



# CMHC's 3<sup>rd</sup> Quarter Financial Report (2016)

Media Briefing – November 29, 2016

Canada 



# Introduction

- The QFR presents the financial results for the quarter ended September 30, 2016 as well as year to date results for 2016.
- In support of the QFR results, we continue to provide additional data through our complementary Mortgage Loan Insurance, Securitization Business and Covered Bonds Supplements.
- These files contain a range of statistics and data on CMHC's commercial activities and help readers better understand the business undertaken by CMHC.

# Operating environment

- CMHC set-out three strategic directions that will focus our efforts and activities over the next five years to help Canadians meet their housing needs.

Align risk with mandate

Lead through  
information and insight

Be a high-performing  
organization

- These strategic directions reflect the work we have already begun to achieve our vision of being the heart of a world leading housing system.

# Federal investments for Canadians in need

- For the three-month period ended September 30, 2016 CMHC provided more than \$531 million for housing programs on behalf of the Government of Canada.
- Annually CMHC delivers approximately \$2 billion in federal funding for housing, and continue to deliver funding to meet its long-term commitments to social housing.

# Facilitating access and financial stability

- CMHC's mortgage loan insurance and securitization guarantee programs operate on a commercial basis without support from Canadian taxpayers.
- Mortgage loan insurance is provided in all markets and through all economic cycles.
- CMHC's securitization products provide both large and small lenders with a reliable, cost-effective source of funds for mortgage lending, supporting competition in the mortgage market and contributing to the stability of the financial system.
- CMHC provided mortgage loan insurance for nearly 128,000 units across Canada in the 3<sup>rd</sup> quarter and a year-to-date total of nearly 346,000 units.

# Facilitating access and financial stability

- For 2016, the Minister of Finance has authorized CMHC to provide up to \$105 billion of new guarantees of market NHA MBS and up to \$40 billion of new guarantees for CMB.
- Year-to-date, CMHC has guaranteed \$62.1 billion of NHA MBS and \$30.2 billion of CMBs.

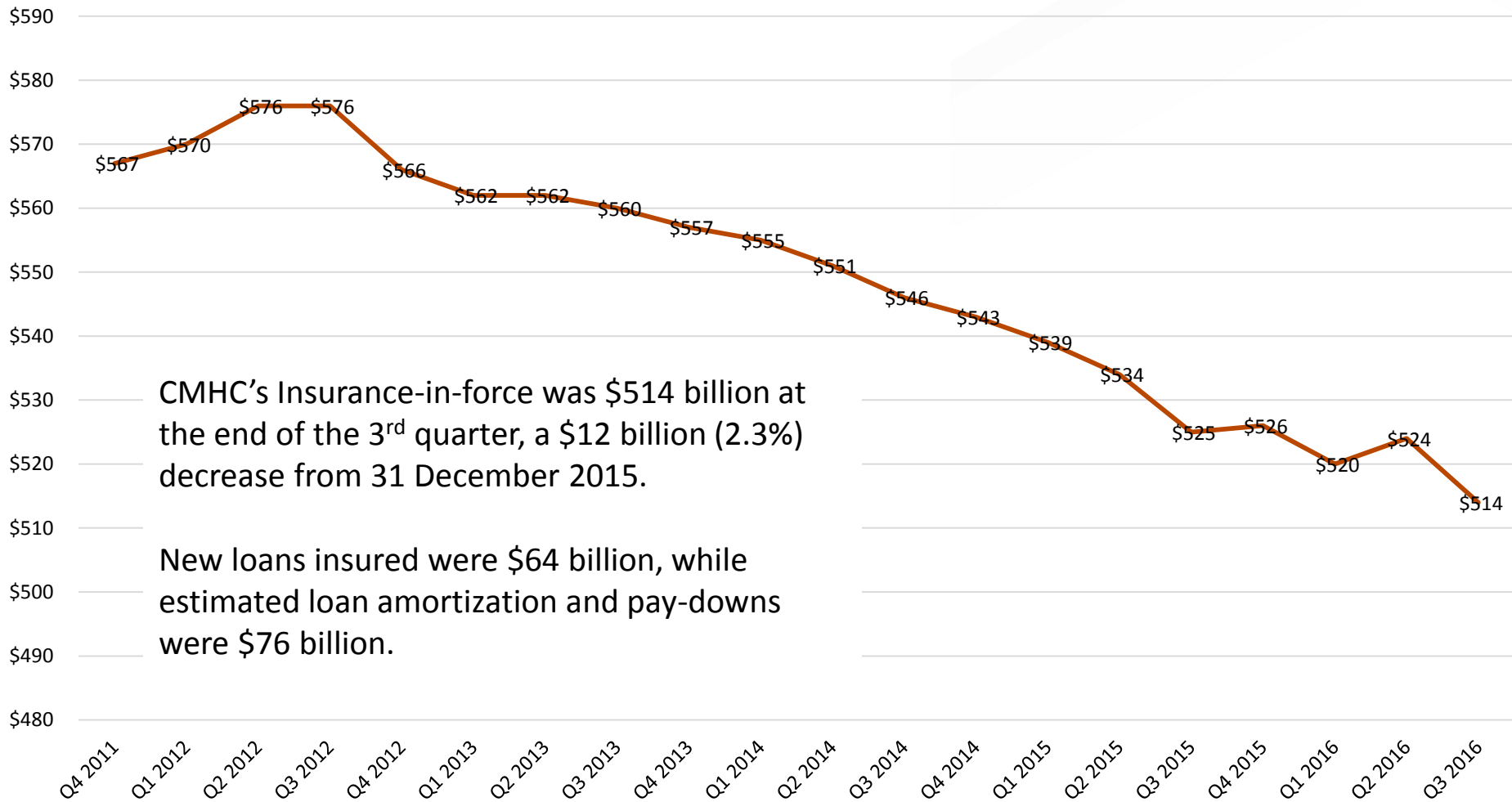


# CMHC continues to generate positive returns for all Canadians

- CMHC's net income (after taxes) in the third quarter was \$331 million.
- Over the past decade, CMHC has contributed \$21 billion toward improving the Government of Canada's fiscal position through both its income taxes and net income.

# CMHC Insurance-in-force continues to decline

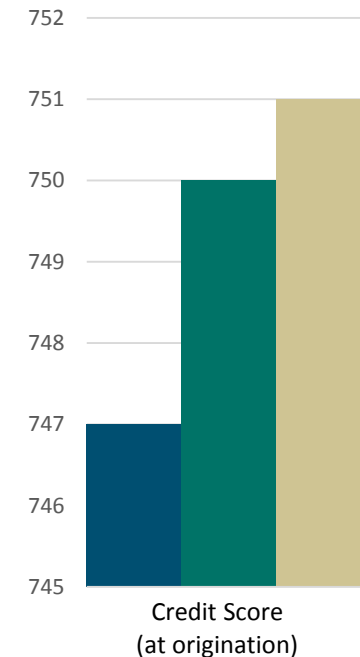
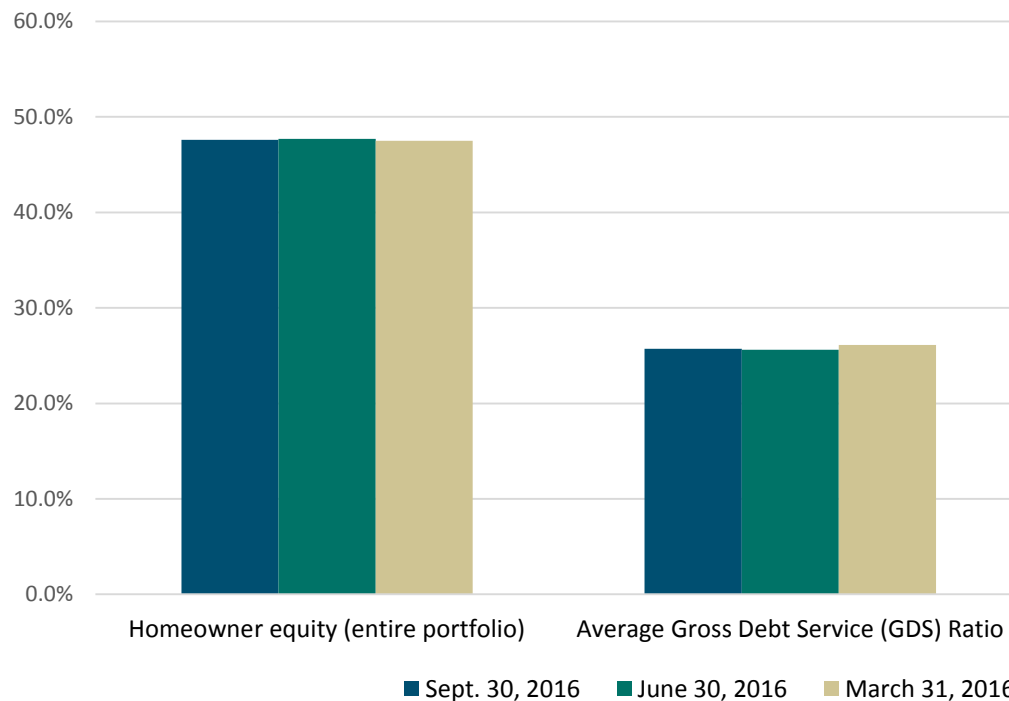
Insurance-in-Force (in billion \$)





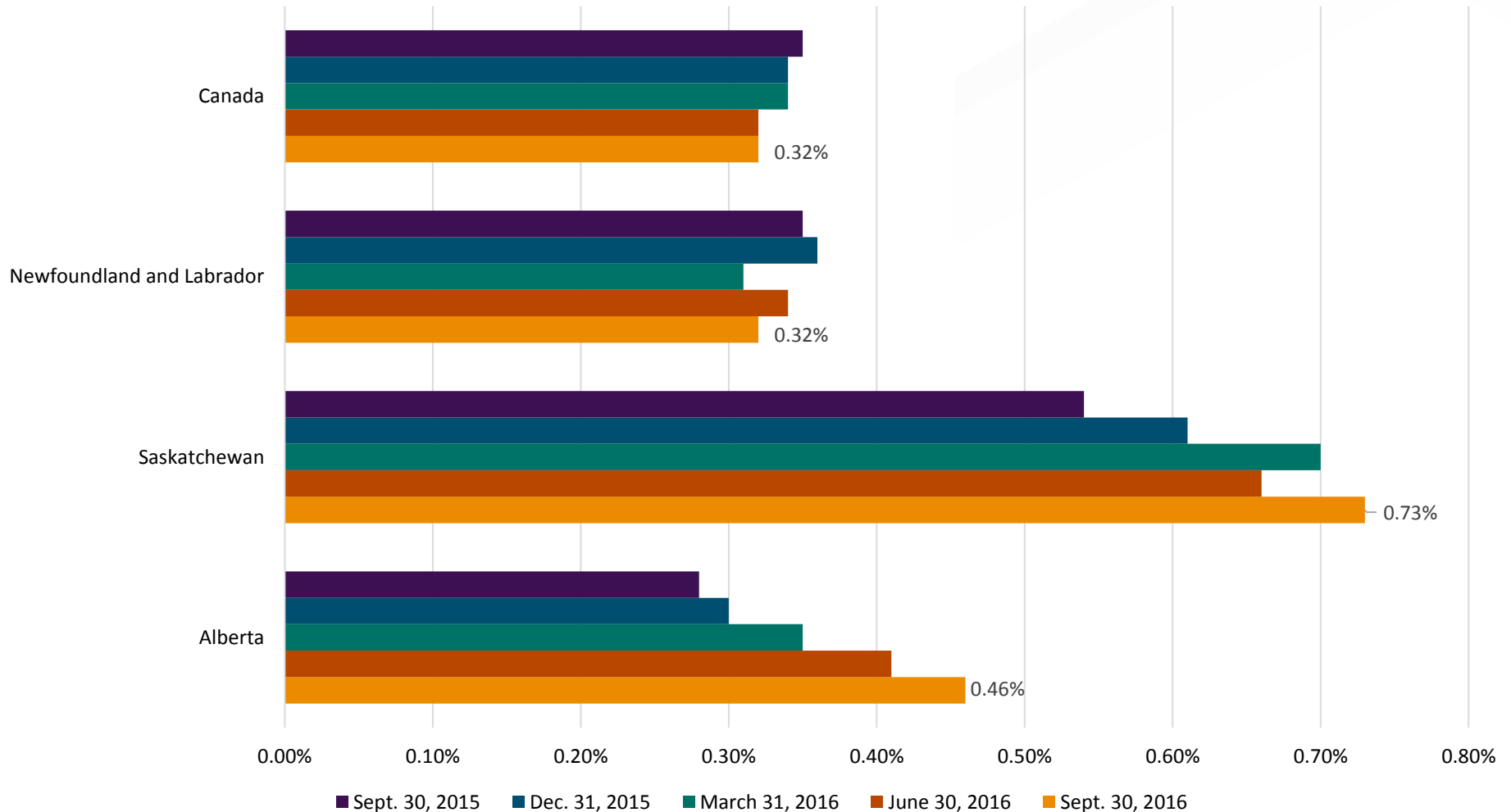
# The quality of CMHC's loan portfolio is strong

- The strength of CMHC's portfolio is reflected in the arrears rate which was 0.32% as at September 30, 2016 – unchanged from the end of last quarter.
- CMHC-insured homebuyers demonstrate a strong ability to manage their financial obligations:



# Overall arrears remain stable despite increases in some regions

## Arrears Rates



# CMHC follows prudent risk management practices

- CMHC conducts regular stress-testing to evaluate its capital levels against extreme scenarios
- CMHC's capital holdings create a buffer against potential losses, reducing Canadian taxpayers' exposure to housing markets, and helping to ensure long term stability of the financial system.
- This year's tests confirm that CMHC's capital holdings are sufficient for even the most extreme scenarios.
- As at 30 September 2016, CMHC's capital is more than three times (374%) the minimum capital required by OSFI for mortgage insurers.

# Looking forward

CMHC will continue to:

- Facilitate access to housing and contribute to financial stability
- Manage our risks appropriately with due regard for loss
- Provide industry leading data, knowledge and analysis