



For the three and nine months ended September 30, 2017

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



**THIRD QUARTER 2017  
SUPPLEMENTAL INFORMATION AND REGULATORY DISCLOSURES**

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## **Notes to Readers**

### **Purpose of this document**

This Supplemental Information and Regulatory Disclosure Report (the "Report") aims to provide the readers with the following regulatory disclosures and other additional voluntary disclosures that will assist the readers' assessment of business performance of Equitable Group Inc. (the "Company" or "Equitable").

1. Disclosures related to the Company's mortgage portfolio, some of which relate to disclosure requirements outlined in OSFI's Guideline B-20, 'Residential Mortgage Underwriting Practices and Procedures', effective for Equitable Bank on January 1, 2013.
2. Equitable Bank (the "Bank")'s regulatory capital Basel Pillar III disclosures.

### **Use of this document**

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

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 September 30, 2017.

### **Basis of presentation**

All amounts in this Report are Canadian dollars and are unaudited.

GAAP measures have been prepared in accordance with International Financial Reporting Standards ("IFRS") unless otherwise stated. Non-GAAP measures used in this Report are defined under the Section "Non-GAAP measures".

### **Comparative figures**

Certain prior period comparative numbers have been reclassified to conform with current period presentation.



**Table 1: Financial highlights**

(\$ THOUSANDS, EXCEPT SHARE, PER SHARE AMOUNTS AND PERCENTAGES)	2017			2016			2015	YTD		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2017	2016
<b>RESULTS OF OPERATIONS</b>										
Net income	\$ 37,869	\$ 38,909	\$ 43,393	\$ 41,678	\$ 35,230	\$ 33,410	\$ 28,012	\$ 31,436	\$ 120,171	\$ 96,652
Net income available to common shareholders	36,678	37,718	42,202	40,488	34,039	32,219	26,821	30,245	116,598	93,079
Net interest income	71,964	78,349	78,352	77,926	70,827	67,010	63,594	63,458	228,665	201,431
Total revenue	189,290	183,025	181,525	179,939	169,432	162,861	151,691	151,495	553,840	483,984
EPS – basic <sup>(1)</sup>	\$ 2.23	\$ 2.29	\$ 2.56	\$ 2.58	\$ 2.19	\$ 2.07	\$ 1.73	\$ 1.95	\$ 7.08	\$ 5.98
EPS – diluted <sup>(5)</sup>	\$ 2.21	\$ 2.28	\$ 2.54	\$ 2.56	\$ 2.16	\$ 2.05	\$ 1.71	\$ 1.93	\$ 7.03	\$ 5.93
ROE <sup>(1)</sup>	14.4%	15.6%	18.4%	19.3%	17.2%	17.1%	14.7%	17.0%	16.1%	16.3%
Return on average assets <sup>(1)</sup>	0.8%	0.8%	0.9%	0.9%	0.8%	0.8%	0.7%	0.8%	0.8%	0.8%
NIM – TEB <sup>(1)</sup>										
Total Assets	1.47%	1.63%	1.66%	1.70%	1.64%	1.61%	1.62%	1.69%	1.58%	1.62%
Core Lending	2.17%	2.41%	2.55%	2.64%	2.60%	2.55%	2.50%	2.64%	2.37%	2.55%
Securitization Financing	0.25%	0.30%	0.22%	0.24%	0.19%	0.22%	0.31%	0.22%	0.26%	0.23%
Efficiency Ratio – TEB <sup>(1)(2)</sup>	37.4%	39.2%	33.2%	33.9%	37.0%	38.2%	43.2%	35.7%	36.6%	39.3%
<b>BALANCE SHEET</b>										
Total assets	20,221,205	19,795,986	19,300,418	18,973,588	18,062,846	17,147,854	16,411,221	15,527,584		
Assets Under Management <sup>(1)</sup>	24,274,172	23,641,546	22,959,080	22,277,769	21,024,401	19,709,617	18,616,018	17,600,072		
Mortgages receivable	18,787,348	18,263,623	18,164,958	17,783,803	17,049,744	16,244,106	15,540,241	14,700,806		
Mortgages Under Management <sup>(1)</sup>	22,753,938	22,013,453	21,743,431	21,004,013	19,922,211	18,723,056	17,668,821	16,706,935		
Shareholders' equity	1,098,325	1,060,852	1,023,702	977,150	879,367	843,924	816,049	796,116		
Liquid assets <sup>(1)</sup>	1,459,711	1,570,532	1,153,174	1,280,591	1,037,259	1,033,634	939,691	895,056		
Total assets held for regulatory purposes as a % of total										
Equitable Bank assets	6.7%	7.5%	5.4%	6.2%	5.1%	5.3%	4.9%	4.9%		
Total liquid assets as a % of total assets	7.2%	7.9%	6.0%	6.7%	5.7%	6.0%	5.7%	5.8%		
Deposit principal	10,506,896	10,006,735	9,949,511	9,680,163	9,180,647	9,048,465	8,732,113	8,115,483		
<b>CREDIT QUALITY</b>										
Provision for credit losses	40	378	738	870	1,243	105	227	1,064	1,156	1,575
Provision for credit losses – rate <sup>(1)</sup>	0.001%	0.01%	0.02%	0.02%	0.03%	0.003%	0.01%	0.03%	0.01%	0.01%
Net impaired mortgages as a % of total mortgage assets <sup>(3)</sup>	0.13%	0.16%	0.21%	0.21%	0.19%	0.20%	0.22%	0.22%		
Allowance for credit losses as a % of total mortgage assets	0.18%	0.19%	0.19%	0.19%	0.20%	0.20%	0.21%	0.23%		
<b>SHARE CAPITAL</b>										
Common shares outstanding	16,479,034	16,477,654	16,475,149	16,460,142	15,599,657	15,566,465	15,551,865	15,538,605		
Book value per common share <sup>(1)</sup>	\$ 62.25	\$ 59.98	\$ 57.73	\$ 54.96	\$ 51.72	\$ 49.55	\$ 47.81	\$ 46.57		
Common share price – close	\$ 56.00	\$ 59.48	\$ 69.37	\$ 60.46	\$ 58.86	\$ 55.99	\$ 50.76	\$ 51.50		
Common share market capitalization	922,826	980,091	1,142,881	995,180	918,196	871,566	789,413	800,238		
Dividends declared per: <sup>(6)</sup>										
Common share	\$ 0.24	\$ 0.23	\$ 0.23	\$ 0.22	\$ 0.21	\$ 0.21	\$ 0.20	\$ 0.20	\$ 0.70	\$ 0.62
Preferred share – Series 3	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 1.20	\$ 1.20
<b>EQUITABLE BANK CAPITAL RATIOS <sup>(1)</sup></b>										
Risk-weighted assets ("RWA") <sup>(1)(4)</sup>	6,814,247	6,561,813	6,739,517	6,385,825	5,968,000	5,664,575	5,433,025	5,259,384		
CET1 Ratio	14.8%	14.8%	13.9%	14.0%	13.4%	13.5%	13.5%	13.6%		
Tier 1 Capital Ratio	15.8%	15.9%	15.0%	15.1%	14.6%	14.8%	14.9%	15.0%		
Total Capital Ratio	17.2%	17.4%	16.4%	16.6%	16.2%	16.5%	16.7%	16.8%		
Leverage Ratio	5.3%	5.3%	5.3%	5.1%	4.9%	5.0%	5.0%	5.2%		

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

<sup>(2)</sup> Increases in this ratio reflect reduced efficiencies, whereas decreases reflect improved efficiencies.

<sup>(3)</sup> Net impaired mortgages do not include insured mortgages that are less than 365 days in arrears and reflect gross impaired mortgage assets less individual allowances.

<sup>(4)</sup> The RWA in this table is measured on "all-in" basis in accordance with OSFI's CAR Guideline.

<sup>(5)</sup> YTD EPS may not equal the sum of the quarterly EPS' as a result of rounding.

<sup>(6)</sup> YTD dividends declared per share may not equal the sum of the quarterly dividends per share as a result of rounding.



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

(\$ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)	2017			2016				2015	YTD	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2017	2016
Interest income:										
Mortgages – Core Lending	\$ 129,372	\$ 125,670	\$ 121,892	\$ 120,714	\$ 114,416	\$ 107,544	\$ 101,419	\$ 101,848	\$ 376,934	\$ 323,379
Mortgages – Securitization Financing	43,368	44,957	45,155	46,159	44,776	45,296	43,607	41,978	133,480	133,679
Investments	65	1,370	2,128	2,431	2,142	2,372	1,876	1,894	3,563	6,390
Other	4,296	1,715	1,328	1,347	1,087	1,227	1,052	1,464	7,339	3,366
	177,101	173,712	170,503	170,651	162,421	156,439	147,954	147,184	521,316	466,814
Interest expense:										
Deposits	54,004	49,817	46,994	46,619	47,229	46,085	43,659	42,242	150,815	136,973
Securitization liabilities	43,647	42,379	43,933	43,932	41,489	41,354	39,185	38,979	129,959	122,028
Bank facilities	6,536	2,217	274	1,224	1,926	1,040	566	1,292	9,027	3,532
Debentures	950	950	950	950	950	950	950	1,213	2,850	2,850
	105,137	95,363	92,151	92,725	91,594	89,429	84,360	83,726	292,651	265,383
Net interest income	71,964	78,349	78,352	77,926	70,827	67,010	63,594	63,458	228,665	201,431
Provision for credit losses	40	378	738	870	1,243	105	227	1,064	1,156	1,575
Net interest income after provision for credit losses	71,924	77,971	77,614	77,056	69,584	66,905	63,367	62,394	227,509	199,856
Other income:										
Fees and other income	7,492	6,853	7,804	6,809	3,873	3,781	3,177	3,454	22,149	10,831
Net (loss) gain on investments	(100)	(788)	-	(557)	(44)	747	-	(13)	(888)	703
Gains on securitization activities and income from securitization retained interests	4,797	3,248	3,218	3,036	3,182	1,894	560	870	11,263	5,636
	12,189	9,313	11,022	9,288	7,011	6,422	3,737	4,311	32,524	17,170
Net interest and other income	84,113	87,284	88,636	86,344	76,595	73,327	67,104	66,705	260,033	217,026
Non-interest expenses:										
Compensation and benefits	16,495	16,467	16,423	14,863	15,574	15,193	14,650	13,273	49,385	45,417
Other	15,147	18,028	13,397	14,887	13,465	13,179	14,728	11,156	46,572	41,372
	31,642	34,495	29,820	29,750	29,039	28,372	29,378	24,429	95,957	86,789
Income before income taxes	52,471	52,789	58,816	56,594	47,556	44,955	37,726	42,276	164,076	130,237
Income taxes:										
Current	15,773	7,896	16,191	13,426	8,227	7,875	8,419	7,855	39,860	24,521
Deferred	(1,171)	5,984	(768)	1,490	4,099	3,670	1,295	2,985	4,045	9,064
	14,602	13,880	15,423	14,916	12,326	11,545	9,714	10,840	43,905	33,585
Net income	\$ 37,869	\$ 38,909	\$ 43,393	\$ 41,678	\$ 35,230	\$ 33,410	\$ 28,012	\$ 31,436	\$ 120,171	\$ 96,652
Dividends on preferred shares	1,191	1,191	1,191	1,190	1,191	1,191	1,191	1,191	3,573	3,573
Net income available to common shareholders	\$ 36,678	\$ 37,718	\$ 42,202	\$ 40,488	\$ 34,039	\$ 32,219	\$ 26,821	\$ 30,245	\$ 116,598	\$ 93,079
Common shares outstanding:										
Weighted average basic	16,478,314	16,477,456	16,464,170	15,692,833	15,570,678	15,556,836	15,543,952	15,493,549	16,473,366	15,557,205
Weighted average diluted	16,570,256	16,567,699	16,614,221	15,808,124	15,722,532	15,709,456	15,674,734	15,677,954	16,583,898	15,702,392
Earnings per share:										
Basic	\$ 2.23	\$ 2.29	\$ 2.56	\$ 2.58	\$ 2.19	\$ 2.07	\$ 1.73	\$ 1.95	\$ 7.08	\$ 5.98
Diluted	\$ 2.21	\$ 2.28	\$ 2.54	\$ 2.56	\$ 2.16	\$ 2.05	\$ 1.71	\$ 1.93	\$ 7.03	\$ 5.93



Table 3: Net interest income

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017						2016						2015		YTD					
	Q3		Q2		Q1		Q4		Q3		Q2		Q1		Q4		2017		2016	
	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>	Revenue/ Expense	Average rate <sup>(1)</sup>
<b>Core Lending:</b>																				
<i>Revenues derived from:</i>																				
Mortgages	\$ 129,372	4.47%	\$ 125,670	4.46%	\$ 121,892	4.55%	\$ 120,714	4.63%	\$ 114,416	4.65%	\$ 107,544	4.65%	\$ 101,419	4.60%	\$ 101,848	4.75%	\$ 376,934	4.49%	\$ 323,379	4.64%
Liquidity investments	2,089	0.93%	1,397	0.74%	1,604	0.84%	1,611	0.84%	1,428	1.01%	1,573	0.97%	1,161	0.85%	1,318	0.97%	5,090	0.84%	4,162	0.94%
Equity securities – TEB <sup>(2)</sup>	1,402	5.92%	1,430	5.86%	1,828	6.43%	2,197	7.55%	2,040	6.67%	2,520	7.72%	2,159	6.70%	2,285	6.92%	4,660	6.09%	6,719	7.04%
	<b>132,863</b>	<b>4.23%</b>	<b>128,497</b>	<b>4.24%</b>	<b>125,324</b>	<b>4.32%</b>	<b>124,522</b>	<b>4.40%</b>	<b>117,884</b>	<b>4.48%</b>	<b>111,637</b>	<b>4.45%</b>	<b>104,739</b>	<b>4.41%</b>	<b>105,451</b>	<b>4.56%</b>	<b>386,684</b>	<b>4.26%</b>	<b>334,260</b>	<b>4.45%</b>
<i>Expenses related to:</i>																				
Deposits and bank facilities	50,516	2.06%	46,246	1.98%	43,101	1.98%	43,195	1.98%	44,290	2.09%	42,944	2.13%	41,080	2.15%	40,608	2.10%	139,858	2.01%	128,131	2.12%
Backstop funding facility <sup>(3)</sup>	5,425	-%	1,378	-%	-	-%	-	-%	-	-%	-	-%	-	-%	-	-%	6,803	-%	-	-%
Debentures	950	5.80%	950	5.86%	950	5.93%	950	5.80%	950	5.81%	950	5.88%	950	5.88%	1,213	5.99%	2,850	5.86%	2,850	5.86%
Securitization liabilities	8,089	1.86%	6,604	1.65%	6,616	1.59%	6,025	1.55%	4,485	1.60%	3,643	1.50%	3,306	1.53%	2,796	1.66%	21,309	1.70%	11,435	1.55%
	<b>64,980</b>	<b>2.24%</b>	<b>55,178</b>	<b>2.00%</b>	<b>50,667</b>	<b>1.94%</b>	<b>50,170</b>	<b>1.94%</b>	<b>49,725</b>	<b>2.06%</b>	<b>47,537</b>	<b>2.09%</b>	<b>45,336</b>	<b>2.11%</b>	<b>44,617</b>	<b>2.10%</b>	<b>170,820</b>	<b>2.07%</b>	<b>142,416</b>	<b>2.08%</b>
Net interest income – TEB <sup>(2)</sup>	67,883	2.17%	73,319	2.41%	74,657	2.55%	74,352	2.64%	68,159	2.60%	64,100	2.55%	59,403	2.50%	60,834	2.64%	215,864	2.37%	191,844	2.55%
Taxable Equivalent Basis – adjustment <sup>(2)</sup>	(402)		(397)		(485)		(617)		(569)		(838)		(624)		(609)		(1,284)		(2,031)	
<b>Core Lending</b>	<b>\$ 67,481</b>		<b>\$ 72,922</b>		<b>\$ 74,172</b>		<b>\$ 73,735</b>		<b>\$ 67,590</b>		<b>\$ 63,262</b>		<b>\$ 58,779</b>		<b>\$ 60,225</b>		<b>\$ 214,580</b>		<b>\$ 189,813</b>	
<b>Securitization Financing:</b>																				
<i>Revenues derived from:</i>																				
Mortgages	\$ 43,368	2.54%	\$ 44,957	2.60%	\$ 45,155	2.54%	\$ 46,159	2.65%	\$ 44,776	2.61%	\$ 45,296	2.73%	\$ 43,607	2.81%	\$ 41,978	2.92%	\$ 133,480	2.56%	\$ 133,679	2.71%
Liquidity investments	1,272	1.42%	655	0.95%	509	1.19%	587	1.08%	330	1.03%	344	0.89%	232	1.01%	364	0.57%	2,436	1.21%	906	0.97%
	<b>44,640</b>	<b>2.48%</b>	<b>45,612</b>	<b>2.54%</b>	<b>45,664</b>	<b>2.51%</b>	<b>46,746</b>	<b>2.61%</b>	<b>45,106</b>	<b>2.59%</b>	<b>45,640</b>	<b>2.68%</b>	<b>43,839</b>	<b>2.79%</b>	<b>42,342</b>	<b>2.82%</b>	<b>135,916</b>	<b>2.51%</b>	<b>134,585</b>	<b>2.68%</b>
<i>Expenses related to:</i>																				
Securitization liabilities	35,558	2.36%	35,775	2.36%	37,317	2.43%	37,907	2.51%	37,004	2.54%	37,711	2.60%	35,879	2.62%	36,183	2.74%	108,650	2.38%	110,593	2.59%
Deposits and secured funding facility	4,599	1.85%	4,410	1.76%	4,167	1.62%	4,648	1.70%	4,865	1.70%	4,181	1.79%	3,145	1.64%	2,926	1.73%	13,181	1.74%	12,374	1.74%
	<b>40,157</b>	<b>2.29%</b>	<b>40,185</b>	<b>2.27%</b>	<b>41,484</b>	<b>2.31%</b>	<b>42,555</b>	<b>2.39%</b>	<b>41,869</b>	<b>2.40%</b>	<b>41,892</b>	<b>2.49%</b>	<b>39,024</b>	<b>2.50%</b>	<b>39,109</b>	<b>2.63%</b>	<b>121,831</b>	<b>2.29%</b>	<b>122,967</b>	<b>2.47%</b>
<b>Securitization Financing</b>	<b>\$ 4,483</b>	<b>0.25%</b>	<b>\$ 5,427</b>	<b>0.30%</b>	<b>\$ 4,180</b>	<b>0.22%</b>	<b>\$ 4,191</b>	<b>0.24%</b>	<b>\$ 3,237</b>	<b>0.19%</b>	<b>\$ 3,748</b>	<b>0.22%</b>	<b>\$ 4,815</b>	<b>0.31%</b>	<b>\$ 3,233</b>	<b>0.22%</b>	<b>\$ 14,085</b>	<b>0.26%</b>	<b>\$ 11,618</b>	<b>0.23%</b>
<b>Total interest earning asset – TEB<sup>(2)</sup></b>	<b>\$ 72,366</b>	<b>1.47%</b>	<b>\$ 78,746</b>	<b>1.63%</b>	<b>\$ 78,837</b>	<b>1.66%</b>	<b>\$ 78,543</b>	<b>1.70%</b>	<b>\$ 71,396</b>	<b>1.64%</b>	<b>\$ 67,848</b>	<b>1.61%</b>	<b>\$ 64,218</b>	<b>1.62%</b>	<b>\$ 64,067</b>	<b>1.69%</b>	<b>\$ 229,949</b>	<b>1.58%</b>	<b>\$ 203,462</b>	<b>1.62%</b>
<b>Net interest income</b>	<b>\$ 71,964</b>		<b>\$ 78,349</b>		<b>\$ 78,352</b>		<b>\$ 77,926</b>		<b>\$ 70,827</b>		<b>\$ 67,010</b>		<b>\$ 63,594</b>		<b>\$ 63,458</b>		<b>\$ 228,665</b>		<b>\$ 201,431</b>	

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

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

<sup>(3)</sup> Since its establishment in June 2017, there have been no draws on the \$2 billion backstop funding facility.



**Table 4: Securitization and derecognition activity**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017			2016				2015	YTD	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2017	2016
Securitization derecognized - non-prepayable Multis	\$ 276,902	\$ 273,070	\$ 242,542	\$ 172,778	\$ 130,656	\$ 125,432	\$ 151,544	\$ 69,264	\$ 792,514	\$ 407,632
Securitization derecognized - prepayable mortgages <sup>(1)</sup>	-	-	149,049	198,364	296,626	253,087	-	9,157	149,049	549,713
<b>Total principal derecognized</b>	<b>\$ 276,902</b>	<b>\$ 273,070</b>	<b>\$ 391,591</b>	<b>\$ 371,142</b>	<b>\$ 427,282</b>	<b>\$ 378,519</b>	<b>\$ 151,544</b>	<b>\$ 78,421</b>	<b>\$ 941,563</b>	<b>\$ 957,345</b>
Gains on sale	\$ 2,504	\$ 2,717	\$ 3,570	\$ 2,117	\$ 2,505	\$ 1,894	\$ 1,619	\$ 755	\$ 8,791	\$ 6,018
Income from securitization activities and retained interests:										
Income from retained interests	800	495	391	330	238	154	178	194	1,686	570
Fair value gains (losses) on derivative financial instruments	1,493	36	(743)	589	439	(154)	(1,237)	(79)	786	(952)
	<b>2,293</b>	531	(352)	919	677	-	(1,059)	115	<b>2,472</b>	(382)
Gains on securitization activities and income from securitization retained interests	\$ 4,797	\$ 3,248	\$ 3,218	\$ 3,036	\$ 3,182	\$ 1,894	\$ 560	\$ 870	\$ 11,263	\$ 5,636
Gains on sale margin <sup>(2)</sup>	<b>0.90%</b>	0.99%	0.91%	0.57%	0.59%	0.50%	1.07%	0.96%	<b>0.93%</b>	0.63%

<sup>(1)</sup> In order to derecognize prepayable mortgages, Equitable needs to securitize the mortgages through CMHC's CMB or NHA-MBS programs and also then engage in a transaction that transfers the residual risks and rewards to third parties. This additional transaction is not required to derecognize non-prepayable mortgages.

<sup>(2)</sup> Gains on sale margin represents the gains on sale as a percentage of total principal derecognized.



**Table 5: Non-interest expenses and Efficiency Ratio**

(\$ THOUSANDS, EXCEPT PERCENTAGES AND FTE)	2017			2016				2015	YTD	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2017	2016
Compensation and benefits	\$ 16,495	\$ 16,467	\$ 16,423	\$ 14,863	\$ 15,574	\$ 15,193	\$ 14,650	\$ 13,273	\$ 49,385	\$ 45,417
Technology and system costs	4,974	5,764	4,809	5,198	4,929	5,046	4,413	3,897	15,547	14,388
Product costs	3,128	3,020	3,028	2,968	2,808	2,425	2,533	1,700	9,176	7,766
Regulatory, legal and professional fees	2,950	2,580	1,974	2,259	2,287	1,881	1,451	2,036	7,504	5,619
Marketing and corporate expenses	2,527	5,178	1,922	3,058	1,946	2,298	4,608	2,573	9,627	8,852
Premises	1,568	1,486	1,664	1,404	1,495	1,529	1,723	950	4,718	4,747
Total non-interest expenses	\$ 31,642	\$ 34,495	\$ 29,820	\$ 29,750	\$ 29,039	\$ 28,372	\$ 29,378	\$ 24,429	\$ 95,957	\$ 86,789
Efficiency Ratio – TEB	37.4%	39.2%	33.2%	33.9%	37.0%	38.2%	43.2%	35.7%	36.6%	39.3%
Full-time employee ("FTE") – period average	573	569	565	552	542	528	507	484	569	525





**Table 6: Interim consolidated balance sheets**

(\$ THOUSANDS)	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Assets</b>								
Cash and cash equivalents	\$ 724,314	\$ 811,465	\$ 537,645	\$ 444,179	\$ 383,788	\$ 336,237	\$ 427,800	\$ 423,366
Restricted cash	397,365	412,036	258,599	247,878	238,945	150,691	129,453	107,988
Securities purchased under reverse repurchase agreements	-	-	4,984	199,401	102,760	150,906	30,346	19,918
Investments	112,255	112,658	170,176	136,718	124,485	130,770	154,397	153,714
Mortgages receivable – Core Lending	11,921,274	11,393,045	11,212,879	10,678,452	10,199,787	9,591,449	9,061,191	8,674,599
Mortgages receivable – Securitization Financing	6,866,074	6,870,578	6,952,079	7,105,351	6,849,957	6,652,657	6,479,050	6,026,207
Securitization retained interests	102,715	98,513	93,975	88,782	87,262	74,563	66,665	61,650
Other assets	97,208	97,691	70,081	72,827	75,862	60,581	62,319	60,142
	<b>\$ 20,221,205</b>	<b>\$ 19,795,986</b>	<b>\$ 19,300,418</b>	<b>\$ 18,973,588</b>	<b>\$ 18,062,846</b>	<b>\$ 17,147,854</b>	<b>\$ 16,411,221</b>	<b>\$ 15,527,584</b>
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 10,594,205	\$ 10,099,459	\$ 10,047,387	\$ 9,763,082	\$ 9,268,606	\$ 9,148,025	\$ 8,845,184	\$ 8,211,265
Securitization liabilities	7,730,776	7,750,405	7,793,863	7,762,632	7,258,672	6,807,964	6,576,177	6,109,436
Obligations under repurchase agreements	316,087	428,985	145,495	112,488	69,290	-	-	-
Deferred tax liabilities	31,869	43,988	38,004	38,771	37,763	33,663	29,993	28,698
Other liabilities	191,289	205,482	186,967	204,465	85,239	79,278	78,818	81,290
Bank facilities	193,654	141,815	-	50,000	398,909	170,000	-	235,779
Debentures	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
	<b>19,122,880</b>	<b>18,735,134</b>	<b>18,276,716</b>	<b>17,996,438</b>	<b>17,183,479</b>	<b>16,303,930</b>	<b>15,595,172</b>	<b>14,731,468</b>
<b>Shareholders' equity:</b>								
Preferred shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557
Common shares	197,488	197,439	197,339	196,608	145,694	144,615	144,159	143,690
Contributed surplus	5,870	5,594	5,322	5,056	5,114	5,099	4,935	4,706
Retained earnings	830,976	798,253	764,325	725,912	688,867	658,098	629,147	605,436
Accumulated other comprehensive loss	(8,566)	(12,991)	(15,841)	(22,983)	(32,865)	(36,445)	(34,749)	(30,273)
	<b>1,098,325</b>	<b>1,060,852</b>	<b>1,023,702</b>	<b>977,150</b>	<b>879,367</b>	<b>843,924</b>	<b>816,049</b>	<b>796,116</b>
	<b>\$ 20,221,205</b>	<b>\$ 19,795,986</b>	<b>\$ 19,300,418</b>	<b>\$ 18,973,588</b>	<b>\$ 18,062,846</b>	<b>\$ 17,147,854</b>	<b>\$ 16,411,221</b>	<b>\$ 15,527,584</b>



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

(\$ THOUSANDS)	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Assets</b>								
Cash and cash equivalents	\$ 661,371	\$ 632,657	\$ 464,286	\$ 418,040	\$ 331,933	\$ 474,928	\$ 355,924	\$ 397,610
Restricted cash	422,817	335,886	248,896	272,763	176,194	143,195	113,817	167,553
Securities purchased under reverse repurchase agreements	-	1,246	63,823	113,008	64,678	55,688	15,199	50,991
Investments	112,516	142,388	166,410	170,411	129,912	143,819	172,083	151,647
Mortgages receivable – Core Lending	11,654,396	11,344,558	10,890,943	10,473,918	9,916,212	9,324,530	8,885,286	8,602,257
Mortgages receivable – Securitization Financing	6,922,156	6,940,157	7,136,477	7,002,632	6,878,274	6,668,744	6,278,452	5,800,723
Securitization retained interests	98,958	95,453	89,745	86,708	78,045	68,086	63,063	61,059
Other assets	99,392	79,854	72,883	71,303	64,695	59,911	63,134	61,294
	<b>\$ 19,971,606</b>	<b>\$ 19,572,199</b>	<b>\$ 19,133,463</b>	<b>\$ 18,608,783</b>	<b>\$ 17,639,943</b>	<b>\$ 16,938,901</b>	<b>\$ 15,946,958</b>	<b>\$ 15,293,134</b>
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	\$ 10,316,683	\$ 9,948,202	\$ 9,857,591	\$ 9,477,569	\$ 9,220,344	\$ 8,963,513	\$ 8,474,357	\$ 8,085,075
Securitization liabilities	7,740,795	7,699,151	7,826,064	7,567,830	6,967,786	6,800,005	6,396,861	5,926,749
Obligations under repurchase agreements	346,053	428,508	138,611	103,673	17,323	-	-	64,655
Deferred tax liabilities	40,958	39,500	38,579	38,151	34,688	30,911	29,022	26,933
Other liabilities	214,876	193,661	193,157	178,593	78,591	79,830	84,519	68,690
Bank facilities	167,051	155,431	12,500	262,026	393,754	167,087	94,134	258,599
Debentures	65,000	65,000	65,000	65,000	65,000	65,000	65,000	80,000
	<b>18,891,416</b>	<b>18,529,453</b>	<b>18,131,502</b>	<b>17,692,842</b>	<b>16,777,486</b>	<b>16,106,346</b>	<b>15,143,893</b>	<b>14,510,701</b>
<b>Shareholders' equity:</b>								
Preferred shares	72,557	72,557	72,557	72,557	72,557	72,557	72,557	72,557
Common shares	197,462	197,407	196,814	158,629	144,906	144,356	143,869	142,499
Contributed surplus	5,741	5,463	5,174	5,162	5,166	5,042	4,812	4,839
Retained earnings	815,401	783,435	746,246	707,816	674,052	644,154	618,199	593,009
Accumulated other comprehensive loss	(10,971)	(16,116)	(18,830)	(28,223)	(34,224)	(33,554)	(36,372)	(30,471)
	<b>1,080,190</b>	<b>1,042,746</b>	<b>1,001,961</b>	<b>915,941</b>	<b>862,457</b>	<b>832,555</b>	<b>803,065</b>	<b>782,433</b>
	<b>\$ 19,971,606</b>	<b>\$ 19,572,199</b>	<b>\$ 19,133,463</b>	<b>\$ 18,608,783</b>	<b>\$ 17,639,943</b>	<b>\$ 16,938,901</b>	<b>\$ 15,946,958</b>	<b>\$ 15,293,134</b>

<sup>(1)</sup> Average balance is calculated based on opening and closing month-end balances outstanding during the period.



**Table 8: Mortgage principal under administration – by lending business**

(\$ THOUSANDS)	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Single Family Lending	\$ 9,054,784	\$ 8,541,004	\$ 8,208,733	\$ 7,855,706	\$ 7,540,069	\$ 7,155,246	\$ 6,751,013	\$ 6,449,663
Commercial Lending	2,853,236	2,835,293	3,007,474	2,827,006	2,657,201	2,437,546	2,313,337	2,229,466
<b>Total Core Lending</b>	<b>11,908,020</b>	<b>11,376,297</b>	<b>11,216,207</b>	<b>10,682,712</b>	<b>10,197,270</b>	<b>9,592,792</b>	<b>9,064,350</b>	<b>8,679,129</b>
Multi-unit residential	2,887,769	2,877,556	2,976,847	3,179,312	3,493,318	3,726,566	4,013,890	3,992,388
Prime single family residential	3,905,182	3,914,040	3,891,715	3,837,808	3,270,068	2,841,935	2,385,784	1,962,930
<b>Total Securitization Financing</b>	<b>6,792,951</b>	<b>6,791,596</b>	<b>6,868,562</b>	<b>7,017,120</b>	<b>6,763,386</b>	<b>6,568,501</b>	<b>6,399,674</b>	<b>5,955,318</b>
<b>Total on-balance sheet mortgage principal</b>	<b>18,700,971</b>	<b>18,167,893</b>	<b>18,084,769</b>	<b>17,699,832</b>	<b>16,960,656</b>	<b>16,161,293</b>	<b>15,464,024</b>	<b>14,634,447</b>
Multi-unit residential	4,029,569	3,794,042	3,579,558	3,215,236	2,868,655	2,462,533	2,100,591	1,965,663
Prime single family residential	23,398	51,518	79,104	88,945	92,900	99,230	104,206	106,825
<b>Total derecognized mortgage principal</b>	<b>4,052,967</b>	<b>3,845,560</b>	<b>3,658,662</b>	<b>3,304,181</b>	<b>2,961,555</b>	<b>2,561,763</b>	<b>2,204,797</b>	<b>2,072,488</b>
<b>Mortgages Under Management</b>	<b>\$ 22,753,938</b>	<b>\$ 22,013,453</b>	<b>\$ 21,743,431</b>	<b>\$ 21,004,013</b>	<b>\$ 19,922,211</b>	<b>\$ 18,723,056</b>	<b>\$ 17,668,821</b>	<b>\$ 16,706,935</b>
Single Family Lending	\$ 9,054,784	\$ 8,541,004	\$ 8,208,733	\$ 7,855,706	\$ 7,540,069	\$ 7,155,246	\$ 6,751,013	\$ 6,449,663
Prime single family residential	3,928,580	3,965,558	3,970,819	3,926,753	3,362,968	2,941,165	2,489,990	2,069,755
Commercial Lending	2,853,236	2,835,293	3,007,474	2,827,006	2,657,201	2,437,546	2,313,337	2,229,466
Multi-unit residential	6,917,338	6,671,598	6,556,405	6,394,548	6,361,973	6,189,099	6,114,481	5,958,051
<b>Mortgages Under Management</b>	<b>\$ 22,753,938</b>	<b>\$ 22,013,453</b>	<b>\$ 21,743,431</b>	<b>\$ 21,004,013</b>	<b>\$ 19,922,211</b>	<b>\$ 18,723,056</b>	<b>\$ 17,668,821</b>	<b>\$ 16,706,935</b>



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

(\$ THOUSANDS)	2017			2016				2015	YTD	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2017	2016
Single Family Lending	\$ 1,098,725	\$ 938,591	\$ 835,780	\$ 930,449	\$ 1,050,366	\$ 952,937	\$ 674,417	\$ 719,361	\$ 2,873,096	\$ 2,677,720
Commercial Lending	380,442	201,789	379,996	377,578	367,197	323,061	201,849	259,502	962,227	892,107
Total Core Lending	1,479,167	1,140,380	1,215,776	1,308,027	1,417,563	1,275,998	876,266	978,863	3,835,323	3,569,827
Multi-unit residential	359,422	343,363	287,360	219,653	243,754	245,677	248,773	269,948	990,145	738,204
Prime single family residential	133,483	143,258	121,904	651,738	495,598	499,732	444,354	489,310	398,645	1,439,684
Total Securitization Financing	492,905	486,621	409,264	871,391	739,352	745,409	693,127	759,258	1,388,790	2,177,888
Total mortgage originations	\$ 1,972,072	\$ 1,627,001	\$ 1,625,040	\$ 2,179,418	\$ 2,156,915	\$ 2,021,407	\$ 1,569,393	\$ 1,738,121	\$ 5,224,113	\$ 5,747,715



**Table 10: Deposit principal**

(\$ THOUSANDS)	2017			2016				2015	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
GICs	\$ 7,824,106	\$ 7,713,588	\$ 7,396,728	\$ 7,275,675	\$ 6,821,166	\$ 6,742,096	\$ 6,606,137	\$ 6,931,771	
Brokered HISAs	949,116	837,246	1,183,324	1,192,046	1,197,125	1,075,208	1,096,641	947,675	
EQ Bank Savings Plus Accounts	1,583,674	1,305,901	1,219,448	1,062,279	1,012,010	995,645	793,633	91	
Deposit notes	150,000	150,000	150,011	150,163	150,346	235,516	235,702	235,946	
<b>Total deposit principal</b>	<b>\$ 10,506,896</b>	<b>\$ 10,006,735</b>	<b>\$ 9,949,511</b>	<b>\$ 9,680,163</b>	<b>\$ 9,180,647</b>	<b>\$ 9,048,465</b>	<b>\$ 8,732,113</b>	<b>\$ 8,115,483</b>	



**Table 11: Mortgage credit metrics**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Provision for credit losses	\$ 40	\$ 378	\$ 738	\$ 870	\$ 1,243	\$ 105	\$ 227	\$ 1,064
Provision for credit losses – rate	0.001%	0.01%	0.02%	0.02%	0.03%	0.003%	0.01%	0.03%
Gross impaired mortgage assets <sup>(1)</sup>	26,242	31,740	41,200	39,365	34,529	33,531	36,048	34,183
Net impaired mortgage assets <sup>(2)</sup>	24,587	29,261	38,167	36,829	32,569	32,181	34,783	32,857
Net impaired mortgage assets as a % of total mortgage assets	0.13%	0.16%	0.21%	0.21%	0.19%	0.20%	0.22%	0.22%
Allowance for credit losses	33,545	34,369	34,923	34,426	33,850	33,240	33,155	33,216
Allowance for credit losses as a % of total mortgage assets	0.18%	0.19%	0.19%	0.19%	0.20%	0.20%	0.21%	0.23%
Allowance for credit losses as a % of gross impaired mortgage assets	128%	108%	85%	87%	98%	99%	92%	97%

<sup>(1)</sup> Uninsured mortgages are deemed to be impaired at the earlier of the date they have been individually provided for or when they have been in arrears for 90 days. Mortgages guaranteed by the Government of Canada are deemed to be impaired when payment is contractually past due 365 days.

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



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

(\$ THOUSANDS)	2017			2016				2015	YTD	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	2017	2016
<b>Individual allowance</b>										
Balance, beginning of period	\$ 2,479	\$ 3,033	\$ 2,536	\$ 1,960	\$ 1,350	\$ 1,265	\$ 1,326	\$ 3,619	\$ 2,536	\$ 1,326
Provision for credit losses	40	378	738	870	1,243	105	227	466	1,156	1,575
Realized losses	(890)	(934)	(245)	(294)	(639)	(58)	(307)	(2,763)	(2,069)	(1,004)
Recoveries	26	2	4	-	6	38	19	4	32	63
Balance, end of period	\$ 1,655	\$ 2,479	\$ 3,033	\$ 2,536	\$ 1,960	\$ 1,350	\$ 1,265	\$ 1,326	\$ 1,655	\$ 1,960
<b>Collective allowance</b>										
Balance, beginning of period	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,292	\$ 31,890	\$ 31,890
Provision for credit losses	-	-	-	-	-	-	-	598	-	-
Balance, end of period	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890	\$ 31,890
<b>Total allowance</b>										
Balance, beginning of period	\$ 34,369	\$ 34,923	\$ 34,426	\$ 33,850	\$ 33,240	\$ 33,155	\$ 33,216	\$ 34,911	\$ 34,426	\$ 33,216
Provision for credit losses	40	378	738	870	1,243	105	227	1,064	1,156	1,575
Realized losses	(890)	(934)	(245)	(294)	(639)	(58)	(307)	(2,763)	(2,069)	(1,004)
Recoveries	26	2	4	-	6	38	19	4	32	63
Balance, end of period	\$ 33,545	\$ 34,369	\$ 34,923	\$ 34,426	\$ 33,850	\$ 33,240	\$ 33,155	\$ 33,216	\$ 33,545	\$ 33,850



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

(\$ THOUSANDS, EXCEPT PERCENTAGES)	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Uninsured</b>								
Single family dwelling	\$ 7,472,572	\$ 6,818,028	\$ 7,272,889	\$ 6,859,398	\$ 6,518,037	\$ 6,490,980	\$ 6,019,695	\$ 5,666,406
Mixed-use property	406,708	404,911	379,479	381,162	372,145	363,318	368,175	357,738
Multi-unit residential	624,527	484,391	499,384	531,588	507,894	455,987	506,860	507,921
Commercial	1,132,917	1,222,938	1,316,334	1,150,223	1,035,485	976,872	868,590	854,016
Construction	661,198	693,673	780,133	728,225	736,701	636,374	564,747	510,408
Mortgage principal – Core Lending	10,297,922	9,623,941	10,248,219	9,650,596	9,170,262	8,923,531	8,328,067	7,896,489
Single family dwelling	21,068	22,750	12,810	5,011	14,991	43,953	70,133	53,149
Mortgage principal – Securitization Financing	21,068	22,750	12,810	5,011	14,991	43,953	70,133	53,149
<b>Total mortgage principal outstanding</b>	<b>\$ 10,318,990</b>	<b>\$ 9,646,691</b>	<b>\$ 10,261,029</b>	<b>\$ 9,655,607</b>	<b>\$ 9,185,253</b>	<b>\$ 8,967,484</b>	<b>\$ 8,398,200</b>	<b>\$ 7,949,638</b>
Total mortgage principal outstanding percentage	55%	53%	57%	55%	54%	55%	54%	54%
<b>Insured</b>								
Single family dwelling	\$ 1,580,351	\$ 1,721,111	\$ 934,964	\$ 995,342	\$ 1,020,932	\$ 663,161	\$ 730,160	\$ 782,035
Multi-unit residential	5,543	5,543	5,543	6,053	6,076	6,100	6,123	605
Commercial	24,204	25,702	27,481	30,721	-	-	-	-
Mortgage principal – Core Lending	1,610,098	1,752,356	967,988	1,032,116	1,027,008	669,261	736,283	782,640
Single family dwelling	3,884,114	3,891,290	3,878,905	3,832,797	3,255,077	2,797,982	2,315,651	1,909,781
Multi-unit residential	2,887,769	2,877,556	2,976,847	3,179,312	3,493,318	3,726,566	4,013,890	3,992,388
Mortgage principal – Securitization Financing	6,771,883	6,768,846	6,855,752	7,012,109	6,748,395	6,524,548	6,329,541	5,902,169
<b>Total mortgage principal outstanding</b>	<b>\$ 8,381,981</b>	<b>\$ 8,521,202</b>	<b>\$ 7,823,740</b>	<b>\$ 8,044,225</b>	<b>\$ 7,775,403</b>	<b>\$ 7,193,809</b>	<b>\$ 7,065,824</b>	<b>\$ 6,684,809</b>
Total mortgage principal outstanding percentage	45%	47%	43%	45%	46%	45%	46%	46%
<b>Total</b>								
Single family dwelling	\$ 9,052,923	\$ 8,539,139	\$ 8,207,853	\$ 7,854,740	\$ 7,538,969	\$ 7,154,141	\$ 6,749,855	\$ 6,448,441
Mixed-use property	406,708	404,911	379,479	381,162	372,145	363,318	368,175	357,738
Multi-unit residential	630,070	489,934	504,927	537,641	513,970	462,087	512,983	508,526
Commercial	1,157,121	1,248,640	1,343,815	1,180,944	1,035,485	976,872	868,590	854,016
Construction	661,198	693,673	780,133	728,225	736,701	636,374	564,747	510,408
Mortgage principal – Core Lending	11,908,020	11,376,297	11,216,207	10,682,712	10,197,270	9,592,792	9,064,350	8,679,129
Single family dwelling	3,905,182	3,914,040	3,891,715	3,837,808	3,270,068	2,841,935	2,385,784	1,962,930
Multi-unit residential	2,887,769	2,877,556	2,976,847	3,179,312	3,493,318	3,726,566	4,013,890	3,992,388
Mortgage principal – Securitization Financing	6,792,951	6,791,596	6,868,562	7,017,120	6,763,386	6,568,501	6,399,674	5,955,318
<b>Total mortgage principal outstanding</b>	<b>\$ 18,700,971</b>	<b>\$ 18,167,893</b>	<b>\$ 18,084,769</b>	<b>\$ 17,699,832</b>	<b>\$ 16,960,656</b>	<b>\$ 16,161,293</b>	<b>\$ 15,464,024</b>	<b>\$ 14,634,447</b>
Total mortgage principal outstanding percentage	100%	100%	100%	100%	100%	100%	100%	100%





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

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

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

**Table 15: Mortgage principal outstanding – by province<sup>(1)</sup>**

	2017						2016						2015			
	Q3		Q2		Q1		Q4		Q3		Q2		Q1		Q4	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(\$ THOUSANDS, EXCEPT PERCENTAGES)																
<b>Single Family Lending</b>																
Ontario	\$ 6,997,722	37%	\$ 6,594,278	36%	\$ 6,320,385	35%	\$ 6,041,673	34%	\$ 5,795,737	34%	\$ 5,485,009	34%	\$ 5,184,491	34%	\$ 4,958,225	34%
Alberta	917,045	5%	905,573	5%	914,717	5%	908,923	5%	908,084	5%	919,447	6%	914,251	6%	909,425	6%
Quebec	305,401	2%	282,795	2%	254,991	1%	237,147	1%	219,094	1%	198,040	1%	163,888	1%	137,910	1%
British Columbia	610,759	3%	540,772	3%	503,640	3%	454,921	3%	406,187	2%	346,034	2%	284,356	2%	243,914	2%
Saskatchewan	72,614	0%	71,882	0%	73,658	0%	74,129	0%	75,008	0%	74,752	0%	76,435	0%	77,252	1%
Other Provinces	151,243	1%	145,704	1%	141,342	1%	138,913	1%	135,959	1%	131,964	1%	127,592	1%	122,938	1%
	\$ 9,054,784	48%	\$ 8,541,004	47%	\$ 8,208,733	45%	\$ 7,855,706	44%	\$ 7,540,069	44%	\$ 7,155,246	44%	\$ 6,751,013	44%	\$ 6,449,663	44%
<b>Commercial Lending</b>																
Ontario	\$ 1,746,286	9%	\$ 1,787,408	10%	\$ 1,957,638	11%	\$ 1,774,822	10%	\$ 1,751,776	10%	\$ 1,574,719	10%	\$ 1,465,093	9%	\$ 1,426,315	10%
Alberta	310,428	2%	291,164	2%	310,119	2%	317,138	2%	252,803	1%	272,609	2%	267,008	2%	246,922	2%
Quebec	527,332	3%	540,833	3%	505,370	3%	505,500	3%	432,674	3%	423,578	3%	393,323	3%	384,052	3%
British Columbia	188,026	1%	128,725	1%	144,571	1%	147,488	1%	117,179	1%	72,468	0%	50,886	0%	32,606	0%
Saskatchewan	21,428	0%	20,608	0%	19,360	0%	12,920	0%	27,288	0%	13,929	0%	39,429	0%	38,156	0%
Other Provinces	59,736	0%	66,555	0%	70,416	0%	69,138	0%	75,482	0%	80,243	0%	97,598	1%	101,415	1%
	\$ 2,853,236	15%	\$ 2,835,293	16%	\$ 3,007,474	17%	\$ 2,827,006	16%	\$ 2,657,201	16%	\$ 2,437,546	15%	\$ 2,313,337	15%	\$ 2,229,466	15%
<b>Total mortgage principal - Core Lending</b>	\$ 11,908,020	64%	\$ 11,376,297	63%	\$ 11,216,207	62%	\$ 10,682,712	60%	\$ 10,197,270	60%	\$ 9,592,792	59%	\$ 9,064,350	59%	\$ 8,679,129	59%
<b>Multi-unit residential</b>																
Ontario	\$ 1,083,762	6%	\$ 1,120,353	6%	\$ 1,134,626	6%	\$ 1,239,383	7%	\$ 1,294,661	8%	\$ 1,458,201	9%	\$ 1,560,075	10%	\$ 1,516,645	10%
Alberta	622,571	3%	585,807	3%	639,895	4%	643,096	4%	665,201	4%	641,089	4%	673,371	4%	670,894	5%
Quebec	557,317	3%	549,105	3%	572,546	3%	652,594	4%	749,873	4%	790,335	5%	880,665	6%	885,550	6%
British Columbia	349,481	2%	345,644	2%	344,791	2%	332,856	2%	396,951	2%	403,411	2%	410,498	3%	438,295	3%
Saskatchewan	65,655	0%	63,949	0%	70,308	0%	72,683	0%	117,051	1%	154,093	1%	158,013	1%	155,411	1%
Other Provinces	208,983	1%	212,698	1%	214,680	1%	238,700	1%	269,582	2%	279,436	2%	331,268	2%	325,593	2%
	\$ 2,887,769	15%	\$ 2,877,556	16%	\$ 2,976,847	16%	\$ 3,179,312	18%	\$ 3,493,318	21%	\$ 3,726,566	23%	\$ 4,013,890	26%	\$ 3,992,388	27%
<b>Prime single family residential</b>																
Ontario	\$ 2,106,015	11%	\$ 2,123,293	12%	\$ 2,134,377	12%	\$ 2,106,296	12%	\$ 1,851,495	11%	\$ 1,564,574	10%	\$ 1,280,348	8%	\$ 1,033,032	7%
Alberta	762,374	4%	746,953	4%	731,153	4%	716,591	4%	614,090	4%	571,655	4%	514,056	3%	448,413	3%
Quebec	52,931	0%	53,391	0%	54,010	0%	54,451	0%	-	0%	-	0%	-	0%	-	0%
British Columbia	529,742	3%	543,359	3%	535,075	3%	534,267	3%	429,616	3%	362,871	2%	285,527	2%	213,577	1%
Saskatchewan	173,198	1%	168,471	1%	165,853	1%	159,454	1%	142,410	1%	128,991	1%	117,454	1%	106,499	1%
Other Provinces	280,922	2%	278,573	2%	271,247	1%	266,749	2%	232,457	1%	213,844	1%	188,399	1%	161,409	1%
	\$ 3,905,182	21%	\$ 3,914,040	22%	\$ 3,891,715	22%	\$ 3,837,808	22%	\$ 3,270,068	19%	\$ 2,841,935	18%	\$ 2,385,784	15%	\$ 1,962,930	13%
<b>Total mortgage principal - Securitization Financing</b>	\$ 6,792,951	36%	\$ 6,791,596	37%	\$ 6,868,562	38%	\$ 7,017,120	40%	\$ 6,763,386	40%	\$ 6,568,501	41%	\$ 6,399,674	41%	\$ 5,955,318	41%
<b>Total</b>																
Ontario	\$ 11,933,785	64%	\$ 11,625,332	64%	\$ 11,547,026	64%	\$ 11,162,174	63%	\$ 10,693,668	63%	\$ 10,082,504	62%	\$ 9,490,008	61%	\$ 8,934,217	61%
Alberta	2,612,418	14%	2,529,497	14%	2,595,884	14%	2,585,748	15%	2,440,179	14%	2,404,800	15%	2,368,686	15%	2,275,654	16%
Quebec	1,442,981	8%	1,426,124	8%	1,386,917	8%	1,449,692	8%	1,401,641	8%	1,411,952	9%	1,437,876	9%	1,407,511	10%
British Columbia	1,678,008	9%	1,558,500	9%	1,528,078	8%	1,469,532	8%	1,349,933	8%	1,184,784	7%	1,031,267	7%	928,391	6%
Saskatchewan	332,895	2%	324,910	2%	329,179	2%	319,186	2%	361,756	2%	371,766	2%	391,330	3%	377,319	3%
Other Provinces	700,884	4%	703,530	4%	697,685	4%	713,500	4%	713,480	4%	705,487	4%	744,857	5%	711,355	5%
<b>Total mortgage principal</b>	\$ 18,700,971	100%	\$ 18,167,893	100%	\$ 18,084,769	100%	\$ 17,699,832	100%	\$ 16,960,656	100%	\$ 16,161,293	100%	\$ 15,464,024	100%	\$ 14,634,447	100%

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



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

	Residential mortgages				HELOC <sup>(2)</sup>		Total	
	Insured <sup>(3)</sup>		Uninsured		Uninsured		Uninsured	
	Total	%	Total	%	Total	%	Total	%
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
<b>Q3 2017</b>								
Ontario	\$ 3,328,434	26%	\$ 5,744,131	44%	\$ 30,183	80%	\$ 5,774,314	45%
Alberta	945,428	7%	729,251	6%	3,869	10%	733,120	6%
British Columbia	598,813	5%	539,235	4%	2,452	7%	541,687	4%
Manitoba	106,989	1%	63,893	0%	435	1%	64,328	0%
Saskatchewan	194,001	2%	51,545	0%	266	1%	51,811	0%
Other Provinces	290,800	2%	327,894	3%	486	1%	328,380	3%
<b>Total residential mortgages</b>	<b>\$ 5,464,465</b>	<b>43%</b>	<b>\$ 7,455,949</b>	<b>57%</b>	<b>\$ 37,691</b>	<b>100%</b>	<b>\$ 7,493,640</b>	<b>58%</b>
Downtown Toronto condominiums <sup>(4)</sup>	\$ 52,811	0%	\$ 120,912	1%	\$ 266	1%	\$ 121,178	1%
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
<b>Q4 2016</b>								
Ontario	\$ 2,886,711	25%	\$ 5,239,191	45%	\$ 21,982	79%	\$ 5,261,173	45%
Alberta	838,068	7%	783,100	7%	3,463	12%	786,563	7%
British Columbia	574,761	5%	412,923	4%	1,503	5%	414,426	4%
Manitoba	88,244	1%	70,772	1%	310	1%	71,082	1%
Saskatchewan	174,512	1%	58,736	1%	335	1%	59,071	1%
Other Provinces	265,843	2%	271,841	2%	253	2%	272,094	2%
<b>Total residential mortgages</b>	<b>\$ 4,828,139</b>	<b>41%</b>	<b>\$ 6,836,563</b>	<b>59%</b>	<b>\$ 27,846</b>	<b>100%</b>	<b>\$ 6,864,409</b>	<b>60%</b>
Downtown Toronto condominiums <sup>(4)</sup>	\$ 5,256	0%	\$ 108,196	1%	\$ 193	1%	\$ 108,389	1%
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
<b>Q3 2016</b>								
Ontario	\$ 2,648,783	25%	\$ 4,978,919	46%	\$ 19,317	79%	\$ 4,998,236	46%
Alberta	738,213	7%	779,983	7%	3,090	13%	783,073	7%
British Columbia	465,090	4%	369,434	3%	1,278	5%	370,712	3%
Manitoba	78,885	1%	71,277	1%	276	1%	71,553	1%
Saskatchewan	156,425	1%	60,668	1%	325	1%	60,993	1%
Other Provinces	188,613	2%	248,281	2%	180	1%	248,461	2%
<b>Total residential mortgages</b>	<b>\$ 4,276,009</b>	<b>40%</b>	<b>\$ 6,508,562</b>	<b>60%</b>	<b>\$ 24,466</b>	<b>100%</b>	<b>\$ 6,533,028</b>	<b>60%</b>
Downtown Toronto condominiums <sup>(4)</sup>	\$ 5,891	0%	\$ 95,097	1%	\$ 201	1%	\$ 95,298	1%

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

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

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

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



**Table 17: Residential mortgage principal outstanding – by remaining amortization<sup>(1)</sup>**

(\$ THOUSANDS, EXCEPT PERCENTAGES)	<5 years	5 - <10 years	10 - <15 years	15 - <20 years	20 - <25 years	25 - <30 years	30 - <35 years	>=35 years	Total
<b>Q3 2017</b>									
Total residential mortgages	\$ 2,606 0.02%	\$ 16,111 0.12%	\$ 93,513 0.72%	\$ 458,850 3.56%	\$ 3,278,994 25.38%	\$ 8,974,313 69.46%	\$ 95,526 0.74%	\$ 501 0.00%	\$ 12,920,414 100%
<b>Q2 2017</b>									
Total residential mortgages	\$ 2,212 0.02%	\$ 15,092 0.12%	\$ 82,989 0.67%	\$ 434,169 3.50%	\$ 3,249,051 26.16%	\$ 8,577,977 69.07%	\$ 57,801 0.46%	\$ 650 0.00%	\$ 12,419,941 100%
<b>Q1 2017</b>									
Total residential mortgages	\$ 2,138 0.02%	\$ 14,247 0.12%	\$ 74,626 0.62%	\$ 388,877 3.22%	\$ 3,154,107 26.13%	\$ 8,354,957 69.23%	\$ 79,289 0.66%	\$ 312 0.00%	\$ 12,068,553 100%
<b>Q4 2016</b>									
Total residential mortgages	\$ 1,609 0.01%	\$ 14,625 0.13%	\$ 71,136 0.61%	\$ 341,291 2.93%	\$ 3,070,607 26.32%	\$ 8,083,902 69.30%	\$ 80,487 0.69%	\$ 1,045 0.01%	\$ 11,664,702 100%
<b>Q3 2016</b>									
Total residential mortgages	\$ 1,387 0.01%	\$ 13,330 0.12%	\$ 63,004 0.58%	\$ 275,504 2.55%	\$ 2,663,536 24.70%	\$ 7,658,853 71.02%	\$ 107,857 1.00%	\$ 1,100 0.02%	\$ 10,784,571 100%
<b>Q2 2016</b>									
Total residential mortgages	\$ 831 0.01%	\$ 11,857 0.12%	\$ 55,950 0.56%	\$ 247,111 2.48%	\$ 2,434,154 24.41%	\$ 7,088,276 71.08%	\$ 132,704 1.33%	\$ 1,521 0.01%	\$ 9,972,404 100%
<b>Q1 2016</b>									
Total residential mortgages	\$ 1,095 0.01%	\$ 10,686 0.12%	\$ 44,659 0.49%	\$ 221,261 2.43%	\$ 2,170,411 23.81%	\$ 6,525,904 71.60%	\$ 138,318 1.52%	\$ 1,735 0.02%	\$ 9,114,069 100%
<b>Q4 2015</b>									
Total residential mortgages	\$ 935 0.01%	\$ 9,367 0.11%	\$ 35,678 0.43%	\$ 185,372 2.21%	\$ 1,931,540 23.02%	\$ 6,074,542 72.38%	\$ 153,039 1.82%	\$ 1,519 0.02%	\$ 8,391,992 100%

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

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

	2017						2016						2015			
	Q3		Q2		Q1		Q4		Q3		Q2		Q1		Q4	
	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC <sup>(2)</sup>
Ontario	71%	19%	70%	6%	72%	6%	73%	5%	74%	5%	73%	5%	73%	7%	74%	6%
Alberta	71%	32%	72%	8%	71%	4%	71%	13%	72%	6%	73%	2%	72%	4%	71%	6%
British Columbia	69%	3%	70%	3%	69%	6%	69%	3%	69%	3%	69%	5%	71%	6%	68%	3%
Manitoba	70%	13%	76%	1%	74%	6%	74%	4%	73%	9%	77%	1%	75%	1%	75%	5%
Saskatchewan	68%	3%	69%	1%	69%	3%	74%	8%	71%	2%	72%	2%	69%	2%	73%	1%
Other Provinces	70%	2%	71%	3%	70%	6%	71%	3%	71%	1%	71%	18%	71%	3%	70%	2%
Total Canada	70%	18%	70%	6%	72%	6%	72%	5%	73%	5%	73%	5%	73%	7%	74%	6%
Downtown Toronto condominiums <sup>(3)</sup>	63%	2%	65%	2%	64%	22%	67%	2%	66%	3%	69%	5%	64%	2%	64%	2%

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

<sup>(2)</sup> During Q3 2017, we launched a new Standalone HELOC ("SHELOC") product. The existing non-standalone HELOC and the new SHELOC are collectively referred to as "HELOC" above.

The loan-to-value ("LTV") of the HELOC represents the authorized HELOC amount as a percentage of the original property value. 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. Excluding SHELOCs, the Q3 2017 LTV for Total Canada would have been 5%.

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

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

	2017									2016		
	Q3			Q2			Q1			Q4		
	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>
Ontario	65%	61%	62%	68%	59%	62%	74%	61%	65%	74%	62%	66%
Alberta	79%	64%	73%	80%	65%	74%	83%	67%	75%	83%	66%	75%
British Columbia	75%	62%	69%	77%	61%	70%	79%	63%	72%	79%	63%	73%
Manitoba	81%	68%	76%	82%	69%	77%	83%	69%	77%	83%	69%	77%
Saskatchewan	81%	55%	75%	83%	55%	77%	84%	58%	78%	85%	59%	78%
Other Provinces	82%	63%	72%	83%	63%	73%	86%	65%	75%	87%	66%	77%
Total Canada	71%	61%	65%	73%	60%	66%	77%	62%	68%	78%	63%	69%

  

	2016									2015		
	Q3			Q2			Q1			Q4		
	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>	Insured <sup>(2)</sup>	Uninsured <sup>(2)</sup>	Total <sup>(2)</sup>
Ontario	72%	62%	66%	75%	64%	68%	74%	67%	69%	74%	67%	69%
Alberta	82%	67%	74%	83%	67%	75%	85%	70%	77%	85%	69%	76%
British Columbia	78%	63%	71%	80%	64%	72%	76%	62%	69%	79%	63%	71%
Manitoba	82%	68%	75%	83%	69%	76%	82%	70%	76%	83%	70%	76%
Saskatchewan	84%	59%	77%	86%	60%	78%	83%	63%	77%	85%	64%	77%
Other Provinces	85%	66%	74%	87%	66%	75%	87%	70%	77%	86%	69%	76%
Total Canada	75%	63%	68%	78%	65%	70%	78%	67%	71%	78%	67%	71%

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

<sup>(2)</sup> Based on current property values. Current values are estimated using a Housing Price Index.

<sup>(3)</sup> The LTV of HELOC is not included in this chart.

<sup>(4)</sup> Equitable has arrangements with other lenders to participate in its single family residential loans in certain circumstances, namely if Equitable wants to cap the value of its own exposure to stay within the boundaries of its risk appetite while still meeting a borrower's needs. The arrangements, which have been entered into in the normal course of business at arm's length and on market terms, are structured such that the other lenders' participation would always bear the first loss on the mortgage. The loan-to-value ratios above therefore do not take into account the other lenders' participation in order to reflect both the substance and legal form of Equitable's exposure. Equitable underwrites the loans based on the 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 \$52.6 million at September 30, 2017 (December 31, 2016 - \$49.9 million, September 30, 2016 - \$50.3 million).



**Table 20: Single Family Lending - weighted average beacon score by LTV<sup>(1)</sup>**

LTV at origination	2017			2016				2015	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
<50% LTV	692	692	689	689	688	685	684	685	
50% - 64.99% LTV	689	688	686	685	684	683	682	680	
65% - 69.99% LTV	683	682	682	680	682	678	673	673	
70% - 75% LTV	680	680	677	676	675	675	671	670	
>75% LTV	686	685	683	679	677	675	672	672	
<b>Total</b>	<b>685</b>	<b>684</b>	<b>682</b>	<b>680</b>	<b>679</b>	<b>676</b>	<b>674</b>	<b>673</b>	

<sup>(1)</sup> 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.



Table 21: Alberta and Saskatchewan portfolios

(\$ THOUSANDS, EXCEPT PERCENTAGES)	Insured <sup>(1)</sup>				Uninsured									
	Residential	Commercial <sup>(2)</sup>	Total	%	Residential <sup>(3)</sup>	%	Commercial <sup>(4)</sup>	%	Total	%				
	<b>Q3 2017</b>													
Alberta	\$ 945,428	5%	\$ 622,571	3%	\$ 1,567,999	8%	\$ 733,120	4%	\$ 311,299	2%	\$ 1,044,419	6%	\$ 2,612,418	14%
Saskatchewan	194,001	1%	65,655	0%	259,656	1%	51,811	0%	21,428	0%	73,239	0%	332,895	1%
Other provinces	4,325,036	23%	2,229,290	12%	6,554,326	35%	6,708,709	36%	2,492,623	13%	9,201,332	49%	15,755,658	84%
<b>Total Mortgage Principal</b>	<b>\$ 5,464,465</b>	<b>29%</b>	<b>\$ 2,917,516</b>	<b>16%</b>	<b>\$ 8,381,981</b>	<b>45%</b>	<b>\$ 7,493,640</b>	<b>40%</b>	<b>\$ 2,825,350</b>	<b>15%</b>	<b>\$ 10,318,990</b>	<b>55%</b>	<b>\$ 18,700,971</b>	<b>100%</b>
<b>Included in Alberta:</b>														
Greater Edmonton	\$ 351,696	2%	\$ 368,297	2%	\$ 719,993	4%	\$ 296,974	2%	\$ 104,342	1%	\$ 401,316	2%	\$ 1,121,309	6%
Greater Calgary	378,949	2%	206,798	1%	585,747	3%	395,120	2%	179,884	1%	575,004	3%	1,160,751	6%
	<b>\$ 730,645</b>	<b>4%</b>	<b>\$ 575,095</b>	<b>3%</b>	<b>\$ 1,305,740</b>	<b>7%</b>	<b>\$ 692,094</b>	<b>4%</b>	<b>\$ 284,226</b>	<b>2%</b>	<b>\$ 976,320</b>	<b>5%</b>	<b>\$ 2,282,060</b>	<b>12%</b>
<b>Included in Saskatchewan:</b>														
Regina	\$ 61,328	0%	\$ 39,743	0%	\$ 101,071	0%	\$ 27,218	0%	\$ 17,298	0%	\$ 44,516	0%	\$ 145,587	0%
Saskatoon	81,640	1%	20,943	0%	102,583	1%	18,505	0%	4,130	0%	22,635	0%	125,218	1%
	<b>\$ 142,968</b>	<b>1%</b>	<b>\$ 60,686</b>	<b>0%</b>	<b>\$ 203,654</b>	<b>1%</b>	<b>\$ 45,723</b>	<b>0%</b>	<b>\$ 21,428</b>	<b>0%</b>	<b>\$ 67,151</b>	<b>0%</b>	<b>\$ 270,805</b>	<b>1%</b>
	<b>Q4 2016</b>													
Alberta	\$ 838,068	5%	\$ 643,096	4%	\$ 1,481,164	8%	\$ 786,563	4%	\$ 318,021	2%	\$ 1,104,584	6%	\$ 2,595,884	14%
Saskatchewan	174,512	1%	72,683	0%	247,195	1%	59,071	0%	12,920	0%	71,991	0%	329,179	1%
Other provinces	3,815,559	22%	2,500,307	14%	6,315,866	36%	6,018,775	34%	2,460,257	14%	8,479,032	48%	14,794,898	83%
<b>Total Mortgage Principal</b>	<b>\$ 4,828,139</b>	<b>27%</b>	<b>\$ 3,216,086</b>	<b>18%</b>	<b>\$ 8,044,225</b>	<b>45%</b>	<b>\$ 6,864,409</b>	<b>39%</b>	<b>\$ 2,791,198</b>	<b>16%</b>	<b>\$ 9,655,607</b>	<b>55%</b>	<b>\$ 17,719,961</b>	<b>100%</b>
<b>Included in Alberta:</b>														
Greater Edmonton	\$ 340,314	2%	\$ 371,792	2%	\$ 712,106	4%	\$ 331,794	2%	\$ 101,362	1%	\$ 433,156	2%	\$ 1,145,262	6%
Greater Calgary	366,599	2%	222,423	1%	589,022	3%	412,094	2%	177,690	1%	589,784	3%	1,178,806	6%
	<b>\$ 706,913</b>	<b>4%</b>	<b>\$ 594,215</b>	<b>3%</b>	<b>\$ 1,301,128</b>	<b>7%</b>	<b>\$ 743,888</b>	<b>4%</b>	<b>\$ 279,052</b>	<b>2%</b>	<b>\$ 1,022,940</b>	<b>6%</b>	<b>\$ 2,324,068</b>	<b>13%</b>
<b>Included in Saskatchewan:</b>														
Regina	\$ 56,467	0%	\$ 40,416	0%	\$ 96,883	0%	\$ 31,574	0%	\$ 12,920	0%	\$ 44,494	0%	\$ 141,377	0%
Saskatoon	77,049	1%	23,220	0%	100,269	1%	22,039	0%	-	0%	22,039	0%	122,308	1%
	<b>\$ 133,516</b>	<b>1%</b>	<b>\$ 63,636</b>	<b>0%</b>	<b>\$ 197,152</b>	<b>1%</b>	<b>\$ 53,613</b>	<b>0%</b>	<b>\$ 12,920</b>	<b>0%</b>	<b>\$ 66,533</b>	<b>0%</b>	<b>\$ 263,685</b>	<b>1%</b>
	<b>Q3 2016</b>													
Alberta	\$ 738,213	4%	\$ 665,202	4%	\$ 1,403,415	8%	\$ 783,073	5%	\$ 253,691	2%	\$ 1,036,764	7%	\$ 2,440,179	15%
Saskatchewan	156,425	1%	117,050	1%	273,475	2%	60,993	0%	27,288	0%	88,281	0%	361,756	2%
Other provinces	3,381,371	20%	2,717,142	16%	6,098,513	36%	5,688,962	34%	2,371,246	13%	8,060,208	47%	14,158,721	83%
<b>Total Mortgage Principal</b>	<b>\$ 4,276,009</b>	<b>25%</b>	<b>\$ 3,499,394</b>	<b>21%</b>	<b>\$ 7,775,403</b>	<b>46%</b>	<b>\$ 6,533,028</b>	<b>39%</b>	<b>\$ 2,652,225</b>	<b>15%</b>	<b>\$ 9,185,253</b>	<b>54%</b>	<b>\$ 16,960,656</b>	<b>100%</b>
<b>Included in Alberta:</b>														
Greater Edmonton	\$ 298,712	2%	\$ 402,785	2%	\$ 701,497	4%	\$ 329,844	2%	\$ 102,707	1%	\$ 432,551	3%	\$ 1,134,048	7%
Greater Calgary	323,173	2%	220,356	2%	543,529	4%	411,577	2%	113,492	0%	525,069	2%	1,068,598	6%
	<b>\$ 621,885</b>	<b>4%</b>	<b>\$ 623,141</b>	<b>4%</b>	<b>\$ 1,245,026</b>	<b>8%</b>	<b>\$ 741,421</b>	<b>4%</b>	<b>\$ 216,199</b>	<b>1%</b>	<b>\$ 957,620</b>	<b>5%</b>	<b>\$ 2,202,646</b>	<b>13%</b>
<b>Included in Saskatchewan:</b>														
Regina	\$ 46,545	0%	\$ 40,635	0%	\$ 87,180	0%	\$ 31,886	0%	\$ 12,920	0%	\$ 44,806	0%	\$ 131,986	0%
Saskatoon	72,840	1%	58,167	1%	131,007	2%	23,791	0%	14,368	0%	38,159	0%	169,166	2%
	<b>\$ 119,385</b>	<b>1%</b>	<b>\$ 98,802</b>	<b>1%</b>	<b>\$ 218,187</b>	<b>2%</b>	<b>\$ 55,677</b>	<b>0%</b>	<b>\$ 27,288</b>	<b>0%</b>	<b>\$ 82,965</b>	<b>0%</b>	<b>\$ 301,152</b>	<b>2%</b>

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

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

<sup>(3)</sup> Uninsured residential includes \$37.7 million (December 31, 2016 - \$27.8 million, September 30, 2016 - \$24.5 million) HELOC principal outstanding.

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





Table 22: Modified Capital Disclosure Template - Equitable Bank

	2017						2016	
	Q3		Q2		Q1		All-in	Transitional
	All-in	Transitional	All-in	Transitional	All-in	Transitional		
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
<b>Common Equity Tier 1 capital: instruments and reserves</b>								
1	\$ 199,968		\$ 199,918		\$ 199,819		\$ 199,089	
2	833,441		800,273		765,883		727,265	
3	(11,577)		(12,874)		(13,159)		(20,210)	
4	-		-		-		-	
5	-		-		-		-	
6	<b>\$ 1,021,832</b>		<b>\$ 987,317</b>		<b>\$ 952,543</b>		<b>\$ 906,144</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>								
28	\$ (16,299)		\$ (15,325)		\$ (14,557)		\$ (15,037)	
29	<b>\$ 1,005,533</b>	<b>\$ 1,011,108</b>	<b>\$ 971,992</b>	<b>\$ 977,632</b>	<b>\$ 937,986</b>	<b>\$ 943,529</b>	<b>\$ 891,107</b>	<b>\$ 905,206</b>
<b>Additional Tier 1 capital : instruments</b>								
30	\$ -		\$ -		\$ -		\$ -	
31	-		-		-		-	
32	-		-		-		-	
33	72,554		72,554		72,554		72,554	
34	-		-		-		-	
35	-		-		-		-	
36	<b>\$ 72,554</b>		<b>\$ 72,554</b>		<b>\$ 72,554</b>		<b>\$ 72,554</b>	
<b>Additional Tier 1 capital : regulatory adjustments</b>								
43	\$ -		\$ -		\$ -		\$ -	
44	72,554		72,554		72,554		72,554	
45	<b>\$ 1,078,087</b>	<b>\$ 1,081,347</b>	<b>\$ 1,044,546</b>	<b>\$ 1,047,611</b>	<b>\$ 1,010,540</b>	<b>\$ 1,013,451</b>	<b>\$ 963,661</b>	<b>\$ 969,676</b>
<b>Tier 2 capital: instruments and allowances</b>								
46	\$ -		\$ -		\$ -		\$ -	
47	62,891		62,891		62,891		65,000	
48	-		-		-		-	
49	-		-		-		-	
50	31,890		31,890		31,890		31,890	
51	<b>\$ 94,781</b>		<b>\$ 94,781</b>		<b>\$ 94,781</b>		<b>\$ 96,890</b>	
<b>Tier 2 capital: regulatory adjustments</b>								
57	\$ -		\$ -		\$ -		\$ -	
58	94,781		94,781		94,781		96,890	
59	<b>\$ 1,172,868</b>	<b>\$ 1,176,128</b>	<b>\$ 1,139,327</b>	<b>\$ 1,142,391</b>	<b>\$ 1,105,321</b>	<b>\$ 1,110,340</b>	<b>\$ 1,060,551</b>	<b>\$ 1,066,565</b>
60	<b>\$ 6,814,247</b>	<b>\$ 6,822,315</b>	<b>\$ 6,561,813</b>	<b>\$ 6,569,557</b>	<b>\$ 6,739,517</b>	<b>\$ 6,745,938</b>	<b>\$ 6,385,825</b>	<b>\$ 6,395,488</b>
<b>Capital ratios</b>								
61	14.8%	14.8%	14.8%	14.9%	13.9%	14.0%	14.0%	14.2%
62	15.8%	15.9%	15.9%	15.9%	15.0%	15.0%	15.1%	15.2%
63	17.2%	17.2%	17.4%	17.4%	16.4%	16.5%	16.6%	16.7%
<b>OSFI all-in target</b>								
69	7.0%		7.0%		7.0%		7.0%	
70	8.5%		8.5%		8.5%		8.5%	
71	10.5%		10.5%		10.5%		10.5%	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>								
80	N/A		N/A		N/A		N/A	
81	N/A		N/A		N/A		N/A	
82	N/A		N/A		N/A		N/A	
83	-		-		-		-	
84	62,891		62,891		62,891		75,469	
85	2,110		2,110		2,110		-	



Table 22: Modified Capital Disclosure Template - Equitable Bank

	2016						2015	
	Q3		Q2		Q1		All-in	Q4 Transitional
(\$ THOUSANDS, EXCEPT PERCENTAGES)	All-in	Transitional	All-in	Transitional	All-in	Transitional	All-in	Transitional
<b>Common Equity Tier 1 capital: instruments and reserves</b>								
1 Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	\$ 148,175		\$ 147,096		\$ 146,640		\$ 145,836	
2 Retained earnings	689,789		659,063		629,783		606,254	
3 Accumulated other comprehensive income (and other reserves)	(24,133)		(26,392)		(26,605)		(22,458)	
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)	-		-		-		-	
<b>6 Common Equity Tier 1 capital before regulatory adjustments</b>	<b>\$ 813,831</b>		<b>\$ 779,767</b>		<b>\$ 749,818</b>		<b>\$ 729,632</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>								
28 Total regulatory adjustments to Common Equity Tier 1	\$ (14,687)		\$ (14,495)		\$ (13,951)		\$ (14,574)	
<b>29 Common Equity Tier 1 capital (CET1)</b>	<b>\$ 799,144</b>	<b>\$ 814,672</b>	<b>\$ 765,272</b>	<b>\$ 798,224</b>	<b>\$ 735,867</b>	<b>\$ 752,089</b>	<b>\$ 715,058</b>	<b>\$ 737,277</b>
<b>Additional Tier 1 capital : instruments</b>								
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	\$ -		\$ -		\$ -		\$ -	
31 of which: classified as equity under applicable accounting standards	-		-		-		-	
32 of which: classified as liabilities under applicable accounting standards	-		-		-		-	
33 Directly issued capital instruments subject to phase out from Additional Tier 1	72,554		72,554		72,554		72,554	
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-		-		-		-	
35 of which: instruments issued by subsidiaries subject to phase out	-		-		-		-	
<b>36 Additional Tier 1 capital before regulatory adjustments</b>	<b>\$ 72,554</b>		<b>\$ 72,554</b>		<b>\$ 72,554</b>		<b>\$ 72,554</b>	
<b>Additional Tier 1 capital : regulatory adjustments</b>								
43 Total regulatory adjustments to Additional Tier 1 capital	\$ -		\$ -		\$ -		\$ -	
<b>44 Additional Tier 1 capital (AT1)</b>	<b>72,554</b>		<b>72,554</b>		<b>72,554</b>		<b>72,554</b>	
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>\$ 871,698</b>	<b>\$ 877,573</b>	<b>\$ 837,826</b>	<b>\$ 848,656</b>	<b>\$ 808,421</b>	<b>\$ 814,001</b>	<b>\$ 787,612</b>	<b>\$ 796,356</b>
<b>Tier 2 capital: instruments and allowances</b>								
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	\$ -		\$ -		\$ -		\$ -	
47 Directly issued capital instruments subject to phase out from Tier 2	65,000		65,000		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		31,889	
<b>51 Tier 2 capital before regulatory adjustments</b>	<b>\$ 96,890</b>		<b>\$ 96,890</b>		<b>\$ 96,890</b>		<b>\$ 96,889</b>	
<b>Tier 2 capital: regulatory adjustments</b>								
57 Total regulatory adjustments to Tier 2 capital	\$ -		\$ -		\$ -		\$ -	
<b>58 Tier 2 capital (T2)</b>	<b>96,890</b>		<b>96,890</b>		<b>96,890</b>		<b>96,889</b>	
<b>59 Total capital (TC = T1 + T2)</b>	<b>\$ 968,588</b>	<b>\$ 974,462</b>	<b>\$ 934,716</b>	<b>\$ 945,545</b>	<b>\$ 905,311</b>	<b>\$ 910,890</b>	<b>\$ 884,501</b>	<b>\$ 893,245</b>
<b>60 Total risk-weighted assets</b>	<b>\$ 5,968,000</b>	<b>\$ 5,975,788</b>	<b>\$ 5,664,575</b>	<b>\$ 5,680,450</b>	<b>\$ 5,433,025</b>	<b>\$ 5,440,496</b>	<b>\$ 5,259,384</b>	<b>\$ 5,270,468</b>
<b>Capital ratios</b>								
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.4%	13.6%	13.5%	14.1%	13.5%	13.8%	13.6%	14.0%
62 Tier 1 (as a percentage of risk-weighted assets)	14.6%	14.7%	14.8%	14.9%	14.9%	15.0%	15.0%	15.1%
63 Total capital (as a percentage of risk-weighted assets)	16.2%	16.3%	16.5%	16.6%	16.7%	16.7%	16.8%	16.9%
<b>OSFI all-in target</b>								
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%	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>								
80 Current cap on CET1 instruments subject to phase out arrangements	N/A		N/A		N/A		N/A	
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	75,469		75,469		75,469		88,047	
85 Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		-		-		-	

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

	2017			2016			2015	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(\$ THOUSANDS, EXCEPT PERCENTAGES)								
<b>On-balance sheet exposure</b>								
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	\$ 19,833,924	\$ 19,374,722	\$ 18,866,332	\$ 18,313,889	\$ 17,476,260	\$ 16,486,914	\$ 15,853,057	\$ 14,956,797
2 (Asset amounts deducted in determining Basel III "all-in" Tier 1 capital)	(19,310)	(15,207)	(11,875)	(12,263)	(5,955)	(4,441)	(5,807)	(6,760)
<b>3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>\$ 19,814,614</b>	<b>\$ 19,359,515</b>	<b>\$ 18,854,457</b>	<b>\$ 18,301,626</b>	<b>\$ 17,470,305</b>	<b>\$ 16,482,473</b>	<b>\$ 15,847,250</b>	<b>\$ 14,950,037</b>
<b>Derivative exposures</b>								
4 Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	\$ 16,229	\$ 18,199	\$ 12,117	\$ 13,752	\$ 4,006	\$ 1,775	\$ 627	\$ 1,468
5 Add-on amounts for PFE associated with all derivative transactions	26,785	19,743	18,722	15,113	12,361	9,113	13,476	9,411
6 Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-	-	-	-	-
7 (Deductions of receivables assets for cash variation margin provided in derivative transactions)	-	-	-	-	-	-	-	-
8 (Exempted CCP-leg of client cleared trade exposures)	-	-	-	-	-	-	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-	-	-	-	-	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-	-	-	-
<b>11 Total derivative exposures (sum of lines 4 to 10)</b>	<b>\$ 43,014</b>	<b>\$ 37,942</b>	<b>\$ 30,839</b>	<b>\$ 28,865</b>	<b>\$ 16,367</b>	<b>\$ 10,888</b>	<b>\$ 14,103</b>	<b>\$ 10,879</b>
12 Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	\$ -	\$ -	\$ 4,984	\$ 200,986	\$ 102,760	\$ 150,906	\$ 30,346	\$ 19,918
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-	-	-	-	-
14 Counterparty credit risk (CCR) exposure for SFTs	-	-	-	-	-	-	-	-
15 Agent transaction exposures	-	-	-	-	-	-	-	-
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,984</b>	<b>\$ 200,986</b>	<b>\$ 102,760</b>	<b>\$ 150,906</b>	<b>\$ 30,346</b>	<b>\$ 19,918</b>
<b>Other off-balance sheet exposures</b>								
17 Off-balance sheet exposure at gross notional amount	\$ 1,223,803	\$ 1,326,412	\$ 1,102,267	\$ 1,074,497	\$ 1,041,986	\$ 1,104,870	\$ 657,181	\$ 659,411
18 (Adjustments for conversion to credit equivalent amounts)	(869,867)	(982,930)	(771,282)	(758,512)	(780,234)	(826,196)	(408,910)	(402,620)
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>\$ 353,936</b>	<b>\$ 343,482</b>	<b>\$ 330,985</b>	<b>\$ 315,985</b>	<b>\$ 261,752</b>	<b>\$ 278,674</b>	<b>\$ 248,271</b>	<b>\$ 256,791</b>
<b>Capital and Total Exposure</b>								
20 Tier 1 capital	\$ 1,078,087	\$ 1,044,546	\$ 1,010,540	\$ 963,661	\$ 871,698	\$ 837,826	\$ 808,421	\$ 787,612
<b>21 Total Exposures (sum of lines 3, 11, 16 and 19)</b>	<b>\$ 20,211,564</b>	<b>\$ 19,740,939</b>	<b>\$ 19,221,265</b>	<b>\$ 18,847,462</b>	<b>\$ 17,851,184</b>	<b>\$ 16,922,941</b>	<b>\$ 16,139,970</b>	<b>\$ 15,237,625</b>
<b>Leverage Ratios</b>								
<b>22 Basel III Leverage Ratio</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.1%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.2%</b>

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



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

##### **Assets Under Management ("AUM")**

is the sum of total assets reported on the consolidated balance sheet and mortgage principal derecognized but still managed by the Company.

##### **Book value per common share**

is calculated by dividing common shareholders' equity by the number of common shares outstanding.

##### **Common Equity Tier 1 Capital ("CET1 Capital")**

is defined as shareholders' equity plus any qualifying other non-controlling interest in subsidiaries less preferred shares issued and outstanding, any goodwill, other intangible assets and cash flow hedge reserve components of accumulated other comprehensive income.

##### **CET1 Ratio**

is defined as CET1 Capital as a percentage of total RWA. This ratio is calculated for the Bank on the "all-in" basis in accordance with the guidelines issued by OSFI.

##### **Efficiency Ratio**

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

##### **Leverage Ratio**

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

##### **Liquid assets**

is a measure of the Company's cash or assets that can be readily converted into cash, which are held for the purposes of funding mortgages, deposit maturities, and the ability to collect other receivables and settle other obligations.

##### **Mortgages Under Management ("MUM")**

is the sum of mortgage principal reported on the consolidated balance sheet and mortgage principal derecognized but still managed by the Company.

##### **Net interest margin ("NIM")**

is calculated on an annualized basis by dividing net interest income – TEB by the average total interest earning assets for the period.

##### **Net revenue**

is calculated as the sum of net interest income, other income, and the TEB adjustment.

##### **Provision for credit losses – rate**

is calculated on an annualized basis and is defined as the provision for credit losses as a percentage of average loan portfolio outstanding during the period.

##### **Return on average assets**

is calculated on an annualized basis and is defined as net income as a percentage of average month-end total assets balances outstanding during the period.

##### **Return on shareholders' equity ("ROE")**

is calculated on an annualized basis and is defined as net income available to common shareholders as a percentage of the weighted average common equity outstanding during the period.

##### **Risk-weighted assets ("RWA")**

represents the Bank's assets and off-balance sheet exposures, weighted according to risk as prescribed by OSFI under the CAR Guideline.

##### **Securitization Financing MUM**

is the sum of Securitization Financing mortgage principal reported on the consolidated balance sheet and Securitization Financing mortgage principal derecognized but still managed by the Company.



**Non-GAAP measures**

**Taxable equivalent basis ("TEB")**

The TEB methodology grosses up tax-exempt income, such as dividends from equity securities, by an amount which makes this income comparable on a pre-tax basis to regular taxable income such as mortgage interest.

**Tier 1 Capital**

is calculated by adding non-cumulative preferred shares to CET1 Capital.

**Tier 2 Capital**

is equal to the sum of the Bank's collective allowance and subordinated debentures.

**Tier 1 Ratio**

is calculated by dividing Tier 1 Capital by Total RWA. This ratio is calculated for the Bank on the "all-in" basis in accordance with the guidelines issued by OSFI.

**Total Capital**

equals to Tier 1 plus Tier 2 Capital.

**Total Capital Ratio**

is calculated by dividing Total Capital by Total RWA. This ratio is calculated for the Bank on the "all-in" basis in accordance with the guidelines issued by OSFI.



## **Acronyms**

### **AOCI**

Accumulated Other Comprehensive Income (Loss)

### **BCBS**

Basel Committee on Banking Supervision

### **CAR**

Capital Adequacy Requirements

### **CMB**

Canada Mortgage Bond

### **CMHC**

Canada Mortgage and Housing Corporation

### **EPS**

Earnings per Share

### **GAAP**

Generally Accepted Accounting Principles

### **GICs**

Guaranteed Investment Certificates

### **HELOC**

Home Equity Line of Credit

### **HISAs**

High Interest Savings Accounts

### **LTV**

Loan-to-Value ratio

### **MBS**

Mortgage-backed securities

### **NHA**

National Housing Act

### **OSFI**

Office of the Superintendent of Financial Institutions Canada

### **TFSAs**

Tax-Free Savings Accounts