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Attention Business/Financial Editors:

BUILDERS CAPITAL MORTGAGE CORP. REPORTS 2015 THIRD QUARTER RESULTS

Company posts record comprehensive income, continues to enhance geographic diversification

CALGARY, ALBERTA -- (Marketwired – November 19, 2015) – Builders Capital Mortgage Corp. (TSX VENTURE: BCF) (Builders Capital or the company) today released financial results for the three and nine months ended September 30, 2015. The three-month period represents the third quarter of the company's 2015 fiscal year and its seventh full quarter as a publicly traded mortgage investment corporation (MIC).

"We are pleased with our financial results for the third quarter," said Sandy Loutitt, President of Builders Capital. "While the economic difficulties that our primary Southern Alberta marketplace continues to experience due to declining oil prices have definitely impacted our business, we have maintained a full mortgage book, with a 35% capital turnover rate for the three months. On an annualized basis, this equates to a full turnover of invested capital every 8.5 months, slightly ahead of our targeted nine-month capital turnover rate."

"We have also strengthened our geographic diversification," Loutitt continued. "A year ago, our mortgage portfolio was entirely based in Alberta, with a 70% concentration in Calgary. Today, Alberta accounts for 83% of our portfolio and mortgages in Calgary have been reduced to 55% of the total value. We are continuing to work diligently to geographically diversify our mortgage holdings in Alberta, and to increase our holdings in British Columbia and Saskatchewan, which currently account for 8% and 9% of the portfolio, respectively."

Third Quarter Financial Results

In the third quarter, Builders Capital generated mortgage revenue of $967,000, representing annualized gross revenue of 15.7% of the weighted average gross share capital, up from $899,000, or 14.7% in the same period in 2014. This year's Q3 revenue consisted of $881,000 in interest and $86,000 in lender fees charged to borrowers. Third quarter lender fee revenue exceeded management fees by $24,776, or 40%.

Consistent with expectations, third quarter operating expenses, excluding a provision for mortgage losses and interest, were $79,285, or 8.2% of revenue. This compares favourably to 2014 Q3 operating expenses of $82,342, which represented 9.2% of revenue.

Management set aside $70,476 to provide for loan losses for the three months. This amount was based on an analysis of historical bad debts by Builders Capital Management Corp., which manages Builders Capital's mortgage portfolio, as well as current analysis of the construction finance marketplace. This is a collective provision and does not relate to any individual mortgage. No write-downs were recorded against the company's accumulated allowance for doubtful loans during the third quarter.

Comprehensive income for the three months was a record $779,000, or $0.32 per share, based on the weighted average number of shares outstanding for the period, up from $731,000, or $0.31 per share, in 2014. This year's Q3 income translates into earnings of $0.53 per Class A Non-Voting Share, compared to $0.50 per Class A Non-Voting Share for the third quarter of 2014. Given the dividend priority granted to Class A Non-Voting Shares held by the public, the effective Class A Non-Voting Share dividend coverage ratio for the quarter was 2.7 times, up slightly from 2.5 times in Q3 2014.

Nine-Month Financial Results

For the year-to-date, mortgage revenue was $2.9 million, representing annualized gross revenue of 15.9% of the weighted average gross share capital, up from $2.6 million, or 14.4% of gross share capital, in 2014. This year's nine-month revenue consisted of $2.6 million in interest and $300,000 in lender fees charged to borrowers. Lender fee revenue for the period exceeded management fees by $73,000, or 40%.

Nine-month operating expenses, excluding funds set aside to provide for mortgage losses and interest, totaled $235,279, or 8.1% of revenue. As with the quarterly result, this compares favourably to last year's nine-month operating expenses of $253,174, which represented 9.9% of revenue. Over the first three quarters of 2015, Builders Capital accumulated $211,335 to provide for loan losses. At September 30, 2015, the company's allowance for doubtful accounts stood at $465,941, including approximately $65,000 earmarked for a mortgage default in the second quarter of the year.

Comprehensive income for the year-to-date was $2.3 million, or $0.95 per share, based on the weighted average number of shares outstanding for the period. This was up from $2.1 million, or $0.87 per share per share, last year. The 2015 income translates into nine-month earnings of $1.59 per Class A Non-Voting Share, compared to $1.48 per Class A Non-Voting Share for the same period of 2014. Given the dividend priority granted to Class A Non-Voting Shares held by the public, the effective Class A Non-Voting Share dividend cover ratio for the nine months was 2.7 times, compared to 2.5 times in 2014.

Mortgage Portfolio

At September 30, 2015, Builders Capital's mortgage portfolio consisted of 36 mortgage loans with an aggregate value of $26.4 million. All mortgage transactions conducted during the quarter were consistent with Builders Capital's tight focus on financing short-term, wood-frame residential construction in strong urban markets. During the three months, mortgages were purchased or funded in the amount of $10.3 million, and $10.6 million was received as proceeds of sale or as repayments on loans. The acquisition of $2 million and sale of $2.9 million in mortgages helped to ensure full cash utilization and create the needed liquidity.

Distributions

On September 21, 2015, based on income for the third quarter, the company's Board of Directors declared a dividend of $0.2016 per Class A Non-Voting Share to shareholders of record on September 30, 2015. This distribution was paid on October 31, 2015. The dividend amount was calculated to provide a cumulative 8% return for the year on the $10.00 initial Class A Non-Voting share price.

Subsequent to the quarter-end, on October 26, 2015, again based on the income for the quarter, the Board declared a dividend of $0.4032 per share to Class B Non-Voting shareholders of record on that date. This distribution was also paid on October 31, 2015.

Outlook

While Builders Capital expects that economic uncertainty in Southern Alberta will continue to slow real estate activity and drive some lenders from the region, the company believes that the current tighter economic environment creates an opportunity to increase its market share.

"A reduction in real estate prices will result in a drop in raw land costs and, as we've begun to see in recent months, a concurrent drop in sub-trade costs as a result of decreased construction activity," said Loutitt. "Accordingly, we expect that margins on new construction will remain viable and we are optimistic that the marketplace, while smaller, will remain profitable."

"Overall, we remain confident that the levels of housing starts forecast by Canada Mortgage and Housing Corporation in our key western Canadian markets are more than adequate to support the growth of our business," continued Loutitt. "Given the size of the marketplace, our current relatively small market share and the opportunities that exist to expand our geographic footprint, we expect to be able to source sufficient quality lending opportunities to keep our capital fully utilized and to continue to deliver attractive returns to shareholders."

Loutitt noted that a slower turnover of the company's invested capital will equate to lower lender fees as mortgages with fixed terms will be more likely to remain outstanding until their full term expires, and the outstanding funds will not be available to write new loans.

Builders Capital has a number of strategies in place to limit its downside risk. By investing only in short-term mortgages, the company maintains the liquidity necessary to preserve capital. It restricts mortgage lending to 75% of what it believes the fair market value of a property at any given time to be, ensuring that it holds at least 25% of the value of the project in owner's equity. In addition, the company takes a general allowance for doubtful accounts each quarter before paying dividends, allowing it to build a cushion of funds to further protect investors. Finally, it takes a cautious approach to leverage and maintains a prudent debt-to-equity ratio.

A more detailed discussion of the company's financial results can be found in Builders Capital's 2015 Third Quarter Management's Discussion and Analysis, which will be posted along with unaudited interim condensed financial statements for the quarter on the company's website (www.builderscapital.ca) and SEDAR (www.sedar.com) on November 19, 2015.

About Builders Capital
Builders Capital is a mortgage lender providing short-term course of construction financing to builders of residential, wood-frame properties in Western Canada. The company was formed on March 28, 2013 but did not commence active operations until December 12, 2013, on the closing of its initial public offering, following which it acquired a portfolio of mortgages from two predecessor companies. Builders Capital's investment objective is to generate attractive returns, relative to risk, in order to provide stable and steady distributions to shareholders while remaining focused on capital preservation and staying within the criteria mandated for mortgage investment corporations, as defined in the *Income Tax Act*.

As a MIC, Builders Capital is not subject to income tax provided that it distributes all of its taxable income as dividends to shareholders within 90 days of its December 31st year-end. Such dividends are generally treated by shareholders as interest income, so that each shareholder is in the same tax position as if their proportionate share of mortgage investments made by the company had been made directly by the shareholder.

Forward-Looking Information
This news release contains forward-looking statements within the meaning of applicable securities legislation, including 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 estimates and assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from the forward-looking statements contained in this news release. These include, among other things, risks associated with mortgage lending, competition for mortgage lending, real estate values, interest rate fluctuations, environmental matters and the general economic environment. The company cautions that the foregoing list is not exhaustive, as other factors could adversely affect its results, performance or achievements. Readers are cautioned against undue reliance on any forward-looking statements. Although the forward-looking information contained in this news release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Except as required by applicable law, Builders Capital 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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