



# Life

during a pandemic

# Resolve



## Adapting in the face of change



**Change is inevitable.** As a company, if you're not changing, you're not thriving. Sometimes, you want the change. You plan it, you embrace it, and you grow with it. But, when change is brought on by forces beyond your control, a company really finds out what it's made of.

2020 and the COVID-19 pandemic brought significant change to the doorstep of virtually every company around the world, including Assiniboine Credit Union. We're immensely proud to say we faced 2020 and all that it brought head-on with our usual resolve and a more determined focus on protecting our employees, our members, the environment and our community.



# Message from the Chair of the Board



# W

elcome to the Assiniboine Credit Union 2020 annual report, highlighting another successful year amid truly unprecedented circumstances as we adapted during the pandemic.

ACU continued to enhance financial resilience for our members while creating a positive impact for our employees, communities, and the environment.

ACU responded from a position of strength with the understanding that when times are tough, our members and communities need us most. As member-owners, we are proud and grateful to know our credit union is different; we focus on using business as a force for good. Through uncertainty and challenges, our credit union invested in the well-being of our employees, engaged with members to strengthen their financial health, provided critical resources to community organizations that provide essential services, and contributed to climate resilience. ACU continues to finance affordable housing initiatives that provide accessible homes for people. It also continues to engage in truth and reconciliation because our vision of a sustainable future for all will not be achieved without a healing journey in this country that includes justice, equity, and restoration.

Our commitment to people, planet, and prosperity continues to strengthen ACU financially and meaningfully. This is what differentiates our credit union in an extremely competitive industry and market. A strategic planning process in 2020 resulted in a new three-year strategic plan that puts our vision and mission into action. It is guided by three strategic priorities that will ensure success as a credit union, as we grow by serving our members and living our values.

A digital evolution transformed our digital banking model in 2020, and positions ACU as a leader nationally and in our market. Our values and commitments to social justice and climate resilience attract many people to our credit union, and our digital experience now also sets ACU apart from a member experience perspective.

A significant achievement this past year was our B Corp Certification. This certification measures a company's entire social and environmental performance using a rigorous 200-point framework that includes five categories: governance, employees, community (including our local economy), environment and customers (our member-owners). The ACU assessment score of 166.4, ranks highest in Canada and sixth highest in the world among over 3,500 certified B Corps – an exceptional achievement reflecting our commitment to being a leader through values-based banking.

As your elected Board of Directors, we understand the responsibility entrusted to us, and we invest time and resources to ensure good governance. This includes continuous learning to ensure the highest standards of care for our credit union as we fulfill our fiduciary responsibilities in governing on behalf of all of you as member-owners. As a board, we adopted the Manitoba Market Code of Conduct that identifies the market practice standards we subscribe to while living out our co-operative values and values-based banking commitments.

We deeply value the opportunities to engage with you to hear about your priorities and aspirations for our credit union. We had to adjust our approach in 2020 and for the first time in our history, our annual meeting was held virtually, maintaining our co-operative commitments to democratic board elections and ensuring the integrity of our transparent reporting to our member-owners.

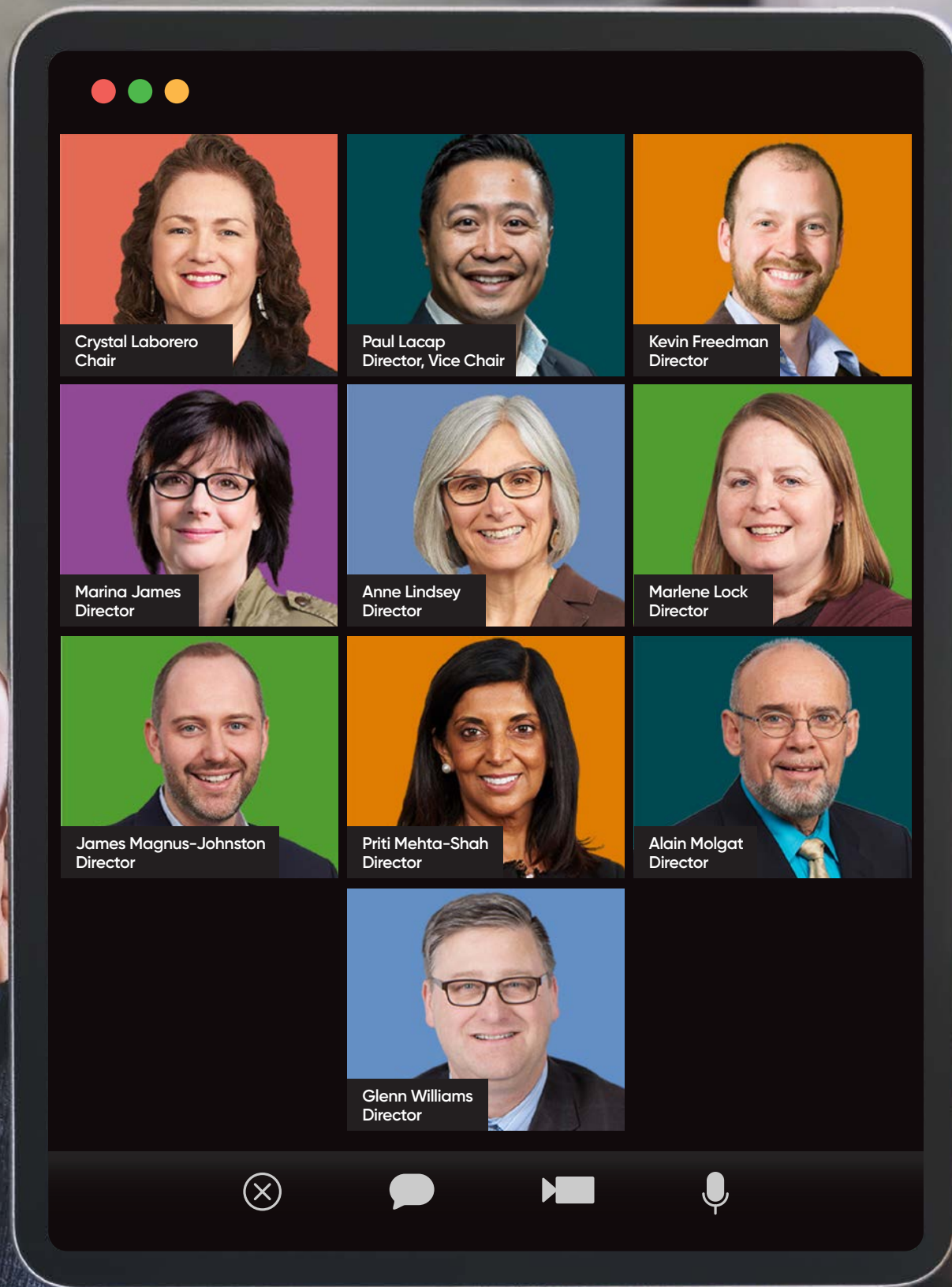
Through this process, you elected Glenn Williams to our board and he is already making important contributions to our credit union's governance. We want to express our sincere gratitude to Dennis Anderson whose term expired last year. Dennis provided excellent leadership at our credit union for many years and we are grateful for his service and dedication to ACU.

On behalf of your Board of Directors, I thank you for your trust as we guide your financial co-operative into the future. Thank you to my fellow directors for your dedicated service and commitment to our member-owners and our credit union. Thank you to the ACU Executive Leadership Team, management, and all employees who are extremely committed to strengthening our credit union, serving our member-owners, contributing to our communities, and building a sustainable future for all. I am very excited to see ACU continue to create impact with purpose in 2021 and for many generations to come.



**Crystal Laborero**  
Chair of the ACU Board of Directors

# 2020 Board of Directors





# ACU Governance Report Summary



**ACU is a values-based financial co-operative committed to doing business in a way that is financially sound and socially and environmentally responsible.**

Our member-elected Board of Directors is accountable to our over 125,000 members and is committed to governing ethically and transparently. The ACU Board always weighs the impact of business decisions on employees, members, the environment and the communities ACU serves.

In 2020, the Board developed a new strategic plan that set the direction of ACU for the next three years, continued to oversee business strategies, approved the ACU budget, and the annual measures of success. With the continuing pandemic, the Board moved to virtual board and committee meetings and hosted the first ever virtual ACU annual meeting in June 2020. The Board assessed the performance of individual directors, continued to review its own effectiveness, and updated several governing policies. Through regular discussions on strategic topics, the Board gained a strong understanding of opportunities and risks that may impact ACU and our stakeholders now, and in the future.

In the coming year, the Board will continue its commitment to strong governance by: participating in an annual planning session; overseeing the ACU enterprise risk management framework; engaging in strategic discussions; participating in credit union system initiatives by providing leadership and insight; and continuing to assess its own performance.



**With solid governance leading the way, ACU was able to take another step towards achieving its vision, while demonstrating money doing more in a tangible way.**

Assiniboine Credit Union Annual Meeting, held virtually, in June 2020.



# Support



## What we did for our employees

**F**rom the onset of the pandemic, employee health and safety was made a top priority. All ACU employees continued to work their regular hours whether their branch was open, was operating under reduced hours, or closed to members. No one was laid off.

Those who continued to work on the front lines at the branches had an increase in wages and were provided personal protection equipment. Plexiglas screens were installed, hand sanitizer stations were established, and all proper social distancing protocols were also put in place. We enabled our employees to work from home with secure, remote access. Our Business Financial Centre and Community Financial Centre provided support to members remotely, and our Wealth Management team continued to meet virtually with members.

Very early in the pandemic, employee communication was dramatically increased in order to quickly identify any work issues. The ACU People Solutions team invited employees to share suggestions related to the work environment – both at home and in-branch – to provide the support required to remain safe and productive.

Through our benefits provider, we arranged a virtual care clinic that enabled ACU employees to obtain medical advice without having to physically visit a clinic; with the goal of maximizing employee and member safety. We also utilized the Learning Café on our corporate intranet, which gave employees access to a central depository of learning tools and resources regarding physical and mental health. Our commitment to this program is substantial and we continue to share new tools and resources as they become available.

Continued...

# What we did for our employees

(Continued)

We launched an employee survey in April. The response rate of 85% provided valuable insights into the pandemic experience of our employees. We were pleased to discover that our employees strongly believed that team members are supporting each other to get the work done, that they feel supported by their manager, and that ACU is providing effective communication during this time. A follow-up survey in August had similar results. Employees continue to be invited to share suggestions for executive consideration related to the work environment, and support required.

As we began our return to work in May, detailed handbooks were prepared to support leaders and employees as they returned to business as “new” usual. The guidebooks spell out required and recommended protocols including appointments with members, cleaning routines, managing waiting areas, and using common areas. While all branches resumed regular business hours on June 22nd, the majority of non-branch employees continued to work remotely as of the end of 2020.

With the return of the code red restrictions in November, we were prepared to once again react with employee and member safety in mind. The systems and protocols established earlier in the year served us well as we continued to do our part in stemming the tide of the virus, offering the level of service our members expect, while keeping our employees safe.

The results of all these efforts in the face of monumental change? A stronger company with an even more dedicated work force.



Employees of the Regent Avenue branch participating in Orange Shirt Day on September 30, 2020.

From left to right: Glenda Bahalla, Stacey Rohm, Teresa Borlaza, May Colpitts, Alix Neaman, Michelle Williams, Brian McIvor, Mary Meilleur, Aaron Dempsey, Rafael Robles, Jegan Mathews



# Care

Employees of the Gillam branch  
Standing (l-r): Madison Laurie,  
Destiny Cordell, Tynelle Linklater  
Seated: Lana Minary



# Message from the President & CEO

**A**lthough 2020 was a year that challenged us all in ways we could not anticipate, I am very proud of how Assiniboine Credit Union responded with innovation, service, and heart.

Operations shifted significantly in response to the pandemic, as we adapted quickly to ensure our members were able to access the advice and services they need. Our leadership teams prioritized the health and well-being of our employees and responded with support to our community partners that provide essential services. This is what we mean by *Money Doing More*.

A significant digital banking transformation was accomplished in the midst of all this. Banking preferences have been changing over the last few years, and this shift accelerated in 2020. ACU led the way in Canada working with credit union and system partners to modernize payments and digital banking platforms for credit unions across the country. Over 95% of our digital banking members were on-boarded to the new platforms in a very short time. This launch was accompanied by an updated brand experience, both designed to enhance your banking experience with ACU.

The True North Square Financial Advice Centre opened in the heart of downtown renewal, with a design focused on creating an exceptional member experience. The focus on your experience also resulted in improvements to internal procedures, processes, and systems as we are committed to providing you with advice and services that are effective and efficient.

Deposit growth was significant this past year, a strong reflection of our members' confidence in ACU, resulting in asset growth to \$5.4 billion. ACU loan growth was challenged as the lending landscape changed in the wake of the pandemic. The time invested in engaging with members through these difficult times to enhance their financial health and well-being, positions ACU very well to meet members' financing needs in 2021 and beyond.

Empowering our employees with systems, capabilities, and purpose-driven culture also builds strength for ACU and enhances your member experience. Our innovative, participant-driven, and member-focused digital learning experience called Learning Café, won a national CCUA Learning Excellence Award. Once again, ACU was also named one of Manitoba's Top Employers and one of Canada's Greenest Employers.

B Corp Certification was achieved in 2020 with the sixth highest score in the world, an affirmation of our values in action. This differentiates ACU in the market with consumers mindful of the impact created by their banking choices, as well as with the growing number of people choosing to work at purpose-driven companies. In this report, you will read stories and additional reporting that demonstrate our values in action as we use every aspect of our business as a force for good for the well-being of our credit union, our employees and members, and our communities and environment.

We have a great future, and our credit union is strong and well positioned for success. Through trusted long-term relationships with our members, we will work with them to build financial health. We are digital banking leaders serving the largest credit union membership in Manitoba. Our exceptional team of employees provide the trusted advice and service you need while supporting the communities in which we live, work, and play. Thank you to the Board of Directors, the Executive Leadership Team, all our employees and member-owners, and our community, business, and co-operative system partners for being part of our success. Together, we work towards our vision of a sustainable future for all.



**Kevin Sitka**  
President & Chief Executive Officer





Kevin Sitka  
President & CEO



Allan Godfrey  
Chief Risk Officer



Jennifer Mullen-Berube  
Chief Brand & Innovation Officer



Kim Champion Taylor  
Chief People Officer



Michael Taylor  
Chief Financial Officer



Andrea Dysievick  
Chief Advice & Service Delivery Officer



# 2020 Executive Leadership Team



# ACU Operations Report Summary

**M**ore than ever, 2020 proved that running a financial co-operative requires a knowledgeable, committed and very adaptable team of experts.

It's no easy task to lead this unique business in times of great change. That's why we continue to work hard to attract quality individuals who can foster relationships built on trust, and who understand the importance of community leadership.

To help ensure we continue to get great people to work for us, ACU needs to be a great place to work. Once again, we were proud to be named one of Manitoba's Top Employers for 2020. This annual comprehensive assessment looks at physical workspace and atmosphere, social well-being, community involvement, training and development, as well as health, financial and family benefits.

In recognition of our ongoing commitment to building climate resilience, we were named one of Canada's Greenest Employers for the eighth consecutive year in 2020. Company-wide efficiency improvements mean reduced costs and less impact on the environment. Employees work together to address energy consumption, commuting options, waste emissions, paper use, and much more to achieve results that benefit our credit union and our communities.

Improving the member experience is at the heart of all that we do; and 2020 was no different. This included creating more value for our members by making our processes more efficient through continuous improvement. We strengthened member engagement through our employee training program, Engaging with Purpose. We improved our technology options by launching a new digital platform enabling accounts to be opened digitally and personalizing the experience. As well, we added telephone appointments in Digital Appointment Booking enabling members to discuss their financial needs with our trusted advisors, while respecting social distancing requirements. Because our members trust us with their information and money, we continue to strengthen our privacy and security systems through initiatives like stronger passwords, secure email, and in our own IT security programs.

2020 brought a renewed focus to advise members about our expertise in wealth management and the self-service digital investing tools, Qtrade and Virtual Wealth, which were well embraced by members this year.

Winnipeg Insurance Brokers continued to provide members with advice and security through insurance services while continuously improving operations, re-branding, enhancing community involvement, and building their capabilities.

ACU launched a thank-you campaign to express our gratitude for all Manitobans who continued to work hard every day to ensure our health and safety. In addition to the Food & Hygiene Campaign, ACU also partnered with Fools & Horses Coffee Company to provide coffee for several community partners providing essential services during the pandemic. ACU employees also created a virtual hygiene drive in support of West End Women's Resource Centre and Resource Assistance for Youth (RaY).

Looking ahead to 2021, no one is certain what the year will bring. The pandemic will undoubtedly continue to influence how we deliver our services, but through it all, we will continue to promote our values, enhance our member experience, and demonstrate what money doing more is all about.



# IRCOA

Immigrant & Refugee Community Organization

# Heart





## What we did for our community

**A**s soon as the pandemic hit and all our lives changed, ACU responded with additional community support for those in need. An immediate donation of \$50,000 to the United Way Emergency Relief Fund helped kick-start our commitment to providing help in our communities.

**Difficult times may be challenging for ACU, but they are even more challenging for vulnerable groups and we believe a sustained commitment during such times is important.**

We quickly identified a basic need in the community and created the ACU Food and Hygiene Campaign. We provided \$10,000 worth of food and hygiene supplies directly to community partners providing front-line work to distribute the highly demanded products to the most vulnerable people in our communities.

The campaign ran from May 1 to June 1 with the goals of creating positive social impact, investing in sustainable procurement, supporting community partnerships, and strengthening the ACU brand.

Ten community partners, all members of ACU, each received approximately \$1,000 in food and hygiene supplies tailored to the needs of the communities they serve. Items were purchased at local co-operatives, social enterprises, and locally-owned businesses. ACU leaders were involved with delivering the supplies.

- Knox Food 4 All needed halal meat
- IRCOM needed toys and activities for children
- Sunshine House needed games for their community

Continued...



# What we did for our community

(Continued)

The ACU Food and Hygiene Campaign successfully met all of its campaign goals, proved tremendously effective and created positive social impact for those most in need. Social media engagement initiated by ACU employees was strong across all platforms, creating a huge boost of pride in ACU members and employees.

Community Groups Participating in the Food and Hygiene Program:

Knox Food 4 All  
Sunshine House  
Bear Clan  
IRCOM  
SSCOPE  
West Broadway Community Ministry  
Winnipeg Harvest  
Oak Table  
St. Matthews Community Ministry  
Daniel McIntyre/ St. Matthews Community Association

**"A big THANK YOU  
to #ACUcommunity  
#GivingBack2community  
on behalf of all  
individuals and families  
who otherwise would  
remain not only under the  
stress of the confinement,  
but can rarely access  
breakfast and cooked  
meal for lunch because  
they mostly do not have  
money, or they do not  
own a debit or credit."**

- Raymond Ngarboui, Community  
Development Coordinator at  
Community Education Development  
Association (CEDA)



# Knox

COMMUNITY KITCHEN & INDOOR MARKET  
400 EDMONTON STREET



# Impact

## What we did for our members

**R**emaining accessible to our members, by providing safe options for their day-to-day banking, advice, and financial needs, was vital from the onset of the pandemic. We took immediate steps to establish safety protocols while rethinking traditional ways of connecting in order to maintain our service.

Safety protocols were immediately established at branches, which were equipped with hand sanitizing stations, Plexiglas screens, and masks. Members were provided with a safe environment while being encouraged to choose digital options for their daily banking needs. Members visiting branches were assisted with online and mobile banking activation and shown ways to bank more conveniently from home using online, mobile and telephone banking. Frontline teams proactively reached out to members by phone to assist with digital options and to collect email addresses so that we could stay connected and provide updates on our response. We also took steps to make it easier to bank digitally including greater flexibility in ATM withdrawal and POS limits, increasing tap limits for ACU debit and credit card purchases to make shopping for essential goods even safer, and up to 35 free e-transfers as a limited time offer.

We remained accessible for advice in all branches, ACU Wealth Management, and the Business and Community Financial Centres. Telephone appointments were introduced as an option for members using digital appointment booking and email signature options were expanded. Members experiencing financial impact were supported with loan deferrals and government relief efforts. Business members were assisted with access to the Canadian Emergency Business Account (CEBA), made available through contactless delivery methods in branches and the Business and Community Centres.

Continued...



# Trust







Hope



# What we did for our members

(Continued)

## ACU Business Members

While the events of 2020 undoubtedly had a negative effect on many ACU business members, there were also positive stories. Some companies, due to the nature of their business, continued to thrive, while those who were able to adapt and pivot quickly, managed to re-establish close to pre-pandemic business levels.

One such organization is Supporting Employment & Economic Development Winnipeg (SEED) Inc. An ACU member and community partner, SEED is a not-for-profit organization that works to reduce poverty and renew Winnipeg's inner city by helping people start small businesses and save money for future goals. ACU supports a variety of asset building programs offered by SEED that help low-income participants save for productive assets or household necessities. These include money management training classes and matched savings programs where credits are added to the funds participants save on their own.

SEED is headed by Co-Directors Carinna D'Abramo Rosales and Louise Simbandumwe. "The help provided by ACU during the pandemic has been instrumental," said D'Abramo Rosales. "ACU offered a loan deferral program to our business participants, and provided access to all the applicable government programs."

From the start of the pandemic, SEED was designated as an essential service. That meant they could still offer some programs in person, by appointment, once their facilities were adapted to meet distancing and sanitization protocols. "People in low income groups face many barriers to participating in the local economy; not just monetary" said D'Abramo Rosales. "The digital divide is also very pronounced, so while we quickly pivoted to an online delivery for some of our services, we had to keep in mind many of our participants may not have access to the needed technology."

For their educational classes, SEED turned to a virtual model ensuring it was free and accessible on mobile devices. They also secured additional funding for their Learn a Laptop program, which provided laptops to those most in need, enabling people to take part in virtual programs.

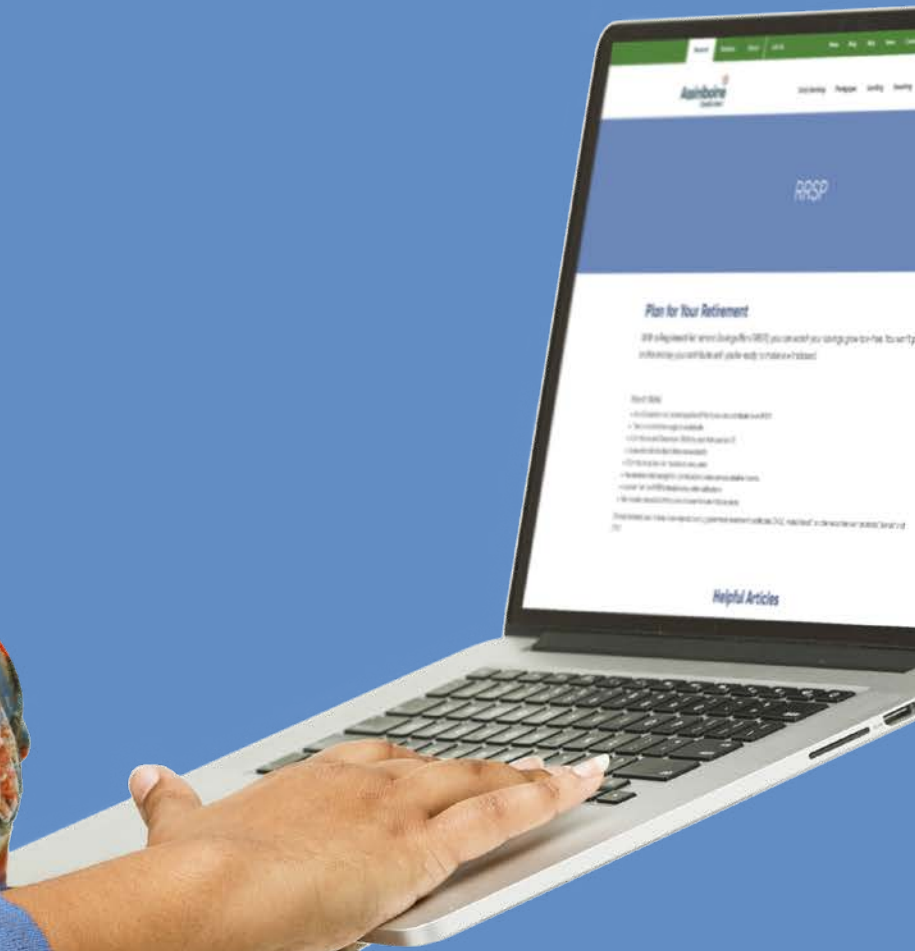
Along with their partner agencies, SEED established the *Community Financial Help Line* to assist financially vulnerable community members connect to free tax filing supports, accessing identification, obtaining referrals to community resources, and navigating the Canada Emergency Response Benefit (CERB) and other government benefits available during the pandemic.

Working directly with people living on a low income, the directors see first-hand the struggles many people face at the best of times, let alone during the hardships of an economic shutdown. "The pandemic has amplified the vast inequities across our established systems like healthcare, education and housing. It has exposed the holes in our social infrastructure like I've never seen before," D'Abramo Rosales said. "This year, SEED is meeting or exceeding all of its program goals, which is good. But in the same breath, it shows the tremendous need that exists in our community," she added.


SEED programs and services are currently being offered over the phone, online, or through pre-booked in-person appointments. Visit [www.seedwinnipeg.ca](http://www.seedwinnipeg.ca) for more information.



# Fresh



## Everything changed in 2020, including our look.



Technology is changing every aspect of our lives, from how we deal with each other, to how we interact with companies. At ACU, things are changing too. With each passing year, more and more of our business is being conducted online and on a mobile device. Before the pandemic and in light of all the changes in technology, we had already begun the process of re-examining the ACU brand and our digital presence in the marketplace.

Our new branding is a clean, simple, crisp, treatment of the Assiniboine Credit Union logo along with a fresh approach for our asterisk. The look is more modern, more confident and a great deal more legible on a computer screen or mobile device.

Yes, so much of our world is changing, and while our look has changed right along with it, rest assured that our purpose for being here hasn't.



# ACU Non-Financial Results Summary

**N**on-financial results are very important measures of our business success and our triple bottom line of people, planet, and prosperity. Determining the success of our business and mission includes social, environmental, and local economic impact data that provide insight into our overall performance as a B Corp financial co-operative committed to values-based banking.

Our values in action are demonstrated in governance and strategy, operations and partnerships, and in the people who work at ACU serving our member-owners. Our impact builds climate resilience, reduces poverty and homelessness, supports diversity and inclusion, and strengthens our local economy. We use our voice to speak against hate and discrimination in all forms and are committed to our reconciliation journey towards healing and building respectful relations with all peoples. As business leaders, we work with B Local Manitoba to engage and inspire other companies towards a purpose-driven model.

We strengthened our commitment to climate resilience by reducing greenhouse gas emissions by 16.5% in 2020, continued to purchase Fairtrade Carbon Credits to achieve carbon neutrality, expanded composting programs to more locations, and provided leadership in the Canadian Credit Union Association (CCUA) Climate Disclosure Working Group.

The ACU Affordable Housing Strategy has resulted in over \$150 million in financing for non-profit and co-operative housing. This funding has provided homes for over 5,000 low-income people in our communities, including students, refugees, Indigenous Peoples, seniors, and people living with intellectual disabilities and mental health challenges.

We welcomed 1,118 new member-owners to ACU in 2020 through financial access initiatives, despite many community partners significantly reducing their services due to the pandemic. ACU adapted by providing 12 virtual Each One Teach One financial empowerment sessions and launching the ACU EVERFI Financial Bee – the first in Canada.

Loans and deposits at our community economic development branches in Gillam, West Broadway, and Winnipeg's North End grew to \$171 million, while members' mutual funds in Responsible Investments grew to nearly \$90 million. \$23 million in product and service purchases were directed to locally-owned businesses, Indigenous-owned businesses, nonprofits, co-operatives, B Corps, fair trade, and environmental sustainability.

ACU, again, contributed significantly to our communities through grants and sponsorships with over a half-million dollars going to local organizations to build inclusion, create environmental sustainability, and strengthen community enterprises. ACU employees continued to volunteer thousands of hours to many diverse organizations and initiatives that build inclusive, resilient, and sustainable communities.

This is what it means to be a socially-responsible co-operative providing financial services for the betterment of our members, employees, communities, and the environment. It's a focus on building a world where innovative financial services in local communities contribute to a sustainable future for all.



## 2020 Financial Results

### TOTAL ASSETS

\$5.45 BILLION

\$21.5 MILLION  
NET INCOME

### EFFICIENCY RATIO

62.1%

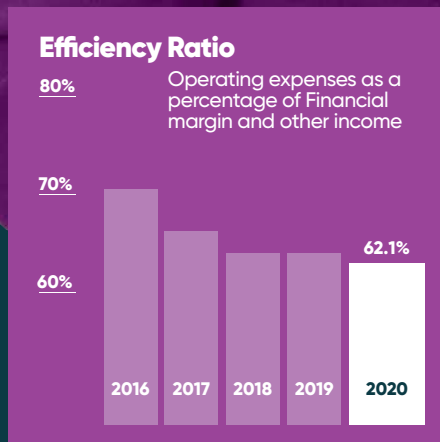
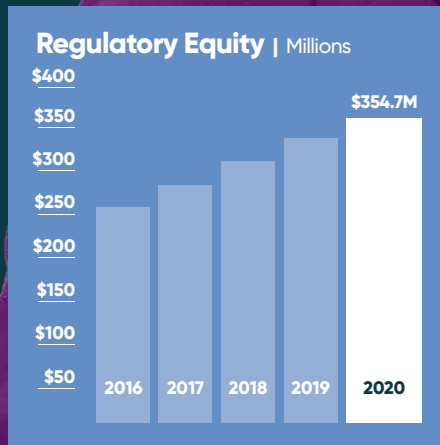
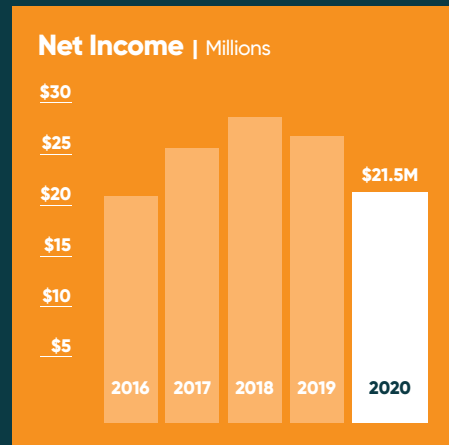
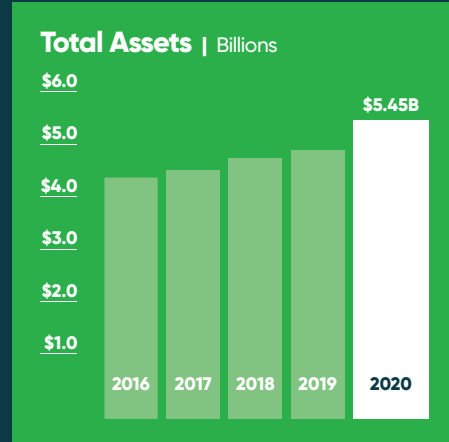
### REGULATORY EQUITY

\$354.7 MILLION

**A**s a result of the pandemic, 2020 was a year like no other, bringing with it many never-before-seen challenges. Despite this, ACU was able to increase its asset base through significant deposit growth and sustained a strong equity position all while supporting its members through very difficult times. Our equity levels provided the support and resilience required to meet these unexpected challenges while also delivering capacity for continued growth. Most importantly, a strong equity base enabled your credit union to make investments to strengthen and enhance products and services and provide advice and tools to meet your evolving needs. At the same time, ACU continued to support the communities we operate within while delivering on our mission and vision as a values-based organization.

# 2020 Financial Results

(Continued)







# Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Assiniboine Credit Union Limited

**PricewaterhouseCoopers LLP**  
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\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

## Our opinion

In our opinion, the accompanying summary consolidated financial statements of Assiniboine Credit Union Limited and its subsidiaries (together, the Credit Union) are a fair summary of the audited consolidated financial statements, on the basis described in note 1 to the summary consolidated financial statements.

## The summary consolidated financial statements

The Credit Union's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2020 comprise:

- the summary consolidated statement of financial position as at December 31, 2020;
- the summary consolidated statement of net income and comprehensive income for the year then ended;
- the summary consolidated statement of changes in members' equity for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related notes to the summary consolidated financial statements.

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

## The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 2, 2021.

## Management's responsibility for the summary consolidated financial statements

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

## Auditor's responsibility

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

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

Winnipeg, Manitoba  
March 2, 2021

## Summary Consolidated Statement of Financial Position

As at December 31, 2020 (in thousands of dollars)

	2020 \$	2019 \$
<b>Assets</b>		
Cash on hand and on deposit	197,476	109,824
Investments	1,240,092	738,823
Loans to members	3,952,397	4,074,454
Other assets	27,986	19,137
Property, equipment and intangible assets	16,439	13,906
Right-of-use assets	11,643	12,283
Deferred income tax asset	2,833	2,444
<b>Total assets</b>	<b>5,448,866</b>	<b>4,970,871</b>
<b>Liabilities</b>		
Members' deposits	4,783,039	4,371,153
Accounts payable	25,636	17,430
Lease liabilities	11,946	12,415
Mortgage securitization liabilities	273,496	234,339
Income tax payable	-	1,279
Members' shares	9,796	10,010
Shares to be issued	110	159
<b>Total liabilities</b>	<b>5,104,023</b>	<b>4,646,785</b>
<b>Members' Equity</b>		
Members' shares	15,481	15,616
Shares to be issued	503	625
Contributed surplus	35,633	35,633
Retained surplus	293,226	272,212
<b>Total equity</b>	<b>344,843</b>	<b>324,086</b>
<b>Total liabilities and equity</b>	<b>5,448,866</b>	<b>4,970,871</b>

Approved by the Board of Directors

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



## Summary Consolidated Statement of Net Income and Comprehensive Income

For the year ended December 31, 2020 (in thousands of dollars)

	2020 \$	2019 \$
<b>Revenues</b>		
Interest from loans to members	133,136	147,584
Investment interest income	19,142	19,417
	152,278	167,001
<b>Cost of funds</b>		
Interest paid to members and other	80,409	91,426
	71,869	75,575
<b>Financial margin</b>		
	35,434	26,071
<b>Financial margin and other income</b>	107,303	101,646
<b>Operating expenses</b>		
Administration	18,587	18,182
Member security	3,922	3,687
Occupancy	8,545	7,979
Organizational	2,104	2,072
Personnel	33,512	33,024
	66,670	64,944
<b>Gross operating margin</b>	40,633	36,702
<b>Allowance for loan loss</b>	(13,801)	(3,239)
<b>Dividends on surplus shares</b>	(110)	(159)
<b>Net income before income taxes</b>	26,722	33,304
<b>Provision for (recovery of) income taxes</b>		
Current	5,594	7,824
Deferred	(389)	(283)
	5,205	7,541
<b>Net income and comprehensive income for the year</b>	21,517	25,763

## Summary Consolidated Statement of Changes in Members' Equity

For the year ended December 31, 2020 (in thousands of dollars)

	Members' shares \$	Shares to be issued \$	Contributed surplus \$	Retained surplus \$	Total members' equity \$
<b>Balance at January 1, 2020</b>	15,616	625	35,633	272,212	324,086
Net income and comprehensive income for the year	–	–	–	21,517	21,517
Dividends on preference shares	–	503	–	(503)	–
Members' shares Issued	625	(625)	–	–	–
Redeemed	(760)	–	–	–	(760)
<b>Balance at December 31, 2020</b>	15,481	503	35,633	293,226	344,843

	Members' shares \$	Shares to be issued \$	Contributed surplus \$	Retained surplus \$	Total members' equity \$
<b>Balance at January 1, 2019</b>	15,712	628	35,633	246,929	298,902
Net income and comprehensive income for the year	–	–	–	25,763	25,763
Dividends on preference shares	–	625	–	((480))	145
Members' shares Issued	628	(628)	–	–	–
Redeemed	(724)	–	–	–	(724)
<b>Balance at December 31, 2019</b>	15,616	625	35,633	272,212	324,086

## Summary Consolidated Statement of Cash Flows

For the year ended December 31, 2020 (in thousands of dollars)

	2020 \$	2019 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income and comprehensive income for the year	21,517	25,763
Items not affecting cash		
Depreciation on property, equipment and intangibles	2,323	2,223
Depreciation on right-of-use assets	2,030	1,979
Allowance for loan loss	13,801	3,239
Deferred income taxes	(389)	(283)
Dividends on surplus shares	110	159
Loss (gain) on disposal of property and equipment	(2,007)	5
	37,385	33,085
Net change in non-cash working capital items		
Investments – accrued interest	1,317	(1,333)
Loans to members – accrued interest	(2,323)	(371)
Other assets	(8,381)	(703)
Income taxes	(1,747)	(39)
Members' deposits – accrued interest	(2,038)	3,933
Accounts payable	8,206	4,129
	(4,966)	5,616
Loans to members – net of repayments	110,579	52,035
Members' deposits – net of withdrawals	413,924	195,183
Net change in investments	(502,586)	(293,590)
	21,917	(46,372)
	54,336	(7,671)
<b>Investing activities</b>		
Purchase of property, equipment and intangibles	(5,728)	(1,620)
Proceeds on disposal of property and equipment	2,879	-
	(2,849)	(1,620)
<b>Financing activities</b>		
Principal payments of lease liabilities	(1,859)	(1,847)
Proceeds of issued mortgage securitization	118,230	69,127
Repayments of mortgage securitization	(79,073)	(46,003)
Net increase in common shares	(8)	1
Redemption of surplus shares	(365)	(474)
Redemption of preference shares, net of taxes	(760)	(579)
	36,165	20,225
<b>Net increase in cash on hand and on deposit</b>	87,652	10,934
<b>Cash on hand and on deposit – Beginning of year</b>	109,824	98,890
<b>Cash on hand and on deposit – End of year</b>	197,476	109,824
<b>Interest received</b>	153,292	167,316
<b>Interest paid</b>	82,447	87,492
<b>Income taxes paid</b>	7,341	7,718



## Notes to the Summary Consolidated Financial Statements

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December 31, 2020

### 1 Basis of the summary consolidated financial statements

Management has prepared the summary consolidated financial statements from the December 31, 2020 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards (IFRS). The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

The criteria developed by management for the preparation of the summary consolidated financial statements is as follows: that the information included in the summarized consolidated financial statements is in agreement with the related information in the complete consolidated financial statements and that the summarized consolidated financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete consolidated financial statements, including the notes thereto, in all material respects.

### 2 Compliance with minimum capital and liquidity requirements

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2020 established by the regulations to the Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2020, which contain the information detailing the calculation.



