



HOME CAPITAL GROUP INC.

YOUR STORY MATTERS

First Quarter Financial Results May 11, 2017

INVESTOR UPDATE



Forward-Looking Statements

This presentation provides management with the opportunity to discuss the financial performance and condition of Home Capital Group Inc. and Home Trust Company and, as such may contain forward-looking information about strategies and expected financial results. Various factors, many difficult to predict and to control, could cause actual results to differ materially from results projected in forward-looking statements. Accordingly, the audience is cautioned against undue reliance on these remarks.

Update on Corporate Governance

Changes at board level to drive governance, strategy and rebuild confidence going forward

- Brenda Eprile, former Executive Director of the OSC, named new Chair of the Board, Kevin Smith remains an independent director
- Addition of four new board members with deep finance, banking and investment experience
- Claude Lamoureux, former Chief Executive Officer of the Ontario Teachers' Pension Plan and a co-founder of the Canadian Coalition for Good Governance
- Paul Haggis, former CEO of Ontario Municipal Employees Retirement System (OMERS) and former CEO of Alberta Treasury Branches, a financial institution owned by the province of Alberta
- Sharon Sallows, experienced director with public and private companies, background in lending and investments
- Alan Hibben, former head of Strategy at RBC, Managing Director of M&A at RBC; and President of a trust company

Business and Financial Performance

Liquidity stabilizing

- Near term liquidity is stabilizing as a result of the recent action taken by management
- Aggregate available liquidity and credit capacity totaled approximately \$1.56 billion including the undrawn amount of \$600 million under the facility led by HOOPP
- Arrangement with independent Third Party to accept mortgage commitments and/or renewals up to a total of \$1.5 billion with potential to expand

Mortgage portfolio continues to perform well

- Robust credit quality with low provisions for credit losses demonstrates franchise value
- Weighted average current loan-to-value (LTV)⁽¹⁾ of the uninsured residential mortgage portfolio was 60.4%
- 98.8% of the mortgage portfolio is current, with 0.3% over 90 days past due

1. Weighted average current LTV is defined in the 2017 Management Discussion and Analysis .

Management succession

- Search Committee including new board members leading an executive search for new CEO and CFO

Strategic Review

Assessment of strategic alternatives

- The Company and its advisers are actively reviewing strategic and funding alternatives to maintain and enhance the business

Q1 2017 Financial Results

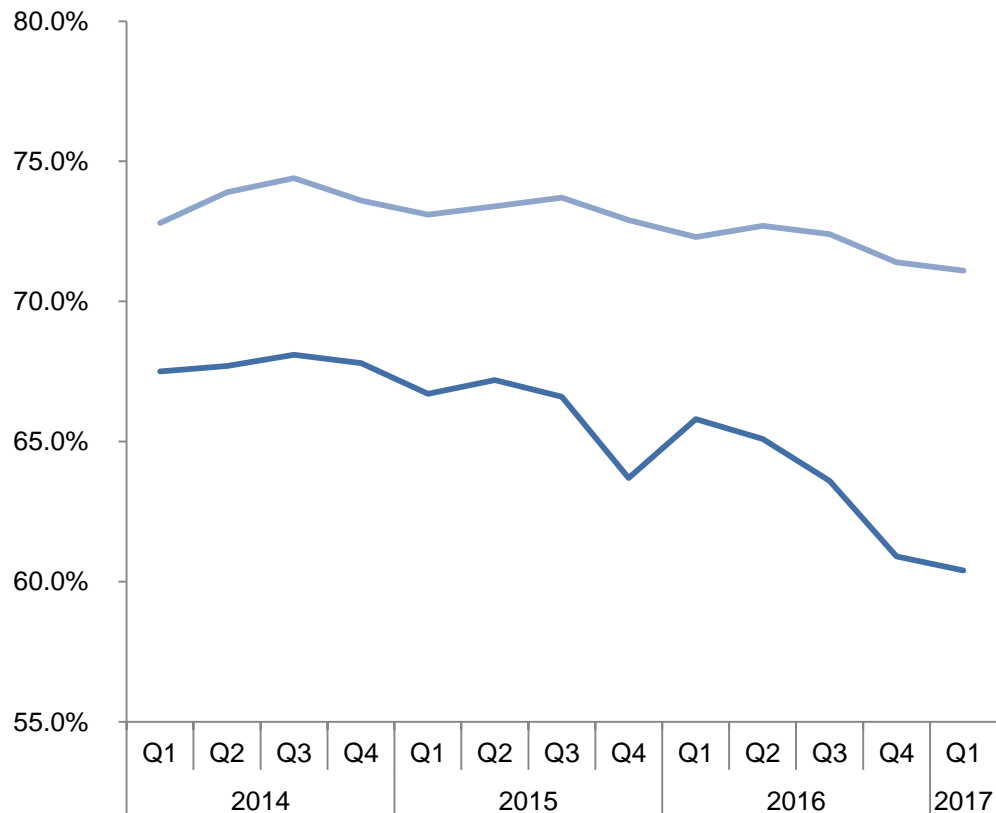
	Q1 2017	Q4 2016	Q1 2016	YoY
Reported Net Income	\$58.0M	\$50.7M	\$64.2M	(\$6.2M)
Reported Diluted EPS	\$0.90	\$0.79	\$0.92	(\$0.02)
Adjusted Net Income	\$65.5M	\$63.5M	\$67.5M	(\$2.0M)
Adjusted Diluted EPS⁽¹⁾	\$1.02	\$0.98	\$0.96	\$0.06
Revenue	\$147.7M	\$144.6M	\$145.5M	\$2.2M
NIM (TEB)	2.44%	2.38%	2.38%	6 bps
Loans Under Administration	\$27.2B	\$26.4B	\$25.2B	\$2.0B
Adjusted Efficiency Ratio (TEB)⁽¹⁾	36.6%	39.1%	36.3%	30 bps
Provision as a % of Gross Uninsured Loans	0.16%	0.07%	0.04%	12 bps
NPL Ratio	0.24%	0.30%	0.34%	(10 bps)
Total Capital Ratio	16.77%	16.97%	20.63%	
CET1 Ratio	16.34%	16.55%	18.28%	
# of Commons Shares O/S (000's)	64,204	64,388	69,966	

1. Q4 2016 Adjusted Diluted EPS excludes impact of items of note including \$9.0 million or \$0.13 diluted earnings per share, after tax, goodwill impairment for Psigate Business, and a \$5.1 million pre-tax, or \$3.8 million and \$0.06 diluted earnings per share, after tax, write down of an intangible asset related to software development costs. FY 2016 Adjusted Diluted EPS also excludes Q4 2016 items of note and \$5.1 million pre-tax, or \$3.7 million and \$0.06 diluted earnings per share, after tax, impact of severance and other related costs. Q4 2016 and FY 2016 efficiency ratio includes impact of goodwill impairment and write down of intangible asset. Q1 2017 Adjusted Diluted EPS excludes impact of items of note including \$7.4 million pre-tax, or \$5.5 million after tax and \$0.09 diluted earnings per share, related to restructuring charges from the Company's expense savings initiative and \$2.7 million pre-tax, or \$2.0 million after tax and \$0.03 diluted earnings per share, related to an intangible asset impairment loss on a prepaid card business. Q1 2016 Adjusted Diluted EPS excludes impact of items of note including \$5.1 million pre-tax, \$3.7 million net of tax and \$0.05 diluted earnings per share related to severance and other related costs and \$651 thousand for a positive adjustment to the gain recognized on acquisition of CFF Bank (\$478 thousand net of tax or \$0.01 diluted earnings per share).

Prudently Managed Mortgage Book

LTV Ratio (Q1 2014 – Present)

- Weighted-average LTV Ratios for Uninsured Residential Mortgages
- Weighted-average LTV Ratios for Uninsured Residential Mortgages Originated During the Period



LTV Ratios by Geography (Q1 2017)

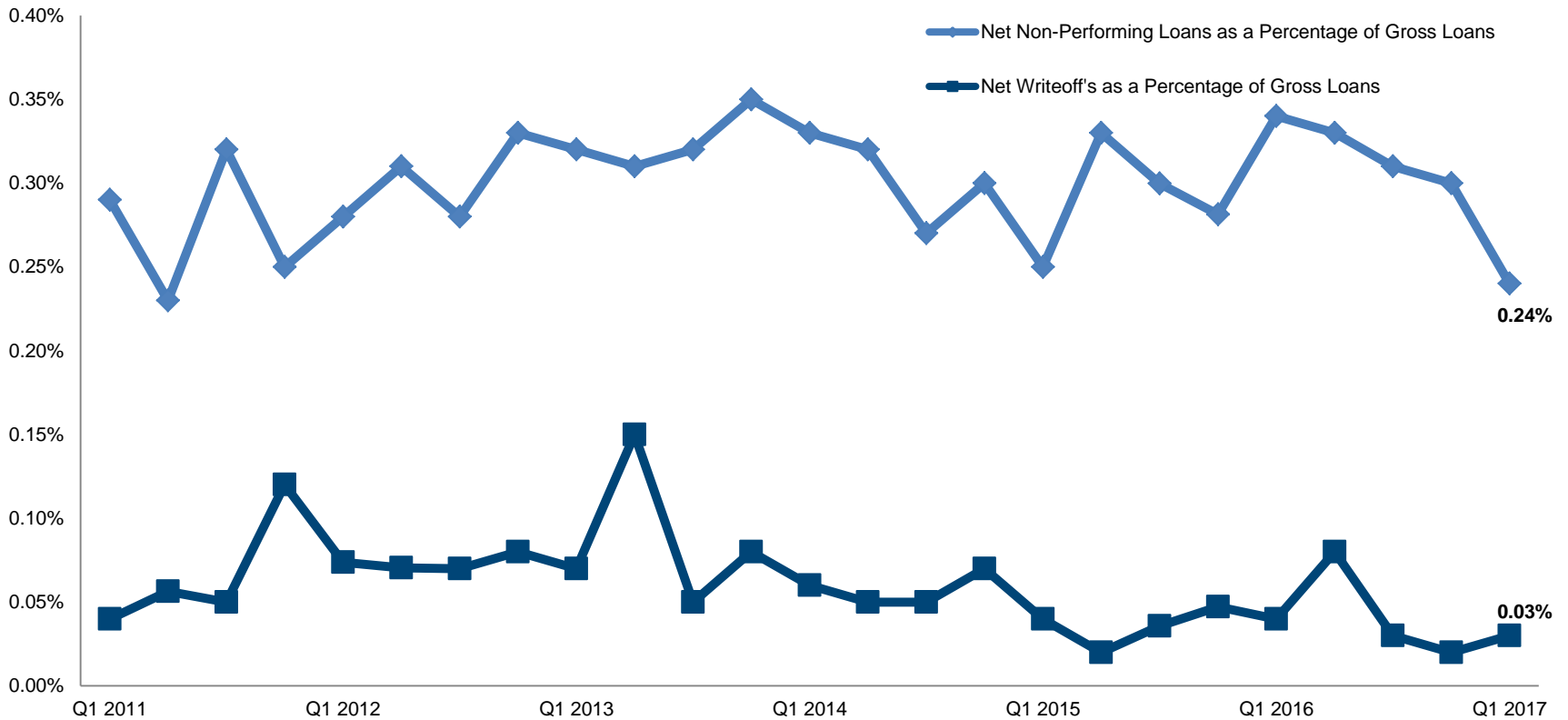
Uninsured Residential Mortgages Originated Q1 2017

British Columbia	62.4%
Alberta	68.9%
Ontario	71.6%
Quebec	67.6%
Other	69.8%
Total	71.1%

Uninsured Residential Mortgages

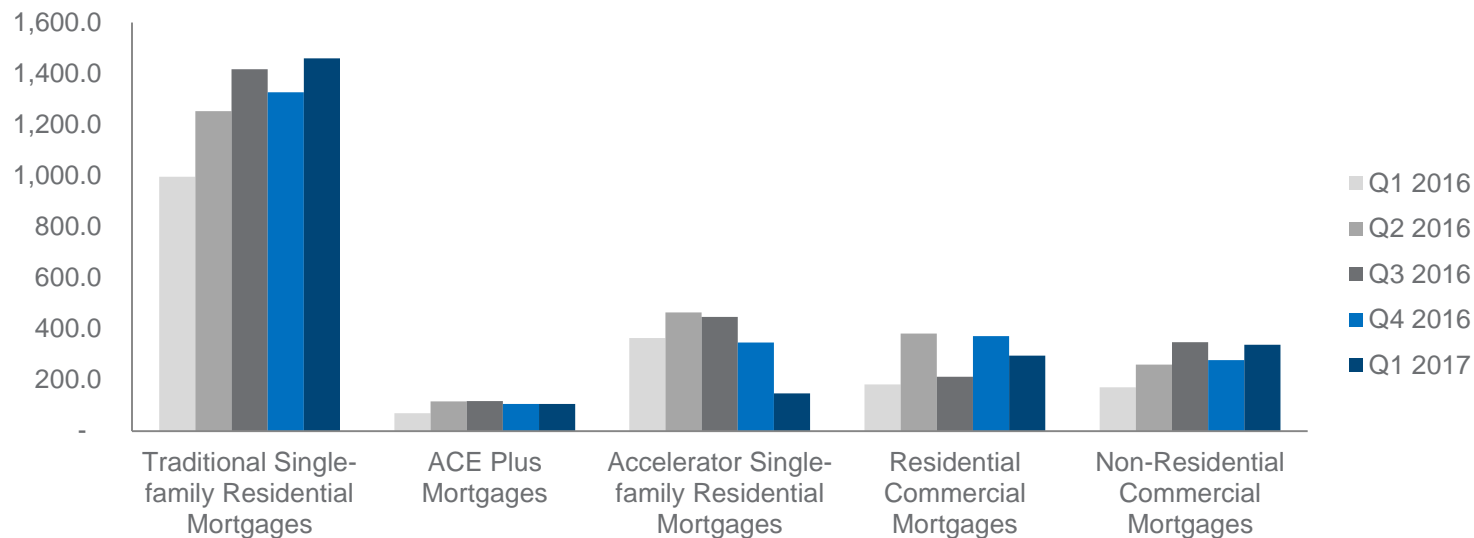
British Columbia	53.7%
Alberta	65.2%
Ontario	60.6%
Quebec	63.3%
Other	62.0%
Total	60.4%

Non-Performing vs. Net Write Offs as a % of Gross Loans



- Prudent strategies to maintain strong credit quality
- Close monitoring of non-performing loans and proactive measures to minimize losses

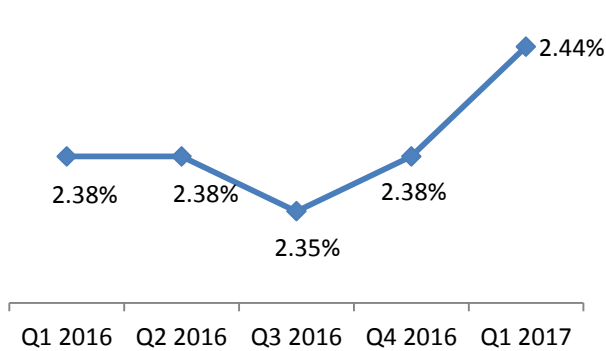
Mortgage Originations



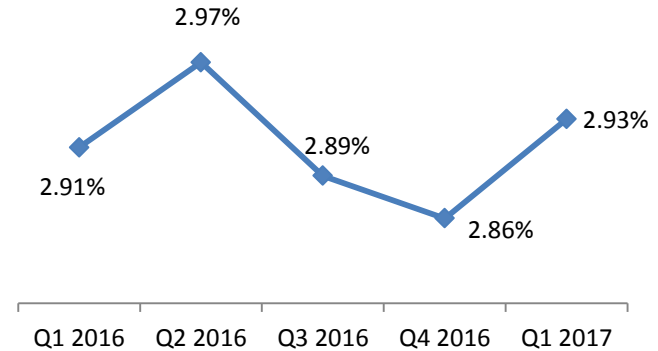
<i>(in millions)</i>	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Traditional Single-family Residential Mortgages	\$995.4	\$1,253.0	\$1,416.8	\$1,325.9	\$1,458.8
ACE Plus Mortgages	\$69.2	\$115.4	\$116.7	\$106.5	\$106.0
Accelerator Single-family Residential Mortgages	\$363.8	\$464.8	\$446.7	\$346.7	\$147.6
Residential Commercial Mortgages	\$182.9	\$382.0	\$212.8	\$371.5	\$294.8
Non-Residential Commercial Mortgages	\$171.1	\$259.7	\$347.6	\$277.3	\$338.4
Total Mortgage Originations	\$1,782.4	\$2,474.9	\$2,540.7	\$2,427.8	\$2,345.6

Net Interest Margin

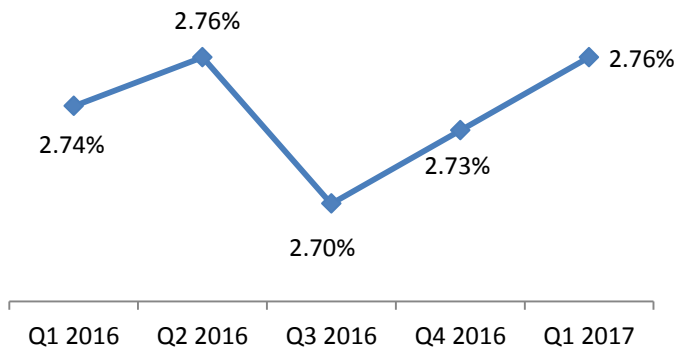
NIM (TEB)



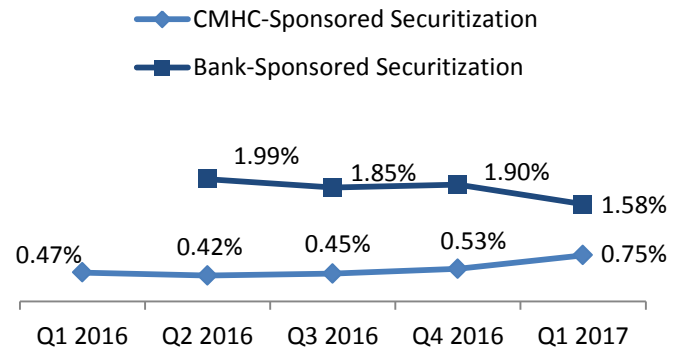
Spread of Non-Securitized Loans over Deposits (TEB)



NIM Non Securitized Assets (TEB)



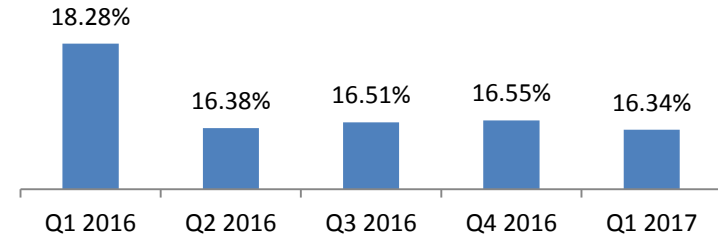
NIM Securitized Assets (TEB)



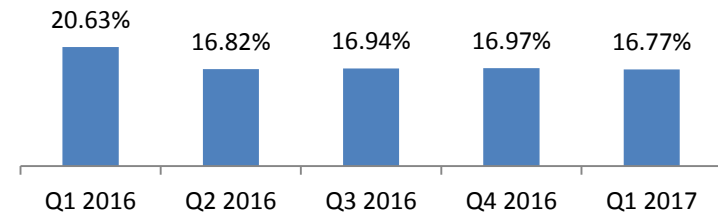
Capital & Liquidity Update

- The Company's liquid assets stood at approximately \$ 962 million as of end of day May 11, 2017, combined with the undrawn amount of \$600 million under the facility led by HOOPP, the Company's aggregate available liquidity and credit capacity totaled approximately \$1.56 billion
- Suspended the dividend to prudently manage liquidity
- Q1 2017 Capital ratios:
 - CET 1 Ratio 16.34%
 - Tier 1 Ratio 16.34%
 - Total Capital Ratio 16.77%
- Conservative leverage ratio at 7.29%

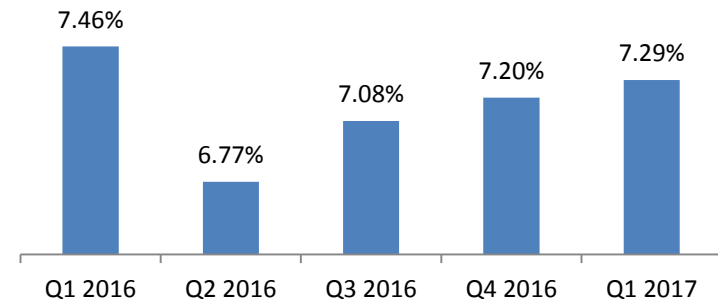
Basel III Common Equity Tier 1



Basel III Total Capital



Leverage Ratio



Mortgage Lending Q1 2017 Highlights

Total on-balance sheet mortgage portfolio balance of \$17.8B, of which 87.9% of the portfolio is residential mortgages

- 18.8% of the residential mortgage portfolio is insured
- Weighted average current loan-to-value (LTV)⁽¹⁾ of the uninsured residential mortgage portfolio was 60.4%
- 98.8% of the mortgage portfolio is current, with 0.3% over 90 days past due
- Condominiums represent 8.2% of the residential mortgage portfolio, with 21.4% insured

<i>Single-Family Residential Loans by Province</i>	Insured	Uninsured	Equity Line Visa	Total	%
British Columbia	\$271.7M	\$616.1M	\$2.5M	\$890.3M	5.9%
Alberta	\$315.0M	\$318.7M	\$9.8M	\$643.5M	4.3%
Ontario	\$1,864.8M	\$10,569.0M	\$324.2M	\$12,758.0M	85.0%
Quebec	\$96.7M	\$286.3M	\$1.3M	\$384.3M	2.6%
Other	\$189.5M	\$140.9M	\$2.2M	\$332.6M	2.2%
Total	\$2,737.7M	\$11,931.0M	\$340.0M	\$15,008.7M	100.0%

1. Weighted average current LTV is defined in the 2017 Management Discussion and Analysis .

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