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

**AUM and net interest income continue to grow**

**Toronto, Ontario - October 29, 2026**. MCAN Mortgage Corporation d/b/a MCAN Financial Group ("MCAN", the "Company" or "we") (TSX: MKP), a leading Canadian mortgage investment corporation, today announced its financial results for the three and nine months ended September 30, 2026. For the current quarter, results were positively impacted by higher net interest income from growth in our lending business, including managing our funding costs, partially offset by higher unrealized losses on our securities. Our results for the year so far also reflect higher net interest income as well as higher income from MCAP and higher net gains on our securities.

**Q3 2026 highlights compared to Q3 2025**

- **Net interest income:** $26.7 million, +12%
- **Net income:** $19.2 million, -6%
- **ROE[1]:** 11.56%
- **EPS:** $0.47
- **Book value per share:** $16.39
- **Cash dividends declared:** $0.43, +5%

**YTD 2026 highlights compared to YTD 2025**

- **Net interest income:** $76.9 million, +8%
- **Net income:** $66.2 million, +16%
- **ROE[1]:** 13.44%
- **EPS:** $1.62
- **Total assets under management[1]:** $9.4 billion, +21%
- **CET 1 ratio[2]:** 18.31%
- **Income tax assets to capital ratio[3]:** 5.19

“Strong growth in our assets under management reflects the continued execution of our strategy. Our business continues to perform well in all our main product lines, despite uncertainty in the broader economic environment, supported by strong mortgage originations and renewals, disciplined pricing and hedging strategies, as well as our strategic partnership with MCAP. We believe we are well-reserved in our allowance for credit losses and our sound underwriting practices ensure our credit quality remains resilient,” said Derek Sutherland, CEO of MCAN. “The recent launch of an additional uninsured residential mortgage securitization program with a major Canadian bank further strengthens our funding diversification and capital optimization strategy. Looking ahead, we remain focused on delivering profitable growth and improving shareholder returns while investing in the infrastructure needed to support the continued scale of our business and increase our operational efficiency.”

**Total assets under management[1] grew to $9.4 billion, up 21% from the beginning of the year**

- **Mortgage originations and strong renewals bring total residential mortgage assets to $5.1 billion, +11% YTD, including uninsured residential mortgage assets of $1.4 billion, +8% YTD, and insured residential mortgage assets of $3.7 billion, +13% YTD**
  - Compared to YTD 2025, uninsured residential mortgage originations increased 13% and insured residential mortgage originations increased 27%, along with strong renewal volumes.
  - This performance reflects our outstanding service to our brokers and customers despite a challenging and competitive market.
  - This growth was supported by our residential mortgage securitization programs, as part of our funding diversification and capital optimization strategy. In October 2026, we launched a new

uninsured residential mortgage securitization program with a major Canadian bank. This additional program will help us with our capital optimization strategy.

- **Construction and commercial mortgages balances grew to $1.3 billion, +9% YTD**
  - Loan advances of $359 million so far this year in well-secured projects that meet our risk appetite, including adding more commercial term mortgages to diversify our portfolio.
  - Originations and future commitments have been steady with some extensions of projects due to normal construction delays relating to the permitting and zoning process as well as the current economic environment.

- **MCAP continues to perform ahead of expectations**
  - MCAP income YTD of $27.6 million, +8% compared to YTD 2025, primarily due to higher securitization income from higher average portfolio balances.
  - Our investment in and strategic partnership with MCAP continues to remain a key driver of returns for our shareholders.

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

- Provision for credit losses were $5.7 million for the year so far mainly due to growth in our mortgage portfolio balance and provisioning on our impaired residential construction loans partially offset by improvements in economic forecasts.
- Impaired non-securitized mortgage ratio[1] was 2.31% at September 30, 2026 compared to 1.69% at December 31, 2025. At September 30, 2026, impaired mortgages mainly represent impaired construction loans as well as uninsured residential mortgages where asset recovery programs have been initiated or we expect the loans to be brought current.
- We believe overall that we have a quality mortgage loan portfolio with an average LTV of 68.2% for our uninsured residential mortgages and 62.8% for our construction loans at September 30, 2026.

**MCAN quarterly dividend declared**

- The Board of Directors 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 Dividend Reinvestment Plan (“DRIP”), dividends paid to shareholders are automatically reinvested in common shares issued out of treasury at the weighted average trading price for the five days preceding such issue less a discount of 2% until further notice from MCAN. Our DRIP may provide enhanced returns for shareholders who participate. For how to enroll in the DRIP, please refer to our Management Information Circular dated February 27, 2026 or visit our website at www.mcanfinancial.com.

[1] *Considered to be a non-GAAP and other financial measure. For further details, refer to the "Non-GAAP and Other Financial Measures" section of this new release. Non-GAAP and other financial measures and ratios used in this document are not defined terms under IFRS and, therefore, may not be comparable to similar terms used by other issuers.*
[2] *These measures have been calculated in accordance with OSFI's Capital Adequacy Requirements guidelines.*
[3] *Tax balances are calculated in accordance with the Tax Act.*

**Consolidated Financial Statements**

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

| | September 30 2026 | December 31 2025 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 86,908 | $ 79,828 |
| Cash held in trust | 80,169 | 71,856 |
| Marketable securities | 36,451 | 54,146 |
| Mortgages | 6,566,352 | 5,938,259 |
| Non-marketable securities | 132,637 | 126,592 |
| Equity investment in MCAP Commercial LP | 143,319 | 133,995 |
| Derivative financial instruments | 136 | 1,907 |
| Deferred tax assets | 2,124 | 1,650 |
| Other assets | 109,505 | 69,237 |
| | **7,157,601** | **6,477,470** |
| **Liabilities and Shareholders' Equity** | | |
| **Liabilities** | | |
| Financial liabilities from securitization | 3,981,296 | 3,433,883 |
| Term deposits | 2,362,895 | 2,340,483 |
| Demand loans payable | 110,781 | 19,438 |
| Derivative financial instruments | 7,922 | 46 |
| Other liabilities | 22,437 | 38,772 |
| | **6,485,331** | **5,832,622** |
| **Shareholders' Equity** | | |
| Share capital | 503,241 | 491,015 |
| Contributed surplus | 510 | 510 |
| Retained earnings | 167,099 | 153,442 |
| Accumulated other comprehensive income (loss) | 1,420 | (119) |
| | **672,270** | **644,848** |
| | **$ 7,157,601** | **$ 6,477,470** |

**Consolidated statements of income**

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

| For the Periods Ended September 30 | Q3 2026 | Q3 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| **Net Interest Income** | | | | |
| Mortgage interest | $ 78,847 | $ 69,179 | $ 229,621 | $ 198,911 |
| Interest on cash and other | 1,137 | 1,665 | 3,710 | 4,531 |
| | **79,984** | **70,844** | **233,331** | **203,442** |
| Term deposit interest | 22,054 | 26,606 | 68,010 | 76,990 |
| Interest on financial liabilities from securitization | 29,997 | 18,723 | 86,208 | 51,035 |
| Interest on loans payable | 1,205 | 1,755 | 2,212 | 4,242 |
| | **53,256** | **47,084** | **156,430** | **132,267** |
| **Total Net Interest Income** | **26,728** | **23,760** | **76,901** | **71,175** |
| **Non-interest Income** | | | | |
| Equity income from MCAP Commercial LP | 9,628 | 10,361 | 27,627 | 25,664 |
| Distribution income from securities | 1,986 | 2,362 | 7,230 | 7,354 |
| Fees | 541 | 922 | 2,399 | 2,763 |
| Net gain (loss) on securities | (2,118) | (320) | 4,203 | 1,185 |
| Net gain on sales of securitizations, commitments and whole loans | 972 | 763 | 2,479 | 1,520 |
| Gain on dilution of investment in MCAP Commercial LP | — | — | 1,837 | — |
| | **11,009** | **14,088** | **45,775** | **38,486** |
| **Total Income** | **37,737** | **37,848** | **122,676** | **109,661** |
| Provision for credit losses | 2,469 | 2,056 | 5,723 | 7,372 |
| **Non-interest Expenses** | | | | |
| Salaries and benefits | 6,622 | 6,933 | 22,227 | 20,925 |
| General and administrative | 9,516 | 8,172 | 28,966 | 23,641 |
| | **16,138** | **15,105** | **51,193** | **44,566** |
| **Net Income Before Income Taxes** | **19,130** | **20,687** | **65,760** | **57,723** |
| Provision for (recovery of) income taxes | | | | |
| Current | — | 125 | 5 | 127 |
| Deferred | (61) | 57 | (474) | 314 |
| | **(61)** | **182** | **(469)** | **441** |
| **Net Income** | **$ 19,191** | **$ 20,505** | **$ 66,229** | **$ 57,282** |
| Basic and diluted earnings per share | $ 0.47 | $ 0.52 | $ 1.62 | $ 1.46 |
| Cash dividends per share | $ 0.43 | $ 0.41 | $ 1.29 | $ 1.23 |
| Weighted average number of basic and diluted shares (000's) | 41,021 | 39,766 | 40,774 | 39,327 |

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

| For the Periods Ended September 30 | Q3 2026 | Q3 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| **Net Income** | $ 19,191 | $ 20,505 | $ 66,229 | $ 57,282 |
| Other comprehensive income items that may be subsequently reclassified to income (loss): | | | | |
| **Cash Flow Hedges** | | | | |
| Net gains (losses) from changes in fair value of cash flow hedges | 953 | (191) | 1,381 | 366 |
| Reclassification of net losses (gains) to net income | 44 | 86 | 158 | 307 |
| **Total Other Comprehensive Income** | **997** | **(105)** | **1,539** | **673** |
| **Comprehensive Income** | **$ 20,188** | **$ 20,400** | **$ 67,768** | **$ 57,955** |

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

| For the Periods Ended September 30 | Q3 2026 | Q3 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| **Share Capital** | | | | |
| Balance, beginning of period | $ 500,464 | $ 472,927 | $ 491,015 | $ 456,683 |
| Share capital issued, net of share issuance costs | 2,777 | 11,428 | 12,226 | 27,672 |
| Balance, end of period | **503,241** | **484,355** | **503,241** | **484,355** |
| **Contributed Surplus** | **510** | **510** | **510** | **510** |
| **Retained Earnings** | | | | |
| Balance, beginning of period | 165,501 | 148,296 | 153,442 | 143,620 |
| Net income | 19,191 | 20,505 | 66,229 | 57,282 |
| Dividends declared | (17,593) | (16,306) | (52,572) | (48,407) |
| Balance, end of period | **167,099** | **152,495** | **167,099** | **152,495** |
| **Accumulated Other Comprehensive Income** | | | | |
| Balance, beginning of period | 423 | (846) | (119) | (1,624) |
| Other comprehensive income | 997 | (105) | 1,539 | 673 |
| Balance, end of period | **1,420** | **(951)** | **1,420** | **(951)** |
| **Total Shareholders' Equity** | **$ 672,270** | **$ 636,409** | **$ 672,270** | **$ 636,409** |

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

| For the Periods Ended September 30 | Q3 2026 | Q3 2025 | YTD 2026 | YTD 2025 |
|---|---|---|---|---|
| **Cash flows from (for):** | | | | |
| **Operating Activities** | | | | |
| Net income | $ 19,191 | $ 20,505 | $ 66,229 | $ 57,282 |
| Adjustments to determine cash flows relating to operating activities: | | | | |
| Deferred taxes | (61) | 57 | (474) | 314 |
| Equity income from MCAP Commercial LP | (9,628) | (10,361) | (27,627) | (25,664) |
| Gain on dilution of investment in MCAP Commercial LP | — | — | (1,837) | — |
| Provision for credit losses | 2,469 | 2,056 | 5,723 | 7,372 |
| Net (gain) loss on securities | 2,063 | 500 | (83) | 1,387 |
| Amortization of cash flow hedges net losses (gains) | 44 | 87 | 159 | 308 |
| Amortization of securitized mortgage and liability transaction costs | 2,826 | 2,916 | 8,642 | 8,097 |
| Amortization of other assets | 264 | 556 | 1,353 | 1,667 |
| Changes in operating assets and liabilities: | | | | |
| Marketable securities | 2,000 | 4,055 | 19,271 | 13,058 |
| Mortgages | (497,613) | (150,639) | (639,955) | (445,900) |
| Non-marketable securities | (3,600) | (4,789) | (7,538) | (10,567) |
| Derivative Financial Instruments | 8,633 | (1,756) | 11,027 | (1,527) |
| Other assets | (9,030) | (9,472) | (39,431) | (19,084) |
| Cash held in trust | 5,323 | (768) | (8,313) | (15,675) |
| Term deposits | 113,798 | 84,395 | 22,412 | 185,030 |
| Financial liabilities from securitization | 314,680 | 328,003 | 544,913 | 353,670 |
| Other liabilities | 1,941 | (311) | (66) | (3,896) |
| **Cash flows from (for) operating activities** | **(46,700)** | **265,189** | **(45,595)** | **106,027** |
| **Investing Activities** | | | | |
| Distributions from MCAP Commercial LP | 7,558 | 6,327 | 20,140 | 14,980 |
| Acquisition of capital and intangible assets | (578) | (973) | (1,389) | (4,755) |
| **Cash flows from investing activities** | **6,980** | **5,354** | **18,751** | **10,225** |
| **Financing Activities** | | | | |
| Proceeds from issuance of common shares, net of share issuance costs | 571 | 9,082 | 1,564 | 15,796 |
| Net change in demand loans | 74,599 | (258,193) | 91,343 | 65 |
| Increase (decrease) in premises lease liability | (27) | (100) | 301 | 2,205 |
| Dividends paid | (15,388) | (13,960) | (59,284) | (54,132) |
| **Cash flows from (for) financing activities** | **59,755** | **(263,171)** | **33,924** | **(36,066)** |
| Increase in cash and cash equivalents | 20,035 | 7,372 | 7,080 | 80,186 |
| Cash and cash equivalents, beginning of period | 66,873 | 134,517 | 79,828 | 61,703 |
| **Cash and cash equivalents, end of period** | **$ 86,908** | **$ 141,889** | **$ 86,908** | **$ 141,889** |
| **Supplementary Information** | | | | |
| Interest received | $ 81,671 | $ 71,982 | $ 237,163 | $ 205,855 |
| Interest paid | 42,353 | 40,508 | 135,596 | 113,178 |
| Distributions received from securities | 1,904 | 2,213 | 6,984 | 6,985 |

**Further Information**

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

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

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

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

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

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**A Caution About Forward-Looking Information and Statements**

This news release contains forward-looking information within the meaning of applicable Canadian securities laws. All information contained in this news release, other than statements of current and historical fact, is forward-looking information. All of the forward-looking information in this news release is qualified by this cautionary note. Often, but not always, forward-looking information can be identified by the use of words such as "may," "believe," "will," "anticipate," "expect," "planned," "estimate," "project," "future," and variations of these or similar words or other expressions that are predictions of, or indicate, future events and trends and that do not relate to historical matters. Forward-looking information in this news release includes, among others, statements and assumptions with respect to:

- the current business environment, economic environment and outlook;
- possible or assumed future results;
- our ability to create shareholder value;
- our business goals and strategy;
- the potential impact of new regulations and changes to existing regulations as well as any changes in tax legislation;
- the stability of home prices;
- the effect of challenging conditions on us;
- the performance of our investments;

- factors affecting our competitive position within the housing lending market;
- international trade, including changes in tariffs, international economic uncertainties, failures of international financial institutions and geopolitical uncertainties and their impact on the Canadian economy;
- sufficiency of our access to liquidity and capital resources;
- the timing and effect of interest rate changes on our cash flows; and
- the declaration and payment of dividends.

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

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

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

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

Reliance should not be placed on forward-looking information because it involves known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from anticipated future results expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from those set forth in the forward-looking information include, but are not limited to, the risk that any of the above opinions, estimates or assumptions are inaccurate and the other risks and uncertainties referred to in

our Annual Information Form for the year ended December 31, 2025, our MD&A and our other public filings with the applicable Canadian regulatory authorities.

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

**Non-GAAP and Other Financial Measures**

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