

# Raise the Shuswap

A man in a maroon hoodie and blue jeans stands on a rocky outcrop, looking out over a vast valley. A large, shaggy dog stands beside him, also looking out. The valley below is filled with green fields, small towns, and winding roads, surrounded by rolling hills and mountains under a clear sky. The scene is bathed in warm, golden light, suggesting late afternoon or early morning.

**SASCU**

**2024 ANNUAL REPORT**





Salmon Arm Savings and Credit Union respectfully acknowledges the land in which we live, work, and play is the unceded traditional territory of the Secwépemc Nation.

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*Throughout this report, "we" or "SASCU" refers to Salmon Arm Savings and Credit Union doing business as SASCU Credit Union, and its subsidiaries, SASCU Wealth and SASCU Insurance Services Ltd.*



## Message from the CEO

I invite you to review the 2024 highlights shared on the pages that follow. It is a good reminder of just how valuable it is to be part of a co-operative with strong, aligned values, pragmatic financial policies, and ambitious undertakings to provide relevant offerings.

We are inspired by the community around us and are so appreciative of the member-owners who recognize SASCU as “theirs”. The past year was a testament to this as we completely renovated Sicamous Branch, revamped our service delivery model, launched a new financial education program, adapted to regulatory pressures and enhanced security protocols, and began exploring alternative digital banking platforms to exceed the banking needs of our personal and business members well into the future.

**We did this while delivering strong financial results of \$4.3 million pre-tax net income.**

We are well into 2025, a year already providing a myriad of events and uncertainty. While the outlook is unclear aspects will undoubtedly affect us, our businesses, and our families.



This brings us choices: We can try to ignore it all; we can become distracted with what may or may not happen; or we can follow a strong plan that accounts for the negatives and positions us to act on the opportunities. The latter is what I choose for myself and is the way my team and I choose to lead SASCU.

The 2025-2029 Strategic Plan completed by the Board of Directors and management illuminates our path, **giving us the means to remain steadfast despite the noise around us and the hurdles placed before us.**

When you review the highlights of this plan found here in this annual report, the fact that we are fully invested in the success of our region underlies each objective.

This five-year road map unites all of SASCU’s resources towards a shared purpose to “Raise the Shuswap”. Raising the Shuswap is about growing confidence, offering better choices, and strengthening economic well-being; it’s about raising hope.

Of course, “hope” on its own—while crucial—is not enough. Our Vision is to turn hope into action. SASCU is where you come first to be heard, receive clarity amidst all life’s complexities and distractions, and get connected to solutions that recognize what matters most to you.

Join us as we pursue this Vision and deliver the means to a stronger financial future.

**Barry Delaney**  
President & Chief Executive Officer

## Message from the Board Chair

SASCU’s Board of Directors have the responsibility of overseeing the organization’s risk management practices, ensuring alignment with strategic objectives, and safeguarding the interests of our members and stakeholders.

In 2024, we saw some stabilization in the global economy, drops in inflation, and 1.75% reduction in the Bank of Canada interest rates. Despite these positive elements, consumers still suffered from the rapid increase to the cost of living throughout the pandemic years. Housing sales in 2024 were soft and our mortgage lending dropped accordingly. Financial institutions and the world economy in general now face daily challenges, including the impacts of tariff volatility.

**Despite the challenges posed in 2024, I am proud to say that SASCU held strong.**

Our ability to maintain profitability not only bolsters members’ confidence but also allows us to continue to have a positive impact in our community.

**Throughout 2024, we donated a total of \$220,000 back into our communities.**

The board is proud to report that a total of \$220,000 was distributed in community donations. We supported local initiatives contributing to a variety of causes such as community prosperity, community gathering, youth sports and arts, as well as scholarships for post-secondary studies.

Additionally, our teams at SASCU contributed hundreds of volunteer hours to further non-profit community organizations.

Currently, your board is committed to working with the leadership team of SASCU to implement a new Strategic Plan. The purpose of this plan “Raise the Shuswap” with initiatives that we believe will be a relevant force for members in tough economic times and have significant meaningful impact in the communities we serve.



**Dave Witt**  
Board Chair



## Looking ahead

**This past year we launched our new Brand Purpose, “Raise the Shuswap”.**

Our Purpose is more than just a slogan - it is our commitment to growing members' confidence, offering better choices that are relevant to our region, and strengthening the economic well-being for everyone. It is about raising hope.

**Our Vision: We turn hope into action.**

**We are where people come first to be heard, receive clarity, and get connected to solutions that recognize what matters most to them.**

At the heart of this new Purpose and Vision is a long-term strategy designed to deepen our connections to members and our communities to enhance the resilience of our organization.

This five-year road map is designed to inspire and drive us forward, ensuring we remain committed to excellence and innovation. The following diagram outlines our **five strategic priorities** that anchors this new plan.

## 2025 - 2029 Strategic Priorities

### COMMUNITY IMPACT

- Strengthen and expand community relationships
- Promote community involvement
- Invest in financial education
- Focus on housing initiatives
- Enhance community visibility

### ENGAGE MEMBERS

- Enhance financial advisory services
- Monitor and optimize member experience
- Enhance digital and in-person experience
- Increase member communication and transparency
- Improve employee digital experience

### BE RESILIENT

- Be an employer of choice
- Focus on process modernization
- Strengthen risk management
- Maintain financial strength

### DIFFERENTIATE LOCALLY

- Personalize member interactions
- Offer tailored products and services
- Leverage local talent and expertise
- Align branch strategy with community needs

### EMBRACE PARTNERSHIPS

- Strengthen and expand partnerships
- Explore fintech partnerships
- Collaborate with other credit unions



# Personal and business banking

## Collaboration

2024 was a year of meaningful progress across both our Commercial (aka “Business”) and Retail (aka “Personal”) divisions. Collaboration was a theme throughout the year. Our teams built processes and habits to work more seamlessly across SASCU divisions— including Insurance and Wealth. With this heightened mindset, we are better positioned to offer holistic, personalized advice that reflects increasingly complex financial needs.

We also saw improved member retention. In fact, net membership (the difference between new members gained and those we lost) grew 40%.

## Sicamous Branch Renovation

Our Sicamous branch was completely redesigned, enhancing both accessibility and overall experience. To accommodate the construction, the branch operated for nine months from a trailer and a small area that would be ultimately released as the new branch was re-imagined with a smaller footprint.

The renovated branch reopened in December with celebration. Its bright, inspiring aesthetics supported several new features that support a quality member experience. These include a professional coffee dispensary that provides any java connoisseur with quality refreshments, a lounge area complete with fireplace and equipment to support educational sessions, and a community room for free non-profit

use. All this and more was designed to support an improved service model that will be adopted by other branches in coming months.

With a focus on personalized guidance, financial education, and meaningful conversations, we are creating spaces and moments that support your journey. This approach ensures every interaction helps you feel informed, empowered, and connected to what matters most.

## Contact Centre

Over the past year, we transformed our Contact Centre to better serve our members, making it easier than ever to connect. You can now access full advisory services, including loans and mortgages, all through this channel. Our advisors offer remote appointments with extended hours, giving you better flexibility.

## Credit and Risk

SASCU’s approach to credit and enterprise risk is grounded in our purpose: to raise the Shuswap. This commitment drives our focus on long-term resilience.

In 2024, we introduced a climate risk framework that reflects the environmental realities of our area, integrating carbon footprint, physical risk, and transition risk into enterprise decision-making. We also initiated the development of auto adjudication, setting the foundation for more responsive and consistent credit decisions in 2025.

Throughout the year, SASCU operated within risk appetite across credit, capital, liquidity, and operational domains—demonstrating strong governance, internal controls, and proactive oversight.

## Digital Growth

Digital continues to be the first choice when it comes to everyday banking transactions. In fact, banking app logins increased almost 5% over the prior year and mobile wallet registrations rose 74%.

SASCU continues to invest in our digital capability. New functionality and experience enhancements included scheduled and recurring e-transfers, plus self-serve ability to lock a lost or stolen debit card.

With the announcement that our current online banking provider Central 1 Credit Union would be winding down this arm of its business over the next four years, we are taking a deep dive into digital banking trends to help us assess future partners.



# Wealth and Insurance

## SASCU Insurance Services Ltd.

This past year was transformative for our Insurance division, marked by key milestones that enhanced service, efficiency, and offerings. This includes the upgrade of our Broker Management System (BMS). We are now equipped with a more robust system that streamlines policy renewals, enhances client relationship management, and ensures we continue to meet the evolving needs of our clients.

SASCU Insurance also expanded our offerings by partnering with Pets Plus Us to provide pet insurance to our clients. Recognizing the increasing demand for comprehensive pet care coverage, this collaboration allows us to extend additional value and peace of mind to pet owners in our community.

## SASCU Wealth

It was a successful year for SASCU Wealth, despite navigating challenging market conditions. Our team remained committed to providing exceptional service and personalized strategies, ensuring that our clients’ financial goals remained on track.

In November, we held an educational event focused on tax planning. The guest speaker was a lawyer specializing in estate and tax planning, who provided valuable knowledge on how clients can optimize their financial strategies for tax efficiency.

Encouraged by the event’s success, we are excited to continue promoting financial literacy with more events in 2025.



Sicamous Branch Lobby - SASCU Grand Reopening



**\$4.3M** in earnings (prior to income tax)

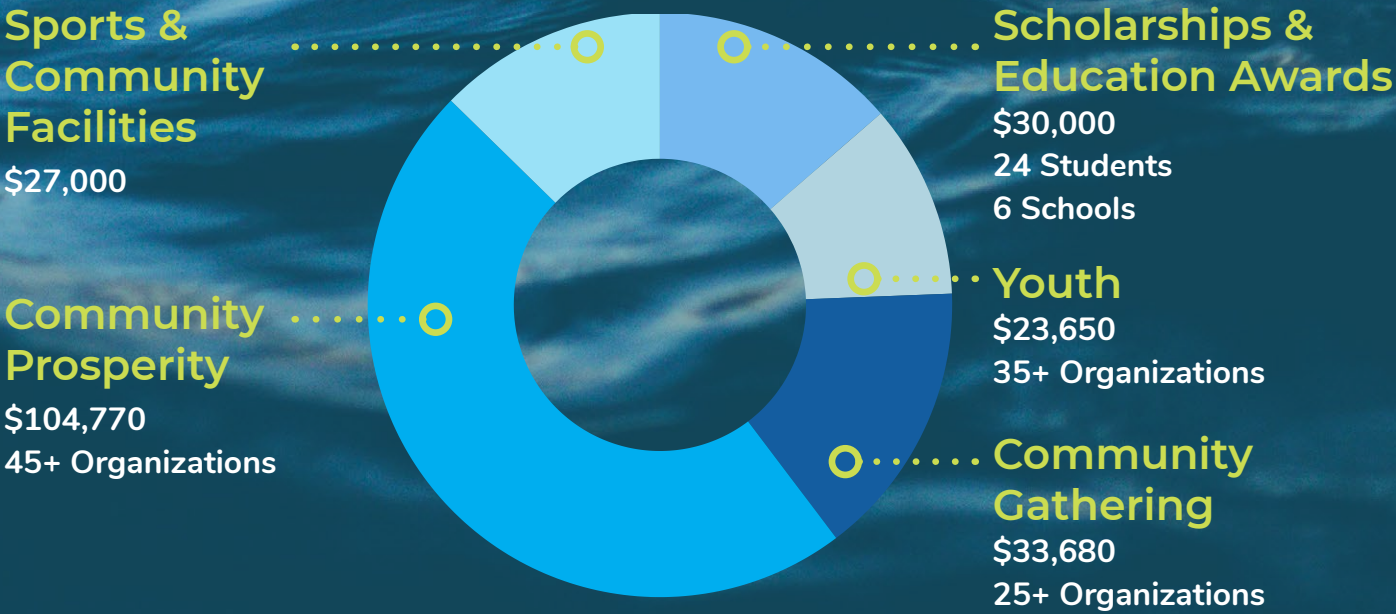
**20,291** Credit Union Members

Net Promoter Score (Loyalty Measure) **73.6** +2.64%

**+39.2%** Net membership growth (compared to 2023)

Contact Centre:  
**41,270+** calls  
**4,170+** in-bound emails  
**11,500+** advisory appointments

**\$220,000** in Community Donations



OUR PEOPLE

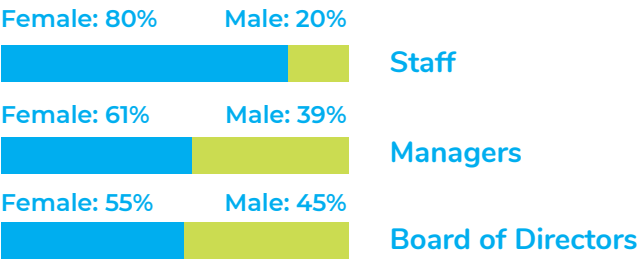
Elevating our teams and investing in local talent

This past year, we made significant strides to enhance our workplace culture and leadership. The introduction of new key roles in Strategy & Partnerships and People & Culture, has enhanced our ability to drive collaboration and set clear priorities as an organization. Some of the main areas where we've directly reinvested in our teams include:

- Implementing a new competitive compensation structure, informed by an external review, to attract and retain local talent.
- Bringing everyone back into our offices to promote dynamic, in-person collaboration amongst teams.
- Transitioning to a new employee recognition platform to build a more supportive and connected workplace.
- Redefining the purpose of our training program, to align with evolving staff needs. This approach focuses on targeted, impactful training that equips employees with the unique skills needed to excel and deliver exceptional service.

These efforts have set a solid foundation for continued growth and collaboration, positioning us for an even stronger year ahead. We are also committed to partnering with local school districts and post-secondary institutions to create pathways for students to learn about the diverse and rewarding careers in financial services. With on-going leadership development and succession planning, we are nurturing the next generation of leaders, building resilience amongst our teams, and ensuring a strong pipeline of talent.

**163** Staff  
**32%** Percentage of staff with 10+ years of service  
**18%** Percentage of staff promoted  
**\$340K+** Invested in learning and development  
**30** New staff welcomed



Enderby team at SASCU's Business Excellence Awards.



# How we operate as a co-operative

**Board of Directors**  
Salmon Arm Savings and Credit Union (SASCU) operates as a co-operative, with a democratically elected nine-member Board serving three-year terms. SASCU’s Board of Directors represents our membership and act as stewards of our organization - providing essential oversight, and help ensure that members’ funds are invested in ways that benefit and strengthen our communities.

The Board oversees SASCU’s strategy, risk appetite, executive performance, and governance renewal. Directors serve on two or more Committees that analyze issues and provide recommendations to the Board and have no authority other than that granted by the Board.

**Executive Team**  
Our Executive Leadership Team (ELT) executes strategic plans set by the Board. They lead organizational efforts to implement and report on strategic priorities and the day-to-day operations. Recent efforts focused on the development of SASCU’s 2025-2029 Strategic Plan, emphasizing our new brand purpose of Raising the Shuswap.

**Training and Development**  
SASCU’s Board of Directors must meet educational requirements and continuously update their skills. New directors complete the CUDA Level A program in their first year, with Levels B and C (or equivalent) required

by the end of their second term with two continuing education courses annually following completion of the CUDA program (or equivalent). Directors are also required to complete annual AML, privacy and cyber security training as well indigenous awareness training. Ongoing education ensures Directors stay current on governance best practices.

**Performance & Compensation**  
In 2024, SASCU’s compensation strategy was reviewed with a re-commitment to attract and retain talent through above market competitive salaries, variable pay, and benefits.

The CEO’s compensation aligns with market trends and performance-based incentives, ensuring strong leadership. Market comparisons consider geography, business strategy, and organizational complexity.

**Highlights**  
This past year, the Board continued with quarterly meetings providing focus on the development of our new Strategic Plan with the following outcomes:

- **Purpose** – Raise the Shuswap
- **Vision** – We turn hope into action
- **Values** – Impact, Integrity, Imagination & Initiative
- **Strategic Priorities** – Engage Members, Differentiate Locally, Community Impact, Embrace Partnerships & Be Resilient

Other key highlights included: the completion of our Sicamous Branch renovation, welcoming two new Directors, the completion of a Board Governance Audit, and the commitment to revamping Board Committees to be aligned with the new Strategic Plan.



SASCU’s Executive Leadership Team (ELT)

Board Committees*		CEO & Human Resources	Audit & Operational Risk	Credit & Market Risk	Conduct Review & Governance	Community Relations & Sponsorships	Nominating	Additional Commitments
*As of December 31st, 2024.								
	<b>Dave Witt</b> Chair (2017-Present)	Chair		Member				Central 1 Conference (virtual) Spring Peer Group Meeting
	<b>Constance Ladell</b> Vice Chair (2016-Present)	Member	Member		Chair			
	<b>June Stewart</b> Secretary (2022-Present)	Member	Member	Chair				Momentum Conference Fall Peer Group Meeting
	<b>Dawn Dunlop</b> (2021-Present)		Member				Chair	
	<b>Riley Boudreau</b> (2024-Present)				Member	Member		
	<b>Tanja Carlson</b> (2023-Present)				Member	Member	Member	Spring Peer Group Meeting Fall Peer Group Meeting
	<b>Steven DeBoer</b> (2024-Present)			Member		Member	Member	
	<b>Ken Rogers</b> (2023-Present)		Chair	Member			Member	Fall Peer Group Meeting
	<b>Curtis Slingerland</b> (2022-Present)				Member	Chair		



Board Attendance and Compensation

The Board of Directors is committed to responsible financial stewardship and accountability, focusing on enhanced financial transparency and strengthening the board’s effectiveness.

The Board’s total budget for 2024 was **\$326,271**, and their total spend was **\$276,505**.

The Board’s Budget is in accordance with **Section 110 (2) of the Financial Institutions Act**. The

budget is made up of remuneration which includes; honorariums, meeting allowance, per diems, travel, meals, director technology allowance, training, as well as costs associated with Board work such as but not limited to planning sessions, peer group attendance, consultants, Board assessments, Board portal costs, and retiring allowances.

The Board of Directors continued piloting quarterly Board meetings in 2024.

Name	Title as of 12/31/23	Gross Remuneration	Gross Expenses	Board Meetings Attended/ Required		Committee Meetings Attended/Required		Strategic Planning Workshop Attended
D. WITT	Board Chair	\$25,325	\$4,081	8 of 8	100%	12 of 12	100%	3 of 3
C. LADELL	Board Vice - Chair	\$17,825	\$2,767	7 of 8	88%	21 of 21	100%	3 of 3
D. DUNLOP	Director	\$14,200	\$954	8 of 8	100%	11 of 11	100%	3 of 3
J. STEWART	Director	\$18,725	\$2,069	8 of 8	100%	16 of 16	100%	2 of 3
R. BOUDREAU	Director	\$7,900	\$550	4 of 4	100%	7 of 7	100%	1 of 3
T. CARLSON	Director	\$17,900	\$2,272	7 of 8	88%	17 of 17	100%	3 of 3
S. DEBOER	Director	\$8,775	\$535	4 of 4	100%	6 of 8	75%	3 of 3
K. ROGERS	Director	\$15,575	\$4,600	8 of 8	100%	14 of 15	93%	3 of 3
C. SLINGERLAND	Director	\$12,325	\$760	6 of 8	75%	13 of 13	100%	2 of 3

Name	Date of Retirement	Gross Remuneration	Gross Expenses	Board Meetings Attended/Required		Committee Meetings Attended/Required	
J.RAGSDALE	05/07/2024	\$3,950	\$548	3 of 3	100%	6 of 7	86%
J. SCHLOSAR	05/07/2024	\$5,150	\$1,361	3 of 3	100%	8 of 8	100%

For more insight into our Board Members’ experience, background, and term lengths, please visit [sascu.com/about/governance](https://sascu.com/about/governance).

Creating lasting community impact

Co-operatives work for the sustainable development of their communities through policies and activities that benefit local and global social, economic, and environmental well-being.

We are deeply committed to investing in the Shuswap communities we proudly serve. Every year, we prioritize keeping our profits local, Our dedication to reinvesting in the community reflects our passion for making a positive difference, both as a co-operative and as members of this great community.

*In 2024, SASCU contributed \$220,000 to community initiatives, reinforcing our commitment to creating lasting, meaningful impact in the region.*

Janet McClean Senft, Executive Director, and Pam Beech, EVCSS Board Chair, standing in EVCSS new food pantry.



Local highlights

**Eagle Valley Community Support Society**  
We were proud to support the Eagle Valley Community Support Society (EVCSS) in sustaining and expanding vital community programs in Sicamous. Through a dollar-for-dollar matching campaign, SASCU contributed \$16,000 to help EVCSS continue providing food security, family resources, and senior support programs like Better At Home. These initiatives have been instrumental in enhancing the well-being of families in the Sicamous, Malakwa and Swansea Point communities, ensuring they have access to the support they need.

**Rise Up Indigenous Wellness**  
SASCU was honoured to support Rise Up Indigenous Wellness in developing educational content for workshops aimed at helping local businesses enhance their understanding of Truth and Reconciliation. This included supporting of a total of six workshops, with the first being held at SASCU.





Launa Payne and Sherrelle Anderson from Rise Up Indigenous Wellness

The workshop, A Walk Beside Us – The Path to Truth and Reconciliation, brought together 20 SASCU staff members, with nearly every department represented. The day of learning had a powerful emotional impact, inspiring participants to carry their insights back to their teams and share their experiences. Through reflection and discussion, the workshop helped foster stronger, more inclusive workplaces within our community

#### Salmon Arm 55+ BC Games

The Salmon Arm 55+ BC Games was a major community event that brought together athletes from across the province. Recognizing the vital role of local volunteers in making the games a success, SASCU focused its support on the Volunteer Appreciation Event. With the majority

of volunteers being local, this sponsorship aligned with our commitment to fostering community spirit and recognizing those who give back.

#### Endowments

In 2024, SASCU remained dedicated to fostering a sustainable and thriving community through the SASCU Community Endowment Fund (SCEF) and the SASCU Youth Endowment Fund. Established to support environmental initiatives, SCEF continued to provide grants for projects that enhance sustainability and promote environmental awareness, such as the Shuswap Children's Association, Friends and Leisure Youth Recreation Weekend Campout.

Meanwhile, the Youth Endowment Fund invested in programs benefiting children and youth, awarding grants to initiatives like the Literary Alliance of the Shuswap Society Summer Slide Reading Camp.

#### Scholarships and Education Awards

Over the past ten years, SASCU has awarded \$273,000 in scholarships, supporting 186 youth in their pursuit of post-secondary education. In 2024 alone, we distributed \$30,000 to 20 students across six schools, empowering them to continue their post-secondary academic and vocational journeys.



SASCU Community Crew at Music By The Bay.

#### International Giving

As one of our core principles, collaboration with other co-operatives helps strengthen the movement. Since 2014, SASCU has been supported the Co-operative Development Foundation of Canada's Women's Mentorship Program, which has provided leadership training to over 100 women from various countries.

This past June, SASCU hosted Lustia Kachapila from Malawi, who spent ten days in the Shuswap learning about governance, management, and service delivery standards. Lustia was able to gain valuable insights—such as advanced credit assessment tools, streamlined loan processing workflows, an improved risk management

framework, and effective member engagement strategies—to take back to Dikirani Cooperative Union, which she co-founded. Through this work, she aims to strengthen support for local farmers and foster sustainable growth within her community.

#### SASCU Community Crew

Since January 2020, our staff have contributed 3,300 volunteer hours. As a perk of employment, each full-time staff member receives seven and a half hours of paid volunteer time. This not only benefits our community but also strengthens connections within our organization. Look for our SASCU Community Crew at the next event!

Volunteer Appreciation Event at the 2024 BC 55+ Summer Games. Photo courtesy of Aleksandr Aliabev.





# Management Discussion and Analysis

### Board of Directors

The Management Discussion and Analysis (MD&A) section of the Annual Report provides an overview of SASCU’s operations and financial position. The MD&A should be read in conjunction with SASCU’s audited financial statements. The following discussion and analysis are management’s responsibility and are current as of April 8, 2025.

### Forward-Looking Statements

This MD&A contains forward-looking statements that include uncertainties in relation to prevailing economic, legislative, and regulatory conditions at the time of writing. Forward-looking statements are based on assumptions that involve inherent risks and uncertainties that may prove to be inaccurate. Although the Credit Union believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct.

### Factors That May Affect Future Results

The economic and business conditions in Canada and abroad can impact domestic and local economies, affecting businesses, consumer prices, and personal incomes. The prevailing conditions influence financial markets and the Bank of Canada’s monetary policy, causing changes in interest rates and the value of the Canadian dollar. Fluctuations in the capital markets, environmental conditions and competition can impact the market share and price of SASCU’s products and services, affecting performance.

SASCU operates in an extremely competitive industry with competition coming from traditional banking institutions along with a host of non-traditional and new market entrants. This heightened level of competition along with the rapid changes in technology and consumer behavior has strong influences over how the organization provides financial services to current and future members.

### Economic Environment

In 2024, efforts by the Bank of Canada (BoC) and other central banks to reduce inflation began to show results. These improvements followed years of tight monetary policy, which slowed demand, raised unemployment, and cooled economic growth. Canada’s GDP growth fell below 2% in both 2023 and 2024 and is expected remain below 2% in 2025.

With inflation easing and growth slowing, the BoC shifted focus in 2024 to guiding the economy toward a “soft landing.” Starting the year with a 5.0% policy interest rate, the BoC introduced five rate cuts throughout the year, reducing the rate to 3.25% by year-end. Additional cuts of 0.25% followed in both January and March of 2025 and the market expectation is for more cuts in 2025 with the policy rate settling between 2.00% and 2.50%.

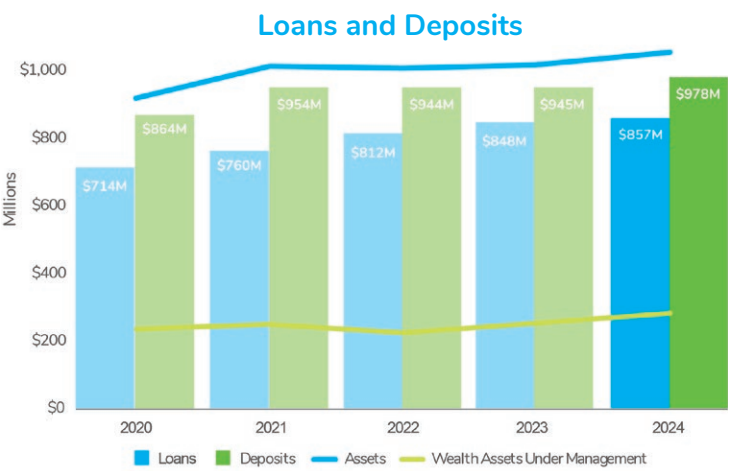
While lower rates brought welcome relief to households and businesses by reducing borrowing costs, many borrowers who renew mortgages in 2025 will be facing higher monthly payments.

Despite progress on inflation and interest rates, the financial landscape remains challenging. High debt levels, rising unemployment, and slow GDP growth continue to weigh on Canadians. Global risks—such as trade tensions, slower population growth, and geopolitical instability—add further uncertainty. Heading into 2025, these conditions highlight the importance of our member-focused approach. By staying close to our members and helping them navigate financial challenges, we aim to unlock new opportunities and grow our business in the year ahead.

### Growth

SASCU was able to grow assets by 3.68%, which primarily came from the 3.51% growth in deposits, resulting in higher investment balances, while total loans increased by 1.03%.

SASCU’s board and management considered the challenges that members and credit unions would face at the beginning of 2024 due to the elevated rate environment and challenging economic conditions, and



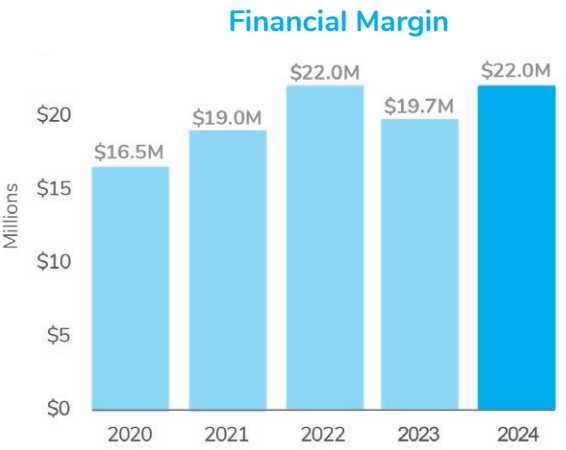
resultingly projected reduced loan growth and negative deposit growth in 2024. SASCU was able to exceed member deposit growth expectations, while loan growth fell just below projections.

SASCU’s wealth subsidiary was able to carry the momentum from 2023 into 2024 with an increase in assets under management of 11.83%, compared to 12.68% the prior year.

### Financial Margin

Financial margin represents the difference between interest earned on loans and investments versus interest paid on deposits and other liabilities. Financial margin is considered a key indicator of profitability and represents a picture of how well assets and liabilities are managed. Additionally, financial margin constitutes the largest component of SASCU’s income.

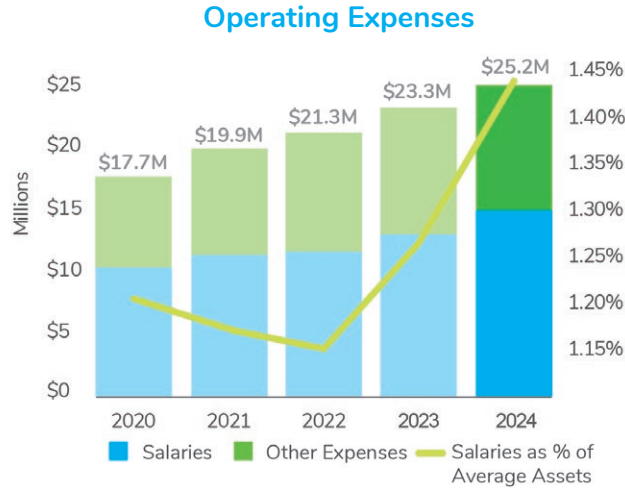
SASCU was able to increase financial margin during 2024, despite operating in a challenging environment with low loan growth and an inverted yield curve for most of the year. Financial margin increased from \$19.72 million in 2023 to \$22.00 million, reflecting a 11.52% increase. Looking ahead to 2025, a moderate improvement in financial margin is anticipated as longer-term loans gradually reprice at higher rates while the expected normalization of the yield curve should present opportunities for increased spreads between assets and liabilities.



### Operating Expenses

Operating expenses, including staffing, technology, occupancy, advertising, and general business costs, increased by \$1.9 million (8.1%) in 2024. This rise reflects SASCU’s intentional strategy to align its operations with the evolving needs of the business in an increasingly complex market environment.

As part of this, SASCU undertook a corporate restructuring and at the same time, completed a comprehensive salary review. As a result, a purposeful investment was made to offer compensation above market benchmarks. This strategic decision supports our long-term priorities of attracting and retaining top talent and reinforcing our ongoing commitment to being an employer of choice within the communities we serve.





Earnings and Capital

SASCU earned \$4.30 million before considering income taxes. Earnings decreased slightly since 2023 and remained below the 5-year average of \$5.49 million. The average is impacted by the material increase in earnings from 2020 to 2022 due to the low-interest rate environment and corresponding drop in deposit expense. SASCU’s retained earnings increased from \$62.6 million in 2023 to \$65.6 million in 2024.

The increase in retained earnings and capital from 2023 to 2024 exceeded the increase in SASCU’s risk-weighted assets, resulting in the capital ratio growing from 15.97% to 16.77%. This well exceeds the provincial regulator’s (BC Financial Services Authority or “BCFSA”) requirement for Credit Unions to hold a regulatory minimum capital ratio of 8%.

Importantly, both capital and the risk-weighted assets driving retained earnings growth continue to increase, supporting the responsible and sustainable growth of our business for the long-term benefit of our members and community. Our capital levels remain one of management’s key focuses to ensure stability and future growth.

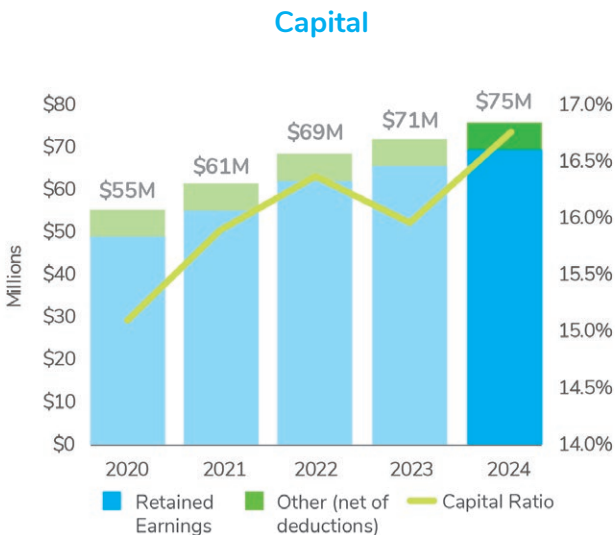
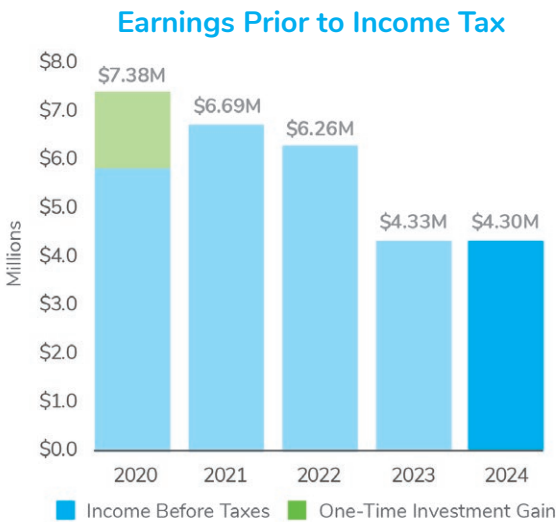
SASCU is required by regulations to hold liquidity investments in a portfolio of High-Quality Liquid Assets (HQLA). These investments are accounted for at fair market value in the financial statements. Gains or losses remain unrealized unless sold.

Throughout 2024, the HQLA portfolio value grew significantly as compared to the book value of the investments, resulting in unrealized gains of \$1.06 million. The unrealized gain is reported on the Consolidated Statement of Comprehensive Income as Other Comprehensive Income. Total cumulative gains or losses of the HQLA portfolio are reported on the Consolidated Statement of Financial Position as Accumulated Other Comprehensive Income (AOCI).

Risk Management

Our risk governance framework starts with the Board of Directors and it’s Committees which provide overall strategic direction, oversight of risk management and approved risk policies, and set risk tolerance levels. Our executive management is responsible for implementing strategies and policies approved by the Board and for developing processes that identify, measure, monitor and mitigate risks.

The Credit Union is exposed to strategic, capital, credit, earnings, market, liquidity, operational and regulatory risks, for which planning, policies and procedures, controls, and monitoring are in place. To support our risk management, we have internal and external audit functions, which are independent of management and report to the Audit and Operational Risk Committee of the Board. In addition, the Board of Directors has established a Risk Appetite framework and management has implemented an Enterprise Risk Management system to effectively monitor and manage key business risks, including emerging risks.



Report of the Independent Auditor on the Summary Financial Statements

To the Members of Salmon Arm Savings and Credit Union

OPINION

The summary financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2024, and the summary consolidated statements of comprehensive income, changes in members’ equity and cash flows for the year then ended, are derived from the audited consolidated financial statements of Salmon Arm Savings and Credit Union (the “Credit Union”) for the year ended December 31, 2024.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

SUMMARY FINANCIAL STATEMENTS

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

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 11, 2025.

MANAGEMENT’S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

AUDITOR’S RESPONSIBILITY

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

Kelowna, BC  
March 11, 2025


MNP LLP

Chartered Professional Accountants



SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2024 (in thousands)	December 31, 2023 (in thousands)
<b>ASSETS</b>		
Cash	23,231	12,746
Investments	152,813	136,332
Loans to members	857,202	848,450
Premises and equipment	15,408	13,731
Intangible assets	3,330	3,453
Other assets	2,994	2,807
	1,054,978	1,017,519
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	4,229	3,910
Member deposits	977,975	944,834
Borrowings	3,474	3,532
Lease liabilities	1,074	1,198
Other liabilities	1,114	980
	987,866	954,454
<b>MEMBERS' EQUITY</b>		
Members' shares	664	647
Retained earnings	65,565	62,592
Accumulated other comprehensive loss	883	(174)
	67,112	63,065
<b>FINANCIAL INCOME</b>		
Interest on loans to members	39,546	33,354
Other interest revenue	6,186	6,539
	45,732	39,893
<b>FINANCIAL EXPENSES</b>		
Interest of member deposits	23,616	20,088
Other interest expense	120	81
	23,736	20,169
Financial margin	21,996	19,724
Provision for impaired loans	68	
Net interest margin	21,928	19,690
Other income and expenses	7,588	7,959
Operating margin	29,516	27,649
<b>OPERATING EXPENSES</b>		
Salary and employee benefits	14,917	12,809
General operating and administrative	9,166	9,410
Occupancy and equipment	1,106	1,066
Distributions to members	23	34
Income before income tax expense	4,304	4,330
<b>PROVISION FOR (RECOVERY OF) INCOME TAXES</b>		
Current	1,381	777
Deferred	(50)	35
	1,331	812
Net income	2,973	3,518
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Items that will be reclassified to net income	1,057	1,247
Other comprehensive income (loss) for the current year, net of income tax	1,057	1,247
Total comprehensive income	4,030	4,765
<b>CHANGES IN MEMBERS' EQUITY</b>		
Balance, beginning of year	63,064	58,302
Total net income	2,973	3,517
Unrealized gains (losses) on mandatory liquidity investments	1,057	1,247
Issuance of members' shares	47	41
Redemption of members' shares	(30)	(43)
Balance, end of year	67,111	63,064
<b>CASH GENERATED (USED) FROM</b>		
Operating activities	5,949	9,900
Investing activities	(27,155)	(14,445)
Financing activities	31,691	(1,073)
Net change in cash and equivalents	10,485	(5,618)
Cash and equivalents, beginning of year	12,746	18,364
Cash and equivalents, end of year	23,231	12,746

  
Chair of the Board

  
Chair of the Audit Committee







# Thank you.

## SASCU Credit Union

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