

2026 AGM Workbook

# You're home with Cambrian



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# Cambrian Virtual AGM Instructions

## Pre-Registering for the Meeting

All eligible voting members must have pre-registered between March 9 at 9:30 am and April 7 at midnight in order to log in and vote during the virtual AGM.

## Preparing for the Meeting

1. For best results, run the most recent operating system on your computer (e.g. Windows 11).
2. Where possible, a direct internet connection should be used (WiFi connection may be spotty).
3. Please ensure you have the most current version of web browser installed on your computer. Please download and use the newest version of Google Chrome, Mozilla Firefox, or Microsoft Edge. These are the preferred browsers, however, other browsers will work provided they are the most current version.
4. You will need audio capability on your computer to listen to the meeting. Prior to the meeting, ensure all audio is working and turned on (speakers, headphones if used, volume).
5. You can also log in on a mobile device. Follow the same login instructions using the browser on your mobile device.
6. Download the AGM Workbook prior to the meeting. You can find the link to the workbook on [www.cambrian.mb.ca/2026AGM](http://www.cambrian.mb.ca/2026AGM).

## Logging into the Meeting

1. After pre-registering and being verified by Cambrian, click on the meeting link in your verification email (meeting link can also be found at [www.cambrian.mb.ca/2026AGM](http://www.cambrian.mb.ca/2026AGM)).
2. Click on the "Voting Member's Login" button.
3. Enter your Member Login ID and Meeting PIN # provided to you in your Registration verification email.

# Voting on Motions

Once logged into the meeting, members will be able to view the AGM presentations and hear the speakers.

1. When it's time to vote on a motion, the voting platform will take over the screen and the presentation will be minimized to the bottom of the screen.
2. Members will see any motion or vote that has been tabled.
3. You will have 40 seconds to cast your vote once voting has opened.
4. Simply vote for, or against said motion and click "submit".
5. You can then "confirm" your selection or "change" it.
6. You will receive confirmation that your vote has been received.
7. The meeting Moderator will announce the results of the vote aloud when voting has closed.

## Asking Questions During the Meeting

Members can submit questions at any time during the meeting. Questions will be aggregated and those relating to the business at hand will be addressed at the appropriate time as designated by the Chair. Questions will be read out-loud, along with the name of the member asking the question.

1. In the voting platform, click on "Ask a Question" in the bottom left of the page.
2. Type in your question and click "Send".
3. The meeting Moderator will bring forward relevant questions to the meeting Chair.

Please submit any questions about these instructions to [ccuinfo@cambrian.mb.ca](mailto:ccuinfo@cambrian.mb.ca).

# Rules of Order Governing Annual Meeting

The following rules shall take precedence at an Annual General Meeting (the "Meeting"):

- A. Where such rules may not cover a point being raised, Robert's Rules of Order, Newly Revised, shall govern.
- B. Motions will be moved and seconded before being presented to voting members for discussion using the electronic meeting medium and casting of their ballot.
- C. Any Member questions and all voting to be conducted at the Meeting shall be done in accordance with the Cambrian Virtual AGM Instructions contained in the Cambrian Credit Union 2026 AGM Workbook distributed to Members in advance of the Meeting.
- D. Questions that are tabled for discussion shall be addressed one at a time as determined by the Meeting chair.
- E. No other business or open forums will be extended to the meeting.

**CAMBRIAN CREDIT UNION  
ANNUAL GENERAL MEETING  
Webcast  
April 14, 2026  
7:00 pm  
AGENDA**

- ITEM 1      Call to Order
- ITEM 2      Appointment of Recording Secretary
- ITEM 3      Proof of Due Calling
- ITEM 4      Establishment of Quorum
- ITEM 5      Approval of Meeting Rules of Order
- ITEM 6      Meeting Format & Voting Procedures
- ITEM 7      Appointment of Meeting Scrutineer
- ITEM 8      Approval of Agenda
- ITEM 9      Approval of Minutes of April 15, 2025 Annual General Meeting
- ITEM 10     Business Arising Out of Minutes
- ITEM 11     Presentation of Reports
  - i. Directors
  - ii. Management
  - iii. Governance, HR and Compensation Committee
  - iv. Risk Oversight Committee
  - v. Audit Committee, Auditor's Report and Financial Statements
- ITEM 12     Appointment of Auditors
- ITEM 13     Nominating Committee Report
- ITEM 14     Adjournment

**Cambrian Credit Union Limited  
Virtual Annual General Meeting Minutes  
April 15, 2025**

**ITEM 1            CALL TO ORDER**

MATHIESON      Called the meeting to order at 7:00 p.m. Welcoming remarks.

Called for a moment of silence for members who have passed away in the last year including Ken Lamoureux, a long-serving board member and past Board Chair.

Advised that the AGM Workbook was made available to members prior to this meeting, which contained the instructions for voting, Rules of Order, Agenda, minutes from last year's meeting, 2024 Report to Members, as well as the 2024 Financial Statements. Noted that the agenda is available on page six of the Workbook.

Advised that in the unlikely event that the virtual meeting is disconnected or disrupted, and the issue cannot be resolved, the meeting will be adjourned. In this case, a Notice of Adjournment will be provided to all registered attendees, along with a Notice to Reschedule, and an agenda with any remaining items from this AGM will follow.

**ITEM 2            APPOINTMENT OF RECORDING SECRETARY**

MATHIESON      Appointed June Kostelnyk as Recording Secretary.

**ITEM 3            PROOF OF DUE CALLING**

MATHIESON      Advised that in accordance with Cambrian Credit Union By-laws, notice of this Annual General Meeting of Members was provided as of March 10, 2025.

**ITEM 4            ESTABLISHMENT OF QUORUM**

MATHIESON      Advised that as of 7:00 p.m., there were 86 members registered in this meeting. Declared this to be a legal quorum in accordance with the By-laws.

**ITEM 5            APPROVAL OF MEETING RULES OF ORDER**

MATHIESON      Advised that Cambrian has adopted a version of Robert's Rules of Order to govern this meeting, as presented on page five of the Workbook.

MOTION #01/25 – (J. Mathieson / D. Mortimer):

"That the Meeting Rules of Order be approved as presented."

60 ballots processed

In favour        60

Against           0

Abstain            0

CARRIED

**ITEM 6 MEETING FORMAT AND VOTING PROCEDURES**

MATHIESON Provided a summary of motions requiring formal vote approval, as well as voting instructions and the procedure to submit questions. Members who preregistered for the meeting were all individually verified by Cambrian to ensure they were eligible voting members. Registered members were given the opportunity to submit a question online, ahead of the AGM. Questions submitted will be answered during the Q&A process of this meeting, or a member of the leadership team will follow up with members directly.

**ITEM 7 APPROVAL OF SCRUTINEER**

MATHIESON Advised that the Meeting Scrutineer oversees the votes on motions and reports on the tallies of these votes.

MOTION #02/25 – (J. Mathieson / J. Morton):  
"That Ms. Esther Friesen be approved as Scrutineer."

67 ballots processed  
In favour 67  
Against 0  
Abstain 0

CARRIED

MATHIESON Introduced the Directors, Management Team and others physically present at the meeting, as well as Directors joining remotely.

**ITEM 8 APPROVAL OF AGENDA**

MATHIESON Asked for any changes or additions to the agenda. None were identified.

MOTION #03/25 – (J. Mathieson / V. Romanow):  
"That the agenda be approved as presented."

73 ballots processed  
In favour 72  
Against 0  
Abstain 1

CARRIED

**ITEM 9 ACCEPTANCE OF MINUTES OF APRIL 16, 2024 ANNUAL GENERAL MEETING**

MATHIESON Asked for any errors or omissions in the minutes. None were identified.

MOTION #04/25 – (J. Mathieson / G. Whitehill):  
"That the minutes of the virtual Annual General Meeting held April 16, 2024 be approved as presented."

74 ballots processed  
In favour 72  
Against 0  
Abstain 2

CARRIED

**ITEM 10 BUSINESS ARISING OUT OF MINUTES**

MATHIESON There was no business arising out of the 2024 AGM minutes.

**ITEM 11 PRESENTATION OF REPORTS**

i. Directors

MATHIESON Noted that Cambrian had another successful year, demonstrating its continued ability to thrive amidst the evolving credit union landscape, competitive financial services environment and ever changing and challenging economic conditions. The strict adherence to disciplined financial management enables Cambrian to deliver on its vision to be a value leader through digital banking, supported by its commitment to personalized advice and member service.

Noted that Cambrian is overseen by a democratically elected Board of Directors, who are also members. The Board of Directors is independent of management and its primary responsibility is to lead the organization's strategic direction, as well as to set policy. Noted that the improvements experienced this past year have reaffirmed that Cambrian's digital transformation strategy is the right approach. Board members bring their diverse experience and expertise, enhanced with continuous learning and professional development each year. Cambrian's regulators also expect the Board to possess the necessary knowledge and skills to be competent and effective directors.

Noted that Cambrian is committed to continuing to play its part in making our communities better places to live and work through its history of community support.

On behalf of the Board, thanked the management team and employees for their efforts over the past year, and thanked Board members for their continued commitment and work in a complex and dynamic environment.

Called on David Mortimer, President & CEO, to present the Management Report.

ii. Management

MORTIMER Welcomed members and guests to the AGM.

Provided an overview of key initiatives during 2024, along with insights on the road ahead for Cambrian. The movement in the Bank of Canada benchmark interest rate during recent years was outlined, along with changes in the economy and the deeply entrenched inverted yield curve.

Noted that Cambrian exists for its members, and delivering value back to members remains its top priority. The need to keep pace with the changing needs of members was noted, which includes ease of access to personalized service through digital applications and intuitive self-serve delivery channels. Cambrian continues to adapt its delivery strategies and reinvest in new digital solutions that are supported by the personal advice that members expect from Cambrian. Further enhancements were made to Cambrian's online and mobile banking solutions, along with expanding the hours of digital and video banking channels with personal banking specialists.

This past year, Cambrian returned \$7.4 million to its members through the Unfee, and is the largest refund ever returned to members in a single year. Cambrian has now refunded over \$76.1 million in monthly service fees since the Unfee was first introduced in 2011.

Together with its Board and staff, Cambrian also reinvested \$450,000 back into its community through donations and sponsorships to 50 organizations. Community involvement remains a core value for Cambrian.

Noted the increased political turmoil and emerging trade tensions with the U.S., which will fuel more market volatility and greater economic uncertainties through the near term. Cambrian remains committed to serving the diverse financial needs of its members and building on the strength of its credit union for the future.

Expressed thanks to members for entrusting Cambrian to provide the advice, products and services needed to achieve their financial goals. Thanked Cambrian's staff for their leadership in serving members and thanked the Board of Directors for their continued oversight.

Called on Deanne Magnus, Chief Financial Officer, to highlight Cambrian's financial performance through 2024.

MAGNUS

Advised that financial statements were audited by MNP and were issued an unqualified opinion. All of the balances in the slides are included or can be calculated from the audited financial statements. The full financial statements and notes are available for review in the AGM package.

Reviewed the 2024 Financial Statements, highlighting the following:

- Cambrian grew by \$185 million, bringing total assets to slightly less than \$5 billion
- Total loan growth of \$33 million, bringing the total loan portfolio balance to \$3.8 billion
- Deposits grew \$193 million, finishing 2024 at \$4.6 billion
- Financial margin, which is the difference between interest revenue and interest expense, was 1.17% of assets
- Other revenue grew to \$25 million
- Refunded \$7.4 million in fees to members through the Unfee
- Manitoba credit unions are required to maintain four important metrics, and Cambrian is well above the requirement for each of the metrics

- Total regulatory capital ratio is 7.60% of assets, above the requirement of more than 5% of assets
- Retained earnings is 7.58%, above the requirement of 3% of assets
- Risk weighted capital is 16.78%, above the 10.5% threshold
- Liquidity reserve is 23%, above the requirement of more than 8%

iii. Governance, HR and Compensation Committee

MATHIESON Noted that the Board’s policy oversight extends to many areas of Cambrian’s operations including Enterprise Risk Management, Asset Liability Management, matters relating to the regulatory framework, and Human Resources. To effectively manage these different requirements, the members of the Board sit on several specialized committees dedicated to areas of Governance, Human Resources and Compensation, Risk Oversight, Financial Audit, and Board Succession Planning. The Chairs of each Committee will provide a report on the progress of the work they accomplished in 2024.

Called on Director Jeffrey Morton, Chair of the Governance, Human Resources and Compensation Committee.

MORTON Advised that the responsibility of the Governance, Human Resources and Compensation Committee is to ensure that the Board has effective governance policies, practices and procedures in place and that evolving trends and best governance practices are adopted by the Board when appropriate. The Committee also provides a line of sight into the Credit Union’s strategic direction.

Noted that Cambrian’s primary purpose and mission is the economic well-being of its members. Cambrian is an inclusive organization and is committed to improving and evolving the ways in which it works to meet that commitment. The Committee worked with the Nominating Committee providing input on the assessment of the ideal skills, behavioral attributes and personal experiences to enhance the Board through this year’s slate of Director election candidates.

The Committee continuously evaluates and evolves its governance framework. Priorities for review are established annually, which includes existing policies and practices, as well as any changes according to governance best practices, business, legislative and regulatory conditions.

Through ongoing attention to Cambrian’s Human Resources Policy, the Committee ensures that Cambrian remains an employer of choice with the ability to attract and retain knowledgeable and skilled employees, ensuring continued growth and delivery of service excellence to members.

iv. Risk Oversight Committee

MATHIESON Called on Director Cindy Genyk, Chair of the Risk Oversight Committee.

GENYK Noted that as services and technologies in the industry continue to grow and advance, so does the complexity of safeguarding personal data and financial assets. Cybersecurity threats are becoming more sophisticated, frequent and disruptive, posing significant risks

to individuals, organizations and the financial ecosystem as a whole. Alongside these threats, regulatory requirements for financial institutions are increasing, reflecting the need for stricter oversight, transparency and accountability in managing these risks.

In addition to addressing the growing cyber threat landscape, the Risk Oversight Committee is fully engaged in ensuring compliance with evolving regulatory standards, including improved cybersecurity controls, enhanced risk management practices and timely, accurate reporting to regulators.

An overview of the key accomplishments of the Risk Oversight Committee was provided which included strengthening digital operations, enhancing security policies, focusing on emerging risks, meeting regulatory demands and fortifying member protections.

The evolving regulatory landscape reflects the growing importance of risk management in an interconnected financial ecosystem. Cambrian actively collaborates with regulators and industry partners to remain at the forefront of compliance innovation.

v. Audit Committee, Auditor's Report and Financial Statements

MATHIESON Called on Director Guy Whitehill, Chair of the Audit Committee.

WHITEHILL Noted that the Audit Committee plays a critical role in overseeing certain aspects of Cambrian's activities and performance, with specific responsibility for the financial reporting process and related internal controls, compliance with accounting and financial regulations, and independence of its internal and external auditors.

Noted that the Committee meets quarterly with management, internal auditors and external auditors. The Committee's focus on the risk-sensitive areas of the financial statements, controls and reporting processes were outlined.

When selecting Directors to serve on the Audit Committee and as Audit Chair, the Board ensures that members of the Committee have the appropriate knowledge, skills and financial expertise. The Committee continually monitors changes in the financial industry, as well as changes to financial reporting and audit requirements, and keeps informed of new trends and issues.

It was noted that the Audit Committee is responsible for oversight of Cambrian's internal quarterly financial statements. This is an important agenda item for every meeting of the Committee and has improved visibility into the financial risks and related mitigation, as well as the processes of internal controls, accounting practices and estimates. This has enabled the Board to be more strategic and forward looking with respect to Cambrian's financial performance.

An overview of the Committee's role and activities with respect to Cambrian's internal and external auditors was provided. The internal audit function reports directly to the Audit Committee, ensuring its independence from management. It was noted that internal audit has improved its audit processes by building on a risk-based audit approach. It has also expanded its scope to include advisory services and oversight of specialized third-party engagements, as well as its more traditional role of assurance and compliance.

An assessment of the external auditor is conducted annually, along with a comprehensive audit review which is conducted at least every five years. It was noted that MNP was appointed as Cambrian’s auditor in 2022 and the Committee is recommending their reappointment for 2025 at this AGM.

MATHIESON Called for questions on the Board and Management Reports.

There were no questions submitted.

**ITEM 12 APPOINTMENT OF AUDITORS**

MOTION # 05/25 - (G. Whitehill / M. Brennan):

“That MNP be appointed as the auditors of Cambrian Credit Union until the next Annual General Meeting.”

78 ballots processed

In favour 76

Against 1

Abstain 1

CARRIED

**ITEM 13 NOMINATING COMMITTEE REPORT**

MATHIESON Called on Director Valerie Romanow, Member of the Nominating Committee.

ROMANOW Advised that the Nominating Committee is responsible for upholding the integrity and transparency of the Director Nomination and Election process and for ensuring that candidates are well informed about the election process and the time commitment involved in being a Board member. The Nominating Committee, in collaboration with the Governance, Human Resources and Compensation Committee, evaluated the skillsets of the current Board members to identify key areas where experience, skills and diversity could be enhanced.

The application process began on December 1, 2024, when the Call for Nominations was published on the Cambrian website and in the December statements. Nominations closed January 3, 2025, and on January 15, 2025, the Nominating Committee began interviews of candidates who had come forward.

Chairperson Judy Mathieson and Director Cindy Genyk allowed their names to stand for re-election and were endorsed by the Board of Directors. Seven new candidates expressed interest in joining the Board. The Nominating Committee met with all candidates and following a comprehensive interview process, it was determined that four candidates aligned closely with the skillsets sought by the Board for this upcoming term.

In January, the Nominating Committee met with the Board to review all candidates and finalize the endorsement process. Each candidate was notified of the Board’s endorsement decision, where two incumbent Directors and four new candidates emerged for three open Board positions.

On March 10, the election materials were distributed to approximately 60,000 eligible voting members. Members were provided with the option to vote online or by telephone. Voting closed March 28 and the election results were shared with the Board on April 1.

The three Director candidates receiving the highest number of votes in the 2025 election are Cindy Genyk, Sylvie Albert and Judy Mathieson. Each will serve on the Board for a three-year term starting at the close of today's AGM.

Gratitude was extended to all candidates for their willingness to engage with members and participate in this crucial process. Members were thanked for their active participation in this democratic election.

**MATHIESON** Expressed appreciation to all Nominating Committee members. Thanked fellow Director Elect, Cindy Genyk, for participating in this year's election and welcomed Sylvie Albert to Cambrian's Board of Directors. Recognized the two Directors, Paul Holden and Jeffrey Morton, who are leaving Cambrian's Board and expressed appreciation for their contributions and years of service on the Board.

Called for any other questions that need to be addressed at this time.

**MORTIMER** A question was received from member Andrew Klapat, who asked, "During the current federal election campaign, a party has pledged to do more to protect seniors from scammers who would prey upon them. Some members of other credit unions in the Province of Manitoba have been victims of such scams, both electronically and in person. They have been targeted because credit unions are perceived as being weak and lax in their security measures. Would Cambrian Credit Union look into adopting some form of proposal if the party was not elected? And would Cambrian look to go beyond the regulatory requirements set forth by various bodies that create guidance for financial institutions for them to follow?"

Mr. Mortimer advised that Cambrian does abide by all the regulations and always looks to go above the minimum regulatory requirements. For any members that have experienced fraud, Cambrian works very closely with them to try to get as successful a resolution as possible. He noted that cyber fraud has increased, as outlined in the report given by the Risk Oversight Committee Chair earlier this evening. Cambrian has been investing heavily in its security infrastructure over the past several years, adding staff and new technologies to protect its members. Cambrian has been a leader in this area and was amongst one of the first credit unions to introduce two-factor authentication, even before it was introduced by banks. Cambrian has implemented many different layers of system security to try to ensure that fraud is kept to a minimum. It also engages third parties to do assessments to ensure that Cambrian is doing all that it can to help protect its members. It was also noted that cybersecurity is everyone's responsibility, and it is very important that members maintain appropriate security settings, while regularly questioning and seeking out advice before proceeding on anything that they believe might be suspicious. It was confirmed that if new regulations do come into effect, Cambrian will review them and will look to adopt what is prudent and in compliance with the regulatory requirements.

**ITEM 14      ADJOURNMENT**

MATHIESON      Called this meeting adjourned.

**Time of Adjournment: 7:53 p.m.**

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Chair

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Recording Secretary

# Message from the Board Chair

As a member-owned financial institution, Cambrian's purpose is clear: to serve and deliver value for the people who own us—our members. The past year brought significant shifts across the financial landscape, from evolving regulatory expectations to the continued modernization of financial services. Throughout these changes, the board remained focused on ensuring Cambrian continues to operate from a position of strength, clarity, and prudence.

**Overall, 2025 was an incredibly positive year for Cambrian on many fronts.** It was also a transformative year for the organization, with the retirement of former President and CEO David Mortimer at the end of October.



David spent nearly 27 years in numerous executive positions at Cambrian, including the final six years of his career as President and CEO. During that time, Cambrian grew to become a \$5-billion credit union, one that enjoys amongst the strongest financial-capital positions among all credit unions in Manitoba. David leaves an incredible legacy, as well as a credit union well positioned for continued success. **As a board, we thank David for his unwavering commitment to delivering value for our members.**

The board is enthusiastic about welcoming Deanne Magnus as Cambrian's new President and CEO. **We are confident that Deanne's leadership, vision, and dedication will guide Cambrian into its next era of growth and innovation.** We look forward to working collaboratively with her and are excited about the positive impact she will undoubtedly have on our organization and community.

As a board, our role is to provide strong governance oversight, and to uphold the highest standards of accountability to you, our members. Our oversight includes a balance of hindsight to reflect and learn from the past, insight to interpret and respond to the present, and, perhaps most importantly today, foresight to anticipate and prepare for the future. The challenge is no longer simply anticipating disruption but governing effectively amidst continuous external and internal pressures.

Our regulators expect us to possess the necessary knowledge and skills to be competent and effective directors. Cambrian's board members bring their diverse experiences and expertise to the table, which they enhance with continuous learning and professional development each year.

# Message from the Board Chair (cont)

Today, Cambrian is nearly 71,000 members strong, because many of you decided to make Cambrian your financial home. Perhaps you became a member for the unfee, or for your mortgage or personal loan, or as a means to save for the future, or for the personalized member service you receive from Cambrian. Regardless of *why* you chose Cambrian, we're happy you did.

**As always, the board remains steadfast in its commitment to ensuring Cambrian continues to be a trusted financial home for our members.** As we look to the future, I am extremely optimistic. We have the right team, the right strategy and, most importantly, the right mission: to deliver high member value through simplified banking, saving members time and money, and striving to solve members' financial problems.

**Judy Mathieson**

Chair, Board of Directors

# Message from the CEO



It's long been said change is the only constant in life. That adage was perhaps never truer than in 2025, when continued economic change—from interest rate adjustments to shifting market conditions—was compounded by growing geopolitical tensions to create an atmosphere of growing uncertainty around the world, including here at home in Manitoba.

Trade disputes with traditional allies, including the ever-present threat of new tariffs, have begun to have an impact on Canada's economy, with tightening employment, dampening spending and stagnating growth in key consumer segments—most notably within the core housing sector of Canada's largest urban centers.

All this converging at a time when more than 60 per cent of Canada's retail mortgages will renew from their historic low interest rates between June 2025 and December 2026.

For Cambrian, these external conditions are a reminder that **we can never lose sight of the fact that, as a credit union, we exist for our members.** This is a responsibility we take very seriously as we strive to offer our members certainty in uncertain times.

Whether you are walking into a branch, opening our mobile app, or speaking with one of our advisors, we want Cambrian to feel like a financial home you can rely on—one that understands you, supports you, and stands with you through every chapter of life.

As we reflect on 2025, I'm proud of the resilience and dedication shown by our employees and members alike. Our ability to adapt and innovate has been essential in navigating the evolving financial landscape, enabling us to continue delivering value and personalized support to our community.

A perfect example of that spirit of innovation is the introduction of our Best of Both Worlds mortgage. We developed the Best of Both Worlds mortgage product to help ease the financial shock when our members renew their COVID-era mortgages and it clearly resonated with consumers.

We also invested heavily in our digitalization journey, working hard to deliver meaningful improvements for our members by simplifying the account opening process so new members can complete everything in one smooth step. Furthermore, we made enhancements to our website to make it simpler and faster to manage your finances online. Combined, these improvements make it quicker and more convenient for people to start enjoying the benefits of becoming a Cambrian member.

# Message from the CEO (cont)

We didn't forget about our branch network either. We have a deep connection and commitment to the communities we serve and so in 2025, we began a full renovation and redesign of our Southdale branch. The revitalized space is modern, inviting, and designed to meet the needs of today's members.

Importantly, the changes experienced in 2025 were not solely external; Cambrian also underwent significant internal transformation over the course of the year.

Most notably, former President and CEO David Mortimer retired at the end of October. Much of the success of the past year—the past many years, really—can be traced directly back to David's leadership.

**During David's tenure, Cambrian became a true value creator for its members.** Whether through years of exceptional interest rates, refunded service fees (a.k.a. the unfee) or a relentless pursuit of service, David's imprint can be felt throughout the organization.

We were fortunate to have benefitted from his experience, wisdom and expertise for so many years. Thank you, David.

**As we move into 2026, our commitment is simple: to continue being the financial home our members trust.** We will build on our strengths, invest in meaningful innovations, and remain focused on serving our members' diverse financial needs.

To our employees: thank you for your tireless leadership serving our members and working together to achieve success. We have an amazing team!

To our board of directors: thank you for your continued oversight and for leading us through our increasingly complex industry. We are a stronger credit union because of you.

And, most importantly, to our members: thank you for entrusting us to provide you and your family with the advice, products and services you need to achieve your financial goals.

Together, we will continue to make Cambrian a place where everyone can feel at home.

**Deanne C. Magnus**

President & Chief Executive Officer



## Providing Flexibility and Peace of Mind

We know that housing affordability is a primary concern for many Canadians. Between 2025 and 2026, more than 60 per cent of all Canadian mortgages are due to come up for renewal. Many of these mortgages were originally signed during the pandemic, at a time when interest rates were at historical lows. As a result, many borrowers face significant rate increases. Coupled with rising cost-of-living pressures, this creates real financial strain and stress.

That's why in 2025 we introduced our innovative Best of Both Worlds mortgage. This exclusive mortgage product was created to allow our members to select a shorter two-year term with our lowest rate, with the option of locking in for even longer and "resetting the rate and term" within the life of the term—penalty-free.

A unique offering, this flexible mortgage highlighted the options our members have and put them back in control, no matter where rates go. The limited time campaign emphasized that our members no longer needed to compromise between rate and term. **They get peace of mind and flexibility.**

In 2025, Cambrian also achieved the #1 Google search ranking in Manitoba for "credit union mortgage rates." This milestone helps more Manitobans discover Cambrian as a trusted partner for buying a home or renewing a mortgage, extending the benefits our members enjoy to even more people across the province.

# Renovating Your Financial Home Away from Home

We like to think of our branch network as our members' financial home base. When you step into a Cambrian branch, it should feel inviting, accessible, and welcoming.

Our Southdale branch was last renovated in 1999 and was due for a refresh, so in the fall of 2025 we took the bold step of closing the branch for four months while we undertook a floor-to-ceiling revamp of the space. The result is a modern, thoughtfully designed branch featuring contemporary design elements, flexible workspaces, and collaborative new meeting spaces for members and staff.

Our renovated Southdale branch reflects our ongoing commitment to serving our members and the communities in which they live and work.



# Enhancing the Digital Experience

Sometimes you want to do your banking from the comfort of your own home, so in 2025 we focused on delivering meaningful digital improvements for our members – enhancements that make banking simpler, safer, and more flexible. These initiatives reflect our commitment to creating value and building trust through every interaction.

We simplified the account opening process so new members can complete everything in one smooth step. This new process was fully launched online for Cambrian members and also piloted in select branches, making it faster and more convenient to start enjoying the benefits of membership. We're excited to introduce this new account opening process to more branches in the year ahead.

We also made enhancements to our website to make managing your finances online simpler and faster. With improved navigation, quicker load times, and a cleaner design, our website now makes it easier than ever for members to get things done anytime, anywhere.

We refined content for better readability and made it simpler for members to book meetings to connect directly with us. These updates were designed to reduce confusion and ensure members could quickly find the information and support they needed.

Finally, we made subtle but meaningful improvements to how alerts appear on our website and we also refined the logout experience, all with the goal of making our website easier to use and more secure for members.



## Overall Website Health & Engagement

**+40.3% sessions** (1.5 million total sessions)

# Listening, Responding, and Solving Member Needs

In 2025, Cambrian's commitment to personalized service was reflected in both the scale and quality of our member interactions. Across Cambrian and Achieva, our Member Service Centre responded to 183,160 member contacts, including 123,700 incoming conversations, 38,150 live chats, and 21,310 secure messages—each representing a member seeking guidance, clarity, or a solution to a financial challenge.

Whether through digital channels or one-on-one conversations, our focus remained on listening first and responding with care, expertise, and practical advice. That commitment is reinforced by an average post-meeting service rating of 4.9 out of 5.0, underscoring that even as demand grows, our priority remains helping members feel supported, understood, and confident in their financial decisions.

## In the numbers



**183,160**

Member interactions



**123,700**

Calls received



**38,150**

Live chats conducted



**21,310**

Secure messages received



**4.9/5.0**

Average post-meeting service rating



## Delivering Responsible Investment Solutions

Cambrian is dedicated to delivering personalized financial management and responsible investment solutions to our members.

Our experienced advisors provide guidance at every stage of the financial journey, whether consultations are conducted virtually or in person.

Through strategic partnerships with Aviso Wealth and NEI Investments, we ensure that our members benefit from both financial security and ethical investment opportunities.

Our members can be confident that their investments are directed toward companies prioritizing positive global impact while supporting their individual financial objectives. This collaboration allows us to offer a combination of stability and values-based investing, in alignment with our members' goals.

**In 2025, Cambrian's Wealth & Advisory Services was honoured with an exceptional overall member rating of 4.9 out of 5.0.** Additionally, more than 30 per cent of our advisory meetings were held digitally, enhancing convenience and flexibility for our members.



# 4.9/5.0

Cambrian's Wealth & Advisory Services  
overall rating from members in 2025

# Helping Members Save with Every Swipe

In 2025, we delivered meaningful value to our members through a wide range of credit card offer campaigns and financial literacy initiatives designed to support their financial well-being—and help them save more along the way.

From waived annual fees and high-cash-value reward points to statement credits exclusively for young adults and dedicated promotions for premium cardholders, there was truly an offer (and a card) for every stage of life. Our goal was to ensure our members felt confident in choosing the card that fits them best.

We also focused on empowering members with financial literacy. Through credit-focused social media posts and links to helpful financial blogs, we offered practical guidance to help members build healthy financial habits and better understand how to manage their credit responsibly.

Cambrian remains committed to offering exciting campaigns in partnership with Collabria Financial Services, ensuring our members have access to flexible, reliable, and rewarding credit card options.



# Protecting Our Members

At Cambrian, protecting our members is at the heart of everything we do. From rigorous governance of our information technology infrastructure to proactive fraud prevention to secure digital services, we take a holistic approach to safeguarding member data, privacy, and financial well-being.

## Safeguarding Your Data

In 2025, we were particularly proud of achieving ISO 27001:2022 certification, which underscores Cambrian's commitment to protecting member data. This certification, along with our continuous improvement efforts such as scheduled surveillance audits, showcases our discipline and resilience with respect to information security.

This accomplishment aligns seamlessly with our Mission, Vision, and Strategy. It enhances member trust, supports operational excellence, and fortifies our strategic initiatives through proven controls and governance. Consequently, it makes our innovation processes safer and more reliable.

Moreover, this achievement is a testament to our team's collective efforts. The cross-functional participation from a wide range of departments demonstrated enterprise-wide accountability for information security.

## Protecting Your Privacy

To make sharing sensitive documents worry-free, we introduced a secure file-sharing platform. Members can now upload files quickly and confidently, knowing their information remains private.

## Proactive Fraud Prevention

Throughout 2025, our Loss Prevention team placed an emphasis on proactive fraud prevention. Our work plan centered on member and staff education, increased awareness, and strengthened internal controls, all with the goal of protecting Cambrian while supporting members on their path back to financial stability.



# Growing Our Talent

Cambrian's achievements in 2025 are the result of the commitment and hard work of our dedicated employees. Our people are truly our greatest asset in providing member-focused service. When we support our employees, we empower them to better support our members.

To give employees a voice and help understand how they feel about their work and work environment, we conduct an annual employee engagement survey. This survey provides employees with an opportunity to share their opinions and feelings with management, highlighting successes and areas for improvement as an employer.

Compensation is reviewed bi-annually to ensure we are providing fair and competitive compensation to all employees. In 2022, Cambrian implemented the Fair and Competitive Wage standard for all employees, establishing a \$20.00/hour minimum wage.

## Employee Engagement



# 88%

Employee  
engagement



# 95%

feel people of diverse  
backgrounds can  
succeed at Cambrian



# 95%

are proud to work  
for Cambrian

## Employee Diversity

# 39%

identify as from  
racialized communities  
(including Indigenous)

# 6%

identify as  
Indigenous

# 6%

identify as a  
person with  
a disability

# 3.5%

identify as  
2SLGBTQ+

\* Employee diversity voluntary demographics gathered from our 2025 Employee Engagement Survey. Over 340 employees.



## Investing in Career Development

Cambrian is committed to growing and investing in our new and existing employees, and in 2025, we demonstrated this in several ways.

Throughout the year, we consistently ran our updated onboarding experience for all new employees, as well as our training program for newly hired Member Services Representatives, which was redesigned in 2024. As a result, member-facing employees enhanced their skills, helping to ensure consistency in the member experience.

### Talent Management

- Over 600 hours of instructor-led training completed
- 16 per cent of our employees received internal promotions
- 16 Cambrian leaders completed our comprehensive five-module Leadership Development Program



# Achieva Financial: Helping Customers Securely Save

Established in 1998, Achieva Financial was among Canada's first online-only financial institutions and, today, is one of the longest-running online savings providers.

Achieva provides an alternative to brick-and-mortar banks specializing in one thing only: helping customers securely save money. With highly competitive interest rates, fully secure investments, and a consistently groundbreaking approach to digital finance, Achieva has been one of Canada's longest serving online financial institutions for more than 25 years.



**32,360**

Customer interactions



**19,720**

Calls received



**7,400**

Live chats conducted



# 2025 Executive Team



**David Mortimer**

President &  
Chief Executive Officer  
(retired October 31, 2025)



**Deanne Magnus**

President &  
Chief Executive Officer  
(effective November 1, 2025)



**James Baxter**

Chief Growth Officer



**Marilyn Brennan**

Chief Strategy, Governance  
& Risk Officer



**Lynne Mackan-Roy**

Chief Information Officer



**Rochelle Stevenson**

Chief Financial Officer



**Jeremy Frost**

Senior Vice-President, Digital  
Experience & Innovation



**Catherine Hine**

Senior Vice-President,  
People & Culture



## Governance

As a financial co-operative, Cambrian is overseen by a democratically elected board of directors, responsible for stewarding the credit union on behalf of members. At its core, the board provides leadership, oversight, and accountability for the organization through strong, responsible, and ethical governance. Cambrian's board is committed to ensuring its directors have the capabilities, attributes, and relevant experience and expertise to optimize our organizational performance.

## Cambrian's Statement of Intent

Our Statement of Intent was adopted by our board of directors and included in Cambrian's bylaws, which were approved by our members at the 2023 Annual General Meeting. The Statement of Intent speaks to the board's commitment to acting in the interest of the credit union and its stakeholders:

Directors shall, in accordance with their applicable statutory and regulatory duties and requirements and in alignment with the co-operative principles of the credit union and its purpose, act with a view to the best interests of the credit union. In considering best interests of the credit union, the directors shall consider the interests of the credit union's members, employees, suppliers, and creditors, as well as the government, the natural environment, and the community and society in which the credit union operates and the short-term and long-term interests of the credit union, to inform their decisions.

In discharging their duty to act with a view to the best interests of the credit union, the directors shall consider the interests of all of the credit union's stakeholders and shall not be required to consider the interests of any particular stakeholder as determinative, in exercising their judgement.

# 2025 Board of Directors

Cambrian's board of directors is elected by our membership and responsible for overseeing the corporate governance of our credit union. They provide oversight and strategic guidance to ensure the ongoing stability and success of our credit union.

As Cambrian pursues its vision of being a value leader through digital banking, supported by our commitment to personalized advice and member service, our board of directors continues to provide sound stewardship and effective leadership.

## Board Diversity

Cambrian is committed to being an organization that reflects the diversity of our membership. The board values full inclusion that allows colleagues to bring their diverse voices to the boardroom and connects us closer to our members and the communities we serve.



**Judy Mathieson** Chair

Board Meetings Attended: 8/8



**Mike Emslie** Vice-Chair

Board Meetings Attended: 8/8  
Committee Meetings Attended: 12/12



**Sylvie Albert**

Board Meetings Attended: 5/5  
Committee Meetings Attended: 3/4  
Elected April 15, 2025



**Omena Babalola**

Board Meetings Attended: 8/8  
Committee Meetings Attended: 7/7



**Cindy Genyk**

Board Meetings Attended: 8/8  
Committee Meetings Attended: 10/10



**Scott Greenlay**

Board Meetings Attended: 7/8  
Committee Meetings Attended: 7/8



**Paul Holden**

Board Meetings Attended: 1/1  
Committee Meetings Attended: 1/1  
Resigned January 23, 2025



**Jeffrey Morton**

Board Meetings Attended: 3/3  
Committee Meetings Attended: 3/3  
Term ended April 15, 2025



**Valerie Romanow**

Board Meetings Attended: 8/8  
Committee Meetings Attended: 7/7



**Bonnie Saluk Chwartacki**

Board Meetings Attended: 8/8  
Committee Meetings Attended: 4/4



**Guy Whitehill**

Board Meetings Attended: 8/8  
Committee Meetings Attended: 11/11

# Cambrian's Environmental, Social, and Governance Guiding Principles



## We will...

Place the economic well-being of our members and the health of the community at the heart of every decision we make.



## We will...

Empower our employees and foster a culture of belonging where integrity, honesty, member-focus, and innovative spirit are embraced and encouraged.



## We will...

Maintain the integrity of our operations and deliver a strong financial performance, the value of which we return to our members and the community.



## We will...

Govern and act in alignment with co-operative principles and in the best interests of the credit union and its stakeholders.



## We will...

Continue supporting and integrating environmentally sustainable practices into the workplace and in our communities.

# Supporting Our Communities

As a financial co-operative, Cambrian is dedicated to serving and investing in the communities in which our members live. This points to one of our five core values: Community Involvement. We demonstrate this by supporting and empowering local organizations through funding and employee volunteer initiatives.

**In 2025, Cambrian provided over \$350,000 in financial support to 56 local organizations in Winnipeg and Selkirk.** Forty-eight per cent of that funding supported initiatives connected to Cambrian members, through 18 sponsorships and nine donations.

Throughout the year, Cambrian employees also took part in volunteer activities that helped foster strong community partnerships, elevate our brand, and further develop relationships with colleagues. These opportunities included the Downtown Winnipeg BIZ Spring CleanUp, Folklorama Kick-Off, Habitat for Humanity Team Build Day, Variety's Winter Wonderland, Manitoba Marathon, and Winnipeg Pride Parade, as well as volunteer hours at organizations including Agape Table, FortWhyte Farms, Harvest Manitoba, and Koats for Kids.

As wildfires impacted communities throughout the province in June 2025, our value of Community Involvement was on full display as employees, directors, and the credit union came together to assist those affected. Thanks to 79 employee pledges totaling \$2,310, along with a corporate donation of \$5,000, Cambrian was able to donate \$7,310 to the Canadian Red Cross wildfire relief efforts. Cambrian also donated an additional \$5,000 to St. John's Ambulance to support that organization's wildfire response.



# United Way Workplace Campaign

Cambrian's annual United Way Employee Campaign, regularly recognized as one of Winnipeg's leading campaigns, was a roaring success once again in 2025. Nearly 200 employee pledges, combined with Cambrian's corporate match and money raised through fundraising events, resulted in a campaign that raised over \$195,000.

In their role as part of the 2025 United Way Campaign Committee, 21 employee representatives from across the company generated attention and excitement for the campaign throughout the year.

In 2025, out of 600 workplace campaigns, Cambrian's campaign was ranked in the Top 50 in every category, including:

- #17 in Leading Organizations
- #21 in Top Workplace
- #17 in Top Corporate
- #27 in Top Employee

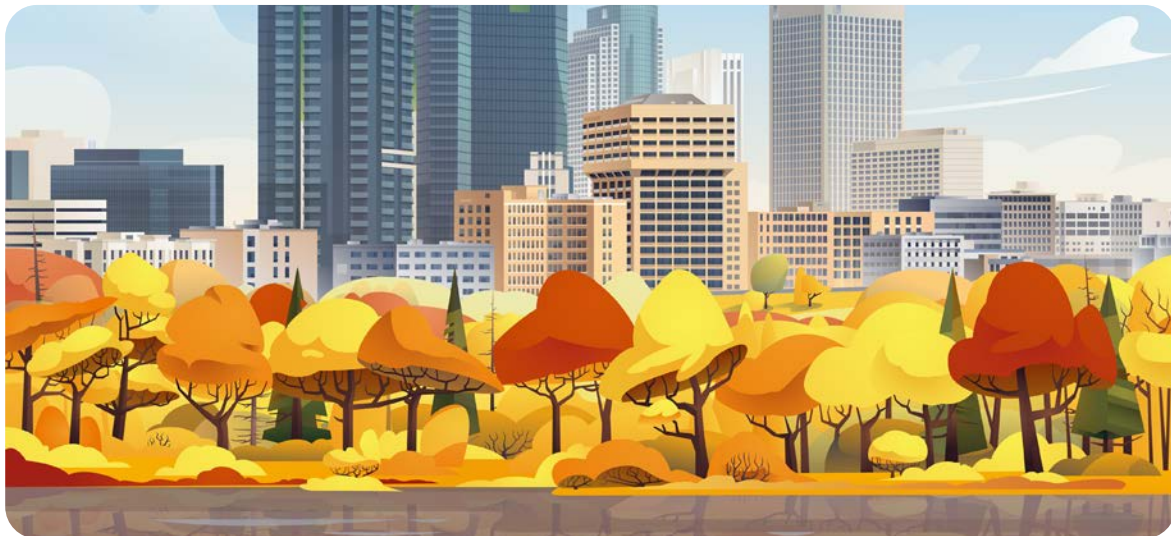


# Lending Locally to Strengthen Our Communities

In addition to the corporate funding we provide local organizations, we also lend our support and resources to commercial projects in the community that directly address issues like housing & shelter, counselling services, and access to education.

Some of our current partnerships include:

- **Inclusion Selkirk**, which supports individuals and their families who live with intellectual disabilities. Inclusion Selkirk's goal is to build an inclusive community for all. Along with our annual donations, Cambrian also finances properties that provide accessible housing to people in these communities. Inclusion Selkirk has been a Cambrian member for over 40 years.
- **Westminster Housing Society (WHS)**, a registered charity whose mission is to provide good quality housing to lower income tenants at rental rates they can afford. WHS rehabilitates and constructs housing stock in Winnipeg's West Broadway and surrounding neighbourhoods.





## Our Commitment to the Environment

Cambrian is committed to contributing positively to the health of our community. We believe that responsible environmental practices are important for the well-being of current and future generations and we will continue to support and integrate sustainable practices into the workplace and in our communities.

Moreover, our business and commercial members are concentrated in lower-carbon sectors. As an urban real estate lender, our exposure to Oil and Gas, Mining, Forestry, Agriculture and Commercial Transport industries, which account for 85 per cent of greenhouse gas emissions, is negligible.

# Reducing Our Carbon Footprint

At Cambrian, “You’re Home” means caring for the places we share by reducing our environmental footprint and making thoughtful, sustainable choices that support our members, employees, and communities. We’re committed to sustainability, a principle that guides how we design and update our facilities and how we operate every day.

Here are the ways we continued to be eco-conscious in 2025:

## Efficient Branch Network

- Limited geographical footprint with 11 branches and corporate offices located within central areas of Winnipeg and Selkirk, all located on or near major bus routes
- Bike lockups at all locations
- All mail directed to the mail room at head office (225 Broadway) ensuring an efficient mail transport system, reducing courier deliveries and inter-office mail

## Southdale Branch Renovation

The four-month closure of our Southdale branch for a full renovation allowed for an efficient, cost-effective timeline to create a modernized and sustainable new space that will serve members and employees for years to come. The renovation included:

- LED lighting upgrades (previously fluorescent), including outdoor signage
- Full power and electrical panel replacement for efficiency
- Integration of more natural materials, including granite countertops
- With decreasing demand for physical documents and supplies, reduced furniture needs allowed for less wood usage and fewer materials for cabinets and storage
- Cambrian reuses materials and furnishings internally where possible, but since Southdale had a full renovation, we donated most of its contents to non-profit organizations. We donated to local neighbourhood organizations, including scrap metal to Metal 4 Missions, furniture and a refrigerator to Habitat for Humanity Manitoba, and more furniture and supplies to Teen Stop Jeunesse.

## Green Building Attributes and Improvements

- Collaborative and flexible workspaces at head office, creating an energy-efficient workplace
- Secure shredding program and recycling at all locations
- Continuing conversion to LED lighting as we gradually update and renovate our locations
- With reduced need for print materials, we have actively been transitioning branches to only one multi-purpose copier/printer/scanner and one standalone printer (two printer/copier devices total). In the past we’ve had two to three printers, one copier, and separate fax machines at each location.
- Our digital branch option eliminates the need to drive to a location for banking needs, with in-person banking at branches available yet optional.

# 2025 Financial Summary

Geopolitical and economic uncertainty set the tone for much of 2025, both in Canada and around the world, presenting ongoing challenges for members, businesses, and financial institutions alike. Amid rapidly evolving market conditions and continued change across the financial services sector, Cambrian remained focused on what matters most—meeting our members' diverse and evolving financial needs.

Cambrian continued to prioritize providing competitive rates and trusted advice for our members, guided by our mission to save, solve, and simplify financial services. We remained committed to ensuring our products and services were competitively priced, while placing personalized advice and guidance at the forefront to help members navigate an increasingly complex financial environment.

Throughout the year, Cambrian remained resilient, continuing to grow and strengthen its position. Assets grew to \$5.1 billion as of December 31, 2025, with strong loan growth of \$309 million and savings and deposit growth of \$125 million. Gross financial margin ended the year at 1.37 per cent of total assets, while total comprehensive income was \$17 million.

Retained earnings, the highest form of capital, increased to \$395 million. These retained earnings further strengthen Cambrian's ability to deliver long-term value back to members.

This past year, we returned \$8.2 million to our members through the unfee. This represents over \$683,000 deposited back into members' accounts each and every month—**the largest refund we have ever returned to members in a single year.**

To date, Cambrian has refunded over \$84 million in monthly service fees since the unfee was first introduced in April 2011.



## unfee

We refunded \$8.2 million in service fees through the unfee—an increase from the \$7.4 million refunded in 2024. Since its inception in 2011, the unfee has refunded more than \$84 million in monthly service fees.

# Financial Highlights

## 5 - Year Comparison Chart

(Thousands Of Dollars)	2025	2024	2023	2022	2021
Assets	5,132,108	4,987,895	4,802,865	4,629,094	4,623,494
Members' Equity	395,659	378,234	364,488	349,562	330,262
Net Interest Income	70,164	58,240	57,786	59,078	53,457
Other Income	32,702	24,584	23,320	21,463	22,135
Operating Expenses	68,993	55,773	52,467	46,258	42,135
Income from Operations	31,628	25,539	27,317	32,675	32,651
Refunded Service Fees	8,213	7,373	6,879	6,657	6,542
Net Income Before Other Comprehensive Income	17,212	13,312	14,926	19,300	20,315
Regulatory Capital Ratio	7.71%	7.60%	7.60%	7.56%	7.15%
Retained Earnings Ratio	7.70%	7.58%	7.59%	7.55%	7.14%
Risk Weighted Capital Ratio	16.18%	16.78%	16.27%	16.78%	16.49%
Liquidity Reserve	19%	23%	21%	21%	24%

To view our 2025 Audited Financial Statements, [click here](#).

**\$5.1**

Assets (billions)

**\$17**

Net Income (millions)

**\$309**

Loan Growth (millions)

**\$125**

Savings & Deposit  
Growth (millions)

**19%**

Liquidity Reserve

**16%**

Risk-Weighted  
Capital Ratio



# Cambrian Credit Union Limited

Financial Statements  
**December 31, 2025**



# Cambrian Credit Union Limited

Financial Statements  
December 31, 2025

To the Members of Cambrian Credit Union Limited:

## Opinion

We have audited the financial statements of Cambrian Credit Union Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2025, and the statements of income and comprehensive income, changes in members' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS® Accounting Standards.

## Basis for Opinion

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

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

Winnipeg, Manitoba

March 18, 2026

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, handwritten-style font, followed by 'LLP' in a smaller, clean, sans-serif font.

Chartered Professional Accountants

# Cambrian Credit Union Limited

## Statement of Financial Position

As at December 31

(in thousands of dollars)

	2025 \$	2024 \$
<b>Assets</b>		
Cash on hand	4,143	4,227
Investments and deposits (note 6)	956,013	1,123,838
Loans outstanding – net of allowance for loss (notes 7 and 8)	4,138,958	3,830,027
Other assets (note 9)	7,994	5,492
Deferred income tax asset (note 13)	3,177	2,491
Investment property	584	584
Property, equipment and intangible asset (note 10)	21,239	21,236
	<u>5,132,108</u>	<u>4,987,895</u>
<b>Liabilities</b>		
Savings and deposits (note 11)	4,683,746	4,558,672
Members' shares (note 14)	354	350
Accounts payable and accrued liabilities	16,985	14,023
Mortgage securitization liability (note 17)	25,988	29,080
Lease liability (note 12)	9,376	7,536
	<u>4,736,449</u>	<u>4,609,661</u>
<b>Members' Equity</b>		
Retained earnings	395,012	377,800
Accumulated other comprehensive income	647	434
	<u>395,659</u>	<u>378,234</u>
	<u>5,132,108</u>	<u>4,987,895</u>

### Approved by the Board of Directors

"Judy Mathieson" Director

"Mike Emslie" Director

The accompanying notes are an integral part of these financial statements.

**Cambrian Credit Union Limited**  
**Statement of Income and Comprehensive Income**  
**For the year ended December 31**  
(in thousands of dollars)

	2025 \$	2024 \$
<b>Interest income</b>		
Members' loans	162,753	158,534
Investments and deposits	44,208	60,022
Swap agreements	278	2,033
	<u>207,239</u>	<u>220,589</u>
<b>Interest expense</b>		
Savings and deposits	136,306	161,396
Secured borrowing	769	953
	<u>137,075</u>	<u>162,349</u>
<b>Net interest income</b>	70,164	58,240
<b>Provision for loan loss</b> (note 8)	2,245	1,512
<b>Other income</b>	32,702	24,584
<b>Net interest and other income after provision for loan loss</b>	<u>100,621</u>	<u>81,312</u>
<b>Operating expenses</b>		
Salaries and employee benefits	31,927	28,563
Administration	16,127	14,570
Premises	6,209	6,069
Member security	4,037	3,889
Organizational	10,693	2,682
	<u>68,993</u>	<u>55,773</u>
<b>Income before refunded service fees and income taxes</b>	31,628	25,539
<b>Refunded service fees</b> (note 15)	(8,213)	(7,373)
<b>Net income before income taxes</b>	23,415	18,166
<b>Provision for income taxes</b> (note 13)	(6,203)	(4,854)
<b>Net income before other comprehensive income</b>	<u>17,212</u>	<u>13,312</u>
<b>Items that are or may be reclassified subsequently to net Income</b>		
<b>Cash Flow Hedges</b>		
Net gain on cash flow hedges	759	496
Net losses (gain) on cash flow hedges transferred to earnings	(468)	99
Related income tax expense	(78)	(161)
	<u>213</u>	<u>434</u>
<b>Total comprehensive income</b>	<u>17,425</u>	<u>13,746</u>

The accompanying notes are an integral part of these financial statements.

**Cambrian Credit Union Limited**  
**Statement of Changes in Members' Equity**  
**For the year ended December 31**  
(in thousands of dollars)

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	Retained earnings \$	Accumulated other comprehensive income – cash flow hedging reserve \$	Total members' equity \$
<b>Balance at January 1, 2025</b>	377,800	434	378,234
Net income	17,212	-	17,212
Other comprehensive income	-	213	213
<b>Balance at December 31, 2025</b>	<u>395,012</u>	<u>647</u>	<u>395,659</u>
<b>Balance at January 1, 2024</b>	364,488	-	364,488
Net income	13,312	-	13,312
Other comprehensive income	-	434	434
<b>Balance at December 31, 2024</b>	<u>377,800</u>	<u>434</u>	<u>378,234</u>

The accompanying notes are an integral part of these financial statements.

# Cambrian Credit Union Limited

## Statement of Cash Flows

For the year ended December 31

(in thousands of dollars)

	2025 \$	2024 \$
<b>Operating activities</b>		
Net income for the year	17,212	13,312
Items not affecting cash		
Depreciation	4,182	4,453
Deferred income tax recovery	(686)	(1,144)
Provision for loan loss	2,245	1,512
Cash flow hedging reserve	213	434
Right of use remeasurement	516	(3)
	<u>23,682</u>	<u>18,564</u>
Net changes in non-cash working capital		
Loans outstanding – net of repayments	(311,176)	(34,546)
Savings and deposits – net of withdrawals	125,074	192,554
Net increase (decrease) in investments and deposits	167,825	(154,142)
Net increase in members' shares	4	4
Net increase (decrease) in accounts payable and accrued liabilities	2,962	(4,581)
Net increase (decrease) in other assets	(2,502)	2,012
	<u>(17,813)</u>	<u>1,301</u>
<b>Cash provided by operating activities</b>	<u>5,869</u>	<u>19,865</u>
<b>Investing activities</b>		
Property, equipment and intangible asset acquisitions	(1,347)	(1,744)
Net payments of lease liabilities	(1,514)	(922)
<b>Cash used in investing activities</b>	<u>(2,861)</u>	<u>(2,666)</u>
<b>Financing activities</b>		
Net change in mortgage securitization liability	(3,092)	(17,232)
<b>Cash used in financing activities</b>	<u>(3,092)</u>	<u>(17,232)</u>
<b>Net decrease in cash during the year</b>	(84)	(33)
<b>Cash – beginning of year</b>	<u>4,227</u>	<u>4,260</u>
<b>Cash – end of year</b>	<u>4,143</u>	<u>4,227</u>

The accompanying notes are an integral part of these financial statements.

# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

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### 1 General information

Cambrian Credit Union Limited (the Credit Union) is incorporated under the Credit Union Incorporation Act of Manitoba and its operations are subject to the Credit Unions and Caisses Populaires Act (Manitoba) (the Act). The Credit Union serves members, providing retail banking, commercial banking, small business banking and investment services. The Credit Union's registered office is 225 Broadway, Winnipeg, Manitoba, Canada.

These financial statements were approved for issue by the Board of Directors on March 18, 2026.

### 2 Basis of presentation

The Credit Union prepares its financial statements in accordance with generally accepted accounting principles in Canada (GAAP) as set out in the Chartered Professional Accountants of Canada (CPA Canada) Handbook, Part 1, which consists of IFRS® Accounting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVOCI).

The financial statements' values are presented in Canadian dollars, which is the functional and presentation currency of the Credit Union.

The Credit Union presents its statement of financial position on a non-classified basis in order of liquidity, with a distinction based on expectations regarding recovery or settlement within 12 months after the year-end date (current) and more than 12 months after the year-end date (non-current), presented in the notes. The Credit Union classifies its expenses by the nature of expenses.

The following are current balances: cash on hand, investments and deposits, loans outstanding due within one year, other assets, savings and deposits due on demand or within one year, mortgage securitization liabilities due within one year, accounts payable and accrued liabilities due on demand or within one year, leases payable within one year, members' shares and current income taxes payable.

The following are non-current balances: long-term portion of loans outstanding, property, equipment and intangible asset, investment property, long-term portion of mortgage securitization liability, long-term portion of accounts payable and accrued liabilities, long-term portion of lease payable, deferred taxes and non-current savings and deposits.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Credit Union's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are the measurement of the expected credit loss allowance disclosed in note 5. The Credit Union enters into

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# Cambrian Credit Union Limited

## Notes to Financial Statements

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hedging and securitization transactions which requires management's best estimates of key assumptions that market participants would use in determining fair value. For more information relating to these estimates, refer to note 17 for securitization and note 18 for hedges.

### 3 Material accounting policies

#### Classification and measurement of financial instruments

All financial assets are measured either at amortized cost, FVOCI or FVTPL based on their contractual cash flow characteristics and the business model for managing the financial assets. All financial instruments are initially measured at fair value. They are recognized at the trade date, when the Credit Union becomes a party to the contractual provisions of the instrument, and are initially measured at fair value.

Transaction costs on financial instruments classified as FVTPL are expensed as incurred. For all other classifications of financial instruments, initial transaction costs are capitalized.

In order to meet the cash flow characteristics criterion for purposes of classifying a financial asset at amortized cost, the cash flow for the asset must be solely payment of principal and interest (SPPI) on the principal amount outstanding. Principal is defined as the fair value of the asset at initial recognition. Interest payments can include the time value of money as well as credit and liquidity risks and certain profit margin.

The Credit Union's business models are determined in a manner that reflects how groups of financial assets are managed to achieve a particular business objective. The business models refer to how the Credit Union manages its financial assets in order to generate cash flows, that is, they reflect whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Determining business models requires the use of judgment and is based on all relevant evidence available at the date of the assessment.

The Credit Union's business models are defined as follows:

- held to collect contractual cash flows;
- held to collect contractual cash flows and sell; and
- other business models: the objective is not consistent with any of the above-mentioned business models and represents business objectives where assets are managed on a fair value basis.

Financial assets are not reclassified following their recognition, unless the business model for management of those financial assets changes.

# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

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### *Financial assets measured at amortized cost*

Financial assets are measured at amortized cost if they are held within the held to collect contractual cash flows business model and their contractual cash flows pass the SPPI test. The assets are initially recognized at fair value, which is the cash consideration to originate or purchase the asset, including any transaction costs, and is subsequently measured at amortized cost using the effective interest rate method. Financial assets measured at amortized cost are reported in the statement of financial position as cash on hand, shares in and term deposits held at Credit Union Central of Manitoba (Central), loans outstanding and other assets. Interest is included in the statement of income and comprehensive income as a part of interest income.

For loans outstanding, allowance for loss is presented as a deduction in the loan's carrying value and is recognized in the statement of income and comprehensive income as provision for loan loss.

### *Financial assets measured at fair value through other comprehensive income*

Financial assets with the held to collect contractual cash flows and sell business model, where contractual cash flows meet the SPPI test, are measured at FVOCI. Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in other comprehensive income (OCI).

### *Financial assets measured at fair value through profit or loss*

The financial assets at FVTPL comprise two sub-categories: financial assets required to be measured at fair value as a result of the business model for managing those assets and financial assets designed by the Credit Union as FVTPL on initial recognition.

Equity instruments are measured at FVTPL. Fair value changes are recorded as part of other income in the statement of income and comprehensive income. Equity instruments include the Credit Union's investment in shares of Central.

### *Financial liabilities measured at amortized cost*

Financial liabilities not classified as FVTPL fall into this category and include savings and deposits, mortgage securitization liability and accounts payable and accrued liabilities. These are measured at fair value on initial recognition and subsequently at amortized cost using the effective interest method.

### *Modifications and recognition*

A modification occurs when a loan's original terms, payment schedule, interest rate and limit are renegotiated or modified, which results in a change to the loan's contractual cash flows. A modification is calculated by taking the net present value of the new contractual cash flows, discounted at the original effective interest rate, less the current carrying value, with the difference recognized as a gain or loss. The asset will continue to be subject to the same assessments for significant increase in credit risk and stage migration prior to being modified.

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

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### Impairment of financial assets

The Credit Union records an allowance for loss for all financial assets that are measured at amortized cost or at FVOCI. Equity investments are not subject to impairment as they are measured at FVTPL. Impairment losses are measured based on the estimated amount and timing of future cash flows, and collateral values.

For loans carried at amortized cost, impairment losses are recognized as an allowance for loss on the statement of financial position, and as a provision for loan loss on the statement of income and comprehensive income. Losses are based on a three-stage impairment model outlined below.

For financial assets measured at FVOCI, the calculated allowance for loss does not reduce the carrying amount in the statement of financial position, which remains at fair value. Instead, the allowance is recognized in OCI as an accumulated impairment amount with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is reclassified to profit or loss when the asset is derecognized.

#### *Measurement of allowance for loss*

The Credit Union recognizes an allowance for loss based on an impairment model that comprises three different stages:

- Stage 1: for financial instruments that have not had a significant increase in credit risk since initial recognition and are not considered credit-impaired financial assets at initial recognition, an allowance for loss amounting to 12-months of expected credit losses is recognized.
- Stage 2: for financial instruments that have had a significant increase in credit risk since initial recognition but are not considered credit-impaired financial assets, an allowance for loss amounting to lifetime expected credit losses is recognized.
- Stage 3: for financial instruments considered credit impaired, an allowance for loss amounting to the lifetime expected credit losses continues to be recognized.

Stages 1 and 2 are considered to be performing loans and Stage 3 consists of impaired loans. Financial instruments may, over their life, move from one impairment model stage to another based on the improvement or deterioration in their credit risk and the level of expected credit losses. Instruments are categorized based on the change in credit risk from origination (initial recognition) to the current reporting date.

#### *Significant increase in credit risk*

Movement between the stages relies on judgment to assess whether a loan's credit risk has significantly increased since the date the loan was initially recognized. For this assessment, an increase in credit risk is considered at the instruments level.

# Cambrian Credit Union Limited

## Notes to Financial Statements

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Assessing for significant increases in credit risk is performed quarterly based on the following factors. Should any of these factors indicate a significant increase in credit risk, the loan is moved to the appropriate stage:

- contractual cash flow obligations are more than 30 days past due; or
- an adverse change in the borrower's situation indicates that their ability to fulfill their contractual cash flow obligations has been reduced; or
- forward-looking information indicates that the ability of the borrower to fulfill its contractual cash flow obligations will be reduced.

### *Forward-looking information*

Forward-looking information is incorporated into the measurement of allowance for loss. The Credit Union performs historical analysis and identifies the key economic variables impacting credit risk and expected credit losses for each loan type. Forecasts of these economic variables are based on data from economic experts and consideration of a variety of external, actual and forecast information that allows the Credit Union to formulate a base case view of the future direction of relevant economic variables as well as representative range of other possible forecast scenarios. This process involves developing two additional economic scenarios and considering the relevant probabilities of each outcome.

As with any economic forecasts, the projection and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Credit Union considers these forecasts to represent its best estimate of the possible outcomes and analyzes the non-linearities and asymmetries within the Credit Union's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

### *Default*

The Credit Union has defined credit instrument default as meeting at least one of the following criteria:

- 90 or more days past due, unless other factors rebut this presumption; and
- less than 90 days past due but the Credit Union has information indicating that the member is unlikely to pay their credit obligations in full. Examples include member bankruptcy and breach of covenant.

An instrument is considered to no longer be in default when it no longer meets any of the default criteria. The Credit Union's definition of credit impaired loans is aligned with the definition of default.

# Cambrian Credit Union Limited

## Notes to Financial Statements

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### **Derecognition of financial instruments**

Financial assets are derecognized when the rights to receive cash flows from the asset have expired or substantially all the risks and rewards of the assets have been transferred. If the Credit Union has neither transferred nor retained substantially all the risks and rewards of the financial asset, it will assess whether it has retained control over the asset. If the Credit Union determines that control has not been retained, it will derecognize the transferred asset.

Financial liabilities are derecognized when the obligation has been discharged, cancelled or expired.

#### *Writeoffs*

The Credit Union writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include: ceasing enforcement activity and where the Credit Union's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovery in full. The Credit Union may write off financial assets that are still subject to enforcement activity. The Credit Union still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

### **Derivative financial instruments**

The Credit Union uses derivative financial instruments such as swaps in its management of interest rate exposure. Derivative financial instruments are not used for trading or speculative purposes but rather as economic hedges, some of which qualify for hedge accounting. The Credit Union applies the hedge accounting requirements of International Accounting Standards (IAS) 39, Financial Instruments: Recognition and Measurement as permitted by IFRS 9, Financial Instruments (IFRS 9).

All derivatives are carried at fair value and are reported on the statement of financial position as other assets where they have a positive fair value and as liabilities where they have a negative fair value. Gains and losses arising from changes in the fair value of a derivative are recognized in the statement of income unless the derivative is a hedging instrument in a qualifying hedge.

The Credit Union's over-the-counter derivatives subject to International Swaps and Derivatives Association's (ISDA) master netting agreements do not meet the criteria for offsetting in the statement of financial position as they give a right to set off that is enforceable only in the event of difficulty, insolvency or bankruptcy.

#### *Hedge accounting*

In order for a derivative to qualify as an accounting hedge, the hedging relationship must be designated and formally documented at its inception, detailing the particular risk management objective and strategy for the hedge and the specific asset, liability or cash flow being hedged, the hedging instrument, as well as how its effectiveness is being assessed. Changes in the fair value of the derivative must be highly effective in offsetting changes in the fair value of the hedged asset or liability.

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# Cambrian Credit Union Limited

## Notes to Financial Statements

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Hedge effectiveness is evaluated at the inception of the hedging relationship and on an ongoing basis, retrospectively and prospectively, primarily using quantitative statistical measures of correlation with the effectiveness range being defined at 0.80 to 1.25. Hedge ineffectiveness, if any, may be as a result of differences in maturities and prepayment frequency between hedging instruments and hedged items.

### *Fair value hedge*

Fair value hedge accounting does not change the recording of gains and losses on derivatives and other hedging instruments, but it does result in recognizing changes in the fair value of the hedged assets or liabilities attributable to the hedged risk that would not otherwise be recognized in the statement of income. To the extent that the change in the fair value of the derivative does not offset changes in the fair value of the hedged item for the risk being hedged, the net amount (hedge ineffectiveness) is recorded in other income in the statement of income. Ineffectiveness results to the extent that the cumulative change in the fair value of the hedging derivative differs from the cumulative change in the fair value of expected future cash of the hedged item.

When a fair value hedging relationship is discontinued, hedge accounting is discontinued prospectively. The hedged item is no longer adjusted to reflect the fair value impact of the designated risk. Previously recorded adjustments to the hedged item are amortized using the effective interest method and are recognized in net interest income, in the statement of income, following the underlying instrument, over the remaining life of the hedged item. However, if the hedged item ceased to exist, the adjustment for the impact of the designated risk are immediately recognized in other income in the statement of income.

### *Cash flow hedge*

In a cash flow hedge transaction, gains and losses resulting from changes in the fair value of the effective portion of the derivative financial statement are recognized in OCI, until the hedged item is recognized in the statement of income, at which time such changes are recognized in interest income in the statement of income, following the underlying instrument. The ineffective portion of cash flow hedge transactions is immediately recognized in other income in the statement of income.

When a cash flow hedging relationship no longer qualifies for hedge accounting, hedge accounting is discontinued prospectively. Gains or losses recognized in OCI are amortized to interest income, in the statement of income, following the underlying instrument over the expected remaining life of the hedging relationship that was discontinued. If a designated hedged item is sold or matures before the related derivative financial instrument ceases to exist, all gains or losses are immediately recognized in other income in the statement of income.

# Cambrian Credit Union Limited

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### Property and equipment

Property and equipment are recorded at cost, less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided on a straight-line basis annually over the estimated useful life of the assets as follows:

Buildings	40 years
Furniture and fixtures	5 to 10 years
Security equipment	5 to 10 years
Leasehold improvements	10 to 30 years

Right-of-use assets are accounted for under IAS 16, Property, Plant and Equipment. Right-of-use assets have the same accounting policies as directly owned assets, meaning the right-of-use assets are depreciated over the lease term, as applicable. Lease inducements are credited against the cost of the asset at recognition.

Land is not subject to depreciation and is carried at cost. The residual value, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

### Investment property

Properties that are held for capital appreciation are classified as investment properties. Investment property consists of land and is measured at cost, including transaction costs.

### Intangible assets

Intangible assets consist of certain acquired and internally developed computer systems. Intangible assets are carried at cost, less accumulated amortization and accumulated impairment losses, if any. Input costs directly attributable to the development or implementation of the asset are capitalized if it is probable that future economic benefits associated with the expenditure will flow to the Credit Union and the cost can be measured reliably.

Intangible assets are amortized over their useful lives on a straight-line basis annually at a rate of 3 to 10 years. The method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

There are no indefinite life intangible assets.

### Leases and right-of-use assets

The Credit Union mainly leases premises that are used in the normal course of its operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognized as a right-of-use asset and corresponding lease liability at the date on which the leased asset is available for use by the Credit Union.

# Cambrian Credit Union Limited

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Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- the exercise price of a purchase or extension option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Variable lease payments that are not based on an index or rate, such as those that are based on usage, have been excluded from measurement under IFRS 16, Leases (IFRS 16) and will continue to be recorded as an operating expense. Several of the Credit Union's agreements include extension options. The Credit Union reviewed each option and included the extension option in the calculation of the lease liability when appropriate. If the Credit Union exercises an extension option in the future that was not assumed to be exercised on lease inception, the Credit Union will record a right-of-use asset and a lease liability at that time. The lease agreements do not impose any covenants and leased assets may not be used as security for borrowing purposes. Each lease payment is allocated between the liability and interest expense. The interest cost is charged to the statement of income and comprehensive income over the lease period to produce a constant rate of interest on the remaining balance of the liability for each period.

### Impairment of non-financial assets

Impairment reviews are performed annually and when there are indicators that the recoverable amount of an asset may be less than the carrying value. The recoverable amount is determined as the higher of an asset's fair value less cost to sell and value in use. Impairment losses are recognized in the statement of income and comprehensive income when there is an indication that an asset may be impaired. In the event that the value of previously impaired assets recovers, the previously recognized impairment loss is recovered only to the extent that the original carrying value would have been at that time in the statement of income and comprehensive income.

An item of property and equipment is derecognized on disposal or when no further economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income and comprehensive income in the period the asset is derecognized.

# Cambrian Credit Union Limited

## Notes to Financial Statements

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### Provisions

Provisions are recognized when the Credit Union has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense of any provision is recognized in the statement of income and comprehensive income. If the effect of the time value of money is material, provisions are discounted using a current pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

### Mortgage securitization liability

The Credit Union has entered into asset transfer agreements with third parties, which include the securitization of residential mortgages. These transfers do not qualify for derecognition principally because the Credit Union retains significant exposure to prepayment and other risks associated with the transferred mortgages. As such, these transactions are accounted for as financing activities and result in the recognition of a securitization liability at an amount equivalent to the securitization proceeds, inclusive of any premiums or discounts and net of eligible transaction costs. The securitization liabilities are subsequently measured at amortized cost using the effective interest method.

### Members' shares

Members' shares issued by the Credit Union are classified as equity only to the extent that they do not meet the definition of a financial liability.

Common shares are accounted for in accordance with IFRIC 2, Members' Shares in Co-operative Entities and Similar Instruments (IFRIC 2). Common shares that are available for redemption are classified as a liability. In accordance with IFRIC 2, dividends to holders of equity instruments are recognized directly in equity. Interest, dividends and other returns relating to financial instruments classified as financial liabilities are expenses, regardless of whether those amounts paid are legally characterized as dividends, interest or otherwise.

### Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognized using the effective interest rate method. Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income continues to be recognized using the original effective rate.

### Other income

Fees and commissions are recognized when earned, the amounts are fixed or can be determined and the ability to collect is reasonably assured.

# Cambrian Credit Union Limited

## Notes to Financial Statements

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### Income taxes

Tax expense for the period comprises current and deferred income taxes.

Current income tax expense is calculated on the basis of the Canadian tax laws enacted or substantively enacted at the statement of financial position date.

Deferred income taxes are provided for using the liability method. Under this method, temporary differences are recorded using tax rates that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the corresponding taxes will be paid or refunded. Temporary differences primarily comprise differences between the carrying amounts and the income tax bases of the Credit Union's loans outstanding, leases, property and equipment and investment property. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilized.

### Translation of foreign currencies

Foreign exchange gains and losses are recorded in other income.

## 4 Accounting standard issued but not yet effective

Accounting standards that have been issued but are not yet effective are listed below. The Credit Union has not yet assessed the impact of these standards and amendments or determined whether it will early adopt them.

### IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2025, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements, and for all entities will:

- Introduce a new defined structure for the statement of profit and loss and require the classification of income and expenses in that statement into one of five categories: operating; investing; financing; income taxes; and discontinued operations. IFRS 18 introduces definitions of these categories for purposes of the statement of profit and loss. Specific categorization requirements will apply to entities whose 'main business activity' is to provide financing to customers or to invest in specified assets. Entities will also be required to present new subtotals for 'operating profit or loss' and 'profit or loss before financing and income taxes'.

# Cambrian Credit Union Limited

## Notes to Financial Statements

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- Require disclosure of 'management-defined performance measures' (MPMs) in a single note to the financial statements. MPMs are subtotals of income and expenses that an entity uses in public communications outside of its financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. Entities must disclose a reconciliation between the measure and the most directly comparable total or subtotal specifically required to be disclosed by IFRS Accounting Standards or subtotal listed in IFRS 18.
- Enhance guidance about how to group information within the financial statements.
- For the statement of cash flows, require that 'operating profit or loss' be used as the starting point for determining cash flows from operating activities under the indirect method, and remove the optionality around classification of cash flows from interest and dividends.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Credit Union is currently assessing the impact of new standard.

### Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2025 the IASB issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments have not yet been incorporated into Part 1 of the CPA Canada Handbook – Accounting.

The amendments:

- Provide clarification that a financial liability is derecognized on the 'settlement date', i.e., the date on which the liability is extinguished as the obligation specified in the contract is discharged or cancelled or expired.
- Provide accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option shall apply it to all settlements made through the same electronic payment system.
- Clarify how financial assets with environment, social and corporate governance (ESG) linked features and other contingent features should be classified, including how contractual cash flows on loans with these features should be assessed.
- Clarify that, for a financial asset to have 'non-recourse' features, the entity's ultimate right to receive cash flows factors that an entity should consider when assessing the cash flows underlying a financial asset with non-recourse features (the "look through test).
- Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions.
- Add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features.

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# Cambrian Credit Union Limited

## Notes to Financial Statements

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(in thousands of dollars, except per share amounts)

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The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively. In applying the amendments, an entity is not required to restate comparative periods. The Credit Union is currently assessing the impact of the amendments.

### 5 Critical accounting estimates and judgments

The Credit Union makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of change in an accounting estimate is recognized prospectively by including it in the statement of income and comprehensive income in the period of the change, if the change affects that period only; in the period of the change and future periods, if the change affects both.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of allowance for loss.

The Credit Union reviews its loan portfolio to assess the expected credit loss at least on a quarterly basis. The measurement of the expected credit loss for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

A number of significant judgments are also required in applying the accounting requirements for measuring expected credit loss, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of expected credit loss;
- establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated expected credit loss; and
- establishing groups of similar financial assets for the purposes of measuring expected credit loss.

The judgments, inputs, methodology and assumptions used for estimating the expected credit loss allowance are reviewed regularly to reduce any differences between loss estimates and actual loss experience. In the current year general uncertainty and the inflationary environment affect the economic environment in which the Credit Union operates and could impact the Credit Union's financial results. The current environment requires significant judgment and estimates in certain areas. The Credit Union is closely monitoring the changing conditions and their potential impacts.

# Cambrian Credit Union Limited

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### 6 Investments and deposits

	<b>2025</b>		
	<b>FVOCI</b>	<b>Amortized</b>	<b>Total</b>
	<b>\$</b>	<b>cost</b>	<b>\$</b>
		<b>\$</b>	
Central			
Shares	69,901	-	69,901
Current account			
Canadian – 3.25%	-	862,422	862,422
U.S. – 4.25%	-	18,566	18,566
	69,901	880,988	950,889
Accrued interest receivable	-	5,124	5,124
	<b>69,901</b>	<b>886,112</b>	<b>956,013</b>

	<b>2024</b>		
	<b>FVOCI</b>	<b>Amortized</b>	<b>Total</b>
	<b>\$</b>	<b>cost</b>	<b>\$</b>
		<b>\$</b>	
Central			
Shares	78,055	-	78,055
Current account			
Canadian – 5.00%	-	1,021,911	1,021,911
U.S. – 5.25%	-	18,315	18,315
	78,055	1,040,226	1,118,281
Accrued interest receivable	-	5,557	5,557
	<b>78,055</b>	<b>1,045,783</b>	<b>1,123,838</b>

# Cambrian Credit Union Limited

## Notes to Financial Statements

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### 7 Loans outstanding

	2025 \$	2024 \$
Consumer		
Loans	116,417	121,009
Mortgages	2,373,906	2,196,499
Lines of credit	100,130	99,120
Commercial		
Loans	14,738	15,955
Mortgages	1,512,282	1,354,775
Lines of credit	28,164	48,510
Accrued interest receivable	6,961	6,159
	<u>4,152,598</u>	<u>3,842,027</u>
Allowance for loss (note 8)	(13,640)	(12,000)
	<u>4,138,958</u>	<u>3,830,027</u>

### 8 Allowance for loss

The following table contains an analysis of the credit risk exposure of financial instruments for which an expected credit loss allowance is recognized. The gross carrying amount of financial assets below also represents the Credit Union's maximum exposure to credit risk on these assets.

	2025			
	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Consumer				
Loans	113,749	2,599	245	116,593
Mortgages	2,351,886	24,068	750	2,376,704
Lines of credit	98,584	1,238	313	100,135
Commercial				
Loans	14,684	26	65	14,775
Mortgages	1,513,056	3,171	-	1,516,227
Lines of credit	28,164	-	-	28,164
Gross carrying amount	4,120,123	31,102	1,373	4,152,598
Allowance for loss	(10,541)	(2,739)	(360)	(13,640)
Carrying amount	<u>4,109,582</u>	<u>28,363</u>	<u>1,013</u>	<u>4,138,958</u>
Current				1,958,126
Non-current				2,180,832

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

	<b>2024</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
Consumer				
Loans	118,496	2,250	470	121,216
Mortgages	2,174,221	22,870	1,893	2,198,984
Lines of credit	96,009	2,912	209	99,130
Commercial				
Loans	13,478	2,303	230	16,011
Mortgages	1,357,551	625	-	1,358,176
Lines of credit	48,510	-	-	48,510
Gross carrying amount	3,808,265	30,960	2,802	3,842,027
Allowance for loss	(9,356)	(2,083)	(561)	(12,000)
Carrying amount	3,798,909	28,877	2,241	3,830,027
Current				1,230,329
Non-current				2,599,698

The following tables explain the changes in the loss allowance between the beginning and the end of the year:

<b>Consumer</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	\$	\$	\$	\$
Allowance for loss at December 31, 2024	2,971	2,048	561	5,580
Transfers	(1,653)	1,413	240	-
Financial assets originated	1,989	82	75	2,146
Financial assets derecognized	-	(380)	(518)	(898)
Writeoffs	-	-	(605)	(605)
Net remeasurement	834	(822)	538	550
Allowance for loss at December 31, 2025	4,141	2,341	291	6,773
Allowance for loss at December 31, 2023	3,123	2,103	260	5,486
Transfers	(723)	782	(59)	-
Financial assets originated	571	84	455	1,110
Financial assets derecognized	-	(624)	(164)	(788)
Writeoffs	-	-	(422)	(422)
Net remeasurement	-	(297)	491	194
Allowance for loss at December 31, 2024	2,971	2,048	561	5,580

# Cambrian Credit Union Limited

## Notes to Financial Statements

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(in thousands of dollars, except per share amounts)

Commercial	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Allowance for loss at December 31, 2024	6,386	34	-	6,420
Transfers	(186)	186	-	-
Financial assets originated	889	-	-	889
Net remeasurement	(689)	177	70	(442)
Allowance for loss at December 31, 2025	6,400	397	70	6,867
Allowance for loss at December 31, 2023	3,414	2,010	-	5,424
Transfers	25	-	-	25
Financial assets originated	-	(1,052)	-	(1,052)
Net remeasurement	2,947	(924)	-	2,023
Allowance for loss at December 31, 2024	6,386	34	-	6,420

All loans were originated in stage 1 and have moved from one impairment model stage to another based on the improvement or deterioration in the credit risk and the level of expected credit losses.

During the years ended December 31, 2025 and December 31, 2024, the Credit Union did not acquire any assets in respect of delinquent loans.

The Credit Union did not hold title to any foreclosed assets at December 31, 2025 (2024 – none).

The fair value of the collateral held by the Credit Union as security for impaired loans as at December 31, 2025 was \$1,012 (2024 – \$2,238). The Credit Union estimated the fair value of collateral based on an updated assessment of the security appraisal undertaken at the original funding assessment.

The Credit Union has performed a sensitivity analysis against several macroeconomic factors including housing prices, unemployment rates and interest rates and determined that there is no material correlation between these factors and an increase or decrease on the provision for expected credit losses.

## 9 Other assets

	2025 \$	2024 \$
Accounts receivable	4,031	3,356
Prepaid expenses	3,098	1,054
Derivative asset	865	1,082
	7,994	5,492

All balances are current. The carrying value reasonably approximates fair value at the statement of financial position date due to the relative short-term to maturity.

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

### 10 Property, equipment and intangible asset

	2025							
	Property and equipment					Intangible asset	Total	
	Land	Buildings	Furniture and fixtures	Security equipment	Leasehold improvements	Total	Computer system	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening net book value	1,574	13,026	945	736	1,828	18,109	3,127	21,236
Additions	-	2,837	52	-	843	3,732	559	4,291
Depreciation	-	(1,759)	(319)	(182)	(335)	(2,595)	(1,587)	(4,182)
Remeasurements	-	(106)	-	-	-	(106)	-	(106)
Closing net book value	1,574	13,998	678	554	2,336	19,140	2,099	21,239
Cost	1,574	26,685	6,818	1,743	7,304	44,124	26,853	70,977
Accumulated depreciation	-	(12,687)	(6,140)	(1,189)	(4,968)	(24,984)	(24,754)	(49,738)
Net book value	1,574	13,998	678	554	2,336	19,140	2,099	21,239
	<b>2024</b>							
	Property and equipment					Intangible asset	Total	
	Land	Buildings	Furniture and fixtures	Security equipment	Leasehold improvements	Total	Computer system	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening net book value	1,574	13,041	1,028	117	2,026	17,786	4,695	22,481
Additions	-	1,438	235	754	122	2,549	483	3,032
Depreciation	-	(1,629)	(318)	(135)	(320)	(2,402)	(2,051)	(4,453)
Remeasurements	-	176	-	-	-	176	-	176
Closing net book value	1,574	13,026	945	736	1,828	18,109	3,127	21,236
Cost	1,574	26,168	7,655	1,848	7,192	44,437	30,887	75,324
Accumulated depreciation	-	(13,142)	(6,710)	(1,112)	(5,364)	(26,328)	(27,760)	(54,088)
Net book value	1,574	13,026	945	736	1,828	18,109	3,127	21,236

The Credit Union had property and equipment under leases with a cost of \$15,273 (2024 – \$13,030) and accumulated depreciation of \$7,830 (2024 – \$6,829) as at December 31 (note 12).

# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

### 11 Savings and deposits

	2025 \$	2024 \$
Savings accounts	1,564,188	1,493,158
Chequing accounts	425,621	385,012
Term deposits	1,819,126	1,800,727
Registered deposits	820,592	818,988
Unclaimed accounts	279	276
	<hr/>	<hr/>
	4,629,806	4,498,161
Accrued interest	53,940	60,511
	<hr/>	<hr/>
	4,683,746	4,558,672
	<hr/>	<hr/>
Current	3,396,428	3,154,863
Non-current	1,287,318	1,403,809

Savings and deposits amounting to \$2,496,000 (2024 – \$2,488,000) are at fixed interest rates and all other savings and deposits amounting to \$2,134,000 (2024 – \$2,010,000) are at variable rates.

### 12 Lease

#### Right-of-use asset

	2025 \$	2024 \$
Balance as at January 1	6,201	6,092
Additions	2,830	1,288
Depreciation	(1,534)	(1,354)
Remeasurements	(54)	175
	<hr/>	<hr/>
Balance as at December 31	7,443	6,201

#### Lease liabilities

	2025 \$	2024 \$
Balance as at January 1	7,536	6,997
Additions	2,944	1,288
Payments of lease liabilities	(1,881)	(1,206)
Interest expense	367	284
Remeasurements	410	173
	<hr/>	<hr/>
Balance as at December 31	9,376	7,536

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

Contractual maturities of lease liabilities the Credit Union is committed to future aggregate lease payments are as follows:

	2025 \$	2024 \$
Less than 1 year	1,996	1,581
Between 1 year and 5 years	6,153	5,168
More than 5 years	2,392	1,490
Total lease commitments	<u>10,541</u>	<u>8,239</u>
Total lease liability	10,541	8,239
Impact of discounting at the weighted average incremental borrowing rate	<u>(1,165)</u>	<u>(703)</u>
Discounted lease liabilities	<u>9,376</u>	<u>7,536</u>

The Credit Union recognized \$1,534 (2024 – \$1,354) of depreciation expense on right-of-use assets and \$367 (2024 – \$284) of interest on lease liabilities during the year.

### 13 Income taxes

The significant components of the provision for income taxes included in the statement of income and comprehensive income comprise:

	2025 \$	2024 \$
Current income taxes		
Based on current year taxable income	6,889	5,998
Deferred income taxes		
Origination and reversal of temporary differences	<u>(686)</u>	<u>(1,144)</u>
Provision for income taxes	<u>6,203</u>	<u>4,854</u>

The Credit Union provides for income taxes at statutory rates as determined below:

	2025 %	2024 %
Federal base rate	38.0	38.0
Federal abatement	(10.0)	(10.0)
General rate reduction	<u>(13.0)</u>	<u>(13.0)</u>
Blended net federal tax rate	15.0	15.0
General Manitoba rate	<u>12.0</u>	<u>12.0</u>
Statutory rate	<u>27.0</u>	<u>27.0</u>

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

Reasons for the difference between tax expense for the year and the expected income taxes based on the statutory rate are as follows:

	2025 \$	2024 \$
Net income before income taxes	23,415	18,166
Expected provision for income taxes at statutory rates	6,322	4,905
Non-deductible portion of expenses	(119)	44
Adjustment recognized for tax of prior periods	-	(95)
Total provision for income taxes	6,203	4,854

Current income taxes payable of \$714 (2024 – \$375) has been included in accounts payable and accrued liabilities on the statement of financial position.

Components of the deferred tax assets and liabilities are as follows:

	2025 \$	2024 \$
Deferred tax assets		
Allowance for loss	2,930	2,596
Lease liability	522	361
Accounts payable and accrued liabilities	656	754
	4,108	3,711
Deferred tax liabilities		
Capital cost allowance in excess of depreciation	(931)	(1,220)
Total deferred taxes	3,177	2,491
	2025 \$	2024 \$
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	4,108	3,711
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	(931)	(1,220)
Net deferred tax asset	3,177	2,491

The movement in the deferred tax assets and liabilities is recognized in the statement of income and comprehensive income for the year.

# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

### 14 Members' shares

Authorized common share capital consists of an unlimited number of common shares with an issue price of \$5 and an unlimited number of common shares issued under the refunded service program with an issue price of \$0.01.

Each member must purchase one or more common share. As at December 31, 2025, the number of common shares was 70,718 (2024 – 70,223). Each member of the Credit Union has one vote, regardless of the number of shares that member holds.

Common shares are redeemable at the request of the member on closing their account. Common shares issued under the refunded service program can also be redeemed when the member reaches the age of 59. All common shares are therefore classified as liabilities.

	2025 \$	2024 \$
Common shares		
Beginning of year	350	346
Issued on application for membership	4	4
Issued based on Refunded Service Fee Program (note 15)	8,213	7,373
Redemption of common shares	(8,213)	(7,373)
	<hr/>	<hr/>
Total members' shares – liability	354	350

### 15 Refunded service fees

In 2025, refunded service fees of \$8,213 (2024 – \$7,373) were paid under the refunded service fees program on qualifying service fees in the year to members meeting the requirement of the program. The refunded service fees will result in income tax recoveries in the current year of \$2,217 (2024 – \$1,991).

### 16 Capital disclosures

#### Capital Requirements

Pursuant to Standards of Sound Business Practice (SSBP) issued by the Deposit Guarantee Corporation of Manitoba (DGCM), the Credit Union must establish and maintain a level of capital that meets or exceeds the following:

- regulatory capital ratio: 5% of the book value of statement of financial position assets;
- retained earnings ratio: 3% of the book value of statement of financial position assets; and
- risk weighted capital ratio: 10.5% of the risk weighted value of assets as defined and calculated in the SSBP.

# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

As at December 31 the Credit Union met all capital requirements as follows:

	2025 As a % of assets	2024 As a % of assets
Regulatory capital ratio	7.71%	7.60%
Retained earnings ratio	7.70%	7.58%
Risk weighted capital ratio	16.18%	16.78%

### Liquidity reserve

Pursuant to the SSBP issued by DGCM, the Credit Union must establish and maintain liquidity reserves of at least 8% of total deposits in the Credit Union (including interest accrued on those deposits).

Liquidity reserves consist of cash on hand, amounts deposited by the Credit Union into Central and any other deposit or investment that DGCM or the Registrar of Credit Unions consider eligible to satisfy the Credit Union's liquidity requirements.

As at December 31, the Credit Union met the liquidity reserve requirement as follows:

	2025	2024
Liquidity Reserve	19%	23%

Capital is managed in accordance with policies established by the Board of Directors and in relation to the capital requirements above. Management regards a strong capital base as an integral part of the Credit Union's strategy. All of the capital requirements are monitored throughout the year, and modifications of capital management strategies are made as appropriate.

## 17 Mortgage securitization

The Credit Union has determined that an amount of \$25,988 (2024 – \$29,080) raised from securitization transactions should be accounted for as a secured borrowing as the Credit Union did not transfer substantially all of the risks and rewards of ownership, including principal prepayment, interest rate and credit risk of the mortgages in the securitization transaction. The carrying amount, as at December 31, 2025, of the associated residential mortgages held as security, is \$26,487 (2024 – \$29,969). As a result of the transactions, the Credit Union receives the net differential between the monthly interest receipts of the mortgages and the interest expense on the borrowings. The Credit Union did not enter into any securitization transactions during the year where all of the risks and rewards of ownership were transferred.

	2025 \$	2024 \$
Current	24,550	825
Non-current	1,438	28,255
	<u>25,988</u>	<u>29,080</u>

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

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### 18 Risk management

The Credit Union’s risk management policies are designed to identify and analyze risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Credit Union follows an enterprise risk management framework, which involves identifying particular events or circumstances relevant to its objectives, assessing them in terms of probability and magnitude, determining a response strategy and monitoring progress. The Credit Union regularly reviews its risk management policies and systems to take account of changes in markets, products and emerging best practice.

Risk management is carried out by management who reports to the Board of Directors. The Board of Directors provides written principles for risk tolerance and overall risk management. Management reports to the Board of Directors on the Credit Union’s compliance with the risk management policies. In addition, the Credit Union maintains a Risk Management department, which is responsible for independent review of risk management and the Credit Union’s control environment.

Financial instruments comprise the majority of the Credit Union’s assets and liabilities. The Credit Union accepts deposits from members at both fixed and variable rates for various periods. The Credit Union seeks to earn an interest rate margin by investing these funds in high quality financial instruments – principally loans and mortgages. The primary types of financial risk, which arise from this activity, are interest rate, credit, liquidity, foreign exchange and price risks.

The following table describes the significant financial instrument activity undertaken by the Credit Union, the risks associated with such activities and the types of methods used in managing those risks.

Activity	Risks	Method of managing risks
Investments and deposits	Sensitivity to changes in interest rates, liquidity and credit risk	Monitoring of investment restrictions and counterparty risk
Loans outstanding	Sensitivity to changes in interest rates, liquidity and credit risk	Asset-liability matching, periodic use of derivatives and monitoring of counterparty risk
Savings and deposits	Sensitivity to changes in interest rates and liquidity	Asset-liability matching and periodic use of derivatives

#### Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of the Credit Union’s financial instruments will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in prevailing market interest rates. The financial margin reported in the statement of income and comprehensive income may increase or decrease in response to changes in market interest rates. Accordingly, the Credit Union sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored by management and reported to the Board of Directors, which is responsible for managing interest rate risk.

# Cambrian Credit Union Limited

## Notes to Financial Statements

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In managing interest rate risk, the Credit Union relies primarily on the use of asset-liability and interest rate sensitivity models. Periodically, the Credit Union may enter into interest rate swaps to adjust the exposure to interest rate risk by modifying the repricing of the Credit Union's financial instruments. Interest rate swaps are transactions in which two parties exchange interest flows on a specified notional amount for a predetermined period based on agreed-upon fixed and floating rates. Principal amounts are not exchanged.

The Credit Union was party to the following interest rate swap agreements as of December 31, 2025:

	Effective date	Maturity	Notional amount \$	Settlement	Fixed interest rate paid	Floating interest rate paid
<b>Fair value hedges</b>						
	November 23, 2021	November 23, 2026	38,762	Quarterly	1.98%	
	May 13, 2022	May 13, 2026	22,645	Quarterly	3.16%	
	September 20, 2022	September 20, 2026	22,173	Quarterly	3.78%	
<b>Cash flow hedges</b>						
	December 2, 2025	December 2, 2026	75,000	Semi-annually		CORRA
	December 2, 2025	December 2, 2027	75,000	Semi-annually		CORRA

The interest rate paid on the floating interest rate swap agreements was the Canadian Overnight Repo Rate Average (CORRA).

Sensitivity analysis is used to assess the change in value or cash flows of the Credit Union's financial instruments against a range of incremental basis point changes in interest rates over a 12-month period. Sensitivity analysis is calculated on a periodic basis and is reported to the Board of Directors. Based on current differences between financial assets and financial liabilities as at December 31, 2025, the Credit Union estimates that an immediate and sustained 100 basis point increase in interest rates would increase net interest income by \$4,022 over the next 12 months while an immediate and sustained 100 basis point decrease in interest rates would decrease net interest income by \$4,010 over the next 12 months.

Other types of interest rate risk may involve basis risk, the risk of loss from changes in the relationship of interest rates that may not have identical characteristics (for example the difference between prime rate and variable rate loans and variable rate deposits) and prepayment risk (the risk of loss of interest income arising from early repayment of fixed rate mortgages and loans). These risks are also monitored on a regular basis and reported to the Board of Directors.

# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

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The following schedules show the Credit Union's sensitivity to interest rate changes:

Expected repricing or maturity dates	Financial statement amounts				Interest rate swap agreements		Net asset liability gap \$
	Assets \$	Interest rate %	Liabilities (including members' equity) \$	Interest rate %	Assets \$	Liabilities \$	
Variable to 6 months	2,225,957	3.96	2,808,481	1.86	83,544	172,645	(671,625)
6 months to 1 year	693,879	3.22	546,584	3.68	75,000	60,899	161,396
1 to 2 years	980,357	4.00	619,400	4.16	75,000	-	435,957
2 to 3 years	379,892	4.84	404,105	4.46	-	-	(24,213)
3 to 4 years	416,567	4.44	154,802	4.37	-	-	261,765
4 to 5 years	403,403	4.31	120,622	3.55	-	-	282,781
Over 5 years	28,526	0.02	80,480	0.05	-	-	(51,954)
	<u>5,128,581</u>		<u>4,734,474</u>				
					<u>233,544</u>	<u>233,544</u>	394,107
Non-interest rate sensitive	<u>3,527</u>		<u>397,634</u>				(394,107)
	<u>5,132,108</u>		<u>5,132,108</u>				-

2024

Expected repricing or maturity dates	Financial statement amounts				Interest rate swap agreements		Net asset liability gap \$
	Assets \$	Interest rate %	Liabilities (including members' equity) \$	Interest rate %	Assets \$	Liabilities \$	
Variable to 6 months	2,155,754	5.01	2,624,484	2.52	88,189	225,000	(605,541)
6 months to 1 year	626,987	3.47	576,339	4.49	75,000	-	125,648
1 to 2 years	1,106,943	2.99	481,144	4.24	75,000	88,189	612,610
2 to 3 years	621,094	3.99	423,548	4.44	75,000	-	272,546
3 to 4 years	261,767	4.92	280,406	4.80	-	-	(18,639)
4 to 5 years	183,690	4.86	139,886	4.45	-	-	43,804
Over 5 years	29,250	0.00	82,756	0.03	-	-	(53,506)
	<u>4,985,485</u>		<u>4,608,563</u>				
					<u>313,189</u>	<u>313,189</u>	376,922
Non-interest rate sensitive	<u>2,410</u>		<u>379,332</u>				(376,922)
	<u>4,987,895</u>		<u>4,987,895</u>				-

The Credit Union's major source of income is its financial margin, which is the difference between income earned on investments and loans to members and interest paid to members on their deposits. The objective of asset liability management is to match interest-sensitive assets with interest-sensitive liabilities, thus controlling wide fluctuations of income during periods of changing interest rates. Certain items on the statement of financial position, such as non-interest bearing member deposits and equity, do not create interest rate exposure to the Credit Union. These items are reported as non-interest rate sensitive on the schedule. The Credit Union uses interest rate swap agreements to mitigate risks associated with interest rate fluctuations.

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

### Fair value hedges

Fair value hedges modify exposure to changes in a fixed-rate instrument's fair value caused by changes in interest rates. These hedges economically convert fixed-rate assets and liabilities to floating rates; interest rate swaps are used to hedge interest rate risk.

The following table presents the effects of fair value hedges on the statement of financial position and the statement of income:

	2025					
	Change in fair value of hedged items \$	Change in fair value of hedging instruments \$	Hedge ineffectiveness gain (loss) \$	Carrying amount of hedged items \$	Accumulated amount of fair value hedge adjustments on hedged items \$	Accumulated amount of fair value hedge adjustments on hedging instrument \$
Interest rate swaps	509	(506)	3	83,544	(17)	(21)
	2024					
	Change in fair value of hedged items \$	Change in fair value of hedging instruments \$	Hedge ineffectiveness gain (loss) \$	Carrying amount of hedged items \$	Accumulated amount of fair value hedge adjustments on hedged items \$	Accumulated amount of fair value hedge adjustments on hedging instrument \$
Interest rate swaps	2,135	(2,135)	-	89,189	492	485

### Cash flow hedges

Cash flow hedge transactions involve the use of interest rate swaps to hedge the changes in future cash flows from a floating rate financial instrument. Hedging derivative financial instruments reduce the variability of future cash flows from the hedged item.

The following table presents the effects of cash flow hedges on the statement of financial position and the statement of income and comprehensive income:

	2025			
	Gains (losses) on hedging instrument used as the basis of calculating hedge ineffectiveness \$	Hedge ineffectiveness recognized in other income \$	Hedging gains (losses) recognized in OCI \$	Gains (losses) reclassified from the cash flow hedge reserve into profit or loss \$
Interest rate swaps	288	(3)	759	(468)

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

	2024			
	Gains (losses) on hedging instrument used as the basis of calculating hedge ineffectiveness \$	Hedge ineffectiveness recognized in other income \$	Hedging gains (losses) recognized in OCI \$	Gains (losses) reclassified from the cash flow hedge reserve into profit or loss \$
Interest rate swaps	597	2	496	99

### Credit risk

Credit risk is the risk that a Credit Union member or counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred at the statement of financial position date. Significant changes in the economy or deterioration in lending sectors, which represent a concentration within the Credit Union's loan portfolio, may result in losses that are different from those provided for at the statement of financial position date. Management of credit risk is an integral part of the Credit Union's activities. Management carefully monitors and manages the Credit Union's exposure to credit risk by a combination of methods. Credit risk arises principally from lending activities that result in loans outstanding and investing activities that result in investments in cash resources. There is also credit risk in unfunded loan commitments. The overall management of credit risk is reported to the Board of Directors.

Concentration of loans is managed by the implementation of sectoral and member specific limits as well as the periodic use of syndications with other financial institutions to limit the potential exposure to any one member. The Board of Directors is responsible for approving and monitoring the Credit Union's tolerance for credit exposures, which it does through review and approval of the Credit Union's lending policies and credit scoring system, and through setting limits on credit exposures to individual members and across sectors. The Credit Union maintains levels of borrowing approval limits and prior to advancing funds to a member; an assessment of the credit quality of the member is made. The Credit Union emphasizes responsible lending in its relationships with members and to establish that loans are within the member's ability to repay, rather than relying exclusively on collateral.

The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

In measuring credit risk of loans and advances at a counterparty level, the Credit Union considers three components: (i) the probability of default by the member or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Credit Union derives the exposure at default; and (iii) the likely recovery ratio on the defaulted obligations loss given default.

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# Cambrian Credit Union Limited

## Notes to Financial Statements

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### *Investments and deposits*

Credit risk arises from the investments and deposits in cash resources held by the Credit Union to meet regulatory and internal liquidity requirements and for general business purposes. All of the Credit Union's liquidity investments are held with Central. Central invests on behalf of the Credit Union as per the investment policies approved by the Investment Committee of the Board of Directors of Central. Central's investment policy requires that all investments are highly rated (A or higher) and that all of the assets are readily convertible to cash.

### *Consumer loans, mortgages and lines of credit*

Loans outstanding consist of personal loans and lines of credit, which are secured by various types of collateral required in the loans policy approved by the Board of Directors. Unsecured personal loans are only granted on the basis of a properly qualified and documented covenant value.

Residential mortgages to members consist of \$406,097 (2024 – \$411,087) in mortgages with an advance ratio of 80% to 95% of the appraised value, which are fully insured by either the Canadian Mortgage Housing Corporation, Canada Guaranty Mortgage Insurance or Sagen MI Canada (formerly Genworth Capital); \$1,965,441 (2024 – \$1,783,686) in conventional residential mortgages with an original maximum advance ratio to 80% of the appraised value; and \$2,368 (2024 – \$1,726) in residential mortgages with an original advance ratio to 85% of the appraised value.

### *Commercial loans, mortgages and lines of credit*

The Credit Union often takes security as collateral in a manner similar to other lending institutions. The Credit Union maintains guidelines on the acceptability of specific types of collateral and prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. Collateral may include mortgages over commercial properties and charges over business assets such as premises, inventory and accounts receivable. Where significant impairment indicators are identified, the Credit Union will take additional measures to manage the risk of default, which may include seeking additional collateral. The Credit Union's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Credit Union since the prior period.

# Cambrian Credit Union Limited

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The Credit Union manages credit concentration by establishing lending limits for each industry based on risk ratings for the respective industries. As at December 31, 2025, the Credit Union has not exceeded its lending limit for any industry type. The commercial lending by industry is as follows:

	2025 \$	2024 \$
Commercial real estate retail	174,273	148,094
Commercial real estate office	132,834	97,934
Commercial real estate industrial	118,350	114,030
Residential real estate	512,346	533,115
Real estate other	57,339	26,039
Health care	98,608	98,574
Accommodation and food services	32,122	24,666
Retail	3,714	8,676
Transportation/warehousing	374	1,423
Construction	309,340	260,415
Entertainment and recreation	15,341	15,777
Other	100,543	90,497
	1,555,184	1,419,240

The credit quality of the commercial loan portfolio for those loans, which are neither past due or impaired, can be assessed by reference to the Credit Union's internal rating system. The Credit Union assesses the probability of a default using internal rating tools and taking into account statistical analysis as well as the experience and judgment of the credit department. Commercial loans to members are divided into eight segments and are regularly reviewed and updated as appropriate. Loans with ratings of five or six are not considered to be impaired taking into account the repayment status of the loans and the estimated fair value of the collateral.

	2025 \$	2024 \$
Rating 1 – Excellent risk	1,647	2,157
Rating 2 – Very good risk	8,753	14,274
Rating 3 – Good risk	302,758	266,022
Rating 4 – Acceptable risk	1,017,294	1,046,684
Rating 5 – Caution risk	223,772	88,098
Rating 6 – At risk	-	991
Rating 7 – Impaired with no loan loss allowance	960	1,014
Rating 8 – Impaired with loan loss allowance	-	-
	1,555,184	1,419,240

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### Liquidity risk

Liquidity risk is the risk that the Credit Union will encounter difficulty in raising funds to meet its obligations to members and other liabilities. As disclosed in note 16, the Credit Union is required to maintain liquidity reserves of at least 8%. The Credit Union's own risk management policies require it to maintain sufficient liquid resources to cover cash flow imbalances, to retain member confidence in the Credit Union and to enable the Credit Union to meet all financial obligations. This is achieved through maintaining a prudent level of liquid assets, through management control of the growth of the loan portfolio, and asset-liability maturity management. Management monitors forecasts of the Credit Union's liquidity requirements on the basis of expected cash flows as part of its liquidity management. The Credit Union also maintains a borrowing facility with Central in the amount of 10% of member deposits as part of its liquidity management strategy.

The following table summarizes the undiscounted cash flows of financial liabilities by contractual maturity.

	<u>Payable on a fixed date</u>					
	On demand \$	Less than 1 year \$	1 to 2 years \$	2 to 5 years \$	More than 5 years \$	Total \$
<b>Financial liabilities</b>						
Savings and deposits	2,133,854	1,308,587	631,949	708,787	1,081	4,784,258
Accounts payable and accrued liabilities	-	16,985	-	-	-	16,985
Mortgage securitization payable	-	25,180	51	760	-	25,991
Lease payable	-	1,996	1,911	4,242	2,392	10,541
	<u>2,133,854</u>	<u>1,352,748</u>	<u>633,911</u>	<u>713,789</u>	<u>3,473</u>	<u>4,837,775</u>

### Foreign exchange risk

Foreign exchange risk for the Credit Union is foreign currency risk. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Credit Union is exposed to foreign currency risk as a result of its members' activities in US Dollar currency denominated deposits and cash transactions, as well as US dollar investments. Activities that expose the Credit Union to currency risk are measured, monitored and controlled to minimize risk. As at December 31, 2025, the Credit Union does not have significant exposure to changes in foreign currency exchange rates.

### Price risk

Price risk arises from changes in market risks, other than interest rate, credit, liquidity or foreign exchange risks causing fluctuations in the fair value or future cash flows of a financial instrument. Price risk is not considered significant at this time.

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# Cambrian Credit Union Limited

## Notes to Financial Statements

December 31, 2025

(in thousands of dollars, except per share amounts)

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### 19 Fair value of financial instruments

Differences between book value and fair value of investments and deposits, loans outstanding, savings and deposits and other financial assets and liabilities are caused by differences between the interest rate obtained at the time of the original investment, loan or deposit and the current rate for the same product. Loans outstanding and savings and deposits that are priced with variable rates have a fair value equal to book value, as they are priced at current interest rates.

While fair value amounts are designed to represent estimates of the amounts at which assets and liabilities could be exchanged in a current transaction between arm's length willing parties, the Credit Union normally holds all of its fixed term investments, loans and deposits to their maturity date. Consequently, the fair values presented are estimates derived by taking into account changes in the market interest rates and may not be indicative of the ultimate realizable value. Furthermore, as many of the Credit Union's financial instruments lack an available trading market, the fair value of loans and member deposits with fixed rates are estimated using discounted cash flow models with discount rates based on current market interest rates for similar types of instruments. The inputs to the valuation model for fixed rate loans include scheduled loan amortization rates and estimated rates of repayment with the future cash flows discounted using current market rates for equivalent groups of mortgages or loans. The future cash flows on fixed rate deposits and fixed rate borrowings are discounted to their estimated present value using a discount rate based on current market rates for equivalent groups of fixed rate deposits.

The most significant assumption relates to the discount rates utilized. If the forward yield curve of such instruments would increase by 100 basis points then the fair value of loans outstanding and investments and deposits would decrease by approximately \$56,533 (2024 – \$49,828) and the fair value of savings and deposits would decrease by approximately \$41,727 (2024 – \$43,516). A corresponding decrease of 100 basis points would result in the fair value of loans outstanding and investments and deposits increasing by approximately \$58,437 (2024 – \$51,265) and the fair value of savings and deposits would increase by approximately \$43,092 (2024 – \$44,999).

The financial assets and liabilities are recognized on the statement of financial position at fair value, cost or amortized cost according to the categories determined by the accounting framework for financial instruments. The carrying values and fair values for each category of financial asset and liability are presented in the table below. The fair values disclosed exclude the values of assets and liabilities that are not considered financial instruments such as land, buildings and equipment.

#### Fair value hierarchy

Assets and liabilities recorded at fair value in the statement of financial position are measured and classified in a hierarchy consisting of three levels for disclosure purposes; the three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

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# Cambrian Credit Union Limited

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- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities. There are no assets measured at fair value classified as Level 1.
- Level 2: quoted prices in markets that are not active or inputs that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). Level 2 inputs include quoted prices for assets in markets that are considered less active.
- Level 3: unobservable inputs that are supported by little or no market. Level 3 assets and liabilities would include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. There are no assets measured at fair value classified as Level 3.

					2025
	Level	FVTPL \$	FVOCI \$	Amortized cost \$	Estimated fair value \$
<b>Assets</b>					
Cash on hand		-	-	4,143	4,143
Investments and deposits	2	-	69,901	886,112	956,013
Loans outstanding – net of allowance for loss	2	-	-	4,138,958	4,116,096
Accounts receivable	2	-	-	4,031	4,031
Derivative asset	2	865	-	-	865
		865	69,901	5,033,244	5,081,148
<b>Liabilities</b>					
Savings and deposits	2	-	-	4,683,746	4,677,443
Members' shares	2	-	-	354	354
Accounts payable and accrued liabilities	2	-	-	16,985	16,985
Mortgage securitization liability	2	-	-	25,988	26,063
Lease liability	2	-	-	9,376	9,376
		-	-	4,736,449	4,730,221

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# Cambrian Credit Union Limited

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				2024	
	Level	FVTPL \$	FVOCI \$	Amortized cost \$	Estimated fair value \$
<b>Assets</b>					
Cash on hand		-	-	4,227	4,227
Investments and deposits	2	-	78,055	1,045,783	1,123,838
Loans outstanding – net of allowance for loss	2	-	-	3,830,027	3,773,006
Accounts receivable	2	-	-	3,356	3,356
Derivative asset	2	1,082	-	-	1,082
		<u>1,082</u>	<u>78,055</u>	<u>4,883,393</u>	<u>4,905,509</u>
<b>Liabilities</b>					
Savings and deposits	2	-	-	4,558,672	4,554,035
Members' shares	2	-	-	350	350
Accounts payable and accrued liabilities	2	-	-	14,023	14,023
Mortgage securitization liability	2	-	-	29,080	28,723
Lease liability	2	-	-	7,536	7,536
		<u>-</u>	<u>-</u>	<u>4,609,661</u>	<u>4,604,667</u>

## 20 Transactions with DGCM, Central, and related parties

### DGCM

DGCM was incorporated for the purpose of protecting the members of credit unions from financial loss in respect of their deposits with credit unions/caisses and to ensure credit unions/caisses operate under sound business practices. DGCM provides a safeguard for all savings and deposits of the members of Manitoba credit unions.

Transactions with DGCM included assessments of \$3,694 (2024 – \$3,578) and are recorded as member security expenses.

### Central

The Credit Union is a member of Central, which acts as a depository for surplus funds, and makes loans to credit unions. Central also acts as a trade association for credit unions.

The Credit Union has in place a line of credit with Central in the amount of 10% of member deposits. The line of credit was not utilized at December 31, 2025 nor December 31, 2024. The line of credit with Central is payable on demand with interest payable on a variable rate basis, which at year-end was 4.25% (2024 –

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# Cambrian Credit Union Limited

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5.25%). As collateral for the line of credit, the Credit Union has pledged its loans outstanding. Interest paid on borrowings from Central during the year amounted to \$nil (2024 – \$nil).

Transactions with Central included income earned on investments and deposits referred to in note 6 in the amount of \$44,207 (2024 – \$60,022) and fees assessed by Central, which include annual affiliation dues in the amount of \$1,434 (2024 – \$1,396) recorded as organizational expenses. During the year, a special assessment of \$6,378 was received from Central and is included in other income on the statement of income and comprehensive income. During the year, there was a special assessment of \$9,299 paid to Central and is included in organizational expense in the statement of income and comprehensive income.

### Related party transactions

#### *Remuneration and reimbursement of expenses to Directors*

The aggregate amount of remuneration paid to all Directors for the year ended December 31, 2025 was \$361 (2024 – \$349). The aggregate amount paid to all Directors as reimbursement of expenses on credit union business for the year ended December 31, 2025 was \$6 (2024 – \$6).

The outstanding balances at December 31 for Board of Directors and related expenses and income for the year are as follows:

	2025 \$	2024 \$
Loans outstanding	1,088	1,516
Savings and deposits outstanding	744	1,533

No allowances have been recognized in respect of loans issued to Directors in the current year.

#### *Compensation of key management personnel*

Key management personnel of the Credit Union include all senior management. The summary of compensation for key management personnel consisted of salaries of \$4,311 (2024 – \$4,184) and employee benefits of \$407 (2024 – \$406) for the year ended December 31, 2025.

The outstanding balances at December 31 for key management personnel and related expense and income for the year are as follows:

	2025 \$	2024 \$
Loans outstanding	3,536	2,057
Savings and deposits outstanding	2,348	2,306

No allowances have been recognized in respect of loans issued to senior management in the current year.

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### *Loans to directors, management and employees*

All transactions with the Credit Union's Directors, management and employees were in accordance with the statutes, by-laws and policies of the Credit Union.

As at December 31, 2025, outstanding loans to Directors, management and employees totalled 0.1% (2024 – 0.1%), in aggregate, of the assets of the Credit Union.

## **21 Pension plan**

The Credit Union has a defined contribution pension plan for qualifying employees. The assets are held in trust by the Co-operative Superannuation Society Limited and are not recorded in these financial statements. The Credit Union matches employee contributions at a rate of 6% of the employee's salary. The expense and payments for the year ended December 31, 2025 were \$1,519 (2024 – \$1,366). The Credit Union has no further liability or obligation for future contributions to fund future benefits to plan members with respect to the defined contribution plan.

## **22 Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.



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