

Record Mortgage Originations; Mortgages Balance of \$357M

TORONTO, Nov. 12, 2013 /CNW/ - Equity Financial Holdings Inc. (TSX: EQI) ("Equity" or the "Corporation"), a Canadian financial services company serving the alternative retail mortgage market, today reported its interim financial results for the three and nine months ended September 30, 2013

Third Quarter 2013 Highlights

- Record mortgage originations of \$104 million, an increase of 148% over the third quarter in 2012 and 43% over the second quarter of 2013
- Mortgage portfolio balance of \$357 million at the end of September 2013, up 115% year over year and 80% since the end of fiscal 2012
- Net interest income of \$2.8 million, up 130% compared with the third quarter of 2012
- Average net interest margin earned during the third quarter was 3.08%, compared to 3.07% for the third quarter in 2012
- A net loss of \$175,000 in the third quarter of 2013 as compared to a net loss of \$423,000 for the same quarter in 2012 and break even operations in the second quarter of 2013
- For the nine months year to date, a net loss of \$561,000 from continuing operations, compared to a net loss of \$1.6 million for the same period in 2012

Equity Financial Holdings CEO Paul G. Smith said,

"We are pleased with the pace of our mortgage origination over the first three quarters of 2013 and the size of our mortgage portfolio as at September 30, 2013. While we set a record for mortgage originations in the third quarter, given the seasonal nature of the residential real estate market, we anticipate a more modest fourth quarter. By the end of 2013, we expect our mortgage loan portfolio will have expanded at least 90% compared to the balance at the end of

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2012.

Subsequent to the end of the third quarter, we announced a change in the leadership of our mortgage business. Since this change, we've been pleased with our mortgage originations and net interest margin for the fourth quarter so far, and we remain confident in the credit quality of our portfolio."

Interim Consolidated Financial Statements and Management's Discussion and Analysis for the third quarter ended September 30, 2013 can be found on SEDAR at www.sedar.com and on Equity's website at www.equityfinancialtrust.com

Financial Highlights (Unaudited)(dollar amounts, except per-share, are in \$000s, unless otherwise stated)

	For the three months ended
(\$000s, except share, per share and percentage amounts)	□
OPERATIONS	
Net earnings (loss)	
Continuing	\$
Discontinued	
Net interest income and other income, net of provision	□
Earnings (loss) per share - basic/diluted	
Continuing	\$
Discontinued	
Net interest margin	
ROE from continuing operations (annualized)	
As at	
BALANCE SHEET	
Total assets	\$
Mortgages	
Deposits	
Shareholders' Equity	
FINANCIAL STRENGTH	
Capital Measures	2

Regulatory Capital (transitional basis)	\$
Assets-to-Capital Multiple	
Common Equity Tier 1 Ratio	
Share Information	
Book value per common share	\$
Common share price - close	\$
Common shares outstanding	
Market Capitalization	\$
¹	See definition of return on equity under Non-IFRS Financial Measures in Mana
²	These figures relate to the Corporation's operating subsidiary, Equity Financial

Analyst Conference Call

EQI will hold a conference call on November 13, 2013 at 9 a.m. Eastern Time to discuss its operating results and to answer questions. Participants can dial 416-340-8018 or toll free 866-223-7781.

Forward Looking Information

Certain portions of this press release as well as other public statements by the Corporation contain "forward-looking information" within the meaning of applicable Canadian securities legislation, which is also referred to as "forward-looking statements", which may not be based on historical fact. Wherever possible, words such as "will", "plans," "expects," "targets," "continue", "estimates," "scheduled," "anticipates," "believes," "intends," "may," and similar expressions or statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved, have been used to identify forward-looking information. Such forward-looking statements include, without limitation, the Corporation's expectations in respect of earnings, fee income, expense levels, general economic, political and market factors in North America and internationally, interest rates, global equity and capital markets, activities, the Corporation's expected need for equity on debt financing, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, catastrophic events, and the Corporation's ability to complete strategic transactions and integrate acquisitions and other factors.

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 Corporation and the Canadian economy. Certain material factors or assumptions are applied by the Corporation in making forward-looking statements, including without limitation, factors and assumptions regarding interest rates, availability of key personnel, the effect of competition on the Corporation's business, government regulation of its business, computer failure or security breaches, future capital requirements, its ability to fund its mortgage business, the value of mortgage originations, the competitive nature of the alternative mortgage market, the expected margin between the interest earned on its mortgage portfolio and the interest to be paid on its deposits, the relative continued health of real estate markets, acceptance of its products in the marketplace, as well as its operating cost structure and the current tax regime.

Forward-looking statements reflect the Corporation's current views with respect to future events and are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. Readers should not place undue reliance on such forward-looking statements, as they reflect the Corporation's current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation, are inherently subject to significant uncertainties and contingencies. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including a significant downturn in capital markets or the economy as a whole, significant increases in the cost of complying with applicable regulatory requirements, civil unrest, economic recession, pandemics, war and acts of terrorism which may adversely impact the North American and global economic and financial markets, inability to raise funds through public or private financing significant changes in interest rates, failure by Equity Financial Trust Company ("EFT") to meet ongoing regulatory requirements, the failure of borrowers or counterparties to honour their financial or contractual obligations to EFT, failure by EFT to adequately monitor and/or adjust its mortgage portfolio management practices for changing circumstances, failure by the Corporation to attract and to retain the necessary employees to meet its needs, failure by EFT to adequately monitor the services provided by third party service providers or to establish alternative arrangements if required, failure by EFT to secure sufficient deposits from securities dealers or a sufficient level of mortgage origination from its mortgage broker network, a failure of the computer systems of the Corporation or one or more of its service providers or the risks detailed from time-to-time in the Corporation's quarterly filings, annual information forms, annual reports and annual filings with securities regulators. The preceding list is not exhaustive of possible factors. The Corporation disclaims any intent or obligation to update or revise publicly any forward-looking statements whether as a result of new information, estimates, future events or results, or otherwise, unless required to do so by applicable laws.

About Equity Financial Holdings Inc.

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Equity is a Canadian financial services company serving the alternative retail mortgage market through its federally regulated and wholly-owned subsidiary, Equity Financial Trust Company. Learn more at www.equityfinancialtrust.com.

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