

## Statement of Transitional Coverage

### Pursuant to the Canada Deposit Insurance Corporation Deposit Information By-Law

From November 1, 2021, to November 21, 2021, the members of Tru Cooperative Bank (“TCB”) voted on special resolutions that, among other things, authorized TCB to apply to become a federal credit union under the Bank Act. The results were officially announced to TCB’s members on November 23, 2021, and the special resolution to authorize TCB to apply to become a federal credit union under the Bank Act received 84.2% votes in favour from TCB’s members who hold Class A Membership Equity Shares and 83.5% votes in favour from TCB’s members who hold Class B Equity Shares. TCB received approval to operate as a federal credit union effective April 1, 2026

In accordance with the Canada Deposit Insurance Corporation’s (“CDIC”) Deposit Insurance Information By-law (the “By-law”), this Statement of Transitional Coverage (the “Statement”) is being provided to members of TCB to inform them of the changes to deposit insurance that will apply to their eligible deposits held by TCB now that TCB is a federal credit union and a member of CDIC.

Deposits held with TCB were previously insured by the Credit Union Deposit Insurance Corporation (“CUDIC”). CUDIC insures deposits held at credit unions that are incorporated in B.C. Now that TCB is a federal credit union, it is automatically a member of CDIC. As a result, CUDIC deposit insurance no longer applies to the deposits held by TCB and deposits eligible under CDIC’s deposit insurance will be insured by CDIC.

#### WHAT THIS STATEMENT COVERS

In accordance with the By-law, this Statement includes information on:

- Continuation day – April 1, 2026: information about the day on which CUDIC deposit insurance coverage for deposits held with TCB ends and CDIC deposit insurance coverage begins
- CUDIC deposit insurance coverage: a description of the CUDIC coverage that applied to deposits held with TCB prior to April 1, 2026
- Transitional CDIC coverage – April 1, 2026, to September 28, 2026: a description of the CDIC coverage that applies to pre-existing deposits held with TCB during this transition period. This transitional coverage ends on September 28, 2026
- Standard CDIC coverage - a description of the CDIC coverage that applies to deposits held with TCB after the transition period and how this coverage differs from the pre-continuance CUDIC deposit insurance coverage applicable to eligible deposits held with TCB

#### IMPORTANT THINGS TO NOTE

Deposit insurance coverage offered by CUDIC and/or CDIC may change in the future. If there are material changes to deposit insurance coverage offered by CDIC, TCB may revise this Statement accordingly. Please visit [www.cdic.ca](http://www.cdic.ca) for more information.

#### CONTINUATION DAY – April 1, 2026

The continuation day is the date TCB became a federal credit union as indicated in the Letters Patent of Continuance issued by Canada’s Minister of Finance. On the same day, the Order to Commence and Carry on Business, issued by the Superintendent of Financial Institutions, became effective. On the continuation day, TCB became a member of CDIC and on the same day, CUDIC deposit insurance ended, including for those deposits not eligible for CDIC coverage. Instead, CDIC deposit insurance will now apply to deposits held by TCB that are eligible for CDIC coverage.

## DEPOSITS TO WHICH CUDIC DEPOSIT INSURANCE APPLIED

Table 1 below describes which eligible deposits held with TCB were insured by CUDIC. Until the continuation day, the full amount of such deposits, including accrued interest, was covered by CUDIC's deposit insurance.

**Table 1: CUDIC deposit insurance coverage**

|  | Deposits Held in One Name | Deposits in More Than One Name (Joint Deposits) | Deposits in a Trust Account | Deposits in an RRSP | Deposits in an RRIF | Deposits in a TFSA | Deposits in an RESP | Deposits in an RDSP | Deposits in an FHSA |
|--|---------------------------|---|-----------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| Savings accounts (including foreign currency deposits)   | ✓                         | ✓   | ✓                           | ✓                   | ✓                   | ✓                  | ✓                   | ✓                   | ✓                   |
| Chequing accounts (including foreign currency deposits)  | ✓                         | ✓   | ✓                           | Not Applicable      | Not Applicable      | Not Applicable     | Not Applicable      | Not Applicable      | Not Applicable      |
| GIC and other term deposits (including foreign currency deposits, and regardless of term to maturity)  | ✓                         | ✓   | ✓                           | ✓                   | ✓                   | ✓                  | ✓                   | ✓                   | ✓                   |
| Non-equity shares <sup>1</sup> and declared but unpaid dividends on such shares  | ✓                         | ✓   | ✓                           | ✓                   | ✓                   | ✓                  | ✓                   | ✓                   | ✓                   |
| Money orders, certified cheques, traveller's cheques, debentures, bank drafts and prepaid letters of credit in respect of which a credit union is primarily liable | ✓                         | ✓   | ✓                           | Not Applicable      | Not Applicable      | Not Applicable     | Not Applicable      | Not Applicable      | Not Applicable      |

## WHAT IS NOT COVERED BY CUDIC DEPOSIT INSURANCE?

CUDIC deposit insurance did not apply to all financial instruments or securities held with TCB. Specifically, the following were not covered by CUDIC deposit insurance:

1. membership shares issued by a credit union
2. equity shares issued by a credit union
3. shares issued by other corporations
4. mutual funds
5. bonds, notes, treasury bills and debentures issued by governments or corporations
6. money orders, certified cheques, traveller's cheques, debentures, drafts and prepaid letters of credit in respect of which a credit union is not primarily liable
7. principal-protected notes

## ABOUT TRANSITIONAL CDIC INSURANCE COVERAGE – APRIL 1, 2026 to SEPTEMBER 28, 2026

As of the continuation day, deposits held with TCB are covered by CDIC deposit insurance so long as those deposits are eligible for CDIC coverage and, CUDIC deposit insurance no longer applies, including to those deposits not eligible for CDIC coverage.

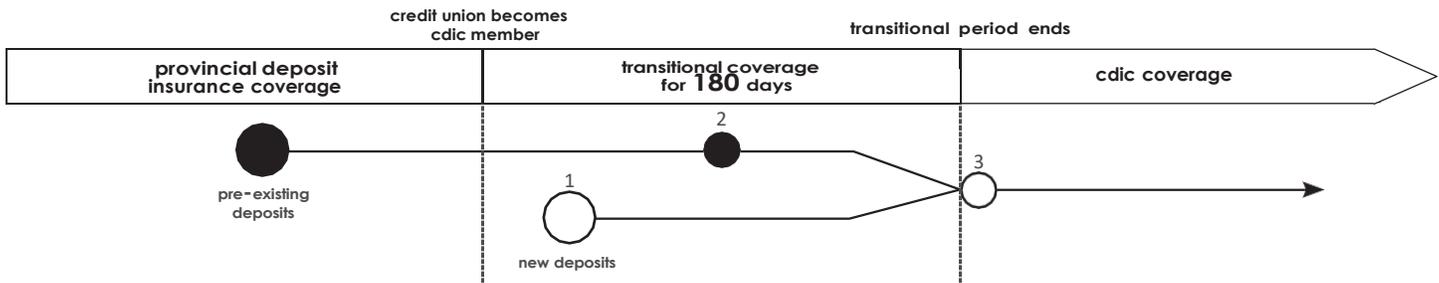
The transition period began on April 1, 2026, being the continuation day. The transition period for pre-existing demand deposits ends 180 days after the continuation day, being September 28, 2026. During the transition period, any "pre-existing" deposits that are eligible under CUDIC's deposit insurance coverage are insured by CDIC to the same extent as the current CUDIC deposit insurance coverage described above. A "pre-existing" deposit is a deposit held by TCB prior to the continuation day. During the transition period, CDIC deposit insurance coverage would not apply to the following:

- deposits that are payable outside of Canada;
- deposits in respect of which the Government of Canada is a preferred claimant;
- investments in non-equity shares and declared but unpaid dividends on those shares; and
- traveller's cheques.

In the case of a pre-existing deposit that is to be repaid on a fixed day (i.e., a term deposit or a GIC), the transition period would end on the maturity date or when it is cashed out.

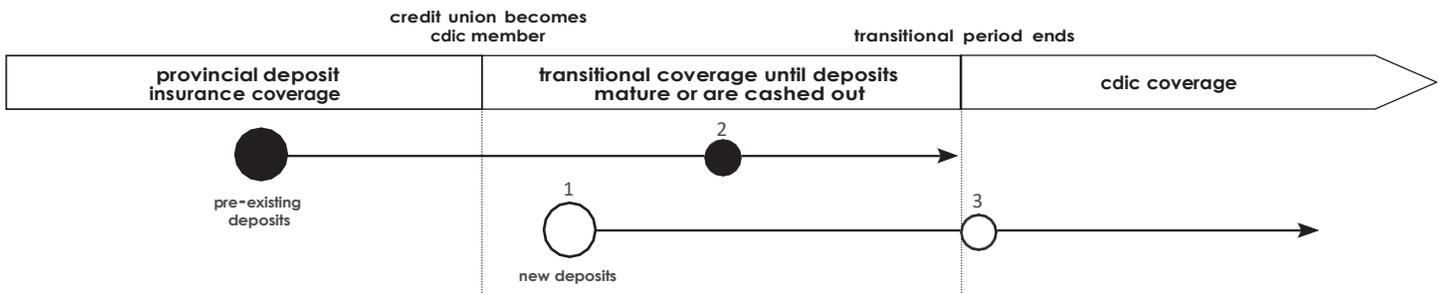
<sup>1</sup> 'Non-equity shares' are those issued by the credit union prior to January 1, 2020.

## TRANSITIONAL COVERAGE OF DEMAND DEPOSITS (e.g. Chequing / Savings Accounts)



1. Deposits made with TCB on or after it becomes a CDIC member are covered up to \$100,000 per category.
2. Pre-existing demand deposits are covered up to the provincial limit during the transition period (180 days).
3. After the transition period ends, all eligible deposits are combined and covered up to \$100,000 per category.

## TRANSITIONAL COVERAGE OF TERM DEPOSITS (e.g. GICs)



1. Deposits made with TCB on or after it becomes a CDIC member are covered up to \$100,000 per category.
2. Pre-existing term deposits are covered up to the provincial limit until they mature or are cashed out.
3. After the transition period ends, all eligible deposits are combined and covered up to \$100,000 per category.

As shown in the diagram above, and keeping in mind the exceptions to CDIC coverage noted in this Statement, any eligible pre-existing deposit that is not for a fixed period would have unlimited coverage until September 28, 2026, inclusive, less any amounts withdrawn during this period. Any eligible pre-existing deposit that is for a fixed term, keeping in mind the exceptions to CDIC coverage noted in this Statement, would have unlimited coverage until the end of that fixed term or when it is cashed out.

It's important to note that CDIC transitional coverage does not apply to deposits made with TCB on or after the continuation day. If a deposit is made with TCB during the transition period, the deposit would be treated as a separate deposit from any pre-existing deposits and would be covered by the standard CDIC deposit insurance described below.

Once the transition period ends, the CDIC standard deposit insurance coverage described in the next section would apply to all CDIC eligible deposits held with TCB. For the purpose of determining deposit insurance coverage per insurance category, eligible pre-existing deposits would be combined with eligible deposits made on or after the continuation day.

### ABOUT STANDARD CDIC INSURANCE COVERAGE

CDIC eligible deposits made with TCB on or after the continuation day are covered by CDIC's standard insurance coverage. This CDIC coverage is the same for all CDIC member institutions.

Below is a summary of certain differences between the insurance coverage provided by CDIC and CUDIC:

- Coverage limit: Eligible deposits held with TCB prior to the continuation day were subject to CUDIC's insurance coverage and CUDIC provides deposit insurance for the full amount of the eligible deposit. Eligible deposits held with CDIC member institutions are subject to CDIC's deposit insurance coverage and CDIC provides deposit insurance to a maximum of \$100,000 (including principal and interest) for each of the categories, in each of its member institutions (categories are summarized in Table 2 on the following page). This means that, if you have deposits in more than one category, you will be insured for up to \$100,000 in each of those categories, for each CDIC member institution.
- Government of Canada as a preferred claimant: CDIC does not provide deposit insurance coverage for deposits in respect of which the Government of Canada is a preferred claimant. No such restriction is expressed in respect of CUDIC deposit insurance.
- Investments in non-equity shares: CDIC does not provide deposit insurance coverage for money invested in non-equity shares. CUDIC provides insurance coverage for money invested in non-equity shares and dividends declared on such shares that have not been paid ('non-equity shares' are those issued by a credit union prior to January 1, 2020). Also, note TCB's membership shares and Class B equity shares are not insured by either CUDIC or CDIC.
- Traveller's cheques: CDIC does not provide deposit insurance coverage for traveller's cheques. CUDIC provides insurance coverage for traveller's cheques in respect of which a credit union is primarily liable.

Table 2: CDIC deposit insurance coverage

|   | Deposits Held in One Name | Deposits in More Than One Name (Joint Deposits) | Deposits in a Trust Account | Deposits in an RRSP | Deposits in an RRIF | Deposits in a TFSA | Deposits in an RESP | Deposits in an RDSP | Deposits in an FHSA |
|---|---------------------------|---|-----------------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| Savings accounts (including foreign currency deposits)  | ✓                         | ✓   | ✓                           | ✓                   | ✓                   | ✓                  | ✓                   | ✓                   | ✓                   |
| Chequing accounts (including foreign currency deposits)   | ✓                         | ✓   | ✓                           | Not Applicable      | Not Applicable      | Not Applicable     | Not Applicable      | Not Applicable      | Not Applicable      |
| GIC and other term deposits (including foreign currency deposits, and regardless of term to maturity)   | ✓                         | ✓   | ✓                           | ✓                   | ✓                   | ✓                  | ✓                   | ✓                   | ✓                   |
| Money orders, certified cheques, debentures, bank drafts and prepaid letters of credit in respect of which a credit union is primarily liable (including foreign currency deposits) | ✓                         | ✓   | ✓                           | Not Applicable      | Not Applicable      | Not Applicable     | Not Applicable      | Not Applicable      | Not Applicable      |
| Debentures (including foreign currency debentures) issued as proof of deposit for CDIC member institutions (other than banks)   | ✓                         | ✓   | ✓                           | ✓                   | ✓                   | ✓                  | ✓                   | ✓                   | ✓                   |

#### WHAT IS NOT COVERED BY CDIC INSURANCE COVERAGE?

Not everything held with a CDIC member institution is protected by CDIC insurance coverage. Specifically, the following are not covered by CDIC deposit insurance coverage:

1. membership shares issued by a federal credit union
2. any shares issued by a federal credit union
3. debentures issued by a federal credit union
4. deposits not payable in Canada
5. shares issued by other corporations
6. mutual funds
7. traveller's cheques
8. bonds, notes, treasury bills, and debentures issued by governments or corporations
9. money orders, certified cheques, drafts, and prepaid letters of credit in respect of which a federal credit union is not primarily liable
10. principal-protected notes (with some exceptions)
11. safe-deposit box contents
12. securities held for safekeeping

#### QUESTIONS

More information on deposit insurance may be found at:

- Credit Union Deposit Insurance Corporation: [www.cudicbc.ca](http://www.cudicbc.ca)
- Canada Deposit Insurance Corporation: [www.cdic.ca](http://www.cdic.ca)