



TSX Symbols: ETC and ETC.PR.A

EQUITABLE GROUP COMPLETES SECOND TRANSACTION TO ENHANCE CAPITAL STRUCTURE WITH NEW ISSUE OF SUBORDINATED DEBENTURES

Toronto, Ontario (December 30, 2009): Equitable Group Inc. (“Equitable” or the “Company”) today announced that, in the second of a series of transactions, it has issued \$15.2 million in Series 8 Debentures (“Series 8”), a new class of subordinated debt. As part of this transaction, the Company has repaid \$13.3 million of its term credit facilities with a Canadian chartered bank and the Equitable Trust Company (“Equitable Trust”) has concurrently redeemed \$14.0 million of the its Series 5 Debentures (“Series 5”). This transaction, in combination with a transaction announced on December 18, 2009, has resulted in the redemption of all \$30.8 million of the remaining Series 5, which bore a weighted average interest cost to Equitable Trust of 7.43%, and the issuance by the Company of a total of \$23.2 million in Series 8 subordinated debt at an initial interest cost of 6.50% – approximately 376 basis points over the current 5-year Government of Canada Bond benchmark yield.

The gross proceeds of the offering of the Series 8 are being used by the Company to purchase the subordinated debt of Equitable Trust, which qualifies as Tier 2B regulatory capital and will, in turn, be used for general corporate purposes. The Series 8 will pay fixed interest semi-annually for the first five years of its 10-year term, and then bear a floating interest rate that is calculated at the 90-day Banker’s Acceptance Rate plus 480 basis points thereafter.

The issuance of the new Series 8 provides Equitable the ability to extend the average term of its subordinated debt at lower average interest costs, on advantageous terms and with better structure than previously.

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.

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FOR MORE INFORMATION:

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This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation, including statements found in the management commentary above. 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. See the Company's continuous disclosure documents for further information on forward-looking statements.