

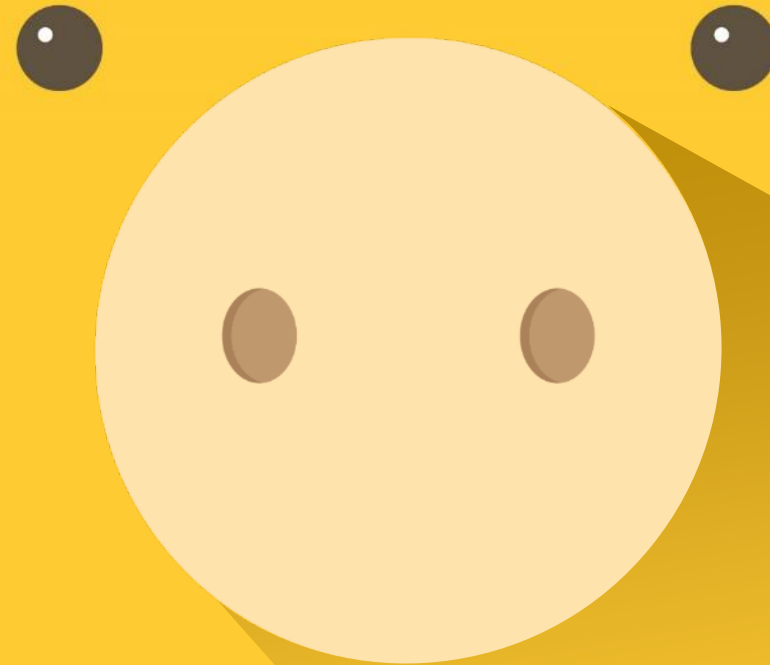
EQUITABLE

TSX EQB
EQB.PR.C

CHALLENGER

First Quarter Report

For the three months ended March 31, 2018



Forward-Looking Statements

Certain forward-looking statements may be made in this presentation, including statements regarding possible future business, financing and growth objectives. Forward-looking statements include, but are not limited to, statements relating to our financial performance objectives, vision and strategic goals, the economic and market review and outlook, the regulatory environment in which we operate, the outlook and priorities for each of our business lines, the risk environment including our liquidity and funding risk, and statements by our Chief Executive Officer and Chief Financial Officer. The forward-looking information contained herein is presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision and strategic goals, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could” or “would”. 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.

First Quarter Highlights



Solid Quarterly Earnings of \$40.2MM

Record Mortgages Under Management of \$23.8Bn

2nd Common Share Dividend Increase of 2018

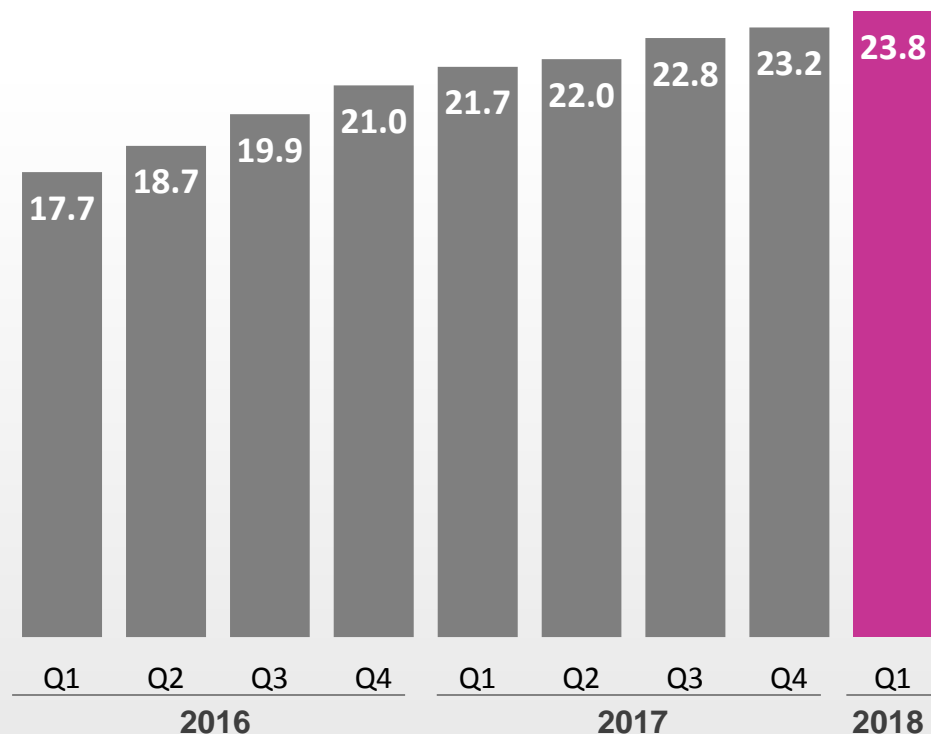
Continued to Enhance and Diversify Our Business

Successfully Expanding Our Role as Canada's Challenger Bank™

High Quality Asset Growth Across All Businesses

Mortgages Under Management

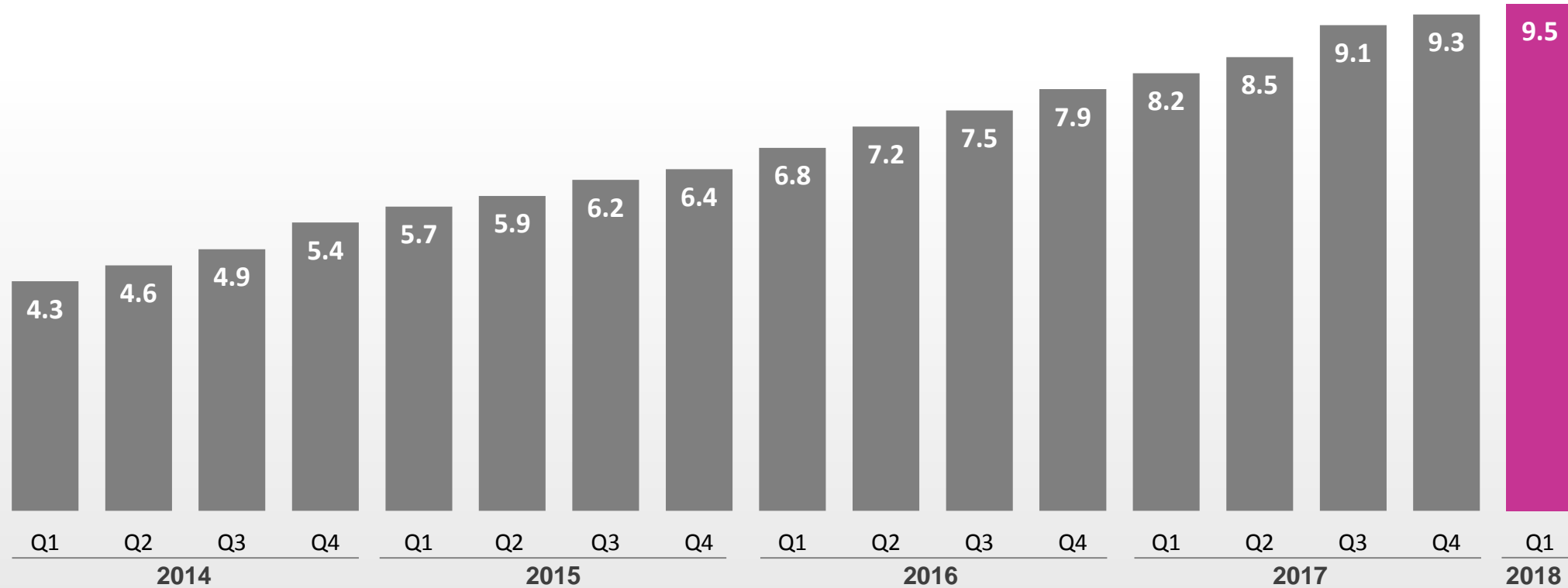
(\$ billions)



	MUM ¹ Mar 31, 2018	Change YoY	MUM ¹ Dec 31, 2017	Change Q-Q
Single Family	\$9.5B	16%	\$9.3B	2%
Commercial	\$3.1B	4%	\$2.9B	6%
Securitization Financing	\$11.2B	6%	\$10.9B	2%
Total	\$23.8B	9%	\$23.2B	2%

Alternative Single Family Lending

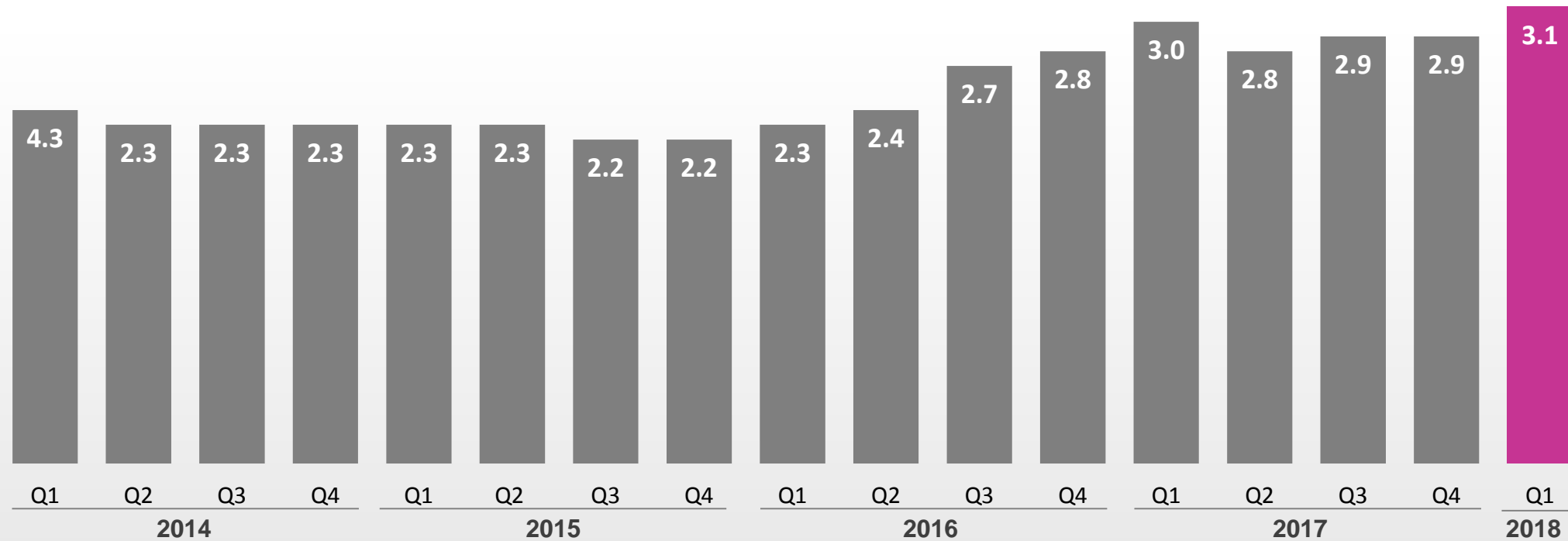
Mortgage Principal
(\$ billions)



Assets Grow Despite Challenging Market Conditions

Commercial Lending

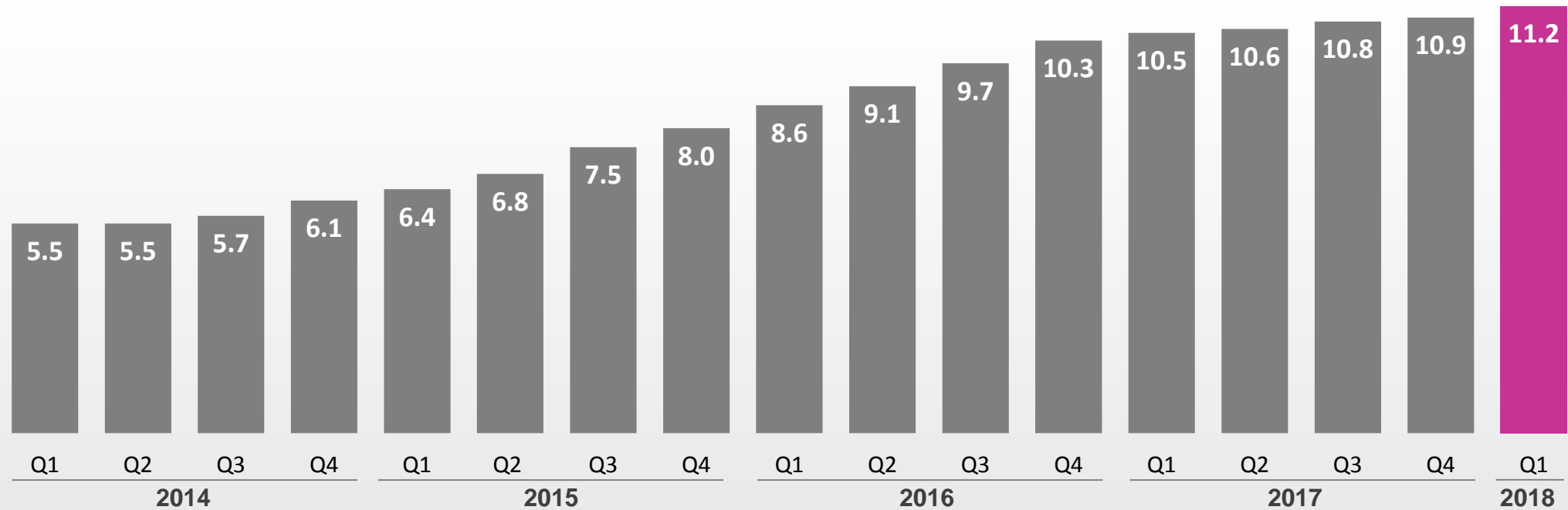
Mortgage Principal (\$ billions)



Record Q1 Originations Reflect Increased Strategic Focus on Commercial

Securitization Financing

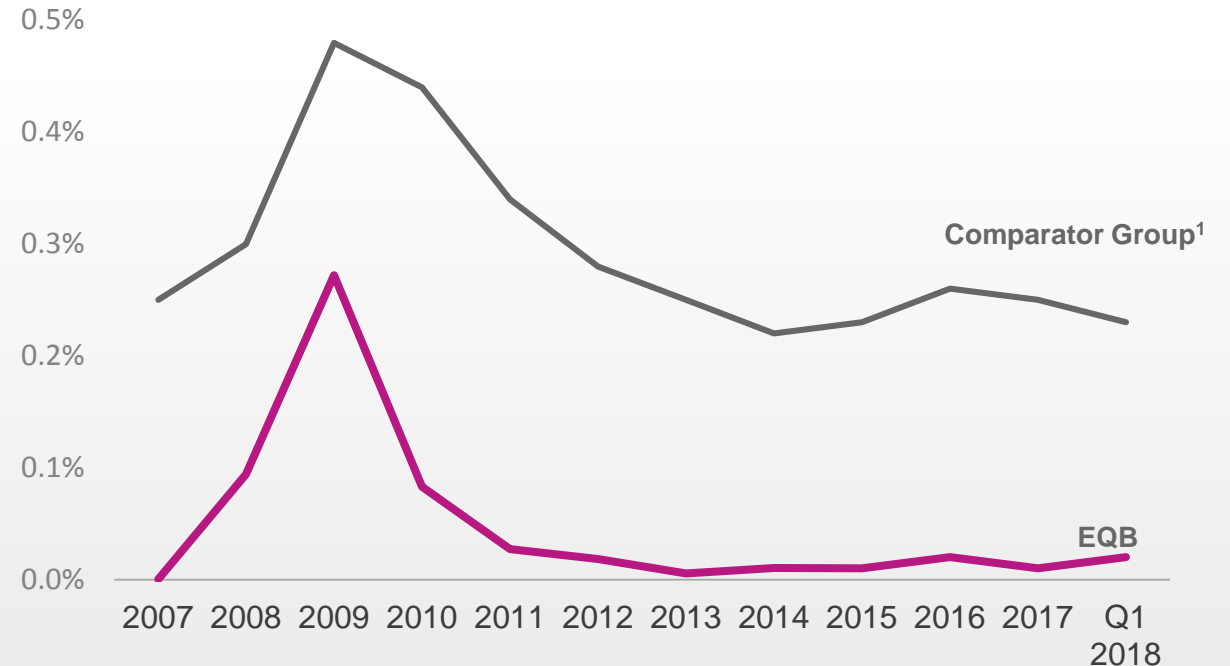
Mortgages Under Management (\$ billions)



Best in Class Credit Performance Continues

- **Net impaired mortgage assets** of \$26.2M or only 0.13% of total mortgage book (versus 0.21% a year ago)
- **Allowance for credit losses** to total mortgage assets ratio of 0.13% much higher than Bank's average loss rate of 0.04% over past decade
- **PCL** of \$0.8M (2 basis point of average loan balances) reflects quality of book
- **IFRS 9** adopted January 1, 2018

Net Realized Credit Losses as a % of Total Loans

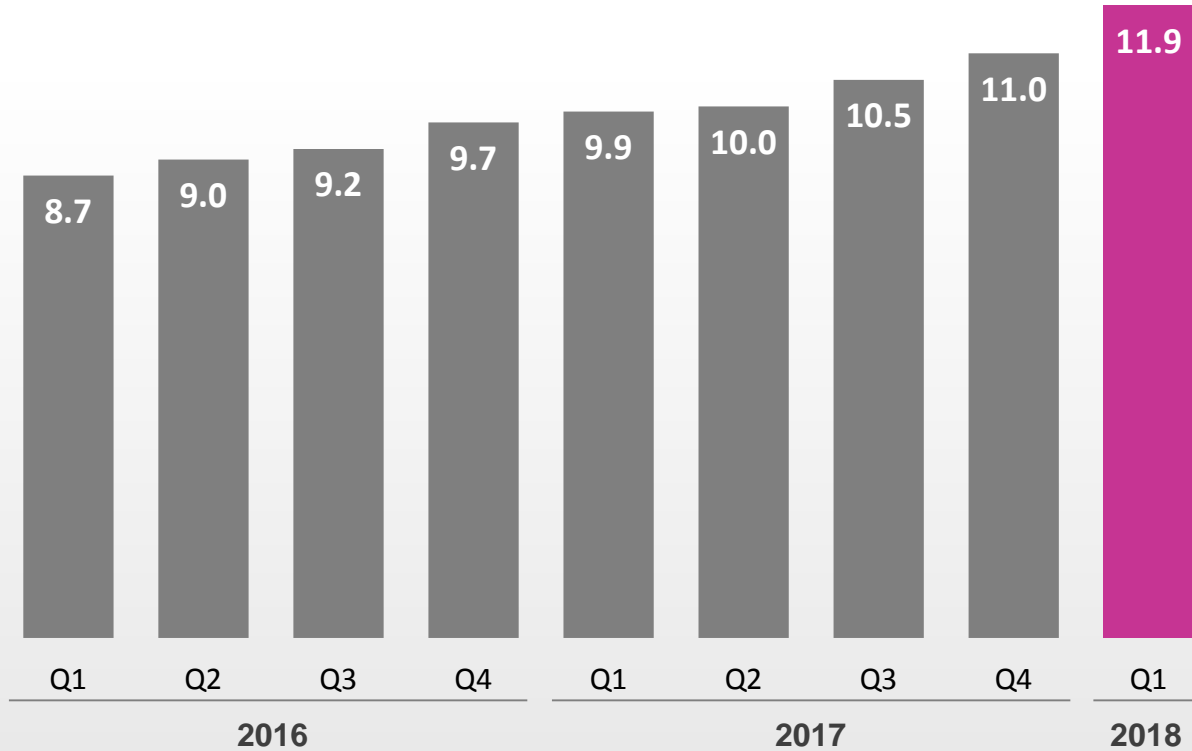


1. Represents eight largest publicly traded banks

Well Protected By Allowance for Credit Losses

Growing Our Deposit Base

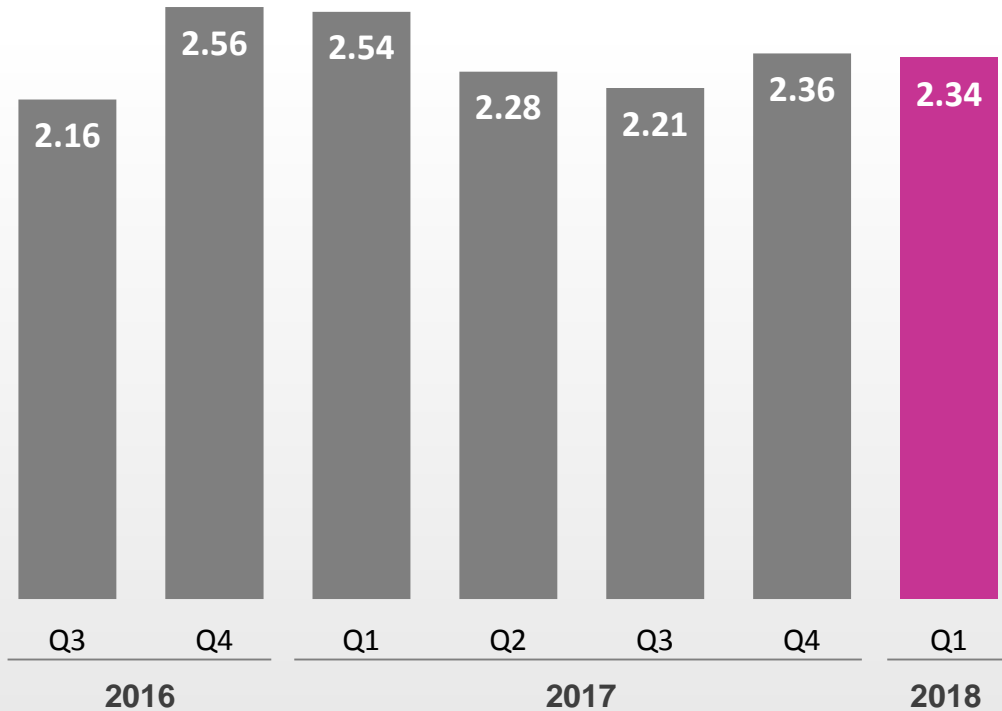
Deposit Principal Balances
(\$ billions)



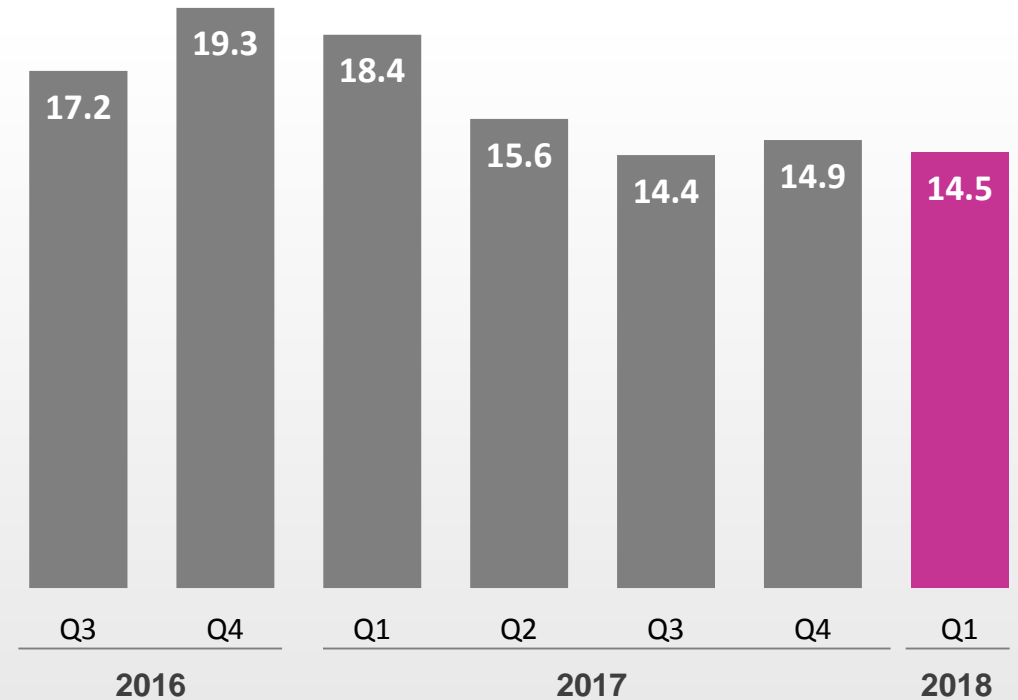
19% YoY Growth With EQ Bank Ahead 42%

Solid Profitability Despite Backstop Costs

Earnings Per Share Diluted
(\$)



ROE
(%)



Backstop Reduced Q1 EPS by \$0.27 and Q1 ROE by 1.6%

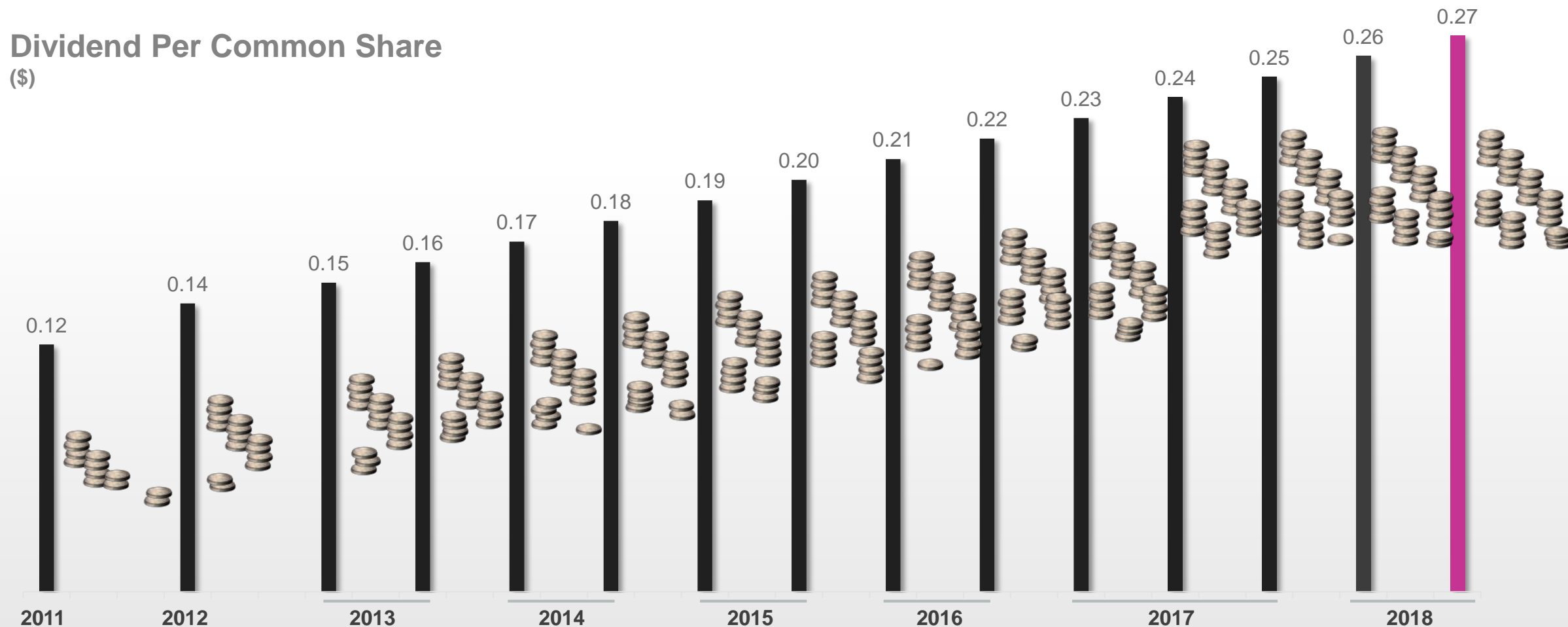
Profitability Driving Book Value Consistently Higher

Book Value Per Share
(\$)



Common Share Dividend Growth Continues

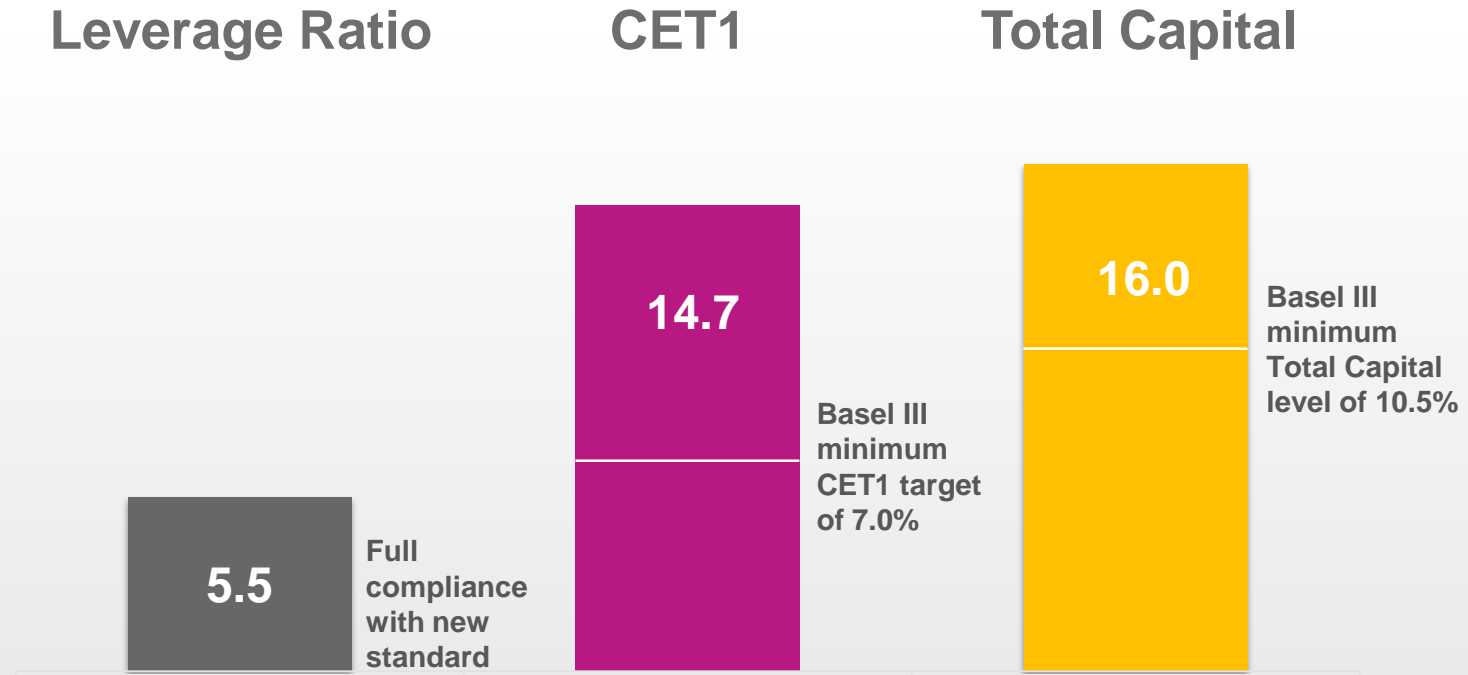
Dividend Per Common Share
(\$)



Announced Second Increase of 2018

Capital Ratios Exceed Requirements

March 31, 2018 (%)



Liquidity Action Costs And Maple Continue To Influence Performance

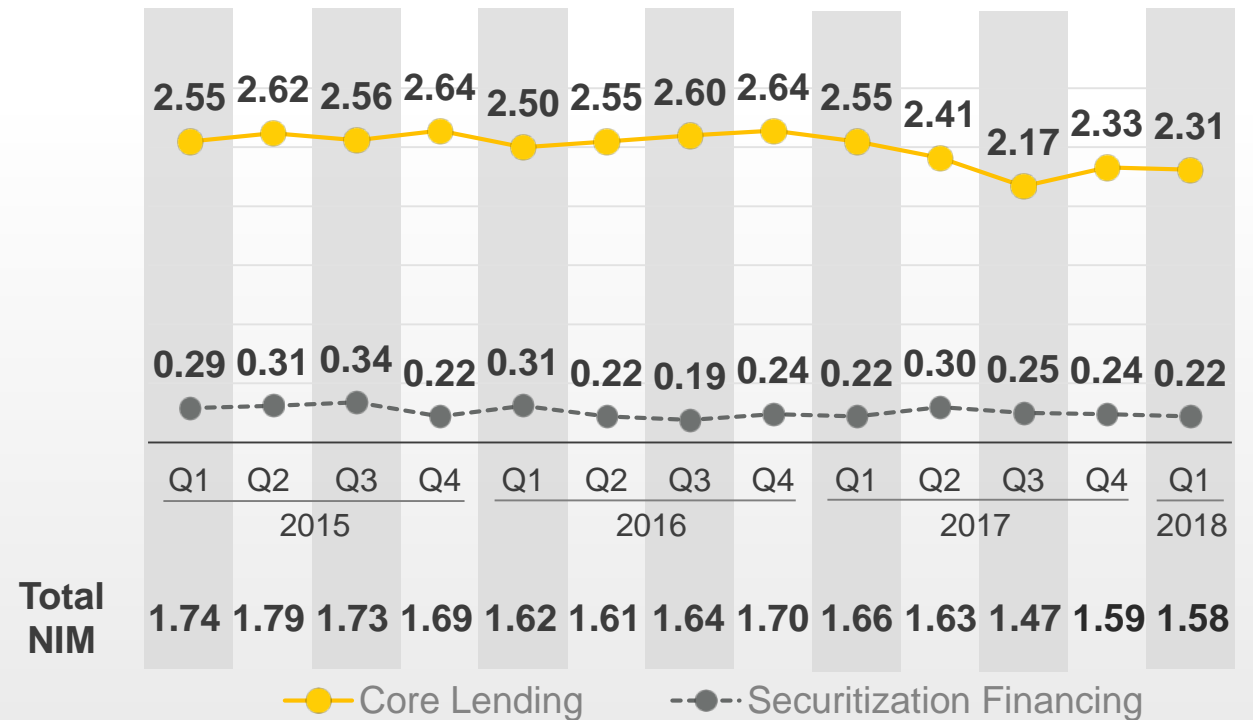
	Q1/18 EPS Impact	Q4/17 EPS Impact	Q1/17 EPS Impact
Liquidity Events Costs	(\$0.27)	(\$0.32)	Nil
Maple Asset EPS Benefit	\$0.06	\$0.08	\$0.11

Liquidity Event Costs Will Be ~\$5M Per Quarter in 2018

Margin Trends

- **NII** an all-time quarterly record of \$81.3M, up 4% YoY
- **Core Lending NIM** down mainly due to lower liquidity event costs

Net Interest Margin – TEB

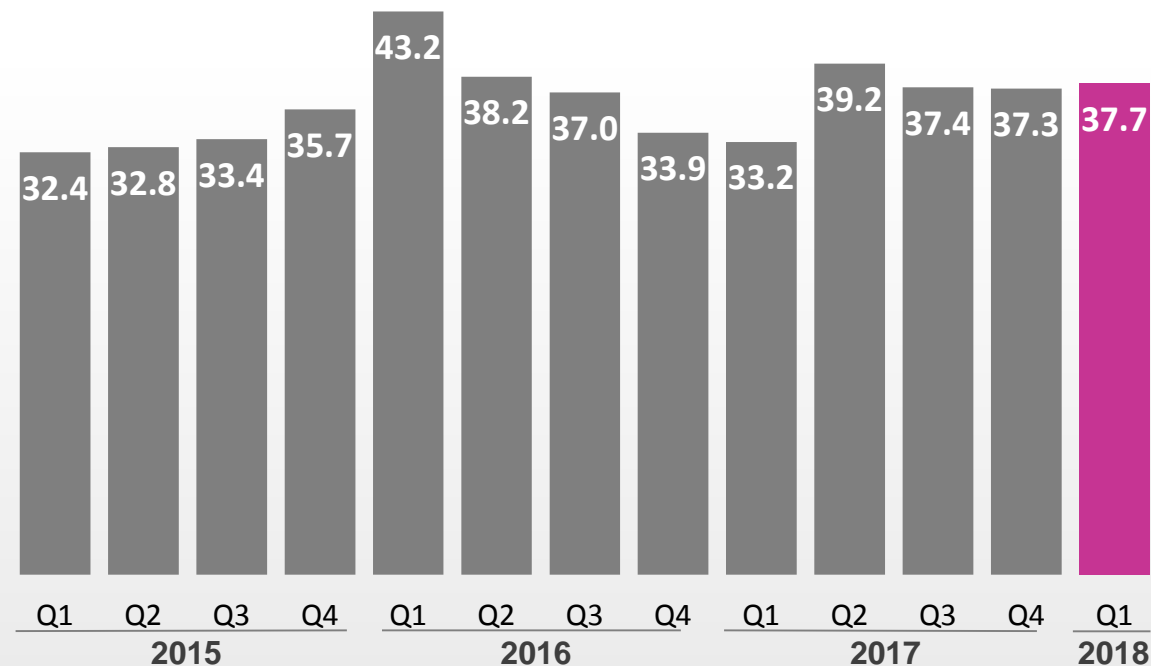


Expect NII To Grow 8-10% in 2018, NIM Range of 1.55% to 1.60%

Investing While Maintaining Tight Cost Controls

Q1 non-interest expenses 13% higher Y-o-Y on 7% FTE growth, higher marketing expenses in connection with EQ Bank and regulatory/legal fees

Efficiency Ratio (%)



Canada's Most Efficient Schedule I Bank

Strong Operating and Financial Metrics



PATH Home Plan Socialization Begins



Target Market

- Homeowners 55 years and older
- Residents of larger urban centers, such as Toronto or Calgary

Distribution

- Through Canada's vibrant mortgage broker community

Loan Parameters

- Maximum LTV at origination of 40%
- Term of up to 5 years
- Floating interest rate (based off prime)

Brand

- PATH Home Plan branding
- Delivers message of reverse mortgages being a natural part of an overall financial plan

2018 Capital And Liquidity Areas Of Focus

- Deploy capital to grow existing business, with more emphasis on Commercial
- Evaluate capital needs relative to opportunities
- Consider funding strategies including need, cost of backstop facility post June 2019

Potential Capital Strategies

Asset Growth

Return to Shareholders

Our Newest FinTech Partnership

- New deposit account offering for Wealthsimple clients
- Equitable chosen because of our strong technology foundation and customer-focused approach
- Partnership further diversifies funding sources, underscores our focus on digital banking opportunities



Summary



- Solid quarter of asset growth and profitability
- Dividend increased for 2nd time in 2018
- Launched EQ Bank GICs, Reverse Mortgages
- Expect continued asset growth

