

## EQB Inc.

Supplemental Information  
and Regulatory Disclosures

For the three and six months ended  
June 30, 2022

TSX.EQB | EQB.PR.C | EQB.R

**16.6%**<sup>1</sup>

ROE 10-year average

**360K+**<sup>2</sup>

Customers

**CANADA'S  
CHALLENGER  
BANK™**

**DRIVE CHANGE  
IN CANADIAN  
BANKING  
TO ENRICH  
PEOPLE'S  
LIVES**

**Carbon Neutral**

Scope 1 & 2 GHG emissions

**540%**<sup>1</sup>

10-year total  
shareholder return

**15.7%**<sup>1</sup>

EPS growth 10-year CAGR

1. As at December 31, 2021  
2. As at June 30, 2022



## Notes to Readers

### Purpose of this document

This Supplemental Information and Regulatory Disclosures Report (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 EQB Inc. (EQB), formerly Equitable Group In.

1. Disclosures related to EQB's loan portfolio, some of which relate to disclosure requirements outlined in OSFI's Guideline B-20, 'Residential Practices and Procedures'.
2. Equitable 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 EQB's unaudited interim consolidated financial statements and accompanying notes, as well as Management's Discussion and Analysis ("MD&A") for the quarter ended June 30, 2022.

### Basis of presentation

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

GAAP measures have been prepared in accordance with International Accounting Standard (IAS) 34 unless otherwise stated. Non-GAAP measures used in this Report are defined under the Section "Non-GAAP financial measures and ratios".

**SECOND QUARTER 2022**

**SUPPLEMENTAL INFORMATION AND REGULATORY DISCLOSURES**

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**Table 1: Financial highlights**

(\$000s, except share, per share amounts and percentages)	2022		2021				2020		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2022	2021
<b>Results of operations</b>										
Net income	<b>58,836</b>	87,947	80,062	72,473	70,801	69,194	71,424	73,928	<b>146,783</b>	139,995
Net income available to common shareholders	<b>57,750</b>	86,858	78,973	71,374	69,690	68,080	70,304	72,809	<b>144,608</b>	137,770
Net interest income	<b>166,657</b>	162,172	155,952	150,852	141,839	133,966	131,117	127,431	<b>328,829</b>	275,805
Revenue	<b>164,129</b>	187,618	171,863	162,100	158,774	150,170	151,950	148,708	<b>351,747</b>	308,944
Non-Interest expenses	<b>78,276</b>	74,933	70,427	67,442	64,990	57,317	55,348	53,065	<b>153,209</b>	122,307
EPS – basic <sup>(1)</sup>	<b>1.69</b>	2.55	2.32	2.10	2.05	2.01	2.09	2.17	<b>4.24</b>	4.07
EPS – diluted <sup>(1)</sup>	<b>1.67</b>	2.51	2.29	2.07	2.02	1.98	2.07	2.15	<b>4.19</b>	4.01
ROE <sup>(2)</sup>	<b>11.6%</b>	18.3%	17.0%	16.0%	16.5%	17.1%	18.2%	19.8%	<b>14.9%</b>	16.8%
Efficiency ratio <sup>(2)(4)</sup>	<b>47.7%</b>	39.9%	41.0%	41.6%	40.9%	38.2%	36.4%	35.7%	<b>43.6%</b>	39.6%
NIM <sup>(3)</sup>	<b>1.80%</b>	1.86%	1.81%	1.83%	1.81%	1.77%	1.74%	1.69%	<b>1.83%</b>	1.79%
YTD Operating leverage <sup>(2)</sup>	<b>(11.4%)</b>	(5.8%)	(6.0%)	(3.2%)	4.8%	14.5%	4.7%	2.2%	<b>(11.4%)</b>	4.8%
Return on average assets <sup>(2)</sup>	<b>0.6%</b>	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	<b>0.8%</b>	0.9%
Return on RWA <sup>(2)</sup>	<b>1.6%</b>	2.6%	2.5%	2.4%	2.5%	2.6%	2.8%	2.9%	<b>2.1%</b>	2.6%
<b>Balance sheet</b>										
Total assets	<b>39,417,759</b>	37,149,968	36,159,070	34,425,067	32,342,253	31,354,537	30,746,318	30,447,086		
Assets under management <sup>(3)</sup>	<b>45,767,172</b>	43,422,310	42,019,900	40,171,855	37,927,897	36,741,517	35,935,582	35,510,826		
Loans receivable	<b>36,245,772</b>	34,217,342	32,900,762	31,474,792	29,892,874	28,892,017	28,271,568	27,591,921		
Loans under management <sup>(3)</sup>	<b>42,492,016</b>	40,393,325	38,663,070	37,120,534	35,373,312	34,173,706	33,346,617	32,550,738		
Preferred shares	<b>70,424</b>	70,607	70,607	71,195	72,001	72,194	72,477	72,557		
Common shareholders' equity <sup>(2)</sup>	<b>2,024,127</b>	1,967,229	1,882,027	1,800,083	1,729,536	1,659,585	1,575,225	1,501,344		
Liquid assets <sup>(3)</sup>	<b>3,067,599</b>	3,045,186	3,056,404	3,187,713	2,943,394	3,197,098	2,910,190	2,774,642		
Total assets held for regulatory purposes as a % of total										
Equitable Bank assets	<b>7.6%</b>	7.9%	8.0%	8.8%	8.7%	9.8%	9.1%	8.8%		
Total liquid assets <sup>(3)</sup> as a % of total assets	<b>7.8%</b>	8.2%	8.5%	9.3%	9.1%	10.2%	9.5%	9.1%		
Deposit principal	<b>23,533,206</b>	22,080,328	20,694,623	19,758,125	18,413,271	17,426,816	16,376,011	16,372,790		
<b>Credit quality</b>										
PCL	<b>5,233</b>	(125)	(1,420)	(3,500)	(1,982)	(772)	103	(2,357)	<b>5,108</b>	(2,754)
PCL – rate <sup>(2)</sup>	<b>0.06%</b>	(0.001%)	(0.02%)	(0.05%)	(0.03%)	(0.01%)	0.001%	(0.03%)	<b>0.03%</b>	(0.02%)
Net impaired loan as a % of total loan assets	<b>0.18%</b>	0.22%	0.27%	0.23%	0.41%	0.36%	0.42%	0.33%		
Allowance for credit losses as a % of total loan assets	<b>0.14%</b>	0.14%	0.15%	0.17%	0.19%	0.22%	0.23%	0.25%		

<sup>(1)</sup> YTD EPS may not equal the sum of the quarterly EPS' as a result of rounding and the computation of in the money options for the year versus the quarter.<sup>(2)</sup> See Glossary section.<sup>(3)</sup> See Non-GAAP financial measures and ratios section.<sup>(4)</sup> Increases in this ratio reflect reduced efficiencies, whereas decreases reflect improved efficiencies.

**Table 1: Financial highlights (continued)**

(\$000s, except share, per share amounts and percentages)	2022		2021				2020		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2022	2021
<b>Adjusted results<sup>(1)</sup></b>										
Net income	<b>61,534</b>	92,410	80,596	72,473	70,801	69,194	71,424	73,928	<b>153,944</b>	139,995
Net income available to common shareholders	<b>60,448</b>	91,321	79,508	71,374	69,690	68,080	70,304	72,809	<b>151,769</b>	137,770
Net interest income	<b>167,604</b>	163,086	155,952	150,852	141,839	133,966	131,117	127,431	<b>330,690</b>	275,805
Revenue	<b>165,076</b>	188,532	171,863	162,100	158,774	150,170	151,950	148,708	<b>353,608</b>	308,944
Non-Interest expenses	<b>75,567</b>	69,800	69,702	67,442	64,990	57,317	55,348	53,065	<b>145,367</b>	122,307
EPS – diluted	<b>1.75</b>	2.64	2.30	2.07	2.02	1.98	2.07	2.15	<b>4.40</b>	4.01
ROE	<b>12.1%</b>	19.2%	17.1%	16.0%	16.5%	17.1%	18.2%	19.8%	<b>15.6%</b>	16.8%
Efficiency ratio	<b>45.8%</b>	37.0%	40.6%	41.6%	40.9%	38.2%	36.4%	35.7%	<b>41.1%</b>	39.6%
NIM	<b>1.81%</b>	1.87%	1.81%	1.83%	1.81%	1.77%	1.74%	1.69%	<b>1.84%</b>	1.79%
YTD Operating leverage	<b>(4.4%)</b>	3.7%	(5.7%)	(3.2%)	4.8%	14.5%	4.7%	2.2%	<b>(4.4%)</b>	3.7%
Common shareholders' equity	<b>2,031,824</b>	1,972,227	1,882,562	1,800,083	1,729,536	1,659,585	1,575,225	1,501,344		
Common share market capitalization <sup>(4)</sup>	<b>1,986,065</b>	2,678,763	2,347,820	2,431,391	2,257,041	2,140,174	1,704,281	1,263,182		
<b>Share capital</b>										
Common shares outstanding	<b>34,160,770</b>	34,130,326	34,070,810	34,029,266	33,932,814	33,917,172	33,748,148	33,644,488		
Book value per common share <sup>(2)</sup>	<b>59.25</b>	57.64	55.24	52.90	50.97	48.93	46.68	44.62		
Common share price – close	<b>53.15</b>	71.74	68.91	71.45	66.52	63.10	50.50	37.55		
Common share market capitalization	<b>1,815,645</b>	2,448,510	2,347,820	2,431,391	2,257,041	2,140,174	1,704,281	1,263,182		
Dividends declared per: <sup>(3)</sup>										
Common share	<b>0.29</b>	0.28	0.19	0.19	0.19	0.19	0.19	0.19	<b>0.57</b>	0.37
Preferred share – Series 3	<b>0.37</b>	0.37	0.37	0.37	0.37	0.37	0.37	0.37	<b>0.74</b>	0.74
Dividend Yield <sup>(2)</sup>	<b>1.9%</b>	1.5%	1.0%	1.0%	1.1%	1.2%	1.6%	1.9%	<b>1.7%</b>	1.2%
Dividend Payout <sup>(2)</sup>	<b>17.4%</b>	11.2%	8.1%	8.9%	9.1%	9.3%	9.0%	8.6%	<b>13.6%</b>	9.2%
<b>Equitable Bank capital information<sup>(2)</sup></b>										
RWA	<b>14,748,207</b>	14,018,221	13,309,550	12,427,049	11,461,154	10,911,018	10,426,077	10,179,647		
CET1 ratio	<b>13.5%</b>	13.5%	13.3%	13.7%	14.4%	14.5%	14.6%	14.3%		
Tier 1 capital ratio	<b>14.0%</b>	14.0%	13.9%	14.3%	15.0%	15.2%	15.3%	15.0%		
Total capital ratio	<b>14.3%</b>	14.3%	14.2%	14.6%	15.4%	15.6%	15.8%	15.5%		
Leverage ratio	<b>5.1%</b>	5.1%	4.9%	5.0%	5.2%	5.1%	5.1%	4.9%		

<sup>(1)</sup> See Non-GAAP financial measures and ratios section.<sup>(2)</sup> See Glossary section.<sup>(3)</sup> YTD dividends declared per share may not equal the sum of the quarterly dividends per share as a result of rounding.<sup>(4)</sup> Adjusted market capitalization is the sum of common share market capitalization plus the number of subscription receipts outstanding multiplied by the corresponding market price as listed on the Toronto Stock Exchange (TSX) at period end.

**Table 2: Consolidated statements of income**

(\$000s, except share and per share amounts)	2022		2021				2020		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2022	2021
Interest income:										
Loans – Personal	190,830	173,780	170,354	165,171	164,363	161,057	167,842	169,447	364,610	325,420
Loans – Commercial	133,540	115,746	110,762	107,203	103,169	101,258	100,878	101,859	249,286	204,427
Investments	3,351	3,855	3,491	4,223	3,824	2,899	3,016	3,569	7,206	6,723
Other	5,558	2,859	2,111	2,209	2,606	2,620	3,456	3,872	8,417	5,226
	333,279	296,240	286,718	278,806	273,962	267,834	275,192	278,747	629,519	541,796
Interest expense:										
Deposits	106,221	82,162	78,695	74,787	76,603	77,599	82,434	89,088	188,383	154,202
Securitization liabilities	53,741	49,290	51,096	52,269	55,278	55,892	60,435	59,932	103,031	111,170
Funding facilities	2,468	306	231	327	152	191	926	1,726	2,774	343
Others	4,192	2,310	744	571	90	186	280	570	6,502	276
	166,622	134,068	130,766	127,954	132,123	133,868	144,075	151,316	300,690	265,991
Net interest income	166,657	162,172	155,952	150,852	141,839	133,966	131,117	127,431	328,829	275,805
Non-interest income:										
Fees and other income	7,866	6,033	5,355	5,629	5,598	5,575	5,711	5,025	13,899	11,173
Net (loss) gain on loans and investments	(16,839)	4,798	8,343	4,569	4,907	(1,461)	2,732	4,367	(12,041)	3,446
Gains on securitization activities and income from securitization retained interests	6,445	14,615	2,213	1,050	6,430	12,090	12,390	11,885	21,060	18,520
	(2,528)	25,446	15,911	11,248	16,935	16,204	20,833	21,277	22,918	33,139
Revenue	164,129	187,618	171,863	162,100	158,774	150,170	151,950	148,708	351,747	308,944
Provision for credit losses	5,233	(125)	(1,420)	(3,500)	(1,982)	(772)	103	(2,357)	5,108	(2,754)
Revenue after provision for credit losses	158,896	187,743	173,283	165,600	160,756	150,942	151,847	151,065	346,639	311,698
Non-interest expenses:										
Compensation and benefits	40,067	36,772	34,166	33,430	32,396	28,973	28,448	26,589	76,839	61,369
Other	38,209	38,161	36,261	34,012	32,594	28,344	26,900	26,476	76,370	60,938
	78,276	74,933	70,427	67,442	64,990	57,317	55,348	53,065	153,209	122,307
Income before income taxes	80,620	112,810	102,856	98,158	95,766	93,625	96,499	98,000	193,430	189,391
Income taxes:										
Current	22,091	23,516	29,720	23,102	20,698	22,042	19,885	18,927	45,607	42,740
Deferred	(307)	1,347	(6,926)	2,583	4,267	2,389	5,190	5,145	1,040	6,656
	21,784	24,863	22,794	25,685	24,965	24,431	25,075	24,072	46,647	49,396
Net income	58,836	87,947	80,062	72,473	70,801	69,194	71,424	73,928	146,783	139,995
Dividends on preferred shares	1,086	1,089	1,089	1,099	1,111	1,114	1,120	1,119	2,175	2,225
Net income available to common shareholders	57,750	86,858	78,973	71,374	69,690	68,080	70,304	72,809	144,608	137,770
Common shares outstanding:										
Weighted average basic	34,132,726	34,085,536	34,048,160	33,974,960	33,925,158	33,836,080	33,684,892	33,624,868	34,109,261	33,925,158
Weighted average diluted	34,479,387	34,545,393	34,538,314	34,492,008	34,434,216	34,314,264	34,018,676	33,829,624	34,512,207	34,434,216
Earnings per share:										
Basic	1.69	2.55	2.32	2.10	2.05	2.01	2.09	2.17	4.24	4.07
Diluted	1.67	2.51	2.29	2.07	2.02	1.98	2.07	2.15	4.19	4.01

**Table 3: Net interest income and margin**

(\$000s, except percentages)	2022						2021					
	Q2			Q1			Q4			Q3		
	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense
<i>Revenues derived from:</i>												
Cash and equivalents	1,860,012	1.74%	8,074	1,782,923	1.27%	5,579	1,887,149	0.93%	4,418	1,794,586	0.97%	4,392
Equity securities	82,217	4.07%	835	107,185	4.29%	1,135	124,947	3.76%	1,184	165,146	4.90%	2,040
Alternative single family mortgages	15,731,362	3.86%	151,449	14,862,723	3.76%	137,692	13,866,755	3.80%	132,877	12,634,361	3.97%	126,293
Prime single family mortgages	7,412,303	1.86%	34,410	7,602,607	1.74%	32,660	7,791,455	1.77%	34,838	7,916,557	1.85%	36,932
Decumulation loans	427,368	4.67%	4,971	329,939	4.21%	3,428	257,179	4.07%	2,639	194,454	3.97%	1,946
<b>Total Personal loans</b>	<b>23,571,033</b>	<b>3.25%</b>	<b>190,830</b>	<b>22,795,269</b>	<b>3.09%</b>	<b>173,780</b>	<b>21,915,389</b>	<b>3.08%</b>	<b>170,354</b>	<b>20,745,372</b>	<b>3.16%</b>	<b>165,171</b>
Conventional commercial loans	6,240,134	5.35%	83,291	5,753,730	4.88%	69,175	5,402,356	5.03%	68,531	5,111,839	5.09%	65,559
Equipment leases	814,594	9.49%	19,278	730,638	10.16%	18,310	693,809	9.86%	17,250	644,750	9.80%	15,926
Insured Multi-unit residential mortgages	4,606,319	2.70%	30,971	4,228,059	2.71%	28,261	4,182,663	2.37%	24,981	4,207,371	2.43%	25,718
<b>Total Commercial loans</b>	<b>11,661,047</b>	<b>4.59%</b>	<b>133,540</b>	<b>10,712,427</b>	<b>4.38%</b>	<b>115,746</b>	<b>10,278,828</b>	<b>4.28%</b>	<b>110,762</b>	<b>9,963,960</b>	<b>4.27%</b>	<b>107,203</b>
<b>Average interest earning assets</b>	<b>37,174,309</b>	<b>3.60%</b>	<b>333,279</b>	<b>35,397,804</b>	<b>3.39%</b>	<b>296,240</b>	<b>34,206,313</b>	<b>3.33%</b>	<b>286,718</b>	<b>32,669,064</b>	<b>3.39%</b>	<b>278,806</b>
<i>Expenses related to:</i>												
Deposits	22,739,126	1.87%	106,221	21,255,610	1.57%	82,162	20,317,254	1.54%	78,695	18,969,500	1.56%	74,787
Securitization liabilities	12,344,432	1.75%	53,741	11,915,319	1.68%	49,290	12,100,428	1.68%	51,096	11,745,589	1.77%	52,269
Other	1,713,431	1.56%	6,660	1,493,928	0.71%	2,616	953,285	0.41%	975	709,098	0.50%	898
<b>Average interest bearing liabilities</b>	<b>36,796,989</b>	<b>1.82%</b>	<b>166,622</b>	<b>34,664,857</b>	<b>1.57%</b>	<b>134,068</b>	<b>33,370,967</b>	<b>1.55%</b>	<b>130,766</b>	<b>31,424,187</b>	<b>1.62%</b>	<b>127,954</b>
<b>Net interest income and margin</b>		<b>1.80%</b>	<b>166,657</b>		<b>1.86%</b>	<b>162,172</b>		<b>1.81%</b>	<b>155,952</b>		<b>1.83%</b>	<b>150,852</b>

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

**Table 3: Net interest income and margin (continued)**

	2021						2020					
	Q2			Q1			Q4			Q3		
	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense
<i>Revenues derived from:</i>												
Cash and equivalents	1,928,959	0.95%	4,563	1,854,469	0.92%	4,188	2,020,561	0.99%	5,019	2,113,990	1.00%	5,292
Equity securities	145,447	5.15%	1,867	130,107	4.15%	1,331	119,309	4.85%	1,453	112,027	7.63%	2,149
Alternative single family mortgages	11,577,888	4.32%	124,831	11,111,047	4.39%	120,350	11,022,625	4.56%	126,420	11,191,571	4.63%	130,257
Prime single family mortgages	8,015,913	1.91%	38,187	8,162,613	1.97%	39,745	8,071,315	2.00%	40,643	7,706,126	1.99%	38,567
Decumulation loans	138,505	3.90%	1,345	99,432	3.92%	962	75,558	4.10%	779	56,451	4.39%	623
<b>Total Personal loans</b>	<b>19,732,306</b>	<b>3.34%</b>	<b>164,363</b>	<b>19,373,092</b>	<b>3.37%</b>	<b>161,057</b>	<b>19,169,498</b>	<b>3.48%</b>	<b>167,842</b>	<b>18,954,148</b>	<b>3.56%</b>	<b>169,447</b>
Conventional commercial loans	4,722,167	5.32%	62,632	4,716,811	5.38%	62,602	4,287,307	5.53%	59,563	4,256,744	5.72%	61,185
Equipment leases	598,241	10.18%	15,183	550,130	10.18%	13,808	527,415	10.76%	14,261	507,084	11.02%	14,052
Insured Multi-unit residential mortgages	4,227,610	2.41%	25,354	4,000,317	2.52%	24,848	3,907,537	2.75%	27,054	4,003,621	2.65%	26,622
<b>Total Commercial loans</b>	<b>9,548,018</b>	<b>4.33%</b>	<b>103,169</b>	<b>9,267,258</b>	<b>4.43%</b>	<b>101,258</b>	<b>8,722,259</b>	<b>4.60%</b>	<b>100,878</b>	<b>8,767,449</b>	<b>4.62%</b>	<b>101,859</b>
<b>Average interest earning assets</b>	<b>31,354,730</b>	<b>3.50%</b>	<b>273,962</b>	<b>30,624,926</b>	<b>3.55%</b>	<b>267,834</b>	<b>30,031,627</b>	<b>3.65%</b>	<b>275,192</b>	<b>29,947,614</b>	<b>3.70%</b>	<b>278,747</b>
<i>Expenses related to:</i>												
Deposits	17,905,950	1.72%	76,603	16,733,535	1.88%	77,599	16,156,697	2.03%	82,434	15,940,883	2.22%	89,088
Secured backstop funding facility <sup>(2)</sup>	-	N/A	-	-	N/A	-	-	N/A	626	-	N/A	623
Securitization liabilities	11,527,869	1.92%	55,278	11,842,761	1.91%	55,892	11,751,806	2.05%	60,435	11,436,731	2.08%	59,932
Other	104,800	0.93%	242	188,645	0.81%	377	314,152	0.74%	580	797,568	0.83%	1,673
<b>Average interest bearing liabilities</b>	<b>29,538,619</b>	<b>1.79%</b>	<b>132,123</b>	<b>28,764,941</b>	<b>1.89%</b>	<b>133,868</b>	<b>28,222,655</b>	<b>2.03%</b>	<b>144,075</b>	<b>28,175,182</b>	<b>2.14%</b>	<b>151,316</b>
<b>Net interest income and margin</b>		<b>1.81%</b>	<b>141,839</b>		<b>1.77%</b>	<b>133,966</b>		<b>1.74%</b>	<b>131,117</b>		<b>1.69%</b>	<b>127,431</b>

<sup>(1)</sup> Average balances are calculated based on the daily average balances outstanding during the period.<sup>(2)</sup> Since its establishment in June 2017, there have been no draws on the secured backstop funding facility. The facility was effectively terminated on December 11, 2020.



**Table 3: Net interest income and margin (continued)**

(\$000s, except percentages)	YTD					
	2022			2021		
	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense	Average Balance <sup>(1)</sup>	Average rate	Revenue/Expense
<i>Revenues derived from:</i>						
Cash and equivalents	1,821,468	1.51%	13,653	1,891,714	0.93%	8,751
Equity securities	94,701	4.20%	1,970	137,777	4.68%	3,198
Alternative single family mortgages	15,297,042	3.81%	289,142	11,344,468	4.36%	245,181
Prime single family mortgages	7,507,455	1.80%	67,069	8,089,263	1.94%	77,932
Decumulation loans	378,653	4.47%	8,399	118,969	3.91%	2,307
<b>Total Personal loans</b>	<b>23,183,151</b>	<b>3.17%</b>	<b>364,610</b>	<b>19,552,700</b>	<b>3.36%</b>	<b>325,420</b>
Conventional commercial loans	5,996,932	5.13%	152,466	4,719,489	5.35%	125,234
Equipment leases	772,616	9.81%	37,588	574,186	10.18%	28,991
Insured Multi-unit residential mortgages	4,417,189	2.70%	59,232	4,113,964	2.46%	50,202
<b>Total Commercial loans</b>	<b>11,186,737</b>	<b>4.49%</b>	<b>249,286</b>	<b>9,407,639</b>	<b>4.38%</b>	<b>204,427</b>
<b>Average interest earning assets</b>	<b>36,286,057</b>	<b>3.50%</b>	<b>629,519</b>	<b>30,989,830</b>	<b>3.53%</b>	<b>541,796</b>
<i>Expenses related to:</i>						
Deposits	21,997,368	1.73%	188,383	17,319,743	1.80%	154,202
Secured backstop funding facility <sup>(2)</sup>	-	N/A	-	-	N/A	-
Securitization liabilities	12,129,875	1.71%	103,031	11,685,315	1.92%	111,170
Other	1,603,679	1.17%	9,276	146,723	0.85%	619
<b>Average interest bearing liabilities</b>	<b>35,730,922</b>	<b>1.70%</b>	<b>300,690</b>	<b>29,151,781</b>	<b>1.84%</b>	<b>265,991</b>
<b>Net interest income and margin</b>		<b>1.83%</b>	<b>328,829</b>		<b>1.79%</b>	<b>275,805</b>

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

<sup>(2)</sup> Since its establishment in June 2017, there have been no draws on the secured backstop funding facility. The facility was effectively terminated on December 11, 2020.



**Table 4: Non-interest expenses and efficiency ratio**

(\$000s, except percentages and FTE)	2022		2021				2020		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2022	2021
Compensation and benefits	<b>40,067</b>	36,772	34,166	33,430	32,396	28,973	28,448	26,589	<b>76,839</b>	61,369
Technology and system costs	<b>11,250</b>	11,950	11,557	11,544	10,292	9,917	9,353	9,244	<b>23,200</b>	20,209
Regulatory, legal and professional fees	<b>8,492</b>	10,085	6,383	5,646	5,599	4,531	4,872	4,788	<b>18,577</b>	10,130
Product costs	<b>8,090</b>	7,211	7,212	7,032	6,785	6,178	5,845	5,540	<b>15,301</b>	12,963
Marketing and corporate expenses	<b>6,564</b>	5,065	7,178	5,792	5,954	3,933	4,094	4,076	<b>11,629</b>	9,887
Premises	<b>3,813</b>	3,850	3,931	3,998	3,964	3,785	2,736	2,828	<b>7,663</b>	7,749
Total non-interest expenses	<b>78,276</b>	74,933	70,427	67,442	64,990	57,317	55,348	53,065	<b>153,209</b>	122,307
Efficiency ratio	<b>47.7%</b>	39.9%	41.0%	41.6%	40.9%	38.2%	36.4%	35.7%	<b>43.6%</b>	39.6%
Full-time employee (FTE) – period average	<b>1,295</b>	1,191	1,121	1,068	1,005	948	912	887	<b>1,247</b>	978

**Table 5: Consolidated balance sheets**

(\$000s)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Assets</b>								
Cash and cash equivalents	539,509	725,281	773,251	646,501	591,752	596,267	557,743	1,148,004
Restricted cash	557,283	448,631	462,164	466,641	507,295	532,693	504,039	567,994
Securities purchased under reverse repurchase agreements	420,009	-	550,030	600,007	100,015	350,037	450,203	200,008
Investments	1,097,004	1,220,397	1,033,438	829,561	859,925	611,718	589,876	554,975
Loans – Personal	24,122,303	23,324,211	22,421,603	21,413,300	20,225,222	19,507,100	19,445,386	18,963,470
Loans – Commercial	12,123,469	10,893,131	10,479,159	10,061,492	9,667,652	9,384,917	8,826,182	8,628,451
Securitization retained interests	227,013	220,685	207,889	204,820	203,491	187,866	184,844	171,736
Other assets	331,168	317,632	231,536	202,745	186,901	183,939	188,045	212,448
	<b>39,417,758</b>	37,149,968	36,159,070	34,425,067	32,342,253	31,354,537	30,746,318	30,447,086
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	23,708,958	22,238,382	20,856,383	19,932,120	18,588,223	17,609,846	16,585,043	16,603,178
Securitization liabilities	11,366,847	10,966,178	11,375,020	11,195,418	11,483,635	11,731,668	11,991,964	11,691,653
Obligations under repurchase agreements	814,494	880,203	1,376,763	804,300	201,271	-	251,877	154,364
Deferred tax liabilities	64,180	64,488	63,141	70,118	67,520	63,269	60,880	55,691
Funding facilities	711,380	324,575	200,128	330,479	-	-	-	150,261
Subscription receipts	230,821	230,386	-	-	-	-	-	-
Other liabilities	426,527	407,920	335,001	221,354	200,067	217,975	208,852	218,038
	<b>37,323,207</b>	35,112,132	34,206,436	32,553,789	30,540,716	29,622,758	29,098,616	28,873,185
<b>Shareholders' equity:</b>								
Preferred shares	70,424	70,607	70,607	71,195	72,001	72,194	72,477	72,557
Common shares	234,372	232,854	230,160	228,645	224,997	224,397	218,166	214,657
Contributed surplus	10,106	9,357	8,693	8,272	8,237	7,722	8,092	8,245
Retained earnings	1,773,658	1,727,169	1,650,757	1,578,128	1,513,118	1,449,715	1,387,919	1,323,855
Accumulated other comprehensive income (loss)	5,991	(2,151)	(7,583)	(14,962)	(16,816)	(22,249)	(38,952)	(45,413)
	<b>2,094,551</b>	2,037,836	1,952,634	1,871,278	1,801,537	1,731,779	1,647,702	1,573,901
	<b>39,417,758</b>	37,149,968	36,159,070	34,425,067	32,342,253	31,354,537	30,746,318	30,447,086

**Table 6: Average balance sheet information<sup>(1)</sup>**

(\$000s)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Assets</b>								
Cash and cash equivalents	<b>765,963</b>	821,431	910,976	644,388	687,362	653,972	896,893	958,934
Restricted cash	<b>552,648</b>	443,528	488,461	507,107	550,536	500,603	548,160	580,882
Securities purchased under reverse repurchase agreements	<b>167,503</b>	205,863	287,509	200,006	112,513	200,060	162,553	100,095
Investments	<b>1,171,394</b>	1,120,923	960,840	869,592	750,802	593,933	579,936	561,074
Loans – Personal	<b>23,689,488</b>	22,878,985	21,952,479	20,823,336	19,824,494	19,458,858	19,281,866	19,039,876
Loans – Commercial	<b>11,541,125</b>	10,657,146	10,242,454	9,934,588	9,495,412	9,190,629	8,703,392	8,710,188
Securitization retained interests	<b>220,052</b>	213,216	204,563	203,194	193,887	184,996	176,195	158,216
Other assets	<b>338,301</b>	264,049	230,991	191,988	181,258	189,013	195,593	186,837
	<b>38,446,474</b>	36,605,141	35,278,273	33,374,199	31,796,264	30,972,064	30,544,588	30,296,102
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities:</b>								
Deposits	<b>22,946,697</b>	21,519,411	20,477,756	19,184,441	18,070,910	16,967,484	16,484,004	16,206,171
Securitization liabilities	<b>11,318,630</b>	11,209,242	11,397,001	11,342,854	11,619,090	11,868,578	11,849,939	11,503,379
Obligations under repurchase agreements	<b>872,770</b>	1,199,223	887,745	592,360	50,318	172,563	282,684	438,560
Deferred tax liabilities	<b>64,533</b>	63,782	67,901	68,627	64,646	61,635	57,667	51,903
Funding facilities	<b>493,330</b>	201,965	233,158	129,069	-	-	37,565	317,721
Subscription receipts	<b>230,574</b>	57,597	-	-	-	-	-	-
Other liabilities	<b>451,607</b>	357,848	300,404	221,637	223,106	211,048	221,620	240,910
	<b>36,378,141</b>	34,609,068	33,363,965	31,538,988	30,028,070	29,281,308	28,933,479	28,758,644
<b>Shareholders' equity:</b>								
Preferred shares	<b>70,508</b>	70,607	70,821	71,499	72,056	72,312	72,537	72,557
Common shares	<b>233,243</b>	230,973	229,395	226,488	224,669	221,027	215,974	214,044
Contributed surplus	<b>9,743</b>	9,001	8,536	8,405	8,010	8,092	8,310	8,028
Retained earnings	<b>1,753,392</b>	1,691,548	1,614,035	1,546,012	1,483,101	1,419,952	1,356,595	1,290,495
Accumulated other comprehensive (income) loss	<b>1,447</b>	(6,056)	(8,479)	(17,193)	(19,642)	(30,627)	(42,307)	(47,666)
	<b>2,068,333</b>	1,996,073	1,914,308	1,835,211	1,768,194	1,690,756	1,611,109	1,537,458
	<b>38,446,474</b>	36,605,141	35,278,273	33,374,199	31,796,264	30,972,064	30,544,588	30,296,102

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

**Table 7: Loans under management - by lending business**

(\$000s)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Insured</b>								
Personal	<b>8,113,893</b>	8,369,594	8,591,090	8,813,753	8,965,413	9,205,442	9,469,845	9,100,091
Commercial	<b>5,254,149</b>	4,561,886	4,416,171	4,383,393	4,384,186	4,225,243	3,960,000	3,929,152
Total loan principal outstanding	<b>13,368,042</b>	12,931,480	13,007,261	13,197,146	13,349,599	13,430,685	13,429,845	13,029,243
Total loan principal outstanding percentage	<b>37%</b>	38%	40%	42%	45%	47%	48%	47%
<b>Uninsured</b>								
Personal	<b>15,891,513</b>	14,835,047	13,711,450	12,476,189	11,134,520	10,170,497	9,836,341	9,731,527
Commercial	<b>6,883,048</b>	6,354,456	6,083,529	5,700,411	5,303,549	5,185,544	4,891,167	4,726,228
Total loan principal outstanding	<b>22,774,561</b>	21,189,503	19,794,979	18,176,600	16,438,069	15,356,041	14,727,508	14,457,755
Total loan principal outstanding percentage	<b>63%</b>	62%	60%	58%	55%	53%	52%	53%
Total loan principal outstanding - on Balance Sheet	<b>36,142,603</b>	34,120,983	32,802,240	31,373,746	29,787,668	28,786,726	28,157,353	27,486,998
<b>Derecognized</b>								
Commercial	<b>6,349,413</b>	6,272,342	5,860,830	5,746,788	5,585,644	5,386,980	5,189,264	5,063,740
Total loan principal outstanding - off Balance Sheet	<b>6,349,413</b>	6,272,342	5,860,830	5,746,788	5,585,644	5,386,980	5,189,264	5,063,740
Loans under management	<b>42,492,016</b>	40,393,325	38,663,070	37,120,534	35,373,312	34,173,706	33,346,617	32,550,738
<b>Personal</b>								
Alternative single family mortgages	<b>16,264,259</b>	15,399,287	14,392,904	13,262,144	12,058,136	11,257,582	11,050,456	11,039,734
Prime single family mortgages	<b>7,246,522</b>	7,441,873	7,613,131	7,811,329	7,877,093	8,003,269	8,170,752	7,724,801
Decumulation loans	<b>494,625</b>	363,481	296,505	216,469	164,704	115,088	84,978	67,083
Total	<b>24,005,406</b>	23,204,641	22,302,540	21,289,942	20,099,933	19,375,939	19,306,186	18,831,618
<b>Commercial</b>								
Mortgages - to Corporates	<b>2,611,121</b>	2,446,158	2,326,676	2,285,164	2,066,778	2,293,220	2,054,777	1,803,180
Mortgages - to Small Business	<b>1,228,665</b>	1,154,573	1,086,826	1,043,089	1,011,089	966,317	936,363	911,123
Equipment leases	<b>902,054</b>	772,868	732,682	680,642	643,095	589,456	558,987	542,603
Insured Multi-unit residential mortgages	<b>11,101,204</b>	10,434,993	9,952,598	9,863,606	9,723,069	9,453,122	9,014,931	8,917,951
Specialized financing loans	<b>738,675</b>	714,856	645,588	506,268	357,257	256,760	290,190	271,582
Construction loans	<b>1,904,891</b>	1,665,236	1,616,160	1,451,823	1,472,091	1,238,892	1,185,183	1,272,681
Total	<b>18,486,610</b>	17,188,684	16,360,530	15,830,592	15,273,379	14,797,767	14,040,431	13,719,120
Loans under management	<b>42,492,016</b>	40,393,325	38,663,070	37,120,534	35,373,312	34,173,706	33,346,617	32,550,738

**Table 8: Deposit principal**

(\$000s)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Brokered deposits								
Term	<b>11,869,556</b>	11,066,252	10,370,958	9,941,469	9,620,916	9,395,250	9,647,939	10,086,228
Demand	<b>918,097</b>	954,830	1,004,691	902,515	675,354	647,418	675,358	735,306
	<b>12,787,653</b>	12,021,082	11,375,649	10,843,984	10,296,270	10,042,668	10,323,297	10,821,534
EQ Bank deposits								
Term	<b>2,306,170</b>	2,486,567	1,525,299	880,053	1,721,093	590,795	962,170	669,951
Demand	<b>5,281,371</b>	4,774,100	5,442,811	6,033,917	4,809,769	5,206,856	3,593,436	3,648,861
	<b>7,587,541</b>	7,260,667	6,968,110	6,913,970	6,530,862	5,797,651	4,555,606	4,318,812
Strategic partnerships	<b>379,096</b>	389,713	396,866	429,024	532,451	533,631	692,785	677,813
Deposit notes	<b>1,922,576</b>	1,935,380	1,451,940	1,052,951	1,053,688	1,052,866	804,323	554,631
Covered bonds	<b>856,340</b>	473,486	502,058	518,196	-	-	-	-
Total deposit principal	<b>23,533,206</b>	22,080,328	20,694,623	19,758,125	18,413,271	17,426,816	16,376,011	16,372,790

**Table 9: Impaired loans - by lending business**

(\$000s, except percentages)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Gross impaired loan assets</b>								
Personal	17,016	17,960	21,352	25,803	34,557	46,752	62,703	45,458
Commercial excluding equipment leases	29,785	38,602	49,121	25,900	66,530	34,355	30,476	19,286
Equipment leases	20,927	20,650	20,495	22,908	23,593	27,532	28,369	30,127
Total	67,728	77,212	90,968	74,611	124,680	108,639	121,548	94,871
<b>Net impaired loan assets</b>								
Personal	16,482	17,560	20,720	25,129	33,574	45,230	61,018	43,760
Commercial excluding equipment leases	28,434	37,030	47,835	24,934	65,963	34,104	30,208	19,071
Equipment leases	19,857	19,904	19,825	21,899	22,594	25,937	26,778	28,131
Total	64,773	74,494	88,380	71,962	122,131	105,271	118,004	90,962
<b>Net impaired loan assets as a % of portfolio loan assets</b>								
Personal	0.07%	0.08%	0.09%	0.12%	0.17%	0.23%	0.31%	0.23%
Commercial excluding equipment leases	0.25%	0.36%	0.49%	0.26%	0.73%	0.39%	0.36%	0.23%
Equipment leases	2.20%	2.58%	2.71%	3.22%	3.51%	4.40%	4.79%	5.18%
Total	0.18%	0.22%	0.27%	0.23%	0.41%	0.36%	0.42%	0.33%

**Table 10: Provision for credit losses (PCL) – by lending business**

(\$000s, except percentages)	2022		2021				2020		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2022	2021
<b>Stage 1</b>										
Personal	336	(1,666)	(2,461)	(1,782)	(2,064)	(420)	1,853	3,053	(1,330)	(2,484)
Commercial excluding equipment leases	(144)	1,165	(2,085)	(2,188)	984	1,046	741	2,815	1,021	2,030
Equipment leases	1,157	662	1,282	492	(666)	(85)	(1,288)	(512)	1,819	(751)
<b>Total</b>	<b>1,349</b>	<b>161</b>	<b>(3,264)</b>	<b>(3,478)</b>	<b>(1,746)</b>	<b>541</b>	<b>1,306</b>	<b>5,356</b>	<b>1,510</b>	<b>(1,205)</b>
<b>Stage 2</b>										
Personal	966	370	1,658	(348)	(1,268)	10	(2,815)	(3,608)	1,336	(1,258)
Commercial excluding equipment leases	763	(1,173)	(159)	683	(1,526)	(2,473)	(333)	(5,350)	(410)	(3,999)
Equipment leases	469	(581)	(1,367)	(1,609)	(754)	(1,172)	(943)	728	(112)	(1,926)
<b>Total</b>	<b>2,198</b>	<b>(1,384)</b>	<b>132</b>	<b>(1,274)</b>	<b>(3,548)</b>	<b>(3,635)</b>	<b>(4,091)</b>	<b>(8,230)</b>	<b>814</b>	<b>(7,183)</b>
<b>Stage 3</b>										
Personal	116	(198)	99	(291)	(172)	59	173	190	(82)	(113)
Commercial excluding equipment leases	343	281	261	400	316	(26)	49	(339)	624	290
Equipment leases	1,227	1,015	1,352	1,143	3,168	2,289	2,666	666	2,242	5,457
<b>Total</b>	<b>1,686</b>	<b>1,098</b>	<b>1,712</b>	<b>1,252</b>	<b>3,312</b>	<b>2,322</b>	<b>2,888</b>	<b>517</b>	<b>2,784</b>	<b>5,634</b>
<b>Total PCL</b>										
Personal	1,418	(1,494)	(704)	(2,421)	(3,504)	(351)	(789)	(365)	(76)	(3,855)
Commercial excluding equipment leases	962	273	(1,983)	(1,105)	(226)	(1,453)	457	(2,874)	1,235	(1,679)
Equipment leases	2,853	1,096	1,267	26	1,748	1,032	435	882	3,949	2,780
<b>Total</b>	<b>5,233</b>	<b>(125)</b>	<b>(1,420)</b>	<b>(3,500)</b>	<b>(1,982)</b>	<b>(772)</b>	<b>103</b>	<b>(2,357)</b>	<b>5,108</b>	<b>(2,754)</b>
<b>PCL – rate</b>										
Personal	0.02%	(0.03%)	(0.01%)	(0.05%)	(0.07%)	(0.01%)	(0.02%)	(0.01%)	(0.001%)	(0.04%)
Commercial excluding equipment leases	0.04%	0.01%	(0.08%)	(0.03%)	(0.01%)	(0.07%)	0.02%	(0.14%)	0.02%	(0.04%)
Equipment leases	1.36%	0.58%	0.72%	0.02%	1.13%	0.72%	0.32%	0.66%	0.97%	0.93%
<b>Total</b>	<b>0.06%</b>	<b>(0.001%)</b>	<b>(0.02%)</b>	<b>(0.05%)</b>	<b>(0.03%)</b>	<b>(0.01%)</b>	<b>0.001%</b>	<b>(0.03%)</b>	<b>0.03%</b>	<b>(0.02%)</b>



**Table 11: Allowance for credit losses continuity<sup>(1)</sup>**

(\$000s, except percentages)	2022		2021				2020		YTD	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	2022	2021
<b>Stage 1 &amp; 2 allowances</b>										
Balance, beginning of period	45,138	46,361	49,493	54,245	59,539	62,633	65,418	68,292	46,361	62,633
Provision for credit losses:										
Transfer from Stage 3	189	696	544	583	779	851	606	641	885	1,630
Transfer to Stage 3	(213)	(288)	(159)	(170)	(235)	(420)	(528)	(759)	(501)	(655)
Re-measurement <sup>(2)</sup>	727	(3,300)	(5,203)	(6,793)	(6,907)	(4,328)	(3,031)	(3,433)	(2,573)	(11,235)
Originations	5,146	3,760	2,084	2,032	1,765	1,624	1,650	2,119	8,906	3,389
Discharges	(2,302)	(2,091)	(398)	(404)	(696)	(821)	(1,482)	(1,442)	(4,393)	(1,517)
Balance, end of period	48,685	45,138	46,361	49,493	54,245	59,539	62,633	65,418	48,685	54,245
<b>Stage 3 allowance</b>										
Balance, beginning of period	2,718	2,588	2,649	2,549	3,368	3,544	3,909	5,441	2,588	3,544
Provision for credit losses:										
Transfer to Stage 1	(101)	(617)	(452)	(493)	(510)	(528)	(487)	(312)	(718)	(1,038)
Transfer to Stage 2	(88)	(79)	(92)	(90)	(269)	(323)	(119)	(329)	(167)	(592)
Transfer from Stage 1	19	13	13	8	20	19	28	10	32	39
Transfer from Stage 2	194	275	146	162	215	401	500	749	469	616
Re-measurement <sup>(2)</sup>	1,662	1,506	2,097	1,665	3,856	2,753	2,966	399	3,168	6,609
Write-offs	(902)	(939)	(1,691)	(1,132)	(3,764)	(2,286)	(3,070)	(1,777)	(1,841)	(6,050)
Realized losses	(573)	(69)	(191)	(30)	(374)	(223)	(215)	(280)	(642)	(597)
Recoveries	26	40	109	10	7	11	32	8	66	18
Balance, end of period	2,955	2,718	2,588	2,649	2,549	3,368	3,544	3,909	2,955	2,549
<b>Total allowance</b>										
Balance, beginning of period	47,856	48,949	52,142	56,794	62,907	66,177	69,327	73,733	48,949	66,177
Provision for credit losses:										
Re-measurement <sup>(2)</sup>	2,389	(1,794)	(3,106)	(5,128)	(3,051)	(1,575)	(65)	(3,034)	595	(4,626)
Originations	5,146	3,760	2,084	2,032	1,765	1,624	1,650	2,119	8,906	3,389
Discharges	(2,302)	(2,091)	(398)	(404)	(696)	(821)	(1,482)	(1,442)	(4,393)	(1,517)
Write-offs	(902)	(939)	(1,691)	(1,132)	(3,764)	(2,286)	(3,070)	(1,777)	(1,841)	(6,050)
Realized losses	(573)	(69)	(191)	(30)	(374)	(223)	(215)	(280)	(642)	(597)
Recoveries	26	40	109	10	7	11	32	8	66	18
Balance, end of period	51,640	47,856	48,949	52,142	56,794	62,907	66,177	69,327	51,640	56,794

<sup>(1)</sup> The allowance for credit losses as at June 30, 2022 includes allowance on loan commitments amounting to \$294 thousand.<sup>(2)</sup> Includes movement as a result of significant changes in credit risk, changes in credit risk that did not result in a transfer between stages and changes in model inputs and assumptions.

**Table 12: Allowance for credit losses – by lending business**

(\$000s, except percentages)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Stage 1</b>								
Personal	5,171	4,835	6,501	8,962	10,744	12,808	13,228	11,375
Commercial excluding equipment leases	18,058	18,202	17,037	19,122	21,310	20,326	19,280	18,539
Equipment leases	6,194	5,037	4,375	3,093	2,601	3,267	3,352	4,640
<b>Total</b>	<b>29,423</b>	<b>28,074</b>	<b>27,913</b>	<b>31,177</b>	<b>34,655</b>	<b>36,401</b>	<b>35,860</b>	<b>34,554</b>
<b>Stage 2</b>								
Personal	6,281	5,315	4,945	3,287	3,635	4,903	4,893	7,708
Commercial excluding equipment leases	2,107	1,344	2,517	2,676	1,993	3,519	5,992	6,325
Equipment leases	10,874	10,405	10,986	12,353	13,962	14,716	15,888	16,831
<b>Total</b>	<b>19,262</b>	<b>17,064</b>	<b>18,448</b>	<b>18,316</b>	<b>19,590</b>	<b>23,138</b>	<b>26,773</b>	<b>30,864</b>
<b>Stage 3</b>								
Personal	534	400	632	674	983	1,522	1,685	1,698
Commercial excluding equipment leases	1,351	1,572	1,286	966	567	251	268	215
Equipment leases	1,070	746	670	1,009	999	1,595	1,591	1,996
<b>Total</b>	<b>2,955</b>	<b>2,718</b>	<b>2,588</b>	<b>2,649</b>	<b>2,549</b>	<b>3,368</b>	<b>3,544</b>	<b>3,909</b>
<b>Total allowance for credit losses</b>								
Personal	11,986	10,550	12,078	12,923	15,362	19,233	19,806	20,781
Commercial excluding equipment leases	21,516	21,118	20,840	22,764	23,870	24,096	25,540	25,079
Equipment leases	18,138	16,188	16,031	16,455	17,562	19,578	20,831	23,467
<b>Total</b>	<b>51,640</b>	<b>47,856</b>	<b>48,949</b>	<b>52,142</b>	<b>56,794</b>	<b>62,907</b>	<b>66,177</b>	<b>69,327</b>
<b>Allowance for credit losses as a % of portfolio loan assets</b>								
Personal	0.05%	0.05%	0.05%	0.06%	0.08%	0.10%	0.10%	0.11%
Commercial excluding equipment leases	0.19%	0.21%	0.21%	0.24%	0.26%	0.27%	0.31%	0.31%
Equipment leases	2.01%	2.09%	2.19%	2.42%	2.73%	3.32%	3.73%	4.32%
<b>Total</b>	<b>0.14%</b>	<b>0.14%</b>	<b>0.15%</b>	<b>0.17%</b>	<b>0.19%</b>	<b>0.22%</b>	<b>0.23%</b>	<b>0.25%</b>

**Table 13: Loan principal outstanding – by province<sup>(1)</sup>**

	(\$000s except percentages)																	
	2022						2021						2020					
	Q2		Q1		Q4		Q3		Q2		Q1		Q4		Q3			
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
<b>Personal</b>																		
Ontario	14,748,869	41%	14,227,522	42%	13,676,683	42%	12,972,888	41%	12,186,781	41%	11,691,426	41%	11,638,980	41%	11,504,198	42%		
Alberta	3,427,735	9%	3,375,888	10%	3,299,064	10%	3,220,772	10%	3,063,835	10%	2,931,749	10%	2,890,379	10%	2,772,944	10%		
Quebec	1,717,446	5%	1,609,800	5%	1,533,727	5%	1,459,289	5%	1,383,089	5%	1,348,600	5%	1,354,103	5%	1,284,399	5%		
British Columbia	2,980,893	8%	2,854,658	8%	2,645,671	8%	2,480,972	8%	2,318,217	8%	2,246,671	8%	2,244,780	8%	2,147,403	8%		
Saskatchewan	312,250	1%	319,708	1%	323,677	1%	329,373	1%	327,397	1%	331,771	1%	337,939	1%	336,411	1%		
Other Provinces	818,213	2%	817,065	2%	823,718	3%	826,648	3%	820,614	3%	825,722	3%	840,005	3%	786,263	3%		
	<b>24,005,406</b>	<b>66%</b>	<b>23,204,641</b>	<b>68%</b>	<b>22,302,540</b>	<b>68%</b>	<b>21,289,942</b>	<b>68%</b>	<b>20,099,933</b>	<b>67%</b>	<b>19,375,939</b>	<b>67%</b>	<b>19,306,186</b>	<b>69%</b>	<b>18,831,618</b>	<b>69%</b>		
<b>Commercial</b>																		
Ontario	6,349,838	18%	5,871,062	17%	5,494,279	17%	5,187,314	17%	4,963,294	17%	4,760,585	17%	4,485,783	16%	4,327,316	16%		
Alberta	1,362,212	4%	1,178,072	3%	1,112,541	3%	1,168,696	4%	1,168,129	4%	1,219,276	4%	1,263,456	4%	1,304,998	5%		
Quebec	2,242,041	6%	1,910,623	6%	1,909,268	6%	1,885,565	6%	1,826,401	6%	1,778,181	6%	1,514,509	5%	1,505,162	5%		
British Columbia	1,328,549	4%	1,139,090	3%	1,187,823	4%	1,155,423	4%	1,046,372	4%	1,046,581	4%	960,623	3%	897,595	3%		
Saskatchewan	163,219	0%	140,960	0%	126,085	0%	115,909	0%	115,860	0%	92,013	0%	120,113	0%	153,723	1%		
Other Provinces	691,338	2%	676,535	2%	669,704	2%	570,897	2%	567,679	2%	514,151	2%	506,683	2%	466,586	2%		
	<b>12,137,197</b>	<b>34%</b>	<b>10,916,342</b>	<b>32%</b>	<b>10,499,700</b>	<b>32%</b>	<b>10,083,804</b>	<b>32%</b>	<b>9,687,735</b>	<b>33%</b>	<b>9,410,787</b>	<b>33%</b>	<b>8,851,167</b>	<b>31%</b>	<b>8,655,380</b>	<b>31%</b>		
<b>Total loan principal</b>	<b>36,142,603</b>	<b>100%</b>	<b>34,120,983</b>	<b>100%</b>	<b>32,802,240</b>	<b>100%</b>	<b>31,373,746</b>	<b>100%</b>	<b>29,787,668</b>	<b>100%</b>	<b>28,786,726</b>	<b>100%</b>	<b>28,157,353</b>	<b>100%</b>	<b>27,486,998</b>	<b>100%</b>		
<b>Total loan principal</b>																		
Ontario	21,098,707	58%	20,098,584	59%	19,170,962	58%	18,160,202	58%	17,150,075	58%	16,452,011	57%	16,124,763	57%	15,831,514	58%		
Alberta	4,789,947	13%	4,553,960	13%	4,411,605	13%	4,389,468	14%	4,231,964	14%	4,151,025	14%	4,153,835	15%	4,077,942	15%		
Quebec	3,959,487	11%	3,520,423	10%	3,442,995	10%	3,344,854	11%	3,209,490	11%	3,126,781	11%	2,868,612	10%	2,789,561	10%		
British Columbia	4,309,442	12%	3,993,748	12%	3,833,494	12%	3,636,395	12%	3,364,589	11%	3,293,252	11%	3,205,403	11%	3,044,998	11%		
Saskatchewan	475,469	1%	460,668	1%	449,762	1%	445,282	1%	443,257	1%	423,784	1%	458,052	2%	490,134	2%		
Other Provinces	1,509,551	4%	1,493,600	4%	1,493,422	5%	1,397,545	4%	1,388,293	5%	1,339,873	5%	1,346,688	5%	1,252,849	5%		
<b>Total loan principal</b>	<b>36,142,603</b>	<b>100%</b>	<b>34,120,983</b>	<b>100%</b>	<b>32,802,240</b>	<b>100%</b>	<b>31,373,746</b>	<b>100%</b>	<b>29,787,668</b>	<b>100%</b>	<b>28,786,726</b>	<b>100%</b>	<b>28,157,353</b>	<b>100%</b>	<b>27,486,998</b>	<b>100%</b>		

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

**Table 14: Residential mortgage and HELOC principal outstanding – by province<sup>(1)(2)</sup>**

	Residential mortgages		HELOC <sup>(4)</sup>		Total			
	Insured <sup>(3)</sup>		Uninsured		Uninsured			
	Total	%	Total	%	Total	%		
							Q2 2022	
Ontario	3,410,807	15%	10,934,987	47%	357,518	73%	11,292,505	47%
Alberta	2,354,825	10%	1,061,118	5%	9,741	2%	1,070,859	4%
British Columbia	939,524	4%	1,924,378	8%	107,453	22%	2,031,831	8%
Manitoba	237,983	1%	61,507	0%	469	0%	61,976	0%
Saskatchewan	256,823	1%	49,238	0%	682	0%	49,920	0%
Other Provinces	913,931	4%	1,297,533	6%	13,672	3%	1,311,205	5%
<b>Total</b>	<b>8,113,893</b>	<b>35%</b>	<b>15,328,760</b>	<b>65%</b>	<b>489,535</b>	<b>100%</b>	<b>15,818,295</b>	<b>66%</b>
							Q2 2021	
Ontario	4,009,671	20%	8,018,678	40%	130,435	73%	8,149,113	41%
Alberta	2,225,983	11%	831,491	4%	5,348	3%	836,839	4%
British Columbia	1,103,207	6%	1,175,825	6%	37,471	21%	1,213,296	6%
Manitoba	256,000	1%	52,771	0%	454	0%	53,225	0%
Saskatchewan	277,443	1%	44,083	0%	838	0%	44,921	0%
Other Provinces	1,093,109	5%	796,229	4%	3,330	2%	799,559	4%
<b>Total</b>	<b>8,965,413</b>	<b>45%</b>	<b>10,919,077</b>	<b>55%</b>	<b>177,876</b>	<b>100%</b>	<b>11,096,953</b>	<b>55%</b>

<sup>(1)</sup> Geographic location based on the address of the property mortgaged.<sup>(2)</sup> This table was prepared based on the disclosure requirements outlined in OSFI's Guideline B-20. For the purpose of this guideline, all reverse mortgages secured by residential property are considered to be HELOC.<sup>(3)</sup> Insured by either CMHC, Sagen or Canada Guaranty.<sup>(4)</sup> HELOC, Standalone HELOC (SHELOC), and Equitable Bank Reverse Mortgage are collectively referred to as "HELOC" in this Report wherever applicable.

**Table 15: Residential mortgage principal outstanding - by remaining amortization<sup>(1)</sup>**

(\$000s 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>Q2 2022</b>									
Total residential mortgages	16,654 0.07%	154,263 0.66%	668,577 2.85%	2,693,141 11.49%	6,002,315 25.60%	13,795,017 58.85%	110,773 0.47%	1,913 0.01%	23,442,653 100%
<b>Q1 2022</b>									
Total residential mortgages	15,901 0.07%	144,510 0.63%	635,169 2.79%	2,730,356 11.99%	6,070,296 26.65%	13,066,286 57.36%	118,396 0.52%	340 0.00%	22,781,254 100%
<b>Q4 2021</b>									
Total residential mortgages	13,893 0.06%	136,882 0.62%	571,544 2.60%	2,744,852 12.50%	6,249,370 28.47%	12,147,293 55.34%	86,169 0.39%	343 0.00%	21,950,346 100%
<b>Q3 2021</b>									
Total residential mortgages	13,348 0.06%	125,294 0.60%	522,584 2.49%	2,698,326 12.84%	6,372,615 30.32%	11,165,672 53.12%	121,528 0.58%	1,031 0.01%	21,020,398 100%
<b>Q2 2021</b>									
Total residential mortgages	11,019 0.06%	120,390 0.61%	487,940 2.45%	2,700,323 13.58%	6,296,475 31.67%	10,098,941 50.79%	168,803 0.85%	599 0.00%	19,884,490 100%
<b>Q1 2021</b>									
Total residential mortgages	11,383 0.06%	112,143 0.58%	456,013 2.37%	2,761,072 14.37%	6,337,505 32.99%	9,395,307 48.91%	136,509 0.71%	702 0.00%	19,210,634 100%
<b>Q4 2020</b>									
Total residential mortgages	10,675 0.06%	101,518 0.53%	415,190 2.17%	2,621,435 13.67%	6,528,077 34.05%	9,145,236 47.71%	346,595 1.81%	1,581 0.01%	19,170,307 100%
<b>Q3 2020</b>									
Total residential mortgages	9,518 0.05%	93,892 0.50%	381,777 2.04%	2,431,210 12.99%	6,158,885 32.92%	8,913,583 47.64%	717,507 3.83%	3,453 0.02%	18,709,825 100%

<sup>(1)</sup> The residential mortgage balances do not include HELOC (HELOC, SHELOC and Equitable Bank Reverse Mortgage) amount.



Table 16: Uninsured average loan-to-value of newly originated and newly acquired<sup>(1)</sup>

	2022				2021				2020							
	Q2		Q1		Q4		Q3		Q2		Q1		Q4		Q3	
	Residential mortgages	HELOC <sup>(2)</sup>	Residential mortgages	HELOC(2)	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	72%	41%	71%	39%	71%	42%	72%	40%	71%	40%	71%	37%	71%	28%	68%	32%
Alberta	73%	29%	73%	38%	73%	38%	72%	27%	72%	23%	71%	26%	73%	22%	70%	31%
British Columbia	69%	42%	70%	39%	70%	41%	70%	38%	72%	35%	71%	38%	70%	25%	66%	22%
Manitoba	71%	1%	77%	7%	72%	6%	76%	0%	77%	2%	76%	0%	73%	17%	67%	0%
Saskatchewan	68%	3%	69%	0%	70%	5%	67%	2%	73%	1%	66%	0%	64%	5%	68%	0%
Other Provinces	71%	43%	71%	40%	70%	39%	72%	48%	72%	45%	72%	26%	71%	2%	69%	30%
Total Canada	71%	41%	71%	39%	71%	41%	72%	40%	72%	39%	71%	37%	71%	27%	68%	30%

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

<sup>(2)</sup> HELOC includes HELOC, SHELOC, and Equitable Bank Reverse Mortgage.

The loan-to-value (LTV) of HELOC represents the authorized amount as a percentage of the original property value at the time of origination.

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.

**Table 17: Average loan-to-value of existing uninsured residential mortgages<sup>(1)(2)(3)(4)</sup>**

	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Ontario	56%	58%	60%	58%	57%	60%	60%	61%
Alberta	62%	63%	63%	63%	63%	65%	66%	67%
British Columbia	58%	61%	62%	61%	60%	62%	62%	64%
Manitoba	57%	58%	59%	58%	59%	62%	62%	63%
Saskatchewan	48%	50%	52%	51%	51%	53%	54%	55%
Other Provinces	58%	60%	62%	60%	59%	61%	62%	63%
Total Canada	57%	58%	60%	59%	58%	61%	61%	62%

<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 our HELOC (HELOC, SHELOC and Equitable Bank Reverse Mortgage) products 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 \$33.8 million at June 30, 2022 (March 31, 2022 - \$36.5 million, June 30, 2021 - \$40.9 million)



**Table 18: Alternative single family - weighted average beacon score by LTV<sup>(1)(2)</sup>**

	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<50% LTV	<b>723</b>	719	720	722	722	720	718	717
50% - 64.99% LTV	<b>712</b>	712	709	708	708	708	704	703
65% - 69.99% LTV	<b>707</b>	704	704	702	702	701	699	699
70% - 75% LTV	<b>710</b>	707	703	704	704	702	698	698
>75% LTV	<b>717</b>	711	708	707	706	705	701	698
<b>Total</b>	<b>713</b>	710	707	707	707	705	702	700

<sup>(1)</sup> The beacon scores reported here represent the current weighted average beacon score of Equitable's insured and uninsured mortgage portfolio within its Alternative Single Family Lending Business.

<sup>(2)</sup> LTVs are based on property values at origination.



**Table 19: Modified Capital Disclosure Template – Equitable Bank**

(\$000s, except percentages)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<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	365,017	288,212	227,259	226,604	216,652	216,541	215,536	214,980
2 Retained earnings	1,772,898	1,727,721	1,649,890	1,577,018	1,521,110	1,456,957	1,395,381	1,331,184
3 Accumulated other comprehensive income (and other reserves)	(30,311)	(22,508)	(8,263)	(8,998)	(16,816)	(12,219)	(19,009)	(24,643)
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>2,107,604</b>	<b>1,993,425</b>	<b>1,868,886</b>	<b>1,794,624</b>	<b>1,720,946</b>	<b>1,661,279</b>	<b>1,591,908</b>	<b>1,521,521</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>								
26 Other deductions and regulatory adjustments to CET1 as determined by OSFI	3,213	2,599	5,442	6,525	8,277	10,233	15,873	17,293
28 Total regulatory adjustments to Common Equity Tier 1	(114,583)	(106,850)	(99,524)	(96,927)	(82,257)	(87,285)	(82,321)	(80,569)
<b>29 Common Equity Tier 1 capital (CET1)</b>	<b>1,996,234</b>	<b>1,889,174</b>	<b>1,774,804</b>	<b>1,704,222</b>	<b>1,646,966</b>	<b>1,584,227</b>	<b>1,525,460</b>	<b>1,458,245</b>
<b>29a Common Equity Tier 1 capital (CET1) with transitional arrangements for ECL provisioning not applied</b>	<b>1,993,021</b>	<b>1,886,575</b>	<b>1,769,362</b>	<b>1,697,697</b>	<b>1,638,689</b>	<b>1,573,994</b>	<b>1,509,587</b>	<b>1,440,952</b>
<b>Additional Tier 1 capital: instruments</b>								
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	72,554	72,554	72,554	72,554	72,554	72,554	72,554	72,554
31 of which: classified as equity under applicable accounting standards	72,554	72,554	72,554	72,554	72,554	72,554	72,554	72,554
32 of which: classified as liabilities under applicable accounting standards	-	-	-	-	-	-	-	-
33 Directly issued capital instruments subject to phase out from Additional Tier 1	-	-	-	-	-	-	-	-
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>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	-	-	-	-	-	-	-	-
44 Additional Tier 1 capital (AT1)	72,554	72,554	72,554	72,554	72,554	72,554	72,554	72,554
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>2,068,788</b>	<b>1,961,728</b>	<b>1,847,358</b>	<b>1,776,776</b>	<b>1,719,520</b>	<b>1,656,781</b>	<b>1,598,014</b>	<b>1,530,799</b>
<b>45a Tier 1 capital with transitional arrangements for ECL provisioning not applied</b>	<b>2,065,575</b>	<b>1,959,129</b>	<b>1,841,916</b>	<b>1,770,251</b>	<b>1,711,243</b>	<b>1,646,548</b>	<b>1,582,141</b>	<b>1,513,506</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	-	-	-	-	-	-	-	-
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	45,473	42,539	40,919	42,968	45,967	49,305	46,760	48,125
<b>51 Tier 2 capital before regulatory adjustments</b>	<b>45,473</b>	<b>42,539</b>	<b>40,919</b>	<b>42,968</b>	<b>45,967</b>	<b>49,305</b>	<b>46,760</b>	<b>48,125</b>
<b>Tier 2 capital: regulatory adjustments</b>								
57 Total regulatory adjustments to Tier 2 capital	-	-	-	-	-	-	-	-
58 Tier 2 capital (T2)	45,473	42,539	40,919	42,968	45,967	49,305	46,760	48,125
<b>59 Total capital (TC = T1 + T2)</b>	<b>2,114,261</b>	<b>2,004,267</b>	<b>1,888,277</b>	<b>1,819,744</b>	<b>1,765,487</b>	<b>1,706,086</b>	<b>1,644,774</b>	<b>1,578,924</b>
<b>59a Total capital with transitional arrangements for ECL provisioning not applied</b>	<b>2,114,261</b>	<b>2,004,267</b>	<b>1,888,277</b>	<b>1,819,744</b>	<b>1,765,487</b>	<b>1,706,086</b>	<b>1,644,774</b>	<b>1,578,924</b>
<b>60 Total risk-weighted assets</b>	<b>14,748,207</b>	<b>14,018,221</b>	<b>13,309,550</b>	<b>12,427,049</b>	<b>11,461,154</b>	<b>10,911,018</b>	<b>10,426,077</b>	<b>10,179,647</b>
<b>Capital ratios</b>								
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.5%	13.5%	13.3%	13.7%	14.4%	14.5%	14.6%	14.3%
61a CET1 Ratio with transitional arrangements for ECL provisioning not applied	13.5%	13.5%	13.3%	13.7%	14.3%	14.4%	14.5%	14.2%
62 Tier 1 (as a percentage of risk-weighted assets)	14.0%	14.0%	13.9%	14.3%	15.0%	15.2%	15.3%	15.0%
62a Tier 1 Capital Ratio with transitional arrangements for ECL provisioning not applied	14.0%	14.0%	13.8%	14.2%	14.9%	15.1%	15.2%	14.9%
63 Total capital (as a percentage of risk-weighted assets)	14.3%	14.3%	14.2%	14.6%	15.4%	15.6%	15.8%	15.5%
63a Total Capital Ratio with transitional arrangements for ECL provisioning not applied	14.3%	14.3%	14.2%	14.6%	15.4%	15.6%	15.8%	15.5%
<b>OSFI all-in target</b>								
69 Common Equity Tier 1 capital all-in target ratio	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
70 Tier 1 capital all-in target ratio	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
71 Total capital all-in target ratio	10.5%	10.5%	10.5%	10.5%	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	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	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	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	-	-	-	-	-	-	-	-
85 Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	-	-	-	-	-	-

**Table 20: Leverage Ratio – Equitable Bank**

(\$000s, except percentages)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>On-balance sheet exposure</b>								
1 On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	<b>38,726,715</b>	36,854,619	35,563,379	33,778,496	32,216,231	30,975,867	30,270,296	30,217,624
2 Grossed-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework (IFRS)	-	-	-	-	-	-	-	-
3 (Deductions of receivables assets for cash variation margin provided in derivative transactions)	-	-	-	-	-	-	-	-
4 (Asset amounts deducted in determining Basel III Tier 1 capital)	<b>(150,885)</b>	(127,207)	(100,204)	(90,962)	(82,258)	(77,255)	(62,377)	(59,799)
<b>5 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 4)</b>	<b>38,575,830</b>	36,727,412	35,463,175	33,687,534	32,133,973	30,898,612	30,207,919	30,157,825
<b>Derivative exposures</b>								
6 Replacement cost associated with all derivative transactions	<b>43,180</b>	42,210	35,067	36,386	10,175	13,423	14,294	24,124
7 Add-on amounts for potential future exposure associated with all derivative transactions	<b>41,380</b>	38,336	55,681	59,155	31,123	26,547	18,298	22,649
8 (Exempted central counterparty-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 6 to 10)</b>	<b>84,560</b>	80,546	90,748	95,541	41,298	39,970	32,592	46,773
<b>Securities financing transaction exposures</b>								
12 Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	<b>420,009</b>	-	550,030	600,007	100,015	350,037	450,203	200,008
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-	-	-	-	-
14 Counterparty credit risk (CCR) exposure for SFTs	<b>43,890</b>	14,512	57,577	24,163	9,707	10,733	20,875	8,669
15 Agent transaction exposures	-	-	-	-	-	-	-	-
<b>16 Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>463,899</b>	14,512	607,607	624,170	109,722	360,770	471,078	208,677
<b>Other off-balance sheet exposures</b>								
17 Off-balance sheet exposure at gross notional amount	<b>3,861,878</b>	4,149,756	3,600,886	3,581,698	3,462,123	2,906,821	2,558,836	2,029,676
18 (Adjustments for conversion to credit equivalent amounts)	<b>(2,379,197)</b>	(2,656,272)	(2,225,554)	(2,340,595)	(2,364,191)	(1,978,634)	(1,645,742)	(1,375,901)
<b>19 Off-balance sheet items (sum of lines 17 and 18)</b>	<b>1,482,681</b>	1,493,484	1,375,332	1,241,103	1,097,932	928,187	913,094	653,775
<b>Capital and Total Exposure</b>								
20 Tier 1 capital	<b>2,068,788</b>	1,961,728	1,847,358	1,776,776	1,719,520	1,656,781	1,598,014	1,530,799
20a Tier 1 capital with transitional arrangements for ECL provisioning not applied	<b>2,065,575</b>	1,959,129	1,841,916	1,770,251	1,711,243	1,646,548	1,582,141	1,513,506
<b>21 Total Exposures (sum of lines 5, 11, 16 and 19)</b>	<b>40,606,970</b>	38,315,955	37,536,862	35,648,348	33,382,925	32,227,539	31,624,683	31,067,050
<b>Leverage Ratios</b>								
22 Basel III Leverage Ratio	<b>5.1%</b>	5.1%	4.9%	5.0%	5.2%	5.1%	5.1%	4.9%
22a Basel III Leverage Ratio with transitional arrangements for ECL provisioning not applied	<b>5.1%</b>	5.1%	4.9%	5.0%	5.1%	5.1%	5.0%	4.9%



## Non-GAAP financial measures and ratios

This section provides further discussion regarding the variety of financial measures to evaluate EQB's performance. In addition to GAAP prescribed measures, we also use certain non-GAAP financial measures and ratios that we believe provide useful information to investors regarding EQB's financial condition and results of operations. Readers are cautioned that non-GAAP financial measures and ratios often do not have any standardized meaning, and therefore, are unlikely to be comparable to similar measures presented by other companies.

### Adjusted results:

On February 7, 2022, Equitable Bank announced that it entered into a definitive agreement to acquire a majority interest in Concentra Bank (Concentra), subject to customary closing conditions and regulatory approvals, and is expected to close later in 2022. As a result of the announced agreement, Equitable Bank has incurred certain acquisition costs beginning in Q4 2021. To enhance comparability between reporting periods, increase consistency with other financial institutions, and provide the reader with a better understanding of EQB's performance, adjusted results are being introduced starting Q1 2022. Adjusted results are non-GAAP financial measures.

The adjusted results are calculated by removing the following costs from the reported results.

### Adjustments impacting current and prior periods:

Concentra acquisition/integration costs, pre-tax:

- Q2 2022 – \$2.7 million of acquisition and integration related costs and \$0.9 million of interest expenses paid to subscription receipt holders<sup>(1)</sup>
- Q1 2022 – \$5.1 million of acquisition and integration related costs and \$0.9 million of interest expenses paid to subscription receipt holders<sup>(1)</sup>, and
- Q4 2021 – \$0.7 million of acquisition costs.

(1) The interest expense refers to the dividend equivalent amount paid to subscription receipt holders. The subscription receipt holders are entitled to receive a payment equal to the common share dividend declared multiplied by the number of subscription receipts held on the common share dividend payment date. These subscription receipts will be converted into common shares at a 1:1 ratio upon the closing of the Concentra acquisition. The net proceeds from the issuance are held in an escrow account and the interest income earned is not recognized until the closing date. In the event that the acquisition does not close, the interest that accrues to the investment will be paid to the subscription receipt holders, along with the return of their initial investment.

### Assets under management (AUM)

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

### Conventional loans

is the total on-balance sheet loan principal excluding Prime single family and Insured multi-unit residential mortgages.

### Liquid assets

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

### Loans under management (LUM)

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

### Net interest margin (NIM)

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

### Pre-provision pre-tax income (PPPT)

is the difference between revenue and non-interest expenses.



## Glossary

### **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 Equitable Bank in accordance with OSFI's Capital Adequacy Requirements (CAR) Guideline.

### **Dividend payout ratio**

is defined as dividend per common share as a percentage of diluted earnings per share.

### **Dividend yield**

is calculated on an annualized basis and is defined as dividend per common share divided by average of daily closing price per common share for the period.

### **Efficiency ratio**

is derived by dividing non-interest expenses by 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 Equitable Bank in accordance with OSFI's CAR Guideline.

### **Operating leverage**

is the growth rate in revenue less the growth rate in non-interest expenses.

### **Provision for credit losses (PCL) – rate**

is calculated on an annualized basis and is defined as the provision for credit losses as a percentage of average loan principal 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 RWA**

is calculated on an annualized basis and is defined as net income as a percentage of average RWA during the period.

**Return on 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

**Risk-weighted assets (RWA)**

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

**Tier 1 Capital**

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

**Tier 2 Capital**

is equal to the sum of Equitable Bank's eligible stage 1 and 2 allowance.

**Tier 1 capital ratio**

is calculated by dividing Tier 1 Capital by Total RWA. This ratio is calculated for Equitable Bank in accordance with OSFI's CAR Guideline.

**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 Equitable Bank in accordance with OSFI's CAR Guideline.



## Acronyms

### **AOCI**

Accumulated Other Comprehensive Income (Loss)

### **CAR**

Capital Adequacy Requirements

### **CMHC**

Canada Mortgage and Housing Corporation

### **EPS**

Earnings per Share

### **GAAP**

Generally Accepted Accounting Principles

### **HELOC**

Home Equity Line of Credit

### **IAS**

International Accounting Standard

### **IASB**

International Accounting Standards Board

### **IFRS**

International Financial Reporting Standards

### **LTV**

Loan-to-Value ratio

### **NIM**

Net Interest Margin

### **OSFI**

Office of the Superintendent of Financial Institutions Canada