



## HOME CAPITAL GROUP INC.

145 KING STREET WEST, SUITE 2300  
TORONTO ONTARIO M5H 1J8  
TELEPHONE: (416) 360-4663  
TOLL FREE: 1 (800) 990-7881  
FACSIMILE: (416) 363-7611  
TOLL FREE: 1 (888) 470-2092  
WEBSITE: [www.homecapital.com](http://www.homecapital.com)

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### NEWS RELEASE

#### **HOME CAPITAL PROVIDES UPDATE ON Q2 ORIGINATION VOLUMES**

**– Company remains on track to achieve mid-term financial targets –**

TORONTO – July 10, 2015 – Home Capital Group Inc. (“Home Capital” or the “Company”) (TSX:HCG) today provided an update on the Company’s single-family residential mortgage origination volumes for the second quarter of 2015.

Home Capital’s single-family residential mortgage originations for the second quarter of 2015 were as follows: (a) traditional mortgage originations were \$1.29 billion in Q2 2015, as compared to \$1.53 billion in Q2 2014 and \$0.96 billion in Q1 2015; and (b) Accelerator (insured single-family) residential mortgage originations were \$280.0 million for Q2 2015, as compared to \$619.6 million in Q2 2014 and \$180.0 million in Q1 2015.

The Company does not intend to change its mid-term targets, as stated in the 2015 Q1 report, in light of the developments regarding mortgage origination volumes, reflecting the continued strength of the business and its diverse sources of growth. All other aspects of the business continue to deliver solid results and Home Capital expects to report Q2 diluted earnings per share of \$1.03, in line with diluted earnings per share of \$1.03 in Q1 2015 and down from diluted earnings per share of \$1.05 in Q2 2014.

In the Company’s 2015 first quarter report, Home Capital disclosed that its mortgage originations had been impacted by, among other things, its ongoing review of its business partners, its conservative approach to growing its residential mortgage business and the competitive market for prime insured mortgages.

Home Capital’s ongoing review of its business partners led to the Company terminating relationships with certain mortgage brokers, which caused an immediate drop in originations. In addition, the Company’s continued conservative approach has slowed growth in the Company’s residential mortgage business. These factors, along with the competitive landscape, help explain the lower than expected mortgage originations in the first and second quarters of 2015.

“We are confident that the steps we have taken in the first half of 2015 were necessary to ensure the continued long-term profitability of our business, in spite of the short-term impact on originations,” said Gerald M. Soloway, Chief Executive Officer of Home Capital. “We have already seen a rebound in origination volumes towards the end of the second quarter, and our strong pipeline of mortgage originations gives us confidence that we will achieve our mid-term guidance. I have full faith in the ability of our team and business partners to realize improvements in originations through the rest of 2015.”

Full second quarter results will be available on July 29, 2015, followed by an investor conference call on July 30, 2015, as previously announced. The Company is unable to provide further comment on second quarter results until that time.

“We know that originations are a closely watched metric for our investment community. While it’s not our usual practice to offer updates of this nature, given the comments in our Q1 report we wanted to provide our investors with timely insight into our continued progress on bringing originations in line with our expectations while ensuring sustainable growth in our business,” said Robert Morton, Chief Financial Officer of Home Capital.

*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 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. Licensed to conduct business across Canada, Home Trust has offices in Ontario, Alberta, British Columbia, Nova Scotia, Quebec and Manitoba.*

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**FOR ADDITIONAL INFORMATION:**

Gerald A. Soloway, CEO, or  
Martin Reid, President  
416-360-4663  
[www.homecapital.com](http://www.homecapital.com)