

THIRD QUARTER  
30 SEPTEMBER 2025  
(UNAUDITED)

# Quarterly Financial Report

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# Management's Discussion and Analysis

## Overview

The following Management's Discussion and Analysis (MD&A) of the financial position and results of operations, as approved by the Audit Committee on 13 November 2025, is prepared for the third quarter ended 30 September 2025 and is intended to provide users with an overview of our performance including comparatives against the same three- and nine-month periods in 2024. This MD&A should be read in conjunction with the unaudited quarterly consolidated financial statements as well as the 2024 Annual Report. The unaudited quarterly consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and do not include all of the information required for full annual consolidated financial statements. All amounts are expressed in millions of Canadian dollars, unless otherwise stated.

Information related to our significant accounting policies, judgments and estimates can be found in our 2024 Annual Report as well as in Note 4 of these unaudited quarterly consolidated financial statements. There have been no material changes to our material accounting policies, judgments or estimates to the end of the third quarter of 2025.

## Forward-looking statements

Our Quarterly Financial Report (QFR) contains forward-looking statements including, but not limited to, statements made in "The Operating Environment and Outlook for 2025" section of the report. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties which may cause actual results to differ materially from expectations expressed in these forward-looking statements.

## Non-IFRS measures

We use a number of financial measures to assess our performance. Some of these measures are not calculated in accordance with IFRS, are not defined by IFRS, and do not have standardized meanings that would ensure consistency and comparability with other institutions. These non-IFRS measures are presented to supplement the information disclosed in the unaudited quarterly consolidated financial statements, which are prepared in accordance with IFRS, and may be useful in analyzing performance and understanding the measures used by management in its financial and operational decision making. Definitions of the non-IFRS measures used throughout the QFR can be found in the Glossary for Non-IFRS Financial Measures section of the 2024 Annual Report.

# The Operating Environment and Outlook for 2025

The following events can be expected to have an impact on our business going forward:

## Economic conditions and housing indicators

Canada's economy remained sluggish in the third quarter of 2025 as trade disruptions, economic uncertainty, and slower population growth continued to weigh on activity. Early estimates suggest that real GDP growth was likely weak in Q3 following a contraction in the previous quarter.

Early estimates also suggest consumers and businesses were cautious throughout Q3 amid ongoing economic uncertainty. U.S. tariffs on select Canadian exports, in place since early 2025, continued to dampen manufacturing and resource sector activity. Goods exports showed limited recovery after a large fall in the previous quarter. Imports edged lower, reflecting weak domestic demand.

Labour market conditions further softened in Q3. Employment growth slowed, particularly in trade-exposed and construction-related sectors. The national unemployment rate rose to 7.0%, up from 6.9% in the previous quarter, as hiring momentum cooled and population growth moderated.

Headline inflation eased modestly through Q3 as energy prices stabilized, while core inflation targets stayed slightly above the Bank of Canada's target range. With weak economic growth and inflation pressures contained, the Bank of Canada reduced its policy rate by 25 basis points in September to 2.5%. Borrowing costs declined modestly following this move.

The housing market showed mixed signals in Q3. On the resale market, MLS® home prices averaged \$675,000 in the first nine months of 2025, down 1% year-over-year. In the same period, MLS® sales averaged 464,000 SAAR (seasonally adjusted annual rate) units, essentially unchanged year-over-year. In contrast, new home construction remained stronger, especially for rentals units. Housing starts averaged 259,000 SAAR units in the first nine months of 2025, up 6% from the same period last year. Much of this strength came from strong starts in Q2 and Q3 2025.

These economic conditions, including uncertainty over foreign trade and enacted trade tariffs, have not had a significant impact on our financial results. Although short-term interest rates have declined resulting in unrealized gains on our investments, higher average interest rates as a result of interest rate increases over the last few years has led to higher investment income in the first three quarters of 2025. Additionally, our arrears remain low when compared to historical norms, resulting in low levels of claims paid. These impacts are discussed further in the "Financial Results" section below.

## Risk Management

Overall, our financial risks have remained stable and manageable in 2025. Arrears, claims, and defaults continue to remain below expected levels.

However, capital adequacy risk is high due to continued high multi-unit volumes and upcoming regulatory changes from the Mortgage Insurer Capital Adequacy Test (MICAT), which will significantly impact capital requirements for our multi-unit insurance business starting 2026. We continue to monitor uncertain and evolving economic conditions and are exploring strategies for recapitalization once the revised MICAT takes effect. To that end, we plan to transfer excess capital from our Securitization Activity to our Mortgage Insurance Activity in Q4 2025 and in subsequent years and are exploring other actions as needed to maintain our Mortgage Insurance capital available above our operating level. Credit, market, and liquidity risks remain low and within tolerance levels.

For more details, please refer to our 2024 Annual Report.

# Federal Budgets (2024 and 2025)

## *Update since Q2 2025*

A top-up of \$1.5 billion in loans for the Affordable Housing Fund's New Construction Stream was announced on September 19, 2025, to support the creation of over 5,000 new units. Subsequent to the balance sheet date, requisite authorities were obtained for this top-up in funding.

To protect existing affordable rental housing, the \$1.5 billion Canada Rental Protection Fund previously announced under Budget 2024 will be launched under Build Canada Homes as announced by the Prime Minister in September 2025.

## Budget 2025 announcements

On 4 November 2025, the Prime Minister of Canada and Minister of Finance released Budget 2025: Canada Strong, specific announcements that impact CMHC are noted below.

### ***Impacts to the Securitization Activity***

The annual limit for Canada Mortgage Bonds (CMB) is being increased from \$60 billion to up to \$80 billion. This change is expected to unlock more low-cost financing for multi-unit rental construction, by ensuring builders have the low-cost financing required to build more rental projects with the increased amount designated for funding mortgage loans on multi-unit projects insured by CMHC. The Government of Canada will maintain the current level of CMB purchases up to \$30 billion annually to allow the private market full access to the additional issuance.

The Government of Canada also proposes to amend the National Housing Act to increase the guarantees in force limit for the Securitization Activity to \$1 trillion and to decouple this limit from the corporation's insurance in force limit. Budget 2025 also proposes amendments to the Protection of Residential Mortgage or Hypothecary Insurance Act to increase the protected limit for mortgage or hypothecary loans insured under that Act to \$500 billion.

### ***Impacts to the Housing Program Activity***

To meet up to 15 percent in savings targets over three years as required by the Comprehensive Expenditure Review (CER) announced in August 2025, CMHC will wind down certain programs that do not directly increase housing supply or target Canadians in housing need. The Canada Secondary Suite Loan program, which is not yet operational, will not be implemented as it has a large potential to overlap with the government's homeowner insured mortgage rule changes announced in January 2025. For other programs to be wound down, the objectives will be achieved by Build Canada Homes. The impacts from the CER will be a reduction in Government funding for housing programs and the related operating expenditures to support these programs in the following years 2026-2027 \$284.1 million, 2027-2028 \$451.9 million, 2028-2029 \$808.6M, 2029-2030: \$856.4 million and ongoing \$859.9 million.

CMHC will maintain its funding for initiatives that address the housing crisis, including the Apartment Construction Loan Program and supports to increase access to housing for Indigenous people residing in urban, rural and northern regions.

Refer to the previous quarterly financial report and the most recent Annual Report for details on all other Budget 2024 announcements. The effects of these Budget 2024 and 2025 measures will be reflected in future financial results, as remaining requisite authorities are obtained and programs launched.

Progress on the achievement of National Housing Strategy (NHS) targets are reported quarterly at the [Housing, Infrastructure and Communities Canada \(HICC\) website](#)<sup>1</sup>.

<sup>1</sup> <https://housing-infrastructure.canada.ca/housing-logement/ptch-csd/index-eng.html>

## Other updates

*Update since Q2 2025*

### Climate Related Financial Disclosures

The Climate Risk Management and Disclosures Project continues to strengthen practices to assess, manage and disclose climate risks and opportunities.

In the third quarter of 2025, we made progress by integrating climate risk into enterprise governance, advancing Scope 1 and 2 emissions reporting, supporting policy updates and risk identification through a climate workshop, completing climate scenario analysis, and initiating development of entity-specific metrics.

### Multi-Unit Mortgage Loan Insurance Premiums

In July 2025, we announced updates to both the premium structure and premium rates for multi-unit mortgage loan insurance, effective 14 July 2025. These were a result of our annual review of premiums and will impact our financial results in future quarters. The updates include a standardized approach to premiums for all multi-unit products, with premiums adjusted to reflect the specific risk characteristics of the loan being insured, and a new premium discount schedule for MLI Select applications.

These changes were made to allow us to continue to offer borrowers valuable product features and options based on their project financing needs, and to align with the revised multi-unit MICAT framework taking effect in January 2026, which will require us to hold more capital based on the risk and volume of mortgage loans we insure.

### Implementation of a new Strategic Asset Allocation (SAA) for the Mortgage Insurance (MI) Activity investment portfolios

The implementation of the new SAA for the Mortgage Insurance Activity investment portfolios was initiated in July 2025 and is expected to be completed by the end of 2025. The key goals of the new SAA are to improve risk-adjusted investment returns for the MI activity while minimizing impacts to regulatory capital targets. To achieve these outcomes, we have reduced our exposure to Government of Canada fixed income securities and added exposure to:

- high-quality corporate fixed income securities denominated in Canadian and US dollars;
- to provincial securities denominated in Canadian dollars; and
- to high-quality securitized fixed income products denominated in US dollars.

Refer to Note 10 for changes to our asset mix as a result of the new SAA and to Note 15 for the increase in our exposure to fixed income securities denominated in US dollars. We expect this change to increase the investment income earned in the MI activity over the coming periods.

## Updates from the Office of the Superintendent of Financial Institutions (OSFI)

*Update since Q2 2025 OFSI Consultations and Guidelines*

The following announcements by the Office of the Superintendent of Financial Institutions (OSFI) took place in Q3 2025, which affect CMHC:

### Credit Risk Management Guideline

OSFI is developing a new Credit Risk Management (CRM) guideline to consolidate and clarify expectations for credit risk management, covering residential mortgage lending (Guideline B-20), commercial real estate (CRE), and corporate lending. OSFI plans to release the draft CRM guideline for stakeholder consultation in January 2026, with finalization expected by early 2027.

## **Guideline E-23 – Model Risk Management**

CMHC's Model validation function follows OSFI's revised guideline E-23 which defines the expectations for effective enterprise-wide model risk management (MRM) using a risk-based approach. OSFI has announced revisions to add context and clarity for Artificial Intelligence and Machine Learning (AI/ML) model risk management. Implementation of the guideline will be effective May 1, 2027.

## **Appointed Actuary: Legal Requirements, Qualifications and Peer Review – Guideline (2023)**

OSFI is streamlining the requirements, and eliminating the requirement for a peer review of an appointed actuary's work, effective January 1, 2027.

## **Future Changes to Accounting Standards**

Information relating to all standards issued by the International Accounting Standards Board (IASB) that may affect us can be found in Note 3 of these unaudited quarterly consolidated financial statements. The notable changes are stated below.

### ***IFRS 18 Presentation and Disclosure in the Financial Statements – effective date of 1 January 2027***

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*, effective 1 January 2027. IFRS 18 will not affect how our financial performance is measured but will affect the presentation of our financial statements and our disclosure requirements for some of our Notes to Consolidated Financial Statements. Under IFRS 18, there will be a revised Statement of Income and Comprehensive Income presentation and additional disclosure requirements including management performance measures.

We have assembled a project team dedicated to analyzing and implementing the new accounting standard, and development of a detailed project plan is underway. We are currently assessing the potential impact of this new standard on our consolidated financial statements.

### ***Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 – effective date of 1 January 2026***

In May 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures. The objective of the amendments is to address diversity in accounting practice by making the requirements more understandable and consistent.

The amendments include changes to classification and measurement requirements under IFRS 9 for the de-recognition of financial liabilities and additional guidance to assess the contractual cash flow characteristics of financial assets with environmental, social and governance (ESG)-linked, non-recourse and contractually linked features. The proposed amendments to IFRS 7 include additional disclosure requirements for investments in equity instruments held at FVOCI and financial instruments with contingent events.

We are assessing the impact on our consolidated financial statements.

# Financial Results

## Key Financial Highlights

### Condensed consolidated balance sheets

As at 30 September 2025 and 31 December 2024

| (in millions)          | Housing Programs Activity |        | Mortgage Insurance Activity |        | Securitization Activity |         | Eliminations |       | Total   |         |
|------------------------|---------------------------|--------|-----------------------------|--------|-------------------------|---------|--------------|-------|---------|---------|
|                        | 2025                      | 2024   | 2025                        | 2024   | 2025                    | 2024    | 2025         | 2024  | 2025    | 2024    |
| Total assets           | 28,956                    | 23,913 | 22,773                      | 20,666 | 305,791                 | 283,360 | 2            | (584) | 357,522 | 327,355 |
| Total liabilities      | 28,063                    | 23,096 | 10,478                      | 9,389  | 303,229                 | 281,424 | (2)          | (588) | 341,768 | 313,321 |
| Total equity of Canada | 893                       | 817    | 12,295                      | 11,277 | 2,562                   | 1,936   | 4            | 4     | 15,754  | 14,034  |

The increase in equity of Canada was primarily due to comprehensive income of \$1,720 million in the nine-month period ended 30 September 2025 and is described in further details in the condensed consolidated statements of income and comprehensive income below.

Total assets increased by \$30,167 million (9%) primarily due to:

- An increase in loans at amortized cost of \$24,279 million (8%) as new issuances of CMB program loans exceeded maturities, resulting in a \$20,979 million (8%) increase, as well as \$3,304 million (20%) increase of loans at amortized cost driven by the Apartment Construction Loan Program (ACLP), Affordable Housing Fund (AHF) and Canada Greener Homes Loan (CGHL) lending programs.
- An increase in cash and cash equivalents of \$2,401 million (245%) mainly attributable to net new borrowings in Housing Programs and investment of net cash inflows from insurance operations driven by the strong growth in new business written in 2025. We continue to retain capital across our commercial activities to support this growth in our mortgage insurance products.
- An increase in investment securities at fair value through other comprehensive income (FVOCI) of \$1,211 million (5%) was driven by the investment of net cash inflows from securitization operations as we continue to retain capital across our commercial activities to support growth in our mortgage insurance products. In addition, short term interest rates declined, causing the fair value of our investment securities held at FVOCI to increase.
- An increase in accrued interest receivable of \$856 million (77%) related to CMB program loans and higher average investment balances as noted above, primarily driven by higher interest rates and timing, as larger coupon payments are received in the second and fourth quarters of the year.
- An increase in Due from Government of Canada of \$602 million (340%) driven mainly by a higher volume of accrued expenses related to major housing programs. The timing of these program expenditures, which were concentrated near the government's fiscal year-end remained outstanding at the balance sheet date.

Total liabilities increased by \$28,447 million (9%) mainly driven by \$26,172 million (9%) of higher borrowings at amortized cost related to the CMB program and increased borrowings from the Government of Canada to fund the Housing Program loans, as noted above. In addition, insurance contract liabilities increased by \$1,253 million (15%) mainly attributed to new mortgage insurance business written in 2025. In addition, accrued interest payable increased by \$854 million (82%) related to CMB program borrowings and higher borrowings from the Government of Canada noted above, primarily driven by higher interest rates and timing, as larger coupon payments are due in the second and fourth quarters of the year.

## Condensed consolidated statements of income and comprehensive income

Three months ended 30 September

| <i>(in millions)</i>               | Housing Programs Activity |            | Mortgage Insurance Activity |            | Securitization Activity |            | Eliminations |             | Total      |            |
|------------------------------------|---------------------------|------------|-----------------------------|------------|-------------------------|------------|--------------|-------------|------------|------------|
|                                    | 2025                      | 2024       | 2025                        | 2024       | 2025                    | 2024       | 2025         | 2024        | 2025       | 2024       |
| Government funding                 | 575                       | 980        | -                           | -          | -                       | -          | -            | -           | 575        | 980        |
| Housing programs expenses          | (498)                     | (884)      | -                           | -          | -                       | -          | -            | -           | (498)      | (884)      |
| Premiums and fees earned           | -                         | -          | 11                          | 10         | 244                     | 226        | -            | -           | 255        | 236        |
| Insurance service result           | -                         | -          | 326                         | 211        | -                       | -          | -            | -           | 326        | 211        |
| Operating expenses                 | (89)                      | (94)       | (49)                        | (49)       | (16)                    | (14)       | -            | -           | (154)      | (157)      |
| All other income <sup>1</sup>      | 12                        | -          | 111                         | 70         | 37                      | 34         | 6            | -           | 166        | 104        |
| <b>Income before income taxes</b>  | <b>-</b>                  | <b>2</b>   | <b>399</b>                  | <b>242</b> | <b>265</b>              | <b>246</b> | <b>6</b>     | <b>-</b>    | <b>670</b> | <b>490</b> |
| Income taxes                       | (6)                       | (3)        | (102)                       | (60)       | (67)                    | (61)       | (2)          | -           | (177)      | (124)      |
| <b>Net income (loss)</b>           | <b>(6)</b>                | <b>(1)</b> | <b>297</b>                  | <b>182</b> | <b>198</b>              | <b>185</b> | <b>4</b>     | <b>-</b>    | <b>493</b> | <b>366</b> |
| Other comprehensive income (loss)  | 52                        | (2)        | 117                         | 278        | 25                      | 76         | (1)          | (11)        | 193        | 341        |
| <b>Comprehensive income (loss)</b> | <b>46</b>                 | <b>(3)</b> | <b>414</b>                  | <b>460</b> | <b>223</b>              | <b>261</b> | <b>3</b>     | <b>(11)</b> | <b>686</b> | <b>707</b> |

<sup>1</sup> Includes net interest income (loss), investment income, net gains/(losses) on financial instruments, insurance finance expense for contracts issued, other income (loss).

### Quarter to date (QTD) 2025 vs QTD 2024

Government funding and housing program expenses decreased compared to the same period last year driven by a \$169 million decrease in the Canada Community Housing Initiative (CCHI), a \$126 million decrease in the Canada Housing Benefit (CHB), a \$53 million decrease in other FPT programs and a \$30 million decrease in expenses related to the Housing Supply Challenge (HSC).

Total income before income taxes increased by \$180 million (37%) from the same quarter last year mainly due to:

- An increase in insurance service result (ISR) of \$115 million (55%) as a result of higher insurance revenue of \$129 million (50%). This is mainly due to continued strong growth in our multi-unit insurance products as new business is added faster than existing business is maturing. In addition, favourable updates to the repeat-sales price index and other related economic assumptions, compared to the same quarter last year, which increased the speed of profit recognition patterns, increasing the release of the contractual service margin (CSM) in the period. Assumptions for expected incurred claims and risk adjustment were updated, accelerating the timing of expected cash flows leading to higher insurance revenue from expected claims and the release of the risk adjustment. This was offset by an increase in insurance service expense of \$14 million (31%) as a result of unfavourable changes to economic assumptions that increased the liability for incurred claims and the insurance service expense from the same quarter of last year.
- An increase in all other income of \$62 million (60%) mainly due to an increase in investment income of \$31 million (16%), driven by higher average investment balances, as capital continues to be retained to support growth in our mortgage insurance programs.
- An increase of \$18 million (8%) in guarantee fees earned in the Securitization Activity due to increases in guarantee fee rates in recent years and higher National Housing Act Mortgage Back Securities (NHA MBS) volumes in 2025, when compared to the same period last year.

Other comprehensive income (OCI), net of tax, decreased by \$148 million (57%) from the same quarter last year. A less significant decrease in short-term interest rates this year led to a decrease in unrealized gains on investments of \$314 million (27%) from the same period last year. This decrease was offset by a \$56 million (33%) decrease in net insurance finance expenses because of lower short-term interest rates as noted above. It was also offset by an increase in remeasurement gains on the net defined benefit plans of \$110 million (2100%), the discount rate used to measure our net defined benefit plans increased more in 2025 than in the same period last year and strong actual returns were realized on plan assets that were higher in 2025 when compared to the same period last year. The discount rate used to measure the net defined benefit plans is determined by referencing longer term interest rates, that have increased to date in 2025 while short term interest have decreased.

### Nine months ended 30 September

| <i>(in millions)</i>                     | Housing Programs Activity |             | Mortgage Insurance Activity |            | Securitization Activity |            | Eliminations |             | Total        |              |
|--|---------------------------|-------------|-----------------------------|------------|-------------------------|------------|--------------|-------------|--------------|--------------|
|  | 2025                      | 2024        | 2025                        | 2024       | 2025                    | 2024       | 2025         | 2024        | 2025         | 2024         |
| Government funding                       | 3,913                     | 3,688       | -                           | -          | -                       | -          | -            | -           | 3,913        | 3,688        |
| Housing programs expenses                | (3,678)                   | (3,422)     | -                           | -          | -                       | -          | -            | -           | (3,678)      | (3,422)      |
| Premiums and fees earned                 | -                         | -           | 31                          | 29         | 726                     | 666        | -            | -           | 757          | 695          |
| Insurance service result                 | -                         | -           | 894                         | 712        | -                       | -          | -            | -           | 894          | 712          |
| Operating expenses                       | (260)                     | (300)       | (151)                       | (147)      | (51)                    | (49)       | -            | -           | (462)        | (496)        |
| All other income <sup>1</sup>            | 28                        | 16          | 227                         | 195        | 115                     | 82         | 7            | 3           | 377          | 296          |
| <b>Income (loss) before income taxes</b> | <b>3</b>                  | <b>(18)</b> | <b>1,001</b>                | <b>789</b> | <b>790</b>              | <b>699</b> | <b>7</b>     | <b>3</b>    | <b>1,801</b> | <b>1,473</b> |
| Income taxes                             | (5)                       | 1           | (250)                       | (195)      | (198)                   | (174)      | (2)          | (1)         | (455)        | (369)        |
| <b>Net income (loss)</b>                 | <b>(2)</b>                | <b>(17)</b> | <b>751</b>                  | <b>594</b> | <b>592</b>              | <b>525</b> | <b>5</b>     | <b>2</b>    | <b>1,346</b> | <b>1,104</b> |
| Other comprehensive income (loss)        | 78                        | 63          | 267                         | 357        | 34                      | 73         | (5)          | (12)        | 374          | 481          |
| <b>Comprehensive income (loss)</b>       | <b>76</b>                 | <b>46</b>   | <b>1,018</b>                | <b>951</b> | <b>626</b>              | <b>598</b> | <b>-</b>     | <b>(10)</b> | <b>1,720</b> | <b>1,585</b> |

<sup>1</sup> Includes net interest income (loss), investment income, net gains/(losses) on financial instruments, insurance finance expense for contracts issued, other income (loss).

### Year to Date (YTD) 2025 vs YTD 2024

Government funding and housing programs expenses increased compared to the same nine-month period last year, mainly driven by an increase of \$449 million for the Housing Accelerator Fund (HAF) and \$82 million for the Canada Greener Affordable Housing (CGAH). These increases are partially offset by decreases of \$108 million for AHF and \$55 million for the Affordable Housing Innovation Fund (AHIF). Due to the nature of many housing programs, funding patterns may vary significantly year over year.

Total income before income taxes increased by \$328 million (22%) from the nine-month period last year mainly due to:

- An increase in insurance service result of \$182 million (26%) driven by higher insurance revenue, as described in the quarter to date section above.
- An increase in all other income of \$81 million (27%) mainly due to an increase in investment income of \$76 million (14%), as described in the quarter to date section above.
- An increase of \$62 million (9%) in guarantee fees earned in the Securitization Activity, as described in the quarter to date section above.

OCI, net of tax, decreased by \$107 million (15%) from the same nine-month period last year, as described in the quarter to date section above, caused a decrease in unrealized gains on investments of \$149 million (63%), this was offset by a \$12 million (77%) decrease in net insurance finance expenses and by an increase in remeasurement gains on the net defined benefit plans of \$30 million (23%).

## Financial Metrics and Ratios

### Mortgage Insurance

| <i>(in millions, unless otherwise indicated)</i> | Insurance-in-force<br>(\$B) |                           | Contractual Service Margin<br>(CSM) |                           |
|--|-----------------------------|---------------------------|-------------------------------------|---------------------------|
|  | As at<br>30 September 2025  | As at<br>31 December 2024 | As at<br>30 September 2025          | As at<br>31 December 2024 |
| Transactional homeowner                          | 159                         | 162                       | 2,212                               | 2,059                     |
| Portfolio  | 58                          | 65                        | 56                                  | 65                        |
| Multi-unit residential                           | 245                         | 213                       | 3,784                               | 3,395                     |
| <b>Total</b>                                     | <b>462</b>                  | <b>440</b>                | <b>6,052</b>                        | <b>5,519</b>              |

CMHC's total insurance-in-force is \$462 billion which is compliant with the legislated limit of \$800 billion set by the Government of Canada. This year insurance-in-force increased by \$22 billion due to new volumes insured exceeding the run-off of existing policies-in-force. New loans insured were \$66 billion, while estimated loan amortization and pay-downs were \$44 billion.

CSM increased by \$533 million (10%) as our new business underwritten continues to outpace the recognition of earned profit, primarily due to continued high demand for our multi-unit products.

### Three months ended 30 September

| <i>(in millions, unless otherwise indicated)</i> | Insured volumes<br>(units) |               | Insured volumes<br>(\$) |               | Premiums and<br>fees received <sup>1</sup> |            | Claims paid <sup>2</sup> |           |
|--|----------------------------|---------------|-------------------------|---------------|--|------------|--------------------------|-----------|
|  | 2025                       | 2024          | 2025                    | 2024          | 2025                                       | 2024       | 2025                     | 2024      |
| Transactional homeowner                          | 19,642                     | 13,749        | 7,760                   | 4,833         | 283  | 171        | 6                        | 13        |
| Portfolio  | 3,194                      | 1,000         | 954                     | 253           | 5  | 1          | 2                        | 1         |
| Multi-unit residential                           | 60,122                     | 64,979        | 13,540                  | 16,449        | 504  | 410        | -                        | 1         |
| <b>Total</b>                                     | <b>82,958</b>              | <b>79,728</b> | <b>22,254</b>           | <b>21,535</b> | <b>792</b>                                 | <b>582</b> | <b>8</b>                 | <b>15</b> |

<sup>1</sup> Premiums and fees received may not equal premiums received on insurance contracts written in the period and premiums and fees deferred on self-insured contracts written during the period due to timing of receipts.

<sup>2</sup> Claims paid refers to the net cash amounts paid out on settlement of the claims excluding claims administration expenses.

## Nine months ended 30 September

| <i>(in millions, unless otherwise indicated)</i> | Insured volumes (units) |                | Insured volumes (\$) |               | Premiums and fees received <sup>1</sup> |              | Claims paid <sup>2</sup> |           |
|--|-------------------------|----------------|----------------------|---------------|---|--------------|--------------------------|-----------|
|  | 2025                    | 2024           | 2025                 | 2024          | 2025                                    | 2024         | 2025                     | 2024      |
| Transactional homeowner                          | 47,774                  | 35,787         | 18,565               | 12,387        | 673                                     | 436          | 17                       | 23        |
| Portfolio  | 8,277                   | 5,676          | 2,342                | 1,506         | 9                                       | 7            | 3                        | 3         |
| Multi-unit residential                           | 197,573                 | 206,157        | 44,916               | 47,624        | 1,460                                   | 1,156        | -                        | 4         |
| <b>Total</b>                                     | <b>253,624</b>          | <b>247,620</b> | <b>65,823</b>        | <b>61,517</b> | <b>2,142</b>                            | <b>1,599</b> | <b>20</b>                | <b>30</b> |

<sup>1</sup> Premiums and fees received may not equal premiums received on insurance contracts written in the period and premiums and fees deferred on self-insured contracts written during the period due to timing of receipts.

<sup>2</sup> Claims paid refers to the net cash amounts paid out on settlement of the claims excluding claims administration expenses.

## Q3 2025 vs Q3 2024 and YTD 2025 vs YTD 2024

Transactional homeowner unit volumes increased by 43 and 33 percent for the three and nine-month periods, respectively. The reduction in interest rates, combined with the introduction of 30-year terms on insured mortgages, has positively influenced housing market activity, leading to increased unit volumes. Portfolio unit volumes increased as a result of enhanced business solicitation efforts with lenders, as well as a trend towards larger pools during the year. Multi-unit residential volumes declined by 7 and 3 percent for the three and nine-month periods, respectively. The decline is mainly due to a trend towards smaller new construction project sizes being insured this year.

Total insured dollars increased, driven primarily by the increase in homeowner unit volumes, as previously explained, and an increase in the loan amount per property, which is caused by higher-value properties insured compared to last year. The portfolio insured dollars also increased, while our multi-unit insured dollars declined, both reflecting the change in unit volumes explained above.

Premiums and fees are higher compared to prior year, mainly due to higher average premium rates for properties insured under the MLI Select product reflecting the price increase in 2023. Premiums and fees for transactional homeowner also increased, due to higher volumes as explained above.

Claims paid remain low and have decreased compared to prior year. The low level of claims is the result of home price appreciation in recent years where additional equity has built up in homes throughout Canada. Due to the high house prices, properties are being sold for amounts exceeding the outstanding loan, leading to fewer insurance claims.

| <i>(in percentages)</i>                      | Three months ended 30 September |      | Nine months ended 30 September |      |
|--|---------------------------------|------|--------------------------------|------|
|  | 2025                            | 2024 | 2025                           | 2024 |
| Insurance service expense ratio <sup>1</sup> | 15.3                            | 17.6 | 11.8                           | 11.2 |
| Operating expense ratio                      | 12.7                            | 18.8 | 14.9                           | 18.3 |
| Combined ratio                               | 28.0                            | 36.4 | 26.7                           | 29.5 |
| Initial contractual service margin ratio     | 49.7                            | 61.8 | 52.9                           | 62.5 |
| Severity ratio <sup>2</sup>                  | 22.7                            | 25.2 | 26.1                           | 27.8 |
| Return on equity                             | 9.8                             | 6.6  | 8.5                            | 7.4  |
| Return on required equity                    | 11.2                            | 7.4  | 9.6                            | 8.3  |

<sup>1</sup> Insurance service expense ratio on transactional homeowner and portfolio products excluding multi-unit residential was 14.8% and 14.1% for the three and nine months ended 30 September 2025, respectively (10.0% and 5.9% for the three and nine months ended 30 September 2024, respectively).

<sup>2</sup> In Q3 2025, the calculation methodology for the severity ratio was revised to improve accuracy. We have restated the prior year figures to align to the new methodology.

## Q3 2025 vs Q3 2024 and YTD 2025 vs YTD 2024

The insurance service expense ratio decreased from the same quarter in the prior year primarily due to increased insurance revenues as noted in the Key Financial Highlights section above. Compared to the same nine-month period in the prior year, the insurance service expense ratio increased as a result of unfavourable economic assumption updates offset by increased insurance revenues as noted in the Key Financial Highlights section above.

The operating expense and combined ratios decreased primarily due to increased insurance revenues as explained above.

The initial contractual service margin ratio decreased due to introduction of the Transactional Homeowner 30-year amortization product, decrease in discount rates, and due to updates to our Multi-unit new business claims payment patterns. Claims cashflows are expected to occur earlier in the life of the loan resulting in less discounting of cash outflows causing lower initial expected profitability.

The severity ratio decreased compared to the same three and nine-month periods last year due to stronger sales proceeds compared to last year.

The return on equity ratio and return on required equity ratio increased due to higher net income. This was partially offset by higher average equity and higher required capital respectively as we continue to retain capital, to support the multi-unit insurance business growth.

|                         | As at 30 September 2025 |              | As at 31 December 2024 |              |
|-------------------------|-------------------------|--------------|------------------------|--------------|
|                         | No of delinquent loans  | Arrears rate | No of delinquent loans | Arrears rate |
| Transactional homeowner | 2,890                   | 0.40%        | 2,920                  | 0.38%        |
| Portfolio               | 798                     | 0.18%        | 797                    | 0.16%        |
| Multi-unit residential  | 147                     | 0.35%        | 129                    | 0.35%        |
| <b>Total</b>            | <b>3,835</b>            | <b>0.32%</b> | <b>3,846</b>           | <b>0.30%</b> |

The arrears rate includes all loans more than 90 days past due for homeowner and portfolio insurance products and 30 days past due for multi-unit insurance products as a percentage of outstanding insured loans. Reported delinquencies remain low in all regions.

## Securitization

|              | Total guarantees-in-force (\$B) |                        |
|--------------|---------------------------------|------------------------|
|              | As at 30 September 2025         | As at 31 December 2024 |
| NHA MBS      | 279                             | 277                    |
| CMB          | 298                             | 276                    |
| <b>Total</b> | <b>577</b>                      | <b>553</b>             |

Total guarantees-in-force represents the maximum principal obligation related to our timely payment guarantee. Guarantees-in-force were \$577 billion as at 30 September 2025, an increase of \$24 billion (4%) as new guarantees exceeded maturities, principal run-off and prepayments. This is mainly due to higher annual issuance limits on both NHA MBS and CMB since Q4 2023. The total guarantees-in-force is compliant with the \$800 billion limit set by the Government of Canada.

### Three months ended 30 September

| <i>(in millions, unless otherwise indicated)</i> | New securities guaranteed (\$B) |           | Guarantee and application fees received <sup>1</sup> |            |
|--|---------------------------------|-----------|--|------------|
|  | 2025                            | 2024      | 2025   | 2024       |
| NHA MBS  | 47                              | 45        | 219  | 210        |
| CMB  | 16                              | 15        | 65   | 63         |
| <b>Total</b>                                     | <b>63</b>                       | <b>60</b> | <b>284</b>   | <b>273</b> |

<sup>1</sup> Guarantee and application fees received for NHA MBS; guarantee fees received for CMB.

### Nine months ended 30 September

| <i>(in millions, unless otherwise indicated)</i> | New securities guaranteed (\$B) |            | Guarantee and application fees received <sup>1</sup> |            |
|--|---------------------------------|------------|--|------------|
|  | 2025                            | 2024       | 2025   | 2024       |
| NHA MBS  | 129                             | 118        | 589  | 535        |
| CMB  | 46                              | 46         | 191  | 198        |
| <b>Total</b>                                     | <b>175</b>                      | <b>164</b> | <b>780</b>   | <b>733</b> |

<sup>1</sup> Guarantee and application fees received for NHA MBS; guarantee fees received for CMB.

### Q3 2025 vs Q3 2024 and YTD 2025 vs YTD 2024

For NHA MBS, new securities guaranteed increased compared to last year due to timing differences between quarters. The fees received on NHA MBS increased, due to higher volumes, as well as a higher average term, resulting in higher associated fees.

For CMB compared to the same three-month period last year, new securities guaranteed increased slightly due to more funding demand from program participants for five-year issuances.

For CMB compared to the same nine-month period last year, new securities guaranteed were the same while fees received decreased. This is mainly due to lower 10-year issuances in 2025 compared to 2024, driven by a greater proportion of multi-unit loans securitized with shorter terms, which carry lower fee rates.

| <i>(in percentages)</i> | Three months ended 30 September |      | Nine months ended 30 September |      |
|-------------------------|---------------------------------|------|--------------------------------|------|
|                         | 2025                            | 2024 | 2025                           | 2024 |
| Operating expense ratio | 5.9                             | 5.9  | 5.7                            | 5.9  |
| Return on equity        | 32.6                            | 45.0 | 35.2                           | 43.5 |

### Q3 2025 vs Q3 2024 and YTD 2025 vs YTD 2024

The operating expense ratio decreased compared to the same nine-month period last year mainly due to an increase in guarantee and application fees earned as older pools with lower fees are fully recognized and are replaced with new pools with higher associated fees. Return on equity decreased in both the three- and nine-month periods due to a higher average equity this year due to the suspension of the dividend since Q3 2024.

## Government Funding

The following table reconciles the amount of government funding authorized by Parliament as available to us during the Government's fiscal year (31 March) with the total amount we received in our calendar year.

### Nine months ended 30 September

| <i>(in millions)</i>  | 2025         | 2024         |
|---|--------------|--------------|
| Amounts provided for housing programs:                                |              |              |
| <b>Amounts authorized in 2024-25 (2023-24)</b>                        |              |              |
| Main estimates  | 5,628        | 5,105        |
| Supplementary estimates A <sup>1,2</sup>                              | 199          | 1,004        |
| Supplementary estimates B <sup>1,3,5</sup>                            | 742          | 394          |
| Supplementary estimates C <sup>1,4,6</sup>                            | -            | 91           |
| <b>Total fiscal year government funding</b>                           | <b>6,569</b> | <b>6,594</b> |
| Less: portion recognized in calendar 2024 (2023)                      | (2,782)      | (3,455)      |
| Less: government funding lapsed for 2024-25 (2023-24)                 | (892)        | (919)        |
| Less: frozen allotment  | (208)        | (170)        |
| <b>2024-25 (2023-24) government funding recognized in 2025 (2024)</b> | <b>2,687</b> | <b>2,050</b> |
| <b>Amounts authorized in 2025-26 (2024-25)</b>                        |              |              |
| Main estimates <sup>7</sup>   | 6,368        | 5,628        |
| Supplementary estimates A <sup>1,2,7</sup>                            | -            | 199          |
| Supplementary estimates B <sup>1,3</sup>                              | -            | 742          |
| <b>Total fiscal year government funding</b>                           | <b>6,368</b> | <b>6,569</b> |
| Less: portion to be recognized in subsequent quarters                 | (4,758)      | (3,662)      |
| Less: forecasted lapse for 2025-26 (Actual lapse in 2024-25)          | -            | (892)        |
| Less: frozen allotment  | (242)        | (208)        |
| <b>2025-26 (2024-25) government funding recognized in 2025 (2024)</b> | <b>1,368</b> | <b>1,807</b> |
| <b>Total government funding – Nine months ended 30 September</b>      | <b>4,055</b> | <b>3,857</b> |

<sup>1</sup> Supplementary estimates are additional government funding voted on by Parliament during the Government's fiscal year.

<sup>2</sup> Approved 2024-25 supplementary estimates A for Urban, Rural and Northern Indigenous Housing Strategy (URN) and transfer to HICC to support the transition of leadership for housing policy and program development (2023-24 for HAF and Granville Island),

<sup>3</sup> Approved 2024-25 supplementary estimates B for Provincial and Territorial Initiatives, Canada Housing Benefit (CHB), HAF, AHF, ACLP, Co-operative Housing Development Program (CHDP), Federal Lands Initiative, Canada Greener Homes Loan Program, First Time Home Buyer Incentive, and Shelters and transition houses for Indigenous women, children and 2SLGBTQIA+ people, (2023-24 for AHF, Pyrrhotite, ACLP, RHI, Natural disaster resilience, Emergency shelter for women and girls, URN, and CECRA).

<sup>4</sup> Approved 2023-24 supplementary estimates C for CHB.

<sup>5</sup> We exclude funding received in 2023-24 for the Granville Island Emergency Relief Fund from our consolidated financial statements as we do not control the activities of Granville Island.

<sup>6</sup> 2024-25 Supplementary estimates C was not tabled due to prorogation of Parliament.

<sup>7</sup> 2025-26 Main Estimates were approved on 27 June 2025. Due to the timing, amounts otherwise expected to be obtained in Supplementary Estimates A were incorporated into the Main Estimates. Following the dissolution of Parliament on 23 March 2025, CMHC obtained authorities through Governor General Special Warrants for appropriation authorities from 1 April 2025 to 27 June 2025.

# Capital Management

## Frameworks

For the Housing Programs Activity, a reserve fund is maintained pursuant to Section 29 of the CMHC Act which includes profits of the Corporation, after providing for all matters that, in the opinion of the Board of Directors, are required to carry out the purposes of the Corporation. Aside from the reserve fund, capital is not held for Housing Programs activities, as they do not present material financial risks that are not already otherwise mitigated.

For the Mortgage Insurance Activity, our capital management framework follows OSFI regulations with respect to the use of the MICAT as our Own Risk and Solvency Assessment (ORSA) economic capital is lower than OSFI's regulatory capital requirements.

For the Securitization Activity, our capital management framework follows industry best practices and incorporates regulatory principles from OSFI, including those set out in OSFI's E19 – Own Risk and Solvency Assessment guideline, and those of the Basel Committee on Banking Supervision. Our capital adequacy assessment uses an integrated approach to evaluate our capital needs from both a regulatory and economic capital basis to establish capital targets that take into consideration our strategy and risk appetite.

In August 2025, the Board of Directors approved maintaining the internal targets and operating levels of 155% and 165% respectively for Mortgage Insurance and 105% and 110% for Securitization for 2026. For Securitization, the Board approved a change to our capital management framework effective 1 January 2026, whereby liquidity will no longer be the binding constraint for capital decisions and ORSA capital targets have been redefined based on equity measures to better support capital management. This will have an impact on our economic capital available to economic capital required ratio beginning in 2026.

## Ratios

The following table presents our capital management ratios.

| <i>(in percentages)</i>  | As at<br>30 September 2025 | As at<br>31 December 2024 |
|--|----------------------------|---------------------------|
| Mortgage Insurance: Capital available to minimum capital required (MICAT)            | 191                        | 188                       |
| Securitization: Economic capital available to economic capital required <sup>1</sup> | 161                        | 140                       |

<sup>1</sup> In Q3 2025, capital required was updated to reflect minimum capital required instead of capital required at the operating level, to better facilitate assessment of our capital position against our capital targets.

Dividends to the Government of Canada remain suspended to conserve capital for multi-unit growth and the transition to the new MICAT framework effective 1 January 2026.

Furthermore, as indicated in the Risk Management section above, excess capital from the Securitization Activity will be transferred to the Mortgage Insurance Activity in Q4 2025 and in subsequent years. This will reduce the economic capital available to economic capital required ratio and increase the MICAT ratio in Q4, prior to the effects of implementing the revised Securitization capital management framework and the new MICAT framework in 2026.

The Mortgage Insurance capital available to minimum capital required ratio increased mainly due to the increase in capital available that was generated from our comprehensive income.

Securitization capital available to capital required ratio increased compared to last year, mainly due to suspension of dividends.

Refer to Note 9 – Capital Management of the unaudited quarterly consolidated financial statements for further disclosure on capital management.

# Historical Quarterly Information

| <i>(in millions, unless otherwise indicated)</i>   | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Consolidated Results</b>  |         |         |         |         |         |         |         |         |
| Total assets   | 357,522 | 339,775 | 336,047 | 327,355 | 323,693 | 311,253 | 312,424 | 299,569 |
| Total liabilities  | 341,768 | 324,707 | 321,432 | 313,321 | 309,835 | 298,102 | 299,592 | 287,006 |
| Total equity of Canada   | 15,754  | 15,068  | 14,615  | 14,034  | 13,858  | 13,151  | 12,832  | 12,563  |
| Total revenues and government funding  | 1,322   | 1,331   | 3,288   | 1,522   | 1,533   | 1,280   | 2,581   | 1,937   |
| Total expenses (including income taxes)  | 829     | 912     | 2,854   | 1,132   | 1,167   | 916     | 2,207   | 1,619   |
| Net income   | 493     | 419     | 434     | 390     | 366     | 364     | 374     | 318     |
| <b>Housing Programs</b>  |         |         |         |         |         |         |         |         |
| Government funding   | 575     | 680     | 2,658   | 918     | 980     | 708     | 2,000   | 1,450   |
| Net income (loss)  | (6)     | 2       | 2       | (1)     | (1)     | (17)    | 1       | (8)     |
| Total equity of Canada   | 893     | 847     | 820     | 817     | 860     | 863     | 872     | 814     |
| <b>Mortgage Insurance</b>  |         |         |         |         |         |         |         |         |
| Insurance-in-force (\$B) <sup>1</sup>  | 462     | 452     | 442     | 440     | 431     | 424     | 418     | 414     |
| Total insured volumes  | 22,254  | 25,363  | 18,206  | 23,643  | 21,535  | 23,090  | 16,892  | 18,709  |
| Premiums and fees received   | 792     | 794     | 557     | 690     | 582     | 616     | 401     | 423     |
| Insurance revenue  | 385     | 331     | 298     | 285     | 256     | 262     | 284     | 266     |
| Claims paid  | 8       | 4       | 8       | 15      | 15      | 9       | 6       | 15      |
| Insurance service expense  | 59      | 44      | 17      | 47      | 45      | 5       | 40      | 53      |
| Net income   | 297     | 218     | 236     | 200     | 182     | 216     | 196     | 156     |
| Arrears rate   | 0.32%   | 0.30%   | 0.30%   | 0.30%   | 0.30%   | 0.28%   | 0.29%   | 0.29%   |
| Insurance service expense ratio  | 15.3%   | 13.3%   | 5.7%    | 16.5%   | 17.6%   | 1.9%    | 14.1%   | 19.9%   |
| Operating expense ratio  | 12.7%   | 16.6%   | 15.4%   | 17.5%   | 18.8%   | 19.1%   | 16.9%   | 18.8%   |
| Combined ratio   | 28.0%   | 29.9%   | 21.1%   | 34.0%   | 36.4%   | 21.0%   | 31.0%   | 38.7%   |
| Initial contractual service margin ratio <sup>3</sup>  | 49.7%   | 49.9%   | 62.0%   | 63.4%   | 61.8%   | 62.5%   | 59.9%   | 62.7%   |
| Severity ratio <sup>4</sup>  | 22.7%   | 22.4%   | 26.2%   | 28.0%   | 25.2%   | 27.4%   | 26.7%   | 21.4%   |
| Return on equity   | 9.8%    | 7.5%    | 8.2%    | 7.1%    | 6.6%    | 8.2%    | 7.6%    | 6.2%    |
| Return on required equity  | 11.2%   | 8.6%    | 9.4%    | 8.0%    | 7.4%    | 9.1%    | 8.4%    | 6.7%    |
| Capital available to minimum capital required (% MICAT)  | 191%    | 195%    | 193%    | 188%    | 191%    | 186%    | 185%    | 185%    |
| % Estimated outstanding Canadian residential mortgages with CMHC insurance coverage (\$)       | 20.0%   | 19.9%   | 19.6%   | 19.8%   | 19.5%   | 19.5%   | 19.4%   | 19.3%   |
| <b>Securitization</b>  |         |         |         |         |         |         |         |         |
| Guarantees-in-force (\$B) <sup>1</sup>   | 577     | 569     | 561     | 553     | 539     | 528     | 524     | 508     |
| Securities guaranteed (\$B)  | 63      | 58      | 54      | 51      | 60      | 52      | 52      | 55      |
| Guarantee and application fees received  | 284     | 262     | 234     | 330     | 273     | 229     | 231     | 303     |
| Guarantee and application fees earned  | 244     | 243     | 239     | 235     | 226     | 222     | 218     | 211     |
| Net income   | 198     | 198     | 196     | 189     | 185     | 164     | 176     | 168     |
| Operating expense ratio  | 5.9%    | 5.9%    | 5.4%    | 5.9%    | 5.9%    | 6.0%    | 5.9%    | 7.0%    |
| Return on equity   | 32.6%   | 35.1%   | 38.2%   | 41.0%   | 45.0%   | 44.7%   | 48.2%   | 48.0%   |
| Economic capital available to economic capital required <sup>2,3</sup>                         | 161%    | 153%    | 147%    | 140%    | 132%    | 122%    | 120%    | 120%    |
| % Estimated outstanding Canadian residential mortgages with CMHC securitization guarantee (\$) | 25.0%   | 25.0%   | 25.0%   | 24.9%   | 24.4%   | 24.4%   | 24.4%   | 23.8%   |

<sup>1</sup> Our total exposure is less than the sum of these figures because we insure a portion of the instruments included in guarantees-in-force.

<sup>2</sup> In 2023 the capital required in the Securitization ratio was updated to consider the minimum liquidity target.

<sup>3</sup> In Q3 2025, capital required was updated to reflect minimum capital required instead of capital required at the operating level, to better facilitate assessment of our capital position against our capital targets.

<sup>4</sup> In Q3 2025, the calculation methodology for the severity ratio was revised to improve accuracy. We have restated the prior period figures to align to the new methodology.

# Unaudited Quarterly Consolidated Financial Statements

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# Management's Responsibility for Financial Reporting

## Period ended 30 September 2025

Management is responsible for the preparation and fair presentation of these unaudited quarterly consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*, and for such internal controls as Management determines are necessary to enable the preparation of unaudited quarterly consolidated financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the unaudited quarterly consolidated financial statements.

Based on our knowledge, these unaudited quarterly consolidated financial statements present fairly, in all material respects, the Corporation's financial position, results of operations and cash flows, as at the date of and for the periods presented in the unaudited quarterly consolidated financial statements.



**Coleen Volk, CPA**

President and Chief Executive Officer



**Michel Tremblay, CPA**

Chief Financial Officer and Senior Vice President,  
Corporate Services

13 November 2025

# Consolidated Balance Sheet

| <i>(in millions of Canadian dollars)</i>      | Notes  | As at<br>30 September 2025 | As at<br>31 December 2024 |
|---|--------|----------------------------|---------------------------|
| <b>Assets</b>                                 |        |                            |                           |
| Cash and cash equivalents                     |        | 4,056                      | 1,655                     |
| Securities purchased under resale agreements  |        | 1,225                      | 950                       |
| Income taxes receivable                       |        | 37                         |                           |
| Accrued interest receivable                   |        | 1,973                      | 1,117                     |
| Investment securities:                        |        |                            |                           |
| Fair value through profit or loss             | 10     | 51                         | 57                        |
| Fair value through other comprehensive income | 10, 11 | 24,498                     | 23,287                    |
| Amortized cost                                | 10, 11 | 3,814                      | 3,569                     |
| Derivatives                                   |        | 4                          |                           |
| Due from the Government of Canada             | 6      | 779                        | 177                       |
| Loans:  | 12     |                            |                           |
| Fair value through profit or loss             |        | 476                        | 521                       |
| Amortized cost                                |        | 318,807                    | 294,528                   |
| Accounts receivable and other assets          |        | 517                        | 476                       |
| Investment property                           |        | 398                        | 396                       |
| Defined benefit plans asset                   |        | 360                        | 199                       |
| Deferred income tax assets                    |        | 527                        | 423                       |
|   |        | <b>357,522</b>             | <b>327,355</b>            |
| <b>Liabilities</b>                            |        |                            |                           |
| Accounts payable and other liabilities        |        | 1,088                      | 693                       |
| Income taxes payable                          |        | -                          | 229                       |
| Accrued interest payable                      |        | 1,897                      | 1,043                     |
| Derivatives                                   |        | 154                        | 205                       |
| Insurance contract liabilities                | 7      | 9,708                      | 8,455                     |
| Borrowings:                                   | 13     |                            |                           |
| Fair value through profit or loss             |        | 60                         | 148                       |
| Amortized cost                                |        | 325,497                    | 299,325                   |
| Defined benefit plans liability               |        | 177                        | 180                       |
| Unearned premiums and fees                    |        | 3,187                      | 3,043                     |
|   |        | <b>341,768</b>             | <b>313,321</b>            |
| Commitments and contingent liabilities        | 20     |                            |                           |
| <b>Equity of Canada</b>                       | 9      |                            |                           |
| Contributed capital                           |        | 25                         | 25                        |
| Accumulated other comprehensive income (loss) |        | 126                        | (90)                      |
| Reserve fund                                  |        | 130                        | 172                       |
| Retained earnings                             |        | 15,473                     | 13,927                    |
|   |        | <b>15,754</b>              | <b>14,034</b>             |
|   |        | <b>357,522</b>             | <b>327,355</b>            |

The accompanying notes are an integral part of these quarterly consolidated financial statements.

# Consolidated Statement of Income and Comprehensive Income

| <i>(in millions of Canadian dollars)</i>   | Notes | Three months ended<br>30 September |            | Nine months ended<br>30 September |              |
|--|-------|------------------------------------|------------|-----------------------------------|--------------|
|  |       | 2025                               | 2024       | 2025                              | 2024         |
| Interest income  |       | 2,272                              | 2,055      | 6,475                             | 5,956        |
| Interest expense   |       | (2,236)                            | (2,027)    | (6,367)                           | (5,861)      |
| <b>Net interest income</b>   |       | <b>36</b>                          | <b>28</b>  | <b>108</b>                        | <b>95</b>    |
| Insurance revenue  | 7     | 385                                | 256        | 1,014                             | 802          |
| Insurance service expense  |       | (59)                               | (45)       | (120)                             | (90)         |
| <b>Insurance service result</b>  |       | <b>326</b>                         | <b>211</b> | <b>894</b>                        | <b>712</b>   |
| Investment income  |       | 229                                | 198        | 635                               | 559          |
| Net losses on financial instruments  | 14    | (10)                               | (56)       | (102)                             | (162)        |
| Insurance finance expense for contracts issued   |       | (87)                               | (67)       | (253)                             | (189)        |
| <b>Net financial result</b>  |       | <b>132</b>                         | <b>75</b>  | <b>280</b>                        | <b>208</b>   |
| Government funding   | 6     | 575                                | 980        | 3,913                             | 3,688        |
| Housing programs expenses  | 6     | (498)                              | (884)      | (3,678)                           | (3,422)      |
| Premiums and fees earned   |       | 255                                | 236        | 757                               | 695          |
| Operating expenses   |       | (154)                              | (157)      | (462)                             | (496)        |
| Other income (loss)  |       | (2)                                | 1          | (11)                              | (7)          |
| <b>Income before income taxes</b>  |       | <b>670</b>                         | <b>490</b> | <b>1,801</b>                      | <b>1,473</b> |
| Income taxes   | 18    | (177)                              | (124)      | (455)                             | (369)        |
| <b>Net income</b>  |       | <b>493</b>                         | <b>366</b> | <b>1,346</b>                      | <b>1,104</b> |
| <b>Other comprehensive income (loss), net of tax</b>   |       |                                    |            |                                   |              |
| Items that may be subsequently reclassified to net income  |       |                                    |            |                                   |              |
| Net unrealized gains from debt instruments held at fair value through other comprehensive income                                     |       | 116                                | 400        | 242                               | 323          |
| Reclassification of losses (gains) on debt instruments held at fair value through other comprehensive income on disposal in the year |       | (1)                                | 29         | 14                                | 82           |
| Insurance finance expense for contracts issued   |       | (27)                               | (83)       | (40)                              | (52)         |
| <b>Total items that may be subsequently reclassified to net income</b>   |       | <b>88</b>                          | <b>346</b> | <b>216</b>                        | <b>353</b>   |
| <b>Items that will not be subsequently reclassified to net income</b>  |       |                                    |            |                                   |              |
| Remeasurement gains (losses) on defined benefit plans  | 17    | 105                                | (5)        | 158                               | 128          |
| <b>Total other comprehensive income, net of tax</b>  |       | <b>193</b>                         | <b>341</b> | <b>374</b>                        | <b>481</b>   |
| <b>Comprehensive income</b>  |       | <b>686</b>                         | <b>707</b> | <b>1,720</b>                      | <b>1,585</b> |

The accompanying notes are an integral part of these quarterly consolidated financial statements.

# Consolidated Statement of Equity of Canada

| <i>(in millions of Canadian dollars)</i>                      | Notes | Three months ended<br>30 September |               | Nine months ended<br>30 September |               |
|---|-------|------------------------------------|---------------|-----------------------------------|---------------|
|   |       | 2025                               | 2024          | 2025                              | 2024          |
| <b>Contributed capital</b>                                    |       | 25                                 | 25            | 25                                | 25            |
| <b>Accumulated other comprehensive income (loss)</b>          |       |                                    |               |                                   |               |
| Fair value reserve balance at beginning of period             |       | 15                                 | (445)         | (126)                             | (421)         |
| Other comprehensive income (loss) – fair value                |       | 115                                | 429           | 256                               | 405           |
| Fair value reserve balance at end of period                   |       | 130                                | (16)          | 130                               | (16)          |
| Opening insurance finance reserve                             |       | 23                                 | 131           | 36                                | 100           |
| Other comprehensive income (loss) – insurance finance reserve |       | (27)                               | (83)          | (40)                              | (52)          |
| Insurance finance reserve balance at end of period            |       | (4)                                | 48            | (4)                               | 48            |
| <b>Balance at end of period</b>                               |       | <b>126</b>                         | <b>32</b>     | <b>126</b>                        | <b>32</b>     |
| <b>Reserve fund</b>   |       |                                    |               |                                   |               |
| Balance at the beginning of period                            |       | 131                                | 122           | 172                               | 72            |
| Net income (loss)   |       | (1)                                | 30            | (42)                              | 80            |
| <b>Balance at end of period</b>                               |       | <b>130</b>                         | <b>152</b>    | <b>130</b>                        | <b>152</b>    |
| <b>Retained earnings</b>                                      |       |                                    |               |                                   |               |
| Opening retained earnings                                     |       | 14,874                             | 13,318        | 13,927                            | 12,787        |
| Net income  |       | 494                                | 336           | 1,388                             | 1,024         |
| Other comprehensive income (loss)                             |       | 105                                | (5)           | 158                               | 128           |
| Dividends   | 9     | -                                  | -             | -                                 | (290)         |
| <b>Total retained earnings</b>                                |       | <b>15,473</b>                      | <b>13,649</b> | <b>15,473</b>                     | <b>13,649</b> |
| <b>Equity of Canada</b>                                       | 9     | <b>15,754</b>                      | <b>13,858</b> | <b>15,754</b>                     | <b>13,858</b> |

The accompanying notes are an integral part of these quarterly consolidated financial statements.

# Consolidated Statement of Cash Flows

| <i>(in millions of Canadian dollars)</i>                                 | Notes | Three months ended<br>30 September |          | Nine months ended<br>30 September |          |
|--|-------|------------------------------------|----------|-----------------------------------|----------|
|  |       | 2025                               | 2024     | 2025                              | 2024     |
| <b>Cash flows from (used in) operating activities</b>                    |       |                                    |          |                                   |          |
| Net income   |       | 493                                | 366      | 1,346                             | 1,104    |
| Adjustments to determine net cash flows from operating activities        |       |                                    |          |                                   |          |
| Amortization of premiums and discounts on financial instruments          |       | (2)                                | (22)     | (46)                              | (45)     |
| Net losses (gains) on financial instruments                              |       | (101)                              | 60       | 159                               | 9        |
| Capitalized interest on loans  | 12    | (47)                               | (34)     | (127)                             | (98)     |
| Deferred income taxes  | 18    | (105)                              | (26)     | (147)                             | (145)    |
| Depreciation, amortization and impairment of fixed and intangible assets |       | 8                                  | 9        | 26                                | 28       |
| Changes in operating assets and liabilities                              |       |                                    |          |                                   |          |
| Derivatives  |       | 115                                | (6)      | (55)                              | 165      |
| Accrued interest receivable  |       | (841)                              | (586)    | (856)                             | (787)    |
| Due from the Government of Canada  |       | (111)                              | (125)    | (546)                             | (299)    |
| Accounts receivable and other assets                                     |       | (5)                                | 6        | (18)                              | 18       |
| Accounts payable and other liabilities                                   |       | (114)                              | 333      | 408                               | 493      |
| Income taxes payable/receivable  |       | 94                                 | (94)     | (337)                             | (549)    |
| Accrued interest payable   |       | 814                                | 566      | 854                               | 781      |
| Insurance contract liabilities   |       | 455                                | 361      | 1,136                             | 741      |
| Defined benefit plans  |       | 8                                  | 8        | 23                                | 20       |
| Unearned premiums and fees   |       | 70                                 | 76       | 144                               | 145      |
| Other  |       | (1)                                | 6        | -                                 | 6        |
| Loans  | 12    |                                    |          |                                   |          |
| Repayments   |       | 2,334                              | 5,706    | 25,070                            | 29,021   |
| Disbursements  |       | (16,760)                           | (15,797) | (49,131)                          | (49,427) |
| Borrowings   | 13    |                                    |          |                                   |          |
| Repayments   |       | (5,743)                            | (10,746) | (36,818)                          | (42,341) |
| Issuances  |       | 20,859                             | 20,979   | 62,325                            | 63,342   |
|  |       | 1,420                              | 1,040    | 3,410                             | 2,182    |
| <b>Cash flows from (used in) investing activities</b>                    |       |                                    |          |                                   |          |
| Investment securities  |       |                                    |          |                                   |          |
| Sales and maturities   |       | 13,105                             | 2,634    | 20,287                            | 8,698    |
| Purchases  |       | (12,344)                           | (4,419)  | (20,954)                          | (10,631) |
| Foreign currency forward contract maturities                             |       |                                    |          |                                   |          |
| Receipts   |       | 119                                | 114      | 378                               | 256      |
| Disbursements  |       | (166)                              | (86)     | (400)                             | (233)    |
| Investment property  |       |                                    |          |                                   |          |
| Additions  |       | -                                  | -        | (2)                               | -        |
| Securities purchased under resale agreements                             |       | (356)                              | (301)    | (275)                             | (401)    |
| Property and equipment and intangible asset acquisitions                 |       | (22)                               | (8)      | (43)                              | (34)     |
|  |       | 336                                | (2,066)  | (1,009)                           | (2,345)  |
| <b>Cash flows used in financing activities</b>                           |       |                                    |          |                                   |          |
| Dividends paid   |       |                                    | -        |                                   | (290)    |
| Change in cash and cash equivalents                                      |       | 1,756                              | (1,026)  | 2,401                             | (453)    |
| <b>Cash and cash equivalents</b>   |       |                                    |          |                                   |          |
| Beginning of period  |       | 2,300                              | 2,512    | 1,655                             | 1,939    |
| End of period  |       | 4,056                              | 1,486    | 4,056                             | 1,486    |
| <b>Represented by</b>  |       |                                    |          |                                   |          |
| Cash   |       | 69                                 | 136      | 69                                | 136      |
| Cash equivalents   |       | 3,987                              | 1,350    | 3,987                             | 1,350    |
|  |       | 4,056                              | 1,486    | 4,056                             | 1,486    |
| <b>Supplementary disclosure of cash flows from operating activities</b>  |       |                                    |          |                                   |          |
| Amount of interest received during the period                            |       | 1,691                              | 1,669    | 6,285                             | 5,933    |
| Amount of interest paid during the period                                |       | 1,524                              | 1,534    | 5,742                             | 5,479    |
| Amount of income taxes paid during the period                            |       | 181                                | 231      | 926                               | 1,051    |

The accompanying notes are an integral part of these quarterly consolidated financial statements.

# Notes to Unaudited Quarterly Consolidated Financial Statements

## 1. Corporate Information

Canada Mortgage and Housing Corporation (CMHC, we, or us) was established in Canada as a Crown corporation in 1946 by the *Canada Mortgage and Housing Corporation Act* (CMHC Act) to carry out the provisions of the *National Housing Act* (NHA). We are also subject to Part X of the *Financial Administration Act* by virtue of being listed in Part 1 of Schedule III, wholly owned by the Government of Canada (Government), and an agent Crown corporation. Our National Office is located at 700 Montreal Road, Ottawa, Ontario, Canada, K1A 0P7.

These unaudited quarterly consolidated financial statements are as at and for the three and nine months ended 30 September 2025 and were approved and authorized for issue by our Audit Committee on 13 November 2025.

## 2. Basis of Preparation and Material Accounting Policy Information

The unaudited quarterly consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* (IAS 34) and do not include all information required for full annual consolidated financial statements. We follow the same accounting policies and methods of application as disclosed in Note 2 of the consolidated financial statements for the year ended 31 December 2024 and these unaudited quarterly consolidated financial statements should be read in conjunction with those financial statements.

### Seasonality

We have concluded that our business is not highly seasonal in accordance with IAS 34; however, we are exposed to some seasonal variation. Premiums received for some insurance products vary each quarter with the seasonality in housing markets. Variations are driven by the level of mortgage originations and related mortgage insurance policies written, which, for purchase transactions, typically peak in the spring and summer months. Insurance claims vary from quarter to quarter primarily as the result of prevailing economic conditions as well as the characteristics of the insurance-in-force portfolio, such as size and age. In the Securitization Activity, guarantee fees received on NHA MBS are generally higher in the last quarter of the year as more issuers guarantee higher fee pools above the Tier 1 threshold as they manage their liquidity and capital requirements. In the Housing Programs Activity, there are typically higher volumes in the first quarter of each year as this is the Government of Canada's fiscal year end.

### 3. Current and Future Accounting Changes

#### Current accounting changes

There were no new or amended standards issued by the International Accounting Standards Board (IASB) that we adopted during the period that had a material impact on our unaudited quarterly consolidated financial statements.

#### Future accounting changes

##### ***IFRS 18 Presentation and Disclosure in Financial Statements – effective date of 1 January 2027***

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18), which will replace IAS 1 *Presentation of Financial Statements*.

The objective of IFRS 18 is to improve how information is communicated in the financial statements, with a focus on information in the consolidated statement of income and comprehensive income.

IFRS 18 will include requirements for additional defined subtotals in the consolidated statement of income and comprehensive income (categorizing the results between operating, investing, and financing), disclosures about management performance measures, and strengthened requirements for aggregation and disaggregation of information.

We have not yet assessed the impact on our consolidated financial statements.

##### ***Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 – effective date of 1 January 2026***

In May 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9 Financial Instruments and IFRS 7 *Financial Instruments Disclosures*. The objective of the amendments is to address diversity in accounting practice by making the requirements more understandable and consistent.

The amendments include changes to classification and measurement requirements under IFRS 9 for the de-recognition of financial liabilities and additional guidance to assess the contractual cash flow characteristics of financial assets with environmental, social and governance (ESG)-linked, non-recourse and contractually linked features. The proposed amendments to IFRS 7 include additional disclosure requirements for investments in equity instruments held at FVOCI and financial instruments with contingent events.

We are assessing the impact on the consolidated financial statements.

## 4. Critical Judgments in Applying Accounting Policies and Making Estimates

### Use of estimates

The preparation of financial statements in accordance with IFRS requires various judgments, estimates and assumptions, that can significantly affect the amounts recognized in the financial statements. Actual results may differ from these estimates. Where these differ, the impact will be recorded in future periods. We have disclosed in Note 4 of our 31 December 2024 consolidated financial statements, the key assumptions concerning the future and other important sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year. Notable changes to the key estimates are reflected below.

### Estimation Uncertainty

The related economic and market uncertainties including enacted trade tariffs, have caused a heightened level of estimation uncertainty for CMHC. Our 30 September 2025 financial results are based on information about these market conditions that were reasonably available at the balance sheet date, and therefore, do not reflect subsequent changes in these market conditions.

Given the higher market uncertainty, we have updated our macroeconomic assumptions to reflect a greater probability of default over the next 12 months. Despite these changes, the resulting increases in our expected credit losses on debt securities and loans have been insignificant. Refer to the discussion below on expected credit losses.

In relation to the Mortgage Insurance Activity the enacted trade tariffs have not led to significant increases in the unemployment rate or decreases in house prices. Therefore, we have not seen significant increases in our arrears or our liability for incurred claims or a higher present value of future claims or a lower contractual service margin.

We generally expect forward looking volatility in these estimates to be higher than recent quarters and may change from quarter to quarter.

### Insurance contract liabilities

Insurance contract liabilities are estimated using deterministic cashflow models that consider a range of possible economic conditions.

The following table sets out the weighted average percentage used for key insurance contract liability assumptions:

|                                       | 30 September 2025 | 31 December 2024 |
|---------------------------------------|-------------------|------------------|
| Claim frequency <sup>1</sup>          | 0.8%              | 0.8%             |
| Claim severity <sup>2</sup>           | 47.8%             | 45.2%            |
| Unemployment rate <sup>3</sup>        | 6.1%              | 5.9%             |
| Repeat-sales price index <sup>3</sup> | 551               | 509              |

<sup>1</sup> The weighted average assumption includes the weighted average arrears, claims, termination and cure rate. Reflects the probability of a loan going from healthy to claim during its life.

<sup>2</sup> Reflects net claim, including expenses as a percentage of the insured loan amount, when a loan defaults.

<sup>3</sup> Refers to national ten-year average projected rates.

## Risk adjustment

We target an overall risk adjustment confidence level for both the LRC and LIC to be within the range of 85%-90%. As at September 30, 2025, the risk adjustment for our insurance contracts corresponds to a 87% confidence level (87% at December 31, 2024) for LRC and LIC combined.

## Discount rate

The weighted average discount rates applied for discounting of future cash flows as at 30 September 2025 and 31 December 2024 are listed below:

### Portfolio duration

|                | 1–5 years |      | 5–10 years |      | 10–15 years |      | 15–20 years |      | 20–25 years |      | over 25 years |      |
|----------------|-----------|------|------------|------|-------------|------|-------------|------|-------------|------|---------------|------|
|                | 2025      | 2024 | 2025       | 2024 | 2025        | 2024 | 2025        | 2024 | 2025        | 2024 | 2025          | 2024 |
| Discount rates | 3.6%      | 4.0% | 4.3%       | 4.5% | 4.9%        | 4.9% | 5.2%        | 5.1% | 5.3%        | 5.1% | 5.2%          | 5.0% |

## Mortgage Insurer Capital Adequacy Test (MICAT)

Insurance-in-force (IIF) is a key input in determining our MICAT ratio and is subject to estimation. Due to availability of data, IIF used in the MICAT is the higher of 1) a projection reflecting an estimate of new business, terminations and claims from our most recent previous quarter-end; and 2) our actual IIF as reported by lenders for the previous quarter-end. Changes in underwriting requirements, regulatory environment and market trends can add volatility to our estimate.

## Expected credit losses

Our methodology for the estimation of expected credit losses (ECL) on debt securities classified as amortized cost or FVOCI and our loans at amortized cost includes different economic scenarios (baseline, optimistic and pessimistic) that are based on forecasted macro-economic inputs published by third parties and reviewed and approved by our Deputy Chief Economist. The significant inputs to the ECL model include forecasted Canadian and US equity markets, unemployment rates, credit spreads, oil price and volatility index (VIX). We assign a weight to the different scenarios for the purpose of calculating the ECL provisions. The appropriate weight assigned to each economic scenario is determined by our Deputy Chief Economist. The ECL at 30 September 2025 were calculated using a 30% weighting to the pessimistic scenario, 55% weighting to the baseline and 15% weight to the optimistic scenario (31 December 2024 – 40% pessimistic, 45% baseline and 15% optimistic). The revised macroeconomic assumptions, reflect a higher probability of losses in the next 12 months when compared to 31 December 2024. See Notes 11 and 12 for more information on expected credit losses.

## 5. Segmented Information

The unaudited quarterly consolidated financial statements include the Housing Programs (HP), Mortgage Insurance (MI) and Securitization (SEC) segments, each of which provide different products and programs in support of our objectives. We include the accounts for Canada Housing Trust (CHT), a separate legal entity, within the Securitization reportable segment. We determine the financial results of each segment using the accounting policies described in Note 2 of our audited consolidated financial statements for the year ended 31 December 2024. For all segments, revenues are attributed to, and assets are located in, Canada.

We generate revenues for the reportable segments as follows:

- Housing Programs revenues include government funding and interest income on loans and investments;
- Mortgage Insurance revenues include insurance revenues, premiums, fees and investment income; and
- Securitization revenues include guarantee and application fees, investment income and interest income on loans.

## Three months ended 30 September

| <i>(in millions)</i>                               | Housing Programs Activity |             | Mortgage Insurance Activity |            | Securitization Activity |            | Eliminations |             | Total      |            |
|--|---------------------------|-------------|-----------------------------|------------|-------------------------|------------|--------------|-------------|------------|------------|
|  | 2025                      | 2024        | 2025                        | 2024       | 2025                    | 2024       | 2025         | 2024        | 2025       | 2024       |
| Interest income                                    | 234                       | 188         | -                           | -          | 2,038                   | 1,868      | -            | (1)         | 2,272      | 2,055      |
| Interest expense                                   | (201)                     | (164)       | -                           | -          | (2,036)                 | (1,867)    | 1            | 4           | (2,236)    | (2,027)    |
| <b>Net interest income</b>                         | <b>33</b>                 | <b>24</b>   | <b>-</b>                    | <b>-</b>   | <b>2</b>                | <b>1</b>   | <b>1</b>     | <b>3</b>    | <b>36</b>  | <b>28</b>  |
| Insurance revenue                                  | -                         | -           | 385                         | 256        | -                       | -          | -            | -           | 385        | 256        |
| Insurance service expense                          | -                         | -           | (59)                        | (45)       | -                       | -          | -            | -           | (59)       | (45)       |
| <b>Insurance service result</b>                    | <b>-</b>                  | <b>-</b>    | <b>326</b>                  | <b>211</b> | <b>-</b>                | <b>-</b>   | <b>-</b>     | <b>-</b>    | <b>326</b> | <b>211</b> |
| Investment income (losses)                         | -                         | -           | 194                         | 172        | 35                      | 30         | -            | (4)         | 229        | 198        |
| Net gains (losses) on financial instruments        | (21)                      | (24)        | 6                           | (34)       | -                       | 1          | 5            | 1           | (10)       | (56)       |
| Insurance finance expense for contracts issued     | -                         | -           | (87)                        | (67)       | -                       | -          | -            | -           | (87)       | (67)       |
| <b>Net financial result</b>                        | <b>(21)</b>               | <b>(24)</b> | <b>113</b>                  | <b>71</b>  | <b>35</b>               | <b>31</b>  | <b>5</b>     | <b>(3)</b>  | <b>132</b> | <b>75</b>  |
| Government funding                                 | 575                       | 980         | -                           | -          | -                       | -          | -            | -           | 575        | 980        |
| Housing programs expenses                          | (498)                     | (884)       | -                           | -          | -                       | -          | -            | -           | (498)      | (884)      |
| Premiums and fees earned                           | -                         | -           | 11                          | 10         | 244                     | 226        | -            | -           | 255        | 236        |
| Operating expenses                                 | (89)                      | (94)        | (49)                        | (49)       | (16)                    | (14)       | -            | -           | (154)      | (157)      |
| Other income (loss)                                | -                         | -           | (2)                         | (1)        | -                       | 2          | -            | -           | (2)        | 1          |
| <b>Income before income taxes</b>                  | <b>-</b>                  | <b>2</b>    | <b>399</b>                  | <b>242</b> | <b>265</b>              | <b>246</b> | <b>6</b>     | <b>-</b>    | <b>670</b> | <b>490</b> |
| Income taxes                                       | (6)                       | (3)         | (102)                       | (60)       | (67)                    | (61)       | (2)          | -           | (177)      | (124)      |
| <b>Net income</b>                                  | <b>(6)</b>                | <b>(1)</b>  | <b>297</b>                  | <b>182</b> | <b>198</b>              | <b>185</b> | <b>4</b>     | <b>-</b>    | <b>493</b> | <b>366</b> |
| Other comprehensive income (loss)                  | 52                        | (2)         | 117                         | 278        | 25                      | 76         | (1)          | (11)        | 193        | 341        |
| <b>Comprehensive income (loss)</b>                 | <b>46</b>                 | <b>(3)</b>  | <b>414</b>                  | <b>460</b> | <b>223</b>              | <b>261</b> | <b>3</b>     | <b>(11)</b> | <b>686</b> | <b>707</b> |
| Total revenues and government funding <sup>1</sup> | 587                       | 980         | 448                         | 291        | 281                     | 260        | 6            | -           | 1,322      | 1,531      |
| Less Inter-segment income (loss) <sup>2</sup>      | -                         | 1           | (5)                         | 3          | (1)                     | (4)        | 6            | -           | -          | -          |
| External revenues and government funding           | 587                       | 979         | 453                         | 288        | 282                     | 264        | -            | -           | 1,322      | 1,531      |

<sup>1</sup> Includes net interest income, insurance service result, net financial result, government funding, premiums and fees earned and other income.

<sup>2</sup> Inter-segment income (loss) relates to the following:

- Housing Programs recognizes interest income from investing in holdings of CMB;
- Mortgage Insurance recognizes investment income from investing in holdings of CMB; and
- Within Securitization CHT recognizes interest expense on CMB held by Housing Programs and Mortgage Insurance.

## Nine months ended 30 September

| (in millions)                                      | Housing Programs Activity |             | Mortgage Insurance Activity |            | Securitization Activity |            | Eliminations |             | Total        |              |
|--|---------------------------|-------------|-----------------------------|------------|-------------------------|------------|--------------|-------------|--------------|--------------|
|  | 2025                      | 2024        | 2025                        | 2024       | 2025                    | 2024       | 2025         | 2024        | 2025         | 2024         |
| Interest income                                    | 651                       | 532         | -                           | -          | 5,824                   | 5,426      | -            | (2)         | 6,475        | 5,956        |
| Interest expense                                   | (560)                     | (456)       | -                           | -          | (5,815)                 | (5,418)    | 8            | 13          | (6,367)      | (5,861)      |
| <b>Net interest income</b>                         | <b>91</b>                 | <b>76</b>   | <b>-</b>                    | <b>-</b>   | <b>9</b>                | <b>8</b>   | <b>8</b>     | <b>11</b>   | <b>108</b>   | <b>95</b>    |
| Insurance revenue                                  | -                         | -           | 1,014                       | 802        | -                       | -          | -            | -           | 1,014        | 802          |
| Insurance service expense                          | -                         | -           | (120)                       | (90)       | -                       | -          | -            | -           | (120)        | (90)         |
| <b>Insurance service result</b>                    | <b>-</b>                  | <b>-</b>    | <b>894</b>                  | <b>712</b> | <b>-</b>                | <b>-</b>   | <b>-</b>     | <b>-</b>    | <b>894</b>   | <b>712</b>   |
| Investment income (losses)                         | -                         | -           | 543                         | 485        | 101                     | 84         | (9)          | (10)        | 635          | 559          |
| Net gains (losses) on financial instruments        | (62)                      | (60)        | (48)                        | (87)       | -                       | (17)       | 8            | 2           | (102)        | (162)        |
| Insurance finance expense for contracts issued     | -                         | -           | (253)                       | (189)      | -                       | -          | -            | -           | (253)        | (189)        |
| <b>Net financial result</b>                        | <b>(62)</b>               | <b>(60)</b> | <b>242</b>                  | <b>209</b> | <b>101</b>              | <b>67</b>  | <b>(1)</b>   | <b>(8)</b>  | <b>280</b>   | <b>208</b>   |
| Government funding                                 | 3,913                     | 3,688       | -                           | -          | -                       | -          | -            | -           | 3,913        | 3,688        |
| Housing programs expenses                          | (3,678)                   | (3,422)     | -                           | -          | -                       | -          | -            | -           | (3,678)      | (3,422)      |
| Premiums and fees earned                           | -                         | -           | 31                          | 29         | 726                     | 666        | -            | -           | 757          | 695          |
| Operating expenses                                 | (260)                     | (300)       | (151)                       | (147)      | (51)                    | (49)       | -            | -           | (462)        | (496)        |
| Other income                                       | (1)                       | -           | (15)                        | (14)       | 5                       | 7          | -            | -           | (11)         | (7)          |
| <b>Income before income taxes</b>                  | <b>3</b>                  | <b>(18)</b> | <b>1,001</b>                | <b>789</b> | <b>790</b>              | <b>699</b> | <b>7</b>     | <b>3</b>    | <b>1,801</b> | <b>1,473</b> |
| Income taxes                                       | (5)                       | 1           | (250)                       | (195)      | (198)                   | (174)      | (2)          | (1)         | (455)        | (369)        |
| <b>Net income</b>                                  | <b>(2)</b>                | <b>(17)</b> | <b>751</b>                  | <b>594</b> | <b>592</b>              | <b>525</b> | <b>5</b>     | <b>2</b>    | <b>1,346</b> | <b>1,104</b> |
| Other comprehensive income (loss)                  | 78                        | 63          | 267                         | 357        | 34                      | 73         | (5)          | (12)        | 374          | 481          |
| <b>Comprehensive income (loss)</b>                 | <b>76</b>                 | <b>46</b>   | <b>1,018</b>                | <b>951</b> | <b>626</b>              | <b>598</b> | <b>-</b>     | <b>(10)</b> | <b>1,720</b> | <b>1,585</b> |
| Total revenues and government funding <sup>1</sup> | 3,941                     | 3,704       | 1,152                       | 936        | 841                     | 748        | 7            | 3           | 5,941        | 5,391        |
| Less Inter-segment income (loss) <sup>2</sup>      | -                         | 2           | 1                           | 8          | (8)                     | (13)       | 7            | 3           | -            | -            |
| External revenues and government funding           | 3,941                     | 3,702       | 1,151                       | 928        | 849                     | 761        | -            | -           | 5,941        | 5,391        |

<sup>1</sup> Includes net interest income, insurance service result, net financial result, government funding, premiums and fees earned and other income.

<sup>2</sup> Inter-segment income (loss) relates to the following:

- Housing Programs recognizes interest income from investing in holdings of CMB;
- Mortgage Insurance recognizes investment income from investing in holdings of CMB; and
- Within Securitization, CHT recognizes interest expense on CMB held by Housing Programs and Mortgage Insurance.

## As at 30 September 2025 and 31 December 2024

| (in millions)                                 | Housing Programs Activity |               | Mortgage Insurance Activity |               | Securitization Activity |                | Eliminations <sup>1</sup> |              | Total          |                |
|---|---------------------------|---------------|-----------------------------|---------------|-------------------------|----------------|---------------------------|--------------|----------------|----------------|
|   | 2025                      | 2024          | 2025                        | 2024          | 2025                    | 2024           | 2025                      | 2024         | 2025           | 2024           |
| <b>Assets</b>                                 |                           |               |                             |               |                         |                |                           |              |                |                |
| Cash and cash equivalents                     | 2,138                     | 1,388         | 1,917                       | 262           | 1                       | 5              | -                         | -            | 4,056          | 1,655          |
| Securities purchased under resale agreements  | 1,225                     | 950           | -                           | -             | -                       | -              | -                         | -            | 1,225          | 950            |
| Income taxes receivable                       | (8)                       |               | 84                          |               | (39)                    |                | -                         | -            | 37             | -              |
| Accrued interest receivable                   | 67                        | 74            | 173                         | 123           | 1,733                   | 921            | -                         | (1)          | 1,973          | 1,117          |
| Investment securities:                        |                           |               |                             |               |                         |                |                           |              |                |                |
| Fair value through profit or loss             | -                         | -             | 51                          | 57            | -                       | -              | -                         | -            | 51             | 57             |
| Fair value through other comprehensive income | -                         | -             | 19,418                      | 19,298        | 5,080                   | 4,499          | -                         | (510)        | 24,498         | 23,287         |
| Amortized cost                                | 3,814                     | 3,644         | -                           | -             | -                       | -              | -                         | (75)         | 3,814          | 3,569          |
| Derivatives                                   | -                         | -             | 4                           | -             | -                       | -              | -                         | -            | 4              | -              |
| Due from the Government of Canada             | 779                       | 177           | -                           | -             | -                       | -              | -                         | -            | 779            | 177            |
| Loans:  |                           |               |                             |               |                         |                |                           |              |                |                |
| Fair value through profit or loss             | 457                       | 502           | 19                          | 19            | -                       | -              | -                         | -            | 476            | 521            |
| Amortized cost                                | 20,017                    | 16,713        | 20                          | 24            | 298,770                 | 277,791        | -                         | -            | 318,807        | 294,528        |
| Accounts receivable and other assets          | -                         | 90            | 288                         | 265           | 229                     | 121            | -                         | -            | 517            | 476            |
| Investment property                           | 398                       | 396           | -                           | -             | -                       | -              | -                         | -            | 398            | 396            |
| Defined benefit plans asset                   | 153                       | 85            | 195                         | 107           | 12                      | 7              | -                         | -            | 360            | 199            |
| Deferred income tax assets                    | (84)                      | (106)         | 604                         | 511           | 5                       | 16             | 2                         | 2            | 527            | 423            |
|   | <b>28,956</b>             | <b>23,913</b> | <b>22,773</b>               | <b>20,666</b> | <b>305,791</b>          | <b>283,360</b> | <b>2</b>                  | <b>(584)</b> | <b>357,522</b> | <b>327,355</b> |
| <b>Liabilities</b>                            |                           |               |                             |               |                         |                |                           |              |                |                |
| Accounts payable and other liabilities        | 926                       | 530           | 126                         | 115           | 36                      | 48             | -                         | -            | 1,088          | 693            |
| Income taxes payable                          | -                         | 3             | -                           | 204           | -                       | 22             | -                         | -            | -              | 229            |
| Accrued interest payable                      | 194                       | 147           | -                           | -             | 1,703                   | 897            | -                         | (1)          | 1,897          | 1,043          |
| Derivatives                                   | 78                        | 70            | 76                          | 135           | -                       | -              | -                         | -            | 154            | 205            |
| Insurance contract liabilities                | -                         | -             | 9,708                       | 8,455         | -                       | -              | -                         | -            | 9,708          | 8,455          |
| Borrowings:                                   |                           |               |                             |               |                         |                |                           |              |                |                |
| Fair value through profit or loss             | 60                        | 148           | -                           | -             | -                       | -              | -                         | -            | 60             | 148            |
| Amortized cost                                | 26,729                    | 22,121        | -                           | -             | 298,770                 | 277,791        | (2)                       | (587)        | 325,497        | 299,325        |
| Defined benefit plans liability               | 76                        | 77            | 95                          | 97            | 6                       | 6              | -                         | -            | 177            | 180            |
| Unearned premiums and fees                    | -                         | -             | 473                         | 383           | 2,714                   | 2,660          | -                         | -            | 3,187          | 3,043          |
|   | <b>28,063</b>             | <b>23,096</b> | <b>10,478</b>               | <b>9,389</b>  | <b>303,229</b>          | <b>281,424</b> | <b>(2)</b>                | <b>(588)</b> | <b>341,768</b> | <b>313,321</b> |
| <b>Equity of Canada</b>                       | <b>893</b>                | <b>817</b>    | <b>12,295</b>               | <b>11,277</b> | <b>2,562</b>            | <b>1,936</b>   | <b>4</b>                  | <b>4</b>     | <b>15,754</b>  | <b>14,034</b>  |
|   | <b>28,956</b>             | <b>23,913</b> | <b>22,773</b>               | <b>20,666</b> | <b>305,791</b>          | <b>283,360</b> | <b>2</b>                  | <b>(584)</b> | <b>357,522</b> | <b>327,355</b> |

<sup>1</sup> The balance sheet eliminations remove inter-segment holdings of CMB and inter-segment receivables/payables.

## 6. Government Funding and Housing Programs Expenses

We used government funding to administer housing programs and operating expenses, as shown by core responsibility.

| <i>(in millions)</i>                                    | Three months ended 30 September |              | Nine months ended 30 September |              |
|---|---------------------------------|--------------|--------------------------------|--------------|
|   | 2025                            | 2024         | 2025                           | 2024         |
| Assistance for housing needs                            | 317                             | 708          | 1,844                          | 2,106        |
| Financing for housing                                   | 284                             | 273          | 1,117                          | 1,103        |
| Housing expertise and capacity development              | 27                              | 59           | 1,094                          | 648          |
| <b>Total</b>  | <b>628</b>                      | <b>1,040</b> | <b>4,055</b>                   | <b>3,857</b> |
| Net change in government funding deferred in the period | (53)                            | (60)         | (142)                          | (169)        |
| <b>Total government funding recognized<sup>1</sup></b>  | <b>575</b>                      | <b>980</b>   | <b>3,913</b>                   | <b>3,688</b> |
| Operating expenses                                      | (81)                            | (95)         | (235)                          | (290)        |
| Expected credit loss (recovery)                         | 4                               | (3)          | -                              | 19           |
| Capital expenditures <sup>2</sup>                       | -                               | 2            | -                              | 5            |
| <b>Total housing programs expenses recognized</b>       | <b>498</b>                      | <b>884</b>   | <b>3,678</b>                   | <b>3,422</b> |

<sup>1</sup> Total government funding recognized does not include gains resulting from below market rate funds borrowed under the Crown Borrowing Program, which are recognized in net gains (losses) on financial instruments. These gains totaled \$32 million and \$95 million for the three and nine months ended 30 September 2025 (three and nine months ended 30 September 2024 – \$38 million and \$106 million).

<sup>2</sup> Relates to housing programs expenses in which the appropriations are deducted from the carrying amount of the related capital expenditures.

The following table presents the change in the due from (to) the Government of Canada account. The outstanding balance as at 30 September 2025 is mainly composed of Housing Programs expenses incurred but not yet reimbursed.

| <i>(in millions)</i>   | As at 30 September 2025 | As at 31 December 2024 |
|--|-------------------------|------------------------|
| Balance at beginning of the year                                       | 177                     | 240                    |
| Total government funding   | 4,055                   | 4,832                  |
| Government funding received during the period                          | (3,439)                 | (4,885)                |
| Third party remittances from (owing to) the Government of Canada       | (20)                    | (14)                   |
| <b>Balance at end of period before prior/future period adjustments</b> | <b>773</b>              | <b>173</b>             |
| Net change in One-time top-up to the Canada Housing Benefit advances   | -                       | 24                     |
| Net change in prior period adjustments                                 | 6                       | (20)                   |
| <b>Balance at end of period</b>  | <b>779</b>              | <b>177</b>             |

## 7. Mortgage Insurance

### Overview of insurance contracts

The following table presents the insurance contract liabilities by portfolio at period end.

| <i>(in millions)</i>                        | As at 30 September 2025 | As at 31 December 2024 |
|---|-------------------------|------------------------|
| <b>Insurance contracts</b>                  |                         |                        |
| Transactional homeowner                     | 3,622                   | 3,312                  |
| Portfolio                                   | 91                      | 103                    |
| Multi-unit residential                      | 5,995                   | 5,040                  |
| <b>Total insurance contract liabilities</b> | <b>9,708</b>            | <b>8,455</b>           |

### Insurance contracts by remaining coverage and incurred claims

The following tables present the reconciliation of insurance contract liabilities by LRC and LIC.

#### As at 30 September 2025

| <i>(in millions)</i>   | LRC            | LIC         | Total          |
|--|----------------|-------------|----------------|
| <b>Insurance contract liabilities at beginning of year</b>                                   | <b>8,204</b>   | <b>251</b>  | <b>8,455</b>   |
| <b>Insurance revenue</b>   |                |             |                |
| Contracts under the fair value approach  | (343)          | -           | (343)          |
| Other contracts  | (671)          | -           | (671)          |
|  | <b>(1,014)</b> | <b>-</b>    | <b>(1,014)</b> |
| <b>Insurance service expenses</b>  |                |             |                |
| Incurred claims and other insurance expenses   | -              | 229         | 229            |
| Amortization of insurance acquisition cash flows   | 52             | -           | 52             |
| Changes to the liabilities for incurred claims   | -              | (161)       | (161)          |
|  | <b>52</b>      | <b>68</b>   | <b>120</b>     |
| <b>Insurance service result</b>  | <b>(962)</b>   | <b>68</b>   | <b>(894)</b>   |
| Insurance finance expenses   | 298            | 9           | 307            |
| <b>Total changes in the statement of income and comprehensive income before income taxes</b> | <b>(664)</b>   | <b>77</b>   | <b>(587)</b>   |
| <b>Cash flows</b>  |                |             |                |
| Premiums received  | 1,992          | -           | 1,992          |
| Claims and other insurance service expense paid  | -              | (20)        | (20)           |
| Insurance acquisition cash flows   | (132)          | -           | (132)          |
| <b>Total cash flows</b>  | <b>1,860</b>   | <b>(20)</b> | <b>1,840</b>   |
| <b>Insurance contract liabilities at end of period</b>                                       | <b>9,400</b>   | <b>308</b>  | <b>9,708</b>   |

**As at 31 December 2024**

| <i>(in millions)</i>   | <b>LRC</b>     | <b>LIC</b>  | <b>Total</b>   |
|--|----------------|-------------|----------------|
| <b>Insurance contract liabilities at beginning of year</b>                                   | <b>6,876</b>   | <b>203</b>  | <b>7,079</b>   |
| <b>Insurance revenue</b>   |                |             |                |
| Contracts under the fair value approach  | (464)          | -           | (464)          |
| Other contracts  | (623)          | -           | (623)          |
|  | <b>(1,087)</b> | <b>-</b>    | <b>(1,087)</b> |
| <b>Insurance service expenses</b>  |                |             |                |
| Incurred claims and other insurance expenses   | -              | 193         | 193            |
| Amortization of insurance acquisition cash flows   | 51             | -           | 51             |
| Changes to the liabilities for incurred claims   | -              | (107)       | (107)          |
|  | <b>51</b>      | <b>86</b>   | <b>137</b>     |
| <b>Insurance service result</b>  | <b>(1,036)</b> | <b>86</b>   | <b>(950)</b>   |
| Insurance finance expenses   | 337            | 11          | 348            |
| <b>Total changes in the statement of income and comprehensive income before income taxes</b> | <b>(699)</b>   | <b>97</b>   | <b>(602)</b>   |
| <b>Cash flows</b>  |                |             |                |
| Premiums received  | 2,155          | -           | 2,155          |
| Claims and other insurance service expense paid  | -              | (49)        | (49)           |
| Insurance acquisition cash flows   | (128)          | -           | (128)          |
| <b>Total cash flows</b>  | <b>2,027</b>   | <b>(49)</b> | <b>1,978</b>   |
| <b>Insurance contract liabilities at end of period</b>                                       | <b>8,204</b>   | <b>251</b>  | <b>8,455</b>   |

As at 30 September 2025 there were nil loss components (31 December 2024 – nil).

## Insurance contracts by measurement components

The following tables present the reconciliation of insurance contract liabilities by measurement component.

As at 30 September 2025

| <i>(in millions)</i>   | Present value of future cash flows | Risk adjustment for non-financial risk | CSM                                     |                 | Total        |
|--|------------------------------------|--|---|-----------------|--------------|
|  |                                    |  | Contracts under the fair value approach | Other contracts |              |
| <b>Insurance contract liabilities at beginning of year</b>                                   | <b>1,614</b>                       | <b>1,322</b>                           | <b>2,144</b>                            | <b>3,375</b>    | <b>8,455</b> |
| <b>Changes that relate to current services</b>   |                                    |  |   |                 |              |
| CSM recognized for services provided   | -                                  | -                                      | (240)                                   | (396)           | (636)        |
| Change in the risk adjustment for non-financial risk   | -                                  | (93)                                   | -                                       | -               | (93)         |
| Experience adjustments   | (4)                                | -                                      | -                                       | -               | (4)          |
| <b>Changes that relate to future services</b>  |                                    |  |   |                 |              |
| Contracts initially recognized in the period   | (1,499)                            | 425                                    | -                                       | 1,074           | -            |
| Changes in estimates that adjust the CSM   | (91)                               | 153                                    | 29                                      | (91)            | -            |
| <b>Changes that relate to past services</b>  |                                    |  |   |                 |              |
| Changes to the liabilities for incurred claims   | (110)                              | (51)                                   | -                                       | -               | (161)        |
| <b>Insurance service result</b>  | <b>(1,704)</b>                     | <b>434</b>                             | <b>(211)</b>                            | <b>587</b>      | <b>(894)</b> |
| Insurance finance expenses   | 80                                 | 70                                     | 42                                      | 115             | 307          |
| <b>Total changes in the statement of income and comprehensive income before income taxes</b> | <b>(1,624)</b>                     | <b>504</b>                             | <b>(169)</b>                            | <b>702</b>      | <b>(587)</b> |
| <b>Cash flows</b>  |                                    |  |   |                 |              |
| Premiums received  | 1,992                              | -                                      | -                                       | -               | 1,992        |
| Claims and other insurance service expense paid  | (20)                               | -                                      | -                                       | -               | (20)         |
| Insurance acquisition cash flows   | (132)                              | -                                      | -                                       | -               | (132)        |
| <b>Total cash flows</b>  | <b>1,840</b>                       | <b>-</b>                               | <b>-</b>                                | <b>-</b>        | <b>1,840</b> |
| <b>Insurance contract liabilities at end of period</b>                                       | <b>1,830</b>                       | <b>1,826</b>                           | <b>1,975</b>                            | <b>4,077</b>    | <b>9,708</b> |

## As at 31 December 2024

| <i>(in millions)</i>   | Present value of<br>future cash flows | Risk adjustment for<br>non-financial risk | CSM   |                    | Total        |
|--|---------------------------------------|---|---|--------------------|--------------|
|  |                                       |   | Contracts<br>under the fair<br>value approach | Other<br>contracts |              |
| <b>Insurance contract liabilities at beginning of year</b>                                   | <b>1,178</b>                          | <b>1,071</b>                              | <b>2,318</b>                                  | <b>2,512</b>       | <b>7,079</b> |
| <b>Changes that relate to current services</b>   |                                       |   |   |                    |              |
| CSM recognized for services provided   | -                                     | -   | (301)   | (391)              | (692)        |
| Change in the risk adjustment for non-financial risk   | -                                     | (128)                                     | -   | -                  | (128)        |
| Experience adjustments   | (23)                                  | -   | -   | -                  | (23)         |
| <b>Changes that relate to future services</b>  |                                       |   |   |                    |              |
| Contracts initially recognized in the period   | (1,676)                               | 329                                       | -   | 1,347              | -            |
| Changes in estimates that adjust the CSM   | 144                                   | (6)                                       | 73  | (211)              | -            |
| <b>Changes that relate to past services</b>  |                                       |   |   |                    |              |
| Changes to the liabilities for incurred claims   | (71)                                  | (36)                                      | -   | -                  | (107)        |
| <b>Insurance service result</b>  | <b>(1,626)</b>                        | <b>159</b>                                | <b>(228)</b>                                  | <b>745</b>         | <b>(950)</b> |
| Insurance finance expenses   | 84                                    | 92  | 54  | 118                | 348          |
| <b>Total changes in the statement of income and comprehensive income before income taxes</b> | <b>(1,542)</b>                        | <b>251</b>                                | <b>(174)</b>                                  | <b>863</b>         | <b>(602)</b> |
| <b>Cash flows</b>  |                                       |   |   |                    |              |
| Premiums received  | 2,155                                 | -   | -   | -                  | 2,155        |
| Claims and other insurance service expense paid  | (49)                                  | -   | -   | -                  | (49)         |
| Insurance acquisition cash flows   | (128)                                 | -   | -   | -                  | (128)        |
| <b>Total cash flows</b>  | <b>1,978</b>                          | <b>-</b>                                  | <b>-</b>                                      | <b>-</b>           | <b>1,978</b> |
| <b>Insurance contract liabilities at end of year</b>   | <b>1,614</b>                          | <b>1,322</b>                              | <b>2,144</b>                                  | <b>3,375</b>       | <b>8,455</b> |

## 8. Securitization

We guarantee the timely payment of principal and interest of CMB issued by CHT under the CMB program and NHA MBS issued by Approved Issuers on the basis of housing loans under the NHA MBS program and under the Insured Mortgage Purchase Program (IMPP) in the event that an issuer is unable to satisfy its obligations under these programs. In that circumstance, we will mitigate our loss by realizing on the collateral securing the obligations, consisting primarily of insured mortgage loans, under each of the programs. In Q2 2025, the IMPP fully matured, ending our timely payment guarantee for this program.

At the balance sheet date, we have not received a claim, nor do we expect to receive a claim, in excess of the unearned guarantee fee on our timely payment guarantees (TPG). As such, no provision in addition to the remaining unearned premium is required.

The following table presents the changes in the unearned TPG fees balance.

| <i>(in millions)</i>                            | As at 30 September 2025 |            |              | As at 31 December 2024 |            |              |
|---|-------------------------|------------|--------------|------------------------|------------|--------------|
|   | NHA MBS                 | CMB        | Total        | NHA MBS                | CMB        | Total        |
| Balance at beginning of year                    | 1,932                   | 728        | 2,660        | 1,874                  | 624        | 2,498        |
| TPG and application fees received in the period | 589                     | 191        | 780          | 801                    | 262        | 1,063        |
| TPG and application fees earned in the period   | (599)                   | (127)      | (726)        | (743)                  | (158)      | (901)        |
| <b>Balance at end of period</b>                 | <b>1,922</b>            | <b>792</b> | <b>2,714</b> | <b>1,932</b>           | <b>728</b> | <b>2,660</b> |

## 9. Capital Management

We consider our capital available to be equal to the total equity of Canada less regulatory deductions.

Our primary objective with respect to capital management is to ensure that our commercial operations, being our Mortgage Insurance and Securitization activities, have adequate capital to deliver their mandate, while remaining financially self-sustaining, and to follow prudent business practices, OSFI guidelines and other guidelines existing in the private sector as appropriate. We use the Capital and Dividend Policy Framework for Financial Crown Corporations as 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.

We perform an Own Risk & Solvency Assessment (ORSA), which is an integrated process that evaluates capital adequacy on both a regulatory and economic capital basis and is used to establish capital targets taking into consideration our strategy and risk appetite. Our 'Own View' of capital needs is determined by identifying our risks and evaluating whether an explicit amount of capital is necessary to absorb losses from each risk. With this, we also meet the requirements of the CMHC Act and the NHA.

We set an internal target for our Mortgage Insurance Activity and our Securitization Activity at a level that is expected to cover all material risks. The internal target is calibrated using specified confidence intervals and is designed to provide an early indication of the need to resolve financial problems. Under our capital management policy, we operate at available capital levels above the internal target on all but unusual and infrequent occasions. Accordingly, we have established an operating level for our Mortgage Insurance Activity and our Securitization Activity in excess of our internal target.

We declare dividends to the Government from our Mortgage Insurance and Securitization Activities to the extent there are profits and retained earnings not allocated to reserves, capitalization or to meet our needs for purposes of the NHA, CMHC Act or any other purpose authorized by Parliament relating to housing. We did not declare or pay dividends during the three and nine months ended 30 September 2025 (three and nine months ended 30 September 2024 – nil and \$290 million).

The components of consolidated capital available are presented in the following table.

| <i>(in millions)</i>                          | As at 30 September 2025 | As at 31 December 2024 |
|---|-------------------------|------------------------|
| Contributed capital                           | 25                      | 25                     |
| Accumulated other comprehensive income        | 126                     | (90)                   |
| Reserve fund                                  | 130                     | 172                    |
| Appropriated retained earnings                | 11,371                  | 10,861                 |
| Unappropriated retained earnings <sup>1</sup> | 4,102                   | 3,066                  |
| <b>Total equity of Canada<sup>2</sup></b>     | <b>15,754</b>           | <b>14,034</b>          |
| Less: regulatory deductions                   | (274)                   | (187)                  |
| <b>Total capital available</b>                | <b>15,480</b>           | <b>13,847</b>          |

<sup>1</sup> Unappropriated retained earnings represent retained earnings in excess of our operating level for the Mortgage Insurance and Securitization Activities.

<sup>2</sup> Equity of Canada includes the impact of eliminations

## Mortgage Insurance capital

The following table presents the components of capital available.

| <i>(in millions, unless otherwise indicated)</i>        | As at 30 September 2025 | As at 31 December 2024 |
|---|-------------------------|------------------------|
| Appropriated capital <sup>1</sup>                       | 10,409                  | 9,721                  |
| Unappropriated capital                                  | 1,886                   | 1,556                  |
| <b>Total Mortgage Insurance capital</b>                 | <b>12,295</b>           | <b>11,277</b>          |
| Less: regulatory deductions to unappropriated capital   | (274)                   | (187)                  |
| <b>Total Mortgage Insurance capital available</b>       | <b>12,021</b>           | <b>11,090</b>          |
| Internal target   | 155%                    | 155%                   |
| Operating level   | 165%                    | 165%                   |
| Capital available to minimum capital required (% MICAT) | 191%                    | 188%                   |

<sup>1</sup> We appropriate retained earnings and accumulated other comprehensive income (AOCI) at the operating level of 165% of MICAT.

## Securitization capital

Securitization capital is appropriated for the guarantees provided by our NHA MBS and CMB programs. There is no regulatory capital, and the appropriated amount of capital is based on our ORSA. Effective 1 January 2025 the Board of Directors approved an increase of the economic capital required at the operating level from \$2.2 billion to \$2.6 billion. This compares to \$5.3 billion of assets available at 30 September 2025 (31 December 2024 – \$2.2 billion total assets required and \$4.6 billion assets available), excluding assets and liabilities related to IMPP. Unappropriated capital is subject to a minimum liquidity requirement. The liquidity requirement ensures that our investment balance (cash, cash equivalents, investment securities and related accrued interest), along with our other borrowing capabilities, is sufficient to cover the largest exposure to a single counterparty. At 30 September 2025, our investment balance was \$5.1 billion (31 December 2024 – \$4.5 billion) and the liquidity requirement has resulted in a cap of \$1.5 billion to our unappropriated earnings. In 2025 and 2024, the binding constraint is the liquidity requirement.

The following table presents the components of the capital available.

| <i>(in millions, unless otherwise indicated)</i>                         | As at 30 September 2025 | As at 31 December 2024 |
|--|-------------------------|------------------------|
| Appropriated capital   | 1,052                   | 1,010                  |
| Unappropriated capital   | 1,510                   | 926                    |
| <b>Total Securitization capital available</b>                            | <b>2,562</b>            | <b>1,936</b>           |
| Economic capital available to economic capital required (%) <sup>1</sup> | 161%                    | 140%                   |

<sup>1</sup> In Q3 2025, capital required was updated to reflect minimum capital required instead of capital required at the operating level, to better facilitate assessment of our capital position against our capital targets.

## Housing Programs capital

### Lending programs

We maintain a reserve fund pursuant to Section 29 of the CMHC Act, which includes the profits of the Corporation, after providing for all matters, that in the opinion of the Board of Directors, are required to carry out the purposes of the Corporation. The reserve fund is subject to a statutory limit of \$240 million (2024 – \$240 million). Should the statutory limit be exceeded, the excess would be required to be returned to the Government.

Retained earnings comprises all other amounts comprising Housing Programs Equity of Canada that are not in the reserve fund, including unrealized fair value fluctuations as well as remeasurement gains and losses on defined benefit plans. The Housing Programs' portion of remeasurement gains and losses on defined benefit plans is recorded in retained earnings until it is reimbursed by or to Government through government funding for housing programs.

Aside from the reserve fund and retained earnings, we do not hold additional capital for our Housing Programs activities, as they do not present material financial risks that are not already otherwise mitigated.

The following table presents the components of the capital available.

| <i>(in millions)</i>                            | As at 30 September 2025 | As at 31 December 2024 |
|---|-------------------------|------------------------|
| Reserve fund <sup>1,2</sup>                     | 133                     | 174                    |
| Retained earnings                               | 735                     | 618                    |
| <b>Total Lending programs capital available</b> | <b>868</b>              | <b>792</b>             |

<sup>1</sup> Excludes the impact of eliminations of \$3 million (2024 – \$2 million).

<sup>2</sup> In the first quarter of 2025, \$53 million was reclassified from the reserve fund to retained earnings to better reflect the nature of certain items.

## 10. Fair Value Measurement

We measure certain financial instruments and non-financial assets at fair value in the consolidated balance sheet and disclose the fair value of certain other items. Fair value is determined using a consistent measurement framework.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Fair value measurement of non-financial assets (i.e. investment property) takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. For financial instruments, accrued interest is separately recorded and disclosed.

## Fair value hierarchy

The methods used to measure fair value make maximum use of relevant observable inputs and minimize the use of unobservable inputs. Fair value measurements are classified in a fair value hierarchy as Level 1, 2 or 3 according to the observability of the most significant inputs used in making the measurements.

**Level 1:** Assets and liabilities that are measured based on unadjusted quoted prices in active markets for identical assets or liabilities.

**Level 2:** Assets and liabilities that are measured based on observable inputs other than Level 1 prices. Level 2 inputs include prices obtained from markets that are not considered sufficiently active, and fair values obtained by discounting expected future cash flows, making maximum use of directly or indirectly observable market data.

**Level 3:** Assets and liabilities not quoted in active markets that are measured using valuation techniques. Where observable inputs are not available, unobservable inputs are used. For Level 3 assets and liabilities, unobservable inputs are significant to the overall measurement of fair value.

## Comparison of carrying and fair values for financial instruments not carried at fair value

The following table compares the carrying and fair values of financial instruments not carried at fair value. Carrying value is the amount at which an item is measured in the consolidated balance sheet.

| (in millions)                              | As at 30 September 2025 |            |  | As at 31 December 2024 |            |  |
|--|-------------------------|------------|--|------------------------|------------|--|
|  | Carrying value          | Fair value | Fair value over (under) carrying value | Carrying value         | Fair value | Fair value over (under) carrying value |
| <b>Financial assets<sup>1</sup></b>        |                         |            |  |                        |            |  |
| Investments at amortized cost <sup>2</sup> | 3,814                   | 3,838      | 24                                     | 3,569                  | 3,580      | 11                                     |
| Loans at amortized cost <sup>3</sup>       | 318,807                 | 318,637    | (170)                                  | 294,528                | 291,141    | (3,387)                                |
| <b>Financial liabilities</b>               |                         |            |  |                        |            |  |
| Borrowings at amortized cost <sup>4</sup>  | 325,497                 | 326,985    | 1,488                                  | 299,325                | 296,387    | (2,938)                                |

<sup>1</sup> Does not include cash and cash equivalents of \$2,111 million (31 December 2024 – \$1,303 million) and securities purchased under resale agreements of \$1,225 million (31 December 2024 – \$950 million) carried at amortized cost as the fair value of these financial instruments is equal to their carrying value.

<sup>2</sup> \$995 million (31 December 2024 – \$764 million) fair value categorized as Level 1 and \$2,843 million (31 December 2024 – \$2,816 million) fair value categorized as Level 2.

<sup>3</sup> \$308,617 million (31 December 2024 – \$282,837 million) fair value categorized as Level 2, \$10,020 million (31 December 2024 – \$8,304 million) fair value categorized as Level 3.

<sup>4</sup> \$281,141 million (31 December 2024 – \$240,490 million) fair value categorized as Level 1, \$45,844 million (31 December 2024 – \$55,897 million) fair value categorized as Level 2.

## Fair value hierarchy for items carried at fair value

The following table presents the fair value hierarchy for assets and liabilities carried at fair value in the consolidated balance sheet.

| (in millions)                                  | As at 30 September 2025 |              |             |               | As at 31 December 2024 |              |             |               |
|--|-------------------------|--------------|-------------|---------------|------------------------|--------------|-------------|---------------|
|  | Level 1                 | Level 2      | Level 3     | Total         | Level 1                | Level 2      | Level 3     | Total         |
| <b>Assets</b>                                  |                         |              |             |               |                        |              |             |               |
| Cash equivalents                               |                         |              |             |               |                        |              |             |               |
| Interest bearing deposits with banks           | -                       | -            | -           | -             | -                      | 128          | -           | 128           |
| Federal government issued                      | 24                      | 1864         | -           | 1,888         | -                      | 207          | -           | 207           |
| Corporate/other entities                       | -                       | 58           | -           | 58            | -                      | 17           | -           | 17            |
| Total cash equivalents                         | 24                      | 1,922        | -           | 1,946         | -                      | 352          | -           | 352           |
| Investment securities                          |                         |              |             |               |                        |              |             |               |
| Fair value through profit or loss (FVTPL)      |                         |              |             |               |                        |              |             |               |
| Debt instruments                               |                         |              |             |               |                        |              |             |               |
| Corporate/other entities                       | -                       | 14           | -           | 14            | -                      | 20           | -           | 20            |
| Equities                                       |                         |              |             |               |                        |              |             |               |
| Limited partnership units                      | -                       | -            | 37          | 37            | -                      | -            | 37          | 37            |
| Total at FVTPL                                 | -                       | 14           | 37          | 51            | -                      | 20           | 37          | 57            |
| FVOCI  |                         |              |             |               |                        |              |             |               |
| Debt instruments                               |                         |              |             |               |                        |              |             |               |
| Corporate/other entities                       | 6,265                   | 5,820        | -           | 12,085        | 3,774                  | 4,345        | -           | 8,119         |
| Federal government issued                      | 4,829                   | 1,078        | -           | 5,907         | 7,440                  | 3,290        | -           | 10,730        |
| Provinces/municipalities                       | 6,100                   | 142          | -           | 6,242         | 3,974                  | 159          | -           | 4,133         |
| Sovereign and related entities                 | 248                     | 16           | -           | 264           | 258                    | 47           | -           | 305           |
| Total at FVOCI                                 | 17,442                  | 7,056        | -           | 24,498        | 15,446                 | 7,841        | -           | 23,287        |
| Loans designated at FVTPL                      | -                       | 3            | -           | 3             | -                      | 20           | -           | 20            |
| Loans mandatorily at FVTPL                     | -                       | 11           | 462         | 473           | -                      | 12           | 489         | 501           |
| Derivatives                                    | -                       | 4            | -           | 4             | -                      | -            | -           | -             |
| Investment property                            | -                       | -            | 398         | 398           | -                      | -            | 396         | 396           |
| <b>Total assets carried at fair value</b>      | <b>17,466</b>           | <b>9,010</b> | <b>897</b>  | <b>27,373</b> | <b>15,446</b>          | <b>8,245</b> | <b>922</b>  | <b>24,613</b> |
| <b>Liabilities</b>                             |                         |              |             |               |                        |              |             |               |
| Borrowings designated at FVTPL                 | -                       | (60)         | -           | (60)          | -                      | (148)        | -           | (148)         |
| Derivatives                                    | -                       | (76)         | (78)        | (154)         | -                      | (136)        | (69)        | (205)         |
| <b>Total liabilities carried at fair value</b> | <b>-</b>                | <b>(136)</b> | <b>(78)</b> | <b>(214)</b>  | <b>-</b>               | <b>(284)</b> | <b>(69)</b> | <b>(353)</b>  |
| <b>Net assets at fair value</b>                | <b>17,466</b>           | <b>8,874</b> | <b>819</b>  | <b>27,159</b> | <b>15,446</b>          | <b>7,961</b> | <b>853</b>  | <b>24,260</b> |

## Transfers between fair value hierarchy levels

For assets and liabilities measured at fair value on a recurring basis, we determine if reclassifications have occurred between levels in the hierarchy by re-assessing categorization at each balance sheet date. Transfers are dependent on internal classification criteria that are based on variables such as observability of prices and market trading volumes considered as at each balance sheet date. Transfers between levels are deemed to occur at the beginning of the quarter in which the transfer occurs. During the nine months ended 30 September 2025, there were \$2,456 million of transfers from Level 2 to Level 1 and \$2,818 million of transfers from Level 1 to Level 2 (during the twelve months ended 31 December 2024 – \$3,269 million and \$2,476 million, respectively).

## Change in fair value measurement for items classified as Level 3

The following table presents the change in fair value for items carried at fair value and classified as level 3.

| <i>(in millions)</i>                                | Investment securities<br>— FVTPL | Loans<br>— FVTPL | Investment property | Derivatives | Total      |
|---|----------------------------------|------------------|---------------------|-------------|------------|
| <b>Fair value as at 1 January 2025</b>              | <b>37</b>                        | <b>489</b>       | <b>396</b>          | <b>(69)</b> | <b>853</b> |
| Purchases/issuances                                 | -                                | 11               | 2                   | -           | 13         |
| Net gains (losses) in profit or loss <sup>1,2</sup> | 2                                | 9                | -                   | (9)         | 2          |
| Cash receipts on settlements/disposals              | (2)                              | (47)             | -                   | -           | (49)       |
| <b>Fair value as at 30 September 2025</b>           | <b>37</b>                        | <b>462</b>       | <b>398</b>          | <b>(78)</b> | <b>819</b> |
| <b>Fair value as at 1 January 2024</b>              | <b>51</b>                        | <b>446</b>       | <b>398</b>          | <b>(47)</b> | <b>848</b> |
| Purchases/issuances                                 | -                                | 61               | -                   | -           | 61         |
| Net gains (losses) in profit or loss <sup>1,2</sup> | (5)                              | 22               | (2)                 | (22)        | (7)        |
| Cash receipts on settlements/disposals              | (9)                              | (40)             | -                   | -           | (49)       |
| <b>Fair value as at 31 December 2024</b>            | <b>37</b>                        | <b>489</b>       | <b>396</b>          | <b>(69)</b> | <b>853</b> |

<sup>1</sup> Included in net gains (losses) on financial instruments for investment securities, loans and derivatives; other income for investment property.

<sup>2</sup> Solely relates to unrealized gains for assets held at the end of the respective periods.

## Unobservable inputs for items classified as Level 3

The valuation of instruments classified as Level 3 use unobservable inputs, changes in which may significantly affect the measurement of fair value. Valuations were based on assessments of the prevailing conditions at 30 September 2025, which may change materially in subsequent periods. The techniques and unobservable inputs used in valuing the items classified as Level 3 at 30 September 2025 did not materially change from 31 December 2024. The sensitivity of the fair value of items classified as Level 3 to changes in unobservable inputs remained as disclosed in the audited consolidated financial statements for the year ended 31 December 2024.

# 11. Investment Securities

## Credit quality

The following table presents the credit quality of our cash equivalents and investment securities based on our internal credit rating system. Amounts in the table represent the gross carrying amounts.

| <i>(in millions)</i>                     | Credit Rating <sup>1</sup> |            |          |              |                 |        |                        |            |          |              |                 |        |
|--|----------------------------|------------|----------|--------------|-----------------|--------|------------------------|------------|----------|--------------|-----------------|--------|
|  | As at 30 September 2025    |            |          |              |                 |        | As at 31 December 2024 |            |          |              |                 |        |
|  | AAA                        | AA- to AA+ | A- to A+ | BBB- to BBB+ | Lower than BBB- | Total  | AAA                    | AA- to AA+ | A- to A+ | BBB- to BBB+ | Lower than BBB- | Total  |
| Cash equivalents                         | 2,334                      | 690        | 963      | -            | -               | 3,987  | 365                    | 567        | 659      | -            | -               | 1,591  |
| <b>Investment securities<sup>2</sup></b> |                            |            |          |              |                 |        |                        |            |          |              |                 |        |
| FVTPL                                    | 14                         | -          | -        | -            | -               | 14     | 20                     | -          | -        | -            | -               | 20     |
| FVOCI                                    | 7,253                      | 6,206      | 7,046    | 3,889        | 104             | 24,498 | 11,500                 | 4,187      | 4,837    | 2,698        | 65              | 23,287 |
| Amortized cost                           | 1,404                      | 1,348      | 1,062    | -            | -               | 3,814  | 1,321                  | 1,684      | 564      | -            | -               | 3,569  |

<sup>1</sup> The internal credit ratings are based upon internal assessments of the counterparty creditworthiness. These ratings correspond to those provided by credit rating agencies except in cases where stand-alone ratings exist. A counterparty internal credit rating cannot be higher than the highest stand-alone rating from any of the agencies. A stand-alone rating removes the assumption of government support from the rating.

<sup>2</sup> Includes fixed income investments.

## Expected credit losses

The ECL allowance for debt instruments held at FVOCI and amortized cost was \$10 million at 30 September 2025 (31 December 2024 – \$4 million) with a loss of \$1 million and a loss of \$6 million recognized in net gains (losses) on financial instruments during the three and nine months ended 30 September 2025, respectively (three and nine months ended 30 September 2024 – gain of \$10 million and loss of \$2 million).

## 12. Loans

The following table presents the cash flows and non-cash changes for loans.

### Nine months ended 30 September 2025

| (in millions)                  | Cash flows                     |                 |               | Non-cash changes   |            |           |                      |                        | Balance at end of period |
|--------------------------------|--------------------------------|-----------------|---------------|--------------------|------------|-----------|----------------------|------------------------|--------------------------|
|                                | Balance at beginning of period | Repayments      | Disbursements | Fair value changes | Accretion  | ECL       | Capitalized Interest | Transfers <sup>1</sup> |                          |
| <b>FVTPL</b>                   |                                |                 |               |                    |            |           |                      |                        |                          |
| Lending programs               | 502                            | (43)            | -             | 9                  | -          | -         | -                    | (11)                   | 457                      |
| MI Activity loans              | 19                             | (11)            | 11            | -                  | -          | -         | -                    | -                      | 19                       |
| <b>Total at FVTPL</b>          | <b>521</b>                     | <b>(54)</b>     | <b>11</b>     | <b>9</b>           | <b>-</b>   | <b>-</b>  | <b>-</b>             | <b>(11)</b>            | <b>476</b>               |
| <b>Amortized cost</b>          |                                |                 |               |                    |            |           |                      |                        |                          |
| CMB program loans              | 277,456                        | (24,026)        | 45,283        | -                  | 57         | -         | -                    | -                      | 298,770                  |
| Lending programs <sup>2</sup>  | 16,713                         | (630)           | 3,837         | (80)               | 40         | (1)       | 127                  | 11                     | 20,017                   |
| IMPP loans                     | 335                            | (335)           | -             | -                  | -          | -         | -                    | -                      | -                        |
| MI Activity loans <sup>3</sup> | 24                             | (25)            | -             | -                  | 8          | 13        | -                    | -                      | 20                       |
| <b>Total amortized cost</b>    | <b>294,528</b>                 | <b>(25,016)</b> | <b>49,120</b> | <b>(80)</b>        | <b>105</b> | <b>12</b> | <b>127</b>           | <b>11</b>              | <b>318,807</b>           |
| <b>Total</b>                   | <b>295,049</b>                 | <b>(25,070)</b> | <b>49,131</b> | <b>(71)</b>        | <b>105</b> | <b>12</b> | <b>127</b>           | <b>-</b>               | <b>319,283</b>           |

<sup>1</sup> Transfers are matured loans that have been renewed where the new loans are no longer part of a portfolio of economically hedged loans and borrowings and therefore classified at amortized cost.

<sup>2</sup> Fair value changes for loans at amortized cost relate to losses recognized immediately upon initial advance of loans issued below market value.

<sup>3</sup> These loans are classified as Stage 3 and they are not impacted by changes in macro-economic assumptions or weightings as discussed in Note 4.

## Twelve months ended 31 December 2024

| (in millions)                 | Balance at beginning of period | Cash flows      |               | Non-cash changes   |           |          |                      |                        | Balance at end of period |
|-------------------------------|--------------------------------|-----------------|---------------|--------------------|-----------|----------|----------------------|------------------------|--------------------------|
|                               |                                | Repayments      | Disbursements | Fair value changes | Accretion | ECL      | Capitalized Interest | Transfers <sup>1</sup> |                          |
| <b>FVTPL</b>                  |                                |                 |               |                    |           |          |                      |                        |                          |
| Lending programs              | 494                            | (42)            | 45            | 23                 | -         | -        | -                    | (18)                   | 502                      |
| MI Activity loans             | 18                             | (15)            | 16            | -                  | -         | -        | -                    | -                      | 19                       |
| <b>Total at FVTPL</b>         | <b>512</b>                     | <b>(57)</b>     | <b>61</b>     | <b>23</b>          | <b>-</b>  | <b>-</b> | <b>-</b>             | <b>(18)</b>            | <b>521</b>               |
| <b>Amortized cost</b>         |                                |                 |               |                    |           |          |                      |                        |                          |
| CMB program loans             | 255,130                        | (37,925)        | 60,203        | -                  | 48        | -        | -                    | -                      | 277,456                  |
| Lending programs <sup>2</sup> | 12,616                         | (693)           | 4,776         | (178)              | 32        | 7        | 135                  | 18                     | 16,713                   |
| IMPP loans                    | 2,866                          | (2,531)         | -             | -                  | -         | -        | -                    | -                      | 335                      |
| MI Activity loans             | 38                             | (26)            | -             | -                  | 11        | 1        | -                    | -                      | 24                       |
| <b>Total amortized cost</b>   | <b>270,650</b>                 | <b>(41,175)</b> | <b>64,979</b> | <b>(178)</b>       | <b>91</b> | <b>8</b> | <b>135</b>           | <b>18</b>              | <b>294,528</b>           |
| <b>Total</b>                  | <b>271,162</b>                 | <b>(41,232)</b> | <b>65,040</b> | <b>(155)</b>       | <b>91</b> | <b>8</b> | <b>135</b>           | <b>-</b>               | <b>295,049</b>           |

<sup>1</sup> Transfers are matured loans that have been renewed where the new loans are no longer part of a portfolio of economically hedged loans and borrowings and therefore classified at amortized cost.

<sup>2</sup> Fair value changes for loans at amortized cost relate to losses recognized immediately upon initial advance of loans issued below market value.

We are assured collection of principal and accrued interest on 99% (31 December 2024 – 99%) of our loans by various levels of government, CMHC mortgage insurance or by investment grade collateral representing the sole source of repayment on our loans under the CMB program and IMPP.

### Expected credit loss

Total undrawn loan commitments outstanding at 30 September 2025 were \$13,015 million (31 December 2024 – \$10,632 million), of which \$12,675 million are subject to 12-month ECL (31 December 2024 – \$10,235 million) and \$nil (31 December 2024 – \$1 million) are commitments outstanding on purchased or originated credit impaired loans.

At 30 September 2025, the ECL on undrawn loan commitments was \$9 million (31 December 2024 – \$11 million), and the ECL on loans was \$37 million (31 December 2024 – \$49 million). We recognize changes in ECL in net gains (losses) on financial instruments.

## 13. Borrowings

The following table presents the cash flows and non-cash changes for borrowings.

### Nine months ended 30 September 2025

| <i>(in millions)</i>  | Cash flows                     |               |                 | Non-cash changes   |                     |              | Balance at end of period |
|---|--------------------------------|---------------|-----------------|--------------------|---------------------|--------------|--------------------------|
|   | Balance at beginning of period | Issuances     | Repayments      | Fair value changes | Accretion and other | Eliminations |                          |
| <b>Designated at FVTPL</b>                                  |                                |               |                 |                    |                     |              |                          |
| Borrowings from the Government of Canada – Lending programs | 148                            | -             | (89)            | 1                  | -                   | -            | 60                       |
| <b>Amortized cost</b>                                       |                                |               |                 |                    |                     |              |                          |
| Canada mortgage bonds                                       | 276,869                        | 45,283        | (23,951)        | -                  | 57                  | 510          | 298,768                  |
| Borrowings from the Government of Canada – Lending programs | 22,121                         | 17,042        | (12,443)        | (95)               | 104                 | -            | 26,729                   |
| Borrowings from the Government of Canada – IMPP             | 335                            | -             | (335)           | -                  | -                   | -            | -                        |
| <b>Total amortized cost</b>                                 | <b>299,325</b>                 | <b>62,325</b> | <b>(36,729)</b> | <b>(95)</b>        | <b>161</b>          | <b>510</b>   | <b>325,497</b>           |
| <b>Total</b>  | <b>299,473</b>                 | <b>62,325</b> | <b>(36,818)</b> | <b>(94)</b>        | <b>161</b>          | <b>510</b>   | <b>325,557</b>           |

### Twelve months ended 31 December 2024

| <i>(in millions)</i>  | Cash flows                     |               |                 | Non-cash changes   |                     |              | Balance at end of period |
|---|--------------------------------|---------------|-----------------|--------------------|---------------------|--------------|--------------------------|
|   | Balance at beginning of period | Issuances     | Repayments      | Fair value changes | Accretion and other | Eliminations |                          |
| <b>Designated at FVTPL</b>                                  |                                |               |                 |                    |                     |              |                          |
| Borrowings from the Government of Canada – Lending programs | 219                            | -             | (77)            | 6                  | -                   | -            | 148                      |
| <b>Amortized cost</b>                                       |                                |               |                 |                    |                     |              |                          |
| Canada mortgage bonds                                       | 254,389                        | 60,193        | (37,765)        | -                  | 48                  | 4            | 276,869                  |
| Borrowings from the Government of Canada – Lending programs | 17,502                         | 24,557        | (19,930)        | (140)              | 132                 | -            | 22,121                   |
| Borrowings from the Government of Canada – IMPP             | 2,866                          | -             | (2,531)         | -                  | -                   | -            | 335                      |
| <b>Total amortized cost</b>                                 | <b>274,757</b>                 | <b>84,750</b> | <b>(60,226)</b> | <b>(140)</b>       | <b>180</b>          | <b>4</b>     | <b>299,325</b>           |
| <b>Total</b>  | <b>274,976</b>                 | <b>84,750</b> | <b>(60,303)</b> | <b>(134)</b>       | <b>180</b>          | <b>4</b>     | <b>299,473</b>           |

When we hold CMB to maturity or acquire CMB in the primary market, we exclude the related cash flows from the consolidated statement of cash flows. During the nine months ended 30 September 2025, we have excluded \$75 million (nine months ended 30 September 2024 – \$103 million) of CMB maturities from repayments in the previous table (twelve months ended 31 December 2024 – \$160 million) and from investment securities – sales and maturities in the consolidated statement of cash flows. We have also excluded nil during the nine months ended 30 September 2025 (nine months ended 30 September 2024 – \$10 million) of CMB purchases in the primary market from issuances in the previous table (twelve months ended 31 December 2024 – \$10 million) and from investment securities – purchases in the consolidated statement of cash flows.

## Borrowing authorities

The Minister of Finance approves our Borrowing Plan annually and establishes limits and parameters for borrowings, namely capital market borrowings and borrowings from the Government of Canada in the Housing Programs and Securitization activities.

For 2025, the limits on our short-term borrowings outstanding and long-term borrowings issued are \$7 billion and \$9.5 billion, respectively (31 December 2024 – \$7 billion and \$6.5 billion). Actual short-term borrowings outstanding as at 30 September 2025 were \$2.7 billion (31 December 2024 – \$2.2 billion). Actual long-term borrowings issued in the nine months ended 30 September 2025 were \$4.6 billion (31 December 2024 – \$4.3 billion).

## 14. Financial Instruments Income and Expenses

### Gains and losses from financial instruments

The following table presents the net gains (losses) related to financial instruments recognized in the consolidated statement of income and comprehensive income.

| <i>(in millions)</i>                                    | Three months ended 30 September |             | Nine months ended 30 September |              |
|---|---------------------------------|-------------|--------------------------------|--------------|
|   | 2025                            | 2024        | 2025                           | 2024         |
| <b>Financial instruments designated at FVTPL</b>        |                                 |             |                                |              |
| Loans   | -                               | 1           | -                              | 1            |
| Borrowings  | -                               | (2)         | (1)                            | (5)          |
| <b>Total financial instruments designated at FVTPL</b>  | <b>-</b>                        | <b>(1)</b>  | <b>(1)</b>                     | <b>(4)</b>   |
| <b>Financial instruments mandatorily at FVTPL</b>       |                                 |             |                                |              |
| Equity securities                                       | 1                               | -           | 2                              | (2)          |
| Derivatives   | (161)                           | 36          | 32                             | (142)        |
| Loans   | 4                               | 12          | 9                              | 20           |
| <b>Total financial instruments mandatorily at FVTPL</b> | <b>(156)</b>                    | <b>48</b>   | <b>43</b>                      | <b>(124)</b> |
| Debt instruments held at FVOCI <sup>1</sup>             | 165                             | (77)        | (92)                           | 15           |
| Loans – amortized cost <sup>2</sup>                     | (58)                            | (60)        | (156)                          | (183)        |
| Borrowings – amortized cost <sup>3</sup>                | 32                              | 38          | 95                             | 106          |
| Expected credit losses on financial assets              | 7                               | (4)         | 9                              | 28           |
| <b>Total</b>  | <b>(10)</b>                     | <b>(56)</b> | <b>(102)</b>                   | <b>(162)</b> |

<sup>1</sup> Includes a foreign exchange gain and loss during the three and nine months ended of \$128 million and \$114 million (three and nine months ended 30 September 2024 – \$56 million loss and \$111 million gain) resulting from the translation of U.S. dollar-denominated debt instruments.

<sup>2</sup> Includes losses on loans recognized immediately upon initial advance of \$30 million and \$82 million (three and nine months ended 30 September 2024 – \$49 million and \$145 million) and the amortization of deferred net losses of \$28 million and \$74 million (three and nine months ended 30 September 2024 – \$12 million and \$39 million).

<sup>3</sup> Includes gains from the issuance of borrowings during the three and nine months ended of \$32 million and \$95 million (three and nine months ended 30 September 2024 – \$38 million and \$106 million).

## Deferred losses on financial instruments

The following table presents the deferred net losses on financial instruments for certain Lending program loans not recognized in the consolidated statement of income and comprehensive income.

| <i>(in millions)</i>   | Three months<br>ended 30 September |            | Nine months<br>ended 30 September |            |
|--|------------------------------------|------------|-----------------------------------|------------|
|  | 2025                               | 2024       | 2025                              | 2024       |
| Balance at beginning of the period                           | 655                                | 492        | 578                               | 433        |
| Deferred net losses on financial instruments in the period   | 74                                 | 42         | 197                               | 128        |
| Recognized net losses on financial instruments in the period | (28)                               | (12)       | (74)                              | (39)       |
| <b>Balance at end of period</b>                              | <b>701</b>                         | <b>522</b> | <b>701</b>                        | <b>522</b> |

## 15. Market Risk

Market risk is the risk of adverse financial impacts arising from changes in underlying market factors, including interest rates and foreign exchange rates. Despite changes in economic and market conditions, there were no material changes to our assessment and management of market risk in the nine months ended 30 September 2025.

### Currency risk

We are exposed to currency risk from our holdings in foreign currency denominated investment securities. Our internal policies limit the amount of foreign currency investments and require full hedging of currency risk. We held \$7,372 million in debt instruments denominated in U.S. dollars as at 30 September 2025 (31 December 2024 – \$4,548 million), which we present as investment securities at FVOCI or at FVTPL.

### Value at Risk (VaR)

We evaluate market risk for investment securities in the Mortgage Insurance and Securitization Activities through the use of VaR models. VaR is a statistical technique used to measure the maximum potential loss of an investment portfolio over a specified holding period with a given level of confidence. The VaR for the Mortgage Insurance and Securitization Activities calculated with 95% confidence over a 22 business day holding period is outlined in the following table. The VaR figures are based on one year of historical prices and correlations of bond markets and 26 weeks of volatility.

| <i>(in millions)</i>                   | Mortgage Insurance   |                  | Securitization       |                  |
|--|----------------------|------------------|----------------------|------------------|
|  | 30 September<br>2025 | 31 December 2024 | 30 September<br>2025 | 31 December 2024 |
| Investment securities:                 |                      |                  |                      |                  |
| Interest rate risk on debt instruments |                      |                  |                      |                  |
| CAD-denominated securities             | 159                  | 163              | 79                   | 72               |
| USD-denominated securities             | 108                  | 80               | -                    | -                |
| Effect of diversification              | (9)                  | (8)              | -                    | -                |
| <b>Total VaR</b>                       | <b>258</b>           | <b>235</b>       | <b>79</b>            | <b>72</b>        |

## Interest rate sensitivity

We evaluate market risk for the Housing Programs Activity portfolio of loans, investments, borrowings and swaps by measuring their sensitivity to changes in interest rates.

For the Housing Programs Activity's financial instruments designated at FVTPL and derivatives, we assessed the net impact of a 200 bps shift in interest rates on fair value as immaterial as at 30 September 2025 after accounting for derivatives.

The Housing Programs Activity's financial instruments measured at amortized cost are also exposed to interest rate risk. The net impact of a shift in interest rates on their fair value as at 30 September 2025 is presented in the following table.

| <i>(in millions)</i>   | As at 30 September 2025<br>Interest rate shift |          | As at 31 December 2024<br>Interest rate shift |          |
|--|--|----------|---|----------|
|  | -200 bps                                       | +200 bps | -200 bps                                      | +200 bps |
| Increase (decrease) in fair value of net assets <sup>1</sup> | (1,111)  | 919      | (840)   | 695      |

<sup>1</sup> The changes in fair value of net assets resulting from interest rate shifts presented in this table would not be recognized in comprehensive income as the underlying financial instruments are measured at amortized cost.

## 16. Credit Risk

Credit risk is the potential for financial loss arising from failure of a borrower or an institutional counterparty to fulfill its contractual obligations. We disclose full descriptions of credit risks related to our financial instruments and how we manage those risks in Note 19 of our audited consolidated financial statements for the year ended 31 December 2024. There has been no significant change in the nature of the risks and how we manage them in the three- and nine-month periods ended 30 September 2025.

## 17. Pension and Other Post-Employment Benefits

The following table presents the expenses, remeasurements and contributions for the defined benefit plans.

### Three months ended 30 September

| <i>(in millions)</i>   | Pension plans |            | Other post-employment plans |            |
|--|---------------|------------|-----------------------------|------------|
|  | 2025          | 2024       | 2025                        | 2024       |
| Current service cost   | 10            | 9          | -                           | 1          |
| Net interest expense (income)  | (1)           | (1)        | 1                           | 1          |
| <b>Expense recognized in net income</b>  | <b>9</b>      | <b>8</b>   | <b>1</b>                    | <b>2</b>   |
| Net actuarial gains arising from changes in financial assumptions                      | 38            | (105)      | 1                           | (4)        |
| Return on plan assets, excluding amounts included in net interest expense <sup>1</sup> | 86            | 101        | -                           | -          |
| Net remeasurements recognized in other comprehensive income (loss) <sup>2</sup>        | <b>124</b>    | <b>(4)</b> | <b>1</b>                    | <b>(4)</b> |
| CMHC's contributions   | 1             | 1          | 1                           | 1          |
| Employee contributions   | 6             | 5          | -                           | -          |
| <b>Total contributions</b>   | <b>7</b>      | <b>6</b>   | <b>1</b>                    | <b>1</b>   |

<sup>1</sup> The return on assets rate used to measure the return on plan assets for the three months ended 30 September 2025 was 4.41% (30 September 2024 – 5.23%).

<sup>2</sup> We remeasure the defined benefit plans quarterly for changes in the discount rate and for actual asset returns. All other actuarial assumptions are updated at least annually.

## Nine months ended 30 September

| <i>(in millions)</i>   | Pension plans |            | Other post-employment plans |          |
|--|---------------|------------|-----------------------------|----------|
|  | 2025          | 2024       | 2025                        | 2024     |
| Current service cost   | 29            | 27         | -                           | 1        |
| Net interest expense (income)  | (4)           | (2)        | 4                           | 3        |
| <b>Expense recognized in net income</b>  | <b>25</b>     | <b>25</b>  | <b>4</b>                    | <b>4</b> |
| Net actuarial gains (losses) arising from changes in financial assumptions             | 76            | 32         | 2                           | -        |
| Return on plan assets, excluding amounts included in net interest expense <sup>1</sup> | 109           | 117        | -                           | -        |
| <b>Net remeasurements recognized in other comprehensive income (loss)<sup>2</sup></b>  | <b>185</b>    | <b>149</b> | <b>2</b>                    | <b>-</b> |
| CMHC's contributions   | 3             | 6          | 3                           | 3        |
| Employee contributions   | 19            | 19         | -                           | -        |
| <b>Total contributions</b>   | <b>22</b>     | <b>25</b>  | <b>3</b>                    | <b>3</b> |

<sup>1</sup> The return on assets rate used to measure the return on plan assets for the nine months ended 30 September 2025 was 7.26% (30 September 2024 – 8.57%).

<sup>2</sup> We remeasure the defined benefit plans quarterly for changes in the discount rate and for actual asset returns. All other actuarial assumptions are updated at least annually.

We determine the discount rate in accordance with guidance issued by the Canadian Institute of Actuaries by reference to Canadian AA-rated corporate bonds with terms to maturity approximating the duration of the obligation. The discount rate we used to remeasure the defined benefit obligations at 30 September 2025 was 4.9% (31 December 2024 – 4.7%).

## 18. Income Taxes

The following table presents the components of income tax.

| <i>(in millions)</i>  | Three months ended 30 September |            | Nine months ended 30 September |            |
|---|---------------------------------|------------|--------------------------------|------------|
|   | 2025                            | 2024       | 2025                           | 2024       |
| Current income tax expense  | 282                             | 150        | 602                            | 514        |
| Deferred income tax relating to origination and reversal of temporary differences           | (105)                           | (26)       | (147)                          | (145)      |
| <b>Total income tax expense included in net income</b>                                      | <b>177</b>                      | <b>124</b> | <b>455</b>                     | <b>369</b> |
| <b>Income tax expense (recovery) on other comprehensive income (loss)</b>                   |                                 |            |                                |            |
| Net unrealized gains (losses) from FVOCI financial instruments                              | 44                              | 136        | 80                             | 110        |
| Reclassification of prior years' net unrealized losses realized in the period in net income | -                               | 13         | 5                              | 27         |
| Insurance finance income (expense) for insurance contracts issued                           | (8)                             | (27)       | (13)                           | (17)       |
| Remeasurement gains on defined benefit plans  | 20                              | (3)        | 29                             | 21         |
| <b>Total income tax expense (recovery) included in other comprehensive income (loss)</b>    | <b>56</b>                       | <b>119</b> | <b>101</b>                     | <b>141</b> |
| <b>Total</b>  | <b>233</b>                      | <b>243</b> | <b>556</b>                     | <b>510</b> |

## 19. Related Party Transactions

We defer and amortize the Government fees paid in recognition of its financial backing of the Mortgage Insurance and Securitization Activities. In Mortgage Insurance Activity, these fees will reduce the CSM on initial recognition and are subsequently amortized over the expected coverage period of the related insurance contracts with equal offsetting amounts to insurance revenue and insurance service expenses in the period. This amounts to \$10 million and \$25 million for the three and nine months ended 30 September 2025 (three and nine months ended 30 September 2024 – \$6 million and \$17 million). In Securitization these fees, which are recorded in operating expenses, amount to \$7 million and \$23 million for the three and nine months ended 30 September 2025 (three and nine months ended 30 September 2024 – \$7 million and \$22 million). All other material related party transactions and outstanding balances are disclosed in relevant notes.

## 20. Commitments and Contingent Liabilities

As at 30 September 2025, we have \$7,496 million in contractual financial obligations relating to Housing Programs which extend for periods up to 25 years and \$448.1 million in other contractual obligations up to the year 2034 (31 December 2024 – \$8,645 million and \$190 million, respectively).

We hold the following cash and cash equivalents that are intended for use as part of the respective programs:

| <i>(in millions)</i>                       | As at 30 September 2025 | As at 31 December 2024 |
|--|-------------------------|------------------------|
| Affordable Rental Housing Innovation Fund  | 35                      | 31                     |
| Apartment Construction Loan Program (ACLP) | 1,104                   | 657                    |
| Affordable Housing Fund (AHF)              | 878                     | 577                    |
| Direct Lending (DL) – Economically Hedged  | 58                      | 128                    |
| <b>Total</b>                               | <b>2,075</b>            | <b>1,393</b>           |

### Legal claims

The Company is, from time to time, subject to various claims, lawsuits and other legal proceedings that arise in the ordinary course of business. As of September 30, 2025, management, in consultation with legal counsel, has reviewed the status of all known contingencies and has determined that there are no legal claims or proceedings that are probable or reasonably possible of resulting in a material loss to CMHC.

20251002-001A

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