



HOME CAPITAL GROUP INC.

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NEWS RELEASE

HOME CAPITAL GROUP INC. ANNOUNCES COMMENCEMENT AND TERMS OF SUBSTANTIAL ISSUER BID

For Immediate Release

TORONTO – November 12, 2018 – Home Capital Group Inc. (TSX: HCG) (“Home Capital” or “the Company”) today announced that it has formally commenced its previously announced substantial issuer bid (the “Offer”), pursuant to which Home Capital will offer to repurchase for cancellation up to C\$300,000,000 of its common shares (the “Shares”) from shareholders for cash.

The Offer is being made by way of a “modified Dutch auction”, which allows shareholders to select the price, within the specified range, at which each shareholder is willing to sell all or a portion of the Shares that such shareholder owns. The Offer prices range from C\$16.50 to C\$18.50 per Share (in increments of C\$0.10 per Share). The Offer will be for up to a maximum of 18,181,818 Shares or approximately 22.66% of Home Capital’s 80,246,349 total issued and outstanding Shares based on full participation and a purchase price equal to the minimum purchase price per Share. The directors and officers of the Company have advised that they will not tender any of their Shares pursuant to the Offer. As of the date hereof, the Company has not been advised as to whether Berkshire Hathaway Inc., which beneficially owns or controls approximately 19.99% of the Shares, intends to deposit any of their Shares pursuant to the Offer, and, if they do, how many Shares they may deposit. Turtle Creek Asset Management Inc., which controls approximately 17.76% of the Shares, has advised the Company that they have not yet made a determination with respect to whether they will deposit any of their Shares pursuant to the Offer, and, if they do, how many Shares they may deposit.

Shareholders who wish to participate in the Offer will be able to do so through (i) auction tenders in which they will specify the number of Shares being tendered at a price of not less than C\$16.50 and not more than C\$18.50 per Share in increments of C\$0.10 per Share, (ii) purchase price tenders in which they will not specify a price per Share, but will rather agree to have a specified number of Shares purchased at the purchase price to be determined by auction tenders or (iii) proportionate tenders in which they will agree to sell, at the purchase price to be determined by auction tenders, a number of Shares that will result in them maintaining their proportionate equity ownership in the Company following completion of the Offer. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a purchase price tender.

Upon expiry of the Offer, Home Capital will determine the lowest purchase price (which will not be more than C\$18.50 per Share and not less than C\$16.50 per Share) that will allow the

Company to purchase the maximum number of Shares properly tendered to the Offer, and not properly withdrawn, having an aggregate purchase price not exceeding C\$300,000,000.

If Shares with an aggregate purchase price of more than C\$300,000,000 are properly tendered and not properly withdrawn, Home Capital will purchase the Shares on a *pro rata* basis after giving effect to “odd lot” tenders (of shareholders beneficially owning fewer than 100 Shares), which will not be subject to proration, and proportionate tenders. In that case, all Shares tendered at or below the finally determined purchase price will be purchased, subject to proration, at the same purchase price determined pursuant to the terms of the Offer. Shares that are not purchased, including Shares tendered pursuant to auction tenders at prices above the purchase price, will be returned to shareholders.

The Offer will expire at 5:00 p.m. (Eastern time) on December 18, 2018, unless extended or withdrawn by Home Capital. The Offer will not be conditional upon any minimum number of Shares being tendered. The Offer will, however, be subject to other conditions and Home Capital will reserve the right, subject to applicable laws, to withdraw or amend the Offer, if, at any time prior to the payment of deposited Shares, certain events occur.

The formal offer to purchase and issuer bid circular, together with the related letter of transmittal and notice of guaranteed delivery (the “Offer Documents”), containing the terms and conditions of the Offer and instructions for tendering Shares, among other things, are being sent to shareholders and will be filed on November 12, 2018 with the applicable securities regulators and will be available on SEDAR at www.sedar.com.

None of Home Capital nor its Board of Directors makes any recommendation to shareholders as to whether to tender or refrain from tendering any or all of their Shares to the Offer or as to the purchase price or prices at which shareholders may choose to tender Shares. Shareholders are urged to read the Offer Documents carefully and in their entirety, and to consult their own financial, tax and legal advisors and to make their own decisions with respect to participation in the Offer.

Any questions or requests for assistance in tendering Shares to the Offer may be directed to RBC Capital Markets (“RBC”), the dealer manager for the Offer, or to Computershare Investor Services Inc. (“Computershare”), the depository for the Offer. The contact details for RBC and Computershare are included in the Offer Documents.

This press release is neither an offer to purchase nor a solicitation of an offer to sell any Shares. The solicitation and the offer to purchase Shares by Home Capital will be made pursuant to the Offer Documents that Home Capital will file with the Canadian securities regulatory authorities and that Home Capital will distribute to its shareholders, copies of which will be available on SEDAR at www.sedar.com. These documents contain important information about the Offer and shareholders of Home Capital are urged to read them carefully.

Caution Regarding Forward Looking Statements

This press release contains forward-looking information within the meaning of applicable Canadian securities legislation, including relating to the Company’s intention to commence a substantial issuer bid and the size, timing, and terms and conditions of the substantial issuer bid. Please refer to Home Capital’s 2017 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 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"). 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 a 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, we have offices in Ontario, Alberta, British Columbia, Nova Scotia, Quebec and Manitoba.

FOR ADDITIONAL INFORMATION:

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