



HOME CAPITAL GROUP INC.

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NEWS RELEASE

**Home Capital Statement on Relationship with
Brookstreet MIC Inc.**

For Immediate Release

TORONTO – Oct. 5, 2016 – Home Capital Group Inc. (TSX: HCG) (“Home Capital” or “the Company”) and its federally regulated lending subsidiary, Home Trust Company (“Home Trust”), today made the following statement to clarify Home Trust’s relationship with Brookstreet MIC Inc. (“Brookstreet”). This follows a recent report published on an investing web site that erroneously characterized that relationship.

Brookstreet is one of a number of second mortgage lenders to which Home Trust, in the normal course of its business, refers borrowers who are seeking to arrange a second mortgage. Home Trust refers borrowers when they require a loan at a higher loan-to-value than Home Trust will provide based on its underwriting parameters. All referrals are conducted at arm’s length, at market terms, and the second mortgage lenders independently underwrite whether to issue a second mortgage to the borrowers.

Brookstreet is an independent company whose owners include two adult children of Home Capital founder and director Gerald Soloway.

Home Capital considers Brookstreet to be a related party, and as such, considers the referral of second mortgages to Brookstreet to be a related party transaction. However, the Company does not consider these related party transactions to be material for the purpose of financial disclosure. Second mortgages referred to Brookstreet over the past five years totaled less than \$10 million in principal value.

“While these referrals are not considered material related party transactions, we believe that providing full transparency is in the best interest of all stakeholders,” said Martin Reid, President and Chief Executive Officer of Home Capital.

As stated on August 24, 2016, Home Trust, in the normal course of its business, from time to time sells loans to third parties when loans require work-outs or restructurings. All loans sold to third parties are accounted for, with any losses reflected in write-offs for the related period. Home Trust has not sold any loans requiring work-outs or restructurings to any third party since September 2015. Brookstreet is not and has never been one of these third parties. Home Trust has never sought to engage in the sale or transfer of a loan requiring work-out or restructuring to Brookstreet, directly or indirectly.

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. Home Trust also conducts business through its wholly owned subsidiary, Home Bank. Licensed to conduct business across Canada, Home Trust has offices in Ontario, Alberta, British Columbia, Nova Scotia, Quebec and Manitoba.

FOR ADDITIONAL INFORMATION:

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