



EQUITY

Credit Union

**2025
ANNUAL
REPORT**

Welcome to Equity. Where You Belong.

equitycu.com

What makes credit unions different?

Ownership

Any person can join Equity Credit Union and become a member. Membership in the credit union means you are a shareholder, and every member has one vote. As a shareholder in the financial institution, you have a right to a say in the overall direction of the credit union, run for election to the board, and elect directors to the board.

Service

Credit unions have long served their members' financial needs and pride themselves on providing friendly and responsive service.

Choice

Credit unions offer a wide range of financial products and services, including chequing accounts, credit cards, Interac, E-transfers, remote deposit service, and Internet banking.

Competitive prices

Interest rates and service charges are comparable and sometimes better than those of banks.

Commitment to the community

Profits are reinvested in the credit union and the communities we operate in, keeping with our co-operative principles.

83rd Annual Meeting

Wednesday, April 22, 2026 - 7:15 pm

Ajax Convention Centre
550 Beck Crescent
Ajax, Ontario

Agenda

- Registration of members
- President's Welcome
- Minutes of 82nd Annual Meeting
- Reports from:
 - Board of Directors
 - Chief Executive Officer
 - Senior Lending Officer
 - Audit Committee and Auditor
- Appointment of the Auditor
- Election of Directors
- Report of the Chairperson of Elections
- Unfinished Business
- New Business
- Adjournment
- Draw for prizes



Board of Directors

Name	Position	First Year Appointed	Current Term Year of Expiration
John Loreto	Chair	2009	2026
Vishal Pua	Vice Chair	2022	2028
Elizabeth Ramsay	Corporate Secretary	2024	2027
Bonnie Downing		2011	2026
Bill Downing		2025	2028
John T Loreto		2025	2026
Larry Biancolin		2015	2027
Michael Addante		2024	2027
Jeannine Wilson		2016	2028

Staff

Name	Position
Thomas Dimson	Chief Executive Officer
Louise Robichaud	Chief Financial Officer
Paula Goncalves	Administration/Office Manager
Nancy Smith	Manager, Lending Operations and Business Development
Gaetane Gilbert	Administration Officer
Joanne Key	Loan/Mortgage Officer
Mirella Rizzo	Mortgage Administrator
Debbie Saboe	Member Services Officer
Jannette Pantalleresco	Member Services Officer

Auditor

Baker Tilly KDN LLP – Licensed Public Accountants

EQUITY CREDIT UNION INC.

Minutes of the Annual General Meeting April 16, 2025

The 82nd annual general meeting of the members of Equity Credit Union Inc. was held on Wednesday, April 16, 2025 at the Ajax Convention Centre, 550 Beck Crescent, Ajax, Ontario. This meeting was held with all participants present in person. The registration of members had taken place prior to the meeting beginning at 6:00 p.m.

1. OPENING OF THE MEETING

The Chair of the Board of Directors, John Loreto, presided as Chair of the meeting and welcomed the members at 7:17 p.m. He briefly explained the meeting procedures and, with regard to voting, asked members when moving and seconding a motion to state their full names.

Announcement of Quorum

The Corporate Secretary, Vishal Pua, reported that at this time 187 members and 5 guests had registered which constituted a quorum. There being a quorum, the Chair declared the meeting legally constituted to conduct the business of the meeting and called the meeting to order at 7:20 p.m. The final attendance was 197 members and 5 guests.

2. INTRODUCTIONS

The Chair introduced the members of the Board of Directors noting that Larry Biancolin, a Director, was away and unable to attend.

John Loreto	Chair
Art Jessop	Vice-Chair
Vishal Pua	Corporate Secretary
Michael Addante	Director
Bill Downing	Director
Bonnie Downing	Director
Elizabeth Ramsay	Director
Jeannine Wilson	Director
Tom Dimson	Chief Executive Officer
Louise Robichaud	Chief Financial Officer
Paula Goncalves	Administration and Office Manager

Nancy Smith	Manager, Lending Operations and Business Development
Gaetane Gilbert	Administration Officer
Joanne Key	Loan and Mortgage Officer
Mirella Rizzo	Mortgage Administrator
Debbie Saboe	Member Services Officer
Jannette Pantalleresco	Member Services Officer

The Chair welcomed and introduced the following guests:

Sreejith Lal	FSRA Representative
Denise Jones	Partner and Auditor, Baker Tilly, Chartered Professional Accountants
Nathan Lang	Manager, Baker Tilly, Chartered Professional Accountants
Chris Durward	Durward Wealth Management, RBC Dominion Securities
Carol Lewis	Recording Secretary

3. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING

The minutes of the 81st annual general meeting held April 17, 2024 had been distributed to the members and posted on the website for review in advance of the meeting.

On a **motion** by Gaetane Gilbert, **seconded** by Chris Durward, **it was resolved** to adopt the minutes of the annual general meeting held April 17, 2024 as written. **The motion was carried unanimously.**

4. REPORTS

The Credit Union's 2024 Annual Report has been posted on the Credit Union's website for the members' review prior to the meeting. The members present had been provided with copies of the Annual Report at registration. The Chair, on behalf of the Board of Directors, commended the results achieved in 2024 through the effective and dedicated work of the Board and the unwavering commitment of Tom Dimson and his team.

REPORT FROM THE BOARD OF DIRECTORS

Mr. Loreto advised that the Board's formal report was included in the 2024 Annual Report. At this time and, on behalf of the Board of Directors, he commented generally on the previous year. He commended the magnificent performance of the credit union even during the three-to-four years of the Covid 19 pandemic and stated that Management had worked hard and maintained growth. The Board at the 2024 annual meeting had welcomed Elizabeth Ramsay and Michael Addante who have complemented a very strong Board. Mr. Loreto stated that Equity Credit Union does not have as many staff members as some other credit unions stating that they work hard and with efficiency. He commended Mr. Dimson and all the members of the staff and management team. With regard to Mr. Dimson he commended his passion and dedication to the credit union. He spoke highly also of Ms. Robichaud, Chief Financial Officer, who had completed five years with the credit union providing financial and regulatory expertise and stated that the credit union is lucky to have her.

Mr. Loreto commented briefly concerning internal discussions regarding deposit and mortgage pricing, the strength of the staff, the credit union's strong financial position and having successfully completed the deferred mortgage payment program during the Covid 19 crisis in which no loans were defaulted. He commented further on having a robust risk enterprise risk management committee which meets quarterly to assess potential risks and to look ahead. He stated further that the credit union's audit committee chaired by Jeannine Wilson works with both the external auditor and the internal auditor to keep an eye on regulatory and cyber security issues. The credit union's marketing committee under the leadership of Vishal Pua has established a focus group program to attract the next generation to continue the credit union's success and stay relevant. The annual general meeting committee chaired by Elizabeth Ramsay had arranged and worked hard to present this evening's meeting. The members expressed their appreciation with applause.

Mr. Loreto stated that the human resources committee includes the organization of the Directors' education courses which are a requirement. He then commented regarding Art Jessop, Chair of the HR committee, that he has always focussed on the members. Noting that this meeting will be Mr. Jessop's last as a Board member as he has completed his full 15 year term on the Board. Mr. Loreto stated that over his years as a member and Board member, Art's focus has always been the interests of the members and he wished him well.

In response to the Chair's good wishes, Mr. Jessop stated that when he started as a Director of the Credit Union, the asset balance was \$15 million and all these years later it was now \$370 million. Further, back then at annual meetings, 25 to 30 members would attend compared to tonight's gathering of 187 members or more. He expressed appreciation for the support he had received as a member of the Board and for the friendly and excellent staff. He stated, however, that of most importance were the members and he thanked them for their commitment and for being a part of it.

Board Gender Diversity Report

As required under CUCPA, the Board's gender diversity report indicated that of the nine-member Board, five members are male and four members are female. Three of the credit union's committees are chaired by women.

Remarks From the Chair of the Board of Directors

Looking back on 2024, Equity Credit Union delivered a resilient operating performance in a year not without its challenges. Management achieved a positive net interest margin, improved efficiency and revenue growth. We started the new year confident that our strategic plan was on track. Interest rates in Canada began to moderate over the last year which was a welcome sign for our borrowing members. The Board understands that potential challenges may arise. The Board and Management will continue down its path of focussed and effective management if and when faced with those challenges.

An effective Board and commitment to good governance

The Board welcomed two new Directors, Elizabeth Ramsay and Michael Addante, who have both been positive additions to the Board. Art Jessop has served as a Director for over 20 years and will step down this year because of Board term limits. Art has been a valued member of the Board and has provided strong and effective leadership over his tenure. The Board looks forward to working with the Directors elected this year. We have been able to attract Board members with a wide range of experience which is essential to effective governance and, hopefully, we can continue attracting qualified candidates. The Board of Directors understands the responsibility we have been given and we continue to work with integrity and diligence to ensure that the governance model is second to none.

Recognizing our management team

Finally, I would like to take this opportunity to acknowledge the hard work and dedication of Tom Dimson and his team. Their efforts have made Equity the shining example of how an entity can and should be run and, for that, we are truly grateful. As for our membership, your loyalty to Equity Credit Union is greatly appreciated and we could not have achieved the success we have had over the years without you. It has been a privilege and an honour to serve as Board Chair. My job has been made easier by the hard work and dedication of many people. I will continue to work closely with those people as we strive to make Equity Credit Union one of the most successful credit unions in the Province.

On a **motion** by Gloria Godfrey, **seconded** by Hans Devlin, **it was resolved** to accept the report of the Board of Directors for 2024. **The motion was carried unanimously.**

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

At this time Mr. Dimson welcomed the members and guests and spoke generally stating that an annual general meeting is a great way to talk to members and review the credit union's success. Mr. Dimson's formal report contained in the 2024 Annual Report had been posted on the website for the members' review and provided at registration prior to the meeting. He commented as follows:

I would like to thank each and everyone of you for your support and commitment to the credit union during 2024. As a result of your commitment the credit union completed another very successful year. I am proud of what our credit union and our employees and Board achieved collectively in 2024. We did not waver in our focus to provide our members with continued superior service when they needed it most. I would like to thank the staff and the Board for their support during the past year. I would also like to thank John Loreto who has been the Chair of the Board for 2024 and who has provided excellent leadership and governance, hard work and dedication as the Chair. I would also would like to take this time to recognize Art Jessop. I have known Art for over 30 years both as member of the credit union and as a Board member and, as a Board member he is vigilant in his work and always had the best interests of the credit union membership at hand. He will definitely be missed.

I hope you have had a chance to review our Annual Report which has been posted on our website and placed on your table. 2024 was fast changing and we are certainly in complex times. We are building on a foundation of strength while having a good performance in 2024. We have in place the capital, the systems and the staff to continue our growth.

Let's start with an overview of 2024: Based on the economic conditions in 2024, I am very pleased to report continued growth in assets. In addition, we earned a net income of slightly over \$1.4 million, capital was 5.65 percent and liquidity was comfortable at 11 percent. This was a total team effort with the Board and the staff. Further:

- Assets increased by \$25.3 million or 7% percent over 2023
- Mix of assets: cash & other - 9.1% (10.2% - 2023)
- Loans: 90.9% (2024), 89.8% (2023)
- Loans to members (2024): conventional mortgages 69.8%, insured mortgages 25.7%, merit line, 4.4% and loans 0.1%; (2023): conventional mortgages 70.6%, insured 25.3%, merit lines 4.1%, loans 0.1%;

the credit portfolio had a net increase of \$18 million (6%); Mr. Dimson thanked Nancy, Joanne and Mirella for their hard work. Equity Credit Union is driven by our purpose to assist those who call Canada home achieve home ownership.

- Mix of liabilities 2024: term deposits 58.9%, Equity 11.1%, RRSP 9.4%, RRIF 8.1%, TFSA 5.5%, Savings 4.7%, Other 2.4%. (2023) - term deposits 59.6, Equity 9.7%, RRSP 9.4%, RRIF 8.0%, TFSA 5.5%, Savings 4.9%, Other 2.1%.
- Member deposits increased \$22.3 million (7%); Mr. Dimson thanked Paula, Gaetane, Debbie and Jann for their hard work.
- Profit growth: \$2.0 million (2020), \$2.9 million (2021), \$3.03 million (2022), \$1.04 million (2023), \$1,419,035 (2024).
- Interest income on loans (thousands): \$8,334 (2020), \$10,125 (2021), \$12,928 (2022), \$15,610 (2023), \$18,112 (2024).
- Interest expense on deposits (thousands): \$4,410 (2020), \$4,551 (2021), \$7,465 (2022), \$13,264 (2023), \$15,454 (2024).
- Income mix:(2024) Mortgage interest, 93.1%; Investment, 6.3%; Other: 0.3%;
Loan interest: 0.2%.
- Expense mix: (2024) Interest - term: 58.4%; Operating (13.7%, Interest TFSA 8.6%, RRSP 8.6%; RRIF 6.4%; Other 3.3%; Interest Savings 1.1% .
- Interest
Net interest income - 2024: Q1 - \$809, Q2 - \$868, Q3 - \$1,029, Q4 - \$1,235.
- Net interest margin (NIM) 2024: Q1 - 0.93%, Q2 - 0.94%, Q3 - 1.02%, Q4 - 1.10%.
- Bad debt expense: 2020 - \$62,297; 2021 - \$9,759; 2022 - \$2,308; 2023 - \$12,053; 2024 - Nil.
There was no bad debt expense in 2024. Our mortgage members so far have been resilient in the face of rising interest rates. We have set aside a general allowance in the event there is deterioration. Capital growth (thousands) (regulatory capital): 2020 - \$12,344; 2021- \$15,282; 2022 - \$18,323; 2023 - \$19,417; 2024 - \$20,907. Capital continued to increase and grow stronger at \$20.9 million, up by \$1.5 million from 2023. Our Capital ratio of 5.65% is above our policy limit of 5.25% and well above the minimum regulatory amount of 3%. Mr. Dimson thanked Louise Robichaud, the credit union's Chief Financial Officer, for her hard work looking after the financial side of the business.

Growth in assets is a key driver for our long-term strength, while growth in membership deposits is critical for our ability to finance members' borrowing needs. Members' deposits are insured: non-registered deposits to a maximum of \$250,000 per member. Insurance on registered products (TFSA, RRSP, RRIF) is unlimited.

In 2025, we will continue to move forward with our business. We are very mindful of the word 'recession' and the threat of tariffs and their impacts on our business. Sales in the housing market are up and down, inflation

hopefully is on a downward trajectory. The Bank of Canada appears to be holding the overnight bank rate steady but we believe rates will begin to drop off in June or July. The bank's position is very much a "data dependent" and wait-and-see approach. We have increased our liquidity levels to meet any unforeseen circumstances and maintaining ongoing regulatory requirements. Our 2025 Business Plan is to increase our balance sheet by 10 percent by year end through a combination of mortgage growth and deposit growth and we have projected a net 100 for growth in membership. We ask ourselves "what if" for example, if risk is back in the financial system in a way we haven't seen before; and, AI is becoming a major force now.

We are assisting members on the phone, in person and through the internet. The Board and staff are fully committed ensuring the credit union continues to remain a strong and viable financial institution for years to come. For years now we have continued to cultivate confidence to develop and maintain member loyalty - trust and security - important in this day and age. We will continue to deal with the challenges of more players in the financial marketplace. That is, more banks and more alternatives for people. We want to be #1 with our members. The credit union will continue to look at ways to provide friendly delivery channels to and for its members and continue to look at ways to provide friendly delivery channels to and for our members.

Banking by convenience is very important now. We must eliminate distance (geography) for members as a hurdle to doing business - no boundaries; but remote cheque deposit and Link My Accounts. Our virtual side of the business by members continues to increase more than ever! Electronic banking is 24 hours a day, 7 days a week by telephone, internet - use it, it's free.

Our credit union is set up with the Exchange Network and members can make deposits and withdrawals at certain designated ATMs and you do not have to pay surcharge. This is very positive for members that do not live close to the credit union! The Exchange is linked on our website; go to their site and see the closest ATMs around your home or workplace. Also, the credit union will continue no service charges unlike our competitors that boast of billion dollar profits. We have competitive interest rates for deposits, mortgages and loans - we want to increase our Shareholders' wealth.

We will continue to look at ways to be a "1-stop" financial supermarket for our members. Our mandate is to continue to attract new members, increase our mortgage and loan portfolios and, as well, our deposits. By increasing our membership, it should also increase the overall asset size of the credit union to enhance our overall stability. We look forward to continuing our relationship with you in 2025 and providing you with the professional, courteous service that you deserve. We want to build relationships with you, the member, for life.

Now that we are a community credit union, please do not hesitate to refer friends as well as family members who you believe can benefit from being part of our credit union. What better way to build our credit union than "word of mouth" referrals from our satisfied members. The status quo is not an option; "standing still" is like taking a step back; we must move forward with the credit union. Remember, a credit union is a financial co-operative, owned by its members who are the customers. It is owned and controlled by the people it serves. Unlike a bank that has shareholders and customers.

At the end of 2024 the credit union was in excellent financial shape. We should all be proud of this. At any time during the year, if you have questions, comments or concerns, please do not hesitate to talk to me about them. It is interesting to note that in 1993 there were 1,200 credit unions in Ontario and now, less than 55. Thank you, that concludes my report and I am happy to answer questions at this time. There being no questions or comments, I will turn the meeting back to the Chair.

CEO's Formal Report from the Annual General Meeting Report for 2024

For 82 years Equity Credit Union has provided our members with products and services to help them prosper and thrive. With total assets of \$370 million, Team Equity is focussed on delivering another strong year to our members. Throughout the last 15 years in Ajax, Ontario, I am proud of the credit union's strategy which has provided opportunities for families to achieve their home ownership dreams and for members investing in deposits to receive competitive rates of return so that they can save for various reasons. Finding ways to create value for our 4,400-plus members is a driving force behind everything we do.

Navigating the Economic Landscape

In 2024 the global economy continued to endure challenges with restrictive interest rates, higher costs of living, persistent and growing geopolitical tensions and extreme weather once again impacting markets, communities, businesses and families. Through it all, the credit union was there for our members. As we entered the latter half of the year, reasons for more optimism emerged. With borrowing costs continuing to weigh on individuals, families and businesses in Canada and weak growth, the Bank of Canada took aggressive action cutting rates early and consistently.

The Strength of the Credit Union

The credit union's resilient operating performance through 2024 underscored the strength of our balance sheet and team. Growth was achieved in the balance sheet, mortgage and deposit portfolios which were all higher than the previous year. As we are here to help our members we continue to work with these members to achieve satisfactory outcomes for all. While we have a long track record of strong mortgage performance, our 2024 results were challenged due to economic uncertainty and higher interest rates. In addition, we anticipate higher delinquencies in 2025 due to higher mortgage payments as interest rates will rise on mortgage renewals.

Our solid capital base creates the capacity to support members and allows for moderate growth. Our liquidity is also comfortable as we saw growth in our members' deposits for the year. I emphasize that our regulator, the Financial Services Regulatory Agency (FSRA) provides deposit insurance. Registered deposits are covered at 100 percent which is not available at a bank. Unregistered deposits are covered up to \$250,000 per member. As part of its annual assessment under FSRA, the credit union contributed \$232 thousand to the Deposit Insurance Reserve Fund.

Financial Position

We focussed on moderate growth and managing our asset base to ensure a brighter future. In the year, we recognized \$1.4 million in profit after taxes. At \$370 million our assets increased by \$25 million representing a 7 percent increase for the year. Our deposit base of \$341 million, which reflects total member deposits, increased by 7 percent or \$22.3 million, for the year. Our credit union is attracting new members and deepening relationships with existing ones. Total membership increased by a net 64 members. The credit portfolio increased by \$18 million or 6 percent. All of the growth came from residential mortgages secured by mortgage registrations. This year, loan growth was moderate due to higher interest rates and a weak economy.

Total regulatory capital increased at year-end to \$20.9 million or 7.7 percent and our leverage capital ratio increased to 5.65 percent. Our total risk-weighted asset capital ratio was strong at 20.40 percent. The minimum regulatory leverage capital ratio requirement is 3 percent and 10.5 percent for the risk-weighted asset capital ratio. Our policies set a minimum target for the leverage capital ratio at 5.25 percent and 16 percent

for the risk-weighted asset capital ratio. Our position exceeds both our policies and regulatory minimum requirements.

Performance Indicators	Minimum Regulatory Requirements	ECU Policy Requirements	2024	2023
Regulatory Capital \$			\$20.9 million	\$19.4 million
Leverage Capital Ratio	3.00 %	5.25 %	5.65 %	5.63 %
Risk-weighted Assets Capital Ratio	10.50 %	16.0 %	20.4 %	20.5 %

Higher interest income of \$18 million (2023 - \$16 million) was earned from loans which grew by 16 percent in the year due to higher interest rates and the growth gained in 2024. Rates for loans have risen as new mortgages and renewals were repriced at higher current rates than during the Covid 19 period. Investment income increased by 21 percent. This was due to increased market rates paid on our investments and cash held as liquidity. Liquidity investments must be maintained as a regulatory requirement and are subject to interest rate risk.

Generally, the credit union has a no-fee mandate; thus, it does not earn significant other income from member fees compared to other financial institutions. Other income includes that earned from collaborative arrangements with partners. Members were allocated \$15.4 million (2023 - \$13.3 million) as interest on their deposits which represents a growth of 17 percent compared to 2023. This net increase is a combination of interest expense paid tied to our increase in deposit balances in the year and the impact of higher rates paid on renewals and new term deposits. Rates on term deposits are beginning to ease in alignment with the Bank of Canada’s rate decreases.

A provision for credit losses of \$63 thousand was recognized this year compared to \$60 thousand in 2023. The credit union maintained a strong provision for credit losses with an ending balance of \$590 thousand. Our Board supports the level of this provision as it is set aside against future loan loss contingencies. Loan write-offs this year amounted to \$Nil (2023 - \$13 thousand). Our operating efficiency ratio sits at 56 percent (2023 - 64 percent). This means that for every dollar of expenses, \$1.8 (2023 - \$1.6) is earned in income. This ratio is one of the lowest in the Ontario Credit Union System. The credit union retained its financial strength and prospered during the year and we are pleased to report our results to the membership this year.

Operational Update

In March the credit union further enhanced its internet banking by implementing Two-Factor Authentication (2FS). This additional layer of security is designed to protect our members from unauthorized access and to enhance their overall banking experience. In November we decommissioned our ATM. It was 15 years old. The repair costs on the machine were very expensive and parts replaces were difficult to source. After conducting an in-depth analysis on the value of an ATM, the credit union decided not to replace the existing ATM with a newer model.

During the year we celebrated two very important milestones. Nancy Smith, Manager Lending Operations and Business Development, celebrated her 35th year at the credit union and I, celebrated 30 years with the credit

union. Nancy and I have witnessed the growth and development of the credit union since it was \$15 million up to the present, \$370 million.

Purpose, Strategy and Performance

The credit union enters fiscal 2025 with a clear agenda. We are set to deliver sustained performance and the team has a strong sense of purpose daily. We look forward to helping new and current members buy their homes and strengthening our member-investors with good returns. We will grow our business through disciplined credit management and elevate our focus on rebuilding our net interest margin (NIM). Strong performance is integral to our purpose. The stronger we perform as a team, the greater the value we deliver to our members.

Looking Ahead

As we look ahead and, in the face of continued economic uncertainty and ongoing geopolitical conflict, I am confident in our team’s ability to deliver. At the credit union, we believe that the prosperity of our members is integral to who we are and what we do. With the credit union’s strength and stability we are well-positioned to execute with purpose, pace and discipline in the year ahead.

The Chair called for a motion to accept the report of the Chief Executive Officer.

On a **motion** by Rose Sykes, **seconded** by Sandra McKechnie **it was resolved** to accept the report of the Chief Executive Officer for 2024. **The motion was carried unanimously.**

REPORT OF THE MANAGER OF LENDING OPERATIONS

Nancy Smith, Manager of Lending Operations and Business Development, presented her report stating that the credit union received 306 loan applications compared to 204 for the prior year. Of these, 126 new loans were granted for 68 million compared to 83 million for \$41 million for the prior year; 180 were denied compared to 121 in the prior year. The loan categories were:

	2024		2023	
Category	# loans	\$ amounts granted	# loans	\$ amounts granted
residential mortgages/merit lines	116	\$ 67.6 million	75	\$ 41.3 million
commercial mortgages	0	nil	0	nil
personal loans and lines of credit	10	\$ 679 thousand	8	\$ 115 thousand

At year end, the total loans outstanding were \$332 million compared to \$314 million in 2023. This resulted in an overall increase of \$18 million or 6 percent. As of December 31, 2024, there were 12 impaired loans totalling \$5.5 million (2023 - \$1.2 million). All impaired loans are fully secured by residential real estate.

Our net delinquency ratio of 1.66 percent of total loans (2023 - 0.19 percent) has increased from the prior year. We wrote off \$NIL (2023 - \$13 thousand) in loan bad debts and charged a provision of \$63,000 to operations compared to \$60,000 for the prior year. We have set aside a provision for credit losses of \$590,000 (2023 -

\$527,000) representing 0.18 percent (2023 - 0.17 percent) of the outstanding total loans. We believe this provision is reasonable for our loan portfolio.

There were no questions or comments.

On a **motion** by Cathy Antonyshyn, **seconded** by Gord Shaw, **it was resolved** to accept the report of the Manager of Lending Operations and Business Development for 2024.

The motion was carried unanimously.

REPORT OF THE AUDIT COMMITTEE

Jeannine Wilson, Chair of the Audit Committee, advised that the Committee comprised of four Directors held four meetings during 2024. The committee arranges its agenda so that, on an annual basis, the following duties are performed and appropriate action is taken as a result thereof:

- Review the policies, procedures and controls relating to legislative compliance with a particular focus on capital adequacy, risk weighting of assets and liquidity;
- Review quarterly reports prepared by the Internal Auditor regarding internal controls and policy compliance;
- Recommend the appointment of the External Auditor to the Board of Directors and members at the Annual General Meeting;
- Review the qualifications, independence and performance of the auditors;
- Serve as the principle communication link between the External Auditor and the Board of Directors and, in particular, review and agree to the External Auditor's Terms of Engagement and Scope of Audit;
- Review the requirements for adherence to the new accounting policies as they relate to International Financial Reporting Standards (IFRS).

The Audit Committee conducted its affairs in accordance with the Credit Unions and Caisses Populaires Act (the "Act") and regulations as well as the credit union's By-laws. The Audit Committee issued its reports and made recommendations to the Board of Directors or Senior Management as appropriate concerning the matters outlined above. It then followed up to ensure that the recommendations were considered and implemented.

The Audit Committee is pleased to report to the members that it received full co-operation and support from Management. This enabled it to play an effective role in improving the quality of financial reporting to the members and enhancing the overall control structure of the credit union. There are no significant recommendations made by the Audit Committee that have not been either implemented or are in the process of being implemented. In addition, there are no matters which the Audit Committee believes should be reported to members, nor are there any further matters which are required to be disclosed according to the Act or the regulations thereto.

There were no questions or comments.

On a **motion** by Michael Penchhof, **seconded** by Gilbert Godfrey, **it was resolved** to accept the report of the Audit Committee for 2024.

The motion was carried unanimously.

At this time, Jeannine Wilson, as Chair of the Audit Committee, introduced Nathan Lang, Manager, representing Baker Tilly, Chartered Professional Accountants, to present the External Auditor's report.

REPORT OF THE AUDITOR

Mr. Lang, External Auditor, stated that Baker Tilly had performed an independent, external audit of the credit union's financial statements for the year ended December 31, 2024. He explained that the credit union is accountable first and foremost to the members and with that accountability, there was the expectation of transparency and sound financial stewardship. He then explained that an audit is a systematic, objective examination of the credit union's financial records, processes and internal controls conducted by a qualified independent third party. He confirmed at this time that Baker Tilly is independent and advised that the audit was conducted in accordance with Canadian generally accepted auditing standards focussed on whether the financial statements as a whole were a fair and reliable representation of the credit union's financial position and free of material misstatement. He advised further that management was very cooperative, transparent and easy to work with throughout the audit process and that the audit opinion was unmodified or "clean".

Mr. Lang advised that the financial statements present fairly in all material respects the financial position of Equity Credit Union Inc. as at December 31, 2024 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Mr. Lang then commented on the financial results stating that at year end members' equity was \$20.2 million supported by \$370 million in assets of which 90 percent was deployed into member loans which demonstrated the credit union's focus on lending into the community. The assets were matched by \$350 million in liabilities of which over 99 percent represented member deposits which reflected continued member confidence. Total revenues of \$19.4 million were generated of which 93 percent came directly from member loans with the remaining 7 percent from other investments. The credit union had strong net income of \$1,419,000. In conclusion, he stated that Baker Tilly's audit found the financial statements to be accurate and the credit union to be in a strong financial position. Further, governance and oversight practices were in line with industry expectations.

On behalf of Baker Tilly, Mr. Lang thanked the Board of Directors, management and staff for their collaboration and responsiveness throughout the audit process.

On a **motion** by Gaetane Gilbert, **seconded** by Joanne Doherty, **it was resolved** that the audited financial statement for the fiscal year ended December 31, 2024, be approved as presented.

The motion was carried unanimously.

5. APPOINTMENT OF AUDITORS

Jeannine Wilson, Chair of the Audit Committee, stated that the committee wished to recommend the reappointment of Baker Tilly, Chartered Professional Accountants, for the fiscal year ending December 31, 2025.

On a **motion** by Randy Macrae, **seconded** by Michael Penchof, **it was resolved** that Baker Tilly, Chartered Professional Accountants, be appointed as Auditor of Equity Credit Union Inc. for the fiscal year ending December 31, 2025. **The motion was carried unanimously.**

6. ELECTION OF DIRECTORS

The Chair called upon Bonnie Downing to conduct the election of Directors. Ms. Downing, acting as Chair of the elections, advised that four Directors were to be elected at this annual general meeting three for three-year terms and one for a one-year term. There being four openings on the Board and five candidates, an election was undertaken. Ms. Downing thanked the three Directors who had completed their terms of office: Bill Downing, Vishal Pua and Jeannine Wilson, and then called upon all candidates, to introduce themselves and speak for two minutes on their interest to serve on the Board of Directors. The candidates, Bill Downing, Brian Lobo, John T. Loreto, Vishal Pua and Jeannine Wilson introduced themselves to the members:

Bill Downing advised that he has been a member of the credit union for 50 years and a Board member for 25 years. He stated that all of family members are also members of the credit union. He stated that he works as a carpenter, has enjoyed serving on the Board and would love to continue working on behalf of the members.

Brian Lobo spoke of his 30 years experience in the computer industry as Owner and CEO of computer businesses in Calgary and moved to Ontario in 2007. He stated that having a business background in computers he wished to work with the credit union going forward and complimented the way it has been done.

John T. Loreto stated that he has been a member of the credit union from about age 10. As a young person he had shopped the banks but realized they did not have the personalized experience Equity Credit Union offered. He advised that he received a Bachelor of Commerce with a major in accounting and is a Chartered Professional Accountant. Having worked on both sides of the professional accounting business he wished to use his experience and was looking forward to serving on the Board of Directors and serving the members.

Vishal Pua stated that he has enjoyed three great years of service to the credit union and wished to continue helping to do more to serve the members and to determine the services that are needed. He stated that with his experience in sales, marketing, technology and health care he wished to continue on the Board to build on the success of the credit union.

Jeannine Wilson advised that she has been a Board member for nine years and Chair of the Audit Committee for five years and had come to Equity Credit Union initially from Unilever. She commented on the committee's need to focus on the internal audit process and, to that end, sought out and retained a new auditing firm. The firm had completed its first audit review in February which was found to be very satisfactory.

Ms. Downing thanked the candidates and instructed the members in voting. A ballot had been given to each registered member; they were marked and collected. While the ballots were being counted by staff members supervised by the External Auditor, draws were made for two GICs each in the amount of \$300. Ms. Ramsay and Mr. Pua drew the tickets: GIC #1 Ms. D. Sivad, GIC #2 Mr. T. Ling. Subsequently, raffle tickets were drawn for gifts donated by the following sponsors:

Equity Credit Union Inc.
Concentra/Equitable Bank
Everlink Payment Services
Hub Creative Group
Monarch Wealth Group
Sagen
Carol Lewis, Recording Secretary

Co-operators Group
Chris Durward, Durward Wealth Management RBC-DS
Faruque Hasan, Centum Signature Mortgage
Cheryl Geness, Merit Mortgage
Penny-Lynn Rintoul RZCD Lawyers and Mediators
Smart Solutions
Jim Smith - Rochwater Wealth Management

7. REPORT OF THE CHAIR OF ELECTIONS

Ms. Downing received the Scrutineers' Report and thanked all candidates for their willingness to serve on the Board of Directors. She advised that the following candidates had been elected for three-year terms: Bill Downing, Vishal Pua and Jeannine Wilson. John T. Loreto had been elected for the one-year term. The Chair thanked Brian Lobo for his willingness and interest in serving as a Director of the credit union.

8. UNFINISHED BUSINESS

There were no items of unfinished or other business.

9. NEW BUSINESS

There were no items of new business.

Prior to the meeting being closed Gilbert Godfrey, a long-time member of the credit union, wished to say a few words. He stated that, on behalf of all members, he wished to thank the Board of Directors for its leadership but also to thank the Board for the fine dinner provided. He advised that he and his wife, Gloria, have been members of Equity Credit Union for 50 years and, as a member, had served on the Board. Over those many years he had seen many changes in the credit union going from little, to medium, to what it is today. He stated that he has stayed with the credit union because he trusts it and that trust had been demonstrated here tonight. Noting that he is going into his 80th year, and having started with Lever Brothers up to today, he has seen a lot of adjustments but now, the world was upside down. To young people and to fellow members he expressed explicit confidence in the credit union to take us through the waters ahead which can be rough and to go forward year after year. He stated further that he has trust in the credit union and promised that he will be faithful to it. He hoped that the members, as members, would encourage family members to join but also young people to join and start saving. He stated that he will not be leaving adding that when there were no computers and he lived out west, he still had the credit union. He thanked one and all for their support stating, God bless you.

10. TERMINATION OF THE MEETING

Mr. Loreto thanked the members and guests for attending and for their continued contribution to the credit union's success and stated that he is looking forward to planning for next year. There being no questions or comments, and the business of the meeting having been completed, he called upon Art Jessop to terminate the meeting.

On a **motion** by Art Jessop **it was resolved** at 9:01 p.m. to terminate the 82nd annual general meeting of Equity Credit Union Inc. **The motion was carried unanimously.**

EQUITY CREDIT UNION INC.

LIST OF MOTIONS
Annual General Meeting, April 16, 2025

1. **Approval of Minutes**
On a **motion** by Gaetane Gilbert, **seconded** by Chris Durward, **it was resolved** to adopt the minutes of the Annual General Meeting held April 17, 2024. **The motion was carried unanimously.**

2. **Approval of Report of Board of Directors**
On a **motion** by Gloria Gilbert, **seconded** by Hans Devlin, **it was resolved** to accept the Report of the Board of Directors for 2024. **The motion was carried unanimously.**

3. **Approval of the Report of the Chief Executive Officer**
On a **motion** by Rose Sykes, **seconded** by Sandra McKechnie, **it was resolved** to accept the report of the Chief Executive Officer for 2024. **The motion was carried unanimously.**

4. **Approval of the Report of the Manager of Lending Operations**
On a **motion** by Cathy Antonyshyn, **seconded** by Gord Shaw, **it was resolved** to accept the report of the Manager of Lending Operations for 2024. **The motion was carried unanimously.**

5. **Approval of the Report of the Audit Committee**
On a **motion** by Michael Penchof, **seconded** by Gilbert Godfrey, **it was resolved** to accept the report of the Audit Committee for 2024. **The motion was carried unanimously.**

6. **Approval of the Auditor's Report**
On a **motion** by Gaetane Gilbert, **seconded** by Joanne Doherty, **it was resolved** that the audited financial statements for the fiscal year ended December 31, 2024 be approved as presented. **The motion was carried unanimously.**

7. **Appointment of Auditor**
On a **motion** by Randy Macrae, **seconded** by Michael Penchof, **it was resolved** that Baker Tilly Chartered Professional Accountants, be appointed as Auditor of the Credit Union for the fiscal year ending December 31, 2025. **The motion was carried unanimously.**

8. **Termination of Meeting**
On a **motion** by Art Jessop, **it was resolved** at 9:01 p.m. to terminate the 82nd annual general meeting of Equity Credit Union Inc. **The motion was carried unanimously.**

REPORT FROM THE BOARD OF DIRECTORS

Looking back on 2025, the credit union delivered resilient financial performance amid continued economic uncertainty. Management maintained a positive net interest margin, improved operating efficiency, and supported prudent balance-sheet growth.

We entered the year confident that our strategic plan remained on track. Interest rates in Canada began to moderate over the course of the year — a welcome development for our borrowing members. While the economic environment continues to present potential challenges, your Board and management remain focused on disciplined execution, prudent risk management, and protecting the long-term strength of the credit union.

Governance and Board Renewal

Sound governance is foundational to our credit union's continued success.

This year marks a significant transition for our Board. As I have reached the maximum number of consecutive terms permitted under the credit union's by-laws, I did not stand for re-election. It has been an extraordinary honour and privilege to serve as Chair and to work alongside such dedicated directors and management.

In addition, Director Bonnie Downing, a long-serving and committed member of the Board, is also stepping down after reaching her term limit. Bonnie has provided thoughtful leadership and unwavering dedication to the credit union's growth and stability. Her contributions over the years have been significant, and she will be sincerely missed.

On behalf of the Board and membership, I extend our deepest appreciation to Bonnie for her years of service and to all directors — past and present — who have helped shape the strong governance framework we have today.

Board renewal is a healthy and necessary part of governance. Term limits ensure fresh perspectives while preserving institutional knowledge and continuity. We remain committed to attracting qualified candidates with diverse professional backgrounds to strengthen oversight and strategic thinking.

This year, three Board positions are open. Three qualified candidates have put their names forward. As the number of nominees equals the number of vacancies, these individuals will be elected by acclamation. We look forward to welcoming them and supporting a seamless transition.

The Board remains committed to maintaining governance practices that are prudent, transparent, and aligned with regulatory expectations and cooperative principles.



Recognizing Management and Members

Finally, I would like to acknowledge the hard work and dedication of Tom Dimson and his team. Their leadership, professionalism, and commitment to our members have positioned the credit union as a strong and resilient institution. The Board deeply appreciates their disciplined stewardship of the credit union.

To our members — thank you. As owners of this credit union, your confidence and engagement are the foundation of our strength.

The credit union enters 2026 stable, well-capitalized, and prepared for the opportunities ahead.

Respectfully submitted,

John Loreto
Board Chair





REPORT OF THE CHIEF EXECUTIVE OFFICER

For 83 years, the credit union has supported our members in building financial security and achieving homeownership. With total assets of \$386 million and more than 4,500 members, we remain focused on delivering disciplined growth and long-term value.

Navigating the Economic Environment

The 2025 operating environment remained challenging. Elevated borrowing costs, higher living expenses, geopolitical tensions, and continued global uncertainty affected households and businesses alike. In response to weakening economic growth, the Bank of Canada began reducing interest rates during the year, providing some relief to borrowers.

Despite these conditions, the credit union remained steady and focused. Our strategy emphasizes prudent lending, capital preservation, and maintaining strong liquidity — principles that guided us through 2025 and will continue to guide us forward.

Financial Strength and Performance

The credit union's resilient operating performance through 2025 underscored the strength of our balance sheet and team. Growth was achieved in the balance sheet, mortgage, and deposit portfolios, but at moderate levels compared with the previous years. However, due to several economic factors, specific client outcomes led to elevated loan delinquencies this year. As we are here to help our members, we continue working with them to achieve satisfactory outcomes for all. While we have a strong track record of mortgage performance, our 2025 results were challenged by economic uncertainty. In addition, we anticipate higher delinquencies in 2026 due to current economic challenges.

Our solid capital base provides the capacity to support members and enables moderate growth. Our liquidity remains comfortable, as we saw year-over-year growth in members' deposits.

I emphasize that our regulator, the FSRA¹, provides deposit insurance. Registered deposits are covered at 100%, unlike bank deposits. Unregistered deposits are covered up to \$250,000 per member. As part of its annual FSRA assessment, the credit union contributed \$248,000 to the Deposit Insurance Reserve Fund.

We focused on moderate growth and managing our asset base to ensure a brighter future. In the year, we recognized \$2.3 million in profit after taxes. At \$386 million, our assets increased by \$16 million, representing a 4% increase for the year. Our deposit base of \$356 million, which reflects total member deposits, increased by 4%, or \$15 million, for the year. Our credit union is attracting new members and deepening relationships with existing ones.

The credit portfolio increased by \$5 million, or 2%. All the growth came from residential mortgages secured by mortgage registrations. This year, loan growth was moderate due to high interest rates and a weak economy.

¹ FSRA – Financial Services Regulatory Authority of Ontario – www.fsrao.ca



Total regulatory capital increased to \$23.2 million at year-end, and our leverage capital ratio rose to 6%. Our total risk-weighted assets capital ratio was strong at 20.6%. The minimum regulatory leverage capital ratio is 3%, and the minimum risk-weighted assets capital ratio is 10.5%. Our policies set minimum targets of 5.25% for the leverage capital ratio and 16% for the risk-weighted assets capital ratio. Our position exceeds both our policies and regulatory minimum requirements.

Performance indicators	Minimum Regulatory Requirements	ECU Policy Requirements	2025	2024
Regulatory Capital \$			\$23.2 million	\$20.9 million
Leverage Capital Ratio	3.00%	5.25%	6.00%	5.65%
Risk-Weighted Assets Capital Ratio	10.50%	16.00%	20.60%	20.40%

Interest income of \$20 million (2024: \$18 million) was earned from loans, which grew by 9% in the year due to higher interest rates and gains in 2025. Loan rates have risen as new mortgages and renewals were repriced at higher rates.

Investment income decreased by 12%. This was due to a decrease in the market rates paid on our investments and in the cash held as liquidity. Liquidity investments must be maintained to meet regulatory requirements and are subject to interest rate risk.

Generally, the credit union has a no-fee mandate; thus, it earns little additional income from member fees compared to other financial institutions. Other income includes that earned from collaborative arrangements with partners.

Members were allocated \$14.5 million (2024 - \$15.4 million) as interest on their deposits, which represents a decrease of 6% compared to 2024. This net decrease is a combination of interest expense paid tied to our increase in deposit balances in the year and the impact of lower rates paid on renewals and new term deposits. Rates on term deposits are beginning to ease in alignment with the Bank of Canada's rate decreases.

A provision for credit losses of \$1.3 million was recognized this year, compared to \$63 thousand in 2024. The credit union maintained a strong credit loss provision, with an ending balance of \$1.5 million. Our board supports the level of this provision as it is set aside against future loan loss contingencies. Loan write-offs this year amounted to \$18 thousand (2024 - \$Nil).

The credit union maintained its financial strength and prospered during the year, and we are pleased to report our results to the membership.

Operational Highlights

We enhanced our online banking platform by introducing an account masking feature to further strengthen member security.

In addition, improvements were made to our branch layout to better serve members and create a more functional workspace for staff.

Operational discipline contributed to a strong efficiency ratio of 44%, among the lowest in the Ontario credit union system.

Looking Ahead to 2026

Economic uncertainty may persist into 2026, and we anticipate continued pressure on some borrowers.

Our focus will remain on:

- Supporting members facing financial difficulty
- Rebuilding net interest margin
- Maintaining strong capital and liquidity
- Disciplined residential mortgage growth

We remain committed to no-fee everyday banking and delivering competitive returns to our member-investors.

The stronger we perform financially, the greater the value we create for members.

Appreciation

I extend sincere thanks to our Board of Directors for their continued oversight and guidance, and in particular to Chair John Loreto for his years of leadership and mentorship. John is stepping down this year, and I have had the pleasure of working alongside him over the past 15 years. He is a tireless advocate for the credit union, always placing its long-term interests first. On behalf of the organization, I thank him for his dedicated service and lasting contributions.

I would also like to recognize Bonnie Downing, who is stepping down after 15 years of service. Bonnie has brought valuable insight, thoughtful perspective, and strong governance to the Board. We are grateful for her commitment and meaningful contributions over the years.

During the 2025 Holiday Season, we launched our inaugural Food and Toy Drive – and the response exceeded our expectations. The generosity of our members and staff enabled us to provide meaningful support to families in need through Herizon House here in Ajax. This initiative is a powerful example of what we can accomplish together when we unite around a shared purpose.



Most importantly, thank you to our ECU team who work tirelessly to ensure our members are continually looked after to meet their ongoing requirements. Their professionalism and dedication make our success possible.

And to our members — thank you for your continued trust and loyalty. It is a privilege to serve you and to lead this institution. I remain confident in our direction and optimistic about the opportunities ahead.

Respectfully,

Thomas Dimson
Chief Executive Officer



REPORT OF THE SENIOR LENDING OFFICER

The credit union received 358 loan applications during the year, up from 306 in the prior year. Of these, 137 new loans were granted for \$83 million, compared to 126 for \$68 million for the prior year, and 221 were denied, compared to 180 for the prior year.

Loan categories were:

Category	2025 # Loans	\$ amounts granted	2024 # Loans	\$ amounts granted
Residential Mortgages and Merit Lines	130	\$82.8 million	116	\$67.6 million
Commercial Mortgages	0	Nil	0	Nil
Personal Loans and Lines of Credit	7	\$367 thousand	10	\$679 thousand

At year-end, total loans outstanding were \$337 million, up from \$332 million in 2024. This resulted in an overall increase of \$5 million or 2%.

As of December 31, 2025, there were 17 impaired loans for \$11 million (2024 - \$5.5 million). All impaired loans are secured by residential real estate.

Our net delinquency ratio of 3.15% of total loans (2024 – 1.66%) has increased from the prior year. We wrote off \$18 thousand (2024 - \$Nil) in loan bad debts and charged a provision of \$1.3 million to operations compared to \$62 thousand for the prior year. We have set aside a provision for credit losses of \$1.5 million (2024 - \$590 thousand), representing 0.44% (2024 - 0.18%) of the outstanding total loans. We believe this provision is reasonable for our loan portfolio.

Respectfully,

Nancy Smith
 Manager, Lending Operations and Business Development



REPORT OF THE AUDIT COMMITTEE

The Audit Committee, comprising 4 directors, held 5 meetings this year. It arranges its agenda so that, on an annual basis, the following duties are performed, and appropriate action taken as a result thereof:

- Review the policies, procedures and controls relating to legislative compliance with a particular focus on capital adequacy, risk weighting of assets and liquidity.
- Review quarterly reports prepared by the Internal Auditor regarding internal controls and policy compliance.
- Recommend the appointment of the External Auditor to the Board of Directors and members at the Annual General Meeting.
- Review the qualifications, independence, and performance of the auditors.
- Serve as the principal communication link between the External Auditor and the Board of Directors, and in particular, review and agree to the External Auditor's "Terms of Engagement" and "Scope of Audit".
- Review the requirements for adherence to the new accounting policies as they relate to the International Financial Reporting Standards.

The Audit Committee conducted its affairs per the Credit Unions and Caisses Populaires Act (the "Act") and Regulations as well as the credit union's by-laws.

The Audit Committee issues its reports and makes recommendations to the Board of Directors or Senior Management, as appropriate, concerning the matters outlined above. It then follows up to ensure that the recommendations are considered and implemented.

The Audit Committee is pleased to report to the members that it receives full cooperation and support from Management. This enables it to play an effective role in improving the quality of financial reporting to the members and enhancing the overall control structure of the credit union.

There are no significant recommendations made by the Audit Committee that have not been either implemented or are in the process of being implemented. In addition, there are no matters that the Audit Committee believes should be reported to members, nor are there any further matters that are required to be disclosed under the Act or the regulations thereto.

Respectfully,

Jeannine Wilson
Chair of the Audit Committee



Equity Credit Union Inc.
Summary Financial Statements
For the year ended December 31, 2025

EQUITY CREDIT UNION INC.
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December 31, 2025

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EQUITY CREDIT UNION INC.
SUMMARY STATEMENT OF FINANCIAL POSITION
As at December 31, 2025

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 22,336,767	\$ 14,639,985
Investments	24,170,287	22,760,937
Member loans	336,442,879	331,873,928
Assets held for sale	2,421,680	-
Other assets	484,960	324,775
Deferred income tax asset	127,000	109,000
Property and equipment, net	20,906	84,428
Right-of-use asset	302,625	371,188
Intangible asset, net	36,520	48,140
	<u>\$386,343,624</u>	<u>\$370,212,381</u>
LIABILITIES		
Member deposits	\$363,126,218	\$349,182,965
Other liabilities	325,590	337,259
Lease liabilities	313,192	375,227
Members' shares	91,660	89,260
	<u>363,856,660</u>	<u>349,984,711</u>
MEMBERS' EQUITY		
Retained earnings	<u>22,486,964</u>	<u>20,227,670</u>
	<u>\$386,343,624</u>	<u>\$370,212,381</u>

EQUITY CREDIT UNION INC.
SUMMARY STATEMENT OF INCOME AND COMPREHENSIVE INCOME
For the year ended December 31, 2025

	2025	2024
Interest and investment income		
Member loans	\$ 19,813,501	\$ 18,112,385
Investments	1,132,249	1,282,232
	<u>20,945,750</u>	<u>19,394,617</u>
Interest expense		
Member deposits	14,458,242	15,454,178
External borrowings	12,966	3,413
	<u>14,471,208</u>	<u>15,457,591</u>
Net interest income	<u>6,474,542</u>	<u>3,937,026</u>
Provision for credit losses	1,287,498	61,760
Net interest income after provision for credit losses	<u>5,187,044</u>	<u>3,875,266</u>
Non-interest income		
Other income	49,022	40,854
Net interest and non-interest income	<u>5,236,066</u>	<u>3,916,120</u>
Operating expenses		
Salaries and benefits	857,380	824,509
Administrative expenses	1,244,008	1,121,628
Occupancy	71,792	74,060
Depreciation	149,161	178,850
	<u>2,322,341</u>	<u>2,199,047</u>
Income before income taxes	<u>2,913,725</u>	<u>1,717,073</u>
Income taxes		
Current	672,431	313,000
Deferred	(18,000)	(15,000)
	<u>654,431</u>	<u>298,000</u>
Net income and comprehensive income for the year	<u>\$ 2,259,294</u>	<u>\$ 1,419,073</u>

EQUITY CREDIT UNION INC.
SUMMARY STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the year ended December 31, 2025

	2025	2024
Balance, beginning of year	\$ 20,227,670	\$ 18,808,597
Net income	2,259,294	1,419,073
Balance, end of year	<u>\$ 22,486,964</u>	<u>\$ 20,227,670</u>

EQUITY CREDIT UNION INC.
SUMMARY STATEMENT OF CASH FLOWS
For the year ended December 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Net Income	\$ 2,259,294	\$ 1,419,073
Adjustments for		
Depreciation and amortization	149,161	178,850
Deferred income taxes	(18,000)	(15,000)
	<u>131,161</u>	<u>163,850</u>
	<u>2,390,455</u>	<u>1,582,923</u>
Change in non-cash working capital items		
Other assets	(160,185)	(94,811)
Loan loss provision	895,130	62,595
Assets held for sale	(2,421,680)	-
Income taxes recoverable	-	35,000
Other liabilities	(11,669)	28,468
	<u>(1,698,404)</u>	<u>31,252</u>
	<u>692,051</u>	<u>1,614,175</u>
Investing activities		
Purchase of property and equipment	(5,456)	(8,117)
Net change in right-of-use asset	-	(349,182)
Net increase in investments	(1,409,350)	(1,061,003)
	<u>(1,414,806)</u>	<u>(1,418,302)</u>
Financing activities		
Increase in member loans	(5,464,081)	(18,200,617)
Increase in member deposits	13,943,253	23,557,245
Net change in lease liabilities	(62,035)	277,596
Net change in members' shares	2,400	8,360
	<u>8,419,537</u>	<u>5,642,584</u>
Increase in cash and cash equivalents	7,696,782	5,838,457
Cash and cash equivalents, beginning of year	<u>14,639,985</u>	<u>8,801,528</u>
Cash and cash equivalents, end of year	<u>\$ 22,336,767</u>	<u>\$ 14,639,985</u>
Supplementary information		
Interest received	20,047,076	18,819,339
Interest paid	15,448,801	13,954,496
Income taxes paid	615,000	292,000

EQUITY CREDIT UNION INC.
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
December 31, 2025

Basis of presentation (Note 1)

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

The preparation of these summary financial statement requires management to determine the information that needs to be included 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 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.

In addition, a copy of the audited financial statements is available to any member, upon request, at the branch of the credit union.

PRODUCTS AND SERVICES

EVERYDAY BANKING <ul style="list-style-type: none"> • Personal chequing account • Fat Cat account (12 years old and under) • Head Start account (13 – 17 years old) • Daily interest savings account (interest paid quarterly) • Regular savings account (interest paid semi-annually) • High-Interest Savings Account (interest paid monthly) • Commercial banking accounts • US dollar savings account 	ELECTRONIC SERVICES <ul style="list-style-type: none"> • Website https://equitycu.com • Online (internet) banking • Telephone banking line 1-800-378-4899 • Toll-free credit union number 1-800-263-9793 • THE EXCHANGE Network of ATMs - Canada-wide – no surcharge fees • Interact Flash debit card (tap payments) • Online bill payments • E-money transfers • Mobile banking • Pre-authorized payments • Remote deposit service
BORROWING – PERSONAL LENDING <ul style="list-style-type: none"> • Personal loans • Personal lines of credit • New and used car loans • Overdraft protection • RRSP and Investment loans 	INSURANCE <ul style="list-style-type: none"> • Credit life and disability insurance • Mortgage life insurance • Critical illness insurance • Mortgage title insurance
MORTGAGES <ul style="list-style-type: none"> • First mortgages • Second mortgages and Bridge financing • High ratio mortgages (CMHC/Sagen) • Merit line – home equity line of credit • Closed and open mortgages • Rental property mortgages • Fixed and variable rate mortgages • Cashback mortgages • Collateral mortgages 	INVESTING WITH CONFIDENCE <ul style="list-style-type: none"> • Deposits insured by the Financial Services Regulatory Authority of Ontario (FSRA) • See https://fsrao.ca
INVESTING <ul style="list-style-type: none"> • Term deposits (30-364 days) • Guaranteed investment certificates (GIC) 	REGISTERED PLANS <ul style="list-style-type: none"> • Registered retirement savings products (RRSP) • Registered retirement income products (RRIF) • Tax-Free Savings Products (TFSA) • First Home Savings Account (FHSA)
OTHER SERVICES <ul style="list-style-type: none"> • In branch teller operations • Semi-annual statements • Regular e-mail news communications • Wire transfers 	<ul style="list-style-type: none"> • Safety deposit boxes • Corporate drafts • Visa credit card

