



HOME CAPITAL GROUP INC.

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NEWS RELEASE

HOME CAPITAL GROUP PRE-ANNOUNCES FIRST-QUARTER EPS AND ISSUES MESSAGE TO SHAREHOLDERS FROM CHAIR

For Immediate Release

TORONTO – April 21, 2017 – Home Capital Group Inc. (the “Company”, TSX: HCG) today pre-announced preliminary, unaudited first-quarter earnings per share and released a message to shareholders from Kevin Smith, Chair of the Company’s Board of Directors.

Home Capital expects to report earnings of \$0.90 on a diluted earnings per share basis, and \$1.02 on an adjusted diluted earnings per share basis. This compares to \$0.92 and \$0.96 a year ago.

The increase in adjusted diluted earnings per share was driven by strong results in the Company’s core residential mortgage business and progress made in improving mortgage discharges, which together produced an increase in loans under administration. The Company also made strides on expense savings initiatives.

Credit quality remains high and net non-performing loans are 0.24% compared to 0.34% a year ago. The Company’s capital ratios continue to be strong.

The Company plans to report full results as scheduled on May 3.

Message to Shareholders

Dear Fellow Shareholders,

I am writing on behalf of the Board of Directors of Home Capital Group, to put into context recent events and explain directly to you why we remain confident about the Company and its future.

As these preliminary first-quarter numbers show, the business is robust and on the right track. We continue to build momentum as the efforts we have put into improving our operations bear fruit.

Established over three decades ago, Home Capital is a fundamentally strong company, built on a solid foundation and a good business model that addresses an important market niche. We strongly believe that this model and our focused strategy set us up for continued long-term success.

I recognize that we have had our share of challenges recently and the confidence of our stakeholders has been understandably shaken. I also know that the best way for us to move forward is to view these challenges as opportunities to improve the way we do business and to regain your confidence and our strong reputation. That’s what we will be doing in the coming weeks and months while focusing on executing our strategy and delivering on our goals.

We continue to see strong volumes and excellent credit quality, demonstrating the underlying strength of our model and strategy. We are optimistic that the positive trends we have seen in our business will continue to build.

However, the Board believes the business could and should be doing even better. For that reason, the Board took the decision last month to replace our chief executive officer. More rapid execution of our strategy must remain our focus, with an emphasis on effective implementation of cost containment actions.

We are fortunate to have an experienced management team that is working with our interim CEO, Bonita Then, to effectively implement our strategy while we search for the right long-term leader. Our people are hard at work serving our customers and driving our business and we remain confident that Home Capital is in excellent hands.

In closing, we will continue to vigorously defend our approach to disclosure in the Ontario Securities Commission (OSC) proceeding. While the OSC process may take some time, management and the Board are focused on continued profitable growth and industry leading customer service.

We look forward to updating you on our accomplishments when we report full first-quarter results in May.

Thank you for your support,

Kevin Smith,
Chair of the Board
Home Capital Group and Home Trust

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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