

# INVESTOR PRESENTATION FIRST QUARTER 2019

May 2019



Karen Weaver  
President & Chief  
Executive Officer

Dipti Patel  
Vice President &  
Chief Financial Officer

# FORWARD LOOKING INFORMATION

This presentation may contain forward-looking statements and 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 change, global market activity, interest rates, changes in government and economic policy and general economic conditions in geographic areas where MCAN operates.

Reference is made to the risk factors disclosed in MCAN's Annual Information Form for the year ended December 31, 2018 which are incorporated herein by reference. 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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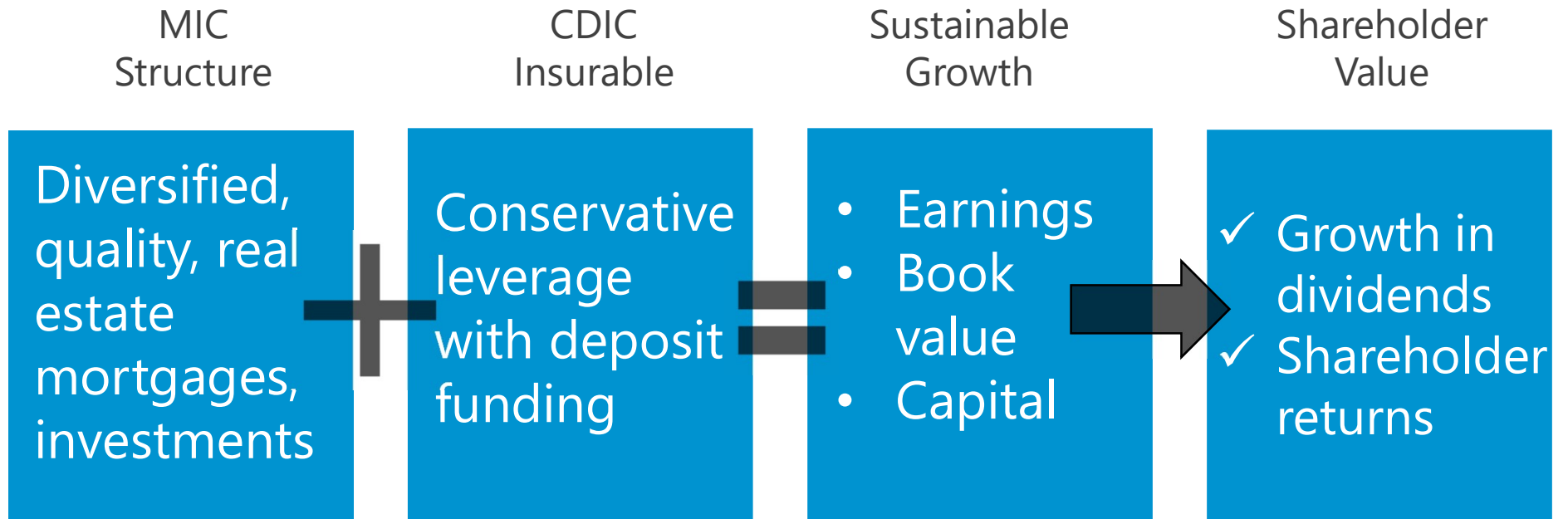
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1. Business Overview
2. Q1 2019 Highlights
3. Mission and Objectives

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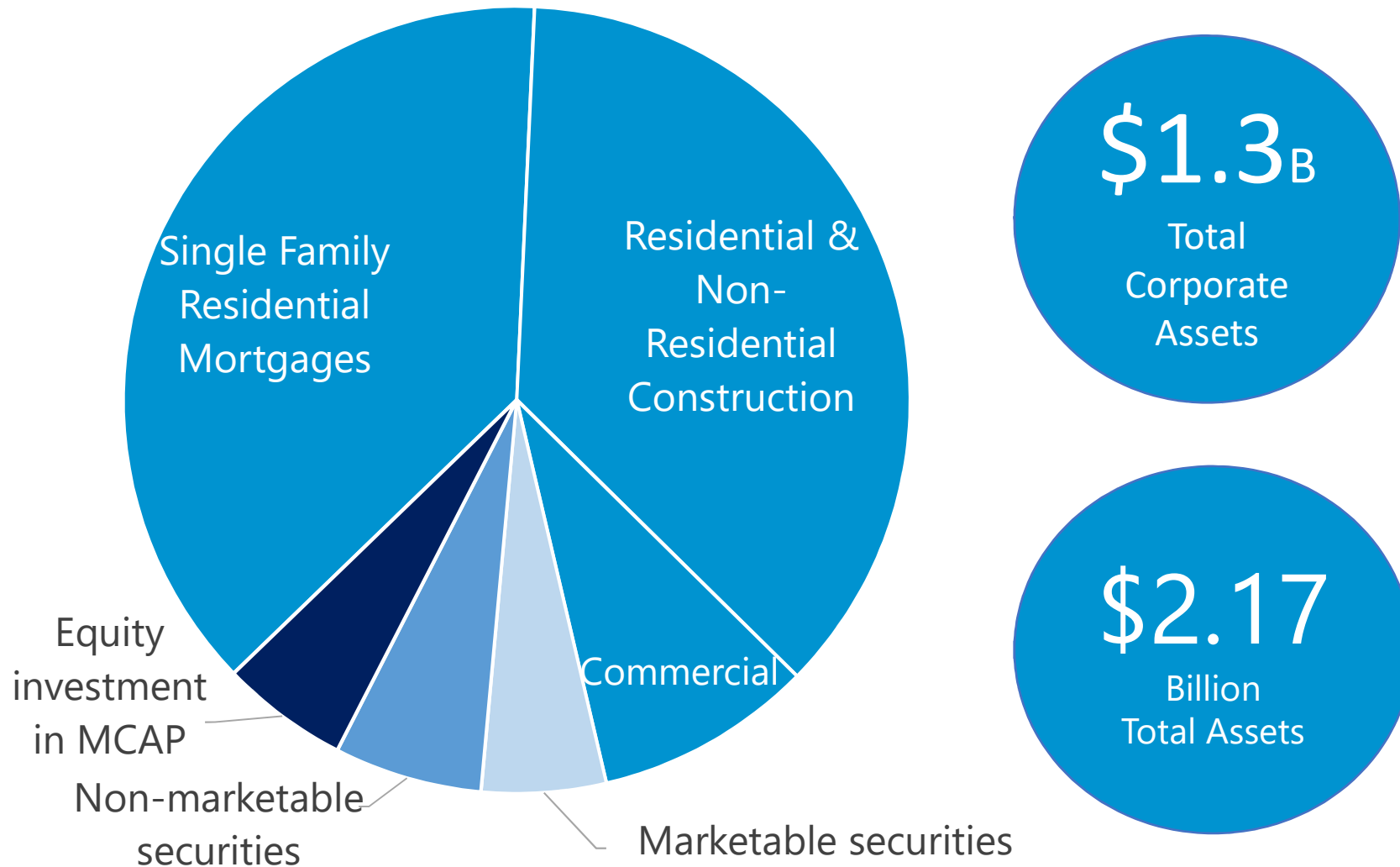
# **BUSINESS OVERVIEW**

# MCAN BUSINESS



Our focus since founding in 1991

# DIVERSIFIED QUALITY REAL ESTATE INVESTMENTS



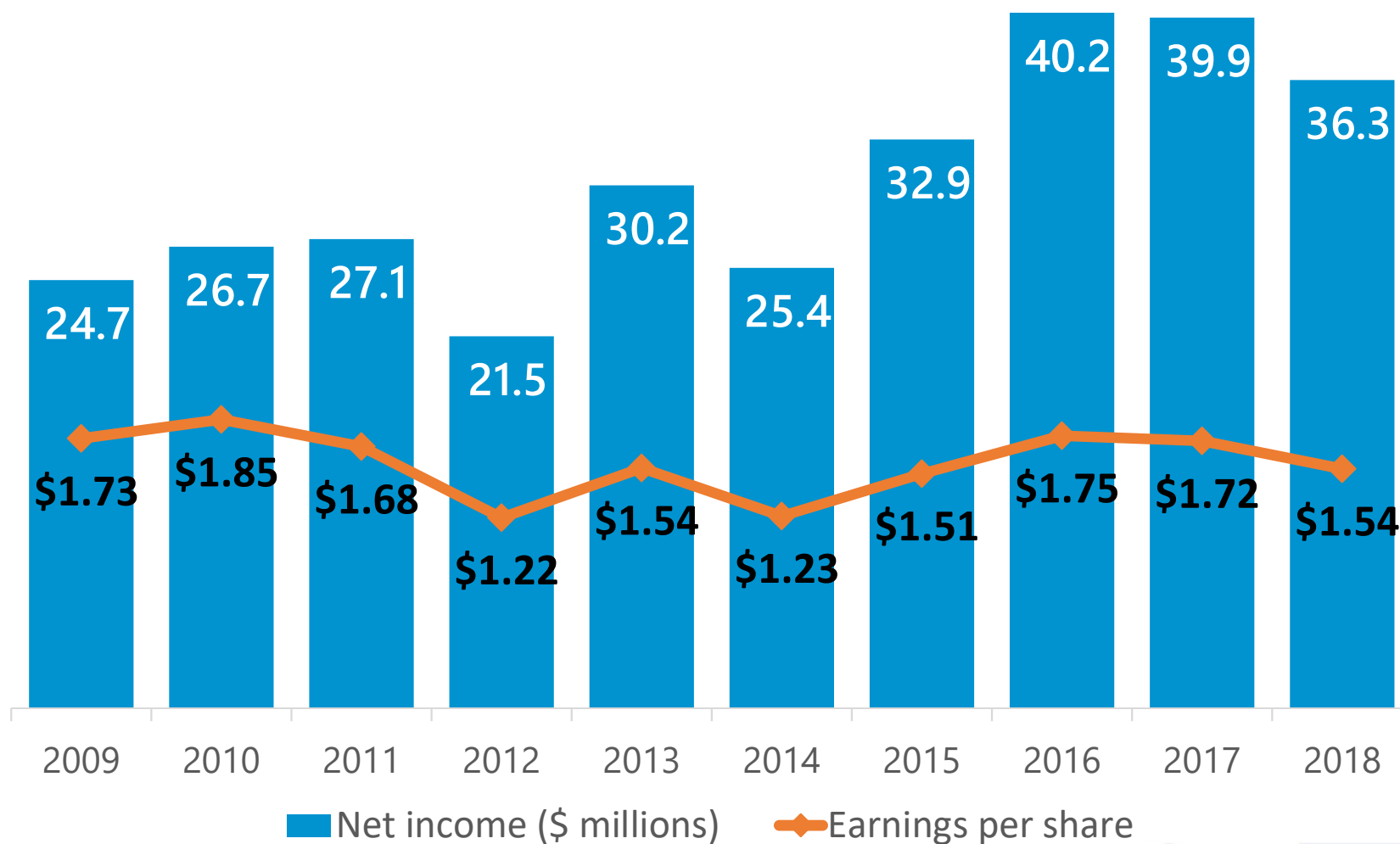
# DEPOSIT FUNDING

## MCAN's Term Deposits:

- Since 1993
- Non-redeemable prior to maturity
- Eligible for CDIC insurance coverage
- \$946 million at March 31, 2019
- 17.2 months average term to maturity



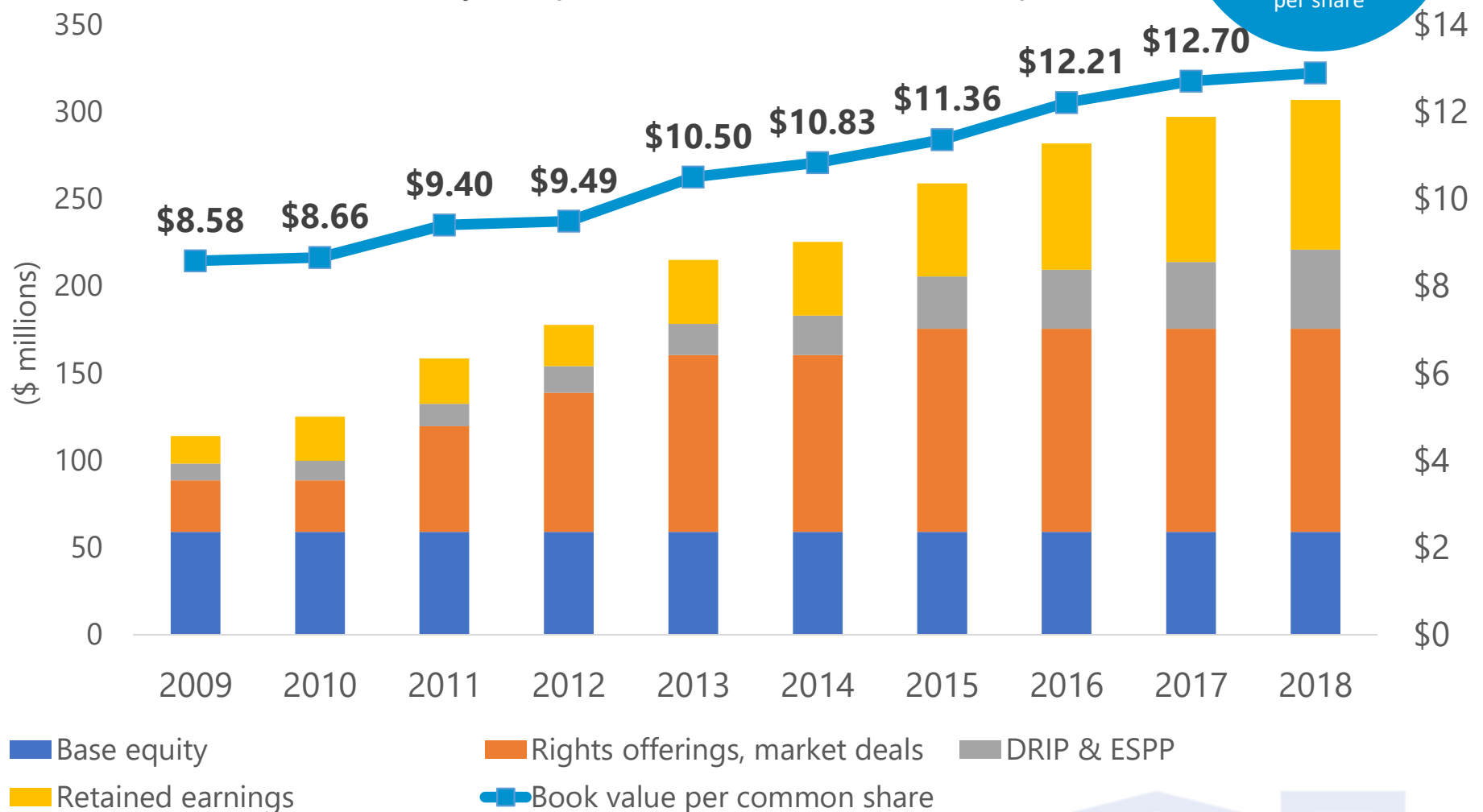
# 10 YEAR HISTORY OF NET INCOME AND EARNINGS PER SHARE





# MCAN'S CAPITAL HISTORY

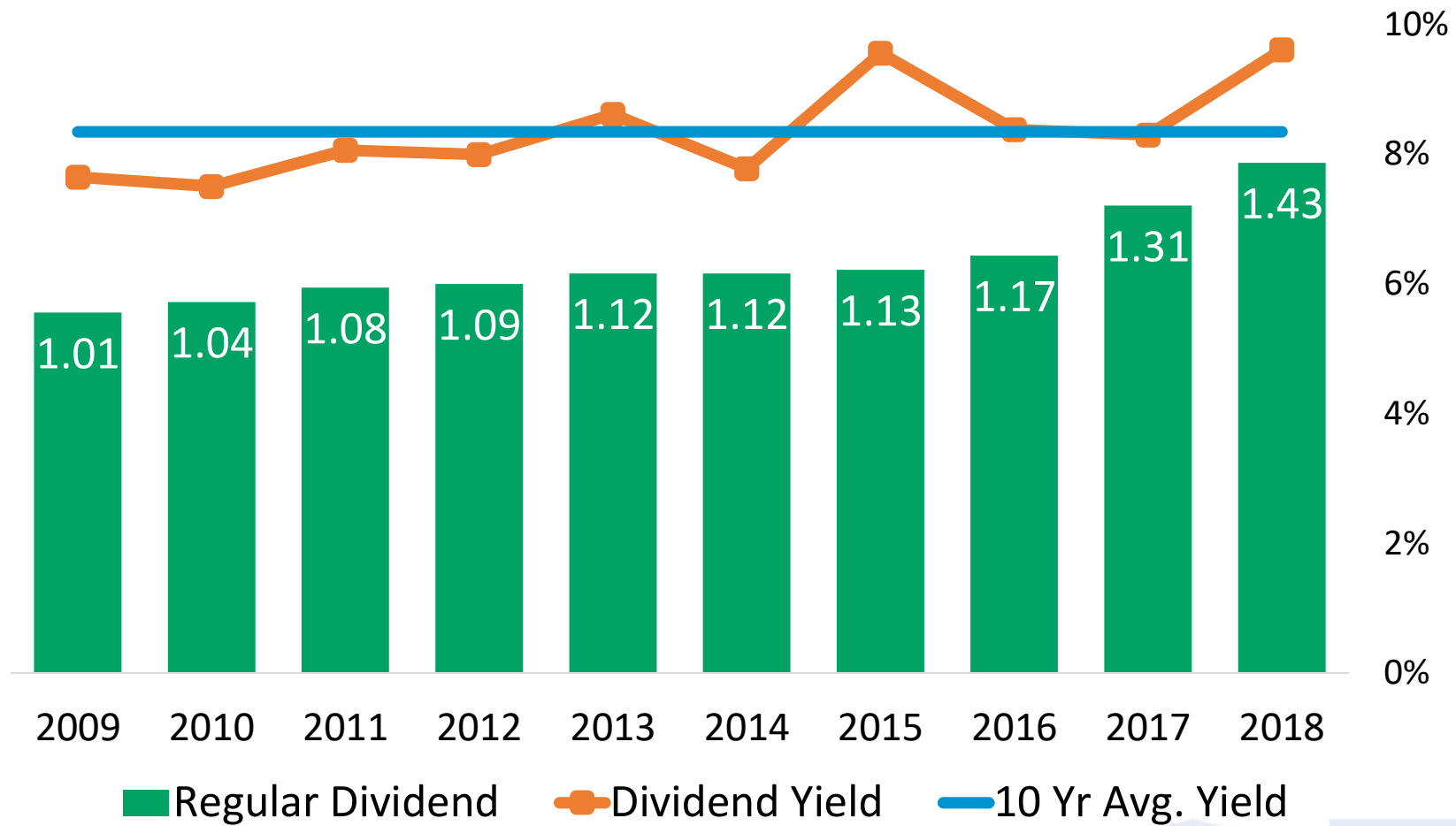
10 Year History - Capital Growth and Book Value per share



MCAN Mortgage Corporation

# 10 YEAR HISTORY DIVIDEND GROWTH & YIELD

Avg yield  
**8.34%**  
10yr



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## **FIRST QUARTER 2019 HIGHLIGHTS**

# Q1 2019 PERFORMANCE: HIGHLIGHTS

		Q1 2019	Q4 2018
USF Balance	↑	\$308 Million	\$256 Million
USF Originations	↑	\$63 Million	\$51 Million
ISF Originations	↑	\$38 Million	\$28 Million
Corporate Assets	↑	\$1.26 Billion	\$1.22 Billion
Net Spread	↓	2.73%	2.93%
Mark to Market Unrealized Gain (Loss) on Securities	↑	\$8.0 Million	(\$4.2 Million)
Book Value per Common Share	↑	\$13.18	\$12.89

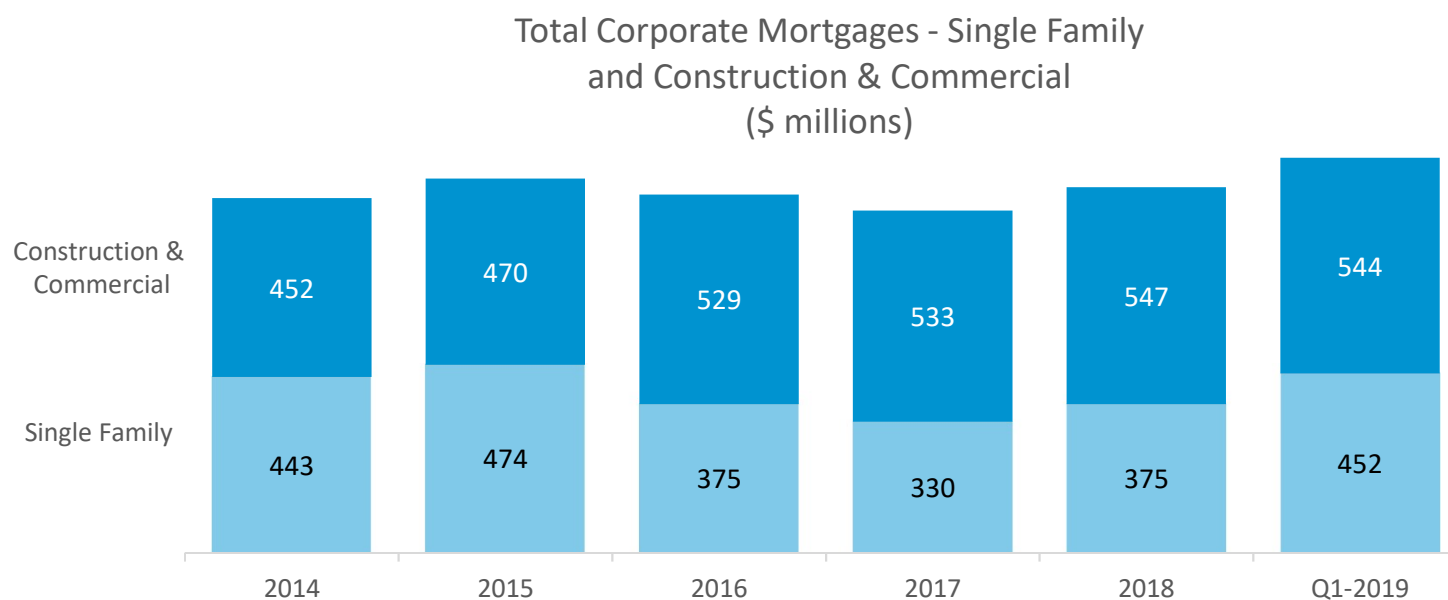
# Q1 2019 PERFORMANCE: HIGHLIGHTS

		Q1 2019	Q1 2018
Net Investment Income			
Corporate	↑	\$18.7 Million	\$13.8 Million
Securitization	↓	\$1.1 Million	\$1.3 Million
Basic and diluted earnings per share	↑	\$0.60	\$0.45
Return on average shareholders' equity	↑	18.36%	14.10%

# Q1 2019 PERFORMANCE: CAPITAL, LEVERAGE & DIVIDENDS

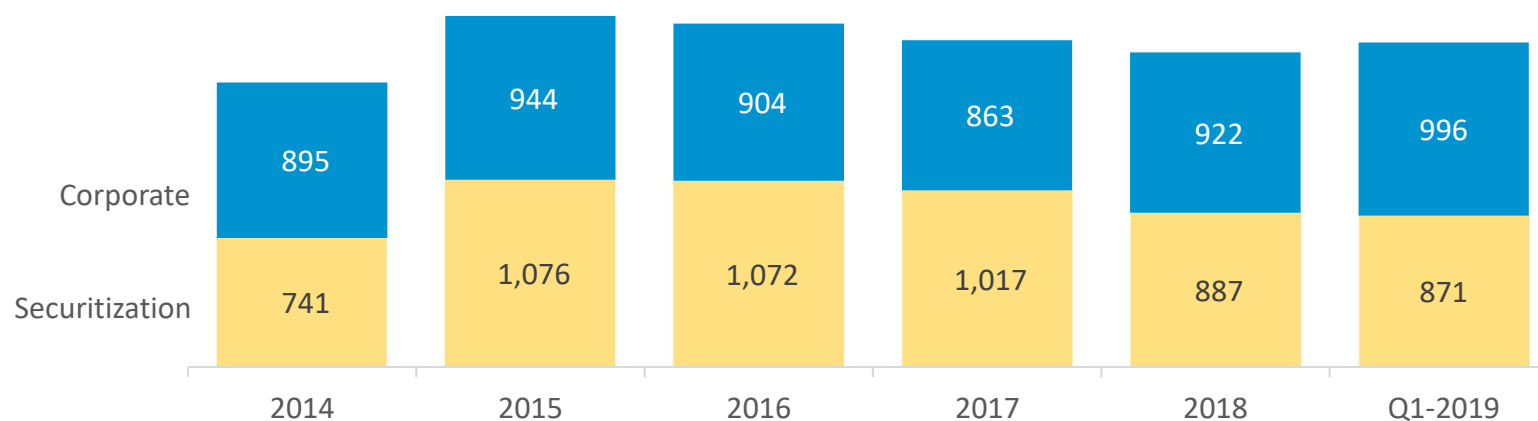
		Q1 2019	Q4 2018
CET 1	↑	22.09%	21.66%
Leverage ratio	↑	12.05%	11.79%
Income tax assets to capital	↑	4.69x	4.64x
Dividends per share	↔	\$0.32	\$0.32

# CORPORATE MORTGAGE PORTFOLIO



# TOTAL MORTGAGE PORTFOLIO

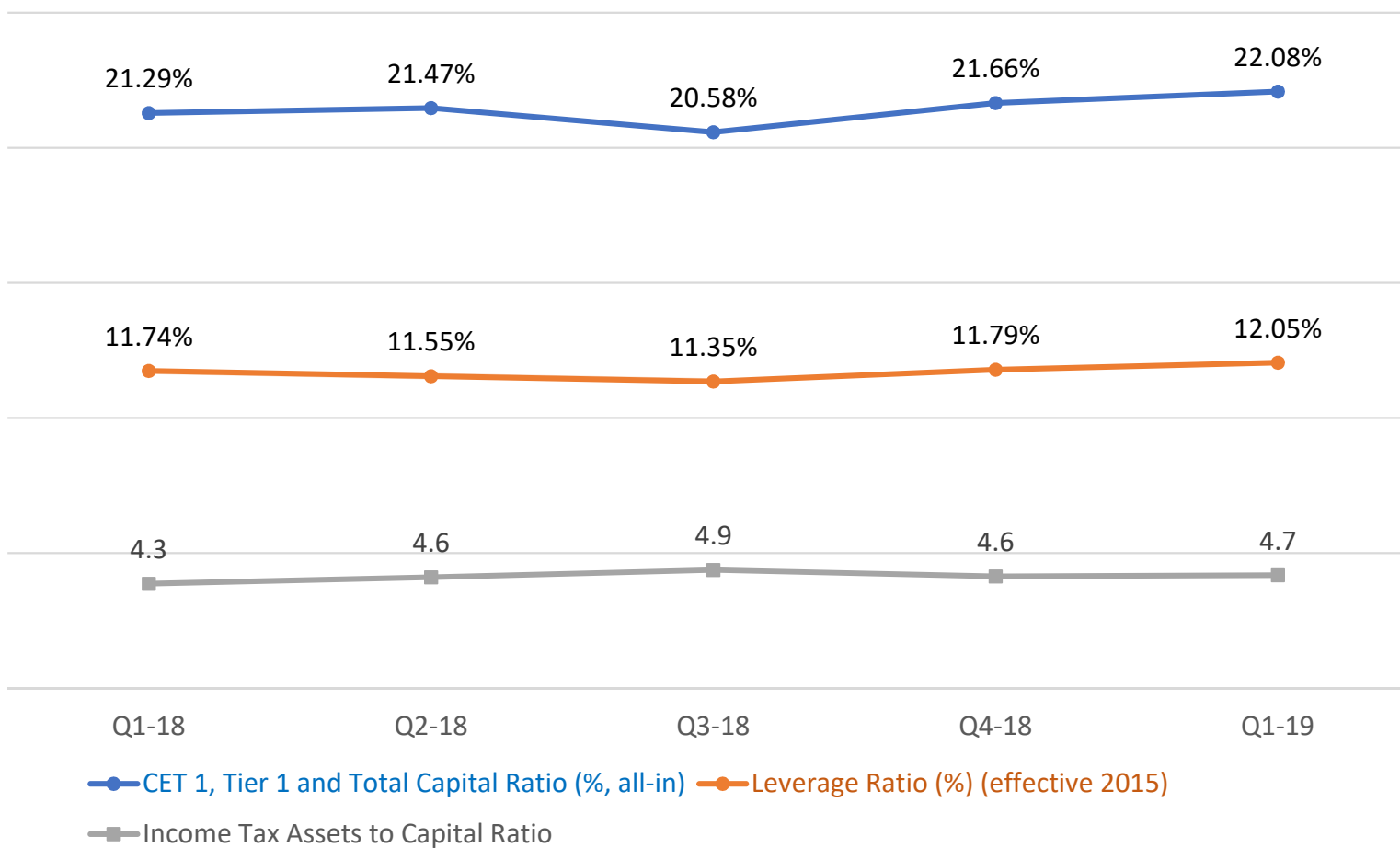
Mortgages - Corporate and Securitization  
(\$ millions)



(\$ millions)	Q1 2019	Q4 2018	Change	Q1 2018	Change
Single Family	\$452	\$375	21%	\$280	62%
Construction & Commercial	\$544	\$547	-1%	\$580	-6%
Securitization	\$871	\$887	-2%	\$1,013	-14%
Total	\$1,867	\$1,809	3%	\$1,872	0%

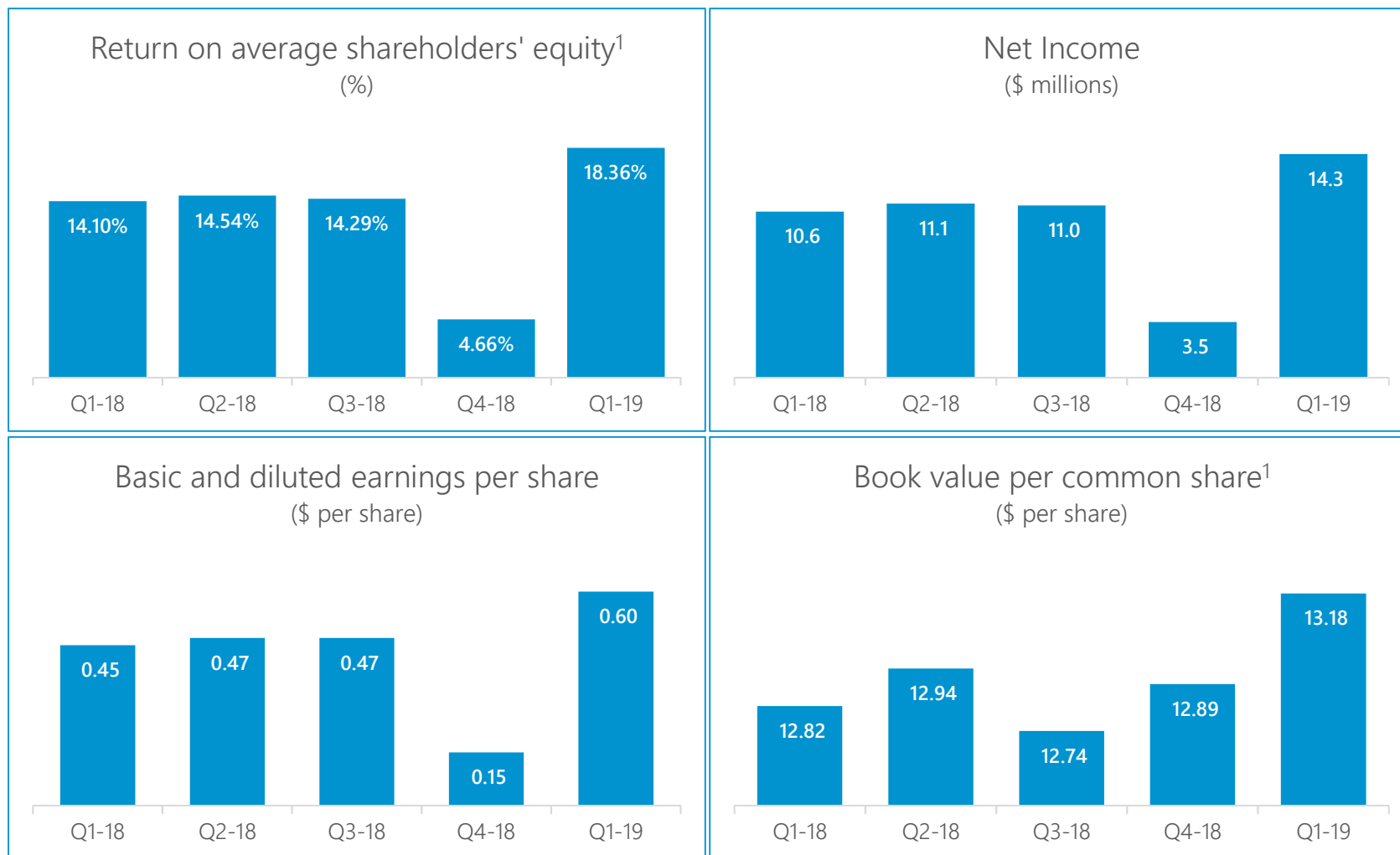


# STRONG CAPITAL POSITION

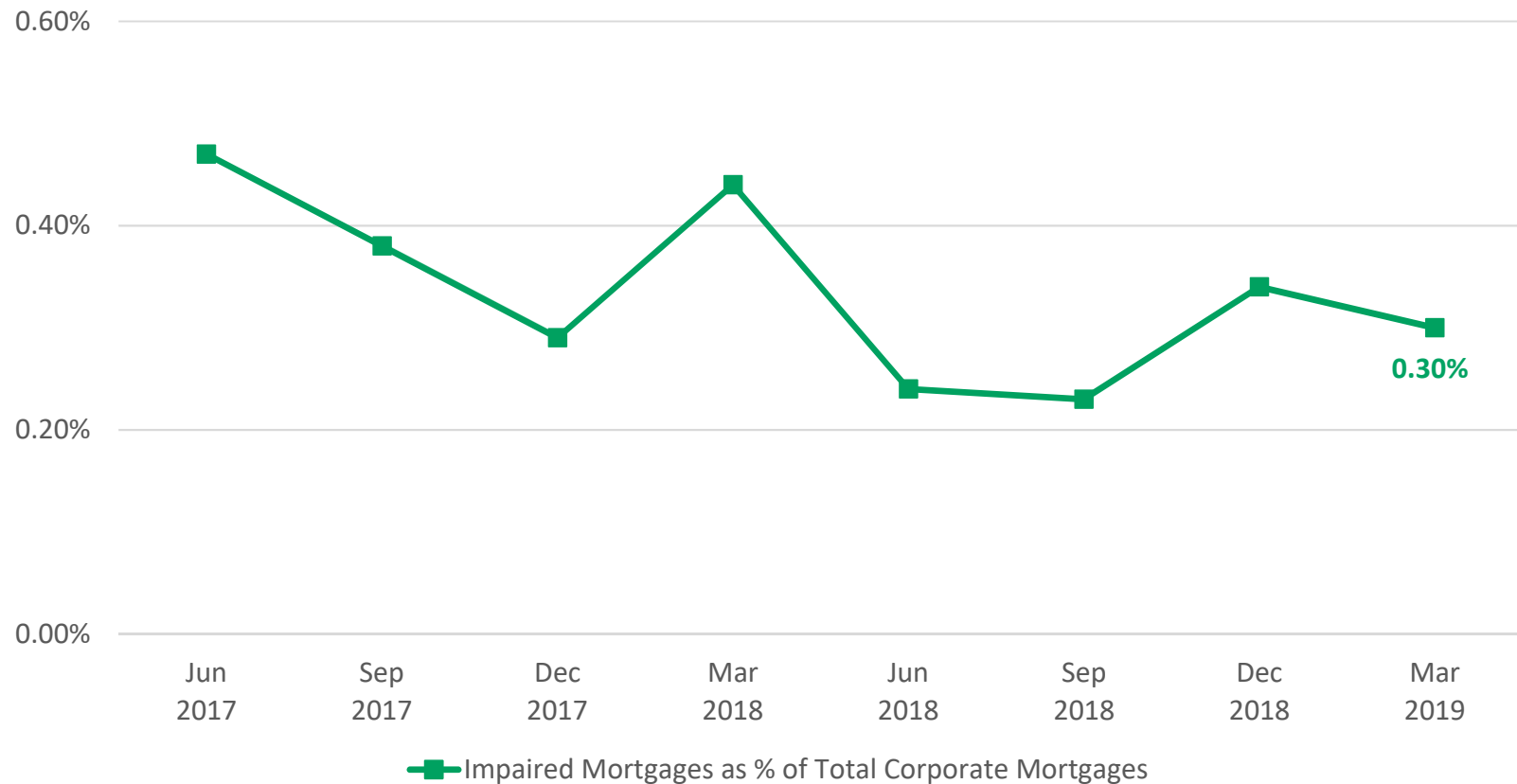


# KEY METRICS: QUARTERLY TREND CHARTS

(as at March 31, 2019)



# CREDIT QUALITY & RISK MANAGEMENT



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# **MCAN'S MISSION AND OBJECTIVES**



## MCAN'S MISSION



- Achieve superior, sustainable and stable growth performance
- Employ expert balance sheet management
- Leverage our investment expertise and relationships

# LONG TERM OBJECTIVES

- Sustained annual growth of assets 8-10%
- Sustained ROE 13-15%
- Sustained and prudent dividend growth

# EXECUTIVE MANAGEMENT

**Karen Weaver**

President and CEO

**Dipti Patel**

Vice President and Chief Financial Officer

**Joseph Shaw**

Vice President and Chief Investment Officer

**Martin Beaudry**

Vice President, Single Family Mortgage Operations

**Carl Brown**

Vice President, Operations and Treasurer

**Emily Randle**

Vice President and Chief Risk Officer

**Mike Jensen**

Vice President and Chief Compliance Officer  
(Chief Anti Money Laundering & Privacy Officer)

**Sylvia Pinto**

Vice President, Corporate Secretary  
& Governance Officer

**Milica Pejic**

Vice President and Chief Audit Officer

**Paul Gill**

Vice President, Information Technology

# Footnotes and References:

- [1] Non IFRS measure as defined in MCAN's Q1 2019 MD&A
- [2] MKP CN Equity - Dividend Indicated Yield – Gross; monthly data April 2009 up to Apr 26, 2019
- CET 1 = Common Equity Tier 1
- Data source of charts: MCAN's Q1 2019 MD&A and historical quarterly and annual reports
- Source of Market Outlook and Business Outlook comments: MCAN's Q1 2019 MD&A



# Contact Information



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