



2025

Annual Report





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A message from our CEO

As we reflect on 2025, I am grateful for the trust you continue to place in Kindred Credit Union. This past year was marked by strong financial performance, steady growth, and a clear affirmation that our cooperative, values-driven approach remains both relevant and impactful.

Our financial success is important — not as an end in itself, but as a means to serve our members well. Because of this strength, we have continued to invest in what truly differentiates Kindred: a deeply personal, relationship-based member experience. In a financial landscape increasingly shaped by automation and distance, we remain committed to human advice, thoughtful conversations, and taking the time to understand the whole person behind the numbers. We believe this is not a legacy practice, rather a lasting one.

Throughout 2025, our:

- ▶▶ **Membership grew by 3.8%** surpassing 30,000 with over 70% of new members being under the age of 45;
- ▶▶ **Agricultural loans outstanding surpassed \$1 billion**, positioning Kindred as the 3rd largest credit union nationally in agricultural lending;
- ▶▶ **Loan growth totalled \$170.0 million**, representing an increase of 8.6%;
- ▶▶ **Overall assets increased 4.5%**, bringing year-end assets to \$2.4 billion, less than our overall loan growth reflecting management actions to reduce excess liquidity deposits to optimize profitability;
- ▶▶ **Core earnings rose 48%** reflecting strong resiliency in our business and membership despite uncertain economic times;
- ▶▶ **Return on Average Assets strengthened to 0.78% and Efficiency Ratio improved to under 75%**, driven by strong growth in net financial margin;
- ▶▶ **Total Capital Ratio remained stable at 15.0%** driven by strong growth in retained earnings; and
- ▶▶ **Charitable giving increased to \$750 thousand**, reflecting our commitment to supporting the communities we serve.

This year also marked an important step forward in how we share our story. We welcomed our first Chief Digital and Marketing Officer, strengthening our ability to embed our purpose-driven experience into the digital space for those members who prefer digital options. This role helps ensure that our digital channels reflect the differentiated experience members enjoy in our branches. We are working to extend our storytelling to reach people where they are, in ways that feel authentic and values-aligned.

Across the credit union sector, consolidation continues at a steady pace. While scale can bring selective efficiencies, our experience confirms that uniqueness brings loyalty. Kindred's organic growth is rooted in our clarity of purpose, the unique segments we serve, and a member experience that cannot be easily replicated. For this reason, we remain firmly committed to our independence as a credit union and we are confident that our cooperative model will continue to allow us to respond to our members' needs with integrity and compassion.

We are also deepening how we show up in our communities. Community impact at Kindred has always been about more than cheque writing. By leveraging our expertise, partnerships, and people, and by concentrating our efforts specifically to food security and housing stability, we are working alongside community organizations to create shared solutions that support long-term wellbeing and community flourishing.

Looking ahead, we are preparing to launch a new three-year strategy that will further strengthen member service rooted in human advice, money wellness, holistic relationships, and meaningful community impact. This year's AGM reflects on how our deep agricultural relationships and social impact enable our multi-year strategy to build a thriving, sustainable future for Kindred, our members, and the communities we serve. While you will find more detail elsewhere in this report, I can say with confidence that this strategy builds directly on who we already are, and who our members are calling us to become.

Thank you for walking with us. Your participation, trust, and engagement continue to shape Kindred into a credit union that is both financially strong and grounded in purpose. We look forward to the journey ahead, together.

With gratitude,

Jason Daly
Chief Executive Officer



A message from our Board Chair

I'm pleased to be sharing this message with members for the second time, after a year marked by both opportunity and complexity across our sector. I am continually encouraged by the dedication, care, and faithfulness to our values with which Kindred continues to serve its members.

On behalf of the Board of Directors, I want to extend my sincere thanks to our Chief Executive Officer, Jason Daly, for his strong and imaginative leadership during his first full year at Kindred. Jason brings curiosity, creativity, and clarity to this role, while continuing to build on the deep foundation of faith and values that have always been central to Kindred. His leadership honours our past while inviting thoughtful innovation, and the Board is grateful for his steady guidance.

This year also saw the development of a new three-year strategic plan. It marks a significant milestone, shaped through many months of careful discernment and collaboration. The plan is the result of dedicated work by the Board, Jason, and the Senior Leadership Team, and reflects a shared commitment to serving members with integrity, compassion, and long-term stewardship of the financial resources entrusted to us.

As the audited report indicates, Kindred remains in a strong financial position, and the Board is confident in the soundness and continued growth of our cooperative. This strength is a direct result of the diligence and care shown by our Senior Leadership Team, management, and dedicated team members across the organization. Their daily commitment and member service make a meaningful difference in the lives of our members and communities.

We recognize that these are uncertain, challenging, and demanding times. Increased complexity, heightened competition, and rapid change continue to reshape the financial services landscape. In the midst of this, Kindred's creativity and capacity for innovation help guide us forward. One area of particular focus is the strengthening of our digital and technical capabilities. In support of this, the Board has established the Technology and Innovation Advisory Committee as a standing committee. Its work is helping us adapt to a rapidly changing environment, respond to the evolving needs of members, particularly those engaging more through digital banking, and ensure we remain well positioned for future innovation.

At the same time, the Board remains clear that technology must never replace the warmth and care of member-centred service in our branches and through our Member

Contact Centre. Personal relationships and trusted human connection continue to be a cornerstone of who we are and how we serve.

The Board is also committed to Kindred's ongoing membership in the Global Alliance for Banking on Values. This relationship reflects our shared commitment to values-based banking. It provides a unique opportunity to learn about the global values-based banking movement and we look forward to strengthening this connection in the years ahead.

I would also like to extend sincere thanks to the Council of Members, who faithfully support the Board by helping identify exceptional and diverse individuals to serve in governance. Their role is vital to the health and future of Kindred. We are pleased to recommend two new board members for approval by the membership this year. I also want to thank the two departing Board members, Steve Funk and Susan Taves. Steve's insightful perspective was a valued contribution during his three years of service. Susan has served faithfully and tirelessly through some significant changes during the past ten years, six of those as Board Chair.

As a lifelong credit union member, I have come to understand and appreciate the values of the credit union movement, and of Kindred in particular, as deeply intertwined with my own understanding of faith and life. Mutual care, stewardship, and shared responsibility are not abstract ideals; they are practices that shape how we live and serve one another.

Thank you for your continued trust in Kindred Credit Union. It is an honour to serve you.

With gratitude,

Henry Paetkau
Board Chair





Looking forward

► Strategy 2026-2028

Our Purpose

Kindred exists to provide *cooperative banking that connects values and faith with finances inspiring peaceful, just, and prosperous communities*. Guided by integrity, compassion, and stewardship, we care for our members, our communities, and the future we share.

Connecting our purpose to the priorities that matter most to our members

Our new three-year strategic plan brings our purpose to life by focusing on four priority areas that reflect what matters most to our members: community impact, financial well-being, strong local businesses, and accessible, purpose-centric banking services. These priorities guide how Kindred serves today and how we will grow and strengthen our capabilities to better serve our members in the years ahead.



Social Purpose *Strengthening community impact where it matters most*

By leveraging Kindred's unique experience and relationships in housing stability and food security, we can lead with innovative solutions to reach those most impacted in our communities.



Business Banking Reach *Supporting growth of farmers and deepening our social impact*

By growing our capabilities to support larger-scale farming and focusing commercial growth in the housing stability sector, we help our members thrive and strengthen the communities we share.



Advice & Planning *Helping you experience money wellness*

Through trusted, holistic advice and a focus on money wellness, members are supported in navigating financial decisions with confidence and greater peace of mind.



Digital Growth *Making it easier to bank with purpose*

Through simple, accessible, purpose-centric digital experiences, members can manage their finances conveniently and connect to human advice seamlessly while banking in ways that reflect their values.

These priority areas support greater financial literacy and money wellness for members, allowing us to meet more of the needs of our farmers as their operations grow while creating meaningful impact in the communities we serve. As we move forward, Kindred will continue to build on this foundation and share progress each year, demonstrating how purpose-driven banking creates lasting value for members and communities.



**We understand farmers,
because we're farmers too.**

Robert and Lisa Shuh
Kindred members since 1980

▶▶ Financial Position Summary

Year ended December 31, 2025 with comparative figures for 2024.
Detailed audited financial statements are available upon request, or on kindredcu.com.

	Thousands of dollars	
	December 31, 2025	December 31, 2024
Assets		
Cash resources	\$ 38,537	\$ 31,509
Investments	172,332	249,110
Loans to members	2,139,833	1,969,818
Property and equipment	16,834	17,246
Other assets	13,376	11,392
Total Assets	\$ 2,380,912	\$ 2,279,075

Liabilities and Members' Equity		
Total deposits of members	\$ 2,035,952	\$ 1,962,659
Mortgage securitization liabilities	93,852	79,752
Lease liability	13,642	14,231
Other liabilities	12,111	11,542
Member Shares	668	644
Profit Shares	23,679	22,616
Investment Shares	107,396	103,969
Accumulated other comprehensive income (loss)	1,250	1,030
Retained earnings	92,362	82,632
Total Liabilities and Members' Equity	\$ 2,380,912	\$ 2,279,075

▶▶ Assets and Core Earnings

Year ended December 31, 2025 with comparative figures for 2024.
Detailed audited financial statements are available upon request, or on kindredcu.com.

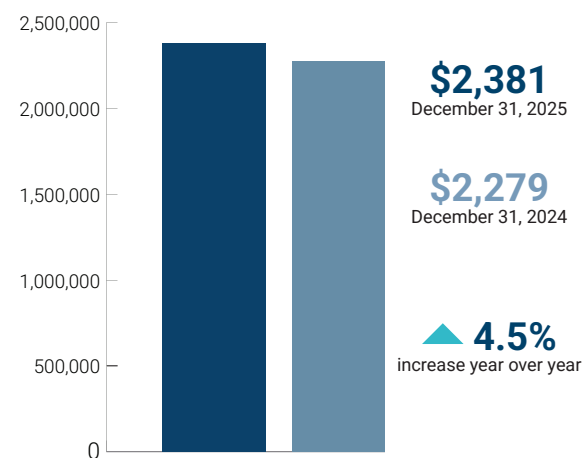
	Thousands of dollars	
	December 31, 2025	December 31, 2024
Income from interest and investments	\$ 109,595	\$ 108,962
Other revenue	9,244	8,451
Total Income	\$ 118,839	\$ 117,413
Less:		
Interest expense on member deposits	\$ 52,023	\$ 57,292
Profit Shares (patronage return)	1,725	1,325
Gain (loss) on derivative financial instruments	(151)	(139)
Mortgage securitization cost of funds	3,047	2,475
Interest on external borrowings	138	153
Personnel expense	27,916	25,448
Occupancy expense	1,117	1,030
Lease finance cost	545	608
Administration expense	9,944	9,158
Amortization of property and equipment	2,151	2,167
Insurance expense	1,760	1,628
Provision for loan losses (gains)	1,518	2,174
Charitable giving	750	660
Income tax provision	2,190	1,110
Net earnings	\$ 14,166	\$ 12,324
Other comprehensive income net of tax	\$ 220	\$ 875
Comprehensive income	\$ 14,386	\$ 13,199

▶▶ Net Earnings

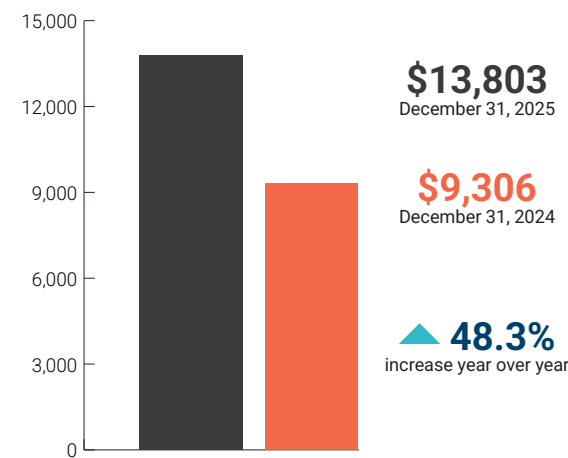
Thousands of dollars

	December 31, 2025	December 31, 2024
Earnings from core operations	\$ 13,803	\$ 9,306
Profit Shares (patronage return)	(1,725)	(1,325)
Adjustment for Investment Shares dividend expense ¹	\$ 4,436	4,984
Net earnings after above	16,514	12,965
Unrealized fair market value gain	\$ (158)	\$ 469
Earnings from operations before tax	16,356	13,434
Income tax provision	\$ (2,190)	\$ (1,110)
Net earnings from operations	14,166	12,324
Other comprehensive income net of tax	\$ 220	875
Comprehensive income	\$ 14,386	\$ 13,199

Assets (millions of dollars)



Core Earnings¹ (thousands of dollars)



¹Core earnings include Investment Shares dividend expense while excluding the impact of unrealized fair market value adjustments, taxes, Profit Shares (patronage return), and extraordinary items.

Highlights of our Financials

This report refers to the financial summaries and graphs found on pages 10 through 12 for the fiscal year ended December 31, 2025. It highlights growth in key areas, steady earnings, and continued organizational progress. The Audited Financial Statements, including the auditor's opinion and accompanying note disclosures, are available on our web site for review.

While economic uncertainty and interest rate paths continued to evolve throughout the year, 2025 proved to be another strong year for Kindred. We made meaningful progress toward our financial objectives and achieved several important milestones. Growth in loans, deposits, and membership reflected the continued trust of our existing members and the welcome of new members who are joining and choosing to deepen their relationship with Kindred.

As shown on page 10, overall assets increased by 4.5%, bringing year-end assets to \$2.4 billion. Loan growth totalled \$170.0 million, representing an increase of approximately 8.6%. Deposit growth was \$78.7 million, or 4.1%. This level of loan growth reflects historical norms whereas balance sheet deposit growth is at a lower level than normal. This is in keeping with an effort in 2025 to deploy a high opening balance of excess liquidity to fund loan growth while allowing higher priced broker sourced deposits to roll off the balance sheet. This had the effect of lowering overall interest expense for Kindred and supporting a healthy annual net financial margin.

As outlined in the Earnings Summary on page 11, Kindred reported overall comprehensive income of \$14.4 million. From a core earnings perspective (page 12), we ended the year with \$13.8 million. The year-over-year change primarily reflects strong above budget performance in net financial margin and other income categories. On the expense side we again saw slightly higher than historical expenses related to loan losses as we have worked through some isolated collection matters.

Core earnings provide the clearest view of our operational performance and are the measure we use for management reporting, peer comparisons,

and future planning – these are shown on page 12 as \$13.8 million.

This level of performance enabled us to share \$1.7 million of our 2025 profits with members through Profit Shares. Profit Shares remain a meaningful expression of cooperative banking in action, strengthening both our members and our collective capital base.

An adjustment is made to add back the \$4.4 million return paid on Investment Shares for 2025, which is included as an expense within core earnings. Net earnings after this adjustment were \$16.5 million, as shown on page 12.

A further adjustment of \$157.8 thousand reflects fair market value changes related to our interest rate swap contracts. These contracts help mitigate earnings volatility associated with changes in market interest rates and are part of our broader risk management approach.

After accounting for these items, net earnings totalled \$16.4 million. Income tax of \$2.2 million was recorded, along with other comprehensive income of \$220.1 thousand related primarily to fair market value adjustments within our investment portfolio. This resulted in overall after-tax comprehensive income of \$14.4 million, consistent with the amount presented in the audited financial statements.

This year's results enabled us to maintain capital levels comfortably above both regulatory requirements and our internally established minimums, reinforcing our long-term sustainability and capacity for growth. From a profitability standpoint, 2025 core earnings represent a return on average assets of approximately 0.78%, reflecting steady organizational performance as we navigate ongoing economic shifts while remaining focused on prudent stewardship.

In summary, 2025 was a year of balanced growth and sound financial performance. Our strong capital position and disciplined approach position Kindred well to serve our members faithfully and confidently in 2026 and beyond.



Fostering the Real Economy: Enhancing our Relationships

The Global Alliance for Banking on Values (GABV) is a group of more than 70 financial institutions from around the world working together to redefine banking by prioritizing social, environmental, and economic sustainability.

Our membership in GABV provides a window into the crucial conversations and innovative ideas taking root in visionary financial institutions around the world. We're a small player on the global scale, yet our commitment to values-centred, faith-inspired banking propels us to speak loudly and to act locally.

GABV uses the term 'real economy' as a principle to help ground us in community and focus our service on members' direct needs. This contrasts with the layered financial economy, where an investment or loan may pass through several institutions before

eventually being used by a business in service to a community. While some of these layers are important at a macro level to our economy, focusing on closer connections reinforces real relationships.

At Kindred, we're committed to being good stewards of our members' resources. This includes financial assets as well as human connections, local knowledge, digital infrastructure, and physical spaces. As we build the technologies and systems that improve the speed and efficiency of our services, we're working to enhance the relationships with our members and community partners so that we become better equipped to live out our purpose. We're connecting values and faith with finances in a real economy of real relationships, **inspiring peaceful, just, and prosperous communities.**

▶ Real Economy

The real economy relates to economic activities that generate goods and services as opposed to the financial economy that is concerned exclusively with activities in the financial markets. GABV defines financial economy as more than one layer away from a real economy activity.

Thousands of dollars

Assets	December 31, 2025			December 31, 2024		
	On-book ¹	% of total	Off-book ²	On-book ¹	% of total	Off-book ²
Financial Economy (Cash, impact investments, accruals, taxes, leases)	\$235,041	9.9%		\$304,110	13.3%	
Real Economy (Loans to members, receivables)	\$2,145,871	90.1%	\$13,526	\$1,974,965	86.7%	\$24,570
Total Assets	\$2,380,912		\$13,526	\$2,279,075		\$24,570
Liabilities/Equity						
Financial Economy (Reserves, net income, taxes, leases)	\$233,891	9.8%	\$333,138	\$215,258	9.4%	\$333,138
Real Economy (Savings/combinations, deposits, shares)	\$2,147,021	90.2%		\$2,063,817	90.6%	
Total Liabilities/Equity	\$2,380,912		\$333,138	\$2,279,075		\$333,138

This view of Kindred's financial activities is intended only to show trends from financial to real, highlighting how we're working to increase the amount of business that supports our members and communities directly.

¹ 'On-book' assets are deposits placed with Kindred, such as chequing accounts and GICs.

² 'Off-book' assets are investments with a third party, such as Aviso Wealth.



Community Impact

More than six decades ago, a small group of neighbours chose cooperation as a faithful response to shared financial need. On 21 March 1964, 22 Mennonites pooled their resources and laid the foundation for what would become Kindred Credit Union. Today, we are a trusted financial cooperative serving more than 30,000 members across Ontario. While much has changed, our commitment to integrity, compassion, and stewardship remains constant.

At Kindred, cooperative banking is a means to a greater end. We exist to connect values and faith with finances, inspiring peaceful, just, and prosperous communities as we are rooted in our founders' radical vision to see mutual aid put into faithful practice. As we marked over 60 years of helping members make peace with their money, we did so with gratitude for the trust of our members, the dedication of our team, and the partnerships that strengthen our communities.

2025 Kindred Charitable Fund

The Kindred Charitable Fund continues to be a meaningful expression of our purpose. This year, after reviewing more than **100 applications**, **17 organizations across our branch communities received a total of \$160,206 in funding**. Grants supported initiatives addressing housing, hunger, and mental health, critical areas in building healthy, resilient communities. Since its inception in 1999, the Fund has **distributed more than \$1.6 million** to 202 congregations and charitable organizations, supporting 408 projects across Ontario.

Strengthening Community Connections

In June, senior leaders and board members toured regional innovation hubs, including Communitech, Velocity's Innovation Arena, and GreenHouse, exploring how collaboration and entrepreneurship contribute to community wellbeing.



Coldest Night of the Year

On 22 February, 59 Kindred team members participated in the Coldest Night of the Year, walking in communities near each of our eight branches. Despite snowy conditions and temperatures of -7°C , **our teams raised \$14,450 to support local organizations** serving individuals experiencing hurt, hunger, and homelessness. Funds raised remained in the communities where we live and work.

Team members also participated in hands-on service throughout the year. In August, volunteers supported the construction of a Shaputuan at Crow Shield Lodge, contributing to a space dedicated to land-based healing. In the autumn, team members planted 100 native trees and shrubs in Meininger Park alongside Sustainable Waterloo Region, helping establish a micro-forest that will enhance biodiversity and climate resilience.

Responding to Hunger Locally and Globally

In November, Kindred team members volunteered at the newly established MCC Ontario Meat Cannery, canning chicken destined for communities experiencing food insecurity abroad. Closer to home, team members sorted donations at The Food Bank of Waterloo Region, helping **provide more than 6,500 meals**.

- ▶ Our annual Food Drive mobilized members, team members, and communities to contribute **\$60,200 to local hunger relief efforts** which was a 47% increase in the number of contributions from the previous year. With branch matching contributions and targeted gifts, including support for the Food Bank's Milk Program, the initiative exceeded expectations.
- ▶ Overall, Kindred's **charitable giving increased to \$750 thousand** in 2025, up from \$660 thousand in 2024, demonstrating our commitment to supporting the communities we serve.

As we reflect on 2025, we see a year shaped by cooperation in action, practical expressions of mutual aid, thoughtful stewardship of resources, and partnerships rooted in trust. We remain grateful to our members for making this work possible. Together, we continue to demonstrate that financial services, grounded in shared values, can cultivate lasting and hopeful impact.



When your money
does good close to home,
it does good for you too.

**Make
Peace**
with Your Money®

Governance at Kindred

The Council of Members (Council) is a committee of six to ten members with representation from all eight Kindred branches. Each year the Council seeks individuals for governance roles on the Board of Directors (Board). This approach to discerning qualified candidates has resulted in diverse and competent boards for Kindred that have served the membership well and been excellent guardians of our values.

Appointments to the Board are for three-year terms and require a ratification vote with a two-thirds majority at the Annual General Meeting. We are currently seeking candidates to fill vacancies on our Council. If you are interested in serving on either the Council or the Board, please speak with your Branch Manager, one of the Council representatives for your branch, or email Tithi Thakkar, Corporate Secretary, at corporate.secretary@kindredcu.com for more information.

New Board Nominees

Chinyere Okafor, Brody Rebelo*

**Susan Taves has advised the Board of her intention to resign, effective at the conclusion of the Annual General Meeting, after completing one year of her fourth three-year term. In accordance with our By-laws, at the Annual General Meeting, members will be asked to appoint Brody Rebelo to serve the remainder of the unexpired term.*

Outgoing Board Members

On behalf of Kindred's Board of Directors, the Council of Members, and members, thanks to Susan Taves for her important contributions over the last 10 years and Stephen Funk for his important contributions over the last 3 years. Thanks to all Board and Council representatives for their valuable and ongoing contributions to the governance of our Credit Union.

Board of Directors – New



Brody Rebelo, CPA

- ▶ Vice President, Finance & Accounting, Kingsley Management Inc.
- ▶ Director, Secretary, Community Energy Development Co-op (CED Co-op)
- ▶ Over 11 years of experience in working and advising on key financial areas – Financial Modelling, Financial Reporting, Sourcing and Negotiating Capital Funding, Budgeting and Forecasting, Dividend Issuance, Capital Repurchases, Asset Acquisition and Strategic Investments.
- ▶ Active real estate investor including acquisition of real property and participating in private lending arrangements



Chinyere Okafor

- ▶ Lawyer, LaBarge Weinstein LLP – Advises startups, investors, and growth-stage companies on venture financing, mergers and acquisitions, and corporate governance matters.
- ▶ Brings over a decade of experience advising on complex commercial transactions and regulatory compliance matters across venture capital, private equity, and infrastructure finance. Qualified to practice law in Ontario, Canada and Nigeria.
- ▶ Board Member, Laterna Black Innovation Hub (LBIH) since December 2024; actively involved in church and community initiatives focused on mentorship, service, and youth development.
- ▶ Enjoys CrossFit and other fitness activities that promote discipline, resilience, and personal wellbeing

2025 Council of Members

Dan Driedger – Chair (Kitchener)
 Brent Charette (Kitchener)
 Dawna Whitehead (New Hamburg)
 Dennis Frey (Elmira)
 Erla Bauman (Elmira)
 Kevin Dwarto (Waterloo)
 Miles Wiederkehr (Mount Forest)
 Sandra Kuepfer (Milverton)

2025 Board of Directors



Henry Paetkau
Board Chair



Susan Taves
Board Vice-Chair,
Governance Committee



Doug Woodburn
Audit and Risk
Committee



Gerry Frey
Chair, Finance and
Loan Committee



James Schenk
Chair, Governance
Committee



Janet Peddigrew
Finance and
Loan Committee



Kaylie Tiessen
Governance
Committee



Rick Martin
Finance and
Loan Committee



Rosemary McCrie
Chair, Audit and Risk
Committee



Stephen Funk
Governance
Committee



Wanda Wagler-Martin
Audit and Risk
Committee

Management's Responsibility Report

The accompanying financial statements of Kindred Credit Union Limited are the responsibility of Management and have been approved by the Board of Directors.

The financial statements have been prepared by Management in accordance with International Financial Reporting Standards. When required, Management has used reasonable and informed judgments and estimates in order to ensure that the financial statements are presented fairly and accurately in all material respects.

To meet its responsibility for the integrity and fairness of the financial statements, Management has designed and maintains accounting processes and systems of internal controls to provide reasonable assurance regarding the accuracy of financial records and to establish reliable data for the preparation of financial statements, and the necessary safeguarding of Credit Union assets.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility through its regular review of financial results and operations, and through the Board-appointed Audit and Risk Committee. The Audit and Risk Committee has the responsibility of meeting with Management and external auditors to discuss internal controls over the financial reporting process, matters arising from periodic audits, and other financial reporting issues. The Audit and Risk Committee regularly reports its findings to the Board for consideration.

The financial statements have been audited on behalf of the membership by PricewaterhouseCoopers LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. PricewaterhouseCoopers LLP has full and free access to the Audit and Risk Committee. The Auditor's Report outlines the nature of their audit and expresses their opinion on the financial statements of the Credit Union.



Jason Daly MBA, CIM
Chief Executive Officer



John Klassen CPA, CMA
Chief, Finance and Compliance

Audit and Risk Committee Report

The Audit and Risk Committee assists the Board of Directors in fulfilling its oversight responsibilities. It does this by reviewing the financial information and reporting processes, including the risks and controls related to those processes which management and the Board have established. The Committee is comprised of three directors and has a mandate that includes all of the duties specified for an audit committee in the Credit Union and Caisses Populaires Act, 2020 (The Act) and the associated regulations.

The Audit and Risk Committee met four times during 2025 to complete its responsibilities. Key activities included:

- ▶▶ Reviewing the financial statements and results of the year-end audit with the external auditor;
- ▶▶ Reviewing the performance of the external auditor and their proposed engagement letter;
- ▶▶ Reviewing the Credit Union's policies, procedures, and controls for legislative compliance;
- ▶▶ Reviewing the disaster recovery and business continuity plans;
- ▶▶ Monitoring the adherence of Directors, Officers, and employees with the Credit Union's policies and code of conduct;
- ▶▶ Reviewing management's identification of the Credit Union's significant risks and ensuring that enterprise risk management processes are in place to measure, monitor, manage, and mitigate them;

- ▶▶ Approving the annual internal audit plan and reviewing internal audit activities; and
- ▶▶ Completing a self-assessment on the effectiveness of the Committee and taking the necessary steps to ensure effectiveness.

Based on its findings, the Audit and Risk Committee provides reports and makes recommendations to the Board of Directors or senior management, as appropriate. These recommendations are reviewed to ensure they are considered and appropriate action taken.

The Audit and Risk Committee is pleased to report to the members of Kindred Credit Union that, pursuant to The Act and its regulations, it continues to meet the requirements of its mandate. The Committee receives full cooperation and support from management, thus enabling it to play an effective role in improving the quality of financial reporting to its members, and enhancing the overall control environment at Kindred.

In addition, there are no other matters that the Audit and Risk Committee believes should be reported to the members, nor are there any further matters that are required to be disclosed pursuant to The Act or its regulations.

Respectfully submitted,



Rosemary McCrie, Audit and Risk Committee Chair
Committee: Doug Woodburn, Wanda Wagler-Martin

