PEOPLES TRUST COMPANY

PUBLIC DISCLOSURES

(RESIDENTIAL MORTGAGE UNDERWRITING PRACTICES)

As at March 31, 2014

Disclosure Policy

This document represents the Office of the Superintendent of Financial Institutions ("OSFI") B-20 Residential Mortgage Underwriting Practices and Procedures Guideline disclosures for Peoples Trust Company ("PTC"). These disclosures are made to allow market participants greater transparency, clarity and public confidence in PTC's residential mortgage underwriting operations.

These disclosures are published under the Regulatory Disclosures section of PTC's website and shall be made on a quarterly basis.

This report is subject to internal review but has not been audited by PTC's external auditors.

Specific Disclosure relating to Mortgages

For residential mortgages, a combination of lending policy criteria, lending guidelines, and underwriting are utilized in the credit application approval process. The primary factors considered are affordability, credit and employment history, nature of income, quality of the collateral, and Loan-to-Value ("LTV") of the residential property. For purposes of these disclosures, a "residential mortgage" means any loan to an individual that is secured by residential property (one to four unit dwellings). PTC does not presently offer home equity lines of credit. The LTV Ratio is an evaluation of the amount of collateral value that can be used to support the loan.

An analysis of the amount and percentage of the total residential mortgage loans that are insured versus uninsured, grouped by geographic concentration, are set out in the table below. For purposes of this section, the term "insured" means those residential mortgages which are insured by CMHC against borrower default (*depicts actual numbers*).

Type/Province	Uninsured Remaining Principal	Uninsured %	Insured Remaining Principal	Insured %	Total
	As at March 31, 2014				
British Columbia	23,213,356	83.89	241,298	100.00	23,454,654
Alberta	1,079,498	3.90	-	-	1,079,498
Ontario	3,378,898	12.21	-	-	3,378,898
Total	27,671,752	100.00	241,298	100.00	27,913,050

The following table provides the percentage of residential mortgages categorized by amortization period.

Amortization	Remaining Principal	%
	As at March 31, 2014	
Interest Only	15,950,566	57.14
Under 20 years	1,949,845	6.99
20 – 24 years	4,786,495	17.15
25 – 29 years	1,439,965	5.16
30 – 34 years	3,786,179	13.56
35 years and greater	0	0
Total	27,913,050	100.00

The table below shows the average LTV Ratio for total newly originated uninsured residential mortgages at the end of Q1, grouped by geographic location.

LTV Ratio	Principal Amount	Average LTV %
	Q1 2014	
British Columbia	0	0
Ontario	0	0
Total	0	

In the event of an economic downturn, the potential impact on the company's residential mortgages is deemed to be very low, since the residential mortgage portfolio is well secured and operating below the internal maximum LTV limit of 75%.

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