



NBTA
CREDIT UNION

**The best team is not the team with the best players,
but the team that plays best together.**

~ Jamie Dimon

2025

Annual REPORT



Our Outstanding Staff Leads the Way to \$100 Million in Assets

In April 2025 NBTA Credit Union passed the one hundred million plateau in assets, for the first time in our history.

It also honours, with thanks, the amazing staff, management, board and member owners, past and present, who have contributed to our Credit Union's on-going success.





Services Offered

Life Insurance

Disability Insurance

Critical Insurance

Blue Cross Health Plans for Groups and Individuals

All Types of Mutual Funds

Segregated Funds

RRIF, RDSP, TFSA and RESPs

Life Income Funds (Locked-in Pension Money)

Life Annuities

G.I.C.'s



Dave Gorman
CPCA, CWC, LUATC
(506) 462-0203
dgorman@davegormanfinancial.com



Paula Curtis
Account Assistant
(506) 462-0205
pcurtis@davegormanfinancial.com



Chris Reid
Wealth Advisor
(506) 462-0204
creid@davegormanfinancial.com

Dear Member /Owner

Are you interested in becoming a future member of the Board of Directors or a member of one of the Committees of NBTA Credit Union?

If so, please contact the Credit Union office, and we will be sure to contact you in coming years.

Remember, you are an owner of this credit union, and being a director or committee member enables you to participate fully in the changes and progress of NBTA Credit Union.

Name _____

Account # _____

Telephone # _____

Occupation _____

Yes, I am interested in becoming:

A Director _____

A Committee Member _____

Please mail to: NBTA Credit Union
650 Montgomery St
Fredericton, NB
E3B 5R6

Deceased Members January 2025 – December 2025

**Arnetta Crowley
Harold Short-Evans
Shirley Jamieson
E. Annette McCoy
Edward McGuire
Patricia Vaughan
Darrell Day
Donna Hartt
Clifford Kilcup
Paul Munro
Harley Smearer
Blake Kennedy
Robert Field
Nancy Donahue
Paul Brennan
Patricia Bremner
W. Allan Jones
John E. Campbell
Sally Moore
Linda Richardson
Marilyn Russell
David Clark**

**Tom McCabe
Michael Martin
H. Ann Thurrott
Gordon Lewis
Martin Pinnock
Paul Butler
Irene Blakely
Wade Blanchard
Joan Jardine
George Goss
Rodney Stairs
Beverly Pinnock
Bette Hudson
Ronald Bagnell
Douglas Henderson
Raymond Kaine
Dianne Tissington
Madeline Fowler
Roland White
Russell Sweezey
Irene Blakely
Wade Blanchard**



Our Members are the best !!

“You have been fabulous. I am convinced the credit union is the way to go”

“Your service has been exemplary over the years and I, once again, want to thank you for your time today. Things don't always work out, but your professionalism, great humour and integrity remains steadfast and constant.”

“Thank you so much for your terrific customer service and helpfulness with this.”



NBTA
CREDIT UNION

“Thank you for everything, you've been fantastic.”

“Ms. Nichol,
Four years ago, I made a decision to use NBTA CU in Fredericton.
I'd be re-miss if I didn't reach out to let you know just how much we appreciate the consistently amazing service we receive whenever we visit and update our accounts. The feeling of friendliness is truly off the charts. You're to be commended for that staff we deal with.”

“My goodness. Well thank you for the legwork on this one. It certainly makes me feel good about the choice to move over to the credit union. I feel well taken care of and appreciate the ease of communication.”

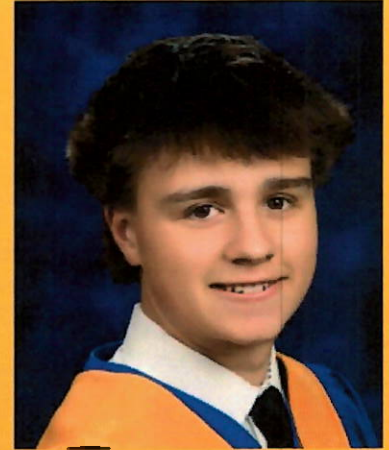
Celebrating Our 2025 NBTA Credit Union Scholarship Winners



Grace Larsen
Bathurst, NB



Kathleen Woods
Miramichi, NB



Noah Ryder
Miramichi, NB



Michael Linder
Fredericton, NB



Hailey Fisher
Bathurst, NB



Olivia Lipton
Piverview, NB

NBTA CREDIT UNION LIMITED
FIFTY FOURTH
ANNUAL GENERAL MEMBERSHIP MEETING
Thursday, April 30, 2026

AGENDA

1. Call to Order
2. Moment of Silence in Memory of Deceased Members
3. Determination of Quorum
4. Approval of Agenda
5. Approval of Fifty-Third AGM Minutes – May 28, 2025.
6. Appointment of Scrutineers
7. Nominating Committee Report and Election of Directors
8. Introduction of Guests
9. Guest Speakers
 - (a) Dave Gorman – Dave Gorman Financial Strategies

Short Break

10. Reports
 - (a) President's Report
 - (b) General Manager's Report
 - (c) Auditor Report and Financial Statements
11. Approval of Reports
12. Recommendations from the Board of Directors
 - (a) Appointment of Auditors
13. Introduction of New Directors and Oath of Office
14. New Business
15. Adjournment

**MINUTES
NEW BRUNSWICK TEACHERS' ASSOCIATION
CREDIT UNION LIMITED
53RD ANNUAL GENERAL MEETING
WEDNESDAY, MAY 28, 2025**

The Fifty-Third Annual General Membership Meeting of the New Brunswick Teachers' Association Credit Union Limited was held on Wednesday, May 28, 2025, at the NBTf Building, 650 Montgomery Street, Fredericton, NB.

The registration list of members is on file at the Credit Union office.

CALL TO ORDER

The 1st Vice President, Bob Fitzpatrick, called the meeting to order at 7:00 p.m.

The 1st Vice President read aloud land acknowledgement.

QUORUM

The 1st Vice President asked the Corporate Secretary, Derek Taggart, to report if a quorum was present. Derek declared we have 52 members registered; therefore, a quorum was present.

MOMENT OF SILENCE

The 1st Vice President asked those in attendance to share in a moment of silence in memory of our members who passed away throughout the year.

Dale Weldon will act as our Parliamentarian for this evening.

APPROVAL OF AGENDA

Added the following to the agenda: 12a) Service awards

Lynne Horsnell/Pat O'Brien

THAT THE AGENDA BE APPROVED AS
AMENDED. Carried

**APPROVAL OF FIFTY-SECOND ANNUAL GENERAL MEETING MINUTES,
APRIL 25, 2024**

Janet Lacey/Rick Demmings

THAT THE MINUTES OF THE FIFTY-SECOND
ANNUAL GENERAL MEETING HELD ON, APRIL 25,
2024, BE APPROVED. Carried

REPORT OF NOMINATING COMMITTEE

Ronna Gauthier, chair of the Nominating Committee gave the Nominating Committee Report. Ronna explained there were four vacancies to fill and with all 3 current Directors re-offering we only had one nomination, Mike Ketchum, who will fill the seat by acclimation.

INTRODUCTION OF GUESTS

The 1st Vice-President introduced the Guests in attendance:

Danielle Wilson, Deloitte
Brenda Trafford – wife of the late Tom Trafford
Ardith Shirley – Executive Director NBTA
Dave Gorman – Dave Gorman Financial Strategies
Paula Curtis – Dave Gorman Financial Strategies
Alex Boyd – Greener Village

GUEST SPEAKERS

The President introduced the following guest speakers:

Alex Boyd, Greener Village

Alex Boyd spoke on the Thrive Project. This project was designed to support a vision that will capitalize on food waste and turn it into high quality food products that will supply food across New Brunswick and possibly the Maritimes. NBTA Credit Union has committed to donating \$2 per member for the next 5 years.

Dave Gorman, Dave Gorman Financial Strategies

Dave spoke about starting in the business 25 years ago with NBTA Credit Union, Capital Credit Union and York Credit Union. Paula has been working with him for the past 23 years and Chris started 5 years ago. In the past year, Brunswick (previously Capital and the Progressive) has now left the group and Dave now works with NBTA Credit Union and OMISTA Credit Union. He also spoke on the tariffs and a downward trend in interest rates and expects prime rate to be 0.5% lower by year end.

REPORTS

The Past-President, Dale Weldon, reported on behalf of the Board of Directors for the fiscal year ending December 31, 2024.

Margery Nichol, General Manager, reported on the previous year's success, introduced the Credit Union Staff, and thanked the Staff, Directors, and the Members.

Margery Nichol, General Manager, presented the audited financial statements.

Danielle Wilson reported that we had a very successful year and a clean audit.

Bob Bartlett/Lynn Steeves

THAT THE REPORTS SUBMITTED IN THE ANNUAL REPORT BE APPROVED. Carried

RECOMMENDATIONS TO THE OWNERS

(a) APPOINTMENT OF AUDITORS

Lynne Horsnell/Linda O'Brien

THAT THE FIRM OF DELOITTE BE APPOINTED AUDITORS FOR THE FISCAL YEAR JANUARY 1, 2025, TO DECEMBER 31, 2025. Carried

(b) PATRONAGE REBATE

Meghan Reed/Helen Crawford

THAT A PATRONAGE REBATE OF 8% OR WHATEVER PERCENTAGE THAT WILL BE AS CLOSE TO \$359,704 AS WE CAN GET WITHOUT GOING OVER. THE REBATE IS BASED ON INTEREST PAID ON LOANS, LINES OF CREDIT AND MORTGAGES AND INTEREST EARNED ON SAVINGS ACCOUNTS BE PAID FOR THE PERIOD JANUARY 1, 2024, TO DECEMBER 31, 2024 TO MEMBERS OF RECORD AS AT DECEMBER 31, 2024. Carried.

(c) BY-LAW CHANGES

Pat White/Helen Brown

THAT ARTICLE VI-METHODS OF VOTING AND ARTICLE VII-NOMINATION AND ELECTION OF DIRECTORS BE AMENDED TO ALLOW FOR HYBRID VOTING (ELECTRONIC AND IN PERSON) IN FUTURE ELECTIONS. Carried

OATH OF OFFICE

Oath of Office will be done at our next regularly scheduled meeting with the Board of Directors.

NEW BUSINESS

The 1st Vice President, Bob Fitzpatrick, presented Dale Weldon with a thank you certificate for his 9 years of service on the Board. He also presented the following with long term service awards:

- Pam Campbell – 40 years
- Shawnalynn Reid – 20 years
- Tracy Russell – 15 years
- Margery Nichol – 15 years
- Meghan Reed – 10 years
- Janet Lacey – 5 years

CORPORATE SPONSORS

The President thanked our corporate sponsors who very graciously donated the lovely gifts the membership was about to receive. Staff then delivered the prizes as the member's ticket numbers were drawn.

ADJOURNMENT

The President reminded Board Members of the meeting to be held immediately following adjournment of this session.

There being no further business, the meeting adjourned at 8:56 p.m.

President

Secretary



2025 BOARD OF DIRECTORS ANNUAL REPORT

BOB FITZPATRICK, PRESIDENT

Introduction

Thanks for coming out and participating in our annual meeting. My task with this report is to give an overview of the work of your Credit Union this year and to highlight some upcoming challenges. I can't talk about our accomplishments and challenges this year without highlighting the work of our incredible staff. Our General Manager Marge Nichol and Assistant General Manager Patria White lead the most incredible team ever assembled under one roof. We as a Board are always impressed with their friendly and professional service to members and their commitment to their work. But never have we been more impressed than during the almost two years of transitioning to our new banking system. They continue to take all the many challenges and frustrations in stride and, incredibly, they never exhibit that frustration to our members. Marge will introduce staff later, but I had to take a moment to thank them on behalf of the Board and our membership.

Board of Directors

I am very proud of the work of your Directors. We deal with a great deal of material that requires a significant amount of homework. And believe me, reading all the financial information takes a great deal of concentration and stick-to-itiveness. Along with the regular board work every member serves on at least two Committees of the Board. One of the major committees- Audit or Credit and everyone is on the marketing Committee including our star volunteer – Kevin Montague. Let me introduce this outstanding Board of Directors.

Sandra Boone – my first vice-president, the long-time chair of our Credit Committee and chair of the Scholarship Committee for many years. Also, on the Nominating and Governance Committees.

Derek Taggart – my second vice-president is Chair of the Marketing Committee and serves on the Credit Committee, the Personnel and Nominating Committees.

Ronna Gauthier – Our Corporate Secretary is Vice-chair of Credit and of Governance, although she has stepped up as the acting chair of Governance for most of the year while Kerry has been involved in something called negotiations. She also chairs the Personnel Committee.

Jim Dysart – The meticulous Chair of the Audit Committee and on the Scholarship Committee, and our newly constituted Social Responsibility Committee.

Moira McLaughlin – Vice-chair of the Audit Committee and sits on the Governance Committee and the Social Responsibility Committee

Kerry Leopkey – Chair of Governance Committee and member of Audit and Social Responsibility Committees.

Blake Robichaud – serves on the Audit Committee and Marketing Committee.

Michael Ketchum – Serves on Credit Committee and Governance Committee.

On your behalf I want to thank them all for their hard work and volunteer commitment to NBTA Credit Union.

Financials

Marge and our auditors will be going into our financial position in detail so I will simply highlight two things. First, due to the admirable work of our staff in a time of falling interest rates and tight money for most people, we had a very good year. But unfortunately, we saw the hard times people are facing first hand with more bankruptcies and defaults than we have seen in awhile. The defaults have been significant enough to negatively impact our ability to give a patronage rebate. We remain committed to sharing our profit with our owners whenever we can but this year, we need to be very careful to bolster our equity position.

Community Support

Our credit union is very proud of the work we do in the community. We have always supported the staff in their initiatives related to Christmas families and Turkey Drives, winter clothes for needy families and the soup kitchen. We reported last year of our financial support of Greener Village and its food rescue program, but I got a chance to experience first-hand what staff has been doing to help out on a personal level for more than a year. Marge and I did our turn volunteering for a morning over at the warehouse.

We spent 3 hours portioning out a dozen 10 kilo bags of basmati rice into baggies holding two cups of rice and cooking instructions. That made us feel good to be helping a little but having a chance to see their operation was a real treat. They showed us their used clothing boutique, with lots of children's garments, as well as their warehouse and distribution process. The flow of cars picking up food boxes was continuous and we were told it is the same everyday.

But what I found most surprising/encouraging was the space they make available for community gardens and the "teaching kitchen." The day before we were there, the "students" had made bread. Enough bread so they could take a couple of loaves home and many more loaves to go into the food hampers for other clients so they could enjoy fresh bread with their meals. It is a very impressive operation overall with only 15 staff and a dedicated volunteer group of 150. If you get a chance, you should have a look sometime and if you are looking for something to do, maybe even volunteer a bit of time.

Strategic Plan

We have reported in the past on our strategic plan process. The Board and staff get together every year to develop a plan for the year that is based upon and refines the master plan we develop every third year. This is the year to develop a new three-year master plan, and the timing is fortuitous as we consider everything that is happening around us in the credit union system.

Marge and I have attended 3 meetings with Atlantic Central over the past year that have been fairly discouraging at times. The statistics for the Credit Union System, in Atlantic Canada in particular, are sobering. Membership is down, the average age of members is up, and the number of new members is disappointing. The message at these meetings was, simply put, our best chance of success is to cut expenses through widespread amalgamation. Some suggested that we will soon see only one credit union in all of Atlantic Canada.

Fortunately, we are bucking some of the trends identified by Central, but we have to ensure that we are aware of the challenges that are out there and that we plan for continued growth. Our task is to keep the members we have while attracting more members. Our loan portfolio must continue to grow, and we are looking at ways to share services with like minded credit unions in New Brunswick to save money where we can.

We have spent more time this year on our planning than ever before. We have had representatives of other credit unions talking to us about what new initiatives are working for them and Marge is talking with the other managers about shared services; at the same time that the staff is working hard to maintain current services while always thinking about what new products we might offer to bring in new members.

We currently have no amalgamation plans, but we will look at every opportunity to share services and therefore costs with other credit unions. The commitment I will make is that no major step, like amalgamation, will be contemplated without our members being included in the discussion.

Bottom line is – we are in good shape, we are developing plans to keep us growing and as long as we continue to grow and watch our costs, we will be able to serve you well into the future.

Conclusion

When I first started on the Board around 14 years ago, we had assets of about forty million dollars. Last year we passed \$100 million in assets. Our growth over the last dozen years and certainly in the past 5 or 6 years has been very impressive. All the more impressive because of some of the challenges staff has had to face over that time. Some of the more notable things they faced included volatile interest rates, a pandemic, and transitioning to a totally new banking system without dependable and timely external support.

But we can't rest on our laurels. To remain independent and in control of our own fate, we must continue to grow. Because you are here, I know you are supporters of NBTA Credit Union, and you want to see us stay successful. So how can we contribute to continued success? All of us need to be involved in promoting our credit union and encouraging new members to come to the best financial services provider we know. Please get involved and do your friends a favour by inviting them to join us.

Please let me wrap up with a few quick notes of appreciation.

Thanks to the members of the Board for volunteering their time.

Thanks to our wonderful management team and our incredible staff.

And finally, Thanks to all of you for coming out tonight and for your continued support of this incredible Credit Union.



General Manager's Report

2025

I am pleased to provide this report on the activities of NBTA Credit Union during 2025. We started the year on our new banking system, and our staff were kind enough to allow some staff from OMISTA Credit Union and Souris Credit Union to come to our branch for training. There is nothing like hands-on experience, and this is a great example of cooperatives helping cooperatives.

As always, staff are encouraged to take courses to further their knowledge in various areas. Annual privacy and anti-money laundering courses are a requirement. This year there was participation in leadership, registered products, and financial management courses. There are also micro-learning courses on creditor insurance, cyber security and preventing fraud. It is important that we keep up with the various tactics fraudsters use so we can educate our members about them. I was on a course, and we learned that the fraud economy is now the biggest economy in the world. Bigger than China's and bigger than the United States.' Behind those numbers are the victims, the people who have lost their money to these bad actors. NBTA Credit Union looks for opportunities to educate our members, and our staff are trained to ask questions when something is unusual or just doesn't feel right. We invest in systems designed to identify fraudulent transactions. These investments have paid off for our membership as we have identified and stopped several instances of fraud before our members lost their money for good.

NBTA Credit Union continues to support and raise funds for Greener Village's Food Rescue Centre. We committed to donating \$2.00 per member each year for 5 years. This year we are pleased to give \$8,870.00 representing 4,434 members. This is a slight increase from 2024.

On the topic of membership, I want to thank those of you who have referred family and friends to NBTA Credit Union. Overall, we had net growth in our membership number. This is not an easy feat to accomplish. The population of New Brunswick is getting older, and the credit union's membership is no exception. When members decide to add an adult child to their account or give power of attorney to someone, many times this means the account gets moved to a different financial institution. We do our best to explain the difference between us and the banks, but until you experience the difference for yourself,

I don't think people get it. We answer our phones; we put our members first in every decision we make. Our decisions are made by the board of directors who you elected, and who are also members. Our reason for being is far different from the banks. We are successful when we help you meet your financial goals; banks are successful when they make money for their shareholders. When we have a good year, we share those profits with you. This difference is what makes us a credit union.

NBTA Credit Union is supported by our many system partners. These include our national trade association, CUA; our local trade association, Atlantic Central; League Data, Equitable Bank, CUMIS, and Collabria to name just a few. We are just the tip of the iceberg in a much larger cooperative credit union system. When we don't have an answer to a question or solution to a problem, we have many resources we can access for assistance.

We had growth in other areas as well. Ever since the pandemic, we have carried excess liquidity. In the fourth quarter of 2025, we saw this excess liquidity begin to disappear. Our loan portfolio grew at a faster pace than our deposits. The loan portfolio increased by \$12,688,871. An increase of 17.32%. Our deposits grew by \$7,775,502. An increase of 8.88%. This growth brought our total assets to \$103,487,478. This is a huge milestone in our history and an achievement of which we can all be proud.

I would like to report that our profits grew as well, but we were hit hard in 2025 with bankruptcies and consumer proposals. We had almost \$300,000 in loans that were written off. This is a bit of a disappointment after the record profit of 2024. However, it is because of the wise decisions of past board members that we can maintain our equity level above the 5% of assets legislated by the New Brunswick government.

I think we can all agree our success is because of the hard work your board of directors and staff put into everything they do. We do what we can to provide the products and services you can get at any financial institution. We invest our money wisely into the things our members want and the systems we need to securely provide those products and services. Maybe more importantly, we provide **professional, courteous, and personal service** to our members. We know it is because you put your trust in us that we are here and we are thriving.

The directors and staff will continue to work hard on your behalf. We will continue to invest in our people. We will continue to provide the products and services you need. We will continue to educate our members. We will continue to be a credit union you can be proud to say you own.

I want to thank all our members, staff, and directors for making NBTA Credit Union the best place to come to work every day. I am looking forward to another successful year in 2026.



CREDIT COMMITTEE REPORT

2025

Fiscal Year ending 2025-12-31

The NBTA Credit Union Credit Committee for this past year consisted of the following members of the Board of Directors: Sandra Boone (Chair), Derek Taggart, Michael Ketchum and Ronna Gauthier. Each member of the committee brings valuable experience, talents, and insights to his/her role in this extremely important committee. The tasks of the Credit Committee require high confidentiality and accountability. All members have been trained in the Best Practices for Credit Committees as well as the specific mandate of the NBTA Credit Union Credit Committee.

The Credit Committee wishes to salute and thank the hard-working Loans team of Shawnalynn Reid, Dawna Scott, Meghan Reed, Julie Jenkins and Rachel Harvey.

During this past year, the Credit Committee reviewed loans according to a variety of criteria established by the Board of Directors, FCNB (Financial and Consumer Affairs New Brunswick) and the Credit Union Act and Regulations. Loans outside regular Credit Union guidelines are forwarded to Atlantic Central for approval.

Loans are most commonly broken down into seven categories: personal lines of credit, mortgages, home equity lines of credit, auto purchase and repair, consolidation, home renovations and repairs, and other. During this past fiscal year, a total of 434 loans were disbursed. The total amount of loans disbursed for all categories in 2025 was \$25,897,420.74.

The total loan portfolio for 2025 was \$85,930,785.56.

The Credit Committee continues to be concerned with the television and radio advertisements which provide misleading information that bankruptcy is a quick and easy method of getting out of debt. We continue to express our concerns to Atlantic Central.

Should you have questions concerning the Credit Committee, I, as chair, or any member of the committee will be happy to answer.

Respectfully submitted,

Sandra Boone, Chair

Credit Committee



Audit Committee Report

2025

Fiscal Year ending 2025-12-31

Another year has passed since my last report, a year in which virtually every aspect of life has been subject to numerous and sometimes unpredictable changes. Fortunately for all of us, the member/owners of the NBTA Credit Union, we have a highly skilled management team in Margery Nichol and Patria White, supported by competent and caring staff all driven to provide the best possible individual service to each member. This team has successfully transitioned to a completely new banking software platform despite multiple major issues and delays in the support from the provider during the transition.

In last year's report I noted that after an extended time of high interest rates "members have begun to start spending once again." That certainly has been our experience this past year with record high borrowing by members.

As a result of this success in having increased borrowing, the credit union has to ensure it continues to attract increased deposits from existing and new members to ensure we have enough on deposit to cover the amounts borrowed for mortgages and loans.

Profit is created when we can maintain a healthy balance between deposits and loans, with members receiving interest on deposited funds, usually in various forms of investments, and those same or other members paying interest on loans and mortgages.

The profit is basically the difference between the interest paid and interest earned minus operating costs and any defaulted loans/mortgages.

On the matter of defaulted loans, NBTA Credit Union is very careful in loaning funds and providing mortgages, ensuring the member provides appropriate collateral. It also closely monitors any issues that may arise. The staff try to work on a personal level with individual members who may find themselves in a fragile financial situation due to unforeseen circumstances. The objective is always to assist the member get back to financial stability. However, on occasion, a member may not be able to resolve the issues or may choose bankruptcy rather than other options that may be available. In these rare cases the default has to be absorbed by the credit union and thus reduces the profit. Fortunately, these are few and far between.

Once again, we have shown a profit for the fiscal year 2025. As noted earlier, we have had a record year in lending. The profit will ensure an adequate level of liquidity available for the continued prosperity of the credit union to provide its owner/members the personal services for which the credit union is noted.

In closing, because my term on the NBTA Credit Union Board of Directors is ending with this AGM, this is my final report as the Chair of the NBTACU Audit Committee. It has been an honour to serve as a member of the Board of Directors, and on the Audit Committee.

I am one of a few members who remembers when the NBTACU was in its infancy and basically managed by a staff person at NBTA as part of his workload from his office.

I have watched it develop to a full service "financial institution," serving not only teachers, but also many other individuals, families, and businesses.

I became a member early in my career but didn't get truly involved until I was asked if I would consider running for a position on the board.

The rest as they say is history. It has truly been a satisfying and enlightening experience.

I put "financial institution" in quotes because that term does not adequately reflect what the NBTA Credit Union really does for its members and community. Members are persons, co-owners, and voters for board candidates, not just numbers. Staff are people who care about each member on a personal level and not just random phone or email contacts. Community service is a mandate of the NBTA Credit Union, not just a PR activity. Profit is used to improve services, and any excess is returned to member/owners, not just paid out to some external corporate entity structure. We are much more than just a financial institution.

Finally, I encourage you the reader to consider letting your name stand to serve on the NBTA Credit Union Board of Directors. The only prerequisite is to be a member. I know you won't regret it.

Thank you for allowing me to serve.

Submitted by:

Jim Dysart

Chair
NBTA Credit Union Audit Committee
2025



GOVERNANCE COMMITTEE REPORT 2025

The members of the Governance Committee during this past year were Bob Fitzpatrick, Kerry Leopkey, Moira McLaughlin, Michael Ketchum, Sandra Boone, Margery Nichol, Patria White and Ronna Gauthier.

Tracy Russell was the recording secretary for all meetings. Her work was integral in keeping our committee and meetings on task.

The Governance Committee is responsible for recommending new policies to the Board as well as reviewing all policies and by-laws on a three-year cycle. The committee is also responsible for administering the Annual Board Self Evaluation.

This year the committee continued with reviewing numerous policies, checking for errors, omissions or necessary additions to ensure accuracy and reflection of current practice. Thanks to Bob Fitzpatrick for assuring that all our work honoured the Credit Union Act. All reviews, reaffirmations and amendments were presented to the Board for approval.

Respectfully submitted,

Ronna Gauthier

Vice-Chair

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Management of New Brunswick Teachers' Association Credit Union Limited is responsible for the integrity, objectivity and consistency of the financial information presented in this annual report. This responsibility includes selecting appropriate accounting principles and ensuring that the financial information is based on informed judgments and estimates with appropriate consideration as to materiality. The Board of Directors has approved the financial statements for issuance to the members.

Management maintains the necessary system of internal controls designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and proper records maintained.

The Board of Directors oversees Management's responsibilities for financial statements through the Audit Committee. The Audit Committee conducts a detailed review of the financial statements with Management and the independent auditors before recommending their approval to the Board of Directors.

Deloitte, the independent auditors, have examined our financial statements and issued their report, which follows. The auditors have full and complete access to, and meet periodically with, the Audit Committee to discuss the audit and matters arising there from.

Bob Fitzpatrick
President
Board of Directors

Margery Nichol
General Manager
NBTA Credit Union

RECOMMENDATIONS TO THE MEMBERS

12.(a)

AUDITORS

NBTA Credit Union is recommending that the firm Deloitte be appointed auditors for the fiscal year January 1, 2026, to December 31, 2026.

**Financial statements of
New Brunswick Teacher's Association
Credit Union Limited**

December 31, 2025

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Independent Auditor's Report

To the Members of
New Brunswick Teacher's Association Credit Union Limited

Opinion

We have audited the financial statements of New Brunswick Teacher's Association Credit Union Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2025, and the statements of income and comprehensive income, changes in members' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
April 24, 2026

New Brunswick Teacher's Association Credit Union Limited

Statement of income and comprehensive income

Year ended December 31, 2025

	Notes	2025 \$	2024 \$
Interest income			
Interest on loans	4	4,178,104	4,135,095
Interest on investments	4	240,305	294,151
		<u>4,418,409</u>	<u>4,429,246</u>
Interest expense	5	<u>1,277,152</u>	1,492,007
Net interest income		3,141,257	2,937,239
Allowance (recovery) for credit losses	10	384,066	(11,186)
		<u>2,757,191</u>	<u>2,948,425</u>
Other income	6	371,665	416,102
Total operating income		<u>3,128,856</u>	<u>3,364,527</u>
Operating expenses			
Personnel		1,293,157	1,222,197
General and administrative		1,133,202	818,514
Operations		168,943	146,380
Member security		183,772	178,040
Depreciation			
Right-of-use asset	12	81,365	75,383
Property and equipment		19,224	25,595
Occupancy		38,404	31,472
Finance costs	12	14,125	15,429
Total operating expenses		<u>2,932,192</u>	<u>2,513,010</u>
Earnings before patronage rebate and income taxes		196,664	851,517
Patronage rebate	16	—	359,704
Earnings before income taxes		<u>196,664</u>	<u>491,813</u>
Income tax expenses			
Current	15	27,970	63,796
Deferred		(5,300)	15,200
		<u>22,670</u>	<u>78,996</u>
Net income and comprehensive income for the year		<u>173,994</u>	<u>412,817</u>

The accompanying notes are an integral part of the financial statements.

New Brunswick Teacher's Association Credit Union Limited
Statement of changes in members' equity
Year ended December 31, 2025

	2025	2024
	\$	\$
Retained earnings, beginning of year	5,072,070	4,659,253
Net comprehensive income	173,994	412,817
Retained earnings, end of year	5,246,064	5,072,070

The accompanying notes are an integral part of the financial statements.

New Brunswick Teacher's Association Credit Union Limited
Statement of financial position
As at December 31, 2025

	Notes	2025 \$	2024 \$
Assets			
Cash and cash equivalents	7	6,063,141	11,645,316
Investments	8	11,955,304	11,361,598
Loans receivable	9	83,742,959	71,037,745
Accrued interest receivable		163,000	145,943
Other receivables		83,939	246,165
Prepaid expenses		1,116,045	1,034,496
Property and equipment	11	12,203	15,498
Right-of-use asset	12	332,240	413,605
Current tax receivable		5,247	—
Deferred income taxes	15	13,400	8,100
		103,487,478	95,908,466
Liabilities			
Deposits from members	14	95,357,030	87,581,529
Accrued patronage rebate	16	—	359,704
Accrued interest payable		319,152	444,714
Accounts payable		212,249	175,799
Lease liability	12	366,871	449,015
Current tax payable	15	—	25,201
Retirement allowance		115,214	124,713
Membership shares	16	1,870,898	1,675,721
		98,241,414	90,836,396
Members' equity			
Retained earnings		5,246,064	5,072,070
		103,487,478	95,908,466

Commitments 19

The accompanying notes are an integral part of the financial statements.

On behalf of the Board

_____, Director

_____, Director

New Brunswick Teacher's Association Credit Union Limited
Statement of cash flows
Year ended December 31, 2025

	Notes	2025 \$	2024 \$
Operating activities			
Net income and comprehensive income		173,994	412,817
Adjustments for			
Provision (recovery) for credit losses	10	384,066	(11,186)
Interest income		(4,418,409)	(4,429,246)
Interest expense		1,277,152	1,492,007
Retirement allowance		14,400	12,000
Patronage rebate	16	—	359,704
Depreciation		100,589	100,978
Deferred income taxes		(5,300)	15,200
Current income taxes	15	27,970	63,796
		(2,445,538)	(1,983,930)
Changes in operating assets/liabilities			
Change in loans receivable		(13,089,280)	(5,797,664)
Change in deposits from members		7,775,501	7,778,865
Change in other operating assets		80,677	(476,353)
Change in other operating liabilities		12,551	93,330
		(7,666,089)	(385,752)
Interest received		4,401,352	4,396,017
Interest paid		(1,402,714)	(1,331,146)
Income taxes paid		(58,418)	(66,784)
		(4,725,869)	2,612,335
Investing activities			
Purchase of investments		(593,706)	(490,694)
Purchase of property and equipment		(15,929)	(15,314)
		(609,635)	(506,008)
Financing activities			
Increase in membership shares		195,177	77,558
Payment of patronage rebate		(359,704)	(275,380)
Interest paid on leased asset	12	(14,125)	(15,429)
Repayment of lease liability		(68,019)	(57,389)
		(246,671)	(270,640)
Net change in cash and cash equivalents		(5,582,175)	1,835,687
Cash and cash equivalents, beginning of year		11,645,316	9,809,629
Cash and cash equivalents, end of year		6,063,141	11,645,316

The accompanying notes are an integral part of the financial statements.

New Brunswick Teacher's Association Credit Union Limited

Notes to the financial statements

December 31, 2025

1. Reporting entity

New Brunswick Teacher's Association Credit Union Limited (the "Credit Union" or "NBTA") is incorporated under the Credit Unions Act of New Brunswick (the "Credit Unions Act") and is a member of the New Brunswick Credit Union Deposit Insurance Corporation ("NBCUDIC"). The Credit Union was incorporated on October 13, 1971 and was organized for the benefit of the members of the New Brunswick Teacher's Association. Effective June 2010, the Credit Union opened to the general public.

The Credit Union provides financial services including lines of credit, mortgages, loans and deposit taking to its members. The registered office of the Credit Union is at 650 Montgomery Street, Fredericton, New Brunswick.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The financial statements were approved by the Credit Union's Board of Directors ("Board") and authorized for issuance on April 24, 2026.

Basis of presentation

These financial statements are presented in Canadian dollars which is the Credit Union's functional currency. They are prepared on the historical cost basis, except for financial instruments at fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVTOCI"), which are stated at their fair values.

Use of significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with IFRS Accounting Standards as issued by the IASB requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosures of contingent assets and contingent liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from estimates made in these financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision affects both the current and future periods.

New Brunswick Teacher's Association Credit Union Limited

Notes to the financial statements

December 31, 2025

2. Basis of preparation (continued)

Use of significant accounting judgments, estimates and assumptions (continued)

Judgments made by management in the application of IFRS Accounting Standards that have a significant effect on these financial statements and estimates with a significant risk of material adjustment in the next year are discussed below. Areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the Credit Union's financial statements are as follows:

(a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from observable markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives, discount rates and prepayment rates. The valuation of financial instruments is described in more detail in Note 20.

(b) Allowances for expected credit losses

The measurement of impairment losses on loans to members is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Please see the impairment of financial assets section of Note 3 for further detail on these. A number of significant judgments are also required in applying the accounting requirements for measuring the expected credit loss ("ECL"), such as:

- Determining criteria for significant increase of credit risk: IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Credit Union takes into account qualitative and quantitative reasonable and supportable information.
- Choosing appropriate models and assumptions: the Credit Union uses various models and assumptions in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.
- When measuring ECL the Credit Union uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers.
- Probability of default ("PD"): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, and assumptions/expectations of future conditions.
- Loss Given Default ("LGD"): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The impairment loss on loans to members is disclosed in more detail in Note 9 and Note 10.

New Brunswick Teacher's Association Credit Union Limited

Notes to the financial statements

December 31, 2025

2. Basis of preparation (continued)

Use of significant accounting judgments, estimates and assumptions (continued)

(c) Economic lives of property and equipment

Management determines the estimated useful lives of its property and equipment based on historical experience of the actual lives of property and equipment of similar nature and functions, and reviews these estimates at the end of each reporting period.

(d) Provisions

The amount recognized as provisions and accrued liabilities, including legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Credit Union assesses its liabilities and contingencies based upon the best information available.

3. Material accounting policy information

The following accounting policies have been applied consistently by the Credit Union:

Financial instruments

Financial assets and financial liabilities are recognized when the Credit Union becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, are subsequently measured at amortized cost.

3. Material accounting policy information (continued)

Financial assets (continued)

The measurement and classification categories of financial assets in accordance with IFRS 9 are outlined below. The Credit Union has no debt instruments that are subsequently measured at FVTOCI.

Financial instrument	Classification
Cash and cash equivalents	Amortized cost
Investments	
Equity investments	FVTPL
Liquidity reserve deposits	Amortized cost
Loans and mortgages	Amortized cost
Other assets	Amortized cost
Accounts payable	Amortized cost
Deposits from members	Amortized cost
Other liabilities	Amortized cost

For the purpose of the SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Credit Union determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Credit Union's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Credit Union has business models for managing its financial instruments which reflect how the Credit Union manages its financial assets in order to generate cash flows. The Credit Union's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Credit Union considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Credit Union does not reasonably expect to occur, such as so-called 'worst case' or stress case' scenarios.

3. Material accounting policy information (continued)

Debt instruments at amortized cost

The Credit Union assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Credit Union's business model for managing the asset.

For an asset to be classified and measured at amortized cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

At initial recognition of a financial asset, the Credit Union determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Credit Union reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Credit Union has not identified a change in its business models.

Debt instruments are measured at amortized cost using the effective interest method, and are subject to impairment. See the impairment section below. Interest income on debt instruments at amortized cost is recognized in interest on loans to members and investment income on the statement of income and other comprehensive income.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability, and of allocating interest income or expense over the relevant period. The effective interest rate ("EIR") is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 21.

Impairment of financial assets

The Credit Union assesses loss allowances for expected credit losses ("ECLs") on its financial instruments that are not measured at FVTPL. Loss allowances are recognized on loans to members described in Note 10.

No impairment loss is recognized on equity investments.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECLs that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as stage 1); or
- full lifetime ECL, i.e. lifetime ECLs that result from all possible default events over the life of the financial instrument, (referred to as stage 2 and stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition.

3. Material accounting policy information (continued)

Impairment of financial assets (continued)

For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk are provided below.

ECLs are an estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Credit Union under the contract and the cash flows that the Credit Union expects to receive, discounted at the asset's effective interest rate.

The Credit Union measures ECL on an individual basis. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

(i) Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event.

It may not be possible to identify a single discrete event. Instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Credit Union assesses whether debt instruments that are financial assets measured at amortized cost are credit-impaired at each reporting date.

(ii) Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk (see below).

The Credit Union considers the following as constituting an event of default:

- the borrower is past due more than 90 days on the credit obligation to the Credit Union; or
- the Credit Union considers the borrower to be unlikely to pay the loan to the Credit Union in full, without recourse by the Credit Union to actions such as realizing security.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Credit Union takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in commercial lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status are key inputs in this analysis.

3. Material accounting policy information (continued)

Impairment of financial assets (continued)

(iii) Significant increase in credit risk

The Credit Union monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Credit Union will measure the loss allowance based on lifetime rather than 12-month ECL. The Credit Union's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Credit Union monitors all financial assets that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Credit Union compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the date when the financial instrument was first recognized. In making this assessment, the Credit Union considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Credit Union allocates its loans to members to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- The remaining lifetime PD at the reporting date; with
- The remaining lifetime PD that was estimated based on facts and circumstances at the time of initial recognition.

The PDs used are forward looking and the Credit Union uses the same methodologies and data used to measure the loss allowance for ECL.

For retail lending the Credit Union considers events such as bankruptcy and consumer proposals.

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. For corporate lending there is particular focus on assets that are included on a 'watch list', given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when an asset becomes 30 days past due, the Credit Union considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL, unless the Credit Union has reasonable and supportable information that demonstrates otherwise.

More information about significant increase in credit risk is provided in Note 21.

(iv) Measurement of ECL

The key inputs used for measuring ECL are:

- Probability of default ("PD");
- Loss given default ("LGD"); and
- Exposure at default ("EAD").

3. Material accounting policy information (continued)

Impairment of financial assets (continued)

(iv) Measurement of ECL (continued)

These figures are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect forward-looking information, where applicable.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is largely based on historical default rates by category of loan product and credit rating. PDs are estimated considering the contractual maturities of exposures. The estimation is based on current conditions, adjusted where applicable to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account cost of realization of collateral. LGD models for unsecured assets consider time of recovery and recovery rates. The calculation is on a discounted cash flow basis, where the cash flows are discounted by the original EIR of the loan.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Credit Union's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortization profiles, early repayment or overpayment, and changes in utilization of undrawn commitments. The Credit Union uses EAD models that reflect the characteristics of the portfolios.

The Credit Union measures ECL considering the risk of default over the maximum contractual period over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial instruments such as revolving credit facilities that include both a loan and an undrawn commitment component, the Credit Union's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Credit Union's exposure to credit losses to the contractual notice period. For such financial instruments the Credit Union measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period.

(v) Write-offs

Loans are written off when the Credit Union has no reasonable expectations of recovering the financial asset. This is the case when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Credit Union may apply enforcement activities to financial assets written off. Recoveries resulting from the Credit Union's enforcement activities will result in impairment gains.

3. Material accounting policy information (continued)

Modification and derecognition of financial assets

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets; where a financial instrument includes both a drawn and an undrawn component, such as a line of credit, and the Credit Union cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Credit Union presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is modified, the Credit Union assesses whether this modification results in derecognition. In accordance with the Credit Union's policy a modification results in derecognition when it gives rise to substantially different terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Credit Union determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

The Credit Union derecognizes a financial asset only when the contractual rights to the asset's cash flows expire, or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Credit Union neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Credit Union recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Credit Union retains substantially all the risks and rewards of ownership of a transferred financial asset, the Credit Union continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost other than in its entirety (e.g. when the Credit Union retains an option to repurchase part of a transferred asset), the Credit Union allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized is recognized in income.

Financial liabilities

The Credit Union is required to classify all financial liabilities as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All of the Credit Union's financial liabilities are classified as other financial liabilities.

New Brunswick Teacher's Association Credit Union Limited

Notes to the financial statements

December 31, 2025

3. Material accounting policy information (continued)

Other financial liabilities

Other financial liabilities, including deposits from members, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Credit Union derecognizes financial liabilities when, and only when, the Credit Union's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with Atlantic Central, and other liquid investments with original maturities of three months or less. Cash and cash equivalents are used by the Credit Union in the management of its short-term commitments.

Cash and cash equivalents are classified as loans and receivables and are carried at amortized cost, which is considered to be equivalent to fair value due the short-term nature of these assets.

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant components of property and equipment have different useful lives, they are accounted for as separate assets.

Depreciation is recognized in profit or loss on a straight-line basis over the respective assets' estimated useful lives. The depreciation rates for each class of asset in the current and comparative period are as follows:

Office equipment	1 to 10 years
Computer hardware	1 to 5 years
Computer software	1 to 5 years
Automated banking machine	5 years

Depreciation methods, useful lives, and residual values are reassessed at the end of each reporting period.

The Credit Union as a lessee

The Credit Union assesses whether a contract is or contains a lease, at inception of the contract. The Credit Union recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Credit Union recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

New Brunswick Teacher's Association Credit Union Limited

Notes to the financial statements

December 31, 2025

3. Material accounting policy information (continued)

The Credit Union as a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Credit Union remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Credit Union expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

3. Material accounting policy information (continued)

The Credit Union as lessor

When the Credit Union is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as an operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from an operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Impairment of non-financial assets

The Credit Union assesses at the reporting date whether there is evidence that an asset may be impaired. An impairment loss is recognized when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. Fair value is the best estimate of the amount that can be obtained from a sale during an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is calculated using the most appropriate method, generally by discounting recoverable future cash flows. Impairment losses on that asset may be subsequently reversed and are recognized in the statement of income in the period in which they occur.

Estimating the recoverable amount of a non-financial asset to determine if it is impaired also requires that management make estimates and assumptions, and any change in these estimates and assumptions could impact the determination of the recoverable amount of non-financial assets and, therefore, the outcome of the impairment test.

Deposits from members

Deposits from members represent the Credit Union's main source of funding. They are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

Provisions

Provisions are recognized when the Credit Union has a present obligation as a result of a past event, it is probable that the Credit Union will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

(a) Short-term employee benefits

Short-term employee benefits include salaries and wages, employee benefits and bonuses. Short-term employee benefits are expensed as the related service is provided.

3. Material accounting policy information (continued)

Employee benefits (continued)

(b) Retirement allowance

Upon retirement, eligible employees are paid a retirement allowance based on years of service. The allowance is recognized when eligible employees reach the age of retirement or it is probable that the employee will receive the retirement allowance. If the allowance is payable more than 12 months after the reporting period, it is recorded at the discounted present value.

Membership shares

The Credit Union's membership and surplus shares are presented in the statement of financial position as financial liabilities in accordance with the substance of the contractual terms of the instruments. These shares qualify as capital for regulatory purposes. Payments of patronage rebates on membership shares presented as a financial liability are recognized as a distribution of profit or loss. Patronage rebates are recorded when declared by the Credit Union's Board of Directors.

Revenue recognition

Interest income is accrued on a daily basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is recognized when the right to receive payment is established. Dividends are included in interest income in the statement of income and comprehensive income.

Other income, which includes commission fees, account service fees, investment management fees and insurance fees are recognized over the period the services are performed.

Income taxes

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax bases of assets and liabilities and their respective carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the asset can be utilized.

Current tax and deferred tax relating to items recognized directly in equity are also recognized in equity and not in the statement of income and comprehensive income.

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

3. Material accounting policy information (continued)

New and revised IFRS Accounting Standards in issue but not yet effective

(i) *IFRS 18 Presentation and Disclosures in Financial Statements*

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures ("MPMs") in the notes to the financial statements;
- improve aggregation and disaggregation.

The Credit Union is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when the Credit Union applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. Management is reviewing the impact of the application of these amendments on the Credit Union's financial statements

(ii) *Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure - Amendments to the Classification and Measurement of Financial Instruments*

The IASB issued amendments to IFRS 9 and IFRS 7, effective January 1, 2026, to provide clarification and enhancement on classification and measurement of financial instruments. The amendments permit an entity to deem a financial liability or part of a financial liability that is settled using an electronic payment system to be discharged and derecognized before the settlement date if specified criteria are met. The amendments also provide guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement, enhance the description of the term 'non-recourse', and clarify the characteristics of contractually linked instruments that distinguish them from other transactions. Furthermore, the amendments add new disclosure requirements for investments in equity instruments designated at FVTOCI and contractual terms that could change the timing or amount of contractual cash flows. Management is reviewing the impact of the application of these amendments on the Credit Union's financial statements

4. Interest income

	2025	2024
	\$	\$
Interest on loans		
Pooled fund mortgages	2,273,218	1,791,922
Lines of credit and overdraft	1,077,900	1,037,632
Personal loans	826,986	1,305,541
	4,178,104	4,135,095
Interest on investments	240,305	294,151
	4,418,409	4,429,246

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

5. Interest expense

	2025	2024
	\$	\$
Tax-free saving accounts and other	884,064	955,550
Term deposits	299,659	444,524
Chequing	93,429	91,933
	<u>1,277,152</u>	<u>1,492,007</u>

6. Other income

	2025	2024
	\$	\$
Commissions, net	250,111	221,668
Service charges	93,463	148,349
Other	16,032	14,300
Rent	10,428	10,428
Atlantic Central rebate	9,759	—
Foreign exchange (loss) gain	(8,128)	21,357
	<u>371,665</u>	<u>416,102</u>

7. Cash and cash equivalents

	2025	2024
	\$	\$
Cash on deposit with Atlantic Central	5,131,079	10,812,486
Cash on hand	461,018	343,052
Cash – CEBA	237,870	226,014
Cash – Other	191,838	161,009
Cheque clearing	41,336	102,755
	<u>6,063,141</u>	<u>11,645,316</u>

The Credit Union has an available line of credit of \$2,373,000 (\$2,184,000 in 2024) with Atlantic Central, bearing interest at a rate of 4.45% (5.45% in 2024). This line of credit was \$nil as at December 31, 2025 (\$nil in 2024). The line of credit is secured by investments with Atlantic Central and a general assignment of book debts.

The Credit Union has cash on deposit with Atlantic Central of \$238,149 (\$231,016 in 2024) relating to the issuance of Canadian Emergency Business Account ("CEBA") loans as part of the Government of Canada's response to COVID-19. The Credit Union is acting as an intermediary for these loans on behalf of the Government of Canada and therefore this cash balance is restricted for funding CEBA loans only.

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

8. Investments

	2025	2024
	\$	\$
Amortized cost		
Pooled fund mortgages	1,927,652	2,024,354
Atlantic Central shares	1,822,956	1,822,956
League Data shares	227,260	225,940
FVTPL		
Atlantic Central liquidity reserve deposit	7,977,436	7,288,348
	11,955,304	11,361,598

As required by the Credit Unions Act, the Credit Union maintains investments in Atlantic Central to satisfy the legislated liquidity level of 10% of total liabilities of which 8% is to be in liquidity reserve deposits with Atlantic Central.

9. Loans receivable

	2025	2024
	\$	\$
Personal	12,474,937	12,363,973
Lines of credit	17,803,358	17,258,295
	30,278,295	29,622,268
Mortgages	53,734,248	41,595,147
	84,012,543	71,217,415
Less: allowance for impaired loans (Note 10)	(269,584)	(179,670)
	83,742,959	71,037,745

Personal loans and mortgages are repayable to the Credit Union in monthly blended principal and interest instalments over a maximum term of five years. Line of credit ("LOCs") loans are repayable on a revolving credit basis and require minimum monthly payments. All loans are open and, at the option of the borrower, may be repaid at any time without notice. Types of collateral generally obtained by the Credit Union include member's personal property such as vehicles or homes.

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

10. Allowance for impaired loans

The following changes in gross carrying amount are provided to help explain their significance to the changes in the loss allowance:

Carrying amounts Personal and LOCs				2025
	Stage 1	Stage 2	Stage 3	ECL Staging Total
	\$	\$	\$	\$
Credit Grading	30,034,726	—	—	30,034,726
Standard monitoring	—	—	—	—
Under 30 days past due	—	—	—	—
Greater than 30 days past due, but not in default	—	243,569	—	243,569
Default	—	—	—	—
Total gross carrying amount	30,034,726	243,569	—	30,278,295
Loss allowance	(60,449)	(121,786)	(62,225)	(244,460)
Carrying amount	29,974,277	121,783	(62,225)	30,033,835
Carrying amounts Personal and LOCs				2024
	Stage 1	Stage 2	Stage 3	ECL Staging Total
	\$	\$	\$	\$
Credit Grading	29,461,088	—	—	29,461,088
Standard monitoring	—	—	—	—
Under 30 days past due	—	—	—	—
Greater than 30 days past due, but not in default	—	102,099	—	102,099
Default	—	—	59,081	59,081
Total gross carrying amount	29,461,088	102,099	59,081	29,622,268
Loss allowance	(104,428)	(51,049)	(24,003)	(179,480)
Carrying amount	29,356,660	51,050	35,078	29,442,788

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

10. Allowance for impaired loans (continued)

The following changes in gross carrying amount are provided to help explain their significance to the changes in the loss allowance:

Carrying amounts Mortgages	Stage 1	Stage 2	Stage 3	2025 ECL Staging Total
	\$	\$	\$	\$
Credit Grading	55,079,314	—	—	55,079,314
Standard monitoring	—	—	—	—
Under 30 days past due	—	—	—	—
Greater than 30 days past due, but not in default	—	250,713	—	250,713
Default	—	—	—	—
Total gross carrying amount	55,079,314	250,713	—	55,330,027
Loss allowance	(53)	(25,071)	—	(25,124)
Carrying amount	55,079,261	225,642	—	55,304,903

Carrying amounts Mortgages	Stage 1	Stage 2	Stage 3	2024 ECL Staging Total
	\$	\$	\$	\$
Credit Grading	43,491,695	—	—	43,491,695
Standard monitoring	—	—	—	—
Under 30 days past due	—	—	—	—
Greater than 30 days past due, but not in default	—	—	—	—
Default	—	—	127,806	127,806
Total gross carrying amount	43,491,695	—	127,806	43,619,501
Loss allowance	(190)	—	—	(190)
Carrying amount	43,491,505	—	127,806	43,619,311

The activity in the allowance for impaired loans is summarized as follows:

	Personal and LOCs	Mortgages	2025 Total	2024 Total
	\$	\$	\$	\$
Balance, beginning of year	179,480	190	179,670	181,932
Collection of loans previously written-off as uncollectible	35,581	—	35,581	61,186
Loans written-off as uncollectible	(295,783)	—	(295,783)	(52,847)
Provision (recoveries) for credit losses	384,065	—	384,065	(11,186)
Change in model inputs	(58,883)	24,934	(33,949)	585
Balance, end of year	244,460	25,124	269,584	179,670

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

10. Allowance for impaired loans (continued)

The tables below analyze the movement of the IFRS 9 loss allowance during the fiscal 2025 year:

Loss allowance Personal and LOCs	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at January 1, 2025	104,428	51,049	24,003	179,480
Transfer to stage 1	51,049	(51,049)	—	—
Transfer to stage 2	—	121,785	—	121,785
Transfer to stage 3	—	—	62,226	62,226
Financial assets that have been derecognized	(271,780)	—	(24,003)	(295,783)
Change in model inputs	176,752	—	—	176,752
Loss allowance as at December 31, 2025	60,449	121,785	62,226	244,460

Loss allowance Mortgages	Stage 1 12-month ECL \$	Stage 2 Lifetime ECL \$	Stage 3 Lifetime ECL \$	Total \$
Loss allowance as at January 1, 2025	190	—	—	190
Transfer to stage 1	—	25,071	—	25,071
Transfer to stage 2	—	—	—	—
Transfer to stage 3	—	—	—	—
Financial assets that have been derecognized	—	—	—	—
Change in model inputs	(137)	—	—	(137)
Loss allowance as at December 31, 2025	53	25,071	—	25,124

11. Property and equipment

	Cost \$	Accumulated depreciation \$	2025 Net book value \$	2024 Net book value \$
Office equipment	271,673	271,673	—	1,264
Computer hardware	153,654	146,425	7,229	6,216
Automated banking machine	86,163	82,080	4,083	4,580
Computer software	41,030	40,139	891	3,438
	552,520	540,317	12,203	15,498

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

12. Leases

Right-of-use asset

At December 31, 2025 the carrying amount of the right-of-use asset was \$332,240 (\$413,605 in 2024), the cost was \$413,605 (\$488,189 in 2024) and the accumulated depreciation was \$81,365 (\$74,584 in 2024).

The Credit Union's obligations are secured by the lessors' title to the leased assets for such leases.

Amounts recognized in profit and loss

	2025	2024
	\$	\$
Depreciation expense on right-of-use-asset	81,365	75,383
Interest expense on lease liability	14,125	15,429
Income from subleasing right-of-use-asset	38,789	45,107

Lease liabilities

Lease liability maturity over the next four years are as follows:

	\$
2026	281,806
2027	193,715
2028	102,491
2029	8,022

13. Operating lease arrangements

The Credit Union as a lessor

Operating leases, in which the Credit Union is the lessor, relate to property leased by the Credit Union with a sublease term of 10 years. The operating lease contract contains market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The unguaranteed residual values do not represent a significant risk for the Credit Union, as they relate to property which is located in a location with a constant increase in value over the last number of years. The Credit Union did not identify any indications that this situation will change.

The minimum operating lease payment in 2026 is \$38,789.

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

14. Deposits from members

	2025	2024
	\$	\$
Savings	39,807,872	37,053,545
Chequing	26,857,940	24,076,605
Term deposits	19,911,376	18,070,733
Tax-free savings	6,622,431	6,270,064
Plan 24	1,156,787	1,195,379
RRSP	1,000,624	915,203
	95,357,030	87,581,529

15. Income taxes

The provision for income taxes reported for the year ended December 31, 2025 differs from the amount computed by applying the Canadian statutory rate to earnings before patronage rebate and income taxes mainly due to the impact of the deduction for the patronage rebate for tax purposes.

	2025	2024
	\$	\$
Earnings before patronage rebate and income taxes	196,664	851,517
Combined Canadian basic federal and provincial statutory income tax rate	11.50%	12.23%
	22,616	104,141
Effect of permanent differences	85	117
Patronage dividend	—	(43,985)
Other	(31)	18,723
	22,670	78,996

Temporary differences, which give rise to the following deferred income tax asset, are as follows:

	2025	2024
	\$	\$
Deferred income tax assets		
Capital assets	4,500	4,400
Retirement allowance	24,600	18,200
Collective reserve	4,000	4,100
Right-of-use asset	13,200	14,300
Deferred distribution	(32,900)	(32,900)
	13,400	8,100

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
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16. Membership shares

	2025	2024
	\$	\$
Surplus shares	1,848,676	1,653,323
Membership shares	22,222	22,398
	1,870,898	1,675,721

Authorized share capital and classification

Membership shares

These shares have specific restrictions on withdrawal and are not covered by Credit Union Deposit Insurance. Since membership shares are redeemable on demand, they are presented as a liability on the Credit Union's statement of financial position in accordance with IAS 32 Financial Instrument Presentation and IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments.

Section 30-1 of the Credit Unions Act describes shares as the capital of the Credit Union. Pursuant to the Credit Union's by-laws, the value of each membership share is \$5. As a condition of membership, each adult member is required to hold one share.

Surplus shares

Pursuant to the Credit Union's by-laws, the value of each surplus share is \$1 and may be issued to eligible members holding at least forty membership shares. These shares have specific restrictions on withdrawal and are not covered by Credit Union Deposit Insurance. Surplus shares are presented as a liability on the Credit Union's balance sheet in accordance with IAS 32 Financial Instrument Presentation and IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments.

Patronage rebates

Patronage rebates on membership shares may be declared by the Credit Union's Board of Directors, subject to availability of sufficient earnings to meet the regulatory requirements of the Credit Unions Act and the approval of the members. The Board of Directors of the Credit Union have recommended that no patronage rebate be issued for the year ended December 31, 2025 (\$359,704 in 2024).

17. Capital management

The Credit Union's capital consists of membership and surplus shares and retained earnings. The Board approves annually the capital management policy and the annual business plan. This policy outlines the Credit Union's overall objectives and guidelines to ensure that the Credit Union has the required quantity, quality and appropriate composition of capital needed to address the inherent risks of the Credit Union and to support the current and future operating plans.

The Credit Unions Act requires that each Credit Union maintain a minimum level of equity of 5% of its total assets to provide protection against potential financial losses. The equity level of the Credit Union for the year ended December 31, 2025 was 6.9% (7.0% in 2024).

New Brunswick Teacher's Association Credit Union Limited

Notes to the financial statements

December 31, 2025

18. Related party transactions

Key management personnel, directors and their related parties have transacted with the Credit Union as follows:

	2025	2024
	\$	\$
Loan to members	1,130,906	776,021
Member deposits	480,603	510,575
Membership and surplus shares	8,552	7,111

Preferential interest rates are charged on balances outstanding from key management personnel, directors and their related parties in accordance with the Credit Union's policies. Loans and lines of credit balances are secured as per the Credit Union's lending policies.

Key management personnel received compensation for the year ended December 31, 2025, of \$244,145 (\$237,864 in 2024) for salaries and short-term employee benefits.

Directors received reimbursement for the year ended December 31, 2025, of \$23,953 (\$14,872 in 2024) for travel and out of pocket expenses.

19. Commitments

The Credit Union has a contract with League Data Limited for data processing services. The contract is automatically renewed every five years until terminated by either party giving a three-year notice period. The costs incurred from League Data Limited services are based on membership transactions. Cost incurred for the year ended December 31, 2025, totalled \$483,822 (\$257,126 in 2024).

20. Fair value of financial instruments

Fair value

The amounts set out below represent the fair values of the Credit Union's financial instruments using the valuation methods and assumptions described below. The fair values disclosed do not reflect the value of assets that are not considered financial instruments, such as prepaids, property and equipment, deferred income taxes and accrued retirement allowance.

The estimated fair value amounts are designed to approximate amounts at which instruments could be exchanged in a current transaction between willing parties who are under no compulsion to act. Fair values are based on estimates using present value and other valuation techniques, which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates which reflect varying degrees of risk. Because of the estimation process and the need to use judgment, the aggregate fair value amounts should not be interpreted as being necessarily realizable in an immediate settlement of the instruments.

The following methods and assumptions were used to estimate the fair value of financial instruments:

- (i) The fair values of cash and cash equivalents, other receivables and accounts payable approximate their carrying values, due to their short-term nature.

20. Fair value of financial instruments (continued)

Fair value (continued)

- (ii) The fair value of investments is based on quoted market values where available (Note 3). Where the Credit Union has concluded that the fair value cannot be reliably measured, the investments are recorded at cost. The Credit Union holds investments in Atlantic Central and League Data, which are not traded in an active market. As the fair value cannot be reliably measured, these investments are carried at cost, less any identified impairment losses. The Credit Union has not recorded any impairment losses on these investments.
- (iii) The estimated fair value of floating rate loans and floating rate deposits is assumed to be equal to book value as the interest rates on these loans and deposits reprice to market on a periodic basis.
- (iv) The fair value of fixed rate loans and member deposits do not approximate their fair market value. Any difference between fair values and book values of these financial instruments would not be significant or material to these financial statements.

Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

As at December 31, 2025 and December 31, 2024 all financial instruments carried at fair value were classified as Level 2 financial instruments, except for investments in Atlantic Central and League Data which are carried at cost as fair values could not be reliably measured.

There were no transfers of amounts between Level 1, Level 2 and Level 3 financial instruments for the years ended December 31, 2025 and December 31, 2024. Additionally, there are no financial instruments classified in Level 3.

21. Nature and extent of risks arising from financial instruments

The Credit Union is exposed to the following risks as a result of holding financial instruments: credit risk, liquidity risk and market risk. The following is a description of these risks and how the Credit Union manages its exposure to these risks

Credit risk

The business of the Credit Union necessitates the management of credit risk. Credit risk is the potential for loss due to the failure of a borrower to meet its financial obligations.

The Credit Union's credit risk is primarily attributable to its loans receivable. The amounts disclosed on the statement of financial position are net of allowance for impaired loans, estimated by management of the Credit Union based on previous experience and its assessment of the current economic environment. The credit risk on cash and investments is limited because the assets are held with Atlantic Central, and these assets do not fluctuate in value.

The carrying amounts of financial assets on the statement of financial position represent the Credit Union's maximum credit exposure at the statement date.

The Credit Union's Board of Directors sets policy and oversees the risk management process. Senior management ensures adherence to policy on risk management issues, assesses the risk exposure of the Credit Union and reviews the effectiveness of internal control processes.

The Credit Union uses a disciplined lending approach with standard underwriting parameters for each category of loans. These parameters are used to assist the Credit Union in implementing a prudent and effective process to assess the borrower's ability to repay.

The Credit Union mitigates credit risk by obtaining quality collateral. The Credit Union considers collateral to be of good quality if it can determine the legal validity and market value on an on-going basis. The Credit Union's internal policy provides additional information regarding the appropriate collateral based on the category of loan. Types of collateral generally obtained by the Credit Union include, but are not limited to, the following: member's personal property such as houses, vehicles; cash and marketable securities; mortgage charges; fixed, floating or specific general security agreements; and personal guarantees.

In addition, the Credit Union monitors its loan concentration to ensure that it is in compliance with its policies.

Liquidity risk

The business of the Credit Union necessitates the management of liquidity risk. Liquidity risk is the risk of being unable to meet financial commitments, under all circumstances, without having to raise funds at unreasonable prices or sell assets on a forced basis.

The Credit Union's objective is to implement a policy that addresses limits on the sources, quality and amount of the assets to meet normal operational, contingency funding for significant deposit withdrawals and regulatory requirements.

The Board is ultimately responsible for the liquidity risk management policy. Management reports monthly, to the Board, the Credit Union's compliance with the policy and regulatory requirements; concentration of large deposits of single/connected depositors as a percentage of total deposits; and reports borrowings for liquidity purposes, the level of borrowings and the liquidity less borrowings in relation to the statutory minimum.

21. Nature and extent of risks arising from financial instruments (continued)

Liquidity risk (continued)

The Act requires credit unions to maintain investments in Atlantic Central, to satisfy the legislated liquidity level. Assets held by the Credit Union for such purposes are investments, and demand deposits with Atlantic Central, as outlined in the table below.

	2025	2024
	\$	\$
Cash on deposit with Atlantic Central	5,131,079	10,812,486
Investments		
Atlantic Central shares	1,822,956	1,822,956
League Savings and Mortgage shares	296,150	296,150
Liquidity reserve deposit	7,681,286	6,992,198
	14,931,471	19,923,790

Contractual maturities of financial liabilities are shown under interest rate risk. The Credit Union has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business. All accounts payable and accrued interest payable is current as at year-end.

Market risk

Market risk is the risk of loss that may arise from change in market factors such as interest rates and foreign exchange rates. The Credit Union is exposed to this market risk in its investing and asset/liability management activities.

Senior management is responsible for managing market risk in accordance with the Credit Union's internal policy. Senior management reports monthly to the Board its compliance with the policy and regulatory requirements; dollar volume and yields of all investments by investment category; and the particulars of all investment transactions entered into by the Credit Union. All exceptions noted are reported to the Board.

The Board is responsible for monitoring significant variances and to ensure that corrective measures are implemented.

Interest rate risk

Interest rate risk refers to the potential impact of changes in interest rates on the Credit Union's earnings and net asset values when maturities of its financial liabilities are not matched with the maturities of its financial assets or which are priced on a different basis. The Credit Union manages the impact of interest rate changes with self-imposed limits on borrowings and deposits, thus minimizing fluctuations of income during periods of changing interest rates. The Credit Union's major source of income is the financial margin between the income earned on investments and loans to members, and the interest paid to members on their deposits and interest on temporary borrowings.

New Brunswick Teacher's Association Credit Union Limited
Notes to the financial statements
December 31, 2025

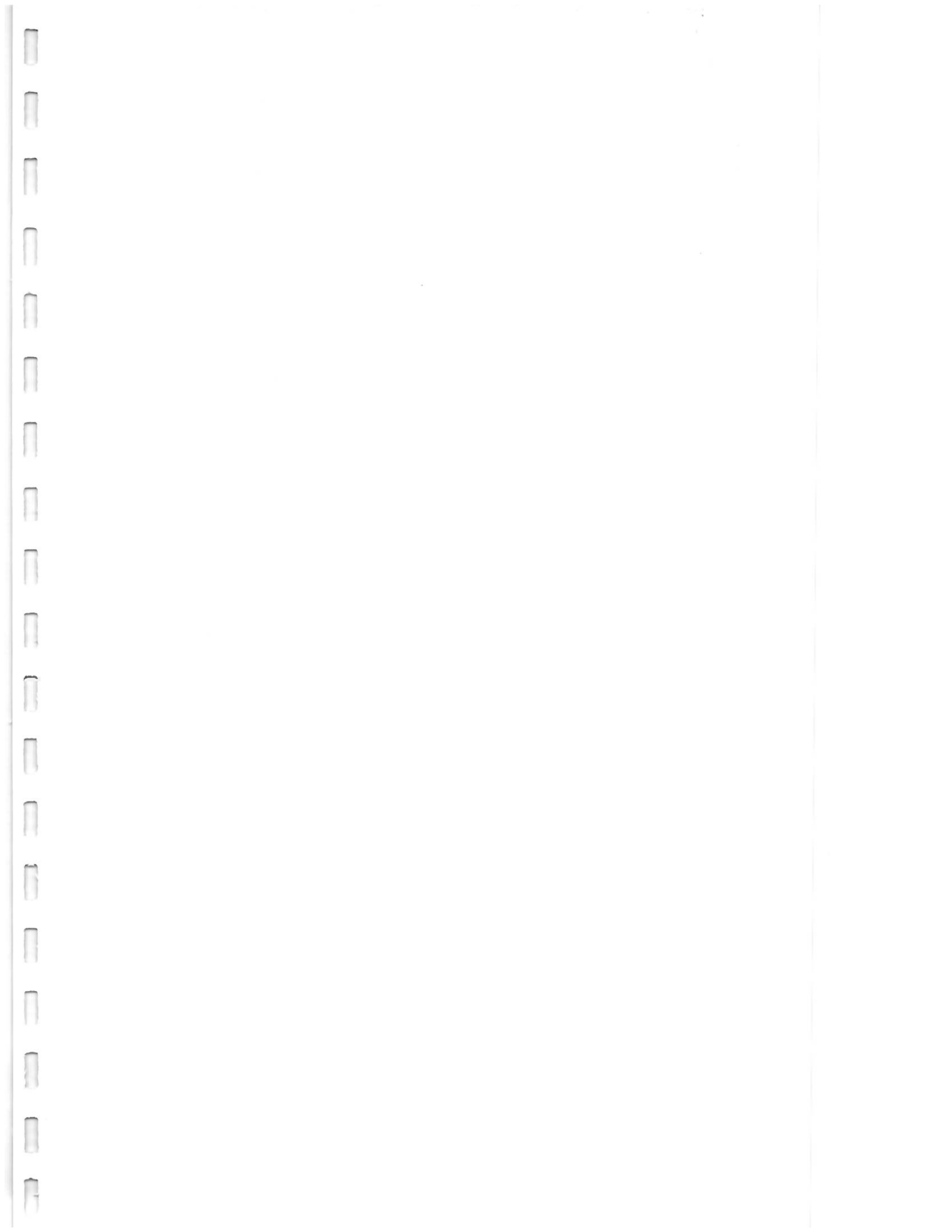
21. Nature and extent of risks arising from financial instruments (continued)

Interest rate risk (continued)

The table below summarizes the carrying amounts of financial instruments exposed to interest rate risk by maturity dates:

	On Demand \$	Less than 1 year \$	One to five years \$	2025 Total \$
Assets				
Cash and cash equivalents	6,063,141	—	—	6,063,141
Investments	10,027,652	54,681	1,872,971	11,955,304
Loans receivable	83,742,959	—	—	83,742,959
Liabilities				
Deposits from members	(69,512,262)	(20,043,952)	(5,800,816)	(95,357,030)
Membership shares	(1,870,898)	—	—	(1,870,898)
	28,450,592	(19,989,271)	(3,927,845)	4,533,476
	On Demand \$	Less than 1 year \$	One to five years \$	2024 Total \$
Assets				
Cash and cash equivalents	11,645,316	—	—	11,645,316
Investments	9,025,657	90,336	2,245,605	11,361,598
Loans receivable	71,037,745	—	—	71,037,745
Liabilities				
Deposits from members	(69,554,677)	(13,849,825)	(4,177,027)	(87,581,529)
Membership shares	(1,675,721)	—	—	(1,675,721)
	20,478,320	(13,759,489)	(1,931,422)	4,787,409

An analysis of the Credit Union's risk due to changes in interest rates determined that a .50% increase in interest rates, with all other variables held constant, would result in an increase in net income of approximately \$13,786 (\$14,741 in 2024) while a .25% decrease in interest rates, with all other variables held constant, would result in a decrease in net income of approximately \$6,893 (\$7,371 in 2024).





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