Equitable Group Reports First Quarter 2018 Earnings, Increases Dividend

TORONTO, May 10, 2018 /CNW/ - Equitable Group Inc. (TSX: EQB and EQB.PR.C) ("Equitable" or the "Company") today reported financial results for the three months ended March 31, 2018 that reflected continued profitable growth of its wholly owned subsidiary, Equitable Bank (the "Bank"), and on the basis of that performance increased its common share dividend.

FIRST QUARTER HIGHLIGHTS

- Net income was $40.2 million, down 7% from $43.4 million in the first quarter of 2017
- Diluted earnings per share ("EPS") were $2.34, down 8% from $2.54 in the comparative quarter of last year
- Return on Shareholders' Equity ("ROE") was 14.5% compared to 18.4% in the Q1 2017
- Mortgages Under Management ("MUM") were a record $23.8 billion, up 9% from $21.7 billion at March 31, 2017 and 2% up from December 31, 2017
- Book value per common share was $67.14, up 16% from $57.73 at March 31, 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 first quarter 2018 earnings by $0.27 per share and ROE by 1.6 percentage points. These actions are discussed in the Company's 2017 annual Management's Discussion and Analysis.

DIVIDEND INCREASE AND DECLARATIONS

The Board of Directors today declared a quarterly common share dividend of $0.27 per common share, payable July 5, 2018, to common shareholders of record at the close of business on June 15, 2018. This represents a 17% increase over dividends declared in May 2017 and a 4% increase over the dividend declared in February 2018. This increase reflects the Board of Director's belief that the Bank's capital position is more than sufficient to support future asset growth. The Board also declared a quarterly dividend of $0.396875 per preferred share, payable June 30, 2018, to preferred shareholders of record at the close of business on June 15, 2018.

CEO's COMMENTARY

"Equitable produced solid first quarter results by leveraging its diversified business model and status as *Canada's Challenger Bank*™ to successfully adapt to changing market conditions," said Andrew Moor, President and Chief Executive Officer. "Mortgage assets, the source of most of our earnings, continued to grow despite challenging market conditions in the Single Family Lending business. As a planned offset, management deployed more capital into the Commercial Lending business and grew that portfolio by 6% in the quarter.   As well, single family renewal rates increased in response to B-20 and the Bank's attentive customer service, which helped to support single family portfolio growth in the quarter.   Deposits grew to record levels as the *EQ Bank* digital platform surpassed 50,000 customers. Asset growth, in concert with continued low loan losses and tight expense control would have produced record first quarter EPS had it not been for the cost of our 2017 liquidity actions. The Bank's continued strong performance and capital position supported our fourth common share dividend increase in the past year, and enabled us to finish the quarter as we started: with a capital position that exceeded all regulatory and internal requirements by a reasonable margin."

OPERATING HIGHLIGHTS

- **Single Family Lending** mortgage principal was $9.5 billion at March 31, 2018, up 16% from $8.2 billion a year ago, aided by higher renewal rates.
- **Commercial Lending** mortgage principal was $3.1 billion at March 31, 2018, up $122 million or 4% from Q1 2017, supported by record quarterly origination levels in Q1 2018.
- **Securitization Financing** MUM increased 6% to $11.2 billion at March 31, 2018 from $10.5 billion a year ago on higher multi-family volumes.
- **Deposit principal** outstanding amounted to $11.9 billion at March 31, 2018, up 19% from $9.9 billion relative to Q1 of last year.

Equitable's credit metrics reflect the high quality of the mortgage portfolio. Net impaired mortgage assets at March 31, 2018 were 0.13% of total mortgage assets compared to 0.21% at March 31, 2017. The allowance for credit losses represented 0.13% of total mortgage assets at March 31, 2018, 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. As a result of the adoption of IFRS 9 on January 1, 2018, the allowance for credit losses decreased $8.5 million due to a transitional adjustment.

The Provision for Credit Losses ("PCL") was $0.8 million or 0.02% of mortgage principal in Q1 2018, which is $0.4 million or one basis point higher than last quarter but stable compared to Q1 2017. IFRS 9 is based on an expected loss concept compared to an incurred loss approach under the previous IAS 39 and as such, IFRS 9 incorporates forward-looking economic forecasts. Management's analysis, based on extensive back testing, suggests that IFRS 9 will not have a material impact on the average PCL over a long-term horizon but may result in greater quarterly volatility.

CAPITAL

Equitable Bank's Capital Ratios continue to exceed minimum regulatory standards and remain above the levels of most other publicly listed banks. At March 31, 2018, the Bank's:

- **Common Equity Tier 1 Capital Ratio** was 14.7%, surpassing the Basel III minimum of 7.0%, and up from last year's level of 13.9%
- **Total Capital Ratio** was 16.0%, above the regulatory requirement of 10.5%
- **Leverage Ratio** was 5.5% and as such the Bank was fully compliant with the target that OSFI sets on a confidential, institution-by-institution basis

STRATEGIC UPDATE

Equitable continues to push forward with key strategic initiatives that are designed to further its status as *Canada's Challenger Bank*™ and improve the value of its franchise for shareholders:

- *EQ Bank* introduced GICs to its platform, enabling Canadians to access an important savings vehicle straight from any mobile device, further diversifying *EQ Bank's* deposits, and lengthening the term of those deposits. *EQ Bank* GICs offer a competitive rate of interest for various terms of up to 5 years.
- *EQ Bank* finished the first quarter with $1.7 billion of deposits, 42% or $515 million higher than a year ago, primarily reflecting the growing popularity of the *EQ Bank Savings Plus Account* and more generally, the convenience, control, and performance provided by an all-digital demand account. This growth complemented a 23% or $1.7 billion year-over-year increase in brokered term deposits (GICs) placed by deposit agents, investment dealers and financial planners on behalf of Canadian savers.
- Equitable introduced its *PATH Home Plan*™ offering through mortgage brokers in major urban centres in Ontario, British Columbia and Alberta. The *PATH Home Plan*™ reverse mortgage solution provides Canadians over the age of 55 with a cost-effective way to unlock equity in their homes – without downsizing or incurring monthly charges – to fund their preferred retirement lifestyles. While this product will not make a material contribution to asset growth or earnings in 2018, management is pleased with early market receptivity and believes *PATH* has the potential to create meaningful long-term value.
- Equitable successfully introduced digital functionality within its Single Family business that provides residential customers with the option of 24/7 self-service, a development that is consistent with the Bank's objective of providing simple, convenient service in its chosen markets.
- Equitable's productive workforce and branchless business model produced an Efficiency Ratio of 37.7% in the first quarter even as the Bank continued to invest in future growth and improve operational effectiveness.

BUSINESS OUTLOOK

Equitable expects that its strategy, including its disciplined approach to capital allocation, will continue to deliver value to shareholders and protect the money that depositors have trusted to the Bank. Asset quality remains high and the Bank's diversified business model continues to present meaningful opportunities. Management expects earnings to continue growing in 2018 but that ROE will be below the Bank's 5-year average of 17.2% due to the costs associated with successfully navigating through funding market disruptions that affected a subset of financial institutions in 2017. The assumptions used in formulating these expectations can be found in our Management's Discussion and Analysis available on the Company's website and on SEDAR.

"Canada's housing market is adjusting to more restrictive B-20 underwriting guidelines implemented on January 1st by Canada's federally regulated financial institutions," said Mr. Moor. "We believe this period of adjustment will last several quarters as home buyers change their behaviours and lenders update their competitive strategies. We continue to expect our alternative single-family portfolio to grow modestly in 2018 despite dampened demand for new single-family mortgages due to improved mortgage renewal rates and the fact that even at reduced levels, originations should still be higher than our attrition."

To offset slower portfolio growth in Single Family, Equitable intends to continue deploying more capital into other businesses, including Commercial Lending and reverse mortgages. The diversification of the Bank's lending book continues to be both a strength and an objective for the future. Equitable has deep expertise and experience in secured lending and believes it can grow Commercial Lending and *PATH* reverse mortgage assets within its current risk-return appetite. Considering all factors, management believes that year-over-year growth in MUM and balance sheet assets could be in the range of 6% to 8% in 2018, although significant uncertainty remains in this outlook due to unsettled market dynamics.

"As we move forward and as part of our normal planning activities, we will evaluate whether the Bank is carrying the appropriate amount of common equity capital given evolving market opportunities," said Mr. Moor. "While we are pursuing exciting new Challenger Bank growth avenues – each with opportunities to deploy capital at high ROEs – we will take actions to adjust our equity base if we have more capital than we can use effectively. We will determine the best course of action for shareholder value creation once the true impact of B-

20 is clarified. In the meantime, as *Canada's Challenger Bank*™, we remain squarely focused on making banking better for Canadians across all of our business lines."

"In support of our growth initiatives, we plan to continue investing in the Bank's franchise, adding more features and functionality to our *EQ Bank* platform, and reinforcing our high-level of customer service, all of which will cause non-interest expenses to increase at year-over-year rates slightly higher than the growth rate of the overall business," said Tim Wilson, Senior Vice President and Chief Financial Officer. "That said, if actual growth in our lending markets is different than anticipated, we will manage our expense levels accordingly. All things considered, we expect our Efficiency Ratio will be in the high 30% range this year, a level that will define Equitable as one of Canada's most efficient banks."

PUBLIC ACCOUNTABILITY STATEMENT

Equitable also announced the release of its first Public Accountability Statement, highlighting the Bank's commitments as an engaged and accountable community member dedicated to enriching the lives of Canadians. The report contains information on Equitable Bank's initiatives to develop its workforce, make financial services more accessible across Canada, improve financial literacy, support the arts and minimize its environmental impact. All Canadian Banks with Shareholders' Equity of more than $1 billion are required by the *Bank Act* to issue such reports annually.

"As *Canada's Challenger Bank*, we identify with helping Canadians build resilience whether it be on an individual level, or within our shared communities," said Mr. Moor. "Our first annual Accountability Statement provides a fantastic opportunity to report on what the Bank has accomplished hand-in-hand with our employees and community partners. I'm proud of what our small, but dedicated team has done and excited by all that we have planned to keep growing together in the years ahead."

A copy of the Public Accountability Statement is available online at www.equitablebank.ca.

CONFERENCE CALL AND WEBCAST

Equitable will hold its first quarter conference call and webcast at 8:30 a.m. eastern Friday, May 11, 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 May 18, 2018 and it can be accessed by dialing (416) 849-0833 and entering passcode 2899725 followed by the number sign. Alternatively, the call will be archived on the Company's website for three months.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS (unaudited)
AS AT MARCH 31, 2018
With comparative figures as at December 31, 2017 and March 31, 2017
($ THOUSANDS)

	March 31, 2018[1]	December 31, 2017	March 31, 2017
Assets:			
Cash and cash equivalents	**$ 698,359**	$ 660,930	$ 537,645
Restricted cash	**333,097**	366,038	258,599
Securities purchased under reverse repurchase agreements	**-**	-	4,984
Investments	**148,072**	107,442	170,176
Mortgages receivable – Core Lending	**12,643,847**	12,304,741	11,212,879
Mortgages receivable – Securitization Financing	**7,032,843**	6,993,807	6,952,079
Securitization retained interests	**106,222**	104,429	93,975
Other assets	**92,323**	96,863	70,081
	$ 21,054,763	$ 20,634,250	$ 19,300,418
Liabilities and Shareholders' Equity			
Liabilities:			
Deposits	**$ 11,999,157**	$ 11,114,313	$ 10,047,387

Securitization liabilities	**7,554,866**	7,565,545	7,793,863
Obligations under repurchase agreements	**104,652**	452,001	145,495
Deferred tax liabilities	**38,162**	35,802	38,004
Other liabilities	**176,454**	199,601	186,967
Bank facilities	**-**	128,871	-
Debentures	**-**	-	65,000
	19,873,291	19,496,133	18,276,716
Shareholders' equity:			
Preferred shares	**72,557**	72,557	72,557
Common shares	**199,123**	198,660	197,339
Contributed surplus	**6,309**	6,012	5,322
Retained earnings	**906,235**	866,109	764,325
Accumulated other comprehensive loss	**(2,752)**	(5,221)	(15,841)
	1,181,472	1,138,117	1,023,702
	$ 21,054,763	$ 20,634,250	$ 19,300,418

(1) *The amounts for the period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.*

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

With comparative figures for the three month period ended March 31, 2017

($ THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Three months ended	
	March 31, 2018(1)	March 31, 2017
Interest income:		
Mortgages – Core Lending	**$ 143,115**	$ 121,892
Mortgages – Securitization Financing	**44,876**	45,155
Investments	**1,046**	2,128
Other	**3,805**	1,328
	192,842	170,503
Interest expense:		
Deposits	**62,284**	46,994
Securitization liabilities	**43,562**	43,933
Bank facilities	**5,726**	274
Debentures	**-**	950
	111,572	92,151
Net interest income	**81,270**	78,352
Provision for credit losses	**770**	738
Net interest income after provision for credit losses	**80,500**	77,614
Other income:		
Fees and other income	**5,377**	7,804
Net loss on investments	**(370)**	-
Gains on securitization activities and income from securitization retained interests	**2,937**	3,218
	7,944	11,022
Net interest and other income	**88,444**	88,636
Non-interest expenses:		
Compensation and benefits	**18,603**	16,423
Other	**15,207**	13,397
	33,810	29,820
Income before income taxes	**54,634**	58,816
Income taxes:		
Current	**14,320**	16,191
Deferred	**147**	(768)
	14,467	15,423
Net income	**$ 40,167**	$ 43,393
Dividends on preferred shares	**1,191**	1,191
Net income available to common shareholders	**$ 38,976**	$ 42,202
Earnings per share:		
Basic	**$ 2.36**	$ 2.56

Diluted	$ 2.34	$ 2.54

(1) *The amounts for the period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.*

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

FOR THE THREE MONTH PERIOD ENDED MARCH 31,2018

With comparative figures for the three month period ended March 31, 2017

($ THOUSANDS)

	Three months ended	
	March 31, 2018(1)	March 31, 2017
Net income	**$ 40,167**	$ 43,393
Other comprehensive income – items that will be reclassified subsequently to income:		
Debt instruments at Fair Value through Other Comprehensive Income/Available for sale:		
Net unrealized (losses)/gains from change in fair value	**(3)**	9,605
Reclassification of net gains to income	**-**	(195)
Other comprehensive income – items that will not be reclassified subsequently to income:		
Equity instruments designated at Fair Value through Other Comprehensive Income(1):		
Net unrealized gains from change in fair value	**889**	N/A
Reclassification of net losses to retained earnings	**(6)**	N/A
	880	9,410
Income tax expense	**(233)**	(2,468)
	647	6,942
Cash flow hedges:		
Net unrealized losses from change in fair value	**(604)**	(100)
Reclassification of net losses to income	**1,154**	451
	550	351
Income tax expense	**(146)**	(151)
	404	200
Total other comprehensive income	**1,051**	7,142
Total comprehensive income	**$ 41,218**	$ 50,535

(1) *The amounts for the period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.*

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

With comparative figures for the three month period ended March 31, 2017

($ THOUSANDS)

					Accumulated other comprehensive income (loss)			
March 31, 2018	**Preferred shares**	**Common shares**	**Contributed surplus**	**Retained earnings**	**Cash flow hedges**	**Financial instruments at FVOCI(1)**	**Total**	**Total**
Balance, beginning of period	**$ 72,557**	**$ 198,660**	**$ 6,012**	**$ 866,109**	**$ 3,153**	**$ (8,374)**	**$ (5,221)**	**$ 1,138,117**
Cumulative effect of adopting IFRS 9	**-**	**-**	**-**	**5,450**	**-**	**1,418**	**1,418**	**6,868**
Restated balance as at January 1, 2018	**72,557**	**198,660**	**6,012**	**871,559**	**3,153**	**(6,956)**	**(3,803)**	**1,144,985**
Net income	**-**	**-**	**-**	**40,167**	**-**	**-**	**-**	**40,167**
Other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**404**	**647**	**1,051**	**1,051**
Net realized losses on sale of equity investment	**-**	**-**	**-**	**(6)**	**-**	**-**	**-**	**(6)**
Exercise of stock options	**-**	**374**	**-**	**-**	**-**	**-**	**-**	**374**
Dividends:								
Preferred shares	**-**	**-**	**-**	**(1,191)**	**-**	**-**	**-**	**(1,191)**
Common shares	**-**	**-**	**-**	**(4,294)**	**-**	**-**	**-**	**(4,294)**
Stock-based compensation	**-**	**-**	**386**	**-**	**-**	**-**	**-**	**386**
Transfer relating to the exercise of stock options	**-**	**89**	**(89)**	**-**	**-**	**-**	**-**	**-**

Balance, end of period	**$ 72,557**	**$ 199,123**	**$ 6,309**	**$ 906,235**	**$ 3,557**	**$ (6,309)**	**$ (2,752)**	**$ 1,181,472**

March 31, 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	Accumulated other comprehensive income (loss): Total	Total
Balance, beginning of period	$ 72,557	$ 196,608	$ 5,056	$ 725,912	$ (2,773)	$ (20,210)	$ (22,983)	$ 977,150
Net income	-	-	-	43,393	-	-	-	43,393
Other comprehensive income, net of tax	-	-	-	-	200	6,942	7,142	7,142
Exercise of stock options	-	613	-	-	-	-	-	613
Dividends:								
Preferred shares	-	-	-	(1,191)	-	-	-	(1,191)
Common shares	-	-	-	(3,789)	-	-	-	(3,789)
Stock-based compensation	-	-	384	-	-	-	-	384
Transfer relating to the exercise of stock options	-	118	(118)	-	-	-	-	-
Balance, end of period	$ 72,557	$ 197,339	$ 5,322	$ 764,325	$ (2,573)	$ (13,268)	$ (15,841)	$ 1,023,702

(1) *Current year balance is classified as at FVOCI for debt and equity instruments, however, balance at the beginning of the period is classified as Available for Sale under IAS 39.*

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

With comparative figures for the three month period ended March 31, 2017

($ THOUSANDS)

	Three months ended March 31, 2018(1)	Three months ended March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	**$ 40,167**	$ 43,393
Adjustments for non-cash items in net income:		
Financial instruments at fair value through income	**3,265**	(15)
Amortization of premiums/discount on investments	**2,290**	3,435
Amortization of capital assets and intangible costs	**2,335**	2,090
Provision for credit losses	**770**	738
Securitization gains	**(2,937)**	(2,577)
Stock-based compensation	**386**	384
Income taxes	**14,467**	15,423
Securitization retained interests	**6,734**	5,516
Changes in operating assets and liabilities:		
Restricted cash	**32,941**	(10,721)
Securities purchased under reverse repurchase agreements	**-**	194,417
Mortgages receivable, net of securitizations	**(375,137)**	(389,904)
Other assets	**5,302**	3,397
Deposits	**886,837**	284,467
Securitization liabilities	**(10,287)**	31,650
Obligations under repurchase agreements	**(347,349)**	33,008
Bank facilities	**(128,871)**	(50,000)
Other liabilities	**(24,741)**	(10,689)
Income taxes paid	**(18,343)**	(26,474)
Cash flows from operating activities	**87,829**	127,538
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**374**	613
Dividends paid on preferred shares	**(1,191)**	(1,191)
Dividends paid on common shares	**(4,124)**	(3,443)
Cash flows used in financing activities	**(4,941)**	(4,021)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	**(42,670)**	(37,985)
Proceeds on sale or redemption of investments	**45**	9,918
Net change in Canada Housing Trust re-investment accounts	**19**	210
Purchase of capital assets and system development costs	**(2,853)**	(2,194)
Cash flows used in investing activities	**(45,459)**	(30,051)

Net increase in cash and cash equivalents		**37,429**		93,466
Cash and cash equivalents, beginning of period		**660,930**		444,179
Cash and cash equivalents, end of period	**$**	**698,359**	$	537,645
Cash flows from operating activities include:				
Interest received	**$**	**191,269**	$	170,938
Interest paid		**(63,903)**		(66,384)
Dividends received		**1,102**		1,356

(1) *The amounts for the period ended March 31, 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated.*

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 $25 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 50,000 Canadians. Equitable Bank employs more than 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", "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

("MUM"), book value per common share, provision for credit loss rate, Capital Ratios, Efficiency Ratio, and Assets 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 first quarter 2018 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, Senior Vice President and Chief Financial Officer, 416-515-7000
