NEWS RELEASE

TSX Symbols: ETC and ETC.PR.A

EQUITABLE GROUP REPORTS RECORD 2009 RESULTS

- *Single family production up 63% in fourth quarter*
- *Strong capital position*

Toronto, Ontario (February 25, 2010): Equitable Group Inc. ("Equitable" or the "Company") today reported record earnings for the three and 12 months ended December 31, 2009 – on solid growth in its net interest margin – and indicated it is poised for growth in its lending markets as a result of its strong capital position.

2009 ANNUAL RESULTS

- Net income grew 33.2% to $51.4 million – a new annual earnings record – compared to $38.6 million a year ago;
- Diluted earnings increased 20.9% to $3.36 per share from $2.78 per share a year ago;
- Return on equity grew to 17.0% from 16.6% in 2008;
- Productivity ratio on a taxable equivalent basis ("TEB") – a measure of efficiency – improved to 24.9% from 27.4%;
- Total capital ratio including general allowance improved to 17.6% compared to 13.5% at the end of 2008;
- Tangible common equity ratio, a key measure of capital strength, improved to 12.6% from 10.1% a year ago;
- Book value per share grew 23.0% to $21.83 from $17.75 a year ago.

FOURTH QUARTER RESULTS

- Net income increased 97.3% to $15.6 million compared to $7.9 million in the same period a year ago due to net interest margin ("NIM") expansion and a one-time benefit that lowered its income taxes;
- Diluted earnings increased 81.1% to $0.96 per share from $0.53 per share a year ago;
- NIM on a TEB expanded to 2.4% from 1.5% a year ago and 2.2% in the third quarter;
- Return on average assets doubled to 1.6% from 0.8% a year ago;
- Return on equity was 17.9% compared to 11.8% a year ago;
- Productivity ratio on a TEB improved to 25.1% from 32.7% a year ago.

DIVIDENDS

The Company's Board of Directors declared a dividend on the Company's common shares in the amount of $0.10 per share, payable on April 5, 2010, to shareholders of record at the close of business on March 15, 2010. The Board also declared a dividend in the amount of $0.453125 per share on the Company's Series 1 preferred shares, payable March 31, 2010, to preferred shareholders of record at the close of business on March 15, 2010.

MANAGEMENT COMMENTARY

"Equitable's record results in 2009 reflected the strength of our business and demonstrated our Company's ability to address both the recessionary and recovering market conditions that we experienced during the year," said Andrew Moor, President and CEO. "We are pleased with this performance, including the expansion of our net interest margin to its highest level in 12 quarters – and the effectiveness of our underwriting in managing risk and volatility. However, the real highlight of 2009 was that we substantially built our capital in preparation for long-term growth and improvement. With the best capital ratios in our history, Equitable has capacity to capitalize on the many opportunities available to us, particularly in single family mortgage lending. Consistent with our strategy and risk practices, we added over $167 million to our single family portfolio in the fourth quarter – a 63% year-over-year production increase. In total, Equitable met all of its objectives for 2009 and our goal is to surpass this outstanding performance in 2010."

John Ayanoglou, Chief Financial Officer commented: "During the fourth quarter, we continued to strengthen our capital structure, which has the dual benefit of supporting ongoing mortgage accumulation and reducing our relative costs. We did this by successfully issuing $23.2 million of Series 8 Debentures, a new class of sub debt with an initial interest cost of 6.50%. At the same time, we redeemed all of Equitable Trust's $30.8 million of remaining Series 5 subordinated debt, which bore an average interest cost to us of 7.43%. Series 8 provided Equitable with the ability to extend the average term of its subordinated debt at lower average interest costs and on other advantageous terms – and it provides Equitable with the ability to restructure certain other components of its existing sub debt in a similar fashion. While this may cause a marginal decline in our capital ratio, Equitable's capital position will remain robust and well able to support meaningful growth in our mortgage portfolio."

MORTGAGE PORTFOLIO HIGHLIGHTS

- Single Family Lending Services business funded $397.7 million of mortgages in 2009 – including $167.2 million in the fourth quarter – compared to $609.9 million in 2008 ($102.5 million in the fourth quarter of 2008);
- Commercial Mortgage – Broker Services funded $105.7 million of mortgages in 2009 – including $42.6 million in the fourth quarter – compared to $165.1 million in 2008 ($16.8 million in the fourth quarter of 2008);
- Commercial Lending Services funded $1.8 billion of mortgages in 2009 – 90.6% of which were CMHC-insured multi-unit residential compared to $1.6 billion in 2008 of which 80.6% was CMHC-insured;
- At year end, fixed-rate mortgages represented 70.1% of the mortgage portfolio compared to 50.0% at year end 2008 while floating rate mortgages with no interest rate floors amounted to 15.6% compared to 39.4% a year earlier;
- Total mortgage fundings in 2009 amounted to $2.3 billion, the same as in 2008.

Equitable also earns interest from recurring cash flows on its securitized mortgage portfolio. This portfolio grew to $4.1 billion at year end from $2.8 billion at December 31, 2008.

CREDIT QUALITY

Mortgages in arrears 90 days or more (excluding CMHC-insured mortgages that are less than 365 days in arrears) improved to 0.64% of total principal outstanding from 1.57% at December 31, 2008 as the Company benefitted from the relative health of its mortgage portfolio and ongoing success in managing defaults. At the end of the third quarter, the Company deemed a $19.2 million residential construction mortgage as impaired. Despite the fact that interest payments were up to date as at December 31, 2009, allowances of $1.0 million were placed against this mortgage in each of the fourth and third quarters. As a result, net impaired mortgages were 1.20% of total mortgage principal outstanding, compared to 1.21% at year end 2008. Net realized loan losses in 2009 of $6.5 million were well below industry norms and not considered to be material in relation to the Company's $2.8 billion mortgage portfolio.

LOOKING AHEAD

"The credit market and economic environment in our lending regions improved again in the fourth quarter and we continue to respond to this recovery with targeted sales efforts and strong underwriting processes aimed at growing our mortgage portfolio and improving returns without excessive risk taking," said Mr. Moor. "Going forward, we expect to emphasize single family in our growth, which is consistent with our strategy and objective of improving investment returns on a risk-weighted basis. As anticipated and realized in each of the last few quarters, our interest rate spreads have improved. Based on an expectation of stability in the Bank of Canada's benchmark interest rate through the first half of 2010, better GIC market dynamics that have eased overall deposit costs and improved pricing on our mortgages, we see continued strength in our NIM. Given our well-capitalized balance sheet, quality mortgage portfolio and focused risk management processes, we are confident in Equitable's ability to translate opportunity into value in 2010 for our shareholders."

FOURTH QUARTER WEBCAST

Management will discuss Equitable's results during a conference call beginning at 10 a.m. ET today. To listen to the audio webcast, log on to www.equitablegroupinc.com. To participate in the call, please dial 416-644-3419.

MD&A

The Company will post its MD&A for 2009 on its website (www.equitablegroupinc.com) this morning. This document will also be archived on the site.

ABOUT EQUITABLE GROUP INC.

Equitable Group Inc. is a niche mortgage lender. Our core business is first charge mortgage financing, which we offer through our wholly owned subsidiary, The Equitable Trust Company. Founded in 1970, Equitable Trust is a federally incorporated trust company. It serves single family, small and large commercial borrowers and their mortgage advisors. It also serves the investing public as a provider of Guaranteed Investment Certificates. Equitable is active in providing GICs across all Canadian provinces and territories. We actively originate mortgages in Ontario, Alberta and Manitoba. Equitable Group's shares are traded on the Toronto Stock Exchange under the symbols ETC and ETC.PR.A. Visit the Company on line at www.equitablegroupinc.com or www.equitabletrust.com.

CONSOLIDATED BALANCE SHEETS

($ THOUSANDS)

As at December 31		**2009**		2008
Assets				
Cash and cash equivalents	**$**	**395,835**	$	50,121
Restricted cash		**5,000**		8,422
Investments purchased under reverse repurchase agreements		**129,721**		698,276
Investments		**388,037**		170,321
Securitization retained interests		**147,195**		101,806
Mortgages receivable		**2,763,020**		3,023,015
Other assets		**17,266**		35,590
	$	**3,846,074**	$	4,087,551
Liabilities and Shareholders' Equity				
Liabilities:				
Customer deposits	**$**	**3,332,319**	$	3,692,569
Future income taxes		**19,999**		17,839
Other liabilities		**54,724**		36,433
Bank term loans		**27,500**		44,595
Subordinated debentures		**37,671**		31,969
		3,472,213		3,823,405
Shareholders' equity:				
Preferred shares		**48,523**		-
Common shares		**127,424**		126,993
Contributed surplus		**3,267**		2,553
Retained earnings		**193,635**		149,365
Accumulated other comprehensive income (loss)		**1,012**		(14,765)
		373,861		264,146
	$	**3,846,074**	$	4,087,551

CONSOLIDATED STATEMENTS OF INCOME

($ THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Years ended December 31	2009	2008
Interest income:		
Mortgages	$ 162,991	$ 186,519
Investments	13,548	8,180
Other	3,599	17,255
	180,138	211,954
Interest expense:		
Customer deposits	94,322	133,770
Deposit agent commissions	7,149	8,468
Bank term loans	3,188	3,025
Subordinated debentures	2,310	2,348
	106,969	147,611
Net interest income	73,169	64,343
Provision for credit losses	6,600	3,450
Net interest income after provision for credit losses	66,569	60,893
Other income:		
Fees and other income	3,246	1,832
Net gain (loss) on investments	50	(295)
Gains on securitization activities and income from retained interests	24,390	13,275
	27,686	14,812
Net interest income and other income	94,255	75,705
Non-interest expenses:		
Compensation and benefits	15,367	13,253
Other	10,540	9,438
	25,907	22,691
Income before income taxes	68,348	53,014
Income taxes:		
Current	12,660	4,929
Future	4,250	9,474
	16,910	14,403
Net income	51,438	38,611
Dividends on preferred shares	1,212	-
Net income available to common shareholders	$ 50,226	$ 38,611
Earnings per share:		
Basic	$ 3.37	$ 2.79
Diluted	$ 3.36	$ 2.78

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

($ THOUSANDS)

Years ended December 31	2009	2008
Preferred shares:		
Balance, beginning of year	$ -	$ -
Gross proceeds of equity issue, Series 1	50,000	-
Issue expenses, net of tax recovery of $638 (2008 - nil)	(1,477)	-
Balance, end of year	48,523	-
Common shares:		
Balance, beginning of year	126,993	87,062
Gross proceeds of equity issue	-	40,850
Issue expenses, net of tax recovery of nil (2008 - $698)	-	(1,510)
Proceeds from reinvestment of dividends	189	-
Proceeds from exercise of stock options	195	525
Transferred from contributed surplus relating to the exercise of stock options	47	66
Balance, end of year	127,424	126,993
Contributed surplus:		
Balance, beginning of year	2,553	1,778
Stock-based compensation	761	841
Transferred to common shares relating to the exercise of stock options	(47)	(66)
Balance, end of year	3,267	2,553
Retained earnings:		
Balance, beginning of year	149,365	116,325
Net income	51,438	38,611
Dividends		
Preferred shares	(1,212)	-
Common shares	(5,956)	(5,571)
Balance, end of year	193,635	149,365
Accumulated other comprehensive income (loss):		
Balance, beginning of year	(14,765)	(1,995)
Other comprehensive income (loss)	15,777	(12,770)
Balance, end of year	1,012	(14,765)
Total retained earnings and accumulated other comprehensive income	194,647	134,600
Total shareholders' equity	$ 373,861	$ 264,146

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

($ THOUSANDS)

Years ended December 31	2009	2008
Net income	$ 51,438	$ 38,611
Other comprehensive income (loss), net of tax:		
Available for sale investments:		
Net unrealized gains (losses) from change in fair value	19,324	(12,483)
Reclassification of net gains to income	(3,547)	(287)
Other comprehensive income (loss)	15,777	(12,770)
Comprehensive income	$ 67,215	$ 25,841

CONSOLIDATED STATEMENTS OF CASH FLOWS

($ THOUSANDS)

Years ended December 31	2009	2008
Cash provided by (used in):		
Operating activities:		
Net income	$ 51,438	$ 38,611
Non-cash items:		
Financial instruments - fair value adjustments	2,572	(10,023)
Securitization gains	(20,221)	(10,076)
Amortization of capital assets	605	779
Provision for credit losses	6,600	3,450
Net (gain) loss on investments	(27)	39
Future income taxes	2,798	9,475
Stock-based compensation	761	841
Amortization of premiums on investments, net	803	1,344
	45,329	34,440
Changes in operating assets and liabilities:		
Other assets	5,783	(3,586)
Other liabilities	(6,312)	511
	44,800	31,365
Financing activities:		
(Decrease) increase in customer deposits	(355,328)	582,665
Repayment of bank term loan	(17,095)	-
Issuance of subordinated debentures	23,221	-
Redemption of subordinated debentures	(17,519)	-
Dividends paid on preferred shares	(1,212)	-
Dividends paid on common shares	(5,765)	(5,571)
Issuance of preferred shares	47,885	-
Issuance of common shares	195	39,167
	(325,618)	616,261
Investing activities:		
Purchase of investments	(239,098)	(5,000)
Proceeds on sale or redemption of investments	248,080	104,538
Purchase of investments purchased under reverse repurchase agreements	(941,681)	(2,133,537)
Proceeds on sale or redemption of investments purchased under reverse repurchase agreements	1,510,236	1,667,381
Change in restricted cash	3,422	(3,422)
Increase in mortgages receivable	(2,838,218)	(3,135,352)
Mortgage principal repayments	1,454,319	1,581,808
Proceeds from loan securitizations	1,402,222	1,291,679
Securitization retained interests	27,530	18,931
Purchase of capital assets	(280)	(458)
	626,532	(613,432)
Increase in cash and cash equivalents	345,714	34,194
Cash and cash equivalents, beginning of year	50,121	15,927
Cash and cash equivalents, end of year	$ 395,835	$ 50,121

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FOR MORE INFORMATION:
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Certain forward-looking statements are made in this news release, including statements found in the Outlook and Objectives section, above, regarding possible future business. 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. Certain material assumptions are applied by the Company in making forward-looking statements, including without limitation, assumptions regarding its continued ability to fund its mortgage business at current levels, a continuation of the current level of economic uncertainty that affects real estate market conditions, continued acceptance of its products in the marketplace, as well as no material changes in its operating cost structure and the current tax regime. 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 these assumptions and the related forward-looking statements. Equitable 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. See the MD&A for further information on forward-looking statements.