

STREET CAPITAL ANNOUNCES PHASE I OF STRATEGIC REALIGNMENT AND NEW FUNDING CAPABILITY

- Strategic Realignment (the “Realignment”) will leverage the Company’s core strengths to return Street Capital to sustainable profitability and steadily grow the Bank’s capital base
- The Company is committed to improving shareholder returns and will focus on generating targeted efficiencies over the next 12 months to achieve this objective
- As part of the Realignment, Street Capital has terminated an information technology services agreement (the “IT Agreement”) related to the ongoing implementation of a core banking system, to focus on the Company’s near to medium term priorities
- The Company has completed an innovative, initial sale of \$26.2 million in funded Street Solutions mortgage loans to an international third-party institutional investor

TORONTO, ONTARIO, December 21, 2018 - Street Capital Group Inc. (“**Street Capital**” or the “**Company**”) (**TSX: SCB**), which operates primarily through its wholly-owned subsidiary Street Capital Bank of Canada (“**Street Capital Bank**” or the “**Bank**”) today announced Phase I of a strategic realignment. The Realignment is the result of a detailed review of the Company’s operations and calls for immediate and decisive actions to reduce costs, drive profitability, solidify the Bank’s capital base and increase shareholder value. The Company expects to further outline its plans for shareholders, in early 2019. Street Capital also announced that it has completed an initial sale of \$26.2 million in funded Street Solutions mortgage loans to an international third-party institutional investor. The Company anticipates that this funding solution will be available on an ongoing basis, thereby enhancing Street Capital Bank’s competitive position in the non-prime mortgage segment.

“Given ongoing market-related challenges, the Company’s management team and Board of Directors has determined that immediate action is required to quickly strengthen profitability and ensure the Bank’s capital base is solid and growing,” said Duncan Hannay, President and CEO of Street Capital. “Over the next 12 months, we will remain laser focused on containing costs while providing a high level of service to our valued mortgage broker partners, maximizing the contribution of prime mortgage renewals and steadily building our Street Solutions portfolio.”

Mr. Hannay added, “Over the past year, our team has worked tirelessly to introduce an off-balance sheet funding solution that would enable us to satisfy strong customer demand for our Street Solutions non-prime mortgage product. I am pleased to announce that we have closed our first sale to an international third-party institutional investor. We expect to continue accessing this funding capability on an ongoing basis, which will better enable us to manage our balance sheet growth and ensure that we have a consistent product offering in the market for our valued customers and distribution partners.”

The IT Agreement

The Company also announced that on December 12, 2018 Street Capital Bank of Canada (the “Bank”), terminated an IT Agreement pursuant to which the Bank had retained a vendor to develop and implement a core banking system for the Bank. The work to be performed pursuant to the IT Agreement would have resulted in the development of a core banking system for the Bank which would have been required to launch a web and mobile enabled banking platform, including a direct-to-consumer deposit offering, that the Bank had anticipated implementing in 2019. The Bank will recognize a charge against income of approximately \$6.75 million in the fourth quarter in connection with the termination of the IT Agreement. The Company will re-evaluate the implementation of a core banking system at the end of fiscal 2019.

About Street Capital Group Inc. (streetcapitalgroup.ca)

Street Capital Group Inc. (TSX: SCB) is a public company operating through its wholly-owned subsidiary, Street Capital Bank of Canada, a federally regulated Schedule I Bank offering residential mortgage loans. Street Capital Bank of Canada sources its mortgage products primarily through a network of independent mortgage brokers across Canada with whom it has built relationships. Street Capital Bank of Canada offers a broad line-up of high ratio and conventional mortgages to borrowers and either sells the mortgages it underwrites to top tier financial institutions or holds them on balance sheet. Street Capital Bank of Canada lends throughout all of the Provinces of Canada (other than Quebec) and has offices in Ontario, Alberta and British Columbia. For more information please visit streetcapital.ca.

Forward-Looking Statements

This release contains certain forward-looking statements that are based on management's exercise of business judgment as well as assumptions made by, and information currently available to, management. When used in this document, the words "may", "plan", "will", "anticipate", "believe", "estimate", "expect", "intend", and words of similar import, are intended to identify any forward-looking statements. You should not place undue reliance on these forward-looking statements. These statements reflect our current view of future events and are subject to certain risks and uncertainties as outlined in the Company's Annual Information Form and other filings made with securities regulators, which are available on SEDAR (sedar.com). These factors include, without limitation: expansion opportunities, technological changes, regulatory changes (including mortgage insurance rules), and changes to the business and economic environment, including, but not limited to, Canadian housing market conditions and activity, interest rates, mortgage backed securities markets, and employment conditions that may impact the Company, its mortgage origination volumes, investments and capital expenditures, and competitive factors that may impact revenue and operating costs. Any of these factors, amongst others, could cause actual results to vary materially from current results or from the Company's currently anticipated future results and financial condition. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results could differ materially from those anticipated in these forward-looking statements. We undertake no obligation, and do not intend, to update, revise or otherwise publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize.

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