2025
Annual Report

RADIUS CREDIT UNION

growing together

OUR VISION

To work together to strengthen our communities and provide the best options to meet our members' financial needs.

MISSION STATEMENT

Our rural, community focused credit union is a financially strong and viable financial service provider.

We build relationships by providing financial solutions and supporting our communities.

VALUES

COMMUNITY

- We support community events and projects as well as promoting community development
- Our communities are stronger because of our credit union
- Our staff and board exhibit leadership by direct involvement in community organizations

FINANCIAL STABILITY

- We make sound financial decisions to ensure long-term success and benefits to our members and communities
- We balance the need for strong financial performance with the needs of our members and communities

SERVICE EXCELLENCE

- We are committed to providing the highest quality service that enhances our value to our members
- We provide financial solutions that meet members needs

EMPLOYEE ENGAGEMENT

- We respect our employees and their contributions to our success
- We support development, providing education and enhancing co-operation to support leadership
- We respect our employees' need to balance their personal and professional lives

CO-OPERATION

- We co-operate with other organizations and the credit union system for our mutual benefit
- We are guided by the co-operative principles of voluntary and open membership, democratic member control, member economic participation, autonomy and independence, continuous education, cooperation amongst cooperatives and concern for community. These principles set us apart in the financial industry.

CO-OPERATIVE PRINCIPLES

As a true co-operative financial institution, Radius Credit Union acts in accordance with internationally recognized principles of co-operation:

Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

ANNUAL GENERAL MEETING AGENDA

Location: OGEMA HERITAGE HALL

Date: Wednesday April 22, 2026

Agenda details:

1. Call the meeting to order
2. Confirmation of Quorum & Notice of Meeting
3. Appointment of Secretary
4. Approval of Agenda
5. Minutes of 2024 Annual General Meeting
6. Annual Report
7. Auditors Report and Financial Statement
8. Appointment of Auditors
9. Nomination Committee Report and Election of Directors
10. New or Other Business
    a. Board Resolution – Bylaw Amendment
    b. Service Awards
    c. Other/New Business
11. Adjournment of the Business Meeting

MINUTES OF THE 19TH ANNUAL MEETING RADIUS CREDIT UNION

Location: PRAIRIE PRIDE COMMUNITY CENTRE CEYLON

Date: Wednesday April 16, 2025

Chairman Ray Barbarin welcomed everyone to the Nineteenth annual meeting of Radius Credit Union.

Ray called the meeting to order at 7:20 p.m.

Ted presented confirmation of Quorum with 68 members and 4 non-members in attendance. He also gave proof of notice of meeting.. These were advertised in multiple avenues including website, social media, in branch and community posters. All was done within the prescribed time frames.

Ted Struthers was appointed as Secretary of the meeting.

Motion: Gloria Kirkpatrick and Dawn Butz to accept the agenda as presented. Carried.

Motion: by Dianne Chapman and Mark Mellon to accept the minutes from the April 17, 2024, annual meeting. Carried.

Ray Barbarin, Ted Struthers, Dirk Balon and Kimberley Olfert proceeded to review and present the President's and the CEO's reports. Highlights are as follows:

Highlights of the reports presented within the reports were as follows:

- Vision Mission and Values & Co-operative Principles
- 2024 inflation issues
- Crop conditions and commodity price concerns
- Board focus and responsibilities
- Board attendance, remuneration and expenses presented as part of AGM package.
- Committees of the board and who is on them.
- List of board members, terms and years of service were reported.

- 2024 growth, margin and capital reported.
- Interest margin decline.
- ERM process and focus on risk areas were briefly discussed and alluded to in the package.
- Market Code & Privacy Code reports enclosed.
- A listing of all the staff, positions, years of service, as well as the locations where they work.
- The Corp and Social Responsibility report included branch locations, number of staff and how much payroll income was injected into our local economies.
- A listing of Donations and Contributions the Credit Union and staff did in 2024. Over 2,900 volunteer hours were completed.
- A summary of special community events Radius hosted in 2024.

Audit & Committee Report:

Blair Kotz Chairman of the Audit committee gave a detailed report on role and activity of the Audit & Risk Committee in 2024. Blair expressed the audit committee's satisfaction with our External Auditor and recommended that we appoint MNP as our Auditor for 2025.

Motion: By Jessica Nixon and Mark Mellon to appoint MNP to be the external auditor for 2025. Carried

Ray Barbarin expressed his appreciation and thanks to the Members of Audit and Risk Committee for all the additional work they do. Their role in the Credit Union has increased significantly over the past few years, and the board greatly appreciates their time and commitment.

Auditors Report and Financial Statement
Presented by Christie DiPaola, MNP:

- Christie reviewed the Manager's responsibility note in the statement and indicated that these financial statements are the shortened summary version. Full versions with notes are available at each branch location and on the Radius website.
- Reviewed the Auditors Report to the membership.
- Christie explained MNP's role as external auditor is to provide an independent review of the financial statements of Radius Credit Union and decide whether they agree or if adjustments are required.
- The balance sheet and financial statement were presented in detail.
- Christie indicated that most of the key information was presented in the CEO report.

- Closed with thanking staff, board, and management for their assistance in conducting the 2024 audit.

Nominating Committee Report
Presented by Mark Mellon:

Mark reported that all directors whose terms were expiring have let their names stand for another 3-year term. Also, there were no other nominations that came forward therefore Ray Barbarin, Steven Berg, Gloria Kirkpatrick and Rob Vermeulen will be elected by acclamation for another 3 years.

- Gloria Kirkpatrick – District 1
- Ray Barbarin – District 2
- Rob Vermeulen – District 2
- Steven Berg – District 3

Motion: By Blair Kotz & Gloria Kirkpatrick to accept all above reports as presented. Carried.

New & Other Business:

a. **Board Service Awards:**

Staff Awards:
Presented by Ken Bourassa:
Ken introduced the staff that were in attendance and brought them forward for a presentation and a picture. Others not able to attend were all named along with their years of service.
Ken thanked all the service award recipients for their service to the membership of Radius Credit Union.

Courtney Lanouette – 5 years
Katie MacDonald – 5 years
Kayla Dale – 5 years
Garnet Hoffart – 20 years
Pam Groshong – 20 years
Kyle Delooze – 20 years
Dianne Chapman – 45 years

Door Prize winners were as follows: Gerry Gerle, Keith Bacon, Gloria Kirkpatrick, Denise Kaufmann, Nancy Styles, Steve Blackmore, Gerry Mazer, and Ray Barbarin.

Meeting was adjourned by Brenda Mazer @ 8:01 p.m.

_____________________________	_____________________________
Chairman	Secretary

BOARD PRESIDENT

As we reflect on 2025, we are proud that Radius Credit Union remains financially stable, member-focused, and deeply rooted in the communities it serves. While inflationary pressures began to ease over the course of the year and interest rates stabilized, households and businesses across Saskatchewan and Canada continued to navigate a cautious economic environment shaped by global uncertainty, market volatility, and shifting trade dynamics.

RCU's identity as grassroots, rural-based credit union continues to be a key differentiator. Strong personal service, trusted relationships, and active community involvement—both financially and through volunteerism—position RCU as a respected and progressive cooperative leader. Looking ahead, our strong financial performance and the continued trust and loyalty of our members, positions us to invest in products, services and digital technologies that make banking more accessible and easier to use.

Throughout the year, the Board remained focused on strengthening Radius Credit Union to serve our members today while continuing to position the organization for long-term success. Organizational changes introduced in recent years have begun to deliver greater consistency, improved efficiency, and enhanced member-experience across our branch network. We placed renewed attention on financial education—supporting learning opportunities and community events that help members build confidence, ask questions, and make informed financial decisions for themselves and their families. Whether it's a fraud prevention workshop, or in school information session, or a conversation across the counter, education remains a key part of our personal service. Radius remains responsive, innovative, and grounded in the local service our members value.

I would like to take this opportunity to thank my fellow Directors for their leadership, knowledge and commitment to Radius Credit Union. A special thank you to both Rick Williams and Brenda Mazer, who after 30 and 19 years of service respectively decided not to let their names stand for re-election on the Radius Board. On behalf of the entire board, I extend my appreciation to our staff, executive team, and all those who contribute to the success of Radius Credit Union. Together, we will continue to build a strong and sustainable future for our credit union and the communities we call home. We are pleased to present the following 2025 Annual Report for Radius Credit Union.

Ray Barbarin
Board Chair, Radius Credit Union

BOARD OF DIRECTORS

RADIUS CREDIT UNION 2025 BOARD OF DIRECTORS					
Director & Occupation	District	Years on Board	Regular Meeting Attendance	Committee Meeting Attendance	All Day Meeting Attendance
Ray Barbarin, Farm Labourer	2	37	13	-	2
Steven Berg, Farmer	3	24	10	-	1
Ken Bourassa, Sales Manager	2	35	14	4	2
Dawn Butz, Physiotherapist	1	19	11	-	2
Gloria Kirkpatrick, Farmer	1	7	13	2	2
Blair Kotz, Accountant	2	23	14	4	2
Brenda Mazer, Bookkeeper	1	19	14	5	2
Mark Mellon, Farmer	1	27	11	-	1
Jessica Nixon, Consultant	1	2	13	1	2
Rob Vermeulen, Farmer	2	10	14	4	2
Rick Williams, Farmer	3	30	9	-	2

District 1 – Ogema, Avonlea & Earl Grey

District 2 – Pangman, Radville & Ceylon

District 3 – Torquay & Tribune

The board is responsible for the strategic oversight, business direction and supervision of management of Radius Credit Union. In acting in the best interests of the credit union and its members, the board's actions adhere to the standards set out in *The Credit Union Act 1998*, the Standards of Sound Business Practice and other applicable legislation. The key roles of the Board include formulation of strategic business plans; setting goals, evaluating the performance of the CEO; approving corporate mission, vision and values; monitoring corporate performance against strategic business plans; oversight of operations; ensuring compliance with laws and regulations; keeping members informed regarding plans, strategies and performance of the Credit Union; and other important matters.

The directors are remunerated per diem for board meetings, committee meetings and planning sessions. In 2025 the total remuneration paid was $43,603.17. Total travel and meals for the board was $4,241.37, Officials Insurance was $2,592.09, Officials' development & other was $10,938.49. The total cost incurred regarding the Board of Directors for 2025 was $61,375.12.

Governance Practices

Promoting a successful, healthy credit union is accomplished through processes of good governance. Corporate governance involves a set of relationships between a credit union's board, executive management, members and other stakeholders. Effective corporate governance practices are essential to achieving and maintaining the trust and confidence of credit union members, the public and other stakeholders. Radius Credit Union's governance practices are assessed periodically by internal and external auditors and the credit union system regulator (CUDGC). Reviews in 2025 by internal and external audit confirmed that our Board is using effective governance practices that comply with emerging regulatory guidelines.

Training and Evaluation

Each director completed a self-assessment in 2025 as per regulatory expectations. Training material will be created based on results to improve knowledge in strategic thinking and planning, human resources oversight, financial and risk oversight and legal and regulatory oversight. Through 2025 the directors invested 80 hours in training in order to continue to be a well-informed advocate for the members of Radius Credit Union. Including a director development day held in October with consultants Joan Baer of Baer Values and Laurie Smith of CultureFirst HR. The workshop participants had the opportunity to explore fundamental questions around co-operative governance through mini-cases and facilitated discussions with credit union peer group directors from Southern Saskatchewan.

Committees

The responsibilities of the board of a financial services organization encompass an ever-growing list of duties under regulatory oversight. Radius Credit Union maintains several committees comprised of directors. This partitioning of responsibilities enables a clear focus on specific areas of activity vital to the effective operation of our credit union. The board determines the skills and abilities needed on each committee and chooses its members accordingly. The board also determines each committee's terms of reference, guidelines and requirements. The President serves as an ex-officio of all committees.

Executive Committee

The Executive Committee acts in the capacity of, and on behalf of the board of directors between regular or special board meetings on all board matters except those which the board may not delegate due to legislative requirements. The 2025 members of this committee were:

- Ray Barbarin (President)
- Ken Bourassa (Vice-President)
- Ted Struthers (Secretary/Treasurer)
- Mark Mellon
- Blair Kotz

Audit & Risk Committee

The Audit and Risk Committee met each quarter of 2025, oversees the financial reporting process, reviews financial statements, liaises with internal and external auditors and regulators and reviews internal control procedures. In addition, the committee oversees the identification, understanding and management of risks that may affect Radius Credit Union. The 2025 members of this committee were:

- Blair Kotz
- Brenda Mazer
- Rob Vermeulen
- Ken Bourassa
- Gloria Kirkpatrick

Credit & Conduct Review Committee

The purpose of the Conduct Review Committee is to ensure that all proposed related party transactions with the Credit Union are fair to the Credit Union and that best judgement is exercised in all matters of related party relationships. The CRC meets to ensure that the directors and employees act with integrity and objectivity by having policies, processes and practices in place that protect people and the organization from claims and the perception of unfair benefits or conflict of interest. The 2025 members of this committee were:

- Dawn Butz
- Steven Berg
- Mark Mellon

Building Committee

The Building & Property Committee works with management to develop policies and plans relevant to credit union service facilities. The members of this committee were:

- Jessica Nixon
- Mark Mellon
- Blair Kotz
- Gloria Kirkpatrick
- Steven Berg

Nominating Committee

The nominating committee oversees the nomination and election processes for credit union directors. The 2025 members of this committee were:

- Gloria Kirkpatrick
- Ray Barbarin
- Rob Vermeulen
- Steven Berg

Workplace Violence and Harassment Committee

The 2025 members of this committee were:

- Ted Struthers
- Kimberley Olfert
- Ray Barbarin

The full Board of Directors participates in the annual strategic planning session led by an external consultant.

CEO REPORT

The Annual Meeting allows your board of directors and your management team to report on the activities and results of the year. The 2025 Annual Report is provided to our members as a highlight of our past year's performance. We are pleased to share these highlights with the Radius Credit Union communities.

2025 Financial Operation Summary			
(in thousands)	2025	2024	2023
Net Income	3,386	3,191	4,055
Assets	641,036	607,431	581,452
Equity	52,875	49,489	46,298
Equity as % of Assets	8.25	8.15	7.96
Delinquency over 90 Days	0.71	0.13	.08
Operating Expenses	9,198	8,488	7,947

As part of the mission of Radius Credit Union, we work hard to be a community minded, financially strong, and viable financial service provider. To achieve being your first choice for financial services, the Board establishes strategic direction, and management develops action plans to meet all the objectives of the credit union. The planning process encompasses the development of the strategic plan, the business plan, and the operating and long-term budgets. Through these plans, the board determines the key drivers for the financial results. The chart above highlights a few of the key financial performance results.

We are pleased to report that our Asset Growth for 2025 was 5.53%. In dollars this was an overall increase of just under $34.0 million, leaving our year end assets at $641.0 million. The growth rate is a little higher than last year and is close to our longer-term average. We are budgeting for similar results in 2026. Member deposits provide the credit union with funds to lend to members or funds to invest, thereby increasing the assets. Member deposits increased from $552.7 million to $581.3 million over the course of the year. Radius Credit Union's equity ended the year at $52.8 million. This year we contributed just under $3.4 million to our reserves after paying just over $1.16 million in member patronage and interest on equity accounts.

Even as a financial cooperative, Radius must operate as a business entity, necessitating the generation of a sufficient operating surplus to cover expenses, bolster capital reserves, and provide returns to its members. Revenue for the credit union is derived from various sources, including interest margins, service charges, and commissions. Throughout 2025, we observed multiple decreases in the Prime Lending Rate, culminating in a drop from 5.45% to 4.45% by December 31, 2025. These reductions in rates put downward pressure on our interest margins, however, we were still able to fulfill regulatory capital requirements, distribute a 3.80% patronage payment to our membership, and pay a competitive interest rate of 3.60% on member equity accounts.

Loan Growth

Loan growth in 2025 was just slightly over 2.70%. This past year our local or organic growth rate was 13.28% or $32.0 million; however, our participation loans (purchased from other credit unions) were paid down significantly. Given the uncertainty in the external economy, we made the decision not to replace this paydown with other new purchases. We felt that participation credits had too much increased risk and instead we focused for the most part on growth from our local area. We are pleased with our achievements in our local marketplace and hope to continue this trend into 2026 as our goal is always to meet the borrowing needs of our membership. At Radius, our emphasis lies on the quality rather than the sheer quantity of credit. We have been able to maintain a favorable margin on our investments to assist with generating a return.

As mentioned, the overall loan balances experienced a net increase of $32.0 million, however with our asset growth our ratio declined to 55.89%, which is slightly lower than the 57.14% level observed in 2024.

Delinquency

As a credit granting organization, maintaining robust credit quality is a fundamental aspect of our risk management framework. The credit union consistently upholds stringent standards for evaluating credit quality, reflecting our commitment to prudent lending practices. The delinquency rate greater than 90 days increased to .71% of loans as of December 31, 2025. This is an increase from the previous year's .13%. This increase is mostly due to a participation loan that we purchased from another credit union in Eastern Canada. This was for a property development project that went into receivership and has now been sold. While the deal does not close until the end of March 2026, we are anticipating a loss between $500 and $550 thousand. Most of this loss was allowed for in 2025.

Radius Credit Union actively monitors its exposure to potential credit losses and maintains adequate provisions for both general and specific loan allowances accordingly. Our lending department conducts quarterly reviews, supplemented by detailed annual file assessments to identify and address any areas of concern requiring adjustment. This year's net increase in allowance was just over $207 thousand.

In 2025, both internal & external audits were conducted, with all findings supporting and commending the quality of our loan portfolio and underwriting practices. These reviews underscore our ongoing commitment to maintaining the highest standards of credit quality and risk management.

Foreclosed Property

At year-end Radius Credit Union is still holding 5 serviced lots in the Moose Jaw Condo development. We have been advertising these lots for sale and are currently dealing with a prospective buyer. The current book value is $17,000.00 and we are very hopeful this deal will close.

Summary

At Radius Credit Union, our vision is to work together to strengthen our communities and provide the best options for our members to meet their financial needs.

We are always proud of our staff as they align with our credit union values and making a difference to our membership and in our communities. They continue to deliver a very high level of quality member service, and are very engaged in our credit union, our communities, and our system. Their commitment to you, the members, is second to none.

As we look to 2026, our mission continues to be building relationships with you, supporting our communities, and providing financial solutions so that Radius Credit Union is the first and best option to meet your financial needs. *Growing Together!*

Thank you for your continued support of your local credit union!

ENTERPRISE RISK MANAGEMENT (ERM)

Each year Radius Credit Union spends significant resources measuring and assessing risks and ensuring we are adequately prepared to serve our members and communities now and in the future. This process is called Enterprise Risk Management (ERM) and is mandated by CUDGC as a requirement of all credit unions in Saskatchewan.

As a financial institution, Radius Credit Union is exposed to a variety of risks. Risk is the downside that exists in almost every component of the Credit Union's activities. Risk represents the potential negative impact to the Credit Union's ability to achieve important goals. Risk can also cause financial loss and harm to a credit union's reputation. Managing risk with business opportunities is the top priority for the Board of Directors and Management at Radius Credit Union. Building sound policies and operational processes, risk-based audit practices and capital and liquidity management strategies, all supported by strong human resources, is the heart of our strategic objectives.

The fundamental strength of a credit union is the level of capital it holds to protect against normal, anticipated and unexpected business events. An adequate capital position allows the Credit Union to absorb unexpected losses, implement long-term strategic plans and signal financial strength. Our main objective remains to preserve and build capital while growing our business.

When considering risks, Radius Credit Union determines the appropriate levels of control over all risks using an ERM approach for the identification, measurement and monitoring of risks. The Credit Union's operations undergo regular independent assessment through external audit, internal audit and regulatory reviews to ensure that key risks are being mitigated and any potential impacts to capital are reported accordingly.

Our enterprise risk management framework manages risks in the following categories:

<u>Strategic Risk</u>

Strategic risk is the risk that adverse decisions, ineffective or inappropriate business plans or failure to respond to changes in the competitive environment, member preferences, obsolete products or resource allocation, will impact our ability to meet our objectives. This risk is a function of the compatibility of an organization's strategic goals, the business strategies developed to achieve these goals, the resources deployed against these goals and the quality of implementation.

Radius Credit Union has formal planning processes which result in a strategic business plan focused on strategic objectives as outlined earlier. The credit union uses a comprehensive reporting process to monitor performance relative to plans and provides regular updates to the Board. The Enterprise Risk Management process further identifies emerging risks and formulates plans as risks are identified. In addition, directors attend training as well as system meetings and conferences to hear other perspectives and learn from other credit unions.

Credit Risk

Credit risk is the risk of financial loss arising from a borrower or counterparty's inability to meet its obligations. Radius Credit Union is affected primarily by its direct lending activities. In addition to lending to its members, Radius Credit Union assumes risks related to loans purchased from other credit unions and affiliates, leases financed through leasing corporations and to a lesser extent, by holdings within its investment portfolio. Some key individual credit risks are default risk, portfolio concentration risk, inadequate allowance risk and policy exceptions risk.

Lending practices are set by the Board of Directors in policy and put into practice through procedures established by management. Review and revision of lending policies and procedures are completed on a regular basis.

Credit granting is performed in accordance with approved policies, procedures and applicable legislation. This includes credit analysis, pricing, terms and documentation for lending. Loan pricing structures are in place to support lenders in pricing decisions and to ensure risk is offset by rates. Concentration limits regarding industry and size of loans have been designed to reflect our risk tolerance. Credit risk is further mitigated through training of loans personnel.

The credit union's credit portfolio and lending practices undergo regular and ongoing independent assessment through external audit, internal audit and regulatory reviews. Reports are provided to management and to the Board of Directors through the Audit and Risk Committee (ARCO).

Market Risk

Market risk is the exposure to potential loss from changes in market prices or rates and foreign exchange risk. Losses can occur when values of assets and liabilities or revenues are adversely affected by changes in market conditions, such as interest rate or foreign exchange movement.

The credit union's market risk is impacted primarily by movements in interest rates, specifically by the timing differences that exist between the re-pricing of loans, investments and deposits.

Foreign exchange risk occurs when members change Canadian funds for another currency, which in our case are predominantly US dollars. This risk is offset by the credit union maintaining a US Dollar Account with SaskCentral in a similar amount to funds held in member US Dollar accounts. When members exchange currency, we complete a similar transaction to offset any risk exposure. Foreign exchange risk is monitored at least quarterly and adjustments to the account at SaskCentral are made as required.

The credit union's exposure to changes in interest rate is monitored by management and reviewed by the Management Asset & Liability Committee (ALCO) who in turn reports to the Audit & Risk Committee (ARCO). An Interest Rate Risk plan is completed annually and approved by ARCO.

Liquidity Risk and Management

Liquidity is required to meet the day-to-day cash needs and loan demands of our members. Liquidity risk arises from general funding activities and through management of our assets and liabilities. It is the risk of having insufficient cash resources, or equivalents, to meet members' demand for loans or draw down of deposits.

One of Radius's primary objectives as a financial institution is to prudently manage liquidity to ensure we can generate or obtain sufficient cash or cash equivalents in a timely manner, at a reasonable price, to meet commitments as they become due, even under stressed conditions. Radius's liquidity management framework, targets and strategies are established and documented in a Liquidity Plan as well as our financial plan which is approved by the board on an annual basis.

The principles of Radius's liquidity management framework are:

- Maintaining a strategy and policies for managing liquidity risk.
- Maintaining a stock of liquid assets.
- Measuring and monitoring funding requirements.

- Managing market access to funding sources.
- Contingency planning and
- Ensuring internal controls over liquidity risk management process.

Radius has established a policy with respect to liquidity and has processes and practices with respect to the management of funding requirements. We have built and maintained access to several funding sources. The primary source of funding, being our deposit portfolio, which was over $581 million at 2025 year-end.

In addition to deposits, Radius has an $11.5 million line of credit at SaskCentral and the ability to borrow additional demand credit at SaskCentral, approved access to market investments by way of brokerage, and the ability to syndicate credit with other credit unions and organizations.

Utilizing these various funding sources achieves funding diversification as required to meet overall funding assurance to the organization.

Liquidity risk continues to be measured by analyzing the structure of the balance sheet.

Asset Composition

			Change	
	2025	**2024**	$	%
Cash and Investments	281,106,135	256,829,502	24,276,633	9.45%
Loans	357,018,394	347,511,237	9,507,157	2.74%
All Other Assets	3,039,648	3,089,937	-50,289	-1.63%
Total Assets	641,164,177	607,430,676	33,733,501	10.56%

Asset Compostition as a percentage of all assets:

	2025	**2024**	**2023**	**2022**	**2021**
Cash and Investments	43.84	42.28	45.35	43.47	43.25
Loans	55.68	57.21	54.18	55.13	56.35
All Other Assets	0.47	0.51	0.48	1.39	0.40

Balance sheet composition is important from a liquidity management perspective as the organization must ensure it carries an appropriate level of high-quality liquid assets, while at the same time attempting to get the best return possible on these investments. These assets are reported on the balance sheet as cash or cash equivalents as well as in the investment portfolio. An important measure of liquidity risk Radius employs is the Liquidity Coverage Ratio (LCR). The objective of the LCR is to ensure that a credit union has an adequate stock of unencumbered high-quality assets (HQLA) that:

- Consists of cash or assets that can be converted to cash at little or no loss of value; and
- Meets its liquidity needs for a 30-calendar day stress scenario, by which time it is assumed corrective actions have been taken by the credit union.

Liquidity Coverage Ratios			**Change**	
	2025	**2024**	**$**	**%**
Level 1A Weighted Assets	40,761,827	48,768,036	-8,006,208	-16.42%
Level 2A Weighted Assets	0	96,205	-96,205	100.0%
Level 2B Weighted Assets	8,750,000	7,575,467	1,174,533	15.50%
High Quality Liquid Assets (HQLA)	**49,511,827**	**56,439,707**	**-6,927,880**	**-12.27%**
Retail and Small Business Deposit Run-Off	11,480,959	10,507,285	973,675	9.27%
Unsecured Wholesale Funding Run-Off	22,109,579	22,411,977	-302,398	-1.35%
Secured Funding Run-Off	0	0		
Additional Requirements	3,427,224	4,079,947	-652,723	-16.00%
Total Prescribed Outflows	**37,017,763**	**36,999,209**	18,554	0.05%
Total Prescribed Cash Inflows	4,649,178	8,649,178	-4,000,000	-46.25%
Net Prescribed Cash Outflows	**32,368,585**	**28,350,031**	**4,018,554**	**14.17%**
Liquidity Coverage Ratio (LCR)	**152.96%**	**199.08%**		

Under the current provincial regulatory environment, Credit Union Deposit Guarantee Corporation has established minimum LCR requirements of which Radius Credit Union has met and surpassed this level.

In addition, we continue to conduct multiple different stress testing; we model different scenarios and calculate the resulting impact on organizational liquidity. The results of this stress testing are reported annually to the Audit and Risk Committee.

Legal and Regulatory Risk

Legal and regulatory risk is the risk arising from potential violation of, or nonconformance with laws, rules, regulations, prescribed practices, or ethical standards.

Policies, procedures and controls are designed to ensure Radius Credit Union is compliant. Our Chief Financial & Risk Officer oversees our processes related to certain pieces of legislation and reports quarterly to the Audit & Risk Committee and in turn to the board. We contract Internal Audit from Brightside Consulting Services Ltd. to review our processes and controls on an annual basis. In addition, our external auditors and regulatory bodies examine processes and controls to ensure compliance.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Exposures to this risk arise from increasing efficiency ratios, the impact of shrinking margins, and the potential of increased cost to retain staff, deficiencies in internal controls, technology failures, human error, employee integrity or natural disasters. Operational risk is managed through policies and procedures, controls and monitoring. Control and monitoring involve segregation of duties, employee training, performance management and structured internal and external audit functions. Other mitigating factors include changes made to increase revenues and decrease expenses, monitoring human resource changes and practices in the marketplace, business continuity planning, appropriate insurance coverage and secure technology solutions. Our banking platform is maintained offsite and includes a very complicated back up and disaster recovery process.

Residential Mortgage Portfolio

In accordance with regulatory guidelines, Radius Credit Union is required to provide additional credit disclosures regarding our residential mortgage portfolio.

Radius 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 Radius'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 Radius 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. Radius Credit Union 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, Radius performs stress tests. Stress testing uses historical delinquency and write-off information over the past 5 years. Our results show that in an economic downturn, Radius's capital position would be sufficient to absorb residential mortgage and HELOC losses.

Residential Mortgage Loan Portfolio

	2025	%	2024	%	Change	%
Insured	$ 21,921,444	28.0%	$ 18,132,327	25.4%	$ 3,789,116	5.3%
Uninsured	$ 55,881,851	71.4%	$ 52,622,864	73.8%	$ 3,258,987	4.6%
HELOC	$ 513,500	0.66%	$ 513,500	0.72%	$ -	0.0%
Total Loans	$ 78,316,795	100.0%	$ 71,268,692	100.0%	$ 7,048,103	9.9%

Residential Mortgage Term Loan Portfolio by Amortization

Amortization Range	Number	Mortgage Balance	% of Portfolio	Average Balance
Less than 10 years	99	$ 8,753,668.83	11.3%	$ 88,420.90
10-15 years	84	$ 8,355,656.13	10.7%	$ 99,472.10
15-20 years	124	$ 21,451,399.42	27.6%	$ 172,995.16
20-25 years	171	$ 37,709,285.88	48.5%	$ 220,522.14
greater than 25 years	2	$ 1,533,284.58	2.0%	$ -
	480	$ 77,803,294.84	100.0%	$ 162,090.20

Residential Mortgage Portfolio by Province

Amortization Range	Number	Mortgage Balance	% of Portfolio	Average Balance
Saskatchewan	480	$ 77,803,294.84	100.0%	$ 162,090.20
Alberta	0	$0.00	0.0%	$0.00
British Columbia	0	$0.00	0.0%	$0.00
Ontario	0	$0.00	0.0%	$0.00
Manitoba	0	$0.00	0.0%	$0.00
New Brunswick	0	$0.00	0.0%	$0.00
Nova Scotia	0	$0.00	0.0%	$0.00
	480	$ 77,803,294.84	100%	$ 162,090.20

Capital Management

The fundamental strength of a credit union is the level of capital it holds to protect against normal, anticipated, and unexpected business events. Credit Union Deposit Guarantee Corporation (CUDGC), regulator of Saskatchewan credit unions, prescribes capital adequacy measures and minimum capital requirements to ensure the strength of the credit union system.

Radius Credit Union recognizes the importance and significance of capital management and has worked to ensure strength in this area. In this regard a Capital Plan is approved annually for the purpose of identifying the optimal capital ranges for our credit union and our plans to attain the identified goal. Too much capital would indicate that the credit union is not generating sufficient return on its capital; too little capital restricts the ability to grow and generate returns, it also increases the risk of having insufficient funds to protect against unexpected losses or liquidity needs. The Credit Union relies on profitability to grow its capital position and holds its total capital in retained earnings. Both balance sheet growth and profitability affect the Credit Union's capital ratios. The Credit Union retains a portion of its annual earnings to meet its capital objectives.

We manage capital in accordance with our capital management plan and board approved capital policies with a goal to achieve and exceed regulatory minimums, maintain an optimal level of capital, meet operational requirements, absorb unexpected losses, implement long term strategic plans and signal financial strength. The capital plan is developed in accordance with the regulatory capital framework and is regularly reviewed and approved by the Board of Directors. All risks are assessed annually through our Risk Management process. Regular reporting to the Board of Directors and the regulator are monitored through our audit process.

Changes in capital are due to the growth in assets as well as the increase in our loan portfolio. Radius Credit Union has historically focused on traditional financial services and managed a moderate level of risk in its loan and investment portfolio. The dollars in retained earnings have increased by just over $3.6 million. This has resulted in an increase in all our capital ratios. The Common Tier 1 Equity at the end of the year was 15.79% compared to 14.69% in 2024. Risk Weighted Capital was 17.36% compared to 16.10% in the prior year; and the Leverage Ratio has increased from 8.48% to 8.80%.

The Capital Plan outlines strategies to ensure the minimum target levels are met. There are several key measures of capital which value both the amount and the quality of capital holdings. At the end of 2025 Radius Credit Union exceeds all capital measurements.

MARKET CODE

Radius Credit Union voluntarily adheres to the Credit Union Market Code. This code has been jointly developed by Saskatchewan Credit Unions, SaskCentral and Deposit Guarantee Corporation to ensure the protection of credit union members. The code sets forth guidelines for the following areas:

- Complaint handling, which outlines the process for dealing with all complaints regarding our services to you and our product lines
- Financial planning process to advise members on the risks and benefits associated with financial planning services
- Professional standards to preserve a positive image of Radius Credit Union among members and communities
- Capital management to ensure our capital structure aligns with our risk philosophy
- Risk management to ensure all risks are measured and managed in an acceptable fashion
- Fair sales by outlining the roles and relationship of staff to all members in accordance with the financial services agreement
- Privacy to protect the interests of those who do business with Radius Credit Union. Privacy is the practice of ensuring all member information is kept confidential and used only for the purpose for which it was gathered
- Financial reporting to adhere to business and industry standards
- Governance practices to adhere to the intent and stipulation of our corporate bylaws, which are approved by our membership

PRIVACY CODE

Credit unions in Canada have a long history of respecting the privacy of their members. As a co-operative financial institution, we are committed to developing policies, procedures and service offerings that address privacy concerns. We continue to protect your privacy and your right to control the collection, use and disclosure of your personal information. We have procedures in place that guide our employees and directors in maintaining confidentiality.

We are committed to keeping your personal information accurate, confidential, secure and private. Your credit union board of directors has adopted the Credit Union Code for the Protection of Personal Information. Our employees understand the importance of this Privacy Code based on ten interrelated principals of accountability, identifying purposes, consent, limiting collection, limiting use, disclosure, retention, accuracy, safeguards, openness, individual access, and compliance and follow them carefully.

OUR MANAGEMENT TEAM & STAFF

It is through our employees that we are able to build an organization that offers strong financial products and service with competence, courtesy and concern for you, our members. In 2025, we said a fond farewell to four employees who retired after lengthy careers: **Lynnette Houston, Adele Terrett, Dianne Chapman & Debbie Nixon**. Their commitment, hard work, and contributions have left a lasting impact on our organization, and we sincerely appreciate all they have done. We wish them all the best in this new chapter of their lives.

Executive Management is responsible for overseeing the operations of the credit union within the context of strategies and policies approved by the Board, and for developing processes that identify, measure, monitor and control risks. The executive team convenes regularly to strategize our present and future structure, striving to enhance service delivery for our members and offer the services in the methods you want. Our Executive Management team consists of four positions:

- **Chief Executive Officer (CEO) – Ted Struthers** – responsible for the oversight of all areas of the operation, reports monthly to the board of directors and annually to the members at the AGM. Ted fills this position with 45 years of experience.
- **Chief Finance Risk Officer (CFRO) – Dirk Balon** – responsible for finance, risk management, compliance & technology functions. Dirk fills this position with 35 years of experience.
- **Chief Operating Officer (COO) – Derek Hoag** - responsible for managing all retail functions of the Credit Union including both the deposit and lending departments. Derek fills the position with 35 years of Credit Union experience.
- **Chief People and Governance Officer (CPGO) – Kimberley Olfert** – responsible for governance, communications, human resources and organizational development. Kimberley fills this position with 28 years of experience and a Bachelor of Commerce from the University of Saskatchewan.

Radius Credit Union has an experienced management team. Operational leaders from all branches and departments collectively form the Retail Management team. Over the past two years, our strong commitment to professional growth has resulted in an unprecedented number of internal promotions, significantly expanding both the size and expertise of the Radius team. The entire staff team is listed here:

Name	Position	Years of CU Service
	REMOTE	
Sheila Hildebrandt	Senior Financial Analyst	37
Roxanne Wiles	Vice President of Lending Services	37
Kayla Dale	Marketing Specialist	6
Tara Thompson	Regional Manager North	1
Bill Smith	Manager of Information Technology Services	18
Kyle Delooze	Technology & Banking Analyst	21
Carlie Henheffer	Internal Lending Support Representative (Leave)	3

Name	Position	Years of CU Service
	AVONLEA BRANCH	
Denise Mohr	Lending Service Representative	10
Lori Hubbard	Lending Service Representative	1
Dianna Weed	Regional Member Service Supervisor	18
Kristi Cobbe	Member Service Representative (Leave)	2
Callie Callaghn	Member Service Representative	1
Tiarra Pitura	Member Service Representative	<1

Name	Position	Years of CU Service
	CEYLON BRANCH	
Lynn Wolbaum	Member Service Representative	7
Gary Richardson	Member Service Representative	2

Name	Position	Years of CU Service
	EARL GREY BRANCH	
Tiffany McDougall	Lending Service Representative	10
Tianna Wilde	Financial Service Representative	4
Austin Ollinger	Member Service Representative	<1
Lisa Sherwood	Member Service Representative	<1
Morgan Krochak	Loan Clerk	2

Name	Position	Years of CU Service
	OGEMA BRANCH	
Travis Leonard	Vice President of Member Experience	18
Cheryl Dixon	Lending Service Representative	15
Angel Macwan	Lending Service Representative	7
Cara Olafson	Member Service Representative	10
Kathy Nagy	Member Service Representative	24
Katie MacDonald	Member Service Representative (Leave)	6
Kelly Johnson	Member Service Representative	4
Michelle Leonard	HR & Marketing Coordinator	13
Meagan Metke	HR & Marketing Admin Assistant	14
Rebecca Herman	Investment Specialist	4

Name	Position	Years of CU Service
	PANGMAN BRANCH	
Lindsay Johnson	Member Service Representative	8
Jacquie Mallory	Member Service Representative	7

Name	Position	Years of CU Service
	RADVILLE BRANCH	
Charmaine Wudrick	Regional Manager South	9
Sandra Scott	Manager of Wealth & Investment Services	45
Levi Woodard	Investment Specialist	2
Emile Mazenc	Lending Service Representative	48
Garnet Hoffart	Lending Service Representative	21
Mikayla Pollard	Lending Service Representative	1
Lindsey Tuchscherer	Regional Member Service Supervisor & Admin. Support	5
Candace Schindel	Member Service Representative	17
Tara Doud	Member Service Representative	3
Monica Doud	Member Service Representative	3
Brenna Scott	Accounting and Administration Specialist	13
Elizabeth Colbow	Loan Clerk	3
CeeJay Bacon	Loan Clerk	3
Aimee Bourassa	Loan Clerk	<1
Courtney Ferguson	Executive Assistant	6

Name	Position	Years of CU Service
TORQUAY BRANCH		
Pamela Groshong	Associate Manager of Lending	21
Alesha Stepp	Lending Service Representative	4
Katie Bloor	Lending Service Representative	3
Sherry Hansen Stepp	Member Service Representative	12

Name	Position	Years of CU Service
TRIBUNE BRANCH		
Nicki Berg	Regional Member Service Supervisor	23
Roseanna Stendall	Member Service Representative	13
Darcie Ward	Member Service Representative	4
Tamara Tkachuk	Member Service Representative	3

CORPORATE SOCIAL RESPONSIBILITY

As part of our mandate of working together to build better communities the credit union has maintained a local presence, engaged in environmentally friendly initiatives, contributed to various organizations, and been involved in various events as listed below. Not only are we, as an organization, committed to growing and developing our communities, our staff embrace the value of community as shown through their commitment to community involvement and volunteerism.

Local presence:

- ✓ The credit union has eight physical branches located in Avonlea, Ceylon, Earl Grey, Ogema, Pangman, Radville, Torquay and Tribune, 3 of our branches offer 24-hour ATM service to our communities.
- ✓ We have employed 60+ local people; this contributed $4,698,373.92 in payroll to our local communities.
- ✓ Our staff and our board commit many hours of their own time to local government, service clubs, sports teams, churches and committees; many are in executive positions with these organizations. Our staff contributed over 2,800 hours of volunteer time in our local communities and many more to our extended communities.

Environmental Initiatives:

- ✓ We recycled our cans and bottles and donated the proceeds to Minor Ball, Minor Hockey and the local Libraries.
- ✓ We have moved towards a paperless retention system where possible and work towards reducing our footprint on the environment.
- ✓ Energy efficient lighting and heating are being utilized where possible.

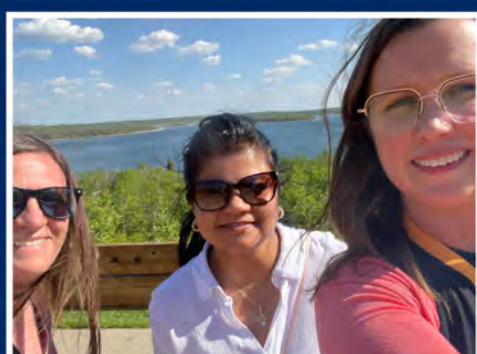
Donations and Contributions:

- ✓ Over the past year Radius Credit Union made cash and prize donations totaling over $62,000.
- ✓ Three post-secondary scholarships of $1,000 each awarded to local graduates.
- ✓ The following is a list of the clubs, organizations and events that have benefited over the past year:

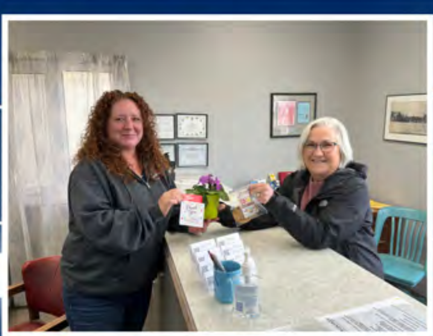
- ✓ High School Scholarships
- ✓ Telemiracle
- ✓ Community Calendars
- ✓ Local hockey rinks, teams and tournaments
- ✓ Local schools/school groups
- ✓ Local Daycare committees
- ✓ Seniors Centers/clubs
- ✓ Golf Tournaments & Clubs
- ✓ Minor Ball
- ✓ Junior Golf Program
- ✓ Dance Clubs & Competitions
- ✓ Minor Ball
- ✓ Royal Canadian Legion local branches
- ✓ Skating Clubs
- ✓ Curling Clubs & Bonspiels
- ✓ Local Regional Parks
- ✓ Local Recreational Committees
- ✓ Local Regional Libraries
- ✓ Local Agriculture & Livestock Societies
- ✓ Community Fundraising Auctions
- ✓ Youth Summer Camp
- ✓ Local Fall Suppers
- ✓ Ladies Night Community Fundraisers
- ✓ Local Youth Music Festivals
- ✓ Local Museums
- ✓ Lions Clubs
- ✓ SK CU's Young Leaders
- ✓ Local 4H groups
- ✓ Local Swimming Pools
- ✓ Local Secondhand Stores
- ✓ Local fire departments
- ✓ Local Community Centres/Halls
- ✓ Rink Boards
- ✓ Dr. Brown Memorial Fundraiser
- ✓ Fishing Derbies
- ✓ Gateway Music Festival
- ✓ TeleMiracle
- ✓ Deep South Barrel Racing
- ✓ Community Newsletters
- ✓ High School Rodeo(s)
- ✓ Numerous community clubs, boards & organizations
- ✓ PLUS various other donor & volunteer recipients

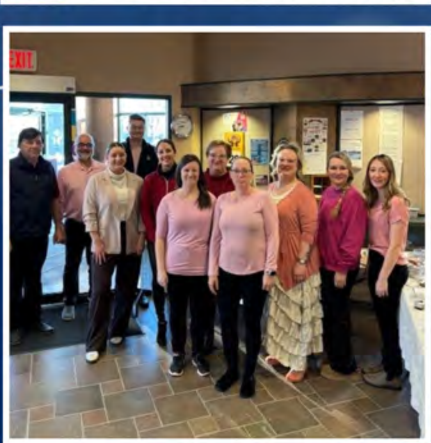
RCU IN THE COMMUNITY

RCU IN THE COMMUNITY



RCU IN THE COMMUNITY





RCU IN THE COMMUNITY









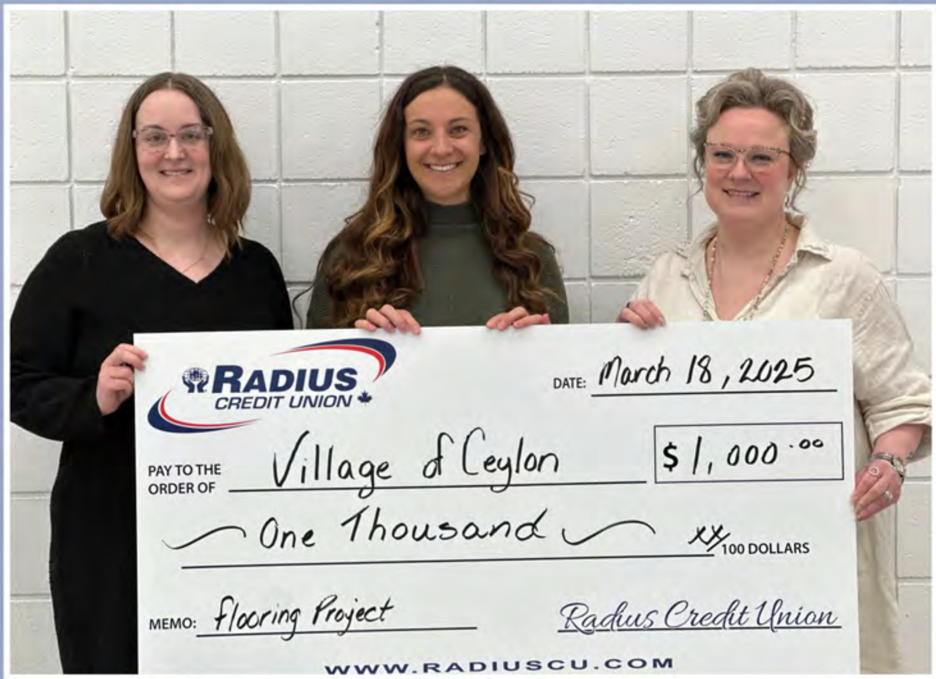

JUST A FEW OF OUR NOTABLE DONATIONS

BULYEA PLAYGROUND DONATION

EARL GREY LONGLAKETON FIRE DEPARTMENT

LAKE ALMA PLAYGROUND DONATION

JUST A FEW OF OUR NOTABLE DONATIONS



VILLAGE OF CEYLON - PRAIRIE PRIDE COMMUNITY CENTRE FLOORING PROJECT DONATION

OUNGRE LIBRARY DONATION

PANGMAN SCC MURAL DONATION

NOMINATION COMMITTEE REPORT

The Nomination Committee for 2025 was Ray Barbarin, Gloria Kirkpatrick, Rob Vermeulen and Steven Berg. The purpose of the Nomination Committee is to oversee the annual nomination and election of directors for the Radius Credit Union. The Committee's role is to ensure there are sufficiently qualified nominees to fill each vacancy on the board.

There are four terms expiring in April 2026, namely from District One Dawn Butz & Brenda Mazer, from District Two Ken Bourassa and District Three Rick Williams.

Dawn and Ken agreed to let their names stand for another term. Brenda and Rick have chosen not to let their names stand. There were two nominations received. One nomination from District one for Michelle DeBruyne of Parry, SK and one for District three for Brian Woodard of Colgate, SK. With no further nominations, all directors were re-elected and elected by acclamation for three-year terms.

Name In Full	Place Of Residence	Expiry Of Term
Dawn Butz	Earl Grey, SK (D1)	2026
Brenda Mazer	Ogema, SK (D1)	2026
Gloria Kirkpatrick	Avonlea, SK (D1)	2028
Mark Mellon	Ogema, SK (D1)	2027
Jessica Nixon	Earl Grey, SK (D1)	2027
Raymond Barbarin	Radville, SK (D2)	2028
Rob Vermeulen	Radville, SK (D2)	2028
Ken Bourassa	Radville, SK (D2)	2026
Blair Kotz	Radville, SK (D2)	2027
Steven Berg	Bromhead, SK (D3)	2028
Rick Williams	Tribune, SK (D3)	2026

Gloria Kirkpatrick, Chairman
Nominating Committee

CREDIT UNION DEPOSIT GUARANTEE CORPORATION

ANNUAL REPORT MESSAGE

January 2026

Deposits Fully Guaranteed

Credit Union Deposit Guarantee Corporation (the Corporation) functions as the deposit guarantor for Saskatchewan's provincially regulated credit unions (Saskatchewan Credit Unions) and serves as the primary regulator for Saskatchewan Credit Unions and Credit Union Central of Saskatchewan (SaskCentral). Collectively, these entities are referred to as Provincially Regulated Financial Institutions or "PRFIs". The Corporation operates under provincial legislation, namely, The Credit Union Act, 1998 and The Credit Union Central of Saskatchewan Act, 2016. The responsibility for overseeing the Corporation is assigned to the Registrar of Credit Unions with the Financial and Consumer Affairs Authority of Saskatchewan as specified by provincial legislation.

Established in 1953, the Corporation holds the distinction of being the first deposit guarantor in Canada, ensuring the safety of deposits against credit union failure. Through the promoting of responsible governance, risk management, and prudent management of capital, liquidity, along with guaranteeing deposits, the Corporation plays a crucial role in fostering confidence in Saskatchewan PRFIs.

For more information about the Corporation's responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult the Corporation's web site at www.cudgc.sk.ca.

RADIUS CREDIT UNION FACTS

(AS OF DECEMBER 31, 2025, UNLESS OTHERWISE INDICATED)

PATRONAGE & EQUITY

With our success in 2025, we were able to return $1,166,185 to Radius Credit Union members in the form of patronage payments and equity contributions. Over the past 3 years we have paid our members a total of $3,131,101

ASSET SIZE

With over $695 million in total managed assets, Radius Credit Union is proud to support the financial well-being of our members and communities.

ECONOMY

Radius Credit Union prides ourselves of being a top employer in our communities, currently employing over 60 staff members.

MEMBER COUNT

Radius Credit Union offers a full line of financial products & services to over 6000 members through our eight branch locations.

VOLUNTEERISM

In 2025 Radius Credit Union employees contributed over 2800 hours of volunteer time in our local communities, and many more hours outside of our branch communities.

COMMUNITY IMPACT

In 2025 Radius Credit Union made cash and prize donations totally over $62,000 directly to our local community groups, events and initiatives.

growing together

SASK CU QUICK FACTS

(AS OF DECEMBER 31, 2025, UNLESS OTHERWISE INDICATED)

CREDIT UNION COUNT

As of January 1, 2026, there are 28 provincial credit unions and one federal credit union in communities across Saskatchewan.

SASKATCHEWAN ASSETS

Saskatchewan provincial credit union assets reached $29.9 billion with revenue of more than $1.5 billion.

FULL GUARANTEE

Funds held on deposit in Saskatchewan credit unions are fully guaranteed through the Credit Union Deposit Guarantee Corporation. The full guarantee is made possible through a comprehensive deposit protection regime that is focused on prevention.

LENDING AMOUNTS

Provincial credit union lending amounts were close to $22.8 billion.

SASK CU QUICK FACTS

(AS OF DECEMBER 31, 2025, UNLESS OTHERWISE INDICATED)

PATRONAGE EQUITY

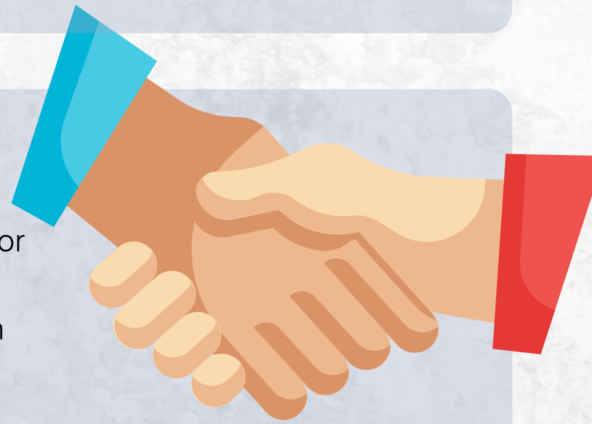
In 2025, Saskatchewan provincial credit unions returned over $11.3 million to their members in the form of patronage equity contribution and dividends.

ASSET SIZE

As independent financial institutions owned and controlled by their members, provincial credit unions are shaped by community needs. Saskatchewan provincial credit unions range in asset size from $53.10 million to more than $8.8 billion.

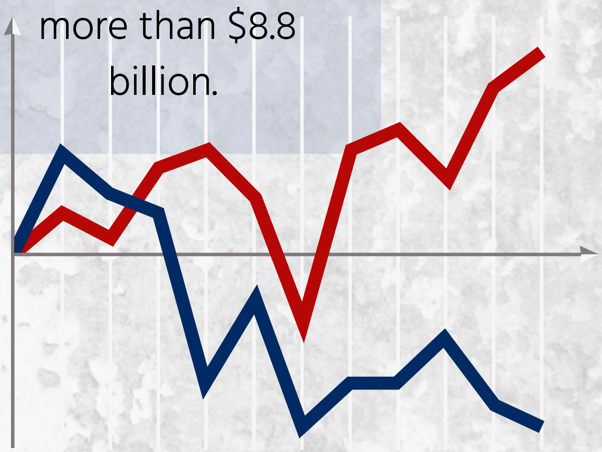
ECONOMY

Provincial credit unions are a major contributor to Saskatchewan's economy, employing more than 3,000 people.



MEMBER COUNT

Provincial credit unions offer financial products and services to more than 455,000 members.



Radius Credit Union Limited
Financial Statements
December 31, 2025

Contents

Management's Responsibility

To the Members of Radius Credit Union Limited:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Credit Union. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, internal auditors, and external auditors. The Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

March 17, 2026

e-Signed by Ted Struthers
2026-03-17 13:05:24:24 MDT

Chief Executive Officer

Independent Auditor's Report

To the Members of Radius Credit Union Limited:

Opinion

We have audited the financial statements of Radius Credit Union Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2025, and the statements of comprehensive income, changes in members' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

MNP LLP
Suite 900, Royal Bank Building, 2010 - 11th Avenue, Regina SK, S4P 0J3 1.877.500.0780 T: 306.790.7900 F: 306.790.7990

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

March 17, 2026

MNP LLP

Chartered Professional Accountants

Radius Credit Union Limited
Statement of Financial Position
As at December 31, 2025

	2025 $	2024 $
Assets		
Cash and cash equivalents *(Note 4)*	**20,852,769**	24,324,982
Investments *(Note 5)*	**260,253,366**	232,504,520
Member loans receivable *(Note 6)*	**357,018,394**	347,511,237
Other assets *(Note 7)*	**1,421,156**	1,053,152
Property and equipment *(Note 8)*	**1,490,610**	1,605,560
Income taxes recoverable	**-**	431,225
	641,036,295	607,430,676
Liabilities		
Member deposits *(Note 10)*	**581,311,424**	552,692,412
Income taxes payable	**103,423**	-
Other liabilities *(Note 11)*	**2,111,376**	1,152,678
Membership shares and equity accounts *(Note 12)*	**4,634,994**	4,096,706
	588,161,217	557,941,796
Commitments *(Note 19)*		
Members' equity		
Retained earnings	**45,301,982**	41,915,784
Contributed surplus	**7,573,096**	7,573,096
	52,875,078	49,488,880
	641,036,295	607,430,676

Approved on behalf of the Board

e-Signed by Ken Bourassa
2026-03-17 13:05:30:30 MDT

Director

e-Signed by Rob Vermeulen
2026-03-17 12:40:25:25 MDT

Director

The accompanying notes are an integral part of these financial statements

Radius Credit Union Limited
Statement of Comprehensive Income
For the year ended December 31, 2025

	2025 **$**	2024 $
Interest income		
Member loans	**17,572,273**	17,389,559
Investments	**8,643,523**	9,124,611
	26,215,796	26,514,170
Interest expense		
Member deposits	**12,859,219**	14,440,123
Borrowed money	**16,372**	20,528
	12,875,591	14,460,651
Gross financial margin	**13,340,205**	12,053,519
Other income	**1,955,742**	1,695,659
	15,295,947	13,749,178
Operating Expenses		
Administration	**2,454,203**	2,413,914
Member security	**509,443**	485,490
Occupancy	**314,506**	300,811
Organizational	**133,747**	108,451
Personnel	**5,786,572**	5,178,934
	9,198,471	8,487,600
Income before provision for impaired loans and patronage refund	**6,097,476**	5,261,578
Provision for impaired loans *(Note 6)*	**208,156**	5,681
Patronage refund *(Note 14)*	**1,166,185**	1,066,456
Income before provision for (recovery of) income taxes	**4,723,135**	4,189,441
Provision for (recovery of) income taxes *(Note 13)*		
Current	**1,294,604**	1,071,184
Deferred	**42,333**	(72,440)
	1,336,937	998,744
Comprehensive income	**3,386,198**	3,190,697

The accompanying notes are an integral part of these financial statements

Radius Credit Union Limited
Statement of Changes in Members' Equity
For the year ended December 31, 2025

	Contributed surplus	*Retained earnings*	*Total members' equity*
Balance January 1, 2024	**7,573,096**	**38,725,087**	**46,298,183**
Comprehensive income	**-**	**3,190,697**	**3,190,697**
Balance December 31, 2024	**7,573,096**	**41,915,784**	**49,488,880**
Comprehensive income	**-**	**3,386,198**	**3,386,198**
Balance December 31, 2025	**7,573,096**	**45,301,982**	**52,875,078**

The accompanying notes are an integral part of these financial statements

Radius Credit Union Limited
Statement of Cash Flows
For the year ended December 31, 2025

	2025	2024
	$	$
Cash provided by (used for) the following activities		
Operating activities		
Interest received from member loans	**17,239,880**	17,344,150
Interest and dividends received from investments	**8,897,833**	9,198,330
Other income received	**1,955,742**	1,695,659
Net change in member deposits	**29,837,055**	21,741,866
Net change in member loans receivable	**(9,821,963)**	(32,347,068)
Payments to suppliers and employees	**(9,103,389)**	(9,862,011)
Interest paid on deposits	**(14,077,261)**	(13,028,860)
Interest paid on borrowed money	**(16,372)**	(20,528)
Income taxes paid	**(759,956)**	(1,878,674)
	24,151,569	(7,157,136)
Financing activities		
Net change in membership shares and equity accounts	**538,287**	532,868
Investing activities		
Purchases of property and equipment *(Note 8)*	**(158,915)**	(148,040)
Net change in investments	**(28,003,154)**	18,255,639
	(28,162,069)	18,107,599
(Decrease) increase in cash and cash equivalents	**(3,472,213)**	11,483,331
Cash and cash equivalents, beginning of year	**24,324,982**	12,841,651
Cash and cash equivalents, end of year	**20,852,769**	24,324,982

The accompanying notes are an integral part of these financial statements

1. Reporting entity

Radius Credit Union Limited (the “Credit Union”) was formed pursuant to the Credit Union Act, 1998 of Saskatchewan ("SK") (“the Act”) and operates eight Credit Union branches.

The Credit Union serves members and non-members in Ogema, Radville, Ceylon, Avonlea, Pangman, Torquay, Tribune and Earl Grey, Saskatchewan and their surrounding communities. The address of the Credit Union’s registered office is 313 Main Street, Ogema, Saskatchewan.

The Credit Union operates principally in personal, agriculture, and commercial banking in Saskatchewan. Operating branches are similar in terms of products and services provided, methods used to distribute products and services, types of members and the nature of the regulatory environment.

The Credit Union conducts its principal operations through various branches, offering products and services including deposit business, individual lending, and independent business and commercial lending. The deposit business provides a wide range of deposit and investment products and sundry financial services to all members. The lending business provides a variety of credit products and services designed specifically for each particular group of borrowers. Other business comprises business of a corporate nature such as investment, risk management, asset liability management, treasury operations and revenue and expenses not expressly attributed to the business units.

Statement of compliance

The financial statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements were approved by the Board of Directors and authorized for issue on March 17, 2026.

2. Basis of preparation

Basis of measurement

The financial statements have been prepared using the historical cost basis except for financial instruments classified as fair value through profit or loss (FVTPL).

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Credit Union’s functional currency.

Significant accounting judgments, estimates and assumptions

The preparation of the Credit Union’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, at the reporting date. These estimates and assumptions have been made using careful judgment; however, uncertainties could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are prepared based on management's best knowledge of current events and actions that the Credit Union may undertake in the future. These estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively in the statement of comprehensive income in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are discussed below.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material.

2. Basis of preparation *(Continued from previous page)*

Key assumptions in determining the allowance for expected credit losses

At each reporting period, financial assets are assessed to determine whether their credit risk has increased significantly since initial recognition. In determining whether credit risk has significantly increased, management develops a number of assumptions about the following factors which impact the borrowers' ability to meet debt obligations:

- Expected significant increase in unemployment rates, interest rates and other economic circumstances
- Declining revenues, working capital deficiencies, increases in statement of financial position leverage and liquidity
- Expected or actual changes in internal credit ratings of the borrowers or external credit ratings of the instrument
- The correlation between credit risk on all lending facilities of the same borrower
- Changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

Significant judgments, estimates and assumptions are required when calculating the expected credit losses of financial assets. In measuring the 12-month and lifetime expected credit losses, management makes assumptions about prepayments, the timing and extent of missed payments or default events. In addition, management makes assumptions and estimates about the impact that future events may have on the historical data used to measure expected credit losses.

In estimating expected credit losses, the Credit Union develops a number of assumptions as follows:

- The period over which the Credit Union is exposed to credit risk, considering for example, prepayments, extension options and demand features
- The probability-weighted outcome, including identification of scenarios that specify the amount and timing of the cash flows for particular outcomes and the estimated probability of those outcomes
- The risk of default occurring on loans during their expected lives and during the next 12 months after the reporting date
- Expected cash short falls including recoveries, costs to recover and the effects of any collateral or other credit enhancements
- Estimates of effective interest rates used in incorporating the time value of money
- Effects of economic changes such as inflation and rising interest rates on specific sectors to which the Credit Union has credit exposures

The above assumptions are based on historical information and adjusted for current conditions and forecasts of future economic conditions. The Credit Union determines adjustments needed to its historical assumptions by monitoring the correlation of the probability of default and loss rates with the following economic variables:

- Interest rates
- Unemployment rates
- Gross domestic product
- Inflation
- Loan to value ratios
- Housing price indicators

The estimate of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes that are neither best-case nor worse-case scenarios. The Credit Union uses judgment to weight these scenarios.

Classification of financial assets

Classification of financial assets requires management to make judgments regarding the business model under which the Credit Union's financial assets are held and whether contractual cash flows consist solely of payments of principal and interest. Management has determined that the penalty to exercise prepayment features embedded in certain loans made to retail customers do not result in payments that are not solely payments of principal and interest because they represent reasonable additional compensation for early termination of the contract.

2. Basis of preparation *(Continued from previous page)*

Impairment of financial assets

Significant judgments, estimates and assumptions are required when calculating the expected credit losses of financial assets and determining whether there has been a significant increase in credit risk since initial recognition in accordance with IFRS 9 *Financial instruments*. For more information, refer to Note 17.

Income taxes

The Credit Union periodically assesses its liabilities and contingencies related to income taxes for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Credit Union records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes that they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

Deferred taxes

The calculation of deferred tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material.

Fair value of unquoted equity instruments

The Credit Union has assessed that the fair values of its SaskCentral and National Consulting shares approximate its cost based on the terms that the equity investments cannot be transferred, the shares cannot be sold, and new shares are issued at par value of all currently held shares.

3. Material accounting policies

The material accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Foreign currency translation

Transactions denominated in foreign currencies are translated into the functional currency of the Credit Union at exchange rates prevailing at the transaction dates (spot exchange rates). Monetary assets and liabilities are translated at the exchange rates at the statement of financial position date. Exchange gains and losses on translation or settlement are recognized in the statement of comprehensive income for the current period.

Revenue recognition

Interest income is recorded on the accrual basis based on the effective interest rate applicable to the instrument, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. The interest income is calculated by applying the effective interest rate to the gross carrying amount of the non-credit impaired financial assets. For credit-impaired financial assets the interest income is calculated by applying the effective interest rate to the amortized cost of the credit-impaired financial assets.

Other income includes service charges on products, transaction fees, other fees and commissions, which are recognized over the period the services are performed.

Dividend income is recorded in the statement of comprehensive income when the Credit Union’s right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Credit Union, and the amount of the dividend can be measured reliably.

3. Material accounting policies *(Continued from previous page)*

Financial instruments

Financial assets

Recognition and initial measurement

The Credit Union recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified and subsequently measured at amortized cost or fair value through profit or loss ("FVTPL"). The Credit Union determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial instruments are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in the statement of comprehensive income. Financial assets measured at amortized cost are comprised of cash and cash equivalents, SaskCentral liquidity and Concentra Bank term deposits, portfolio bonds, member loans receivable, and accounts receivable balances.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in the statement of comprehensive income.

The Credit Union measures all equity investments at fair value. Changes in fair value are recorded in the statement of comprehensive income. Equity investments measured at fair value through profit or loss are comprised of SaskCentral shares, National Consulting shares, and other equity investments.

Refer to Note 18 for more information about financial instruments held by the Credit Union, their measurement basis, and their carrying amount.

Business model assessment

The Credit Union assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management. Information considered in this assessment includes stated policies and objectives and how performance of the portfolio is evaluated.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Credit Union considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Credit Union's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment

The Credit Union recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments, as well as lease receivables, contract assets, and any financial guarantee contracts and loan commitments not measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

3. Material accounting policies *(Continued from previous page)*

For member loans receivable, the Credit Union records a loss allowance equal to the expected credit losses resulting from default events that are possible within the next 12-month period, unless there has been a significant increase in credit risk since initial recognition. For those financial assets for which the Credit Union assessed that a significant increase in credit risk has occurred, the Credit Union records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Credit Union assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants, requests to restructure loan payment schedules, etc. For financial assets assessed as credit-impaired at the reporting date, the Credit Union continues to recognize a loss allowance equal to lifetime expected credit losses.

Loss allowances for expected credit losses are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost, as a deduction from the gross carrying amount of the financial assets;
- For loan commitments and financial guarantee contracts, as a provision; and
- For facilities with both a drawn and undrawn component where the Credit Union cannot separately identify expected credit losses between the two components, as a deduction from the carrying amount of the drawn component. Any excess of the loss allowance over the carrying amount of the drawn component is presented as a provision.

Financial assets are written off when the Credit Union has no reasonable expectations of recovering all or any portion thereof.

Refer to Note 17 for additional information about the Credit Union's credit risk management process, credit risk exposure and the amounts arising from expected credit losses.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to receive the cash flows from these assets have ceased to exist or when the Credit Union has transferred substantially all the risks and rewards of ownership of the assets.

Where substantially all of the risks and rewards of ownership of the financial asset are not retained or transferred, the Credit Union derecognizes the transferred asset only if it no longer controls the asset. Control is represented by the practical ability to sell the transferred asset without the need to impose additional restrictions. If the Credit Union retains control over the asset, it will continue to recognize the asset to the extent of its continuing involvement.

When a financial asset is derecognized, a gain or loss is recognized in net income for an amount equal to the difference between the carrying amount of the derecognized asset and the value of the consideration received, including any new assets and/or liabilities recognized.

Where substantially all risks and rewards of ownership have been transferred, or risks and rewards have neither been transferred nor retained and control of the financial asset has not been retained, the Credit Union derecognizes the financial asset. At the same time, the Credit Union separately recognizes as assets or liabilities the fair value of any rights and obligations created or retained in the transfer. Any difference between the carrying amount measured at the date of recognition and the consideration received is recognized in the statement of comprehensive income. Such transactions include syndication transactions resulting in transfers qualifying for derecognition.

Modification of financial assets

The Credit Union assesses the modification of terms of a financial asset to evaluate whether its contractual rights to the cash flows from that asset have expired in accordance with the Credit Union's derecognition policy.

When the modifications do not result in derecognition of the financial asset, the gross carrying amount of the financial asset is recalculated with any difference between the previous carrying amount and the new carrying amount recognized in the statement of comprehensive income. The new gross carrying amount is recalculated as the present value of the modified contractual cash flows discounted at the asset's original effective interest rate.

3. Material accounting policies *(Continued from previous page)*

For the purpose of applying the impairment requirements, at each reporting date subsequent to the modification, the Credit Union continues to assess whether there has been a significant increase in credit risk on the modified financial assets from the date of initial recognition.

Financial liabilities

Recognition and initial measurement

The Credit Union recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Credit Union measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in the statement of comprehensive income. Financial liabilities measured at amortized cost include members' savings and deposits and other liabiltiies.

Financial liabilities are not reclassified subsequent to initial recognition.

Derecognition of financial liabilities

The Credit Union derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Collateral

The Credit Union recognizes the proceeds from the sale of any non-cash collateral that has been pledged to it and a liability measured at fair value for its obligation to return the collateral.

If a debtor defaults under the terms of its contract and is no longer entitled to the return of any collateral, the Credit Union recognizes the collateral as an asset initially measured at fair value or, if it has already sold the collateral, derecognizes its obligation to return the collateral.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Credit Union’s cash management system.

Impairment of non-financial assets

At the end of each reporting period, the Credit Union reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating units (“CGU”) to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU’s, or otherwise they are allocated to the smallest group of CGU’s for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

3. Material accounting policies *(Continued from previous page)*

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.

Syndication

The Credit Union syndicates individual assets with various other financial institutions primarily to manage credit risk, create liquidity and manage regulatory capital for the Credit Union. Syndicated loans transfer substantially all the risks and rewards related to the transferred financial assets and are derecognized from the Credit Union's statement of financial position. All loans syndicated by the Credit Union are on a fully serviced basis. The Credit Union receives fee income for services provided in the servicing of the transferred financial assets.

Foreclosed assets

Foreclosed assets held for sale are initially recorded at the lower of cost and fair value less costs to sell. Cost comprises the balance of the loan at the date on which the Credit Union obtains title to the asset plus subsequent disbursements related to the asset, less any revenues or lease payments received. Foreclosed assets held for sale are subsequently valued at the lower of their carrying amount and fair value less costs to sell. Foreclosed assets are recorded in member loans receivable as outlined in Note 6.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

All assets having limited useful lives are depreciated using the straight-line method over their estimated useful lives. Land has an unlimited useful life and is therefore not depreciated. Assets are depreciated from the date of acquisition. Internally constructed assets are depreciated from the time an asset is available for use.

The depreciation rates applicable for each class of asset during the current and comparative period are as follows:

	Rate
Buildings	2.50 %
Computer software	25 - 33 %
Furniture and equipment	10 - 33 %

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

Gains or losses on the disposal of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognized in the statement of comprehensive income as other operating income or other operating costs, respectively.

Income taxes

The Credit Union accounts for income taxes using the asset and liability method. Current and deferred taxes are recognized in the statement of comprehensive income except to the extent that the tax is recognized either in other comprehensive income or directly in equity. Under this method, the provision for income taxes is based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled.

3. Material accounting policies *(Continued from previous page)*

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable income.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available which allow the deferred tax asset to be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Employee benefits

The Credit Union's post employment benefit programs consist of a defined contribution plan.

Credit Union contributions to the defined contribution plan are expensed as incurred. Pension benefits of $291,166 (2024 – $270,566) were paid to the defined contribution retirement plan during the year.

Membership shares and equity accounts

Membership shares and equity accounts are classified as liabilities or member equity in accordance with their terms. Shares redeemable at the option of the member, either on demand or on withdrawal from membership, are classified as liabilities. Shares redeemable at the discretion of the Credit Union Board of Directors are classified as equity. Shares redeemable subject to regulatory restrictions are accounted for using the criteria set out in IFRIC 2 *Members' Shares in Cooperative Entities and Similar Instruments*.

Standards issued but not yet effective

The Credit Union has not yet applied the following new standards, interpretations and amendments to standards that have been issued as at December 31, 2025 but are not yet effective. Unless otherwise stated, the Credit Union does not plan to early adopt any of these new or amended standards and interpretations.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Amendments to IFRS 9 and IFRS 7, issued in May 2024, clarify the date of recognition and derecognition of some financial assets and liabilities, and add further guidance for assessing whether a financial asset meets the solely payment of principal and interest criterion. The amendments also add new disclosures for certain instruments with contractual terms that can change cash flows (on occurrence or non-occurrence of a contingent event) and update the disclosures for investments in equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026. The Credit Union is currently assessing the impact of these amendments on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18, issued in April 2024, replaces IAS 1 *Presentation of Financial Statements* and establishes the overall requirements for presentation and disclosures in the financial statements, including a new defined structure for the Statement of Profit or Loss and specific disclosure requirements related to management-defined performance measures. IFRS 18 also enhances guidance on how to group information within the financial statements.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, including for interim financial statements. The Credit Union is currently assessing the impact of these amendments on its financial statements.

4. Cash and cash equivalents

	2025 ***$***	*2024* *$*
Cash	**20,852,769**	24,324,982

5. Investments

	2025	*2024*
	$	*$*
Measured at amortized cost		
SaskCentral liquidity and Concentra Bank term deposits	**132,013,669**	95,716,469
Portfolio bonds	**122,237,861**	130,724,870
Accrued interest	**1,836,845**	2,091,589
	256,088,375	228,532,928
Measured at fair value through profit or loss		
SaskCentral shares	**1,066,042**	1,400,201
National Consulting shares	**20,000**	26,000
Other equity investments	**3,069,494**	2,536,371
Accrued interest	**9,455**	9,020
	4,164,991	3,971,592
Total	**260,253,366**	232,504,520

The table below shows the credit risk exposure on investments. Ratings are as provided by Dominion Bond Rating Services ("DBRS") unless otherwise indicated.

	2025	*2024*
	$	*$*
Investment portfolio rating		
AA	**81,428,865**	77,571,417
A	**28,014,533**	37,963,376
B	**-**	3,500,000
BBB	**90,080,351**	60,556,077
R1	**50,124,711**	48,250,670
Unrated	**8,758,606**	2,562,371
	258,407,066	230,403,911

SaskCentral shares are included in the R1 category above and National Consulting shares and other equity investments are included in the Unrated category above.

Statutory liquidity

Pursuant to Regulations, the Standards of Sound Business Practices (SSBP) require that the Credit Union maintain 8.65% (2024 - 8.65%) of its total liabilities in specified liquidity deposits. The provincial regulator for Credit Unions, Credit Union Deposit Guarantee Corporation ("CUDGC"), requires that the Credit Union adhere to these prescribed limits and restrictions. As of December 31, 2025, the Credit Union met the requirement (2024 - met).

6. Member loans receivable

Principal and allowance by loan type:

2025 $

	Principal performing	**Principal impaired**	**Allowance specific**	**Allowance for expected credit losses**	**Net carrying value**
Consumer loans	16,140,995	-	-	(65,609)	**16,075,386**
Residential mortgages	78,019,984	513,642	(209,747)	(94,470)	**78,229,409**
Commercial loans	115,153,795	2,274,046	(263,893)	(327,781)	**116,836,167**
Agricultural loans	144,187,767	-	-	(154,397)	**144,033,370**
	353,502,541	2,787,688	(473,640)	(642,257)	**355,174,332**
Foreclosed assets	16,997	-	-	-	**16,997**
Accrued interest	1,823,992	3,073	-	-	**1,827,065**
Total	355,343,530	2,790,761	(473,640)	(642,257)	**357,018,394**

2024 $

	Principal performing	Principal impaired	Allowance specific	Allowance for expected credit losses	Net carrying value
Consumer loans	14,133,942	-	-	(40,503)	14,093,439
Residential mortgages	73,495,385	634,675	(218,451)	(45,232)	73,866,377
Commercial loans	126,767,298	95,258	(29,979)	(435,668)	126,396,909
Agricultural loans	131,326,500	15,162	(15,162)	(119,855)	131,206,645
	345,723,125	745,095	(263,592)	(641,258)	345,563,370
Foreclosed assets	16,997	-	-	-	16,997
Accrued interest	1,930,870	2,844	(2,844)	-	1,930,870
Total	347,670,992	747,939	(266,436)	(641,258)	347,511,237

There is a total of $77,408,110 (2024 - $89,789,694) in participation loans included in the total above.

The allowance for loan impairment changed as follows:

	2025 $	*2024 $*
Balance, beginning of year	**907,694**	901,072
Provision for impaired loans	**208,156**	5,681
	1,115,850	906,753
Less (add): accounts written off, net of (recoveries)	**(47)**	(941)
Balance, end of year	**1,115,897**	907,694

7. Other assets

	2025 $	2024 $
Accounts receivable	**977,478**	538,436
Prepaid expenses and deposits	**285,755**	314,460
Deferred tax asset (Note 13)	**157,923**	200,256
	1,421,156	1,053,152

8. Property and equipment

	Land $	Buildings $	Computer software $	Furniture and equipment $	Total $
Cost					
Balance at December 31, 2023	50,108	2,838,433	1,439,336	1,106,331	**5,434,208**
Additions	-	22,495	101,656	23,889	**148,040**
Disposals	-	-	-	(23,745)	**(23,745)**
Balance at December 31, 2024	50,108	2,860,928	1,540,992	1,106,475	**5,558,503**
Balance at January 1, 2025	50,108	2,860,928	1,540,992	1,106,475	**5,558,503**
Additions	-	26,422	128,688	3,805	**158,915**
Balance at December 31, 2025	50,108	2,887,350	1,669,680	1,110,280	**5,717,418**
Depreciation and impairment losses					
Balance at December 31, 2023	-	1,867,859	891,013	925,349	**3,684,221**
Depreciation	-	82,947	118,480	91,040	**292,467**
Disposals	-	-	-	(23,745)	**(23,745)**
Balance at December 31, 2024	-	1,950,806	1,009,493	992,644	**3,952,943**
Balance at Jaanuary 1, 2025	-	1,950,806	1,009,493	992,644	**3,952,943**
Depreciation	-	83,549	148,005	42,311	**273,865**
Balance at December 31, 2025	-	2,034,355	1,157,498	1,034,955	**4,226,808**
Net book value					
At December 31, 2024	50,108	910,122	531,499	113,831	1,605,560
At December 31, 2025	**50,108**	**852,995**	**512,182**	**75,325**	**1,490,610**

Depreciation is recorded in the statement of comprehensive income, $190,316 (2024 - $209,520) in administration expense and $83,549 (2024 - $82,947) in occupancy expense.

9. Line of credit

The Credit Union has an authorized line of credit due on demand, with no fixed repayment date, bearing interest at SaskCentral's prime minus 0.5% (2024 - prime minus 0.5%) in the amount of $11,500,000 (2024 - $11,500,000) from SaskCentral. At December 31, 2025, the Credit Union has utilized $208,990 (2024 - $nil) of its line of credit.

Borrowings are secured by an assignment of member loans receivable, financial services agreement, and an operating account agreement.

10. Member deposits

	2025 ***$***	*2024* *$*
Chequing, Savings, Plan 24	**278,395,880**	263,974,167
Registered plans	**36,280,653**	32,440,169
Term deposits	**260,661,675**	249,086,818
Accrued interest	**5,973,216**	7,191,258
	581,311,424	552,692,412

Member deposits are subject to the following terms:

- Chequing, savings and plan 24 products are due on demand and bear interest at rates up to 5.00% (2024 - 5.40%).
- Registered savings plans are subject to fixed and variable rates of interest up to 5.40% (2024 - 5.40%), with interest payments due monthly, annually or on maturity.
- Term deposits are subject to fixed and variable rates of interest up to 5.60% (2024 - 5.60%), with interest payments due monthly, annually or on maturity.

11. Other liabilities

	2025 ***$***	*2024* *$*
Accounts payable	**1,598,783**	704,800
Patronage refund payable	**512,593**	447,878
	2,111,376	1,152,678

12. Membership shares and equity accounts

Authorized:

Unlimited number of Common shares, at an issue price of $5.

Issued:

	2025 ***$***	*2024* *$*
5,287 Common shares (2024 - 5,165)	**26,435**	25,780
Equity accounts	**4,608,559**	4,070,926
Total	**4,634,994**	4,096,706

All common shares and equity shares are classified as liabilities.

12. Membership shares and equity accounts *(Continued from previous page)*

When an individual becomes a member of the Credit Union, they are issued a common share at $5 per share. Equity shares are established as a means of returning excess earnings to the members while maintaining the Credit Union's equity base. Each member of the Credit Union has one vote, regardless of the number of common shares held.

During the year, the Credit Union issued 337 (2024 - 369) and redeemed 215 (2024 - 244) shares.

13. Income tax

Income tax expense recognized in the statement of comprehensive income

	2025	*2024*
	$	*$*
Current tax expense		
Current year	**1,294,604**	1,071,184
Deferred tax expense		
Relating to the origination and reversal of temporary differences	**42,333**	(72,440)
Income tax expenses	**1,336,937**	998,744

The applicable tax rate is the aggregate of the federal income tax rate of 15% (2024 - 15%), and the provincial tax rate of 12% (2024 - 12%).

Deferred income tax expense recognized in the statement of comprehensive income

The deferred tax expense (recovery) recognized in the statement of comprehensive income for the current year is a result of the following changes:

	2025	*2024*
	$	*$*
Deferred tax asset (liability)		
Property, plant and equipment	**(29,335)**	(47,477)
Allowance for expected credit losses	**71,668**	(6,990)
Unrealized gain on funds	**-**	(17,973)
Deferred tax expense (recovery)	**42,333**	(72,440)

Reconciliation between income tax expense and pre-tax net profit

	2025	*2024*
	$	*$*
Accounting profit before tax	**4,723,135**	4,189,441
Income tax expense calculated at 27.00%	**1,275,246**	1,131,149
Adjustments in respect to current income tax of previous years	**(12,433)**	(88,417)
Non-deductible expenses	**20,999**	21,454
Temporary differences	**10,792**	14,269
Non-taxable dividends	**-**	(7,271)
Income tax expense reported in profit	**1,294,604**	1,071,184

13. Income tax *(Continued from previous page)*

Reconciliation between average effective tax rate and the applicable tax rate

	2025	*2024*
Applicable tax rate	**27.00 %**	27.00 %
Non-taxable and other items	**1.31 %**	(3.16)%
Average effective tax rate (tax expense divided by profit before tax)	**28.31 %**	23.84 %

14. Patronage

The Board of Directors authorized a patronage refund of $1,166,185 (2024 - $1,066,456) retaining $653,593 (2024 - $618,578) in members' equity share accounts as at December 31, 2025. The patronage refund approved by the Board of Directors was based on a percentage of the equity accounts held by each member during the fiscal year.

The patronage refund has been reflected in the statement of financial position as other liabilities and membership shares and equity accounts with related tax savings of approximately $314,870 (2024 - $287,293) being reflected in the provision for income taxes.

15. Related party transactions

Key management compensation of the Credit Union

Key management of the Credit Union are are the CEO, CFO/CRO, COO, Chief People & Governance Officer, and members of the Board of Directors.

KMP remuneration includes the following expenses:

	2025 **$**	*2024* *$*
Salaries and short-term benefits	**933,550**	915,358
Other long-term benefits	**55,944**	52,494
Total remuneration	**989,494**	967,852

Transactions with key management personnel

The Credit Union, in accordance with its policy, may grant credit to its directors, management and staff at concessional rates of interest on their loans and facilities.

Loans made to KMP are approved under the same lending criteria applicable to members and are included in member loans receivable on the statement of financial position. There are no loans to KMP that are impaired.

Directors, management and staff of the Credit Union hold deposit accounts. These accounts are maintained under the same terms and conditions as accounts of other members, and are included in deposit accounts on the statement of financial position.

There are no benefits or concessional terms and conditions applicable to the family members of KMP.

These loans and deposits were made in the normal course of operations and are measured at the exchange amount, which is the consideration established and agreed to by the related parties.

15. Related party transactions *(Continued from previous page)*

	2025 ***$***	*2024* *$*
Aggregate loans to KMP	**8,382,351**	5,738,671
The total value of revolving credit facilities to KMP	**625,500**	921,500
Less: approved and undrawn lines of credit	**(502,827)**	(727,189)
Less: membership shares and equity accounts	**(120,816)**	(106,399)
	8,384,208	5,826,583

	2025 ***$***	*2024* *$*
The total value of member deposits from KMP as at the year-end:		
Chequing, Savings, Plan 24	**4,525,831**	5,903,483
Term deposits	**3,548,426**	4,389,413
Registered plans	**669,607**	587,459

	2025 ***$***	*2024* *$*
Interest and expense transactions with KMP consisted of:		
Interest and other revenue earned on loans and revolving credit facilities to KMP	**277,633**	230,875
Total interest paid on deposits to KMP	**192,866**	173,301

Directors' fees and expenses

	2025 ***$***	*2024* *$*
Honoraria and per diems	**43,603**	40,919
Reimbursement of expenses	**8,180**	6,007
Meeting, training and conference costs	**47,948**	21,791

16. Capital management

A capital management framework is included in policies and procedures established by the Board of Directors. The Credit Union's objectives when managing capital are to:

- Adhere to regulatory capital requirements as minimum benchmarks;
- Co-ordinate strategic risk management and capital management;
- Develop financial performance targets/budgets/goals;
- Administer a patronage program that is consistent with capital requirements;
- Administer an employee incentive program that is consistent with capital requirements; and
- Develop a growth strategy that is coordinated with capital management requirements.

CUDGC prescribes capital adequacy measures and minimum capital requirements. The capital adequacy rules issued by CUDGC have been based on the Basel III framework, consistent with the financial industry in general.

16. Capital management *(Continued from previous page)*

The Credit Union follows a risk-weighted asset calculation for credit and operational risk. Under this approach, credit unions are required to measure capital adequacy in accordance with instructions for determining risk-adjusted capital and risk-weighted assets, including off-balance sheet commitments. Based on the prescribed risk of each type of asset, a weighting of 0% to 1,250% is assigned. The ratio of regulatory capital to risk-weighted assets is calculated and compared to the standard outlined by CUDGC. Regulatory standards require credit unions to maintain a minimum total eligible capital to risk-weighted assets of 8%, a minimum tier 1 capital to risk-weighted assets of 6% and a minimum common equity tier 1 capital to risk-weighted assets of 4.5%. In addition to the minimum capital ratios, the Credit Union is required to hold a capital conservation buffer of 2.5%. The capital conservation buffer is designed to avoid breaches of the minimum capital requirement. Eligible capital consists of total tier 1 and tier 2 capital. In addition to the minimum capital ratios, the Credit Union is required to hold a capital conservation buffer of 2.5%. The capital conservation buffer is designed to avoid breaches of the minimum capital requirement

Tier 1 capital is defined as a credit union's primary capital and comprises the highest quality of capital elements while tier 2 is secondary capital and falls short of meeting tier 1 requirements for permanence or freedom from mandatory charges. Tier 1 capital consists of two components: common equity tier 1 capital and additional tier 1 capital. Common equity tier 1 capital includes retained earnings, contributed surplus and accumulated other comprehensive income ("AOCI").

Deductions from common equity tier 1 capital include goodwill, intangible assets, deferred tax assets (except those arising from temporary differences), increases in equity capital resulting from securitization transactions, unconsolidated substantial investments and fair value gains/losses on own-use property. Additional tier 1 capital consists of qualifying membership shares and other investment shares issued by the Credit Union that meet the criteria for inclusion in additional tier 1 capital.

Tier 2 capital includes a collective allowance for credit losses to a maximum of 1.25% of risk-weighted assets, subordinated indebtedness, and qualifying membership shares or other investment shares issued by the Credit Union that meet the criteria for inclusion in tier 2 capital and are not included in tier 1 capital.

Regulatory standards also require the Credit Union to maintain a minimum leverage ratio of 5%. This ratio is calculated by dividing eligible capital by total assets less deductions from capital plus specified off-balance sheet exposures. Based on the type of off-balance sheet exposure, a conversion factor is applied to the leverage ratio.

The following table compares CUDGC regulatory standards to the Credit Union's board policy for 2025:

	Regulatory standards	*Board standards (Minimum of target range)*
Total eligible capital to risk-weighted assets	**10.50 %**	**11.50 %**
Tier 1 capital to risk-weighted assets	**8.50 %**	**9.50 %**
Common equity tier 1 capital to risk-weighted assets	**7.00 %**	**8.00 %**
Leverage ratio	**5.00 %**	**6.00 %**

During the year, the Credit Union complied with all external and internal capital requirements.

The following table summarizes key capital information:

	2025 ***$***	*2024* *$*
Eligible capital		
Common equity tier 1 capital	**52,875,078**	49,488,880
Deductions from tier 1 capital	**(502,190)**	(531,500)
Total tier 1 capital	**52,372,888**	48,957,380
Total tier 2 capital	**5,237,248**	4,698,084
Total eligible capital	**57,610,136**	53,655,464

16. Capital management *(Continued from previous page)*

Risk-weighted assets	***2025***	*2024*
Total eligible capital to risk-weighted assets	**16.77 %**	16.10 %
Total tier 1 capital to risk-weighted assets	**15.25 %**	14.69 %
Common equity tier 1 capital to risk-weighted assets	**15.25 %**	14.69 %
Leverage ratio	**8.77 %**	8.48 %

Liquidity coverage ratio

The Credit Union has implemented has implemented a liquidity coverage ratio ("LCR") which is a regulatory requirement of CUDGC. The objective of the LCR is to ensure that the Credit Union has an adequate stock of unencumbered high-quality liquid assets ("HQLA") that:

- consists of cash or assets that can be converted into cash at little or no loss of value; and
- meets its liquidity needs for a 30-calendar day stress scenario, by which time it is assumed corrective actions have been taken by the Credit Union and/or CUDGC.

This stress scenario noted above is viewed as a minimum requirement. The Credit Union conducts additional stress tests to assess the level of liquidity to hold beyond the regulatory minimum, and constructs scenarios that could cause difficulties for specific business activities. Internal stress tests have longer time horizons and results are reported to CUDGC upon request.

The LCR is calculated as the value of the stock in HQLA in stressed conditions divided by the total net cash outflows over the next 30 calendar days.

As at December 31, 2025, the Credit Union is in compliance with regulatory requirements (2024 - in compliance).

17. Financial risk management

The Credit Union, as part of its operations, carries a number of financial instruments which result in exposure to the following risks: credit risk, market risk and liquidity risk.

Accordingly, the Credit Union has established avoidance of undue concentrations of risk, hedging of risk exposures, and requirements for collateral to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the Credit Union follows risk management policies approved by its Board of Directors.

The Credit Union's risk management policies and procedures include the following:

- Ensure all activities are consistent with the mission, vision and values of the Credit Union
- Balance risk and return
- Manage credit, market and liquidity risk through preventative and detective controls
- Ensure credit quality is maintained
- Ensure credit, market, and liquidity risk is maintained at acceptable levels
- Diversify risk in transactions, member relationships and loan portfolios
- Price according to risk taken, and
- Using consistent credit risk exposure tools.

Various Board of Directors committees are involved in financial instrument risk management oversight, including the Audit and Risk Committee and Conduct Review Committee.

There have been no significant changes from the previous year in the Credit Union's risks to which it is exposed or its general policies and procedures for managing risk.

17. Financial risk management *(Continued from previous page)*

Credit risk

Credit risk is the risk of financial loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Credit Union. Credit risk primarily arises from member loans receivable.

Risk management process

Credit risk management is integral to the Credit Union's activities. Management and the Board of Directors are responsible for developing and implementing the credit risk management practices of the Credit Union by establishing the relevant policies and procedures. Management carefully monitors and manages the Credit Union's exposure to credit risk by reviewing member credit extension policies and guidelines and reviewing the performance of loan portfolios, including default events and past due status. The risk management process starts at the time of a member credit application and continues until the loan is fully repaid. The primary credit risk management policies and procedures include the following:

- Loan security (collateral) requirements
  - Security valuation processes, including method used to determine the value of real property and personal property when that property is subject to a mortgage or other charge; and,
  - Maximum loan to value ratios where a mortgage or other charge on real or personal property is taken as security
- Borrowing member capacity (repayment ability) requirements
- Borrowing member character requirements
- Limits on aggregate credit exposure per individual and/or related parties
- Limits on concentration of credit risk by loan type, industry and economic sector
- Limits on the types of credit facilities and services offered
- Internal loan approval processes and loan documentation standards
- Loan re-negotiation, extension and renewal processes
- Processes that identify adverse situations and trends, including risks associated with economic, geographic and industry sectors
- Control and monitoring processes including portfolio risk identification and delinquency tolerances
- Timely loan analysis processes to identify, access and manage delinquent and impaired loans
- Collection processes that include action plans for deteriorating loans
- Overdraft control and administration processes
- Loan syndication processes.

The Credit Union's credit risk policies, processes and methodologies are reviewed periodically to ensure they remain relevant and effective in managing credit risk.

To meet the needs of its members and to manage its own exposure to fluctuations in interest rates, the Credit Union participates in various commitments and contingent liability contracts. The primary purpose of these contracts is to make funds available for the financing needs of members. These are subject to normal credit standards, financial controls, risk management and monitoring procedures. The contractual amounts of these credit instruments represent the maximum credit risk exposure without taking into account the fair value of any collateral, in the event other parties fail to perform their obligations under these instruments.

The Credit Union makes the following instruments available to its members:

- Guarantees and standby letters of credit representing irrevocable assurances that the Credit Union will pay if a member cannot meet their obligations to a third party
- Commitments to extend credit representing unused portions of authorizations to extend credit in the form of loans (including lines of credit and credit cards), guarantees or letters of credit.

The amounts shown on the table below do not necessarily represent future cash requirements since many commitments will expire or terminate without being funded.

As at year-end, the Credit Union had the following outstanding financial instruments subject to credit risk:

17. Financial risk management *(Continued from previous page)*

Credit risk *(Continued from previous page)*

	2025	*2024*
	$	*$*
Unadvanced lines of credit	**63,829,254**	66,820,350
Guarantees and standby letters of credit	**25,000**	125,000
Commitments to extend credit	**16,586,797**	26,101,685
	80,441,051	93,047,035

Inputs, assumptions and techniques

Definition of default and assessments of credit risk

Financial instruments are assessed at each reporting date for a significant increase in credit risk since initial recognition. This assessment considers changes in the risk of a default occurring at the reporting date as compared to the date of initial recognition.

The Credit Union considers member loans receivable to be in default when contractual payments are more than 90 days past due or other objective evidence of impairment exists, such as notification from the borrower or breach of major covenants. This definition is consistent with the definitions used for the Credit Union’s internal credit risk management practices and has been selected because it most closely aligns the definition of default to the Credit Union’s past credit experience, and the covenants placed in standard borrowing contracts. Relatively few financial instruments subsequently return to performing status after a default has occurred under this definition without further intervention on the part of the Credit Union.

Changes in credit risk are assessed on the basis of the risk that a default will occur over the contractual lifetime of the financial instrument rather than based on changes in the amount of expected credit losses or other factors. In making this assessment the Credit Union takes into account all reasonable and supportable information, including forward-looking information, available without undue cost or effort. The Credit Union considers past due information of its balances and information about the borrower available through regular commercial dealings, such as requests for loan modifications.

The credit risk of a financial instrument is deemed to have significantly increased since initial recognition when contractual payments have exceeded 30 days past due, or other information becomes available to management through the course of regular credit reviews, communication with the borrower or forecasting processes which consider macroeconomic conditions expected to have a future impact on borrowers. When a financial instrument is considered to have low credit risk, it is assumed that there has not been a significant increase in credit risk since initial recognition. The Credit Union considers there not to have been a significant increase in credit risk despite contractual payments being more than 30 days past due when they have interviewed the borrower and determined that payment is forthcoming.

The Credit Union identifies credit-impaired financial assets through regular reviews of past due balances and credit assessments of its customers. Credit-impaired financial assets are typically placed on the Credit Union's watch list based on its internal credit risk policies. In making this assessment, the Credit Union considers past due information of its balances and information about the borrower available through regular commercial dealings.

Measurement of expected credit losses

The Credit Union measures expected credit losses for member loans receivable on a group basis. These assets are grouped on the basis of their shared risk characteristics such as loan type (residential mortgages, commercial loans/mortgages, agricultural loans/mortgages, consumer loans, and lines of credit). Otherwise, expected credit losses are measured on an individual basis.

When measuring 12-month and lifetime expected credit losses, the Credit Union utilizes complex modelling, which uses current banking system loan data to assess probability of default, exposure at default, loss given default, and present value calculations. Forward-looking information is incorporated into the determination of expected credit loss by considering regional economic journals and forecasts, collecting information available from regular commercial dealings with its members and other publicly available information and considering the effect such information could have on any assumptions or inputs used in the measurement of expected credit losses, determining significant increases in credit risk or identifying a credit-impaired financial asset.

17. Financial risk management *(Continued from previous page)*

Credit risk *(Continued from previous page)*

Significant judgments, estimates and assumptions are required when calculating the expected credit losses of financial assets. In measuring the 12-month and lifetime expected credit losses, management makes assumptions about prepayments, the timing and extent of missed payments or default events. In addition, management makes assumptions and estimates about the impact that future events may have on the historical data used to measure expected credit losses.

The Credit Union has run a number of simulations on its collective allowance, incorporating assumptions about the resulting macroeconomic impacts of inflation and interest rate changes, based on information and facts available at December 31, 2024. The macroeconomic factors that affect the Credit Union expected credit loss ("ECL") calculations are: Saskatchewan unemployment rates, provincial housing starts, national interest rates, national GDP growth, and national oil prices. The information for these assumptions is based off 2025 economic forecasts. Each factor is forecast in a base case, a best case and a worst case scenario. These scenarios are weighted, and the weighted average is used to build the estimate for expected credit losses. These assumptions were shocked up and down 10% - 30% in the best and worst case scenarios.

The typical weighting used in the model is 80% base, 10% best and 10% worst case, as the base case is historically the most likely scenario. The December 31, 2025 model is based on these weightings. The December 31, 2024 model was based on 50% base, 10% best, 40% worst case weightings due to uncertainties around inflation and interest rate changes.

Write-offs

Financial assets are written off when there is no reasonable expectation of recovery. The Credit Union assesses that there is no reasonable expectation of recovery when they have exhausted all attempts to recover a portion of the loan, including realizing on the security, if any, and disposing of related security. Where an asset has been written off but is still subject to enforcement activity, the asset is written off but remains on a list of delinquent accounts. Where information becomes available indicating the Credit Union will receive funds, such amounts are recognized at their fair value.

Exposure to credit risk

The following table sets out the information about the credit quality of the Credit Union's financial assets assessed for impairment under IFRS 9 *Financial instruments*. The amounts in the table, unless otherwise indicated, represent the assets' gross carrying amount.

17. Financial risk management *(Continued from previous page)*

Credit risk *(Continued from previous page)*
Except as noted below, the gross carrying amount of financial assets represents the maximum exposure to credit risk for that class of financial asset.

	2025			
	12-month ECL	***Lifetime ECL (not credit impaired)***	***Lifetime ECL (credit impaired)***	***Total***
	$	***$***	***$***	***$***
Loans and lines of credit				
Consumer	**16,140,995**	**-**	**-**	**16,140,995**
Residential	**77,394,934**	**583,584**	**555,108**	**78,533,626**
Commercial	**115,141,398**	**-**	**2,286,443**	**117,427,841**
Agricultural	**143,541,440**	**646,327**	**-**	**144,187,767**
Total gross carrying amount	**352,218,767**	**1,229,911**	**2,841,551**	**356,290,229**
Less: loss allowance	**620,928**	**15,343**	**479,626**	**1,115,897**
Total carrying amount	**351,597,839**	**1,214,568**	**2,361,925**	**355,174,332**

	2024			
	12-month ECL	*Lifetime ECL (not credit impaired)*	*Lifetime ECL (credit impaired)*	*Total*
	$	*$*	*$*	*$*
Loans and lines of credit				
Consumer	14,133,942	-	-	14,133,942
Residential	73,430,674	64,711	634,675	74,130,060
Commercial	126,767,298	-	95,258	126,862,556
Agricultural	130,585,740	740,760	15,162	131,341,662
Total gross carrying amount	344,917,654	805,471	745,095	346,468,220
Less: loss allowance	626,240	8,253	273,201	907,694
Total carrying amount	344,291,414	797,218	471,894	345,560,526

Concentrations of credit risk

Concentration of credit risk exists if a number of borrowers are exposed to similar economic risks by being engaged in similar economic activities or being located in the same geographical region, and indicate the relative sensitivity of the Credit Union's performance to developments affecting a particular segment of borrowers or geographical region. Geographical risk exists for the Credit Union due to its primary service area being Ogema, Saskatchewan and surrounding areas.

17. Financial risk management *(Continued from previous page)*

Credit risk *(Continued from previous page)*
Amounts arising from expected credit losses

Reconciliation of the loss allowance

The following tables show a reconciliation of the opening to the closing balance of the loss allowance by class of financial instrument.

	12-month ECL	*Lifetime ECL (not credit impaired)*	*Lifetime ECL (credit impaired)*	*Total*
	$	*$*	*$*	*$*
Member loans				
Balance at January 1, 2024	**504,930**	**136,327**	**259,815**	**901,072**
Net remeasurement of loss allowance	**121,310**	**(128,074)**	**13,386**	**6,622**
Balance at December 31, 2024	**626,240**	**8,253**	**273,201**	**907,694**
Net remeasurement of loss allowance	**(5,312)**	**7,090**	**206,425**	**208,203**
Balance at December 31, 2025	**620,928**	**15,343**	**479,626**	**1,115,897**

Financial instruments for which the impairment requirements of IFRS 9 do not apply

The carrying amount of SaskCentral, National Consulting shares and other equity investments, as disclosed in Note 5, best represents the Credit Union's maximum exposure to credit risk for those items. The Credit Union holds no collateral or other credit enhancements on these balances.

Market risk

Market risk is the risk of loss in value of financial instruments that may arise from changes in market factors such as interest rates, equity prices and credit spreads. The Credit Union's exposure changes depending on market conditions. Market risks that have a significant impact on the Credit Union include fair value risk and interest rate risk.

Market risk arises from changes in interest rates that affect the Credit Union's net interest income. Exposure to this risk directly impacts the Credit Union's income from its loan and deposit portfolios. The Credit Union's objective is to earn an acceptable net return on these portfolios, without taking unreasonable risk, while meeting member owner needs.

Risk measurement

The Credit Union's risk position is measured and monitored each month to ensure compliance with policy. Management provides quarterly reports on these matters to the Credit Union's Board of Directors.

Objectives, policies and processes

Management is responsible for managing the Credit Union's interest rate risk, monitoring approved limits and compliance with policies. The Credit Union manages market risk by developing and implementing asset and liability management policies, which are approved and periodically reviewed by the Board of Directors.

The Credit Union's goal is to achieve adequate levels of profitability, liquidity and safety. The Board of Directors reviews the Credit Union's investment and asset liability management policies periodically to ensure they remain relevant and effective in managing and controlling risk.

17. Financial risk management *(Continued from previous page)*

Interest rate risk

Interest rate risk is the sensitivity of the Credit Union’s financial condition to movements in interest rates. Cash flow interest rate risk is the risk that the future cash flows of the Credit Union’s financial instruments will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in prevailing market interest rates. Interest margins reported in the statement of comprehensive income may increase or decrease in response to changes in market interest rates. The Credit Union incurs interest rate risk on its loans and other interest bearing financial instruments.

In managing interest rate risk, the Credit Union relies primarily upon use of asset - liability and interest rate sensitivity simulation models, which is monitored by the Credit Union. Sensitivity analysis is used to assess the change in value of the Credit Union’s financial instruments against a range of incremental basis point changes in interest rates over a twelve month period. Interest rate shock analysis is calculated in a similar manner to sensitivity analysis but involves a more significant change of 100 basis points or greater in interest rates.

Sensitivity analysis and interest rate shock analysis are calculated on a quarterly basis and are reported to the Board of Directors. Based on current differences between financial assets and financial liabilities as at year-end, the Credit Union estimates that an immediate and sustained 100 basis point increase in interest rates would increase net interest income by $1,066,000 (2024 - $1,120,000) over the next 12 months while an immediate and sustained 100 basis point decrease in interest rates would decrease net interest income by $1,066,000 (2024 - $1,120,000) over the next 12 months.

Other types of interest rate risk are basis risk (the risk of loss arising from changes in the relationship of interest rates which have similar but not identical characteristic; for example, the difference between prime rates and the Canadian Deposit Offering Rate) and prepayment risk (the risk of loss of interest income arising from the early repayment of fixed rate mortgages and loans), both of which are monitored on a regular basis and are reported to the Board of Directors.

The Credit Union's major source of income is financial margin which is the difference between interest earned on investments and loans to members and interest paid to members on their deposits. The objective of managing the financial margin is to match repricing or maturity dates of loans and investments and member deposits within policy limits. These limits are intended to limit the Credit Union's exposure to changing interest rates and to wide fluctuations of income during periods of changing interest rates. The differential represents the net mismatch between loans and investments and members deposits for those particular maturity dates. Certain items on the statement of financial position, such as non-interest bearing member deposits and equity do not provide interest rate exposure to the Credit Union. These items are reported as non-interest rate sensitive in the table below.

Amounts with variable interest rates, or due on demand, are classified as on demand.

A significant amount of member loans receivable and members deposits can be settled before maturity on payment of a penalty. No adjustment has been made for repayments that may occur prior to maturity.

Interest rate sensitivity

In the table below, the carrying amounts of financial instruments are presented in the periods in which they next reprice to market rates or mature and are summed to show the net interest rate sensitivity gap.

17. Financial risk management *(Continued from previous page)*

Interest rate risk *(Continued from previous page)*
Contractual repricing and maturity

All financial instruments are reported in the schedule below based on the earlier of their contractual repricing date or maturity date. The schedule below does not identify management's expectations of future events where repricing and maturity dates differ from contractual dates.

(In thousands $)

	On demand	Within 3 months	Over 3 months to 1 year	Over 1 year	Non-Interest Sensitive	2025 Total	2024 Total
Assets							
Cash and cash equivalents	136	-	-	-	20,717	**20,853**	24,325
Average yield %	*3.63*	-	-	-	-	*0.02*	*0.03*
Accounts receivable	-	-	-	-	977	**977**	538
Investments	13,202	22,932	69,881	147,102	7,136	**260,253**	232,505
Average yield %	*3.73*	*3.21*	*3.35*	*3.00*	-	*3.07*	*3.30*
Member loans receivable	46,203	31,426	42,558	235,005	1,826	**357,018**	347,511
Average yield %	*5.16*	*5.18*	*3.73*	*3.14*	-	*3.64*	*5.12*
Subtotal	**59,541**	**54,358**	**112,439**	**382,107**	**30,656**	**639,101**	604,879
Liabilities							
Member deposits	149,437	66,259	148,808	112,325	104,482	**581,311**	552,693
Average yield %	*0.65*	*3.15*	*3.21*	*3.69*	-	*2.06*	*2.54*
Other liabilities	-	-	-	-	2,111	**2,111**	1,153
Membership shares	-	-	-	-	26	**26**	26
Member equity accounts	-	-	-	-	4,609	**4,609**	4,071
	149,437	**66,259**	**148,808**	**112,325**	**111,228**	**588,057**	557,943
Net sensitivity	**(89,896)**	**(11,901)**	**(36,369)**	**269,782**	**(80,572)**	**51,044**	46,936

Liquidity risk

Liquidity risk is the risk that the Credit Union cannot meet a demand for cash or fund its obligations as they come due. The Credit Union's management oversees the Credit Union's liquidity risk to ensure the Credit Union has access to enough readily available funds to cover its financial obligations as they come due. The Credit Union's business requires such liquidity for operating and regulatory purposes. Refer to Note 5 for further information about the Credit Union's regulatory requirements.

Liquidity risk is managed through a three tiered structure consisting of the local Credit Union level, the provincial Credit Union level and the national Credit Union level.

Locally, the Credit Union manages its liquidity position from three perspectives:

- Structural liquidity risk, which addresses the risk due to mismatches in effective maturities between assets and liabilities, more specifically the risk of over reliance on short-term liabilities to fund long-term illiquid assets;
- Tactical liquidity risk, which addresses the day-to-day funding requirements that are managed by imposing prudential limits on net fund outflows; and
- Contingent liquidity risk, which assess the impact of sudden stressful events and the Credit Union’s responses thereto.

17. Financial risk management *(Continued from previous page)*

Liquidity risk *(Continued from previous page)*
The primary liquidity risk policies and procedures include the following:

- Liquidity risk management framework to measure and control liquidity risk exposure;
- Measurement of cashflows;
- Maintain a line of credit and borrowing facility with SaskCentral;
- Maintenance of a pool of high quality liquid assets;
- Monitoring of single deposits and sources of deposits; and
- Monitoring of term deposits.

Provincially, SaskCentral manages a statutory liquidity pool of marketable investment securities on behalf of Saskatchewan Credit Unions to facilitate clearing and settlement, daily cash flow management and emergency liquidity support. Nationally, credit union centrals are represented by one central which acts as the Group Clearer, Central 1 Credit Union. The Group Clearer is a member of the Canadian Payments Association and pools provincial cash flows to settle with the Bank of Canada.

The following table details contractual maturities of financial liabilities:

As at December 31, 2025:

(In thousands $)

	< 1 year	1-2 years	> 3 years	Total
Member deposits	**468,986**	**42,671**	**69,654**	**581,311**
Other liabilities	**2,111**	**-**	**-**	**2,111**
Membership shares and equity accounts	**-**	**-**	**4,635**	**4,635**
Total	**471,097**	**42,671**	**74,289**	**588,057**

As at December 31, 2024:

(In thousands $)

	< 1 year	1-2 years	> 3 years	Total
Member deposits	445,913	52,791	53,989	552,693
Other liabilities	1,153	-	-	1,153
Membership shares and equity accounts	-	-	4,097	4,097
Total	447,066	52,791	58,086	557,943

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the Credit Union maintains foreign cash balances to approximately offset deposits held in foreign funds.

Foreign currency risk is not considered significant at this time as the Credit Union does not engage in any active trading of foreign currency positions or hold significant excess foreign currency denominated financial investments for an extended period.

18. Fair value measurements

The Credit Union classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for which there is little or no market data and which require the Credit Union to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is assessed to be significant to that fair value measurement. This assessment requires the use of judgment in considering factors specific to an asset or a liability and may affect the placement of the fair value measurement within the hierarchy.

The Credit Union considers a fair value measurement to have transferred between the levels in the fair value hierarchy on the beginning of the reporting period, the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2, as well as no transfers into or out of Level 3 during the period.

In determining fair value measurements, the Credit Union uses the net present value technique. The Credit Union uses assumptions and estimates in determining actual balances, actual rates, market rates (for similar instruments) and payment frequency.

Financial assets and financial liabilities measured at fair value

The Credit Union's financial assets and financial liabilities measured at fair value in the statement of financial position on a recurring basis have been categorized into the fair value hierarchy as follows:

in thousands	***Fair Value***	***Level 1***	***Level 2***	***2025 Level 3***
	$	**$**	**$**	**$**
Financial assets				
Other equity investments	**3,069**	**-**	**-**	**3,069**
SaskCentral shares	**1,066**	**-**	**-**	**1,066**
National Consulting shares	**20**	**-**	**-**	**20**
Total financial assets	**4,155**	**-**	**-**	**4,155**

in thousands	*Fair Value*	*Level 1*	*Level 2*	*2024 Level 3*
	$	$	$	$
Financial assets				
Other equity investments	2,536	-	-	2,536
SaskCentral shares	1,400	-	-	1,400
National Consulting shares	26	-	-	26
Total financial assets	3,962	-	-	3,962

19. Fair value measurements *(Continued from previous page)*

The following table summarizes the change in Level 3 assets recorded at fair value for the year ended December 31:

in thousands	***2025*** ***$***	*2024* *$*
Balance, beginning of year	**3,962**	7,383
Purchases / issuance	**210**	540
Unrealized gains (losses) recorded in income	**323**	-
Sales / settlements	**(340)**	(3,961)
Balance, end of year	**4,155**	3,962

Financial instruments not measured at fair value

The carrying amount, fair value, and categorization into the fair value hierarchy of all other financial assets and financial liabilities held by the Credit Union and not measured at fair value on the statement of financial position are as follows:

					2025
in thousands	***Carrying amount***	***Fair value***	***Level 1***	***Level 2***	***Level 3***
	$	**$**	**$**	**$**	**$**
Financial assets measured at amortized cost					
Cash and cash equivalents	**20,853**	**20,853**	**20,853**	**-**	**-**
Investments	**256,088**	**255,308**	**-**	**255,308**	**-**
Member loans receivable	**357,018**	**356,039**	**-**	**356,039**	**-**
Accounts receivable	**977**	**977**	**-**	**977**	**-**
Total financial assets	**634,936**	**633,177**	**20,853**	**612,324**	**-**
Financial liabilities measured at amortized cost					
Member deposits	**581,311**	**583,136**	**-**	**583,136**	**-**
Other liabilities	**2,111**	**2,111**	**-**	**2,111**	**-**
Membership shares and equity accounts	**4,635**	**4,635**	**-**	**4,635**	**-**
Total financial liabilities	**588,057**	**589,882**	**-**	**589,882**	**-**

19. Fair value measurements *(Continued from previous page)*

In thousands	*Carrying amount*	*Fair value*	*Level 1*	*Level 2*	*Level 3*
					2024
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	24,325	24,325	24,325	-	-
Investments	228,533	228,055	-	228,055	-
Member loans receivable	347,511	345,666	-	345,666	-
Accounts receivable	538	538	-	538	-
Total financial assets	600,907	598,584	24,325	574,259	-
Financial liabilities					
Member deposits	552,692	556,177	-	556,177	-
Other liabilities	1,153	1,153	-	1,153	-
Membership shares and equity accounts	4,097	4,097	-	4,097	-
Total financial liabilities	557,942	561,427	-	561,427	-

Level 2 and Level 3 fair value measurements for financial instruments not measured at fair value

Valuation techniques and inputs for Level 2 and Level 3 fair value measurements are as follows:

Cash and cash equivalents, accounts receivable, other liabilities, membership shares and equity accounts are all short-term in nature and as such, their carrying values are assumed to approximate fair value. The fair value of investments is determined by using market comparable prices based on quoted prices by third parties.

The fair value of variable interest rate loans that reprice frequently is assumed to be approximated by carrying values. For all other loans, the fair value is estimated using discounted cash flow calculations at market interest rates for groups of loans with similar terms and credit risk.

The fair value of deposits with variable interest rates or which are due on demand, is assumed to be approximated by the carrying value. For all other deposits, fair value is estimated using a discounted cash flow calculation based on current market interest rates for similar deposit offerings.

19. Commitments

In 2016, the Credit Union entered into a seven year commitment with Celero for the provision of retail banking services. The annual operating fee is calculated as a percentage of the aggregate fees paid by all Credit Unions using the banking system. The agreement was amended in 2024 to be assigned from Celero to CDSL Canada Limited, and the term was extended to 2029. The annual operating fees for the year ended December 31, 2025 were $240,761 (2024 - $208,912) and recorded as an expense.

In 2019, the Credit Union entered into an agreement to purchase units in the Conexus Venture Capital (CVC) Fund 1 LP. The Credit Union makes advances to the Fund when requested which decreases the commitment. Redemption of units does not increase the total remaining commitment to the Fund. At the end of December 2025, the Credit Union has advanced $485,970 (2024 - $476,470) of their total commitment of $500,000 to the CVC Fund 1 LP.

In 2021, the Credit Union entered into an agreement to purchase units in the MDL Real Estate Income Fund GP Inc. The Credit Union makes advances to the Fund when requested which decreases the commitment. Redemption of units does not increase the total remaining commitment to the Fund. At the end of December 2025, the Credit Union has advanced $1,250,000 (2024 - $1,250,000) of their total commitment of $1,250,000 to the MDL Real Estate Income Fund GP Inc.

In 2022, the Credit Union entered into an agreement to purchase units in the Emmertech Fund 1 LP. The Credit Union makes advances to the Fund when requested which decreases the commitment. Redemption of units does not increase the total remaining commitment to the Fund. At the end of December 2025, the Credit Union has advanced $850,000 (2024 - $650,000) of their total commitment of $1,000,000 to the Emmertech Fund 1 LP.