CANADA MORTGAGE AND HOUSING CORPORATION

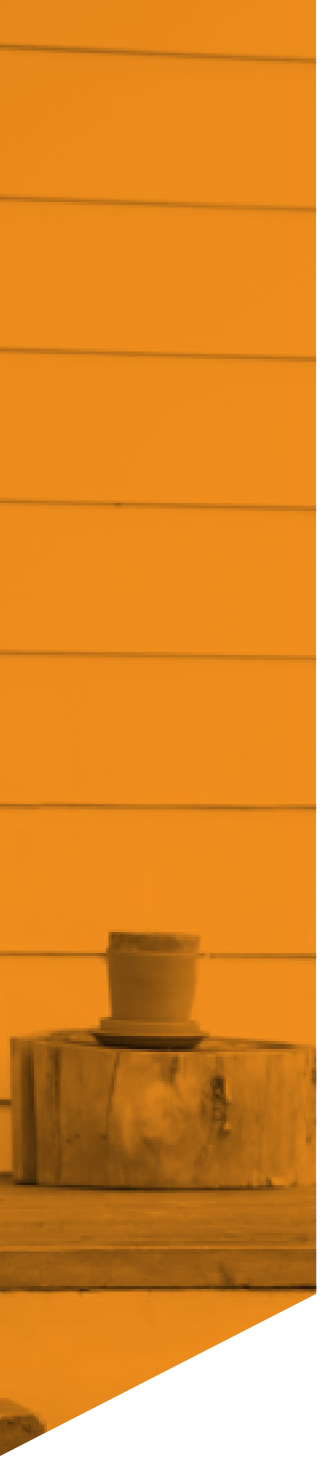
2020-2024 SUMMARY OF THE CORPORATE PLAN

Summary of the amended 2020-2024 Corporate Plan, including the summary of the amended 2020 Operating Budget. Reflects new funding for the Canada Emergency Commercial Rent Assistance (CECRA) program, approved by Treasury Board on May 15th, 2020.

Canada

CMHC SCHL

CMHC's 2020-2024 Corporate Plan was approved by the Governor in Council on January 21, 2020. The Summary of the 2020-2024 Corporate Plan has been prepared in accordance with section 125 of the Financial Administration Act (FAA) and serves to inform Canadians and Parliamentarians of the major objectives and priorities for the upcoming planning period, and reflects the current direction identified by Government and through internal management processes. Pursuant to section 153(1) of the FAA, the Summary excludes commercially sensitive information which if disclosed would be detrimental to the commercial interest of CMHC.



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OUR MISSION

We help Canadians meet their housing needs.

FOREWORD

Housing affordability continues to be a challenge for many Canadians across the country, affecting the well-being of individuals and families, the inclusiveness of our communities and Canada's economic stability and growth. That's why housing affordability is a top priority for our government.

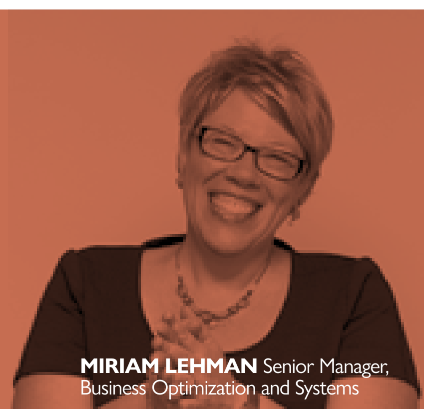
By creating Canada's first National Housing Strategy (NHS) in 2017, we have restored federal leadership in housing and have made historic investments. Canada Mortgage and Housing Corporation (CMHC) is leading this 10-year, $55-billion plan, and it is already making a difference in communities from coast to coast to coast.

In this 2020-2024 Corporate Plan, CMHC charts a path towards meeting the ambitious goals of the NHS and beyond. Notably, it is creating much-needed housing supply by building more affordable units, and repairing and revitalizing existing units. At the same time, CMHC is focusing on improving its understanding of Canadians' housing needs, especially as experienced by vulnerable populations, so that it can develop better, targeted responses.

Housing affordability is a national challenge – one that the Government of Canada is prepared to meet. By strengthening existing partnerships, developing new ones, and by encouraging innovative solutions, we will ensure everyone in Canada has an adequate, affordable place to call home.

Ahmed Hussen
Minister of Families,
Children and Social Development


MONIQUE ACHKAR Senior Analyst, Policy and Operations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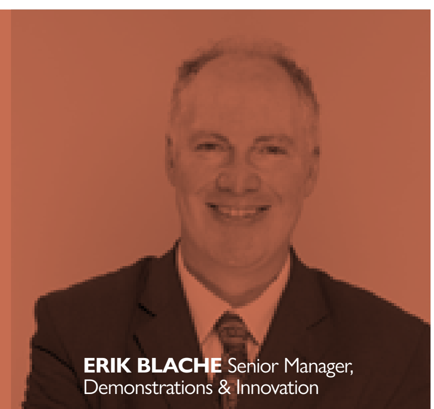
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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

CMHC is conventionally seen as a mortgage insurer and lender funding vehicle. Indeed, we have long been associated with our role to help safeguard the stability of the financial system and housing markets, especially by ensuring that growth of housing demand and household indebtedness are contained. Should a crisis occur, we help make sure that homeowners are protected and markets continue to function.

This role makes CMHC a key part of the infrastructure of Canada's financial system. As a participant on the Senior Advisory Committee with the Department of Finance, the Bank of Canada, the Office of the Superintendent of Financial Institutions and the CEOs of Canada Deposit Insurance Corporation and the Financial Consumer Agency of Canada, we continually monitor markets to ensure that they function.

Much more than that, however, we want all Canadians to enjoy the dignity of a safe home so that we all feel welcome in Canada. Our bold aspiration is that **"By 2030, everyone in Canada has a home that they can afford and that meets their needs."** The audacity of this goal has captured the attention and ignited the collective imagination of people across the country. We will need others' support and resourcefulness to achieve it.

The stakes are high: housing affordability is a matter of national importance. Not only is home the "root of human flourishing," to quote Mathew Desmond (*Evicted, Poverty and Profit in the American City*), but access to safe, stable and affordable housing also underpins social inclusivity. It is essential to our sustained economic growth and competitiveness. Making housing affordable for everyone is our sole focus in this corporate plan.

Federal legislation enacted in 2019 will further the progressive realization of the right to adequate housing. The *National Housing Strategy Act* requires the federal government to maintain a National Housing Strategy and regularly report on results, providing crucial momentum for CMHC's own strategic aspiration. Dedicated funding, and the current unprecedented scope of federal investments in housing, are a starting point.

We also work with developers, co-ops and non-profit housing providers to promote housing affordability. Our determination to promote housing affordability obliges us to engage in informed public discussions and encourage debate and disagreement.

THE STAKES ARE HIGH: HOUSING AFFORDABILITY IS A MATTER OF NATIONAL IMPORTANCE

Our company will continue to evolve and we are better able to do so with modern IT tools and leading risk-management practices. Now transformed as a client-centric, data-driven, IT-enabled enterprise, we are prepared for whatever comes our way. Our Policy and Innovation team is regularly assessing new ideas and prototyping others.

Because housing matters.

Evan Siddall
President and Chief Executive Officer

BY 2030, EVERYONE IN CANADA HAS A HOME THAT THEY CAN AFFORD AND THAT MEETS THEIR NEEDS

OUR ASPIRATION AND STRATEGY

- Experiment with new ideas
- Understand Canadians' needs
- Build a housing data exchange
- Modernize our company

Capabilities and Systems

Our Values

WHY AFFORDABILITY MATTERS

Housing affordability is the reason CMHC exists. It is a critical thread in a strong social fabric and a spoke in the revolving wheel of Canada's economic stability and wellbeing.

Most of us think of affordability in terms of the cost of buying a home; however, rising rental costs cause even greater stress for too many Canadians. Unfortunately, 1.5 million households in Canada were in core housing need when it was last measured in 2016 – and our housing challenges will continue to grow as we adapt to large-scale population trends.[1]

Some groups are especially vulnerable to affordability problems, such as Indigenous households, LGBTQ2+ people, lone parents with children, and persons with disabilities. This burden is in addition to the pressures already facing these groups to obtain adequate and suitable housing, food, health care and social support. The first priority of the National Housing Strategy is to help these most vulnerable groups, providing crucial momentum to our 2030 aspiration.

Housing affordability is also a matter of economic consequence since the combination of high house prices and elevated debt is known to lead to reduced economic growth. We monitor market conditions carefully and support policies that mitigate potential problems, such as the mortgage stress test for insured mortgages. The changes to stress test requirements have helped reduce house prices and stabilize growth. We estimate that homeownership prices in Canada are now an average 3.4% lower than they would have been without it.

Our work is centred on promoting housing affordability. In addition to providing policy advice to government, we are also accelerating the supply of housing below market pricing and looking at new housing models and prototyping innovations to address the gap in Canada.

[1] Projections suggest more than 2 million additional households may be formed by 2030, driven by immigration, estimated at about a quarter of a million annually over 12 years. While the current pace of housing supply could meet this future population, it is not sufficient to overcome the affordability challenges. At the same time, the mix of housing needed will also change as our population ages and incomes change. For example, the proportion of the population 65 years and older will increase from 17% in 2016 to 23% in 2030.

OUR STRATEGY IN ACTION

CMHC's objectives cascade through the work of every employee. Everyone has a role to play and every day brings us closer to our aspiration.

In response to Canada's housing challenges, our strategy calls for us to deepen our understanding of the needs of Canadians broadly, as well as at local levels. Understanding what type of housing is needed and where, including the interrelationship between aging and housing needs, the effect of housing affordability and migration on how individuals come together to form households, and where people are moving within Canada and why will be critical to our success.

We also must have reliable, standardized housing data and insights, which is the vision for the housing data exchange. It will improve affordability by making real-time housing data available to everyone in Canada. Foundational work is underway and we are exploring options to continue developing the exchange.

Further, our strategy also calls on us to experiment with new ideas. This will put us at the forefront of a broad dialogue about the housing innovations we need to achieve our aspiration. Through focused research, enhanced data, and a call to action to others to help us find innovative solutions that make housing more affordable for all, we are confident we can achieve our 2030 goal.

Our 2019 reorganization included the creation of a new Innovation function. This will not only make us more innovative, but will spur innovation in others, including our partners, fostering new solutions to Canada's affordability problems. Our Technology and Business Transformation initiative is modernizing the company and enabling us to redeploy resources to priority areas that support affordability, and creating space for us to experiment. Our continued investment in crucial technologies such as our mortgage risking platform will improve our ability to manage risk and to understand its impact on housing affordability

We are accelerating the development of capabilities and systems that have the most direct impact on bringing our strategic choices to life. This includes capabilities and systems that ensure we are looking at solutions through the eyes of our clients, enabling us to make informed decisions that prioritize their needs. Our new ideas, solutions and programs will begin and end with the lived experience of our clients, Canadians—their "true" needs as opposed to the "perceived" ones.

With an organizational structure and resources focused on getting to our 2030 aspirational goal, strategy execution is well underway.

OUR TRANSFORMATION JOURNEY

Our aspiration is ambitious; we needed an equally ambitious strategy. The achievements along the way in our transformation journey prepared us to move quickly and decisively to implement our strategy.

And, that is what we are doing. We reorganized the company in 2019, with a structure that promotes integrated solutions for people living in Canada—our clients. With a clear goal, a common purpose, and a responsive environment for changing client needs, the new structure ensures that we think differently about what we do.

GOING ROWE™

In 2018, we became the largest organization in Canada to implement a Results Only Work Environment (ROWE).

ROWE was pitched, led, tested and implemented by employees. At CMHC, great ideas come from everyone and culture is shaped by everyone – not just from the top down.

We have also transformed who we are as a team. This initiative started with our CMHC in Motion transformation in 2014. Based on four pillars (Focused Role, Efficient Processes, Enabled People and a Culture of Accountability), we reoriented our performance management, compensation, leadership development and promotion systems to return more authority to employees. This has helped us to reduce bureaucracy, improve innovation, better manage risk and improve the employee experience at CMHC.

Following a business process transformation that was enabled by our IT partnership with Accenture, we decided to target the "Future Of Work." Anchored by a workplace transformation that is modernizing our physical work environment, we started preparing for the future by freeing our employees from the paternalistic, shift-work mentality of a 9-to-5 workday and management by line-of-sight. We trained every employee in our ROWE and deployed managerial training on goal setting and team building.

Our commitment to diversity and inclusion and a location-agnostic workforce also spurred us toward the objective of a more accommodating workspace. In 2021, our people will enter this new space, designed for innovation, collaboration, collision of ideas and, ultimately, for our clients as we work together to achieve housing affordability for all. The Future of Work will accelerate us towards the Future of Housing.

BUDGET 2019: EMPLOYEES MOBILIZE TO DELIVER RESULTS

In just over three months, our employees from across the company came together, in consultation with industry partners, to design and implement a key Budget 2019 initiative – the First-time Home Buyer Incentive (FTHBI). Through this program, some 100,000 first-time buyers will achieve their dream of home ownership.

DIVERSITY AND INCLUSION SPUR INNOVATION

We were proud to lead a national discussion on this topic by hosting a highly-successful Diversity and Inclusion Conference in Ottawa in 2019. Approximately 200 leaders from the public and private sectors attended the conference, and are now better equipped to promote inclusivity within our workforce and in communities across the country in order to fuel innovative thinking and leading-edge solutions.

OUR GOAL

By 2030, everyone in Canada has a home that they can afford and that meets their needs

2020

Accelerate strategy execution; Improve client experience; Focus on our capabilities and systems

2019

Workplace transformation launched; ROWE implemented; Corporate restructuring; Cascaded our strategy and performance measures throughout CMHC; First Time Home Buyer Incentive launched

2018

New corporate strategy defined for 2019-2023; Leadership Contract and Career Framework created; Future of Work introduced; New website launched; National Housing Co-Investment Fund launched

2017

Rethink of how the company approaches its mission and how people work; National Housing Strategy and the Rental Construction Financing Initiative launch

2016

Employee Pulse Check survey points to additional changes needed to optimize performance, specifically enabling technology; Technology and Business Transformation initiative

2015

Ten organizational values introduced

2014

New leadership; Vision and mission articulated; CMHC In Motion launched; One Idea initiative invited employees to help reinvent our company; Structural changes made following external review of organizational practices; Initiatives undertaken related to performance management practices, compensation and pensions

2012

CMHC's operations related to risk, culture and governance reviewed by Government

ACCELERATING OUR CAPABILITIES AND MANAGEMENT SYSTEMS

Having the right knowledge, skills, processes and systems developed to the appropriate degree provides us the ability to deliver on our strategy.

Client experience management—Accelerating capabilities and systems that ensure we are looking at solutions through the eyes of our clients enable us to make informed decisions that prioritize their needs.

Housing authority—Strengthening the use of thought leadership, evidence-based policy and an understanding of markets and behaviours enable us to identify key housing gaps and issues, propose solutions for government responses, and assess impacts of investments.

Prototyping and experimentation—Building capabilities that support the development of radical, game-changing, even disruptive ideas that will dramatically improve housing affordability; we ensure the right units are in the right places at the right time, creating inclusive, future-proof communities.

Partnership development—Focusing on our ability to identify, build and maintain partnerships to exchange data and insights/information to understand housing issues, and to identify and develop new solutions that meet our clients' needs.

LEADERSHIP

Leadership remains a key priority since leaders mobilize our teams every day. A key area of focus in 2020 and beyond will be the introduction of a modular approach to coaching, which includes an internationally recognized certification and training for all people leaders.

We held a conference for our Senior Leadership Group (Executive Committee, Management Committee, and Directors/ Senior Advisors) with the theme of "Leadership that Inspires Results." The survey feedback highlighted that 98% of respondents found value in the conference. This conference continued to reinforce the expected leadership behaviours outlined on our Leadership Contract.

Empathy is a key instrument in a leader's toolbox as well as being a key part of emotional intelligence. We held empathic leadership workshops with select leadership teams, including executive/ management committee, aimed at building a psychologically safe team environment.

EXECUTIVE COMMITTEE WELLNESS PLEDGE

PROMOTE HEALTH

We, CMHC's Executive Committee, will lead by example and promote and foster a psychologically healthy and safe work environment.

SUPPORT PEOPLE

We will support people leaders to ensure they continue to leverage tools and resources needed for themselves and members of their team.

RESPECT EACH OTHER

We will ensure all employees act in a respectful and ethical manner.

AS A LEADER AT CMHC, I WILL:

- ☐ **Walk the Talk**
- ☐ **Explain our Strategy**
- ☐ **Extend Trust**
- ☐ **Be a Good Coach**
- ☐ **Seek Learning**
- ☐ **Communicate Purposefully**
- ☐ **Get out of the Way**
- ☐ **Take Responsibility and Share Credit**
- ☐ **Promote Inclusiveness**
- ☐ **Foster a Healthy & Safe Workplace**

Evan Siddall

Michel Tremblay

Romy Bowers

Deborah Greenberg

Marie-Claude Tremblay

Steve Mennill

Lisa Williams

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LISA INGRAHAM Specialist, Affordable Housing

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MARK STEWART Senior Officer, Training and Communications

MONICA DIAZGRANADOS Director, Analytics

DANIELLE JONES Senior Officer, Communications & Marketing

OUR VALUES

Living our values, and the fundamental beliefs that they represent, will ensure that we successfully execute our strategy.

BE AN OWNER

AMAZE OUR CLIENTS

THINK “YES” FIRST

DO THE RIGHT THING

BELIEVE IN EACH OTHER: WE ARE BETTER TOGETHER

CELEBRATE BOTH WINS AND FAILURES

ASK “WHY?”

BE FEARLESS IN THE FACE OF CHANGE

MAKE A DIFFERENCE

HAVE FUN EVERY DAY

OUR PEOPLE

There are more than 2,000 people working at CMHC. We want every one of them to feel enabled – bringing their full potential and diversity of experience to the company – because they are the ones who will advance CMHC towards its 2030 aspiration.

We try to be disciplined and evidence-based in our people decisions as a way of combating our implicit bias. We make work-force-planning decisions using robust data. We also equip our people with tools to continuously improve and manage their careers, and sustain the healthy development of future leaders.

We continue to stimulate diversity of thought to advance problem solving, influence our workplace culture and contribute to our innovation agenda. We do this, in part, by fostering a psychologically safe work environment that helps our people thrive, take risks and grow.

We are committed to diversity and an inclusive working environment that reflects our corporate goal. Our goal is to have our employee population mirror, if not exceed, the larger Canadian population in four designated employment equity groups, and our senior management are compensated based, in part, on achievement of these goals.

Corporate Level		**2019 Estimate**	**2019 Target**	**2020 Target**	**2021 Target**	**2022 Target**	**2023 Target**	**2024 Target**
Women	✔	58.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Visible minorities	✔	27.0%	25.1%	24.5%	24.7%	24.8%	25.0%	25.2%
Persons with disabilities	✔	9.50%	4.30%	6.90%	7.10%	7.30%	7.50%	7.70%
Indigenous persons	✖	2.40%	3.00%	2.80%	2.90%	3.00%	3.10%	3.20%

Our leadership positions became a focus when we looked at gender pay differences across the company. Achieving diversity in these positions also provides role models and makes inclusion visible. We continue to increase representation of employment equity groups at the leadership level.

Leadership Level		**2019 Estimate**	**2019 Target**	**2020 Target**	**2021 Target**	**2022 Target**	**2023 Target**	**2024 Target**
Women	✔	52.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Visible minorities	✖	15.0%	25.1%	24.5%	24.7%	24.8%	25.0%	25.2%
Persons with disabilities	✔	8.90%	4.30%	6.90%	7.10%	7.30%	7.50%	7.70%
Indigenous persons	✖	1.20 %	3.00%	2.80%	2.90%	3.00%	3.10%	3.20%

We continue to seek a multidimensional understanding of our workforce diversity in order to better understand the dynamics of inclusion at CMHC. We use our diversity and inclusion indexes to find out where gaps exist, and to fill them.

Linguists have proven that language is a lens through which we observe and organize the world and our place in it. Canada's official languages also, therefore, play an integral role in our workplace diversity and inclusion. Bilingualism across the organization – from individual employees up to senior leaders – continues to be a priority.

We are encouraged to see that our commitment to our people is being recognized nationally. Our prestigious nine times as one of Canada's Top 100 Best Diversity Employers highlights the importance that we place on creating and sustaining an inclusive workplace. It speaks to our commitment to empowering our diverse people to bring their authentic selves to work and instigate forward-thinking ideas that will help us, together, to reach our aspiration.

MEASURING PROGRESS TOWARDS OUR ASPIRATION

We monitor a number of indicators to ensure that we understand the dimensions of affordability and housing need. However, these indicators, such as core housing need and the housing hardship rate, have limitations in terms of measuring performance because a number of variables, many of which are not attributable to our activities, impact them. That is why we are working to quantify the market reality and the potential housing gap associated with our aspiration, and develop measurable performance results.

In the interim, we continue to monitor:

- Core housing need[2] which captures traditional metrics of where need is greatest;
- Housing hardship rate: the percentage of households that have insufficient income, after paying for their shelter costs, to afford a modest, basic standard of living; and
- Affordability trends at various economic and demographic levels of households, and across geographies.

Our four objectives drive the decisions we make and the resources we invest. Together with these National Housing Strategy targets, they represent the body of work we are undertaking to advance our strategy:

- Number of new housing units committed through CMHC-led NHS activites (cumulative—by end of 2020-2021) – 33,970
- Number of repaired housing units committed through CMHC-led NHS activities (cumulative—by end of 2020-2021) – 48,440

Our standardized approach to designing performance measures ensures that we get reliable and consistent data on which to base our decisions.

The next section, Our Performance Measures, provides more detail on why we chose these measures.

Experiment with new ideas

WHY: To improve and accelerate housing affordability

How

- Form strong partnerships to shape housing policy and delivery.
- Use our funding mechanisms to address prioritized housing needs and exceed NHS outcomes.
- Prototype and experiment with new solutions that improve housing affordability.

Expected Results

- Affordable housing is supplied above NHS targets.
- Government-backed funding programs/policies focus on targeted housing outcomes.
- Resources are invested in effective housing affordability solutions.

Performance Measures	2020 Target
Incremental affordable housing funding (3-year delivery)	$100M
Targeted guaranteed loans rate	3-5% improvement on baseline
Innovation index	64%

[2] Core housing need uses three standards, all based at least in part on the dwelling:

- affordability (less than 30% of income spent on shelter costs)
- adequacy (physical condition of the structure)
- suitability (number of bedrooms relative to number required)

A household is in core housing need if:

- at least one of the adequacy, affordability or suitability standards is not met; and
- it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

Understand Canadians' needs

WHY: To offer differentiated solutions to underserved segments of the population

How
- Understand the lived experiences of Canadians to inform our decisions.
- Tailor our solutions to specific housing needs.

Expected Results
- CMHC programs and services are designed around the lived experiences of Canadians.
- Clients value their experience with CMHC.
- Underserved segments have access to housing financing.

Performance Measures	2020 Target
New or improved program design informed by lived experience data	65%
Client needs addressed within service standards	3-5% improvement on baseline
Net promoter score	3-5% improvement on baseline
Underserved insurance protection	5% improvement

Build a housing data exchange

WHY: To drive sound housing decisions

How
- Build a housing data exchange with applications and analytical tools.
- Provide data and tools that make localized housing insights possible.

Expected Results
- Governments, industry and housing stakeholders have localized data to make evidence-based decisions on housing affordability.
- Transactional and operating costs of housing are reduced.
- Developers better target their products to market segments where need is greatest.
- Canadians have the data and insights to understand housing affordability choices.
- Partners share clean and relevant data with CMHC and each other.

Performance Measures	2020 Target
Average usability satisfaction rating	establish target
Data exchange project status	85%
Signed data partnerships	5

Modernize our company

WHY: To manage risk and promote the stability of the housing finance system

How
- Leverage technology to enhance the efficiency of our processes.
- Transform our workplace and the way we work to enhance employee experience and drive results.
- Continue to improve our corporate management practices, particularly in risk management.

Expected Results
- Existing resources are made available for redeployment.
- Employees are high performing.
- CMHC has strong risk management practices.
- Generate a reasonable return for the Government of Canada with due regard to loss.

Performance Measures	2020 Target
Expense redeployment ratio	5%
Effective workforce index	63%*
Risk maturity index	80%
Return on required equity for commercial operations	13.2%

* target can also be achieved for defined levels of improvement depending on starting %

OUR PERFORMANCE MEASURES

NEW AFFORDABLE HOUSING IDEAS

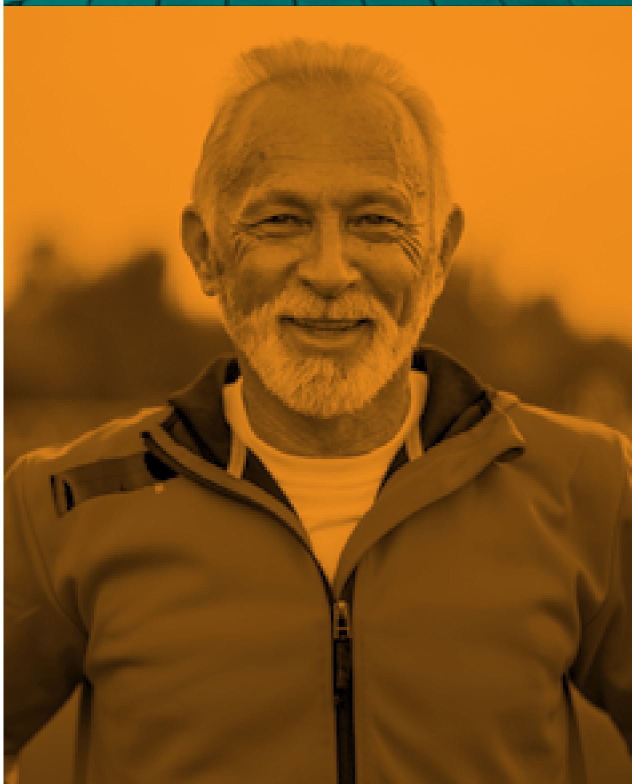
We will prototype and experiment with new affordable housing solutions by establishing large-scale (national and/or regional) contribution partnerships to deliver at least $100 million over three years (incremental affordable housing funding [three-year delivery]) in monetary and/or non-monetary value aligned with the NHS outcomes. In 2019, we developed an "innovation index" that will help us assess our ability to prototype and experiment with new ideas that ultimately improve housing affordability in Canada. Elements of the index relate to our ability to prototype and experiment, the readiness of prototyped solutions to be introduced to market, as well as their impact on housing affordability once implemented. Longer-term targets will be set once data exists to establish the company's current performance.

GOVERNMENT-BACKED FUNDING

To ensure that we address prioritized housing needs and exceed NHS outcomes, we will track the percentage of guarantees (National Housing Act Mortgage-Backed Securities and Canada Mortgage Bonds) issued to facilitate a secondary market for mortgages aligned to the targeted housing outcomes through the "targeted guaranteed loans rate". At the time of writing this plan, baselining was underway; as a result, targets are relative to the baseline that will be established in 2019. Longer-term targets will be set once data exists to establish the company's current performance.

CLIENT EXPERIENCE

In line with our client-centric focus, we are adopting industry client-delivery standards for our services. We will measure our commitment to these standards as well as the likelihood clients are to recommend us to colleagues and peers (net promoter score or NPS). At the time of writing this plan, baselining was underway; as a result, targets are relative to the baseline that will be established in 2019. Longer-term targets will be set once data exists to establish the company's current performance.



CANADIANS WITH LIVED EXPERIENCE OF HOUSING NEED AND/OR HOMELESSNESS

We are starting to measure how people with lived experience and expertise have informed the design of federal housing programs. We want to measure our performance in this area, and this is why we are presenting performance measurement data on lived experience of housing need and homelessness. This will allow us to establish targets, and monitor future progress. We recognize that behind the data, there are real people, who deserve a home that they can afford and that meets their needs.

UNDERSERVED SEGMENTS

In 2020, we will track the year-over-year improvement in the number of units approved for mortgage loan insurance that are provided to segments such as qualifying rental units (new construction and existing) approved as affordable. This is a change from the methodology used in 2019, which was to track the proportion of approved units for these segments against total approved mortgage loan insurance. Our target for 2020 ensures that we are targeting the improvement in the number of units approved for mortgage loan insurance for underserved segments.

EXPENSE REDEPLOYMENT

We will complete our Technology and Business Transformation, focus on continuous improvement with existing processes, and make our mortgage risking platform more efficient through automation. This will translate into existing resources being made available for redeployment to areas that support our strategic objectives. We will measure success through the redeployment of expenses within the approved operating budget.

EFFECTIVE WORKFORCE INDEX

While we transform our workplace and the way we work to enhance employee experience to drive results, we will evaluate our impact on employees by measuring the improvement on the effective workforce index. The index reflects the percentage of employees that are both engaged and enabled.

RISK MATURITY INDEX

We will ensure that we have effective risk management practices and tools. Through the risk maturity index, we will monitor and evaluate the soundness of the Corporation's risk practices through a weighted assessment of four areas of practice: Risk Governance, Risk Appetite, Risk Programs and Risk Behaviours. This measure will ensure that CMHC takes the right level of risks, supported by effective risk tools to deliver on its objectives.

AVERAGE USABILITY SATISFACTION RATING

Once the data exchange platform is operational, the usability satisfaction rate will allow us to determine whether it is easy to navigate, understand and use. It will also measure whether participants feel confident that data and tools provided will improve decision-making. We will establish a target for this measure in 2020. We will also monitor the status of projects in support of the data exchange to ensure they remain on track.

RELIABLE AND CONSISTENT DATA ON WHICH TO BASE OUR DECISIONS

PERFORMANCE HIGHLIGHTS

(in millions, unless otherwise indicated)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
CMHC Consolidated[1]							
Total revenues	4,823	5,178	5,567	5,128	5,296	5,541	5,693
Total expenses (including income taxes)	3,406	3,593	4,088	3,672	3,730	3,888	3,995
Net income	1,417	1,585	1,479	1,456	1,566	1,653	1,698
Cash	837	301	301	301	301	301	301
Total assets	263,876	278,661	279,840	284,446	282,758	288,317	289,995
Total liabilities	248,995	264,303	267,153	272,235	270,590	276,212	277,677
Total equity of Canada	14,881	14,358	12,687	12,211	12,168	12,105	12,318
Total operating budget	506.0	545.3	609.4	614.9	597.0	589.1	582.2
Total capital budget	671	4,436	3,838	3,383	3,011	2,624	2,350
Operating budget expense ratio	14.4%	14.4%	13.2%	14.3%	13.4%	12.6%	11.8%
Employees (full-time equivalents [FTE])	1,804.1	2,022.7	2,100.7	2,106.3	2,080.3	2,043.7	2,046.8
Women in Leadership	50.8%	52.2%	50.0%	50.0%	50.0%	50.0%	50.0%
Visible minorities—employment equity group	25.2%	27.0%	24.5%	24.7%	24.8%	25.0%	25.2%
Persons with disabilities—employment equity group	4.2%	9.5%	6.9%	7.1%	7.3%	7.5%	7.7%
Indigenous people—employment equity group	2.4%	2.4%	2.8%	2.9%	3.0%	3.1%	3.2%
Assisted Housing							
Total government funding	2,336	2,557	3,223	2,828	2,858	3,003	3,086
Assistance for housing needs	2,202	2,050	2,310	2,008	2,051	2,068	2,078
Financing for housing	38	331	737	663	658	801	874
Housing expertise and capacity development	96	176	176	157	149	134	134
Total government funding for housing programs	2,336	2,436	2,932	2,544	2,597	2,733	2,816
Operating expenses included in housing programs	187	206	208	201	200	195	195
Net income	26	33	35	(5)	(9)	1	15
Mortgage Insurance							
Claims expense	210	215	215	190	169	164	174
Loss ratio	14.7%	15.1%	15.1%	13.3%	11.8%	11.2%	11.8%
Operating expense ratio	22.3%	22.7%	24.7%	24.6%	23.3%	22.6%	22.2%
Combined ratio	37.0%	37.8%	39.8%	37.9%	35.1%	33.8%	34.0%
Net income	1,008	1,138	947	939	1,018	1,078	1,128
Return on equity	7.4%	9.5%	8.5%	9.4%	10.4%	11.1%	11.6%
Return on required equity	8.3%	11.1%	9.9%	10.3%	11.3%	12.0%	12.5%
Mortgage Funding							
Operating expense ratio	9.5%	9.6%	8.9%	8.7%	8.3%	8.1%	8.4%
Net income	372	436	487	515	551	570	553
Return on equity	15.3%	18.2%	22.0%	24.3%	26.8%	28.0%	27.5%
Return on required equity	23.9%	34.7%	39.0%	41.3%	44.4%	45.8%	44.4%

1 Refer to appendix E – Financial Statements and Notes for full details on our financial results.

Revenues increase until 2020, drop in 2021, then continue to increase over the remainder of the planning period primarily due to fluctuations in government funding. Net income varies reaching a low in 2021, and then increases until 2024 due to higher investment income resulting from higher expected yields mainly driven by our Mortgage Insurance activity. The increase in net income is also attributable to a lesser extent from higher premiums and fees earned on our commercial operations. For our Assisted Housing activity, the increase in government funding from 2019 to 2020 is due to the reprofiling of funding for several large initiatives from fiscal year 2019-2020 into fiscal year 2020-2021, subject to the approval of the Minister of Finance, to match our projections of program delivery. In 2019 we launched the First-Time Home Buyer Incentive (FTHBI) and Shared Equity Mortgage Providers (SEMP) Fund announced in Federal Budget 2019, further increasing our government funding over the term of these programs.

RISK MANAGEMENT

We are exposed to a variety of risks that could a ect the achievement of our aspiration and objectives. To promote stability in the housing system and to protect the public resources entrusted to us, we strive to be a best-in-class housing risk manager, while having sound corporate management practices in place.

OVERVIEW OF CMHC'S RISK MANAGEMENT APPROACH

RISK GOVERNANCE
How we govern risk

RISK MANAGEMENT PROGRAM
How we manage risk

RISK APPETITE
How much risk we are willing to take

RISK BEHAVIOUR
How we behave when facing risk

Our **risk governance** structure emphasizes and balances sound oversight with clear accountability for, and ownership of, risk within each business unit. Our comprehensive enterprise risk management (ERM) framework defines CMHC's risk management practices and promotes an effective risk culture in the company. Four key dimensions define our risk culture: risk governance, risk management program, risk appetite and risk behaviour.

We categorize key risks facing the organization into seven categories: strategic, reputational, operational, insurance, credit, market and liquidity. Operational risks are further broken down into the following subcategories: business process; reporting; model; change management; information and technology; people; legal and compliance.

All our key risk categories are governed by risk policies and are supported by our "Three Lines of Defence" risk governance model. This model embeds risk management activities in strategic planning and aligns strategy and performance across all businesses and functions. It promotes robust decision making, thorough assessment and management of risks across the organization.

Our **Risk Appetite Framework** (RAF) defines our corporate risk appetite and drives our decision making. Our RAF enables management and staff to consider the level and type of risks we are willing to take in pursuit of our aspiration, as well as our corporate and business objectives, in a prudent and efficient manner. It also allows us to determine if we have been operating within the desired risk appetite and tolerances and clarifies the escalation process in the event of tolerance breaches. Our RAF also defines how our risk appetite would adjust in times of crisis.

Our **risk management programs** ensure regular risk assessment and reporting of CMHC's risks and provide a sound process to monitor the company's top and emerging risks.

RISK APPETITE FRAMEWORK – OVERALL VIEW

CMHC STRATEGY | **RISK APPETITE FRAMEWORK**

CORPORATE

CMHC MANDATE AND STRATEGY

CORPORATE OBJECTIVES (WITHIN BUSINESS PLAN)

CORPORATE KPIs AND TARGETS

CORPORATE RISK APPETITE STATEMENTS

A set of statements that explain the level and type of risk in pursuit of each objective or pillar.

RISK APPETITE STATEMENTS IN A TIME OF CRISIS

A set of statements that explain how the level and type of risk acceptable may change in a time of crisis.

ENTERPRISE LEVEL TARGETS AND TOLERANCES

A set of metrics and measures that help to define the strategy and acceptable performance variation (translates risk appetite statements into something more tangible).

BUSINESS

BUSINESS UNIT OBJECTIVES

BUSINESS UNIT KPIs AND TARGETS

BUSINESS UNIT LEVEL TARGETS AND TOLERANCES

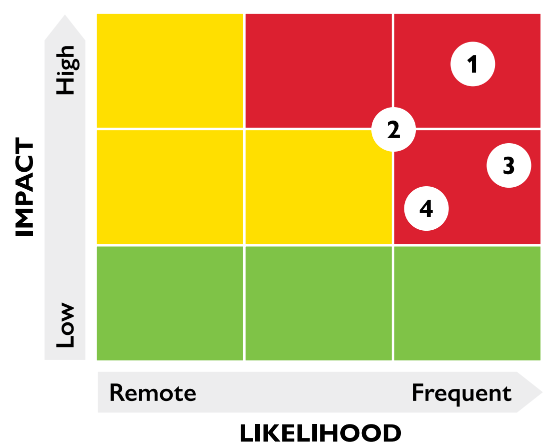
A set of metrics and measures that help to define the strategy and acceptable performance variation for each Business Unit.

TOP RISKS

1. **Cyber risk –** Evolving sophistication of cyber attacks call for continuous improvement of our control environment, to mitigate risk exposure and prevent a data breach of CMHC held sensitive information
2. **Execution of strategy –** High expectations and heightened public scrutiny on National Housing Strategy (NHS) and Budget 2019 programs, while implementing ambitious new strategy
3. **Organizational transformation –** Cumulative and concurrent changes could affect employee engagement and achievement of strategic goals
4. **Changing IT infrastructure –** Transition to new technologies and continued reliance on aged infrastructure. Implementation delays / business interruption could affect execution of strategic objectives

Through our risk programs, we conduct an own risk and solvency assessment (ORSA) to identify risks and assess our current and likely future capital needs and solvency positions. Stress testing is conducted across our organization in parallel with our annual corporate planning process (read more about stress testing in appendix J). The risk programs and CMHC's crisis readiness plan ensure that the company can operate and continue to deliver on its mandate in times of crisis.

All CMHC's risk governance, appetite and management programs help define the desired **risk behaviours** in both normal operating economic conditions and during economic downturns. Behaviours are aligned with our risk appetite and supported by our governance and risk management programs to ensure that we deliver on our aspiration and strategic objectives, both under normal and crisis conditions.



OPERATING ENVIRONMENT

EXTERNAL

HOUSING MARKET OUTLOOK

OUTLOOK

We forecast housing activity in Canada to continue to moderate from the elevated levels observed in 2016 to levels more in line with historical averages and expectations for economic conditions. The slowdown should persist through 2019, with housing starts and average MLS® home prices forecast to decline further. While the existing home market is expected to resume its upward trend in 2020 and to continue expanding in the coming years, price gains are projected to remain significantly lower than recent highs.

Our housing market outlook is based on a predicted acceleration in economic activity in the second half of 2019, following weak growth observed in the fourth quarter of 2018 and the first quarter of 2019 (with respective annualized quarterly growth rates of 0.3% and 0.4% for real GDP). We forecast real GDP to grow at its estimated potential pace over our forecast horizon, also helping to support household income growth. While mortgage rates are expected to increase gradually over the forecast horizon, they will remain low by historical standards.

Total national housing starts are projected to contract from 213,185 units in 2018 to 192,278 units in 2019, below its 2009-to-2018 historical average of 195,110 units. Over the remainder of the forecast horizon, we expect starts to stabilize in 2020 and 2021 at an annual pace of close to 200,000 units, before dropping to 185,999 units between 2022 and 2024.

MLS® sales ended 2018 at 457,604, and we forecast that they will grow to 460,395 units in 2019. Over the remainder of the projection period, sales activity is expected to continue expanding, albeit at a slowing pace, reaching 534,735 MLS® units in 2024.

The average MLS® price stood at $487,060 in 2018 and is expected to decline by 1.1%, to $481,572, in 2019. This will mark its second consecutive decline since 2018, when prices fell by 3.5%. Consistent with our forecasts, we expect prices to increase starting in 2020 and project the annual increase to be within the 5% to 7.1% range throughout the forecast horizon, before moderating to 3.9% in 2024. This pace is somewhat above its historical average of 4.6% and well below the recent high of 10.5% in 2016. As a result, we expect the average MLS® price to reach $639,311 in 2024.

RISKS

The outlook is subject to considerable uncertainty. Uncertainty about how trade tensions will evolve is already weighing on the world and Canadian economic outlook. Further increases in these tensions could have significant negative effects on economic activity, and hence will negatively affect the outlook for the domestic housing market. Another risk to the domestic housing market forecast stems from increased global financial vulnerabilities as reported by the International Monetary Fund in its April 2019 Global Financial Stability Report. These vulnerabilities could pose the risk of a significant tightening in financial conditions leading interest rates to rise sharply, thereby negatively affecting world and Canadian economic activity, incomes and housing markets. In addition to these uncertainties, two key vulnerabilities could exacerbate the adverse impacts on the Canadian housing markets and financial system:

- Household debt vulnerabilities remain elevated for the Canadian economy, making households more vulnerable if income or employment conditions were to deteriorate. Gross household debt-to-disposable income ratio, as well as all of its components by type of loan, remain very close to recent historical peaks. Similarly, the debt-service ratio reached its historical high in the first quarter of 2019, matching the same record level set in the fourth quarter of 2007.
- The degree of overall vulnerability in the national housing market has eased from high to moderate since fall 2018 as reported in our Housing Market Assessment (HMA) publications issued in May and August 2019. However, a high degree of overall vulnerability is maintained in Toronto, Hamilton and Victoria, while a moderate degree is still detected in Vancouver and the Prairie centres. Therefore, despite their softening, these vulnerabilities are still present, hence posing a risk of disorderly adjustments in domestic housing markets with potential spillover effects on the economy and financial system.

As a result of these factors, we are alert to risks to the housing sector and financial markets. Our own planning process uses stress testing (appendix J) to ensure we are prepared for negative market events.

INTERNAL

CLIENT-CENTRIC

- All leaders in the organization view client-centricity as a core value and embed thinking about the client's perspective in people, processes, products and technology.
- The needs/values of the client are defined and addressed through our service offering, prioritizing clients/Canadians that accelerate achievement of our goals.
- Employees understand how their day-to-day activities and the decisions they make affect the client experience.

WORKPLACE TRANSFORMATION: PEOPLE, SPACE, TECHNOLOGY

- Technology and Business Transformation, data exchange and data analytics continue to be key areas of investment.
- CMHC is the largest organization in Canada to implement a Results Only Work Environment (ROWE), a workforce strategy in which employees have complete accountability and autonomy over their work.
- A new workspace, which is technology-enabled and highly adaptable, is serving as a living laboratory to advance new and better ways of working.
- Our people analytics advancements are allowing us to connect multiple points and streams of data, from workforce data to employee engagement and overall business results. As a result, we are much better equipped to make informed decisions, plan our recruitment and retention strategies, and to make sure CMHC has a diverse and representative workforce that can bring a wide variety of ideas, opinions and experiences to bear in all our business activities.
- We continue to invest in technologies that increase our operational efficiency and advance our strategy. This includes the planned modifications to our mortgage risking platform so that this essential system continues to support our operations and enable us to achieve our strategy. The modifications will improve decision-making as well as our ability to manage risk and understand its impact on housing affordability. We will introduce future capabilities to the platform that will ensure that we are well-positioned to respond to changing market conditions, including our capacity to react during a crisis.

SPECIAL EXAMINATION

- On July 20, 2018, we made public on our website the results of the Special Examination conducted by the Auditor General of Canada and Ernst & Young.
- We had addressed all recommendations raised by the Special Examination by the time of its publication. The only significant observation was related to delays in government appointments to our Board of Directors.

NATIONAL HOUSING STRATEGY

The National Housing Strategy (NHS), and the historic federal investment that it represents, gives strong momentum to our 2030 aspiration.

This ambitious $55 billion, 10-year initiative focuses first-and-foremost on helping Canada's most vulnerable people find a safe, affordable place to call home. The NHS recognizes that women and children fleeing family violence, seniors, Indigenous peoples, people with disabilities, those dealing with mental health and addiction issues, veterans and young adults all experience unique challenges in accessing housing that meets their needs. It sets out to achieve bold outcomes, including:

- reducing or eliminating housing need for 530,000 households;
- creating 125,000 new housing units, and repairing and renewing 300,000 housing units,
- protecting 385,000 community housing units and expanding by 50,000 units; and
- reducing chronic homelessness by 50%.

These NHS goals support CMHC's goals. Promoting and managing these programs will continue to drive CMHC's work in the coming years. Many of these programs will create much-needed housing supply that is affordable, accessible, and energy-efficient. This includes the largest housing supply program of its kind in Canadian history – the $13.2 billion National Housing Co-Investment Fund which we rolled out in 2018-19; and the popular Rental Construction Financing Initiative, which was expanded through Budget 2019 to $13.75 billion, four times the initial federal investment. The Affordable Housing Innovation Fund has successfully encouraged new housing design and financing models that are contributing to the future of Canada's housing supply. We'll also continue to work with federal partners to expand the amount of public land to non-profit developers through the Federal Lands Initiative.

Through the NHS, community housing providers are able to continue offering affordable rents to tenants in need through an extension of subsidies under the Federal Community Housing Initiative. Investments delivered by the provinces and territories under the NHS will protect and renew existing community housing, build thousands of new community-based homes, provide direct benefits to low-income families through the Canada Housing Benefit, and keep housing affordable for hundreds of thousands of households across the country. In particular, these investments will support better housing outcomes for Northerners and Indigenous peoples.

Another important component of the NHS is the Housing Partnership Framework endorsed by federal, provincial and territorial governments (with the exception of Québec). Federal, provincial and territorial governments are primary partners in housing. The Framework sets the foundation for bilateral agreements through which provinces and territories will deliver and cost-match federal funds from the NHS for the repair, construction and affordability of housing.

In 2019, Parliament passed the *National Housing Strategy Act* – a historic milestone for housing in Canada. The Act furthers the progressive realization of the right to adequate housing. It creates a Federal Housing Advocate with a mandate to report on systemic housing issues and monitor the implementation of the Government's housing policy and the progress of the NHS. It also establishes a National Housing Council, with diverse representation, to advise the Minister on the effectiveness of the NHS and, at the request of the Advocate, to review and conduct public hearings on systemic housing issues. Finally, with this Act, every three years starting in 2020-2021, the Minister will report to Parliament on the NHS' progress.[3]

2019 FEDERAL BUDGET —AN AFFORDABLE PLACE TO CALL HOME

Thanks to new investments in Budget 2019, the NHS is now a 10-year, $55+ billion plan that will give more Canadians a place to call home. Budget 2019 announced over $11 billion in housing initiatives to be delivered by CMHC starting in 2019. These initiatives reflect the government's continuing commitment to support housing affordability by reducing barriers to homeownership for first-time homebuyers and boosting supply in Canada's housing and rental markets.

FIRST-TIME HOME BUYER INCENTIVE (FTHBI)

The FTHBI helps qualified first-time homebuyers reduce their monthly mortgage carrying costs without adding to their financial burdens. Budget 2019 announced a $1.25 billion First-Time Home Buyer Incentive (FTHBI) over three years beginning fall 2019 to make homeownership more affordable for first-time homebuyers.

The FTHBI allows first-time homebuyers with qualified annual incomes of $120,000 or less to finance 5% of the price of existing homes, or 5% or 10% of newly constructed homes, through a shared equity mortgage with CMHC. The first mortgage must be insured. No ongoing monthly payments are required or allowed for the FTHBI. The FTHBI amount plus the first mortgage, exclusive of the mortgage premium, may not exceed four times the household income. Full repayment is required at the end of the 25-year term or at the sale of the property, whichever comes first.

SHARED EQUITY MORTGAGE PROVIDER FUND (SEMP FUND)

Budget 2019 also provided up to $100 million in lending to shared equity mortgage providers (SEMPs) over a five-year period, starting in 2019–2020, to help existing SEMPs scale up their business and encourage new players to enter the market. The Fund provides loans to SEMPs to allow them to offer shared equity mortgages (SEMs) to their clients, and to construct new housing on which they will offer SEMs. These SEMs will make home purchases more affordable for eligible first-time homebuyers. SEMPs are primarily non-profit organizations, municipal governments and provincial governments.

RENTAL CONSTRUCTION FINANCING INITIATIVE (RCFI)

The RCFI provides low-cost loans to encourage the construction of new rental housing across Canada where the need is clearly demonstrated. Budget 2019 provided an additional $10 billion over nine years in financing through the RCFi, with the program extended until 2027–2028. The new funding will support the construction of 28,500 additional rental units in communities across Canada, increasing the total loans available to $13.75 billion for the construction of 42,500 units in total.

HOUSING SUPPLY CHALLENGE

Budget 2019 also announced $300 million over five years, starting in 2020-2021, to launch a new housing supply challenge to help grow housing supply and stimulate new solutions that enhance housing supply. The Housing Supply Challenge will invite municipalities and other stakeholder groups across Canada to propose new ways to break down barriers that limit the creation of new housing. Successful applicants will be selected and funded through a merit-based competitive process.

[3] Information on NHS progress to date can be found at: https://www.placetocallhome.ca/progress-on-the-national-housing-strategy

EXPERT PANEL ON THE FUTURE OF HOUSING SUPPLY AND AFFORDABILITY

For the best advice to increase housing supply that meets Canadians' needs, Budget 2019 also announced the Expert Panel on the Future of Housing Supply and Affordability, jointly established by the Government of Canada and the Province of British Columbia. CMHC will invest $4 million over two years to support the Panel's work and $5 million over two years for state-of-the-art housing supply modeling and related data collection.

Initiative	**Funding**	**Launch**	**Cumulative targets as of 2020-2021 fiscal (from program launch)**
Investments to create new housing supply and modernize existing social housing[1]			
National Housing Co-Investment Fund	$13.2 billion over 10 years	2018	10,870 new units 47,800 units repaired
Affordable Housing Innovation Fund	$200 million over 5 years	2016	4,000 new units
Rental Construction Financing	$13.75 billion over 11 years	2017	17,800 new units
Federal Lands Initiative	$200 million over 10 years	2018	1,200 new units
Investments in resources for community housing providers, innovation and research			
Federal Community Housing Initiative*	$500 million over 10 years	2018	27,900 units maintained (phase 1) 5,000 low-income units receiving a rent supplement (phase 2)
Community Housing Transformation Centre and Sector Transformation Fund	$64.2 million over 10 years	2018	n/a[2]
Research and Innovation	$241 million over 10 years	2018	15 case studies published****
Human Rights-Based Approach to Housing[2]	$49.3 million over 10 years	2018	n/a[3]
Federal, provincial and territorial housing partnership[4,5]			
Targeted Northern Funding	$300 million over 10 years	2018	100 new units 640 units repaired
Canada Community Housing Initiative	$8.6 billion** over 9 years	2019	n/a
PT Priority Funding	$2.2 billion** over 9 years	2019	n/a
Canada Housing Benefit	$4 billion** over 8 years	2020	n/a
Budget 2019 investments to make homeownership more affordable for first-time homebuyers			
First-Time Home Buyer Incentive	$1.25 billion over 2.5 years	2019	TBD***
Shared Equity Mortgage Providers Fund	$100 million over 5 years	2019	500 first-time homebuyers assisted 500 new homeownership units projected to be assisted

* Target represents the number of units maintained since launch date, April 1, 2018.
** 100% cost-matched by provinces and territories.
*** Targets for 2020-2021 and 2021-2022 will be established in 2020-2021.
**** Work is ongoing to establish measures and targets for the research and innovation programs.
1 Recognizes a unit as a conditional commitment.
2 The Community Housing Transformation Centre will contribute to the overall success of the National Housing Strategy by providing support and capacity building within the community housing sector. The initiative will be delivered by a third-party service provider. The Centre and supporting initiatives, including the Community Based Tenant Initiative, were announced on April 11, 2019.
3 Targets and reporting mechanisms to be confirmed.
4 Federal-provincial/territorial partnership targets will be included in provinces' and territories' action plans under bilateral agreements.
5 Recognizes a unit as committed once a formal claim is processed for reimbursement.

For further information: **cmhc.ca**

FINANCIAL OVERVIEW

FINANCIAL MANAGEMENT

CMHC is in excellent financial health and adequately capitalized, as evidenced by our ability to make dividend payments to return excess capital to the Government of Canada. We conduct regular and comprehensive stress testing to ensure we are able to withstand unfavourable economic conditions, and are committed to developing our risk management capabilities and integrating them into our operations. Management reviews our financial results on a quarterly basis and makes operational recommendations as necessary. Our Board of Directors oversees management's responsibilities for financial reporting and internal control systems, and approves and recommends CMHC's Corporate Plan to the Minister responsible for CMHC.

Our financial planning process includes engagement and confirmation of key assumptions at various levels from budget holders to our Board of Directors. Internal governance of the planning process is managed through our Initiative Prioritization and Assessment Committee and our Management Committee who review and challenge budget requests for alignment to strategy and return on investment where applicable. Our Executive Committee approves the initiatives recommended through this process for inclusion in our operating and capital budgets. Finally, the Board of Directors approves our corporate plan and key assumptions used to build the plan.

We follow a zero-based approach for new initiatives and material costs in our plan, such as personnel costs which include all filled and vacant positions. Significant budget items that contain uncertainty as to the cost include an appropriate level of contingency based on our experience and best practices. Included in our operating and capital budgets in 2020 is $21 million of contingency. The impacts of reprofiles to our programs are captured in our program funding, and operating and capital budgets to reflect shifts in timing and delivery of our multi-year programs and initiatives.

MAIN ACTIVITIES

We deliver our mandate through the main activities below.

ASSISTED HOUSING

- We offer housing solutions through innovative funding initiatives and programs to support the new and existing supply of affordable housing and the affordability for homeowners and renters.
- We receive parliamentary appropriations to fund assisted housing programs, which are designed to operate on a break-even basis.
- We make loans at competitive interest rates and provide non-subsidized housing support to housing partners.
- We work with provinces, territories, municipalities, Indigenous governments and organizations, non-profit and co-operative organizations, and private sector companies across the country in providing assisted housing programs.

HOUSING ANALYSIS AND RESEARCH

- We collect and share data, and offer timely analysis and insights to support informed decision-making. This allows us to contribute to housing policy matters and advance the understanding of housing and housing markets.
- We undertake research and analysis on a range of housing needs and housing finance issues to support a well-functioning housing system, to contribute to financial stability, and to promote housing affordability and choice.
- We prototype and experiment with new ideas, as well as pursue new partnerships to foster innovation in the housing sector and to promote informed policy advice on housing solutions to address housing needs.

COMMERCIAL OPERATIONS

Mortgage Insurance

- We offer competitive mortgage insurance products to promote home ownership access and to support the stability of the Canadian financial system.
- We work with lenders to offer transactional homeowner and portfolio mortgage insurance in all parts of Canada. We also offer multi-unit mortgage insurance, which provides access to preferred interest rates for the construction, purchase, and refinancing of multi-unit residential properties.
- We operate these programs on a commercial basis without the need for government funding.

Mortgage Funding

- Our mortgage funding programs promote the availability of funding for mortgages in all economic conditions. We enable approved financial institutions to pool eligible insured mortgages into marketable securities to be sold to investors to generate funds for residential mortgage financing. We guarantee the timely payment of interest and principal of these securities.
- We are responsible for the administration of the covered bond legal framework, another source of mortgage funding, which we administer on a cost recovery basis.

SUMMARY OF OPERATING AND CAPITAL BUDGETS

Investments made through our operating and capital budgets enable us to develop our capabilities and systems and deliver programs and solutions to our clients.

The 2020 Operating Budget of $609.4 million includes investments for the following:

- operationalization of the NHS, as well as new investments announced in the 2019 Federal Budget in the existing RCFi program and two new initiatives, the FTHBI and SEMP Fund;
- enhancement of our technology platforms and tools to improve risk management, client and employee experiences; and,
- continued investment in our workplace and workforce strategy.

Our 2020 Capital Budget of $3.8 billion includes expenditures for the following:

- loans and investments for the RCFi, National Housing Co-Investment Fund (NHCF), as well as loans for the FTHBI and SEMP Fund – $3.7 billion;
- continued investment in our Workplace Transformation initiative designed to convert our workplace to meet future business needs, increase employee autonomy and improve the way we collaborate – $38 million; and,
- modernization and enhancement of our main technological platforms, as well as implementation of IFRS 17 which support our business – $65 million.

KEY FINANCIAL ASSUMPTIONS

ASSISTED HOUSING

Assumptions for our Assisted Housing activity over the planning period include funding for new NHS initiatives including; Canada Housing Benefit (CHB), Federal Community Housing initiative (FCHI) Phase II, FTHBI and RCFi top-up all announced as part of 2019 Federal Budget. We also include fiscal 2019-2020 reprofile requests to match our projections of program delivery for the Innovation Fund, NHCF, RCFi and FTHBI, which are subject to the approval of the Minister of Finance. Due to the multi-year and multi-variable nature of construction projects, we reprofile funds as per existing practice to ensure our projects are funded in accordance with achievement of construction milestones.

COMMERCIAL OPERATIONS

Mortgage Insurance

Assumptions for our Mortgage Insurance activity over the planning period include:

- insurance-in-force trends downward due to:
  - decreased size of the insured homeowner market subsequent to:
    - market developments and regulations introduced by the Department of Finance in the fall of 2016, including applying a mortgage rate stress test for high ratio insurance mortgages; and,
    - Office of the Superintendent of Financial Institutions (OSFI) capital requirement revisions resulting in premium increases effective March 2017.
  - target homeowner market share remains in the 40-50% range.
  - our goal is to be in a position so we are able to "scale-up" in the event that the private mortgage insurers cede market share during a crisis.
  - previous regulatory capital requirement changes resulted in higher portfolio pricing leading lenders to find other funding alternatives.
  - offsetting the decrease is an expected significant increase to multi-unit residential volumes as we insure higher-priced multi-unit properties and borrowers continue to refinance in a low interest rate environment; and,
- insurance-in-force is projected to remain under the $600 billion limit per section 11 of the *National Housing Act* (NHA).

Mortgage Funding

Assumptions for our Mortgage Funding activity over the planning period include:

- annual volumes of guaranteed securities under existing *National Housing Act* Mortgage-Backed Securities (NHA MBS) program assumed to rise over the planning horizon due to the 2016 change that subjects MBS sold to the Canada Housing Trust (CHT) to guarantee fees;
- no change in NHA MBS and CMB pricing following NHA MBS Tier-2 fees increase in January 2018;
- guarantees-in-force are impacted by the timing of new issuances, and maturities are expected to fluctuate over the planning horizon based on the term mix; and,
- guarantees-in-force will remain under the $600 billion limit per section 11 of the NHA.

(in billions)	2020	2021	2022	2023	2024
NHA MBS	$142.50	$142.50	$147.25	$147.25	$152
CMB	$40	$40	$40	$40	$40

CAPITAL MANAGEMENT

The purpose of capital management is to ensure that our commercial operations have adequate capital to deliver their mandate while remaining financially self-sustaining.[4] We use the Capital and Dividend Policy Framework for Financial Crown Corporations (the "Framework") issued by the Department of Finance in conjunction with our risk appetite framework, capital management policy and other internal capital adequacy processes to manage the capital of our commercial operations.

Capital targets are based on:

- our risk appetite for capital adequacy, which we rate as moderate;
- promoting market discipline rather than maximizing return on capital or issuing a dividend;
- for our Mortgage Insurance activity, a level comparable to a commercial entity operating in a similar line of business and with a similar product mix; and,
- for our Mortgage Funding activity, a level similar to an entity with an AA credit rating.

[4] Refer to appendix E – Financial Statements and Notes for more details.

Our capital levels provide us with the opportunity to mitigate the impacts of adverse events. Should these mitigating factors not be sufficient to limit the impact to our capital levels, we may seek recapitalization from the Government as part of the Framework.[5]

We perform an own risk and solvency assessment (ORSA) which is an integrated process that evaluates capital adequacy on both a regulatory and economic capital basis. The ORSA:

- is used to establish capital targets taking into consideration our strategy and risk appetite;
- determines our own view of capital needs by identifying our risks and evaluating whether or not an explicit amount of capital is necessary to absorb losses from each risk;
- for our Mortgage Insurance activity, our own view of capital (economic capital) is lower than the regulatory requirements established by OSFI; therefore, regulatory capital is the binding constraint for required capital; and,
- for our Mortgage Funding activity, there is not an applicable regulatory capital framework; therefore, our capital levels are established based on our own view of capital.

We annually validate and calibrate, if necessary, both our internal capitalization target and the operating capital holding target for our Mortgage Insurance and Mortgage Funding activities

Internal target minimum capital required:

155% for Mortgage Insurance

105% for Mortgage Funding

- calibrated using specified confidence intervals
- designed to provide management with an early indication of the need to resolve financial problems

Operating level minimum capital required:

165% for Mortgage Insurance

110% for Mortgage Funding

- set in excess of the internal capitalization target
- calibrated using confidence intervals and stress testing
- designed to provide management with an early indication of the adequacy of capitalization amounts

Our risk appetite for capital ranges from our internal target at the low end of the range and an amount in excess of our operating level at the high end. Although we aim to manage capital in line with our operating level on a long-term basis, short-term deviations from our operating level will not lead to action unless we project to be outside of our risk appetite.

DIVIDEND POLICY

Pursuant to our capital management policy, we intend to maintain capital available in line with capital required at the operating level by returning excess capital to the Government of Canada on a quarterly basis through dividends. Dividends are based on our view of capital needs in accordance with our specific risk profile, our capital targets and our projected capital available over the planning horizon. To the extent possible we aim to maintain capital in line with our operating levels on a long-term basis and to limit fluctuation in our dividend, unless to return excess capital.

POSSIBLE DIVIDENDS SCHEDULE

(in millions)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Total surplus equity available for possible dividend declaration[1]	4,175	2,020	3,080	1,980	1,780	1,780	1,580

[1] The surplus capital available for possible dividend declaration is based on a number of assumptions, and the amounts included in the schedule above and the remainder of the Corporate Plan are subject to the criteria in our dividend proposal approved by our Board.

[5] Refer to appendix F – Impact of a Downside Scenario which provides an assessment of a cautious "downside" projection, as projections are inherently unreliable.

INVESTMENT PLAN

We have an investment plan for each of our three main operating activities.

ASSISTED HOUSING

We invest principal repayments within our lending programs in high-quality, fixed-income and money market instruments (currently with a minimum A rating), taking into consideration our risk appetite and business activities. We expect the value of our investments under management over the planning period to reflect the decreasing investment requirements in the lending portfolio and new investment requirements related to the management of undrawn funds by borrowers in both the RCFi and the NHCF portfolios. Investments under management had a market value of $1.8 billion as at June 30, 2019, and are expected to increase to $4.0 billion by December 2024.

COMMERCIAL OPERATIONS

Mortgage Insurance

Our objective for the insurance investment portfolio is to maintain sufficient capacity to pay claims, prioritizing capital preservation, and to generate a reliable stream of income by investing primarily in high-quality investment grade fixed income assets. The funds available for investment are generated primarily from net cash flows as a result of insurance premiums and income. Changes in interest rates affect the fair value of these securities, as well as the costs associated with hedging foreign currency exposures.

We performed a sensitivity analysis of interest rate risk associated with the investment portfolio, assuming a one percent parallel shift in the yield curve. A hypothetical parallel increase in interest rates would cause a $644 million decline to the fair market value of the portfolio, which was $17.8 billion as at June 30, 2019. Such losses would only be realized if investments are sold prior to maturity.

In August 2019 our Board approved a new strategic asset allocation (SAA). The new SAA is composed entirely of high-quality fixed income securities as we maintain our focus on being liability aware and preserving capital. The transition to the new SAA is expected to be completed by the end of the second quarter of 2020.

Mortgage Funding

Our objective for the mortgage funding investment portfolio is to maximize the capacity to meet liquidity needs of the timely payment guarantee (TPG), to preserve capital and to reduce the variability of net assets through investments in Government of Canada securities. The funds available for investment are generated primarily from net cash flows from guarantee and application fees.

In line with the sensitivity analysis conducted on the insurance investment portfolio, an identical sensitivity analysis was performed. Such a hypothetical increase in interest rates would result in a $158 million decline in the fair market value of the portfolio, which is $4.0 billion as at June 30, 2019.

Credit Quality of Investment Portfolios

Exposure by Credit Rating (fixed income)

	Mortgage Insurance		Mortgage Funding
Credit Rating	**June 30, 2019**	**Target SAA***	**June 30, 2019**
AAA	37%	38%	100%
AA	31%	26%	-
A	22%	25%	-
BBB	10%	11%	-
BB and below	-	-	-
Overall duration	3.9	3.3	4.2

* Insurance SAA is targeted to be fully implemented by June 30, 2020.

Asset Allocation of Portfolios

Asset	June 30, 2019	Target SAA
Mortgage Insurance		
Cash	-	-
Canada Fixed Income	86%	74%
U.S. Fixed Income	13%	26%
Equities (includes preferred shares)	-	-
Real Assets	1%	-
Mortgage Funding		
Canada Fixed Income	100%	100%

APPENDICES

APPENDIX A – FUTURE INITIATIVES

BUILD A HOUSING DATA EXCHANGE

Included in our plan is a foundational investment of $4 million in 2020 to help us deliver our strategic objective – *Build a housing data exchange to drive sound housing decisions*. By building a housing data exchange platform and working with our partners to improve housing data quality and to facilitate the exchange of data we expect that Canadians, housing industry participants and government will benefit. We will be working to engage government on a budget ask to fully implement this component of our strategy.

BLOCKCHAIN

We have been prototyping and experimenting on various technologies through our Emerging Technology program and we are currently considering potential blockchain opportunities that we envision implementing in support of delivery on our strategy.

APPENDIX B – OPERATING BUDGET

The expenses reflected in our operating budget enable the execution of our strategy and the delivery of programs, products and services to our clients and partners. Included in our 2020-2024 Corporate Plan are necessary investments in key initiatives to achieve our strategy and enhancements to foundational systems which support our main service offerings.

NATIONAL HOUSING STRATEGY AND 2019 FEDERAL BUDGET

The implementation of the NHS, as well as the new programs and top-up funding to existing programs announced in recent Budgets, has required a significant increase in our resources in order to deliver these programs.

WORKPLACE TRANSFORMATION: PEOPLE, SPACE AND TECHNOLOGY

Our Workforce Strategy, Workplace and Technology and Business Transformation continue to be key areas of investment.

We have made critical investments in our technology over the past several years since our technology transformation journey began in 2016. Of the 45 transformation projects initiated, only three remain to be completed by the end of 2020. Successful completion of 42 projects has transformed our infrastructure and enabled our workforce strategy by putting technologies and tools into the hands of employees driving collaboration and innovation.

Building on our Technology and Business Transformation, investments in enhancing our platforms and tools will be required on an ongoing basis to ensure we keep up with current technologies and react on a timely basis to changes in the technology landscape. To that end, we will be investing in enhancing and optimizing our financial management platform and our client relationship management platform as we complete implementation in 2019 and 2020.

MORTGAGE RISKING PLATFORM

The transformation of our mortgage risking platform and homeowner business will contribute to achieving our strategy to modernize our company as well as enhance our capabilities around client relationship management and housing finance system risk management. In addition to modernizing our business, there are wide-ranging benefits to our homeowner business transformation strategy:

1. Affordability – We will reach more Canadians (including those that are underserved) with our mortgage insurance offerings.
2. Market stability – Our capacity to implement targeted solutions in response to a crisis will increase significantly.
3. Policy agility – Our capacity to roll out new product offerings or features will be reduced from months to weeks given key changes to our technology.
4. Better experience for Canadians – We will deliver an improved client experience for lenders and Canadians.
5. Capability re-use – The capabilities we build can be leveraged for other parts of our strategy and business.
6. Transparency – We will be able to better explain how our decisions are made to Canadians.

In 2019 we started the implementation of a decision rules engine, the heart of our new platform, and a review of our platform strategy, roadmap and operating model. We have included budget for the next phases of this platform transformation in 2020-2024.

INVESTMENT MANAGEMENT

We are reviewing various options to utilize more external investment management with regards to our securities portfolio and expect to have these engagements in place in 2020. This will allow us to focus our internal resources on activities core to our strategy and to access specialized investment management capabilities.

Financing profiles for our strategic priority initiatives are as follows:

(in millions)	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	Total 5-year
Mortgage risking platform						
Operating budget	22	21	10	4	3	**60**
Capital budget	37	23	-	-	-	**60**
Enhancements to core platforms						
Operating budget	10	8	3	2	2	**25**
Capital budget	11	9	6	-	-	**26**
Data exchange						
Operating budget	4	-	-	-	-	**4**
Investment management						
Operating budget	7	7	7	7	6	**34**

2018 RESULTS | 2019 ESTIMATE | 2020-2024 PLAN

Operating Budget

(in millions)	2018 Plan	2018 Actual	2019 Plan	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Total Operating Budget (excluding pension expense)	486.9	448.3	491.6	487.0	525.5	533.0	519.9	519.8	520.2
Pension/post-employment expense	54.1	57.7	58.3	58.3	83.9	81.9	77.1	69.3	62.0
Total Operating Budget	541.0	506.0	549.9	545.3	609.4	614.9	597.0	589.1	582.2

PENSION COSTS

Our defined benefit pension plan, which reflects the criteria of uniformity, risk sharing, competitiveness and cost control, came into effect on January 1, 2018. The normal retirement age was increased to 65 years for all current and future plan members. In addition, the cost of the plan, including the cost for conditional indexation, is now shared equally between employees and CMHC, for both of the benefit accrual options offered in the new plan design. The higher pension expense in all plan years as compared to 2019 is due to lower projected discount rates in most years, as well as assumed salary increases, which result in higher current service costs.

Full-Time Equivalents (FTEs)

	2018 Plan	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Total	2,031.1	1,804.1	2,022.7	2,100.7	2,106.3	2,080.3	2,043.7	2,046.8

The increase in FTEs for our Assisted Housing and Housing Analysis and Research activities is due to incremental resources required to deliver the federal components of the NHS, as well as new investments announced in Federal Budget 2019. More specifically, these additional FTEs will be responsible for delivering the various programs, coordinating one or more service providers, leading marketing efforts, conducting policy analysis and research, and providing legal services and program oversight. FTEs for the Mortgage Insurance activity are expected to decrease as we streamline our underwriting activities. New business volumes also continue to decline, and claims and default management activities moderate over the planning horizon.

APPENDIX C – CAPITAL BUDGET

The largest portion of our capital budget supports our lending activities and allows eligible borrowers to acquire and renovate existing housing or to construct new housing under the various assisted housing programs of the NHA, and helps Canadians in need access affordable, sound and suitable housing. The capital budget authority is also used to refinance privately financed social housing projects under our Assisted Housing activity. In addition, our capital budget supports the FTHBI and SEMP Fund announced under Federal Budget 2019. The other component of our capital budget provides for the replacement of assets at the end of their service life, the acquisition of new assets and the enhancement of existing assets.

Our capital requirement projections represented on a commitment basis for 2020 are $3.8 billion. Loans and investments relating to the NHCF increased in 2019 to reflect delays resulting from the time required to receive, assess and finalize agreements for loan applications received during 2018, our launch year. Loans and investments for RCFi were also revised upwards in all years due to the additional funding of $10 billion announced in Budget 2019. The increase for other assets reflects our investment in technology and the enhancement of existing systems that support our lending and insurance activities.

NEW ACCOUNTING STANDARD FOR INSURANCE CONTRACTS

The effective date of International Financial Reporting Standards (IFRS) 17 Insurance Contracts is expected to be delayed by one year to 1 January 2022. This accounting standard requires a fundamentally different model to account for our insurance contracts. We expect the adoption of IFRS 17 will be more significant than the overall implementation of IFRS in 2011, as it requires standing up new models, systems and processes.

2018 RESULTS | 2019 ESTIMATE | 2020-2024 PLAN

(in millions)	2018 Plan	2018 Actual	2019 Plan	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Total loans and investments	2,378	636	4,572	4,324	3,732	3,341	2,988	2,612	2,348
Total business premises and other capitalized costs	37	35	108	112	106	42	23	12	2
Total Capital Budget	2,415	671	4,680	4,436	3,838	3,383	3,011	2,624	2,350

APPENDIX D – BORROWING PLAN

BORROWING AUTHORITY

CMHC's funding activities are governed by section 21 of the *Canada Mortgage and Housing Corporation Act* and section 127 of the *Financial Administration Act* (FAA). Those activities must also comply with the Minister of Finance's *Financial Risk Management Guidelines for Crown Corporations*.

Under subsection 21(2) of the *Canada Mortgage and Housing Corporation Act*, we are subject to a statutory borrowing authority constraint, which limits borrowings other than from the Crown to a maximum amount of $15 billion, unless Parliament authorizes additional amounts. Under subsection 21(1), at the request of the Corporation, the Minister of Finance may lend money to the Corporation out of the Consolidated Revenue Fund on any terms and conditions that the Minister may fix.

In accordance with subsection 127(3) of the FAA, CMHC requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction. The following outlines the borrowing plan that will be submitted to the Minister of Finance for approval.

SHORT-TERM BORROWINGS TO BE UNDERTAKEN IN 2020

CMHC requests authority to:

- access overdraft facilities in place with private sector financial institutions amounting to $4.0 billion intraday and $300 million overnight; and,
- borrow short term from the Crown Borrowing Program (CBP) up to a maximum outstanding of $5.0 billion.

Additional short-term borrowings may be required to cover requirements under our mortgage funding guarantee programs.

LONG-TERM BORROWINGS TO BE UNDERTAKEN IN 2020

CMHC requests authority to borrow:

- new long-term borrowings through the CBP not exceeding $4.0 billion. We may be called upon to respond to unanticipated events that pose risks to the housing or financial markets; in order to do so; we may need to borrow sums of money beyond our annual borrowing plan. Under section 127(3) of the FAA, the Corporation may seek additional borrowings from the Minister of Finance provided its total indebtedness outstanding at any time in respect of such borrowings does not exceed any statutory limit.

Context

Borrowings are used in the normal course of business to finance loans and provide liquidity. We borrow following the establishment of a commitment to fund loans under various programs including:

- Direct Lending program (DL)
- Rental Construction Finance Initiative (RCFi)
- National Housing Co-Investment Fund (NHCF)
- First Time Home Buyer Incentive program (FTHBI)
- Shared Equity Mortgage Providers Fund (SEMP)

We also borrow to fund other loans and investments in housing and to meet corporate cash and liquidity management needs.

Direct Lending

Direct Lending loans are designed to help ensure the lowest risk-adjusted financing costs for eligible social housing projects on a sustained long-term basis. Direct lending mortgages do not offer prepayment options and typically carry a term of five or ten years. Asset-liability management is conducted through market transactions and/or borrowings. Principal repayments for reinvestment have a current market value of $1.3 billion as at March 31, 2019 (see the Assisted Housing Investment Plan in the Financial Overview chapter for more details).

Rental Construction Financing Initiative

The purpose of this initiative, totaling $13.75 billion, remains to encourage the construction of affordable rental housing by making low-cost capital available to municipalities and housing developers during the earliest and most risky phases of development. In the 2016 Budget, the Federal Government committed up to $2.5 billion over four years starting in fiscal year 2017-2018 toward the RCFi. In the 2018 Budget, the original commitment toward the RCFi increased to $3.75 billion over the remaining three years, an increase of $1.25 billion. To provide more affordable rental options for middle class Canadians, Budget 2019 provided an additional $10 billion in financing through this initiative over nine years, extending the program until 2028. These loans will be mainly funded through long-term borrowings. Total funding under the RCFi as at March 31, 2019, was $508.5 million of which $362 million was undrawn.

National Housing Co-Investment Fund

For the NHS, the Federal Government committed up to $8.65 billion over 10 years starting in fiscal year 2018-2019. Loans under the NHCF may consist of both short-term and long-term borrowings. The purpose of this initiative is to make sure Canadians across the country can access housing that meets their needs and that they can afford. As at March 31, 2019, funding under this program was nil.

First-Time Home Buyer Incentive

The Federal Government introduced in Budget 2019 the First-Time Home Buyer Incentive to help make home-ownership more affordable for Canadians while maintaining prudent safeguards around Canadians' homeownership decisions. Under this program, eligible first-time home buyers who qualify for an insured mortgage could apply for a 5 or 10% shared equity mortgage for a newly constructed home or a 5% shared equity mortgage for an existing home which would reduce their monthly homeownership cost. Launched in September 2019 and running until March 31, 2022, the FTHBI funding of $1.25 billion will be available to Canadians for just over 2.5 years. Funding for the FTHBI may consist of short-term borrowings in order to mitigate prepayment and interest rate risks.

Shared Equity Mortgage Providers Fund

In some regions, non-profit and other third parties currently provide shared-equity mortgages. To support housing affordability, the federal government announced in Budget 2019 new funding to help grow the share-equity mortgage segment which helps more Canadians achieve affordable homeownership. Through this five-year program which launched in July 2019, the Federal Government has committed up to $100 million in lending to existing and future third-party shared-equity mortgage providers. Loans under this program may be funded through long-term borrowings.

Other Loans and Investments in Housing Programs

Funds to support other loans and investments in our housing programs were previously borrowed through the Consolidated Revenue Fund (CRF). New advances related to ongoing loans and investments in the housing programs are financed through short-term CBP borrowings, where the term of the funding does not necessarily match the term of the loan. The 2015 Budget initiative to allow eligible loans to prepay without penalty results in the prepayment of outstanding CRF debt. The prepayment of the CRF debt (including the amount) will depend on the participation under this initiative and the characteristics of the prepaid loans, which cannot be forecasted.

Municipal Infrastructure Lending Program

The Municipal Infrastructure Lending Program (MILP) received funding through borrowings from the CBP which are long-term in nature (a maximum of 30 years). These borrowings are matched with the amortization of the MILP loans and closed to prepayment. A spread was added to the CBP borrowing rate to compensate for the credit exposure to municipalities. Under the MILP, which ran over a two-year period ending March 31, 2011, CMHC provided loans of $2 billion to support housing-related municipal infrastructure. Total outstanding borrowings under the MILP was $1.1 billion as at March 31, 2019.

Cash and Liquidity Management

Short-term CBP borrowings are used to manage daily cash and liquidity requirements (including potential obligations related to the timely payment guarantee for our Mortgage Funding programs). In addition, CMHC maintains two separate $2 billion intraday overdraft facilities plus access to $300 million through overnight overdraft facilities with private sector financial institutions for cash management, operational and liquidity purposes. The cash and liquidity management methodology complies with our liquidity policy, outlined at the end of this section, which requires that we broadly maintain liquidity sufficient to cover needs for five days.

2019 Borrowings

Total borrowing estimates for current calendar year 2019 are as follows:

- Direct Lending: $717 million in new borrowings consisting of about $164 million to finance new loans and $553 million to refinance existing loans. The $67 million increase in Direct Lending 2019 estimates versus 2019 requested authorities is driven by demand.
- RCFi up to $2.0 billion for the calendar year in new borrowings. RCFI 2019 borrowing estimates increased by $200 million over 2019 requested authorities due to the re-profiling of unused commitment from previous years.
- NHCF up to $1.8 billion for the calendar year in new borrowings. NHCF 2019 borrowing estimates increased by $700 million over 2019 requested authorities due to the reprofiling of unused commitment from previous years.
- SEMP Fund up to $5 million for the calendar year in new borrowings.
- Short-term borrowings: cash and liquidity management, lending and other loans and investments in housing up to $4.4 billion outstanding, including up to $125 million outstanding for the FTHBI. Short-term 2019 borrowing estimates are in line with 2019 requested authorities.
- Overdraft facilities up to $4 billion intraday and up to $300 million overnight.

Maximum debt outstanding for 2019 is expected to reach $17.0 billion consisting of $12.6 billion to finance all lending programs and investments in housing and up to $4.4 billion for cash and liquidity management. This is an increase in total maximum debt outstanding of about $7.0 billion over 2018, mainly driven by new borrowings to finance the RCFi and NHCF.

2020 Borrowings

Expected borrowing requirements for the 2020 calendar year are as follows:

- Direct Lending: $746 million in new borrowings consisting of about $160 million to finance new loans and $586 million to refinance existing loans.
- RCFi up to $2.5 billion for the calendar year in new borrowings.
- NHCF up to $0.5 billion for the calendar year in new borrowings.
- SEMP Fund up to $22 million for the calendar year in new borrowings.
- Short-term borrowings: cash and liquidity management, lending and other loans and investments in housing up to $4.9 billion outstanding, including up to $625 million outstanding for the FTHBI.
- Overdraft facilities up to $4 billion intraday and up to $300 million overnight.

Maximum debt outstanding for 2020 is expected to reach $19.6 billion consisting of $14.7 billion to finance all lending programs and investments in housing and up to $4.9 billion for cash and liquidity management. This is an increase in total maximum debt outstanding of about $2.6 billion over 2019, mainly driven by new borrowings to finance the RCFi, NHCF and the pickup in the FTHBI program.

Outstanding Borrowings as of December 31

(in millions)	2018 Actual	2019 Estimate	2020 Requested	2021 Projected	2022 Projected	2023 Projected	2024 Projected
Short-term borrowings							
Cash and liquidity management[1]	-	4,000	4,000	4,000	4,000	4,000	4,000
Direct Lending	42	100	100	100	100	100	100
Other loans and investments	-	200	200	200	200	200	200
FTHBI[2]	-	125	625	1,125	1,250	1,250	1,250
Total short-term borrowings	**42**	**4,425**	**4,925**	**5,425**	**5,550**	**5,550**	**5,550**
Long-term borrowings							
Direct Lending	4,990	4,417	3,707	3,311	3,288	3,248	2,776
Other loans and investments	1,839	1,595	1,420	1,247	1,128	968	764
MILP	1,104	973	841	728	629	526	419
RCFi[3]	391	2,416	4,902	6,652	8,402	9,902	11,152
NHCF[4]	-	1,840	2,314	3,206	4,126	5,046	5,966
SEMP[5]	-	5	27	50	73	100	100
Total long-term borrowings	**8,324**	**11,246**	**13,211**	**15,194**	**17,646**	**19,790**	**21,177**
Total borrowings	**8,366**	**15,671**	**18,136**	**20,619**	**23,196**	**25,340**	**26,727**

1 Includes $4 billion contingency borrowing room to support unlikely calls on timely payment guarantee and other unforeseen liquidity needs.

2 Borrowings under FTHBI may consist of short-term borrowings up to the portion of the commitment amount utilized over the life of the program. Borrowings outstanding under this program are not to exceed $1.25 billion over the three-year life of the program.

3 RCFi borrowings may consist of long-term borrowings. Borrowings under this program are not to exceed $13.75 billion over the life of the program, which is extended to fiscal year 2027-2028. RCFi 2020 requested borrowings are $2,486 million of which $194 million has been reprofiled from previous years, subject to the approval of the Minister of Finance.

4 NHCF borrowings may consist of long-term borrowings. Total borrowings under this program are not to exceed $6.81 billion over the nine years remaining on the program or $8.65 billion over the life of the program. NHCF 2020 requested borrowings are $474 million and $76 million has been reprofiled to future years, subject to the approval of the Minister of Finance.

5 Borrowings under SEMP may consist of long-term borrowings. Borrowings under this program are not to exceed $100 million over the life of the program, which is five-year starting fiscal year 2019-2020.

Short-Term Borrowings as at December 31

(in millions)	2018 Actual	2019 Estimate	2020 Requested	2021 Projected	2022 Projected	2023 Projected	2024 Projected
Currency used							
Canadian dollars[1]	42	4,425	4,925	5,425	5,550	5,550	5,550
US dollars (expressed in Canadian dollars)	-	-	-	-	-	-	-
Short-term borrowings	**42**	**4,425**	**4,925**	**5,425**	**5,550**	**5,550**	**5,550**

1 Includes $4 billion contingency borrowing room to support unlikely calls on timely payment guarantee and other unforeseen liquidity needs.

Peaks at Any Point During the Year

(in millions)	2018 Actual	2019 Estimate	2020 Requested	2021 Projected	2022 Projected	2023 Projected	2024 Projected
Split by program							
Line of credit	-	-	-	-	-	-	-
Short-term borrowings	**42**	**4,425**	**4,925**	**5,425**	**5,550**	**5,550**	**5,550**
Cash and liquidity management[1]	-	4,000	4,000	4,000	4,000	4,000	4,000
Direct Lending	42	100	100	100	100	100	100
Other loans and investments	-	200	200	200	200	200	200
FTHBI[2]	-	125	625	1,125	1,250	1,250	1,250
Long-term borrowings	**9,987**	**12,611**	**14,674**	**16,169**	**18,077**	**20,235**	**21,965**
Direct Lending	6,272	5,607	5,063	4,200	3,701	3,630	3,453
Other loans and investments	2,093	1,639	1,395	1,220	1,047	928	768
MILP	1,231	1,104	973	841	728	629	526
RCFi[3]	391	2,416	4,902	6,652	8,402	9,902	11,152
NHCF[4]	-	1,840	2,314	3,206	4,126	5,046	5,966
SEMP[5]	-	5	27	50	73	100	100
Maximum outstanding borrowings							
Cash and liquidity management[1]	-	4,000	4,000	4,000	4,000	4,000	4,000
Direct Lending	6,314	5,707	5,163	4,300	3,801	3,730	3,553
Other loans and investments	2,093	1,839	1,595	1,420	1,247	1,128	968
MILP	1,231	1,104	973	841	728	629	526
RCFi[3]	391	2,416	4,902	6,652	8,402	9,902	11,152
NHCF[4]	-	1,840	2,314	3,206	4,126	5,046	5,966
FTHBI	-	125	625	1,125	1,250	1,250	1,250
SEMP[5]	-	5	27	50	73	100	100
Total maximum outstanding borrowings	**10,029**	**17,036**	**19,599**	**21,594**	**23,627**	**25,785**	**27,515**

1 Includes $4 billion contingency borrowing room to support unlikely calls on timely payment guarantee and other unforeseen liquidity needs.

2 Borrowings under FTHBI may consist of short-term borrowings up to the portion of the commitment amount utilized over the life of the program. Borrowings outstanding under this program are not to exceed $1.25 billion over the three-year life of the program.

3 RCFi borrowings may consist of long-term borrowings. Borrowings under this program are not to exceed $13.75 billion over the life of the program, which is extended to fiscal year 2027-2028. RCFi 2020 requested borrowings are $2,486 million of which $194 million has been reprofiled from previous years, subject to the approval of the Minister of Finance.

4 NHCF borrowings may consist of long-term borrowings. Total borrowings under this program are not to exceed $6.81 billion over the nine years remaining on the program or $8.65 billion over the life of the program. NHCF 2020 requested borrowings are $474 million and $76 million has been reprofiled to future years, subject to the approval of the Minister of Finance.

5 Borrowings under SEMP may consist of long-term borrowings. Borrowings under this program are not to exceed $100 million over the life of the program, which is five-year starting fiscal year 2019-2020.

Long-Term Borrowings as at December 31

(in millions)	2018 Actual	2019 Estimate	2020 Requested	2021 Projected	2022 Projected	2023 Projected	2024 Projected
Opening balance	8,967	8,324	11,246	13,211	15,194	17,646	19,790
Maturities	**(1,705)**	**(1,665)**	**(1,763)**	**(1,275)**	**(731)**	**(745)**	**(1,088)**
Direct Lending	(1,324)	(1,290)	(1,456)	(989)	(513)	(482)	(777)
Other loans and investments	(254)	(244)	(175)	(173)	(119)	(160)	(204)
MILP	(127)	(131)	(132)	(113)	(99)	(103)	(107)
RCFi[1]	-	-	-	-	-	-	-
NHCF[2]	-	-	-	-	-	-	-
SEMP[3]	-	-	-	-	-	-	-
New issuances	**1,062**	**4,587**	**3,728**	**3,258**	**3,183**	**2,889**	**2,475**
Direct Lending	755	717	746	593	490	442	305
RCFi[1]	307	2,025	2,486	1,750	1,750	1,500	1,250
NHCF[2]	-	1,840	474	892	920	920	920
SEMP[3]	-	5	22	23	23	27	-
Total	**8,324**	**11,246**	**13,211**	**15,194**	**17,646**	**19,790**	**21,177**
Split by type							
Fixed-rate	8,324	11,246	13,211	15,194	17,646	19,790	21,177
Floating-rate	-	-	-	-	-	-	-
Total	**8,324**	**11,246**	**13,211**	**15,194**	**17,646**	**19,790**	**21,177**

1 RCFi borrowings may consist of long-term borrowings. Borrowings under this program are not to exceed $13.75 billion over the life of the program, which is extended to fiscal year 2027-2028. RCFi 2020 requested borrowings are $2,486 million of which $194 million has been reprofiled from previous years, subject to the approval of the Minister of Finance.

2 NHCF borrowings may consist of long-term borrowings. Total borrowings under this program are not to exceed $6.81 billion over the nine years remaining on the program or $8.65 billion over the life of the program. NHCF 2020 requested borrowings are $474 million and $76 million has been reprofiled to future years, subject to the approval of the Minister of Finance.

3 Borrowings under SEMP may consist of long-term borrowings. Borrowings under this program are not to exceed $100 million over the life of the program, which is five-year starting fiscal year 2019-2020.

Information on Existing Leases as of December 31

CMHC does not plan to enter into any leases as lessee greater than the regulatory threshold of $10 million and therefore does not seek the Minister of Finance's approval to enter into any leases.

Liquidity Policy

Under our liquidity policy, liquidity must be held that is equal to at least one week's forecasted cash requirements. Projected operating cash requirements are determined through cash forecast models that are updated weekly.

Only the mortgage funding timely payment guarantee poses a significant potential liquidity risk to CMHC. Any corporate assets, reserves and means under any of our business lines and programs (and not specifically designated for mortgage funding purposes) can be used to satisfy a call on a timely payment guarantee. We will look to the Department of Finance through the CBP for amounts beyond its internal sources of liquidity if there is a need to satisfy a call on the timely payment guarantee.

We assess potential liquidity requirements on an actual and forecast basis, and maintain access to sufficient liquidity to meet the largest exposure to a single counterparty on any program payment date. We do so while taking into consideration market conditions, available cash, overdraft facilities, program lines of credit, market value of securities in the investment portfolios and borrowing authorities provided by the Minister of Finance and the terms of the CBP. Borrowings beyond those contemplated in the Borrowing Plan for cash and liquidity management purposes required to meet the obligations of the timely payment guarantee would require additional authorities from the Minister of Finance.

APPENDIX E – FINANCIAL STATEMENTS AND NOTES

BASIS OF PRESENTATION

With the exception of International Financial Reporting Standard (IFRS) 16 *Leases*, our consolidated financial statements have been prepared in accordance with IFRS in effect at 31 December 2018, as issued by the International Accounting Standards Board (IASB). CMHC's operating activities include assisted housing, mortgage insurance and mortgage funding. Housing analysis and research is not a separate activity; rather, their costs are allocated to our operating activities. Refer to our 2018 Annual Report for complete details on our significant accounting policies.

For all activities, revenues are attributed to, and assets are located in, Canada.

SIGNIFICANT ACCOUNTING POLICIES

There are no new standards issued by the IASB within the past year which impact CMHC's 2020-2024 Corporate Plan. The implications of adopting *IFRS 16 Leases* on 1 January 2019 have been incorporated into our corporate plan since the 2019-2023 planning period.

CONSOLIDATED BALANCE SHEETS

Table 1: Consolidated Financial Statements Balance Sheets (in millions of Canadian dollars)

Description	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Assets							
Cash and cash equivalents	837	301	301	301	301	301	301
Accrued interest receivable	724	820	821	858	832	884	960
Investment securities:							
Fair value through profit or loss	1,591	822	410	149	124	115	116
Fair value through other comprehensive income	18,164	20,766	18,880	18,510	18,538	18,408	18,569
Amortized cost	-	3,767	4,588	4,633	4,264	4,098	3,778
Derivatives	33	26	13	7	4	2	1
Due from the Government of Canada	158	300	300	300	300	300	300
Loans:							
Fair value through profit or loss	2,040	1,719	1,972	2,284	2,232	2,051	1,870
Amortized cost	239,162	249,009	251,252	256,148	254,948	260,991	262,974
Accounts receivable and other assets	856	865	1,026	968	915	856	802
Investment property	311	266	277	288	300	311	324
Total Assets	**263,876**	**278,661**	**279,840**	**284,446**	**282,758**	**288,317**	**289,995**
Liabilities							
Securities sold under repurchase agreements	280	-	-	-	-	-	-
Accounts payable and other liabilities	506	945	809	789	819	806	794
Accrued interest payable	546	764	785	835	827	895	987
Possible dividend payable[1]	675	175	145	145	145	145	145
Derivatives	117	9	29	83	145	198	233
Provision for claims	512	486	441	392	351	329	328
Borrowings:							
Fair value through profit or loss	3,430	2,376	1,130	466	386	225	149
Amortized cost	235,525	251,790	255,953	261,585	259,904	265,629	267,078
Defined benefit plans liability	354	588	570	505	407	312	225
Unearned premiums and fees	6,948	7,064	7,182	7,314	7,444	7,504	7,554
Deferred income tax liabilities	102	106	109	121	162	169	184
Total Liabilities	**248,995**	**264,303**	**267,153**	**272,235**	**270,590**	**276,212**	**277,677**
Equity of Canada							
Contributed capital	25	25	25	25	25	25	25
Accumulated other comprehensive income (loss)	5	101	(34)	(91)	(48)	(104)	(116)
Retained earnings	14,742	14,119	12,585	12,190	12,124	12,118	12,330
Reserve fund	109	113	111	87	67	66	79
Total Equity of Canada	**14,881**	**14,358**	**12,687**	**12,211**	**12,168**	**12,105**	**12,318**
Total Liabilities and Equity of Canada	**263,876**	**278,661**	**279,840**	**284,446**	**282,758**	**288,317**	**289,995**

[1] Possible dividend payable based on excess capital available.

NOTES TO THE CONSOLIDATED BALANCE SHEETS

CMHC's assets, liabilities and equity are derived from our three main operating activities. A breakdown by activity is provided below.

Assisted Housing

Total assets and liabilities of $9.1 billion at December 31, 2018, are expected to increase significantly over the planning horizon as a result of the significant increase in lending activity generated by the RCFi and NHCF, as well as the launch of the FTHBI and SEMP Fund in 2019.

Commercial Operations

Mortgage Insurance

Total assets of $19.2 billion at December 31, 2018, decrease to $16.3 billion in 2021 mainly related to our smaller investment portfolio as we continue to fund our dividend payments to the Government of Canada and implement our revised SAA. Total assets then continue to remain between $16.2 and $16.4 billion over the remaining planning horizon.

Total liabilities decrease from $7.1 billion at December 31, 2018, to $6.4 billion at December 31, 2020, and then increase thereafter. The decrease is mainly due to the decrease in dividend payable as we start to declare and pay dividends within the same year. Over the planning horizon, the Government of Canada fees payable increases as multi-unit volumes and housing prices increase. Unearned premiums and fees increase from $5.4 billion at December 31, 2018, to $5.8 billion in 2024 mainly due to insuring and refinancing of higher priced multi-unit properties. However these increases will be offset by a lower provision for claims as our transactional homeowner insurance business portfolio continues to decline, as well as a lower defined benefit pension liability resulting from higher discount rates and expected returns on investments.

We will continue to return excess capital to the Government of Canada over the planning horizon through the declaration of dividends as we move towards operating closer to our MICAT target of 165%. The dividend declarations, partially offset by increasing net income over the next few years, decrease total equity from $12.1 billion at December 31, 2018, to $9.8 billion at December 31, 2024. Equity increases over the remaining years as net income outpaces our dividend declarations.

Mortgage Funding

Total assets are expected to increase from $239.4 billion at December 31, 2018, to $249.4 billion at December 31, 2024, peaking at $250.6 billion in 2021. The $10 billion increase is mainly due to the net impact of issuances and maturities of securities held in CHT as well as an increase in deferred Government of Canada guarantee fees to compensate for timely payment guarantee risks.

Total liabilities are expected to increase from $236.9 billion at December 31, 2018, to $247.4 billion at December 31, 2024, mainly due to the net impact of issuances and maturities of securities held in CHT as well as an increase in unearned MBS and CMB guarantee fees due to increasing NHA MBS guaranteed volumes .

Total equity is expected to decrease from $2.5 billion at December 31, 2018, to $2.0 billion at December 31, 2024, due to planned dividend declarations partially offset by increasing net income.

CONSOLIDATED STATEMENTS OF INCOME, COMPREHENSIVE INCOME AND EQUITY OF CANADA

Table 2: Consolidated Financial Statements
Statements of Income, Comprehensive Income and Equity of Canada
(in millions of Canadian dollars)

Description	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Interest income	5,294	5,923	5,927	5,949	6,123	6,265	6,634
Interest expense	5,170	5,852	5,867	5,941	6,102	6,229	6,585
Net interest income	**124**	**71**	**60**	**8**	**21**	**36**	**49**
Non-interest revenues and government funding							
Government funding for housing programs	2,336	2,436	2,932	2,544	2,597	2,733	2,816
Premiums and fees earned	1,909	2,001	2,067	2,108	2,172	2,212	2,205
Investment income	513	482	479	476	513	561	622
Net gains (losses) on financial instruments	(97)	126	(30)	(66)	(44)	(37)	(37)
Other income	38	62	59	58	37	36	38
	4,823	**5,178**	**5,567**	**5,128**	**5,296**	**5,541**	**5,693**
Non-interest expenses							
Housing programs	2,336	2,436	2,932	2,544	2,597	2,733	2,816
Insurance claims	210	216	215	190	169	163	174
Operating expenses	398	420	457	456	443	437	437
	2,944	**3,072**	**3,604**	**3,190**	**3,209**	**3,333**	**3,427**
Income before income taxes	1,879	2,106	1,963	1,938	2,087	2,208	2,266
Income taxes	462	521	484	482	521	555	568
Net income	**1,417**	**1,585**	**1,479**	**1,456**	**1,566**	**1,653**	**1,698**
Other comprehensive income (loss), net of tax							
Items that will be subsequently reclassified to net income							
Net unrealized gains (losses) from debt instruments held at fair value through other comprehensive income	(103)	184	(154)	(101)	15	(78)	(35)
Reclassification of gains (losses) on debt instruments held at fair value through other comprehensive income on disposal in the year	(14)	(88)	19	44	28	22	23
Total items that will be subsequently reclassified to net incom	**(117)**	**96**	**(135)**	**(57)**	**43**	**(56)**	**(12)**
Items that will not be subsequently reclassified to net income							
Net unrealized gains (losses) from equity securities designated at fair value through other comprehensive income	(9)	-	-	-	-	-	-
Remeasurement gains (losses) on defined benefit plans	79	(184)	65	105	128	120	107
Total items that will not be subsequently reclassified to net income	**70**	**(184)**	**65**	**105**	**128**	**120**	**107**
Other comprehensive income (loss)	**(47)**	**(88)**	**(70)**	**48**	**171**	**64**	**95**
Comprehensive income	**1,370**	**1,497**	**1,409**	**1,504**	**1,737**	**1,717**	**1,793**
Contributed capital	**25**	**25**	**25**	**25**	**25**	**25**	**25**

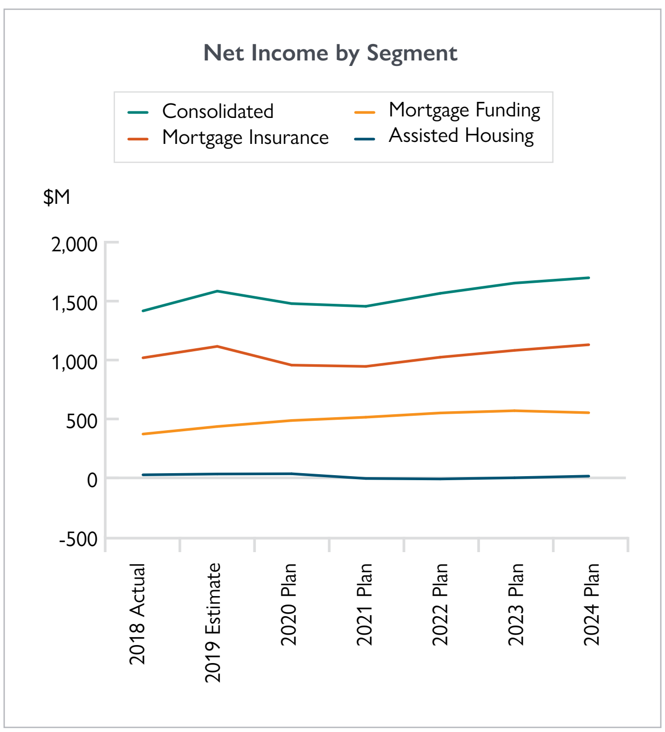
(continue)

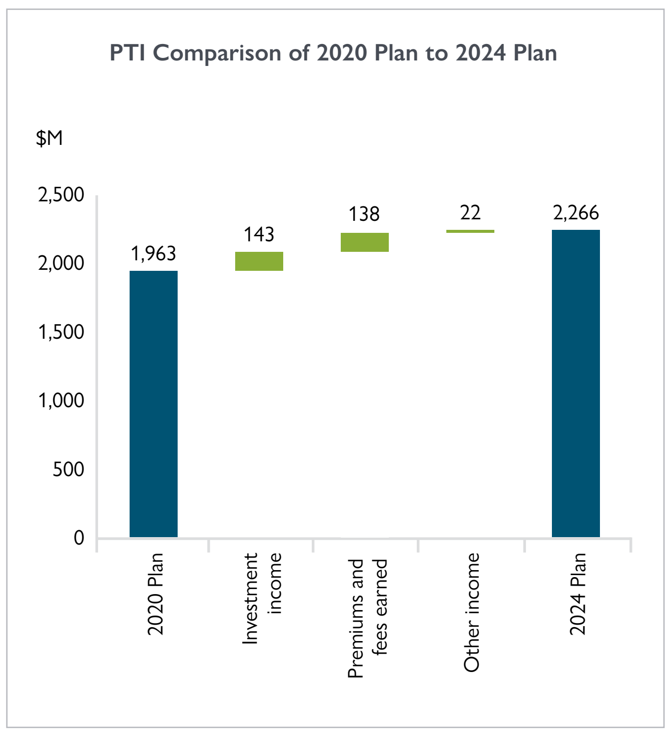
Description	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Accumulated other comprehensive income (loss)							
Balance at beginning of year	122	5	101	(34)	(91)	(48)	(104)
Other comprehensive income (loss)	(117)	96	(135)	(57)	43	(56)	(12)
Balance at end of year	**5**	**101**	**(34)**	**(91)**	**(48)**	**(104)**	**(116)**
Retained earnings							
Balance at beginning of year	17,423	14,742	14,119	12,585	12,190	12,124	12,118
Net income	1,417	1,585	1,479	1,456	1,566	1,653	1,698
Other comprehensive income (loss)	70	(184)	65	105	128	120	107
Possible dividends declared[1]	(4,175)	(2,020)	(3,080)	(1,980)	(1,780)	(1,780)	(1,580)
Transferred to retained earnings	7	(4)	2	24	20	1	(13)
Balance at end of year	**14,742**	**14,119**	**12,585**	**12,190**	**12,124**	**12,118**	**12,330**
Reserve Fund							
Balance at beginning of year	116	109	113	111	87	67	66
Transferred from retained earnings	(7)	4	(2)	(24)	(20)	(1)	13
Balance at end of year	**109**	**113**	**111**	**87**	**67**	**66**	**79**
Equity of Canada	**14,881**	**14,358**	**12,687**	**12,211**	**12,168**	**12,105**	**12,318**

[1] Possible dividends declared based on excess capital available.

NOTES TO THE CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Our income is generated by our three main activities. Although net income is projected to decrease in 2020 and 2021, we expect it to increase over the remainder of the planning period.





Assisted Housing

(in millions)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Government funding for housing programs	2,336	2,436	2,932	2,544	2,597	2,733	2,816
Net interest income	14	7	24	(24)	(8)	10	27
Other income[1]	37	62	52	49	31	30	30
Total revenues	**2,387**	**2,505**	**3,008**	**2,569**	**2,620**	**2,773**	**2,873**
Housing program expenses	2,336	2,436	2,932	2,544	2,597	2,733	2,816
Operating expenses[2]	25	32	39	36	36	36	36
Total expenses	**2,361**	**2,468**	**2,971**	**2,580**	**2,633**	**2,769**	**2,852**
Income before income taxes	26	37	37	(11)	(13)	4	21
Income taxes	-	4	2	(6)	(4)	3	6
Net income	**26**	**33**	**35**	**(5)**	**(9)**	**(1)**	**15**

1 Other income includes net gains (losses) on financial instruments and other income.

2 Operating expenses represent only those related to lending programs. Refer to the performance highlights table for operating expenses related to housing programs.

Housing programs operate on a break-even basis as appropriations equal expenditures each year. Although lending programs are intended to be run on a break-even basis, some elements of our operating expenses do not perfectly correlate with revenues and cause fluctuations in net income. While losses can occur in certain years, the retained profits in our reserve fund are expected to offset these shortfalls.

Total Government Funding

We receive government funding in support of various activities we are mandated to deliver. Starting in 2019, government funding related to our commercial operations and lending activities is deducted from total government funding as these revenues are earned within their respective business segments. The following table provides details of the funding that is allocated and accounted for directly within the different business segments.

(in millions)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Government funding for housing programs	2,336	2,436	2,932	2,544	2,597	2,733	2,816
Allocated to commercial operations	-	43	70	72	70	81	85
Allocated to lending activities	-	78	221	212	191	189	185
Total government funding	**2,336**	**2,557**	**3,223**	**2,828**	**2,858**	**3,003**	**3,086**

Housing Analysis and Research

Housing Analysis and Research activities are cost-recovered from revenues from Assisted Housing's government funding for housing programs as well as from our Mortgage Insurance activity.

(in millions)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Assisted Housing recovery	72	115	124	113	113	105	107
Mortgage Insurance recovery	18	26	24	23	24	24	24
Total revenue	**90**	**141**	**148**	**136**	**137**	**129**	**131**
Market analysis[1]	45	59	65	60	60	59	58
Housing research and data[2]	45	82	83	76	77	70	73
Total expenses	**90**	**141**	**148**	**136**	**137**	**129**	**131**
Net income	-	-	-	-	-	-	-

1 Includes market analysis and survey costs recovered from Mortgage Insurance and Assisted Housing activities.

2 Financials do not include funding for the Housing Supply Challenge announced in the 2019 Federal Budget as CMHC must first obtain financial authority through a submission to Treasury Board.

We are investing additional resources to support the implementation of the NHS, including investments to enhance housing research, data and innovation initiatives as announced in the 2017 Federal Budget and launched in 2018. Funding is also provided for a new National Housing Council to provide advice to the Minister responsible for CMHC related to the NHS. In addition, these figures reflect an overall increase due primarily to higher allocated information technology costs and pension expense.

Commercial Operations

Mortgage Insurance

(in millions)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Premiums and fees earned	1,426	1,422	1,422	1,425	1,440	1,461	1,481
Investment income	530	458	432	425	456	496	548
Other income[1]	(86)	175	(25)	(57)	(34)	(26)	(21)
Total revenues	**1,870**	**2,055**	**1,829**	**1,793**	**1,862**	**1,931**	**2,008**
Insurance claims	210	216	215	190	169	163	174
Operating expenses	318	322	351	351	336	330	330
Total expenses	**528**	**538**	**566**	**541**	**505**	**493**	**504**
Income before income taxes	1,342	1,517	1,263	1,252	1,357	1,438	1,504
Income taxes	334	379	316	313	339	360	376
Net income	**1,008**	**1,138**	**947**	**939**	**1,018**	**1,078**	**1,128**

[1] Other income includes net gains (losses) on financial instruments and other income.

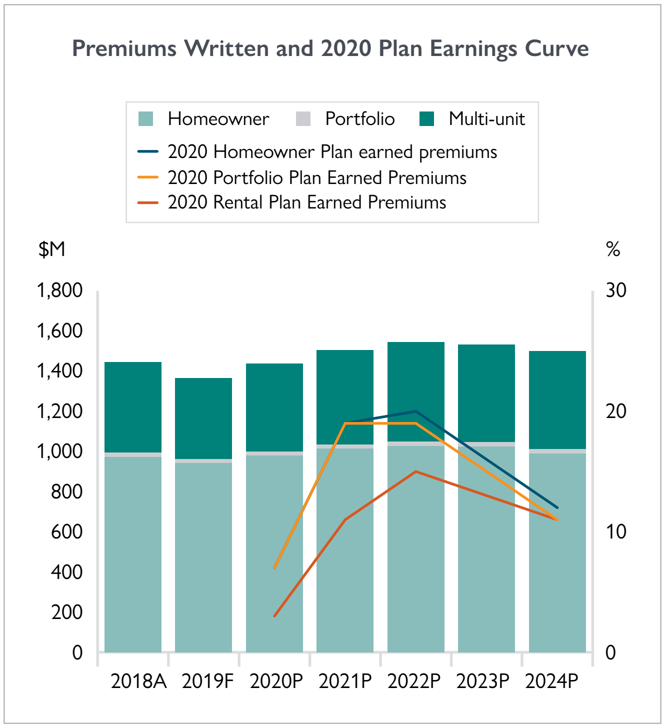
(in millions, unless otherwise indicated)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Mortgage Insurance Volumes							
Insurance-in-force (in billions)	448	432	411	394	388	385	383
Total new insured volumes (units)	253,485	242,675	243,032	243,185	240,414	233,710	226,157
Total new insured volumes ($)	47,733	43,273	45,817	47,855	48,917	48,833	48,057
Total premiums and fees received	1,445	1,398	1,469	1,537	1,578	1,567	1,533

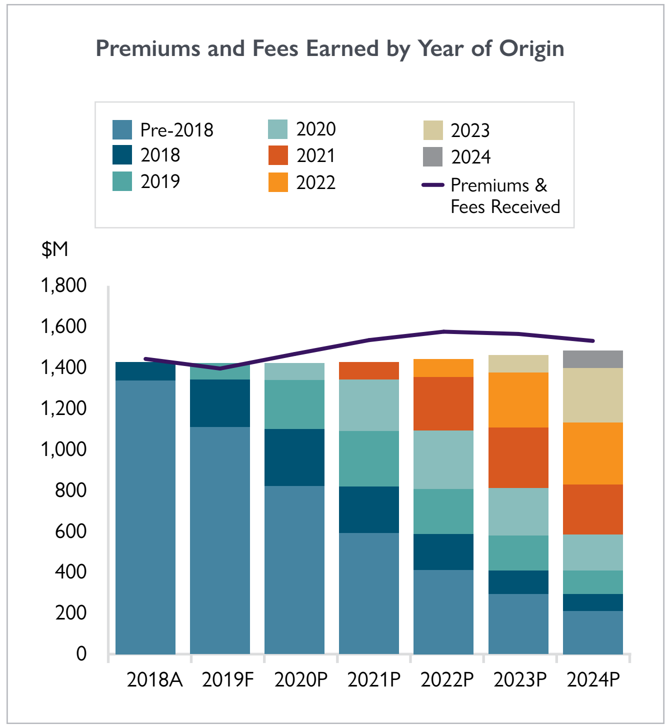
Premiums and fees earned continue to decrease slightly in 2019 as our transactional homeowner and portfolio businesses stabilize at their new operating level after regulatory changes in previous years. In 2021 our earnings for our multi-unit business are expected to outpace the decline felt by our other insurance products due to the continued expansion of our participation in key rental market segments, as well as product flexibilities for affordable housing and the continued low interest rate environment.

Investment income declines in the first few years due to our smaller investment portfolio as we make special dividend payments to the Government of Canada and rebalance our portfolio to align with our new SAA. Investment income increases thereafter due to reinvestments made at higher yields.

Insurance claims increase over the short term and then decrease over the planning horizon while our insurance-in-force for transactional homeowner and portfolio volumes decline, and the continued roll-out of the enhanced claims service reduces the severity of our losses. The increase in the short term is due to a change in the business product mix and our outlook on the economy.

Operating expenses continue to increase in 2019 due to our required investments in technology including our mortgage risking platform, workplace transformation, and the implementation of IFRS 17; however, operating expenses begin to moderate in 2022 as these investments are operationalized. Government of Canada fees[6] for the financial backing of our mortgage insurance business steadily increase over the planning horizon from $38.5 million in 2018 to $50.6 million by 2024 in line with multi-unit volumes and our outlook on house prices.





Mortgage Funding

(in millions)	**2018 Actual**	**2019 Estimate**	**2020 Plan**	**2021 Plan**	**2022 Plan**	**2023 Plan**	**2024 Plan**
Guarantee and application fees earned	483	579	645	683	732	751	724
Net interest income	8	8	8	8	8	8	8
Investment income	62	61	62	65	70	77	85
Other income[1]	(2)	(1)	2	-	(4)	(5)	(8)
Total revenues	**551**	**647**	**717**	**756**	**806**	**831**	**809**
Operating expenses	55	66	67	69	71	71	71
Total expenses	**55**	**66**	**67**	**69**	**71**	**71**	**71**
Income before income taxes	496	581	650	687	735	760	738
Income taxes	124	145	163	172	184	190	185
Net income	**372**	**436**	**487**	**515**	**551**	**570**	**553**

[1] Other income includes net gains (losses) on financial instruments and other income.

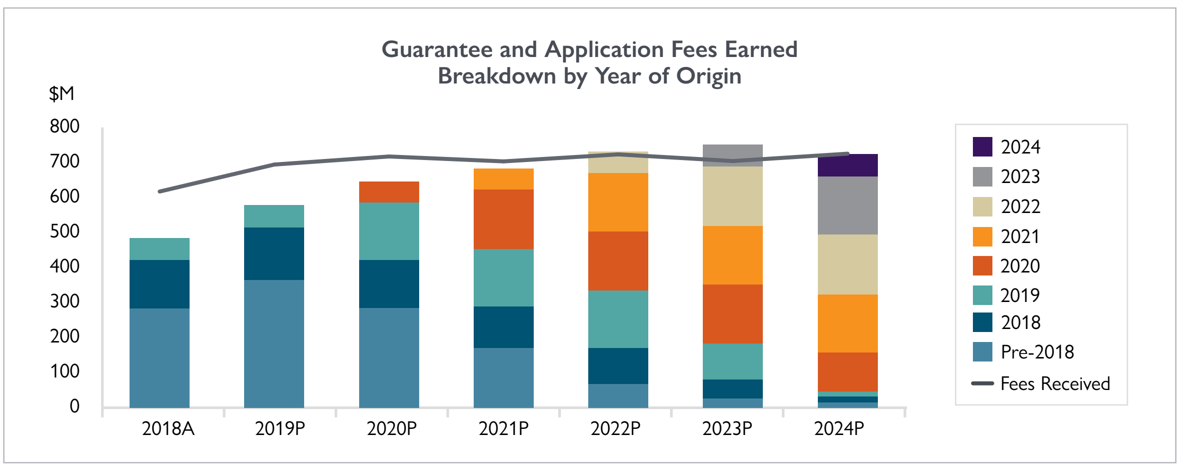
[6] Government of Canada fees, introduced in 2014, are paid annually based on the previous year's volumes and are amortized into income over the respective earnings curve.

(in millions, unless otherwise indicated)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Mortgage Funding Volumes							
Guarantees-in-force[1]	**488**	**510**	**499**	**483**	**485**	**467**	**472**
NHA MBS	254	266	256	237	243	222	224
CMB	234	244	244	246	242	245	248
Total annual securities guaranteed	**167**	**173**	**183**	**183**	**187**	**187**	**192**
NHA MBS	127	133	143	143	147	147	152
CMB	40	40	40	40	40	40	40
Total guarantee and application fees received	**649**	**694**	**717**	**704**	**724**	**705**	**725**
Market NHA MBS	503	549	571	558	578	559	579
CMB	146	145	146	146	146	146	146

1 For 2018, the Minister of Finance had approved new guarantee limits of $135 billion under the NHA MBS program and $40 billion under the CMB program for a total of $175 billion for our Mortgage Funding activity .The projected guarantee limits are subject to approval by the Minister of Finance.

Total revenues increase over the planning period mainly due to higher NHA MBS guaranteed volumes following the policy change implemented in July 2016, which introduced a guarantee fee on MBS sold to CHT, and resulted in an annual increase in the guaranteed limit for the next several years. Furthermore, higher pricing on Tier-2 NHA MBS introduced in 2016 and 2017 contribute to the higher projected guarantee fees.

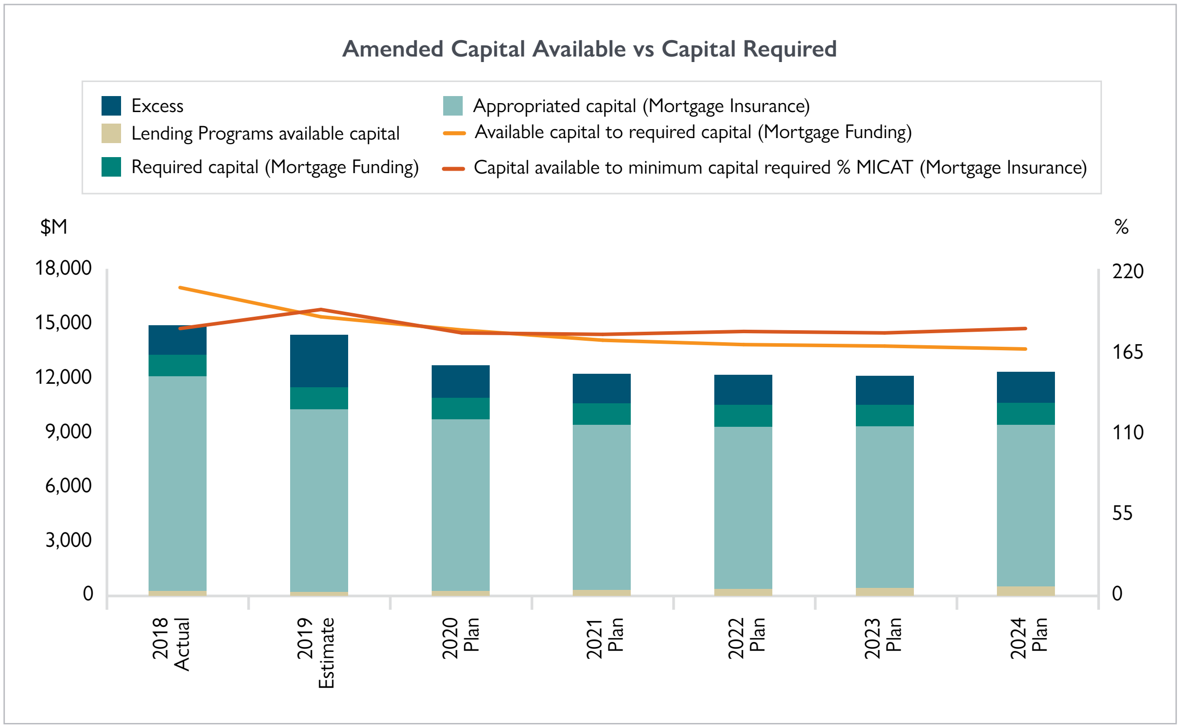
Total expenses initially increase over the planning horizon, mainly due to higher Government of Canada fee expenses as a result of higher NHA MBS guaranteed volumes and fees received.



NOTES TO THE CONSOLIDATED STATEMENTS OF EQUITY OF CANADA

CMHC's three main operating activities contribute to the total equity of Canada. A breakdown of equity by activity is provided below.

Effective 1 January 2019, our Mortgage Insurance activity is now subject to the MICAT guideline, which decreased the capital required on transition. Capital required remains stable over the remainder of the planning period as possible dividends are declared and we operate closer to our target level of 165%.



Assisted Housing

(in millions)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Retained earnings	155	88	159	231	307	371	428
Reserve fund[1]	111	116	114	90	70	69	82
Available capital	**266**	**204**	**273**	**321**	**377**	**440**	**510**
Contributed capital	25	25	25	25	25	25	25
Total equity	**291**	**229**	**298**	**346**	**402**	**465**	**535**

[1] Reserve fund maintained pursuant to section 29 of the *CMHC Act* to address interest rate risk exposure on prepayable loans as well as credit risk exposure on unsecured loans. The reserve fund is subject to a statutory limit of $240 million.

Total equity for our Assisted Housing activity includes available capital for the Lending activity and contributed capital. We do not hold capital for Housing Programs as this activity does not present risks that would require capital to be set aside. Capital for the Lending activity is comprised of a reserve fund and retained earnings.

The reserve fund is intended to manage interest rate risk exposure on prepayable loans and credit risk exposure on unsecured loans pursuant to section 29 of the *CMHC Act*. It is subject to a statutory limit of $240 million with any amounts in excess of the limit paid to the Receiver General.

Total equity is projected to increase due to gains on the remeasurement of the defined benefit plans.

Commercial Operations

Mortgage Insurance

(in millions, unless otherwise indicated)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Accumulated other comprehensive income	(46)	32	(79)	(115)	(60)	(102)	(111)
Appropriated retained earnings	11,847	10,036	9,507	9,188	8,985	8,973	9,017
Appropriated capital	11,801	10,068	9,428	9,073	8,925	8,871	8,906
Unappropriated retained earnings	282	1,832	836	742	820	762	893
Total mortgage insurance capital	**12,083**	**11,900**	**10,264**	**9,815**	**9,745**	**9,633**	**9,799**
Less: assets with a capital requirement of 100%	(33)	(59)	(68)	(67)	(65)	(46)	(27)
Total mortgage insurance capital available	**12,050**	**11,841**	**10,196**	**9,748**	**9,680**	**9,587**	**9,772**
Mortgage insurance internal capitalization target	155%	155%	155%	155%	155%	155%	155%
Operating level holding target[1]	165%	165%	165%	165%	165%	165%	165%
Capital available to minimum capital required (% MICAT)[2]	181%	194%	178%	177%	179%	178%	181%
Surplus equity available from mortgage insurance for possible dividend declaration[3]	4,000	1,320	2,500	1,400	1,200	1,200	1,000

1 We appropriate equity (retained earnings and accumulated other comprehensive income) at the 165% operating level.

2 At 31 December 2018 we were still following the MCT guideline, MCT was 168%.

3 The surplus capital available for possible dividend declaration is based on a number of assumptions, and the amounts included in the schedule above and the remainder of the Corporate Plan are subject to the criteria in our dividend proposal approved by our Board.

For capital management purposes and as provided for in the *CMHC Act* and the NHA, we consider our capital available to be equal to the total equity of Canada for the Mortgage Insurance activity, less assets with a capital requirement of 100%. The appropriated capital is based on our Board approved capital management policy that follows guidelines developed by OSFI.

As of 1 January 2019, we have been subject to the MICAT guideline that applies to Canadian mortgage insurance companies. As part of the MICAT, OSFI has increased the factor in the regulatory capital formula applicable to credit scores by 5% with a corresponding increase to operational risk of 1% and has confirmed the use of credit scores at the origination of the loan. The use of credit scores at origination decreased the capital required upon transition on 1 January 2019; however, it will increase capital required thereafter over the planning horizon.

Subsequently, OSFI released an advisory on 3 September 2019 in relation to the MICAT total requirements for FTHBI mortgages as mortgagees are required to purchase mortgage insurance. The guideline comes as the potential risks include an expectation that FTHBI mortgages will have probabilities of default that are different compared to non-FTHBI mortgages, all else being equal, because FTHBI mortgages will have different loan-to-value ratios. The updated formula leverages the existing MICAT formula, taking a weighted average of the two loan-to-value ratios associated with a FTHBI mortgage. The new advisory came into effect on 1 November 2019 as the program accepts home sales that will close no earlier than 1 November 2019.

The equity for our Mortgage Insurance activity decreases over the planning period as we fund dividend declarations. Refer to the Mortgage Insurance section of the Notes to the Consolidated Balance Sheets for details.

Mortgage Funding

(in millions, unless otherwise indicated)	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Accumulated other comprehensive income (loss)	6	41	17	(5)	(17)	(31)	(34)
Appropriated retained earnings	1,195	1,160	1,183	1,205	1,219	1,231	1,235
Appropriated capital	**1,201**	**1,201**	**1,200**	**1,200**	**1,202**	**1,200**	**1,201**
Unappropriated capital	1,311	1,072	959	877	840	824	798
Total mortgage funding capital available	**2,512**	**2,273**	**2,159**	**2,077**	**2,042**	**2,024**	**1,999**
Available capital to required capital	209%	189%	180%	173%	170%	169%	167%
Surplus capital available from Mortgage Funding for possible dividend declaration[1]	1,486	1,772	1,538	1,457	1,421	1,404	1,378
Possible dividend considering capital floor and liquidity restraints	175	700	580	580	580	580	580

1 The surplus capital available for possible dividend declaration is based on a number of assumptions, and the amounts included in the schedule above and the remainder of the Corporate Plan are subject to the criteria in our dividend proposal approved by our Board. Additionally, the surplus capital available for possible dividend declaration is restricted by the liquidity floor.

We set the minimum capital required for the Mortgage Funding activity considering both the results of our ORSA as well as the liquidity required to sustain the timely payment guarantee for our largest single name exposure. The capital adequacy assessment for the Mortgage Funding activity is consistent with our ORSA.

The equity for our Mortgage Funding activity decreases over the planning period due to dividend declarations. Refer to the Mortgage Funding section of the Notes to the Consolidated Balance Sheets for details.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Table 3: Consolidated Financial Statements
Statements of Cash Flows (in millions of Canadian dollars)

Description	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Cash flows from operating activities							
Net income	1,417	1,585	1,479	1,456	1,566	1,653	1,698
Adjustments to determine cash flows from operating activities							
Amortization of premiums and discounts on financial instruments	105	(198)	(182)	(142)	(85)	(15)	42
Net (gains) losses on financial instruments	(71)	(120)	29	63	44	38	36
Deferred income taxes	10	(1)	(6)	5	34	1	8
Changes in operating assets and liabilities							
Derivatives	106	(101)	33	60	65	55	36
Accrued interest receivable	(19)	(96)	(1)	(37)	26	(52)	(76)
Due from the Government of Canada	(32)	(142)	-	-	-	-	-
Accounts receivable and other assets	(106)	(9)	(161)	58	53	59	54
Accounts payable and other liabilities	(57)	439	(136)	(20)	30	(13)	(12)
Accrued interest payable	1	218	21	50	(8)	68	92
Provision for claims	(43)	(26)	(45)	(49)	(41)	(22)	(1)
Defined benefit plans liability	(1)	453	(96)	(185)	(245)	(233)	(208)
Unearned premiums and fees	189	116	118	132	130	60	50
Other	(8)	(2)	54	50	54	47	50
Loans							
Repayments	39,826	31,741	40,832	38,558	45,065	37,433	41,282
Disbursements	(40,003)	(41,365)	(43,437)	(43,747)	(43,691)	(43,070)	(42,809)
Borrowings							
Repayments	(40,859)	(32,378)	(41,750)	(39,018)	(44,961)	(37,245)	(40,696)
Issuances	41,039	44,586	43,728	43,258	43,183	42,889	42,475
	1,494	**4,700**	**480**	**492**	**1,219**	**1,653**	**2,021**
Cash flows from investing activities							
Investment securities							
Sales and maturities	10,244	14,221	8,472	6,580	6,313	5,476	5,384
Purchases	(6,270)	(16,657)	(5,842)	(5,092)	(5,752)	(5,349)	(5,825)
Investment property							
Additions	(1)	-	-	-	-	-	-
Securities sold under repurchase agreements	(17)	(280)	-	-	-	-	-
	3,956	**(2,716)**	**2,630**	**1,488**	**561**	**127**	**(441)**

(continue)

Description	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Cash flows from financing activities							
Possible dividends paid[1]	(5,500)	(2,520)	(3,110)	(1,980)	(1,780)	(1,780)	(1,580)
	(5,500)	**(2,520)**	**(3,110)**	**(1,980)**	**(1,780)**	**(1,780)**	**(1,580)**
Change in cash and cash equivalents	(50)	(536)	-	-	-	-	-
Cash and cash equivalents							
Beginning of year	887	837	301	301	301	301	301
End of year	**837**	**301**	**301**	**301**	**301**	**301**	**301**
Represented by							
Cash	1	-	-	-	-	-	-
Cash equivalents	836	301	301	301	301	301	301
	837	**301**	**301**	**301**	**301**	**301**	**301**
Supplementary disclosure of cash flow from operating activities							
Amount of interest received during the period	6,057	5,889	6,003	5,981	6,197	6,227	6,566
Amount of interest paid during the period	5,372	5,817	5,979	6,005	6,193	6,206	6,529
Amount of dividends received during the period	34	9	13	12	12	12	12
Amount of incomes taxes paid during the period	478	410	485	483	474	519	545

1 Possible dividends paid based on excess capital available.

NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Assisted Housing

The majority of our cash flows are generated by our lending activities. CMHC will issue a significant volume of loans over the 2020-2024 planning horizon as a result of the RCFi, NHCF, FTHBI and SEMP Fund; disbursements associated with loans are expected to far exceed repayments received during this period. Cash generated from borrowing activities is expected to increase significantly over the same timeframe for the same reason.

Any excess funding held by CMHC as a result of our lending activities is invested until needed. The volume of our investing activities is also expected to increase significantly over the planning horizon due to the above-mentioned lending programs. The net cash inflow or outflow fluctuates year to year due to timing differences between our funding, advances and repayments that could result in excess cash or cash shortfalls in any given year.

Commercial Operations

Mortgage Insurance

Projected premiums and fees received for our Mortgage Insurance activity of $1,398 million for the year ended December 31, 2019, are expected to increase over the next few years and then stabilize. This is mainly driven by growth in the multi-unit residential business and higher insured volumes attributed to increased housing prices which stabilize in outer years. This increase in premiums received is expected to result in higher fees paid to the Government of Canada. Claims paid of $250 million in 2018 are expected to increase to $260 million in 2019 and then decrease as house prices temporarily cool down, before rebounding towards a more normal growth rate while insurance-in-force continues to decrease.

As we look to manage our capital more closely to our targeted MICAT of 165%, we continue to return excess capital through dividend payments to the Government over the planning horizon. We will possibly pay $1 billion in dividends annually once a steady state has been reached.

Mortgage Funding

Cash flow planning for our Mortgage Funding activity is driven by liquidity requirements to sustain the timely payment guarantee for the largest single name exposure. As guarantee and application fees are charged on NHA MBS and CMB products, fees received are invested in line with our SAA. Investment returns further contribute to the overall change in our cash position.

APPENDIX F – IMPACT OF A DOWNSIDE SCENARIO

The 2020-2024 Corporate Plan is consistent with a relatively stable economic environment. Recognizing the length of historical business cycles in Canada, it is important to consider the possibility of a recession over the planning horizon. The downside scenario simulates a more probable economic scenario that could take place over the course of a regular business cycle of 10-15 years, while stress testing[7] is conducted to stress capital under more severe scenarios where the probability of occurrence is less likely.

A downside scenario assuming a 2% increase in the unemployment rate and a 10% decrease in house prices for this Corporate Plan (2-10 scenario) has been simulated to highlight the potential financial impacts to the 2020-2024 Corporate Plan. We have processes in place that would identify the downside scenario and have provided an overview of possible actions we may take in response.

APPLICATION TO CMHC'S BUSINESS ACTIVITIES

CMHC conducts early warning monitoring, analysis and reporting based on key indicators including unemployment and housing prices, and has established a framework intended to ensure proactive and effective management of crisis-type scenarios. We have implemented these tools to manage any scenario that may pose a risk to our ability to deliver on our strategy, a risk to the stability of the housing finance system, or to our financial performance and solvency. A downturn of this nature is expected to impact our Mortgage Insurance activities, requiring close monitoring and potential implementation of management actions. Such management actions could include access to liquidity, market/economic stabilization and expanded default management.

While we expect no material impacts to our multi-unit and portfolio insurance volumes, we would expect a mild contraction in the transactional homeowner insured mortgage market, which would be offset by a slight increase in our market share and slower repayment of existing mortgages. Insurance claims for our transactional homeowner business could potentially triple during the peak of the 2-10 scenario, resulting in lower net income and potentially lower dividends to the Government of Canada. The expected increase in insurance claims volumes would also require additional human resource capacity increasing our operating expenses. As a result, an amendment to our Corporate Plan may be required or, as an alternative, some of CMHC's strategic initiatives may need to be de-prioritized to fund these increased operational needs. Under such a scenario, CMHC may need to reduce or suspend dividends or take other actions to address the decrease in capital.

We expect no impact to our Assisted Housing or our Mortgage Funding activities, as we do not anticipate that the 2-10 scenario would result in lender default. However, the Government of Canada may introduce new programs under our Assisted Housing activity, or may introduce new or use existing commercial programs/products, such as Portfolio Insurance and our Mortgage Funding programs, as policy tools to address the recession. Such actions would increase both our insurance and guarantees-in-force and would require enhanced monitoring against our statutory limits. Our borrowing authorities would also be reconsidered should there be liquidity constraints.

SUMMARY OF IMPACT

(in millions, unless otherwise indicated)	Corporate Plan	Downside Scenario	Difference
Total equity of Canada (2024)	12,318	11,139	1,179
Cumulative net income (to 2024)	9,437	8,174	1,263
Cumulative insurance losses (to 2024)	1,127	2,194	(1,067)
Capital available to minimum capital required (2024) (% MICAT)	181%	157%	(24) pts

[7] Refer to appendix J – Stress Testing for further details.

APPENDIX G – CORPORATE GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

The Board of Directors is responsible for managing our affairs and the conduct of our business in accordance with applicable legislation and the governing bylaws of CMHC. As steward of the company, the Board of Directors sets strategic direction in support of government policies and priorities, ensures the integrity and adequacy of company policies, information systems and management practices, ensures that principal risks are identified and managed, and evaluates and monitors performance and results. The Board of Directors has a duty to protect the long- and short-term interests of the company, safeguard CMHC's assets, and be prudent and professional in fulfilling its duties.

The Board is made up of the Chair, the President and Chief Executive Officer (CEO), the Deputy Minister to the Minister responsible for CMHC, the Deputy Minister of Finance and eight other directors appointed by the Minister with the approval of the Governor in Council. Charters for the Board and its committees (Audit, Corporate Governance and Nominating, Human Resources, Risk Management, Housing and Capital Projects and Pension Fund Trustees) are posted on our website (www.cmhc-schl.gc.ca). The Board meets a minimum of five times per year and holds an annual public meeting. In order to understand the diversity of Canadians' housing needs, the Board conducted meetings and met with community representatives and housing proponents in Quebec City, Winnipeg, St. John's and Whitehorse in 2019.

In order to identify opportunities for enhanced Board performance and director development and education, the Board undergoes regular assessments, generally alternating between a peer assessment and an overall assessment, the latter of which examines the functioning of the Board as a whole in comparison to the boards of other Crown corporations and financial institutions.

COMPENSATION AND ATTENDANCE RECORD

JANUARY 1, 2019, TO JUNE 30, 2019

Member	Compensation	Meeting Attendance Board of Directors	Committees Governance* and Nominating	Audit	Human Resources	Risk Management	Housing and Capital Projects	Pension Fund Trustees
Janice Abbott	12,600	4/4	1/3	-	2/2	1/2	2/2	-
Derek Ballantyne	17,378	4/4	3/3	2/2	1/2	2/2	2/2	-
Navjeet (Bob) Dhillon	9,100	4/4	-	2/2	-	-	1/2	-
Graham Flack*	n/a	4/4	1/3	-	-	1/2	1/2	-
Anne Giardini	10,600	4/4	3/3	2/2	-	2/2	-	2/2
André Hébert**	4,960	2/4	-	1/2	-	-	1/2	-
Gordon Laing	9,100	4/4	-	2/2	-	-	1/2	-
Dana Ades-Landy	9,600	4/4	-	2/2	2/2	2/2	-	-
Linda Morris	13,100	4/4	-	-	2/2	1/2	2/2	
Paul Rochon*	n/a	4/4	-	2/2	-	2/2	-	-
Bruce Shirreff	10,100	4/4	3/3	-	2/2	2/2	-	-
Evan Siddall	n/a	4/4	3/3	2/2	2/2	2/2	2/2	1/2

* Participation by member or delegate

** André Hébert appointed on February 27, 2019

BOARD OF DIRECTORS

Derek Ballantyne
CHAIR OF THE BOARD OF DIRECTORS AND CHAIR OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE
(April 29, 2018 – April 28, 2023)

Evan Siddall
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Janice Abbott
CHAIR OF THE HOUSING AND CAPITAL PROJECTS COMMITTEE
(December 14, 2017 – December 13, 2020)

Graham Flack
DEPUTY MINISTER, EMPLOYMENT AND SOCIAL DEVELOPMENT
(effective October 9, 2018)

Gordon Laing
(January 12, 2018 – December 11, 2022)

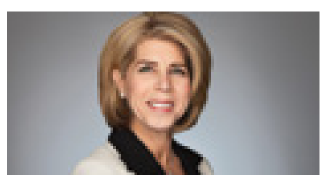
André Hébert
(February 27, 2019 – February 26, 2023)

Anne Giardini
CHAIR OF THE PENSION FUND TRUSTEES
(January 2, 2018 – January 1, 2022)

Linda Morris
CHAIR OF THE HUMAN RESOURCES COMMITTEE
(December 14, 2017 – December 13, 2021)

Bruce Shirreff
VICE-CHAIR OF THE BOARD OF DIRECTORS AND CHAIR OF THE RISK MANAGEMENT COMMITTEE
(January 30, 2018 – January 29, 2021)

Navjeet (Bob) Dhillon
(February 5, 2015 – February 4, 2019)



Dana Ades-Landy
CHAIR OF THE AUDIT COMMITTEE
(January 30, 2018 – January 29, 2022)

Paul Rochon
DEPUTY MINISTER OF FINANCE
(effective April 21, 2014)

SENIOR MANAGEMENT

OUR EXECUTIVE COMMITTEE

Our Executive Committee consists of the Chief Executive Officer's direct reports and has ultimate responsibility for strategic direction and risk management.

Evan Siddall
President and Chief Executive Officer

Since joining CMHC in 2014, he has led a transformation to make the organization more high-performing and innovative, positioning it to achieve its aspiration of housing affordability for all by 2030. Evan has worked at some of the world's largest investment banking firms in Canada and the United States. He also served at the Bank of Canada where, in the wake of the global financial crisis, he spearheaded the development of financial infrastructure to guard against systemic risks.

Romy Bowers
Senior Vice-President, Client Solutions

Romy joined CMHC in 2015 after a diverse career in the Canadian banking industry. She led CMHC's risk operations for a period and now heads up a team that brings together the expertise of CMHC's commercial and assisted housing businesses to better understand the housing needs of Canadians and develop new client-focused products and services to meet those needs.

Deborah Greenberg
Chief Information Officer

Appointed Chief Information Officer in April 2019, Deborah Greenberg is responsible for leading CMHC's digital transformation to accelerate housing affordability for Canadians. Her team drives technology and integrated business and workplace solutions and is creating a housing data exchange to support informed decision making. Deborah previously served as CMHC's Chief Legal Officer and Corporate Secretary.

Paul Mason
Senior Vice-President, Client Operations

Paul's mandate as Senior Vice-President, Client Operations, is to make delivering housing affordability solutions easy. His team is focused on simplifying and improving the customer experience, continuously improving operational efficiencies, and advancing CMHC's operational agility. Before taking on this new role, Paul led CMHC's technology and business transformation.

Steven Mennill
Chief Risk Officer

Steve's experience at CMHC and expertise in urban planning and economics converge to make him one of Canada's foremost housing authorities. With 25 years of experience at CMHC, including as a key contributor to Canada's response to the 2008-2009 global recession, he now leads the company's risk management efforts.

Marie-Claude Tremblay
Senior Vice-President, People and Strategy

Marie-Claude's career of service to Canada includes roles in several federal departments as well as senior positions at CMHC, which she joined in 2010. In her current role, she aligns CMHC's strategy with its people, overseeing strategy development, human resources, and communications and marketing.

Michel Tremblay
Senior Vice-President, Policy and Innovation

Michel leads Canada's foremost team of experts and analysts responsible for accelerating housing affordability in Canada through evidence-based policy, research and disruptive innovation. He joined CMHC in 2005 and was integral to the design of Canada's National Housing Strategy. His team is now focused on developing radical, game-changing ideas that will help ensure that, by 2030, everyone in Canada has a home that they can afford and that meets their needs.

Lisa Williams
Chief Financial Officer

Lisa is focused on steering her sector into a true partnership role with business lines to help Canadians meet their housing needs. In addition to stewardship of the company's assets, Lisa is responsible for CMHC's Investments, Treasury and Legal Services teams. She joined CMHC in 2003 and has made important contributions to the company's healthy financial performance.

Kathleen Devenny
Vice-President, Audit and Evaluation

Kathleen was appointed Vice-President of Audit and Evaluation in 2019. She joined CMHC in 2015 after a 20 year career in senior roles in the financial services industry, public accounting and internal audit. Kathleen previously held the positions of Corporate Controller and Deputy Chief Financial Officer at CMHC.

Anik Genier
Chief of Staff

Anik brings 25 years of public sector experience to her role as Chief of Staff to the President. In addition to advising the President, she is responsible for CMHC's Corporate Secretariat, which supports the Board of Directors, and the Corporate Relations Office, where she began her career with CMHC in 2011. Anik recently obtained her Governance Professionals of Canada Designation.

OUR MANAGEMENT COMMITTEE

Our Management Committee is responsible for corporate operational matters and is supported by the Initiative Prioritization and Assessment Committee, which reviews new initiatives, business cases and resource requests.

Anik Genier — Chief of Staff, Chair of Management Committee

Sylvie Bourdon — Vice-President, Legal Services

Mark Chamie — Vice-President, Investments and Treasury

André Charbonneau — Deputy Chief Financial Officer

Christina Haddad — Vice-President, Communications and Marketing

Steffan Jones — Vice-President, Innovation

Nadine Leblanc — Vice-President, Credit Assessment and Underwriting (Multi-Unit)

Amélie Lecompte — Deputy Chief Information Officer

Neil Levecque — Vice-President, Analytics and Chief Data Officer

Audrey Moritz — Vice-President, Operations – Multi-Unit

Caroline Sanfaçon — Vice-President, Housing Solutions – Multi-Unit

Carla Staresina — Vice-President, Risk Management, Strategy and Products

Debbie Stewart — Vice-President, Partnerships and Promotions

Glen Trevisani — Vice-President, Transformation – Mortgage Insurance

Chris W. Woodcock — Director, Enterprise Risk Management

KEY MANAGEMENT PERSONNEL

The long-term incentive plan for our Management and Executive Committee members reflects their shared responsibility for achievement of our strategy. They are compensated based on strategy-related performance measures, tracked over a three-year period.

The following table presents the compensation of key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling our activities. We have expanded the definition in 2018 to comprise the members of the Board of Directors and of the Executive Committee, whereas for 2017 this comprised the members of the Board of Directors and only select members of senior management.

	2018			2017		
(in thousands)	**Board Of Directors**	**Other Key Management Personnel**	**Total**	**Board of Directors**	**Other Key Management Personnel**	**Total**
Short-term benefits	170	4,579	4,749	107	3,986	4,093
Post-employment benefits	-	979	979	-	682	682
Total	**170**	**5,558**	**5,728**	**107**	**4,668**	**4,775**

APPENDIX H – RESULTS AND CEO COMMITMENT

DELIVERY AND EXPECTED RESULTS: DEPUTY HEAD COMMITMENT

CMHC seeks approval of its 2020-2024 Corporate Plan, including the 2020 Operating Budget, Capital Budget and Borrowing Plan. The Plan outlines CMHC's activities in support of its mandate

RESULTS TRACKING

Short-Term Results			
Outcome(s)	**Performance Indicator(s)**	**Target(s)**	**Data Strategy**
Canadians have access to housing that meets their needs.	Number of new housing units committed through CMHC-led NHS activities (cumulative—by end of 2020-2021)	33,970	Corporate Performance Report/Quarterly
	Number of repaired housing units committed through CMHC-led NHS activities (cumulative—by end of 2020-2021)	48,440	Corporate Performance Report/Quarterly
	Funding committed for new housing units (fiscal year—by end of 2020-2021)	$3.143B	Corporate Performance Report/Quarterly
	Funding committed for repaired housing units (fiscal year—by end of 2020-2021)	$1.388B	Corporate Performance Report/Quarterly
	Number of first-time homebuyers assisted (cumulative—by end of 2020-2021)	Set target (2020)	Corporate Performance Report/Quarterly
	Number of new homeownership units projected to be assisted (cumulative—by end of 2020-2021)	500	Corporate Performance Report/Quarterly
	Incremental affordable housing funding (3-year delivery)	$100M	Corporate Performance Report/Quarterly
	Effective workforce index	63%	Corporate Performance Report/Quarterly
	Risk maturity index	80%	Corporate Performance Report/Quarterly
	Expense redeployment ratio	5%	Corporate Performance Report/Quarterly
	Underserved insurance protection	5% improvement on the number of approved units in 2019	Corporate Performance Report/Quarterly
Housing information and data is readily shared among Government, industry and housing stakeholders.	Number of signed targeted partnerships for data sharing	5	Corporate Performance Report/Quarterly
	Data exchange project status	85%	Corporate Performance Report/Quarterly
	Implementation of a new data exchange	complete Proof of Concept for second data exchange application	Corporate Performance Report/Quarterly
Issuers and lenders have stable sources of funding for mortgage lending.	Utilization of annual limit for National Housing Act Mortgage-Backed Securities and Canada Mortgage Bonds limits	≥ 95%	Administrative data/Annual

Medium-Term Results			
Outcome(s)	**Performance Indicator(s)**	**Target(s)**	**Data Strategy**
The Canadian housing sector is sustainable and supports socially inclusive communities.	Improvement in attainment on the Social Inclusion Index for Housing	Baseline (April 2021)	Canada Housing Survey (Frequency: Biennial)
	Innovation Index	70% by 2021	Corporate Performance Report/Quarterly
	Effective workforce index	63% by 2021	
	Risk maturity index	85% by 2021	Corporate Performance Report/Quarterly
	Incremental affordable housing funding delivered above NHS	$100M by 2021	Corporate Performance Report/Quarterly
Comprehensive and relevant housing information is available for research, analysis and decision making.	New or improved program design informed by lived experience data	70% by 2021	Corporate Performance Report/Quarterly
	Net Promoter Score	Set target (2020)	Corporate Performance Report/Quarterly
	Average usability rating	Set target (2020)	Corporate Performance Report/Quarterly
	Client needs addressed within service standards	Set target (2020)	Corporate Performance Report/Quarterly
	Signed targeted partnerships for data sharing	15 by 2021	Corporate Performance Report/Quarterly
Canadians have stable access to housing financing.	Targeted guaranteed loans rate	Set target (2020)	Corporate Performance Report /Quarterly

Long-Term Results			
Outcome(s)	**Performance Indicator(s)**	**Target(s)**	**Data Strategy**
Everyone in Canada has a home that they can afford and that meets their needs.	Reduction in housing need	Housing need reduced or eliminated for 530,000 households by 2027-2028	Administrative Data/Quarterly
	Housing hardship rate	to be monitored	Canadian Census, Canadian Income Survey and the Canadian Housing Survey/Annually
	Core Housing Need	to be monitored	Canadian Census, Canadian Income Survey and the Canadian Housing Survey/Annually

I verify that this submission is supported by the balanced use of all available and relevant performance measurement and evaluation information.

Deputy Head signature:

Evan Siddall
President and Chief Executive Officer
CMHC

APPENDIX I – CFO ATTESTATION

In my capacity as Chief Financial Officer of CMHC, I have reviewed the 2020-2024 CMHC Corporate Plan and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the proposal is reasonably described and assumptions having a significant bearing on the associated financial requirements have been identified and are supported, with the following observations: Nil
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed, with the following observations: Nil
3. Financial resource requirements have been disclosed and are consistent with the assumptions stated in the proposal, and options to contain costs have been considered, with the following observations: Nil
4. Funding has been identified and is sufficient to address the financial requirements for the expected duration of the Corporate Plan, with the following observations, including observations with regard to appropriations that have not yet been approved: Nil
5. The Corporate Plan and budget(s) are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the Corporate Plan), with the following observations: Nil
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of the parent Crown corporation and its wholly owned subsidiaries, with the following observations: Nil

In my opinion, the financial information contained in this proposal is sufficient overall to support decision making.

CFO signature:

Lisa Williams
Chief Financial Officer
CMHC

Date:

APPENDIX J – STRESS TESTING

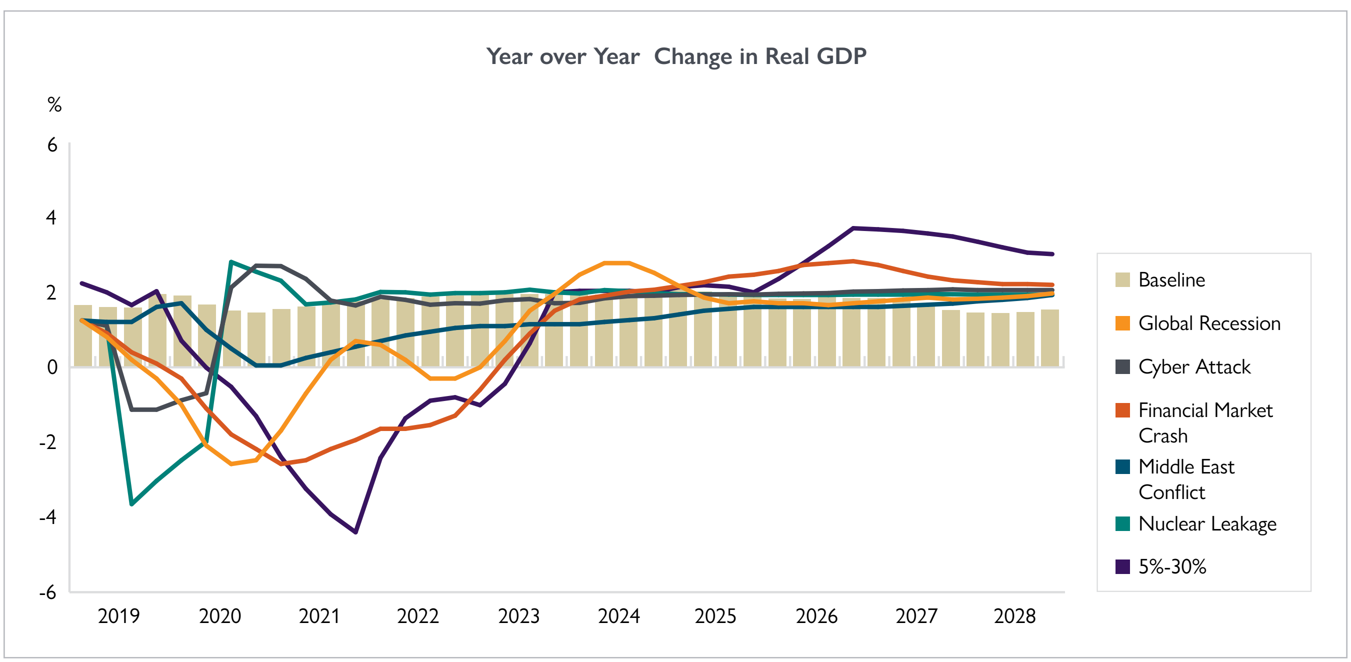
STRESS TESTING AND SCENARIO ANALYSIS

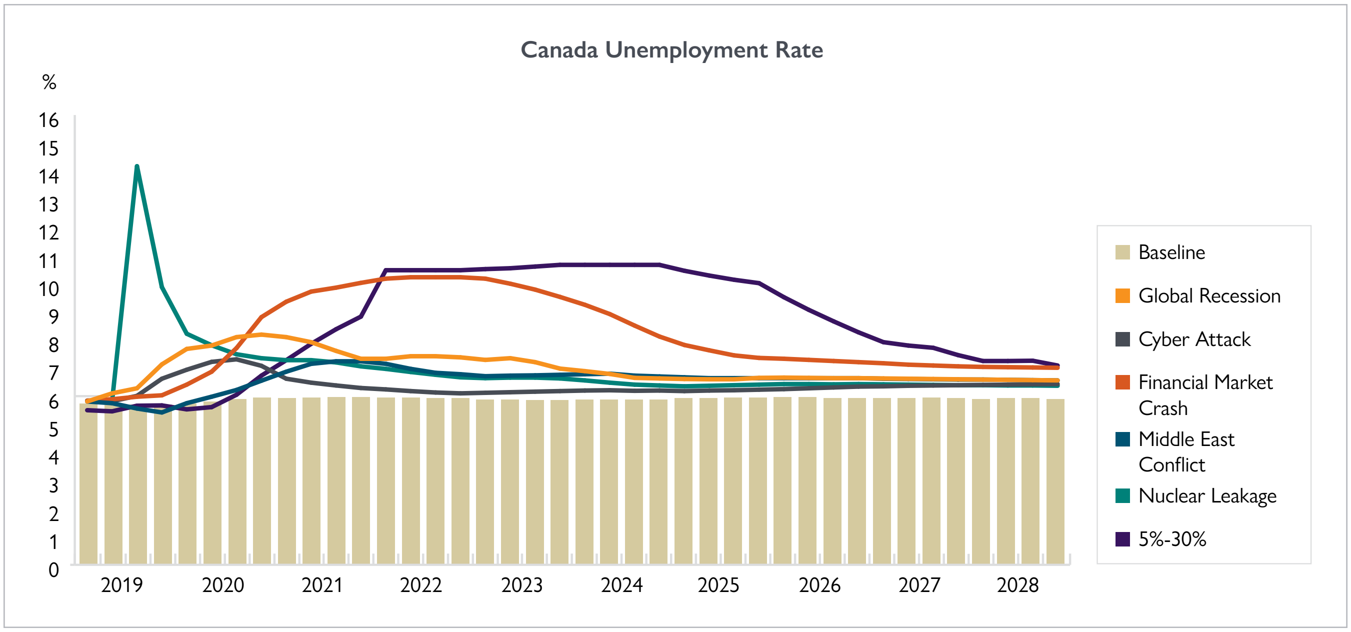
Our annual corporate-wide stress testing program is forward-looking and responsive to emerging events, covering a range of potential risks with varying degrees of probabilities of occurrence and severity.

The 2019 corporate-wide stress testing exercise considered adverse scenarios covering economic, environmental, geopolitical and technological risks. Adverse scenarios use narratives that pose 'what if' questions and explore views about alternative futures. These scenarios typically help CMHC to deal with complexity and uncertainty.

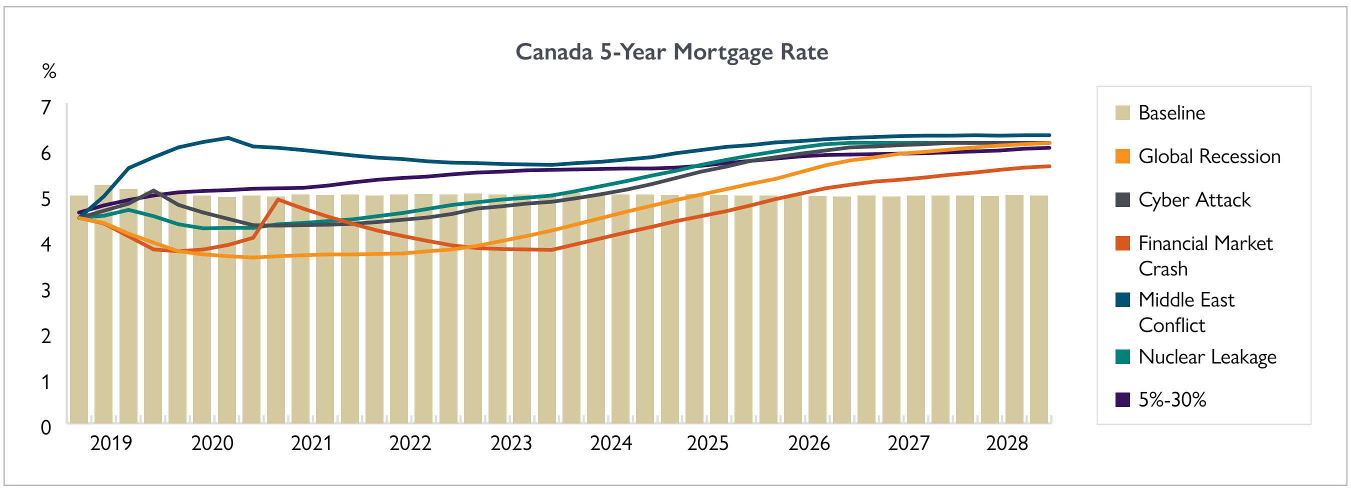
Scenario Theme	Narrative	Risk
Global Recession	Downside risks to the United States, EU and Chinese economies intensify, leading to a global recession.	Economic
Middle East Conflict	The development of a major conflict in the Middle East causes a significant global oil supply shock, resulting in high inflation and high interest rates.	Economic
Financial Market Crash	Increased financial stress in the banking sector causes credit and liquidity shortages and leads to the failure of a major financial institution and a mortgage insurance company.	Economic
5/30	A 5% increase in unemployment rates, coupled with a 30% reduction in house price values meant to mirror the 2008 financial downturn in the United States.	Economic
Cyber-Attack	There are two linked components of our cyber-attack scenario on Payments Canada with severe implications to the financial and the real economy.	Technological
Nuclear Leakage	Nuclear leakage from one of Canada's largest power stations would push the Canadian economy into a recession, with knock-on impacts on CMHC's business activities.	Environmental

Scenarios covering a range of degrees of severity, considering CMHC's most significant risks

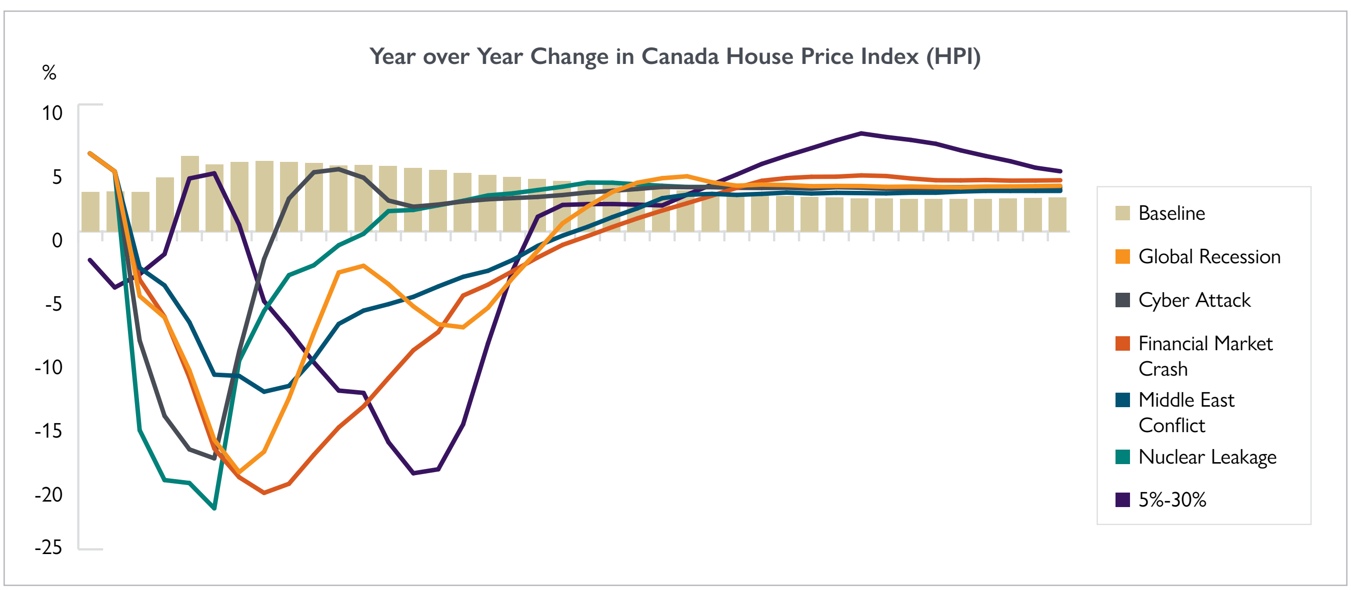




Canada Unemployment Rate
%
16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
Baseline
Global Recession
Cyber Attack
Financial Market Crash
Middle East Conflict
Nuclear Leakage
5%-30%



Canada 5-Year Mortgage Rate
%
7
6
5
4
3
2
1
0
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
Baseline
Global Recession
Cyber Attack
Financial Market Crash
Middle East Conflict
Nuclear Leakage
5%-30%



Year over Year Change in Canada House Price Index (HPI)
%
10
5
0
-5
-10
-15
-20
-25
Baseline
Global Recession
Cyber Attack
Financial Market Crash
Middle East Conflict
Nuclear Leakage
5%-30%

SUMMARY OF FINANCIAL IMPACTS (2019-2028)

The results suggest the following impacts should these scenarios occur. We plan internally to mitigate these impacts through capital and operational actions.

Mortgage Insurance

- Current capital targets can sustain stress events with management actions.
- The financial stress scenario leads to the largest cumulative financial losses.
- Management actions in the most severe scenarios include relaxing dividend payment.

Mortgage Funding

- Maintenance of liquidity floor ($3.2B) under baseline scenario requires a slight reduction in quarterly dividends.
- No additional management actions are required to maintain our required capital.
- Financial stress scenario leads to the largest spike in volumes as it is assumed that the program will be used as a policy tool to provide liquidity to lenders.

In millions	Baseline	Global Recession	Middle East Conflict	Financial Market Crash	5/30	Cyber Attack	Nuclear Leakage
Cumulative claim losses—Insurance	1,919	4,795	4,866	7,890	8,258	3,122	5,545
Cumulative net income (loss)—Insurance	12,458	6,676	8,052	4,803	4,576	8,642	6,143
Lowest point of capital available (MCT excluding TA)—Insurance	176.22%	144.92%	146.59%	89.64%	60.91%	169.43%	113.38%
Cumulative net income (loss)—Securitization	441	443	438	443	443	448	455
Lowest point of capital available—Securitization	1,228	1,315	1,415	1,808	1,179	1,295	1,428
GDP (peak-to-trough)	20.84%	-2.96%	-0.10%	-5.51%	-6.40%	-1.71%	-4.23%
Unemployment rate	6.02%	8.19%	7.24%	10.23%	10.67%	7.31%	14.18%
(peak-to-trough)	49.69%	-34.23%	-27.03%	-42.64%	-30.15%	-19.79%	-27.38%
House Price (peak-to-trough)	45.36%	-34.23%	-27.03%	-42.64%	-30.15%	-19.79%	-27.38%

In addition, we conduct operational risk scenario analysis exercises and business sector-specific stress testing. Scenario analysis exercises involving participation across a number of departments are carried out as part of CMHC's stress testing program, with results reported internally to senior management and the Board. Outcomes from the exercises are valuable toward the development of effective business continuity and disaster recovery plans, ensuring CMHC's continued ability to deliver on its mandate.

APPENDIX K – COMPLIANCE WITH LEGISLATIVE AND POLICY REQUIREMENTS

CMHC continues to enhance its policies, processes and structure concerning the Chief Compliance Officer (CCO). The CCO (who is also the Chief Risk Officer) reports directly to the CEO. Three Lines of Defence risk governance structure provides independence in the oversight of compliance risk. The CCO also reports directly to the Audit Committee of CMHC's Board of Directors, and there is a process for direct engagement with the Board of Directors as necessary, without the presence of other members of senior management.

We maintain an enterprise-wide compliance risk management policy to manage and mitigate compliance risk. As appropriate, compliance risk is integrated with the Operational Risk Management Framework as well as the Internal Control Framework. An annual compliance opinion is provided to the Board of Directors covering CMHC's governing and enabling laws, and other material laws as listed below. In addition, certain OSFI guidelines and CMHC internal policies are gradually incorporated into the scope of the compliance attestation process.

GOVERNING AND ENABLING LAWS

CMHC is a federal Crown, accountable to Parliament through the Minister for CMHC (the Minister). Our legislative framework consists of:

- *Canada Mortgage and Housing Corporation Act*: The CMHC Act establishes our company as a Crown corporation, provides for its constitution and sets out its objects and powers.
- *National Housing Act (NHA)*: The purpose of the NHA is to promote housing affordability and choice, to facilitate access to, and competition and efficiency in the provision of, housing finance, to protect the availability of adequate funding for housing at low cost, and generally to contribute to the well-being of the housing sector in the national economy.
- *Financial Administration Act (FAA)*: The FAA sets out how government spending is approved, expenditures can be made, revenues obtained and funds borrowed, with Part X specific to Crown corporations.
- *National Housing Strategy Act*: *The National Housing Strategy Act* will further the progressive realization of the right to adequate housing, as recognized under the International Covenant on Economic and Social Cultural Rights, including by requiring the adoption and maintenance of a National Housing Strategy, establishing a National Housing Council and creating a Federal Housing Advocate.

Our corporate mandates, policies, corporate plans, by-laws, manuals, guidelines, authorities, agreements, strategic portfolio analysis, internal controls and processes have been designed and implemented to meet our obligations under these pieces of legislation.

Other material laws include (but are not limited to): *Canada Labour Code, Canadian Human Rights Act, Access to Information Act, Official Languages Act, Privacy Act*.

APPENDIX L – GOVERNMENT PRIORITIES AND DIRECTION

TRANSPARENCY AND OPEN GOVERNMENT

CMHC supports this government priority in a number of areas, in addition to our participation in the Open Government Working Group.

Organizational Change

We created the Corporate Information and Governance group reporting to our chief data officer and supported by senior representatives across the organization. A suite of directives related to data, content and records management, as well as mandatory training for all CMHC personnel, is supporting our information management policy.

Technology and Business Transformation (TBT)

Our TBT projects are implementing Open Government standards as legacy business systems are replaced with new technology, such as the rewrite of the CMHC website and its substantive conformance to the Web Content Accessibility Guidelines. As other business applications are being rewritten (or replaced) the underlying data will be inventoried and a determination of its suitability to be published on the Government of Canada's OpenData site will be actioned as appropriate.

Housing Market Data

Our housing market data is readily accessible through the Housing Market Information Portal, to provide Canadians with authoritative housing market information. The portal is refreshed with current housing market data as it becomes available. Time series data sets are also published on the GoC OpenData site.

We are producing new data products, expanding the use of our own data (both market and financial), and incorporating outside data through co-operation with private sector organizations who also report on housing market and credit trends. We work closely with Statistics Canada on addressing data gaps, the sharing of administrative data and supporting federal priorities on housing. CMHC and Statistics Canada have signed a memorandum of understanding, to facilitate the development of housing data and the efficient relationship between the agencies.

Government of Canada Data Strategy

We are providing guidance to the development of a Government of Canada data strategy, to improve the government-wide governance, oversight and stewardship of data. The expected benefits include appropriate and ethical use of government-held data; protection of individuals' confidentiality and privacy; and the ability for departments and agencies to monitor the effectiveness of policies, programs and/or services in order to adjust and recalibrate them on an ongoing basis. The idea is that data is collected and deployed to provide relevant, timely and actionable intelligence that will be used by ministers, departments/agencies, businesses and individual Canadians to improve decision making and outcomes.

Canadians with Lived Experience of Housing Need and/or Homelessness

To inform the development of the NHS, CMHC held consultations with Canadians, which included people from vulnerable groups, and with lived experience and expertise of housing need and/or homelessness. Since then and as part of an ongoing commitment, we continue to engage with Canadians on key occasions, including for new or improved program design.

GENDER-BASED ANALYSIS +

GBA+ - Statement of Intent

As a public entity called upon to represent all Canadians, we are fully committed to implementing the Gender-based Analysis Plus (GBA+) approach to CMHC policies and programs. GBA+ recognizes that people's experiences are affected by intersecting parts of their identity, the context they are in and their lived realities. We acknowledge that housing policy has had a differential impact on women and girls. In order to most effectively help people living in Canada meet their housing needs, we use GBA+ as a tool to assess the potential impact of our activities and initiatives, and identify how we can deliver results for people living in Canada in the most fair and equitable manner.

Applying GBA+ to all we do is the responsibility of all CMHC employees. In 2018, CMHC established a GBA+ committee chaired by the Senior Vice-President, Policy and Innovation. The committee is made up of representatives from across the company. The committee established the following action plan for the 2018 and 2019 years and is currently working on a 2020 action plan. As a result of our strategy work and ensuing re-organization, some of the initiatives which were contemplated in 2019 will be completed in 2020.

- Assess CMHC's homeowner insurance activities through a GBA+ lens.
- Develop and deliver GBA+ training aimed at all employees.
- Develop and deliver an awareness campaign aimed at all employees.
- Apply a GBA+ and a diversity and inclusion lens to CMHC's workplace transformation initiative.
- Apply a GBA+ lens to our research and data activities.

INDIGENOUS HOUSING AND INCLUSION

During the NHS consultations, feedback from Indigenous people pointed to the need for distinct housing strategies for First Nation, Inuit and Métis housing. In 2018, efforts by Canada and the national Indigenous organizations representing First Nations, Inuit and the Métis Nation resulted in the separate co-development and political endorsement of the three distinctions-based housing strategies. The Métis Nation Housing Strategy was finalized in July 2018; the Inuit-Nunangat Housing Strategy was finalized in July 2019; and the First Nations Housing and Infrastructure Strategy was finalized in July 2019. Co-development of implementation plans is taking place in 2019. Indigenous Services Canada (ISC) and Crown-Indigenous Relations and Northern Affairs (CIRNA) continue to lead this work on behalf of Canada, and we remain an active supporter.

Since the Truth and Reconciliation Commission of Canada (TRC) released its report and calls to action in 2015, we have taken concerted steps to address calls to action regarding education and training and improve cultural competency for employees. In 2018, we convened a reconciliation committee to promote learning about Indigenous histories and peoples to our employees. We worked with the Assembly of First Nations to release a series of educational modules that are now available to our employees. The blanket exercise that our executive committee completed in 2018 has been extended to all employees for participation as a learning tool to understand the historical and contemporary relationship between Indigenous and non-Indigenous peoples.

Outside of the distinct Indigenous housing strategies, we continue to work with Indigenous groups to ensure that the National Housing Strategy initiatives, including those related to research and data, recognize their distinct needs. We also continue to participate in federal interdepartmental committees related to reconciliation, implementation processes and related policy development.

SUSTAINABLE DEVELOPMENT AND GREENING GOVERNMENT OPERATIONS

SUSTAINABLE DEVELOPMENT

The NHS aligns with Canada's climate change commitments by funding the development of new energy-efficient housing that is near public transit, jobs, daycares, schools and health care. It also provides funding for energy-efficient repairs and renewals. Energy efficiency targets are built into NHS programs, such as:

Rental Construction Financing Initiative

- Minimum 15% decrease in energy use and greenhouse gas emissions relative to the 2015 National Energy Code for Buildings or the 2015 National Building Code.

National Housing Co-investment Fund

- Affordable housing repair and renewal projects must achieve at least a 25% reduction in energy use and greenhouse gas (GHG) emissions relative to past performance.
- New affordable housing construction projects must achieve at least a 25% reduction in energy consumption and GHG emissions over the 2015 National Building Code (NBC 2015) or the National Energy Code for Buildings (NECB 2015).

GREENING GOVERNMENT OPERATIONS

The Government of Canada will transition to low-carbon and climate-resilient operations, while also reducing environmental impacts beyond carbon. Led by the Centre for Greening Government of the Treasury Board of Canada Secretariat, the Government of Canada will ensure that Canada is a global leader in government operations that are low-carbon, resilient and green.

CMHC is doing its part by:

- achieving an ENERGY STAR® rating in the 75th percentile for our facilities;
- reducing our greenhouse gas (GHG) emissions by 25%;
- developing a near net-zero carbon strategy and including smart building technology as part of our workplace transformation initiative; and
- sourcing green energy to align with the Federal Sustainable Development Strategy.

APPENDIX M – 2019 MID-YEAR PERFORMANCE

ACHIEVE NHS TARGETS	2019 Plan	Mid-Year June 30, 2019	
		Plan	**Actual**
🟢 Number of housing units committed (cumulative – by end of 2019-2020)	22,600	15,413	22,423
🟢 Number of housing units repaired (cumulative – by end of 2019-2020)	29,700	14,435	59,529
EXPERIMENT WITH NEW IDEAS		**2019 Mid-Year June 30, 2019**	
	Plan	**Plan**	**Actual**
⚪ Incremental affordable housing funding (3-year delivery)	$100M	Measured at year end	
⚪ Innovation index	Establish Baseline	Measured at year end	
⚪ Targeted guaranteed loans rate	Establish Baseline	Measured at year end	
UNDERSTAND CANADIANS' NEEDS		**2019 Mid-Year June 30, 2019**	
	Plan	**Plan**	**Actual**
🟢 Underserved insurance protection	9-10%	9-10%	9.4%
⚪ Net promoter score	Establish Baseline	Measured at year end	
⚪ % of new or improved program design informed by lived experience data	Establish Baseline	Measured at year end	
⚪ % of Canadians' and partner needs addressed within service standards	Establish Baseline	Measured at year end	
BUILD A HOUSING DATA EXCHANGE		**2019 Mid-Year June 30, 2019**	
	Plan	**Plan**	**Actual**
⚪ Average usability satisfaction rating	Establish Baseline	Measured at year end	
MODERNIZE OUR COMPANY		**2019 Mid-Year June 30, 2019**	
	Plan	**Plan**	**Actual**
🔴 Expense redeployment ratio	5%	2.5%	1.9%
🔴 Effective workforce index	75%	75%	35%
🟢 Risk maturity index	80%	80%	80%
🟢 Return on required equity (commercial operations)	11.6%	13.5%	11.2%
🟢 Operating expense ratio (commercial operations)	19.6%	19.8%	18.7%
🔴 CMHC operating budget ratio	14.5%	14.4%	15.3%
🟢 Annual technology and business transformation milestones	85%	85%	96.2%
🟢 Achievement of the annual strategic project milestones	85%	85%	93.8%

🟢 Sufficient progress
🔴 Insufficient progress
⚪ No data

APPENDIX N – SUMMARY OF AMENDMENTS TO CMHC 2020-2024 CORPORATE PLAN

PROGRAM DESCRIPTION

Canada Emergency Commercial Rental Assistance (CECRA) for small businesses program

Federal, Provincial and Territorial governments are supporting businesses faced by revenue declines and disruptions because of the COVID-19 outbreak.

The mandate of the Canadian Mortgage and Housing Corporation (CMHC) has been temporarily expanded, through an Order in Council, to allow for the CMHC's administration of the Canada Emergency Commercial Rent Assistance for small businesses.

CMHC will administer the CECRA for small businesses to support business tenants experiencing revenue declines and commercial property owners providing rent reductions due to COVID-19. Upon certain qualifying and eligibility conditions for impacted business tenants and commercial property owners, the CECRA for small businesses will provide forgivable loans to commercial property owners. Not-for-profit organizations and charities are included in the definition of commercial property owners for the purposes of the CECRA for small businesses.

The forgivable loans will be equal to 50% of monthly rent payable by impacted tenants for a three-month period of April to June 2020.

Rental assistance will support property owners to provide rent abatement to their tenants, support the payment of mortgages or other debt obligations on the property as wells as expenses related to keeping the commercial property in good repair, and assist business tenants facing revenue declines due to COVID-19, with lasting benefits to the real estate market and economy more generally.

AMENDMENTS TO FINANCIALS

Amended total government funding and operating budget are as follows:

(in $ millions)	2018 Actual	2019 Estimate	2020 Approved Plan	2020 Amended Plan	2021 Amended Plan	2022 Amended Plan	2023 Amended Plan	2024 Amended Plan
Total government funding	2,336	2,557	3,223	5,627*	2,828	2,858	3,003	3,086

* Program costs of $2.4 billion represents the Federal governments' share of the CECRA for small businesses.

(in $ millions)	2018 Actual	2019 Estimate	2020 Approved Plan	2020 Amended Plan	2021 Amended Plan	2022 Amended Plan	2023 Amended Plan	2024 Amended Plan
Total operating budget	506.0	545.3	609.4	656.3	614.9	597.0	589.1	582.2

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OUR BIG HAIRY AUDACIOUS GOAL

BY 2030, EVERYONE IN CANADA HAS A HOME THAT THEY CAN AFFORD AND THAT MEETS THEIR NEEDS

CMHC.CA

ALTERNATIVE TEXT AND DATA FOR FIGURES

Mortgage Funding (in millions)

	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Consolidated	1,417	1,585	1,479	1,456	1,566	1,653	1,698
Mortgage Insurance	1,019	1,116	957	946	1,024	1,082	1,130
Mortgage Funding	372	436	487	515	551	570	553
Assisted Housing	26	33	35	-5	-9	1	15

PTI Comparison of 2020 Plan to 2024 Plan (in millions)

	2020 Plan	Investment income	Premiums and fees earned	Other income	2024 Plan
Bench marks	1,963				2,266
Rises		143	138	22	

Premiums Written and 2020 Plan Earnings Curve (in millions)

Year	Homeowner	Portfolio	Multi-unit	2020 Homeowner Plan earned premiums	2020 Portfolio plan earned premiums	2020 Rental plan earned premiums
2018 Actual	$972.50	$21.10	$451.30			
2019 Estimate	$943.22	$18.92	$403.50			
2020 Plan	$981.06	$18.91	$435.84	7%	7%	3%
2021 Plan	$1,014.91	$19.85	$469.50	19%	19%	11%
2022 Plan	$1,027.87	$20.22	$496.20	20%	19%	15%
2023 Plan	$1,025.65	$20.62	$487.28	16%	15%	13%
2024 Plan	$989.63	$21.01	$489.00	12%	11%	11%

Premiums and Fees Earned by Year of Origin (in millions)

	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Pre-2018	1,336	1,108	820	590	411	292	211
2018	90	234	279	228	174	117	83
2019	-	79	240	271	221	169	113
2020	-	-	83	251	284	232	177
2021	-	-	-	86	262	297	243
2022	-	-	-	-	88	267	304
2023	-	-	-	-	-	87	266
2024	-	-	-	-	-	-	85
Premiums & Fees Received	1,445	1,398	1,469	1,537	1,578	1,567	1,533

Guarantee and Application Fees Earned Breakdown by Year of Origin (in millions)

	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Pre-2018	283	367	287	173	70	27	23
2018	138	147	133	115	99	53	9
2019	63	64	163	164	164	102	14
2020	-	-	60	170	170	170	111
2021	-	-	-	60	165	165	165
2022	-	-	-	-	62	171	171
2023	-	-	-	-	-	61	166
2024	-	-	-	-	-	-	63
Fees Received	617	694	717	703	723	704	725

Amended Capital Available vs Capital Required (in millions)

	2018 Actual	2019 Estimate	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan
Lending Programs available capital	$266	$204	$273	$321	$377	$440	$510
Appropriated capital (MLI)	$11,801	$10,068	$9,428	$9,073	$8,925	$8,871	$8,906
Required capital (SEC)	$1,201	$1,201	$1,200	$1,200	$1,202	$1,200	$1,201
Excess	$1,613	$2,885	$1,786	$1,617	$1,664	$1,594	$1,701
Capital available to minimum capital required % MICAT (MLI)	181%	194%	178%	177%	179%	178%	181%
Available capital to required capital (SEC)	209%	189%	180%	173%	170%	169%	167%

Year over Year Change in Real GDP (%)

	Baseline	Global Recession	Cyber Attack	Financial Market Crash	Middle East Conflict	Nuclear Leakage	5%-30%
Q1 2019	1.65	1.25	1.25	1.25	1.25	1.25	2.24
Q2 2019	1.59	0.81	1.21	0.91	1.11	1.11	2.00
Q3 2019	1.58	0.20	1.21	0.40	-1.13	-3.65	1.66
Q4 2019	1.95	-0.30	1.61	0.10	-1.13	-3.03	2.03
Q1 2020	1.90	-1.00	1.71	-0.30	-0.88	-2.48	0.71
Q2 2020	1.67	-2.09	1.00	-1.10	-0.69	-1.98	-0.01
Q3 2020	1.50	-2.58	0.50	-1.79	2.13	2.81	-0.52
Q4 2020	1.45	-2.48	0.05	-2.18	2.71	2.55	-1.30
Q1 2021	1.54	-1.69	0.05	-2.58	2.70	2.31	-2.39
Q2 2021	1.62	-0.70	0.25	-2.48	2.36	1.68	-3.24
Q3 2021	1.72	0.20	0.40	-2.18	1.78	1.73	-3.92
Q4 2021	1.76	0.70	0.55	-1.94	1.65	1.81	-4.40
Q1 2022	1.80	0.60	0.70	-1.64	1.88	2.01	-2.42
Q2 2022	1.84	0.20	0.85	-1.64	1.80	2.00	-1.36
Q3 2022	1.88	-0.30	0.95	-1.54	1.67	1.94	-0.89
Q4 2022	1.91	-0.30	1.05	-1.29	1.71	1.98	-0.80
Q1 2023	1.93	0.00	1.10	-0.60	1.70	1.98	-1.01
Q2 2023	1.94	0.70	1.10	0.20	1.79	2.00	-0.44
Q3 2023	1.95	1.51	1.15	0.90	1.82	2.07	0.64
Q4 2023	1.95	1.96	1.15	1.51	1.71	2.00	2.00
Q1 2024	1.94	2.47	1.15	1.81	1.72	1.97	2.04
Q2 2024	1.93	2.78	1.21	1.91	1.84	2.06	2.04
Q3 2024	1.93	2.78	1.26	2.02	1.90	2.03	2.04
Q4 2024	1.93	2.52	1.31	2.07	1.91	1.98	2.00
Q1 2025	2.06	2.17	1.41	2.17	1.93	1.95	2.14
Q2 2025	2.02	1.86	1.51	2.27	1.94	1.95	2.19
Q3 2025	1.96	1.71	1.56	2.42	1.95	1.94	2.15
Q4 2025	1.98	1.76	1.61	2.47	1.94	1.93	2.00
Q1 2026	1.83	1.71	1.61	2.57	1.96	1.93	2.36
Q2 2026	1.81	1.71	1.61	2.73	1.97	1.93	2.78
Q3 2026	1.87	1.66	1.61	2.78	1.98	1.93	3.23
Q4 2026	1.83	1.71	1.61	2.83	2.02	1.94	3.71
Q1 2027	1.84	1.76	1.61	2.73	2.03	1.94	3.68
Q2 2027	1.80	1.81	1.64	2.57	2.05	1.94	3.64
Q3 2027	1.67	1.86	1.67	2.42	2.06	1.95	3.57
Q4 2027	1.52	1.81	1.70	2.32	2.08	1.95	3.49
Q1 2028	1.45	1.83	1.76	2.27	2.06	1.94	3.35
Q2 2028	1.44	1.86	1.80	2.22	2.06	1.94	3.20
Q3 2028	1.46	1.90	1.85	2.22	2.06	1.94	3.06
Q4 2028	1.53	1.97	1.93	2.20	2.06	1.93	3.02

Canada Unemployment Rate (%)

	Baseline	Global Recession	Cyber Attack	Financial Market Crash	Middle East Conflict	Nuclear Leakage	5%-30%
Q1 2019	1.65	1.25	1.25	1.25	1.25	1.25	2.24
Q2 2019	1.59	0.81	1.21	0.91	1.11	1.11	2.00
Q3 2019	1.58	0.20	1.21	0.40	-1.13	-3.65	1.66
Q4 2019	1.95	-0.30	1.61	0.10	-1.13	-3.03	2.03
Q1 2020	1.90	-1.00	1.71	-0.30	-0.88	-2.48	0.71
Q2 2020	1.67	-2.09	1.00	-1.10	-0.69	-1.98	-0.01
Q3 2020	1.50	-2.58	0.50	-1.79	2.13	2.81	-0.52
Q4 2020	1.45	-2.48	0.05	-2.18	2.71	2.55	-1.30
Q1 2021	1.54	-1.69	0.05	-2.58	2.70	2.31	-2.39
Q2 2021	1.62	-0.70	0.25	-2.48	2.36	1.68	-3.24
Q3 2021	1.72	0.20	0.40	-2.18	1.78	1.73	-3.92
Q4 2021	1.76	0.70	0.55	-1.94	1.65	1.81	-4.40
Q1 2022	1.80	0.60	0.70	-1.64	1.88	2.01	-2.42
Q2 2022	1.84	0.20	0.85	-1.64	1.80	2.00	-1.36
Q3 2022	1.88	-0.30	0.95	-1.54	1.67	1.94	-0.89
Q4 2022	1.91	-0.30	1.05	-1.29	1.71	1.98	-0.80
Q1 2023	1.93	0.00	1.10	-0.60	1.70	1.98	-1.01
Q2 2023	1.94	0.70	1.10	0.20	1.79	2.00	-0.44
Q3 2023	1.945	1.51	1.15	0.90	1.82	2.07	0.64
Q4 2023	1.95	1.96	1.15	1.51	1.71	2.00	2.00
Q1 2024	1.94	2.47	1.15	1.81	1.72	1.97	2.04
Q2 2024	1.93	2.78	1.21	1.91	1.84	2.06	2.04
Q3 2024	1.93	2.78	1.26	2.02	1.90	2.03	2.04
Q4 2024	1.93	2.52	1.31	2.07	1.91	1.98	2.00
Q1 2025	2.06	2.17	1.41	2.17	1.93	1.95	2.14
Q2 2025	2.02	1.86	1.51	2.27	1.94	1.95	2.19
Q3 2025	1.96	1.71	1.56	2.42	1.95	1.94	2.15
Q4 2025	1.98	1.76	1.61	2.47	1.94	1.93	2.00
Q1 2026	1.83	1.71	1.61	2.57	1.96	1.93	2.36
Q2 2026	1.81	1.71	1.61	2.73	1.97	1.93	2.78
Q3 2026	1.87	1.66	1.61	2.78	1.98	1.93	3.23
Q4 2026	1.83	1.71	1.61	2.83	2.02	1.94	3.71
Q1 2027	1.84	1.76	1.61	2.73	2.03	1.94	3.68
Q2 2027	1.80	1.81	1.64	2.57	2.05	1.94	3.64
Q3 2027	1.67	1.86	1.67	2.42	2.06	1.95	3.57
Q4 2027	1.52	1.81	1.70	2.32	2.08	1.95	3.49
Q1 2028	1.45	1.83	1.76	2.27	2.06	1.94	3.35
Q2 2028	1.44	1.86	1.80	2.22	2.06	1.94	3.20
Q3 2028	1.46	1.90	1.85	2.22	2.06	1.94	3.06
Q4 2028	1.53	1.97	1.93	2.20	2.06	1.93	3.02

Canada 5-Year Mortgage Rate (%)

	Baseline	Global Recession	Cyber Attack	Financial Market Crash	Middle East Conflict	Nuclear Leakage	5%-30%
Q1 2019	4.98	4.59	4.59	4.59	4.59	4.59	4.71
Q2 2019	5.21	4.48	5.07	4.47	4.75	4.64	4.87
Q3 2019	5.12	4.24	5.70	4.18	4.91	4.77	4.99
Q4 2019	5.07	4.04	5.94	3.89	5.20	4.63	5.09
Q1 2020	5.03	3.85	6.16	3.85	4.88	4.45	5.16
Q2 2020	4.98	3.78	6.28	3.89	4.71	4.36	5.19
Q3 2020	4.95	3.74	6.37	3.99	4.57	4.37	5.21
Q4 2020	4.98	3.71	6.18	4.15	4.43	4.37	5.24
Q1 2021	4.96	3.74	6.15	5.00	4.42	4.45	5.25
Q2 2021	5.00	3.76	6.10	4.80	4.43	4.48	5.26
Q3 2021	4.99	3.78	6.04	4.62	4.44	4.52	5.31
Q4 2021	5.00	3.78	5.98	4.46	4.46	4.56	5.38
Q1 2022	4.98	3.79	5.93	4.31	4.50	4.63	5.44
Q2 2022	5.00	3.80	5.90	4.19	4.55	4.70	5.48
Q3 2022	5.01	3.85	5.85	4.08	4.60	4.79	5.51
Q4 2022	5.00	3.89	5.82	3.98	4.68	4.88	5.56
Q1 2023	5.02	3.97	5.81	3.92	4.80	4.94	5.60
Q2 2023	5.00	4.08	5.79	3.90	4.85	5.00	5.62
Q3 2023	5.00	4.19	5.78	3.89	4.91	5.04	5.65
Q4 2023	5.00	4.31	5.77	3.88	4.95	5.09	5.66
Q1 2024	5.03	4.45	5.81	4.01	5.03	5.19	5.67
Q2 2024	5.01	4.59	5.84	4.14	5.12	5.30	5.68
Q3 2024	5.00	4.73	5.89	4.27	5.22	5.41	5.69
Q4 2024	5.00	4.86	5.94	4.39	5.34	5.53	5.69
Q1 2025	4.99	4.99	6.03	4.52	5.48	5.64	5.71
Q2 2025	5.01	5.11	6.10	4.63	5.62	5.77	5.75
Q3 2025	4.99	5.23	6.17	4.74	5.73	5.88	5.81
Q4 2025	4.98	5.35	6.21	4.87	5.86	5.98	5.86
Q1 2026	4.98	5.46	6.27	5.01	5.94	6.07	5.91
Q2 2026	4.99	5.61	6.30	5.13	6.02	6.16	5.96
Q3 2026	4.97	5.76	6.34	5.25	6.09	6.23	5.99
Q4 2026	4.96	5.87	6.37	5.33	6.16	6.26	6.00
Q1 2027	4.98	5.94	6.39	5.40	6.18	6.26	6.01
Q2 2027	4.96	6.02	6.41	5.44	6.21	6.26	6.02
Q3 2027	4.98	6.06	6.42	5.49	6.23	6.26	6.03
Q4 2027	4.98	6.11	6.42	5.55	6.26	6.26	6.05
Q1 2028	4.98	6.16	6.43	5.60	6.26	6.26	6.07
Q2 2028	4.97	6.20	6.42	5.66	6.26	6.26	6.09
Q3 2028	4.99	6.23	6.43	5.71	6.26	6.26	6.13
Q4 2028	4.98	6.26	6.43	5.74	6.26	6.26	6.15

Year over Year Change in Canada House Price Index (HPI) (%)

	Baseline	Global Recession	Cyber Attack	Financial Market Crash	Middle East Conflict	Nuclear Leakage	5%-30%
Q1 2019	3.11	5.97	5.97	5.97	5.97	5.97	-2.33
Q2 2019	3.15	4.56	4.56	4.56	4.56	4.56	-4.47
Q3 2019	3.11	-5.14	-2.94	-3.86	-8.60	-15.58	-3.44
Q4 2019	4.25	-6.80	-4.31	-6.75	-14.47	-19.47	-1.87
Q1 2020	5.94	-10.92	-7.18	-11.48	-17.08	-19.7	4.02
Q2 2020	5.30	-16.33	-11.26	-17.02	-17.78	-21.67	4.42
Q3 2020	5.49	-18.85	-11.36	-19.25	-9.45	-10.17	0.41
Q4 2020	5.57	-17.26	-12.59	-20.47	-2.26	-6.30	-5.54
Q1 2021	5.47	-13.10	-12.14	-19.76	2.45	-3.51	-7.82
Q2 2021	5.39	-8.03	-10.00	-17.50	4.50	-2.74	-10.3
Q3 2021	5.22	-3.30	-7.31	-15.37	4.74	-1.18	-12.5
Q4 2021	5.23	-2.78	-6.27	-13.73	4.08	-0.29	-12.68
Q1 2022	5.16	-4.21	-5.77	-11.52	2.30	1.48	-16.52
Q2 2022	5.03	-5.94	-5.20	-9.36	1.82	1.57	-18.94
Q3 2022	4.84	-7.33	-4.39	-7.94	1.99	1.93	-18.63
Q4 2022	4.62	-7.57	-3.64	-5.10	2.23	2.28	-15.13
Q1 2023	4.45	-6.05	-3.17	-4.25	2.40	2.70	-8.82
Q2 2023	4.30	-3.71	-2.32	-3.19	2.49	2.86	-3.10
Q3 2023	4.13	-1.61	-1.23	-2.13	2.58	3.12	1.04
Q4 2023	3.99	0.53	-0.43	-1.15	2.73	3.38	1.96
Q1 2024	3.87	1.83	0.25	-0.47	2.93	3.70	2.02
Q2 2024	3.75	2.97	1.01	0.24	3.06	3.69	2.03
Q3 2024	3.62	3.69	1.69	0.91	3.20	3.56	1.98
Q4 2024	3.44	4.04	2.48	1.52	3.36	3.45	1.92
Q1 2025	3.26	4.19	2.75	2.09	3.34	3.36	2.76
Q2 2025	3.11	3.72	2.82	2.68	3.34	3.36	3.54
Q3 2025	2.99	3.46	2.74	3.29	3.29	3.35	4.33
Q4 2025	2.90	3.54	2.82	3.84	3.28	3.35	5.15
Q1 2026	2.81	3.51	2.92	4.05	3.29	3.34	5.79
Q2 2026	2.74	3.42	2.85	4.15	3.23	3.34	6.38
Q3 2026	2.68	3.44	2.9	4.16	3.34	3.34	6.99
Q4 2026	2.63	3.43	2.88	4.26	3.30	3.35	7.53
Q1 2027	2.60	3.37	2.86	4.21	3.22	3.35	7.25
Q2 2027	2.58	3.39	2.91	4.02	3.20	3.35	7.02
Q3 2027	2.57	3.36	2.91	3.88	3.14	3.35	6.72
Q4 2027	2.58	3.33	3.00	3.87	3.19	3.35	6.21
Q1 2028	2.59	3.39	3.05	3.90	3.21	3.36	5.77
Q2 2028	2.61	3.40	3.05	3.85	3.21	3.35	5.36
Q3 2028	2.65	3.42	3.05	3.86	3.19	3.35	4.86
Q4 2028	2.70	3.45	3.05	3.88	3.17	3.35	4.58