

## 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

	Q2 2025	% of Portfolio	2024	% of Portfolio	Change	
					\$	%
Insured	513,299,079	29.8%	498,196,359	29.7%	15,102,720	3.0%
Uninsured – Prime	570,992,982	33.1%	527,491,160	31.4%	43,501,822	8.2%
Uninsured – Alt A	594,720,487	34.5%	579,026,901	34.5%	15,693,586	2.7%
Non-conforming	7,684,061	0.4%	26,287,676	1.6%	-18,603,615	-70.8%
Reverse	34,478,533	2.0%	19,617,915	1.2%	14,860,618	75.8%
HELOC	4,107,366	0.2%	4,193,576	0.2%	-86,210	-2.1%
<b>Total</b>	<b>1,725,282,508</b>	<b>100%</b>	<b>1,654,813,587</b>	<b>100.0%</b>	<b>70,468,921</b>	<b>4.3%</b>

### Residential Mortgage Portfolio by Amortization

Amortization Range	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 10 years	349	117,913,717	6.8%	337,862
10 – 15 years	470	30,086,277	1.7%	64,013
16 – 20 years	661	78,365,644	4.5%	118,556
21 – 25 years	3,343	607,420,637	35.2%	181,699
26 – 30 years	2024	824,925,871	47.8%	407,572
Greater than 30 years	411	68,570,362	4.0%	166,838
<b>Total</b>	<b>7,258</b>	<b>1,727,282,508</b>	<b>100%</b>	<b>237,983</b>

### Residential Mortgage Portfolio by Province

Province	Number	Mortgage Balance	% of Portfolio	Average Balance
Saskatchewan	5,190	810,341,892	47.0%	156,146
Ontario	1,014	521,593,926	30.2%	514,160
Alberta	651	211,425,897	12.2%	324,751
British Columbia	305	157,834,868	9.1%	517,030
Manitoba	66	19,777,367	1.1%	297,611
Prince Edward Island	5	1,051,014	0.1%	202,441
Nova Scotia	12	2,032,100	0.1%	163,089
New Brunswick	4	957,084	0.1%	230,436
Newfoundland	6	698,139	0.0%	112,060
Territories	3	1,570,221	0.1%	504,080
<b>Total</b>	<b>7,258</b>	<b>1,727,282,508</b>	<b>100%</b>	<b>237,983</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%	691	30,033,889	1.7%	43,464
25% – 50%	1338	195,384,843	11.3%	146,028
50% – 60%	843	162,769,552	9.4%	193,084
60% – 70%	1275	304,165,915	17.6%	238,562
70% – 80%	2145	819,673,775	47.6%	382,132
80% – 90%	494	104,415,173	6.0%	211,367
Greater than 90%	472	110,839,361	6.4%	234,829
<b>Total</b>	<b>7,258</b>	<b>1,727,282,508</b>	<b>100%</b>	<b>237,983</b>

### Residential Mortgage Loan Term Portfolio by Credit Score

Equifax Rating	Beacon Score	Number of Members	Mortgage Balance	% of Portfolio
Super Prime	741+	3,256	810,484,640	47.0%
Prime	681 – 740	1,732	447,478,027	25.9%
Near Prime	621 – 680	1,272	337,563,638	19.5%
Sub Prime	541 – 620	412	97,577,235	5.6%
Deep Sub Prime	< 540	85	23,376,646	1.4%
No score		44	10,802,322	0.6%
<b>Total</b>		<b>6,801</b>	<b>1,727,282,508</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Age

Age	Number of Members	Mortgage Balance	% of Portfolio
19 to 24	107	24,760,658	1.4%
25 to 34	1242	335,433,248	19.4%
35 to 44	2119	602,314,207	34.9%
45 to 54	1549	409,246,837	23.7%
55 to 64	1040	231,416,682	13.4%
65+	727	124,111,877	7.2%
<b>Total</b>	<b>6,783</b>	<b>1,727,283,508</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Delinquency category

Delinquency	Number	Mortgage Balance	% of Portfolio
Not Delinquent	7,130	1,672,669,461	96.8%
1 – 29 days	64	25,138,141	1.5%
30 – 89 days	27	13,438,865	0.8%
90 – 179 days	14	6,700,058	0.4%
180-364 days	12	5,671,069	0.3%
365 days or greater	11	3,664,914	0.2%
<b>Total</b>	<b>7,258</b>	<b>1,727,282,508</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Write-offs

	Q2 - 2025	#	Q4 - 2024	#
Insured	6,278	2	67,131	7
Uninsured	472,230	3	573,460	3
Reverse	0	0	0	0
HELOC (Home Equity Line of Credit)	0	0	0	0
<b>Total Loans</b>	<b>478,508</b>	<b>5</b>	<b>640,591</b>	<b>10</b>

### Residential Mortgage Third-Party Originated Portfolio

	Q2 - 2025	#	Q4 - 2024	#
Paradigm Quest	201,662,359	381	237,536,716	447
CMLS	427,773,766	1,058	436,574,946	1,066
MCAP	14,902,978	31	19,358,054	41
Community Trust	42,394,138	81	49,266,962	92
Home Equity Bank	34,475,625	127	19,616,625	72
Strive	114,621,645	263	48,754,772	110
<b>Total Loans</b>	<b>835,830,511</b>	<b>1,941</b>	<b>811,108,075</b>	<b>1,828</b>