

CANADA MORTGAGE AND HOUSING CORPORATION

# 2017 ANNUAL REPORT



**ENVISIONING**  
A place to call home

Canada 



We help  
**CANADIANS**  
meet their **HOUSING NEEDS**



# A once-in-a-generation investment

**\$15.9 billion**

for the National  
Housing Co-Investment  
Fund

**\$9.1 billion**

for Community  
Housing Initiatives\*

**\$2.5 billion**

for Federal-Provincial/  
Territorial Housing Partnership,  
including the North\*

**\$4.0 billion**

for Canadian Housing Benefit\*

**\$9.8 billion**

through existing agreements

**\$2.2 billion**

for Homelessness  
Partnering Strategy

**\$241 million**

for Research, Data  
and Demonstrations

**\$200 million**

for Federal Lands Initiative

\* Includes cost matching by Provinces and Territories.



# Our transformation journey



Reduce Housing  
Need



Enable our Work



Embrace Risk



Think Digital



# 2017 Performance Highlights



**\$6.2 billion**

Total revenue

**\$1.8 billion**

Net income

**\$4.7 billion**

Dividend



**254,252 insured homes\***

through our insurance products



**≥ 250,000 households**

have access to affordable, adequate housing through Budget 2016 expenditures



**\$167 in securities guaranteed**

to support residential mortgage financing

\* Includes only new volumes, does not include lender substitutions.



# Operating environment



Canadian economy saw  
**stronger than anticipated growth**  
in 2017



**High degree of vulnerability**  
observed in the Victoria, Vancouver, Hamilton  
and Toronto housing markets



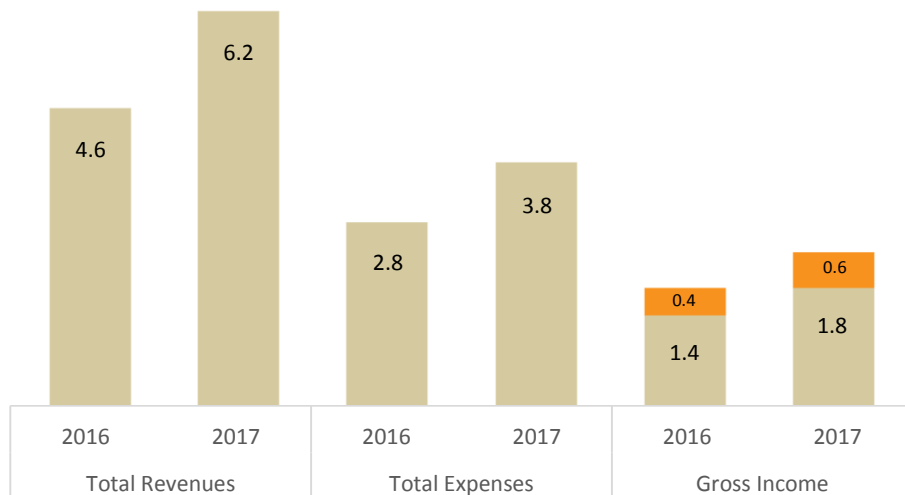
Canada's  
**high level of household debt**  
remains an important vulnerability



**Regulatory changes**  
continue to impact both the insured and  
uninsured mortgage markets

# Continued strength of our portfolio and performance

## 2017 Performance (\$B)



Income taxes

Premiums and fees earned (MLI/SEC) ▲

Net Gains on Financial Instruments ▲

Operating Expenses ▲

Insurance Claims ▼

# Helping Canadians access housing through Mortgage Loan Insurance



**254,252 insured homes\***

through our insurance products:

Transactional Homeowner: **113,374**

Multi-Unit: **119,738**

Portfolio: **21,140**

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**2016 data :**

Transactional Homeowner: **156,414**

Multi-Unit: **108,707**

Portfolio: **90,675\***

## Transactional Homeowner volumes ▼

Due to regulation introduced in Q4 2016, which included new stress test on interest rates for mortgagors

## Multi-unit volumes ▲

Due to increased purchased and refinanced units as a result of continued low-interest rate environment

## Portfolio volumes ▼

Due to price increases as a result of increased capital requirements effective January 1, 2017

\* Includes only new volumes, does not include lender substitutions.





# Overall quality of portfolio remains strong

## Insurance-in-Force

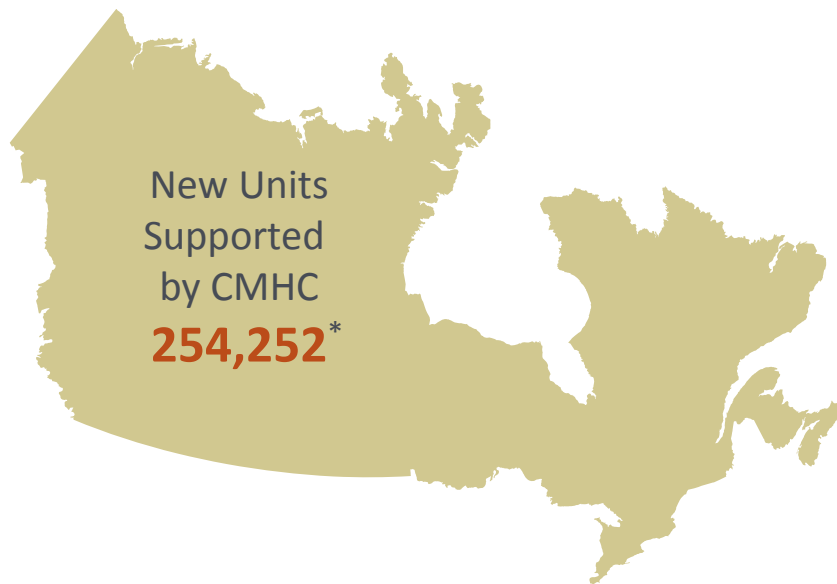
(As at) Dec 31, 2017: **\$480 B** (As at) Dec 31, 2016: **\$512 B**

### Average Equity

2017	2016
<b>7.6%</b>	<b>7.8%</b>

### Average Loan Amount

2017	2016
<b>\$261,187</b>	<b>\$246,786</b>



### Arrears

2017	2016
<b>0.29%</b>	<b>0.32%</b>

### Average Credit Score

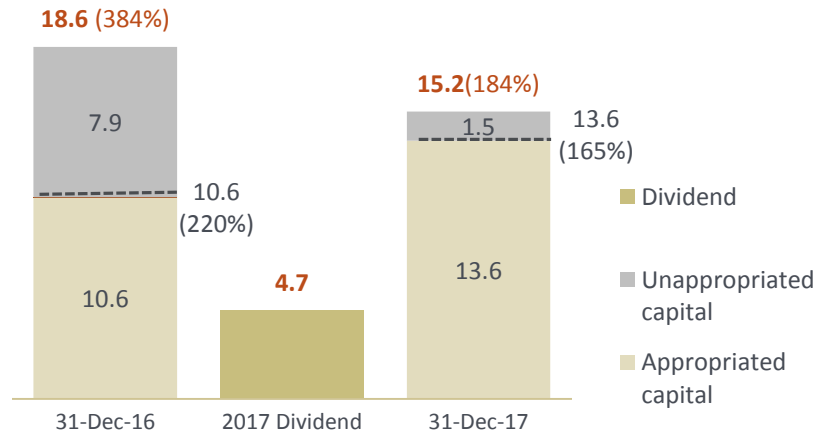
2017	2016
<b>752</b>	<b>750</b>

\* Includes only new volumes, does not include lender substitutions.



# Contributing to financial stability and generating returns for Canadians

## CMHC MLI Capital Available (\$B) to Minimum Regulatory Capital Required (%)



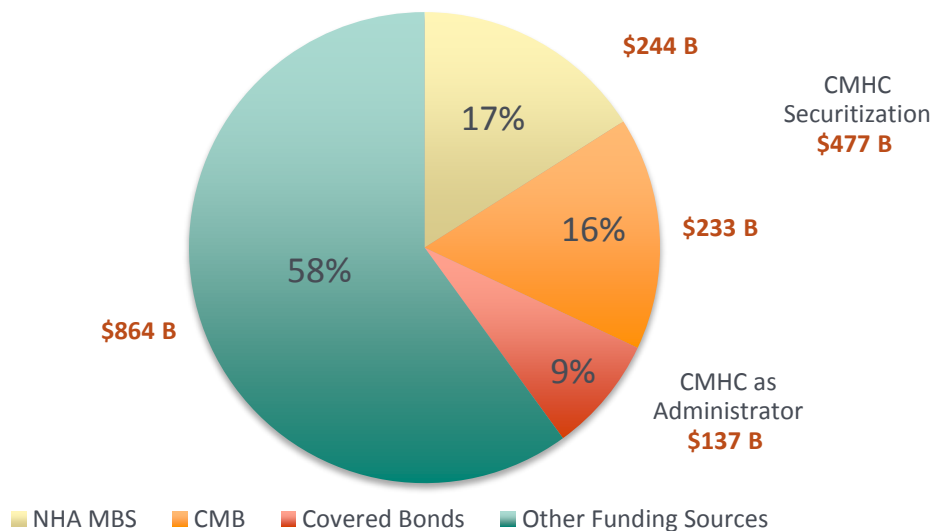
--- Operating Level 165% in 2017 (2016 - 220%)

- The new capital requirements issued by OSFI effective 1 January 2017 resulted in an increase in minimum MLI capital required
- Dividend framework implemented to return excess capital to our shareholder
- 2017 stress testing demonstrates we can withstand extreme scenarios

# Facilitating access to housing finance

Total Residential Mortgage Credit Outstanding: approx. **\$1.5 billion**

## Residential Mortgage Credit Outstanding by Funding Sources



**\$127.2 B** National Housing Act  
Mortgage-Backed Securities

**\$40.0 B** Canada Mortgage Bonds  
securities guaranteed

## Guarantees-in-Force

(As at) Dec 31, 2017: **\$477 B**

(As at) Dec 31, 2016: **\$452 B**

<sup>1</sup> Annual Limit for NHA MBS of \$130,000

<sup>2</sup> Annual Limit for CMB of \$40,000



# Providing support for Canadians in need



## Housing program expenditures

2016: **\$2.2 B** 2017: **\$3.2 B**



## Delivered social infrastructure investments supporting:

- Affordable housing for seniors
- Shelters for victims of family violence
- Northern housing
- On-reserve programs
- Renovations and Retrofits

