

INVESTOR PRESENTATION 2020 FIRST QUARTER

May 12, 2020

MCAN Mortgage Corporation



FORWARD-LOOKING INFORMATION

This presentation may contain forward-looking information within the meaning of applicable Canadian securities laws, including statements regarding the business and anticipated financial performance of MCAN Mortgage Corporation and its subsidiaries. These statements are based on current expectations, and are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Some of the factors that could cause such differences include legislative or regulatory developments, competition, technology changes, global market activity, interest rates, changes in government and economic policy, general economic conditions in geographic areas where MCAN operates and the impact of, and responses to, COVID-19. Often, but not always, forward-looking information can be identified by the use of words such as “may,” “believe,” “will,” “anticipate,” “expect,” “planned,” “estimate,” “project,” “future,” and variations of these or similar words or other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters.

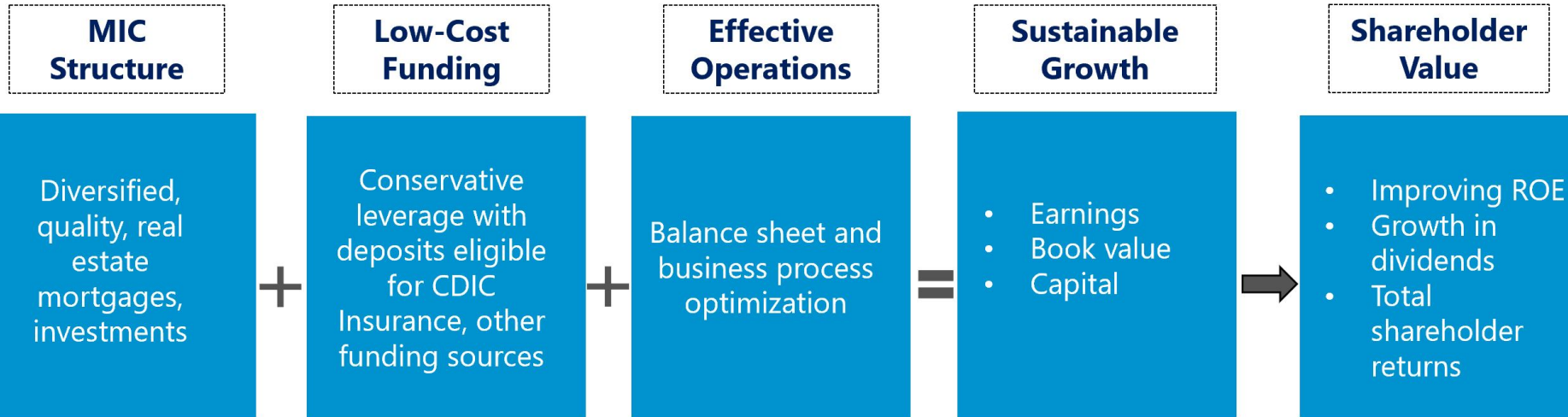
Reference is made to the risk factors disclosed in MCAN’s Management’s Discussion and Analysis of Operations for the quarter ended March 31, 2020 which can be found on SEDAR or at www.mcanmortgage.com. These and other factors should be considered carefully and undue reliance should not be placed on MCAN’s forward-looking statements. Subject to applicable securities law requirements, MCAN does not undertake to update any forward-looking statements.

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BUSINESS OVERVIEW

MCAN BUSINESS



Our focus since founding in 1991

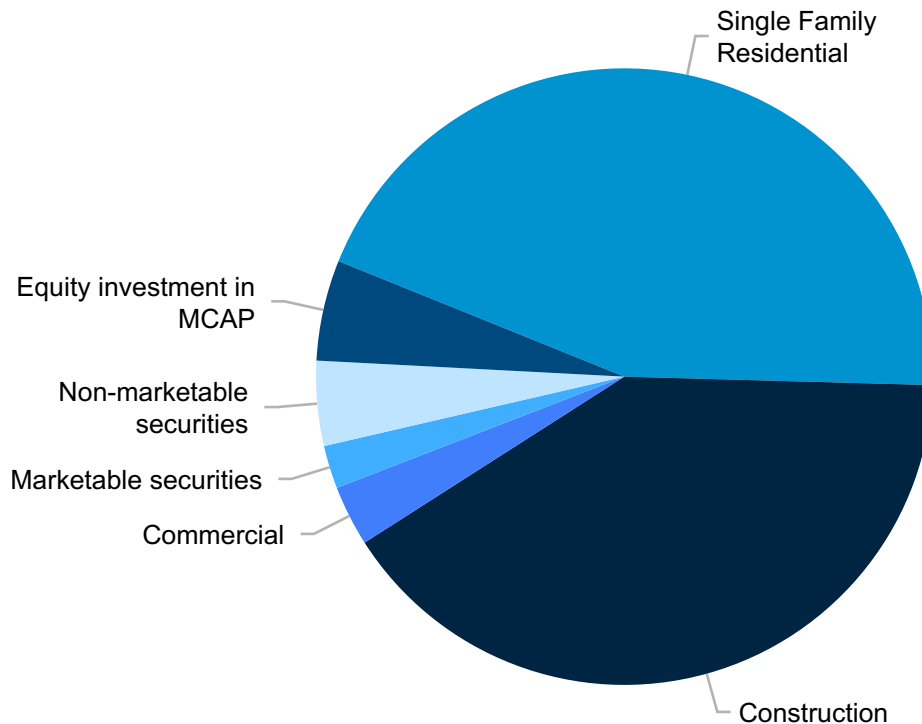
MCAN BUSINESS

COVID-19 Operating Impact

- Successfully moved to remote workforce and operations within one week
- Little to no disruption in operations
- Mortgage payment deferral option of up to six months for those who are eligible
- Strong operating platform, solid liquidity position
- Continued focus on prudent underwriting
- Focus on experienced borrowers in urban markets
- Continued monitoring of economy, operations and markets within which we operate

DIVERSIFIED QUALITY REAL ESTATE INVESTMENTS

MCAN'S Real Estate Investments



\$1.43
Billion Total
Corporate
Assets

\$2.21
Billion
Total Assets

- 12.2 months average term to maturity of the corporate mortgage portfolio
- Data presented as at March 31, 2020

DEPOSIT FUNDING

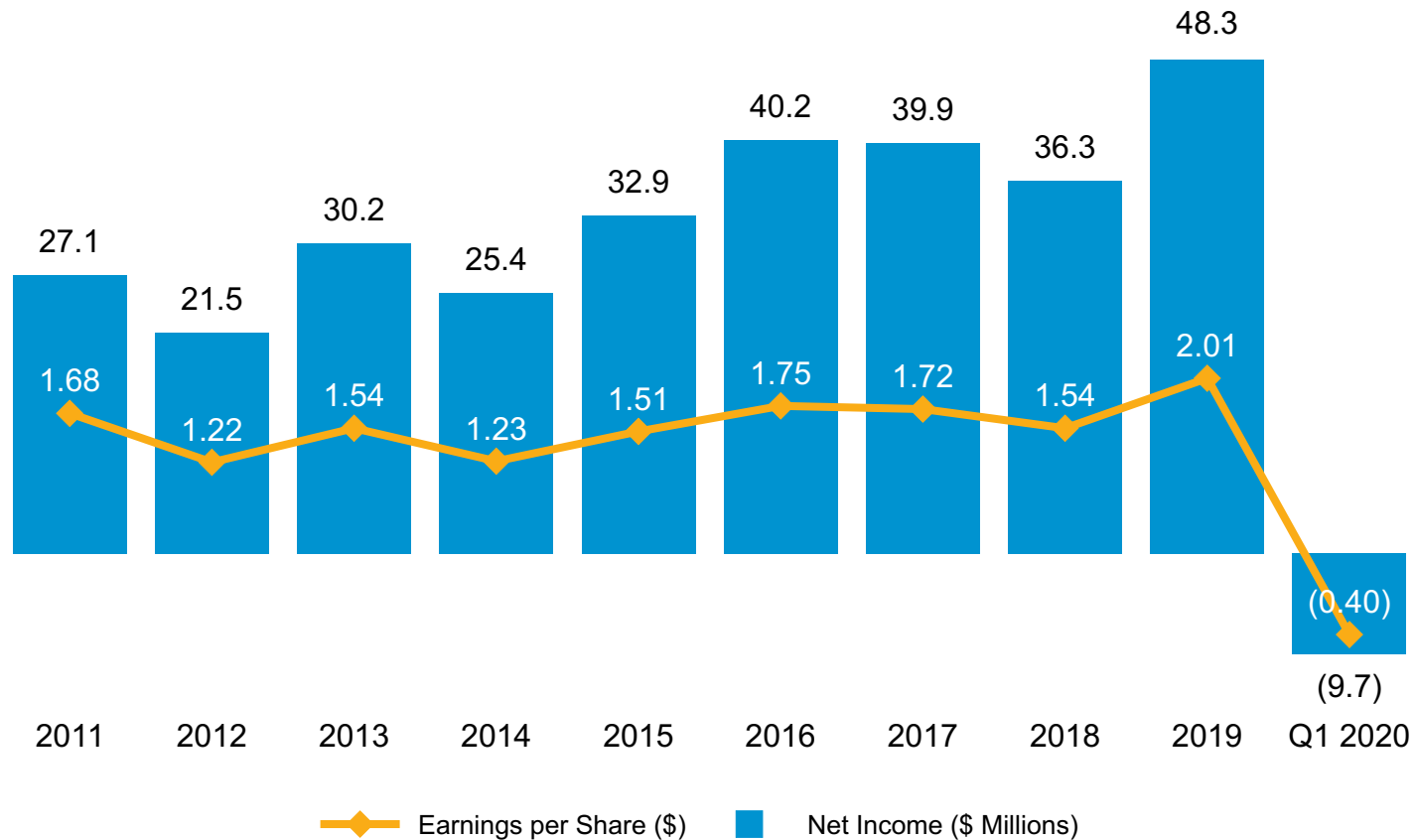
MCAN's Term Deposits:

- Since 1993
- Non-redeemable prior to maturity¹
- Eligible for CDIC insurance coverage
- \$1.11 billion at March 31, 2020
- 17 months average term to maturity



¹ Term deposits are non-redeemable prior to maturity except in the event of the death of a depositor or financial hardship

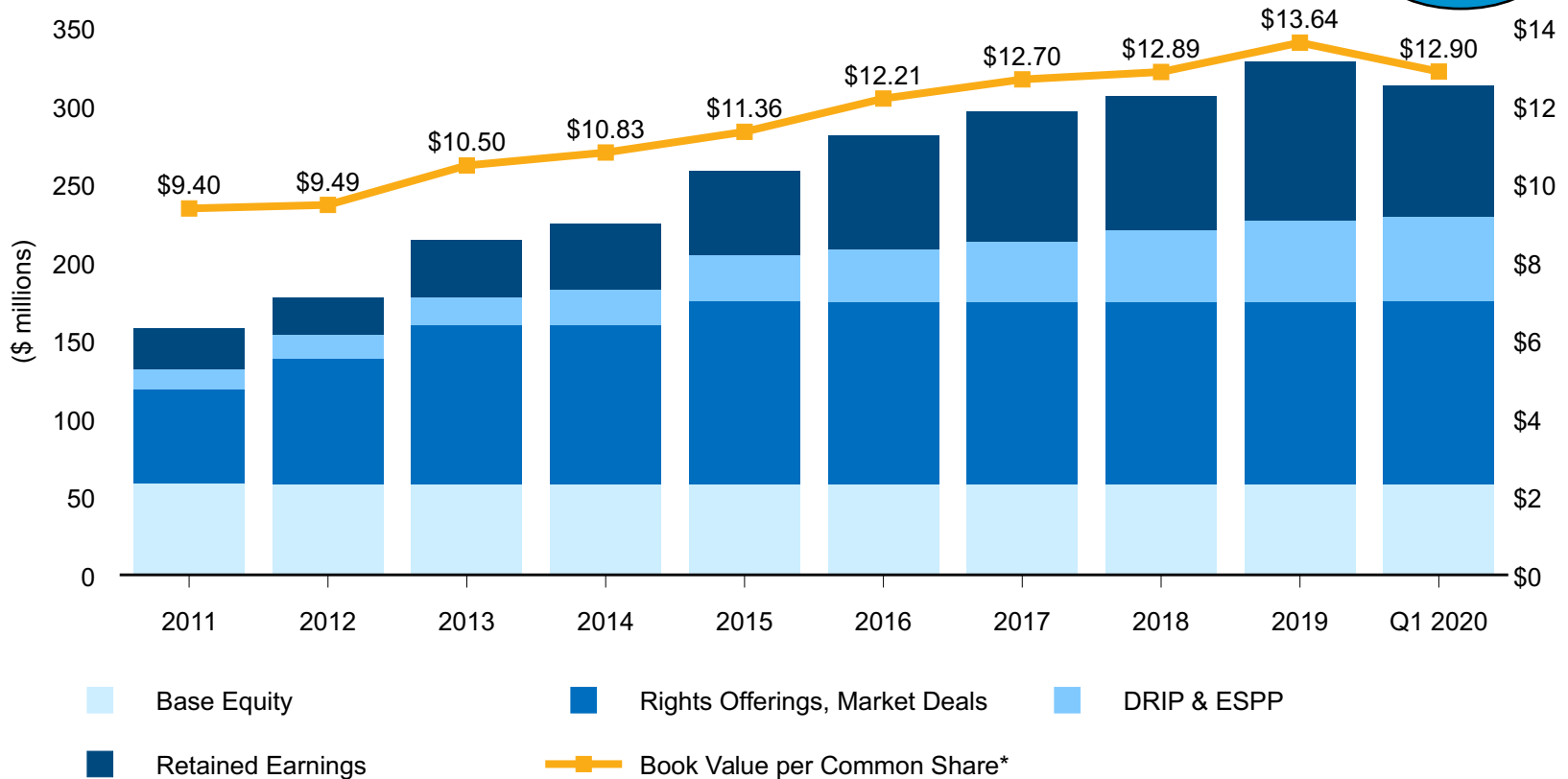
10 YEAR HISTORY OF NET INCOME AND EARNINGS PER SHARE



MCAN'S CAPITAL HISTORY

10 Year History - Capital Growth and Book Value per Share

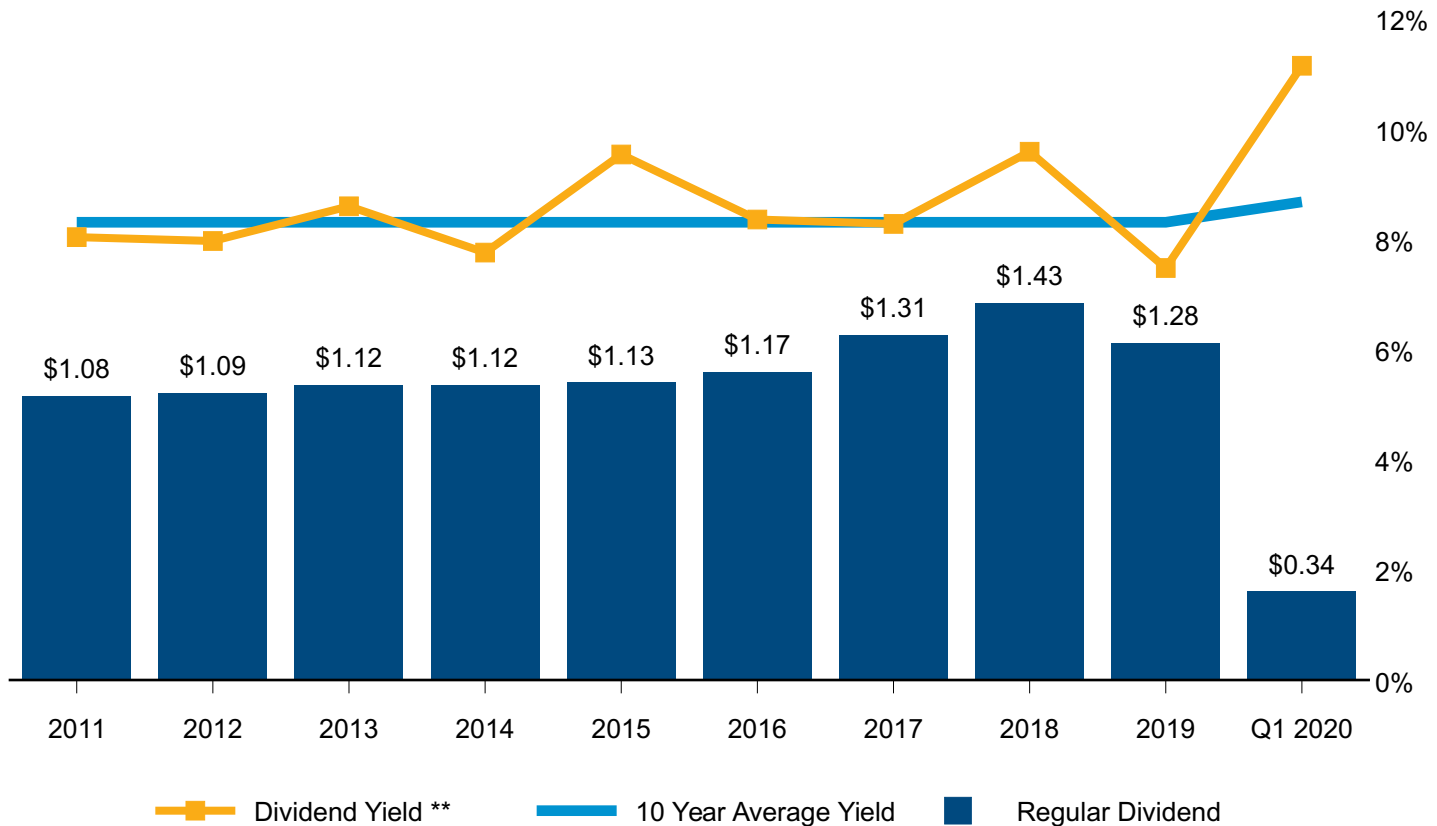
Q1 2020
book value
\$12.90
per share*



* Non IFRS measure as defined in MCAN's Q1 2020 MD&A

10 YEAR HISTORY DIVIDEND GROWTH & YIELD

8.7%
10 year
average
yield**



** MKP CN Equity - Dividend Indicated Yield – Gross; monthly data 2011 to 2020

INVESTMENT STRATEGY

INVESTMENT STRATEGY

MCAN is a strategic investor in the Canadian real estate market with a diversified portfolio of mortgages, real estate secured lending products and equity investments

- MIC focus is investments in residential mortgages and residential construction loans
- Focus on first time / first move-up home buyers characterized by:
 - lower price points and product
 - lower price volatility
 - steady product absorption based on demographics
- Predominantly major urban and surrounding markets
- Portfolio yield enhanced through select commercial loans and real estate related investments

INVESTMENT STRATEGY

Diversification is a key component of MCAN's overall risk profile and strategy

- MCAN's portfolio is diversified by:
 - asset category
 - product type
 - origination source
 - geographic and market segments
 - borrowers
- Portfolio composition is actively monitored and adjusted for:
 - changes in MCAN's overall risk profile and risk appetite
 - shifts in targeted portfolio concentrations
 - emerging market risks and opportunities
 - changes in the competitive landscape
 - changing economic indicators

INVESTMENT STRATEGY

Residential Construction Approach

MCAN uses lending discipline to effectively mitigate and manage risks inherent in residential construction lending

- Invest in markets where deep experience and knowledge exists
- Leverage strategic relationships to provide added market and work-out expertise
- Prefer markets where an approved originator has "boots on the ground"
- Target experienced borrowers with a successful track record of project completion and loan repayment
- Presales and other prudent loan structuring
- Strategic use of select land development loans as a "feeder product"
- Life cycle of construction lending commences with site acquisition

INVESTMENT STRATEGY

Strategic Partner Model

- MCAN selects strategic partner relationships with a clear alignment of interests, market approach and risk perspective
- MCAN leverages its in house expertise in loan origination and underwriting
- Strategic partners provide servicing and work-out expertise

Q1 2020 HIGHLIGHTS

Q1 2020 PERFORMANCE: QUARTERLY HIGHLIGHTS

	QoQ	Q1 2020	Q4 2019	Q3 2019	Q2 2019
USF Balance	↑	\$437 million	\$428 million	\$413 million	\$357 million
USF Originations	↑	\$71 million	\$58 million	\$78 million	\$56 million
ISF Originations	↑	\$100 million	\$60 million	\$77 million	\$57 million
Corporate Assets	↑	\$1.43 billion	\$1.36 billion	\$1.37 billion	\$1.26 billion
Book Value per Common Share*	↓	\$12.90	\$13.64	\$13.53	\$13.23

* Non IFRS measure as defined in MCAN's Q1 2020 MD&A

- USF portfolio increased \$9 million (2%) from Q4 2019
- USF originations increased \$13 million (22%) from Q4 2019
- ISF originations increased \$40 million (67%) from Q4 2019

Q1 2020 PERFORMANCE: HIGHLIGHTS

		Q1 2020	Q1 2019
Mortgage Interest - Corporate Assets	↑	\$15.4 million	\$13.2 million
Net Investment Income (Loss) - Corporate	↓	\$(5.0) million	\$18.8 million
Net Investment Income - Securitization	↓	\$0.8 million	\$1.1 million
Net Gain (Loss) on Securities	↓	\$(15.7) million	\$8.0 million
Provision for Credit Losses	↑	\$1.8 million	\$0.0 million
Net Income (Loss)	↓	\$(9.7) million	\$14.3 million
Basic and Diluted Earnings (Loss) per Share	↓	\$(0.40)	\$0.60
Return on Average Shareholders' Equity*	↓	(11.84)%	18.36%
Spread of Corporate Mortgages over Term Deposit Interest and Expense*	↓	2.62%	2.73%

- Q1 2020 net investment loss - corporate includes a net loss on securities of \$15.7 million and provision for credit losses of \$1.8 million
- Average corporate mortgage portfolio rate* decreased to 5.42% in Q1 2020 from 5.49% in Q1 2019, primarily due to re-balancing of risk profile of the balance sheet and increased market competition
- Weighted average term deposit interest and expense* rates increased to 2.80% in Q1 2020 from 2.76% in Q1 2019, primarily due to the increase in term deposit funding and related costs

* Non IFRS measure as defined in MCAN's Q1 2020 MD&A

Q1 2020 PERFORMANCE: CAPITAL, LEVERAGE & DIVIDENDS

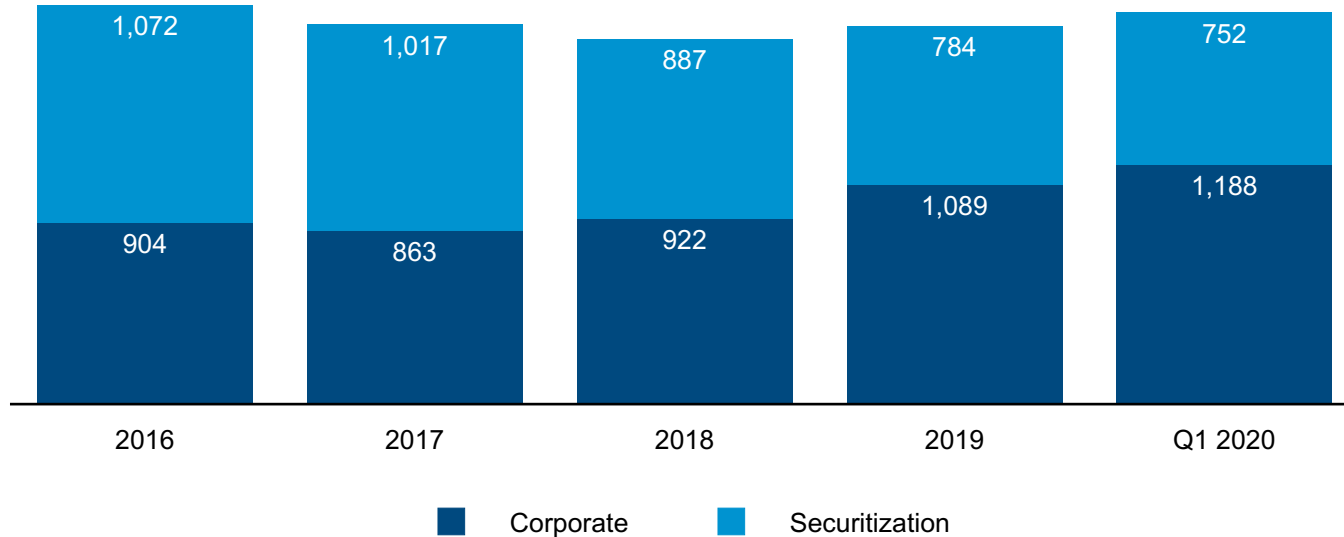
	Q1 2020	Q4 2019
CET 1 Ratio*, ***	21.80%	22.52%
Total Capital Ratio*, ***	22.17%	22.52%
Leverage Ratio*	11.70%	12.58%
Income Tax Assets to Capital Ratio*	5.03	4.93
Dividends per Share	\$0.34	\$0.32

* Non IFRS measure as defined in MCAN's Q1 2020 MD&A

*** Effective March 31, 2020, the total capital ratio includes Tier 2 capital comprising Stage 1 and Stage 2 allowances on our mortgage portfolio. Further, in accordance with OSFI's transitional arrangements for capital treatment of expected loss provision, a portion of Stage 1 and Stage 2 allowances that would otherwise be included in Tier 2 capital are included in CET 1 capital. The adjustment to CET 1 capital will be measured each quarter as the increase in Stage 1 and Stage 2 allowances relative to December 31, 2019. The increase is subject to a scaling factor that will decrease over time and is currently set at 70% in fiscal 2020, 50% in fiscal 2021 and 25% in fiscal 2022. Prior period ratios have not been restated.

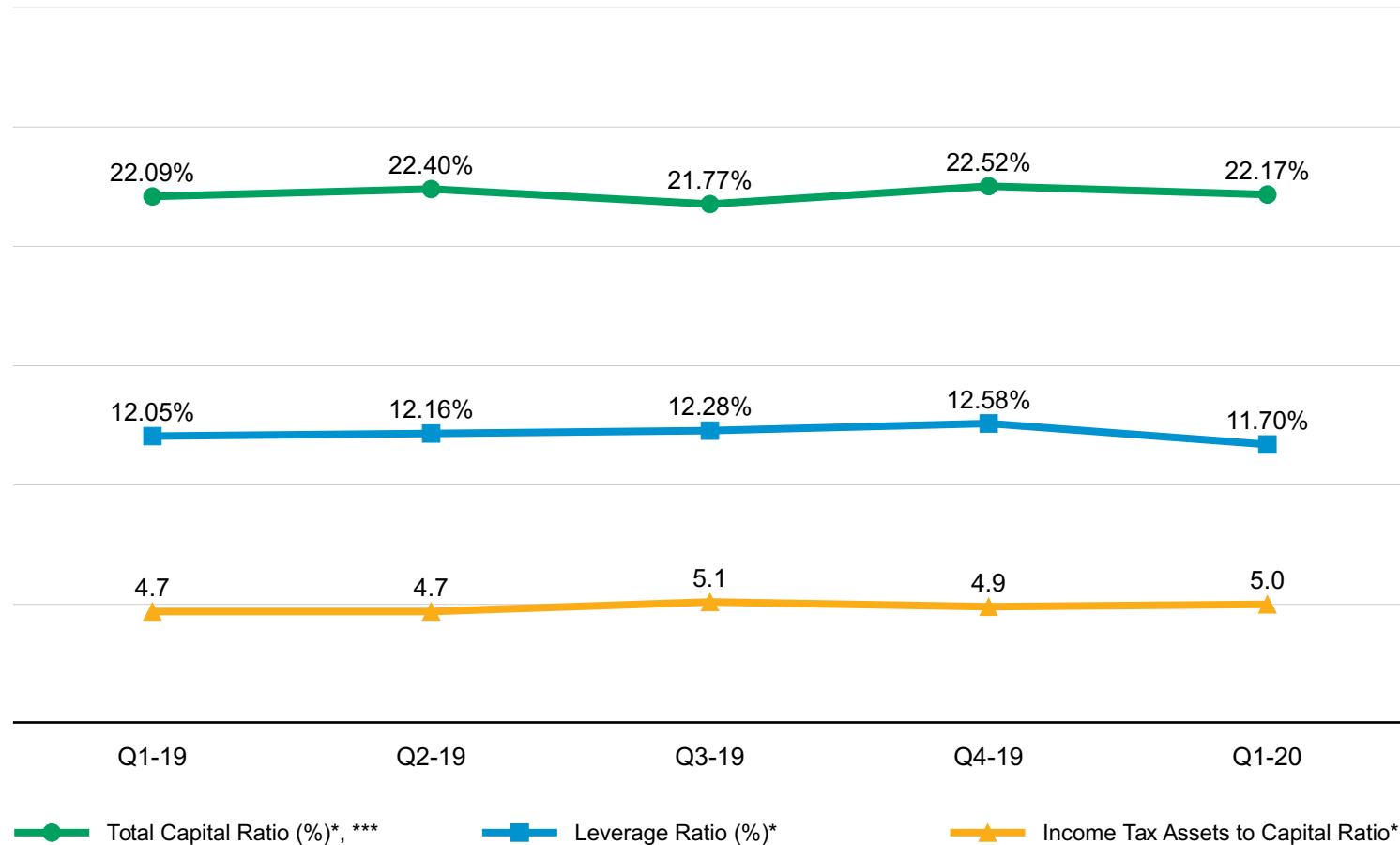
TOTAL MORTGAGE PORTFOLIO

Mortgages - Corporate and Securitization
(\$ millions)



(\$ millions)	Q1 2020	Q4 2019	Change	Q1 2019	Change
Single Family	\$ 598	\$ 538	11 %	\$ 452	32 %
Construction & Commercial	\$ 590	\$ 551	7 %	\$ 544	8 %
Total Corporate Mortgages	\$ 1,188	\$ 1,089	9 %	\$ 996	19 %
Securitization	\$ 752	\$ 784	(4)%	\$ 871	(14)%
Total	\$ 1,940	\$ 1,873	4 %	\$ 1,867	4 %

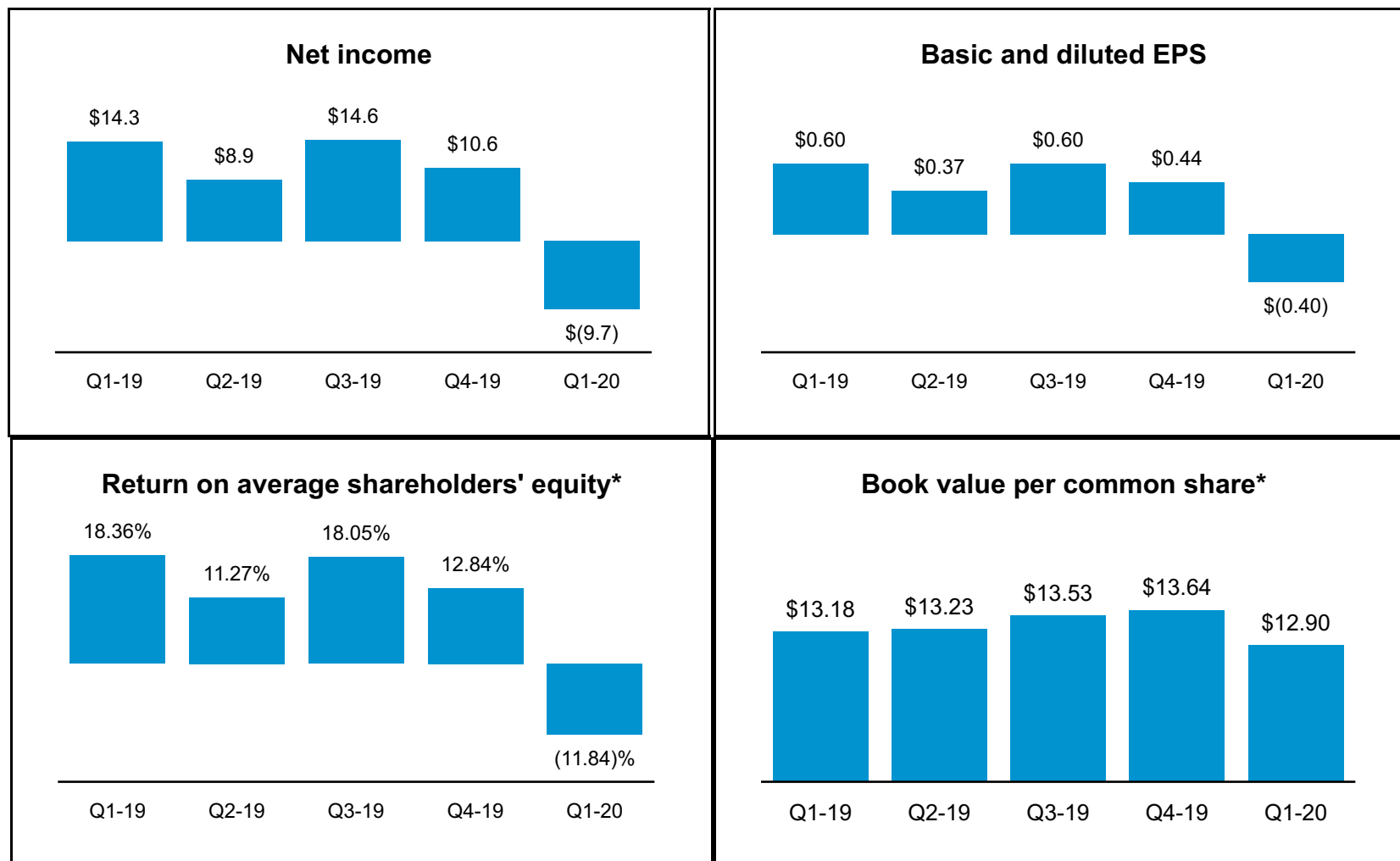
STRONG CAPITAL POSITION



* Non IFRS measure as defined in MCAN's Q1 2020 MD&A

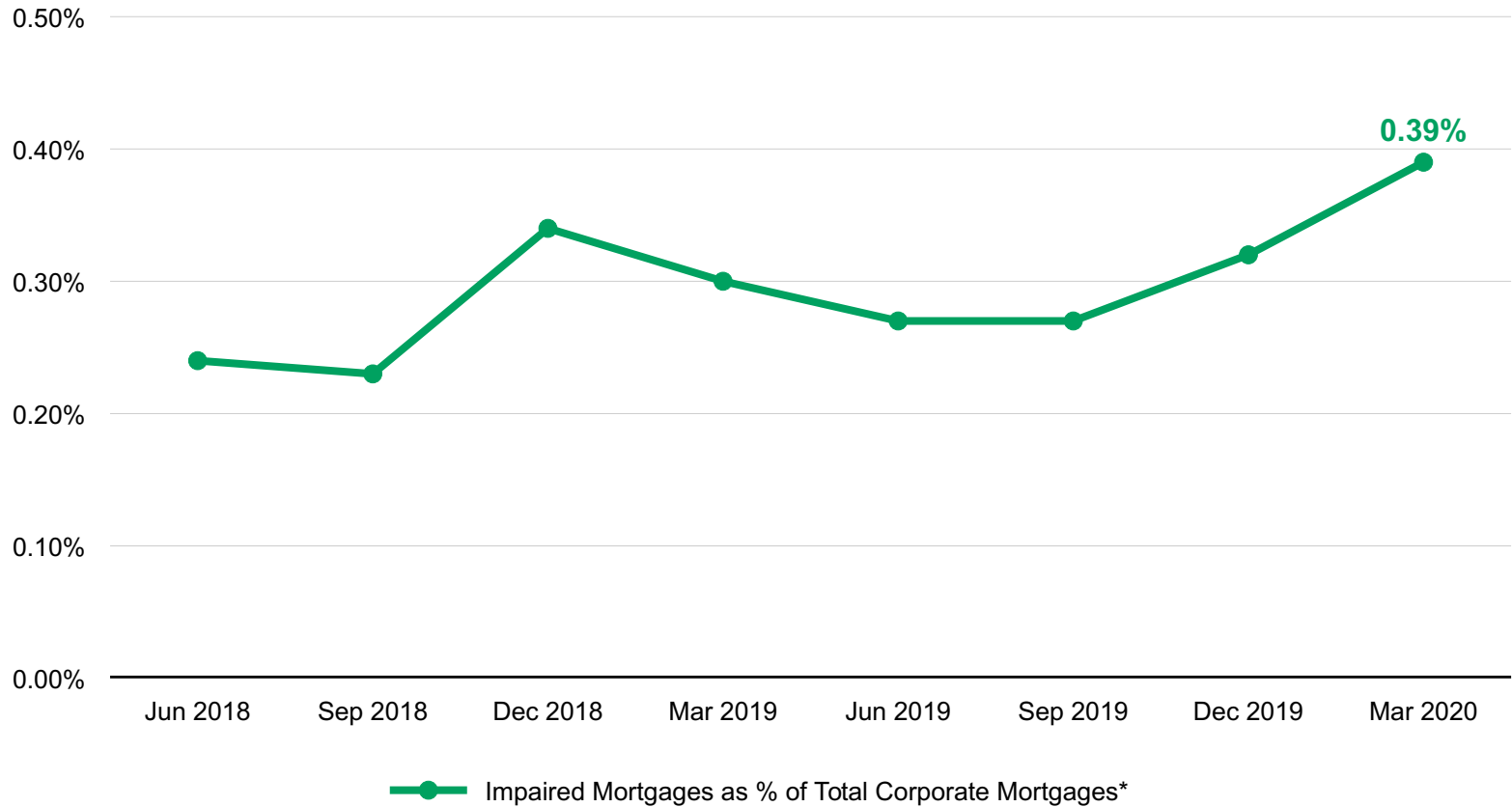
*** Effective March 31, 2020, the total capital ratio includes Tier 2 capital comprising Stage 1 and Stage 2 allowances on our mortgage portfolio. Prior period ratios have not been restated. For further information, refer to MCAN's Q1 2020 MD&A

KEY METRICS: QUARTERLY TREND CHARTS



* Non IFRS measure as defined in MCAN's Q1 2020 MD&A

PORTFOLIO CREDIT QUALITY



* Non IFRS measure as defined in MCAN's Q1 2020 MD&A

MCAN'S MISSION AND OBJECTIVES



MCAN'S MISSION



- Provide sustainable growth and returns for our shareholders:
 - through relationship-driven mortgage lending and investing
 - anchored by quality work delivered by an expert, engaged and committed team
 - focused on our customers (internal and external) and partners

LONG TERM OBJECTIVES

- Sustained annual growth of assets 10%
- Sustained ROE 13-15%
- Sustained and prudent dividend growth

Footnotes and References

- [*] Non IFRS measure as defined in MCAN's Q1 2020 MD&A
- [**] MKP CN Equity - Dividend Indicated Yield – Gross; monthly data 2011 to 2020
- [***] Effective March 31, 2020, the total capital ratio includes Tier 2 capital comprising Stage 1 and Stage 2 allowances on our mortgage portfolio. Further, in accordance with OSFI's transitional arrangements for capital treatment of expected loss provision, a portion of Stage 1 and Stage 2 allowances that would otherwise be included in Tier 2 capital are included in CET 1 capital. The adjustment to CET 1 capital will be measured each quarter as the increase in Stage 1 and Stage 2 allowances relative to December 31, 2019. The increase is subject to a scaling factor that will decrease over time and is currently set at 70% in fiscal 2020, 50% in fiscal 2021 and 25% in fiscal 2022.
- CET 1 = Common Equity Tier 1
- Data source of charts: MCAN's Q1 2020 MD&A and historical quarterly and annual reports
- Source of Market Outlook and Business Outlook comments: MCAN's Q1 2020 MD&A

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