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.

September 30, 2021 (000's) [1]	Insured Mortgages [3]		Uninsured Mortgages [3]		HELOC [3]		Total	
Ontario	$ 2,433.8	1.0%	$ 116,975.4	49.0%	$ 24,271.6	10.2%	$ 143,680.7	60.1%
British Columbia	$ 2,075.3	0.9%	$ 37,759.4	15.8%	$ 14,579.5	6.1%	$ 54,414.2	22.8%
Alberta	$ 1,292.2	0.5%	$ 16,921.8	7.1%	$ 2,474.9	1.0%	$ 20,688.9	8.7%
Nova Scotia	$ 1,944.0	0.8%	$ 5,871.3	2.5%	$ 947.6	0.4%	$ 8,762.9	3.7%
Manitoba	$ 280.6	0.1%	$ 2,039.5	0.9%	$ 120.0	0.1%	$ 2,440.1	1.0%
New Brunswick	$ -	0.0%	$ 2,522.1	1.1%	$ 527.3	0.2%	$ 3,049.4	1.3%
PEI	$ 897.2	0.4%	$ 697.8	0.3%	$ -	0.0%	$ 1,594.9	0.7%
Saskatchewan	$ 634.5	0.3%	$ 1,453.2	0.6%	$ 163.0	0.1%	$ 2,250.7	0.9%
Newfoundland & Labrador	$ 216.1	0.1%	$ 977.3	0.4%	$ 90.0	0.0%	$ 1,283.4	0.5%
Quebec	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%
Other	$ 455.1	0.2%	$ 189.8	0.1%	$ 100.0	0.0%	$ 744.9	0.3%
Total Canada	$ 10,228.7	4.3%	$ 185,407.5	77.6%	$ 43,273.8	18.1%	$ 238,910.1	100.0%

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.

September 30, 2021 (000's)	Amortization Period	
<= 20 Years	$ 27,977.6	14.3%
> 20 Years <= 25 Years	$ 121,404.5	62.1%
> 25 Years <= 30 Years	$ 44,957.3	23.0%
> 30 Years <= 35 Years	$ 1,296.9	0.7%
> 35 Years	$ -	0.0%
Total Canada	$ 195,636.3	100.0%

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. September 2021).

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.

September 30, 2021 (000's) [1]	Loan to Value [2]
Ontario	58.4%
British Columbia	57.0%
Alberta	74.8%
Nova Scotia	69.1%
Manitoba	80.0%
New Brunswick	66.9%
PEI	76.9%
Saskatchewan	80.0%
Newfoundland & Labrador	72.7%
Quebec	0.0%
Other	0.0%
Total Canada	61.5%

The LTV figure above represents the average of uninsured residential mortgages and Home Equity Lines of Credit originated during the third quarter of 2021.

[1] Geographical location is based on the address of the property managed.

[2] LTV ratios for residential mortgages and HELOCs are calculated based on the average authorized exposure.

[3] 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

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Overview

This Public Disclosure as of September 30, 2021 has been prepared by motusbank 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

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. Motusbank is committed to an ongoing evaluation of qualification criteria as deemed necessary to mitigate downward economic impacts through established and appropriate standards for the credit portfolio.