



Peoples Bank

PEOPLES BANK

PUBLIC DISCLOSURES

(RESIDENTIAL MORTGAGE UNDERWRITING PRACTICES)

As at March 31, 2023

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 Bank of Canada (“PBC”). These disclosures are made to allow market participants greater transparency, clarity and public confidence in PBC’s residential mortgage underwriting operations.

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

This report is subject to internal review but has not been audited by PBC’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). PBC 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 March 31 2023				
	Uninsured		Insured		Total
	Remaining Principal	Uninsured %	Remaining Principal	Insured %	
British Columbia	114,793,667	26.04%	689,502	6.03%	115,483,169
Alberta	3,156,890	0.72%	3,996,928	34.93%	7,153,818
Ontario	322,858,952	73.24%	6,559,444	57.32%	329,418,396
Quebec	0	0.00%	101,136	0.88%	101,136
Manitoba	0	0.00%	0	0.00%	0
Saskatchewan	0	0.00%	95,761	0.84%	95,761
Total	440,809,509	100.00%	11,442,771	100.00%	452,252,280

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

Amortization	As at March 31 2023	
	Remaining Principal	%
Interest only	1,421,774	0.31%
Under 20 years	2,631,471	0.58%
20 to <25 years	2,025,871	0.45%
25 to <30 years	21,829,268	4.83%
30 to <35 years	424,343,896	93.83%
35 years and greater	0	0.00%
Total	452,252,280	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	Q1 2023	
	Principal Amount	Average LVR %
British Columbia	3,646,634	58.11%
Ontario	10,063,275	59.84%
Alberta	1,862,549	55.63%
Total	15,572,458	

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 is conservatively underwritten, limited to select markets and has an average LTV of 63.14%. The residential mortgage portfolio is well secured and operating well below the maximum LTV limit of 80%.

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