

INVESTOR PRESENTATION SECOND QUARTER 2019

August 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.

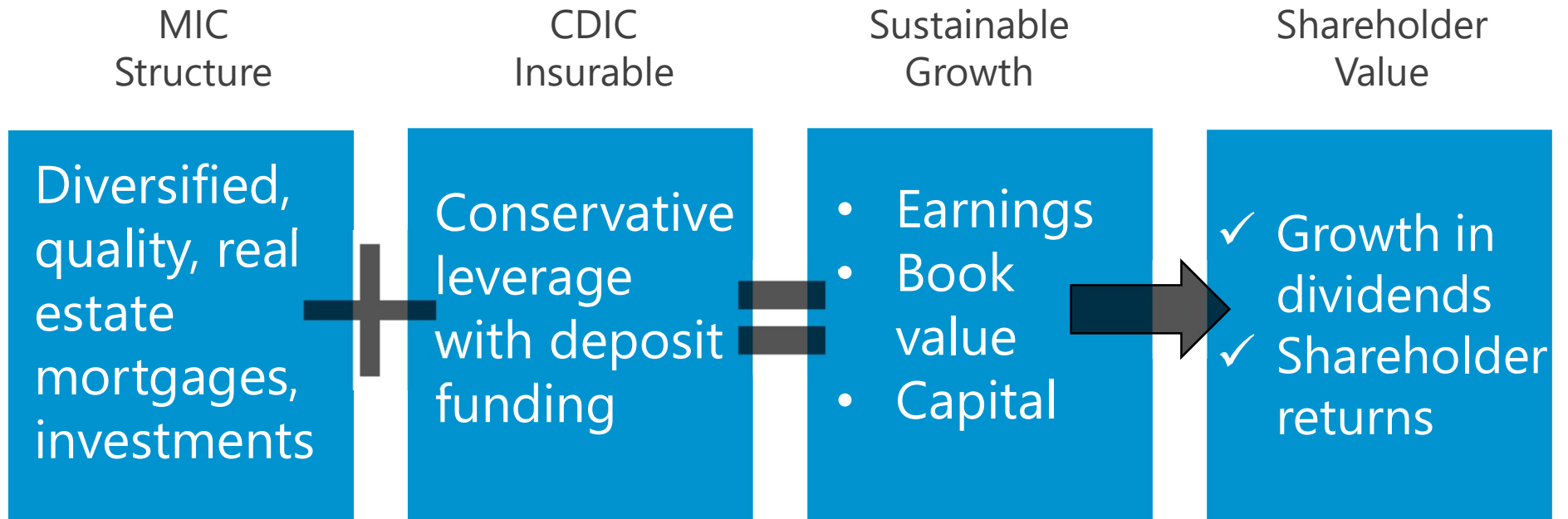
Reference is made to the risk factors disclosed in MCAN's Annual Information Form for the year ended December 31, 2018 which are incorporated herein by reference. These and other factors should be considered carefully and undue reliance should not be placed on MCAN's forward-looking statements. Subject to applicable securities law requirements, MCAN does not undertake to update any forward-looking statements.

INDEX

1. Business Overview
2. Q2 2019 Highlights
3. Mission and Objectives

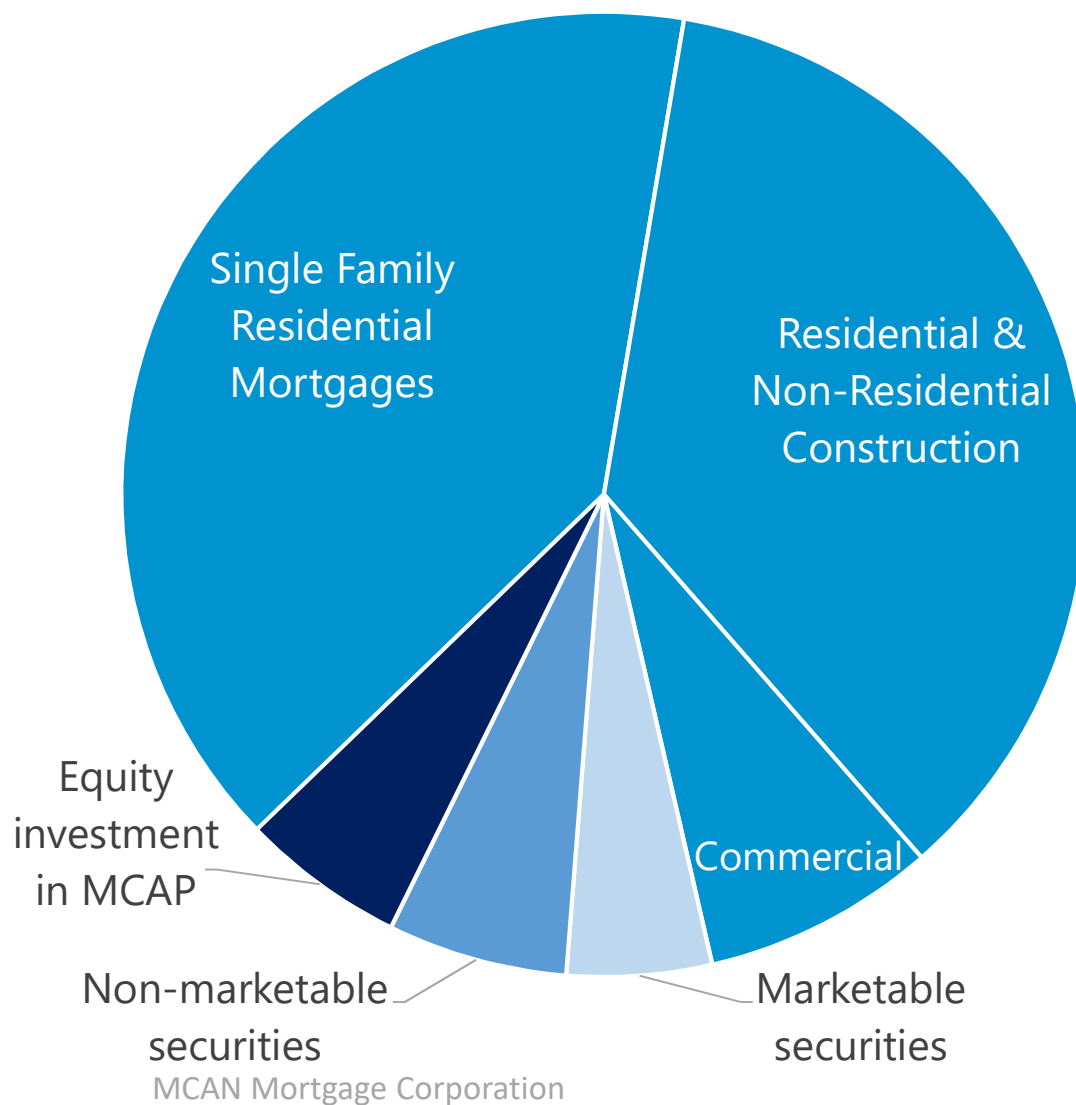
BUSINESS OVERVIEW

MCAN BUSINESS



Our focus since founding in 1991

DIVERSIFIED QUALITY REAL ESTATE INVESTMENTS



\$1.26

Billion Total
Corporate
Assets

\$2.13

Billion
Total Assets

Data presented as at June 30, 2019

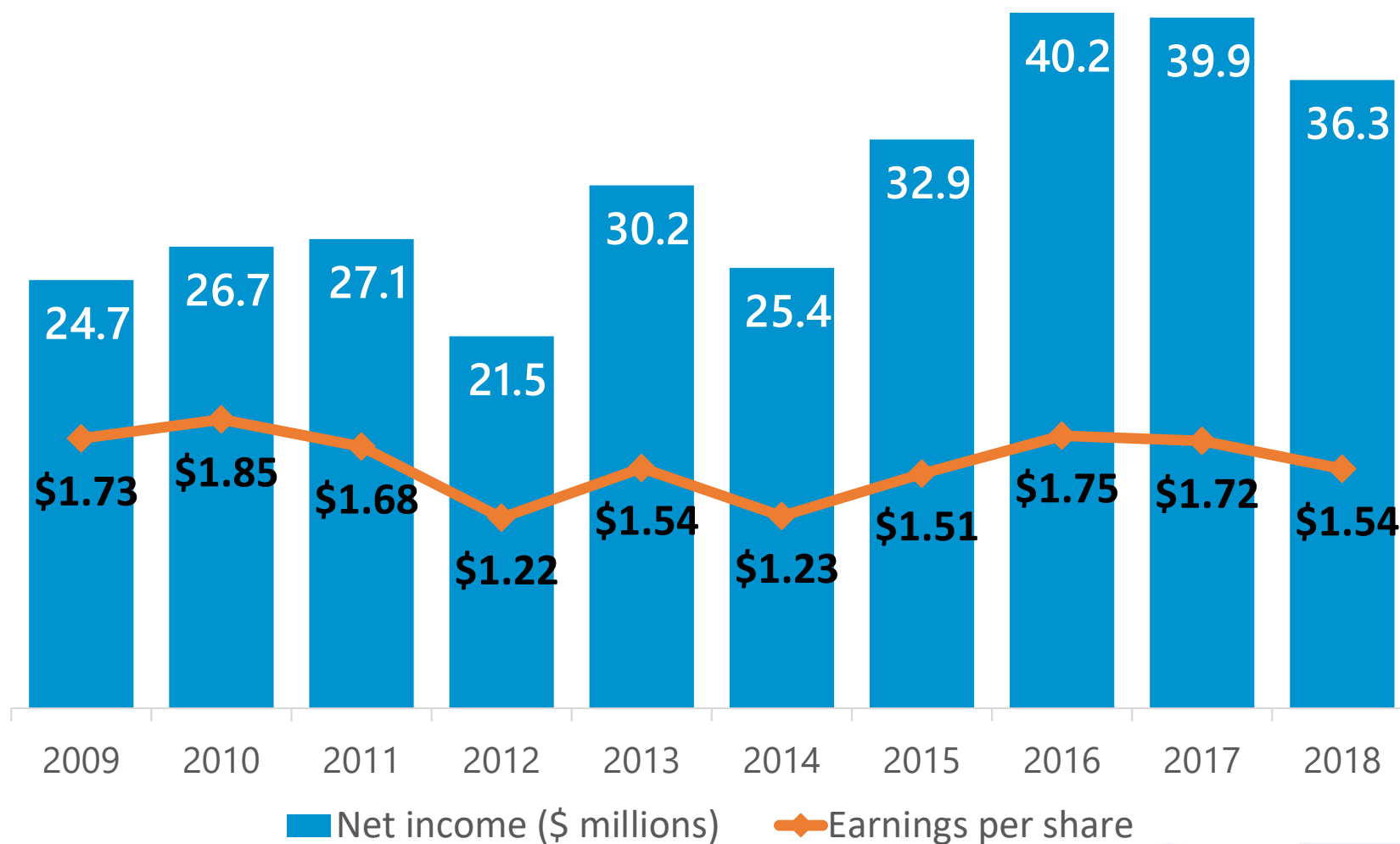
DEPOSIT FUNDING

MCAN's Term Deposits:

- Since 1993
- Non-redeemable prior to maturity
- Eligible for CDIC insurance coverage
- \$953 million at June 30, 2019
- 20.1 months average term to maturity

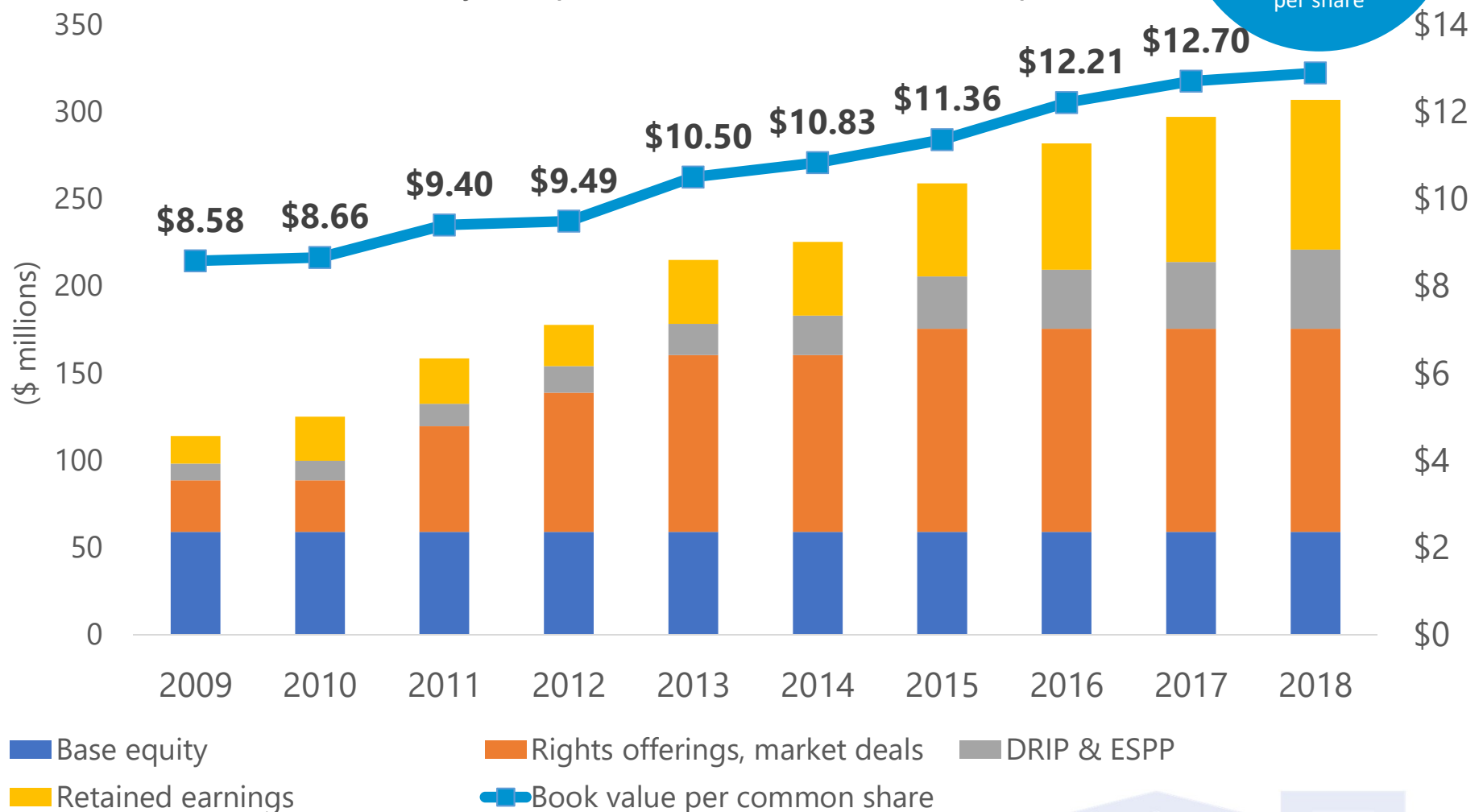


10 YEAR HISTORY OF NET INCOME AND EARNINGS PER SHARE



MCAN'S CAPITAL HISTORY

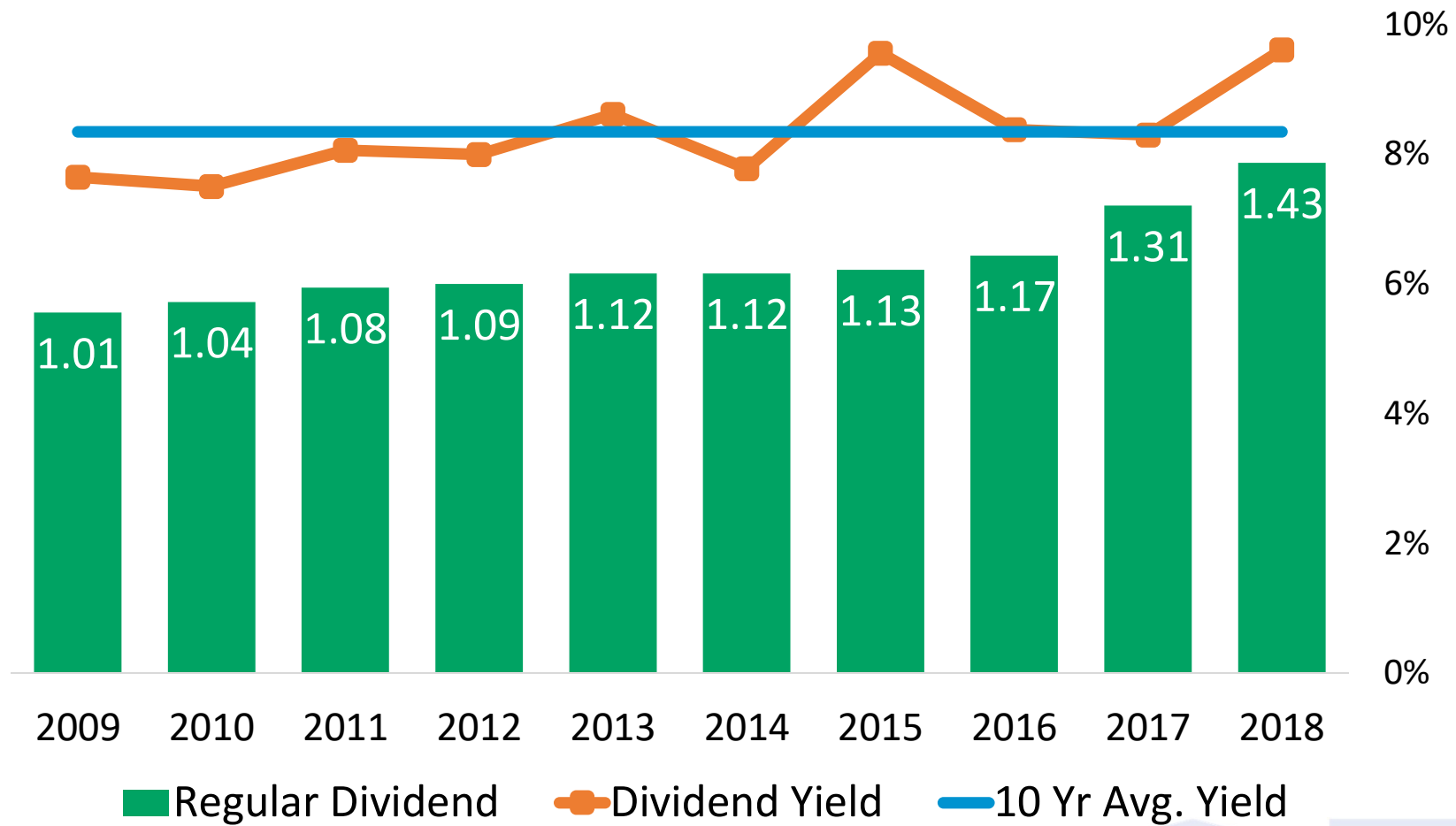
10 Year History - Capital Growth and Book Value per share



MCAN Mortgage Corporation

10 YEAR HISTORY DIVIDEND GROWTH & YIELD

Avg yield
8.34%
10yr



SECOND QUARTER 2019 HIGHLIGHTS

Q2 2019 PERFORMANCE: HIGHLIGHTS

		Q2 2019	Q2 2018
Net Income	↓	\$8.9 Million	\$11.1 Million
Net Investment Income			
Corporate Securitization	↓	\$13.1 Million \$1.0 Million	\$15.1 Million \$1.3 Million
Net Spread	↓	2.66%	3.17%
Basic and diluted earnings per share	↓	\$0.37	\$0.47
Return on average shareholders' equity	↓	11.27%	14.54%

- Q2 2019 \$1.0 Million net unrealized loss (REIT MTM) vs. Q2 2018 \$3.3 Million net unrealized gain (\$2.0 Million related to our investment in Crown LP and a \$1.3 Million REIT MTM)
- Corporate net yield decreased to 5.45% in Q2 2019 from 5.65% in Q2 2018
- Weighted average term deposit interest rates increased 31 bps to 2.79% in Q2 2019 from 2.48% in Q2 2018

Q2 2019 PERFORMANCE: HIGHLIGHTS

	Q o Q	Q2 2019	Q1 2019	Q4 2018
USF Balance	↑	\$345 Million	\$308 Million	\$256 Million
USF Originations	↓	\$56 Million	\$63 Million	\$51 Million
ISF Originations	↑	\$57 Million	\$38 Million	\$28 Million
Corporate Assets	↔	\$1.26 Billion	\$1.26 Billion	\$1.22 Billion
Book Value per Common Share	↑	\$13.23	\$13.18	\$12.89

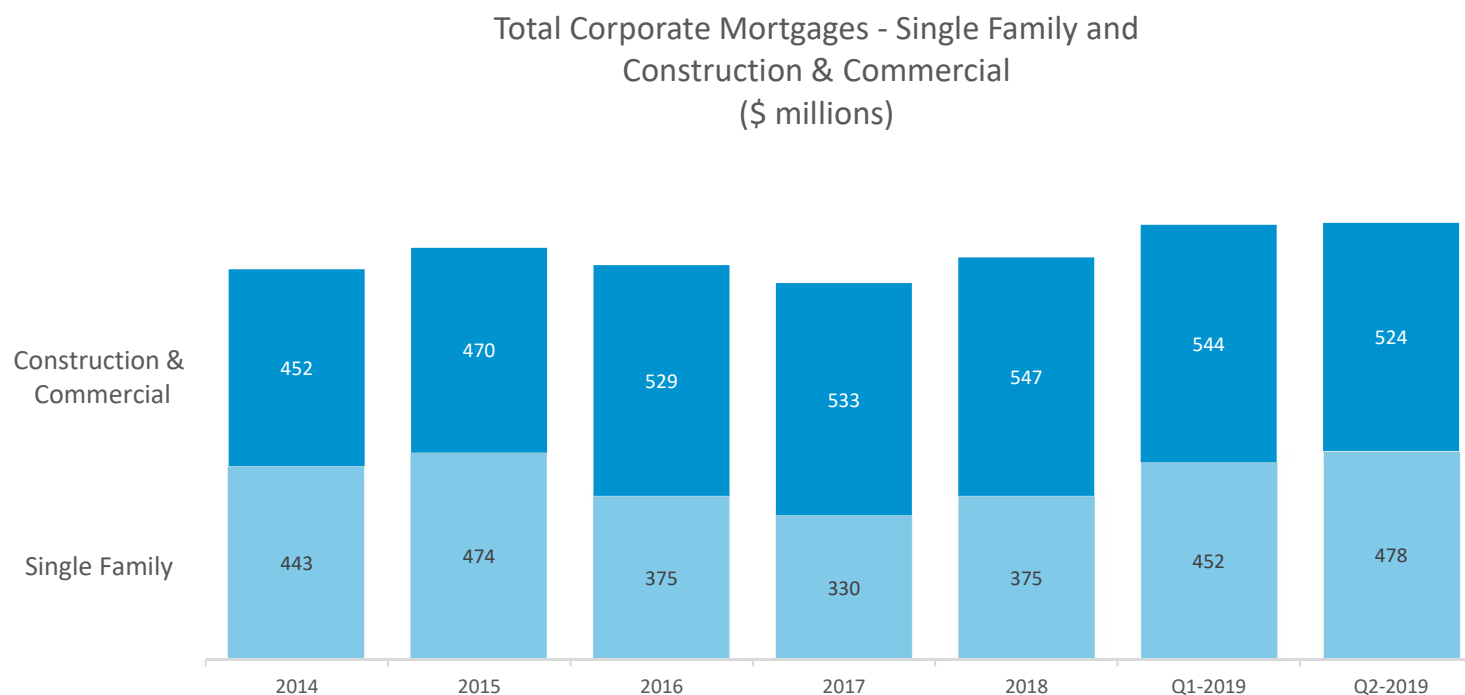
- USF portfolio increased \$37 Million (12%) and \$89 Million (35%) from Q1 2019 and Q4 2018, respectively.

Q2 2019 PERFORMANCE: CAPITAL, LEVERAGE & DIVIDENDS

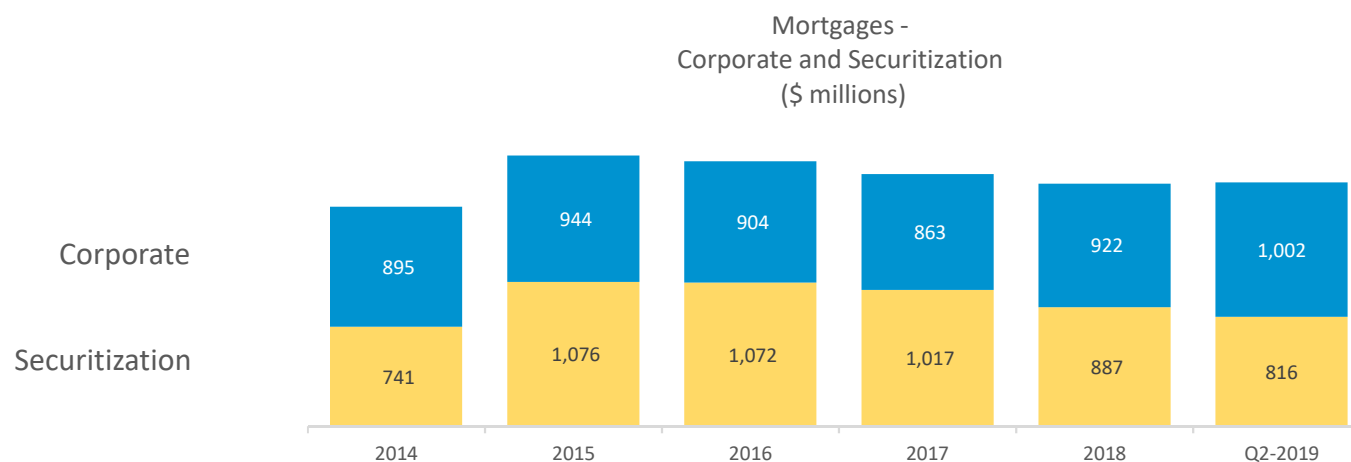
		Q2 2019	Q1 2019	Q4 2018
CET 1	↑	22.40%	22.09%	21.66%
Leverage ratio	↑	12.16%	12.05%	11.79%
Income tax assets to capital	↑	4.71x	4.69x	4.64x
Dividends per share	↔	\$0.32	\$0.32	\$0.32

Well positioned to adapt to business opportunities and challenges in 2019, having sound capital and leverage positions.

CORPORATE MORTGAGE PORTFOLIO

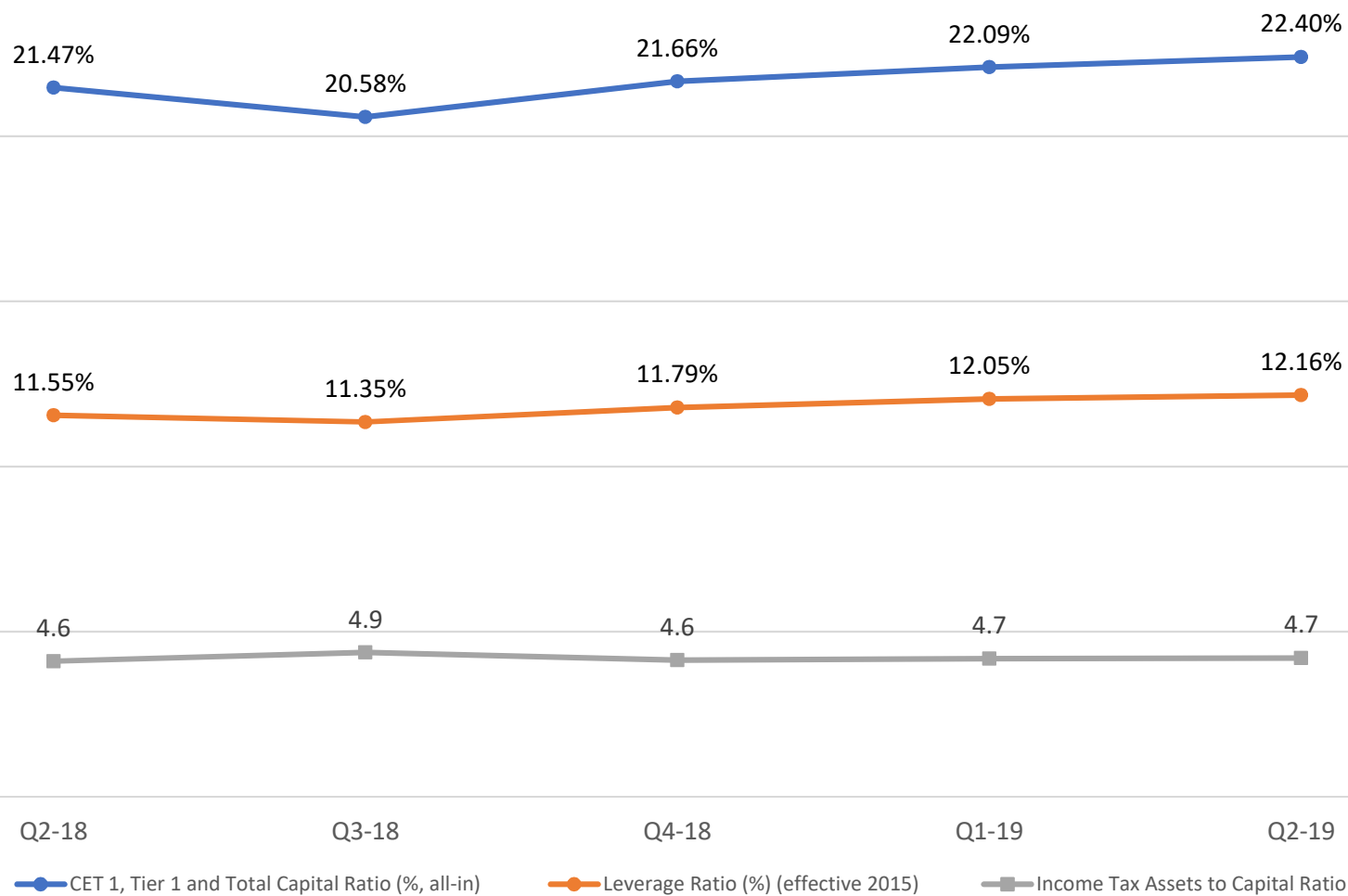


TOTAL MORTGAGE PORTFOLIO

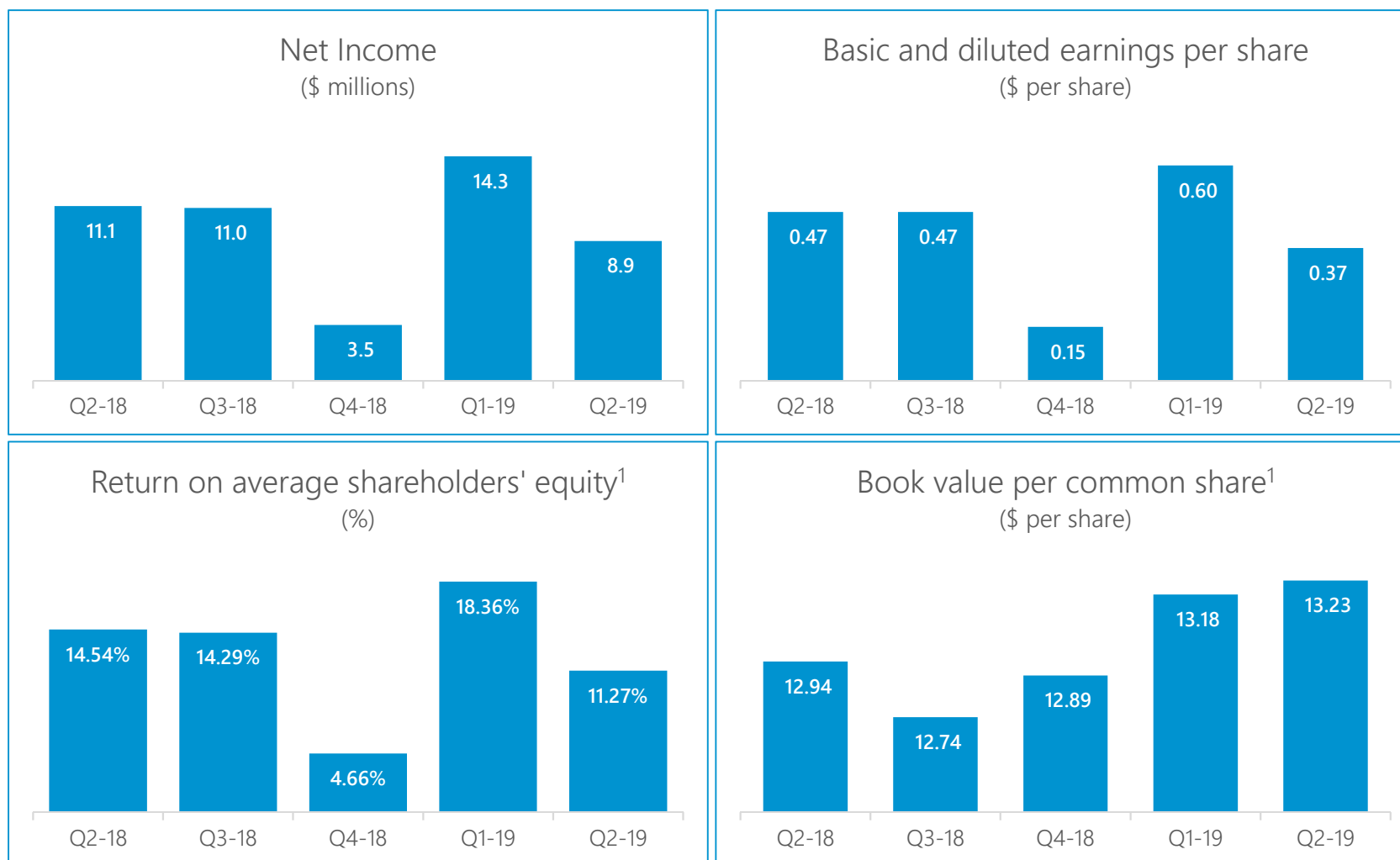


(\$ millions)	Q2 2019	Q4 2018	Change	Q2 2018	Change
Single Family	\$478	\$375	27%	\$338	41%
Construction & Commercial	\$524	\$547	-4%	\$581	-10%
Securitization	\$816	\$887	-8%	\$965	-15%
Total	\$1,818	\$1,809	0%	\$1,884	-4%

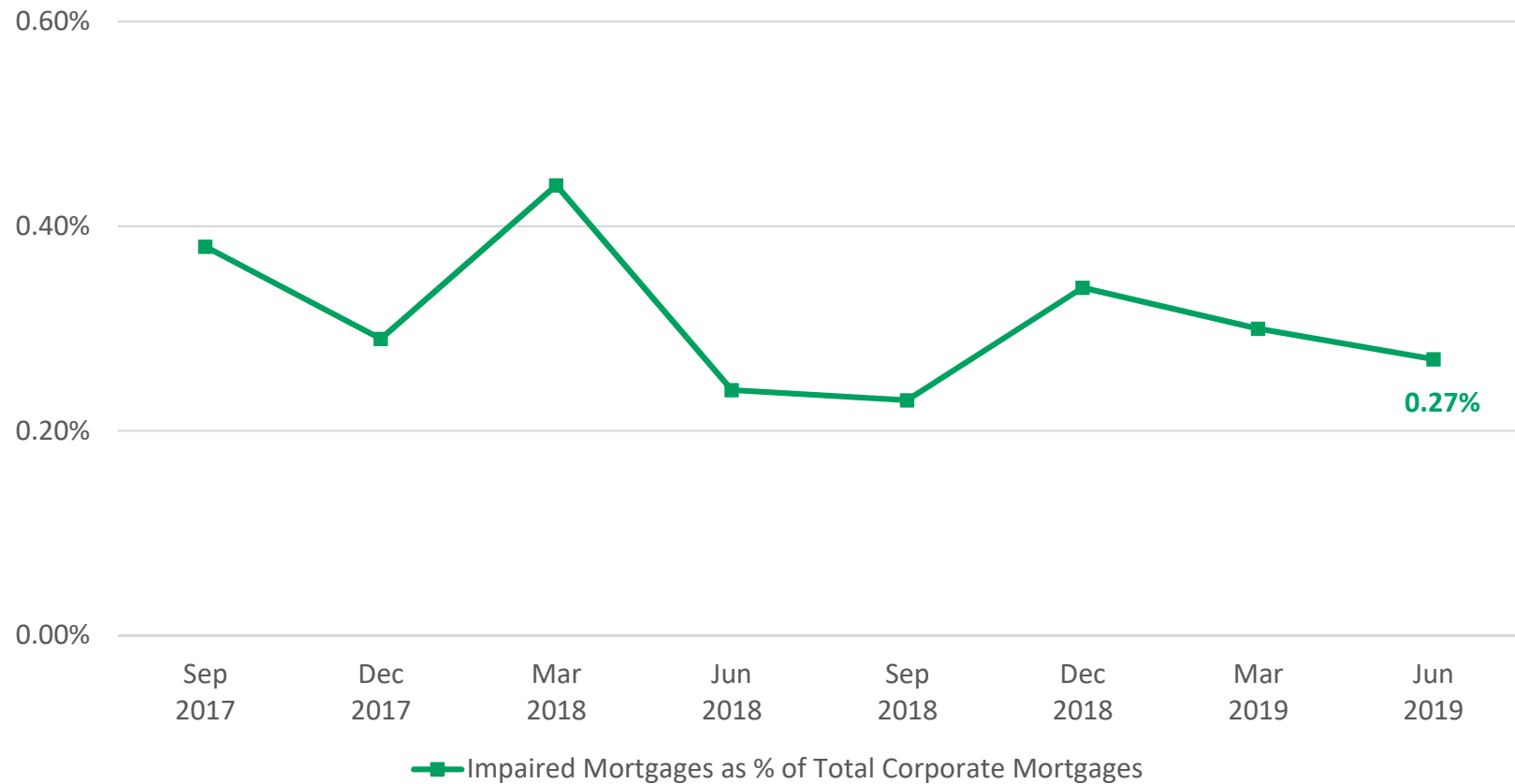
STRONG CAPITAL POSITION



KEY METRICS: QUARTERLY TREND CHARTS



CREDIT QUALITY & RISK MANAGEMENT



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

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 Q2 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 Q2 2019 MD&A and historical quarterly and annual reports
- Source of Market Outlook and Business Outlook comments: MCAN's Q2 2019 MD&A

Contact Information



MCAN Mortgage Corporation

200 King Street West, Suite 600

Toronto, ON M5H 3T4

Tel. (416) 572-4880

mcanexecutive@mcanmortgage.com

www.mcanmortgage.com