MCAN FINANCIAL GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

Q4 2025 ENDING DECEMBER 31, 2025

MCANFINANCIAL.COM
TSX: MKP

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

MCAN Mortgage Corporation is doing business as ("d/b/a") MCAN Financial Group ("MCAN", the "Company" or "we"). This Management's Discussion and Analysis of Operations ("MD&A") should be read in conjunction with the consolidated balance sheets and accompanying notes at December 31, 2025 and December 31, 2024 and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), which are the Generally Accepted Accounting Principles ("GAAP") in Canada, and presented in Canadian currency. This MD&A has been presented as of February 23, 2026.

Additional information regarding MCAN, including copies of our continuous disclosure materials such as the Annual Information Form, are available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca and our website at www.mcanfinancial.com.

TABLE OF CONTENTS - MD&A

A CAUTION ABOUT FORWARD-LOOKING INFORMATION AND STATEMENTS 15
SELECTED FINANCIAL INFORMATION 16
BUSINESS OVERVIEW AND OUTLOOK 19
HIGHLIGHTS 21
RESULTS OF OPERATIONS 25
FINANCIAL POSITION 34
CAPITAL MANAGEMENT 45
RISK FACTORS 49
DESCRIPTION OF CAPITAL STRUCTURE 54
OFF-BALANCE SHEET ARRANGEMENTS 54
DIVIDEND POLICY AND RECORD 55
TRANSACTIONS WITH RELATED PARTIES 55
FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS 55
CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS 55
DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING 57
NON-GAAP AND OTHER FINANCIAL MEASURES 57
GLOSSARY 58

A CAUTION ABOUT FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains forward-looking information within the meaning of applicable Canadian securities laws. All information contained in this MD&A, other than statements of current and historical fact, is forward-looking information. All of the forward-looking information in this MD&A is qualified by this cautionary note. 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. Forward-looking information in this MD&A includes, among others, statements and assumptions with respect to:

- the current business environment, economic environment and outlook;
- possible or assumed future results;
- our ability to create shareholder value;
- our business goals and strategy;
- the potential impact of new regulations and changes to existing regulations as well as any changes in tax legislation;
- the stability of home prices;
- the effect of challenging conditions on us;
- the performance of our investments;
- factors affecting our competitive position within the housing lending market;
- international trade, including changes in tariffs, international economic uncertainties, failures of international financial institutions and geopolitical uncertainties and their impact on the Canadian economy;
- sufficiency of our access to liquidity and capital resources;
- the timing and effect of interest rate changes on our cash flows; and
- the declaration and payment of dividends.

Forward-looking information is not, and cannot be, a guarantee of future results or events. Forward-looking information reflects management's current beliefs and is based on information currently available to management. Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information.

The material factors or assumptions that we identified and were applied by us in drawing conclusions or making forecasts or projections set out in the forward-looking information, include, but are not limited to:

- our ability to successfully implement and realize on our business goals and strategy;
- government regulation of our business and the cost to us of such regulation;
- factors and assumptions regarding interest rates, including the effect of Bank of Canada actions already taken;
- the effect of supply chain issues;
- the effect of inflation;
- housing sales and residential mortgage borrowing activities;
- the effect of household debt service levels;
- the effect of competition;
- systems failure or cyber and security breaches;
- the availability of funding and capital to meet our requirements;
- investor appetite for securitization products;
- the value of mortgage originations;
- the expected spread between interest earned on mortgage portfolios and interest paid on deposits;
- the relative uncertainty and volatility of real estate markets;
- acceptance of our products in the marketplace;
- the stage of the real estate cycle and the maturity phase of the mortgage market;
- impact on housing demand from changing population demographics and immigration patterns;
- our ability to forecast future changes to borrower credit and credit scores, loan to value ratios and other forward-looking factors used in assessing expected credit losses and rates of default;
- availability of key personnel;
- our operating cost structure;
- the current tax regime; and
- operations within, and market conditions relating to, our equity and other investments.

External geopolitical conflicts and government and Bank of Canada economic policy have resulted in uncertainty relating to the Company's internal expectations, estimates, projections, assumptions and beliefs, including with respect to the Canadian economy, employment conditions, interest rates, supply chain issues, international trade, inflation, levels of housing activity and household debt service levels. There can be no assurance that such expectations, estimates, projections, assumptions and beliefs will continue to be valid. The impacts that any further or escalating geopolitical conflicts will have on our business is uncertain and difficult to predict.

Reliance should not be placed on forward-looking information because it involves known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from anticipated future results expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from those set forth in the forward-looking information include, but are not limited to, the risk that any of the above opinions, estimates or assumptions are inaccurate and the other risks and uncertainties referred to in our Annual Information Form for the year ended December 31, 2025, this MD&A and our other public filings with the applicable Canadian regulatory authorities.

Subject to applicable securities law requirements, we undertake no obligation to publicly update or revise any forward-looking information after the date of this MD&A whether as a result of new information, future events or otherwise or to explain any material difference between subsequent actual events and any forward-looking information. However, any further disclosures made on related subjects in subsequent reports should be consulted.

SELECTED FINANCIAL INFORMATION

Table 1: Financial Statement Highlights - Annual

(in thousands except per share amounts, % and where indicated) At December 31	2025	2024	Change (%)	2023	Change (%)
Income Statement Highlights					
Net interest Income	$ 95,839	$ 96,403	(1%)	$ 94,181	2%
Equity income from MCAP Commercial LP	$ 33,444	$ 28,803	16%	$ 22,010	52%
PPPT income[1]	$ 88,082	$ 79,812	10%	$ 82,721	6%
Provision for credit losses	$ 13,460	$ 3,258	313%	$ 4,494	200%
Net income	$ 74,871	$ 77,586	(3%)	$ 77,498	(3%)
Basic and diluted earnings per share	$ 1.89	$ 2.06	(8%)	$ 2.22	(15%)
Dividends per share - cash	$ 1.64	$ 1.56	5%	$ 1.48	11%
Next quarter's dividend per share - cash	$ 0.43				
Return on average shareholders' equity [1]	12.07 %	13.40 %	(10%)	15.05 %	(20%)
Taxable income per share[2]	$ 1.23	$ 1.86	(34%)	$ 1.31	(6%)
Spread					
Spread of non-securitized mortgages over term deposit interest and expenses [1]	2.73 %	2.92 %	(0.19%)	3.57 %	(0.84%)
Spread of insured securitized mortgages over liabilities[1]	0.48 %	0.49 %	(0.01%)	0.39 %	0.09%
Spread of uninsured securitized mortgages over liabilities[1]	2.33 %	— %	n/a	— %	2.33%
Average term to maturity (in months)					
Mortgages - non-securitized	10.6	9.5	12%	12.7	(17%)
Term deposits	16.7	18.5	(10%)	18.5	(10%)
Balance Sheet Highlights ($ million)					
Total assets	$ 6,477	$ 5,348	21%	$ 4,739	37%
Mortgages - non-securitized	$ 2,480	$ 2,464	1%	$ 2,415	3%
Mortgages - securitized	$ 3,459	$ 2,420	43%	$ 1,930	79%
Total liabilities	$ 5,833	$ 4,748	23%	$ 4,207	39%
Shareholders' equity	$ 645	$ 599	8%	$ 532	21%
Assets under management[1]	$ 7,766	$ 5,989	30%	$ 5,255	48%
Capital Ratios					
Income tax assets to capital ratio[2]	5.10	5.24	(3%)	5.52	(8%)
CET 1 & Tier 1 capital ratio [4]	18.82 %	19.02 %	(0.20%)	17.61 %	1.21%
Total capital ratio [4]	19.14 %	19.28 %	(0.14%)	17.91 %	1.23%
Leverage ratio [3]	8.61 %	9.72 %	(1.11%)	9.49 %	(0.88%)
Credit Quality					
Impaired mortgage ratio (non-securitized) [1]	1.69 %	2.46 %	(0.77%)	3.26 %	(1.57%)
Impaired mortgage ratio (total) [1]	0.70 %	1.25 %	(0.55%)	1.82 %	(1.12%)
Mortgage Arrears					
Non-securitized	$ 117,737	$ 96,368	22%	$ 112,789	4%
Securitized	13,855	4,103	238%	4,661	197%
Total	$ 131,592	$ 100,471	31%	$ 117,450	12%
Common Share Information (end of period)					
Number of common shares outstanding	40,471	38,717	5%	35,432	14%
Book value per common share [1]	$ 15.93	$ 15.48	3%	$ 15.01	6%
Common share price - close	$ 22.43	$ 18.25	23%	$ 15.89	41%
Market capitalization ($ million)	$ 908	$ 707	28%	$ 563	61%

[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 MD&A. 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] For further information refer to the "Taxable Income" and "Income Tax Capital" sections of this MD&A. Tax balances are calculated in accordance with the Tax Act.
[3] This measure has been calculated in accordance with OSFI's Leverage Requirements guidelines. Mortgages securitized through the market MBS program and CMB program for which derecognition has not been achieved are included in regulatory assets in the leverage ratio. For further information, refer to the "Capital Management" section of this MD&A.
[4] These measures have been calculated in accordance with OSFI's Capital Adequacy Requirements guidelines.

Table 2: Financial Statement Highlights - Quarterly

(in thousands except per share amounts, % and where indicated)	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Income Statement Highlights								
Net interest Income	$24,664	$23,760	$23,662	$23,753	$24,661	$23,935	$23,818	$23,989
Equity income from MCAP Commercial LP	$7,780	$10,361	$9,732	$5,571	$7,227	$6,667	$7,726	$7,183
Net gain (loss) on securities	$ 924	$ (320)	$ 406	$1,099	$(11,326)	$5,671	$ (715)	$ 27
PPPT income[1]	$22,987	$22,743	$22,977	$19,375	$7,564	$28,194	$21,774	$22,280
Provision for (recovery of) credit losses	$6,088	$2,056	$2,227	$3,089	$1,160	$1,302	$1,436	$ (640)
Net income	$17,589	$20,505	$20,187	$16,590	$7,725	$26,892	$19,749	$23,220
Basic and diluted earnings per share	$ 0.44	$ 0.52	$ 0.51	$ 0.43	$ 0.20	$ 0.70	$ 0.52	$ 0.65
Dividends per share - cash	$ 0.41	$ 0.41	$ 0.41	$ 0.41	$ 0.39	$ 0.39	$ 0.39	$ 0.39
Return on average shareholders' equity [1]	11.02 %	13.09 %	13.19 %	10.99 %	5.14 %	18.16 %	13.63 %	17.09 %
Taxable income (loss) per share [2]	$ 0.62	$ (0.07)	$ 0.22	$ 0.45	$ 0.51	$ 0.25	$ 0.44	$ 0.67
Spreads								
Spread of non-securitized mortgages over term deposit interest and expenses [1]	2.66 %	2.63 %	2.74 %	2.89 %	2.83 %	2.78 %	2.93 %	3.14 %
Spread of insured securitized mortgages over liabilities [1]	0.46 %	0.47 %	0.50 %	0.50 %	0.54 %	0.49 %	0.46 %	0.46 %
Spread of uninsured securitized mortgages over liabilities [1]	2.42 %	2.67 %	— %	— %	— %	— %	— %	— %
Average term to maturity (in months)								
Mortgages - non-securitized	10.6	9.5	11.3	9.1	9.5	12.9	12.1	11.5
Term deposits	16.7	16.8	17.7	17.7	18.5	19.1	19.2	18.2
Balance Sheet Highlights ($ million)								
Total assets	$6,477	$5,909	$5,739	$5,443	$5,348	$5,213	$5,097	$4,894
Mortgages - non-securitized	$2,480	$2,536	$2,741	$2,545	$2,464	$2,472	$2,500	$2,385
Mortgages - securitized	$3,459	$2,781	$2,429	$2,354	$2,420	$2,290	$2,170	$2,095
Total liabilities	$5,833	$5,273	$5,118	$4,836	$4,748	$4,611	$4,512	$4,318
Shareholders' equity	$ 645	$ 636	$ 621	$ 607	$ 599	$ 602	$ 585	$ 576
Assets under management[1]	$7,766	$7,047	$6,655	$6,138	$5,989	$5,712	$5,601	$5,405
Capital Ratios								
Income tax assets to capital ratio [2]	5.10	5.45	5.42	5.41	5.24	5.38	5.34	5.14
CET 1 & Tier 1 capital ratios [4]	18.82 %	19.01 %	18.90 %	19.12 %	19.02 %	19.94 %	19.10 %	19.00 %
Total capital ratio [4]	19.14 %	19.32 %	19.22 %	19.43 %	19.28 %	20.19 %	19.35 %	19.23 %
Leverage ratio [3]	8.61 %	9.27 %	9.32 %	9.64 %	9.72 %	9.99 %	9.85 %	10.11 %
Credit Quality								
Impaired mortgage ratio (non-securitized) [1]	1.69 %	2.61 %	2.34 %	2.31 %	2.46 %	2.26 %	3.50 %	3.42 %
Impaired mortgage ratio (total) [1]	0.70 %	1.25 %	1.25 %	1.20 %	1.25 %	1.19 %	1.90 %	1.83 %
Mortgage Arrears								
Non-securitized	$117,737	$145,818	$121,647	$105,044	$96,368	$139,427	$136,499	$136,175
Securitized	$13,855	$6,804	$7,070	$4,757	$4,103	$6,333	$5,278	$6,085
Total	$131,592	$152,622	$128,717	$109,801	$100,471	$145,760	$141,777	$142,260
Common Share Information (end of period)								
Number of common shares outstanding	40,471	40,163	39,604	39,128	38,717	38,463	38,153	37,831
Book value of common share [1]	$15.93	$15.85	$15.68	$15.52	$15.48	$15.65	$15.34	$15.24
Common share price - close	$22.43	$21.69	$19.45	$18.36	$18.25	$17.98	$16.10	$15.73
Market capitalization ($ million)	$ 908	$ 871	$ 770	$ 718	$ 707	$ 692	$ 614	$ 595

[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 MD&A. 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] For further information refer to the "Taxable Income" and "Income Tax Capital" sections of this MD&A. Tax balances are calculated in accordance with the Tax Act.
[3] This measure has been calculated in accordance with OSFI's Leverage Requirements guidelines. Mortgages securitized through the market MBS program and CMB program for which derecognition has not been achieved are included in regulatory assets in the leverage ratio. For further information, refer to the "Capital Management" section of this MD&A.
[4] These measures have been calculated in accordance with OSFI's Capital Adequacy Requirements guidelines.

Annual Trends

- For 2025 compared to 2024, our net income reflected significant growth in our assets under management offset by the impact of lower net interest margin from a decline in interest rates. We also had higher income from our investment in MCAP Commercial LP ("MCAP") and higher fair value on our securities partially offset by provisions for credit losses due to uncertainty in the forecasted economic and geopolitical environment. We continued to increase our capital base from our at-the-market equity program ("ATM Program").

- For 2024 compared to 2023, our net income increased slightly due to growth in our mortgage portfolios, higher equity income from our investment in MCAP, and higher spread on our securitized mortgages. This was partially offset by a lower spread on our non-securitized mortgages in a declining interest rate environment and unrealized losses on our non-marketable securities. Our mortgage assets continued to grow into 2024 compared to 2023 due to higher net origination volumes and solid renewals, supported by growth in our capital base from our overnight marketed offering and our ATM Program.

- Taxable income per share fluctuations in the three year period are mainly due to growth in our mortgage business and volatility in taxable income recorded from our investment in MCAP due to timing differences between tax and accounting income.

Quarterly Trends

- In 2024, we saw the beginning of interest rate cuts which helped initially with a recovery on REIT stock prices; however, Q4 2024 saw larger unrealized losses on our REITS and our non-marketable securities mainly related to the economic environment and its impact on valuations. In 2025, income from MCAP has been higher and we increased our provision for credit losses mainly due to interest provisioning on our impaired construction loans and forward looking macroeconomic impacts in the current economic and geopolitical environment.

- In Q1 2024, the higher interest rate environment had increased rates in our floating rate residential construction portfolio above their floor rates. We also focused on changing the laddering of the duration of our term deposits which kept average term deposit rates from rising faster than our mortgage rates. This increased our spread of non-securitized mortgages over term deposit interest and expenses. Beginning in Q2 2024, we saw a larger decline in our spread of non-securitized mortgages over term deposit interest and expenses as rates on our non-securitized mortgages fell faster than our term deposits in the declining interest rate environment. In Q4 2024 and Q1 2025, we saw increases in our spread of non-securitized mortgages over term deposit interest and expenses due to our hedging strategies and pricing initiatives which lowered our term deposit costs more than our non-securitized mortgage rates. Beginning in Q2 2025, the decline is mainly due to prime rate cuts impacting our floating rate residential construction loans, with some improvements from new hedging positions in Q4 2025.

- Common Equity Tier 1 ("CET 1"), Tier 1 Capital and Total Capital to risk-weighted assets ratio reductions are generally due to our growing risk-weighted assets compared to our capital base as we optimize the amount of capital held. In 2024 and 2025, we raised $7 million and $22 million, respectively, of capital through our ATM Program. Improvement to our ratios in Q1 2024 was due to a successful $29 million capital raise by way of an overnight marketed offering. Our Dividend Reinvestment Program ("DRIP") provides us with a reliable source of capital each quarter. All of our capital and leverage ratios are within our internal risk appetite and regulatory guidelines.

- Mortgage arrears have varied on a quarterly basis given the nature of the 1-30 day arrears. The majority of residential mortgage arrears activity occurs in the 1-30 day category, in which the bulk of arrears are resolved and do not migrate to arrears categories over 30 days. Our greater than 30 days arrears increased in Q4 2025 in our uninsured residential mortgages; however, we believe overall that we have a quality uninsured residential mortgage loan portfolio with an average loan to value ("LTV") of 66.3% at December 31, 2025 based on an industry index of current real estate values. For our residential construction loan arrears, we expect them to be brought current or we have initiated asset recovery programs. We have a strong track record with our default management processes and asset recovery programs as the need arises. Our realized loan losses on our construction portfolio have been negligible.

BUSINESS OVERVIEW AND OUTLOOK

We focus over the long term on sustainably growing our business and shareholder returns. We believe that our long-term strategy will continue to serve us well, although we always consider the current market conditions in the execution of that strategy. In the short term, we are focused on managing our shareholder returns in light of continued geopolitical and economic uncertainty. Over the mid-term, our focus is to grow our business and our shareholder returns within our risk appetite, working with our strategic partners, and investing in infrastructure and process improvements to drive efficiencies and operating leverage in all our operations. We believe that our greater than three decade history demonstrates that we are a prudent and disciplined lender to the Canadian residential real estate markets with a strong credit profile with conservative LTV ratios. We have key relationships with our brokers and strategic partners that are foundational to our strategy. This strategy and long-term outlook are based on assumptions learned from our over three decades of experience, our market knowledge, and sources we consider reliable.

Economic Outlook

Canadian economic growth is expected to further stabilize with continued job growth and improvement in overall household finances. However, affordability is hurting some Canadians more than others with weakness in certain sectors directly impacted by international trade. The economy overall is showing signs of resilience with modest domestic product ("GDP") per-capita growth, helped by increased government economic support and Bank of Canada rate cuts. Unemployment has likely peaked as improved business confidence suggests hiring demand is stabilizing. The magnitude and duration of any further changes in tariffs on international trade present a risk for the Canadian economy with the potential for weaker GDP and higher unemployment. Most economists believe that interest rates will remain at current levels given uncertainty. Slower immigration growth and an aging population will also create a drag on GDP growth. We expect geopolitical uncertainty and its impact on the economy to be the dominant concern for the year ahead.

Housing Market Outlook

Housing affordability continues to be a concern across Canada. Pressure on housing prices in some cities and regions will be tempered by the recent interest rate cuts providing some relief to homebuyers in the short-term. In the long term, we believe that the continued supply-demand imbalance for housing will provide upward pressure on sale and home price growth, particularly in and around our core markets of (i) the Greater Toronto Area; (ii) the Capital Region; and (iii) the Greater Vancouver area. Housing affordability and reduced immigration will likely limit some of this growth. Housing affordability (including housing supply) continues to be a critical issue for all levels of government and in all provinces where we do business. The lack of supply of affordable housing is not easily resolved in the short term, as there are multiple factors to building new supply (i.e. local/municipal government processes, skilled labour shortages, increased construction costs including higher construction financing rates, lack of new construction technologies, etc.) that limit how many homes can be built in the short term.

Business Outlook

We believe that our business is well structured with its focus on multiple facets of the Canadian residential real estate market and diversified funding. This gives us some flexibility in terms of income generation and allows us to balance the volatility that we may experience at certain points and in certain areas of our business. We believe that there is an opportunity to expand our core businesses without taking on significantly more risk. We will also continue to place an emphasis on investing in our infrastructure and process improvements to drive operating leverage. We will remain nimble, however, in dealing with any market changes or opportunities that may arise in any of our businesses in the short term. With a strong liquidity and capital position, high level of credit quality, and our strategy of continued diversification of our lending portfolio and funding base, we believe we are well positioned for continued growth.

MCAN Capital Division

Our MCAN Capital division manages our construction, commercial and uninsured - completed inventory lending portfolios. We expect continued high demand for more affordable housing, which is our main strategy. We have seen growth in the MCAN Capital portfolio, which is over $1.3 billion, and we are building our pipeline to manage runoff from completed projects and maintain controlled growth, despite headwinds in the housing market. We are also looking at new products within the construction and commercial space to further diversify this portfolio. We continue to monitor the entire portfolio and the market very closely, and we will continue to use our credit management practices in the context of the prevailing market. Tariffs on international trade may further increase construction costs. All these factors have, and may continue to have, an impact on the timing of repayments as loans remain outstanding longer; however, they have not changed the overall expected success of these construction projects or the performance of the loans within this portfolio. Our philosophy within our MCAN Capital division is to apply a prudent approach to our underwriting criteria in line with our risk appetite, with a focus on well-located and more affordable residential products, near transit corridors, with experienced borrowers and developers where we have existing relationships. We will continue to remain vigilant in our underwriting and loan management practices and look to onboard new borrowers and developers that fit within our lending philosophy.

MCAN Home Division

Our MCAN Home division manages our residential lending business. Given the geopolitical and economic environment, our risk management, credit monitoring and assessment activities continue to have a heightened focus in operating our business. We continue to focus on proactively protecting our net interest margins on our residential mortgages with our credit underwriting to ensure that we are adequately compensated for the level of risk we may take. We expect a moderate increase in home purchase activity, and more competition in our market in order to attract what demand is coming in for both originations and renewals; however, the economic impact of the current geopolitical environment remains uncertain. Despite the noted uncertainty, we have continued to grow our business while taking a prudent approach to mortgage originations. We are also looking to further grow our uninsured residential mortgage originations as we scale our new uninsured residential mortgage securitization program with a Canadian Schedule I Chartered bank. In 2025, we securitized $340 million under this program for the first time. This is an integral part of our funding diversification and capital optimization strategy. We remain dedicated to continuously improving our service for our borrowers and the broker community, and as such, we will continue to invest in our current and new systems and business infrastructure to further enhance our service experience. We will also look to expand to other urban markets within Canada. We will continue to keep abreast of the many changes in the market, the regulatory environment and in our portfolios that could impact our business or that could create opportunities in line with our risk appetite.

MCAN Wealth Division

Our MCAN Wealth division manages our term deposit business. We issue both retail and wholesale term deposits that are eligible for CDIC deposit insurance that are sourced through a network of independent brokers and financial agents, as well as through our digital direct-to-consumer platform. We expect originations of term deposits to maintain the level of mortgage growth we have achieved. We expect there will continue to be volatility in the Government of Canada bond yield curve and, therefore, volatility in pricing in the term deposit market due to changing demand from interest rate changes and financial institution appetite for term deposits. We continue to look for opportunities to adjust the maturity terms of our term deposits relative to our mortgage portfolio in line with interest rate forecasts. We will continue to utilize our hedging strategies to minimize interest rate risk in this rate environment, particularly if our floating rate construction lending portfolio floats down to floor rates. We will continue to expand our broker networks, grow our direct-to-consumer platform and look for other channels to source term deposits. We have invested in, and expect to continue to invest in, our current and new systems and business infrastructure and processes to drive efficiencies.

We are expanding and maturing our capital markets, investor relations and funding diversification strategies over the long term to continue our growth. That growth will be dependent on business growth opportunities as well as equity market conditions and shareholder appetite. We will continue to leverage our ATM and DRIP programs, and other share offerings when it makes sense. MCAN's management and Board are committed to proactively and effectively managing and evolving all our strategies, business activities and team members to achieve 10% average annual growth in assets over the long term, 13% to 15% average return on average shareholders' equity, and sustained and prudent dividend growth.

This Outlook contains forward-looking statements. For further information, refer to the "A Caution About Forward-looking Information and Statements" section of this MD&A.

HIGHLIGHTS

Q4 2025

- Net income totalled $17.6 million in Q4 2025, an increase of $9.9 million (128%) from $7.7 million in Q4 2024. Our Q4 2025 results were mainly impacted by higher fair value gains on our marketable and non-marketable securities partially offset by higher provisions for credit losses compared to Q4 2024.

- Pre-provision pre-tax income ("PPPT")[1] totalled $23.0 million in Q4 2025, an increase of $15.4 million (204%) from $7.6 million in Q4 2024. PPPT was mainly impacted by the same factor as net income described above excluding provisions for credit losses.

- Earnings per share totalled $0.44 in Q4 2025, an increase of $0.24 (120%) from $0.20 in Q4 2024.

- Return on average shareholders' equity[1] was 11.02% in Q4 2025, an increase from 5.14% in Q4 2024.

- Net interest income of $24.7 million was little changed from Q4 2024.

    - Net interest income - non-securitized assets decreased by $0.8 million in Q4 2025 from Q4 2024 as there was a shift from non-securitized to securitized assets of $1.2 million as we securitized uninsured residential mortgages as part of a securitization program sponsored by a Canadian Schedule I Chartered bank. We also had a higher average non-securitized mortgage portfolio balance from mortgage portfolio growth that offset by a reduction in the spread of non-securitized mortgages over term deposit interest and expenses. The decrease in the spread of non-securitized mortgages over term deposit interest and expenses is mainly due to a larger decrease in our mortgage rates, particularly our floating rate residential construction portfolio as prime rates have continued to decline, compared to our term deposits. This was partially offset by residential mortgage pricing initiatives and continuing to manage our interest rate risk through the duration of our term deposit funding and related hedging strategies.

    - Net interest income - securitized assets increased by $0.8 million in Q4 2025 from Q4 2024 due to a higher average securitized mortgage portfolio balance from higher securitization volumes of residential mortgages exceeding maturities. There was also a shift in net interest income from non-securitized to securitized assets as noted above.

- Provision for credit losses on our portfolio was $6.1 million in Q4 2025 mainly due to interest provisioning on our impaired residential construction loans and growth in our uninsured residential mortgages. We believe that we have a quality uninsured residential mortgage loan portfolio with an average LTV of 66.3% at December 31, 2025. In Q4 2024, we had a provision for credit losses of $1.2 million mainly due to growth in our mortgage portfolio and provisioning on impaired residential construction loans partially offset by improvements to economic forecasts, particularly falling interest rates and a recovery in the housing price index.

- Equity income from MCAP totalled $7.8 million in Q4 2025, an increase of $0.6 million (8%) from $7.2 million in Q4 2024, which was primarily due to higher securitization income from higher average portfolio balances and lower non-securitized interest expenses as interest rates have declined.

- Net change in unrealized fair value loss on our marketable securities of $0.2 million in Q4 2025 compared to a $7.8 million net change in unrealized fair value loss in Q4 2024. We continue to realize the benefits of regular cash flows and distributions from these investments.

- Net realized and change in unrealized fair value gain on our non-marketable securities of $1.1 million in Q4 2025 mainly relating to net gains from updated property valuations as well as actual execution on leasing activities. In Q4 2024, we had a $3.6 million net realized and change in unrealized fair value loss on

our non-marketable securities investments due to updated property valuations in an uncertain economic environment.

Fiscal 2025

- Net income totalled $74.9 million for 2025, a decrease of $2.7 million (3%) from $77.6 million for 2024. Our 2025 results mainly reflected significant growth in our assets under management offset by the impact of lower net interest margin from a decline in interest rates. We also had higher income from our investment in MCAP and higher fair value on our securities partially offset by provisions for credit losses due to uncertainty in the forecasted economic and geopolitical environment.

- PPPT[1] totalled $88.1 million for 2025, an increase of $8.3 million (10%) from $79.8 million for YTD 2024. PPPT was impacted by the same factors as net income described above excluding provisions for credit losses.

- Earnings per share totalled $1.89 for YTD 2025, a decrease of $0.17 (8%) from $2.06 in 2024.

- Return on average shareholders' equity[1] was 12.07% for 2025 compared to 13.40% in 2024.

- Net interest income decreased slightly by $0.6 million compared to 2024 as the impact of higher non-securitized assets was offset by lower net interest margins from lower interest rates.

    - Net interest income - non-securitized assets decreased by $3.0 million from 2024 due to a shift in net interest income from non-securitized to securitized assets of $1.9 million. Beginning in 2025, we securitized uninsured residential mortgages as part of a securitization program sponsored by a Canadian Schedule I Chartered bank. In addition, a reduction in the spread of non-securitized mortgages over term deposit interest and expenses was partially offset by a higher average non-securitized mortgage portfolio balance from continued originations and renewals. For 2025, the decrease in the spread of non-securitized mortgages over term deposit interest and expenses is mainly due to the same factors as for Q4 2025 mentioned above.

    - Net interest income - securitized assets increased by $2.4 million from 2024 due to the above noted shift from non-securitized to securitized uninsured assets noted above. In addition, a higher average securitized mortgage portfolio balance from higher securitization volumes of residential mortgages exceeding maturities.

- Provision for credit losses on our portfolio was $13.5 million for 2025 mainly due to the same factors as Q4 2025 as well as worsening macroeconomic forecasts. For 2024, there was a provision for credit losses of $3.3 million mainly due to the same factors as described for Q4 2024 mentioned above.

- Equity income from MCAP totalled $33.4 million for 2025, an increase of $4.6 million (16%) from $28.8 million for 2024. For 2025, the increase was mainly due to higher securitization income from higher average portfolio balances and lower non-securitized interest expenses as interest rates have declined.

Business Activity and Balance Sheet

- Our mortgage portfolio totalled $5.9 billion at December 31, 2025, a net increase of $622 million (12%) from September 30, 2025 and a net increase of $1.1 billion (22%) from December 31, 2024.

- Securitized mortgages totalled $3.5 billion at December 31, 2025, a net increase of $678 million (24%) from September 30, 2025 and a net increase of $1.0 billion (43%) from December 31, 2024.

    - Securitized insured residential mortgages totalled $3.1 billion at December 31, 2025, a net increase of $526 million (20%) from September 30, 2025 and a net increase of $727 million (30%) from December 31, 2024. As we have seen favourable securitization spreads, we opted to securitize our insured residential mortgages as opposed to selling them at the commitment stage. Overall, total insured residential mortgage origination volumes are higher supported by outstanding service to our brokers and customers. Further interest rate decreases would help

first time home buyers, who would be a significant portion of the borrowers of our insured residential mortgages. We use various channels in funding the insured residential mortgage portfolio, in the context of market conditions and net contributions over the life of the mortgages, in order to support our overall business.

- Securitized uninsured residential mortgages totalled $311 million at December 31, 2025, a net increase of $152 million (95%) from September 30, 2025. Beginning in Q3 2025, we securitized uninsured residential mortgages as part of a securitization program sponsored by a Canadian Schedule I Chartered bank. We plan to grow this portfolio in order to support our overall business and optimize our balance sheet.

- Non-securitized mortgages totalled $2.5 billion at December 31, 2025, a net decrease of $56 million (2%) from September 30, 2025 and a net increase of $15 million (1%) from December 31, 2024 mainly due to a shift into securitized assets from the launch of our uninsured residential mortgage securitization program in Q3 2025.

    - Construction loan portfolios totalled $1.1 billion at December 31, 2025, a net decrease including repayments of $64 million (5%) from September 30, 2025 and a net increase including repayments of $48 million (4%) from December 31, 2024. The movement in the portfolio is attributed to new loan advances and repayments on completing projects. Originations have been steady this year with some extensions of projects due to normal construction delays or normal delays relating to the permitting and zoning process. To date, projects continue to progress toward completion.

    - Uninsured residential mortgage portfolio totalled $1.0 billion at December 31, 2025, a net decrease of $92 million (9%) from September 30, 2025 and a net decrease of $135 million (12%) from December 31, 2024 from the launch of our uninsured residential mortgage securitization program noted above. Considering both securitized and non-securitized uninsured residential mortgages, total uninsured residential mortgages totalled $1.3 billion and grew by 16% in the year. We continue to see higher uninsured originations and steady uninsured residential mortgage renewals supported by our outstanding service to our brokers and customers. We actively manage origination and renewal volumes in order to optimize our net interest margins and net income.

Dividend

- The Board declared a first quarter regular cash dividend of $0.43 per share (an increase of 5% from our fourth quarter 2025 dividend) to be paid March 31, 2026 to shareholders of record on March 13, 2026. As a MIC, we are entitled to deduct the dividends that we pay to shareholders from our taxable income.

Credit Quality

- Arrears total mortgage ratio[1] was 2.22% at December 31, 2025 compared to 2.87% at September 30, 2025 and 2.06% at December 31, 2024. The majority of our residential mortgage arrears activity occurs in the 1-30 day category, in which the bulk of arrears are resolved and do not migrate to arrears categories over 30 days. Our greater than 30 days arrears has increased in our uninsured residential mortgages compared to last quarter and we believe overall that we have a quality uninsured residential mortgage loan portfolio with an average LTV of 66.3% at December 31, 2025 compared to 65.4% at September 30, 2025 and 63.7% at December 31, 2024 based on an industry index of current real estate values. With respect to our construction loan portfolio, we have a strong track record with our default management processes and asset recovery programs as the need arises.

- Impaired non-securitized mortgage ratio[1] was 1.69% at December 31, 2025 compared to 2.61% at September 30, 2025 and 2.46% at December 31, 2024. At December 31, 2025, impaired mortgages represent impaired construction loans as well as uninsured residential mortgages where asset recovery programs have been initiated or we expect the loans to be brought current. We monitor the delinquency and impairment status of our loans and take appropriate steps with our borrowers to ensure an optimal

resolution. The decrease in the quarter is mainly due to successful resolution in our impaired construction loans.

- Impaired total mortgage ratio[1] was 0.70% at December 31, 2025 compared to 1.25% at September 30, 2025 and 1.25% at December 31, 2024.

Capital

- We manage our capital and asset balances based on the regulations and limits of both the *Income Tax Act* (Canada) (the "Tax Act") and the Office of the Superintendent of Financial Institutions Canada ("OSFI").

- We have a Base Shelf prospectus allowing us to make certain public offerings of debt or equity securities during the period that it is effective, through Prospectus Supplements. We have an ATM Program, established pursuant to a Prospectus Supplement to our Base Shelf prospectus, allowing us to issue up to $75 million common shares to the public from time to time at the market prices prevailing at the time of sale. We issued $6.8 million in new common shares through the ATM Program in Q4 2025 compared to $4.1 million in Q4 2024. In 2025, we issued $23.4 million compared to $7.4 million in 2024. The volume and timing of distributions under the ATM Program are determined at MCAN's sole discretion.

- We issued $9.4 million in new common shares through the Dividend Reinvestment Plan ("DRIP") in 2025 compared to $14.8 million in 2024. The DRIP participation rate for 2025 dividends was 15% compared to 22% in 2024.

- Income tax assets to capital ratio[3] was 5.10 at December 31, 2025 compared to 5.45 at September 30, 2025 and 5.24 at December 31, 2024.

- Common Equity Tier 1 ("CET 1") and Tier 1 Capital to risk-weighted assets ratios[2] were 18.82% at December 31, 2025 compared to 19.01% at September 30, 2025 and 19.02% at December 31, 2024. Total Capital to risk-weighted assets ratio[2] was 19.14% at December 31, 2025 compared to 19.32% at September 30, 2025 and 19.28% at December 31, 2024. Leverage ratio[2] was 8.61% at December 31, 2025 compared to 9.27% at September 30, 2025 and 9.72% at December 31, 2024. All of our capital and leverage ratios are within our regulatory and internal risk appetite guidelines.

[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 MD&A. 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] *These measures have been calculated in accordance with OSFI's Leverage Requirements and Capital Adequacy Requirements guidelines.*
[3] *For further information refer to the "Income Tax Capital" section of this MD&A. Tax balances are calculated in accordance with the Tax Act.*

RESULTS OF OPERATIONS

Table 3: Net Income

(in thousands except for per share amounts and %) For the Periods Ended	Q4 2025	Q3 2025	Change (%)	Q4 2024	Change (%)	Annual 2025	Annual 2024	Change (%)
Net Interest Income - Non-Securitized Assets								
Mortgage interest	$ 45,331	$ 47,133	(4)%	$ 47,209	(4)%	$184,494	$191,706	(4)%
Interest on cash and other	930	1,223	(24)%	842	10 %	4,194	3,927	7 %
	46,261	**48,356**	**(4)%**	**48,051**	**(4)%**	**188,688**	**195,633**	**(4)%**
Term deposit interest and expenses	25,487	26,606	(4)%	26,642	(4)%	102,477	108,259	(5)%
Interest on loans payable	459	1,755	(74)%	318	44 %	4,701	2,896	62 %
	25,946	**28,361**	**(9)%**	**26,960**	**(4)%**	**107,178**	**111,155**	**(4)%**
	20,315	**19,995**	**2 %**	**21,091**	**(4)%**	**81,510**	**84,478**	**(4)%**
Net Interest Income - Securitized Assets								
Mortgage interest	26,144	22,046	19 %	18,535	41 %	85,892	63,163	36 %
Interest on cash and other	410	442	(7)%	546	(25)%	1,677	2,017	(17)%
	26,554	**22,488**	**18 %**	**19,081**	**39 %**	**87,569**	**65,180**	**34 %**
Interest on financial liabilities from securitization	22,205	18,723	19 %	15,511	43 %	73,240	53,255	38 %
	22,205	**18,723**	**19 %**	**15,511**	**43 %**	**73,240**	**53,255**	**38 %**
	4,349	**3,765**	**16 %**	**3,570**	**22 %**	**14,329**	**11,925**	**20 %**
Total Net Interest Income	**24,664**	**23,760**	**4 %**	**24,661**	**— %**	**95,839**	**96,403**	**(1)%**
Non-interest Income								
Equity income from MCAP Commercial LP	7,780	10,361	(25)%	7,227	8 %	33,444	28,803	16 %
Distribution income from securities	2,579	2,362	9 %	2,702	(5)%	9,933	10,780	(8)%
Fees	722	922	(22)%	873	(17)%	3,485	3,526	(1)%
Net gain (loss) on securities	924	(320)	389 %	(11,326)	108 %	2,109	(6,343)	133 %
Other	927	763	21 %	—	n/a	2,447	—	n/a
Gain on dilution of investment in MCAP Commercial LP	—	—	n/a	—	n/a	—	680	(100)%
	12,932	**14,088**	**(8)%**	**(524)**	**2568 %**	**51,418**	**37,446**	**37 %**
Total Income	**37,596**	**37,848**	**(1)%**	**24,137**	**56 %**	**147,257**	**133,849**	**10 %**
Provision for credit losses	6,088	2,056	196 %	1,160	425 %	13,460	3,258	313 %
Non-interest Expenses								
Salaries and benefits	6,425	6,933	(7)%	8,791	(27)%	27,350	27,762	(1)%
General and administrative	8,184	8,172	— %	7,782	5 %	31,825	26,275	21 %
	14,609	**15,105**	**(3)%**	**16,573**	**(12)%**	**59,175**	**54,037**	**10 %**
Net Income Before Income Taxes	**16,899**	**20,687**	**(18)%**	**6,404**	**164 %**	**74,622**	**76,554**	**(3)%**
Provision for (recovery of) income taxes								
Current	(155)	125	224 %	(369)	58 %	(28)	62	145 %
Deferred	(535)	57	1039 %	(952)	44 %	(221)	(1,094)	80 %
	(690)	**182**	**479 %**	**(1,321)**	**48 %**	**(249)**	**(1,032)**	**76 %**
Net Income	**$ 17,589**	**$ 20,505**	**(14)%**	**$ 7,725**	**128 %**	**$ 74,871**	**$ 77,586**	**(3)%**
Basic and diluted earnings per share	$ 0.44	$ 0.52	(15)%	$ 0.20	120 %	$ 1.89	$ 2.06	(8)%
Cash dividends per share	$ 0.41	$ 0.41	— %	$ 0.39	5 %	$ 1.64	$ 1.56	5 %

Net Interest Income - Non-Securitized Assets

Mortgage Interest Income

Table 4: Net Mortgage Interest Income and Average Rate by Mortgage Portfolio - Quarterly

For the Quarters Ended	December 31, 2025			September 30, 2025			December 31, 2024		
(in thousands except %)	Average Balance [1]	Interest Income	Average Rate [1]	Average Balance [1]	Interest Income	Average Rate [1]	Average Balance [1]	Interest Income	Average Rate [1]
Residential mortgages									
Insured	$ 201,401	$ 1,875	3.71 %	$ 256,971	$ 2,465	3.77 %	$ 213,129	$ 1,998	3.86 %
Uninsured	1,063,944	16,471	6.18 %	1,124,226	18,280	6.49 %	1,109,751	18,969	6.82 %
Uninsured - completed inventory	128,147	2,451	7.59 %	107,492	2,156	7.96 %	98,697	2,221	8.95 %
Construction loans									
Residential	1,158,529	23,752	7.90 %	1,154,951	23,771	8.17 %	1,030,488	23,064	8.90 %
Non residential	20,346	343	6.69 %	26,358	461	6.94 %	6,054	123	8.09 %
Commercial loans									
Multi-family residential	17,350	285	6.53 %	—	—	— %	33,139	834	7.60 %
Other	9,329	154	6.57 %	—	—	— %	—	—	— %
Mortgages - non-securitized portfolio	$2,599,046	$ 45,331	6.83 %	$2,669,998	$ 47,133	7.02 %	$2,491,258	$ 47,209	7.53 %
Term deposit interest and expenses	2,373,304	25,487	4.17 %	2,352,365	26,606	4.39 %	2,213,808	26,642	4.70 %
Net non-securitized mortgage spread income [1]		$ 19,844			$ 20,527			$ 20,567	
Spread of non-securitized mortgages over term deposit interest and expenses [1]			2.66 %			2.63 %			2.83 %
Average term to maturity (months)									
Mortgages - non-securitized	10.6			9.5			9.5		
Term deposits	16.7			16.8			18.5		

Table 5: Net Mortgage Interest Income and Average Rate by Mortgage Portfolio - Annual

For the Years Ended December 31	2025			2024		
(in thousands except %)	Average Balance [1]	Interest Income	Average Rate [1]	Average Balance [1]	Interest Income	Average Rate [1]
Residential mortgages						
Insured	$ 199,348	$ 7,291	3.66 %	$ 277,766	$ 11,613	4.20 %
Uninsured	1,117,974	72,497	6.48 %	1,050,156	71,806	6.83 %
Uninsured - completed inventory	116,678	9,287	7.96 %	72,775	6,822	9.37 %
Construction loans						
Residential	1,126,184	93,138	8.21 %	1,021,830	96,588	9.45 %
Non residential	19,021	1,320	6.94 %	3,978	349	8.76 %
Commercial loans						
Multi-family residential	9,233	807	8.74 %	49,978	4,477	8.95 %
Other commercial	2,351	154	6.57 %	555	51	9.25 %
Mortgages - non-securitized portfolio	$ 2,590,789	$ 184,494	7.09 %	$ 2,477,038	$ 191,706	7.74 %
Term deposit interest and expenses	2,299,890	102,477	4.36 %	2,204,590	108,259	4.82 %
Net non-securitized mortgage spread income [1]		$ 82,017			$ 83,447	
Spread of non-securitized mortgages over term deposit interest and expenses [1]			2.73 %			2.92 %

[1] Considered to be a Non-GAAP and other financial measure. The net non-securitized mortgage spread income and the spread of non-securitized mortgages over term deposit interest and expenses are indicators of the profitability of income earning assets less the cost of funding. Net non-securitized mortgage spread income is calculated as the difference between non-securitized mortgage interest and term deposit interest and expenses, both of which are IFRS measures. Average rate is equal to income/expense divided by the average balance over the period on an annualized basis. Income/expense incorporates items such as penalty income, commitment fee income, origination expense, commission expense and term deposit hedging gains or losses. The average rate as presented may not necessarily be equal to "Income/Expense" divided by "Average Balance", as non-recurring items such as prior period adjustments are excluded from the calculation of the average rate as applicable. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this MD&A. 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.

Table 6: Mortgage Originations

(in thousands except %) For the Periods Ended	Q4 2025	Q3 2025	Change (%)	Q4 2024	Change (%)	Annual 2025	Annual 2024	Change (%)
Residential Mortgages								
Insured - fixed[2]	$ 185,230	$ 223,267	(17%)	$ 103,129	80%	$ 727,840	$ 581,796	25%
Insured - adjustable rate[2]	33,463	18,045	85%	7,257	361%	132,352	56,384	135%
Uninsured - fixed[2]	168,884	173,893	(3%)	118,779	42%	573,446	429,723	33%
Uninsured - completed inventory[1]	99,543	1,734	5,641%	46,966	112%	134,857	132,718	2%
Construction loans								
Residential[1]	163,177	127,613	28%	233,207	(30%)	593,778	647,116	(8%)
Non residential[1]	—	49	(100%)	119	(100%)	20,268	6,154	229%
Commercial loans[1]	17,350	—	n/a	—	n/a	17,350	50	34,600%
	$ 667,647	**$ 544,601**	**23%**	**$ 509,457**	**31%**	**$2,199,891**	**$1,853,941**	**19%**

[1] Construction, commercial and completed inventory originations represent all advances on loans.
[2] Includes residential mortgage commitments sold that the Company originated.

Overview

For Q4 2025 and the year ended 2025, the decrease in the spread of non-securitized mortgages over term deposit interest and expenses compared to Q4 2024 and the year ended 2024 is due to the decrease in our mortgage rates, mainly in our floating rate residential construction portfolio as prime rates have declined 250 bps since mid-2024, generally exceeding the pace of decrease in our average term deposit rates and related hedges due to the timing of new hedging positions. For Q4 2025 compared to Q3 2025, we have seen a slight improvement in our spread as a result of our hedging strategies. We actively manage our interest rate risk by continually reviewing, and if necessary, changing the laddering of the duration of our term deposits relative to our non-securitized mortgage portfolio as well as utilizing our hedging strategies to lock-in spreads. For information on our term deposit fair value hedging, see "Derivatives and Hedging" sub-section below.

Residential Mortgage Lending

Residential mortgages provide comparatively lower yields than construction and commercial loans given their risk profile, with uninsured residential mortgages providing higher yields than insured residential mortgages. We opportunistically invest in our residential uninsured - completed inventory portfolio which often migrate from our own construction book.

Excluding residential mortgages uninsured - completed inventory, which is invested in opportunistically as deals arise, total residential mortgage origination volumes in 2025 were higher compared to Q4 2024 and YTD 2024 as rates have begun to decline in the current environment, as well as our outstanding service to our brokers and customers. We also saw steady uninsured residential mortgage renewals as borrowers continue to find it more convenient to stay with their existing lender in the current market environment.

Our insured adjustable rate residential mortgage product also saw an increase in the current year, as many borrowers believe that interest rates have peaked and that there could be further interest rate cuts this year. Of note, unlike traditional insured variable rate mortgages, payments on our insured adjustable rate residential mortgages change as interest rates move with no changes to loan amortization. We also underwrite our insured adjustable rate mortgages for credit quality accordingly and our borrowers expect their payments under this product to change as interest rates change.

We continue to enhance our internal sales and marketing capabilities, and strengthen relationships and customer service with the broker community. We will continue to invest in new technology and add new products that fit within our risk appetite to further enhance our service experience and broaden our offering to our customers.

We have agreements whereby we can sell our (i) insured and uninsured residential mortgage commitments; and (ii) uninsured residential mortgage whole loans. We originated and sold $34 million in commitments in Q4 2025 (Q3 2025 - $19 million; Q4 2024 - $15 million) and $106 million in 2025 (2024 - $16 million) under these agreements. In 2025, we sold $21 million of uninsured residential mortgage whole loans (2024 - $45 million).

We securitize our insured residential mortgages opportunistically through the CMHC National Housing Act ("NHA") Mortgage-Backed Securities ("MBS") program. Our Q4 2025 insured residential mortgage securitization volumes were $757 million (Q3 2025 - $392 million; Q4 2024 - $211 million) and $1,413 million in 2025 (2024 - $803 million). As we have seen favourable securitization spreads, we opted to securitize our insured residential mortgages as opposed to selling them at the commitment stage. Overall, total insured residential mortgage origination volumes are higher supported by outstanding service to our brokers and customers. Further interest rate decreases would help first time home buyers, who would be a significant portion

of the borrowers of our insured residential mortgages. Renewals of securitized mortgages fluctuate each period depending on the maturities in the securitization portfolio.

Beginning in 2025, we securitized uninsured residential mortgages as part of a securitization program sponsored by a Canadian Schedule I Chartered bank. Uninsured residential mortgage securitization volumes were $176 million in Q4 2025 (Q3 2025 - $163 million) and $340 million in 2025. We plan to grow this portfolio in order to support our overall business and optimize our balance sheet.

Mortgage Renewal Rights

Through our origination platform, we retain the renewal rights to internally originated residential mortgages that are held as non-securitized or securitized mortgages or have been sold to third parties and derecognized from the consolidated balance sheet. At maturity, we have the right to renew these mortgages, which we believe will contribute to future income including renewal income. At December 31, 2025, we had the renewal rights to $4.1 billion of residential mortgages (September 30, 2025 - $4.0 billion; December 31, 2024 - $3.6 billion).

Construction and Commercial

We continue to focus on growing our balances in our residential construction portfolio in selected markets, with our preferred borrowers and risk profile as they tend to provide comparatively higher yields given their risk profile. For Q4 2025 and the year ended 2025 compared to Q3 2025, Q4 2024 and the year ended 2024, the decrease in average rates is mainly due to Bank of Canada interest rate cuts reducing our mostly floating rate construction loans and competitive pricing for quality deals. Higher average balances offset by lower average residential construction rates from the declining interest rate environment contributed to a slightly lower non-securitized mortgage interest compared to prior periods. Since this portfolio is entirely at prime-based floating rates, we are utilizing our hedging strategies on term deposits to manage spreads on our construction and commercial loans in a decreasing interest rate environment. For information on our term deposit fair value hedging, see "Derivatives and Hedging" sub-section below.

Some projects may experience construction delays for a variety of factors including extended permitting, presale or contracting activities given the current state of the housing market. To date, projects continue to progress toward completion within our expected margins. Current impaired construction mortgages include mortgages where asset recovery programs have already been initiated. We have a strong track record with our default management processes and asset recovery programs as the need arises. Our realized loan losses on our construction portfolio have been negligible. Our prudent underwriting approach requires satisfactory borrower liquidity, guarantor net worth and presale requirements as applicable to the respective markets.

Term Deposit Interest and Expenses

The reduction in term deposit interest and expenses for Q4 2025, Q3 2025, and YTD 2025 compared to prior year periods was mostly due to lower average term deposit rates and related hedges from a declining interest rate environment. We have been actively managing our interest rate risk during this period of changing interest rates by changing the laddering of the duration of our term deposits relative to our non-securitized mortgage portfolio and utilizing hedging strategies. Term deposit expenses include costs related to insurance, operating infrastructure and administration. For information on our term deposit fair value hedging, see "Derivatives and Hedging" sub-section below.

Derivatives and Hedging

Cash Flow Hedging

We may enter into Government of Canada bond forward contracts to hedge interest rate risk arising from the impact of (i) movements in interest rates between the time insured residential mortgages are funded and the time that these mortgages are securitized; and (ii) movements in interest rates between the time term deposit funding is forecasted to be required and the time that the actual funding occurs. Hedges are structured such that the fair value movements of the hedge instruments offset, within a reasonable range, the changes in fair value of either the pool of fixed-rate mortgages or term deposits due to interest rate fluctuations. The term of our cash flow hedges is generally less than 60 days. The derivative instruments are settled at either the time of securitization or funding of the term deposits, as applicable. We apply cash flow hedge accounting to these derivative transactions with the intention to recognize the effective matching of the gain or loss on the derivative transactions with the recognition of the related interest expense for either the securitization or term deposit funding.

At December 31, 2025, we had $0.2 million of unrealized fair value gains on derivatives financial assets outstanding relating to cash flow hedges (September 30, 2025 - $nil; December 31, 2024 - $nil) on our consolidated balance sheets. In Q4 2025, we had net fair value gains of $0.7 million (Q3 2025 - $0.2 million fair value losses; Q4 2024 - $nil fair value gains), and in 2025, we had net fair value gains of $1.1 million (2024 - $1.9 million fair value losses) on our derivative transactions recognized in accumulated other comprehensive income.

Fair Value Hedging

We may enter into interest rate swaps to hedge interest rate risk arising from fair value changes in our fixed-rate term deposits due to movements in interest rates. Hedges are structured such that the fair value movements of the hedge instruments offset, within a reasonable range, the changes in fair value of the pool of term deposits due to interest rate fluctuations. The terms of our fair value hedges are generally less than two years but may go up to five years. The derivative instruments are settled at the time of maturity of the pool of term deposits. We apply fair value hedge accounting to these derivative transactions with the intention to recognize the effective matching of the fair value gain or loss on the derivative transactions with the fair value gain or loss on the pool of term deposits, within a reasonable range. Any unmatched fair value is recorded in term deposit interest and expenses as hedge ineffectiveness.

At December 31, 2025, the Company had $1.7 million of net unrealized fair value gains on derivatives outstanding relating to fair value hedges (September 30, 2025 - $4.4 million gains; December 31, 2024 - $2.5 million gains).

Achieving hedge accounting for both our cash flow and fair values hedges allows us to reduce our net income volatility related to changes in interest rates. All of our derivative transactions are with highly rated Canadian financial institutions.

For further information, refer to Note 13 to the consolidated financial statements.

Net Interest Income - Securitization Assets

Net investment income from securitization assets relates to (i) our participation in the market MBS program and the Canada Housing Trust ("CHT") Canada Mortgage Bonds ("CMB") program; and (ii) an agreement with a Canadian Schedule I Chartered bank to participate in an uninsured residential mortgage securitization program sponsored by the bank. Under this agreement, we can sell qualifying uninsured residential mortgages that meet certain requirements into the program and they remain in the program until maturity. We securitize our residential mortgages opportunistically through these programs.

As securitization spreads continue to be favourable, we expect to continue to be aggressive in originating insured and uninsured residential mortgages for securitization.

For further information on our securitization programs, refer to the "Financial Position" section of this MD&A.

[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 MD&A. 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.

Table 7: Net Mortgage Interest Income and Average Rate for Securitized Mortgage Portfolio - Quarterly

For the Quarters Ended	December 31, 2025			September 30, 2025			December 31, 2024		
(in thousands except %)	Average Balance[1]	Interest Income	Average Rate [1]	Average Balance [1]	Interest Income	Average Rate [1]	Average Balance [1]	Interest Income	Average Rate [1]
Mortgage interest - insured	$2,662,211	$ 22,825	3.42 %	$2,494,008	$ 20,827	3.34 %	$2,332,862	$ 18,535	3.18 %
Interest on financial liabilities from securitization - insured	2,708,346	20,049	2.96 %	2,538,426	18,260	2.87 %	2,352,941	15,511	2.64 %
Net securitized insured mortgage spread income [1]		$ 2,776			$ 2,567			$ 3,024	
Spread of securitized insured mortgages over liabilities [1]			0.46 %			0.47 %			0.54 %
Mortgage interest - uninsured	$ 217,862	$ 3,319	6.07 %	$ 76,008	$ 1,219	6.39 %	$ —	$ —	— %
Interest on financial liabilities from securitization - uninsured	195,814	2,156	3.65 %	64,470	463	4.38 %	—	—	— %
Net securitized uninsured mortgage spread income [1]		$ 1,163			$ 756			$ —	
Spread of securitized uninsured mortgages over liabilities [1]			2.42 %			2.01 %			— %
Mortgage interest - securitized assets		$ 26,144			$ 22,046			$ 18,535	
Interest on financial liabilities from securitization		22,205			18,723			15,511	
Total net securitized mortgage spread income [1]		$ 3,939			$ 3,323			$ 3,024	

Table 8: Net Mortgage Interest Income and Average Rate for Securitized Mortgage Portfolio - Annual

For the Years Ended December 31	2025			2024		
(in thousands except %)	Average Balance [1]	Interest Income	Average Rate [1]	Average Balance [1]	Interest Income	Average Rate [1]
Mortgages - securitized insured	$ 2,468,414	$ 81,354	3.30 %	$ 2,134,694	$ 63,163	2.97 %
Financial liabilities from securitization	2,505,144	70,620	2.82 %	2,152,141	53,255	2.48 %
Net securitized insured mortgage spread income [1]		$ 10,734			$ 9,908	
Spread of securitized insured mortgages over liabilities [1]			0.48 %			0.49 %
Mortgages - securitized uninsured	$ 74,071	$ 4,538	6.13 %	$ —	$ —	— %
Financial liabilities from securitization	65,606	2,620	3.80 %	—	—	— %
Net securitized uninsured mortgage spread income [1]		$ 1,918			$ —	
Spread of securitized uninsured mortgages over liabilities [1]			2.33 %			— %
Mortgage interest - securitized assets		$ 85,892			$ 63,163	
Interest on financial liabilities from securitization		73,240			53,255	
Total net securitized mortgage spread income [1]		$ 12,652			$ 9,908	

[1] Considered to be a non-GAAP and other financial measure. The net securitized mortgage spread income and spread of securitized mortgages over liabilities are indicators of the profitability of securitized assets less securitized liabilities. Net securitized mortgage spread income is calculated as the difference between securitized mortgage interest and interest on financial liabilities from securitization, both of which are IFRS measures. Average rate is equal to income/expense divided by the average balance over the period on an annualized basis. Income/expense incorporates items such as penalty income, indemnity expense and cash flow hedging gain/loss. The average rate as presented may not necessarily be equal to "Income/Expense" divided by "Average Balance", as non-recurring items such as prior period adjustments are excluded from the calculation of the average interest rate, as applicable. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this MD&A. 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.

In 2025, we have seen spreads little changed on insured securitizations compared to prior periods, although movements can occur from volatility in the current economic environment. Our spreads on our uninsured securitizations remain favourable. Over the long-term, we expect these uninsured securitization spreads to normalize in-line with our non-securitized uninsured residential mortgages.

Non-interest Income

Equity Income from MCAP

In Q4 2025, MCAP's origination volumes were $5.5 billion, a decrease from $6.3 billion in Q4 2024. For 2025, MCAP's origination volumes were $23.9 billion, an increase from $22.7 billion in 2024. At November 30, 2025 (we account for MCAP on a one-month lag basis), MCAP had $155.8 billion of assets under management compared to $157.1 billion at August 31, 2025 and $154.6 billion at November 30, 2024. Equity income from MCAP totalled $7.8 million in Q4 2025, an increase of $0.6 million from $7.2 million in Q4 2024. For Q4 2025, the increase in equity income from MCAP was primarily due to higher securitization income from higher average portfolio balances and lower non-securitized interest expenses as interest rates have declined. For fiscal 2025, equity income from MCAP totalled $33.4 million, an increase of $4.6 million from $28.8 million in 2024. For fiscal 2025, the increase in equity income from MCAP was due to the same factors as for Q4 2025 mentioned above.

We recognize equity income from MCAP on a one-month lag such that our 2025 equity income from MCAP is based on MCAP's net income for the year ended November 30, 2025. For further information on our equity investment in MCAP, refer to the "Equity investment in MCAP" sub-section of the "Financial Position" section of this MD&A.

Distribution Income from Securities

Non-marketable: We received distribution income from our Real Estate Debt Funds of $1.9 million in Q4 2025 (Q4 2024 - $2.0 million) and $6.8 million in 2025 (2024 - $7.8 million).

Marketable: Marketable securities income consists mainly of distributions from our REIT portfolio. In Q4 2025, we received distributions of $0.7 million from our REITs compared to $0.8 million in Q4 2024. In 2025, we received distributions of $3.2 million from our REITs compared to $3.1 million in 2024.

We continue to realize the benefits of regular cash flows and distributions from these investments. For further information, refer to the "Other Non-securitized Assets" section of this MD&A.

Fees

Fee income can vary between quarters given the fact that certain fees such as loan amendment and extension fees do not occur on a routine basis.

Net Gain (Loss) on Securities

In Q4 2025, we recorded a net change in unrealized fair value loss on our marketable securities of $0.2 million in Q4 2025 compared to a $7.8 million net unrealized fair value loss in Q4 2024. In fiscal 2025, we recorded a net realized and unrealized fair value gain on our marketable securities of $3.5 million compared to a $0.8 million net unrealized fair value gain for 2024. In 2025, we saw REIT prices increase marginally due to continued economic uncertainty despite a declining interest rate environment. We continue to realize the benefits of regular cash flows and distributions from these investments.

In Q4 2025, we recorded a net realized and change in unrealized fair value gain on our non-marketable securities of $1.1 million in Q4 2025 compared to a $3.6 million net realized and change in unrealized fair value loss in Q4 2024 both consisting of gains and losses from certain underlying property investments as a result of (i) updated appraisals/property valuations, net of related property debt and debt service costs; and (ii) actual executions on construction and leasing stabilization and value-add activities. In Q4 2025, we had a $0.5 million realized gain related to the sale of an underlying property. For fiscal 2025, we recorded a net realized and change in unrealized fair value loss on our non-marketable securities of $1.4 million mainly related to the same factors as for Q4 2025 mentioned above. For fiscal 2024, we had a $7.1 million net realized and change in unrealized fair value loss on our non-marketable securities investments due to the same factors as described for Q4 2024 mentioned above. Our non-marketable securities are either held for long-term capital appreciation or distribution income. Our real estate development fund investments tend to have less predictable cash flows that are predicated on the completion of the development projects within these funds.

Gain on Dilution of Investment in MCAP

In Q4 2025 and fiscal 2025, MCAP issued no additional class B units to team members of MCAP. In Q2 2024, MCAP issued additional class B units to team members of MCAP which decreased our equity interest. As a result of the issuance of new units at prices in excess of the per-unit carrying value of the investment, we recorded a dilution gain of $0.7 million in the prior year.

Provision for (Recovery of) Credit Losses

Table 9: Provision for (Recovery of) Credit Losses and Write-offs

(in thousands except basis points and %) For the Periods Ended	Q4 2025	Q3 2025	Change (%)	Q4 2024	Change (%)	Annual 2025	Annual 2024	Change (%)
Provision for (recovery of) impaired non-securitized mortgages								
Residential mortgages								
Uninsured	$ 303	344	(12%)	(76)	499%	$ 2,436	$ 863	182%
Construction loans	2,542	1,676	52%	930	173%	5,676	3,098	83%
	2,845	2,020	41%	854	233%	8,112	3,961	105%
Provision for (recovery of) performing non-securitized mortgages								
Residential mortgages								
Uninsured	(108)	245	(144%)	(90)	(20%)	1,682	311	441%
Uninsured - completed inventory	773	(309)	350%	231	235%	503	635	(21%)
Construction loans	(455)	(185)	(146%)	312	(246%)	(119)	(1,440)	92%
Commercial loans								
Multi-family residential	177	—	n/a	(123)	244%	142	(207)	169%
Other commercial	215	—	n/a	—	n/a	215	(2)	10,850%
	602	(249)	342%	330	82%	2,423	(703)	445%
Other provisions (recoveries)	2,522	220	1,046%	(24)	10,608%	2,741	—	n/a
Total non-securitized provision for (recovery of) credit losses	5,969	1,991	200%	1,160	415%	13,276	3,258	307%
Provision for (recovery of) performing securitized uninsured mortgages	119	65	83%	—	n/a	184	—	n/a
Total provision for (recovery of) credit losses	$ 6,088	$ 2,056	196%	$ 1,160	425%	$13,460	$ 3,258	313%
Non-securitized mortgage portfolio data:								
Provision for (recovery of) credit losses, net	$ 3,447	$ 1,771	95%	$ 1,184	191%	$10,535	$ 3,258	223%
Net write offs	$ 127	$ 155	(18%)	$ 232	(45%)	$ 817	$ 251	225%
Net write offs (basis points)	2.0	2.3	(13%)	3.7	(46%)	3.2	1.0	220%

Provisions are based on a statistical modelling methodology incorporating both internal portfolio characteristics and forward-looking macroeconomic information. Loans are segmented into homogenous risk bands based on internal risk characteristics including (but not limited to) credit scores, delinquency history, loan type and location. Historical regression methodology is used to relate expected credit loss ("ECL") to key macroeconomic indicators including house price indices, unemployment rates, interest rates and gross domestic product. Economic forecasts of these variables are then used to produce forward-looking estimates of ECL under multiple scenarios. Scenarios are probability weighted by management to obtain an aggregated forward looking view. Additionally, we may incorporate management judgment, where appropriate, in the calculation of provisions. Accordingly, provisions are expected to vary between periods.

We had a provision for credit losses on our portfolio of $6.1 million in Q4 2025, which was mainly due to interest provisioning on our impaired residential construction loans and growth in our uninsured residential mortgages. In Q4 2024, we had a provision for credit losses of $1.2 million mainly due to growth in our mortgage portfolio and provisioning on impaired residential construction loans partially offset by improvements to economic forecasts, particularly falling interest rates and a recovery in the housing price index. We had a provision for credit losses on our portfolio of $13.5 million for the year ended 2025 and $3.3 million for the year ended 2024 mainly due to the same factors as described for Q4 2025 and Q4 2024, respectively, as well as changes to macroeconomic forecasts. The current geopolitical environment has increased the level of uncertainty with respect to management's judgments and estimates including the probability weights assigned to each scenario, the impacts of monetary policy on macroeconomic indicators and the mortgage portfolio. These judgments and uncertainties have been made or assessed with reference to the facts, projections and other circumstances at December 31, 2025. IFRS 9, Financial Instruments ("IFRS 9") does not permit the use of hindsight in measuring provisions for credit losses. Since December 31, 2025, forecasts around these uncertainties have continued to evolve. Any new forward-looking information subsequent to December 31, 2025, will be reflected in the measurement of provisions for credit losses in future periods, as

appropriate. This may add significant variability to provisions for credit losses in future periods. We continue to monitor our portfolio in arrears on a regular basis to detect specific significant stress or deterioration.

Non-interest Expenses

Table 10: Non-interest Expenses

(in thousands except %) For the Periods Ended	Q4 2025	Q3 2025	Change (%)	Q4 2024	Change (%)	Annual 2025	Annual 2024	Change (%)
Salaries and benefits	$ 6,425	$ 6,933	(7%)	$ 8,791	(27%)	$ 27,350	$ 27,762	(1%)
General and administrative	8,184	8,172	—%	7,782	5%	31,825	26,275	21%
	$ 14,609	**$ 15,105**	**(3%)**	**$ 16,573**	**(12%)**	**$ 59,175**	**$ 54,037**	**10%**

The slight decrease in salaries and benefits in 2025 is mainly due to lower share-based payment accruals and severance accruals partially offset by additional resources and regular pay increases.

The increase in general and administrative expenses in 2025 is primarily due to higher mortgage servicing expenses from growth in our loan portfolios and our new office lease and leasehold improvements.

Taxable Income

The table below provides a reconciliation between consolidated net income (loss) for accounting purposes and non-consolidated taxable income (loss). Taxable income is calculated in accordance with the Tax Act. In order to take advantage of the tax benefits of our MIC status, we pay out all of MCAN's non-consolidated taxable income to shareholders through dividends. As a MIC, we are entitled to deduct dividends paid up to 90 days after year end from taxable income. Dividends that are deducted in the calculation of taxable income are not included in the table below.

Table 11: Taxable Income Reconciliation

(in thousands) For the Periods Ended	Q4 2025	Q4 2024	Annual 2025	Annual 2024
Consolidated net income for accounting purposes	$ 17,589	$ 7,725	$ 74,871	$ 77,586
Adjustments to calculate taxable income (loss):				
Reverse: Equity income from MCAP - accounting purposes	(7,780)	(7,227)	(33,444)	(28,803)
Add: MCAP taxable income (loss)	4,952	7,872	(11,187)	8,425
Add: Tax re-organization of investment in MCAP	5,000	—	17,500	—
Reverse: Provision for (recovery of) credit losses [2]	994	392	3,555	(324)
Add: Amortization of upfront securitization program costs [3]	3,468	2,711	12,999	13,437
Deduct: Securitization program mortgage origination costs [3]	(6,302)	(5,928)	(27,833)	(14,368)
Add: Securitization program premium (discount)	324	(192)	(1,349)	2,598
Reverse: Net realized and unrealized gain (loss) on securities [4]	201	11,326	(3,536)	6,343
Add: Capital gains (losses)	—	915	1,590	915
Reverse: Loss (income) earned in subsidiaries [5]	5,729	2,582	11,485	4,943
Deduct: Gain on dilution of MCAP [6]	—	—	—	(680)
Other items	804	(545)	4,011	(134)
Taxable Income (Loss)[1]	**$ 24,979**	**$ 19,631**	**$ 48,662**	**$ 69,938**

[1] Taxable income is presented above on a non-consolidated basis for the MIC entity. The current year amounts presented above represent estimates as they are not finalized until the completion of our corporate tax filings.
[2] Provisions on performing mortgages are excluded from the calculation of taxable income; provisions on impaired mortgages are 90% deductible for tax purposes.
[3] Securitization program mortgage origination costs are deductible in full for tax purposes as mortgages are securitized but are capitalized and amortized for accounting purposes. Therefore, amortization is added back in the calculation of taxable income.
[4] Excluded from the calculation of taxable income; only includes net realized gains and losses recognized in the MIC entity.
[5] Represents the component of consolidated income that is earned outside of the MIC entity, therefore excluded in the calculation of taxable income.
[6] Not recognizable in the calculation of taxable income.

Taxable income for YTD 2025 compared to YTD 2024 was lower due to lower taxable income from our investment in MCAP partially offset by the taxable capital gain recognized on an internal reorganization of our equity investment in MCAP. As a MIC, we pay out at least all of our taxable income to shareholders through dividends.

FINANCIAL POSITION

Assets

Table 12: Assets

(in thousands except %)	December 31 2025	September 30 2025	Change (%)	December 31 2024	Change (%)
Non-securitized Assets					
Cash and cash equivalents	$ 79,828	$ 141,889	(44%)	$ 61,703	29%
Marketable securities	54,146	54,452	(1%)	66,345	(18%)
Mortgages	2,479,588	2,535,698	(2%)	2,464,091	1%
Non-marketable securities	126,592	125,443	1%	117,428	8%
Equity investment in MCAP Commercial LP	133,995	132,949	1%	122,265	10%
Deferred tax asset	1,650	1,115	48%	1,430	15%
Derivative financial instruments	1,907	4,401	(57%)	2,508	(24%)
Other assets	27,144	36,976	(27%)	24,547	11%
	2,904,850	**3,032,923**	**(4%)**	**2,860,317**	**2%**
Securitization Assets					
Cash held in trust	71,856	62,924	14%	47,249	52%
Mortgages	3,458,671	2,781,009	24%	2,419,871	43%
Other assets	42,093	32,395	30%	20,128	109%
	3,572,620	**2,876,328**	**24%**	**2,487,248**	**44%**
	$ 6,477,470	**$ 5,909,251**	**10%**	**$ 5,347,565**	**21%**

Our total assets increased compared to September 30, 2025 and December 31, 2024 primarily due to origination volumes, including renewal activity in our residential mortgage portfolio, outpacing maturities.

In selecting residential construction projects to finance, we focus more on the affordable segments of the housing market, such as first time and move up homebuyers. These segments are characterized by affordable price points, lower price volatility and steady sales volumes based on continued family formation and migration primarily in major urban markets and their surrounding areas in proximity to transit. We focus on a diverse portfolio of predominantly first mortgage positions with 65-75% LTVs in our normal segment of lending. At December 31, 2025, the average outstanding construction loan balance was $11 million (September 30, 2025 - $11 million; December 31, 2024 - $11 million) with a maximum individual loan commitment of $40 million (September 30, 2025 - $40 million; December 31, 2024 - $38 million).

Securitized Mortgages

Securitization assets consist of (i) insured residential mortgages that have been securitized through our internal market MBS program and the CHT CMB program. We are an NHA MBS issuer, which involves the securitization of insured mortgages to create MBS; and (ii) uninsured residential mortgages securitized through a securitization program sponsored by a Canadian Schedule I Chartered bank. We can sell qualifying uninsured residential mortgages that meet certain requirements into the program and they remain in the program until maturity. Securitization is an integral part of our diversification and capital optimization strategy.

For further information, refer to Note 11 to the consolidated financial statements.

We securitized $757 million in Q4 2025 (Q3 2025 - $392 million; Q4 2024 - $211 million) and $1.4 billion in 2025 (2024 - $803 million) of insured residential mortgages through the market MBS program and CMB program. Overall, total insured residential mortgage origination volumes are higher supported by outstanding service to our brokers and customers. Further interest rate decreases would help first time home buyers, who would be a significant portion of the borrowers of our insured residential mortgages.

We may issue market MBS through the NHA MBS program and retain the underlying MBS security for liquidity purposes rather than selling the MBS to a third party. At December 31, 2025, we held $38 million of retained MBS on our balance sheet (September 30, 2025 - $39 million; December 31, 2024 - $46 million), which is included in the insured residential mortgage portfolio in non-securitized mortgages.

We securitized $128 million in Q4 2025 (Q3 2025 - $217 million; Q4 2024 - $94 million) and $604 million in 2025 (2024 - $94 million) of insured multi-family mortgages through the CMB program. At the time of the insured multi-family securitization, the Company derecognized the mortgages from its balance sheet and recorded a gain on the sale of the mortgages of $0.5 million in Q4 2025 (Q4 2024 - $0.1 million) and $2.0 million in 2025 (2024 - $0.1 million).

We securitized $176 million in Q4 2025 (Q3 2025 - $163 million) and $340 million in 2025 of uninsured residential mortgages through a securitization program sponsored by a Canadian Schedule I Chartered bank. Under this program, we can sell qualifying uninsured residential mortgages that meet certain requirements into the program and they remain in the program until maturity.

Any mortgages securitized through the market MBS program, CMB program or bank-sponsored uninsured securitization program for which derecognition is not achieved remain on the consolidated balance sheet as securitized assets and are also included in total exposures in the calculation of our leverage ratio. However, for income tax purposes, all mortgages securitized by MCAN are excluded from income tax assets. For further details on total exposures, regulatory capital and income tax assets and capital, refer to the "Capital Management" section of this MD&A.

Table 13: Mortgage Summary

(in thousands except %)	December 31 2025	September 30 2025	Change (%)	December 31 2024	Change (%)
Non-securitized portfolio					
Residential mortgages					
Insured	$ 171,895	$ 164,588	4%	$ 126,528	36%
Uninsured	978,059	1,070,497	(9%)	1,113,372	(12%)
Uninsured - completed inventory	166,033	101,403	64%	119,428	39%
Construction loans	1,135,630	1,199,210	(5%)	1,087,561	4%
Commercial loans					
Multi-family residential	17,189	—	n/a	17,202	—%
Other commercial	10,782	—	n/a	—	n/a
	2,479,588	**2,535,698**	**(2%)**	**2,464,091**	**1%**
Securitized portfolio					
Residential mortgages					
Insured	3,147,214	2,621,267	20%	2,419,871	30%
Uninsured	311,457	159,742	95%	—	n/a
Securitized portfolio	**3,458,671**	**2,781,009**	**24%**	**2,419,871**	**43%**
	$ 5,938,259	**$ 5,316,707**	**12%**	**$ 4,883,962**	**22%**

Table 14: Non-securitized Mortgage Portfolio Continuity for Year to Date 2025

(in thousands)	Residential Mortgages					
	Insured	Uninsured	Uninsured - completed inventory	Construction loans	Commercial loans	Total
Balance, beginning of the period	**$ 126,528**	**$ 1,113,372**	**$ 119,428**	**$ 1,087,561**	**$ 17,202**	**$ 2,464,091**
Originations[1]	2,033,111	1,079,408	137,803	631,907	632,239	4,514,468
Payments and prepayments	(9,282)	(19,043)	(90,822)	(578,195)	(17,150)	(714,492)
Maturities	(473,914)	(839,220)	—	—	—	(1,313,134)
Securitizations	(1,412,534)	(339,841)	—	—	(603,879)	(2,356,254)
Sale of commitments and whole loans	(92,342)	(13,306)	—	—	—	(105,648)
Capitalization and amortization of fees	328	(3,311)	(376)	(5,643)	(441)	(9,443)
Balance, end of the period	**$ 171,895**	**$ 978,059**	**$ 166,033**	**$ 1,135,630**	**$ 27,971**	**$ 2,479,588**

[1] includes originations, including (i) insured and uninsured residential mortgage commitments originated and sold; (ii) acquisitions; (iii) renewals; and (iv) transfers in from our securitization portfolio.

Table 15: Non-securitized Mortgage Portfolio Continuity for Year to Date 2024

(in thousands)	Residential Mortgages					
	Insured	Uninsured	Uninsured - completed inventory	Construction loans	Commercial loans	Total
Balance, beginning of the period	**$ 276,685**	**$ 966,726**	**$ 54,367**	**$ 1,045,768**	**$ 71,309**	**$ 2,414,855**
Originations[1]	898,356	888,805	132,718	665,954	94,457	2,680,290
Payments and prepayments	(12,127)	(14,667)	(67,074)	(626,740)	(53,998)	(774,606)
Maturities	(194,345)	(682,867)	—	—	—	(877,212)
Securitizations	(825,298)	—	—	—	(94,457)	(919,755)
Sale of commitments	(14,586)	(46,076)	—	—	—	(60,662)
Capitalization and amortization of fees	(2,157)	1,451	(583)	2,579	(109)	1,181
Balance, end of the period	**$ 126,528**	**$ 1,113,372**	**$ 119,428**	**$ 1,087,561**	**$ 17,202**	**$ 2,464,091**

[1] includes originations, including insured residential mortgage commitments originated and sold, renewals and transfers in from our securitization portfolio.

We continue to be selective and will reposition our loan portfolio in terms of product composition, geographic mix and exposure as required to meet changing market conditions and align to our risk appetite. We have strong strategic partnerships and relationships and we maintain a high quality of underwriting. We have also enhanced our internal sales and marketing capabilities, strengthened relationships and customer service with the broker community and increased underwriting capacity. We continue to focus on our construction and commercial portfolio growing it in selected markets, with our preferred borrowers and risk profile given they tend to provide higher yields compared to our residential mortgages.

Figure 1: Total Mortgage Portfolios (in thousands)

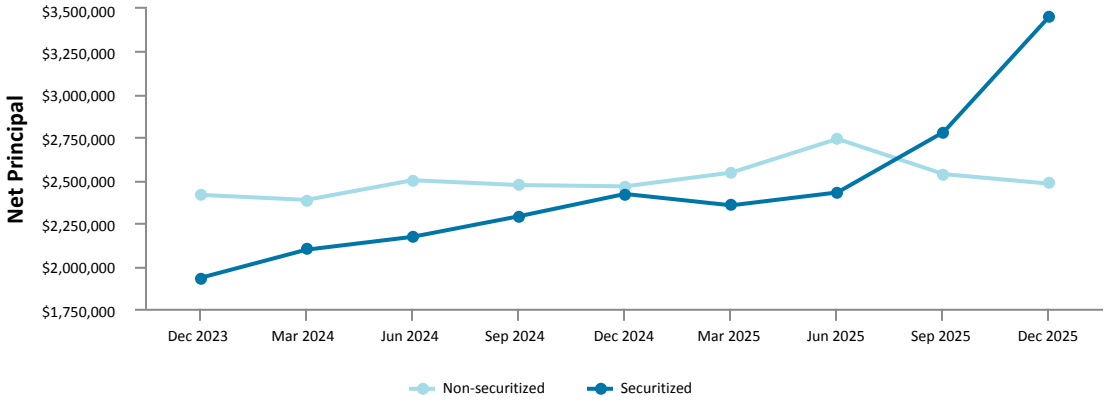
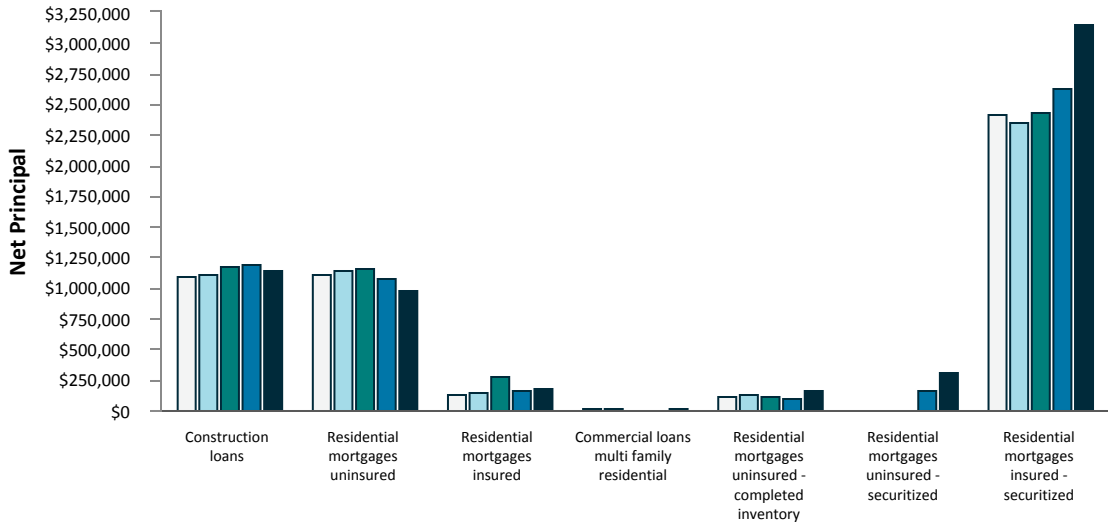


Figure 2: Mortgage Portfolio Composition by Product Type (in thousands)



		Non-securitized					Securitized	
		Construction loans	Residential mortgages uninsured	Residential mortgages insured	Commercial loans multi-family residential	Residential mortgages uninsured - completed inventory	Residential mortgages uninsured - securitized	Residential mortgages insured - securitized
	Dec 31, 2024	$1,087,561 (22%)	$1,113,372 (23%)	$126,528 (3%)	$17,202 (0%)	$119,428 (2%)	$0 (0%)	$2,419,871 (50%)
	Mar 31, 2025	$1,113,738 (23%)	$1,138,768 (23%)	$152,208 (3%)	$17,200 (0%)	$122,586 (3%)	$0 (0%)	$2,353,531 (48%)
	Jun 30, 2025	$1,181,885 (23%)	$1,166,146 (23%)	$274,507 (5%)	$0 (0%)	$118,833 (2%)	$0 (0%)	$2,428,828 (47%)
	Sep 30, 2025	$1,199,210 (23%)	$1,070,497 (20%)	$164,588 (3%)	$0 (0%)	$101,403 (2%)	$159,742 (3%)	$2,621,267 (49%)
	Dec 31, 2025	$1,135,630 (20%)	$978,059 (16%)	$171,895 (3%)	$17,189 (0%)	$166,033 (3%)	$311,457 (5%)	$3,147,214 (53%)

Note: Amounts in parentheses represent the percentage of the mortgage portfolio represented by the individual product type.

Table 16: Mortgage Portfolio Geographic Distribution

	December 31, 2025		September 30, 2025		December 31, 2024	
	Non-securitized	Securitized	Non-securitized	Securitized	Non-securitized	Securitized
Ontario	59.9 %	74.6 %	61.7 %	82.5 %	62.5 %	82.5 %
British Columbia	30.6 %	4.3 %	30.1 %	2.7 %	28.2 %	3.0 %
Alberta	8.2 %	14.3 %	7.1 %	10.8 %	8.1 %	10.8 %
Atlantic Provinces	0.5 %	3.2 %	0.4 %	2.1 %	0.4 %	2.1 %
Quebec	0.2 %	0.1 %	0.2 %	0.1 %	0.2 %	0.2 %
Other	0.6 %	3.5 %	0.5 %	1.8 %	0.6 %	1.4 %
	100.0 %	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

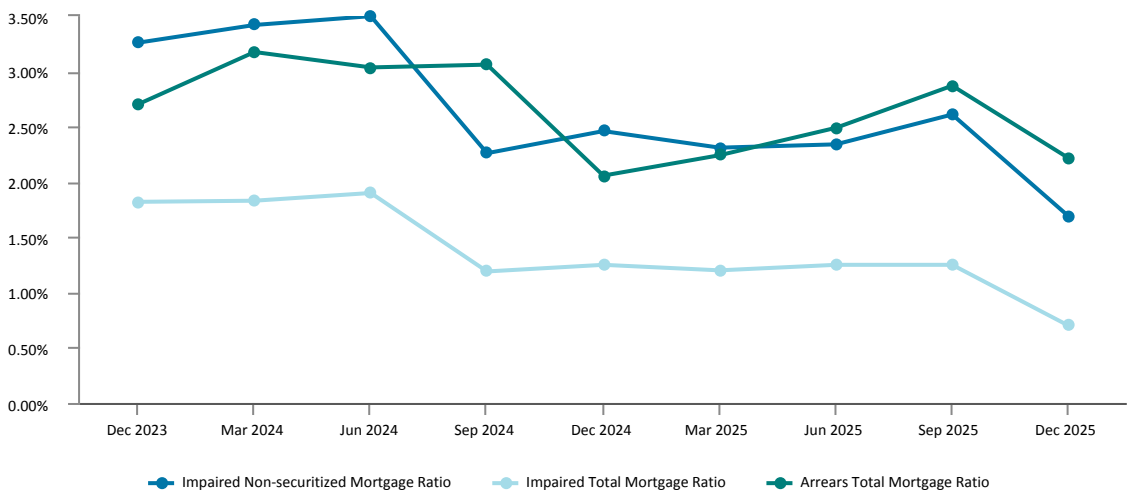
Credit Quality

Table 17: Arrears and Impaired Mortgages

(in thousands except %)	December 31 2025	September 30 2025	Change (%)	December 31 2024	Change (%)
Mortgage arrears					
Non-securitized					
Residential mortgages - insured	$ 1,476	$ 1,902	(22%)	$ 2,161	(32%)
Residential mortgages - uninsured	62,990	51,852	21%	48,888	29%
Construction loans	53,271	92,064	(42%)	45,319	18%
Total non-securitized mortgage arrears	117,737	145,818	(19%)	96,368	22%
Total securitized mortgage arrears - insured	13,855	6,804	104%	4,103	238%
Total mortgage arrears	$ 131,592	$ 152,622	(14%)	$ 100,471	31%
Staging analysis					
Stage 2					
Non-securitized					
Residential mortgages - insured	$ 5,649	$ 9,018	(37%)	$ 7,511	(25%)
Residential mortgages - uninsured	218,960	215,584	2%	207,105	6%
Construction loans	23,943	39,400	(39%)	—	n/a
Commercial loans - multi-family residential	—	—	n/a	12,194	(100%)
Total non-securitized	248,552	264,002	(6%)	226,810	10%
Securitized					
Residential mortgages - insured	163,674	159,159	3%	142,862	15%
Residential mortgages - uninsured	42,089	24,853	69%	—	n/a
Total securitized	205,763	184,012	12%	142,862	44%
Total Stage 2	$ 454,315	$ 448,014	1%	$ 369,672	23%
Stage 3					
Residential mortgages - insured	$ 245	$ 245	—%	$ 806	(70%)
Residential mortgages - uninsured	12,245	13,380	(8%)	14,420	(15%)
Construction loans	29,328	52,664	(44%)	45,319	(35%)
Total non-securitized	41,818	66,289	(37%)	60,545	(31%)
Total securitized - insured	—	291	(100%)	264	(100%)
Total Stage 3	41,818	66,580	(37%)	60,809	(31%)
Total Stage 2 and 3 mortgages	$ 496,133	$ 514,594	(4%)	$ 430,481	15%
Impaired non-securitized mortgage ratio [1]	1.69 %	2.61 %	(0.92%)	2.46 %	(0.77%)
Impaired total mortgage ratio [1]	0.70 %	1.25 %	(0.55%)	1.25 %	(0.55%)
Allowance for credit losses					
Non-securitized					
Allowance on performing mortgages	$ 9,673	$ 9,071	7%	$ 7,250	33%
Allowance on impaired mortgages	13,229	10,511	26%	5,952	122%
Total non-securitized allowance for credit losses	22,902	19,582	17%	13,202	73%
Total securitized allowance for credit losses - uninsured	403	284	42%	—	n/a
Total allowance for credit losses	$ 23,305	$ 19,866	17%	$ 13,202	77%

[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 MD&A. 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.

Figure 3: Arrears and Impaired Mortgage Ratios[1]



The majority of our residential mortgage arrears activity occurs in the 1-30 day category, in which the bulk of arrears are resolved and do not migrate to arrears categories over 30 days. While greater than 30 days arrears has increased in our uninsured residential mortgages, we believe overall that we have a quality uninsured residential mortgage loan portfolio with an average LTV of 66.3% at December 31, 2025 based on an industry index of current real estate values. With respect to our construction loan portfolio, we have a strong track record with our default management processes and asset recovery programs as the need arises. The impaired ratios, as presented above, reflect impaired (stage 3) mortgages under IFRS 9 as a percentage of the non-securitized or total mortgage portfolios, as applicable. At December 31, 2025, impaired mortgages are mainly construction mortgages as well as uninsured residential mortgages where asset recovery programs have been initiated or we expect the loans to be brought current. We monitor the delinquency and impairment status of our loans and takes appropriate steps with our borrowers to ensure an optimal resolution. Our realized loan losses on our construction portfolio have been negligible.

In the event of a protracted economic downturn due to the current geopolitical conflicts, or for any other reason, we would expect to observe an increase in overall mortgage default and arrears rates as realization periods on collateral become longer and borrowers adjust to the new economic conditions and potentially changing real estate values in such an event. An economic downturn could also result in an increase in our allowance for credit losses. MCAN utilizes a number of risk assessment and mitigation strategies to lessen the potential impact for loss on residential mortgages; however, traditional actions may not be available or effective.

For further information regarding non-securitized mortgages by risk rating, refer to Note 7 to the consolidated financial statements.

[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 MD&A. 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.

Additional Information on Residential Mortgages and Home Equity Lines of Credit ("HELOCs")

In accordance with OSFI Guideline B-20 - *Residential Mortgage Underwriting Practices and Procedures*, additional information is provided on the composition of MCAN's residential mortgage portfolio by insurance status and province, as well as amortization periods and LTV by province. LTV is calculated as the ratio of the outstanding loan balance on an amortized cost basis to the value of the underlying collateral at the time of origination.

Insured mortgages include individual mortgages that are insured by CMHC or other approved mortgage insurers at origination and mortgages that are portfolio-insured after origination. Uninsured mortgages include both residential uninsured and residential uninsured - completed inventory loans.

The HELOC balances displayed below relate to insured residential mortgages that were acquired by MCAN previously. We do not originate HELOCs at this time.

Table 18: Residential Mortgages by Province at December 31, 2025

(in thousands except %)	Non-securitized							
	Insured	%	Uninsured	%	HELOCs	%	Total	%
Ontario	$ 131,455	76.6 %	$ 933,283	81.4 %	$ 78	89.7 %	$ 1,064,816	81.0 %
Alberta	22,718	13.2 %	77,252	6.8 %	9	10.3 %	99,979	7.6 %
Columbia	5,554	3.2 %	112,990	9.9 %	—	— %	118,544	9.0 %
Quebec	3,769	2.2 %	826	0.1 %	—	— %	4,595	0.3 %
Provinces	4,688	2.7 %	7,724	0.7 %	—	— %	12,412	0.9 %
Other	3,624	2.1 %	12,017	1.1 %	—	— %	15,641	1.2 %
Total	**$ 171,808**	**100.0 %**	**$ 1,144,092**	**100.0 %**	**$ 87**	**100.0 %**	**1,315,987**	**100.0 %**

(in thousands except %)	Securitized					
	Insured	%	Uninsured	%	Total	%
Ontario	$ 2,292,087	72.9 %	$ 291,773	93.7 %	$ 2,583,860	74.6 %
Alberta	485,713	15.4 %	8,051	2.6 %	493,764	14.3 %
British Columbia	139,432	4.4 %	9,265	3.0 %	148,697	4.3 %
Quebec	3,198	0.1 %	—	— %	3,198	0.1 %
Atlantic Provinces	108,149	3.4 %	1,299	0.4 %	109,448	3.2 %
Other	118,635	3.8 %	1,069	0.3 %	119,704	3.5 %
Total	**$ 3,147,214**	**100.0 %**	**$ 311,457**	**100.0 %**	**$ 3,458,671**	**100.0 %**

Table 19: Residential Mortgages by Province at December 31, 2024

(in thousands except %)	Non-securitized						Securitized			
	Insured	%	Uninsured	%	HELOCs	%	Insured	%	Total	%
Ontario	$ 84,903	67.0 %	$1,049,153	85.1 %	$ 78	86.7 %	$1,995,326	82.5 %	$ 3,129,460	82.7 %
Alberta	27,631	21.9 %	65,353	5.3 %	12	13.3 %	260,743	10.8 %	353,739	9.4 %
British Columbia	4,135	3.3 %	103,255	8.4 %	—	— %	73,408	3.0 %	180,798	4.8 %
Quebec	2,736	2.2 %	1,170	0.1 %	—	— %	5,631	0.2 %	9,537	0.3 %
Atlantic Provinces	5,027	4.0 %	4,873	0.4 %	—	— %	51,295	2.1 %	61,195	1.6 %
Other	2,006	1.6 %	8,996	0.7 %	—	— %	33,468	1.4 %	44,470	1.2 %
Total	**$ 126,438**	**100.0 %**	**$1,232,800**	**100.0 %**	**$ 90**	**100.0 %**	**$2,419,871**	**100.0 %**	**$ 3,779,199**	**100.0 %**

Table 20: Residential Mortgages by Amortization Period at December 31, 2025

(in thousands except %)	Up to 20 Years	>20 to 25 Years	>25 to 30 Years	>30 to 35 Years	Total
Non-securitized	$ 298,098	$ 162,496	$ 449,044	$ 406,349	$ 1,315,987
	22.7 %	12.4 %	34.1 %	30.8 %	100.0 %
Securitized	$ 1,108,101	$ 1,658,421	$ 536,015	$ 156,134	$ 3,458,671
	32.0 %	48.0 %	15.5 %	4.5 %	100.0 %
Total	**$ 1,406,199**	**$ 1,820,917**	**$ 985,059**	**$ 562,483**	**$ 4,774,658**
	29.5 %	**38.1 %**	**20.6 %**	**11.8 %**	**100.0 %**

Table 21: Residential Mortgages by Amortization Period at December 31, 2024

(in thousands except %)	Up to 20 Years	>20 to 25 Years	>25 to 30 Years	>30 to 35 Years	Total
Non-securitized	$ 224,627	$ 158,920	$ 491,353	$ 484,428	$ 1,359,328
	16.6 %	11.7 %	36.1 %	35.6 %	100.0 %
Securitized	$ 807,727	$ 1,605,346	$ 6,798	$ —	$ 2,419,871
	33.4 %	66.3 %	0.3 %	— %	100.0 %
Total	**$ 1,032,354**	**$ 1,764,266**	**$ 498,151**	**$ 484,428**	**$ 3,779,199**
	27.3 %	**46.7 %**	**13.2 %**	**12.8 %**	**100.0 %**

Table 22: Average LTV Ratio for Uninsured Residential Mortgage Originations

(in thousands except %) For the Periods Ended	Q4 2025	Average LTV	Q4 2024	Average LTV	Annual 2025	Average LTV	Annual 2024	Average LTV
Ontario	$211,715	68.8%	$124,656	68.7%	$561,771	67.4%	$424,300	68.9%
Alberta	10,675	75.2%	22,856	69.2%	34,403	75.2%	50,188	68.1%
British Columbia	36,864	40.9%	15,536	67.9%	85,910	15.5%	79,593	66.1%
Other	5,783	74.2%	2,392	72.8%	12,911	73.5%	8,360	73.5%
	$265,037	**65.8%**	**$165,440**	**68.8%**	**$694,995**	**60.6%**	**$562,441**	**68.5%**

Table 23: Average LTV Ratios at Origination by Mortgage Portfolio

	December 31 2025	December 31 2024
Non-securitized mortgage portfolio		
Residential mortgages		
Insured	63.0 %	67.8 %
Uninsured[1]	70.0 %	67.7 %
Uninsured - completed inventory[1]	62.7 %	65.1 %
Construction loans		
Residential	60.4 %	61.9 %
Non-residential	58.6 %	60.2 %
Commercial loans		
Multi-family residential	74.9 %	82.4 %
Other commercial	65.0 %	— %
	64.7 %	65.1 %
Securitized mortgage portfolio		
Residential mortgages		
Insured	79.5 %	79.9 %
Uninsured	64.7 %	— %
Securitized mortgage portfolio	78.1 %	79.9 %
	72.5 %	**72.4 %**

[1] *MCAN's* non-securitized *uninsured residential mortgage portfolio (including completed inventory loans) is secured with a weighted average LTV at origination of 69.0% at December 31, 2025 (December 31, 2024 - 68.7%). Based on an industry index that incorporates current real estate values, the ratios would be 66.3% at December 31, 2025 (December 31, 2024 - 63.7%).*

Other Non-securitized Assets

Cash and Cash Equivalents

At December 31, 2025, our cash balance was $80 million (September 30, 2025 - $142 million; December 31, 2024 - $62 million). As part of liquidity management, we align our liquidity position to our liquidity and funding requirements. Cash and cash equivalents, which include cash balances with banks and overnight term deposits, provide liquidity to meet maturing term deposits and new mortgage funding commitments. We actively manage our cash and cash equivalents in the context of our prudent liquidity and cash management practices. See "Liquidity and Funding Risk" sub-section of this MD&A.

Marketable Securities

Marketable securities, consisting of REITs and Government of Canada bonds, provide additional liquidity at yields in excess of cash and cash equivalents. We actively manage our portfolio, as appropriate. At December 31, 2025, the portfolio balance was $54 million (September 30, 2025 - $54 million; December 31, 2024 - $66 million). In 2025, we sold $16 million of REITs for a realized gain of $2.6 million. We continue to realize the benefits of regular cash flows and distributions from these investments.

Non-marketable Securities

At December 31, 2025, our non-marketable securities balance was $127 million (September 30, 2025 - $125 million; December 31, 2024 - $117 million). The movement to our security balance from the beginning of the year mainly relates to funding of capital advances and a $1 million net realized and unrealized loss consisting of gains and losses from certain underlying property investments as a result of (i) updated appraisals/property valuations, net of related property debt and debt service costs; and (ii) actual executions on construction and leasing stabilization and value-add activities. Our non-marketable securities are either held for long-term capital appreciation or distribution income. Our real estate development funds tend to have less predictable cash flows that are predicated on the completion of the development projects within these funds. We have $40 million in remaining capital advances for non-marketable securities expected to fund mainly over the next five years. Some of the real estate funds that we are invested in, have been slower to deploy committed capital than initially expected as finding the right opportunities in the current market environment takes more time.

For further information, refer to Note 8 to the consolidated financial statements.

Equity Investment in MCAP

We have a strategic investment in MCAP, which is Canada's largest independent mortgage finance company serving many institutional investors and over 400,000 homeowners. We hold a 13.89% equity interest in MCAP (September 30, 2025 - 13.89%; December 31, 2024 - 13.88%), which represents 4.0 million units held by MCAN at December 31, 2025 (September 30, 2025 - 4.0 million; December 31, 2024 - 4.0 million) of the 28.8 million total outstanding MCAP partnership units (September 30, 2025 - 28.8 million; December 31, 2024 - 28.8 million). The investment had a net book value of $134 million at December 31, 2025 (September 30, 2025 - $133 million; December 31, 2024 - $122 million). The net book value is not indicative of the fair market value of our equity interest in MCAP.

During Q4 2025, we received $6.7 million of unitholder distributions from MCAP (Q3 2025 - $6.3 million; Q4 2024 - $4.7 million). In 2025, we have received $21.7 million of unitholder distributions from MCAP (2024 - $18.6 million). As we account for this investment using the equity method, the receipt of distributions reduces the carrying value of the investment in MCAP.

Pursuant to the MCAP partnership agreement, the majority partner in MCAP has the right to acquire MCAN's entire partnership interest in MCAP at "fair market value", which would be determined by an independent valuator agreed upon by both parties. Any sale by MCAN of its units in MCAP pursuant to this majority partner right, could result in a taxable gain, which could be material.

Other Securitization Assets

Other securitization assets include cash held in trust, which represents securitized mortgage principal and interest collections from borrowers that are payable to MBS holders.

Liabilities and Shareholders' Equity

Table 24: Liabilities and Shareholders' Equity

(in thousands except %)	December 31 2025	September 30 2025	Change (%)	December 31 2024	Change (%)
Non-securitized Liabilities					
Term deposits	$ 2,340,483	$ 2,473,256	(5%)	$ 2,288,226	2%
Loans payable	19,438	172	11,201%	107	18,066%
Derivative financial instruments	46	—	n/a	—	n/a
Current taxes payable	—	155	(100%)	—	n/a
Other liabilities	38,772	20,040	93%	36,807	5%
	2,398,739	**2,493,623**	**(4%)**	**2,325,140**	**3%**
Securitization Liabilities					
Financial liabilities from securitization	3,433,883	2,779,219	24%	2,423,236	42%
	3,433,883	**2,779,219**	**24%**	**2,423,236**	**42%**
	5,832,622	**5,272,842**	**11%**	**4,748,376**	**23%**
Shareholders' Equity					
Share capital	491,015	484,355	1%	456,683	8%
Contributed surplus	510	510	—%	510	—%
Retained earnings	153,442	152,495	1%	143,620	7%
Accumulated other comprehensive income (loss)	(119)	(951)	(87%)	(1,624)	(93%)
	644,848	**636,409**	**1%**	**599,189**	**8%**
	$ 6,477,470	**$ 5,909,251**	**10%**	**$ 5,347,565**	**21%**

Term Deposits

Our primary source of funding for our non-securitized operations is the issuance of term deposits that are eligible for CDIC deposit insurance. We source term deposits through a broker distribution network across Canada consisting of third party deposit agents and financial advisors, as well as a direct-to-consumer channel through our MCAN Wealth GIC platform. Deposits cannot be cashed prior to maturity or paid on demand except in the event of the death of a depositor or financial hardship. We believe that our term deposits provide a reliable low-cost funding source that can be strategically matched against the non-securitized mortgage portfolio. The role of term deposits in managing liquidity and funding risk is discussed in the "Liquidity and Funding Risk" sub-section of the "Risk Factors" section of this MD&A.

Loans Payable

We have a secured demand revolver facility from a Canadian Schedule I Chartered bank with a facility limit of $220 million. The facility is due and payable upon demand. Under the facility, there is a sublimit for issued letters of credit which are used for the purpose of supporting developer obligations to municipalities in conjunction with residential construction loans.

We have a senior secured mortgage warehouse facility from a Canadian Schedule I Chartered bank with a facility limit of $100 million. The facility is used to fund insured residential mortgages prior to securitization activities.

Financial Liabilities from Securitization

Financial liabilities from securitization relate to our participation in (i) the market MBS and CMB programs, where we have sold MBS to third parties; and (ii) an uninsured residential mortgage securitization program sponsored by a Canadian Schedule I Chartered bank. We have not derecognized these related mortgages from our balance sheet. For further information on our securitization programs, refer to the "Financial Position" section of this MD&A.

Share Capital

Share capital activity may reflect new common shares issued through the DRIP, Executive Share Purchase Plan and other share offerings and their related costs, as applicable. For further information, refer to the "Description of Capital Structure" section of this MD&A and Note 18 to the consolidated financial statements.

Retained Earnings

Retained earnings activity for Q4 2025 consists of net income of $17.6 million (Q3 2025 - $20.5 million; Q4 2024 - $7.7 million) less dividends of $16.6 million (Q3 2025 - $16.3 million; Q4 2024 - $15.1 million). Retained earnings activity in 2025 consists of a net income of $74.9 million (2024 - $77.6 million) less dividends of $65.0 million (2024 - $58.7 million).

Accumulated Other Comprehensive Income

We may enter into Government of Canada bond forward contracts to hedge interest rate risk arising from the impact of (i) movements in interest rates between the time insured residential mortgages are funded and the time that these mortgages are securitized; and (ii) movements in interest rates between the time term deposit funding is forecasted to be required and the time that the actual funding occurs. Achieving hedge accounting allows us to reduce our net income volatility related to changes in interest rates. For further information, refer to the "Derivatives and Hedging" sub-section of this MD&A and Note 13 to the consolidated financial statements.

CAPITAL MANAGEMENT

Our primary capital management objectives are to maintain sufficient capital for regulatory purposes and to earn acceptable and sustainable risk-weighted returns for our shareholders. Through our risk management and corporate governance framework, we assess current and projected asset growth, economic conditions, housing market activity, the interest rate environment and changes to credit quality to determine appropriate levels of capital. We expect to pay out all of MCAN's non-consolidated taxable income over time through dividends subject to final review and declaration by the Board. Capital growth is achieved through retained earnings, the DRIP, Executive Share Purchase Plan, rights offerings, public share offerings and, if appropriate, stock dividends. Our capital management is primarily driven by the guidelines set out by the Tax Act and OSFI.

Income Tax Capital

As a MIC under the Tax Act, we are limited to an income tax liabilities to capital ratio of 5:1 (or an income tax assets to capital ratio of 6:1), based on our non-consolidated balance sheet in the MIC entity measured at its tax value. Securitization assets and liabilities (less accrued interest) are both excluded from the calculation of the income tax assets to capital ratio. We calculate our income tax capital in accordance with the Tax Act.

Table 25: Income Tax Capital

(in thousands except ratios)

	December 31 2025	December 31 2024
Income tax assets		
Consolidated assets	$ 6,477,470	$ 5,347,565
Adjustment for assets in subsidiaries	58,279	35,924
Non-consolidated assets in MIC entity	6,535,749	5,383,489
Add: mortgage allowances	10,996	7,844
Less: securitization assets [1]	(3,477,956)	(2,454,257)
Adjustments to equity investments in MCAP and subsidiaries	(93,089)	(69,378)
Other adjustments	(2,093)	313
	$ 2,973,607	$ 2,868,011
Income tax liabilities		
Consolidated liabilities	$ 5,832,622	$ 4,748,376
Adjustment for liabilities in subsidiaries	(16,601)	(10,040)
Non-consolidated liabilities in MIC entity	5,816,021	4,738,336
Less: securitization liabilities [1]	(3,425,967)	(2,418,059)
	$ 2,390,054	$ 2,320,277
Income tax capital	$ 583,553	$ 547,734
Income tax capital ratios		
Income tax assets to capital ratio	5.10	5.24
Income tax liabilities to capital ratio	4.10	4.24

[1] *The majority of securitization assets and liabilities on the balance sheet are excluded from income tax assets, liabilities and capital as they are derecognized for income tax purposes in accordance with the Tax Act.*

Regulatory Capital

As a Loan Company under the Trust Act, OSFI oversees the adequacy of our capital. For this purpose, OSFI has imposed minimum capital-to-regulatory (or risk-weighted) assets ratios and a minimum leverage ratio which is calculated on a different basis from the income tax assets to capital ratio discussed in the "Income Tax Capital" sub-section above.

Both OSFI and the Basel Committee on Banking Supervision promote a resilient banking sector and strong global capital standards. Key components of Basel III impact MCAN through the Capital Adequacy Requirements and Leverage Requirements Guidelines.

Our CET 1 capital consists of share capital, contributed surplus and retained earnings. We do not hold any additional Tier 1 capital instruments; therefore, our CET 1 capital is equal to our Tier 1 capital. Our Tier 2 capital consists of Stage 1 and Stage 2 mortgage allowances calculated under IFRS. Total Capital equals CET 1 or Tier 1 capital plus Tier 2 capital. OSFI expects all federally regulated financial institutions to meet the minimum capital to risk-weighted asset ratios of 7% CET 1 Capital, 8.5% Tier 1 Capital and 10.5% Total Capital.

At December 31, 2025, we were in compliance with our internal target minimum CET 1, Tier 1 and Total Capital to risk weighted asset and leverage ratios. We maintain prudent capital planning practices to ensure that we are adequately capitalized and continue to satisfy minimum standards and internal targets.

Table 26: Regulatory Capital [3]

(in thousands except %)

	December 31 2025	December 31 2024
OSFI Regulatory Ratios		
Share capital	$ 491,015	$ 456,683
Contributed surplus	510	510
Retained earnings	153,442	143,620
Accumulated other comprehensive income	(119)	(1,624)
Deduction from equity investment in MCAP [1]	(69,510)	(62,346)
Common Equity Tier 1 and Tier 1 Capital (A)	575,338	536,843
Tier 2 Capital	10,076	7,250
Total Capital (D)	$ 585,414	$ 544,093
Total Exposure/Regulatory Assets		
Consolidated assets	$ 6,477,470	$ 5,347,565
Less: deduction for equity investment in MCAP [1]	(69,510)	(62,346)
Other adjustments [2]	11,264	8,472
Total On-Balance Sheet Exposures	6,419,224	5,293,691
Mortgages and non-marketable securities funding commitments	239,344	208,440
Letters of credit	20,967	22,147
Total Off-Balance Sheet Items	260,311	230,587
Total Exposure/Regulatory Assets (B)	$ 6,679,535	$ 5,524,278
Leverage ratio (A / B)	8.61 %	9.72 %
Risk-weighted assets (C)	$ 3,057,823	$ 2,822,418
Regulatory Capital Ratios		
Common Equity Tier 1 capital to risk-weighted assets ratio **(A / C)**	18.82 %	19.02 %
Tier 1 capital to risk-weighted assets ratio **(A / C)**	18.82 %	19.02 %
Total capital to risk-weighted assets ratio **(D / C)**	19.14 %	19.28 %

[1] The deduction for the equity investment in MCAP is equal to the equity investment balance less 10% of shareholders' equity and eligible stage 1 and stage 2 mortgage allowances.
[2] Certain items, such as negative cash balances and derivatives, are adjusted from total exposures but included in consolidated assets.
[3] These measures have been calculated in accordance with OSFI's Capital Adequacy Requirements and Leverage Requirements guidelines.

Table 27: Regulatory Risk-Weighted Assets [1]

(in thousands except %)	December 31, 2025			December 31, 2024		
	Amounts	Average Rate	Risk-Weighted Assets	Amounts	Average Rate	Risk-Weighted Assets
On-Balance Sheet Assets						
Cash and cash equivalents	$ 79,828	21 %	$ 16,374	$ 61,703	21 %	$ 12,654
Cash held in trust	71,856	20 %	14,371	47,249	20 %	9,450
Marketable securities	54,146	72 %	39,025	66,345	100 %	66,345
Mortgages - non-securitized	2,479,588	76 %	1,892,023	2,464,091	69 %	1,700,214
Mortgages - securitized	3,458,671	5 %	175,604	2,419,871	6 %	136,693
Non-marketable securities	126,592	172 %	218,124	117,428	162 %	190,120
Equity investment in MCAP Commercial LP	133,995	120 %	161,212	122,265	123 %	149,797
Deferred tax asset	1,650	100 %	1,650	1,430	100 %	1,430
Other assets	69,237	100 %	69,237	44,675	100 %	44,675
Derivative Financial Instruments	1,907	— %	—	2,508	— %	—
	6,477,470		2,587,620	5,347,565		2,311,378
Off-Balance Sheet Items						
Letters of credit	41,934	50 %	20,967	44,295	50 %	22,148
Commitments	598,360	31 %	186,145	521,100	45 %	234,666
Derivative Financial Instruments	611,451	3 %	17,516	793,439	3 %	24,288
			224,628			281,102
Charge for operational risk [2]			245,575			229,938
Risk-Weighted Assets			**$ 3,057,823**			**$ 2,822,418**

[1] This measure has been calculated in accordance with OSFI's Capital Adequacy Requirements guidelines.
[2] We use the simplified standard approach for operational risk in accordance with OSFI's Capital Adequacy Requirements guidelines. The RWA for operational risk is determined by multiplying the operational risk capital charge by 12.5.

Other Capital Management Activity

In conjunction with the annual strategic planning and budgeting process, we complete an Internal Capital Adequacy Assessment Process ("ICAAP") in order to ensure that we have sufficient capital to support our business plan and risk appetite. The ICAAP assesses the capital necessary to support the various inherent risks that we face, including liquidity and funding, credit, interest rate, market, operational, regulatory compliance, strategic and reputational risks. Our business plan is also stress-tested under various adverse scenarios to determine the impact on our results from operations and financial condition. The ICAAP is reviewed by both management and the Board and is submitted to OSFI annually. In addition, the Company performs stress testing on our internal forecasts for capital adequacy on a quarterly basis, and the results of such testing are reported to the Board.

RISK FACTORS

For a detailed description of all risk factors associated with the Company, refer to the "Risk Governance and Management" section of our 2025 Annual Information Form, which is available on the Company's profile on SEDAR+ at www.sedarplus.ca. Incidents related to any of the Company's risks could adversely affect our ability to achieve our business objectives or execute our business strategies, and may result in a loss of earnings, capital and/or damage to our reputation. Our Enterprise Risk Management Framework addresses these risks by establishing effective policies, limits, and internal controls to monitor and mitigate these risks.

The shaded areas of this MD&A below represent a discussion of risk factors and risk management policies and procedures relating to liquidity, credit, interest rate and market risks as required under IFRS 7, *Financial Instruments: Disclosures*. The relevant MD&A sections are identified by shading within boxes and the content forms an integral part of the consolidated financial statements.

Liquidity and Funding Risk

Liquidity risk is the risk that cash and liquid assets are insufficient to honour all cash outflow commitments (both on- and off-balance sheet) as they come due. Funding risk is the risk that available sources of liquidity and long term funding are insufficient to sustain business growth or mitigate funding gaps.

On a daily basis, we monitor our liquidity position to ensure that the level of liquid assets held, together with our ability to raise new deposits and other funding sources, are sufficient to meet our commitments, deposit maturity obligations, and other financial obligations.

On a monthly basis, we plan out our funding using a 12-month rolling forecast of expected business growth and balance sheet obligations. This provides us with a forward-looking perspective on the adequacy of our funding and liquidity channels.

Stress testing is performed using multiple scenarios incorporating simultaneous impacts to the Company's funding sources and uses. MCAN's stress testing is designed to assess the viability of liquidity and funding channels, as well as contingency funding to remain within Board-approved liquidity risk limits. At December 31, 2025, the Company held sufficient funding and liquidity to meet all requirements under the stress test scenarios.

The Board is accountable for the approval of the Liquidity Risk Management Framework ("LRMF"). The LRMF establishes a framework to maintain sufficient funding and liquidity, including holding a portfolio of high-quality liquid assets to meet commitments as they come due. The LRMF provides guidance for the daily, monthly and quarterly analyses that are performed by management, and includes a framework for daily funding requirements, gap analysis between assets and liabilities, deposit concentration levels, liquidity risk limits, and stress testing requirements, in alignment with both the standards set under the Trust Act and regulations and guidelines issued by OSFI. Further to the LRMF, the Company maintains a Contingency Funding Plan that details the strategies and action plans to respond to stress events that could materially impair its access to funding and liquidity.

ALCO, which is comprised of management, is accountable for liquidity management oversight. On a monthly basis, or more frequently as required, ALCO reviews the Company's funding and liquidity risk profile, including funding strategies, performance against established liquidity risk limits, stress testing and contingency funding plan status. Results of the monitoring of liquidity risk are reported to the Board and any exceptions or breach of key limits are immediately reported by ALCO to the ERM&CC. At December 31, 2025, the Company was in full compliance with the LRMF, key liquidity risk limits and regulatory requirements.

We have access to liquidity through our ability to issue term deposits eligible for CDIC deposit insurance. These term deposits also provide us with the ability to fund asset growth as needed.

The Company maintains a secured demand revolver facility to meet its short-term obligations as required. Under the facility, there is a sublimit for issued letters of credit, which may be used to support the obligations of borrowers to municipalities in conjunction with construction loans. The facility limit is $220 million.

We also have an agreement with a Canadian Schedule I Chartered bank that enables the Company to execute repurchase agreements for liquidity purposes. This facility provides liquidity and allows the Company to encumber certain eligible securities for financing purposes. As part of the agreement, the Company may sell assets to the counterparty at a specified price with an agreement to repurchase at a specified future date. The interest rate on the borrowings is driven by market spot rates at the time of borrowing. The Company will execute these repurchase agreements to provide alternative sources of liquidity when it is efficient and effective to do so.

We have a credit agreement with a Canadian Schedule I Chartered bank for a $100 million senior secured mortgage warehouse facility. The facility is used to fund insured residential mortgages prior to securitization activities. This facility provides improved funding in response to our continued growth.

We have agreements whereby the Company can sell insured and uninsured residential mortgages and mortgage commitments. These agreements provide liquidity and the opportunity to fund other core business activities in line with our strategy.

The Company continues to enhance monitoring of its liquidity risk profile, its funding markets such as the term deposit and securitization markets and its liquidity risk position.

OSFI's Liquidity Adequacy Requirements guideline currently establishes two minimum standards based on the Basel III framework with national supervisory discretion applied to certain treatments: the Liquidity Coverage Ratio ("LCR") and Net Cumulative Cash Flow ("NCCF") metrics. At December 31, 2025, we were in compliance with the LCR and NCCF metrics.

Our sources and uses of liquidity are outlined in the table below. For information on our off-balance sheet commitments refer to the "Off-Balance Sheet Arrangements" section of this MD&A.

Table 28: Liquidity Analysis

At December 31, 2025						
(in thousands)	Within 3 months	> 3 Months to 1 Year	> 1 to 3 Years	> 3 to 5 Years	> 5 Years	Total
Sources of liquidity						
Cash and cash equivalents	$ 79,828	$ —	$ —	$ —	$ —	$ 79,828
Marketable securities	54,146	—	—	—	—	54,146
Mortgages - non-securitized	698,495	995,264	681,813	72,548	31,468	2,479,588
Non-marketable securities	—	—	—	—	126,592	126,592
Other loans	6,451	—	—	—	—	6,451
	838,920	995,264	681,813	72,548	158,060	2,746,605
Uses of liquidity						
Term deposits	324,785	904,888	826,183	284,627	—	2,340,483
Loans payable	19,438	—	—	—	—	19,438
Other liabilities	30,608	53	1,026	1,098	5,987	38,772
	374,831	904,941	827,209	285,725	5,987	2,398,693
Net liquidity surplus (deficit)	**$ 464,089**	**$ 90,323**	**$ (145,396)**	**$ (213,177)**	**$ 152,073**	**$ 347,912**

Note: The above table excludes securitized assets and liabilities and pledged assets as their use is restricted to securitization program operations.

Credit Risk

Credit risk is the risk of financial loss resulting from the failure of a counterparty, for any reason, to fully honour its financial or contractual obligations to the Company, primarily arising from our investments and lending activities. Fluctuations in interest rates may impact real estate values and may also reduce the net realizable value of the collateral property to the Company. These risks may result in defaults and credit losses, which may result in a loss of earnings.

Credit risk is managed through risk management policies and procedures that emphasize the quality and diversification of our investments and lending activities. Credit policies include credit risk limits in alignment with the Risk Appetite Framework ("RAF"). These credit risk limits include, but are not limited to, concentration by asset class, geographic region, dollar amount and borrower. These policies are amended on an ongoing basis and approved by the Board to reflect changes in market conditions and risk appetite.

Capital Commitments Committee, which is comprised of management, is accountable for decision-making on credit risk issues and provides oversight of proposed investments for the construction, commercial and marketable and non-marketable securities portfolios.

Credit and commitment exposure are closely monitored by the First and Second Lines of Defence. The Risk and Compliance Committee, which is comprised of management, monitors and challenges credit risk exposures, monitors portfolio and underwriting quality and performance against credit risk limits on a quarterly basis. The ERM&CC reviews all material risks affecting the Company on a quarterly basis, which includes the identification, assessment, and monitoring of material credit risks.

We identify potential risks in our mortgage portfolio by way of regular review of market and portfolio metrics, which are a key component of quarterly market reports provided to the Board by management. Existing risks in our mortgage portfolio are identified by arrears reporting, portfolio diversification analysis, post funding monitoring and risk rating trends of the entire

mortgage portfolio. The aforementioned reporting and analysis provide adequate monitoring of and control over our exposure to credit risk.

We assign a credit score and risk rating for all mortgages at the time of underwriting based on the assessed credit quality of the borrower and the value of the underlying real estate. Risk ratings are reviewed annually at a minimum, and more frequently whenever there is an amendment, or a material change such as a default or impairment.

As part of our credit risk management process, we monitor our loan portfolio for early indicators of potential concern. The "monitored/arrears" category includes construction and commercial loans that may experience events such as slow sales, cost overruns or are located in geographic markets in which concerns have arisen. Loans in this category are included in stage 2. Considering factors such as borrower equity, portfolio LTV ratios and project liquidity, at December 31, 2025 and 2024, there have been no indications at the portfolio level of potential loss of principal in excess of the allowances for credit losses recorded for mortgages in stage 1 and 2. These collective allowances are based on forward-looking economic assumptions and other factors discussed in Note 4 to the consolidated financial statements.

As a response to economic uncertainty, the Company has increased the frequency of monitoring and reporting of our credit risk profile, including enhanced arrears reporting and pipeline monitoring. Real estate prices may continue to be impacted by macroeconomic headwinds, which may adversely impact asset values and the ability for borrowers to make timely payments on mortgages.

The maximum credit exposure on our individual financial assets is equal to the carrying value of the respective assets, except for our non-securitized mortgage portfolio, where maximum credit exposure also includes outstanding commitments for future mortgage fundings and our investments in non-marketable securities, where maximum credit exposure includes our total remaining commitments.

Credit Risk - Impairment Assessment Under IFRS 9

The analysis of MCAN's IFRS 9 impairment assessment and measurement approach discussed below should be read in conjunction with Note 4 to the consolidated financial statements.

Impairment calculations are based on a forward-looking ECL methodology. ECL is composed of 3 submodels; Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD"). Each of these submodels produce quarterly projections of the respective metric under various macroeconomic scenarios.

Probability of default

PD is an estimate of the likelihood of default over a given time horizon. The PD model is comprised of (i) forward-looking macroeconomic projections and (ii) internal risk rating-based segmentation. Forward-looking macroeconomic projections are built utilizing statistical regression to determine relationships between default rates and macroeconomic variables. Internal risk rating-based segmentation views the portfolio by internal risk rating and credit scores to provide PD differentiation at the borrower level.

Loss given default

LGD is an estimate of the loss arising in the case where a default occurs. LGD is built utilizing statistical regression to determine a relationship between LGD and macroeconomic variables, using external LGD data from comparable historical portfolios to forecast LGD under macroeconomic scenarios. Like the PD model, the construction and commercial LGD model also segments the portfolio by internal risk ratings to differentiate LGDs at the borrower level. The uninsured single family LGD model segments the portfolio by loan to value ratios to differentiate LGDs at the borrower level as well.

Exposure at default

EAD is the estimate of exposure at a future default date at the borrower level, taking into account expected changes in the exposure after the reporting date. EAD is the borrower level exposure in the event of default, determined by forecasting advances and repayments on the portfolio. The forecast is determined utilizing historical advance and repayment trends and is segmented by product type. EAD is forecasted up to the expected lifetime of each individual loan, capped at 12 months for IFRS 9 stage 1 loans.

Grouping financial assets measured on a collective basis

The Company calculates ECLs either on a collective or specific basis for the non-securitized mortgage portfolio based on the line of business (per Note 7 to the consolidated financial statements). ECLs are calculated on a specific basis for all mortgages in stage 3 and are calculated on a collective basis for all mortgages in stage 1 and stage 2.

Analysis of inputs into the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Notes 4 and 5 to the consolidated financial statements. As part of the model input process, macroeconomic data are obtained from third party sources (e.g. rating agencies, bank economic forecasts, etc.), and our Risk Management department assesses the quality of data and assumptions in the Company's ECL models including determining the weights attributable to the multiple scenarios.

Interest Rate Risk

Interest rate risk is the potential impact of changes in interest rates on our earnings and capital. Interest rate risk arises when our assets and liabilities, both on- and off-balance sheet, have mismatched repricing and maturity dates. Changes in interest rates where we have mismatched repricing and maturity dates may have an adverse effect on our financial condition and results of operations.

The Interest Rate Risk Management Framework, which is reviewed and approved by the Board, provides guidance on MCAN's interest rate risk measurement tools, including stress testing, roles and accountabilities, and monitoring and reporting requirements. Additionally, it establishes interest rate risk limits and articulates appetite for interest rate exposures.

We evaluate our exposure to a variety of changes in interest rates across the term spectrum of our assets and liabilities including both parallel and non-parallel changes in interest rates. By managing and strategically matching the terms of non-securitized assets and term deposits, we seek to reduce the risks associated with interest rate changes. In conjunction with liquidity management policies and procedures, we also manage cash flow mismatches. ALCO reviews our interest rate exposure on a monthly basis using a duration-based framework to measure structural risk and sensitivity analysis based on various scenarios. This information is also formally reviewed by the Board each quarter.

We are exposed to interest rate risk on: (i) movements in interest rates between the time residential mortgages are committed to borrowers and the time that the mortgage is funded; (ii) movements in interest rates between the time insured residential mortgages are funded and the time that these mortgages are securitized; (iii) movements in interest rates between the time term deposit funding is forecasted to be required and the time that the actual funding occurs; and (iv) movements in interest rates during the term of the fixed-rate term deposits and floating rate construction and commercial portfolios. To manage these risks, we may employ various hedging strategies. For further information, refer to "Derivatives and Hedging" sub-section of this MD&A and Note 13 to the consolidated financial statements.

An immediate and sustained parallel 1% increase to market interest rates on interest-bearing financial instruments at December 31, 2025 would have an estimated positive effect of $0.8 million (September 30, 2025 - adverse effect of $0.6 million; December 31, 2024 - positive effect of $1.2 million) to net income over the following twelve month period. An immediate and sustained parallel 1% decrease to market interest rates at December 31, 2025 would have an estimated positive effect of $1.8 million (September 30, 2025 - positive effect of $2.3 million; December 31, 2024 - adverse effect of $0.3 million) to net income over the following twelve month period.

The following tables present the assets and liabilities of the Company by interest rate sensitivity at December 31, 2025 and December 31, 2024 and do not incorporate mortgage and loan prepayments. This analysis is subject to significant change in subsequent periods based on changes in customer preferences and in the application of asset/liability management policies. Floating rate assets and liabilities are immediately sensitive to changing interest rates while other assets are sensitive to changing interest rates periodically, either as they mature or as contractual repricing events occur. Non-interest sensitive items include marketable securities, equity investment in MCAP and other assets and liabilities. Yield spread represents the difference between the weighted average interest rate of the assets and liabilities in a certain category.

Table 29: Interest Rate Sensitivity at December 31, 2025

At December 31, 2025								
(in thousands except %)	Floating Rate	Within 3 Months	> 3 Months to 1 Year	> 1 to 3 Years	> 3 to 5 Years	> 5 Years	Non Interest Sensitive	Total
Assets								
Non-securitized	$1,444,434	$139,810	$532,763	$381,505	$ 58,272	$ 22,659	$ 325,407	$ 2,904,850
Securitization	289,962	184,895	661,181	1,292,609	1,030,024	—	113,949	3,572,620
	1,734,396	324,705	1,193,944	1,674,114	1,088,296	22,659	439,356	6,477,470
Liabilities								
Non-securitized	19,438	324,785	904,888	826,229	284,626	—	38,773	2,398,739
Securitization	549,795	173,827	418,681	1,249,786	1,041,794	—	—	3,433,883
	569,233	498,612	1,323,569	2,076,015	1,326,420	—	38,773	5,832,622
Shareholders' Equity	—	—	—	—	—	—	644,848	644,848
GAP	**$1,165,163**	**$(173,907)**	**$(129,625)**	**$(401,901)**	**$(238,124)**	**$ 22,659**	**$ (244,265)**	**$ —**
YIELD SPREAD	**3.25 %**	**1.54 %**	**1.21 %**	**0.83 %**	**0.71 %**	**3.83 %**		

Table 30: Interest Rate Sensitivity at December 31, 2024

At December 31, 2024								
(in thousands except %)	Floating Rate	Within 3 Months	> 3 Months to 1 Year	> 1 to 3 Years	> 3 to 5 Years	> 5 Years	Non Interest Sensitive	Total
Assets								
Non-securitized	$1,285,164	$158,375	$584,118	$486,236	$ 28,055	$ 4,368	$ 314,001	$ 2,860,317
Securitization	196,777	61,325	404,678	1,076,875	680,216	—	67,377	2,487,248
	1,481,941	219,700	988,796	1,563,111	708,271	4,368	381,378	5,347,565
Liabilities								
Non-securitized	107	301,555	813,428	755,448	417,793	—	36,809	2,325,140
Securitization	196,084	33,028	378,459	1,250,067	565,598	—	—	2,423,236
	196,191	334,583	1,191,887	2,005,515	983,391	—	36,809	4,748,376
Shareholders' Equity	—	—	—	—	—	—	599,189	599,189
GAP	**$1,285,750**	**$(114,883)**	**$(203,091)**	**$(442,404)**	**$(275,120)**	**$ 4,368**	**$ (254,620)**	**$ —**
YIELD SPREAD	**4.76 %**	**1.43 %**	**1.21 %**	**0.72 %**	**0.44 %**	**4.35 %**		

Market Risk

Market risk is the exposure to adverse changes in the value of financial assets. Market risk includes price risk on marketable securities, execution risk and real estate values, among others.

Market risk is the exposure to adverse changes in the value of financial assets. Market risk includes price risk on marketable securities, execution risk and real estate values, among others. Any changes in these market risk factors may negatively affect the value of our financial assets, which may have an adverse effect on our financial condition and results of operations. We do not undertake trading activities as part of our regular operations, and therefore are not exposed to risks associated with activities such as market making, arbitrage or proprietary trading.

Our marketable securities portfolios are susceptible to market price risk arising from uncertainties about future values of the securities. We manage the equity price risk through diversification and limits on both individual and total securities. Portfolio reporting is submitted to management on a regular basis and to the Board on a quarterly basis.

Our non-marketable securities portfolios are focused on equity and debt investments in Canadian real estate focused funds. The portfolio is susceptible to the overall outlook of the real estate market, execution risk from respective fund managers, and other market conditions, such as spreads, housing prices, land prices, construction costs and adverse changes in interest rates or capitalization rates.

DESCRIPTION OF CAPITAL STRUCTURE

Our authorized share capital consists of an unlimited number of common shares with no par value. These common shares are the only voting securities of MCAN. At December 31, 2025, there were 40,471,074 common shares outstanding (September 30, 2025 - 40,162,809; December 31, 2024 - 38,717,004). At February 23, 2026, there were 40,583,822 common shares outstanding.

We issued $2.5 million in 2025 (2024 - $1.2 million) in new common shares through standard issuances under our Executive Share Purchase Plan.

We issued $9.4 million in 2025 (2024 - $14.8 million) in new common shares under the DRIP, which has historically provided MCAN with a reliable source of new capital and existing shareholders an opportunity to acquire additional shares at a discount to market value. Under the DRIP, dividends paid to shareholders are automatically reinvested in common shares issued out of treasury at the weighted average trading price for the five days preceding such issue less a discount of 2% until further notice from MCAN. The DRIP participation rate for 2025 dividends was 15% (2024 - 22%).

We have a Base Shelf prospectus allowing us to make certain public offerings of debt or equity securities during the period that it is effective, through Prospectus Supplements.

- We have an ATM Program, established pursuant to a Prospectus Supplement to our Base Shelf prospectus, allowing us to issue up to $75 million common shares to the public from time to time at the market prices prevailing at the time of sale. In Q4 2025, we sold 308,265 common shares at a weighted average price of $22.08 for gross proceeds of $6.8 million and net proceeds of $6.7 million including $0.1 million of agent commission paid and $12 thousand of other share issuance costs under the ATM Program. In 2025, we sold 1,120,565 common shares at a weighted average price of $20.90 for gross proceeds of $23.4 million and net proceeds of $22.5 million including $0.5 million of agent commission paid and $0.5 million of other share issuance costs under the ATM Program. At December 31, 2025, we have $59.2 million remaining available to be issued through our ATM Program. The volume and timing of distributions under the ATM Program are determined at MCAN's sole discretion.

For additional information related to share capital, refer to Note 18 to the consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

We have contractual obligations relating to outstanding commitments for future fundings of non-securitized mortgages and our investments in non-marketable securities. Only a portion of the mortgage commitments that we issue are expected to fund. Accordingly, these amounts do not necessarily represent the future cash requirements of the Company.

Table 31: Contractual Commitments

At December 31, 2025						
(in thousands)	Within 3 months	Months to 1 Year	> 1 to 3 Years	> 3 to 5 Years	> 5 Years	Total
Commitment - Mortgage Fundings	$ 390,990	$ 114,338	$ 24,688	$ —	$ —	$ 530,016
Commitment - Real Estate Debt Funds	1,500	14,452	9,974	4,974	3,100	$ 34,000
Commitment - Other Real Estate Limited Partnerships	550	1,650	3,300	—	28,844	$ 34,344
	$ 393,040	**$ 130,440**	**$ 37,962**	**$ 4,974**	**$ 31,944**	**$ 598,360**

We retain mortgage servicing obligations relating to securitized insured multi-family mortgages where balance sheet derecognition has been achieved. At December 31, 2025, these derecognized securitized insured multi-family mortgages totalled $891 million. For further information on our securitization activities, refer to Note 11 to the consolidated financial statements.

We provide letters of credit, which are not reflected on the consolidated balance sheet, for the purpose of supporting developer obligations to municipalities in conjunction with residential construction loans. If the developer defaults in its obligation to the municipalities, the municipalities may draw on the letters of credit, in which case we are obligated to fund the letters of credit. For further information, refer to Note 22 to the consolidated financial statements.

DIVIDEND POLICY AND RECORD

Our dividend policy is to pay out substantially all of our taxable income to our shareholders. These dividends are taxable to our shareholders as interest income. In addition, as a MIC, we can pay certain capital gains dividends which are taxed as capital gains to our shareholders. We intend to continue to declare and pay dividends on a quarterly basis. The Company has generally paid out dividends in cash but has the option to pay out its dividends in the form of cash or shares. In the event of a significant increase in taxable income relative to accounting income, the Company may look to pay out a combination of regular dividends in the form of cash and special dividends in the form of cash or shares. This is consistent with our dividend policy and our obligations as a MIC, while at the same time providing a cost effective source of capital for the Company to support future growth and business operations.

Regular cash dividends per share over the past three years are shown in the table below:

Table 32: Dividends Per Share

For the Years Ended December 31	2025	2024	2023
First quarter - regular cash	$ 0.41	$ 0.39	$ 0.36
Second quarter - regular cash	0.41	0.39	0.36
Third quarter - regular cash	0.41	0.39	0.38
Fourth quarter - regular cash	0.41	0.39	0.38
Total regular cash dividends	**1.64**	**1.56**	**1.48**

The Board declared a first quarter regular cash dividend of $0.43 per share (an increase of 5% from our fourth quarter 2025 dividend) to be paid March 31, 2026 to shareholders of record on March 13, 2026.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions for the years ended December 31, 2025 and December 31, 2024 and related party balances at December 31, 2025 and December 31, 2024 are discussed in Notes 9 and 21 to the consolidated financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The majority of our consolidated balance sheet consists of financial instruments, and the majority of net income (loss) is derived from the related income, expenses, gains and losses. Financial instruments include cash and cash equivalents, cash held in trust, marketable securities, mortgages, non-marketable securities, other loans, financial liabilities from securitization, term deposits and loans payable, which are discussed throughout this MD&A.

The use of financial instruments exposes us to liquidity and funding, credit, interest rate and market risk. A discussion of these risks and how they are managed is found in the “Risk Factors” section of this MD&A.

Information on the financial statement classification and amounts of income, expenses, gains and losses associated with financial instruments are located in the “Results of Operations” and “Financial Position” sections of this MD&A. Information on the determination of the fair value of financial instruments is located in the “Critical Accounting Estimates and Judgments” section of this MD&A.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company’s consolidated financial statements requires management to make judgments, estimations and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Estimates are considered carefully and reviewed at an appropriate level within MCAN. We believe that our estimates of the value of our assets and liabilities are appropriate. However, changes in these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Critical Accounting Estimates

Fair value of financial instruments

For non-marketable securities, fair value is determined using a variety of approaches including independent appraisals, recent transactions and incremental investments in the funds. We consider various factors in the determination of fair value including, but not limited to, recent appraisals, the status of underlying construction project and recent capital calls. Judgment is applied in the determination of the appropriate valuation approach, depending on the nature of the investment. On a quarterly basis,

we review the fair value of the investments in conjunction with reports produced by the fund administrators, recent development activity and any other market-driven triggers.

For all other financial instruments where the fair values of financial assets and financial liabilities recorded in the consolidated financial statements cannot be derived from active markets, they are determined using a variety of appropriate valuation techniques that may include discounted cash flow method, comparison to similar instruments for which market observable prices may exist and other relevant valuation models. The inputs are derived from observable market data where possible, but where observable market data is not available, estimates are required to establish fair values. These estimates include considerations of liquidity and model inputs such as discount rates, prepayment rates and default rate assumptions for certain investments.

Allowances for credit losses

The allowance for credit losses reduces the carrying value of mortgage assets by an estimate of the principal amounts that borrowers may not repay in the future. In assessing the estimated realizable value of assets, we must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. A number of factors can affect the amount that we ultimately collect, including the quality of our own underwriting process and credit criteria, the diversification of the portfolio, the underlying security relating to the loans and the overall economic environment. Allowances on impaired mortgages include all of the accumulated provisions for losses to reduce the assets to their estimated realizable value. Allowances depend on asset class, as different classes have varying underlying risks. Future changes in circumstances could materially affect net realizable values and lead to an increase or decrease in the allowance for credit losses.

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are model outputs with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk which results in allowances being measured on a lifetime versus 12 month ECL basis;
- The segmentation of financial assets for the purposes of assessing ECL on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Forward-looking information used as economic inputs.

We review our ECL models on a quarterly basis. We continue to monitor asset performance and economic conditions, including considering regionally specific issues to assess the adequacy of the current provisioning policies.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, we may make temporary qualitative adjustments or overlays using credit judgment when such differences are material.

Mortgage prepayment rates

In calculating the rate at which borrowers prepay their mortgages, the Company makes estimates based on its historical experience. These assumptions impact the timing of revenue recognition and the amortization of mortgage premiums, as applicable, using the effective interest rate method.

Impairment of financial assets

As applicable, the Company reviews financial assets at each consolidated financial statement date to assess whether an impairment loss should be recorded. In particular, estimates by management are required in the calculation of the amount and timing of future cash flows associated with these assets when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the fair value of the asset.

Critical Accounting Judgments

Significant influence

In determining whether it has significant influence over an entity, the Company makes certain judgments based on the applicable accounting standards. These judgments form the basis for the Company's policies in accounting for its equity method investments.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures ("DC&P")

A disclosure committee (the "Disclosure Committee"), comprised of members of our senior management is responsible for establishing and maintaining adequate DC&P. As of December 31, 2025, we have evaluated the effectiveness of the design and operation of our DC&P in accordance with requirements of National Instrument 52-109 of the Canadian Securities Administrators – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). Our CEO and CFO supervised and participated in this evaluation. Based on the evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports we file or submit is recorded, processed, summarized and reported within the time periods specified in securities legislation and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

Internal Controls over Financial Reporting ("ICFR")

The Disclosure Committee is responsible for establishing and maintaining adequate ICFR. Under the supervision and with the participation of the Disclosure Committee, including our CEO and CFO, we evaluated the effectiveness of our ICFR in accordance with the Integrated (2013) Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, a recognized control model, and the requirements of NI 52-109. Based on the evaluation, our CEO and CFO concluded that our ICFR were effective as of December 31, 2025.

Ernst & Young LLP, our Independent Registered Chartered Professional Accountants, have audited our consolidated financial statements for the year ended December 31, 2025.

Changes in ICFR

There were no changes in our ICFR that occurred during the period beginning on January 1, 2025 and ending on December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our control framework.

Inherent Limitations of Controls and Procedures

All internal control systems, no matter how well designed, have inherent limitations. As a result, even systems determined to be effective may not prevent or detect misstatements on a timely basis, as systems can provide only reasonable assurance that the objectives of the control system are met. In addition, projections of any evaluation of the effectiveness of ICFR to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may change.

NON-GAAP AND OTHER FINANCIAL MEASURES

We prepare our consolidated financial statements in accordance with IFRS, which is current GAAP. We use a number of financial measures and ratios to assess our performance. Some of these measures are not calculated in accordance with IFRS, are not defined by IFRS and do not have standardized meanings that would ensure consistency and comparability between other issuers using these measures. The non-GAAP and other financial measures used in this MD&A are defined as follows:

Non-GAAP Financial Measures

Net Non-securitized Mortgage Spread Income: Non-GAAP financial measure that is an indicator of net interest profitability of income-earning non-securitized mortgage assets less cost of funding for our non-securitized mortgage portfolio. It is calculated as the difference between non-securitized mortgage interest and term deposit interest and expenses as reported on the consolidated statements of income.

Net Securitized Mortgage Spread Income: Non-GAAP financial measure that is an indicator of net interest profitability of income-earning securitized assets less cost of securitized liabilities for our securitized mortgage portfolio. It is calculated as the difference between securitized mortgage interest and interest on financial liabilities from securitization as reported on the consolidated statements of income.

Pre-Provision Pre-Tax Income and Pre-Provision Pre-Tax Basic and Diluted Earnings per Share: This is net income or basic and diluted earnings per share excluding (i) provisions for (recoveries of) credit losses; and (ii) provisions for (recoveries of) income taxes.

Average Rates: Supplementary financial measures that are an indicator of interest profitability of income-earning assets or the cost of liabilities. It is calculated as income or expense as a percentage of average interest-earning assets or liabilities balance. This financial measure includes average interest rates for (i) mortgages - non-securitized portfolios; (ii) term deposit interest and expenses; (iii) mortgages - securitized portfolio; and (iv) financial liabilities from securitization. The average income-earning asset or liability balance that is incorporated into the average interest rate calculations is calculated on either a daily or monthly basis depending on the nature of the asset or liability.

Spread of Non-securitized Mortgages over Term Deposit Interest and Expenses: Supplementary financial measure that is an indicator of net interest profitability of income-earning non-securitized assets less cost of funding. The spread of non-securitized mortgages over term deposit interest and expenses is calculated by taking the total non-securitized mortgage interest as a percentage of the average non-securitized mortgage average portfolio balance less the average term deposit interest and expenses rate.

Spread of Securitized Mortgages over Liabilities: Supplementary financial measure that is an indicator of net interest profitability of income-earning securitized assets less cost of securitized liabilities. The spread of securitized mortgages over liabilities is calculated by taking the securitized mortgage portfolio average interest rate less the financial liabilities average interest rate.

Return on Average Shareholders' Equity: Supplementary financial measure that measures profitability by presenting the annualized net income available (loss attributable) to shareholders as a percentage of the average capital deployed to earn the income (loss). It is calculated as net income (loss) divided by average shareholders' equity. Average shareholders' equity is calculated as a monthly average using all components of shareholders' equity.

Arrears and Impaired Mortgage Ratios: Supplementary financial measures that represent the ratio of arrears and impaired mortgages to mortgage principal for both the non-securitized and total (non-securitized and securitized) portfolios.

Distribution Yield: Supplementary financial measure that is an indicator of profitability on marketable and non-marketable securities. It is calculated by dividing the distribution income as a percentage of the average balance.

Book Value per Common Share: Supplementary financial measure that is calculated as total shareholders' equity divided by the number of common shares outstanding as of that date.

Total Shareholder Return: Supplementary financial measure that is defined as the total return of one share to a shareholder including stock appreciation and dividends.

Assets under Management: Supplementary financial measure that is defined as total on-balance sheet assets and assets derecognized but still managed by MCAN, including multi-family securitizations and residential mortgage commitments sold.

Compound Annual Growth Rate: Supplementary financial measure that is defined as the average annual growth rate over a set period, taking into account the effects of compounding.

GLOSSARY

CET 1, Tier 1, Tier 2 and Total Capital, Total Exposures, Regulatory Assets, Leverage Ratio and Risk-Weighted Asset Ratios: These measures are calculated in accordance with OSFI's Capital Adequacy Requirements and Leverage Requirements guidelines.

Income Tax Capital Measures: Income tax assets, income tax liabilities and income tax capital represent assets, liabilities and capital as calculated on a non-consolidated basis using the provisions of the Tax Act applicable to a MIC. The calculation of the income tax assets to capital ratio and income tax liabilities to capital ratio are based on these amounts.

Market Capitalization: Market capitalization is calculated as the number of common shares outstanding multiplied by the closing common share price as of that date.



REIMAGINING OPPORTUNITY TO DRIVE GROWTH FOR CANADIAN COMMUNITIES

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