

PRESS RELEASE



FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

TSX Symbol FC

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION ANNOUNCES Q4/2015 RESULTS

March 29, 2016, TORONTO, CANADA – Firm Capital Mortgage Investment Corporation (the “Corporation”) (TSX FC) today released its financial statements for the three and twelve months ended December 31, 2015.

HIGHLIGHTS

FOURTH QUARTER STRONG INCREASE IN PROFIT

Profit for the quarter ended December 31, 2015 increased by 9% to \$5,376,207 as compared to \$4,942,120 for the same period in the prior year. Profit for the year ended December 31, 2015 of \$20,081,258 represents a 3% increase over the comparable year ended 2014 year of \$19,510,113. Basic weighted average profit per share for the quarter ended December 31, 2015 was \$0.265, which is 8% higher than the \$0.245 per share reported for the three months ended December 31, 2014. Basic weighted average profit per share for the year ended December 31, 2015 was \$0.991, which is slightly higher compared to the \$0.976 per share reported for the year ended December 31, 2014. The Corporation distributed 100% of its profits for 2015.

INCREASED DIVIDENDS

For the fourth quarter and year ended December 31, 2015, the Corporation declared dividends totaling \$0.289 and \$0.991 per share versus \$0.268 and \$0.970 per share for the fourth quarter and year ended December 31, 2014. The December, 2015 special dividend was 5.5 cents per share.

SIGNIFICANT 17% YEAR OVER YEAR PORTFOLIO GROWTH

The Corporation’s investment portfolio (the “Investment Portfolio”), as at December 31, 2015 increased by \$59.2 million to approximately \$398.7 million as compared to \$339.5 million as at December 31, 2014 (net of the impairment provision of \$4.23 and \$3.36 million respectively).

SHORT TERM PORTFOLIO WITH HUGE ANNUAL TURNOVER

In 2015, the Investment Portfolio repayments totaled \$285 million with new investments during the year totaling \$345 million. This turn is the key to our investment approach and the measure of its success.

RETURN ON EQUITY

The Corporation continues to exceed its yield objective of producing a return on shareholders’ equity in excess of 400 basis points over the average one year Government of Canada Treasury bill yield. Profit for the quarter ended December 31, 2015 represents an annualized return on shareholders’ equity (based on the month end average shareholders’ equity in the quarter) of 10.18%, representing return on shareholders’ equity of 969 basis points per annum over the average one year Government of Canada Treasury bill yield of 0.49%.

PRUDENT IMPAIRMENT PROVISION

Management has always taken a proactive approach to allowance provision reserves. This is a prudent approach to protecting the stability of dividends to shareholders in the event there are any future issues with any of the investments within the Corporation’s investment portfolio. The impairment provision was increased by \$870,000 during 2015 to \$4,230,000 as at December 31, 2015, and represents 1.05% of the investment portfolio balance.

INVESTMENT PORTFOLIO DETAILS

Details on the Corporation’s investment portfolio as at December 31, 2015 are as follows:

- Total gross investment portfolio of \$402,919,638, which is an 18% increase over December 31, 2014.

- Conventional first mortgages, being those first mortgages with loan to values less than 75%, comprise 71% of our total portfolio, and total conventional mortgages with loan to values under 75% comprise 81% of our total portfolio.
- Approximately 65% of the portfolio matures by December 31, 2016.
- The average face interest rate on the portfolio is 8.19% per annum.
- Regionally, the portfolio is diversified approximately as follows: Ontario (72%), Quebec (11%), Alberta (11%) and Other (6%).

DIVIDEND AND SHARE PURCHASE PLAN

The Corporation has in place a Dividend Reinvestment Plan (DRIP) and Share Purchase Plan that is available to its Shareholders. The plan allows participants to have their monthly cash dividends reinvested in additional shares at a 2% discount to market price, if higher than \$12.50 of the weighted average trading price calculated five trading days immediately preceding each dividend date with no commission cost and grants participants the right to purchase, without commission, additional shares, up to a maximum of \$12,000 per annum.

About The Corporation

The Corporation, through its mortgage banker, Firm Capital Corporation, is a non-bank lender providing residential and commercial short-term bridge and conventional real estate financing, including construction, mezzanine and equity investments. The Corporation's investment objective is the preservation of shareholders' equity, while providing shareholders with a stable stream of monthly dividends from investments. The Corporation achieves its investment objectives through investments in selected niche markets that are under-served by large lending institutions. The Corporation is a Mortgage Investment Corporation (MIC) as defined in the Income Tax Act (Canada). Accordingly, the Corporation is not taxed on income provided that its taxable income is paid to its shareholders in the form of dividends within 90 days after December 31 each year. Such dividends are generally treated by shareholders as interest income, so that each shareholder is in the same position as if the mortgage investments made by the company had been made directly by the shareholder. Full reports of the financial results of the Corporation for the year are outlined in the audited financial statements and the related management discussion and analysis of Corporation, available on the SEDAR website at www.sedar.com. In addition, supplemental information is available on Corporation's website at www.firmcapital.com.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning our objectives, our strategies to achieve those objectives, our performance, our mortgage portfolio and our distributions, as well as statements with respect to management's beliefs, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

These statements are not guarantees of future performance and are based on our estimates and assumptions that are subject to risks and uncertainties, including those described in the Corporation's Annual Information Form under "Risk Factors" (a copy of which can be obtained at www.sedar.com). Those risks and uncertainties include, among others, risks associated with mortgage lending, dependence on the Corporation's manager and mortgage banker, competition for mortgage lending, real estate values, interest rate fluctuations, environmental matters, shareholder liability and the introduction of new tax rules. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information include, among others, that the Corporation is able to invest in mortgages at rates consistent with rates historically achieved; adequate mortgage investment opportunities are presented to the Corporation; and adequate bank indebtedness and bank loans are available to the Corporation. Although the forward-looking information continued in this new release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results and performance will be consistent with these forward-looking statements.

All forward-looking statements in this news release are qualified by these cautionary statements. Except as required by applicable law, the Corporation undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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