

Meridian Credit Union Reports 2023 Financial Results

Toronto, ON – April 8, 2024 – Meridian today reported its financial results for the year ending December 31, 2023. Despite a volatile interest rate and economic environment in 2023, Meridian continued to be profitable. Meridian also strengthened its capital base in 2023 by issuing \$161.2 million of investment shares.

“Meridian returned to more normalized earnings in 2023 after two straight years of extraordinary profitability in 2021 and 2022” said Brian Wilson, Chief Financial Officer, Meridian Credit Union. “The additional regulatory capital generated through the investment share issue helps to solidify Meridian’s capital base in a very uncertain economic environment”.

Meridian reported net income for the year ending December 31, 2023 of \$81.5 million and a Return on Total Equity of 5.0% compared to \$182.6 million and 12.4% for the year ending December 31, 2022.

Net income attributable to membership shares, after dividends on investment shares, totalled \$47.4 million for the year ending December 31, 2023, compared to \$155.3 million for the year ending December 31, 2022. Return on membership share equity, which excludes investment shares, was 5.1% for 2023 versus 18.5% for 2022.

Total revenue declined by 11.3 % to \$509.9 million in 2023 from \$574.6 million in 2022. Net interest margin declined as interest rates paid on deposits rose faster than yields on loans. The volatile interest rate environment also resulted in a significant reduction in gains on financial instruments.

Provisions for credit losses increased to \$30.9 million in 2023 compared to a recovery of \$2.9 million in 2022. Rising interest rates and a weak economic environment contributed to higher loan arrears and provisions in the last half of the year, particularly in the commercial loan and leasing sectors.

Salaries and benefits rose by 13% from \$215.0 million in 2022 to \$242.9 million in 2023, reflecting a return to more normalized vacancy levels in the post Covid environment and Meridian’s commitment to being a Living Wage employer.

Administration and other non-interest expenses increased by 5.7% to \$145.9 million versus \$138.1 million in 2022. This was a factor of higher operating costs as lending and deposit volumes grew and investments to support build the business strategy were made.

In September 2023, Meridian completed an issuance of \$161.2 million of new investment shares to strengthen its regulatory capital base. Combined with continued growth in retained earnings and slower growth in commercial loans, Meridian’s Tier 1 Capital Ratio increased to 11.1% at December 31, 2023 versus 9.5% at December 31, 2022.

For more information on Meridian For Good strategy, the 2023 annual report, financial statements and management’s discussion and analysis, please visit [here](#).

Select Financial Highlights (\$000’s)	2023	2022
Total Revenue	509,907	574,588
Provision for (recovery of) credit losses	30,876	(2,867)
Non-Interest Expenses	388,814	353,047
Income Taxes	8,716	41,830
Net Income	81,501	182,578
Return on Membership Share Equity	5.1%	18.5%
Return on Total Equity	5.0%	12.4%
Cash and Debt Securities	3,372,714	3,216,177
Loans, net of allowance	23,739,326	22,469,108
Deposits	19,662,503	18,526,220
Funding and Securitization	5,705,615	5,658,312
Membership Share Equity	956,380	902,018
Total Equity	1,721,816	1,539,885
Tier 1 Capital Ratio	11.1%	9.5%

About Meridian

Meridian is Ontario’s largest credit union, and one of the largest in Canada. Guided by our purpose, “helping you achieve your best life,” Meridian delivers personal, and wealth financial business solutions to over 380,000 Members. Our bold *Meridian for Good* strategy is aimed at helping people get access to the money and advice they need; plan for a better future that is clean, resilient, and diverse; and be financially confident. Meridian has two operating subsidiaries: Meridian OneCap Credit Corp (“MOCC”) and motusbank. For more information, please visit: meridiancu.ca.

We acknowledge the land on which we operate is the traditional territory of many nations including the Mississaugas of the Credit, the Anishinaabe, the Chippewa, the Haudenosaunee and the Wendat peoples and now home to many diverse First Nations, Inuit, and Métis. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit.

For more information, contact the media department:

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