



MCAN MORTGAGE CORPORATION

ANNUAL GENERAL MEETING – May 12, 2020





DEREK SUTHERLAND

CHAIR OF THE BOARD

THANK YOU TO OUR RETIRING DIRECTORS



Susan Doré
Director since
May 2010



Verna Cuthbert
Director since
September 2013

FORWARD-LOOKING INFORMATION

This presentation may contain forward-looking statements for the purposes of applicable 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 change, 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.

Reference is made to the risk factors disclosed in MCAN's most recent Annual Information Form and Management's Discussion and Analysis 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.

NOTICE OF MEETING AND ESTABLISHMENT OF QUORUM

2019 FINANCIAL STATEMENTS

ELECTION OF DIRECTORS

APPOINTMENT OF AUDITORS

SCRUTINEER'S PRELIMINARY REPORT

AT LEAST 98.89% 8 DIRECTORS ELECTED

99.95% APPOINTMENT OF AUDITOR

ADOPTION OF PRELIMINARY REPORT

INTRODUCTION OF ELECTED DIRECTORS



Glenn Doré
Director elect
May 2020



Philip Gillin
Director elect
May 2020



Gordon Herridge
Director since
May 2018



Loraine McIntosh
Director since
May 2017



Gaelen Morphet
Director since
January 2018



Derek Sutherland
Director since
May 2017



Ian Sutherland
Director since
January 1991



Karen Weaver
Director since
November 2011

TERMINATION OF MEETING



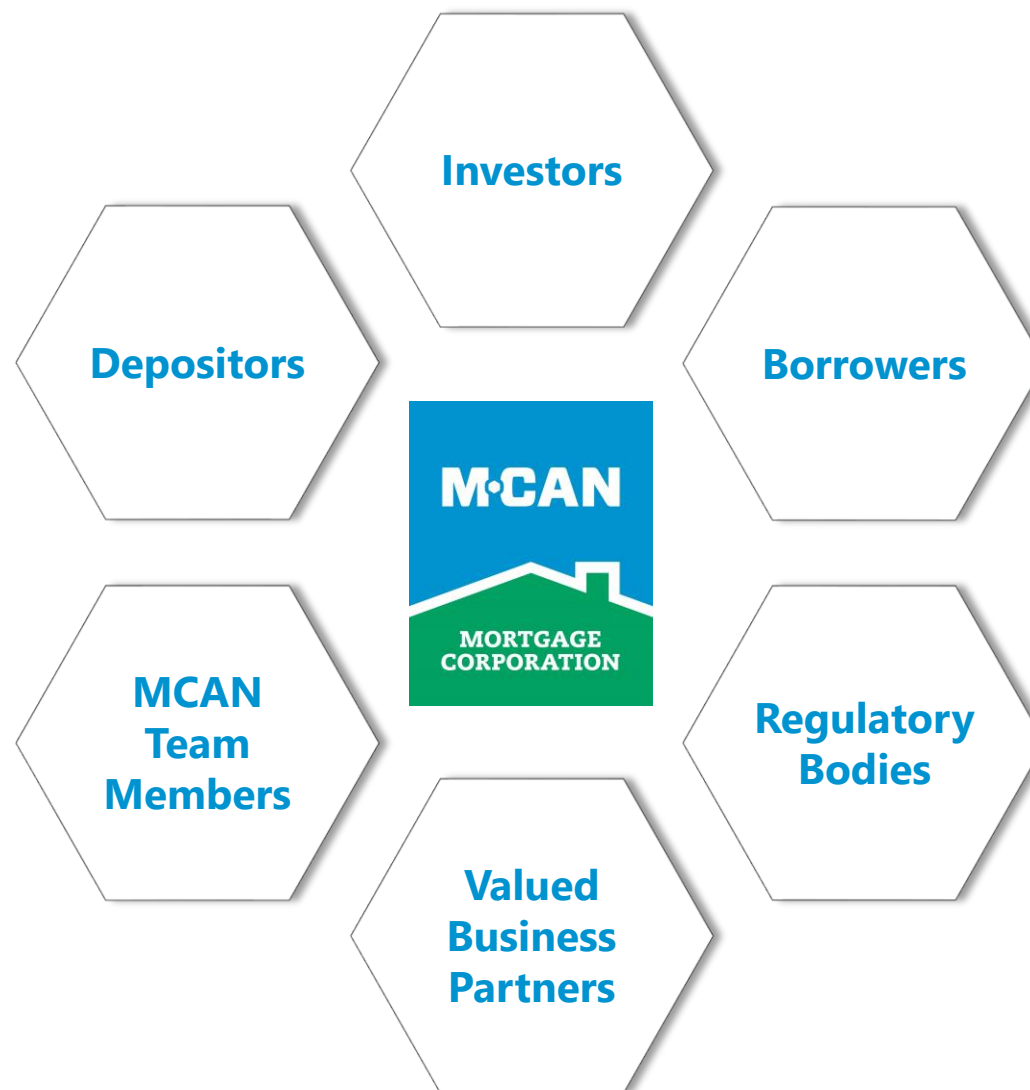
KAREN WEAVER

PRESIDENT & CHIEF EXECUTIVE OFFICER

MANAGEMENT PRESENTATION

May 12, 2020

WELCOME



TODAY

1. COVID-19 and Business Impact
2. 2019 Year in Review
3. First Quarter 2020 Highlights
4. Strategy and Outlook

COVID-19 AND BUSINESS IMPACT

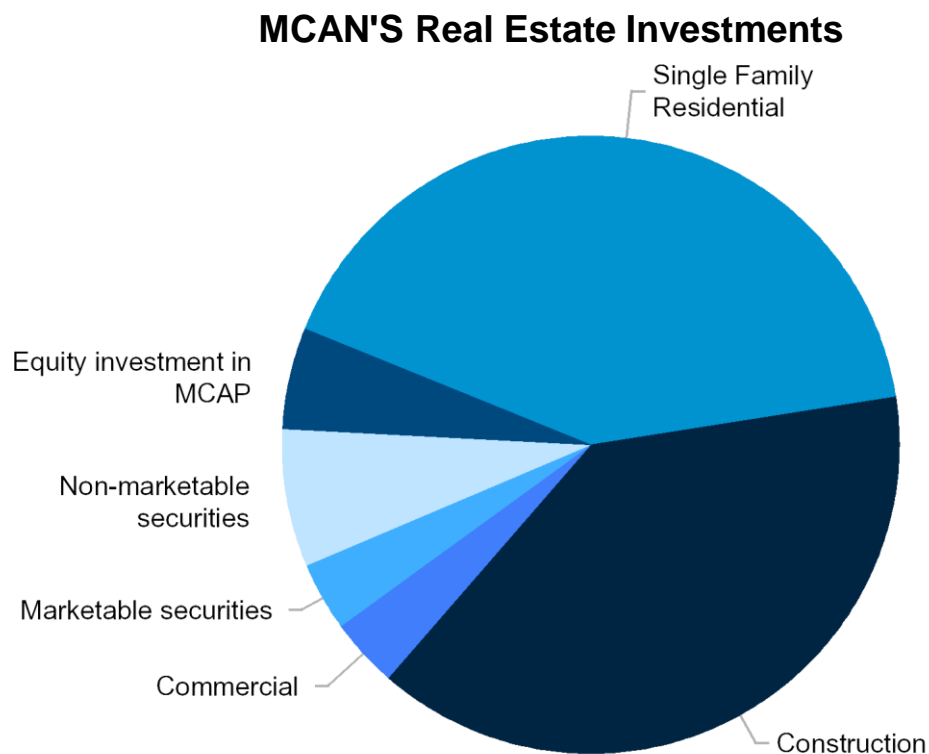
- Strong momentum and growth in our operations
- Board and management team experience
- Well capitalized and solid liquidity
- Focus on residential lending - Single Family, Construction and Commercial
- Rigorous and conservative policies and practices
- Well positioned other investments and capital base

MCAN BUSINESS



Our focus since founding in 1991

DIVERSIFIED QUALITY REAL ESTATE INVESTMENTS



\$1.36
Billion Total
Corporate
Assets

\$2.18
Billion
Total Assets

- 10.7 months average term to maturity of the corporate mortgage portfolio
- Data presented as at December 31, 2019

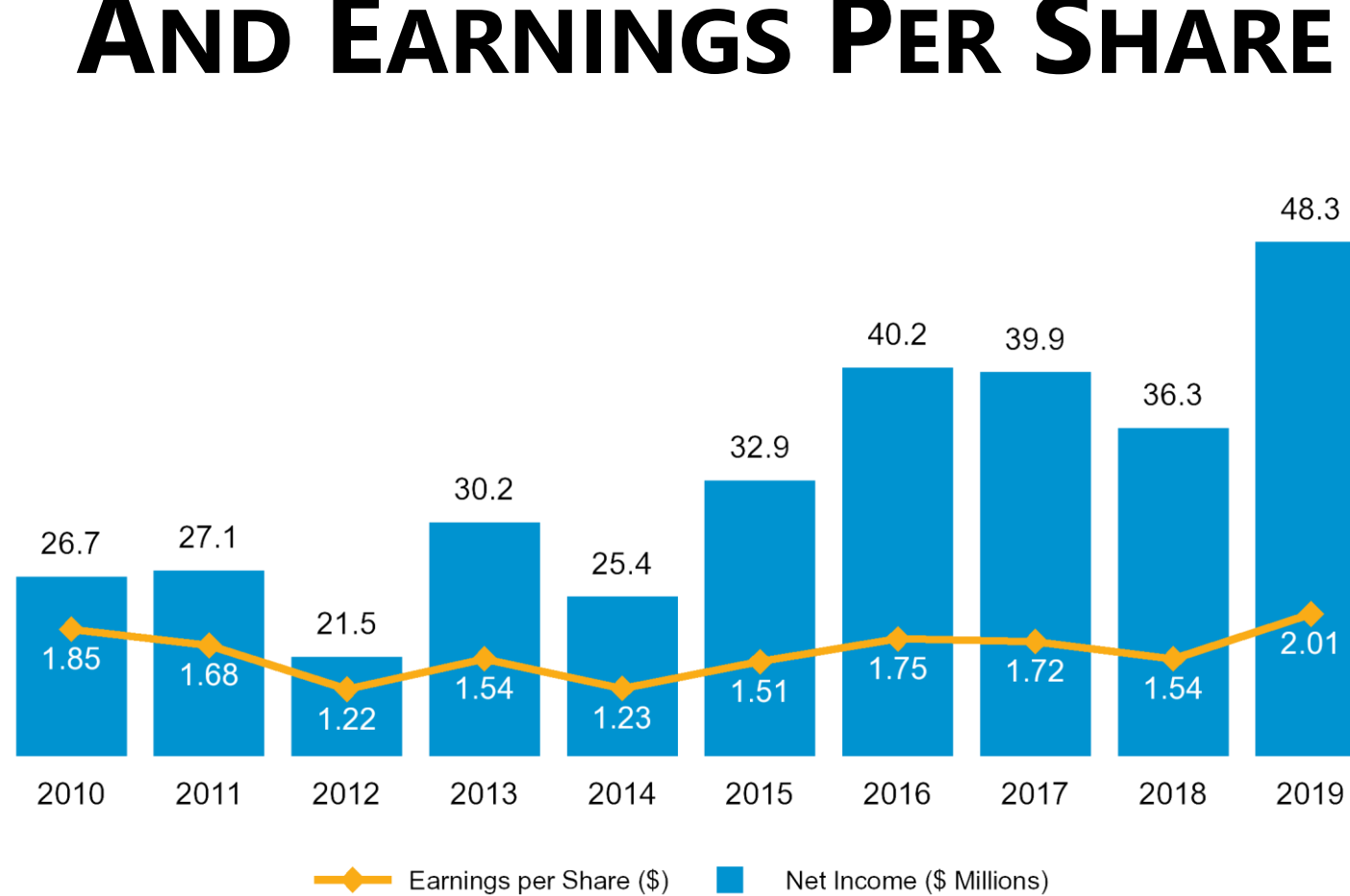
DEPOSIT FUNDING

MCAN's Term Deposits:

- Since 1993
- Non-redeemable prior to maturity
- Eligible for CDIC insurance coverage
- \$1,034 million at December 31, 2019
- 18.4 months average term to maturity



10 YEAR HISTORY OF NET INCOME AND EARNINGS PER SHARE



\$2.01
EPS

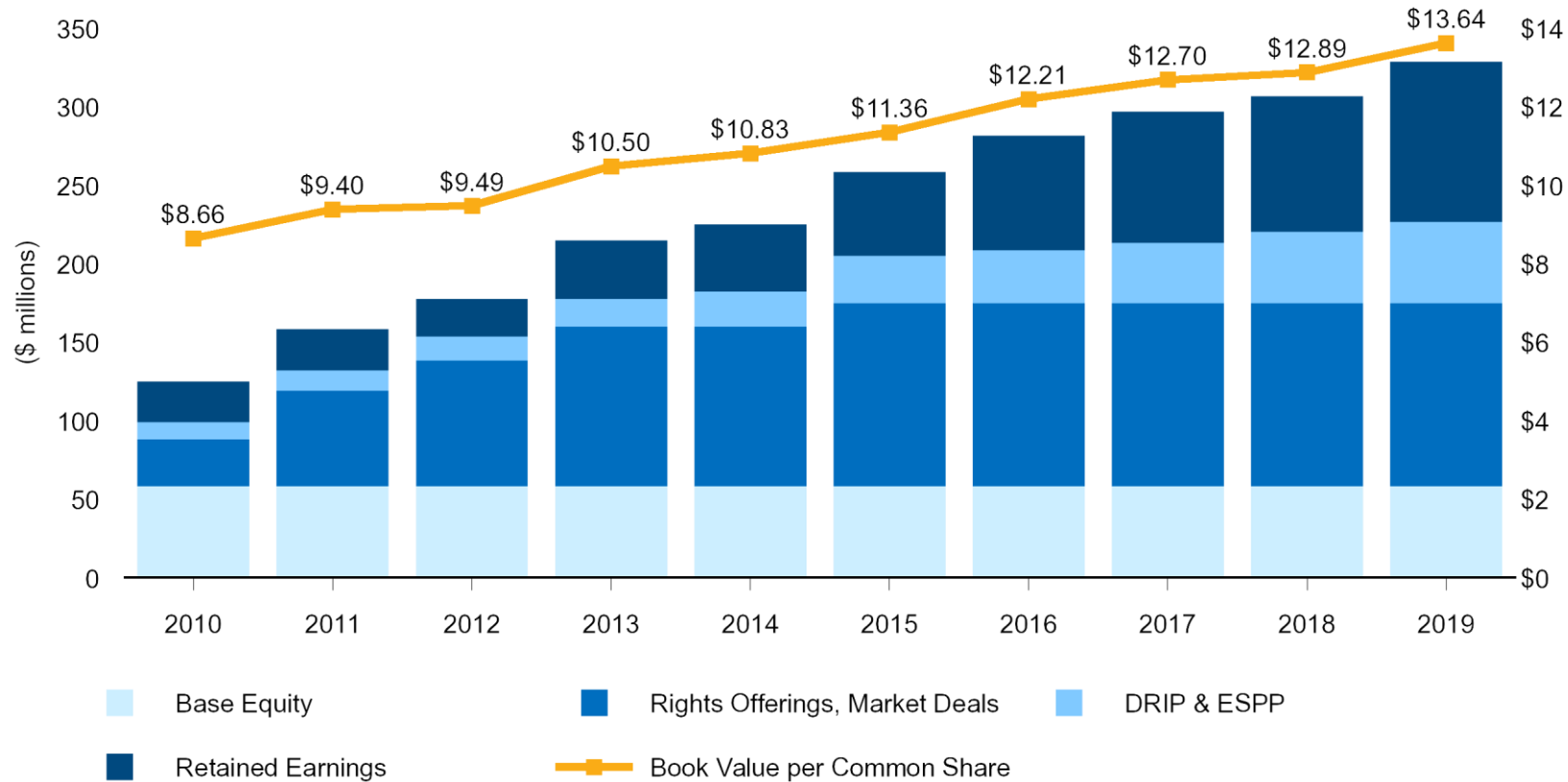
INVESTMENTS AND CAPITAL RECYCLING

- Disposition of REITs in the portfolio
- Disposition of investment in Crown Core Fund
- New investment in Securitization notes
- Increased participation in KingSett
- Focused on opportunistic investments

MCAN's CAPITAL HISTORY

10 Year History - Capital Growth and Book Value per Share

Q4 2019
book value
\$13.64
per share



10 YEAR HISTORY DIVIDEND GROWTH & YIELD

Avg yield
8.33%
10yr



** MKP CN Equity - Dividend Indicated Yield – Gross; monthly data 2010 to 2019

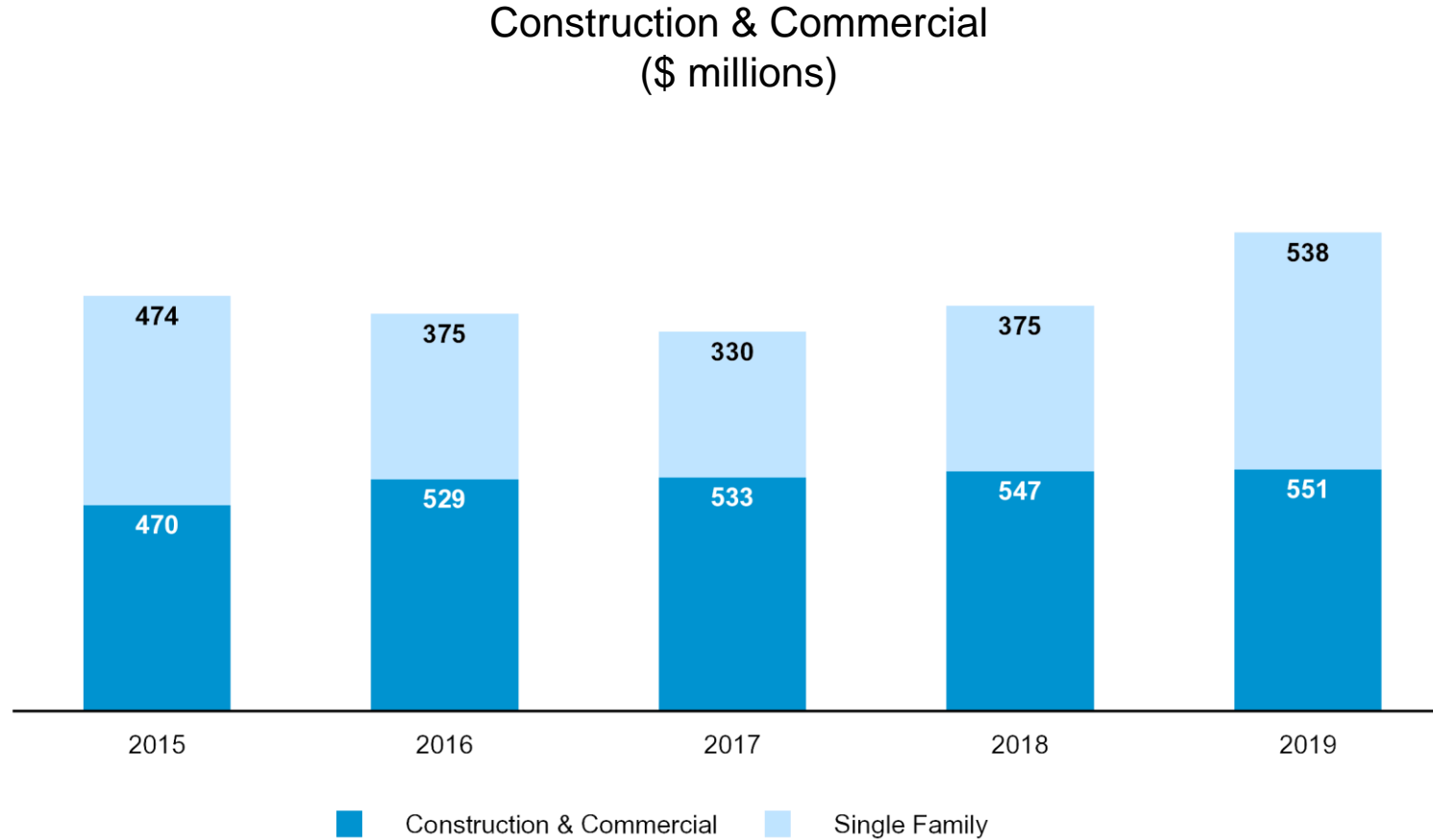
2019 YEAR IN REVIEW

2019 PERFORMANCE

	2019	2018
Mortgage Interest - Corporate Assets	\$56.4 million	\$51.6 million
Net Investment Income - Corporate	\$64.9 million	\$50.1 million
Net Investment Income - Securitization	\$4.0 million	\$5.0 million
Net Gain (Loss) on Securities	\$14.0 million	\$(0.5) million
Provision for (Recovery of) Credit Losses	\$(0.5) million	\$0.2 million
Net Income	\$48.3 million	\$36.3 million
Basic and Diluted Earnings per Share	\$2.01	\$1.54
Return on Average Shareholders' Equity	15.11%	11.90%
Spread of Corporate Mortgages over Term Deposit Interest and Expense	2.62%	3.07%

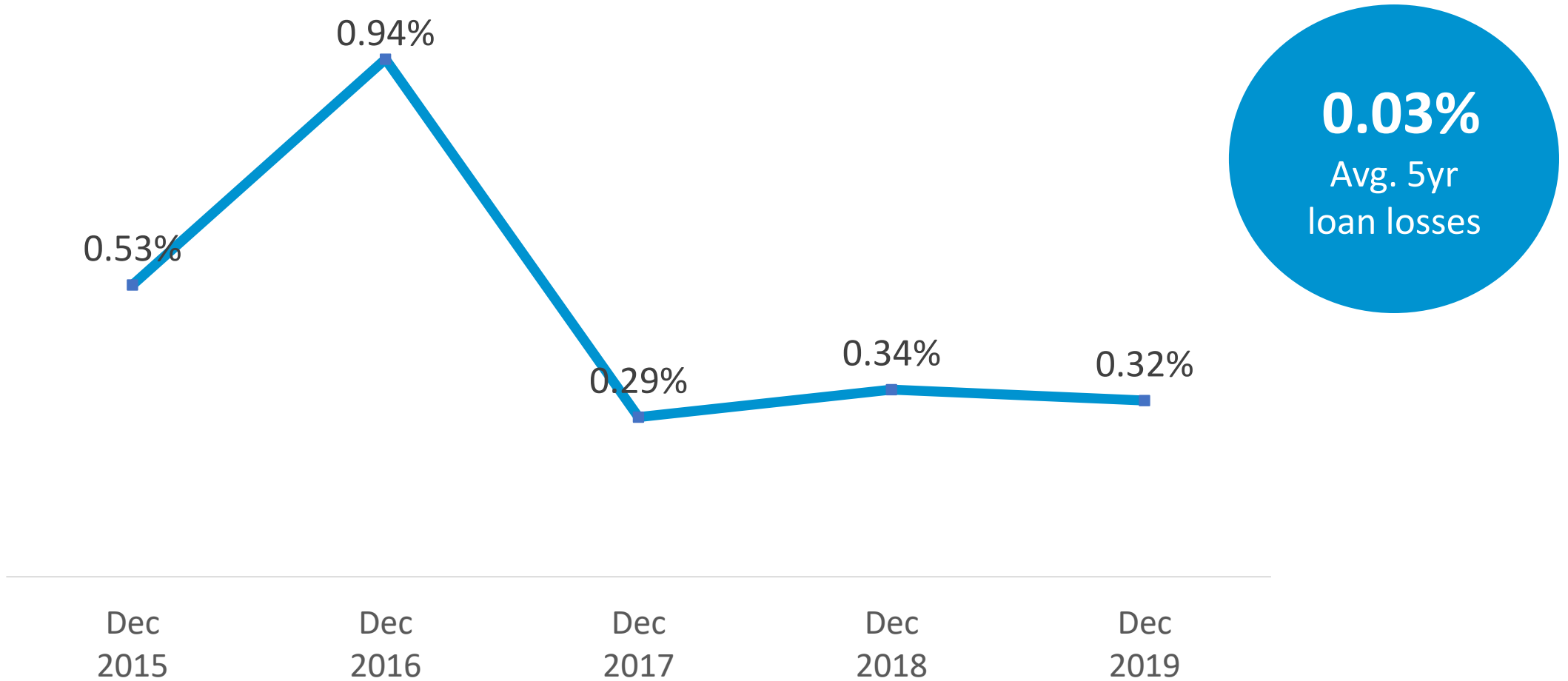
CORPORATE MORTGAGE PORTFOLIO

Total Corporate Mortgages - Single Family and
Construction & Commercial
(\$ millions)



YoY Growth
18%

IMPAIRED MORTGAGES AS A % OF TOTAL CORPORATE MORTGAGES



2019 PERFORMANCE OVERALL

- Growing balance sheet
- Asset mix and risk profile
- Successful marketing and sales
- Timely capital recycling and new investments
- Focused improvements on infrastructure
- Focused management team

FIRST QUARTER 2020 HIGHLIGHTS

Q1 2020 PERFORMANCE

	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%

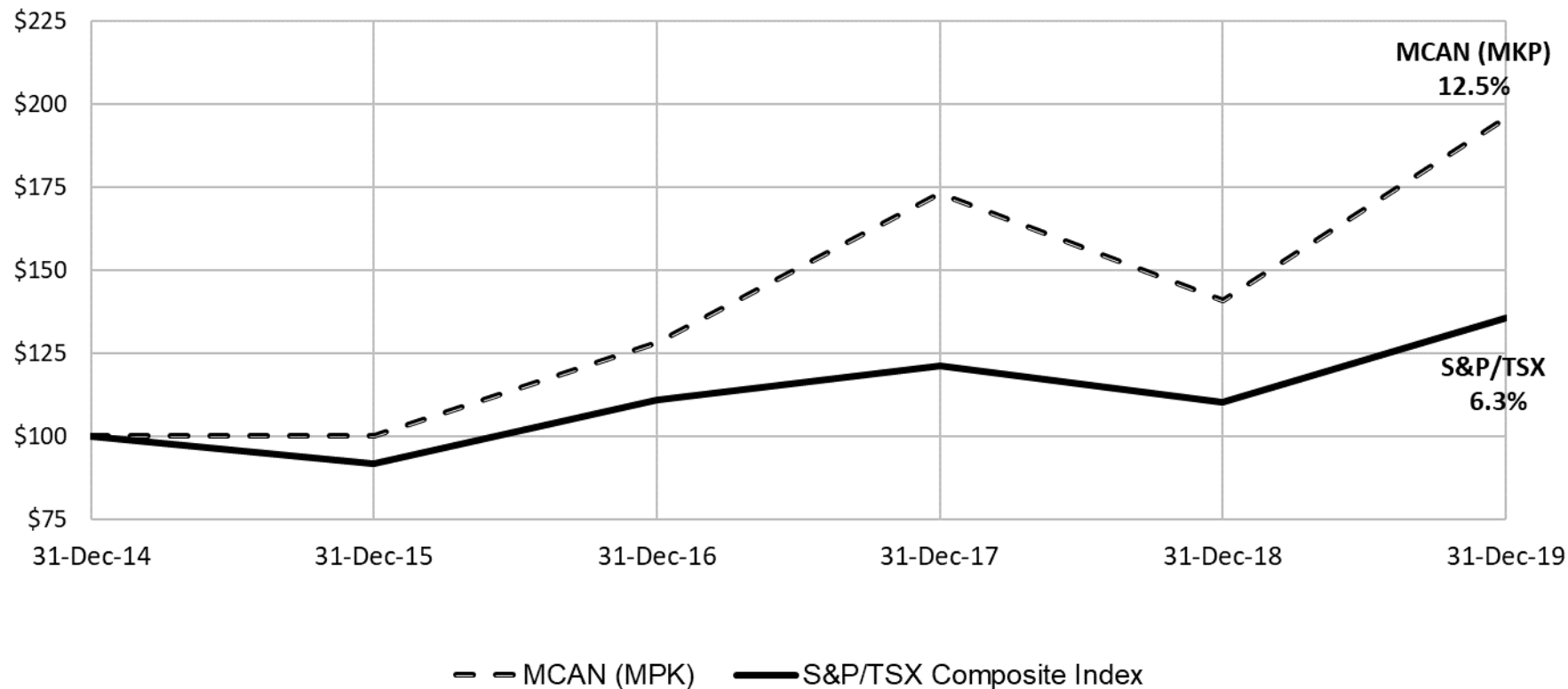
Q1 2020 PERFORMANCE: HIGHLIGHTS

	Q1 2020	Q4 2019
USF Balance	\$437 million	\$428 million
USF Originations	\$71 million	\$58 million
ISF Originations	\$100 million	\$60 million
Corporate Assets	\$1.43 billion	\$1.36 billion
Book Value per Common Share	\$12.90	\$13.64

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	5.03x	4.93x
Dividends per share	\$0.34	\$0.32

MCAN 5 YEAR TOTAL RETURN VS. INDEX



5 year
14.4%
CAGR

1 year
38.8%
Total
Return

STRATEGY AND OUTLOOK

2020 BUSINESS FOCUS

Single Family:

- Uninsured single family
- Insured single family and securitization
- Sales and marketing
- Underwriting platform

2020 BUSINESS FOCUS

Construction & Commercial:

- Construction mortgage portfolio
- Commercial mortgages
- Underwriting and asset management platform

2020 BUSINESS FOCUS

Other:

- Marketable securities
- Non-marketable securities
- Liquidity and balance sheet management
- Proactive COVID-19 response

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

THANK YOU RETIRING DIRECTORS

Thank you Susan Doré and Verna Cuthbert

Q&A SESSION

THANK YOU