



2023

ANNUAL

REPORT

AGENDA

34th Annual Meeting of



JANUARY 23, 2024 • 6:00 P.M.

Registration

- Call To Order By Chairperson
- Report On Registration Of Members
- Appointment Of Recording Secretary

Service Awards

Business Meetings

1. Minutes Of The 33rd Annual Meeting
2. Report Of The Board Of Directors and The Chief Executive Officer
3. Report Of The Director of Sales & Service
4. Report Of The Audit Committee
5. Report Of The Auditors

New Business

1. Appointment Of The Auditors
2. Director Election
3. Co-operative Young Leaders (CYL) Camp Presentation
4. Business Boost Bundle Winner – Save the Date Floral & Design

Adjournment

2023-2024 Board of Directors

Elected with terms as shown:

Rudy Fischer 2023

Dan Peters 2024

Jim Maw 2025

Wayne Freer 2023

Chris Courtis 2024

Carl Thompson 2025

Ben Dekker 2023

Donna Langford 2024

Peter Cliff 2025

33RD ANNUAL MEETING MINUTES

January 17, 2023

The 33rd Annual Meeting of Southwest Regional Credit Union Ltd. was held remotely by Webex, broadcast from Head Office of Southwest Regional Credit Union, 1205 Exmouth Street, Sarnia, Ontario on January 17, 2023.

The meeting was called to order at 6:00 p.m.

Board Chair, Ben Dekker introduced himself and welcomed those attending to the meeting. He went on to explain the importance of Annual Meetings. This is the third virtual AGM meeting of Southwest Regional Credit Union. Ben reviewed some guidelines to the Membership in order for everyone to understand their role as participating members. Ben introduced those who would be presenting reports; Glenn Wilson - CEO & Board Secretary, Sherry Van Bilsen - Director of Sales & Service, Rudy Fischer - Audit Committee Chairman and Laura Poland - Partner, Baker Tilly, LLP our external auditors of Southwest Regional Credit Union. Also present in the Board Room was the current Board of Directors and the newest incoming Director, Peter Cliff. Ben welcomed the attending Guests, Past Board Members, Past General Managers and Representatives from the firms that partner with us throughout the year. Ben welcomed input and/or questions from anyone who wanted to speak by using the CHATBOX Function. After the reports are read, he will bring forward a motion to approve the report and ask for the attendants to vote with either a yes or no again using the CHATBOX Function.

Ben recalled some of the history of Southwest Regional Credit Union. Starting in 1939, Southwest has grown through 83 years of existence. Starting in the Mooretown community and growing to 4 branch locations. Southwest serves over 6,300 Members and manages over \$197 Million in on-balance sheet assets and \$22 Million in off-balance sheet assets consisting primarily of Mutual Fund Securities. Southwest has adjusted well to the unique circumstances during and after the Coronavirus Pandemic over the past 3 years and continues to be financially strong. Ben thanked the many individuals, past and present, who have contributed to Southwest's success.

ACKNOWLEDGEMENT OF THE 2022-2023 BOARD OF DIRECTORS

Ben spoke about the responsibilities of the Board and thanked them for their contributions throughout the year.

Rudy Fischer	Board Member, Board Vice-Chair and Audit Committee Chair
Jim Maw	Board Member
Chris Courtis	Board Member
Carl Thompson	Board Member
Lorne Johnson	Board Member
Wayne Freer	Board Member
Dan Peters	Board Member
Donna Langford	Board Member
Ben Dekker	Board Member and Board Chair

Ben asked Mr. Secretary, Glenn Wilson, if a quorum was present. Glenn Wilson responded yes, there are 54 members and 7 guests present. Ben declared we have a Quorum.

Following a request for appointment of a recording secretary, it was moved by Glenn Wilson and seconded by Rudy Fischer to appoint Shannon Lavoratore the Recording Secretary for the 33rd Annual Meeting of Southwest Regional Credit Union Ltd. Motion Carried.

Chair Ben Dekker announced recipients of Service Awards for Southwest Regional Credit Union and thanked them for their Service and Dedication.

33RD ANNUAL MEETING MINUTES...Cont'd

January 17, 2023

EMPLOYEES

Kelly Ash (Wyoming Branch)	5 years
Tia Bongers (Wyoming Branch)	5 years
Amy Veysey (Head Office)	5 years
Angela Gordon (Corunna Branch)	10 years
Keith Rabidoux (Head Office)	10 years
Gina Savo (Exmouth Branch)	10 years

BOARD OF DIRECTORS

Jim Maw	6 years (2 Terms)
Chris Courtis	6 years (2 Terms)
Lorne Johnson	21 years (7 Terms)

Business Meeting

For the Business portion of the meeting, Ben Dekker stated that the Minutes from the 32nd Annual General Meeting were provided to the Members in the AGM booklet and asked if there were any errors, omissions or questions. Seeing that there were no errors, omissions or questions, it was moved by Dan Peters and seconded by Carl Thompson to accept the Minutes of the 32nd Annual Meeting as presented. Motion Carried.

Glenn Wilson presented the Report of the Board of Directors and Chief Executive Officer. Glenn stated that this was the 3rd Virtual Annual Meeting. He began with how proud he was looking over the past year and noting how well the Credit Union had navigated through the Pandemic and how staff rallied together, staying strong through it all. He stated his pride in the Members continuing to do their business with us and utilizing self-serve channels such as online and mobile banking. There is much to celebrate. This was one of the most successful years in the history of Southwest Regional Credit Union.

Glenn stated that we all persevered through quickly rising interest rates, record high inflation, consumer product shortages and protests over government mandates. Through it all Southwest Regional Credit Union was stronger than ever, achieving over \$14.5 million in asset growth, over \$26 Million in credit portfolio growth, positive Membership growth and one of our best ever net income after tax of \$1,086K! He thanked the staff and Members for an exceptional year and mentioned that the Annual Report could be found on the Website for details on the Member Dividend & Loan Rebates.

He stated that Southwest Regional Credit Union continued to support local community Programs such as:

- The 5th Annual Business Boost Bundle Contest which promotes local Entrepreneurs in Partnership with Sarnia Lambton Business Development Corporation and our marketing partner CR Creative. He announced the winner for 2022, the Dunes Refillery.
- The Co-operative Young Leaders Summer Camp -1 Member sponsored.
- 10 Student Scholarships for Post-Secondary Education.
- Special Local Charity donation to Noelle's Gift, which supports less fortunate students for nutrition, clothing and learning supplies - \$10,000 was donated to support their programs.

Glenn reported that the new and improved Website was launched in 2022. The online and mobile banking digital platform will be ready in 2023. During 2023, there will be upgrades to the payment processing services such as POS & e-transfers for faster/almost immediate posting of all transactions. There has been upgrades made to system servers, firewalls and updates in branch cyber security. He stated that our project to improve online password strength was a huge success. And the timing was perfect and kept Southwest Members

33RD ANNUAL MEETING MINUTES...Cont'd

January 17, 2023

protected from a brute force attack against the Credit Union system, keeping fraudsters from gaining access to any of our Members accounts. The next step will be to add two factor authentication to online banking for industry standard protection.

Glenn closed with announcing that this years Member Survey Results showed that 99% of the responses rated our overall service delivery at 8 out of 10 or better and 96.3% of the members would refer others to our Credit Union. There were no questions or comments and Ben Dekker motioned approval of the Report of the Board of Directors and CEO. Lorne Johnson moved and Rudy Fischer seconded. Carried.

Ben called on Sherry Van Bilsen to give the Report of the Director of Sales and Service.

Sherry Van Bilsen presented the Report of the Director of Sales and Service. Sherry reported on the Lending activity of the Credit Union for the year. She spoke about how there was a very active real estate market, that the Pandemic restrictions were lifted, the unemployment was at a record low at 5.1% and rising fuel costs seemed to be declining. Sherry stated the Bank of Canada increased the interest rates the latter part of the year in order to bring down inflation. It slowed down the housing market but the cost of food and everyday items continued to be impacted by the highest inflation since 1981. Members locked in rates on variable rate products to help with the increasing interest costs. There were increases in residential mortgages, personal loans, line of credits and the Commercial & Agriculture portfolios. There were minimal write-offs and delinquency was kept well under control. She stated that Southwest continues to build strong and positive relationships with our members. It was a year of exceptional growth at \$26,172,636.

Sherry reported statistics of the Loan department and that Southwest will continue to work hard this year and look to expand Commercial & Agriculture business within our local communities. Ben called for approval of the Report of the Director of Sales and Service. There were no questions or comments. Dan Peters moved and Carl Thompson seconded. Carried.

Ben called on Rudy Fischer, Audit Committee Chairman, to give the Report of the Audit Committee.

Rudy Fischer, Audit Committee Chairman, presented the Report of the Audit Committee. This year's Audit Committee is comprised of Chris Courtis, Dan Peters, Rudy Fischer and Jim Maw and elected Rudy Fischer as Chair. Mr. Fischer explained the Committee's function at the Credit Union. The Committee met quarterly with a work plan to review and update all procedures as necessary and required. He stated that the Committee was proud to say once again that there were no significant findings to deal with or report to the Membership although fraud and cyberattacks continue to be an issue in the market. The Committee is always investigating ways to defend against them. Rudy reported that we have a good working relationship with our Internal Auditor, PJ Gallant, Complete CU Services. There were no questions or comments. Ben called for approval of the Report of the Audit Committee. Wayne Freer moved and Carl Thompson seconded. Carried.

Ben called on Laura Poland of Baker Tilly to give the Report of the Auditors.

Laura Poland gave the Auditor's presentation to the membership. Laura stated that the audit report was conducted in accordance with the Canadian Auditing Standards. A Summarized Audit Report was provided to the membership with a full report available at each branch upon request. Laura summarized the Statement of Earnings for the year ending October 31, 2022. Laura explained the role of the Auditors, Staff and Board. She commended Southwest on a successful year and that it was a pleasure to present such good results. There were no questions or comments. Ben moved for approval of the Report of the Auditors. Rudy Fischer moved and Jim Maw seconded. Carried.

33RD ANNUAL MEETING MINUTES...Cont'd

January 17, 2023

New Business

APPOINTMENT OF THE AUDITORS:

Ben Dekker stated that Staff and Board continue to have a good working relationship with its current External Auditors- Baker Tilly. A proposal has been received from Baker Tilly to continue their services into the next year and that the Board supports and recommends the appointment of Baker Tilly as Auditor for the fiscal year November 1, 2022 to October 31, 2023. There were no questions or comments and Ben motioned for approval. Carl Thompson moved and Dan Peters seconded. Carried.

DIRECTORS ELECTION:

Ben explained that the terms of the following Directors expired this year (2022); Jim Maw, Carl Thompson and Lorne Johnson. Jim Maw and Carl Thompson expressed interest in putting their names forward for consideration to serve the membership for another 3-year Term. Lorne Johnson will be retiring this year from the Board. One new candidate, Peter Cliff, was nominated and added to the ballot. Therefore, with three Director positions available and three candidates on the ballot, all three are hereby acclaimed for a 3-year Term as Directors for the Board of Southwest Regional Credit Union. He congratulated them all.

Other Business

Ben Dekker explained how each year Southwest Regional Credit Union supports the Co-Operative Young Leaders summer camp and that this year there were 2 sponsored but only 1 was able to attend. He announced that Abbey was here today to make a short presentation. Abbey's presentation outlined her experiences at the camp and how she benefited from attending the camp. She encouraged others to find out how they too can become sponsored and attend the camp next year. Ben thanked her for sharing her experiences and was pleased to hear of the positive impact the camp made on her. He stated that the Credit Union looks forward to continuing the sponsorship of the CYL Camp.

Ben then spoke about the 5th Annual "Business Boost Bundle" contest sponsored by CR Creative, Sarnia Lambton Business Development Corporation and Southwest Regional Credit Union. He explained how the contest was designed, how to qualify and the success of the contest. He explained that the contest had been expanded to combine our original Fund Your Hustle contest with SLBDC's "Win Your Space" contest and reaches a much larger audience in this new format. Ben congratulated the Winners of the contest -Raquel & Geoff Murray, owners of the Dunes Refillery in Lambton Shores. There was a brief video presentation to show how they are doing in their new business venture with Kelly Ash (Wyoming Branch Manager). There were no questions or comments. Ben asked for approval for meeting. Dan Peters moved and Carl Thompson seconded Carried.

Ben thanked Management, Staff and Board for their support throughout the year. Ben called for adjournment of the 33rd Annual Meeting. Lorne Johnson moved and Wayne Freer seconded. Carried.

Ben announced that the next Board meeting will be held February 28, 2023 @5:30pm.

Meeting Ended at 6:53pm.



Chair of the Board of Directors



Secretary to the Board of Directors

REPORT OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER

January 23, 2024

We would like to extend a heartfelt Thank You to all our Members for their continued support and to our staff for their contributions to another fantastic year! We are very pleased to be able to report an impressive list of exceptional results for Southwest's 2022- 2023 fiscal year! We achieved strong asset growth of \$12.5 Million, reaching \$210 Million in Total Assets! We generated \$19.7 Million in credit portfolio growth and \$10 Million in Deposit growth! This growth, coupled with the careful management of expenses and improved workflow efficiencies, contributed to a record-setting net income of \$1,372,824, the best in our Credit Union's 84-year history! There is much to celebrate! Member Dividends & Loan Rebates were once again declared by the Board. Please see the Annual Report for details.

Throughout the year we were faced with the highest level of inflation seen in Canada in decades. This led to the Bank of Canada quickly pushing interest rates significantly higher in their attempts to cool down the economy and slow the overheated housing market. With record high home prices in Ontario, affordability soon became a serious concern for everyone, particularly our younger Members. This challenging economic environment persisted throughout the year and put additional strains on most family's budgets.

But through it all Southwest continued to support the local small businesses in our communities through programs like the 6th annual Business Boost Bundle contest, which promotes local entrepreneurs in partnership with the Sarnia Lambton Business Development Corp. and CR Creative. Congratulations to this year's winner Emma Lee Malone with her "Save The Date" florist and wedding décor business! We will hear from her a little later in the meeting.

We are also very proud to announce the creation of the Southwest Regional Credit Union Citizenship Awards that were presented to a deserving graduating student at each of our 6 local High Schools! Each school's Awards Committee selected a student that best exemplifies co-operative values and who contributes positively to the school environment and local community!

We once again supported the Co-Operative Young Leaders Program, which is designed to develop and recognize youth leadership, by sponsoring two of our young Members to attend the CYL Camp. We will hear from one of these Members a little later as well. We also awarded 11 Student Scholarships to Credit Union Members attending post-secondary education. And for the third year in a row special supplemental one-time donations totaling \$15,000 were made to two local groups. This year Pathways and the Childrens Treatment Centre in Chatham Kent were selected. Both organizations provide critical support to children facing additional challenges in our local communities.

During day to day operations the staff have focused on supporting our Members through all stages of their financial life cycle, offering sound, personalized advice, exceptional service, and competitive products. In 2023 we upgraded our E-Transfer functions, added a Void Cheque feature online, updated our website calculators, made ATM upgrades, installed a new phone system, and increased the debit card TAP limits to \$250. Investment was also made in cyber security training for all staff and Directors and the installation of enhanced systems firewall protections. We continue to work on a new online and mobile banking digital platform that is scheduled for launch in early 2024. Going forward we will be improving security levels even more by implementing Two-Factor Authentication, the new security standard for logging in to online banking.

We will be asking members to vote on the acceptance of amendments to our Credit Union By-Laws that will incorporate new Credit Union Act requirements and enable Southwest to develop a more equitable Member Dividend program. We hope you will all support these amendments!

REPORT OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER...*Cont'd*

January 23, 2024

We continue to support our local agricultural and small business owners with an emphasis on understanding their businesses and providing the right financial advice to help them succeed. We hope that you will also 'support local' by referring your friends and family to Southwest so that we may continue to serve the community. The Member Referral Program provides rewards to those who make referrals to Southwest. Ask staff for details about this program!

Members once again provided us with valuable feedback through the Annual Survey that was distributed last year with the annual statements. Results indicated that Members overall satisfaction with our service delivery was rated at 8 out of 10 or better in 100% of the responses, and that you appreciated our friendly staff, their fast personal service, and our competitive rates! 100% of respondents said they would be happy to refer new Members to Southwest! Both of these key results are a testimony to the strong relationships being built with our Members! Thank you for this positive support! It makes all our staff's efforts worthwhile! Please take the time to complete this year's survey which was sent out with your annual statements.

On behalf of the staff and Board of Directors I would like to express our appreciation to our Members for trusting Southwest Regional Credit Union to assist you with your financial needs! With that trust we once again achieved exceptional results in 2022-2023. Heading into 2024, we will continue to work closely with our community and industry partners to build a stronger Credit Union so that we may continue to serve the local markets for many years to come!

As Members, this is your Credit Union, and we grow and succeed as a result of your loyalty and patronage. We look forward to working with you through another exciting year in 2024!

Respectfully Yours,



A handwritten signature in black ink that reads "B. Dekker".

Ben Dekker
Board Chair



A handwritten signature in black ink that reads "Glenn Wilson".

Glenn Wilson
Chief Executive Officer

Gender Diversity Report

The Board of Directors of Southwest Regional Credit Union Ltd. is currently composed of 1 female and 8 male Directors.

REPORT OF THE DIRECTOR OF SALES & SERVICE

January 23, 2024

On behalf of our Sales Department, I will report on the lending activity experienced throughout the year. Our year started November 2022 with Prime sitting at 5.95% and it continued to increase throughout the year to our current Prime of 7.20%. The increased interest rates were needed to relieve the inflation pressures, but it continues to squeeze many Canadians with the cost of living rising too quickly. Shelter costs are up 31% year over year and groceries are up 21% since 2021. Expected jobless rates will rise throughout the year with unemployment rates up to 5.7%. Sales volumes in Ontario have now dropped but the cost of housing is still a problem for many along with juggling household bills and consumer debt and many are concerned about the future. This is a tough phase of the monetary cycle while inflation has come down somewhat, it is still too high. It is expected that there is a possibility to see a decrease in Q2 of 2024. We continue to reach out to our members to offer support and guidance.

Your Commercial & Agricultural department has been proactive and creative in attracting new members. The branch managers in each location have been activity soliciting new Commercial and Agricultural members.

Your loan department processed 251 loan applications, rejecting, and deferring 113 requests and making 138 new loans for \$3,312,431.00 new money. The number of personal loans outstanding at year-end was 204 for \$3,938,169 and 23 Commercial & Agricultural loans for \$894,985 for an overall increase of \$343,025. The number of lines of credit outstanding at year-end was 1820. Personal for \$15,146,631 and 73 units of Business/Agricultural/Association Line of Credits for \$2,670,103, an overall decrease of \$1,518,536. Total authorized yet to be advanced is \$53,592,603. The net decrease for the year was \$1,175,511.

Your loan department processed 140 mortgage applications, rejecting, and deferring 49 and booking 91 new mortgages for \$35,062,148. new money. The volume outstanding at year-end was 652 Personal mortgages for \$117,745,393 and 70 Commercial & Agricultural mortgages for \$39,928,561. The pending amount with an expected close date within the next 3 months is \$1,411,187.

Staff maintained tight control of delinquent loans. At year-end, the Credit Union had (1) delinquent personal loan over 30 days for \$859.15 and had no delinquent mortgages. Total charge-off for 2022-2023 was 3 accounts for \$11,368 and Bad Debt collections for the year totaled \$1,200. Your credit union maintains adequate allowances for future loss exposure.

Respectfully Submitted,

2022-2023 Lending Activity	Increase (Decrease)
Personal Loans	\$422,381
Personal Lines of Credit	\$40,879
Lambton Line II (Secured Lines of Credit)	(\$2,066,514)
Residential Mortgages	\$14,380,707
Commercial and Agricultural Loans	(\$79,355)
Commercial and Agricultural Lines of Credit	\$507,100
Commercial and Agricultural Mortgages	\$6,487,342
TOTAL	\$19,692,540



Sherry Van Bilsen

Director of Sales & Service

REPORT OF THE AUDIT COMMITTEE

January 23, 2024

The Audit Committee is elected each year by your Board of Directors. This year's Audit Committee is comprised of Chris Courtis, Dan Peters, Rudy Fischer and Jim Maw. The Audit Committee has elected Rudy Fischer as Chair.

We meet at least 4 times a year as per regulations. Each year we develop a work plan for the year using advice from our Internal Auditor. We do this to satisfy the requirements of our regulators. It is our responsibility to ensure the Credit Union's adherence to policy and the requirements of our regulators. This is done to protect the investments of our members/owners. We work with the Internal and External Auditors and provide advice to the Board, who then makes the final decisions.

The Committee operates under the mandate of the Credit Unions and Caisses Populaires Act, 2020 to confirm financial reporting and oversee the work of Management & to monitor Operational Risk. Additional work includes reviewing audit findings and making sure appropriate controls are in place and followed to protect the assets of the Credit Union.

Fraud and cyber attacks continue to be an issue and we are always investigating ways to defend against them. The Audit Committee has worked closely with Management to ensure appropriate adjustments are made to operations to ensure Southwest Regional Credit Union remains a stable and viable going concern. The Audit Committee has worked well with our Auditors throughout the year. We are proud to say once again that the Audit Committee has found nothing materially important in our findings to report to the membership.

We would like to on behalf of The Audit Committee congratulate Glenn and his staff on delivering outstanding growth and results this year.

On behalf of the Audit Committee,



Rudy Fischer, BCom, CPA, CMA
Audit Committee Chair

Southwest Regional Credit Union is here to support our local communities and our members!

Below are a few of the local groups Southwest supported in 2022-2023!

- The Inn of the Good Shepherd
- Ohana Landing
- Mom's Baby Cupboard
- Parkway Church
- Pathways
- Children's Treatment Centre Foundation of Chatham-Kent
- Christmas for Everyone
- Ryan's House
- Rock for Missions
- St. Joseph's Hospice



CONGRATULATIONS TO THE WINNER
OF THE 2023 BUSINESS BOOST BUNDLE





2023 Scholarship Award Winners

Southwest Regional Credit Union is pleased to announce the 2023 Scholarship Award Program Winners! This year Southwest has awarded a total of ELEVEN scholarships of \$1,000 to deserving Members continuing their post-secondary education!



Kasha Cook
Brock University
Concurrent Education, Physical Education Junior Intermediate



Jenna Wilson
Western Fanshawe
Collaborative Nursing



Nabil Mathieson
Laurentian University
English Literature, Media & Writing



Sydney Nutt
Canadian Memorial Chiropractic College in Toronto
Doctor of Chiropractic



Emily Veysey
Western University
BMOS Honours Specialization in Accounting



Rebecca Haney
University of Windsor
Human Kinetics - Movement Science



Jayden Cates
University of Guelph
Bachelor of Science Honours Zoology



Harrison Johnson
Lambton College
Instrumentation & Control Engineering Technology



Taylor Bell
Western University
BA Kinesiology



Ethan Jones
Providence College
Honours History & Political Science



Merieke Dokter
Lambton College
Honours Bachelor of Science - Nursing



Southwest Regional Credit Union Ltd.

INDEPENDENT AUDITOR'S REPORT AND SUMMARIZED FINANCIAL STATEMENTS

October 31, 2023

Independent Auditor's Report

To the Members of Southwest Regional Credit Union Ltd.

Opinion

The summary financial statements, which comprise the summary balance sheet as at October 31, 2023, the summary statement of earnings and summary statement of comprehensive earnings and members' equity for the year then ended, and related notes, are derived from the audited financial statements of Southwest Regional Credit Union Ltd. for the year ended October 31, 2023. In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

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

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated December 14, 2023.

Responsibilities of Management for the Summarized Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's Responsibilities for the Audit of the Summary Financial Statements

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



Chatham, Ontario
December 14, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

SUMMARIZED STATEMENT OF EARNINGS

Year Ended October 31, 2023

	2023	2022
REVENUE		
Interest from personal loans	\$ 362,725	\$ 283,241
Interest from mortgage loans	5,054,251	3,714,614
Interest from commercial loans	1,436,276	774,166
Interest from agriculture loans	682,464	568,880
Interest from investments and short-term deposits	874,145	551,173
Service charges	823,541	819,128
Other revenue	2,158	12,528
	<u>9,235,560</u>	<u>6,723,730</u>
INTEREST EXPENSE		
Interest on term deposits	1,303,235	338,667
Interest on demand deposits	249,519	151,528
Interest on Registered Retirement Savings Plans	448,900	215,515
Interest on Registered Retirement Income Funds	277,352	159,737
Interest on Tax Free Savings Accounts	530,161	170,706
Interest on First Home Savings Accounts	268	-
	<u>2,809,435</u>	<u>1,036,153</u>
FINANCIAL MARGIN	<u>6,426,125</u>	<u>5,687,577</u>
EXPENSES		
Administrative	773,848	734,254
Occupancy	605,701	593,568
Salaries and benefits	2,680,177	2,418,200
Computer and network fees	595,079	507,444
	<u>4,654,805</u>	<u>4,253,466</u>
EARNINGS BEFORE INCOME TAXES AND DISTRIBUTION TO MEMBERS	<u>1,771,320</u>	<u>1,434,111</u>
DISTRIBUTION TO MEMBERS		
Interest rebate	11,410	4,576
Dividend on dividend savings accounts	35,438	70,647
	<u>46,848</u>	<u>75,223</u>
EARNINGS BEFORE INCOME TAXES	<u>1,724,472</u>	<u>1,358,888</u>
INCOME TAXES		
Current	413,570	202,568
Deferred	(61,922)	69,533
	<u>351,648</u>	<u>272,101</u>
NET EARNINGS	<u>\$ 1,372,824</u>	<u>\$ 1,086,787</u>

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME AND MEMBERS' EQUITY

Year Ended October 31, 2023

	2023	2022
Net earnings for the year	<u>\$ 1,372,824</u>	<u>\$ 1,086,787</u>
Other comprehensive income (loss):		
Unrealized gains (losses) on available-for-sale financial assets arising during the year	199,699	(282,256)
Income tax effect	<u>(52,920)</u>	<u>51,370</u>
Other comprehensive income (loss)	<u>146,779</u>	<u>(230,886)</u>
Comprehensive income	<u>\$ 1,519,603</u>	<u>\$ 855,901</u>
 CONTINGENCY RESERVE		
Balance, beginning of the year	\$ 22,377,953	\$ 21,291,166
Net earnings for the year	<u>1,372,824</u>	<u>1,086,787</u>
Balance, end of the year	<u>\$ 23,750,777</u>	<u>\$ 22,377,953</u>
 ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of year	\$ (335,102)	\$ (104,216)
Other comprehensive income (losses) for the year	<u>146,779</u>	<u>(230,886)</u>
Balance, end of year	<u>\$ (188,323)</u>	<u>\$ (335,102)</u>

Southwest Regional Credit Union Ltd.
SUMMARIZED BALANCE SHEET
 Year Ended October 31, 2023

2023

2022

ASSETS

Cash and marketable securities	\$ 11,787,495	\$ 19,136,410
Investments	11,944,646	11,525,016
Loans to members		
Personal	5,304,650	4,952,651
Mortgage	117,654,912	103,197,577
Home Equity Line of Credit	13,516,823	15,553,763
Commercial	27,418,009	20,827,251
Agricultural	15,903,031	15,562,698
Capital assets	5,771,506	6,033,085
Other assets	<u>934,342</u>	<u>948,159</u>
	<u>\$ 210,235,414</u>	<u>\$ 197,736,610</u>

LIABILITIES

Members' deposits	\$ 184,197,135	\$ 174,314,267
Other liabilities	2,327,400	1,231,442
Members' share capital	<u>148,425</u>	<u>148,050</u>
	<u>186,672,960</u>	<u>175,693,759</u>

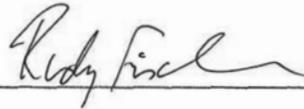
MEMBERS' EQUITY

ACCUMULATED OTHER COMPREHENSIVE	(188,323)	(335,102)
CONTINGENCY RESERVE	<u>23,750,777</u>	<u>22,377,953</u>
	<u>23,562,454</u>	<u>22,042,851</u>
	<u>\$ 210,235,414</u>	<u>\$ 197,736,610</u>

ON BEHALF OF THE BOARD



Director



Director

NOTE TO SUMMARIZED FINANCIAL STATEMENTS

Year Ended October 31, 2023

1. APPLIED CRITERIA IN THE PREPARATION OF THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at October 31, 2023 and October 31, 2022 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

The criteria applied by management in the preparation of these summary financial statements are as follows:

a) Commencing with the 2014 fiscal year, management has adopted the International Financial Reporting Standards (IFRS);

b) the information in the summary financial statements is in agreement with the related information in the complete financial statements;

c) a summary statement of cash flows has not been presented, as the relevant information can be obtained from the complete financial statements; and

d) the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete financial statements, including the notes thereto.

The audited financial statements are available upon request by contacting the credit union.

DIVIDEND REBATES

January, 2023

DATE OF YEAR-END	DIVIDEND SAVINGS	DIVIDEND TERM	LOAN INTEREST REBATE PAID	MORTGAGE REBATE PAID	LAMBTON LINE II REBATE PAID	BUSINESS LOC INTEREST REBATE
OCT. 31, 2014	1.10%	1.35%	3.00%	1.00%	0.40%	0.50%
OCT. 31, 2015	1.00%	1.25%	1.50%	0.50%	0.20%	0.25%
OCT. 31, 2016	1.00%	1.25%	1.50%	0.50%	0.25%	0.25%
OCT. 31, 2017	1.00%	1.25%	1.50%	0.50%	0.25%	0.25%
OCT. 31, 2018	1.20%	1.45%	1.70%	0.60%	0.35%	0.50%
OCT. 31, 2019	1.75%	2.00%	2.30%	1.05%	0.80%	0.80%
OCT. 31, 2020	1.00%	1.25%	1.50%	0.50%	0.25%	1.50%
OCT. 31, 2021	1.00%	1.25%	1.25%	0.50%	0.25%	0.25%
OCT. 31, 2022	1.15%	1.40%	1.25%	0.50%	0.25%	0.25%
OCT. 31, 2023	1.25%	1.50%	1.50%	0.75%	0.50%	0.50%



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