

CANADA MORTGAGE AND HOUSING CORPORATION

Covered Bonds Business Supplement

SECOND QUARTER
JUNE 30, 2025

The Covered Bonds Business Supplement document is based on publicly available information and provides an overview of covered bond activities undertaken by Canadian financial institutions. For greater details on the requirements and policies of *Canadian registered covered bonds*, refer to the *Canadian Registered Covered Bond Programs Guide* (<https://www.cmhc-schl.gc.ca/professionals/project-funding-and-mortgage-financing/securitization/canadian-registered-covered-bonds/canadian-registered-covered-bond-programs-guide>).

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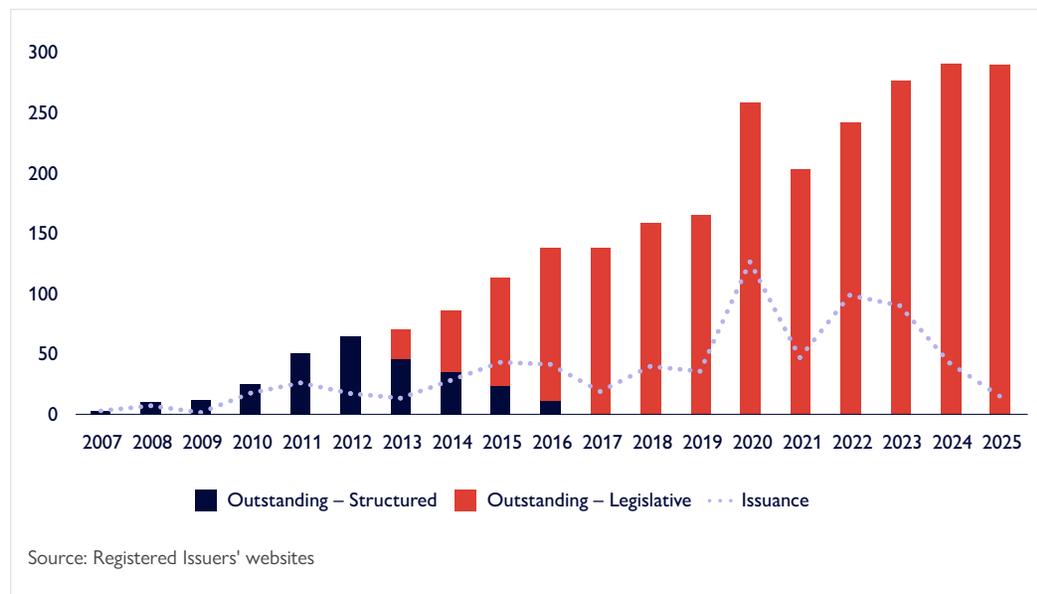
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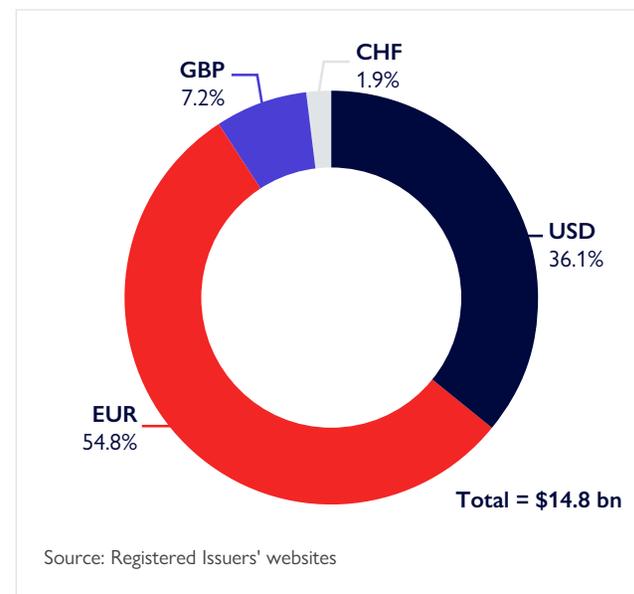
Annual Issuance and Outstanding Volume of Covered Bonds

The 2012 amendments to the *National Housing Act* established a legal framework for the registration of covered bond programs in Canada. Under the Act, CMHC is responsible for maintaining a registry of covered bonds issuers and programs and acts as the administrator for the legislative covered bonds framework. Prior to 2012, covered bonds issued by Canadian financial institutions were issued under structured programs without statutory protection for investors. The Government and CMHC do not provide any guarantees or backing for covered bonds, and covered bond collateral must be composed of one- to four-unit uninsured residential mortgage loans. The amount of covered bonds outstanding issued by Canadian financial institutions has increased gradually since 2007. As of June 2025, the amount of covered bonds outstanding issued under the legislative framework amounted to \$285.3 billion and the 2025 issuance amounted to \$14.8 billion.

Annual Issuance and Outstanding Volume of Covered Bonds (C\$ billions)



Q2 2025 Covered Bond Issuance by Currency



Covered Bonds Issuance Capacity

Canada's eight largest banks (Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Laurentian Bank, National Bank of Canada, Royal Bank of Canada, Toronto-Dominion Bank, Equitable Bank) and Fédération des caisses Desjardins du Québec have registered covered bonds programs.

March 29, 2024: Royal Bank of Canada (RBC) and HSBC Bank Canada (HSBC) amalgamated and continue as one bank, Royal Bank of Canada (Amalgamated RBC). As a result of the Amalgamation, HSBC covered bonds under the HSBC Programme (Series CBL 5, CBL 6, and CBL 7 totalling \$4 billion) migrated to the RBC Programme so that they will be outstanding covered bonds under the RBC Programme (the "Migration"). Effectively upon the "Migration", the outstanding bonds under the HSBC Programme became covered bonds outstanding under the RBC Programme and the guarantee under the RBC Programme applies to the outstanding HSBC covered bonds. The HSBC Guarantor was released from its guarantee in respect of the outstanding HSBC covered bonds. On April 5, 2024, HSBC Bank Canada de-registered from the Canadian Registered Covered Bond Program.

March 2020: The regulatory bodies temporarily increased the limit on total assets that may be pledged for covered bonds from 5.5% of the deposit taking institution's assets to 10%, resulting in additional issuance capacity. The additional 4.5% issuance capacity may only be used to permit issuers to pledge covered bonds as collateral to the Bank of Canada. In March 2020, the Bank of Canada announced that own-name covered bonds would be accepted for term repo operations. The maximum amount of pool assets relating to market instruments remained limited to 5.5% of the issuer's on-balance sheet assets. In October 2020, the Bank of Canada announced that own-name covered bonds will no longer be accepted for term repo operations. In April 2021 the regulatory bodies announced the unwinding of the temporary 10% covered bond limit bringing back the limit to 5.5% of the issuer's on-balance sheet assets.

May 2019: Under federal and provincial regulatory requirements, the amount of assets pledged for covered bonds by an institution cannot exceed 5.5% of its total assets as set and calculated by the regulatory bodies (OSFI and AMF, respectively).

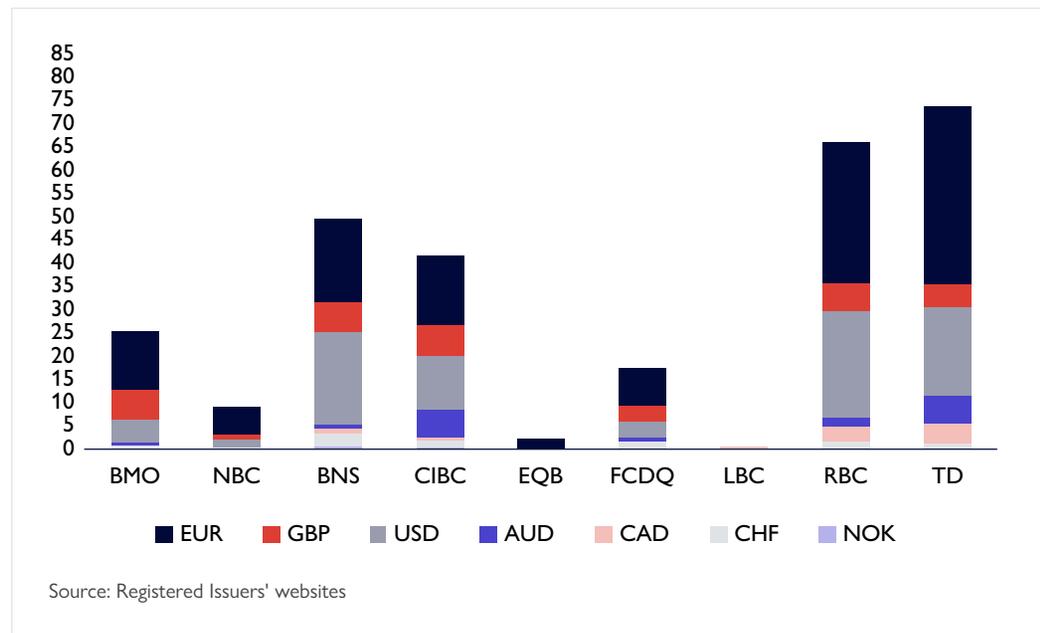
The covered bond ratios ranged from 1.2% to 4.7% and the combined regulatory covered bond limit was \$522.3 billion as at June 30th, 2025. At this point, all issuers have the capacity to issue additional covered bonds. Future covered bond redemptions will also provide additional issuance capacity.

| As at June 30, 2025 | BMO | BNS | CIBC | EQB | FCDQ | LBC | NBC | RBC | TD | Total |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Covered Bonds Outstanding (C\$ Equivalent) | 25.4 | 49.6 | 41.4 | 2.3 | 17.3 | 0.5 | 9.0 | 65.9 | 73.6 | 285.3 |
| Total Regulatory Covered Bond Limit | 79.2 | 77.8 | 59.9 | 2.9 | 26.8 | 2.7 | 29.4 | 123.3 | 113.5 | 522.3 |
| Assets Remaining Available to be Pledged | 51.9 | 25.2 | 15.4 | 0.5 | 8.7 | 2.1 | 19.6 | 52.3 | 36.0 | 218.4 |
| Total Assets Pledged as a % of Regulatory Limit | 34.4% | 67.6% | 74.2% | 84.7% | 67.4% | 21.7% | 33.4% | 57.5% | 68.3% | - |
| Covered Bond Ratio (%) | 1.9% | 3.7% | 4.0% | 4.7% | 3.7% | 1.2% | 1.8% | 3.2% | 3.8% | - |

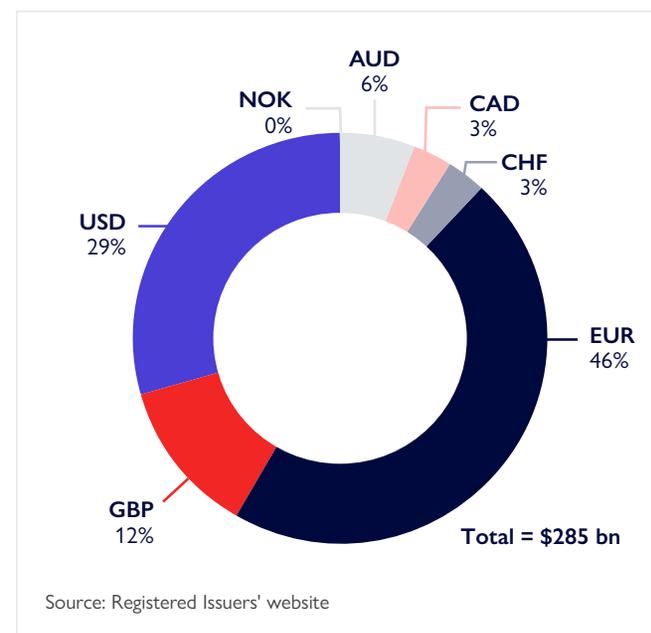
Covered Bond Currencies, Maturities and Terms

Covered Bonds are issued in seven different currencies and the bond term ranges between one to twenty years. The EUR represents 46% of the issuances while the CAD represents 3%.

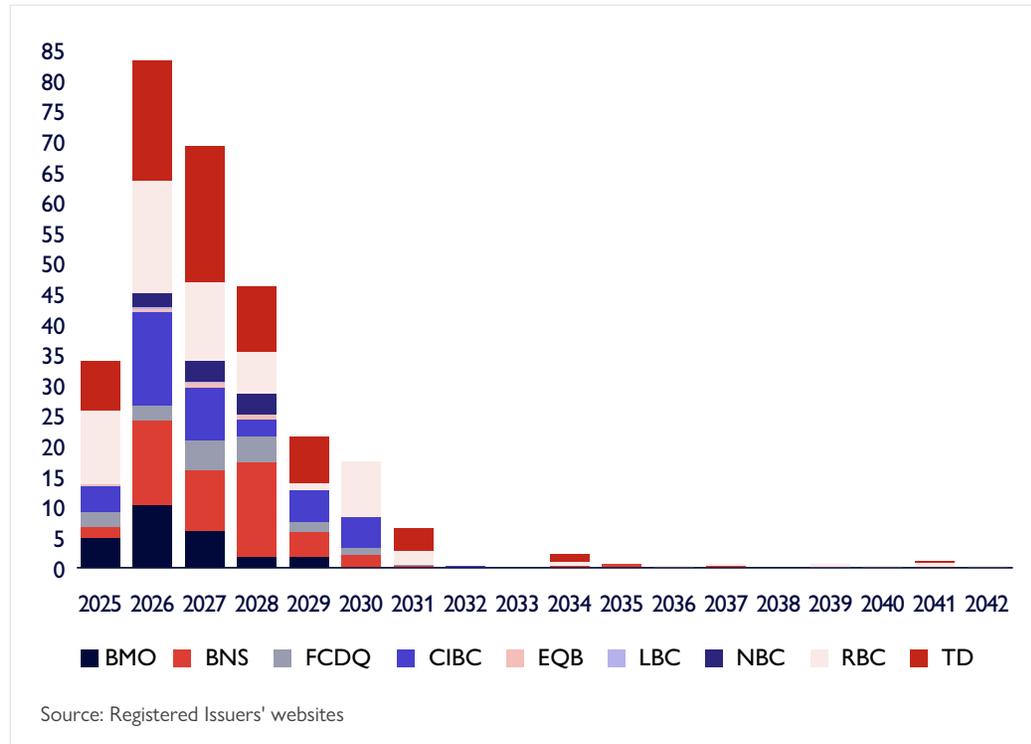
Outstanding Volumes by Issuer and Currency (C\$ billions)



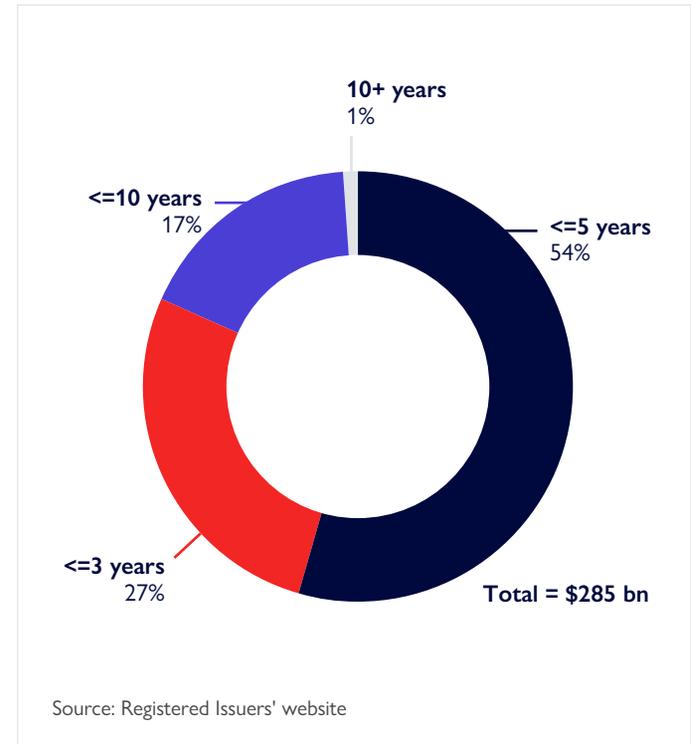
Outstanding Covered Bond Volumes by Currency



Covered Bond Maturities (C\$ billions)



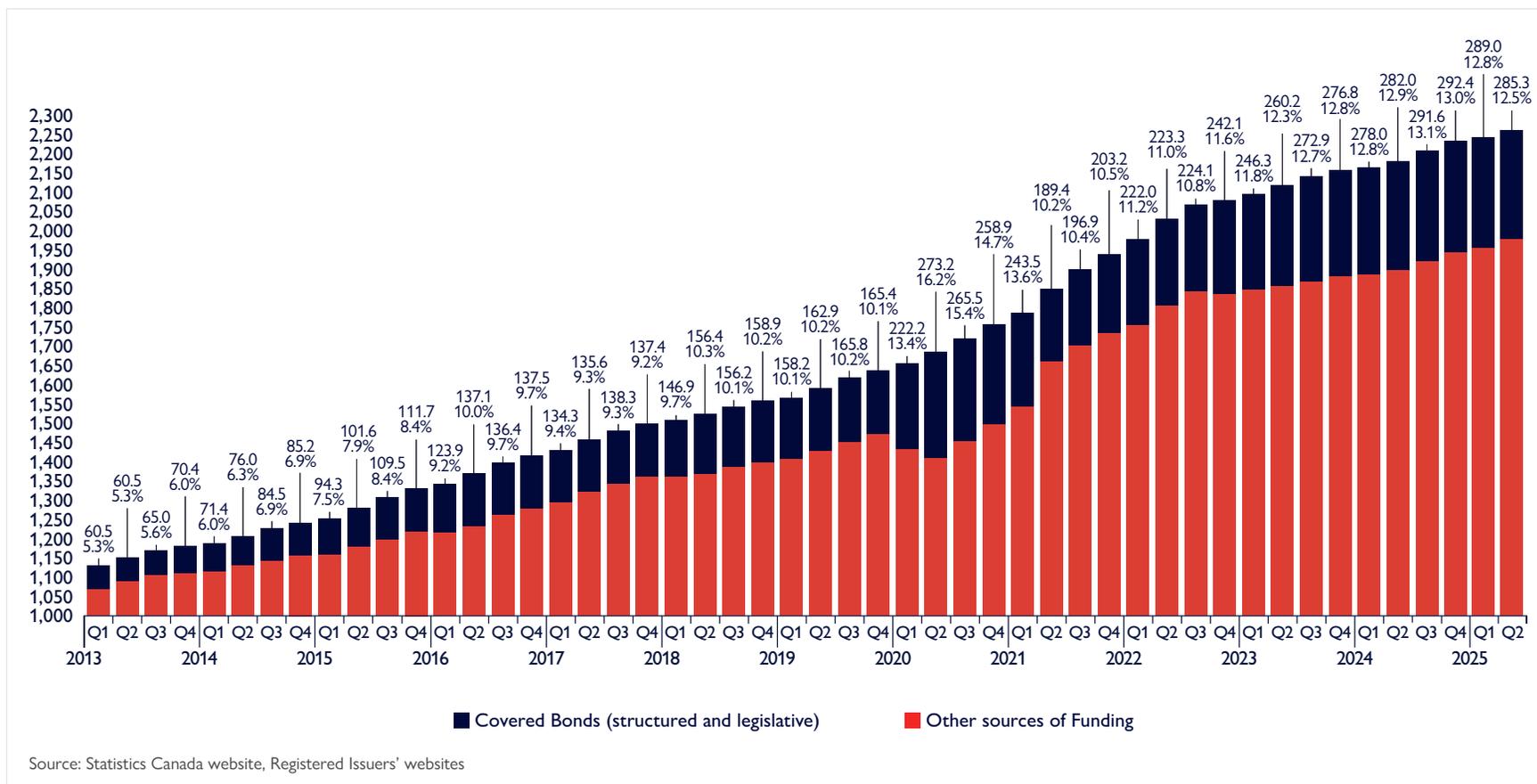
Outstanding Covered Bond Volumes by Term



Covered Bonds as a Source of Funding

Canadian lenders have continually increased their use of covered bonds as a source of funding. Covered bond funding as a percentage of the total mortgage market increased from 5% in early 2013 to over 10% in 2016. In June 2025, covered bond funding as percentage of the mortgage market is 12.5%.

Total Residential Mortgages Outstanding (C\$ billions)



Revenues and Expense for the Administration of the Covered Bonds Framework

The NHA requires that fees for the registration of covered bond issuers and programs be commensurate with the expenses incurred by CMHC in performing its duties with respect to the administration of the registered covered bond framework.

The fee structure at the inception of the program was \$350,000 for the application fee and \$350,000 for the annual fee. The chart below illustrates the fees since the inception of the program. In 2025, the annual fee per issuer increased from \$175,000 to \$225,000 and the application fee remains unchanged at \$100 000. CMHC will continue to monitor the fees and related expenses to ensure CMHC administers the legislative covered bond program on a cost recovery basis.

| | Application Fee | Issuer Annual Fee |
|------|-----------------|-------------------|
| 2025 | 100,000 | 225,000 |
| 2024 | 100,000 | 175,000 |
| 2023 | 100,000 | 175,000 |
| 2022 | 100,000 | 175,000 |
| 2021 | 100,000 | 175,000 |
| 2020 | 100,000 | 125,000 |
| 2019 | 100,000 | 125,000 |
| 2018 | 350,000 | 175,000 |
| 2017 | 350,000 | 225,000 |
| 2016 | 350,000 | 250,000 |

| | Total since inception (2012 – 2024) | YTD 2025 |
|------------------------|-------------------------------------|------------------|
| Fees Earned | 24,125,000 | 2,025,000 |
| Expenses | | |
| Internal | 17,401,013 | 745,540 |
| External | 5,573,327 | 2,182 |
| Total Expenses* | 22,973,890 | 747,721 |

*Expenses are estimated

20250707-003A

Alternative text and data for figures

Annual Issuance and Outstanding Volume of Covered Bonds (C\$ billions), page 2

| Year | Outstanding – Structured | Outstanding – Legislative | Issuance | Year | Outstanding – Structured | Outstanding – Legislative | Issuance |
|------|-----------------------------|------------------------------|-------------|------|-----------------------------|------------------------------|----------|
| 2007 | 2.84 | 0.00 | 2.84 | 2015 | 23.71 | 89.26 | 42.47 |
| 2008 | 9.83 | 0.00 | 6.98 | 2016 | 11.68 | 127.08 | 40.80 |
| 2009 | 11.27 | 0.00 | 1.45 | 2017 | 0.22 | 138.40 | 18.64 |
| 2010 | 25.02 | 0.00 | 17.34 | 2018 | 0.22 | 158.67 | 39.12 |
| 2011 | 50.37 | 0.00 | 25.67 | 2019 | 0.00 | 165.36 | 35.16 |
| 2012 | 64.53 | 0.00 | 17.00 | 2020 | 0.00 | 258.89 | 124.40 |
| 2013 | 46.56 | 23.79 | 13.21 | 2021 | 0.00 | 203.25 | 46.29 |
| 2014 | 34.59 | 50.64 | 27.60 | 2022 | 0.00 | 242.06 | 97.16 |
| | | | (continued) | 2023 | 0.00 | 276.80 | 88.70 |
| | | | | 2024 | 0.00 | 292.40 | 41.84 |
| | | | | 2025 | 0.00 | 285.26 | 14.84 |

Source: Registered Issuers' websites

Outstanding Volumes by Issuer and Currency (C\$ billions), page 4

| | BMO | BNS | CIBC | EQB | FCDQ | LBC | NBC | RBC | TD |
|--------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|--------------------|----------------------|-----------------------|-----------------------|
| CAD | - | 1,300,000,000 | 560,000,000 | - | - | 510,010,000 | - | 3,200,000,000 | 4,250,000,000 |
| USD | 4,891,250,000 | 19,797,450,000 | 11,817,150,000 | - | 3,680,750,000 | - | 1,559,862,500 | 22,957,900,000 | 18,949,425,000 |
| EUR | 12,686,250,400 | 18,046,413,600 | 14,736,885,000 | 2,291,120,000 | 8,065,525,000 | - | 5,869,950,000 | 30,268,012,950 | 38,183,835,000 |
| GBP | 6,557,175,000 | 6,481,500,000 | 6,491,980,000 | - | 3,208,860,000 | - | 1,209,375,000 | 5,911,625,000 | 4,934,150,000 |
| AUD | 605,500,000 | 864,400,000 | 5,887,600,000 | - | 728,996,000 | - | - | 1,910,995,000 | 6,148,938,175 |
| CHF | 724,662,500 | 2,764,296,000 | 1,620,881,500 | - | 1,407,359,778 | - | 383,037,200 | 1,666,155,442 | 1,185,351,950 |
| NOK | - | 377,300,130 | 318,500,000 | - | 252,600,000 | - | - | - | - |
| Total | 25,464,837,900 | 49,631,359,730 | 41,432,996,500 | 2,291,120,000 | 17,344,090,778 | 510,010,000 | 9,022,224,700 | 65,914,688,392 | 73,651,700,125 |

Source: Registered Issuers' websites

Covered Bond Maturities (C\$ billions), page 5

| | BMO | BNS | FCDQ | CIBC | EQB | LBC | NBC | RBC | TD |
|------|----------------|----------------|---------------|----------------|-------------|-------------|---------------|----------------|----------------|
| 2025 | 4,902,500,000 | 2,011,056,000 | 2,139,700,000 | 4,479,375,000 | 329,950,000 | - | - | 12,252,730,000 | 8,011,031,230 |
| 2026 | 10,532,775,000 | 13,717,815,000 | 2,657,650,000 | 15,327,325,000 | 436,620,000 | 250,000,000 | 2,323,875,000 | 18,432,791,442 | 19,695,255,895 |
| 2027 | 6,179,675,000 | 9,911,050,000 | 5,073,369,500 | 8,487,526,500 | 735,550,000 | 260,010,000 | 3,359,329,700 | 13,053,090,000 | 22,478,177,000 |
| 2028 | 1,810,262,500 | 15,702,580,000 | 4,020,735,000 | 2,946,595,000 | 789,000,000 | - | 3,339,020,000 | 7,179,289,000 | 10,598,320,000 |
| 2029 | 1,838,875,000 | 4,336,715,000 | 1,482,000,000 | 5,068,000,000 | - | - | - | 1,354,600,000 | 7,459,518,000 |
| 2030 | - | 2,120,825,000 | 1,442,532,500 | 4,805,675,000 | - | - | - | 9,020,500,000 | - |
| 2031 | - | 377,300,130 | 275,503,778 | - | - | - | - | 2,325,150,150 | 3,721,450,000 |
| 2032 | - | - | - | 318,500,000 | - | - | - | - | - |
| 2033 | - | - | 252,600,000 | - | - | - | - | - | 171,588,000 |
| 2034 | - | 400,000,000 | - | - | - | - | - | 596,234,800 | 1,473,100,000 |
| 2035 | 200,750,40 | 280,721,600 | - | - | - | - | - | - | - |
| 2036 | - | - | - | - | - | - | - | 153,700,000 | - |
| 2037 | - | 371,812,000 | - | - | - | - | - | 210,000,000 | - |
| 2038 | - | - | - | - | - | - | - | - | - |
| 2039 | - | - | - | - | - | - | - | 583,141,000 | - |
| 2040 | - | - | - | - | - | - | - | 174,348,000 | - |
| 2041 | - | 401,485,000 | - | - | - | - | - | 381,144,000 | 43,260,000 |
| 2042 | - | - | - | - | - | - | - | 197,970,000 | - |

Source: Registered Issuers' website

Total Residential Mortgages Outstanding (C\$ billions), page 6

| | Covered Bonds (structured and legislative) | Other sources of Funding | % |
|---------|---|-----------------------------|-------|
| 2013 Q1 | 60.5 | 1,071 | 5.3% |
| 2013 Q2 | 60.5 | 1,091 | 5.3% |
| 2013 Q3 | 65.0 | 1,105 | 5.6% |
| 2013 Q4 | 70.4 | 1,110 | 6.0% |
| 2014 Q1 | 71.4 | 1,117 | 6.0% |
| 2014 Q2 | 76.0 | 1,131 | 6.3% |
| 2014 Q3 | 84.5 | 1,144 | 6.9% |
| 2014 Q4 | 85.2 | 1,157 | 6.9% |
| 2015 Q1 | 94.3 | 1,161 | 7.5% |
| 2015 Q2 | 101.6 | 1,178 | 7.9% |
| 2015 Q3 | 109.5 | 1,200 | 8.4% |
| 2015 Q4 | 111.7 | 1,219 | 8.4% |
| 2016 Q1 | 123.9 | 1,218 | 9.2% |
| 2016 Q2 | 137.1 | 1,234 | 10.0% |
| 2016 Q3 | 136.4 | 1,263 | 9.7% |
| 2016 Q4 | 137.5 | 1,280 | 9.7% |
| 2017 Q1 | 134.3 | 1,296 | 9.4% |
| 2017 Q2 | 135.6 | 1,322 | 9.3% |
| 2017 Q3 | 138.3 | 1,343 | 9.3% |
| 2017 Q4 | 137.4 | 1,361 | 9.2% |
| 2018 Q1 | 146.9 | 1,362 | 9.7% |
| 2018 Q2 | 156.4 | 1,369 | 10.3% |
| 2018 Q3 | 156.2 | 1,387 | 10.1% |

(continued)

Source: Statistics Canada website, Registered Issuers' websites

| | Covered Bonds (structured and legislative) | Other sources of Funding | % |
|---------|---|-----------------------------|-------|
| 2018 Q4 | 158.9 | 1,400 | 10.2% |
| 2019 Q1 | 158.2 | 1,409 | 10.1% |
| 2019 Q2 | 162.9 | 1,428 | 10.2% |
| 2019 Q3 | 165.8 | 1,452 | 10.2% |
| 2019 Q4 | 165.4 | 1,472 | 10.1% |
| 2020 Q1 | 222.2 | 1,435 | 13.4% |
| 2020 Q2 | 273.2 | 1,412 | 16.2% |
| 2020 Q3 | 265.5 | 1,456 | 15.4% |
| 2020 Q4 | 258.9 | 1,499 | 14.7% |
| 2021 Q1 | 243.5 | 1,545 | 13.6% |
| 2021 Q2 | 189.4 | 1,661 | 10.2% |
| 2021 Q3 | 196.9 | 1,704 | 10.4% |
| 2021 Q4 | 203.2 | 1,737 | 10.5% |
| 2022 Q1 | 222.0 | 1,758 | 11.2% |
| 2022 Q2 | 223.3 | 1,809 | 11.0% |
| 2022 Q3 | 224.1 | 1,845 | 10.8% |
| 2022 Q4 | 242.1 | 1,837 | 11.6% |
| 2023 Q1 | 246.3 | 1,849 | 11.8% |
| 2023 Q2 | 260.2 | 1,859 | 12.3% |
| 2023 Q3 | 272.9 | 1,870 | 12.7% |
| 2023 Q4 | 276.8 | 1,882 | 12.8% |
| 2024 Q1 | 278.0 | 1,887 | 12.8% |
| 2024 Q2 | 282.0 | 1,911 | 12.9% |
| 2024 Q3 | 291.6 | 1,931 | 13.1% |
| 2024 Q4 | 292.4 | 1,954 | 13.0% |
| 2025 Q1 | 289.0 | 1,967 | 12.8% |
| 2025 Q2 | 285.3 | 1,998 | 12.5% |