

Timbercreek Financial (TSX: TF)

Investor Fact Sheet, December 31, 2017

About Timbercreek Financial

Timbercreek Financial is a leading non-bank lender providing shorter-duration, structured financing solutions to commercial real estate investors. Our sophisticated, service-oriented approach allows us to meet the needs of borrowers, including faster execution and more flexible terms that are not typically provided by Canadian financial institutions. Our borrowers are willing to accept higher rates and fees for this customization as it provides them with the ability to execute on investment opportunities.

Investment Highlights

- **Large and growing opportunity in commercial mortgage market**
 - \$215B market in Canada, with ~\$44B in annual originations¹
- **Strong track record and a best-in-class team**
 - \$4.5B in mortgage originations across 465+ transactions
 - seasoned team with strong relationships and deal flow
 - supported by Timbercreek Asset Management Inc., which together with its affiliates, is an owner and manager of global real estate with over \$7.5B² in total assets under management
- **Strong and stable risk-adjusted yield**
 - \$1.2B portfolio well diversified by geography, borrower and asset type
 - ~7.5% annualized dividend yield

Share Information

Monthly Dividend	\$0.0575/share
Annualized Dividend Yield³	~7.5%
Market Cap³	\$700+ million
Outstanding Shares⁴	74.3 million
Analyst Coverage	National Bank Financial Raymond James TD Securities

Strategic Priorities

Preserve investor capital and provide strong risk-adjusted returns to investors by:

- lending primarily against income-producing commercial real estate
- mitigating concentration risk by diversifying geographically, by asset type and borrower
- maintaining conservative loan-to-value ratios
- passing all lender fees through to investors

\$1.1B
Net Mortgage
Investments
(excluding syndications)

93.0%
Percentage
of First Mortgages

86.7%
Mortgages Secured by
Income Properties

66.0%
Weighted Average
Loan-to-Value

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Our Business: Real Estate Lending

- We provide customized, short-term financing solutions to qualified real estate investors who typically use these loans for a period of one to five years for:
 - capital improvements/redevelopment of a property
 - the purchase of another property
- Loans are typically repaid using:
 - conventional mortgage funding from a financial institution or proceeds from the sale of the property
- Canadian financial institutions not focused on smaller, shorter-term commercial mortgages and normally can't provide the customization
- Borrowers are willing to accept higher rates and fees for this customization as it provides them with:
 - the ability to execute quickly on real estate investment opportunities,
 - early repayment privileges,
 - structured solutions including the option to use multiple properties as security and
 - potentially lower monthly payments

Loan Allocations by Asset Type ⁶	%
Multi-residential	50.1
Retail	14.1
Retirement	9.3
Hotels	8.2
Office	7.1
Unimproved Land	7.0
Industrial	2.1
Other-residential	1.5
Self-storage	0.5
Single-family residential	0.1

Loan Allocations by Region ⁶	%
Ontario	55.0
Quebec	13.5
British Columbia	12.2
Alberta	12.1
Saskatchewan	3.6
Nova Scotia	1.6
All Others	2.0

Commercial Mortgage Comparison

Timbercreek Customized Mortgages	vs.	Canadian Financial Institutions Conventional Mortgages
Smaller Deals (\$1M - \$50M)		Larger Deals (\$50M+)
Quicker Execution (< 1 month)		Lengthy Approval / Funding Period (2-3 months)
Shorter Term (3 months - 5 years)		Standard Terms (5-10 years)
Primarily Interest-Only		Principal Repayment plus Interest
70-85% Loan-to-Value		Up to 60% Loan-to-Value

Q4 2017 Financial Highlights

- Net investment income of \$23.2 million
- Total net income and comprehensive income of \$12.9 million
- Basic and diluted earnings per share of \$0.17
- Distributable income per share of \$0.18
- Weighted average interest rate on net mortgage investments of 6.9%

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