

## APPENDIX A

### OSFI Guideline B-20 Disclosures



The following table presents the amount of insured and uninsured residential mortgages and Home Equity Lines of Credit by geographic areas.

December 31, 2019 (000's) <sup>1</sup>	Insured Mortgages <sup>3</sup>		Uninsured Mortgages <sup>3</sup>		HELOC <sup>3</sup>		Total	
Ontario	\$ 1,140.0	1.1%	\$ 49,719.1	49.2%	\$ 10,742.2	10.6%	\$ 61,601.3	60.9%
British Columbia	\$ 1,386.4	1.4%	\$ 16,857.1	16.7%	\$ 6,600.6	6.5%	\$ 24,844.2	24.6%
Alberta	\$ 693.4	0.7%	\$ 6,413.9	6.3%	\$ 1,269.5	1.3%	\$ 8,376.8	8.3%
Nova Scotia	\$ 302.2	0.3%	\$ 1,300.8	1.3%	\$ 153.8	0.2%	\$ 1,756.8	1.7%
Manitoba	\$ 412.7	0.4%	\$ 1,188.9	1.2%	\$ -	0.0%	\$ 1,601.6	1.6%
New Brunswick	\$ -	0.0%	\$ 787.4	0.8%	\$ 348.3	0.3%	\$ 1,135.6	1.1%
PEI	\$ 373.7	0.4%	\$ 533.2	0.5%	\$ -	0.0%	\$ 906.9	0.9%
Saskatchewan	\$ -	0.0%	\$ 454.6	0.4%	\$ 163.0	0.2%	\$ 617.6	0.6%
Newfoundland & Labrador	\$ -	0.0%	\$ 184.4	0.2%	\$ 90.0	0.1%	\$ 274.4	0.3%
Quebec	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Other	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
<b>Total Canada</b>	<b>\$ 4,308.4</b>	<b>4.3%</b>	<b>\$ 77,439.5</b>	<b>76.6%</b>	<b>\$ 19,367.4</b>	<b>19.2%</b>	<b>\$ 101,115.3</b>	<b>100.0%</b>

The insured residential mortgage figure includes 13 residential mortgages, the uninsured residential mortgage figure includes 198 residential mortgages and the HELOC figure includes 96 Home Equity Lines of Credit as of year end 2019.

Insured residential mortgage exposure to default is mitigated by insurance through the Canada Mortgage and Housing Corporation (CMHC) or other private mortgage default insurers.

The following table summarizes the remaining amortization of the residential mortgages.

December 31, 2019 (000's)	Amortization Period	
<= 20 Years	\$ 18,439.4	22.6%
> 20 Years <= 25 Years	\$ 42,987.1	52.6%
> 25 Years <= 30 Years	\$ 20,321.4	24.9%
> 30 Years <= 35 Years	\$ -	0.0%
> 35 Years	\$ -	0.0%
<b>Total Canada</b>	<b>\$ 81,747.9</b>	<b>100.0%</b>

The remaining amortization breakdown above includes insured and uninsured residential mortgages (and excludes the Home Equity Line of Credit as there is no amortization period). The remaining amortization figure is calculated based on the differential between time of origination and reporting period end (i.e. December 2019).

The following table presents the average LTV ratios for newly originated uninsured residential mortgages and Home Equity Lines of Credit during the period by geographic areas.

December 31, 2019 (000's) <sup>1</sup>	Loan to Value <sup>2</sup>
Ontario	61.2%
British Columbia	65.4%
Alberta	75.5%
Nova Scotia	75.8%
Manitoba	83.2%
New Brunswick	73.3%
PEI	65.6%
Saskatchewan	78.6%
Newfoundland & Labrador	56.1%
Quebec	0.0%
Other	0.0%
<b>Total Canada</b>	<b>65.3%</b>

motusbank does not acquire uninsured residential mortgages or Home Equity Lines of Credit from third parties. The LTV figure above represents the average of insured and uninsured residential mortgages and Home Equity Lines of Credit originated during the fourth quarter of 2019.

<sup>1</sup> Geographical location is based on the address of the property managed.

<sup>2</sup> LTV ratios for residential mortgages and HELOCs are calculated based on the average authorized exposure.

<sup>3</sup> Residential Mortgages are disclosed at the remaining exposure (non-revolving outstanding balance) at period end. Home Equity Lines of Credit are disclosed at the authorized limit.

## OSFI Guideline B-20 Disclosures



### Overview

This Public Disclosure as of December 31, 2019 has been prepared by motusbank ("Company") in accordance with requirements of the OSFI B-20 Residential Mortgage Underwriting Practices and Procedures Guideline, January 2018.

In accordance with the Guideline, increased disclosure leads to greater transparency, clarity and public confidence in Federally Regulated Financial Institutions ("FRFI") residential mortgage underwriting practices. FRFI's, such as motusbank, should publicly disclose sufficient information related to their residential mortgage portfolios for market participants to be able to conduct an adequate evaluation of the soundness and condition of FRFI's residential mortgage operations.

### Insured Residential Mortgages ~ Defined

An insured mortgage is one that carries with it an insurance policy that protects the mortgage lender or title holder in the event that the borrower defaults on payments, or is otherwise unable to meet the contractual obligations of the mortgage. motusbank requires mortgage insurance where the Loan to Value ("LTV") ratio exceeds 80% of the purchase price. Mortgage loan insurance helps protect lenders against mortgage default, and enables consumers to purchase homes with a minimum down payment of 5%. motusbank facilitates the payment of the premium by the borrower and remits it to the insurer. The premium payable is based on a percentage of the home purchase price that is financed by a mortgage and set by the insurer's rates. The premium can be paid in a single lump sum or it can be added to the mortgage and included in the monthly payments. Mortgage loan insurance is not to be confused with mortgage life insurance which guarantees the remaining mortgage balance repayment at the time of death.

### Downward Economic Impacts

Consistent with previous quarterly reporting disclosures, to mitigate the impact of an economic slowdown and establish appropriate standards for the credit portfolio quality, motusbank has in place well defined underwriting and risk management mechanisms in respect of residential mortgages and home equity lines of credit ("HELOC"). Further, motusbank performs appropriate due diligence on the borrower's capacity and willingness to service debt obligations and has in place appropriate collateral management practices and ongoing portfolio monitoring. As per the risk management oversight framework, in the event of an economic slowdown, the potential impact on the residential mortgage and HELOC will be marginal given the sound underwriting, proactive risk management and insured nature of higher LTV exposures.