

HOMEQ Corporation Annual and Special Meeting

May 2010



TRANSFORMING
OUR BUSINESS...



Welcome

A low-angle photograph of three modern skyscrapers with glass facades, reaching towards a clear blue sky. The buildings are viewed from a perspective that makes them appear to converge towards the top of the frame.

Steven Ranson, President and CEO

Forward Looking Statement and Non-GAAP Disclaimer



HOMEQ Corporation (“HOMEQ”) uses a number of financial measures to assess its performance. Some measures are calculated in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”), such as net interest income. Other measures are not defined by GAAP and do not have standardized meanings or similar measures used by other companies. HOMEQ believes that the non-GAAP items provide the reader with additional understanding of how management views HOMEQ’s performance.

HOMEQ from time to time makes written and verbal forward-looking statements about business objectives, operations, performance, and financial condition, including, in particular, the forecast of anticipated dividend policy and the likelihood of HOMEQ’s success in developing and expanding its business. These may be included in HOMEQ’s or its predecessor’s Annual Reports, quarterly reports, regulatory filings, reports to shareholders, press releases, presentations and other communications.

These forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of HOMEQ. Actual results may differ materially from those expressed or implied by such forward-looking statements including but not limited to risks related to capital markets and additional funding requirements, fluctuating interest rates, asset quality and rates of default as well as those factors discussed in HOMEQ’s documents filed on SEDAR. HOMEQ does not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time.

2009 Transformation



HOMEQ Corporation

Income Trust prior to June, 2009
TSX: HEQ



HomEquity Bank

Schedule I Bank Charter October 13, 2009



CHIP Home Income Plan

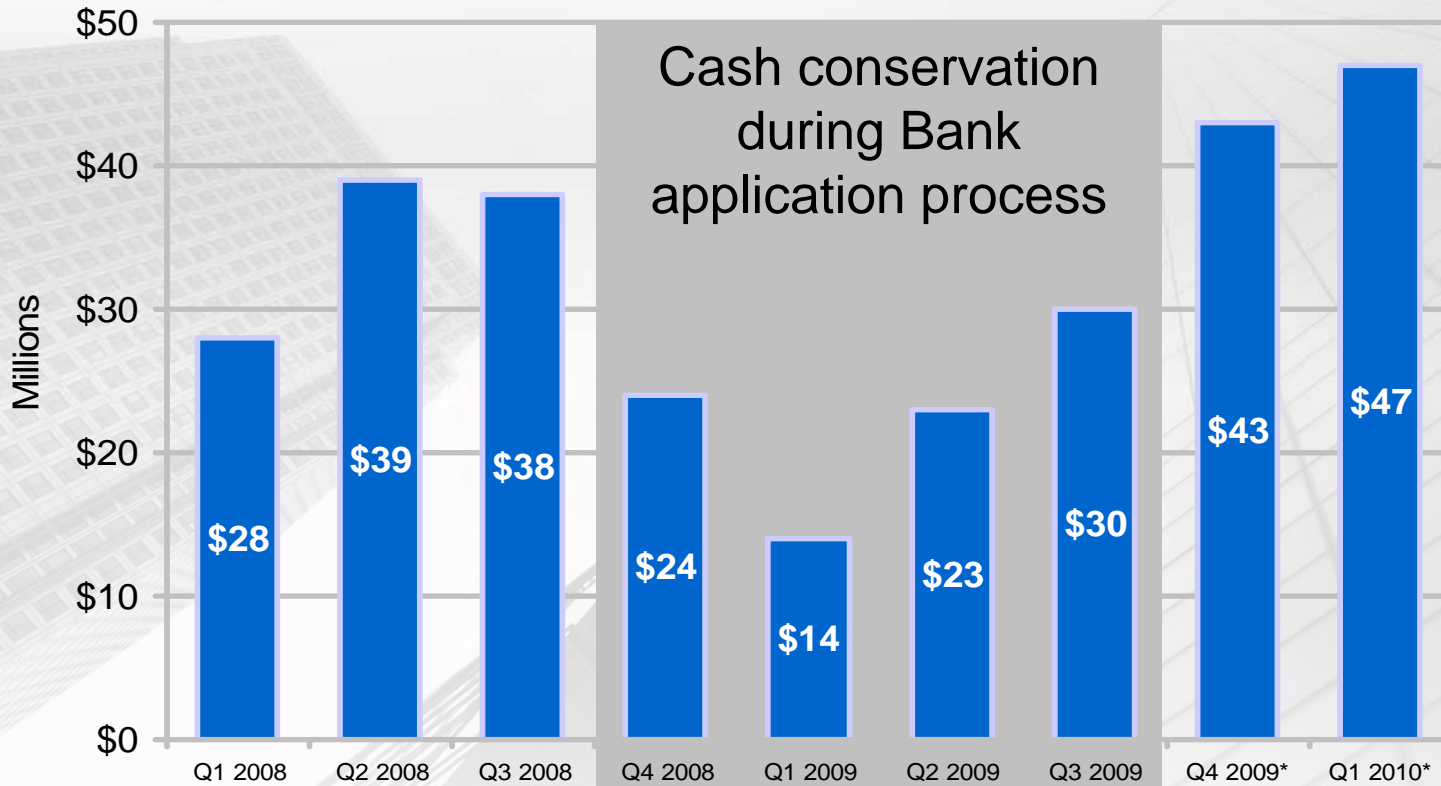
Offered since 1986

Business Results



**Gary Krikler,
Senior Vice President and CFO**

New Mortgages Originated

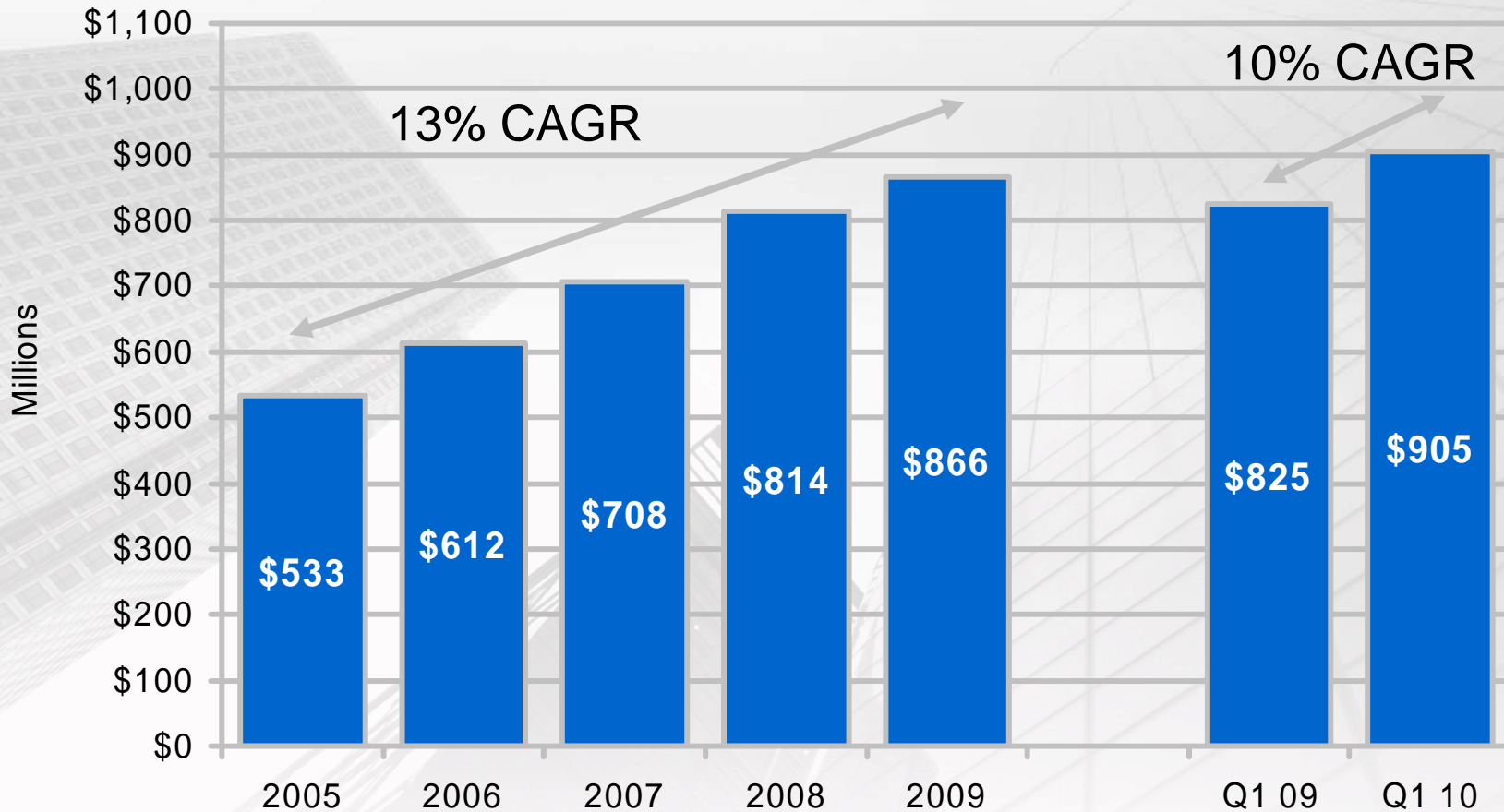


* Back-to-back record quarters

Total Mortgages Outstanding



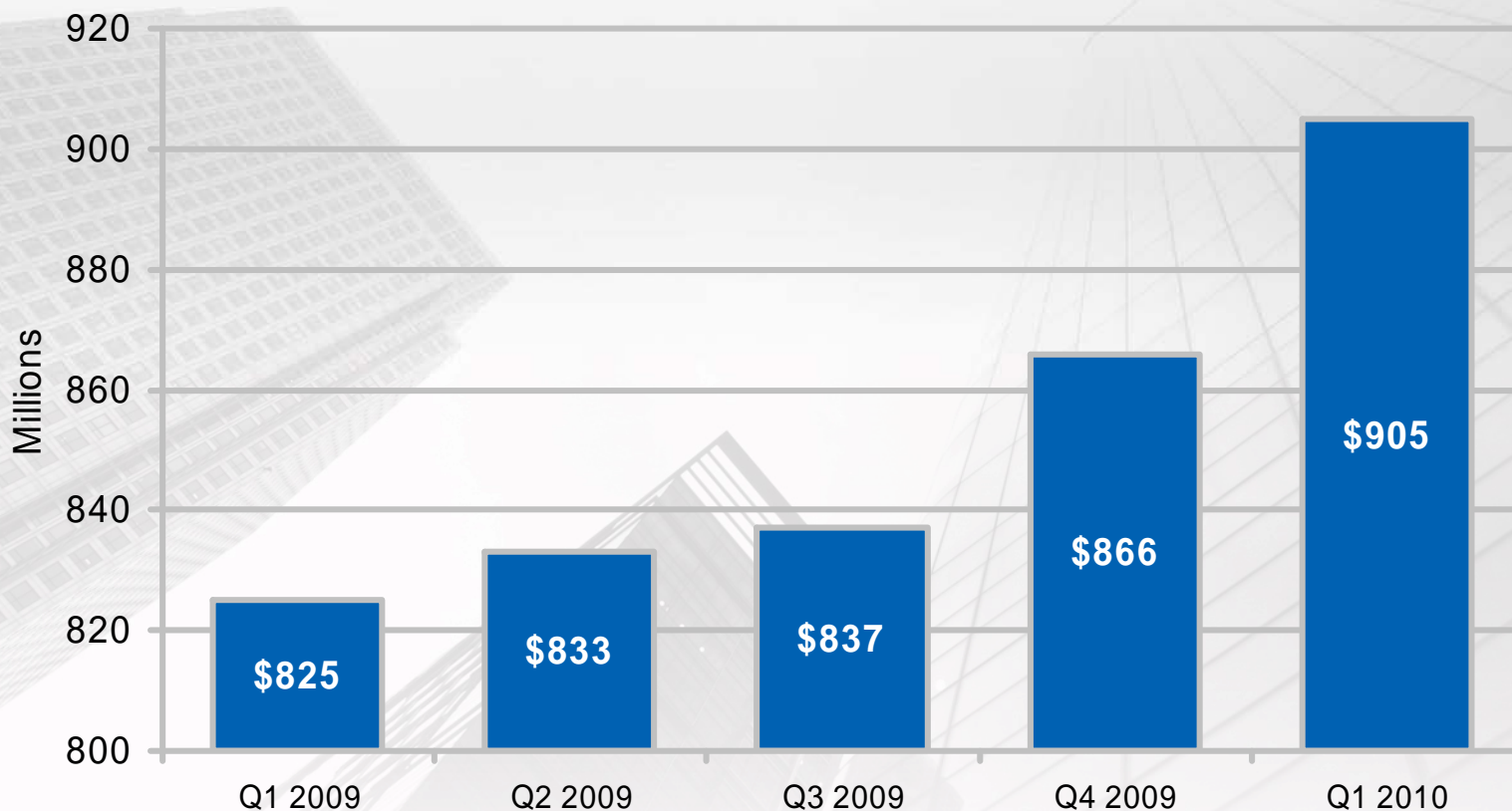
\$905 Million at March 31, 2010



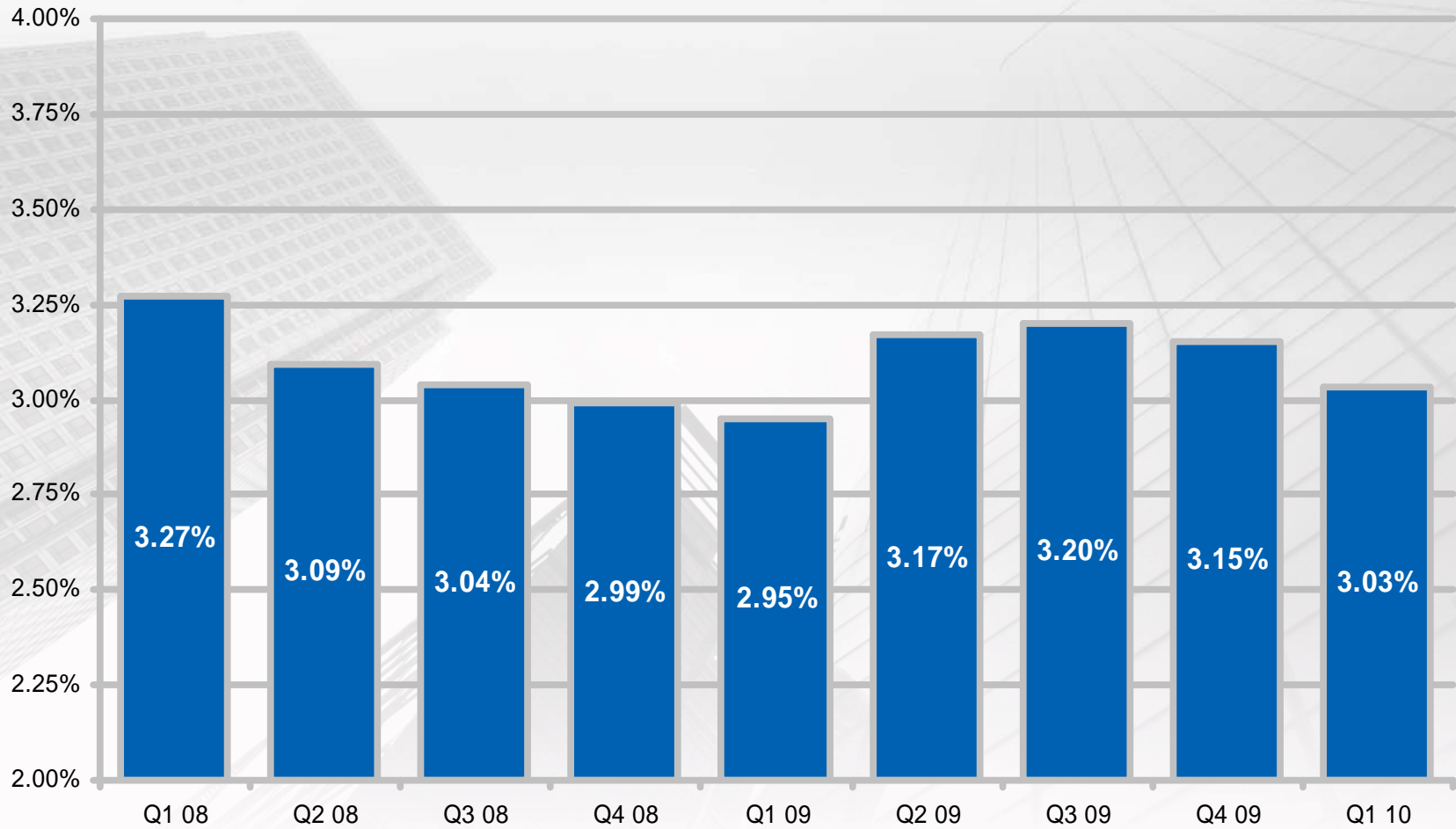
Portfolio Growth



Portfolio per Quarter



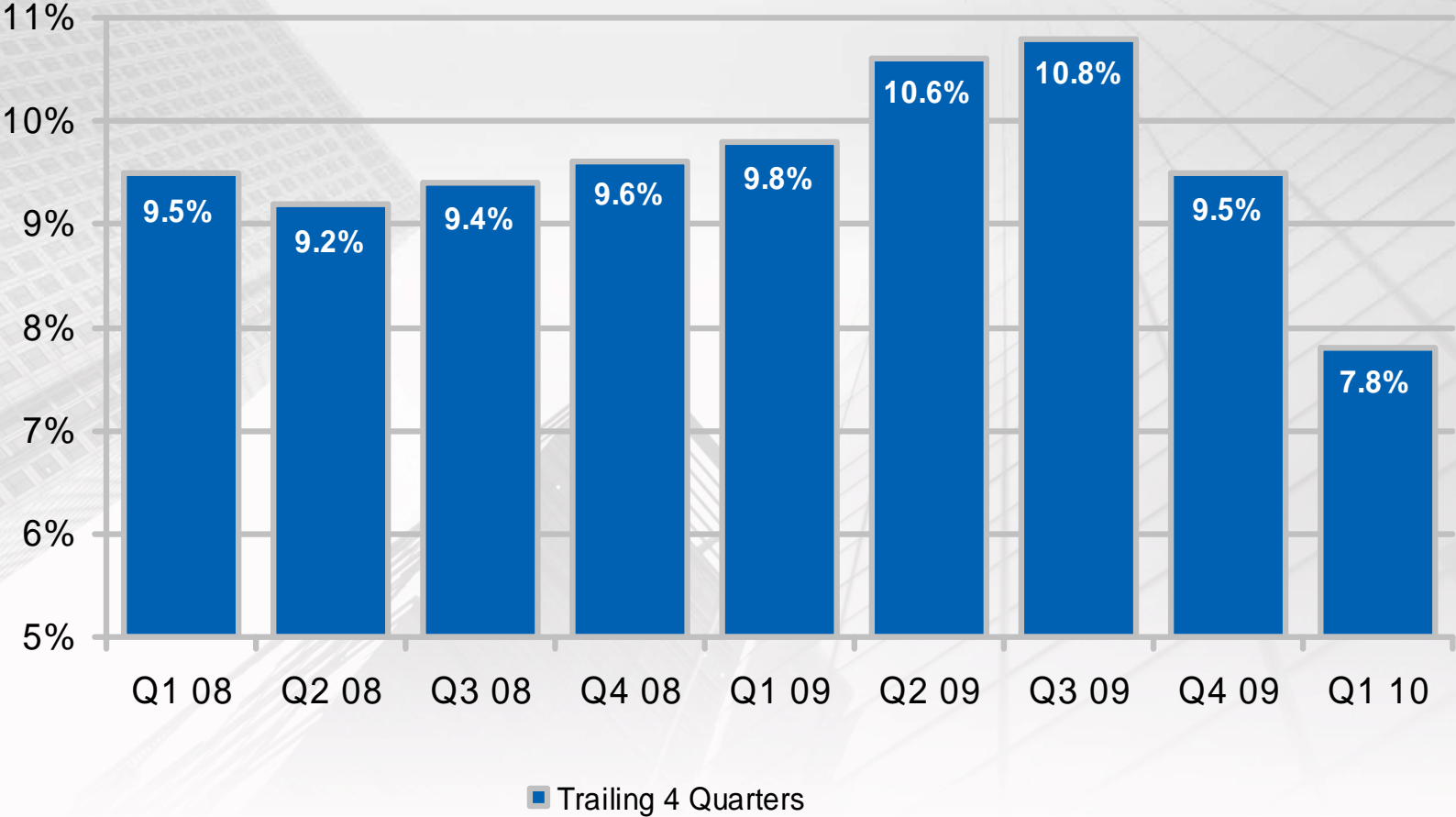
Net Interest Rate Spread



Operational Efficiency



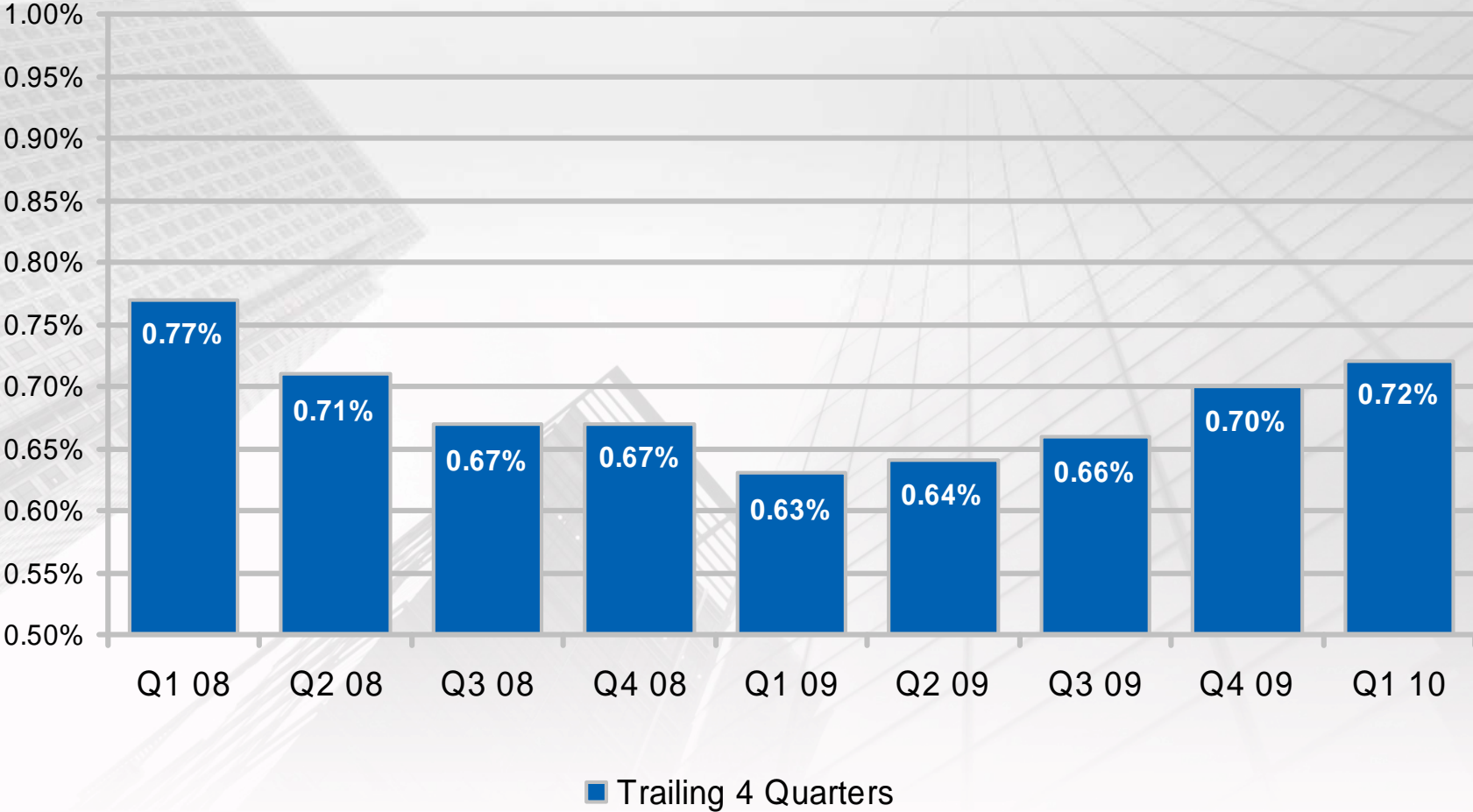
Origination Costs as a % of Originations



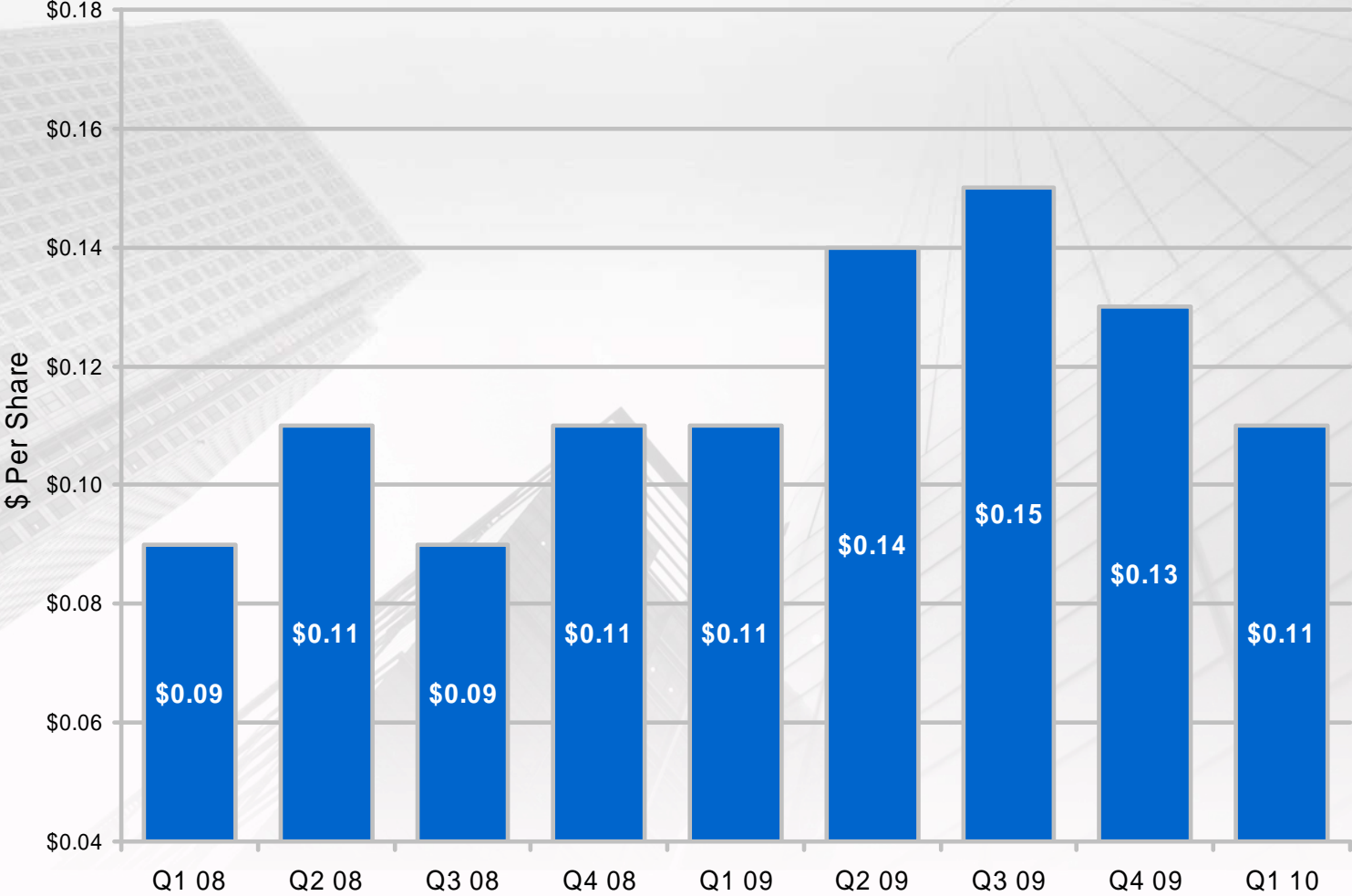
Operational Efficiency



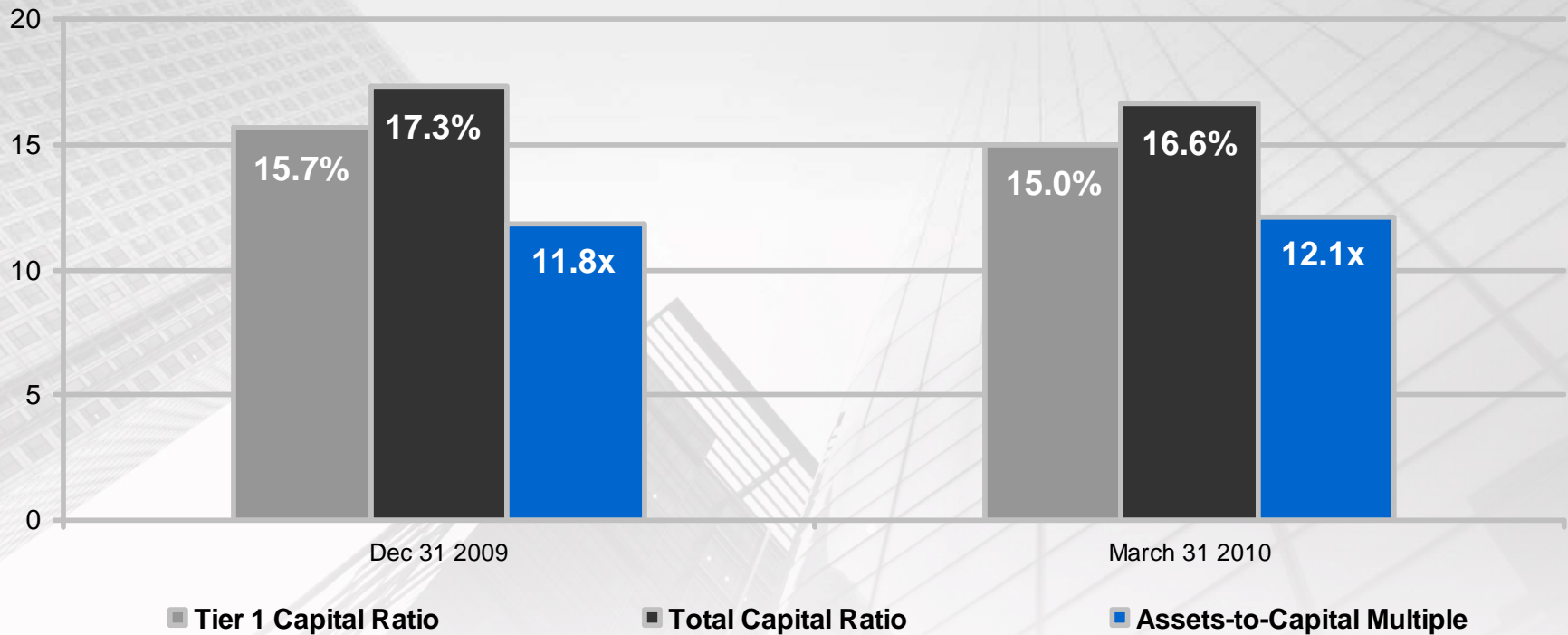
Administration expense as a % of Total Mortgages



Adjusted Net Income Per Share



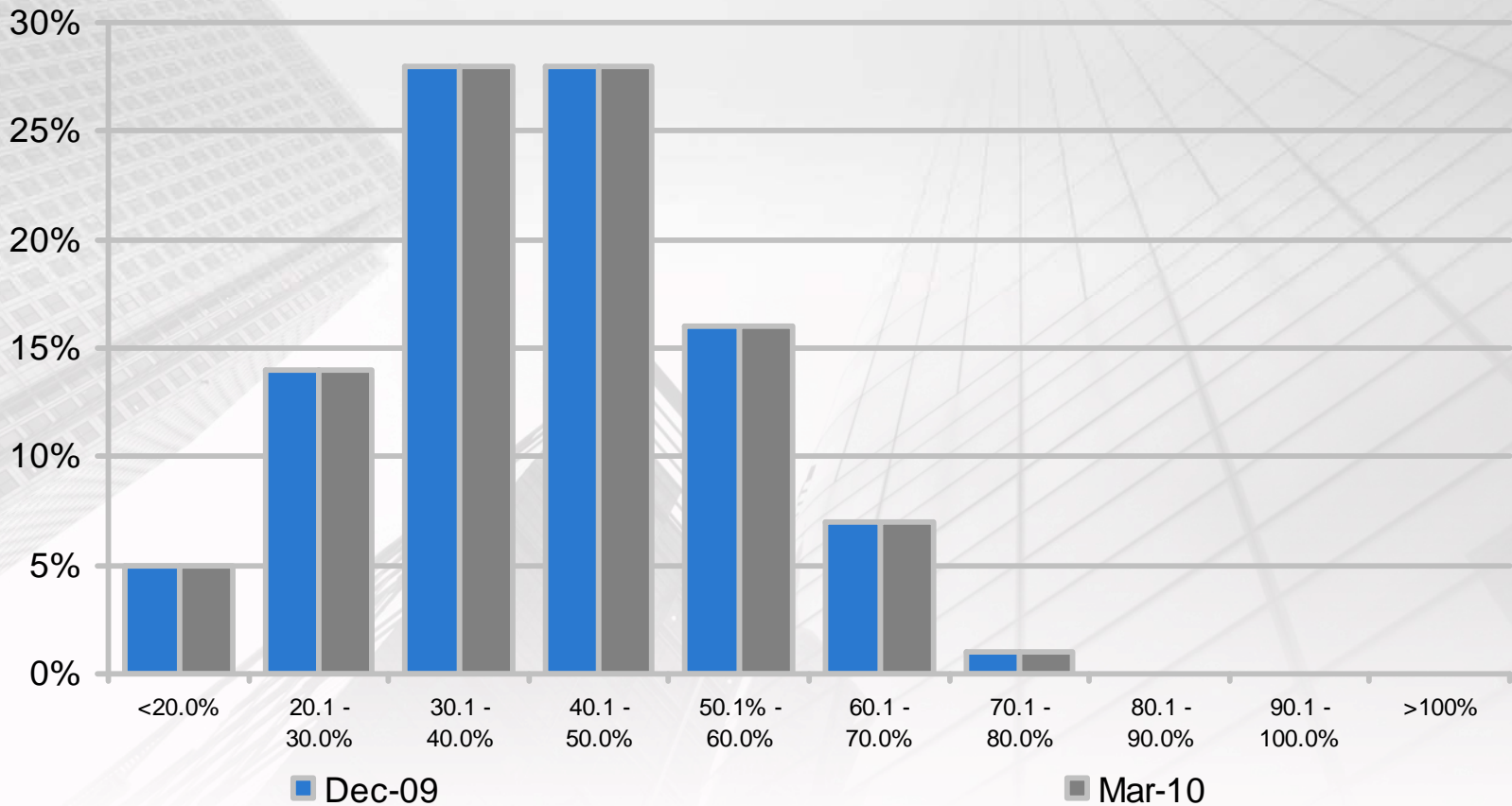
HomeEquity Bank Capital Ratios



Loan-to-Value Analysis



Percentage of Total Mortgage Balance



HomEquity Bank: Positioned for Growth



**Greg Bandler,
Senior Vice President, Sales and Marketing**

Building on a Solid Foundation



- Enhanced credibility in the marketplace
- Strong sales and marketing
- Wider acceptance
- Improved conversion
- Origination and portfolio growth
- Lower origination cost

Diversified and Balanced Distribution Model



Direct to Consumer

- Direct Response TV (DRTV)
- Internet
- Direct Mail
- Supported by internal Call Centre and Inside Sales Specialists

Referral Network

- Banks
- Mortgage Brokers
- Independent Wealth Management organizations
- Supported by a national network of Business Development Managers

National Referral Network



- Established referral partnerships with chartered banks and financial services organizations
- HOMEQ is a value-added service partner providing a unique solution to partners' under-serviced client base



Cost-Effective, Competitive Pricing



Term	HomEquity Bank Rate*	Comparative Posted Rate	Comparative Product
Variable	3.75% (3.25%)	3.25%	HELOC
5 Year	6.75% (6.25%)	6.25%	Conventional Mortgage

* Interest payment discounts reduce the cost of borrowing by an additional 50 bps

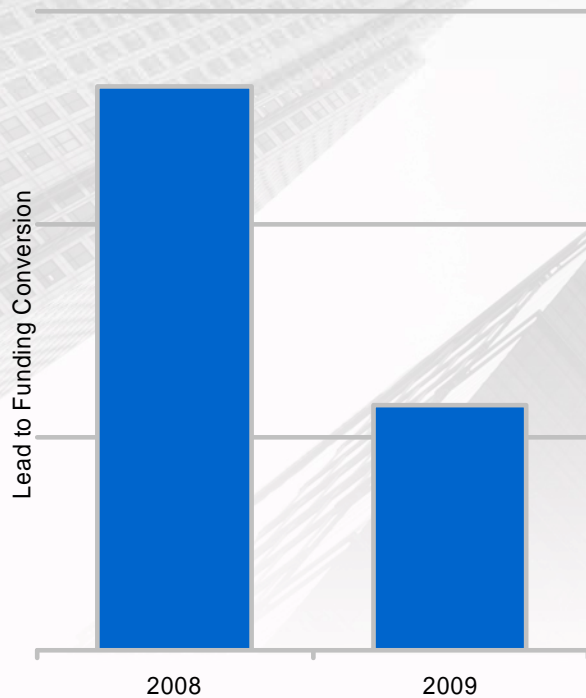
Improved Conversion



- Conversion ratios for leads have shown significant improvement over historical levels since the introduction of the new pricing model
- Business growth on same infrastructure and controlled marketing spend resulting in a reduced origination cost

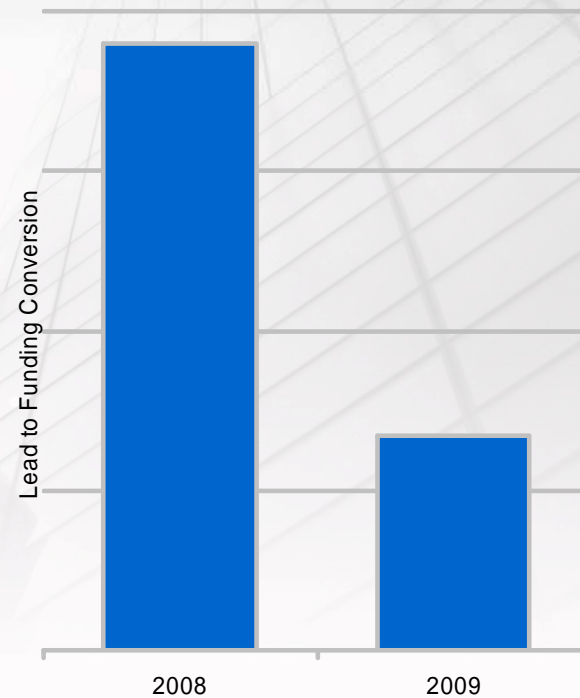
Referred Conversion

Lead to Close: 130% Improvement



Consumer Conversion

Lead to Close: 184% Improvement



Data for Nov 1 to Jan 31 as at April 15 of the following year

Typical Customer Profile

- Couple in mid-seventies
- Grown children
- Retired for 10 years
- Own home with value of approximately \$400,000
- Desire additional cash flow
- Live in a major Canadian urban centre



Outlook and Growth Strategy

A low-angle photograph of several modern skyscrapers with glass facades, reaching towards a clear blue sky. The perspective is from the ground looking up, creating a sense of height and scale.

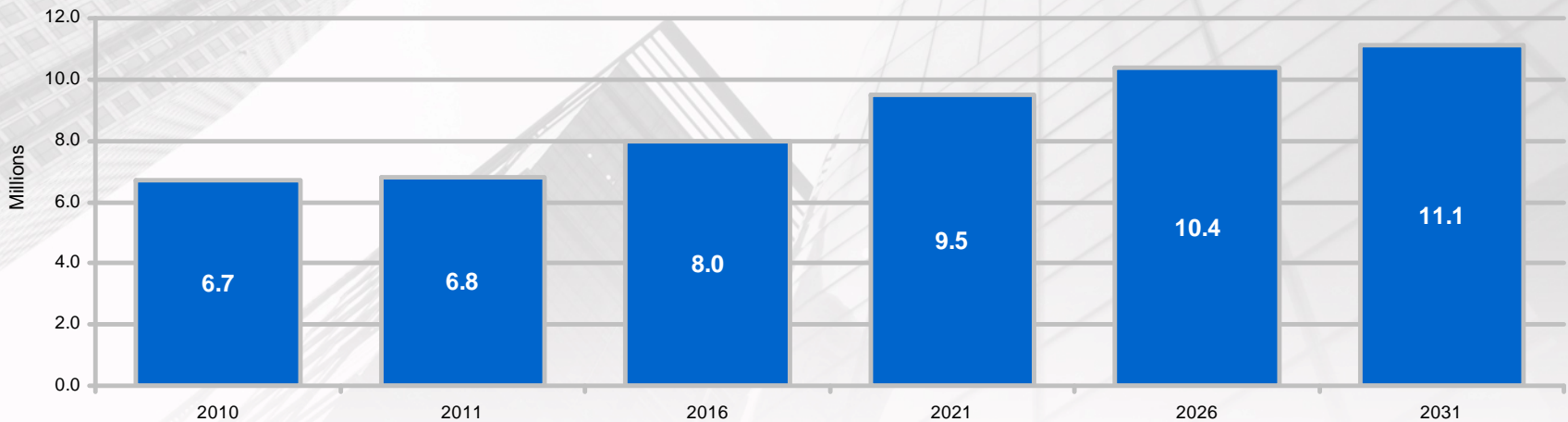
Steven Ranson, President and CEO

Canada's Fastest Growing Market Segment



- Seniors are the fastest growing segment of Canada's population
 - 19% growth in the next 6 years
 - Seniors will represent over 23% of Canada's population by 2016
 - The first baby boomers are now over 60

Canadians 60 and over



Canada's Fastest Growing Challenge



Living longer, saving less and spending more

- For a 65-year old couple, there is a 1-in-2 chance that one of them will reach the age of 92 ¹
- Average Canadian between the ages of 55 and 65 has less than \$125,000 in their RRSP ²
- 68% of pre-retirees expect to carry debt into retirement ³

¹ Fidelity Investments Viewpoint – Retirement Issues Consumer Research Report, 2003

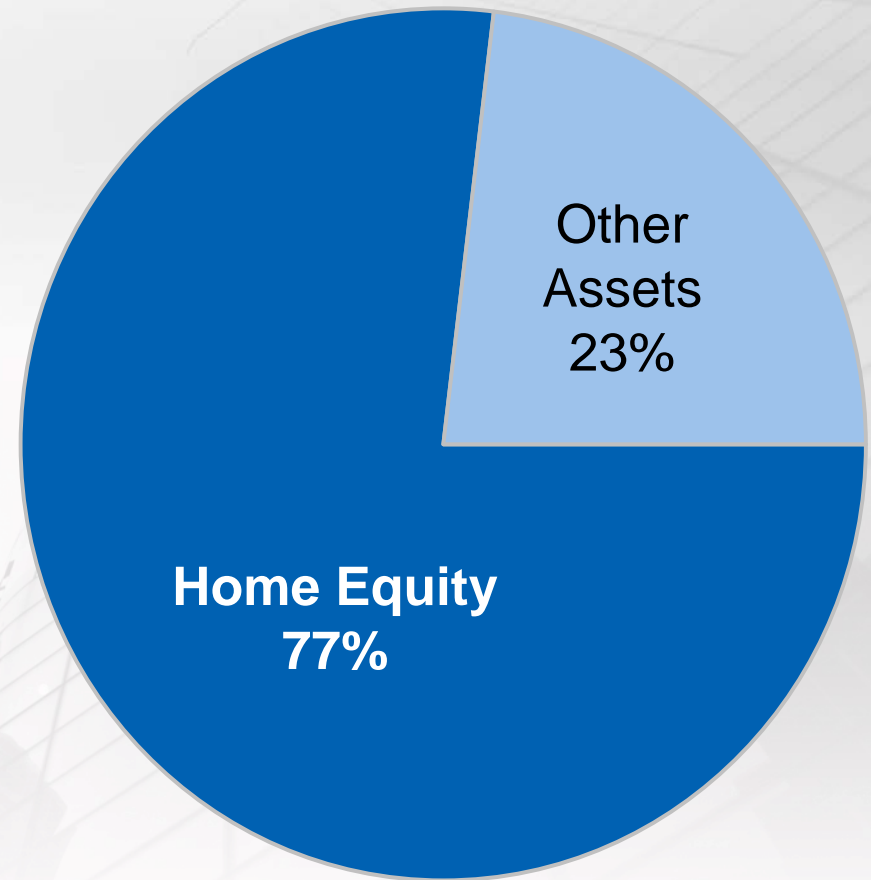
² Advisor's Edge Report, February 2007 and Statistics Canada

³ The BMO Retirement Trends Study, October, 2005

Canada's Fastest Growing Opportunity



- 77% of a senior's net worth is home equity ⁴
- 17% view their home as their retirement fund ⁵
- 84% of seniors don't want to sell and move ⁶

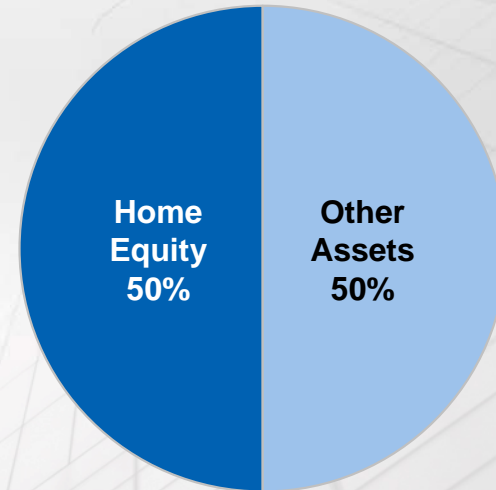
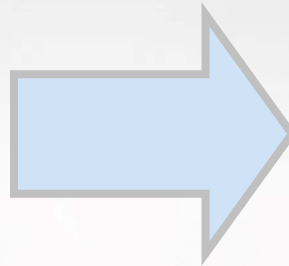
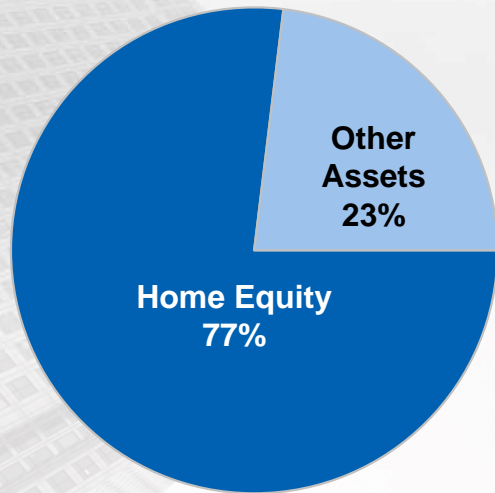


⁴ Finances in Golden Years, Statistics Canada 2003

⁵ Ipsos Reid 2005

⁶ Decima Research 2005

CHIP Home Income Plan is the Solution



Traditional Mix:

- May not generate enough income
- Pressure to run down other assets prematurely

Rebalanced Asset Mix:

- Opportunity to invest for income
- Preservation of investment assets
- Tax free asset transfer and potential for tax minimization

Operating Structure Fuels Business Growth



Business Growth

- Passing on cost savings

Enables

- Mainstream solution

Enables

- Agile but bigger entity with flexibility

Enables

- From niche offering to a mainstream solution
 - Drives higher conversion through multiple distribution channels
- Aggressively challenging competitive substitutes, while building the brand and portfolio
 - The larger the portfolio and the stronger the brand, the more opportunity for up-sell and cross-sell
 - Significant barrier to entry to potential direct competitors
- Improves profitability
 - Leverage existing business platforms on a larger scale

HOMEQ: 2010 Outlook



- Forecasting originations of between \$180 and \$200 million in 2010 (64% to 82% improvement on 2009 results)
- Spread maintained at recently achieved levels of 3.00% to 3.15%
- Significantly enhanced origination efficiency driven by experienced sales force, targeted marketing programs, and improved conversion
- Adjusted net income per share will be approximately equal to 2009

HOMEQ: Solid Investment for Growth



- Canada's only national originator of reverse mortgages
 - Over 20 years of reverse mortgage experience
 - Established proprietary platforms
- Meeting large and growing demand for retirement funding solutions
 - Favourable demographic trends
 - Demonstrated growing market demand for income in retirement
- Strong financial position with access to cost effective, diversified funding
 - Canada's only new Schedule I Bank in the last 18 months
- Well positioned for future growth
 - Transformation from a niche product to a mainstream solution driven by aggressive sales & marketing coupled with competitive pricing



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