

## 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

	Q4 2025	% of Portfolio	2024	% of Portfolio	Change	
					\$	%
Insured	515,463,026	28.1%	498,196,359	29.7%	17,266,667	3.5%
Uninsured – Prime	667,396,426	36.5%	527,491,160	31.4%	139,905,266	26.5%
Uninsured – Alt A	583,006,246	31.8%	579,026,901	34.5%	3,979,345	0.7%
Non-conforming	8,384,752	0.5%	26,287,676	1.6%	-17,902,924	-68.1%
Reverse	53,532,615	2.9%	19,617,915	1.2%	33,914,700	172.9%
HELOC	4,408,904	0.2%	4,193,576	0.2%	215,328	5.1%
<b>Total</b>	<b>1,832,191,969</b>	<b>100%</b>	<b>1,654,813,587</b>	<b>100.0%</b>	<b>177,378,382</b>	<b>10.7%</b>

### Residential Mortgage Portfolio by Amortization

Amortization Range	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 10 years	625	219,262,672	12.0%	350,820
10 – 15 years	458	30,892,789	1.7%	67,452
16 – 20 years	644	75,725,723	4.1%	117,587
21 – 25 years	3,284	613,285,454	33.5%	186,750
26 – 30 years	1,951	806,440,572	44.0%	413,347
Greater than 30 years	476	86,584,758	4.7%	181,901
<b>Total</b>	<b>7,438</b>	<b>1,832,191,969</b>	<b>100%</b>	<b>246,329</b>

### Residential Mortgage Portfolio by Province

Province	Number	Mortgage Balance	% of Portfolio	Average Balance
Saskatchewan	5,274	849,935,157	46.3%	161,170
Ontario	1,101	583,993,317	31.9%	530,360
Alberta	633	207,576,484	11.3%	328,128
British Columbia	311	158,596,442	8.7%	510,110
Manitoba	77	23,462,150	1.3%	306,106
Prince Edward Island	5	869,547	0.0%	161,097
Nova Scotia	18	3,338,545	0.2%	181,916
New Brunswick	10	1,803,059	0.1%	185,580
Newfoundland	8	1,009,122	0.1%	133,539
Territories	2	1,608,145	0.1%	744,832
<b>Total</b>	<b>7,438</b>	<b>1,832,191,969</b>	<b>100%</b>	<b>246,329</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%	661	30,372,689	1.7%	45,950
25% – 50%	1436	218,437,363	11.9%	152,115
50% – 60%	820	156,000,660	8.5%	190,245
60% – 70%	1328	325,454,224	17.8%	245,071
70% – 80%	2228	873,428,721	47.6%	392,024
80% – 90%	450	98,738,335	5.4%	219,419
Greater than 90%	513	129,673,444	7.1%	252,775
Unclassified	2	86,533	0.0%	43,267
<b>Total</b>	<b>7,438</b>	<b>1,832,191,969</b>	<b>100%</b>	<b>246,329</b>

### Residential Mortgage Loan Term Portfolio by Credit Score

Equifax Rating	Beacon Score	Number of Members	Mortgage Balance	% of Portfolio
Super Prime	741+	3,313	846,064,278	46.1%
Prime	681 – 740	1,749	454,023,078	24.8%
Near Prime	621 – 680	1,317	355,038,079	19.4%
Sub Prime	541 – 620	414	98,086,824	5.4%
Deep Sub Prime	< 540	76	20,639,074	1.1%
No score		126	58,340,636	3.2%
<b>Total</b>		<b>6,995</b>	<b>1,832,191,969</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Age

Age	Number of Members	Mortgage Balance	% of Portfolio
19 to 24	114	27,767,094	1.6%
25 to 34	1225	329,758,327	18.7%
35 to 44	2189	625,453,223	35.5%
45 to 54	1592	421,983,006	24.0%
55 to 64	1027	227,177,906	12.9%
65+	742	127,605,344	7.3%
<b>Total</b>	<b>6,980</b>	<b>1,832,191,969</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Delinquency category

Delinquency	Number	Mortgage Balance	% of Portfolio
Not Delinquent	7,279	1,767,908,832	96.5%
1 – 29 days	81	30,929,486	1.7%
30 – 89 days	36	13,160,455	0.7%
90 – 179 days	18	8,479,970	0.5%
180-364 days	13	7,634,569	0.4%
365 days or greater	11	4,078,657	0.2%
<b>Total</b>	<b>7,438</b>	<b>1,832,191,969</b>	<b>100%</b>

### Residential Mortgage Loan Portfolio by Write-offs

	Q4 - 2025	#	Q4 - 2024	#
Insured	83,694	6	67,131	7
Uninsured	540,472	5	573,460	3
Reverse	0	0	0	0
HELOC (Home Equity Line of Credit)	0	0	0	0
<b>Total Loans</b>	<b>624,166</b>	<b>11</b>	<b>640,591</b>	<b>10</b>

### Residential Mortgage Third-Party Originated Portfolio

	Q4 - 2025	#	Q4 - 2024	#
Paradigm Quest	159,366,007	303	237,536,716	447
CMLS	375,356,807	956	436,574,946	1,066
MCAP	10,726,133	22	19,358,054	41
Community Trust	35,881,056	67	49,266,962	92
Home Equity Bank	72,348,096	252	19,616,625	72
Strive	212,651,205	544	48,754,772	110
<b>Total Loans</b>	<b>866,329,304</b>	<b>2,144</b>	<b>811,108,075</b>	<b>1,828</b>