

Residential Mortgages Disclosure

Fourth 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 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:

Total Residential Mortgages and Home Equity Lines of Credit (HELOC) Portfolio Amount and Percentage that are Insured vs. Uninsured								
As on 31 st Dec 2021	Insured			Uninsured			(\$ in 000's)	
	Outstanding Amount	Outstanding Percentage	Outstanding Amount	Outstanding Percentage	Total			
Mortgages	20,620.71	16.44%	104,779.11	83.56%	125,399.82			
HELOC	0.00	0.00%	3,255.60	100.00%	3,255.60			
TOTAL	20,620.71	16.03%	108,034.71	83.97%	128,655.42			
Provincial Breakdown of Total Residential Mortgages and HELOCs (\$ in 000's, % in brackets)								
As on 31 st Dec 2021	Mortgages				HELOC		Total	
Province	Insured		Uninsured		Uninsured		Total	
British Columbia	2,414.18	11.71%	16,430.58	15.68%	534.96	16.43%	19,379.67	15.06%
Ontario	18,206.53	88.29%	88,348.58	84.32%	2,720.63	83.57%	109,275.75	84.94%
Outside of Canada	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Total	20,620.71	100%	104,779.11	100%	3,255.59	100%	128,655.42	100%

Total Residential Mortgages by Amortization Period	
Initial Amortization Period	As Percentage of Total Portfolio
15-20 years	2.44%
21-25 years	59.65%
26-30 years	37.10%
Above 30 years	0.00%
less than 15 years	0.81%
Total	100.00%

Provincial Breakdown of Loan to Value Ratio (LTV) for the Newly Originated Uninsured Residential Mortgage Loans and HELOCs during Q4 of 2021 (Oct-Dec'21)		
Province	Loan-to-Value Ratio (Average)	
	Residential Mortgages	Home Equity Lines of Credit*
British Columbia	70.00%	0.00%
Ontario	73.25%	4.17%
New Brunswick	-	-
Outside of Canada	0.00	0.00
Overall Average	71.62%	23.53%

* 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.