CHALLENGER

2018

SUPPLEMENTAL INFORMATION AND REGULATORY DISCLOSURES

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

EQUITABLE

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EQUITABLE GROUP INC.

SECOND QUARTER 2018
SUPPLEMENTAL INFORMATION AND REGULATORY DISCLOSURES

Table of Contents

EQUITABLE GROUP INC.

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 cautions that financial information contained in this Report include both Generally Accepted Accounting Principles ("GAAP") and non-GAAP measures. The latter often does not have any standardized meaning, and therefore, are not comparable to similar measures presented by other financial institutions.

This Report should be read in conjunction with the Company's unaudited interim consolidated financial statements and accompanying notes, as well as Management's Discussion and Analysis ("MD&A") for the quarter ended June 30, 2018.

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 measures used in this Report are defined under the Section "Non-GAAP measures".

Adoption of IFRS 9

Effective January 1, 2018, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9") issued by the International Accounting Standards Board ("IASB"), which replaced the IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). Please refer to Notes 3 and 4 to interim consolidated financial statements for a summary of the Company's accounting policies as it relates to IFRS 9 and the transitional impact of IFRS 9 on January 1, 2018. We restated the opening retained earnings balance on January 1, 2018 to reflect the impact of the new requirements but did not restate the comparative periods, as permitted by the standard. Therefore, the provision and allowance for credit losses and related ratios for 2018 periods versus the prior periods are not directly comparable.

EQUITABLE GROUP INC.

Table 1: Financial highlights

($ THOUSANDS, EXCEPT SHARE, PER SHARE AMOUNTS AND PERCENTAGES)	2018		2017				2016		YTD	
	Q2[3]	Q1[3]	Q4	Q3	Q2	Q1	Q4	Q3	2018[3]	2017
RESULTS OF OPERATIONS										
Net income	**$ 37,537**	$ 40,167	$ 40,446	$ 37,869	$ 38,909	$ 43,393	$ 41,678	$ 35,230	**$ 77,704**	$ 82,302
Net income available to common shareholders	**36,346**	38,976	39,256	36,678	37,718	42,202	40,488	34,039	**75,322**	79,920
Net interest income	**79,496**	81,270	79,697	71,964	78,349	78,352	77,926	70,827	**160,766**	156,701
Total revenue	**214,958**	200,786	197,648	189,290	183,025	181,525	179,939	169,432	**415,744**	364,550
EPS – basic[7]	**$ 2.20**	$ 2.36	$ 2.38	$ 2.23	$ 2.29	$ 2.56	$ 2.58	$ 2.19	**$ 4.56**	$ 4.85
EPS – diluted[7]	**$ 2.19**	$ 2.34	$ 2.36	$ 2.21	$ 2.28	$ 2.54	$ 2.56	$ 2.16	**$ 4.53**	$ 4.82
ROE[1]	**13.0%**	14.5%	14.9%	14.4%	15.6%	18.4%	19.3%	17.2%	**13.7%**	17.0%
Return on average assets[1]	**0.7%**	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.8%	**0.7%**	0.9%
NIM – TEB[1]										
Total Assets	**1.51%**	1.58%	1.59%	1.47%	1.63%	1.66%	1.70%	1.64%	**1.54%**	1.64%
Core Lending	**2.21%**	2.31%	2.33%	2.17%	2.41%	2.55%	2.64%	2.60%	**2.26%**	2.48%
Securitization Financing	**0.17%**	0.22%	0.24%	0.25%	0.30%	0.22%	0.24%	0.19%	**0.19%**	0.26%
Efficiency Ratio – TEB[1][2]	**42.9%**	37.7%	37.3%	37.4%	39.2%	33.2%	33.9%	37.0%	**40.3%**	36.1%
BALANCE SHEET										
Total assets	**21,944,721**	21,054,763	20,634,250	20,221,205	19,795,986	19,300,418	18,973,588	18,062,846		
Assets Under Management[1]	**26,142,735**	25,259,152	24,652,969	24,274,172	23,641,546	22,959,080	22,277,769	21,024,401		
Mortgages receivable	**20,455,377**	19,676,690	19,298,548	18,787,348	18,263,623	18,164,958	17,783,803	17,049,744		
Mortgages Under Management[1]	**24,568,457**	23,794,216	23,233,420	22,753,938	22,013,453	21,743,431	21,004,013	19,922,211		
Shareholders' equity	**1,212,952**	1,181,472	1,138,117	1,098,325	1,060,852	1,023,702	977,150	879,367		
Liquid assets[1]	**1,782,905**	1,775,459	1,479,429	1,459,711	1,570,532	1,153,174	1,280,591	1,037,259		
Total assets held for regulatory purposes as a % of total Equitable Bank assets	**7.5%**	7.8%	6.7%	6.7%	7.5%	5.4%	6.2%	5.1%		
Total liquid assets as a % of total assets	**8.1%**	8.4%	7.2%	7.2%	7.9%	6.0%	6.7%	5.7%		
Deposit principal	**12,366,734**	11,880,741	11,024,720	10,506,896	10,006,735	9,949,511	9,680,163	9,180,647		
CREDIT QUALITY										
Provision for credit losses	**168**	770	387	40	378	738	870	1,243	**938**	1,116
Provision for credit losses – rate[1]	**0.003%**	0.02%	0.01%	0.001%	0.01%	0.02%	0.02%	0.03%	**0.01%**	0.01%
Net impaired mortgages as a % of total mortgage assets[4]	**0.13%**	0.13%	0.12%	0.13%	0.16%	0.21%	0.21%	0.19%		
Allowance for credit losses as a % of total mortgage assets	**0.12%**	0.13%	0.17%	0.18%	0.19%	0.19%	0.19%	0.20%		
SHARE CAPITAL										
Common shares outstanding	**16,520,618**	16,515,238	16,503,437	16,479,034	16,477,654	16,475,149	16,460,142	15,599,657		
Book value per common share[1][5]	**$ 69.03**	$ 67.14	$ 64.57	$ 62.25	$ 59.98	$ 57.73	$ 54.96	$ 51.72		
Common share price – close	**$ 59.56**	$ 53.68	$ 71.50	$ 56.00	$ 59.48	$ 69.37	$ 60.46	$ 58.86		
Common share market capitalization	**983,968**	886,538	1,179,996	922,826	980,091	1,142,881	995,180	918,196		
Dividends declared per:[8]										
Common share	**$ 0.27**	$ 0.26	$ 0.25	$ 0.24	$ 0.23	$ 0.23	$ 0.22	$ 0.21	**$ 0.53**	$ 0.46
Preferred share – Series 3	**$ 0.40**	$ 0.40	$ 0.40	$ 0.40	$ 0.40	$ 0.40	$ 0.40	$ 0.40	**$ 0.80**	$ 0.80
EQUITABLE BANK CAPITAL RATIOS[1][6]										
Risk-weighted assets ("RWA")	**7,790,674**	7,396,553	7,035,380	6,814,247	6,561,813	6,739,517	6,385,825	5,968,000		
CET1 Ratio	**14.3%**	14.7%	14.8%	14.8%	14.8%	13.9%	14.0%	13.4%		
Tier 1 Capital Ratio	**15.3%**	15.7%	15.9%	15.8%	15.9%	15.0%	15.1%	14.6%		
Total Capital Ratio	**15.6%**	16.0%	16.3%	17.2%	17.4%	16.4%	16.6%	16.2%		
Leverage Ratio	**5.4%**	5.5%	5.4%	5.3%	5.3%	5.3%	5.1%	4.9%		

(1) See Non-GAAP Measures section.

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

(3) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9.
Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

(4) Effective January 1, 2018, as a result of adoption of IFRS 9, net impaired mortgages have been revised to include all mortgages that are in arrears 90 days or greater and reflect gross impaired mortgage assets less stage 3 allowances.
Prior year period net impaired mortgages are presented under IAS 39 and do not include insured mortgages that are less than 365 days in arrears. Prior year period net impaired mortgages equals to gross impaired mortgage assets less individual allowances.

(5) The adoption of IFRS 9 resulted in a $0.42 increase in our book value per common share as at January 1, 2018.

(6) Effective January 1, 2018, the Bank adopted IFRS 9 and the transitional impact on regulatory capital and RWA was recognized upon adoption.

(7) YTD EPS may not equal the sum of the quarterly EPS' as a result of rounding.

(8) YTD dividends declared per share may not equal the sum of the quarterly dividends per share as a result of rounding.

EQUITABLE GROUP INC.

Table 2: Interim consolidated statements of income

	2018		2017				2016		YTD	
($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	**Q2[(1)]**	Q1[(1)]	Q4	Q3	Q2	Q1	Q4	Q3	**2018[(1)]**	2017
Interest income:										
Mortgages – Core Lending	**$ 153,523**	$ 143,115	$ 139,630	$ 129,372	$ 125,670	$ 121,892	$ 120,714	$ 114,416	**$ 296,638**	$ 247,562
Mortgages – Securitization Financing	**46,063**	44,876	44,849	43,368	44,957	45,155	46,159	44,776	**90,939**	90,112
Investments	**1,500**	1,046	939	65	1,370	2,128	2,431	2,142	**2,546**	3,498
Other	**4,163**	3,805	3,728	4,296	1,715	1,328	1,347	1,087	**7,968**	3,043
	205,249	192,842	189,146	177,101	173,712	170,503	170,651	162,421	**398,091**	344,215
Interest expense:										
Deposits	**69,392**	62,284	57,289	54,004	49,817	46,994	46,619	47,229	**131,676**	96,811
Securitization liabilities	**44,825**	43,562	44,961	43,647	42,379	43,933	43,932	41,489	**88,387**	86,312
Bank facilities	**11,536**	5,726	6,970	6,536	2,217	274	1,224	1,926	**17,262**	2,491
Debentures	**-**	-	229	950	950	950	950	950	**-**	1,900
	125,753	111,572	109,449	105,137	95,363	92,151	92,725	91,594	**237,325**	187,514
Net interest income	**79,496**	81,270	79,697	71,964	78,349	78,352	77,926	70,827	**160,766**	156,701
Provision for credit losses	**168**	770	387	40	378	738	870	1,243	**938**	1,116
Net interest income after provision for credit losses	**79,328**	80,500	79,310	71,924	77,971	77,614	77,056	69,584	**159,828**	155,585
Other income:										
Fees and other income	**6,547**	5,377	6,153	7,492	6,853	7,804	6,809	3,873	**11,924**	14,657
Net gain (loss) on investments	**138**	(370)	-	(100)	(788)	-	(557)	(44)	**(232)**	(788)
Gains on securitization activities and income from securitization retained interests	**3,024**	2,937	2,349	4,797	3,248	3,218	3,036	3,182	**5,961**	6,466
	9,709	7,944	8,502	12,189	9,313	11,022	9,288	7,011	**17,653**	20,335
Net interest and other income	**89,037**	88,444	87,812	84,113	87,284	88,636	86,344	76,595	**177,481**	175,920
Non-interest expenses:										
Compensation and benefits	**19,032**	18,603	15,821	16,495	16,467	16,423	14,863	15,574	**37,635**	32,890
Other	**19,491**	15,207	17,252	15,147	18,028	13,397	14,887	13,465	**34,698**	31,425
	38,523	33,810	33,073	31,642	34,495	29,820	29,750	29,039	**72,333**	64,315
Income before income taxes	**50,514**	54,634	54,739	52,471	52,789	58,816	56,594	47,556	**105,148**	111,605
Income taxes:										
Current	**12,404**	14,320	10,360	15,773	7,896	16,191	13,426	8,227	**26,724**	24,087
Deferred	**573**	147	3,933	(1,171)	5,984	(768)	1,490	4,099	**720**	5,216
	12,977	14,467	14,293	14,602	13,880	15,423	14,916	12,326	**27,444**	29,303
Net income	**$ 37,537**	$ 40,167	$ 40,446	$ 37,869	$ 38,909	$ 43,393	$ 41,678	$ 35,230	**$ 77,704**	$ 82,302
Dividends on preferred shares	**1,191**	1,191	1,190	1,191	1,191	1,191	1,190	1,191	**2,382**	2,382
Net income available to common shareholders	**$ 36,346**	$ 38,976	$ 39,256	$ 36,678	$ 37,718	$ 42,202	$ 40,488	$ 34,039	**$ 75,322**	$ 79,920
Common shares outstanding:										
Weighted average basic	**16,517,020**	16,507,603	16,486,677	16,478,314	16,477,456	16,464,170	15,692,833	15,570,678	**16,512,338**	16,470,850
Weighted average diluted	**16,603,186**	16,629,832	16,625,927	16,570,256	16,567,699	16,614,221	15,808,124	15,722,532	**16,616,446**	16,591,778
Earnings per share:										
Basic	**$ 2.20**	$ 2.36	$ 2.38	$ 2.23	**$** 2.29	$ 2.56	$ 2.58	$ 2.19	**$ 4.56**	$ 4.85
Diluted	**$ 2.19**	$ 2.34	$ 2.36	$ 2.21	**$** 2.28	$ 2.54	$ 2.56	$ 2.16	**$ 4.53**	$ 4.82

(1) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts have been prepared in accordance with IFRS 9.
Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

EQUITABLE GROUP INC.

Table 3: Net interest income

	2018				2017								2016				YTD			
	Q2		Q1		Q4		Q3		Q2		Q1		Q4		Q3		2018[4]		2017	
($ THOUSANDS, EXCEPT PERCENTAGES)	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]
Core Lending:																				
Revenues derived from:																				
Mortgages	$ 153,523	4.78%	$ 143,115	4.66%	$ 139,630	4.62%	$ 129,372	4.47%	$ 125,670	4.46%	$ 121,892	4.55%	$ 120,714	4.63%	$ 114,416	4.65%	$ 296,638	4.72%	$ 247,562	4.50%
Liquidity investments	2,660	1.17%	2,536	1.12%	2,322	1.05%	2,089	0.93%	1,397	0.74%	1,604	0.84%	1,611	0.84%	1,428	1.01%	5,196	1.15%	3,001	0.79%
Equity securities – TEB[2]	2,052	5.80%	1,419	5.52%	1,300	5.39%	1,402	5.92%	1,430	5.86%	1,828	6.43%	2,197	7.55%	2,040	6.67%	3,471	5.69%	3,258	6.17%
	158,235	4.56%	147,070	4.42%	143,252	4.38%	132,863	4.23%	128,497	4.24%	125,324	4.32%	124,522	4.40%	117,884	4.48%	305,305	4.49%	253,821	4.28%
Expenses related to:																				
Deposits and bank facilities	62,479	2.24%	56,338	2.15%	53,471	2.07%	50,516	2.06%	46,246	1.98%	43,101	1.98%	43,195	1.98%	44,290	2.09%	118,817	2.19%	89,347	1.98%
Secured backstop funding facility[3]	10,999	N/A	5,293	N/A	5,336	N/A	5,425	N/A	1,378	N/A	-	-%	-	-%	-	-%	16,292	N/A	1,378	N/A
Debentures	-	N/A	-	N/A	229	7.22%	950	-	950	5.86%	950	5.93%	950	5.80%	950	5.81%	-	N/A	1,900	5.90%
Securitization liabilities	7,807	2.16%	7,934	2.07%	8,449	2.00%	8,089	1.86%	6,604	1.65%	6,616	1.59%	6,025	1.55%	4,485	1.60%	15,741	2.11%	13,220	1.62%
	81,285	2.58%	69,565	2.31%	67,485	2.24%	64,980	2.24%	55,178	2.00%	50,667	1.94%	50,170	1.94%	49,725	2.06%	150,850	2.45%	105,845	1.97%
Net interest income – TEB[2]	76,950	2.21%	77,505	2.31%	75,767	2.33%	67,883	2.17%	73,319	2.41%	74,657	2.55%	74,352	2.64%	68,159	2.60%	154,455	2.26%	147,976	2.48%
Taxable Equivalent Basis – adjustment[2]	(553)		(373)		(360)		(402)		(397)		(485)		(617)		(569)		(926)		(882)	
Core Lending	$ 76,397		$ 77,132		$ 75,407		$ 67,481		$ 72,922		$ 74,172		$ 73,735		$ 67,590		$ 153,529		$ 147,094	
Securitization Financing:																				
Revenues derived from:																				
Mortgages	$ 46,063	2.60%	$ 44,876	2.58%	$ 44,849	2.60%	$ 43,368	2.54%	$ 44,957	2.60%	$ 45,155	2.54%	$ 46,159	2.65%	$ 44,776	2.61%	$ 90,939	2.59%	$ 90,112	2.57%
Liquidity investments	1,504	2.35%	1,269	2.26%	1,405	1.88%	1,272	1.42%	655	0.95%	509	1.19%	587	1.08%	330	1.03%	2,773	2.31%	1,164	1.04%
	47,567	2.59%	46,145	2.57%	46,254	2.57%	44,640	2.48%	45,612	2.54%	45,664	2.51%	46,746	2.61%	45,106	2.59%	93,712	2.58%	91,276	2.52%
Expenses related to:																				
Securitization liabilities	37,018	2.45%	35,628	2.41%	36,512	2.46%	35,558	2.36%	35,775	2.36%	37,317	2.43%	37,907	2.51%	37,004	2.54%	72,646	2.43%	73,092	2.40%
Deposits and secured funding facility	7,450	2.63%	6,379	2.36%	5,452	2.03%	4,599	1.85%	4,410	1.76%	4,167	1.62%	4,648	1.70%	4,865	1.70%	13,829	2.50%	8,577	1.69%
	44,468	2.48%	42,007	2.40%	41,964	2.39%	40,157	2.29%	40,185	2.27%	41,484	2.31%	42,555	2.39%	41,869	2.40%	86,475	2.44%	81,669	2.29%
Securitization Financing	$ 3,099	0.17%	$ 4,138	0.22%	$ 4,290	0.24%	$ 4,483	0.25%	$ 5,427	0.30%	$ 4,180	0.22%	$ 4,191	0.24%	$ 3,237	0.19%	$ 7,237	0.19%	$ 9,607	0.26%
Total interest earning asset – TEB[2]	$ 80,049	1.51%	$ 81,643	1.58%	$ 80,057	1.59%	$ 72,366	1.47%	$ 78,746	1.63%	$ 78,837	1.66%	$ 78,543	1.70%	$ 71,396	1.64%	$ 161,692	1.54%	$ 157,583	1.64%
Net interest income	$ 79,496		$ 81,270		$ 79,697		$ 71,964		$ 78,349		$ 78,352		$ 77,926		$ 70,827		$ 160,766		$ 156,701	

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

(2) See Non-GAAP Measures section.

(3) Since its establishment in June 2017, there have been no draws on the secured backstop funding facility.

Table 4: Securitization and derecognition activity

($ THOUSANDS, EXCEPT PERCENTAGES)	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	YTD 2018	YTD 2017
Securitization derecognized – non-prepayable Multis	**$ 242,234**	$ 236,297	$ 192,703	$ 276,902	$ 273,070	$ 242,542	$ 172,778	$ 130,656	**$ 478,531**	$ 515,612
Securitization derecognized – prepayable mortgages[1]	**-**	-	-	-	-	149,049	198,364	296,626	**-**	149,049
Total principal derecognized	**$ 242,234**	$ 236,297	$ 192,703	$ 276,902	$ 273,070	$ 391,591	$ 371,142	$ 427,282	**$ 478,531**	$ 664,661
Gains on sale	**$ 2,202**	$ 1,889	$ 1,842	$ 2,504	$ 2,717	$ 3,570	$ 2,117	$ 2,505	**$ 4,091**	$ 6,287
Income from securitization activities and retained interests:										
Income from retained interests	**483**	547	998	800	495	391	330	238	**1,030**	886
Fair value gains (losses) on derivative financial instruments	**339**	501	(491)	1,493	36	(743)	589	439	**840**	(707)
	822	1,048	507	2,293	531	(352)	919	677	**1,870**	179
Gains on securitization activities and income from securitization retained interests	**$ 3,024**	$ 2,937	$ 2,349	$ 4,797	$ 3,248	$ 3,218	$ 3,036	$ 3,182	**$ 5,961**	$ 6,466
Gains on sale margin[2]	**0.91%**	0.80%	0.96%	0.90%	0.99%	0.91%	0.57%	0.59%	**0.85%**	0.95%

[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.

EQUITABLE GROUP INC.

Table 5: Non-interest expenses and Efficiency Ratio

($ THOUSANDS, EXCEPT PERCENTAGES AND FTE)	2018 Q2[1]	2018 Q1[1]	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	YTD 2018[1]	YTD 2017
Compensation and benefits	**$ 19,032**	$ 18,603	$ 15,821	$ 16,495	$ 16,467	$ 16,423	$ 14,863	$ 15,574	**$ 37,635**	$ 32,890
Technology and system costs	**5,751**	4,901	5,490	4,974	5,764	4,809	5,198	4,929	**10,652**	10,573
Marketing and corporate expenses	**5,696**	2,962	3,501	2,527	5,178	1,922	3,058	1,946	**8,658**	7,100
Product costs	**3,377**	3,055	3,110	3,128	3,020	3,028	2,968	2,808	**6,432**	6,048
Regulatory, legal and professional fees	**3,117**	2,749	3,538	2,950	2,580	1,974	2,259	2,287	**5,866**	4,554
Premises	**1,550**	1,540	1,613	1,568	1,486	1,664	1,404	1,495	**3,090**	3,150
Total non-interest expenses	**$ 38,523**	$ 33,810	$ 33,073	$ 31,642	$ 34,495	$ 29,820	$ 29,750	$ 29,039	**$ 72,333**	$ 64,315
Efficiency Ratio – TEB	**42.9%**	37.7%	37.3%	37.4%	39.2%	33.2%	33.9%	37.0%	**40.3%**	36.1%
Full-time employee ("FTE") – period average	**613**	604	586	573	569	565	552	542	**609**	567

[1] Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the Efficiency Ratios have been prepared in accordance with IFRS 9.
Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

EQUITABLE GROUP INC.

Table 6: Interim consolidated balance sheets

	2018		2017				2016	
($ THOUSANDS)	**Q2[3]**	Q1[3]	Q4	Q3	Q2	Q1	Q4	Q3
Assets								
Cash and cash equivalents	**$ 793,688**	$ 698,359	$ 660,930	$ 724,314	$ 811,465	$ 537,645	$ 444,179	$ 383,788
Restricted cash	**347,285**	333,097	366,038	397,365	412,036	258,599	247,878	238,945
Securities purchased under reverse repurchase agreements	**-**	-	-	-	-	4,984	199,401	102,760
Investments	**155,048**	148,072	107,442	112,255	112,658	170,176	136,718	124,485
Mortgages receivable – Core Lending	**13,100,591**	12,643,847	12,304,741	11,921,274	11,393,045	11,212,879	10,678,452	10,199,787
Mortgages receivable – Securitization Financing	**7,354,786**	7,032,843	6,993,807	6,866,074	6,870,578	6,952,079	7,105,351	6,849,957
Securitization retained interests	**109,191**	106,222	104,429	102,715	98,513	93,975	88,782	87,262
Other assets	**84,132**	92,323	96,863	97,208	97,691	70,081	72,827	75,862
	$ 21,944,721	$ 21,054,763	$ 20,634,250	$ 20,221,205	$ 19,795,986	$ 19,300,418	$ 18,973,588	$ 18,062,846
Liabilities and Shareholders' Equity								
Liabilities:								
Deposits	**$ 12,476,974**	$ 11,999,157	$ 11,114,313	$ 10,594,205	$ 10,099,459	$ 10,047,387	$ 9,763,082	$ 9,268,606
Securitization liabilities	**7,584,327**	7,554,866	7,565,545	7,730,776	7,750,405	7,793,863	7,762,632	7,258,672
Obligations under repurchase agreements	**202,928**	104,652	452,001	316,087	428,985	145,495	112,488	69,290
Deferred tax liabilities	**38,735**	38,162	35,802	31,869	43,988	38,004	38,771	37,763
Other liabilities	**177,994**	176,454	199,601	191,289	205,482	186,967	204,465	85,239
Bank facilities	**250,811**	-	128,871	193,654	141,815	-	50,000	398,909
Debentures	**-**	-	-	65,000	65,000	65,000	65,000	65,000
	20,731,769	19,873,291	19,496,133	19,122,880	18,735,134	18,276,716	17,996,438	17,183,479
Shareholders' equity:								
Preferred shares	**72,557**	72,557	72,557	72,557	72,557	72,557	72,557	72,557
Common shares	**199,305**	199,123	198,660	197,488	197,439	197,339	196,608	145,694
Contributed surplus	**6,612**	6,309	6,012	5,870	5,594	5,322	5,056	5,114
Retained earnings[1]	**938,122**	906,235	866,109	830,976	798,253	764,325	725,912	688,867
Accumulated other comprehensive loss ("AOCI")[2]	**(3,644)**	(2,752)	(5,221)	(8,566)	(12,991)	(15,841)	(22,983)	(32,865)
	1,212,952	1,181,472	1,138,117	1,098,325	1,060,852	1,023,702	977,150	879,367
	$ 21,944,721	$ 21,054,763	$ 20,634,250	$ 20,221,205	$ 19,795,986	$ 19,300,418	$ 18,973,588	$ 18,062,846

(1) Retained earnings as at January 1, 2018 were restated by adding $5.5 million as a result of adoption of IFRS 9.

(2) AOCI as at January 1, 2018 were restated by adding $1.4 million as a result of adoption of IFRS 9.

(3) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

EQUITABLE GROUP INC.

Table 7: Average balance sheet information[1]

($ THOUSANDS)	2018 Q2[2]	2018 Q1[2]	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Assets								
Cash and cash equivalents	**$ 665,875**	$ 636,435	$ 643,779	$ 661,371	$ 632,657	$ 464,286	$ 418,040	$ 331,933
Restricted cash	**358,210**	344,718	389,956	422,817	335,886	248,896	272,763	176,194
Securities purchased under reverse repurchase agreements	**-**	-	-	-	1,246	63,823	113,008	64,678
Investments	**152,376**	122,329	111,255	112,516	142,388	166,410	170,411	129,912
Mortgages receivable – Core Lending	**12,901,074**	12,433,617	12,125,834	11,654,396	11,344,558	10,890,943	10,473,918	9,916,212
Mortgages receivable – Securitization Financing	**7,180,049**	7,065,125	6,955,342	6,922,156	6,940,157	7,136,477	7,002,632	6,878,274
Securitization retained interests	**106,295**	103,878	102,081	98,958	95,453	89,745	86,708	78,045
Other assets	**89,594**	96,453	95,217	99,392	79,854	72,883	71,303	64,695
	$ 21,453,473	$ 20,802,555	$ 20,423,464	$ 19,971,606	$ 19,572,199	$ 19,133,463	$ 18,608,783	$ 17,639,943
Liabilities and Shareholders' Equity								
Liabilities:								
Deposits	**$ 12,226,341**	$ 11,549,408	$ 10,832,913	$ 10,316,683	$ 9,948,202	$ 9,857,591	$ 9,477,569	$ 9,220,344
Securitization liabilities	**7,549,145**	7,532,079	7,643,718	7,740,795	7,699,151	7,826,064	7,567,830	6,967,786
Obligations under repurchase agreements	**166,565**	261,137	345,181	346,053	428,508	138,611	103,673	17,323
Deferred tax liabilities	**38,305**	37,499	33,442	40,958	39,500	38,579	38,151	34,688
Other liabilities	**192,965**	156,279	176,547	214,876	193,661	193,157	178,593	78,591
Bank facilities	**79,816**	101,735	256,666	167,051	155,431	12,500	262,026	393,754
Debentures	**-**	-	16,250	65,000	65,000	65,000	65,000	65,000
	20,253,137	19,638,137	19,304,717	18,891,416	18,529,453	18,131,502	17,692,842	16,777,486
Shareholders' equity:								
Preferred shares	**72,557**	72,557	72,557	72,557	72,557	72,557	72,557	72,557
Common shares	**199,189**	198,816	197,919	197,462	197,407	196,814	158,629	144,906
Contributed surplus	**6,468**	6,152	5,985	5,741	5,463	5,174	5,162	5,166
Retained earnings	**924,969**	889,168	849,334	815,401	783,435	746,246	707,816	674,052
Accumulated other comprehensive loss	**(2,847)**	(2,275)	(7,048)	(10,971)	(16,116)	(18,830)	(28,223)	(34,224)
	1,200,336	1,164,418	1,118,747	1,080,190	1,042,746	1,001,961	915,941	862,457
	$ 21,453,473	$ 20,802,555	$ 20,423,464	$ 19,971,606	$ 19,572,199	$ 19,133,463	$ 18,608,783	$ 17,639,943

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

[2] Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the month-end balances have been prepared in accordance with IFRS 9. Prior period balances were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

EQUITABLE GROUP INC.

Table 8: Mortgage principal under administration – by lending business

($ THOUSANDS)	2018 Q2[1]	2018 Q1[1]	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Single Family Lending	**$ 9,827,296**	$ 9,497,537	$ 9,341,819	$ 9,054,784	$ 8,541,004	$ 8,208,733	$ 7,855,706	$ 7,540,069
Commercial Lending	**3,252,323**	3,129,365	2,949,745	2,853,236	2,835,293	3,007,474	2,827,006	2,657,201
Total Core Lending	**13,079,619**	12,626,902	12,291,564	11,908,020	11,376,297	11,216,207	10,682,712	10,197,270
Multi-unit residential	**3,328,036**	3,104,398	3,054,406	2,887,769	2,877,556	2,976,847	3,179,312	3,493,318
Prime single family residential	**3,962,788**	3,858,527	3,868,731	3,905,182	3,914,040	3,891,715	3,837,808	3,270,068
Total Securitization Financing	**7,290,824**	6,962,925	6,923,137	6,792,951	6,791,596	6,868,562	7,017,120	6,763,386
Total on-balance sheet mortgage principal	**20,370,443**	19,589,827	19,214,701	18,700,971	18,167,893	18,084,769	17,699,832	16,960,656
Multi-unit residential	**4,198,014**	4,204,389	4,018,719	4,029,569	3,794,042	3,579,558	3,215,236	2,868,655
Prime single family residential	**-**	-	-	23,398	51,518	79,104	88,945	92,900
Total derecognized mortgage principal	**4,198,014**	4,204,389	4,018,719	4,052,967	3,845,560	3,658,662	3,304,181	2,961,555
Mortgages Under Management	**$ 24,568,457**	$ 23,794,216	$ 23,233,420	$ 22,753,938	$ 22,013,453	$ 21,743,431	$ 21,004,013	$ 19,922,211
Single Family Lending	**$ 9,827,296**	$ 9,497,537	$ 9,341,819	$ 9,054,784	$ 8,541,004	$ 8,208,733	$ 7,855,706	$ 7,540,069
Prime single family residential	**3,962,788**	3,858,527	3,868,731	3,928,580	3,965,558	3,970,819	3,926,753	3,362,968
Commercial Lending	**3,252,323**	3,129,365	2,949,745	2,853,236	2,835,293	3,007,474	2,827,006	2,657,201
Multi-unit residential	**7,526,050**	7,308,787	7,073,125	6,917,338	6,671,598	6,556,405	6,394,548	6,361,973
Mortgages Under Management	**$ 24,568,457**	$ 23,794,216	$ 23,233,420	$ 22,753,938	$ 22,013,453	$ 21,743,431	$ 21,004,013	$ 19,922,211

(1) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

EQUITABLE GROUP INC.

Table 9: Mortgage originations - by lending business

($ THOUSANDS)	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	YTD 2018	YTD 2017
Single Family Lending	**$ 921,889**	$ 609,434	$ 850,617	$ 1,098,725	$ 938,591	$ 835,780	$ 930,449	$ 1,050,366	**$ 1,531,323**	$ 1,774,371
Commercial Lending	**471,531**	424,468	359,479	380,442	201,789	379,996	377,578	367,197	**895,999**	581,785
Total Core Lending	**1,393,420**	1,033,902	1,210,096	1,479,167	1,140,380	1,215,776	1,308,027	1,417,563	**2,427,322**	2,356,156
Multi-unit residential	**432,986**	349,633	386,794	359,422	343,363	287,360	219,653	243,754	**782,619**	630,723
Prime single family residential	**198,814**	79,637	70,908	133,483	143,258	121,904	651,738	495,598	**278,451**	265,162
Total Securitization Financing	**631,800**	429,270	457,702	492,905	486,621	409,264	871,391	739,352	**1,061,070**	895,885
Total mortgage originations	**$ 2,025,220**	$ 1,463,172	$ 1,667,798	$ 1,972,072	$ 1,627,001	$ 1,625,040	$ 2,179,418	$ 2,156,915	**$ 3,488,392**	$ 3,252,041

Table 10: Deposit principal

($ THOUSANDS)	2018 Q2[1]	2018 Q1[1]	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Brokered term deposits (GICs)	**$ 9,402,210**	$ 9,104,613	$ 8,291,682	$ 7,824,106	$ 7,713,588	$ 7,396,728	$ 7,275,675	$ 6,821,166
EQ Bank deposits[2]	**1,973,986**	1,734,294	1,627,582	1,583,674	1,305,901	1,219,448	1,062,279	1,012,010
Other deposits[3]	**840,538**	891,834	955,456	949,116	837,246	1,183,324	1,192,046	1,197,125
Deposit notes	**150,000**	150,000	150,000	150,000	150,000	150,011	150,163	150,346
Total deposit principal	**$ 12,366,734**	$ 11,880,741	$ 11,024,720	$ 10,506,896	$ 10,006,735	$ 9,949,511	$ 9,680,163	$ 9,180,647

(1) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

(2) EQ Bank deposits include both demand and term deposits offered through our digital banking platform under the *EQ Bank* brand.

(3) Other deposits include demand deposits sourced through brokers, as well as other distribution partners with whom we have strategic relationships.

EQUITABLE GROUP INC.

Table 11: Mortgage credit metrics

	2018		2017				2016	
($ THOUSANDS, EXCEPT PERCENTAGES)	**Q2[(1)]**	Q1[(1)]	Q4	Q3	Q2	Q1	Q4	Q3
Provision for credit losses	**$ 168**	$ 770	$ 387	$ 40	$ 378	$ 738	$ 870	$ 1,243
Provision for credit losses – rate	**0.003%**	0.02%	0.01%	0.001%	0.01%	0.02%	0.02%	0.03%
Gross impaired mortgage assets[(2)]	**28,394**	27,033	23,953	26,242	31,740	41,200	39,365	34,529
Net impaired mortgage assets[(3)]	**27,159**	26,194	22,489	24,587	29,261	38,167	36,829	32,569
Net impaired mortgage assets as a % of total mortgage assets	**0.13%**	0.13%	0.12%	0.13%	0.16%	0.21%	0.21%	0.19%
Allowance for credit losses	**24,684**	24,815	33,354	33,545	34,369	34,923	34,426	33,850
Allowance for credit losses as a % of total mortgage assets	**0.12%**	0.13%	0.17%	0.18%	0.19%	0.19%	0.19%	0.20%
Allowance for credit losses as a % of gross impaired mortgage assets	**87%**	92%	139%	128%	108%	85%	87%	98%

(1) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

(2) Under IFRS 9, mortgages are reassessed and 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 or greater. Under IAS 39, uninsured mortgages were deemed to be impaired at the earlier of the date they have been individually provided for or when they have been in arrears over 90 days; Insured mortgages were deemed to be impaired when payment were contractually past due 365 days.

(3) Net impaired mortgage assets reflect gross impaired mortgages less stage 3 allowances under IFRS 9 and were reported as gross impaired mortgages less individual allowances under IAS 39.

Table 12: Allowance for credit losses continuity[2]

($ THOUSANDS)	2018 Q2[1]	2018 Q1[1]	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	YTD 2018[1]	YTD 2017
Stage 3 allowance (individual allowance under IAS 39)										
Balance, beginning of period[3]	**$ 839**	$ 1,327	$ 1,655	$ 2,479	$ 3,033	$ 2,536	$ 1,960	$ 1,350	**$ 1,327**	$ 2,536
Transfer to Stage 1[5]	**(93)**	(74)	-	-	-	-	-	-	**(167)**	-
Transfer to Stage 2[5]	**(52)**	(11)	-	-	-	-	-	-	**(63)**	-
Transfer from Stage 1[5]	**1**	-	-	-	-	-	-	-	**1**	-
Transfer from Stage 2[5]	**3**	2	-	-	-	-	-	-	**5**	-
Re-measurement[4][5]	**836**	434	-	-	-	-	-	-	**1,270**	-
Originations[5]	**-**	-	-	-	-	-	-	-	**-**	-
Discharges[5]	**-**	-	-	-	-	-	-	-	**-**	-
Changes in models and methodologies[5]	**-**	-	-	-	-	-	-	-	**-**	-
Provision for credit losses	**-**	-	387	40	378	738	870	1,243	**-**	1,116
Realized losses	**(308)**	(857)	(595)	(890)	(934)	(245)	(294)	(639)	**(1,165)**	(1,179)
Recoveries	**9**	18	17	26	2	4	-	6	**27**	6
Balance, end of period	**$ 1,235**	$ 839	$ 1,464	$ 1,655	$ 2,479	$ 3,033	$ 2,536	$ 1,960	**$ 1,235**	$ 2,479
Stage 1 & 2 allowances (collective allowance under IAS 39)										
Balance, beginning of period[2]	**$ 23,976**	$ 23,557	$ 31,890	$ 31,890	$ 31,890	$ 31,890	$ 31,890	$ 31,890	**$ 23,557**	$ 31,890
Transfer from Stage 3	**145**	85	-	-	-	-	-	-	**230**	-
Transfer to Stage 3	**(4)**	(2)	-	-	-	-	-	-	**(6)**	-
Re-measurement[4]	**(943)**	101	-	-	-	-	-	-	**(842)**	-
Originations	**346**	270	-	-	-	-	-	-	**616**	-
Discharges	**(71)**	(35)	-	-	-	-	-	-	**(106)**	-
Changes in models and methodologies	**-**	-	-	-	-	-	-	-	**-**	-
Realized losses	**-**	-	-	-	-	-	-	-	**-**	-
Recoveries	**-**	-	-	-	-	-	-	-	**-**	-
Balance, end of period	**$ 23,449**	$ 23,976	$ 31,890	$ 31,890	$ 31,890	$ 31,890	$ 31,890	$ 31,890	**$ 23,449**	$ 31,890
Total allowance										
Balance, beginning of period[2]	**$ 24,815**	$ 24,884	$ 33,545	$ 34,369	$ 34,923	$ 34,426	$ 33,850	$ 33,240	**$ 24,884**	$ 34,426
Re-measurement[4][5]	**(107)**	535	-	-	-	-	-	-	**428**	-
Originations[5]	**346**	270	-	-	-	-	-	-	**616**	-
Discharges[5]	**(71)**	(35)	-	-	-	-	-	-	**(106)**	-
Changes in models and methodologies[5]	**-**	-	-	-	-	-	-	-	**-**	-
Provision for credit losses	**-**	-	387	40	378	738	870	1,243	**-**	1,116
Realized losses	**(308)**	(857)	(595)	(890)	(934)	(245)	(294)	(639)	**(1,165)**	(1,179)
Recoveries	**9**	18	17	26	2	4	-	6	**27**	6
Balance, end of period	**$ 24,684**	$ 24,815	$ 33,354	$ 33,545	$ 34,369	$ 34,923	$ 34,426	$ 33,850	**$ 24,684**	$ 34,369

[1] Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

[2] The allowance for credit losses as at June 30, 2018 includes allowance on mortgage commitments amounting to $190 thousand.

[3] Balance, beginning of period for Q1 2018 was reported after IFRS 9 transition adjustments.

[4] Includes movement as a result of significant changes in credit risk, changes in credit risk that did not result in a transfer between stages and changes in model inputs and assumptions.

[5] Not applicable under IAS 39.

Table 13: Mortgage principal outstanding – by property type

($ THOUSANDS, EXCEPT PERCENTAGES)	2018 Q2[1]	2018 Q1[1]	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Uninsured								
Single family dwelling	**$ 8,482,566**	$ 8,039,320	$ 7,802,787	$ 7,472,572	$ 6,818,028	$ 7,272,889	$ 6,859,398	$ 6,518,037
Mixed-use property	**387,082**	395,788	392,521	406,708	404,911	379,479	381,162	372,145
Multi-unit residential	**703,283**	810,497	646,855	624,527	484,391	499,384	531,588	507,894
Commercial	**1,330,672**	1,239,091	1,228,136	1,132,917	1,222,938	1,316,334	1,150,223	1,035,485
Construction	**801,773**	653,443	656,542	661,198	693,673	780,133	728,225	736,701
Mortgage principal – Core Lending	**11,705,376**	11,138,139	10,726,841	10,297,922	9,623,941	10,248,219	9,650,596	9,170,262
Single family dwelling	**64,376**	21,382	6,953	21,068	22,750	12,810	5,011	14,991
Mortgage principal – Securitization Financing	**64,376**	21,382	6,953	21,068	22,750	12,810	5,011	14,991
Total mortgage principal outstanding	**$ 11,769,752**	$ 11,159,521	$ 10,733,794	$ 10,318,990	$ 9,646,691	$ 10,261,029	$ 9,655,607	$ 9,185,253
Total mortgage principal outstanding percentage	**58%**	57%	56%	55%	53%	57%	55%	54%
Insured								
Single family dwelling	**$ 1,343,875**	$ 1,457,357	$ 1,537,107	$ 1,580,351	$ 1,721,111	$ 934,964	$ 995,342	$ 1,020,932
Multi-unit residential	**5,543**	5,543	5,543	5,543	5,543	5,543	6,053	6,076
Commercial	**24,825**	25,863	22,073	24,204	25,702	27,481	30,721	-
Mortgage principal – Core Lending	**1,374,243**	1,488,763	1,564,723	1,610,098	1,752,356	967,988	1,032,116	1,027,008
Single family dwelling	**3,898,412**	3,837,145	3,861,778	3,884,114	3,891,290	3,878,905	3,832,797	3,255,077
Multi-unit residential	**3,328,036**	3,104,398	3,054,406	2,887,769	2,877,556	2,976,847	3,179,312	3,493,318
Mortgage principal – Securitization Financing	**7,226,448**	6,941,543	6,916,184	6,771,883	6,768,846	6,855,752	7,012,109	6,748,395
Total mortgage principal outstanding	**$ 8,600,691**	$ 8,430,306	$ 8,480,907	$ 8,381,981	$ 8,521,202	$ 7,823,740	$ 8,044,225	$ 7,775,403
Total mortgage principal outstanding percentage	**42%**	43%	44%	45%	47%	43%	45%	46%
Total								
Single family dwelling	**$ 9,826,441**	$ 9,496,677	$ 9,339,894	$ 9,052,923	$ 8,539,139	$ 8,207,853	$ 7,854,740	$ 7,538,969
Mixed-use property	**387,082**	395,788	392,521	406,708	404,911	379,479	381,162	372,145
Multi-unit residential	**708,826**	816,040	652,398	630,070	489,934	504,927	537,641	513,970
Commercial	**1,355,497**	1,264,954	1,250,209	1,157,121	1,248,640	1,343,815	1,180,944	1,035,485
Construction	**801,773**	653,443	656,542	661,198	693,673	780,133	728,225	736,701
Mortgage principal – Core Lending	**13,079,619**	12,626,902	12,291,564	11,908,020	11,376,297	11,216,207	10,682,712	10,197,270
Single family dwelling	**3,962,788**	3,858,527	3,868,731	3,905,182	3,914,040	3,891,715	3,837,808	3,270,068
Multi-unit residential	**3,328,036**	3,104,398	3,054,406	2,887,769	2,877,556	2,976,847	3,179,312	3,493,318
Mortgage principal – Securitization Financing	**7,290,824**	6,962,925	6,923,137	6,792,951	6,791,596	6,868,562	7,017,120	6,763,386
Total mortgage principal outstanding	**$ 20,370,443**	$ 19,589,827	$ 19,214,701	$ 18,700,971	$ 18,167,893	$ 18,084,769	$ 17,699,832	$ 16,960,656
Total mortgage principal outstanding percentage	**100%**	100%	100%	100%	100%	100%	100%	100%

[1] Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts have been prepared in accordance with IFRS 9.
Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

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Table 14: Mortgage principal outstanding – by interest rate type

	2018		2017				2016	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Fixed rate mortgages	**82%**	82%	82%	81%	82%	80%	81%	81%
Floating rate mortgages with interest rate floors[(1)]	**9%**	9%	8%	8%	7%	8%	8%	8%
Floating rate mortgages without interest rate floors	**9%**	9%	10%	11%	11%	12%	11%	11%
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.

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

	2018				2017								2016			
	Q2[(2)]		Q1[(2)]		Q4		Q3		Q2		Q1		Q4		Q3	
($ THOUSANDS, EXCEPT PERCENTAGES)	**Amount**	**%**	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Single Family Lending																
Ontario	**$ 7,477,977**	**37%**	$ 7,247,993	37%	$ 7,174,374	37%	$ 6,997,722	37%	$ 6,594,278	36%	$ 6,320,385	35%	$ 6,041,673	34%	$ 5,795,737	34%
Alberta	**930,608**	**5%**	918,968	5%	919,129	5%	917,045	5%	905,573	5%	914,717	5%	908,923	5%	908,084	5%
Quebec	**392,936**	**2%**	353,320	2%	334,339	2%	305,401	2%	282,795	2%	254,991	1%	237,147	1%	219,094	1%
British Columbia	**789,058**	**4%**	741,041	4%	680,162	4%	610,759	3%	540,772	3%	503,640	3%	454,921	3%	406,187	2%
Saskatchewan	**71,358**	**0%**	72,142	0%	73,305	0%	72,614	0%	71,882	0%	73,658	0%	74,129	0%	75,008	0%
Other Provinces	**165,359**	**1%**	164,073	1%	160,509	1%	151,243	1%	145,704	1%	141,342	1%	138,913	1%	135,959	1%
	$ 9,827,296	**48%**	$ 9,497,537	48%	$ 9,341,819	49%	$ 9,054,784	48%	$ 8,541,004	47%	$ 8,208,733	45%	$ 7,855,706	44%	$ 7,540,069	44%
Commercial Lending																
Ontario	**$ 1,863,788**	**9%**	$ 1,912,425	10%	$ 1,711,459	9%	$ 1,746,286	9%	$ 1,787,408	10%	$ 1,957,638	11%	$ 1,774,822	10%	$ 1,751,776	10%
Alberta	**360,116**	**2%**	342,801	2%	348,675	2%	310,428	2%	291,164	2%	310,119	2%	317,138	2%	252,803	1%
Quebec	**627,237**	**3%**	585,882	3%	583,632	3%	527,332	3%	540,833	3%	505,370	3%	505,500	3%	432,674	3%
British Columbia	**292,387**	**1%**	200,638	1%	208,509	1%	188,026	1%	128,725	1%	144,571	1%	147,488	1%	117,179	1%
Saskatchewan	**41,280**	**0%**	33,451	0%	21,689	0%	21,428	0%	20,608	0%	19,360	0%	12,920	0%	27,288	0%
Other Provinces	**67,515**	**0%**	54,168	0%	75,781	0%	59,736	0%	66,555	0%	70,416	0%	69,138	0%	75,482	0%
	$ 3,252,323	**16%**	$ 3,129,365	16%	$ 2,949,745	15%	$ 2,853,236	15%	$ 2,835,293	16%	$ 3,007,474	17%	$ 2,827,006	16%	$ 2,657,201	16%
Total mortgage principal - Core Lending	**$ 13,079,619**	**64%**	$ 12,626,902	64%	$ 12,291,564	64%	$ 11,908,020	64%	$ 11,376,297	63%	$ 11,216,207	62%	$ 10,682,712	60%	$ 10,197,270	60%
Multi-unit residential																
Ontario	**$ 1,214,415**	**6%**	$ 1,134,510	6%	$ 1,192,426	6%	$ 1,083,762	6%	$ 1,120,353	6%	$ 1,134,626	6%	$ 1,239,383	7%	$ 1,294,661	8%
Alberta	**708,576**	**3%**	715,692	4%	631,878	3%	622,571	3%	585,807	3%	639,895	4%	643,096	4%	665,201	4%
Quebec	**629,737**	**3%**	630,620	3%	647,070	3%	557,317	3%	549,105	3%	572,546	3%	652,594	4%	749,873	4%
British Columbia	**407,812**	**2%**	330,955	2%	322,871	2%	349,481	2%	345,644	2%	344,791	2%	332,856	2%	396,951	2%
Saskatchewan	**77,116**	**0%**	64,792	0%	65,225	0%	65,655	0%	63,949	0%	70,308	0%	72,683	0%	117,051	1%
Other Provinces	**290,381**	**1%**	227,829	1%	194,935	1%	208,983	1%	212,698	1%	214,680	1%	238,700	1%	269,582	2%
	$ 3,328,036	**16%**	$ 3,104,398	16%	$ 3,054,406	16%	$ 2,887,769	15%	$ 2,877,556	16%	$ 2,976,847	16%	$ 3,179,312	18%	$ 3,493,318	21%
Prime single family residential																
Ontario	**$ 2,120,975**	**10%**	$ 2,064,951	11%	$ 2,078,446	11%	$ 2,106,015	11%	$ 2,123,293	12%	$ 2,134,377	12%	$ 2,106,296	12%	$ 1,851,495	11%
Alberta	**807,450**	**4%**	776,571	4%	769,999	4%	762,374	4%	746,953	4%	731,153	4%	716,591	4%	614,090	4%
Quebec	**50,110**	**0%**	51,495	0%	52,227	0%	52,931	0%	53,391	0%	54,010	0%	54,451	0%	-	0%
British Columbia	**515,979**	**3%**	510,882	3%	515,112	3%	529,742	3%	543,359	3%	535,075	3%	534,267	3%	429,616	3%
Saskatchewan	**178,009**	**1%**	172,551	1%	171,066	1%	173,198	1%	168,471	1%	165,853	1%	159,454	1%	142,410	1%
Other Provinces	**290,265**	**1%**	282,077	1%	281,880	1%	280,922	2%	278,573	2%	271,247	1%	266,749	2%	232,457	1%
	$ 3,962,788	**19%**	$ 3,858,527	20%	$ 3,868,731	20%	$ 3,905,182	21%	$ 3,914,040	22%	$ 3,891,715	22%	$ 3,837,808	22%	$ 3,270,068	19%
Total mortgage principal - Securitization Financing	**$ 7,290,824**	**36%**	$ 6,962,925	36%	$ 6,923,137	36%	$ 6,792,951	36%	$ 6,791,596	37%	$ 6,868,562	38%	$ 7,017,120	40%	$ 6,763,386	40%
Total																
Ontario	**$ 12,677,155**	**62%**	$ 12,359,880	63%	$ 12,156,705	63%	$ 11,933,785	64%	$ 11,625,332	64%	$ 11,547,026	64%	$ 11,162,174	63%	$ 10,693,668	63%
Alberta	**2,806,750**	**14%**	2,754,032	14%	2,669,681	14%	2,612,418	14%	2,529,497	14%	2,595,884	14%	2,585,748	15%	2,440,179	14%
Quebec	**1,700,020**	**8%**	1,621,318	8%	1,617,269	8%	1,442,981	8%	1,426,124	8%	1,386,917	8%	1,449,692	8%	1,401,641	8%
British Columbia	**2,005,236**	**10%**	1,783,515	9%	1,726,655	9%	1,678,008	9%	1,558,500	9%	1,528,078	8%	1,469,532	8%	1,349,933	8%
Saskatchewan	**367,763**	**2%**	342,936	2%	331,285	2%	332,895	2%	324,910	2%	329,179	2%	319,186	2%	361,756	2%
Other Provinces	**813,519**	**4%**	728,146	4%	713,106	4%	700,884	4%	703,530	4%	697,685	4%	713,500	4%	713,480	4%
Total mortgage principal	**$ 20,370,443**	**100%**	$ 19,589,827	100%	$ 19,214,701	100%	$ 18,700,971	100%	$ 18,167,893	100%	$ 18,084,769	100%	$ 17,699,832	100%	$ 16,960,656	100%

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

(2) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts have been prepared in accordance with IFRS 9.
Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

Table 16: Residential mortgage and HELOC principal outstanding – by province[(1)(2)]

	Residential mortgages				HELOC[(4)]		Total	
	Insured[(3)]		Uninsured		Uninsured		Uninsured	
	Total	%	Total	%	Total	%	Total	%
($ THOUSANDS, EXCEPT PERCENTAGES)								Q2 2018[(6)]
Ontario	$ 3,115,194	23%	$ 6,448,678	47%	$ 35,661	79%	$ 6,484,339	47%
Alberta	969,645	7%	764,002	6%	3,554	8%	767,556	6%
British Columbia	561,921	4%	739,604	5%	4,081	9%	743,685	5%
Manitoba	112,092	1%	67,719	0%	457	1%	68,176	0%
Saskatchewan	195,782	1%	53,116	0%	468	1%	53,584	0%
Other Provinces	287,653	2%	428,603	3%	999	2%	429,602	3%
Total residential mortgages	$ 5,242,287	38%	$ 8,501,722	62%	$ 45,220	100%	$ 8,546,942	61%
Downtown Toronto condominiums[(4)]	$ 52,728	0%	$ 148,858	1%	$ 315	1%	$ 149,173	1%
($ THOUSANDS, EXCEPT PERCENTAGES)								Q4 2017
Ontario	$ 3,274,488	25%	$ 5,945,063	45%	$ 32,279	80%	$ 5,977,342	45%
Alberta	954,012	7%	730,372	6%	3,879	10%	734,251	6%
British Columbia	578,424	4%	614,029	5%	2,821	7%	616,850	5%
Manitoba	109,786	1%	65,637	0%	436	1%	66,073	1%
Saskatchewan	191,655	1%	52,437	0%	279	1%	52,716	0%
Other Provinces	290,520	2%	361,818	3%	690	1%	362,508	3%
Total residential mortgages	$ 5,398,885	40%	$ 7,769,356	60%	$ 40,384	100%	$ 7,809,740	60%
Downtown Toronto condominiums[(5)]	$ 56,451	0%	$ 123,445	1%	$ 267	1%	$ 123,712	1%
($ THOUSANDS, EXCEPT PERCENTAGES)								Q2 2017
Ontario	$ 3,462,481	28%	$ 5,227,601	42%	$ 26,498	80%	$ 5,254,099	42%
Alberta	940,460	7%	707,651	6%	3,541	11%	711,192	6%
British Columbia	619,334	5%	462,606	4%	2,190	7%	464,796	4%
Manitoba	103,035	1%	61,884	0%	349	1%	62,233	0%
Saskatchewan	190,199	2%	49,896	0%	258	1%	50,154	0%
Other Provinces	296,892	2%	297,902	3%	402	0%	298,304	3%
Total residential mortgages	$ 5,612,401	45%	$ 6,807,540	55%	$ 33,238	100%	$ 6,840,778	55%
Downtown Toronto condominiums[(5)]	$ 57,441	0%	$ 103,847	1%	$ 240	1%	$ 104,087	1%

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

(2) This table was prepared based on the disclosure requirements outlined in OSFI's Guideline B-20. For the purpose of this guideline, all reverse mortgages secured by residential property are considered to be HELOC.

(3) Insured by either CMHC or Genworth.

(4) We launched *PATH Home Plan* , also known as reverse mortgage, during Q1 2018 and Standalone HELOC ("SHELOC") product during Q3 2017. HELOC, SHELOC, and *PATH Home Plan* are collectively referred to as "HELOC" in this Report wherever applicable.

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

(6) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

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Table 17: Residential mortgage principal outstanding – by remaining amortization[1]

($ 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
Q2 2018[2]									
Total residential mortgages	**$ 3,659**	**$ 21,329**	**$ 127,905**	**$ 681,941**	**$ 3,433,559**	**$ 9,443,631**	**$ 31,615**	**$ 370**	**$ 13,744,009**
	0.03%	**0.16%**	**0.93%**	**4.96%**	**24.98%**	**68.71%**	**0.23%**	**0.00%**	**100%**
Q1 2018[2]									
Total residential mortgages	$ 2,936	$ 19,907	$ 116,206	$ 601,827	$ 3,324,131	$ 9,213,358	$ 33,366	$ 563	$ 13,312,294
	0.02%	0.15%	0.87%	4.52%	24.97%	69.21%	0.25%	0.01%	100%
Q4 2017									
Total residential mortgages	$ 2,269	$ 18,170	$ 100,080	$ 539,669	$ 3,295,980	$ 9,159,661	$ 52,126	$ 286	$ 13,168,241
	0.02%	0.14%	0.76%	4.10%	25.03%	69.56%	0.39%	0.00%	100%
Q3 2017									
Total residential mortgages	$ 2,606	$ 16,111	$ 93,513	$ 458,850	$ 3,278,994	$ 8,974,313	$ 95,526	$ 501	$ 12,920,414
	0.02%	0.12%	0.72%	3.56%	25.38%	69.46%	0.74%	0.00%	100%
Q2 2017									
Total residential mortgages	$ 2,212	$ 15,092	$ 82,989	$ 434,169	$ 3,249,051	$ 8,577,977	$ 57,801	$ 650	$ 12,419,941
	0.02%	0.12%	0.67%	3.50%	26.16%	69.07%	0.46%	0.00%	100%
Q1 2017									
Total residential mortgages	$ 2,138	$ 14,247	$ 74,626	$ 388,877	$ 3,154,107	$ 8,354,957	$ 79,289	$ 312	$ 12,068,553
	0.02%	0.12%	0.62%	3.22%	26.13%	69.23%	0.66%	0.00%	100%
Q4 2016									
Total residential mortgages	$ 1,609	$ 14,625	$ 71,136	$ 341,291	$ 3,070,607	$ 8,083,902	$ 80,487	$ 1,045	$ 11,664,702
	0.01%	0.13%	0.61%	2.93%	26.32%	69.30%	0.69%	0.01%	100%
Q3 2016									
Total residential mortgages	$ 1,387	$ 13,330	$ 63,004	$ 275,504	$ 2,663,536	$ 7,658,853	$ 107,857	$ 1,100	$ 10,784,571
	0.01%	0.12%	0.58%	2.55%	24.70%	71.02%	1.00%	0.02%	100%

[1] The above residential mortgage balances do not include HELOC (HELOC, SHELOC and Path Home Plan) amount.

[2] Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

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Table 18: Uninsured average loan-to-value of newly originated and newly acquired[1]

	2018				2017								2016			
	Q2[4]		Q1[4]		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	**72%**	**7%**	71%	9%	72%	10%	71%	19%	70%	6%	72%	6%	73%	5%	74%	5%
Alberta	**72%**	**9%**	72%	3%	72%	2%	71%	32%	72%	8%	71%	4%	71%	13%	72%	6%
British Columbia	**68%**	**13%**	68%	7%	69%	6%	69%	3%	70%	3%	69%	6%	69%	3%	69%	3%
Manitoba	**73%**	**5%**	72%	4%	71%	6%	70%	13%	76%	1%	74%	6%	74%	4%	73%	9%
Saskatchewan	**72%**	**0.4%**	63%	13%	69%	1%	68%	3%	69%	1%	69%	3%	74%	8%	71%	2%
Other Provinces	**71%**	**3%**	70%	2%	71%	12%	70%	2%	71%	3%	70%	6%	71%	3%	71%	1%
Total Canada	**71%**	**9%**	70%	9%	71%	9%	70%	18%	70%	6%	72%	6%	72%	5%	73%	5%
Total Canada HELOC - Excluding SHELOC and *PATH Home Plan* [2]		**5%**		7%		5%		5%		6%		6%		5%		5%
Downtown Toronto condominiums[3]	**68%**	**10%**	66%	2%	63%	18%	63%	2%	65%	2%	64%	22%	67%	2%	66%	3%

[1] Geographic location based on the address of the property mortgaged.

[2] HELOC includes HELOC, SHELOC, and *PATH Home Plan.*

The loan-to-value ("LTV") of HELOC represents the authorized amount as a percentage of the original property value at the time of origination.

In the case of non-standalone HELOCs, there are mortgages associated with most of these properties, but the aggregate LTVs are not presented on this chart. Aggregate LTVs do not exceed 80%.

For SHELOCs, there are no mortgages associated to these properties.

[3] Included in Ontario totals above.

[4] Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the ratios have been prepared in accordance with IFRS 9.

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

Table 19: Average loan-to-value of existing residential mortgages[1][3][4]

	2018						2017					
			Q2[6]			Q1[6]			Q4			Q3
	Insured[2][5]	**Uninsured[2]**	**Total[2]**	Insured[2]	Uninsured[2]	Total[2]	Insured[2]	Uninsured[2]	Total[2]	Insured[2]	Uninsured[2]	Total[2]
Ontario	**61%**	**64%**	**63%**	61%	64%	63%	61%	64%	63%	65%	61%	62%
Alberta	**75%**	**65%**	**71%**	76%	66%	72%	75%	65%	71%	79%	64%	73%
British Columbia	**65%**	**63%**	**64%**	66%	64%	65%	66%	64%	65%	75%	62%	69%
Manitoba	**78%**	**68%**	**74%**	77%	68%	74%	77%	67%	73%	81%	68%	76%
Saskatchewan	**69%**	**56%**	**66%**	70%	57%	67%	70%	57%	67%	81%	55%	75%
Other Provinces	**71%**	**65%**	**67%**	72%	65%	68%	72%	64%	68%	82%	63%	72%
Total Canada	**65%**	**64%**	**64%**	66%	65%	65%	66%	64%	65%	71%	61%	65%

	2017						2016					
			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	68%	59%	62%	74%	61%	65%	74%	62%	66%	72%	62%	66%
Alberta	80%	65%	74%	83%	67%	75%	83%	66%	75%	82%	67%	74%
British Columbia	77%	61%	70%	79%	63%	72%	79%	63%	73%	78%	63%	71%
Manitoba	82%	69%	77%	83%	69%	77%	83%	69%	77%	82%	68%	75%
Saskatchewan	83%	55%	77%	84%	58%	78%	85%	59%	78%	84%	59%	77%
Other Provinces	83%	63%	73%	86%	65%	75%	87%	66%	77%	85%	66%	74%
Total Canada	73%	60%	66%	77%	62%	68%	78%	63%	69%	75%	63%	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 our HELOC (HELOC, SHELOC and *PATH Home Plan*) products is not included in this chart.

(4) Equitable has arrangements with other lenders to participate in its single family residential loans in certain circumstances, namely if Equitable wants to cap the value of its own exposure to stay within the boundaries of its risk appetite while still meeting a borrower's needs. The arrangements, which have been entered into in the normal course of business at arm's length and on market terms, are structured such that the other lenders' participation would always bear the first loss on the mortgage. The loan-to-value ratios above therefore do not take into account the other lenders' participation in order to reflect both the substance and legal form of Equitable's exposure. Equitable underwrites the loans based on the total value of its own advance and the other lender's participation to ensure that the borrower is able to service the aggregate amount of the loan. Other lenders' participation in Equitable's single family residential loans was $48.4 million at June 30, 2018 (March 31, 2018 - $50.5 million, June 30, 2017 - $50.3 million).

(5) Commencing in Q4 2017, there was a LTV methodology change with respect to third party purchased insured mortgages.

(6) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the ratios have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

EQUITABLE GROUP INC.

Table 20: Single Family Lending - weighted average beacon score by LTV[(1)]

	2018		2017				2016	
LTV at origination	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<50% LTV	**697**	696	694	692	692	689	689	688
50% - 64.99% LTV	**692**	691	690	689	688	686	685	684
65% - 69.99% LTV	**686**	685	684	683	682	682	680	682
70% - 75% LTV	**684**	681	680	680	680	677	676	675
>75% LTV	**690**	686	687	686	685	683	679	677
Total	**688**	686	686	685	684	682	680	679

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

EQUITABLE GROUP INC.

Table 21: Modified Capital Disclosure Template - Equitable Bank

($ THOUSANDS, EXCEPT PERCENTAGES)	2018 Q2[1][2]	2018 Q1[1][2]	2017 Q4 All-in	2017 Q4 Transitional	2017 Q3 All-in	2017 Q3 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	$ **201,784**	$ 201,602	$ 200,990		$ 199,968	
2 Retained earnings	**941,626**	909,493	868,966		833,441	
3 Accumulated other comprehensive income (and other reserves)	**(7,146)**	(6,308)	(8,748)		(11,577)	
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**	$ **1,136,264**	$ 1,104,787	$ 1,061,208		$ 1,021,832	
Common Equity Tier 1 capital: regulatory adjustments						
28 Total regulatory adjustments to Common Equity Tier 1	$ **(18,745)**	$ (17,592)	$ (17,046)		$ (16,299)	
29 **Common Equity Tier 1 capital (CET1)**	$ **1,117,519**	$ 1,087,195	$ 1,044,162	$ 1,049,321	$ 1,005,533	$ 1,011,108
Additional Tier 1 capital : instruments						
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	$ **72,554**	72,554	72,554		72,554	
31 of which: classified as equity under applicable accounting standards	**72,554**	72,554	72,554		72,554	
32 of which: classified as liabilities under applicable accounting standards	**-**	-	-		-	
33 Directly issued capital instruments subject to phase out from Additional Tier 1	**-**	-	-		-	
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	**-**	-	-		-	
35 of which: instruments issued by subsidiaries subject to phase out	**-**	-	-		-	
36 **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)**	$ **1,190,073**	$ 1,159,749	$ 1,116,716	$ 1,120,125	$ 1,078,087	$ 1,081,347
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	**-**	-	-		62,891	
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	**23,449**	23,976	31,890		31,890	
51 **Tier 2 capital before regulatory adjustments**	$ **23,449**	$ 23,976	$ 31,890		$ 94,781	
Tier 2 capital: regulatory adjustments						
57 Total regulatory adjustments to Tier 2 capital	$ **-**	$ -	$ -		$ -	
58 Tier 2 capital (T2)	**23,449**	23,976	31,890		94,781	
59 **Total capital(TC = T1 +T2)**	$ **1,213,522**	$ 1,183,725	$ 1,148,606	$ 1,152,015	$ 1,172,868	$ 1,176,128
60 **Total risk-weighted assets**	$ **7,790,674**	$ 7,396,553	$ 7,035,380	$ 7,043,725	$ 6,814,247	$ 6,822,315
Capital ratios						
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	**14.3%**	14.7%	14.8%	14.9%	14.8%	14.8%
62 Tier 1 (as a percentage of risk-weighted assets)	**15.3%**	15.7%	15.9%	15.9%	15.8%	15.9%
63 Total capital (as a percentage of risk-weighted assets)	**15.6%**	16.0%	16.3%	16.4%	17.2%	17.2%
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	**-**	-	-		62,891	
85 Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	**-**	-	-		2,110	

(1) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

(2) The transitional approach is no longer applicable effective Q1 2018.

EQUITABLE GROUP INC.

Table 21: Modified Capital Disclosure Template - Equitable Bank

	2017				2016			
	Q2		Q1		Q4		Q3	
($ THOUSANDS, EXCEPT PERCENTAGES)	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	$ 199,918		$ 199,819		$ 199,089		$ 148,175	
2 Retained earnings	800,273		765,883		727,265		689,789	
3 Accumulated other comprehensive income (and other reserves)	(12,874)		(13,159)		(20,210)		(24,133)	
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**	$ 987,317		$ 952,543		$ 906,144		$ 813,831	
Common Equity Tier 1 capital: regulatory adjustments								
28 Total regulatory adjustments to Common Equity Tier 1	$ (15,325)		$ (14,557)		$ (15,037)		$ (14,687)	
29 **Common Equity Tier 1 capital (CET1)**	$ 971,992	$ 977,632	$ 937,986	$ 943,529	$ 891,107	$ 905,206	$ 799,144	$ 814,672
Additional Tier 1 capital : instruments								
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	72,554		72,554		72,554		72,554	
31 of which: classified as equity under applicable accounting standards	72,554		72,554		72,554		72,554	
32 of which: classified as liabilities under applicable accounting standards	-		-		-		-	
33 Directly issued capital instruments subject to phase out from Additional Tier 1	-		-		-		-	
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-		-		-		-	
35 of which: instruments issued by subsidiaries subject to phase out	-		-		-		-	
36 **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)**	$ 1,044,546	$ 1,047,611	$ 1,010,540	$ 1,013,451	$ 963,661	$ 969,676	$ 871,698	$ 877,573
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	62,891		62,891		65,000		65,000	
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		31,890		31,890	
51 **Tier 2 capital before regulatory adjustments**	$ 94,781		$ 94,781		$ 96,890		$ 96,890	
Tier 2 capital: regulatory adjustments								
57 Total regulatory adjustments to Tier 2 capital	$ -		$ -		$ -		$ -	
58 Tier 2 capital (T2)	94,781		94,781		96,890		96,890	
59 **Total capital(TC = T1 +T2)**	$ 1,139,327	$ 1,142,391	$ 1,105,321	$ 1,110,340	$ 1,060,551	$ 1,066,565	$ 968,588	$ 974,462
60 **Total risk-weighted assets**	$ 6,561,813	$ 6,569,557	$ 6,739,517	$ 6,745,938	$ 6,385,825	$ 6,395,488	$ 5,968,000	$ 5,975,788
Capital ratios								
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	14.8%	14.9%	13.9%	14.0%	14.0%	14.2%	13.4%	13.6%
62 Tier 1 (as a percentage of risk-weighted assets)	15.9%	15.9%	15.0%	15.0%	15.1%	15.2%	14.6%	14.7%
63 Total capital (as a percentage of risk-weighted assets)	17.4%	17.4%	16.4%	16.5%	16.6%	16.7%	16.2%	16.3%
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	62,891		62,891		75,469		75,469	
85 Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	2,110		2,110		-		-	

(1) Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

(2) The transitional approach is no longer applicable effective Q1 2018.

EQUITABLE GROUP INC.

Table 22: Leverage Ratio - Equitable Bank

($ THOUSANDS, EXCEPT PERCENTAGES)	2018 Q2[1]	2018 Q1[1]	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
On-balance sheet exposure								
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	**$ 21,607,008**	$ 20,712,758	$ 20,278,798	$ 19,833,924	$ 19,374,722	$ 18,866,332	$ 18,313,889	$ 17,476,260
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	**(22,248)**	(21,149)	(20,572)	(19,310)	(15,207)	(11,875)	(12,263)	(5,955)
3 **Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	**$ 21,584,760**	$ 20,691,609	$ 20,258,226	$ 19,814,614	$ 19,359,515	$ 18,854,457	$ 18,301,626	$ 17,470,305
Derivative exposures								
4 Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	**$ 12,991**	$ 9,170	$ 17,963	$ 16,229	$ 18,199	$ 12,117	$ 13,752	$ 4,006
5 Add-on amounts for PFE associated with all derivative transactions	**33,207**	32,660	30,102	26,785	19,743	18,722	15,113	12,361
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)**	**$ 46,198**	$ 41,830	$ 48,065	$ 43,014	$ 37,942	$ 30,839	$ 28,865	$ 16,367
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
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)**	**$ -**	$ -	$ -	$ -	$ -	$ 4,984	$ 200,986	$ 102,760
Other off-balance sheet exposures								
17 Off-balance sheet exposure at gross notional amount	**$ 1,698,465**	$ 1,419,735	$ 1,294,335	$ 1,223,803	$ 1,326,412	$ 1,102,267	$ 1,074,497	$ 1,041,986
18 (Adjustments for conversion to credit equivalent amounts)	**(1,203,478)**	(992,268)	(924,242)	(869,867)	(982,930)	(771,282)	(758,512)	(780,234)
19 **Off-balance sheet items (sum of lines 17 and 18)**	**$ 494,987**	$ 427,467	$ 370,093	$ 353,936	$ 343,482	$ 330,985	$ 315,985	$ 261,752
Capital and Total Exposure								
20 Tier 1 capital	**$ 1,190,073**	$ 1,159,749	$ 1,116,716	$ 1,078,087	$ 1,044,546	$ 1,010,540	$ 963,661	$ 871,698
21 **Total Exposures (sum of lines 3, 11, 16 and 19)**	**$ 22,125,945**	$ 21,160,906	$ 20,676,384	$ 20,211,564	$ 19,740,939	$ 19,221,265	$ 18,847,462	$ 17,851,184
Leverage Ratios								
22 **Basel III Leverage Ratio**	**5.4%**	5.5%	5.4%	5.3%	5.3%	5.3%	5.1%	4.9%

[1] Please refer to the Q1 and Q2 2018 MD&A for additional discussion regarding the adoption of IFRS 9. Effective January 1, 2018, the amounts and ratios have been prepared in accordance with IFRS 9. Prior period comparatives were prepared in accordance with IAS 39 and have not been restated. As a result, current year disclosures are not directly comparable to prior periods.

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 in accordance with OSFI's Capital Adequacy Requirements ("CAR") Guideline.

Efficiency Ratio
is derived by dividing non-interest expenses by the sum of net revenue. A lower efficiency ratio reflects a more efficient cost structure.

Leverage Ratio
is calculated by dividing Tier 1 Capital by an exposure measure. The exposure measure consists of total assets (excluding items deducted from Tier 1 Capital) and certain off-balance sheet items converted into credit exposure equivalents. Adjustments are also made to derivatives and secured financing transactions to reflect credit and other risks. This ratio is calculated for the Bank in accordance with OSFI's CAR Guideline.

Liquid assets
is a measure of the Company's cash or assets that can be readily converted into cash, which are held for the purposes of funding 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 eligible stage 1 and 2 allowance (collective allowance under IAS 39) and subordinated debentures.

Tier 1 Ratio
is calculated by dividing Tier 1 Capital by Total RWA. This ratio is calculated for the Bank in accordance with OSFI's CAR Guideline.

Total Capital
equals to Tier 1 plus Tier 2 Capital.

Total Capital Ratio
is calculated by dividing Total Capital by Total RWA. This ratio is calculated for the Bank in accordance with OSFI's CAR Guideline.

Acronyms

AOCI
Accumulated Other Comprehensive Income (Loss)

BCBS
Basel Committee on Banking Supervision

CAR
Capital Adequacy Requirements

CMB
Canada Mortgage Bond

CMHC
Canada Mortgage and Housing Corporation

ECL
Expected credit loss

EPS
Earnings per Share

GAAP
Generally Accepted Accounting Principles

GICs
Guaranteed Investment Certificates

HELOC
Home Equity Line of Credit

HISAs
High Interest Savings Accounts

IFRS
International Financial Reporting Standards

IASB
International Accounting Standards Board

IAS
International Accounting Standard

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