MCAN Financial

MCAN FINANCIAL GROUP

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

Q3 2026 ENDING SEPTEMBER 30, 2026

MCANFINANCIAL.COM
TSX: MKP

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS

MCAN Mortgage Corporation is doing business as ("d/b/a") MCAN Financial Group ("MCAN", the "Company" or "we"). This Management's Discussion and Analysis of Operations ("MD&A") should be read in conjunction with the interim unaudited consolidated financial statements and accompanying notes for the quarter and the nine months ended September 30, 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 October 29, 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 - Q3 2026

(in thousands except for per share amounts and %) **For the Periods Ended**	**Q3 2026**	**Q2 2026**	**Change (%)**	**Q3 2025**	**Change (%)**	**YTD 2026**	**YTD 2025**	**Change (%)**
Income Statement Highlights								
Net interest Income	$26,728	$24,604	9%	$23,760	12%	$76,901	$71,175	8%
Equity income from MCAP Commercial LP	$ 9,628	$10,060	(4%)	$10,361	(7%)	$27,627	$25,664	8%
PPPT income[1]	$21,599	$25,615	(16%)	$22,743	(5%)	$71,483	$65,095	10%
Provision for credit losses	$ 2,469	$ 1,793	38%	$ 2,056	20%	$ 5,723	$ 7,372	(22%)
Net income	$19,191	$24,006	(20%)	$20,505	(6%)	$66,229	$57,282	16%
Basic and diluted earnings per share	$ 0.47	$ 0.59	(20%)	$ 0.52	(10%)	$ 1.62	$ 1.46	11%
Dividends per share - cash	$ 0.43	$ 0.43	—%	$ 0.41	5%	$ 1.29	$ 1.23	5%
Next quarter's dividend per share - cash	$ 0.43							
Return on average shareholders' equity[1]	11.56 %	14.64 %	(3.08%)	13.09 %	(1.53%)	13.44 %	12.44 %	1.00%
Taxable income per share[2]	$ 0.11	$ 0.25	(56%)	$ (0.07)	(257%)	$ 0.68	$ 0.60	13%
Spreads								
Spread of non-securitized mortgages over term deposit interest[1]	2.72 %	2.54 %	0.18%	2.63 %	0.09%	2.65 %	2.75 %	(0.10%)
Spread of insured securitized mortgages over liabilities[1]	0.59 %	0.54 %	0.05%	0.47 %	0.12%	0.56 %	0.49 %	0.07%
Spread of uninsured securitized mortgages over liabilities[1]	1.76 %	1.69 %	0.07%	2.01 %	(0.25%)	1.75 %	2.01 %	(0.26%)
Average term to maturity (in months)								
Mortgages - non-securitized	11.5	10.0	15%	9.5	21%			
Term deposits	17.7	17.9	(1%)	16.8	5%			

At	**Sept 30 2026**	**Jun 30 2026**	**Change (%)**	**Dec 31 2025**	**Change (%)**
Balance Sheet Highlights ($ million)					
Total assets	$ 7,158	$ 6,639	8%	$ 6,477	11%
Total mortgages	$ 6,566	$ 6,073	8%	$ 5,938	11%
Total liabilities	$ 6,485	$ 5,972	9%	$ 5,833	11%
Shareholders' equity	$ 672	$ 667	1%	$ 645	4%
Assets under management[1]	$ 9,360	$ 8,513	10%	$ 7,766	21%
Capital Ratios					
Income tax assets to capital ratio[2]	5.19	4.92	0.27	5.10	0.09
CET 1 & Tier 1 capital ratio[4]	18.31 %	19.30 %	(0.99%)	18.82 %	(0.51%)
Total capital ratio[4]	18.71 %	19.72 %	(1.01%)	19.14 %	(0.43%)
Leverage ratio[3]	8.13 %	8.64 %	(0.51%)	8.61 %	(0.48%)
Credit Quality					
Impaired mortgage ratio[1]	0.91 %	0.95 %	(0.04%)	0.70 %	0.21%
Mortgage arrears	$203,648	$161,572	26%	$131,592	55%
Common Share Information (end of period)					
Number of common shares outstanding	41,021	40,888	—%	40,471	1%
Book value per common share [1]	$ 16.39	$ 16.31	—%	$ 15.93	3%
Common share price - close	$ 21.09	$ 25.76	(18%)	$ 22.43	(6%)
Market capitalization ($ million)	$ 865	$ 1,053	(18%)	$ 908	(5%)

[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 Accounting Standards 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)	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Income Statement Highlights								
Net interest Income	$26,728	$24,604	$25,569	$24,664	$23,760	$23,662	$23,753	$24,661
Equity income from MCAP Commercial LP	$9,628	$10,060	$7,939	$7,780	$10,361	$9,732	$5,571	$7,227
PPPT income[1]	$21,599	$25,615	$24,269	$22,987	$22,743	$22,977	$19,375	$7,564
Provision for (recovery of) credit losses	$2,469	$1,793	$1,461	$6,088	$2,056	$2,227	$3,089	$1,160
Net income	$19,191	$24,006	$23,032	$17,589	$20,505	$20,187	$16,590	$7,725
Basic and diluted earnings per share	$ 0.47	$ 0.59	$ 0.57	$ 0.44	$ 0.52	$ 0.51	$ 0.43	$ 0.20
Dividends per share - cash	$ 0.43	$ 0.43	$ 0.43	$ 0.41	$ 0.41	$ 0.41	$ 0.41	$ 0.39
Return on average shareholders' equity [1]	11.56 %	14.64 %	14.17 %	11.02 %	13.09 %	13.19 %	10.99 %	5.14 %
Taxable income (loss) per share [2]	$ 0.11	$ 0.25	$ 0.32	$ 0.62	$ (0.07)	$ 0.22	$ 0.45	$ 0.51
Spreads								
Spread of non-securitized mortgages over term deposit interest[1]	2.72 %	2.54 %	2.70 %	2.66 %	2.63 %	2.74 %	2.89 %	2.83 %
Spread of insured securitized mortgages over liabilities [1]	0.59 %	0.54 %	0.56 %	0.46 %	0.47 %	0.50 %	0.50 %	0.54 %
Spread of uninsured securitized mortgages over liabilities [1]	1.76 %	1.69 %	1.83 %	1.92 %	2.01 %	n/a	n/a	n/a
Average term to maturity (in months)								
Mortgages - non-securitized	11.5	10.0	10.2	10.6	9.5	11.3	9.1	9.5
Term deposits	17.7	17.9	16.6	16.7	16.8	17.7	17.7	18.5
Balance Sheet Highlights ($ million)								
Total assets	$7,158	$6,639	$6,658	$6,477	$5,909	$5,739	$5,443	$5,348
Total mortgages	$6,566	$6,073	$6,054	$5,939	$5,317	$5,170	$4,899	$4,884
Total liabilities	$6,485	$5,972	$6,002	$5,833	$5,273	$5,118	$4,836	$4,748
Shareholders' equity	$ 672	$ 667	$ 656	$ 645	$ 636	$ 621	$ 607	$ 599
Assets under management[1]	$9,360	$8,513	$8,275	$7,766	$7,047	$6,655	$6,138	$5,989
Capital Ratios								
Income tax assets to capital ratio [2]	5.19	4.92	5.06	5.10	5.45	5.42	5.41	5.24
CET 1 & Tier 1 capital ratios [4]	18.31 %	19.30 %	18.94 %	18.82 %	19.01 %	18.90 %	19.12 %	19.02 %
Total capital ratio [4]	18.71 %	19.72 %	19.31 %	19.14 %	19.32 %	19.22 %	19.43 %	19.28 %
Leverage ratio [3]	8.13 %	8.64 %	8.52 %	8.61 %	9.27 %	9.32 %	9.64 %	9.72 %
Credit Quality								
Impaired mortgage ratio (total) [1]	0.91 %	0.95 %	0.99 %	0.70 %	1.25 %	1.25 %	1.20 %	1.25 %
Mortgage arrears	$203,648	$161,572	$142,614	$131,592	$152,622	$128,717	$109,801	$100,471
Common Share Information (end of period)								
Number of common shares outstanding	41,021	40,888	40,701	40,471	40,163	39,604	39,128	38,717
Book value of common share [1]	$16.39	$16.31	$16.12	$15.93	$15.85	$15.68	$15.52	$15.48
Common share price - close	$21.09	$25.76	$22.70	$22.43	$21.69	$19.45	$18.36	$18.25
Market capitalization ($ million)	$ 865	$1,053	$ 924	$ 908	$ 871	$ 770	$ 718	$ 707

[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 Accounting Standards 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

- Our lending business has continued to perform well under a dynamic market environment with solid growth in our assets under management since Q4 2024. In Q4 2024 and Q1 2025, we saw increases in our spread of non-securitized mortgages over term deposit interest 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 slight decline is mainly due to prime rate cuts impacting our floating rate residential construction loans and price floors on new construction loans, with some improvements from pricing initiatives and new hedging positions. In Q2 2026, we began increasing our commercial term mortgage portfolio with well-secured projects that meet our risk appetite as part of our diversification strategy as a number of our higher-yielding construction loans matured. In Q3 2026, we have started to see an improvement in our spreads across our portfolios from our pricing and hedging strategies. We expect our hedging strategies to minimize volatility in our spreads from interest rate changes.

- Common Equity Tier 1 ("CET 1"), Tier 1 Capital and Total Capital to risk-weighted assets ratio fluctuate based on the composition of our asset portfolios. So far in 2026, total assets under management[1] grew by 21% while shareholders' equity grew by only 4% reflecting an efficient use of our capital. Our Dividend Reinvestment Program ("DRIP") provides us with a reliable source of capital each quarter. In 2024, 2025 and so far in 2026, we raised $7 million, $22 million and $2 million, respectively, of capital through our at-the-market equity program ("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 our uninsured residential mortgages since the beginning of the year; however, we believe overall that we have a quality uninsured residential mortgage loan portfolio with an average loan to value ("LTV") of 68.2% at September 30, 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. We believe that we have a quality construction loan portfolio with an average loan to value of 62.8% at September 30, 2026 based on appraisal values. 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. 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.

Economic Outlook

Canada's economic performance continues to be resilient despite economic and geopolitical headwinds, although the outlook remains uncertain. Affordability pressures continue to weigh on Canadian households, with weakness in certain sectors directly impacted by international trade. High fuel costs support Canada's oil-producing regions but reduce household purchasing power and add to inflation risks. The economy is showing signs of uncertainty. Slowing population growth is moderating labour supply growth and housing demand, while an aging population may create longer-term labour supply constraints. 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 gross domestic product and higher unemployment. The Bank of Canada has maintained its policy rate at 2.25%; however, renewed inflation risks and higher bond yields have increased uncertainty around the interest rate outlook and put upward pressure on fixed mortgage rates. Our dynamic pricing and hedging strategies will help us reduce volatility in a changing interest rate environment.

Housing Market Outlook

Geopolitical events, energy prices and an uncertain job market continue to be key concerns for Canadian homebuyers. Economic uncertainty, elevated inventory in some markets and higher fixed mortgage rates continue to weigh on housing activity and prices, particularly in Ontario and British Columbia. Price adjustments in some markets provide some relief to homebuyers, although affordability remains constrained by borrowing costs. In the long term, we believe that persistent shortages of affordable housing will support underlying demand, particularly in and around our core markets of (i) the Greater Toronto Area; (ii) the Capital Region; (iii) the Greater Vancouver area; and (iv) Calgary, although the timing and extent of any recovery in sales and home prices remain uncertain. 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, elevated construction and financing costs, weak presales in some markets, 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 cautiously optimistic, 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 maintained steadily increasing balances despite payouts on completed projects in the MCAN Capital portfolio, which is over $1.4 billion, and we are building our pipeline with well-secured projects that meet our risk appetite to manage runoff from completed projects and maintain controlled growth. We have diversified this portfolio by adding more commercial term lending in 2026 as part of our strategy. 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. In 2026, we have successfully worked out some of the impaired construction loans and continue to make progress on the remaining impaired projects.

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 as well as through our hedging strategies. We expect more competition in our market in order to attract what demand is coming in for both originations and renewals. Despite the noted uncertainty, we have continued to grow our business while taking a prudent approach to mortgage originations and focusing on renewals as they provide higher-yields than new originations due to lower loan onboarding costs. We are also looking to further grow our uninsured residential mortgage portfolio as we have just recently onboarded another major Canadian bank in October 2026 to our uninsured residential mortgage securitization program. This program 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 retail 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 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. We will continue to leverage our ATM Program and DRIP 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

Q3 2026

- Net income totalled $19.2 million in Q3 2026, a decrease of $1.3 million (6%) from $20.5 million in Q3 2025. Our Q3 2026 results were positively impacted by higher net interest income from growth in our mortgage portfolio, including managing our funding costs, partially offset by higher unrealized losses on our securities compared to Q3 2025.

- Pre-provision pre-tax income ("PPPT")[1] totalled $21.6 million in Q3 2026, a decrease of $1.1 million (5%) from $22.7 million in Q3 2025. PPPT was mainly impacted by the same factors as net income described above.

- Earnings per share totalled $0.47 in Q3 2026, a decrease of $0.05 (10%) from $0.52 in Q3 2025.

- Return on average shareholders' equity[1] was 11.56% in Q3 2026, a decrease from 13.09% in Q3 2025.

- Net interest income totalled $26.7 million, an increase of $3.0 million compared to Q3 2025 with higher volumes offsetting a slight reduction in overall spread from a declining interest rate environment since the prior year. Origination and renewal volumes continue to increase our overall mortgage portfolio balance with solid renewal activity providing higher spreads than new originations. The decrease in the overall spread of our mortgages over our cost of funds, including term deposits and securitizations, is mainly due to a larger decrease in our mortgage rates, particularly our floating rate residential construction portfolio as prime rates have declined since last year, compared to our term deposits. This was partially offset by higher residential mortgage loan renewals which have higher average spreads, residential mortgage pricing initiatives, lower short-term facility usage, 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 $2.5 million in Q3 2026 mainly due to growth in our mortgage portfolio balance and provisioning on our impaired residential construction loans partially offset

by improvements in economic forecasts. We believe that we have a quality uninsured residential mortgage loan portfolio with an average LTV of 68.2% at September 30, 2026. In Q3 2025, we had a provision for credit losses of $2.1 million mainly due to worsening economic forecasts from the economic and geopolitical environment, interest provisioning on our impaired residential construction loans and a slight increase in uninsured residential mortgage arrears.

- Equity income from MCAP totalled $9.6 million in Q3 2026, a decrease of $0.8 million (7%) from $10.4 million in Q3 2025, which was primarily due to higher securitization expenses from higher securitization volumes partially offset by higher mortgage interest income from a higher average portfolio balance.

- Net change in realized and unrealized fair value loss on our marketable securities of $2.0 million in Q3 2026 compared to a $0.6 million net realized and change in unrealized fair value gain in Q3 2025. We continue to realize the benefits of regular cash flows and distributions from these investments.

- Net change in unrealized fair value loss on our non-marketable securities of $0.1 million in Q3 2026 mainly related to net losses from updated property valuations as well as actual execution on leasing activities. In Q3 2025, we had a $0.9 million net change in unrealized fair value loss on our non-marketable securities investments for reasons similar to Q3 2026.

Year to Date ("YTD") 2026

- Net income totalled $66.2 million for YTD 2026, an increase of $8.9 million (16%) from $57.3 million for YTD 2025. Our YTD 2026 results reflected the strength of our lending business with growth in our assets under management. We also had higher income from our investment in MCAP, higher net gains on our securities and lower provisions for credit losses due to some progress on our asset recovery programs.

- PPPT[1] totalled $71.5 million for YTD 2026, an increase of $6.4 million (10%) from $65.1 million for YTD 2025. PPPT was impacted by the same factors as net income described above excluding provisions for credit losses.

- Earnings per share totalled $1.62 for YTD 2026, an increase of $0.16 (11%) from $1.46 in YTD 2025.

- Return on average shareholders' equity[1] was 13.44% for YTD 2026 compared to 12.44% in YTD 2025.

- Net interest income increased by $5.7 million compared to YTD 2025 with a higher mortgage portfolio balance and lower short-term financing costs partially offset by a reduction in overall spread.

- Provision for credit losses on our portfolio was $5.7 million for YTD 2026 mainly due to the same factors as Q3 2026. For YTD 2025, there was a provision for credit losses of $7.4 million mainly due to the same factors as described for Q3 2025 mentioned above.

- Equity income from MCAP totalled $27.6 million for YTD 2026, an increase of $1.9 million (8%) from $25.7 million for YTD 2025. For YTD 2026, the increase was mainly due to higher securitization income from higher average portfolio balances partially offset by higher origination expenses from higher volumes of residential mortgages and higher securitization expense from higher securitization volumes.

Business Activity and Balance Sheet

- Assets under management[1] totalled $9.4 billion at September 30, 2026, a net increase of $847.7 million (10%) from June 30, 2026 and a net increase of $1.6 billion (21%) from December 31, 2025.

- Our mortgage portfolio totalled $6.6 billion at September 30, 2026, a net increase of $493.2 million (8.1%) from June 30, 2026 and a net increase of $628.1 million (11%) from December 31, 2025.

    - Uninsured residential mortgage portfolio totalled $1.4 billion at September 30, 2026, a net increase of $27.4 million (2%) from June 30, 2026 and a net increase of $98 million (8%) from December 31, 2025. We continue to see higher uninsured originations and strong uninsured residential mortgage renewals supported by our outstanding service to our brokers and

customers. We actively manage origination and renewal volumes in order to optimize our net interest margins and net income.

- Insured residential mortgages totalled $3.7 billion at September 30, 2026, a net increase of $360 million (11%) from June 30, 2026 and a net increase of $427 million (13%) from December 31, 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 are 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. In 2026, we also purchased $349 million of insured residential mortgages from MCAP to securitize into the CMHC National Housing Act ("NHA") Mortgage-Backed Securities ("MBS") program.

- Construction and commercial portfolios totalled $1.3 billion at September 30, 2026, a net increase of $80 million (7%) from June 30, 2026 and a net increase of $101 million (9%) from December 31, 2025. The movement in these portfolios are attributed to new loan advances and repayments on completing projects. Since the beginning of the year, we have seen net growth in this portfolio from well-secured projects that meet our risk appetite despite a highly competitive environment including adding commercial term mortgages that fit within our product offering. Loan advances on our construction portfolio have been steady this year with some extensions of projects due to normal construction delays relating to the permitting and zoning process. To date, projects continue to progress toward completion.

Dividend

- The Board declared a fourth quarter regular cash dividend of $0.43 per share to be paid January 4, 2027 to shareholders of record on December 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 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.

Credit Quality

- Arrears total mortgage ratio[1] was 3.10% at September 30, 2026 compared to 2.66% at June 30, 2026 and 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. Our greater than 30 days arrears has increased in our uninsured residential mortgages compared to last quarter and we believe overall that we have a quality uninsured residential mortgage loan portfolio with an average LTV of 68.2% at September 30, 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.

- Impaired total mortgage ratio[1] was 0.91% at September 30, 2026 compared to 0.95% at June 30, 2026 and 0.70% at December 31, 2025. At September 30, 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 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. The volume and timing of distributions under the ATM Program are determined at MCAN's sole discretion. We issued $0.7 million in new common shares through the ATM Program in Q3 2026 compared to $1.2 million in Q2 2026 and $9.6 million in Q3 2025. YTD 2026, we issued $1.9 million compared to $16.6 million for YTD 2025. So far in 2026, we have raised less capital compared to last year as part of our focus on capital optimization while still generating improving returns for our shareholders.

- We issued $2.2 million in new common shares through the DRIP in Q3 2026 compared to $2.6 million in Q2 2026 and $2.3 million in Q3 2025. YTD 2026, we issued $9.9 million compared to $9.4 million for YTD 2025. The DRIP participation rate was 13% for the Q3 2026 dividend (Q2 2026 dividend - 15%; Q3 2025 dividend - 15%).

- Income tax assets to capital ratio[3] was 5.19 at September 30, 2026 compared to 4.92 at June 30, 2026 and 5.1 at December 31, 2025.

- Common Equity Tier 1 ("CET 1") and Tier 1 Capital to risk-weighted assets ratios[2] were 18.31% at September 30, 2026 compared to 19.30% at June 30, 2026 and 18.82% at December 31, 2025. Total Capital to risk-weighted assets ratio[2] was 18.71% at September 30, 2026 compared to 19.72% at June 30, 2026 and 19.14% at December 31, 2025. Leverage ratio[2] was 8.13% at September 30, 2026 compared to 8.64% at June 30, 2026 and 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 Accounting Standards and, therefore, may not be comparable to similar terms used by other issuers.*
[2] *These measures have been calculated in accordance with OSFI's Leverage Requirements and Capital Adequacy Requirements guidelines.*
[3] *For further information refer to the "Income Tax Capital" section of this MD&A. Tax balances are calculated in accordance with the Tax Act.*

RESULTS OF OPERATIONS

Table 3: Net Income

(in thousands except for per share amounts and %) For the Periods Ended	Q3 2026	Q2 2026	Change (%)	Q3 2025	Change (%)	YTD 2026	YTD 2025	Change (%)
Net Interest Income								
Mortgage interest	$78,847	$76,080	4 %	$69,179	14 %	$229,621	$198,911	15 %
Interest on cash and other	1,137	1,305	(13)%	1,665	(32)%	3,710	4,531	(18)%
	79,984	**77,385**	**3 %**	**70,844**	**13 %**	**233,331**	**203,442**	**15 %**
Term deposit interest	22,054	23,073	(4)%	26,606	(17)%	68,010	76,990	(12)%
Interest on financial liabilities from securitization	29,997	29,202	3 %	18,723	60 %	86,208	51,035	69 %
Interest on loans payable	1,205	506	138 %	1,755	(31)%	2,212	4,242	(48)%
	53,256	**52,781**	**1 %**	**47,084**	**13 %**	**156,430**	**132,267**	**18 %**
Total Net Interest Income	**26,728**	**24,604**	**9 %**	**23,760**	**12 %**	**76,901**	**71,175**	**8 %**
Non-interest Income								
Equity income from MCAP Commercial LP	9,628	10,060	(4)%	10,361	(7)%	27,627	25,664	8 %
Distribution income from securities	1,986	2,445	(19)%	2,362	(16)%	7,230	7,354	(2)%
Fees	541	882	(39)%	922	(41)%	2,399	2,763	(13)%
Net gain (loss) on securities	(2,118)	3,032	170 %	(320)	562 %	4,203	1,185	255 %
Net gain on sales of securitizations, commitments and whole loans	972	477	104 %	763	27 %	2,479	1,520	63 %
Gain on dilution of investment in MCAP Commercial LP	—	1,837	(100)%	—	n/a	1,837	—	n/a
Total Non-interest Income	**11,009**	**18,733**	**(41)%**	**14,088**	**(22)%**	**45,775**	**38,486**	**19 %**
Total Income	**37,737**	**43,337**	**(13)%**	**37,848**	**— %**	**122,676**	**109,661**	**12 %**
Provision for credit losses	2,469	1,793	38 %	2,056	20 %	5,723	7,372	22 %
Non-interest Expenses								
Salaries and benefits	6,622	7,870	(16)%	6,933	(4)%	22,227	20,925	6 %
General and administrative	9,516	9,852	(3)%	8,172	16 %	28,966	23,641	23 %
Total Non-interest Expenses	**16,138**	**17,722**	**(9)%**	**15,105**	**7 %**	**51,193**	**44,566**	**15 %**
Net Income Before Income Taxes	**19,130**	**23,822**	**(20)%**	**20,687**	**(8)%**	**65,760**	**57,723**	**14 %**
Provision for (recovery of) income taxes								
Current	—	5	100 %	125	100 %	5	127	96 %
Deferred	(61)	(189)	68 %	57	207 %	(474)	314	251 %
	(61)	**(184)**	**67 %**	**182**	**134 %**	**(469)**	**441**	**206 %**
Net Income	**$19,191**	**$24,006**	**(20)%**	**$20,505**	**(6)%**	**$ 66,229**	**$ 57,282**	**16 %**
Basic and diluted earnings per share	$ 0.47	$ 0.59	(20)%	$ 0.52	(10)%	$ 1.62	$ 1.46	11 %
Cash dividends per share	$ 0.43	$ 0.43	— %	$ 0.41	5 %	$ 1.29	$ 1.23	5 %

Net Interest Income

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

For the Quarters Ended	September 30, 2026			June 30, 2026			September 30, 2025		
(in thousands except %)	Average Balance [1]	Interest	Average Rate [1]	Average Balance [1]	Interest	Average Rate [1]	Average Balance [1]	Interest	Average Rate [1]
Mortgage interest - non-securitized									
Residential mortgages									
Insured	$ 170,006	$ 1,633	3.83 %	$ 167,290	$ 1,495	3.57 %	$ 256,971	$ 2,465	3.77 %
Uninsured	968,205	15,011	6.19 %	921,879	13,691	5.94 %	1,124,226	18,280	6.49 %
Uninsured - completed inventory	163,357	2,896	7.03 %	157,332	2,778	7.08 %	107,492	2,156	7.96 %
Construction loans									
Residential	1,058,520	20,300	7.61 %	1,085,940	20,694	7.64 %	1,154,951	23,771	8.17 %
Non residential	24,359	413	6.72 %	22,228	369	6.65 %	26,358	461	6.94 %
Commercial loans									
Multi-family residential	75,854	1,176	6.15 %	74,464	1,154	6.21 %	—	—	— %
Other	31,395	485	6.12 %	18,414	287	6.26 %	—	—	— %
Total mortgage interest - non-securitized [1,[A]]	2,491,696	41,914	6.69 %	2,447,547	40,468	6.62 %	2,669,998	47,133	7.02 %
Term deposit interest	2,183,631	22,054	3.97 %	2,254,311	23,073	4.08 %	2,352,365	26,606	4.39 %
Spread of non-securitized mortgages over term deposit interest[1]			2.72 %			2.54 %			2.63 %
Mortgage interest - insured securitized [A]	3,227,787	30,542	3.78 %	3,195,951	29,311	3.68 %	2,494,008	20,827	3.34 %
Interest on financial liabilities from securitization - insured [B]	3,282,911	26,196	3.19 %	3,237,237	25,420	3.14 %	2,538,426	18,260	2.87 %
Spread of securitized insured mortgages over liabilities [1]			0.59 %			0.54 %			0.47 %
Mortgage interest - uninsured securitized [A]	426,820	6,391	5.97 %	432,086	6,301	5.84 %	76,008	1,219	6.39 %
Interest on financial liabilities from securitization - uninsured [B]	358,871	3,801	4.21 %	362,261	3,782	4.15 %	64,470	463	4.38 %
Spread of securitized uninsured mortgages over liabilities [1]			1.76 %			1.69 %			2.01 %
Total mortgage interest [1, Sum of [A]]		78,847			76,080			69,179	
Total interest on financial liabilities from securitization [Sum of [B]]		29,997			29,202			18,723	
Average term to maturity (months)									
Mortgages - non-securitized	11.5			10.0			9.5		
Term deposits	17.7			17.9			16.8		

[1] Considered to be a Non-GAAP and other financial measure. The spreads are indicators of the profitability of income earning assets less the cost of funding. 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 Accounting Standards and, therefore, may not be comparable to similar terms used by other issuers.

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

For the Nine Months Ended September 30	2026			2025		
(in thousands except %)	Average Balance [1]	Interest	Average Rate [1]	Average Balance [1]	Interest	Average Rate [1]
Mortgage interest - non-securitized						
Residential mortgages						
Insured	$ 173,777	$ 4,783	3.67 %	$ 198,656	$ 5,455	3.64 %
Uninsured	962,468	43,999	6.10 %	1,136,182	56,027	6.58 %
Uninsured - completed inventory	158,801	8,453	7.12 %	112,813	6,835	8.10 %
Construction loans						
Residential	1,081,480	62,193	7.69 %	1,115,284	69,349	8.31 %
Non residential	22,406	1,115	6.65 %	18,575	976	7.03 %
Commercial loans						
Multi-family residential	59,597	2,802	6.29 %	6,498	521	10.73 %
Other	20,354	949	6.23 %	—	—	— %
Total mortgage interest - non-securitized [1,[A]]	2,478,883	124,294	6.70 %	2,588,008	139,163	7.18 %
Term deposit interest	2,233,427	68,010	4.05 %	2,275,150	76,990	4.43 %
Spread of non-securitized mortgages over term deposit interest[1]			2.65 %			2.75 %
Mortgage interest - insured securitized [A]	3,183,156	87,921	3.69 %	2,403,104	58,529	3.26 %
Interest on financial liabilities from securitization - insured [B]	3,229,644	75,821	3.13 %	2,436,666	50,572	2.77 %
Spread of securitized insured mortgages over liabilities [1]			0.56 %			0.49 %
Mortgage interest - uninsured securitized [A]	392,288	17,406	5.92 %	25,615	1,219	6.39 %
Interest on financial liabilities from securitization - uninsured [B]	329,150	10,387	4.17 %	21,726	463	4.38 %
Spread of securitized uninsured mortgages over liabilities [1]			1.75 %			2.01 %
Total mortgage interest [1, Sum of [A]]		229,621			198,911	
Total interest on financial liabilities from securitization [Sum of [B]]		86,208			51,035	

[1] Considered to be a Non-GAAP and other financial measure. The spreads are indicators of the profitability of income earning assets less the cost of funding. 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 Accounting Standards and, therefore, may not be comparable to similar terms used by other issuers.

Table 6: Mortgage Originations

For the Periods Ended (in thousands except %)	Q3 2026	Q2 2026	Change (%)	Q3 2025	Change (%)	YTD 2026	YTD 2025	Change (%)
Residential mortgages								
Insured - fixed[2]	$ 138,253	$ 190,037	(27%)	$ 223,267	(38%)	$ 504,802	$ 542,610	(7%)
Insured - adjustable rate[2]	204,411	73,850	177%	18,045	1,033%	311,738	98,889	215%
Total insured	342,664	263,887	30%	241,312	42%	816,540	641,499	27%
Uninsured - fixed[2]	175,281	150,218	17%	173,893	1%	457,326	404,562	13%
Total residential mortgages	517,945	414,105	25%	415,205	25%	1,273,866	1,046,061	22%
Uninsured - completed inventory[1]	45,694	20,710	121%	1,734	2,535%	82,643	35,314	134%
Construction loans								
Residential[1]	86,150	96,139	(10%)	127,613	(32%)	265,109	430,601	(38%)
Non residential[1]	1,386	856	62%	49	2,729%	4,162	20,268	(79%)
Commercial loans[1]	34,095	56,009	(39%)	—	n/a	90,133	—	n/a
	$ 685,270	**$ 587,819**	**17%**	**$ 544,601**	**26%**	**$1,715,913**	**$1,532,244**	**12%**

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

Overview

For Q3 2026, the increase in the spread of non-securitized mortgages over term deposit interest compared to Q2 2026 and Q3 2025 is mainly due to higher renewals in uninsured residential mortgages as well as lower term deposit costs from related hedging strategies. For YTD 2026 compared to YTD 2025, we have seen the decline in our mortgage rates generally exceeding the pace of decrease in our average term deposit rates and related hedges as construction loans originated under a higher-rate environment mature. We also experienced lower spreads from competition for originations of uninsured residential mortgages partially offset by a higher volume of renewals. 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. Renewals on residential mortgages provide higher spreads than new originations due to lower loan onboarding costs.

Total residential mortgage origination volumes were higher than prior periods as we continued to focus on providing outstanding service to our brokers and customers. We also saw uninsured residential mortgage renewals increase 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 $201 million in commitments in Q3 2026 (Q2 2026 - $121 million; Q3 2025 - $19 million) and $377 million for YTD 2026 (YTD 2025 - $72 million) under these agreements. YTD 2026, we sold $48 million of uninsured residential mortgage whole loans (YTD 2025 - $nil).

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 September 30, 2026, we had the renewal rights to $4.3 billion of residential mortgages (June 30, 2026 - $4.2 billion; December 31, 2025 - $4.1 billion).

Construction and Commercial

We continue to focus on growing our balances of well-secured projects that meet our risk appetite in our residential construction and commercial portfolios in selected markets, with our preferred borrowers. In 2026, we have increased our commercial term mortgage portfolio in line with our strategy to diversify our overall portfolio. These portfolios are entirely at prime-based floating rates. We 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 within our expected margins. Current impaired construction mortgages include mortgages where asset recovery programs have already been initiated. We have a strong track record with our default management processes and asset recovery programs as the need arises. Our realized loan losses on our construction portfolio have been negligible. Our prudent underwriting approach requires satisfactory borrower liquidity, guarantor net worth and presale requirements as applicable to the respective markets.

We opportunistically invest in our residential uninsured - completed inventory portfolio which often migrate from our own construction book.

Term Deposit Interest

The reduction in term deposit interest for Q3 2026, Q2 2026, and YTD 2026 compared to prior year periods was mostly due to lower average term deposit rates and related hedges from a lower interest rate environment as well as greater utilization of our securitization programs as a funding source. We have been actively managing our interest rate risk during this period of changing interest rates by changing the laddering of the duration of our term deposits relative to our non-securitized mortgage portfolio and utilizing hedging strategies. Term deposit interest includes 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.

In the current year, we have seen spreads increase on insured securitizations compared to prior year due to pricing strategies and our hedging activities. Our uninsured securitization spreads are slightly lower than prior year mainly due to lower mortgage rates on loans going into the securitization program. As securitization spreads continue to be favourable, we expect to continue to be aggressive in originating insured and uninsured residential mortgages for securitization.

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

Derivatives and Hedging

Cash Flow Hedging

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

At September 30, 2026, we had $0.1 million of unrealized fair value gains on derivatives outstanding relating to cash flow hedges (June 30, 2026 - $0.2 million losses; December 31, 2025 - $0.2 million gains) on our interim consolidated balance sheets. In Q3 2026, we had net fair value gains of $1.0 million (Q2 2026 - $0.1 million losses; Q3 2025 - $0.2 million losses), and for YTD 2026, we had net realized fair value gains of $1.4 million (YTD 2025 - $0.4 million realized fair value gains) on our derivative transactions recognized in accumulated other comprehensive income.

Fair Value Hedging

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

At September 30, 2026, we had $7.9 million of net unrealized fair value losses on derivatives outstanding relating to fair value hedges (June 30, 2026 - $0.1 million gains; December 31, 2025 - $1.7 million gains).

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

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

Non-interest Income

Equity Income from MCAP

At August 31, 2026 (we account for MCAP on a one-month lag basis), MCAP had $157.0 billion of assets under management compared to $156.1 billion at May 31, 2026 and $157.1 billion at August 31, 2025. Equity income from MCAP totalled $9.6 million in Q3 2026, a decrease of $0.8 million from $10.4 million in Q3 2025. For Q3 2026, the decrease in equity income from MCAP was primarily due to higher securitization expenses from higher securitization volumes partially offset by higher mortgage interest income from a higher average portfolio balance. For YTD 2026, equity income from MCAP totalled $27.6 million, an increase of $1.9 million from $25.7 million YTD 2025. For the YTD, the increase in equity income from MCAP was mainly due to higher securitization income from higher average portfolio balances partially offset by higher origination expenses from higher volumes of residential mortgages and higher securitization expense from higher securitization volumes.

We recognize equity income from MCAP on a one-month lag such that our 2026 equity income from MCAP is based on MCAP's net income for the period ended August 31, 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 $1.7 million in Q3 2026 (Q3 2025 - $1.6 million) and $5.7 million for YTD 2026 (YTD 2025 - $4.9 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 Q3 2026, we received distributions of $0.3 million from our REITs compared to $0.8 million in Q3 2025 and $1.5 million for YTD 2026 (YTD 2025 - $2.5 million). Distribution income is lower than last year as we have sold $19.3 million of REITs during the year.

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 Loss on Securities

In Q3 2026, we recorded a $2.1 million net realized and unrealized loss on securities compared to a $0.3 million net realized and unrealized loss on securities in Q3 2025. Our net realized and unrealized gain on securities was $4.2 million for YTD 2026 compared to a net unrealized gain on securities of $1.2 million for YTD 2025.

Our marketable securities, mainly REITs, had a modest recovery in the first half of the year although some unrealized gains were reversed in Q3 2026. Our non-marketable securities had net realized and unrealized gains 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.

For further information, refer to Note 15 to the interim consolidated financial statements.

Provision for (Recovery of) Credit Losses

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

For the Periods Ended (in thousands except basis points and %)	Q3 2026	Q2 2026	Change (%)	Q3 2025	Change (%)	YTD 2026	YTD 2025	Change (%)
Provision for (recovery of) impaired mortgages								
Residential mortgages								
Uninsured - non-securitized	$ 1,272	1,790	(29%)	344	270%	$ 3,492	$ 2,133	64%
Uninsured - securitized	91	—	n/a	—	n/a	91	—	n/a
Construction loans	752	(1,298)	(158%)	1,676	(55%)	(1,069)	3,134	(134%)
	2,115	492	330%	2,020	5%	2,514	5,267	(52%)
Provision for (recovery of) performing mortgages								
Residential mortgages								
Uninsured - non-securitized	34	369	(91%)	245	(86%)	892	1,790	(50%)
Uninsured - securitized	(151)	148	(202%)	65	(332%)	479	—	n/a
Uninsured - completed inventory	(241)	274	(188%)	(309)	22%	(209)	(270)	23%
Construction loans	316	(14)	2,357%	(185)	271%	891	336	165%
Commercial loans	92	762	(88%)	—	n/a	1,062	(35)	3,134%
	50	1,539	(97%)	(184)	127%	3,115	1,821	71%
Other provisions (recoveries)	304	(238)	228%	220	38%	94	219	(57%)
Total provision for (recovery of) credit losses	2,469	1,793	38%	2,056	20%	5,723	7,307	(22%)
Mortgage portfolio data:								
Provision for (recovery of) credit losses, net	$ 2,165	$ 2,031	7%	$ 1,771	22%	$ 5,059	$ 7,088	(29%)
Net write offs	$ 925	$ 935	(1%)	$ 155	497%	$ 1,860	$ 690	170%

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

We had a provision for credit losses on our portfolio of $2.5 million in Q3 2026, which was mainly due to growth in our mortgage portfolio balance and provisioning on our impaired residential construction loans partially offset by improvements in economic forecasts. In Q3 2025, we had a provision for credit losses of $2.1 million mainly due to worsening economic forecasts from the economic and geopolitical environment, interest provisioning on our impaired residential construction loans and a slight increase in uninsured residential mortgage arrears. We had a provision for credit losses on our portfolio of $5.7 million for YTD 2026 and $7.4 million for YTD 2025 mainly due to the same factors as described for Q3 2026 and Q3 2025, respectively, as well as changes to macroeconomic forecasts. The current geopolitical environment has increased the level of uncertainty with respect to management's judgments and estimates including the probability weights assigned to each scenario, the impacts of monetary policy on macroeconomic indicators and the mortgage portfolio. These judgments and uncertainties have been made or assessed with reference to the facts, projections and other circumstances at September 30, 2026. IFRS Accounting Standard 9, Financial Instruments ("IFRS Accounting Standard 9") does not permit the use of hindsight in measuring provisions for credit losses. Since September 30, 2026, forecasts around these uncertainties have continued to evolve. Any new forward-looking information subsequent to September 30, 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 Periods Ended (in thousands except %)	Q3 2026	Q2 2026	Change (%)	Q3 2025	Change (%)	YTD 2026	YTD 2025	Change (%)
Salaries and benefits	$ 6,622	$ 7,870	(16%)	$ 6,933	(4%)	$ 22,227	$ 20,925	6%
General and administrative	9,516	9,852	(3%)	8,172	16%	28,966	23,641	23%
	$ 16,138	**$ 17,722**	**(9%)**	**$ 15,105**	**7%**	**$ 51,193**	**$ 44,566**	**15%**

The increase in salaries and benefits in 2026 is mainly due to additional resources and regular pay increases. In the current quarter, we saw a reduction in our share-based payment accruals.

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

Taxable Income

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

Table 9: Taxable Income Reconciliation

For the Periods Ended (in thousands)	Q3 2026	Q3 2025	YTD 2026	YTD 2025
(in thousands)				
Consolidated net income for accounting purposes	$ 19,191	$ 20,505	$ 66,229	$ 57,282
Adjustments to calculate taxable income (loss):				
Reverse: Equity income from MCAP - accounting purposes	(9,628)	(10,361)	(27,627)	(25,664)
Add: MCAP taxable income (loss)	(6,407)	(5,237)	(7,467)	(16,139)
Add: Tax re-organization of investment in MCAP	—	—	—	12,500
Reverse: Provision for (recovery of) credit losses [2]	412	221	2,951	2,561
Add: Amortization of upfront securitization program costs [3]	3,404	3,494	10,141	9,531
Deduct: Securitization program mortgage origination costs [3]	(3,606)	(11,174)	(12,044)	(21,531)
Add: Securitization program premium (discount)	(2,026)	(1,555)	(3,940)	(1,673)
Reverse: Net realized and unrealized gain (loss) on securities [4]	2,001	(595)	(1,748)	(3,737)
Add: Capital gains (losses)	127	233	228	1,590
Reverse: Loss (income) earned in subsidiaries [5]	232	1,903	1,170	5,756
Deduct: Gain on dilution of MCAP [6]	—	—	(1,837)	—
Other items	987	(121)	1,766	3,207
Taxable Income (Loss)[1]	**$ 4,687**	**$ (2,687)**	**$ 27,822**	**$ 23,683**

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

Taxable income for YTD 2026 compared to YTD 2025 was higher due to lower taxable loss from our investment in MCAP and lower securitization program originations costs. As a MIC, we pay out at least all of our taxable income to shareholders through dividends.

FINANCIAL POSITION

Assets

Table 10: Assets

(in thousands except %)	September 30 2026	June 30 2026	Change (%)	December 31 2025	Change (%)
Assets					
Cash and cash equivalents	$ 86,908	$ 66,873	30%	$ 79,828	9%
Cash held in trust	80,169	85,492	(6%)	71,856	12%
Marketable securities	36,451	40,395	(10%)	54,146	(33%)
Mortgages	6,566,352	6,073,183	8%	5,938,259	11%
Non-marketable securities	132,637	129,155	3%	126,592	5%
Equity investment in MCAP Commercial LP	143,319	141,249	1%	133,995	7%
Deferred tax asset	2,124	2,063	3%	1,650	29%
Derivative financial instruments	136	488	(72%)	1,907	(93%)
Other assets	109,505	100,164	9%	69,237	58%
	$ 7,157,601	**$ 6,639,062**	**8%**	**$ 6,477,470**	**10%**

Mortgages

Table 11: Mortgage Summary

(in thousands except %)	September 30 2026	June 30 2026	Change (%)	December 31 2025	Change (%)
Mortgage portfolio					
Residential mortgages					
Insured - non-securitized	$ 150,252	$ 121,247	24%	$ 171,895	(13%)
Insured - securitized	3,596,323	3,265,323	10%	3,147,214	14%
Total insured	3,746,575	3,386,570	11%	3,319,109	13%
Uninsured - non-securitized	958,421	923,956	4%	978,059	(2%)
Uninsured - securitized	429,440	436,535	(2%)	311,457	38%
Total uninsured	1,387,861	1,360,491	2%	1,289,516	8%
Uninsured - completed inventory	166,827	141,031	18%	166,033	—%
Construction loans	1,147,451	1,084,207	6%	1,135,630	1%
Commercial loans	117,638	100,884	17%	27,971	321%
	$ 6,566,352	**$ 6,073,183**	**8%**	**$ 5,938,259**	**11%**

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 growth in selected markets, with our preferred borrowers and risk profile. We are focused on achieving greater growth in our commercial loan portfolio as part of our diversification strategy.

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 September 30, 2026, the average outstanding construction loan balance was $11 million (June 30, 2026 - $11 million; December 31, 2025 - $11 million) with a maximum individual loan commitment of $40 million (June 30, 2026 - $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.

We securitized $579 million in Q3 2026 (Q2 2026 - $291 million; Q3 2025 - $392 million) and $1.1 billion for YTD 2026 (YTD 2025 - $656 million) of insured residential mortgages through the market MBS program and CMB program. Overall, total insured residential mortgage origination volumes are higher supported by outstanding service to our brokers and customers. Further interest rate decreases would help first time home buyers, who are a significant portion of the borrowers of our insured residential mortgages. In 2026, we also purchased $349 million of insured residential mortgages from MCAP to securitize into the market MBS program and CMB program.

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 September 30, 2026, we held $31 million of retained MBS on our balance sheet (June 30, 2026 - $28 million; December 31, 2025 - $38 million), which is included in the insured residential mortgage portfolio in non-securitized mortgages.

We securitized $98 million in Q3 2026 (Q2 2026 - $nil; Q3 2025 - $217 million) and $362 million for YTD 2026 (YTD 2025 - $476 million) of insured multi-family mortgages through the CMB program. At the time of the insured multi-family securitization, the Company derecognized the mortgages from its balance sheet and recorded a gain on the sale of the mortgages of $0.4 million in Q3 2026 (Q3 2025 - $0.8 million) and $1.5 million for YTD 2026 (YTD 2025 - $1.5 million).

We securitized uninsured residential mortgages as part of a securitization program sponsored by a Canadian Schedule I Chartered bank. Uninsured residential mortgage securitization volumes were $98 million in Q3 2026 (Q2 2026 - $85 million; Q3 2025 - $163 million) and $343 million for YTD 2026 (YTD 2025 - $163 million). Under this program, we can sell qualifying uninsured residential mortgages that meet certain requirements into the program and they remain in the program until maturity. We plan to grow this portfolio in order to support our overall business and optimize our balance sheet.

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 12: Mortgage Portfolio Continuity for Q3 2026

	Residential Mortgages					
(in thousands)	Insured	Uninsured	Uninsured - completed inventory	Construction loans	Commercial loans	Total
Balance, beginning of the period	**$ 3,386,570**	**$ 1,360,491**	**$ 141,031**	**$ 1,084,207**	**$ 100,884**	**$ 6,073,183**
Originations[1]	1,492,272	541,283	45,694	172,770	131,919	2,383,938
Payments and prepayments	(91,937)	(5,293)	(20,250)	(109,087)	(17,357)	(243,924)
Maturities	(316,267)	(349,645)	—	—	—	(665,912)
Securitizations	(577,576)	(96,995)	—	—	(97,725)	(772,296)
Sale of commitments	(147,766)	(62,167)	—	—	—	(209,933)
Capitalization and amortization of fees	1,279	187	352	(439)	(83)	1,296
Balance, end of the period	**$ 3,746,575**	**$ 1,387,861**	**$ 166,827**	**$ 1,147,451**	**$ 117,638**	**$ 6,566,352**

[1] includes originations, including (i) insured and uninsured residential mortgage commitments originated and sold; (ii) acquisitions; and (iii) renewals.

Table 13: Mortgage Portfolio Continuity for Q3 2025

	Residential Mortgages					
(in thousands)	Insured	Uninsured	Uninsured - completed inventory	Construction loans	Commercial loans	Total
Balance, beginning of the period	**$ 2,703,335**	**$ 1,166,146**	**$ 118,833**	**$ 1,181,885**	**$ —**	**$ 5,170,199**
Originations[1]	839,510	454,076	2,757	127,662	216,905	1,640,910
Payments and prepayments	(80,935)	(4,331)	(20,526)	(110,252)	—	(216,044)
Maturities	(270,750)	(218,557)	—	—	—	(489,307)
Securitizations	(391,163)	(163,003)	—	—	(216,905)	(771,071)
Sale of commitments	(15,666)	(3,714)	—	—	—	(19,380)
Capitalization and amortization of fees	1,524	(378)	339	(85)	—	1,400
Balance, end of the period	**$ 2,785,855**	**$ 1,230,239**	**$ 101,403**	**$ 1,199,210**	**$ —**	**$ 5,316,707**

[1] includes originations, including (i) insured and uninsured residential mortgage commitments originated and sold; (ii) acquisitions; and (iii) renewals.

Table 14: Mortgage Portfolio Continuity for Year to Date 2026

	Residential Mortgages					
(in thousands)	Insured	Uninsured	Uninsured - completed inventory	Construction loans	Commercial loans	Total
Balance, beginning of the period	**$ 3,319,109**	**$ 1,289,516**	**$ 166,033**	**$ 1,135,630**	**$ 27,971**	**$ 5,938,259**
Originations[1]	2,988,649	1,424,195	82,643	362,372	488,891	5,346,750
Payments and prepayments	(255,987)	(14,555)	(82,046)	(353,213)	(36,420)	(742,221)
Maturities	(877,304)	(892,267)	—	—	—	(1,769,571)
Securitizations	(1,108,675)	(342,119)	—	—	(361,956)	(1,812,750)
Sale of commitments and whole loans	(320,500)	(74,791)	—	—	—	(395,291)
Capitalization and amortization of fees	1,283	(2,118)	197	2,662	(848)	1,176
Balance, end of the period	**$ 3,746,575**	**$ 1,387,861**	**$ 166,827**	**$ 1,147,451**	**$ 117,638**	**$ 6,566,352**

[1] includes originations, including (i) insured and uninsured residential mortgage commitments originated and sold; (ii) acquisitions; and (iii) renewals.

Table 15: Mortgage Portfolio Continuity for Year to Date 2025

	Residential Mortgages					
(in thousands)	Insured	Uninsured	Uninsured - completed inventory	Construction loans	Commercial loans	Total
Balance, beginning of the period	**$ 2,546,399**	**$ 1,113,372**	**$ 119,428**	**$ 1,087,561**	**$ 17,202**	**$ 4,883,962**
Originations[1]	1,713,278	941,768	38,260	468,738	476,132	3,638,176
Payments and prepayments	(218,253)	(14,332)	(56,735)	(357,923)	(17,150)	(664,393)
Maturities	(541,704)	(634,947)	—	—	—	(1,176,651)
Securitizations	(655,075)	(163,003)	—	—	(476,132)	(1,294,210)
Sale of commitments	(61,662)	(9,917)	—	—	—	(71,579)
Capitalization and amortization of fees	2,872	(2,702)	450	834	(52)	1,402
Balance, end of the period	**$ 2,785,855**	**$ 1,230,239**	**$ 101,403**	**$ 1,199,210**	**$ —**	**$ 5,316,707**

[1] includes originations, including (i) insured and uninsured residential mortgage commitments originated and sold; (ii) acquisitions; and (iii) renewals.

Figure 1: Total Mortgage Portfolios (in thousands)

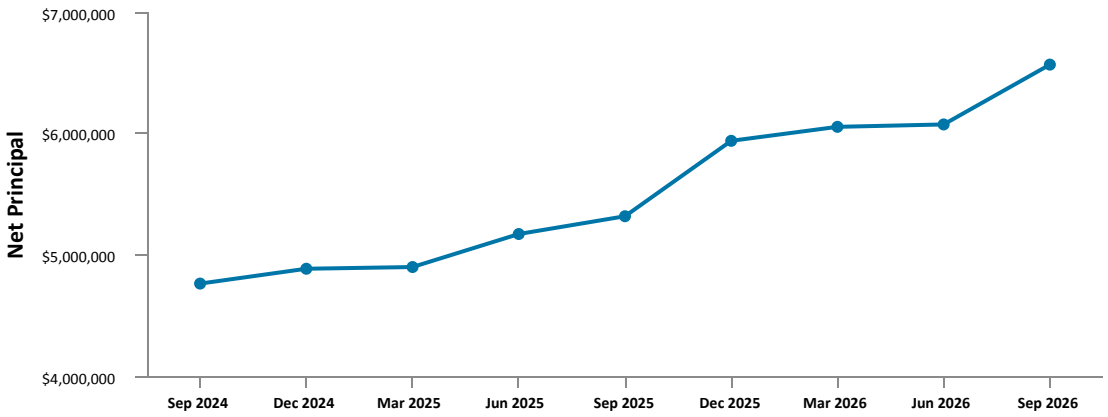
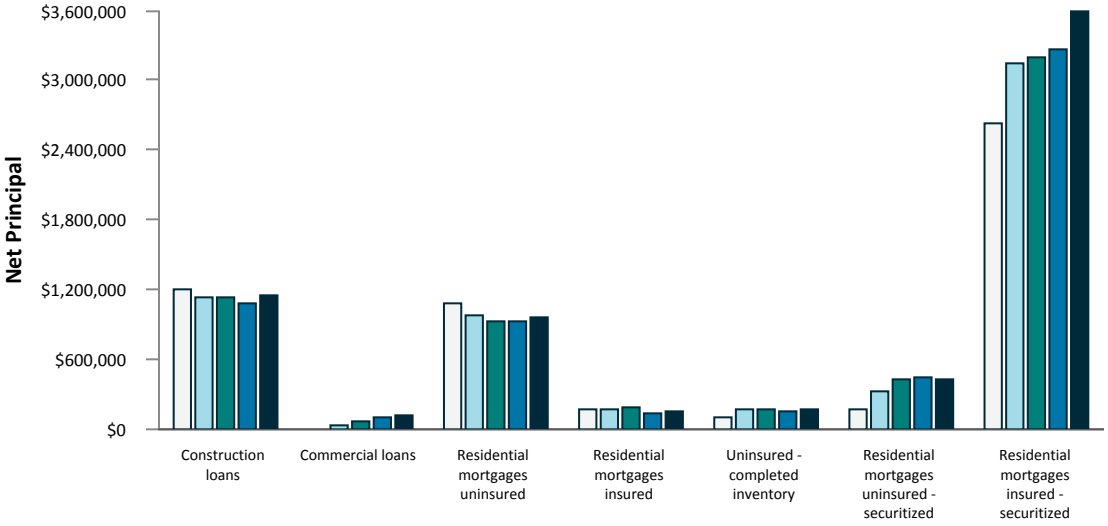


Figure 2: Key Mortgage Portfolio Composition by Product Type (in thousands)



		Non-securitized					Securitized	
		Construction loans	**Commercial loans**	**Residential mortgages uninsured**	**Residential mortgages insured**	**Uninsured - completed inventory**	**Residential mortgages uninsured - securitized**	**Residential mortgages insured - securitized**
	Sep 30, 2025	$1,199,210 (23%)	$0 (0%)	$1,070,497 (20%)	$164,588 (3%)	$101,403 (2%)	$159,742 (3%)	$2,621,267 (49%)
	Dec 31, 2025	$1,135,630 (20%)	$27,971 (0%)	$978,059 (16%)	$171,895 (3%)	$166,033 (3%)	$311,457 (5%)	$3,147,214 (53%)
	Mar 31, 2026	$1,129,155 (18%)	$64,662 (1%)	$919,009 (15%)	$174,681 (3%)	$155,266 (3%)	$424,042 (7%)	$3,186,697 (53%)
	Jun 30, 2026	$1,084,207 (18%)	$100,884 (2%)	$923,956 (15%)	$121,247 (2%)	$141,031 (2%)	$436,535 (7%)	$3,265,323 (54%)
	Sep 30, 2026	$1,147,451 (17%)	$117,638 (1%)	$958,421 (15%)	$150,252 (2%)	$166,827 (3%)	$429,440 (7%)	$3,596,323 (55%)

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

Table 16: Mortgage Portfolio Geographic Distribution

	September 30, 2026	June 30, 2026	December 31, 2025
Ontario	64.5 %	67.8 %	68.5 %
British Columbia	15.4 %	13.3 %	11.7 %
Alberta	15.0 %	14.4 %	15.3 %
Atlantic Provinces	0.1 %	0.1 %	0.1 %
Quebec	2.3 %	2.1 %	2.1 %
Other	2.7 %	2.3 %	2.3 %
	100.0 %	**100.0 %**	**100.0 %**

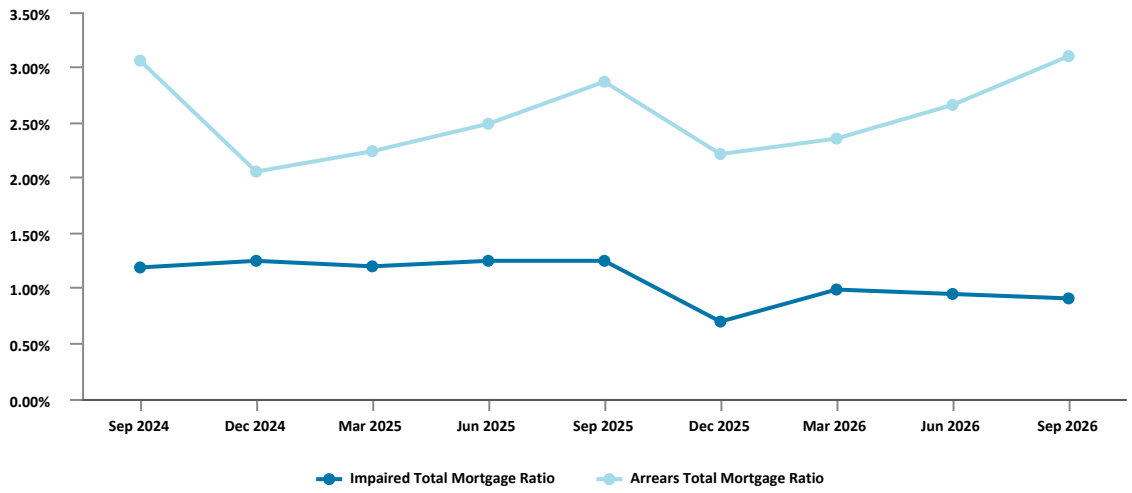
Credit Quality

Table 17: Arrears and Impaired Mortgages

(in thousands except %)	September 30 2026	June 30 2026	Change (%)	December 31 2025	Change (%)
Mortgage arrears					
Residential mortgages					
Insured - non-securitized	$ 2,853	$ 5,230	(45%)	$ 1,476	93%
Insured - securitized	12,526	12,305	2%	13,855	(10%)
Uninsured - non-securitized	77,160	65,945	17%	62,990	22%
Uninsured - securitized	6,769	7,042	(4%)	—	n/a
Construction loans	104,340	71,050	47%	53,271	96%
Total mortgage arrears	203,648	161,572	26%	131,592	55%
Staging analysis					
Stage 2					
Residential mortgages					
Insured - non-securitized	5,714	9,687	(41%)	5,649	1%
Insured - securitized	152,159	136,126	12%	163,674	(7%)
Uninsured - non-securitized	176,567	162,737	8%	218,960	(19%)
Uninsured - securitized	80,825	73,863	9%	42,089	92%
Construction loans	65,333	31,566	107%	23,943	173%
Total stage 2	480,598	413,979	16%	454,315	6%
Stage 3					
Residential Mortgages					
Insured - non-securitized	1,121	624	80%	245	358%
Insured - securitized	663	493	34%	—	n/a
Uninsured - non-securitized	18,663	16,704	12%	12,245	52%
Uninsured - securitized	324	269	20%	—	n/a
Construction loans	39,007	39,484	(1%)	29,328	33%
Total stage 3	59,778	57,574	4%	41,818	43%
Total stage 2 and 3 mortgages	540,376	471,553	15%	496,133	9%
Impaired total mortgage ratio [1]	0.91 %	0.95 %	(0.04%)	0.70 %	30%
Allowance for credit losses					
Allowance on performing mortgages	13,137	13,087	—%	10,076	30%
Allowance on impaired mortgages	13,939	12,749	9%	13,229	5%
Total allowance for credit losses	27,076	25,836	5%	23,305	16%

[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 Accounting Standards and, therefore, may not be comparable to similar terms used by other issuers.

Figure 3: Arrears and Impaired Mortgage Ratios[1]



The majority of our residential mortgage arrears activity occurs in the 1-30 day category, which has increased and it has increased our arrears total mortgage ratio this quarter. The bulk of these 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 68.2% at September 30, 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 Accounting Standard 9 as a percentage of the total mortgage portfolio. At September 30, 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. We believe that we have a quality construction loan portfolio with an average loan to value of 62.8% at September 30, 2026 based on appraisal values.

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.

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 Accounting Standard and, therefore, may not be comparable to similar terms used by other issuers.

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

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

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

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

Table 18: Residential Mortgages by Province at September 30, 2026

(in thousands except %)	Insured	%	Uninsured	%	HELOCs	%	Total	%
Ontario	$ 2,543,323	67.9 %	$ 1,276,594	82.1 %	$ 60	89.6 %	$ 3,819,977	72.1 %
Alberta	670,257	17.9 %	108,501	7.0 %	7	10.4 %	778,765	14.7 %
British Columbia	220,878	5.9 %	140,959	9.1 %	—	— %	361,837	6.8 %
Quebec	6,177	0.2 %	647	— %	—	— %	6,824	0.1 %
Atlantic Provinces	143,405	3.8 %	10,700	0.7 %	—	— %	154,105	2.9 %
Other	162,468	4.3 %	17,287	1.1 %	—	— %	179,755	3.4 %
Total	**$ 3,746,508**	**100.0 %**	**$ 1,554,688**	**100.0 %**	**$ 67**	**100.0 %**	**5,301,263**	**100.0 %**

Table 19: 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 20: Residential Mortgages by Amortization Period

(in thousands except %)	September 30 2026		December 31 2025	
Up to 20 years	$ 1,749,255	33.0 %	$ 1,406,199	29.5 %
>20 to 25 years	1,798,284	33.9 %	1,820,917	38.1 %
>25 to 30 years	1,180,984	22.3 %	985,059	20.6 %
>30 to 35 years	572,740	10.8 %	562,483	11.8 %
	$ 5,301,263	**100.0 %**	**$ 4,774,658**	**100.0 %**

Table 21: Average LTV Ratio for Uninsured Residential Mortgage Originations

For the Periods Ended (in thousands except %)	Q3 2026	Average LTV	Q3 2025	Average LTV	YTD 2026	Average LTV	YTD 2025	Average LTV
Ontario	$ 99,723	68.7%	$145,516	70.6%	$344,033	69.7%	$350,056	69.7%
Alberta	26,468	71.7%	8,330	76.3%	52,056	72.9%	23,727	75.1%
British Columbia	35,186	68.4%	15,521	71.2%	72,163	68.0%	49,045	60.0%
Other	4,407	72.3%	2,545	76.6%	11,367	73.1%	7,130	74.8%
	$165,784	**69.2%**	**$171,912**	**71.1%**	**$479,619**	**69.9%**	**$429,958**	**69.0%**

Table 22: Average LTV Ratios at Origination by Mortgage Portfolio

	September 30 2026	December 31 2025
Mortgage portfolio		
Residential mortgages		
Insured - non-securitized	69.8 %	63.0 %
Insured - securitized	78.7 %	79.5 %
Uninsured - non-securitized[1]	70.9 %	70.0 %
Uninsured - securitized	66.9 %	64.7 %
Uninsured - completed inventory[1]	62.5 %	62.7 %
Construction loans		
Residential	61.9 %	60.4 %
Non-residential	59.1 %	58.6 %
Commercial loans		
Multi-family residential	74.2 %	74.9 %
Other commercial	64.0 %	65.0 %
	73.1 %	**72.5 %**

[1] MCAN's non-securitized *uninsured residential mortgage portfolio (including completed inventory loans) is secured with a weighted average LTV at origination of 69.6% at September 30, 2026 (December 31, 2025 - 69.0%). Based on an industry index that incorporates current real estate values, the ratios would be 68.2% at September 30, 2026 (December 31, 2025 - 66.3%).*

Other Assets

Cash and Cash Equivalents

At September 30, 2026, our cash balance was $87 million (June 30, 2026 - $67 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 September 30, 2026, the portfolio balance was $36 million (June 30, 2026 - $40 million; December 31, 2025 - $54 million). In 2026, we sold $19 million of REITs for realized gains of $0.2 million. We continue to realize the benefits of regular cash flows and distributions from these investments.

Non-marketable Securities

At September 30, 2026, our non-marketable securities balance was $133 million (June 30, 2026 - $129 million; December 31, 2025 - $127 million). The movement to our security balance from the beginning of the year mainly relates to funding of capital advances and a $2 million net realized and unrealized gain consisting of gains and losses from certain underlying property investments as a result of (i) updated appraisals/property valuations, net of related property debt and debt service costs; and (ii) actual executions on construction and leasing stabilization and value-add activities. Our non-marketable securities are either held for long-term capital appreciation or distribution income. Our real estate development funds tend to have less predictable cash flows that are predicated on the completion of the development projects within these funds. We have $30 million in remaining capital advances for non-marketable securities expected to fund mainly over the next five years. Some of the real estate funds that we are invested in, have been slower to deploy committed capital than initially expected as finding the right opportunities in the current market environment takes more time.

For further information, refer to Note 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 independent and preeminent mortgage finance companies serving many institutional investors and over 400,000 homeowners. We hold a 13.77% equity interest in MCAP (June 30, 2026 - 13.77%; December 31, 2025 - 13.89%), which represents 4.0 million units held by MCAN at September 30, 2026 (June

30, 2026 - 4.0 million; December 31, 2025 - 4.0 million) of the 29.0 million total outstanding MCAP partnership units (June 30, 2026 - 29.0 million; December 31, 2025 - 28.8 million). The investment had a net book value of $143 million at September 30, 2026 (June 30, 2026 - $141 million; December 31, 2025 - $134 million). The net book value is not indicative of the fair market value of our equity interest in MCAP.

During Q3 2026, we received $7.6 million of unitholder distributions from MCAP (Q2 2026 - $6.1 million; Q3 2025 - $6.3 million). For YTD 2026, we have received $20.1 million of unitholder distributions from MCAP (YTD 2025 - $15.0 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 23: Liabilities and Shareholders' Equity

(in thousands except %)	September 30 2026	June 30 2026	Change (%)	December 31 2025	Change (%)
Liabilities					
Financial liabilities from securitization	$ 3,981,296	$ 3,665,766	9%	$ 3,433,883	16%
Term deposits	2,362,895	2,249,097	5%	2,340,483	1%
Loans payable	110,781	36,182	206%	19,438	470%
Derivative financial instruments	7,922	594	1,234%	46	17,122%
Other liabilities	22,437	20,525	9%	38,772	(42%)
	6,485,331	**5,972,164**	**9%**	**5,832,622**	**11%**
Shareholders' Equity					
Share capital	503,241	500,464	1%	491,015	2%
Contributed surplus	510	510	—%	510	—%
Retained earnings	167,099	165,501	1%	153,442	9%
Accumulated other comprehensive income (loss)	1,420	423	236%	(119)	(1,293%)
	672,270	**666,898**	**1%**	**644,848**	**4%**
	$ 7,157,601	**$ 6,639,062**	**8%**	**$ 6,477,470**	**10%**

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 September 30, 2026, the Company had derivative liabilities outstanding relating to term deposit hedges. 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 Q3 2026 consists of net income of $19.2 million (Q2 2026 - $24.0 million; Q3 2025 - $20.5 million) less dividends of $17.6 million (Q2 2026 - $17.5 million; Q3 2025 - $16.3 million). Retained earnings activity for YTD 2026 consists of a net income of $66.2 million (YTD 2025 - $57.3 million) less dividends of $52.6 million (YTD 2025 - $48.4 million).

Accumulated Other Comprehensive Income

We may enter into Government of Canada bond forward contracts to hedge interest rate risk arising from the impact of (i) movements in interest rates between the time insured residential mortgages are funded and the time that these mortgages are securitized; and (ii) movements in interest rates between the time term deposit funding is forecasted to be required and the time that the actual funding occurs. Achieving hedge accounting allows us to reduce our net income volatility related to changes in interest rates. For further information, refer to the "Derivatives and Hedging" sub-section of this MD&A and Note 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 24: Income Tax Capital

(in thousands except ratios)	September 30 2026	December 31 2025
Income tax assets		
Consolidated assets	$ 7,157,601	$ 6,477,470
Adjustment for assets in subsidiaries	10,967	58,279
Non-consolidated assets in MIC entity	7,168,568	6,535,749
Add: mortgage allowances	13,639	10,996
Less: securitization assets [1]	(4,028,664)	(3,477,956)
Adjustments to equity investments in MCAP and subsidiaries	(123,321)	(93,089)
Other adjustments	(8,514)	(2,093)
	$ 3,021,708	$ 2,973,607
Income tax liabilities		
Consolidated liabilities	$ 6,485,331	$ 5,832,622
Adjustment for liabilities in subsidiaries	(65,967)	(16,601)
Non-consolidated liabilities in MIC entity	6,419,364	5,816,021
Less: securitization liabilities [1]	(3,979,346)	(3,425,967)
	$ 2,440,018	$ 2,390,054
Income tax capital	$ 581,690	$ 583,553
Income tax capital ratios		
Income tax assets to capital ratio	5.19	5.10
Income tax liabilities to capital ratio	4.19	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 Accounting Standards. 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 September 30, 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 25: Regulatory Capital [3]

(in thousands except %)	September 30 2026	December 31 2025
OSFI Regulatory Ratios		
Share capital	$ 503,241	$ 491,015
Contributed surplus	510	510
Retained earnings	167,099	153,442
Accumulated other comprehensive income	1,420	(119)
Deduction from equity investment in MCAP [1]	(76,092)	(69,510)
Common Equity Tier 1 and Tier 1 Capital (A)	596,178	575,338
Tier 2 Capital	13,137	10,076
Total Capital (D)	$ 609,315	$ 585,414
Total Exposure/Regulatory Assets		
Consolidated assets	$ 7,157,601	$ 6,477,470
Less: deduction for equity investment in MCAP [1]	(76,092)	(69,510)
Other adjustments [2]	8,342	11,264
Total On-Balance Sheet Exposures	7,089,851	6,419,224
Mortgages and non-marketable securities funding commitments	223,741	239,344
Letters of credit	15,857	20,967
Total Off-Balance Sheet Items	239,598	260,311
Total Exposure/Regulatory Assets (B)	$ 7,329,449	$ 6,679,535
Leverage ratio (A / B)	8.13 %	8.61 %
Risk-weighted assets (C)	$ 3,256,322	$ 3,057,823
Regulatory Capital Ratios		
Common Equity Tier 1 capital to risk-weighted assets ratio **(A / C)**	18.31 %	18.82 %
Tier 1 capital to risk-weighted assets ratio **(A / C)**	18.31 %	18.82 %
Total capital to risk-weighted assets ratio **(D / C)**	18.71 %	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 26: Regulatory Risk-Weighted Assets [1]

(in thousands except %)	September 30, 2026 Amounts	Average Rate	Risk-Weighted Assets	December 31, 2025 Amounts	Average Rate	Risk-Weighted Assets
On-Balance Sheet Assets						
Cash and cash equivalents	$ 86,908	23 %	$ 20,047	$ 79,828	21 %	$ 16,374
Cash held in trust	80,169	22 %	17,778	71,856	20 %	14,371
Marketable securities	36,451	59 %	21,430	54,146	72 %	39,025
Mortgages	6,566,352	33 %	2,192,371	5,938,259	35 %	2,067,627
Non-marketable securities	132,637	195 %	257,996	126,592	172 %	218,124
Equity investment in MCAP Commercial LP	143,319	117 %	168,068	133,995	120 %	161,212
Deferred tax asset	2,124	100 %	2,124	1,650	100 %	1,650
Other assets	109,505	83 %	91,064	69,237	100 %	69,237
Derivative Financial Instruments	136	— %	—	1,907	— %	—
	7,157,601		2,770,878	6,477,470		2,587,620
Off-Balance Sheet Items						
Letters of credit	31,714	50 %	15,857	41,934	50 %	20,967
Commitments	559,352	32 %	178,506	598,360	31 %	186,145
Derivative Financial Instruments	839,819	1 %	8,006	611,451	3 %	17,516
			202,369			224,628
Charge for operational risk [2]			283,075			245,575
Risk-Weighted Assets			**$ 3,256,322**			**$ 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 Accounting Standard 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 September 30, 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 September 30, 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 27: Liquidity Analysis

At September 30, 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	$ 86,908	$ —	$ —	$ —	$ —	$ 86,908
Marketable securities	36,451	—	—	—	—	36,451
Mortgages - non-securitized	718,948	922,129	782,277	72,308	44,927	2,540,589
Non-marketable securities	—	—	—	—	132,637	132,637
Other loans	5,956	—	—	—	—	5,956
	848,263	922,129	782,277	72,308	177,564	2,802,541
Uses of liquidity						
Term deposits	352,325	792,890	941,952	275,728	—	2,362,895
Loans payable	110,781	—	—	—	—	110,781
Other liabilities	13,983	85	1,482	1,217	5,670	22,437
	477,089	792,975	943,434	276,945	5,670	2,496,113
Net liquidity surplus (deficit)	**$ 371,174**	**$ 129,154**	**$ (161,157)**	**$ (204,637)**	**$ 171,894**	**$ 306,428**

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 September 30, 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 September 30, 2026 would have an estimated positive effect of $2.1 million (June 30, 2026 - positive effect of $0.2 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 September 30, 2026 would have an estimated adverse effect of $0.7 million (June 30, 2026 - positive effect of $2.6 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 September 30, 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 28: Interest Rate Sensitivity at September 30, 2026

At September 30, 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	$1,918,842	$377,452	$798,658	$2,308,180	$1,255,706	$12,577	$ 486,186	$ 7,157,601
Liabilities	865,373	467,211	1,062,069	2,564,887	1,503,353	—	22,438	6,485,331
Shareholders' Equity	—	—	—	—	—	—	672,270	672,270
Gap	**$1,053,469**	**$(89,759)**	**$(263,411)**	**$(256,707)**	**$(247,647)**	**$12,577**	**$ (208,522)**	**$ —**
Yield Spread	**2.76 %**	**1.60 %**	**1.59 %**	**0.94 %**	**0.56 %**	**4.14 %**		

Table 29: Interest Rate Sensitivity at December 31, 2025

At December 31, 2025 (in thousands except %)	Floating Rate	Within 3 Months	> 3 Months to 1 Year	> 1 to 3 Years	> 3 to 5 Years	> 5 Years	Non Interest Sensitive	Total
Assets	$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. These common shares are the only voting securities of MCAN. At September 30, 2026, there were 41,020,737 common shares outstanding (June 30, 2026 - 40,887,983; December 31, 2025 - 40,471,074). At October 29, 2026, there were 41,020,737 common shares outstanding.

We issued $2.2 million in new common shares in Q3 2026 (Q3 2025 - $2.3 million) and $9.9 million YTD 2026 (YTD 2025 - $9.4 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. The DRIP participation rate for the 2026 third quarter dividend was 13% (2026 second quarter - 15%; 2025 third quarter - 15%).

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

- We have an ATM Program, established pursuant to a Prospectus Supplement to our Base Shelf prospectus, allowing us to issue up to $75 million common shares to the public from time to time at the market prices prevailing at the time of sale. In Q3 2026, we sold 26,399 common shares at a weighted average price of $25.90 for gross proceeds of $0.7 million and net proceeds of $0.6 million including $14 thousand of agent commission paid and $0.1 million of other share issuance costs under the ATM Program. So far in 2026, we sold 74,399 common shares at a weighted average price of $25.46 for gross proceeds of $1.9 million and net proceeds of $1.6 million including $39 thousand of agent commission paid and $0.3 million of other share issuance costs under the ATM Program. At September 30, 2026, we have $57.3 million remaining available to be issued through our ATM Program. The volume and timing of distributions under the ATM Program are determined at MCAN's sole discretion.

For additional information related to share capital, refer to Note 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 30: Contractual Commitments

At September 30, 2026 (in thousands)	Within 3 months	Months to 1 Year	> 1 to 3 Years	> 3 to 5 Years	> 5 Years	Total
Commitment - Mortgage Fundings	$ 353,073	$ 128,627	$ 18,502	$ —	$ —	$ 500,202
Commitment - Real Estate Debt Funds	1,635	5,922	14,231	3,980	2,500	$ 28,268
Commitment - Other Real Estate Limited Partnerships	965	—	1,073	—	28,844	$ 30,882
	$ 355,673	**$ 134,549**	**$ 33,806**	**$ 3,980**	**$ 31,344**	**$ 559,352**

We retain mortgage servicing obligations relating to securitized insured multi-family mortgages where balance sheet derecognition has been achieved. At September 30, 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 October 29, 2026, the Board declared a regular quarterly cash dividend of $0.43 per share to be paid on January 4, 2027 to shareholders of record as at December 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 September 30, 2026 and September 30, 2025 and related party balances at September 30, 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 September 30, 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 Accounting Standards.

There were no changes in our ICFR during the interim period ended September 30, 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 Accounting Standards, 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 Accounting Standards, are not defined by IFRS Accounting Standards 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

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY

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

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

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



REIMAGINING OPPORTUNITY TO DRIVE GROWTH FOR CANADIAN COMMUNITIES

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