



2025 ANNUAL REPORT



**Saskatoon
City Employees
Credit Union**



**Saskatchewan
Credit Unions**

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Meeting Agenda

**79th Annual Meeting of the
Saskatoon City Employees Credit Union
June 16, 2026 – 7:00 PM
Committee Room E, City Hall**

1. Call to order and Welcome
2. Registration and Declaration of Quorum
3. Adoption of Agenda
4. Reading and approval of previous year's annual meeting minutes
5. Business arising out of minutes
6. Board of Directors/Board Chair's Report
7. Deposit Guarantee Corporation Annual Report 2025
8. Management Discussion and Analysis Report
9. Management's Responsibility
10. Auditors Report and Presentation of Financial Statements
11. Adoption of reports
12. Appointment of auditors for 2026
13. Announcement of Directors
14. New and Other Business
 - Boyd Johnson Memorial Scholarship Awards Presentation
 - Other New Business
 - Door Prizes
15. Adjournment

**78th Annual General Meeting
of the
Saskatoon City Employees Credit Union
March 25,2025**

1.0 Call to Order & Welcome: Time: 7:32 pm

2.0 Registration & Declaration of Quorum:

Minimum of 15 members required.

Quorum is declared.

3.0 Adoption of Agenda:

Motion:

Moved by: Gail Gillard Seconded by: Chris Phippard

“To adopt the agenda as presented.”

Carried

4.0 Reading and approval of the previous year’s annual board minutes

Motion:

Moved by: Craig Senick Seconded by: Stan Macala

“That the minutes of the SCECU AGM meeting held on March 19,2024, be approved as presented.”

Carried

5.0 Business arising Out of the minutes:

None

6.0 Board of Directors/Board Chair’s Report

Chair Marian Voth presented her report to the membership.

7.0 Deposit Guarantee Corporation Annual Report for 2024

Posted on their website: www.cudgc.sk.ca

Refer to page 9 of the Annual Report.

**78th Annual General Meeting
of the
Saskatoon City Employees Credit Union
March 25,2025**

8.0 Management Discussion and Analysis Report

General Manager Dennis Lozinsky welcomed the membership to the meeting. He presented a power point presentation of his report with the membership. (refer to page 14-40 in the annual report package)

9.0 Management's Responsibility

General Manger Dennis Lozinsky referred to page 44 of the annual report. He referenced the responsibilities regarding the preparation of the financial statements which are in accordance with International Financial Reporting Standards.

10.0 Auditor's Report and Presentation of Financial Statements

Brian Heinrichs, partner of Virtus Group, presented the auditor's report and the financial statements for 2024 to the membership.

Motion:

Moved by: Allen Beck Seconded by: Gail Gillard

“That the Audited Statements for 2024 be accepted as presented”

Carried

11.0 Adoption of Reports

Motion:

Moved by: Chris Phippard Seconded by: Steven Hartmann

“That the Reports of he Board chair, Deposit Guarantee annual report and the Management's Discussion and Analysis Report be received as presented.”

Carried

12.0 Appointment of Auditors for 2024

Motion:

Moved by: Les Smith Seconded by: Allen Beck

“That the audit firm of The Virtus Group LLP be appointed to carry out the audit function for 2025.”

Carried

**78th Annual General Meeting
of the
Saskatoon City Employees Credit Union
March 25,2025**

13.0 Announcement of Directors

This years nominating committee was made up of Craig Senick , Stevie Hopkins and credit union support of Scott Roesch.

Craig provided an update.

Motion:

Moved by: Alyson Edwards-Price Seconded by: Stan Macala

“That incumbent directors Allen Beck, Alyson Edward-Price and Adjunct member Stan Macala be declared elected by acclamation for a term of 3 years to the Board of Directors of the Saskatoon City Employees Credit Union “

Carried

14.0 New and Other Business:

- Boyd Johnson Memorial Scholarship Awards Presentation
President Marian Voth announced the Boyd Johnson memorial awards to this year’s recipients, Payton Wehner and Rowan Redekopp.

- Long Service Awards
 - Sophie Koral – 5 years service
 - Stephanie Moss – 10 years service
 - Scott Roesch – 30 years service

- Other new Business
Congratulations goes out to Gail Gillard that will be retiring this year after 40 years with the Saskatoon City Employees Credit Union.

- Door Prizes
-draws

15.0 Adjournment:

Motion:

Moved by: Chris Phippard Seconded by: Alyson Edwards-Price

“That the Annual General Meeting for 2024 be adjourned.”

Carried

Time: 8:41 pm

The Board Chair's Report 2025

2025: A YEAR OF TRANSITION

The year 2025 began like previous years. Membership numbers continued its slow decline mostly due to the consolidation of accounts, closing of dormant accounts, and the passing of some of our long-time members. The welcoming of new members brought the membership to 2053, a net decrease of 28 accounts from 2024.

The credit union continued its good financial strength with assets growing from \$84.16 million to \$89.51 million, a growth of 6.3%. However, there was concern over the declining demand for mortgages and loans, resulting in a greater percentage of assets being deposited in investments having a lower rate of return. The forecast was for a smaller, but still positive net profit.

With the retirement of Graeme Bittner, the Assistant General Manager and the sudden departure of the General Manager, everything changed. The Board immediately appointed Scott Roesch as the Acting General Manager.

Brightside Consulting, a company with extensive knowledge and experience with credit unions, was retained to assist and guide management, staff and the Board through the transition. Additional legal and human resource services were retained to advise the Board on employment issues.

Gail Gillard graciously returned from retirement to assist in the loan department and to assist staff with operational matters. The Board transitioned from an oversight role to a more active role in the management and leadership of the Credit Union.

The result of all the unplanned expenditures was a net loss of \$147,487 in 2025 and a whole debt of gratitude to our staff, our general manager, our consultants and our legal advisors.

While a net loss is never a good thing, the financial impact of the loss in 2025 on the credit union was minimal. First, there was no patronage rebate to our members for 2025, only the second time in recent memory. The first was related to the COVID pandemic.

The net loss was covered by reserves created from retained earnings from prior years, resulting in a decrease in the reserves from \$7.86 million to \$7.72 million, a reduction of 1.9%. These reserves exist as insurance to protect the membership from losses such as we had in 2025.

The first quarter financial statements forecast a net profit for 2026.

The transition continued with the appointment of Scott Roesch as our permanent General Manager effective November 1, 2025. Scott brings a new perspective to the credit union. He has assembled a new management team with each member having extensive experience in the credit union system.

The Board is also in transition with its governance model. The Board is abandoning the Carver Model of policy governance, which has served the credit union well for 30 years. With the assistance of Brightside Consulting and the incredible amount of work being carried out by the Board's Policy Committee, the Board is transitioning to a more traditional model of governance that is used by other credit unions in Saskatchewan.

THINGS THAT ARE STAYING THE SAME

The Board continues to support our community as well as our employees and members. In 2025, Board members volunteered with the Annual Civic Pancake Breakfast. Board members also participated in the Prairie Hospice annual golf tournament. The Board also directed our \$2,000 annual community charity donation to Prairie Hospice.

The Board is once again pleased to present two scholarships in memory of Boyd Johnson, a dedicated member of the Board for many years. The recipients of these two \$1,250 scholarships will be announced later in tonight's program.

The Board, our General Manager and our staff continue to commit to one thing: Exceptional, personalized customer service to our members that makes the Saskatoon City Employees Credit Union the financial institute of choice for our members.

THANK YOU

Finally, I would like to thank our members for continuing to support the Credit Union and placing your trust in us as your financial institution. This is your Credit Union and success depends on you. Spread the word about us in your workplace. Better yet, consider volunteering your time on the Board of Directors.

Together, I look forward to a prosperous future for our members.

Richard Woodvine
Board Chair

Saskatoon City Employees Credit Union
BOARD GOVERNANCE POLICY
Approved by the Board: June, 2014

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ENDS POLICY

MEMBER FINANCIAL WELL BEING

1.0 SAVING

- 1.1 Members earn interest at competitive rates on money deposited in guaranteed accounts and/or investments;
- 1.2 Members can purchase non-guaranteed investments.

2.0 BORROWING

- 2.1 Members can borrow money at competitive rates subject to an acceptable credit record and sufficient collateral.

3.0 TRANSACTIONS

- 3.1 Members can initiate common financial transactions 24 hours a day - 7 days a week.
- 3.2 Transaction fees are competitive within the Saskatoon market place.

4.0 PERSONALIZED SERVICE

- 4.1 Members feel welcome, appreciated and respected by Saskatoon City Employees Credit Union staff.
- 4.2 Members receive effective service in a timely manner.

5.0 SAFEKEEPING

- 5.1 Members can store valuables in a deposit box subject to size and availability at the Saskatoon City Employees Credit Union for safekeeping.

6.0 FINANCIAL KNOWLEDGE

- 6.1 Members have access to sound financial information and advice

7.0 EQUITY/DIVIDENDS

- 7.1 Members receive their share of profits in the form of equity and patronage dividends.

8.0 INSURANCE

- 8.1 Members can purchase life and disability insurance for loans.



CREDIT UNION DEPOSIT GUARANTEE CORPORATION ANNUAL REPORT MESSAGE

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

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

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



Quick Facts

(as of December 31, 2025, unless otherwise indicated)

- As of January 1, 2026, there are 27 provincial credit unions and one federal credit union in communities across Saskatchewan.
- Provincial credit unions offer financial products and services to more than 455,000 members.
- In 2025, Saskatchewan provincial credit union assets reached \$29.9 billion with revenue of more than \$1.5 billion.
- In 2025, Provincial credit union lending amounts were close to \$22.8 billion.
- As independent financial institutions owned and controlled by their members, credit unions are shaped by community needs. In 2025, Saskatchewan provincial credit unions range in asset size from \$53.10 million to more than \$8.8 billion.
- In 2025, Saskatchewan provincial credit unions returned over \$11.3 million to their members in the form of patronage equity contribution and dividends.
- Provincial credit unions are a major contributor to Saskatchewan's economy, employing more than 3,000 people.
- Funds held on deposit in Saskatchewan provincial credit unions are fully guaranteed through the Credit Union Deposit Guarantee Corporation. The full guarantee is made possible through a comprehensive deposit protection regime that is focused on prevention.

Vision Statement

Building on member's needs, cooperative ideals, partnerships, and sound financial principles, we provide comprehensive personalized financial services, in an ethical and prudent manner. We commit to the financial wellness of our growing and participative community of members.

Mission Statement

The Saskatoon City Employees Credit Union exists to provide quality financial services to its members.

Values

- Open and Voluntary memberships
- Democratic control
- Non-discriminatory
- Service to members towards increasing economic and social well-being
- Distribution towards members
- Build financial stability
- Ongoing education
- Cooperation amongst co-operatives
- Social responsibility

Credit Union Market Code

Saskatoon City Employees Credit Union voluntarily adheres to the Credit Union Market Code. This code was jointly developed in 2006 by Saskatchewan Credit Unions, SaskCentral (in consultation with FCAA) and Credit Union Deposit Guarantee Corporation and last revised in 2021/22. The Market Code is under review by National Consulting Limited (NCL) on behalf of the NCL shareholders. The Market Code objectives are identification of market practice standards and consumer protection. The code sets forth guidelines for the following six themes and includes low fee or basic account:

- **Fair Sales** "information that focuses on the differences between preferential pricing and coercive tied selling, risk management and discrimination. The purpose of fair sales is to make sure the credit union's actions and decisions regarding member advice, information and recommendations made by the credit union are objective and reflective of the financial needs and the roles and responsibilities of the member and the credit union."
- **Transparency and Disclosure** "information that focuses on account opening and notice requirements. The credit union must be open and honest in its dealings with existing and potential members."

- **Professional Standards** “for Employees (employee licensing, training, and accreditation where applicable). The purpose of this objective is to have well-trained and well-informed employees who can provide financial information and advice members can trust.”
- **Complaint handling** “(Problem Resolution). The purpose of complaint handling is to provide a process for the resolution of complaints that arise from the provision of financial services to members.”
- **Protection of Vulnerable Members** “(identifying, communicating with, and endeavoring to mitigate harm to Vulnerable Members, and providing them with targeted financial advice, strategies, and support).”
- **Access to Banking Services** (including **Low fee accounts**). “The Account Opening Documentation and Process defines the relationship as a self-managed relationship where the member is provided with relevant product and service information to enable him/her to make informed decisions. The credit union’s obligation is to provide information.

Credit unions will take reasonable measures to ensure access to a basic banking account consistent with the approach mandated by the Financial Consumer Agency of Canada (FCAC) for federally regulated financial institutions. The intent is to offer a basic banking account that will accommodate all persons. A low fee account is an option for individuals who conduct limited monthly transactions, or who would otherwise not have a bank account because of the higher costs associated with other types of accounts.”

Co-operative Principles

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

Voluntary and Open Membership

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

Democratic Member Control

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

Member Economic Participation

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

Autonomy and Independence

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

Education, Training, and Information

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

Co-operation among Co-operatives

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

Concern for Community

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

Management Discussion and Analysis

Introduction

Saskatoon City Employees Credit Union (SCECU) is an independent closed-bond Saskatchewan Credit Union owned by our members. Our Credit Union was officially incorporated on July 7th, 1947. Under the current credit union legislation and bylaws Saskatoon City Employees Credit Union can provide financial services to members and non-members. As of December 31, 2025, Saskatoon City Employees Credit Union had 2128 members and 18 non-members. Non-members do not participate in the democratic processes of the credit union nor the patronage program. Our credit union serves the City of Saskatoon's employees, superannuates and their respective families through a single branch located in City Hall. We provide a full range of traditional retail banking services and products such as personal and business deposit account products, registered investments (RRSP, RRIF, TFSA, RESP, FHSA) ancillary financial services including US \$ chequing accounts, member debit cards, safety deposit boxes, on-line banking including e-transfer, mobile apps with deposit anywhere capabilities and Lock'N' Block features, domestic and international wire transfers, foreign currency exchange, consumer and business loans, lines of credit, creditor insurance products, Mastercard credit cards including a US\$ credit card, on-line brokerage services with Qtrade Investor and access to mutual fund sales and wealth management services through a partnership with another credit union.

Strategy

The vision of Saskatoon City Employees Credit Union is to be the leading provider of comprehensive financial services for the employees, superannuates of the city of Saskatoon and their families. To monitor specific objectives throughout the year that support this vision, the board held a strategic planning session in late 2024. From that planning session, strategies were developed to guide the future direction and development for the credit union. At least semi-annually, board and management review the progress toward achieving those strategies. Our strategy can be divided into four categories; a) Financial Performance and Risk Management; b) Members and Growth; c) Internal Business Processes, and d) People Performance and Development.

Our key 2025 strategic objectives cover four areas: i) Financial Performance and Risk Management, ii) Members and Growth, iii) Internal Business Processes, and iv) People Performance and Development. These strategies are; a) to pursue initiatives that enhance relevance and support long term sustainability, optimizing revenues, controlling expenses and managing risk-weighted assets, b) to develop a proactive member centric sales culture to benefit members and increase the number of fullservice sustainable members; c) to ensure our physical branch footprint in Saskatoon increases our relevance to members (current and future), and d) strengthen our people's skills and competencies through training and to improve our desired member experience; and educate staff on what a proactive sales culture looks like.

The results of our activities in 2025 are: a) our net earnings did not meet our performance targets due to changes in personnel and additional personnel costs. This resulted in a net loss for the year of (0.16%). As a result, the board was unable to declare a patronage allocation for 2025. Our loan portfolio and member deposits experienced growth which resulted in growth of assets of 6.34%. b) Although we had considerable change in staffing this year and significant operational challenges, our staff are continually striving to ensure our members are aware of all the services and benefits our credit union offers. Our objective is two-fold: to ensure the best service for our members, and to have our members become a full-service member. A full-service member is having at least 3 of 5 services with our Credit Union (a deposit account with a member card, automatic payroll or pension deposit, a loan/credit product, an investment account, or a Collabria credit card); c) we continue to improve on service delivery channels both in branch and online, enhance security features with Celero implementing the Zero Trust initiative to safeguard our members plus regular reviews of our processes are undertaken to ensure quality member service, building member's trust, confidence, and satisfaction; and lastly, d) we continue to provide training opportunities for staff and management, by cross training and using online learnings and webinars, to enhance our competencies and to keep pace with the increasing complexities in the financial industry.

Key Performance Results

The success of Saskatoon City Employees Credit Union is measured by its financial management and performance (asset, loan, and deposit growth), credit management including credit risk exposure, capital and profitability management, and liquidity management.

Our Credit Union's audited financial statements are attached to and form a part of this report. The following results analysis uses the externally prepared audited financial statements provided by Virtus Group LLP as of December 31, 2025.

Financial Performance:

Balance Sheet Analysis:

Our assets increased year-over-year by 6.34% or (\$5.4M) to end 2025 at \$89.5M from \$84.2M in 2024. This compares to the 2024 increase in asset growth of (\$6.0M) or (7.7%).

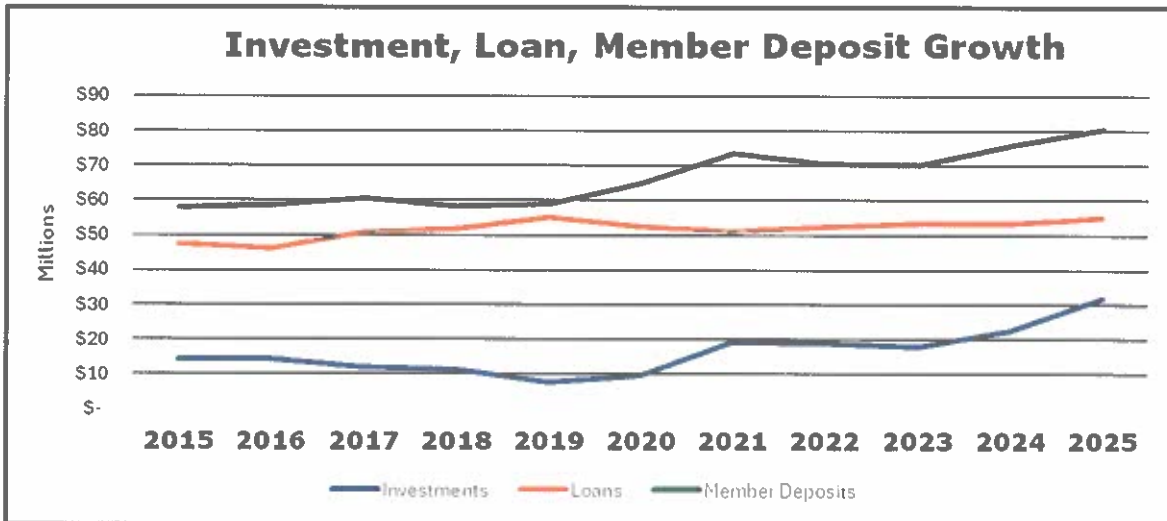
A year-over-year comparison shows our loan portfolio increased minimally in 2025 by 3.09% or \$1.6M to end the year at \$54.8M. This compares to 2024's decrease of (0.15%) or (\$52.5K).

Our investments increased year over year by \$1.96M or 8.75% to end 2025 at \$24.38M. In 2024 investments increased by \$4.3M or 24.3%. Our cash holdings increased from 2024 to 2025 by \$1.77M or 7.91% with cash deposits totaling \$2.27M up from \$1.36M in 2024. Cash Holdings include term investments maturing within 90 days of December 31, 2025 of \$3.4M. Actual cash and current account holdings of \$2.27M represents 2.54% of total assets.

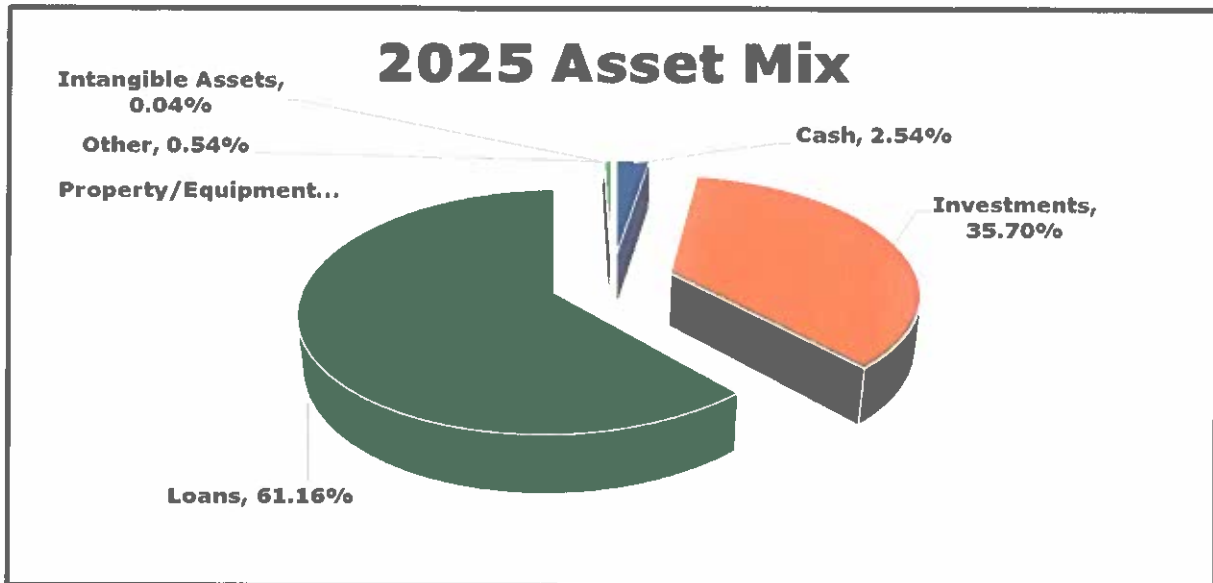
Member deposits increased year-over-year by a rate of 7.47% or \$5.66M as deposits grew from \$75.762M to \$81.428M as of December 31, 2025. This compares with 2024 results which saw a year over year increase of \$5.34M or 7.7%.



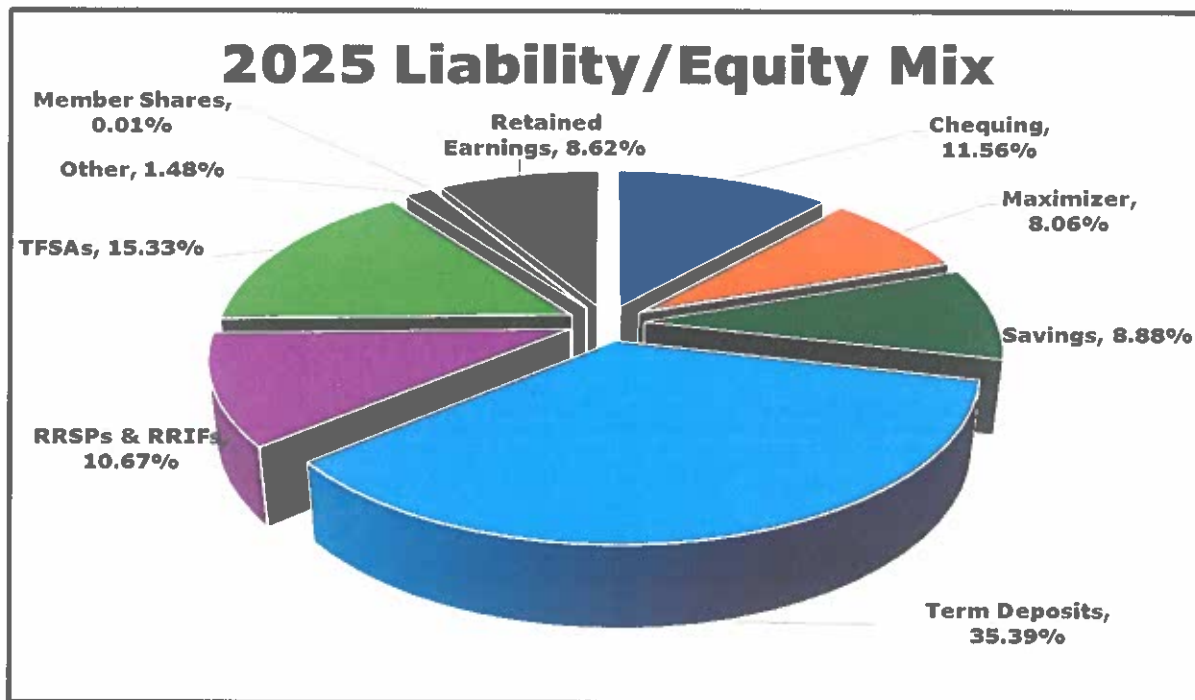
Member deposits fund member loan demand with the residual monies placed in investments. Should loan growth exceed deposit growth then the Credit Union will use investments to fund loan requests. The following chart illustrates the results in relational balance sheet items.



The following is an illustration of our asset composition as of December 31, 2025. Management and board target mix would see loans at 80%, cash holdings at 3-5% and investments at 12-15% where 95% of assets are generating revenues.



The chart below illustrates the composition of our liability and equity as of December 31, 2025.



Credit Management:

Credit risk is the risk of loss arising from a borrower or counterparty's inability to meet its obligations. Our counterparty obligations are our investment and loan portfolios. Our statutory liquidity investments are held with SaskCentral and 100% insured by Credit Union Deposit Guarantee Corporation. Our excess liquidity investments are held with Canadian



Western Bank (rated A-low), HSBC (rated A-high), Royal Bank (rated AAhigh), Manulife HISA account (rated AA-low) and EQ Bank (formerly Concentra Bank), rated BBB by DBRS Morningstar signifying a low risk of failure and good prospects for ongoing viability. We consider our primary risk to be associated with loans. As of December 31, 2025, we had a total loss exposure, which are all loans 90 days or more delinquent, of 0.53%, with three loans more than 90 days in arrears. This compares to December 31, 2024, of no loans (0.00% delinquency) over 90 days. The 2025 average for the Saskatchewan Credit Union system is 0.58%.

In compliance with IFRS 9 reporting which specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items. The analysis performed on our loan assets looks at the composition of our loan portfolio, our historical loan loss experience, the loan loss experience of the provincial Credit Union system and the current and future economic forecast. The objective is to use this information to estimate what future or expected credit losses may be for our Credit Union and thus to ensure we have made adequate provisions to cover such a loss. Our analysis determined we should have an accumulated loan loss provision of \$99,207. As of December 31, 2025, we held \$177,798 in a collective provisional loan allowance compared to December 31, 2024, where we held \$177,798 in loan loss provisions. In 2025, no loans were written off, in 2024 we wrote off five (5) loans for \$25,847, and in 2023 we wrote off two (2) loans for \$10,603.

Loan Portfolio Mix:

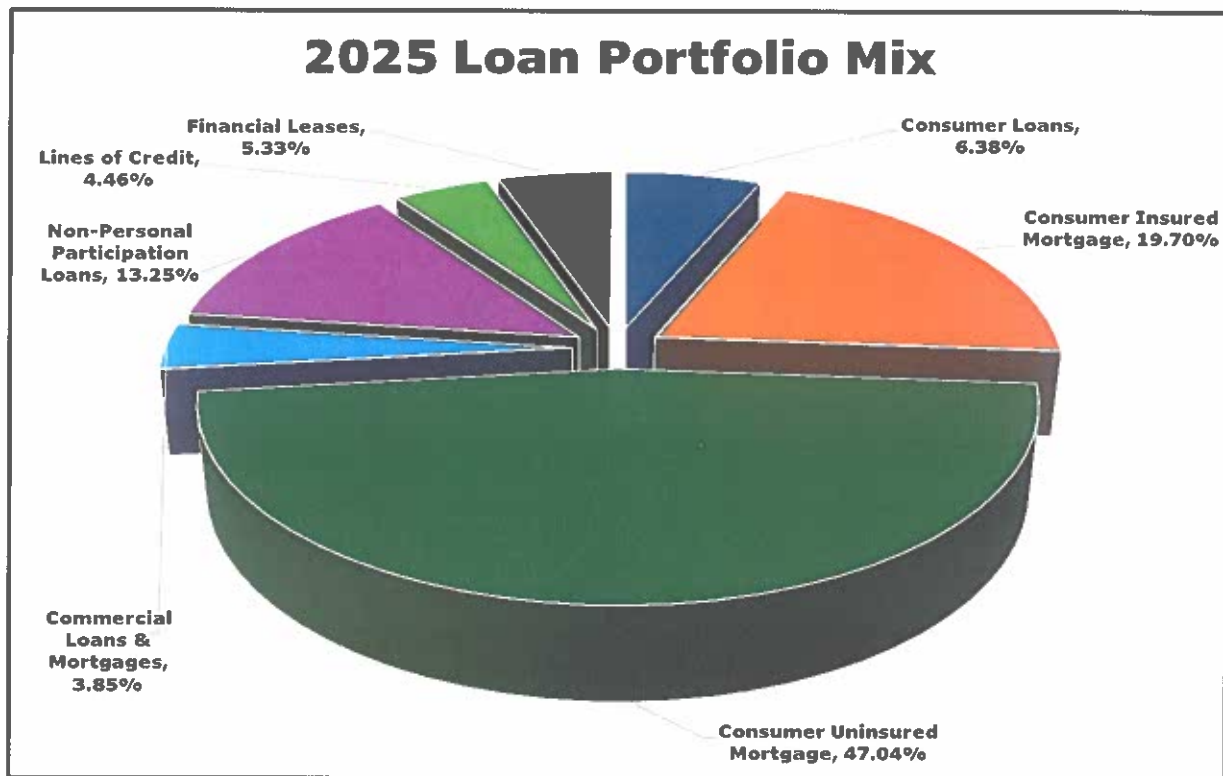
Even though the loan portfolio experienced modest growth in 2025, the larger growth in assets resulted in a decrease of the loan-to-asset ratio to 61.16% (63.21-2024; 68.19%-2023; 66.66%-2022). As this ratio is an indicator of our liquidity risk our regulator monitors this ratio. The target loan to asset ratio is 80.0%. Interest on loans is the primary source of revenue to offset operating expenses. As the potential for loan demand and growth within our membership is limited, board and management made the strategic decision to grow the loan portfolio by participating in loans with other Saskatchewan Credit Union, and by purchasing financial leases through a reputable Saskatchewan leasing company. As a result, our loan portfolio increased 3.09% or \$1.6M. Our loan demand remains soft and resulted in a year-over-year decrease in our member loan portfolio of (3.30%) or \$1.47M, compared to an decrease in 2024 of (0.15%) or \$82.5K. Our loan portfolio is predominantly consumer credit. Our consumer credit and lines of credit represent as of December 31, 2025, 77.57%, (84.55% for December 31, 2024), of our total loan portfolio. Personal mortgages, less possible loan loss allowances, comprise 86.03% of the consumer loan portfolio compared to 86.02% the prior year. Our consumer mortgages, less possible loan loss allowances, represent 66.73% (2024-72.89%) of our total loan portfolio. Consumer mortgages present a lower risk to the Credit Union and directly correlate to our strong risk-weighted capital ratio. Acquiring participation loans and financial leases allows us to grow our loan portfolio but also has the benefit of diversifying into other sectors such as agriculture.

Our board’s risk appetite loan portfolio mix is as follows:

Consumer 50% - 95%; Commercial 0% - 25%; Agriculture 0% -10%.
Participation 0% - 25%; Leases 0% - 30%.

The risk appetite statement provides management with options to diversify the loan portfolio to optimize our current capital and pursue potentially higher earnings.

Our loan portfolio mix is illustrated in the chart below as of December 31, 2025.



An insured mortgage is a mortgage on a principal residence in which the mortgage debt is insured for default by Canada Mortgage Housing Corporation (CMHC) or an approved private insurance provider, for mortgages with less than a 20% down payment but with a minimum down payment of 5%. The insurer provides a guarantee of repayment to the lender for full repayment of the mortgage. Currently, our insured portfolio is underwritten by CMHC.

A conventional or uninsured mortgage requires a minimum down payment of 20% or where the loan to value ratio is less than 80%.

Credit Union Deposit Guarantee Corporation (CUDGC) standards require Credit Unions to manage credit such that *"The loan-to-value ratio for non-conforming residential mortgages cannot exceed 65% of the value of the mortgaged property"*. A non-conforming mortgage is defined by CUDGC as; *"non-conforming residential mortgages can include, in general, non-income qualifying loans, loans to those with low credit scores or high debt serviceability ratios, mortgages where attributes of the property cause the loan to carry credit risk (e.g.,*

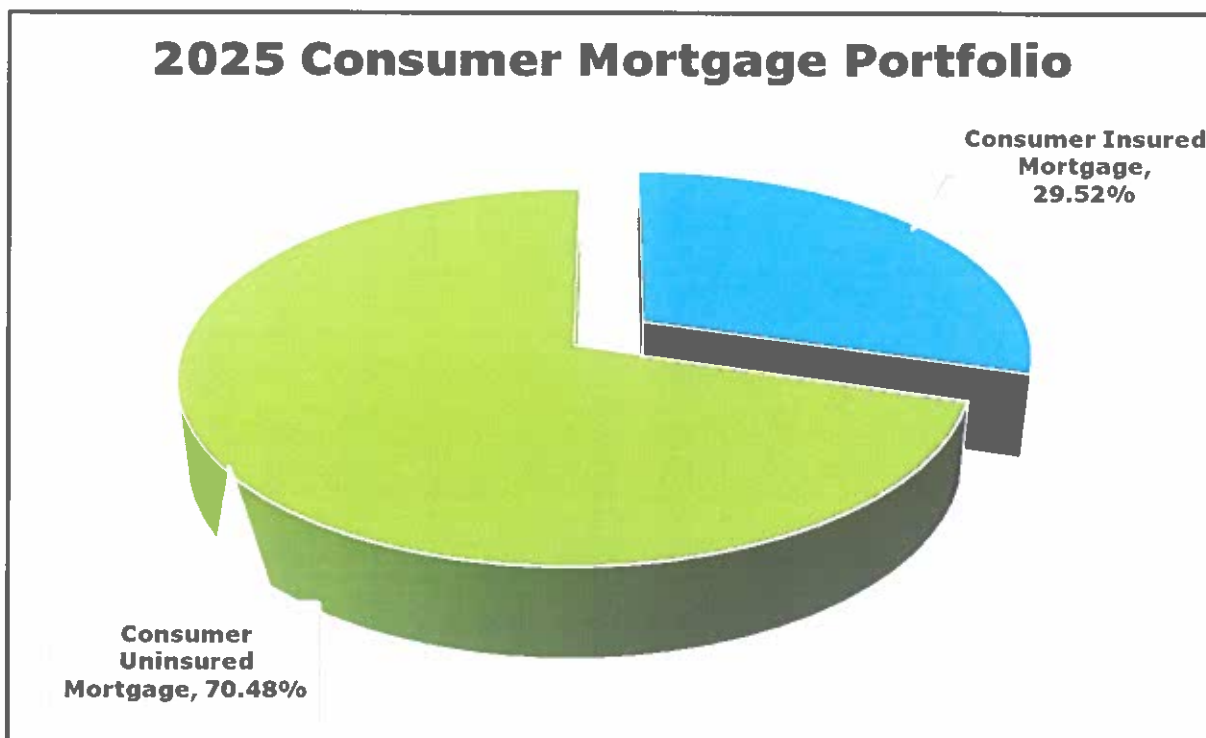
illiquid properties) or any loan that has clear deficiencies relative to a conforming residential mortgage.”

Saskatoon City Employees Credit Union to the best of my knowledge does not have any non-conforming mortgages.

Our mortgage portfolio is low risk with a very high probability of full repayment as our lenders fulfill all underwriting requirements and follow our lending policies and practices which are compliant with the Standards of Sound Business Practice.

Our lending staff routinely stress tests and properly qualify our mortgagors to ensure affordability for our members and a strong mortgage portfolio for the Credit Union.

Our residential mortgage portfolio of \$36,648,336 includes principal and accrued interest and is comprised of \$10,817,101 or 29.52% insured mortgages and 70.48% or \$25,831,235 of uninsured (conventional) mortgages.



Capital and Profitability Management:

Return on Assets (ROA):

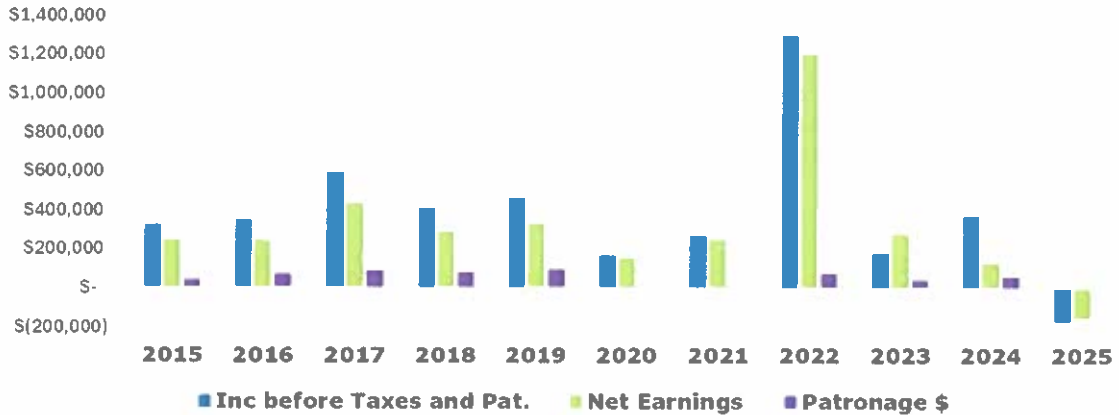
Profitability is another indicator of the Credit Union performance measured by the return on assets. ROA is net income generated compared to the assets of our credit union. Our ROA “after tax” from operations, as of December 31, 2025, is a loss of 16 basis points, and a ROA loss of 18 basis points “Before patronage and tax allocation”. This compares to the system ROA “after tax” of 72 basis points and the ROA “before patronage and tax allocation” of 76 basis points. Our ROA as of December 31, 2024 was 34 points and as of December 31, 2023,



Saskatoon City Employees Credit Union

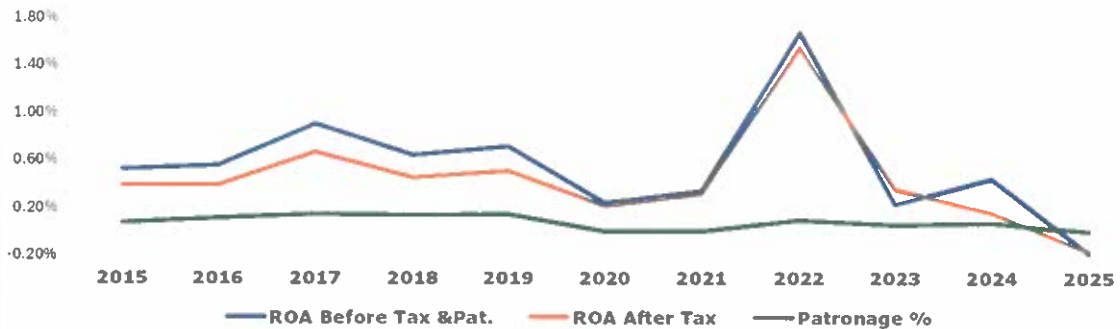
was 16 points. Ideally, a ROA would be between 50 and 75 basis points. Your board has set a ROA target of 35 to 50 basis points.

Earnings, Patronage and Equity



This chart illustrates the relationship between ROA and paid patronage.

Earnings, Patronage and Equity

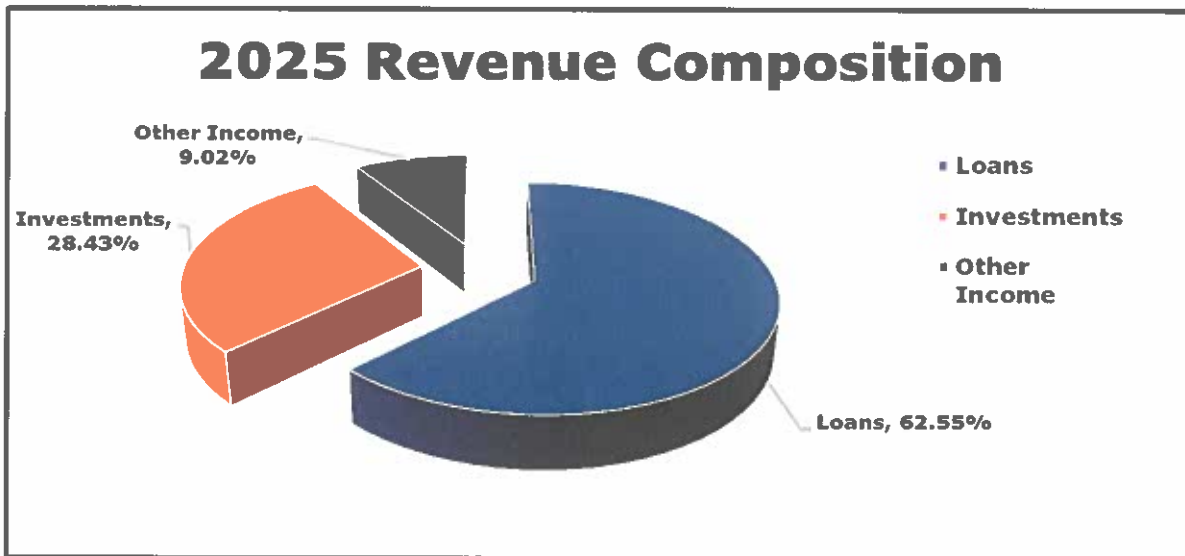


Leverage Ratio

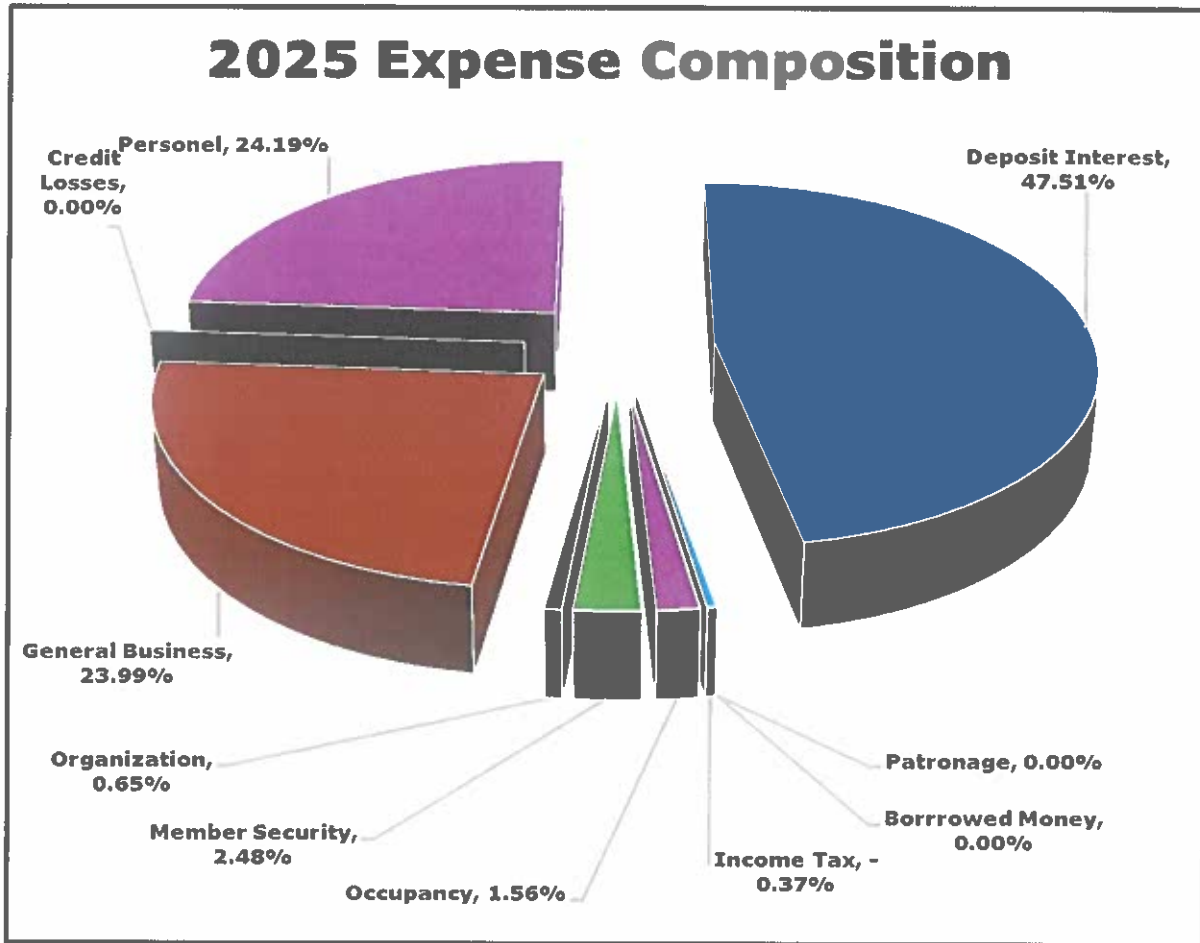


Our 2025 net loss of \$147,487 is a significant decrease over 2024 net annual earnings of \$278,988. Revenue composition includes loan interest, investment income, and noninterest income. Our loan revenues decreased slightly (a reflection of lower interest rates) along with investment and non-interest income. Our year-over-year comparison reveals loan revenues decreased by 3.20% because of lower interest rates and fixed rate loans renewing at lower rates. Our investment income also decreased by 5.33% largely due to lower interest rates on investments even though our investment portfolio grew by \$1.9M.

Our non-interest income decreased by 16.39% partially due to less syndicated loan administrations revenues, and foreign exchange revenues. Although net interest revenue showed a modest increase over last year, unanticipated operating expenses resulted in an operating loss for 2025. Therefore, to preserve capital and the financial strength of the credit union, your board chose not to declare a patronage refund for 2025. We maintained our leverage ratio above the 7.0% minimum, at 8.71% and an Eligible Capital ratio at 17.94% above the regulatory minimum of 10.50%.



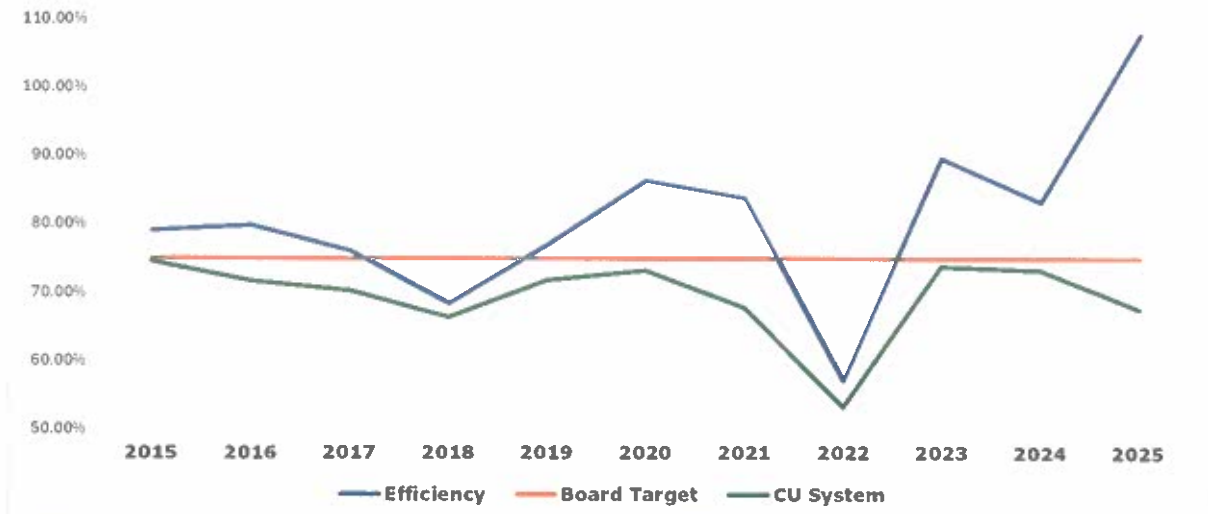
Our expenses are comprised of member deposit interest, interest on borrowed money, patronage, credit losses, operating expenses (general business, occupancy, organizational, personnel and member security) and taxes. Our member deposit interest expense decreased by 7.58% due to lower interest rates averaging 2.67% in 2025 compared to a 2.97% average in 2024 and an increase of 7.47% in member deposits. The chart below illustrates our expense breakdown.



Efficiency Ratio:

The efficiency ratio is a measure of revenue to expenses expressed as a percentage and the lower the ratio the more profitable the entity. Our Credit Union's operating efficiency ratio as of December 31, 2025, is 107.6%, (2024 - 83.3%), (2023 - 89.7%) while the Saskatchewan Credit Union system ratio is 67.54% for December 31, 2025, and 73.26% for 2024. The unanticipated financial loss in 2025 resulted in the efficiency ratio outside our target goal of 75% to 78% from typical operations. To improve our efficiency, we need to increase our revenues and control our operating expenses.

SCECU Efficiency Ratio



Liquidity Management:

With our investment practices and our member deposit structure our liquidity position is strong. Calculated according to the Credit Union Deposit Guarantee's Standards of Sound Business Practice, as of December 31, 2025, our LCR is 819.18%, well above the current requirements of 100%, while the credit union system is at 249.94%.

From an operational perspective we strive to maintain 100% of our operating liquidity needs to provide our members with the capacity to transact their day-to-day financial activities. Our member deposits increase, and stable loan demand creates more pressure on liquidity management. Our operational liquidity remains stable with our investment management practices. This results in our operating liquidity as of December 31, 2025 to be 236% of our requirement. To manage liquidity the Credit Union has strategies to deal with this matter including aggressively solicit loans, purchase loans and/or leases, manage investment terms, and utilize our SaskCentral line of credit. Although not a significant current risk, management will continue to monitor and manage SCECU's operating liquidity in 2026.

People:

Members

In 2025 our memberships decreased by 0.39% from 2071 members to 2063 members. There were 63 new member records opened, and 71 member records closed. As of December 31, 2025, we also have 18 non-members utilizing our services. In 2024, 62 new member records were opened, and 90 member records were closed for a decrease of 28 (1.35%) and (1.61% decrease – 2023). The Credit Union system experienced a membership increase of 2.34% in 2024.



Directors

The board of directors has determined the board will operate with 9 members. In 2025 the board operated with 8 voting members and appointed 1 adjunct member. There are five positions available as of the date of our annual general meeting on June 16, 2026, each for three-year terms. Two (2) incumbents, Stephen Hopkins and Marian Voth have offered to let their name stand and seek reelection to the board. The board opened nominations to the board on February 10, 2026, and will announce the results at the Annual General meeting. We thank all our board members for their service to the Credit Union and extend our appreciation for their commitment, dedication, and service to our board.

Staff

2025 certainly presented numerous challenges with staff changes, the transfer of knowledge and job training. Our staff and management did a commendable job continuing to deliver timely, personal, friendly, and professional service to our members. I extend my sincere gratitude and appreciation to our staff and management. I am very proud to work alongside our staff and management as they have once again risen to the challenge of providing a high level of service to our members.

Our dedicated staff complement of 10 members consists of 8 full-time and 2 part-time employees with a 3-member management team. Our seven (7) staff are unionized members of UFCW Local 1400.

We've seen several personnel changes in 2025. Our Assistant Manager, Graeme Bittner retired on May 31, 2026. Gail Gillard retired first in April 2026 but graciously came back to assist the credit union in covering our lending department and provide support to the staff in a supervisory role. Gail then retired for good at the end of November 2026. We wish them both good health and relaxation in their retirement and thank them for the many years of service and dedication they gave to the organization and our members. They will be missed! We bid farewell to Sophie Korol and Steven Hartmann, who left in the fall of 2025 to pursue other endeavors and want to thank each of them for their service to the credit union and its members. Sonia Singla joined our credit union in November 2025 but resigned in April 2026 due to personal reasons. On June 25, 2025, Anamika Verma was hired as our full-time Member Services Representative bringing with her previous financial service experience. In October 2025, Deepika Sahdev joined our team as a Loans Officer bringing previous lending experience with her. Jared Olson joined our credit union on Feb 2, 2026, as the Manager, Credit & Risk. He brings a wealth of knowledge and experience on the lending side to this role, including commercial lending. Finally, on March 25, 2026, Sean Fletcher was hired as the Manager, Member Experience. Sean brings previous credit union management experience to the role and is a great addition to our team.

I look forward to the year ahead and for a successful year working with our hardworking staff and management team to serve our members with the highest level of service they deserve, have come to expect, and sincerely appreciate.

Summary

Although our Credit Union was able to achieve successes in 2025, it definitely was a year of struggle. Significant staff turnover and shortage of staff for a considerable length of time required that the credit union contract outside resources to ensure continuity of service to members, and to meet regulatory requirements. Adding to the challenge were falling interest rates, adjusting to the uncertainty in world financial markets, and the added workload of preparing for upcoming changes to our technology platforms. Board and staff dealt with these obstacles, overcame them, and ensured quality service to our members continued uninterrupted. Action plans were formulated to address challenges and progress to completion of the action plans is reported to, and reviewed regularly by, the board.

The highlights for 2025 were, (a) Implementing new software versions of our online banking applications; (b) implementing Credit Union Deposit Guarantee Corporation's new regulatory requirements, (c) implementing National Consulting Limited (NCL) AML services to support our anti-money laundering and terrorist financing requirements. (d) continued to work with National Consulting Limited (NCL) and the National Digital Banking Working Group regarding a new provider for digital banking; and (e) working with MNP to provide a new general ledger accounting software, which will be fully implemented in the fall of 2026.

Although we faced numerous challenges throughout 2025, our Credit Union was still able to attract new memberships, increase assets, and continue to maintain strong capital and liquidity ratios. Saskatoon City Employees Credit Union has an opportunity to grow and be successful in our niche market serving current and former City of Saskatoon employees and their families. A focus on quality loan growth, and full-service members, together with member security will help support profitability and positive net earnings in 2026 establishing a more sustainable future for our Credit Union and our members.

Management and staff will continue to initiate and implement processes to better position our credit union to achieve positive financial results for 2026 all the while navigating the risks and regulations in the financial services industry. The Board of Directors and Management team are committed to balancing and managing the various risks facing our Credit Union to ensure strength, stability, and viability well into the future.

Enterprise Risk Management (ERM)

Risk management tries to anticipate and prepare for potential risks that are most likely to materialize in our organization. Management works with the Board of Directors to establish and adopt policies and procedures to effectively manage the various risks to which the organization is exposed. Tools that management and the board have undertaken to identify, assess and manage the risks include regular monitoring, stress testing, both internal and external audits, combined with ongoing reporting to and monitoring by our regulator, Credit Union Deposit Guarantee Corporation. In addition, our Credit Union contracts external consultant services to assist our Credit Union in developing complete, updated, and integrated Capital, Liquidity, Strategic and ERM plans for 2026 and going forward.

Each year our credit union spends significant resources measuring and assessing risks and ensuring we are adequately prepared to serve our membership now and in the future. This

process is called Enterprise Risk Management (ERM) and is a requirement of credit unions in Saskatchewan as laid out by Credit Union Deposit Guarantee Corporation. Our discussions identified eleven (11) categories of risk namely, credit, liquidity, emerging, earnings, reputation, human resources, operational, strategic, market /interest rate, information technology, and legal/regulatory. As most of the risks remained relevant in 2025, the board and management reviewed ten (10) risks. Upon implementation of mitigating strategies and action plans no risks were considered high severity. Through regular reviews of the market and market conditions, internal assessments and regulatory compliance reviews, management reports to the board of directors quarterly through ICAAP analysis and an annual ERM update report. Risk mitigating strategies and action plans are implemented by management to manage these risks at levels identified in the credit unions risk appetite. Through this process, the following risks have been identified according to their potential impact on Saskatoon City Employees Credit Union (SCECU).

Strategic Risk

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

Four strategic risks identified as high inherent risk for Saskatoon City Employees Credit Union include: 1) inability to ensure our physical branch footprint increases our relevance to our members(current and future); 2) failure to develop a proactive member centric sales culture for the benefit of our members and increase the number of full-service and sustainable memberships; 3) inability to develop qualified directors will erode the strength of the credit union; and 4) failure to attract new members and increase wallet share threatens the long term sustainability of the credit union. To manage the risk to an acceptable moderate severity the following strategies were implemented: i) we will have efficient and effective processes to maintain up-to-date practices and control expenses. Our plans are to work with National Consulting Inc to stay current with technology advancement and to stay current with technology development. We will contract with Central 1 to offer members a modernized digital banking solution and with PPJV to offer members a payment solution. We will develop comprehensive IT strategy to ensure our systems are secure and positively impact member experiences. ii) We have defined a full-service member as having three of five services with SCECU, be proactive in member service, leverage analytics to better understand our member and deliver a superior member experience across multiple channels. Staff continue to participate in ongoing training to gain knowledge and experience to provide exceptional service to our members. iii) Encourage ongoing board development to deal with the complexities of the financial services industry. The board has acted to mitigate risks by implementing a recruitment process including a director eligibility declaration, budgeted for board training and encourages directors to take training courses. iv) We continue to work towards increasing the number of full-service and sustainable

members. We continue to deploy a marketing strategy to bring awareness of SCECU amongst city employees leveraging digital channels with the City of Saskatoon, and social media. We continue to work with the City of Saskatoon Communications Department to promote our employee-based Credit Union. All four risks have a residual risk severity of moderate or modest.

Reputational Risk

Reputational Risk is the risk of reputation because of inadequate management or other external risks. Regardless of how successful the credit union is at risk management other jurisdictions, national, provincial, or even international reputation events could impact local member perception of the credit union. Member financial loss and security breach are the two most prominent areas which could negatively impact reputation. Privacy matters are most prone to reputation impairment but there are many activities such as poor member service, technology failure, lack of financial success and ineffective governance are other potential risk areas. Risks identified for our Credit Union include profitability targets not achieved to a point where patronage payments could not be made, which may be a negative signal to members. We accept this risk and will mitigate the risks with staff, management and board education strategies and effective communication strategies. Communication is essential to the management of the risk and impact on member activities resulting from the event. Transparency and full disclosure are mandatory to maintain and regain member confidence.

Market Risk

Market risk is the exposure to potential loss from changes in market prices or rates. Losses can occur when values of assets and liabilities or revenues are adversely affected by changes in market conditions, such as interest rate or foreign exchange movement. Our risk is that competitive pressure in the consumer loan and mortgage market compress interest margins and negatively impact profitability. SCECU operates in one of the most competitive markets in Saskatchewan, not only from other Credit Unions but banks and other non-traditional players in the financial services industry. We accept the risk and to manage this risk, management will conduct reviews of product offerings, static gap analysis, and pricing to help ensure profitability and competitiveness. We will continue to develop our competitive advantage in excellent personal service and supplement that with loan, mortgage and deposit rate special's.

Liquidity Risk

Liquidity risk is the potential inability to meet obligations, such as liability maturities, deposit withdrawals, or funding loans without incurring unacceptable losses. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. Credit Union Deposit Guarantee Corporation (CUDGC) has developed standards, effective January 1, 2017, titled, the Liquidity Coverage Ratio (LCR). The purpose of the LCR is to measure whether the credit union has sufficient cash and very liquid assets to convert to cash (defined as High Quality Liquid Assets) to meet their liquidity requirements for a period of at

least 30 days in the event a liquidity event occurs such as a draw-down of member deposits. CUDGC LCR standard is 100%. The purpose of the liquidity management plan (LMP) is to ensure the optimal level of liquidity is maintained to meet regulatory and operational needs. Holding inadequate liquidity may result in SCECU not being able to meet member loan demand or demands for withdrawal of their deposits. Holding surplus liquidity means SCECU may not be generating sufficient returns on its funds to achieve an optimum return to its members or depositors.

Our objective is to maintain the Regulatory Statutory Liquidity ratio of 8.65% of deposits and strive to maintain our liquidity coverage ratio within a range of 110% to 150% of our requirements. Calculated according to the Standards of Sound Business Practice, as of December 31, 2025, our LCR is 819.18%, well above the current requirements and not a current risk facing SCECU.

Operational liquidity risk increases as our loan-to-asset ratio putting pressure on resources to fund liquidity events on a day-to-day basis. As of December 31, 2025, our loan to asset ratio is 61.10%, well below our board target of 80%. Once again increasing our loan portfolio will be a focus for management in 2026. To manage this risk, management will continue to actively pursue loan promotions to attract credit worthy members, investigate loan participation with Credit Union partners and investigate lease financing opportunities in pursuit of higher earnings within acceptable risk levels.

Credit Risk

Credit risk is the risk of loss arising from a borrower or counterparty's inability to meet its obligations. As all our investments are held with SaskCentral, EQ Bank (Formerly Concentra Bank) or other Schedule I banks with a DBRS rating of AA-High to BBB with a low risk of default, thus our primary risk is associated with loans. As extending credit has inherent risk, increasing our loan portfolio will increase our risk exposure and may require an increase in capital requirements. Corresponding to our strategic plan we have elevated our risk by participating in the purchasing of commercial and agricultural loans from our partners and financial leases primarily in the agriculture sector. Although such loans and leases may increase our risk it also serves to increase our potential revenues as the loans bear a higher interest rate than our investments, as well as diversifying our loan portfolio into other sectors not available within our closed-bond membership. Our experienced lenders adhere to lending policies and practices, thus mitigating our risks to an acceptable level and all such purchases are with the board's risk appetite. We will not allow our loan delinquency over 90 days to exceed 4% but strive to maintain a ratio below 3%. As of December 31, 2025, our total loss exposure, which is all loans 90 days or more delinquent, is three (3) loans for a total of \$278,762 or 0.53% (\$0 or 0.0% - 2024).

Another risk, though moderate, is the high concentration of residential mortgages making our Credit Union susceptible to volatility in the local housing market that may negatively impact earnings. We accept these risks and manage them with updated lending policy and procedures to ensure underwriting due diligence, audits are conducted, and all residential

mortgages are underwritten using the mandated stricter qualifying requirements and stress tested. We will continue to diversify our loan portfolio to maximize our returns while remaining compliant with regulatory standards and the board's risk appetite by supplementing our loan portfolio with syndication of loans, participation loan purchases and lease financing. As of December 31, 2025, we have funded or participated in a total of \$7.3 Million with Synergy Credit Union, Prairie Pride Credit Union, and TCU Financial versus \$5.4 Million in 2024. In addition, we have funded \$2.9 million in financial leases.

Legal and Regulatory Risk

Legal and regulatory risk is the risk arising from potential violation of, or nonconformance with, laws, rules, regulations, prescribed practices, or ethical standards. Our risk is becoming non-compliant through error, lack of knowledge or lack of resources to monitor effectively. SCECU has policies and procedures in place to mitigate our exposure to these risks. In 2025 SCECU transitioned its Risk and Compliance management from Prairie West Compliance Services Inc. to National Consulting Limited to provide Chief Anti-Money Laundering Officer services. Together they ensure concurrence to the Money Laundering and Anti-Terrorism reporting requirements and other compliance requirements. Our Privacy Officer ensures compliance to the Personal Information Protection and Electronic Documents Act (PIPEDA). We mitigate this risk with staff and management completing annual training requirements to stay informed and competent in these areas. The board also participates in annual training requirements regarding privacy and proceeds of crime and terrorist financing and receives quarterly AML reporting and annual reporting on PIPEDA compliance. This is in addition to the internal and external audits, CUDGC reviews, FINTRAC audits, and WCB audits. We will endeavor to comply with the Standards of Sound Business Practice, seek legal opinions where appropriate and be compliant with all regulatory oversight.

To the best of my knowledge, we are compliant with all regulatory requirements, including but not limited to, The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), Foreign Account Tax Compliance Act (FATCA), Common Reporting Standards (CRS), General Data Protection Regulations(GDPR), MultiMaterial Recycle Program (MMRP), and Anti-Spam Legislation (CASL) to name but a few.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Exposure to this risk arises from deficiencies in internal controls, technology failures, human error, employee integrity or natural disasters. We accept these risks, and we will increase the risk in pursuit of opportunities by pursuing collaborative initiatives and working with like-minded partners.

To manage this risk SCECU has established policies, procedures, and internal controls and continues to review these to ensure they are compliant and effective. We will continue to collaborate with other Credit Unions to achieve efficiencies, continue to pursue cost effective training for our staff, engage the staff in improving the member centric service culture and strategy for the Credit Union and develop performance plans. We will, when required,



capitalize on our support services by contracting National Consulting Limited resources. These resources will provide expertise and cost savings for both technological solutions and delivery systems. We signed a 7-year deal with Celero/CGI to provide our core banking services back in January 1, 2016, and it expired December 31, 2023. Then in 2021 we signed an extension of service to expire December 31, 2025, and renewed automatically for successive renewal terms of two (2) years each. For our members' protection we have implemented measures such as password access, two factor authentication, encryption of data, authority levels, dark web monitoring and built-in security systems to protect member information as well as backing up all data and banking system information. In addition, we have contracted Central 1 for Proactive Fraud Management service and enhanced our members fraud protection with Two Step Verification for members online banking, security alert notification, lock'n block feature and self-serve password reset functionality.

We renewed a three-year contract with Brightside Consulting Services Ltd. to perform internal audits to expire December 31, 2028. Internal audit assists us in ensuring appropriate policies and procedures are in place.

Earnings Risk

We have defined earnings risk as the inability of the Credit Union to generate sufficient net earnings to fund Credit Union activities and strategies.

SCECU's risk is that profitability targets are not met due to the inability to generate sufficient revenues or control operating expenses, which increases the likelihood we will not be able to fund our long-term strategies. To manage this risk SCECU has established policies, procedures, and internal controls. To increase our revenues, we will pursue revenues from non-interest sources such as credit card offerings and creditor insurance sales. In addition, to identify areas of gain we will continue to review within the organization where there are opportunities to increase fees and carefully manage operating costs. We will review our loan mix and look for additional opportunities to grow our portfolio. We will also conduct regular pricing reviews being mindful of competitor pricing. We will continue to explore opportunities to work with like-minded credit union system players to increase our business efficiencies.

Human Resource

Risk Human Resource risk focuses on the specific risks all employees, including new hires to long-term employees, staff to the General Manager, posing to the Credit Union. This could involve risks around improper employee management, employee behavior, or the way you hire, retain, and lose employees. Employees play a pivotal role in the success of our organization.

Prior to 2025, an identified risk was that a significant portion of current employees could retire soon and trigger significant loss of knowledge and member relationships inhibiting our ability to achieve our strategies and deliver the desired member experience. Unfortunately, that risk did materialize in 2025. The credit union implemented its contingent strategies and

mitigated this risk by hiring new skilled employees, reassigning responsibilities, and contracting external resources to fill gaps when needed.

SCECU will continue to manage this risk by focusing on cross training of employees together with internal training to ensure the transfer of knowledge, emphasizing a more proactive service culture to enhance the member experience, provide sufficient annual budgets for employee training and education, review, and update job descriptions, discuss strategic goals with staff, and recruit for qualifications and strategic alignment.

Information Technology (IT)/ Cyber Risk

Information Technology / Cyber risk is the risk of loss, corruption, and unauthorized disclosure of information, as well as the damage or disablement of technology and other assets owned by or entrusted to the organization. Our risk is that system partners are unable to ensure our network, data and website are safeguarded and protected from internal and external IT/Cyber related risks and the negative impact on our members.

Management will continue to endeavor to reduce the risk by continually seeking opportunities to share IT resources with Credit Union partners, rely on and engage system partners like National Consulting Limited to find affordable IT assessment solutions. We will educate and train staff and management on cyber safety utilizing CUMIS Risk Management resources, CGI resources and CCUA educational resources. CGI currently provides dark web monitoring, email protection, network protection, and endpoint protection including Preventative Care desktop services. CGI successfully implemented a zero-trust initiative to better manage and secure their systems and Credit Union systems. Central 1 currently provides secure internet banking (Forge 2.0) with two-factor authentication and protection services such as data masking, network security, and platform/application security, near real time fraud monitoring and Central 1 also manages our secure website. Central 1 has provided notice of their intent to exit digital banking services by December 31, 2028. A group of Credit Unions who currently receive Forge 2.0 digital banking services from Central 1 formed a national group to investigate alternative digital banking solutions and have decided on a new online banking provider. We will continue to work as a collective group of credit unions through the implementation of the new platform. The Credit Union carries cyber security insurance against losses through Marsh Canada Limited to mitigate our loss exposure.

We will continue to work with system partners to ensure network, data, and website are safeguarded and protected from internal and external cybersecurity and malicious viral attacks.

Emerging Risk

Emerging Risks are newly developing risks that cannot yet be fully assessed but could, in the future, affect the viability of an organization's strategy. One way to identify them is to focus on whether the critical assumptions underlying the strategy are becoming, or have

become, invalid. Emerging risks are trends, innovations, and potential game changers most relevant to a specific sector.

SCECU will continue to keep Open Banking on its radar as an emerging risk and will further address this matter in 2026. A simplified definition of Open Banking is it is a series of reforms as to how banks deal with your financial information. Open banking puts you back in control of your data. It will allow you to tell financial institutions to transfer your data to other financial institutions or other service providers to compare products or sign up for new products more easily. It is a secure way to give service providers access to your financial information. It is an innovation that allows third parties to build apps and services around financial institutions. It gives consumers/members the benefit of choice and freedom to select from multiple service providers. It also empowers members to take charge of their finances and make informed decisions to manage their accounts.

Regulatory Matters

Regulatory matters are, like most Credit Unions, an ongoing concern of Saskatoon City Employees Credit Union. There is a multitude of regulatory bodies to which the Saskatoon City Employees Credit Union must comply. Significant bodies include The Registrar of Credit Unions, Financial and Consumer Affairs Authority of Saskatchewan (FCAA), the Credit Union Deposit Guarantee Corporation (CUDGC), Financial Transactions & Reports Analysis Center of Canada (FINTRAC), Canada Revenue Agency (CRA), Government of Saskatchewan Provincial Sales Tax (PST), Insurance Council of Saskatchewan (ICS), Office of the Privacy Commissioner and Canadian Payments Association (CPA).

Saskatoon City Employees Credit has contracted with Ombudsman for Banking Services and Investments (OBSI) to assist in the resolution of member complaints. *"Canada's Ombudsman for Banking Services and Investments (OBSI) is a national, independent, and not-for-profit organization that helps resolve and reduce disputes between consumers and financial services firms in both official languages."*

Corporate Structure and Governance

The governance of Saskatoon City Employees Credit Union is anchored in the cooperative principle of democratic member control. In 2025, and in response to concerns expressed by the Corporation, the Board of Directors made the decision to transition from its former Carver Model of Board Governance to the Corporate Governance Model that is common to all other Saskatchewan credit unions. This transition is a comprehensive process that includes a review/revision of all policies and will continue throughout 2026.

Board of Directors

Mandate and Responsibilities

The board is responsible for the strategic oversight, business direction and supervision of management of Saskatoon City Employees Credit Union. In acting in the best interests of the credit union and its members, the board's actions adhere to



the standards set out in The Credit Union Act 1998, the *Standards of Sound Business Practice* and other applicable legislation.

Board Job Description

The board of directors has overall responsibility for the credit union. It must comply with the specific roles and responsibilities as outlined in legislation; however, there are numerous other essential duties it must perform including the obligation to represent, protect, and advocate for the best interests of the credit union's members.

The board will work with senior management to exercise its due diligence through:

- 1) Ensuring that the credit union is in compliance with all legislation pertaining to credit unions, including:
 - the Credit Union Act, 1998 and the Credit Union Regulations in Saskatchewan
 - orders of the Registrar of Credit Unions
 - orders of the Credit Union Deposit Guarantee Corporation (CUDGC), including its Sound Business Standards, and its financial and business practice directives.
- 2) Ensuring that the integrity of financial and accounting information is maintained by confirming that essential internal controls are in effect in order to minimize the risk of errors and fraud, safeguard assets, and to ensure compliance with the credit union's policies, articles, and bylaws.
- 3) Directing the management of the business affairs of the credit union through the appropriate interaction with, and oversight of, the credit union's management team.
- 4) Establishing and maintaining judicious policies governing the credit union and establishing its guiding principles providing direction for the operation of the credit union.

Directors

Please refer to the separate enclosure as Appendix B, naming your board of directors and staff members. Board Composition The board is composed of 9 individuals elected from and by the membership prior to annual general meeting. Effective March 21, 2023, director elections are held in advance of the annual meeting with the results announced at the Annual General Meeting. Terms are for 3 years, and tenure is limited to four consecutive terms of 3 years each. Nominations are made by active board members or members at large and will close 21 days before the voting period. The voting period will not exceed 14 days and will close at least 7 days prior to the annual meeting. Voting is anonymous and may be completed by paper or digital ballot. Election results are announced at Saskatoon City Employees Credit Union's annual general meeting.

Committees

The responsibility of the board of a modern financial services organization involves an ever-growing list of duties. Saskatoon City Employees Credit Union maintains committees

comprised of the entire board of directors. If Board committees are necessary, they will assist with the Board's job only; never interfering in the direct link between the Board and the General Manager and never fragmenting the wholeness of the Board's job. Committees are not authorized to change Board Policy.

These responsibilities enable a clear focus on specific areas of activity vital to the effective operation of our credit union.

The committees currently in place are:

- Audit and Risk Committee

The Audit and Risk Committee oversees the financial reporting process, reviews financial statements, liaises with internal and external auditors and regulators, and reviews internal control procedures. The Committee on an organization wide basis oversees the identification, understanding and management of risks that may affect Saskatoon City Employees Credit Union. The committee consists of at least a quorum of directors and comprised of all members of the Board.

- Nominating Committee

The Nominating Committee consists of two board of directors and one Credit Union staff member and would oversee the nomination and election processes for elections of credit union directors.

- Conduct Review Committee

The Conduct Review Committee ensures that Saskatoon City Employees Credit Union acts with the full integrity and objectivity of its directors and employees by having in place policies, processes and practices that protect people and the organization from claims and the perception of unfair benefit or conflict of interest. The committee is selected by a board motion at the board's annual re-organizational meeting.

- Policy Committee

The purpose of the Policy Committee is to analyze, review and recommend new or changes to the credit union's policies, ensuring all items recommended comply with all acts, regulations and legislation governing the operation of the credit union. The committee consists of three directors selected by the board of directors.

- Workplace Violence/Harassment Committee

The Workplace Violence/Harassment Committee is comprised of one director, one manager, and one employee. Director members are appointed at the board reorganization meeting.

The following committees are not current committees of the board; rather, the functions are performed by the entire board of directors.

- Governance Committee

Although not currently a formal committee of the board, the entire board reviews their governance on a continual basis. The Governance Committee establishes and maintains effective governance guidelines, ensures the performance of the general manager, ensures succession of senior leadership, and ensures compliance with governance policies and Saskatoon City Employees Credit Union bylaws. It consists of all directors. The board would outline their terms of reference, guidelines, and requirements.

Compensation and Attendance

All directors are required to attend a minimum of 75% of all board meetings, calculated from the first meeting after the Annual General Meeting to the last regular meeting of the board before the next Annual General Meeting unless excused by an appropriate Board motion noting absences are for “just cause”.

In 2025-2026, the board of directors held twelve (12) regular meetings, one reorganizational meeting and four (4) audit meetings. Attendance ranged from a low of 83% to high of 100% attendance with all members having attended the required minimum required attendance. No board member violated the board attendance policy.

The directors of the Credit Union shall be reimbursed for their services. Any such reimbursement is designed to offset expenses and not to directly provide a benefit. Each director will receive an annual stipend in the amount of \$475 to offset personal expenses incurred because of their attendance at credit union meetings. Each director while on Credit Union business, will receive a mileage reimbursement, and be reimbursed for the actual cost of hotel accommodation, meals, and airfare. Directors are also exempted from the payment of Credit Union service charges and eligible for long service awards.

Director Training

Training and retraining will be used to increase and maintain the existing board member skills and understanding, and for the orientation of candidates for board membership. As the entire board policy may be daunting to new and prospective board members, new board members will receive a Board of Directors Orientation Manual to assist them with an understanding of Saskatoon City Employees Credit Union including a brief history of our Credit Union, a listing of Credit Union affiliates and partners along with the guide to the Carver Model of Board Governance (TM).

Evaluation

The board will monitor and discuss the board's process and performance at each meeting through round-the-table exception reporting. Self-monitoring will include comparison of board activity and discipline to policies in the GOVERNANCE PROCESS and BOARD-STAFF LINKAGE categories.



Executive Management

Your 2025-26 management team consists of three (3) members, the General Manager, the Manager, Credit & Risk, and the Manager, Member Experience. Scott Roesch is your General Manager effective November 1, 2025; Jared Olson is the Manager, Credit & Risk effective February 2, 2026; and Sean Fletcher is the Manager, Member Experience effective March 25, 2026.

Corporate Social Responsibility (CSR)

Saskatoon City Employees Credit Union has always contributed to the well-being of the community that we serve beyond the financial and economic role financial institutions play. Around the world companies are putting increased emphasis on corporate social responsibility (CSR) and the concept of a triple bottom line (TBL) that focuses not only on profit but also on people and the planet. We take the steps necessary to have a positive impact on our community and the environment consistent with our corporate values. Saskatoon City Employees Credit Union promotes environmental standards by means of programs such as paper recycling, reduced printing by using more electronic dissemination of information, electronic statement promotion, online banking, document imaging, member, and branch remote depositing. Saskatoon City Employees Credit Union personnel policies encompass the well-being of employees such as the development of a safe and respectful workplace. The Credit Union also donated to the Healthy Teens Magazine, a periodical delivered to local high schools, is about teens and for teens to aid them in dealing with teen issues.

The Credit Union supports employee volunteer activities conducted during work hours or otherwise. The Credit Union also supports city employees' functions with donations and offers preferred service charge pricing for community groups.

Saskatoon City Employees Credit Union supports our community by awarding annually two (2), Boyd Johnson Memorial Scholarships of \$1,250.00 each. We also are a Platinum Sponsor of the City of Saskatoon's Civic Pancake Breakfast, plus the staff and board volunteer at this event. Saskatoon City Employees Credit Union board has also developed a Charitable Donations Policy wherein the board awards up to \$2,000 annually to registered charities.

Capital Management

The board of directors of Saskatoon City Employees Credit Union have held to their strategic position stating, our members are best served by an autonomous credit union, and every effort will be undertaken to ensure SCECU remains as an autonomous credit union. The fundamental financial strength of a credit union is the level of capital it holds to protect against both anticipated and unexpected business events. To continue to provide these services, appropriate management of the credit union resources is required. Specifically, capital management is paramount to SCECU's future viability and sustainability.

Capital management can be very complex and includes 6 values as follows:

▶ **Board and Management oversight**

- Policies are developed regarding desired capital levels, risk tolerance, capital expenditures.

▶ **Sound capital assessment and planning**

- Capital Plans are developed and reviewed by management and board on a regular basis.

▶ **Comprehensive assessment of risks**

- Risks to capital are assessed through processes such as Enterprise Risk management (ERM)

- i.e., where is the largest concentration of risk to capital (credit/loans)

▶ **Stress Testing**

- On a quarterly basis capital levels are tested for possible erosion

- Stress testing programs are used to test the ability of the credit union to absorb losses.

- i.e. How would rising interest rates affect our capital level.

▶ **Monitoring and Reporting**

- Regular reports are prepared for the directors and Credit Union Deposit Guarantee Corporation.

▶ **Internal Control Review**

- Ongoing internal controls and functions in place - Scheduled internal audits and CUDGC reviews.

The Credit Union Deposit Guarantee Corporation (CUDGC) has set out minimum standards for Credit Unions to follow with regards to capital limits. CUDGC limits are regulatory minimums, and the regulator's expectation of credit unions is to establish capital limits that:

- support prudent operations.
- are appropriate for the credit union's risk profile, risk appetite and risk tolerance.
- are aligned with the credit union's stress testing program and Internal Capital Adequacy Assessment Process (ICAAP); and
- are stricter than regulatory minimums.

Capital Adequacy

To assist management and the board in proper management of the capital an Internal Capital Adequacy Assessment Process (ICAAP) analysis is performed on a quarterly basis and reported to the board accordingly. Saskatoon City Employees Credit Union has performed an ICAAP analysis to determine the impact of risks to our Credit Union's capital position. Through this process it was determined that we will require total capital of 15.47% of our risk-weighted assets as of December 31, 2025.

Our Credit Union and Standards of Sound Business Practice financial performance target/standards for capital are shown below:

CUDGC's - Minimum Capital - as % of Risk-Weighted Assets			
	2025		
	Common Equity Tier 1	Total Tier 1	Total Eligible Capital
CUDGC Minimum Ratio Regulatory Limits - <i>(as a % of risk-weighted assets)</i>	7.00%	8.50%	10.50%
Saskatoon City Employees Credit Union Targeted Ratio	7.0-10%	8.50-10%	10.5-15%
Saskatoon City Employees Credit Union ICAAP Analysis	-	-	15.47%
Saskatoon City Employees Credit Union Achieved 2025	17.51%*	17.51%*	17.94%*
	2024		
	19.98%*	19.98%*	20.46%*

Equity or Common Equity-Tier 1 Capital is comprised of retained earnings, contributed surplus and accumulated other comprehensive income, less deductions as listed in CUDGC Standards of Sound Business Practice.

Total Tier 1 Capital is comprised of Common Equity-Tier 1 capital plus qualifying membership shares and other investment shares that meet the criteria for inclusion.

Total Eligible Capital is the sum of Tier 1 and Tier 2 capital, and the minimum regulatory required capital is 10.50%. From our Risk Appetite Statement our goal is to attain a Total Eligible Common Equity position of between 12% and 15.0% while the minimum standard of our board policy is 10.5%. In comparison the Credit Union system Total Eligible Capital ratio is 16.57% as of December 31, 2025.

Our total 2025 capital ratio decreased from 2024 to end the year with a surplus of (17.94%-15.47%) =2.47% as determined from our ICAAP analysis. With surplus capital we are not optimizing the use of our capital to maximize earnings for the benefit of our members. However, we are in an enviable position of surplus capital rather than having to build capital.

Another component of capital management is the distribution of earnings. As per our policy, earnings will be allocated in the following order of priority (As per SSBP – Capital Adequacy Requirements January 1, 2017):

- Capital until the capital standards are met.
- Additional capital to support growth, development, safety, and financial soundness.
- Patronage and/or dividends.

Leverage Ratio

Leverage Ratio			
CUDGC Minimum Ratio Standard	SCECU Board Target	2025 Results	2024 Results
5.00%	Not less than 7.00%	8.71%	9.39%

Leverage ratio is a measure of actual capital held by the Credit Union to its adjusted total assets. Total assets are reduced by intangibles assets, plus approved loans not yet disbursed.

As Saskatoon City Employees Credit Union currently exceeds both the CUDGC minimum regulatory levels and the board policy targets, management will continue to seek opportunities in 2026 to optimize our capital position. These ventures may expose the Credit Union to more risk but within the board’s risk tolerance, and it is with the expectation of increased earnings.

Capital reflects the success of your credit union, and a strong capital position is the foundation for a strong, viable, and sustainable Credit Union. Capital also serves as the financial cushion that allows your Credit Union to expand product lines and develop new services.



Respectfully submitted, Scott Roesch General Manager

Saskatoon City Employees Credit Union

Listing of Board of Directors & Staff

Effective: March 25th, 2025

Board of Directors

Name	Department	Start Date	Term Expiry
Allen Beck	Retired-Fire & Protective Services	AGM - 2022 AGM - 2006	AGM - 2028 AGM - 2021
Alyson Edwards-Price	Strategic Communications -SPS	AGM - 2022	AGM - 2028
Marian Voth	Accountant- Retired	AGM - 2017	AGM - 2026
Lesley (Les) Smith	Retired- Corp Serv-Assessor Dept.	AGM - 2020	AGM - 2026
Stephen Hopkins	Transit Operator	AGM - 2023	AGM - 2026
Craig Senick	Facilities Manager-Utilities & Environ	AGM - 2023	AGM - 2026
Richard Woodvine	Retired-Community Services	AGM - 2021	AGM - 2027
Stanley Macala	Past-President of CUPE Local 59	AGM - 2025 AGM - 2024-adjunct AGM - 2012	AGM - 2028 AGM - 2025 AGM - 2024

Adjunct Members:

Jan-Mark Gustafson	Retired (Infrastructure Services)	AGM - 2024 AGM - 2021 AGM - 2011	AGM - 2026 AGM - 2022 AGM - 2020
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Executive

Effective: March 27th, 2025

Board Chair	Richard Woodvine
Board vice Chair	Lesley (Les) Smith
2 nd Vice Chair	Alyson Edwards-Price
Past Chair (non-voting)	Marian Voth

As of: May 27th, 2026 **Staff**

	<u>SCECU Hire Date</u>	<u>with SCECU</u>	<u>Total CU Service</u>
Stephanie Serblowski(P/T)	Sept 3, 2014,	11 yrs 8 months	12 years 0 months
Scott Roesch	Nov 15, 2017,	8 yrs 6 months	31 years 10 months
Charlene McClean (P/T)	Aug 4, 2021,	4 yrs 9 months	4 years 9 months
Shivani Ahuja	Aug 9, 2023,	2 yrs 9 months	2 years 9 months
Anamika Verma	Jun 25, 2025,	0 yrs 11 months	0 years 11 months
Deepika Sahdev	Oct 15, 2025,	0 yrs 7 months	0 years 7 months
Jared Olson	Feb 2, 2026,	0 yrs 4 months	0 years 4 months
Sean Fletcher	Mar 25, 2026,	0 yrs 2 months	6 years 0 months

Saskatoon City Employees Credit Union

Committees of the Board

Effective: March 27th, 2025

Conduct Review Committee

Allen Beck
Stanley Macala
Stephen Hopkins
Craig Senick
Alyson Edwards-Price

Audit and Risk Committee

Entire Board of Directors

Work Place Violence and Harassment Committee

Stanley Macala

Nominations Committee

Alyson Edwards-Price
Stanley Macala
Staff Representative – Scott Roesch

SASKATOON CITY EMPLOYEES CREDIT UNION

SASKATOON, SASKATCHEWAN

**INDEPENDENT AUDITORS' REPORT AND
SUMMARY FINANCIAL STATEMENTS
DECEMBER 31, 2025**

MANAGEMENT'S RESPONSIBILITY COMMUNICATION

To the Members

Saskatoon City Employees Credit Union

Management has responsibility for preparing the accompanying financial statements and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgements and estimates in accordance with International Financial Reporting Standards.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

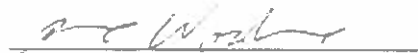
Ultimate responsibility for financial statements to members lies with the Board of Directors. An Audit and Risk Committee of Directors is appointed by the Board to review financial statements in detail with management and to report to the Board of Directors prior to their approval of the financial statements for publication.

Independent auditors appointed by the members audit the financial statements and meet separately with both the Audit and Risk Committee and management to review their findings. The independent auditors report directly to the members and their report follows. The independent auditors have full and free access to the Audit and Risk Committee to discuss their audit and their findings as to the integrity of the Credit Union's financial reporting and the adequacy of the system of internal controls.



Scott Roesch

General Manager



Richard Woodvine

Chair of Audit and Risk Committee

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Members Saskatoon City Employees Credit Union

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2025, the summary statements of changes in members' equity, comprehensive income and cash flows for the year then ended, and related notes, are derived from the audited financial statements of **Saskatoon City Employees Credit Union** for the year ended December 31, 2025.

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

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated May 19, 2026.

Management's Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

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

May 19, 2026

Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants

SASKATOON CITY EMPLOYEES CREDIT UNION
SUMMARY STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025
(with comparative figures for 2024)

ASSETS

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 10,225,767	\$ 8,455,174
Investments	24,337,121	22,378,444
Loans receivable	54,850,571	53,195,327
Other assets	48,700	49,000
Property and equipment	50,245	80,128
	<u>\$ 89,512,404</u>	<u>\$ 84,158,073</u>

LIABILITIES

Deposits	\$ 81,425,088	\$ 75,761,968
Other liabilities	360,728	521,990
Shares	10,315	10,355
	81,796,131	76,294,313

MEMBERS' EQUITY

Members' equity	7,716,273	7,863,760
Accumulated other comprehensive income	-	-
	<u>\$ 89,512,404</u>	<u>\$ 84,158,073</u>

APPROVED BY:

 Director

 Director

SASKATOON CITY EMPLOYEES CREDIT UNION
SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025
(with comparative figures for the year ended December 31, 2024)

	<u>2025</u>	<u>2024</u>
RETAINED EARNINGS		
Retained earnings - beginning of year	\$ 7,863,760	\$ 7,584,772
Net income	<u>(147,487)</u>	<u>278,988</u>
Retained earnings - end of year	<u>\$ 7,716,273</u>	<u>\$ 7,863,760</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Accumulated other comprehensive income - beginning of year	\$ -	\$ -
Other comprehensive income	<u>-</u>	<u>-</u>
Accumulated other comprehensive income - end of year	<u>\$ -</u>	<u>\$ -</u>
TOTAL EQUITY	<u><u>\$ 7,716,273</u></u>	<u><u>\$ 7,863,760</u></u>

SASKATOON CITY EMPLOYEES CREDIT UNION
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025
(with comparative figures for the year ended December 31, 2024)

	<u>2025</u>	<u>2024</u>
Interest revenue		
Loan	\$ 2,629,719	\$ 2,716,538
Investment	1,195,230	1,262,560
	<u>3,824,949</u>	<u>3,979,098</u>
Interest expense		
Borrowed money	17	20
Member deposits	2,066,955	2,236,438
Patronage allocation	928	60,876
	<u>2,067,900</u>	<u>2,297,334</u>
Net interest	1,757,049	1,681,764
Provision for credit losses (recoveries)	<u>-</u>	<u>(7,622)</u>
Net interest after provision for credit losses (recoveries)	<u>1,757,049</u>	<u>1,689,386</u>
Other income	<u>379,142</u>	<u>453,485</u>
Operating expenses		
General business	1,043,506	768,111
Occupancy	68,064	58,359
Organizational	28,158	28,282
Personnel	1,052,399	882,184
Security	107,780	94,746
	<u>2,299,907</u>	<u>1,831,682</u>
Income (loss) before income taxes	(163,716)	311,189
Income taxes		
Current (recovery)	(12,529)	30,201
Deferred (recovery)	(3,700)	2,000
	<u>(16,229)</u>	<u>32,201</u>
Net income (loss) before other comprehensive income	<u>(147,487)</u>	<u>278,988</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income (loss)	<u>\$ (147,487)</u>	<u>\$ 278,988</u>

SASKATOON CITY EMPLOYEES CREDIT UNION
SUMMARY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025
(with comparative figures for the year ended December 31, 2024)

	<u>2025</u>	<u>2024</u>
Cash provided by (used in) operating activities:		
Net income (loss)	\$ (147,487)	\$ 278,988
Items not involving cash:		
- Amortization	49,492	48,083
- Provision for credit losses (recoveries)	-	(7,622)
Patronage allocation accrued	-	60,000
Net change in other assets and other liabilities	(100,962)	115,743
	<u>(198,957)</u>	<u>495,192</u>
Cash provided by (used in) investing activities:		
Investments	(1,958,677)	(4,375,998)
Loans receivable	(1,655,244)	90,123
Property and equipment	(19,609)	(38,787)
	<u>(3,633,530)</u>	<u>(4,324,662)</u>
Cash provided by (used in) financing activities:		
Deposits	5,663,120	5,615,781
Patronage paid out	(60,000)	(40,000)
Shares	(40)	(125)
	<u>5,603,080</u>	<u>5,575,656</u>
Increase in cash	1,770,593	1,746,186
Cash position - beginning of year	<u>8,455,174</u>	<u>6,708,988</u>
Cash position - end of year	<u>\$ 10,225,767</u>	<u>\$ 8,455,174</u>

SASKATOON CITY EMPLOYEES CREDIT UNION
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(with comparative figures for the year ended December 31, 2024)

1. Basis of the summary financial statements

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at December 31, 2025 and December 31, 2024 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) the summary financial statements include a statement for each statement included in the audited financial statements;
- (b) information in the summary financial statements agrees with the related information in the audited financial statements;
- (c) major subtotals, totals and comparative information from the audited financial statements are included; and
- (d) the summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summary financial statements.

The audited financial statements of **Saskatoon City Employees Credit Union** are available upon request by contacting the Credit Union.
