

EQUITABLE GROUP REPORTS RECORD QUARTERLY EARNINGS

Toronto, Ontario (August 14, 2014): Equitable Group Inc. (TSX: EQB, EQB.PR.A and EQB.PR.C) ("Equitable" or the "Company") today reported its financial results for the three and six months ended June 30, 2014, a period of record performance for its wholly owned subsidiary, Equitable Bank (the "Bank").

SECOND QUARTER HIGHLIGHTS

- Net income was a record \$26.8 million, up 17% from \$22.9 million in 2013
- Diluted earnings per share were \$1.65, up 15% from \$1.43 in 2013
- Return on Equity ("ROE") was 18.0%, compared to 17.9% in Q1 2014 and 18.2% in Q2 2013
- Book value per common share was \$38.16, up 17% from \$32.55 at June 30, 2013

"Equitable set a second quarter record for financial results, advanced our growth strategies and sustained our service focus," said Andrew Moor, President and Chief Executive Officer. "Since we dedicated ourselves to differentiating the Bank on the basis of service several years ago, we continue to deepen our engagement with our mortgage broker partners and customers, and to capture more of their business. We believe that there is opportunity to strengthen our relationships with our broker customers further and continue to grow in a way that will reward our partners, customers and our shareholders."

DIVIDEND DECLARATIONS

The Company's Board of Directors today declared a common share dividend in the amount of \$0.17 per common share, payable October 4, 2014, to common shareholders of record at the close of business on September 15, 2014. The current dividend rate is 13% higher than the dividend declared a year ago.

The Board also declared a quarterly dividend in the amount of \$0.453125 per preferred share, payable September 30, 2014, to preferred shareholders of record at the close of business on September 15, 2014.

OPERATING HIGHLIGHTS

- **Single Family Lending Services** originations were \$501 million, up 25% from \$400 million a year ago. On strong origination volumes and mortgage renewal success, Single Family mortgage principal at June 30, 2014 was a record \$4.2 billion, up 23% from \$3.4 billion a year ago. Normalizing for the securitization of \$433 million of Single Family mortgages over the past year, the growth rate in Single Family mortgage principal was 27%.
- **Commercial Lending Services** mortgage principal was \$2.3 billion, up 3% or \$71 million from a year ago. Quarterly origination volumes were \$187 million compared to \$211 million in 2013.

- **Securitization Financing Mortgages under Management** was \$5.9 billion, up 1% or \$83 million from 2013.
- **Deposit** principal outstanding increased 7% or \$392 million year-over-year to \$6.4 billion at June 30, 2014. Of note, *Equitable Bank High Interest Savings Account* balances increased by \$67.1 million or 73% in the quarter.

The high quality of Equitable's mortgage portfolio is reflected in its strong credit metrics, which, in the second quarter, remained well within historical norms. The impairment provision was \$0.3 million and net impaired mortgage assets were 0.31% of total mortgage assets. The allowance for credit losses represented 85% of gross impaired mortgage assets and Equitable's residential mortgage portfolio had a loan-to-value ("LTV") ratio of 68% at the end of June.

CAPITAL

Equitable Bank's capital ratios continue to exceed minimum regulatory standards and most industry benchmarks. At June 30, 2014:

- Common Equity Tier 1 capital ratio was 13.4%, well ahead of the Basel III minimum of 7.0%, and last year's ratio of 12.4%.
- Total capital ratio was 17.0%, up from 16.5% a year ago, exceeding the regulatory requirement of 10.5% on an all-in basis.

Subsequent to the end of the quarter, the Company issued \$75 million of Series 3 preferred shares which will be used for general corporate purposes and to redeem the Company's existing \$50 million of Series 1 preferred shares on September 30, 2014. The incremental capital from this issuance will further strengthen Equitable's Tier 1 and Total capital ratios in future periods. On a pro forma basis, had both the \$75 million of Series 3 preferred shares been issued on June 30, 2014 and the Series 1 preferred shares been redeemed prior to the end of the quarter, the Bank's Tier 1 and Total capital ratios would have been 15.1% and 17.8%, respectively.

STRATEGIC UPDATE

Equitable is broadening its foundation as Canada's ninth largest independent Bank through several important 2014 initiatives.

"Consistent with our growth agenda, we are excited to be developing a prime mortgage business which we will launch later this quarter," said Mr. Moor. "Once it reaches a steady-state, this business will offer Equitable Bank the opportunity to retain those existing customers whose mortgage needs have evolved, and capture a share of the much larger prime mortgage market with a suite of targeted products and services that mortgage brokers and borrowers will value. We foresee the ability to originate between \$1 billion and \$2 billion of prime loans annually, within three to five years, by leveraging the service capabilities that have made Equitable Bank a leader in our traditional markets. Prime lending will diversify our credit profile and create a new and profitable line of business for the Bank."

This initiative is designed to deliver significant long-term strategic and financial value without having a material impact on earnings in 2014.

The Bank also continues to progress according to plan with its other expansion strategies designed to diversify both its lending operations and deposits and provide capital to fuel ongoing, profitable growth. In particular, during Q2 Equitable Bank:

- Noted strong interest in its recently launched *Equitable Bank Home Equity Line of Credit* (“HELOC”) among both borrowers and mortgage brokers, and is confident in the high growth potential for this product.
- Made further market share gains in new geographic territories, including in the Greater Montreal and Gatineau Regions of Quebec where it opened its Single Family Lending Services business during the first quarter.
- Attracted \$205 million in deposits to the *Equitable Bank High Interest Savings Account* (as at August 13th, 2014), a product launched in late 2013 through the FundSERV platform under the Code EQB100 and which currently pays 1.50% annually.
- Successfully closed a \$150 million, three-year fixed rate 2.595% Deposit Note offering at a 135 basis point spread over Government of Canada yields, attracting broad institutional investor demand. Over time, the Bank intends to become a regular Deposit Note issuer across a variety of terms.

BUSINESS OUTLOOK

Equitable expects that its growth and performance strategies will deliver high returns on shareholders’ equity for the remainder of 2014.

“Our view is that the Bank will continue to achieve its ambitious goals for growth and value creation in the final two quarters of this year, as we leverage the strength of our franchise and the benefits of our increasingly diversified business model,” said Mr. Moor. “We look, in particular, to sustain a high rate of growth in our Single Family portfolio in the third quarter on seasonally strong real estate and mortgage market activity. On the Commercial side, we expect modest growth to prevail as we work with our key distribution partners to seek out the opportunities that exceed our return on equity thresholds. And across all of our markets, whether in traditional territories or new, prime or alternative, we will showcase the Equitable advantage as Canada’s service-driven Bank.”

In commenting on profitability, Tim Wilson, Vice President and Chief Financial Officer said: “As we move into the final half of 2014, we expect that total NIM will continue to reflect the positive benefit of the shift in our asset mix towards higher margin Core Lending activities. On the expense side, we expect to continue investing for growth and to support the high levels of customer service that have become synonymous with the Equitable Bank brand. While this will likely lead to a marginally higher efficiency ratio than the 31.3% achieved in the second quarter, we are confident that our disciplined approach to spending will allow Equitable to sustain its position as a productivity leader in Canadian banking.”

CONFERENCE CALL AND WEBCAST

The Company will hold its second quarter conference call and webcast with accompanying slides at 10:00 a.m. ET Friday, August 15, 2014. To access the call live, please dial 416-849-1847 five minutes prior. To access a listen-only version of the webcast, please log on to www.equitablebank.ca under Investor Relations.

A replay of the call will be available until August 21, 2014 and it can be accessed by dialing 647-436-0148 and entering passcode 1270225 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 JUNE 30, 2014

With comparative figures as at December 31, 2013 and June 30, 2013

(\$ THOUSANDS)

	June 30, 2014	December 31, 2013	June 30, 2013
Assets			
Cash and cash equivalents	\$ 294,894	\$ 243,645	\$ 417,402
Restricted cash	59,061	87,319	75,884
Securities purchased under reverse repurchase agreements	9,999	54,860	148,333
Investments	231,249	240,614	332,948
Mortgages receivable – Core Lending	6,407,815	6,188,278	5,567,766
Mortgages receivable – Securitization Financing	4,720,580	4,941,589	5,238,635
Securitization retained interests	35,471	30,455	17,359
Other assets	26,319	29,693	39,545
	\$ 11,785,388	\$ 11,816,453	\$ 11,837,872
Liabilities and Shareholders' Equity			
Liabilities:			
Deposits	\$ 6,510,114	\$ 6,470,029	\$ 6,104,508
Securitization liabilities	4,374,999	4,591,404	5,033,551
Obligations under repurchase agreements	-	8,143	15,701
Deferred tax liabilities	12,122	10,826	8,988
Other liabilities	41,353	55,250	36,722
Bank facilities	117,941	-	-
Debentures	92,483	92,483	92,483
	11,149,012	11,228,135	11,291,953
Shareholders' equity:			
Preferred shares	48,494	48,494	48,494
Common shares	139,784	137,969	136,462
Contributed surplus	5,542	5,326	5,098
Retained earnings	449,644	404,467	361,314
Accumulated other comprehensive loss	(7,088)	(7,938)	(5,449)
	636,376	588,318	545,919
	\$ 11,785,388	\$ 11,816,453	\$ 11,837,872

CONSOLIDATED STATEMENTS OF INCOME (unaudited)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

With comparative figures for the three and six month periods ended June 30, 2013

(\$ THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Three months ended		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Interest income:				
Mortgages – Core Lending	\$ 78,826	\$ 67,838	\$ 156,097	\$ 132,489
Mortgages – Securitization Financing	43,968	51,313	87,671	104,299
Investments	1,515	1,720	2,994	3,756
Other	1,947	2,242	3,532	4,098
	126,256	123,113	250,294	244,642
Interest expense:				
Deposits	37,634	34,756	74,437	68,469
Securitization liabilities	36,622	44,526	73,245	89,776
Debentures	1,399	1,399	2,793	3,772
Bank facilities	699	-	1,212	7
Other	-	26	21	49
	76,354	80,707	151,708	162,073
Net interest income	49,902	42,406	98,586	82,569
Provision for credit losses	545	1,650	1,052	3,750
Net interest income after provision for credit losses	49,357	40,756	97,534	78,819
Other income:				
Fees and other income	2,168	1,237	3,634	2,694
Net gain (loss) on investments	591	(1)	608	644
Gains on securitization activities and income from securitization retained interests	737	3,031	1,603	3,912
	3,496	4,267	5,845	7,250
Net interest and other income	52,853	45,023	103,379	86,069
Non-interest expenses:				
Compensation and benefits	10,224	8,663	20,360	16,390
Other	6,656	5,594	12,965	11,103
	16,880	14,257	33,325	27,493
Income before income taxes	35,973	30,766	70,054	58,576
Income taxes:				
Current	8,480	3,948	16,689	11,273
Deferred	715	3,920	1,296	3,491
	9,195	7,868	17,985	14,764
Net income	\$ 26,778	\$ 22,898	\$ 52,069	\$ 43,812
Earnings per share:				
Basic	\$ 1.68	\$ 1.44	\$ 3.27	\$ 2.76
Diluted	\$ 1.65	\$ 1.43	\$ 3.22	\$ 2.73

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

With comparative figures for the three and six month periods ended June 30, 2013

(\$ THOUSANDS)

	Three months ended		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Net income	\$ 26,778	\$ 22,898	\$ 52,069	\$ 43,812
Other comprehensive income – items that may be reclassified subsequently to income:				
Available for sale investments:				
Net unrealized gains (losses) from change in fair value	2,258	(2,848)	3,831	(291)
Reclassification of net gains to income	(348)	(12)	(357)	(859)
	1,910	(2,860)	3,474	(1,150)
Income tax (expense) recovery	(504)	753	(917)	303
	1,406	(2,107)	2,557	(847)
Cash flow hedges:				
Net unrealized (losses) gains from change in fair value	(1,326)	6,661	(3,384)	5,894
Reclassification of net losses to income	548	633	1,065	1,280
	(778)	7,294	(2,319)	7,174
Income tax recovery (expense)	205	(1,921)	612	(1,889)
	(573)	5,373	(1,707)	5,285
Total other comprehensive income	833	3,266	850	4,438
Total comprehensive income	\$ 27,611	\$ 26,164	\$ 52,919	\$ 48,250

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2014

With comparative figures for the three month period ended June 30, 2013

(\$ THOUSANDS)

	Accumulated other comprehensive income (loss)							
	Preferred shares	Common shares	Contributed surplus	Retained earnings	Cash flow hedges	Available for sale investments	Total	Total
June 30, 2014								
Balance, beginning of period	\$ 48,494	\$ 139,107	\$ 5,385	\$ 426,391	\$ (4,498)	\$ (3,423)	\$ (7,921)	\$ 611,456
Net income	-	-	-	26,778	-	-	-	26,778
Other comprehensive income (loss), net of tax	-	-	-	-	(573)	1,406	833	833
Reinvestment of dividends	-	262	-	-	-	-	-	262
Exercise of stock options	-	342	-	-	-	-	-	342
Dividends:								
Preferred shares	-	-	-	(906)	-	-	-	(906)
Common shares	-	-	-	(2,619)	-	-	-	(2,619)
Stock-based compensation	-	-	230	-	-	-	-	230
Transfer relating to the exercise of stock options	-	73	(73)	-	-	-	-	-
Balance, end of period	\$ 48,494	\$ 139,784	\$ 5,542	\$ 449,644	\$ (5,071)	\$ (2,017)	\$ (7,088)	\$ 636,376

	Accumulated other comprehensive income (loss)							
	Preferred shares	Common shares	Contributed surplus	Retained earnings	Cash flow hedges	Available for sale investments	Total	Total
June 30, 2013								
Balance, beginning of period	\$ 48,494	\$ 135,408	\$ 5,028	\$ 341,614	\$ (9,367)	\$ 652	\$ (8,715)	\$ 521,829
Net income	-	-	-	22,898	-	-	-	22,898
Other comprehensive income (loss), net of tax	-	-	-	-	5,373	(2,107)	3,266	3,266
Reinvestment of dividends	-	286	-	-	-	-	-	286
Exercise of stock options	-	648	-	-	-	-	-	648
Dividends:								
Preferred shares	-	-	-	(906)	-	-	-	(906)
Common shares	-	-	-	(2,292)	-	-	-	(2,292)
Stock-based compensation	-	-	190	-	-	-	-	190
Transfer relating to the exercise of stock options	-	120	(120)	-	-	-	-	-
Balance, end of period	\$ 48,494	\$ 136,462	\$ 5,098	\$ 361,314	\$ (3,994)	\$ (1,455)	\$ (5,449)	\$ 545,919

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2014

With comparative figures for the six month period ended June 30, 2013

(\$ THOUSANDS)

	Accumulated other comprehensive income (loss)							
	Preferred shares	Common shares	Contributed surplus	Retained earnings	Cash flow hedges	Available for sale investments	Total	Total
June 30, 2014								
Balance, beginning of period	\$ 48,494	\$ 137,969	\$ 5,326	\$ 404,467	\$ (3,364)	\$ (4,574)	\$ (7,938)	\$ 588,318
Net income	-	-	-	52,069	-	-	-	52,069
Other comprehensive income (loss), net of tax	-	-	-	-	(1,707)	2,557	850	850
Reinvestment of dividends	-	528	-	-	-	-	-	528
Exercise of stock options	-	1,054	-	-	-	-	-	1,054
Dividends:								
Preferred shares	-	-	-	(1,812)	-	-	-	(1,812)
Common shares	-	-	-	(5,080)	-	-	-	(5,080)
Stock-based compensation	-	-	449	-	-	-	-	449
Transfer relating to the exercise of stock options	-	233	(233)	-	-	-	-	-
Balance, end of period	\$ 48,494	\$ 139,784	\$ 5,542	\$ 449,644	\$ (5,071)	\$ (2,017)	\$ (7,088)	\$ 636,376

	Accumulated other comprehensive income (loss)							
	Preferred shares	Common shares	Contributed surplus	Retained earnings	Cash flow hedges	Available for sale investments	Total	Total
June 30, 2013								
Balance, beginning of period	\$ 48,494	\$ 134,224	\$ 5,003	\$ 323,737	\$ (9,279)	\$ (608)	\$ (9,887)	\$ 501,571
Net income	-	-	-	43,812	-	-	-	43,812
Other comprehensive income (loss), net of tax	-	-	-	-	5,285	(847)	4,438	4,438
Reinvestment of dividends	-	538	-	-	-	-	-	538
Exercise of stock options	-	1,404	-	-	-	-	-	1,404
Dividends:								
Preferred shares	-	-	-	(1,812)	-	-	-	(1,812)
Common shares	-	-	-	(4,423)	-	-	-	(4,423)
Stock-based compensation	-	-	391	-	-	-	-	391
Transfer relating to the exercise of stock options	-	296	(296)	-	-	-	-	-
Balance, end of period	\$ 48,494	\$ 136,462	\$ 5,098	\$ 361,314	\$ (3,994)	\$ (1,455)	\$ (5,449)	\$ 545,919

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2014

With comparative figures for the three and six month periods ended June 30, 2013

(\$ THOUSANDS)

	Three months ended		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period	\$ 26,778	\$ 22,898	\$ 52,069	\$ 43,812
Adjustments for non-cash items in net income:				
Financial instruments at fair value through income	(432)	(3,622)	(899)	(2,181)
Amortization of premium/discount on investments	492	615	1,077	1,124
Amortization of capital assets	319	322	622	564
Amortization of deferred costs	541	282	1,097	566
Provision for credit losses	545	1,650	1,052	3,750
Securitization gains	(764)	(1,494)	(1,515)	(2,620)
Net gain on sale or redemption of investments	(591)	(113)	(608)	(644)
Stock-based compensation	230	190	449	391
Income taxes	9,195	7,868	17,985	14,764
Changes in operating assets and liabilities:				
Restricted cash	(1,374)	21,602	28,258	(12,283)
Securities purchased under reverse repurchase agreements	10,173	(63,652)	44,861	(69,782)
Mortgages receivable	(32,425)	(223,105)	(205,851)	(474,483)
Other assets	798	(5,701)	1,933	(5,821)
Deposits	(52,795)	455,829	39,113	452,791
Securitization liabilities	(96,955)	(255,623)	(216,405)	(228,119)
Obligations under repurchase agreements	-	8,709	(8,143)	5,819
Bank facilities	25,947	-	117,941	-
Other liabilities	(4,144)	322	(7,188)	(4,271)
Income taxes paid	(8,082)	(6,269)	(24,508)	(17,136)
Proceeds from loan securitizations	105,412	149,803	200,577	268,346
Securitization retained interests	1,490	543	2,829	875
Cash flows (used in) from operating activities	(15,642)	111,054	44,746	(24,538)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of bank term loan	-	-	-	(12,500)
Redemption of debentures	-	-	-	(25,188)
Dividends paid on preferred shares	(906)	(906)	(1,812)	(1,812)
Dividends paid on common shares	(2,199)	(1,846)	(4,389)	(3,720)
Proceeds from issuance of common shares	342	648	1,054	1,404
Cash flows used in financing activities	(2,763)	(2,104)	(5,147)	(41,816)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(56,347)	(33,133)	(95,743)	(35,553)
Proceeds on sale or redemption of investments	96,898	72,143	142,087	136,281
Net change in Canada Housing Trust re-investment accounts	(30,688)	5,110	(34,321)	4,681
Purchase of capital assets	(226)	(799)	(373)	(1,100)
Cash flows from investing activities	9,637	43,321	11,650	104,309
Net (decrease) increase in cash and cash equivalents	(8,768)	152,271	51,249	37,955
Cash and cash equivalents, beginning of period	303,662	265,131	243,645	379,447
Cash and cash equivalents, end of period	\$ 294,894	\$ 417,402	\$ 294,894	\$ 417,402
Cash flows from operating activities include:				
Interest received	127,756	126,183	251,544	248,374
Interest paid	(87,745)	(85,045)	(136,056)	(148,135)
Dividends received	1,327	1,147	2,836	2,622

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 is a Schedule I Bank regulated by the Office of the Superintendent of Financial Institutions Canada with total assets under management of approximately \$13 billion, with more than 330 employees and proven capabilities in lending and deposit-taking. The Company's integrated operations are organized according to specialty. We serve retail and commercial customers across Canada with a range of savings solutions and mortgage lending products. Within Equitable Bank's Core Lending business, Single Family Lending Services funds mortgages for owner-occupied and investment properties across Canada while Commercial Lending Services provides mortgages on a variety of commercial properties on a national basis. Equitable's Securitization Financing business originates and securitizes insured residential mortgages under the Canada Mortgage and Housing Corporation administered National Housing Act. Measured by assets, Equitable Bank was the ninth largest independent Schedule I Bank in Canada at December 31, 2013. For more information, visit the Company's website at www.equitablebank.ca and click on Investor Relations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements made by the Company in the sections of this news release including those entitled "Second Quarter Highlights", "Operating Highlights", "Capital", "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”), Net Interest Margin (“NIM”), capital ratios, book value per share, impairment provision, Mortgages Under Management 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 second quarter 2014 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.

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