NEWS RELEASE

# EQUITABLE GROUP REPORTS RECORD FOURTH QUARTER AND 2015 ANNUAL PERFORMANCE

Toronto, Ontario (February 29, 2016): Equitable Group Inc. (TSX: EQB and EQB.PR.C) ("Equitable" or the "Company") today reported record financial results for the three and 12 months ended December 31, 2015, both periods of lending and deposit growth for its wholly owned subsidiary, Equitable Bank (the "Bank").

## 2015 HIGHLIGHTS

- Net income was a record $125.9 million, up 18% from $106.7 million in 2014
- Diluted earnings per share were $7.73, up 18% from $6.53 in 2014
- Return on Equity ("ROE") was 17.9%, up from 17.4% in 2014 and above the five-year average of 17.7%
- Book value per common share was $46.57, up 14% from $40.90 at year-end 2014

## FOURTH QUARTER HIGHLIGHTS

- Net income was $31.4 million, up 17% from $26.9 million in 2014
- Diluted earnings per share were $1.93, up 21% from $1.59 in 2014
- ROE was 17.0%, compared to 16.0 % in 2014
- Mortgages Under Management ("MUM") amounted to $16.7 billion, up 21% from $13.8 billion in 2014 and 5% from the end of the third quarter of 2015
- Originations were a fourth quarter record $1.7 billion, up 9% from 2014

## DIVIDEND DECLARATIONS

The Board of Directors declared a quarterly dividend in the amount of $0.20 per common share, payable on April 7, 2016, to common shareholders of record at the close of business on March 11, 2016. This dividend represents an 11% increase over dividends declared in February 2015. In addition, the Board declared a quarterly dividend in the amount of $0.396875 per preferred share, payable on March 31, 2016, to preferred shareholders of record at the close of business on March 11, 2016.

## CEO's COMMENTARY

"In 2015 and since going public in 2004, Equitable delivered its best ever annual earnings performance and sustained an average ROE of 17.4% over that period, leaving no doubt that it is a leader among Canada's banks in consistent value creation," said Andrew Moor, President and Chief Executive Officer. "We attribute this outstanding track record to four factors. One, borrowers and mortgage brokers are attracted to the great service provided by our employees and this manifested itself in record originations and continued asset growth. Two, we apply a rigorous process for allocating our capital to new opportunities, ensuring that all investments meet our target returns. Three, even while growing we maintain our risk management discipline such that our book is high quality and well diversified. As was the case again in 2015, our business featured a very low level of credit losses as a percentage of total loans that is consistently below that of our banking peers. And fourth, our non-branch business model enables us to operate efficiently and to offer more compelling savings products to Canadians. These performance drivers allowed Equitable to generate record levels of net income in 2015, grow book value to an all-time record, and solidify our positon as one of Canada's best capitalized banks."

**OPERATING HIGHLIGHTS**

- **Single Family Lending** mortgage principal at year-end 2015 was a record $6.4 billion, up 20% from $5.4 billion a year ago on record annual originations of $2.7 billion including $719 million in the fourth quarter of 2015 (Q4 2014 – $758 million).
- **Commercial Lending** mortgage principal at year-end 2015 was $2.2 billion, compared to $2.3 billion a year ago, with the 3% decrease a reflection the Bank's disciplined approach to pricing and risk in a competitive marketplace. Commercial originations amounted to $903 million for all of 2015 including $259 million in the fourth quarter, up 19% and 2% from a year ago due to the Bank's strong distribution partnerships.
- **Securitization Financing** Mortgages under Management amounted to $8.0 billion at the end of 2015, up 32% from $6.1 billion in 2014 largely as a result of the Bank's successful entry into the Prime single family lending business.
- **Deposit principal** outstanding increased $730 million in 2015 and $154 million during the fourth quarter to stand at $8.1 billion, up 10% from $7.4 billion at year-end 2014 as the Bank continued to successfully broaden its long-standing reputation for providing competitive rates of return across a variety of safe and secure savings products.

Equitable's credit metrics continue to reflect the high quality of the mortgage portfolio and remain well in line with the Bank's long-term levels. The Company's Impairment provision was one basis point of the mortgage portfolio in 2015, consistent with 2014, and net impaired mortgage assets were only 0.22% of total mortgage assets compared to 0.30% in 2014.

**CAPITAL**

Equitable Bank's capital ratios exceed minimum regulatory standards and were above the levels of most other Schedule I Canadian banks. At December 31, 2015:

- Common Equity Tier 1 capital ratio was 13.6%, surpassing the Basel III minimum of 7.0%, most competitive benchmarks and last year's ratio of 13.5%
- Total capital ratio was 16.8%, well above the regulatory requirement of 10.5% on an all-in basis
- Leverage Ratio was 5.2% and as such the Bank was fully compliant with the target that OSFI sets on a confidential, institution-by-institution basis

**STRATEGIC UPDATE**

Equitable delivered on its key strategic priorities in 2015 and while generating higher earnings, made significant investments that increased costs but laid the foundation for more success in future years.

Among the strategic highlights, the Bank:

- Expanded its Alternative Single Family Lending book, with that growth being the result of market share gains as well as geographic and product expansion initiatives
- Successfully funded $1.6 billion of Prime single family mortgages in 2015, including $489 million in the fourth quarter, after launching its Prime business in August 2014. Prime mortgage assets reached $2.0 billion at year-end 2015, up from $0.6 billion a year ago.
- Executed an innovative transaction that resulted in the derecognition of $9 million of securitized mortgages at a lower cost than through alternative structures, and provided a methodology through which to derecognize securitized assets in the future
- Almost tripled (to $948 million) balances for its *Equitable Bank High Interest Savings Account* over 2014
- Developed, and subsequent to year end, introduced *EQ Bank* (see below) to provide Canadians with a more valuable savings experience
- In addition to EQ Bank, added two other sources of funding during the year with a total capacity of $850 million

"Beyond record financial performance, 2015 was notable for Equitable as we strengthened and further diversified our lending and savings platforms to better serve Canadians from coast to coast," said Mr. Moor. "We are delighted with initial market reaction to our newest services and that the Bank was able to increase market share in its existing business at the same time that we advanced our diversification plan."

As expected, the Bank continued to operate efficiently on both an absolute and relative basis to other financial institutions even while growing its footprint. The efficiency ratio was 33.6% in 2015, much better than the average of Canada's Big Six Banks, even though Equitable increased non-interest expenses by 23% year over year.

"In 2015, we chose to invest in several strategic initiatives so that we could ready the Bank to take advantage of long-term value creation opportunities," said Tim Wilson, Vice President and Chief Financial Officer. "As expected, our 2015 efficiency ratio increased as a result, as in most cases the investments were made ahead of the associated benefits. While the Bank's net income for the year would have been even higher had we not chosen to make these investments, we believe they will fuel superior shareholder returns in future years."

**EQ BANK**

On January 14, 2016, Equitable Bank launched EQ Bank, a new and completely digital way of banking. EQ Bank provides a seamless online and mobile banking experience, and will help Canadians reach their savings goals faster.

The first digital product for the Bank is the *EQ Bank Savings Plus Account.* It offers a high everyday interest rate, no monthly fees, unlimited day-to-day transactions, no minimum balance requirements, five free Interac e-Transfers® per month – all in a safe and secure banking environment accessible from desktop and mobile devices. Equitable Bank is a member of the Canada Deposit Insurance Corporation (CDIC), therefore deposits in the EQ Bank Savings Plus account are eligible for insurance up to applicable limits. Visit *eqbank.ca* or download the EQ Bank mobile app (available on the App Store and Google Play) for more details.

"The EQ Bank platform was developed and launched by our experienced digital banking team and in partnership with several leading fintech providers," said Mr. Moor. "It allows us to offer our customers enduring value beyond what is available from other banks in Canada, value that includes a superior rate of interest and greater functionality found in features such as Smart Savings Tools. For Equitable, EQ Bank will serve to diversify our sources of funding, open a direct-to-consumer channel that will allow us to capture a greater share of unproductive cash sitting in regular bank accounts, and enhance the value of our brand in the marketplace. We plan to continue investing in the platform, delivering more functionality and a broader range of products and services over time."

**BUSINESS OUTLOOK**

For 2016, Equitable expects to continue delivering consistent returns on shareholders' equity while it builds out the platforms that have made it one of the country's leading mid-sized banks.

"Our key operating objectives for this year are to maintain great service to our customers across all of the Bank's platforms, continue to advance our Prime mortgage business so that it has the in-house origination capabilities necessary to achieve our ambitions, invest in our consumer brand and EQ Bank and begin to realize returns on those investments," said Mr. Moor. "For shareholders, we will once again apply our proven value creation formula so that Equitable remains a banking sector performance leader. We will leverage our strengths to deliver this performance: namely our low cost, branchless business model, diversified national market presence, highly productive relationships with professional mortgage and deposit brokers, and disciplined risk management process. Taken together, Equitable Bank's strategy and consistent execution should make 2016 another year of value creation."

The Bank maintains a low credit risk profile and expects its Single Family arrears rates and impairment provisions to remain low throughout 2016 in most areas of the country, assuming economic conditions stay within market expectations. Given the recent downturn in the energy sector, the Bank anticipates arrears rates in Alberta and Saskatchewan will rise in 2016 although the timing and degree of that increase is uncertain. Due to its conservative underwriting approach, robust workout process and focus on lending in larger urban centres within these provinces, the Bank does not expect to incur significant losses. Various stress test scenarios used in developing this outlook for arrears and loan losses can be found in the Bank's 2015 Management's Discussion and Analysis ("MD&A").

With respect to profitability, "we expect year over year growth rates in net interest income to be in the low to mid-teens in 2016 due to continued growth in our assets. We should achieve this growth despite the success of our high rate digital bank account, which will increasingly weigh on margins as the year progresses," said Mr. Wilson. "On a related note, our current plan for non-interest expenses is to make approximately $6 million of marketing investments in 2016 to support the launch of EQ Bank, including $5 million during the first quarter. We will also expand our team and invest in systems to support our strategic initiatives. Accordingly, we expect our efficiency ratio to increase between three and five percentage points in 2016. Over time, the cost of investments in our key strategic initiatives should be largely offset by the incremental gain on sale revenue generated by securitizing insured residential mortgages. Other expenses will increase at rates in line with the growth of the overall business."

The complete business outlook can be found in MD&A for the three and 12 months ended December 31, 2015, which is available on SEDAR and on the Company's website.

**CONFERENCE CALL AND WEBCAST**

The Company will hold its fourth quarter conference call and webcast with accompanying slides at 10:00 a.m. ET March 1, 2016. To access the call live, please dial 416-260-0113 five minutes prior. The listen-only webcast with accompanying slides is available at www.equitablebank.ca under Investor Relations.

A replay of the call will be available until March 8, 2016 and it can be accessed by dialing 647-436-0148 and entering passcode 1495811 followed by the number sign. Alternatively, the call will be archived on the Company's website for three months.

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEETS

($ THOUSANDS)

| As at December 31 | | 2015 | | 2014 |
|---|---|---|---|---|
| Assets | | | | |
| Cash and cash equivalents | $ | **423,366** | $ | 230,063 |
| Restricted cash | | **107,988** | | 67,690 |
| Securities purchased under reverse repurchase agreements | | **19,918** | | 18,117 |
| Investments | | **153,714** | | 187,664 |
| Mortgages receivable – Core Lending | | **8,674,599** | | 7,684,425 |
| Mortgages receivable – Securitization Financing | | **6,026,207** | | 4,585,520 |
| Securitization retained interests | | **61,650** | | 44,983 |
| Other assets | | **60,142** | | 36,441 |
| | $ | **15,527,584** | $ | 12,854,903 |
| Liabilities and Shareholders' Equity | | | | |
| Liabilities: | | | | |
| Deposits | $ | **8,211,265** | $ | 7,489,418 |
| Securitization liabilities | | **6,109,436** | | 4,355,328 |
| Obligations under repurchase agreements | | **-** | | 52,413 |
| Deferred tax liabilities | | **28,698** | | 14,843 |
| Other liabilities | | **81,290** | | 61,971 |
| Bank facilities | | **235,779** | | 92,236 |
| Debentures | | **65,000** | | 85,000 |
| | | **14,731,468** | | 12,151,209 |
| Shareholders' equity: | | | | |
| Preferred shares | | **72,557** | | 72,412 |
| Common shares | | **143,690** | | 140,657 |
| Contributed surplus | | **4,706** | | 4,331 |
| Retained earnings | | **605,436** | | 496,097 |
| Accumulated other comprehensive loss | | **(30,273)** | | (9,803) |
| | | **796,116** | | 703,694 |
| | $ | **15,527,584** | $ | 12,854,903 |

## CONSOLIDATED STATEMENTS OF INCOME

($ THOUSANDS, EXCEPT PER SHARE AMOUNTS)

| Years ended December 31 | 2015 | 2014 |
|---|---|---|
| Interest income: | | |
| Mortgages – Core Lending | **$ 392,462** | $ 339,616 |
| Mortgages – Securitization Financing | **159,247** | 156,719 |
| Investments | **7,173** | 6,432 |
| Other | **6,276** | 6,777 |
| | **565,158** | 509,544 |
| Interest expense: | | |
| Deposits | **170,699** | 154,980 |
| Securitization liabilities | **141,567** | 141,518 |
| Bank facilities | **4,198** | 2,810 |
| Debentures | **5,033** | 5,598 |
| Other | **1,434** | 116 |
| | **322,931** | 305,022 |
| Net interest income | **242,227** | 204,522 |
| Provision for credit losses | **3,638** | 2,627 |
| Net interest income after provision for credit losses | **238,589** | 201,895 |
| Other income: | | |
| Fees and other income | **11,413** | 8,345 |
| Net (loss) gain on investments | **(463)** | 1,033 |
| Gains on securitization activities and income from securitization retained interests | **5,886** | 4,045 |
| | **16,836** | 13,423 |
| Net interest and other income | **255,425** | 215,318 |
| Non-interest expenses: | | |
| Compensation and benefits | **50,236** | 42,545 |
| Other | **37,726** | 29,099 |
| | **87,962** | 71,644 |
| Income before income taxes | **167,463** | 143,674 |
| Income taxes | | |
| Current | **27,847** | 31,076 |
| Deferred | **13,751** | 5,880 |
| | **41,598** | 36,956 |
| Net income | **$ 125,865** | $ 106,718 |
| Earnings per share | | |
| Basic | **$ 7.83** | $ 6.63 |
| Diluted | **$ 7.73** | $ 6.53 |

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

($ THOUSANDS)

| Years ended December 31 | | 2015 | | 2014 |
|---|---|---|---|---|
| Net income | **$** | **125,865** | $ | 106,718 |
| Other comprehensive income – items that may be reclassified subsequently to income: | | | | |
| Available for sale investments: | | | | |
| Net unrealized (losses) gains from change in fair value | | **(25,320)** | | 1,779 |
| Reclassification of net losses (gains) to income | | **107** | | (865) |
| | | **(25,213)** | | 914 |
| Income tax recovery (expense) | | **6,656** | | (241) |
| | | **(18,557)** | | 673 |
| Cash flow hedges: | | | | |
| Net unrealized losses from change in fair value | | **(6,219)** | | (5,676) |
| Reclassification of net losses to income | | **3,620** | | 2,228 |
| | | **(2,599)** | | (3,448) |
| Income tax recovery | | **686** | | 910 |
| | | **(1,913)** | | (2,538) |
| Total other comprehensive loss | **$** | **(20,470)** | $ | (1,865) |
| Total comprehensive income | **$** | **105,395** | $ | 104,853 |

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

($ THOUSANDS)

| 2015 | 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 year | $ 72,412 | $ 140,657 | $ 4,331 | $ 496,097 | $ (5,902) | $ (3,901) | $ (9,803) | $ 703,694 |
| Net income | - | - | - | 125,865 | - | - | - | 125,865 |
| Other comprehensive income (loss), net of tax | - | - | - | - | (1,913) | (18,557) | (20,470) | (20,470) |
| Issuance cost | 145 | - | - | - | - | - | - | 145 |
| Exercise of stock options | - | 2,473 | - | - | - | - | - | 2,473 |
| Dividends: | | | | | | | | |
| Preferred shares | - | - | - | (4,762) | - | - | - | (4,762) |
| Common shares | - | - | - | (11,764) | - | - | - | (11,764) |
| Stock-based compensation | - | - | 935 | - | - | - | - | 935 |
| Transfer relating to the exercise of stock options | - | 560 | (560) | - | - | - | - | - |
| Balance, end of year | $ 72,557 | $ 143,690 | $ 4,706 | $ 605,436 | $ (7,815) | $ (22,458) | $ (30,273) | $ 796,116 |

| 2014 | 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 year | $ 48,494 | $ 137,969 | $ 5,326 | $ 404,467 | $ (3,364) | $ (4,574) | $ (7,938) | $ 588,318 |
| Net income | - | - | - | 106,718 | - | - | - | 106,718 |
| Other comprehensive income (loss), net of tax | - | - | - | - | (2,538) | 673 | (1,865) | (1,865) |
| Preferred shares issued, net of redemption | 23,918 | - | (1,506) | - | - | - | - | 22,412 |
| Reinvestment of dividends | - | 542 | - | - | - | - | - | 542 |
| Exercise of stock options | - | 1,746 | - | - | - | - | - | 1,746 |
| Dividends: | | | | | | | | |
| Preferred shares | - | - | - | (4,611) | - | - | - | (4,611) |
| Common shares | - | - | - | (10,477) | - | - | - | (10,477) |
| Stock-based compensation | - | - | 911 | - | - | - | - | 911 |
| Transfer relating to the exercise of stock options | - | 400 | (400) | - | - | - | - | - |
| Balance, end of year | $ 72,412 | $ 140,657 | $ 4,331 | $ 496,097 | $ (5,902) | $ (3,901) | $ (9,803) | $ 703,694 |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

($ THOUSANDS)

| Years ended December 31 | | 2015 | | 2014 |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Net income | **$** | **125,865** | $ | 106,718 |
| Adjustments for non-cash items in net income: | | | | |
| Financial instruments at fair value through income | | **5,222** | | (2,769) |
| Amortization of premiums/discount on investments | | **743** | | 1,470 |
| Amortization of capital assets and intangible costs | | **3,532** | | 3,287 |
| Provision for credit losses | | **3,638** | | 2,627 |
| Securitization gains | | **(5,247)** | | (3,960) |
| Net loss (gain) on sale or redemption of investments | | **463** | | (1,033) |
| Stock-based compensation | | **935** | | 911 |
| Income taxes | | **41,598** | | 36,956 |
| Changes in operating assets and liabilities: | | | | |
| Restricted cash | | **(40,298)** | | 19,629 |
| Securities purchased under reverse repurchase agreements | | **(1,801)** | | 36,743 |
| Mortgages receivable, net of securitizations | | **(2,456,730)** | | (1,158,431) |
| Other assets | | **(167)** | | (1,789) |
| Deposits | | **719,090** | | 1,018,811 |
| Securitization liabilities | | **1,754,108** | | (236,076) |
| Obligations under repurchase agreements | | **(52,413)** | | 44,270 |
| Bank facilities | | **143,543** | | 92,236 |
| Other liabilities | | **17,440** | | 15,028 |
| Income taxes paid | | **(26,419)** | | (38,164) |
| Securitization retained interests | | **10,798** | | 6,479 |
| Cash flows from (used in) operating activities | | **243,900** | | (57,057) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Issue of preferred shares, net of issuance costs | | **145** | | 71,479 |
| Redemption of preferred shares | | **-** | | (50,000) |
| Proceeds from issuance of common shares | | **2,473** | | 1,746 |
| Redemption of debentures | | **(20,000)** | | (7,483) |
| Dividends paid on preferred shares | | **(4,762)** | | (4,611) |
| Dividends paid on common shares | | **(8,658)** | | (12,390) |
| Cash flows used in financing activities | | **(30,802)** | | (1,259) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Purchase of investments | | **(26,856)** | | (134,791) |
| Proceeds on sale or redemption of investments | | **16,208** | | 164,051 |
| Net change in Canada Housing Trust re-investment accounts | | **11,859** | | 24,142 |
| Purchase of capital assets and system development costs | | **(21,006)** | | (8,668) |
| Cash flows (used in) from investing activities | | **(19,795)** | | 44,734 |
| Net increase (decrease) in cash and cash equivalents | | **193,303** | | (13,582) |
| Cash and cash equivalents, beginning of year | | **230,063** | | 243,645 |
| Cash and cash equivalents, end of year | **$** | **423,366** | $ | 230,063 |
| | | | | |
| Cash flows from operating activities include: | | | | |
| Interest received | **$** | **563,992** | $ | 506,610 |
| Interest paid | | **(310,298)** | | (274,144) |
| Dividends received | | **12,763** | | 5,478 |

**ABOUT EQUITABLE GROUP INC.**

Equitable Bank is Canada'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 $17.6 billion of assets under management. Most recently, Equitable Bank launched a digital banking operation, EQ Bank, along with its flagship product the EQ Bank Savings Plus Account. Equitable Bank currently employs over 500 across the country, and was named one of Canada's best employers for 2016 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”, “Operating Highlights”, “Strategic Update”, “EQ Bank”, “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 MD&A 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.

This earnings release should be read in conjunction with the Company's unaudited interim consolidated financial statements for the fourth quarter and the audited consolidated financial statements and accompanying notes for the year ended December 31, 2015. All amounts are in Canadian dollars. The information provided herein, is dated as at February 29, 2016. The Company's continuous disclosure materials, including interim filings, annual Management's Discussion and Analysis and Consolidated Financial Statements, Annual Information Form, Notice of Annual Meeting of Shareholders and Proxy Circular are available on the Company's website at www.equitablebank.ca and on SEDAR at www.sedar.com.

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

This news release references certain non-GAAP measures such as ROE, capital ratios, book value per share, impairment provision (recovery), and MUM 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 and annual 2015 MD&A provides a detailed description of each non-GAAP measure and should be read in conjunction with this report. The MD&A 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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