FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Equitable Group Inc.
30 St. Clair Avenue West, Suite 700
Toronto, Ontario
M4V 3A1

Item 2 Date of Material Change

December 18 and December 30, 2009

Item 3 News Release

A news release was disseminated in Canada on each of December 18, 2009 and December 30, 2009 and subsequently filed on SEDAR

Item 4 Summary of Material Change

On December 18, 2009, in the first of a series of transactions involving its subordinated debt, Equitable Group Inc. ("**Equitable**" or the "**Company**") redeemed $16.8 million of the Equitable Trust Series 5 Subordinated Debentures ("**Series 5 Debentures**"), which bore an average interest cost of 7.42% and it has issued $8.0 million in Series 8 Subordinate Debentures ("**Series 8 Debentures**"), a new class of subordinated debt being issued by the Company at an initial interest cost of 6.50%, which is approximately 393 basis points over the current 5-year Government of Canada Bond benchmark yield. The gross proceeds of the offering of the Series 8 Debentures are being used by the Company to purchase the subordinated debt of The Equitable Trust Company ("**Equitable Trust**"), which qualifies as Tier 2B regulatory capital and will, in turn, be used for general corporate purposes.

On December 30, 2009, in the second of a series of transactions, Equitable issued $15.2 million in Series 8 Debentures. As part of this transaction, the Company has repaid $13.3 million of its term credit facilities with a Canadian chartered bank and Equitable Trust has concurrently redeemed $14.0 million of the its Series 5 Debentures. This transaction, in combination with the transaction announced on December 18, 2009, has resulted in the redemption of all $30.8 million of the remaining Series 5 Debentures, which bore a weighted average interest cost to Equitable Trust of 7.43%, and the issuance by the Company of a total of $23.2 million in Series 8 Debentures at an initial interest cost of 6.50% – approximately 376 basis points over the current 5-year Government of Canada Bond benchmark yield. The gross proceeds of the offering of the Series 8 Debentures are being used by the Company to purchase the subordinated debt of Equitable Trust, which qualifies as Tier 2B regulatory capital and will, in turn, be used for general corporate purposes.

Item 5 Full Description of Material Change

On December 18, 2009, Equitable Group Inc. ("**Equitable**" or the "**Company**") announced that, in the first of a series of transactions involving its subordinated debt, it has redeemed $16.8 million of the Equitable Trust Series 5 Subordinated Debentures ("**Series 5 Debentures**"), which bore an average interest cost of 7.42% and it has issued $8.0 million in Series 8 Subordinate Debentures ("**Series 8 Debentures**"), a new class of subordinated debt being issued by the Company at an initial interest cost of 6.50%, which is approximately 393 basis points over the current 5-year Government of Canada Bond benchmark yield.

The gross proceeds of the offering of the Series 8 Debentures are being used by the Company to purchase the subordinated debt of The Equitable Trust Company ("**Equitable Trust**"), which qualifies as Tier 2B regulatory capital and will, in turn, be used for general corporate purposes. The Series 8 Debentures will pay fixed interest semi-annually for the first five years of its 10-year term, and then bear a floating rate interest rate that is calculated at the 90-day Banker's Acceptance Rate plus 480 basis points thereafter.

The Series 8 Debentures provide Equitable the opportunity of extending the average term of its subordinated debt at lower interest costs, on advantageous terms and with better structure than previously.

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The gross proceeds of the offering of the Series 8 Debentures are being used by the Company to purchase the subordinated debt of Equitable Trust, which qualifies as Tier 2B regulatory capital and will, in turn, be used for general corporate purposes. The Series 8 Debentures will pay fixed interest semi-annually for the first five years of its 10-year term, and then bear a floating interest rate that is calculated at the 90-day Banker's Acceptance Rate plus 480 basis points thereafter.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7 **Omitted Information**

Not applicable

Item 8 **Executive Officer**

Please contact Kimberley Graham, Vice President, General Counsel at (416) 515-7000

Item 9 **Date of Report**

January 8, 2010