Concentra®

Residential Mortgage Disclosure

December 31, 2020

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In accordance with the *Office of the Superintendent of Financial Institutions Canada (OSFI) Guideline B20 – Residential Mortgage Underwriting Practices and Procedures* issued June 2012, additional disclosure is provided regarding the company's residential mortgage exposure.

The company is limited to providing residential real estate loans of no more than 80% of the collateral value. Lending at a higher loan-to-value (LTV) is permitted but requires default insurance. This insurance is contractual coverage of the eligible facilities that protects the company's real estate secured lending portfolio against potential losses caused by borrower default. It is provided by either government backed entities or other approved private mortgage insurers.

On an annual basis the company performs a stress test to determine the impact of a significant decline in house prices on the residential mortgage portfolio. Due to the high percentage of insured residential mortgages held on the balance sheet and the increase in house prices since initial underwriting, there is very little impact to the company's capital position from this stress event.

Residential mortgages and home equity lines of credit (insured vs. uninsured) [(1)]

The following table presents amounts of insured and uninsured residential mortgages and home equity lines of credit (HELOCs), by geographic regions.

(Thousands of Canadian dollars, except percentage amounts)

	December 31, 2020											
	Residential Mortgages				HELOCs				Total			
	Insured [(2)]		Uninsured		Insured [(2)]		Uninsured		Insured [(2)]		Uninsured	
	$	%	$	%	$	%	$	%	$	%	$	%
Province[(3)]												
Atlantic	316,472	6.34	10,698	0.48	-	-	5,326	2.79	316,472	6.34	16,024	0.66
Quebec	9,416	0.19	7	-	-	-	-	-	9,416	0.19	7	-
Ontario	2,144,561	42.96	1,876,839	83.61	-	-	90,340	47.32	2,144,561	42.95	1,967,179	80.77
Prairies & Territories	1,823,439	36.52	175,471	7.82	-	-	29,347	15.37	1,823,439	36.52	204,818	8.41
British Columbia	698,438	13.99	181,651	8.09	411	100.00	65,914	34.52	698,849	14.00	247,565	10.16
Total	4,992,326	100	2,244,666	100	411	100	190,927	100	4,992,737	100	2,435,593	100

(1) This table was prepared based on the disclosure requirements contained in OSFI's B-20 Guideline. All reverse mortgages secured by residential property are considered to be HELOC.

(2) Default insurance is contractual coverage of eligible facilities whereby the company's exposure to real estate secured lending is protected against potential shortfalls caused by borrower default. This insurance is provided by either government backed or other private mortgage default insurers.

(3) The province represents the location of the property in Canada. There are no foreign operations.

Residential mortgages portfolio by amortization period

The following table provides a summary of the company's residential mortgages by remaining amortization period based on the contractual terms of the mortgage agreement. The table below does not reflect the additional payments which may be made during the term of the mortgage.

(Thousands of Canadian dollars, except percentage amounts)

	December 31, 2020	
	Total (1)	
	$	%
Amortization period		
≤25 years	5,543,915	74.64
>25 years ≤30 years	1,790,499	24.10
>30 years ≤35 years	92,449	1.24
>35 years ≤40 years	1,467	0.02
>40 years	-	-
Total	7,428,330	100

(1) There are no foreign operations.

Uninsured average loan-to-value ratio: newly originated and acquired

The following table provides a summary of the company's average LTV ratio for newly originated and acquired uninsured residential mortgages and HELOCs by geographic regions.

	Three months ending December 31, 2020		
	Residential Mortgages	HELOCs	Total
	%	%	%
Canada (1)			
Atlantic	52.26	37.88	40.89
British Columbia	63.88	38.40	52.62
Prairies & Territories	64.51	37.96	50.63
Quebec	-	-	-
Ontario	68.65	40.78	65.74
Total	67.84	39.13	61.91

(1) The province represents the location of the property in Canada. There are no foreign operations.