

COMMUNITY COMMITMENT COLLABORATION

A MILESTONE YEAR



2023 ANNUAL REPORT





VISION PURPOSE VALUES

VISION

We will be Saskatchewan's leading rural-based credit union, committed to connecting with our communities and members anywhere.

PURPOSE

We are here to help create a Saskatchewan where our people and communities can thrive together. We cultivate growth by building relationships and empowering people to improve their financial health through sound advice and local access to leading global financial tools.

VALUES

Connection
Curiosity
Sustainability
Growth

An aerial photograph of a cowboy riding a brown horse in a dirt arena. The cowboy is wearing a red shirt, blue jeans, and a white cowboy hat. The horse is in motion, and the ground is dark brown with visible tire tracks. The text 'VALUES IN ACTION' is overlaid in the top right corner of the image.

VALUES IN ACTION

CONNECTION

Build strong connections in our work environment, the communities and members we serve, and relationships with our trusted partners through collaboration, knowledge-sharing, and resources.

SUSTAINABILITY

Achieve through decision-making that builds a strong and loyal member base, create resilient business practices, and works to attract and retain employees.

CURIOSITY

Curiosity will guide us, and we will invite inquiry to help spark innovation while working together to become better problem solvers.

GROWTH

Grow our relationships, our brand, our footprint in rural Saskatchewan, and our communities. We want to grow as individuals by taking personal responsibility to improve our skills because it not only adds value to our bottom line, but also helps us to develop both personally and professionally.

PRAIRIE CENTRE AT A GLANCE



16

Rural SK Branches
(and 5 subsidiary locations)



172

Employees



4,830

Employee
Volunteer Hours



17,000+

Members



\$1.9M

Member Rewards



\$1.5B +

Managed Assets

THE PEOPLE OF PRAIRIE CENTRE

EMPLOYEE MILESTONES

Loyal and dedicated employees are the foundation to our success.
Congratulations to these Prairie Centre employees on their Long Service Award milestones.

30
Years

Beverly Brooks
Karilyn Thiessen

25
Years

Verlyn Doetzel
Tracy Upton

20
Years

Elan Kidd
Barbara Kowerchuk
Tracy Loppacher
Bonnie Snider

15
Years

Stevie Dyok
Theresa Fisher
Renee Patton

10
Years

Robin Houston

5
Years

Miranda Braun
Clark Gawryluik
Michelle MacDonald
Vanessa Price

STRATEGIC PRIORITIES



Prairie Centre is building momentum across the prairies. Our way of life is to be celebrated, but more importantly, UNDERSTOOD. Understood by a financial institution that's steadfast, committed to our people and our province, and continues to gain strength so profits that are earned here, stay here. Profits that have meaningful impact and can be seen and felt at the local level.

Prairie Centre has built an ambitious three year strategic plan (2023-2025) to become the financial institution that people love to bank with through:

BRAND EVOLUTION & COMMUNITY PRESENCE

A compelling story has the power and emotion to start the conversation around a brand and power enough curiosity to get people to choose it over another. Through the telling of the Prairie Centre story, we allow customers to experience our brand, make a meaningful emotional connection, and share the experience across their network. Great brand experiences turn the story over to the customer and they become the ones who tell it.

MEMBER EXPERIENCE & GROWTH OPPORTUNITIES

Improving the member experience at every point from on-boarding to retirement planning, and everywhere in between, is pinnacle.

At Prairie Centre, we pride ourselves on serving people with the same determination, grit, and passion for the Prairies as we have. The opportunities to share this passion and spread our footprint throughout the province are abundant. We want to look for new and creative ways to reach new markets. This will require innovative ideas and strategies that are essential to keeping our business growing and sustainable.

EMPLOYEE ENGAGEMENT & PROFESSIONAL DEVELOPMENT

Education, self-development, and engagement are key to a thriving culture and play a critical role in overall satisfaction as well as confidence our employees demonstrate in their role at Prairie Centre. Employee engagement has a direct impact on our bottom line through reduced staff turnover and increased productivity. Engagement helps Prairie Centre understand employee needs, as well as helps to identify ways to improve morale and create better work environments. In other words, we value what our employees have to say.

Investing in our employees pays dividends both professionally and personally. Prairie Centre makes significant gains when our staff feel confident in what they do as it helps to create a better member experience. It provides our employees the skills to advance when opportunities arise and helps Prairie Centre transfer knowledge through succession planning.

“
**... PROFITS THAT
ARE EARNED HERE,
STAY HERE.**”

TECHNOLOGY, DATA MANAGEMENT, & CYBER SECURITY

Technology can take care of the basic tasks, leaving us with more time to focus on the important things, our members. As the world moves more digital, we see the financial industry changing with it. Prairie Centre will invest resources towards staying abreast of the new technology trends that will shift our industry in the future, which includes open banking and digital disruptors.

With the ever-advancing technology comes the constant threat of cyber-attacks. Prairie Centre will continue to work to identify potential threats and develop stronger defense strategies to mitigate them. Educating our employees and members will be the first step in fending off the threat actors.

OPERATIONAL IMPROVEMENT & EFFICIENCIES

Improving operational effectiveness and efficiencies involves combined effort that optimizes processes, people, financials, and technology to support sustainability. It goes beyond cost management, and it looks at areas where inefficiencies exist and determines how to improve them. Focus here helps Prairie Centre deliver strong and stable financial performance to support investments in our future and to ensure our credit union remains strong.



COMMUNITY COMMITMENT COLLABORATION

A MILESTONE YEAR

Prairie Centre Credit Union is proud to be celebrating a milestone 30 years in business. We could not have made it this far without our passionate people, our incredible communities, and our unwavering commitment to helping Saskatchewan thrive.

As we look back on these past 30 years of growth, we will use what we've learned to plan for success for the next 5, 10, 20, and 30 years so we can keep rural Saskatchewan's people thriving now and into the future. Our journey and our commitment are far from over. As the financial landscape of the province changes, as more banks leave our smaller communities, as our members needs shift, we will be there. Our vision has never changed.

1993

The First Regional Credit Union

Several small, rural credit unions joined together to create a more sustainable financial institution to better serve their members – Prairie Centre Credit Union is born.

1994

New Branch: Harris

1995

New Branches: Eatonia, Elbow, Loreburn

1996

Member Trust Services Launched

1999

Wealth Management Launched

It's these things – community, commitment, and collaboration – that drive our success. And it's our values that shape us into an organization our members can not only rely on, but be proud of too.

COMMUNITY is where our heart is. It's not just our members, but our friends, families, and neighbours who we serve. It's the connection between colleagues and the trust between us and our members. It's empowering from a local level with global tools and showing we care by giving back with time and financial support. Without our love for our community, we wouldn't be Prairie Centre Credit Union.

COMMITMENT is how we achieve our goals. Rural Saskatchewan is a place where tenacity isn't just an asset, it's a requirement. We're people who appreciate being true to your word, and when we say we're committed to connecting with our communities and helping them improve their financial health, we follow through with everything we've got. We show up – not just as their financial institution, but as community members with a love for our homes and desire to see them thrive.

WE COULD NOT HAVE MADE IT THIS FAR WITHOUT OUR PASSIONATE PEOPLE, OUR INCREDIBLE COMMUNITIES, AND OUR UNWAVERING COMMITMENT TO HELPING SASKATCHEWAN THRIVE.



COLLABORATION is the driving force behind our progress. Sharing knowledge and resources is just what good neighbours do and collaborating helps us all see better results. Our competitive spirit is used to find innovative solutions, refine our systems, and most importantly to make sure our members find and access their financial potential. We are never in competition with each other, only striving to always do better, solve problems, and be where we're needed. We are truly stronger together.

Our prairie spirit has carried us this far, and our love for this place and admiration for its people will carry us even further. We will grow together. We will thrive together. And, together we will work towards a future where opportunities are as wide as our horizons and bright as a Saskatchewan sunrise.

2021

New Branch: Delisle

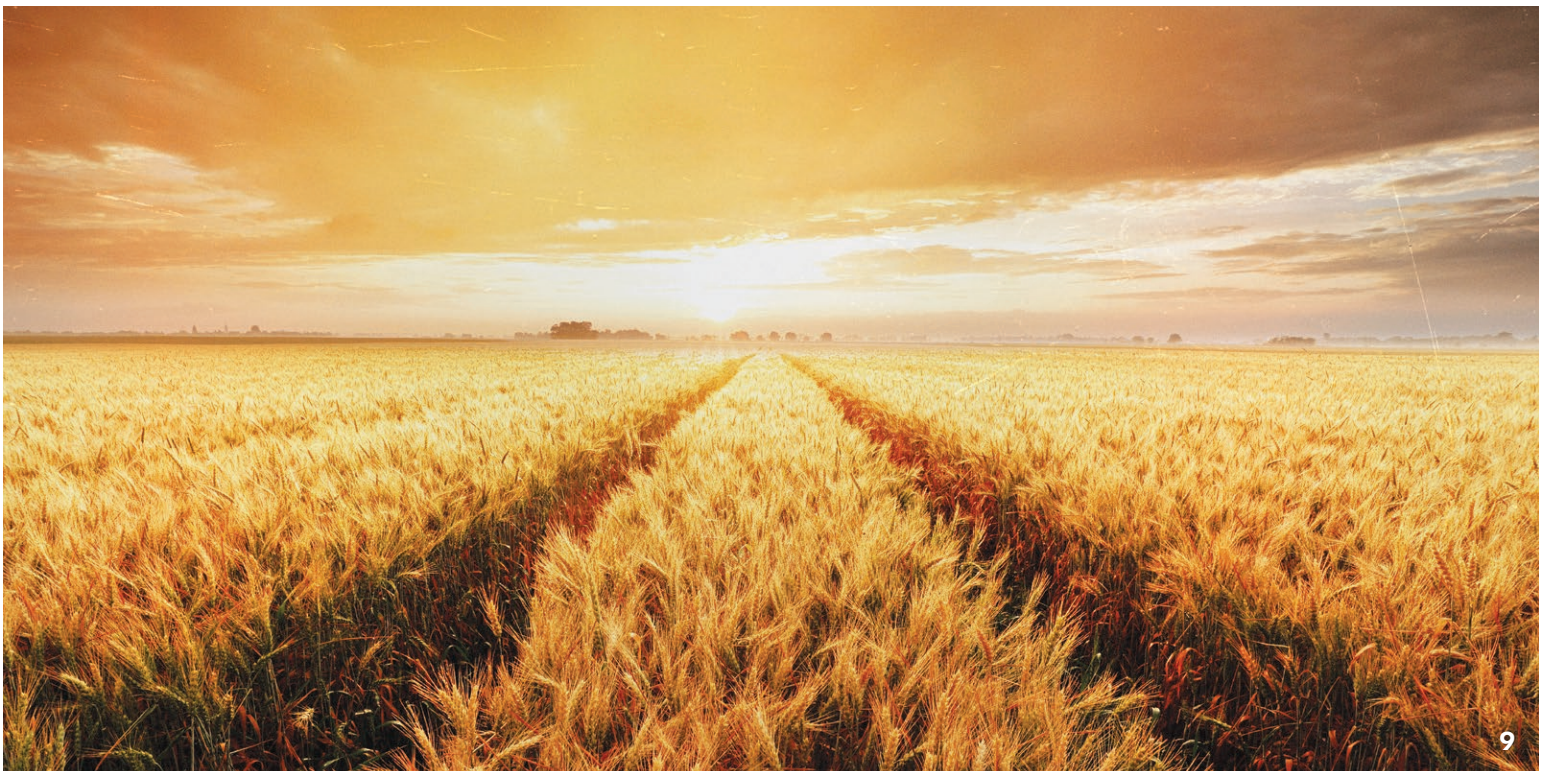
2022

New Branch: LeRoy

2023

30 Years of Service

Our consistent vision for a thriving rural Saskatchewan has carried us together with our communities to a milestone 30 years in business.



Board Chair & CEO Statement

On behalf of the Board of Directors and management of Prairie Centre Credit Union, it is our pleasure to present the annual report for 2023. 2023 marked 30 years in business for Prairie Centre Credit Union. Prairie Centre was built on a commitment to rural Saskatchewan, our communities, and the people we serve, and today that commitment is still the driving force in everything we do. As Saskatchewan's leading rural-based credit union we believe in our communities and are here as a trusted partner to help keep them vibrant and strong.

2023 was the first year of our new strategic plan which focuses on growing our brand, increasing employee engagement, enhancing the member experience, continued investment in technology, and ensuring Prairie Centre is sustainable long term. We focused on deepening connections: connections with members, connections with our communities, and connections with our employees. We bolstered our branch network by adding additional resources to enhance the member experience. Our staff gave more than 4,800 hours back to our communities, supporting important causes, events, and initiatives that help our communities thrive. Employee development is crucial to ensure our team is capable and confident to provide the high level of service our members have become accustomed to. In 2023 we spent over \$400,000 on training and development and we will continue to invest in our employees to drive long term success.

We saw an immense amount of economic uncertainty in 2023 with higher than average inflation, rising interest rates, and another year of drought conditions across a large portion of our trading area. Supporting our members through these difficult times is our number one priority. By providing advice, finding unique solutions, and offering access to financial tools, our goal is to alleviate some of the stress that comes with these challenging times.

Our organization saw little growth in 2023. However, financially we had another good year allowing us to further build our capital levels and give back over \$400,000 to our communities and over \$1.7 million in member rewards. Our subsidiaries, Prairie Centre Insurance, Real Estate, and Accounting, performed very well, helping bolster our bottom line and we continue to look for more opportunities to expand these services across our trading area.

While we reflect on the year that was, we have great appreciation for the work that the management and employees accomplished. Thank you for all your hard work and expertise that has led to the success of our organization in 2023.

Our Board of Directors play a key role in providing strategic direction to ensure the credit union remains relevant and sustainable. Our board is committed to the successful implementation of the strategic plan, our belief in our rural model, while overseeing and monitoring the associated risks. We thank all the directors for their leadership and dedication to the success of the credit union.

Finally, we would like to thank you, our members, for the continued support and trust you have shown in Prairie Centre for the past 30 years. 30 years is quite an accomplishment, and we appreciate you being part of that journey. Here's to another 30 years serving rural Saskatchewan.

Greg Hannay and Blair Wingert

Joint Partnership Announcement

Driving Rural Prosperity

Our members are at the heart of everything we do. We regularly and proactively seek opportunities that help us remain competitive, relevant, sustainable, and true to our local roots, so that we can continue providing value to our members and communities for years to come. With a shared interest in maintaining innovative and sustainable services for our members and strengthening our rural communities, the Board of Directors from Cypress Credit Union, Diamond North Credit Union, and Prairie Centre Credit Union have come together to explore the potential of a merger.



The three credit unions have created a Joint Partnership Committee of Board representatives to lead the exploration process. If the discussions proceed as expected, due diligence will be carried out, and a business case will be completed. If the three Boards approve the business case and secure regulatory consent, a merger will be recommended to the membership for their approval in fall 2024.

We are excited about this opportunity to create additional value for our members and continue supporting our rural communities. We look forward to sharing more information as our talks progress over the coming months. For more information, please visit pccu.ca.



Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) is provided to help members understand and assess the current financial position and future direction of Prairie Centre Credit Union (2006) Ltd. (Prairie Centre) and is intended to be reviewed along with the consolidated financial statements.

As we look to the future, we are making assumptions which are subject to risk and uncertainties and create the possibility that our predictions and projections will not prove to be accurate. Therefore, readers are cautioned to not place undue reliance on these statements.

Economic Overview

Although Prairie Centre is focused on serving the needs of our members in Saskatchewan, the economic and business conditions beyond our trading area can impact Prairie Centre and our financial position. This includes national and international economic conditions as they influence currency and interest rates.

The Canadian dollar remained stable compared with the American dollar throughout 2023.

The Bank of Canada is currently focusing on getting inflation to be at or near their target of 2%. Progress has been slow; however, price increases are moderating, particularly due to lower inflation in energy costs and improved global supply chains. Expectations are to stay around 3.5% in 2024, reaching the 2% target in 2025.

Interest rates continued to rise in 2023, following on the increases that occurred in 2022. This is in stark contrast to the prolonged period of low stable interest rates that preceded this period. Interest rates are expected to decline when inflation is closer to target levels.

There has been global economic growth, and the US economy has been surprisingly robust. However, there is a softening in demand for housing and durable goods, particularly those that are sensitive to changes in interest rates.

The Canadian economy has had limited growth as inflationary forces hampered spending. The Canadian economy is projected to expand by 2% in 2024, however, given the continued tight labour supply and other economic pressures, there is risk in this forecast.

An increase in prosperity in the energy and potash sectors positively impacted Saskatchewan's economy. However, an overall decrease in agriculture commodities and yields hampered growth for our province in 2023. In most of our region there was persistent drought negatively affecting agriculture for another year, however we are optimistic for what 2024 will bring. Saskatchewan remains resilient, due to diversity in our economy which will be good news for our province and Prairie Centre.

Financial Position

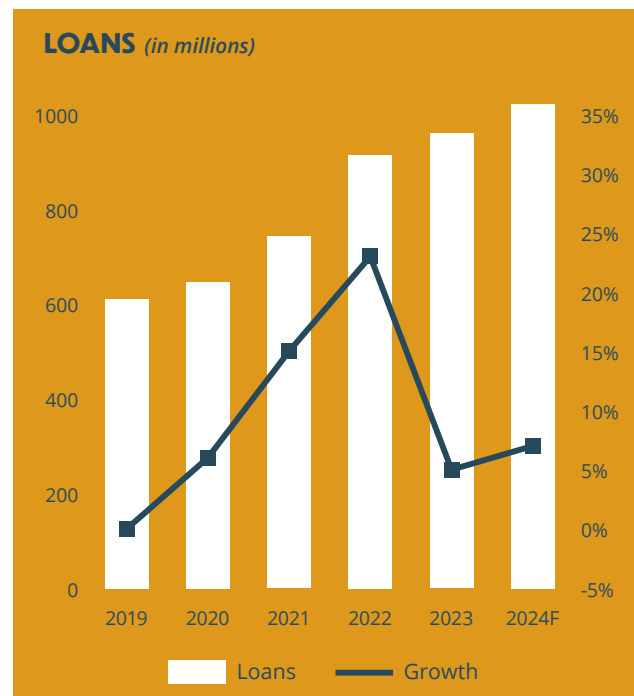
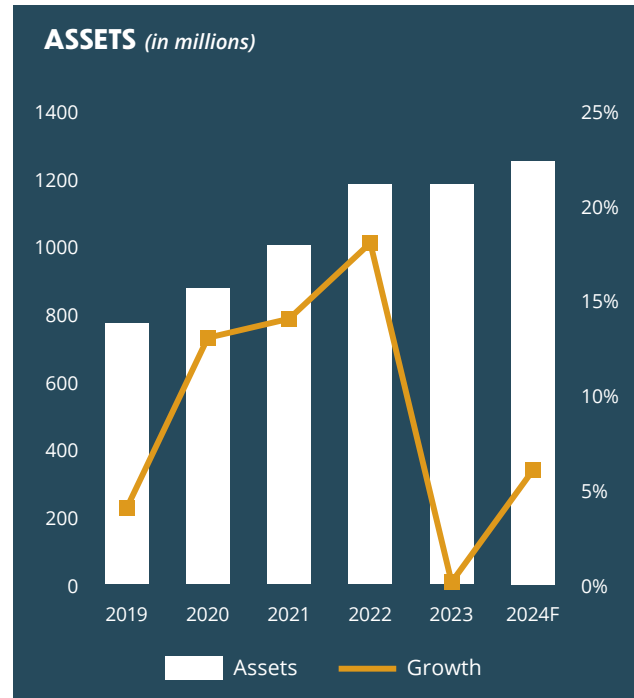
Prairie Centre is the 6th largest credit union in the province and operates independently in rural Saskatchewan. We serve over 17,000 members and have 16 branch operations in the communities of Beechy, Delisle, Dinsmore, Eaton, Elbow, Elrose, Eston, Harris, Herbert, Kyle, LeRoy, Loreburn, Morse, Outlook, Rosetown, and Spiritwood.

PCCU Insurance Ltd. is our general insurance subsidiary. We have offices in Elbow, Eston, Harris, Kyle, and Rosetown. We offer a full line of products including home, auto, farm, hail, and commercial insurance. Our agency in Rosetown also offers Real Estate and Accounting services. Through acquisition of local companies, we are keeping these services in our communities while generating additional revenue for operations.

We have over 170 staff members working and living in the trading area who provide full financial services to our members with a focus on helping members meet their financial goals. We are committed to providing ongoing staff training and development sessions to improve our employees' skills which allows us to better assist and serve our members.

As the largest rural-based credit union in Saskatchewan, one of our main influences is the local farming economy. Farming was challenged again in 2023 by drought conditions in most of our regions. The increase in commodity prices provided some relief for those farmers with product to sell. Our resilient members continue to adapt to the conditions.

In 2023 our assets were flat, and we reached \$1.18 billion, just under our forecast of \$1.19 billion. It was another challenging crop year in much of our region, so we are very pleased with these results given the current economic environment. We are forecasting growth in the upcoming year and expect to be at \$1.25 billion at the end of 2024.



Loans grew 5% during the year increasing from \$914 million to \$959 million. Growing our loan portfolio is a goal of the credit union and we are pleased with the progress. We are forecasting similar growth in 2024, expecting loans to be \$1.02 billion at the end of the year.

Member deposits declined by 1% this year given the persistent drought and lower farm receipts. We ended the year at \$1.058 billion, down from \$1.066 billion the year before. We believe deposits will grow in the upcoming year to \$1.12 billion.

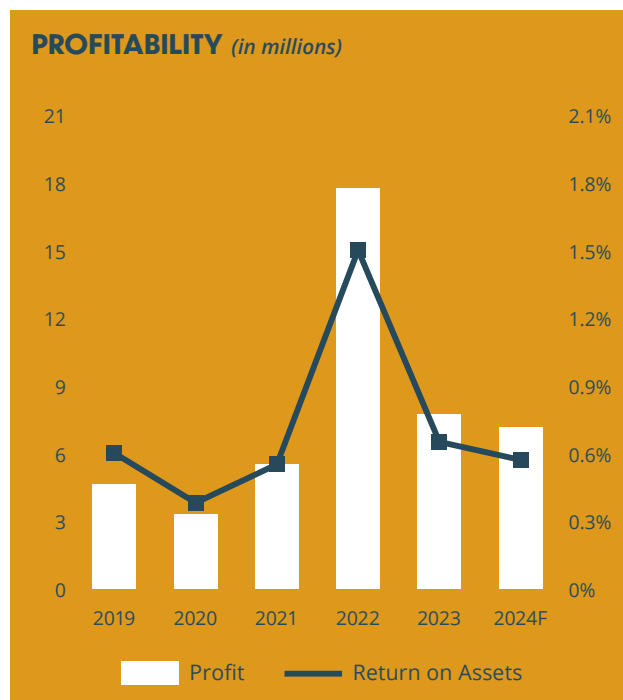
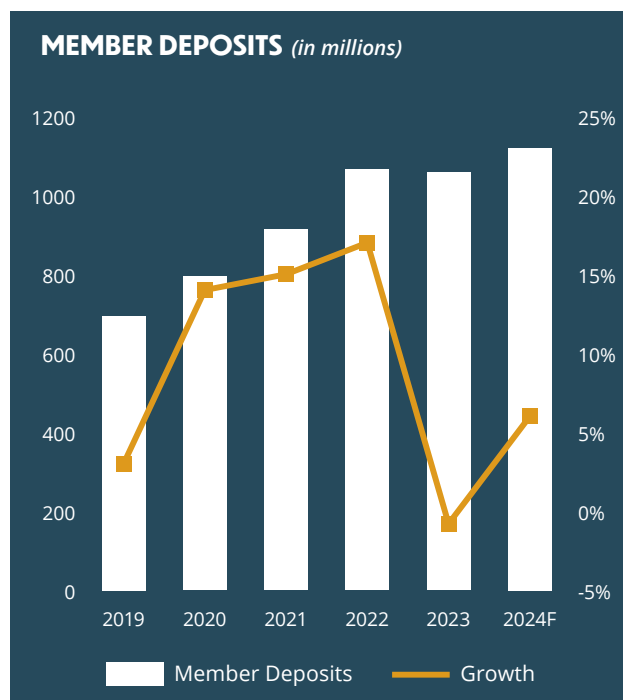
Prairie Centre is a full service financial institution that offers brokerage and mutual fund accounts to help our members diversify their deposit holdings. Currently we administer additional deposits from members through our advisory services representatives. Our portfolio increased from \$234 million in 2022, to \$275 million at the end of 2023. We expanded our number of advisors, and collectively, members portfolios grew 18% this year.

Profitability and Efficiency

We build equity in the credit union through earning a profit and then retaining these earnings.

We ended 2023 with profit of \$7.7 million, a return on assets of 65 basis points, about 10% higher than what we had forecasted. In comparison to 2022, our profit was \$17.74 million, \$6M from operations, and the remaining \$11.7M was attributed to the sale of Concentra Bank. We are forecasting profit for 2024 to be \$7.2 million which is a return on assets of 57 basis points, comparable to prior year budget as growth has been mainly flat.

Beyond the dollars we earn, we watch our efficiency ratio closely as a measure of our profitability. The efficiency ratio is how much we spend to make a dollar, so a lower value indicates greater efficiency in operations.



In 2023 our efficiency ratio was 70.53%, which is better than what we had forecasted at 73.13%. In comparison to 2022, our efficiency ratio was 55.24% when you include proceeds of the sale of Concentra and 74.03% without these proceeds. For 2024, we expect our efficiency ratio to be 73.13%. Our goal is to keep our efficiency ratio at a level that optimizes profitability while still providing quality service to our membership and continuing to invest into future operations.

Capital Management

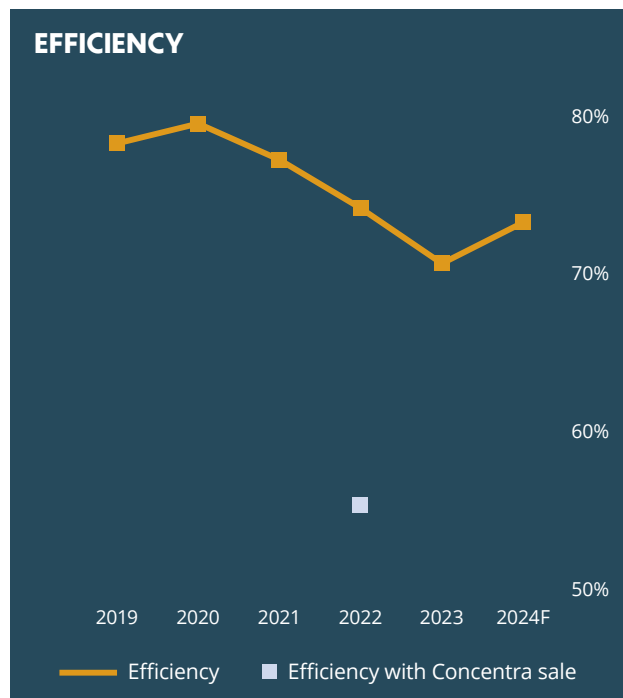
Worldwide, all financial institutions are tasked with building capital to ensure downturns in the economy can be withstood. Prairie Centre builds capital through retaining our earnings. On our Consolidated Statement of Financial Position this is shown as Members' Equity.

The fundamental strength of a credit union is the level of capital it holds to protect against normal, anticipated, and unexpected business events. Our main objective remains to preserve and build equity and strengthen our capital position while growing our market share to achieve long term sustainability. It is our goal to provide our members with the best service possible and the products they require.

Credit unions operate in a highly regulated environment and the primary regulator is Credit Union Deposit Guarantee Corporation (the Corporation). The Corporation sets regulatory guidelines to which all Saskatchewan credit unions must adhere. To assess capital adequacy, the Corporation models standards adopted by financial institutions around the world, including Canadian banks. These standards continually evolve and promote the importance of a strong banking sector to withstand financial crisis.

The Board of Directors and Executive Management believe in maintaining a strong capital position. Our Capital Management Framework sets guidelines for capital, and the need to assess capital adequacy through a formal process in accordance with the regulatory expectations. The goal of capital management is to achieve and exceed regulatory minimums, maintain an optimal level of capital, meet operational requirements, absorb unexpected losses, implement long term strategic plans, and signal financial strength.

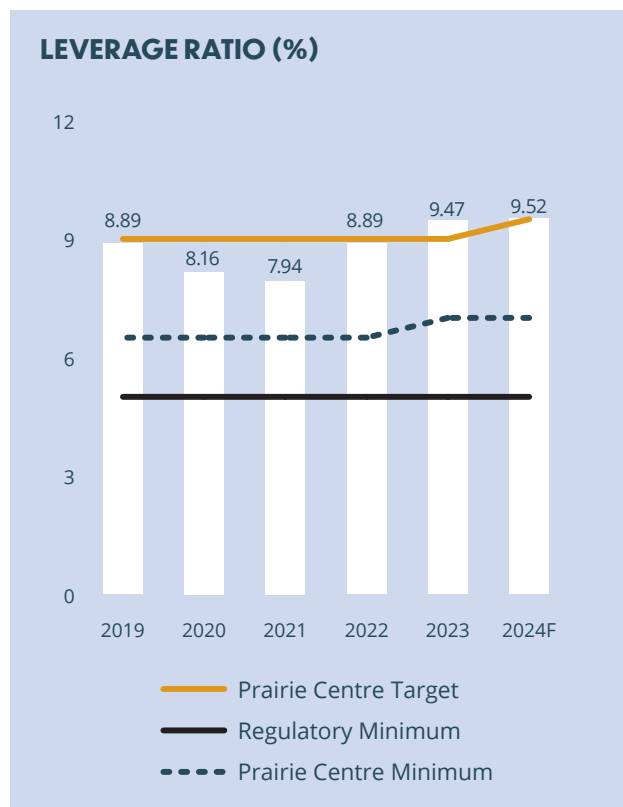
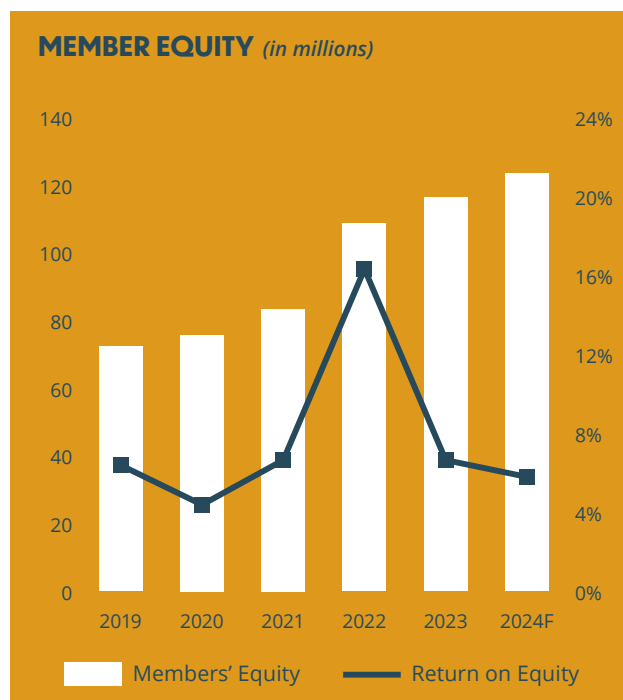
As our capital is comprised of our retained earnings, Prairie Centre relies on profitability to grow its capital position. The credit union retains its annual earnings to meet the capital requirements and maintain our independence. As the graph reveals, our retained earnings have been growing steadily, and our equity grew from \$108.7 million at the end of 2022 to \$116.4 million at the end of 2023. Looking ahead to 2024, we have budgeted equity to grow to \$123.4 million.



There are two main ratios used for measuring capital strength. The first is called the leverage test and this ratio divides eligible capital by leverage assets. The second measure is a risk-based capital test which compares eligible capital to risk weighted assets. Minimum and target measures are established in policy and regular reviews of capital requirements are completed.

The current regulatory requirement for the leverage ratio is 5.0%. Prairie Centre has established a minimum level for the leverage ratio of 7.0% and a long-term target level of 9.5%. We started the year at 8.89% and grew to 9.47% over 2023. We expect the ratio to rise slightly in 2024 to 9.52%. This takes into consideration an increase in leverage assets following the new standards released by the Corporation effective in 2024. We are raising capital minimum and target values in 2024 as we are in a capital building mode.

Credit unions assess capital requirements based on the risks and stressors faced by their individual operations using an Internal Capital Adequacy Assessment Process (ICAAP). ICAAP evaluates requirements for capital relative to strategic plans and the credit union’s risk appetite. The assessment of risks with assigned capital requirements is a key tool in making strategic business decisions. Enterprise-wide stress testing and scenario analysis are also used to assess the impact of various stress conditions on our risk profile and capital requirements. We monitor our equity, profitability, and capital levels closely to ensure we continue to have adequate capital to continue our strategy to pursue mergers and acquisitions which will benefit the credit union in the long term. At the end of 2023, our ICAAP level of capital is 12.83%, up from 12.38% the year before.



The Corporation's minimum ratio of eligible capital to risk weighted assets is 11.50% and this is our policy minimum for risk weighted capital. Our long-term target level has been set at 14.50% to ensure we have adequate capital relative to our risk profile. We completed 2023 with a ratio of 13.16%; increasing from 12.65% where we were the prior year-end. In 2024, we expect our risk weighted capital ratio to increase to 14.84%. This increase takes into consideration revisions made by the Corporation as to how we calculate risk weighted capital.

Enterprise Risk Management

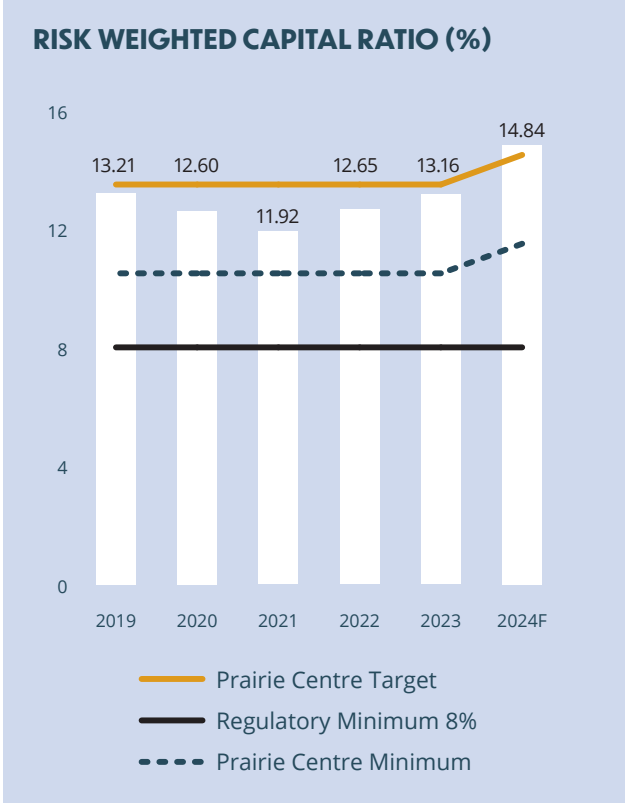
As a financial institution, Prairie Centre is exposed to a variety of risks. Business strategies incorporate decisions regarding risk and how we will manage and mitigate risk. Managing and appropriately balancing risk with business opportunities is the top priority for the Board of Directors and Executive Management of Prairie Centre.

Our risk philosophy is that we will take on a moderate amount of risk to generate adequate profitability to support our business growth, member commitment, and fulfill our capital plan, without exposing Prairie Centre to undue loss.

We have internal controls and compliance requirements that help us establish processes to mitigate risk. Internal and external audits are performed regularly to test the effectiveness of the controls. Our regulator also performs reviews of the organization.

Our primary risk offset is our capital position. An adequate amount of capital allows the Credit Union to absorb unexpected losses, implement long term strategic plans, and signal financial strength. As discussed earlier, we utilize a Capital Management Framework to assess capital adequacy and set targets for capital. Prairie Centre has a moderate level of capital and therefore takes a moderate approach to risk.

Prairie Centre utilizes an enterprise-wide risk management (ERM) system to identify, measure, and monitor risks which is detailed in an ERM Framework. The ERM Framework categorizes risks and explains how risk management functions at Prairie Centre. Through our governance structure, the Audit and Risk committee (ARCO) reviews audit reports and establishes the risk and compliance framework reviewing controls at a high level.



The Board of Directors is responsible for approving the overall business strategies, for understanding the major risks, setting acceptable risk tolerance, and defining risk appetite levels. Annually, the Board of Directors review the relevant risks faced by the credit union and approves an action plan set by Executive Management.

Executive Management is responsible for implementing strategies and policies approved by the Board, and for developing processes that identify, measure, monitor, and control risks. To achieve this objective, Executive Management undertakes continuous risk identification and engages management and staff in risk identification and control. For optimal risk management we establish sound policies and operational processes throughout the credit union. Annually, in conjunction with the business plan, Executive Management reviews emerging risks from planned activities, and from changes occurring in the marketplace. Required actions are built into the budget and business plan for the upcoming year.

All Prairie Centre employees incorporate risk management principles into the work and acts as a risk manager, knowledgeable in how to manage risks inherent in their day-to-day activities.

The following key risk categories form part of the Credit Union's overall Enterprise Risk Management system:

Strategic Risk

Strategic risk is the risk that business decisions or plans could be flawed, which will impact the ability of the credit union to meet objectives. To manage this risk, the credit union engages in formal planning processes, which result in a three-year strategic plan and the formulation of key strategic measurements annually as the business plan is established. The credit union uses a comprehensive reporting process to monitor performance relative to plans and provides regular updates to the Board of Directors. As described above, the ERM process further identifies emerging risks and formulates plans as risks are identified.

2023 is the first year of our current strategic plan. We follow a three-year planning cycle that begins with input from our members garnered through surveys and feedback to staff. Every year, Prairie Centre management develops operating plans and targets aligned with the strategic direction of the credit union. We review strategies to ensure they remain relevant annually.

Market Risk

Market risk is the risk that the financial position or earnings will be adversely affected by changes in market conditions such as interest rates and foreign exchange rates. Prairie Centre's market risk primarily arises from movements in interest rates and is caused specifically from timing differences in the re-pricing of assets and liabilities. The credit union employs comprehensive management processes around our market exposures and risk-taking activities.

An Asset Liability Committee (ALCO), comprised of Executive Management and our Vice President Finance, meet regularly to monitor present and potential exposure in the areas of interest rate risk, credit risk, operations risk, liquidity risk, and currency risk. ALCO reviews short-term and long-term interest rate trends and outlines the corrective action to control risk.

There is defined policy around numerous interest rate risk measures, which is then compared to our current and expected future situation through dynamic modeling. We also utilize income simulation for scenario and stress testing based on changes in interest rates. Further details on our interest rate sensitivity is provided in the financial statements.

Regular reporting of these risk measures and how they compare to credit union policy and industry standards is provided to the Asset and Liability Committee, Audit and Risk Committee (ARCO), Board of Directors, and system regulators. We assess the need for mitigating activities and implement appropriate risk mitigating strategies where and when deemed necessary.

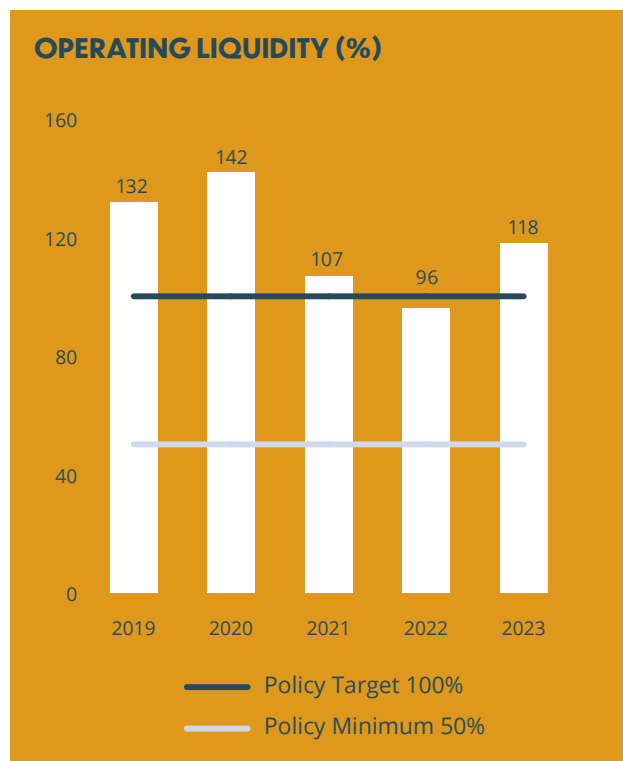
Liquidity Risk

Liquidity is a measure of our ability to meet our financial obligations and our members' day to day cash needs and loan demands without incurring unacceptable losses. Adequate liquidity is dependent upon our ability to efficiently meet both expected and unexpected cash flows and collateral needs without adversely affecting either daily operations or our financial condition.

The primary role of liquidity risk management is to proactively assess the need for funds to meet obligations and ensure the availability of cash or collateral to fulfill those needs at the appropriate time by coordinating the various sources of funds available to the institution under normal and stressed conditions.

We manage liquidity in accordance with our Liquidity Risk Management Framework. The credit union's framework outlines policy and regulatory requirements and includes strategies to maintain sufficient liquid resources to continually fund our commitments and respond to member demand. For our operating liquidity requirements, we hold a portfolio of liquid assets and have established borrowing facilities. Actual and anticipated inflows and outflows of funds are calculated daily to allow us to detect a potential liquidity event at the earliest possible stage. We also have a comprehensive liquidity crisis management plan to follow in the unlikely event that this occurs.

Our operating liquidity ratio is an internal measure which considers projected cash inflows as a percentage of projected cash outflows. Our Board of Directors has defined our target as 100%, with a minimum level of 50%. Operating liquidity levels and policy requirements are provided with prior years included for comparative purposes.



We also evaluate liquidity using the liquidity coverage ratio (LCR), which assesses liquidity in a stressed situation, comparing the value of our high-quality liquid assets to potential net outflows. We have set policy requirements above the regulatory standard for the liquidity coverage ratio. The finance division provides quarterly liquidity reports to the Asset and Liability Committee (ALCO) who oversee liquidity risk exposure and management.

Our liquidity coverage ratio position, policy and regulatory requirements are provided with prior years included for comparative purposes indicating we are well above required levels.

Credit Risk

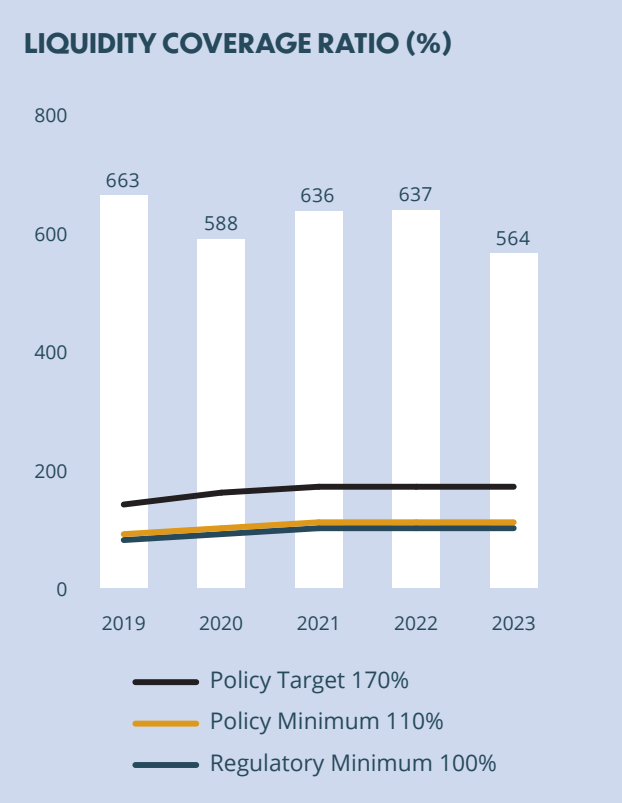
Credit risk originates primarily from our direct lending activities and syndicated loans (credit products purchased but not administered by Prairie Centre) and, to a lesser extent, our holdings of investment securities. Credit risk is the risk of financial loss resulting from a borrower or counterparty's inability to meet its obligations.

Credit risk management focuses on underwriting and pricing loans according to their level of risk and ensuring the overall portfolio is well diversified. There are five parts to credit risk management including policy, credit granting, monitoring and exposure, portfolio management, and audit.

Lending practices are set by the Board of Directors in policy and put into practice through procedures as established by Executive Management. Credit granting is performed in accordance with approved policies, procedures, and applicable legislation. This includes credit analysis, pricing, terms, and documentation of loans. Consistent documentation is used by all Prairie Centre branches. Pricing parameters are in place to support lenders in pricing decisions and to ensure risk is being offset by rates while remaining competitive in the market.

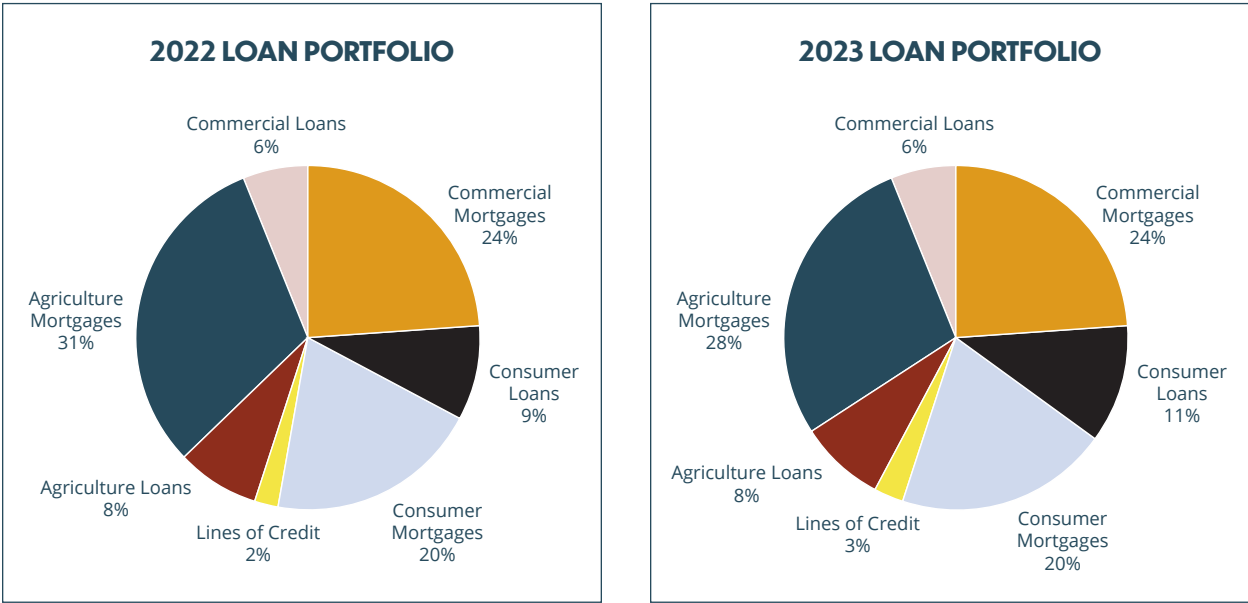
Concentration limits regarding industry and size of loans have been designed to reflect our risk tolerance. Credit risk is further mitigated through in-depth and ongoing training of lending personnel, independent adjudication of larger risk loan applications, and regular monitoring and reporting. Our level of impaired loans declined from the prior year, however our delinquency levels rose from the prior year, and overall, we saw an increase of \$1 million in delinquent loans. We continue to work with our members and expect to see fewer impaired and delinquent loans in 2024.

Prairie Centre's credit portfolio and lending practices undergo regular and ongoing independent assessment through external audit, internal audit, and regulatory reviews. Reports are provided to management and to the Board of Directors through the Audit and Risk Committee.



The Credit Union monitors its exposure to potential credit losses and maintains both specific and collective loan allowances. Specific allowances are reviewed regularly by examining the individual loans and estimating the value we will receive versus the full carrying value. Our collective allowance is calculated by taking into consideration current economic conditions, historical losses, and delinquency in our loan portfolio. We also consider forward looking future information when establishing the value of the collective loan allowance. In 2023 we increased both specific and collective allowance values. Loans are presented in our consolidated financial statements at the net realizable value. A full breakdown of loans, delinquency and allowances is found in the notes section of the consolidated financial statements.

The loan portfolio charts show the type of loans we hold. The prior year is provided for comparative purposes. As a rural based credit union, it is no surprise that the largest portion of our loan portfolio is made of up agriculture loans and mortgages.



To manage the risk associated with consumer mortgage lending we take a balanced approach to structuring the portfolio. We utilize both insured and uninsured mortgages in financing home purchases and provide lines of credit to members using home equity as security. Insured residential mortgages are mortgages whereby our exposure to default is mitigated by insurance through the Canada Mortgage and Housing Corporation (CMHC) or other private mortgage default insurers.

A breakdown of our residential mortgages is provided in the chart below and reveals \$187.3 million, with 38% being insured and 62% being uninsured.

Residential Mortgages and Home Equity Lines of Credit (LOC)				
	Insured	Uninsured	Home Equity LOCs	Grand Total
Total	\$70,487,065	\$112,516,221	\$4,342,732	\$187,346,018

Residential Mortgage Portfolio by Amortization Period

Mortgages are repaid over a longer period. The following table provides a breakdown of the remaining amortization period of our mortgage portfolio by percentage of the outstanding amount for performing insured and uninsured mortgages.

Remaining Amortization Period	%	Insured Dollars	%	Uninsured Dollars
10 years and less	5.2%	\$3,652,058	13.6%	\$15,899,428
10 to 20 years	53.7%	\$37,854,954	45.7%	\$53,363,192
20 to 25 years	40.9%	\$28,861,279	40.7%	\$47,596,333
Greater than 25 years	0.2%	\$118,774	0.0%	–
Total	100%	\$70,487,065	100%	\$116,858,953

The portion of our residential mortgage portfolio that is insured has additional protection against credit risk. To reduce the risk on uninsured mortgages we require a larger down payment, resulting in a lower loan to value ratio. The following table provides the loan to value ratio for newly originated uninsured residential mortgages and home equity line of credits granted in 2023.

Originated in 2023	Loan to Value
Uninsured Mortgages	61%
Home Equity Line of Credit	35%

In the event of an economic downturn, the lower loan to value ratio provides a cushion of equity which incents homeowners to maintain payments and retain their property. To be conservative, we set loan to value ratio minimums based on the risk profile of the community we are lending in.

We monitor the total value of uninsured mortgages to a 20% reduction in house prices. Our exposure at the end of 2023 was minimal at 0.11% of the uninsured mortgage total.

Legal and Regulatory Risk

Prairie Centre operates in a heavily regulated and rules-based environment. Legal and regulatory risk arises from potential non-compliance with laws, rules, regulations, or ethical standards in the jurisdiction in which the organization operates.

All employees are accountable for compliance within the scope of their responsibilities and complete annual training to stay up to date on the requirements. Specialized departments are knowledgeable in the regulations that pertain to their areas. Our structure, policies, and procedures aid us in complying with laws and regulations. We utilize a Compliance Framework and assign responsibility of day-to-day management of all legal and regulatory requirements to Business Unit Compliance Officers (BUCOs). Reporting regarding compliance is completed by the BUCOs and sent to our risk department who monitor adherence to compliance requirements. Summarized reporting is provided to the Board of Directors. In addition, compliance is tested through reviews completed by internal and external audit as well as by our regulator.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, controls and systems, or from external events including the risk of fraud. Operational risk is inherent in all activities within the credit union.

Operational risk is managed using preventative measures, including policies and procedures, controls, monitoring and performing self-assessments to identify and assess risk exposures. Risk is managed through segregation of duties, employee training, performance management, and a structured internal audit program. We have a system to assess the risk associated with our vendors as well.

The credit union mitigates operational risks through utilization of alert systems, business continuity planning, appropriate insurance coverage, and secure technology solutions. We have a dedicated technology department responsible for system security and functionality. As part of the restoration from the cyber incident in the previous year we implemented additional security measures and ongoing testing and training.

Summary

As we reflect on the past year, we are proud of the accomplishments of Prairie Centre. While we continue to focus on serving the needs of our members, the economic and business conditions we face have an impact on Prairie Centre. Despite the challenges we encountered throughout the past year, we were still able to grow our organization, expand the service delivery provided to our members, and find efficiencies that could be reinvested back into our organization and our communities for the benefit of our member owners.

Thank you to our Board of Directors and staff for their commitment and hard work. We also want to acknowledge and show appreciation to our members for your continued support as our organization evolves. We look forward to meeting all your financial needs in the future.

Corporate Governance

Corporate Governance is the system by which organizations are directed and controlled. Prairie Centre Credit Union operates within a comprehensive regulatory framework. We incorporate and establish bylaws as provided for under provincial legislation through *The Credit Union Act, 1998*. We are regulated by The Credit Union Deposit Guarantee Corporation (the Corporation). The Corporation sets out Standards of Sound Business Practice and provides regulatory guidance for all Saskatchewan credit unions. Within this framework, the Board of Directors is responsible for approving policy and setting the overall direction of the credit union, and management is responsible for operations.

Prairie Centre's philosophy on corporate governance is to practice transparency in operations and maintain a professional approach and accountability in dealing with our members. The credit union voluntarily adheres to a Market Code which consists of business conduct practices that ensure we maintain high standards of professionalism. Our focus is on maintaining the highest standards by conducting affairs ethically and lawfully and by sustaining a culture of integrity and professionalism. We treat all information as private and confidential, maintain reliable banking and payment systems, employ fair sales practices, and deal with any member complaints to ensure a satisfactory resolution.

Credit Unions are established as co-operative financial institutions and use the co-operative principles as guidelines for our values. Members elect a board of directors to look after their interests.

Board of Directors

There are currently eleven independent members on the Board of Directors, representing the eight districts of Prairie Centre Credit Union. The functions of the Board include formulation of strategic business plans, setting up goals for evaluating the performance of the CEO, approving corporate mission, purpose, and values, monitoring corporate performance against strategic business plans, ensuring compliance with laws and regulations, keeping members informed regarding plans, strategies, and performance of the credit union, and other important matters.

In acting in the best interests of the credit union and its members, the Board's actions adhere to the standards set out in *The Credit Union Act, 1998*, The Credit Union Regulations, 1999, the Standards of Sound Business Practice, Prairie Centre Credit Union's articles and bylaws, and all legislation applicable to credit unions.

During the financial year 2023, the Board of Directors held six regular meetings and had two special meetings. Our Directors place strong emphasis on learning and development and participate in training every year. The Board continues to participate in Credit Union Director Achievement (CUDA) training. The Board and the Executive Management team have completed The Professional Director Certification Program™. This intensive and comprehensive training on corporate governance results in participants earning the Professional Director (Pro.Dir™) designation. This achievement demonstrates the commitment of the credit union to having strong and effective governance practices. The Board and Executive team continue to participate in continuing education opportunities for their designation.

Governance Investment

Honorariums	Per Diems	Training	Travel	Office/Other Costs	Total
\$20,800	\$100,604	\$35,207	\$16,223	\$19,723	\$192,557

For enhanced efficiency and effectiveness, well-appointed and structured committees are utilized. Each committee has a mandate outlining its purpose and responsibilities which enables a clear focus on specific areas of activity vital to the effective governance of our credit union. Prairie Centre Credit Union has the following board committees:

Audit and Risk Committee

Five Directors serve on the Audit and Risk Committee which met four times in 2023. The purpose of the Audit and Risk Committee is to oversee the financial reporting process, review financial statements, liaise with internal and external auditors and regulators, and review internal control procedures at a high level. The committee also ensures the Enterprise Risk Management framework is reviewed, oversees the identification, measurement, and development of strategies to manage risks, and oversees compliance with legal and regulatory requirements.

Conduct Review Committee

The Conduct Review Committee is comprised of five Directors, they met four times during 2023. The purpose of the Conduct Review Committee is to ensure that all proposed related party transactions with the credit union are deemed fair to the credit union and that best judgment is exercised in all matters of related party relationships.

Governance Committee

The Governance Committee is comprised of the President and the three Vice-Presidents of the Board. Duties related to governance are to set and maintain effective governance guidelines, ensure the performance and succession of senior leadership, and ensure compliance with all policies and Prairie Centre Credit Union bylaws. This committee held three meetings in 2023.

Human Resources Committee

The Human Resources Committee is accountable to make recommendations for consideration by the Board of Directors for all human resources planning, and the total compensation system of the credit union. Five Directors serve on this committee; they met two times in 2023.

Member Engagement Committee

This committee is made up of five Board members and was established to generate ways to stimulate member involvement in the credit union such as increasing attendance at annual general meetings, becoming a director, and recognition of the co-operative difference in having membership in their financial institution. The committee met twice in 2023.

Board of Directors



Greg Hannay, PRO.DIR
President
Representative of District #2
 Elected to the Prairie Centre Board of Directors in 2009. Retired farmer, Optimization Specialist for Western Sales. Chair of the Governance Committee. Sits on the Audit & Risk Committee and the Conduct Review Committee. Director of PCCU Insurance Ltd.
2023 Meeting Attendance - 89%



Keith Collins, DIP. AG., PRO.DIR
1st Vice President
Representative of District #1
 Elected to the Prairie Centre Board of Directors in 2009. Farmer. Sits on the Audit and Risk Committee, Conduct Review Committee, and Governance Committee.
2023 Meeting Attendance - 100%



John Kutz, DIP. AG., PRO.DIR
2nd Vice President
Representative of District #3
 Elected to the Prairie Centre Board of Directors in 2011. Farmer. Sits on the Audit and Risk Committee, Conduct Review Committee, and Governance Committee.
2023 Meeting Attendance - 100%



Evan Sjovold, B.S.C.(AG), PRO.DIR
3rd Vice President
Representative of District #4
 Elected to the Prairie Centre Board of Directors in 2005. Farmer. Sits on the Governance Committee. Chair of the Audit and Risk Committee and Conduct Review Committee.
2023 Meeting Attendance - 100%



Jason Gaboury, PRO.DIR
Representative of District #8
 Appointed to the Prairie Centre Board of Directors in 2018. Farmer, Rancher. Sits on the Member Engagement Committee.
2023 Meeting Attendance - 60%



Kami Holowachuk, DIP. BA., PRO.DIR
Representative of District #7
 Appointed to Prairie Centre Board of Directors in 2022. Postmaster. Sits on the Human Resources Committee and Member Engagement Committee.
2023 Meeting Attendance - 100%



Randy Kelly, B.S.C.(AG), PRO.DIR
Representative of District #2
 Elected to the Prairie Centre Board of Directors in 2019. Farmer. Sits on the Human Resources Committee and Member Engagement Committee.
2023 Meeting Attendance - 92%



Norman McIntyre, DIP. AG., BAC, PRO.DIR
Representative of District #3
 Elected to the Prairie Centre Board of Directors in 2020. Farmer. Sits on the Audit and Risk Committee and Conduct Review Committee.
2023 Meeting Attendance - 92%



Wayne Pauls, PRO.DIR
Representative of District #6

Appointed to the Prairie Centre Board of Directors in 2018. Retired. Sits on the Human Resources Committee.

2023 Meeting Attendance - 90%



Karen Sinclair, PRO.DIR
Representative of District #8

Elected to the Prairie Centre Board of Directors in 2010. Retired. Chair of the Human Resources Committee and sits on the Member Engagement Committee.

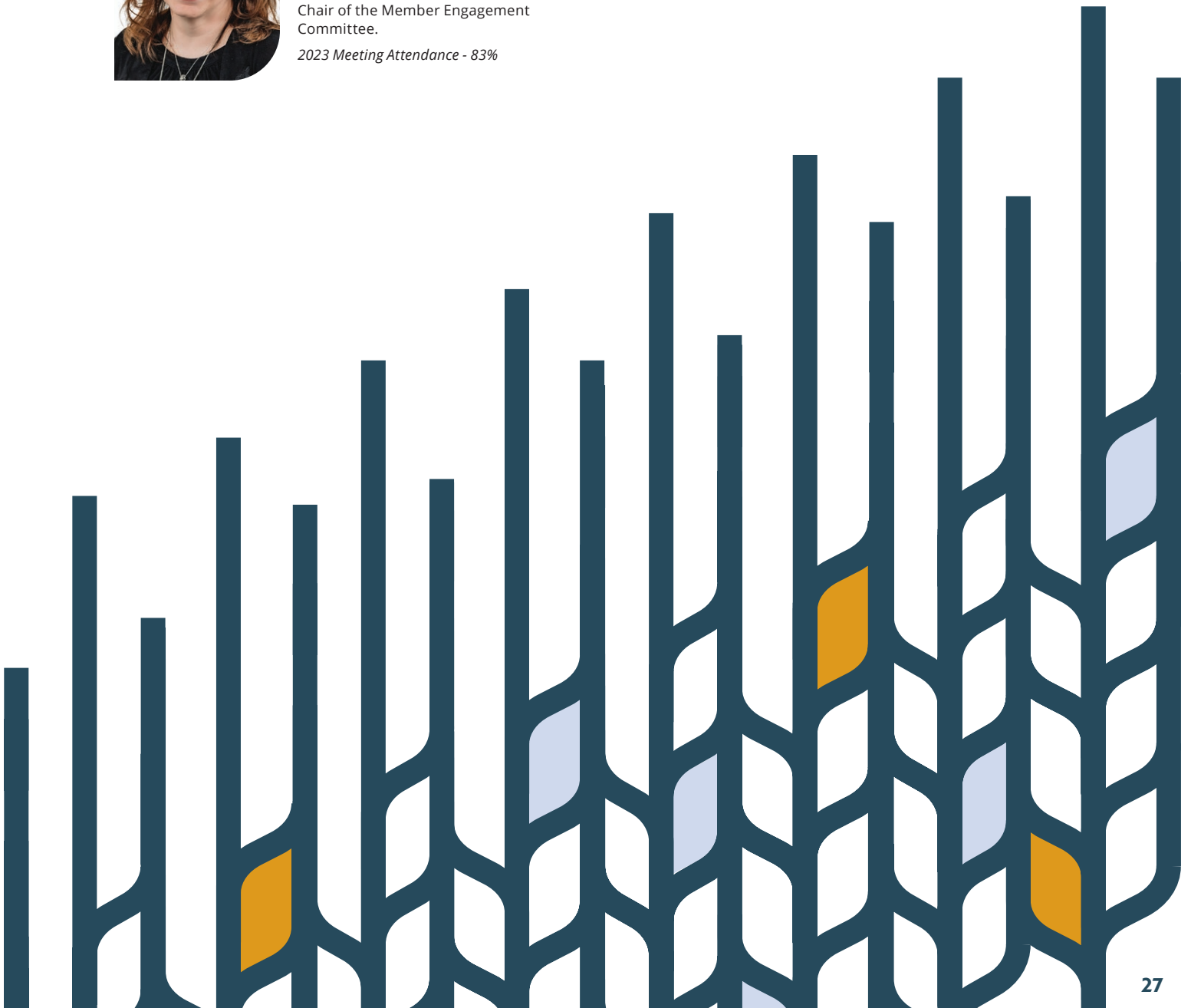
2023 Meeting Attendance - 100%



Heather Wilson-Gerbrandt,
BA, TEFL, PRO.DIR
Representative of District #5

Appointed to the Prairie Centre Board of Directors in 2016. Educational Assistant, Rancher. Sits on the Human Resources Committee. Chair of the Member Engagement Committee.

2023 Meeting Attendance - 83%



Executive Team



Blair Wingert, *Chief Executive Officer*

In his role as Chief Executive Officer (CEO), Blair provides leadership and strategic direction of Prairie Centre's vision, purpose, and values, along with overseeing the overall credit union operations. Blair has 20 years of experience in the financial services industry holding various senior management positions, where he consistently demonstrated his ability to drive organizational growth and achieve results. Blair is deeply committed to serving the people of rural Saskatchewan, empowering individuals, and fostering the entrepreneurial spirit to allow our communities to grow and thrive. Joining Prairie Centre Credit Union in 2014 as the Chief Credit Officer and transitioning to the Chief Operating Officer in 2018, Blair has led the retail team to achieve great results. Blair has been a strong leader within Prairie Centre and the communities we serve. Blair has a Bachelor of Commerce degree, Certified Chief Executive (CCE) designation, and an Associate of the Credit Union Institute of Canada (ACUIC). As part of the Executive Management team, Blair serves as a member of the board of directors for PCCU Insurance Ltd. He has completed the Governance Solutions Professional Director Certification Program and earned the Professional Director (Pro.Dir™) designation.



Jillian Carlson, *Chief Business Officer*

As Chief Business Officer (CBO), Jill oversees the business activities of the Wealth Management Division and Prairie Centre Insurance including Prairie Centre Accounting and Prairie Centre Real Estate. Jill provides leadership and implements the strategic plan for both areas of focus. With a passion for delivering exceptional member service, Jill strives to grow and expand our service offering in the communities we serve and surrounding areas. Starting at Prairie Centre Credit Union in 2011, Jill has over 20 years of experience in the financial services industry in both a retail and management capacity. Jill has a Bachelor of Science in Agriculture, Professional Financial Planning designation, and is a Certified Professional Consultant on Ageing. She has completed the Governance Solutions Professional Director Certification Program and earned the Professional Director (Pro.Dir™) designation. As part of the Executive Management team, Jill serves as the CEO and a director of PCCU Insurance Ltd. Jill also serves as a board member for Saskatchewan Co-operative Association.



Lesley Carlson, *Chief Financial Officer*

In her role as Chief Financial Officer (CFO), Lesley oversees the operations of the Finance, Accounting, and Risk Departments. In 2023, Lesley became a director for the Co-operative Superannuation Society. Locally, Lesley is the treasurer for the Rosetown and District Food Bank and volunteers with youth and sport activities. Lesley has been with Prairie Centre Credit Union since 1989 and has worked in frontline and management positions in each area of operations during her 38 years with credit unions. Lesley is a Certified Financial Planner, has completed the Associate Credit Union Institute of Canada Designation (ACUIC) with honours, and holds a Bachelor of Management Degree with Distinction. As part of the Executive Management team, Lesley serves as a member of the board of directors for PCCU Insurance Ltd. She has completed the Governance Solutions Professional Director Certification Program and earned the Professional Director (Pro.Dir™) designation.



Adam Johb, *Chief Operating Officer*

In his role as Chief Operating Officer (COO), Adam oversees the business activities in all 16 branches. Adam provides leadership and strategic execution of Prairie Centre's credit management, loan quality, and overall retail administration. With a commitment to member service, Adam drives product and service development initiatives relating to retail operations. Starting at Prairie Centre Credit Union in 2020, Adam has over 17 years of experience in the credit union system, all of which have been in rural Saskatchewan. His experience has involved leading people, managing branches as well as projects, and he has served as Co-Chair of the Saskatchewan Young Leaders Committee. Adam holds a Bachelor of Arts Degree from the University of Saskatchewan, as well as his Associate of the Credit Union Institute of Canada (ACUIC). As part of the Executive Management team, Adam serves as a member of the board of directors for PCCU Insurance Ltd. He has completed the Governance Solutions Professional Director Certification Program and earned the Professional Director (Pro.Dir™) designation.



Michelle MacDonald, *Chief Information Officer*

As Chief Information Officer (CIO), Michelle leads the Facilities, Information Technology, Projects, and Marketing Departments, and supports Governance for Prairie Centre. She holds her Master of Arts in Leadership, Bachelor of Commerce in Finance, certificates in municipal governance, and her Certified Chief Executive (CCE) designation, as well as other leadership and management training courses. Michelle joined the Credit Union on the retail team in 2018, bringing with her leadership and executive management experience in areas such as municipal governance, post-secondary education, digital, marketing, project management, and communications. She holds a seat on the University of Saskatchewan Senate and volunteers with various organizations in her home community of Eston. In November 2023, Michelle was appointed to the SaskCentral Board. As part of the Executive Management team, Michelle serves as a member of the board of directors for PCCU Insurance Ltd. She has completed the Governance Solutions Professional Director Certification Program and earned the Professional Director (Pro.Dir™) designation.

Auditor's Report

Report of the Independent Auditor on the Summary Consolidated Financial Statements



To the Members of Prairie Centre Credit Union (2006) Ltd.:

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2023, and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the related note, are derived from the audited consolidated financial statements of Prairie Centre Credit Union (2006) Ltd. (the "Credit Union") for the year ended December 31, 2023.

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

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 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 consolidated financial statements in our report dated March 20, 2024.

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 summary consolidated financial statements and our auditor's report thereon.

Our opinion on the summary consolidated 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 summary consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 this other information, 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.

Management's Responsibility for the Summary Consolidated Financial Statements

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

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 Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Saskatoon, Saskatchewan

March 20, 2024

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten font, followed by 'LLP' in a smaller, simpler font.

Chartered Professional Accountants

Summary Consolidated Statement of Financial Position

As at December 31	2023	2022
Assets		
Cash and cash equivalents	\$ 137,108,501	\$ 124,321,686
Investments	64,040,500	108,385,412
Member loans receivable	958,887,599	914,443,112
Other assets	3,365,262	14,963,526
Property, plant and equipment	12,732,814	13,123,247
Intangible assets	4,444,664	4,623,584
	\$ 1,180,579,340	\$ 1,179,860,567
Liabilities		
Member deposits	\$ 1,057,595,657	\$ 1,065,732,940
Other liabilities	6,488,413	5,361,176
Membership shares	86,430	85,920
	1,064,170,500	1,071,180,036
Members' equity		
Retained earnings	108,891,649	98,970,073
Contributed surplus	7,517,191	9,710,458
	116,408,840	108,680,531
	\$ 1,180,579,340	\$ 1,179,860,567

A full set of audited consolidated financial statements is available from the Credit Union

Approved on behalf of the Board



Board President, Greg Hannay



Audit & Risk Committee Chair, Evan Sjovold

Summary Consolidated Statement of Comprehensive Income

For the Year Ended December 31	2023	2022
Interest income	\$ 54,721,619	\$ 51,001,760
Interest expense	22,572,722	12,345,690
Gross financial margin	32,148,897	38,656,070
Other income	7,231,725	7,546,552
Net interest and other income	39,380,622	46,202,622
Operating expenses	27,690,757	25,161,671
Income before provision for impaired loans and provision for income taxes	11,689,865	21,040,951
Provision for impaired loans	1,076,561	941,428
Income before provision for income taxes	10,613,304	20,099,523
Provision for income taxes	2,884,995	2,364,083
Comprehensive income	\$ 7,728,309	\$ 17,735,440

A full set of audited consolidated financial statements is available from the Credit Union

Summary Consolidated Statement of Changes in Members' Equity

For the Year Ended December 31	Contributed Surplus	Retained Earnings	Total
Balance, December 31, 2021	\$ 2,193,267	\$ 81,234,633	\$ 83,427,900
Comprehensive income	-	17,735,440	17,735,440
Contributed surplus resulting from business combination	7,517,191	-	7,517,191
Balance, December 31, 2022	9,710,458	98,970,073	108,680,531
Comprehensive income	-	7,728,309	7,728,309
Transfer from contributed surplus to retained earnings	(2,193,267)	2,193,267	-
Balance, December 31, 2023	\$ 7,517,191	\$ 108,891,649	\$ 116,408,840

A full set of audited consolidated financial statements is available from the Credit Union

Summary Consolidated Statement of Cash Flows

For the Year Ended December 31	2023	2022
Cash flows provided by (used for) the following activities:		
Operating activities	\$ 25,103,557	\$ 6,219,296
Financing activities	(11,112,276)	18,026,373
Investing activities	(1,204,466)	(6,780,728)
Increase in cash and cash equivalents	12,786,815	17,464,941
Cash and cash equivalents, beginning of year	124,321,686	106,856,745
Cash and cash equivalents, end of year	\$ 137,108,501	\$ 124,321,686

A full set of audited consolidated financial statements is available from the Credit Union

Note to the Summary Consolidated Financial Statements

For the Year Ended December 31, 2023

1. Basis of the Summary Consolidated Financial Statements

Management has prepared the summary consolidated financial statements from the December 31, 2023 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards. A full set of audited consolidated financial statements is available from the Credit Union. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summary consolidated financial statements is in agreement with the related information in the consolidated financial statements, and that the summary consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete consolidated financial statements, including the notes thereto, in all material respects.