Stride Credit Union Limited
Consolidated Financial Statements
December 31, 2024

Management's Responsibility

To the Members of Stride Credit Union Limited:

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

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

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Credit Union. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

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

February 26, 2025

Signed "Brent Budz"

Chief Executive Officer

To the Members of Stride Credit Union Limited:

Opinion

We have audited the consolidated financial statements of Stride Credit Union Limited and its subsidiaries (the "Credit Union"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of income and other comprehensive income, consolidated statements of changes in members' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Credit Union as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS® Accounting Standards.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

MNP LLP

Brandon, Manitoba
February 26, 2025

Chartered Professional Accountants

Stride Credit Union Limited
Consolidated Statement of Financial Position
As at December 31, 2024

	2024	*2023*
Assets		
Cash and cash equivalents	**155,896,088**	114,266,883
Investments and accrued interest *(Note 5)*	**19,358,680**	18,166,706
Members' loans receivable and accrued interest *(Note 6)*	**909,336,526**	859,801,709
Income taxes recoverable	**-**	55,386
Other assets *(Note 7)*	**1,940,130**	770,080
Property, equipment and intangible assets *(Note 8)*	**8,393,731**	8,868,799
Goodwill	**851,045**	851,045
Deferred taxes *(Note 12)*	**612,000**	612,000
	1,096,388,200	1,003,392,608
Liabilities		
Members' savings, deposits and accrued interest *(Note 9)*	**987,973,932**	913,679,911
Income taxes payable	**63,760**	-
Accounts payable	**9,726,966**	9,521,203
Securitization debt *(Note 11)*	**15,957,270**	3,427,818
	1,013,721,928	926,628,932
Commitments and Guarantees *(Note 18)*		
Members' equity		
Member shares *(Note 13)*	**6,254,005**	6,561,056
Retained surplus	**53,160,765**	46,951,118
Contributed surplus	**23,251,502**	23,251,502
	82,666,272	76,763,676
	1,096,388,200	1,003,392,608

Approved on behalf of the Board of Directors

Signed "Ted Vandenberg" — **Director**

Signed "Ken Boyachek" — **Director**

The accompanying notes are an integral part of these financial statements

Stride Credit Union Limited
Consolidated Statement of Income and Other Comprehensive Income
For the year ended December 31, 2024

	2024	*2023*
Financial income		
Members' loans	**44,183,177**	37,498,535
Investments	**8,008,604**	9,138,366
	52,191,781	46,636,901
Interest expense	**27,231,541**	23,847,463
Financial margin	**24,960,240**	22,789,438
Operating expenses		
Administration	**7,162,900**	6,348,319
Amortization	**517,227**	615,531
Member security	**888,762**	832,716
Occupancy	**935,197**	1,263,271
Organizational	**599,978**	526,307
Personnel	**9,878,410**	8,948,711
	19,982,474	18,534,855
Net operating income	**4,977,766**	4,254,583
Other income	**5,193,975**	5,269,154
Income before provision for (recovery of) impaired loans, patronage refund and income taxes	**10,171,741**	9,523,737
Provision for impaired loans *(Note 6)*	**651,585**	781,090
Income before provision for (recovery of) patronage and income taxes	**9,520,156**	8,742,647
Patronage refund *(Note 14)*	**1,000,000**	700,000
Income before income taxes	**8,520,156**	8,042,647
Provision for (recovery of) income taxes *(Note 12)*		
Current	**2,310,509**	2,273,132
Deferred	**-**	(87,000)
	2,310,509	2,186,132
Net income and other comprehensive income	**6,209,647**	5,856,515

The accompanying notes are an integral part of these financial statements

Stride Credit Union Limited
Consolidated Statement of Changes in Members' Equity
For the year ended December 31, 2024

	Member shares	Retained surplus	Contributed surplus	Total equity
Balance December 31, 2022	**6,940,330**	**41,094,603**	**23,251,502**	**71,286,435**
Income and other comprehensive income	-	5,856,515	-	5,856,515
Issuance of member shares	4,530	-	-	4,530
Redemption of member shares	(383,804)	-	-	(383,804)
Balance December 31, 2023	**6,561,056**	**46,951,118**	**23,251,502**	**76,763,676**
Income and other comprehensive income	-	6,209,647	-	6,209,647
Issuance of member shares	4,710	-	-	4,710
Redemption of member shares	(311,761)	-	-	(311,761)
Balance December 31, 2024	**6,254,005**	**53,160,765**	**23,251,502**	**82,666,272**

The accompanying notes are an integral part of these financial statements

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	**43,889,725**	36,646,804
Interest and dividends received from investments	**8,027,588**	9,144,438
Other non-interest income received	**5,181,493**	5,238,881
Cash paid to suppliers and employees	**(20,694,717)**	(16,677,200)
Interest paid on deposits	**(27,190,659)**	(20,581,743)
Income taxes paid	**(2,242,246)**	(2,602,259)
	6,971,184	11,168,921
Financing activities		
Net change in member deposits	**74,253,139**	57,412,972
Net proceeds from securitization of mortgages	**12,558,000**	3,461,401
Proceeds from issuance of member shares	**4,710**	4,530
Payments for redemption of member shares	**(311,761)**	(383,804)
Patronage paid	**(700,000)**	-
	85,804,088	60,495,099
Investing activities		
Net change in members' loans receivable	**(49,892,950)**	(66,360,706)
Purchases of investments	**(1,210,958)**	(1,207,628)
Purchases of property, equipment and intangible assets	**(42,159)**	-
Proceeds from disposal of property and equipment	**-**	37,044
	(51,146,067)	(67,531,290)
Increase in cash resources	**41,629,205**	4,132,730
Cash resources, beginning of year	**114,266,883**	110,134,153
Cash resources, end of year	**155,896,088**	114,266,883

1. Reporting entity

Stride Credit Union Limited (the “Credit Union”) was formed pursuant to the Credit Unions and Caisses Populaires Act of Manitoba (“the Act”) and operates five Credit Union branches.

The consolidated financial statements of the Credit Union, as at and for the year ended December 31, 2024 comprises the Credit Union and its wholly owned subsidiary Journey Wealth Limited. Together, these entities are referred to as Stride Credit Union Limited.

The Credit Union serves members in the City of Portage la Prairie, the Town of Austin, Town of MacGregor, Town of Gladstone, and the Town of Neepawa and their surrounding communities. The address of the Credit Union’s registered office is 19 Royal Road North, Portage la Prairie, Manitoba R1N 1T9.

The Credit Union operates as one segment principally in personal and commercial banking in Manitoba. Operating branches are similar in terms of products and services provided, methods used to distribute products and services, types of customers and the nature of the regulatory environment.

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

Basis of measurement

The consolidated financial statements have been prepared using the historical basis except for the revaluation of certain financial instruments at fair value through profit and loss.

Functional and presentation currency

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

2. Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

These consolidated financial statements for the year ended December 31, 2024 were approved by the Board of Directors on February 26, 2025.

3. Material accounting policy information

The following principal accounting policies have been adopted in the preparation of these consolidated financial statements.

Regulations to the Act specify that certain items are required to be disclosed in the consolidated financial statements which are presented at annual meetings of members. It is management's opinion that the disclosures in these consolidated financial statements and notes comply, in all material respects, with the requirements of the Act. Where necessary, reasonable estimates and interpretations have been made in presenting this information.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Credit Union and its subsidiary Journey Wealth Limited. Asset and liability balances, unrealized gains and losses or income and expenses arising from inter-company transactions, are eliminated upon consolidation.

Subsidiaries are entities controlled by the Credit Union. Control is achieved where the Credit Union is exposed, or has rights, to variable returns from its involvement with the investee and it has the ability to affect those returns through its power over the investee. In assessing control, only rights which give the Credit Union the current ability to direct the relevant activities and that the Credit Union has the practical ability to exercise, is considered.

3. Material accounting policy information *(Continued from previous page)*

Basis of consolidation *(Continued from previous page)*

The results of subsidiaries acquired or disposed of during the year are included in these consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and demand deposits. Other investments (term deposits and certificates of deposit) purchased with a maturity date of three months or less are also reported as cash.

Investments

Each investment is classified into one of the categories described under financial instruments. The classification dictates the accounting treatment for the carrying value and changes in that value.

Credit Union Central of Manitoba deposits and shares

Credit Union Central of Manitoba deposits are accounted for at amortized cost. Credit Union Central of Manitoba shares are carried at fair value with adjustments recognized in profit or loss.

Portfolio investments

Investments are initially recorded at fair value. Subsequently they are recorded at fair value with adjustments recognized in profit or loss. Investments are purchased with the intention to hold them to maturity, or until market conditions cause alternative investments to become more attractive.

Investment in mortgage pool

Investments in the mortgage pool are carried at amortized cost. Premiums on the mortgage pool are amortized on a straight line basis over the term of the mortgages.

Member loans receivable and accrued interest

Loans are initially recognized at their fair value and subsequently measured at amortized cost. Amortized cost is calculated as the loans' principal amount, less any allowance for anticipated losses, plus accrued interest. Interest revenue is recorded on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset.

Financial instruments

Financial assets

Recognition and initial measurement

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

Classification and subsequent measurement

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

3. Material accounting policy information *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Debt instruments are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of term deposits and members' loans receivable and accrued interest.

- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Credit Union does not hold any financial assets measured at fair value through other comprehensive income.

- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. Financial assets mandatorily measured at fair value through profit or loss are comprised of cash, Central shares and co-op shares, Westcap MBO III investment and connect Manitoba Growth Fund investment included in investements.

- Designated at fair value through profit or loss – On initial recognition, the Credit Union may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in net income. The Credit Union does not hold any financial assets designated to be measured at fair value through profit or loss.

The Credit Union measures all equity investments at fair value. Changes in fair value are recorded in profit or loss.

Business model assessment

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

Contractual cash flow assessment

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

Reclassifications

The Credit Union reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

3. Material accounting policy information *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Impairment

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

The date the Credit Union commits to purchasing a financial asset is considered the date of initial recognition for the purpose of applying the Credit Union's accounting policies for impairment of financial assets.

The calculation of ECL impairment allowances is based on the expected value of probability-weighted scenarios to measure the expected cash shortfalls, discounted at the effective interest rate. A cash shortfall is the difference between the contractual cash flows that are due and the cash flows that the Credit Union expects to receive.

Expected Credit Loss ("ECL") model has three stages:

12-month ECL (Stage 1)

Where credit risk is low or where there has been no significant increase in credit risk, a 12-month ECL allowance is calculated which represents the expected credit losses that result from default events on the financial instrument that are possible within the 12-month after the reporting date on otherwise performing, non-credit impaired financial instruments.

Lifetime ECL (not credit impaired) (Stage 2)

If credit risk increases significantly relative to initial recognition of the financial instrument, the allowance is increased to cover full lifetime ECL. Lifetime ECL is the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Credit Union's process for assessing credit risk and defining default is included in Note 17. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Credit Union places the financial instrument in the Stage 1 category and reverts to recognizing 12-month ECL.

Lifetime ECL (credit impaired) (Stage 3)

When a financial instrument is considered credit-impaired, the allowance continues to reflect lifetime expected credit losses and interest revenue is calculated based on the carrying amount of the asset, net of the allowance, rather than its gross carrying amount. The Credit Union's policy for assessing default resulting in credit impairment is described in Note 18. Any financial instruments where the borrower has filed for bankruptcy or consumer proposal will also be re-staged to Stage 3.

Changes in the allowance, including the movement between 12-month and lifetime expected credit losses, is recorded in the provision for impaired loans.

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

The Credit Union applies the simplified approach for trade receivables that do not contain a significant financing component. Using the simplified approach, the Credit Union records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

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

3. Material accounting policy information *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

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

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

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

Refer to Note 18 for additional information about the Credit Union's credit risk management process, credit risk exposure and the amounts arising from expected credit losses.

Derecognition of financial assets

The Credit Union applies its accounting policies for the derecognition of a financial asset to a part of a financial asset only when:

- The part comprises only specifically identified cash flows from a financial asset;
- The part comprises only a pro-rata share of the cash flows from a financial asset; or
- The part comprises only a pro-rata share of specifically identified cash flows from a financial asset.

In all other situations the Credit Union applies its accounting policies for the derecognition of a financial asset to the entirety of a financial asset.

The Credit Union derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire, or the financial asset has been transferred under particular circumstances.

For this purpose, a financial asset is transferred if the Credit Union either:

- Transfers the right to receive the contractual cash flows of the financial asset, or;
- Retains the right to receive the contractual cash flows of the financial asset, but assumes an obligation to pay received cash flows in full to one or more third parties without material delay and is prohibited from further selling or transferring the financial asset.

Transferred financial assets are evaluated to determine the extent to which the Credit Union retains the risks and rewards of ownership. When the Credit Union neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it evaluates whether it has retained control of the financial asset.

Where substantially all risks and rewards of ownership have been transferred, or risks and rewards have neither been transferred nor retained and control of the financial asset has not been retained, the Credit Union derecognizes the financial asset. At the same time, the Credit Union separately recognizes as assets or liabilities the fair value of any rights and obligations created or retained in the transfer. Any difference between the carrying amount measured at the date of recognition and the consideration received is recognized in profit or loss.

3. Material accounting policy information *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Modification of financial assets

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

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

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

Financial liabilities

Recognition and initial measurement

The Credit Union recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Credit Union measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method.

Interest, gains and losses related to financial liabilities are recognized in net income.

Derecognition of financial liabilities

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

Dividend income

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

Interest

Interest income and expense are recognized in profit or loss using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets.

The 'amortized cost' of a financial asset or financial liability is the amount at which the instrument is measured on initial recognition minus principal repayments, plus or minus any cumulative amortization using the effective interest method of any difference between the initial amount and maturity amount and adjusted for any expected credit loss allowance. The 'gross carrying amount' of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit losses.

Interest income and expense is calculated by applying the effective interest rate to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or the amortized cost of the financial liability.

Where a financial asset has become credit-impaired subsequent to initial recognition, interest income is calculated in subsequent periods by applying the effective interest method to the amortized cost of the financial asset. If the asset subsequently ceases to be credit-impaired, calculation of interest income reverts to the gross basis.

3. Material accounting policy information *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Offsetting

Financial assets and financial liabilities are offset, with the net amount presented in the statement of financial position, when, and only when, the Credit Union has a current and legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or when arising from a group of similar transactions if the resulting income and expenses are not material.

Collateral

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

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

Property, equipment and intangible assets

Property, equipment and intangible assets are stated at cost less accumulated amortization and impairment losses, with the exception of land which is not amortized. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, equipment and intangible assets have different useful lives, they are accounted for as separate items of property, equipment and intangible assets.

The methods of amortization and useful life applicable for each class of asset during the current and comparative period are as follows:

	Method	***Rate***
Buildings	straight-line	2.5 - 5 %
Intangible computer software	straight-line	6.67 - 33.3 %
Furniture and fixtures	straight-line	10 - 20 %
Office and computer equipment	straight-line	10 - 100 %
Parking lot	straight-line	5 %
Vehicles	straight-line	30 %

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

The useful lives of items of property and equipment are reviewed on an annual basis and the useful life is altered if estimates have changed significantly. Gains or losses on the disposal of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the consolidated income statement and other comprehensive income as other operating income or other operating costs, respectively.

Goodwill

Goodwill arising in a business combination is recognized as an asset at the date of control (acquisition date). Goodwill is measured as the excess of the cost of the acquisition over the Credit Union’s interests in the net fair value of the identifiable net assets, liabilities and contingent liabilities of the acquiree recognized at the date of acquisition.

3. Material accounting policy information *(Continued from previous page)*

Impairment of non-financial assets

At the end of each reporting period, the Credit Union reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Credit Union estimates the recoverable amount of the cash-generating units ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU's, or otherwise they are allocated to the smallest group of CGU's for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

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

Members' savings and deposits

Members' savings and deposits are initially recognized at fair value, net of transaction costs directly attributable to the issuance of the instrument, and are subsequently measured at amortized cost using the effective interest rate method.

Accounts payable

Accounts payable are initially recorded at fair value and are subsequently carried at amortized cost, which approximates fair value due to the short term nature of these liabilities.

Leases

The Credit Union leases equipment. The Credit Union, as a lessee, has determined, based on an evaluation of the terms and conditions of the arrangements, that it does not retain the significant risks and rewards of ownership of the equipment and therefore accounts for them as operating leases. Payments made under operating leases are charged as an expense in the consolidated income statement and other comprehensive income on a straight-line basis over the term of the lease.

Securitization

For securitization transactions, loans are derecognized only when the contractual rights to receive the cash flows from these assets have ceased to exist or substantially all the risks and rewards of the loans have been transferred. If the criteria for de-recognition has not been met, the securitization is reflected as a financing transaction and the related liability is initially recorded at fair value and subsequently measured at amortized cost, using the effective interest rate method. None of the securitized transactions the Credit Union has entered into qualify for de-recognition.

Since all mortgages securitized by the Credit Union are required to be fully insured, including mortgages securitized for reinvestment purposes, they pose no credit risk to the Credit Union before or after the securitization transaction. As the Credit Union remains exposed to the interest rate and prepayment risks associated with the underlying assets, the assets, liabilities, revenues and expenses have not been derecognized and the transactions are accounted for as secured financing transactions in the Credit Union's consolidated statement of financial position and consolidated income statement.

3. Material accounting policy information *(Continued from previous page)*

Member shares

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

Patronage refunds

Patronage refunds are recognized in income when the Credit Union has a constructive obligation it has little or no discretion to avoid, and it can make a reasonable estimate of the amount required to settle the obligation.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Credit Union and the revenue can be reliably measured.

Interest income is recognized in profit or loss for all financial assets measured at amortized cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument back to the net carrying amount of the financial asset. The application of the method has the effect of recognizing revenue of the financial instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

Interest penalties received as a result of loan prepayments by members are recognized as income in the year in which the prepayment is made, unless only minor modifications (based on a present value of future cash flows test) were made to the loan in which case they are deferred and amortized using the effective interest method.

Fees related to the origination or renewal of a loan are considered an integral part of the yield earned on a loan and are recognized using the effective interest method over the estimated repayment term of the related loan.

Investment income is recognized as interest is earned on interest-bearing investments, and when dividends are declared on shares.

Commission revenue net of broker commission expense is recognized as earned on the effective date of each policy.

Other revenue is recognized as services are provided to members.

Income taxes

Current tax and deferred tax are recognized in profit or loss except to the extent that the tax is recognized either in other comprehensive income or directly in equity, or the tax arises from a business combination.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled. The calculation of deferred tax is based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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

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

3. Material accounting policy information *(Continued from previous page)*

Foreign currency translation

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

Non-monetary items that are measured at historical cost are translated using the exchange rates at the date of the transaction and non-monetary items that are measured at fair value are translated using the exchange rates at the date when the items' fair value was determined. Translation gains and losses are included in profit or loss.

4. Significant accounting judgments, estimates and assumptions

Judgments, estimates and assumptions

Since a determination of some assets and liabilities are dependent upon certain future events, the preparation of these financial statements requires the use of estimates and assumptions, which have been made by management using careful judgment. Actual results may differ from these estimates. The estimates, assumptions and judgments used in preparation of these financial statements include the measurement of the allowance for loan impairment, the estimate of fair value of financial instruments not traded on active markets, income taxes and key assumptions in determining the allowance for expected credit losses.

Significant accounting judgments, estimates and assumptions

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

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

During the year, inflation and fiscal tightening, which places pressure on interest rates, have resulted in a heightened measurement uncertainty, primarily related to the estimates, assumptions and judgements used in the measurement of the allowance for expected credit losses. For the year ended, the Credit Union has included all information available to the date of these financial statements in these estimates. The economic response and impacts continue to remain unknown and may reasonably require adjustment within the next twelve months.

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

Key assumptions in determining the allowance for expected credit losses

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

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

4. Significant accounting judgments, estimates and assumptions *(Continued from previous page)*

Key assumptions in determining the allowance for expected credit losses *(Continued from previous page)*

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

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

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

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

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

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

Financial instruments not traded on active markets

For financial instruments not traded in active markets, fair values are determined using valuation techniques such as the discounted cash flow model that rely on assumptions that are based on observable active markets or rates. Certain assumptions take into consideration liquidity risk, credit risk and volatility.

Impairment of non-financial assets

At each reporting date, the Credit Union assesses whether there are any indicators of impairment for non-financial assets. Non-financial assets that have an indefinite useful life or are not subject to amortization, such as goodwill, are tested annually for impairment or more frequently if impairment indicators exist. Other non-financial assets are tested for impairment if there are indicators that their carrying amounts may not be recoverable.

Income taxes

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

Management is also required to determine the amount of deferred tax assets and liabilities that can be recognized based on their best estimate of the likely timing that the temporary differences will be realized, and the likelihood that future profits will exist.

5. Investments and accrued interest

Credit Union Central of Manitoba		
Term deposits	**5,000,000**	5,000,000
Shares	**11,116,435**	12,165,380
Other		
Westcap MBO Investment	**888,000**	646,500
Connect MB Growth Fund	**270,000**	200,000
Investia Financial Services Portfolio	**1,948,403**	-
Accrued interest	**135,842**	154,826
Total	**19,358,680**	18,166,706

Term deposits consist of one term deposit earning interest at a rate of 4.93% (2023 - 4.93%) maturing April 2027.

The shares in Credit Union Central of Manitoba are required as a condition of membership and are redeemable upon withdrawal of membership or at the discretion of the Board of Directors of Credit Union Central of Manitoba. In addition, the member credit unions are subject to additional capital calls at the discretion of the Board of Directors of CUCM. Class 1, 2 and 3 CUCM shares are subject to a rebalancing mechanism at least annually and are issued and redeemable at par value. There is no separately quoted market value for these shares. However, fair value is determined to be equivalent to the par value due to the fact that transactions occur at par value on a regular and recurring basis.

The investments in Westcap MBO III and Connect Manitoba Growth Fund investment are private equity investments.

Pursuant to the Standards of Sound Business Practice Regulations, Credit Union Central of Manitoba requires that the Credit Union maintain 8% of its total liabilities in specified liquidity deposits. The provincial regulator for Credit Unions, Deposit Guarantee Corporation of Manitoba, requires that the Credit Union adhere to these prescribed limits and restrictions. As of December 31, 2024 the Credit Union met the requirement with liquidity of 16.29% (2023 - 13.05%).

6. Members' loans receivable and accrued interest

Principal and allowance by loan type:

2024

	Principal 12-month ECL (performing)	Principal Lifetime ECL (credit impaired)	Allowance Stage 1 & 2 (not credit impaired)	Allowance Stage 3 (credit impaired)	Net carrying value
Agriculture loans	234,663,297	11,947	51,000	3,947	**234,620,297**
Commercial loans	227,573,883	1,808,754	218,000	866,394	**228,298,243**
Personal loans	63,915,558	598,478	87,000	370,927	**64,056,109**
Residential mortgages	380,867,439	1,536,414	29,000	12,976	**382,361,877**
Subtotal	907,020,177	3,955,593	385,000	1,254,244	**909,336,526**
Total allowance				1,639,244	

6 Members' loans receivable and accrued interest *(Continued from previous page)*

2023

	Principal 12-month ECL (performing)	Principal Lifetime ECL (credit-impaired)	Allowance Stage 1 & 2 (not credit impaired)	Allowance Stage 3 (credit impaired)	Net carrying value
Agriculture loans	235,153,732	686,022	52,700	89,063	235,697,991
Commercial loans	204,095,509	3,258,966	189,300	1,103,938	206,061,237
Personal loans	58,740,364	224,538	68,600	220,538	58,675,764
Residential mortgages	358,683,234	711,775	24,400	3,892	359,366,717
Subtotal	856,672,839	4,881,301	335,000	1,417,431	859,801,709
Total allowance				1,752,431	

The allowance for loan impairment changed as follows:

	2024	*2023*
Balance, beginning of year	**1,752,431**	1,012,043
Provision for impaired loans	**651,585**	781,090
	2,404,016	1,793,133
Less: accounts written off, net of recoveries	**764,772**	40,702
Balance, end of year	**1,639,244**	1,752,431

7. Other assets

	2024	*2023*
Prepaid expenses	**1,923,873**	770,080
Accounts receivable and other	**16,257**	-
	1,940,130	770,080

8. Property, equipment and intangible assets

	Land	*Buildings*	*Intangible computer software*	*Furniture and fixtures*	*Office and computer equipment*	*Parking lot*	*Vehicles*	*Total*
Cost								
Balance at December 31, 2022	631,309	11,956,424	1,480,592	608,726	2,042,412	405,277	30,799	17,155,539
Additions	-	-	-	-	-	-	2,201	2,201
Disposals	-	(186,374)	-	-	(5,517)	-	-	(191,891)
Balance at December 31, 2023	631,309	11,770,050	1,480,592	608,726	2,036,895	405,277	33,000	16,965,849
Additions	**-**	**-**	**-**	**-**	**42,159**	**-**	**-**	**42,159**
Balance at December 31, 2024	**631,309**	**11,770,050**	**1,480,592**	**608,726**	**2,079,054**	**405,277**	**33,000**	**17,008,008**
Amortization								
Balance at December 31, 2022	-	3,542,949	1,214,125	608,726	1,930,526	157,692	27,501	7,481,519
Additions	-	370,315	100,153	-	106,369	33,195	5,499	615,531
Balance at December 31, 2023	-	3,913,264	1,314,278	608,726	2,036,895	190,887	33,000	8,097,050
Additions	**-**	**354,819**	**87,056**	**-**	**42,159**	**33,193**	**-**	**517,227**
Balance at December 31, 2024	**-**	**4,268,083**	**1,401,334**	**608,726**	**2,079,054**	**224,080**	**-**	**8,614,277**
Net book value								
At December 31, 2023	631,309	7,856,786	166,314	-	-	214,390	-	8,868,799
At December 31, 2024	**631,309**	**7,501,967**	**79,258**	**-**	**-**	**181,197**	**-**	**8,393,731**

9. Members' savings, deposits and accrued interest

	2024	*2023*
Chequing	**338,033,187**	312,938,622
Savings	**281,256,460**	269,262,476
Term and contract deposits	**286,864,318**	249,344,904
Registered plans	**75,433,852**	75,788,676
Accrued interest	**6,386,115**	6,345,233
	987,973,932	913,679,911

Member deposits are subject to the following terms:

Chequing and savings products are due on demand and bear interest at rates up to 5.45% (2023 - 6.20%). Included in chequing and savings products are Agri-invest which bears interest at 1.15% (2023 - 1.15%).

Term and contract deposits are subject to fixed and variable rates of interest ranging from 1.25% to 5.50% (2023 - 0.75% to 6.00%), with interest payments due monthly, annually or on maturity.

Registered plans are subject to fixed and variable rates of interest from 0.75% to 5.40% (2023 - from 0.75% to 5.50%), with interest payments due monthly, annually or on maturity.

10. Line of credit

The Credit Union has an approved borrowing limit of 10% of members' savings and deposits with an annual interest rate based on the chartered bank overnight funds rate with no fixed repayment date. Borrowings are secured by an assignment, hypothecation, charge and pledge of all book debts and accounts to Credit Union Central of Manitoba. At December 31, 2024 the balance was $NIL (2023 - $NIL).

11. Securitization debt

	2024	*2023*
Securitization debt	**15,957,270**	3,427,818
	15,957,270	3,427,818

Securitization debt consists of two CMHC mortgage pools bearing interest rates of 3.52% to 4.39% (2023 - 4.39%) maturing January 2028 to January 2029. Under the program, the Credit Union has an obligation to forward principal and interest amounts from the original loan to Canada Mortgage and Housing Corporation monthly whether or not it receives payments from mortgagers. The Credit Union has retained substantially all of the risks and rewards associated with the transferred assets. These assets are recognized within members' loans and the transfers are accounted for as secured financing transactions. The associated liability, secured by these loans, is carried at amortized cost and included in securitized borrowings on the consolidated statement of financial position.

12. Income tax

Net deferred income tax assets (liabilities)

The tax effects of temporary differences which give rise to the deferred tax asset reported in the statement of financial position is from differences between accounts deducted for accounting and income tax purposes for property and equipment, goodwill and the allowance for loan impairment.

Net deferred income tax assets are comprised of the following:

	2024	*2023*
Deferred tax assets (liabilities)		
Allowance for impaired loans	**130,000**	108,000
Property, equipment and intangible assets	**213,000**	192,000
Goodwill	**(221,000)**	(196,000)
Other expenses	**490,000**	508,000
Net balance	**612,000**	612,000

Reconciliation between average effective tax rate and the applicable tax rate

	2024	*2023*
Applicable tax rate	**38.00 %**	38.00 %
Federal abatement	**(10.00)%**	(10.00)%
General rate reduction	**(13.00)%**	(13.00)%
Provincial tax rate	**12.00 %**	12.00 %
Other	**0.12 %**	0.18 %
Actual tax rate as reported	**27.12 %**	27.18 %

13. Member shares

Authorized:

Unlimited number of Common shares, at an issue price of $5. The shares are redeemable at $5 each, subject to restrictions as warranted by the financial position of the Credit Union, and have no fixed entitlement to interest or dividends. Each member is limited to one Common share.
Unlimited number of Surplus shares, at an issue price of $1.
Authorized Class "A" preferred share capital consists of 1,000,000 non-voting Class "A" preferred shares, having a non-cumulative dividend rate, when declared, of not less than the first year rate of the latest issue of Canada Savings Bonds, issued and redeemable at $10 each.

Issued:

	2024	*2023*
Member shares classified as equity		
5,714,910 Surplus shares (2023 - 6,018,671)	**5,714,910**	6,018,671
20,019 Common shares (2023- 19,677)	**100,095**	98,385
43,900 Class "A" preferred shares (2023 - 44,400)	**439,000**	444,000
	6,254,005	6,561,056

During the year, the Credit Union issued 942 (2023 - 906) and redeemed 600 (2023 - 588) common shares, issued NIL (2023 - NIL) and redeemed 303,761 (2023 - 375,864) surplus shares, and issued NIL (2023 - NIL) and redeemed 500 (2023 - 500) Class "A" preferred shares.

When an individual becomes a member of the Credit Union, they are issued a common share at $5 per share. Each member of the Credit Union has one vote, regardless of the number of shares held. These membership shares are redeemable at par only when a membership is withdrawn. Dividends are at the discretion of the Board of Directors. Since shares are redeemable only at the discretion of the Credit Union Board of Directors, they are classified as equity.

Surplus shares are established as a means of returning excess earnings to the members and at the same time increasing the Credit Union's equity base. The articles of incorporation for the Credit Union disclose the conditions concerning surplus shares. These shares are redeemable at the discretion of the Board of Directors and as such are recorded as equity.

Dividends are payable at the discretion of the Board. The total amount of Class "A" preferred shares purchased or redeemed by the Credit Union in a fiscal year shall not exceed 10% of the amount of Class "A" preferred shares issued and outstanding at the last fiscal year-end of the Credit Union if the Credit Union's equity is, or by such purchase or redemption would be, less than the level of capital as prescribed by the Act. Class "A" preferred shares are redeemable at the discretion of the Board.

The Board of Directors have declared and paid dividends on Class "A" preferred shares of $26,340 (2023 - $35,520) which has been presented as a reduction of net income. Tax savings of $6,500 (2023 - $9,950) have been applied to reduce current income tax expense on the consolidated income statement and other comprehensive income.

14. Patronage

The Board of Directors declared a patronage refund of $1,000,000 (2023 - $700,000). The amount net of tax savings of $250,000 (2023 - $175,000), has been reflected in the current year's provision for income taxes.

15. Related party transactions

Key management compensation of the Credit Union

Key Management Personnel (KMP) of the Credit Union are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director.

	2024	*2023*
Salary and short-term benefits	**1,463,873**	1,340,942

Transactions with key management personnel

Loans made to KMP are approved under the same lending criteria applicable to members. KMP may receive concessional rates of interest on their loans and facilities. These benefits are subject to tax with the total value of the benefit included in the compensation figures below.

There are no loans that are impaired in relation to loan balances with Key Management Personnel (KMP).

There are no benefits or concessional terms and conditions applicable to the family members of KMP. There are no loans that are impaired in relation to the loan balances with family or relatives of KMP.

	2024	*2023*
Aggregate value of loans advanced	**2,971,505**	6,785,127
Total value of lines of credit advanced	**253,648**	76,635
Unused value of lines of credit	**675,452**	841,965

	2024	*2023*
During the year the aggregate value of loans disbursed to KMP amounted to:		
Lines of credit	**280,000**	133,200
Mortgages	**1,491,308**	-
Loans	**85,432**	340,031
	1,856,740	473,231

	2024	*2023*
Interest and other revenue earned on loans to KMP	**135,283**	275,117
Interest paid on deposits to KMP	**61,815**	45,598

	2024	*2023*
The total value of member deposits from the Directors and KMP as at the year-end:		
Chequing and demand deposits	**1,613,666**	1,890,845
Term deposits	**1,427,896**	1,060,928
Registered plans	**16,844**	66,339
Total value of member deposits due to Directors and KMP	**3,058,406**	3,018,112

Directors, committee members, management and staff

Transactions with Directors, committee members, management and staff are at terms and conditions as set out in the loan policies of the Credit Union.

Payments made to directors for honoraria and per diems paid to Directors amounted to $163,571 (2023 - $127,411), reimbursement of expenses amounted to $161,171 (2023 - $125,011) and meeting, training and conference costs amounted to $49,593 (2023 - $23,732) for the year ended.

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

Loans to Directors and staff as at year end amounted to 1.65% (2023 - 2.31%) of total assets of the Credit Union.

Credit Union Central of Manitoba

The Credit Union is a member of the Credit Union Central of Manitoba, which acts as a depository for surplus funds received from and loans made to credit unions. The Credit Union Central of Manitoba also provides other services for a fee to the Credit Union and acts in an advisory capacity.

Interest and dividends earned on investments during the year ended December 31, 2024 amounted to $803,273 (2023 - $751,406).

Interest earned on cash held at Credit Union Central of Manitoba during the year ended December 31, 2024 amounted to $5,399,613 (2023 - $6,634,279).

Interest and charges paid on borrowings during the year ended December 31, 2024 amounted to $NIL (2023 - $NIL).

Payments made for affiliation dues, liquidity assessment, research and development assessment, cheque clearing and data processing for the year ended December 31, 2024 amounted to $643,674 (2023 - $609,170).

Deposit Guarantee Corporation of Manitoba

The Deposit Guarantee Corporation of Manitoba (the "Corporation") was created under the Credit Unions and Caisse Populaires Act for the purposes of guaranteeing deposits in Manitoba credit unions, and promoting sound business practices in credit unions. All transactions with the Corporation are recorded at the exchange amount which is the amount agreed upon by the two parties.

The payments made to the Corporation during the year ended December 31, 2024 represent the net statutory annual assessment in the amount of $780,000 (2023 - $732,000).

Celero Solutions

The Credit Union has entered into an agreement with Celero Solutions to provide the delivery of banking system services and the maintenance of the infrastructure needed to ensure uninterrupted delivery of such services. Celero Solutions is a company formed as a joint venture by the Credit Union Centrals of Alberta, Saskatchewan and Manitoba along with Concentra Financial Services and Credit Union Electronic Transaction Services. Payments made to Celero Solutions during the year ended December 31, 2024 for these services totaled $1,225,590 (2023 - $1,221,996).

16. Pension plan

The Credit Union has a defined contribution pension plan for qualifying employees. The Credit Union matches employee contributions at a rate between 3% and 8% of the employee's salary up to the maximum allowed under pension legislation.

The expense and payments for the year ended December 31, 2024 are $456,650 (2023 - $421,446) and are recorded as personnel expenses. As a defined contribution pension plan, the Credit Union has no further liability or obligation for future contributions to fund benefits to plan members.

17. Capital management

The Credit Union provides financial services to its members and is subject to the capital requirements set out in the Credit Unions and Caisses Populaires Act of Manitoba (the "Act").

The Act prescribes capital adequacy measures and minimum capital requirements. The capital adequacy rules issued by The Act have been based on the Basel III framework, consistent with the financial industry in general. The Standards of Sound Business Practice as laid out in the Act also require a risk-weighted asset calculation for credit and operational risk.

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

Under this approach, Credit Unions are required to measure capital adequacy in accordance with instructions for determining risk-adjusted capital and risk-weighted assets including off-balance sheet commitments. Based on the prescribed risk of each type of asset, a weighting of 0% to 150% is assigned. The ratio of regulatory capital to risk-weighted assets is calculated and compared to the standard outlined by the Act. Regulatory standards require Credit Unions to maintain a minimum total eligible capital to risk-weighted assets of 10.5%.

Capital Disclosures requires the Credit Union to disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.

The Credit Union's objectives when managing capital are to ensure the long term viability of the Credit Union and the security of member deposits by holding a level of capital deemed sufficient to protect against unanticipated losses and to comply at all times with the capital requirements set out in the Act.

The Credit Union's objectives when managing capital are:

- To ensure the long-term viability of the Credit Union and the security of member deposits by holding a level of capital deemed sufficient to protect against unanticipated losses; and
- To comply at all times with the capital requirements set out in the Standards of Sound Business Practice Regulation in the Act.

The Credit Union measures the adequacy of capital using two methods:

- Total capital as a percent of consolidated assets.
- Total capital as a percent of risk-weighted assets. Under this method, the Credit Union reviews its loan portfolio and other assets and assigns a risk weighting using definitions and formulas set out in the Act. The more risk associated with an asset, a higher weighting is assigned. This method allows the Credit Union to measure capital relative to the possibility of loss with more capital required to support assets that are seen as being higher risk.

The Credit Union management ensures compliance with capital adequacy through the following:

- Establishing policies for capital management, monitoring and reporting;
- Establishing policies for related areas such as asset liability management;
- Reporting to the Board of Directors regarding financial results and capital adequacy;
- Reporting to the Deposit Guarantee Corporation of Manitoba on its capital adequacy; and
- Establishing budgets and reporting variances to those budgets.

During the year ended December 31, 2024, the Credit Union has complied with the capital requirement.

The Standards of Sound Business Practice Regulation to the Act require that the Credit Union establish and maintain a level of capital as follows:

	Regulatory standards	*Board minimum limits*
Total eligible capital to risk weighted assets	**10.50 %**	12.00 %
Retained surplus and contributed surplus to total assets	**3.00 %**	4.50 %
Equity to total assets	**5.00 %**	6.50 %

The Credit Union manages its capital as calculated below.

	2024	*2023*
Members' shares	**6,254,005**	6,561,056
Retained surplus	**53,160,765**	46,951,118
Contributed surplus	**23,251,502**	23,251,502
Capital	**82,666,272**	76,763,676

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

Members' equity not less than 5% of assets	**7.54 %**	7.65 %
Retained surplus and contributed surplus not less than 3% of assets	**6.97 %**	7.00 %
Members' equity not less than 10.5% of the risk weighted value of assets	**14.29 %**	13.74 %

18. Financial instruments

Risk management policy

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

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

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

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

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

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

Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Credit Union. Credit risk primarily arises from loans receivable. Management and the Board of Directors review and update the credit risk policy annually.

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

18. Financial instruments *(Continued from previous page)*

Credit Risk *(Continued from previous page)*

Credit risk management

The Credit Union uses a risk management process for its credit portfolio. The risk management process starts at the time of a member credit application and continues until the loan is fully repaid. Management of credit risk is established in policies and procedures by the Board of Directors.

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

The Credit Union employs a risk measurement process for its loan portfolio which is designed to assess and quantify the level of risk inherent in credit granting activities. Risk is measured by reviewing qualitative and quantitative factors that impact the loan portfolio.

Credit commitments

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

(a) guarantees and standby letters of credit representing irrevocable assurances that the Credit Union will pay if a member cannot meet their obligations to a third party;

(b) commitments to extend credit representing unused portions of authorizations to extend credit in the form of loans, (including lines of credit and credit cards), guarantees or letters of credit.

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

	2024	*2023*
Unadvanced lines of credit	**169,026,770**	161,914,042
Guarantees and standby letters of credit	**25,199,424**	13,101,754
	194,226,194	175,015,796

18. Financial instruments *(Continued from previous page)*

Credit Risk *(Continued from previous page)*

Inputs, assumptions and techniques

Definition of default and assessments of credit risk

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

The Credit Union considers members' loans receivable to be in default when contractual payments are more than 90 days past due or other objective evidence of impairment exists, such as notification from the borrower or breach of major covenants. This definition is consistent with the definitions used for the Credit Union's internal credit risk management practices.

Changes in credit risk are assessed on the basis of the risk that a default will occur over the contractual lifetime of the financial instrument rather than based on changes in the amount of expected credit losses or other factors. In making this assessment the Credit Union takes into account all reasonable and supportable information, including forward-looking information, available without undue cost or effort. The Credit Union considers past due information of its balances and information about the borrower available through regular commercial dealings, such as requests for loan modifications. The credit risk of a financial instrument is deemed to have significantly increased since initial recognition when contractual payments have exceeded 30 days past due, or other information becomes available to management through the course of regular credit reviews, communication with the borrower or forecasting processes which consider macroeconomic conditions expected to have a future impact on borrowers. When a financial instrument is considered to have low credit risk, it is assumed that there has not been a significant increase in credit risk since initial recognition.

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

Measurement of expected credit losses

The Credit Union measures expected credit losses for members' loans receivable on a group basis. These assets are grouped on the basis of their shared risk characteristics such as loan type (residential mortgages, commercial mortgages, other secured loans or non-secured loans). Otherwise, expected credit losses are measured on an individual basis.

When measuring 12-month and lifetime expected credit losses, the Credit Union considers items such as the contractual period of the financial asset or the period for which the entity is exposed to credit risk, determination of appropriate discount rates used in incorporating the time value of money, assumptions about prepayments, timing and extent of missed payments or default events, probabilities of default and other assumptions and inputs used in calculating the amount of cash shortfalls depending on the type or class of financial instrument. Forward-looking information is incorporated into the determination of expected credit loss by considering regional economic journals and forecasts, collecting information available from regular commercial dealings with its customers and other publicly available information and considering the effect such information could have on any assumptions or inputs used in the measurement of expected credit losses, determining significant increases in credit risk or identifying a credit-impaired financial asset.

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

18. Financial instruments *(Continued from previous page)*

Credit Risk *(Continued from previous page)*

Write-offs

Financial assets are written off when there is no reasonable expectation of recovery. The Credit Union assesses that there is no reasonable expectation of recovery when the security relating to the loan has been sold and there are remaining amounts outstanding, the borrower has filed for bankruptcy and the trustee has indicated that no additional funds will be paid.

Details of the Credit Union's exposure to credit risk, loss allowance and write-offs have been included in Note 6.

Significant Increase in Credit Risk - interest rate and inflationary environment impacts

There are judgments involved in determining whether or not there is a significant increase in credit risk resulting in loans moving between stages of expected credit loss and being subject to different expected credit loss models. In addition, the Credit Union will continue to monitor the impact that increased interest rates and inflation may have on its members and their ability to repay their debt obligations. Where appropriate, the Credit Union may deem a change in credit risk to have occurred for certain members due to the current environment and will adjust their staging and expected credit losses as necessary.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Credit Union incurs interest rate risk on its loans and other interest bearing financial instruments.

Contractual repricing and maturity

All financial instruments are reported in the schedule below based on the earlier of their contractual re-pricing date or maturity date.

Interest rate sensitive	**Assets**	*Average yield %*	**Liabilities**	*Average costs %*	***2024***	*2023*
Variable	339,989,160	*4.82 %*	(437,214,148)	*2.41 %*	**(97,224,988)**	(137,708,207)
Less than 12 months	222,955,542	*4.82 %*	(244,634,724)	*4.60 %*	**(21,679,182)**	(11,869,251)
1 to 2 years	159,845,380	*3.17 %*	(51,159,193)	*4.45 %*	**108,686,187**	52,575,968
2 to 3 years	165,321,152	*3.82 %*	(29,623,446)	*4.56 %*	**135,697,706**	134,840,725
3 to 4 years	88,788,460	*4.30 %*	(25,695,226)	*4.13 %*	**63,093,234**	145,236,488
Over 4 years	90,191,701	*5.04 %*	(19,758,608)	*1.52 %*	**70,433,093**	61,746,344
Over 5 years	11,384,539	*1.77 %*	-	*- %*	**11,384,539**	14,375,718
Non-interest sensitive	17,912,266	*- %*	(288,302,855)	*- %*	**(270,390,589)**	(259,197,785)
	1,096,388,200		**(1,096,388,200)**		**-**	-

Based on the current financial instruments, it is estimated that a 1.0% increase in interest rate would increase the financial margin by $1,513,000. A 1.0% decrease in the interest rate would decrease the financial margin by $1,387,000.

18. Financial instruments *(Continued from previous page)*

Liquidity risk

Liquidity risk is the risk that the Credit Union cannot meet a demand for cash or fund its obligations as they come due. The Credit Union's management oversees the Credit Union's liquidity risk to ensure the Credit Union has access to enough readily available funds to cover its financial obligations as they come due. The Credit Union's business requires such capital for operating and regulatory purposes. Refer to Note 17 for further information about the Credit Union's regulatory requirement.

The Credit Union manages liquidity risk on a net asset and liability basis. The following tables explain the contractual maturities of financial assets held for the purpose of managing liquidity risk.

Financial assets	**Less than 1 year**	**1-2 years**	**After 2 years**	**Total**
Cash and cash equivalents	**155,896,088**	**-**	**-**	**155,896,088**
Investments and accrued interest	**14,358,680**	**-**	**5,000,000**	**19,358,680**
Members' loans receivable and accrued interest	**398,805,294**	**159,845,380**	**350,685,852**	**909,336,526**
Accounts receivable	**369,423**	**-**	**-**	**369,423**
Total	**569,429,485**	**159,845,380**	**355,685,852**	**1,084,960,717**

Financial liabilities	**Less than 1 year**	**1-2 years**	**After 2 years**	**Total**
Members' savings and deposits and accrued interest	**879,694,732**	**51,159,193**	**57,120,007**	**987,973,932**
Accounts payable	**9,726,966**	**-**	**-**	**9,726,966**
Securitization	**-**	**-**	**15,957,270**	**15,957,270**
Total	**889,421,698**	**51,159,193**	**73,077,277**	**1,013,658,168**

Foreign Currency Risk

Currency risk relates to the Credit Union operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange rates when adverse changes in foreign currency exchange rates occur.

The Credit Union's foreign exchange risk is related to deposits and loans denominated in United States dollars. Foreign currency holdings are monitored by management and holdings are adjusted when offside of the investment policy.

Risk Measurement

The Credit Union's position is measured weekly. Measurement of risk is based on the mismatch of assets and liabilities denominated in United States dollars.

Objectives, Policies and Procedures

The Credit Union limits its mismatch of assets and liabilities held to $150,000.

For the year-ended December 31,2024, the Credit Union's exposure to foreign exchange risk complies with the policy.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

18. Financial instruments *(Continued from previous page)*

Fair value of financial instruments

The estimated fair values of financial instruments are designed to approximate values at which these instruments could be exchanged in a current market. However, many of the financial instruments lack an available trading market and therefore fair values are based on estimates. Fair values have not been determined for property and equipment or any other asset or liability that is not a financial instrument. The fair values of cash resources, variable rate loans and deposits, and accounts payable are assumed to equal their book values. The fair values of fixed rate loans and deposits are determined by discounting the expected future cash flows at the estimated current market rates for loans and deposits with similar characteristics.

	Fair value	**Book value**	**2024 Fair value over (under) book value**	Fair value	Book value	2023 Fair value over (under) book value
Financial assets						
Cash and cash equivalents	**155,896,088**	**155,896,088**	**-**	114,266,883	114,266,883	-
Investments and accrued interest	**19,523,626**	**19,358,680**	**164,946**	18,054,195	18,166,706	(112,511)
Members' loans receivable and accrued interest	**903,020,667**	**909,336,526**	**(6,315,859)**	858,435,026	859,801,709	(1,366,683)
Accounts receivable	**369,423**	**369,423**	**-**	373,198	373,198	-
	1,078,809,804	**1,084,960,717**	**(6,150,913)**	991,129,302	992,608,469	(1,479,194)
Financial liabilities						
Members' savings and deposits and accrued interest	**992,011,473**	**987,973,932**	**4,037,541**	913,276,478	913,679,911	(403,433)
Accounts payable	**9,726,966**	**9,726,966**	**-**	9,521,203	9,521,203	-
Securitization	**15,891,521**	**15,957,270**	**(65,749)**	3,416,420	3,427,818	(11,398)
	1,017,629,960	**1,013,658,168**	**3,971,792**	926,214,101	926,628,932	(414,831)

Fair value measurements

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

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities. Assets measured at fair value and classified as level 1 include cash and cash equivalents.

- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly. Members' loans receivable, investments, accounts receivable and member deposits are disclosed at fair value based on a level 2 classification.

- Level 3: Unobservable inputs in which there is little or no market data, which require the Credit Union to develop its own assumptions. There are no assets measured at fair value classified at level 3.

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

19. Commitments and guarantees

Director and officer indemnification

The Credit Union indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Credit Union to the extent permitted by law. The Credit Union has acquired and maintains liability insurance for its directors and officers.