Equitable Group Reports Fourth Quarter and 2017 Earnings, Increases Dividend

TORONTO, Feb. 28, 2018 /CNW/ - Equitable Group Inc. (TSX: EQB and EQB.PR.C) ("Equitable" or the "Company") today reported financial results for the three and 12 months ended December 31, 2017 that reflected record performance by its wholly owned subsidiary, Equitable Bank (the "Bank"), and increased its common share dividend.

2017 ANNUAL HIGHLIGHTS

- Net income was a record $160.6 million, up 16% from $138.3 million in 2016
- Diluted earnings per share ("EPS") was $9.39, up 11% from $8.49 last year and reflected a $50 million common equity issuance in December 2016
- Return on Equity ("ROE") was 15.8% compared to 16.9% in 2016
- Mortgages Under Management ("MUM") were an all-time high $23.2 billion, up 11% from $21.0 billion in 2016
- Book value per common share was $64.57, up 17% from $54.96 at year-end 2016

FOURTH QUARTER HIGHLIGHTS

- Net income was $40.4 million, 3% lower compared to $41.7 million in 2016, but up 7% from Q3 2017
- Diluted EPS was $2.36, 8% lower compared to $2.56 a year ago but up 7% from Q3 2017
- ROE was 14.9% compared to 19.3% in 2016 and 14.4% in Q3 2017

Of note, Equitable took various actions in the second quarter of 2017 to successfully manage through funding market disruptions. The cost of these actions reduced fourth quarter and annual 2017 earnings by $0.32 and $1.11 per share, respectively, and held annual ROE below the Company's five-year average of 17.2%. These actions are discussed more fully the Company's Q2 and Q3 2017 Management's Discussion and Analyses.

DIVIDEND INCREASE AND DECLARATIONS

The Board of Directors today declared a quarterly common share dividend of $0.26 per common share, payable April 5, 2018, to common shareholders of record at the close of business on March 15, 2018. This represents 13% increase over dividends declared in February 2017 and a 4% increase over the dividend declared in November 2017. Even with this increase, the Bank maintained a low payout ratio, consistent with its strategy of building capital organically to support future earnings growth. The Board also declared a quarterly dividend of $0.396875 per preferred share, payable March 31, 2018, to preferred shareholders of record at the close of business on March 15, 2018.

CEO's COMMENTARY

"Equitable demonstrated the success of our position as *Canada's Challenger Bank™* by delivering a solid performance in the face of challenging market conditions in 2017," said Andrew Moor, President and Chief Executive Officer. "We established new annual records for assets, deposits, earnings and book value per share and maintained our tradition of growing our common share dividend, with four quarterly increases in just over a year. We continued to strengthen our franchise by building the capabilities of our *EQ Bank* digital platform and, most recently, launching an equity release solution. I was delighted to see the upward trend in earnings, that is a hallmark of Equitable's performance, resume towards the end of the year as the continuing growth in our assets drove net interest income and some of the costs associated with bolstering our liquidity earlier in the year shrank."

OPERATING HIGHLIGHTS

- **Single Family Lending** mortgage principal was $9.3 billion at December 31, 2017, up 19% from $7.9 billion at year-end 2016. Annual originations were a record $3.7 billion, up 3% from $3.6 billion in 2016. Fourth quarter originations were $851 million compared to $930 million in Q4 2016, a 9% decline.
- **Commercial Lending** mortgage principal was $2.9 billion at December 31, 2017, up 4% from $2.8 billion at year-end 2016. Annual originations were $1.3 billion, also up 4% from 2016. Fourth quarter originations were $359 million, 5% lower compared to $378 million in the fourth quarter of 2016.
- **Securitization Financing** MUM was $10.9 billion at December 31, 2017 up 6% from $10.3 billion at year-end 2016. Annual Securitization Financing originations were $1.8 billion, down 39% from $3.0 billion in 2016 on a 78% reduction in Prime mortgage originations which resulted from regulatory changes announced in the fall of 2016 that affected all lenders. Fourth quarter originations were $458 million compared to $871 million in Q4 2016 due to the same factors.
- **Deposit principal** outstanding amounted to $11.0 billion at December 31, 2017, up 14% from $9.7 billion at year-end 2016.

Equitable's credit metrics reflect the high quality of the mortgage portfolio. Net impaired mortgage assets at year-end 2017 were a record low 0.12% of total mortgage assets compared to 0.21% in 2016. Management believes that arrears will increase in future quarters from what it believes are unsustainably low levels. The allowance for credit losses represented 0.17% of total mortgage assets at year end, in excess of the Bank's average annual loss rate of 0.04% over the past decade. This allowance represents the amount that the Bank has reserved on its balance sheet to absorb credit losses. The provision for credit losses – which represents the net additions to that allowance in the current period – was $1.5 million or 1 basis point of average mortgage portfolio at year end, reflecting low new loss formations in the quarter and the adequacy of the Bank's existing allowances.

CAPITAL

Equitable Bank's Capital Ratios continue to exceed minimum regulatory standards and remain above the levels of most other publicly listed banks. At December 31, 2017, the Bank's:

- **Common Equity Tier 1 Capital Ratio** was 14.8%, surpassing the Basel III minimum of 7.0%, and up from last year's level of 14.0%
- **Total Capital Ratio** was 16.3%, above the regulatory requirement of 10.5% on an all-in basis
- **Leverage Ratio** was 5.4% and as such the Bank was fully compliant with the target that OSFI sets on a confidential, institution-by-institution basis

STRATEGIC UPDATE

In 2017, Equitable delivered on its key strategic, financial and operating priorities and invested in various development projects that laid the foundation for future success:

- *EQ Bank* upgraded its supporting technology to enable a quick digital-only account sign-up process and ended the year with deposits of $1.6 billion, 53% higher than a year ago reflecting Equitable's growing ability to serve the needs of a cashless society that prefers the convenience, control and performance resident in a purpose-built, all digital platform. It also prepared for the introduction of GICs to complement the *EQ Bank Savings Plus* demand deposit account.
- Equitable strengthened its relationships with deposit agents, investment dealers, financial planners, and Canadian savers and increased brokered term deposits by 14% to $8.3 billion. The Bank also extended the duration of its brokered GIC portfolio, thereby further reducing the level of liquidity risk inherent in the business.
- Equitable was chosen one of Canada's Best Employers in an independent survey by AON, receiving that organization's highest (platinum) distinction for 2018.
- Equitable's productive workforce and branchless business model delivered an Efficiency Ratio of 36.8% in 2017, despite investments made to enable future growth and improve operational effectiveness.
- The Bank earned additional income as the successor issuer on certain NHA-MBS pools acquired from Maple Bank's Toronto branch of $9.2 million in 2017 ($0.41 per share accretive to annual earnings; $0.08 per share accretive to fourth quarter earnings) and will continue to earn income on these assets through 2020 on a diminishing basis.
- The Bank redeemed, on October 23, 2017, $65 million of outstanding 5.399% Series 10 Debentures, a move that will reduce interest expense by approximately $1.5 million per year beginning in 2018.
- The Bank advanced its AIRB initiative – which management believes will make Equitable more competitive

across a broader range of asset classes – by refining its risk models, updating its internal processes and implementing software tools. Although Equitable will likely experience capital relief from recently announced revisions to the standardized approach for assessing risk, the Bank is still committed to operationalizing AIRB over the course of the next two years.

PATH HOME PLAN^{TM} LAUNCHES

In January 2018, the Bank introduced *PATH Home Plan*^{TM} in major urban centres in Ontario, British Columbia and Alberta. Available through mortgage brokers, *PATH Home Plan*^{TM} enables homeowners to unlock home equity – without selling – to fund travel, hobbies, retirement or any lifestyle pursuits they choose. Known as an equity release or reverse mortgage, Equitable's offering addresses the needs of a growing demographic in Canada – those over the age of 55 who wish to live actively and in a financially secure manner without downsizing or incurring monthly charges. Full repayment of the mortgage is only due when the property is sold or transferred, or when the borrower passes away, moves, or defaults.

"*PATH Home Plan*^{TM} is the latest example of our Challenger Bank strategy in action," said Mr. Moor, "in that it provides a cost-effective, long-term financing option for Canadians that is not available from other large financial institutions. From a strategic perspective, *PATH Home Plan*^{TM} fits right in with our core competencies as a mortgage lender, presents us with another option to engage with our mortgage broker partners who will exclusively offer the product, further diversifies our book and will generate attractive returns for shareholders over the long run. Best of all, *PATH Home Plan*^{TM} will help Canadians unlock the financial freedom they've worked a lifetime to earn."

The equity release product is not expected to make a material contribution to asset growth or earnings in 2018, although it has the potential to create meaningful long-term value. Management estimates the addressable market for equity release products is approximately $12 billion. Currently, Equitable is one of only two providers in the space.

BUSINESS OUTLOOK

Equitable expects that its strategy, including its disciplined approach to capital allocation, will continue to deliver value to its shareholders and protect the money that depositors have trusted to the Bank. Asset quality remains high and end markets continue to present meaningful opportunities. Accordingly, management expects earnings to continue growing but that ROE in 2018 will be below the Bank's 5-year average of 17.2% due to the costs associated with successfully navigating through funding market disruptions in 2017.

The assumptions used in formulating these expectations can be found in Management's Discussion and Analysis available on the Company's website and on SEDAR.

"One of the major inputs into our business outlook is housing market activity," said Mr. Moor. "As a result of B-20 guidelines for residential underwriting that came into effect January 1, 2018, there is a significant degree of uncertainty among all lenders as to the amount by which the mortgage market will be reduced and reshaped. It's too early to say what the impact on Equitable will be but we are planning for a slowdown in single family lending originations with the pace dependent upon customer and competitor reaction. That said, B-20 could increase our retention rate as renewals are not subject to the same stress test as new mortgages. There may also be some upside if incremental volume flows out of the prime market and into the alternative market. The important point is that Equitable is a diversified lender and as such has opportunities to offset a Single Family slowdown by deploying capital profitably and in a risk-managed way into other businesses such as Commercial. We have substantial Commercial lending experience, great business relationships and a reputation for service excellence. We will leverage the many competitive advantages inherent in our business model in concerted effort to enhance shareholder and customer value this year."

Management's sensitivity analysis suggests that the Bank's alternative single-family mortgage portfolio will grow in 2018 even if originations decline by up to 20%. Asset growth in 2018 would be positive because of renewals and the fact that the volume of originations would still be high relative to the size of the existing portfolio. Considering all of these factors, management expects total MUM and asset growth for 2018 in the range of 6% to 8.

"As we enter 2018, we are particularly motivated to further our Challenger Bank status as both a lender and deposit-taker," said Mr. Moor. "As part of our plan to introduce a broader, longer-term and more diversified range of savings solutions to Canadians, we will begin to offer GICs over our *EQ Bank* platform this year and have an active roadmap for our digital platform that will strengthen its value to customers. In lending, we introduced digital functionality in early 2018 that provides our residential customers with the option of 24/7 self-service, which is consistent with our objective of providing the best and most convenient service in our chosen markets. And of course our new *PATH Home Plan*™ broadens our offering to brokers and consumers and, while it will not make a material contribution to 2018 earnings, it does present another dimension for long-term growth. These and other plans form an ambitious and exciting agenda for 2018."

"Our planned growth initiatives will require additional capital investments and lead to higher operating expense growth than last year," said Tim Wilson, Vice President and Chief Financial Officer. "Accordingly, we expect an Efficiency Ratio in the high 30 percent range as non-interest expenses increase at year-over-year rates slightly higher than the growth of the overall business. We consider these investments to be warranted in that they will build the Bank's franchise, reinforce customer service and lead to future shareholder value creation. Moreover, they will not alter Equitable's position as one of Canada's most efficient financial institutions."

CONFERENCE CALL AND WEBCAST

The Company will hold its fourth quarter conference call and webcast at 3 pm ET Thursday, March 1, 2018. To access the call live, please dial 647-427-7450 five minutes prior. The listen-only webcast with accompanying slides will be available at www.equitablebank.ca under Investor Relations. The call will be hosted by Andrew Moor, President and Chief Executive Officer.

A replay of the call will be available until March 8, 2018 and it can be accessed by dialing 416-849-0833 and entering passcode 5476669 followed by the number sign. Alternatively, the call will be archived on the Company's website for three months.

RESIGNATION OF JOHANNE BROSSARD

On February 27, 2018 the Board of Directors accepted the resignation of Ms. Johanne Brossard, which was effective immediately. Ms. Brossard resigned from the Equitable Board in order to pursue a Directorship opportunity at a competing financial institution. She joined the Board in 2015 and was a member of the Audit and Human Resources and Compensation Committees. Equitable thanks Ms. Brossard for her contributions and wishes her well in all future endeavors.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

($ THOUSANDS)

As at December 31		**2017**		2016
Assets				
Cash and cash equivalents	**$**	**660,930**	$	444,179
Restricted cash		**366,038**		247,878
Securities purchased under reverse repurchase agreements		**-**		199,401
Investments		**107,442**		136,718
Mortgages receivable – Core Lending		**12,304,741**		10,678,452
Mortgages receivable – Securitization Financing		**6,993,807**		7,105,351
Securitization retained interests		**104,429**		88,782
Other assets		**96,863**		72,827
	$	**20,634,250**	$	18,973,588
Liabilities and Shareholders' Equity				
Liabilities:				
Deposits	**$**	**11,114,313**	$	9,763,082
Securitization liabilities		**7,565,545**		7,762,632
Obligations under repurchase agreements		**452,001**		112,488
Deferred tax liabilities		**35,802**		38,771
Other liabilities		**199,601**		204,465
Bank facilities		**128,871**		50,000
Debentures		**-**		65,000
		19,496,133		17,996,438
Shareholders' equity:				
Preferred shares		**72,557**		72,557
Common shares		**198,660**		196,608
Contributed surplus		**6,012**		5,056
Retained earnings		**866,109**		725,912
Accumulated other comprehensive loss		**(5,221)**		(22,983)
		1,138,117		977,150
	$	**20,634,250**	$	18,973,588

CONSOLIDATED STATEMENTS OF INCOME

($ THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Years ended December 31		**2017**		2016
Interest income:				
Mortgages – Core Lending	**$**	**516,564**	$	444,093
Mortgages – Securitization Financing		**178,329**		179,838
Investments		**4,502**		8,821
Other		**11,067**		4,713
		710,462		637,465
Interest expense:				

Deposits	**204,894**	183,340
Securitization liabilities	**174,920**	165,960
Bank facilities	**15,997**	4,756
Debentures	**3,079**	3,800
Other	**3,210**	252
	402,100	358,108
Net interest income	**308,362**	279,357
Provision for credit losses	**1,543**	2,445
Net interest income after provision for credit losses	**306,819**	276,912
Other income:		
Fees and other income	**28,302**	17,640
Net (loss) gain on investments	**(888)**	146
Gains on securitization activities and income from securitization retained interests	**13,612**	8,672
	41,026	26,458
Net interest and other income	**347,845**	303,370
Non-interest expenses:		
Compensation and benefits	**65,206**	60,280
Other	**63,824**	56,259
	129,030	116,539
Income before income taxes	**218,815**	186,831
Income taxes		
Current	**50,220**	37,947
Deferred	**7,978**	10,554
	58,198	48,501
Net income	**$ 160,617**	$ 138,330
Dividends on preferred shares	**4,763**	4,763
Net income available to common shareholders	**$ 155,854**	$ 133,567
Earnings per share		
Basic	**$ 9.46**	$ 8.57
Diluted	**$ 9.39**	$ 8.49

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

($ THOUSANDS)

Years ended December 31	**2017**	2016
Net income	**$ 160,617**	$ 138,330
Other comprehensive income – items that may be reclassified subsequently to income:		
Available for sale investments:		
Net unrealized gains from change in fair value	**15,647**	3,247
Reclassification of net losses (gains) to income	**412**	(187)
	16,059	3,060
Income tax expense	**(4,223)**	(812)
	11,836	2,248
Cash flow hedges:		
Net unrealized gains from change in fair value	**6,272**	3,877
Reclassification of net losses to income	**1,875**	2,986
	8,147	6,863
Income tax expense	**(2,221)**	(1,821)

Income tax expense	**(2,221)**	(1,821)
	5,926	5,042
Total other comprehensive income	**17,762**	7,290
Total comprehensive income	**$ 178,379**	$ 145,620

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

($ THOUSANDS)

2017	**Preferred shares**	**Common shares**	**Contributed surplus**	**Retained earnings**	**Accumulated other comprehensive income (loss): Cash flow hedges**	**Accumulated other comprehensive income (loss): Available for sale investments**	**Total**
Balance, beginning of year	**$ 72,557**	**$ 196,608**	**$ 5,056**	**$ 725,912**	**$ (2,773)**	**$ (20,210)**	**$ (22,983)**
Net income	**-**	**-**	**-**	**160,617**	**-**	**-**	**-**
Other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**5,926**	**11,836**	**17,762**
Shares issued, net of issuance cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exercise of stock options	**-**	**1,726**	**-**	**-**	**-**	**-**	**-**
Dividends:							
Preferred shares	**-**	**-**	**-**	**(4,763)**	**-**	**-**	**-**
Common shares	**-**	**-**	**-**	**(15,657)**	**-**	**-**	**-**
Stock-based compensation	**-**	**-**	**1,282**	**-**	**-**	**-**	**-**
Transfer relating to the exercise of stock options	**-**	**326**	**(326)**	**-**	**-**	**-**	**-**
Balance, end of year	**$ 72,557**	**$ 198,660**	**$ 6,012**	**$ 866,109**	**$ 3,153**	**$ (8,374)**	**$ (5,221)**

2016	Preferred shares	Common shares	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss): Cash flow hedges	Accumulated other comprehensive income (loss): Available for sale investments	Total
Balance, beginning of year	$ 72,557	$ 143,690	$ 4,706	$ 605,436	$ (7,815)	$ (22,458)	$ (30,273)
Net income	-	-	-	138,330	-	-	-
Other comprehensive loss, net of tax	-	-	-	-	5,042	2,248	7,290
Shares issued, net of issuance cost	-	49,333	-	-	-	-	-
Exercise of stock options	-	2,877	-	-	-	-	-
Dividends:							
Preferred shares	-	-	-	(4,763)	-	-	-
Common shares	-	-	-	(13,091)	-	-	-
Stock-based compensation	-	-	1,058	-	-	-	-
Transfer relating to the exercise of stock options	-	708	(708)	-	-	-	-
Balance, end of year	$ 72,557	$ 196,608	$ 5,056	$ 725,912	$ (2,773)	$ (20,210)	$ (22,983)

CONSOLIDATED STATEMENTS OF CASH FLOWS

($ THOUSANDS)

Years ended December 31	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 160,617**	$ 138,330
Adjustments for non-cash items in net income:		
Financial instruments at fair value through income	**(3,058)**	(471)
Amortization of premiums/discount on investments	**11,241**	237
Amortization of capital assets and intangible costs	**8,878**	7,863
Provision for credit losses	**1,543**	2,445
Securitization gains	**(10,633)**	(8,135)
Net loss (gain) on sale or redemption of investments	**888**	(146)
Stock-based compensation	**1,282**	1,058
Income taxes	**58,198**	48,501
Securitization retained interests	**24,617**	16,291
Changes in operating assets and liabilities:		
Restricted cash	**(118,160)**	(139,890)
Securities purchased under reverse repurchase agreements	**199,401**	(179,483)
Mortgages receivable, net of securitizations	**(1,547,374)**	(3,122,072)
Other assets	**(15,360)**	(6,770)
Deposits	**1,361,660**	1,554,090
Securitization liabilities	**(195,890)**	1,653,196
Obligations under repurchase agreements	**339,513**	112,488
Bank facilities	**78,871**	(185,779)
Other liabilities	**(2,466)**	105,011
Income taxes paid	**(80,174)**	(17,394)
Cash flows from (used in) operating activities	**273,594**	(20,630)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of common shares, net of issuance costs	**-**	49,333
Proceeds from issuance of common shares	**1,726**	2,877
Redemption of debentures	**(65,000)**	-
Dividends paid on preferred shares	**(4,763)**	(4,763)
Dividends paid on common shares	**(14,977)**	(12,754)
Cash flows (used in) from financing activities	**(83,014)**	34,693
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	**(40,486)**	(131,390)
Proceeds on sale or redemption of investments	**76,176**	151,380
Net change in Canada Housing Trust re-investment accounts	**241**	(104)
Purchase of capital assets and system development costs	**(9,760)**	(13,136)
Cash flows from investing activities	**26,171**	6,750
Net increase in cash and cash equivalents	**216,751**	20,813
Cash and cash equivalents, beginning of year	**444,179**	423,366
Cash and cash equivalents, end of year	**$ 660,930**	$ 444,179

Cash flows from operating activities include:		
Interest received	**$ 704,813**	$ 590,687
Interest paid	**(354,727)**	(337,685)
Dividends received	**4,567**	7,438

ABOUT EQUITABLE GROUP INC.

Equitable Group Inc. is a growing Canadian financial services business that operates through its wholly-owned subsidiary, Equitable Bank. Equitable Bank, *Canada's Challenger Bank™*, is the country's ninth largest independent Schedule I bank and offers a diverse suite of residential lending, commercial lending and savings solutions to Canadians. Through its proven branchless approach and customer service focus, Equitable Bank has grown to over $24 billion of Assets Under Management. *EQ Bank*, the digital banking arm of Equitable Bank, provides state-of-the-art digital banking services to more than 49,000 Canadians. Equitable Bank employs nearly 600 dedicated professionals across the country, and is a 2018 recipient of Canada's Best Employer Platinum Award, the highest bestowed by AON. For more information about Equitable Bank and its products, please visit equitablebank.ca.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements made by the Company in the sections of this news release including those entitled "CEO's Commentary", "Strategic Update", "Path Home Plan Launches", "Business Outlook", in other filings with Canadian securities regulators and in other communications include forward-looking statements within the meaning of applicable securities laws ("forward-looking statements"). These statements include, but are not limited to, statements about the Company's objectives, strategies and initiatives, financial result expectations and other statements made herein, whether with respect to the Company's businesses or the Canadian economy. 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 which 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 under the heading "Risk Management" in the Management's Discussion and Analysis and in the Company's documents filed on SEDAR at www.sedar.com. All material assumptions used in making forward-looking statements are based on management's knowledge of current business conditions and expectations of future business conditions and trends, including their knowledge of the current credit, interest rate and liquidity conditions affecting the Company and the Canadian economy. Although the Company believes the assumptions used to make such statements are reasonable at this time and has attempted to identify in its continuous disclosure documents 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. 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. 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.

NON-GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") FINANCIAL MEASURES

This news release references certain non-GAAP measures such as Return on Shareholders' Equity ("ROE"), Mortgages Under Management, book value per common share, provision for credit loss rate, Capital Ratios, Efficiency Ratio, and Mortgages Under Management that management believes provide useful information to investors regarding the Company's financial condition and results of operations. The "NON-GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("GAAP") FINANCIAL MEASURES" section of the Company's fourth quarter 2017 Management's Discussion and Analysis provides a detailed description of each non-GAAP measure and should be read in conjunction with this report. The Management's Discussion and Analysis also provides a reconciliation between all non-GAAP measures and the most directly comparable GAAP measure, where applicable. Readers are cautioned that non-GAAP measures do not have any standardized meaning, and therefore, may not be comparable to similar measures presented by other companies.

SOURCE Equitable Group Inc.

For further information: Andrew Moor, President and Chief Executive Officer, 416-515-7000; Tim Wilson, Vice President and Chief Financial Officer, 416-515-7000

https://eqb.investorroom.com/2018-02-28-Equitable-Group-Reports-Fourth-Quarter-and-2017-Earnings-Increases-Dividend