

2024 ANNUAL REPORT

***YOUR SUCCESS,
OUR COMMITMENT***



Vision

Building stronger communities through financial empowerment. At Pathwise Credit Union, we are dedicated to helping our members and local businesses thrive by providing trusted financial guidance, innovative solutions, and a people-first approach. Rooted in Oshawa and the Durham Region, we envision a future where financial success is within reach for everyone, and where our community grows together—stronger, wiser and more connected.

Our Members Their Words



"Pathwise Credit Union offers amazing service with friendly, knowledgeable staff who truly care about their members. They make banking easy and personal while supporting the community. Highly recommend!"

- Credit Union Member



"You will be treated with respect and kindness the moment you become a client. I appreciate the fact as a senior they took the time to answer all my questions."

- Credit Union Member



"Excellent service, been with them over 20 years."

- Credit Union Member



"The staff is friendly, knowledgeable, and always goes the extra mile. Their competitive rates and personal service make banking simple and stress-free. They truly care about their members and are committed to the local community. Highly recommend!"

- Credit Union Member



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Our Purpose, Vision & Values

Our Story

1938 – 2024

Everyone deserves a path to financial success.

Pathwise Credit Union was founded as Auto Workers Credit Union (AWCU) in 1938 to provide financial support to autoworkers in the Oshawa community who were being turned away by big banks for loans. The credit union started with just 29 members and offered savings and loan services, becoming an integral part of the community that has continued to thrive over the years.



As Oshawa grew and evolved, so did Pathwise, expanding its services to become the fifth-largest credit union in Ontario with \$63 million in assets by 1978. Even with its name and branding changes, the credit union remains committed to supporting the financial needs of its members, offering innovative services, exceptional member service, and personalized advice to help members achieve their financial goals.

Over 86 years later, Pathwise Credit Union stands as a testament to the belief that people helping people can make a significant difference in creating a better community.

LETTER FROM OUR BOARD CHAIR

On behalf of your Board of Directors, I'm pleased to provide this annual update to Pathwise Credit Union Members.

In last year's report, we talked about adaptation and change in 2023. While 2024 carried on some of that theme, we also started to see some of the fruits of adaptation: despite headwinds and the Bank of Canada dropping rates, our team was able to create growth in our assets under management, which reached \$424 million by year end, up from \$386 million the year prior.

We wouldn't have been able to create this kind of success without the commitment to being adaptable and continuing on a transformation journey, and the Board acknowledges our employees, leadership team, and CEO John Guido for their work and dedication.

As a Board, one of our roles is to think about connection with people and how our Credit Union fits into the broader community. One of our priorities in 2024 was to begin rebuilding community engagement, and, as you'll see as you look through some of the photos in this annual report, our team has been re-energizing our Credit Union on that front with great success.

The Board looks forward in 2025 to continuing the positive momentum – and building new bridges with the Members and surrounding community.

In the spirit of co-operation,



Derek Giberson

Board Chair





LETTER FROM OUR CEO

The global and local economic landscape presented numerous hurdles in 2024 - rising inflation, fluctuating interest rates, and shifting consumer confidence. These factors created a difficult environment for businesses and individuals alike, including credit unions like ours. Despite these economic challenges, our Credit Union continued its unwavering commitment to our members, ensuring that we not only meet but exceed your expectations in providing the products and services that support your financial well-being.

I am proud to report that we successfully navigated the turbulent economic waters and made significant progress towards securing our future and supporting you, our members. The resilience and dedication of our team, along with your ongoing trust and commitment, continue to be the cornerstone of our success.

As indicated in my report last year, our focus in 2024 would be on continuing our growth through strategic improvements in processes, compliance, performance development and brand enhancement. I am happy to report that we made significant progress on each of these fronts, during 2024. Collectively, our team has done an excellent job in reviewing our operational processes and rolling out improvements to enhance efficiency. Our overall compliance regime has been strengthened with the addition of dedicated resources, and the rollout of a structured training program has been a key component of our staff training and development. Additionally, we contributed to several community-driven initiatives, in 2024, through charitable donations, sponsorships and participating in community-oriented events, to help enhance and promote our Credit Union, while helping to foster growth, inclusivity, and well-being within the communities we serve.

Financial performance, while tempered by fluctuating external conditions, remained stable. We were able to grow and strengthen our balance sheet, through prudent risk management and a commitment to responsible lending. Assets increased by 9.7% to \$424 Million, largely due to a \$37 Million increase in new lending to our members. Despite the challenging interest rate environment faced in 2024, we successfully managed our business operations and were able to increase Retained Earnings by \$556K, while paying out a dividend of 4.50% on Investment Shares, to members.

From a financial stability perspective, the Credit Union is well capitalized, with a Tier 1 Capital Ratio of 14.89% and a Leverage Ratio of 6.57%, which are within the required minimum regulatory levels. This positions us well to face the future with confidence.

Looking forward to 2025 and beyond, we will continue to focus our attention on enhancing member-centric services through continued investment in technology to improve our digital banking services, ensuring members can access their accounts and manage their finances seamlessly, and apply for new products and services on-line.

Thank you to our members, employees, and our partners for their continuing support and commitment to our Credit Union. Together we can tackle the challenges that come our way, in 2025, and continue to lay the foundation for the future growth and success of the Credit Union.

Warm regards,



John Guido

Chief Executive Officer

“The possibilities are endless when we work together, collectively, as a unified team. There is no limit to what we can accomplish!”

- John Guido

AUDIT COMMITTEE REPORT

The Audit and Operational Risk Committee of Pathwise Credit Union is a Committee of the Board of Directors and operates under the Credit Unions and Caisse Populaires Act, 2020.

The Committee was elected in April of 2024 and during 2024-2025 consisted of: Ted Paulsen, Committee Chair, Shayn Ballagh, Suresh Kumar, Arnold DeMan, and Elisabete Ferreira

Highlights from the Audit and Operational Risk Committee for the year included:

- Holding five (5) meetings during the year.
- Reviewing the quarterly Financial Statements of the Credit Union and the associated notes and schedules, monitoring the results of compliance with the International Financial Reporting Standards (IFRS), Capital Reserve requirements, liquidity and interest rate risk requirements as outlined by the Credit Union Caisses Populaire Act of 2020 and Government Regulators.
- Reviewing all the Policies and Procedures and controls of the Credit Union which relate to legislative compliance.
- Engaging two auditing firms as required by regulation. Tinkham LLP, the external auditor and PRA Canada, which merged with BDO Canada LLP during the year, the internal auditor.
- The Audit and Operational Risk Committee worked with our internal auditors (PRA) to develop an audit plan for the year. The Committee met quarterly with the internal auditor to discuss audit findings and recommendations as well as to review all material internal control issues and recommendations. The Committee monitored management's response to all internal audit findings and recommendations.
- Tinkham LLP, the external auditor, audits the financial statements and reports to the Audit and Operational Risk Committee. The Committee served as the principal communication link between the external auditor and the Board of Directors and in particular reviewed the terms of engagement, the scope of the annual audit, the Auditors Management Letter

and the Credit Union's Financial Statements. The Committee hosted a meeting with the external auditor, at which the whole Board of Directors were present, to review the year-end Financial Statements.

- Based on its findings, the Audit and Operational Risk Committee reports to and makes recommendations to the Board of Directors with respect to the matters outlined regarding policy, internal controls, legal actions, compliance with the Credit Union Caisses Populaires Act, 2020 and Financial Services Regulatory Authority Ontario. The Committee follows up on all issues to ensure that all of our recommendations are implemented.
- The Audit and Operational Risk Committee is pleased to report to the Membership that all aspects of the Committee's annual mandate have been achieved and that all significant recommendations of the Committee have either been implemented or are in the process of being implemented. The Audit Committee is not aware of any other matters that are required to be disclosed as per the Credit Unions and Caisse Populaires Act, 2020.

Respectfully submitted,

Ted Paulsen

Ted Paulsen, Audit and Operational Risk Committee Chair

Committee Members: Shayn Ballagh, Suresh Kumar, Arnold DeMan, Elisabete Ferreira



2024-25 Board of Directors



DEREK G.
BOARD CHAIR



ARNOLD D.
*GOVERNANCE COMMITTEE
AUDIT COMMITTEE*



BRADLEY P.
*NOMINATIONS COMMITTEE
GOVERNANCE COMMITTEE
RISK COMMITTEE*



ELISABETE F.
*CORPORATE SECRETARY
RISK COMMITTEE
AUDIT COMMITTEE*



MIKE M.
*RISK COMMITTEE CHAIR
GOVERNANCE COMMITTEE*



RON B.
*VICE CHAIR,
GOVERNANCE CHAIR
RISK COMMITTEE*



SHAYN B.
*RISK COMMITTEE
AUDIT COMMITTEE*



SURESH K.
*RISK COMMITTEE
AUDIT COMMITTEE*



TED P.
*AUDIT COMMITTEE CHAIR
GOVERNANCE COMMITTEE*

Senior Leadership Team



JOHN G.
CEO



AMANDA C.
DIRECTOR OF OPERATIONS



DAVID V.
*DIRECTOR, COMMERCIAL
SERVICES*



HIRA K.
*DIRECTOR, SALES & MEMBER
EXPERIENCE*



LINDA R.
*DIRECTOR, PEOPLE &
CULTURE*



OSMANVALLI M.
*CONTROLLER | STRATEGIC
PLANNING ADVISOR*

INDEPENDENT AUDITOR REPORT

SUMMARY FINANCIAL STATEMENTS

To the Members of
PATHWISE CREDIT UNION LIMITED

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2024 and the summary statement of comprehensive income for the year then ended are derived from the audited financial statements of Pathwise Credit Union Limited for the year ended December 31, 2024.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements on the basis described in the note to the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 26, 2025.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in the note to the summary financial statements.

Auditor's Responsibility

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

TORONTO, Ontario
February 26, 2025



Licensed Public Accountants

TINKHAM LLP | CHARTERED
PROFESSIONAL
ACCOUNTANTS

OUR SUMMARY STATEMENT OF FINANCIAL POSITION

As at December 31	2024	2023
Assets		
Cash	\$ 10,917,727	\$ 15,857,242
Investments	34,130,888	30,137,862
Loans and advances to members	369,435,422	331,766,023
Other assets	1,777,946	1,854,641
Pension asset	3,973,800	2,875,000
Property and equipment	3,477,279	3,789,715
	\$ 423,713,062	\$ 386,280,483
Liabilities and Members' Equity		
Liabilities		
Accounts payable and other liabilities	\$ 1,601,274	\$ 1,098,845
Obligation for post-employment benefits other than pensions	2,715,700	3,220,000
Mortgage securitization liabilities	34,414,588	7,094,397
Members' deposits	349,300,397	341,154,926
Members' share capital	2,151,489	2,243,189
Accrued member interest, dividends and patronage return	4,910,637	4,003,059
	395,094,085	358,814,416
Members' equity		
Members' share capital	5,613,040	6,438,664
Retained earnings	24,637,479	24,081,027
Accumulated other comprehensive loss	(1,631,542)	(3,053,624)
	28,618,977	27,466,067
	\$ 423,713,062	\$ 386,280,483

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

Approved on behalf of the Board:

 Director

 Director

OUR SUMMARY STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31	2024	2023
Financial income		
Loan interest	\$ 16,047,142	\$ 14,159,135
Investment income and dividends	2,071,393	1,484,701
	18,118,535	15,643,836
Financial expense		
Interest on members' deposits, external borrowings and securitization liabilities	8,556,180	6,202,911
Interest on external borrowings and securitization liabilities	997,825	126,483
	9,554,005	6,329,394
Financial margin	8,564,530	9,314,442
Other income	1,315,303	1,134,984
Operating expenses	9,031,631	9,146,991
Net income before provision for income taxes	848,202	1,302,435
Provision for income taxes	108,747	220,204
Net income for the year	739,455	1,082,231
Other comprehensive income (net)	1,422,082	403,191
Net comprehensive income for the year	\$ 2,161,537	\$ 1,485,422

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

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at December 31, 2024 and December 31, 2023 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be included to ensure they are consistent in all material respects with, or represent a fair summary of, the audited financial statements. Management prepared these summary financial statements using the following criteria:

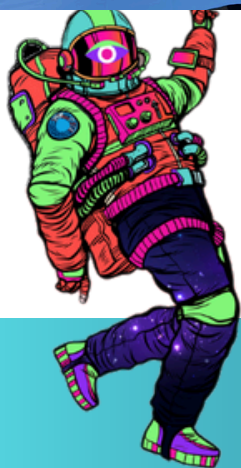
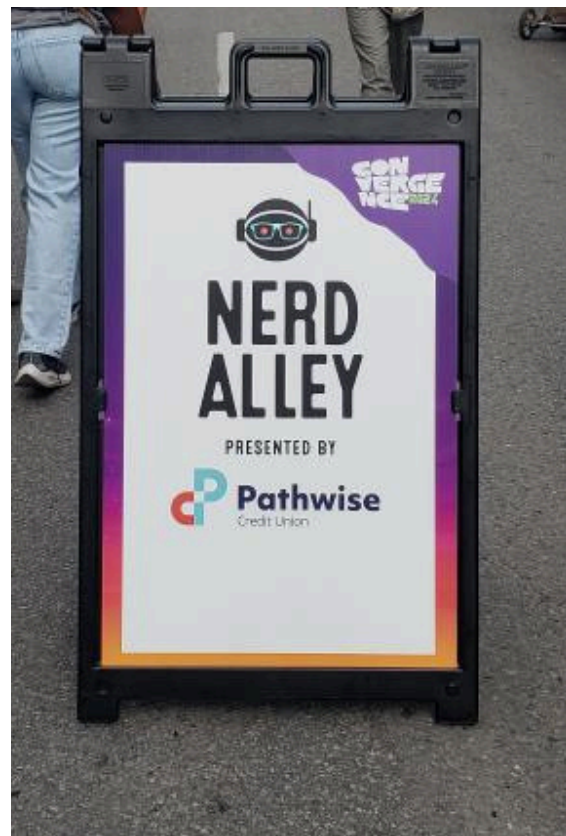
- (a) The summary financial statements include a statement for each statement in the audited financial statements, except the statement of members' equity and statement of cash flows, which can be obtained from the complete set of audited financial statements; Information in the summary financial statements agrees
- (b) with the related information in the audited financial statements;
- (c) Major subtotals, totals and comparative information from the audited financial statements are included; and
- (d) The summary financial statements contain the information from the audited financial statement dealing with matters having pervasive or otherwise significant effect on the summary financial statements.

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

COMMUNITY ENGAGEMENT

***BUILDING STRONGER
COMMUNITIES
TOGETHER***





2024 Convergence Festival



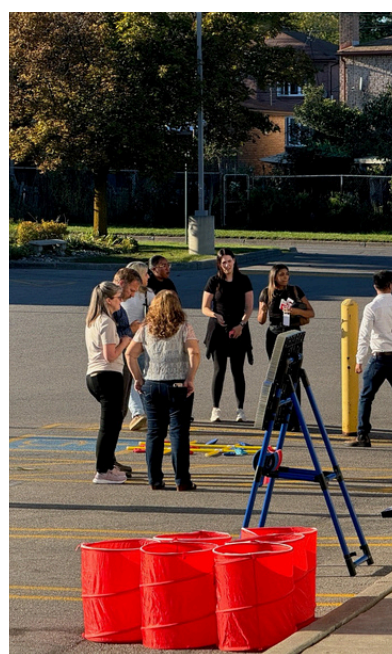
2024 BOWLING FOR GLORY





**2024
TEAM
EVENTS**







2024 Greater Oshawa Chamber of Commerce Awards



Our Purpose, Vision & Values

**Grounded in Community. Driven by Purpose.
Inspired by Possibility.**

At Pathwise Credit Union, everything we do is guided by our mission, inspired by our vision for the future, and grounded in the values that define who we are as a cooperative financial institution.

VISION

Empower our members to achieve their financial goals, provide excellent service, and support the community through sustainable financial solutions.

MISSION

People helping people find their path to financial success.

VALUES

- Recognize and meet people where they are.
- Encourage open and transparent conversations.
- Act with integrity.
- Commit to community-based decisions.
- Humanize banking.



Thank You!

Your Trust. Your Support. Our Shared Success.

As we reflect on the past year, we are filled with gratitude for the continued support, trust, and connection we share with our members and the community we proudly serve.

Thank you for allowing us to be part of your financial journey and for inspiring us to keep growing, evolving, and giving back. Your involvement, feedback, and engagement help shape who we are and guide where we're going.

Together, we're building something stronger — not just a credit union, but a community rooted in care, collaboration, and a shared vision for the future.

We look forward to continuing the journey with you.

— With appreciation from all of us at Pathwise Credit Union





CONTACT

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