

Definition of Insured & Uninsured Residential Mortgage

An insured residential mortgage may be defined as a mortgage that carries an insurance policy that would protect a lender and/or title holder in the event that the borrower defaults on payments, dies, or is unable to meet the contractual obligations of the mortgage. A mortgage loan that does not carry appropriate mortgage insurance is deemed to be uninsured.

- » Mortgage loan insurance is required by lenders when homebuyers make a down payment of less than 20% of the purchase price. Mortgage loan insurance helps protect lenders against mortgage default and enables consumers to purchase homes with a minimum down payment of 5%. Mortgage default insurance is not available for homes with a purchase price of a million dollars or more and/or an amortization of greater than 25 years.
- » The homebuyer is not required to take out mortgage insurance if he or she is providing a down payment of greater than or equal to 20%.

Amount & Percentage of The Total Residential Mortgage Loans & HELOC That Are Insured Versus Uninsured				
As of 31 December 2025	Insured (CAD 000)	Percentage	Uninsured (CAD 000)	Percentage
Residential Mortgages	-	-	1 4,276	100%
HELOCs	-	-	5 ,071	100%
Total	-	-	19,347	N/A

Habib Canadian Bank (HCB) currently does not offer insured mortgages and as such the maximum Loan to Value (LTV) the Bank can facilitate for a residential mortgage loan is 75% and for a Home Equity Line of Credit (HELOC), 65%. Hence, the homebuyer is not required to carry out mortgage insurance.

The lending products secured against the residential property that are offered by Habib Canadian Bank:

- » Open - Variable Rate Residential Mortgage Loans
- » Closed - Variable Rate Residential Mortgage Loans
- » Closed - Fixed Rate Residential Mortgage Loans
- » HELOC (Home Equity Line of Credit)

The Percentage of Residential Mortgage Loans Falling Within Different Amortization Periods	
Amortization Period As At 31 Decemeber 2025	% in Canada
≤ 15 Years	3.45%
> 15 Years ≤ 20 Years	0.00%
> 20 Years ≤ 25 Years	96.55%
> 25 Years	0.00%
Total	100%

Average LTV Ratio for The Total Newly Originated Residential Mortgages & HELOC for The Quarter Ended December 31, 2025	
Residential Mortgage	60.00%
HELOCs	N/A

Geographic Breakdown for The Average LTV Ratio of The Total Newly Originated Residential Mortgages & HELOC		
Residential Mortgage	Ontario, Canada	60.00%
HELOCs	N/A	N/A

Geographic Breakdown for The Average LTV Ratio of The Total Newly Originated Residential Mortgages & HELOC		
Area	Amount (CAD 000)	Percentage
Ontario, Canada	19,347	100.00%
Total	19,347	100.00%

Potential Impact on Residential Mortgage Loans & HELOC in The Event of An Economic Downturn

In the event of an economic downturn the potential impact on Habib Canadian Bank's residential mortgages including HELOC is deemed to be low to medium since the residential mortgage portfolio is well secured with maximum loan to value of 75%.