NEWS RELEASE

EQUITABLE GROUP INC.

TSX Symbol: ETC

EQUITABLE GROUP REPORTS ANNUAL AND FOURTH QUARTER 2008 RESULTS

- **ALL FINANCIAL AND STRATEGIC GOALS MET OR EXCEEDED**
- **CAPITAL AND LIQUIDITY POSITIONS STRONGER THAN EVER**

Toronto, Ontario (February 26, 2009): Equitable Group Inc. (“Equitable” or the “Company”) today reported its financial results for the three and 12 months ended December 31, 2008, including the strongest capital ratio and liquidity positions for its wholly-owned subsidiary, The Equitable Trust Company (“Equitable Trust”), in Equitable’s history as a public company.

2008 Results

- Net income increased 23.9% to a record $38.6 million from $31.2 million a year ago – well ahead of the Company’s earnings growth target for the year of 16% to 20%.
- Diluted earnings grew 13.9% to a record $2.78 per share, on more shares outstanding, compared to $2.44 per share in 2007.
- Return on equity was 16.6%, in line with Equitable’s 2008 objective of 16% to 18%.
- Equitable Trust’s total capital ratio (inclusive of general allowance) grew to 13.5% – its strongest capital position since the Company was taken public – much improved over the 11.0% ratio of January 1, 2008 and ahead of the Company’s 13.0% objective for the year.
- Productivity ratio on a Taxable Equivalent Basis – a measure of efficiency – improved to 27.4% from 29.2% a year ago.
- Realized loan loss of only $36 thousand.
- Book value was $17.75 per share compared to $15.69 per share at December 31, 2007.

Fourth Quarter Results

- Net income increased 14.2% to $7.9 million from $6.9 million a year ago.
- Diluted earnings were $0.53 per share, the same as in the fourth quarter of 2007 despite more shares outstanding.
- Return on equity was 11.8% compared to 13.7% a year ago.
- Total assets were $4.1 billion – a new milestone – and 19.9% higher than the December 31, 2007 asset base of $3.4 billion.

Dividend

The Company's Board of Directors declared a dividend of $0.10 per share payable on April 3, 2009, to shareholders of record at the close of business on March 13, 2009.

Credit Quality and Allowances

Despite weaker economic conditions, the Company's mortgage portfolio continued to perform well and within expectations. Total realized loan loss in 2008 was just $36 thousand. Although net impaired mortgages were 1.21% of total mortgage principal compared to 0.30% a year ago, the majority of the Company's impaired mortgage balance related to one borrower connection that is being actively managed. Excluding this one connection, net impaired mortgages would have been 0.38% of total mortgage principal. As a prudent measure to provide for potential losses on impaired mortgages, the Company recorded a $2.8 million ($0.13 per share basic and diluted) charge for specific allowances in 2008. Management continues to believe that adequate collateral is available to support the value of Equitable's mortgage portfolio.

Fourth Quarter Operating Highlights

- Single Family Lending Services mortgage originations increased 7.8% to $102.5 million from $95.1 million in the fourth quarter of last year – and Single Family represented 13.0% of total mortgage production, compared with 16.3% a year earlier.
- Commercial Mortgage – Broker Services production decreased to $16.8 million compared to $81.5 million in the fourth quarter of 2007.
- Commercial Lending Services production increased to $671.7 million from $406.1 million a year ago – and consistent with the Company's focus on generating attractive risk-weighted returns, $260.2 million of 2008 fourth quarter production related to CMHC-insured multi-unit residential mortgages that were originated for the purpose of securitization and sale.
- Total mortgage principal increased on a net basis by $158.7 million or 5.5% from a year ago.
- The Company securitized and sold $281.0 million of CMHC-insured mortgages in the fourth quarter of 2008, compared to $92.6 million in the corresponding quarter of 2007.

Management Commentary

"Equitable achieved record results in 2008 and achieved the operating objectives we set for the year, which is a reflection of the strength of our business, especially in light of today's challenging economic, credit and real estate environments," said Andrew Moor, President and Chief Executive Officer. "Despite the impact that six consecutive decreases in the Bank of Canada's lending rate – and our decision to increase liquidity – had on our interest margin in 2008, net income still grew by almost 24% over 2007 – itself a record year. We also increased gains on securitization activities by $8.8 million over the prior year, by securitizing and selling a record $1.3 billion in CMHC-insured multi-unit and single-family residential mortgages. Despite increasing total assets by some $670 million to more than $4.0 billion, we kept our long and successful track record of credit quality firmly intact and built our capital and liquidity positions to record levels as a public company. For these reasons, we are pleased with Equitable's performance and satisfied that the strategic and capital plans we introduced at the beginning of last year are working to capitalize on our advantages, offset heightened risk and position us for improvements in the future."

Outlook and Objectives

"Long term, Equitable is focused on achieving growth by identifying and investing in the development of mortgage products and geographic markets that will deliver strong returns on capital for our shareholders," said Mr. Moor. "Short term, we believe quality lending opportunities continue to exist in our markets and we are identifying and capitalizing on these but in the context of an approach that is weighted to earning sustainable returns and protecting shareholder capital. We believe that by maintaining strict credit risk practices, continually improving our operating efficiencies, and preserving our strong regulatory capital and liquidity positions, we will manage successfully through this economic turbulence and emerge in an even stronger position to capitalize on growth opportunities."

John Ayanoglou, Chief Financial Officer, said: "While our risk management policies will have the effect of tempering origination volumes until better economic conditions emerge, the impact on fee income and earnings related to this effect is expected to be marginal because the majority of our earnings and cash flows are generated from interest earned on our $3.0 billion mortgage portfolio. Furthermore, we stand to benefit substantially from the recurring cash flows we generate from our $2.8 billion securitized mortgage portfolio, which we intend to grow considerably in 2009."

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 416-644-3414.

MD&A

The Company will post its MD&A for the three months and year ended December 31, 2008 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 leading niche financial institution focused on single-family dwelling mortgage lending, Commercial Mortgage – Broker Services, a business line that funds loans on a variety of properties including mixed-use, apartment, commercial and industrial buildings, and commercial lending in partnership with mortgage banking organizations. Equitable is a nationally-licensed deposit-taking institution. It conducts business through its wholly-owned subsidiary, The Equitable Trust Company, which was founded in 1970. Equitable's non-branch business model, valued relationships with independent 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.

EQUITABLE GROUP INC.
Consolidated Balance Sheets
(In thousands of dollars)

As at December 31, 2008 and 2007

	2008	2007
Assets		
Cash and cash equivalents	**$50,121**	$15,927
Restricted cash	**8,422**	5,000
Investments purchased under		
reverse repurchase agreements	**698,276**	232,120
Investments	**170,321**	220,697
Securitization retained interests	**101,806**	51,214
Mortgages receivable	**3,023,015**	2,874,241
Other assets	**35,590**	10,427
	$4,087,551	$3,409,626
Liabilities and Shareholders' Equity		
Liabilities:		
Customer deposits	**$3,692,569**	$3,104,524
Future income taxes	**17,839**	7,945
Other liabilities	**36,433**	17,423
Bank term loans	**44,595**	44,595
Subordinated debentures	**31,969**	31,969
	3,823,405	3,206,456
Shareholders' equity		
Capital stock	**126,993**	87,062
Contributed surplus	**2,553**	1,778
Retained earnings	**149,365**	116,325
Accumulated other comprehensive loss	**(14,765)**	(1,995)
	264,146	203,170
Commitments and contingencies		
	$4,087,551	$3,409,626

EQUITABLE GROUP INC.
Consolidated Statements of Income
(In thousands of dollars, except per share amounts)

Years ended December 31, 2008 and 2007

	2008	2007
Interest income:		
Mortgages	**$186,519**	$164,631
Investments	**8,180**	12,180
Other	**17,255**	8,833
	211,954	185,644
Interest expense:		
Customer deposits	**133,770**	112,017
Deposit agent commissions	**8,468**	6,729
Bank term loans	**3,025**	2,952
Subordinated debentures	**2,348**	2,367
	147,611	124,065
Net interest income	**64,343**	61,579
Provision for credit losses	**3,450**	900
Net interest income after provision for credit losses	**60,893**	60,679
Other income:		
Fees and other income	**1,832**	1,275
Net loss on investments	**(295)**	(5,170)
Gains on securitization activities and income from retained interests	**13,275**	4,184
	14,812	289
Net interest income and other income	**75,705**	60,968
Non-interest expenses:		
Compensation and benefits	**13,253**	11,340
Other	**9,438**	8,628
	22,691	19,968
Income before income taxes	**53,014**	41,000
Income taxes:		
Current	**4,929**	5,063
Future	**9,474**	4,766
	14,403	9,829
Net income	**$38,611**	$31,171
Earnings per share:		
Basic	**$2.79**	$2.47
Diluted	**$2.78**	$2.44

EQUITABLE GROUP INC.

Consolidated Statements of Changes in Shareholders' Equity
(In thousands of dollars)

Years ended December 31, 2008 and 2007

	2008	2007
Capital stock:		
Balance, beginning of year	**$87,062**	$57,849
Common shares issued:		
Gross proceeds of equity issue	**40,850**	25,000
Issue expenses, net of tax recovery of $698 (2007 - $497)	**(1,510)**	(953)
Proceeds from exercise of stock options	**525**	4,587
Transfer from contributed surplus relating to the exercise of stock options	**66**	579
Balance, end of year	**126,993**	87,062
Contributed surplus:		
Balance, beginning of year	**1,778**	1,539
Stock-based compensation	**841**	818
Transfer to common shares relating to the exercise of stock options	**(66)**	(579)
Balance, end of year	**2,553**	1,778
Retained earnings:		
Balance, beginning of year	**116,325**	90,348
Transition adjustment – financial instruments	**-**	(113)
Net income	**38,611**	31,171
Dividends	**(5,571)**	(5,081)
Balance, end of year	**149,365**	116,325
Accumulated other comprehensive income (loss):		
Balance, beginning of year	**(1,995)**	-
Transition adjustment – financial instruments	**-**	302
Other comprehensive loss	**(12,770)**	(2,297)
Balance, end of year	**(14,765)**	(1,995)
Total retained earnings and accumulated other comprehensive income (loss)	**134,600**	114,330
Total shareholders' equity	**$264,146**	$203,170

Consolidated Statements of Comprehensive Income
(In thousands of dollars)

Years ended December 31, 2008 and 2007

	2008	2007
Net income	**$38,611**	$31,171
Other comprehensive income (loss), net of tax:		
Available for sale investments:		
Net unrealized losses from change in fair value	**(12,483)**	(3,660)
Reclassification of net (gains) losses to income	**(287)**	1,363
Other comprehensive loss	**(12,770)**	(2,297)
Comprehensive income	**$25,841**	$28,874

EQUITABLE GROUP INC.
Consolidated Statements of Cash Flows
(In thousands of dollars)

Years ended December 31, 2008 and 2007

	2008	2007
Cash provided by (used in):		
Operating activities:		
Net income	**$38,611**	$31,171
Non-cash items:		
Financial instruments - fair value adjustments and reclassifications	**(10,023)**	(604)
Loan securitizations – gains on securitization activities	**(10,076)**	(1,277)
Amortization of capital assets	**779**	694
Provision for credit losses	**3,450**	900
Net loss on investments	**39**	5,170
Future income taxes	**9,475**	4,766
Stock-based compensation	**841**	818
Amortization of premiums on investments, net	**1,344**	3,864
	34,440	45,502
Change in operating assets and liabilities:		
Other assets	**(3,586)**	5,432
Other liabilities	**511**	(6,985)
	31,365	43,949
Financing activities:		
Increase in customer deposits	**582,665**	714,989
Issuance of bank term loan	**-**	12,500
Repayment of bank term loan	**-**	(2,655)
Issuance of subordinated debentures	**-**	9,450
Redemption of subordinated debentures	**-**	(2,731)
Dividends paid on common shares	**(5,571)**	(5,081)
Issuance of common shares	**39,167**	28,137
	616,261	754,609
Investing activities:		
Purchase of investments	**(5,000)**	(126,919)
Proceeds on sale or redemption of investments	**104,538**	211,849
Purchase of investments purchased under reverse repurchase agreements	**(2,133,537)**	(232,120)
Proceeds on sale or redemption of investments purchased under reverse repurchase agreements	**1,667,381**	-
Change in restricted cash	**(3,422)**	(5,000)
Increase in mortgages receivable	**(3,135,352)**	(2,735,737)
Mortgage principal repayments	**1,581,808**	1,716,441
Proceeds from loan securitizations	**1,291,679**	269,209
Securitization retained interests	**18,931**	13,092
Purchase of capital assets	**(458)**	(1,288)
	(613,432)	(890,473)
Increase (decrease) in cash and cash equivalents	**34,194**	(91,915)
Cash and cash equivalents, beginning of year	**15,927**	107,842
Cash and cash equivalents, end of year	**$50,121**	$15,927

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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.*