



PEOPLES TRUST COMPANY

PUBLIC DISCLOSURES (RESIDENTIAL MORTGAGE UNDERWRITING PRACTICES) As at December 31, 2020

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	As at December 31 2020				
	Uninsured	Uninsured	Insured	Insured	Total
	Remaining		Remaining		
Principal	%	Principal	%		
British Columbia	74,987,736	84.48%	237,035,835	16.05%	312,023,571
Alberta	0	0.00%	403,386,021	27.31%	403,386,021
Ontario	13,779,272	15.52%	669,075,022	45.30%	682,854,295
Quebec	0	0.00%	87,242,717	5.91%	87,242,717
Manitoba	0	0.00%	20,247,309	1.37%	20,247,309
Saskatchewan	0	0.00%	60,156,796	4.07%	60,156,796
Total	88,767,009	100.00%	1,477,143,700	100.00%	1,565,910,709

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

Amortization	As at December 31 2020	
	Remaining	%
	Principal	
Interest only	55,660,989	3.55%
Under 20 years	32,703,524	2.09%
20 to <25 years	84,242,474	5.38%
25 to <30 years	1,053,256,832	67.26%
30 to <35 years	283,713,440	18.12%
35 years and greater	56,333,451	3.60%
Total	1,565,910,709	100.00%

The table below shows the average LTV Ratio for total newly originated uninsured residential mortgages at the end of Q4, grouped by geographic location.

LTV Ratio	Q4 2020	
	Principal	Average
	Amount	LVR %
British Columbia	0	
Ontario	0	
Total	0	

In the event of an economic downturn, the potential impact on the company's residential mortgages is deemed to be low as the uninsured portfolio represents less than 10% of our overall Single Family mortgage portfolio, the uninsured portfolio is conservatively underwritten, limited to select markets and has an average LTV of 56%. The residential mortgage portfolio is well secured and operating well below the maximum LTV limit of 80%.

E&OE