



2026 Q1 REPORT

Reimagining opportunity
to drive growth for Canadians





Reimagining opportunity to drive growth for Canadians

At MCAN, we are redefining what's possible for Canadians—inspiring them to dream bigger and build a bolder future.

For our team members, it means unlocking career growth through mentorship and the power of collaboration to drive professional advancement.

For our clients, it's making homeownership attainable while securing their financial future and expanding their investment potential.

We provide investors with exclusive opportunities to invest in Canadian real estate with confidence, backed by our proven track record and visionary leadership.

We are built for resilience—a trusted partner you can rely on for the long term, combining experience with forward-thinking innovation.

Our partners are empowered with programs that fuel their growth and build stronger relationships with the clients who trust them to deliver.

Beyond business, we strengthen communities through impactful partnerships, like planting trees with veritree and building homes with Habitat for Humanity.

We inspire Canadians to reimagine what is possible. When our communities thrive, so does the future we are shaping together.





We are reimagining opportunity to drive growth for Canadian communities.

Therefore, we promise that as Canada's leading alternative financial services company, we redefine possibility through agile solutions that adapt to the diverse needs of our clients. We envision a future where our communities prosper—fostering resilience, growth, and unity.

Everything we do balances risk and ingenuity through strong partnerships and principled stewardship, delivering value through residential real estate that inspires confidence, drives returns, and builds trust within our communities.

For our communities, we show up with Diversity, Resilience, Imagination, Vision and Enthusiasm.

MCAN DRIVE Values

We DRIVE growth with relentless dedication to curiosity, innovation, and performance. Every day we show up with

Diversity

Celebrating our differences, amplifying individual stories that strengthen our unified purpose and build community.

Resilience

Balancing risk with the pursuit of progress and purposeful experimentation, grounded in sound judgment and sustainable growth. We embrace the opportunity and responsibility of ownership, always acting with integrity and purpose.

Imagination

Sparking creative solutions through curiosity, collaboration, and deep expertise. We approach challenges with a smile and solutions with purpose.

Vision

Enabling our clients, colleagues, and community members with what they need to achieve their personal and professional goals. Our impact is measured by their growth and inspired outcomes.

Enthusiasm

Empowering each other to deliver an exceptional experience, ensuring that every interaction cultivates trust, transformation and meaningful connection.





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MESSAGE TO SHAREHOLDERS

Our results for the first quarter of 2026 during a challenging market environment highlight the strength of our business. Despite geopolitical and economic uncertainty, our resilient portfolio continues to perform well. Our team members will continue to work with our partners and brokers to serve our clients and prudently grow the business while managing returns for our shareholders within our risk profile.

Results from our lending business are strong with our assets under management growing 7% in the quarter and improvement in our spreads helped to lift our net interest income compared to last quarter. We continue to leverage our brand and recognized customer service to grow our portfolios. We achieved strong residential mortgage originations and steady growth in our construction and commercial loan advances without sacrificing credit quality. We have a quality lending portfolio supported by conservative loan to value ratios. We continue to manage our spreads with mortgage pricing initiatives and hedging strategies.

We had 73% year-over-year growth in our residential mortgage originations which led to growth in our residential mortgage portfolio balance without sacrificing our credit profile. We continued our strategy of diversifying our residential mortgages with a growing presence in the Alberta and British Columbia urban markets.

We continue to maintain the pipeline for our construction lending portfolio, as this portfolio provides better risk adjusted returns, and we are building a commercial portfolio to diversify our overall lending. We have strong strategic partnerships with originators that provide boots on the ground knowledge in the markets we lend to and assist with default management. We target experienced developers with successful track records of project completion and loan repayment, and they are often repeat clients. We continue to increase our lending in and around the urban markets of British Columbia, Alberta and Ontario. There continues to be demand for more affordable housing and entry level homes in these markets due to household formation driven by population dynamics, and a lack of affordable housing.

Our investment in and partnership with MCAP continues to remain a key driver of returns for our shareholders - income from MCAP increased 43% year-over-year. MCAP is privately owned and is one of Canada's largest and preeminent independent mortgage finance companies. With its market-leading position, we expect that MCAP will continue to provide great returns for our shareholders.

To support this growth, we continue our strategy to expand and diversify our funding base. We are growing our uninsured residential mortgage securitization program, and our digital and broker GIC channels. We continue to invest in systems and infrastructure with a multi-year strategic focus on efficiencies to build operating leverage and deliver sustainable and profitable growth.

We are committed to providing attractive returns for our shareholders through long-term sustainable growth. We are happy to announce our quarterly cash dividend of 43 cents per share. Our DRIP program provides enhanced returns for shareholders that participate.

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 success in 2026. Our capital base achieved modest growth from our DRIP program to support the growth of our businesses. Overall, our assets grew at a faster pace than our shareholders' equity reflecting our focus on capital optimization. I want to thank all our shareholders, partners, team members and the Board for their ongoing support. While we face geopolitical uncertainty, there are positive signs that Canada will engage in activities to bolster its internal economy. We remain focused on MCAN's strategic positioning in the Canadian residential mortgage market and preserving long-term value for our shareholders.



Derek Sutherland
Chief Executive Officer

¹ Considered to be a non-GAAP and other financial measure and incorporated by reference and defined in the "Non-GAAP and Other Financial Measures" section of our Q1 2026 MD&A available below or on SEDAR+ at www.sedarplus.ca. 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.

OUR BUSINESS AND STRATEGY

MCAN (TSX: MKP) provides sustainable growth and returns for our shareholders by leveraging our real estate expertise and providing our shareholders with unique access to investments in the Canadian real estate market and the returns that they generate. Our business mainly includes real estate lending and investing, including residential mortgage lending, residential construction lending, non-residential construction lending and commercial lending, and investing in strategic private investments including MCAP Commercial LP (“MCAP”) (privately-owned and one of Canada’s largest and preeminent independent mortgage finance companies) in which we own an almost 14% interest. We provide a breadth of expertise in all facets of the real estate cycle that our shareholders benefit from. MCAN is the largest Mortgage Investment Corporation (“MIC”) in Canada and the only federally regulated MIC. Our unique tax structure as a flow-through MIC allows us to not be taxed at the corporate level by distributing all of our taxable earnings annually to shareholders. It also means that 67% of our non-consolidated tax assets are to be held in residential mortgages and cash.

MCAN’s lines of business include three divisions - MCAN Home, MCAN Capital and MCAN Wealth.



MCAN Home is our residential mortgage lender that partners exclusively with accredited mortgage professionals to offer both insured and uninsured mortgage solutions across Canada. MCAN Home operates through MCAN’s wholly owned subsidiary, MCAN Home Mortgage Corporation.



MCAN Capital focuses on unique financing and investment opportunities in construction and commercial loans, and an almost 14% equity interest in MCAP, one of Canada’s largest and preeminent independent mortgage finance companies.



MCAN Wealth offers investors CDIC insured investment solutions at competitive rates, differing term options, and with no fees.

MCAN's Value Proposition

<p>Unique Business Model with Strong Fundamentals</p>	<p>Attractive Financial Profile & Growth</p>	<p>Investment in MCAP - Source of Growing Value</p>	<p>Experienced Management Team with Industry Track Record</p>	<p>Consistent and Attractive Dividend Yield</p>
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MCAN provides focused investing in products and markets where we have extensive expertise and that are not generally accessible to our shareholders, to generate attractive financial returns. We use our expertise to source our term deposits through a digital direct-to-consumer channel and a network of independent financial agents.

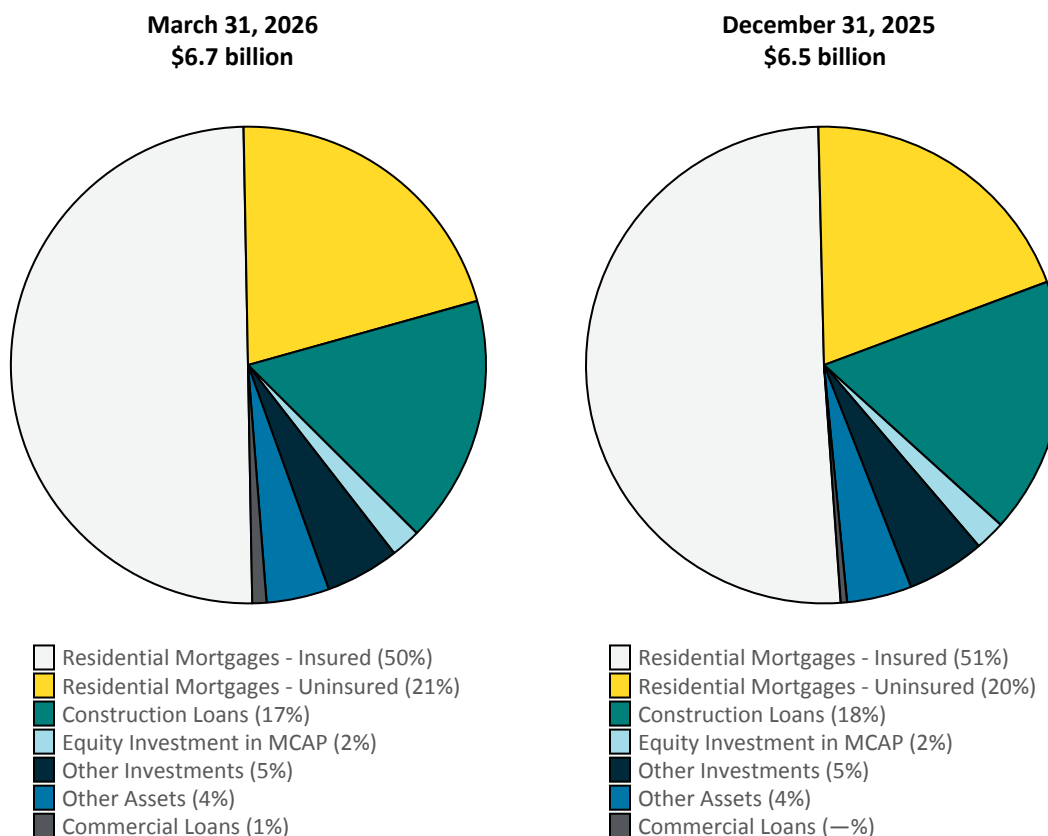
Our value proposition helps us achieve our long-term objectives:

- Sustained 13% to 15% average return on average shareholders’ equity (“ROE”)
- Sustained 10% average annual growth of assets
- Sustained and prudent dividend growth

Our Investment Portfolio

With extensive in-house expertise, MCAN is a strategic investor in the Canadian real estate market. Our portfolio is focused on residential mortgages and residential construction loans. We also have a strategic investment in and a strong partnership with MCAP.

Total Assets



Residential Mortgage Lending (March 31, 2026 - \$4.7 billion; December 31, 2025 - \$4.6 billion)

We originate insured and uninsured residential mortgages across Canada primarily focused on first time and move up homebuyers. Although we lend across Canada, our geographical focus is in the major urban regions in Ontario with a growing presence in Alberta and British Columbia. We have in-house origination, underwriting and boots on the ground in our core markets. These residential mortgages are originated through our strategic relationships with mortgage brokers. We focus our uninsured residential mortgage lending to those customers in the market that are underserved and to those who are self-employed. Our products include purchases, refinances and renewals. We also have strategies to securitize these mortgages, sell whole-loans and sell mortgage commitments depending on market conditions.

Construction Lending (March 31, 2026 - \$1.1 billion; December 31, 2025 - \$1.1 billion)

Residential construction loans are made to developers to finance residential construction projects. We focus our lending on the construction of more affordable housing in urban/suburban growth markets with a preference for proximity to transit. This approach aims to mitigate the impact of price volatility and tightened sales activity in the event of market corrections. As well, these markets are where we, or our originating partners, have experience and local expertise. We have long established strategic relationships with originators, partners and borrowers. In house, we apply our own seasoned experience, underwriting and monitoring. The borrowers that we target are

experienced developers with a successful track record of project completion and loan repayment, and often repeat customers. These loans generally have a floating interest rate, with a floor rate set at origination and loan terms typically ranging between 24 and 36 months. We also strategically lend at the land development stage to enhance longer term relationships with borrowers. Non-residential construction loans provide similar construction financing, but for industrial developments, retail shopping developments and office buildings.

Investment in MCAP (March 31, 2026 - \$135 million; December 31, 2025 - \$134 million)

We have an almost 14% equity interest in MCAP. MCAP is one of Canada's largest and preeminent independent mortgage finance companies with assets under management of over \$155 billion. They serve many institutional investors and over 400,000 homeowners. This investment allows us to participate in the growth of MCAP that typically provides quarterly distributions on our investment.

Our Loan Portfolio Quality

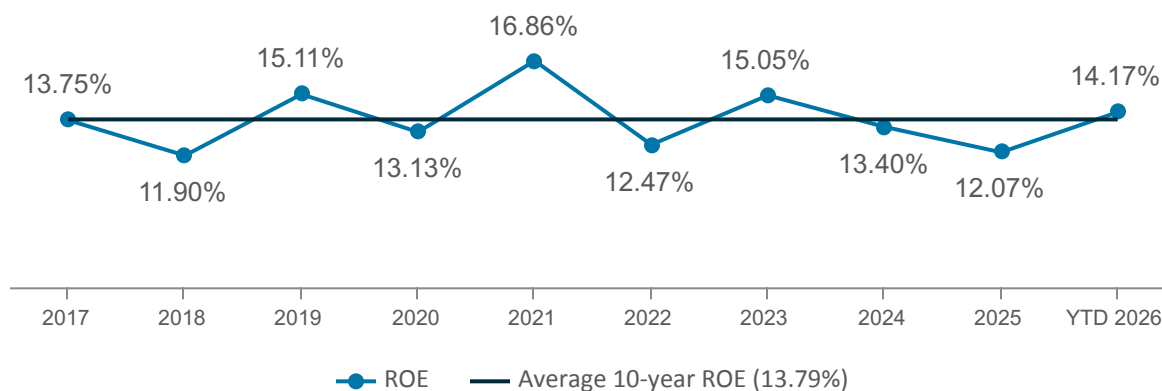
The majority of residential mortgage arrears activity occurs in the 1-30 day category, in which the bulk of arrears are resolved and do not migrate to arrears categories over 30 days. We closely monitor and actively manage these arrears. We believe that we have a quality uninsured residential mortgage loan portfolio with an average loan to value of 67.4% at March 31, 2026 based on an industry index of current real estate values.

We have historically had low arrears related to our construction loan portfolio due to our prudent and selective lending methodology and our account management processes in this product type. We believe that we have a quality construction loan portfolio with an average loan to value of 60.8% at March 31, 2026 based on appraisal values. We have a strong track record with our asset recovery programs as the need arises.

Our Shareholder Returns

ROE is a key performance metric for MCAN. With our diversified asset base, we believe that we are able to generate strong returns for shareholders through various cycles of the real estate market.

Historical ROE¹



Our long-term objective is sustained 13% to 15% average ROE. The nature of our investing activities may result in fluctuations in our ROE year to year. ROE for this year was mainly impacted by growth in our lending business and higher equity income from MCAP as well as our focus on capital optimization. In the last 10 years, we have delivered an average ROE¹ of 13.79%.

Our Dividends

Uniquely structured as a MIC, 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. Should taxable income per share exceed our regular cash dividends per share, we would distribute special cash or stock dividends per our dividend policy. We have been paying regular dividends since our founding in 1992.

Dividend History

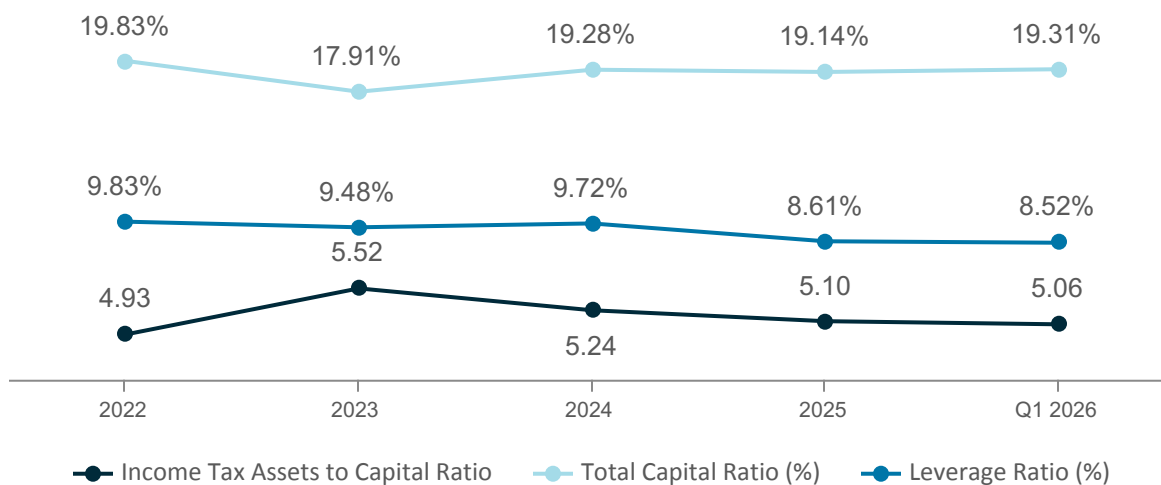


The Board of Directors declared a second quarter regular cash dividend of \$0.43 per share to be paid June 30, 2026 to shareholders of record on June 15, 2026. Our DRIP program provides enhanced returns for shareholders that participate. For how to enroll in the DRIP, please refer to our Management Information Circular dated February 27, 2026 or visit our website at www.mcanfinancial.com.

Our Capital Strength

We manage our capital and asset balances based on the regulations and limits of the *Trust and Loan Companies Act* (the “Trust Act”), *Income Tax Act* (Canada) (the “Tax Act”) and the Office of the Superintendent of Financial Institutions Canada (“OSFI”). Our strong capital base over the years has allowed us to pursue our growth strategy while achieving our long-term objectives. We have made a conscious effort to try to optimize our balance sheet in order to position ourselves well for future growth and returns.

Key Capital Ratios



So far in 2026, total assets under management¹ grew by 7% while shareholders’ equity grew by only 2% reflecting an efficient use of our capital. We had capital growth of \$5.0 million from our DRIP so far this year. All of our capital and leverage ratios are within our internal risk appetite and regulatory guidelines.

¹ Considered to be a non-GAAP and other financial measure. For further details, refer to the “Non-GAAP and Other Financial Measures” of our 2026 MD&A available below or on SEDAR+ at www.sedarplus.ca. 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.

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 interim unaudited consolidated financial statements and accompanying notes for the quarter ended March 31, 2026 and the audited consolidated financial statements, accompanying notes and MD&A for the year ended December 31, 2025. These items and additional information regarding MCAN, including 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. Except as indicated below, all other factors discussed and referred to in the MD&A for fiscal 2025 remain substantially unchanged. Information has been presented as of April 30, 2026.

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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 - Q1 2026

For the Periods Ended (in thousands except for per share amounts and %)	Q1 2026	Q4 2025	Change (%)	Q1 2025	Change (%)
Income Statement Highlights					
Net interest income	\$ 25,569	\$ 24,664	4%	\$ 23,753	8%
Equity income from MCAP Commercial LP	\$ 7,939	\$ 7,780	2%	\$ 5,571	43%
PPPT Income¹	\$ 24,269	\$ 22,987	6%	\$ 19,375	25%
Provision for (recovery of) credit losses	\$ 1,461	\$ 6,088	(76%)	3,089	(53%)
Net income	\$ 23,032	\$ 17,589	31%	\$ 16,590	39%
Basic and diluted earnings per share	\$ 0.57	\$ 0.44	30%	\$ 0.43	33%
Dividends per share - cash	\$ 0.43	\$ 0.41	5%	\$ 0.41	5%
Next quarter's dividend per share - cash	\$ 0.43				
Return on average shareholders' equity ¹	14.17 %	11.02 %	3.15%	10.99 %	3.18%
Spreads					
Spread of non-securitized mortgages over term deposit interest and expenses ¹	2.70 %	2.66 %	0.04%	2.89 %	(0.19%)
Spread of insured securitized mortgages over liabilities ¹	0.56 %	0.46 %	0.10%	0.50 %	0.06%
Spread of uninsured securitized mortgages over liabilities ¹	1.83 %	1.92 %	(0.09%)	— %	1.83%
Average term to maturity (in months)					
Mortgages - non-securitized	10.2	10.6	(4%)	9.1	12%
Term deposits	16.6	16.7	(1%)	17.7	(6%)
At	March 31 2026	December 31 2025	Change (%)	March 31 2025	Change (%)
Balance Sheet Highlights					
Total assets	\$6,657,896	\$ 6,477,470	3%	\$5,443,350	22%
Total mortgages	\$6,053,512	\$ 5,938,259	2%	\$4,898,031	24%
Total liabilities	\$6,001,867	\$ 5,832,622	3%	\$4,835,985	24%
Shareholders' equity	\$ 656,029	\$ 644,848	2%	\$ 607,365	8%
Assets under management ¹	\$8,274,943	\$ 7,766,244	7%	\$6,137,843	35%
Capital Ratios					
Income tax assets to capital ratio ²	5.06	5.10	(1%)	5.41	(6%)
CET 1 & Tier 1 capital ratio ⁴	18.94 %	18.82 %	0.64%	19.12 %	(0.18%)
Total capital ratio ⁴	19.31 %	19.14 %	0.17%	19.43 %	(0.12%)
Leverage ratio ³	8.52 %	8.61 %	(0.09%)	9.64 %	(1.12%)
Credit Quality					
Impaired mortgage ratio (total) ¹	0.99 %	0.70 %	0.29%	1.20 %	(0.21%)
Mortgage Arrears	\$ 142,614	\$ 131,592	8%	\$ 109,801	30%
Common Share Information (end of period)					
Number of common shares outstanding	40,701	40,471	1%	39,128	4%
Book value per common share ¹	\$ 16.12	\$ 15.93	1%	\$ 15.52	4%
Common share price - close	\$ 22.70	\$ 22.43	1%	\$ 18.36	24%
Market capitalization	\$ 923,913	\$ 907,765	2%	\$ 718,390	29%

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)	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Income Statement Highlights								
Net interest income	\$25,569	\$24,664	\$23,760	\$23,662	\$23,753	\$24,661	\$23,935	\$23,818
Equity income from MCAP Commercial LP	\$7,939	\$7,780	\$10,361	\$9,732	\$5,571	\$7,227	\$6,667	\$7,726
PPPT income¹	\$24,269	\$22,987	\$22,743	\$22,977	\$19,375	\$7,564	\$28,194	\$21,774
Provision for (recovery of) credit losses	\$1,461	\$6,088	\$2,056	\$2,227	\$3,089	\$1,160	\$1,302	\$1,436
Net income	\$23,032	\$17,589	\$20,505	\$20,187	\$16,590	\$7,725	\$26,892	\$19,749
Basic and diluted earnings per share	\$ 0.57	\$ 0.44	\$ 0.52	\$ 0.51	\$ 0.43	\$ 0.20	\$ 0.70	\$ 0.52
Dividends per share - cash	\$ 0.43	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.41	\$ 0.39	\$ 0.39	\$ 0.39
Return on average shareholders' equity ¹	14.17 %	11.02 %	13.09 %	13.19 %	10.99 %	5.14 %	18.16 %	13.63 %
Spreads								
Spread of non-securitized mortgages over term deposit interest and expenses ¹	2.70 %	2.66 %	2.63 %	2.74 %	2.89 %	2.83 %	2.78 %	2.93 %
Spread of insured securitized mortgages over liabilities ¹	0.56 %	0.46 %	0.47 %	0.50 %	0.50 %	0.54 %	0.49 %	0.46 %
Spread of uninsured securitized mortgages over liabilities ¹	1.83 %	1.92 %	2.01 %	— %	— %	— %	— %	— %
Average term to maturity (in months)								
Mortgages - non-securitized	10.2	10.6	9.5	11.3	9.1	9.5	12.9	12.1
Term deposits	16.6	16.7	16.8	17.7	17.7	18.5	19.1	19.2
Balance Sheet Highlights (\$ million)								
Total assets	\$6,658	\$6,477	\$5,909	\$5,739	\$5,443	\$5,348	\$5,213	\$5,097
Total mortgages	\$6,054	\$5,939	\$5,317	\$5,170	\$4,899	\$4,884	\$4,762	\$4,670
Total liabilities	\$6,002	\$5,833	\$5,273	\$5,118	\$4,836	\$4,748	\$4,611	\$4,512
Shareholders' equity	\$ 656	\$ 645	\$ 636	\$ 621	\$ 607	\$ 599	\$ 602	\$ 585
Assets under management ¹	\$8,275	\$7,766	\$7,047	\$6,655	\$6,138	\$5,989	\$5,712	\$5,601
Capital Ratios								
Income tax assets to capital ratio ²	5.06	5.10	5.45	5.42	5.41	5.24	5.38	5.34
CET 1 & Tier 1 capital ratios ⁴	18.94 %	18.82 %	19.01 %	18.90 %	19.12 %	19.02 %	19.94 %	19.10 %
Total capital ratio ⁴	19.31 %	19.14 %	19.32 %	19.22 %	19.43 %	19.28 %	20.19 %	19.35 %
Leverage ratio ³	8.52 %	8.61 %	9.27 %	9.32 %	9.64 %	9.72 %	9.99 %	9.85 %
Credit Quality								
Impaired mortgage ratio (total) ¹	0.99 %	0.70 %	1.25 %	1.25 %	1.20 %	1.25 %	1.19 %	1.90 %
Mortgage Arrears	\$142,614	\$131,592	\$152,622	\$128,717	\$109,801	\$100,471	\$145,760	\$141,777
Common Share Information (end of period)								
Number of common shares outstanding	40,701	40,471	40,163	39,604	39,128	38,717	38,463	38,153
Book value of common share ¹	\$16.12	\$15.93	\$15.85	\$15.68	\$15.52	\$15.48	\$15.65	\$15.34
Common share price - close	\$22.70	\$22.43	\$21.69	\$19.45	\$18.36	\$18.25	\$17.98	\$16.10
Market capitalization (\$ million)	\$ 924	\$ 908	\$ 871	\$ 770	\$ 718	\$ 707	\$ 692	\$ 614

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.

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 and Q1 2026, 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.
- 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 and lower benefits from price floors on new construction loans, with some improvements from pricing initiatives and new hedging positions in Q4 2025 and Q1 2026.
- Common Equity Tier 1 (“CET 1”), Tier 1 Capital and Total Capital to risk-weighted assets ratio reductions are due to a lower rate of growth in risk-weighted assets compared to our capital base as we optimize the amount of capital held. So far in 2026, total assets under management¹ grew by 7% while shareholders’ equity grew by only 2% reflecting an efficient use of our capital. Our Dividend Reinvestment Program (“DRIP”) provides us with a reliable source of capital each quarter. In 2024 and 2025, we raised \$7 million and \$22 million, respectively, of capital through our ATM Program. 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 Q1 2026 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 67.4% at March 31, 2026 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, optimize our balance sheet within our risk appetite, work with our strategic partners, and invest in infrastructure and process improvements to drive efficiencies and increase value for our shareholders. 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. 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 and our market knowledge.

Economic Outlook

Canada’s economic performance continues to be resilient. Affordability is hurting some Canadians more than others with weakness in certain sectors directly impacted by international trade while energy prices will help Canada’s oil-producing regions. The economy overall is showing signs of modest gross domestic product (“GDP”) per-capita growth, helped by increased government spending and the earlier 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 geopolitical conflicts as well as 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. We expect geopolitical uncertainty and its impact

on the economy to be the dominant concern for the year ahead. Slower immigration growth and an aging population will also create a drag on GDP growth.

Housing Market Outlook

Housing affordability continues to be a concern across Canada. Pressure on housing prices from economic uncertainty, abundant inventory and high ownership costs will be tempered by previous interest rate cuts and price adjustments in some markets 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 invest 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. 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 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 uninsured residential mortgage securitization program. 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 our digital direct-to-consumer platform and a network of independent brokers and financial agents. 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 grow our direct-to-consumer platform and our broker networks, 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 to support the growth of our businesses in a capital efficient manner. 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

Q1 2026

- Net income totalled \$23.0 million in Q1 2026, an increase of \$6.4 million (39%) from \$16.6 million in Q1 2025. Our Q1 2026 results were mainly impacted by higher net interest income from growth in our mortgage portfolio, higher equity income from MCAP, higher net realized and unrealized gains on our securities and lower provisions for credit losses compared to Q1 2025.
- Pre-provision pre-tax income ("PPPT")¹ totalled \$24.3 million in Q1 2026, an increase of \$4.9 million (25%) from \$19.4 million in Q1 2025. PPPT was mainly impacted by the same factors as net income described above excluding provisions for credit losses.
- Earnings per share totalled \$0.57 in Q1 2026, an increase of \$0.14 (33%) from \$0.43 in Q1 2025.
- Return on average shareholders' equity¹ was 14.17% in Q1 2026, an increase from 10.99% in Q1 2025.
- Net interest income totalled \$25.6 million, an increase of \$1.8 million compared to Q1 2025 with higher volumes offsetting a reduction in overall spread from a declining interest rate environment since the prior year.
 - The decrease in the overall spread of our mortgages over our cost of funds, including term deposits, securitizations and short-term facilities, 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. We also saw spreads improve on our insured residential mortgage securitizations compared to prior quarters due to pricing strategies and our hedging activities.

- Provision for credit losses on our portfolio was \$1.5 million in Q1 2026 mainly due to interest provisioning on our impaired residential construction loans, growth in our uninsured residential mortgages and uncertain economic forecasts. We believe that we have a quality uninsured residential mortgage loan portfolio with an average LTV of 67.4% at March 31, 2026. In Q1 2025, we had a provision for credit losses of \$3.1 million mainly due to worsening economic forecasts due to the economic and geopolitical environment mainly impacting our performing loans and interest provisioning on our impaired residential construction loans.
- Equity income from MCAP totalled \$7.9 million in Q1 2026, an increase of \$2.3 million (43%) from \$5.6 million in Q1 2025, which was primarily due to higher securitization income from higher average portfolio balances partially offset by higher origination expenses from higher volumes of residential mortgages.
- Net change in unrealized fair value gain on our marketable securities of \$29.0 thousand in Q1 2026 compared to a \$1.1 million net realized and change in unrealized fair value gain in Q1 2025. 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 \$3.3 million in Q1 2026 mainly related to net gains from updated property valuations as well as actual execution on leasing activities. In Q1 2025, we had a \$10.0 thousand net change in unrealized fair value gain on our non-marketable securities investments.

Business Activity and Balance Sheet

- Assets under management¹ totalled \$8.27 billion at March 31, 2026, a net increase of \$508.7 million (7%) from December 31, 2025.
- Mortgage portfolio totalled \$6.05 billion at March 31, 2026, a net increase of \$115.3 million (2%) from December 31, 2025.
 - Construction and commercial portfolio totalled \$1.19 billion at March 31, 2026, a net increase of \$30 million (3%) from December 31, 2025. In Q1 2026, the movement in the construction and commercial portfolios is attributed to new loan advances of \$85 million, including adding more commercial loans to diversify our portfolio, offset by repayments on completing projects. To date, projects continue to progress toward completion.
 - Uninsured residential mortgage portfolio totalled \$1.34 billion at March 31, 2026, a net increase of \$54 million (4%) from December 31, 2025. Uninsured residential mortgage originations were \$132 million in Q1 2026, an increase of \$35 million (36%) from Q1 2025. We also continue to see strong uninsured residential mortgage renewals with \$133 million in Q1 2026 compared to \$104 million in Q1 2025 supported by 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.
 - Insured residential mortgages totalled \$3.36 billion at March 31, 2026, a net increase of \$42 million (1%) from December 31, 2025. Insured residential mortgage originations were \$210 million in Q1 2026, an increase of \$121 million (136%) from Q1 2025. This includes \$53 million insured residential mortgage commitments originated and sold in Q1 2026 compared to \$37 million in Q1 2025. 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.

Dividend

- The Board declared a second quarter regular cash dividend of \$0.43 per share to be paid June 30, 2026 to shareholders of record on June 15, 2026.

- Under our 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. Our DRIP program provides enhanced returns for shareholders that participate. For how to enroll in the DRIP, please refer to our Management Information Circular dated February 27, 2026 or visit our website at www.mcanfinancial.com.

Credit Quality

- Arrears total mortgage ratio¹ was 2.36% at March 31, 2026 compared to 2.22% at December 31, 2025. 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 67.4% at March 31, 2026 compared to 66.3% at December 31, 2025 based on an industry index of current real estate values. With respect to our construction and commercial loan portfolio, we have a strong track record with our default management processes and asset recovery programs as the need arises.
- Impaired total mortgage ratio¹ was 0.99% at March 31, 2026 compared to 0.70% at December 31, 2025. At March 31, 2026, 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.

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 OSFI.
- We issued \$5.0 million in new common shares through the DRIP in Q1 2026 compared to \$4.5 million in new common shares in Q1 2025. The DRIP participation rate was 15% for the Q1 2026 dividend (Q1 2025 - 15%).
- Income tax assets to capital ratio³ was 5.06 at March 31, 2026 compared to 5.10 at December 31, 2025.
- CET 1 and Tier 1 Capital to risk-weighted assets ratios² were 18.94% at March 31, 2026 compared to 18.82% at December 31, 2025. Total Capital to risk-weighted assets ratio² was 19.31% at March 31, 2026 compared to 19.14% at December 31, 2025. Leverage ratio² was 8.52% at March 31, 2026 compared to 8.61% at December 31, 2025. 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

For the Quarters Ended (in thousands except for per share amounts and %)	Q1 2026	Q4 2025	Change (%)	Q1 2025	Change (%)
Net Interest Income					
Mortgage interest	\$ 74,694	\$ 71,475	5 %	\$ 63,890	17 %
Interest on cash and other	1,268	1,340	(5)%	1,175	8 %
	75,962	72,815	4 %	65,065	17 %
Term deposit interest and expenses	22,883	25,487	(10)%	24,882	(8)%
Interest on financial liabilities from securitization	27,009	22,205	22 %	16,036	68 %
Interest on loans payable	501	459	9 %	394	27 %
	50,393	48,151	5 %	41,312	22 %
Total Net Interest Income	25,569	24,664	4 %	23,753	8 %
Non-interest Income					
Equity income from MCAP Commercial LP	7,939	7,780	2 %	5,571	43 %
Distribution income from securities	2,799	2,579	9 %	2,741	2 %
Fees	976	722	35 %	1,080	(10)%
Net gain (loss) on securities	3,289	924	256 %	1,099	199 %
Other	1,030	927	11 %	12	8,483 %
Total Non-interest Income	16,033	12,932	24 %	10,503	53 %
Total Income	41,602	37,596	11 %	34,256	21 %
Provision for credit losses	1,461	6,088	(76)%	3,089	(53)%
Non-interest Expenses					
Salaries and benefits	7,735	6,425	20 %	7,119	9 %
General and administrative	9,598	8,184	17 %	7,762	24 %
	17,333	14,609	19 %	14,881	16 %
Net Income Before Income Taxes	22,808	16,899	35 %	16,286	40 %
Provision for (recovery of) income taxes					
Current	—	(155)	(100)%	—	n/a
Deferred	(224)	(535)	(58)%	(304)	(26)%
	(224)	(690)	(68)%	(304)	(26)%
Net Income	\$ 23,032	\$ 17,589	31 %	\$ 16,590	39 %
Basic and diluted earnings per share	\$ 0.57	\$ 0.44	30 %	\$ 0.43	33 %
Cash dividends per share	\$ 0.43	\$ 0.41	5 %	\$ 0.41	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 (in thousands except %)	March 31, 2026			December 31, 2025			March 31, 2025		
	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	\$ 184,191	\$ 1,655	3.61 %	\$ 201,401	\$ 1,875	3.71 %	\$ 129,357	\$ 1,159	3.60 %
Uninsured	997,645	15,296	6.16 %	1,063,944	16,471	6.18 %	1,123,190	18,680	6.68 %
Uninsured - completed inventory	155,630	2,780	7.24 %	128,147	2,451	7.59 %	112,024	2,301	8.32 %
Construction loans									
Residential	1,100,440	21,199	7.81 %	1,158,529	23,752	7.90 %	1,079,045	22,608	8.49 %
Non residential	20,590	334	6.57 %	20,346	343	6.69 %	6,166	113	7.42 %
Commercial loans									
Multi-family residential	27,946	471	6.84 %	17,350	285	6.53 %	17,150	287	6.78 %
Other	11,030	177	6.50 %	9,329	154	6.57 %	—	—	— %
Mortgages - non-securitized portfolio ¹	\$2,497,472	\$ 41,912	6.78 %	\$2,599,046	\$ 45,331	6.83 %	\$2,466,932	\$ 45,148	7.39 %
Term deposit interest and expenses	2,263,213	22,883	4.08 %	2,373,304	25,487	4.17 %	2,198,005	24,882	4.50 %
Net non-securitized mortgage spread income ¹		\$ 19,029			\$ 19,844			\$ 20,266	
Spread of non-securitized mortgages over term deposit interest and expenses ¹			2.70 %			2.66 %			2.89 %
Average term to maturity (months)									
Mortgages - non-securitized	10.2			10.6			9.1		
Term deposits	16.6			16.7			17.7		

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. 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 5: Mortgage Originations

For the Quarters Ended (in thousands except %)	Q1 2026	Q4 2025	Change (%)	Q1 2025	Change (%)
Originations					
Residential mortgages - insured fixed ²	\$ 176,512	\$ 185,230	(5%)	\$ 49,117	259%
Residential mortgages - insured adjustable rate ²	33,477	33,463	—%	39,688	(16%)
Residential mortgages - uninsured ²	131,827	168,884	(22%)	96,823	36%
Residential mortgages - uninsured completed inventory ¹	16,239	99,543	(84%)	21,408	(24%)
Residential construction ¹	82,820	163,177	(49%)	143,395	(42%)
Non-residential construction ¹	1,920	—	n/a	109	1,661%
Commercial ¹	29	17,350	(100%)	—	n/a
	\$ 442,824	\$ 667,647	(34%)	\$ 350,540	26%

¹ Construction, commercial and completed inventory originations represent all advances on loans.

² Includes residential mortgage commitments sold that the Company originated.

Overview

For Q1 2026, the increase in the spread of non-securitized mortgages over term deposit interest and expenses compared to Q4 2025 is mainly due to a slower decrease in mortgage rates compared to our term deposits. 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 were higher in Q1 2026 and Q4 2025 compared to Q1 2025 as we continued to focus on providing 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 steady originations. 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 \$56 million in residential mortgage commitments in Q1 2026 compared to \$40 million in Q1 2025 under these agreements.

We securitize our insured residential mortgages through the CMHC National Housing Act (“NHA”) Mortgage-Backed Securities (“MBS”) program. Our Q1 2026 residential mortgage securitization volumes were \$241 million compared to \$53 million in Q1 2025. 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.

Mortgage renewal rights

Through our origination platform, we retain the renewal rights to internally originated residential mortgages or have been sold to third parties and derecognized from the interim 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 March 31, 2026, we had the renewal rights to \$4.2 billion of residential mortgages (December 31, 2025 - \$4.1 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 Q1 2026 and Q4 2025 compared to Q1 2025 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. In Q1 2026, higher average balances offset by lower spreads from the declining interest rate environment contributed to a slightly lower non-securitized mortgage interest compared to Q1 2025. This portfolio is priced based on prime-based floating rates, and we are utilize 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. 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 the quarter compared to Q4 2025 and Q1 2025 was mostly due to lower average term deposit rates and related hedges. We have been actively managing our interest rate risk 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.

Net Interest Income - Securitization Assets

Net interest 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.

Our total new securitization volumes were \$401 million in Q1 2026 (Q1 2025 - \$53 million). The increase compared to the prior year period was due to growth in both our insured and uninsured securitization programs. As securitization spreads continue to be favourable, we expect to continue to be aggressive in originating residential mortgages for securitization.

For further information on the market MBS and CMB programs, refer to the “Financial Position” section of this MD&A.

Table 6: Net Mortgage Interest Income and Average Rate for Securitized Mortgage Portfolio - Quarterly

For the Quarters Ended	March 31, 2026			December 31, 2025			March 31, 2025		
	Average Balance ¹	Interest Income	Average Rate ¹	Average Balance ¹	Interest Income	Average Rate ¹	Average Balance ¹	Interest Income	Average Rate ¹
(in thousands except %)									
Mortgage interest - insured	\$3,124,596	\$ 28,068	3.62 %	\$2,662,211	\$ 22,825	3.42 %	\$2,368,150	\$ 18,742	3.18 %
Interest on financial liabilities from securitization - insured	3,167,517	24,205	3.06 %	2,708,346	20,049	2.96 %	2,394,557	16,036	2.68 %
Net securitized insured mortgage spread income ¹		\$ 3,863			\$ 2,776			\$ 2,706	
Spread of securitized insured mortgages over liabilities ¹			0.56 %			0.46 %			0.50 %
Mortgage interest - uninsured	\$ 316,750	\$ 4,714	5.99 %	\$ 217,862	\$ 3,319	6.07 %	\$ —	\$ —	— %
Interest on financial liabilities from securitization - uninsured	265,290	2,804	4.16 %	195,814	2,156	4.15 %	—	—	— %
Net securitized uninsured mortgage spread income ¹		\$ 1,910			\$ 1,163			\$ —	
Spread of securitized uninsured mortgages over liabilities ¹			1.83 %			1.92 %			— %
Mortgage interest - securitized assets ¹		\$ 32,782			\$ 26,144			\$ 18,742	
Interest on financial liabilities from securitization		27,009			22,205			16,036	
Total net securitized mortgage spread income ¹		\$ 5,773			\$ 3,939			\$ 2,706	

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. 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 gains (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 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 Q1 2026, we have seen spreads increase on insured securitizations compared to prior quarters due to pricing strategies and our hedging activities. Our uninsured securitization spreads are slightly lower mainly due to lower mortgage rates on loans going into the securitization program.

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.

We have bond forward contracts with total notional principal amount of \$91 million at March 31, 2026 (December 31, 2025 - \$27 million). At March 31, 2026, we had \$0.6 million of derivatives outstanding relating to cash flow hedges (December 31, 2025 - \$0.2 million) on our consolidated balance sheets. In Q1 2026, we had net realized fair value gains of \$0.5 million (Q1 2025 - \$nil net realized fair value gains) on our derivative transactions recognized in other comprehensive income in the statements of 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.

We have interest rate swaps with total notional principal amount of \$773 million at March 31, 2026 (December 31, 2025 - \$637 million). At March 31, 2026, the Company had \$1.0 million of net derivative liabilities outstanding related to fair value hedges (December 31, 2025 - \$1.7 million derivative assets) on our consolidated balance sheets. In Q1 2026, we had unrealized fair value hedge costs of \$1.3 million (Q1 2025 - \$1.0 million fair value hedge gains) recorded in term deposit interest and expenses in the consolidated statements of income.

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 11 to the interim consolidated financial statements.

Non-interest Income

Equity Income from MCAP

In Q1 2026, MCAP's origination volumes were \$5.9 billion, an increase from \$4.2 billion in Q1 2025. At February 28, 2026 (we account for MCAP on a one-month lag basis), MCAP had \$155.5 billion of assets under management compared to \$155.8 billion at November 30, 2025 and \$153.5 billion at February 28, 2025. Equity income from MCAP totalled \$7.9 million in Q1 2026, an increase of \$2.3 million from \$5.6 million in Q1 2025. For Q1 2026, the increase in equity income from MCAP was primarily due to higher securitization income from higher average portfolio balances partially offset by higher origination expenses from higher volumes of residential mortgages.

We recognize equity income from MCAP on a one-month lag such that our Q1 2026 equity income from MCAP is based on MCAP's net income for the quarter ended February 28, 2026. 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

We received distribution income of \$2.2 million in Q1 2026 (Q1 2025 - \$1.8 million) from our real estate debt funds and other real estate limited partnerships.

Marketable securities income consists primarily of distributions from our REIT portfolio. In Q1 2026, we received distributions of \$0.6 million from our REITs compared to \$1.0 million in Q1 2025.

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 Q1 2026, we recorded a net change in unrealized fair value gain on our marketable securities of \$29.0 thousand compared to a \$1.1 million net realized and change in unrealized fair value gain in Q1 2025. We continue to realize the benefits of regular cash flows and distributions from these investments.

In Q1 2026, we recorded a net realized and change in unrealized fair value gain on our non-marketable securities of \$3.3 million compared to a \$10.0 thousand net change in unrealized fair value gain in Q1 2025 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. 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.

Provision for (Recovery of) Credit Losses**Table 7: Provision for (Recovery of) Credit Losses and Write-offs**

For the Quarters Ended (in thousands except basis points and %)	Q1 2026	Q4 2025	Change (%)	Q1 2025	Change (%)
Provision for (recovery of) impaired mortgages					
Residential mortgages					
Uninsured - non-securitized	\$ 430	\$ 303	42%	\$ 536	(20%)
Construction loans	(523)	2,542	(121%)	807	(165%)
	(93)	2,845	(103%)	1,343	(107%)
Provision for (recovery of) performing mortgages					
Residential mortgages					
Uninsured - non-securitized	489	(108)	553%	1,376	(64%)
Uninsured - securitized	482	119	305%	—	n/a
Uninsured - completed inventory	(242)	773	(131%)	131	(285%)
Construction loans	589	(455)	229%	236	150%
Commercial loans					
Multi-family residential	203	177	15%	3	6,667%
Other commercial	5	215	(98%)	—	n/a
	1,526	721	112%	1,746	(13%)
Other provisions (recoveries)	28	2,522	(99%)	—	n/a
Total provision for (recovery of) credit losses	1,461	6,088	(76%)	3,089	(53%)
Mortgage portfolio data:					
Provision for (recovery of) credit losses, net	\$ 1,433	\$ 3,447	(58%)	\$ 3,089	(54%)
Net write offs	\$ —	\$ 127	(100%)	\$ 182	(100%)
Net write offs (basis points)	—	2.0	(100%)	3.0	(100%)

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 mortgage portfolio of \$1.5 million in Q1 2026 compared to a provision for credit losses of \$3.1 million in Q1 2025. The provision for credit losses in Q1 2026 was mainly due to interest provisioning on our impaired residential construction loans, growth in our uninsured residential mortgages and uncertain economic forecasts. We believe that we have a quality uninsured residential mortgage loan portfolio with an average LTV of 67.4% at March 31, 2026 based on an industry index of current real estate values. In Q1 2025, we had a provision for credit losses mainly due to worsening economic forecasts due to the economic and geopolitical environment mainly impacting our performing loans and interest provisioning on our impaired residential construction loans. 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 March 31, 2026. IFRS 9, *Financial Instruments* (“IFRS 9”) does not permit the use of hindsight in measuring provisions for credit losses. Since March 31, 2026, forecasts around these uncertainties have continued to evolve. Any new forward-looking information subsequent to March 31, 2026, 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 8: Non-interest Expenses

For the Quarters Ended (in thousands except %)	Q1 2026	Q4 2025	Change (%)	Q1 2025	Change (%)
Salaries and benefits	\$ 7,735	\$ 6,425	20%	\$ 7,119	9%
General and administrative	9,598	8,184	17%	7,762	24%
	\$ 17,333	\$ 14,609	19%	\$ 14,881	16%

The increase in salaries and benefits in Q1 2026 is mainly due to additional resources, regular pay increases, higher share-based payment accruals and severance costs.

The increase in general and administrative expenses in Q1 2026 is primarily due to higher mortgage servicing costs from growth in our mortgage portfolios.

Taxable Income

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 are deducted in the calculation of taxable income.

FINANCIAL POSITION

Assets

Table 9: Assets

(in thousands except %)	March 31 2026	December 31 2025	Change (%)	March 31 2025	Change (%)
Assets					
Cash and cash equivalents	\$ 129,488	\$ 79,828	62%	\$ 113,555	14%
Cash held in trust	68,642	71,856	(4%)	62,788	9%
Marketable securities	54,076	54,146	—%	62,140	(13%)
Mortgages	6,053,512	5,938,259	2%	4,898,031	24%
Non-marketable securities	127,474	126,592	1%	122,465	4%
Equity investment in MCAP Commercial LP	135,488	133,995	1%	122,805	10%
Deferred tax asset	1,874	1,650	14%	1,733	8%
Derivative financial instruments	824	1,907	(57%)	5,995	(86%)
Other assets	86,518	69,237	25%	53,838	61%
	6,657,896	6,477,470	3%	5,443,350	22%

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 March 31, 2026, the average outstanding construction loan balance was \$11 million (December 31, 2025 - \$11 million) with a maximum individual loan commitment of \$40 million (December 31, 2025 - \$40 million).

Securitized Mortgages

Securitized mortgages 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 6 to the interim consolidated financial statements.

During Q1 2026, we securitized \$241 million (Q1 2025 - \$53 million) of MBS 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 March 31, 2026, we held \$35 million of retained MBS on our balance sheet (December 31, 2025 - \$38 million), which is included in the insured - non-securitized residential mortgage portfolio.

During Q1 2026, we securitized \$264 million (Q1 2025 - \$29 million) of insured multi-family mortgages through the CMB program.

We securitized \$160 million in Q1 2026 (Q1 2025 - \$nil) of uninsured residential mortgages through a securitization program sponsored by a major Canadian bank.

Any mortgages securitized through the market MBS program, CMB program and 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 10: Mortgage Summary

(in thousands except %)	March 31 2026	December 31 2025	Change (%)	March 31 2025	Change (%)
Mortgage portfolio					
Residential mortgages					
Insured - non-securitized	\$ 174,681	\$ 171,895	2%	\$ 152,208	15%
Insured - securitized	3,186,697	3,147,214	1%	2,353,531	35%
Uninsured - non-securitized	919,009	978,059	(6%)	1,138,768	(19%)
Uninsured - securitized	424,042	311,457	36%	—	n/a
Uninsured - completed inventory	155,266	166,033	(6%)	122,586	27%
Construction loans	1,129,155	1,135,630	(1%)	1,113,738	1%
Commercial loans					
Multi-family residential	53,846	17,189	213%	17,200	213%
Other commercial	10,816	10,782	—%	—	n/a
	6,053,512	5,938,259	2%	4,898,031	24%

Table 11: Non-securitized Mortgage Portfolio Continuity for Q1 2026

(in thousands)	Residential Mortgages					
	Insured	Uninsured	Uninsured - completed inventory	Construction loans	Commercial loans	Total
Balance, beginning of the period	\$ 171,895	\$ 978,059	\$ 166,033	\$ 1,135,630	\$ 27,971	\$ 2,479,588
Originations ¹	452,699	298,333	16,239	92,941	300,962	1,161,174
Payments and prepayments	(2,966)	(3,696)	(27,251)	(100,542)	(21)	(134,476)
Maturities	(153,404)	(188,598)	—	—	—	(342,002)
Securitized	(240,973)	(159,825)	—	—	(264,231)	(665,029)
Sale of commitments	(52,564)	(4,488)	—	—	—	(57,052)
Capitalization and amortization of fees	(6)	(776)	245	1,126	(19)	570
Balance, end of the period	\$ 174,681	\$ 919,009	\$ 155,266	\$ 1,129,155	\$ 64,662	\$ 2,442,773

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 12: Non-securitized Mortgage Portfolio Continuity for Q1 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	190,694	200,754	21,408	143,503	29,112	585,471
Payments and prepayments	(1,961)	(4,940)	(18,195)	(117,643)	—	(142,739)
Maturities	(73,868)	(172,017)	—	—	—	(245,885)
Securitized	(52,723)	—	—	—	(29,112)	(81,835)
Sale of commitments	(36,703)	3,232	—	—	—	(33,471)
Capitalization and amortization of fees	241	(1,633)	(55)	317	(2)	(1,132)
Balance, end of the period	\$ 152,208	\$ 1,138,768	\$ 122,586	\$ 1,113,738	\$ 17,200	\$ 2,544,500

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.

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)

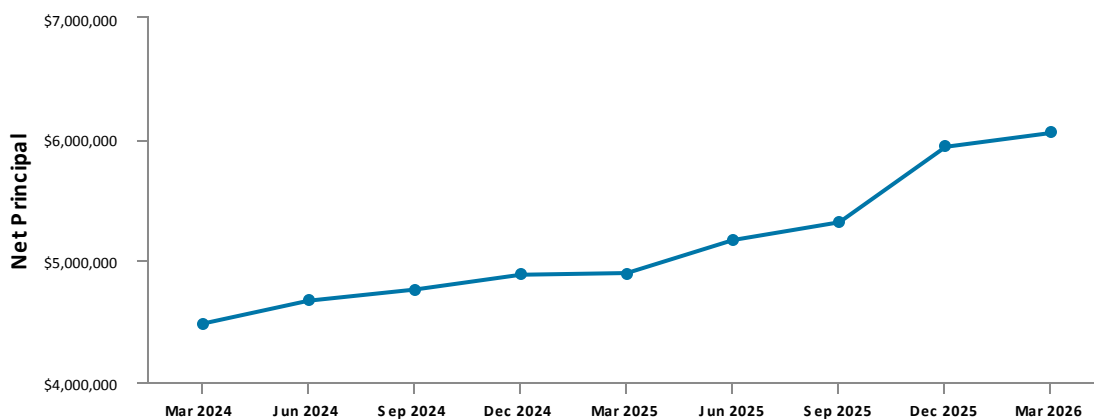
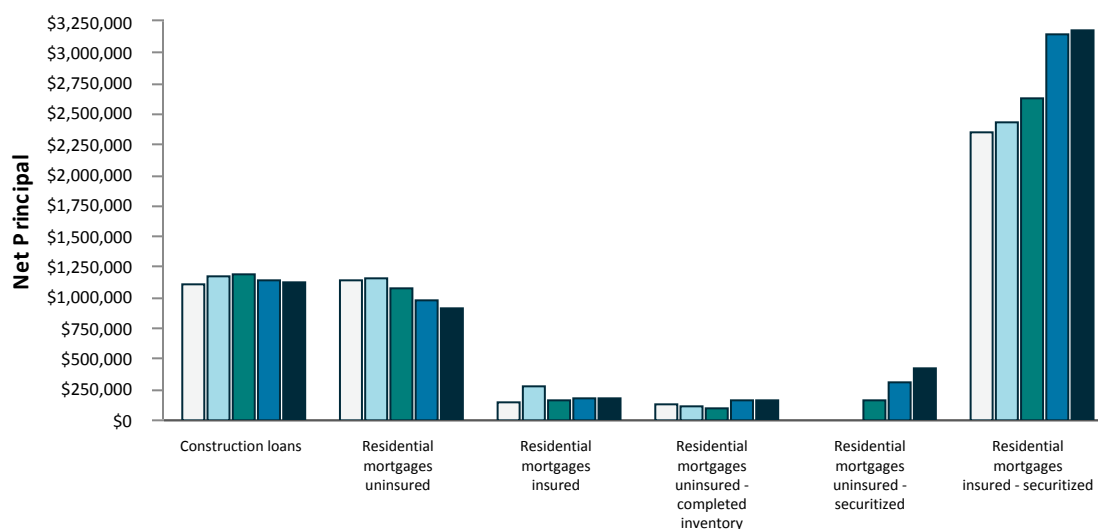


Figure 2: Key Mortgage Portfolio Composition by Product Type (in thousands)



	Non-securitized				Securitized	
	Construction loans	Residential mortgages uninsured	Residential mortgages insured	Residential mortgages uninsured - completed inventory	Residential mortgages uninsured - securitized	Residential mortgages insured - securitized
Mar 31, 2025	\$1,113,738 (23%)	\$1,138,768 (23%)	\$152,208 (3%)	\$122,586 (3%)	\$0 (0%)	\$2,353,531 (48%)
Jun 30, 2025	\$1,181,885 (23%)	\$1,166,146 (23%)	\$274,507 (5%)	\$118,833 (2%)	\$0 (0%)	\$2,428,828 (47%)
Sep 30, 2025	\$1,199,210 (23%)	\$1,070,497 (20%)	\$164,588 (3%)	\$101,403 (2%)	\$159,742 (3%)	\$2,621,267 (49%)
Dec 31, 2025	\$1,135,630 (20%)	\$978,059 (16%)	\$171,895 (3%)	\$166,033 (3%)	\$311,457 (5%)	\$3,147,214 (53%)
Mar 31, 2026	\$1,129,155 (18%)	\$919,009 (15%)	\$174,681 (3%)	\$155,266 (3%)	\$424,042 (7%)	\$3,186,697 (53%)

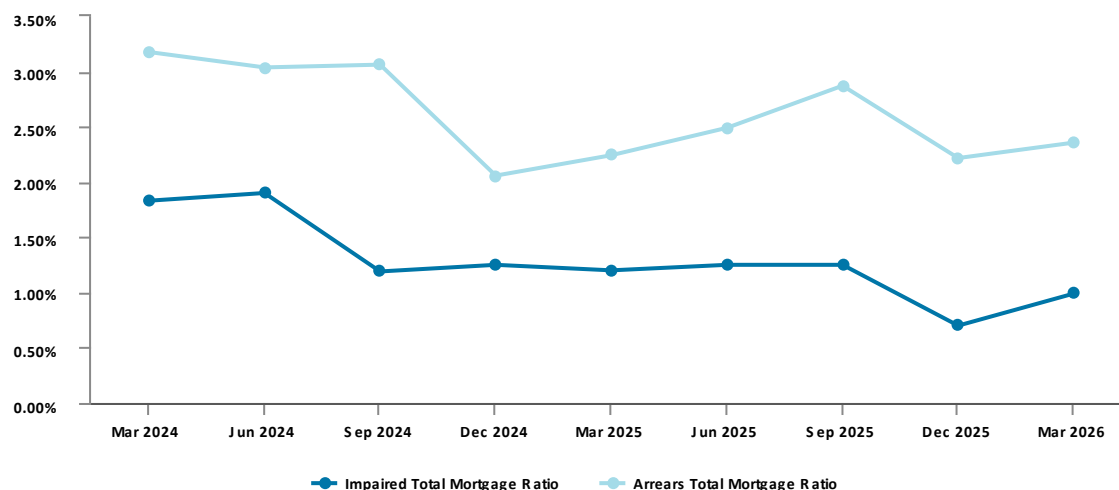
Note: Amounts in parentheses represent the percentage of the mortgage portfolio represented by the individual product type.

Table 13: Mortgage Portfolio Geographic Distribution

	March 31, 2026	December 31, 2025
Ontario	68.0 %	68.5 %
British Columbia	12.0 %	11.7 %
Alberta	15.5 %	15.3 %
Atlantic Provinces	0.1 %	0.1 %
Quebec	2.1 %	2.1 %
Other	2.3 %	2.3 %
	100.0 %	100.0 %

Credit Quality**Table 14: Arrears and Impaired Mortgages**

(in thousands except %)	March 31 2026	December 31 2025	Change (%)	March 31 2025	Change (%)
Mortgage arrears					
Residential mortgages					
Insured - non-securitized	\$ 883	\$ 1,476	(40%)	\$ 3,925	(78%)
Insured - securitized	11,519	13,855	(17%)	4,757	142%
Uninsured - non-securitized	64,398	62,990	2%	49,007	31%
Construction loans	65,814	53,271	24%	52,112	26%
Total mortgage arrears	142,614	131,592	8%	109,801	30%
Staging analysis					
Stage 2					
Residential mortgages					
Insured - non-securitized	\$ 6,540	\$ 5,649	16%	\$ 7,663	(15%)
Insured - securitized	140,700	163,674	(14%)	142,476	(1%)
Uninsured - non-securitized	167,044	218,960	(24%)	221,994	(25%)
Uninsured - securitized	64,135	42,089	52%	—	n/a
Construction loans	19,403	23,943	(19%)	7,575	156%
Commercial loans - multi-family residential	—	—	n/a	12,192	(100%)
Total stage 2	397,822	454,315	(12%)	391,900	2%
Stage 3					
Residential Mortgages					
Insured - non-securitized	—	245	(100%)	1,284	(100%)
Insured - securitized	285	—	n/a	242	18%
Uninsured - non-securitized	13,176	12,245	8%	12,854	3%
Construction loans	46,411	29,328	58%	44,537	4%
Total stage 3	59,872	41,818	43%	58,917	2%
Total stage 2 and 3 mortgages	\$ 457,694	\$ 496,133	(8%)	\$ 450,817	2%
Impaired total mortgage ratio ¹	0.99 %	0.70 %	0.29%	1.20 %	(0.21%)
Allowance for credit losses					
Allowance on performing mortgages	\$ 11,602	\$ 10,076	15%	\$ 8,996	29%
Allowance on impaired mortgages	13,136	13,229	(1%)	7,113	85%
Total allowance for credit losses	24,738	23,305	6%	16,109	54%

Figure 3: Arrears and Impaired Mortgage Ratios¹

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 67.4% at March 31, 2026 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 total mortgage ratio, as presented above, reflects impaired (stage 3) mortgages under IFRS 9 as a percentage of the total mortgage portfolio. At March 31, 2026, 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 6 to the interim 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 15: Residential Mortgages by Province at March 31, 2026

(in thousands except %)	Insured	%	Uninsured	%	HELOCs	%	Total	%
Ontario	\$ 2,440,810	72.7 %	\$ 1,274,881	85.1 %	\$ 72	88.9 %	\$ 3,715,763	76.4 %
Alberta	514,725	15.3 %	84,313	5.6 %	9	11.1 %	599,047	12.3 %
British Columbia	161,651	4.8 %	114,435	7.6 %	—	— %	276,086	5.7 %
Quebec	6,668	0.2 %	811	0.1 %	—	— %	7,479	0.2 %
Atlantic Provinces	114,805	3.4 %	9,596	0.6 %	—	— %	124,401	2.6 %
Other	122,638	3.6 %	14,281	1.0 %	—	— %	136,919	2.8 %
Total	\$ 3,361,297	100.0 %	\$ 1,498,317	100.0 %	\$ 81	100.0 %	4,859,695	100.0 %

Table 16: Residential Mortgages by Province at December 31, 2025

(in thousands except %)	Insured	%	Uninsured	%	HELOCs	%	Total	%
Ontario	\$ 2,423,542	73.0 %	\$ 1,225,056	84.1 %	\$ 78	89.7 %	\$ 3,648,676	76.4 %
Alberta	508,431	15.3 %	85,303	5.9 %	9	10.3 %	593,743	12.4 %
British Columbia	144,986	4.4 %	122,255	8.4 %	—	— %	267,241	5.6 %
Quebec	6,967	0.2 %	826	0.1 %	—	— %	7,793	0.2 %
Atlantic Provinces	112,837	3.4 %	9,023	0.6 %	—	— %	121,860	2.6 %
Other	122,259	3.7 %	13,086	0.9 %	—	— %	135,345	2.8 %
Total	\$ 3,319,022	100.0 %	\$ 1,455,549	100.0 %	\$ 87	100.0 %	4,774,658	100.0 %

Table 17: Residential Mortgages by Amortization Period

(in thousands except %)	March 31 2026		December 31 2025	
Up to 20 years	\$ 1,483,325	30.5 %	\$ 1,406,199	29.5 %
>20 to 25 years	1,773,233	36.5 %	1,820,917	38.1 %
>25 to 30 years	1,022,058	21.0 %	985,059	20.6 %
>30 to 35 years	581,079	12.0 %	562,483	11.8 %
	\$ 4,859,695	100 %	\$ 4,774,658	100 %

Table 18: Average LTV Ratio for Uninsured Residential Mortgage Originations

For the Quarters Ended (in thousands except %)	Q1 2026	Average LTV	Q1 2025	Average LTV
Ontario	\$122,927	68.8%	\$ 84,152	70.2%
Alberta	9,524	73.4%	3,527	72.8%
British Columbia	9,292	69.6%	25,120	51.2%
Other	2,956	75.0%	1,768	76.8%
	\$144,699	69.3%	\$114,567	66.2%

Table 19: Average LTV Ratios at Origination by Mortgage Portfolio

	March 31 2026	December 31 2025
Mortgage portfolio		
Residential mortgages		
Insured - non-securitized	61.6 %	63.0 %
Insured - securitized	78.4 %	79.5 %
Uninsured - non-securitized ¹	70.2 %	70.0 %
Uninsured - securitized	66.5 %	64.7 %
Uninsured - completed inventory ¹	63.1 %	62.7 %
Construction loans		
Residential	60.3 %	60.4 %
Non-residential	58.8 %	58.6 %
Commercial loans		
Multi-family residential	70.8 %	74.9 %
Other commercial	65.0 %	65.0 %
	66.5 %	64.7 %

¹ MCAN's non-securitized uninsured residential mortgage portfolio (including uninsured - completed inventory) is secured with a weighted average LTV at origination of 69.2% at March 31, 2026 (December 31, 2025 - 69.0%). Based on an industry index that incorporates current real estate values, the ratio would be 67.4% at March 31, 2026 (December 31, 2025 - 66.3%).

Other Non-securitized Assets

Cash and Cash Equivalents

At March 31, 2026, our cash balance was \$129 million (December 31, 2025 - \$80 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.

Cash Held in Trust

Cash held in trust represents securitized insured mortgage principal and interest collections from borrowers that are payable to MBS holders.

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 March 31, 2026, the portfolio balance was \$54 million (December 31, 2025 - \$54 million). We continue to realize the benefits of regular cash flows and distributions from these investments.

Non-marketable Securities

At March 31, 2026, our non-marketable securities balance was \$127 million (December 31, 2025 - \$127 million). 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. We have \$37 million in remaining commitments 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 7 to the interim consolidated financial statements.

Equity Investment in MCAP

We have a strategic investment in MCAP, which is one of Canada's largest and preeminent independent mortgage finance companies. They serve many institutional investors and over 400,000 homeowners. We hold a 13.89% equity interest in MCAP (December 31, 2025 - 13.89%), which represents 4.0 million units held by MCAN at March 31, 2026 (December 31, 2025 - 4.0 million) of the 28.8 million total outstanding MCAP partnership units (December 31, 2025 - 28.8 million). The investment had a net book value of \$135 million at March 31, 2026 (December 31, 2025 - \$134 million). The net book value is not indicative of the fair market value of our equity interest in MCAP.

During Q1 2026, we received \$6.4 million of unitholder distributions from MCAP (Q1 2025 - \$5.0 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.

Liabilities and Shareholders' Equity

Table 20: Liabilities and Shareholders' Equity

(in thousands except %)	March 31 2026	December 31 2025	Change (%)	March 31 2025	Change (%)
Liabilities					
Financial liabilities from securitization	\$ 3,562,390	\$ 3,433,883	4%	\$ 2,367,969	50%
Term deposits	2,349,945	2,340,483	—%	2,339,201	—%
Loans payable	69,584	19,438	258%	113,934	(39%)
Derivative financial instruments	1,162	46	2,426%	—	n/a
Other liabilities	18,786	38,772	(52%)	14,881	26%
	6,001,867	5,832,622	3%	4,835,985	24%
Shareholders' Equity					
Share capital	496,057	491,015	1%	464,106	7%
Contributed surplus	510	510	—%	510	—%
Retained earnings	159,023	153,442	4%	144,259	10%
Accumulated other comprehensive income	439	(119)	(469%)	(1,510)	(129%)
	656,029	644,848	2%	607,365	8%
	\$ 6,657,896	\$ 6,477,470	3%	\$ 5,443,350	22%

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.

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.

Derivatives Financial Instruments

At March 31, 2026, the Company had \$1.2 million of net unrealized losses on derivative liabilities outstanding relating to term deposit hedges (December 31, 2025 - \$46.0 thousand). Refer to the "Derivatives and Hedging" sub-section of this MD&A and Note 11 to the interim consolidated financial statements.

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 13 to the interim consolidated financial statements.

Retained Earnings

Retained earnings activity for Q1 2026 consists of net income of \$23.0 million (Q1 2025 - \$16.6 million) less dividends of \$17.5 million (Q1 2025 - \$16.0 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. In Q1 2026, we had net realized fair value gains of \$0.1 million (Q4 2025 - \$0.5 million; Q1 2025 - \$nil) and net unrealized fair value gains of \$0.4 million (Q4 2025 - \$0.2 million; Q1 2025 - \$nil) on our derivative transactions recognized in accumulated other comprehensive income. For further information, refer to the “Derivatives and Hedging” sub-section of this MD&A and Note 11 to the interim 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 21: Income Tax Capital

(in thousands except ratios)

	March 31 2026	December 31 2025
Income tax assets		
Consolidated assets	\$ 6,657,896	\$ 6,477,470
Adjustment for assets in subsidiaries	6,065	58,279
Non-consolidated assets in MIC entity	6,663,961	6,535,749
Add: mortgage allowances	12,031	10,996
Less: securitization assets ¹	(3,609,972)	(3,477,956)
Adjustments to equity investments in MCAP and subsidiaries	(99,672)	(93,089)
Other adjustments	(3,319)	(2,093)
	\$ 2,963,029	\$ 2,973,607
Income tax liabilities		
Consolidated liabilities	\$ 6,001,867	\$ 5,832,622
Adjustment for liabilities in subsidiaries	(69,773)	(16,601)
Non-consolidated liabilities in MIC entity	5,932,094	5,816,021
Less: securitization liabilities ¹	(3,555,198)	(3,425,967)
	\$ 2,376,896	\$ 2,390,054
Income tax capital	\$ 586,133	\$ 583,553
Income tax capital ratios		
Income tax assets to capital ratio	5.06	5.10
Income tax liabilities to capital ratio	4.06	4.10

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 March 31, 2026, 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 22: Regulatory Capital³

(in thousands except %)

	March 31 2026	December 31 2025
OSFI Regulatory Ratios		
Share capital	\$ 496,057	\$ 491,015
Contributed surplus	510	510
Retained earnings	159,023	153,442
Accumulated other comprehensive income	439	(119)
Deduction from equity investment in MCAP ¹	(69,885)	(69,510)
Common Equity Tier 1 and Tier 1 Capital (A)	586,144	575,338
Tier 2 Capital	11,602	10,076
Total Capital (D)	\$ 597,746	\$ 585,414
Total Exposure/Regulatory Assets		
Consolidated assets	\$ 6,657,896	\$ 6,477,470
Less: deduction for equity investment in MCAP ¹	(69,885)	(69,510)
Other adjustments ²	13,064	11,264
Total On-Balance Sheet Exposures	6,601,075	6,419,224
Mortgages and non-marketable securities funding commitments	259,508	239,344
Letters of credit	19,642	20,967
Total Off-Balance Sheet Items	279,150	260,311
Total Exposure/Regulatory Assets (B)	\$ 6,880,225	\$ 6,679,535
Leverage ratio (A / B)	8.52 %	8.61 %
Risk-weighted assets (C)	\$ 3,095,323	\$ 3,057,823
Regulatory Capital Ratios		
Common Equity Tier 1 capital to risk-weighted assets ratio (A / C)	18.94 %	18.82 %
Tier 1 capital to risk-weighted assets ratio (A / C)	18.94 %	18.82 %
Total capital to risk-weighted assets ratio (D / C)	19.31 %	19.14 %

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 23: Regulatory Risk-Weighted Assets ¹

(in thousands except %)	March 31, 2026			December 31, 2025		
	Amounts	Average Rate	Risk-Weighted Assets	Amounts	Average Rate	Risk-Weighted Assets
On-Balance Sheet Assets						
Cash and cash equivalents	\$ 129,488	22 %	\$ 27,893	\$ 79,828	21 %	\$ 16,374
Cash held in trust	68,642	21 %	14,457	71,856	20 %	14,371
Marketable securities	54,076	72 %	39,054	54,146	72 %	39,025
Mortgages	6,053,512	34 %	2,048,380	5,938,259	35 %	2,067,627
Non-marketable securities	127,474	177 %	225,374	126,592	172 %	218,124
Equity investment in MCAP Commercial LP	135,488	121 %	164,007	133,995	120 %	161,212
Deferred tax asset	1,874	100 %	1,874	1,650	100 %	1,650
Other assets	86,518	89 %	77,363	69,237	100 %	69,237
Derivative Financial Instruments	824	— %	—	1,907	— %	—
	<u>6,657,896</u>		<u>2,598,402</u>	<u>6,477,470</u>		<u>2,587,620</u>
Off-Balance Sheet Items						
Letters of credit	39,285	50 %	19,643	41,934	50 %	20,967
Commitments	648,771	30 %	192,608	598,360	31 %	186,145
Derivative Financial Instruments	870,128	2 %	15,545	611,451	3 %	17,516
			<u>227,796</u>			<u>224,628</u>
Charge for operational risk ²			<u>269,125</u>			<u>245,575</u>
Risk-Weighted Assets			\$ 3,095,323			\$ 3,057,823

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 complete discussion of major risk types to which the Company is exposed, refer to the "Risk Management" section of the 2025 Annual MD&A.

Economic uncertainty risks remain persistent with geopolitical conflicts. Though the nature and extent of these risks may vary depending on circumstances, these factors continue to impact the demand and affordability of mortgages and the financial health of the Canadian economy and borrowers. An inability to respond and manage these risks effectively may have an adverse effect on our future results and operations.

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 interim 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 March 31, 2026, 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.

Asset-Liability Committee ("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 Enterprise Risk Management and Compliance Committee ("ERM&CC"). At March 31, 2026, 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 maintained 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 an agreement with MSLP, a wholly owned subsidiary of MCAP, whereby the Company can sell to MSLP insured residential mortgage commitments. This agreement provides liquidity and the opportunity to fund other core business activities in line with our strategy.

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 24: Liquidity Analysis

At March 31, 2026 (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	\$ 129,488	\$ —	\$ —	\$ —	\$ —	129,488
Marketable securities	54,076	—	—	—	—	54,076
Mortgages - non-securitized	747,707	909,826	679,176	69,246	36,818	2,442,773
Non-marketable securities	—	—	—	—	127,474	127,474
Other loans	5,187	—	—	—	—	5,187
	936,458	909,826	679,176	69,246	164,292	2,758,998
Uses of liquidity						
Term deposits	489,446	696,375	864,906	299,218	—	2,349,945
Loans payable	69,584	—	—	—	—	69,584
Other liabilities	10,249	82	1,143	1,170	6,142	18,786
	569,279	696,457	866,049	300,388	6,142	2,438,315
Net liquidity surplus (deficit)	\$ 367,179	\$ 213,369	\$ (186,873)	\$ (231,142)	\$ 158,150	\$ 320,683

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 March 31, 2026, 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 5 to the interim consolidated financial statements.

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.

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.

An immediate and sustained parallel 1% increase to market interest rates on interest-bearing financial instruments at March 31, 2026 would have an estimated positive effect of \$0.1 million (December 31, 2025 - positive effect of \$0.8 million) to net income over the following twelve month period. An immediate and sustained parallel 1% decrease to market interest rates at March 31, 2026 would have an estimated positive effect of \$2.3 million (December 31, 2025 - positive effect of \$1.8 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 March 31, 2026 and December 31, 2025 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 25: Interest Rate Sensitivity at March 31, 2026

At March 31, 2026 (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	\$1,838,312	\$366,360	\$1,096,169	\$1,672,697	\$1,193,814	\$34,494	\$456,050	\$6,657,896
Liabilities	753,691	595,777	1,174,400	2,005,601	1,453,612	—	18,786	6,001,867
Shareholders' Equity	—	—	—	—	—	—	656,029	656,029
Gap	\$1,084,621	\$(229,417)	\$(78,231)	\$(332,904)	\$(259,798)	\$34,494	\$(218,765)	\$—
Yield Spread	3.03 %	1.57 %	1.34 %	0.87 %	0.67 %	3.82 %		

Table 26: 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	\$1,734,396	\$324,705	\$1,193,944	\$1,674,114	\$1,088,296	\$22,659	\$439,356	\$6,477,470
Liabilities	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 %		

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.

DESCRIPTION OF CAPITAL STRUCTURE

Our authorized share capital consists of an unlimited number of common shares with no par value. At March 31, 2026, there were 40,701,028 common shares outstanding (December 31, 2025 - 40,471,074). At April 30, 2026, there were 40,701,028 common shares outstanding.

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. At March 31, 2026, 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.

We issued \$5.0 million in new common shares in Q1 2026 (Q1 2025 - \$4.5 million) 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.

For additional information related to share capital, refer to Note 13 to the interim 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 27: Contractual Commitments

At March 31, 2026 (in thousands)	Within 3 months	Months to 1 Year	> 1 to 3 Years	> 3 to 5 Years	> 5 Years	Total
Commitment - Mortgage Fundings	\$ 438,167	\$ 119,542	\$ 24,884	\$ —	\$ —	\$ 582,593
Commitment - Real Estate Debt Funds	2,724	11,070	11,420	4,120	2,500	\$ 31,834
Commitment - Other Real Estate Limited Partnerships	688	2,061	2,751	—	28,844	\$ 34,344
	\$ 441,579	\$ 132,673	\$ 39,055	\$ 4,120	\$ 31,344	\$ 648,771

We retain mortgage servicing obligations relating to securitized insured multi-family mortgages where balance sheet derecognition has been achieved. At March 31, 2026, these derecognized securitized insured multi-family mortgages totalled \$1.2 billion. For further information on our securitization activities, refer to Note 10 to the interim consolidated financial statements.

We provide letters of credit, which are not reflected on the interim 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 17 to the interim consolidated financial statements.

DIVIDENDS

On April 30, 2026, the Board declared a regular quarterly cash dividend of \$0.43 per share to be paid on June 30, 2026 to shareholders of record as at June 15, 2026.

In order to take advantage of the tax benefits provided by the 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 the dividends that we pay to shareholders from our taxable income. Regular dividends are taxed as interest income to shareholders. We are able to pay capital gains dividends, which would be taxed as capital gains to shareholders. Dividends paid to foreign investors may be subject to withholding taxes. The Company has historically paid out regular 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 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.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions for the quarters ended March 31, 2026 and March 31, 2025 and related party balances at March 31, 2026 and December 31, 2025 are discussed in Notes 8 and 16 to the interim consolidated financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The majority of our interim 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 interim 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 affected assets or liabilities in future periods.

For a detailed discussion of critical accounting estimates and judgments, refer to the “Critical Accounting Estimates and Judgments” section of the 2025 Annual MD&A.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

At March 31, 2026, the Chief Executive Officer and Chief Financial Officer of MCAN, with the assistance of the Company’s Disclosure Committee comprised of members of management, have designed disclosure controls and procedures to provide reasonable assurance that (i) material information relating to MCAN is made known to the Chief Executive Officer and Chief Financial Officer and (ii) 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 have designed Internal Controls over Financial Reporting (“ICFR”) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

There were no changes in our ICFR during the interim period ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our control framework.

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 interim 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 and Ratios

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 interim consolidated statements of income. Calculations can also be found in Table 4 of this MD&A.

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 interim consolidated statements of income. Calculations can also be found in Table 6 of this MD&A.

Mortgage Interest - Non-securitized and Securitized portfolio

These are components of total net interest income - mortgage interest based on the funding source for the Company's assets.

Table 28: Net Interest Income - Mortgage Interest

For the Quarters Ended (in thousands)	Q1 2026	Q4 2025	Q1 2025
Mortgage interest - non-securitized assets (see Table 4 above)	\$ 41,912	\$ 45,331	\$ 45,148
Mortgage interest - securitized assets (see Table 6 above)	32,782	26,144	18,742
Total Net Interest Income - Mortgage Interest	\$ 74,694	\$ 71,475	\$ 63,890

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 mortgage 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 the related total mortgage principal for uninsured residential mortgage, residential mortgage (non-securitized and securitized), non-securitized mortgage (residential, construction and commercial) and total mortgage (all 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 balance sheet assets and assets derecognized but still managed by MCAN.

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.

CONSOLIDATED BALANCE SHEETS
(Unaudited) (in thousands of Canadian dollars)

	Note	March 31 2026	December 31 2025
Assets			
Cash and cash equivalents		\$ 129,488	\$ 79,828
Cash held in trust	6	68,642	71,856
Marketable securities		54,076	54,146
Mortgages	6	6,053,512	5,938,259
Non-marketable securities	7	127,474	126,592
Equity investment in MCAP Commercial LP	8	135,488	133,995
Derivative financial instruments	11	824	1,907
Deferred tax assets		1,874	1,650
Other assets	9	86,518	69,237
		\$ 6,657,896	\$ 6,477,470
Liabilities and Shareholders' Equity			
Liabilities			
Financial liabilities from securitization	12	\$ 3,562,390	\$ 3,433,883
Term deposits		2,349,945	2,340,483
Demand loans payable	17	69,584	19,438
Derivative financial instruments	11	1,162	46
Other liabilities		18,786	38,772
		6,001,867	5,832,622
Shareholders' Equity			
Share capital	13	496,057	491,015
Contributed surplus		510	510
Retained earnings		159,023	153,442
Accumulated other comprehensive income (loss)		439	(119)
		656,029	644,848
		\$ 6,657,896	\$ 6,477,470

The accompanying notes and shaded areas of the "Risk Factors" section of Management's Discussion and Analysis of Operations are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited) (in thousands of Canadian dollars except for per share amounts)

For the Quarters Ended March 31	Note	2026	2025
Net Interest Income			
Mortgage interest		\$ 74,694	\$ 63,890
Interest on cash and other		1,268	1,175
		75,962	65,065
Term deposit interest and expenses	11	22,883	24,882
Interest on financial liabilities from securitization	11	27,009	16,036
Interest on loans payable	17	501	394
		50,393	41,312
Total Net Interest Income		25,569	23,753
Non-interest Income			
Equity income from MCAP Commercial LP	8	7,939	5,571
Distribution income from securities		2,799	2,741
Fees		976	1,080
Net gain on securities	15	3,289	1,099
Other		1,030	12
Total Non-interest Income		16,033	10,503
Total Income		41,602	34,256
Provision for credit losses		1,461	3,089
Non-interest Expenses			
Salaries and benefits		7,735	7,119
General and administrative		9,598	7,762
		17,333	14,881
Net Income Before Income Taxes		22,808	16,286
Provision for (recovery of) income taxes			
Current		—	—
Deferred		(224)	(304)
		(224)	(304)
Net Income		\$ 23,032	\$ 16,590
Basic and diluted earnings per share		\$ 0.57	\$ 0.43
Cash dividends per share		\$ 0.43	\$ 0.41
Weighted average number of basic and diluted shares (000's)		40,621	38,940

The accompanying notes and shaded areas of the "Risk Factors" section of Management's Discussion and Analysis of Operations are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited) (in thousands of Canadian dollars)

For the Quarters Ended March 31	Note	2026	2025
Net Income		\$ 23,032	\$ 16,590
Other comprehensive income items that may be subsequently reclassified to income (loss):			
Cash Flow Hedges	11		
Net gains (losses) from changes in fair value of cash flow hedges		486	—
Reclassification of net losses (gains) to net income		72	114
Total Other Comprehensive Income		558	114
Comprehensive Income		\$ 23,590	\$ 16,704

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited) (in thousands of Canadian dollars)

For the Quarters Ended March 31	Note	2026	2025
Share Capital			
Balance, beginning of quarter		\$ 491,015	\$ 456,683
Share capital issued, net of share issuance costs	13	5,042	7,423
Balance, end of quarter		496,057	464,106
Contributed Surplus		510	510
Retained Earnings			
Balance, beginning of quarter		153,442	143,620
Net income		23,032	16,590
Dividends declared	13	(17,451)	(15,951)
Balance, end of quarter		159,023	144,259
Accumulated Other Comprehensive Income	11		
Balance, beginning of quarter		(119)	(1,624)
Other comprehensive income		558	114
Balance, end of quarter		439	(1,510)
Total Shareholders' Equity		\$ 656,029	\$ 607,365

The accompanying notes and shaded areas of the "Risk Factors" section of Management's Discussion and Analysis of Operations are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) (in thousands of Canadian dollars)

For the Quarters Ended March 31	Note	2026	2025
Cash flows from (for):			
Operating Activities			
Net income		\$ 23,032	\$ 16,590
Adjustments to determine cash flows relating to operating activities:			
Deferred taxes		(224)	(304)
Equity income from MCAP Commercial LP	8	(7,939)	(5,571)
Provision for credit losses	15	1,461	3,089
Net unrealized (gain) loss on securities		658	361
Amortization of cash flow hedges net losses (gains)		73	114
Amortization of securitized mortgage and liability transaction costs		2,761	2,554
Amortization of other assets		485	633
Changes in operating assets and liabilities:			
Marketable securities		99	3,834
Mortgages		(118,664)	(18,954)
Non-marketable securities		(1,569)	(5,027)
Derivative financial instruments		2,686	(3,485)
Other assets		(17,668)	(4,902)
Cash held in trust		3,214	(15,539)
Term deposits		9,462	50,975
Financial liabilities from securitization		127,699	(55,997)
Other liabilities		(3,770)	(6,798)
Cash flows from (for) operating activities		21,796	(38,427)
Investing Activities			
Distributions from MCAP Commercial LP	8	6,446	5,031
Acquisition of capital and intangible assets		(104)	(3,082)
Cash flows from investing activities		6,342	1,949
Financing Activities			
Proceeds from issuance of common shares, net of share issuance costs		—	1,098
Net change in demand loans		50,146	113,827
Increase in premises lease liability		355	(82)
Dividends paid		(28,979)	(26,513)
Cash flows from financing activities		21,522	88,330
Increase in cash and cash equivalents		49,660	51,852
Cash and cash equivalents, beginning of quarter		79,828	61,703
Cash and cash equivalents, end of quarter		\$ 129,488	\$ 113,555
Supplementary Information			
Interest received		\$ 77,401	\$ 65,637
Interest paid		53,380	44,251
Distributions received from securities		2,717	2,620

The accompanying notes and shaded areas of the "Risk Factors" section of Management's Discussion and Analysis of Operations are an integral part of these interim consolidated financial statements.

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1. Corporate Information

MCAN Mortgage Corporation doing business as (“d/b/a”) MCAN Financial Group (the “Company” or “MCAN”) is a Loan Company under the *Trust and Loan Companies Act* (Canada) (the “Trust Act”) and a Mortgage Investment Corporation (“MIC”) under the *Income Tax Act* (Canada) (the “Tax Act”). As a Loan Company under the Trust Act, the Company is subject to the guidelines and regulations set by the Office of the Superintendent of Financial Institutions Canada (“OSFI”). MCAN is incorporated in Canada with its head office located at 200 King Street West, Suite 700, Toronto, Ontario, Canada. MCAN is a public company listed on the Toronto Stock Exchange under the symbol MKP.

MCAN’s objective is to generate a reliable stream of income by investing in a diversified portfolio of Canadian mortgages, including residential, residential construction, non-residential construction and commercial loans, as well as other types of securities, loans and real estate investments, including our investment in MCAP Commercial LP (“MCAP”). MCAN issues term deposits that are eligible for Canada Deposit Insurance Corporation deposit insurance and are sourced through a network of independent financial agents. The Company manages its capital and asset balances based on the regulations and limits of both the Tax Act and OSFI.

MCAN’s wholly owned subsidiary, MCAN Home Mortgage Corporation, is an originator of residential mortgage products across Canada.

The interim consolidated financial statements were approved in accordance with a resolution of the Board of Directors (the “Board”) on April 30, 2026.

2. Basis of Preparation

The interim consolidated financial statements of the Company have been prepared on a condensed basis in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These interim consolidated financial statements should be read in conjunction with the 2025 Annual Report.

The interim consolidated financial statements have been prepared on a historical cost basis, except for certain items carried at fair value as discussed in Note 4 to the Company’s annual consolidated financial statements for the year ended December 31, 2025. The interim consolidated financial statements are presented in Canadian dollars.

The disclosures that accompany the interim consolidated financial statements include the material accounting policy information applied (Note 4) and the significant accounting judgments and estimates (Note 5) applicable to the preparation of the interim consolidated financial statements. Certain disclosures are included in the shaded sections of the “Risk Factors” section of Management’s Discussion and Analysis of Operations (the “MD&A”), as permitted by IFRS, and form an integral part of the interim consolidated financial statements.

The Company’s assets are funded by term deposits, securitizations and share capital. Securitized assets consist of (i) insured residential mortgages that have been securitized through the *National Housing Act* (“NHA”) Mortgage-Backed Securities (“MBS”) program and subsequently sold to third parties; and (ii) uninsured residential mortgages securitized through a bank-sponsored program. Both of these transactions do not achieve derecognition of the mortgages. These assets are funded by the cash received from the sale of the associated securities or notes, from which the Company records a financial liability from securitization.

3. Basis of Consolidation

The interim consolidated financial statements include the balances of MCAN and its wholly owned subsidiaries, after the elimination of intercompany transactions and balances. The Company consolidates those entities that it controls. The Company has control when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

4. Material Accounting Policy Information

The material accounting policies applied by the Company in the preparation of its interim consolidated financial statements are the same as those disclosed in Note 4 to the Company's annual consolidated financial statements for the year ended December 31, 2025.

5. Summary of Significant Accounting Judgments and Estimates

The preparation of the Company's interim consolidated financial statements requires management to make judgments, estimates 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. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the affected assets or liabilities in future periods.

Significant influence

Significant influence represents the power to participate in the financial and operating policy decisions of an investee but does not represent control or joint control over the entity. In determining whether it has significant influence over an entity, the Company makes certain judgments to form the basis for the Company's policies in accounting for its equity investments. Although MCAN's voting interest in MCAP was less than 20% at March 31, 2026, MCAN uses the equity basis of accounting for the investment as it has significant influence in MCAP per IAS 28, *Investments in Associates and Joint Ventures*, as a result of its entitlement to a position on MCAP's Board of Directors.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the interim consolidated financial statements cannot be derived from active markets, they are determined using a variety of valuation techniques that may include the use of mathematical models, independent appraisals and recent transactions. Valuation 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, capitalization rates, prepayment rates and default rate assumptions for certain investments.

Impairment of financial assets

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 when determining impairment losses. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company groups its financial assets into stage 1, stage 2 and stage 3, depending on whether the assets are performing, in arrears or impaired. The Company's allowance for expected credit loss ("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 Probability of Default, Loss Given Default, and Exposure at Default; and
- Forward-looking information used as economic inputs.

The Company may also make qualitative adjustments or overlays using expert credit judgment in the calculations of ECLs, which represent accounting judgments and estimates that have been heightened due to the current economic and geopolitical environment. Key judgments and estimates, including around probability weights to assign to each scenario and the impacts of government policy and stimulus measures, will be heavily influenced by the extent and severity of these events. These judgments and estimates have been made with reference to the facts, projections and other circumstances at the interim consolidated balance sheet dates. IFRS 9 does not permit the use of hindsight in measuring provisions for credit losses. Any new forward-looking information subsequent to the interim consolidated balance sheet dates are reflected in the measurement of provisions for credit losses in future periods, as appropriate.

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 using the effective interest rate method (“EIM”).

6. Mortgages

(a) Summary

At March 31, 2026	Gross		Allowance			Total	Net Principal
	Principal	Stage 1	Stage 2	Stage 3			
Residential mortgages							
Insured - non-securitized	\$ 174,681	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 174,681
Insured - securitized	3,186,697	—	—	—	—	—	3,186,697
Uninsured - non-securitized	926,934	2,090	2,544	3,291	7,925	919,009	919,009
Uninsured - securitized	424,927	385	500	—	885	424,042	424,042
Uninsured - completed inventory	156,509	1,243	—	—	1,243	155,266	155,266
Construction loans	1,143,240	4,197	43	9,845	14,085	1,129,155	1,129,155
Commercial loans							
Multi-family residential	54,226	380	—	—	380	53,846	53,846
Other commercial	11,036	220	—	—	220	10,816	10,816
	\$ 6,078,250	\$ 8,515	\$ 3,087	\$ 13,136	\$ 24,738	\$ 6,053,512	

At December 31, 2025	Gross		Allowance			Total	Net Principal
	Principal	Stage 1	Stage 2	Stage 3			
Residential mortgages							
Insured - non-securitized	\$ 171,895	\$ —	\$ —	\$ —	\$ —	\$ 171,895	\$ 171,895
Insured - securitized	3,147,214	—	—	—	—	3,147,214	3,147,214
Uninsured - non-securitized	985,065	1,795	2,350	2,861	7,006	978,059	978,059
Uninsured - securitized	311,860	222	181	—	403	311,457	311,457
Uninsured - completed inventory	167,518	1,485	—	—	1,485	166,033	166,033
Construction loans	1,149,649	3,441	210	10,368	14,019	1,135,630	1,135,630
Commercial loans							
Multi-family residential	17,366	177	—	—	177	17,189	17,189
Other commercial	10,997	215	—	—	215	10,782	10,782
	\$ 5,961,564	\$ 7,335	\$ 2,741	\$ 13,229	\$ 23,305	\$ 5,938,259	

Gross principal as presented in the tables above includes unamortized capitalized transaction costs and accrued interest.

Uninsured - completed inventory loans are extended to developers to provide interim mortgage financing on residential units (condominium or freehold) that are completed or close to completion. Qualification criteria for the completed inventory classification include no substantial remaining construction risk, commencement of occupancy permits, potential sale and closing with a purchaser within three to four months or units near completion.

(b) Mortgages by risk rating

The Company's internal risk rating system involves judgment and combines multiple factors to arrive at a borrower-specific score to assess the borrower's probability of default and ultimately classify the mortgage into one of the categories listed below. For residential mortgages, these factors include, but are not limited to, the loan to value ratio, the borrower's ability to service debt, property location and credit score. For construction, commercial and uninsured completed inventory loans, these factors include, but are not limited to, borrower net worth, project presales, experience with the borrower, project location, debt serviceability and loan to value ratio.

The internal risk ratings presented below are defined as follows:

- **Insured Performing**: Mortgages that are insured by a federally regulated mortgage insurer that are not in arrears or default.
- **Very Low/Low**: Mortgages that have below average probability of default with credit risk that is lower than the Company's risk appetite and risk tolerance levels.
- **Normal/Moderate**: Mortgages that have a standard probability of default with credit risk that is within the Company's risk appetite and risk tolerance levels.
- **High/Higher**: Mortgages that may have a higher probability of default but are within the Company's risk appetite or have subsequently experienced an increase in credit risk. The proportion of mortgages originated in this category is managed to the Company's overall risk appetite and tolerance levels.
- **Monitored/Arrears**: For residential mortgages, mortgages that are past due but less than 90 days in arrears or mortgages for which an escalated concern has arisen. For construction, commercial and uninsured completed inventory loans, mortgages where the performance trend is negative or where debt serviceability may be in jeopardy.
- **Impaired/Default**: Mortgages that are over 90 days past due or mortgages for which there is objective evidence of impairment.

The table below shows the credit quality of the Company's mortgage portfolio based on the Company's internal risk rating system and stage classification. The Company's policy that outlines whether ECL allowances are calculated on an impaired or performing basis is discussed in Note 4 to the Company's annual consolidated financial statements for the year ended December 31, 2025.

At	March 31, 2026				December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Residential mortgages								
Insured - non-securitized								
Performing	\$ 168,141	\$ 5,657	\$ —	\$ 173,798	\$ 163,341	\$ 4,288	\$ —	\$ 167,629
High/Higher	—	—	—	—	2,660	130	—	2,790
Monitored/Arrears	—	883	—	883	—	1,231	—	1,231
Impaired/Default	—	—	—	—	—	—	245	245
	168,141	6,540	—	174,681	166,001	5,649	245	171,895
Insured - securitized								
Performing	3,045,712	129,466	—	3,175,178	2,946,929	130,116	—	3,077,045
High/Higher	—	—	—	—	36,611	19,703	—	56,314
Monitored/Arrears	—	11,234	—	11,234	—	13,855	—	13,855
Impaired/Default	—	—	285	285	—	—	—	—
	3,045,712	140,700	285	3,186,697	2,983,540	163,674	—	3,147,214
Uninsured - non-securitized								
Very low/Low	117,183	19,898	—	137,081	212,419	20,377	—	232,796
Normal/Moderate	494,732	80,486	—	575,218	429,429	109,623	—	539,052
High/Higher	113,328	28,984	—	142,312	88,159	55,062	—	143,221
Monitored/Arrears	13,546	37,676	—	51,222	16,847	33,898	—	50,745
Impaired/Default	—	—	13,176	13,176	—	—	12,245	12,245
	738,789	167,044	13,176	919,009	746,854	218,960	12,245	978,059
Uninsured - securitized								
Very low/Low	155,961	28,465	—	184,426	162,902	17,321	—	180,223
Normal/Moderate	189,451	31,530	—	220,981	91,107	19,430	—	110,537
High/Higher	14,495	4,140	—	18,635	15,359	5,338	—	20,697
Monitored/Arrears	—	—	—	—	—	—	—	—
Impaired/Default	—	—	—	—	—	—	—	—
	359,907	64,135	—	424,042	269,368	42,089	—	311,457
Uninsured - completed inventory								
Normal/Moderate	—	—	—	—	2,009	—	—	2,009
High/Higher	155,266	—	—	155,266	164,024	—	—	164,024
	155,266	—	—	155,266	166,033	—	—	166,033
Construction loans								
Normal/Moderate	7,006	—	—	7,006	7,487	—	—	7,487
High/Higher	1,056,335	—	—	1,056,335	1,074,872	—	—	1,074,872
Monitored/Arrears	—	19,403	—	19,403	—	23,943	—	23,943
Impaired/Default	—	—	46,411	46,411	—	—	29,328	29,328
	1,063,341	19,403	46,411	1,129,155	1,082,359	23,943	29,328	1,135,630
Commercial loans								
Multi-family residential								
High/Higher	53,846	—	—	53,846	17,189	—	—	17,189
	53,846	—	—	53,846	17,189	—	—	17,189
Other								
High/Higher	10,816	—	—	10,816	10,782	—	—	10,782
	10,816	—	—	10,816	10,782	—	—	10,782
	\$5,595,818	\$ 397,822	\$ 59,872	\$6,053,512	\$5,442,126	\$ 454,315	\$ 41,818	\$5,938,259

(Dollar amounts in thousands except for per share amounts)

(c) Mortgage allowances

Quarters Ended March 31	2026				2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Residential mortgages								
Insured - non-securitized								
Allowance, beginning of quarter	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total provision	—	—	—	—	—	—	—	—
Allowance, end of quarter	—	—	—	—	—	—	—	—
Insured - securitized								
Allowance, beginning of quarter	—	—	—	—	—	—	—	—
Total provision (recovery)	—	—	—	—	—	—	—	—
Allowance, end of quarter	—	—	—	—	—	—	—	—
Uninsured - non-securitized								
Allowance, beginning of quarter	1,795	2,350	2,861	7,006	1,149	1,314	1,260	3,723
Transfer from stage 1 ³	(674)	674	—	—	(732)	732	—	—
Transfer from stage 2 ³	278	(477)	199	—	244	(464)	220	—
Transfer from stage 3 ³	—	—	—	—	—	70	(70)	—
Net remeasurement of allowance ¹	114	291	636	1,041	736	574	814	2,124
Originations ⁴	794	—	—	794	306	—	—	306
Mortgages derecognized or repaid ²	(217)	(294)	(405)	(916)	(38)	(52)	(428)	(518)
Total provision	295	194	430	919	516	860	536	1,912
Write-off (recovery)	—	—	—	—	—	—	(182)	(182)
Allowance, end of quarter	2,090	2,544	3,291	7,925	1,665	2,174	1,614	5,453
Uninsured - securitized								
Allowance, beginning of quarter	222	181	—	403	—	—	—	—
Transfer from stage 1 ³	(122)	122	—	—	—	—	—	—
Transfer from stage 2 ³	49	(49)	—	—	—	—	—	—
Transfer from stage 3 ³	—	—	—	—	—	—	—	—
Net remeasurement of allowance ¹	12	23	—	35	—	—	—	—
Originations	232	226	—	458	—	—	—	—
Mortgages derecognized or repaid ²	(8)	(3)	—	(11)	—	—	—	—
Total provision (recovery)	163	319	—	482	—	—	—	—
Write-off (recovery)	—	—	—	—	—	—	—	—
Reclassification of mortgages	—	—	—	—	—	—	—	—
Allowance, end of quarter	385	500	—	885	—	—	—	—
Uninsured - completed inventory								
Allowance, beginning of quarter	1,485	—	—	1,485	982	—	—	982
Transfer from stage 1 ³	—	—	—	—	—	—	—	—
Transfer from stage 2 ³	—	—	—	—	—	—	—	—
Transfer from stage 3 ³	—	—	—	—	—	—	—	—
Net remeasurement of allowance ¹	(296)	—	—	(296)	(22)	—	—	(22)
Originations ⁴	132	—	—	132	163	—	—	163
Mortgages derecognized or repaid ²	(78)	—	—	(78)	(10)	—	—	(10)
Total provision (recovery)	(242)	—	—	(242)	131	—	—	131
Allowance, end of quarter	1,243	—	—	1,243	1,113	—	—	1,113

Quarters Ended March 31	2026				2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Construction loans								
Allowance, beginning of quarter	\$ 3,441	\$ 210	\$ 10,368	\$ 14,019	\$ 3,770	\$ —	\$ 4,692	\$ 8,462
Transfer from stage 1 ³	(177)	177	—	—	(92)	92	—	—
Transfer from stage 2 ³	251	(396)	145	—	104	(104)	—	—
Transfer from stage 3 ³	—	—	—	—	—	—	—	—
Net remeasurement of allowance ¹	404	73	(668)	(191)	366	12	807	1,185
Originations ⁴	877	—	—	877	419	—	—	419
Mortgages derecognized or repaid ²	(599)	(21)	—	(620)	(561)	—	—	(561)
Total provision (recovery)	756	(167)	(523)	66	236	—	807	1,043
Allowance, end of quarter	4,197	43	9,845	14,085	4,006	—	5,499	9,505
Commercial loans								
Multi-family residential								
Allowance, beginning of quarter	177	—	—	177	10	25	—	35
Net remeasurement of allowance ¹	—	—	—	—	1	2	—	3
Originations ⁴	380	—	—	380	—	—	—	—
Mortgages derecognized or repaid ²	(177)	—	—	(177)	—	—	—	—
Total provision (recovery)	203	—	—	203	1	2	—	3
Allowance, end of quarter	380	—	—	380	11	27	—	38
Other								
Allowance, beginning of quarter	215	—	—	215	—	—	—	—
Net remeasurement of allowance ¹	5	—	—	5	—	—	—	—
Originations ⁴	—	—	—	—	—	—	—	—
Mortgages derecognized or repaid ²	—	—	—	—	—	—	—	—
Total provision (recovery)	5	—	—	5	—	—	—	—
Allowance, end of quarter	220	—	—	220	—	—	—	—
Total								
Allowance, beginning of quarter	7,335	2,741	13,229	23,305	5,911	1,339	5,952	13,202
Transfer from stage 1 ³	(973)	973	—	—	(824)	824	—	—
Transfer from stage 2 ³	578	(922)	344	—	348	(568)	220	—
Transfer from stage 3 ³	—	—	—	—	—	70	(70)	—
Net remeasurement of allowance ¹	239	387	(32)	594	1,081	588	1,621	3,290
Originations ⁴	2,415	226	—	2,641	888	—	—	888
Mortgages derecognized or repaid ²	(1,079)	(318)	(405)	(1,802)	(609)	(52)	(428)	(1,089)
Total provision (recovery)	1,180	346	(93)	1,433	884	862	1,343	3,089
Write-off (recovery)	—	—	—	—	—	—	(182)	(182)
Allowance, end of quarter	\$ 8,515	\$ 3,087	\$ 13,136	\$ 24,738	\$ 6,795	\$ 2,201	\$ 7,113	\$ 16,109

¹ Represents the change in the allowance related to changes in model parameters, inputs and assumptions. This includes remeasurement between 12-month and lifetime ECLs following stage transfers, changes to forward-looking macroeconomic conditions, changes in the level of risk and changes to other parameters used in the ECL model.

² Reflects the decrease in the allowance related to mortgages that were repaid or derecognized during the period.

³ Represents movements between ECL stages and excludes the impact to the allowance of remeasurement between 12-month and lifetime ECLs, and changes in risk.

⁴ Reflects the increase in allowance related to mortgages newly recognized during the period. This includes mortgages that were newly originated, purchased or re-recognized following a modification of terms.

ECLs are calculated through three probability-weighted forward-looking scenarios: base, favourable and unfavourable. ECLs are sensitive to the macroeconomic variables used in the three forward-looking scenarios and the probability weights assigned to those forecasts. The macroeconomic variables used in these scenarios are projected over the specified forecast period and could have a material impact in determining ECLs.

All mortgages are secured by real estate property located in Canada. Insured residential mortgages also qualify for insurance that mitigates the risk of credit loss. For past due but not impaired, and impaired mortgages, there may be no ECL if there is sufficient collateral value and quality to cover the maximum credit exposure. Appraised values for collateral held against mortgages are obtained initially at the time of origination and updated when a mortgage is individually assessed as credit impaired.

At March 31, 2026, the maximum credit exposure was \$6,078,250 (December 31, 2025 - \$5,961,564) for all mortgages.

The following table represents the average values of the macroeconomic variables used in these forecasts:

At March 31, 2026	Base		Favourable		Unfavourable	
	Next 12 Months ¹	2 to 5 Years ¹	Next 12 Months ¹	2 to 5 Years ¹	Next 12 Months ¹	2 to 5 Years ¹
Macroeconomic Variables						
Housing Price Index (annual change)						
Canada	0.51%	1.85%	8.79%	2.87%	(1.48)%	1.60%
Greater Toronto Area	(1.80%)	1.85%	6.33%	2.87%	(2.26)%	1.66%
Greater Vancouver Area	0.46%	1.80%	8.73%	2.81%	(1.51)%	1.63%
Gross domestic product (annual change)	1.76%	1.86%	2.76%	1.98%	0.76 %	1.73 %
Unemployment rate	6.47%	6.07%	5.97%	6.01%	6.97%	6.13%
Interest rates						
Prime rate	4.59%	4.94%	5.09%	5.01%	4.34%	4.91%
At December 31, 2025						
	Base		Favourable		Unfavourable	
	Next 12 Months ¹	2 to 5 Years ¹	Next 12 Months ¹	2 to 5 Years ¹	Next 12 Months ¹	2 to 5 Years ¹
Macroeconomic Variables						
Housing Price Index (annual change)						
Canada	2.51%	3.03%	10.91%	4.05%	0.49 %	2.77%
Greater Toronto Area	1.11%	2.99%	9.42%	4.01%	0.51 %	2.88%
Greater Vancouver Area	2.47%	3.02%	10.86%	4.04%	0.50 %	2.83%
Gross domestic product (annual change)	1.69%	1.57%	2.69%	1.69%	0.69 %	1.44%
Unemployment rate	6.58%	6.14%	6.08%	6.08%	7.08%	6.20%
Interest rates						
Prime rate	4.50%	4.86%	5.00%	4.92%	4.25%	4.83%
At March 31, 2025						
	Base		Favourable		Unfavourable	
	Next 12 months ¹	2 to 5 years ¹	Next 12 months ¹	2 to 5 years ¹	Next 12 months ¹	2 to 5 years ¹
Macroeconomic variables						
Housing Price Index (annual change)						
Canada	1.89%	3.80%	10.25%	4.83%	(0.12)%	3.54%
Greater Toronto Area	0.41%	3.78%	8.67%	4.81%	(0.14)%	3.69%
Greater Vancouver Area	1.41%	3.82%	9.74%	4.86%	(0.13)%	3.62%
Gross domestic product (annual change)	0.62%	1.75%	1.62%	1.87%	(0.39)%	1.62%
Unemployment rate	6.92%	6.54%	6.42%	6.48%	7.42%	6.61%
Interest rates						
Prime rate	4.58%	4.62%	5.08%	4.68%	4.33%	4.59%

¹ The numbers represent the average values over the quoted period.

Historical regression methodology is used to relate ECL to key macroeconomic indicators including housing price indices, gross domestic product, unemployment rate and interest rates. Economic forecasts are determined based on a combination of external information and internal management judgments and estimates at the reporting date. 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. Since March 31, 2026, forecasts around these uncertainties have continued to evolve. Any new forward-looking information subsequent to March 31, 2026, 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.

The base scenario represents management's best estimate using all available economic forecasts in light of the current geopolitical environment. It assumes the unemployment rate will decrease while gross domestic product and housing prices are expected to increase, except in the Greater Toronto Area. The favourable scenario assumes a large increase in housing prices, lower unemployment and a larger increase to gross domestic product compared to the base scenario. The unfavourable scenario assumes an increase to the unemployment rate, a decrease in housing prices and modest increase in gross domestic product growth in the short term followed by some recovery in the mid to long term.

Assuming a 100% base case economic forecast with the incorporation of the impact of the migration of mortgages between stages, with all other assumptions held constant, the ECL for non-securitized mortgages at March 31, 2026 would be approximately \$23,939 (December 31, 2025 - \$23,382) compared to the reported ECL for non-securitized mortgages of \$23,853 (December 31, 2025 - \$22,902).

Assuming a 100% unfavourable economic forecast with the incorporation of the impact of the migration of mortgages between stages, with all other assumptions held constant, the ECL for non-securitized mortgages at March 31, 2026 would be approximately \$25,680 (December 31, 2025 - \$24,976) compared to the reported ECL for non-securitized mortgages of \$23,853 (December 31, 2025 - \$22,902).

(d) Mortgage arrears

Mortgages past due but not impaired are as follows:

At March 31, 2026	1 to 30 Days	31 to 60 Days	61 to 90 Days	Total
Residential mortgages				
Insured - non-securitized	\$ 883	\$ —	\$ —	\$ 883
Insured - securitized	9,189	2,045	—	11,234
Uninsured - non-securitized	30,704	9,663	10,855	51,222
Uninsured - securitized	—	—	—	—
Construction loans	19,403	—	—	19,403
	\$ 60,179	\$ 11,708	\$ 10,855	\$ 82,742
At December 31, 2025	1 to 30 Days	31 to 60 Days	61 to 90 Days	Total
Residential mortgages				
Insured - non-securitized	\$ 949	\$ 15	\$ 267	\$ 1,231
Insured - securitized	12,319	432	1,104	13,855
Uninsured - non-securitized	29,720	16,622	4,403	50,745
Uninsured - securitized	—	—	—	—
Construction loans	15,443	8,500	—	23,943
	\$ 58,431	\$ 25,569	\$ 5,774	\$ 89,774

Impaired mortgages (net of individual allowances) are as follows:

At March 31, 2026	Residential Mortgages			Construction Loans	Total
	Insured - securitized	Uninsured - non-securitized			
Ontario	\$ 285	\$ 11,828	\$ 19,161	\$ 31,274	
British Columbia	—	786	27,250	28,036	
Atlantic Provinces	—	212	—	212	
Other	—	350	—	350	
	\$ 285	\$ 13,176	\$ 46,411	\$ 59,872	
At December 31, 2025	Residential Mortgages		Construction Loans	Total	
	Insured	Uninsured			
Ontario	\$ 245	\$ 10,904	\$ 11,039	\$ 22,188	
British Columbia	—	785	18,289	19,074	
Atlantic Provinces	—	207	—	207	
Other	—	349	—	349	
	\$ 245	\$ 12,245	\$ 29,328	\$ 41,818	

At March 31, 2026, the carrying value was \$72,724 (December 31, 2025 – \$55,052) and the most recent appraised value of collateral was \$114,547 (December 31, 2025 – \$88,027) for all impaired mortgages. There were no significant changes in the quality of collateral since the beginning of the year.

(e) Geographic analysis

At March 31, 2026	Residential Mortgages	Construction Loans	Commercial Loans	Total	
Ontario	\$ 3,715,762	\$ 383,964	\$ 17,177	\$ 4,116,903	68.0 %
Alberta	599,046	117,041	10,816	726,903	12.0 %
British Columbia	276,087	628,150	36,669	940,906	15.5 %
Quebec	7,480	—	—	7,480	0.1 %
Atlantic Provinces	124,401	—	—	124,401	2.1 %
Other	136,919	—	—	136,919	2.3 %
	\$ 4,859,695	\$ 1,129,155	\$ 64,662	\$ 6,053,512	100.0 %

At December 31, 2025	Residential Mortgages	Construction Loans	Commercial Loans	Total	
Ontario	\$ 3,648,675	\$ 403,583	\$ 17,189	\$ 4,069,447	68.5 %
Alberta	593,743	92,972	10,782	697,497	11.7 %
British Columbia	267,241	639,075	—	906,316	15.3 %
Quebec	7,794	—	—	7,794	0.1 %
Atlantic Provinces	121,860	—	—	121,860	2.1 %
Other	135,345	—	—	135,345	2.3 %
	\$ 4,774,658	\$ 1,135,630	\$ 27,971	\$ 5,938,259	100.0 %

(f) Other information

Outstanding commitments for future fundings of mortgages are as follows:

At	March 31, 2026	December 31, 2025
Residential mortgages		
Insured	\$ 186,468	\$ 167,072
Uninsured	98,228	81,197
Uninsured - completed inventory	4,950	5,752
Construction loans	292,286	275,305
Commercial loans		
Other	661	690
	\$ 582,593	\$ 530,016

Of the total outstanding commitments for future fundings, only a portion issued are expected to fund. Accordingly, these amounts do not necessarily represent future cash requirements of the Company.

The fair value of the mortgage portfolio at March 31, 2026 is \$6,120,348 (December 31, 2025 - \$6,033,797). Fair values are calculated on a discounted cash flow basis using the prevailing market rates for similar mortgages.

At March 31, 2026, insured residential mortgages include \$35,071 (December 31, 2025 - \$37,835) of mortgages that had been securitized through the market MBS program; however, the underlying MBS security has been retained by the Company for liquidity purposes.

Capitalized transaction costs are included in securitized mortgages and are amortized using the EIM. At March 31, 2026, the unamortized capitalized transaction cost balance is \$18,416 (December 31, 2025 - \$18,624).

At March 31, 2026, cash held in trust of \$68,642 (December 31, 2025 - \$71,856) represents restricted cash held in trust in connection with the Company's insured residential mortgage securitization activities. These deposits include cash held at a Canadian Schedule I Chartered bank that hold principal and interest payments collected from securitized loans awaiting payment to their respective investors.

7. Non-marketable Securities

At	March 31, 2026	December 31, 2025
Real Estate Debt Funds	\$ 78,117	\$ 78,065
Other Real Estate Limited Partnerships	49,357	48,527
	\$ 127,474	\$ 126,592

The Company holds investments in Real Estate Debt Funds with investment interests ranging from 2.4% to 6.2% (December 31, 2025 – 2.4% to 6.2%). At March 31, 2026, the Company's total remaining commitments relating to its Real Estate Debt Funds are \$34,344, consisting of \$5,500 available for capital advances and \$28,844 that supports credit facilities throughout the life of one of the Real Estate Debt Funds. The Company advances its proportionate share as the Real Estate Debt Funds invest in a diversified portfolio of mortgage loans, including mezzanine, subordinate and bridge mortgages, secured by Canadian residential and commercial real estate.

The Company holds investments in Other Real Estate Limited Partnerships with partnership interests ranging from 4.8% to 34.8% (December 31, 2025 – 4.8% to 34.8%). At March 31, 2026, the Company's total remaining commitments relating to its Other Real Estate Limited Partnerships are \$31,834. The Company advances its proportionate share as the Other Real Estate Limited Partnerships acquire, develop, re-develop, lease, manage and reposition real estate properties across Canada.

For details of net gains and losses on non-marketable securities, refer to Note 15.

8. Equity Investment in MCAP Commercial LP

At March 31, 2026, the Company held a 13.89% equity interest in MCAP (December 31, 2025 - 13.89%), representing 4,000,000 units held by MCAN (December 31, 2025 - 4,000,000) of the 28,796,809 total outstanding MCAP partnership units (December 31, 2025 - 28,796,809).

The Company recognizes equity income from MCAP on a one-month lag such that equity income from MCAP is based on MCAP's net income for the periods ended February 28 adjusted for the impacts of significant transactions or events up to the date of our financial statements.

Amongst the interparty rights in 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.

For the Quarters Ended March 31	2026	2025
Balance, beginning of quarter	\$ 133,995	\$ 122,265
Equity income	7,939	5,571
Distributions received	(6,446)	(5,031)
Balance, end of quarter	\$ 135,488	\$ 122,805

Selected MCAP financial information is as follows:

At	February 28 2026	November 30 2025
MCAP's balance sheet:		
Assets	\$ 76,389,716	\$ 75,403,669
Liabilities	75,437,126	74,461,830
Equity	952,590	941,839

For the Quarters Ended	February 28 2026	February 28 2025
MCAP's revenue and net income:		
Revenue	\$ 273,323	\$ 242,742
Net income	\$ 57,158	\$ 40,124

9. Other Assets

At	March 31, 2026	December 31, 2025
Intangible assets, net	\$ 3,419	\$ 3,427
Capital assets, net	5,453	5,662
Right-of-use asset, net	6,018	5,510
Prepaid expenses	20,278	20,951
Other loans	5,187	6,451
Related party receivable - MCAP	3,213	683
Receivables	14,381	3,139
Interest-only strips	28,345	23,194
Foreclosed real estate	224	220
	\$ 86,518	\$ 69,237

10. Securitization Activities

The Company is an NHA MBS issuer, which involves the securitization of insured mortgages to create and sell MBS through Canada Mortgage and Housing Corporation (“CMHC”) market MBS and Canada Mortgage Bonds (“CMB”) programs.

The Company may sell MBS to third parties and may also sell the net economics and cash flows from the underlying mortgages (“interest-only strips”) to third parties. The MBS portion of the mortgage represents the core securitized mortgage principal and the right to receive coupon interest at a specified rate. The interest-only strips represent the right to receive excess cash flows after satisfying the MBS coupon interest payment and any other expenses such as mortgage servicing.

Pursuant to the NHA MBS program, MBS investors receive monthly cash flows consisting of interest and scheduled and unscheduled principal payments. CMHC makes principal and interest payments in the event of any MBS default by the issuer, thus fulfilling the timely payment guarantee to investors. All MBS issuers (including the Company) are required to remit scheduled mortgage principal and interest payments to Computershare, the designated Central Payor and Transfer Agent (“CPTA”) for the program, even if these mortgage payments have not been collected from mortgagors. Similarly, at the maturity of the MBS pools that have been issued by the Company, any outstanding principal must be paid to the CPTA. If the Company fails to make a scheduled principal and interest payment to CPTA, CMHC may enforce the assignment of the mortgages included in all MBS pools in addition to other assets backing the MBS issued. In the case of mortgage defaults, MCAN is required to make scheduled principal and interest payments to the CPTA until legal enforcement proceedings are terminated, at which time MCAN is required to transfer the full amount of any outstanding principal to the CPTA as part of the timely payment obligation and then place the mortgage/property through the insurance claims process to recover any losses. These defaults may result in cash flow timing mismatches that may marginally increase funding and liquidity risks.

During Q1 2026, MCAN securitized \$241,277 of insured residential mortgages through the market MBS and CMB programs (Q1 2025 - \$52,764).

During Q1 2026, MCAN securitized \$264,231 insured multi-family mortgages (Q1 2025 - \$29,112). With respect to the insured multi-family securitization, at the time of securitization the Company derecognized the mortgages from its consolidated balance sheet and recorded an upfront gain of \$1,072 (Q1 2025 - \$58). Other Assets at March 31, 2026 includes interest-only strips of \$28,345 (December 31, 2025 - \$23,194) from the Company’s CMB-insured multi-family securitizations (Note 9).

MCAN has 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, MCAN can sell qualifying uninsured residential mortgages that meet certain requirements into the program and they remain in the program until maturity.

During Q1 2026, MCAN securitized \$159,840 of uninsured residential mortgages through this bank-sponsored securitization program (Q1 2025 - \$nil).

Transferred financial assets that are not derecognized in their entirety

Since MCAN neither transfers nor retains substantially all of the risks and rewards of ownership on sale and retains significant continuing involvement through the provision of the timely payment obligation with respect to the majority of the market MBS program, CMB program and uninsured residential mortgage securitization transactions, MCAN continues to recognize the securitized mortgages (Note 6) and financial liabilities from securitization (Note 12) on its interim consolidated balance sheet.

Transferred financial assets that are derecognized in their entirety but where the Company has a continuing involvement

MCAN securitizes insured multi-family mortgages through the market MBS program and CMB program, and in some cases, sells MBS and the associated interest-only strips to third parties. In these instances, where MCAN transfers control of the asset or substantially all risks and rewards on sale, MCAN derecognizes the mortgages from its interim consolidated balance sheets. MCAN's continuing involvement is the ongoing obligation in its role as MBS issuer to service the mortgages and MBS until maturity.

In these circumstances, the derecognized MBS balance related to the market MBS program and CMB program are not reflected as an asset or liability on MCAN's interim consolidated balance sheets. The derecognized MBS mature as follows:

	2026	2028	2029	2030	2031	2034	Total
At March 31, 2026	\$ 7,535	\$ 79,105	\$ 105,520	\$ 630,061	\$ 264,208	\$ 66,017	\$ 1,152,446

11. Derivative Financial Instruments

Cash Flow Hedging Relationships

The Company 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. Realized gains or losses on these derivatives are reclassified from OCI to interest on financial liabilities from securitization and term deposit interest and expenses on the consolidated statements of income over the expected life of the underlying hedged item.

At March 31, 2026, the Company had \$617 of unrealized fair value gains on derivative financial assets outstanding relating to cash flow hedges (December 31, 2025 - \$201).

The following table provides a reconciliation of OCI related to cash flow hedges:

For the Quarters Ended March 31	2026	2025
Liabilities - Interest Rate Risk		
Accumulated OCI at the beginning of the year	\$ (119)	\$ (1,624)
OCI	558	114
Accumulated OCI at the End of the Period	\$ 439	\$ (1,510)
OCI on designated hedges	\$ 558	\$ 114

Fair Value Hedging Relationships

The Company 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. The Company applies 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 March 31, 2026, the Company had \$955 of net unrealized fair value losses on derivative financial liabilities and liabilities outstanding relating to fair value hedges (December 31, 2025 - \$1,660 unrealized fair value gains). In Q1 2026, we had unrealized fair value hedge gains of \$791 (Q1 2025 - \$1,038) recorded in term deposit interest and expenses in the consolidated statements of income.

The following table presents the effects of fair value hedges on the consolidated balance sheets and the consolidated statements of income:

For the Quarters Ended March 31	2026	2025
Liabilities - Interest Rate Risk		
Change in value of hedged item for ineffectiveness measurement	\$ 2,701	\$ 3,676
Change in value of hedging item for ineffectiveness measurement	(2,615)	(3,487)
Hedge Ineffectiveness	86	189
Carrying amounts for hedged items	\$ 760,335	\$ 732,368
Accumulated amounts of fair value hedge adjustments on hedged items	\$ 2,701	\$ 3,676

The following table presents outstanding derivative financial instruments designated in qualifying fair value hedging relationships:

At March 31, 2026	Notional Amount	Average Rate on Interest Rate Swaps ¹	Derivative Asset	Derivative Liability	Net Fair Market Value
Interest Rate Risk - Fair Value Hedges					
Within 1 year	\$ 177,400	2.86 %	\$ 207	\$ —	\$ 207
1 to 5 years	595,200	2.60 %	—	\$ 1,162	(1,162)
Total Derivatives in Qualifying Hedging Relationships	\$ 772,600	2.66 %	\$ 207	\$ 1,162	\$ (955)

¹Average rate on interest rate swaps represents the weighted average received fixed rate

The notional amount is not recorded as an asset or liability as it represents the face amount of the contract to which the rate or price is applied in order to calculate the amount of cash exchanged. Notional amounts do not represent the potential gain or loss associated with market risk and are not indicative of the credit risk associated with the derivatives.

At March 31, 2026, the Company had restricted cash on interest rate swaps of \$2,210 (December 31, 2025 - \$1,786), recorded in Other Assets - Receivables (Note 9), which represents deposits held as collateral by third parties for its interest rate swap transactions. The terms and conditions of these arrangements with counterparties are governed by the International Swaps and Derivatives Association, Inc. agreements.

Derivative-related Risks

The potential for derivatives to increase or decrease in value as a result of changes in relevant factors, such as interest rate changes is referred to as market risk. Credit risk on derivatives, also known as counterparty credit risk, is the risk of a financial loss occurring as a result of the failure of a counterparty to meet its obligation to the Company. The risks are actively monitored and managed by the Company.

12. Financial Liabilities from Securitization

Total financial liabilities from securitization mature as follows:

At	March 31, 2026	December 31, 2025
2026	\$ 610,092	\$ —
2027	575,871	762,237
2028	922,146	539,848
2029	472,998	904,274
2030	751,497	463,550
2031	229,786	763,974
	\$ 3,562,390	\$ 3,433,883

13. Share Capital

For the Periods Ended March 31	2026		2025	
	Number of Shares	Share Capital	Number of Shares	Share Capital
Balance, January 1	40,471,074	\$ 491,015	38,717,004	\$ 456,683
Issued				
Dividend reinvestment plan	229,954	5,042	251,912	4,514
At-the-market program	—	—	61,200	1,098
Executive share purchase plan	—	—	97,541	1,811
Balance, March 31	40,701,028	\$ 496,057	39,127,657	\$ 464,106

The authorized share capital of the Company consists of unlimited common shares with no par value.

The Company issues shares under the dividend reinvestment plan (“DRIP”) out of treasury at the weighted average trading price for the five days preceding such issue less a discount of 2%.

The Company has a (i) Base Shelf prospectus; and (ii) at-the-market equity program (“ATM Program”) established pursuant to a Prospectus Supplement to its Base Shelf prospectus allowing the Company to issue up to \$75,000 common shares to the public from time to time over a two year period at the market prices prevailing at the time of sale. The volume and timing of distributions under the ATM Program are determined at MCAN’s sole discretion.

The Company had no potentially dilutive instruments at March 31, 2026 or December 31, 2025.

14. Dividends

On April 30, 2026, the Board declared a quarterly regular cash dividend of \$0.43 per share to be paid on June 30, 2026 to shareholders of record as of June 15, 2026.

15. Net gain on securities

For the Quarters Ended March 31	2026	2025
Net realized gain (loss) on marketable securities	\$ —	\$ 1,460
Net change in unrealized gain (loss) on marketable securities	29	(371)
Net realized gain (loss) on non-marketable securities	3,947	—
Net change in unrealized gain (loss) on non-marketable securities	(687)	10
	\$ 3,289	\$ 1,099

The Company recorded a \$3,947 realized gain from an other real estate limited partnership related to the sale of an underlying property investment with value-add activity.

16. Related Party Disclosures

Transactions with MCAP

In Q1 2026, the Company entered into related party transactions with MCAP as follows:

- Purchase of mortgage origination and administration services of \$2,786 (Q1 2025 - \$2,149)
- Purchase of construction loans of \$44,880 (Q1 2025 - \$nil) and sale of construction loans at par of \$nil (Q1 2025 - \$nil) with no gain or loss on sale.
- Purchase of insured multi-family residential mortgages of \$264,231 (Q1 2025 - \$29,112).
- The Company has an agreement with MCAP Securities Limited Partnership, a wholly owned subsidiary of MCAP, whereby the Company can sell insured residential mortgage commitments. The Company sold commitments of \$32,888 (Q1 2025 - \$4,647) under this agreement and received revenue of \$318 (Q1 2025 - \$65) recorded in interest on cash and other income on the consolidated statements of income.

All related party transactions noted above were in the normal course of business.

Share Unit Plans

The tables below outline activity relating to the Restricted Share Units Plan (“RSU”) and the Performance Share Units Plan (“PSU”).

For the Periods Ended March 31	2026		2025	
	RSU	PSU	RSU	PSU
Units outstanding, beginning of period	133,257	231,629	113,714	175,313
New units granted	40,197	89,248	49,036	74,443
Units issued as dividends	5,114	9,691	5,520	8,695
Units vested	(42,194)	(51,742)	(31,970)	(39,297)
Units forfeited	—	—	—	—
Units outstanding, end of period	136,374	278,826	136,300	219,154
Compensation expense for the period	\$ 356	\$ 686	\$ 238	\$ 493
Outstanding liability, end of period	\$ 951	\$ 1,826	\$ 753	\$ 2,176

Of the total outstanding PSU share units, the Company has recorded a liability on all of these units.

Executive Share Purchase Plan

At March 31, 2026, \$3,548 of loans were outstanding under the Executive Share Purchase Plan (the “Share Purchase Plan”) (December 31, 2025 - \$3,868). The shares are pledged as security for the loans and had a fair value of \$5,494 at March 31, 2026 (December 31, 2025 - \$5,610). In Q1 2026, MCAN recognized \$50 of interest income (Q1 2025 - \$31) on the Share Purchase Plan loans.

Employee Share Ownership Plan

The Company has an Employee Share Ownership Plan whereby team members can elect to purchase common shares of the Company up to 6% of their annual earnings. The Company matches 50% of each team member’s contribution amount. During each pay period, all contributions are used by the plan’s trustee to purchase the common shares in the open market.

17. Credit Facilities

The Company has a secured demand revolver facility from a Canadian Schedule I Chartered bank bearing interest at prime plus 0.25% (December 31, 2025 - prime plus 0.25%), with a facility limit of \$220,000 (December 31, 2025 - \$220,000). The facility is due and payable upon demand. At March 31, 2026, the outstanding loan principal payable was \$5,000 (December 31, 2025 - \$12,000).

Under the facility, there is a sublimit for issued letters of credit. Letters of credit have a term of up to one year from the date of issuance, plus a renewal clause providing for an automatic one-year extension at the maturity date subject to the bank’s option to cancel by written notice at least 30 days prior to the letters of credit expiry date. The letters of credit are 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 the Company is obligated to fund the letters of credit. At March 31, 2026, there were letters of credit in the amount of \$39,285 issued (December 31, 2025 - \$41,934) and additional letters of credit in the amount of \$24,540 committed but not issued (December 31, 2025 - \$24,540).

The Company has an agreement with a Canadian Schedule I Chartered bank that enables the Company to execute repurchase agreements for liquidity purposes. This facility 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. At March 31, 2026, the outstanding facility balance was \$nil (December 31, 2025 - \$nil).

The Company has a demand loan credit agreement with a Canadian Schedule I Chartered bank for a senior secured mortgage warehouse facility with a limit of \$100,000 (December 31, 2025 - \$100,000) at either prime plus 0.05% or bankers’ acceptance rate plus 1.05%. The facility is used to fund insured residential mortgages prior to securitization activities. At March 31, 2026, the outstanding loan principal payable was \$64,320 (December 31, 2025 - \$7,200).

18. Capital Management

The Company's primary capital management objectives are to maintain sufficient capital for regulatory purposes and to earn acceptable and sustainable risk-weighted returns. Through the Company's risk management and corporate governance framework, assessments of current and projected asset growth, economic conditions, housing market activity, the interest rate environment and changes to credit quality are made to determine appropriate levels of capital. The Company expects 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 stock dividends. Our capital management is primarily driven by the guidelines set out by the Tax Act and OSFI.

For further information, refer to the "Capital Management" section of the MD&A.

Regulatory capital

As a loan company under the Trust Act, OSFI oversees the adequacy of the Company's capital. For this purpose, OSFI has imposed minimum capital to risk-weighted asset ratios and a minimum leverage ratio. OSFI expects all federally regulated financial institutions to meet the minimum capital to risk-weighted asset ratios of 7% common equity tier 1 capital, 8.5% tier 1 capital and 10.5% total capital.

For further information on the Company's regulatory capital management, refer to the "Regulatory Capital" subsection of the "Capital Management" section of the MD&A.

Income tax capital

As a MIC under the Tax Act, the Company is 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 the non-consolidated balance sheet in the MIC entity measured at its tax value. For further information on the Company's income tax capital management, refer to the "Income Tax Capital" subsection of the "Capital Management" section of the MD&A.

Other Capital Management Activity

In conjunction with the annual strategic planning and budgeting process, the Company completes an Internal Capital Adequacy Assessment Process ("ICAAP") in order to ensure that it has sufficient capital to support its business plan and risk appetite. The ICAAP assesses the capital necessary to support the various inherent risks that the Company faces, including liquidity and funding, credit, interest rate, market, operational, regulatory compliance, strategic and reputational risks. The Company's business plan is also stress-tested under various adverse scenarios to determine the impact on 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 its internal forecasts for capital adequacy on a quarterly basis, and the results of such testing are reported to the Board.

19. Financial Instruments

The majority of the Company's consolidated balance sheet consists of financial instruments, and the majority of net income 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 demand loans payable.

To measure financial instruments that are carried at fair value on the consolidated balance sheets, or for which fair value is disclosed, the following fair value hierarchy is used based on the inputs to the valuation:

- Level 1: Quoted market prices observed in active markets for identical assets and liabilities.
- Level 2: Directly or indirectly observable inputs for the assets or liabilities not included in level 1.
- Level 3: Unobservable market inputs.

Financial instruments are classified at the lowest level of the hierarchy for which a significant input has been used. The fair value hierarchy requires the use of observable market inputs whenever obtainable.

The following tables summarize the fair values of financial assets measured at fair value through profit or loss ("FVPL") and financial assets and liabilities measured at amortized cost for which fair values are disclosed.

At March 31, 2026	Level 1	Level 2	Level 3	Total	Carrying Value
Assets measured at FVPL					
Marketable securities - real estate investment trusts	\$ 39,054	\$ —	\$ —	\$ 39,054	\$ 39,054
Derivative financial instruments ²	—	207	—	207	207
Non-marketable securities - Real Estate Debt Funds ¹	—	—	78,117	78,117	78,117
Non-marketable securities - Other Real Estate Limited Partnerships ^{8,9}	—	—	49,357	49,357	49,357
	39,054	207	127,474	166,735	166,735
Liabilities measured at FVPL					
Derivative financial instruments ²	—	1,162	—	1,162	1,162
Assets measured at FVOCI					
Derivative financial instruments ²	—	617	—	617	617
Assets measured at amortized cost for which fair values are disclosed					
Cash and cash equivalents	129,488	—	—	129,488	129,488
Marketable securities - Government of Canada bonds	15,022	—	—	15,022	15,022
Mortgages ³	—	—	6,120,348	6,120,348	6,053,512
Other assets - other loans ⁴	—	—	5,187	5,187	5,187
Cash held in trust	68,642	—	—	68,642	68,642
	213,152	—	6,125,535	6,338,687	6,271,851
Liabilities measured at amortized cost for which fair values are disclosed					
Term deposits ⁶	—	—	2,362,355	2,362,355	2,349,945
Demand loans payable ⁵	—	—	69,584	69,584	69,584
Other liabilities - non-securitized ⁵	—	—	18,786	18,786	18,786
Financial liabilities from securitization ⁷	—	—	3,459,432	3,459,432	3,562,390
	\$ —	\$ —	\$5,910,157	\$5,910,157	\$6,000,705

At December 31, 2025	Level 1	Level 2	Level 3	Total	Carrying Value
Assets measured at FVPL					
Marketable securities - real estate investment trusts	\$ 39,025	\$ —	\$ —	\$ 39,025	\$ 39,025
Derivative financial instruments ²	—	1,706	—	1,706	1,706
Non-marketable securities - Real Estate Debt Funds ¹	—	—	78,065	78,065	78,065
Non-marketable securities - Other Real Estate Limited Partnerships ^{8,9}	—	—	48,527	48,527	48,527
	39,025	1,706	126,592	167,323	167,323
Liabilities measured at FVPL					
Derivative financial instruments ²	—	46	—	46	46
Assets measured at FVOCI					
Derivative financial instruments ²	—	201	—	201	201
Assets measured at amortized cost for which fair values are disclosed					
Cash and cash equivalents	79,828	—	—	79,828	79,828
Marketable securities - Government of Canada bonds	15,121	—	—	15,121	15,121
Mortgages ³	—	—	6,033,797	6,033,797	5,938,259
Other assets - other loans ⁴	—	—	6,451	6,451	6,451
Cash held in trust	71,856	—	—	71,856	71,856
	166,805	—	6,040,248	6,207,053	6,111,515
Liabilities measured at amortized cost for which fair values are disclosed					
Term deposits ⁶	—	—	2,361,053	2,361,053	2,340,483
Demand loan payable ⁵	—	—	19,438	19,438	19,438
Other liabilities - non-securitized ⁵	—	—	38,772	38,772	38,772
Financial liabilities from securitization ⁷	—	—	3,447,417	3,447,417	3,433,883
	\$ —	\$ —	\$5,866,680	\$5,866,680	\$5,832,576

¹ Fair value is based on the redemption value.

² Fair value based on swap curves adjusted for credit risks.

³ Fair value of non-securitized and securitized fixed rate mortgages are calculated based on discounting the expected future cash flows of the mortgages, adjusting for credit risk and prepayment assumptions at current market rates for offered mortgages based on term, contractual maturities and product type. For insured adjustable rate residential mortgages, fair value is assumed to equal their carrying amount since there are no fixed spreads. The Company classifies its mortgages as Level 3 given the fact that although many of the inputs to the valuation models used are observable, non-observable inputs include the discount rate and the assumed level of prepayments.

⁴ Fair value is assumed to be the carrying value as underlying loans are variable rate.

⁵ The carrying value of the asset/liability approximates fair value.

⁶ As term deposits are non-transferable by the deposit holders, there is no observable market. As such, the fair value of the term deposits is determined by discounting expected future cash flows of the deposits at current offered rates for deposits with similar terms.

⁷ Fair value of financial liabilities from securitization is determined using current market rates for CMB and MBS.

⁸ Fair value based on recent transaction price.

⁹ Fair value based on the net asset value of the underlying partnerships.

The following table shows the continuity of Level 3 financial assets measured at FVPL:

For the Periods Ended March 31	2026	2025
Balance, beginning of quarter	\$ 126,592	\$ 117,428
Advances/Purchases	2,510	5,027
Repayments/Dispositions	(941)	—
Changes in unrealized fair value, recognized in net income	(687)	10
Balance, end of quarter	\$ 127,474	\$ 122,465

Risk management

The types of risks to which the Company is exposed include but are not limited to liquidity and funding risk, credit risk, interest rate risk and market risk. The Company's enterprise risk management framework includes policies, guidelines and procedures, with oversight by senior management and the Board. These policies are developed and implemented by management and reviewed and approved periodically by the Board. For the nature of these risks and how they are managed, please refer to the shaded sections of the "Risk Factors" section of the MD&A. The shaded sections of the MD&A relating to liquidity and funding, credit, interest rate and market risks inherent in financial instruments form an integral part of these interim consolidated financial statements.

20. Commitments and Contingencies

For the nature of the Company's commitments and contingencies, please refer to the shaded sections of the "Off-balance Sheet Arrangements" section of the MD&A. The shaded section of the MD&A relating to off-balance sheet arrangements forms an integral part of these interim consolidated financial statements.

21. Comparative Amounts

Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year. There was no impact to the financial position or net income as a result of these reclassifications.

CORPORATE INFORMATION

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Stock Listing

Toronto Stock Exchange
Symbol: MKP

Registrar and Transfer Agent

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Website

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General Information

For general enquiries about MCAN Mortgage Corporation d/b/a MCAN Financial Group please write to Ms. Sylvia Pinto, Corporate Secretary & Governance Officer (head office details above) or e-mail mcanexecutive@mcanfinancial.com.

Dividend Reinvestment Plan ("DRIP")

For further information regarding MCAN's Dividend Reinvestment Plan, please visit:
www.mcanfinancial.com

An Enrolment Form may be obtained at any time upon written request addressed to the Plan Agent, Computershare. Registered Participants may also obtain Enrolment Forms online at www-us.computershare.com/investor.

Shareholders

For dividend information, change in share registration or address, lost certificates, estate transfers, or to advise of duplicate mailings, please call MCAN Mortgage Corporation's d/b/a MCAN Financial Group Registrar and Transfer Agent, Computershare (see left for contact).

Report Copies

This MCAN Mortgage Corporation d/b/a MCAN Financial Group 2026 First Quarter Report is available for viewing/printing on our website at www.mcanfinancial.com, and also on SEDAR+ at www.sedarplus.ca.

Annual and Special Meeting of Shareholders

Thursday, April 30, 2026

4:30pm EST

All shareholders and prospective investors are invited to attend.





**REIMAGINING OPPORTUNITY TO DRIVE GROWTH
FOR CANADIAN COMMUNITIES**

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