

## STREET CAPITAL UPDATES CERTAIN BUSINESS PLANS AND ANNOUNCES NON-CASH WRITEDOWNS

- *Street Solutions origination targets revised to a range of \$300 to \$450 million for fiscal 2019;*
- *Reaffirming commitment to strategic realignment, including strengthening the capital position of Street Capital Bank;*
- *One-time non-cash impairment charges of \$37 million are expected to be recorded in Q4-2018 and will not impact the Bank's capital.*

**TORONTO, ONTARIO, February 19, 2019** – 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**”), is revising its Street Solutions new mortgage origination targets to a range of \$300 to \$450 million for fiscal 2019. While demand for the product remains strong, the Bank is committed to prudent management of its balance sheet, deepening its funding sources and strengthening its capital position. The Company also announced that it expects to record non-cash impairment charges of \$37 million in the fourth quarter ending December 31, 2018, representing all of the goodwill of \$23.5 million that was recognized when the Company acquired the predecessor to Street Capital Bank in 2011, the remaining balance of \$2.3 million (net of tax) related to its mortgage renewal stream asset from the same acquisition, and \$11.2 million in deferred tax assets, noting that these charges will not impact the Bank's regulatory capital. The Company has determined that these non-cash charges, subject to finalization of the Company's annual financial statements and their approval by the Board, are required under International Financial Reporting Standards (IFRS) following the Company's completion of its impairment testing of goodwill, and intangible assets, and its review of tax positions at December 31, 2018. The Company also confirms that it continues to execute against its previously announced strategic realignment and its commitment to strengthening the Bank's capital position to support improved performance over the medium to long term. Further details of these non-cash charges and progress on the strategic alignment will be included in the Company's annual financial results.

Duncan Hannay, President and CEO of Street Capital, commented, “As a management team and board of directors, we are committed to making the tough decisions today that will support responsible growth and sustained performance, while we also take action on the various available options to strengthen the Bank's capital base. While the market environment remains challenging, we have seen early signs of traction from our strategic realignment, a renewed go-to-market strategy and the commitment of our dedicated team, who remain laser-focused on providing a high level of service to our broker partners. We thank our shareholders for their patience and we look forward to sharing additional details in due course as we continue to execute this realignment over the coming weeks and months. Likewise, we thank our valued mortgage broker partners, funding and insurance partners, and technology providers for their ongoing commitment to Street Capital.”

### **About Street Capital Group Inc. ([streetcapitalgroup.ca](http://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 with the strategic goal of introducing additional retail banking products in the coming years. 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](http://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 and capital 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, except as required by applicable securities laws. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our expectations will materialize.

## For further information, please contact:

### Jonathan Ross

LodeRock Advisors Inc., Inv. Relations

[jon.ross@loderockadvisors.com](mailto:jon.ross@loderockadvisors.com)

(416) 283-0178