

Moving Forward



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.

Agenda

- CEO Highlights
- Financial Performance
- Capital Management
- Risk Management
- 2016 Outlook



Second Quarter 2016

HCG will continue to focus on remaining Canada's Leading alternative lender, serving an underserved market niche

- Broadly, the HCG strategy will not change. A strategic planning process is underway that will reposition the Company to take full advantage of the potential in this business, mitigate risk, identify further growth opportunities and create lasting shareholder value.
- Improved performance and positive operating leverage through a sharp focus on top priorities: rebuilding our residential mortgage business, operational excellence, risk management, and allocation and efficiency of capital.
- Q2 2016 results show that we are on the right track.
- Combined traditional and ACE Plus (uninsured single-family) residential mortgage originations of \$1.37 billion increased 5.7% for Q2 2016 (vs. \$1.29 billion Q1 2015) and \$2.43 billion for H1 2016, 7.8% higher compared to \$2.26 billion for H1 2015.
- Accelerator originations increased 66% to \$464.8 million for Q2 2016, and 80% to \$828.6 million for H1 2016.
- Total originations growth, including other lines of business, resulted in total mortgage advances of \$2.44 billion for Q2 2016 and \$4.26 billion for H1 2016, up from \$2.02 billion and \$3.41 billion in the same periods of 2015.
- Non-performing loans as a percentage of gross loans for Q2 2016 of 0.33% (vs. Q1 2016 of 0.34% and Q4 2015 of 0.28%). Provision for Credit Losses remain low at \$2.8 million for Q2 2016 (vs. Q1 2016 of \$1.4 million).
- Q2 2016 capital ratios remain high with a Total Capital ratio of 16.82%. ROE of 16.5% ,above target ROE of 16.0%.
- During H1 2016 repurchased 282 thousand shares through the NCIB program.
- Strategic planning underway to review non-core business lines for value creation opportunities either through organic growth, M&A or divestitures.

Q2 2016 Financial Performance



Q2 2016 Financial Results

	Q2 2016 Results	Increase (Decrease) vs. Q2 2015
Reported Net Income	\$66.3M	(8.4%)
Reported Diluted EPS	\$0.99	(3.9%)
Return on Shareholders' Equity	16.5%	
Total Loans Under Administration	\$25.7B	12.3%
Payout Ratio	24.2%	
Total Capital Ratio	16.82%	
CET 1 Ratio	16.38%	

* The Company's results were not impacted by any items of note in Q2 2016 and Q2 2015.

Q2 2016 Financial Results continued

	Q2 2016	Q1 2016	Q2 2015
Adjusted Net Income*	\$66.3M	\$67.5M	\$72.3M
Adjusted Revenue*	\$242.5M	\$241.2M	\$250.9M
NIM (TEB)	2.38%	2.38%	2.29%
Loans Under Administration	\$25.7B	\$25.2B	\$22.9B
Adjusted Efficiency Ratio*	37.2%	36.3%	32.2%
Provision as a % of Gross Uninsured Loans	0.08%	0.04%	0.07%
NPL Ratio	0.33%	0.34%	0.33%
CET1 Ratio	16.38%	18.28%	18.03%

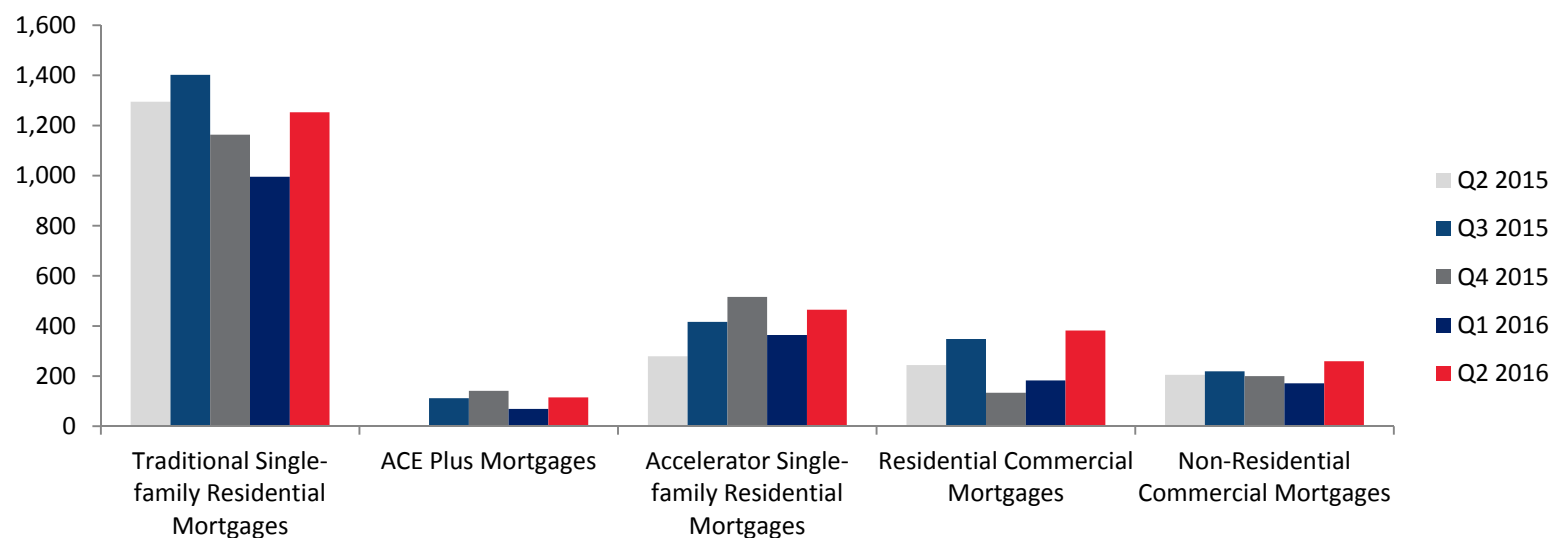
- Delivered Q2/16 solid results across the business, including a strong net interest margin of 2.38%
- Maintained a healthy loan portfolio with low non-performing loans and credit losses, year-over-year single-family mortgage originations growth and a strong capital position.

* The adjusted results remove items of note, net of income taxes, from reported results for items which management does not believe are indicative of future results. The items of note for Q1 2016 include an additional gain recognized on acquisition of CFF Bank and certain severance and other related costs. The Company's results were not impacted by any items of note in Q2 2016 and Q2 2015.

Q2 2016 vs. Q1 2016 Items of Note

(000s, except per share amounts)	Q2 2016		Q1 2016	
	After Tax	Diluted EPS	After Tax	Diluted EPS
Reported net income and EPS (diluted)	\$66,252	\$0.99	\$64,248	\$0.92
Items of Note				
Adjustment for gain recognized on acquisition of CFF Bank (net of tax)	-	-	(478)	\$(0.01)
Adjustment for severance and other related costs (net of tax)	-	-	3,727	\$0.05
Adjusted net income and EPS	\$66,252	\$0.99	\$67,497	\$0.96

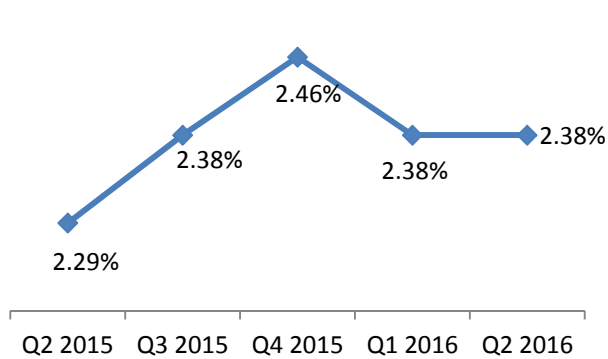
Mortgage Originations



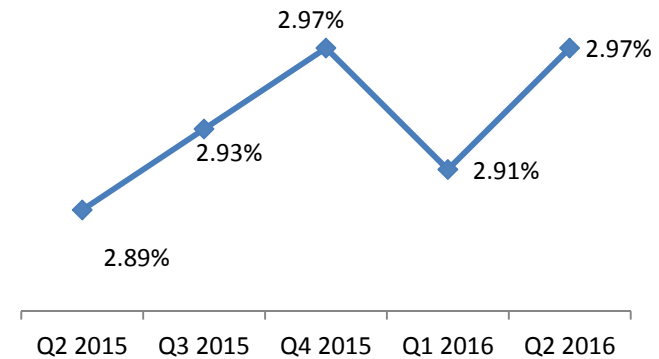
	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Traditional Single-family Residential Mortgages	\$1,294.7M	\$1,402.3M	\$1,163.3M	\$995.4M	\$1,253.0M
ACE Plus Single Family Mortgages	-	\$112.1M	\$141.0M	\$69.2M	\$115.4M
Accelerator Single-family Residential Mortgages	\$279.5M	\$416.3M	\$515.9M	\$363.8M	\$464.8M
Residential Commercial Mortgages	\$243.9M	\$347.9M	\$133.7M	\$182.9M	\$382.0M
Non-Residential Commercial Mortgages	\$205.2M	\$219.3M	\$200.3M	\$171.1M	\$259.7M
Total Mortgage Originations	\$2,023.3M	\$2,498.0M	\$2,154.2M	\$1,782.4M	\$2,474.9M

Net Interest Margin

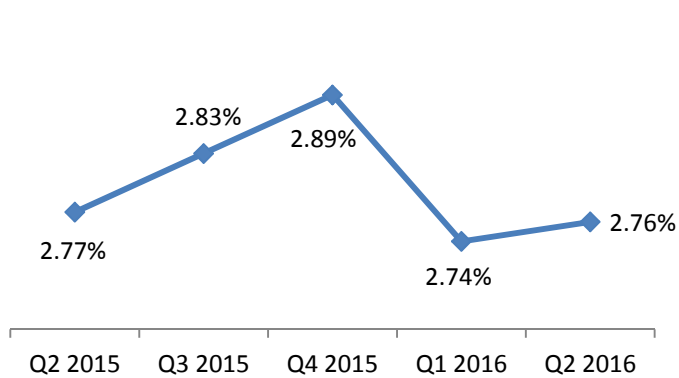
NIM (TEB)



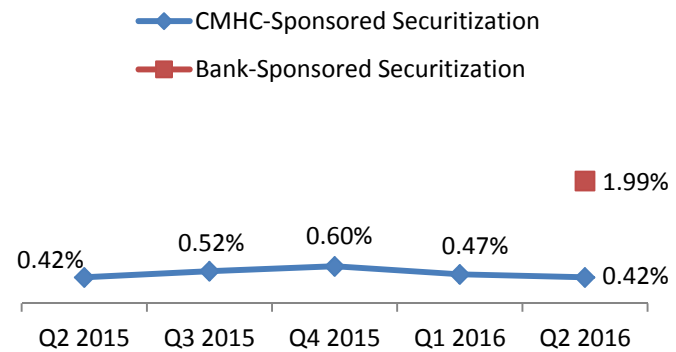
Spread of Non-Securitized Loans over Deposits



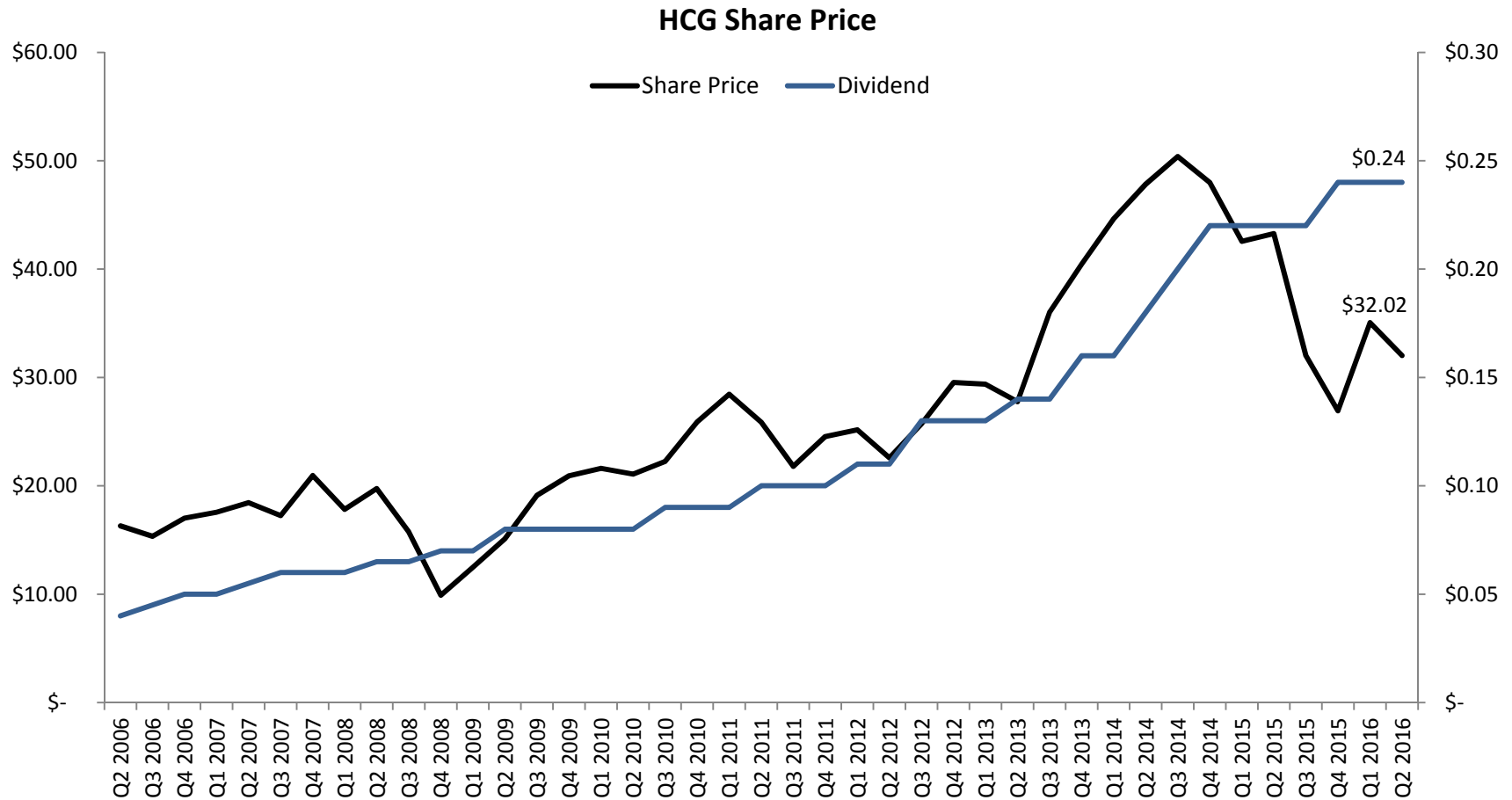
NIM Non Securitized Assets (TEB)



NIM Securitized Assets



Historical Share Price Performance



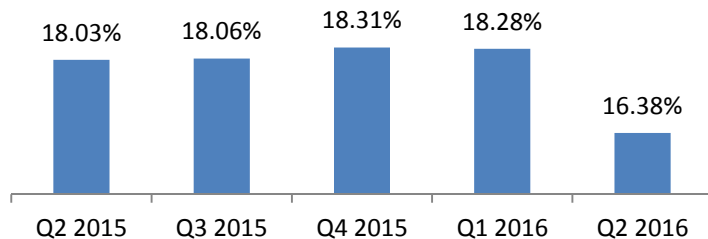
Q2 2016 dividend of \$0.24 per common share or 24.2% of diluted earnings per share.

Share price and dividend yield has been adjusted for the stock dividend of one common share for each issued and outstanding common share that was paid on March 10, 2014.

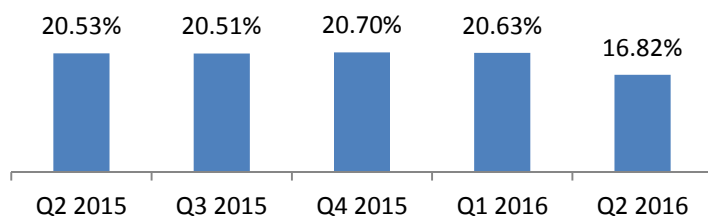
Capital Management



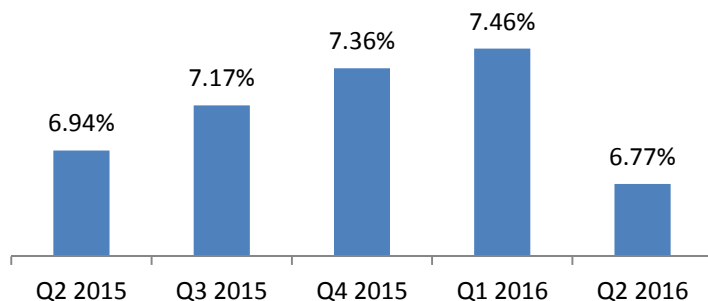
Basel III Common Equity Tier 1



Basel III Total Capital



Leverage Ratio



- Q2 2016 CET 1 and Tier 1 capital ratios of 16.38%, along with a total capital ratio of 16.82%.
- Conservative leverage ratio at 6.77%.
- On April 18, 2016, the Company announced that it had taken up and paid for 3,989,361 common shares at a price of \$37.60 per share under the Company's previously announced substantial issuer bid to repurchase for cancellation up to \$150 million of the Company's common shares. Subsequent to the repurchase, the number of issued and outstanding shares was reduced to 65,976,819, resulting in a reduction in regulatory capital in Q2 2016.
- On May 4, 2016, Home Trust Company repaid and retired its senior debt in the principal amount of \$150 million, resulting in a reduction in regulatory capital in Q2 2016.
- The Company declared a quarterly dividend of \$0.24 per common share.
- Payout ratio of 24.2% in Q2 2016.

Risk Management



Mortgage Lending

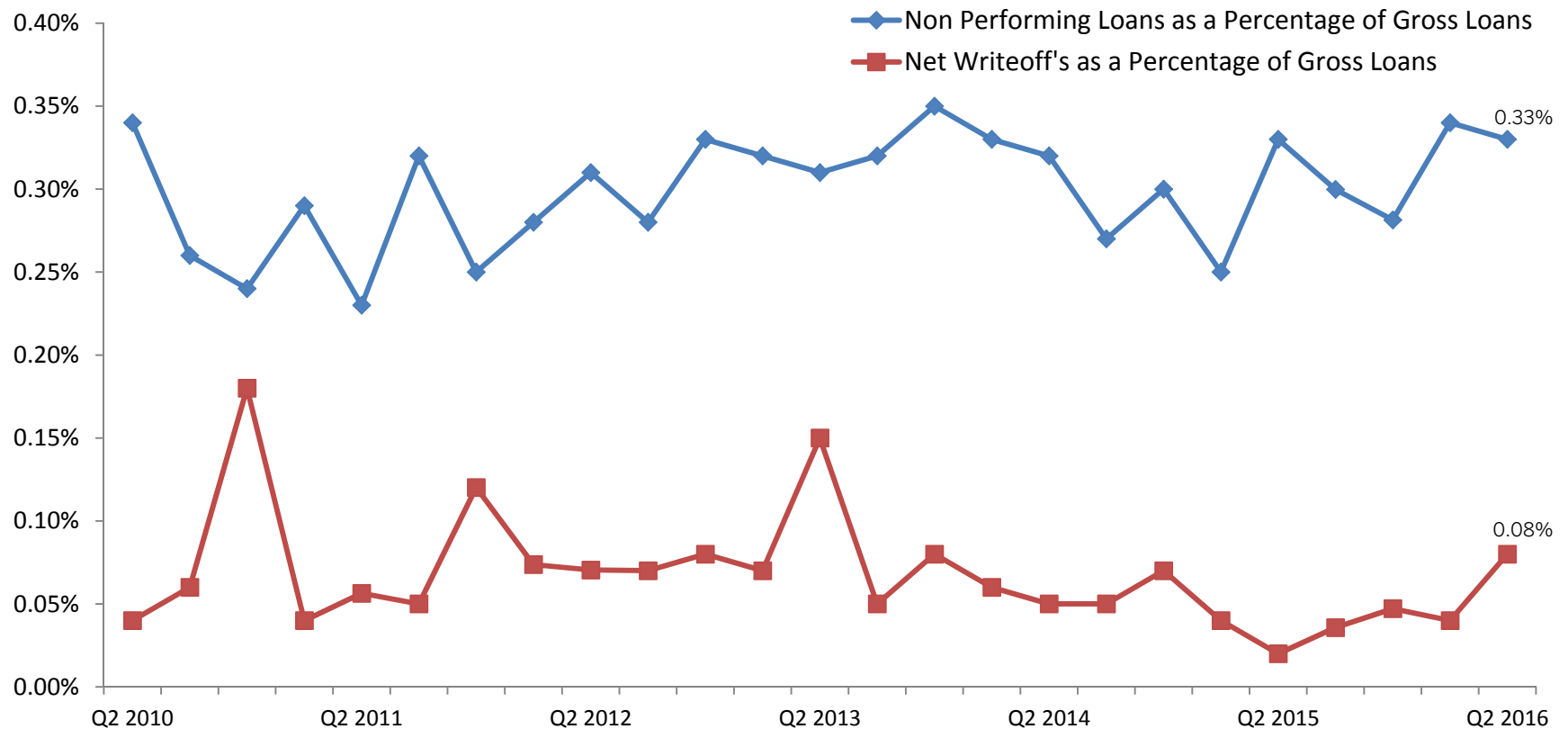
Total on-balance sheet mortgage portfolio balance of \$17.2B as at Q2 2016, of which 90.4% of the portfolio is residential mortgages

- 22.1% of the mortgage portfolio is insured
- Weighted average current loan-to-value (LTV) of the uninsured single-family residential mortgage portfolio was 65.1%
- 98.4% of the mortgage portfolio is current, with 0.27% over 90 days past due
- No unusual credit issues have been identified related to the mortgages associated with the suspended mortgage brokers
- Condominiums represent 9.0% of the residential mortgage portfolio, with 22.6% insured
- 2.6% of the uninsured mortgage portfolio was in energy-producing regions

<i>Single-Family Residential Loans by Province</i>	Insured	Uninsured	Equityline Visa	Total	%
British Columbia	\$307.5M	\$566.6M	\$3.0M	\$877.1M	5.9%
Alberta	\$299.5M	\$333.5M	\$11.3M	\$644.2M	4.3%
Ontario	\$2,223.9M	\$10,102.0M	\$301.3M	\$12,627.1M	84.5%
Quebec	\$120.3M	\$321.9M	\$1.3M	\$443.6M	3.0%
Other	\$193.5M	\$151.6M	\$2.3M	\$347.4M	2.3%
Total	\$3,144.7M	\$11,475.5M	\$319.1M	\$14,939.4M	100.0%

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

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



Outlook



Mid-term Objectives (3-5 Years)

- Average pay out **19% - 26%** of earnings as dividends
- Average annual growth in diluted earnings per share (adjusted) of **8% - 13%**
- Maintain strong capital ratios
- Average annualized return on equity (adjusted) in excess of **16%**



Outlook for 2016

- Committed to offering a range of mortgage products to support Home Capital's "one-stop" initiative.
- Supply and demand in the Company's established regions, the housing market is expected to remain balanced in 2016, with relatively stable prices and sales volumes with regional disparities, as demand for new homes and resale activity eases moderately. The Company believes that the current and expected levels of housing activity indicate a healthy real estate market overall.
- Positive factors that could impact HCG's established markets through 2016 include a generally positive outlook for the US economy, the Canadian dollar still being below par, the continued low interest rate environment, stimulative impact from increased Federal Government spending, and the beneficial impact of lower oil prices on economic growth in Central Canada. Adverse effects related to the drop in oil prices and other commodity prices continue to negatively impact the economies of energy producing regions.
- Strengthening of traditional single-family mortgage origination volumes is expected through 2016, as HCG builds market share through a proven business model and service levels.
- Continue to originate and securitize prime insured single-family and multi-unit residential mortgages and will generally sell these off-balance sheet, generating gains on sale. The market for both of these products remains very competitive.
- Net interest margin is expected to remain relatively stable, but is prepared for modest volatility as the net interest margin will be impacted by the continued improving credit quality of the overall portfolio, among other variables.
- Focused on sourcing deposits from the public through investment dealers and deposit brokers and continue to emphasize growth of direct-to-consumer business, Oaken Financial. The Company will continue to strengthen its funding capability through agreements with additional deposit brokers and the enhancement of its direct-to-consumer sales and service capabilities.
- In H2 2016, non-interest expenses are expected to remain elevated due to operational changes to strengthen processes. These increased short-term costs will allow sustainable long-term growth in the business.

Appendices



About Home Capital Group Inc.

Home Capital operating through Home Trust Company – A federally regulated deposit taking institution; includes, its subsidiary, CFF Bank, a federally regulated bank

- Member of Canada Deposit Insurance Corporation offering:
 - Term deposit products
 - High Interest Savings Account (HISA)
 - Direct-to-consumer savings via Oaken Financial

- Canada's one-stop mortgage lender offering
 - "Classic" non-prime mortgages
 - "ACE Plus" non-prime mortgages
 - "Accelerator" Prime insured mortgages
 - "Equityline" Visa
 - Secured Visa
 - Preferred Visa
 - Merchant acquirer solutions (via PSiGate)
 - Retail Credit
 - Commercial lending

- Investment grade ratings:
 - HCG – BBB-/A3 (Standard & Poor's), BBB/R-2 (middle) (DBRS)
 - HTC – BBB/A2 (Standard & Poor's), BBB(high)/R-2 (high) (DBRS)

- Listed on the Toronto Stock Exchange (Symbol: HCG)



Business Profile

Home Capital Group Inc., together with its operating subsidiary Home Trust Company, has developed a track record of success as Canada's leading alternative lender. Building on the demonstrated strength of its core residential mortgage lending business, the Company also offers complementary lending services, as well as highly competitive deposit investment products.



MORTGAGE LENDING

Home Trust is one of Canada's leading mortgage lenders, focusing on homeowners who typically do not meet all the lending criteria of traditional financial institutions. In addition, Home Trust offers a full range of insured mortgage products through the Accelerator program to individuals customarily served by larger financial institutions. With a proprietary lending approach, comprehensive borrower profiling and flexible alternative solutions, Home Trust is a one-stop shop for borrowers and mortgage brokers. Home Trust is also a provider of commercial first mortgages to high-quality borrowers in selected markets across Canada.



CONSUMER LENDING

Home Trust offers deposit-secured credit cards for individuals who wish to build or re-establish a positive credit history as well as unsecured cards under Home Trust's brand name, as well as Union Plus, Optimax and Giant Tiger co-branded programs. The Company also offers Equityline Visa program brings the advantages to cardholders of accessing the equity they have built in their homes together with the features and convenience of a Gold Visa card. PSiGate, a wholly owned subsidiary, offers electronic card-based payment services to merchants who conduct business primarily on the Internet. Home Trust's Retail Credit Services provides installment financing for customers making purchases from established businesses.



DEPOSIT INVESTMENTS

Home Trust provides a broad range of Guaranteed Investment Certificates and a high interest savings account. These are offered via Registered Retirement Savings Plans, Registered Retirement Income Funds, Tax-free Savings Accounts and on a non-registered basis. The Company has developed an extensive network nationally of intermediaries, including investment dealers, mutual fund dealers, deposit brokers and other wealth management professionals through which these are offered.



DIRECT TO CONSUMER SAVINGS

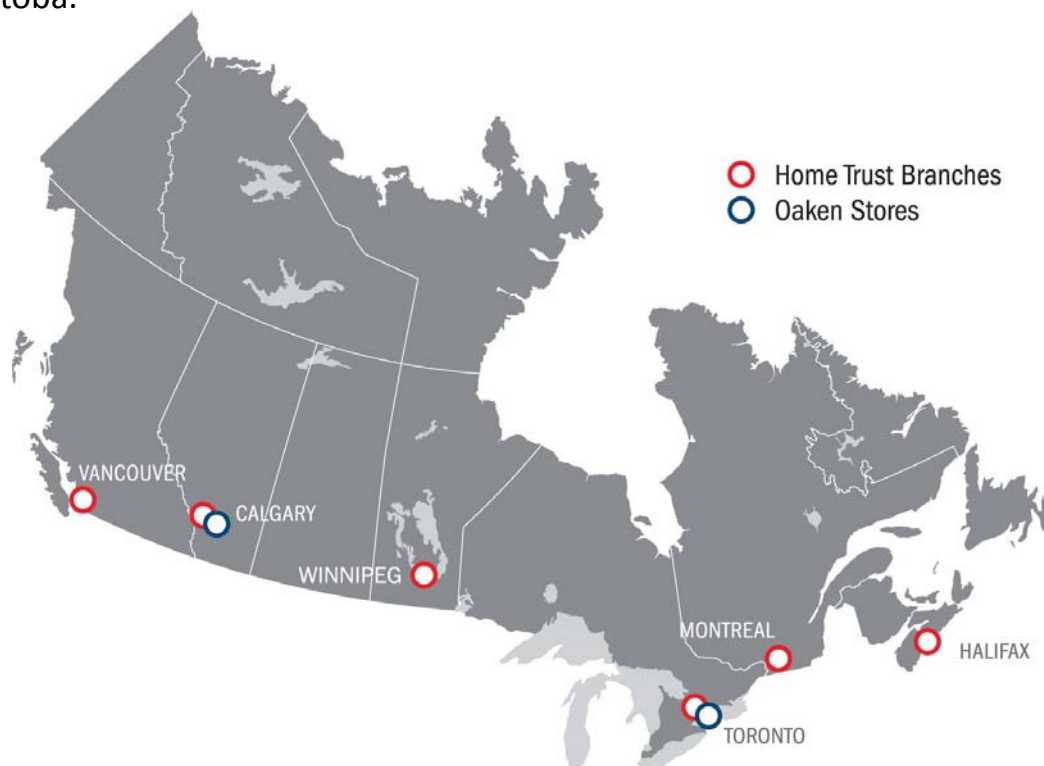
Oaken Financial offers a suite of consumer deposit products, including Guaranteed Investment Certificates (GICs) and the Oaken Savings Account. Oaken provides consumers with a secure alternative to managing their savings independently.

Home Trust Branches and Stores

Home Capital Group Inc. is a public company, traded on the Toronto Stock Exchange (HCG), operating through its principal subsidiary, Home Trust Company. Home Trust is a federally regulated trust company offering deposits, residential and non-residential mortgage lending, securitization of insured residential first mortgage products, consumer lending and credit card services. In addition, Home Trust offers deposits via brokers and financial planners, and through its direct to consumer deposit brand, Oaken Financial. Home Trust also conducts business through its wholly owned subsidiary, CFF Bank. Licensed to conduct business across Canada, Home Trust has branch offices in Ontario, Alberta, British Columbia, Nova Scotia, Quebec and Manitoba.

Operations Across Canada:

- 6 branches
- 2 stores
- 881 employees (as of June 30, 2016)



Media/Investor Relations Contacts



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Upcoming Events

July 27, 2016
Q2 2016 Earnings Release

July 28, 2016, 10:30 a.m.
Q2 2016 Conference Call

November 2, 2016
Q3 2016 Earnings Release