



HOME CAPITAL GROUP INC.

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NEWS RELEASE

HOME CAPITAL ANNOUNCES NON-BINDING AGREEMENT IN PRINCIPLE WITH MAJOR INSTITUTIONAL INVESTOR FOR CREDIT LINE OF \$2 BILLION

For Immediate Release

TORONTO – April 26, 2017 – Home Capital Group Inc. (“The Company” TSX: HCG) announces that its subsidiary, Home Trust, has reached a non-binding agreement in principle with a major institutional investor for a credit line in the amount of \$2 billion. It is expected that a firm commitment will be agreed to later today.

The \$2 billion loan facility would be secured against a portfolio of mortgages originated by Home Trust.

Home Trust would be required to pay a non-refundable commitment fee of \$100 million and make an initial draw of \$1 billion. The interest rate on outstanding balances would be 10 per cent, and the standby fee on undrawn funds would be 2.5 per cent. The facility would mature in 364 days.

The facility, combined with Home Trust’s current available liquidity, would provide Home Trust access to more than \$3.5 billion in total funding, more than twice the amount of outstanding High Interest Savings Account (HISA) balances.

Home Trust had liquid assets of \$1.5 billion as at April 24, plus an additional portfolio of available for sale securities totaling approximately \$200 million.

Access to these funds is intended to mitigate the impact of a decline in Home Trust’s HISA deposit balances that has occurred over the past four weeks and that has accelerated since April 20.

HISA balances have fallen by \$591 million in the period from March 28 to April 24. The total HISA balance stood at approximately \$1.4 billion as at April 24. The Company anticipates that further declines will occur, and that the credit line would also mitigate the impact of those.

Home Trust’s Guaranteed Investment Certificate (GIC) deposits remained essentially unchanged over that time. Total GICs, including both Oaken and broker GICs, stood at \$13.01 billion as at April 24, compared to \$13.06 billion as at March 28.

Home Capital also advises that the terms of the proposed agreement would have a material impact on earnings, and would leave the Company unable to meet previously announced financial targets.

Home Trust's GICs and HISA deposits are eligible for Canada Deposit Insurance Corp. coverage.

Caution Regarding Forward-looking Statements

This press release contains forward-looking information within the meaning of applicable Canadian securities legislation. Please refer to the Home Capital's 2016 Annual Report, available on Home Capital's website at www.homecapital.com, and on the Canadian Securities Administrators' website at www.sedar.com, for Home Capital's Caution Regarding Forward-looking Statements.

About Home Capital Group Inc.

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 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.

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