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For Immediate Release

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**EQUITABLE GROUP INC. ANNOUNCES AGREEMENT TO
ISSUE \$45 MILLION OF NON-CUMULATIVE 5-YEAR RATE RESET PREFERRED SHARES AT
A DIVIDEND RATE OF 7.25% AS PART OF GROWTH STRATEGY**

Toronto, Ontario – August 11, 2009 – Equitable Group Inc. (the "Company") today announced that it has entered into an agreement with a group of underwriters led by National Bank Financial Inc. and GMP Securities L.P. (the "Underwriters") to issue 1,440,000 Non-Cumulative 5-Year Rate Reset Preferred Shares, Series 1 (the "Series 1 Preferred Shares") at a price of \$25.00 per share, on a bought deal basis for gross proceeds of \$36 million (the "Prospectus Offering"). The Company also announced that it intends to issue on a private placement basis an additional 360,000 Series 1 Preferred Shares at a price of \$25.00 per share for gross proceeds of \$9 million (the "Private Placement Offering"). The sole subscriber for the Private Placement Offering will be Canadian Western Bank.

"Our decision to issue preferred shares is consistent with our long-standing preference for using non-dilutive forms of capital to advance our growth," said Andrew Moor, President and Chief Executive Officer of the Company. "We are very pleased to be able to enter into a transaction that allows us to fund future investment and growth opportunities, while also significantly bolstering the strength of our capital position."

The Company will use the gross proceeds from the offerings to acquire Non-Cumulative 5-Year Rate Reset Preferred Shares, Series 1 (the "Trust Series 1 Preferred Shares") from its wholly-owned subsidiary, The Equitable Trust Company ("Equitable Trust") with terms and conditions similar to the Series 1 Preferred Shares. Subject to regulatory approval, the Trust Series 1 Preferred Shares are intended to qualify as Tier 1 capital for Equitable Trust.

John Ayanoglou, the Company's Chief Financial Officer stated: "Equitable Trust has reported significantly stronger capital ratios during the course of the last 12 months. Equitable Trust's Tier 1 capital position and total capital ratio (when general allowance is included in Tier 2 capital) were reported at 11.8% and 15.3%, respectively, at the end of the second quarter of 2009. On a pro forma basis, the issuance of \$45 million in preferred shares in aggregate under the Prospectus Offering and the Private Placement

Offering would be expected to improve these ratios to 13.6% and 17.2%, respectively, though Equitable Trust may, subject to regulatory approval, choose to use a portion of the proceeds to redeem some of the subordinated debentures that currently qualify as part of its Tier 2 capital.”

The Company has granted the Underwriters an over-allotment option to purchase in connection with the Prospectus Offering, on the same terms, up to an additional 200,000 Series 1 Preferred Shares. This option is exercisable in whole or in part by the Underwriters at any time up to 30 days following the closing of the Prospectus Offering and would be used to cover over-allotments made at the initial closing, if any. The maximum gross proceeds raised under the Prospectus Offering would be \$41 million should this option be exercised in full. The maximum aggregate gross proceeds raised under the Prospectus Offering and the Private Placement Offering would be \$50 million if the over-allotment option is exercised in full.

The Company intends to file a short form prospectus in respect of this distribution in each of the provinces of Canada. The Prospectus Offering and the Private Placement Offering are scheduled to close on September 1, 2009, and are subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and exchange approvals. The Prospectus Offering is conditional on the completion of the Private Placement Offering. The Private Placement Offering will likewise be conditional on, among other things, the completion of the Prospectus Offering.

The Series 1 Preferred Shares will yield 7.25% annually, payable quarterly, as and when declared by the Board of Directors of the Company for an initial period ending September 30, 2014. Thereafter, the dividend rate will reset every five years at a level of 4.53% over the then five-year Government of Canada bond yield. Holders of Series 1 Preferred Shares will, subject to certain conditions, have the option to convert their shares to Non-Cumulative Floating Rate Preferred Shares, Series 2 (the “Series 2 Preferred Shares”) on September 30, 2014 and on September 30 every five years thereafter. Holders of the Series 2 Preferred Shares will be entitled to a floating quarterly dividend rate equal to the 90-day Canadian Treasury Bill Rate plus 4.53%, as and when declared by the Board of Directors of the Company.

The Series 1 Preferred Shares and Series 2 Preferred Shares of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Equitable Group Inc.

Equitable Group Inc. is a leading niche mortgage lender. Its primary business is first mortgage financing, which it offers through The Equitable Trust Company, its wholly-

owned subsidiary. Founded in 1970, Equitable Trust is a federally regulated trust company. It serves single family, small and large commercial borrowers and their mortgage advisors, as well as the investing public as a provider of Guaranteed Investment Certificates. Equitable's non-branch business model, valued relationships with third-party mortgage professionals and deposit-taking agents, and disciplined lending practices have allowed the Company to grow profitably and efficiently for many years. The common shares of Equitable Group Inc. are listed on the Toronto Stock Exchange under the trading symbol of "ETC". For more information, visit www.equitablegroupinc.com.

For More Information:

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This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "planned", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, closing of transactions, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to capital markets and additional funding requirements, fluctuating interest rates and general economic conditions, legislative and regulatory developments, the nature of our customers and rates of default, and competition as well as those factors discussed in the Company's documents filed on SEDAR (www.sedar.com).

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws. Further information on the Company is available at www.sedar.com.

This news release and the information contained herein does not constitute an offer of securities for sale in the United States and securities may not be offered or sold in the United States absent registration or exemption from registration.