

GROWING TOGETHER

ANNUAL SUMMARY
2022



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GROWING TOGETHER

2022 - Report From The Board & Management

Reflecting on these last twelve months, we can certainly attest to the fact that 2022 was another unique year, notably on the economic front, with increasing inflation and high interest rates. Throughout 2022, our employees worked hard to navigate the rapidly changing economic environment to make sure we still were able to provide you with the services and advice you needed. We will continue to do so as we navigate oncoming economic challenges to grow together.

During the year we remained focused on our commitment to grow and deliver an enhanced digital banking experience to all our members. The successful launch of our new digital channels in the summer that included a new website, online banking, mobile apps, and a smartwatch app was the culmination of multiple years of effort from Alterna's cross-functional teams and enabled all our members to gain access to new digital channels.

Our members have been instrumental in providing guidance and feedback to the Alterna team on how we can make the digital banking experience more convenient than ever before and to reach, serve and meet the expectations of the next generation of new members who will grow with Alterna. We continue to innovate to make banking easier and more convenient for all our members.

In 2022, our Contact Centre expanded their operating hours to serve you even better. The launch of Alterna Chat this year also provided members and prospective members with a great

way to ask general questions and find digital channel support. Last year, almost 6,000 of our members used our new online chat channel to communicate with Alterna.

With all the new ways you were banking with us in 2022, 81% of you said you found it easy to do, and 84% of you agreed that Alterna delivers on our brand promise to be The Good in Banking®. We are grateful to share that overall member satisfaction with Alterna is at 85%.

This is so meaningful to us as it confirms that we're doing our job in bringing forward all the benefits of banking with a cooperative.

We've made great strides this year to grow together to serve you even better and are passionate about earning your business and delivering member service excellence to you.

Alterna was engaged on several mergers over the last few years. One objective in doing so was to expand our branch network in Ontario to provide greater access to our members. 2022 saw us take on another acquisition, with FSRA selecting us to purchase select assets from PACE Credit Union, which included their branch network. Through our previous acquisitions of Quinte First and Member Savings, together these three acquisitions provide us a much-improved network of branches in Toronto, and in the Quinte region. In 2023 members



from all three former credit unions will be able to access Alterna's full suite of products and services, and employees will be fully integrated into Alterna teams and operations. The integration onto Alterna's banking system will give all our members an even more comprehensive range of products, greater flexibility in their banking options, and convenient access to services through our new online and mobile banking platforms and smartwatch banking. All these offerings make digital access to your accounts easier than ever.

We know that markets in 2022 posed challenges for investors as inflation and rising interest rates weighed on member sentiment. The Alterna Wealth team worked diligently with members reviewing and updating financial plans, repositioning assets, and providing timely information on the economic climate and estate strategies. Whether it was helping you with your investment portfolio, working with you to adjust your retirement plans, or helping you to navigate your mortgage, our team was here during all the stages of your financial journey, providing advice for life.

2022 was filled with many economic challenges in the Canadian markets. Despite these challenges, we ended 2022 with \$10.4 billion in assets under management, including the addition of \$850 million in assets to our balance sheet because of our successful acquisition of select assets of PACE Credit Union.

OUR STRATEGIC GOAL

To thrive as a member-centric cooperative financial institution focused on members helping members & customers attain their financial goals through convenient, simplified banking experiences, while maintaining a top 10 placement in the credit union sector.

CORE VALUES:

- *Collaboration*
- *Integrity*
- *Respect*

Our values lay the foundation for what we care about most, and they align with how we go about achieving our goals.

Our refreshed core values of Collaboration, Integrity and Respect were developed through working sessions with the Executive Leadership Team, alignment with the results of the 2022 employee engagement survey, and through interviews with a cross-section of employees.



Our consolidated balance sheet, which finished the year at a very strong \$7.6 billion in assets, grew 13.1% over our 2021 year-end position.

Our loan and mortgage activity in 2022 gave rise to net growth of \$1.6 billion or 32.5%, resulting in a year-end loan portfolio balance of \$6.4 billion.

We grew our deposit base a little over 10.1%, closing the year at \$5.7 billion in deposits. We finished the year with net income of \$14.4 million, which was 6.2% higher than our 2021 results.

Net interest income increased by \$21 million to end the year at \$116 million as we proactively managed through the quickly changing interest rate environment and were able to preserve the financial margin as rates were rising.

While 2022 was a very complex financial year, it was also a strong year for Alterna Savings financially, and we were able to manage the headwinds and turn them into tailwinds while setting up a strong foundation for 2023 to face any continued market volatility.

Community Impact is part of our DNA at Alterna. It creates tangible, positive change and helps to support local communities that are equitable, inclusive, and diverse. In 2022, we delivered over 70 financial education workshops, reaching over 1,900 individuals, and disbursed over \$50,000 toward initiatives in underserved communities through our Community and Financial Inclusion Granting Program.

We are also committed to empowering the next generation of community leaders. In 2022,

a record number of seventeen Alterna Savings members were recipients of the Ontario Credit Union Foundation bursary that is awarded annually to students who have demonstrated financial need and strong engagement in their local community.

We championed diversity with our partnership with the Co-operative Housing Federation of Toronto (CHFT), which annually awards scholarships to young leaders in cooperatives that help strengthen their communities. Since it was created in 2012, as part of the CHFT Diversity Scholarship Program, this program has awarded more than \$2 million to over 415 recipients.

Our commitment to supporting affordable housing continued this year as we worked closely to support several co-op federations and their members, positively impacting over 52,000 residents in cooperative housing. We are proud to further the financial resilience of the affordable and cooperative housing space in Ontario. Our expertise extends further into the non-profit and charitable sectors, where we work to increase the financial capacity of over 3,700 member community organizations.

This year, our Community Microfinance Program reached record heights:

We funded over 100 microloans totalling over \$1 million in loans for entrepreneurs and individuals.

We are continuously seeking innovative financial solutions to close the underrepresented gap, and are proud to be partners in the Black Entrepreneurship Loan Fund since its inception in 2021.



We are proud of our leadership role in the community impact space as we help our members develop financial resilience, champion equity, diversity, and inclusion and empower change for the greater good.

Our strength and growth as a credit union can only happen with support from our employees, our local communities, and our members. As our valued members, please continue to help us grow our member community by referring

us to your family, friends, neighbours, and folks in your network. By providing personal referrals, your endorsement will help us continue to grow and introduce a whole new generation to YOUR credit union – one that puts *The Good in Banking*®.

“We are all excited for the future at Alterna as we grow together.”

Rob Paterson, President & CEO



ROB PATERSON
President & CEO

MARIA BARRADOS
Chair



2022 ACHIEVEMENTS

\$10.4 Billion

IN ASSETS UNDER MANAGEMENT

32.6% Growth

OF LOAN ASSETS

\$14.4 Million

NET INCOME

9TH Largest

CREDIT UNION NATIONWIDE*

\$1 Million +

DISBURSED ACROSS 100 LOANS
THROUGH THE COMMUNITY
MICROFINANCE PROGRAM

\$335 Million +

IN GROSS NEW CREDIT THROUGH THE
COMMERCIAL REAL ESTATE TEAM
MAKING ALTERNA A MARKET LEADER

85%

OVERALL MEMBER SATISFACTION

80%

OF MEMBERS FOUND IT EASY
WHEN BANKING WITH US

[*CCUA - The Largest 100 Credit Unions](#)



**NATIONAL CAPITAL REGION
TOP EMPLOYER FOR THE 7TH YEAR
IN A ROW**



**ALL ALTERNA WEALTH ADVISORS
ACCREDITED WITH THE RESPONSIBLE INVESTING
SPECIALIST (RIS) DESIGNATION**

New Digital Banking

**SUCCESSFUL LAUNCH OF OUR NEW ONLINE BANKING,
MOBILE BANKING APP AND SMART WATCH BANKING**



**SELECTED BY FSRA TO PURCHASE THE SELECT ASSETS OF PACE CREDIT UNION THAT
INCLUDED THE SUCCESSFUL ONBOARDING OF ALL 150 STAFF, ALL PACE BRANCHES
AND THE CORPORATE OFFICE IN VAUGHAN**

Launch of Alterna Chat

**NEW ONLINE CHAT CHANNEL HELPED ALMOST
6,000 MEMBERS WITH BANKING QUESTIONS &
DIGITAL CHANNEL SUPPORT**

Expanded Hours

**EXPANDED CONTACT CENTRE
HOURS TO INCREASE SERVICE
TO OUR MEMBERS**

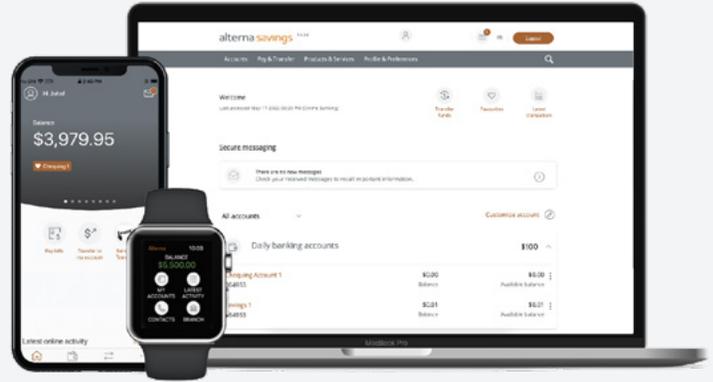
2022 HIGHLIGHTS:

GROWING OUR DIGITAL OFFERINGS FOR YOU

Throughout 2022 we remained focused on our commitment to deliver an enhanced digital banking experience to all our members. The successful launch of our new digital channels in the summer of 2022 culminated in multiple years of effort from Alterna's cross-functional and cross-organizational teams.

This launch enabled all members to access new and modern digital channels. We introduced new features for our members like online product applications, industry-leading security technologies, transactional and security alerts, smartwatch banking applications, and authenticated secured chat with co-browsing within both online banking and the mobile app. We engaged our members during the process, receiving helpful feedback before and after the launch that will help us design future releases that will make the member experience even better.

The launch of Alterna Chat provides members and prospective members with a great way to ask general questions and find digital channel support. Our online appointment booking service also allows members to schedule meetings to discuss mortgage solutions with their branch, making the process easier and more convenient.



Some of the key milestones we're most proud of include:

- We launched a fully comprehensive digital channels training curriculum for our employees to ensure that each one was fully capable of helping members migrate to the new digital channels seamlessly.
- We completely re-designed our entire Digital Channels infrastructure by implementing an industry-leading cloud platform that delivers to our members a modern, faster, and more secure digital experience.

This new platform will allow us to keep innovating for our members. Be on the lookout for more new features being delivered in 2023 and in the years to come.



WELCOME PACE SAVINGS AND CREDIT UNION

In July 2022, we were very excited to announce the successful acquisition of select assets of PACE Savings and Credit Union, and to welcome PACE members and employees to the Alterna Family.

Alterna and PACE have a rich legacy of building positive relationships with our members and communities. By completing the integration of PACE within Alterna in 2023, we look forward to



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creating a bigger, better, and more convenient financial cooperative by bringing these two established credit unions together.

INTEGRATING QUINTE FIRST, MEMBER SAVINGS AND PACE CREDIT UNION TOGETHER UNDER THE ALTERNA SAVINGS BANNER.

We're excited to announce that in 2023, our members from former Quinte First Credit Union, Member Savings Credit Union and PACE Savings and Credit Union will be able to access Alterna Savings' full suite of products and services with support from 46 branches across Ontario. The conversion onto Alterna's banking system will give these members a more comprehensive range of product options, greater flexibility in their banking options, and convenient access to services through our new online and mobile banking platforms that make accessing their accounts digitally easier than ever.

We look forward to welcoming all our members to be able to use the same system and expand their banking abilities from Quinte First, Member Savings and PACE.



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WEALTH MANAGEMENT

Growing the Wealth Assets of our Members

During a year full of market fluctuations, interest rate hikes, and the highest inflation we've seen in decades, our Wealth Management team supported our members when they needed us most. We helped our members navigate the market and their investment decisions during pandemic fatigue, record inflation and elevated concerns over their financial security and well-being. Our team of advisors offered guidance on retirement and estate strategies, enhanced financial planning, and consultative reviews to ensure our members could maintain a healthy financial foundation and long-term goal trajectory.

We were able to acquire an additional \$30 million of net new assets from an Ottawa-based advisory team that added strength and decades of experience to our team. With this



What's the best plan for your retirement?
Get one!

[Schedule a Conversation](#)

alterna wealth™

addition and our proactive member outreach, we added over 150 new households to our Wealth portfolio.

The response to our Wealth Webinar series in 2022 was phenomenal, as we hosted more people than ever before. With a total of eight webinars supporting financial literacy for our members throughout the year, we had over 1,200 attendees engaged in a range of topics that included market updates, tax and estate planning, and power of attorney. During these sessions, members had the opportunity to ask questions and receive guidance as well as collateral material to support discussions with their accountants and lawyers. Additionally, webinars helped to build awareness of the full suite of services that Alterna Wealth provides.

ALTERNA WEALTH WEBINAR

Market Update Webinar - May 2022



May 19th, 2022
10:00 am EDT

John Bai
Chief Investment Officer
with Aviso Wealth





2022 was a year unlike any other, with ESG (Environmental, Social, and Governance) and Responsible Investing (RI) top of mind with more members than ever before, with close to 30% of our members currently invested in ESG & RI products.

Members have access to responsible investment options that support positive environmental and social change while advancing their financial outcomes.

Each of our advisors is accredited with their Responsible Investing Specialist designation and can offer our members this niche expertise and knowledge, helping individuals and families navigate and select investment options that grow their wealth with ESG-friendly options.

Another key milestone for us was the launch of our in-branch resources, with the addition of the Wealth banker role. This new role targets key wealth markets in the GTA and the National Capital Region. The introduction of this role provides access to Wealth specialists in select branches and helps accelerate our effort to expand our Wealth offering to a broader membership.

As we look to 2023, Alterna Wealth continues to provide members with a full suite of products and customized solutions, paired with clear and transparent advice, to meet our members' needs now and through their retirement. We are looking to enhance the service to our members with robust financial planning, enhanced estate services and tax guidance. Members can leverage Alterna Wealth beyond just investing mandates, providing peace of mind and an opportunity to work with a team of professionals to support their investment, retirement, and estate goals.



EVOLVING THE CANNABIS SECTOR

The licensed cannabis sector continues to evolve and Alterna continues to be a great supporter in this developing industry that creates economic benefits and jobs for Canadians. Alterna has been a leader in the Cannabis sector since the beginning with over 50% of licensed retailers and producers in Ontario and 23% in Canada banking with us, and we remain the go-to banking provider for the industry, proudly supporting hundreds of cannabis retailers and producers, and the thousands of individuals employed by this evolving industry.

This year we created two new teams – our onboarding team and our annual review due diligence team. These business specialists enabled us to better support our members, extend our reach within the industry and empowered us to further enhance our existing members' experience. With this expanded team, we created an online portal whereby current cannabis businesses and future members can apply for banking services with an expedited application process.

In October 2022, Alterna sponsored the Retail Cannabis Council of Ontario (RCCO) Inaugural Cannabis Conference and Expo. We became a member of the RCCO, joining a vast network of independent retailers business owners province-wide. Our membership will increase our exposure in the Ontario cannabis market, and will allow Alterna to continue

to form valuable banking partnerships with cannabis retailers, as well as a vast array of ancillary business partners across the country. Alterna will also enjoy the benefit of increased educational, networking, and advertising opportunities that are made available on the RCCO online platform – either by RCCO's



Board of Directors or in consultation with their dedicated legal and accounting partners.

Our commitment to the sector remains strong as we head into 2023. Since inception, we have understood and embraced the unique opportunities and challenges faced by cannabis industry workers, retailers and producers.



ALTERNA SAVINGS SHINES ON SOCIAL MEDIA

Record-breaking follows, increased engagement and recognition as one of the Top 100 Credit Unions

In 2022, Alterna Savings achieved a milestone by reaching the highest following ever recorded on our Social Media channels. We have consistently provided valuable content, including wealth and financial advice, webinar invitations, scholarships and grants, and small business advice, to assist the community in improving their financial well-being.

This has led to significant growth in our audience of over 5,000 followers, and a 32%

increase in engagement across our various channels in this year alone.

Furthermore, for a fourth consecutive year, Alterna made the Financial Brand's list of the **Top 100 Credit Unions** on Twitter worldwide.



We extend a warm welcome to our new followers and express our gratitude for the continuous support from the community on social media.

CYBER SECURITY

2022 was a year of growth and sophistication of cyber threats, and Alterna continues to maintain its commitment to ensure member information remains protected. This commitment encompasses forward-thinking planning, investment in emerging technologies, and proactively enhancing security controls and defense capabilities.

During the year, we saw a significant improvement in cyber security defenses, maturity of our controls and the level of our cyber readiness.

We continue training for Alterna employees, ensuring the resilience of the technology, and share information with other FIs on threats



and risks. Our cyber team remains committed to providing our valued members with practical advice and tips on our Alterna Savings website to help empower them with information and protect our valued members when they are banking online.



2022 AWARDS



National Capital Top Employer

The National Capital Region's Top Employers is an annual competition organized by the editors of Canada's Top 100

Employers. This special designation recognizes the employers in the Ottawa-Gatineau metropolitan area that lead their industries in providing exceptional places to work. Alterna Savings celebrates our 7th consecutive year as a top place to work in the NCR!

We are thrilled that Alterna continues to be counted among the [best workplaces in Canada](#). The past year has been about change and collaboration – and our incredible team has demonstrated how working together can empower us to achieve big goals. We added new tools, resources and programs to enhance our ability to work as a team, with flexible and inclusive work arrangements that allow



employees to balance their work and home lives while continuing to provide exceptional service to our members.

Caledon Chamber of Commerce "Heart of Bolton" Bicentennial Award

Our Bolton branch was recognized as part of the Heart of Bolton awards initiative that recognizes individuals and branches doing good in the local community. Alterna was selected by local residents for their demonstrated and exemplary leadership while serving the community.



2022 AWARDS

2022 Gary Gillam Awards

Board member Earl Campbell was a recipient of the Gary Gillam Award. It recognizes and honours individuals within the British Columbia and Ontario credit union system who have reinforced cooperative values and made significant achievements in social responsibility.

[Read more](#)

Ontario Co-operative Association Long-Term Service Award

Earl Campbell was also presented with a Long-Term Service Award by the Ontario Co-operative Association at the 2022 Director's Forum. This award recognizes Earl's commitment to the credit union movement through his 30 years of service. His commitment to social responsibility and sustainability at the governance level has been evident throughout his career, both in his professional and volunteer endeavours. Earl's "members first" mindset is demonstrated in his tireless volunteerism and heightened sense of corporate social responsibility, all of which have had an incredibly positive influence on the overall health of the credit union system.



Earl Campbell, Alterna Board Member



GROWING OUR COMMUNITIES WITH PROFITS THAT SERVE A PURPOSE



In 2022, getting back out into our local communities was something very important to our members and to our employees. During the year, there were 53 branch-level events executed, and over 70 community presentations and speaking engagements delivered by the Community Impact Team.

We invested over **\$1,200,000** in donations, sponsorships and community support, through

dozens of branch sponsorship activations, coupled with 24 corporate sponsorships to drive engagement and awareness at the local community level.

Supporting each other and our communities as we grow together is a responsibility we all are proud to share, and truly demonstrates *The Good in Banking*®.



PARTNERS WITH CO-OPERATIVE HOUSING IN ONTARIO

The Ontario Co-operative Housing Association (OCHA) launches the Alterna Savings Lifetime Achievement Award.

In 2022 the OCHA presented the inaugural Lifetime Achievement Award. The Lifetime Achievement Award recognizes the incredible commitment and deep impact of an individual who has devoted their professional life to the affordable housing movement.

The inaugural winner is a champion of the co-operative sector, pioneering and delivering innovative programs that have positively impacted co-operative and nonprofit housing members for over 20 years.

Miriam Wohl is the driving force behind the Cost Cutters program, which advocates for Co-op member organizations to leverage their collective pull to access better services, and group buying discounts. Alterna has been part of the program since its inception through the Co-operative Housing Investment Pool or CHIP program, a dedicated banking service specifically designed to meet the needs of the affordable housing sector.

Alterna Savings Credit Union is incredibly proud to be one of the leading affordable housing financial institutions nationwide.



Through Miriam's efforts, 80% of Ontario housing co-operatives do their banking through a credit union.



CORPORATE SPONSORSHIP & DONATIONS TO COMMUNITY ORGANIZATIONS

Men's Canadian U23 Fast Pitch

The third time was the the charm as the Men's U23 Canadian Fast Pitch Championship was held in Carp, Ontario after being postponed by the pandemic.

The event ran from August 2nd – August 7th and featured 7 teams from across the country. Over 113 athletes from Ontario, Quebec, Newfoundland, and Saskatchewan attended, with 25 coaches, 30 committee members, 35 volunteers, and over 4,000 spectators.

Alterna was the title sponsor and was featured in newspapers, on the radio, and on television several times leading up to the event. All games were shown live on Facebook and we attended the opening ceremonies with Ottawa Mayor Jim Watson as well as local city councilors. At our event booth, fans could learn more about the



benefits of banking with Alterna Savings, charge phones, pick up some Alterna swag and sit in the shade. We also presented the MVP award at the end of the event.

Ottawa Symphony Orchestra (OSO)

Alterna is very proud to be the presenting sponsor of the OSO's 2022-2023 season. Like all performing arts organizations, the OSO faced significant challenges over the past few years due to extended lock downs and capacity restrictions. The Symphony was excited to have all scheduled performances in person this season and is grateful to Alterna for their ongoing support.



Enactus Canada

Enactus is an organization that helps shape generations of entrepreneurial student leaders who are passionate about advancing Canada's economic, social, and environmental health. In addition to a \$50,000 annual donation, in 2022 Alterna employees logged over 104 volunteer hours through Enactus Canada as mentors, competition judges, event speakers, and board members.

The employee satisfaction score for participating in the event went from 85% in 2021, to 88% in 2022, and we saw a mixture of new and returning employees participating. Allie Bourbonniere, Project Manager, Business Management and former Enactus participant, presented the Enactus Finalist Announcement at the Canada National Exposition.



Jason Blaine Celebrity Charity Golf Classic

The Jason Blaine Celebrity Charity Golf Classic is an annual golf tournament and private concert held in Pembroke, ON, the hometown of country star Jason Blaine. Alterna was a proud sponsor of the Sing and Swing sponsor at this one-day event that raised over \$110,000 for local organizations. Organizations supported include the Boys and Girls Club Renfrew County, Pembroke Regional Hospital, OSPCA Animal Shelter, and the Petawawa Food Pantry.



Scarborough Walk of Fame

Established in 2006, the Scarborough Walk of Fame event celebrates the stories of ordinary Scarborough citizens who have achieved extraordinary heights in their chosen field of endeavour through hard work and perseverance. Alterna is a long-standing sponsor of the Scarborough Walk of Fame and our Regional Head, Frugina Ball, presented a STAR to Andrew Arifuzzaman, acting Chief Administrative Officer at the University of Toronto Scarborough for his long-standing commitment to the Scarborough community.

GTA Grizzlies

Since 2019 Alterna has been a sponsor of the GTA Grizzlies. The team is a member of the Ontario Football Conference, providing opportunities for men aged 17 – 22 in the GTA to pursue their passion of competitive football. The mission is for young athletes to build character, trust, respect, sportsmanship, and integrity.



Community Action for Local Cancer Care: Cancer Charity Breakfast – Ottawa Regional Cancer Foundation

Since 2009, the Cancer Champions Breakfast has been bringing together Ottawa community leaders wanting to make a difference. All funds raised at the Cancer Champions Breakfast stay in the Ottawa community to help patients and their families get support and access to needed therapies. Alterna was an event sponsor, helping to raise over \$480,000 for local cancer research.



Supporting African Theatre with the Kwetu Theatre Arts Company

Alterna was a proud sponsor the Kwetu Theatre Arts Company for their 2022 performance season. They are a registered nonprofit organization based in Toronto. Their mission is to offer paid opportunities in the arts and provide a performative arts space for predominantly, but not exclusively, people of African descent and/or black-identifying individuals while introducing a new form of theatre to Canadians. Our sponsorship enabled over 1,200 individuals to attend performances during the 2022 season. Due to overwhelming popularity, Alterna supported a second round of performances to close out the 2022 theatre season.



National Lacrosse League + Alterna Cup

In May, over 15,000 fans watched Alterna Savings present the inaugural Alterna Cup to the Calgary Roughnecks for their Canadian season win at the Saddledome in Calgary. This was part of Alterna's 3-year partnership as the official bank of the National Lacrosse League. More than 310,000 Canadian fans attended the 2022 season. This season's new partnership with TSN and TSN.com featured 112 ads that profiled Alterna.



London Lacrosse League

Alterna is a proud sponsor the London Lacrosse League's Peanut Program. This program is open to children under the age of 5 who want to learn one of Canada's national sports. Our sponsorship provided all 38 participants with a lacrosse stick that they used throughout the season.

Goody Lets Play

[Goody Lets Play](#) is a non-profit organization that helps kids participate in organized minor hockey associations, the lifeblood of local hockey in the Wardsville community. The Alterna team has been a sponsor since 2019, and this year the Goody Lets Play golf tournament raised over \$26,000.



Campfire Circle Golf Tournament

Formerly Camp Ooch and Camp Trillium, Campfire Circle brings a variety of camp-inspired programs to kids and families affected by childhood cancer. Alterna Savings sponsored and attended this September event, that supports various organizations throughout the GTA. The tournament raised over \$13,000.



OCUF Golf Tournament

In September, the Alterna team was out on the course with 100 other golfers for the Ontario Credit Union Foundation tournament. More than \$96,000 was raised for the CU Succeed Youth Bursary.

Local Food and Farm Co-Op

Imagining how the world can work differently, regeneratively and cooperatively was the focus of the 13th Annual Local Food and Farm Co-ops Assembly 2022: Pollinators of Change. Alterna sponsored this virtual conference, which hosted several workshops, discussion groups, and speakers throughout the month of April.



Toronto Civic Gala

Alterna was proud to sponsor and attend the 10th annual Toronto Civic Gala in October at the Ritz Carlton Hotel. The event raised over \$20,000 in support of the United Way of Greater Toronto.



EMPOWERING GROWTH IN COMMUNITIES THROUGH OUR FINANCIAL RESILIENCY PROGRAM & INCLUSION GRANTS

This program provides resources, support, and advice to help improve the capacity and resiliency of not-for-profit and charitable sector members. By recognizing that these types of organizations need careful planning and clear objectives to succeed, we have worked with this community to offer products and partnerships specifically designed to support their needs. We also share their desire to give back to the community. [Read more](#)

2022 FINANCIAL INCLUSION GRANT RECIPIENTS

Alterna Savings is committed to putting our profits to work through support for the communities we serve. Our Financial Inclusion Grants support innovative programs that address Financial Literacy and Financial Inclusion issues among underserved communities. [Read more](#) This year's two recipient organizations are [NeighbourLink North York](#) and [Immigrant Women in Business](#) (IWB). A total of **\$41,500** was disbursed between these two organizations.

NeighbourLink North York

[NeighbourLink North York's](#) goal is to foster a resilient, sustainable and vibrant community where no one is left behind. This non-profit's two-pillar approach to community development combines community building with community care to allow individuals within their Neighbourhood Volunteer Network to find meaningful opportunities to contribute while providing support to those struggling with poverty and social isolation.

"Thanks to Alterna's Financial Inclusion Grant Program, under-resourced mothers and youth in our neighbourhood will be able to make better financial decisions, effectively manage their debt, and be equipped to reach their financial goals."

*Maria Speare, Operations Manager,
NeighbourLink North York.*



Immigrant Women in Business

[Immigrant Women in Business](#) (IWB) is a non-profit National Organization dedicated to assisting specifically, but not exclusively, women immigrants to navigate and succeed in their newly adopted country of Canada. With over 70 countries represented, their focus is to educate and provide the necessary tools for their members to become successful in their new homes and make a positive contribution as they begin their journey as proud Canadians.

“We are delighted and appreciative of this grant from Alterna. It will assist us in educating and training more immigrant women, allowing them a better life, and helping them become proud and productive Canadian Citizens.”

Svetlana Ratnikova, IWB Co-Founder & CEO



2022 COMMUNITY GRANT RECIPIENTS

These annual grants are given to support local initiatives where a small amount of money (\$1,000) can profoundly impact the community. In 2022, we awarded thirteen grants to a wide range of organizations in communities throughout Ontario.



CAFES

Community Associations for Environmental Sustainability (CAFES) is a network of residents and citizens' associations in the City of Ottawa that support effective environmental action to create and safeguard a healthy and livable city.



UforChange Movement

This initiative mentors young people in pursuit of their artistic passions through a broad spectrum of arts programs and workshops. These programs serve the youth of the St. James Town and Regent Park neighbourhoods in Toronto.



Your Wardsville

A community organization in southwestern Ontario that welcomes new residents to the region and organizes community programs and events. They are committed to improving the quality of life for the residents and families in their community.





Alexandra Park Neighbourhood Learning Centre of Toronto

The Alexandra Park Neighbourhood Learning Centre (APNLC) is an adult learning centre offering free learning programs to give adult learners the opportunity to upgrade their skills and knowledge to prepare for college programs, apprenticeships, and employment.



Hospice Wellington

Hospice Wellington is a charitable organization providing hospice palliative care for individuals and their families at no cost. They are recognized in Guelph and Wellington County for their leadership in nurturing an environment of comfort and support.



Courage in Action Inc.

Courage in Action is a charity helping women coming from difficult circumstances move forward in their lives. They provide participants with the tools, motivation and hope that uplifts and inspires them to create new or different outcomes in their lives.



The Waupoos Foundation

The Waupoos Foundation provides families living below the poverty line with a recreational camp experience for the whole family and a refuge from the challenges of daily life. They have served over 8,000 families throughout the National Capital Region.





Lakeshore Environmental Gardening Society (LEGS)

Lakeshore Environmental Gardening Society is a group dedicated to building a community of gardeners, educating the public on sustainable urban growing practices, and supporting vulnerable populations with increased access to fresh, affordable food.



All Nations International Development Agency

The All Nations International Development Agency (ANIDA) aims to empower underprivileged communities by removing obstacles that prevent children from accessing education and which keep women and their families in poverty.





Newbury Wardsville Food Bank

The Newbury -Wardsville foodbank collects and distributes food to members of the community in need, and received a grant from Alterna to help support their efforts to eliminate food insecurity. The food bank serves over 4,000 people with food donations and weekly dinners where meals are served by volunteers at the local church. In addition to our grant, the branch collected donations during the holiday season, donating over 40 pounds of food to this local food bank.



Minwaashin Lodge: Indigenous Women's Support Centre

Minwaashin Lodge provides programs and services to First Nations, Inuit and Métis women and children who are survivors of domestic and other forms of violence, and who may also be suffering the effects of the residential school system.



Momma Wipe Your Eyes Foundation

Momma Wipe Your Eyes is an initiative which provides mental health, substance abuse and trauma/grief services to individuals, couples, and families, with a focus on members of the Black, Indigenous, and BIPOC communities.



Caledon Meals on Wheels

Caledon Meals on Wheels (CMOW) is a volunteer-driven, not-for-profit agency that provides programs and services designed to promote independent, healthy living to seniors and people with disabilities.



COMMUNITY MICROFINANCE: PROVIDING RESOURCES TO THE UNDERBANKED

Alterna Savings' Community Microfinance lending program has led the industry since its inception over 20 years ago. In 2022, for the first time, the program funded over 100 microloans totalling over \$1M in loans for entrepreneurs and small business owners. This milestone highlights the continued need for capital investment in communities and demonstrates how Alterna continues to set the Canadian benchmark for microfinance initiatives.

Micro Business Banking Package

Alterna was excited to launch our Micro Business Banking Package for participants in the Microfinance program in 2022. This package was created to provide entrepreneurs access to holistic financial advice and customized product offerings designed to help them build and grow their business. [Read more](#)

Microfinance Member Spotlight: Tony Colley, B12Give Inc.

Be One to Give (B12Give) is an on-demand business-to-business delivery app for retailers with surplus food that is being lost or wasted along the supply chain. Powered by technology and logistics, Be One to Give delivers food with a shelf life of less than 48 hours to agencies supporting food-insecure individuals. To date, they have redistributed over 23k lbs. of food to more than 17k people and diverted roughly 87k lbs. of methane gas from the atmosphere.

Tony Colley, founder of B12Give, joined Alterna's Microfinance program in August of 2022 and used the loan to hire a Business Development Manager and Software Development intern to scale his business. He also participates in the Microsavings program, which helps small business owners build capital and boost resilience. Tony originally applied

for a loan from his primary business bank but was denied funding. Tony credits Alterna with helping him start his business and supporting him along the way. [Read more](#)



Tony Colley, Founder B12Give Inc.





"I have been a member of Alterna since 2015 and they have supported me in ways that other institutions have not been able to. They provided funds when I initially started my entrepreneurial journey several years ago and have been a constant source of funding and support from the beginning."

Tony Colley, Founder B12Give

Microfinance Member Spotlight: Jay Field, Tamarack West Outdoor School

Jay Field is the founder and Principal of Tamarack West Outdoor School, an independent elementary school offering programming for students from Junior Kindergarten through grade 8, located in Toronto, Ontario. Tamarack focuses on providing a supportive and compassionate environment for students, teachers, and families alike. "The microfinance loan from Alterna came at a time when we were growing in size faster than our revenue. One of the key aspects of Tamarack is our teacher/student ratio. At the time we applied for the loan, the increase in the number of students registering for our program merited hiring more teachers, but our revenue had yet to increase enough to completely support that extra hiring," explains Jay. "Rather than compromise the quality and possibly reputation of the school, we increased the staff size knowing it was just outside our budget. At the same time, we

decided to make an investment in technology – laptops for research and iPads for robotics. Both investments (teachers and technology) required capital. The Alterna microloan gave us the necessary funds to make those investments. Investments that paid off instantly." Alterna is also Tamarack West Outdoor School's primary banking and financial partner. [Read more](#)



Jay Field, Founder Tamarack West Outdoor School



Entrepreneur Spotlight: Khadijat Animashaun

Khadijat Animashaun is the President and founder of [Maximum Clean Canada Inc.](#), a service providing hassle-free cleaning for the retail, commercial and residential markets in Hamilton, through highly trained, vetted and insured cleaning staff. A graduate of Toronto Metropolitan University's Commerce department, Khadijat saw a need for this type of service in the Hamilton area and has worked to create a successful company that allows employees to work in an in-demand job while maintaining work flexibility – a benefit that is not common in the cleaning industry.

"I have invested the funds from the microfinance loan from Alterna primarily in marketing. Since Maximum Clean Canada Inc. only officially became operational in December 2022, it's very important to prioritize promoting the business and building our clientele."

Entrepreneur Spotlight: Jennifer Winter

Jennifer Winter is the founder and creator of [Have a Nice Day Pilates](#), Toronto's first Black-owned pilates studio and on-demand movement platform. With over 10+ years in the pilates industry, she is committed to building a movement space that reinforces diversity and strives to set the standard for an inclusive and supportive community. The blueprint of Pilates has taught Jennifer that less is more, and that mind-body connection will give you superpowers. Jennifer has worked with Adidas, The Bay, Knix, has been seen on Breakfast Television, Toronto Life, Toronto Star and is currently an ambassador for Lululemon. "We have a very unique and impactful story



*Khadijat Animashaun, President & Founder
Maximum Clean Canada*

at Have a Nice Day Pilates," says Jennifer. "Spreading the word of our business is crucial. Our (Alterna microfinance) loan allowed us to beef up our marketing and social presence. We were also able to continue building our web app, and we currently reached over 200 monthly subscribers, and that number continues to grow."

When asked if she would recommend Alterna's Community Microfinance program to other entrepreneurs, Jennifer replied, "I have already." She adds, "Applying for a loan generally is really stressful, and there's a lot of doubt. The process (with Alterna) was pretty straightforward, and I felt supported. Jean Barrett (Manager, Community Microfinance at Alterna) went above and beyond and really helped me through the process."



Jennifer celebrates Black History Month 365 days a year. During February, she makes an effort to rest, take care of herself and her family and celebrate Black futures. This year, she's holding an event called **Black Rest** – an afternoon of ease and healing. The event includes a restorative pilates class led by Jennifer as well as education around racial trauma, how it plays into shame and perfectionism, and breathing exercises by Psychotherapist Chantée Daradain.



*Jennifer Winter, Founder of
Have a Nice Day Pilates*

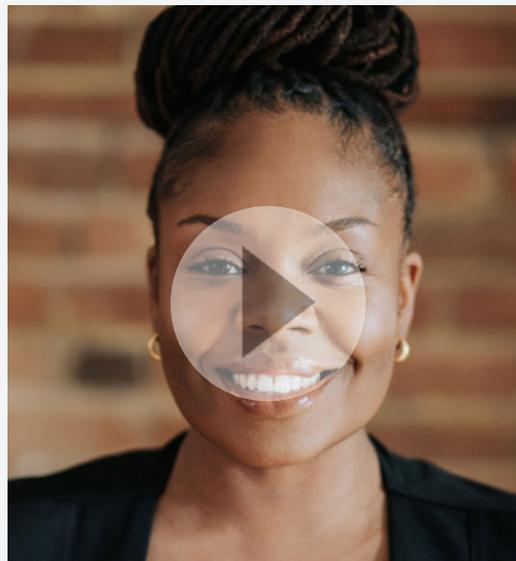
Partnership with FACE

[FACE](#) is a national, Black-led, non-profit organization focused on providing resources and information to the Black community across Canada, with the aim of accelerating wealth creation for Canadians of African descent.



The Black Entrepreneurship Loan Fund, a component of the Black Entrepreneurship Program, is a partnership between the Government of Canada, Black-led business organizations, and several financial institutions. It supports access to capital for Black business owners and entrepreneurs. Micro-loans are an essential part of how FACE supports black business owners and entrepreneurs. Alterna's partnership with FACE to provide capital through the Black Entrepreneurship Loan Fund is helping to create economic mobility for Black Canadians.

Watch the video of our discussion with FACE Coalition CEO, Tiffany Callender about her thoughts about the program.



Tiffany Callender, FACE Coalition CEO



NEW SUPPORT FOR THE AFFORDABLE HOUSING SECTOR

Alterna works closely to support several community-based organizations and proudly serves over 3,700 members in the affordable housing space that have chosen us as their financial partner. In 2022 Alterna added the role of Account Manager, Not for Profit & Affordable Housing, to the Community Impact team, and welcomed Fahima Karim to the role. Our ongoing commitment has positively impacted over 52,000 residents in cooperative housing.



COMMUNITY FINANCIAL EDUCATION PROGRAM

At Alterna, we believe strongly in supporting the financial health and well-being of communities. One of the ways we do that is by developing and delivering financial education programs and resources tailored to the specific needs of the individuals, organizations, and communities we serve.

Our programs include customized curriculums for individual members, cooperatives, not-for-profits, charitable sector organizations and small business owners, and entrepreneurs.

In 2022, we delivered over 70 financial education workshops, reaching over 1,900 individuals in the communities we serve. [Read more](#)



SCHOLARSHIPS & BURSARIES

CU Succeed Bursary

The OCUF bursary is awarded annually to students who have demonstrated financial need and strong engagement in their local community. In 2022 a record number of seventeen Alterna Savings members were scholarship recipients. This group includes former PACE Credit Union members, who became part of Alterna Savings in June 2022.

[Read more](#)

CHFT Diversity Scholarship

Alterna in partnership with The Cooperative Housing Federation (CHFT) annually awards five Penny Bethke Scholarships to young community leaders in cooperatives that help strengthen their communities. The program is geared toward benefiting these leaders while they pursue their studies and offers support that can alleviate financial burdens and encourage students to continue making a positive impact close to home. The Penny Bethke Scholarship was created in 2012 and is a part of the CHFT Diversity Scholarship Program. To date, this program has awarded more than \$2,000,000 to over 415 recipients. [Read more](#)

Supporting Social Innovation at Carleton University Sprott Student Scholarship

Alterna's 2021 gift of \$50,000 to support the establishment of a social ventures institute continues to provide Carleton students with training, mentorship, and opportunities to innovate and develop new business ventures

with purpose. Through the institute, students from all areas of study across campus will have access to programming and resources that foster social innovation and support the creation of student-led social ventures. Students will further develop their understanding by working directly with social purpose organizations in the community. Two scholarships, the Alterna Bank scholarship and the Alterna Savings scholarship, are given to Bachelor of Commerce or International business students.



Alterna Prize for Women Social Change Leaders – Metropolitan University

Established by Alterna Savings in 2018, the Alterna Prize for Women Social Change Leaders annually awards two women students who demonstrate social change leadership within their community. This award helps to better position women for leadership roles by rewarding individuals who have vision, creativity, determination, and are motivated by public rather than personal gain.



THANK YOU TEAM ALTERNA!

All of our employees are focused on taking care of our members and the communities that we serve. Thank you Team Alterna for your commitment to growing together as members serving members.



Fort Francis Branch Holiday Parade Float



Quinte First Bike-A-Licious



Contact Centre Team Holiday Food Drive



Quinte First sponsorship of Quinte Immigration Services





Dryden Branch Food Drive



PACE Alcona Branch Holiday Food Drive



Lakeshore Branch Grilled Cheese Challenge



Merivale Branch Food Drive



York University Branch





City Hall Branch



North York Branch Halloween



Thunder Bay Branch – Lakehead event



CELEBRATING SHARON KENT, A CREDIT UNION CHAMPION OF 37 YEARS.

In September, Alterna Savings celebrated the career of Sharon Kent, a credit union leader who joined us when Member Savings Credit Union (MSCU) merged with Alterna in December 2020.

Over her 37-year career, Sharon was a fixture at MSCU, starting as Administration Manager and making her way to Chief Executive Officer in 1994, only ten short years after beginning her career in the financial industry. At that time, Sharon was one of the youngest and very few female CEOs in the Ontario credit union system.



With Sharon at the helm, MSCU led the digital banking community as one of the first credit unions in Ontario to have a public website and the first financial institution to introduce internet banking to their members.

"I know I'm not alone in being grateful that Sharon chose to dedicate her career to the credit union movement", said Rob Paterson, President & CEO of Alterna Savings. "She has been an exceptional leader in the credit union system in Canada, and her impact and energy will be sorely missed. On behalf of all our members and teams at Alterna Savings, a happy and healthy retirement Sharon!" [Read more](#)

"Bringing my 37+ year career to a conclusion is exciting, yet not an easy decision. I am proud of the team we built at Member Savings and the impact we make on our members' lives. We have built enduring relationships with our members over many years, which is one of the biggest contributing factors to our success."

Sharon Kent, CEO, Member Savings Credit Union



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Earl Campbell
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Ken Chan
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President &
Chief Executive Officer



Frugina Ball
Region Head,
Member Experience, GTA



Bill Boni
Senior Vice President
& Chief Financial Officer



Ben Choi
Interim Chief Operating Officer,
PACE Credit Union



Mark Cauchi
Senior Vice President
& Chief Information Officer



Shawn Khimji
Vice President,
Wealth Management



José Gallant
Senior Vice President
& Chief Administrative Officer



Kim Moseley
Vice President,
Product, Marketing
& Communications



Brian Lawson
Senior Vice President,
SME & Member Experience
NCR



2022 FINANCIAL HIGHLIGHTS

2022 was filled with many economic challenges in the Canadian markets. Despite these challenges, we ended 2022 with \$10.4 billion in assets under management, including the addition of \$850 million in assets to our balance sheet because of our successful acquisition of select assets from PACE Credit Union.

Our consolidated balance sheet, finished the year at a very strong \$7.6 billion in assets, growing 13.1% over our 2021-year-end position.

Net interest income increased by \$21 million to end the year at \$116 million as we proactively managed through the quickly changing interest rate environment and were able to preserve the financial margin as rates were rising.

We remained steadfast in our approach to managing our internal costs by improving our processes and working with our vendor partners on cost control on an ongoing basis. This cost control activity became very important with the PACE acquisition and the launch of our digital channels in 2022. These activities will improve the costs long-term for Alterna while continuing to deliver an exceptional member experience.

While 2022 was a very complex financial year, it was also a strong year for Alterna Savings financially, and we were able to manage the headwinds and turn them into tailwinds while setting up a strong foundation for 2023 to face any continued market volatility.



Consolidated Balance Sheets

(in thousands of dollars)

As at	December 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	\$ 276,505	\$ 932,056
Investments	579,765	727,809
Investment in associates	9,717	-
Loans and advances	6,440,685	4,857,908
Property and equipment	57,509	35,617
Intangible assets	41,828	14,547
Goodwill	18,700	-
Derivative financial instruments	21,970	6,473
Income tax receivable	12,398	15,216
Deferred income tax asset	-	61
Other assets	122,523	111,879
	\$ 7,581,600	\$ 6,701,566
LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Deposits	\$ 5,724,293	\$ 5,201,089
Borrowings	628,142	255,884
Mortgage securitization liabilities	716,951	742,732
Derivative financial instruments	1,493	6,046
Deferred income tax liability	4,152	-
Other liabilities	82,140	59,206
Membership shares	2,551	2,081
	\$ 7,159,722	\$ 6,267,038
Members' equity:		
Special shares	184,693	186,599
Contributed surplus	59,203	59,203
Retained earnings	205,717	198,214
Accumulated other comprehensive loss	(27,735)	(9,488)
	421,878	434,528
	\$ 7,581,600	\$ 6,701,566



Consolidated Income Statements

(in thousands of dollars)

For the years ended	December 31, 2022	December 31, 2021
Interest income	\$ 179,764	\$ 143,783
Investment income	15,013	13,819
	194,777	157,602
Interest expense	78,696	62,352
Net interest income	116,081	95,250
Loan costs (recoveries)	656	(3,935)
Net interest income after loan costs (recoveries)	115,425	99,185
Commissions	10,345	10,796
Service charges	8,103	7,404
Net gains on derivative financial instruments	3,643	1,616
Foreign exchange	2,152	2,911
Other	1,417	1,502
Securitization loss	(3,183)	(15,528)
Other income	22,477	8,701
Net interest and other income	137,902	107,886
Salaries and benefits	58,072	43,616
Administration	28,295	24,895
Data processing	19,841	10,364
Occupancy	11,279	9,706
Marketing and community relations	3,431	2,079
Operating expenses	120,918	90,660
Income before income on investment in associates and income taxes	16,984	17,226
Income on investment in associates	1,029	-
Income before income taxes	18,013	17,226
Provision for income taxes	3,632	3,683
Net income	\$ 14,381	\$ 13,543



Consolidated Statements of Comprehensive Income

(in thousands of dollars)

For the years ended	December 31, 2022	December 31, 2021
Net income	\$ 14,381	\$ 13,543
Other comprehensive loss		
Other comprehensive (loss) income to be reclassified to income in subsequent periods:		
Investments in debt instruments measured at fair value through other comprehensive (loss) income:		
Net unrealized losses on debt instruments measured at fair value through other comprehensive loss	(17,794)	(10,879)
Cash flow hedges:		
Changes arising during the year	(1,432)	(1,227)
Add: Reclassification adjustments for gains included in the income statement	890	149
Net loss on cash flow hedges	(542)	(1,078)
Net other comprehensive loss to be reclassified to income in subsequent periods	(18,336)	(11,957)
Other comprehensive income (loss) not to be reclassified to income in subsequent periods:		
Defined benefit plan - actuarial gains	89	14
Net other comprehensive income not to be reclassified to income in subsequent periods	89	14
Other comprehensive loss	(18,247)	(11,943)
Comprehensive (loss) income	\$ (3,866)	\$ 1,600

Consolidated Statements of Changes in Members' Equity

(in thousands of dollars)

For the years ended	December 31, 2022	December 31, 2021
Special shares:		
Balance, beginning of year	\$ 186,599	\$ 186,472
Net shares (redeemed) issued	(1,906)	127
Balance, end of year	184,693	186,599
Contributed surplus:		
Balance, beginning of year	59,203	59,203
Arising on business combination	-	-
Balance, end of year	59,203	59,203
Retained earnings:		
Balance, beginning of year	198,214	190,147
Net income	14,381	13,543
Dividend on special shares	(6,878)	(5,476)
Balance, end of year	205,717	198,214
Accumulated other comprehensive loss, net of tax:		
Balance, beginning of year	(9,488)	2,455
Other comprehensive loss	(18,247)	(11,943)
Balance, end of year	(27,735)	(9,488)
Members' equity	\$ 421,878	\$ 434,528



1. Financial Overview

a. Highlights

Income:

- Net income after provision for income taxes for the year ended December 31, 2022, was \$14.4 million compared to \$13.5 million for the year ended December 31, 2021.
- Alterna Savings paid \$6.9 million in dividends in 2022, compared to \$5.5 million in 2021.
- Net interest income for the year ended December 31, 2022, was \$116.1 million compared to \$95.3 million for the year ended December 31, 2021.
- Loan costs/recoveries for the year ended December 31, 2022, were costs of \$0.7 million compared to recoveries of \$3.9 million for the year ended December 31, 2021.
- Other income for the year ended December 31, 2022, was \$22.5 million compared to \$8.7 million for the year ended December 31, 2021.
- Operating expenses for the year ended December 31, 2022, were \$120.9 million compared to \$90.7 million for the year ended December 31, 2021.

Balance Sheet:

- Member loans increased to \$6.4 billion , up 32.55% from \$4.9 billion in 2021.
- Member deposits increased to \$5.7 billion, up 10.06% from \$5.2 billion in 2021.
- Assets under management, which includes on balance sheet assets, off balance sheet loans and wealth management assets, grew by 4.70% and ended the year at \$10.4 billion.

Capital:

- The leverage capital ratio was 5.2% as at December 31, 2022, compared with 6.4% as at December 31, 2021. This is above the regulatory minimum requirement of 3.0%.
- The total supervisory capital ratio was 14.5% as at December 31, 2022, compared with 19.1% at December 31, 2021. This is above the regulatory minimum requirement of 10.5%.



b. PACE Acquisition

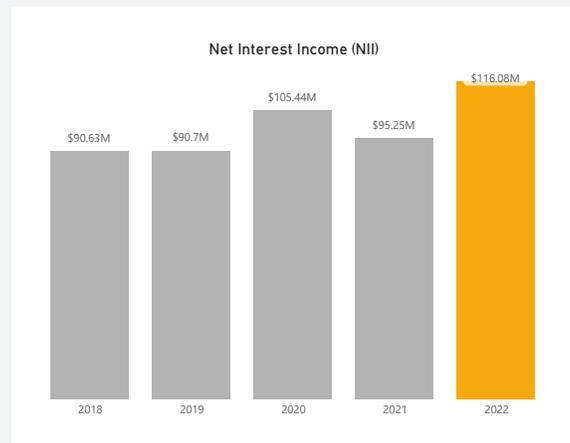
On June 30, 2022, Alterna Savings purchased select assets and liabilities, processes and employees of PACE Savings & Credit Union Limited ("PACE") and recognized assets, liabilities, goodwill and intangible assets on its Consolidated Balance Sheets. Results at December 31, 2022 include consolidated balances and include revenues and expenses from PACE for 6 months (June 30, 2022 to December 31, 2022). In addition, 2022 includes several items related to the closing and accounting for the acquisition. This is further disclosed in Note 26 of the audited financial statements.

The acquisition contributed \$850.5 million in assets which largely consists of \$26.5 million of investments, \$740.8 million of loans and advances, and \$28.6 million of intangible assets. The acquisition contributed \$867.9 million in liabilities which mainly consists of \$814.0 million of deposits and \$45.6 million of borrowings. Goodwill of \$17.4 million is representative of the value of the expected synergies arising from the acquisition, mainly pertaining to future income from potential growth in the asset base, the assembled workforce and new sources of funding not separately recognized as an intangible asset.

2. Financial Performance Summary

a. Net Interest Income

Net interest income represents interest earned on loans to members and investments, less interest paid to members on deposits and interest paid on debt obligations. Net interest income increased to \$116.1 million in 2022 from \$95.3 million in 2021 or by 21.87%. Interest income increased to \$179.8 million in 2022 from \$143.8 million in 2021 or by 25.02% due to increases in interest rates during the year and the acquisition of PACE, which included \$740.8 million of loans and advances. Investment income increased to \$15.0 million in 2022 from \$13.8 million in 2021 or by 8.64%. Interest expense increased to \$78.7 million in 2022 from \$62.4 million in 2021 or by 26.21% due to rate increases in the year and the acquisition of PACE which included \$814.0 million of deposits and \$45.6 million of borrowings.



b. Loan Cost/Recoveries

Loans costs/recoveries represents management's best estimate of potential losses during the year. Alterna Savings uses a data model with various inputs including historical loan data, industry data, and forward-looking macro-economic assumptions to calculate the expected credit losses. Alterna Savings also considers management's assessment of watch list accounts, delinquencies and other relevant market information to assess the expected credit losses. Loan costs were \$0.7 million in 2022. This is compared to a recovery of \$3.9 million in 2021, which was primarily driven by reversing provisions taken in the face of COVID-19 for loan losses which did not materialize.

(000s)	31 Dec 2022						31 Dec 2021		
	Gross carrying amount	Loss allowance	Loss allowance as a % of gross carrying amount	Gross carrying amount	Loss allowance	Loss allowance as a % of gross carrying amount			
Personal Loans									
Stage 1 - 12-month ECL	\$ 288,166	\$ 756	0.26%	\$ 231,130	\$ 278	0.12%			
Stage 2 - Lifetime ECL - not credit-impaired loans	2,908	253	0.09%	1,951	313	0.13%			
Stage 3 - Lifetime ECL - credit-impaired loans	1,249	340	0.12%	1,285	806	0.34%			
Purchased credit-impaired	172	33	0.01%	105	71	0.03%			
	\$ 292,495	\$ 1,382	0.47%	\$ 234,471	\$ 1,468	0.63%			
Residential Mortgages									
Stage 1 - 12-month ECL	\$ 4,374,134	\$ 652	0.01%	\$ 2,664,659	\$ 75	0.00%			
Stage 2 - Lifetime ECL - not credit-impaired loans	11,954	6	0.00%	10,270	101	0.00%			
Stage 3 - Lifetime ECL - credit-impaired loans	2,953	-	0.00%	2,475	58	0.00%			
Purchased credit-impaired	421	-	0.00%	-	-	0.00%			
	\$ 4,389,462	\$ 658	0.01%	\$ 2,677,404	\$ 234	0.01%			
Commercial Loans									
Stage 1 - 12-month ECL	\$ 1,149,220	\$ 483	0.04%	\$ 945,136	\$ 17	0.00%			
Stage 2 - Lifetime ECL - not credit-impaired loans	14,873	175	0.01%	27,114	577	0.06%			
Stage 3 - Lifetime ECL - credit-impaired loans	3,075	1,509	0.13%	2,905	2,012	0.21%			
Purchased credit-impaired	2,067	31	0.00%	31	31	0.00%			
	\$ 1,169,235	\$ 2,198	0.19%	\$ 975,186	\$ 2,637	0.27%			
Total	\$ 5,851,192	\$ 4,238	0.07%	\$ 3,887,061	\$ 4,339	0.11%			



c. Other Income

Other income includes income from commissions, service charges, net gains/losses on derivative financial instruments, foreign exchange gains, other income and securitization-related losses. Total other income increased to \$22.5 million in 2022 from \$8.7 million in 2021 or 158.33%. This is mainly due to less securitization losses in the year due to an increase in unrealized fair market value gains on bond forwards, and greater net gains on derivatives financial instruments due to favorable fair market value gains on certain derivatives not designated as hedge accounting instruments.

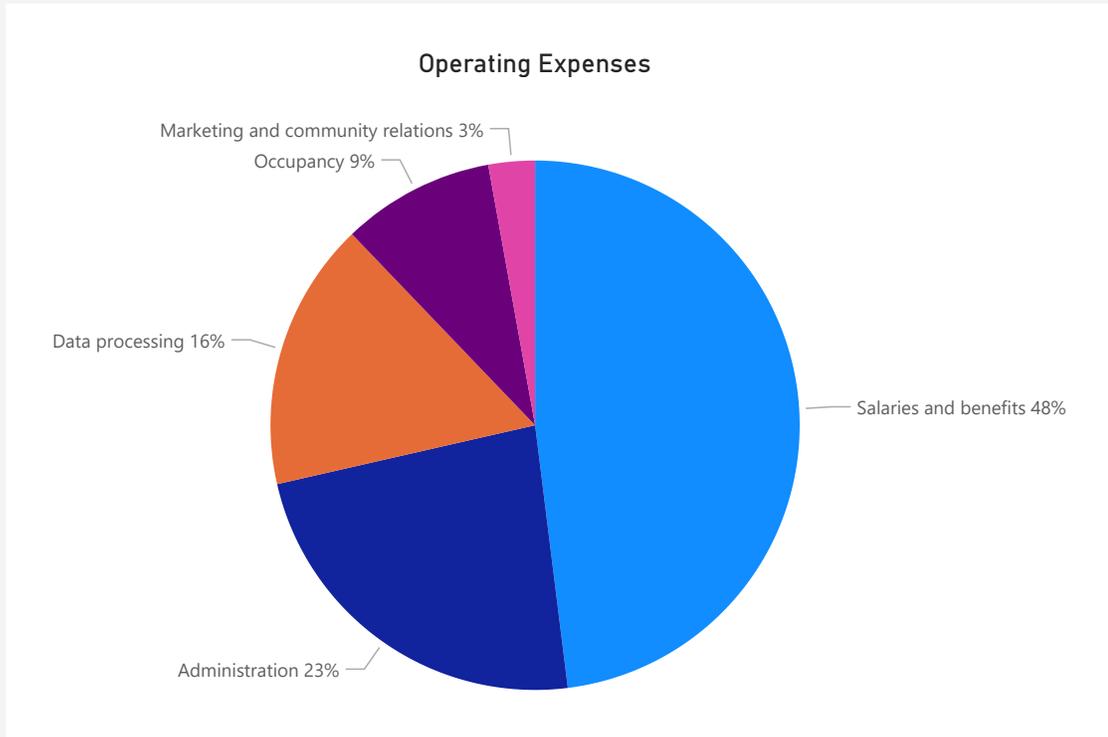
Other Income (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-22	31-Dec-21	\$ Change 2022 vs. 2021	% Change 2022 vs. 2021
Commissions	10,345	10,796	(451)	(4.18%)
Service charges	8,103	7,404	699	9.44%
Net gains (losses) on derivative financial instruments	3,643	1,616	2,027	125.43%
Foreign exchange	2,152	2,911	(759)	(26.07%)
Other	1,417	1,502	(85)	(5.66%)
Securitization income (loss)	(3,183)	(15,528)	12,345	79.50%
Total	22,477	8,701	13,776	158.33%

d. Operating Expenses

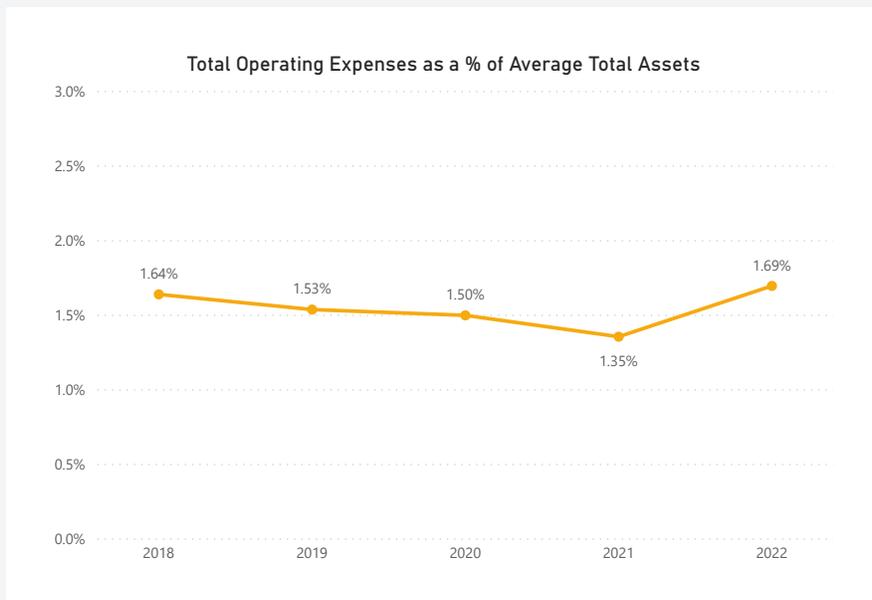
Operating expenses include salaries and benefits, administration, data processing, occupancy and marketing and community relations costs. Total operating expenses increased to \$120.9 million in 2022 from \$90.7 million in 2021 or 33.38%. Operating expenses increased during the year with the addition of PACE as of June 30th as well as Alterna Savings continued investment in initiatives for future success and growth.

Operating Expenses (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-22	31-Dec-21	\$ Change 2022 vs. 2021	% Change 2022 vs. 2021
Salaries and benefits	58,072	43,616	14,456	33.14%
Administration	28,295	24,895	3,400	13.66%
Data processing	19,841	10,364	9,477	91.44%
Occupancy	11,279	9,706	1,573	16.21%
Marketing and community relations	3,431	2,079	1,352	65.03%
Total operating expenses	120,918	90,660	30,258	33.38%



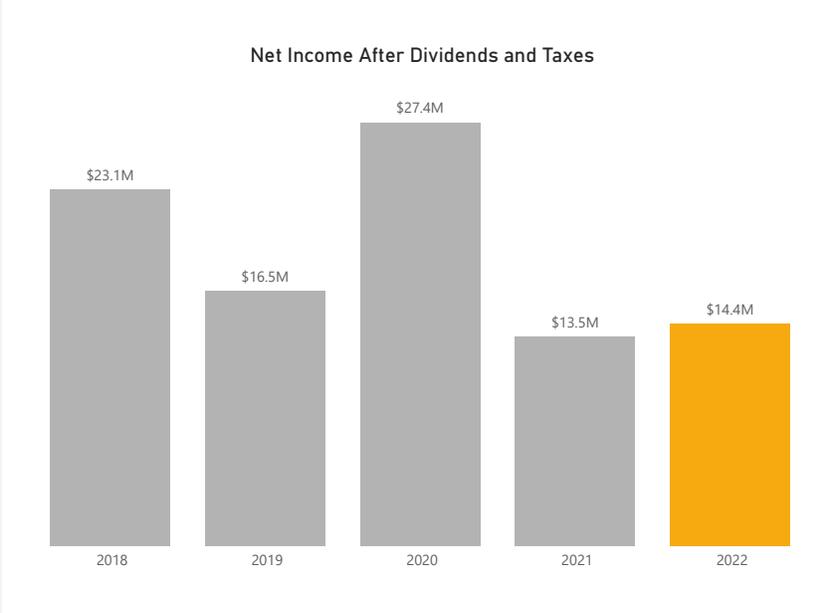


Operating expenses as a percentage of total average assets increased to 1.69% in 2022 from 1.35% in 2021. The increase was mainly due to the PACE acquisition, which included acquisition related expenses such as professional fees, as well as PACE’s operating expenses from July 1st onward.



e. Net Income

Net income (after dividends and taxes) increased to \$14.4 million in 2022 from \$13.5 million in 2021 or by 6.19%. Income was impacted positively mainly by increased net interest income and less securitization losses than the year before.

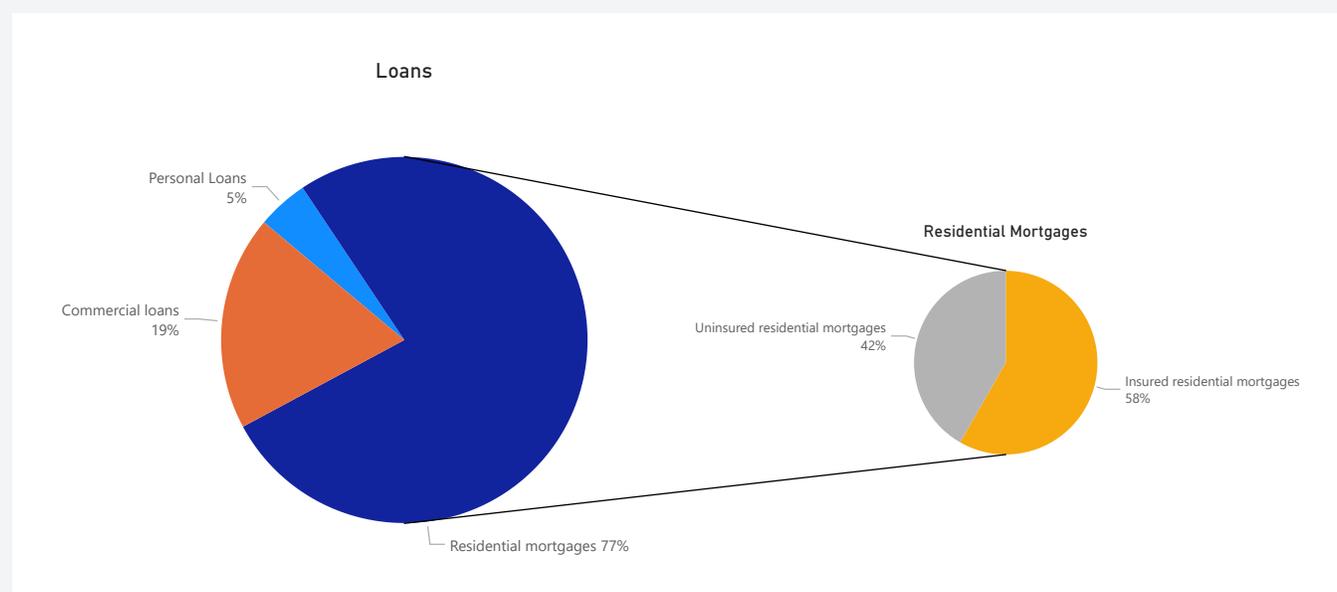


3. Financial Position Summary

a. Loan Summary

Member loans include personal and commercial loans, lines of credit, and mortgages. The total loan portfolio increased to \$ 6.4 billion in 2022 from \$4.9 billion in 2021 or by 32.55% excluding loan costs / recoveries. The increase is mainly due to residential mortgages which grew by 36.96% to reach \$4.9 billion or 76% of the total loan portfolio arising from an increase in organic Alterna mortgage growth, third party mortgages growth and from the PACE acquisition. Personal loans and lines of credit grew by 24.75% to reach \$292 million or 5% of the total loan portfolio mainly due to the PACE acquisition. Commercial loans grew by 18.92% to reach \$1.2 billion or 19% of the total loan portfolio arising from organic commercial loan and line of credit growth and from the PACE acquisition which also contributed to the strong increase year over year.

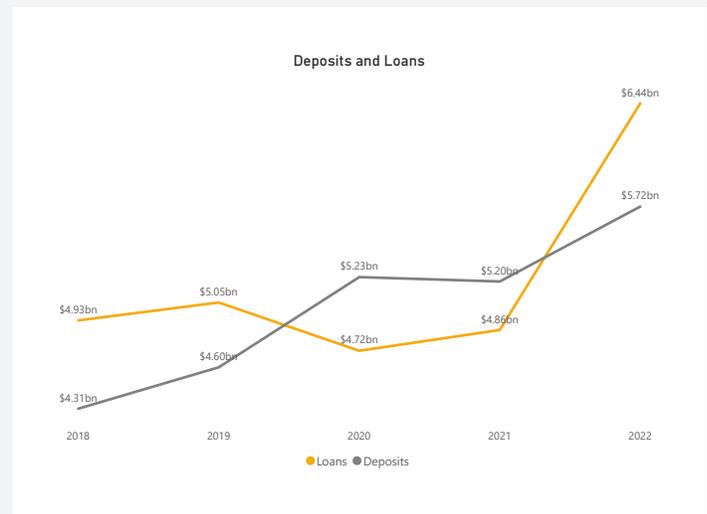
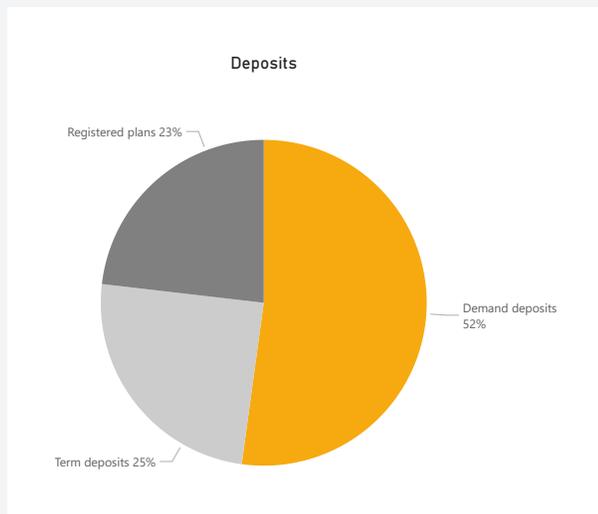
Loan Summary (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-22	31-Dec-21	\$ Change 2022 vs. 2021	% Change 2022 vs. 2021
Personal Loans	292,495	234,472	58,024	24.75%
Residential mortgage loans	4,928,396	3,598,444	1,329,951	36.96%
Commercial loans	1,224,033	1,029,333	194,700	18.92%
Total loans before provision	6,444,923	4,862,248	1,582,675	32.55%
Less: allowance for Impaired Loans	(4,238)	(4,339)	(101)	2.33%
Total loans after provision	6,440,685	4,857,909	1,582,776	32.58%



b. Deposit Summary

Member deposits include demand deposits, term deposits and registered plans. The total deposit portfolio increased to \$5.7 billion in 2022 from \$5.2 billion in 2021 or by 10.06%. Term deposits experienced the highest growth in 2022 at 48.54% year over year to reach \$1.4 billion or 25% of the deposit portfolio which was due to higher interest rates in term deposit offerings as well as the PACE acquisition. Registered plans had healthy growth of 13.47% to reach \$1.3 billion or 23% of the deposit portfolio mainly due to the PACE acquisition. Demand deposits declined slightly by -3.11% and were \$3.0 billion at year end or 52% of the deposit portfolio. The slight decrease in demand deposits was partially a result of rising interest rates which made term deposit offerings more attractive. This was partially offset by the increase from the PACE acquisition.

Deposit Summary (\$000s, except percentages)	As at or for the years ended		Change	
	31-Dec-22	31-Dec-21	\$ Change 2022 vs. 2021	% Change 2022 vs. 2021
Demand deposits	2,985,880	3,081,669	(95,789)	(3.11%)
Term deposits	1,412,563	950,951	461,612	48.54%
Registered plans	1,325,850	1,168,469	157,382	13.47%
Total deposits	5,724,293	5,201,089	523,203	10.06%

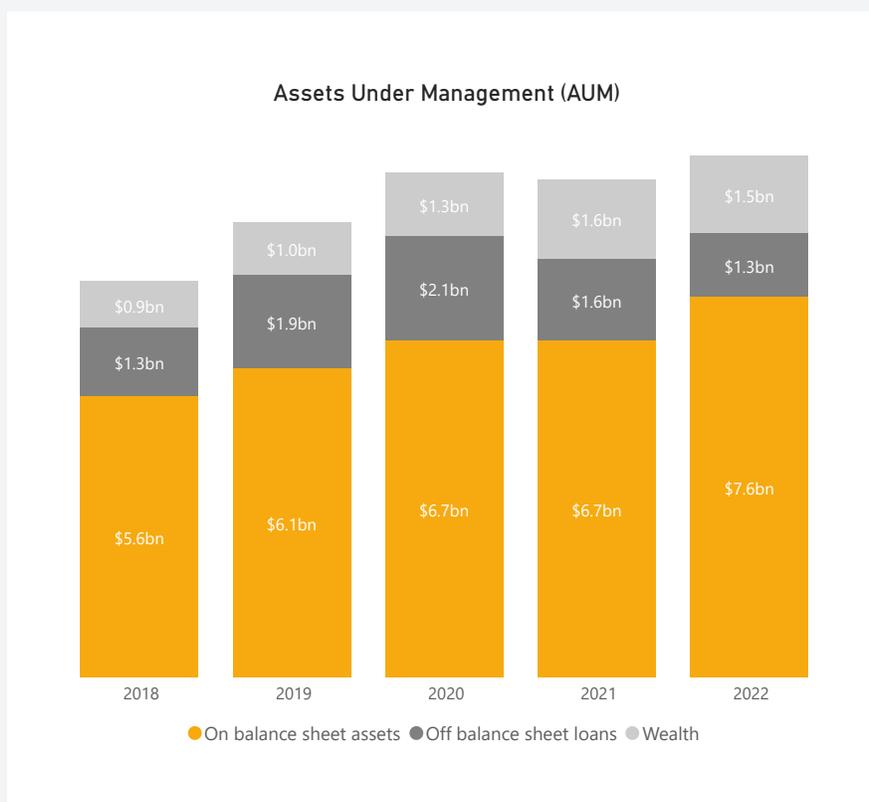


c. Securitization

Alterna Savings securitizes fully insured residential and commercial mortgage loans through the creation of mortgage-backed securities ("MBS") under the National Housing Act ("NHA") MBS program and may in turn sell them to Canada Housing Trust ("CHT") under the Canada Mortgage Bond ("CMB") Program and/or to third party investors. The securitization of qualified loans is part of Alterna's liquidity, capital and interest rate risk management strategy and contributes to on and off balance sheet growth by being a cost-effective way of gaining access to additional funding. Securitization sales result in either being derecognized from the consolidated balance sheet or remain on balance sheet if they do not fit the derecognition criteria. Mortgages that do not qualify for derecognition remain on balance sheet as mortgage securitization liabilities. Mortgage securitization liabilities decreased to \$717 million in 2022 from \$742.7 million in 2021.

d. Assets Under Management

Assets under management consist of on balance sheet assets, off balance sheet loans and wealth management assets. Assets under management increased to \$10.4 billion in 2022 from \$9.9 billion in 2021 or by 4.70% year over year.



4. Capital Adequacy and Liquidity Management

a. Capital Management

Alterna Savings' capital management objective is to ensure the long-term viability of the entity and the security of member deposits by holding a level of capital deemed sufficient to protect against unanticipated losses and to comply with the capital requirements set out in the Credit Unions and Caisses Populaires Act, 2020 (the "Act") and Capital Adequacy Requirements Rule from the Financial Services Regulatory Authority of Ontario ("FSRA"). Alterna Savings manages its capital in accordance with the Capital Management Policy, which is reviewed and approved annually by the Board. The minimum consolidated risk weighted capital ratio per the Act was 8.0% (2021 – 8.0% unconsolidated). The minimum consolidated leverage ratio per the Act was 3.0% (2021 – 4.0% unconsolidated). Alterna Savings was in compliance with the Act and all ratios were above regulatory minimums and remain strong. Refer to note 25 in Alterna Savings' 2022 audited consolidated financial statements for additional details.

Capital Ratios	As at or for the years ended				
	Board Limit	31-Dec-22*	Regulatory Minimums	31-Dec-21**	Regulatory Minimums
Tier 1 Capital Ratio	6.5%	14.0%	6.5%	18.9%	-
Retained earnings to Risk weighted Capital Ratio	3.0%	9.9%	3.0%	13.4%	-
Capital conservation buffer ratio	2.5%	6.5%	2.5%	11.1%	-
Risk Weighted Capital Ratio (Total Capital Ratio)	8.0%	14.5%	8.0%	19.1%	8.0%
Total supervisory Capital Ratio	10.5%	14.5%	10.5%	19.1%	-
Leverage Ratio	3.0%	5.2%	3.0%	6.4%	4.0%

*Calculated consolidated under new FSRA Capital Rules as of 2022.
 ** Calculated ratios as of 2021 are unconsolidated. Only regulatory minimums for Total Capital Ratio and Leverage Ratio were regulated in 2021.

b. Internal Capital Adequacy Assessment Process

Alterna Savings performs an Internal Capital Adequacy Assessment Process ("ICAAP") in line with FSRA's "Guidance Note: ICAAP – Credit Unions with Total Assets Greater than \$500 Million" and "Application Guide – Internal Capital Adequacy Assessment Process". The ICAAP ensures Alterna Savings has adequate capital in relation to its risk profile and has a strategy for maintaining its capital levels. It also ensures Alterna Savings develops and employs appropriate risk management techniques. The processes for managing capital include setting policies for capital management, setting policies for related areas such as asset liability management, reporting to the Board regarding financial results and capital adequacy, and setting budgets and reporting variances to those budgets. The ICAAP ensures enough capital is set aside for ongoing operations, future development and any key risk that may occur during the course of business. It aligns with the planning and risk management oversight. The ICAAP determined that, as of December 31, 2022, Alterna Savings continued to carry adequate capital.



c. Liquidity Management

Under FSRA's Liquidity Adequacy Requirements Rule and "Liquidity Guidance", Alterna Savings is expected to establish and maintain prudent levels of liquidity that are sufficient to meet its cash flow needs, including depositor withdrawals and all other objectives as they come due. The Liquid Asset Ratio measures Alterna Savings' liquid assets as a percentage of total deposits and borrowings, and is used by Alterna Savings to monitor its liquidity position in addition to the Liquidity Coverage Ratio ("LCR"), Net Cumulative Cash Flow ("NCCF") and Net Stable Funding Ratio ("NSFR"). As at December 31, 2022, Alterna Savings' Liquid Asset Ratio was 21.63% (2021 - 33.89%). The decrease is due to an increase in unsold market mortgage backed securities offset by a decrease in demand deposits year over year. All regulatory minimums were met and no liquidity deficiencies were noted over the next 12 month period. Refer to note 4(c) in Alterna Savings' 2022 audited consolidated financial statements for additional details.

5. Economic Outlook

Global economic uncertainty remains elevated due to economic impacts of rising interest rates, declining house prices, inflationary pressures, and labor market shortages experienced both in the domestic and international markets. As a result, global economic factors continue to cast uncertainty on assumptions pertaining to the Canadian economy. The general expectation is that the Canadian economy will continue to slow and potentially enter into a recession over the next 12 months.

The Bank of Canada raised its overnight rate eight times in 2022 and into 2023 totaling an increase of 425 basis points in the period from January 2022 to March 2023. The Bank of Canada has indicated that if economic developments stay in line with its current projections, it expects to hold its key interest rate at its current level but has cautioned that this a "conditional pause" suggesting that subsequent increases in the Bank's overnight rate could resume if the Bank decides it is necessary to get inflation to its two percent target.



6. Risk management oversight and governance

a. Risk Appetite Framework

Alterna Savings' Risk Appetite Framework ("RAF") is Board-approved and outlines the risks which Alterna Savings is willing to accept in order to fulfill its business objectives, deliver on its strategic plan and achieve desired financial returns, and outlines its main considerations in risk-taking, mitigation and avoidance.

Through the RAF, the Board, and/or Finance and Audit Committee ("FAC"), clearly state the general principles for risk-taking to raise risk awareness across the organization and to guide management regarding acceptable and unacceptable risk-taking activities. The RAF is embedded in Alterna Savings' frameworks and policies, and implemented in the day-to-day activities and business operations.

The Board oversees the alignment of the strategic business objectives and capital planning with the RAF and plays a major role in monitoring the adherence to the RAF. The Board is responsible for reviewing the RAF annually and making necessary amendments, as required, to capture potential changes in Alterna Savings' risk profile and strategic priorities.

b. Risk Governance: Roles and Responsibilities

Board of Directors

The Board, and/or FAC, provide direction and oversight to ensure that Alterna Savings' risks are effectively managed and compliant with the Board-approved RAF.

The Board, either directly or through its committees, reviews and approves Board level policies at least once a year. By way of these policies, they have clearly defined the levels of authority, limits, roles and responsibilities, which are an integral part of the day-to-day operations and risk management oversight at Alterna Savings.

The Board is responsible for:

- Ensuring that the risks Alterna Savings is exposed to are managed and reported; and,
- Ensuring that the risk profile of Alterna Savings is aligned with the Board-approved RAF.

The Board and FAC receive regular reports on the effectiveness of, and compliance with the RAF:

- Quarterly, the Board and the FAC are provided reports that include assessments of Alterna Savings' performance against the RAF and the effectiveness of the risk management environment;



- These reports and the RAF are an integral part of the Board's discussions and decision-making processes;
- These reports include a comparison of actual results versus the RAF limits.

Alterna Savings Management Committees:

- Alterna Savings has established and maintains an Executive Leadership Team, a Credit Risk Management Committee and an Asset Liability Committee.
- These Committees provide oversight and management of Alterna Savings' risk exposures, and ensure the alignment of Alterna Savings' risk profile relative to the RAF.

Three Lines of Defence Model

Alterna Savings has adopted the Three Lines of Defence model which is fundamental to the governance operating structure.

The responsibilities are distributed as follows:

- First Line of Defence: Own the risks and associated controls within their area of operations
- Second Line of Defence: The Risk Management and Compliance departments are the independent oversight functions that oversee the First Line of Defence to make sure business activities remain within the RAF and within applicable regulatory requirements
- Third Line of Defence: Internal Audit

First Line of Defence has the following responsibilities:

- Is accountable for managing the risks and performing the associated controls in their area of operations
- Ensures understanding and adherence to Alterna Savings' RAF for their area of operations
- Fosters a risk management aware culture
- Ensures risks in their area of operations are identified, assessed, monitored and managed within the RAF and are in compliance with relevant policies, guidelines and limits
- Establishes and maintains appropriate structures and processes for the management of operations and risk
- Ensures compliance with legal, regulatory, and ethical expectations



Second Line of Defence has the following responsibilities:

- Provides complementary expertise, support, monitoring, and challenge for the management of risk through the development, implementation, and continuous improvement of risk management and regulatory compliance practices
- Educates, provides training and facilitates the application of the RAF and associated documents
- Monitors the adequacy and effectiveness of internal control activities

Third Line of Defence has the following responsibilities:

- Internal Audit assesses compliance with the RAF at the organizational level and in its review of business units within Alterna Savings.

c. Risk Management Culture

Alterna Savings invests in promoting a Risk Management Culture based on integrity, ethical standards, compliance with policies and regulations, risk awareness and ownership, with the implementation and delineation of the Three Lines of Defense.

Alterna Savings strives to have:

- Risk management imbedded in its business from strategy building to day-to-day operations;
- A culture of transparency, accountability, and ownership of risks and risk management activities, where everyone can
 - Identify, measure, quantify, and own their risks,
 - Have the ability to communicate freely, and
 - Act on managing these risks effectively.

d. Stress Testing and Capital Level Controls

The amount of capital required in relation to the size of Alterna Savings' operations is determined by regulation, by the Internal Capital Adequacy Assessment Process (ICAAP) and by the sound judgement of the Board, FAC and Senior Management. These capital levels and adequacy are regularly monitored and formally reviewed quarterly with the Board through the detailed Board reporting package and monthly by Senior Management through the Asset Liability Committee and reporting from the Risk Management department.



The ongoing capital reporting allows for the comprehensive assessment of capital level adequacy, ensuring capital remains within the RAF limits. This ensures Alterna Savings has sufficient capital to maintain its operations based on current activities, execute on strategic plans and manage potential emerging risks.

The Risk Management Department performs stress tests to assess the sensitivity of Alterna Savings and its strategic plan to a variety of potential and plausible adverse financial situations. The stress test results are presented to the FAC and Alterna Savings' management committees and are considered in the development of strategic and capital plans.

e. Material Risks

Alterna Savings' risk universe identifies and defines a broad number of potential risks to which the organization could be exposed. Alterna Savings actively monitors and manages the following principal risks:

- Strategic risk
- Credit risk
- Financial risk
- Operational risk
- Legal and regulatory risk
- Reputational risk
- External environment risk

Strategic Risk

Strategic risk is the potential for loss due to ineffective business strategies, improper implementation of business strategies, or a lack of responsiveness to changes in the business environment. It is an overarching element, impacts the organizational direction, and may influence changes in other risk categories.

Strategic risk is continually assessed and managed by the Executive Leadership Team by reviewing progress towards achieving strategic objectives and the performance of Alterna vis-à-vis its strategic plan, monitoring external factors that could impact achievement of the plan, and intervening as needed to make sure the plan is being delivered as expected.

All business units and Risk Management are closely involved in the formulation of the strategic planning process that is Board-approved and in managing the strategic risk.



Credit Risk

Credit risk is the risk of loss incurred if a counterparty fails to meet its financial commitments to Alterna Savings, and is initiated through our lending, investing and financial hedging operations.

Credit risk is managed in accordance with the Credit Policy for loans and the Investment/Derivative Policy for investments and derivatives. These policies are reviewed and approved annually by the Board.

Alterna Savings manages its credit risk related to loans through a comprehensive set of risk limits with pre-defined escalation procedures as outlined within the Credit Policy and the Operational Credit Policies for the retail and commercial channels.

Alterna Savings conducts its residential mortgage lending business while being compliant, in all significant respects, with the principles outlined in the FSRA Guidance and Advisories.

Financial Risk

Financial risk includes market, liquidity and capital risks. Market risk is the risk of loss from fluctuations in interest rates and foreign exchange rates. Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities in a timely and cost-effective manner. Capital risk is the risk of being unable to hold a level of capital deemed sufficient to both protect against unanticipated losses and comply with the regulatory minimum requirements.

Alterna Savings' consolidated net income is exposed to interest rate risk because of the mismatches in maturities and interest rate types (fixed vs. variable) of its financial assets and financial liabilities. Alterna Savings uses derivatives such as interest rate swaps to manage interest rate risk. Interest rate risk is managed in accordance with the Structural Risk Management Policy which is reviewed and approved annually by the Board. Alterna Savings also includes reporting on interest rate risk to the Asset Liability Committee monthly and the Board quarterly.

Alterna Savings mitigates currency risk by holding cash in US dollars, entering into USD-CAD FX swaps or investing in USD money market instruments. Currency risk is managed in accordance with the Structural Risk Management Policy which is reviewed and approved annually by the Board.

Alterna Savings manages its liquidity risk in accordance with the Liquidity Management and Funding Policy which is reviewed and approved annually by the Board. Alterna Savings reports on the liquidity risk against policy requirements to the Asset Liability Committee monthly and to the Board quarterly. Under FSRA's liquidity rule and guidance, Alterna Savings is expected to establish and maintain prudent levels of liquidity that are sufficient to meet its cash flow needs, including depositor withdrawals and all other objectives as they come due.



Alterna Savings manages its capital risk in accordance with the Capital Management Policy which is reviewed and approved annually by the Board. Alterna Savings reports on the ICAAP and capital risk against policy requirements to the Asset Liability Committee monthly and to the Board quarterly.

In 2022, Alterna Savings developed Alterna's Financial Recovery Plan as a best practice and in accordance with the Financial Services Regulatory Authority of Ontario's (FSRA) Recovery Planning Guidance, the purpose of which is to serve as a playbook for the Senior Management & the Board, as well as FSRA, in times of financial stress. Alterna's Recovery Plan specifies a series of specific qualitative and quantitative measures that serve as early warning indicators to allow Alterna Savings to monitor its risk exposures along a continuum of severe stress events. It focuses on Alterna's liquidity and capital measures.

This Plan is part of Alterna Savings' overall management system, and works in conjunction with other planning and contingency work that the CU maintains, including stress testing, the Internal Capital Adequacy Assessment Process (ICAAP), the Contingency Capital Plan, the Contingency Funding Plan, the Business Continuity Plan and the pending Resolution Plan.

Operational Risk

Operational risk is the risk of loss resulting from failed or inadequate infrastructure, including internal or outsourced processes, people, information technology, and customer management. It is therefore embedded in all day-to-day activities, including the practices and controls used to manage other risks.

Operational risk is managed through policies, procedures and internal controls related to business operations, human resources, IT infrastructure and cybersecurity.

Alterna Savings' operational risk management is an ongoing process applied across all business activities. It is designed to identify potential operational risk events that may affect Alterna Savings and to contain these events to be within the operational risk appetite and risk tolerances in order to provide reasonable assurance regarding the achievement of Alterna Savings' objectives.

Legal and Regulatory Risk

Legal and regulatory risk is the risk of failing to comply with applicable legislation, regulation and other regulatory guidelines.

Alterna Savings oversees compliance with laws, regulations and guidelines relevant to the activities of the institution in the jurisdictions in which it operates. Alterna Savings also ensures that all appropriate stakeholders are provided with current and accurate information to identify, assess, communicate, manage and mitigate regulatory compliance risk, and maintain knowledge of applicable regulatory requirements in operations.



Reputational Risk

Reputational risk is the risk of loss (in liquidity, revenue, member/customer base, or perceived value) from negative publicity observed by stakeholders, whether true or not. Alterna Savings considers reputational risk not as a stand-alone risk category, but rather as a consequential risk (i.e. a potential exposure resulting from any or a combination of other risk areas). Therefore, it cannot be managed in isolation: adequately managing our risk universe mitigates Alterna Savings' overall reputational threats.

External Environment Risk

External environment risk is the potential for loss caused by conditions, entities, events and factors external to the organization that have significant influence on the organization's activities, choices, growth and survival. An organization has little or no control over its environment but needs to constantly monitor and adapt to external changes.

7. Board of Directors Remuneration

The Directors of Alterna Savings are remunerated at rates to be fixed annually by the Board, and are also entitled to be paid their travelling, director training and other expenses properly incurred by them in connection with the affairs of Alterna Savings.

In setting director remuneration, the Board will consider percentage increases in the Consumer Price Index as published by Statistics Canada for the immediately preceding year as well as market reviews conducted from time to time of the remuneration of directors of similarly sized credit unions

The policy is reviewed on a three-year cycle and was last approved June 2022.

8. Executive Remuneration

Executive compensation is governed by Alterna Savings' remuneration policies. In addition to their salaries, Executives participate in Alterna Savings' group benefits plans (which provides certain health care, dental care, life insurance, and other benefits), as well as Alterna Savings' pension plan.

Alterna Savings' executive compensation program is overseen by the Governance Committee of the Board (the "Committee") which is comprised of six (6) Directors. Among other duties, the Committee is responsible for reviewing and recommending the remuneration structure for Alterna Savings' executive management to the Alterna Savings Board of Directors, as defined in executive compensation policies.



The objectives of these policies address the key risks related to remuneration and are as follows: support the attraction and retention of high caliber executives; provide competitive total rewards that encourage high levels of group and individual performance and align the interests of Alterna Savings' executives with those of its members.

The policies are reviewed annually by the Committee for approval by the Board of Directors. The Board of Directors may seek the advice of external compensation experts to ensure that total remuneration for executives remains aligned with its remuneration policies.

Alterna Savings' executives participate in a short-term incentive plan ("STIP") based on key organizational value drivers that include, but are not limited to, financial and strategic measures. The STIP is offered at the discretion of Board of Directors. Alterna Savings currently doesn't have a long-term incentive plan.

All decisions with respect to base pay, annual increases and short-term incentive award (bonus) payments for individuals reporting directly to the President & CEO are reviewed in advance by the Governance Committee of the Board. Further, all decisions with respect to base pay, annual increases and short-term incentive award payments for the President & CEO must receive prior approval by the Board.

For additional information on Board and Executive remuneration, please refer to Note 29(b)) of Alterna Savings' 2022 audited consolidated financial statements.

Alterna Savings is a credit union operating in Ontario. For information on deposit insurance, please ask for a brochure at the credit union or visit the FSRA's website at www.fsrao.ca/.



ALTERNA SAVINGS BRANCHES

GTA

- Aurora
- Bay Street Community Banking Centre
- Bolton
- Bramalea Community Banking Centre
- Danforth
- Etobicoke
- Hamilton
- Lakeshore
- Markham
- Mississauga
- North York Branch
- Scarborough Community Banking Centre
- Shelburne
- Streetsville
- Stouffville
- Toronto City Hall Branch
- Uxbridge
- Whitby
- York

BARRIE

- Alcona
- Stroud
- Tollendale

KINGSTON

- Kingston

NORTH BAY

- North Bay

NORTHERN ONTARIO

- Dryden
- Fort Frances
- Ignace
- Rainy River
- Thunder Bay

OTTAWA

- Bells Corners
- Billings Bridge
- Centretown
- Merivale
- Orleans
- Place de Ville
- South Keys
- St. Laurent
- Westboro Community Banking Centre

PEMBROKE

- Pembroke

PETERBOROUGH

- Peterborough Community Savings

SOUTHERN ONTARIO

- Dutton
- Wardsville
- Thamesville

QUINTE REGION

- Trenton
- Belleville
- Frankford

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