



THE POLICE
CREDIT UNION

ANNUAL REPORT **2024**





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Message from the Chair & CEO

On behalf of the Board of Directors of the Police Credit Union, we are pleased to report our results for 2024. This year was not without its challenges as deposits and total assets all decreased from 2023 levels, however, loans increased by \$400 thousand. Nonetheless, profit before taxes was \$377 thousand while on-balance sheet assets finished at \$372.2 million, a slight decrease from the previous year's results of \$374.2 million.

Results were impacted by the inverted yield curve affecting interest rates, strong competition from banks and other financial institutions, the continuation by the Ontario Government to fund tuition for basic constable training at the Ontario Police College and the resulting loss of recruit loan opportunities, cyber security risks, changing technologies and increasing regulatory requirements. However, despite the challenges, our dedicated Management and Staff continued to help members achieve their financial goals by providing excellent service, competitive deposit and loan rates, and customized support and advice.

TAKING CARE OF OUR OWN

The Police Credit Union is the financial institution of choice for over 12,200 Civilians, Uniform and Senior Officers, Police Associations, and their families throughout Ontario. We are truly proud of the way our Credit Union understands the unique needs of the policing community and provides financial solutions to meet those needs. In addition to meeting the financial needs of members, our Credit Union continued to provide support to the policing community, including scholarships for students of

members, support of local police service and associations initiatives and donations to the Ontario Police Memorial Fund and to the first inaugural Ontario Police Suicide Memorial, a formal ceremony and lasting memorial organized by Canada Beyond the Blue.

ACKNOWLEDGEMENTS

We are very fortunate to have a dedicated group of Directors, each of whom has their own unique abilities and skillsets, to represent the interests of our members. Our Board of Directors continues to support Credit Union initiatives with good governance and stewardship of our Credit Union activities.

Thank you to our Senior Management team for your hard work, dedication, and support throughout this past year.

To our wonderful staff, we would like to express our sincere appreciation and gratitude for the work you do in support of our membership and the contributions you make to ensure The Police Credit Union is the successful organization it is.

Lastly, but most importantly, thank you to the membership for your continued support, loyalty, and trust in our Police Credit Union. Our Credit Union could not have achieved its success without you, our valued members. We hope that our collective efforts show you that we “take care of our own”.

Geri James
Chair, Board of Directors

Andy Doak
Chief Executive Officer

SENIOR MANAGEMENT TEAM

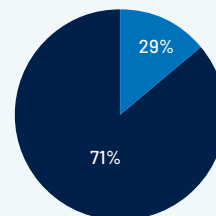
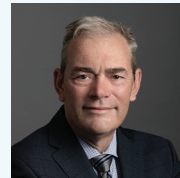


Top row, L to R: Andy Doak, Chief Executive Officer; Amal Fernando, Controller
Bottom row, L to R: Sheila Carvalho, Member Credit Manager; Bess Kominos-Estrela, Manager of Retail Services

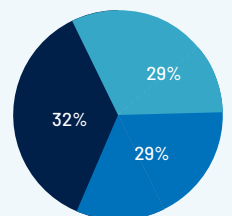
Board Governance and Oversight remains strong. The Board of Directors of the Police Credit Union is comprised of seven Directors, elected by its members.

BOARD OF DIRECTORS

From top to bottom:
Geri James (*Chair*), Mike Sharp (*Vice-Chair*), Shannon Dawson, George Tucker, Rob Todd, Rod Fraser, Stan Colley



■ Male
■ Female



■ 9+ years of service
■ 5-8 years of service
■ 0-4 years of service

Board Governance & Oversight

The Board is responsible for providing oversight, supervision and direction to Management and is responsible for ensuring that our Credit Union operates in a safe and prudent manner and adheres to the standards of sound business and financial practices as required by our regulator, the Financial Services Regulatory Authority of Ontario (FSRA). FSRA regulates the Credit Union sector in Ontario and provides deposit insurance and prudential oversight.

Working closely with our CEO and Senior Management in 2024, the oversight and governance activities of the Board included:

- **Monitoring and ensuring appropriate and effective Governance of our Credit Union;**
- **Establishing policies**
- **Establishing strategic direction and performance expectations;**
- **Overseeing and approving plans related to capital and liquidity;**
- **Delegating authority to and assessing the performance of our Chief Executive Officer;**
- **Monitoring financial performance and approving financial plans and budgets; and**
- **Communicating with Members and providing leadership by supporting and promoting the Police Credit Union.**

BOARD ACTIVITIES

The Board conducts its work through regular Board meetings and met eight times during 2024. The Board also delegates its powers and authorities to several Committees for efficiency and to ensure that specific responsibilities are managed with applicable expertise. These Committees include Audit Risk (the Audit Committee and the Enterprise Risk Management Committee merged at the beginning of 2024 to form the Audit Risk Committee with 5 meetings), Governance, Policy, Nominating, and Scholarship Committees which meet regularly and/or as required. The Board nominates and approves a Director to chair each Committee.

The Board also holds an annual strategic planning meeting with Senior Management to review and approve the strategic direction of the Credit Union and ensure it remains relevant in supporting our members. After this meeting, the Board approves the annual budget and key performance objectives (using a “balanced scorecard” approach) for the Credit Union.

In addition to the above meetings, Directors also participated in Credit Union Conferences including the 2024 Directors’ Forum.

BOARD TRAINING AND DEVELOPMENT

Directors commit to ongoing training and development, supported by a Board-approved budget. Each year, the Governance Committee initiates a peer review process to assess the skills and competencies of each Director and to facilitate the creation of personal training plans to address any competency gaps. The Governance Committee tracks each Director’s achievement towards their training plan and reports results to the Board.

All Directors who have served on the Board for more than one term (3 years) have completed the CuSource Credit Union Director Achievement program and one Director has earned the Accredited Canadian Credit Union Director designation, awarded jointly by Dalhousie University and the Credit Union Institute of Canada.

BOARD CHARACTERISTICS

The Board of Directors recognizes the benefits of Board diversity and aims to maintain a Board comprised of talented and dedicated Directors with a diverse mixture of experience, skills, and backgrounds reflective of the Credit Union’s membership.

Our Year in Review

The Bank of Canada(BOC) carried its fight against inflation into 2024 as it kept the overnight rate at 5.00% through to June 5th before dropping the rate by 25 bps and by the time we hit December the BOC had further reduced rates by 150 bps settling on an over night rate of 3.25% to close out 2024.

Canada's Consumer Price Index(CPI) inflation continued to decline and finished the year at 1.8% compared to 3.4% CPI for 2023. Inflation was expected to remain close to 3% during the first half of 2024 before gradually easing to a target level of 2% in 2025.

Home owners, with variable rate mortgages began to experience some rate relief to increased payments during Q3 and Q4 while fixed rate mortgage holders continued to experience increased borrowing costs when renewing their fixed term mortgages as rates have more then doubled since the time of their mortgage inception. Meanwhile, depositors began to experience decreased deposit rates as the inverted yield curve began to flatten and return to its more normalized shape negatively impacting maturing investments throughout the year.

As announced in April of 2023, the Ontario Government continued to make it easier for police services across the province to recruit and train more police officers by covering 100% of the tuition cost for the Basic Constable Training program at the Ontario Police College (OPC). This new program is planned to remain in place for three years and will impact the success of the Credit Union's Recruit Loan program which had previously been in place since 1996.

Even with increased borrowing costs for mortgage holders, a slowing economy, and a slowing housing market there was little or no impact on our lending portfolios.

Our delinquency ratios remain well below industry averages.

Despite the many challenges faced during 2024 and reduced financial margins, overall results were slightly better than expected as Net Income before taxes was of \$376,887 and on-balance sheet assets finished at \$372.2 million.

Members who have invested in TPCU Class B Shares – Series 1 received a dividend of 5.83%, the total dividend paid was \$268,928 and was completed on March 06, 2025.

STRATEGIC INITIATIVES

Our strategic initiatives are focused on providing our members with the latest in technology driven banking solutions and services.

Work continued on our remote account opening and loan application platforms. Known internally as ASAPP, this fully integrated Loans Origination and Account Opening platform provides a streamlined process for on-boarding new members and processing loan applications both in-branch and remotely. Several enhancements were made to the platform this year with all our personal loan products available on-line. Several deposit products were launched early in 2024 including RRSP, Tax-Free Savings Accounts, First Home Savings Account and Term deposits while mortgage applications remain on our road map for launch further down the road.

Unfortunately, plans to launch Two Factor Authentication for our digital banking platforms has been delayed until 2025.

The First Home Savings Account (FHSA) was launched in December 2023 and was a popular product in 2024 for those looking to purchase their first home. The First Home Savings Account integrates key benefits from both RRSPs and Tax-Free Savings Accounts. This means your contributions are generally deductible on your income tax return and when withdrawn to purchase your first home, the amount is exempt from taxation.

We continued to offer our Civilian loan in 2024. The loan was available for newly hired civilians employed with a police service in the province of Ontario on a full time permanent basis. Flexible terms are available at a preferred rate of interest. Civilians may also apply for a Collabria Mastercard, personal line of credit and overdraft protection.

In January, we made our presence on several social media platforms. Members have been provided with a new level of engagement through our new social media presence by connecting with us on Instagram, Facebook, or X. Here members and potential members will receive information on the latest product developments, announcements, and campaigns

MARKET CONDUCT CODE

The Credit Union strengthened and reinforced the adoption of its code of market conduct through training on related policies, practices, and procedures.

The Code recognizes the best practice principles we follow for soliciting, promoting, advertising, marketing, selling, or distributing our products or services. The Code demonstrates our commitment to the fair treatment of all those who use our services. We believe in fair sales practices, comprehensive access to banking

services, transparency and openness, and a reasonable approach to settling complaints. Individuals are entitled to the best possible care of their financial interests. We respect all our provincial regulatory obligations and continually practice absolute excellence in consumer protection.

OPERATIONS

Operations at the Credit Union's branches remained steady throughout the year with walk in traffic at normal levels for each location.

Branches continue to operate Monday to Friday 10-4 with our College Branch operating 8-4: and (closed for lunch 12 to 12:30) to best meet the needs of members located at or near Toronto Police Headquarters. The hours are best aligned to ensure key tasks are completed for our members in a timely and efficient manner.

Operations are supported by our Member Solutions Centre who are available to assist members with their varied inquiries and needs. The Member Solutions Team operates M-F 9-5 and Saturday 10-3. Additional technical support is available 24 hours a day providing assistance to members with online or mobile banking needs and responding to fraud concerns.

WEALTH MANAGEMENT

Our wealth management team continued to revitalize our services to members and experienced tremendous growth of 44.6% year of year for Assets under Administration. Our two dedicated investment specialists provide members with sound investment advice and financial plans. With access to mutual funds, exchange traded funds, and managed stock and bond portfolios, members have a variety of different investment options available to them.

SERVING POLICE COMMUNITIES THROUGHOUT ONTARIO

"Serving Police Communities in Ontario" is more realistic today than it ever has been in

the past thanks to the digitization of financial services. Geographical boundary limitations have been reduced or eliminated now that members and perspective members have access to on-line banking services and can manage account openings and make loan applications from the comfort of their homes.

We are incredibly grateful to the mutually beneficial relationships we have in place with the many police services and their associations we have served throughout our history.

CORE POLICE COMMUNITIES

Most of our members are employed by one of our Core Police Communities from the Toronto Police Service, Peel Regional Police Service, York Regional Police Service, Durham Regional Police Service or Halton Regional Police Service.

Branch managers and their staff have been active in their respective core policing communities developing and fostering relationships and providing support to the various activities and initiatives provided by each service. Our aim is to position The Police Credit Union as being an integral part of the policing community.

RECRUITS

Even though the Ontario Government continued to cover 100% of the tuition cost for the Basic Constable Training program at the Ontario Police College (OPC), we confirmed our dedication to new police recruits and continued to find alternative ways to support recruits in their transition from school or existing career into their new career in policing. From our experience, we understand that new recruits may have additional expenses while attending OPC and may be taking a reduction in pay. This loan will assist them financially through that transition.

Recruits may apply for a loan at a preferred rate of interest over a maximum term of five

years. A Collabria Mastercard, personal line of credit, and overdraft protection is also available.

We have a dedicated Financial Services Officer at OPC who is available during the evenings to assist recruits four days a week. Assistance is provided for a number of financial needs, from banking transactions, to loans, mortgages, and investments. Recruits have appreciated the support provided right on site at OPC during hours convenient to them. We are pleased to announce that our office is being relocated to a more prominent location in the main area of the OPC building. Hours of operation will continue to be Mondays to Fridays from 4pm to 8pm. This is a new space currently being constructed and we hope this new location will be more visible and provide a new level of interest for those attending OPC.

This year, 68 new recruits joined The Police Credit Union, and 65 (96%) recruits joined the REWARDS program. Joining the recruit REWARDS program offers several benefits including preferred rates, and new chequing account options. Each recruit is eligible for a full financial review to identify opportunities and suggest important next steps to improve financial well-being.

	2024	2023	2022
REWARDS	65	106	268
Regular	3	15	96
Total	68	121	364

We are proud to report that throughout the history of the program, we have assisted 6,560 recruits with their dream of becoming a police officer.

MEMBERSHIP

This year, we welcomed 501 new members which brings our total active membership base to 12,213.

	2024	2023	2022
New	501	591	639
Closed	747	449	370
Members	12,213	12,459	12,317
Net	-246	152	269

MEMBERSHIP SERVICE, ENGAGEMENT AND FINANCIAL CHECK UP

“Taking care of our own” through delivering an excellent member experience is one of our goals that we strive to meet everyday.

Our team of staff work tirelessly to meet these standards by assisting our members with their banking needs, setting up new banking options, and where necessary, finding new and creative ways to assist our members.

Our Financial Service Officers and Branch Managers provide advice to members by looking at their overall financial well-being. This includes a financial checkup to identify members’ financial needs, both short and long-term, and to ensure their decisions meet their financial needs and goals.

EMPLOYEE ENGAGEMENT

The Police Credit Union continues to measure and assess our employees’ satisfaction with their roles and their commitment to our organization through an annual Employee Engagement Survey. Positive results produce high levels of performance and improve the organization’s overall results.

The results are analysed and compared to the results from the previous year’s survey to ensure that areas noted as strengths continue and those deemed below-standards, that are within our control, have a plan developed for improvement.

We continue to strive for excellence by ensuring we meet and exceed a satisfaction level with our employees.

STAFF DEVELOPMENT

We continue to offer on-going training and development opportunities for both our employees and Directors, through our national training partners, CCUA Campus and CU Training. All new Credit Union employees follow an on-boarding process and training plan (for each

position) to ensure success in their new role. Continued training on operational procedures and compliance, ensuring consistency among our staff while keeping them updated on important industry changes. All new staff follow regular periods of review and assessment, both of which are designed to ensure the manager and new hire are progressing and developing according to plan.

Several of our managers are actively enrolled in a Leadership Program offered through CCUA Campus. This program provides training in areas of leadership and coaching, providing the skills and ability to positively lead others.

We continue to ensure our employees and Directors follow both the Market Conduct Code and the Credit Union’s Code of Conduct and Ethics by completing an annual review of both, ensuring understanding.

As part of the annual performance appraisal process, individual education plans are designed for staff. The Managers work with their direct reports to select educational courses that will assist in their development and enhance their skills and abilities.

All of these development programs are designed to ensure we are supporting our greatest assets, – our employees.

INTO THE FUTURE

As we enter our 79th year of providing financial services to our policing communities, we will continue to plan for safe organic growth by offering our best prices on our products and services, seek out and introduce new product offerings, and ensure our members have access to the latest banking technologies.

We will welcome new members and increase our membership base by continuing to provide funding for new recruits and explore outreach opportunities for civilian hires (and their respective families) of Police Services in the province. We will continue to nurture existing relationships with our Core Police Services and Police Associations while at the same time exploring new relationships with other Police Services and their employees within the province of Ontario.

Chief Executive Officer	Andy Doak
Investment Advisor	Rob Hubbard
Investment Specialist	Maryam Khayyam
Human Resources/Administration Coordinator	Karen Zwarych
Marketing Coordinator	George Lambropoulos
Member Credit Manager	Sheila Carvalho
Loans Officer	Rajarshi Konar
Loans Officer	Guillermo Verdesoto
Controller	Amal Fernando
Network & Systems Administrator	Arvin Evangelista
Centralized Accounting/Administration Supervisor	Elizabeth Kunter
Accounting Clerk	Susan Proulx
Centralized Administration	
Centralized Administration Clerk	Carmencita Canivel-Sibug
Centralized Administration Clerk	Michelle De Guzman
Centralized Administration Clerk	Denise Lombardo
Manager of Retail Services	Bess Kominos-Estrela
Member Solutions Centre Representative	Sandra Costanza
Member Solutions Centre Representative	Erika Richards
Member Solutions Centre Representative	Tamara Pitter
Toronto/College Branch Manager	Peter Giftakopoulos
Financial Services Officer	Lila Jacob
Financial Services Officer	Lianne Balasingham
Member Service Representative	Ellen Muirhead
40 College St. Branch	
Financial Services Officer	Roya Ghahremani
Durham Branch Manager	Anna Gomes
Financial Services Officer	Jackie McCulloch
Financial Services Officer	Cari Brothers
Member Service Representative	Heather Bastien
York Branch Manager	Cyndi Ghoneim
Financial Services Officer	Jeanette Wood
Financial Services Officer	George Jonoski
Peel/Halton Branch Manager	Donna Aleksovski
Financial Services Officer	Katarina Rakic
Financial Services Officer	Patema Palmer
Financial Services Officer	Nelia Jacob
Member Service Representative	Mirjana Cotra
Halton Branch	
Financial Services Officer	Nichole Graczyk
Ontario Police College	
Financial Services Officer	Sherri Wiebe

Comparative Highlights

<i>Years ended December 31</i>	2024	2023	2022	2021	2020
Operating Revenue	\$ \$14,844,429	\$13,706,000	\$10,806,929	\$10,290,732	\$10,740,261
Interest on Members' Deposits					
- amount	\$ 7,975,013	6,388,189	3,509,901	2,891,084	3,779,753
- percent	53.7%	46.6%	32.5%	28.1%	35.2%
Financial Margin					
- amount	\$ 6,491,168	6,815,114	7,071,746	6,875,207	6,287,542
- percent	43.7%	49.7%	65.4%	66.8%	58.5%
Comprehensive Income					
- amount	\$ 624,526	821,813	575,280	796,457	687,710
- percent	4.2%	6.0%	5.3%	7.7%	6.4%
Loans to Members	\$ 332,454,569	332,007,572	335,638,018	321,253,994	308,927,110
Membership Shares	\$ 1,666,927	1,738,588	1,228,870	1,204,129	1,196,107
Investment Shares (Gross amount)	4,120,665	4,500,000	5,000,000	5,000,000	5,000,000
Members' Deposits	\$ 338,256,693	339,048,531	346,006,002	337,620,354	317,682,529
Total Assets	\$ 372,208,532	374,259,258	375,720,527	369,326,218	356,559,405
Asset Growth	-0.55%	-0.39%	1.73%	3.58%	4.23%
Leverage Ratio	5.47%	5.46%	5.28%	5.87%	5.89%
BIS Ratio	13.49%	14.31%	13.88%	13.89%	14.54%
Liquidity	13.97%	12.53%	11.88%	12.14%	12.92%

Financial Focus

In 2024, the Bank of Canada shifted its monetary policy stance, implementing rate cuts following two years of significant tightening. After a cumulative 75-basis-point increase in 2023 and 400 basis points in 2022, the central bank responded to moderating inflation and slowing economic growth by beginning to ease rates. While this has reduced borrowing costs, uncertainty remains as financial institutions, including the Credit Union, continue to navigate interest rate fluctuations and evolving market conditions. The Credit Union has maintained a prudent approach to balance sheet management, ensuring resilience amid ongoing economic adjustments.

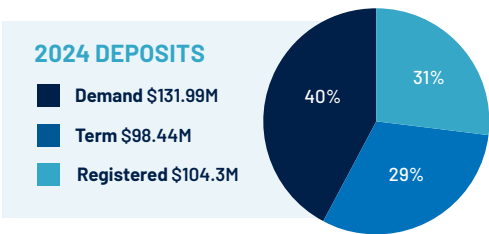
In 2024, assets declined marginally by \$2 million compared to the previous year.

Total loans to members improved marginally by \$ 0.5 million or by 0.14% from \$332 million in 2023 to \$332.4 million in 2024. Residential mortgages improved by \$1.4 million or 0.47%. This modest growth was driven by competitive rates and a strong marketing effort, despite the Credit Union facing elevated borrowing costs, ongoing economic uncertainty, softer housing market activity and tight competition from other lenders. Meanwhile, the personal loans portfolio declined by \$1.0 million or 3.76%. This decline year over year, with a notable decrease in recruit loans is primarily due to the funding provided by the provincial government, which reduced the need for such loans. Other loan products, such as Lines of Credit (LOCs), also saw weaker performance. This decline can be attributed to the prevailing economic uncertainty, with many members opting to hold back on spending and borrowing, reflecting a more cautious approach amid higher borrowing costs and broader financial concerns.

See chart for the growth in the deposit

portfolio this year.

millions	2024	2023	change
Demand	\$131.99	\$133.46	-\$1.47
Term	\$98.44	\$102.31	-\$3.87
Registered	\$104.30	\$99.99	\$4.31
Total	\$334.73	\$335.76	-\$1.03



Assets under Administration from our off-balance sheet Wealth Management services ended the year at \$41.2 million, up \$12.7 million or 44.6% from 2023. Total assets managed by the Credit Union including off-balance sheet wealth administered assets increased by \$10.7 million or 2.65%. Total managed assets were \$413.4 million in 2024 compared to \$402.7 million in 2023.

Operating revenues, which include interest income earned on loans and investments, grew by \$1.1 million or 8.31%. Income earned from investments was higher from the prior year as yields on investments were higher, combined with the repricing of mortgage loans at higher rates contributed to the increase in operating revenues.

Interest expense on member’s deposits was higher compared to 2023 by \$1.5 million or 21.22% mainly due to the effect of repricing of the deposit portfolio in response to the prime interest rate increases throughout 2022 and 2023.

The Credit Union’s financial margin was \$324 thousand lower than the prior year. This decline was driven by the repricing of

the deposit book at higher interest rates, outpacing the repricing of the loan book, which put pressure on financial margins.

Provision on loan losses has always been low compared to the size of the loan portfolio. Other income reduced by \$45 thousand in 2024 to \$1.31 million.

Operating expenses reduced by \$135 thousand in 2024, with reductions across all operating expense lines. Salaries and benefits which are included in the savings was lower by \$12 thousand at a rate of 0.31% compared with 2023. Salaries as a percentage of total operating expenses were lower at 51.3% compared to 52.4% in 2023.

LOAN REPORT

Total loans advanced and lines approved to members increased \$9.7 million from just over \$54 million in 2023 to just under \$64 million in 2024. Although personal

loan numbers decreased due to lower recruit and vehicle loan activity, mortgage numbers and volumes were up slightly. Recruit loans were expected to drop due to the provincial government now covering tuition for police recruits to attend Ontario Police College. A challenging economy may have put members purchases of new vehicles on the sidelines.

Total loans outstanding to members were \$332,294, a decrease of 0.13% over the previous year when loans outstanding to members totalled \$331,830 million.

During the year, the loan loss allowance decreased from \$156,140 in 2023 to \$134,645. Recoveries on loans previously written-off was \$2,996. Loan write-offs during the year amounted to \$66,527. Nine members filed for Consumer Proposal or Bankruptcy in 2024.

TOTAL LENDING ACTIVITY	2024		2023	
Personal				
Personal Loans	292	\$ 7,910,157	420	\$ 9,889,400
Lines of Credit	107	9,143,100	134	8,927,655
Mortgages	119	46,799,460	102	35,327,164
Total	518	63,852,717	656	54,144,219
Total Loans not approved	136	8,985,306	75	4,692,028
Total above	654	72,838,023	731	58,836,247
Loan Allowance				
Specific	13	57,873	10	95,855
General Collective Allowance Stage 1 & 2	0	76,772	0	60,286
Total above	13	134,645	8	156,140

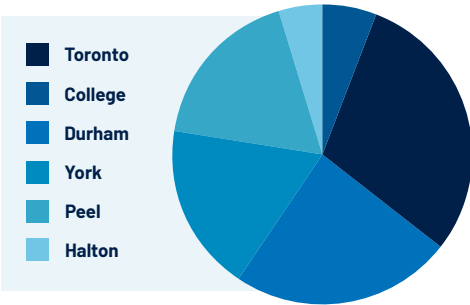
Mentions & Milestones

- **Total Assets** were down \$2.1 million from \$374.3 million in 2023 to \$372.2 million in 2024.
- **Total Loans** to members increased by \$0.5 million or 0.14%. Personal loans provision charged to operations was \$42,252, recoveries on loans previously written off was \$2,996 and loans written off during the year was \$66,527. The allowance balance for impaired personal loans reduced from \$156,140 in 2023 to \$134,645 in 2024
- **Residential mortgage** portfolio grew by \$1.4 million or by 0.47% from \$306.1 million in 2023 to \$307.5 million in 2024. Personal loans portfolio decreased by 3.76% from \$25.7 million in 2023 to \$24.8 million in 2024.
- **Members' Deposits** reduced by \$1.0 million or 0.31% from \$335.8 million in 2023 to \$334.7 million in 2024.
- **Net Comprehensive income** for 2024 was \$624,526 compared with \$821,813 in 2023.
- **Members' Equity** which is comprised of investment shares, undivided earnings and accumulated other comprehensive loss closed the year at \$20,746,619 compared to \$20,770,356 in 2023. Investment shares qualify as equity as such was included in member's equity with a closing balance of \$4,120,665. Investment shares were sold to the membership in 2018 to strengthen the Credit Union's regulatory capital. Dividends were declared and paid each year on the investment shares from 2019 to 2024.
- **Financial Margin** decreased by \$323,946 or 4.75% from 2023. Operating revenue in 2024 was higher by \$1,138,429 compared to 2023. Interest expenses were higher by \$1,462,375 compared to 2023.
- In 2024 we welcomed **68 new recruits** as members, 65 of the new recruits became REWARDS members. In 2023 121 new recruits joined as members of which, 106 became REWARDS members.
- **Wealth Management Services** – Assets under Administration increased by \$12.7 million or 44.6% from \$28.5 million in 2023 to \$41.2 million in 2024.

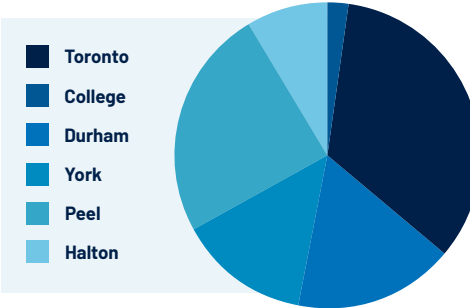
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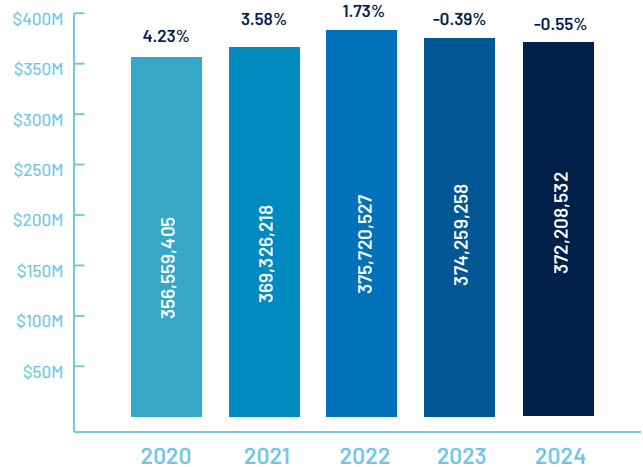
MEMBERSHIP



ASSETS



ASSET GROWTH



BRANCHES

Toronto

Members	3,556
Assets	\$158.2 million
Deposits	\$137.4 million
Loans	\$44.4million

College

Members	732
Assets	\$10.5 million
Deposits	\$7.4 million
Loans	\$10.5 million

Durham

Members	2,903
Assets	\$82.4 million
Deposits	\$80.1 million
Loans	\$55.4 million

York

Members	2,164
Assets	\$65.2 million
Deposits	\$57.4 million
Loans	\$63.1 million

Peel

Members	2,228
Assets	\$117.8 million
Deposits	\$42.7 million
Loans	\$117.1 million

Halton

Members	630
Assets	\$41.9 million
Deposits	\$8.9million
Loans	\$41.7 million

Consolidated Branch Results

Members	12,213
Assets	\$476.0 million
Deposits	\$333.9 million
Loans	\$332.2 million

Community Involvement

We were privileged to support our policing community in 2024 and welcomed the opportunity to attend different events and functions both old and new.

In addition to supporting conferences, we also supported and attended the Beyond the Blue Gala, the Ontario Women in Law Enforcement Awards Gala, and the first of its kind: TPA Members Night. We also attended various association Christmas parties, picnics and golf tournaments and the Toronto Special Olympics Torch Run.

Throughout the year, the Police Credit Union continued to find ways to support our policing community by donating generously to police charities or events we could not attend. These contributions went to notable events including the TPS Ice Plunge, the 2024 Ontario Gangs Investigators Association Annual Conference, and the Boots on the Ground BBQ. This was also the first year where we donated to the Hamilton Police Association Police & Fire Hockey Tournament.

In addition, this year we contributed as a donor to the first inaugural Ontario Police Suicide Memorial. This is a formal ceremony and lasting memorial organized by Canada Beyond the Blue to commemorate police members who have died by suicide "because of the line of duty". A significant donation was made to this momentous event and further demonstrates our everlasting support for our policing communities.

The Police Credit Union continues to support the Ontario Police Memorial Foundation (OPMF) by donating a percentage of the revenue sharing profits, generated each year, by our Mastercard. The OPMF is a foundation that is near and dear to our members, and police associations, and continues to resonate with our membership. The more our members use our Mastercard for their credit card purchases, the greater the annual donation will be.



OUR PARTNERS

Cobourg Police Association
Durham Region Police Association
Guelph Police Association
Halton Regional Police Association
Mtp Auxiliary Police Association
Niagara Police Association
Ontario Police Memorial Foundation
Peterborough Police Association
Police Association Of Ontario
South Simcoe Police
Timmins Police Association
Toronto Police Amateur Athletic
Toronto Police Association
Toronto Police Military Veteran's Association
Toronto Police Pensioners Association
Toronto Police Senior Officers
Toronto Police Widows And Orphans Fund
York Regional Police Association
York Regional Police Retirees Association
York Regional Police Senior Officers'



Below, from top to bottom: Anna Gomes, Peter Giftakopoulos, and Donna Aleksovski at the OWLE gala; Peter Gitakopoulos with Dilnaz Garda and Pete Grande at the Canada Beyond the Blue Suicide Memorial; Peter Giftakopoulos and George Lambropoulos at the TPA picnic with Jon Reid and TPS Chief Myron Dimkew; George Jonoski with member appreciation week winner Richard Briggs; Jackie McCulloch with 2024 scholarship winner Sarah McIlhone



OUR IMPACT AT A GLANCE



SCHOLARSHIPS & BURSARIES

In 2024, we gave out \$5,000 in scholarships and bursaries to help students with their education.



POLICING COMMUNITY SPONSORSHIPS

Over the past six years, over \$57,000 in sponsorship funds were given to help our local police communities.



OPMF DONATIONS

We've donated over \$85,000 over the last eight years to the Ontario Police Memorial Foundation through our Mastercard profits.



DONATIONS IN KIND

Over \$15,000 donations in kind were given to the police community in the past five years.

Audit Committee Report

The Audit Risk Committee of the Board of Directors of The Police Credit Union (TPCU) consists of four Directors and has a mandate to carry out the duties specified in the Credit Unions and Caisses Populaires Act, 2020 (Act) and Ontario Regulation 105/22. The Audit Risk Committee is an integral part of the overall framework of corporate governance for the TPCU. In fulfilling its role, the Committee encompasses four critical oversight responsibilities:

1. Review of financial reporting,
2. Risk management and controls,
3. Audit activities; and
4. Compliance activities.

In the fulfillment of these responsibilities, the Committee met five times during 2024 and performed the following duties:

- Reviewed the results of our external audit provided by Tinkham LLP resulting in a recommendation to the Board to approve the 2024 Financial Statements.
- Directed the functions of our internal auditor, Rick Belsby & Associates, including review of detailed internal audit reports, recommendations, and actions.
- Reviewed quarterly Risk Management reports, identifying ongoing and potential future risk areas, as well as any strategies to mitigate those risks.

- Reviewed the TPCU's risk management policies and procedures.
- Reviewed reports provided by Management to ensure that TPCU complies with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.
- Reviewed and approved Management's recommendations for short-term and long-term interest rate limits; and
- Annual review of key financial and risk related policies

The Audit Committee had the full co-operation and support of TPCU's Management team, and all significant recommendations have been or are in the process of being implemented.

The Audit Committee believes there are no matters, other than those contained in the Financial Statements, that should be reported to our members or which are required to be disclosed pursuant to the Act.

This report is submitted on behalf of the Audit Committee: Rob Todd, Rod Fraser, George Tucker and Mike Sharp (Chair).



Mike Sharp
Chair, Audit Committee

Independent Auditors' Report

To the Members of The Police Credit Union Limited:

OPINION

We have audited the accompanying financial statements of The Police Credit Union Limited ("the Credit Union"), which comprise the statement of financial position as at December 31, 2024, and the statements of comprehensive income, changes in members' equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

SUMMARY FINANCIAL STATEMENTS

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

The financial statements of the Credit Union for the year ended December 31, 2023 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements on February 26, 2024.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation and

fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Tinkham LLP
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
February 28, 2025

Financial Statements

Summary Balance Sheet

Year ended December 31	2024	2023
Assets		
Cash	\$ 7,924,956	\$ 11,108,494
Investments	28,493,270	27,229,717
Loans to members	332,454,569	332,007,572
Other assets	516,124	429,657
Property and equipment	1,406,332	1,858,158
Right of use assets	1,413,281	1,625,660
	\$ 372,208,532	\$ 374,259,258
Liabilities and Members' Equity		
Members' deposits	\$ 338,256,693	\$ 339,048,531
Securitization liabilities	8,559,093	9,157,699
Other current liabilities	1,171,157	1,425,362
Lease liabilities	1,808,043	2,118,722
Membership shares qualifying as liabilities	1,666,927	1,738,588
	\$ 351,461,913	\$ 353,488,902
Members' Equity		
Members' share capital	4,120,665	4,500,000
Retained earnings	16,380,564	16,292,150
Accumulated other comprehensive loss	245,390	(21,794)
	20,746,619	20,770,356
	\$ 372,208,532	\$ 374,259,258

ON BEHALF OF THE BOARD

Geri James

G. James, Chair

M. Sharpe

M. Sharpe, Director

Summary Statement of Operations & Comprehensive Income

For the year ended December 31

	2024	2023
Financial income		
Interest on loans to members	\$ 13,322,364	\$ 12,421,995
Investment income	1,522,065	1,284,005
	<u>14,844,429</u>	<u>13,706,000</u>
Interest Expense		
Interest on Members' Deposits	\$ 7,975,013	6,388,189
Interest on External Borrowings and Securitization Liabilities	335,996	406,977
Provision for Expected Credit Losses on Member Loans	42,252	95,720
	<u>8,353,261</u>	<u>6,890,886</u>
Financial Margin	<u>\$ 6,491,168</u>	<u>6,815,114</u>
Other Operating Items		
Other income	1,362,002	1,316,820
	<u>7,853,170</u>	<u>8,131,934</u>
Operating Expenses		
Salaries and benefits	3,915,249	3,903,116
Administrative	2,592,415	2,672,324
Depreciation of Property and Equipment	481,335	528,053
Deposit Insurance	274,905	277,238
Depreciation of Right-of-Use Assets	212,379	230,157
	<u>7,476,283</u>	<u>7,610,888</u>
Net Income Before Provision for Income Taxes	<u>376,887</u>	<u>521,046</u>
Provision for Income Taxes		
Current	4,819	42,610
Deferred	14,726	32,266
	<u>19,545</u>	<u>74,876</u>
Net Income for the Year	<u>357,342</u>	<u>446,170</u>
Other Comprehensive Loss		
Unrealized Gain on Investments Measured at FVOCI	314,334	443,364
Provision for Income Taxes - Current	(47,150)	67,721
	<u>267,184</u>	<u>375,643</u>
Net Comprehensive Income for the Year	<u>\$ 624,526</u>	<u>\$ 821,813</u>

Summary Statement of Changes in Members' Equity

	Member's share capital	Retained Earnings	Accumulated Other Com- prehensive Income Loss	Total (Note 25)
Balance, December 31, 2022	\$ 4,979,923	\$ 16,158,980	\$ (397,437)	\$ 20,741,466
Net Comprehensive Income	-	446,170	375,643	821,813
Reclassification of investment shares to liabilities	(500,000)	-	-	(500,000)
Amortization cost of issuance of investment shares	20,077	-	-	20,077
Distributions to members (note 17)	-	(313,000)	-	(313,000)
Balance, December 31, 2023	\$ 4,500,00	\$ 16,292,150	\$ (21,794)	\$ 20,770,356
Net Comprehensive Income	-	357,342	267,184	624,526
Reclassification of investment shares to liabilities	42,148	-	-	42,148
Amortization cost of issuance of investment shares	(421,483)	-	-	(421,483)
Distributions to members (note 17)	-	(268,928)	-	(268,928)
Balance, December 31, 2024	\$ 4,120,665	\$ 16,380,564	\$ 245,390	\$ 20,746,619

1. Basis of Presentation

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

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

Management prepared these summary financial statements using the following criteria:

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





Taking care of our own



THE POLICE
CREDIT UNION