

Making it
personal.





Making it personal.

Each member's situation is different: their starting point, their goals, their values, and their relationships. At SASCU, we get that. That's why we ensure each solution and experience is personal as well.

Cover: Senior Advisor Catherine Parsons provides a young new member a plushie of SASCU's mascot, Finley the Fox.
Inside cover: Enderby Cliffs.

Salmon Arm Savings and Credit Union respectfully acknowledges the land in which we live, work, and play is the 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 Inc. and SASCU Insurance Services Ltd.

ABOUT US

For 80 years, SASCU has been the Shuswap's trusted financial institution, built on local roots, strong relationships, and a commitment to serving our members who are also owners.

The credit union was founded in 1946 when local orchard farmers faced barriers to accessing credit through traditional banks. Fourteen founding members came together to create a cooperative financial institution grounded in shared experience and mutual support. Incorporated on April 29, 1946, SASCU began with just 33 members and \$205 in assets.

From those early beginnings, SASCU has grown alongside the communities it serves. Today, the credit union supports more than 20,000 members

and manages over \$1 billion in assets. While the organization has evolved significantly, the cooperative values that shaped SASCU continue to guide how we operate. As a member-owned financial cooperative, SASCU is driven by local insight and a deep understanding of the region, allowing us to offer financial solutions that reflect the goals, challenges, and life stages of our members.

Making banking personal has always been central to our approach. Whether supporting first-time home buyers, local businesses, families, or retirees, we believe meaningful financial advice begins with listening. SASCU is also deeply invested in the long-term wellbeing of the region. By reinvesting locally, supporting community initiatives, and promoting financial literacy, we help strengthen the economic and social fabric of the Shuswap. As we look ahead, we remain focused on what matters most: people, community, and helping members build financial confidence through locally driven, personal and business banking.

Photo below: Photo of Strudwick Building. (ca. 1972). Image courtesy of the Archives at R.J. Haney Heritage Village and Museum.

1946

SASCU is incorporated under BC's Credit Union Act.

1975

Eagle River Credit Union (Sicamous) merges with SASCU.

1977

SASCU's Sorrento branch is born.

1960

SASCU has three staff members, 700+ members, and \$25M in assets.

1979

SASCU gets its first computer!

2025 HIGHLIGHTS

\$220,000

Invested in community donations, scholarships, grants, and sponsorships.

\$5.2M

in net income.

20,662
members.

45K+ phone calls handled, with an average response time of under 2 minutes.

7 new business and fintech partnerships.

1,000+

participants in our new financial education program delivered in schools and community settings.

1980

Salmon Arm branch opens.

1999

“Online” banking is introduced to members.

2025

SASCU completes full renovation of Sicamous Branch and introduces new mascot, Finley the Fox.

1996

Membership grows to 15,000.

1998

SASCU introduces a new subsidiary, now known as SASCU Wealth.

2008

SASCU Insurance Services Ltd opens its doors.

NATURAL GAS

Message from our CEO

SASCU had a very successful year in terms of financial accomplishments, community investments, and infrastructure improvements. Our performance reflects this momentum. Earning a profit is important as we need to invest in our business while still supporting our communities.

We achieved \$5.2 million in net income and our assets grew to \$1.1 billion. Our subsidiaries, SASCU Insurance Services Ltd. and SASCU Wealth Inc. both had successful years with \$1.5 million in combined net income.

We celebrated the grand re-opening of the completely redesigned Sicamous Branch, doubling down on our small community commitment. SASCU invested \$220,000 back into the Shuswap in the form of donations, scholarships, grants, and sponsorships. Our staff gave over 1600 hours in volunteer time and over 1000 people participated in one of the 46 financial education workshops SASCU staff facilitated throughout the region.

That list alone is outstanding. But I am especially proud of what's behind the numbers.

We often hear from members that SASCU is different. How they are seen as a person, not a number. And how their SASCU Advisor takes the time to truly listen to what's between them and their goals. Comments like these reflect our efforts to embed true value into each member's experience. One member at a time, we work hard to instill the hope, build the confidence, and co-create the doable plan to further each person's financial journey and success.

“This is about the people, businesses, and the region we love.”

Why? Because we care.

Raise the Shuswap is more than a slogan. It's what drives us to be better every day. This is about the people, businesses, and the region we love. It's not just a job for the people of SASCU. It matters to us. For us, it is personal.

Our branch teams are at the heart of this work and it extends across the entire organization. For example, it lives in our Contact Centre, where teams carry out banking services for members remotely by phone or video appointments. You can also see it reflected in our digital strategy, including last year's deep dive into future member digital banking needs. This transition is a major project that will continue through 2026 and roll out in 2027.

New products through partnerships were also introduced last year, helping ensure our Shuswap families have easy access to all the financial tools they need. This includes an online offer to create a personal will plus pet insurance for our furry family members.

“Culture doesn't happen by accident.”

The past year included a lot of internal work as well. Culture doesn't happen by accident. It takes intentional effort to identify what needs work and make it stronger. I don't believe culture can be forced, but with prioritization, alignment, and leadership, it can be shaped and elevated. With that in mind, three leadership teams led focused efforts in the areas of communication, values embracement, and employee experience and belonging. The kickoff to this work was our annual town hall, a single afternoon where we close early and bring the entire company together to connect, learn, and be inspired. We are already seeing the positive effects of these efforts.

As we now celebrate our 80th year in the Shuswap, let me again thank you for the trust you place in us. It is a responsibility we take seriously and a relationship we are proud to earn every day. Every member is sincerely valued and is welcome to share comments or ask questions with myself directly. My number is 250.833.1310 and email address is barrydelaney@sascu.com. I would be happy to speak with you.



A stylized, handwritten signature in black ink, appearing to read 'Barry Delaney'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Barry Delaney
President & Chief Executive Officer



Constance Ladell
Board Chair



Message from our Board Chair

The past year was a bold one for SASCU Credit Union, and I am very proud of the way our Board of Directors led with this mindset.

We took a fresh look at our committee structure and what the co-operative needs from its Board today. We sought to elevate discussions to a more strategic level and ensure we had the insights needed to do so effectively.

Two committees in particular evolved. The Nominating Committee expanded its mandate to become the Member Engagement & Director Recruitment Committee, and the Community Relations & Sponsorship Committee shifted into the new Community Engagement Committee.

This latter change included an overhaul of our community funding strategy to create more meaningful change. Most notably, we introduced a grant model that invites community groups to present directly to the committee and allows us to focus funding more intentionally.

Making impact in the community is always a driver of SASCU and often a key reason a position on the Board is so coveted. A standout investment this past year includes the multi-year support of the Royal Canadian Marine Search and Rescue Station 106 Rescue Base – Floated by SASCU. This outstanding project and the resilient volunteers behind it make the lake, which defines the Shuswap, safer for everyone.

“...positive financial results provide for our community investments.”

The co-operative's positive financial results provide for our community investments. The past year was particularly strong for SASCU Credit Union and its subsidiaries. Membership also continued steady growth as did our overall assets. Congratulations to all staff on these achievements.

In line with a growth outlook, we collaborated with management to establish stretch goals that encapsulate SASCU's 2025-2029 Strategic Plan. These capture aspirational targets around membership growth, asset increases, and a financially fit region. They help crystallize our direction and complement our foundational purpose to Raise the Shuswap and our vision to turn hope into action.

“Another highlight...was the grand reopening of Sicamous Branch...”

Another highlight of the year for me personally was the grand reopening of Sicamous Branch in February 2025. This space reflects the future of member experience—brought to life by an exceptional team—while reflecting the essence of Sicamous and its surrounding area. It is truly an ideal community hub and I encourage anyone who has yet to visit to do so.

As I write this, we will soon be welcoming a new group of Directors to the Board. I would also like to thank outgoing Director Dave Witt, who served as Chair for over two years during his nine-year term on the Board. Your imprint will always be felt. Plus, I have much appreciation for Ken Rogers, whose term from 2023 to 2026 included being Chair of the Audit and Enterprise Risk Committee. It is a privilege and an ardent undertaking to serve on the Board of SASCU Credit Union, representing the respected role it holds in the community and the responsibility to its members. Thank you to all, past and present, who put their name forward for this task.

YEAR IN REVIEW

Personal and business banking

In 2025, our focus was on strengthening our retail network, enhancing the member experience, and supporting our teams to deliver high-quality service across all locations. Branch teams remained committed to helping members reach their financial goals while adapting to evolving needs.

Service standards were enhanced to create more consistent member interactions, while targeted coaching and development supported deeper financial conversations. We also continued to strengthen branch leadership by improving alignment, decision-making, and front line support.

Our teams remained active in the community, representing SASCU at local events and building strong relationships with members and partners. These connections reinforce our role as a trusted financial partner.

None of this would be possible without the dedication of our staff. Their commitment to members, teamwork, and continuous improvement moves SASCU forward.

Continuous Improvement

In 2025, there was a strong focus on continuous improvement, which involves making ongoing

enhancements to processes and services. A total of 56 improvement initiatives were undertaken, and 48 were completed. These efforts delivered approximately 1,640 hours in annual savings.

More than 100 staff participated in hands-on training, generating practical improvements across the organization. Teams demonstrated growing ownership of continuous improvement, supported by collaboration, stakeholder input, and the leadership of Continuous Improvement champions.

Commercial/Business

In 2025, our Commercial team focused on deepening relationships and gaining a better understanding of the evolving needs of business members. Through direct engagement, the team visited nearly 100 businesses, gaining valuable insight into local challenges and opportunities.

To further enhance the business member experience, SASCU expanded the capabilities of the Small Business Advisor role. This created a more integrated approach across business financing, daily banking, and personal financial needs.

Member Experience

The Contact Centre continued to play a key role in delivering accessible service to members in 2025. The team handled 45,542 phone interactions through a combination of inbound and outbound calls, with an average response time of under two minutes.





Service was available from 8 a.m. to 8 p.m. Monday through Friday, with Saturday availability from 8 a.m. to 4 p.m. Members could also book virtual and telephone advisor appointments into the evening, improving access and convenience.

Sicamous Renovation

In 2025, SASCU completed renovations to the Sicamous branch, creating a more welcoming, member-focused space.

The enhancements included a new welcome area, education space, children's area, and the Old Town Community Room, which hosts regular community bookings. Advisor offices were designed as private, comfortable spaces and named after well-known Sicamous landmarks, including Blue Lake, Eagle Pass, and Owlhead.

The updated branch reflects SASCU's commitment to creating spaces that support meaningful financial conversations and strong community connection.

Risk and Credit

In 2025, the Risk and Credit team focused on strengthening SASCU's resilience in response to evolving global and technological shifts. A key highlight was a strategic collaboration with Delphi, a Canadian consulting firm providing global sustainability expertise, along with the Canadian Credit Union Association to bring Climatric to market. Initially developed in-house to support SASCU's sustainability journey, Climatric is a digital tool that helps credit unions assess climate risk and track greenhouse gas emissions.

Internally, the team led preparation for AI-related risks by establishing a comprehensive AI Governance Framework. Additional initiatives included second-line audit programs for retail and commercial operations, a formal model validation function, and the rollout of a modernized Corporate Policy Framework to support consistent governance.

Wealth and Insurance

Wealth

SASCU Wealth experienced strong performance in 2025, reflecting disciplined investment management and continued client confidence. We also welcomed several new team members, bringing expanded expertise and fresh perspectives.

A new financial planning software platform was implemented during the year, enhancing our ability to deliver comprehensive and forward-looking advice. This system supports more integrated financial planning for clients focused on long-term goals.

Insurance

The insurance division delivered exceptional results in 2025, driven primarily by growth in personal lines. Operational efficiency improved through the broker management system implemented in late 2024, which streamlined processes and strengthened service delivery.

Staffing remained stable throughout the year, while new team members added capacity to support the continued growth. The team remained focused on building strong client relationships and securing competitive coverage solutions.

Photo above: SASCU Wealth Team.

Photo left: SASCU Community Crew at the Youth Farmer's Market.



LOOKING AHEAD

An outlook

SASCU enters 2026 with clarity, confidence, and a strong foundation for action. Building on the momentum of our Raise the Shuswap purpose and long-term strategy, 2025 marked the introduction of organizational stretch goals. These goals provide clear direction and help focus our efforts on what will make the greatest impact for our members, our people, and our communities.

In 2026, we will continue investing in digital tools and systems that make everyday banking easier, more secure, and more convenient. A key milestone in the year ahead will be the rollout of our new Debit Mastercard, offering members greater flexibility, broader acceptance, and added value in how they access and use their money. These investments support responsible growth while strengthening the foundation of our organization.

Investing in our people remains essential. We are building skills, leadership, and capacity so our teams can continue delivering trusted advice and consistent service, while remaining deeply committed to improving financial wellbeing across the Shuswap. Through collaboration with community and industry partners, we will strengthen our capabilities and support local businesses as they grow and adapt, guided by our vision to turn hope into action and build opportunity and resilience across the region we serve.

OUR PEOPLE

In 2025, we made significant investments in strengthening our community, people, systems, and culture to ensure SASCU continues to thrive for years to come. These efforts focused on building a strong foundation that supports our employees and the members we serve.

A key priority was enhancing how we support and develop front line staff. We launched a new four-week intensive onboarding program, followed by 11 months of structured and supportive training. This comprehensive approach helps new team members build the skills, confidence, and knowledge needed to reach their full potential while delivering exceptional service to our members.

We also modernized internal operations by implementing a new Payroll and Human Resource Information System. This initiative improved efficiency, accuracy, and accessibility for both employees and leaders. To further strengthen the employee experience, we partnered with an external consultant to better understand our organizational culture and identify opportunities for continued improvement.

In addition, we created new growth opportunities for employees, including six-month temporary assignments in higher-level roles. These opportunities allowed team members to build new skills, expand their experience, and prepare for future leadership within the organization.

Together, these initiatives reflect our commitment to investing in our people and building a resilient, capable workforce for the future.



Photo right and left: Finley The Fox at our annual staff event, Town Hall.



OUR GOVERNANCE

How we operate as a co-operative

Board of Directors

SASCU operates as a co-operative, with a democratically elected nine-member Board serving staggered three-year terms. The Board is responsible for overseeing strategy, setting risk appetite, monitoring executive performance, and ensuring effective governance renewal. Directors participate on committees that review key issues and provide recommendations to the Board; committees do not have independent decision-making authority beyond that delegated by the Board.

Training & Development

Directors are required to meet established educational standards and continuously enhance their skills. New Directors complete the Credit Union Director Achievement (CUDA) Level A program within their first year, with Levels B and C (or equivalent) required by the end of their second term. Following completion, Directors undertake a minimum of two continuing education courses annually. In addition, all Directors complete annual training in anti-money laundering (AML), privacy, and cybersecurity, along with Indigenous awareness and diversity, equity, and inclusion (DEI). This ongoing commitment to education supports strong governance practices and a skilled, diverse Board.

Executive Team

The Executive Leadership Team (ELT) is responsible for executing the strategic direction set by the Board. In 2025, this included advancing SASCU's 2025–2029 Strategic Plan, centered on the purpose of Raising the Shuswap by turning hope into action. During the year, the Board further refined its strategic direction by introducing stretch goals:

- **Double Double:** Double total assets and net income.
- **Financially Fit Shuswap:** Equip people with the skills, tools, and confidence for financial success.
- **Grow with Purpose:** Grow membership, making SASCU the clear first-choice in the Shuswap.

These goals provide clear direction on SASCU's ultimate objectives and guide organizational focus.

Highlights

In 2025, the Board welcomed a new Director and advanced its governance approach alongside the introduction of a new strategic plan. A key focus was re-imagining committee structures to place strategy at the forefront, ensuring alignment with long-term objectives, vision, and the need for greater agility and responsiveness. This included evolving the Community Relations & Sponsorship Committee into Community Engagement, supported by a new framework that more directly connects funding to the mission of Raising the Shuswap. The updated approach prioritizes support for community organizations delivering measurable impact aligned with SASCU's strategic priorities, with the goal of creating more meaningful and lasting outcomes.

The Nominating Committee was also redefined as Member Engagement & Director Recruitment, reflecting an increased emphasis on understanding member insights and strengthening engagement. This shift supports a year-round, proactive approach to director recruitment, with a focus on attracting candidates who represent a diverse cross-section of the membership. Overall, 2025 was a strong year, marked by successes in community involvement and financial education, as well as important progress in technology. Foundational work on digital banking enhancements and the SASCU rewards program has positioned the organization well for continued innovation and future growth.

Board Committees*

*As of December 31, 2025.

		CEO & Human Resources	Audit & Enterprise Risk	Credit & Market Risk	Conduct Review & Governance	Community Engagement	Member Engagement & Director Recruitment	Additional Commitments
	Constance Ladell Chair (2016-Present)	Chair		Member	Member			BCFSA- Future of BC CU System (Virtual) Central 1 AGM Federated Model Working Group
	Dave Witt (2017-Present)		Member	Member		Chair		Spring Peer Group BCFSA - Future of BC CU System (Virtual) Fall Peer Group
	June Stewart (2022-Present)	Member		Chair	Member			Spring Peer Group Stabilization Central AGM (Virtual) Fall Peer Group Peer Group 3 Central 1 Momentum Conference
	Tanja Carlson Secretary (2023-Present)			Member		Member		Spring Peer Group CCUA Annual Conference BCFSA- Future of BC CU System (Virtual) Central 1 Momentum Conference Fall Peer Group
	Dawn Dunlop (2021-Present)		Member		Chair		Member	
	Riley Boudreau (2024-Present)					Member	Member	
	Steven DeBoer Vice Chair (2024-Present)	Vice Chair	Member				Chair	
	Ken Rogers (2023-Present)		Chair		Member			Spring Peer Group CCUA Annual Conference Peer Group 3 Fall Peer Group
	Doug Easterbrook (2025-Present)					Member	Member	BCFSA- Future of BC CU System (Virtual)

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 2025 was \$298,174 and their total spend was \$280,888.

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 2025.

Current Directors

Name	Title as of 12/31/25	Remuneration	Training	Expenses	Board Meetings Attended		Committee Meetings Attended		Strategic Planning Workshop Attended
D. WITT	Director	\$17,950	\$71	\$759	9 of 10	90%	14 of 15	93%	2 of 2
C. LADELL	Chair	\$19,500	\$71	\$3,183	10 of 10	100%	18 of 20	90%	2 of 2
D. DUNLOP	Director	\$15,025	\$1,069	\$273	10 of 10	100%	16 of 16	100%	2 of 2
J. STEWART	Director	\$17,650	\$470	\$5,055	10 of 10	100%	16 of 16	100%	2 of 2
R. BOUDREAU	Director	\$11,475	\$670	\$64	8 of 10	80%	11 of 14	79%	1 of 2
T. CARLSON	Secretary	\$18,450	\$670	\$3,248	8 of 10	90%	14 of 16	88%	2 of 2
S. DEBOER	Vice Chair	\$16,075	\$1019	\$73	9 of 10	90%	16 of 17	94%	2 of 2
K. ROGERS	Director	\$17,150	\$869	\$7,600	10 of 10	100%	14 of 14	100%	2 of 2
D. EASTERBROOK	Director	\$8,575	\$1,209	\$839	5 of 5	100%	7 of 7	100%	1 of 1

Retired Directors

Name	Retirement Date	Remuneration	Training	Expenses	Board Meetings Attended		Committee Meetings Attended		Strategic Planning Workshop Attended
C. SLINGERLAND	05/06/2025	\$5,925	\$0	\$535	5 of 5	100%	9 of 9	100%	1 of 1

OUR COMMUNITY

Cooperatives are built on the belief that strong communities create lasting impact. At SASCU, this means showing up consistently through meaningful partnerships, thoughtful investment, and a commitment to supporting the long-term financial wellbeing of the Shuswap.

In 2025, SASCU distributed more than \$220,000 through sponsorships, donations, grants, scholarships, and awards, supporting over 125 organizations and initiatives across the region. Our community investment approach continues to evolve, with an increased focus on relationship-driven partnerships and measurable outcomes.

Strengthening Relationships

Strong relationships remain at the core of SASCU's community work. We build trust by engaging not only as a funder, but as a committed partner invested in shared goals.

During the year, we deepened partnerships with organizations such as School District 83, local Chambers of Commerce, the Shuswap Literacy Alliance, and the Shuswap Food Action Society.

Several of these relationships evolved into multi-year collaborations, including an annual sponsorship agreement with the Shuswap Food Action Society that reflects a shared commitment to food security and community wellbeing.

Community Investment

SASCU directs its funding to support both immediate community needs and long-term impact.

We contributed \$88,000 to support sponsorships through over 20 organizations, four major events, and five multi-year naming agreements. These investments strengthened community gathering spaces, supported local economies, and contributed to regional pride. A five-year naming agreement with the Shuswap Lifeboat Society is a key highlight, helping support marine rescue services and improve safety throughout the region.

We also donated \$126,000 directly to over 115 organizations, helping sustain essential services and respond to emerging community needs. In addition, \$6,000 was distributed across four First Nation communities to support priorities identified by each community.

Redefining Community Investment Through Grants

The launch of the SASCU Empowerment Grant marked an important evolution in how we invest in community impact. In its first intake, \$50,000 was awarded to initiatives focused on employment, skill development, and organizational sustainability.

Shuswap Association for Community Living received a grant to expand its Workday Warriors Program into a sustainable social enterprise. Additional funding was awarded to the Salmon Arm Chamber of Commerce to develop and deliver capacity-building workshops for non-profit board members, strengthening governance and leadership across the sector.



Financial Education

Our new Financial Education program continues to be one of SASCU's most impactful areas of work.

In 2025, our financial education program reached over 1,000 participants through workshops delivered in schools and community settings.

Sessions engaged students from elementary through high school, as well as adults in community groups, business networks, and seniors' centres.

Topics focused on practical skills such as budgeting, saving, credit, fraud prevention, and building financial confidence. Strong demand continues, with schools and organizations reaching out directly for programming—demonstrating a clear need for accessible financial education across the region.

Community Crew

SASCU's commitment to community is also reflected in staff involvement. In 2025, employees contributed more than 1,600 volunteer hours supporting events, programs, and organizations.

The introduction of a formal volunteer request process strengthened the alignment between community needs and staff support, improving both impact and sustainability while deepening staff engagement.



Photo above: Financial Education Workshop at North Shuswap Elementary.

Photo middle: Salmon Arm Family Expo.

Photo below: Uptown Customer Appreciation BBQ.

MANAGEMENT DISCUSSION & ANALYSIS

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 March 10, 2026.

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. These conditions influence financial markets and domestic monetary policy, impacting interest rates and the value of the Canadian dollar. In addition, fluctuations in capital markets, environmental conditions, and competitive dynamics may impact the market share and pricing of SASCU's products and services, affecting overall 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 pace of change in technology and consumer behavior has strong influences over how the organization provides financial services to current and future members.

Economic Environment

By 2025, efforts by the Bank of Canada (BoC) and other central banks to contain inflation had largely taken effect, allowing monetary policy to transition away from restrictive settings toward a more neutral stance. Inflation moderated closer to the BoC's target range, while economic momentum slowed, reflecting the cumulative impact of higher interest rates on households and businesses.

Canada's economic growth remains below long-term trend, with real GDP expected to remain under 2% in the near term. Slower population growth, cautious consumer spending, and restrained business investment continue to weigh on economic activity. While a broad-based recession has largely been avoided, economic conditions remain fragile and uneven across regions and sectors.

In response to easing inflation and slowing growth, the BoC reduced its policy interest rate throughout 2025, bringing the overnight rate closer to estimated neutral levels. Looking ahead, interest rates are expected to remain lower than recent peaks but structurally higher than pre-pandemic norms, reflecting the BoC's legislated mandate to maintain price stability while supporting sustainable economic activity.

While declining interest rates are providing gradual relief to borrowers, mortgage renewals remain a key pressure point. A significant portion of Canadian households will continue to renew mortgages at rates materially higher than those in place at origination, resulting in elevated debt servicing costs and increased sensitivity to income and employment changes. This environment is driving sustained demand for financial advice, refinancing support, and proactive member engagement.

Labour market conditions have softened, with slower employment growth and a gradual increase in unemployment from historically low levels. Wage growth has begun to moderate, though cost-of-living pressures persist, particularly for housing-related expenses and essential goods. Elevated household debt levels

continue to constrain discretionary spending. Business confidence remains guarded. Small and medium sized enterprises face ongoing challenges related to borrowing costs, input price volatility, and subdued demand. Investment decisions are increasingly selective, with an emphasis on liquidity preservation and balance sheet resilience rather than expansion.

Global developments continue to add uncertainty to the outlook. Geopolitical tensions, evolving trade policies, and volatility in energy and commodity markets present ongoing risks to both inflation and growth. In addition, structural factors such as slower productivity growth and demographic shifts are expected to limit Canada’s medium term economic potential.

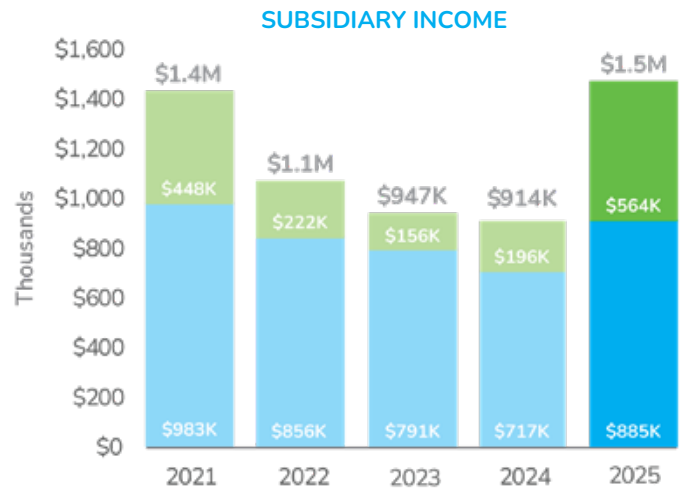
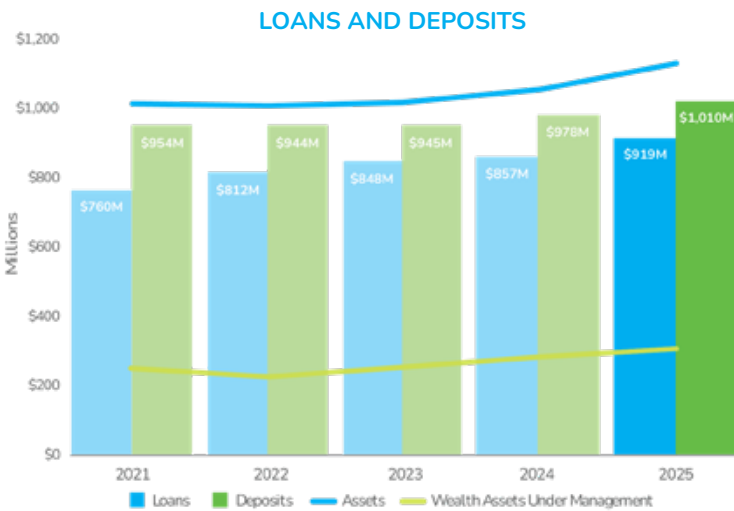
Overall, the economic environment entering 2026 can be characterized as one of moderate growth, easing but still elevated interest rates and heightened uncertainty. In this context, maintaining strong capital and liquidity positions, disciplined risk management, and a continued member-focused approach remain critical priorities. 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 4.22%, which was primarily driven by 3.23% growth in member deposits. Total loans to members saw strong growth at a rate of 7.18%.

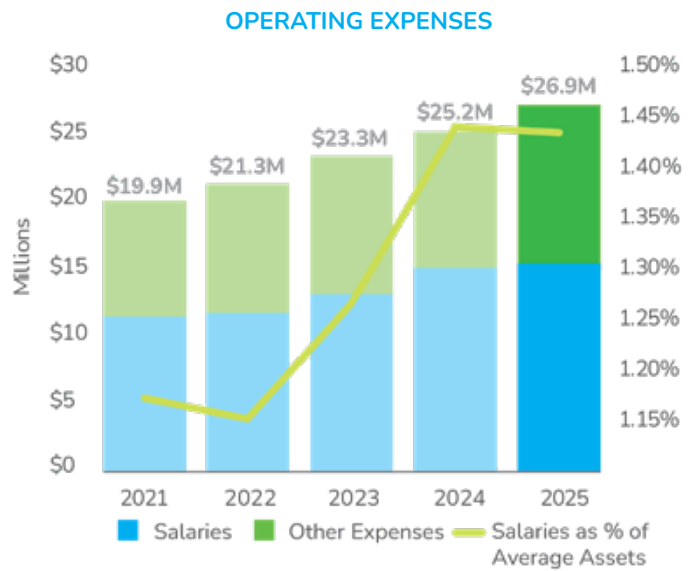
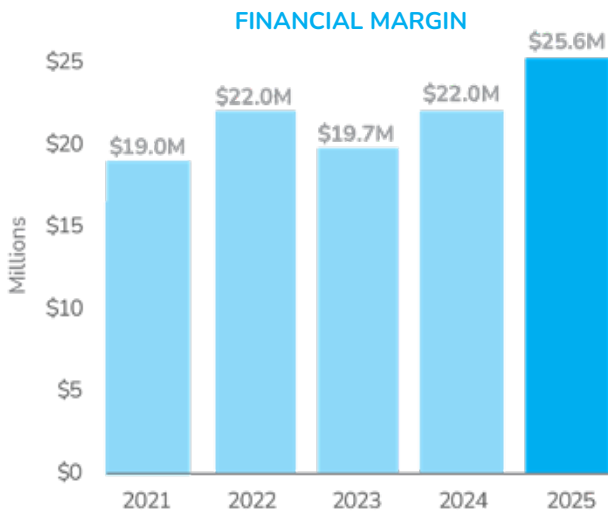
SASCU’s board and management considered the challenges that members and credit unions would face at the beginning of 2025 due to economic uncertainties and resulting projected moderate loan growth and minimal deposit growth in 2025. SASCU was able to exceed loan growth projections while member deposit growth was near expectations.

SASCU’s wealth management subsidiary grew by 2.83% in 2025 following strong growth of 11.83% in 2024.



Subsidiary Income

Our subsidiaries delivered strong year over year net income growth during 2025. Net income for SASCU Insurance increased to \$564,336, representing approximately 187% growth over the prior year. SASCU Wealth’s net income rose to \$884,925, an increase of approximately 23%. Together, these results demonstrate meaningful earnings momentum across our operating segments.



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 driver of profitability and represents a picture of how well assets and liabilities are managed. Financial margin constitutes the largest component of SASCU’s income.

SASCU’s financial margin increased during 2025 as yield-curve conditions improved, rising from \$21.82 million in 2024 to \$25.66 million, representing a 17.57% increase. This improvement reflects more favorable asset-liability repricing dynamics as interest-rate conditions normalized.

Looking ahead to 2026, a moderate improvement in financial margin is anticipated, supported by the current shape of the yield curve. However, uncertainty around the future path of interest rates remains, as evolving macroeconomic conditions and monetary policy expectations may introduce volatility into margin performance.

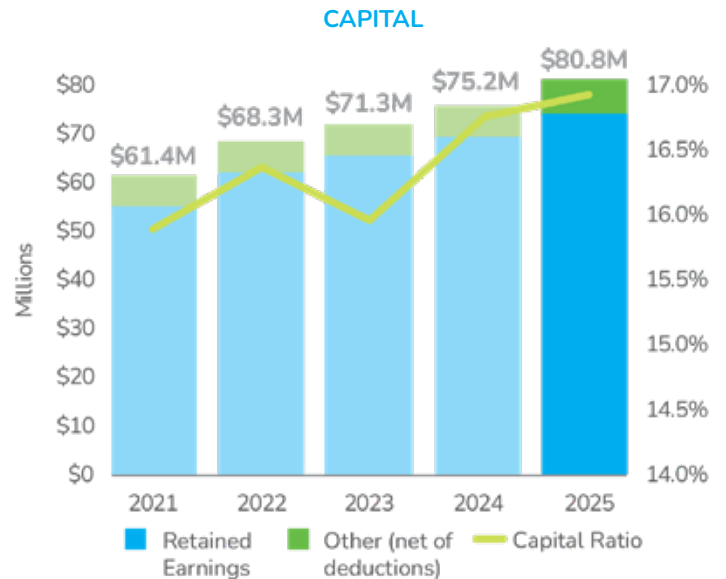
Operating Expenses

Operating expenses, including staffing, technology, occupancy, advertising, and general business costs, increased by \$1.7 million (6.8%) in 2025. This rise reflects SASCU’s intentional strategy to align its operations with the evolving needs of the business in an increasingly complex market environment. Cost increases align with SASCU’s strategy to reinvest in key areas of the business to meet both current and future member needs.

Earnings and Capital

SASCU earned \$6.86 million before considering income taxes. Earnings growth was driven primarily by strong growth in financial margin income. SASCU’s retained earnings increased from \$65.6 million in 2024 to \$70.8 million in 2025.

The increase in retained earnings and capital from 2024 to 2025 exceeded the increase in SASCU’s risk-weighted assets, resulting in the capital ratio growing from 16.77% to 17.04%. This 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. 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 2025 the HQLA portfolio value declined as compared to the book value of the investments, resulting in unrealized losses of \$49 thousand. The unrealized losses are reported on the Consolidated Statement of Comprehensive Income as Other Comprehensive loss. 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 its 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 Consolidated Financial Statements

To the Members of Salmon Arm Savings and Credit Union

OPINION

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2025, 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, 2025.

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 CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 10, 2026.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED 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 10, 2026

Chartered Professional Accountants

	December 31, 2025 (in thousands)	December 31, 2024 (in thousands)
ASSETS		
Cash	23,023	23,231
Investments	136,063	152,813
Loans to members	918,707	857,202
Property and equipment	15,495	15,408
Intangible assets	3,106	3,330
Other assets	3,105	2,994
	<u>1,099,499</u>	<u>1,054,978</u>
LIABILITIES		
Member deposits	1,009,594	977,975
Accounts payable and accrued liabilities	4,271	4,229
Borrowings	10,815	3,474
Lease liabilities	894	1,074
Other liabilities	1,695	1,114
	<u>1,027,269</u>	<u>987,866</u>
MEMBERS' EQUITY		
Member shares	628	664
Retained earnings	70,768	65,565
Accumulated other comprehensive income	834	883
	<u>72,230</u>	<u>67,112</u>
	<u>1,099,499</u>	<u>1,054,978</u>
FINANCIAL INCOME		
Interest on loans to members	40,755	39,546
Other interest revenue	5,562	6,186
	<u>46,317</u>	<u>45,732</u>
FINANCIAL EXPENSES		
Interest of member deposits	20,388	23,616
Other interest expense	272	294
	<u>20,660</u>	<u>23,910</u>
FINANCIAL MARGIN	<u>25,657</u>	<u>21,822</u>
PROVISION FOR IMPAIRED LOANS	<u>160</u>	<u>68</u>
NET INTEREST MARGIN	<u>25,497</u>	<u>21,754</u>
OTHER INCOME AND EXPENSES	<u>8,292</u>	<u>7,865</u>
OPERATING MARGIN	<u>33,789</u>	<u>29,619</u>
OPERATING EXPENSES		
Salary and employee benefits	15,401	14,917
General operating and administrative	10,207	9,164
Occupancy and equipment	1,307	1,106
DISTRIBUTIONS TO MEMBERS	<u>18</u>	<u>23</u>
INCOME BEFORE OTHER ITEM AND INCOME TAX EXPENSE	<u>6,856</u>	<u>4,407</u>
OTHER ITEM		
Gain (loss) on disposal of property and equipment	6	(103)
INCOME BEFORE INCOME TAX EXPENSE	<u>6,862</u>	<u>4,304</u>
PROVISION FOR (RECOVERY OF) INCOME TAXES		
Current	1,697	1,381
Deferred	(38)	(50)
	<u>1,659</u>	<u>1,331</u>
NET INCOME	<u>5,203</u>	<u>2,973</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will be reclassified to net income	(49)	1,057
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE CURRENT YEAR, NET OF INCOME TAX	<u>(49)</u>	<u>1,057</u>
TOTAL COMPREHENSIVE INCOME	<u>5,154</u>	<u>4,030</u>
CHANGES IN MEMBERS' EQUITY		
Balance, beginning of year	67,112	63,065
Total net income	5,203	2,973
Unrealized gains (losses) on mandatory liquidity investments	(49)	1,057
Issuance of member shares	16	47
Redemption of member shares	(52)	(30)
BALANCE, END OF YEAR	<u>72,230</u>	<u>67,112</u>
CASH GENERATED (USED) FROM		
Operating activities	(22,741)	29,374
Investing activities	15,489	(18,604)
Financing activities	7,044	(285)
Net change in cash	(208)	10,485
Cash, beginning of year	23,231	12,746
CASH, END OF YEAR	<u>23,023</u>	<u>23,231</u>


Chair of the Board


Chair of the Audit Committee



Photo above: Renovated Sicamous branch lobby.
Photo left: New Debit Mastercard (Mobile Wallet)
Photo right: Riley Bell, Sicamous Branch Manager.

Thank you.

SASCU Credit Union

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Salmon Arm, BC, V1E 4N9

Salmon Arm Uptown
1120 25th Street NE
Salmon Arm, BC, V1E 4N9

Sicamous
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Sicamous, BC, V0E 2V0

Sorrento
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Plaza Trans Canada Highway

SASCU Commercial

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SASCU Wealth

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Enderby, BC, V0E 1V0

SASCU Contact Centre

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Mon. to Fri. 8 a.m. - 8 p.m.
Sat. 8 a.m. - 4 p.m.



SASCU
Raise the Shuswap