HOME CAPITAL GROUP INC.

Q4 earnings presentation

February 2019

Forward-Looking Statements

From time to time Home Capital Group Inc. (the Company) makes written and verbal forward-looking statements. These are included in the Annual Report, periodic reports to shareholders, regulatory filings, press releases, Company presentations and other Company communications. Forward-looking statements are made in connection with business objectives and targets, Company strategies, operations, anticipated financial results and the outlook for the Company, its industry, and the Canadian economy. These statements regarding expected future performance are “financial outlooks” within the meaning of National Instrument 51-102. Please see the risk factors, which are set forth in detail in the Risk Management section of the 2018 Fourth Quarter Report, as well as the Company’s other publicly filed information, which is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com, for the material factors that could cause the Company’s actual results to differ materially from these statements. These risk factors are material risk factors a reader should consider, and include credit risk, liquidity and funding risk, structural interest rate risk, operational risk, investment risk, strategic risk, reputational risk, compliance risk and capital adequacy risk along with additional risk factors that may affect future results. Forward-looking statements can be found in the Report to the Shareholders and the Outlook section in the 2018 Annual Report. Forward-looking statements are typically identified by words such as “will,” “believe,” “expect,” “anticipate,” “intend,” “should,” “estimate,” “plan,” “forecast,” “may,” and “could” or other similar expressions.

By their very nature, these statements require the Company to make assumptions and are subject to inherent risks and uncertainty, general and specific, which may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These risks and uncertainties include, but are not limited to, global capital market activity, changes in government monetary and economic policies, changes in interest rates, inflation levels and general economic conditions, legislative and regulatory developments, competition and technological change. The preceding list is not exhaustive of possible factors.

These and other factors should be considered carefully and readers are cautioned not to place undue reliance on these forward-looking statements. The Company presents forward-looking statements to assist shareholders in understanding the Company’s assumptions and expectations about the future that are relevant in management’s setting of performance goals, strategic priorities and outlook. The Company presents its outlook to assist shareholders in understanding management’s expectations on how the future will impact the financial performance of the Company. These forward-looking statements may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements, whether written or verbal, that may be made from time to time by it or on its behalf, except as required by securities laws.

CEO Q4 Update: A year of shareholder value creation

- Completed SIB; received approval for NCIB
- Q4 growth in earnings per share, book value per share, return on equity
- Fifth consecutive quarter of origination growth
- Growth in residential and commercial loan book
- Oaken channel over 20% of deposit funding
- Announcing launch of IT Roadmap

Fourth Quarter 2018

Financial Results

Q4 2018 Financial Highlights

Income Statement	Q4 2018	Q3 2018	Q4 2017	Sequential Change	Year over year Change
Revenue (millions)	**$108.4**	**$105.1**	$109.5	3.14%	(1.00)%
Net Interest Margin (TEB) (NIM)	**1.99%**	**2.03%**	2.02%	(4 bps)	(3 bps)
Efficiency Ratio (TEB)	**51.3%**	**52.9%**	59.8%	(160 bps)	(850 bps)
Provision as a % of Gross Uninsured Loans (annualized)[1]	**0.12%**	**0.13%**	0.12%	(1 bps)	Flat
Net Income (millions)	**$35.8**	**$32.6**	$30.6	9.82%	16.99%
Net income per share	**$0.46**	**$0.41**	$0.38	12.20%	21.05%
Return on Shareholders' Equity (annualized)	**8.1%**	**6.9%**	6.8%	120 bps	130 bps

Balance Sheet	Q4 2018	Q3 2018	Q4 2017	Sequential Change	Year to date Change
Total Originations (millions)	**$1,614.2**	**$1,435.8**	$872.1	12.43%	85.09%
Total Loans (billions)	**$16.39**	**$16.04**	$15.07	2.18%	8.76%
Loans Under Administration (billions)	**$22.93**	**$22.82**	$22.52	0.48%	1.82%
Assets Under Administration (billions)	**$24.68**	**$24.66**	$25.04	0.08%	(1.44)%
Net Non-Performing Loans Ratio[1]	**0.47%**	**0.34%**	0.30%	13 bps	17 bps
CET1 Ratio	**18.94%**	**23.27%**	23.17%	(433 bps)	(423 bps)
Book Value per share	**$26.43**	**$23.82**	$22.60	10.96%	16.95%

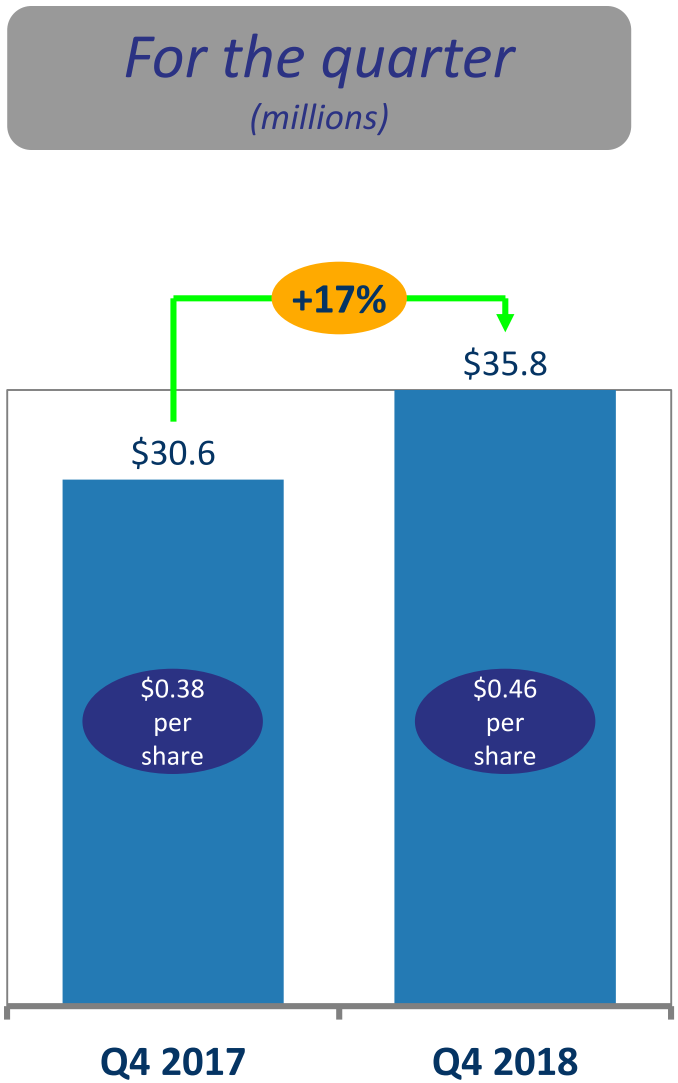
[1] The amounts pertaining to 2018 have been prepared in accordance with *IFRS 9 Financial Instruments* (IFRS 9); prior period amounts have not been restated have been prepared in accordance with *IAS 39 Financial Instruments: Recognition And Measurement* (IAS 39).

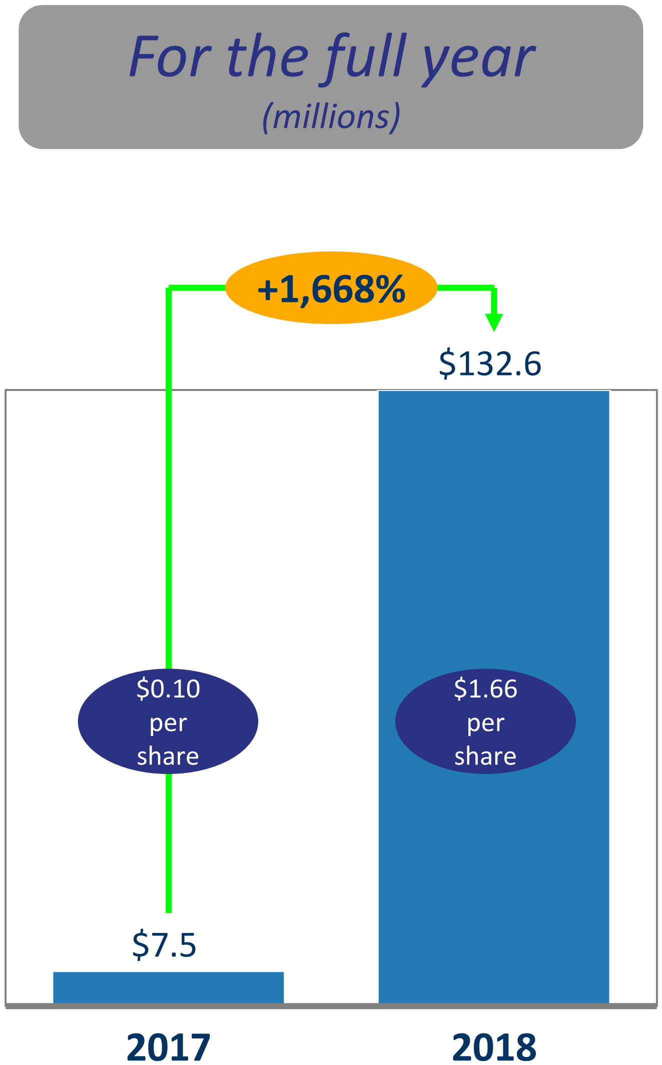
2018 Financial Highlights

Income Statement	2018	2017	Year over year change
Revenue (millions)	**$418.9**	**$291.3**	43.80%
Net Interest Margin (TEB) (NIM)	**1.99%**	**1.55%**	44 bps
Efficiency Ratio (TEB)	**52.0%**	**94.0%**	(4200 bps)
Provision as a % of Gross Uninsured Loans[1]	**0.16%**	**0.07%**	9 bps
Net Income (millions)	**$132.6**	**$7.5**	1,668%
Net income per share	**$1.66**	**$0.10**	1,560%
Return on Shareholders' Equity	**7.7%**	**0.4%**	730 bps

[1] The amounts pertaining to 2018 have been prepared in accordance with IFRS 9; prior period amounts have been prepared in accordance with IAS 39. Prior period amounts have not been restated

Year-over-year growth in net income





Q4 2018 Originations – sequential change

Fifth quarter of sequential increases in volume

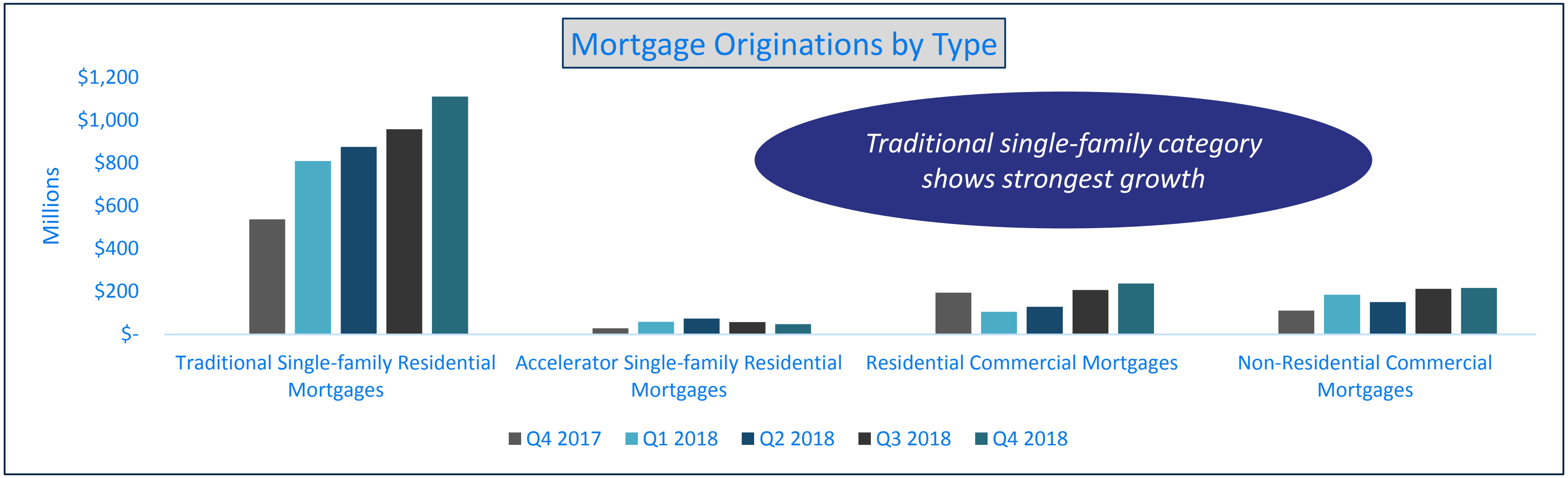
Single-family residential originations:	$1,160.1 million	↑	14.2%
Commercial originations:	$454.1 million	↑	8.2%
Total originations:	$1,614.2 million	↑	12.4%

2018 Originations – growth versus 2017

Traditional mortgage product is driving loan growth

Single-family residential originations:	$3,995.1 million	↑ 19.5%
Commercial originations:	$ 1,444.3 million	↑ 4.8%
Total originations:	$5,439.4 million	↑ 15.2%

Continued growth in mortgage volumes

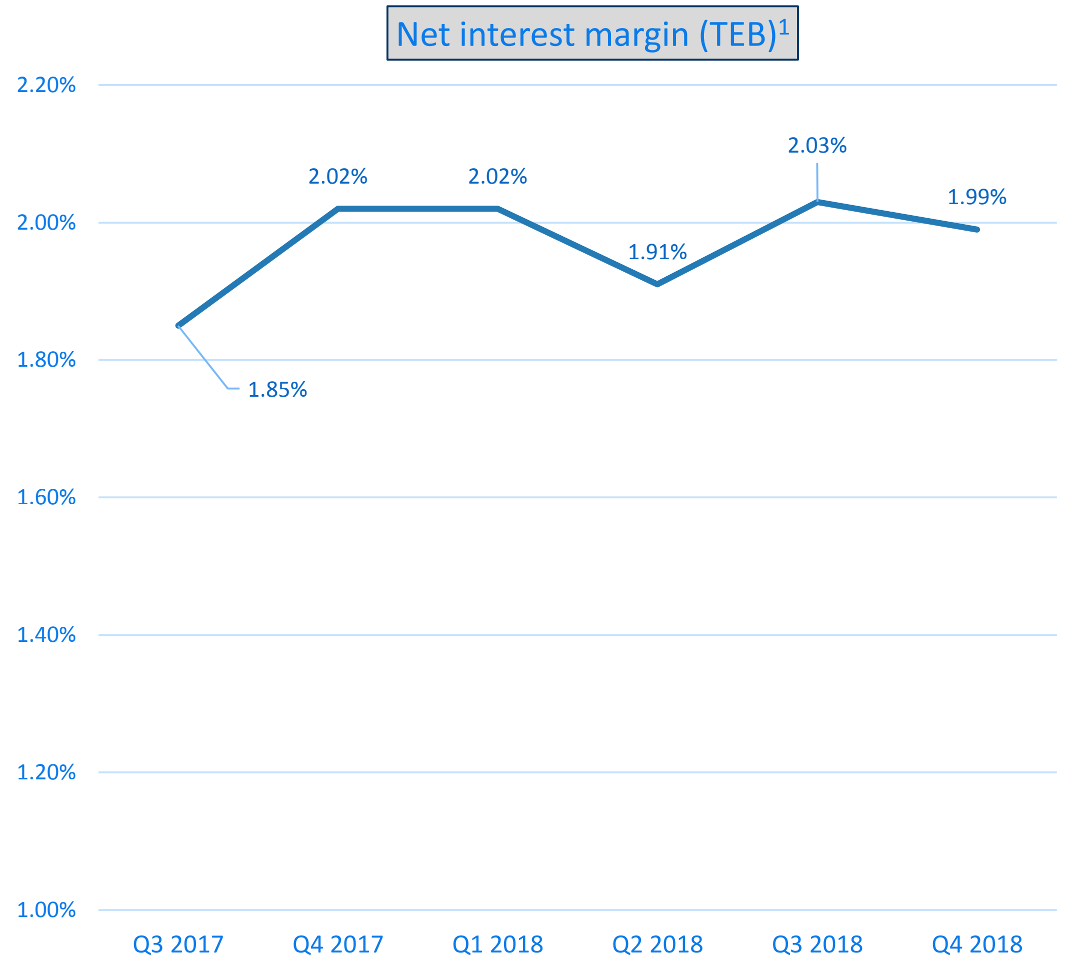


(millions)	Q4 2018	Q3 2018	Q/Q Change	Q4 2017	Year/Year Change
Traditional Single-family Residential Mortgages	$ 1,112.1	$ 959.1	15.95%	$ 537.4	106.94%
Accelerator Single-family Residential Mortgages	$ 48.0	$ 56.9	(15.64)%	$ 28.6	67.83%
Total Residential Mortgages	**$ 1,160.1**	**$ 1,016.0**	**14.18%**	**$ 566.0**	**104.96%**
Residential Commercial Mortgages	$ 237.6	$ 207.6	14.45%	$ 194.8	21.97%
Non-Residential Commercial Mortgages	$ 216.5	$ 212.2	2.03%	$ 111.2	94.69%
Total Commercial Mortgages	**$ 454.1**	**$ 419.8**	**8.17%**	**$ 306.0**	**48.40%**
Total Mortgage Advances	**$ 1,614.2**	**$ 1,435.8**	**12.43%**	**$ 872.0**	**85.09%**

Net interest margin shows impact of SIB funding

Q4 saw increased activity in the GIC market

- Funds for operations
- Payment of $300 million SIB
- Repayment of $300 million deposit note



[1] Net interest margin is a measure of profitability of assets. Net interest margin (TEB) is calculated by taking net interest income, on a taxable equivalent basis, divided by the average total assets.

Net interest margin reduction from Q3

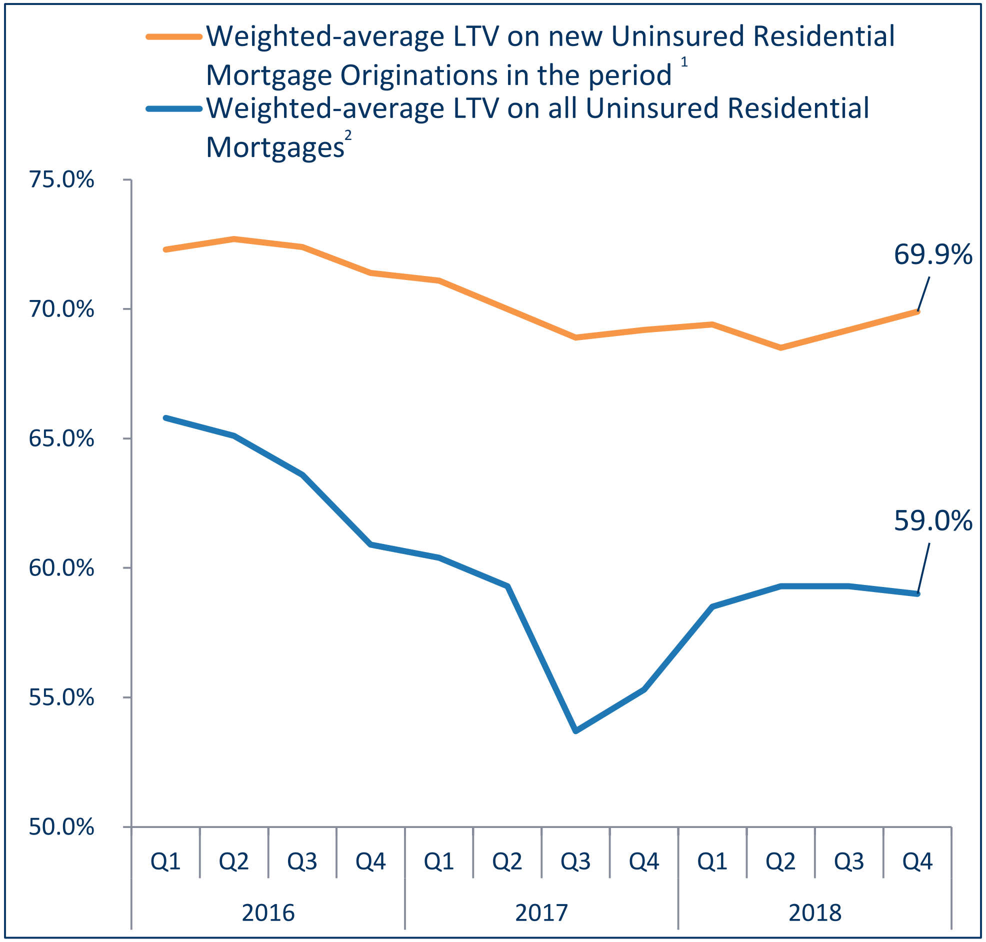
- Higher yields on assets

- Higher cost of funding

- Higher mix of low-yielding assets

Conservative underwriting in line with risk appetite

LTV Ratio (Q1 2016 – Present)



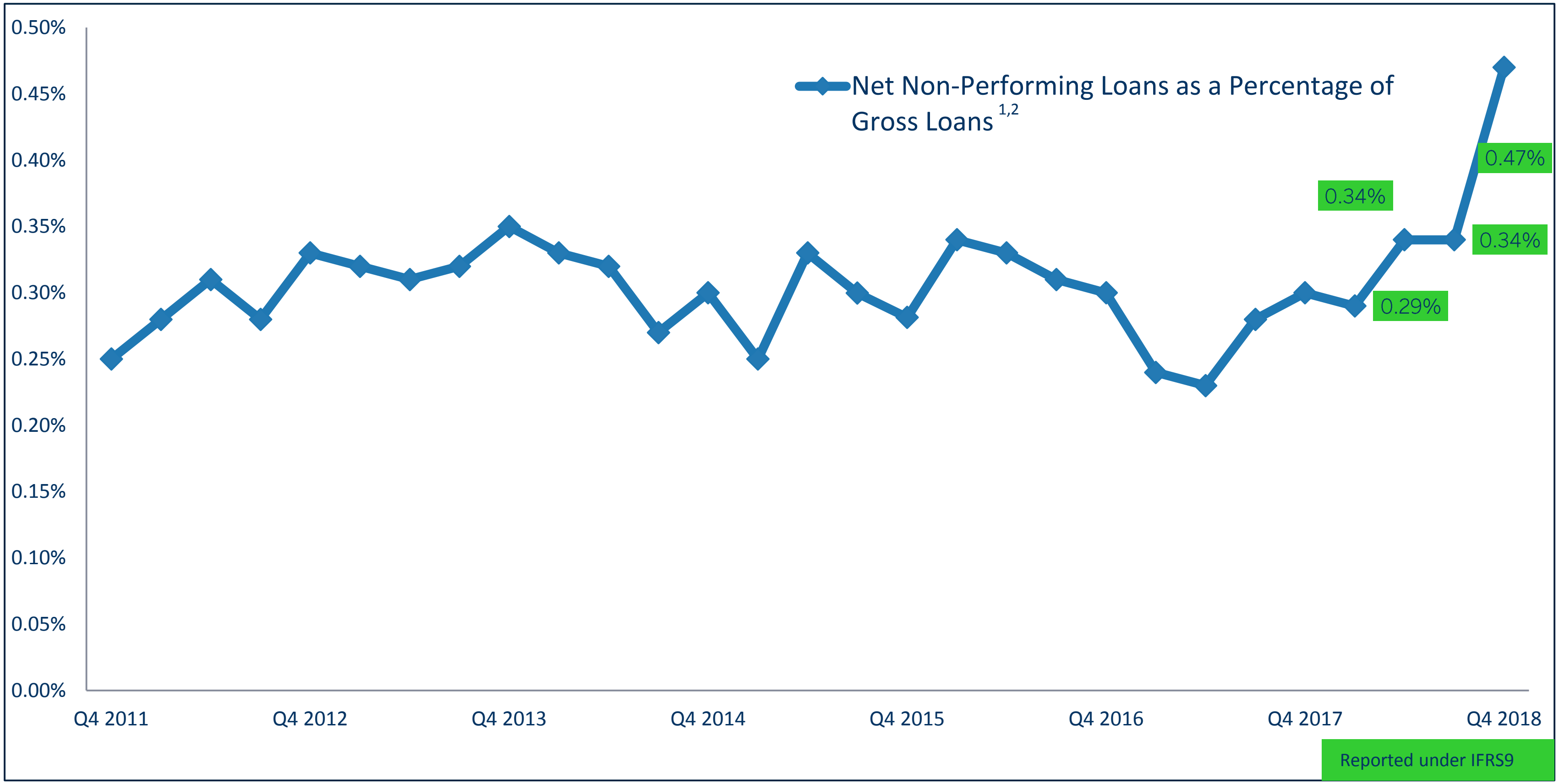
Loan-to-value on new originations is stable within a conservative range

Loan-to-value on overall portfolio has stabilized close to 60%

[1] Weighted-average LTV is calculated by dividing the sum of the products of LTVs and loan balances by the sum of the loan balances. LTVs are calculated using appraised property values at the time of origination.

2 Weighted-average LTV is calculated by dividing the sum of the products of LTVs and loan balances by the sum of the loan balances.

High credit quality of loan portfolio



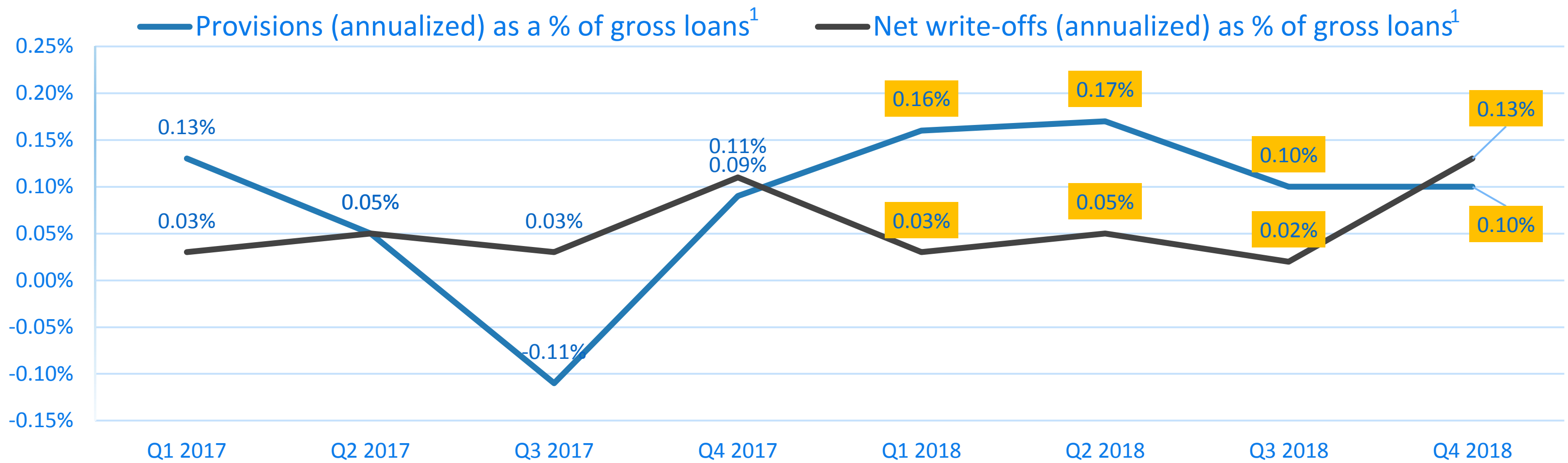
[1] The amounts pertaining to 2018 have been prepared in accordance with IFRS 9; prior period results have been prepared in accordance with IAS 39 and have not been restated.

[2] Net non-performing loans as a percentage of gross loans (NPL ratio) is calculated as the total net non-performing loans divided by the gross on-balance sheet loans, which includes all on-balance sheet loans except for loans held for sale.

- Overall portfolio quality remains well within internal risk tolerance

Credit loss experience demonstrates successful risk management

Low level of provisions is supported by the low loss experience



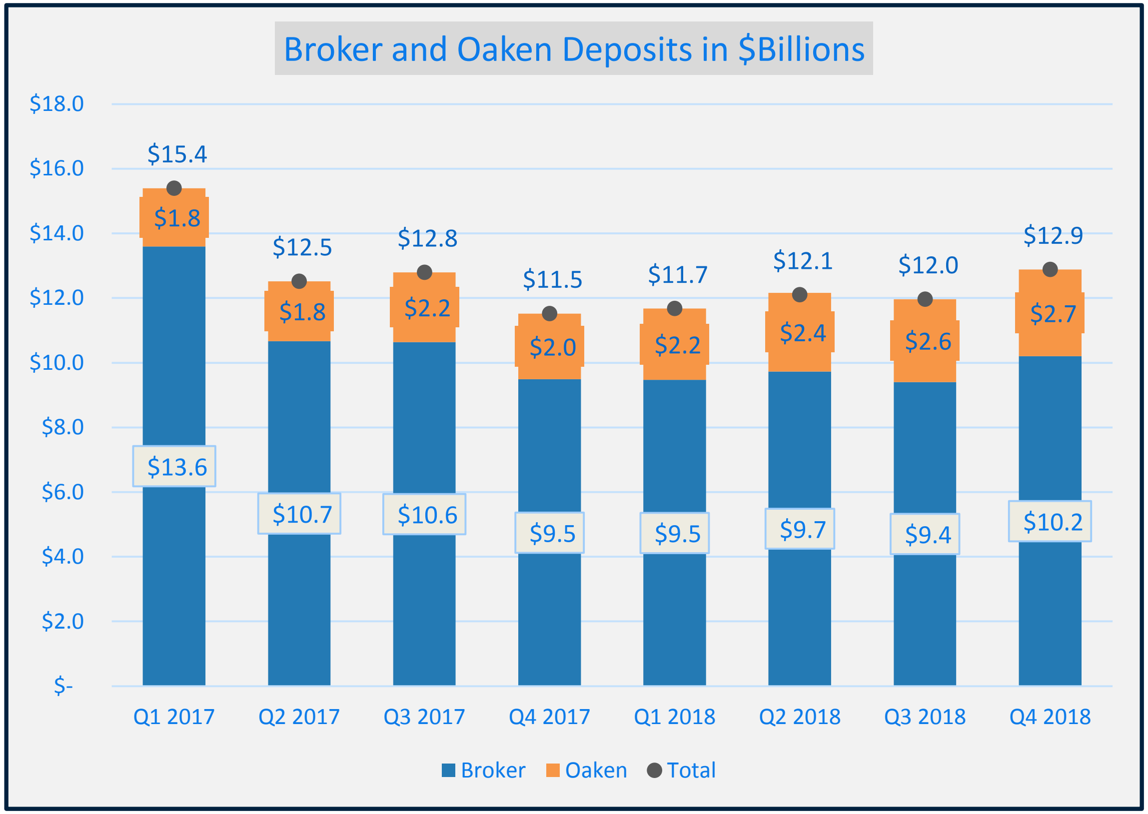
[1] The amounts pertaining to 2018 have been prepared in accordance with IFRS 9; prior period amounts have not been restated and have been prepared in accordance with IAS 39.

Reported under IFRS9

- Provisions for full year 2018 were 0.13% of gross loans (2017 – 0.05%)
- Net write-offs for full year 2018 were 0.06% of gross loans (2017 – 0.06%)
- Results in 2018 reported under IFRS9 which may limit comparability to prior periods

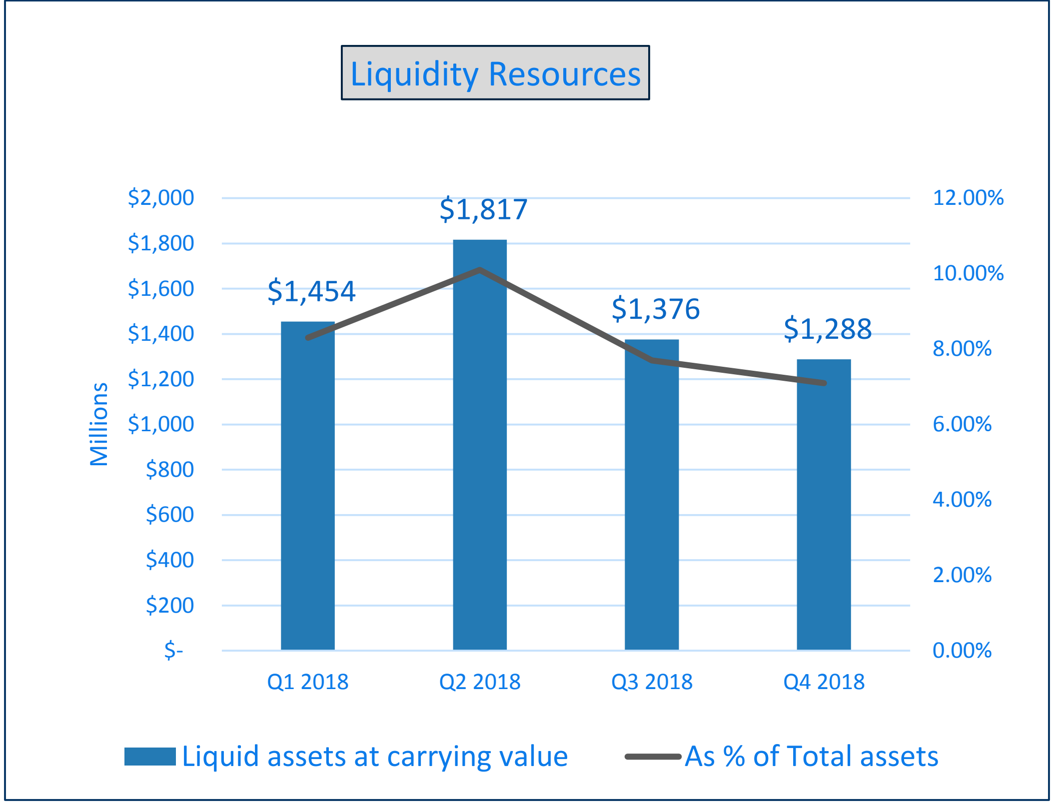
Oaken share of deposit funding

- Oaken deposits have grown by over 30% during the year
- Growing Oaken deposits is a key strategic focus
- Digital initiatives will create efficiencies and improve client experience



Liquidity risk management – high quality liquid assets

- ✓ Management of liquidity is a key element in sustainable risk culture
- ✓ Reduced reliance on demand deposits in favour of fixed-term GICs
- ✓ Maintaining appropriate liquidity to support our future growth plans



Aggregate available liquidity of $1.79 billion at end of Q4 2018 including $500 million undrawn credit facility.

Optimizing our capital level – Substantial Issuer Bid (SIB) results

- SIB completed on December 18, 2018
- 18,181,818 shares purchased at $16.50 per share
- Purchase price represents significant discount to book value per share
- 22.7% of shares outstanding
- Take-up rate of approximately 83% of tendered shares
- Shares outstanding at December 31, 2018: 62,064,531

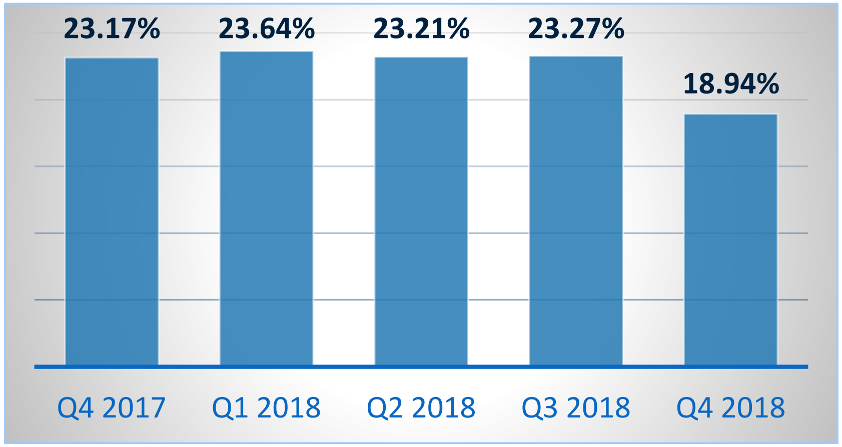
Optimizing our capital level – 2019 capital plan

- Began share repurchases under NCIB in January 2019
- Authorized purchases up to approximately 4.753 million shares
- Purchases done by third party within specified price and volume parameters
- **735,050** shares purchased to date in 2019 at average price of approximately $16.33 per share
- Continue to review other options for return of capital

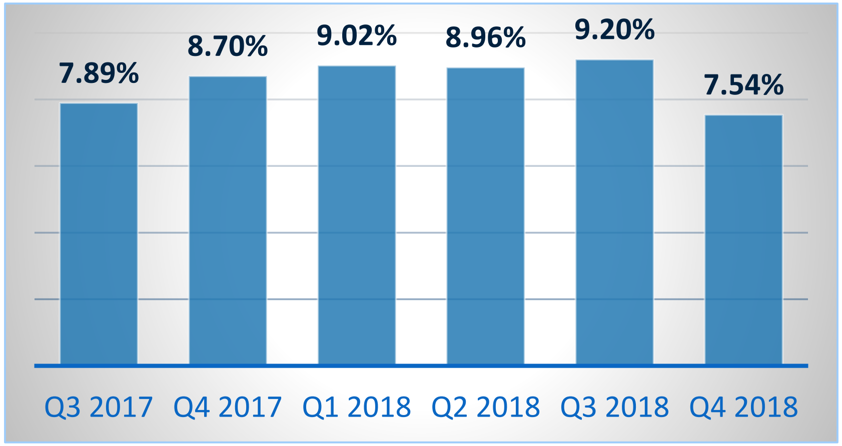
Capital and Leverage metrics[1]

- Capital levels remain well above regulatory minimum level
- CET1 level above industry after NCIB purchases
- Leverage post-SIB is still conservative and within internal risk limits

Basel III Common Equity Tier 1



Leverage Ratio



[1] Ratios are based only on Home Trust Company consolidated financial position.

Announcing the launch of IT Roadmap

- Multi-year upgrade of core banking systems
- Implementation of new digital tools
- Improved customer experience, faster new product introduction
- Employees gain improved productivity, more support for their work across all functional areas

2019 impact on financial results

- modestly higher systems spend in 2019 – 2021
- 70-75% of spending will be capitalized
- accelerated amortization of legacy systems will be highlighted as item of note
- benefits in the form of reduced operating expense, avoided capex and opportunity for revenue synergies

Appendix

Mortgage Lending Q4 2018 Highlights

Total on-balance sheet mortgage portfolio balance of $15.54B, of which 90.7% is residential mortgages

- 21.7% of residential mortgage portfolio is insured
- Weighted average current loan-to-value (LTV) of the uninsured residential mortgage portfolio is 59.0% compared with 59.3% at the end of Q3.

Single-Family Residential Loans by Province	Insured	Uninsured	Equity Line Visa	Total	%
British Columbia	$247.0M	$804.8M	$6.5M	**$1,058.4M**	**7.6%**
Alberta	$528.2M	$259.8M	$8.9M	**$796.9M**	**5.7%**
Ontario	$1,794.9M	$8,964.8M	$336.1M	**$11,095.7M**	**79.8%**
Quebec	$127.3M	$260.0M	$0.9M	**$388.3M**	**2.8%**
Other	$358.8M	$213.0M	$2.5M	**$574.2M**	**4.1%**
Total	**$3,056.2M**	**$10,502.4M**	**$354.8M**	**$13,913.4M**	**100.0%**

Totals may not add due to rounding

Long Funded Balance Sheet

- Asset/Liability model based on long funding principle
- Near term non-securitized mortgage book run off exceeds repayment schedule of contractual GIC maturities
- Securitization funding provides the Company with low cost long-term matched funding
- $437.0 million of demand deposits at December 31, 2018

Maturity Profile as at December 31, 2018 ($ billions)