



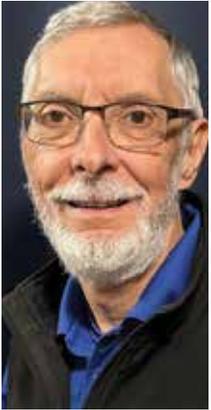
Making



Possible

2025
ANNUAL REPORT

BOARD



Ross Davis - President

Ross was born and raised in Ladysmith, was appointed Director in 2012, and has been associated with the Credit Union since the early 60's.

Ross was Manager of Millstores/Purchasing for the Crofton Division of Paper Excellence and, since retirement, works as consultant in the procurement/inventory management field. He is also a member of Ladysmith's, Royal Canadian Marine Search and Rescue. Ross currently serves on the Audit & Risk and Donation Committees and serves as Chair on the Management Committee.

Ross has a Business Administration Certificate from UVIC, is a Credit Union Director Achievement Program Graduate, and an Accredited Canadian Credit Union Director.



Elaine Layman - Secretary

Elaine joined the Credit Union in 1992 when she and her family first moved to Ladysmith. She is a Chartered Professional Accountant and owns and operates The Layman Group, a full-service accounting and financial planning company in Ladysmith.

Elaine has been active in the Ladysmith community for many years; she is currently on the Boards of the Ladysmith Historical Society and the Vancouver Island Crisis Line Society. In addition, she has previously been on the Boards of the Ladysmith Resource Centre (serving some time as President) and the Ladysmith Chamber of Commerce.

Elaine was appointed to the Credit Union Board in the fall of 2009, she is Past President and currently serves as Secretary. In addition, she is the Chairperson of the Audit & Risk Committee and is on the Conduct Review, Governance, Credit and Scholarship Committees. She is a graduate of the Credit Union Director Achievement Program, and has her Accredited Canadian Credit Union Director (ACCUD), Canadian Credit Union Director (CCD) and Global Competent Board designation for Environmental & Sustainable Governance (GCB.D) degrees. She has also attained the prestigious Institute of Corporate Directors designation (ICD.D).



Rob Viala - Director

Rob has been a member of the Credit Union since 1972; he joined the Board as a trainee in the fall of 1990 and was then elected to the Board in 1991. He worked at Western Forest Products in Chemainus as an accredited Red Seal millwright and crew lead hand. During his time at the Chemainus Sawmill, Rob served for many years as Chairperson of the Chemainus Mutual Benefit Association, a co-operative insurance society.

In years past, Rob helped many youth in our community learn about forestry and develop outdoor skills as a leader of the Junior Forest Wardens.

He currently serves as Chairperson for the Governance Committee and is also on the Conduct Review, Nominating and Scholarship Committee. Rob is a graduate of the Credit Union Director Achievement Program.



Gerry Clarke - Vice President

Gerry moved to Ladysmith in 1988 and became a member of LDCU shortly thereafter and resides in Cedar by the Sea.

He has been active in the Ladysmith and area community for many years. He joined the Ladysmith Eagles in 1995 and served two terms as President. He has been a board member of the Eagles Home Society since 1996 and has also served on the Town of Ladysmith Advisory Planning Commission serving two years as Commission Chair.

Gerry started G.R. Clarke Contracting in 2001 and is a Red Seal Carpenter.

He married his wife Erica in 1989 and they have three children. His many hobbies include antique automobiles, Labrador Retrievers, gardening, and working on his farm.

He currently serves on LDCU's Investment & Lending, Governance, Audit & Risk, Conduct Review and Credit Committees. Gerry is also a graduate of the Credit Union Director Achievement Program.



David O'Connor - Director

David has lived in Ladysmith since 1985 and raised his family here with his wife Terrena. He joined the Credit Union in 1995 and became a board member in 2010.

David practiced law in Ladysmith for 34 years as a self-employed lawyer and is now retired from the practice of law. David has a strong commitment to community values which, together with his legal expertise, makes him well suited to serve on the Board.

David currently serves as Chairperson for the Conduct Review Committee and is also on the Investment and Lending, Credit and Scholarship Committees. He was past Chairperson for the Nominating Committee. Dave is also a graduate of the Credit Union Director Achievement Program.



Carol Warkentin - Director

Carol moved to Ladysmith in 1983, and has been here since, raising her three children and now enjoying her grandchildren in this great community. After moving here and purchasing her first home in 1985 she has continued to be a member of the Ladysmith District Credit Union, grateful to have chosen a financial institution that assisted her with the purchase of her first home, during a time when rates were very high and employment was scarce.

Believing that "giving back to community" is one of her core values, Carol has been, and continues to be, a member of different service groups and committees, such as the Fraternal Order of Eagles, Ladysmith

Rotary, and the Ladysmith Ambassadors throughout the years. Carol's passion and enthusiasm for real estate led her to becoming a licensed real estate agent in 2010. Prior to becoming a realtor, she worked for a local oil company for seventeen years, and during this time she also was, (and continues to be), heavily involved in the business of building and developing land, as a Licensed Builder and Developer.

AGENDA

Carol currently serves on the Investment & Lending, Governance, Credit and Management Committees and is also a graduate of the Credit Union Director Achievement Program.



Julie Fraser - Director

Julie and her family have lived in Ladysmith since 2008 and are active members of our Community. She joined the Board of Directors in January 2023, and brings extensive experience in financial services, including:

- project and strategic management;
- coordinating service, product, and systems training programs; and
- corporate and branch audit and compliance.

Julie currently serves as Chairperson for the Credit Committee and is also on the Audit & Risk, Governance, Investment & Lending, Conduct Review, and Scholarship Committees. Julie is also a graduate of the Credit Union Director Achievement Program.

1. Reading and Approval of the Minutes of the 80th AGM.
 2. Business Arising out of the Minutes.
 3. Director’s Report.
 4. Credit Committee Report.
 5. CEO’s Report.
 6. Auditor’s Report.
 7. Special Resolution
 8. Election of Directors.
 9. Appointment of Auditors.
 10. New or Unfinished Business.
 11. Good and Welfare.
- Adjourn.

STAFF

Alexander, Carrie	Lending Services	King, Linda	Executive Services
Armishaw, Matthew	IT Services	Kong, Charlene	Insurance Services
Bakker, Jennifer	Member Services	Lowery, Megan	Member Services
Bannister, Nathan	Wealth Services	MacDougall, Sheila	Member Services
Boschman, Nicholas	IT Services	Moore, Brenda	Lending Services
Bradbury, Carolyn	Insurance Services	Olson, Brandy-Lin	Insurance Services
Bye, Adria	Finance Services	Orr, Brooke	Insurance Services
Chisholm, Brett	Wealth Services	Ponsford, Kailee	Insurance Services
Cole, Michelle	Insurance Services	Reid, Gavin	Finance Services
Copiak, Sherri	Finance Services	Reilly, Melissa	IT Services
Giesbrecht, Crystal	Finance Services	Reilly, Michelle	Finance Services
de Leeuw, John	Executive Services	Robertson, Carolyn	IT Services
Dougan, Megan	Executive Services	Robinson, Michael	Executive Services
Ethier, Tanya	Insurance Services	Schwartz, Shauna	Member Services
Eustis, Sandy	Member Services	Shannon, Alex	Wealth Services
Forrest, Connie	Finance Services	St Laurent, Anne	Lending Services
Gresmak, Kanisha	Member Services	Stevens, Katie	Member Services
Gresmak, Chandler	Member Services	Stirling, Millie	Insurance Services
Grewall, Harjeevan	Finance Services	Simmons, Tori	Member Services
Ham, June	Member Services	Tufts, Crystal	Member Services
Harte, Valerie	Member Services	Vadeboncoeur, Denine	Insurance Services
Haugen, Kendre	Mobile Mortgage Services	Vugteveen, Samantha	Insurance Services
Henn, Courtney	Member Services	Wilson, Mitch	Insurance Services
Jamieson, David	Lending Services		

Minutes of the 80th Annual General Meeting of Ladysmith & District Credit Union May 6, 2025

1. Welcome:

President, Ross Davis welcomed members and guests to the 80th Annual General Meeting (AGM) of the Ladysmith & District Credit Union (LDCU) noting this was our second hybrid AGM (held virtually and in-person).

He noted that at tonight's AGM we have a videographer filming sections of this meeting and, after this meeting, we would like to film short interviews with members who are interested.

He acknowledged that we stand on the traditional territories of the Stz'uminus First Nation and thanked them, as original keepers of this land, for their work and dedication to this land we call home.

2. Introductions:

Board President Ross introduced LDCU's Board of Directors as follows: Gerry Clarke, Elaine Layman, Carol Warkentin, David O'Connor Julie Fraser and Rob Viala.

He also introduced Chief Executive Officer (CEO) John de Leeuw and advised that Brad Derbyshire CPA from the accounting firm of MNP is attending virtually.

3. Quorum:

Board President Ross declared a quorum with 171 members plus 7 guests in attendance.

4. Meeting Documents Review:

CEO John de Leeuw advised that tonight's meeting documents were provided to our members on LDCU's AGM registration web page and were handed out to members attending in person. They include the Agenda, Minutes of the 79th AGM and the 2024 Annual Report (which includes LDCU's Audited Summarized Financial Statement).

5. Viewing, Voting and Questions:

CEO John de Leeuw noted that, for those attending virtually, we are using Microsoft Teams and outlined the procedures for virtual and in-person voting and member questions.

6. Rules of Order:

CEO John de Leeuw then displayed the Rules of Order and read them out. He asked if anyone had any questions. No one inquired.

7. Agenda Approval:

Board President Ross outlined the Meeting Agenda to the membership and asked for questions. There were none. He then called for a motion to approve the Meeting Agenda. This was moved by Rod Alsop and seconded by Kelsey Dentoom. Carried by the membership.

8. 79th AGM Minutes:

Board President Ross asked if anyone had any questions on last year's minutes. Hearing none, he then called for a motion to approve the minutes of the 79th Annual General Meeting contained in the meeting documents. This was moved by Bruce Hansen and seconded by Brian King. Carried by the membership.

9. Business Arising:

Board President Ross then asked if there was any business arising from the 2024 AGM minutes. None were raised.

10. Board Report:

Board President Ross welcomed everyone to LDCU's 80th AGM and advised that he was pleased to see so many members in attendance.

He noted that almost every year LDCU's President's Report outlines the challenges in the financial services industry. He advised he recently read LDCU's 40th Annual Report written by President Jack McDonald in 1985 (40 years ago). This report also discussed the similar challenges that they faced and read the following excerpt from this report:

"This past year (1984) will be known as one of recession, restraint and uncertainties for Ladysmith & District Credit Union. We have come through one of the most turbulent years in 40 years of existence."

Board President Ross then advised he trusts everyone has read the Board Report contained in the meeting documents and presented its highlights as noted below:

He discussed:

- Rising inflation, the higher cost of living and the Bank of Canada's delay in lowering interest rates which all led to LDCU's lower loan growth in 2024.
- The resilience in Ladysmith's housing market and the solid increase in LDCU's deposits.

Despite the challenges, he outlined LDCU's excellent growth metrics compared to the BC Credit Union System as noted below:

	LDCU	BC Credit Union System Average
Asset Growth	6.49%	3.72%
Deposit Growth	6.71%	3.62%
Loan Growth	1.56%	5.63%

In addition, he noted:

- Our asset and deposit growth was strong compared to the system average.
- We have worked hard building our subsidiaries and 2024 was LCU Insurance's best year ever for Net Operating Income and LDCU Financial held solid results.
- We transferred \$1.46 million to Retained Earnings in 2024 increasing Members Equity to \$18.5 million and significantly increasing our Capital Ratio to 17.33%, which is more than double the 8% requirement.

He announced that, with the excellent 2024 results, the Board of Directors was proud to declare 2024 dividends on Member Equity Shares at 4.00%.

He discussed LDCU's community involvement which provided over \$73,000 in donations in 2024 and includes \$19,000 in scholarships for Ladysmith & District Secondary School graduates. He mentioned the history behind our community involvement noting that LDCU's 40th AGM President Report stated:

"We are proud of Ladysmith & District Credit Union and its contribution to our community. Our involvement in the School Savings, School Bursaries, local charities, Ladysmith Days, Self-Help Center and other community affairs has been second to none."

He noted that the 2024 renovations in our retail banking area bring a fresh, modern look and, with all the positive feedback, we decided to renovate our insurance subsidiary and executive offices in the upper level.

He noted tonight's theme is "LDCU Strong" and advised that in 2024 LDCU was recognized by our regulators (BCFSA) as the only BC Credit Union who is the dominant financial institution in its marketplace. We are incredibly proud of this distinction and even more proud that it is recognized throughout the Credit Union system.

He noted that, as we celebrate our 80th AGM, we face today much of the same obstacles as we did 40 years ago and, like back then, we remain steadfast in our belief in LDCU and committed to the ideals of a community-based Credit Union in Ladysmith.

He advised that the excellent 2024 financial results are due to the efforts of CEO John de Leeuw, his management team and the staff. He then thanked his fellow directors for their continued service to LDCU noting that, without their efforts, long-range vision, decision-making, and unfailing commitment, we would not be the Credit Union we are today.

He closed noting: "LDCU has had significant changes and substantial growth over the past 40 years, expanding our services, increasing our assets, while continuing to prioritize community engagement. We can thank our original directors and members for their far-sighted perseverance to these ideals, even in the face of seemingly insurmountable obstacles."

He closed with the eloquent words Jack McDonald spoke in 1985: "Let us work together to make the next 40 years as successful as the past 40".

Board President Ross then inquired if there were any questions about the Board Report. None were raised. He then called for a motion to approve the Board Report. This was moved by Dave DeClark and seconded by Melanie Davis. Carried by the membership.

11. Credit Committee Report:

Board President Ross advised that he trusts everyone has read the Credit Committee Report contained in the meeting documents. He noted that, to remain consistent with previous years, we will not read the Credit Committee Report aloud unless someone specifically asks.

CEO John de Leeuw then summarized the Credit Committee Report:

- Total loan approvals increased by \$4.8 million or 9.31% but, despite these approvals, total net loan growth was down. The first half of 2024 was down due to low consumer confidence over interest rates but, this started to change in the second half as the Bank of Canada started to lower its interest rates. John then presented slides noting:
 - Our net loan growth in 2024 was only \$3.6 million, due to significant payouts with fierce competition and higher interest rates.
 - Residential mortgages accounted for over 67% of our loans in 2024, commercial financing accounted for 21% and lines of credit accounted for just under 10%.
 - Residential mortgages dominated 2024 mortgage approvals outperforming 2023 by \$4.2 million. A large portion of the residential mortgage approvals were from our Mobile Mortgage Manager.

- Our commercial approvals were also higher in 2024 compared to 2023 and our new Commercial Account Manager has been doing incredibly well.

Board President Ross called for a motion to approve the 2024 Credit Committee Report as outlined in the meeting documents. This was moved by Kara Olson, seconded by Brian King. Carried by the membership.

12. CEO Report:

CEO John de Leeuw then presented the CEO Report noting:

• Financial Results

John outlined the challenges and successes for LDCU over the past year noting that this understanding allows us to celebrate our success with pride. He noted:

- In 2024 the Bank of Canada delayed lowering interest rates until June, then aggressively lowered rates due to slow economic growth and market uncertainties. This resulted in our lowest year in loan growth since 2018.
- The record for the longest inverted yield curve (792 days) ended in September 2024, and fortunately, did not lead to a recession.
- The housing market in Ladysmith and surrounding area remained resilient despite the higher interest rates.
- LDCU experienced excellent growth in our deposit portfolio, which has set us up to be in an excellent position to handle the increased loan demand expected in 2025.
- The recent expansion of our loan portfolio, higher interest rates, and the superlative performance of LCU Insurance, has led to our financial income reaching a record high in 2024, being our second-best year ever.
- He thanked the Lending Team for their staggering achievement of having no delinquent loans over 30 days, at the end of 2024.
- He advised that LDCU dominated the system in almost all categories including Deposit Growth, Financial Margin, Operating Expenses, Operating Efficiency and Return on Assets.

Specifically, CEO John outlined LDCU's 2024 financial results in detail with a slide presentation.

• Questions:

CEO John de Leeuw then asked the membership if they had any questions. The following question was asked:

- Member Rob Johnson asked:
 - Q: "With the LDCU's success, is it not now, more than ever, a target for a merger or an amalgamation?"
 - A: CEO John de Leeuw noted this was a great question, he explained the history of mergers within the Credit Union System and the reasons other Credit Unions have merged. He then advised:
 - We continue to remain fiercely, but not foolishly independent. We are not in merger talks and have not received phone calls about mergers. We believe this is due to our independent reputation in the system. We are pleased with this reputation and are not merging anytime soon.
 - A round of applause was then given from the membership.

Minutes of the 80th Annual General Meeting

of Ladysmith & District Credit Union

May 6, 2025 continued

- **Historical Comparison**

John outlined the significant financial growth and stability of the Credit Union over the past 40 years, highlighting key metrics and historical context.

- **Financial Growth Metrics**

- Since 1984, total assets have increased from \$16 million to over \$300 million, with a growth factor of 19.5 times.
- Loans grew from \$11 million to over \$241 million, reflecting a growth factor of over 20 times.
- Deposits rose from \$16 million to nearly \$300 million, achieving an 18.5 times growth factor.
- Financial revenue increased from \$1.8 million to over \$15 million, while financial expenses grew from less than \$500,000 to almost \$6 million.
- Net Operating Income improved by over 900% annually, from a loss of \$235,000 in 1984 to over \$1.8 million in 2024.
- Retained earnings surged from approximately \$161,000 to over \$18.5 million, marking a growth of 115 times.

- **Consistency and Liquidity Management**

- The relationship between total assets and deposits has remained consistent, with a stable deposit-to-loan ratio since 1984, crucial for liquidity management.
- The overall growth pattern shows a strong correlation between past and present figures, emphasizing the Credit Union's reliability and sound financial management.

- **Historical Context**

- The early 1980's posed significant challenges due to high inflation and interest rates, leading to defaults and the Credit Union's first annual loss in 1984.
- Despite these challenges, the Credit Union has transformed into a robust financial partner for the Ladysmith Community, demonstrating resilience and sustained growth over four decades.

- **Staff Service Awards**

CEO John de Leeuw then individually called staff who were receiving service awards to come up. He thanked them for their hard work and effort and presented them with their annual service awards. He presented 2024 awards for one, three, five, ten and fifteen years of service.

In addition, CEO John de Leeuw thanked:

- Megan Dougan, VP HR, and LDCU's division leaders for their efforts in hiring and vetting staff amidst a competitive labor market.
- The staff who worked hard to set up this AGM, in particular the IT Team plus the many others who helped with registration and food services.
- Linda King, Executive Assistant for her tireless support to the Board and himself, emphasizing her positive attitude and dedication.

Retirements

John noted the following retirements:

- Connie Forrest, VP Finance, retired after over 11 years and he thanked her for her steady guidance through all the challenges over the years.
- Roberto Qualizza, Manager of Financial Services, retired after 12 years and he thanked him for his excellent leadership of the Lending Team while maintaining a strong delinquency record throughout his years with us.

Celebrating Legacy and Commitment

- He extended gratitude to all staff, past and present, for their dedication, which has helped establish the Credit Union as a trusted institution since 1944.
- He extended recognition to LDCU's early pioneers and past leaders who contributed to the Credit Union's success, and emphasized the importance of their vision and commitment.
- He acknowledged the staff's integrity and commitment as foundational to the Credit Union's enduring legacy in our community.

Board President Ross asked for a motion to approve the CEO's Report as presented. This was moved by David Jamieson and seconded by Rob Johnson. Carried by the membership.

13. Auditor's Report:

The Auditor's Report, presented by Brad Derbyshire, CPA of MNP was viewed by the membership. Brad advised that he was pleased to report that MNP has issued a clean unmodified audit opinion and the full set of LDCU's 2024 consolidated statements fairly represent the financial position of LDCU. Ross asked if there were any questions on the Auditor's Report for Brad. There were no questions.

Board President Ross thanked Brad Derbyshire along with Debbie Bass and the MNP team. He asked for a motion to approve LDCU's 2024 Auditor's Report as presented. This was moved by Gordon Graham and seconded by Dorraine Baines. Carried by the membership.

14. Nominating Committee Report:

Nominating Committee Chairperson Julie Fraser, presented the Nominating Committee report. Julie outlined the guidelines followed when directors reach the end of their term and outlined the newsletter sent to the LDCU's membership stating the expiration of the terms of two of our directors. Julie advised that the directors whose terms are expiring are Ross Davis and Elaine Layman noting they each completed an incumbent nomination package and no other nominations were received. Julie then advised that, pursuant to Article 4.14 of the Credit Union Rules, Ross Davis and Elaine Layman are elected via acclamation. They will each serve for three years with their terms expiring at the 2028 AGM. She thanked them for letting their names stand for another term.

Board President Ross asked for a motion to accept the Nominating Report as presented. This was moved by Tracy Paterson and seconded by Marion Rodall. Carried by the membership.

15. Appointment of Auditors for 2025:

Board President Ross asked for a motion that MNP be appointed auditors for 2025 with the Board given the authority to set their remuneration. It was moved by Eric Tucker and seconded by Connie Forrest. Carried by the membership.

16. New or Unfinished Business:

Board President Ross called for any New or Unfinished Business.

- Member Rob Johnson asked:

Q: Is LDCU's membership growing from people living in Ladysmith?

A: CEO John de Leeuw answered his question stating:

We have recently evaluated the demographics of our membership compared to the demographics of the Town of Ladysmith in a report to our regulators (BCFSA). We found that our membership demographic mirrors the Town's demographic almost exactly and we're proud of the fact that we are well represented in our community. In addition, one of our strategic priorities this year is to market to the 30 to 54-year-old demographics with a targeted on-line presence.

17. LDCU Member Satisfaction Survey Results:

Marketing Manager, Michael Robinson, outlined the member satisfaction survey conducted by Majid Khoury Consulting for LDCU and its subsidiaries.

- Michael was pleased to report that the results were among the best for Credit Unions in BC noting:
 - LDCU's results showed a high satisfaction due to outstanding member service and community involvement. These ratings were consistently positive across all age demographics. LDCU's friendly and competent service was mentioned as the main reason for our members' loyalty.
 - LCU Insurance's results showed a high satisfaction due to their prompt and courteous service. Their customers mentioned LCU's reliability and support as the main reason for their long-term relationship with LCU.
 - FML also showed high customer satisfaction based on fewer respondents.

18. Announcement of Gift Certificates:

Board President Ross advised that, once again, every member attending this meeting (virtually or in-person) is able to choose a \$75 gift certificate to one of the following local businesses.

- Cottonwood Golf Course
- Wild Poppy
- Plantitude
- White Space Living
- Old Town Bakery,
- Bouma Meats
- Wordly Gourmet
- High Street Hair
- Chopstix
- Bayview Brewing
- Fox & Hounds
- Jas Café

Board President Ross advised that, since we implemented this giveaway at our first virtual AGM in 2020, we have provided over \$54,000 in gift certificates to our members. This means over \$54,000 was invested into Ladysmith businesses.

19. Thank you and Adjournment:

Board President Ross thanked all members for attending LDCU's 80th AGM. He noted that our theme "LDCU Strong" not only represented this very successful year but, also represents four of the past five years. He stated that, since 2020, LDCU has had four of the best years in its history despite major challenges in the industry.

He noted that we continue to look to the future as the financial services industry evolves and that LDCU is ready, even with increasing regulation, changing technology, and shifting member needs. We are investing in digital transformation, strengthening cybersecurity, and ensuring our services meet the expectations of the next generation, all while holding fast to the principles that have sustained us since 1944.

He thanked LDCU's staff for another excellent year and their dedicated service. In particular, he thanked LDCU's IT Department for putting on another successful hybrid AGM. He also thanked the Ladysmith Secondary School for allowing the use of their facility and noted that Bill Taylor's help was instrumental in making our meeting a success.

President Ross then stated "Let's make the next 40 years as successful as the last 40" noting this was originally stated by LDCU's President McDonald's at LDCU's 40th AGM.

The meeting was adjourned at 8:59 pm through a motion by Tim Richards

Making MORE Possible

Message from the Board and CEO



Ross Davis
President



John de Leeuw
CEO

“Your Credit Union continues to grow, adapt, and serve our community with strength and resilience. Our success is not measured solely by financial performance, but by the trust our members place in us, and the role we play in supporting their financial well-being.

Results highlight the strength of our integrated model as we remain committed to the values that have guided us for decades:

- Professionalism,
- Knowledge,
- Innovation,
- Profitability, and
- Social Responsibility.”

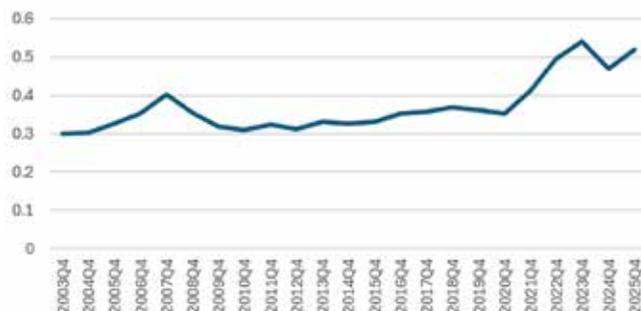
The past several years have continued to challenge financial institutions across Canada. From the uncertainty of the pandemic to inflation reaching levels not seen in decades, followed by rapidly rising interest rates, the economic environment has required constant monitoring and adaptation within the banking industry. As we entered 2025, there was cautious optimism that the worst of the rate cycle was behind us. Inflation had begun to stabilize, and the Bank of Canada had already started reducing its Overnight Rate in the latter half of 2024. That trend continued into 2025. The year began with the Overnight Rate at 3.25%, and over the course of the year, the Bank of Canada lowered rates four additional times, bringing the rate down to 2.25% by year end. These continued reductions helped ease borrowing costs and supported a gradual return of consumer confidence. While confidence was improving, it remained measured. Many households continued to feel the lingering effects of higher borrowing costs from prior years, particularly those renewing mortgages. As a result, consumer behaviour remained cautious throughout much of the year, with spending and housing activity recovering slowly rather than all at once. However, by the end of the year, the Canadian Consumer Confidence Index was down 2.9 points from the start of the year, finishing at 46.4 at the end of 2025.¹



It should be noted this number is well below the long-term average and a Consumer Confidence Score below 50 reflects a pessimistic outlook. Nationally, the Index declined by approximately 4% year-over-year in 2025, with larger declines experienced in Ontario and British Columbia. While early 2025 showed more modest decreases, the decline deepened as the year progressed, reflecting ongoing affordability challenges and cautious buyer sentiment.

Another measurement we track is the Housing Affordability Index. Housing affordability ratios reflect the share of household income required to service mortgage costs, with higher ratios indicating reduced affordability. In 2025, this ratio remained elevated at approximately 51.6%, significantly above the historical average of 40.5%, highlighting ongoing affordability pressures. Although conditions remain lower than prior highs, housing remains relatively unaffordable, particularly in markets such as British Columbia.

Bank of Canada Housing Affordability Index
2023 - 2025



¹ <https://www.ipsos.com/en-ca/consumer-confidence-canada-monthly-update>

² <https://vireb.com/wp-content/uploads/2026/01/12-Dec-25-VIREB-Stats-Package.pdf>

³ Landcor Data Corp

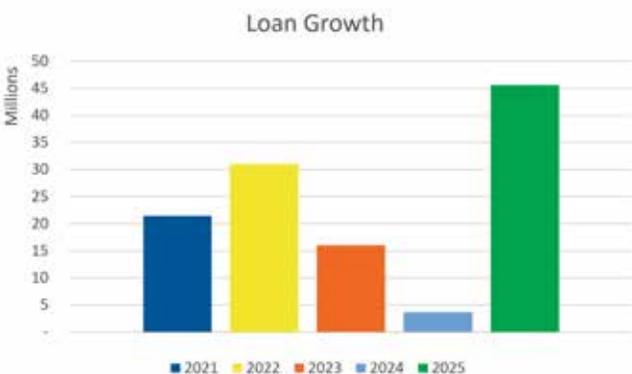
Despite the low Confidence Index and the elevated Affordability Index, the housing market responded to the lower rates, although not uniformly across the country. Despite this broader national trend, our local markets demonstrated resilience. Across the Cowichan Valley, total residential sales declined slightly from 688 in 2024 to 672 in 2025, a decrease of 2.33%. However, pricing remained strong, with the median sale price increasing from \$762,800 to \$790,000, an increase of 3.56%.²

Locally, the Ladysmith market showed even stronger performance. Total residential sales increased from 189 to 207, an increase of 9.52%. Median sale prices rose significantly from \$770,000 to \$825,000, an increase of 7.14%, reflecting renewed demand and confidence within our community.³

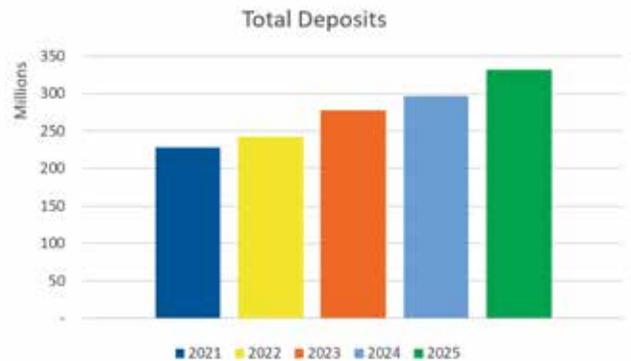


The drop in interest rates throughout 2025 was positive news for Canadians, and this showed particularly well in our local housing market. As borrowing costs declined, affordability improved, allowing more buyers to re-enter the market. However, affordability remained a challenge relative to long-term historical averages, and we continue to monitor these trends closely.

The falling housing indexes in 2025 signaled continued market headwinds, yet LDCU's performance tells a different story. With record loan growth, we not only weathered these challenges but thrived, highlighting our continued market leadership. After a subdued year in 2024, lending activity rebounded significantly in 2025. The lower interest rates buoyed confidence throughout our market area, leading to a substantial increase in borrowing demand, particularly in residential mortgages. This led to a phenomenal year for lending at LDCU. In fact, 2025 represented a record year for loan growth, with our loans portfolio increasing by over \$45.6 million, surpassing our previous record of \$31.0 million set in 2022. This represents an increase of over \$14.5 million, or 47.1%, above our prior record.



Also showing strength and resilience was the growth in our deposit portfolio. In 2025, this growth was invaluable in order to fund our record loan growth. Total deposits rose by over \$35.6 million, finishing the year at \$332 million. The highest total in the history of our Credit Union. This growth was led by a surge in our term deposit portfolio of almost \$26 million, accompanied by our demand deposit portfolio rising by \$8.5 million. Our registered portfolio grew as well, even though a much more muted \$1 million increase.



This incredible growth contributed to our Total Assets increasing to \$353.8 million, up from \$316.7 million in 2024, an increase of over \$37 million. Another record, surpassing 2022, the year of our previous highest growth of \$34.9 million.

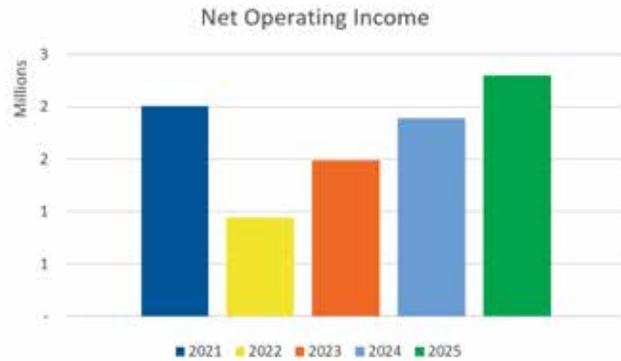
From an earnings perspective, 2025 was a year of both strength and transition. Our financial margin increased significantly, rising to \$6.88 million, an increase of over 20% compared to the previous year. Operating income also improved, reflecting the strength of our core operations. However, overall net income declined marginally to \$1.26 million, compared to \$1.47 million in 2024. This decrease was primarily the result of a one-time impairment on intangible assets, related to the transition of our wealth management subsidiary from Assante to Aviso. While this transition created short-term challenges and negatively impacted overall earnings, it positions us for long-term stability and growth within that line of business.



One figure that truly showcases the strength of our model is our Net Operating Income (NOI). In 2025, we had the highest NOI in our history. We finished the year with just under \$2.3 million in NOI. This was an increase of \$406,519 or 21.51% from 2024. This result demonstrates the competitive pricing and our commitment to providing strong product offerings.

Thank You to our Staff

“With every passing year, our staff show just how much they care about this community-based Credit Union. Founded in 1944, what began as a simple idea has grown into a legacy we’re proud to keep building. Even in today’s fast-paced, ever-changing world, we stay grounded in the values that started it all.”



Our lending growth also had an impact on our capital ratio. As our loan portfolio expanded significantly, our risk-weighted assets also increased, resulting in our capital ratio declining from 17.33% in 2024 to 15.99% in 2025. Importantly, this is reflective of strong growth rather than elevated risk, as our underwriting practices remain disciplined, consistent, and conservative. Despite this decrease, our capital position remains well above the regulatory minimum of 8%, reflecting a continued strong and stable capital base.

Our subsidiaries once again played an important role in our overall performance. LCU Insurance Agencies Ltd. delivered another record year, achieving Net Operating Income of over \$602,000. Growth was driven by strong performance across all lines, with commercial insurance revenue exceeding \$135,000, also a record. LDCU Financial Management Ltd. experienced a more challenging year, due to the transition from Assante platform to Aviso. While this transition impacted short-term earnings, it is expected to provide a stronger foundation for future growth and enhanced service offerings to our members. Aviso is the preferred platform for Credit Unions across Canada. With over \$145.7 billion in Assets Under Management, Aviso is one of the top 10 Wealth Management companies in the country.

Together, the above results highlight the strength of our integrated model and our ability to support members across all aspects of their financial lives. Whether through lending, insurance, or wealth management, we continue to demonstrate that we make MORE possible for our members and our community.

Beyond our financial performance, we remain deeply committed to the communities we serve. In 2025, LDCU contributed over \$100,000 back into

Our Community. You.

1944

A PUBLIC MEETING TO ORGANIZE A CREDIT UNION in Ladysmith District

Sunday Afternoon, May 14

At 2:30 o'clock in Nicholson's Hall

ADMISSION IS ABSOLUTELY FREE, and the general public is cordially invited to attend.

Mr. R. Glen, Vice-president of Powell River Credit Union and Provincial Organizer, will address the meeting. Also to be heard will be the subject, Provincial Insurance Agency.

Mr. R. Glen, Vice-president of Powell River Credit Union and Provincial Organizer, will address the meeting. Also to be heard will be the subject, Provincial Insurance Agency.

1947

Certificate of Incorporation

3 being unity

1948

Our 1st office in the IWA building, local 1-80 at 530 1st Avenue (Zacks Lounge).

1953

Our 2nd location at 422 Esplanade (the former BC Tel Building) opened February 1959-1966.

1959

Our 3rd location at 18 High Street, (the BeanTime) opened August 5, 1966-1974.

LDCU was the first Credit Union in Canada to use the logo of the International Credit Union movement, stylized hands cradling a globe and a Credit Union family.

1966

Our 4th location - lots at the corner of 1st Avenue and Robert Street and the adjacent lot on 1st Avenue purchased for a new building.

Construction started in 1973, building opened February 23, 1974. Ersk and Ruth Person joins Mayor Kay Groulx for ribbon cutting.

1974

LDCU Insurance Agencies Ltd. home insurance Insurance Agency Credit Unions have entities so LCU

International Woodworkers of America (I-WA) petition to start a Credit Union.

MAY 18, 1944 - Charter 116 Granted.

JUNE 16, 1944 - 1st General Meeting. Rev. Everett Fleming elected 1st President.

Charter Member, John Lindsay, the Credit Union's first secretary and one of LDCU's longest serving Directors.

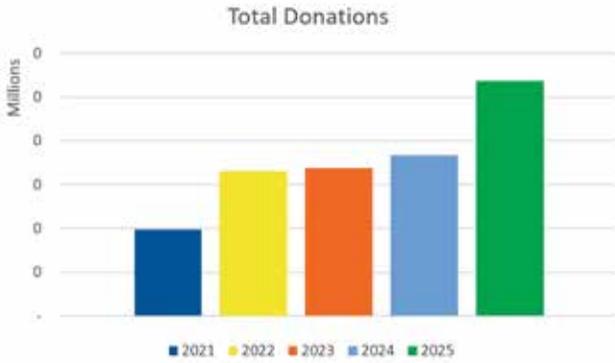
1948 - LDCU began using the "Little Man" with umbrella logo.

1953 - LDCU establishes the 1st School Savings Program now called Kids' Count.

1962 - Ruth Person becomes LDCU's first salaried employee.

1974 - Credit Union unveils a walk-up teller service, a first for British Columbia Credit Unions.

1974 - LDCU starts selling Autoplan from a new agency known as the Insurance Corporation of British Columbia.



our local community through scholarships, sponsorships, donations, and community initiatives. This total does not include the nearly \$15,000 in gift certificates provided to members who attended our Annual General Meeting, supporting local businesses while engaging our membership.

One of the highlights of the year was sponsoring Ladysmith's first-ever drone show during Light-Up Night, the annual festival that kicks off the Christmas season. This event brings our community together in celebration and was another opportunity to demonstrate our commitment to supporting initiatives that create lasting memories. These contributions reflect more than financial support, they represent our belief that strong communities create stronger futures. It is just one more way that we continue to demonstrate that we Make MORE Possible, not only for our members, but for the community we are so proud to be part of.

As we reflect on the past several years, it is clear that the challenges facing the financial services industry have been both significant and ongoing. From interest rate volatility to increased regulatory demands, to technological transformation and competition from larger institutions, the environment continues to evolve rapidly. Yet through all these challenges, your Credit Union continues to grow, adapt, and serve our community with strength and resilience. Our success is not measured solely by financial performance, but by the trust our members place in us, and the role we play in supporting their financial well-being. Looking forward, we will continue to focus on maintaining financial strength, adapting to changing market conditions, and investing in the services

and technologies our members expect. At the same time, we remain committed to the values that have guided us for decades: professionalism, knowledge, innovation, profitability, and social responsibility.

At its core, our purpose remains simple: helping our members achieve more than they thought possible. We bring that purpose to life every day by focusing on three key pillars: Embrace, Engage, and Empower.

We Embrace our members by understanding their unique needs and meeting them where they are.

We Engage by building meaningful relationships and remaining actively involved in the communities we serve.

And we Empower by providing the tools, advice, and support our members need to make confident financial decisions.

Together, these pillars guide how we deliver on our commitment to help our members and communities thrive. As we approach our 81st Annual General Meeting, we can confidently say that Ladysmith & District Credit Union remains strong, resilient, and well-positioned for the future.

As always, we would like to thank our staff and Board of Directors for their continued dedication and commitment. Their efforts are the foundation of our success. And most importantly, we thank you - our members. Your continued trust and support allow us to grow, adapt, and serve our community. We do not take that trust for granted.

We Make MORE Possible.

Respectfully submitted,

Ross Davis, President
President, Board of Directors/CEO

John de Leeuw,

Your Credit Union.™

Ladysmith & District Credit Union
service since 1944

77 YEARS
LDCU

Our Community. Your Credit.

1978 - division started selling in addition to Autoplan. Agencies affiliated with provincial and to be registered as separate Insurance Agencies was created.

1989 - New building erected on Roberts Street to house Admin and Insurance Services. Opened September 17, 1994.

1994 - LDCU donated nearly \$30,000 to community groups that year to celebrate its Golden Jubilee (50 Years).

1999 - LDCU becomes the major contributor to Transfer Beach Amphitheatre (\$25k). Over the years, LDCU has donated over \$85,000 to upgrade the amphitheatre, sprayspark and playground at Transfer Beach.

2005 - LDCU unveils new logo and tagline, Our Community Your Credit Union at the 60th AGM held April, 2005.

2006 - Olive-Oater introduced to Kids' Quest to help teach kids about financial literacy.

2009 - LDCU donates \$100,000 to Town Trolley Project.

2014 - LDCU celebrates its Platinum Anniversary (70 Years) with a book by Patrick A. Dunae decalling the history of the Credit Union.

2014 - LDCU Financial Management launches.

2016 - In partnership with Sez'uminus First Nations & Coast Salish Development Corporation, LDCU opens its second branch at Oyster Bay, December 2016.

2019 - Our first ever Mobile Mortgage Broker service goes live.

2021 - local artist Kathy Oliver completes new mural, showcasing over 77 years of Credit Union history.

2021 - Spring our charming mascot makes his video debut explaining how to use online banking service.

2024 - LDCU celebrates 80 Years with assets under administration over \$370 million.

Making MORE Possible

Credit Committee Report 2025

“2025 represented a record year for total loan growth... our portfolio increased by over \$45.6 million, surpassing our previous record of \$31.0 million set in 2022.

This represents an increase of over \$14.5 million, or 47.1%, above our prior record and is now the largest increase in loan growth in the Credit Union’s history.”

Following the uncertainty created by rising interest rates through 2023 and into early 2024, the Bank of Canada began lowering its Overnight Rate in mid-2024. However, the rate decreases did not have any measurable impact on consumer confidence or LDCU’s lending totals. Entering 2025, the Overnight Rate stood at 3.25%, and this time the Bank of Canada took a more aggressive path of rate reductions, reducing its benchmark rate four times, bringing it down to 2.25% by year end. These continued reductions helped restore confidence in the housing market and supported improved affordability and renewed buyer activity. Across the Cowichan Valley, market activity remained somewhat tempered. Total sales of single-family homes declined slightly to 672 in 2025 compared to 688 in 2024, representing a decrease of 2.33%. Despite this modest decline in sales, median prices strengthened, rising to \$790,000 from \$762,800 in 2024, an increase of 3.56%.

In contrast, the Ladysmith market demonstrated stronger momentum. Total residential sales increased from 189 in 2024 to 207 in 2025, an increase of 9.52%. Median sale prices also rose significantly, climbing from \$770,000 to \$825,000, representing an increase of 7.14%. This marked a notable shift from the relatively flat conditions experienced in the previous year and reflected stronger demand within the local market. At LDCU, these improving conditions were clearly reflected in our lending activity. After a more subdued period in 2024, 2025 saw a significant increase in both the number and total value of loans approved.

In fact, 2025 represented a record year for total loan growth, with the loan portfolio increasing by over \$45.6 million, surpassing our previous record of \$31.0 million set in 2022. This represents an increase of over \$14.5 million, or 47.1%, above our prior record and is now the largest increase in loan growth in the Credit Union’s history. In total, LDCU approved 211 loans in 2025, compared to 168 loans in 2024, representing an increase of 25.6%. The total dollar value of loans approved rose to \$86.2 million, up from \$57.3 million in 2024, an increase of \$28.9 million or 50.4%. This growth was driven primarily by residential mortgage lending. The number of personal mortgages approved increased from 86 in 2024 to 118 in 2025, while total funding rose from \$38.6 million to \$69.0 million, an increase of over \$30 million. This reflects renewed borrower confidence and improved affordability as interest rates stabilized. Commercial lending remained relatively consistent year over year, with 18 loans approved totaling \$11.3 million, compared to 22 loans totaling \$12.4 million in 2024. While slightly lower, this level of activity remains consistent with broader economic conditions. Other lending categories, including lines of credit, automobile loans, and miscellaneous personal lending, remained stable and continue to play an important role in supporting our members’ broader financial needs. Despite the strong increase in lending activity, the Lending Services Division remained focused on prudent risk management. Each application continued to be carefully assessed, with particular attention given to debt service capacity and the potential impact of future interest rate changes.



LDCU
Wealth Strategies

Invest. Globally. Locally.

www.ldcu.ca/invest

250-591-4077

Reimagining

Protect your
Unlock golden

It's not just w

Overall, 2025 represented a significant and record-setting year for lending activity at LDCU. The combination of lower interest rates, improving market confidence, and strong member relationships contributed to exceptional growth. At the same time, we remained committed to prudent lending practices, ensuring that this growth was achieved in a responsible and sustainable manner while continuing to support the borrowing needs of our community.

The following is a complete summary of the loans and mortgages granted in 2025 & 2024:

	#	2025	#	2024
Personal Mortgages	118	68,977,294	86	38,585,238
Business/Commercial	18	11,297,467	22	12,424,687
Miscellaneous	4	44,532	3	27,993
Automobile	4	63,323	6	163,161
RV's, Boats, etc.	0	-	0	-
Mobile Homes	2	367,110	3	508,260
Taxes, RSP's, etc.	1	25,000	0	-
Consolidation	5	93,537	3	86,256
Lines of Credit	59	5,307,910	45	5,512,550
Totals	211	86,176,173	168	57,308,145

Respectfully submitted: Julie Fraser, Chair; Elaine Layman, Gerry Clarke, Carol Warkentin, Dave O'Connor, John de Leeuw & Dave Jamieson- Credit Committee, Ladysmith & District Credit Union

1 <https://vireb.com/wp-content/uploads/2026/01/12-Dec-25-VIREB-Stats-Package.pdf>
 2 <https://vireb.com/wp-content/uploads/2026/01/12-Dec-25-VIREB-Stats-Package.pdf>
 3 Landcor Data Corporation

Investing

our nest egg.
 n opportunities.

ishful thinking.



Making MORE Possible

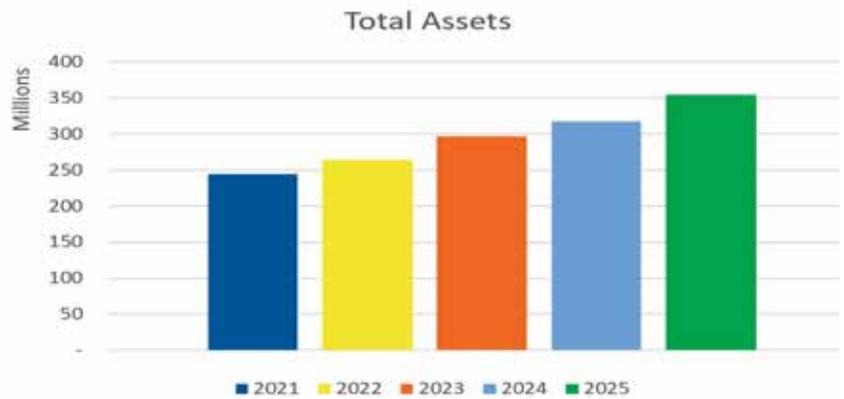
The LDCU Board of Directors
is proud to announce a
4.0% DIVIDEND
on Member Equity Shares.

This Dividend is a benefit of membership and shows our
commitment to providing significant value to our members.
Another reason to join us.

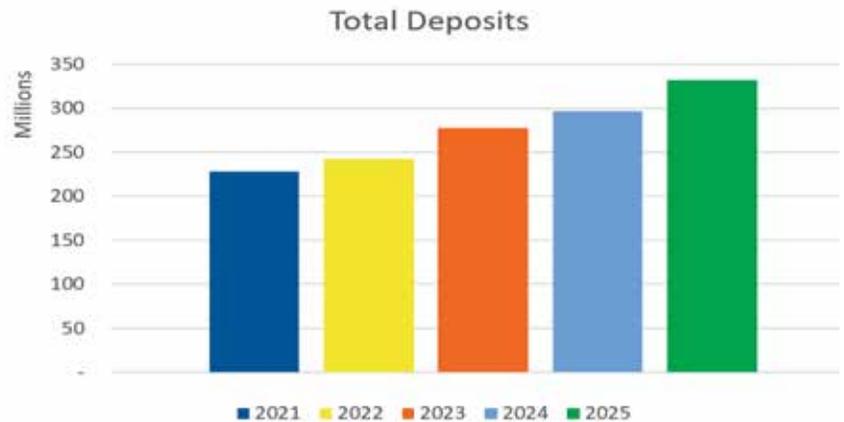


DEPOSITS
100%
GUARANTEED
As outlined by the CUDIC

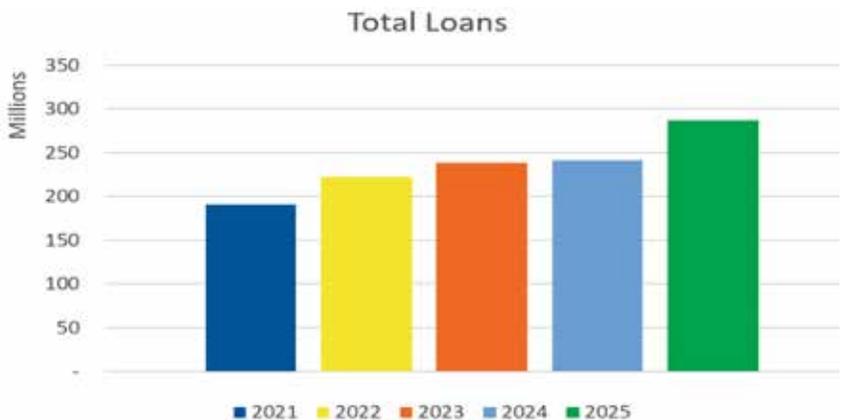
Total Assets increased to \$353.8 million, up from \$316.7 million in 2024.



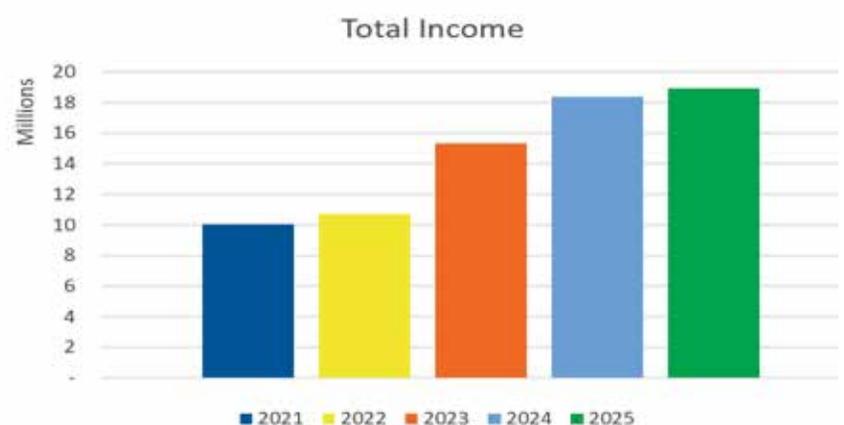
Total deposits rose by over \$35.6 million, finishing the year at \$332 million. The highest total in the history of our Credit Union.



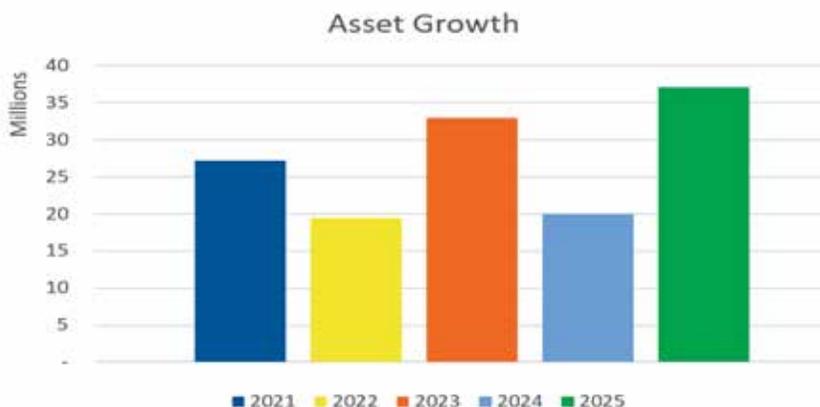
2025 represented a record year for loan growth. The lower interest rates buoyed confidence throughout our market area, leading to a substantial increase in borrowing demand, particularly in residential mortgages.



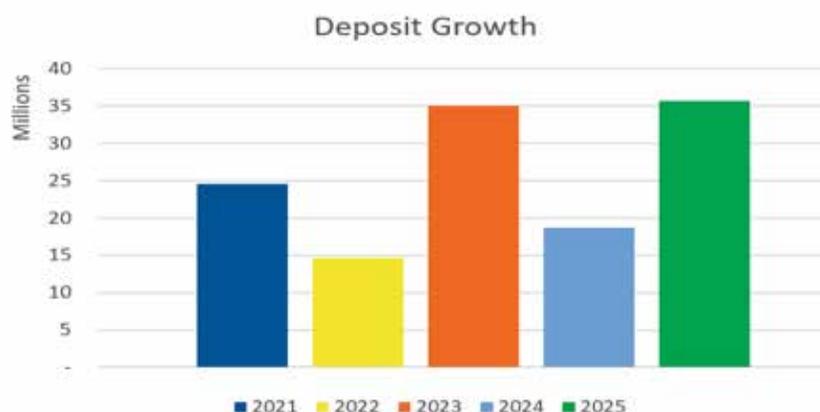
This result demonstrates the competitive pricing and our commitment to providing strong product offerings.



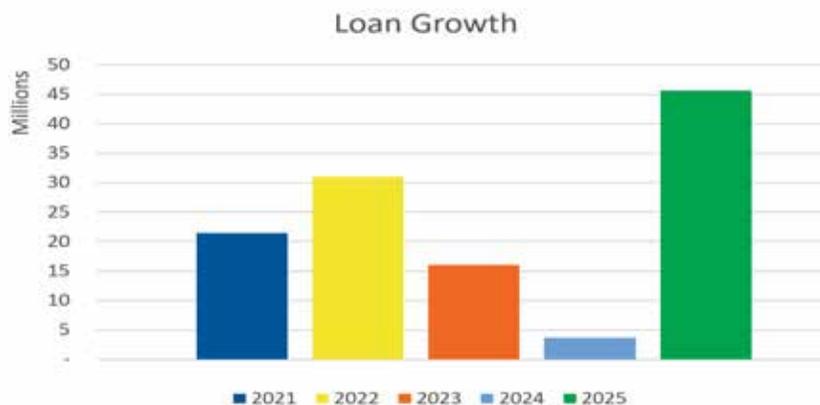
2025 increased of over \$37 million. Another record, surpassing 2022, the year of our previous highest growth of \$34.9 million.



Growth was led by a surge in our term deposit portfolio of almost \$26 million, accompanied by our demand deposit portfolio rising by \$8.5 million.



Our loans portfolio increasing by over \$45.6 million, surpassing our previous record of \$31.0 million set in 2022. This represents an increase of over \$14.5 million, or 47.1%, above our prior record.



Our financial margin increased significantly, rising to \$6.88 million, an increase of over 20% compared to the previous year.



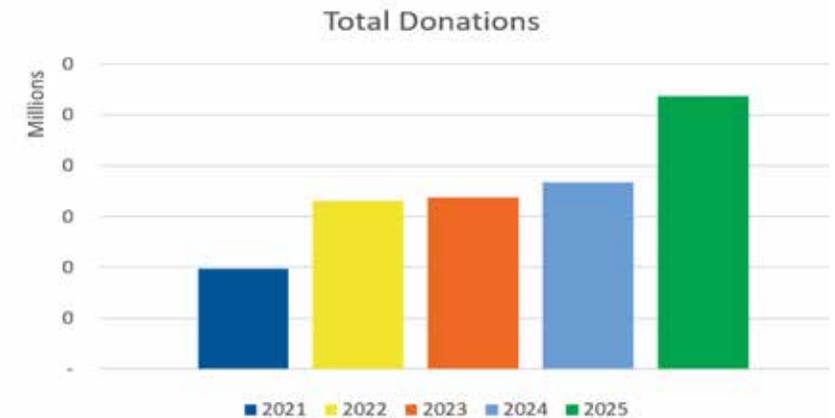
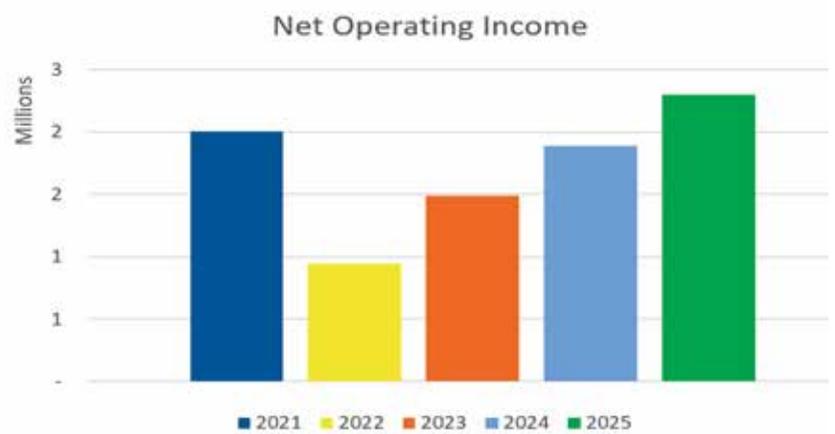
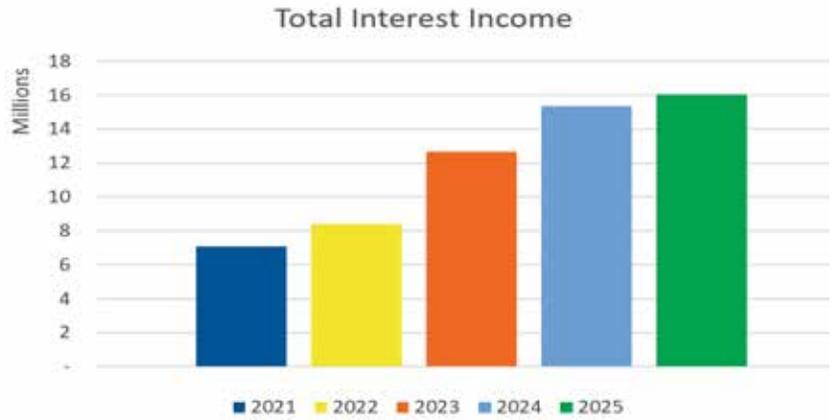
Our underwriting practices remain disciplined, consistent, and conservative.

Our capital position remains well above the regulatory minimum of 8%, reflecting a continued strong and stable capital base.

In 2025, we had the highest NOI in our history. We finished the year with just under \$2.3 million in NOI. This was an increase of \$406,519 or 21.51% from 2024.

As a Credit Union, we share our success and support our members and community. The LDCU Board of Directors is proud to announce a 4.0% Dividend on Membership Equity Shares.

In 2025, LDCU contributed over \$115,000 back into our local community through scholarships, sponsorships, donations, community initiatives and nearly \$15,000 in gift certificates provided to members who attended our AGM.



Ladysmith & District Credit Union
Summary Consolidated Financial Statements
December 31, 2025

Independent Auditor's Report on the Summary Consolidated Financial Statements



To the Members of Ladysmith & District Credit Union:

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2025, and the summary consolidated statements of profit, other comprehensive income, changes in members' equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Ladysmith & District Credit Union (the "Credit Union") for the year ended December 31, 2025.

In our opinion, the accompanying summary financial statements are a fair summary of the audited consolidated financial statements, in accordance with Article 128 of the Financial Institutions Act of British Columbia.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 16, 2026.

Responsibilities of Management and Those Charged with Governance for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibility

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

Abbotsford, British Columbia

March 16, 2026



Chartered Professional Accountants

MNP LLP

Suite 600, 32988 South Fraser Way, Abbotsford B.C., V2S 2A8

1.877.853.9471 T: 604.853.9471 F: 604.850.3672



MNP.ca

Ladysmith & District Credit Union

Summary Consolidated Statement of Financial Position

As at December 31, 2025

	2025	2024
Assets		
Cash and cash equivalents	14,254,770	18,025,984
Financial investments	42,628,217	47,205,394
Trade and other receivables	1,514,572	1,207,787
Loans to members	287,390,472	241,829,166
Premises and equipment	6,787,185	6,569,016
Intangible assets	1,185,668	1,908,523
	353,760,884	316,745,870
Liabilities		
Member deposits	332,073,573	296,407,440
Other liabilities	827,885	628,988
Income taxes payable	70,392	66,551
Deferred tax liabilities	836,000	1,020,000
Lease liability	30,616	63,589
	333,838,466	298,186,568
Members' equity		
Retained earnings	16,772,668	15,515,236
Accumulated other comprehensive income (AOCI) - Revaluation surplus	3,149,750	3,044,066
	19,922,418	18,559,302
	353,760,884	316,745,870

Approved on behalf of the Board

e-Signed by Elaine Layman
2026-03-16 19:13:39:39 PDT

Director

e-Signed by Ross Davis
2026-03-16 18:57:38:38 PDT

Director

Ladysmith & District Credit Union
Summary Consolidated Statement of Profit
For the year ended December 31, 2025

	2025	2024
Financial income		
Interest on member loans	13,927,909	13,055,796
Interest on investments	2,105,829	2,303,335
	16,033,738	15,359,131
Financial expense		
Interest on member deposits	9,131,089	9,628,508
Interest on borrowed funds	19,679	19,730
	9,150,768	9,648,238
Financial margin	6,882,970	5,710,893
Impairment on loans to members	5,586	37,143
	6,877,384	5,673,750
Other income	2,890,067	3,022,338
Operating margin	9,767,451	8,696,088
Operating expenses	7,471,055	6,806,211
Income from operations	2,296,396	1,889,877
Distribution to members	56,191	57,171
Income before impairment on intangible assets	2,240,205	1,832,706
Impairment on intangible assets	(760,938)	-
Income before income taxes	1,479,267	1,832,706
Provision for (recovery of) income taxes		
Current	420,835	393,800
Deferred	(199,000)	(27,000)
	221,835	366,800
Profit for the year	1,257,432	1,465,906

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

Ladysmith & District Credit Union
Summary Consolidated Statement of Other Comprehensive Income
For the year ended December 31, 2025

	2025	2024
Profit for the year	1,257,432	1,465,906
Other comprehensive income:		
Unrealized gains on revaluation of land and buildings, net of deferred income tax of \$15,000 (2024 - \$nil)	105,684	-
Total comprehensive income for the year	1,363,116	1,465,906

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

Ladysmith & District Credit Union
Summary Consolidated Statement of Changes in Members' Equity
For the year ended December 31, 2025

	<i>AOCI - Revaluation surplus</i>	<i>Retained earnings</i>	<i>Total members' equity</i>
Balance December 31, 2023	3,044,066	14,049,330	17,093,396
Profit for the year	-	1,465,906	1,465,906
Balance December 31, 2024	3,044,066	15,515,236	18,559,302
Profit for the year	-	1,257,432	1,257,432
Unrealized gains on revaluation of land and buildings, net of deferred income tax of \$15,000	105,684	-	105,684
Balance December 31, 2025	3,149,750	16,772,668	19,922,418

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

Ladysmith & District Credit Union

Summary Consolidated Statement of Cash Flows

For the year ended December 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating activities		
Profit for the year	1,257,432	1,465,906
Depreciation of premises and equipment	224,999	174,292
Amortization of intangible assets	142,723	229,752
Depreciation of right-of-use buildings	32,459	30,336
Interest expense on lease liability	649	1,072
Deferred income taxes	(199,000)	(27,000)
Impairment on loans to members	5,586	37,143
Impairment loss on intangible assets	760,938	-
	2,225,786	1,911,501
Changes in working capital accounts		
Trade and other receivables	(756,375)	(6,272)
Income taxes recoverable / payable	3,844	(21,969)
Net change in loans to members	(45,410,680)	(3,725,606)
Net change in member deposits	35,792,104	18,114,087
Other liabilities	198,896	(52,259)
Accrued interest on loans to members	(156,212)	44,327
Accrued interest on member deposits	323,618	520,438
	(7,779,019)	16,784,247
Financing activities		
Repayments of lease liability	(33,623)	(31,251)
Investing activities		
Net change in financial investments	4,577,177	(14,132,630)
Purchases of premises and equipment	(354,943)	(398,940)
Purchases of intangible assets	(180,806)	(82,463)
	4,041,428	(14,614,033)
(Decrease) increase in cash and cash equivalents	(3,771,214)	2,138,963
Cash and cash equivalents, beginning of year	18,025,984	15,887,021
Cash and cash equivalents, end of year	14,254,770	18,025,984

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

Ladysmith & District Credit Union

Notes to the Summary Consolidated Financial Statements

For the year ended December 31, 2025

1. Reporting entity

Ladysmith & District Credit Union ("the Credit Union") is incorporated under the Credit Union Incorporation Act of British Columbia and its operations are subject to the Financial Institutions Act of British Columbia. The summary consolidated financial statements of the Credit Union as at and for the year ended December 31, 2025 comprise the Credit Union and its subsidiaries L.C.U. Insurance Agencies Ltd., LDCU Financial Management Ltd. and True Mortgage Specialists Ltd. (together referred to as the "Credit Union").

2. Basis of the Summary Financial Statements

Management has prepared the summary consolidated financial statements from the December 31, 2025 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards. A full set of audited consolidated financial statements is available from the Credit Union. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

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



Our Community. Your Credit Union.™

Making

MORE



Possible

330 First Ave., Ladysmith, BC
Phone: 250-245-2247

www.ldcu.ca