

## Residential Mortgages Disclosure

### Third Quarter of 2021

#### A. Definition of Insured Mortgages

Borrowers purchasing a Residential house with a down payment of less than 20% of the purchase price require Mortgage Loan Insurance. Mortgages sanctioned with such insurance are called "Insured Mortgages". The insurance products is offered by Canada Mortgage and Housing Corporation (CMHC) and other authorised insurers to provide opportunity for borrowers to purchase a home with a down payment as low as 5% by selecting their choice insurer.

#### B. Disclosures:

<b>Total Residential Mortgages and Home Equity Lines of Credit (HELOC) Portfolio Amount and Percentage that are Insured vs. Uninsured</b>								
As on 30 <sup>th</sup> Sept 2021	Insured			Uninsured			(\$ in 000's)	
	Outstanding Amount	Outstanding Percentage	Outstanding Amount	Outstanding Percentage	Total			
<b>Mortgages</b>	16,561.19	14.87%	94,781.74	85.13%	<b>111,342.93</b>			
<b>HELOC</b>	0.00	0.00%	4,095.86	100.00%	<b>4,095.86</b>			
<b>TOTAL</b>	<b>16,561.19</b>	<b>14.35%</b>	<b>98,877.60</b>	<b>85.65%</b>	<b>115,438.79</b>			
<b>Provincial Breakdown of Total Residential Mortgages and HELOCs (\$ in 000's, % in brackets)</b>								
As on 30 <sup>th</sup> Sept 2021	Mortgages				HELOC		Total	
Province	Insured		Uninsured		Uninsured		Total	
<b>British Columbia</b>	3,090.29	18.66%	17,214.54	18.16%	1,425.65	34.81%	<b>21,730.48</b>	<b>18.82%</b>
<b>Ontario</b>	13,470.89	81.34%	77,567.20	81.84%	2,670.21	65.19%	<b>93,708.31</b>	<b>81.18%</b>
<b>New Brunswick</b>	0.00	0.00%	0.00	0.00%	0.00	0.00%	<b>0.00</b>	<b>0.00%</b>
<b>Outside of Canada</b>	0.00	0.00%	0.00	0.00%	0.00	0.00%	<b>0.00</b>	<b>0.00%</b>
<b>Total</b>	<b>16,561.18</b>	<b>100%</b>	<b>94,781.74</b>	<b>100%</b>	<b>4,095.86</b>	<b>100%</b>	<b>115,438.79</b>	<b>100%</b>

<b>Total Residential Mortgages by Amortization Period</b>	
<b>Initial Amortization Period</b>	<b>As Percentage of Total Portfolio</b>
<b>15-20 years</b>	2.56%
<b>21-25 years</b>	56.88%
<b>26-30 years</b>	39.65%
<b>Above 30 years</b>	0.00%
<b>less than 15 years</b>	0.91%
<b>Total</b>	<b>100.00%</b>

<b>Provincial Breakdown of Loan to Value Ratio (LTV) for the Newly Originated Uninsured Residential Mortgage Loans and HELOCs during Q3 of 2021 (Jul-Sept'21)</b>		
<b>Province</b>	<b>Loan-to-Value Ratio (Average)</b>	
	<b>Residential Mortgages</b>	<b>Home Equity Lines of Credit*</b>
<b>British Columbia</b>	70.00%	0.00%
<b>Ontario</b>	73.58%	23.53%
<b>New Brunswick</b>	-	-
<b>Outside of Canada</b>	0.00	0.00
<b>Overall Average</b>	<b>73.46%</b>	<b>23.53%</b>

\* Where both mortgages and HELOC facilities have been approved against same property, the LTV for the HELOC cannot exceed above 65% of the value of the property.

### **C. Discussion on Potential Impact on Portfolio in the event of an economic downturn:**

The Bank regularly conducts stress tests to consider the potential impact on its Residential mortgage portfolio due to adverse economic conditions, such as pandemic, unemployment and interest rate scenario which will shape the curve going forward. In addition, our ongoing efforts to spread the risk across the portfolio with product and profile mix have shown consistency in risk profiling. We are keeping a close watch on the changes taking place in the residential mortgage market, as GTA average growth in property prices is more compared to GVA and the downward trend in condo market observed during the pandemic was contributed to the shift in customer preference towards comfortable housing given the work from home scenario and expect that the property price and interest rate scenario stabilise soon.