



**THIRD QUARTER 2014
SUPPLEMENTAL INFORMATION AND
REGULATORY DISCLOSURES**



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Notes to Readers

This Supplemental Information and Regulatory Disclosure Report provides additional quantitative 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. Equitable Bank's regulatory capital Basel Pillar 3 disclosures are also provided on Table 8.



Table 1: Mortgage principal outstanding – by property type

(\$ THOUSANDS)	September 30, 2014			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 4,452,024	\$ 102,202	\$ 4,554,226	39.5%
Mixed-use property	362,528	-	362,528	3.1%
Multi-unit residential	508,017	710	508,727	4.4%
Commercial	1,047,123	-	1,047,123	9.1%
Construction	364,416	-	364,416	3.2%
Mortgage principal – Core Lending	6,734,108	102,912	6,837,020	59.3%
Single family dwelling	-	668,859	668,859	5.8%
Multi-unit residential	-	4,026,916	4,026,916	34.9%
Mortgage principal – Securitization Financing	-	4,695,775	4,695,775	40.7%
Total mortgage principal outstanding	\$ 6,734,108	\$ 4,798,687	\$ 11,532,795	100.0%
	58.4%	41.6%	100.0%	

(\$ THOUSANDS)	June 30, 2014			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 4,071,168	\$ 88,234	\$ 4,159,402	37.4%
Mixed-use property	363,301	-	363,301	3.3%
Multi-unit residential	562,576	730	563,306	5.1%
Commercial	1,052,902	-	1,052,902	9.5%
Construction	278,435	-	278,435	2.5%
Mortgage principal – Core Lending	6,328,382	88,964	6,417,346	57.8%
Single family dwelling	-	577,820	577,820	5.2%
Multi-unit residential	-	4,112,110	4,112,110	37.0%
Mortgage principal – Securitization Financing	-	4,689,930	4,689,930	42.2%
Total mortgage principal outstanding	\$ 6,328,382	\$ 4,778,894	\$ 11,107,276	100.0%
	57.0%	43.0%	100.0%	

(\$ THOUSANDS)	September 30, 2013			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 3,442,160	\$ 73,234	\$ 3,515,394	32.1%
Mixed-use property	350,945	-	350,945	3.2%
Multi-unit residential	652,813	777	653,590	6.0%
Commercial	1,119,886	-	1,119,886	10.2%
Construction	258,197	-	258,197	2.4%
Mortgage principal – Core Lending	5,824,001	74,011	5,898,012	53.9%
Single family dwelling	-	465,870	465,870	4.3%
Multi-unit residential	-	4,581,314	4,581,314	41.8%
Mortgage principal – Securitization Financing	-	5,047,184	5,047,184	46.1%
Total mortgage principal outstanding	\$ 5,824,001	\$ 5,121,195	\$ 10,945,196	100.0%
	53.2%	46.8%	100.0%	



Table 2: Mortgage principal under administration – by business line

(\$ THOUSANDS)	Sept 30, 2014	Jun 30, 2014	% change	Sept 30, 2013	% change
Alternative single family lending	\$ 4,553,195	\$ 4,159,178	9%	\$ 3,526,983	29%
Commercial lending	2,283,825	2,258,168	1%	2,371,029	(4%)
Total Core Lending	6,837,020	6,417,346	7%	5,898,012	16%
Alternative single family lending	355,936	414,162	(14%)	289,090	23%
Prime single family lending	312,924	163,659	91%	176,781	77%
Multi-unit residential	4,026,915	4,112,109	(2%)	4,581,313	(12%)
Total Securitization Financing	4,695,775	4,689,930	0%	5,047,184	(7%)
Total on-balance sheet mortgage principal	11,532,795	11,107,276	4%	10,945,196	5%
Prime single family lending	122,448	128,304	(5%)	137,920	(11%)
Multi-unit residential	1,122,735	1,051,687	7%	654,615	72%
Total derecognized mortgage principal	1,245,183	1,179,991	6%	792,535	57%
Mortgages under management	\$ 12,777,978	\$ 12,287,267	4%	\$ 11,737,731	9%
Alternative single family lending	4,909,131	4,573,340	7%	3,816,073	29%
Prime single family lending	435,372	291,963	49%	314,701	38%
Commercial lending	2,283,825	2,258,168	1%	2,371,029	(4%)
Multi-unit residential	5,149,650	5,163,796	(0%)	5,235,928	(2%)
Mortgages under management	\$ 12,777,978	\$ 12,287,267	4%	\$ 11,737,731	9%



Table 3: Mortgage principal by interest rate type

	Sept 30 2014	Jun 30, 2014	Sept 30, 2013
Fixed rate mortgages	87%	88%	87%
Floating rate mortgages with interest rate floors	7%	6%	7%
Floating rate mortgages without interest rate floors	6%	6%	6%
Total	100%	100%	100%

Table 4: Mortgage principal by province⁽¹⁾

(\$ THOUSANDS)	Sep 30, 2014		Jun 30, 2014		Sep 30, 2013	
	Total	%	Total	%	Total	%
Ontario	\$ 7,025,407	61%	\$ 6,682,023	60%	\$ 6,373,225	58%
Alberta	1,802,394	16%	1,724,898	16%	1,728,333	16%
Quebec	1,260,350	11%	1,308,733	12%	1,372,825	13%
British Columbia	662,077	6%	620,982	6%	657,576	6%
Other Provinces	782,567	6%	770,640	6%	813,237	7%
Total mortgage principal	\$ 11,532,795	100%	\$ 11,107,276	100%	\$ 10,945,196	100%

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



Table 6: Residential mortgage portfolio by remaining amortization

									September 30, 2014
(\$ THOUSANDS)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
Total residential mortgages	\$ 389	\$ 7,284	\$ 21,497	\$ 103,919	\$ 559,738	\$ 4,068,377	\$ 446,056	\$ 15,825	\$ 5,223,085
	0%	0%	0%	2%	11%	78%	9%	0%	100%

									June 30, 2014
(\$ THOUSANDS)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
Total residential mortgages	\$ 1,535	\$ 6,327	\$ 22,110	\$ 101,961	\$ 386,977	\$ 3,708,389	\$ 487,822	\$ 22,101	\$ 4,737,222
	0%	0%	1%	2%	8%	78%	10%	1%	100%

									September 30, 2013
(\$ THOUSANDS)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
Total residential mortgages	\$ 2,837	\$ 4,646	\$ 22,379	\$ 90,489	\$ 366,370	\$ 2,808,156	\$ 643,095	\$ 43,292	\$ 3,981,264
	0%	0%	1%	2%	9%	71%	16%	1%	100%

Table 7: Average loan-to-value of newly originated and existing residential mortgages⁽¹⁾

	Sept 30, 2014		Jun 30, 2014		Sept 30, 2013	
	Uninsured newly originated residential mortgages	Total existing residential mortgages ⁽²⁾	Uninsured newly originated residential mortgages	Total existing residential mortgages ⁽²⁾	Uninsured newly originated residential mortgages	Total existing residential mortgages ⁽²⁾
(\$ THOUSANDS)						
Ontario	76%	67%	75%	68%	75%	68%
Alberta	75%	68%	74%	66%	74%	68%
British Columbia	73%	71%	74%	68%	69%	69%
Manitoba	75%	68%	74%	67%	72%	66%
Other Provinces	72%	72%	73%	69%	72%	70%
Total Canada	75%	68%	75%	68%	75%	68%
Downtown Toronto condominiums ⁽³⁾	70%	54%	67%	56%	67%	57%

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

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

⁽³⁾ Included in Ontario totals above.

Table 8: Modified Capital Disclosure Template - Equitable Bank

Modified Capital Disclosure Template		All-in	Transitional
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	147,773	
2	Retained earnings	468,342	
3	Accumulated other comprehensive income (and other reserves)	(786)	
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>		
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	615,329	
Common Equity Tier 1 capital: regulatory adjustments			
28	Total regulatory adjustments to Common Equity Tier 1	1,755	
29	Common Equity Tier 1 capital (CET1)	613,574	617,943
Additional Tier 1 capital : instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	72,409	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
36	Additional Tier 1 capital before regulatory adjustments	72,409	
Additional Tier 1 capital : regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	72,409	
45	Tier 1 capital (T1 = CET1 + AT1)	685,983	687,387
Tier 2 capital: instruments and allowances			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	92,483	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in row 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
50	Collective allowances	29,311	
51	Tier 2 capital before regulatory adjustments	121,794	
Tier 2 capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)	121,794	
59	Total capital(TC = T1 +T2)	807,777	809,181
60	Total risk-weighted assets	4,614,415	4,615,819
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.31%	13.39%
62	Tier 1 (as a percentage of risk-weighted assets)	14.88%	14.89%
63	Total capital (as a percentage of risk-weighted assets)	17.51%	17.53%
OSFI all-in target			
69	Common Equity Tier 1 capital all-in target ratio	7.0%	
70	Tier 1 capital all-in target ratio	8.5%	
71	Total capital all-in target ratio	10.5%	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	N/A	
81	<i>Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	N/A	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	N/A	
83	<i>Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	N/A	
85	<i>Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	-	