

## Residential Mortgage Portfolio

In accordance with regulatory guidelines, Innovation Federal Credit Union is required to provide additional credit disclosures regarding our residential mortgage portfolio.

Innovation is limited to providing residential mortgages of no more than 80% of the collateral value. Lending at a higher loan-to-value (LTV) is permitted but requires default insurance. The insurance is contractual coverage that protects Innovation's real estate secured lending portfolio against potential losses caused by borrower default. Default insurance can be provided by either government backed entities or other approved private mortgage insurers. Currently Innovation uses Canada Mortgage and Housing Corporation (CMHC) and Sagen to provide mortgage default insurance.

A Home Equity Line of Credit (HELOC) is a form of non-amortizing (revolving) credit that is secured by a residential property. Unlike a traditional residential mortgage, most HELOCs are not structured to fit a predetermined amortization, although regular, minimum periodic payments are required. Innovation is limited to providing HELOCs of no more than 65% of the collateral value.

To determine the potential impact of an economic downturn, which may result in an increase in defaults and a decrease in housing prices, Innovation performs stress tests. The stress testing uses historical delinquency and write-off information over the past 5 years. Our results show that in an economic downturn, Innovation's capital position would be sufficient to absorb residential mortgage and HELOC losses.

The following tables provide details of Innovation's residential mortgage portfolio to allow for evaluation of the soundness and condition of Innovation's residential mortgage operations.

### Residential Mortgage Loan Portfolio

	Q1 2025	% of Portfolio	2024	% of Portfolio	Change \$	Change %
Insured	496,217,719	29.6%	498,196,359	29.7%	-1,978,640	-0.4%
Uninsured – Prime	556,807,246	33.2%	527,491,160	31.4%	29,316,086	5.6%
Uninsured – Alt A	592,217,973	35.3%	579,026,901	34.5%	13,191,072	2.3%
Non-conforming	9,676,614	0.6%	26,287,676	1.6%	-16,611,062	-63.2%
Reverse	19,385,576	1.2%	19,617,915	1.2%	-232,339	-1.2%
HELOC	4,122,464	0.2%	4,193,576	0.2%	-71,112	-1.7%
<b>Total</b>	<b>1,678,427,592</b>	<b>100%</b>	<b>1,654,813,587</b>	<b>100.0%</b>	<b>23,614,005</b>	<b>1.4%</b>

### Residential Mortgage Portfolio by Amortization

Amortization Range	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 10 years	241	72,658,891	4.3%	301,489
10 – 15 years	468	29,635,982	1.8%	63,325
16 – 20 years	662	79,178,645	4.7%	119,605
21 – 25 years	3,297	596,376,944	35.5%	180,885
26 – 30 years	2066	845,511,065	50.4%	409,250
Greater than 30 years	361	55,066,065	3.3%	152,538
<b>Total</b>	<b>7,095</b>	<b>1,678,427,592</b>	<b>100%</b>	<b>236,565</b>

### Residential Mortgage Portfolio by Province

Province	Number	Mortgage Balance	% of Portfolio	Average Balance
Saskatchewan	5,090	785,236,174	46.8%	154,282
Ontario	997	511,181,106	30.5%	512,687
Alberta	640	208,800,167	12.4%	326,166
British Columbia	295	152,732,913	9.1%	518,587
Manitoba	48	14,915,476	0.9%	310,328
Prince Edward Island	5	1,034,550	0.1%	202,332
Nova Scotia	8	1,579,748	0.1%	193,099
New Brunswick	3	725,530	0.0%	236,492
Newfoundland	6	686,230	0.0%	111,841
Territories	3	1,535,698	0.1%	500,572
<b>Total</b>	<b>7,095</b>	<b>1,678,427,592</b>	<b>100%</b>	<b>236,565</b>

### Residential Mortgage Loan Term Portfolio by Loan to Value (LTV)

Loan to Value (LTV)	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 25%	677	29,476,208	1.8%	43,539
25% – 50%	1283	181,722,284	10.8%	141,639
50% – 60%	855	165,214,292	9.8%	193,233
60% – 70%	1252	300,782,375	17.9%	240,242
70% – 80%	2082	791,000,356	47.1%	379,923
80% – 90%	512	110,192,127	6.6%	215,219
Greater than 90%	434	100,039,950	6.0%	230,507
<b>Total</b>	<b>7,095</b>	<b>1,678,427,592</b>	<b>100%</b>	<b>236,565</b>

### Residential Mortgage Loan Term Portfolio by Credit Score

Equifax Rating	Beacon Score	Number of Members	Mortgage Balance	% of Portfolio
Super Prime	741+	3,208	800,015,491	47.7%
Prime	681 – 740	1,673	424,666,338	25.3%
Near Prime	621 – 680	1,228	324,810,303	19.4%
Sub Prime	541 – 620	394	90,788,524	5.4%
Deep Sub Prime	< 540	91	25,786,907	1.5%
No score		53	12,360,029	0.7%
<b>Total</b>		<b>6,647</b>	<b>1,678,427,592</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Age

Age	Number of Members	Mortgage Balance	% of Portfolio
19 to 24	97	22,014,790	1.3%
25 to 34	1197	317,288,481	19.0%
35 to 44	2073	587,785,780	35.1%
45 to 54	1512	396,104,676	23.7%
55 to 64	1039	229,025,840	13.7%
65+	710	120,714,209	7.2%
<b>Total</b>	<b>6,628</b>	<b>1,672,933,776</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Delinquency category

Delinquency	Number	Mortgage Balance	% of Portfolio
Not Delinquent	6,682	1,521,385,685	96.5%
1 – 29 days	71	27,083,631	1.7%
30 – 89 days	31	13,809,918	0.9%
90 – 179 days	17	7,354,853	0.5%
180-364 days	17	5,483,668	0.3%
365 days or greater	6	811,069	0.1%
<b>Total</b>	<b>6,628</b>	<b>1,672,933,776</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Write-offs

	Q1 - 2025	#	Q4 - 2024	#
Insured	5,946	1	67,131	7
Uninsured	0	1	573,460	3
Reverse	0	0	0	0
HELOC (Home Equity Line of Credit)	0	0	0	0
<b>Total Loans</b>	<b>5,496</b>	<b>1</b>	<b>640,591</b>	<b>10</b>

### Residential Mortgage Third-Party Originated Portfolio

	Q1 - 2025	#	Q4 - 2024	#
Paradigm Quest	223,388,151	419	237,536,716	447
CMLS	440,750,496	1,075	436,574,946	1,066
MCAP	16,261,008	34	19,358,054	41
Community Trust	43,474,541	83	49,266,962	92
Home Equity Bank	19,383,125	72	19,616,625	72
Strive	69,339,608	151	48,754,772	110
<b>Total Loans</b>	<b>812,596,929</b>	<b>1,834</b>	<b>811,108,075</b>	<b>1,828</b>