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EQUITY

**Welcome to the
Equity Financial Holdings Inc.
Annual General Meeting of
Shareholders**

Election of Directors

Nominees:

- Brendan Calder
- Stephen J. Griggs
- Michael R. Jones
- Bradley R. Kipp
- Michèle McCarthy
- Martin Ouellet
- F. David Rounthwaite
- Glen Silvestri
- Calvin Younger

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**Equity Financial Holdings Inc.
(TSX:EQI)**

Annual General Meeting

May 28, 2014

Forward Looking Statements



This presentation is for information purposes only and does not constitute an offer to sell or a solicitation to buy the securities of Equity Financial Holdings Inc. (“Equity” or the “Corporation”), but is solely for purposes of providing information regarding Equity.

Certain portions of this presentation as well as other public statements by the Corporation contain “forward-looking information” within the meaning of applicable Canadian securities legislation, which are also referred to as “forward-looking statements”, which may not be based on historical fact. Such forward-looking statements include, without limitation, operations and financial results, and otherwise with respect to the Corporation’s business, including the Corporation's strategic focus as a mortgage provider and deposit-taking institution.

Forward-looking statements reflect the Corporation’s current views with respect to future events and are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements, as they reflect the Corporation’s current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation, are inherently subject to significant business, economic, regulatory, competitive, political and social uncertainties and contingencies.

Recent History



- \$64MM sale of transfer agent and corporate trust business
- Departure 2 senior executives
- Smoothwater announcement
- Turnover in Mortgage Originations group
- CEO Search
- Year-end NOI of <\$327K> and adjusted NOI of \$518K
- Q1 2014 NOI of <\$3,495K> and adjusted NOI of \$599K
 - includes one time costs of \$5.6M of which legal and advisory amounted to \$4.1M

Plan for 2014



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- Re-staff, re-train, re-organize Mortgage Operations (Originations & Servicing)
 - Includes appointment of 2 new senior executives, new managers, underwriters and funders
 - Re-build and re-launch brand in broker channel by year end
 - Re-establish profitable operations
 - Keep investors apprised of plans
 - Create strategic plan for the future with clear picture of “what success looks like” eg. NOI, ROE and share price targets

- The same
 - Non/near prime s.f. res. Mortgage space (5-10% total \$1.2 trillion)
 - Broker channel (40% new purchase mortgage market)
 - BFS, bruised credit, thin file, new immigrant borrowers
 - Raise GIC debt at a stable spread over GOC and lend it out at a greater spread (300+ bps in portfolio)
 - Ensure Equity remains in compliance with regulatory limits and guidelines
- Changes
 - Lengthen portfolio duration to give customers more interest rate protection and reduce administration costs and annual run-off
 - In light of evolving regulatory landscape, strengthen focus on borrower's ability and willingness to pay
 - Continue preparation for BASEL III leverage and liquidity rules
 - More products to target near prime customers who were prime yesterday

Questions

