



**Haventree
Bank**

**B-20 RESIDENTIAL MORTGAGE GUIDELINES
PUBLIC DISCLOSURES**

JUNE 30, 2021

Overview

This disclosure is prepared in accordance with the requirements of OSFI Guideline B-20 - Residential Mortgage Underwriting Practices and Procedures. These disclosures are made to enable market participants to conduct an adequate evaluation of the soundness and condition of Haventree Bank's (the "Bank") residential mortgage operations.

Insured and uninsured mortgages

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.

The Bank's mortgage portfolio consists of uninsured mortgages primarily for owner-occupied, single-family residential properties for purchases, refinances, equity take-outs and debt consolidation. In addition to borrower payment defaults, as an uninsured residential mortgage lender, credit risk also results from reliance on the maintenance of collateral values. The Bank is therefore selective in the types of property accepted as collateral, the reliance on the appraisal of the property, and its geographic location. As at June 30, 2021, the Bank has issued uninsured residential mortgages on properties located in Ontario, British Columbia, Alberta, Manitoba, Quebec, Nova Scotia and Saskatchewan.

Impact of Covid-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus ("COVID-19"). With the increase in vaccination rates and the third wave of the pandemic subsiding, the government has started to ease restrictions around social distancing measures and stay at home directives. The gradual reopening of the economy has increased consumer spending leading to expected economic recovery. Management continues to make judgments, estimates and assumptions based on available external data that are believed to be reasonable as at June 30, 2021.

The Bank's credit risk profile increased in early 2020 as a result of COVID-19 and the resultant increase in the number of borrower requests for temporary payment relief (payment deferral). Since that time, the vast majority of payment deferral customers have resumed making their monthly payments, and the Bank has had low levels of arrears and minimal loan losses. For more details on the effect of the COVID-19 pandemic on credit risk, please refer to Pillar III Disclosures on our website.

The Bank lends to borrowers in Ontario, British Columbia, Alberta, Manitoba, Quebec, Nova Scotia and Saskatchewan. Lending operations outside of Ontario began in 2018 and as such the geographic distribution of the Bank's lending portfolio does not yet reflect the long-term desired distribution based on population and adjusted for variations in geographic risk appetite. Although some of these lending areas are among Canada's largest housing markets, a significant economic shock to the regional economy in Ontario could have a disproportionately adverse impact on the mortgage portfolio compared to the impact for a lender with a more regionally or nationally diversified mortgage portfolio.

Residential Mortgage Portfolio Disclosure (\$millions)

Insured vs. Uninsured by Province																
	Ontario		British Columbia		Alberta		Quebec		Nova Scotia		Manitoba		Saskatchewan		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Residential mortgages, insured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential mortgages, uninsured	1,754	75.9%	287	12.3%	158	6.7%	84	3.6%	26	1.1%	19	0.8%	14	0.6%	2,342	100%
HELOCs, insured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HELOCs, uninsured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Amortization period based on \$

≤ 20 years	1.1%
> 20 and ≤ 25 years	9.8%
> 25 and ≤ 30 years	88.4%
>30 years	0.7%

Average LTV of Mortgages Originated During the Quarter

	Ontario	British Columbia	Alberta	Manitoba	Saskatchewan	Nova Scotia	Quebec	Average
Residential mortgages	65%	69%	76%	80%	75%	73%	71%	67%
HELOCs	-	-	-	-	-	-	-	-