

EQUITABLE

**THIRD QUARTER 2015
SUPPLEMENTAL INFORMATION
AND REGULATORY DISCLOSURES**



 **EQUITABLE
GROUP INC.**



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Notes to Readers

This Supplemental Information and Regulatory Disclosure Report provides the Reader with the following additional quantitative disclosures:

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's regulatory capital Basel Pillar III disclosures.



Table 1: Mortgage principal outstanding – by property type

(\$ THOUSANDS)	Sep 30, 2015			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 5,588,827	\$ 636,793	\$ 6,225,620	44.8%
Mixed-use property	362,013	-	362,013	2.6%
Multi-unit residential	489,986	626	490,612	3.5%
Commercial	926,301	-	926,301	6.7%
Construction	461,337	-	461,337	3.3%
Mortgage principal – Core Lending	7,828,464	637,419	8,465,883	60.9%
Single family dwelling	2,386	1,526,049	1,528,435	11.0%
Multi-unit residential	-	3,911,108	3,911,108	28.1%
Mortgage principal – Securitization Financing	2,386	5,437,157	5,439,543	39.1%
Total mortgage principal outstanding	\$ 7,830,850	\$ 6,074,576	\$ 13,905,426	100.0%
	56.3%	43.7%	100.0%	

(\$ THOUSANDS)	Dec 31, 2014			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 4,700,722	\$ 684,702	\$ 5,385,424	44.0%
Mixed-use property	346,850	-	346,850	2.8%
Multi-unit residential	516,371	690	517,061	4.2%
Commercial	1,037,015	-	1,037,015	8.5%
Construction	404,873	-	404,873	3.3%
Mortgage principal – Core Lending	7,005,831	685,392	7,691,223	62.8%
Single family dwelling	-	573,944	573,944	4.7%
Multi-unit residential	-	3,975,531	3,975,531	32.5%
Mortgage principal – Securitization Financing	-	4,549,475	4,549,475	37.2%
Total mortgage principal outstanding	\$ 7,005,831	\$ 5,234,867	\$ 12,240,698	100.0%
	57.2%	42.8%	100.0%	

(\$ THOUSANDS)	Sep 30, 2014			
	Uninsured	Insured	Total	% of total
Single family dwelling	\$ 4,452,025	\$ 458,138	\$ 4,910,163	42.6%
Mixed-use property	362,528	-	362,528	3.1%
Multi-unit residential	508,017	710	508,727	4.4%
Commercial	1,047,122	-	1,047,122	9.1%
Construction	364,416	-	364,416	3.2%
Mortgage principal – Core Lending	6,734,108	458,848	7,192,956	62.4%
Single family dwelling	-	312,923	312,923	2.7%
Multi-unit residential	-	4,026,916	4,026,916	34.9%
Mortgage principal – Securitization Financing	-	4,339,840	4,339,839	37.6%
Total mortgage principal outstanding	\$ 6,734,108	\$ 4,798,688	\$ 11,532,795	100.0%
	58.4%	41.6%	100.0%	



Table 2: Mortgage principal under administration – by business line

(\$ THOUSANDS)	Sep 30, 2015	Dec 31, 2014	% change	Sep 30, 2014	% change
Alternative single family lending	\$ 6,225,409	\$ 5,385,848	16%	\$ 4,909,131	27%
Commercial lending	2,240,474	2,305,375	(3%)	2,283,825	(2%)
Total Core Lending	8,465,883	7,691,223	10%	7,192,956	18%
Prime single family lending	1,528,435	573,944	166%	312,923	388%
Multi-unit residential	3,911,108	3,975,531	(2%)	4,026,916	(3%)
Total Securitization Financing	5,439,543	4,549,475	20%	4,339,839	25%
Total on-balance sheet mortgage principal	13,905,426	12,240,698	14%	11,532,795	21%
Prime single family lending	109,727	119,192	(8%)	122,448	(10%)
Multi-unit residential	1,901,926	1,399,816	36%	1,241,999	53%
Total derecognized mortgage principal	2,011,653	1,519,008	32%	1,364,447	47%
Mortgages under management	\$ 15,917,079	\$ 13,759,706	16%	\$ 12,897,242	23%
Alternative single family lending	\$ 6,225,409	\$ 5,385,848	16%	\$ 4,909,131	27%
Prime single family lending	1,638,162	693,136	136%	435,371	276%
Commercial lending	2,240,474	2,305,375	(3%)	2,283,825	(2%)
Multi-unit residential	5,813,034	5,375,347	8%	5,268,915	10%
Mortgages under management	\$ 15,917,079	\$ 13,759,706	16%	\$ 12,897,242	23%



Table 3: Mortgage principal by interest rate type

	Sep 30, 2015	Dec 31, 2014	Sep 30, 2014
Fixed rate mortgages	84%	87%	87%
Floating rate mortgages with interest rate floors ⁽¹⁾	7%	7%	7%
Floating rate mortgages without interest rate floors	9%	6%	6%
Total	100%	100%	100%

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

Table 4: Mortgage principal by province⁽¹⁾

(\$ THOUSANDS)	Sep 30, 2015		Dec 31, 2014		Sep 30, 2014	
	Total	%	Total	%	Total	%
Ontario	\$ 8,489,589	61%	\$ 7,464,765	61%	\$ 7,025,407	61%
Alberta	2,189,394	16%	1,944,747	16%	1,802,394	16%
Quebec	1,334,477	10%	1,260,631	10%	1,260,350	11%
British Columbia	842,226	6%	722,654	6%	662,077	6%
Saskatchewan	364,873	3%	289,969	2%	239,100	2%
Other Provinces	684,867	4%	557,932	5%	543,467	4%
Total mortgage principal	\$ 13,905,426	100%	\$ 12,240,698	100%	\$ 11,532,795	100%

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



Table 6: Residential mortgage portfolio by remaining amortization

	Sep 30, 2015								
(\$ 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	\$ 1,078	\$ 7,745	\$ 31,889	\$ 157,311	\$ 1,656,206	\$ 5,680,184	\$ 201,087	\$ 1,911	\$ 7,737,411
	0%	0%	0%	3%	21%	73%	3%	0%	100%

	Dec 31, 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	\$ 717	\$ 7,304	\$ 24,697	\$ 111,945	\$ 816,774	\$ 4,580,706	\$ 396,498	\$ 12,667	\$ 5,951,308
	0%	0%	0%	2%	14%	77%	7%	0%	100%

	Sep 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	\$ 388	\$ 7,217	\$ 21,497	\$ 103,829	\$ 559,440	\$ 4,064,455	\$ 445,999	\$ 15,826	\$ 5,218,651
	0%	0%	1%	2%	8%	78%	10%	1%	100%

Table 7: Uninsured average loan-to-value of newly originated and newly acquired⁽¹⁾

(\$ THOUSANDS)	For the three months ended			
	Sep 30, 2015		Sep 30, 2014	
	Residential mortgages	HELOC ⁽²⁾	Residential mortgages	HELOC ⁽²⁾
Ontario	75%	6%	75%	5%
Alberta	72%	3%	75%	5%
British Columbia	72%	4%	73%	5%
Manitoba	74%	8%	74%	8%
Saskatchewan	68%	8%	73%	2%
Other Provinces	71%	2%	71%	5%
Total Canada	75%	6%	75%	5%
Downtown Toronto condominiums ⁽³⁾	64%	2%	70%	0%

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

⁽²⁾ The loan-to-value ("LTV") of the HELOC represents the authorized HELOC amount as a percentage of the original property value.

There are also mortgages associated with most of these properties, but the aggregate LTV's are not presented on this chart. Aggregate LTV's do not exceed 80%.



Table 8: Average loan-to-value of existing residential mortgages⁽¹⁾

(\$ THOUSANDS)	Sep 30, 2015			Dec 31, 2014			Sep 30, 2014		
	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾	Insured ⁽²⁾	Uninsured ⁽²⁾	Total ⁽²⁾
Ontario	74%	66%	68%	67%	69%	68%	65%	68%	67%
Alberta	84%	67%	74%	79%	67%	70%	76%	66%	68%
British Columbia	81%	64%	72%	84%	66%	73%	82%	66%	71%
Manitoba	84%	70%	76%	77%	68%	71%	72%	67%	68%
Saskatchewan	85%	63%	77%	84%	67%	74%	81%	66%	71%
Other Provinces	87%	68%	76%	86%	69%	76%	80%	67%	72%
Total Canada	78%	66%	70%	73%	69%	69%	70%	67%	68%

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

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



Table 9: Alberta and Saskatchewan portfolios

(\$ THOUSANDS)	Sep 30, 2015													
	Insured ⁽¹⁾						Uninsured							
	Residential		Commercial ⁽²⁾		Total	%	Residential ⁽³⁾		%	Commercial ⁽⁴⁾		%	Total	%
Alberta	\$ 481,209	3%	\$ 628,194	5%	\$ 1,109,403	8%	\$ 806,116	6%	\$ 273,902	2%	\$ 1,080,018	8%	\$ 2,189,421	16%
Saskatchewan	104,270	1%	156,354	1%	260,624	2%	68,309	0%	35,941	0%	104,250	1%	364,874	3%
Other provinces	1,577,363	11%	3,127,186	22%	4,704,549	34%	4,716,788	34%	1,929,794	14%	6,646,582	48%	11,351,131	81%
Total Mortgage Principal	\$ 2,162,842	15%	\$ 3,911,734	28%	\$ 6,074,576	44%	\$ 5,591,213	40%	\$ 2,239,637	16%	\$ 7,830,850	57%	\$ 13,905,426	100%
Included in Alberta:														
Greater Edmonton	\$ 196,957	1%	\$ 344,376	2%	\$ 541,333	4%	\$ 336,271	2%	\$ 128,131	1%	\$ 464,402	3%	\$ 1,005,735	7%
Greater Calgary	189,335	1%	193,322	1%	382,657	3%	427,163	3%	101,708	1%	528,871	4%	911,528	7%
	386,292	3%	537,698	4%	923,990	7%	763,434	5%	229,839	2%	993,273	7%	1,917,263	14%
Included in Saskatchewan:														
Regina	\$ 27,987	0%	\$ 60,618	0%	\$ 88,605	1%	\$ 36,027	0%	\$ -	0%	\$ 36,027	0%	\$ 124,632	1%
Saskatoon	49,124	0%	76,593	1%	125,717	1%	26,794	0%	35,941	0%	62,735	0%	188,452	1%
	\$ 77,111	1%	\$ 137,211	1%	\$ 214,322	2%	\$ 62,821	0%	\$ 35,941	0%	\$ 98,762	1%	\$ 313,084	2%

⁽¹⁾ Insured by either CMHC or Genworth.

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

⁽³⁾ Uninsured residential includes \$17 million HELOC principal outstanding.

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

Table 10: 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	150,353	
2	Retained earnings	572,947	
3	Accumulated other comprehensive income (and other reserves)	(25,762)	
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	697,538	
Common Equity Tier 1 capital: regulatory adjustments			
28	Total regulatory adjustments to Common Equity Tier 1	(13,206)	
29	Common Equity Tier 1 capital (CET1)	684,332	708,644
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>	72,554	
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	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
36	Additional Tier 1 capital before regulatory adjustments	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	
45	Tier 1 capital (T1 = CET1 + AT1)	756,886	764,810
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>	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	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
50	Collective allowances	31,292	
51	Tier 2 capital before regulatory adjustments	116,292	
Tier 2 capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)	116,292	
59	Total capital(TC = T1 +T2)	873,178	881,102
60	Total risk-weighted assets	5,113,009	5,123,316
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.36%	13.83%
62	Tier 1 (as a percentage of risk-weighted assets)	14.77%	14.93%
63	Total capital (as a percentage of risk-weighted assets)	17.08%	17.20%
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>	-	

Table 11: Leverage Ratio - Equitable Bank*

Item		Leverage Ratio Framework
On-balance sheet exposure		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	14,185,631
2	(Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	6,016
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	14,179,615
Derivative exposures		
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	1,983
5	Add-on amounts for PFE associated with all derivative transactions	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)	
11	Total derivative exposures (sum of lines 4 to 10)	13,111
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	63,598
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)	63,598
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	552,537
18	(Adjustments for conversion to credit equivalent amounts)	(326,121)
19	Off-balance sheet items (sum of lines 17 and 18)	226,416
Capital and Total Exposure		
20	Tier 1 capital	756,887
21	Total Exposures (sum of lines 3, 11, 16 and 19)	14,482,740
Leverage Ratios		
22	Basel III leverage ratio	5.2%

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