



Peoples Bank

PEOPLES BANK

PUBLIC DISCLOSURES

(RESIDENTIAL MORTGAGE UNDERWRITING PRACTICES)

As at December 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 December 31 2023				
	Uninsured		Insured		Total
	Remaining Principal	Uninsured %	Remaining Principal	Insured %	
British Columbia	111,380,536	22.85%	6,562,386	4.20%	117,942,923
Alberta	22,919,046	4.70%	30,291,027	19.41%	53,210,074
Ontario	353,211,878	72.45%	116,854,666	74.87%	470,066,544
Quebec	0	0.00%	99,481	0.06%	99,481
Manitoba	0	0.00%	876,940	0.56%	876,940
Saskatchewan	0	0.00%	1,122,479	0.72%	1,122,479
Newfoundland and Labrad	0	0.00%	269,367	0.17%	269,367
Nova Scotia	0	0.00%	0	0.00%	0
Total	487,511,461	100.00%	156,076,346	100.00%	643,587,807

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

Amortization	As at December 31 2023	
	Remaining Principal	%
Interest only	0	0.00%
Under 20 years	43,199,975	6.71%
20 to <25 years	38,593,118	6.00%
25 to <30 years	94,874,338	14.74%
30 to <35 years	466,920,376	72.55%
35 years and greater	0	0.00%
Total	643,587,807	100.00%

The table below shows the average LTV Ratio for total newly originated uninsured residential mortgages at the end of Q2, grouped by geographic location.

LTV Ratio	Q4 2023	
	Principal Amount	Average LVR %
British Columbia	4,045,184	29.72%
Ontario	13,332,603	47.92%
Alberta	4,401,543	25.93%
Total	21,779,330	

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 70.34%. The residential mortgage portfolio is well secured and operating well below the maximum LTV limit of 80%.

E&OE