

SUPPORT FOR EVERY STEP

ANNUAL SUMMARY
2024



alterna
savings



SUPPORT FOR EVERY STEP

2024 - Report From The Board & Management

As you read through our 2024 Annual Summary, you'll notice a common thread woven into every story: supporting your financial decisions at every stage of life. Whether you were saving to buy your first home, starting a business, or preparing for your retirement, our teams made meaningful connections to help you reach those goals. Being your financial partner isn't just about offering products—it's about listening, understanding, and asking the right questions to craft solutions that fit your life, and providing advice that feels as personal as the journey you're on. Because at the heart of everything we do is you.

“For 116 years we've been walking beside you as a proudly Canadian credit union, deeply rooted in communities across Ontario.”

In 2024 we also set out to change the game for our members when buying a home. We partnered with industry leader intellifi, a subsidiary of nesto, to create a mortgage process that's faster in its decision-making, giving you greater confidence to firm up offers, or make big moves, knowing where you stand. This partnership allows us to keep pace with the ever-changing real estate market. Together we've moved from paper to digital, sped up turnaround times, and introduced helpful automation to make what can be a stressful experience, much smoother.

“Partnering with intellifi, a renowned fintech leader with the most advanced digital end-to-end mortgage experience on the market, empowers us to keep up with changes in the real estate industry and make your journey to homeownership as stress-free as possible.”

Just as homeownership is a significant financial decision, so is planning for the future. That's why we proudly introduced Alterna Estate Strategies; a service designed to ensure your loved ones are protected, your wishes honoured, and your legacy secured. We also opened a new Wealth Advice Centre in Mississauga offering you more opportunities to get tailored support in a modern, welcoming space designed with accessibility in mind. Finally, we've equipped our branches and Contact Centre with more licensed advisors, ready to meet with you one-on-one and help plan your financial future.

We also know that the way that you bank is evolving. You've told us you want greater flexibility and convenience without compromising personal connection, security, and service and we've been listening. We're taking action by thoughtfully reimagining our branch network and testing out two new branch concepts.

First, we launched a modified cash services model with the grand reopening of our relocated Peterborough branch on October 1st. It's now in a fresh, modern space that focuses on making our expert advisory services more accessible, rather than on traditional cash handling.

Second, our “big box” branch concept opened in Mississauga with the addition of a dedicated Wealth Advice Centre, located right next to our Mississauga branch in Heartland Town Centre. It features expanded hours, accessibility with multiple sit-down teller stations, offices, space for meetings, as well as a central location with over 190 nearby stores.

That kind of convenience paired with expert advice is important to our members. To build on those elements even further, we introduced a specialized team in our Contact Centre. They reach out proactively to check in on your financial needs and offer personalized solutions. They work collaboratively with our branch, mortgage, and wealth advisors to make sure you get seamless, coordinated support.

“One of the most important ways we're putting you first is by listening to your feedback and making ongoing improvements.”

In 2024, because of all the improvements and innovations we continue to put into place, we were pleased to learn that over 80% of our members find banking with us easy! This is the ultimate validation that our efforts to make banking with us convenient and easy, are working. Likewise, when we surveyed our employees, 91% of them said they feel like they're part of a strong, connected team.

This is proof of how dedicated they are to working together on your behalf.

“Just as we're committed to supporting our members at every stage of their lives, we're equally invested in our incredible team members.”

We are so proud to share that, for the ninth year in a row, Alterna has been named one of the top employers in the National Capital Region! This recognition is a testament to the way our teams collaborate—with purpose, with care, and with a shared commitment to serving you. Every single employee plays a role in making Alterna not just a great place to bank, but also a great place to work.

Finally, something that's incredibly close to our hearts is the difference we make in the communities we serve. Our Community Impact team received multiple recognitions including from the Ontario Credit Union Foundation, earning the Outstanding Corporate Achievement Award, given each year to a credit union or cooperative financial institution making a real difference. And, in 2025, we'll celebrate 25 years of our award-winning Community Microfinance Program. Over the years, this program has helped change lives, issuing more than 1,500 loans and providing over \$10 million in funding to support individuals, entrepreneurs, small businesses, and community initiatives.

In 2024, we were also excited to launch our Business Accelerator Loan program in partnership with the Business Development Bank of Canada. This program is all about helping entrepreneurs—especially from diverse

backgrounds—secure the financing they need to grow and scale their businesses.

Read on in the Annual Summary for more stories about how our Community Impact team works every day to uplift and empower countless people and their communities.

“We remain strong, stable, and secure for our members.”

Turning to our financials, we want to thank you for trusting us with your business. Our overall balance sheet for 2024 grew \$101 million, up 1.3% over our 2023 result. This growth augmented our

balance sheet assets to \$8.08 billion, finishing the year with over 206,000 members and customers within the consolidated financial group. Our financials section will detail how we managed to drive this growth amid much economic variability.

Our growth and success wouldn't be possible without the support of you—our members. We're so grateful for your ongoing trust and loyalty, and we'd love for you to keep spreading the word about the cooperative way of banking by referring your family and friends.

We are excited about what the future holds for us as we continue to innovate and support you at every stage of your life.



BIANCA GAROFALO
Board Chair

ROB PATERSON
President & CEO

OUR STRATEGIC GOAL

We thrive and grow as a healthy, consumer-focused, community-based financial institution.

COLLABORATION

We believe in the power of a team mindset.

INTEGRITY

We do the right thing, even when no one is watching.

ALTERNATIVE VALUES

We value and embrace our differences.

RESPECT

OUR VALUES

Our values lay the foundation for what we care about most, guiding how we behave in achieving our goals.

2024 ACHIEVEMENTS

\$8.08 Billion
Assets

\$10.03 Million
net income

2.3% Growth
of loan assets

\$10 Million
in microfinance loans since 2000

alterna
estate strategies

Opening of Wealth Advice Centres
at Bay and Mississauga branches

intellifi

Successfully secured partnership with intellifi,
supporting a frictionless mortgage journey



116 Years of serving our members and communities

83%

of employees feel empowered to make
decisions to best serve members



National Capital Region Top Employer
for the **9th** year in a row

bdc*

Partnered with Business Development
Bank of Canada on Business Accelerator
Loan program

RIA

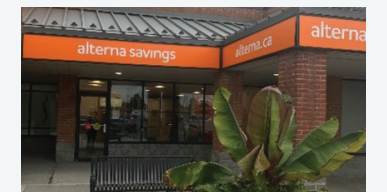
All Alterna Wealth advisors are
accredited with the Responsible Investing
Specialist designation



Launched specialist call team
for proactive, convenient
member support

80%

of members found it
easy to bank with us



New modified cash services
branch in Peterborough

2024 HIGHLIGHTS

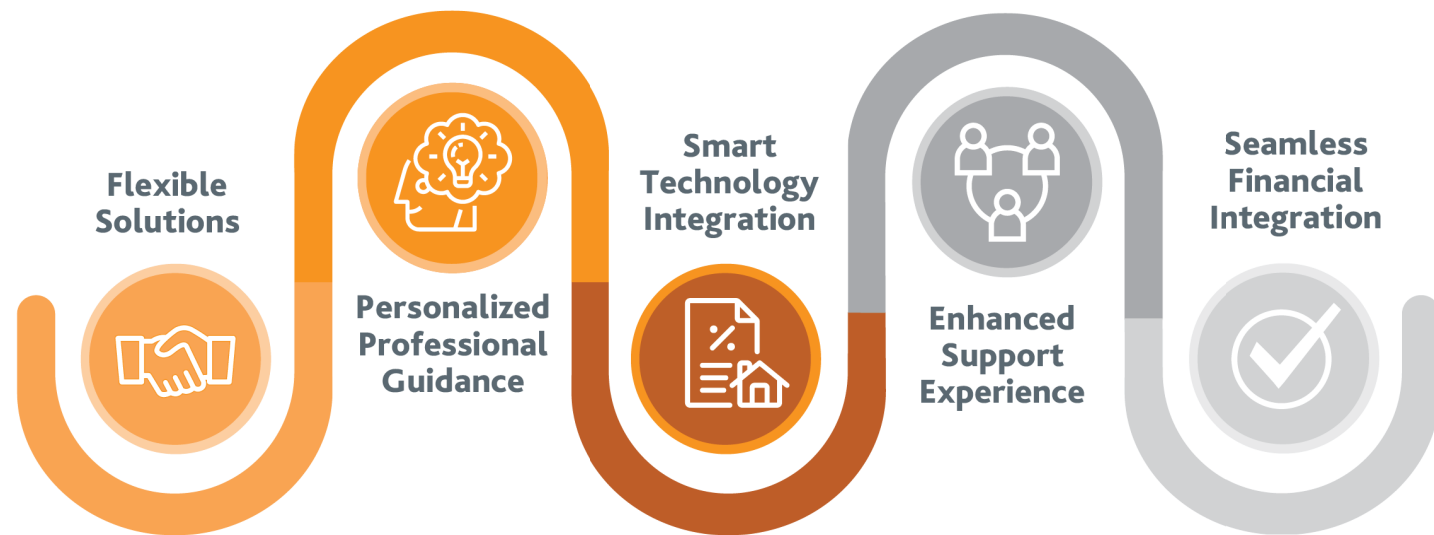
Home Financing Innovation

Our new partnership with intellifi, a subsidiary of nesto group and leader in loan processing technology, aims to transform the lending experience and make homeownership more accessible.

"Overcomplicated mortgage applications have become an industry standard, and that's just not acceptable today. With this partnership, prospective homebuyers, or anyone up for a mortgage renewal, can expect a faster, more

simplified mortgage experience when they choose Alterna," says Rob Paterson, President & CEO of Alterna Savings.

We're creating more opportunities for members to access home financing that fits their unique circumstances. Responding to valuable member feedback, we've developed a comprehensive suite of solutions that combines our in-house expertise with strategic partnerships to better serve diverse financial needs.



Members can connect with mortgage specialists either in-person or virtually across Ontario, receiving convenient personalized guidance throughout their mortgage journey. Our enhanced onboarding experience and proactive renewal support ensure a smooth, straightforward process for every stage.

Through enhanced communication channels, expanded availability, and personalized support, members have the resources they need to make informed decisions about their home financing needs. This comprehensive approach helps build lasting relationships that extend beyond mortgages to support members' overall financial success.

Recognizing that the journey to homeownership opens doors to broader financial opportunities, we continue to expand our mortgage solutions to better support members who may not fit traditional lending criteria, including self-employed individuals, members building their credit history, and members with unique income situations. Our goal is simple yet ambitious: find a path to "yes" for every member's homeownership dreams.



Wealth Management Excellence

Alterna's commitment to members' financial well-being continues to drive innovation and excellence in our wealth management offerings. Understanding that wealth management needs evolve, we've expanded our services to provide members with a broader range of comprehensive financial solutions.

alterna
estate strategies

Alterna Estate Strategies offers estate planning and intergenerational wealth transfer solutions, helping members secure their family's financial future. Members also have seamless access to self-directed investment options through Qtrade Direct Investing, with the convenience of integrated balance views in our digital banking channels.

The opening of Wealth advice centers in Toronto (Bay St.) and Mississauga, in addition to various wealth management initiatives throughout our branch network and Contact Centre, offers members across Ontario expanded access to premium financial advice and estate planning.

Alterna's dedication to financial literacy continues through engaging webinars and in-person events, which provide valuable insights on a wide range of topics including, estate preparedness, navigating current economic conditions, and investment solutions, to empower members to make informed financial decisions.

We remain committed to delivering The Good in Banking® by continuing to enhance our wealth management services and providing the personalized attention our members have come to expect.



Alterna Wealth Webinar
Commuting a Pension Plan – Deciding When, Why, and How

With Guest Speaker:
Doug Carroll,
Tax & Estate Specialist

alterna wealth

Business Banking Solutions

Local businesses and commercial enterprises now have access to a broader range of tailored financial solutions backed by an optimized service structure that puts their needs first. From established companies to emerging enterprises, business members benefit from dedicated resources and specialized expertise aligned with their unique requirements.

Our creative financing solutions include bridge financing—temporary funding that helps members move forward with projects while securing long-term funding arrangements. In a recent example, a \$20,000,000 mortgage transaction supported a large-scale student housing development. This temporary financing gave the developer the flexibility to complete their corporate restructuring and prepare an application to Canada Mortgage and Housing Corporation (CMHC) for permanent, long-term funding. This transaction showcases how strategic commercial financing can create meaningful community impact, helping provide housing for over 500 students.

Commercial members often require sophisticated financing solutions to achieve their business objectives while also creating positive outcomes for our communities. Our flexible commercial products are designed to meet these diverse business challenges, helping members navigate crucial transitions and seize strategic opportunities. From student housing developments to retail complexes, our commercial team helps members execute ambitious projects by offering personalized service, and proven solutions alongside competitive fees and interest rate pricing.

Our expanded business support services include a range of financial products designed to

enhance business operations and efficiency.

- [Cash Management Services](#)
- [Payroll Solutions](#)
- [Business Credit Cards](#)
- [Financing Solutions](#)

Business members and their employees can also benefit from our personal banking solutions, which include a wide range of accounts, personal borrowing solutions, investing and wealth management options.



alterna savings Supported by bdc

ACCELERATOR LOANS FOR SMALL BUSINESS
Supporting entrepreneurial diversity

Loans from **\$25,000** up to **\$500,000**

2024 also saw the launch of our [Business Accelerator Loan](#) program, in partnership with the Business Development Bank of Canada. This program is designed to assist entrepreneurs, particularly from diverse backgrounds, secure financing to help them build and scale their businesses. Loans through this program offer flexible term financing ranging from \$25,000 to \$500,000 and are designed to enhance access to working capital.

Whether seeking to expand operations, manage transitions, or explore new opportunities, commercial members have access to comprehensive banking solutions delivered with the personalized care required for business success.

Cannabis Banking Leadership

As the trusted financial partner for hundreds of cannabis related businesses and their employees across Ontario, we use our deep industry experience to pioneer comprehensive financial solutions for cannabis businesses of all sizes, from independent retailers to producers, supply chain enterprises, and non-profit organizations. We deliver specialized services tailored to the specific needs of this industry, and our streamlined processes help ensure consistent support at each touchpoint.

Our Cannabis business team and local branches work collaboratively to open doors to new

opportunities in this evolving market and provide members with the tools they need for success. Dedicated relationship managers, cash management solutions, payment services, and tailored, professional advice enable cannabis-related businesses and their employees to access the financial services and expertise needed to thrive in this dynamic industry. Our commitment to supporting diverse business models—from commercial ventures to non-profit initiatives—reflects our understanding of this sector's unique landscape and potential.



Service Model Evolution

The way our members bank with us is evolving. While digital banking adoption continues to grow, with 78% of Canadians now conducting most transactions digitally¹, we recognize that significant financial decisions, such as homebuying and retirement planning, often benefit from personal guidance. Delivering convenient services to meet the needs of our current members and attracting new ones remains vital to Alterna's ongoing success

Changes to a number of branches in our network, innovative digital banking solutions and wrap-around member support are some of the ways we're growing our services to be able to meet member's needs today and into the future. Following careful evaluation, we modernized and relocated our Peterborough branch and strategically consolidated several other locations—Wardsville with Thamesville, South Keys with Billings Bridge, and Streetsville with Mississauga. These enhanced locations now focus on delivering personalized guidance, including mortgage and wealth

advice, while maintaining access to essential in-person service.

Supporting this evolution, our specialized outbound call team provides proactive financial guidance and comprehensive solutions. Whether members are exploring mortgage options, seeking investment advice, or looking for personal lending solutions, our dedicated

specialists connect them with the right solution at the right time. This team works seamlessly with our branch, mortgage, and wealth management advisors to provide coordinated financial guidance. By offering multiple channels to access our services—through branches, digital platforms, or our specialist teams—members receive the personalized focus and advice they need to achieve their financial goals.

¹Focus: How Canadians Bank, from the Canadian Banker's Association:
<https://cba.ca/article/technology-and-banking>



Modernized Peterborough Branch

BANKING IN THE DIGITAL AGE

Online Experience: Secure, Smart, and Seamless

Our commitment to providing secure, user-friendly digital banking solutions continues to adapt to member needs. As cyber threats become increasingly sophisticated, we've fortified our digital defences to ensure members can bank with confidence while enjoying enhanced convenience and control.

Enhanced Security Measures

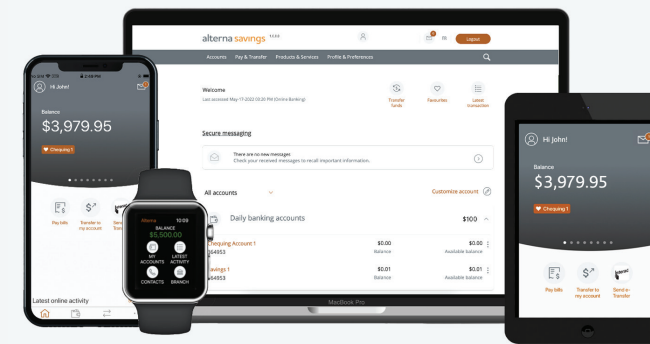
Members now benefit from advanced protection features that put account control firmly in their hands. The introduction of the debit card lock/unlock functionality offers immediate oversight of card security, while sophisticated authentication

protocols create additional safeguards for online banking activities. These improvements protect member accounts without sacrificing accessibility.



Improved Digital Experience

We continued to elevate the digital banking journey. Members can now enjoy streamlined external account transfers and enhanced transaction notifications for greater clarity and convenience. Enhanced integration with our investment dealer Aviso, provides a centralized portfolio view.



Our dedication to digital excellence includes continually improving accessibility and security, ensuring all members can access services with peace of mind. We remain focused on delivering secure, and intuitive banking solutions that anticipate and meet the changing needs of our membership.

Meaningful Connections Through Social Media

Our social media presence continues to flourish as a result of carefully curated digital content that provides members with increased access to financial expertise and insights tailored to every life stage. Our LinkedIn channel has shown remarkable growth, driven by local, community-based content, sponsorship highlights, educational webinars, and a new, expanding series of informative videos created by Alerna's specialist front-line teams. This

engagement reflects the diverse needs of our membership; members taking their first financial steps or planning for retirement.

As one of North America's top 100 credit unions for social media engagement², we know that digital connections provide a space for members to access educational resources and expert insights when they need them. We're expanding our focus on building financial wellness through enhanced advice and educational resources that help members navigate their unique financial circumstances, reinforcing our commitment as their trusted financial partner.



² Based on [The Financial Brand's "Power 100"](#) social media database

BUILDING TRUST & CONFIDENCE

Commitment to Responsible Operations

Trust is at the core of how we engage with our stakeholders: members, employees, partners, regulators, and within the broader credit union system. As we reflect on our accomplishments in the past year, our commitment to fostering trust remains a central theme that underscores our operational ethos.

Trust in Operations

Our operations are guided by a commitment to transparency, integrity, and ethical practices. The implementation of enhanced digital verification processes and robust privacy procedures demonstrates our dedication to protecting member interests. Our expanded compliance management program ensures comprehensive oversight across all operational areas.



Regular monitoring through our risk appetite framework dashboard ensures we maintain high standards of operational excellence.

Mitigating Risks

Recognizing the importance of safeguarding Alterna's financial health, regulatory standing, and reputation, we have implemented enhanced risk assessment processes including comprehensive annual evaluations and quarterly reviews. Our risk mitigation strategies ensure consistent oversight and protection of member interests.

We want our members, partners and communities to know that at Alterna, trust is not a buzzword – it's a guiding principle that permeates every facet of our operations. We are proud of the trust we've built and are committed to upholding these standards in the coming years, continually striving for excellence in how we serve our members and contribute to the vitality of the credit union system.

Mutual Benefit and Sustainability

We take pride in assuring our members that we are more than a financial institution – we are a partner in their financial journey. The introduction of enhanced credit evaluation processes for both retail and commercial portfolios reflect our commitment to maintaining financial stability while supporting member growth. Through efficient risk assessment tools and regular reviews, we continue to strengthen our position as a trusted financial partner.

Adaptive Operations in a Dynamic Environment

Operating in a dynamic regulatory and economic landscape requires agility and foresight. Our new comprehensive operational risk management framework, including the third-party risk management framework, supports our proactive approach to addressing emerging challenges.

LIVING OUR VALUES

Making a difference in our communities for over 116 years.

Banking can be a force for good. As Ontario's, and Canada's, first full-service, member-owned co-operative financial institution outside Quebec, we're proud to serve over 206,000 members across Ontario. Our commitment to accessible banking isn't just words – it's action that makes a real difference in our communities.

- **Convenient Access:** Network of 39 branches, digital banking, and access to thousands of surcharge-free ATMs across North America
- **Member-First Focus:** Full range of services designed to meet diverse financial needs
- **Community Presence:** Strong local connections through our branch network and community initiatives

Breaking Down Financial Barriers: Alterna's Community Microfinance Program

Our award-winning microfinance program is driven by a social mission: to promote entrepreneurship, job creation and economic growth in our communities. This is achieved by providing access to credit and full financial services to underserved entrepreneurs and organizations who may otherwise be excluded from traditional financing options.

This program includes a total of 85 ESG (Environmental, Social and Governance) key performance indicators that are tracked and reported.

- **For every \$1 we loan** through our microfinance program, we generate \$4.37 in community impact³
- **Alterna offers larger loans** than typical microfinance programs (\$10,600 average vs.

\$6,900 industry average)³

- **We provide more affordable lending** with lower interest rates than industry standards (7.22% vs. 10.25%)³



³ As reported The State of the ESG & Impact Reporting Market for Microfinance Institutions, SAMETRICA, 2024

Supporting Diverse Entrepreneurs

- **More than half (56%)** of our microfinance loans support women entrepreneurs. This is particularly significant as women represent only 18% of business founders in Canada.³
- **Over 85%** of microloan borrowers are black individuals or persons of colour.³
- **Our Investment Committee** brings together employees with diverse professional backgrounds and expertise, ensuring wide-ranging perspectives in lending decisions.³

Member Spotlight: Meet Ann-Marie McGregor

In the heart of Toronto, where culinary creativity meets community spirit, a small-batch sauce and marinade producer is making waves – MC's Food Shoppe. This delightful haven for flavour enthusiasts is the brainchild of Ann-Marie McGregor, a seasoned marketing professional turned culinary maestro.

The Flavourful Beginnings:

After a decade of crafting compelling content for not-for-profit organizations, Ann-Marie decided to sprinkle her magic in a different realm. Drawing inspiration from the homemade sauces she had been gifting to friends and family for years, she ventured into the world of small-batch production. Fast forward a couple of years, and MC's Food Shoppe has blossomed into a Toronto go-to for gourmet sauces – all-natural, healthy, and bursting with flavour.

The Alterna Advantage:

Fuelling MC's Food Shoppe's rise is a micro-finance loan from Alterna, through the federal government's Black Entrepreneurship Loan Fund (BELF). "This financial support has been a game-changer, empowering me to revamp product branding, secure a larger

kitchen space, and redesign the website for a smoother customer experience. Thank you, Alterna and BELF," says Ann-Marie.

Expanded kitchen space has increased production by 400%, allowing Ann-Marie to amplify MC's Food Shoppe's presence locally, and lay the groundwork for a national flavour revolution through a revamped website with a more seamless online shopping experience.



MC's Food Shoppe: A Flavourful Journey from Party Planning to Gourmet Sauces

Partnership: TECHNATION's Career Ready Program

TECHNATION is one of Canada's leading technology associations, uniting industry, government, and communities to enable economic prosperity across Canada. Their Career Ready program aims to support talent acquisition by small and medium businesses in Ontario's tech industry through a combination of access to financing options, wage subsidies for student hires, and connecting employers to a diverse pool of qualified candidates.

Eligible businesses have the opportunity to apply for financing through our award-winning Community Microfinance Program, ultimately enabling them to hire and onboard new employees as they continue to grow their businesses. "We are thrilled to collaborate with Alterna Savings to launch this innovative pilot program," said Brett Hotas, Executive Director, Future Workforce Development Strategy at TECHNATION. "Nurturing a talent pipeline

in Ontario and across Canada is critical to a thriving tech ecosystem. By combining financial support with access to talented students, we are empowering businesses to build stronger teams and grow Canada's tech sector."

"Alterna Savings has been a leader in supporting businesses and communities through our Community Microfinance Program for almost 25 years," says Jean Barrett, Manager of the Community Microfinance Program at Alterna Savings. "This collaboration with TECHNATION will help continue our work to address socioeconomic inequity and create opportunities for financial growth for businesses, employees and communities by reducing barriers to banking for individuals often excluded from financing." To learn more about this pilot program, including application details, visit [Career Ready](#).



Affordable and Co-operative Housing : Riverdale Housing Co-operative – 685 Queen St. E., Redevelopment

Through our affordable and co-op housing banking initiatives, we help address the critical need for safe and affordable living spaces, promoting economic stability. Over the past 29 years, we've built strong working relationships with many co-operative housing federations. These relationships inspire us to design products specifically tailored to meet the needs of the affordable housing sector. We also re-invest in the sector, paying over \$500,000 in sponsorships in 2024 and over \$4 million since the program's inception.

As part of the Co-operative Housing Federation of Toronto and Alterna partnership, long-time Alterna member

Riverdale Co-operative Houses has deep roots in the Toronto Riverdale community. Founded in March 1974, the organization aims to provide quality housing for people with low to moderate income and to protect and promote the neighbourhood atmosphere of Riverdale. Today, Riverdale Co-op has 124 units spread out over 28 properties.

In November 2024, Riverdale Co-operative Houses, in partnership with the City of Toronto,

celebrated the opening of 26 affordable and accessible homes following the redevelopment of the co-op's property at 685 Queen St. E., in Toronto. The initial funding for the project was provided by Riverdale Coop's long-time financial partner, Alterna Savings.

The project went on to receive more than \$8 million in funding and financial incentives from the City of Toronto, with additional funding support expected from the provincial and federal governments, showcasing a collaborative approach to creating long-term, sustainable housing solutions.



(Left to Right: Susan Henry, Director, Community Impact and Financial Inclusion, Alterna Savings; Tom Clement, Executive Director, CHFT; Carol Watson and Marsha Wineman, Riverdale Co-op Committee members; Fahima Karim, Account Manager, Not-for-Profit & Affordable Housing, Alterna Savings)

Empowering Communities through Financial Literacy

As a financial institution, our role extends beyond administering loans to being an active part of the community support system. With decades of experience collaborating with community partners, we recognize that the success of any program depends on the strategies and approaches used to deliver these resources effectively.

Alterna's financial literacy resources and programs equip individuals, organizations, entrepreneurs and businesses with the knowledge and tools to make informed financial decisions, fostering long-term economic well-being.

Financial literacy resources with Alterna Savings include:

- [Advice for Life Webinar Series](#)
- [Community Financial Education Program](#)
- Empowering Finances: Confident Financial planning for Women (Monthly: Merivale Branch)
- [Advice for Life Blog and Newsletter](#)

Our Environmental, Social and Governance (ESG) Journey

While acknowledging that ESG is a continuous journey, we're proud of our progress in social impact and reporting transparency. Our Community Microfinance Program achieved the highest level of ESG reporting maturity, placing us among the top 1% of microfinance institutions globally for social impact practices.³

With our members, partners, and communities, we're building a more inclusive and sustainable financial future for all.



³ As reported in The State of the ESG & Impact Reporting Market for Microfinance Institutions, SAMETRICA, 2024

POSITIVE CHANGE THROUGH COMMUNITY IMPACT

Community Microfinance Program



For 25 years, our award-winning Community Microfinance Program has embodied our commitment to financial inclusion, reaching a remarkable \$10 million+ in funded loans, empowering entrepreneurs across our communities. Recognizing that many entrepreneurs lack access to traditional financing, our program bridges this gap.

Understanding the unique challenges faced by underserved and underrepresented individuals, we've developed this program to prioritize economic and social inclusion. This approach provides access to capital and enhances the visibility and representation of business owners and leaders from underrepresented groups.

Our commitment to addressing socioeconomic inequity received significant recognition, including from Block, a global technology company committed to supporting underserved communities. Through their [\\$5 million investment](#), our Community Microfinance Program will be able to accelerate our ability to provide continuous lending power to underserved communities across Ontario.

Looking ahead to 2025, we'll celebrate the 25th anniversary of our Community Microfinance Program, marking a quarter-century of breaking down financial barriers. Through enhanced member communications, refreshed digital resources, and strengthened partnerships, we continue to demonstrate that banking can be a powerful force for positive community change.



Member Spotlight: Ryan Knight

Ryan Knight, an Alterna member and founder of the fast-growing Detailing Knights – a waterless car detailing service featured and funded on Dragon's Den – has transformed his vision into a social enterprise with the support of Alterna's Community Microfinance Program.

"Alterna was the only financial institution that believed in my vision after many others rejected my business idea, plan and my potential as an entrepreneur," says Ryan, who benefitted from a crucial \$5,000 micro-loan to kickstart his now thriving business, Detailing Knights, in 2020. What began as a dream has since blossomed into a dynamic company that offers innovative

services and inspires others in the community. Most recently, Ryan qualified for a \$25,000 Alterna social enterprise loan, fueling his business expansion and exploration of future franchising. Reflecting on his journey, Ryan explains,

"Community-based financing is the only way many entrepreneurs like me get the chance to make our ideas and dreams a reality."



Ryan Knight, of Detailing Knights, putting the finishing touches on a vehicle, showcasing the care and attention to detail that defines his growing enterprise.

Community Financial Resiliency Program

Our Community Financial Resiliency Program continues to grow, strengthening our ability to support non-profit organizations, charities, co-operatives, and affordable housing initiatives. Through more than 100 community events in 2024, our financial education programs have reached deeper into communities, providing valuable knowledge and resources to people who need them most.

Financial Inclusion Grant

In 2024, Alterna Savings granted \$20,000 to The [Financial Literacy Entrepreneurial Society Hub](#). F.L.E.S.H. is dedicated to empowering low-income, BIPOC, and 2SLGBTQIAA+ communities throughout Ontario through financial education and entrepreneurial training.

“Support from Alterna’s Financial Inclusion Granting Program allows us to expand our services and cater to a community with unique needs,” said Brandy Skinner, co-founder of F.L.E.S.H. “This grant will power our ability to create in-person and online financial literacy programming for underrepresented communities,” added Gabrielle Rubaine co-founder of F.L.E.S.H.

Rob Paterson, Alterna President and CEO, emphasized the credit union’s deep-rooted commitment to community empowerment: “Our Financial Inclusion granting program exists to uplift and empower. By partnering with community organizations that are making a measurable

impact, like F.L.E.S.H, we can provide vital financial literacy and services, building and sustaining financial resilience.”

Since 2016, our Financial Inclusion Granting Program has been a catalyst for change, investing over \$200,000 in innovative initiatives that promote financial inclusion and education among underserved populations. The program seeks out and supports community organizations that share our vision of breaking down financial barriers and building sustainable economic opportunities.



Left to right: Velma Jagroop (Alterna), Gabrielle Rubaine (FLESH), Brandy Skinner (FLESH), Susan Henry (Alterna), Jean Barrett (Alterna)

Community Grants

Alterna’s Community Granting program awarded fifteen \$1,000 grants to local organizations where modest funding can create substantial community impact. These annual grants are strategically designed to support grassroots initiatives, enabling vital programs that might otherwise go unfunded. The \$15,000 total investment supported diverse initiatives across our communities, from innovative housing solutions and food security programs to environmental projects and arts

accessibility. Recipients included organizations focused on essential community services, affordable housing development, senior support, environmental sustainability, and cultural enrichment. In neighbourhoods across our communities, these investments are strengthening local programs, fostering inclusive spaces, and helping build resilient communities where everyone can thrive.



All Saints' Peterborough



All Together Housing



Caledon Community Services

Community Grants



Caledon Meals on Wheels



Cartier Square Housing Co-op Inc.



Dutton & District Lions
Non-Profit Housing



Community Clothing Assistance

Community Grants



Kimbourne Park United Church



Environmental Network
Collingwood



Incorporated Ministry in
Flemington Park



Multifaith Housing Initiative

Community Grants



Eighth Street Trails Association

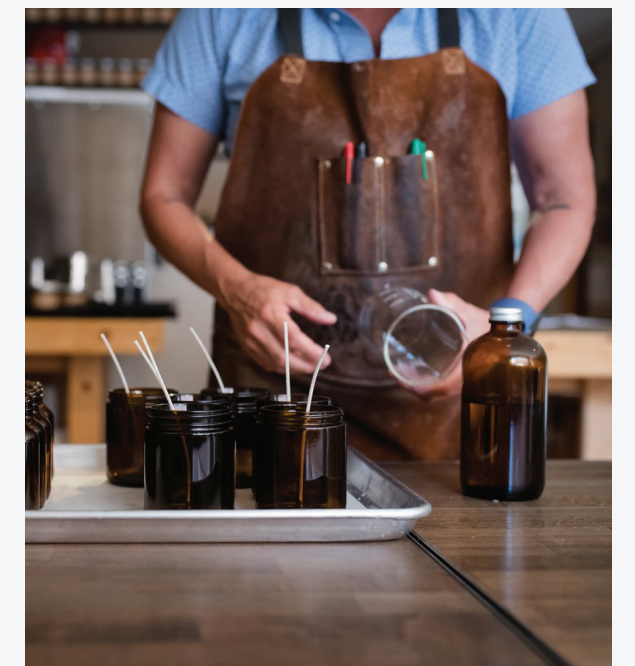
Community Grants



Peterborough Action for Tiny Homes



Robert McLaughlin Gallery



We Candles

AWARDS

National Capital Top Employer

The National Capital Region's (NCR) Top Employers is an annual competition organized by the editors of Canada's Top 100 Employers. This special designation recognizes the employers in the Ottawa-Gatineau metropolitan area that lead their industries in providing exceptional places to work. Alterna Savings celebrates our 9th consecutive year as a top place to work in the NCR!



"This recognition affirms our commitment to creating a workplace where people genuinely want to build their careers. While recently completing three significant credit union integrations, our team has remained focused on what matters most – skilfully supporting our

members and each other, and actively building a culture of excellence that embodies our values of collaboration, integrity, and respect every day." - Rob Paterson, President and Chief Executive Officer



Ontario Credit Union Foundation (OCUF) Distinguished Service Award Winner: José Gallant, Chief Administrative Officer and Senior Vice President at Alterna Savings

This award recognizes individuals who have demonstrated outstanding service and made meaningful contributions to the credit union movement in Ontario beyond the individual credit union level.

"We extend our heartfelt congratulations to the recipient of the Distinguished Service Award, José Gallant of Alterna Savings, for her remarkable contributions to the credit union system. Your dedication and achievements have truly made a difference. We wish you continued success in your endeavours."

- Lisa Woolley, Chair of the OCUF Board.

José's 35-year career is a testament to her unwavering commitment to the credit union values and co-operative principles. She has been a cornerstone of Alterna Savings' Executive Leadership Team for over 25 years and, during that time, has led nearly all functional areas of Alterna. José has demonstrated exceptional leadership in the credit union space through her work with governing and regulatory bodies. She served on the Canadian Credit Union Association board from 2017 to 2020 and serves on advisory committees of the Financial Services Regulatory Authority of Ontario. Her rich



experience and valuable contributions within financial services, governance and regulatory sectors make her an ideal winner of the Distinguished Service Award.

Ontario Credit Union Foundation Outstanding Corporate Achievement Award Winner

This award is given annually to a credit union (or company within the co-operative financial system) in recognition of their contributions to the community. Through our dedicated Community Impact team, Alterna's community support creates meaningful change across four essential programs, exemplifying our values of integrity, collaboration, and respect.

As active advocates in the affordable housing space, with particular emphasis on co-operative housing and support for federations and members, our financial resilience program strengthens the financial sustainability of over 4,600 organizations and individuals in the non-profit, charitable, co-operative, and affordable housing sectors. Our award-winning Community Microfinance Program, established in 2000, has empowered entrepreneurs, individuals, and organizations with access to capital and affordable financial products, issuing over 1,500 loans totalling over \$10M. Through Community and Financial Inclusion granting, we provide vital funding to community initiatives focused on

Alterna's Double Win:
José Gallant Honoured with Distinguished Service Award while Organization Secures Outstanding Corporate Achievement Award



alterna savings

financial inclusion and education. Our commitment to financial education is demonstrated through more than 100 annual events. As a proud credit union and financial co-operative, we continually leverage our strengths to support communities and promote financial inclusion, recognizing that our community impact commitment is what truly sets us apart.



Fahima Karim, Account Manager, Not-for-profit & Affordable Housing (left);
Susan Henry, Director Community Impact & Financial Inclusion (right)

Wealth Professionals Awards

The annual Wealth Professional Awards recognize leading wealth professionals, financial advisors, advisory brokerages, fund providers, and service providers for outstanding achievements, best practices, and leadership in wealth management.



EMPLOYER OF CHOICE:

Alterna Wealth – Excellence Awardee

MOST INNOVATIVE USE OF WEALTHTECH:

Alterna Wealth – Excellence Awardee

THE FRANKLIN TEMPLETON AWARD FOR ADVISORY TEAM OF THE YEAR (10 STAFF OR MORE):

Alterna Wealth – Excellence Awardee

THE SUN LIFE GLOBAL INVESTMENTS AWARD FOR ADVISOR OF THE YEAR – RESPONSIBLE INVESTMENTS



Deepika Gupta, Alterna Wealth
– Excellence Awardee



Peter Nikolakalos, Alterna Wealth
– Excellence Awardee

2024 SERVICE MILESTONES

40 YEARS

Enzo De Santis
Lorraine Leroux

25 YEARS

Julia Battaglia
Herson De La Rosa
Wendy Jacksie
Jane Marie Latour
Brian Lawson
Kevin Mulvihill
Rhonda Nicholls

35 YEARS

Jessica Chortyk
Grace Commisso
Donna Costa
José Gallant
Crystal Mackay
Sonia Morrison
Rani Mudhar
Wendy Normand
Debbie Parr

20 YEARS

Paula Cusick
Max Errami
Margeret (Acton-
Hammill) Merola

30 YEARS

Anita Shilliday

2024 RETIREMENTS

Pamela Bissoondath

Michel Laflamme

Susan Bland

Margie Long

Lynn Blankstein

Christine Moore

Terrie Capovilla

Sharon Morris

Mark Cauchi

Alison (Lee) Mutch

Margie Chabassol

Marina Perera

Sindy Chiu

Roger Sauve

Gisele Fedorchuk

Bryan Rothery

Celestina (Sally) Formica

Patricia (Pat) Thain

Shafeera Khan

CORPORATE SPONSORSHIP & DONATIONS

Enactus Canada

Enactus remained a powerful catalyst for change in 2024, shaping generations of entrepreneurial student leaders who are passionate about advancing Canada's economic, social, and environmental health through a riveting live presentation-based competition. As the official host and long-time sponsor of the semi-final round of competition, Alterna's partnership with Enactus Canada created meaningful opportunities for connection and growth.

Our employees embraced their roles as competition judges across all rounds, from regional expositions to the final championship, where St. Mary's University emerged as Canada's National Enactus Champions. Their innovative [Square Roots](#) program, which tackles food insecurity while reducing food waste, exemplified the transformative power of social entrepreneurship. The privilege of hosting the semi-final round allowed us to witness firsthand the remarkable innovation and determination of these talented teams. Their creative solutions to real-world challenges continue to inspire our organization's commitment to sustainable business leadership.



Adrienne Finlay, Director, Strategy and Corporate Performance



Enactus Judges: Sandy Stephens, SVP, Chief Risk and Compliance Officer; Michael Chumakov, Director, Wealth Management; Sapana Banskota, Branch Manager.

Building on this foundation of support, Alterna has evolved its partnership to become Enactus Canada's Project Accelerator, deepening our impact on student innovation. In this enhanced role, we actively participate in selecting promising student initiatives for project grants and recognizing excellence through the "Best Project" awards. This strategic shift allows us to provide more direct support to emerging social enterprises, with our senior leadership team playing a key role in celebrating outstanding achievements at the national exposition. Through this expanded involvement, we continue to foster the development of tomorrow's business leaders who share our commitment to creating positive social change.

2024 Alterna Savings Enactus Canada's Project Accelerator Grants

- | | |
|------------------------|-----------------|
| 1. Kuponya Innovations | 4. Paper Planet |
| 2. Squirrel | 5. Project Now |
| 3. EcoKelp | 6. Nupacko |

Women in Action (WIA)

Alterna continues its sponsorship of Women in Action, a dynamic collective of over 100 dedicated members transforming healthcare accessibility in Northern Ontario. This collaboration fosters positive change where many of our members live and work, particularly in Thunder Bay, Rainy River, Fort Frances, Dryden, and surrounding communities. Since its inception in 2016, WIA has raised more than \$230,000 for vital emergency department improvements at Thunder Bay Regional Health Sciences Centre, the region's only acute care hospital serving approximately 300,000 people annually. Alterna's ongoing investment in community-driven initiatives create lasting social impact, celebrating the power of local leadership and collective action in building stronger, healthier communities.



Paula Cusick, Commercial Account Manager and Vanessa Kasper, Branch Manager

Ottawa Symphony Orchestra (OSO)

Alterna continues to enrich Ottawa's vibrant cultural landscape as the title banking sponsor of the Ottawa Symphony Orchestra.

Our commitment to fostering cultural initiatives that enhance the quality of life in our communities remains an important pillar of our corporate giving strategy.

Alterna Savings is proud to be the Presenting Sponsor of the Ottawa Symphony Orchestra

To learn more, visit ottawasymphony.com



Ontario Credit Union Foundation Golf Tournament

Our continued sponsorship of the Ontario Credit Union Foundation's annual Golf Classic helped raise \$78,000 for student bursaries. The funds raised support the CU Succeed Youth Bursary program, providing vital financial assistance to post-secondary students who demonstrate academic promise and community involvement, helping to shape the next generation of community leaders.



Jason Blaine Celebrity Charity Golf Classic

Alterna was pleased to be a sponsor of the 10th annual Jason Blaine Celebrity Charity Golf Classic. This event brings together community spirit and entertainment in Pembroke and the Ottawa Valley. Founded by country music star and hometown hero Jason Blaine, this unique tournament and concert experience achieved an incredible milestone by surpassing \$1 million in total funds raised. These contributions support 18 vital community organizations, including the Boys and Girls Club of Renfrew County, the Robbie Dean Centre, The Pembroke Petawawa District Community Foundation, and the Pembroke Regional Hospital.



Director's Forum

Alterna was pleased to be a sponsor of the 40th annual Directors' Forum, a cornerstone event that



brings together credit union leaders from across Ontario for professional development and collaborative learning. This longstanding gathering, which welcomes over 120 directors annually, creates valuable opportunities for knowledge-sharing and network-building within the co-operative financial sector. Through our support of this important initiative, we actively make contributions that strengthen credit union governance and foster the collaborative spirit that defines our movement.

West Ottawa Wild

Alterna Wealth is the proud jersey sponsor of the West Ottawa Wild U12 Ringette team. These young players focus on learning to work as a team, embracing the challenges of competition together, and the power of integrity and attitude. This season, they participated in a number of tournaments, in addition to their regular season games, and travelled throughout the National Capital Region, Quebec, and South-Western Ontario.

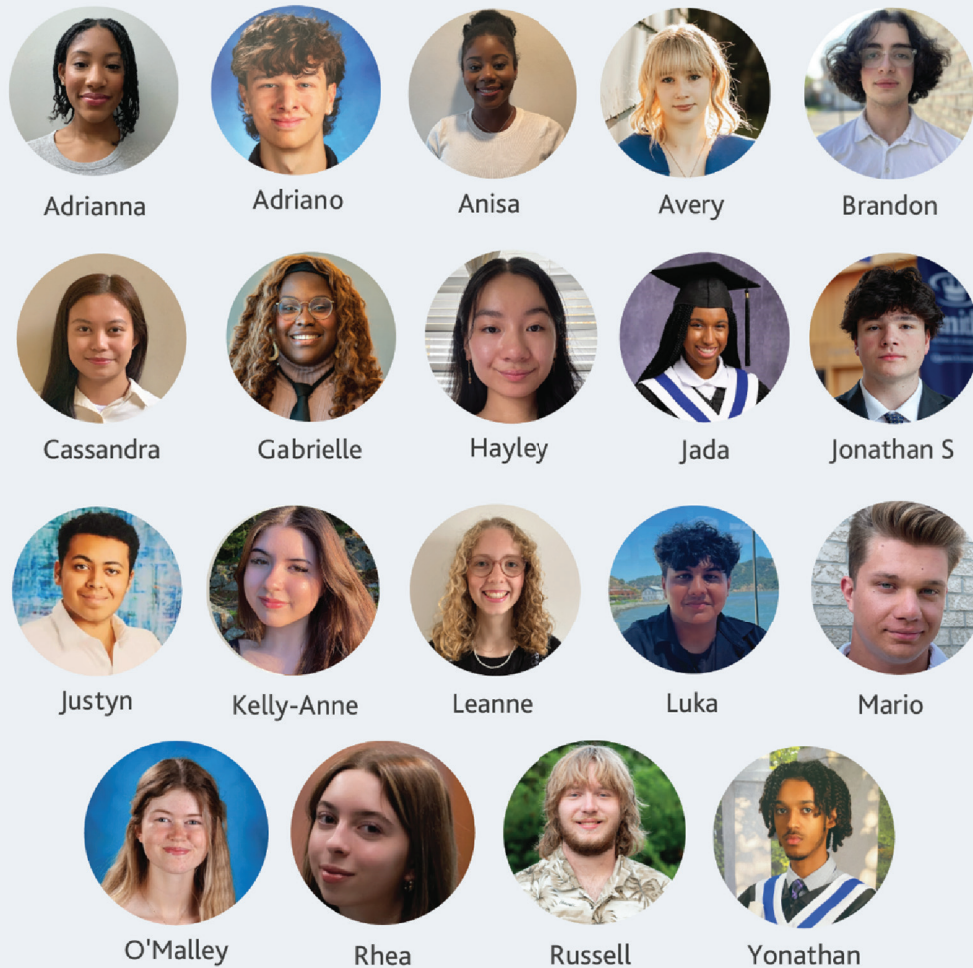


SCHOLARSHIPS & BURSARIES

CU Succeed Bursary

The OCUF bursary is awarded annually to students who have demonstrated financial need and strong engagement in their local community. In 2024, 19 young members of Alterna Savings received bursaries with a collective award of \$21,500. The Alterna awardees represent nearly a quarter of all 2024 bursary recipients. Alterna is proud to celebrate the achievements of these engaged and passionate young community leaders. [Read more](#)

Congratulations to our CU Succeed Bursary recipients!



Co-operative Housing Federation Diversity Scholarship

In partnership with The Co-operative Housing Federation (CHFT), Alterna awards five Penny Bethke Scholarships annually to young community leaders in co-operatives who help strengthen their communities. The program supports these leaders while they pursue their post-secondary studies, helping to alleviate financial burdens and encouraging students to continue making a positive impact close to home. The Penny Bethke Scholarship was created in 2012 and is a part of the CHFT Diversity Scholarship Program. To date, this program has awarded scholarships to over 490 recipients. [Read more](#)



(Left to right) Fahima Karim, Account Manager, NFP & Affordable Housing, Alterna Savings; Tom Clement, Executive Director, CHFT; Rob Paterson, President and CEO, Alterna Savings; and Susan Henry, Director Community Impact and Financial Inclusion, Alterna Savings.

Supporting Social Innovation at Carleton University Sprott Student Scholarship

The Alterna Savings Scholarship, in partnership with Carleton University's Sprott School of Business, recognizes students driven to make a meaningful difference in our communities. The Alterna Savings scholarship and Alterna Bank scholarship are given to Bachelor of Commerce or International Business students.

Congratulations to the winner of our Alterna Bank Scholarship



"The Alterna Bank Scholarship provided me with financial stability during my educational journey and gave me the ability to explore various learning opportunities without financial worry."

– Christian Sawyer



Congratulations to the winner of our Alterna Savings Scholarship



"Receiving the Alterna Savings Scholarship has made a significant difference in my life. It has allowed me to take on more leadership roles in the accounting club, business society, case competition club, and tax club, giving back to my community. I was able to focus more on my studies without the added financial stress and maintain high grades, and it has also helped ease my family's financial burden."

– Allen John



Alterna Prize for Women Social Change Leaders at Toronto Metropolitan University (TMU)

The Alterna Prize for Women Social Change Leaders has supported students seeking solutions to social problems since 2018. This award helps to better position women for leadership roles by rewarding individuals who have vision, creativity, and determination and are motivated by the public rather than personal gain. We were proud to give the 2024 award to Kalee Kiluu-Ngila.



(Left to right – Sharon Aseerwatham: Manager, Personal Finance, Alterna Savings; Kalee Kiluu-Ngila, scholarship winner; Roberta Iannacito-Provenzano PhD, Provost and Vice-President, Academic, TMU)

TEAM ALTERNA

Our entire team is dedicated to nurturing our members and bolstering the communities we're part of. We're thrilled to engage in various community events throughout Ontario. In 2024, Team Alterna actively took part in more than 50 events, extending support to our members, partners, and communities alike.



Aurora Street Festival



Acces Employment (Bramalea)



Lakeshore Grilled Cheese Challenge



Dutton Christmas Parade



Garden Party Drag Show (Danforth)



Innisfil Beach Cruisers (Alcona)



Stroud Onionfest



Christmas in the Village (Streetsville)



Algonquin College (Merivale)



Schulich School of Business (York University)



Stories with Santa (Hamilton)



Vaughan Office – Food Drive



Murray Northrup Golf Tournament (North Bay)



Wickedly Westboro



Scarborough Food Drive

BOARD OF DIRECTORS



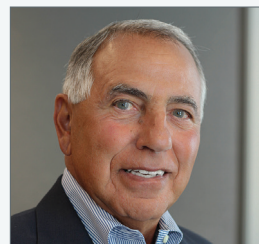
Bianca Garofalo
Chair

Working collaboratively with our leadership team, the Board of Directors guides Alterna's strategic direction through business plans that serve our members and strengthen our communities.

Through proactive governance, we ensure Alterna remains agile and responsive to evolving market conditions and member needs. This strategic partnership between our board and leadership team drives effective stewardship, fostering long-term success and sustainability for our organization.



Marianne Johnson
Vice-Chair



Norm Ayoub
Director



Maria Barrados
Director



Faren Bogach
Director



Earl Campbell
Director



Ken Chan
Director



Marilyn Conway Jones
Director



Andy Cragg
Director



Richard Neville
Director

RISK, AUDIT & FINANCE COMMITTEE

Richard Neville
Chair

Marianne Johnson
Vice-Chair

Norm Ayoub
Director

Maria Barrados
Director

Ken Chan
Director

Marilyn Conway Jones
Director

Bianca Garofalo
Ex-Officio

NOMINATING COMMITTEE

Faren Bogach
Chair

Andy Cragg
Vice-Chair

Maria Barrados
Director

Earl Campbell
Director

Ken Chan
Director

Bianca Garofalo
Director

GOVERNANCE COMMITTEE

Bianca Garofalo
Chair

Marianne Johnson
Vice-Chair

Norm Ayoub
Director, Alterna Bank representative

Earl Campbell
Director

Andy Cragg
Director

Richard Neville
Director

CELEBRATING MARIA BARRADOS

A legacy of leadership and service

As Maria Barrados steps down from Alterna Savings' Board of Directors after 11 years of service, we celebrate her extraordinary contributions to Alterna. Her journey with Alterna began in the early 1970s as a member of our credit union and its predecessor organizations. She joined the Board in 2013 and during her tenure served as Board Chair of both Alterna Savings and Alterna Bank and on the Risk, Audit & Finance, Governance and Nomination committees.

Maria's exceptional leadership experience as former President of the Public Service Commission of Canada and Assistant Auditor General, along with her expertise in governance and financial management, helped guide Alterna through periods of significant growth and transformation. Her leadership as Chair was particularly crucial during the challenges posed by the COVID-19 pandemic and through our largest acquisition to date—Pace Savings and Credit Union.

Beyond her formal roles, Maria's commitment to cooperative principles and community service has strengthened our organization's foundation. Her academic background, including a Ph.D. in sociology, and her current role as Executive-in-Residence at Carleton University's Sprott School of Business, brought valuable perspectives to our strategic discussions and decision-making processes.

We are grateful that Maria will be staying on as a director for Alterna Bank. Join us in celebrating her lasting contributions to Alterna's success, and unwavering dedication to our members, employees and cooperative values. Here legacy will continue to influence our path forward.



Alterna Place de Ville Branch,
Ottawa

EXECUTIVE LEADERSHIP TEAM



Rob Paterson
President & Chief Executive Officer



Bill Boni
Senior Vice President &
Chief Financial Officer



José Gallant
Senior Vice President
& Chief Administrative
Officer



Brian Lawson
Senior Vice President,
SME & Member Experience
NCR



Sandy Stephens
Senior Vice President
Chief Risk & Compliance
Officer



Frugina Ball
Region Head, Member
Experience, GTA



Ben Choi
Interim Chief Operating
Officer, PACE Credit Union



Paul Clemow
Chief Information Officer
(Interim)



Shawn Khimji
Vice President,
Wealth Management



Kim Moseley
Vice President,
Product, Marketing
& Communication

2024 FINANCIAL HIGHLIGHTS

In 2024 we continued to rise above challenging markets. Our overall balance sheet grew \$101 million, up 1.3% compared to 2023. As a result, our balance sheet assets grew to \$8.08 billion, and we finished the year with over 206,000 members and customers.

In terms of assets, our 2024 loan and mortgage activity resulted in a net growth of \$156 million or 2.3% over 2023, bringing the credit portfolio balance to \$7.01 billion by year-end. This was driven by Alterna's Retail and Commercial teams delivering quality credit growth results in a year of continued economic uncertainty. Our Commercial and Treasury teams also collaborated to successfully onboard a portfolio of CMHC-insured mortgages to supplement our loan growth.

Turning to liabilities, our overall deposit base increased 1.3%, closing the year at \$5.7 billion in total deposits. The economic conditions of 2024 impacted deposit activity, as the cost of living continued to climb. Inflation was felt across goods, gas, utilities and other basic household

needs, which pressed many members to use their savings to keep up with these rising costs and/or pay down existing debt.

We finished the year with \$10.03 million of net income after taxes. This outcome continues to strengthen our capital base and prepares us for future investment and growth opportunities.

The Financial Services Regulatory Authority's Capital Adequacy Rule, which governs credit union capital levels, requires credit unions with consolidating subsidiaries to report capital ratios on a consolidated basis. In addition, the Credit Unions and Caisses Populaires Act (2020) ("the Act") requires credit unions to maintain minimum regulatory capital, as defined by the Act. As of December 2024, Alterna Savings was in compliance with both the Capital Adequacy Rule and the Act, and held Total Supervisory Capital of 15.2%.

We remain strong, stable, and secure, and look forward to continuing to provide our members with a diverse set of products and services tailored to their needs and financial wellness.



CONSOLIDATED BALANCE SHEETS

(in thousands of dollars)

As at	December 31, 2024		December 31, 2023	
ASSETS				
Cash and cash equivalents	\$	336,799	\$	329,846
Investments		502,974		542,495
Investment in associates		513		8,135
Loans and advances		7,012,108		6,855,876
Property and equipment		50,978		54,066
Intangible assets		34,337		37,618
Goodwill		20,351		20,351
Derivative financial instruments		8,710		12,923
Income tax receivable		535		-
Other assets		109,458		114,806
	\$	8,076,763	\$	7,976,116
LIABILITIES AND MEMBERS' EQUITY				
Liabilities:				
Deposits	\$	5,696,075	\$	5,622,706
Borrowings		338,493		442,764
Mortgage securitization liabilities		1,476,453		1,361,370
Derivative financial instruments		13,986		11,116
Income tax payable		931		3,482
Deferred income tax liability		3,055		2,497
Other liabilities		116,524		111,983
Membership shares		2,357		2,503
	\$	7,647,874	\$	7,558,421
Members' equity:				
Special shares		162,667		172,773
Contributed surplus		59,203		59,203
Retained earnings		220,322		208,612
Accumulated other comprehensive loss		(13,303)		(22,893)
		428,889		417,695
	\$	8,076,763	\$	7,976,116

CONSOLIDATED INCOME STATEMENTS

(in thousands of dollars)

For the years ended	December 31, 2024	December 31, 2023
Interest income	\$ 309,243	\$ 273,348
Interest income from investments	14,774	14,906
	324,017	288,254
Interest expense	216,282	181,367
Net interest income	107,735	106,887
Loan costs (recoveries)	651	(1,811)
Net interest income after loan costs (recoveries)	107,084	108,698
Commissions	12,351	10,805
Service charges	11,090	9,275
Net gains on derivative financial instruments	3,277	4,088
Foreign exchange	2,214	1,419
Other	1,315	1,998
Securitization income	2,870	5,141
Gain on sale on real estate	310	(19)
Other income	33,427	32,707
Net interest and other income	140,511	141,405
Salaries and benefits	64,187	65,300
Administration	26,749	27,847
Data processing	22,332	22,708
Occupancy	12,881	12,873
Marketing and community relations	1,989	3,168
Operating expenses	128,138	131,896
Income before income on investment in associates and income taxes	12,373	9,509
Income on investment in associates	-	3,272
Income before income taxes	12,373	12,781
Provision for income taxes	2,344	2,781
Net income	\$ 10,029	\$ 10,000

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of dollars)

For the years ended	December 31, 2024	December 31, 2023
Net income	\$ 10,029	\$ 10,000
Other comprehensive income		
Other comprehensive income to be reclassified to income in subsequent periods:		
Investments in debt instruments measured at fair value through other comprehensive income:		
Net unrealized gains on debt instruments measured at fair value through other comprehensive income	10,915	12,096
Cash flow hedges:		
Changes arising during the year	236	(8,300)
Add: Reclassification adjustments for (losses) gains included in the income statement	(1,561)	719
Net loss cash flow hedges	(1,325)	(7,581)
Net other comprehensive income to be reclassified to income in subsequent periods	9,590	4,515
Other comprehensive income (loss) not to be reclassified to income in subsequent periods:		
Defined benefit plan - actuarial gains	7,461	(7)
Net other comprehensive income (loss) not to be reclassified to income in subsequent periods	7,461	(7)
Other comprehensive income	17,051	4,508
Comprehensive income	\$ 27,080	\$ 14,508

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY

(in thousands of dollars)

For the years ended	December 31, 2024	December 31, 2023
Special shares:		
Balance, beginning of year	\$ 172,773	\$ 184,693
Net shares (redeemed) issued	(10,106)	(11,920)
Balance, end of year	162,667	172,773
Contributed surplus:		
Balance, beginning of year	59,203	59,203
Balance, end of year	59,203	59,203
Retained earnings:		
Balance, beginning of year	208,612	205,390
Net income	10,029	10,000
Dividend on special shares	(5,780)	(6,771)
Remeasurement gain (loss) on defined benefit plans	7,461	(7)
Balance, end of year	220,322	208,612
Accumulated other comprehensive income, net of tax:		
Investments in debt instruments measured at fair value through other comprehensive income		
Balance, beginning of year	(15,306)	(27,402)
Other comprehensive income (loss)	10,915	12,096
Balance, end of year	(4,391)	(15,306)
Cash Flow Hedges		
Balance, beginning of year	(7,587)	(6)
Other Comprehensive income (loss)	(1,325)	(7,581)
Balance, end of year	(8,912)	(7,587)
Total accumulated other comprehensive income (loss)	(13,303)	(22,893)
Members' equity	\$ 428,889	\$ 417,695

1. Financial Overview

a. Highlights

Income:

- Net income after provision for income taxes for the year ended December 31, 2024, was \$10.03 million, \$30 thousand higher than the year ended December 31, 2023.
- Alterna Savings paid \$5.8 million in dividends in 2024, compared to \$6.8 million in 2023.
- Net interest income for the year ended December 31, 2024, was \$107.7 million compared to \$106.9 million for the year ended December 31, 2023.
- Loan costs for the year ended December 31, 2024, were \$0.7 million compared to loan recoveries of \$1.8 million for the year ended December 31, 2023.
- Other income for the year ended December 31, 2024, was \$33.4 million compared to \$32.7 million for the year ended December 31, 2023.
- Operating expenses for the year ended December 31, 2024, were \$128.1 million compared to \$131.9 million for the year ended December 31, 2023.

Balance Sheet:

- Member loans increased to \$7.0 billion, up 2.3% from \$6.9 billion in 2023.
- Member deposits increased to \$5.7 billion, up 1.3% from \$5.6 billion in 2023.
- Assets under management, which includes on balance sheet assets, off balance sheet loans and wealth management assets, grew by 7.0% and ended the year at \$11.6 billion.

Capital:

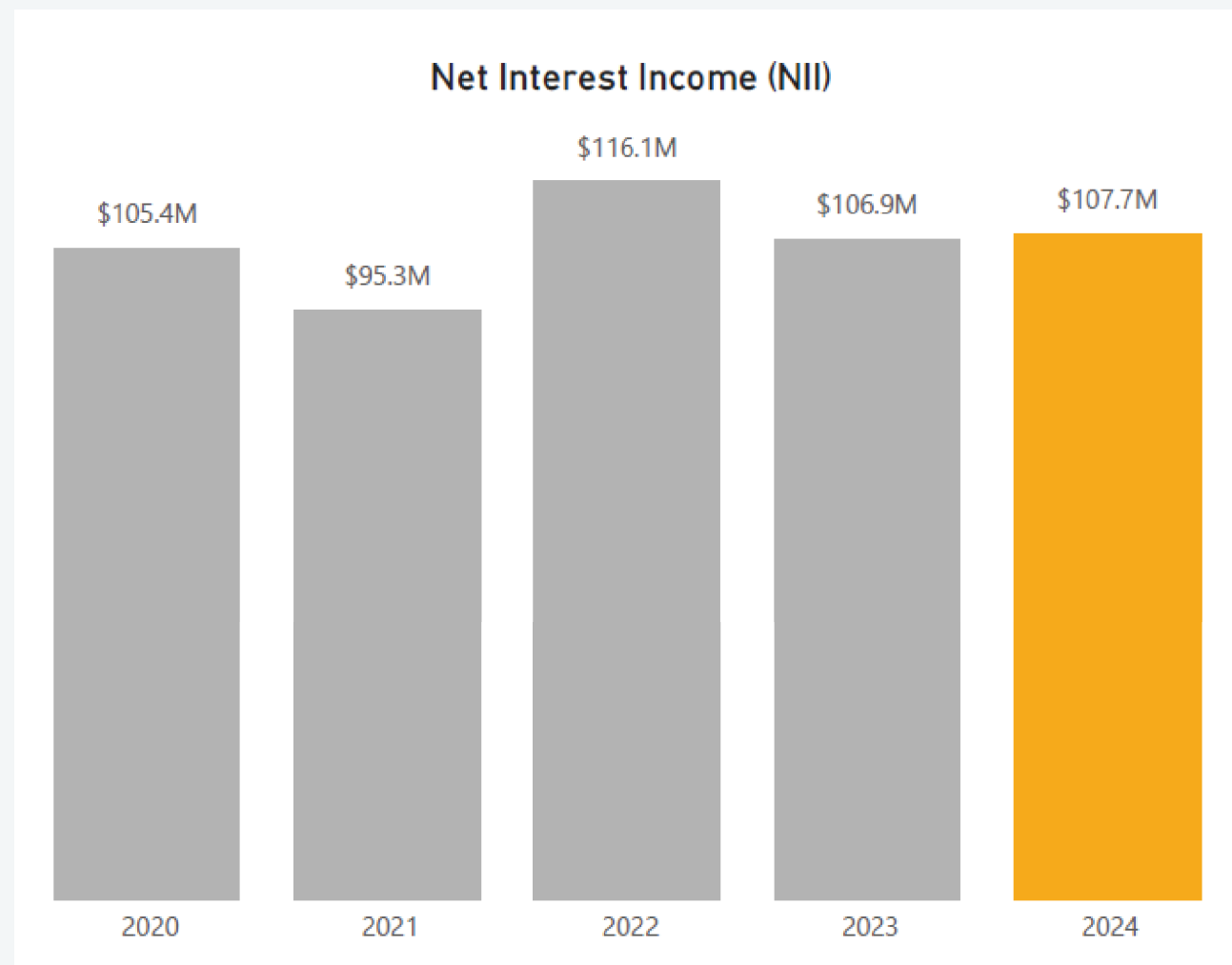
- The leverage capital ratio was 5.0% as at December 31, 2024, the same as December 31, 2023. This is above the regulatory minimum requirement of 3.0%.
- The supervisory capital ratio was 15.2% as at December 31, 2024, compared with 14.4% at December 31, 2023. This is above the regulatory minimum requirement of 10.5%.

2. Financial Performance Summary

a. Net Interest Income

Net interest income represents interest earned on loans to members and investments, less interest paid to members on deposits and interest paid on debt obligations. Net interest income increased to \$107.7 million in 2024 from \$106.9 million in 2023 or by 1.0%.

For most of 2024, Alterna Savings observed that members continued to take advantage of the inverted yield curve by reallocating funds from their demand accounts to higher yielding short-term fixed deposits, which put downward pressure on net interest income. However, towards the end of the year, the yield curve began to normalize, helping to reduce interest expenses in the final quarter. Additionally, interest income from loans improved from 2023, driven by growth in both the retail and commercial loan portfolio, as well as investment income from high-yielding overnight deposits, leveraging excess liquidity from strong 2023 deposit volumes.



b. Loan Costs/Recoveries

Loans costs/recoveries represents management's best estimate of potential losses during the year. Alterna Savings uses a data model with various inputs including historical loan data, industry data, and forward-looking macro-economic assumptions to calculate the expected credit losses. Alterna Savings also considers management's assessment of watch list accounts, delinquencies, and other relevant market information to assess the expected credit losses. Loan costs were \$0.7 million in 2024 compared to loan recoveries of \$1.8 million in 2023. The increase was primarily driven by increased delinquencies in the unsecured loan portfolio.

(000s)	31 Dec 2024			31 Dec 2023		
	Gross carrying amount	Loss allowance	Loss allowance as a % of gross carrying amount	Gross carrying amount	Loss allowance	Loss allowance as a % of gross carrying amount
Personal Loans						
Stage 1 - 12-month ECL	\$ 259,785	\$ 824	0.31%	\$ 270,064	\$ 798	0.29%
Stage 2 - Lifetime ECL - not credit-impaired loans	5,887	104	0.04%	5,251	151	0.05%
Stage 3 - Lifetime ECL - credit-impaired loans	1,313	449	0.17%	2,051	477	0.17%
Purchased credit-impaired	21	-	0.00%	23	-	0.00%
	\$ 267,006	\$ 1,377	0.52%	\$ 277,389	\$ 1,426	0.51%
Residential Mortgages						
Stage 1 - 12-month ECL	\$ 5,220,023	\$ 131	0.00%	\$ 4,861,510	\$ 616	0.01%
Stage 2 - Lifetime ECL - not credit-impaired loans	40,167	64	0.00%	24,654	-	0.00%
Stage 3 - Lifetime ECL - credit-impaired loans	6,121	-	0.00%	6,686	-	0.00%
Purchased credit-impaired	-	-	0.00%	-	-	0.00%
	\$ 5,266,311	\$ 195	0.00%	\$ 4,892,850	\$ 616	0.01%
Commercial Loans						
Stage 1 - 12-month ECL	\$ 1,308,036	\$ 18	0.00%	\$ 1,281,476	\$ 473	0.04%
Stage 2 - Lifetime ECL - not credit-impaired loans	1,125	-	0.00%	6,531	-	0.00%
Stage 3 - Lifetime ECL - credit-impaired loans	906	90	0.01%	1,962	79	0.00%
Purchased credit-impaired	957	-	0.00%	1,015	-	0.00%
	\$ 1,311,024	\$ 108	0.01%	\$ 1,290,984	\$ 552	0.04%
Total	\$ 6,844,341	\$ 1,680	0.02%	\$ 6,461,223	\$ 2,594	0.04%

Other Income

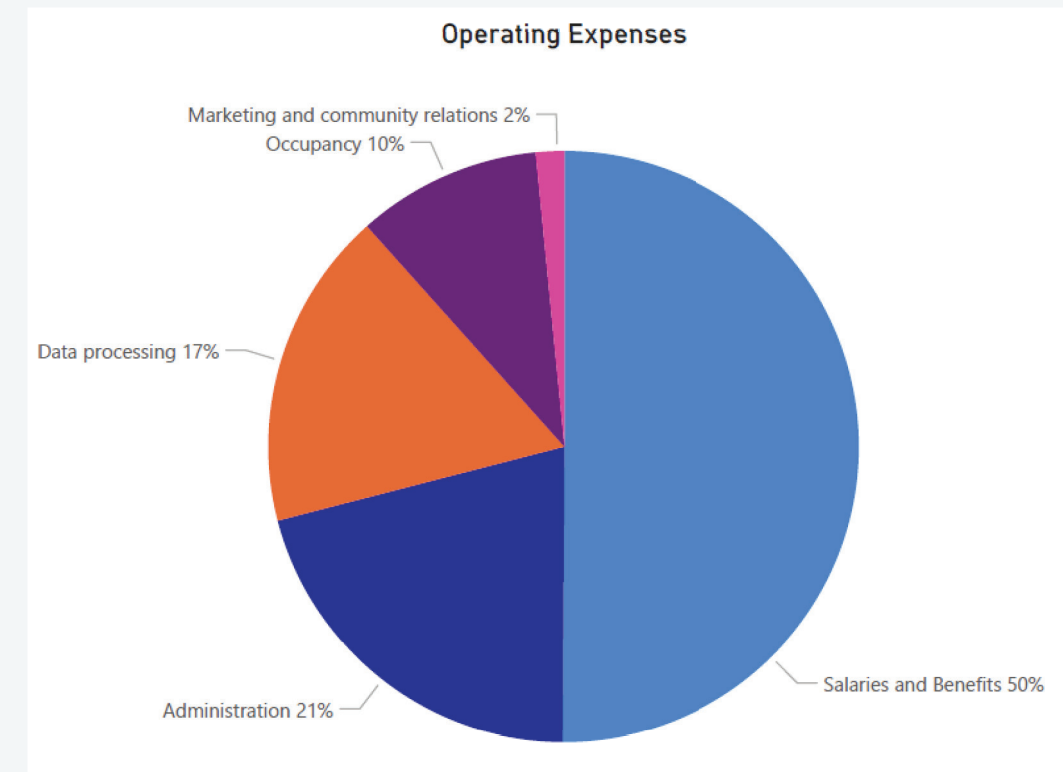
Other income includes income from commissions, service charges, net gains on derivatives, foreign exchange gains, other, securitization-related gains and gains on sale of real estate. Total other income increased to \$33.4 million in 2024 from \$32.7 million in 2023 or 2.2%. This was due mainly as a result of strong wealth revenues, competitive service charges and commercial loan fees.

Other Income (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-24	31-Dec-23	\$ Change 2024 vs. 2023	% Change 2024 vs. 2023
Commissions	12,351	10,805	1,546	14.3%
Service charges	11,090	9,275	1,815	19.6%
Net gains on derivative financial instruments	3,277	4,088	(811)	(19.8%)
Foreign exchange	2,214	1,419	795	56.0%
Other	1,315	1,998	(683)	(34.2%)
Securitization income	2,870	5,141	(2,271)	(44.2%)
Gain (loss) on sale on real estate	310	(19)	329	1,731.6%
Total	33,427	32,707	720	2.2%

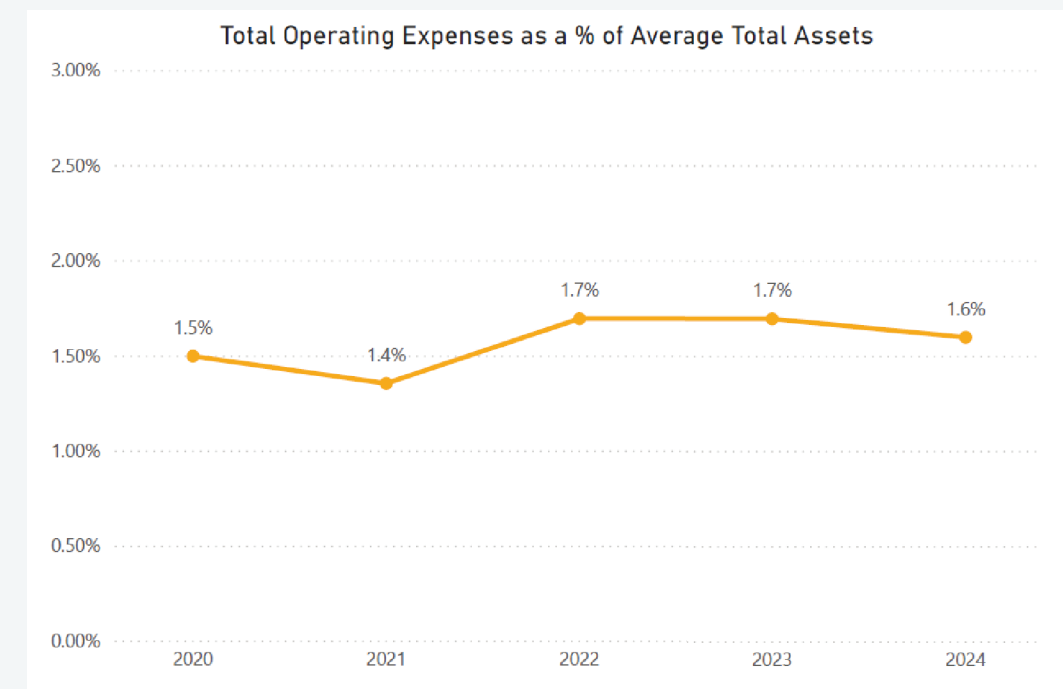
c. Operating Expenses

Operating expenses include salaries and benefits, administration, data processing, occupancy and marketing and community relations costs. Total operating expenses decreased to \$128.1 million in 2024 from \$131.9 million in 2023 or a decline of 2.8% as we actively sought cost-saving opportunities.

Operating Expenses	As at or for the years ended		Change	
	31-Dec-24	31-Dec-23	\$ Change 2024 vs. 2023	% Change 2024 vs. 2023
Salaries and benefits	64,187	65,300	(1,113)	(1.7%)
Administration	26,749	27,847	(1,098)	(3.9%)
Data processing	22,332	22,708	(376)	(1.7%)
Occupancy	12,881	12,873	8	0.1%
Marketing and community relations	1,989	3,168	(1,179)	(37.2%)
Total operating expenses	128,138	131,896	(3,758)	(2.8%)

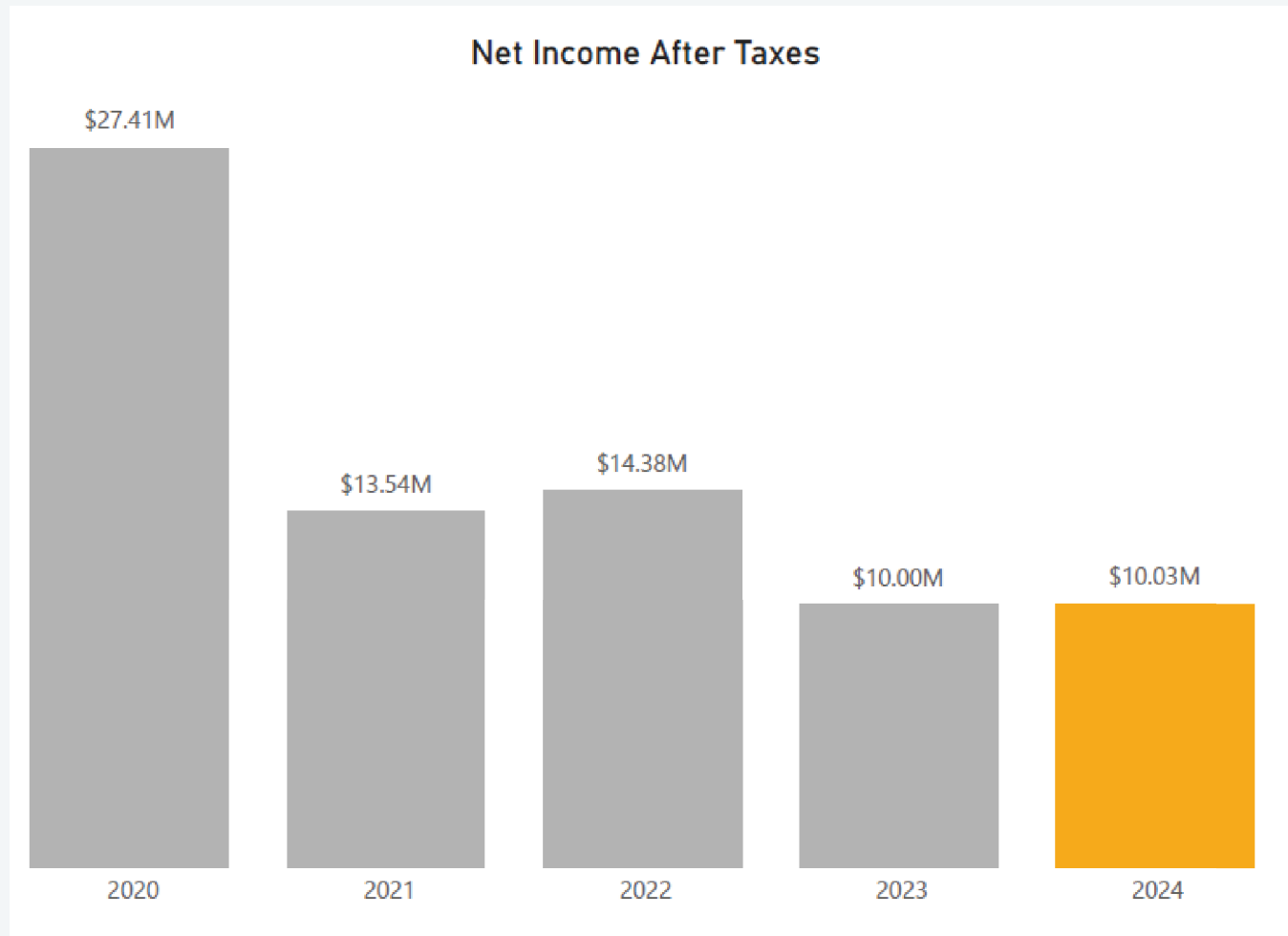


Operating expenses as a percentage of total average assets slightly decreased by 1.6% in 2024



d. Net Income

Net income increased to \$10.03 million in 2024 from \$10.0 million in 2023 or by 0.3%. While income improved slightly year over year, it continued to be impacted negatively by continuing margin compression and higher cost of 2 year or less term deposits from the inverted yield curve.



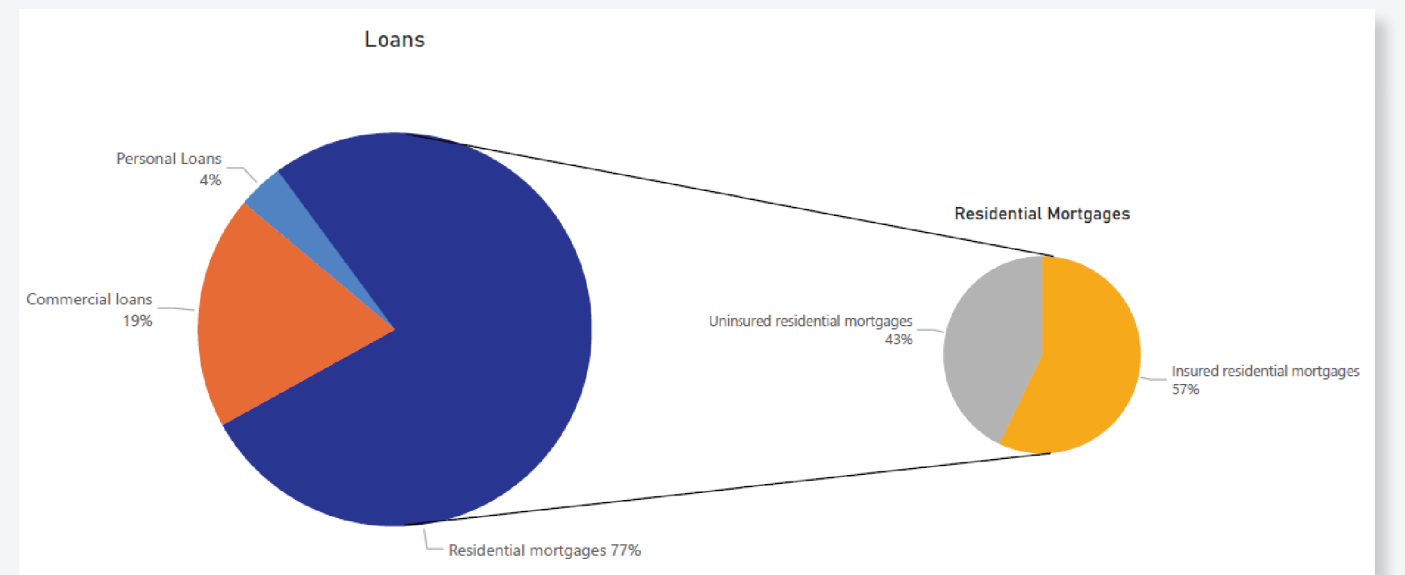
3. Financial Position Summary

a. Loan Summary

Member loans include personal and commercial loans, lines of credit, and mortgages. The total loan portfolio increased to \$7.0 billion in 2024 from \$6.9 billion in 2023 or by 2.3% before loan costs / recoveries. Residential mortgages grew by 2.9% to reach \$5.4 billion or 77% of the total loan portfolio. Commercial loans grew by 1.1% to reach \$1.3 billion or 19% of the total loan portfolio. Personal loans and line of credits decreased by 3.7% to \$267 million or 4% of the total loan portfolio.

The loan growth was driven by Alterna's Retail and Commercial teams delivering quality credit growth results in another year of economic uncertainty. Our Commercial and Treasury teams also collaborated to successfully onboard a portfolio of CMHC-insured mortgages, supplementing our loan growth.

Loan Summary (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-24	31-Dec-23	\$ Change 2024 vs. 2023	% Change 2024 vs. 2023
Personal Loans	267,006	277,389	(10,383)	(3.7%)
Residential mortgage loans	5,402,801	5,251,731	151,070	2.9%
Commercial loans	1,343,981	1,329,350	14,631	1.1%
Total loans before provision	7,013,788	6,858,470	155,318	2.3%
Less: allowance for Impaired Loans	(1,680)	(2,594)	914	35.2%
Total loans after provision	7,012,108	6,855,876	156,232	2.3%

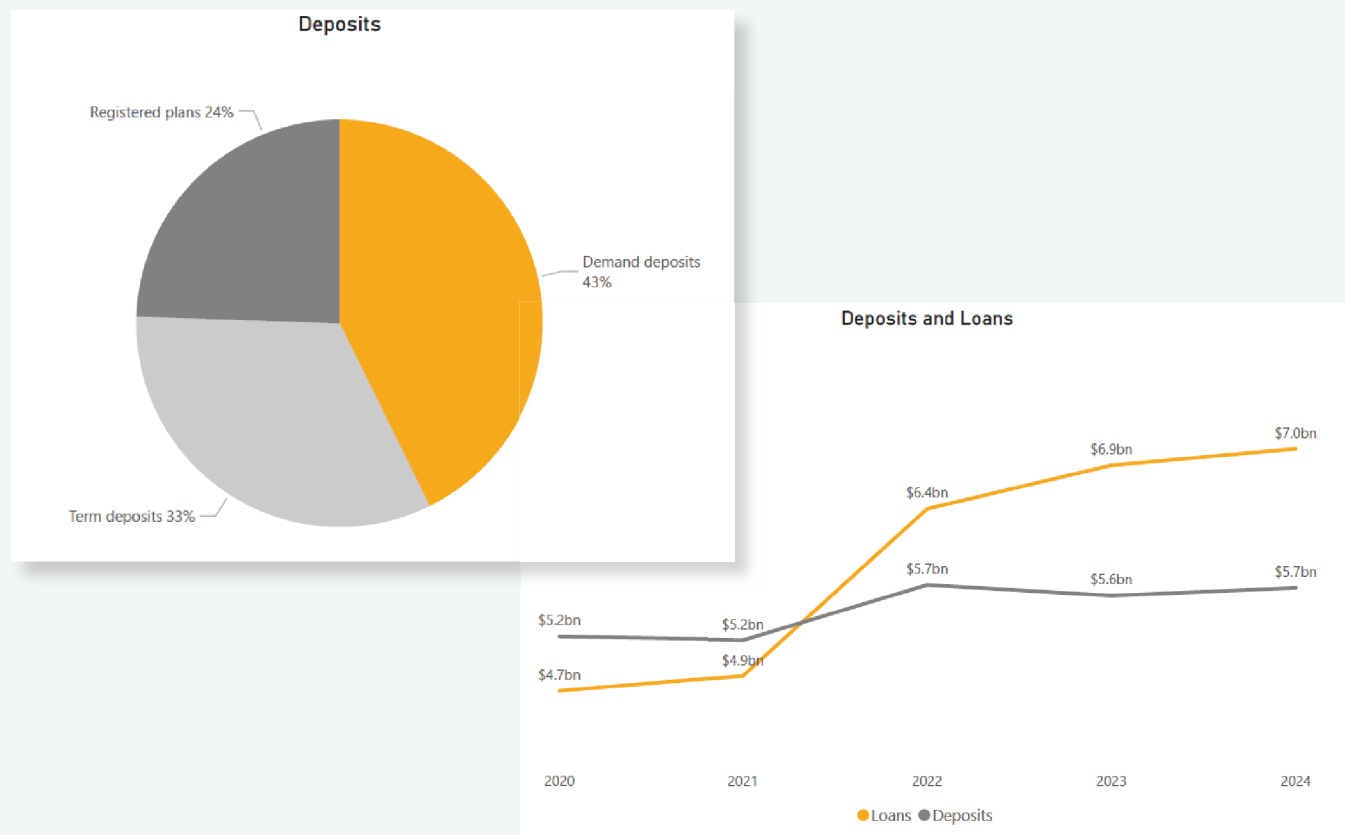


b. Deposit Summary

Member deposits include demand deposits, term deposits and registered plan deposits. The total deposit portfolio increased to \$5.7 billion in 2024 from \$5.6 billion in 2023 or by 1.3%. Term deposits experienced the highest growth in 2024 at 11.9% year over year to reach \$1.8 billion or 33% of the deposit portfolio. Registered plans had growth of 1.8% to reach \$1.4 billion or 24% of the deposit portfolio. Demand deposits declined by 5.8% and were \$2.4 billion at year end or 43% of the deposit portfolio.

As noted above, while we experienced a slight increase in our overall deposits base in 2024, similar to 2023, demand deposits decreased as members continued to respond to inflationary pressures by utilizing their savings to manage rising costs, either for daily expenses or to reduce existing debt. Additionally, many members capitalized on the interest rate environment by transferring funds from short-term demand accounts to locked-in fixed term deposits.

Deposit Summary (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-24	31-Dec-23	\$ Change 2024 vs. 2023	% Change 2024 vs. 2023
Demand deposits	2,432,716	2,582,774	(150,058)	(5.8%)
Term deposits	1,869,511	1,670,482	199,029	11.9%
Registered plans	1,393,848	1,369,450	24,398	1.8%
Total deposits	5,696,075	5,622,706	73,369	1.3%

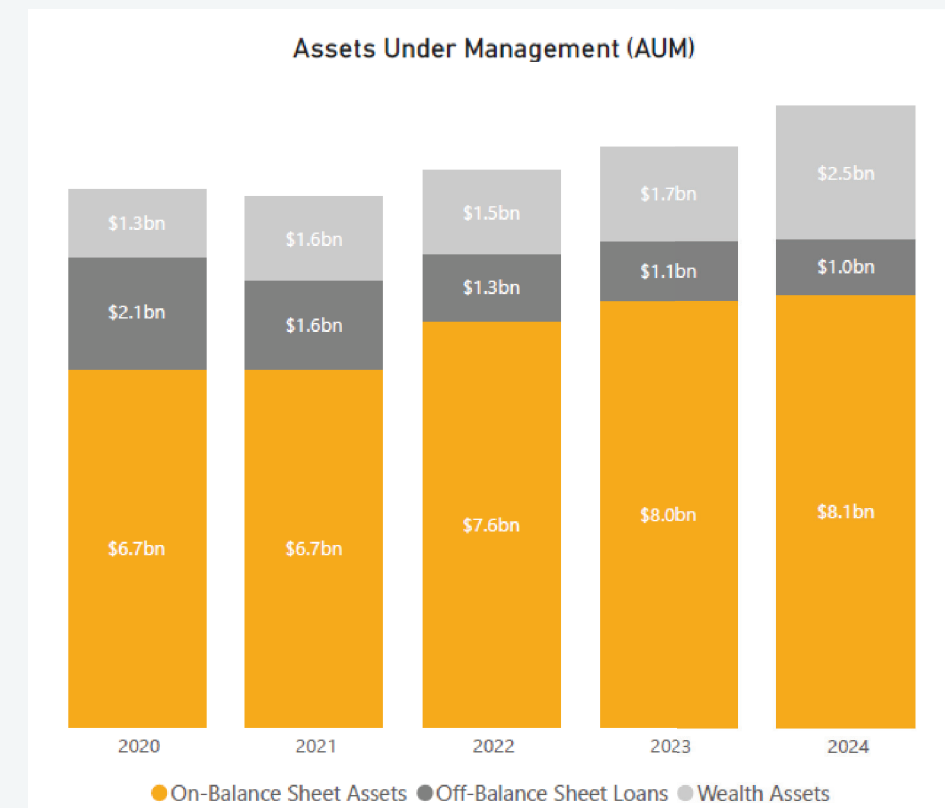


c. Securitization

Alterna Savings securitizes fully insured residential and commercial mortgage loans through the creation of mortgage-backed securities ("MBS") under the National Housing Act ("NHA") MBS program and may in turn sell them to Canada Housing Trust ("CHT") under the Canada Mortgage Bond ("CMB") Program and/or to third party investors. The securitization of qualified loans is part of Alterna's liquidity, capital and interest rate risk management strategies and contributes to on and off-balance sheet growth by being a cost-effective way of gaining access to additional funding. The sale of securitized assets results in either being derecognized from the consolidated balance sheet or remain on balance sheet if they do not fit the derecognition criteria. Mortgages that do not qualify for derecognition remain on balance sheet and have corresponding mortgage securitization liabilities. Mortgage securitization liabilities increased to \$1.5 billion in 2024 from \$1.4 billion in 2023. We used the proceeds that were generated from this activity to pay off our short-term 2023 borrowing position and fund mortgage activity for 2024 at a lower cost than long-term deposit rates.

d. Assets Under Management

Assets under management consist of on-balance sheet assets, off-balance sheet loans and wealth management assets. Assets under management increased to \$11.6 billion in 2024 from \$10.8 billion in 2023 or by 7.0% year over year.



4. Capital Adequacy and Liquidity Management

a. Capital Management

Alterna Savings' capital management objective is to ensure the long-term viability of the credit union and the safety and security of member deposits by holding a level of capital deemed sufficient to protect against unanticipated losses and to comply with the capital requirements set out in the Credit Unions and Caisses Populaires Act, 2020 (the "Act") and Capital Adequacy Requirements Rule from the Financial Services Regulatory Authority of Ontario ("FSRA"). Alterna Savings manages its capital in accordance with the Capital Management Policy, which is reviewed and approved annually by the Board of Directors ("the Board"). The minimum consolidated total supervisory capital ratio per the Act is set at 10.5%. The minimum consolidated leverage ratio per the Act is set at 3.0%. Alterna Savings was in compliance with the Act and all ratios were above regulatory minimums and remain strong. Refer to note 24 in Alterna Savings' 2024 audited consolidated financial statements for additional details.

Capital Ratios	As at or for the years ended		
	31-Dec-24	31-Dec-23	Regulatory Minimums
Tier 1 Capital Ratio	14.5%	13.9%	6.5%
Retained earnings to Risk weighted Capital Ratio	10.3%	9.8%	3.0%
Capital conservation buffer ratio	7.2%	6.4%	2.5%
Risk Weighted Capital Ratio (Total Capital Ratio)	15.2%	14.4%	8.0%
Total supervisory Capital Ratio	15.2%	14.4%	10.5%
Leverage Ratio	5.0%	5.0%	3.0%

b. Internal Capital Adequacy Assessment Process

Alterna Savings performs an Internal Capital Adequacy Assessment Process ("ICAAP") in line with FSRA's "Guidance Note: ICAAP – Credit Unions with Total Assets Greater than \$500 Million" and "Application Guide – Internal Capital Adequacy Assessment Process". The ICAAP ensures Alterna Savings has adequate capital in relation to its risk profile and a strategy for maintaining its capital levels. The ICAAP process ensures Alterna Savings develops and executes appropriate risk management techniques in its operations. The processes for managing capital include setting policies for capital management, capital levels and for related areas such as asset liability management. Alterna Savings reports to the Board regarding its financial results against budget targets and reports variances to those budgets, which in turn forms part of the capital adequacy reporting. The ICAAP ensures enough capital is set aside for ongoing operations, future growth development and any key risks that may occur during the course of business. The ICAAP aligns with Alterna Savings' planning and risk management oversight. The ICAAP determined that, as of December 31, 2024, Alterna Savings continued to carry adequate capital for its size and complexity.

c. Liquidity Management

Under FSRA's Liquidity Adequacy Requirements Rule and Liquidity Guidance, Alterna Savings is expected to establish and maintain prudent levels of liquidity that are sufficient to meet its cash flow needs, including depositor withdrawals and all other objectives as they come due. The Liquidity Ratio measures Alterna Savings' liquid assets as a percentage of total deposits and borrowings, and is used by Alterna Savings to monitor its liquidity position in addition to the Liquidity Coverage Ratio ("LCR"), Net Cumulative Cash Flow ("NCCF") and Net Stable Funding Ratio ("NSFR"). As of December 31, 2024, Alterna Savings' Liquidity Ratio increased to 20.74% from 18.80% in 2023. The increase is primarily due to an increase in liquid assets in the form of mortgage-backed securities year over year. All regulatory minimums were met, and no liquidity deficiencies were noted over the next 12-month period. Refer to note 4(c) in Alterna Savings' 2024 audited consolidated financial statements for additional details.

5. Economic Outlook

Canada's economy was on a path of strong recovery to start 2025, driven by lower interest rates, robust GDP growth, and improved labor market conditions. However, escalating U.S. tariff threats have disrupted this positive momentum. The unpredictability and speed of tariff announcements—especially the blanket 25% tariffs imposed on Canada and Mexico in March—have created a challenging trade environment. While some of these tariffs were quickly reversed if compliant under CUSMA, the uncertainty surrounding U.S. trade policy has dampened consumer and business confidence, leading to concerns about future investment. The Canadian government has responded with its own retaliatory tariffs, but these measures, while aimed at reducing reliance on U.S. goods, will also increase costs for Canadian importers.

Trade tensions have also impacted monetary policy. The Bank of Canada, initially set to halt rate cuts in 2025, may lower rates further to 2.25% by summer to counter economic uncertainty. Meanwhile, population growth is slowing, and consumer spending is projected to decelerate sharply in 2025 as households react to economic uncertainty by saving more.

The housing market is showing signs of weakness, with early 2025 data showing a decline in home resales as buyers and sellers become more hesitant amid trade concerns. While economic growth in 2025 is expected to be stronger on a per-capita basis than in previous years, trade disputes will likely suppress business investment. Both imports and exports are expected to suffer from ongoing trade war threats, further complicating Canada's economic outlook.

6. Risk management oversight and governance

a. Risk Appetite Framework

Alterna Savings' Risk Appetite Framework ("RAF") is Board-approved and outlines the risks which Alterna Savings is willing to accept to fulfill its business objectives, deliver on its strategic plan and achieve desired financial returns. It outlines its main considerations in risk-taking, mitigation and risk avoidance.

Through the RAF, the Board, and/or Risk, Audit & Finance Committee ("RAFC"), clearly state the general principles for risk-taking to raise risk awareness across the organization and to guide management regarding acceptable and unacceptable risk-taking activities. The RAF is embedded in Alterna Savings' frameworks and policies and implemented in the day-to-day activities and business operations.

The Board oversees the alignment of the strategic business objectives and capital planning with the RAF and plays a major role in monitoring the adherence to the RAF. The Board is responsible for reviewing the RAF annually and making necessary amendments, as required, to capture potential changes in Alterna Savings' risk profile and strategic priorities.

b. Risk Governance: Roles and Responsibilities

Board of Directors

The Board, and/or RAFC, provide direction and oversight to ensure that Alterna Savings' risks are effectively managed and compliant with the Board-approved RAF.

The Board, either directly or through its committees, reviews and approves Board level policies at least once a year. By way of these policies, they have clearly defined the levels of authority, limits, roles and responsibilities, which are an integral part of the day-to-day operations and risk management oversight at Alterna Savings.

The Board is responsible for:

- Ensuring that the risks Alterna Savings is exposed to are managed and reported; and,
- Ensuring that the risk profile of Alterna Savings is aligned with the Board-approved RAF.

The Board and RAFC receive regular reports on the effectiveness of, and compliance with the RAF:

- Quarterly, the Board and the RAFC are provided reports that include assessments of Alterna Savings' performance against the RAF and the effectiveness of the risk management environment;
- These reports and the RAF are an integral part of the Board's discussions and decision-making processes; and
- These reports include a comparison of actual results versus the RAF limits.

Alterna Savings Management Committees:

- Alterna Savings established and maintains the Executive Leadership Team, Credit Risk Management, Operational Risk Management, Asset Liability and Data Governance Committees.
- Their mandates include the oversight and management of Alterna Savings' risk exposures, and ensuring the alignment of Alterna Savings' risk profile relative to the RAF.

Three Lines of Defence Model

Alterna Savings has adopted the Three Lines of Defence model which is fundamental to the governance operating structure.

The responsibilities are distributed as follows:

- First Line of Defence: Own the risks and associated controls within their area of operations;
- Second Line of Defence: The Risk Management and Compliance departments are the independent oversight functions that oversee the First Line of Defence to make sure business activities remain within the RAF and within applicable regulatory requirements, and
- Third Line of Defence: Internal Audit.

First Line of Defence has the following responsibilities:

- Is accountable for managing the risks and performing the associated controls in their area of operations
- Ensures understanding and adherence to Alterna Savings' RAF for their area of operations
- Fosters a risk management aware culture
- Ensures risks in their area of operations are identified, assessed, monitored and managed within the RAF and are in compliance with relevant policies, guidelines and limits
- Establishes and maintains appropriate structures and processes for the management of operations and risk, and
- Ensures compliance with legal, regulatory, and ethical expectations

Second Line of Defence has the following responsibilities:

- Provides complementary expertise, support, monitoring, and challenge for the management of risk through the development, implementation, and continuous improvement of risk management and regulatory compliance practices
- Educates, provides training and facilitates the application of the RAF and associated documents, and
- Monitors the adequacy and effectiveness of internal control activities

Third Line of Defence has the following responsibilities:

- Internal Audit assesses compliance with the RAF at the organizational level and in its review of business units within Alterna Savings

c. Risk Management Culture

Alterna Savings invests in promoting a Risk Management Culture based on integrity, ethical standards, compliance with policies and regulations, risk awareness and ownership, with the implementation and delineation of the Three Lines of Defense.

Alterna Savings strives to have:

- Risk management imbedded in its business from strategy building to day-to-day operations;
- A culture of transparency, accountability, and ownership of risks and risk management activities, where everyone can
 - Identify, measure, quantify, and own their risks,
 - Have the ability to communicate freely, and
 - Act on managing these risks effectively.

d. Stress Testing and Capital Level Controls

The amount of capital required in relation to the size of Alterna Savings' operations is determined by regulation, by the Internal Capital Adequacy Assessment Process (ICAAP) and by the sound judgement of the Board, FAC and Senior Management. These capital levels and adequacy are regularly monitored and formally reviewed quarterly with the Board through the detailed Board reporting package and monthly by Senior Management through the Asset Liability Committee and reporting from the Risk Management department.

The ongoing capital reporting allows for the comprehensive assessment of capital level adequacy, ensuring capital remains within the RAF limits. This ensures Alterna Savings has sufficient capital to maintain its operations based on current activities, execute on strategic plans and manage potential emerging risks.

Alterna Savings performs stress tests to support the internal capital adequacy planning in case of severe but plausible events or changes in market conditions that could adversely impact Alterna. The stress test results are presented to the FAC and Alterna Savings' management committees and are considered in the development of strategic and capital plans.

e. Material Risks

Alterna Savings' risk universe identifies and defines a broad number of potential risks to which the organization could be exposed. Alterna Savings actively monitors and manages the following principal risks:

- Strategic risk
- Credit risk
- Financial risk
- Operational risk
- Legal and regulatory risk
- Reputational risk
- External environment risk

Strategic Risk

Strategic risk is the potential for loss due to ineffective business strategies, improper implementation of business strategies, or a lack of responsiveness to changes in the business environment. It is an overarching element, impacts the organizational direction, and may influence changes in other risk categories.

Strategic risk is continually assessed and managed by the Executive Leadership Team by reviewing progress towards achieving strategic objectives and the performance of Alterna vis-à-vis its strategic plan, monitoring external factors that could impact achievement of the plan, and intervening as needed to make sure the plan is being delivered as expected.

All business units and Risk Management are closely involved in the formulation of the strategic planning process that is Board-approved and in managing the strategic risk.

Credit Risk

Credit risk is the risk of loss incurred if a counterparty fails to meet its financial commitments to Alterna Savings, and is initiated through our lending, investing and financial hedging operations.

Credit risk is managed in accordance with the Credit Policy for loans and the Investment/Derivative Policy for investments and derivatives. These policies are reviewed and approved annually by the Board.

Alterna Savings manages its credit risk related to loans through a comprehensive set of risk limits with pre-defined escalation procedures as outlined within the Credit Policy and the Operational Credit Policies for the retail and commercial channels.

Alterna Savings conducts its residential mortgage lending business while being compliant, in all significant respects, with the principles outlined in the FSRA Guidelines and Advisories.

Financial Risk

Financial risk includes market, liquidity and capital risks. Market risk is the risk of loss from fluctuations in interest rates and foreign exchange rates. Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities in a timely and cost-effective manner. Capital risk is the risk of being unable to hold a level of capital deemed sufficient to both protect against unanticipated losses and comply with the regulatory minimum requirements.

Alterna Savings' consolidated net income is exposed to interest rate risk because of the mismatches in maturities and interest rate types (fixed vs. variable) of its financial assets and financial liabilities. Alterna Savings uses derivatives such as interest rate swaps to manage interest rate risk. Interest rate risk is managed in accordance with the Structural Risk Management Policy which is reviewed and approved annually by the Board. Alterna Savings also includes reporting on interest rate risk to the Asset Liability Committee monthly and the Board quarterly.

Alterna Savings mitigates currency risk by holding cash in US dollars, entering into USD-CAD FX swaps or investing in USD money market instruments. Currency risk is managed in accordance with the Structural Risk Management Policy which is reviewed and approved annually by the Board.

Alterna Savings manages its liquidity risk in accordance with the Liquidity Management and Funding Policy which is reviewed and approved annually by the Board. Alterna Savings reports on the liquidity risk against policy requirements to the Asset Liability Committee monthly and to the Board quarterly. Under FSRA regulations, Alterna Savings is expected to establish and maintain prudent levels of liquidity that are sufficient to meet its cash flow needs, including depositor withdrawals and all other obligations as they come due.

Alterna Savings manages its capital risk in accordance with the Capital Management Policy which is reviewed and approved annually by the Board. Alterna Savings reports on the ICAAP and capital risk against policy requirements to the Asset Liability Committee monthly and to the Board quarterly.

In 2022, Alterna Savings developed Alterna's Recovery Plan as a best practice and in accordance with the Financial Services Regulatory Authority of Ontario's (FSRA) Recovery Planning Guidance, the purpose of which is to serve as a playbook for Senior Management and the Board, as well as FSRA, in times of financial stress. Alterna's Recovery Plan specifies a series of specific qualitative and quantitative measures that serve as early warning indicators to allow Alterna Savings to monitor its risk exposures along a continuum of severe stress events. It focuses on Alterna's liquidity and capital measures.

This Plan is part of Alterna Savings' overall management system, and works in conjunction with other planning and contingency work that the CU maintains, including stress testing, the Internal Capital Adequacy Assessment Process (ICAAP), the Contingency Capital Plan, the Contingency Funding Plan, the Business Continuity Plan and the pending Resolution Plan.

Operational Risk

Operational risk is the risk of loss resulting from failed or inadequate infrastructure, including internal or outsourced processes, people, information technology, and customer management. It is therefore embedded in all day-to-day activities, including the practices and controls used to manage other risks.

Operational risk is managed through policies, procedures and internal controls related to business operations, human resources, IT infrastructure and cybersecurity.

Alterna Savings' operational risk management is an ongoing process applied across all business activities. It is designed to identify potential operational risk events that may affect Alterna Savings and to contain these events to be within the operational risk appetite and risk tolerances in order to provide reasonable assurance regarding the achievement of Alterna Savings' objectives.

Legal and Regulatory Risk

Legal and regulatory risk is the risk of failing to comply with applicable legislation, regulation and other regulatory guidelines.

Alterna Savings oversees compliance with laws, regulations and guidelines relevant to the activities of the institution in the jurisdictions in which it operates. Alterna Savings also ensures that all appropriate stakeholders are provided with current and accurate information to identify, assess, communicate, manage and mitigate regulatory compliance risk, and maintain knowledge of applicable regulatory requirements in operations.

Reputational Risk

Reputational risk is the risk of loss (in liquidity, revenue, member/customer base, or perceived value) from negative publicity observed by stakeholders, whether true or not. Alterna Savings considers reputational risk not as a stand-alone risk category, but rather as a consequential risk (i.e. a potential exposure resulting from any or a combination of other risk areas). Therefore, it cannot be managed in isolation: adequately managing our risk universe mitigates Alterna Savings' overall reputational threats.

External Environment Risk

External environment risk is the potential for loss caused by conditions, entities, events and factors external to the organization that have significant influence on the organization's activities, choices, growth and survival. An organization has little or no control over its environment but needs to constantly monitor and adapt to external changes.

7. Board of Directors Remuneration

The Directors of Alterna Savings are remunerated at rates to be fixed annually by the Board, and are also entitled to be paid their travelling, director training and other expenses properly incurred by them in connection with the affairs of Alterna Savings.

In setting director remuneration, the Board will consider percentage increases in the Consumer Price Index as published by Statistics Canada for the immediately preceding year as well as market reviews conducted from time to time of the remuneration of directors of similarly sized credit unions.

The policy is reviewed on a three-year cycle and was last approved in March 2024.

8. Executive Remuneration

Alterna Savings' executive compensation program is overseen by the Governance Committee of the Board (the "Committee") which is comprised of six (6) Directors. Among other duties, the Committee is responsible for reviewing and recommending the remuneration structure for Alterna Savings' executive management to the Alterna Savings Board of Directors, as defined in executive compensation policies.

The objectives of these policies address the key risks related to remuneration and are as follows: support the attraction and retention of high caliber executives; provide competitive total rewards that encourage high levels of group and individual performance while remaining within the board-approved Risk Appetite Framework; and align the interests of Alterna Savings' executives with those of its members.

The policies are reviewed annually by the Committee for approval by the Board of Directors. The Board of Directors may seek the advice of external compensation experts to ensure that total remuneration for executives remains aligned with its remuneration policies.

Alterna Savings' executives participate in a short-term incentive plan ("STIP") based on key organizational value drivers that include, but are not limited to, financial, risk and strategic measures. The STIP is offered at the discretion of Board of Directors. Alterna Savings currently doesn't have a long-term incentive plan.

All decisions with respect to base pay, annual increases and short-term incentive award (bonus) payments for individuals reporting directly to the President & CEO are reviewed in advance by the Governance Committee of the Board. Further, all decisions with respect to base pay, annual increases and short-term incentive award payments for the President & CEO must receive prior approval by the Board.

For additional information on Board and Executive remuneration, please refer to Note 27(b) of Alterna Savings' 2024 audited financial statements.

ALTERNA SAVINGS BRANCHES

GTA

- Bay Street Community Banking and Wealth Advice Centre
- Bolton
- Bramalea Community Banking Centre
- Danforth
- Lakeshore
- North York
- Scarborough Community Banking Centre
- York

CENTRAL ONTARIO REGION (COR)

- Alcona
- Aurora
- Etobicoke
- Hamilton
- Markham
- Mississauga Wealth Advice Centre
- Shelburne
- Stouffville
- Stroud
- Tollendale
- Uxbridge

KINGSTON

- Kingston

NORTH BAY

- North Bay

NORTHERN ONTARIO

- Dryden
- Fort Frances
- Rainy River
- Thunder Bay

OTTAWA

- Bells Corners
- Billings Bridge
- Merivale
- Orleans
- Place de Ville
- St. Laurent
- Westboro Community Banking Centre

PEMBROKE

- Pembroke

PETERBOROUGH

- Peterborough

SOUTHERN ONTARIO

- Dutton
- Thamesville

QUINTE REGION

- Trenton
- Belleville
- Frankford

alterna
savings