

About Equitable Life

Since 1920, people have been depending on Equitable Life of Canada for financial protection. As one of the largest mutual life insurance companies in Canada, Equitable Life is dedicated to its policyholders. We are focused on providing them with personalized service, security and wellbeing.

Through more than 10,000 independent advisors across Canada, we offer a wide selection of competitive Individual Life and Health, Savings and Retirement and Group Benefits products to meet a range of financial planning and health needs.

Equitable Life takes a conservative approach to risk, and we focus on longer term strategies that foster ongoing stability and growth for our policyholders and business partners.

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2012 Financial Highlights

The Equitable Life Insurance Company of Canada



FINANCIAL HIGHLIGHTS

As at December 31, 2012

(In \$ millions unless otherwise indicated)

	2012	2011
Net income	44.7	8.5
General fund premiums	450.0	423.3
Segregated funds deposits	156.1	157.1
Total premiums and deposits	606.1	580.4
Dividends to participating policyholders	11.3	11.0
Assets		
General fund	2,117.4	2,013.9
Segregated funds	816.8	736.5
Assets under administration	2,934.2	2,750.4
Participating policyholders' equity	352.1	307.4
Life insurance in force (\$ billions)	74.8	68.7
MCCSR	195%	190%
Return on policyholders' equity	13.5%	2.8%
Sales		
Individual	38.8	41.9
Savings and Retirement	219.6	230.2
Group	53.3	29.0

Complete details of Equitable Life of Canada's 2012 financial results are disclosed in our 2012 Annual Report at www.equitable.ca.

Assuris

The Equitable Life Insurance Company of Canada is a member of the Canadian Life and Health Insurance Compensation Corporation (Assuris). Assuris administers the Consumer Protection Plan, which was established to provide protection to the policyholders of member companies. The Assuris brochure, which provides details and limitations of coverage, is available from your Equitable Life representative or the Company's head office.

The year in review

Amid a challenging economic environment, Equitable Life of Canada delivered solid results in 2012, achieving all-time highs for earnings and growth. Despite low interest rates and volatile equity markets, the Company realized record earnings of \$44.7 million, far surpassing the previous high of \$32.0 million in 2010. As a result, return on policyholders' equity increased considerably to 13.5% in 2012. This historic result was due, in particular, to solid earnings by both the Individual and Group lines of business.

Equitable Life remains strong and stable with a Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio of 195%, up from 190% in 2011 and well above the minimum regulatory requirement set out by the Office of the Superintendent of Financial Institutions Canada (OSFI). As well, the Company's participating policyholders' equity, one of the key measures of a mutual life insurer's financial stability, increased to \$352.1 million from \$307.4 million at the end of 2011.

Equitable Life had a strong year for growth in 2012. Premiums and deposits reached \$606.1 million and the Company's assets under administration grew to \$2.93 billion - both all-time highs.

2012 financial highlights

- Net income increased to \$44.7 million, for a return on policyholders' equity of 13.5%.
- Participating policyholders' equity increased 14.5% to \$352.1 million.
- Capital strength, as measured by the MCCSR ratio, ended the year at 195%.

- Premiums and deposits increased by 4.4% to \$606.1 million.
- Assets under administration grew 6.7% to \$2.93 billion.

Behind the numbers

A number of factors contributed to this strong performance in 2012. Diligent expense management, positive Group claims ratios and favourable performance of equity markets in the latter half of the year helped to offset the low interest rate environment and lower-than-expected sales in the Individual and Savings and Retirement lines of business.

The ability of Equitable Life to remain strong in the midst of difficult market conditions also highlights the benefits of being one of the largest mutual life insurance companies in Canada. We are not driven by shareholder pressures for quarterly results. Our mutual structure allows us to offer continuity and stability and to focus on growing the Company and meeting the long-term interests of our policyholders.

