

MANITOU MORRIS PINE FALLS HEADINGLEY ROSEBORT GLENELLA  
STE. ROSE DU LAC CYPRESS RIVER WINNIPEG BEACH MACGREGOR  
OAKBURN INGLIS ROBLIN BALDUR AUSTIN OAK LAKE WASKADA  
LA SALLE STARBUCK PORTAGE LA PRAIRIE ERICKSON VIRDEN  
RUSSELL THE PAS CARBERRY LOWE FARM ST. JEAN BAPTIST  
CARMAN SPRAGUE HOLLAND PLUMAS HARTNEY OAK BANK  
OAK RIVER MORDEN ST. MALO ST. PIERRE-JOLYS  
DOMINION CITY BENITO FISHER BRANCH SOURIS  
SWAN RIVER BIRDS HILL BEAUSEJOUR LUNDAR  
NOTRE DAME DE LOURDES GLADSTONE ST. CLAUDE  
LORETTE GREYNA SELKIRK STE. ANNE ÎLE DES CHÊNES  
HAMIOTA GLENBORO ETHELBERT PINAWA LA RIVIERE  
BIRTLE RIVERS RORKETON RIVERTON RESTON TEULON  
CARTWRIGHT STONEWALL LAC DU BONNET WINNIPEGOSIS  
FLIN FLON ST. LAURENT SANDY LAKE ST. FRANÇOIS XAVIER  
WINKLER ARBORG SHOAL LAKE GILLAM THOMPSON EMERSON  
STE. AGATHE GILBERT PLAINS NEEPAWA AMARANTH KILLARNEY  
GRANDVIEW STEINBACH STRATHCLAIR MINNEDOSA NIVERVILLE  
SANFORD PILOT MOUND OAKVILLE LANDMARK WINNIPEG MIAMI  
DUGALD DAUPHIN LAURIER ROSSBURN ST. LAZARE GIMLI ASHERN  
KENTON BRANDON  CREDIT UNION CENTRAL OF MANITOBA VITA  
LA BROQUERIE DELORAINE GRUNTHAL **ANNUAL REPORT 2021** ELIE  
TREHERNE MELITA ST. ADOLPHE ALTONA GRAND RAPIDS MINIOTA  
BINSCARTH SWAN LAKE WHITEMOUTH ST. GEORGES ERIKSDALE  
MOOSEHORN BOISSEVAIN NINETTE PLUM COULEE FISHER BRANCH  
GLENBORO LORETTE GILBERT PLAINS HARTNEY GILLAM OAK RIVER



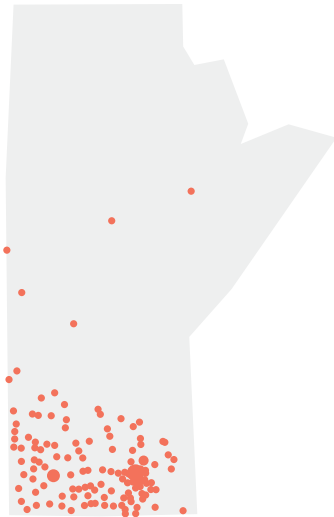
# CREDIT UNION CENTRAL OF MANITOBA

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## MANITOBA'S CREDIT UNIONS

Branch locations as at December 31, 2021



Credit unions serve **more than half of all Manitobans**, from **196 branches in 123 communities** across the province. In 82 of those communities, the credit union or caisse is **the only financial institution in town** to serve local residents and businesses.

*All figures include Manitoba's 22 independent credit unions plus CUCM's associate member, Caisse Group Financier/Caisse Financial Group. The Caisse serves French and English-speaking Manitobans from 19 branches in 17 communities.*

**Access Credit Union** Altona, Carman, Dominion City, Emerson, Gretna, Grunthal, Lowe Farm, Manitou, Miami, Morden (2 locations), Morris, Plum Coulee, Sanford, Sprague, Vita, Winkler, Winnipeg (9)

**Amaranth Credit Union** Amaranth

**Assiniboine Credit Union** Winnipeg (14), Gillam, Thompson

**Belgian-Alliance Credit Union** Winnipeg (3)

**Caisse Financial Group** Winnipeg (3), Elie, Île des Chênes, La Broquerie, La Salle, Lorette, Notre Dame de Lourdes, St. Adolphe, St. Claude, St. François Xavier, St. Georges, St. Jean Baptiste, St. Laurent, St. Malo, St. Pierre Jolys, Ste. Agathe, Ste. Anne

**Cambrian Credit Union** Winnipeg (10), Selkirk

**Carpathia Credit Union** Winnipeg (5)

**Casera Credit Union** Winnipeg (3)

**Compass Credit Union** Brandon (2), Erickson

**Entegra Credit Union** Winnipeg (4)

**Flin Flon Credit Union** Flin Flon

**Fusion Credit Union** Binscarth, Birtle, Brandon, Dauphin, Ethelbert, Gilbert Plains, Hamiota, Inglis, Kenton, Miniota, Oak Lake, Oak River, Roblin, Rorketon, Rosburn, Russell, St. Lazare, Winnipegosis

**Me-Dian Credit Union** Winnipeg, Grand Rapids

**Niverville Credit Union** Niverville, Landmark, Steinbach

**Noventis Credit Union** Arborg, Ashern, Eriksdale, Fisher Branch, Gimli, Headingley, Lundar, Moosehorn, Riverton, Selkirk, Starbuck, Winnipeg Beach

**Rosenort Credit Union** Rosenort, Altona, Winkler

**Steinbach Credit Union** Steinbach, Winnipeg (2)

**Stride Credit Union** Austin, Gladstone, Glenella, MacGregor, Neepawa, Oakville, Plumas, Portage la Prairie (2)

**Sunova Credit Union** Beausejour, Birds Hill, Dugald, Lac du Bonnet, Oak Bank, Pinawa, Pine Falls, Selkirk, Stonewall, Teulon, Whitemouth, Winnipeg (3)

**Sunrise Credit Union** Baldur, Boissevain, Brandon, Cypress River, Deloraine, Grandview, Hartney, Holland, Laurier, Melita, Minnedosa, Oakburn, Reston, Ste. Rose du Lac, Sandy Lake, Shoal Lake, Strathclair, Treherne, Virden, Waskada

**Swan Valley Credit Union** Swan River, Benito

**Westoba Credit Union** Brandon (3), Carberry, Cartwright, Glenboro, Killarney, La Rivière, Ninette, Pilot Mound, Rivers, Souris, Swan Lake, The Pas, Winnipeg (2)

**Winnipeg Police Credit Union** Winnipeg (2)

# MANITOBA'S CREDIT UNIONS

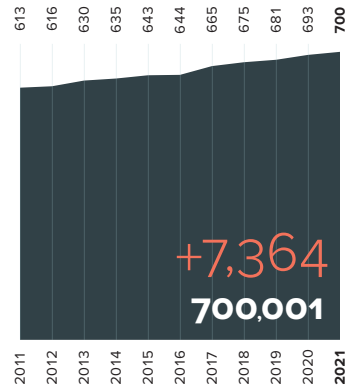
## CONSOLIDATED SYSTEM STATISTICS

December 31, 2021

All figures preliminary unaudited results

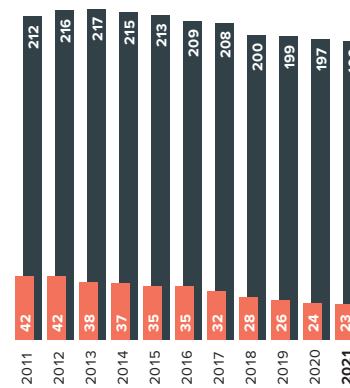
All figures include Manitoba's 22 independent credit unions plus CUCM's associate member, Caisse Group Financier/Caisse Financial Group. The Caisse serves French and English-speaking Manitobans from 19 branches in 17 communities.

### MEMBERSHIPS (thousands)



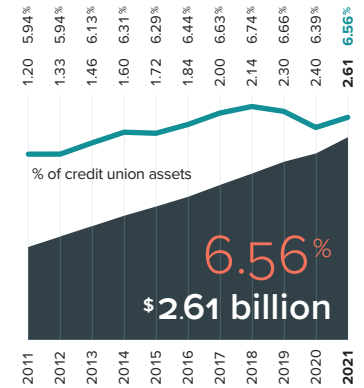
With more than 700,000 members, Manitoba credit unions and Caisse Financial Group (the Caisse) provide a full suite of financial services to half of all Manitobans. More than seven thousand people opened new memberships in 2021.

### CREDIT UNIONS & BRANCHES



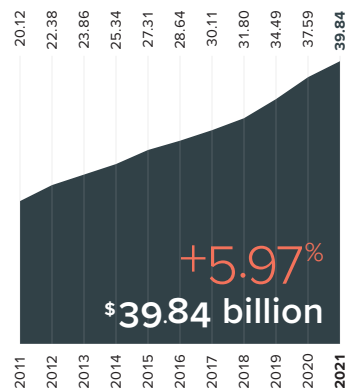
In 2021, the amalgamation of Access and Crosstown Civic credit unions took the number of individual entities to 23. The number is now 22, since the January 1, 2022 amalgamation of Assiniboine and Entegra credit unions. It will reduce by a further two later in 2022, following the recently approved amalgamation of Access, Noventis and Sunova credit unions.

### EQUITY (\$ billions / % of assets)



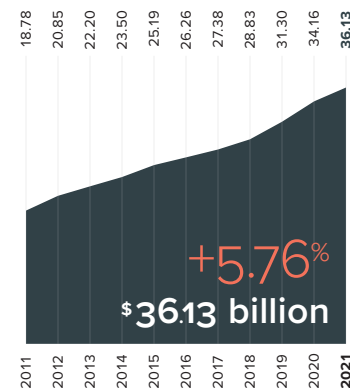
Credit union equity consists of member share capital, surplus shares, preferred shares, contributed surplus and retained earnings. It increased in 2021 by \$210 million, and consolidated equity as a percentage of system assets remains strong at 6.56%.

### ASSETS (\$ billions)



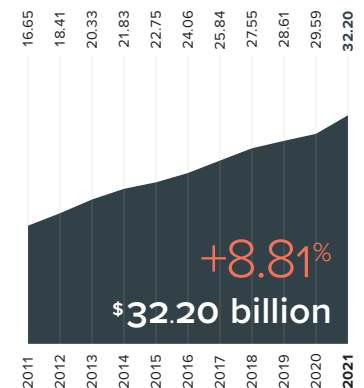
System assets grew by \$2.24 billion in 2021, a 5.97% increase over 2020.

### DEPOSITS (\$ billions)



Member deposits grew by nearly 6%.

### LOANS (\$ billions) \*



Manitoba credit union loans grew by \$2.61 billion in 2021, an 8.81% increase over 2020.

\* net of allowances

It was my honour to join Credit Union Central of Manitoba as the President and Chief Executive Officer in October 2021.

I have since come to appreciate the level of pride credit unions take in serving as the backbone of financial services in Manitoba.



Curtis Wennberg

#### **MANITOBA CREDIT UNION SYSTEM REMAINS STRONG THROUGH THE PANDEMIC**

Manitoba credit unions and the Caisse Financial Group (Caisse) provide a full suite of financial services to more than 700,000 members, with locations in 123 communities. They contribute significant economic and social impact throughout the province, by reinvesting profits locally into community growth, businesses, jobs, and families.

Credit unions, like many other businesses, are responding to issues and opportunities related to accelerating digital trends, regulatory changes, and the pandemic. Despite constantly changing conditions, the credit union system remains a force, holding the highest provincial market share in the country, at 40% of all provincial assets.

#### **CREDIT UNION CENTRAL OF MANITOBA'S ROLE**

As the trade association for Manitoba credit unions and the Caisse, Credit Union Central of Manitoba (CUCM) plays a crucial role within the system. CUCM advocates on behalf of its members on important priorities, manages liquidity reserves, monitors credit granting procedures and provides support in multiple areas including system governance and government relations. CUCM also provides services in the areas of treasury, credit adjudication, human resources, compliance, strategic consulting, and more.

In 2021, CUCM delivered on important priorities for its members in many areas, including treasury management. Thanks to effective management of our liquidity pool,

CUCM was able to provide an additional return of \$68 million, or 1.23%, above its cost of funds for short-term deposits (original term less than 13 months) placed with CUCM. At the same time, CUCM worked closely with provincial regulators and stakeholders on liquidity strategies for its members, including working to build the infrastructure necessary to gain access to the Bank of Canada's emergency liquidity facilities, expected to be complete in 2022.

In an ever-shifting landscape, CUCM's most important task is continually executing on priorities that drive the greatest value for credit unions. We gathered valuable feedback from credit unions in 2021 regarding shared priorities and opportunities related to advocacy, system-wide projects, and the need to renew approaches to governance as the system shifts in structure and composition.

#### **REVIEW OF STRATEGIC ASSETS**

In 2021, CUCM commenced a review of its strategic assets. To date, this has resulted in the decision to reconsider the strategic nature of CUCM's ownership of the building at 317 Donald Street in Winnipeg, as well as its minority holding in Concentra Bank. CUCM's board of directors made the decision to offer the building for sale — CUCM is in the process of listing 317 Donald at the time of this report.

Further, in February 2022, SaskCentral, Equitable Bank and Concentra Bank announced an agreement for Equitable to acquire SaskCentral's entire 84% interest in Concentra Bank

## Message from the CEO

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(doing business as Wyth Financial). Equitable Bank also reached agreements with additional Concentra shareholders, including CUCM, representing a majority of the remaining 16%. Conclusion of this transaction is expected in 2022. This change in ownership is not expected to create any operational impacts for credit unions or for CUCM.

CUCM has ownership responsibilities, on behalf of credit unions, related to jointly held assets in Celero Solutions, Everlink Payment Services Inc., and the Prairie Payments Joint Venture (PPJV). Throughout 2022, CUCM will continue its assessment of various holdings with a view toward influencing optimal approaches to ownership, governance, and oversight.

### FUTURE OF WORK

Since the onset of the pandemic in March 2020, most employees have been working remotely to prioritize safety and manage business continuity risk. The dedication and adaptability of employees enabled CUCM to maintain strong levels of productivity, motivation, and employee engagement in 2021.

In 2022, CUCM will determine its space requirements based on a model that includes both office-based and home-based work. As CUCM considers its needs for space and the sale of

the building, a related priority is CUCM's ability to attend to the needs of the 'workplace of the future.' This means developing the working environment and culture that positions CUCM to meet its objectives.

I would like to acknowledge the significant effort from CUCM employees in advancing important operational and strategic initiatives every day. To CUCM's board of directors and members, thank you for your support, partnership, and valuable insights. In keeping with cooperative values, credit union leaders invest significant time and energy into system-wide projects, committees, or jointly held assets, which is of significant value to the long-term success of the system.

Finally, on behalf of the system, I appreciate the consultative approach on the part of government and regulators as we work together to find the best solutions for Manitoba credit union members. In 2022, areas of focus will include oversight of significant system initiatives and system-owned entities, liquidity management, advocating on behalf of credit unions, and considering how CUCM can best prepare for the future. This is in keeping with CUCM's operating principles, which emphasize the need to continually evolve CUCM, engage with members to understand needs, and reflect those elements as we change.



**CURTIS WENNBERG**

*President and Chief Executive Officer*



**Curtis Wennberg**  
President and  
Chief Executive Officer



**Marilyn Brennan**  
Senior Vice President,  
Governance & Strategy  
and Corporate Secretary



**Barrie Davidson**  
Senior Vice President, Finance  
and Chief Risk Officer

*After leading CUCM for 22 years, President and CEO **Garth Manness** retired in 2021. Curtis Wennberg assumed the role in October.*

*Just months after he retired, Senior Vice President **Wilson Griffiths** passed away unexpectedly in October 2021. Wilson will be remembered with affection and respect by his colleagues at CUCM and throughout the provincial and national credit union systems.*

The Manitoba credit union system has undergone transformative change over the past two decades. The sustained growth of credit unions, coupled with consolidation through amalgamation, has resulted in fewer, larger credit unions.



Paul Holden

As the dynamics of the Manitoba credit union system shift, it has become apparent that a related outcome is the need for continued reinvention of Credit Union Central of Manitoba's (CUCM) governance structure and democratic processes. This reinvention began this past year as the board of directors of CUCM met to contemplate a full governance review at its planning session in October.

At the planning session, directors discussed all aspects of CUCM's governance structure, including the purpose of the board, its size and composition, the proportional voting methodology, the director election process, term limits and the user-pay principle. This was a purposeful and frank discussion that generated good thought and conversation about CUCM's governance model and the areas where refinement or reimagining is required.

What ultimately emerged from the planning session was the initiation of a formal governance review for CUCM, led by the board and its Governance and Conduct Review Committee. This is important work — work in which all directors have a keen and vested interest — and from it will flow a renewed governance structure for the organization that is representative of the credit union system and aligned with best practices in board governance. As a board, we look forward to this opportunity to shape the future direction of the organization and we're eager to see the results of the review in 2022.

Related to the future direction of the organization, the board and the Governance and Conduct Review Committee also played a key role in the recruitment and hiring of a new

President and CEO for CUCM in 2021. Choosing the right CEO is crucial to any organization's success and following an extensive recruitment and interview process, I'm confident the board made the right choice in selecting Curtis Wennberg to lead CUCM.

In 2021, the board also used its planning sessions to consider and provide input into CUCM's approach to strategic investments. To meet its business objectives, CUCM requires strategic investments in several areas, including, but not limited to, affiliated co-operative organizations, operational down-stream organizations and major own-use, capital assets. In reviewing this strategy, the board examined CUCM's strategic investment framework, including the principles and strategy that support it. As a board, it is vital that we play a role in guiding the decision-making around CUCM's investment choices and rationale now and into the future. This work has provided clarity around directors' views on ownership and governance requirements for CUCM's strategic investments. The board anticipates a clear roadmap in 2022.

The board also provided feedback on CUCM's Corporate Strategic Plan, an annual exercise that allows directors to provide essential input into the organization's planning process in order to ensure all credit unions' perspectives and concerns are considered. CUCM's structure and purpose is a reflection of credit union needs and priorities and therefore the strategic planning process requires an understanding of credit unions' challenges and their environment.

Of course, the ongoing COVID-19 pandemic provided a challenging overlay for all of the board's work in 2021.



**Message  
from the Chair**

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While no longer novel, virtual board and committee meetings and hybrid gatherings still called on directors to adapt to new ways of working and interacting with their fellow colleagues on the board. In a role that places such a high value on healthy debate and the exchange of ideas, meeting in a virtual space is rarely ideal. Nevertheless, we're proud of how the board persevered and worked hard to continue to provide sound stewardship to the organization.

In closing, the board would like to thank CEO Curtis Wennberg and CUCM's employees for their efforts on behalf of all Manitoba credit unions, and for their support of the system's governance process, from peer group meetings to CUCM board meetings and planning sessions. We would also like to recognize former CEO Garth Manness, who retired in December 2021 after more than two decades as CUCM's CEO. CUCM's board is grateful for his many contributions to the company and for his distinguished tenure as CEO. Finally, I would like to thank my fellow directors for their continued efforts on behalf of their own peer groups, and the entire credit union system.



**PAUL HOLDEN**

*Chair, Board of Directors*

## On a variety of fronts, 2021 was a busy and productive year for CUCM's board of directors and its subcommittees.

The board as a whole met 10 times throughout the year, including the annual joint meeting with the Deposit Guarantee Corporation of Manitoba (DGCM) and the Financial Institutions Regulations Branch (FIRB) in October.

The board also held two planning sessions in 2021. The first, held virtually in February, was convened to consider CUCM's Strategic Investments Framework (including the principles and overall strategy) and the role of CUCM over the next five years. The session represented the second phase of a planning process first started in October 2020.

The second planning session was held in person in Winnipeg in mid-October. At this two-day session, the board reviewed CUCM's Corporate Strategic Plan and launched a formal review of CUCM's governance structure. The governance review discussion examined the changing landscape of the Manitoba credit union system, its corresponding impact on CUCM's governance model and

the role of the board. A related outcome is the need for ongoing reinvention, due to pressure on CUCM's governance structure and system democratic processes.

Directors provided feedback on CUCM's current governance model and discussed a number of related topics, including proportional voting, board composition, term limits, the director election process and CUCM's user-pay principle.

The objectives of the governance review are to align CUCM's board with best practices in board governance and to develop revised guiding principles for CUCM's governance structure. The review is under way and expected to conclude mid-year 2022.

Lastly, in addition to its regular meetings and planning sessions, 2021 saw the board as a whole — and members of the Governance and Conduct Review Committee in particular — actively participate in the process to recruit and appoint a new Chief Executive Officer for the organization.

## CUCM Board Committees

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### MEETING ATTENDANCE

[ CHAIR ]	<b>Jim Rediger</b>	3/4
[ VICE-CHAIR ]	<b>Brad Penner</b>	4/4
	<b>Mike Csversko</b>	4/4
	<b>Ingrid Loewen</b>	3/3

### Audit and Risk Committee

This committee oversees CUCM's external and internal auditors and the organization's risk management processes, including the appointment and compensation of the external auditors, the Director of Internal Audit and the Chief Risk Officer. The committee reviews and reports on the audited financial statements, reviews difficulties encountered by the auditors in the performance of their audits, reviews critical and significant recommendations on the subjects of internal control, financial risk or process improvement — and management's response thereto — and ensures that management maintains an appropriate system of internal controls. The committee also reviews the risk appetite framework, including risks identified by management through the risk register, and provides input to the approval of changes to business strategies and the corresponding risk appetite. It also reviews significant risks and exposures, and management's response to those risks, and the impact of changes to investment and lending policies recommended by the investment committee.

### MEETING ATTENDANCE

[ CHAIR ]	<b>Mike Csversko</b>	2/2
[ VICE-CHAIR ]	<b>Larry Davey</b>	4/4
	<b>Bruce Penner</b>	4/4
	<b>Paul Holden</b>	4/4

### Governance and Conduct Review Committee

This committee oversees the quality and effectiveness of CUCM's corporate governance. Among a wide range of responsibilities, the committee studies, recommends and reviews the development of, and compliance with, board policies and procedures to advance good corporate governance. The committee oversees board succession and the population of other board committees. It develops and oversees training programs for the board and maintains a matrix of director talents and board requirements to identify skill strengths of directors and any gaps on the current board. It applies CUCM's conflict of interest policies and procedures in reviewing conflict of interest situations and all transactions with related parties of CUCM.

### MEETING ATTENDANCE

[ CHAIR ]	<b>Kevin Sitka</b>	2/2
[ VICE-CHAIR ]	<b>Jim Rediger</b>	2/2
	<b>Ed Bergen</b>	2/2
	<b>Bruce Penner</b>	2/2

### Investment Committee

This committee oversees CUCM's investment policies and strategic investments. It reports to the board on exceptions to policy, and reviews, approves and presents for board approval any strategic investment opportunity pursuant to the General Investment Policy.

### MEETING ATTENDANCE

	<b>Bruce Penner</b>	1/1
	<b>Kevin Sitka</b>	1/1
	<b>Paul Holden</b>	1/1
	<b>Jim Rediger</b>	1/1
	<b>Ed Bergen</b>	1/1
	<b>Mike Csversko</b>	1/1

### Nominating Committee

This became a board committee in 2018, having previously been a system committee. It reviews and endorses candidates to CUCM's board vis-a-vis the eligibility requirements set out in CUCM's bylaws, the Director Competency Profile and, more broadly, their ability to strengthen the board.

**PEER GROUP 1**

**Steinbach** Credit Union



**Bruce Penner**

DIRECTOR (FIRST VICE-CHAIR)  
Steinbach Credit Union  
Board Meeting Attendance 10/10

**VICE-CHAIR**

**PEER GROUP 2**

**Assiniboine** Credit Union



**Kevin Sitka**

CHIEF EXECUTIVE OFFICER  
Assiniboine Credit Union  
Board Meeting Attendance 10/10

**PEER GROUP 3**

**Cambrian** Credit Union



**Paul Holden**

DIRECTOR  
Cambrian Credit Union  
Board Meeting Attendance 10/10

**BOARD CHAIR**

**PEER GROUP 4**

**Access** Credit Union



**Larry Davey**

CHIEF EXECUTIVE OFFICER  
Access Credit Union  
Board Meeting Attendance 10/10

**PEER GROUPS 1, 2 and 4**

Shared Director



**Ingrid Loewen**

DIRECTOR (CHAIR)  
Access Credit Union  
Board Meeting Attendance 10/10

**PEER GROUP 5**

- Amaranth** Credit Union
- Belgian-Alliance** Credit Union
- Carpathia** Credit Union
- Casera** Credit Union
- Compass** Credit Union
- Entegra** Credit Union
- Flin Flon** Credit Union
- Fusion** Credit Union
- Me-Dian** Credit Union
- Niverville** Credit Union
- Noventis** Credit Union
- Rosenort** Credit Union
- Stride** Credit Union
- Sunova** Credit Union
- Sunrise** Credit Union
- Swan Valley** Credit Union
- Westoba** Credit Union
- Winnipeg Police** Credit Union



**Jim Rediger**

CHIEF EXECUTIVE OFFICER  
Westoba Credit Union  
Board Meeting Attendance 9/10



**Edward A. Bergen**

CHIEF EXECUTIVE OFFICER  
Sunova Credit Union  
Board Meeting Attendance 9/10



**Brad Penner**

CHIEF EXECUTIVE OFFICER  
Rosenort Credit Union  
Board Meeting Attendance 10/10



**Mike Csversko**

BUSINESS DEVELOPMENT MANAGER  
Fusion Credit Union  
Board Meeting Attendance 10/10

**\$ 110,545** Employee Charitable Giving  
Includes employee donations, directors' support of employee giving and funds raised at special events

**+ \$ 109,906** CUCM Corporate Match  
Dollar-for-dollar match of employee giving (less United Way/All Charities campaign expenses)

**\$ 220,451** Total Giving in 2021

**597 hours** Employee Volunteer Time  
**95%** Employee Participation

### CUCM's corporate giving is driven by employee decisions.

In the spirit of the seventh co-operative principle, *Concern for Community*, CUCM matches employee donations to registered charities through the annual United Way/All Charities campaign and other activities (such as Staff Club fundraisers and sponsored events).

Together, CUCM and its employees have contributed well over one million dollars in the past decade to a diverse group of organizations.

CUCM also regularly invites representatives from charitable organizations to share their stories at all-staff meetings — building connections and inspiring employees with new opportunities to volunteer and support worthwhile causes in the community.

To align to its goals and values, CUCM measures its community engagement as part of its corporate balanced scorecard process.



Despite pandemic-related restrictions, CUCM arranged 35 volunteer opportunities for employees in 2021, including Take Pride Community Cleanup days in June (pictured) and September.

- Agape Table Inc. \$
- Alpha House \$
- ALS Society of Manitoba \$
- Alzheimer's Society \$
- Aurora Family Therapy Centre \$
- Bear Clan Patrol \$
- Canadian Blood Services \$
- Canadian Cancer Society \$
- Canadian Liver Foundation \$
- Canadian Muslim Women's Institute \$
- Canadian Parks and Wilderness Society \$
- Canadian Women's Foundation \$
- CancerCare Manitoba Foundation \$
- Career Trek \$
- Children's Hospital Foundation of Manitoba \$
- Children's Wish Foundation \$
- Christmas Cheer Board \$
- Community Education Development Assoc. \$
- Co-operative Development Foundation of Canada \$
- CURE Foundation \$
- Diabetes Canada \$
- Dream Factory \$
- Firefighters Burn Fund \$
- Fort Garry Women's Resource Centre \$
- Habitat for Humanity \$
- Habitat for Humanity Women Build \$
- Harvest Manitoba \$
- Heart & Stroke Foundation \$
- HSC Foundation \$
- Immigrant & Refugee Community Organization of Manitoba (IRCOM) \$
- Ka Ni Kanichihk Inc. \$
- Kidney Foundation \$
- Koats for Kids \$
- La Leche League Canada \$
- Ma Mawi Wi Chi Itata Centre \$
- Main Street Project \$
- Manitoba Children's Museum \$
- Manitoba Marathon \$
- Marymount Inc. \$
- Mennonite Central Committee \$
- Newcomers Employment & Education Development Services (NEEDS Inc.) \$
- Ndinawemaaganag Endaawaad Inc. \$
- Never Alone Foundation \$
- North Point Douglas Women's Centre (Mama Bear Clan) \$
- Plan International \$
- Prairie Wildlife Rehabilitation Centre \$
- Rossbrook House \$
- Salvation Army \$
- Siloam Mission \$
- Take Pride Winnipeg Community Cleanup \$
- United Way of Winnipeg \$
- West Broadway Youth Outreach \$
- Wildlife Haven Rehabilitation Centre \$
- Winnipeg Humane Society \$



## Manitoba credit unions have a long and proud history of supporting community endeavours — both individually and collectively through system sponsorships.

In addition to the millions of dollars in donations and sponsorships made by individual credit unions every year, the Manitoba credit union system collectively sponsors a number of worthy causes, based on a set of shared criteria.

Pandemic-related restrictions on public gatherings once again resulted in disruption and cancellations for events across the province in 2021.

When the **Manitoba High Schools Athletic Association** was forced to cancel provincial championship competitions for the 2020-21 school year, credit unions found a new way to use their sponsorship dollars: funds that would normally have been spent on championship medals were instead redirected to expand the Manitoba Credit Unions Scholar Athlete awards. As well as the usual four \$1,000 scholarships, every nominee — an additional 37 graduating students who met the demanding academic and athletic criteria — received \$400 toward their post-secondary education.

Manitoba's credit unions are also longtime sponsors of the **Curl Manitoba Master Men's and Women's Championships**, the **Manitoba Games** and **Manitoba 55-Plus Games**. While none took place as scheduled in 2021, credit unions remain committed to supporting these premiere events when they resume.

System sponsorships of the **Manitoba Forage and Grassland Association 'Aquntay' project** and the **Wasagaming Foundation's Camp Wannakumbac** were less affected by restrictions and carried on as usual in 2021.



Tour 150: Nakatamaakewin brought Inuit art in person to 30 Manitoba communities in the summer of 2021. The mobile exhibit featured art from the new Qaumajuq Inuit Art Centre at the Winnipeg Art Gallery.



### Bringing art to Manitoba

As part of the province's **Manitoba 150** celebrations (which were rescheduled to 2021 due to the COVID-19 pandemic), Manitoba's credit unions were proud to step up as presenting sponsors of **TOUR 150: Nakatamaakewin** — a mobile exhibit of art from the vaults of the Winnipeg Art Gallery's new Qaumajuq Inuit Art Centre.

From early July through mid-September, the tour made 39 stops across the province, setting up outside credit union branches in 30 communities. Traveling in a retrofit van adorned with original art by Inuit artist Kailey Sheppard, Nakatamaakewin showcased hand-crafted Inuit works in soapstone, felt, print, textiles and other materials from the WAG's extensive collection. Going forward, the WAG plans to tour new exhibitions in the van, making Nakatamaakewin a lasting gift from Manitoba's credit unions to the communities they serve.

### CU CUMIS Wealth Holdings & Aviso Wealth

CU CUMIS Wealth Holdings (Holdings) was created in 2018 as the vehicle in which the credit union system would participate, with Desjardins Financial Holding Inc. (Desjardins) in the creation of Aviso Wealth Limited Partnership (Aviso). Holdings serves as a holding company for the five provincial credit union centrals and other co-operatives' ownership in Aviso. Aviso is a national, integrated financial services company serving the wealth management needs of Canadian credit unions and independent financial organizations. CUCM has a 3.3% ownership interest in Aviso.



#### 2021 HIGHLIGHTS

Aviso completed the integration of Credential Asset Management and Qtrade Asset Management in mid-January 2021. This included the legal amalgamation of the dealers and the development and deployment of a new client discovery and onboarding system.

Aviso's business environment remained strong through 2021 resulting in solid growth in both AUA/AUM (assets under administration/assets under management) and profitability. AUA/AUM as at December 31, 2021 was \$107.2 billion, a 29% increase over the prior year. 2021 NIAT (net income after tax) was \$55.1 million, 10% higher than 2020. Based on these results, Aviso anticipates paying substantial dividends to shareholders.

#### 2022 FOCUS AREAS

The Aviso board of directors approved the 2022–2024 Strategic Plan and 2022 Financial Plan for Aviso which was subsequently reviewed by the board of directors of Holdings. The strategy has been refined to capture the significant areas of opportunity for Aviso to achieve accelerated growth. The plan is focused on enhancing the advisor and investor experience and is underpinned by comprehensive business and digital transformation roadmaps. Substantial financial investments into Aviso's business were approved to further drive operational excellence, platform optimization and data management capabilities. Aviso believes its strategic plan will provide meaningful competitive advantages to credit union partners and deliver an exceptional client experience in the years ahead.

## Celero

Celero Solutions Inc. (Celero) is a leading provider of digital technology and integration solutions to credit unions and financial institutions across Canada. The organization was considered one of the top hardware, software and service providers in the global financial services industry in 2020, ranking 91st on the 2021 IDC FinTech Rankings, the most comprehensive vendor ranking in the worldwide financial services industry. Credit Union Central of Manitoba has a 33⅓% ownership interest in Celero.



### 2021 HIGHLIGHTS

In 2021, Celero continued its commitment to deliver innovative products and solutions for clients and achieve operational excellence. A key accomplishment was renewing and expanding its partnership with Fiserv in delivering and supporting its DNA banking platform. Through this partnership, Celero has a leading position as a core banking provider and conversion expert for the Canadian credit union system.

Celero also demonstrated deep expertise in technology implementation and service delivery, completing implementations of the Celero Xpress™ digital banking platform for 18 Canadian credit unions in 2021, and securing 13 credit unions for implementation in 2022. In addition, Celero implemented Office 365 for more than 55 credit unions across the country.

The organization remains steadfast in its focus on delivering innovations that position the credit union system to thrive in a competitive sector — from the continued growth and evolution of its integration solution, Celero Xchange™, to building new partnerships with organizations like Fortinet and Equinix Canada.

Among Celero's focus areas in 2021 were achieving operational excellence and optimizing products, services and processes to provide an exceptional client experience. This work encompassed adding monitoring capabilities,

strengthening change and incident management processes, and building upon key partnerships. This work is instrumental in the preparation to move Celero's two physical data centres to Kyndryl's Hybrid Cloud in 2022.

Continued strengthening of cyber security and technology resilience remains high priority for the organization — Celero is implementing a comprehensive cyber security strategy to advance its operations, protocols and standards alignment and continue to improve and exceed peer benchmarks. It also continued to achieve the Payment Card Industry (PCI) certification for service providers and again received an unqualified audit report from Deloitte on its independent annual 3416 audit.

### 2022 FOCUS AREAS

Celero's 2022–2023 organizational strategy continues its focus on operational excellence, product and service delivery and client experience. Critical organizational initiatives include the completion of our data centre transformation in Kyndryl's Hybrid Cloud, delivering on our product roadmaps for Celero Xpress, Celero Xchange, managed services and network, growing our relationships with clients and partners and strengthening our organizational culture and employee engagement.



## Everlink Payment Services

Everlink Payment Services Inc. is a leading provider of innovative and integrated payments and digital solutions for financial institutions and service providers. Everlink is a Member of INTERAC and Mastercard, and a Member Service provider of Visa. Currently serving 98% of all credit unions and 55% of consumer facing Schedule I and II banks in Canada, Everlink provides a diverse range of integrated payments solutions through eight lines of business: Payment Network Gateway, ATM Managed Services, Card Issuance & Management, Fraud Management Solutions, Mobile Payments, Retail & SME Solutions, Digital Solutions and Professional Services. Credit Union Central of Manitoba owns 16⅓% of Everlink through its Celero subsidiary.



### 2021 HIGHLIGHTS

Despite challenging conditions related to the prevailing COVID-19 pandemic, the Everlink team continued to support its valued clients and partners, and successfully delivered to its annual operating plan. Areas of strength include year-over-year growth in revenue of more than 8.5% and net income of more than 5%, and high overall employee engagement results.

In 2021, Everlink processed over 1.9 billion financial transactions, which represents a year-over-year growth in transaction volume of 27%. In addition to traditional ATM, point of sale and debit card transactions, Everlink processes 100% of all INTERAC mobile debit card transactions in Canada, which experienced strong growth due to the adoption of Apple Pay, Google Pay and Android Pay by the largest financial institutions in Canada.

Everlink's credit union clients procured approximately 5.5 million debit cards from Everlink in 2021. The launch of Everlink's Debit Mastercard and Visa Debit co-badged debit card affiliate programs has further equipped Everlink's credit union clients to offer a competitive, feature-rich suite of card products that will enable their member cardholders to fully participate in international and online payments.

Everlink also launched Everlink eHUB™, which is an API-based platform that enables Everlink's financial institution and fintech clients to participate in e-Transfer and other next generation digital payment solutions.

These solutions are supported by Everlink's integrated suite of fraud management solutions, including Everlink eDETECT™ and eDETECT+™, a real-time analytics and rules-based transaction fraud monitoring solution, and Everlink eSCORE™, a machine learning adaptive fraud scoring model generator.

### 2022 FOCUS AREAS

Everlink projects consistent revenue growth in 2022, which it will achieve through the continued scaling of its operations and the extension and expansion of each of its eight lines of business. Everlink's 2022 innovation and product roadmap will continue to focus on the development and delivery of products and services that will enable its clients and partners to fully participate in next generation real-time digital payments solutions through Everlink eHUB™.

### Prairie Payments Joint Venture (PPJV)

In 2019, the three Prairie Centrals formed PPJV to transform and modernize credit union payment services. The core purpose: to provide efficient, cost-effective, modernized payments processing infrastructure that delivers innovation and new payment product offerings for members. This strategic partnership supports credit unions by leveraging economies of scale, provides risk mitigation and accelerates development of processing technology solutions. Credit Union Central of Manitoba has a 33⅓% ownership interest in PPJV.



### CUCM's Business Partners

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#### 2021 HIGHLIGHTS

While full transition to the PPJV platform was originally scheduled to be completed in 2021, unforeseen circumstances introduced challenges related to timelines, costs, and execution. Despite project hurdles, PPJV achieved the following highlights:

- Successful onboarding of 19 credit unions onto the e-Transfer solution
- Full migration of legacy CUPS (Credit Union Payment Services) mainframe to a cloud-based solution (zCloud)
- Introduction of Master Participation Agreements and pricing model to credit unions
- Formation of an Architecture Review Board to ensure high quality architecture designed specifically for credit unions
- Re-organization to increase effectiveness and efficiencies in the program's evolution

PPJV worked closely with key stakeholders and placed an emphasis on:

- Ongoing development of the major payment workstreams, including the implementation of a new settlement solution
- Ongoing development of new releases and enhancements to the platform
- Continued onboarding of credit unions

#### 2022 FOCUS AREAS

For 2022, PPJV will concentrate efforts on advancing along the critical path for the program, including implementing key deliverables and removing roadblocks, enabling PPJV to deliver the majority of payment streams in 2022.

PPJV will also work to strengthen connections to stakeholders through direct engagement opportunities and ongoing updates on program developments. New enhancements to communication channels and a redesigned website and portal will be introduced in 2022 to ensure ongoing awareness and engagement as the program progresses forward.

*This section of the annual report providing management's discussion and analysis ("MD&A") of the consolidated results of Credit Union Central of Manitoba Limited ("CUCM") should be read in conjunction with the audited consolidated financial statements and notes as at and for the year ended December 31, 2021. The consolidated financial statements are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS").*

*This MD&A is dated February 24, 2022 and provides comments regarding CUCM's core strategies, financial operating results, risk management and business outlook.*

#### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements. By their very nature, forward-looking statements require that management make assumptions involving several factors, many of which are beyond management's control, and which may cause actual results to differ from the expectations expressed in the forward-looking statements. These factors include but are not limited to changes in general economic conditions; interest rates, currency exchange rates and liquidity conditions; the effects of economic conditions on the Manitoba credit union system; legislative or regulatory developments; changes in accounting standards or policies; and CUCM's success in anticipating and managing the risks inherent in these factors. Readers are cautioned that the foregoing list is not exhaustive. CUCM does not undertake to update any forward-looking statements contained in this annual report. Readers should not place undue reliance on forward-looking statements, as actual results may differ materially from expectations.

#### MANITOBA CREDIT UNION SYSTEM

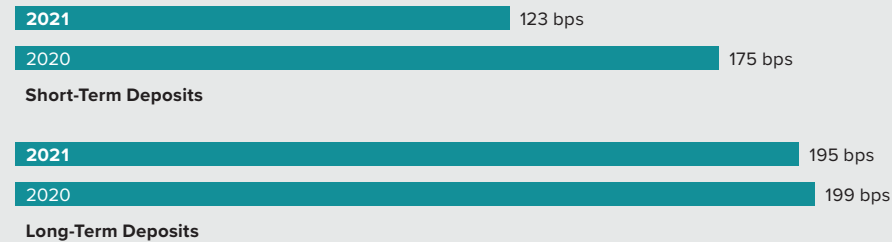
Deposits in the Manitoba credit union system (the "system"), which excludes associate members of CUCM, grew by 5.8 per cent, down from 9.0 per cent in 2020. Deposit growth is the primary funding source for system asset growth. System assets

grew 6.0 per cent in 2021, down from 9.0 per cent in 2020. System loans grew by 8.7 per cent in 2021, up from 3.5 per cent in 2020. As a percentage of total credit union members' deposits, system deposits held at CUCM ended the year at 17.9 per cent (2020 — 19.8 per cent). Member deposits at CUCM declined 5.4 per cent in 2021 and, excluding the impact of mark-to-market valuations, ended the year \$365 million lower than 2020. Year-over-year, excluding the impact of mark-to-market valuations, short-term member deposits (original term less than 13 months) decreased by \$344 million, while longer term member deposits (original term greater than 13 months) fell by \$21 million.

Members continue to keep virtually all of their liquidity deposits in short terms. At year-end, 99.9 per cent of deposits matured within 13 months. The Bank of Canada has signalled their intent to begin raising interest rates, and many members of Manitoba credit unions have locked in their borrowing costs (e.g., mortgages). To manage their interest rate risk, members are maintaining their deposits at CUCM in very short terms (under 6 months) and some are also transacting interest rate swaps. After including the financial margin distributions, short-term deposits provide a higher return than what could be earned on long-term deposits (see Returns on Members' Deposits below), so there is little incentive for members to extend term on their deposits with CUCM.

## Management Discussion and Analysis

### RETURNS ON MEMBERS' DEPOSITS (basis points)



A recent survey of members indicates they expect little change in the level and composition of their liquidity deposits over the coming year.

### CUCM OPERATING RESULTS

#### Returns on Members' Deposits

CUCM's weighted average cost of funds fell to 25 basis points ("bps") from 71 bps in 2020.

The average cost of funds paid by CUCM to its members on short-term liquidity balances (Canadian and U.S. balances, combined) was 24 bps on current accounts and 25 bps on short-term deposit balances, for a combined average cost of 25 bps. Financial margin distributions from CUCM to its members equated to an additional 98.2 bps on short-term deposits (both current accounts and short-term deposits) in the year, resulting in a total average payment of 123 bps.

The average cost of funds paid on longer-term deposits was 189 bps. An additional distribution of financial margin of 6 bps was paid on these deposits (reflecting the additional income earned from the bond investments matched to these deposits), for a total average payment of 195 bps on longer-term deposits.

Finally, the incremental income earned on CUCM's lending to members is distributed in proportion to excess liquidity

deposits. In 2021, this component of financial margin equalled to \$87,000 compared to \$2,000 in 2020.

#### Financial Margin

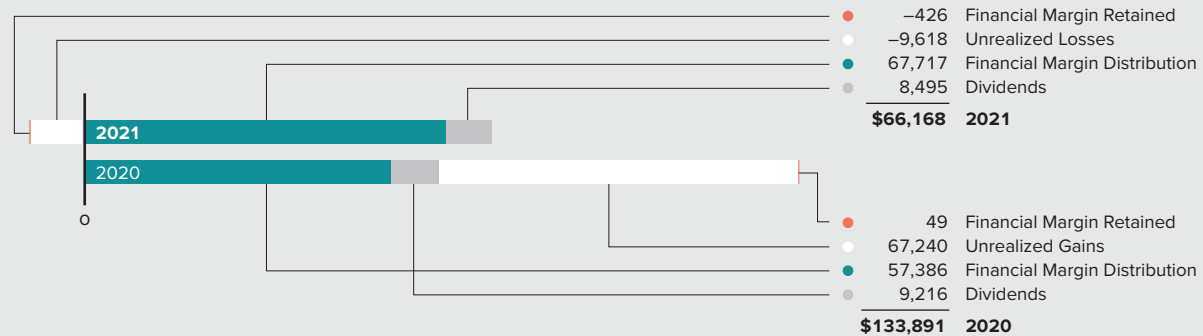
CUCM's members' deposits and share capital are managed as separate portfolios. Investment earnings are distributed in the form of financial margin distributions and dividends, respectively.

In early 2021, members' deposits at CUCM grew at an unprecedented pace, followed by a rapid decline. From their peak at the end of April, deposits fell \$1.2 billion and ended the year at \$6,376 million, or down \$365 million year-over-year. The volatility and trend did not follow seasonal patterns and management attributes this to the pandemic. The economy has begun to reopen and house prices have spiked, giving credit unions greater loan opportunities to deploy funds deposited at CUCM to their own loan portfolios.

CUCM's asset swap portfolio continues to be the primary source of its financial margin earnings. Asset swaps are composed of longer-term debt instruments and interest rate swap agreements which, when combined, generate a rate of return that resets monthly or quarterly. Because the reset frequency mimics members' preference for terms maturing within three

Management Discussion and Analysis

**FINANCIAL MARGIN** (thousands of dollars)



months, CUCM takes on virtually no interest rate risk. Yields earned on this portfolio exceed those on alternative short-term investments and enhance the returns paid on credit union short-term deposits.

A total of \$870 million of asset swaps matured in 2021. Some of the maturities were used to fund the shrinkage in members’ deposits and the balance were reinvested in asset swaps maturing in 2022 or 2023, at tighter spreads than what CUCM had previously been earning. As a result, average financial margin returns fell to 98 bps in the year (2020 — 105 bps). Portfolio returns continue to benefit from asset swaps transacted during the early days of the pandemic when spreads were exceptionally attractive.

This year, \$802 million of asset swaps are scheduled to mature, virtually all of them by June 1. This will provide an ample supply of cash should liquidity continue to decline; otherwise, the funds will be reinvested in new asset swaps. 2022 returns will depend on then-current market spread opportunities, as well as changes in system liquidity: growth will dilute returns. Based on current asset swap spreads and liquidity and no expected adjustments to its investment policies, CUCM expects returns to be similar to 2021. A large portion of the bonds purchased at CUCM are corporate bonds in the Canadian

financial sector along with holdings in other government bonds such as provincial bonds.

The longer-term nature of the assets (bonds) underlying asset swaps generates some liquidity risk; CUCM monitors and manages this closely as part of its mandate to steward members’ deposits.

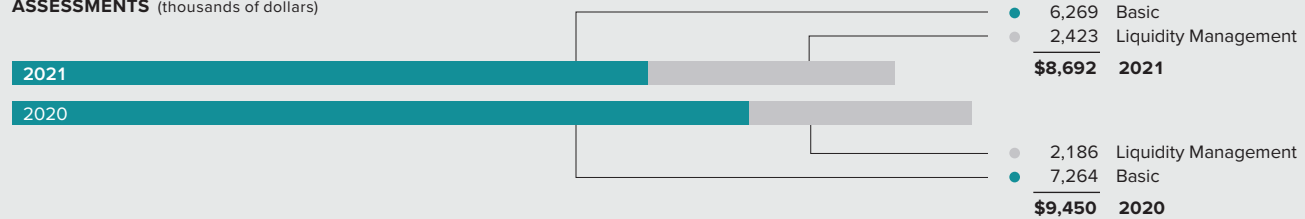
Financial margin earned on investments funded by share capital are paid in full to shareholders via dividends. It appears that the Bank of Canada will raise rates sooner and by more than what had been assumed in the 2022 budget. Therefore, CUCM expects slightly higher than budgeted returns in this portfolio for 2022.

**Net Operating Expense**

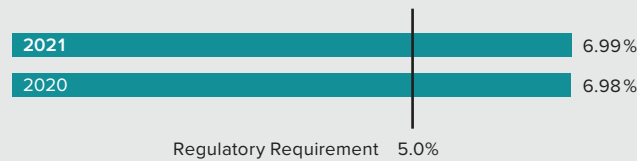
CUCM operates on a cost-recovery basis with the majority of its costs recovered from its members via assessments or fees-for-service. CUCM does incur some costs that it chooses not to recover from its members. Unrecovered costs result in net operating expense for CUCM. These costs typically consist of project costs and donations. Donations costs stem from CUCM matching individual employee donations made to supported charities.

Management Discussion and Analysis

**ASSESSMENTS** (thousands of dollars)



**REGULATORY CAPITAL** (percentage of assets)



**BORROWING MULTIPLE** (ratio of debt to regulatory capital)



**Assessments**

CUCM’s operations are primarily financed through recoveries, from members, of the costs incurred to provide services to members. These recoveries mainly take the form of assessments to members (basic and liquidity management) and fee income charged for services to members. In 2021, members’ assessments totalled \$8.69 million (2020 — \$9.45 million).

**Capital**

Capital levels (mainly share capital and retained earnings at CUCM) are regulated by the Financial Institutions Regulation Branch of Manitoba Finance (“FIRB”). *The Credit Unions and Caisses Populaires Act* (“The Act”) requires CUCM to maintain a minimum capital level equal to 5% of CUCM’s assets.

FIRB also requires the organization to maintain a borrowing multiple, the ratio of debt to regulatory capital, of 20:1 or less.

In addition to requirement of The Act and FIRB’s requirement, policies regarding capital levels have been established by CUCM’s board of directors that ensure CUCM’s capital remains

in excess of the regulatory requirements. The board’s policy for setting the level of retained earnings is guided by CUCM’s operating principle that the system’s equity belongs with credit unions, so earnings retained by CUCM are minimized.

**Balanced Scorecard**

The Balanced Scorecard (“BSC”) is a management and measurement system that enables CUCM to clarify vision and strategy and translate them into action. It aligns to CUCM’s goals and provides feedback on internal business processes and external outcomes, with the goal of helping CUCM continuously improve strategic results.

The BSC establishes measures of organizational success across four balanced perspectives: financial, customer focus, process, and organizational capacity. In 2021, the overall BSC result was 71 points out of a possible of 100; lower than recent results and lower than management’s objective of 80 points or higher. For 2022, CUCM is planning to put in place measures to raise the BSC score.

## ECONOMIC OUTLOOK

### Canada

Canada's economic activity bounced back strongly in the second half of 2021, as all provinces started to reopen their economy and lift COVID-19 related restrictions in the summer. The increased freedom to enjoy service and leisure activities incited consumers to open their wallets and this, combined with strong export demand due to the strong global recovery, lifted real GDP back to its pre-pandemic level by November.

As economic growth accelerated, the labour market quickly tightened, with the unemployment rate dropping to 5.9% by the end of the year, well below the 6.9% average of the past decade and just shy of its pre-pandemic level.

Economists see many reasons to expect another year of strong growth, with households as the primary supporting factor. Household savings remain billions above their historical average. The growing appetite to reengage in social activities after a prolonged period of successive lockdowns is expected to spur spending as current restrictions are eased. Government spending is expected to remain strong in 2022 and Canadian exports should continue to recover after being impacted by supply-chain issues in 2021. A softer pace of growth is expected into next year as monetary and fiscal policy tighten. Overall, Canada's real GDP is expected to advance by 4% in 2022 and another 2.7% in 2023.

Inflation reached a 30-year-high of 4.8% in December, due to excess demand caused by a variety of factors including supply-chain bottlenecks. As the economy and the labour market recover fully over the coming months, the Bank of Canada is expected to tighten its monetary policy stance. Following the end of its bond-buying program in October 2021, the Bank has communicated that interest rates will rise, most likely in March 2022, expected to be followed by more hikes as the year unfolds.

### Manitoba

Manitoba's employment just recovered to its pre-pandemic level by the end of 2021. Although this was a slower pace of recovery than the rest of Canada, the unemployment rate dropped to 5.1% in November, its lowest level since September 2019, before ticking up again in December as public health restrictions were implemented. In the near term, though reduced operating capacity due to Omicron will likely put a dent in the province's job growth, strong pent-up demand for services is expected to boost business sales post-pandemic, leading to an increase in demand for workers in the province. On the supply side, international migration is picking up and workers are returning to the workforce as government income support programs come to an end. These factors should allow for bright labour market outlook this year and next.

Manitobans' shopping frenzy for goods has kept the province's retail sales elevated since the spring. By November, retail sales in Manitoba had grown by 14% in 2021, the third-fastest pace among provinces. Retail sales are set to ease starting in 2022, as consumers shift an increased portion of their spending from goods to services post-pandemic. Manitoba is further ahead in this regard than other provinces. Restaurant sales reached their pre-pandemic level last July and by November were up more than 4% compared to their pre-pandemic level. This is a much faster recovery pace compared to the national average of 0.9%.

Thanks to strong growth in the food manufacturing subsector, Manitoba's manufacturing sales were the least affected by COVID-19 restrictions among provinces, dropping by just 2.6% in 2020. The strength in the food manufacturing subsector continued in 2021, and together with strong demand in chemical and primary metal manufacturing, the province's manufacturing sales advanced another 11.2% in 2021. Looking

## Management Discussion and Analysis

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ahead, the operation of the Roquette Pea Processing plant, and a solid outlook for transportation equipment manufacturing, as increased emphasis is placed on public transit's role in reducing emissions, will keep the province's manufacturing output growing strongly.

High-contact service sectors, such as accommodation and food services and arts, entertainment and recreation services, were hardest hit over the past two years. As the pandemic lingers, demand for entertainment and travel will return. Coupled with the extra savings that households accumulated, spending on these high-contact services is expected to be very strong over the spring and summer as restrictions ease and help boost growth over the next two years. Overall, Manitoba's real GDP is projected to advance by 3.7% in 2022 and 2.7% in 2023.

### *Outlook shaped by legacies of the pandemic*

While the near-term economic outlook is bright as the world finally emerges from the pandemic, there are several longer-term challenges facing Manitoba and Canada. Both households and governments have accumulated a massive amount of debt during the pandemic, at a time of rock-bottom interest rates. But as the Bank of Canada embarks on its tightening path, interest payments on that debt will increase and weigh on household discretionary spending and government fiscal spending capacity.

Overall, after so many waves of COVID-19, we are in a much better position to deal with the pandemic and the light at the end of the tunnel is starting to shine brighter. As we embark on this forthcoming period of strong economic growth as Omicron peaks, it is important to not lose sight of the longer-term challenges we face and plan for how we can address them.



## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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CREDIT UNION CENTRAL  
OF MANITOBA LIMITED  
DECEMBER 31, 2021



CREDIT UNION CENTRAL *of* MANITOBA

### MANAGEMENT REPORT

February 25, 2022

The accompanying financial statements were prepared by Management, which is responsible for the integrity and objectivity of the data presented, including amounts that must necessarily be based on judgments and estimates. The financial statements were prepared in conformance with International Financial Reporting Standards, and in situations where acceptable alternative accounting principles exist, Management selected the method that was thought to be most appropriate in the circumstances. Financial information appearing throughout this Annual Report is consistent with the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, Management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

Ultimate responsibility for financial reporting to our members rests with the Board of Directors. The Audit & Risk Committee, which is appointed by the Board of Directors, meets at least twice a year to review, with Management and the appointed external auditors, the scope of the annual audit and the final audited financial statements.

The financial statements have been examined by PricewaterhouseCoopers LLP, whose report expresses their opinion with respect to the fairness of the presentation of the statements.

A handwritten signature in blue ink, appearing to read 'C. Wennberg'.

CURTIS WENNBERG  
*President and  
Chief Executive Officer*

A handwritten signature in blue ink, appearing to read 'B. Davidson'.

BARRIE DAVIDSON  
*Treasurer  
Senior Vice-President, Finance  
and Chief Risk Officer*

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CREDIT UNION CENTRAL  
OF MANITOBA LIMITED

DECEMBER 31, 2021



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

To the Members of Credit Union Central of Manitoba Limited

#### Our opinion

In our opinion, the accompanying summary consolidated financial statements of Credit Union Central of Manitoba Limited and its subsidiary (together, the Organization) 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 Organization's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2021 comprise:

- the summary consolidated statement of financial position as at December 31, 2021;
- the summary consolidated statement of operations and comprehensive income (loss) for the year then ended;
- the summary consolidated statement of 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. 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 February 25, 2022.

#### 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

February 25, 2022

PricewaterhouseCoopers LLP  
One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6  
T: +1 204 926 2400, F: +1 204 944 1020

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

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CREDIT UNION CENTRAL  
OF MANITOBA LIMITED

DECEMBER 31, 2021

### Summary Consolidated Statement of Financial Position

As at December 31

in thousands of Canadian dollars

#### Assets

Liquidity pool	7,449,853	7,780,849
Derivative instruments	6,466	19,010
Income taxes recoverable	1,670	—
Intermediation pool	109,077	70,519
Property and equipment	12,899	13,410
Other assets	5,949	3,167
Deferred income taxes	2,061	—
	7,587,975	7,886,955

#### Liabilities

Accounts payable	31,838	32,382
Income taxes payable	—	11,749
Members' deposits	6,375,632	6,740,672
Obligations under repurchase agreements	220,096	—
Derivative instruments	405,044	529,666
Deferred income taxes	—	4,822
Subordinated liabilities	20,909	21,720
	7,053,519	7,341,011

#### Members' equity

Share capital	407,438	405,636
Accumulated other comprehensive income (loss)	(1)	94
Retained earnings	127,019	140,214
	534,456	545,944
	7,587,975	7,886,955

Approved by the Board of Directors



DIRECTOR



DIRECTOR

## Summary Consolidated Statement of Operations and Comprehensive Income (Loss)

For the year ended December 31

in thousands of Canadian dollars

	2021	2020
<b>Financial revenue</b>		
Liquidity pool — other interest income	236,523	193,172
Intermediation pool — interest income	888	344
Intermediation pool — dividend income	150	150
	237,561	193,666
<b>Cost of funds</b>	18,024	41,416
	219,537	152,250
Unrealized gains (losses) on non-derivative instruments	(220,658)	226,605
Unrealized gains (losses) on derivative instruments	211,040	(159,365)
Net cost of derivative instruments	(143,751) 67,289	(85,599) (244,964)
	(153,369)	(18,359)
<b>Financial margin</b>	66,168	133,891
<b>Other income</b>		
Share of Celero's income	2,230	326
Share of CCWH's income	519	590
Share of PPJV's loss	(11,121)	(3,892)
Rental income — net	932	840
Net operating expense	(94)	(719)
	(7,534)	(2,855)
<b>Income before credit union patronage distributions</b>	58,634	131,036
<b>Credit union distributions</b>		
Financial margin distribution	(67,717)	(57,386)
Distribution of Celero's income	(2,230)	(326)
	(69,947)	(57,712)
<b>Income (loss) before income taxes</b>	(11,313)	73,324
Income tax expense (recovery)	(6,613)	13,663
<b>Net income (loss) for the year</b>	(4,700)	59,661
<b>Other comprehensive income (loss)</b>		
Equity accounted investments	(95)	56
<b>Comprehensive income (loss)</b>	(4,795)	59,717

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CREDIT UNION CENTRAL  
OF MANITOBA LIMITED

DECEMBER 31, 2021

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CREDIT UNION CENTRAL  
OF MANITOBA LIMITED  
DECEMBER 31, 2021

### Summary Consolidated Statement of Members' Equity

For the year ended December 31

in thousands of Canadian dollars	Share Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
<b>Balance at December 31, 2019</b>	333,166	38	89,769	422,973
Comprehensive net income for the year	—	56	59,661	59,717
Dividends to members	—	—	(9,216)	(9,216)
Members' shares issued	72,470	—	—	72,470
<b>Balance at December 31, 2020</b>	<b>405,636</b>	<b>94</b>	<b>140,214</b>	<b>545,944</b>
<b>Balance at December 31, 2020</b>	405,636	94	140,214	545,944
Comprehensive net loss for the year	—	(95)	(4,700)	(4,795)
Dividends to members	—	—	(8,495)	(8,495)
Members' shares issued	1,802	—	—	1,802
<b>Balance at December 31, 2021</b>	<b>407,438</b>	<b>(1)</b>	<b>127,019</b>	<b>534,456</b>

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CREDIT UNION CENTRAL  
OF MANITOBA LIMITED

DECEMBER 31, 2021

### Summary Consolidated Statement of Cash Flows

For the year ended December 31

in thousands of Canadian dollars

#### Cash provided by (used in)

##### Operating activities

Net income (loss) for the year	(4,700)	59,661
Items not affecting cash		
Unrealized losses (gains) on FVTPL financial instruments	9,618	(67,240)
Depreciation of property and equipment	738	785
Loss on disposal of property and equipment	3	191
Deferred income tax expense (recovery)	(6,883)	529
Decrease (increase) in liquidity pool assets	56,227	(2,081,612)
Net change in derivative instruments	98,962	201,549
Increase (decrease) in members' deposits	(364,792)	1,931,239
Net change in other assets and accounts payable	(16,744)	16,606
	(227,571)	61,708

##### Investing activities

Acquisition of property and equipment	(230)	(328)
Increase in intermediation pool assets	(30,516)	(23,857)
	(30,746)	(24,185)

##### Financing activities

Increase (decrease) in obligations under repurchase agreements	220,096	(27,787)
Subordinated liabilities issued	(811)	21,720
Members' shares issued	1,802	72,470
Dividends to members	(8,495)	(9,216)
	212,592	57,187

#### (Decrease) increase in cash

Cash (overdraft) — Beginning of year	66,890	(27,820)
Cash — End of year	21,165	66,890

#### Supplementary cash flow information

Income tax paid	13,963	2,791
Income tax received	273	75

## NOTES TO SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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CREDIT UNION CENTRAL  
OF MANITOBA LIMITED

DECEMBER 31, 2021

### 1 Basis of presentation of the summary consolidated financial statements

These summary consolidated financial statements have been derived from the audited consolidated financial statements of Credit Union Central of Manitoba Limited (the “Organization”) for the year ended December 31, 2021, which are prepared in conformity with International Financial Reporting Standards.

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. The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

A full set of the consolidated financial statements including significant accounting policies and other explanatory information is available from Credit Union Central of Manitoba or online at <http://www.cucm.org>.

### 2 Compliance with minimum capital requirements

At December 31, 2021 the Organization is in compliance with the capital requirements established by the regulations to *The Credit Unions and Caisses Populaires Act* and by the Financial Institutions Regulation Branch.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Organization’s capital, the reader must refer to the audited consolidated financial statements and notes for the years ended December 31, 2021 and 2020 which contain the information detailing the calculation.

*Credit Union Central of Manitoba  
offices are located on Treaty 1 Territory.*

*Manitoba credit unions serve  
members on lands and communities  
associated with Treaties 1, 2, 3, 4, 5, 6  
and 10. These include the ancestral  
lands and waters of the Anishinaabeg,  
Cree, Oji-Cree, Dakota and Dene  
peoples, and the homeland of the  
Métis Nation.*

Incorporated in 1950 by Statute of  
the Province of Manitoba, Canada

**EXTERNAL AUDITORS**

PricewaterhouseCoopers LLP

**CONSULTING ECONOMISTS**

**Matthew Stewart** Director, Financial Advisory | Deloitte Canada

**Eric Olson** Farm Management Consultant | MNP LLP



**CREDIT UNION CENTRAL  
OF MANITOBA**

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