

EQUITABLE



Forward-Looking Statements

Certain forward-looking statements may be made in this presentation, including statements regarding possible future business, financing and growth objectives. Investors are cautioned that such forward-looking statements involve risks and uncertainties detailed from time to time in the Company's periodic reports filed with Canadian regulatory authorities. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Equitable Group Inc. does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf except in accordance with applicable securities laws.

Today's Main Topic

Drivers of record Q3 earnings that supported second dividend increase of 2016



Our Best Quarter Ever For Franchise Growth

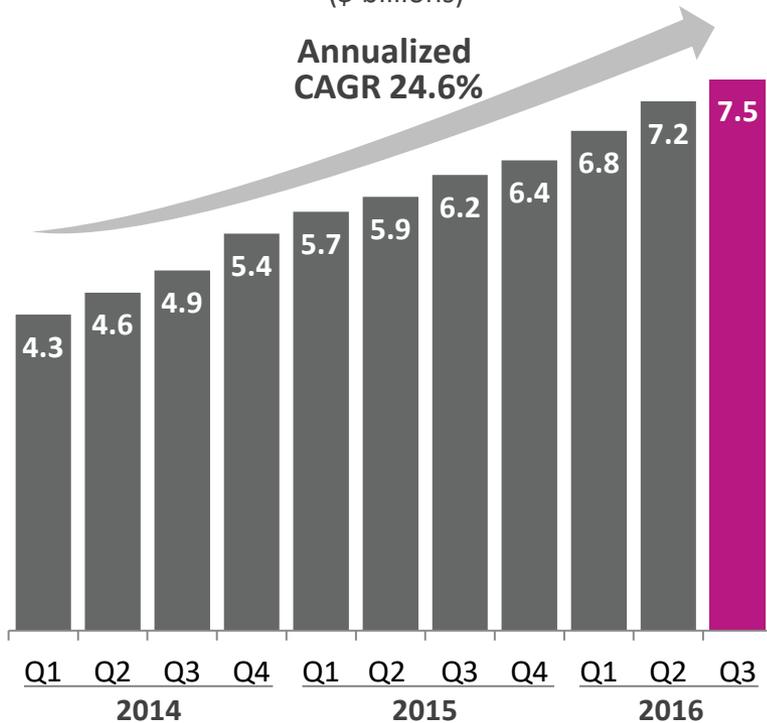
	Originations Q3 2016	Change Year over Year	Mortgage Principal At Sept.30, 2016	Change Year over Year
Single Family	\$1.1B	41% ↑	\$7.5B	21% ↑
Commercial	\$367M	56% ↑	\$2.7B	19% ↑
Securitization Financing MUM			\$9.7B	31% ↑
Prime (third-party sourced)	\$268M	37% ↓		
Prime (internally generated)	\$228M	130% ↑		
Multi-Unit Residential	\$244M	9% ↓		
Total	\$2.2B	22% ↑	\$19.9B	25% ↑

Our First \$2B+ Quarter of Originations, MUM Closing In On \$20B

Alternative Single Family Lending

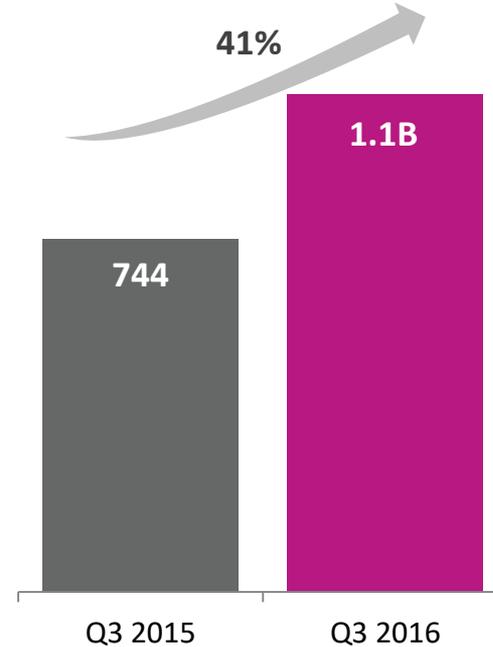
Mortgage Principal (\$ billions)

Annualized
CAGR 24.6%



Mortgage Originations (\$ millions)

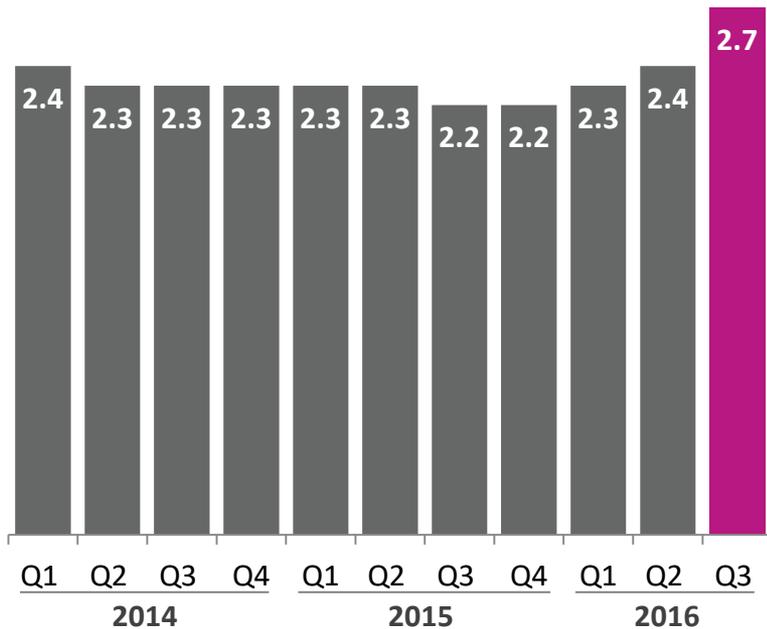
41%



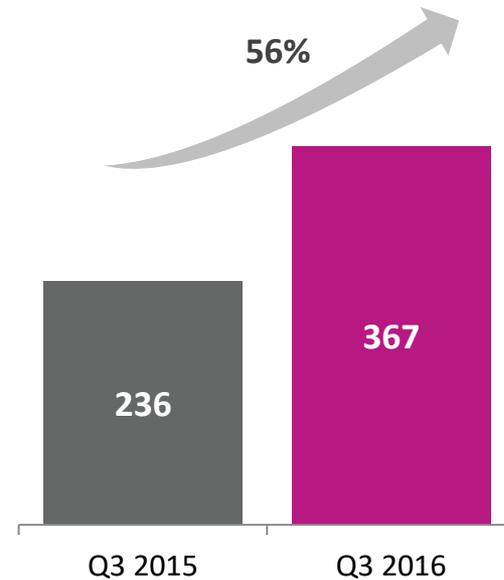
Record Originations Driven By Service Quality, Market Share

Commercial Lending

Mortgage Principal (\$ billions)



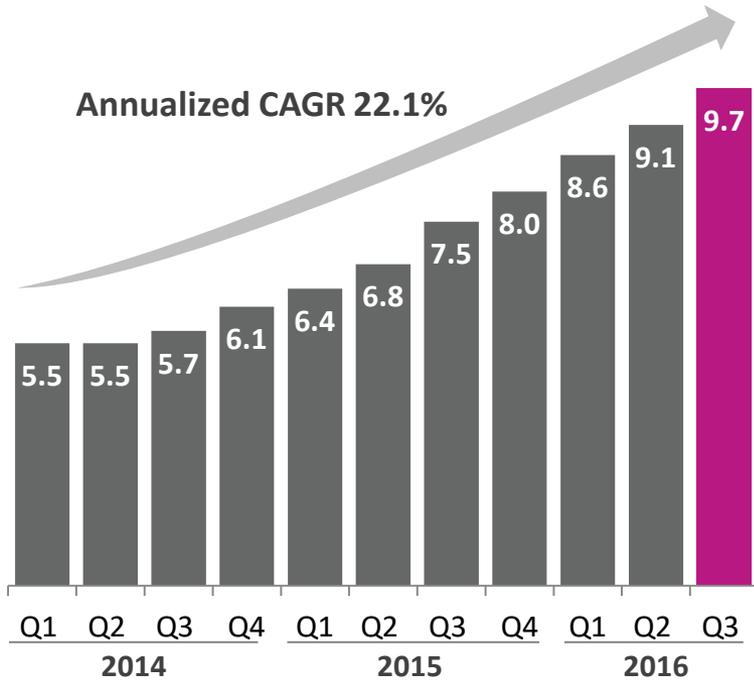
Mortgage Originations (\$ millions)



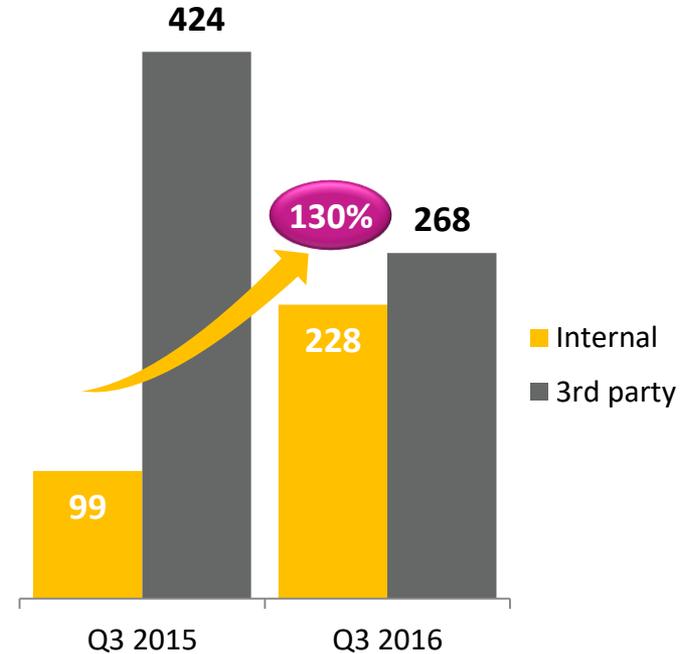
Realizing Benefits of Refined Market Focus

Securitization Financing

Mortgages Under Management
(\$ billions)



Prime Originations
(\$ millions)



MUM Growth Due to Success in Building Prime Business

Recently Recognized For Excellence

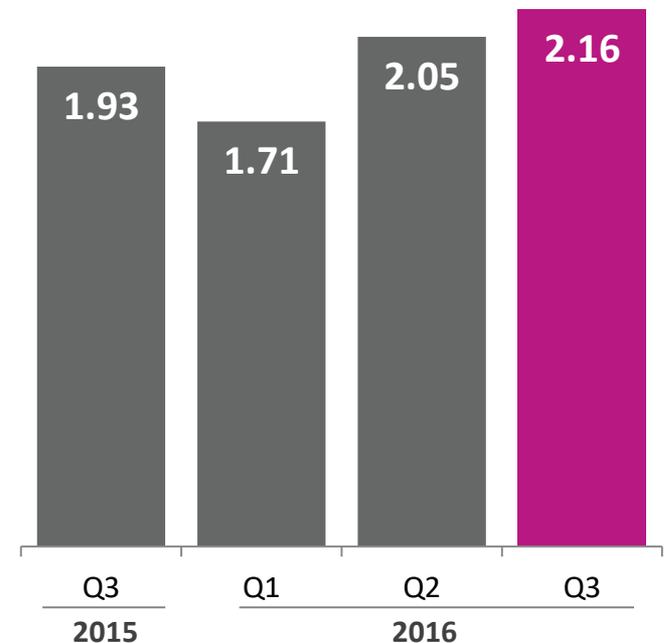


Employee Engagement Drives Shareholder Value Creation

Record Quarterly Earnings

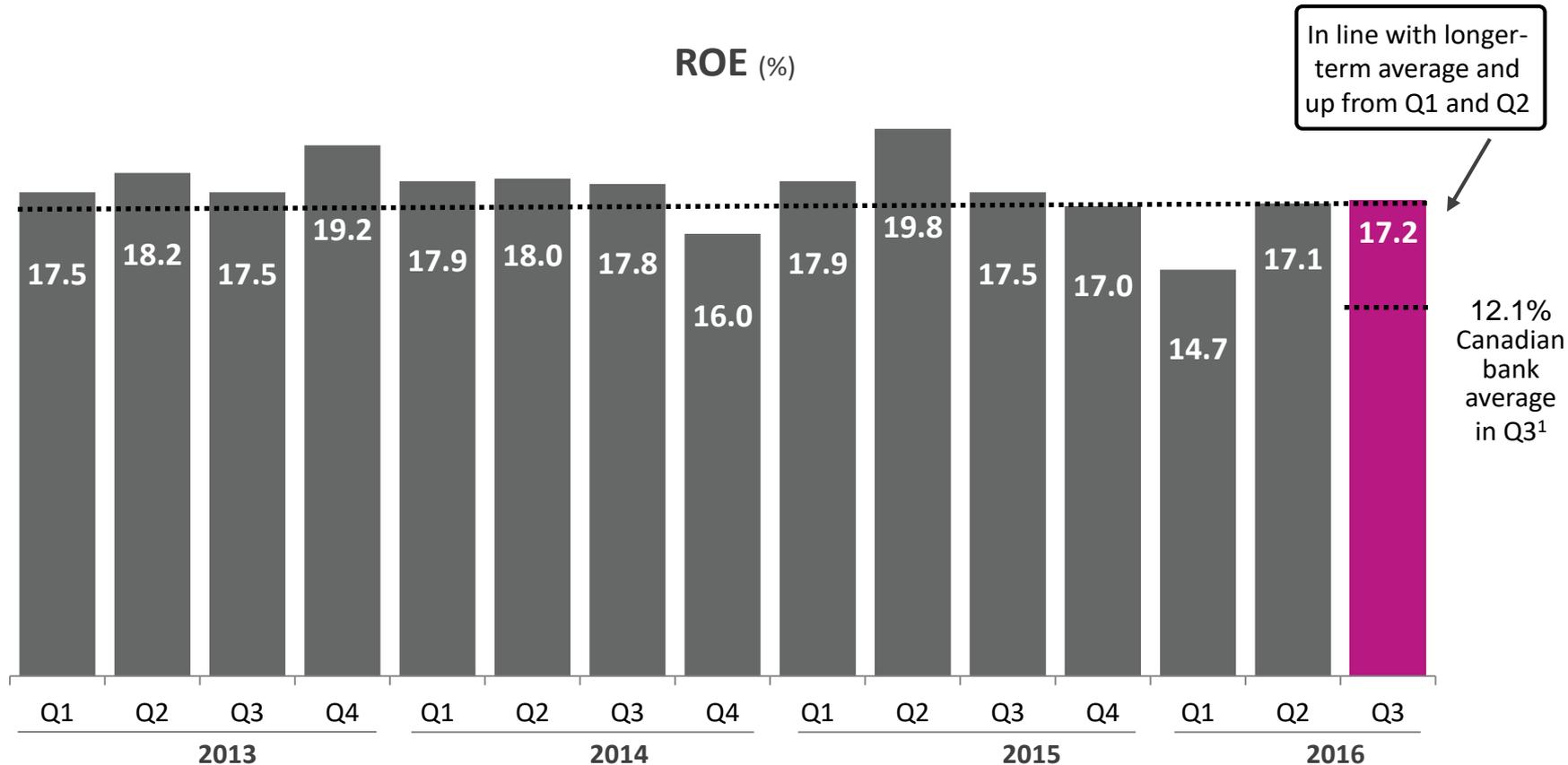
- EPS 12% higher than last year
- EPS 5% higher than Q2 2016
- Driven by top line growth

Earnings Per Share Diluted
(\$)



Best-ever EPS Even With \$0.19 Impact of Strategic Investments

Creating Value for Our Shareholders



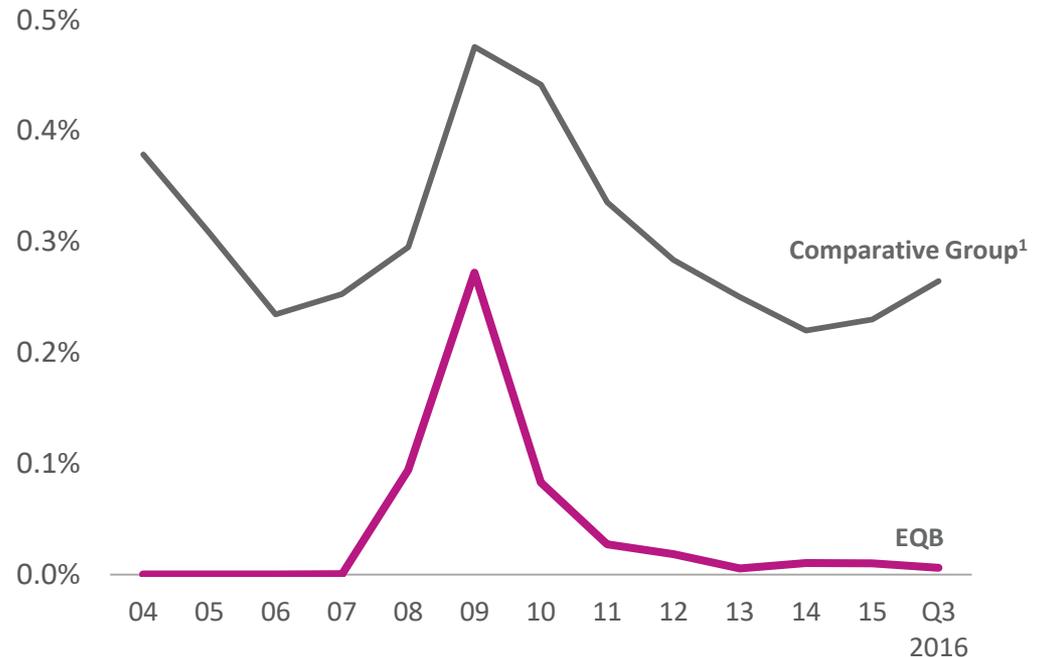
Consistent ROE and Retained Earnings Drives Ongoing Value Creation

¹ Average of all publicly traded Canadian banks, excluding Equitable

Best in Class Credit Performance Continues

- Allowance for credit losses of total mortgage assets 0.20% much higher than Bank's average loss rate of 0.04% over past decade
- PCL was 0.03% of average mortgage principal in Q3 reflecting quality of book
- Expect Single Family arrears rates and losses to remain low in most regions for remainder of 2016

Net Realized Credit Losses as a % of Total Loans



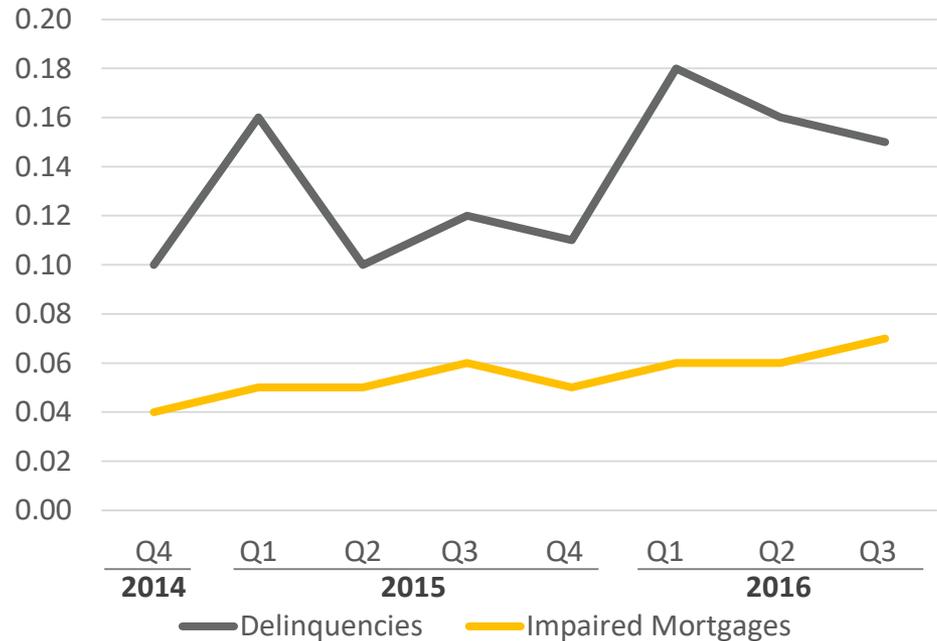
Well Protected By Allowance for Credit Losses

1. Represents eight largest publicly traded banks

Focus On Alberta and Saskatchewan

- Early-stage delinquencies down from Q2 2016
- Cautious approach to market reflected in:
 - 60% of assets insured
 - 40% uninsured with vast majority in Calgary & Edmonton
 - 66% uninsured LTV

Delinquencies/Impaired Mortgages
(% of total mortgage principal)



Provision for credit losses \$0.6 million YTD on impaired mortgages

New Department Of Finance Mortgage Rules

Expected Market Impact

- Increase conventional market, decrease insured market
- May affect overall level of housing activity and pricing
- Will take time to get full visibility on the impact

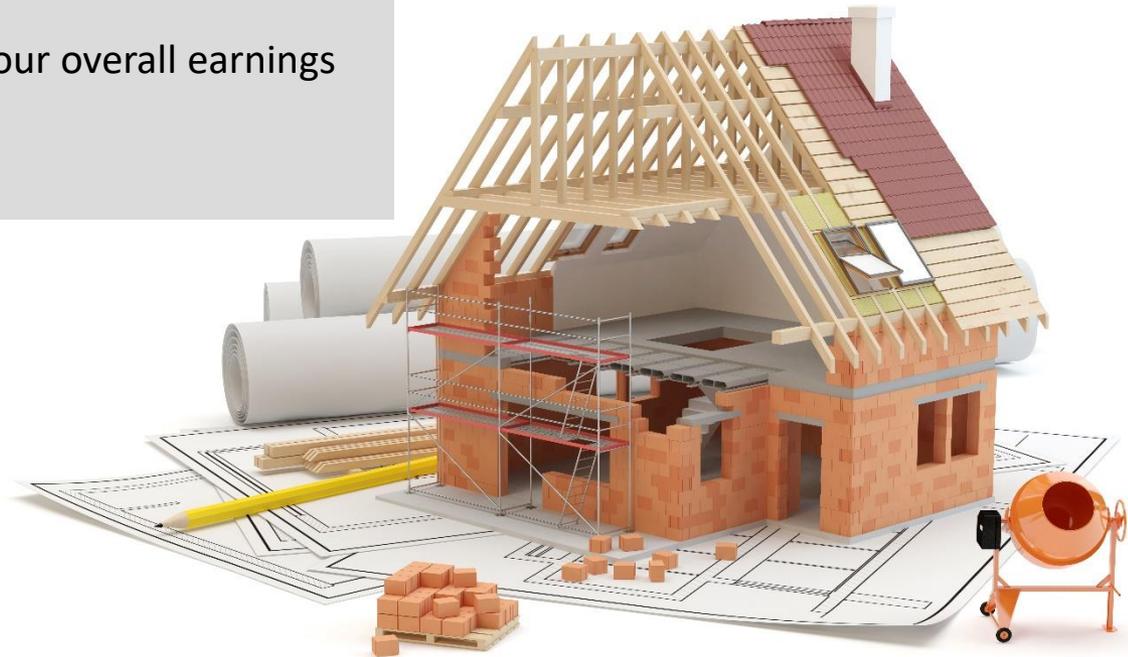
Expected Equitable Impact

- Pressure on prime originations (potentially offset by increased market share)
- Alternative portfolio should continue to grow at high rates – not directly impacted
- Certain funding costs may increase but diversified sources of deposits provide key advantage



Our Preliminary View of Rule Changes

- No need to alter core strategies, use of service as a differentiator
- Expect changes to be neutral to our overall earnings prospects

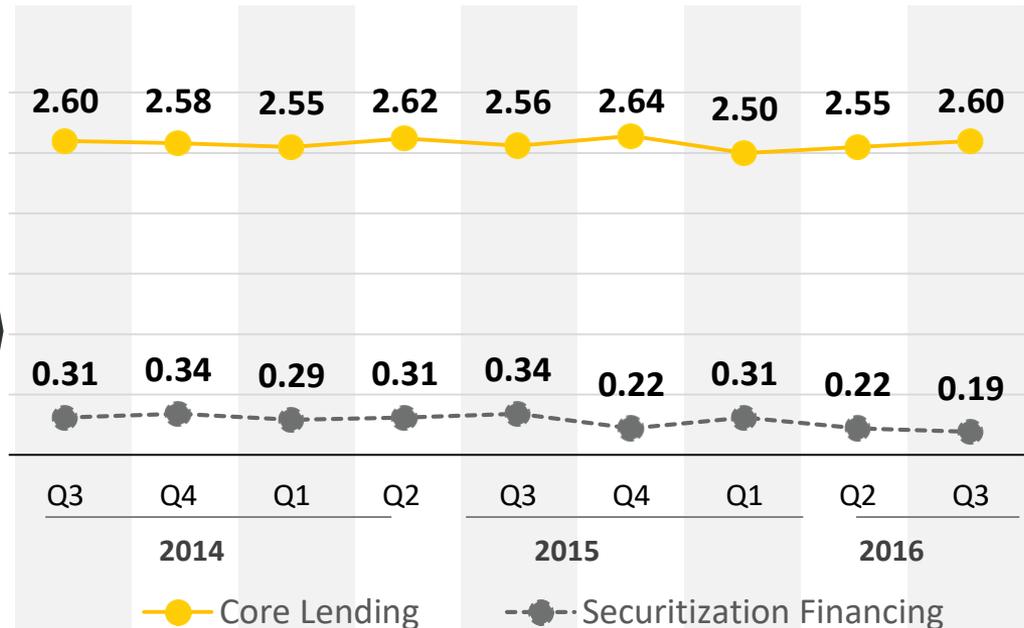


New Rules Should Create More Market Stability Over The Long Run

Profitability Trends

- Record Q3 net interest income of \$71M, 15% above last year on higher average asset balances
- NIM trend reflects shift in asset mix to Securitization Financing and decline in NIM within that business

Net Interest Margin – TEB



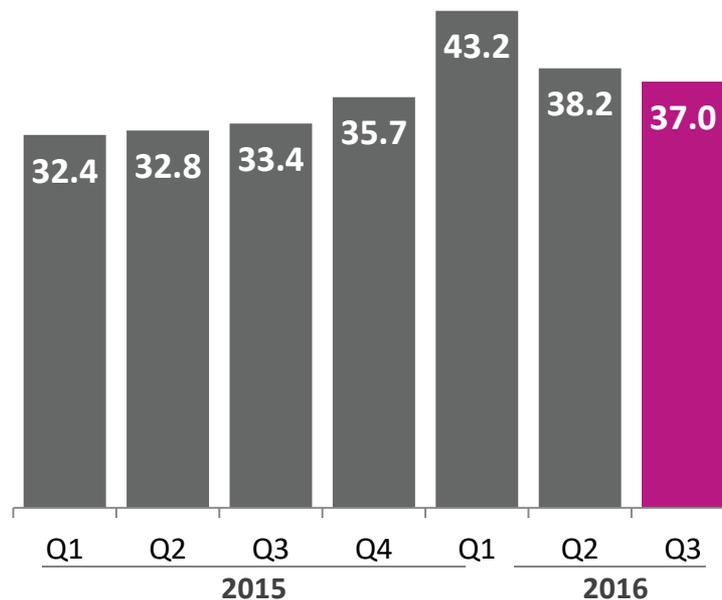
Total NIM	1.74	1.76	1.74	1.79	1.73	1.69	1.62	1.61	1.64
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Expect NII to Grow at Mid to High Teen Rates YoY in Q4

Investing For Our Future

- Investments in strategic initiatives of \$4.1M, 180% higher than last year (20% above Q2 2016)
- Other non-interest expenses up \$4.3M (21%) year over year (flat to Q2 2016)
- Expect Efficiency Ratio to remain in the mid 30% range in Q4 and in 2017 as we continue to invest for future

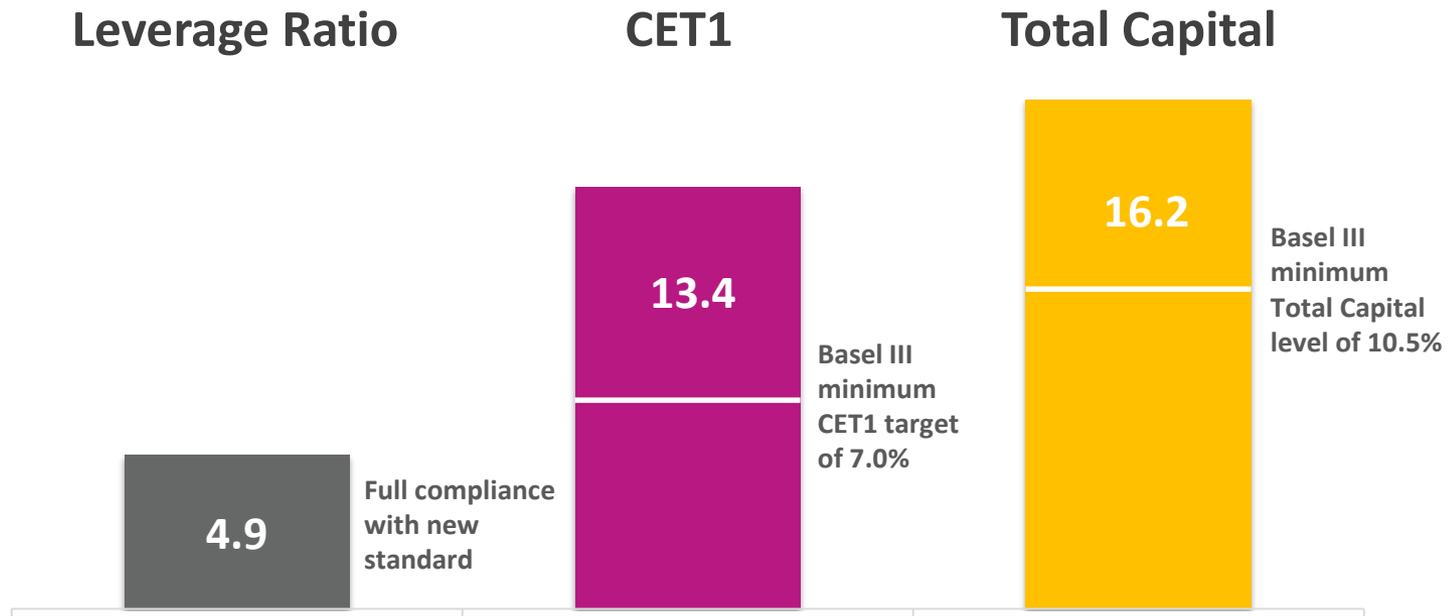
Efficiency Ratio
(%)



Remain Canada's Most Efficient Schedule I Bank

Solid Capital Ratios

September 30, 2016 (%)



Asset Derecognition Will Continue As Warranted by Asset Growth

Subsequent Event



- Became successor issuer on \$3.1 B of NHA MBS pools
- Transaction closed October 18, 2016
- Expected to be accretive to EPS through 2020
- Excess spread income, net of costs, will be reported as “other income”

Excellent Use of Cash Without Impact on Capital Ratios

A Transformative Year

Online banking certainly has its offline benefits.

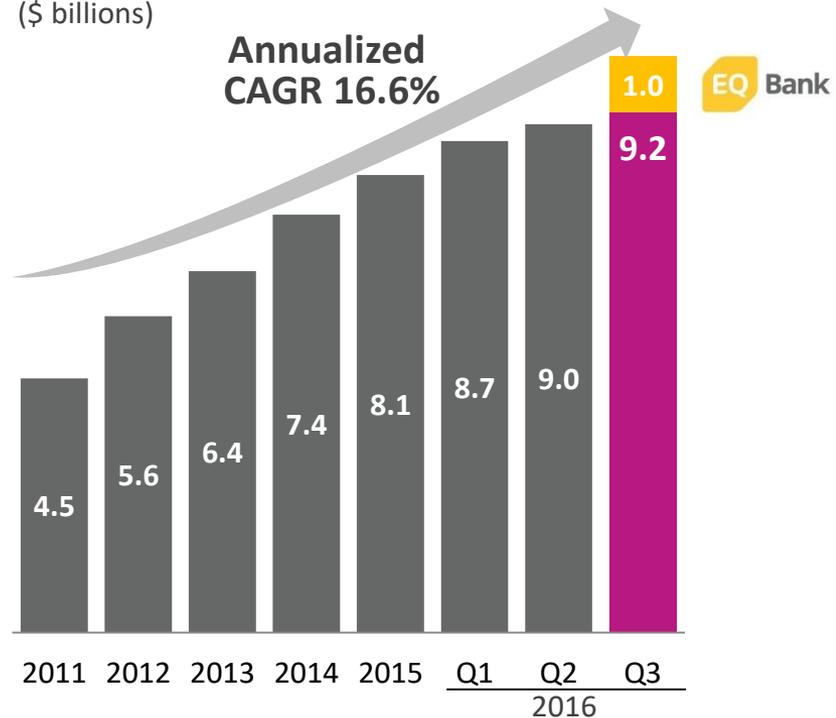
2.00% everyday interest rate* | No branches. More savings.



EQ Bank
Money Well Banked.
eqbank.ca

*Registered trademark of Equitable Bank.
*Annualized CAGR based on year-over-year growth. Some services not subject to this rate.

Deposit Principal
(\$ billions)



EQ Bank Now Serves 26,000 Customers

Summary

1 Record Q3 earnings demonstrate the value of our franchise

2 Significant growth potential in all Bank lines