



Q2-2017 INVESTOR PRESENTATION

For the quarter ended June 30, 2017

William Jandrisits
President & CEO

Jeff Bouganim
SVP & CFO



Forward Looking Information

This presentation may contain forward-looking statements and statements regarding the business and anticipated financial performance of MCAN Mortgage Corporation and its subsidiaries. These statements are based on current expectations, and are subject to a number of risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. Some of the factors that could cause such differences include legislative or regulatory developments, competition, technology change, global market activity, interest rates, changes in government and economic policy and general economic conditions in geographic areas where MCAN operates.

Reference is made to the risk factors disclosed in MCAN's 2017 Annual Information Form which are incorporated herein by reference. These and other factors should be considered carefully and undue reliance should not be placed on MCAN's forward-looking statements. Subject to applicable securities law requirements, MCAN does not undertake to update any forward-looking statements.



Financial Highlights – Q2 2017

(as at June 30, 2017)

	Current Year Q2-2017	Prior Year Q2-2016	YTD Jun-2017	YTD Jun-2016
Net Income	\$8.9 million	\$13.6 million	\$19.2 million	\$21.4 million
Earnings per share	\$0.39	\$0.59	\$0.83	\$0.93
ROE ^[1]	12.37%	20.10%	13.37%	16.02%
Dividends per share	\$0.32	\$0.29	\$0.62	\$0.58
Net Investment Income – Corporate	\$12.2 million	\$17.0 million	\$25.1 million	\$27.6 million
Net Investment Income – Securitization	\$1.4 million	\$1.4 million	\$2.7 million	\$2.7 million
Taxable income per share ^[1]	\$0.43	\$0.27	\$0.81	\$0.68

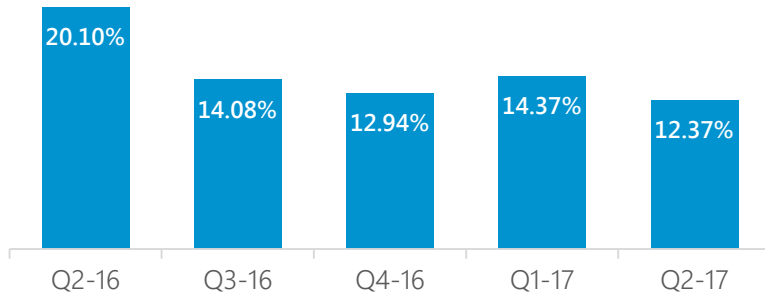
¹Taxable Income per share and Return on Average Shareholders' Equity (ROE) are defined as Non-IFRS measures as noted in MCAN's Q2-2017 MD&A



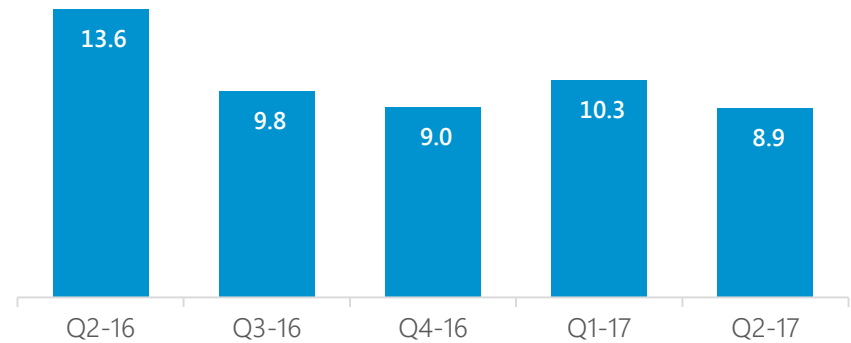
Key Metrics: Quarterly Trend Charts

(as at June 30, 2017)

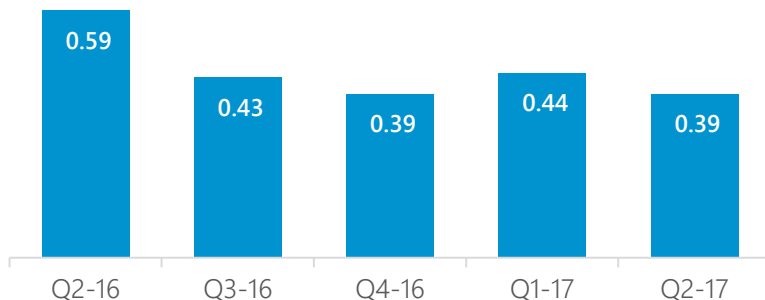
Return on average shareholders' equity¹
(%)



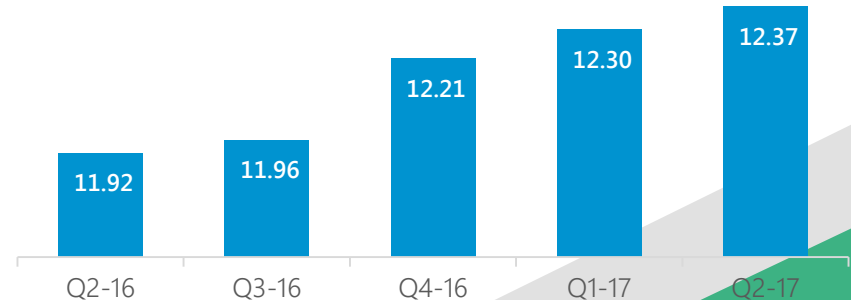
Net Income (\$ millions)



Basic and diluted earnings per share
(\$ per share)



Book value per common share¹
(\$ per share)



¹ Taxable Income per share and Return on Average Shareholders' Equity (ROE) are defined as Non-IFRS measures as noted in MCAN's Q2-2017 MD&A



Financial Highlights – Q2 2017

(as at June 30, 2017)

- We earned net income of \$8.9 million in Q2 2017, a decrease of \$4.7 million (34%) from \$13.6 million in Q2 2016.
- Earnings per share decreased by \$0.20 (34%) to \$0.39 in Q2 2017 from \$0.59 in Q2 2016.
- Return on average shareholders' equity¹ decreased to 12.37% in Q2 2017 from 20.10% in Q2 2016.
- The decreases in the above amounts in Q2 2017 were largely driven by the recognition of \$3.8 million of distribution income from Crown Realty II Limited Partnership ("Crown LP") in Q2 2016 compared to \$0.2 million in Q2 2017.
- Corporate assets, which totalled \$1.20 billion at June 30, 2017, increased by \$68 million from March 31, 2017.

¹Non-IFRS measure as defined in MCAN's Q2-2017 MD&A



Financial Highlights – Q2 2017

(as at June 30, 2017)

- Income Tax Asset Capacity¹ was \$243 million at June 30, 2017 compared to \$278 million at March 31, 2017
- Common Equity Tier 1, Tier 1 and Total Capital to risk-weighted assets ratios¹ were 21.69% at June 30, 2017 on the transitional basis and 21.47% on the “all-in” basis, compared to 22.43% and 22.23%, respectively, at March 31, 2017.
- Leverage Ratio¹ was 10.82% at June 30, 2017, compared to 10.87% at March 31, 2017
- Q3 dividend of \$0.32 per share declared; to be paid September 29, 2017 to shareholders of record as of September 15, 2017

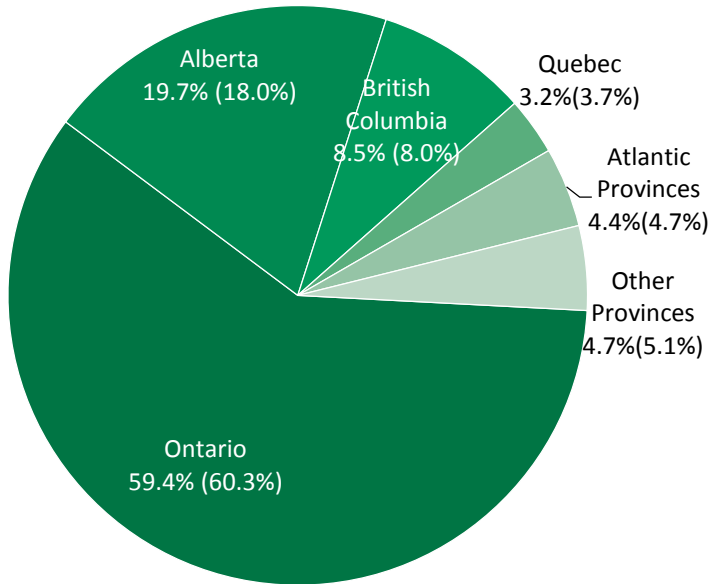
¹Non-IFRS measure as defined in MCAN’s Q2-2017 MD&A



Geography of Corporate Portfolio

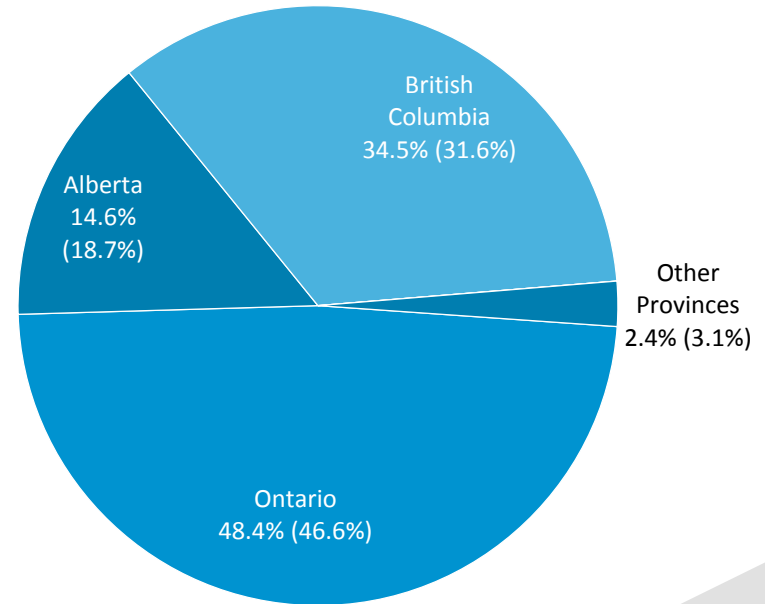
(as at June 30, 2017)

**Single Family Mortgages
Q2-17 (& Q1-17)**



**Total \$358 million as at Q2-17
(\$335 million as at Q1-17)**

**Construction & Commercial
Q2-17 (& Q1-17)**

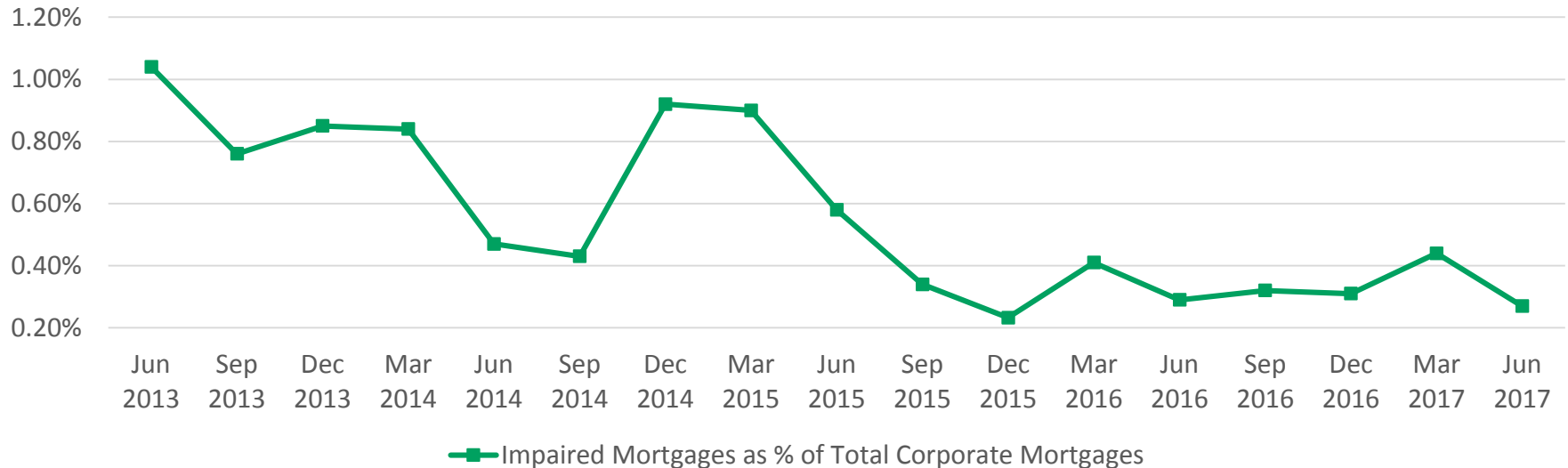


**Total \$553 million as at Q2-17
(\$526 million as at Q1-17)**



Arrears and Impaired Mortgages

(as at June 30, 2017)



- Impaired total mortgage ratio¹ was 0.12%, improved from 0.19% at March 31, 2017
- Impaired corporate mortgage ratio¹ was 0.27%, improved from 0.44% at March 31, 2017
- Total mortgage arrears¹ were \$22 million at June 30, 2017, improved from \$48 million at March 31, 2017

¹Non-IFRS measure as defined in MCAN's Q2-2017 MD&A; chart data source MCAN's Q2-2013 to Q2-2017 MD&A



Investment in MCAP – Key Data

(as at June 30, 2017)

- MCAP, an originator and servicer of mortgages for third party investors in Canada, is a strategic investment for MCAN providing access and scale to origination and servicing and well-recognized MCAP brand; Investment yield and capital gain potential through value appreciation

As at June 30, 2017:

Number of Partnership units held	4.2 million
Ownership percentage	14.35%
Equity Investment in MCAP	\$ 53 million
Equity Investment in MCAP – LP ARA ^[1] ^[3]	\$ 41 million

MCAP:

Origination volumes – Q2 2017	\$ 3.3 billion
Origination volumes - Fiscal 2016	\$ 16.0 billion
Assets under administration as at May 31, 2017	\$ 62.3 billion

[1] Defined as Non-IFRS measures as noted in MCAN's Q2-2017 MD&A

[2] MCAP = MCAP Commercial LP

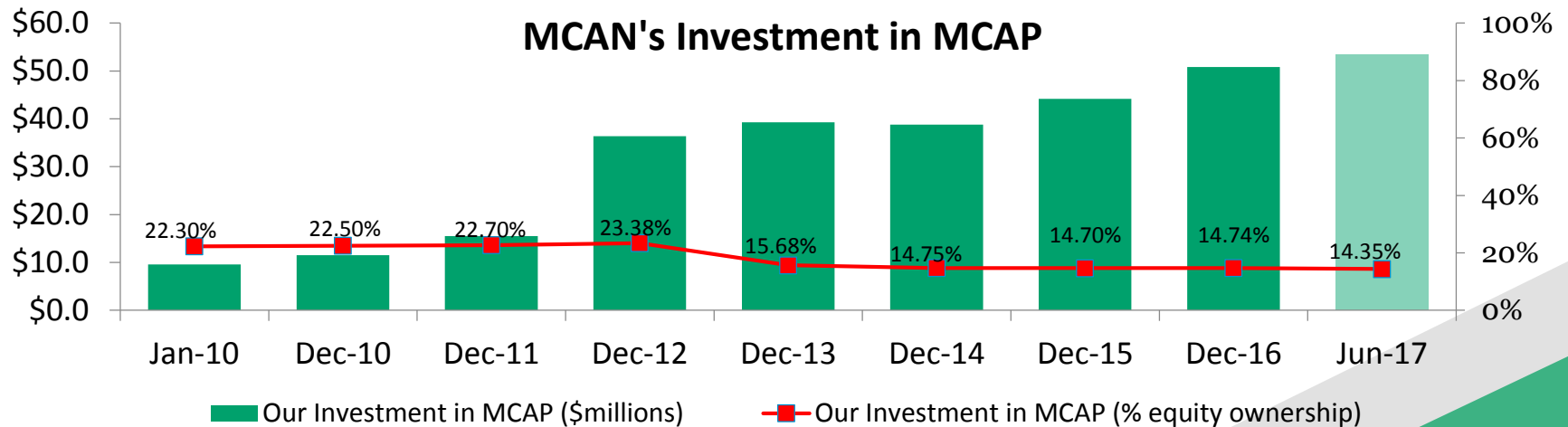
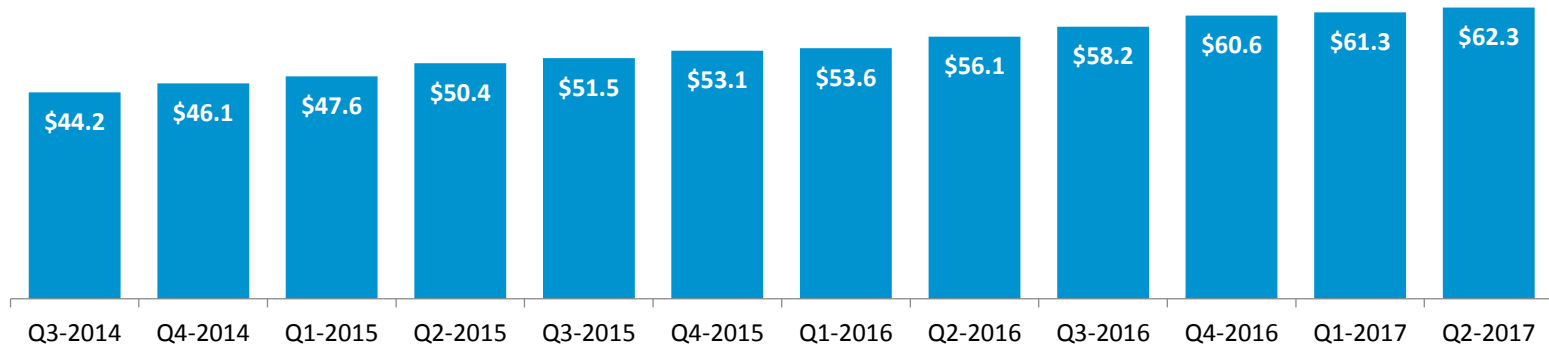
[3] LP ARA = Limited Partners' At-Risk Amount (cost base of the Equity Investment in MCAP for income tax purposes)



Investment in MCAP - Growth History

(as at June 30, 2017)

MCAP - Assets under administration (\$Billions)



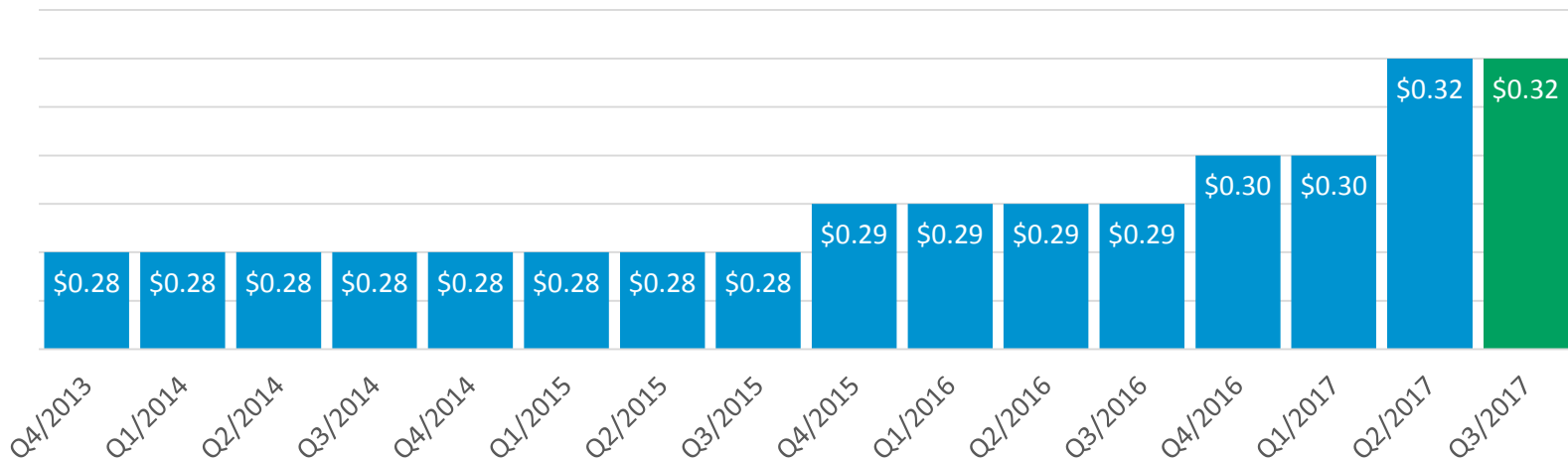
[1] Source: MCAN's 2010-2016, Q1 and Q2-2017 MD&A



MCAN's Dividends: Ongoing & Stable

Regular Quarterly Dividend Payments

Regular Quarterly Dividends History



Q3 /2017 dividend to be paid September 30, 2017 to shareholders of record as at September 15, 2017.

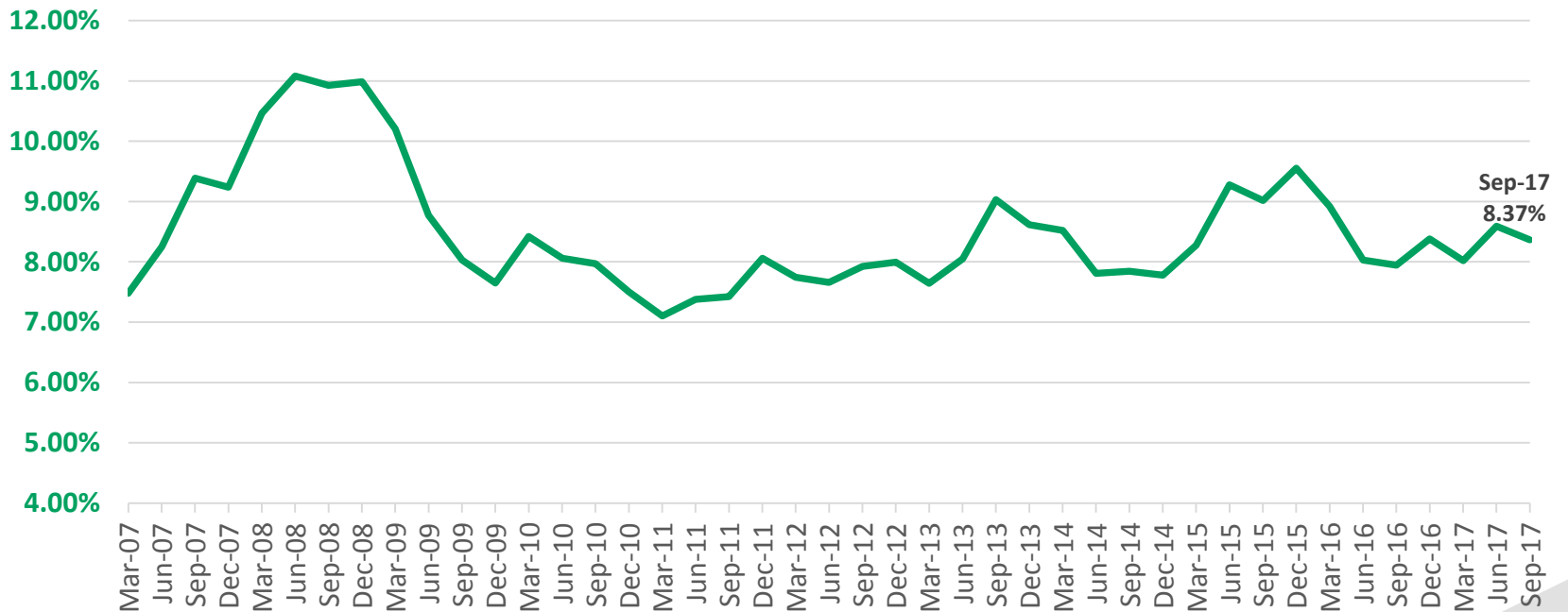
[1] Source: MCAN's 2013-2016, Q1 and Q2-2017 MD&A



M-CAN's Dividends: Attractive Yield

Proven Performance as a High Yield Dividend Stock

Indicated Gross Dividend Yield - 10 Year Quarterly History



[1] Data Source: Bloomberg; MKP CN Equity - Dividend Indicated Yld – Gross; data Jan 1, 2007 to Sep 26, 2017



Contact Information

William Jandrisits

President and CEO
(416) 591-2726

Jeff Bouganim

Senior Vice President and CFO
(416) 203-5935

MCAN Mortgage Corporation

200 King Street West, Suite 600
Toronto, ON M5H 3T4

Tel. (416) 572-4880
mcanexecutive@mcanmortgage.com
www.mcanmortgage.com