



TSX Symbols: ETC and ETC.PR.A

## **EQUITABLE GROUP ENHANCES CAPITAL STRUCTURE WITH REDEMPTION AND NEW ISSUE OF SUBORDINATED DEBENTURES**

Toronto, Ontario (December 18, 2009): Equitable Group Inc. ("Equitable" or the "Company") today announced that, in the first of a series of transactions involving its subordinated debt, it has redeemed \$16.8 million of the Equitable Trust Series 5 Subordinated Debentures, which bore an average interest cost of 7.42% and it has issued \$8.0 million in Series 8 Subordinate Debentures ("Series 8"), a new class of subordinated debt being issued by the Company at an initial interest cost of 6.50%, which is approximately 393 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 The Equitable Trust Company, 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 rate interest rate that is calculated at the 90-day Banker's Acceptance Rate plus 480 basis points thereafter.

Series 8 provides Equitable the opportunity of extending the average term of its subordinated debt at lower 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](http://www.equitablegroupinc.com) or [www.equitabletrust.com](http://www.equitabletrust.com).

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### **FOR MORE INFORMATION:**

John Ayanoglou  
Senior Vice-President and Chief Financial Officer  
416-515-7000

*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](http://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.*