

Residential Mortgages Disclosure

First 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 product 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%. All the insured mortgages at SBIC have been insured with CMHC only.

B. Disclosures:

Total Residential Mortgages and Home Equity Lines of Credit (HELOC) Portfolio Amount and Percentage that are Insured vs. Uninsured								
As on 31 st March 2021	Insured		Uninsured			(\$ in 000's)		
	Outstanding Amount	Outstanding Percentage	Outstanding Amount	Outstanding Percentage	Total			
Mortgages	15,351.05	18.75%	75,147.32	81.25%	90,498.37			
HELOC	0.00	0.00%	4,392.38	100.00%	4,392.38			
	15,351.05	17.87%	79,539.70	82.13%	94,890.75			
Provincial Breakdown of Total Residential Mortgages and HELOCs (\$ in 000's, % in brackets)								
As on 31 st March 2021	Mortgages				HELOC		Total	
Province	Insured		Uninsured		Uninsured		Total	
British Columbia	3,911.01	25.48%	18,411.07	24.50%	2,189.70	49.85%	24,511.78	25.83%
Ontario	11,440.04	74.52%	56,711.98	75.47%	2,202.67	50.15%	70,354.70	74.14%
New Brunswick	0.00	0.00%	24.26	0.03%	0.00	0.00%	24.27	0.03%
Outside of Canada	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total	15,351.05	100%	75,147.32	100%	4,392.38	100%	94,890.75	100%

Total Residential Mortgages by Amortization Period

Initial Amortization Period	As Percentage of Total Portfolio
15-20 years	3.53%
21-25 years	60.06%
26-30 years	36.04%
Above 30 years	0.00%
less than 15 years	0.37%
Total	100.00%

Provincial Breakdown of Loan to Value Ratio (LTV) for the Newly Originated Uninsured Residential Mortgage Loans and HELOCs during Q1 of 2021 (Jan-Mar'21)

Province	Loan-to-Value Ratio (Average)	
	Residential Mortgages	Home Equity Lines of Credit*
British Columbia	60.15%	24.32%
Ontario	67.35%	20.19%
New Brunswick	-	-
Outside of Canada	0.00	0.00
Overall Average	63.75%	22.25%

* 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. However, our stress test results indicate consistency in risk profiling though the major chunk of RM exposure is in GTA because GTA property prices have shown consistency in all types of property values, though there is downturn in condo market for a short period because of pandemic, with a growth in market value of detached houses.