,189	167,767
Deferred tax liabilities	38,004	38,771	37,763	33,663	29,993	28,698	25,713	20,747
Other liabilities	186,967	204,465	85,239	79,278	78,818	81,290	58,094	57,011
Bank facilities	-	50,000	398,909	170,000	-	235,779	190,000	141,802
Debentures	65,000	65,000	65,000	65,000	65,000	65,000	85,000	85,000
	<b>18,276,716</b>	<b>17,996,438</b>	<b>17,183,479</b>	<b>16,303,930</b>	<b>15,595,172</b>	<b>14,731,468</b>	<b>14,062,931</b>	<b>13,579,675</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	197,339	196,608	145,694	144,615	144,159	143,690	141,971	141,794
Contributed surplus	5,322	5,056	5,114	5,099	4,935	4,706	4,808	4,640
Retained earnings	764,325	725,912	688,867	658,098	629,147	605,436	578,295	550,979
Accumulated other comprehensive loss	(15,841)	(22,983)	(32,865)	(36,445)	(34,749)	(30,273)	(32,952)	(19,821)
	<b>1,023,702</b>	<b>977,150</b>	<b>879,367</b>	<b>843,924</b>	<b>816,049</b>	<b>796,116</b>	<b>764,679</b>	<b>750,149</b>
	<b>\$ 19,300,418</b>	<b>\$ 18,973,588</b>	<b>\$ 18,062,846</b>	<b>\$ 17,147,854</b>	<b>\$ 16,411,221</b>	<b>\$ 15,527,584</b>	<b>\$ 14,827,610</b>	<b>\$ 14,329,824</b>



**Table 7: Average balance sheet information <sup>(1)</sup>**

(\$ THOUSANDS)	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Assets</b>								
Cash and cash equivalents	\$ 464,286	\$ 418,040	\$ 331,933	\$ 474,928	\$ 355,924	\$ 397,610	\$ 505,232	\$ 469,249
Restricted cash	248,896	272,763	176,194	143,195	113,817	167,553	109,885	89,727
Securities purchased under reverse repurchase agreements	63,823	113,008	64,678	55,688	15,199	50,991	46,019	30,645
Investments	166,410	170,411	129,912	143,819	172,083	151,647	156,371	174,885
Mortgages receivable – Core Lending	10,890,943	10,473,918	9,916,212	9,324,530	8,885,286	8,602,257	8,314,489	8,140,272
Mortgages receivable – Securitization Financing	7,136,477	7,002,632	6,878,274	6,668,744	6,278,452	5,800,723	5,290,134	4,890,747
Securitization retained interests	89,745	86,708	78,045	68,086	63,063	61,059	58,459	54,026
Other assets	72,883	71,303	64,695	59,911	63,134	61,294	56,518	47,644
	<b>\$ 19,133,463</b>	<b>\$ 18,608,783</b>	<b>\$ 17,639,943</b>	<b>\$ 16,938,901</b>	<b>\$ 15,946,958</b>	<b>\$ 15,293,134</b>	<b>\$ 14,537,107</b>	<b>\$ 13,897,195</b>
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 9,857,591	\$ 9,477,569	\$ 9,220,344	\$ 8,963,513	\$ 8,474,357	\$ 8,085,075	\$ 8,133,780	\$ 7,968,948
Securitization liabilities	7,826,064	7,567,830	6,967,786	6,800,005	6,396,861	5,926,749	5,059,275	4,657,870
Obligations under repurchase agreements	138,611	103,673	17,323	-	-	64,655	161,496	218,438
Deferred tax liabilities	38,579	38,151	34,688	30,911	29,022	26,933	21,989	19,067
Other liabilities	193,157	178,593	78,591	79,830	84,519	68,690	53,654	59,683
Bank facilities	12,500	262,026	393,754	167,087	94,134	258,599	264,076	150,409
Debentures	65,000	65,000	65,000	65,000	65,000	80,000	85,000	85,000
	<b>18,131,502</b>	<b>17,692,842</b>	<b>16,777,486</b>	<b>16,106,346</b>	<b>15,143,893</b>	<b>14,510,701</b>	<b>13,779,270</b>	<b>13,159,415</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	196,814	158,629	144,906	144,356	143,869	142,499	141,867	141,491
Contributed surplus	5,174	5,162	5,166	5,042	4,812	4,839	4,740	4,607
Retained earnings	746,246	707,816	674,052	644,154	618,199	593,009	565,578	536,707
Accumulated other comprehensive loss	(18,830)	(28,223)	(34,224)	(33,554)	(36,372)	(30,471)	(26,905)	(17,582)
	<b>1,001,961</b>	<b>915,941</b>	<b>862,457</b>	<b>832,555</b>	<b>803,065</b>	<b>782,433</b>	<b>757,837</b>	<b>737,780</b>
	<b>\$ 19,133,463</b>	<b>\$ 18,608,783</b>	<b>\$ 17,639,943</b>	<b>\$ 16,938,901</b>	<b>\$ 15,946,958</b>	<b>\$ 15,293,134</b>	<b>\$ 14,537,107</b>	<b>\$ 13,897,195</b>

<sup>(1)</sup> 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)	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Single Family Lending	\$ 8,208,733	\$ 7,855,706	\$ 7,540,069	\$ 7,155,246	\$ 6,751,013	\$ 6,449,663	\$ 6,225,409	\$ 5,946,464
Commercial Lending	3,007,474	2,827,006	2,657,201	2,437,546	2,313,337	2,229,466	2,240,474	2,289,859
Total Core Lending	11,216,207	10,682,712	10,197,270	9,592,792	9,064,350	8,679,129	8,465,883	8,236,323
Multi-unit residential	2,976,847	3,179,312	3,493,318	3,726,566	4,013,890	3,992,388	3,911,108	3,860,512
Prime single family residential	3,891,715	3,837,808	3,270,068	2,841,935	2,385,784	1,962,930	1,528,435	1,078,712
Total Securitization Financing	6,868,562	7,017,120	6,763,386	6,568,501	6,399,674	5,955,318	5,439,543	4,939,224
Total on-balance sheet mortgage principal	18,084,769	17,699,832	16,960,656	16,161,293	15,464,024	14,634,447	13,905,426	13,175,547
Multi-unit residential	3,579,558	3,215,236	2,868,655	2,462,533	2,100,591	1,965,663	1,901,926	1,771,894
Prime single family residential	79,104	88,945	92,900	99,230	104,206	106,825	109,727	112,405
Total derecognized mortgage principal	3,658,662	3,304,181	2,961,555	2,561,763	2,204,797	2,072,488	2,011,653	1,884,299
Mortgages Under Management	\$ 21,743,431	\$ 21,004,013	\$ 19,922,211	\$ 18,723,056	\$ 17,668,821	\$ 16,706,935	\$ 15,917,079	\$ 15,059,846
Single Family Lending	\$ 8,208,733	\$ 7,855,706	\$ 7,540,069	\$ 7,155,246	\$ 6,751,013	\$ 6,449,663	\$ 6,225,409	\$ 5,946,464
Prime single family residential	3,970,819	3,926,753	3,362,968	2,941,165	2,489,990	2,069,755	1,638,162	1,191,117
Commercial Lending	3,007,474	2,827,006	2,657,201	2,437,546	2,313,337	2,229,466	2,240,474	2,289,859
Multi-unit residential	6,556,405	6,394,548	6,361,973	6,189,099	6,114,481	5,958,051	5,813,034	5,632,406
Mortgages Under Management	\$ 21,743,431	\$ 21,004,013	\$ 19,922,211	\$ 18,723,056	\$ 17,668,821	\$ 16,706,935	\$ 15,917,079	\$ 15,059,846



**Table 9: Mortgage originations - by lending business**

(\$ THOUSANDS)	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Single Family Lending	\$ 835,780	\$ 930,449	\$ 1,050,366	\$ 952,937	\$ 674,417	\$ 719,361	\$ 744,416	\$ 641,095
Commercial Lending	379,996	377,578	367,197	323,061	201,849	259,502	235,987	199,977
Total Core Lending	1,215,776	1,308,027	1,417,563	1,275,998	876,266	978,863	980,403	841,072
Multi-unit residential	287,360	219,653	243,754	245,677	248,773	269,948	267,103	175,585
Prime single family residential	121,904	651,738	495,598	499,732	444,354	489,310	522,919	379,687
Total Securitization Financing	409,264	871,391	739,352	745,409	693,127	759,258	790,022	555,272
Total mortgage originations	\$ 1,625,040	\$ 2,179,418	\$ 2,156,915	\$ 2,021,407	\$ 1,569,393	\$ 1,738,121	\$ 1,770,425	\$ 1,396,344



**Table 10: Deposit principal**

(\$ THOUSANDS)	2017		2016				2015		
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
GICs	\$	<b>7,396,728</b>	\$ 7,275,675	\$ 6,821,166	\$ 6,742,096	\$ 6,606,137	\$ 6,931,771	\$ 6,934,026	\$ 7,239,484
Brokered HISAs		<b>1,183,324</b>	1,192,046	1,197,125	1,075,208	1,096,641	947,675	791,472	652,806
EQ Bank Savings Plus Accounts		<b>1,219,448</b>	1,062,279	1,012,010	995,645	793,633	91	-	-
Deposit notes		<b>150,011</b>	150,163	150,346	235,516	235,702	235,946	236,180	236,184
<b>Total deposit principal</b>	<b>\$</b>	<b>9,949,511</b>	\$ 9,680,163	\$ 9,180,647	\$ 9,048,465	\$ 8,732,113	\$ 8,115,483	\$ 7,961,678	\$ 8,128,474

**Table 11: Mortgage credit metrics**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Provision for credit losses	\$ 738	\$ 870	\$ 1,243	\$ 105	\$ 227	\$ 1,064	\$ 930	\$ 830
Provision for credit losses – rate	0.02%	0.02%	0.03%	0.00%	0.01%	0.03%	0.03%	0.03%
Gross impaired mortgage assets <sup>(1)</sup>	41,200	39,365	34,529	33,531	36,048	34,183	33,241	27,566
Net impaired mortgage assets <sup>(2)</sup>	38,167	36,829	32,569	32,181	34,783	32,857	29,622	24,382
Net impaired mortgage assets as a % of total mortgage assets	0.21%	0.21%	0.19%	0.20%	0.22%	0.22%	0.21%	0.18%
Allowance for credit losses	34,923	34,426	33,850	33,240	33,155	33,216	34,911	34,007
Allowance for credit losses as a % of total mortgage assets	0.19%	0.19%	0.20%	0.20%	0.21%	0.23%	0.25%	0.26%
Allowance for credit losses as a % of gross impaired mortgage assets	85%	87%	98%	99%	92%	97%	105%	123%

<sup>(1)</sup> Uninsured 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.

<sup>(2)</sup> Net impaired mortgage assets reflect gross impaired mortgages less individual allowances.



**Table 12: Allowance for credit losses continuity**

(\$ THOUSANDS)	2017		2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Individual allowance</b>									
Balance, beginning of period	\$ 2,536	\$ 1,960	\$ 1,350	\$ 1,265	\$ 1,326	\$ 3,619	\$ 3,184	\$ 3,694	
Provision for credit losses	738	870	1,243	105	227	466	461	85	
Realized losses	(245)	(294)	(639)	(58)	(307)	(2,763)	(32)	(615)	
Recoveries	4	-	6	38	19	4	6	20	
Balance, end of period	\$ 3,033	\$ 2,536	\$ 1,960	\$ 1,350	\$ 1,265	\$ 1,326	\$ 3,619	\$ 3,184	
<b>Collective allowance</b>									
Balance, beginning of period	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,292	\$ 30,823	\$ 30,078	
Provision for credit losses	-	-	-	-	-	598	469	745	
Balance, end of period	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,292	\$ 30,823	
<b>Total allowance</b>									
Balance, beginning of period	\$ 34,426	\$ 33,850	\$ 33,240	\$ 33,155	\$ 33,216	\$ 34,911	\$ 34,007	\$ 33,772	
Provision for credit losses	738	870	1,243	105	227	1,064	930	830	
Realized losses	(245)	(294)	(639)	(58)	(307)	(2,763)	(32)	(615)	
Recoveries	4	0	6	38	19	4	6	20	
Balance, end of period	\$ 34,923	\$ 34,426	\$ 33,850	\$ 33,240	\$ 33,155	\$ 33,216	\$ 34,911	\$ 34,007	



**Table 13: Mortgage principal outstanding – by property type**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017		2016			2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Uninsured</b>								
Single family dwelling	\$ 7,272,889	\$ 6,859,398	\$ 6,518,037	\$ 6,490,980	\$ 6,019,695	\$ 5,666,406	\$ 5,588,827	\$ 5,240,123
Mixed-use property	379,479	381,162	372,145	363,318	368,175	357,738	362,013	360,338
Multi-unit residential	499,384	531,588	507,894	455,987	506,860	507,921	489,986	534,130
Commercial	1,316,334	1,150,223	1,035,485	976,872	868,590	854,016	926,301	923,779
Construction	780,133	728,225	736,701	636,374	564,747	510,408	461,337	470,663
Mortgage principal – Core Lending	10,248,219	9,650,596	9,170,262	8,923,531	8,328,067	7,896,489	7,828,464	7,529,033
Single family dwelling	12,810	5,011	14,991	43,953	70,133	53,149	2,386	-
Mortgage principal – Securitization Financing	12,810	5,011	14,991	43,953	70,133	53,149	2,386	-
<b>Total mortgage principal outstanding</b>	<b>\$ 10,261,029</b>	<b>\$ 9,655,607</b>	<b>\$ 9,185,253</b>	<b>\$ 8,967,484</b>	<b>\$ 8,398,200</b>	<b>\$ 7,949,638</b>	<b>\$ 7,830,850</b>	<b>\$ 7,529,033</b>
<b>Total mortgage principal outstanding percentage</b>	<b>57%</b>	<b>55%</b>	<b>54%</b>	<b>55%</b>	<b>54%</b>	<b>54%</b>	<b>56%</b>	<b>57%</b>
<b>Insured</b>								
Single family dwelling	\$ 934,964	\$ 995,342	\$ 1,020,932	\$ 663,161	\$ 730,160	\$ 782,035	\$ 636,793	\$ 706,643
Multi-unit residential	5,543	6,053	6,076	6,100	6,123	605	626	647
Commercial	27,481	30,721	-	-	-	-	-	-
Mortgage principal – Core Lending	967,988	1,032,116	1,027,008	669,261	736,283	782,640	637,419	707,290
Single family dwelling	3,878,905	3,832,797	3,255,077	2,797,982	2,315,651	1,909,781	1,526,049	1,078,712
Multi-unit residential	2,976,847	3,179,312	3,493,318	3,726,566	4,013,890	3,992,388	3,911,108	3,860,512
Mortgage principal – Securitization Financing	6,855,752	7,012,109	6,748,395	6,524,548	6,329,541	5,902,169	5,437,157	4,939,224
<b>Total mortgage principal outstanding</b>	<b>\$ 7,823,740</b>	<b>\$ 8,044,225</b>	<b>\$ 7,775,403</b>	<b>\$ 7,193,809</b>	<b>\$ 7,065,824</b>	<b>\$ 6,684,809</b>	<b>\$ 6,074,576</b>	<b>\$ 5,646,514</b>
<b>Total mortgage principal outstanding percentage</b>	<b>43%</b>	<b>45%</b>	<b>46%</b>	<b>45%</b>	<b>46%</b>	<b>46%</b>	<b>44%</b>	<b>43%</b>
<b>Total</b>								
Single family dwelling	\$ 8,207,853	\$ 7,854,740	\$ 7,538,969	\$ 7,154,141	\$ 6,749,855	\$ 6,448,441	\$ 6,225,620	\$ 5,946,766
Mixed-use property	379,479	381,162	372,145	363,318	368,175	357,738	362,013	360,338
Multi-unit residential	504,927	537,641	513,970	462,087	512,983	508,526	490,612	534,777
Commercial	1,343,815	1,180,944	1,035,485	976,872	868,590	854,016	926,301	923,779
Construction	780,133	728,225	736,701	636,374	564,747	510,408	461,337	470,663
Mortgage principal – Core Lending	11,216,207	10,682,712	10,197,270	9,592,792	9,064,350	8,679,129	8,465,883	8,236,323
Single family dwelling	3,891,715	3,837,808	3,270,068	2,841,935	2,385,784	1,962,930	1,528,435	1,078,712
Multi-unit residential	2,976,847	3,179,312	3,493,318	3,726,566	4,013,890	3,992,388	3,911,108	3,860,512
Mortgage principal – Securitization Financing	6,868,562	7,017,120	6,763,386	6,568,501	6,399,674	5,955,318	5,439,543	4,939,224
<b>Total mortgage principal outstanding</b>	<b>\$ 18,084,769</b>	<b>\$ 17,699,832</b>	<b>\$ 16,960,656</b>	<b>\$ 16,161,293</b>	<b>\$ 15,464,024</b>	<b>\$ 14,634,447</b>	<b>\$ 13,905,426</b>	<b>\$ 13,175,547</b>
<b>Total mortgage principal outstanding percentage</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>





**Table 14: Mortgage principal outstanding – by interest rate type**

	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Fixed rate mortgages	80%	81%	81%	82%	82%	83%	84%	85%
Floating rate mortgages with interest rate floors <sup>(1)</sup>	8%	8%	8%	7%	7%	7%	7%	7%
Floating rate mortgages without interest rate floors	12%	11%	11%	11%	11%	10%	9%	8%
<b>Total</b>	<b>100%</b>	100%	100%	100%	100%	100%	100%	100%

<sup>(1)</sup> 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<sup>(1)</sup>**

	2017		2016								2015					
	Q1		Q4		Q3		Q2		Q1		Q4		Q3		Q2	
(\$ THOUSANDS, EXCEPT PERCENTAGES)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Single Family Lending</b>																
Ontario	\$ 6,320,385	35%	\$ 6,041,673	34%	\$ 5,795,737	34%	\$ 5,485,009	34%	\$ 5,184,491	34%	\$ 4,958,225	34%	\$ 4,765,953	34%	\$ 4,542,015	34%
Alberta	914,717	5%	908,923	5%	908,084	5%	919,447	6%	914,251	6%	909,425	6%	909,805	7%	906,994	7%
Quebec	254,991	1%	237,147	1%	219,094	1%	198,040	1%	163,888	1%	137,910	1%	114,548	1%	86,872	1%
British Columbia	503,640	3%	454,921	3%	406,187	2%	346,034	2%	284,356	2%	243,914	2%	235,591	2%	216,048	2%
Saskatchewan	73,658	0%	74,129	0%	75,008	0%	74,752	0%	76,435	0%	77,252	1%	79,903	1%	80,363	1%
Other Provinces	141,342	1%	138,913	1%	135,959	1%	131,964	1%	127,592	1%	122,938	1%	119,609	1%	114,172	1%
	\$ 8,208,733	45%	\$ 7,855,706	44%	\$ 7,540,069	44%	\$ 7,155,246	44%	\$ 6,751,013	44%	\$ 6,449,663	44%	\$ 6,225,409	45%	\$ 5,946,464	45%
<b>Commercial Lending</b>																
Ontario	\$ 1,957,638	11%	\$ 1,774,822	10%	\$ 1,751,776	10%	\$ 1,574,719	10%	\$ 1,465,093	9%	\$ 1,426,315	10%	\$ 1,413,563	10%	\$ 1,464,394	11%
Alberta	310,119	2%	317,138	2%	252,803	1%	272,609	2%	267,008	2%	246,922	2%	272,998	2%	278,400	2%
Quebec	505,370	3%	505,500	3%	432,674	3%	423,578	3%	393,323	3%	384,052	3%	386,402	3%	381,832	3%
British Columbia	144,571	1%	147,488	1%	117,179	1%	72,468	0%	50,886	0%	32,606	0%	30,111	0%	38,594	0%
Saskatchewan	19,360	0%	12,920	0%	27,288	0%	13,929	0%	39,429	0%	38,156	0%	35,941	0%	35,420	0%
Other Provinces	70,416	0%	69,138	0%	75,482	0%	80,243	0%	97,598	1%	101,415	1%	101,459	1%	91,219	1%
	\$ 3,007,474	17%	\$ 2,827,006	16%	\$ 2,657,201	16%	\$ 2,437,546	15%	\$ 2,313,337	15%	\$ 2,229,466	15%	\$ 2,240,474	16%	\$ 2,289,859	17%
<b>Total mortgage principal - Core Lending</b>	\$ 11,216,207	62%	\$ 10,682,712	60%	\$ 10,197,270	60%	\$ 9,592,792	59%	\$ 9,064,350	59%	\$ 8,679,129	59%	\$ 8,465,883	61%	\$ 8,236,323	63%
<b>Multi-unit residential</b>																
Ontario	\$ 1,134,626	6%	\$ 1,239,383	7%	\$ 1,294,661	8%	\$ 1,458,201	9%	\$ 1,560,075	10%	\$ 1,516,645	10%	\$ 1,551,250	11%	\$ 1,543,023	12%
Alberta	639,895	4%	643,096	4%	665,201	4%	641,089	4%	673,371	4%	670,894	5%	628,166	5%	588,644	4%
Quebec	572,546	3%	652,594	4%	749,873	4%	790,335	5%	880,665	6%	885,550	6%	833,527	6%	822,084	6%
British Columbia	344,791	2%	332,856	2%	396,951	2%	403,411	2%	410,498	3%	438,295	3%	409,698	3%	412,730	3%
Saskatchewan	70,308	0%	72,683	0%	117,051	1%	154,093	1%	158,013	1%	155,411	1%	156,354	1%	159,788	1%
Other Provinces	214,680	1%	238,700	1%	269,582	2%	279,436	2%	331,268	2%	325,593	2%	332,113	2%	334,243	3%
	\$ 2,976,847	16%	\$ 3,179,312	18%	\$ 3,493,318	21%	\$ 3,726,566	23%	\$ 4,013,890	26%	\$ 3,992,388	27%	\$ 3,911,108	28%	\$ 3,860,512	29%
<b>Prime single family residential</b>																
Ontario	\$ 2,134,377	12%	\$ 2,106,296	12%	\$ 1,851,495	11%	\$ 1,564,574	10%	\$ 1,280,348	9%	\$ 1,033,032	7%	\$ 758,823	5%	\$ 503,539	4%
Alberta	731,153	4%	716,591	4%	614,090	4%	571,655	4%	514,056	3%	448,413	3%	378,425	3%	293,769	2%
Quebec	54,010	0%	54,451	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
British Columbia	535,075	3%	534,267	3%	429,616	3%	362,871	2%	285,527	2%	213,577	1%	166,826	1%	135,721	1%
Saskatchewan	165,853	1%	159,454	1%	142,410	1%	128,991	1%	117,454	1%	106,499	1%	92,675	1%	62,032	0%
Other Provinces	271,247	1%	266,749	2%	232,457	1%	213,844	1%	188,399	1%	161,409	1%	131,686	1%	83,651	1%
	\$ 3,891,715	22%	\$ 3,837,808	22%	\$ 3,270,068	19%	\$ 2,841,935	18%	\$ 2,385,784	15%	\$ 1,962,930	13%	\$ 1,528,435	11%	\$ 1,078,712	8%
<b>Total mortgage principal - Securitization Financing</b>	\$ 6,868,562	38%	\$ 7,017,120	40%	\$ 6,763,386	40%	\$ 6,568,501	41%	\$ 6,399,674	41%	\$ 5,955,318	41%	\$ 5,439,543	39%	\$ 4,939,224	37%
<b>Total</b>																
Ontario	\$ 11,547,026	64%	\$ 11,162,174	63%	\$ 10,693,668	63%	\$ 10,082,504	62%	\$ 9,490,008	61%	\$ 8,934,217	61%	\$ 8,489,589	61%	\$ 8,052,971	61%
Alberta	2,595,884	14%	2,585,748	15%	2,440,179	14%	2,404,800	15%	2,368,686	15%	2,275,654	16%	2,189,394	16%	2,067,807	16%
Quebec	1,386,917	8%	1,449,692	8%	1,401,641	8%	1,411,952	9%	1,437,876	9%	1,407,511	10%	1,334,477	10%	1,290,788	10%
British Columbia	1,528,078	8%	1,469,532	8%	1,349,933	8%	1,184,784	7%	1,031,267	7%	928,391	6%	842,226	6%	803,093	6%
Saskatchewan	329,179	2%	319,186	2%	361,756	2%	371,766	2%	391,330	3%	377,319	3%	364,873	3%	337,602	3%
Other Provinces	697,685	4%	713,500	4%	713,479	4%	705,487	4%	744,857	5%	711,355	5%	684,867	5%	623,286	5%
<b>Total mortgage principal</b>	\$ 18,084,769	100%	\$ 17,699,832	100%	\$ 16,960,656	100%	\$ 16,161,293	100%	\$ 15,464,024	100%	\$ 14,634,447	100%	\$ 13,905,426	100%	\$ 13,175,547	100%

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



**Table 16: Residential mortgage and HELOC principal outstanding – by province<sup>(1)</sup>**

	Residential mortgages				HELOC <sup>(2)</sup>		Total		
	Insured <sup>(3)</sup>		Uninsured		Uninsured		Uninsured		
	Total	%	Total	%	Total	%	Total	%	
(\$ THOUSANDS, EXCEPT PERCENTAGES)								<b>Q1 2017</b>	
Ontario	\$ 2,860,792	24%	\$ 5,569,645	46%	\$ 24,325	78%	\$ 5,593,970	46%	
Alberta	846,498	7%	794,967	7%	3,526	11%	798,493	7%	
British Columbia	570,936	5%	465,687	4%	2,093	7%	467,780	4%	
Manitoba	89,972	1%	69,414	1%	384	1%	69,798	1%	
Saskatchewan	180,152	1%	59,016	0%	343	1%	59,359	0%	
Other Provinces	265,519	2%	295,955	2%	344	2%	296,299	2%	
<b>Total residential mortgages</b>	<b>\$ 4,813,869</b>	<b>40%</b>	<b>\$ 7,254,684</b>	<b>60%</b>	<b>\$ 31,015</b>	<b>100%</b>	<b>\$ 7,285,699</b>	<b>60%</b>	
Downtown Toronto condominiums <sup>(4)</sup>	\$ 42,027	0%	\$ 112,914	1%	\$ 201	1%	\$ 113,115	1%	
(\$ THOUSANDS, EXCEPT PERCENTAGES)								<b>Q4 2016</b>	
Ontario	\$ 2,886,711	25%	\$ 5,239,191	45%	\$ 21,982	79%	\$ 5,261,173	45%	
Alberta	838,068	7%	783,100	7%	3,463	12%	786,563	7%	
British Columbia	574,761	5%	412,923	4%	1,503	5%	414,426	4%	
Manitoba	88,244	1%	70,772	1%	310	1%	71,082	1%	
Saskatchewan	174,512	1%	58,736	1%	335	1%	59,071	1%	
Other Provinces	265,843	2%	271,841	2%	253	2%	272,094	2%	
<b>Total residential mortgages</b>	<b>\$ 4,828,139</b>	<b>41%</b>	<b>\$ 6,836,563</b>	<b>59%</b>	<b>\$ 27,846</b>	<b>100%</b>	<b>\$ 6,864,409</b>	<b>60%</b>	
Downtown Toronto condominiums <sup>(4)</sup>	\$ 5,256	0%	\$ 108,196	1%	\$ 193	1%	\$ 108,389	1%	
(\$ THOUSANDS, EXCEPT PERCENTAGES)								<b>Q1 2016</b>	
Ontario	\$ 1,794,388	20%	\$ 4,653,227	51%	\$ 17,027	79%	\$ 4,670,254	51%	
Alberta	616,155	7%	808,447	9%	2,809	13%	811,256	9%	
British Columbia	294,702	3%	274,248	3%	932	4%	275,180	3%	
Manitoba	64,836	1%	71,982	1%	258	1%	72,240	1%	
Saskatchewan	128,966	1%	64,556	1%	367	2%	64,923	1%	
Other Provinces	146,764	2%	195,798	2%	177	1%	195,975	2%	
<b>Total residential mortgages</b>	<b>\$ 3,045,811</b>	<b>34%</b>	<b>\$ 6,068,258</b>	<b>66%</b>	<b>\$ 21,570</b>	<b>100%</b>	<b>\$ 6,089,828</b>	<b>67%</b>	
Downtown Toronto condominiums <sup>(4)</sup>	\$ 7,593	0%	\$ 56,424	1%	\$ 121	1%	\$ 56,545	1%	

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

<sup>(2)</sup> HELOC represents the drawn amount of the secured line of credit.

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

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



**Table 17: 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>Q1 2017</b>									
Total residential mortgages	\$ 2,138 0.02%	\$ 14,247 0.12%	\$ 74,626 0.62%	\$ 388,877 3.22%	\$ 3,154,107 26.13%	\$ 8,354,957 69.23%	\$ 79,289 0.66%	\$ 312 0.00%	\$ 12,068,553 100%
<b>Q4 2016</b>									
Total residential mortgages	\$ 1,609 0.01%	\$ 14,625 0.13%	\$ 71,136 0.61%	\$ 341,291 2.93%	\$ 3,070,607 26.32%	\$ 8,083,902 69.30%	\$ 80,487 0.69%	\$ 1,045 0.01%	\$ 11,664,702 100%
<b>Q3 2016</b>									
Total residential mortgages	\$ 1,387 0.01%	\$ 13,330 0.12%	\$ 63,004 0.58%	\$ 275,504 2.55%	\$ 2,663,536 24.70%	\$ 7,658,853 71.02%	\$ 107,857 1.00%	\$ 1,100 0.02%	\$ 10,784,571 100%
<b>Q2 2016</b>									
Total residential mortgages	\$ 831 0.01%	\$ 11,857 0.12%	\$ 55,950 0.56%	\$ 247,111 2.48%	\$ 2,434,154 24.41%	\$ 7,088,276 71.08%	\$ 132,704 1.33%	\$ 1,521 0.01%	\$ 9,972,404 100%
<b>Q1 2016</b>									
Total residential mortgages	\$ 1,095 0.01%	\$ 10,686 0.12%	\$ 44,659 0.49%	\$ 221,261 2.43%	\$ 2,170,411 23.81%	\$ 6,525,904 71.60%	\$ 138,318 1.52%	\$ 1,735 0.02%	\$ 9,114,069 100%
<b>Q4 2015</b>									
Total residential mortgages	\$ 935 0.01%	\$ 9,367 0.11%	\$ 35,678 0.43%	\$ 185,372 2.21%	\$ 1,931,540 23.02%	\$ 6,074,542 72.38%	\$ 153,039 1.82%	\$ 1,519 0.02%	\$ 8,391,992 100%
<b>Q3 2015</b>									
Total residential mortgages	\$ 1,078 0.01%	\$ 7,745 0.10%	\$ 31,889 0.41%	\$ 157,311 2.03%	\$ 1,656,206 21.41%	\$ 5,680,184 73.41%	\$ 201,087 2.60%	\$ 1,911 0.03%	\$ 7,737,411 100%
<b>Q2 2015</b>									
Total residential mortgages	\$ 1,380 0.02%	\$ 8,420 0.12%	\$ 28,337 0.40%	\$ 138,473 1.98%	\$ 1,284,811 18.33%	\$ 5,273,219 75.21%	\$ 271,991 3.88%	\$ 4,595 0.06%	\$ 7,011,226 100%

<sup>(1)</sup> The above residential mortgage balances do not include HELOC amount.

**Table 18: Uninsured average loan-to-value of newly originated and newly acquired<sup>(1)</sup>**

	2017		2016								2015					
	Q1		Q4		Q3		Q2		Q1		Q4		Q3		Q2	
	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	72%	6%	73%	5%	74%	5%	73%	5%	73%	7%	74%	6%	75%	6%	74%	5%
Alberta	71%	4%	71%	13%	72%	6%	73%	2%	72%	4%	71%	6%	72%	3%	72%	4%
British Columbia	69%	6%	69%	3%	69%	3%	69%	5%	71%	6%	68%	3%	72%	4%	70%	4%
Manitoba	74%	6%	74%	4%	73%	9%	77%	1%	75%	1%	75%	5%	74%	8%	74%	3%
Saskatchewan	69%	3%	74%	8%	71%	2%	72%	2%	69%	2%	73%	1%	68%	8%	66%	2%
Other Provinces	70%	6%	71%	3%	71%	1%	71%	18%	71%	3%	70%	2%	71%	2%	70%	5%
Total Canada	72%	6%	72%	5%	73%	5%	73%	5%	73%	7%	74%	6%	75%	6%	74%	5%
Downtown Toronto condominiums <sup>(3)</sup>	64%	22%	67%	2%	66%	3%	69%	5%	64%	2%	64%	2%	64%	2%	64%	2%

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

<sup>(2)</sup> 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%.

<sup>(3)</sup> Included in Ontario totals above.

**Table 19: Average loan-to-value of existing residential mortgages<sup>(1)(3)(4)</sup>**

	2017			2016								
	Q1			Q4			Q3			Q2		
	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>
Ontario	74%	61%	65%	74%	62%	66%	72%	62%	66%	75%	64%	68%
Alberta	83%	67%	75%	83%	66%	75%	82%	67%	74%	83%	67%	75%
British Columbia	79%	63%	72%	79%	63%	73%	78%	63%	71%	80%	64%	72%
Manitoba	83%	69%	77%	83%	69%	77%	82%	68%	75%	83%	69%	76%
Saskatchewan	84%	58%	78%	85%	59%	78%	84%	59%	77%	86%	60%	78%
Other Provinces	86%	65%	75%	87%	66%	77%	85%	66%	74%	87%	66%	75%
Total Canada	77%	62%	68%	78%	63%	69%	75%	63%	68%	78%	65%	70%

  

	2016			2015								
	Q1			Q4			Q3			Q2		
	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>
Ontario	74%	67%	69%	74%	67%	69%	74%	66%	68%	73%	67%	69%
Alberta	85%	70%	77%	85%	69%	76%	84%	67%	74%	83%	68%	73%
British Columbia	76%	62%	69%	79%	63%	71%	81%	64%	72%	82%	64%	72%
Manitoba	82%	70%	76%	83%	70%	76%	84%	70%	76%	81%	69%	73%
Saskatchewan	83%	63%	77%	85%	64%	77%	85%	63%	77%	85%	65%	75%
Other Provinces	87%	70%	77%	86%	69%	76%	87%	68%	76%	86%	68%	75%
Total Canada	78%	67%	71%	78%	67%	71%	78%	66%	70%	77%	67%	70%

<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 HELOC 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 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 \$50.3 million at March 31, 2017 (December 31, 2016 - \$49.9 million, March 31, 2016 - \$52.1 million).



**Table 20: Single family residential - weighted average beacon score by LTV**

LTV	2017	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<50% LTV	689	689	688	685	684	685	686	684
50% - 64.99% LTV	686	685	684	683	682	680	682	681
65% - 69.99% LTV	682	680	682	678	673	673	672	673
70% - 74.99% LTV	677	676	675	675	671	670	668	666
75% - 80% LTV	683	679	677	675	672	672	671	671
<b>Total</b>	<b>682</b>	680	679	676	674	673	672	672

Table 21: Alberta and Saskatchewan portfolios

(\$ THOUSANDS, EXCEPT PERCENTAGES)	Insured <sup>(1)</sup>				Uninsured									
	Residential	Commercial <sup>(2)</sup>	Total	%	Residential <sup>(3)</sup>	%	Commercial <sup>(4)</sup>	%	Total	%				
	<b>Q1 2017</b>													
Alberta	\$ 846,498	5%	\$ 639,895	4%	\$ 1,486,393	8%	\$ 798,493	4%	\$ 310,998	2%	\$ 1,109,491	6%	\$ 2,595,884	14%
Saskatchewan	180,152	1%	70,308	0%	250,460	1%	59,359	0%	19,360	0%	78,719	0%	329,179	1%
Other provinces	3,787,219	21%	2,299,668	13%	6,086,887	34%	6,427,847	36%	2,644,972	15%	9,072,819	51%	15,159,706	84%
<b>Total Mortgage Principal</b>	<b>\$ 4,813,869</b>	<b>27%</b>	<b>\$ 3,009,871</b>	<b>17%</b>	<b>\$ 7,823,740</b>	<b>43%</b>	<b>\$ 7,285,699</b>	<b>40%</b>	<b>\$ 2,975,330</b>	<b>17%</b>	<b>\$ 10,261,029</b>	<b>57%</b>	<b>\$ 18,084,769</b>	<b>100%</b>
<b>Included in Alberta:</b>														
Greater Edmonton	\$ 305,650	2%	\$ 370,897	2%	\$ 676,547	4%	\$ 332,843	2%	\$ 99,242	1%	\$ 432,085	2%	\$ 1,108,632	6%
Greater Calgary	330,486	2%	212,406	1%	542,892	3%	421,008	2%	186,471	1%	607,479	3%	1,150,371	6%
	<b>\$ 636,136</b>	<b>4%</b>	<b>\$ 583,303</b>	<b>3%</b>	<b>\$ 1,219,439</b>	<b>7%</b>	<b>\$ 753,851</b>	<b>4%</b>	<b>\$ 285,713</b>	<b>2%</b>	<b>\$ 1,039,564</b>	<b>6%</b>	<b>\$ 2,259,003</b>	<b>12%</b>
<b>Included in Saskatchewan:</b>														
Regina	\$ 54,133	0%	\$ 40,194	0%	\$ 94,327	0%	\$ 31,468	0%	\$ 15,230	0%	\$ 46,698	0%	\$ 141,025	0%
Saskatoon	76,701	1%	21,205	0%	97,906	1%	21,882	0%	4,130	0%	26,012	0%	123,918	1%
	<b>\$ 130,834</b>	<b>1%</b>	<b>\$ 61,399</b>	<b>0%</b>	<b>\$ 192,233</b>	<b>1%</b>	<b>\$ 53,350</b>	<b>0%</b>	<b>\$ 19,360</b>	<b>0%</b>	<b>\$ 72,710</b>	<b>0%</b>	<b>\$ 264,943</b>	<b>1%</b>
	<b>Q4 2016</b>													
Alberta	\$ 838,068	5%	\$ 643,096	4%	\$ 1,481,164	8%	\$ 786,563	4%	\$ 318,021	2%	\$ 1,104,584	6%	\$ 2,585,748	14%
Saskatchewan	174,512	1%	72,683	0%	247,195	1%	59,071	0%	12,920	0%	71,991	0%	319,186	1%
Other provinces	3,815,559	22%	2,500,307	14%	6,315,866	36%	6,018,775	34%	2,460,257	14%	8,479,032	48%	14,794,898	84%
<b>Total Mortgage Principal</b>	<b>\$ 4,828,139</b>	<b>27%</b>	<b>\$ 3,216,086</b>	<b>18%</b>	<b>\$ 8,044,225</b>	<b>45%</b>	<b>\$ 6,864,409</b>	<b>39%</b>	<b>\$ 2,791,198</b>	<b>16%</b>	<b>\$ 9,655,607</b>	<b>55%</b>	<b>\$ 17,699,832</b>	<b>100%</b>
<b>Included in Alberta:</b>														
Greater Edmonton	\$ 340,314	2%	\$ 371,792	2%	\$ 712,106	4%	\$ 331,794	2%	\$ 101,362	1%	\$ 433,156	2%	\$ 1,145,262	6%
Greater Calgary	366,599	2%	222,423	1%	589,022	3%	412,094	2%	177,690	1%	589,784	3%	1,178,806	6%
	<b>\$ 706,913</b>	<b>4%</b>	<b>\$ 594,215</b>	<b>3%</b>	<b>\$ 1,301,128</b>	<b>7%</b>	<b>\$ 743,888</b>	<b>4%</b>	<b>\$ 279,052</b>	<b>2%</b>	<b>\$ 1,022,940</b>	<b>6%</b>	<b>\$ 2,324,068</b>	<b>13%</b>
<b>Included in Saskatchewan:</b>														
Regina	\$ 56,467	0%	\$ 40,416	0%	\$ 96,883	0%	\$ 31,574	0%	\$ 12,920	0%	\$ 44,494	0%	\$ 141,377	0%
Saskatoon	77,049	1%	23,220	0%	100,269	1%	22,039	0%	-	0%	22,039	0%	122,308	1%
	<b>\$ 133,516</b>	<b>1%</b>	<b>\$ 63,636</b>	<b>0%</b>	<b>\$ 197,152</b>	<b>1%</b>	<b>\$ 53,613</b>	<b>0%</b>	<b>\$ 12,920</b>	<b>0%</b>	<b>\$ 66,533</b>	<b>0%</b>	<b>\$ 263,685</b>	<b>1%</b>
	<b>Q1 2016</b>													
Alberta	\$ 616,155	4%	\$ 673,361	4%	\$ 1,289,516	8%	\$ 811,256	5%	\$ 267,914	2%	\$ 1,079,170	7%	\$ 2,368,686	15%
Saskatchewan	128,966	1%	158,013	1%	286,979	2%	64,923	0%	39,428	0%	104,351	0%	391,330	2%
Other provinces	2,300,690	15%	3,188,639	21%	5,489,329	36%	5,213,649	34%	2,001,030	13%	7,214,679	47%	12,704,008	82%
<b>Total Mortgage Principal</b>	<b>\$ 3,045,811</b>	<b>20%</b>	<b>\$ 4,020,013</b>	<b>26%</b>	<b>\$ 7,065,824</b>	<b>46%</b>	<b>\$ 6,089,828</b>	<b>39%</b>	<b>\$ 2,308,372</b>	<b>15%</b>	<b>\$ 8,398,200</b>	<b>54%</b>	<b>\$ 15,464,024</b>	<b>100%</b>
<b>Included in Alberta:</b>														
Greater Edmonton	\$ 251,672	2%	\$ 365,315	2%	\$ 616,987	4%	\$ 333,635	2%	\$ 112,133	1%	\$ 445,768	3%	\$ 1,062,755	7%
Greater Calgary	253,394	2%	222,160	1%	475,554	3%	434,175	3%	115,024	1%	549,199	4%	1,024,753	7%
	<b>\$ 505,066</b>	<b>3%</b>	<b>\$ 587,475</b>	<b>4%</b>	<b>\$ 1,092,541</b>	<b>7%</b>	<b>\$ 767,810</b>	<b>5%</b>	<b>\$ 227,157</b>	<b>1%</b>	<b>\$ 994,967</b>	<b>6%</b>	<b>\$ 2,087,508</b>	<b>14%</b>
<b>Included in Saskatchewan:</b>														
Regina	\$ 35,199	0%	\$ 60,009	0%	\$ 95,208	1%	\$ 34,164	0%	\$ -	0%	\$ 34,164	0%	\$ 129,372	1%
Saskatoon	59,608	0%	79,305	1%	138,913	1%	25,967	0%	39,429	0%	65,396	0%	204,309	1%
	<b>\$ 94,807</b>	<b>1%</b>	<b>\$ 139,314</b>	<b>1%</b>	<b>\$ 234,121</b>	<b>2%</b>	<b>\$ 60,131</b>	<b>0%</b>	<b>\$ 39,429</b>	<b>0%</b>	<b>\$ 99,560</b>	<b>1%</b>	<b>\$ 333,681</b>	<b>2%</b>

<sup>(1)</sup> Insured by either CMHC or Genworth.

<sup>(2)</sup> Insured Commercial mortgages are all multi-unit residential mortgages.

<sup>(3)</sup> Uninsured residential includes \$31.0 million (December 31, 2016 - \$27.8 million, March 31, 2016 - \$21.6 million) HELOC principal outstanding.

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





Table 22: Modified Capital Disclosure Template - Equitable Bank

	2017				2016					
	Q1		Q4		Q3		Q2		Q1	
	All-in	Transitional	All-in	Transitional	All-in	Transitional	All-in	Transitional	All-in	Transitional
<b>(\$ THOUSANDS, EXCEPT PERCENTAGES)</b>										
<b>Common Equity Tier 1 capital: instruments and reserves</b>										
1	\$ 199,819		\$ 199,089		\$ 148,175		\$ 147,096		\$ 146,640	
2	765,883		727,265		689,789		659,063		629,783	
3	(13,159)		(20,210)		(24,133)		(26,392)		(26,605)	
4	-		-		-		-		-	
5	-		-		-		-		-	
6	\$ 952,543		\$ 906,144		\$ 813,831		\$ 779,767		\$ 749,818	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>										
28	\$ (14,557)		\$ (15,037)		\$ (14,687)		\$ (14,495)		\$ (13,951)	
29	\$ 937,986	\$ 943,529	\$ 891,107	\$ 905,206	\$ 799,144	\$ 814,672	\$ 765,272	\$ 798,224	\$ 735,867	\$ 752,089
<b>Additional Tier 1 capital: instruments</b>										
30	\$ -		\$ -		\$ -		\$ -		\$ -	
31	-		-		-		-		-	
32	-		-		-		-		-	
33	72,554		72,554		72,554		72,554		72,554	
34	-		-		-		-		-	
35	-		-		-		-		-	
36	\$ 72,554		\$ 72,554		\$ 72,554		\$ 72,554		\$ 72,554	
<b>Additional Tier 1 capital: regulatory adjustments</b>										
43	\$ -		\$ -		\$ -		\$ -		\$ -	
44	72,554		72,554		72,554		72,554		72,554	
45	\$ 1,010,540	\$ 1,013,451	\$ 963,661	\$ 969,676	\$ 871,698	\$ 877,573	\$ 837,826	\$ 848,656	\$ 808,421	\$ 814,001
<b>Tier 2 capital: instruments and allowances</b>										
46	\$ -		\$ -		\$ -		\$ -		\$ -	
47	62,891		65,000		65,000		65,000		65,000	
48	-		-		-		-		-	
49	31,890		31,890		31,890		31,890		31,890	
50	-		-		-		-		-	
51	\$ 94,781		\$ 96,890		\$ 96,890		\$ 96,890		\$ 96,890	
<b>Tier 2 capital: regulatory adjustments</b>										
57	\$ -		\$ -		\$ -		\$ -		\$ -	
58	94,781		96,890		96,890		96,890		96,890	
59	\$ 1,105,321	\$ 1,110,340	\$ 1,060,551	\$ 1,066,565	\$ 968,588	\$ 974,462	\$ 934,716	\$ 945,545	\$ 905,311	\$ 910,890
60	\$ 6,739,517	\$ 6,745,938	\$ 6,385,825	\$ 6,395,488	\$ 5,968,000	\$ 5,975,788	\$ 5,664,575	\$ 5,680,450	\$ 5,433,025	\$ 5,440,496
<b>Capital ratios</b>										
61	13.9%	14.0%	14.0%	14.2%	13.4%	13.6%	13.5%	14.1%	13.5%	13.8%
62	15.0%	15.0%	15.1%	15.2%	14.6%	14.7%	14.8%	14.9%	14.9%	15.0%
63	16.4%	16.5%	16.6%	16.7%	16.2%	16.3%	16.5%	16.6%	16.7%	16.7%
<b>OSFI all-in target</b>										
69	7.0%		7.0%		7.0%		7.0%		7.0%	
70	8.5%		8.5%		8.5%		8.5%		8.5%	
71	10.5%		10.5%		10.5%		10.5%		10.5%	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>										
80	N/A		N/A		N/A		N/A		N/A	
81	N/A		N/A		N/A		N/A		N/A	
82	N/A		N/A		N/A		N/A		N/A	
83	-		-		-		-		-	
84	62,891		75,469		75,469		75,469		75,469	
85	2,110		-		-		-		-	



Table 22: Modified Capital Disclosure Template - Equitable Bank

	2015					
	Q4		Q3		Q2	
	All-in	Transitional	All-in	Transitional	All-in	Transitional
<b>(\$ THOUSANDS, EXCEPT PERCENTAGES)</b>						
<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	\$ 145,836	\$ 144,453	\$ 144,276	\$ 144,276	
2	Retained earnings	606,254	578,847	551,232	551,232	
3	Accumulated other comprehensive income (and other reserves)	(22,458)	(25,762)	(13,023)	(13,023)	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	-	-	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	-	-	
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>\$ 729,632</b>	<b>\$ 697,538</b>	<b>\$ 682,485</b>	<b>\$ 682,485</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>						
28	Total regulatory adjustments to Common Equity Tier 1	\$ (14,574)	\$ (13,206)	\$ (12,088)	\$ (12,088)	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>\$ 715,058</b>	<b>\$ 737,277</b>	<b>\$ 684,332</b>	<b>\$ 708,644</b>	<b>\$ 670,397</b>
<b>Additional Tier 1 capital: instruments</b>						
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	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	<b>\$ 72,554</b>	
<b>Additional Tier 1 capital: regulatory adjustments</b>						
43	Total regulatory adjustments to Additional Tier 1 capital	\$ -	\$ -	\$ -	\$ -	
44	<b>Additional Tier 1 capital (AT1)</b>	<b>72,554</b>	<b>72,554</b>	<b>72,554</b>	<b>72,554</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>\$ 787,612</b>	<b>\$ 796,356</b>	<b>\$ 756,886</b>	<b>\$ 764,810</b>	<b>\$ 742,951</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	65,000	85,000	85,000	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	31,889	31,292	30,275	30,275	
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>\$ 96,889</b>	<b>\$ 116,292</b>	<b>\$ 115,275</b>	<b>\$ 115,275</b>	
<b>Tier 2 capital: regulatory adjustments</b>						
57	Total regulatory adjustments to Tier 2 capital	\$ -	\$ -	\$ -	\$ -	
58	<b>Tier 2 capital (T2)</b>	<b>96,889</b>	<b>116,292</b>	<b>115,275</b>	<b>115,275</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>\$ 884,501</b>	<b>\$ 893,245</b>	<b>\$ 873,178</b>	<b>\$ 881,102</b>	<b>\$ 858,226</b>
60	<b>Total risk-weighted assets</b>	<b>\$ 5,259,384</b>	<b>\$ 5,270,468</b>	<b>\$ 5,113,009</b>	<b>\$ 5,123,316</b>	<b>\$ 4,983,762</b>
<b>Capital ratios</b>						
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.6%	14.0%	13.4%	13.8%	13.5%
62	Tier 1 (as a percentage of risk-weighted assets)	15.0%	15.1%	14.8%	14.9%	15.0%
63	Total capital (as a percentage of risk-weighted assets)	16.8%	16.9%	17.1%	17.2%	17.3%
<b>OSFI all-in target</b>						
69	Common Equity Tier 1 capital all-in target ratio	7.0%		7.0%		7.0%
70	Tier 1 capital all-in target ratio	8.5%		8.5%		8.5%
71	Total capital all-in target ratio	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
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
82	Current cap on AT1 instruments subject to phase out arrangements	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	88,047		88,047		88,047
85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-



Table 23: Leverage Ratio - Equitable Bank<sup>(1)</sup>

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017		2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>On-balance sheet exposure</b>									
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 18,866,332	\$ 18,313,889	\$ 17,476,260	\$ 16,486,914	\$ 15,853,057	\$ 14,956,797	\$ 14,185,631	\$ 13,629,767	
2 (Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	11,875	12,263	5,955	4,441	5,807	6,760	6,016	5,290	
<b>3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>\$ 18,854,457</b>	<b>\$ 18,301,626</b>	<b>\$ 17,470,305</b>	<b>\$ 16,482,473</b>	<b>\$ 15,847,250</b>	<b>\$ 14,950,037</b>	<b>\$ 14,179,615</b>	<b>\$ 13,624,477</b>	
<b>Derivative exposures</b>									
4 Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	\$ 12,117	\$ 13,752	\$ 4,006	\$ 1,775	\$ 627	\$ 1,468	\$ 1,983	\$ 1,956	
5 Add-on amounts for PFE associated with all derivative transactions	18,722	15,113	12,361	9,113	13,476	9,411	11,128	11,128	
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)	-	-	-	-	-	-	-	-	
<b>11 Total derivative exposures (sum of lines 4 to 10)</b>	<b>\$ 30,839</b>	<b>\$ 28,865</b>	<b>\$ 16,367</b>	<b>\$ 10,888</b>	<b>\$ 14,103</b>	<b>\$ 10,879</b>	<b>\$ 13,111</b>	<b>\$ 13,084</b>	
12 Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	\$ 4,984	\$ 200,986	\$ 102,760	\$ 150,906	\$ 30,346	\$ 19,918	\$ 63,598	\$ 102,025	
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	-	-	-	-	-	-	-	-	
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>\$ 4,984</b>	<b>\$ 200,986</b>	<b>\$ 102,760</b>	<b>\$ 150,906</b>	<b>\$ 30,346</b>	<b>\$ 19,918</b>	<b>\$ 63,598</b>	<b>\$ 102,025</b>	
<b>Other off-balance sheet exposures</b>									
17 Off-balance sheet exposure at gross notional amount	\$ 1,102,267	\$ 1,074,497	\$ 1,041,986	\$ 1,104,870	\$ 657,181	\$ 659,411	\$ 552,537	\$ 514,332	
18 (Adjustments for conversion to credit equivalent amounts)	(771,282)	(758,512)	(780,234)	(826,196)	(408,910)	(402,620)	(326,121)	(329,787)	
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>\$ 330,985</b>	<b>\$ 315,985</b>	<b>\$ 261,752</b>	<b>\$ 278,674</b>	<b>\$ 248,271</b>	<b>\$ 256,791</b>	<b>\$ 226,416</b>	<b>\$ 184,545</b>	
<b>Capital and Total Exposure</b>									
20 Tier 1 capital	\$ 1,010,540	\$ 963,661	\$ 871,698	\$ 837,826	\$ 808,421	\$ 787,612	\$ 756,886	\$ 742,951	
<b>21 Total Exposures (sum of lines 3, 11, 16 and 19)</b>	<b>\$ 19,221,265</b>	<b>\$ 18,847,462</b>	<b>\$ 17,851,184</b>	<b>\$ 16,922,941</b>	<b>\$ 16,139,970</b>	<b>\$ 15,237,625</b>	<b>\$ 14,482,740</b>	<b>\$ 13,924,131</b>	
<b>Leverage Ratios</b>									
<b>22 Basel III Leverage Ratio</b>	<b>5.3%</b>	<b>5.1%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.2%</b>	<b>5.2%</b>	<b>5.3%</b>	

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



#### **Non-GAAP measures**

##### **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 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 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.

##### **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.

##### **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.



**Non-GAAP measures**

**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 Capital.

**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 ("NII")**

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

### **CMB**

Canada Mortgage Bond

### **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

### **MBS**

Mortgage-backed securities

### **NHA**

National Housing Act

### **OSFI**

Office of the Superintendent of Financial Institutions Canada

### **TFSAs**

Tax-Free Savings Accounts