MCAN FINANCIAL GROUP REPORTS SECOND QUARTER RESULTS AND DECLARES 43 CENTS CASH DIVIDEND

ROE higher with growth in lending business

Toronto, Ontario - July 30, 2026. MCAN Mortgage Corporation d/b/a MCAN Financial Group ("MCAN", the "Company" or "we") (TSX: MKP), a leading Canadian mortgage investment corporation, today announced its financial results for the three and six months ended June 30, 2026. The results reflected higher net interest income from growth in our mortgage portfolio, higher income from MCAP and higher net realized gains on our securities.

Q2 2026 highlights compared to Q2 2025

- **Net interest income:** $24.6 million, +4%
- **Net income:** $24.0 million, +19%
- **Total assets under management[1]:** $8.5 billion, +28%
- **ROE[1]:** 14.64%
- **EPS:** $0.59
- **Book value per share:** $16.31
- **Cash dividends declared:** $0.43, +5%
- **CET 1 ratio[2]:** 19.30%

YTD 2026 highlights compared to YTD 2025

- **Net interest income:** $50.2 million, +6%
- **Net income:** $47.0 million, +28%
- **ROE[1]:** 14.40%
- **EPS:** $1.16
- **CET 1 ratio[2]:** 19.30%
- **Income tax assets to capital ratio[3]:** 4.92

"We continued to grow our business to deliver improving returns to our shareholders while navigating uncertainty in the current geopolitical and economic environment. Our net interest income has increased as we grew our assets under management while managing our spreads with pricing and hedging strategies. We benefited from residential mortgage renewals which enhance our returns and continued to grow our securitization programs to diversify our funding and optimize our capital," said Derek Sutherland, CEO of MCAN. "We believe we are well-reserved in our allowance for credit losses in the current environment and our credit quality remains resilient from our sound underwriting practices and default management to remediate previously impaired files. MCAP remains a key strategic partner and we continue to work together to pursue opportunities that are mutually beneficial. Looking ahead, we will continue to focus on profitable growth, while diversifying our portfolios and investing in infrastructure to increase our operating leverage."

Total assets under management[1] grew to $8.5 billion, up 10% from the beginning of the year

- **Mortgage originations bringing total residential mortgage assets to $4.7 billion, +3% YTD, including uninsured residential mortgage assets of $1.4 billion, +6% YTD, and insured residential mortgage assets of $3.4 billion, +2% YTD**
  - Compared to YTD 2025, uninsured residential mortgage originations increased 22% and insured residential mortgage originations increased 18%, along with strong renewal volumes.
  - This performance reflects our outstanding service to our brokers and customers despite a challenging and competitive market.
  - This growth was supported by our residential mortgage securitization programs, as part of our funding diversification and capital optimization strategy.

- **Construction and commercial mortgages balances grew to $1.2 billion, +2% YTD**
  - Loan advances of $237.8 million so far this year, including adding more commercial term mortgages to diversify our portfolio.
  - Originations and future commitments have been steady this quarter with some extensions of projects due to normal construction delays relating to the permitting and zoning process as well as the current economic environment. This led to lower run-off in the portfolio than expected. To date, projects continue to progress toward completion.

- **MCAP continues to perform ahead of expectations**
  - MCAP income YTD of $18.0 million, +18% compared to YTD 2025, primarily due to higher securitization income from higher average portfolio balances.
  - Our investment in and strategic partnership with MCAP continues to remain a key driver of returns for our shareholders.

Provisions for credit losses reflect current uncertain market outlook; however, credit quality continues to remain resilient

- Provision for credit losses were $3.3 million for the year so far mainly due to growth in our mortgage portfolio balance and uncertain economic forecasts partially offset by progress on workouts for our impaired construction loans.
- Impaired non-securitized mortgage ratio[1] was 2.40% at June 30, 2026 compared to 1.69% at December 31, 2025. At June 30, 2026, impaired mortgages mainly 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 believe overall that we have a quality mortgage loan portfolio with an average LTV of 68.6% for our uninsured residential mortgages and 61.6% for our construction loans at June 30, 2026.

MCAN quarterly dividend declared

- The Board of Directors declared a third quarter regular cash dividend of $0.43 per share to be paid September 29, 2026 to shareholders of record on September 15, 2026.
  - Under our Dividend Reinvestment Plan (“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 may provide enhanced returns for shareholders who 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.

Management has been advised that a substantial shareholder has offered those of its unitholders who have elected to redeem their investment in such shareholder the option to take MCAN common shares in kind, instead of a cash payment. The number of unitholders who may elect this option, the number of shares that may be transferred and whether those unitholders choose to retain or dispose of those shares is uncertain.

[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 new release. 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 Capital Adequacy Requirements guidelines.*
[3] *Tax balances are calculated in accordance with the Tax Act.*

Consolidated Financial Statements

Consolidated balance sheets
(Unaudited) (in thousands of Canadian dollars)

	June 30 2026	December 31 2025
Assets		
Cash and cash equivalents	$ 66,873	$ 79,828
Cash held in trust	85,492	71,856
Marketable securities	40,395	54,146
Mortgages	6,073,183	5,938,259
Non-marketable securities	129,155	126,592
Equity investment in MCAP Commercial LP	141,249	133,995
Derivative financial instruments	488	1,907
Deferred tax assets	2,063	1,650
Other assets	100,164	69,237
	6,639,062	**6,477,470**
Liabilities and Shareholders' Equity		
Liabilities		
Financial liabilities from securitization	3,665,766	3,433,883
Term deposits	2,249,097	2,340,483
Demand loans payable	36,182	19,438
Derivative financial instruments	594	46
Other liabilities	20,525	38,772
	5,972,164	**5,832,622**
Shareholders' Equity		
Share capital	500,464	491,015
Contributed surplus	510	510
Retained earnings	165,501	153,442
Accumulated other comprehensive income (loss)	423	(119)
	666,898	**644,848**
	$ 6,639,062	**$ 6,477,470**

Consolidated statements of income

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

For the Periods Ended June 30	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Net Interest Income				
Mortgage interest	$ 76,080	$ 65,842	$ 150,774	$ 129,732
Interest on cash and other	1,305	1,691	2,573	2,866
	77,385	**67,533**	**153,347**	**132,598**
Term deposit interest and expenses	23,073	25,502	45,956	50,384
Interest on financial liabilities from securitization	29,202	16,276	56,211	32,312
Interest on loans payable	506	2,093	1,007	2,487
	52,781	**43,871**	**103,174**	**85,183**
Total Net Interest Income	**24,604**	**23,662**	**50,173**	**47,415**
Non-interest Income				
Equity income from MCAP Commercial LP	10,060	9,732	17,999	15,303
Distribution income from securities	2,445	2,251	5,244	4,992
Fees	882	761	1,858	1,841
Net gain on securities	3,032	406	6,321	1,505
Net gain on sales of securitizations, commitments and whole loans	477	745	1,507	757
Gain on dilution of investment in MCAP Commercial LP	1,837	—	1,837	—
	18,733	**13,895**	**34,766**	**24,398**
Total Income	**43,337**	**37,557**	**84,939**	**71,813**
Provision for credit losses	1,793	2,227	3,254	5,316
Non-interest Expenses				
Salaries and benefits	7,870	6,873	15,605	13,992
General and administrative	9,852	7,707	19,450	15,469
	17,722	**14,580**	**35,055**	**29,461**
Net Income Before Income Taxes	**23,822**	**20,750**	**46,630**	**37,036**
Provision for (recovery of) income taxes				
Current	5	2	5	2
Deferred	(189)	561	(413)	257
	(184)	**563**	**(408)**	**259**
Net Income	**$ 24,006**	**$ 20,187**	**$ 47,038**	**$ 36,777**
Basic and diluted earnings per share	$ 0.59	$ 0.51	$ 1.16	$ 0.94
Cash dividends per share	$ 0.43	$ 0.41	$ 0.86	$ 0.82
Weighted average number of basic and diluted shares (000's)	40,749	39,264	40,686	39,103

Consolidated statements of comprehensive income (unaudited)
(Unaudited) (in thousands of Canadian dollars)

For the Periods Ended June 30	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Net Income	$ 24,006	$ 20,187	$ 47,038	$ 36,777
Other comprehensive income items that may be subsequently reclassified to income (loss):				
Cash Flow Hedges				
Net gains (losses) from changes in fair value of cash flow hedges	(58)	557	428	557
Reclassification of net losses (gains) to net income	42	107	114	221
Total Other Comprehensive Income	**(16)**	**664**	**542**	**778**
Comprehensive Income	**$ 23,990**	**$ 20,851**	**$ 47,580**	**$ 37,555**

Consolidated statements of changes in shareholders' equity (unaudited)
(Unaudited) (in thousands of Canadian dollars)

For the Periods Ended June 30	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Share Capital				
Balance, beginning of period	$ 496,057	$ 464,106	$ 491,015	$ 456,683
Share capital issued, net of share issuance costs	4,407	8,821	9,449	16,244
Balance, end of period	**500,464**	**472,927**	**500,464**	**472,927**
Contributed Surplus	**510**	**510**	**510**	**510**
Retained Earnings				
Balance, beginning of period	159,023	144,259	153,442	143,620
Net income	24,006	20,187	47,038	36,777
Dividends declared	(17,528)	(16,150)	(34,979)	(32,101)
Balance, end of period	**165,501**	**148,296**	**165,501**	**148,296**
Accumulated Other Comprehensive Income				
Balance, beginning of period	439	(1,510)	(119)	(1,624)
Other comprehensive income	(16)	664	542	778
Balance, end of period	**423**	**(846)**	**423**	**(846)**
Total Shareholders' Equity	**$ 666,898**	**$ 620,887**	**$ 666,898**	**$ 620,887**

Consolidated statements of cash flows (unaudited)
(Unaudited) (in thousands of Canadian dollars)

For the Periods Ended June 30	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Cash flows from (for):				
Operating Activities				
Net income	$ 24,006	$ 20,187	$ 47,038	$ 36,777
Adjustments to determine cash flows relating to operating activities:				
Deferred taxes	(189)	561	(413)	257
Equity income from MCAP Commercial LP	(10,060)	(9,732)	(17,999)	(15,303)
Gain on dilution of investment in MCAP Commercial LP	(1,837)	—	(1,837)	—
Provision for credit losses	1,793	2,227	3,254	5,316
Net (gain) loss on securities	(2,804)	526	(2,146)	887
Amortization of cash flow hedges net losses (gains)	42	107	115	221
Amortization of securitized mortgage and liability transaction costs	3,055	2,627	5,816	5,181
Amortization of other assets	604	478	1,089	1,111
Changes in operating assets and liabilities:				
Marketable securities	17,172	5,169	17,271	9,003
Mortgages	(23,678)	(276,307)	(142,342)	(295,261)
Non-marketable securities	(2,369)	(751)	(3,938)	(5,778)
Derivative Financial Instruments	(292)	3,714	2,394	229
Other assets	(12,733)	(4,710)	(30,401)	(9,612)
Cash held in trust	(16,850)	632	(13,636)	(14,907)
Term deposits	(100,848)	49,660	(91,386)	100,635
Financial liabilities from securitization	102,534	81,664	230,233	25,667
Other liabilities	1,763	3,213	(2,007)	(3,585)
Cash flows from (for) operating activities	**(20,691)**	**(120,735)**	**1,105**	**(159,162)**
Investing Activities				
Distributions from MCAP Commercial LP	6,136	3,622	12,582	8,653
Acquisition of capital and intangible assets	(707)	(700)	(811)	(3,782)
Cash flows from investing activities	**5,429**	**2,922**	**11,771**	**4,871**
Financing Activities				
Proceeds from issuance of common shares, net of share issuance costs	993	5,616	993	6,714
Net change in demand loans	(33,402)	144,431	16,744	258,258
Increase (decrease) in premises lease liability	(27)	2,387	328	2,305
Dividends paid	(14,917)	(13,659)	(43,896)	(40,172)
Cash flows from (for) financing activities	**(47,353)**	**138,775**	**(25,831)**	**227,105**
Increase (decrease) in cash and cash equivalents	(62,615)	20,962	(12,955)	72,814
Cash and cash equivalents, beginning of period	129,488	113,555	79,828	61,703
Cash and cash equivalents, end of period	**$ 66,873**	**$ 134,517**	**$ 66,873**	**$ 134,517**
Supplementary Information				
Interest received	$ 78,091	$ 68,236	$ 155,492	$ 133,873
Interest paid	39,863	28,419	93,243	72,670
Distributions received from securities	2,363	2,152	5,080	4,772

Further Information

See our complete 2026 Second Quarter Report filed on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca and on the Company's website at www.mcanfinancial.com.

For our Outlook, refer to the "Outlook" section of the 2026 Second Quarter Report.

MCAN is a public company listed on the Toronto Stock Exchange under the symbol **MKP** and is a reporting issuer in all provinces and territories in Canada. MCAN also qualifies as a Mortgage Investment Corporation ("MIC") under the Income Tax Act (Canada). MCAN is the largest MIC in Canada and the only federally regulated MIC that issues term deposits eligible for Canada Deposit Insurance Corporation deposit insurance.

MCAN's primary objective is to generate a reliable stream of income by investing in a diversified portfolio of Canadian mortgages, including residential mortgages, residential construction, non-residential construction, and commercial loans, as well as other types of securities, loans, and real estate investments.

MCAN is **Reimagining Opportunity to Drive Growth for Canadian Communities.**

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A Caution About Forward-Looking Information and Statements

This news release contains forward-looking information within the meaning of applicable Canadian securities laws. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. All of the forward-looking information in this news release 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 news release 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, our 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 news release 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.

Non-GAAP and Other Financial Measures

This news release references a number of non-generally accepted accounting principles ("non-GAAP") and other financial measures and ratios to assess our performance. These measures are not calculated in accordance with International Financial Reporting Standards ("IFRS"), are not defined by IFRS and do not have standardized meanings that would ensure consistency and comparability between companies using these measures. These metrics are considered to be non-GAAP and other financial measures and are incorporated by reference and defined in the "Non-GAAP and Other Financial Measures" section of our 2026 Second Quarter Management's Discussion and Analysis of Operations available on SEDAR+ at www.sedarplus.ca.