

alterna  
savings



ANNUAL  
SUMMARY  
**2025**

Evolving with purpose.  
Serving with heart.

# REPORT FROM THE BOARD AND MANAGEMENT

As you read through Alterna's 2025 Annual Summary, we invite you to reflect on a year defined by purpose, progress, and people. Across our organization, one theme consistently rose to the surface: when we are clear about why we exist, and when we lead with care, we create meaningful impact for our members, employees, and the communities we serve.

In support of that, Alterna continued to evolve with purpose and serve with heart. We made thoughtful decisions, achieved important milestones, and delivered strong performance across our credit union.

## GROWING WITH PURPOSE

Last year we successfully completed our merger with Tandia Financial Credit Union, our ninth merger and largest to date. The merger brought together two values-driven organizations with a shared belief in cooperative banking. And it strengthened our ability to serve members through greater scale, capability and reach—today and into the future.

We also celebrated milestones that reminded us how far we've come and why our cooperative model matters. Our Community Microfinance Program celebrated its 25th anniversary, reflecting decades of commitment to financial inclusion and economic opportunity. Alterna Bank also marked 25 years of profitable, responsible innovation in Canadian banking, demonstrating that growth and values can go hand in hand. And, for the 10th year in a row, Alterna was recognized as a Top Employer in the National Capital Region, a testament to the culture our employees live every day.

Together, these moments tell the story of an organization that measures success not only by performance, but by impact.

## OUR PEOPLE MAKE A DIFFERENCE

Members regularly tell us that the relationships they build with our employees are what make their experiences with Alterna feel different. To help provide a work environment that our employees want to be part of, we continued to invest in them to help them learn, grow and achieve great things.

In addition, we refreshed our corporate values and more clearly defined the culture that guides our daily decisions. This work was grounded in a simple belief that when we support and empower our people, they are better able to support our members.

As a visible symbol of that commitment—we gave our employees a heart pin as a reminder of the care and responsibility we feel for our members, communities and each other. It is a simple thing that has sparked conversations, pride, and connection, reinforcing what it means to serve with heart.

## SUPPORTING LIFE'S IMPORTANT MOMENTS

Throughout the year, we focused on the moments that matter most in your life. Buying a home, planning for the future, and managing wealth are deeply personal experiences.

To better support you, we reimagined our mortgage application process, combining smart technology with trusted expertise.

The result is a faster, more seamless experience designed to reduce stress and provide clarity when you need it most.

We also continued to evolve our wealth management and estate planning offerings, recognizing that behind every plan is a family, a future, and goals that stretch across generations.

## BANKING THAT FITS YOUR LIFE

Additionally, we recognize that "how" you bank is changing. Flexibility, convenience, and security matter more than ever. Over the past year, we invested in both our physical and digital channels to ensure you can connect with us in ways that fit with your life.

We continued to modernize and expand our branch network by piloting new approaches to service and welcoming new communities through our merger. At the same time, we made significant enhancements to our digital platforms, recognizing that for the next generation of members, "banking on the go"

is not a preference, but an expectation.

## LIVING OUR COOPERATIVE PROMISE

Beyond that, we continued to make a meaningful difference through our Community Impact initiatives, supporting entrepreneurs, organizations, and individuals working to build stronger, more inclusive communities.

Through programs like our Community Microfinance and Business Accelerator Loans, we helped people turn ideas into livelihoods, create jobs, and foster economic resilience. These efforts are central to our purpose and true differentiators of the cooperative model.



## STRONG, STABLE, AND LOOKING AHEAD

Throughout a period of economic uncertainty and rapid change, Alterna remained strong, stable, and secure.

At the end of 2025, our consolidated balance sheet stood at \$9.3 billion in assets with \$13.4 billion in assets under management. The year-over-year growth in assets was \$1.3 billion or 15.6%. In addition, our combined members and customers have grown to over 230,000 within our consolidated financial group.

As we look ahead, we know the world is evolving quickly. New technologies, changing expectations, and shifting needs will continue

to shape the financial landscape. We are embracing this by investing in innovation, strengthening our foundation, and making deliberate choices that position Alterna for the future.

None of this is possible without you, our members. Thank you for your trust, your loyalty, and your belief in the cooperative way of banking. We will continue to evolve with purpose, serve with heart, and support you—every step of the way.



**Bianca Garofalo**  
Chair of the Board

**Rob Paterson**  
President & Chief Executive Officer

## OUR PURPOSE

WE HELP YOU FIND A PATH TO REALIZE YOUR DREAMS.

RESPECT AND CARE FOR OUR MEMBERS, COMMUNITIES, AND EACH OTHER.

FOLLOW THROUGH EVERY TIME.

RELENTLESSLY PURSUE EXCELLENCE.

## OUR VALUES

LEARN AS A TEAM. WIN AS A TEAM.



DO THE RIGHT THING.

## OUR MOTTO

WE CONNECT. WE LISTEN. WE ACT.

# 2025 ACHIEVEMENTS

## \$13.4 billion

ASSETS UNDER MANAGEMENT

## \$9.3 billion

CONSOLIDATED ASSETS

## \$21.6 million

NET INCOME AFTER TAXES

## 74%

OVERALL MEMBER SATISFACTION

## 82%

MEMBERS ARE HAPPY WITH OUR DIGITAL BANKING SERVICES



LAUNCHED ENHANCED DIGITAL ONBOARDING



SUCCESSFUL CLOSING OF MERGER WITH TANDIA FINANCIAL CREDIT UNION



LAUNCH OF MOBILE WALLET



ALTERNA SAVINGS MICROFINANCE CELEBRATING TWENTY-FIVE YEARS #ALTERNAMICRO25

25TH ANNIVERSARY OF THE COMMUNITY MICROFINANCE PROGRAM



NATIONAL CAPITAL REGION TOP EMPLOYER FOR 10TH YEAR IN A ROW



EXPANDED ALTERNA ESTATE STRATEGIES, PROVIDING SPECIALIZED ESTATE PLANNING & INTERGENERATIONAL WEALTH TRANSFER SOLUTIONS



ALL ALTERNA WEALTH ADVISORS ARE ACCREDITED WITH THE RESPONSIBLE INVESTING SPECIALIST (RIS) DESIGNATION



CELEBRATED 117 YEARS OF SERVING OUR MEMBERS AND COMMUNITIES



CELEBRATED ALTERNA BANK'S 25TH ANNIVERSARY

# 2025 HIGHLIGHTS

## A New Chapter, Stronger Together

In 2025, the members and shareholders of Alterna Savings and Tandia made a landmark decision, placing extraordinary trust in a shared vision for our future. With more than 95% approval from both memberships, this historic vote to merge was a powerful affirmation of the belief that we are stronger together.

This partnership brings together two credit unions with deep, long-standing roots in serving educators, public servants, and communities across Ontario. By combining Alterna's 117-year legacy with Tandia's 85-year commitment to member-focused financial services, we are creating a more resilient co-operative built on shared values, trusted relationships, and a commitment to doing what's right for our members.

With the merger legally completed on December 31, 2025, we begin 2026 as a unified organization serving more than 230,000 members across 47 branches throughout Ontario, with approximately \$13 billion in assets under administration. This enhanced scale strengthens our ability to reinvest in innovative services and

digital tools, ensuring we can continue delivering competitive offerings that help members achieve their financial goals, both today and into the future.

While the merger is legally complete, Alterna Savings and Tandia will continue to operate on separate banking systems for the time being. This approach ensures stability while our teams work thoughtfully to bring the two organizations together.

Our experience welcoming 8 credit unions over the past 10 years has prepared us for a smooth, well-supported transition. Throughout this process, our focus remains the same: providing the caring advice and personalized service members rely on, backed by expanded resources and greater access across the province.

Together, we are not simply a larger credit union — we are a stronger, better-positioned partner dedicated to creating more opportunities for our members and communities to thrive.



## Helping Members Feel at Home—Every Step of the Way

Homeownership is one of life's biggest milestones, and we continue to evolve and improve the mortgage experience to make it easier, faster, and more reassuring for members. In 2025, enhancements focused on reducing response times, simplifying renewals and refinances, and ensuring every step feels clear and consistent.



Mortgage Advisors are available across our branch network and virtually, working alongside branch teams to provide guidance that's personal and easy to access. Through in-branch conversations and informative webinars, members receive the support they need to make confident decisions.

Members who have their mortgage with us tend to stay with us, and that loyalty speaks volumes. Strategic enhancements to our overall credit program strengthened our process, helping us achieve an impressive 91% mortgage renewal retention rate last year. This outcome reflects the trust our members place in us and the strength of our approach.

Behind the scenes, smart technology and digital tools have streamlined approvals and renewals, making the process quicker and more consistent. But what truly sets us apart is the care in every interaction, because mortgages are not just about homes; they're about helping members feel secure and supported.

## Flexible Borrowing Solutions for Everyday Needs

Borrowing is an important tool that helps members move confidently towards their goals.

In 2025, Alterna continued to expand opportunities for members by making it easier to access credit that supports meaningful milestones, such as buying a first home, financing a vehicle, or investing in personal and business growth. When life brings unexpected challenges, that same flexibility helps members navigate temporary ups and downs with a sense of security.

Enhancements to our lending process created a smoother, more empowering borrowing experience. Updated decision-making tools and streamlined workflows enabled faster, more consistent outcomes, ensuring members could access the right products at the right time. These improvements supported a wide range of goals—from building long-term financial security to managing short-term needs without unnecessary delays.

Alongside this, lines of credit and overdraft protection offered everyday flexibility, while personal loans helped fund meaningful projects. Credit cards play a practical role in helping members manage daily purchases, travel, and business expenses, providing flexibility and convenience for a variety of financial needs.

These improvements reflect Alterna's commitment to providing clear, accessible borrowing solutions that help members achieve their financial goals.



## Comprehensive Advice for Life's Big Decisions

We continue to strengthen our commitment to supporting our members' financial well-being by enhancing the accessibility and depth of our wealth management experience. As our members' needs continued to evolve, we expanded our capabilities to provide thoughtful, personalized guidance for every stage of life.

Achieving your financial goals takes planning and expert advice.

alterna wealth



These services continued to serve as a trusted source of guidance for members at some of life's most defining moments, supporting thoughtful retirement planning, meaningful estate decisions, and the careful transfer of wealth across generations. Through this work, families were empowered to build enduring legacies, protect those they love, and carry forward their values with confidence and peace of mind for the future.

Members also continued to benefit from enhanced self-directed investing tools, including \$0 trading fees, which complement the personalized advice available through our team.

To meet growing demand, we grew our Wealth team in key markets across the National Capital Region and Greater Toronto Area. These additions strengthened our ability to meet members where they are—ensuring they have convenient access to advisors who understand their goals and life circumstances.

In 2025, our ongoing webinar series engaged nearly 1,400 members. Covering topics such as estate preparedness, market conditions, and investment strategies, these sessions provided practical insights that helped members build financial confidence and make informed decisions.

Behind the scenes, we focused on advisor development and enhancing our capabilities to ensure we can meet evolving member needs. Members were further supported through responsible investment options and a comprehensive suite of solutions tailored to promote their long-term financial well-being.

Together, these advancements demonstrate our dedication to delivering The Good in Banking® through comprehensive wealth advice, personalized attention, and financial strategies that grow and evolve with our members' lives.



## Supporting Businesses Across Diverse Industries

Businesses turn to Alterna for thoughtful guidance, responsive service, and financial solutions built around the realities of running and growing an enterprise. Our Commercial Financial Services teams support business banking with their deep expertise and genuine commitment to helping members succeed. In 2025, this work continued, strengthening both day-to-day service and longer-term support for business members across diverse sectors.

Alterna's Commercial Financial Services team provides a full suite of financing and operational solutions that help businesses and organizations move forward with clarity and confidence. Members rely on strategic lending options to support expansion, refinancing, or complex projects. Refinements to credit processes contributed to more consistent timelines and smoother decision-making, providing business members with clear, timely support that aligns with their evolving goals.

Support for entrepreneurs continues to grow through the Business Accelerator Loan Program, offered in partnership with the Business Development Bank of Canada. This program provides flexible term financing designed to help business owners strengthen cash flow and pursue growth, with a particular focus on supporting entrepreneurs from underserved communities.

Alterna's cannabis banking program enables it to be a trusted partner in a highly specialized industry. Organizations across the cannabis value chain, from retailers and producers to ancillary service providers, rely on Alterna for financial guidance and operational support. In 2025, the program welcomed new members and continued refining onboarding and due diligence practices, working closely with our branch teams to ensure a smooth experience in a sector where needs can be complex, and timelines are critical. Members benefit from secure payment solutions, cash management services, and relationship support rooted in experience and understanding of the industry's unique requirements.

Commercial Financial Services offers a broad range of business expertise to members. Whether supporting established companies, fast-growing enterprises, or businesses operating in emerging industries, Alterna offers financial solutions grounded in care, transparency, and a strong commitment to helping members thrive. This combined strength ensures that businesses of all kinds can build confidently today and prepare for the opportunities ahead.

# MEMBER SPOTLIGHT

Social Art Studio Space (S.A.S.S.) is a creative hub offering rental space, production facilities, and educational programming for artists, makers, and collaborative groups.

The studio features screen printing, ceramics, textile arts, music rehearsal and recording rooms, a movement studio, and a commercial kitchen, creating a fully equipped environment where, according to Rudy Ruttimann, Founding Director FLIP, Transitions Consultant for S.A.S.S., "creativity is nurtured, and all art forms are valued."



Left to right: Kleo Ali – Program and Production Manager, S.A.S.S., Jane Doe Smith – Studio Manager, S.A.S.S.

Expertise from the team was key to moving the project forward. "The guidance and support we've received has been instrumental to our success," Ruttimann noted. "The Alterna team hasn't just provided financial support; they've been true partners in problem-solving, offering creative thinking and practical solutions when we've encountered obstacles. Their hands-on approach and deep understanding of both business fundamentals and community impact have helped us navigate complex decisions with confidence."

Today, S.A.S.S. is a thriving centre for creative entrepreneurship and community programming. Reflecting on the partnership, Ruttimann added: "If you're looking for a financial institution that combines professional expertise with genuine community investment, that's willing to problem-solve rather than simply say no, and that believes in supporting ventures that strengthen neighbourhoods and bring people together, Alterna is the partner you need."

This collaboration demonstrates the strength of Alterna's relationship-focused approach to business banking, providing the strategic support and guidance entrepreneurs need to build sustainably and succeed.



Rudy Ruttimann, Founding Director FLIP, Transitions Consultant for S.A.S.S.

Transforming this large industrial space into a functioning creative centre required a financial partner capable of navigating complexities. As Ruttimann shared, "Alterna Savings has played a pivotal role in supporting the transformation of a 7,200+ square foot facility into S.A.S.S., a thriving multi-purpose creative hub." Alterna's Commercial financial services team worked closely with S.A.S.S. to provide financing solutions and strategic guidance that supported both immediate redevelopment needs and long-term operational goals.

# DIGITAL CHANNELS

## Banking that Fits Our Members' Lives

In 2025, we enhanced our members' banking experience with a focus on security and convenience through upgrades that safeguard accounts, ensure reliable access and enhancing features members use most - supporting everyday financial needs.

## Mobile Wallet: Contactless Convenience

Alterna members can now add their debit card to Apple Pay, Google Pay, or Samsung Pay, enabling secure, efficient payments directly from their smartphones or smartwatches.

This new feature enables convenient, reliable contactless transactions while consolidating payment methods into a single location. Banking services designed to adapt to the evolving needs of our members.

## Digital Account Opening: Simple, Seamless and Secure

Last year, we enhanced our digital account opening experience, enabling new members to join in under 10 minutes from any device, wherever they are. The process now includes advanced security protections and verification procedures, with multiple secure checks to ensure fast, easy onboarding. This improved digital banking solution demonstrates The Good in Banking®—it is simple, secure, and thoughtfully designed to make joining Alterna efficient and safe for new members.



## Keeping Our Members Safe: Security that Works Around the Clock

Member security is a top priority for us, and in 2025, we strengthened our defences against both cyber threats and everyday scams targeting our members. From advanced technology to helping members recognize and avoid fraud, we're committed to protecting their financial well-being and peace of mind.

We've enhanced our security infrastructure with innovative tools that quickly and accurately identify and prevent threats. These upgrades include monitoring systems and automated alerts, all operating seamlessly to protect member data and reinforce our overall security posture.

To protect members from fraud, we use advanced technology, educational tools and the expertise of our teams to quickly detect and respond to suspicious activity. We keep information simple and easy to understand, and our support staff is always ready to help. If something does not look right, members are encouraged to contact us right away. Security is an ongoing commitment and as new threats emerge, we continue to evolve our approach to help keep members' banking safe and secure.

These improvements aren't just about technology; they're about giving our members banking that anticipates their needs and fits naturally into their lives. Whether members are making a quick payment, checking their balance, or joining our credit union, every interaction should feel effortless and secure.

Because that's what The Good in Banking® looks like: financial services that work the way our members do.

# ENSURING STABILITY THROUGH STRONG GOVERNANCE

Trust remains central to how we serve members and operate as a financial co-operative. Alterna is committed to being a stable, responsible partner, with a responsible operations approach grounded in integrity and sound decision-making. Ongoing assessments of third-party partners ensure they meet our standards for security, reliability, and quality, supporting a strong financial foundation with member needs at the forefront.

As the financial sector evolves, we continue to update policies and internal processes to strengthen consumer fairness, privacy, transparency, and operational resilience—adapting to rising expectations while reinforcing member trust. Reliable service remains essential, supported by advances in risk management, structured oversight, and preparedness. Guided by a commitment to care and integrity, Alterna promotes strong governance, enhances safeguards, and upholds practices that protect members, acting with integrity, supporting stable operations, and contributing to the well-being of the communities we serve.

# OUR SOCIAL MEDIA PRESENCE CONTINUES TO GROW

Our social media channels continue to expand through relevant, engaging content that helps members access financial tips, community stories, and expert advice. Our focus on financial education, community and member spotlights, and showcasing the value of Alterna's services helped strengthen member connection across every platform.

This year, we used our channels to highlight the 25th anniversary of our Community Microfinance Program and amplify the work of partners and changemakers that are driving real progress in areas like affordability, inclusion, and local economic resilience. These stories invited meaningful conversations and reflected our commitment to supporting vibrant, thriving communities.

We also created space for forward-looking discussions, including insights shared during Small Business Month on emerging technologies and the evolving needs of entrepreneurs. Across all channels, our goal remained the same: to provide members with accessible financial knowledge and a deeper connection to the issues shaping their financial lives today and into the future.

**Small Business Month 2025:  
How AI is Leveling the Playing Field**

[Read our blog](#) 



# TRANSFORMING MEMBER CONNECTIONS

## A Smoother Contact Centre Experience

We know our members' time is valuable, and when they need to reach us, those interactions should be smooth, efficient, and personal. That's why in 2025 we completely reimagined how members connect with us through our Contact Centre.

We upgraded to a unified experience powered by Genesys Cloud CX. This transformation means every interaction—whether members call, email, or chat—now lives in a single, seamless record, giving our team a complete picture of their needs and enabling faster, more personalized service.

## The Improvements Our Members are Experiencing

**Flexible phone navigation:** Members can now choose to speak their menu choices or use traditional button presses, making calls more natural and intuitive.

**Connected conversations:** Our system remembers previous interactions across all

channels. When a member starts with an email and follows up with a call, our team has the full context to provide seamless service.

**Consistent care:** Whether members call, email, or chat with us, they receive the same level of personalized attention and efficiency from our team.

Last year, we consolidated five systems into a single integrated platform, reducing complexity and improving reliability. The result is banking interactions that feel effortless and conversations that feel genuinely connected to each member's unique needs.

This transformation also creates a foundation for future enhancements, including advanced tools that will help us provide even more personalized service.

This upgrade represents our commitment to making every interaction welcoming and smooth. It reinforces our belief that banking should be simple and personal, and every conversation should reflect why members choose a credit union that puts them first.



# HAND IN HAND: 25 YEARS OF LIFTING COMMUNITIES



**ALTERNA SAVINGS  
MICROFINANCE  
CELEBRATING  
TWENTY-FIVE YEARS  
#ALTERNAMICRO25**

For 25 years, our award-winning Community Microfinance Program has opened doors for underserved individuals, entrepreneurs, and organizations, offering access to capital and affordable financial solutions.

Through more than 1,500 impact loans, we've invested over \$10 million to help address socioeconomic inequity and create pathways to financial independence.

These investments have launched businesses, stabilized incomes, and created new opportunities. Independent evaluation shows that each dollar loaned generates approximately \$4.37 in social and economic value, reinforcing the powerful role financial inclusion plays in community well-being.

At the heart is a commitment to relationships. As Jean Barrett, Manager of the Community Microfinance Program, explains, "The foundation of our program is not built on transactions, but on relationships and trust." These trusted relationships have supported countless entrepreneurs on their journey to building sustainable livelihoods.

Our impact is strengthened through partnerships with Community Loan Funds, academic institutions, and national organizations.

Collaborative initiatives, like the Joint Loan Program with the BDC, support underrepresented entrepreneurs and help ensure that financial inclusion remains accessible and rooted in community.

We marked 25 years of impact with a special event at our Bloor Street office, the launch of our anniversary book "Hand in Hand: 25 Years of Lifting Communities", and the creation of a short video titled "Alterna Savings: 25 Years of Microfinance". These initiatives highlighted the stories, partnerships, journeys, and progress that have defined our program.

Our impact report, "Why Microfinance Matters: The Alterna Story," further illustrates the program's reach. The analysis shows that 56% of loans were granted to women entrepreneurs (triple the national average) and 85% supported Black, Indigenous and People of Colour (BIPOC) entrepreneurs, underscoring the program's role in building a more inclusive financial ecosystem.

You can access our Summary Report for key highlights, or request the Complete Version for in-depth insights, success stories, and our vision for advancing inclusive financial systems across Canada.

## HERE'S TO 25 YEARS OF BREAKING BARRIERS AND THE MANY MORE MILESTONES AHEAD. SMALL LOANS. BIG DREAMS. LIVES TRANSFORMED.

Our approach remains intentional: we listen to communities, identify real needs, and build solutions that fill gaps traditional banking has long left unaddressed. The program is more than lending, it is a commitment to walking alongside people who are building a stronger and more inclusive future.



Alterna Savings Community Team



Ann-Marie McGregor from MC Food Shoppe



Microfinance 25th Anniversary Booklet



Microfinance 25th Anniversary Celebration

## MEMBER SPOTLIGHTS

### SALON MY PLACE

When Allison McKinley, the founder of Salon My Place, was told she needed a male co-signer for her first business loan—despite her strong credit—she refused to be underestimated. She sought a financial partner who believed in her vision. That's when she came to Alterna.

In 2016, a microfinance loan empowered her to make a pivotal leap: investing in the premium, sustainable Davines brand. That single decision created a powerful ripple effect. It attracted top talent, including Lisa Emerson, a stylist who shared her values and would eventually become her business partner.

Together, they have expanded into a larger space, growing their team and their impact on the local economy. From being undervalued to building a thriving, community-focused business, this is a powerful story of what's possible when the right partnership opens the door to new opportunities.



### SWEETWELLS BEAUTY SUPPLIES

Joy and Ernest's journey began with an unexpected detour. While Joy was pursuing her PhD, Ernest's keen eye saw a promising business in the beauty supply shop where she worked. They seized the opportunity to buy it, only to walk into a devastating reality: the shelves were completely bare.

With a lease in hand but no product, they faced a critical moment. Turned away by major banks, a recommendation from their church community led them to Alterna. Here, they found a different kind of partner. Alterna helped them secure a \$10,000 community loan to cover their lease and stock their shelves for opening.

That first loan was the beginning of a deep partnership, one that provided ongoing guidance, networking, and encouragement as they navigated the tough early years.



Fueled by immense grit, their resilience even turned the pandemic into an opportunity, as they launched a local delivery service that grew their business.

As Ernest says, "When your back is to the wall, you can only go forward." We are honoured to have been a partner in their growth.

### MC'S FOOD SHOPPE

When the world paused, Ann-Marie, a natural connector, found a new way to bring people together: through the vibrant flavours of her homemade Jamaican sauces. She gracefully pivoted to create MC's Food Shoppe but needed a partner to help her vision flourish.

Through the Black Entrepreneurship Loan Fund, we had the privilege of connecting with her. For Ann-Marie, it felt different, like "human beings helping another human to achieve her goals." This is the essence of our hand in hand approach.

That partnership fueled a complete brand transformation—from a dedicated kitchen and sleek new packaging to a professional website. Now, Ann-Marie is building her online store into a curated marketplace to feature and uplift other Canadian food artisans.

She is turning her own success into a catalyst for community growth—a powerful example of what it means to build a future together.



### YOUR BIG VENTURE

In 1999, facing job loss and personal upheaval, David Cohen chose to build a new beginning. He decided to turn his passion for personal development into a business, but he knew he couldn't walk the path alone. He needed a partner to share the journey with. He found that partner in Alterna.

Our journey together began with a \$2,500 micro-loan that helped open the doors to Your Big Venture. Over two decades, what started as a financial relationship has grown into a true partnership, built on collaboration at community events and a shared commitment to excellence.

Today, David is a celebrated coach and speaker. His advice reflects his own resilience: "Just keep going. Don't let failure determine who you are. Who are you going to be when you face challenging times?"

David's success is a testament to his perseverance, and we are proud to have walked this path with him, hand in hand.



# STRENGTHENING SECTORS: ALTERNA'S AFFORDABLE HOUSING COMMITMENT

Affordable and co-operative housing is a vital element in creating resilient, inclusive communities. In 2026, Alterna's Community Impact programs mark another significant milestone, following the 25th anniversary of the Community Microfinance program in 2025.

This year, we recognize 30 years of supporting affordable housing through the Co-operative Housing Investment Pool (CHIP). For three decades, we've partnered with housing federations and community leaders to create financial solutions that enhance accessible housing. Our Community Financial Resiliency Program continues this work by strengthening the economic health of nonprofit, charitable, co-operative, and affordable housing sectors.



Fahima Karim, Alterna Savings, Susan Henry, Alterna Savings and Tom Clement, Executive Director, CHFT, at the Kennedy Green Co-op groundbreaking ceremony.

Since its launch CHIP has contributed more than \$4.8 million to the affordable housing sector, directly benefiting communities across Ontario. In 2025, we expanded our support by introducing specialized banking packages for co-operative housing residents. Designed specifically for individuals living in co-op and nonprofit housing, these packages provide personalized advice and banking solutions that reflect co-operative values and help residents build financial confidence.

Our work continues through strategic partnerships, including collaborative banking initiatives with the Co-operative Housing Federation of Toronto, supporting 51,000 housing units across the region. A recent example is a \$150,000 predevelopment grant for Kennedy Green, which ensured the project could move forward without delay.

Together, these efforts demonstrate our deep and ongoing commitment to expanding access to safe, secure, and affordable housing. We remain dedicated to empowering sector partners with affordable financial products, expert guidance, and educational resources that help build stronger, more inclusive communities across Ontario.

## \$35,000 INVESTED TO BOOST FINANCIAL INCLUSION ACROSS UNDERSERVED COMMUNITIES

Each year, Alterna supports underserved communities across Ontario by investing in local organizations dedicated to financial empowerment. In 2025, we continued this commitment by allocating \$35,000 towards initiatives that strengthen financial stability and inclusion. These investments drive meaningful, lasting improvements in people's lives and reflect our dedication to advancing economic equity.

Since the launch of our granting programs in 2014, Alterna has distributed \$484,475 to community-focused organizations, putting us on track to surpass \$500,000 in total grants in 2026. This milestone highlights the sustained impact of our support and our long-standing partnership with organizations creating change in their communities.

In 2025, two organizations were awarded \$10,000 each through the Financial Inclusion Granting Program, which supports innovative projects that address financial inclusion challenges and require financial education as a core component:



The Co-operative Housing Association of Eastern Ontario (CHASEO) received funding for its Newcomer Financial Empowerment Program, which will help new Canadians gain access to financial tools and guidance. As Executive Director Jovette Fournier shared, "The Financial Inclusion Granting Program will significantly strengthen our capacity to serve underserved community members... and create more equitable opportunities for individuals and families striving for financial stability."



The Tune In Foundation was recognized for its Make Money Moves Youth Financial Literacy Program, which provides culturally relevant financial education for young people. Founder and Executive Director Dejehan Hamilton emphasized the significance of this support: "This investment allows Tune In Foundation to reach more underserved youth with practical money skills... and create consistent, culturally relevant learning experiences that empower young people to make confident financial decisions for themselves and their families."

Additionally, 15 organizations were awarded Community Grants aimed at strengthening local projects, where small, focused investments can create meaningful change. These grants support initiatives such as affordable and co-operative housing, diversity, equity, and inclusion, and efforts to promote environmental sustainability and address food insecurity.

Reflecting on this work, our President and CEO, Rob Paterson, shared: "When we invest in our communities' financial well-being, we're all stronger together. These grants represent more than funding; they're partnerships that help build the financial resilience our members and neighbours need to thrive."

Together, these granting programs remain a cornerstone of Alterna's community impact commitment. By partnering with organizations dedicated to financial education and inclusion, we help create opportunities for individuals and families to build brighter financial futures.

## 2025 COMMUNITY GRANTING PROGRAM RECIPIENTS



Interval House of Ottawa



Kawartha World Issues Centre



Network for Teaching Entrepreneurship



Youth Services Bureau of Ottawa Charitable Foundation



Lotus Centre for Music Education



Peterborough Action for Tiny Homes



Thurlstone Co-operative Inc



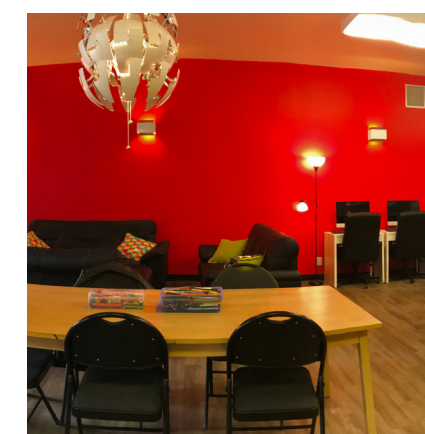
Westdale Cinema Group



Neighbourhood Information Post



Story Planet



Uxbridge Youth Centre



Vision of Hope Resource Centre



Oasis Lending Group



The Door La Porte



Trent Vegetable Gardens

“When we invest in our communities' financial well-being, we're all stronger together.”

- Rob Paterson, President and CEO, Alterna Savings

# FINANCIAL EMPOWERMENT THROUGH COMMUNITY FINANCIAL EDUCATION

Our Community Financial Education Program is the thread that connects all of Alterna's community impact initiatives. The program delivers tailored financial education workshops, tools, and resources that support the unique needs of the individuals, organizations, and communities we serve.

In 2025, our team participated in nearly 100 community engagements across the communities we live in and support. From sharing expertise on sector panels to attending trade shows and events, we continued our work to advance financial health and well-being for members and communities alike.

This year also marked the launch of our Match Savings Initiative in partnership with Abigail's Learning Centre in Belleville. The pilot initiative supports and empowers women and families, pairing savings contributions with financial education modules that build confidence and resilience.

In its first year, participants saved an average of \$252, with one participant saving more than \$700—demonstrating the transformative impact of small, supported steps toward financial stability.

"It's been an honour to witness the impact of the Alterna Match Savings Initiative. Seeing participants grow in confidence around personal finances—how they talk about money, manage it, and believe in their ability to save—has been incredibly rewarding. I look forward to continuing this program and watching its positive impact ripple throughout our community."

- Jen Sevigny  
F.A.C.E. Program Manager, Abigail's Learning Centre

This initiative reflects Alterna's commitment to empowering communities through practical, accessible financial education. By listening closely to community needs and designing programs that remove barriers, we continue to create opportunities for learning, growth, and long-term financial well-being.

Join us on June 4th, 2025, 12:00 – 1:00 pm for an informative workshop:

**Understanding Financial Statements for Non-Financial Nonprofit Directors**

Presented by the Chartered Professional Accountants of Canada



Register Here



# CORPORATE SPONSORSHIPS AND DONATIONS

For Alterna, being a good neighbour means more than offering comprehensive financial services; it means rolling up our sleeves to strengthen the communities where our members and staff, work, and dream. 2025 was another year where we put our values into action, supporting initiatives that make a real difference in people's lives.

## ENACTUS CANADA

Our partnership with Enactus Canada, as their Project Accelerator sponsor, continues to be one of our most inspiring community investments. We're not just funding student projects—we're helping shape the next generation of social entrepreneurs who see challenges as opportunities to create positive change.

Our 2025 Alterna Savings SDG Project Accelerator supported six Ontario-based Enactus teams with funding to tackle real-world problems through innovative social enterprises. The results were remarkable: student-led initiatives directly impacted the lives of over 3,000 people and advanced 12 of the United Nations' Sustainable Development Goals.

But our commitment goes beyond funding. Eighteen Alterna Savings representatives, including members of our senior leadership team, volunteered as judges across all rounds of the regional competitions. This hands-on involvement allowed our team to witness firsthand the incredible innovation and passion these young entrepreneurs bring to solving real-world challenges.

The standout winner of our Best Project Award was Kuponya Innovations from Enactus Wilfrid Laurier University. Their ingenious "house-in-a-box" solution doesn't just address the housing shortage in Northern Indigenous communities—it creates local employment opportunities while tackling seven critical global challenges.



## RONALD MCDONALD HOUSE SOUTH CENTRAL ONTARIO

Tandia Financial, a division of Alterna Savings, is proud to support Ronald McDonald House South Central Ontario (RMHSCO) in Hamilton. This organization provides a warm, supportive “home away from home” for families whose children receive care at McMaster Children’s Hospital. This year, our commitment took shape through both meaningful financial support and hands-on volunteerism that directly touched the lives of families navigating some of their most challenging moments.

We were honoured to contribute \$10,000 toward the creation of a new children’s playroom, a space designed to bring comfort, distraction, and joy to young guests during their stay. Alongside this investment, the Tandia team participated in multiple “Mission Experience” volunteer days, preparing meals for families. These shared experiences created moments of warmth and connection, reinforcing our belief in the power of community care.



Left to Right: Rob Paterson, President and CEO, Alterna Savings, Megan Henshaw, Partnerships & Engagement Officer, Ronald McDonald House Charities South Central Ontario, Rachel Osborne, VP Marketing and Communications, Alterna Savings.



Vanessa Kaspar, Branch Manager and Natasha Zeleny, Director, Northwest Branches

## WOMEN IN ACTION AND THUNDER BAY REGIONAL HEALTH SCIENCES CENTRE FOUNDATION

In Northwestern Ontario, we're proud to serve members and communities through our branches in Thunder Bay, Dryden, Rainy River, and Fort Frances. That's why we chose to partner with Women in Action and the Thunder Bay Regional Health Sciences Centre Foundation through our largest community investment in Northern Ontario to date.

Women in Action is a dynamic group formed in 2016 with over 100 members who are committed to improving healthcare at Thunder Bay Regional Hospital. Since its inception, the organization has raised over \$230,000 dedicated to Emergency Department enhancements benefiting approximately 300,000 residents throughout Northwestern Ontario.

Alterna's support extends well beyond just

providing sponsorship—we get involved. Throughout 2025, our team members participated in multiple Foundation events, from Zumba in the Park to the Motorcycle Ride for Dad. During the holiday season, you could spot us volunteering at the Thunder Bay Hospital 50/50 store inside Intercity Shopping Centre, bringing enthusiasm and positivity.

“Supporting healthcare in Northern Ontario is so important to us,” reflects Natasha Zeleny, Regional Director for Alterna Savings. “Our teams don't just work in these communities; we're members of these communities. We live here, our families are here, and when we sponsor events or volunteer at community fundraisers, that support cascades into all the communities we serve across the North. It's how we live out The Good in Banking® every day.”

## OTTAWA SYMPHONY ORCHESTRA

A vibrant cultural life is the heartbeat of a connected community, which is why our partnership with the Ottawa Symphony Orchestra as their Presenting Sponsor is so vital. Music has this incredible ability to bring people together, creating shared experiences that lift spirits and strengthen bonds.

Throughout the 2024-2025 season, we were proud to support their beautiful performances that enrich Ottawa's cultural landscape and bring our community together through the universal language of music.



## STRIVE FOR SUCCESS

Tandia's Strive for Success program champions educators who are creating meaningful, hands-on learning opportunities for students across Hamilton, Halton, Brant, Haldimand-Norfolk, and the Toronto Catholic District School Board. Through this annual initiative, ten \$1,000 grants are awarded to help enhance or launch classroom programs that spark curiosity, build confidence, and strengthen school communities.

This year, the program supported a wide range of creative, impactful initiatives—from technology-enabled learning to wellness-focused projects—

each demonstrating how meaningful change can begin with dedicated educators and a modest investment. Together, these programs enrich classroom environments and help students thrive.

"The passion educators bring to these projects shows just how transformative community support can be. Every grant helps open new doors for students, and that's the heart of Strive for Success."

- Kathy Clark  
Chief Operating Officer, Tandia Financial



## FOOD4KIDS

For the past decade, Tandia has maintained ongoing support for Food4Kids, a weekend nutrition program focused on eliminating child hunger within our community. Recognizing the critical role nutrition plays in educational outcomes, our contributions to Food4Kids aim to assist vulnerable children and promote academic success. In addition to financial support, we are committed to active involvement through volunteer efforts, including preparing nutritious food packages for students in need.

## ONTARIO CREDIT UNION FOUNDATION GOLF TOURNAMENT

Our support for the Ontario Credit Union Foundation Golf Tournament reflects our commitment to the co-operative movement that defines who we are. The funds raised help provide crucial bursaries to students, including our own members, who demonstrate both academic promise and community involvement.

In 2025, this tournament raised \$78,000 for student bursaries, directly supporting the educational dreams of young people from credit union member families across Ontario. When we invest in these bright young leaders, we're investing in the future of our communities and the co-operative values that strengthen them.

## DIRECTORS' FORUM CONFERENCE

Strong governance is the foundation of the co-operative movement we're proud to be part of. We were proud to serve as the Diamond Sponsor for the 2025 Directors' Forum Conference. This cornerstone event brings together credit union leaders from across Ontario for professional development and collaborative learning. It welcomes over 120 directors each year, creating valuable opportunities for knowledge sharing and network building within the co-operative financial sector.



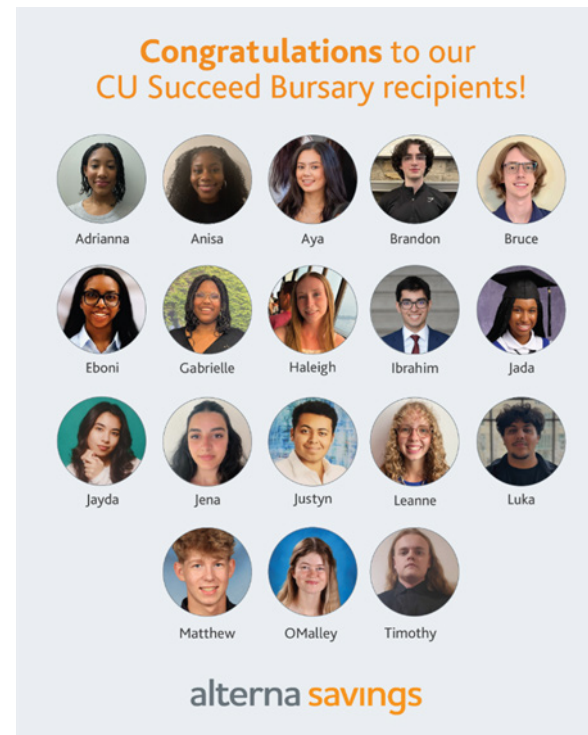
# SCHOLARSHIPS AND BURSARIES

## CU SUCCEED YOUTH BURSARY - ONTARIO CREDIT UNION FOUNDATION

By partnering with the Ontario Credit Union Foundation, we help make post-secondary education more accessible for Ontario students aged 25 and under through the CU Succeed Youth Bursary program. These bursaries, ranging from \$1,000 to \$3,000, go to students who demonstrate financial need and strong community engagement.

In 2025, 18 young Alterna members received bursaries totalling \$23,500.

Congratulations to all recipients, bright young leaders pursuing their dreams while making a difference in their communities.



## TORONTO METROPOLITAN UNIVERSITY - ALTERNA PRIZE FOR WOMEN SOCIAL CHANGE LEADERS

The Alterna Prize for Women Social Change Leaders at Toronto Metropolitan University recognizes women who are passionate about solving social problems and creating positive change. Since 2018, this annual award has supported women who demonstrate vision, creativity, and determination in addressing challenges facing their communities.

We're proud to recognize Afifa and Naomi as the 2025 recipients of this prestigious award. These exceptional student leaders are driving meaningful change within the TMU community, blending academic excellence with a deep commitment to social impact.

"Your support is not only helping me achieve my educational goals but is also enabling me to make a meaningful impact in the field of mental health, helping others find the support they need," shared Afifa.

Naomi reflected on the practical impact: "This award is not only an encouragement, but a significant support as it will allow me to focus on my studies without worrying about my tuition."



Congratulations to Afifa and Naomi—two remarkable women whose leadership is already shaping a better future for their communities.

## CONGRATS!

Awarded the Alterna Savings Scholarship

"This scholarship has provided me with more flexibility to explore my career options while also contributing to social impact initiatives that I care about."

Tharindi Nadugala



## CARLETON UNIVERSITY - SPROTT STUDENT SCHOLARSHIP

Our scholarship program at Carleton University's Sprott School of Business continues to support outstanding students through annual scholarships.

We're proud to celebrate Tharindi Nadugala, this year's Alterna Savings Scholarship recipient. Her story perfectly captures why these scholarships matter so much to us.

"I am incredibly grateful to Alterna for this scholarship," Tharindi shared. "As someone who is passionate about learning and pursuing higher education down the road, this scholarship has provided me with more flexibility to explore my career options while also contributing to social impact initiatives that I care about."

## CO-OPERATIVE HOUSING FEDERATION DIVERSITY SCHOLARSHIP

In partnership with The Co-operative Housing Federation of Toronto (CHFT), we award Penny Bethke Scholarships annually to young community leaders in co-operatives who are already strengthening their communities while pursuing their post-secondary studies.

Created in 2012 as part of the CHFT Diversity

Scholarship Program, these scholarships help alleviate financial burdens while encouraging students to continue making a positive impact close to home. Since the program's inception, over 490 recipients have benefited from this support.

In 2025, we were proud to support four outstanding young leaders who embody the co-operative spirit—balancing their studies with meaningful contributions to their communities and demonstrating the values that make co-operative living so vital.

# AWARDS

## ANSER DISTINGUISHED SERVICE AWARD

We were proud to celebrate our Director of Community Impact & Financial Inclusion, Susan Henry, who received the Distinguished Service Award from the Association for Nonprofit and Social Economy Research (ANSER). This honour recognizes more than two decades of outstanding contributions to Canada's nonprofit and social economy sector. Through leadership, program development, and practical innovation in areas such as microfinance, social finance, and nonprofit development, Susan has helped advance real-world solutions that strengthen organizations and communities across the country. Her work continues to shape Canada's social economy landscape and reflects our deep commitment to financial inclusion and community impact.



Susan Henry, Director of Community Impact and Financial Inclusion receives ANSER Distinguished Service Award

## NATIONAL CAPITAL REGION'S TOP EMPLOYERS

The National Capital Region's (NCR) Top Employers is an annual competition organized by the editors of Canada's Top 100 Employers, highlighting workplaces that foster meaningful employee experience across the region.

We are proud to be recognized once again as one of the National Capital Region's Top Employers, marking our 10th consecutive year as a top place to work in the NCR. This continued recognition reflects our commitment to creating a workplace where people genuinely want to build their careers—one that supports our employees as they support our members, our communities, and one another.



# COMMUNITY EVENTS

## Coldest Night of the Year



Bolton



Pembroke



Lakeshore, Etobicoke, Mississauga



North Bay



Place de Ville, Ottawa Corporate Office, Merivale

### Food Drive



Vaughan



Trenton



Uxbridge – Fall Fair



Orléans



Hamilton – Surprise and Delight



Bolton – Caledon Day



Stouffville – Farmer's Market



Bay – CMCP Annual Big Toddle Fundraiser



Lakeshore – Grilled Cheese Challenge



Pembroke – Heroes Run for Healthcare



Westboro – Wickedly Westboro



Peterborough – Cuddles for Cancer



Thamesville – Christmas Parade



Dryden – Fall Fest

## TEAM ALTERNA

Team Alterna is made up of dedicated employees who take pride in supporting members and strengthening the communities we serve. In 2025, our teams attended more than 100 community events across Ontario, building meaningful connections with members, partners, and local organizations. We also expanded our educational reach through a growing series of webinars and seminars that offered diverse perspectives and practical financial guidance.

Inside the organization, we celebrate the people who help shape our culture. The Great Canadian Backpack Tour invited Alterna team members to share photos from their travels across Canada, showcasing iconic landscapes, local experiences, and moments of pride from coast to coast. By connecting colleagues across regions through a shared celebration of our country, the initiative strengthened our sense of belonging and purpose. Together, these efforts reflect a team committed to delivering positive experiences, supporting our communities, and helping members thrive.

## GREAT CANADIAN BACKPACK TOUR



# TANDIA COMMUNITY EVENTS



Hamilton - Smile Cookie Decorating



Hamilton - Food Packing at Food4Kids



Hamilton - Food Packing at Food4Kids



Burlington - Reach Out Centre for Kids (ROCK)



Milton - The Darling Home for Kids Holiday Party

# TEAM TANDIA

At Tandia, we take pride in giving back generously to our community – and we do so in a variety of ways. From rolling up our sleeves to assist with student nutrition programs to presenting financial literacy seminars, we believe in supporting local initiatives throughout the neighbourhoods we call home. A cause particularly close to our hearts is supporting youth in our communities to reach their full potential. Through charitable giving, volunteerism, clothing drives and other forms of support, we aim to help more young people receive what they need to grow and thrive. Our employees are committed to making a positive social, economic and environmental impact in the places we live and work and, together, we know we are making a difference.



Hamilton - Food4Kids



Hamilton - Food Packing at Food4Kids



Milton - Strawberry Fair



Burlington and Hamilton - Business After 5



## 2025 EMPLOYEE SERVICE MILESTONES

### 45 YEARS

Clelia Spina  
Lonni Hall

### 35 YEARS

Barbra Mason  
Hima Desai  
Jean Barrett  
Krista Savinac  
Theresa Spears  
Velma Jagroop

### 30 YEARS

Hilda Tsang  
Isabel Anderson

### 25 YEARS

Ann Marie Grandbois  
Jacqueline Greenslade  
Karyn Smith  
Ola Lukaczyn  
Susan Henry

### 20 YEARS

Binita Dobriyal  
Caitie Harrison  
Cheryl Williams  
Constance Sithole  
Helene Blanchard  
John Schwarz  
Nadia Zioldo  
Shannah Matthey

## 2025 EMPLOYEE RETIREMENTS

### Alterna

Carolynne Cornwell  
Domenica Savosardaro  
Frugina Ball  
Jessie Rai  
Jason Gregoire  
Joe Camasta  
José Gallant  
Joseph Bell  
Julia Battaglia  
Kasturi Ghoshal  
Kim Chow

Laurie Golden  
Mark Beaudoin  
Michael Davies  
Michael Doyle  
Paul Chartrand  
Suzette Heber

### Tandia

Elena Joliffe  
Lisa Flannigan  
Marianne Patzalek

# BOARD OF DIRECTORS



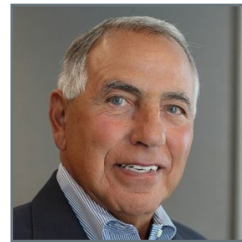
**Bianca Garofalo**  
Chair of the Board

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 of the Board



**Norm Ayoub**  
Director



**Faren Bogach**  
Director



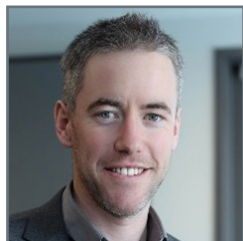
**Earl Campbell**  
Director, Chair of Nominating Committee



**Dr. Ken Chan**  
Director



**Marilyn Conway Jones**  
Director



**Andy Cragg**  
Director



**Lawrence D'Souza**  
Director



**Richard Neville**  
Director, Chair of Risk, Audit and Finance Committee



**Mario Paron**  
Director

## RISK, AUDIT & FINANCE COMMITTEE

**Richard Neville**  
Chair

**Marianne Johnson**  
Vice-Chair

**Faren Bogach**  
Director

**Earl Campbell**  
Director

**Marilyn Conway Jones**  
Director

**Lawrence D'Souza**  
Director

**Bianca Garofalo**  
Ex-Officio

## GOVERNANCE COMMITTEE

**Bianca Garofalo**  
Chair

**Marianne Johnson**  
Vice-Chair

**Norm Ayoub**  
Director, Alterna Bank representative

**Ken Chan**  
Director

**Andy Cragg**  
Director

**Richard Neville**  
Director

## NOMINATING COMMITTEE

**Earl Campbell**  
Chair

**Marilyn Conway Jones**  
Vice-Chair

**Ken Chan**  
Director

**Lawrence D'Souza**  
Director

**Marianne Johnson**  
Director

**Richard Neville**  
Director

# EXECUTIVE LEADERSHIP



**Rob Paterson**

President & Chief Executive Officer



**Bill Boni**

Executive Vice President & Chief Financial Officer



**David Mancini**

Chief Technology and Digital Officer



**Sandy Stephen**

Chief Risk and Compliance Officer



**Brian Lawson**

Chief Lending Officer



**Shawn Khimji**

Chief Retail Experience Officer



**Kathy Clark**

Chief Operating Officer, Tandia Financial



**Ben Choi**

Chief Product, Marketing and Strategy Officer

# FINANCIALS

## 1. Financial Overview

### a. Highlights

- Income:
  - Net income after provision for income taxes for the year ended December 31, 2025, was \$21.6 million, \$11.6 million higher than the year ended December 31, 2024.
  - Alterna Savings paid \$4.8 million in dividends in 2025, compared to \$5.8 million in 2024.
  - Net interest income for the year ended December 31, 2025, was \$122.1 million compared to \$107.7 million for the year ended December 31, 2024.
  - Loan costs for the year ended December 31, 2025, were \$2.3 million compared to loan costs of \$0.7 million for the year ended December 31, 2024.
  - Other income for the year ended December 31, 2025, was \$41.3 million compared to \$33.4 million for the year ended December 31, 2024.
  - Operating expenses for the year ended December 31, 2025, were \$134.9 million compared to \$128.1 million for the year ended December 31, 2024.
- Balance Sheet:
  - Member loans increased to \$8.3 billion, up 17.7% from \$7.0 billion in 2024.
  - Member deposits increased to \$6.7 billion, up 17.6% from \$5.7 billion in 2024.
  - Assets under management, which includes on balance sheet assets, off balance sheet loans and wealth management assets, grew by 16.1% and ended the year at \$13.4 billion.
- Capital:
  - The leverage capital ratio was 5.3% as at December 31, 2025, compared with 5.0% at December 31, 2024. This exceeds the regulatory minimum requirement of 3.0%.
  - The supervisory capital ratio was 14.8% as at December 31, 2025, compared with 15.2% at December 31, 2024. This exceeds the regulatory minimum requirement of 10.5%.

### b. Tandia Acquisition

On December 31, 2025, Alterna Savings merged with Tandia Financial Credit Union ("Tandia"). As a result of the merger closing on December 31st, 2025, only Tandia's assets and liabilities were included in Alterna Savings' consolidated balance sheet, and no income contribution was recorded. The details of the transaction are disclosed in Note 28 of the audited financial statements.

The merger contributed \$1.3 billion in assets and \$1.3 billion in liabilities, which consisted of \$1.2 billion of loans and advances, \$100 million in investments, \$1.1 billion of deposits and \$160 million of borrowings. A gain was recognized in other income on the acquisition date, reflecting the excess of the fair value of the identifiable net assets acquired over the consideration transferred.

## 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 \$122.1 million in 2025 from \$107.7 million in 2024 for an increase of \$14.4 million (13.4%).

Interest income from loans and investments was \$314.5 million in 2025 compared to \$324.1 million in 2024, a decrease of \$9.4 million (3.0%). The reduction in interest income primarily reflects lower average earning asset balances during the year due to portfolio runoff prior to the Tandia acquisition, partially offset by favorable repricing on mortgages from lower-rate COVID-era loans into prevailing market rates.

Interest expense was \$192.5 million in 2025 compared to \$216.3 million in 2024, a decrease of \$23.8 million (11.0%). With the normalization of key rate curves during the year, Alterna Savings benefited from the re-pricing of its deposits at lower rates, combined with management implementing more agile and strategic pricing.

As the Tandia acquisition occurred on December 31, 2025, the full benefit of the Tandia acquisition on net interest income will materialize in 2026.

### b. Loan costs/recoveries

Loan costs/recoveries represent management's best estimate of potential credit-related losses during the year and include changes in the expected credit loss allowance, as well as realized losses such as write-offs and collection-related costs. 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 in estimating the expected credit losses.

Loan costs were \$2.3 million in 2025 compared to loan costs of \$0.7 million in 2024, an increase of \$1.6 million. As reflected in the allowance for expected credit losses table, the loss allowance increased to \$2.7 million as at December 31, 2025, from \$1.7 million as at December 31, 2024, an increase of \$1.0 million. The increase was primarily driven by increased delinquencies in the unsecured loan portfolio, resulting in higher expected credit losses during the year.

(000s)	31 Dec 2025			31 Dec 2024		
	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
<b>Personal Loans</b>						
Stage 1 - 12-month ECL	\$ 331,151	\$ 785	0.23%	\$ 259,785	\$ 824	0.31%
Stage 2 - Lifetime ECL - not credit-impaired loans	5,866	193	0.06%	5,887	104	0.04%
Stage 3 - Lifetime ECL - credit-impaired loans	7,069	1,014	0.29%	1,313	449	0.17%
Purchased credit-impaired	70	-	0.00%	21	-	0.00%
	\$ 344,156	\$ 1,992	0.58%	\$ 267,006	\$ 1,377	0.52%
<b>Residential Mortgages</b>						
Stage 1 - 12-month ECL	\$ 5,977,732	\$ 219	0.01%	\$ 5,220,023	\$ 131	0.00%
Stage 2 - Lifetime ECL - not credit-impaired loans	60,922	52	0.00%	40,167	64	0.00%
Stage 3 - Lifetime ECL - credit-impaired loans	78,191	143	0.00%	6,121	-	0.00%
Purchased credit-impaired	5,119	-	0.00%	-	-	0.00%
	\$ 6,121,964	\$ 414	0.01%	\$ 5,266,311	\$ 195	0.00%
<b>Commercial Loans</b>						
Stage 1 - 12-month ECL	\$ 1,711,699	\$ 55	0.00%	\$ 1,308,036	\$ 18	0.00%
Stage 2 - Lifetime ECL - not credit-impaired loans	38,935	4	0.00%	1,125	-	0.00%
Stage 3 - Lifetime ECL - credit-impaired loans	16,416	193	0.01%	906	90	0.01%
Purchased credit-impaired	25,867	-	0.00%	957	-	0.00%
	\$ 1,792,917	\$ 252	0.01%	\$ 1,311,024	\$ 108	0.01%
<b>Total</b>	<b>\$ 8,259,037</b>	<b>\$ 2,658</b>	<b>0.03%</b>	<b>\$ 6,844,341</b>	<b>\$ 1,680</b>	<b>0.02%</b>

### c. Other income

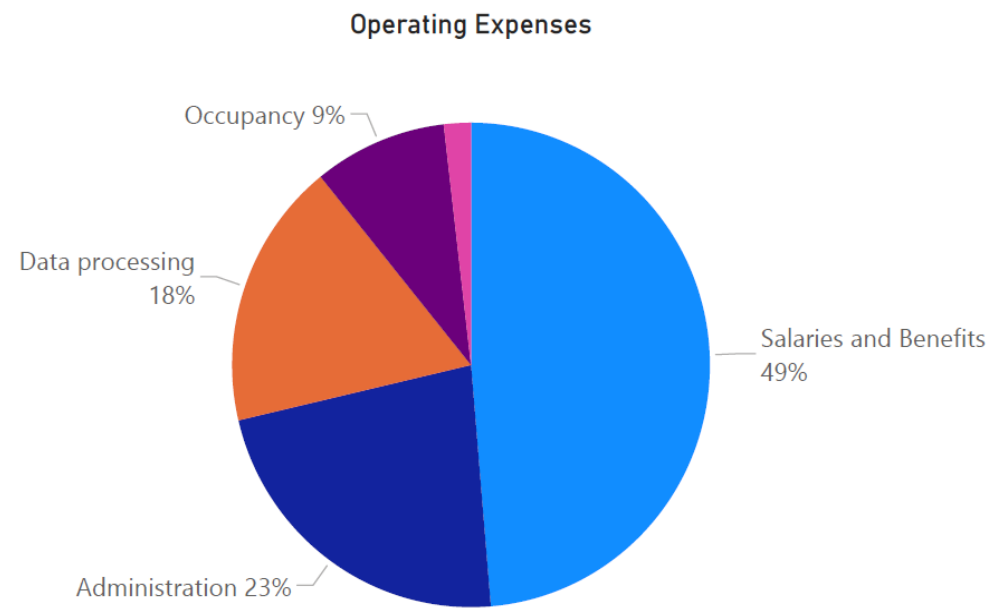
Other income includes income from commissions, service charges, net gains on derivatives, foreign exchange gains, other, securitization related gains and gains on sale of real estate. Total other income increased to \$41.3 million in 2025 from \$33.4 million in 2024, an increase of \$7.9 million (23.7%). This was mainly attributable to a gain on the acquisition of Tandia and strong wealth management revenues.

Other income (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-25	31-Dec-24	\$ Change 2025 vs. 2024	% Change 2025 vs. 2024
Commissions	13,867	12,345	1,522	12.3%
Service charges	10,656	11,096	(440)	(4.0%)
Net gains on derivative financial instruments	442	3,277	(2,835)	(86.5%)
Foreign exchange	1,257	2,214	(957)	(43.2%)
Other	12,197	1,315	10,882	827.5%
Securitization income	2,888	2,870	18	0.6%
Gain on sale on real estate	37	310	(273)	(88.1%)
<b>Total</b>	<b>41,344</b>	<b>33,427</b>	<b>7,917</b>	<b>23.7%</b>

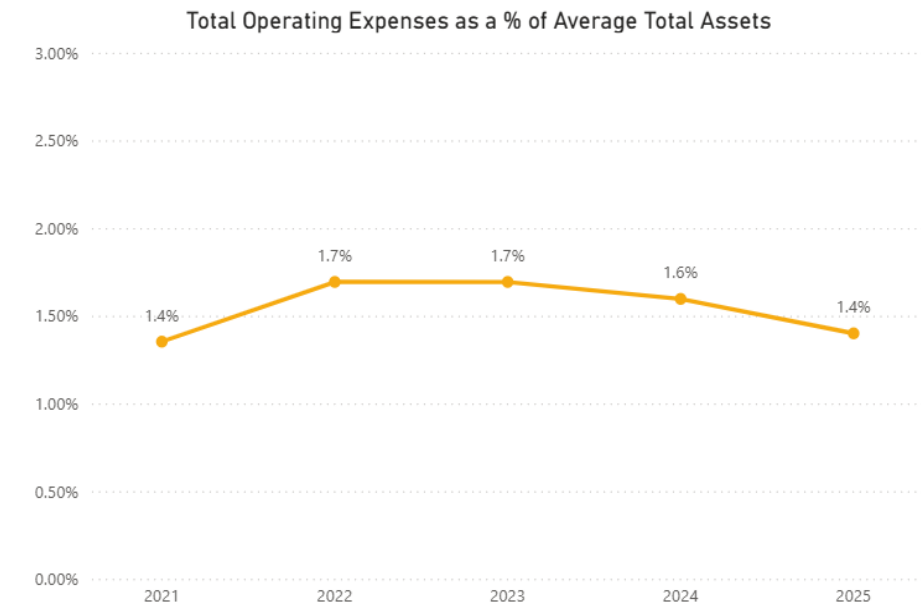
**d. Operating Expenses**

Operating expenses include salaries and benefits, administration, data processing, occupancy and marketing and community relations costs. Total operating expenses rose to \$134.9 million in 2025 from \$128.1 million in 2024, representing a 5.2% increase, or \$6.8 million. The increase was primarily attributable to one-time higher professional fees related to the Tandia acquisition, increased retail loan underwriting fees reflecting the first full year of externally supported underwriting services and higher salaries and benefits costs.

Operating Expenses	As at or for the years ended		Change	
	31-Dec-25	31-Dec-24	\$ Change 2025 vs. 2024	% Change 2025 vs. 2024
Salaries and benefits	65,645	64,187	1,458	2.3%
Administration	30,544	26,749	3,795	14.2%
Data processing	24,051	22,332	1,719	7.7%
Occupancy	12,154	12,881	(727)	(5.6%)
Marketing and community relations	2,460	1,989	471	23.7%
<b>Total operating expenses</b>	<b>134,854</b>	<b>128,138</b>	<b>6,716</b>	<b>5.2%</b>



Operating expenses as a percentage of total average assets declined to 1.4% in 2025 from 1.6% in 2024. This improvement reflects growth in average assets during the year, including assets acquired through the Tandia merger, which contributed to asset growth without impacting operating expenses in 2025 as the transaction closed on December 31, 2025.



**e. Net Income**

Net income increased to \$21.6 million in 2025 from \$10.0 million in 2024 or by 115%. Net income was primarily impacted by interest expense savings arising from the repricing of deposits at lower rates, combined with the repricing of lower-rate COVID-era mortgages at prevailing rates. In addition, net income benefited from the non-recurring gain related to the Tandia merger.

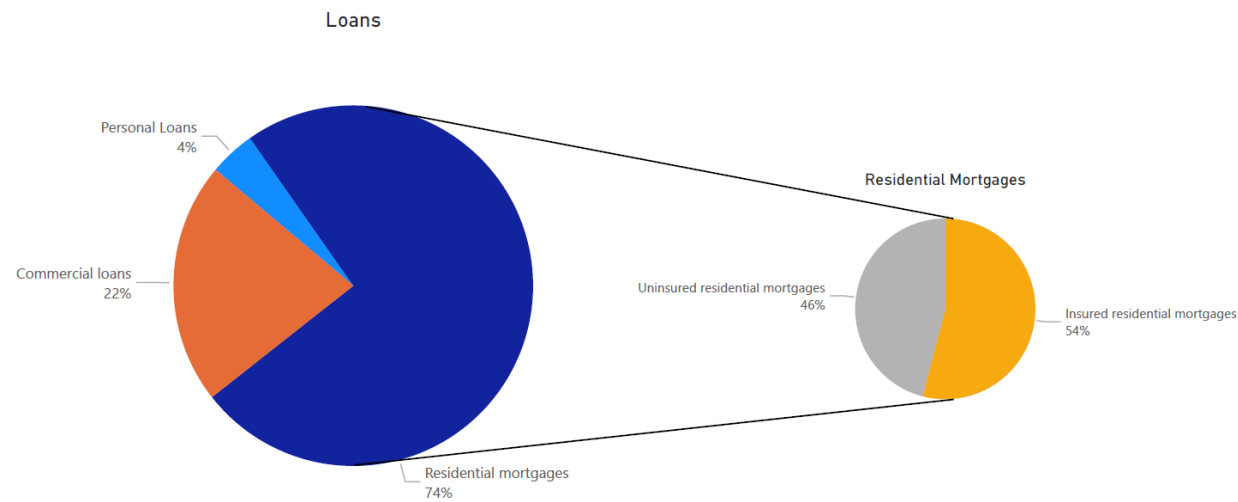
### 3. Financial Position Summary

#### a. Loan Summary

Member loans include personal and commercial loans, lines of credit, and mortgages. The total loan portfolio increased to \$8.3 billion in 2025 from \$7.0 billion in 2024 or by 17.7% before loan costs / recoveries. Residential mortgages grew by 13.3% to reach \$6.1 billion or 74% of the total loan portfolio. Commercial loans grew by 33.4% to reach \$1.8 billion or 22% of the total loan portfolio. Personal loans and line of credits increased by 28.9% to \$344 million or 4% of the total loan portfolio.

Loan growth during the year was primarily driven by the acquisition of Tandia, which contributed approximately \$1.2 billion in loan balances to Alterna's portfolio. Excluding the impact of the acquisition, organic loan activity declined, as elevated interest rates and competitive market conditions contributed to run-off within the retail branch network. This decline was offset by other mortgage originations channels and the relaunch of the broker channel. Continued activity within the commercial lending portfolio also contributed to modest loan growth during the year.

Loan Summary (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-25	31-Dec-24	\$ Change 2025 vs. 2024	% Change 2025 vs. 2024
Personal Loans	344,156	267,006	77,150	28.9%
Residential mortgage loans	6,121,964	5,402,801	719,163	13.3%
Commercial loans	1,792,917	1,343,981	448,936	33.4%
<b>Total loans before provision</b>	<b>8,259,037</b>	<b>7,013,788</b>	<b>1,245,249</b>	<b>17.8%</b>
Less: allowance for Impaired Loans	(2,658)	(1,680)	(978)	(58.2%)
<b>Total loans after provision</b>	<b>8,256,379</b>	<b>7,012,108</b>	<b>1,244,271</b>	<b>17.7%</b>



#### b. Deposit Summary

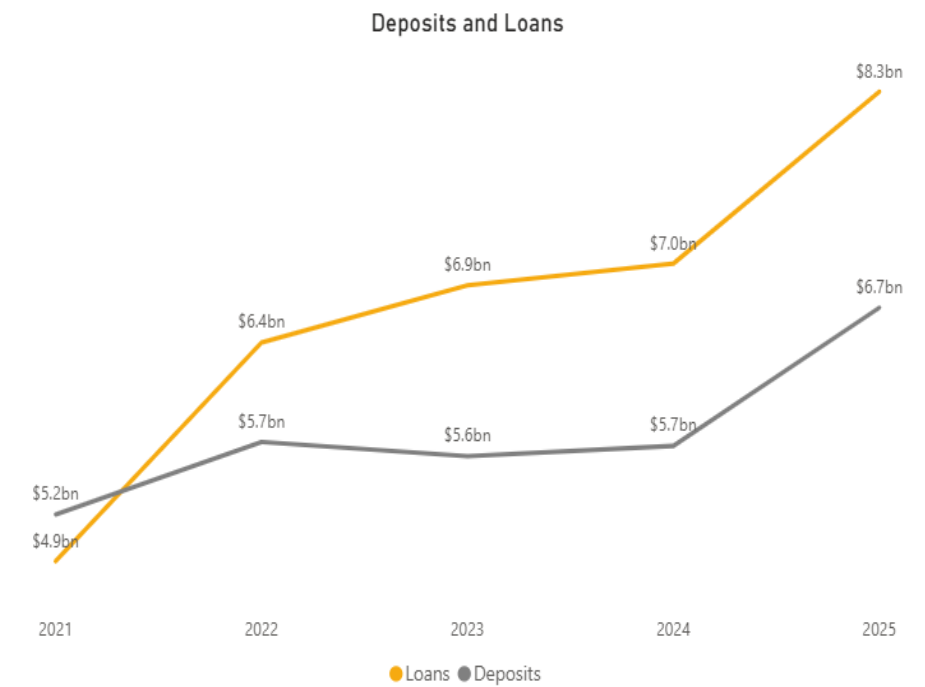
Member deposits include demand deposits, term deposits, and registered plan deposits. The total deposit portfolio increased to \$6.7 billion in 2025 from \$5.7 billion in 2024 or by 17.6%. Registered plans experienced the highest growth in 2025 at 25.5% year over year to reach \$1.8 billion or 26% of the deposit portfolio. Term deposits had growth of 16.6% to reach \$2.2 billion or 33% of the deposit portfolio. Demand deposits grew by 13.7% to \$2.8 billion at year end or 41% of the deposit portfolio.

Deposit growth during the year was primarily driven by business combination activity, with the addition of Tandia contributing approximately \$1.1 billion in deposits to Alterna's portfolio. Excluding the impact of the acquisition, Alterna experienced an overall decline in its deposit base in 2025.

Unlike prior periods, when term deposits grew as members sought higher returns, this trend reversed during 2025. While a significant portion of maturing term deposits renewed at lower prevailing rates, some maturing term deposits were not renewed, resulting in net outflows as members shifted funds to other investment vehicles, including mutual funds or equity markets.

Term deposit balances declined during the year; however, a portion of this reduction was partially offset by an increase in demand deposits as some maturing term deposits were redirected into demand deposits.

Deposit Summary (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-25	31-Dec-24	\$ Change 2025 vs. 2024	% Change 2025 vs. 2024
Demand deposits	2,766,811	2,432,716	334,095	13.7%
Term deposits	2,180,340	1,869,511	310,829	16.6%
Registered plans	1,748,691	1,393,848	354,843	25.5%
<b>Total deposits</b>	<b>6,695,842</b>	<b>5,696,075</b>	<b>999,767</b>	<b>17.6%</b>

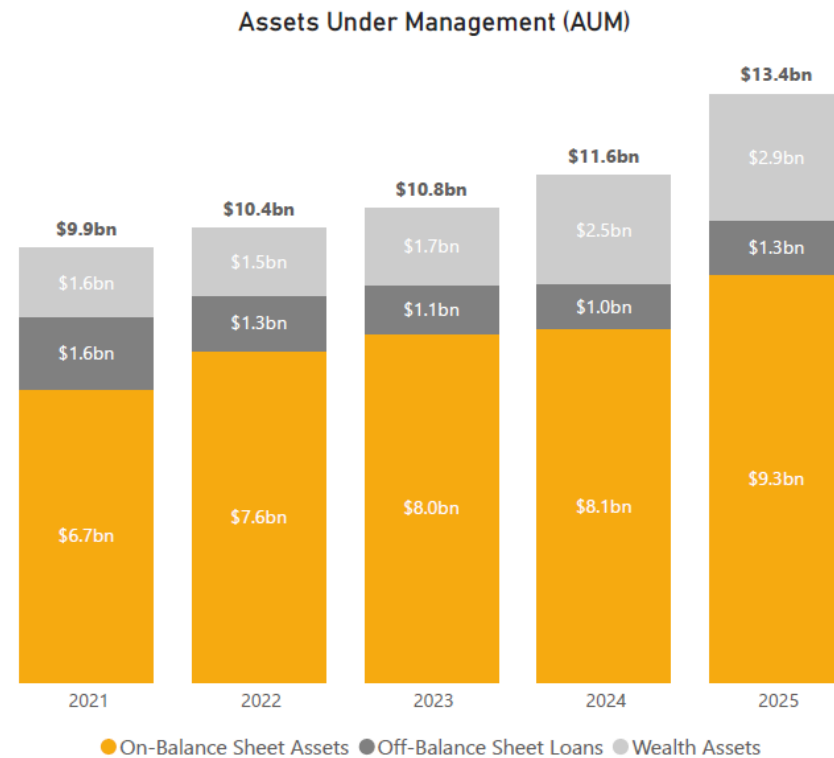


#### c. Securitization

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 \$1.50 billion in 2025 from \$1.48 billion in 2024, or by 2%.

**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 \$13.4 billion in 2025 from \$11.6 billion in 2024 or by 16.1% 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 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 23 in Alterna Savings' 2025 audited consolidated financial statements for additional details.

Capital Ratios	As at or for the years ended		
	31-Dec-25	31-Dec-24	Regulatory Minimums
Tier 1 Capital Ratio	14.1%	14.5%	6.5%
Retained earnings to Risk weighted Capital Ratio	10.0%	10.3%	3.0%
Capital conservation buffer ratio	6.8%	7.2%	2.5%
Risk Weighted Capital Ratio (Total Capital Ratio)	14.8%	15.2%	8.0%
Total supervisory Capital Ratio	14.8%	15.2%	10.5%
Leverage Ratio	5.3%	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 at December 31, 2025, 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 at December 31, 2025, Alterna Savings' Liquidity Ratio decreased to 15.42% from 20.74% in 2024. The decrease is primarily due to an increase in deposits as a result of the Tandia acquisition. 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' 2025 audited consolidated financial statements for additional details.

## 5. Economic Outlook

The Canadian economic outlook for 2026 is expected to reflect a period of modest growth as the economy continues to adjust to trade restrictions and uncertainty related to Canada's largest trading partner. Inflation has moderated from earlier highs and is expected to remain near the Bank of Canada's target; however, ongoing geopolitical conflict and related increases in global energy prices present upside risks to inflation, which may limit the scope for further near-term reductions in short-term interest rates. In this context, monetary policy is expected to remain cautious, and economic conditions continue to be sensitive to global developments, including evolving trade policy, geopolitical risks, and energy price volatility.

Interest rate changes implemented in 2025 have improved financial conditions relative to prior years and are expected to support loan activity in 2026 and beyond, although elevated economic uncertainty has moderated near-term borrowing activity, particularly in the housing market. Mortgage renewal activity is expected to remain elevated across the industry in 2026, contributing to a competitive lending environment as financial institutions seek to maintain market share. Deposit growth is expected to remain stable, reflecting a balance between increased member spending capacity and a continued preference for liquidity following recent periods of economic volatility. Business investment conditions are expected to improve modestly from 2025 levels, providing incremental support to economic activity, although investment decisions remain influenced by trade-related uncertainty.

Housing market activity at the national level is expected to recover modestly in 2026 following declines in the prior year, with sales remaining below historical averages and pricing gains muted. Regionally, Ontario is expected to experience further price moderation driven by elevated inventory levels. Continued economic uncertainty and cautious consumer behaviour are expected to temper housing demand and related borrowing activity through 2026.

Relative to recent years, the interest rate environment entering 2026 reflects a more normalized yield curve compared to the prolonged inversion experienced during the tightening cycle. A gradually steeper yield curve is expected to provide a more supportive backdrop for net interest margins over time, although competitive funding conditions and member pricing sensitivity remain important considerations. Management will continue to focus on prudent credit underwriting, maintaining strong liquidity and capital positions, and supporting members through evolving economic conditions.

## 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, RAFC 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 RAFC 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.

Alterna Savings developed Alterna's Recovery Plan, which is updated annually, 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 Alterna 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 September 2024.

## 8. Executive Remuneration

Executive compensation is governed by Alterna Savings' remuneration policies. In addition to their salaries, Executives participate in Alterna Savings' group benefits plans (which provides certain health care, dental care, life insurance, and other benefits), as well as Alterna Savings' pension plan.

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 the executive compensation policies.

## Consolidated Balance Sheet

(in thousands of dollars)

As at	December 31, 2025	December 31, 2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 336,532	\$ 336,799
Investments	495,077	503,487
Loans and advances	8,256,379	7,012,108
Derivative financial instruments	4,759	8,710
Income tax receivable	684	535
Other assets	116,384	109,458
Property and equipment	62,824	50,978
Intangible assets	40,214	34,337
Goodwill	20,351	20,351
	<b>\$ 9,333,204</b>	<b>\$ 8,076,763</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Liabilities:		
Other liabilities	\$ 130,915	\$ 116,524
Derivative financial instruments	14,068	13,986
Deposits	6,695,842	5,696,075
Borrowings	459,842	338,493
Mortgage securitization liabilities	1,506,578	1,476,453
Income tax payable	669	931
Deferred income tax liability	1,237	3,055
Membership shares	2,832	2,357
	<b>\$ 8,811,983</b>	<b>\$ 7,647,874</b>
Members' equity:		
Special shares	192,281	162,667
Contributed surplus	97,881	59,203
Retained earnings	237,748	220,322
Accumulated other comprehensive loss	(6,689)	(13,303)
	<b>521,221</b>	<b>428,889</b>
	<b>\$ 9,333,204</b>	<b>\$ 8,076,763</b>

**Consolidated Statement of Income***(in thousands of dollars)*

For the years ended	December 31, 2025	December 31, 2024
Interest income	\$ 304,710	\$ 309,243
Interest income from investments	9,862	14,774
	<b>314,572</b>	<b>324,017</b>
Interest expense	192,492	216,282
Net interest income	122,080	107,735
Loan costs	2,317	651
Net interest income after loan costs	119,763	107,084
Commissions	13,867	12,345
Service charges	10,656	11,096
Net gains on derivative financial instruments	442	3,277
Foreign exchange	1,257	2,214
Other	12,197	1,315
Securitization income	2,888	2,870
Gain on sale on real estate	37	310
Other income	41,344	33,427
Net interest and other income	161,107	140,511
Salaries and benefits	65,645	64,187
Administration	30,544	26,749
Data processing	24,051	22,332
Occupancy	12,154	12,881
Marketing and community relations	2,460	1,989
Operating expenses	134,854	128,138
Income before income taxes	26,253	12,373
Provision for income taxes	4,650	2,344
Net income	\$ 21,603	\$ 10,029

**Consolidated Statement of Comprehensive Income***(in thousands of dollars)*

For the years ended	December 31, 2025	December 31, 2024
Net income	\$ 21,603	\$ 10,029
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	4,873	10,915
Cash flow hedges:		
Changes arising during the year	1,690	236
Add: Reclassification adjustments for gains (losses) included in the income statement	51	(1,561)
Net gain (loss) cash flow hedges	1,741	(1,325)
Net other comprehensive income to be reclassified to income in subsequent periods	6,614	9,590
Other comprehensive income not to be reclassified to income in subsequent periods:		
Defined benefit plan - actuarial gains	646	7,461
Net other comprehensive income not to be reclassified to income in subsequent periods	646	7,461
Other comprehensive income	7,260	17,051
Comprehensive income	\$ 28,863	\$ 27,080

**Consolidated Statement of Changes in Members' Equity***(in thousands of dollars)*

For the years ended	December 31, 2025	December 31, 2024
Special shares:		
Balance, beginning of year	\$ 162,667	\$ 172,773
Net shares issued (redeemed)	29,614	(10,106)
Balance, end of year	192,281	162,667
Contributed surplus:		
Balance, beginning of year	59,203	59,203
Arising on business combination	38,678	-
Balance, end of year	97,881	59,203
Retained earnings:		
Balance, beginning of year	220,322	208,612
Net income	21,603	10,029
Dividend on special shares	(4,823)	(5,780)
Remeasurement gain on defined benefit plans	646	7,461
Balance, end of year	237,748	220,322
Accumulated other comprehensive income, net of tax:		
Investments in debt instruments measured at fair value through other comprehensive income		
Balance, beginning of year	(4,391)	(15,306)
Other comprehensive income	4,873	10,915
Balance, end of year	482	(4,391)
Cash Flow Hedges		
Balance, beginning of year	(8,912)	(7,587)
Other Comprehensive income (loss)	1,741	(1,325)
Balance, end of year	(7,171)	(8,912)
Total accumulated other comprehensive loss	(6,689)	(13,303)
Members' equity	\$ 521,221	\$ 428,889

## 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

### TANDIA

- Acton
- Ancaster
- Brantford
- Burlington
- Georgetown
- Hamilton
- Milton
- Stoney Creek
- MemberOne (Virtual Branch)



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