



## HOME CAPITAL GROUP INC.

### **FINANCIAL HIGHLIGHTS**

*For the period ended June 30 (Unaudited)*

	Three Months Ended		Six Months Ended	
	2001	2000	2001	2000
<b>OPERATING RESULTS</b>				
Net Income	\$ 3,545,687	\$ 2,485,178	\$ 6,763,902	\$ 4,806,990
Total Revenue	22,027,393	16,824,847	43,051,063	32,529,047
Net Investment Margin (TEB) **	3.50%	3.33%	3.48%	3.28%
Earnings per Share - Basic	0.24	0.17	0.46	0.33
- Fully diluted	0.23	0.16	0.44	0.31
Return on Shareholders' Equity	26.29%	22.90%	25.76%	22.64%
Productivity Ratio	42.77%	42.23%	41.58%	42.10%
Book Value per Common Share	\$3.74	\$3.01	\$3.74	\$3.01
Common Share Price – close	\$8.82	\$4.15	\$8.82	\$4.15
<b>GROWTH IN BUSINESS</b>				
Total Assets			\$ 1,016,483,847	\$ 791,613,273
Mortgage Loans			852,074,454	700,540,994
Deposits and Borrowings			939,344,766	733,039,633
Common Shareholder's Equity			55,532,428	44,466,389
<b>FINANCIAL STRENGTH</b>				
Total Tier 1 Capital *			\$ 51,368,000	\$ 41,033,000
Total Capital *			66,368,000	51,033,000
Risk Adjusted Assets *			552,420,000	442,753,000
Tier 1 Capital Ratio *			9.30%	9.27%
Total Capital Ratio *			12.01%	11.53%
Net Impaired Loans as a % of Gross Mortgage Loans			0.43%	0.37%

\* These figures relate to the Company's operating subsidiary, Home Trust Company.

\*\* These figures are converted to a taxable equivalent basis.

Come visit us on the web: Home Trust Company [www.hometrusted.ca](http://www.hometrusted.ca)  
Home Capital Group Inc. [www.homecapital.com](http://www.homecapital.com)

JUNE 30, 2001  
Second Quarter Report

## **HOME CAPITAL GROUP INC. TO OUR SHAREHOLDERS**

### **Home Capital Group Inc. Achieves Six Years of Consistent Quarter Over Quarter Earnings Growth**

Home Capital Group Inc. is pleased to report its continued excellent performance in the second quarter of 2001. The Company maintained its strong momentum and achieved exceptional growth in earnings, earnings per share and total assets.

#### **Six Years of Consistent Earnings Growth**

The Company, through its wholly-owned subsidiary Home Trust Company, has now achieved consistent quarter-over-quarter increases in earnings for 24 consecutive quarters.

For the three-month period ended June 30, 2001, net earnings rose 42.7% to \$3,545,687 from \$2,485,178 for the same period a year earlier. Earnings per share were \$0.24, a significant improvement of 41.2% over \$0.17 in the second quarter of 2000. Return on equity climbed to 26.3% in the second quarter, up from 22.9% recorded last year.

Net income for the six months ended June 30, 2001 rose by 40.7% to \$6,763,902 from the \$4,806,990 recorded through the first half of 2000. Net income per share increased from \$0.33 to \$0.46 and on a fully-diluted basis from \$0.31 to \$0.44.

#### **Home Capital Exceeds \$1 Billion in Assets**

The Company recorded a significant milestone during the quarter, with total assets exceeding the \$1 billion mark for the first time. This represents an increase of 28.4% over total assets on June 30, 2000.

Net impaired mortgage loans as at June 30, 2001 represented 0.43%, a slight decrease compared to 0.48% on March 30, 2001. Charge-offs during the first six months of 2001 fell to \$70,000, compared to \$142,000 for the same period in 2000. The Company has increased its General Allowance from \$3,466,000 at June 30, 2000 to \$4,881,000 at the end of the current quarter.

During the quarter, Home Trust's core residential first mortgage business recorded steady growth as housing demand remained strong and interest rates remained stable. It also completed the issuance of its third Mortgage-Backed Security in the amount of \$11.8 million.

#### **Home Trust VISA Accounts Reach 20,000**

Home Trust's VISA program experienced the most significant quarter of growth since its launch late last September. The number of cardholder accounts grew from 6,046 at March 31 to 19,440 on June 30, and subsequently passed the 20,000 mark in early July. Receivables grew from \$1,317,601 at the end of the first quarter to \$5,961,243 on June 30. The Company is encouraged by the market acceptance of our VISA products, which we believe serve the needs of a large, underserved market across Canada. Projections for the remainder of the year indicate continued growth and maturing of the portfolio, and we anticipate profitability from credit card services in 2002.

Each element of the Company's business performed well during the period under review. To accommodate our continued growth, the Company's staffing levels increased from 91 at December 31, 2000 to 114 at June 30, 2001. We have been fortunate in our ability to attract talented and experienced new staff to assist in our future growth.

#### **Increased Quarterly Dividend**

The Company recently announced a quarterly dividend increase of 25% to 10¢ per share on an annualized basis. The first increased quarterly dividend of 2.5¢ per share is payable on September 1, 2001 to shareholders of record at the close of business on August 15, 2001.

#### **Excellent Outlook for Continued Earnings Growth in 2001**

Home Capital Group expects the earnings momentum of the first six months to continue throughout 2001. There is very strong demand in the marketplace for a national alternative to the offerings of traditional financial institutions, and the Company has shown considerable success in understanding and meeting the needs of this large target market.

Home Capital Group continues to exercise prudence in managing risk. The Company is focused on strong lending fundamentals, and understanding and meeting the needs of its market.

We are confident in our ability to continue our upward earnings growth.

GERALD M. SOLOWAY  
President & Chief Executive Officer  
July 26, 2001

## *Review of Operating Performance*

### **Revenues**

Home Capital Group Inc. experienced continued business growth in the second quarter of 2001. Revenues increased 30.9% or \$5.2 million over the same period in 2000. For the six months revenues increased 32.3% or \$10.5 million over June 2000. The increase was largely due to the increase in the mortgage portfolio, which generated increased interest income of \$4.1 million over the three months ending June 2000 and \$8.0 million over the same six-month period of last year.

### **Net Investment Income**

Net investment income is the difference between income earned on investments and the interest paid on deposits and any borrowings to fund those assets. This income has been adjusted to a tax equivalent basis due to non-taxable dividend income received. Net investment income was \$8.6 million in the quarter and \$16.5 million for the six months an increase of 34.1% over the first quarter and 31.6% for the six months in 2000 (2000-quarter \$6.4 million and six months- \$12.6 million).

This was the result of increased margins on the core business of mortgage lending over deposit taking reflected by a 3.5% spread for the quarter and year-to-date versus 3.3% for the quarter and the six month period last year. The Company has invested the surplus funds in its securities increasing the investment portfolio from \$77.4 million in June 2000 to \$113.6 million in June 2001. This increase resulted in dividend investment income on a tax equivalent basis rising to \$3.8 million or 51.4% over the same six-month period last year.

The overall net investment spread for the Company, which is the average rate of return on earning assets less the average rate paid on interest bearing liabilities, was 3.3% up from 3.0% in 2000.

### **Other Fee Income**

For the six-month period ended June 30, 2001, other fee income increased to \$2.3 million or 5.2% over the \$2.2 million earned in 2000. Fee income is largely generated from new mortgage activity. Total new mortgages advanced during the six months of 2001 amounted to \$217.1 million up from \$161.1 million (net of purchased mortgages), in 2000. The second quarter generated mortgages of \$129.8 million or 60% of the total.

### **Gain on Sale of Mortgage-Backed Securities**

The Company issued its third Mortgage-Backed Security (MBS) in the second quarter that consisted of \$11.8 million principal pooling of Canada Mortgage and Housing Corporation insured mortgages. This resulted in a gain of \$0.5 million or \$0.03 per share. The Company has now earned approximately \$1.2 million in MBS gains translating to approximately \$0.08 per share. The Company plans to continue building pools of mortgages that qualify for insurability to further increase our scope of lending activities and build earnings.

### **Operating Expenses**

Total operating expenses increased to \$7.7 million, up by 34.3% or \$2.0 million over the \$5.7 million reported in June 2000. The majority of this increase is related to salaries and staff benefits, which rose by \$1.3 million or 52.0%. This is related to the increase in the core business of mortgage lending, the staffing required for the Company's move to the in-house computer system, the additional staffing for the VISA operation and development of other new lines of business.

The implementation of the new in-house computer system resulted in start-up costs in this quarter for training, servicing and depreciation on new equipment purchases that amounted to \$0.5 million of the overall increase in general and administration expenses of \$0.7 million. These additional costs are necessary to accommodate future increased business volumes. Commissions paid to deposit brokers increased by \$0.1 million or 20.9%, this is driven by the increase in the deposits and borrowings that amounted to \$206.3 million or 28.1% in 2001 over the previous year.

As a result, the productivity ratio defined as the measurement of non-interest expenses as a percentage of total revenues increased slightly to 41.6% in this period, over the 42.1% experienced in the same period last year.

### **Credit Quality**

The net impaired loans have increased in the June 2001 quarter to 0.43% of the total mortgage portfolio or \$3.7 million in comparison to 0.37% in June 2000 or \$2.6 million, however, down from 0.48% as at March 31, 2001. The Company is closely monitoring the impaired mortgage loans and has established an allowance of \$ 4.6 million versus \$3.7 million in 2000.

Losses realized on mortgages declined to \$70,100 or 50.6% in this quarter over the losses realized in June 2000 of \$141,800.

A General Allowance has been provided on the VISA credit card operation amounting to \$0.3 million or 5.0% of the total receivable balance which includes those VISA cards secured by a deposit with the Company. As of June 30<sup>th</sup> 2001 VISA delinquencies totaled \$160,300 of which \$20,200 was over 90 days. Security deposits on VISA cards amounted to \$ 3.5 million and are included in the Company's deposits and borrowings.

The general provision has increased to 88.4 basis points of the risk-weighted assets in June 2001 compared to 78.3 basis points provided in June of the previous year.

The Company will maintain this conservative outlook and continue to increase the general provision to reach 90 basis points by December 31, 2001 and further enhance this to 100 basis points of risk weighted assets by December 31, 2002.

### **Balance Sheet**

Total assets as at June 30, 2001 rose to over \$1.0 billion an increase of 28.4% or \$224.9 million, over the \$791.6 million reported a year ago. The mortgage increase of \$151.5 million or 21.6% contributed to the majority of the asset increase. Other major contributors were cash and cash equivalents (short-term liquid assets) which added \$19.1 million and the Company's investment of surplus funds in the security portfolio of preferred shares made up \$36.2 million. The Company's expansion into new products added \$3.0 million in the Mortgage-Backed Securities, Credit Card Receivables increased \$5.7 million with an additional \$2.0 million for start-up costs (deferred development costs). Additional equipment for the new in-house computer and additional staffing added \$1.4 million and approximately \$3.6 million was added in prepaid and other deferred costs. The deferred agent commissions have increased in relation to the increase in the deposits and borrowings. The amount of deposits raised through deposit agents in 2001 was 68.0% of new funding versus 56.0% in the same period last year. However, 57.4% of this funding related to deposits with terms over 2 years as compared to 38.3% in the prior period. Commissions are amortized over the term of the deposit and the extended terms have increased the deferred asset.

Liabilities in this quarter have increased to \$961 million, an increase of \$213.8 million or 28.6% over the \$747 million reported on June 30, 2000. The majority of this increase is related to the deposits and borrowings, the increase of \$206.3 million funded most of the increase in the mortgage, cash and investment growth. The funding of \$5.0 million of subordinated secured loan received in the fourth quarter of 2000 covered most of the remaining increase.

Shareholders' equity climbed to \$55.5 million, an increase of \$11.0 million or 24.9% over the balance of \$44.5 million in June of last year. This funded the remaining asset growth and was the result of earnings for the six remaining months of last year of \$5.6 million and the current six months of \$6.8 million less dividends paid to shareholders of \$1.3 million over the past 12 months.

### **Capital**

The Company's capital base strengthened again this quarter with a \$3.1 million increase over the March 31, 2001 quarter end. The Company's subsidiary, Home Trust, maintained capital ratios of 9.30% for Tier 1 and 12.01% for total capital. These ratios increased slightly in June of 2001 over June 2000 due to the movement in the asset mix to federal bonds and treasury bills and the increase in residential first mortgages in the portfolio. The ratio for total capital is being maintained in excess of the minimum target of 10% for total capital.

### **Outlook**

The Company is committed to further strengthening the balance sheet and maintaining a 20% return on equity. We will continue to look for further opportunities in the market that are not being serviced by the major financial institutions. We will continue to enhance revenue and profits through the Mortgage-Backed Securities and continue to match assets and liabilities to ensure that interest rate fluctuations will have little impact on future earnings.

While there has been an upward trend in the net impaired loans, which is consistent with the industry experience, the Company is managing with this in mind and will continue to increase our general provision ensuring we are well positioned for any unforeseen losses.

The current cut in the Bank of Canada and the United States Federal Reserve borrowing rates should further aid in the economic recovery. The drop in the chartered bank rates from 6.75% at March 31<sup>st</sup> to 6.25% at June 30<sup>th</sup> will continue to assist in the affordability of housing across Canada.

**INTERIM CONSOLIDATED STATEMENTS OF INCOME**

<i>(Unaudited)</i>	Three Months Ended				Six Months Ended			
	June 30				June 30			
	2001		2000		2001		2000	
<b>REVENUE</b>								
Interest from mortgage loans	\$	18,423,579	\$	14,339,938	\$	35,887,560	\$	27,869,602
Other interest		717,470		564,904		1,351,904		1,076,439
Dividends		1,153,260		732,097		2,195,064		1,403,836
Fees and other income		1,196,182		1,186,354		2,291,614		2,177,618
Gain (Loss) on sale of investments		(7,690)		1,554		84,996		1,552
Gain on sale of mortgage-backed securities		544,592		-		1,239,925		-
		<b>22,027,393</b>		<b>16,824,847</b>		<b>43,051,063</b>		<b>32,529,047</b>
<b>EXPENSES</b>								
Interest on deposits and borrowings		12,535,469		9,800,637		24,503,469		18,890,647
Salaries and staff benefits		1,957,008		1,219,690		3,695,663		2,431,216
Premises		210,018		218,611		418,576		425,112
General and administration		1,892,748		1,527,679		3,597,920		2,885,278
		<b>16,595,243</b>		<b>12,766,617</b>		<b>32,215,628</b>		<b>24,632,253</b>
<b>INCOME BEFORE LOSS PROVISION &amp; INCOME TAXES</b>		<b>5,432,150</b>		<b>4,058,230</b>		<b>10,835,435</b>		<b>7,896,794</b>
Provision for mortgage losses		335,000		250,000		745,000		400,000
<b>INCOME BEFORE INCOME TAXES</b>		<b>5,097,150</b>		<b>3,808,230</b>		<b>10,090,435</b>		<b>7,496,794</b>
<b>INCOME TAXES</b>								
Current		48,956		1,632,543		1,774,921		2,681,965
Deferred		1,502,507		(309,491)		1,551,612		7,839
		<b>1,551,463</b>		<b>1,323,052</b>		<b>3,326,533</b>		<b>2,689,804</b>
<b>NET INCOME</b>	\$	<b>3,545,687</b>	\$	<b>2,485,178</b>	\$	<b>6,763,902</b>	\$	<b>4,806,990</b>
<b>NET INCOME PER CLASS A AND CLASS B SHARE:</b>								
For the period		<b>\$0.24</b>		\$0.17		<b>\$0.46</b>		\$0.33
Fully diluted		<b>\$0.23</b>		\$0.16		<b>\$0.44</b>		\$0.31
Number of outstanding Class A and B shares		<b>14,860,795</b>		14,749,695		<b>14,860,795</b>		14,749,695
Book value per share		<b>\$3.74</b>		\$3.01		<b>\$3.74</b>		\$3.01

**CONSOLIDATED BALANCE SHEETS**

	<i>(Unaudited)</i>		<i>(Audited)</i>	
	June 30		December 31	
	2001		2000	
<b>ASSETS</b>				
Cash and cash equivalents	\$	26,670,579	\$	21,153,775
Income taxes receivable		1,235,848		-
Investments		113,591,663		77,724,027
Mortgage-backed securities receivable		3,010,590		1,372,127
Credit card receivable		5,704,195		339,210
Consumer Loans		1,134,581		-
Mortgage loans		852,074,454		773,064,867
Capital assets		2,087,620		1,047,279
Goodwill, net of accumulated amortization		2,370,393		2,416,871
Deferred deposit agent commissions		3,508,640		2,732,267
Deferred development costs		1,976,970		711,176
Other		3,118,314		1,363,253
	\$	1,016,483,847	\$	881,924,852
			\$	791,613,273
<b>LIABILITIES</b>				
Senior term loans	\$	8,500,000	\$	8,500,000
Subordinated secured loan		5,000,000		5,000,000
Deposits and borrowings		939,344,766		813,181,658
Accounts payable and accrued liabilities		4,141,242		1,848,537
Dividends payable		371,645		296,088
Income taxes payable		-		1,587,102
Deferred commitment fees		1,158,288		1,126,235
Future income taxes		2,435,478		883,866
		960,951,419		832,423,486
				747,146,884
<b>SHAREHOLDERS' EQUITY</b>				
Capital stock		18,697,940		18,629,583
Contributed surplus		133,253		266,825
Retained earnings		36,701,235		30,604,958
		55,532,428		49,501,366
	\$	1,016,483,847	\$	881,924,852
			\$	791,613,273

**CONSOLIDATED STATEMENTS OF RETAINED EARNINGS**

<i>(Unaudited)</i>						
	Three months ended			Six months ended		
	June 30		June 30			
	2001	2000	2001	2000		
Balance at beginning of period	\$	33,527,193	\$	23,361,812	\$	21,260,884
Net income for the period		3,545,687		2,485,178		4,806,990
Dividends paid during the period		-		-		(220,884)
Dividends declared during the period		(371,645)		(294,794)		(294,794)
Balance at end of period	\$	36,701,235	\$	25,552,196	\$	25,552,196

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<i>(Unaudited)</i>		<i>(Unaudited)</i>	
	Three months ended		Six months ended	
	2001	June 30 2000	2001	June 30 2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	\$ 3,545,687	\$ 2,485,178	\$ 6,763,902	\$ 4,806,990
Add (deduct) items not affecting cash:				
Future income taxes	1,502,507	(309,491)	1,551,612	7,839
Amortization of capital assets and investments	(2,981)	83,627	(59,282)	142,508
Amortization of goodwill and deferred financing costs	53,817	36,455	107,635	72,910
Provision for mortgage losses	335,000	250,000	745,000	400,000
(Gain) Loss on sale of investments	7,690	(1,554)	(84,996)	(1,552)
Gain on sale of mortgage-backed securities	(544,592)	-	(1,239,925)	-
	<b>4,897,128</b>	<b>2,544,215</b>	<b>7,783,946</b>	<b>5,428,695</b>
Interest receivable	(106,413)	(150,998)	(788,268)	(491,773)
Interest payable	1,269,040	1,232,243	5,836,993	2,989,506
Deferred agent commissions	(481,701)	(191,297)	(776,373)	(191,248)
Other assets and accounts receivable	(1,497,075)	(120,920)	(1,816,218)	(25,922)
Accounts payable and accrued liabilities	1,957,560	454,974	2,292,705	339,859
Dividends payable	75,665	73,910	75,557	73,489
Income taxes payable (receivable)	(1,577,418)	1,001,202	(2,822,950)	1,288,030
Deferred commitment fees	27,113	100,757	32,053	132,286
	<b>(333,229)</b>	<b>2,399,871</b>	<b>2,033,499</b>	<b>4,114,227</b>
Cash provided by operating activities	<b>4,563,899</b>	<b>4,944,086</b>	<b>9,817,445</b>	<b>9,542,922</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net increase in deposits and borrowings	61,134,275	38,364,691	120,326,115	45,181,492
Issuance of common stock	92,750	81,750	108,050	108,000
Normal course issuer bid	(105,624)	(151,290)	(173,265)	(385,780)
Dividends paid	-	-	(295,980)	(220,884)
Dividends declared	(371,645)	(294,794)	(371,645)	(294,794)
Cash provided by financing activities	<b>60,749,756</b>	<b>38,000,357</b>	<b>119,593,275</b>	<b>44,388,034</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Activity in investment securities				
Purchase of investments	(14,480,025)	(6,125,486)	(40,797,537)	(8,072,026)
Proceeds of sales of investments	1,798,144	1,344,829	3,469,224	2,088,279
Proceeds of maturities	1,712,133	-	2,306,983	100,000
Activity in mortgages				
Purchased mortgages	-	-	-	(3,392,803)
Net increase in mortgages	(59,358,234)	(40,050,001)	(105,558,567)	(57,159,884)
Proceeds from securitization of mortgage-backed securities	11,652,144	-	25,959,852	-
Net increase in credit card receivable and consumer loans	(5,721,180)	-	(6,699,571)	-
Investment in deferred development costs	(981,244)	-	(1,265,794)	-
Capital asset purchases	(666,819)	(90,319)	(1,308,506)	(116,041)
Cash used in investing activities	<b>(66,045,081)</b>	<b>(44,920,977)</b>	<b>(123,893,916)</b>	<b>(66,552,475)</b>
Net (decrease) increase in cash and cash equivalents	(731,426)	(1,976,534)	5,516,804	(12,621,519)
Cash and cash equivalents at the beginning of the period	27,402,005	9,518,993	21,153,775	20,163,978
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>\$ 26,670,579</b>	<b>\$ 7,542,459</b>	<b>\$ 26,670,579</b>	<b>\$ 7,542,459</b>
Supplementary disclosure of cash flow information				
Amount of interest paid during the period	\$ 11,456,227	\$ 8,749,383	\$ 18,571,544	\$ 15,902,845
Amount of income taxes paid during the period	2,538,035	1,041,058	5,104,771	1,630,855

**Accounting Policies Used to Prepare the Interim Consolidated Financial Statements (Unaudited)**

1. **Interim Consolidated Financial Statements**  
 These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2000, as set out in the 2000 Annual Report. The accounting policies used in the preparation of these interim consolidated financial statements are consistent with the accounting policies used in the Company’s year-end audited financial statements.

2. **Mortgage-Backed Securities Receivable**  
 In March and May of 2001 a portion of the Company’s mortgage loan portfolio was securitized through the Mortgage-Backed Securities (MBS) program sponsored by the Canada Mortgage and Housing Corporation (CMHC). This is the third issue that has been securitized by the Company. Refer to note 1 C) in the 2000 Annual Report.  
 The gain or loss on the sale of the MBS is net of issuance costs. The gain is recognized when the Company receives the cash.  
 The principal balance of mortgage pooled and sold as Mortgage-Backed Securities during this period amounted to \$ 14,547,000 and \$ 11,811,000 respectively and the book value approximates the fair value.  
 The March MBS has a coupon rate paid to investors of 5.00% and the weighted-average mortgage rate is 8.23%. The May MBS issue carries a coupon rate payable to investors of 5.625% and the weighted-average mortgage rate is 8.00%.

The total Mortgage-Backed Securities administered by the Company at June 30, 2001 have a principal balance of \$ 37.3 million with an average coupon rate payable to investors of 5.43% and a weighted-average mortgage rate of 8.27%.

3. **Deferred Development Costs**  
 In May 2000 Home Trust was authorized to offer VISA cards and accordingly, engaged in the business development of offering Home Trust VISA. The Company has not earned significant revenues and is still considered to be in the development stage. Refer to notes 1 H) and 7 in the 2000 Annual Report.

<u>Costs incurred for the VISA Project under Development</u>	
Balance at the beginning of the period	\$ 711,176
Development costs incurred	2,739,566
Revenues – Income	(1,473,772)
<u>Balance at the end of the period</u>	<u>\$ 1,976,970</u>

## **CORPORATE DIRECTORY AND SHAREHOLDER INFORMATION**

### **HOME CAPITAL GROUP INC.**

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Toronto, Ontario M5H 1J8

#### **DIRECTORS**

John M. Christodoulou  
Hon. William G. Davis P.C., C.C., Q.C.  
William A. Dimma  
Kenneth A. Fowler  
Harvey F. Kolodny  
John M. E. Marsh  
Sheila L. Ross  
Gerald M. Soloway

#### **OFFICERS**

William A. Dimma  
*Chairman of the Board*  
Gerald M. Soloway  
*President and  
Chief Executive Officer*  
W. Roy Vincent  
*Senior Vice President  
and Chief Operating Officer*  
Cathy A. Sutherland, C.A.  
*Treasurer*  
Sharron I. Hatton  
*Corporate Secretary*

#### **AUDITORS**

Ernst & Young LLP  
Chartered Accountants  
Toronto, Ontario

#### **BANKERS**

*Home Capital Group Inc.*  
*Home Trust Company*  
Bank of Montreal, St. Catharines

#### **CORPORATE COUNSEL**

*Home Capital Group Inc.*  
*Home Trust Company*

Torys *and*  
Gowling Lafleur Henderson LLP

#### **TRANSFER AGENT**

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100 University Avenue  
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Tel: (416) 981-9633  
1-800-663-9097

#### **CAPITAL STOCK**

As at June 30, 2001 there were  
3,025,000 Class A and 11,835,795  
Class B Shares outstanding

#### **STOCK LISTING**

Toronto Stock Exchange  
Ticker Symbol: HCG.B

### **HOME TRUST COMPANY**

145 King Street West, Suite 1910  
Toronto, Ontario M5H 1J8

#### **DIRECTORS**

Hon. William G. Davis P.C., C.C., Q.C.  
*Chairman of the Board*  
William A. Dimma  
Kenneth A. Fowler  
Harvey F. Kolodny  
John M. E. Marsh  
Sheila L. Ross  
Gerald M. Soloway  
W. Roy Vincent

#### **BRANCHES**

##### **TORONTO**

145 King Street West, Suite 1910  
Toronto, Ontario M5H 1J8  
Tel: (416) 360-4663  
1-800-990-7881  
Fax: (416) 363-7611  
1-888-470-2092

Senior Vice President -  
Rod Adams  
Vice President -  
Brian R. Mosko  
Vice President, Business Development -  
James Appleyard  
Vice President, Mortgage Lending -  
Nick Kyprianou  
Manager, Credit - Mal Nuzum  
Senior Manager, Mortgage Services -  
Jan Morrison  
Asst. Vice Presidents - Toronto Office  
Heather Flegg  
James Hill  
Christine Nugent  
Assistant Vice President, Securitization -  
David Molzahn

##### **HAMILTON**

Suite 800, 21 King Street West  
Hamilton, Ontario L8P 4W7  
Tel: (905) 522-0250  
1-800-944-3419  
Fax: (905) 522-1888  
1-888-771-9967

Branch Manager -  
Marguerite Ryan  
Manager, Mortgages -  
Brad Hamilton

##### **ST. CATHARINES**

Suite 100, P.O.Box 1554  
15 Church Street  
St. Catharines, Ontario L2R 7J9  
Tel: (905) 688-3131  
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Fax: (905) 688-0534  
1-888-771-9914

Asst. Vice President -  
St. Catharines Office  
Wolf L. Schmutzer  
Vice President, Mortgage Development -  
Brian Stewart

##### **CALGARY**

441 - 5<sup>th</sup> Ave. S.W., Suite 310  
Calgary, Alberta T2P 2V1  
Tel: (403) 244-2432  
1-866-235-3081  
Fax: (403) 244-6542  
Senior Manager, Mortgages -  
Larry Frondall  
Manager, Mortgages -  
Steve Poitevin

##### **VANCOUVER**

200 Granville Street, Suite 1288  
Vancouver, B.C. V6C 1S4  
Tel: (604) 484-4663  
1-866-235-3080  
Fax: (604) 484-4664  
Senior Manager, Mortgages -  
Dan Boyda  
Managers, Mortgages -  
Dwayne Engelman  
Cathy Swallow

*For more information about  
**HOME TRUST VISA**, please  
call 1-877-569-6333.*

#### **FOR SHAREHOLDER INFORMATION, PLEASE CONTACT:**

Sharron I. Hatton  
*Corporate Secretary*  
Home Capital Group Inc.  
145 King Street West, Suite 1910  
Toronto, Ontario M5H 1J8  
Tel: (416) 360-4663  
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#### **WEBSITES:**

*Home Capital Group Inc.*  
[www.homecapital.com](http://www.homecapital.com)  
*Home Trust Company*  
[www.hometruster.ca](http://www.hometruster.ca)

**Home Capital Group Inc. has established an e-mail investor information service. Sign up for the service at our web site [www.homecapital.com](http://www.homecapital.com) and you will receive quarterly reports, the annual report, management information circular, and other articles of interest immediately upon release delivered to your e-mail**