



2024

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
TUESDAY, MARCH 25, 2025**

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 26, 2024
 - 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
 - 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 3, 2025.

And published in "The Unity-Wilkie Press Herald" on February 28, 2025.
 Sworn before me at the Town of Unity
 In the Province of Saskatchewan
 This 14th day of March, 2025.

)
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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 14, 2025.
- 2) The Annual Financial Reports were made available to the membership March 14, 2025, 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, 2025.

)
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) _____

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

MINUTES OF THE 2023 ANNUAL MEETING OF UNITY CREDIT UNION LIMITED

UNITY CREDIT UNION
Tuesday, March 26, 2024

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

Supper was served by Jan Taylor and her staff to 115 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 Roberts as Secretary at their last board meeting.

Colette Lewin called the meeting to order at 7:28 p.m.

Brittaney Herbertson and Shannon DeRoo moved that the agenda be adopted as presented. Carried.

Murray Haughian and Sandra Wagner moved that the minutes of the 2022 Annual Meeting held on Tuesday March 28, 2023 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, Brittaney Herbertson, Danielle Bowker, Ethan Bertoia and Brett Kuhn presented the Credit Union Discussion and Analysis Report.

Laura Rowley of MNP presented the Auditor's Report as well as highlights of the Financial Statement.

There were no questions arising from the statements.

Brett Kuhn and Michelle Pilat moved that the President's Message and the Credit Union Discussion and Analysis Report be accepted as presented. Carried.

Ward Snell and Keith Wilson moved that the Auditor's Report and Financial Statements be accepted as presented. Carried.

Martin Berg, on behalf of the Board of Directors, recommended that MNP be appointed as Auditors for 2024.

Terri McAleer and Kerri Green moved that the accounting firm of MNP be appointed as the auditors for Unity Credit Union Limited for 2024. Carried.

Anita Parker presented the Nominating Committee Report.

Keith Wilson, Rhonda Brandle, and Terri McAleer had their terms expire in 2024. As per policy, Keith Wilson will have to remain off the board for one year as he has served 4 consecutive terms. Rhonda Brandle chose not to run as a candidate again. Terri McAleer chose to let her name stand. Ward Snell and Michael Soloski chose to let their names stand as well. As no other nominations were received, the three candidates were declared elected by acclamation. Anita thanked Keith and Rhonda for their dedication and service to the Board. She then welcomed Ward and Michael.

Murray Haughian and Ken Parker moved that the Nominating Committee Report be accepted as presented. Carried.

A question was raised about e-transfer disruptions. Gerald advised of the known issues including those with the service provider and the upgrades being done to hopefully bring stabilization to the service.

Gerald Hauta presented service awards to the following:

Board:

- Rhonda Brandle, Board Member – three years with 9 years prior
- Keith Wilson, Board Member – 12 years with 6 years prior

Staff:

- Lisa Reddekopp - 5 years
- Shimon McWatters - 10 years
- Ashley Hamilton - 10 years
- Crystal Fines O'Brian - 10 years
- Denise Purcell - 20 years
- Scott Smith - 35 years
- Gerald Hauta - 40 years

Gerald Hauta, Shannon DeRoo, Nicole Headrick and Denise Miller awarded door prizes to Sandra Richards, Judy Mitchell, Maurice Weisbeck, Terri McAleer and Trevor Green.

Anita Parker adjourned the meeting at 8:30 p.m.



Secretary

A message from Our PRESIDENT



COLETTE LEWIN, *President, Board of Directors*

W

elcome to our 83rd Annual General Meeting. At the last few meetings, we have stated the past year was interesting for many and various reasons. 2024 was no exception.

From a people point of view, we provided various forms of learning opportunities for staff. The goal for providing these training opportunities is to enable staff to better partner with members to improve their financial well-being. We partnered with community groups to share financial literacy education on frauds and scams that have become so commonplace. We closed the branch for one full day to allow staff to participate in a first ever Professional Development Day. It allowed staff to be together to share and learn as a group.

We continued down the road of changes to technology. The move to cloud-based storage continued. Through this process, we separated ourselves from other credit unions as a means of risk management. We introduced updates and upgrades to offerings. We considered and planned for several upgrades/updates/improvements in 2025. All technological advances are big undertakings and come with purchase costs as well as ongoing operating costs so must be taken seriously.

Due to economic uncertainties in our area, province and world and in an effort to protect the credit union, we significantly increased our allowances again in 2024. We are

hoping for more stability in this regard going forward, but the financial industry as a whole, has concerns as the effects of tariffs are still largely unknown. Despite the increase in allowances, we were able to still generate a decent operating surplus as well as make an allocation of \$400,000 for Member Rewards, which will be paid out in 2025.

We adapted to meet new Standards of Sound Business Practice from our regulator, the Credit Union Deposit Guarantee Corporation and learned about new changes still to come. We followed the proposals for changes to Privacy processes; Market Code; Diversity, Equity, Inclusivity and Belonging as well as proposed Environmental, Social and Governance practices. The days of simply lending money and accepting member deposits are long gone. The oversight of credit unions has become much more complex.

The national and provincial credit union system continue to undergo changes. Mergers and continuance to be federally regulated are being contemplated throughout the system. Prairie Centre, Diamond North and Cypress Credit Unions announced they would be merging to form Prosperity Credit Union effective January 1, 2025. Conexus, Cornerstone and Synergy Credit Unions announced they are considering a merger to form the largest credit union in Saskatchewan.

Through all of this, we desire to be your trusted financial advisors and to serve you however you choose to do business with us – whether that be in person or using digital applications. This new combination provides more options and convenience for members as we continue to adapt our processes

to meet member needs regardless of their 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 that the financial world will continue to be 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. We need members to continue to build long lasting and mutually beneficial relationships. Success will not occur without continued support from members who have supported us for many years, new residents to the area and those who left the Unity area to pursue education and employment. We welcome new members who may join us as a result of the Bank of Montreal announced closure. We look forward to serving all into the future!

Colette Lewin
President, Board of Directors

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

Our BOARD OF DIRECTORS

Colette Lewin
President



Michael Soloski
Vice President



Martin Berg



Brittaney Herbertson



Brett Kuhn



Terri McAleer



Kristine Moon



Anita Parker



Ward Snell



JUNIOR BOARD



Ethan Bertoia



Josh Delhommeau

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 2024 were Keith Wilson, Rhonda Brandle and Terri McAleer. 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 bringing forward new ideas. With recent changes to governance practices, we are required to qualify candidates based on management of their financial affairs, being stalwart citizens and having a good reputation around the community. With this in mind, the nominating committee sought candidates to fill three terms.

Keith had served four consecutive terms so was required to step away for at least one year. Rhonda chose not to run again. Terri agreed to let her name stand for another term. Ward Snell and Michael Soloski agreed to let their names stand. As no other nominations were received, 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. 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. Ethan

Bertoia continued as our Grade 12 representative, and we welcomed Josh Delhommeau 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 any 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 including the 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.

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 2024 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. The Presidents of neighbouring credit unions meet annually 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 2024, \$49,950 was paid as remuneration, which was less than the year before based on the meetings held. Insurance premiums paid on behalf of directors were \$1,290.49.

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 2024 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 38 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 18 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 12 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 18 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 19 years of credit union experience as well as experience in the chartered banks. She has held various positions through 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



Michelle Pilat



Carissa Ralston



Janelle Riou



Danette Romanowski

MEMBER EXPERIENCE TEAM



Kale Berger



Maria Carino-Vetter



Emma Coolidge



Adele Gray



Shimon McWatters



Denise Miller



Denise Purcell



Lisa Reddekopp



Rommel Varron



Debbie Veit

13 COMMUNITY EVENTS HOSTED BY UNITY CREDIT UNION

650+ VOLUNTEER HOURS FROM OUR STAFF

3 UNIVERSITY COURSES COMPLETED BY EMPLOYEES

82 DAYS EMPLOYEES DELIVERED MEALS ON WHEELS

INVESTMENT TEAM



Patrick Schmitz



Gurtaj Singh



Scott Smith

SUPPORT TEAM

DIGITAL EXPERIENCE

HUMAN RESOURCES



James Acuna



Zhuye Che



Nagat Salem



Rachel Davey

FINANCE/COMPLIANCE

MARKETING

RECEPTION



Michelle Aldred



Kerri Green



Vanessa Spendelow



Courtney Baier

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 2024, the board and members were gracious enough to allow the staff to hold a Professional Development Day to allow 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 2024, whether as a requirement or as an opportunity.

There were several staff changes in 2024 as staff made life changes or took advantages of other opportunities. We welcomed new employees to fill the vacancies.

The Lending Team welcomed back Danette Romanowski from her maternity leave.

The Member Experience Team underwent the most change throughout the year, bringing several new faces to the front line as we said goodbye to others. Deanna Botrokoff chose to pursue an opportunity with Synergy Credit Union. Nagat Salem accepted the Implementation Specialist position. Kale Berger, Emma Coolidge and Adele Gray joined the team as Member Experience Representatives.

Dixie Berki left the Investment Team to pursue another opportunity. Shauna Hammer left early in 2024 to pursue an opportunity and change in British Columbia. Rachel Davey replaced Shauna as the Human Resources Coordinator.

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

Our new 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 is presently being reviewed for enhancements and to ensure continuing relevance. Once it has been accepted, we will make any necessary changes to our processes to ensure continued compliance. Currently, in general terms, the Code provides guidelines for the following areas:

- **Complaint handling** – outlining the process for dealing with all complaints regarding the service, products, fees or charges of Unity Credit Union.
- **Fair sales** – outlining the roles and relationship of staff to all members in accordance with the financial services agreement. The Credit Union provides products and services in a fair, reasonable, objective and reflective manner to members.
- **Financial planning** – outlining the process to advise members of the risks and benefits

associated with financial planning services.

- **Privacy** – protecting the interests of those who do business with Unity Credit Union. Privacy is the practice of ensuring all member information is kept confidential and used only for the purpose for which it was gathered.
- **Professional standards** – preserving a positive image of Unity Credit Union among members and communities by communicating our commitment to serve members with the highest level of professionalism, knowledge and competency and maintaining proper licensing as required.
- **Vulnerable members** – protecting individuals who may be susceptible to having their financial affairs taken advantage of by other persons for various reasons.
- **Disclosure and Transparency** – ensuring the credit union provides members with relevant and appropriate information including branch information, fees, third party relationships and account options in a timely manner.

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 internationally recognized principles of co-operation:

VOLUNTARY AND OPEN MEMBERSHIP

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without any form of discrimination.

DEMOCRATIC MEMBER CONTROL

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In our credit union, members have equal voting rights (one member, one vote).

MEMBER ECONOMIC PARTICIPATION

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

AUTONOMY AND INDEPENDENCE

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

EDUCATION, TRAINING AND INFORMATION

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

CO-OPERATION AMONG CO-OPERATIVES

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

CONCERN FOR COMMUNITY

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



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, 2024 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 seems to have become the norm, we 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 a busy year in regard to human resources with a new person filling the HR position, but we remain pleased with the staff we have to serve you.

We continued to add to and enhance our reference and resource material to better be able to support new people joining the organization and to retain

information when staff leave the organization. We examined our organization and updated our succession plan with an eye on what we consider the positions of highest risk. This is a never-ending process as not only people change, but positions change with time and the ongoing use of technology.

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 becomes more prevalent. 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 is a shift in culture and approach that will take time to become ingrained. Combine this with verifying identity when we do not see members, and it means members are answering more questions before getting to the business at hand.

With all the changes and the accompanying stresses, we held a Professional Development Day to allow staff

to come together to learn, share and prepare for the changes and what the future will hold. With this in mind, we will be enrolling all staff in a change management program that is geared toward providing a repeatable process and a blueprint to be used when introducing new projects.

The credit union landscape is continuing to undergo significant change. The system and the partners we have relied on for many years continue to undergo changes, which impacts credit unions our size and smaller. We have continued to seek ways to work with and support our neighbouring credit unions and use them for support as well. We continue to work regularly with the credit unions in our area and slightly beyond. Helping each other without rushing to merge fits well with all the organizations involved. Others in the system have different plans. As you may be aware, three credit unions merged effective January 1, 2025 and three more large ones are considering a merger. If all goes as planned, their members will vote on this later this year. The number of independent credit unions becomes less and less. While we understand why some credit unions have chosen to merge, we still believe in the benefits of remaining a local and independent credit union serving our local market area.

GROWTH

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 discussed introducing a new payment card. The new card was not endorsed by most credit unions due to the cost to offer it. The card has some enticing features, so we are working with our partners in an effort to get better pricing to be able to offer this new service to members.

As stated, projects are never ending as the technology programs and options are always evolving. We reviewed the use of our electronic filing system and were going to expand the use of it for human resource processes until we learned of another program that would do similar things easier and cheaper. We implemented the new system just before yearend. We have already seen some of the efficiencies through this program.

We prepared to transition our financial reporting from Accent Credit Union to an in-house process, with the plan to ultimately transition to a new reporting program that is to be more efficient and effective. There is a lot of training in both aspects of this transition. We have had to relearn the financial reporting as well as how to use the new program. There are many reasons to make this transition, but it is not without time and effort.

One of our service providers was purchased by a larger company that has provided service to credit unions for many years. This was felt to be positive, but the transition did not come without its challenges. Just prior to this sale, our systems were moved to cloud-based storage with the goal of making each credit union more independent from a technology point of view. The new company had to get on board with all the systems and programs we use

on a day-to-day basis as well as pick up the pieces of this transition as well. As part of the change, work began on a new contract to extend the use of our current banking platform. Work is also being done to stabilize our banking app to provide better service to members. We were advised that our financial accounting system will be terminated in the short term. This means we need to review and choose a new system. All these changes draw on both financial and human resources.

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. We are considering the implementation of a chatbot function as an enhancement within our banking app. This service could extend the support members receive outside of business hours. It has the potential to offer a contact center type of service without the overhead of such a service.

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 2024, we served 4487 members and 23 non-members. This was the second year in a row that we experienced membership

growth. The increase year-over-year was 64 members which is always positive and encouraging.

Our credit union continues to serve the communities of Unity, Tramping Lake and surrounding districts. Our Credential Financial Strategies (CFS) Office underwent a name change to become Aviso Wealth and Aviso Insurance Inc. 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.

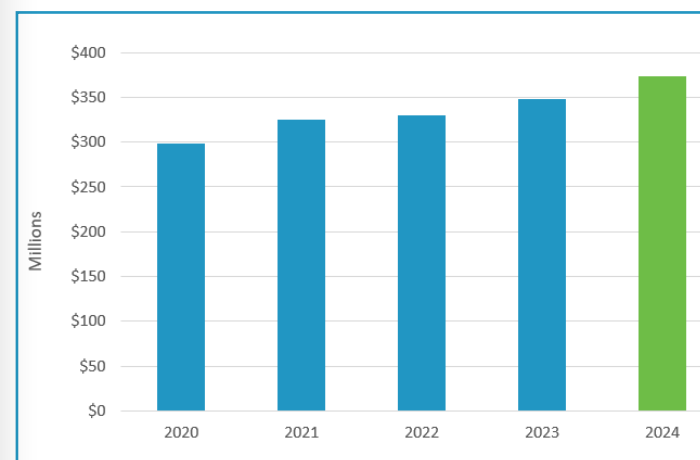
FINANCIAL

As stated, we began the transition from Accent Credit Union to in-house processes to allow us to use a new program that will provide more efficient reporting, including reporting to the Credit Union Deposit Guarantee Corporation (CUDGC). We continue to use the services of Concentra Bank for our corporate investing as well as some specialized reporting.

Our regulator, 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 continue to evolve as we track and review risks, monitor risks, and report to the board. In 2024, we had to comply with new Standards of Sound Business Practice with more changes coming in the next couple of years.

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. Since we are a rural credit union, having agricultural producers harvest a crop helped them and helped the credit union to grow as well. For 2024 we budgeted for modest growth. Our growth target was 4%. Assets increased over \$25 million or 7.18%, to end the year at another new all-time high of \$373,678,569. Our 10-year average has been affected by the challenges of the last few years but was still 6.6%. Over the last ten years, we have grown from \$210 million to \$373 million.

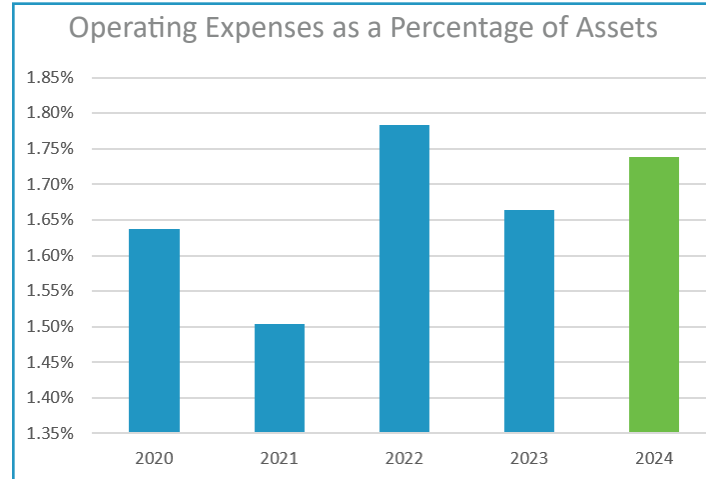
OPERATING SURPLUS

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 it has 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.

Continued better rates on loans and investments combined with larger portfolios, generated more revenue. In 2024, we received more unrealized gains on our venture capital investments but not to the degree achieved in 2023. Our financial services business once again exceeded our expectations with 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 insurances, the services of a CFP Professional, estate and tax planning. Combined, this line of business contributed over \$254,000 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.

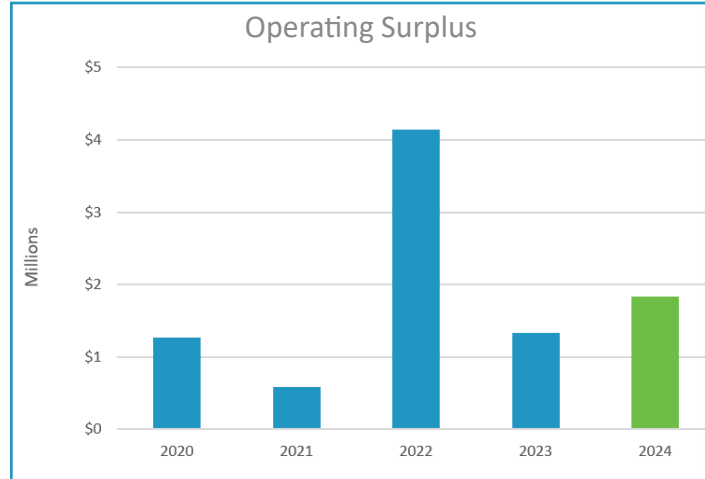


\$1,837,894 OPERATING SURPLUS =
REVENUE - EXPENSES



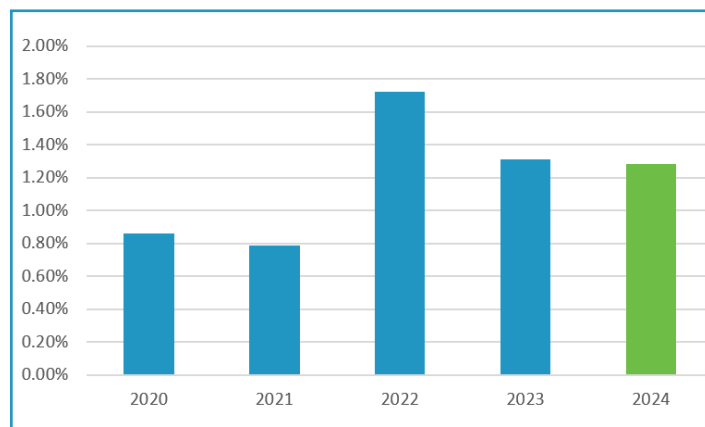
In regard to our expenses, interest expense increased significantly due to prolonged higher rates on member deposits. The next broad category is operating expenses. Overall, operating expenses increased by \$695,969 and represented 1.74% of assets. Costs increased due to new product and service offerings as well as general cost increases. Personnel costs remained our largest operating expense as has been the case historically, and increased just over \$89,000. General Business expenses were the next largest operating expense. They increased over \$576,000 largely due to new costs, costs of technology and inflationary increases.

We continued to have some concern about our loan portfolio. Part of our risk management processes require us to review our portfolio and evaluate the probability of repayment. This is a process that is followed by most financial institutions. In 2024, due to various economic stresses including increased borrowing rates, the effect of higher inflation and struggles by some members, we chose to increase our allowance again as we did in 2023. In 2024, the increase was \$1.46 million which, while significant, was less than the provision expense in 2023.



The net result of revenue minus expenses was an operating surplus of \$1,837,894. This was better than 2023 for reasons stated and a lower, though still significant, provision expense. 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 ALLOCATIONS



1.28% RETURN ON
ASSETS



\$50 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 0.69%. We achieved 1.28%, which was boosted by the increased rates, 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.

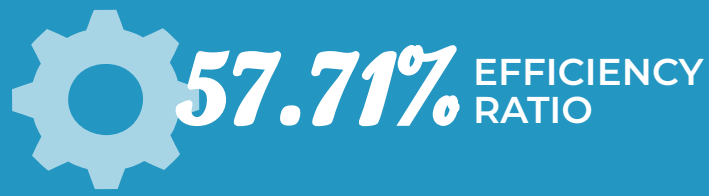
The allocation of \$400,000 for Member Rewards will be paid using the same concepts as applied the last couple of years. Member Rewards pays based on the relationship the member has with the credit union. The payment is based on the number of credit union services members utilize, the volume of their 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. 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. We hoped to begin to deal with this in 2024, but the loan portfolio concerns caused us to delay this process. We did, however, continue to payout equity to those who turned 65 in the year and at minimum this will continue. 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.

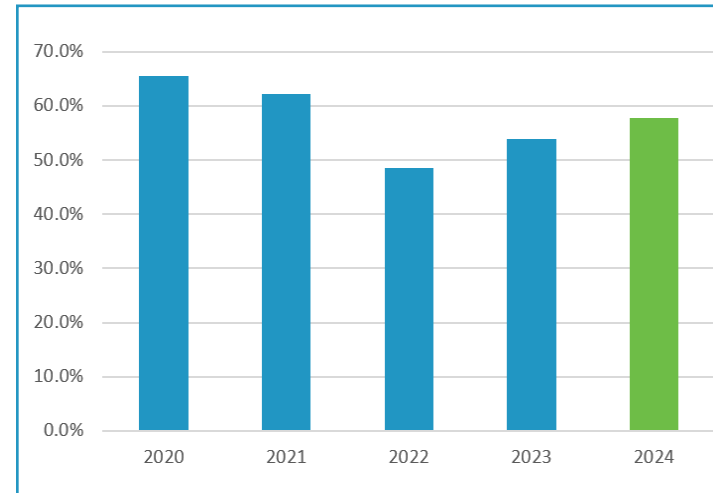
\$400,000
2024 MEMBER REWARDS

- 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)



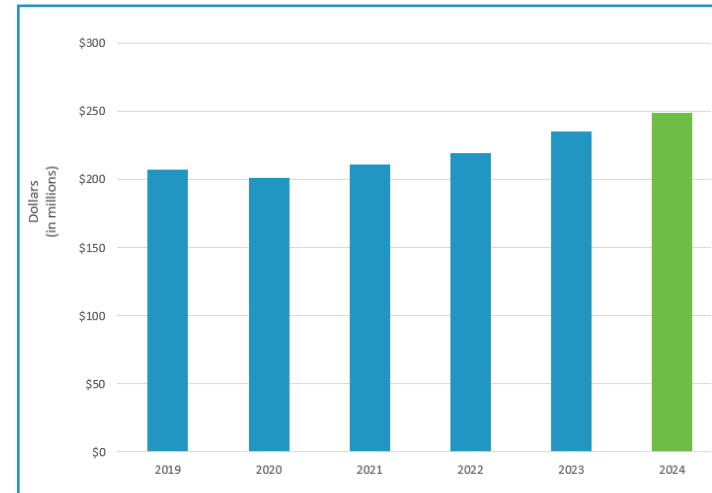


EFFICIENCY RATIO



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 2024, our organization had an efficiency ratio of 57.71%. Our credit union has historically hovered around this percentage area.

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 2024. The portfolio ended the year at \$248,468,471 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 2024 and had success in attracting new loans this way. Higher rates combined with inflation and other economic challenges affected growth but not as much as we anticipated. The loan portfolio represented 66.49%

of assets at the end of the year, which was consistent with the prior year. This percentage is affected by the value of total assets, as there is a direct correlation between these two figures. For the last few years, asset growth has met or exceeded loan growth, so it is difficult to increase the loan portfolio to meet our targets.

The new standards require us 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, 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 2024, our specific allowance increased to \$5,511,383 and our collective allowance also increased to \$2,004,131 for a total of \$7,515,514. This represented an expense of \$1,463,720 for 2024, which directly 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 2024, the credit union held \$56.1 million in conventional residential mortgages and \$18.0 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	\$453,584
More than 5 years and up to 10 years	\$93,952	\$3,600,138
More than 10 years and up to 15 years	\$2,883,116	\$8,536,922
More than 15 years and up to 20 years	\$5,535,834	\$14,470,094
More than 20 years	\$9,515,307	\$29,095,481

The 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 2024, 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.

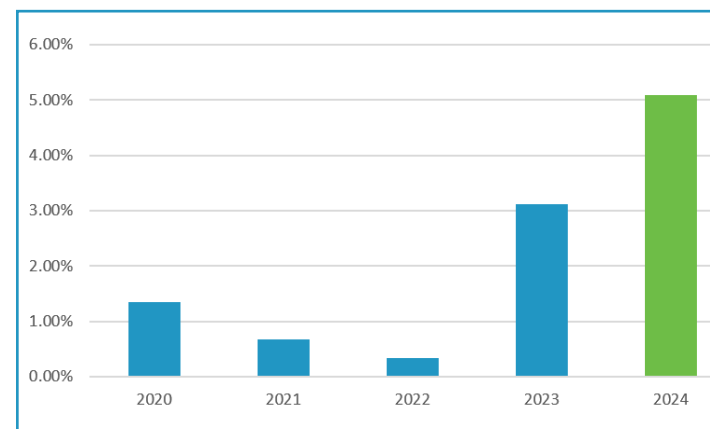
The other effect of mortgages that needs to be monitored is the value of properties in relation to the mortgages on the properties. The risk is a rapid decline in property values in relation to the mortgages outstanding against the properties. In our capital adequacy calculations, we give consideration to the effect of declining values against new and existing mortgages. We have added extra capital requirements for residential mortgages and property



5.09% DELINQUENCY OVER 90 DAYS

devaluations. We still feel our values do not drop as much as in major centers. Despite this, we are required to comply and so our calculation requires us to hold an extra \$428,185 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, this has been the case the last two years. A sign of the quality of the portfolio is low delinquency. Delinquency over 90 days ended the year at 5.09%, which was an increase from 2023 and was part of the reason for increasing the allowance. 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 despite the

economic challenges.

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 has 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. It has focused on traditional services, managed with a moderate level of risk in its loan and investment portfolio.

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 through specific allowances or the collective



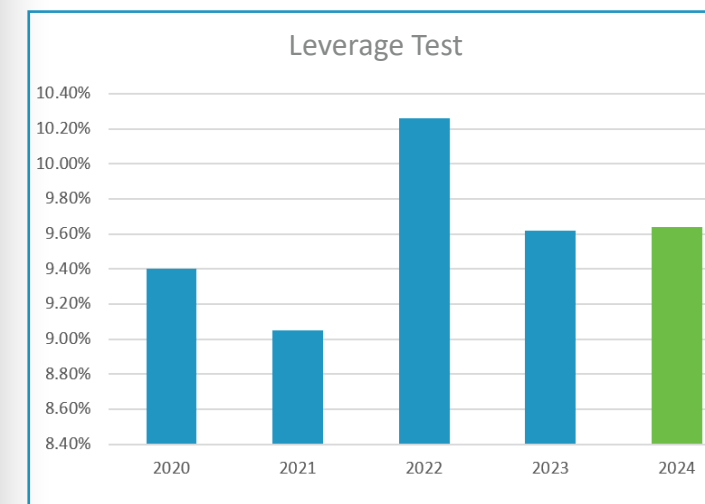
9.64% CAPITAL - LEVERAGE TEST



15.85% RISK WEIGHTED CAPITAL

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 it could be considered that the credit union is being too 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 9.64% 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 15.85%.



Both of these results are better than 2023 despite the significant increase in assets and loans. 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 new economic times within which we may have to 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 222.05%. This was less than last year. The goal remains to lower our ratio while improving our yield. The third measure is the stress test. Throughout 2024, our stress test determined that we had adequate liquidity to fund a two-day redemption of demand deposits.

once again held a Student Pizza and Info Night for Grade 11 and 12 students. We hosted an information session for grade 6 students as they had studied and done some financial literacy research and we supplemented the information they had learned. We learned about the new financial literacy and entrepreneurial classes offered through the high school. We discussed frauds with a couple of local seniors' groups. The investment team presented a session on the Co-operative Superannuation Society (CSS) pension plan to our own staff, staff from Delta Co-op and staff from another credit union. In partnership with our neighbouring credit unions, we also 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. 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 sponsored a Men's and Ladies' Night at the Golf Course as well as a Miners Hockey Game. We donated funds to the Hospital Auxiliary to purchase new beds for the Health Centre. We helped the town construct and remove the outdoor rink. 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. Staff attended the May Birthday Party at Parkview Place, participated in the Western Days parade and offered horse drawn rides during Winter Wonderland. 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 also looked for other ways to support our community and some of the community charities. We provided our annual scholarships to the grads and supported their ceremony. Through our 12 Days of Christmas, we supported local businesses and awarded prizes to our members. On Credit Union Day, we provided snacks in the office and paid for coffee at Subway, A&W, Ma & Me Bakery, 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 recipients were the KC Rescue and Long Term Care.

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.

SOCIAL RESPONSIBILITY

The co-operative principles encompass education, training and information. In 2024, we promoted financial literacy. We

Our RISK MANAGEMENT

Risk is the probability of an outcome having a negative effect on people, systems or assets. Business risk is anything that threatens a company's ability to achieve its financial goals. 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.

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.

Having a common understanding of the boundaries of acceptable and unacceptable risks agreed to by management and board gives direction to risk management.

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 & Compliance Committee and through this committee to the board.

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.

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. 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 change will impact our ability to meet our objective. This includes changes in the competitive environment, customer preferences, product development, or resource allocation. 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 credit union took time to review the strategic plan in 2023, in order to set the direction for the next two to three years.

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 cost is ever

increasing, and the technology is changing the ways of doing business. Included in this is Open Banking, which has 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 related to technology concerns, 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. These are put into practice through procedures established by management. 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 by management through the Audit & Finance Committee to the Board of Directors and CUDGC.

With the political and economic uncertainty, global struggles, the threat of tariffs, and drier growing conditions for agricultural producers, the credit risk has increased to moderately high. So 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.

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 make a habit of buying and selling investments for speculation.

Generally, investments are purchased and held to maturity.

Foreign exchange risk occurs when members exchange Canadian funds for another currency, which are predominantly US dollars. 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 the 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 continue to monitor our processes to reduce our risk as we are able.

Beginning in 2024, prime rate began to decrease. It is not predicted to decrease as quickly as it increased but changes in rates can impact our financial margin. The rate environment continues to be very competitive. With the uncertainty of what rates may do in the foreseeable future, market risk continued to be moderate as our margin remained sufficient. As mentioned, this could be subject to change and become an increased risk depending on what and how quickly rates change. Continuous monitoring will be 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.

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 now control our liquidity coverage ratio by the investment choices we make. Throughout 2024, 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 2024, members continued to show their trust in the credit union and invested funds which is appreciated. 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 reporting suspicious transactions or any other required money laundering or terrorist financing transactions. 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 2023 and 2024, 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 staff, deficiencies in internal controls, technology failures, human error, employee integrity, fraud or natural disasters.

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.

We desire to comply with the 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.

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. Control 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 continues to increase as does the dollar amount, so the overall operational risk remains moderate-high.

Our FUTURE

For the last few years, when we look to the future, we have seen continual changes. The growth, use and dependency on technology by both members and organizations drives many of these changes and challenges. These take a toll on resources; both human and financial to keep up with the new developments, implement changes and help members and staff utilize the products and services to their best advantage. Another challenge is recruiting and retaining qualified staff, especially for specialized positions. 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. Staff need to prepare themselves to serve members in the future, in new and different ways than rural credit unions have relied on for decades. Frauds, scams and compromises add 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, 2024. 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 continued interesting times. Our goal is to continue to adapt and continue to grow amid the changing times. We wish to continue to serve you as Unity Credit Union.

Respectfully submitted,

*Board of Directors and Management
Unity Credit Union Limited*



2025 Digital Experience Roadmap

NAME OF PRODUCT	Q1 - 2025	Q2 - 2025	Q3 - 2025	Q4 - 2025
OnBase UPGRADE <small>by Hyland</small>	Updates to our electronic document filing system.			
celero xpress UPGRADES	Upgrades to our Online Banking, Public Website, and Mobile App.			
doxim CRM UPGRADE	Upgrade for our Customer Relationship Management (CRM) tool.			
UPGRADE BOARDROOM HARDWARE	Upgrade the Boardroom and Meeting room hardware for better virtual meeting video and sound quality.			
NEW COMPUTERS	New laptop devices for all offices/staff.			
unblu	An enhancement to our Online Banking and Mobile App. Unblu offers members the ability to connect with our staff through a virtual chat or chatbot to ask questions.			
BankBI	BankBI is the new financial reporting platform that now has new enhancements.			
NEW CARD OFFERING	A new payment card option that provides members the flexibility to use it like a debit card or a credit card on a "pay now" versus "pay later" basis.			
MX	A Personal Financial Management integration into our Online Banking/Mobile App that will allow members to consolidate financials from various providers to have one holistic view and help with financial budgeting.			
ON RADAR:	FAS Replacement - FAS is our GL reporting tool that connects to the core banking system. The current product is being sunsetted.		Open Banking - We will continue to learn about the different providers and work with CGI to ensure that we are ready to participate when it is available.	



CREDIT UNION DEPOSIT GUARANTEE CORPORATION

Annual Report Message 2024

January 2025

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

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

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



Unity Credit Union Limited
Summary Financial Statements
December 31, 2024

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, 2024, 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, 2024.

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 13, 2025.

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 13, 2025



Chartered Professional Accountants

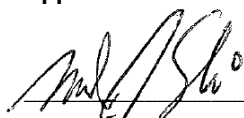
Unity Credit Union Limited

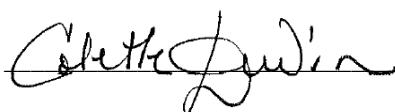
Summary Statement of Financial Position

As at December 31, 2024

	2024	2023
Assets		
Cash and cash equivalents	11,602,058	15,146,117
Investments	108,102,938	92,121,561
Member loans receivable	248,468,471	234,931,754
Other assets	1,955,874	2,568,676
Intangible assets	10,994	3,319
Property, plant and equipment	3,538,234	3,871,810
	373,678,569	348,643,237
Liabilities		
Member deposits	337,770,285	315,321,549
Other liabilities	1,097,497	239,410
Membership shares	2,804,304	2,913,689
	341,672,086	318,474,648
Members' equity		
Retained earnings	32,006,483	30,168,589
	373,678,569	348,643,237

Approved on behalf of the Board

 _____, Director

 _____, Director

Unity Credit Union Limited
Summary Statement of Comprehensive Income

For the year ended December 31, 2024

	2024	2023
Interest income		
Member loans	13,762,543	11,571,792
Investments	4,434,350	4,263,110
Unrealized gain on investments	425,119	1,376,235
	18,622,012	17,211,137
Interest expense		
Member deposits	9,093,018	7,991,958
Borrowed money	20,341	13,843
	9,113,359	8,005,801
Gross financial margin	9,508,653	9,205,336
Other income	1,350,736	1,173,139
	10,859,389	10,378,475
Operating expenses		
Personnel	3,042,945	2,953,544
Security	350,627	333,586
Organizational	125,321	128,047
Occupancy	402,027	385,803
General business	2,576,583	2,000,554
	6,497,503	5,801,534
Income before provision for impaired loans, patronage refund and provision for (recovery of) income taxes	4,361,886	4,576,941
Provision for impaired loans	1,463,720	2,415,512
Patronage refund	400,000	400,000
Income before provision for (recovery of) income taxes	2,498,166	1,761,429
Provision for (recovery of) income taxes		
Current	884,214	(187,363)
Deferred	(223,942)	618,884
	660,272	431,521
Comprehensive income	1,837,894	1,329,908

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

For the year ended December 31, 2024

	<i>Retained earnings</i>	<i>Total equity</i>
Balance, December 31, 2022	28,838,681	28,838,681
Comprehensive income	1,329,908	1,329,908
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

Unity Credit Union Limited
Summary Statement of Cash Flows
For the year ended December 31, 2024

	<i>2024</i>	<i>2023</i>
Cash provided by (used for) the following activities:		
Operating activities		
Interest received from member loans	13,461,836	10,949,409
Interest received from investments	3,299,468	6,609,082
Other income	1,350,736	1,173,139
Cash paid to suppliers and employees	(6,032,165)	(6,214,085)
Interest paid on deposits	(8,574,838)	(6,408,500)
Interest paid on borrowed money	(20,341)	(13,843)
Patronage refund	(400,000)	(400,000)
Income taxes recovered (paid)	701,180	(542,094)
	3,785,876	5,153,108
Financing activities		
Net change in member deposits	21,930,556	15,585,595
Net change in membership shares	(109,385)	(118,463)
	21,821,171	15,467,132
Investing activities		
Net change in investments	(14,421,376)	(10,197,416)
Net change in member loans receivable	(14,699,730)	(17,868,183)
Purchases of property, plant and equipment	-	(52,309)
Purchases of intangible assets	(30,000)	-
	(29,151,106)	(28,117,908)
Decrease in cash and cash equivalents	(3,544,059)	(7,497,668)
Cash and cash equivalents, beginning of year	15,146,117	22,643,785
Cash and cash equivalents, end of year	11,602,058	15,146,117

1. Basis of the Summary Financial Statements

Management has prepared the summary financial statements from the December 31, 2024 audited financial statements, which are prepared in conformity with IFRS® Accounting Standards. 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.