MCAN Financial




# 2025 Results
# TSX: MKP

February 23, 2026

# Reimagining opportunity to drive growth for Canadian communities

# 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 d/b/a MCAN Financial Group and its subsidiaries (the "Company"). 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, geopolitical risks and potential changes in tariffs impacting international trade and general economic conditions in geographic areas where MCAN operates. 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.

The Company cautions readers not to place undue reliance on forward-looking statements when making decisions, as many risks and uncertainties could cause actual results, performance or achievements to be materially different from any future results, including those described in the Company's annual information form, management's discussion and analysis and other documents filed under the Company's profile on SEDAR+ at www.sedarplus.ca. Certain statements included in this presentation may also be considered a "financial outlook" for purposes of applicable Canadian securities laws. The Company presents its outlook to assist shareholders in understanding management's assumptions and expectations on how the future will impact financial performance of the Company, and as such, these statements may not be appropriate for purposes other than this presentation. The Company does not undertake to update any forward-looking statements, whether oral or written, except as required by securities laws.

# Non-GAAP and Other Financial Measures

This investor presentation references a number of non-GAAP and other financial measures and ratios to assess the Company's performance such as return on average shareholders' equity, spread of non-securitized mortgages over term deposit interest and liabilities, spread of securitized mortgages over liabilities, pre-provision pre-tax income and book value per common share. These measures are not calculated in accordance with International Financial Reporting Standards ("IFRS"), are not defined by IFRS and do not have standardized meanings that would ensure consistency and comparability between companies using these measures. These metrics are considered to be non-GAAP and other financial measures and are defined and reconciled to the most directly comparable IFRS measure in the "Non-GAAP and Other Financial Measures" section of the Company's 2025 Annual MD&A available on SEDAR+ at www.sedarplus.ca, which section is incorporated herein by reference.

# Business Overview

# 2025 Financial Highlights

- 33% Y/Y uninsured residential mortgage originations growth
- Launch of our uninsured securitization program with a major Canadian bank
- 5% Y/Y growth in our construction and commercial loans
- Total AUM growth outpacing growth in our capital reflecting focus on capital optimization
- Q1 2026 dividend declared of $0.43 per share (5% increase from last quarter)

**$74.9M** Net Income
(PPPT Income[1,2] $88.1M)

**$1.89** Earnings per Share
(PPPT EPS[1,2] $2.23)

**12.07%** Return on Average Shareholders' Equity[1]

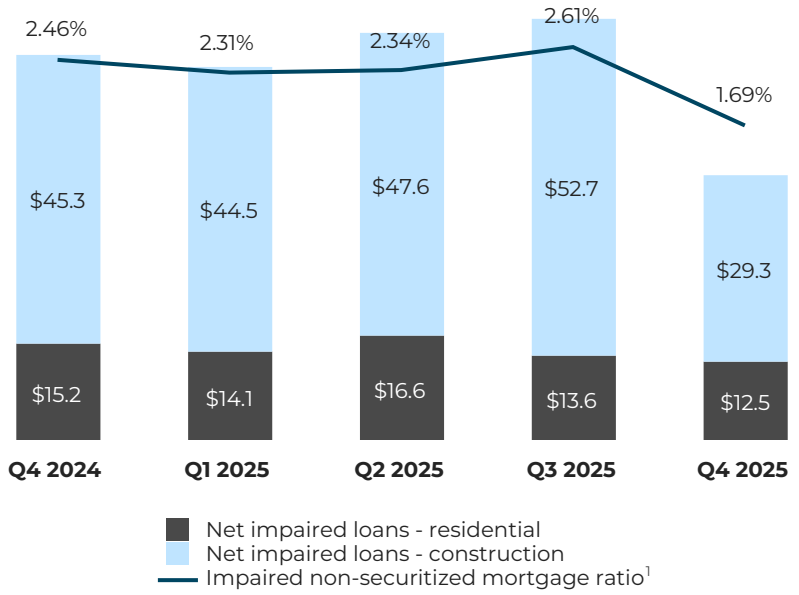
**$6.5B** Total Assets
**(+21% YTD)**

**$7.8B** Assets Under Management[1]
**(+30% YTD)**

[1]Considered to be a non-GAAP and other financial measure. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this investor presentation. Non-GAAP and other financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.
[2]Pre-provision, pre-tax

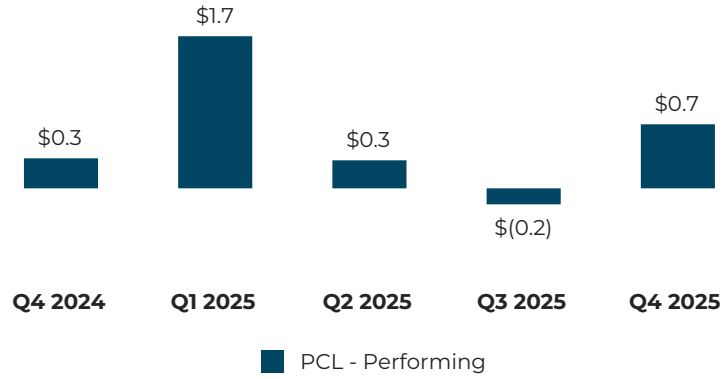
# Impaired Mortgage Loans Trending Down; PCL Elevated in Current Uncertain Environment

## Impaired Mortgage Loans ($M)

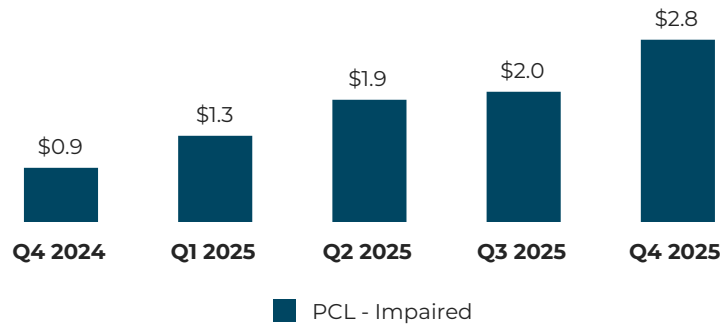



- Impaired ratio declined in the current quarter due to positive resolution on construction loans
- Continued focus on underwriting with loans originated at prudent LTV ratios
- Ongoing management of impaired loans
- Increase in PCL on impaired loans mainly due to provisions for accrued interest

## PCL - Performing Mortgage Loans ($M)



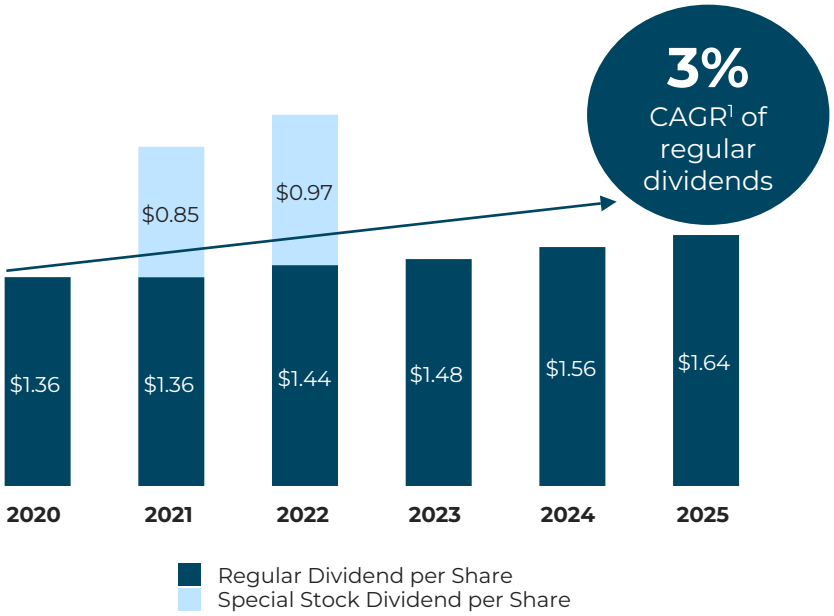

## PCL - Impaired Mortgage Loans ($M)



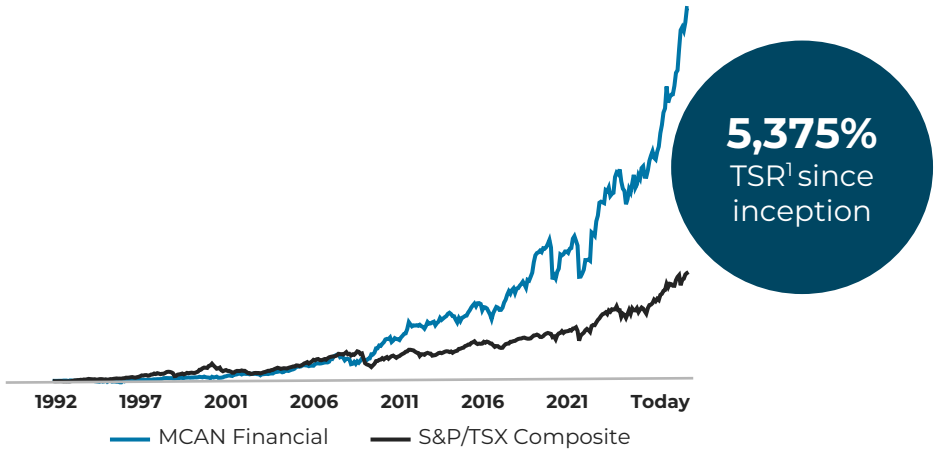

[1]Considered to be a non-GAAP and other financial measure. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this investor presentation. Non-GAAP and other financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

# Quality Returns to Shareholders

## Dividends




## Total Shareholder Return




**Total shareholder return: 94% (3-year), 147% (5-year), 389% (10-year)**

- 33-year history of paying dividends
- Q1 2026 dividend declared of $0.43 per share (5% increase from last quarter)
- Long-term objective of sustained and prudent dividend growth

[1]Considered to be a non-GAAP and other financial measure. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this investor presentation. Non-GAAP and other financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

# Recent Awards

MCAN recognized as one of Canada's Best Workplaces™ in Financial Services and Insurance by Great Places to Work® Canada for 2025

MCAN recognized for 2025 Most Admired Cultures by Waterstone Human Capital

MCAN Home, our residential mortgage business, recognized by Canadian Mortgage Professional as a Top Mortgage Employer for 2025

MCAN recognized for 2025 Best Workplace Culture and Canadian HR Team of the Year (Finance/ Insurance) by HR Directors of Canada and The Canadian HR Reporter

# Business Model and Value Proposition

**MCAN provides sustainable growth and returns to shareholders by leveraging our real estate expertise and providing our shareholders with unique access to investments in the Canadian real estate market**

**Federally Regulated Financial Institution since 1991**

- Strong governance and risk management practices
- Compared to OSFI peers, **focus on residential real estate lending**

**Uniquely structured as Canada's largest federally regulated Mortgage Investment Corporation[1]**

- Not taxed at the corporate level - all taxable earnings flow-through to shareholders via regular quarterly dividends
- Compared to Mortgage Investment Corporation peers:
  - **Lower risk profile**
  - **Higher returns** driven by lower funding costs from CDIC-insured deposits

| | | | | |
|---|---|---|---|---|
| **Unique Business Model with Strong Fundamentals** | **Attractive Financial Profile & Growth** | **Investment in MCAP, a Source of Growing Value** | **Seasoned Management Team with Industry Track Record** | **Consistent and Attractive Dividend Yield** |

[1]MCAN is a Mortgage Investment Corporation ("MIC") under the Income Tax Act (Canada). A MIC is a flow-through vehicle that is able to deduct from income for tax purposes dividends paid within 90 days of year-end. The Company expects to pay sufficient dividends to ensure that it is not subject to income taxes in the MIC entity. MCAN would be subject to tax at a statutory tax rate of 39.5% to the extent that it does not pay sufficient dividends to eliminate its taxable income.

# Financial Overview

# 2025 Financial Overview

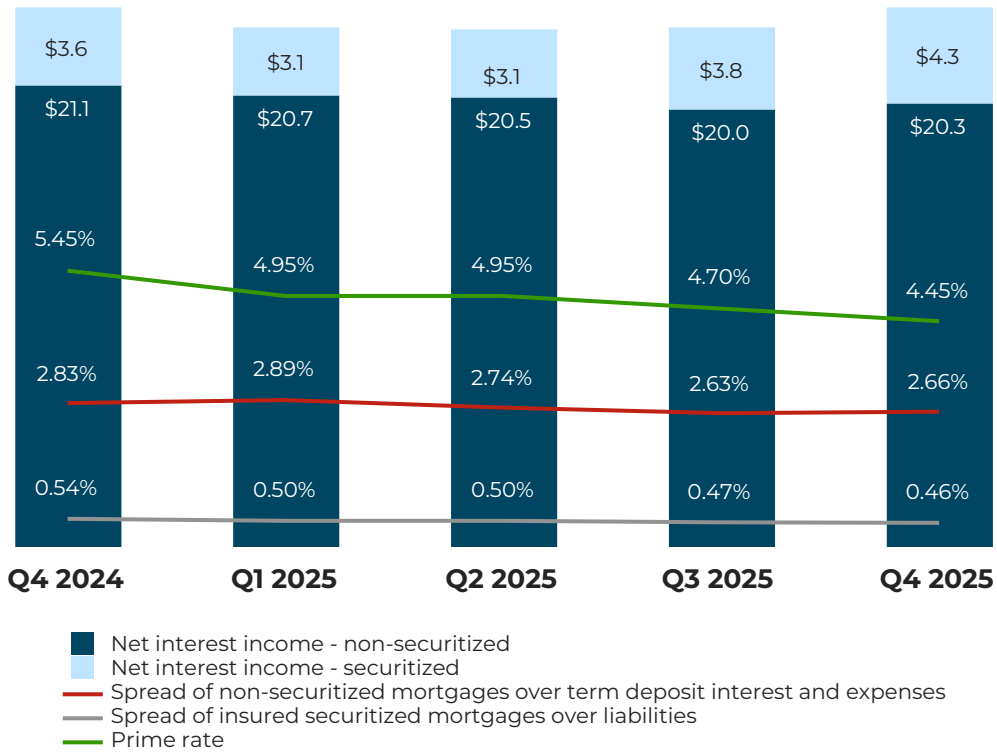
| In $M, unless otherwise noted and except for per share amounts | 2025 | Y/Y |
|---|---|---|
| Net interest income | $95.8 | -1% |
| Non-interest income | $51.4 | +37% |
| Provision for credit losses | $13.5 | +313% |
| Net income | $74.9 | -3% |
| Earnings per share | $1.89 | -8% |
| Return on average shareholders' equity[1] | 12.07 % | -10% |
| Total assets ($M) | $6,477 | +21% |
| Uninsured mortgages ($M) | $1,290 | +16% |
| Insured mortgages ($M) | $3,319 | +30% |
| Construction mortgages ($M) | $1,136 | +4% |
| Book value per share | $15.93 | +3% |
| Total capital ratio | 19.14 % | -0.14% |
| Income tax assets to capital ratio | 5.10 | -3% |

- Net interest income only down slightly as higher asset growth was offset by lower net interest margins in a declining rate environment
- Non-interest income up from higher MCAP income and changes in fair value of securities
- Provision for credit losses impacted by current economic and geopolitical environment - solid LTVs of 66% for Uninsured and 60% for Construction
- Significant growth in mortgage balances due to strong origination volume and service to our originators and customers
- Lower capital ratio reflects focus on capital optimization

[1]Considered to be a non-GAAP and other financial measure. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this investor presentation. Non-GAAP and other financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

# Net Interest Income Spreads Relatively Stable

## Net Interest Income ($M) and Spread[1]

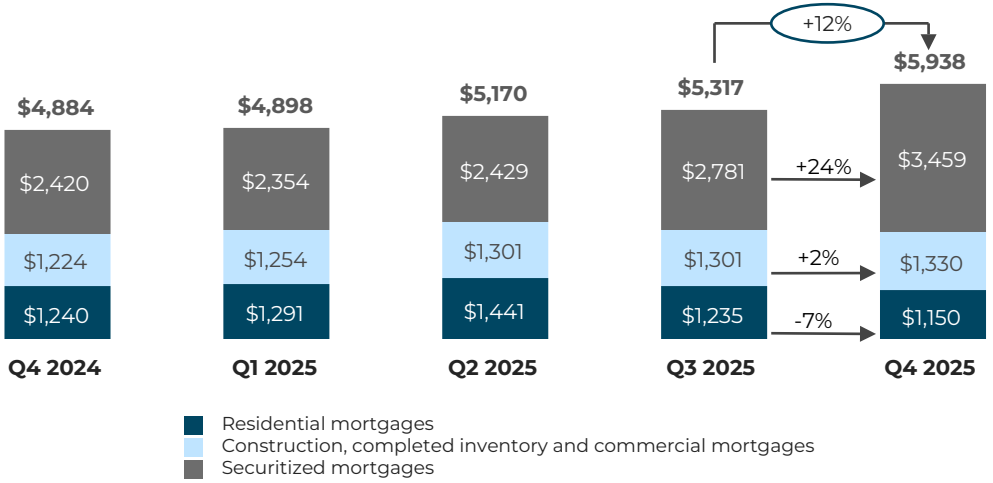



- NII stable Y/Y as loan growth offset lower spreads
  - While prime rates declined 100bps in 2025, our spread only reduced by 17 bps due to pricing and hedging strategies, and floors on our floating-rate residential construction loans
- Non-securitized spread up slightly Q/Q, primarily due to pricing and hedging strategies
- NII higher Q/Q due to loan growth, particularly uninsured residential mortgage originations to support our uninsured securitization program

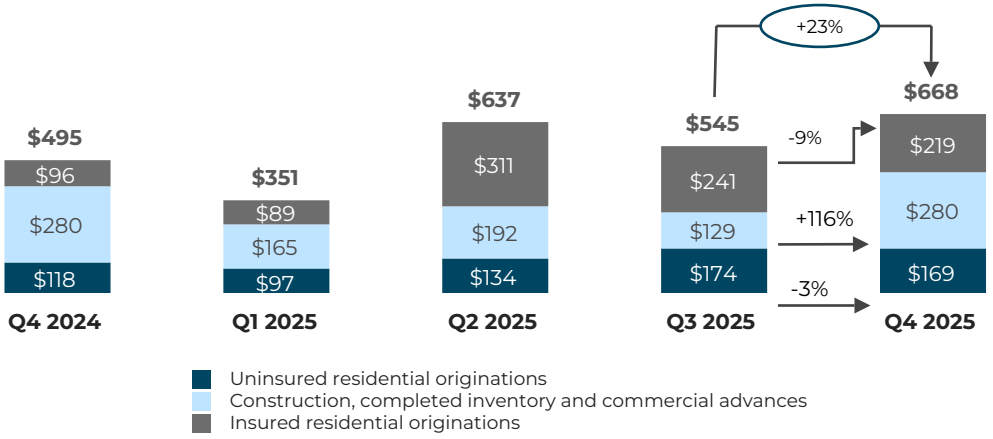
[1]Considered to be a non-GAAP and other financial measure. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this investor presentation. Non-GAAP and other financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.

# Mortgage Balance Growth Driven by Strong Fundings

## Mortgage Balances ($M)

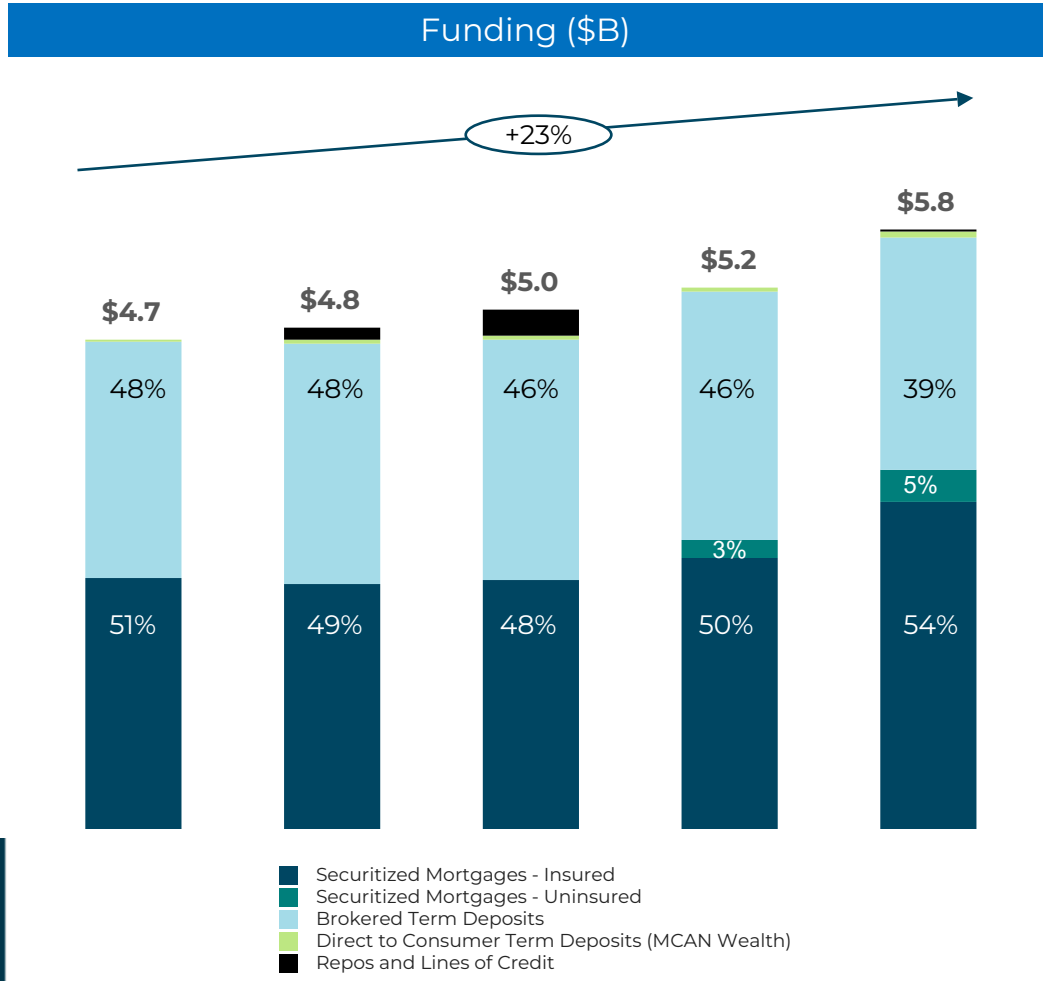



## Mortgage Fundings and Originations ($M)




- Mortgage balances higher Q/Q despite tough market
  - Total uninsured residential mortgage balances (securitized and non-securitized) increased by 16% Y/Y
  - Total insured residential mortgage balances (securitized and non-securitized) increased by 30% Y/Y
    - We securitized $500M of insured residential mortgages acquired from our strategic partner MCAP
- Strong originations and fundings in our lending businesses
  - 33% Y/Y growth in uninsured and 38% Y/Y growth in insured residential mortgage originations
  - Residential mortgage originations driven by borrowers motivated by lower rate environment
  - Construction and commercial fundings driven by strong deal flow in the quarter

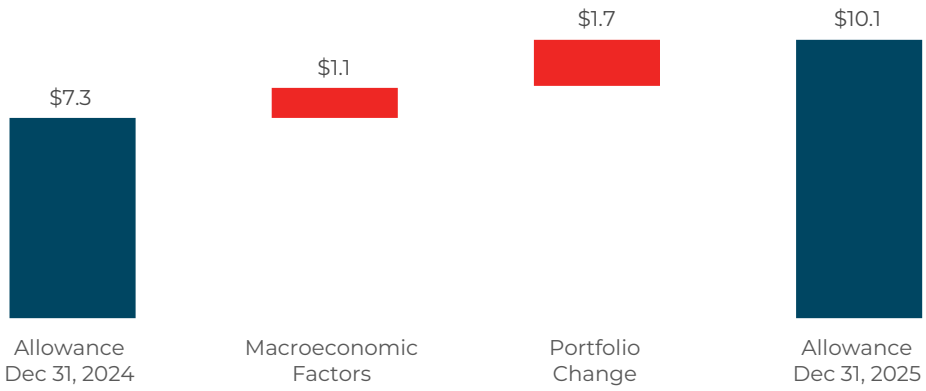
# Well-Established and Growing Funding Base



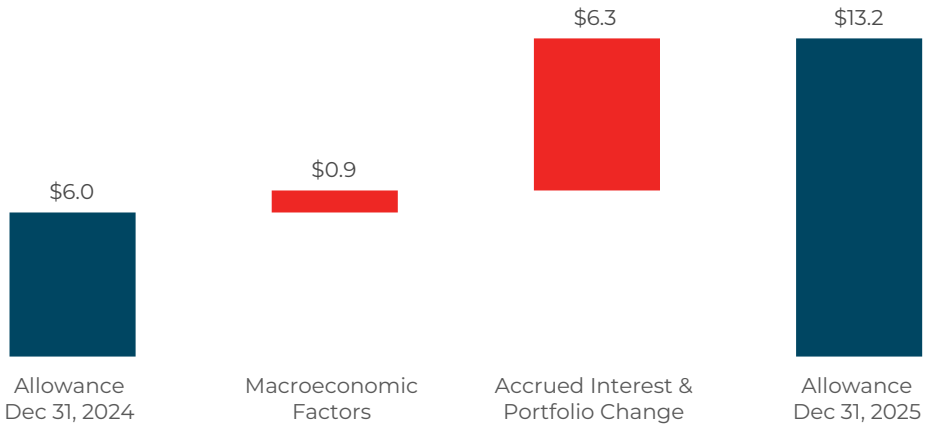

- Funding base well established and diversified to support business growth
- Securitization and term deposits provide a source of low-cost funding
- MCAN Wealth direct-to-consumer term deposits product continues to develop
- In 2025, MCAN launched its uninsured securitization program with one of the major Canadian banks, further expanding sources of funding

# Well Reserved for Current Mortgage Credit Cycle

## Allowance on Performing Mortgage Loans ($M)




## Allowance on Impaired Mortgage Loans ($M)




- Performing (Stage 1 and 2)
  - Increase due to asset growth and current economic environment
- Impaired (Stage 3)
  - Q/Q increase due primarily to interest accruals on impaired construction loans
  - Continued close monitoring of impaired loans and progress to resolution

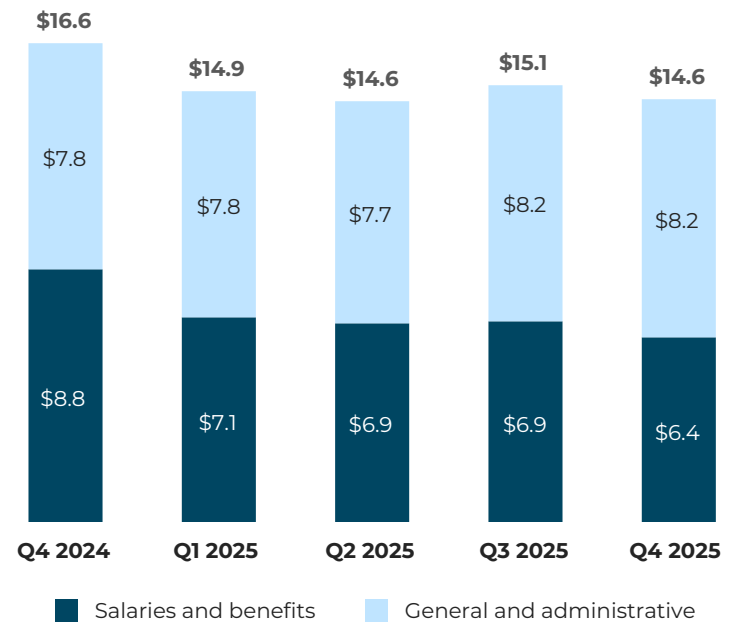
# Non-Interest Income

| Non-Interest Income ($M) | 2025 | Y/Y |
|---|---|---|
| Equity income from MCAP Commercial LP | 33,444 | 16 % |
| Distribution income from securities | 9,933 | (8)% |
| Fees | 3,485 | (1)% |
| Net gain (loss) on securities | 2,109 | 133 % |
| Other | 2,447 | n/a |
| Gain on dilution of investment in MCAP Commercial LP | — | (100)% |
| **Total non-interest income** | **51,418** | **37 %** |

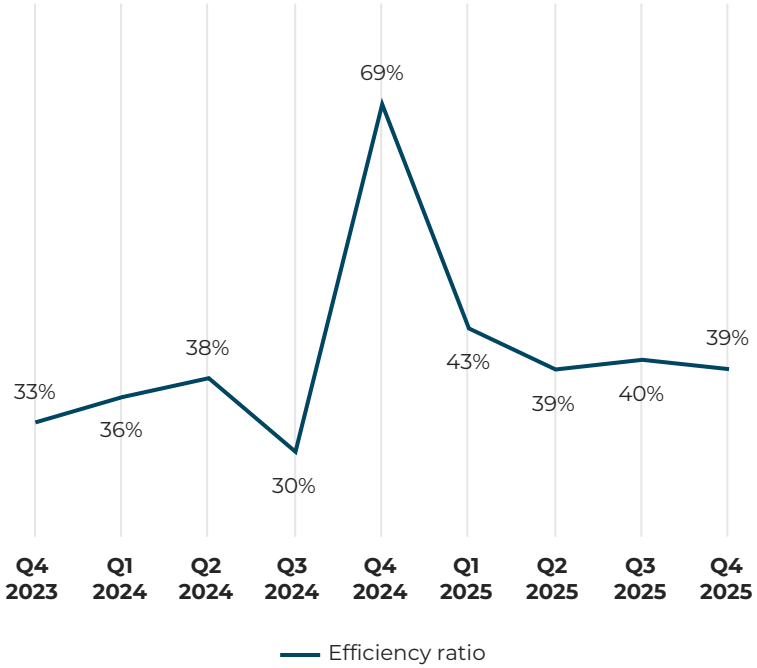
- **Equity income from MCAP** - higher income from more assets under management, particularly higher securitization income and lower non-securitized interest expenses.
- **Net gain (loss) on securities** - higher due to improvement in overall market.

# Non-Interest Expense

## Non-Interest Expense ($M)




## Efficiency Ratio[1]

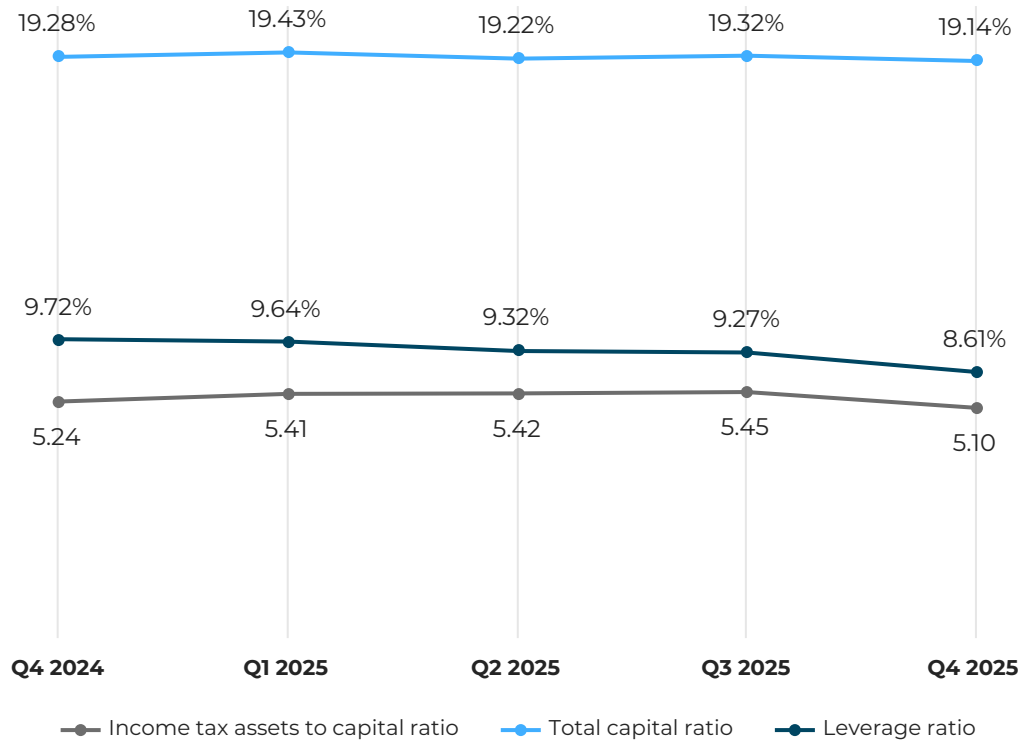



- Non-interest expense trending lower in 2025 due primarily to:
  - Salaries and benefits - lower share-based payment accruals and severance accruals
  - General and administrative - ongoing initiatives to support and continue to grow the business
- Efficiency ratio trend returning to historical levels.
  - Q4 2024 impacted mainly by unrealized fair value losses on securities.

[1]Calculated as total non-interest expenses divided by total net interest income and total non-interest income.

# Capital Ratios - Healthy and Within Regulatory and Internal Risk Appetite Guidelines

## Capital Ratios




- Capital ratios continue to reflect the realization of our business strategy of optimizing the balance sheet by growing assets and utilizing excess capital
- In 2025, shareholders' equity grew by 8% while total assets grew by 21% reflecting an efficient use of our capital

# Closing Comments - 2025 Review

1. Successful launch of our uninsured securitization program
2. Strong originations in our mortgage lending business
3. Solid contribution to results from our investment in MCAP
4. Prudent underwriting and appropriate provisioning in existing economic uncertainty
5. Capital optimization with assets growing faster than capital

# Long Term Objectives

1. Sustained 13-15% average ROE
2. Sustained 10% average annual growth in assets
3. Sustained and prudent dividend growth

MCAN Financial



**Derek Sutherland**
President and Chief Executive Officer

(416) 203-5931



**Santokh Birk**
SVP and Chief Financial Officer

(289) 454-4196

MCAN Financial Group
700-200 King Street West, Toronto, ON M5H 3T4
(416) 572-4880 | mcanexecutive@mcanfinancial.com
mcanfinancial.com | TSX: MKP