

RESIDENTIAL MORTGAGE SECURED LENDING PORTFOLIO

Tru Cooperative Bank Portfolio | Q2 2026 | As at June 30, 2026

Tru Cooperative Bank's residential mortgage secured lending portfolio is primarily concentrated in British Columbia, with a small Ontario exposure. Based on authorized amounts, the largest regional concentrations are Vancouver Island and Gulf Islands, the Okanagan, and Other Lower Mainland Areas, which together represent approximately 75.2% of the portfolio.

The weighted average portfolio loan-to-value (LTV) ratio was 65.1% as at June 30, 2026. The Ontario portfolio has the highest weighted average LTV at 82.5%, but represents only 0.5% of the portfolio by authorized amount. Within British Columbia, weighted average LTVs range from 58.1% in the Fraser Valley to 71.4% in Other Southern Interior Areas.

Economic conditions in British Columbia and across Canada continue to pressure the residential mortgage portfolio. Slower growth, higher borrowing costs, affordability challenges, and softer housing markets may reduce members' ability to make payments and place downward pressure on property values. Mortgages originated or renewed during the low-interest-rate period are renewing at higher rates, increasing payment and affordability pressures that are expected to continue through mid-2027. As a result, arrears, defaults, impairments, and credit losses could increase, particularly among more financially vulnerable members.

Tru Cooperative Bank mitigates these risks through prudent underwriting, conservative loan-to-value limits, qualifying rate requirements, portfolio monitoring, stress testing, and targeted oversight of higher-risk segments. We also support members through proactive outreach, renewal discussions, payment solutions where appropriate, and financial guidance.

Portfolio Highlights

Total outstanding portfolio \$7,879 million	BC share of outstanding portfolio 99.7%	Authorized portfolio WA LTV 65.1%	HELOC share of total portfolio 7.5%
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Residential Mortgage Portfolio by Region

The following table provides a summary of the geographical distribution and weighted average LTV ratios of the residential mortgage secured lending portfolio, based on authorized amounts.

As at June 30, 2026

Region	% Total Portfolio	% LTV (Weighted Average)
Vancouver Island and Gulf Islands	25.9%	62.7%
Okanagan	25.3%	64.2%
Other Lower Mainland Areas	24.0%	58.9%
Fraser Valley	14.5%	58.1%
Other Southern Interior Areas	7.5%	71.4%

Region	% Total Portfolio	% LTV (Weighted Average)
The Rest of BC	2.3%	68.9%
Ontario	0.5%	82.5%
Total	100.0%	65.1%

LTV Ratios for New Uninsured Mortgage Originations

For newly originated uninsured residential mortgages and HELOC-secured exposures in the quarter, the weighted average LTV ratio was 63%. BC represented the majority of activity in this view, while Ontario had a slightly higher weighted average LTV at 66%.

3 months ended June 30, 2026 | (%)

Province / Region	% LTV (Weighted Average)
BC	62.9%
Ontario	66.0%
Total	63.0%

Note: LTV is calculated based on authorized HELOC amounts plus outstanding mortgage balances, if applicable.

Insured vs. Uninsured Mortgages

The following table provides a summary of Tru Cooperative Bank's insured and uninsured residential mortgage and HELOC portfolio, reported based on outstanding balances. As at June 30, 2026, the total residential mortgage secured lending portfolio was \$7.879 billion. BC accounted for 99.7% of the total outstanding portfolio and Ontario accounted for 0.3%.

As at June 30, 2026 | (\$ millions, except as noted)

	Residential Mortgages				HELOC		Total	
Province / Region	Insured	% of Total	Uninsured	% of Total	Uninsured	% of Total	Insured and Uninsured	% of Total
BC	2,391	30.3%	4,874	61.9%	587	7.5%	7,852	99.7%
Ontario	16	0.2%	11	0.1%	0.0	0.0%	27	0.3%
Total	2,407	30.5%	4,885	62.0%	587	7.5%	7,879	100.0%

(1) Insured mortgages are mortgages whereby the exposure to default is mitigated by mortgage insurance, either individual or portfolio/bulk insurance, provided by government-backed entities or other approved private mortgage insurers.

(2) The source data did not identify any insured HELOC balances as at June 30, 2026.

Residential Mortgage Portfolio by Remaining Amortization

The following table provides a breakdown of the residential mortgage portfolio by remaining amortization period, based on outstanding balances. The largest segments are over 20 years to 25 years and over 25 years to 30 years, representing 38.9% and 32.3% of the portfolio, respectively.

As at June 30, 2026

Remaining Amortization Period	% of Total
Up to & including 5 years	0.9%
> 5 years 10 years	1.8%
> 10 years to 15 years	5.2%
> 15 years to 20 years	19.7%
> 20 years to 25 years	38.9%
> 25 years to 30 years	32.3%
> 30 years to 35 years	1.1%
> 35 years	0.1%
Total	100.0%

(1) Remaining amortization is based on current payment amounts, interest rates, and payment schedules, which may differ from contractual terms. Mortgages with amortizations greater than 35 years are generally due to the impact of higher interest rates on variable-rate mortgages and are expected to return to their contractual amortization at renewal. Tru Cooperative Bank adjusts payments as needed to ensure interest is covered and negative amortization does not occur.

Summary Observations

Observation	Risk and Oversight Implication
BC Concentration	The portfolio is primarily concentrated in British Columbia, which represents 99.7% of outstanding balances. By authorized amount, the largest regional concentrations are Vancouver Island and Gulf Islands, the Okanagan, and Other Lower Mainland Areas, which together account for 75.2% of the portfolio.
Product and Amortization Mix	Outstanding balances are predominantly uninsured residential mortgages at 62.0% of the portfolio, while insured residential mortgages represent 30.5% and uninsured HELOCs represent 7.5%; remaining amortization is concentrated in the over 20- to -30-year bands at 71.2% combined.
LTV Profile	The overall authorized-amount weighted average LTV is 65.1%, with most major BC regions below the portfolio average; the highest LTVs are in Ontario at 82.5% and Other Southern Interior Areas at 71.4%, both representing relatively small portfolio shares.
New Uninsured LTVs	New uninsured mortgage originations in the quarter show a weighted average LTV of 63%, broadly aligned with the overall portfolio profile, with BC at 62.9% and Ontario slightly higher at 66%.