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For Immediate Release

TSX Symbol: ETC

**EQUITABLE GROUP INC. COMPLETES
\$50 MILLION PREFERRED SHARE OFFERING**

Toronto, Ontario (September 1, 2009): Equitable Group Inc. (the "Company") today announced that it has successfully raised total proceeds of \$50 million by way of a bought deal prospectus offering and private placement offering.

A total of 2,000,000 Non-Cumulative 5-Year Rate Reset Preferred Shares, Series 1 of the Company (the "Series 1 Preferred Shares") were sold at a price of \$25.00 per share. Of the shares issued, 1,640,000 were placed on a bought deal basis with a group of underwriters led by National Bank Financial Inc. and GMP Securities L.P. The bought deal raised gross proceeds of \$41 million, which included the concurrent exercise of the over-allotment option of an additional 200,000 Series 1 Preferred Shares. The Company sold the remaining 360,000 shares at \$25.00 per share on a private placement basis to Canadian Western Bank.

The Company used the total 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"), which qualify as Tier 1 capital for Equitable Trust, with terms and conditions similar to the Series 1 Preferred Shares issued by Equitable Group.

"These transactions support our growth strategy by further strengthening our capital position without dilution to our common shareholders," said Andrew Moor, Equitable Group President and Chief Executive Officer. "With these offerings completed, we look forward to maintaining Equitable's enhanced balance sheet while profitably deploying capital in markets that offer us excellent potential."

The Series 1 Preferred Shares 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 were not 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.

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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.