



Second Quarter 2015

August 14, 2015

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.

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Your Hosts

Andrew Moor

President and Chief Executive Officer

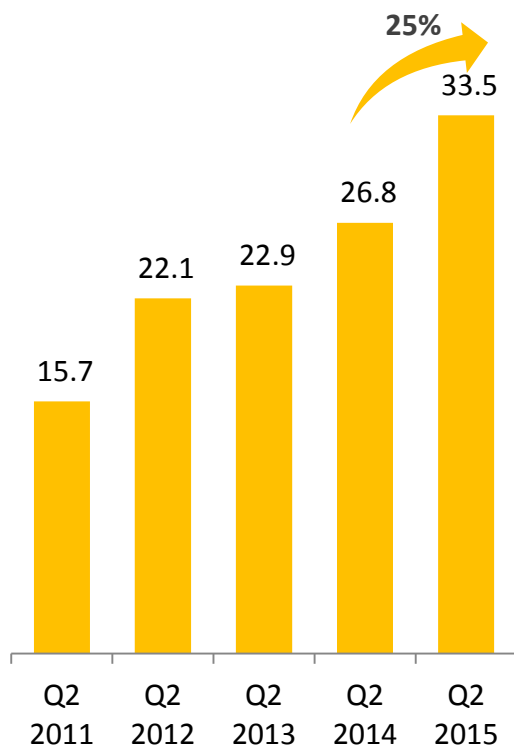
Tim Wilson

Vice-President and Chief Financial Officer

Best Ever Quarterly Earnings Performance

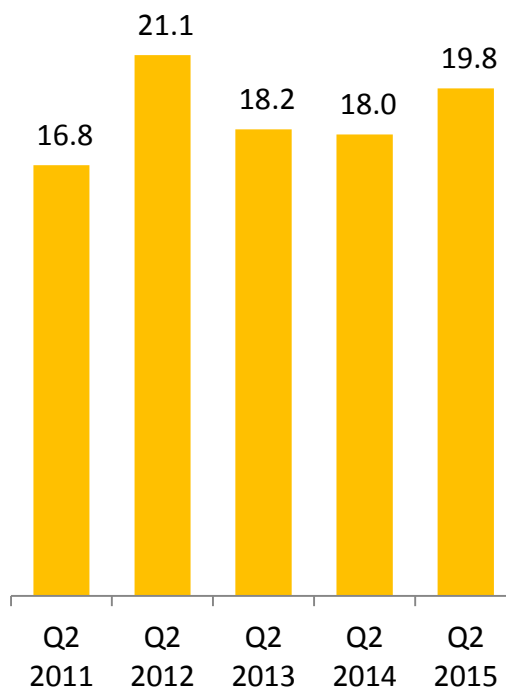
Net Income

(\$ millions)



ROE

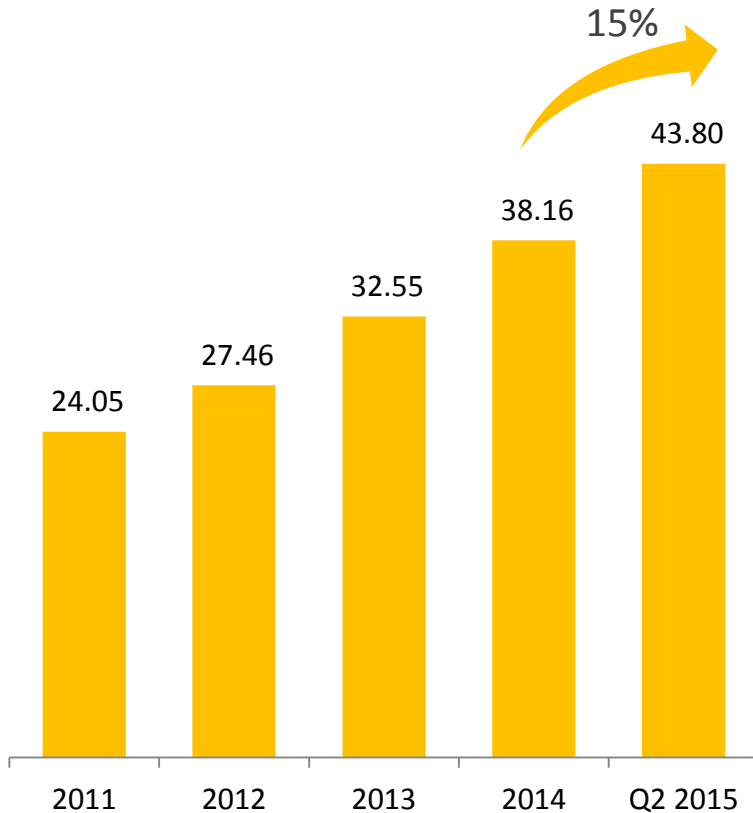
(%)



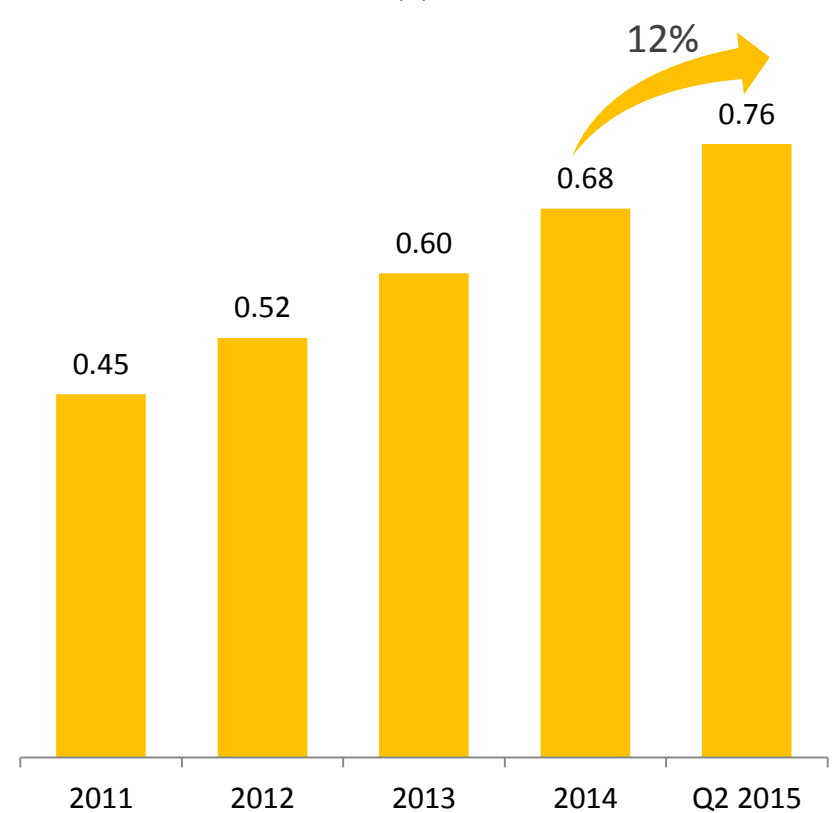
- Strong fundamentals produced excellent loan and deposit growth
- ROE at 19.8% above 5-year average of 17.5%
- Investment gain added 10 cents to Q2 EPS
- Even without gain, best ever quarter of earnings

Consistently Growing Shareholder Value

Book Value
(\$)

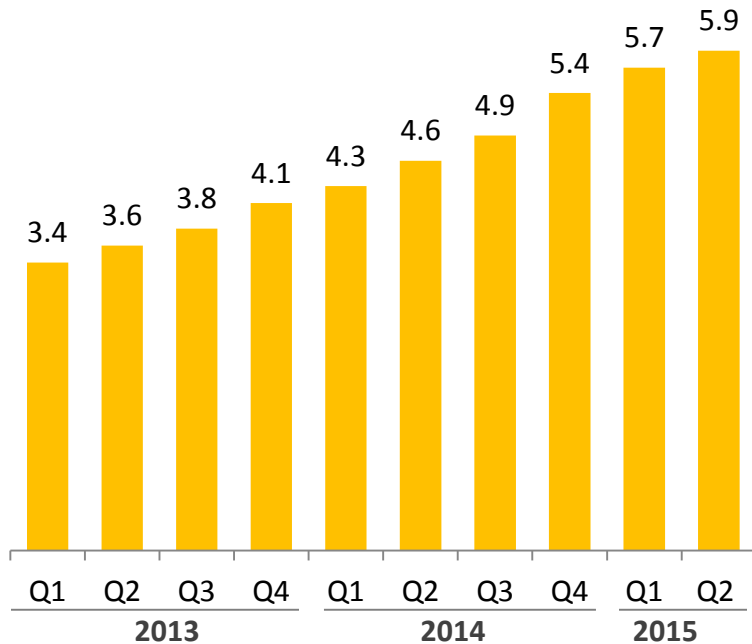


Annualized Common Share Dividends
(\$)

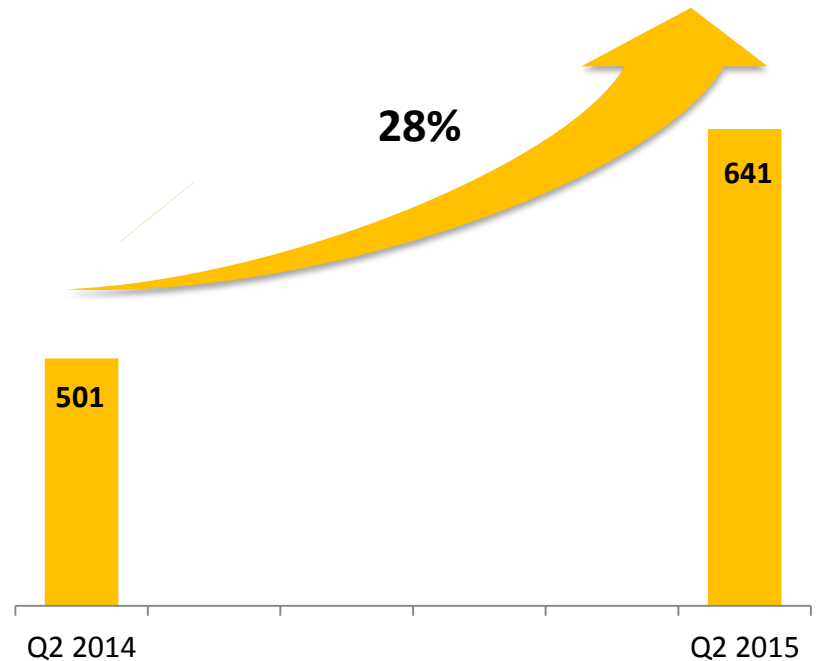


Single Family Lending

Mortgage Principal (\$ billions)



Mortgage Originations (\$ millions)



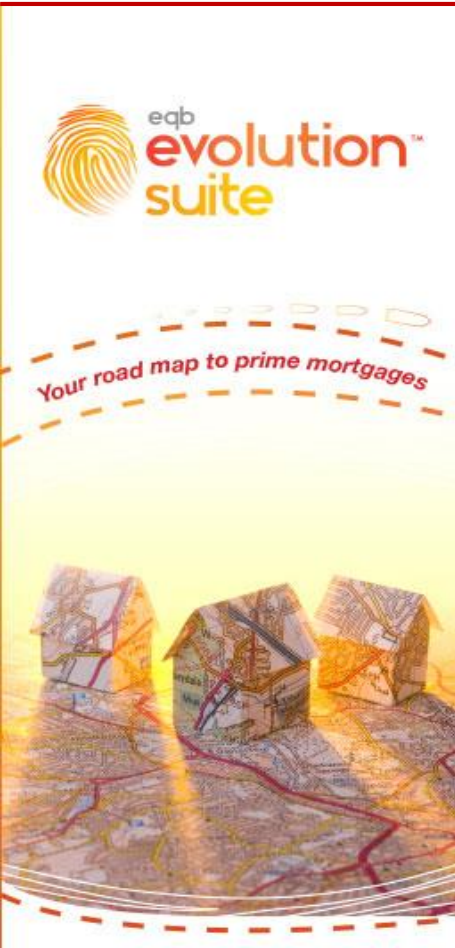
Mortgage Principal up 30% on High Quality Originations

Building Our Brand: A Recent Example

- Opened Regional office in June to enhance responsiveness, growth capacity
- Now have \$352M book in B.C. along with excellent partnerships



Prime Mortgage Market Progress

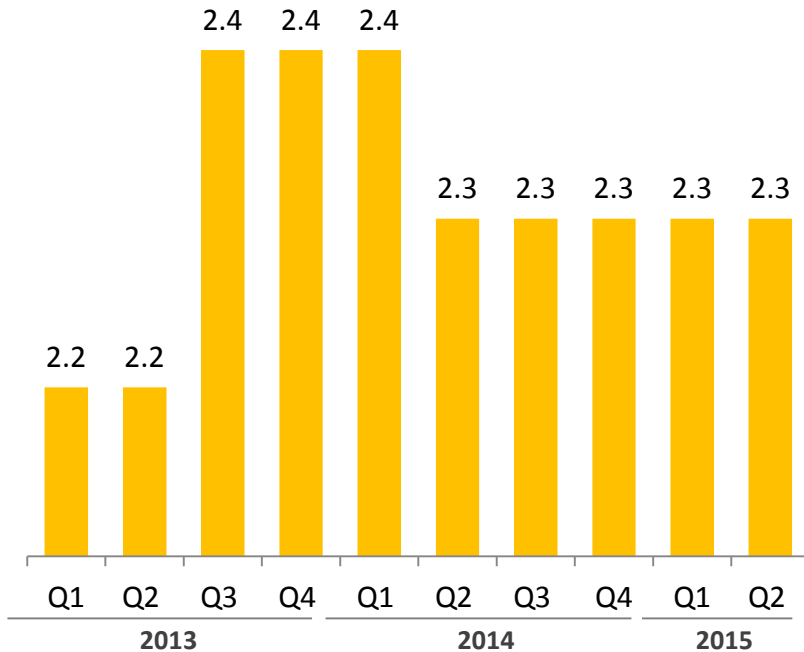


- Differentiating on service
- Closed \$380M of prime mortgages in Q2 inclusive of direct and third party-sourced volumes
- Positive reception in GTA, Calgary and Edmonton

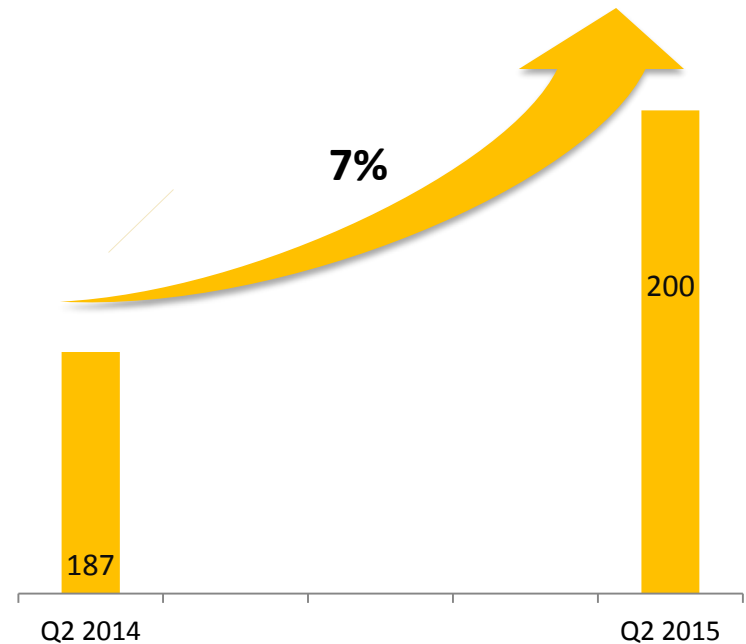


Commercial Lending

Mortgage Principal (\$ billions)



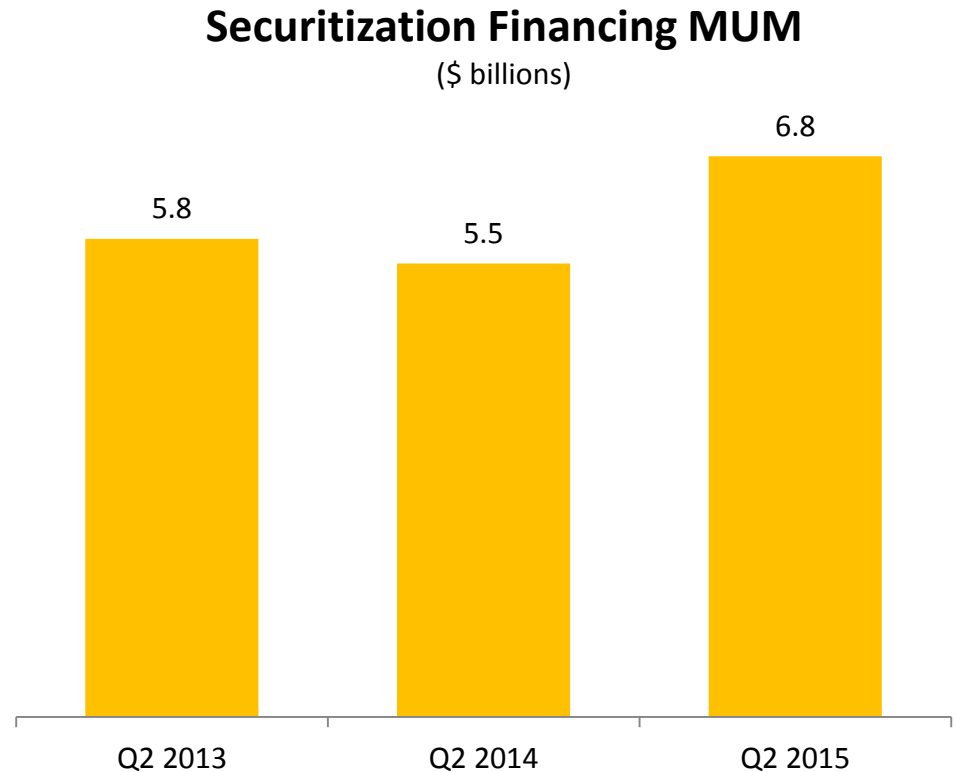
Mortgage Originations (\$ millions)



Building Partnerships While Maintaining ROE Discipline

Securitization Financing MUM

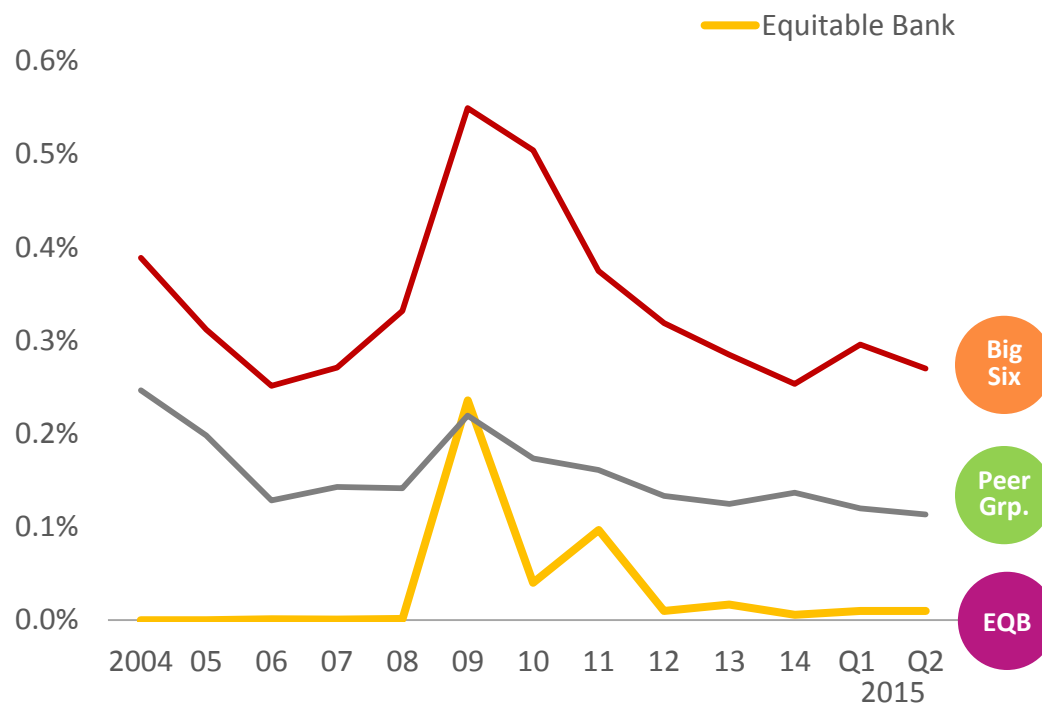
- 25% growth with strong contribution from prime mortgage business
- Positive earnings power from prime SF portfolio
- “Stored value” of prime Single Family assets at June 30th of approx. \$5M



Best in Class Credit Performance

- Impairment provision less than 1 bps of total mortgage assets (impaired loans decreased 30%)
- Added \$0.7M to collective allowance (provisioning running ahead of actual loan losses and impairments)
- Expect arrears rates and impairment provision to remain low nationally in 2015

Net Realized Credit Losses as a % of Total Loans



Strong Relative Performance Highlights Portfolio Quality

Our Underwriting Risk Management System

Designed to protect against fraudulent activity

RISK



1st line

Operational Management Control

2nd line

Risk Management and Compliance

3rd line

Internal Audit

Our Underwriting Risk Management System

EQB Sales
Maintain Relationships and Build Sales
Mortgage Broker

Submits
Application

Supporting
Documentation

1st line:
Operational
Management
Control

Underwriter

- Assesses credit and determines terms of deal

Mortgage Officer

- Reviews and verifies documents
- Verifies income through independent sources

2nd line:
Risk Management
and Compliance

- Quality assurance and compliance teams review ~ 100 files monthly
- Senior lenders, including CEO, review an additional 30 files monthly

3rd line:
Internal Audit

- Conducts independent audits of single family lending at least annually

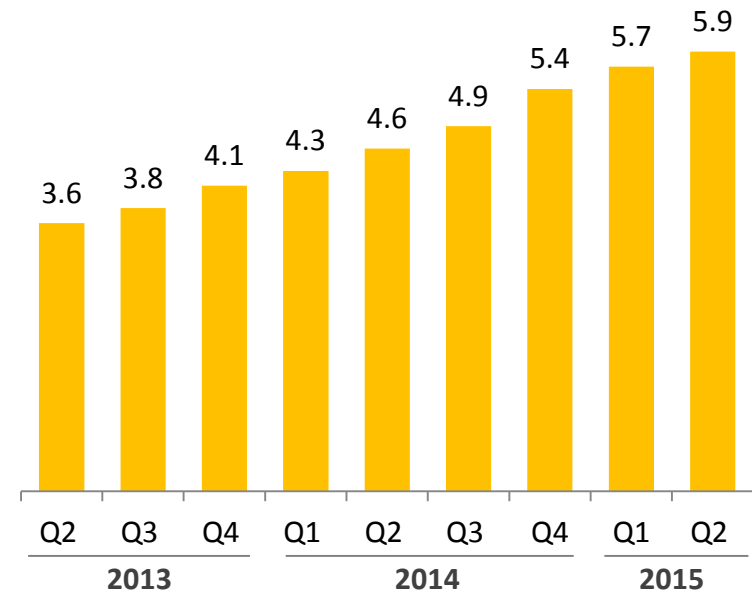
Supported by a culture of risk management awareness and integrity

Second Half Expectations

- Expect alternative single family loan growth rates in the range of Q2 actuals supported by continued high originations
- Originations expected to increase in Q3 sequentially and year over year
- Q4 originations unlikely to beat all-time record of \$758M last year

Single Family Mortgage Principal

(\$ billions)



Service, Geographic and Product Expansion Key Drivers

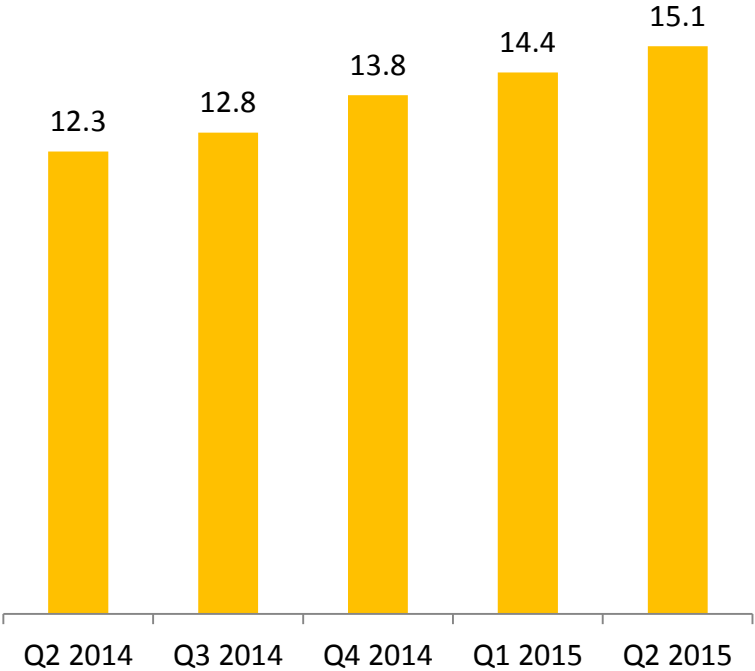
Preparing for Next Wave Initiatives

1. Digital banking platform on track for Q4 launch
2. Consumer awareness program planned to support the launch

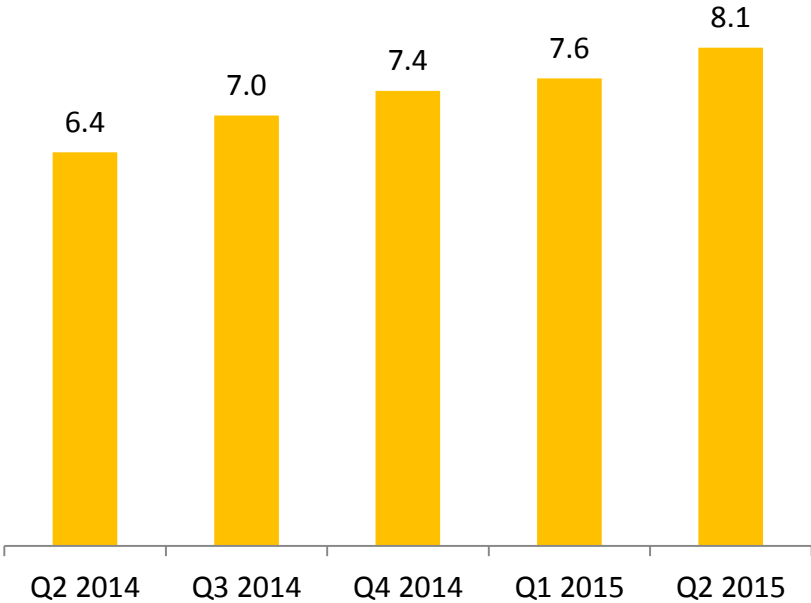


Growing Both Sides of the Balance Sheet

Mortgages Under Management
(\$ billions)



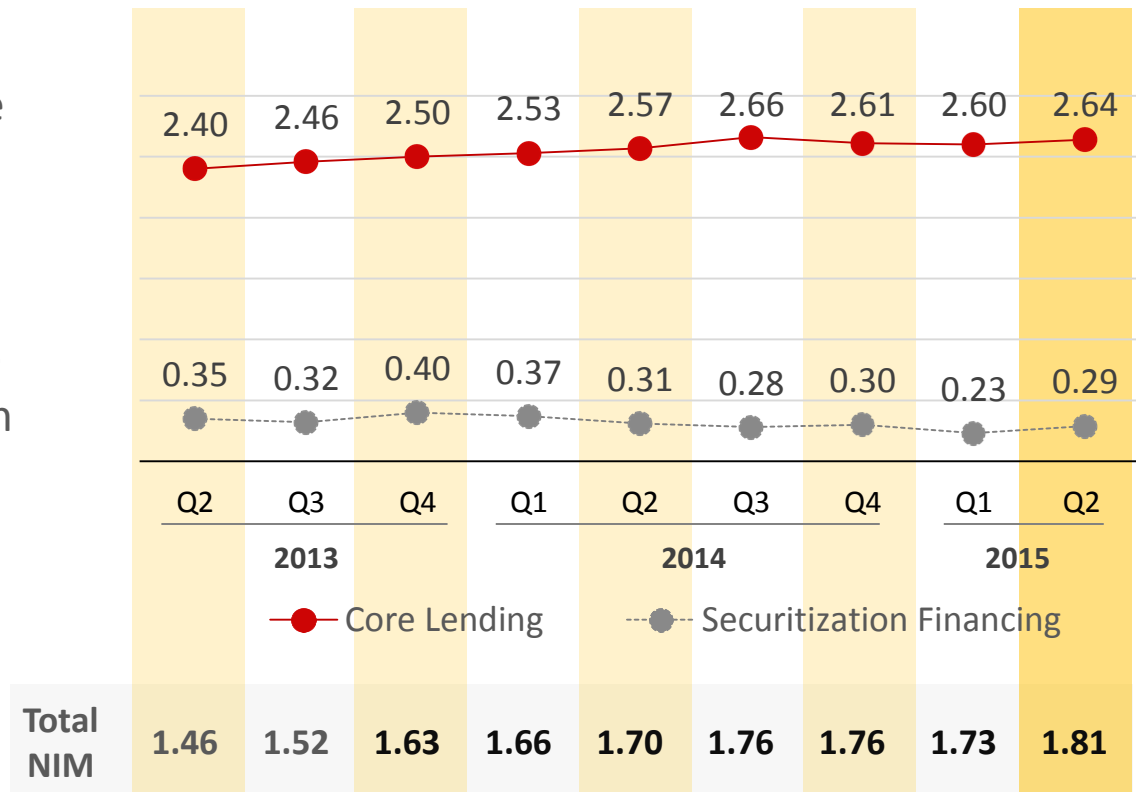
Deposits
(\$ billions)



Margin Trends

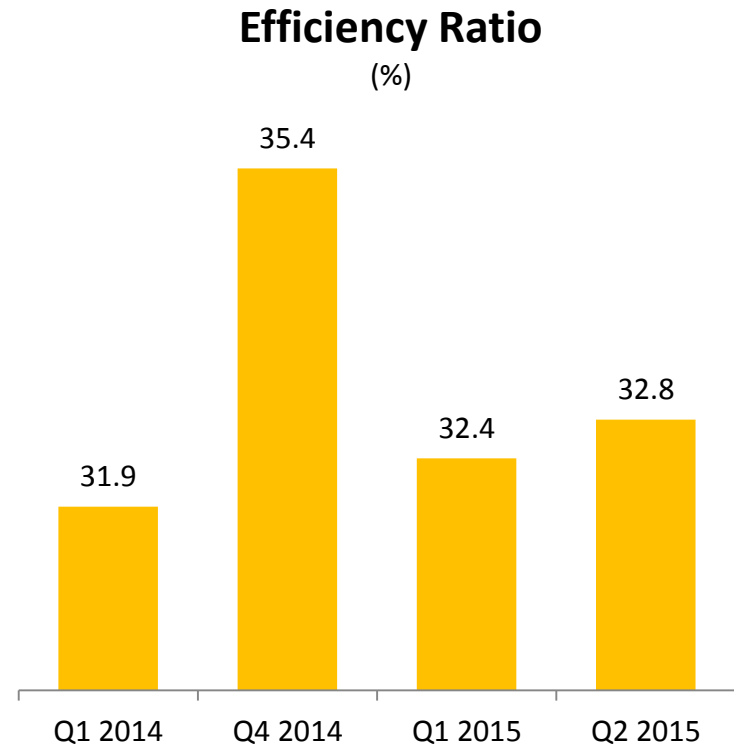
- 22% growth in net interest income and 11 bp increase in NIM over last year
- Core Lending NIM up 7bp over last year
- Expect net interest income to grow at mid to high teen rates for balance of 2015 while NIM decreases slightly compared to Q2

Net Interest Margin – TEB



Investing For Our Future

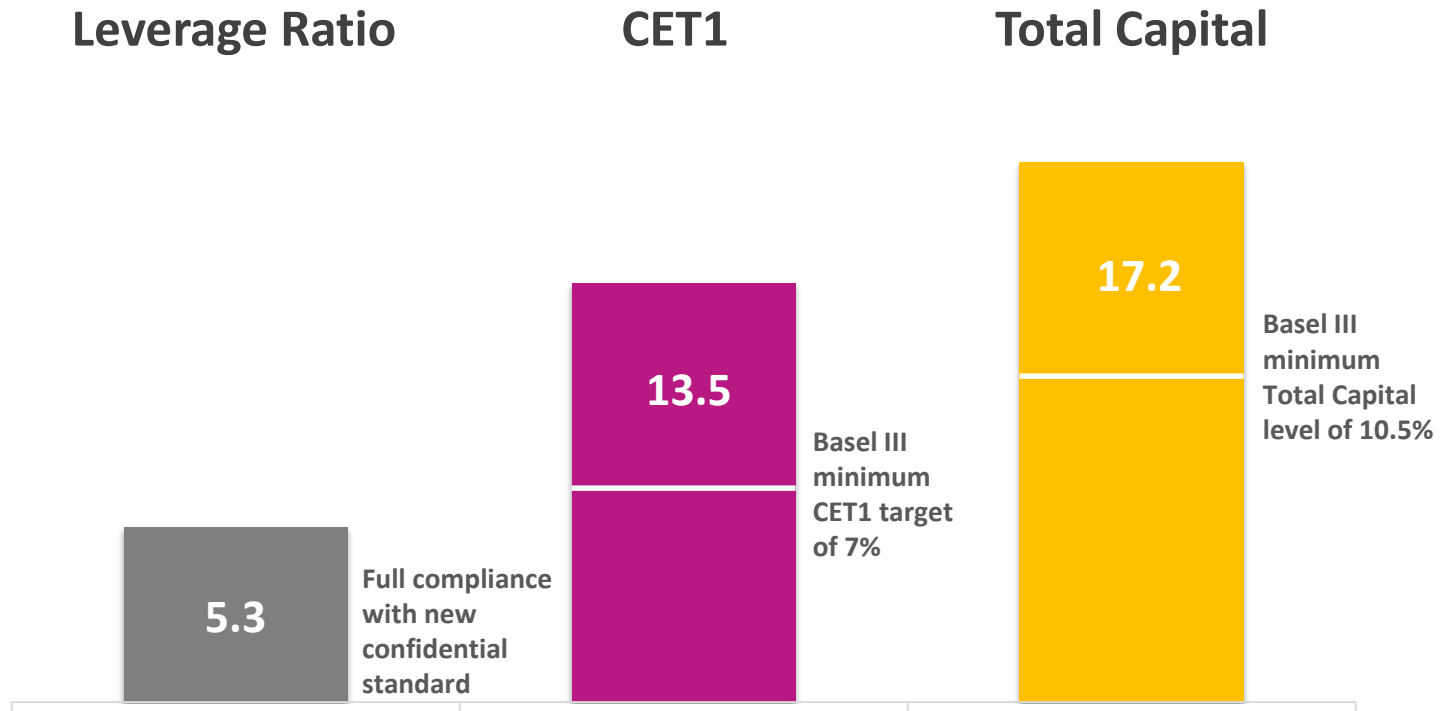
- Non-interest expenses up \$4.8M (29%) year-over-year
- 95% of increase due to growth in our franchise, 5% for strategic investments
- Expect second half ratio to increase with \$3 to 5M of spending on marketing; continued investments in growth



Branchless Model Makes Us One of Canada's Most Efficient Banks

Solid Capital Ratios

Equitable Bank Capital Ratios (%)



Adding to Our Cost-Effective Funding Sources

- In addition to \$8B deposit business, \$7B securitization funding and Deposit Notes we secured:
 - \$350M revolving credit facility for single family mortgages prior to securitization
 - \$350M of access to a bank sponsored program that provides matched funding for uninsured single family mortgages
- Brought the amount of new funding sources since 2002 to five, with a current value of almost \$2B and potential to grow



Summary

- All-time record quarterly financial performance
- Built on strong fundamentals, service, good strategic execution, rigorous risk management processes
- Progressing on plan with our growth initiatives
- Positive outlook



Expect More Growth and High ROE