

## **EQUITABLE BANK ANNOUNCES INTENTION TO DEVELOP A COVERED BOND PROGRAM**

Toronto, Ontario (August 21, 2019): Equitable Group Inc. (TSX: EQB and EQB.PR.C) (“Equitable” or the “Company”) today announced that it has selected Barclays Bank PLC (“Barclays”) and TD Securities (“TD”) to assist the Company’s subsidiary, Equitable Bank, with developing a covered bond funding program.

Management’s goal is to launch the program as early as 2020, subject to regulatory approval of its program and market conditions. Assuming success with this timetable, Equitable would likely become the first mid-sized Canadian bank to launch a covered bond program.

“As *Canada’s Challenger Bank™*, we believe the development of a covered bond program by a mid-sized bank is a natural fit with our ethos of bringing innovation to the marketplace,” said Andrew Moor, President and CEO of Equitable Bank. “For our Bank, covered bonds have the potential to reduce our funding costs and be a meaningful source of additional funding diversification. Our choice to work with Barclays and TD demonstrates our commitment to the success of this initiative. Together, these institutions have exceptional global covered bond structuring and distribution capabilities. With their support, we are confident of designing an effective program.”

Covered bonds issued by Canadian banks are governed by a legislative framework administered by the Canada Mortgage and Housing Corporation. They are a significant source of funding for Canadian uninsured single-family residential mortgages, with large financial institutions having approximately \$Cdn158 billion of covered bonds outstanding. They are also a longstanding source of mortgage funding internationally and there are almost Cdn\$4 trillion of covered bonds outstanding globally today.

### **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 approximately \$31 billion of Assets Under Management. *EQ Bank*, the digital banking arm of Equitable Bank, provides state-of-the-art digital banking services to over 81,000 Canadians and has an award winning Mobile App. The *EQ Bank Savings Plus Account* reimagines banking for Canadians by offering the functionality of a chequing account to perform daily banking with ease, as well as a great everyday interest rate – currently 2.30% – to help transactional balances grow into bigger savings. From unlimited Interac® e-Transfers and bill payments to payroll deposits and no monthly fees, everyday banking is now a richer prospect for Canadians. Equitable Bank employs over 800 dedicated professionals across the country and is a 2019 recipient of Canada's Best Employer Platinum Award, the highest bestowed by AON Hewitt. For more information about Equitable Bank and its products, please visit [equitablebank.ca](http://equitablebank.ca).

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Statements made by the Company in the sections of this news release, 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 performance 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", or other similar expressions of future or conditional verbs. 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, changes in accounting standards, the nature of our customers and rates of default, and competition as well as those factors discussed under the heading "Risk Management" in the MD&A and in the Company's documents filed on SEDAR at [www.sedar.com](http://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, 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.

### **FOR MORE INFORMATION:**

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