

PILLAR 3 SUPPLEMENTARY DISCLOSURES

As at June 30, 2026

Notes to Readers

Overview and background

Tru Cooperative Bank (“Tru”) is a federally regulated credit union (Schedule I bank), incorporated and domiciled in Canada. Tru offers personal, business banking and investment services across Canada digitally and through our 45 branches in the Fraser Valley, Lower Mainland, Vancouver Island, Gulf Islands, Okanagan, Southern Interior and Northern Coast regions of British Columbia.

Basis of Preparation

The Basel rules are structured around three “pillars”:

- Pillar 1 - defines the minimum capital requirements,
- Pillar 2 - requires banks to have robust internal capital adequacy assessment processes (ICAAP) which will be part of regulators’ supervisory review,
- Pillar 3 - defines the market discipline/ disclosures required by banks which should be consistent and comparable across banks. Pillar 3 complements the other two pillars of Basel framework. Its aim is to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess certain specified information on the scope of application of the Basel rules, capital, particular risk exposures, risk assessment processes, and hence the capital adequacy of the institution.

Tru follows the Pillar 3 Disclosure requirements for Small and Medium-Sized Banks (SMSBs). The amounts disclosed in this document are based on the Tru’s unaudited interim financial statements, which reflect the consolidated financial position and results of operations of the credit union. The consolidated financial statements are prepared in accordance with International Accounting Standard (IAS) 34, including the accounting requirements specified by the Office of the Superintendent of Financial Institutions (OSFI), and reflect, where necessary, management’s best estimates and judgments. Pursuant to the SMSBs Capital and Liquidity Requirements guidelines, Tru, is classified as Category I SMSB with total assets over the \$10 billion threshold. This report is as of Q2 2026 and the numbers are in Canadian Dollars and unaudited. Full qualitative disclosures will be provided annually, at year-end. Please refer to the Annual Report 2025 for further information on Tru’s risk and capital management framework.

Q2, 2026

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KM1: Key Metrics (at consolidated group level)

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

	Available capital (amounts)	
1	Common Equity Tier 1 (CET1)	897,612
2	Tier 1	914,795
3	Total capital	1,073,827
	Risk-weighted assets (amounts)	
4	Total risk-weighted assets (RWA)	7,394,936
4a	Total risk-weighted assets (pre-floor)	7,394,936
	Risk-based capital ratios as a percentage of RWA	
5	CET1 ratio (%)	12.1%
5a	CET1 ratio (%) (pre-floor ratio)	12.1%
6	Tier 1 ratio (%)	12.4%
6a	Tier 1 ratio (%) (pre-floor ratio)	12.4%
7	Total capital ratio (%)	14.5%
7a	Total capital ratio (%) (pre-floor ratio)	14.5%
	Additional CET1 buffer requirements as a percentage of RWA	
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%
9	Countercyclical buffer requirement (%)	0.0%
10	Bank G-SIB and/or D-SIB additional requirements (%) [Not applicable for SMSBs]	
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.1%
	Basel III Leverage ratio	
13	Total Basel III leverage ratio exposure measure	15,378,668
14	Basel III leverage ratio (row 2 / row 13)	5.9%

Modified CC1: Composition of Capital for SMSBs

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	5,543
2	Retained earnings	944,390
3	Accumulated other comprehensive income (and other reserves)	(10,627)
4	Directly issued capital subject to phase out from CET1 (only applicable to Federal Credit Unions)	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	Common Equity Tier 1 capital before regulatory adjustments	939,306
Common Equity Tier 1 capital: regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1	(41,694)
29	Common Equity Tier 1 capital (CET1)	897,612
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	Directly issued capital instruments subject to phase out from Additional Tier 1 (applicable only to Federal Credit Unions)	17,183
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	of which: instruments issued by subsidiaries subject to phase out (applicable only to Federal Credit Unions)	
36	Additional Tier 1 capital before regulatory adjustments	17,183
Additional Tier 1 capital: regulatory adjustments		
43	Total regulatory adjustments to additional Tier 1 capital	
44	Additional Tier 1 capital (AT1)	17,183
45	Tier 1 capital (T1 = CET1 + AT1)	914,795
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	
47	Directly issued capital instruments subject to phase out from Tier 2 (applicable only to Federal Credit Unions)	135,000
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	of which: instruments issued by subsidiaries subject to phase out (applicable only to Federal Credit Unions)	
50	Collective allowances	24,032
51	Tier 2 capital before regulatory adjustments	159,032
Tier 2 capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	
58	Tier 2 capital (T2)	159,032
59	Total capital (TC = T1 + T2)	1,073,827
60	Total risk-weighted assets	7,394,936
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.1%
62	Tier 1 (as a percentage of risk-weighted assets)	12.4%
63	Total capital (as a percentage of risk-weighted assets)	14.5%
OSFI target		
69	Common Equity Tier 1 target ratio	7.0%
70	Tier 1 capital target ratio	8.5%
71	Total capital target ratio	10.5%
Capital instruments subject to phase-out arrangements (For Federal Credit Unions)		
80	Current cap on CET1 instruments subject to phase-out arrangements	
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase-out arrangements	17,183
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	1,706
84	Current cap on Tier 2 instruments subject to phase-out arrangements	135,000
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	15,000

CR1: Credit quality of assets

The following table presents a comprehensive view of the credit quality of our on and off-balance sheet assets.

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans	129,696	13,102,564	36,379	12,347	24,032		13,195,881
2	Debt Securities		1,454,114					1,454,114
3	Off-balance sheet exposures		170,778					170,778
4	Total	129,696	14,727,456	36,379	12,347	24,032		14,820,773

CR3: Credit risk mitigation techniques – overview

We utilize allowed regulatory credit mitigation techniques to reduce capital requirements associated with our balance sheet exposures. The following table presents a detailed breakdown of our unsecured and secured loan and debt securities exposures. Secured exposures are mitigated by way of additional collateral or guarantees being requested of the borrower.

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	275,770	12,920,111	12,906,730	13,381	
2	Debt securities	854,934	599,180	599,180		
3	Total	1,130,704	13,519,291	13,505,910	13,381	
4	Of which defaulted	372	117,168	117,168		

CR4: Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	824,442		824,442			0.0%
2	Public sector entities (PSEs)	612,611	4,323	2,859,613	17,339	865	0.0%
3	Multilateral development banks						0.0%
4	Banks	85,688		255,116	963	119,822	46.8%
	Of which: securities firms and other financial institutions treated as banks			169,428	963	94,114	55.2%
5	Covered bonds	12,014		12,014		2,403	20.0%
6	Corporates	69,542	102,800	69,542	53,949	85,200	69.0%
	Of which: securities firms and other financial institutions treated as corporates	345		345		345	100.0%
	Of which: specialised lending						0.0%
7	Subordinated debt, equity and other capital	3,945		3,945		9,863	250.0%
8	Retail	180,068	549,145	180,022	93,653	205,255	75.0%
9	Real estate	12,772,312	1,927,793	10,358,134	201,218	5,922,233	56.1%
	Of which: general RRE	7,017,234	1,244,270	4,615,845	132,223	1,294,251	27.3%
	Of which: IPRRE	876,151	90,078	863,362	9,651	357,356	40.9%
	Of which: other RRE						0.0%
	Of which: general CRE	704,802	91,018	704,802	9,102	489,587	68.6%
	Of which: IPCRE	2,751,828	109,097	2,751,828	10,909	2,141,135	77.5%
	Of which: land acquisition, development and construction	1,422,297	393,330	1,422,297	39,333	1,639,904	112.2%
10	Reverse mortgages						0.0%
11	Mortgage-backed securities						0.0%
12	Defaulted exposures	117,349	8,958	115,144	896	170,472	146.9%
13	Other assets	346,166		346,166		281,080	81.2%
14	Total	15,024,137	2,593,019	15,024,138	368,018	6,797,193	44.2%

CR5: Standardized approach – exposures by asset classes and risk weights

The following table presents the breakdown of credit risk exposures under the standardized approach by asset classes and risk weight. Credit exposures are post Credit Conversion Factor and post Credit Risk Mitigation.

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

		Risk Weights																				
	Asset Classes	0%	20%	25%	30%	35%	40%	44%	45%	50%	60%	66%	70%	75%	85%	90%	100%	105%	110%	150%	250%	Total credit exposure
1	Sovereigns	824,442																				824,442
2	Public sector entities (PSEs)	2,872,629	4,323																			2,876,952
3	Multilateral development banks																					
4	Banks				85,686			83,384				87,007					2					256,079
	Of which: securities, firms and other financial institutions							83,384				87,007										170,391
5	Covered Bonds		12,014																			12,014
6	Corporates		30,491												32,655		345					123,491
	Of which: securities firms and other financial institutions																345					345
	Of which: specialised lending																					
7	Subordinated debt, equity and other capital																				3,945	3,945
8	Retail													273,675								273,675
9	Real Estate		1,644,942	860,043	1,219,730	1,332,244	44,829		247,551	225,384	452,451		1,785,141	69,767	206,119	973,686	1,105,084	4,631	31,204	356,546		10,559,352
	Of which: general RRE		1,644,942	860,043	1,007,162	1,138,906	44,829			24,892			27,294									4,748,068
	Of which: IPRRE				212,568	193,338			247,551	200,492	3,436			4,997				4,631				873,013
	Of which: general CRE										443,015			64,770	206,119							713,904
	Of which: IPCRE												1,757,847			973,686			31,204			2,762,737
	Of which: land acquisition, development and construction																1,105,084			356,546		1,461,630
10	Reverse mortgages																					
11	Mortgage-backed securities																					
12	Defaulted exposures																7,174			108,866		116,040
13	Other assets	39,563	66,329														220,994				18,680	346,166
	Total	3,736,634	1,758,699	860,043	1,305,416	1,332,244	44,829	83,384	247,551	225,384	452,451	87,007	1,785,141	343,442	298,774	973,686	1,333,599	4,631	31,204	465,412	22,625	15,392,156

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures					
Risk weight		a	b	c	d
		On-balance sheet exposure Post CRM	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	8,839,490	1,260,535	11.2%	8,993,036
2	40–70%	2,905,705	214,971	14.8%	2,925,747
3	75–80%	248,327	563,758	16.9%	343,442
4	85%	243,804	113,006	48.6%	298,774
5	90–100%	2,273,329	339,554	10.0%	2,307,285
6	105–130%	34,866	6,993	13.9%	35,835
7	150%	455,992	94,202	10.0%	465,412
8	250%	22,625			22,625
9	400%				
10	1250%				
11	Total exposures	15,024,138	2,593,019	14.2%	15,392,156

* Weighting is based on off-balance sheet exposure (pre-CCF).

CCR1: Analysis of counterparty credit risk (CCR) exposures by approach

The following table provides a comprehensive view of the methods used to calculate counterparty credit risk exposures and the main parameters used within each method.

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	550	3,084		1.4	5,087	1,030
2	Internal Model Method (for derivatives and SFTs)						
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)						
5	Value-at-risk (VaR) for SFTs						
6	Total						1,030

CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights

The following table presents a breakdown of counterparty credit risk exposures calculated according to the standardized approach by portfolio and risk weight.

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n
Risk weight*→	0%	10%	20%	30%	40%	50%	75%	80%	85%	100%	130%	150%	Others	Total credit exposure
Regulatory portfolio*↓														
Sovereigns														
Public sector entities (PSEs)														
Multilateral development banks														
Banks			4,957	130										5,087
Securities firms and other financial institutions treated as Banks														
Corporates														
Securities firms and other financial institutions treated as Corporate														
Regulatory retail portfolios														
Other assets														
Total			4,957	130										5,087

CCR5: Composition of collateral for CCR exposure

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency		17,780				
Cash – other currencies						
Domestic sovereign debt						
Other sovereign debt						
Government agency debt						
Corporate bonds						
Equity securities						
Other collateral						
Total		17,780				

LR2: Leverage ratio common disclosure template

Q2, 2026

(Thousands of Canadian dollars, except percentage and otherwise noted)

On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	15,047,254
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	
4	(Asset amounts deducted in determining Tier 1 capital)	(41,694)
5	Total on-balance sheet exposures (excluding derivatives and SFTs (sum of lines 1 to 4))	15,005,560
Derivative exposures		
6	Replacement cost associated with all derivative transactions	770
7	Add-on amounts for potential future exposure associated with all derivative transactions	4,317
8	(Exempted central counterparty-leg of client cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 6 to 10)	5,087
Securities financing transaction exposures		
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk (CCR) exposure for SFTs	
15	Agent transaction exposures	
16	Total securities financing transaction exposures (sum of lines 12 to 15)	
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	2,593,017
18	(Adjustments for conversion to credit equivalent amounts)	(2,224,996)
19	Off-balance sheet items (sum of lines 17 and 18)	368,021
Capital and total exposures		
20	Tier 1 capital	914,795
21	Total Exposures (sum of lines 5, 11, 16 and 19)	15,378,668
Leverage ratio		
22	Basel III leverage ratio	5.9%