



2025

ANNUAL REPORT

& Summarized Financial Statements



We'll always be there.



VISION

Partnering to achieve success and build a better community.

MISSION

As a financial co-operative, Unity Credit Union exceeds our members' expectations by identifying their needs and recommending solutions for the benefit of our members, the community and the credit union.

We'll always be there.

**UNITY CREDIT UNION LIMITED
ANNUAL GENERAL MEETING
THURSDAY, MARCH 26, 2026**

ORDER OF BUSINESS

- 7:30 - Pre-Meeting Items**
 - Introduction of Guests and Staff
 - Proof of Notice of Meeting and Confirmation of Quorum
 - Affidavit of Completion of Reports
 - Appointment of Chairperson and Secretary
- 7:35 - Annual Meeting Agenda**
 - Call to Order
 - Adoption of Agenda
 - Adoption of Minutes of Last Meeting held March 25, 2025
 - Business Arising from Minutes
 - President’s Message
 - Credit Union Discussion and Analysis
 - Auditor’s Report
 - Financial Statement Review
 - Adoption of Reports
 - Appointment of Auditors
 - Nominating Committee Report
 - Introduction of New Chief Executive Officer
 - Question/Discussion Period
 - Service Award Presentations
 - Door Prizes
 - Adjournment



PROOF OF NOTICE OF MEETING AND CONFIRMATION OF QUORUM

1) Proof of Notice:

CANADA)
 PROVINCE OF SASKATCHEWAN)
) *I, Gerald Hauta,*
) *of the Town of Unity,*
) *in the Province of Saskatchewan,*
) *Treasurer of the Unity Credit Union Limited*

TO WIT:

That I have personal knowledge that the notice of this annual meeting was duly prepared and given to members as required by the Bylaws of the Credit Union. NOTICE was posted in branch at Unity Credit Union, on social media and the credit union website on March 4, 2026. And published in “The Unity-Wilkie Press Herald” on February 26, 2026.

Sworn before me at the Town of Unity
 In the Province of Saskatchewan
 This 13th day of March, 2026.

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)

 A Commissioner for Oaths in and for Saskatchewan
 My Commission expires April 30, 2027

AFFIDAVIT OF COMPLETION OF REPORTS

I, Gerald Hauta, Manager of Unity Credit Union Limited make oath and say that:

- 1) The Annual Financial Reports were completed by March 12, 2026.
- 2) The Annual Financial Reports were made available to the membership March 13, 2026, which is at least 10 days prior to the annual meeting.

Sworn before me at the Town of
 Unity, in the Province
 of Saskatchewan, this 14th day
 of March, 2026.

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 A Commissioner for Oaths in and for Saskatchewan
 My Commission expires April 30, 2027

MINUTES OF THE ANNUAL MEETING OF UNITY CREDIT UNION LIMITED

UNITY CREDIT UNION
Tuesday, March 25, 2025

Gerald Hauta welcomed everyone to the supper and meeting at 6:30 p.m.

Supper was served by Jan Taylor and her staff to 120 people.

Gerald Hauta introduced guests and staff.

Gerald Hauta presented the Proof of Notice and the Affidavit of Completion of Reports. He confirmed that a quorum was in attendance and the meeting could proceed.

The board of directors appointed Colette Lewin as Chairperson and Courtney Baier as Secretary at their last board meeting.

Colette Lewin called the meeting to order at 7:30 p.m.

Michelle Pilat and Shannon DeRoo moved that the agenda be adopted as presented. Carried.

Lisa Reddekopp and Michelle Aldred moved that the minutes of the Annual Meeting held on Tuesday March 26, 2024 be accepted as presented. Carried.

There were no errors or omissions arising from the minutes. There was no business arising from the minutes.

Colette Lewin presented the President's Message.

Gerald Hauta, Terri McAleer, Michael Soloski, Brett Kuhn, and Brittaney Herbertson presented the Credit Union Discussion and Analysis Report.

Curt Wagner of MNP presented the Auditor's Report as well as highlights of the Financial Statement.

There was a question regarding the security portion of the operating expenses in the financial statements. Gerald explained how we categorize our expenses.

A question was raised in regard to being approached by other Credit Unions to merge. Gerald mentioned at this time we have not been approached to merge, nor are we approaching other Credit Unions.

Wanda Morrison and Richard Colbow moved that the President's Message and the Credit Union

Discussion and Analysis Report be accepted as presented. Carried.

Murray Haughian and Jim Segro moved that the Auditor's Report and Financial Statements be accepted as presented. Carried.

Anita Parker, on behalf of the Board of Directors, recommended that MNP be appointed as Auditors for 2025.

Kyla Snell and Vanessa Spendelow moved that the accounting firm of MNP be appointed as the auditors for Unity Credit Union Limited for 2025. Carried.

Ward Snell presented the Nominating Committee Report.

Kristine Moon, Colette Lewin and Martin Berg had their terms expire in 2025. Kristine Moon chose not to run as a candidate again. Colette Lewin and Martin Berg chose to let their names stand. Curtis Bowker chose to let his name stand as well. As no other nominations were received, the three candidates were declared elected by acclamation. Ward thanked Kristine for her dedication and service to the Board. He then welcomed Curtis.

Megan Heidt and Shannon DeRoo moved that the Nominating Committee Report be accepted as presented. Carried.

There were no questions during the question period.

Gerald Hauta presented service awards to the following:

Board:

- Kristine Moon, Board Member - 6 years with 2 terms

Staff:

- James Acuna - 5 years

Gerald Hauta, Shannon DeRoo, Lisa Reddekopp, and Maria Carino-Vetter awarded door prizes to Glenda Forbes, Delores Gerein, Lee Sword, and Sandra Glassford.

Murray Haughian adjourned the meeting at 8:17 p.m.



Secretary

A message from Our PRESIDENT



COLETTE LEWIN, *President, Board of Directors*

W

elcome to our 84th Annual General Meeting. We are pleased to announce that in 2026, Unity Credit Union will celebrate 85 years of providing service to Unity and the surrounding area. As other financial institutions leave our community, we feel this is a milestone to recognize and celebrate.

Every year we seem to have changes in personnel as staff come and go, making life decisions in their best interest. This year was no exception. The announcement of the pending retirement of our CEO meant that as a board we had to be actively involved in a hiring process. We have not had to do this for many years and there was limited experience among the directors in doing this, so we contracted a consultant to help. The hiring process began in earnest late in the year and as we found out, is quite an undertaking.

For the second year in a row, we closed the branch for one full day to allow staff to participate in a Professional Development Day. This allowed staff to be together to share and learn as a group. We see this as a valuable undertaking.

For years we have talked about how the financial environment is undergoing change and how technology is driving that change. In this environment, consideration has to be given to the human resources required to implement the change, the cost and the technological option to implement and the time to learn about the change and be able to help members adapt to the change. In 2025, we decided we needed to spend more time preparing our staff for these changes. All staff took training to understand how change affects them personally and how to prepare to make changes successful. With this new focus, we feel better prepared to face the changes that are still to come.

When it comes to technological changes, we are dependent on service providers and their

processes. It often includes a lot of “hurry up and wait”. Despite that approach, we were able to complete an upgrade to our electronic record retention program, digital banking platform and Customer Relationship Management program. We were hoping the digital banking platform upgrade would include Multi-Factor Authentication but that was delayed for a later date. We purchased new computers for staff and new technology for our meeting room to make virtual meetings more effective. We continued to learn about the new reporting program and prepared to use it to create efficiencies. Lastly, we introduced Unity CU Chat, a chat function on our app and website. We also continued to monitor the many and various other upgrades that are coming to not only our credit union, but also the entire credit union system and the larger financial world.

In 2025 the Bank of Montreal closed their doors after moving clients’ accounts to another community. We welcomed new members from both the Bank and other financial institutions to Unity Credit Union. We hope these new members are pleased with the services we provide and with our community connection.

Due to economic uncertainties in our area, province and world, in an effort to protect the credit union, we felt it necessary to once again increase our allowances. The increases were much less than in the last couple of years, but we would prefer not to have to book allowances at all. The political unrest, uncertain trade relationships and environmental factors remain concerns going into a new year. Despite the increase in allowances, we were still able to generate a decent operating surplus as well as make an allocation of \$400,000 for Member Rewards. We also felt we were in a position to be able to begin paying out the patronage that has been retained by the credit union for many years. We hope to be able to continue to do this.

Regulatory changes provide another source of ongoing challenges. New standards from our regulator, the Credit Union Deposit Guarantee Corporation (CUDGC), take time to understand and implement. They also require more reporting and monitoring, which are necessary to ensure compliance. As we said last year, the days of simply lending money and accepting deposits from members are

long gone. The oversight of credit unions has become much more complex.

There continue to be new developments in the national and provincial credit union system. Mergers across provincial borders, continuance to become federally regulated and merging with other credit unions continued. The newly formed Prosperity Credit Union announced they would be merging with Foam Lake Credit Union to serve rural members in more areas. The merger of Conexus, Cornerstone and Synergy Credit Unions was approved by their memberships to form the largest credit union in Saskatchewan in 2026.

With all that is going on around us and beside us, we still desire to be your trusted financial advisors and to serve you however you choose to do business with us – in person or using digital applications. We want to be available to you to meet your needs regardless of your preference for service.

We thank our staff for their dedication and commitment to Unity Credit Union in an environment where each new year brings changes and requires adaptation to meet these.

We thank members for supporting us and continuing to trust us for your borrowing and investing needs. We know the financial world is extremely competitive. We hope that members will continue to believe in their local credit union and the difference our organization represents both to you personally and to our community. Success will not occur without continued support from members who have supported us for close to 85 years; whether those members still live in the area or have moved for education or employment. We welcome new members from the Bank of Montreal and other institutions. We look forward to serving all into the future!

Colette Lewin
President, Board of Directors

“ ...we still desire to be your trusted financial advisors and to serve you however you choose to do business with us – in person or using digital applications. ”



Our BOARD OF DIRECTORS

Colette Lewin
President



Ward Snell
Vice President



Martin Berg



Curtis Bowker



**Brittaney
Herbertson**



Brett Kuhn



Terri McAleer



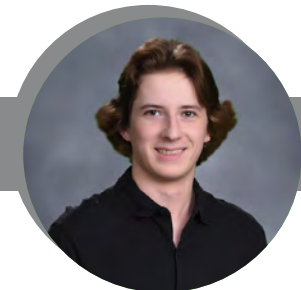
Anita Parker



Michael Soloski



JUNIOR BOARD



Josh Delhommeau



Maycie Gumpinger

MEMBERS

The co-operative principle of democratic member control anchors the governance of Unity Credit Union. When required, directors are elected by members and hold office for three years.

Serving on the board requires dedication as it is a commitment. For this reason, obtaining candidates is taken seriously. We continue to utilize the succession plan for directors that was developed in the past. This states that the nominating committee's obligation is to seek a candidate for each vacancy and that they are not obligated to find extra candidates to hold an election. Members are encouraged to run themselves or nominate candidates if they desire an election.

Every year three director terms expire. Directors whose terms expired in 2025 were Kristine Moon, Martin Berg, and Colette Lewin. Our policy states that directors are eligible to serve four consecutive terms or twelve years but then are required to leave the board for at least one year. This ensures that new people are allowed to participate and bring forward new ideas. Good governance practices require candidates to be qualified based on management of their financial affairs, being reputable citizens and having a good reputation around the community. With this in mind, the nominating committee sought candidates to fill 3 terms.

All three directors whose terms expired were eligible for re-election. Kristine chose not to let her name stand while Martin and Colette agreed to run again. The Nominating Committee sought to find an additional candidate to fill their mandate of a candidate for every vacancy. Curtis Bowker agreed to let his name stand. As no other nominations were received from the membership, the three candidates were declared elected by acclamation.

We continued our Junior Board Member Program to encourage young people to take an active part in our credit union. This is a unique program in the credit union system but one which garners much interest at system meetings all across Canada. In 2025, it was spotlighted during a panel discussion at the

annual CUA Conference. The ultimate goal of the program is to help young people learn more about the credit union and the services we offer and to hopefully expand their financial knowledge. Josh Delhommeau continued as our Grade 12 representative, and we welcomed Maycie Gumpinger as the representative from Grade 11. Junior Board Members participate in board meetings but have no voting rights.

MANDATE AND RESPONSIBILITIES

The Board of Directors have responsibilities outlined in *The Credit Union Act*. Credit Union Deposit Guarantee Corporation Guidelines further outline Board Responsibilities at a high level as:

Approve and Oversee:

- Strategy
- Risk Management
- Board, Senior Management and Oversight Functions
- Audit Plans

These duties are the primary responsibilities of the board and are the main focus of the board's attention and activities.

Challenge, advise and guide senior management of the institution, as appropriate on:

- Business Performance and Effectiveness of Risk Management

These duties are the responsibility of senior management. To fulfill its responsibility, the board relies on senior management to provide sound advice on the organizational objectives, strategy, structure and policies of the institution.

The board is expected to be satisfied that the decisions and actions of senior management are:

- Consistent

with the board-approved business plan, strategy and risk appetite of the credit union and the corresponding internal controls are sound.

- Designed to incent behaviours and outcomes that are in the best interest of the credit union, its members and stakeholders.
- Aligned with internal constraints, such as financial and operational capability, and external constraints such as competitive and economic conditions.
- In compliance with all applicable regulatory requirements.

These guidelines make it apparent that the board is not involved in the day-to-day operations of the credit union. The board does not approve loans, nor do they see members' personal information, deposit balances or financial information and have not for many years. The board is only advised of financial trends and not personal information about members. These functions are handled by management and staff.

COMMITTEES

The responsibilities of the board of a financial institution encompass a comprehensive list of duties under fairly extensive regulatory oversight that seems to be ever-growing. Unity Credit Union maintains a number of committees comprised of directors. The establishment of committees 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.

- **Audit and Finance Committee**
The Audit and Finance Committee oversees financial reporting and related processes, reviews financial statements and budgets, monitors financial performance, liaises with internal and external auditors and regulators and reviews internal control procedures. The committee consists of four directors; however, the entire board is invited to attend meetings of this committee.
- **Risk and Compliance Committee**
The Risk and Compliance Committee oversees the Enterprise Risk Management Framework, organizational-wide compliance, corporate risk profile, control framework and internal controls, conflicts of interest and non-compliance reporting. The committee meets with the Risk and Compliance Officer to ensure the credit union remains compliant with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, Market Code, Personal Information Protection and Electronic Documents Act, Foreign Accounting Tax Compliance Act, Common Reporting Standards, Canadian Anti-Spam Law and Multi Material Recycling Program. The committee consists of four directors; however, the entire board is again invited to attend meetings of this committee.
- **Policy Committee**
The Policy Committee reviews the existing policies of Unity Credit Union, for the purpose of recommending any policy changes, deletions and/or additions to the board of directors, for their approval. The Committee consists of three directors.

- **Nominating Committee**
The Nominating Committee oversees the nomination and election processes. The Committee consists of those directors who are not candidates for re-election.
- **Conduct Review Committee**
The Conduct Review Committee ensures that the credit union's directors and employees act with integrity and objectivity. They ensure policies, processes and practices are in place to protect the organization by ensuring that dealings with related parties are fair to the credit union and that the good judgment of the credit union has not been jeopardized through these dealings. The Committee consists of three directors.
- **Personnel Committee**
The Personnel Committee works with management to establish and maintain credit union personnel policies and to develop recommendations regarding the credit union's human resource management for board consideration. The Committee consists of three directors.
- **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 Committee consists of three directors.
- **Recruitment Committee**
In 2025, a Recruitment Committee was established to oversee the recruitment of the CEO and the terms of the employment contract.

Being a director continues to be an interesting mix of

challenges, rewards and education. In the highly regulated and ever-changing financial environment, including all the digital services, it is imperative that directors remain knowledgeable and informed. Directors took part in training in 2025 both in-person and virtually. Representatives of the board attended the Canadian Credit Union Association Conference, which allowed opportunity for learning and networking with directors from across the country. Presidents of neighbouring credit unions meet once or twice a year to share information and learn from each other. Directors attend regular monthly meetings throughout the year. Directors who have reached a certain level of training are now required to attain continuing education credits so as not to become complacent in their knowledge. Regular in-camera meetings are held without management personnel in attendance to allow for frank discussions. All directors fulfilled their meeting attendance requirements as detailed in the bylaws. We are pleased to report that directors, as representatives of members, take their responsibilities seriously and continue to be very dedicated.

COMPENSATION

For their dedication and commitment, directors of Unity Credit Union receive remuneration for items related to credit union business or training. Allowable reimbursement expenses are for meetings, travel, meals, accommodations and mileage. In addition, Unity Credit Union pays insurance premiums on behalf of the directors. In 2025, \$55,550 was paid as remuneration, which was more than the year before based on the meetings held. Insurance premiums paid on behalf of directors were \$961.87.

Our MANAGEMENT & STAFF

MANAGEMENT TEAM



Gerald Hauta
Chief Executive Officer



Shannon DeRoo
Manager of Digital Experience



Megan Heidt
Manager of Marketing



Wanda Morrison
Manager of Member Experience



Christy Walker
Manager of Lending Services

In 2025 our Management Team continued to include five positions.

- Chief Executive Officer – Gerald Hauta – responsible for the oversight of all areas of the operation. Gerald has 39 years of credit union experience gained from various positions, credit unions and communities. In addition, he had 3 years of co-operative experience before joining the credit union system.
- Manager of Digital Experience – Shannon DeRoo – responsible for researching and implementing technology that enhances members’ experiences when dealing with Unity Credit Union online, in person or over the phone. Shannon has 19 years of credit union experience in various positions as well as previous experience with chartered banks.
- Manager of Marketing – Megan Heidt – responsible for advertising, communications and promotions utilizing various marketing platforms. In addition, she is accountable for corporate social responsibility. Megan has a Commerce Degree with a Major in Marketing combined with over 13 years of credit union experience, all in the marketing area.

- Manager of Member Experience – Wanda Morrison – responsible for member service including deposits, withdrawals, card services, fraud management, cash management, clearings, statements, all investment offerings and financial planning. Wanda has 19 years of experience in credit unions plus other occupations.
- Manager of Lending Services – Christy Walker – responsible for all lending and collection activities. Christy has over 20 years of credit union experience as well as experience in the chartered banks. She has held various positions throughout her career.

The management team is responsible for the ongoing and detailed operationalization of board decisions. It is the responsibility of the management team to provide the board with sound information on the organizational objectives, strategy, structure and policies of the institution. Management is expected to set out information, options, potential trade-offs, and recommendations that enable the board to focus on key issues and make informed decisions in a timely manner. The managers of each department report to the Chief Executive Officer, who in turn reports to the Board of Directors.

LENDING TEAM



Nicole Headrick



Gaylene Heffner



Nicole Krips



Michelle Pilat



Carissa Ralston



Janelle Riou



Danette Romanowski

MEMBER EXPERIENCE TEAM



Philip Acuna



Courtney Baier



Carrie Bohn



Maria Carino-Vetter



Emma Coolidge



Denise Miller



Denise Purcell



Lisa Reddekopp



Rommel Varron



Debbie Veit

10 COMMUNITY EVENTS HOSTED BY UNITY CREDIT UNION

522+ VOLUNTEER HOURS FROM OUR STAFF

8 UNIVERSITY COURSES COMPLETED BY EMPLOYEES

82 DAYS EMPLOYEES DELIVERED MEALS ON WHEELS

INVESTMENT TEAM



Patrick Schmidtz



Gurtaj Singh



Scott Smith

SUPPORT TEAM

DIGITAL EXPERIENCE

HUMAN RESOURCES | ADMIN SUPPORT



James Acuna



Zhuye Che



Nagat Salem



Rachel Davey



Kale Berger

FINANCE/COMPLIANCE

MARKETING

RECEPTION



Michelle Aldred



Kerri Green



Vanessa Spendelow



Adele Gray

AVISO WEALTH TEAM



Ashley Hamilton



Crystal O'Brian

Through our staff, our goal is to create and develop delighted, full-relationship, profitable, lifetime members by being trusted advisors. In order to do this, staff must serve members with courtesy, competency and concern partnering with members to enhance their financial well-being. As times change and reliance on technology increases, continuous change and learning is important. Staff participated in the Canadian Credit Union Association Conference, the Credit Union Manager's Association Conference and the Saskatchewan Young Leaders Retreat. In 2025, the board and members were gracious enough to allow the staff to hold a Professional Development Day, which enabled all staff to come together for a day of learning and sharing ideas. Staff continued to participate in various online learning opportunities and online meetings, which help to reduce time and travel for learning. Staff took advantage of webinars and self-study classes to obtain and maintain required licensing, broaden their knowledge, develop support networks and gain new experiences to serve members better. Combined with the required annual training, all staff were enrolled in some form of training in 2025, whether as a requirement or as an opportunity to better themselves.

There were several staff changes in 2025 as staff accepted new positions, made life changes or took advantages of other opportunities. We welcomed new

employees to fill vacancies.

Megan Heidt ended the year on maternity leave.

The Lending Team welcomed Nicole Krips. Nicole came to us with a background in agriculture and government. They also wished Danette Romanowski well as she left on a maternity leave to end the year.

The Member Experience Team once again underwent the most change as we welcomed new people, bid others farewell and congratulated others on position changes. Kale Berger accepted a new role supporting the Member Experience Partners and the Investment Team. Maria Carino-Vetter and Emma Coolidge swapped positions as Maria desired part time work and Emma accepted new challenges. Adele Gray moved from the front line to the Receptionist position. Shimon McWatters chose to pursue other endeavours. Courtney Baier moved from the Reception desk to join the Member Experience Partners. Debbie Veit will be splitting her time between the front line and the Member Experience Partner team. Carrie Bohn and Philip Acuna joined the Member Experience Team to fill the vacancies left by others.

The support team and the staff in the Aviso Wealth Office remained the same.

Our HR Coordinator and the management team were kept busy with all these changes, hirings and training. We thank our members for their patience working with and getting to know our new staff.

We continued to allow staff, who are able, to utilize a hybrid option of working in office and from home, with restrictions. Those who work from home, work at least 60% of the time in the office to maintain good working relationships with staff and members.

Our COMMUNITY



Our GUIDING PRINCIPLES

CREDIT UNION MARKET CODE

Unity Credit Union voluntarily adheres to the Credit Union Market Code, which was originally developed by Saskatchewan Credit Unions, SaskCentral and the Deposit Guarantee Corporation to ensure the protection of credit union members. The code underwent an extensive review and update in 2025, and the changes were finally approved at the end of the year with implementation expected by June 2026. We now have to make the necessary changes to our processes to ensure continued compliance. In general terms, the new Code provides guidelines for the following areas:

- **Fair Sales and Treatment** – The purpose of fair sales and treatment is to ensure the credit union’s actions and decisions regarding member advice, information and recommendations made by the credit union are objective and reflective of the financial needs and the roles and responsibilities of the member and the credit union. It is important that credit unions deal fairly with their members.
- **Transparency and Disclosure** – The credit union must be open and honest in its dealings with existing and potential members.
- **Professional Standards** – The purpose of this objective is to have well-trained and well-informed employees who can provide financial information and advice members can trust.

The credit union is committed to employee development, education, professional designation, and/or accreditation standards where

appropriate.

- **Complaint Handling (Problem Resolution)** – The purpose of complaint handling is to provide a process for the resolution of complaints that arise from the provision of financial services to members. In this regard, the credit union will have an established internal complaint handling process.
- **Protecting Vulnerable Members** – The credit union recognizes that vulnerable members have a greater need for targeted financial advice, strategies and support. Vulnerable members may have health, mobility or cognitive challenges impacting their ability to access or use financial products and services, which could make them susceptible to financial exploitation.
- **Access to Banking Services** – Credit union members have the right to access fundamental banking services which includes Retail Deposit Accounts (Account Opening), Access to Funds, Cashing Government of Canada Cheques and Low Fee Accounts. An exception to this right may be that the credit union refuses to open the account if it has sound business reasons to do so.

OTHER GUIDING PRINCIPLES

- **Capital management** - ensuring our capital structure supports our risk philosophy.
- **Risk management** - ensuring all risks are measured and managed in an acceptable fashion.
- **Financial reporting** – ensuring reporting adheres to business and industry standards.
- **Governance practices** - ensuring adherence to the intent and stipulation of our corporate bylaws, which are approved by our membership.

CO-OPERATIVE PRINCIPLES

As a true co-operative financial institution, Unity Credit Union acts in accordance with the co-operative values as per the International Co-operative Alliance:

OPEN AND VOLUNTARY 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 policies and making decisions. Representatives (directors) are elected among the membership and are accountable to them. Credit Union members have equal voting rights (one member, one vote).

MEMBERS’ ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital remains the common property of the co-operative. Members allocate surpluses for any or all of the following purposes: developing the co-operative, setting up reserves, 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 negotiate with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control and their unique identity.

EDUCATION, TRAINING AND INFORMATION

Education and training for members, elected representatives, CEOs, and employees help them effectively contribute to developing their co-operatives. Communication about the nature and benefits of co-operatives, particularly with the general public and opinion leaders, helps boost co-operative understanding.

CO-OPERATION AMONG CO-OPERATIVES

By working together through local, national, regional, and international structures, co-operatives improve services, bolster economies, and deal more effectively with social and community needs.

CONCERN FOR COMMUNITY

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

Our BUSINESS STRATEGY

This discussion and analysis report is a narrative explanation from the board and management's perspective of how the credit union has performed financially as well as its financial condition and future outlook. This type of narrative is currently provided by all publicly traded companies. The Credit Union Deposit Guarantee Corporation (CUDGC) requires credit unions to have appropriate disclosure of information processes in place, supporting transparency to members and other stakeholders in regards to the credit union's operations, risks and capital adequacy. This narrative is an important component of this disclosure of information process. The following discussion and analysis on the operations and financial position of Unity Credit Union at December 31, 2025 should be read in conjunction with the Financial Statements and accompanying notes.

STRATEGY

The Vision of Unity Credit Union remains "Partnering to achieve success and build a better community". To achieve this vision our Strategic Plan outlines four Strategic Foundations. These include Human Capital, Growth, Financial and Social Responsibility. Action plans were developed under each objective to achieve the goals.

HUMAN CAPITAL

Human capital focused on our people and our workplace. As has been the case in the last few years, we have had changes in our staff complement through the year. We saw people move on to other challenges and adventures. We bid farewell, filled vacancies, promoted internally and welcomed new staff. It was another busy year in regard to human resources, but we remain pleased with the staff we have to serve you.

The focus in 2025 was continuing to prepare staff for the future. With this in mind, we enrolled in a change management program that focused on the impacts of changes on people and how to better prepare people

to engage and embrace the change. In the past our focus has been more on making sure the process or change works and expecting people to just eagerly embrace the change. We used the program on a couple of projects and saw the merit but also realized it takes work as this is a new perspective.

The second key focus was on succession planning and preparing for changes in key positions. With this in mind, we determined where our key risks were and began to take steps to address them. In some instances, preparing requires extensive training and obtaining licenses. In some cases, it took hiring a consultant to help with processes. In other situations, it meant posting and hiring new people. In other instances, we have capable people who are willing to take on new challenges. Currently we have 18 employees who have been promoted and are working in a different job than the position for which they were originally hired.

The growth, use and dependency on technology by both members and organizations brings many challenges. This requires staff to not only learn and utilize the new technology but also develop

relationships with members in a whole new way. Face-to-face meetings are becoming less and less the norm, while using technology continues to be more prevalent. Our new Unity CU Chat is the newest way to communicate with members. Staff are being asked to be more proactive in offering services to members, rather than waiting for members to inquire about services from us. This takes time to become ingrained, but we are seeing successes. Through all this, we have to verify who we are dealing with in order to ensure we are communicating and sharing information with the correct person. Advances in technology bring convenience as well as new challenges.

We held a second Professional Development Day to allow staff to come together to learn, share and prepare for the changes and what the future will hold. We thank members for their patience on this day in allowing us to close our doors while we spend the day learning.

The credit union landscape is continuing to undergo significant changes. Continuance to become a federal credit union, inter-provincial mergers and mergers with provincial credit unions are all being worked on or occurring. We have continued to seek ways to work with and support our neighbouring credit unions and use them for support as well. Helping each other without rushing to merge fits well with all the organizations involved. Effective January 1, 2026, three more credit unions will merge to form a larger and more regional/provincial credit union. This will bring the number of independent credit unions in Saskatchewan to 27. While we understand why some credit unions choose to merge, we still believe in the benefits of remaining a local and independent credit union serving our local market area and hope our members see the value in this as well.

GROWTH

As we have stated in the last couple of years, projects

continue to escalate with time. It is harder to identify where a project begins and ends, as so many projects continuously grow and expand from the starting point. Projects seem to be ongoing rather than having a start and completion.

We continued to expand our internal portal for information sharing. The concept behind the plan is to have information stored in one spot so that staff have access to educational materials without having to search in various places and ways. This is a never-ending process as the amount of information is not getting any less but also must be kept up to date. The portal is also key in ensuring knowledge is retained as changes in personnel occur.

Last year we talked about a new payment card. We were hoping for better pricing and more information related to pricing. This was very slow in being provided. In addition, we thought we might have another option that might result in better pricing but at the end of the year, we were advised this was not the case and the card we had been considering was the only option available to us at this time. There are many merits to this card, but we have been advised that it also comes with some challenges.

We implemented a new human resources program that added some unique features to what was essentially a manual process in the past. This took time to set up, train, learn and utilize. We continue to seek ways to use the program to create even more efficiencies.

We transitioned our financial reporting in-house, with the plan to ultimately transition to a new reporting program that is to be more efficient and effective. There was a lot of learning in both aspects of this transition. While we may not have gained efficiencies in 2025, we accomplished a lot of learning

and by the end of the year, we were using the new program for submitting reports to CUDGC.

We upgraded a few of our programs. One of these was our app. We were hoping that this upgrade would include Multi-Factor Authentication or MFA for greater protection for members but unfortunately, this did not occur due to technical issues at the vendor level. We upgraded the hardware in our board room to allow for more efficient and effective virtual meetings.

We learned that we will be transitioning to a new accounting system as the one we currently use is nearing the end of its life. We introduced Unity CU Chat on our app and website as a new means of communication. The uptake has not been as extensive as we imagined but time will tell if it will be used more in the future.

In addition to what is in front of us and what we are currently involved with, we have to keep an eye on the future. With this in mind, we continue to monitor the advances in Open Banking (aka Consumer Driven Finance) and Real Time Payments.

MEMBERSHIP

Unity Credit Union continues as an autonomous credit union owned by our members. Under credit union legislation, Unity Credit Union is able to provide financial services to members and non-members.

Unity Credit Union promotes membership, and as such, has limited non-member accounts. At the end of 2025, we served 4484

members and 61 non-members.

Our credit union continues to serve the communities of Unity, Tramping Lake and surrounding districts. Along with the Aviso Wealth and Aviso Insurance Inc. office, Unity Credit Union's line of service encompasses a full line of investment options including a full-service brokerage; personal insurance; all classifications of loans; card products; financial planning; and electronic banking consisting of online banking and a mobile app.

FINANCIAL

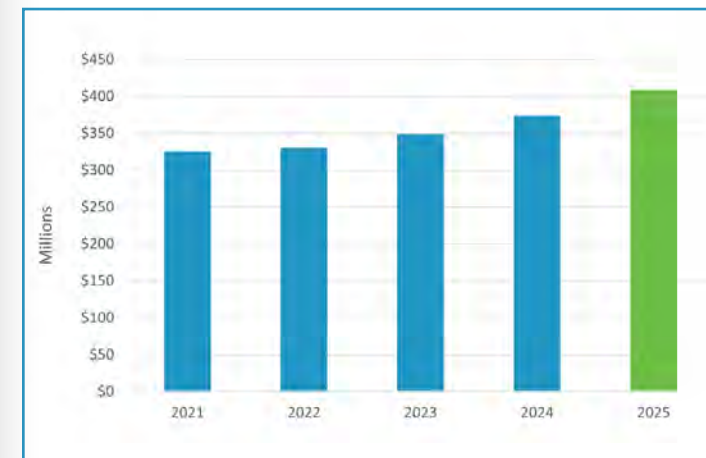
As stated, we transitioned from Accent Credit Union to in-house financial reporting, which allows us to use a new program that will provide more efficient reporting, including reporting to the Deposit Guarantee Corporation. We continue to use the services of Concentra Bank for our corporate investing as well as some specialized reporting.

Our regulator, the Credit Union Deposit Guarantee Corporation (CUDGC), requires us to have an Enterprise Risk Management process. Enterprise Risk Management requires us to review all of our risks and either accept, avoid, mitigate or transfer the risk. Our processes evolve with time and requirements. In 2025, new Standards of Sound Business Practice were introduced with new reviewing, monitoring and reporting required. We will be working to address these new Standards.

Each year, an operating and long-term budget are prepared in support of the business plan. We continue to use the same key financial targets. The following is a summary of the credit union's financial

performance results in relation to each of the targets:

ASSET GROWTH



Asset growth does not occur without growth in member deposits. Member deposits provide the credit union with funds to lend to members or to invest, thereby increasing our assets. At the beginning of 2025, the Bank of Montreal announced that they were moving local client accounts to North Battleford. This along with people moving from other financial institutions resulted in the credit union gaining new members and new business. For 2025, we budgeted for modest growth. Our growth target was 5.85%. Assets increased over \$34.5 million or 9.24%, to end the year at another new all-time high of \$408,197,066. Our 10-year average for growth is 6.9%. Over the last ten years assets have grown from \$230 million to \$408 million.

OPERATING SURPLUS

As a financial co-operative, the credit union considers financial success in two ways. The first way is obviously being able to generate a bottom line. The second is being a strong corporate citizen,

contributing to the communities we serve. This dual approach means balancing the generation of an operating surplus with giving back to the community. Giving back to the community does not happen if an operating surplus is not and cannot be generated. Operating surpluses are also the only way we can build capital to ensure stability and be able to provide new services going forward, so have to remain a prime focus. In trying to meet both of these measures of success we also have to remain competitive with other financial institutions on deposit and loan rates. It is a juggling act to attain all these goals.

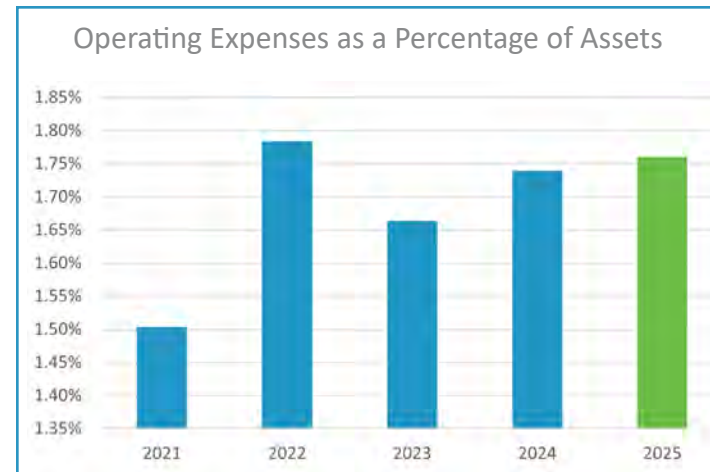
Larger loan and investment portfolios coupled with decent returns through the year generated more revenue. In 2025, we accrued smaller unrealized gains on our venture capital investments in comparison to the year before. Our financial services business once again enjoyed another fantastic year. Financial services include our Aviso Wealth and Aviso Insurance Inc. office as well as our in-house offerings. This line of business includes a full range of investments handled through a full brokerage and a full complement of personal insurance, the services of a CFP Professional and estate and tax planning. Combined, this line of business contributed over \$244,000 of net revenue to our organization. Finally, as we do every year, we reversed a couple of over-accruals of expenses that resulted in additional revenue.

In regard to our expenses, despite the growth, interest expense decreased due to lower rates on member deposits. The next broad category is operating expenses. Overall, operating expenses increased by \$703,261 due to increased costs for



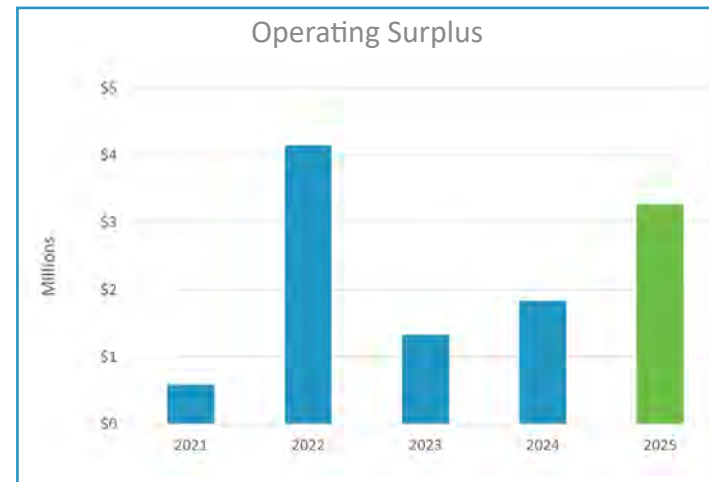
\$3,270,146 OPERATING SURPLUS =
REVENUE - EXPENSES

new product and service offerings as well as general cost increases. Personnel costs remained our largest operating expense as has been the case historically, and increased \$180,894 due to salary adjustments, training costs, and staff having enough tenure to be enrolled in our benefit programs. General Business expenses were the next largest operating expense. They increased \$429,978 largely due to software purchases, postage increases, costs of technology, inflationary increases and loan collection costs. Organizational expenses increased significantly this year for two reasons. The first was that we used this category to capture costs for attendance at conferences for both staff and directors. The second was the hiring of a consultant to help with the recruitment of a new CEO.



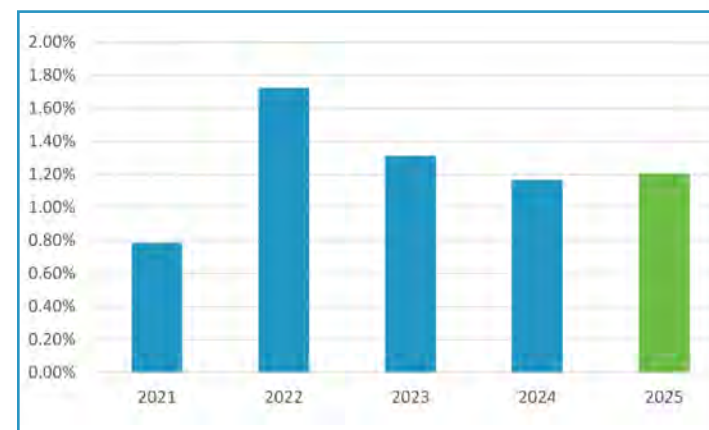
Loans are our single biggest asset. They also represent our biggest risk as so many factors can impact members and their ability to make payments. Our risk management processes require us to review our portfolio on a regular and on-going basis to evaluate the probability of loan repayment. This is a process that is followed by most financial institutions. In 2025, due to various economic stresses and conversations with members, we chose to increase

our allowance again as we did in 2024. In 2025, the increase was \$224,266 which was significantly less than the provision expense in 2024.



The net result of revenue minus expenses was an operating surplus of \$3,270,146. This was better than 2024 for reasons stated. Our operating surplus was attained after making an allocation of \$400,000 to be repaid to members through our Member Rewards Program. We are planning to disburse these funds before the end of May.

RETURN ON ASSETS BEFORE ALLOCATION



1.25% RETURN ON
ASSETS



\$40 REWARD FOR
EVERY YOUTH
MEMBER

Return on assets before allocations is a measure of the funds generated from day-to-day operations. It does not include provision expenses or allocations for patronage or taxes. Our budgeted expectation was 0.97%. We achieved 1.25%, which was boosted by an improved margin, the realized and unrealized gains on venture capital investments and the success of our financial services business. In budget, we project conservatively for income and somewhat inflate expenses.

The allocation of \$400,000 for Member Rewards will be paid using the same concepts as applied in the last couple of years. Member Rewards are paid based on the relationship the member has with the credit union. The payout factors in the number of credit union services members utilize, the volume of their lending and investing business and how long they have been a member. The program focuses on the merits of a developed relationship between the member and the credit union. Young members receive a payout just for being a member. Members who receive a payout control the funds, so they can spend their allotment how and when it works for them. We still hold funds in the old equity accounts. In 2025, we began to pay out these accounts. We paid out anyone who had less than \$600 in their equity accounts and 1/3 of the total held that exceeded \$600. We hope to continue this payout approach in 2026. We also paid out equity to those who turned 65 in the year. Unless you are a shareholder in another financial institution, credit unions are the only financial institutions that pay patronage back to members because as a member you are an owner.

\$400,000
2025 MEMBER REWARDS

- RELATIONSHIP** + **LOYALTY** + **VOLUME** = **Your MEMBER REWARDS**
- RELATIONSHIP**: Your total financial relationship with us (How many products you use)
- LOYALTY**: How long you've been a member (the longer, the better!)
- VOLUME**: How much you use our products (Bigger volumes mean bigger rewards)

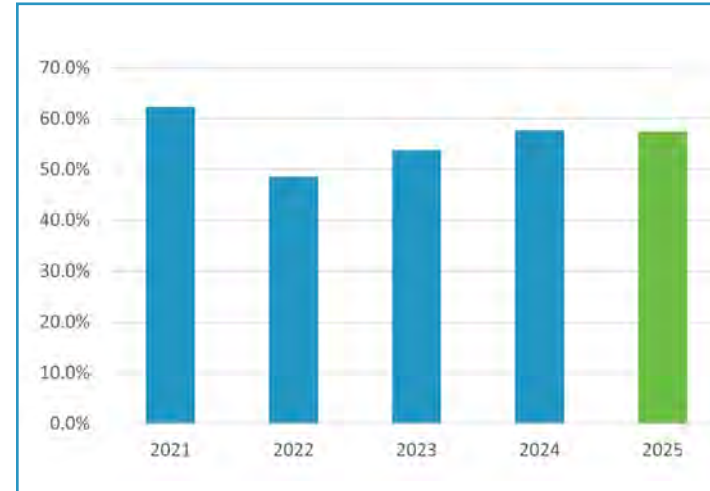


57.48% EFFICIENCY RATIO

\$263.9 million LOAN PORTFOLIO

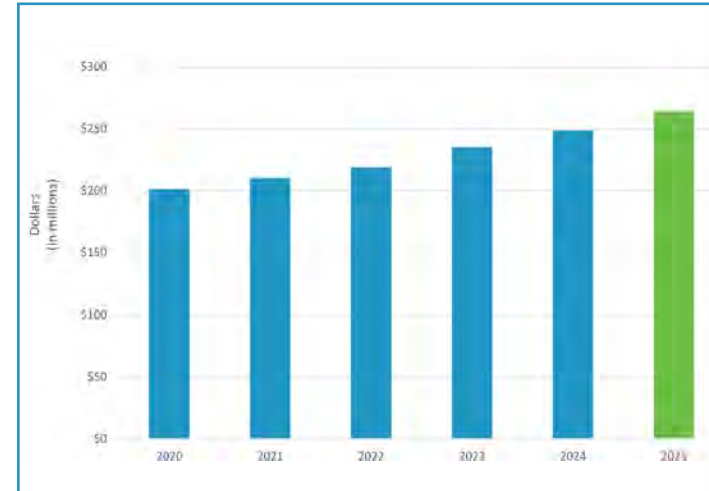
\$56.7 million CONVENTIONAL MORTGAGES
\$17.6 million INSURED MORTGAGES

EFFICIENCY RATIO



Efficiency is a ratio that measures the percentage of income that is spent on the operations of the organization. This ratio is an indicator of how efficiently the organization uses its resources. The lower the ratio, the more efficient the operation. A ratio above 85% is generally considered undesirable. In 2025, our organization had an efficiency ratio of 57.48%. This was in line with historical results.

PERFORMING LOANS



Interest margin is the difference between interest earned on loans and interest paid on deposits. This source of revenue remained our largest source of revenue allowing us to pay our expenses. For this reason, our loan target for the last few years has been about maintaining the loan portfolio as a percentage of assets rather than just focusing on growth. The target range established is between 73% and 77% of assets. Being lent out in this range allows us to generate revenue, which leads to operating surplus, which in turn is used to build the capital required to meet our capital plan. We enjoyed another year of growth in the loan portfolio in 2025. The portfolio ended the year at \$263,968,757 which, like total assets, was an all-time high. The growth was a combination of local demand, financing leases and syndicating loans with neighbouring credit unions. We continued to run promotions in 2025 and had success in attracting new loans this way. The loan portfolio represented 63.77% of assets at the end of the year, which was down from the prior year due to the significant growth in total assets. For the last few

years, asset growth has met or exceeded loan growth, making it difficult to increase the loan portfolio to meet our targets.

We are required to establish loan allowances using a forward-looking, expected credit loss model. This model requires a recognition of losses expected over the contractual life of the loan rather than recognizing impairment losses when they occur. The model applies several economic factors to our loan portfolio. The factors are subject to change based on the economic climate throughout the year, so the collective or general allowance has more fluctuation than it did in the past. We still establish specific allowances based on the history and repayment ability of individual members. At the end of 2025, our specific allowance was \$6,183,636 and our collective allowance was \$1,906,814 for a total of \$8,090,450. This created an expense of \$224,266 for 2025, which affects our operating surplus. While we do not like the effect on our results, building allowances as a means to offset potential losses is a prudent practice.

We now report on mortgages and the effect of changes in property values. In 2025, the credit union held \$56.7 million in conventional residential mortgages and \$17.6 million in insured mortgages. Insured mortgages are those which have a Canada Mortgage and Housing Corporation (CMHC) guarantee. Backed by the guarantee, these mortgages represent less risk to the credit union than conventional mortgages. The amortization periods for mortgages are as follows:

Residential mortgages by amortization period	Insured residential mortgages	Uninsured residential mortgages
5 years or less	\$0	\$689,680
More than 5 years and up to 10 years	\$331,731	\$3,997,265
More than 10 years and up to 15 years	\$3,082,107	\$8,227,241
More than 15 years and up to 20 years	\$4,579,405	\$13,813,132
More than 20 years	\$9,640,930	\$30,009,663

Credit union policy states that a non-conforming mortgage is determined as a mortgage on residential property securing a loan or non-amortizing Home Equity Line of Credit that is approved with three exceptions from requirements outlined in policy and procedures. In 2025, we did not hold any non-conforming mortgages. Obviously, with three exceptions to policy or procedures, these types of mortgages would pose more risk to the credit union and ultimately the operating surplus, so need to be monitored. For this reason, the loan to asset value on these loans is less than for a "regular" mortgage secured loan.

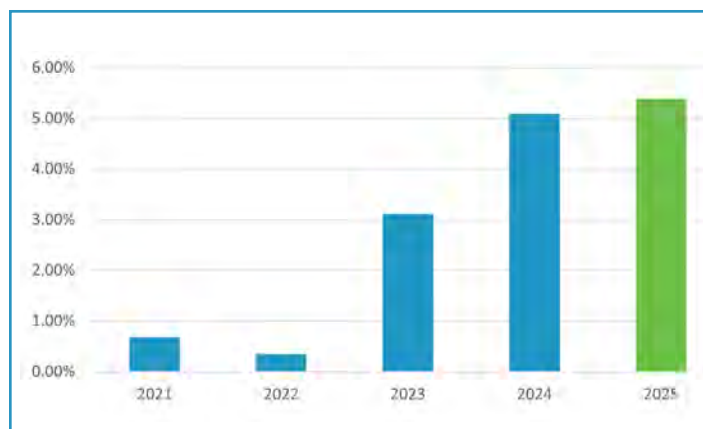
The other effect of mortgages that needs to be monitored is the value of properties in relation to the mortgages on the properties. The risk is a rapid decline in property values in relation to the mortgages outstanding against the properties. In our capital adequacy calculations, we give consideration to the effect of declining values against new and existing mortgages. We have added extra capital requirements for residential mortgages and property devaluations. We feel our values do not fluctuate as drastically as in major centers. Despite this,



5.39% DELINQUENCY OVER 90 DAYS

we are required to comply and so our calculation requires us to hold an extra \$422,375 in capital for such circumstances. This is subject to change on a quarterly basis due to fluctuations in the mortgage portfolio. The value was relatively stable with the prior year.

DELINQUENCY



We desire loan growth and portfolio stability, but we also want quality within the loan portfolio. Without quality, the risk associated with lending increases. Risk can lead to losses, which affect our operating surplus and ultimately our ability to build capital. With the allowance increases over the last couple of years, we have seen this effect. A sign of the quality of the portfolio is low delinquency. Delinquency over 90 days ended the year at 5.39%, which was a slight increase from 2024 and was part of the reason for increasing the allowance. In order to address this increased delinquency, we have initiated collection action on some files which generates additional costs but is felt to be necessary. While we do our best to work with delinquent members, we thank the majority of members for their continued commitment

to making payments or suitable arrangements.

CAPITAL

One of the primary measures of financial strength of any financial institution is its capital position. Worldwide, financial institutions build capital to ensure that downturns in the economy can be withstood. Credit unions operate in a highly regulated environment, where CUDGC sets regulatory guidelines to which credit unions must adhere. In order to assess capital adequacy, CUDGC follows the standards adopted by other financial institution regulators.

The Board of Directors and Management believe in maintaining a strong capital position. Over the last couple of years, this capital position allowed us to weather increases in allowances, face deferred tax allocations and still exceed our policy and CUDGC regulatory standards. The credit union manages capital in accordance with its capital management plan and Board approved capital policies. The capital plan is developed in accordance with the regulatory capital framework and is regularly reviewed and approved by the Board of Directors. The credit union's capital plan is directly related to its service delivery strategies and risk philosophy. Traditionally, the credit union has held a moderate appetite for risk. We continue to focus on traditional services supplemented by new services, while striving to manage a moderate level of risk in the loan and investment portfolios.

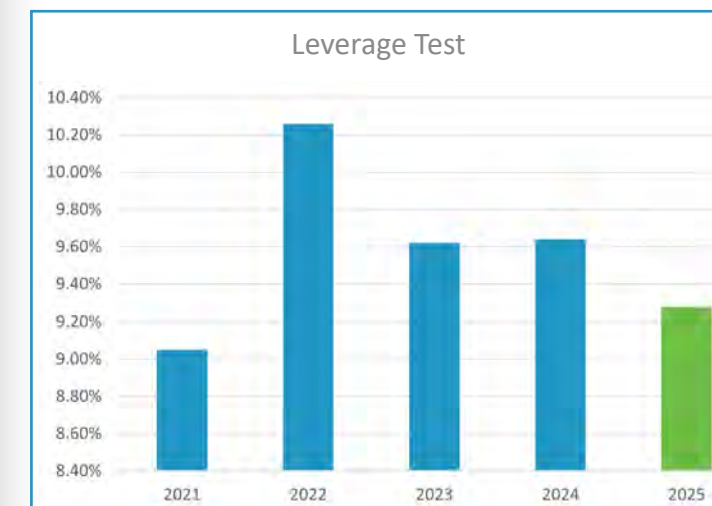
The goal of capital management is to achieve and exceed regulatory minimums, maintain an optimal level of capital, meet operational requirements, prepare for and absorb unexpected losses either



9.28% CAPITAL - LEVERAGE TEST

through specific allowances or the collective allowance, implement long-term strategic plans and signal financial strength. Too little capital restricts the credit union's ability to grow and generate returns. It also increases the risk of having insufficient funds to cushion against unexpected losses or liquidity needs. Too much capital and the credit union could be considered being cautious and not generating sufficient return on its capital.

Unity Credit Union builds capital through retained earnings. Capital adequacy uses two measures. The first, referred to as the leverage test, is a calculation of eligible capital to total leverage assets. The standard is 5% and we held 9.28% at yearend.



The second measure is the risk-based test, which compares eligible capital to risk weighted assets. The standard is 10.50% and we held 15.67%.



15.67% RISK WEIGHTED CAPITAL



Both of these results were slightly lower than 2024 largely due to the significant increase in assets and loans combined with payout of a portion of the old equity program. An improved operating surplus helped to boost the results. We remain diligent in capital monitoring as we feel a strong capital base continues to be important, especially in the challenging and ever-changing economic times in which we operate.

LIQUIDITY

The Standards of Sound Business Practice developed by CUDGC outline the importance of liquidity and liquidity management. The regulators have raised liquidity management to the same level as capital management. In the past, statutory liquidity and operating liquidity were the only measures monitored. The new rules include statutory liquidity, liquidity coverage ratio and liquidity stress testing. For the first measure, we are now required to hold 8.65% of our member deposits in statutory liquidity. At the end of December, we





met the statutory liquidity requirement. The liquidity coverage ratio considers the quality and market impacts on our cash holdings, SaskCentral accounts and liquidity investments. A calculation is then done to determine potential cash outflows compared to potential cash inflows. The net result of the outflows and inflows is calculated against the holdings to determine the liquidity coverage ratio. The standard is 100% coverage. At the end of December our result was 612.08%. This was higher than last year. We are working to lower our ratio while also improving our yield. The third measure is the stress test. Throughout 2025, our stress test determined that we had adequate liquidity to fund a two-day redemption of demand deposits.

SOCIAL RESPONSIBILITY

The co-operative principles encompass education, training and information. We once again held a Student Pizza and Info Night for Grade 11 and 12 students to introduce them to products and services as they prepare for post-secondary education and employment. We discussed fraud with local seniors' groups to create awareness and encourage caution. We set up a kiosk in the lobby to provide information during Financial Planning Week. In partnership with our neighbouring credit unions, we co-hosted an Agriculture Outlook forum for members.

Another co-operative principle is Concern for Community. As a credit union, we continue to be conscious of this principle and try to put words into action. We sponsored a Men's and Ladies' Night at the Golf Course. We served a pancake breakfast at the Trade Fair, and with co-operation from Delta Co-op were able to provide donations to the Unity and District Food Bank and STARS from the money

raised. Former director Christine Lang continued to make blankets for families who use the services of the Ronald McDonald House in Saskatoon, and we continued to provide materials for this worthy cause. We donated to help the Golf Course construct a new cart storage shed and the New Horizons Hall to do renovations. We donated funds to the Hospital Auxiliary to be used towards the purchase of new beds for the Health Centre.

We also looked for other ways to support our community and some of the community events. We provided our annual scholarships to the grads and supported their ceremony. We helped construct playground equipment at the Unity Public School. On Credit Union Day, we provided snacks in the office and paid for coffee at Subway, A&W, Ma & Me Bakery, JC4 Scenic & Sip Clothing & Sport and Rise + Grind. We again recognized the National Day for Truth and

Reconciliation. Staff pay to be able to wear jeans on Friday. The money raised is then donated to local charities. This year's recipient was Prairie Branches. We supported the Fire and Ice Event held at the Community Centre, participated in the Under the Lights Football Game and tried to win the Chili Cookoff at UCHS. Our staff continued to regularly deliver Meals on Wheels from both the Hospital and Parkview Place. Staff served burgers at the Unity Credit Union Aquatic Centre during Drowning Prevention Week. We helped the town construct and remove the outdoor rink. Staff participated in the Western Days parade and offered horse drawn rides during Winter Wonderland.

We are very proud of the community support we provide. It always ranks near the top of our list of accomplishments and sources of pride.

Our RISK MANAGEMENT

Risk is the probability of an outcome having a negative effect on people, systems or assets. A risk is anything that could jeopardize the achievement of an objective.

Business risk is the exposure a company or organization has to factors that will lower its profits or lead it to fail. Anything that threatens a company's ability to achieve its financial goals is considered a business risk. In this way, risk represents an exposure to a setback as well as a lost opportunity for growth or success.

As a financial institution, Unity Credit Union must manage the risks it faces to achieve its business objectives. In doing so, it must balance risk with the potential reward, striving for the optimum return for its effort. In dealing with any forms of risk, we have four options available:

- Risk avoidance
- Risk acceptance
- Risk transfer
- Risk mitigation

Through our risk management process we:

- Identify risks to which the credit union is exposed.
- Measure our exposure to the identified risks.
- Ensure that an effective risk monitoring program is in place.
- Monitor risk exposures on an ongoing basis.
- Control and mitigate our risk exposures.
- Report to the Board and Senior Management on our risk exposures.

We do this through our risk management regime, which consists of the following:

- Enterprise Risk Management (ERM) – risks are

identified, tracked and monitored.

- Risk Assessment/Appetite Statement – identifies the amount and type of risk the credit union is willing to accept in pursuit of its business objectives.
- Internal Capital Adequacy Assessment Process (ICAAP) – determines the credit union's ability to absorb financial and economic stress given current risk profile and risk appetite.
- Capital Plan – identifies the sources of capital and the means to build capital.
- Liquidity Plan – establishes the credit union's ability to fund its business activities and identifies the sources of liquidity in the event of liquidity stress or crisis.
- Strategic/Business Plan – sets the strategic direction and related operational plans.
- Budget – projects the effect of any steps taken through the capital and liquidity plans.

Unity Credit Union is not a risk-averse organization, we are a risk-aware organization. We are prepared to take on risk without being able to fully predict outcomes to further our strategy. We will always work to identify, understand, measure, monitor, manage and learn from these calculated risk exposures and remain committed to work within our risk appetite.

We will accept risks that originate from activities that are consistent with our co-operative principles, purpose, values, and strategic objectives while operating within the Unity Credit Union Code of Conduct. All risks taken must be in harmony with the scope and scale of the Unity Credit Union's risk appetite statement, and in alignment with Unity Credit Union's strategic purpose. Having a risk statement allows for a common understanding of the boundaries of acceptable and unacceptable risks,

established by management and board and gives high level guidance in overseeing risks.

Capital, earnings and liquidity serve as a credit union's risk offset to cushion against downturns in the business cycle and to absorb losses. When considering risk and a credit union's risk appetite, the effect of actions against earnings, capital and liquidity must be considered. Based on these measurements used for determining financial strength, our credit union has a moderate level of capital and therefore, continues to take a moderate approach to risk.

Our main objective is to preserve and build capital while maintaining market share and growing wallet share by providing our members with competitive products and being their trusted advisors.

The Board's role is oversight, which means the board:

- Provides oversight to ensure that the risk appetite remains reflective of member values.
- Remains proactive in monitoring the risk management process to ensure management is working within its stated risk appetite.
- Considers the change in risk appetite over time and maintains consistency in communicating their view of Unity Credit Union's risk appetite.

The Management Risk Committee provides operational leadership. To accomplish this, management:

- Provides oversight of the Enterprise Risk Management Program and provides direction to the Risk and Compliance Officer on risk-related issues.
- The Committee will review risk issues and escalate risk issues as required to the Risk and Compliance Committee and through this committee to the board.

The established risk management process will be used as part of corporate and departmental planning, the establishment of new member solutions,

management of key business risks and any changes to our business model. We will actively seek to identify emerging events and trends that have the potential to alter existing risks or result in the creation of new risks or opportunities.

Our risk management framework manages risks in the following categories:

STRATEGIC RISK

Strategic risk is the risk that adverse decisions, ineffective or inappropriate business plans or failure to respond to changes in the competitive environment, customer preferences, product obsolescence 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.

We desire to develop business strategies to achieve success in a competitive environment, providing products and services to our members. We further desire to create and implement a formal strategic plan to guide our strategic goals.

Unity Credit Union has formal planning processes that result in a strategic business plan focused on strategic objectives as outlined herein. The last formal strategic planning session was held in 2023. Planning was to be done again in 2025 but was deferred till 2026 when the new CEO will be in place.

The credit union uses a comprehensive reporting process to monitor performance relative to plans and provides regular updates to the Board. The ERM process further identifies emerging risks and formulates

plans as risks are identified. Directors attend training as well as system meetings and conferences to hear other perspectives and learn from other credit unions. Ideas generated through these means are brought forward for consideration and implementation.

The advances in technology are not slowing down, the costs in financial and human resources are ever increasing, and technology is changing the ways of doing business. Included in this is Open Banking, Real Time Rail and Artificial Intelligence, which have the potential to drive further changes in the financial world. It is important that Unity Credit Union has adequate resources to invest in these technologies. In our Internal Capital Adequacy Assessment Process, we now include the potential of investing in technologies if the need/opportunity arose, contracting expert help to deal with potential issues and having funds to deal with potential issues. This does not protect our income statement in any fiscal year, but it does protect our capital position and thus was felt to be prudent.

The provision of services, rapid changes driven by technology and changes in the financial industry as well as changes within the system have elevated this risk to a moderate-high position and is of constant concern.

CREDIT RISK

Credit risk is the risk of financial loss arising 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. In addition to lending to its members, Unity Credit Union assumes risks related to loans purchased from other credit unions and affiliates, leases financed through leasing corporations and Equitable Bank and to a lesser extent, by holdings within its investment

portfolio. Some key individual credit risks are default risk, portfolio concentration, assets pledged as security, fluctuations in security value, inadequate allowance, the economic environment and policy exceptions.

We desire a moderate level of credit risk resulting from a well-diversified portfolio of loans priced to acknowledge the risk as defined by both Board and operating policies.

The Board of Directors sets policy to guide lending processes. In 2025, a comprehensive review of loan policies, procedures and processes was undertaken with an outside consultant. Changes from this process will be implemented in 2026. Credit granting is performed in accordance with the approved policies, procedures and applicable legislation. This includes credit analysis, pricing structures, security analysis, terms and documentation. Loan pricing structures are in place to support lenders in pricing decisions and to ensure risk is offset by rates. Concentration limits by industry and size of loans have been designed to reflect our risk tolerance. A risk rating system to analyze the risk evident in the lending portfolio leads to more detailed and risk related reporting on the loan portfolio. This rating process provides a more in-depth analysis of member files. Credit risk is further mitigated through training of loans personnel. In addition, a comprehensive impaired loan assessment is completed using a proactive and forward-looking approach. This approach leads to more fluctuation in the allowance based on the structure of the portfolio but strengthens the credit union's risk management.

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 & Finance Committee as well as CUDGC.

With the political and economic uncertainty, global struggles, the ongoing threat of tariffs, and drier growing conditions for agricultural producers, the credit risk has increased to moderately high. Many conditions that affect lending are beyond the credit union and member control.

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, foreign exchange rates and credit spreads. Exposure changes depending on market conditions. Market risks that have a significant impact on the credit union include fair values, foreign exchange movements and interest rate risk.

We will accept minor levels of market risk which are caused by movements in interest rates, fair values, and foreign exchange movements. The credit union's objective is to earn an acceptable net return on investment portfolios, without taking unreasonable risk, while also meeting member owner needs.

Fair value risk is tied to the value of investments other than Guaranteed Investment Certificates (GICs). These other types of investments are dependent on net asset values and are subject to change on a regular basis. Accounting for these changes in valuations through the income statement provides risk to the overall financial results of the credit union. This is a relatively new risk to Unity Credit Union as we now report using this new method of valuation, therefore, it is classified as moderate for now.

Market risk arises from changes in interest rates and the timing differences that exist between the re-pricing of loans, investments and deposits 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 exposure to changes in interest rates is monitored by employing Concentra Bank to do a

review on a quarterly basis. Concentra Bank provides a quarterly report outlining rate forecasts and assumptions, and how they affect our balance sheet and financial operations. Results are reviewed by management who in turn report through the Risk and Compliance Committee to the board. Changes in market conditions are monitored through the same process. The credit union does not buy and sell investments for speculation. Investments are purchased and held to maturity.

Foreign exchange risk occurs when members exchange Canadian funds for another currency, which are predominantly US dollars with some other currencies used less often. This risk is offset by the credit union maintaining a US Dollar Account with SaskCentral. 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 our account at SaskCentral are made as required. Our US Dollar accounts are fairly stable. International wires are probably the largest contributor to our foreign exchange risk, but we utilize a similar risk offset to reduce our risk as we are able.

Prime rate is affected by political unrest and trade relations. Changes in rates can impact our financial margin which pays operating expenses. The rate environment continues to be very competitive. With the uncertainty of what rates may do in the foreseeable future, market risk continues to be moderate as our margin remains sufficient. As mentioned, this could be subject to change and become an increased risk depending on what and how quickly rates change. Continuous monitoring is required.

LIQUIDITY RISK

Liquidity is required to meet the day-to-day cash needs and loan demands of our members. Liquidity risk is the risk that the credit union cannot meet members' demands for loans, demands for cash or fund its obligations as they come due. The credit union's liquidity risk management strategies seek to ensure the credit union has access to enough readily available funds to cover its financial obligations as they come due while not impacting the financial results of the credit union.

We desire to at a minimum maintain operating liquidity levels based on liquidity management and mitigation considerations as provided by the latest guidance from CUDGC and industry best practice.

Requirements for liquidity risk management are defined by policies and regulatory standards and limits. The standards focus on the liquidity coverage ratio and the quality of liquid assets. Quality is determined by how quickly investments can be liquidated and how market value fluctuations will affect the value of investments. We have some control of our liquidity coverage ratio through the investment choices we make. Throughout 2025, we exceeded the liquidity coverage requirements. Our excess presented opportunities to invest funds to improve our yield and contribute more to overall revenue.

The current funding and liquidity management framework includes the following processes and controls:

- Development and regular review of the approved liquidity plan.
- Monitoring of large pending loan requests.
- Monitoring of requests for large withdrawal of funds.
- Through a contractual arrangement with Concentra Bank, who monitors actual inflows

and outflows of funds on a daily, weekly, monthly and annual basis. Concentra Bank, through consultation with management, then manages the investment of excess funds to best meet proposed needs and requirements.

- Establishment of borrowing facilities with SaskCentral.
- Through our contract with Concentra Bank, a liquidity stress test identifies the credit union's ability to meet a substantial withdrawal of funds over a very short period of time.
- Reviewing and reporting the credit union's liquidity position to the Management Risk Committee and through the Risk and Compliance Committee to the board.

In 2025, members continued to show their trust in the credit union and invested funds which is appreciated. We accepted new members and new member deposits from those who chose to deal with us from the BMO and other financial institutions. Despite a steady loan demand, our liquidity position remained strong, which in turn left our liquidity risk at a low level.

LEGAL & REGULATORY RISK

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

We desire to be compliant with the various regulatory and legal requirements that apply to the various activities that our organization participates in. We desire to conduct business ethically with honesty, integrity and in compliance with regulatory and legal requirements. We will not take on risks that would negatively impact any insurance coverages, our relationship with CUDGC or regulatory government bodies.

Specific risks that have been identified include

knowingly not complying with any and all money laundering or terrorist financing reporting requirements and governing regulatory actions. Other risks include breaches of privacy and tax-related activities.

Policies, procedures and controls are designed to ensure Unity Credit Union is compliant. Our Risk and Compliance Officer oversees our processes related to certain pieces of legislation and reports quarterly to the Risk and Compliance Committee and in turn to the board. We continue to contract Internal Audit from an outside source. In addition, our external auditors, CUDGC and FINTRAC, examine processes and controls to ensure compliance.

Due to the number of regulatory processes and the implications of non-compliance, as evidenced by fines that were imposed in the financial industry through 2025, legal and regulatory risk remains unchanged at moderate.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events. Exposures to this risk arise from increasing efficiency ratios, shrinking margins, increased costs for staffing, deficiencies in internal controls, technology failures or security events, human error, employee integrity, fraud or natural disasters.

We desire to comply with Unity Credit Union's Code of Conduct at all times. We desire an environment where decisions are made based on well-rounded knowledge and experience of management and board. Decisions are made in the best interest of the credit union with an intent to protect its financial results but with a readiness to handle unforeseen circumstances or occurrences. The environment the credit union operates in is always being reviewed and considered.

A security incident, or security event, is any digital or physical breach that threatens the confidentiality,

integrity, or availability of an organization's information systems or sensitive data. Security incidents can range from intentional cyberattacks by hackers or unauthorized users, to unintentional violations of security policy by legitimate authorized users. This could lead to reputational risk to the credit union. The credit union is also prone to similar events happening to members' systems, which could lead to losses to the member and ultimately to the credit union.

In regard to cyber events, we strive to be as prepared as possible for any technology cyber incident, breach or failure. Since these events are often beyond the capacity of Unity Credit Union we will co-operate with third party support providers, insurance companies, legal counsel and CUDGC to address situations if they arise.

Operational risk is managed through the use of policies and procedures, controls and monitoring. Controls and monitoring involve segregation of duties, employee training, performance management and structured internal and external audit functions. Other mitigating factors include reviewing ways to increase revenues and decrease expenses, monitoring human resource changes and practices in the marketplace, a comprehensive business continuity plan, appropriate insurance coverage and secure technology solutions. Our banking platform is maintained offsite and includes a very complex back up and disaster recovery process, but even this is not fool proof. In 2024, working with our service provider, we underwent a project to not only move our backup systems to cloud-based storage but also to separate our programs from a shared network.

The risks of fraud, especially external fraud through compromises, breaches and scams continue to increase as does the dollar amount, so the overall operational risk has escalated to high.

Our FUTURE

For the last few years, we have talked about upcoming changes focusing on technology. This focus continued but this year we also focused on changes in people. We welcome a new CEO who will lead the credit union into the future, grow the credit union and prepare for the challenges that are coming. We were fortunate to attract someone with experience and credit union knowledge but the challenge of recruiting and retaining qualified staff, especially for specialized positions, remains. Actions taken in the credit union system across Canada continue to alter the landscape with new and different players affecting all credit unions but especially smaller ones. Serving members in the future will be done using new and different ways. Frauds, scams and compromises add another layer of challenges that were unheard of not that long ago.

These forces make remaining an independent, autonomous credit union more difficult. As an organization, we have determined that building relationships is key to becoming your trusted advisors. But this requires the support of you, our members, as well. There are lots of competitors providing all kinds of attractive offers. We hope that being local, supporting our community and knowing our members will still be differentiators and reasons for members to want to deal with their local financial institution. We are rooted in the community and our decisions are made for our community, so if you deal with us currently - thank you. If we have served you well, tell others. If we have not served you well, tell us. If you do not currently deal with us, we encourage you to

give us a try. We would love to have the opportunity to serve you.

That concludes our report of activities for the year ended December 31, 2025. The last few years have certainly been interesting both with changes in the system and with challenges as a smaller, rural credit union. We thank our members for their trust in their credit union. We thank our staff for their unfailing commitment to serving members with a smile. We acknowledge management for guiding the organization through the ever changing times. Our goal is to continue to adapt and continue to grow in the new financial environment. We wish to continue to serve you as Unity Credit Union.

Respectfully submitted,

*Board of Directors and Management
Unity Credit Union Limited*



CREDIT UNION DEPOSIT GUARANTEE CORPORATION

Annual Report Message 2025

January 2026

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 website at www.cudgc.sk.ca.

Unity Credit Union Limited
Summary Financial Statements
December 31, 2025

To the Members of Unity Credit Union Limited:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2025, and the summary statements of comprehensive income, changes in members' equity and cash flows for the year then ended, are derived from the audited financial statements of Unity Credit Union Limited (the "Credit Union") for the year ended December 31, 2025.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by IFRS[®] Accounting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 12, 2026.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Saskatoon, Saskatchewan

March 12, 2026



Chartered Professional Accountants


Unity Credit Union Limited
Summary Statement of Financial Position

As at December 31, 2025

	2025	2024
Assets		
Cash and cash equivalents	25,118,902	11,602,058
Investments	114,584,565	108,102,938
Member loans receivable	263,968,757	248,468,471
Other assets	1,211,836	1,955,874
Intangible assets	21,935	10,994
Property, plant and equipment	3,291,071	3,538,234
	408,197,066	373,678,569
Liabilities		
Member deposits	370,349,690	337,770,285
Other liabilities	838,390	1,097,497
Membership shares	1,732,357	2,804,304
	372,920,437	341,672,086
Members' equity		
Retained earnings	35,276,629	32,006,483
	408,197,066	373,678,569

Approved on behalf of the Board

 _____, Director

 _____, Director

Unity Credit Union Limited
Summary Statement of Comprehensive Income

For the year ended December 31, 2025

	2025	2024
Interest income		
Member loans	14,574,009	13,762,543
Investments	4,442,461	4,434,350
Unrealized gain on investments	69,907	425,119
	19,086,377	18,622,012
Interest expense		
Member deposits	8,369,673	9,093,018
Borrowed money	15,917	20,341
	8,385,590	9,113,359
Gross financial margin	10,700,787	9,508,653
Other income	1,426,294	1,350,736
	12,127,081	10,859,389
Operating expenses		
Personnel	3,223,839	3,042,945
Security	364,956	350,627
Organizational	210,040	125,321
Occupancy	395,368	402,027
General business	3,006,561	2,576,583
	7,200,764	6,497,503
Income before provision for impaired loans, patronage refund and provision for (recovery of) income taxes	4,926,317	4,361,886
Provision for impaired loans	224,266	1,463,720
Patronage refund	400,000	400,000
Income before provision for (recovery of) income taxes	4,302,051	2,498,166
Provision for (recovery of) income taxes		
Current	1,271,226	884,214
Deferred	(239,321)	(223,942)
	1,031,905	660,272
Comprehensive income	3,270,146	1,837,894

Unity Credit Union Limited
Summary Statement of Changes in Members' Equity

For the year ended December 31, 2025

	<i>Retained earnings</i>	<i>Total equity</i>
Balance, December 31, 2023	30,168,589	30,168,589
Comprehensive income	1,837,894	1,837,894
Balance, December 31, 2024	32,006,483	32,006,483
Comprehensive income	3,270,146	3,270,146
Balance, December 31, 2025	35,276,629	35,276,629

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

	<i>2025</i>	<i>2024</i>
Cash provided by (used for) the following activities:		
Operating activities		
Interest received from member loans	13,493,874	13,461,836
Interest received from investments	3,296,174	3,299,468
Other income	1,426,294	1,350,736
Cash paid to suppliers and employees	(6,500,667)	(6,032,165)
Interest paid on deposits	(8,511,172)	(8,574,838)
Interest paid on borrowed money	(15,917)	(20,341)
Patronage refund	(400,000)	(400,000)
Income taxes recovered (paid)	(1,695,870)	701,180
	1,092,716	3,785,876
Financing activities		
Net change in member deposits	33,524,174	21,930,556
Net change in membership shares	(1,071,947)	(109,385)
	32,452,227	21,821,171
Investing activities		
Net change in investments	(5,265,432)	(14,421,376)
Net change in member loans receivable	(14,644,417)	(14,699,730)
Purchases of property, plant and equipment	(98,648)	-
Proceeds from disposal of property, plant and equipment	1,500	-
Purchases of intangible assets	(21,102)	(30,000)
	(20,028,099)	(29,151,106)
Increase (decrease) in cash and cash equivalents	13,516,844	(3,544,059)
Cash and cash equivalents, beginning of year	11,602,058	15,146,117
Cash and cash equivalents, end of year	25,118,902	11,602,058

1. Basis of the Summary Financial Statements

Management has prepared the summary financial statements from the December 31, 2025 audited financial statements, which are prepared in conformity with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board. A full set of audited financial statements is available from the Credit Union. The detailed notes included in the audited financial statements are not included in these summary financial statements.

The criteria developed by management for the preparation of the summary financial statements is as follows: that the information included in the summary financial statements is in agreement with the related information in the financial statements, and that the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete financial statements, including the notes thereto, in all material respects.