Disclosure relating to Residential Mortgage

(As of March 31, 2015)

- Definition of insured and uninsured residential mortgage

  An insured residential mortgage may be defined as a mortgage that carries an insurance policy that would protect a lender and/or title holder in the event that the borrower defaults on payment, or is unable to meet the contractual obligations of the mortgage. A mortgage loan that does not carry mortgage insurance is deemed to be uninsured.

  For the time being, the Bank does not grant "high-ratio mortgage" loans (i.e. loan-to-value ratio over 80%) which need to be insured. That is to say, all residential mortgage loans granted are uninsured.

- Amount and percentage of the total residential mortgage loans and HELOCs that are insured versus uninsured (in CAD):

Product Type	Insured	%	Uninsured	%	Geographic Breakdown			
					Ontario	%	British Columbia	%
Residential Mortgages	-	-	104	90.6%	69	60.3%	35	30.4%
HELOCs	-	-	11	9.4%	8	6.9%	3	2.5%
Total	-	-	**115**	**100%**	**77**	**67.1%**	**38**	**32.9%**

- The percentage of residential mortgage loans falling within different amortization period:

Amortization Period (Year)	%
1 - 10	2.55%
11 - 15	2.82%
16 - 20	11.67%
21 - 25	82.95%
Total	**100%**

- Average LTV ratio (including a geographic breakdown) for the newly originated (from July 2012) uninsured residential mortgages and HELOCs:

Product Type	Average LTV Ratio		
	Overall	Ontario	British Columbia
Residential Mortgages	59.5%	60.5%	57.1%
HELOCs	58.2%	63.7%	48.1%

- In the event of an economic downturn, the potential impact on the Bank's residential mortgages and HELOCs shall be deemed low since the underlying portfolio is well secured with average LTV ratio being less than 65%. In addition, the Bank has relative credit monitoring schemes, such as regular stress tests on property market value, to ensure that such portfolio be well under controlled.