



# Third Quarter 2015

*November 13, 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.

[www.eqbank.ca](http://www.eqbank.ca)

# On Today's Call....

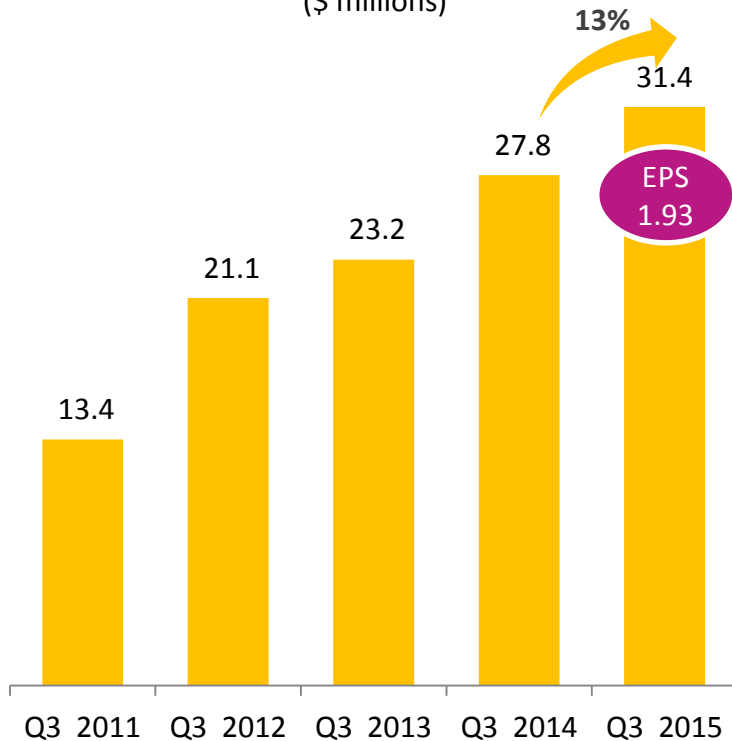
**Report on Record Q3 Earnings**

**Discuss Our Outlook**

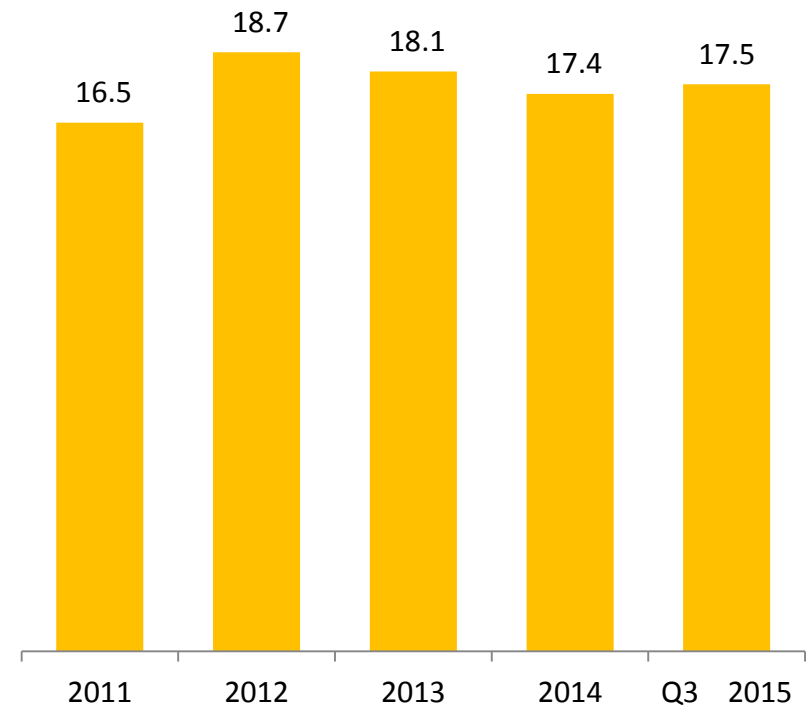
**EQ Bank Update**

# Best Ever Third Quarter Earnings

**Net Income**  
(\$ millions)

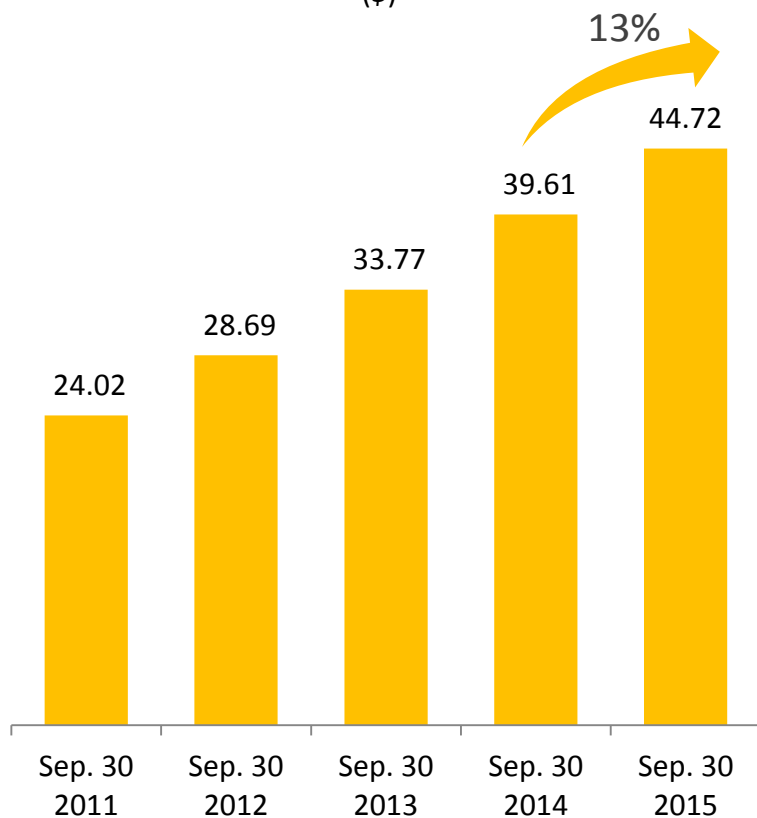


**ROE**  
(%)

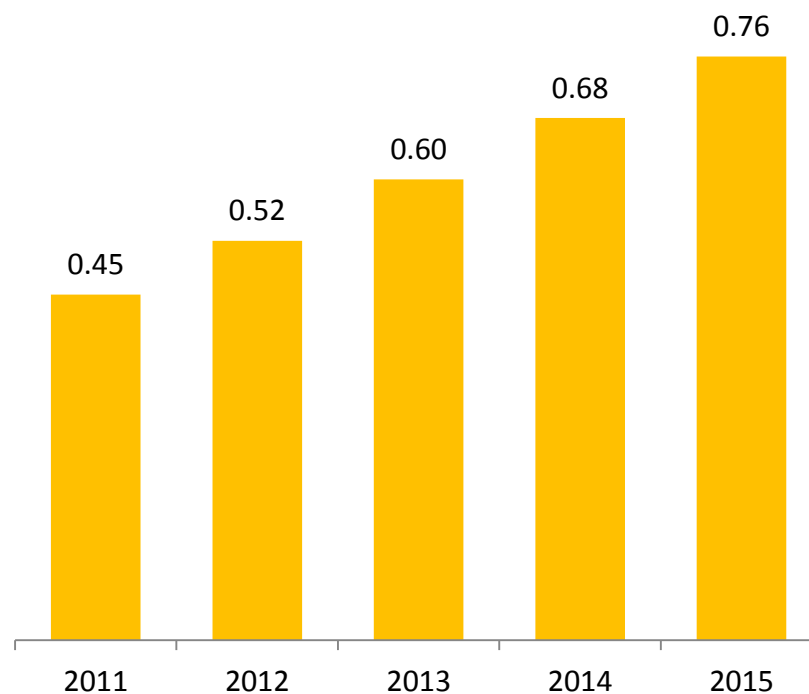


# Consistently Growing Shareholder Value

**Book Value**  
(\$)



**Common Share Dividends**  
(\$)




# Teamwork Makes the Difference

**Top 40  
Gold Standing**



2016  
Aon Best Employers  
in Canada

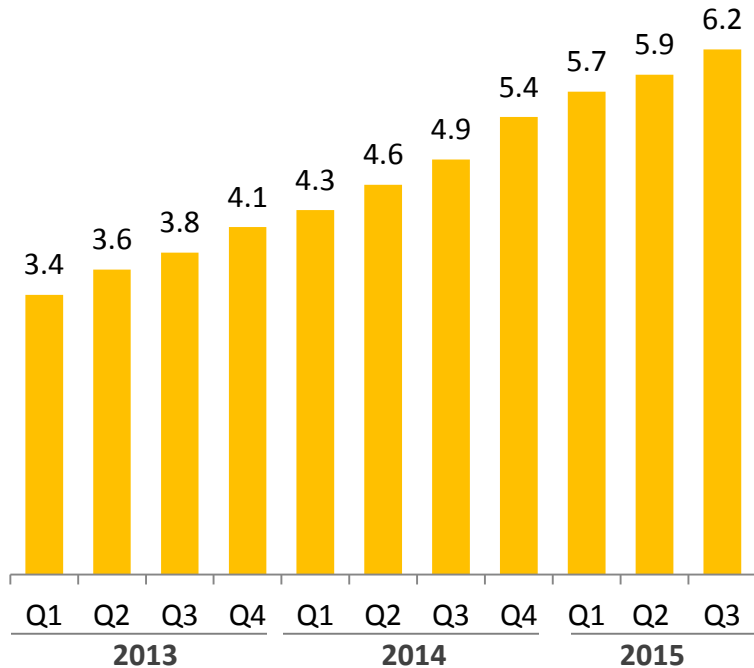
Who Made the List? 

Aon Hewitt

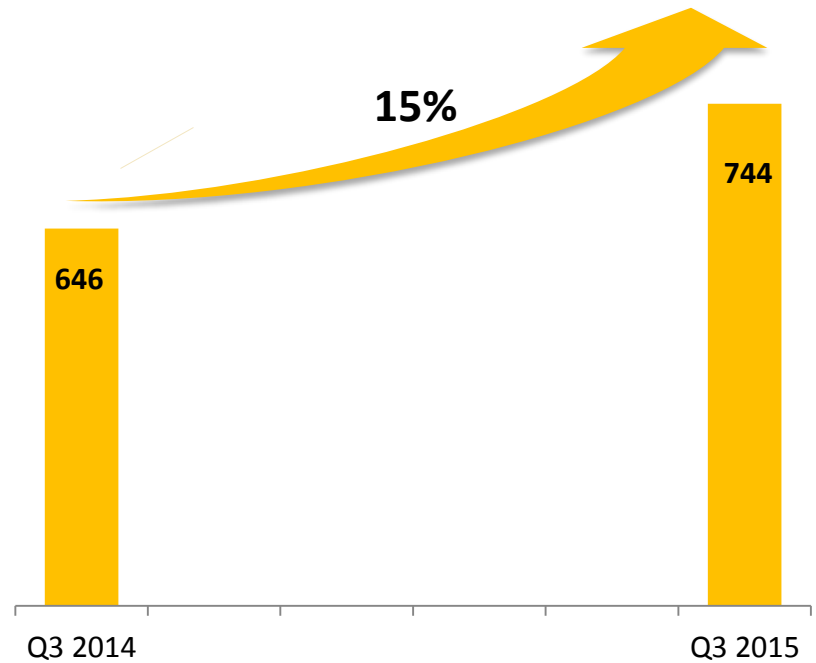


# Single Family Lending

## Mortgage Principal (\$ billions)



## Mortgage Originations (\$ millions)



*Mortgage Principal Up 27% On High Quality Originations*

# Recognized by Canada's Mortgage Professionals



Best BDM team in alternative lending

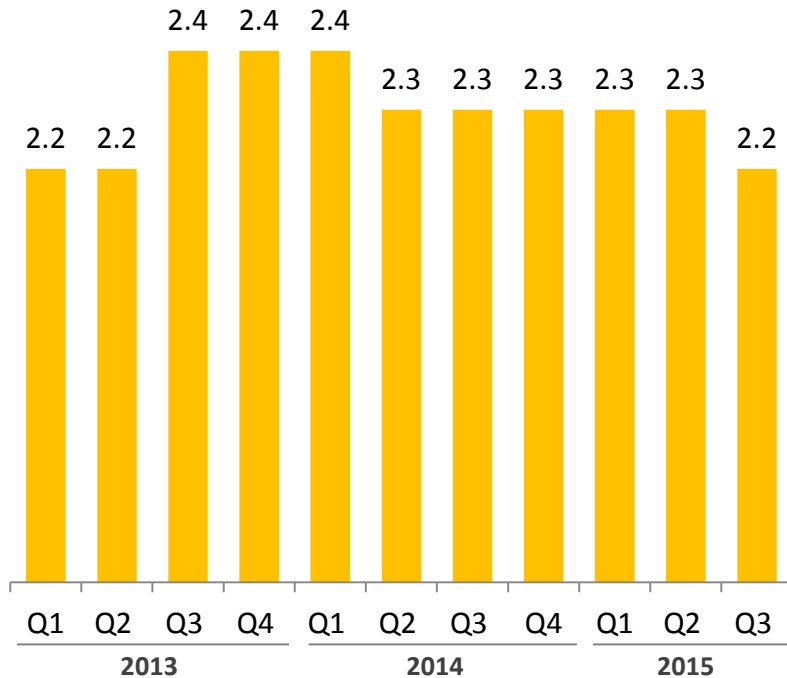


Best broker support

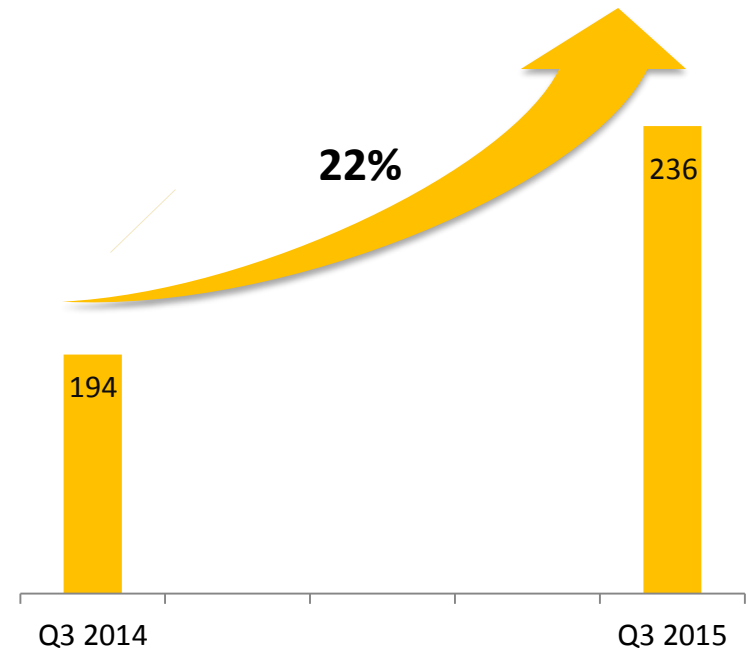


# Commercial Lending

## Mortgage Principal (\$ billions)



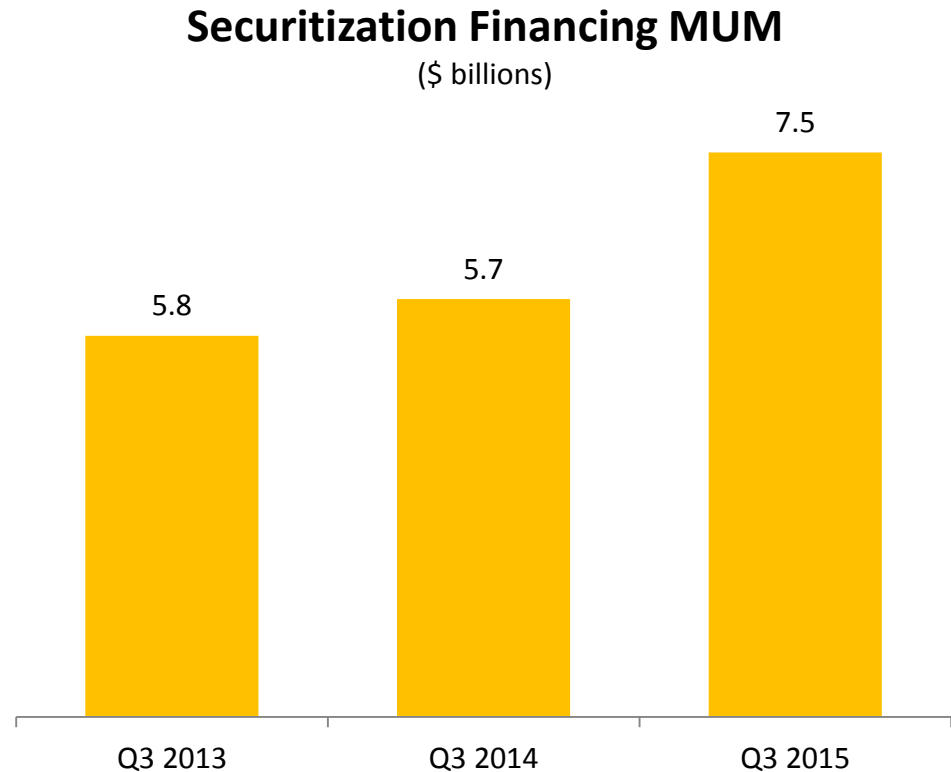
## Mortgage Originations (\$ millions)



*Building Partnerships While Maintaining ROE and Risk Discipline*

# Securitization Financing MUM

- 31% growth with strong contribution from prime mortgage business
- Prime fundings \$523M in Q3
- Chose not to sell any I/O strips in quarter, so no up-front gains
- Intend to use I/O strips or other transactions that create de-recognition treatment regularly and believe volumes will be more significant in 2016

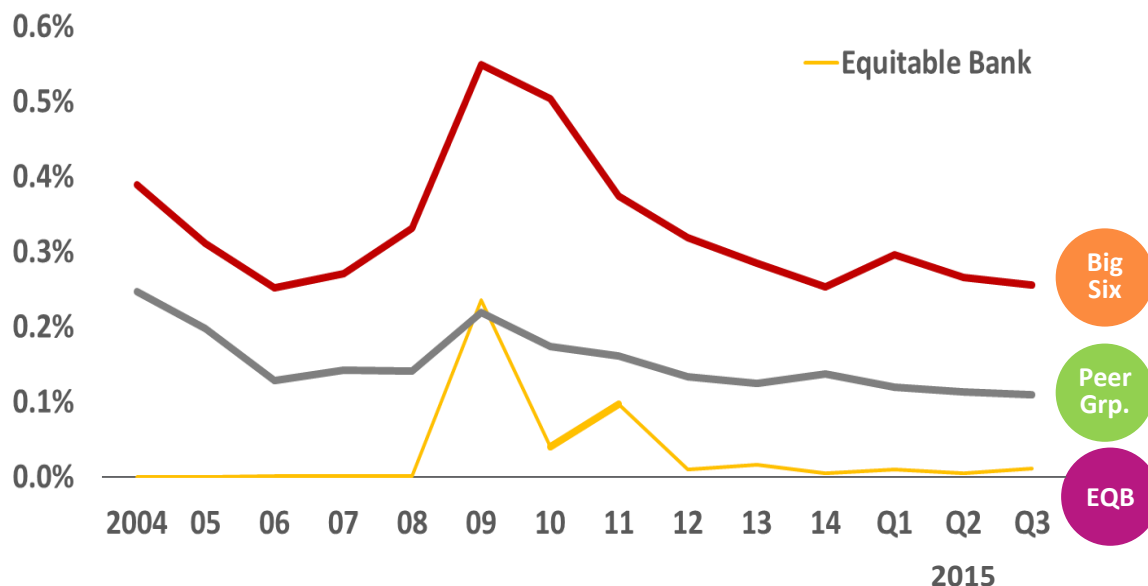


*Prime Mortgage Originations Will Fuel Growth in Q4 and in 2016*

# Best in Class Credit Performance

## Net Realized Credit Losses as a % of Total Loans

- Impairment provision was 1 bp of total mortgage assets
- Added \$469,000 to collective allowance at a cost of three cents to EPS
- Expect arrears rates and impairment provision to remain low nationally in Q4, based on current indicators

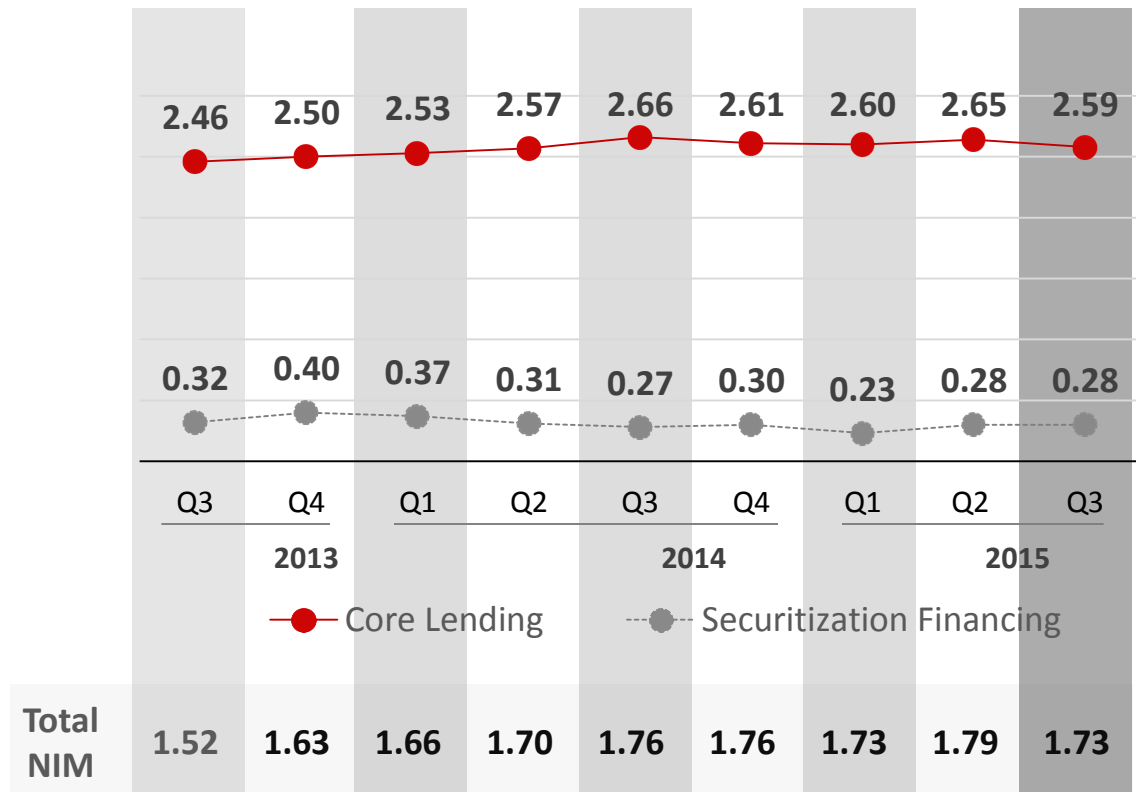


*Strong Relative Performance Highlights Portfolio Quality*

# Margin Trends

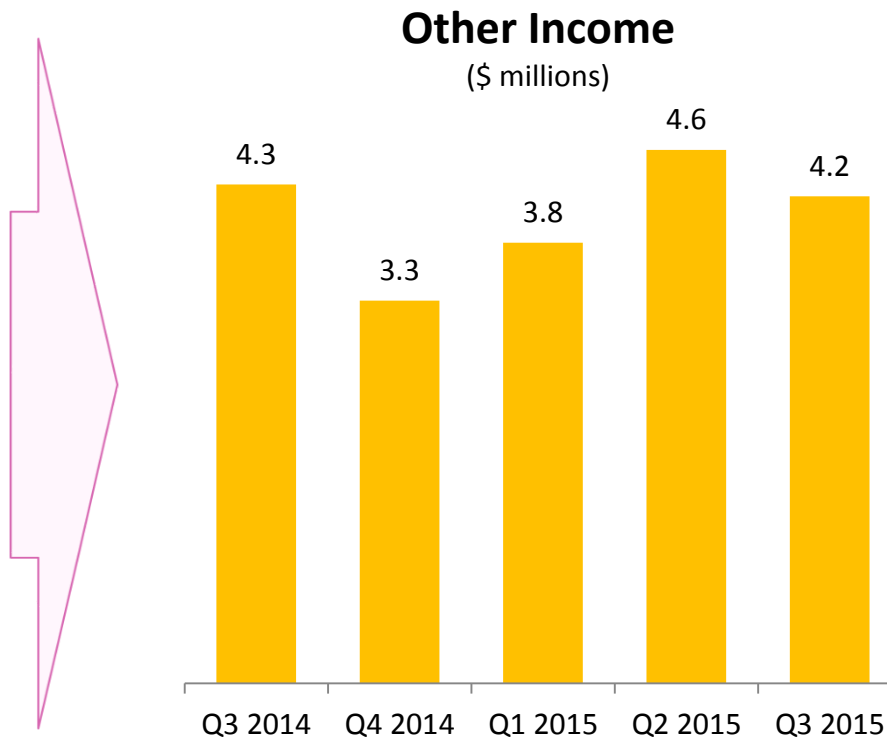
## Net Interest Margin – TEB

- 19% growth in net interest income on higher average asset balances
- NIM reflected lower prepayment income, liquidity portfolio growth, and asset mix changes
- Expect net interest income to grow at mid teen rates throughout 2016 with NIM down slightly



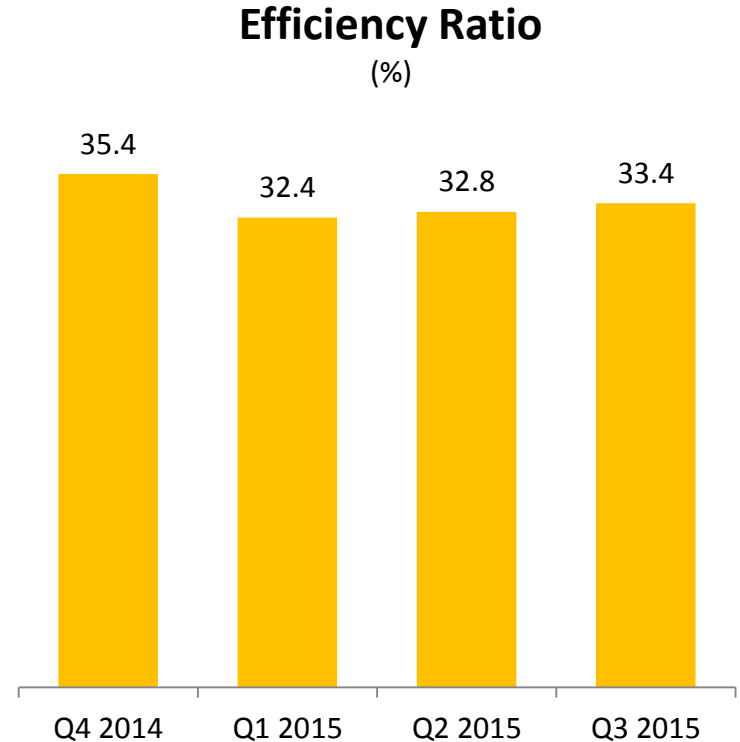
# Other Income

- Despite growth in mortgage administration fees, other income lower due to:
  - Reduced securitization gains
  - Slight loss on some derivative positions (impact exacerbated because of gain last quarter)



# Investing For Our Future

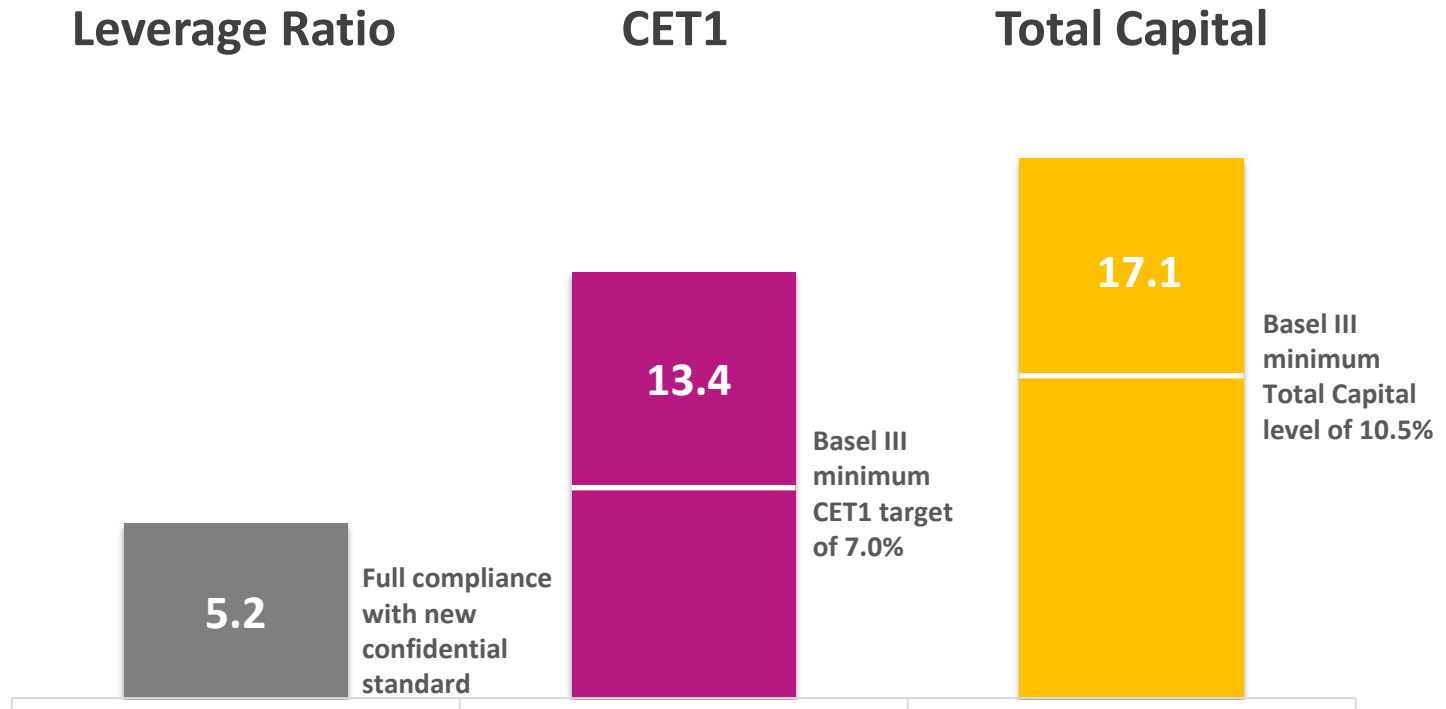
- Sequentially, expenses relatively flat
- Non-interest expenses up \$4.4M (25%) year over year
- Increase roughly in-line with growth of overall asset balances
- Expect Q4 Efficiency Ratio to be consistent with Q3, then to rise in 2016 with additional incremental spending in support of EQ Bank




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

# Solid Capital Ratios

## Equitable Bank Capital Ratios (%)



# Moving Branchless Banking to the Next Level



EQ Bank

**A DIFFERENT KIND OF BANK.**

The world we live in is changing. The way you bank should too.  
We're reimagining the banking experience to help you reach your goals, that much faster.

This fall, change the way you bank.

Enter your email address

**KEEP ME POSTED**



# Higher Rates of Interest Across the Board

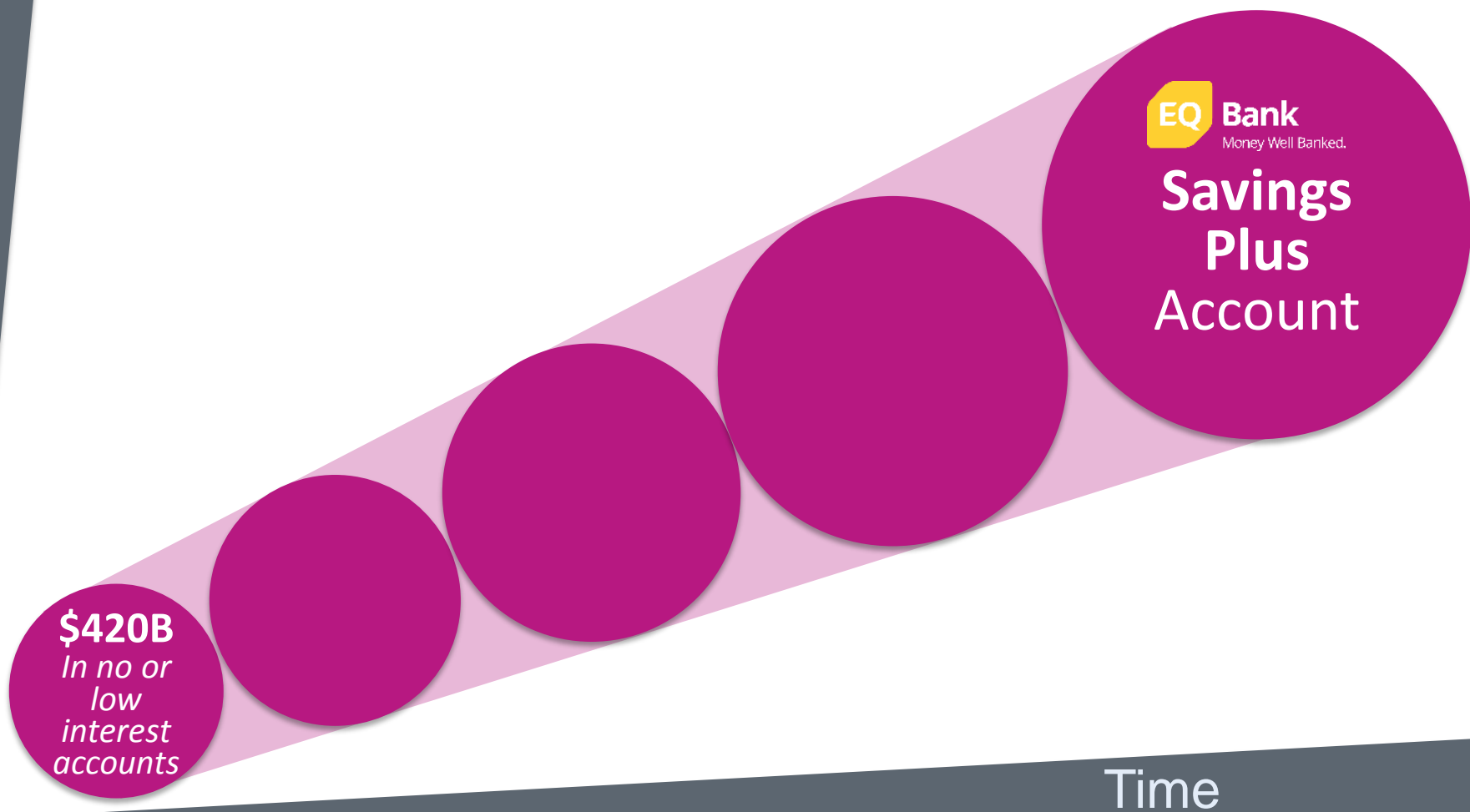


***Savings Plus  
Account***

***GICs and  
High Interest Savings  
Account***

# Canadians No Longer Need to Lose Out

Interest Rate



Source: Investor Economics

# EQ Bank Savings Plus Account

**EQ Bank** Bryan | Sign Out

Accounts | Pay & Transfer | Alerts | Profile Last signed in: 2:50 PM EST - 22 SEP 2015

**Total Balance**  
**\$59,090<sup>00</sup>**

Bryan's Account (101-000-052)  
**\$47,889<sup>50</sup>**

Tuition for Erica (101-000-478)  
**\$11,600<sup>50</sup>**  
\$188,399.50 to go

2016 Hawaii Vacation (101-000-486)  
**\$500<sup>00</sup>**  
\$9,500.00 to go

Christmas Gifts (101-000-494)  
**\$10<sup>00</sup>**  
\$1,490.00 to go

Your most recent transactions

Date	Account	Description	In	Out
21 Aug 15	Bryan's Ac...	Bill Payment - Rogers		\$56.50
1 Sep 15	Bryan's Ac...	Interest received	\$112.98	
10 Sep 15	Bryan's Ac...	Transfer from Bryan's TD bank	\$50.00	
1 Oct 15	Bryan's Ac...	Interest received	\$116.19	
5 Oct 15	Bryan's Ac...	Transfer to 2016 Hawaii Vacation acco		\$500.00
2 Oct 15	Bryan's Ac...	Tuition for Erica's account		\$11,600.50
14 Oct 15	Bryan's Ac...	Electronic Transfer to Jason		\$10.00

You have 0 upcoming transactions for the next 7 days

Date	From	To	Amount
No transactions based on your selection			

**Day-to Day Needs**  
Pay bills

Send money to family & friends  
Move your money

**High Interest Savings**  
Earn on every dollar, at a high interest rate

*Smart Saving Settings*

# Summary

- Record third quarter financial performance
- Managed our risks effectively
- 7<sup>th</sup> increase in common share dividend in past four years
- Gearing up for productive and profitable 2016



*Expect More Growth and High ROE*