

2021 Annual Report

A YEAR OF RESILIENCY



2021 Calendar photo (July) by
Daryl Ramage of Pelican Lake, MB



Westoba
CREDIT UNION LTD.

Our Mission

Enriching lives and communities
by helping financial dreams
come true.

Our Vision

Westoba is...

A trusted partner and
community leader.

An engaged employer creating a community at
work.

Financially strong, sustainable and globally
connected.

Our Values

We value and embrace...

Commitment to people.

Innovative thinking and change.

Learning and knowledge.

Honest, open and shared communication.

Solutions delivered with
excellence.

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MESSAGE

From the Chair of the Board

GARNET MCBURNEY

As the Chair of the Board, I am pleased to present Westoba Credit Union's 2021 Annual Report.

Resiliency – this may be the word of the year for Westoba Credit Union. A word that signifies the capacity to recover quickly from difficulties or to spring back into shape.

The year 2021 is one we won't soon forget. After facing many challenges in

2020, Westoba came back stronger than ever. While pandemic challenges remained throughout 2021, the organization's management and staff tackled them head-on.

Managing COVID-19 restrictions in 2020 prepared us for the continued

employee and member safety and security challenges in 2021. The COVID-19 related economic downturn on our member businesses, the changes in consumer behaviour and, of course, the continuous challenge of providing a safe environment for our employees and our members at our branches all challenged our ability to provide service and support.

We learned to pivot. We found ways to serve our members using digital and virtual channels that reduced the need to attend in-person at a branch. Our staff met with members through virtual meetings and phone conversations to limit everyone's exposure to COVID-19. We expanded the use of our digital signature platform DocuSign to complete documents anywhere, anytime. We continued supporting government programs such as CEBA that provided members with some relief from the impact of the pandemic on their businesses. None of these avenues to support members were available two short years ago, so I'm very proud of how hard our Westoba staff worked to bring these services to members.

The success of the virtual member interaction will continue long past the end of this pandemic as our channels of digital member support become part of Westoba's DNA. Digital and virtual banking continue to gain momentum as the new "normal" for day-to-day banking. While traditional



brick and mortar facilities still have their place, their purpose is changing from traditional transactional services (which are easily managed online) to a full relationship financial advice model. Being able to walk into a credit union to discuss your financial needs with someone face-to-face still holds a lot of value. Credit unions take pride in this deeply personalized service. Westoba is committed to this journey to meet the needs of not only the members we have but the members we need to attract to our credit union to bring success in the future.

It's important for us to continue this work to ensure Westoba is sustainable. A key factor in this sustainability mandate is a comprehensive review of our Enterprise Risk Management plan, which happened in 2021. Through this process, we identify, assess, and prepare for sustainability threats such as potential losses, dangers, hazards, and other potential risks that may interfere with our operations. This in-depth exercise was conducted throughout 2021 and has culminated in a plan to face challenges such as the pandemic with confidence.

The disappointing financial results in 2020 necessitated a deep analysis of where we were and where we wanted to go. The result was a strong strategy to improve our position and bring stability.

Although much of the downturn in financial results in 2020 was beyond our control, the Board looked closely at those results and worked with the leadership group to develop a strategy to strengthen the profitability of the credit union, now and into the future. This plan included refocusing ourselves on service rather than price. We may not always have the lowest rates, but our staff work diligently to bring you the advice-based service and products that you desire as a member. We supported the revamp

of our credit concentration policies to balance our lending across many industries, thereby lowering the risk of deep concentration in one particular market. If COVID-19 has taught us one thing, it's that you can never be too prepared for what's around the corner.

We are once again hosting our Annual General Meeting virtually this year. Our attendance data shows that more members participated in our two virtual AGMs than we had at our in-person events. We hope to continue building member engagement in the

“
The year 2021 is one we won't soon forget. After facing many challenges in 2020, Westoba came back stronger.
”

democratic process that drives our credit union.

The Board also saw changes in 2021: Liz Roberts (District #1) and Jim Abernethy (District #2) retired from our Board of Directors. Douglas Kimani (District #3) completed his term, Kevin Antonyshyn was elected to District #3, with George McLeod (District #1) and Rick Hamilton (District #2) appointed to the Board.

Community investment has, and always will be, of great importance to us. Credit unions and the support they provide keep our communities vibrant. We are owned by members who live in the communities we serve, and we want to make sure that we can make investments towards the things that matter to them. Our Westoba Inspire program manages

our community investment, taking applications for funds that assist in community sustainability and infrastructure.

The year 2021 was another difficult year for community organizations across the province. We upheld our commitments and were able to give back more than \$360,000 through partnerships, sponsorships and donations. This funding went toward projects such as the upgrades to the Dunrea Rink, the Pilot Mound Winram Dog Park & Disk Golf, Mather Community Hall Coffee Shop and continuing our multi-year partnership with the Assiniboine Community College and the Keystone Centre in Brandon. In addition, our branch staff actively donated to nearly 100 different community projects on behalf of Westoba this year.

On behalf of the Board, I would like to thank our members for their patience and understanding and trust that the 2020 financial results were a pandemic driven anomaly that we could fix. We are also grateful for our employees; thank you for your resilience and dedication as we continue to evolve and change to meet the needs of our members. The Board of Directors is proud of the year we had in 2021 and look forward to continued success in 2022. ■



Mather Community Hall, Westoba Inspire recipient, receives funds to create a coffee shop area for the community.

“
We are owned by members who live in the communities we serve, and we want to make sure that we can make investments towards the things that matter to them.
”

MESSAGE

From the President and Chief Executive Officer

JIM REDIGER

The pandemic continued to throw curveballs at the world for 2021 but Westoba was prepared to evolve our services so we could meet these challenges.

I am pleased to report that 2021 produced the strongest financial results for Westoba Credit Union in over a decade as a result of our commitment to providing convenient

services and our dedication to continuous improvement throughout the year.

Our team rose to the challenge of the pandemic and adapted to often-

changing public health restrictions to ensure every one of our members and employees had safe ways to bank and work. Our number one goal through it all was to continue offering our members the service they have come to depend on. The resiliency Westoba has shown during another tough year is truly remarkable and the dedication of our team is something that, as CEO, makes me incredibly proud.

We've worried a lot about our staff over the last two years. So many companies have watched employee morale drop as individuals battle with their mental health during these uncertain times. We want to provide a great employee experience and conducting our annual employee engagement survey allows our staff the opportunity to express how they feel in their role and as a member of the Westoba team. We were pleased that 95% of our employees participated in this year's survey, but, more importantly, our employee experience score remained well above the benchmark average. The survey told us that the vast majority of employees feel valued, are proud of the work they do and feel their contributions are important to the success of the company.

When it comes to our members, we are always looking for ways to offer them more value and a great



member experience. The desire to bank online and virtually is a trend we've been embracing for some time and has only been accelerated by the pandemic. In 2021, we launched our new online banking experience and WestobaGO mobile app. Built on a cyber-secure, easy-to-use platform, these updates improve our member experience and set our digital banking systems up to easily add new features and tools for our members in the future. As these features roll out and tools become available, we will continue to deliver improvements to our digital experience.

Our priority continues to be a commitment to readying Westoba for its future. That means adjusting our strategy to remain profitable and sustainable as economics change and member banking needs evolve. As member use of digital services increases, we saw a decrease in the number of members visiting some of our branches. This led us to the tough decision to permanently close our branches in La Rivière, Glenboro, and the Portage Avenue branch in Winnipeg, effective March 4, 2022. While decisions like this are never easy, they are necessary to secure a healthy future for Westoba in an ever-changing and often challenging financial environment.

As Westoba continues on its digital journey, we are investing heavily in cybersecurity to ensure the safety of our member information and banking data. The security tools we have in place ensure we can trust that online and mobile banking is a safe way to manage your transactions without ever stepping into a branch.

We are always seeking opportunities to grow our business in diverse and sustainable ways. We were excited to acquire the Desjardins Brandon book of business in 2021, an opportunity that brings more expertise and member value to our Financial Planning offering. This acquisition also brought a depth of talent and specialization in areas such as

Retirement and Estate Planning, Tax Planning, Investment Management, and Insurance Services.

Our bottom line in 2021 is indicative of a year of hard work to improve our profitability and ensure Westoba remains a strong credit union. After posting \$848,000 in losses in 2020, we are very pleased to report a net income of \$8.8 million in 2021.

“
Our team rose to the challenge of the pandemic and adapted to often-changing public health restrictions to ensure every one of our members and employees had safe ways to bank and work. Our number one goal through it all was to continue offering our members the service they have come to depend on.
”

The year 2021 saw a commitment to improving our financial performance in sustainable ways. This included strategic changes in the organization to improve our gross operating margin through consistent focus on our interest rate offering and amending our loan portfolio segmentation. Our continuous improvement culture served us well as employees sought ways to cut costs, introduce savings and improve operational efficiencies.

Westoba continuously seeks ways to improve its operating efficiency ratio. As a result of our strong continuous improvement culture, we improved our ratio to 76.4% in 2021, which is down from 81.1% in 2020. A lower ratio means we're spending less to earn a dollar for our credit union and is a positive indicator of how we manage our expenses. This vast improvement is only possible when

the entire team is thinking about ways to do things more effectively.

Westoba's assets grew by 1.74% to more than \$1.571 billion. This modest growth, combined with strong profitability, helped us improve our capital position as required by the Deposit Guarantee Corporation of Manitoba, our provincial regulators. Regulatory requirements increased again in 2021 and as a result of our hard work and tough decisions, Westoba exceeded all targets.

Part of our strategy to improve our financial position included a deep analysis of our loan and deposit rates. As a result of this review, we lowered the interest rate on several products including our MAXA accounts. We saw a modest and expected reduction in our MAXA Financial portfolio of 6.25% in 2021.

As we head into 2022, we look forward to ramping up some great projects that were put on the back burner over the last two years to focus on our profitability and sustainability. We plan to continue our digital transformation journey, adding further features to our online banking and mobile app platforms for WCU and MAXA Financial and implementing more digital enabling technology like DocuSign. It's all about making things more convenient for our members and continuously improving our processes and results.

In conclusion, resiliency and determination paid off for Westoba in 2021. We persevered through the second year of pandemic restrictions and managed an incredible turnaround in our financial position. I owe a debt of gratitude to our Board of Directors for trusting the plan and to our incredible employees for their trust, dedication and hard work. I am confident 2022 will build on our 2021 success with more opportunities to make our members' financial dreams come true. ■

Westoba's Board of Directors



Board
Member

**Garnet
McBurney,
Chair**

**Rick
Lussier,
Vice Chair**

**Jane
Brown,
Secretary**

**George E.
Henderson**

District

District 1

District 3

District 2

District 3

**Duration on
Board**

2019 - 2022

2017 - 2023

2020 - 2023

2016 - 2022

COMMITTEES

Executive



Audit & Risk



Governance



Policy



**Information
Technology**



**Community
Investment**



**CU District
Representatives**



DISTRICTS

District 1: Brandon, MAXA Financial.

District 2: Carberry, Glenboro, Rivers, Souris & The Pas.

District 3: Cartwright, Killarney, La Rivière, Ninette, Pilot Mound, Swan Lake & Winnipeg.



**Scott
Lamont**

**Henry
Maryniuk**

**Kevin
Antonyshyn**

**Rick
Hamilton**

**George
McLeod**

District 1

District 2

District 3

District 2

District 1

2020 - 2023

2019 - 2022

2021 - 2024

2021 - 2024

2021 - 2024

Westoba's Executive Team



JIM REDIGER
President & CEO



JANET WOOD
Chief Transformation & Strategy
Officer



JANET HNYTKA
Chief Finance & Risk Officer

Formal Education & Training

- MBA Queens University
- Bachelor of Commerce University of Saskatchewan
- Certified Management Accountant (CMA)
- ICD.D designation from the Institute of Corporate Directors
- ACUIC Associate of Credit Union Institute of Canada

Professional Highlights

- Working in the credit union system since 1985
- Joined Westoba in August 2013
- Previously CEO at Crossroads Credit Union (Saskatchewan)
- Current board member of Credit Union Central of Manitoba (CUCM)

Other

- Avid golfer and traveller
- Season ticket holder of the Brandon Wheat Kings and Saskatchewan Roughriders
- Current Member of CUCM Investment Committee and Audit and Risk Committee

Formal Education & Training

- MBA University of Fredericton
- B.A. (Labour Studies) University of Manitoba
- University Certificate in Project Management
- University Certificate in Public Policy
- Credit Union Executive Society® (CUES) Certificate in Strategic Innovation
- Certified Six Sigma Black Belt
- Certified Change Management Professional (PROSCI)
- Certified Project Management Professional (PMP)

Professional Highlights

- Joined Westoba in 2017
- In 2021, assumed the role of Chief Transformation & Strategy Officer
- 17 years as a Provincial Government Executive
- 7+ years leading organizational change and business transformation for national private sector companies

Other

- Mentor/Coach for Westoba's Emerging Leaders & Staff Association
- Added Grandma to list of accomplishments in 2019

Formal Education & Training

- MBA Laurentian University
- Certification in Risk Management Assurance designation
- Certified Internal Auditor designation
- Chartered Professional Accountant, Certified General Accountant (CGA)
- Bachelor of Commerce, Laurentian University

Professional Highlights

- Working in the credit union system since 2007
- Joined Westoba Credit Union in 2021 as the Chief Finance and Risk Officer
- Previously held the Chief Financial & Risk Officer role at Carpathia Credit Union, Manager Monitoring with the Deposit Guarantee Corporate of Manitoba.
- Experience as an internal auditor within the credit union system, also the agriculture industry
- 25+ years of experience in accounting and audit roles in agriculture and insurance prior to joining the system.

2021 Calendar cover photo by
Shelley Martin of Riding Mountain National Park, MB

“Westoba is fortunate to have a strong, capable and caring Executive team. They place member and employee needs first and foremost every day.” - Jim Rediger, President and CEO

Community Focus

A vibrant and diverse community is a healthy one. Westoba takes pride in sponsoring a variety of initiatives that reach a wide range of people and service groups.

Throughout 2021, we proudly invested over \$360,000 in sponsorship, donations, and community outreach activities, including \$20,500 through our community investment program, Westoba Inspire.

Westoba Inspire

Giving back to the communities we serve has always been a top priority for Westoba, and we remain focused on improving the health and well-being of our members through our Westoba Inspire program.

On top of Westoba's annual contribution to the Inspire Fund, the second largest contribution was made by our staff. In August, our Jeans Day program was modified to create the Westoba Inspire Staff Contribution Fund, offering staff the opportunity to contribute to the Fund by approving a bi-weekly contribution of \$4.00

per pay period. With close to 140 participants contributing to this program, over \$5,700 was donated between August and December.

The funds are invested back into our communities and, in 2021, \$20,500 was donated to the following projects:

- Pilot Mound Winram Dog Park & Disk Golf
- Dunrea Rink Upgrades
- Killarney Summer Fun Day Camp
- Mather Community Hall Coffee Shop

In addition, our branch staff donated to nearly 100 other community projects and events on behalf of Westoba this year!

Truth & Reconciliation Week in Brandon

Westoba was proud to partner with the Brandon Urban Aboriginal Peoples' Council (BUAPC) to provide support to the activities taking place during Truth & Reconciliation Week in Brandon



Pilot Mound Dog Park donation

(September 27 to October 1, 2021). As part of the partnership, our Brandon branches provided a donation to cover the public health expenses for the week of events and joined forces with four other credit unions across Brandon to organize a food and clothing drive in support of the Brandon Bear Clan. Our staff participated in the events during the week as well as the closing ceremony.

All staff participated in a 3-hour course on Reconciliation Education Indigenous Awareness through the Canadian Credit Union Association (CCUA) Campus. The course provides foundational awareness and learning about truth and reconciliation and is designed to promote a renewed relationship between Indigenous Peoples and Canadians through transformative and engaging learning. Westoba branches and corporate offices were closed on September 30 in recognition of the National Day for Truth and Reconciliation.

Immigrant Centre Manitoba

Westoba continued to support the Cooking Matters program at the Immigrant Centre of Manitoba in 2021. While the sessions remained virtual, the Immigrant Centre took the opportunity to extend the program information to other community partners. The program saw 223 new participants in 2021 and offered 194 hours of instruction.

Keystone Centre Partnership

Our multi-year naming rights agreement with the Keystone Centre continued in 2021. While the pandemic forced the cancellation



Rainbow Resource Centre donation, Winnipeg



Tipi Challenge during Truth and Reconciliation Week

of many events and activities at the Centre, a portion of the building was used as a Vaccine Supercentre and COVID testing station for Brandon and the surrounding area. With less activity in the centre, The Keystone staff took the opportunity to do a variety of much needed facility upgrades including:

- Repainting of Westoba Place & Westoba Ag Centre of Excellence.
- Lighting upgrades throughout.
- New signage/signage repair.
- Upgrades to suites.
- Two new stand-up concourse bars.
- New boards and dashers to NHL standards.
- Dressing room upgrades, including paint.

Manitoba Tour 150 Exhibit

Westoba was proud to be a Platinum Sponsor of the Manitoba 150 – Tour 150 travelling art exhibit that toured across the province, making stops at four Westoba branch locations last summer including Rivers, The Pas, Brandon, and La Rivière. The tour was in celebration of Qaumajuq, the

We proudly invested over \$360,000 in sponsorship, donations, and community outreach activities.

new Inuit art centre at the Winnipeg Art Gallery and included a custom retrofitted vehicle wrapped in the beautiful artwork of local Inuit artist Kailey Sheppard and a collection of Inuit art in soapstone, felt, print, textiles, and other materials on display inside the vehicle.

Westoba Innovation Lab

We continued our funding of the Westoba Innovation Lab through Assiniboine Community College (ACC). This classroom lab is the first of its kind at ACC, bringing together design and smart technology to facilitate active learning.

A traditional classroom environment typically offers lecture-based teaching, but this facility flips that convention on its head by bringing collaboration through technology to the forefront of learning.

The 2020/2021 academic year was another year of alternative programming for ACC. In order to make the most out of the space and technology, ACC has engaged a learning coach to review best practices of the innovation lab; working closely with the IT department and an educational technologist to develop resources, so the lab is instructor friendly. Training and mentorship will roll out to participating faculty members once in-person learning resumes. ■



Agriculture Museum donation, Austin

A Year of Resiliency 2021



CHRIS MIRANDA
Branch Manager
Winnipeg

I'm proud of the staff: we did everything we could to ensure the safety of our staff and members by following health protocols to make sure there were no disruptions to member service.

Although the pandemic presented some challenging situations, everyone stepped up when we had absences due to illness or needing to stay at home to care for their families. Some days really felt like business as usual because of our teamwork. Personally, I was able to focus on improving organizational acumen. Being new to the organization, it was great to see how things work and become familiar with the Westoba culture.



ALISHA MCEWEN
Continuous Improvement
Specialist

I'm truly fortunate to work for an organization that is nimble and cares about its employees' health and safety during unprecedented times. Working from home has increased my mental health, productivity, and overall well-being.

In the past year, I was also able to join our PMO & CI team. Learning a new job remotely can be a challenge, but my team made me feel welcomed and supported through the process. I'm excited to continue to expand my knowledge and grow even while working remotely with Westoba Credit Union.



ZARRAR LODHI
VP of Risk Management

Despite the changes brought on by the pandemic, the team continued to meet deadlines and succeed in day-to-day tasks. We did this by ensuring regular touchpoints, taking advantage of applications such as Microsoft Teams to enhance collaboration, and adapting to the new normal by keeping up with the rapid technological changes.

In 2021, the department set up some initiatives to help improve processes including a review of our lending policy and internal procedures. We supported the Business Banking team with the 'hackathon' project and were able to complete a major project related to Enterprise Risk Management.



KAREN BURTON
Community Engagement
Lead

Over the last two years, we have had significant success with our community investment processes. The Westoba Inspire Staff Fund now provides benefits to the Inspire program as well as the staff. I'm proud to say we were also able to eliminate expense grant software saving Westoba over \$25,000 annually by creating an internal process using existing Microsoft products. We created a user-friendly application form for the public and streamlined application review processes for the Community Investment Committee. We developed a simple application process for branches to process member donation requests enabling us to provide cash investment to over 100 different community organizations in 2021.



SARAH FERGUSON
Manager of Virtual
Services

Working remotely has been an excellent opportunity to manage the work/life balance that was necessary due to the increased pressures from COVID. Honestly, I am not sure how I would have succeeded in my job and as a mom of two young children without it.

Due to the ability to work remotely, our team was able to bring on WCU employees who work outside of Brandon. Previously, we required team members to work at the corporate office. We were able to expand our team to include staff from Cartwright, Winnipeg, Killarney, Neepawa, Forrest, and Brandon. This offered new opportunities for skilled WCU employees to further their careers and expand their experiences.



RHONDA OAKDEN
Director of Financial
Planning

Working remotely gave me the opportunity to expand my communication and time management skills. While there were some immediate challenges, Westoba was able to support our department, the members and the entire organization with little to no interruption.

I'm very proud of the growth and development of the Financial Solutions team in 2021. We're excited to support our Westoba CU members with their financial wellness journey. Our team has demonstrated resiliency, and combined with our collaborative efforts, we can be our member's financial institution of choice, and be a key piece to their professional advisory team.



REGINALD AYO
Financial Consultant, Winnipeg

I was very proud to introduce Westoba to my community when I started at Westoba in September. My team and I made concessions in our calendars during the closures, due to COVID, to meet with members after they had finished work, and even going off-site to get deals signed and funded to make it more convenient for them. I look forward to bringing on new members, so they learn how great our services and employees are.

Our People



Throughout 2021, Westoba employees demonstrated time and time again how dedicated they are to this organization and our members. While the pandemic continued to challenge us all, staff remained focused on providing the same great service that our members rely on.

Each year, we conduct an employee engagement survey that collects feedback from our employees. The purpose is so that we, as a company, can provide the best work environment possible. We are proud to report that we had a 95% participation rate in the survey, and our team scored well above the benchmarks in nearly every category when compared to other companies. We want employees to feel like their contributions are valued and important to the success of their department. This year's survey results reflected that a vast majority of employees felt this way and we couldn't be more pleased.

Our Team by Numbers

- More than **218** employees
- Total combined years of service = **1,368**
- **77%** of our employees are women
- **2,300** hours of training in 2021

Westoba has embraced a culture of continuous improvement. We encourage employees to bring forward ideas to streamline their work. In 2021, Westoba continued to practice Lean Six Sigma methodology to approach improvements in a standardized and sustainable way. One hundred per cent of our staff are certified as Lean Six Sigma White Belts.

Through this training in 2021, employees offered ideas around process improvement, cost savings and challenged the status quo which in turn helped generate over \$700,000 in savings and helped improve the employee and member experience. When Team Westoba comes together, they can facilitate change and achieve great results. ■

Employee of the Year Award

TRISTAN VERA, 2021 WINNER

Westoba's Employee of the Year is constantly inspired by those around him – his team, mentors, and of course, Westoba members.



Our 2021 Employee of the Year is **Tristan Vera**, Assistant Branch Manager in Winnipeg.

When asked what it means to have won this award, Tristan had this to say, "It was a very humbling experience for me to be recognized amongst all my fellow colleagues and I feel nothing but gratitude."

HIS CO-WORKERS DESCRIBED HIM AS:

- Very knowledgeable with a diverse skill set.
- Well respected by his peers at both branches and is always available to assist other departments.
- A sponge who soaks up information and knowledge.
- Down to earth and positive.
- Never fails to show enthusiasm and willingness to jump in whenever the team needs assistance.
- Someone who finds every opportunity to acknowledge and recognize the good work done by his colleagues.
- Empowers staff by giving them space to make their own decisions.

"We're in the business of helping others. When everyone on your team shares that common goal, you're bound to succeed and everyone wins," added Tristan.

Nominations are open to all Westoba team members who meet one of the following criteria:

1. Have they done something incredibly awesome to support our members?
2. Has their spirit of volunteerism within the community inspired colleagues?
3. Have they inspired their colleagues by going above and beyond their job-related tasks?



Emerging Leaders

Year in Review for 2021

The past year was an exciting and fun-filled year for the Emerging Leaders council at Westoba. It was the first full year of digital collaboration for the group, and it is safe to say that even though we were not able to connect in person, we didn't skip a beat!

Westoba's leadership team has a wealth of knowledge and we wanted to learn from them. In collaboration with our Executive Sponsor, Janet Wood, the council developed a mentorship program for the Emerging Leaders to participate in. The program is designed to align the council roles with Westoba's leadership roles and activities to support the development of the Emerging Leaders. Our Emerging Leaders were immersed in executive level decision making through meetings, coaching and participation in the annual Board of Directors strategic planning session.

This is a new and exciting program for the council. It has been an amazing opportunity to learn first-hand from Westoba's Board of Directors and management team. We cannot thank everyone enough for investing in us. The council plans to continue to work with our Executive Sponsor to evolve and grow the mentorship program.

During the year, the council focused efforts on our processes, looking for improvements and confirming process documentation was up to date. The primary goal for reviewing our processes was to help future council members understand when different activities were to be completed during the year, including council role responsibilities, how to complete tasks such as recruitment and onboarding new council members, managing the annual budget, and event planning.

The Emerging Leaders council looks forward to continuing to build on the work completed in 2021!

Janine Shurvell – Manager, PMO & CI
2021 Executive Chair, Emerging Leaders

Independent Auditor's Report

To the Members of Westoba Credit Union Limited

Opinion

The summary consolidated financial statements which comprise the summary consolidated statement of financial position as at December 31, 2021, the summary consolidated statement of comprehensive income, changes in members' equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Westoba Credit Union Limited (the "Credit Union") for the year ended December 31, 2021.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the consolidated financial statements, in accordance with the criteria discussed in Note 1 to the summary consolidated financial statements.

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 Credit Union's 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 April 6, 2022.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the criteria disclosed in Note 1 to the summary consolidated financial statements.

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*.

Deloitte LLP
Chartered Professional Accountants
Winnipeg, Manitoba
April 6, 2022

Summary consolidated statement of financial position As at December 31, 2021

	2021	2020
	\$	\$
ASSETS		
Cash and cash equivalents	46,143,282	68,366,597
Accounts receivable	1,100,327	2,837,320
Investments	305,047,231	203,572,535
Income taxes receivable	—	181,844
Derivative asset	52,438	34,201
Property held for sale	919,826	919,826
Member loans receivable	1,193,579,930	1,242,318,799
Prepaid expenses and deposits	3,358,930	2,639,841
Property and equipment	19,392,043	21,694,764
Right of use asset	730,205	912,757
Intangible asset	650,000	—
Deferred tax assets	300,867	—
Goodwill	—	868,310
	1,571,275,079	1,544,346,794
LIABILITIES		
Member deposits	1,440,860,262	1,423,357,264
Accounts payable and accrued liabilities	5,914,614	4,354,653
Securitized borrowings	18,017,206	20,381,288
Lease liability	705,428	901,831
Derivative liability	1,143,513	3,135,021
Member shares	165,735	—
Income taxes payable	2,315,371	—
Deferred income tax liabilities	—	176,530
	1,469,122,129	1,452,306,587
MEMBERS' EQUITY		
Member shares	20,169,816	18,537,321
Retained earnings	81,983,134	73,502,886
	102,152,950	92,040,207
	1,571,275,079	1,544,346,794

The accompanying notes are an integral part of these summary consolidated financial statements. Approved by the Board

[Signature]
Director

Dave Brown
Director

Summary consolidated statement of comprehensive income

Year ended December 31, 2021

	2021	2020
	\$	\$
INTEREST INCOME		
Member loans	41,984,064	43,463,714
Investments	4,083,005	4,471,027
	46,067,069	47,934,741
Interest expense	15,755,857	20,247,811
Net interest income	30,311,212	27,686,930
OPERATING EXPENSES		
Administration	7,853,855	7,405,343
Amortization	2,042,264	2,122,899
Member security	1,284,607	1,185,027
Occupancy	1,996,453	1,865,110
Organizational	713,109	734,217
Personnel	15,699,483	15,247,063
	29,589,771	28,559,659
Other income	8,429,400	7,545,649
Income before the following	9,150,841	6,672,920
(Recovery of) provision for credit losses	(1,430,433)	5,334,216
Unrealized and realized (gains) losses on derivatives	(1,962,359)	2,555,508
Impairment loss on goodwill	868,310	—
Loss on property and equipment	587,000	27,442
	(1,937,482)	7,917,166
Net income (loss) before income taxes	11,088,323	(1,244,246)
INCOME TAX EXPENSE (RECOVERY)		
Current tax	2,767,062	47,580
Deferred tax	(477,397)	(443,437)
	2,289,665	(395,857)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	8,798,658	(848,389)

The accompanying notes are an integral part of these summary consolidated financial statements.

Summary consolidated statement of changes in members' equity

Year ended December 31, 2021

	MEMBER SHARES	RETAINED EARNINGS	TOTAL EQUITY
	\$	\$	\$
BALANCE JANUARY 1, 2020	17,724,424	74,642,221	92,366,645
Net loss and comprehensive loss	—	(848,389)	(848,389)
Issuance of member shares	1,277,014	—	1,277,014
Redemption of member shares	(464,117)	—	(464,117)
Dividend on preference shares, net of tax recovery	—	(290,946)	(290,946)
BALANCE DECEMBER 31, 2020	18,537,321	73,502,886	92,040,207
Net income and comprehensive income	—	8,798,658	8,798,658
Issuance of member shares	2,967,796	—	2,967,796
Redemption of member shares	(1,335,301)	—	(1,335,301)
Dividend on preference shares, net of tax recovery	—	(318,410)	(318,410)
BALANCE DECEMBER 31, 2021	20,169,816	81,983,134	102,152,950

The accompanying notes are an integral part of these summary consolidated financial statements.

Summary consolidated statement of cash flows

Year ended December 31, 2021

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Net income (loss)	8,798,658	(848,389)
Adjustments for:		
Net interest income	(30,311,212)	(27,686,930)
(Recovery of) provision for credit losses	(1,430,433)	5,334,216
Unrealized and realized (gains) losses on derivatives	(1,962,359)	2,555,508
Impairment loss on goodwill	868,310	—
Loss on property and equipment	587,000	27,442
Amortization of property and equipment	2,055,994	1,926,639
Amortization of right of use asset	182,552	182,551
Current income tax expense	2,767,062	47,580
Deferred income tax recovery	(477,397)	(443,437)
Changes in non-cash working capital		
Member loans receivable, net of repayments	49,358,169	(119,784,296)
Accounts receivable	1,736,993	(1,179,813)
Prepaid expenses and deposits	(719,089)	(298,825)
Member deposits, net of withdrawals	19,541,584	154,068,842
Securitized borrowings	(2,364,082)	20,381,288
Accounts payable and accrued liabilities	1,559,961	(2,490,976)
Interest received	46,964,557	48,003,539
Interest paid	(17,794,443)	(20,928,199)
Income taxes paid	(269,847)	(113,826)
	79,091,978	58,752,914
INVESTING ACTIVITIES		
Investment purchases	(288,214,812)	(180,696,635)
Investment proceeds upon maturity	186,722,654	142,803,600
Additions to property and equipment	(340,273)	(435,654)
Purchase of intangible assets	(650,000)	—
	(102,482,431)	(38,328,689)
FINANCING ACTIVITIES		
Capital lease payments	(196,403)	(183,922)
Issuance of members' shares, net of redemptions	1,632,495	812,897
Dividend paid on preference shares	(434,689)	(350,537)
	1,001,403	278,438
Net (decrease) increase in cash and cash equivalents during the year	(22,389,050)	20,702,663
Cash and cash equivalents, beginning of the year	68,366,597	47,663,934
Cash and cash equivalents, end of the year	45,977,547	68,366,597

The accompanying notes are an integral part of these summary consolidated financial statements.

Notes to the summary consolidated financial statements

December 31, 2021

1. Summary consolidated financial statements

These summary consolidated financial statements are derived from the complete audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards, as at and for the year ended December 31, 2021.

The preparation of these summary consolidated financial statements requires management to determine the information that needs to be reflected in the summary consolidated financial statements so that they are consistent, in all material respects, with or represent a fair summary of the audited consolidated financial statements.

The complete audited consolidated financial statements of Westoba Credit Union Limited are available upon request.

Westoba 2021 Highlights



Over \$360,000
in committed partnerships,
sponsorships, and donations.

\$20,500
donated through the Inspire
Community Investment Program

Westoba.com website had over 585,000 page views

Top three pages viewed:

1. Virtual Services
2. Mortgage
3. Careers



In 2021, Westoba **updated**
their **mobile app and online**
banking website!



ORGANIZATION



Our Dealer
Finance Program
grew by **22.6%**



\$1.571 billion
in total assets



\$8.8 million
earned net
income

WORKFORCE

- **60%** of employees worked from the safety of their home
- House of Ideas saved the WCU over **\$700,000** with improvements to processes
- **200+** employees in 17 locations
- **95%** participation rate in our Employee Engagement Survey
- **77%** of employees are women



Westoba's Social Media

- **Over 2 million** impressions on our channels
- **1,600+ unique** social posts created
- **13% overall** audience growth on all channels
- **9.7% increase** in engagement rate with our brand, including a 145% increase on Instagram

Virtual Services

156 Loans/Mortgages/LOCs were funded by Virtual Financial Consultants and Mobile Mortgage Specialists

9.8% growth
call volume from
2020

68,139 calls
to Virtual Services



MAXA Financial
A DIVISION OF WESTOBA CREDIT UNION

Top three website pages viewed:
1. Rates
2. Sign Up
3. Products

MD&A

Company Profile

Westoba Credit Union is a full-service member-owned financial institution offering a variety of competitive deposit and credit products in addition to financial planning services.

Westoba is the 36th largest credit union in Canada and the 9th largest in Manitoba with \$1.571 billion in assets. We proudly employ a team of 218 talented professionals who share a vision of offering exceptional service and trusted advice.

We help more than 39,700 members reach their goals with personal, business, and agricultural advice and products. We do this through a network of 17 locations concentrated in the Brandon and western Manitoba area. We also operate a branch in the northern community of The Pas and two in Winnipeg.

Westoba's service delivery model is built around our commitment to giving members the option to bank in a way that fits their lifestyle. We deliver quick, convenient, and seamless member service through online and mobile banking. Our Virtual Services Department is a full-service branch open extended hours to serve members over the phone and through virtual meetings.

Westoba also provides mobile services when and where it's convenient for members:

- Mortgages
- Financial planning
- Business and agricultural lending advice

MAXA Financial is a Westoba owned and operated digital financial institution that offers a range of investment products at competitive rates for members across the country.

We partner with Aviso Wealth to provide wealth management and insurance services. Aviso is a national, integrated financial services company managing over 90 billion in assets. This partnership provides us with an opportunity to offer better services and a larger array of investment products to our members. ■

2021 Calendar photo (August) by
Susan Wilkinson of Brandon, MB

Strategy & Markets

The Economy

The majority of Westoba's business is generated in Manitoba. However, the global pandemic has proven that all financial institutions are influenced by economic and business conditions across Canada and worldwide. Our operating environment and performance are also affected by issues such as:

- Financial markets, interest rates and the value of the Canadian dollar.
- Changes in regulation or legislation governing the financial services sector or credit union system.
- Bank of Canada's monetary policy.

The pandemic continued to dominate headlines again in 2021, but we saw economies slowly start to recover around the world. Following a strong rebound in 2021, the global economy entered a slowdown thanks to new

COVID-19 variant threats and a rise in inflation, debt, and income equality that could endanger the recovery in emerging and developing economies, according to the World Bank's latest Global Economic Prospects report.

The global economy is projected to grow **5.9 percent in 2021** and 4.9 percent in 2022, while the U.S. Gross Domestic Product (GDP) increased at an annual rate of 6.9 per cent in 2021.

The Canadian economy began to return to pre-pandemic levels near the end of 2021. GDP grew by 5.4% with projections suggesting that, by 2023, Canada's recovery will be the second fastest in the G7.

The economic recovery is underway in Manitoba. With a smaller economic decline in 2020, the Manitoba recovery has less ground to cover compared to other provinces. But, the province still faces various challenges and ongoing volatility into 2022.

For 2021, Manitoba's real gross domestic product (GDP) is forecasted to increase by 4.6 per cent and nominal GDP by 10.1 per cent. The forecasted economic growth in 2021 represents the largest annual increase since 1985.

The rollout of the vaccines helped Manitoba achieve vaccine milestones early, enabling businesses to resume operations and employees to return to work safely under the 4-3-2-One Great Summer Reopening Path. After losing over 90,000 jobs during the height of the pandemic in April 2020, Manitoba regained 86,100 net jobs as of November 2021.

Our Industry

Competition and low-interest rates continue to influence the financial services industry. Manitoba Credit Unions have some of the country's lowest cost bases, translating into aggressive loan and deposit pricing. Many are focused more on market share

MANITOBA ECONOMIC OUTLOOK

	2021 F	2022 F
Gross Domestic Product		
Real	4.6	3.8
Nominal	10.1	5.4
Consumer Price Index	2.9	2.6
Employment	3.6	2.3
Unemployment Rate (%)	6.7	5.6
Population	0.5	.09

Per cent change unless otherwise noted.

F = forecast | Sources: Manitoba Finance Survey of Economic Forecasts.

Strategy & Markets

For the 17th year in a row, Canadians ranked credit unions first among all financial institutions in the retail banking sector for overall customer service excellence in the IPSOS Financial Service Excellence Awards.

Strategies

It is our mission to enrich lives and communities by helping financial dreams come true. We see ourselves as:

- A trusted partner and community leader.
- An engaged employer creating a community at work.
- Financially strong, sustainable and globally connected.

Priorities

Westoba's Board and management meet yearly to set the strategic direction that guides our operations. An operational plan ensures our efforts are aligned with that strategic direction.

Our plan for 2021 had always been to focus on improving the member experience. When the pandemic hit, we were working and providing service in vastly different ways, but our focus remained on the following priorities:

1. Enhancing the effectiveness of our business processes.
2. Transforming our operations using digital channels.
3. Training & developing our staff for success.

Westoba is a credit union whose sole purpose is to serve our communities. We do not shift our focus to other provinces or countries when the local economy experiences difficulties. We stand with our communities, and as a result, our financial performance tends to move up and down with Manitoba's economy. For Westoba, as for most of our communities, 2021 was another challenging year but one that we worked through, leaving the credit union ready for stronger performance in years to come. ■

than on moving loan rates higher to improve profits. This more aggressive pricing is excellent news for Manitobans, including Westoba members. However, it brings challenges with it, including added pressure to reduce operating costs to weather reduced margins.

The 2021 IPSOS Financial Service Excellence Awards Survey showed that consumers felt less financially healthy than they did in 2020. IPSOS indicated that the K-shaped recovery means some people are thriving, but many are struggling or sinking. The financial uncertainty resulting from the ongoing pandemic has left many Canadians feeling less satisfied with their banks in 2021.

Branches remain important as advisory centres, but the pandemic has accelerated the trend away from branches for transaction-based banking. At the same time, most businesses found ways to conduct operations outside of conventional office spaces. These changes are expected to continue after the pandemic, which will require new approaches to physical office space and premises.

Our Risks

Enterprise Risk Management Framework

Risk management is an integral part of Westoba's planning process. We define risk as the effect of uncertainty on achieving objectives. All risks with the potential to significantly impact Westoba or its strategic plan are considered enterprise risks.

The COVID-19 pandemic has thrown governments and businesses around the world into upheaval. The past year presented an opportunity to examine how well our Board and management have positioned the credit union to deal with the risks in our world.

Overall, we believe the attention paid to risk factors such as business interruption and other operational

risks paid off. Our investments in information technology allowed Westoba to quickly shift support to increase virtual service, allowing members access to their financial services despite some necessary interruptions in physical branch location services. We balanced the need to support our members with the importance of working with the province to contain the spread of COVID-19 by encouraging members to continue making use of digital channels.

The past year's experiences will serve Westoba well in the future as we manage our risk profile. We'll build even stronger financial strategies in areas like net income and capital to ensure the credit union continues to operate without concern through any future disruption.

Risk Appetite

A risk appetite statement documents and communicates the overall risk philosophy of Westoba. Board and management are responsible for formulating and executing the credit union's strategies within the context of our risk appetite.

Westoba's strategic objectives and annual plan focus on financial sustainability, member and community support, and overall maintenance of a prudent risk management approach to managing our capital.

A significant part of our business is managing risk. We deliver financial services to our members using an effective control system (policies, processes and procedures). The table below outlines the overall risk appetite set out by the Board.

OVERALL RISK APPETITE

RISK CATEGORY	APPETITE	RISKS
Credit Risk	Moderate	Loan Concentration, Loan Growth, Delinquency, Provision for Doubtful Accounts, Percentage of High Risk Accounts, Exceptions to Policy.
Market Risk	Moderate	Interest Rate Risk, Maturity Mismatch, Foreign Exchange Risk, Derivative Exposure.
Operational Risk	Moderate	Staff Turnover, Employee Engagement, Fraud, Cybersecurity, Business Continuity, Succession Planning, Banking System Up Time.
Legal and Regulatory Risk	Low	Privacy, FINTRAC, Regulatory Oversight, Civil Proceedings, Capital to Assets and Risk-Weighted Assets, Liquidity.
Strategic Risk	Moderate	Member Perception, Products per Member, Dollars per Member, New and Closed Memberships.
Financial Risk	Moderate	Retained Earnings Ratio, Financial Margin, Other Revenue, Efficiency Ratio, Return on Assets, Borrowing Utilization.

Our Risks

Risk Philosophy Statement

The Board worked with a consultant to evolve Westoba's approach to dealing with risk. The result is a more refined statement of our risk tolerance and a more specific risk appetite statement to help guide our business decisions.

By being a "risk aware" organization and implementing sound risk standards and guidance, Westoba demonstrates its commitment to risk management and setting an appropriate risk management philosophy. This ensures risk awareness, accountability and transparency and ensures that the expectations and objectives of Westoba and its stakeholders will be met.

Every Westoba employee is impacted in some way by risk and takes part in the risk management process. This involves understanding

and applying the Enterprise Risk Management (ERM) Framework and identifying, assessing, and managing risks. Education and communication are key to keeping risk management top of mind with our people.

Risk Governance

Both the ERM Framework and overall program are based on international standards. The Board is responsible for oversight and has delegated this responsibility to the Audit and Risk Committee. Ultimately, the Chief Executive Officer (CEO) is responsible for the effective management of Westoba Credit Union's risk as a whole.

Guiding Principles

A series of guiding principles direct our approach. Overall, we endeavour to be risk-takers in our core business areas where we have the expertise and can add long-term, sustainable value to our target members. We seek to understand

these risks to ensure we manage our exposures appropriately. On the other hand, we are more risk-sensitive in areas not related to our core competencies and business activities.

Monitoring Risk

We use our ERM Framework to monitor the following risks:

1. Earnings Risk
2. Capital Risk
3. Liquidity Risk
4. Regulatory and Legal Risk
5. Member Relations Risk
6. Market Risk
7. Credit Risk
8. Information Technology Risk
9. Human Resources Risk ■



Financial Highlights

After a difficult financial finish in 2020, Westoba needed to take a hard look at our business and make changes to ensure we were positioned for long term financial success. This included reviewing our rate offerings for both loans and deposits as well as analyzing the markets we were offering loans to. Many difficult decisions were made and as a result, we were able to significantly turn around our financial position.

Asset Growth

Westoba's total assets grew a modest 1.74% in 2021, finishing the year at \$1.571 billion. Deposits saw similar modest growth at 1.23% to \$1.441 billion. In an effort to improve our financial position following the loss posted in 2020, a thorough review of our loan and deposit rates was completed. As a result of this review, combined with our excess liquidity, we lowered the interest rate on several products including our MAXA accounts. As a result, we saw a modest reduction in MAXA Financial, our digital subsidiary, of 6.25% in 2021.

Loans overall shrunk 3.92% to \$1.19 billion; however, our Dealer Finance Program grew by 22.56%, with most growth coming from the Winnipeg region.

Off-Balance Sheet Assets

Westoba provides financial planning services through Aviso Wealth, a credit union system-owned partner. Aviso portfolio has increased to \$142 million in 2021 which is a 17.4% increase. Much of this increase will be driven by the Desjardin Brandon acquisition.

Profitability

Our bottom line in 2021 demonstrates a year of hard work to improve profitability to ensure

Westoba remains a strong credit union. We had an earned net income of \$8.8 million in 2021 after posting an \$848,000 loss in 2020.

A significant financial challenge in 2020 was an increased provision for loan losses. We're required to account for potential loan defaults to ensure we present an accurate

“We had an earned net income of \$8.8 million in 2021 after posting an \$848,000 loss in 2020.”

assessment of our overall financial health. Westoba had a significant investment in the hospitality sector, one of the hardest hit by the pandemic. Our provision for loan losses was increased in the year prior by \$5.3 million to recognize changes in business travel, real estate trends, and consumer behaviour as a risk to that industry's ability to pay. Due to reductions in loans to the hospitality sector combined with enhanced reporting processes, we were able to claw back \$1.4 million in costs. We will continue to monitor the situation in hopes additional provisions may be recovered.

In 2021, we posted a gain of \$2 million on long-term interest rate swap derivatives. In 2020, a

\$2.55 million loss was recorded. We enter into these interest rate swaps with Credit Union Central of Manitoba (CUCM) to manage Westoba's exposure to long-term interest rate risk. As of December 31, 2021, Westoba had \$34 million in interest rate swaps. These swaps protect our interest margin against increasing interest rates on long-term fixed loans. A derivative rises and falls in value over time, much like a mutual fund, but typically evens out in the long-term. In the meantime, changes in fair value through the term of the derivative are measured as unrealized gains or losses.

As part of managing long-term financial stability, Westoba continuously seeks ways to improve its operating efficiency ratio. This ratio of expenses to revenues calculates how much the credit union spends to earn a dollar. In 2021 we improved our ratio to 76.4%, which is down from 81.1% in 2020. A lower ratio means we're spending less to earn a dollar for our credit union, which is a positive indicator of how we manage our expenses.

This ratio is higher than average for our peers despite the fact we've worked hard to contain costs. Continued improvement of our efficiency ratio remains a priority for Westoba. Bringing it in line with the system average of 64.08% will require significant change to our service delivery model.

Financial Highlights

Liquidity

Liquidity is a key indicator of financial health. Westoba carefully manages its balance sheet, aiming for a loan to asset ratio between 80% and 85%. The reduction in member loans during the year brought our loan to asset ratio down to 75.96% in 2021, meaning we have more liquidity than we would like.

The Board reviews Westoba's liquidity monthly to ensure we meet internal and regulatory targets. Quarterly stress testing ensures we can maintain our liquidity position in times of stress. Management oversees liquidity to ensure the credit union has enough funds readily available to:

- Meet regulatory and statutory requirements.
- Cover financial obligations as they come due.
- Meet the demand for cash.
- Address unexpected events.

Westoba is required to hold 10% of member deposits at Manitoba Central. We exceeded this with a liquidity ratio of 22.87% as of December 31, 2021.

We invest excess liquidity according to Westoba's policy on investment management. As of December 31, 2021, most of our excess liquidity (\$249,339,935) was invested in CUCM term deposits. When we experience significant unanticipated withdrawals or loan growth, Westoba borrows liquidity from CUCM. As of December 31, 2021, our line of credit balance with CUCM was nil.

Capital Management

Westoba's capital plan ensures we meet or exceed regulatory standards. The Board reviews and approves the plan at least annually.

Our objective is to ensure the long-term viability of the credit union and the security of member deposits by holding enough capital to:

- Protect against unanticipated losses.
- Comply with requirements set out in the *Credit Union and Caisses Populaires Act*.

Management ensures compliance with capital requirements by:

- Establishing related policies.
- Reporting to the Board and the Deposit Guarantee Corporation of Manitoba.
- Establishing budgets and reporting variances.

Westoba measures the adequacy of its capital using two methods:

1. Total capital as a percentage of total assets.
2. Total capital as a percentage of risk-weighted assets.

The second method assigns a risk weighting to our loan portfolio and other assets. The more risk associated with an asset, the higher the weighting. This allows us to measure capital relative to the possibility of loss with more capital required to support assets that are seen as higher risk.

Westoba complies with the 2021 requirement to hold 11.50% capital.

For Westoba, capital comes from the retained earnings and shares. We allocate our earnings in this order:

1. Retained earnings until regulatory standards are met.
2. Retained earnings to support growth, development and financial stability.
3. Dividends on preferred shares.
4. Patronage payments or dividends on common shares.

To maintain the quality and quantity of capital required, Westoba may allocate and redeem shares. We issue several types of shares, including:

- Preferred shares to help manage our capital position.
- Common shares (memberships) to permit the use of services and voting.
- Surplus shares to allocate surplus as member patronage payments or dividends.

In 2021, we issued \$434,689 in shares as a 3% dividend on preferred shares held by members on December 31, 2020. Westoba did not issue any patronage in 2021. ■

Supporting our Staff, Members and Communities

Members are at the centre of everything we do every day. In 2021, we remained focused on balancing access to our services while also ensuring the collective safety and health of our members and staff throughout the pandemic. While we all continued to wear masks and adhere to public health restrictions, we also continued to modify the way we deliver service and the way we work. This included:

- Increasing our Virtual Services offerings by adding one Virtual Services Representative and one Virtual Financial Consultant to meet the ever-increasing virtual needs of our members.
- Implementing an internal tracking system that helps to pinpoint common member questions and issues so that we can proactively provide solutions.
- Integrating a new expense reporting software for employees to submit expense claims and to automate the approval process with enhanced reporting capabilities online.
- Continuing to offer video appointments through Microsoft Teams technology.
- Hiring a new Mobile Mortgage Specialist who resides in Carberry and offers services to our Brandon and rural regions.

Digital Transaction Stats

- Growth call volume from 2020 to 2021 = 9.8%
- 68,139 calls to Virtual Services in 2021
- Average wait time before agent answered = 126.25 secs
- 156 Loans/ Mortgages/ LOCs funded by Mobile Mortgage Specialists and Virtual Financial Consultants

Transform Operations Using Digital Channels

Our investment in digital technology allows us to serve members in a more flexible manner by allowing them to bank where, when and how they want to. Members have steadily shifted to digital banking channels like our mobile app, MemberDirect® and or Virtual Services Department. This trend continued in 2021 due to its convenience and ongoing COVID-19 safety concerns.

We took advantage of the capabilities of our digital platforms to simplify processes for members. Many of these changes also streamlined our internal procedures,

made us more efficient, helped save money and freed up time to serve members in other ways. In 2021, we harnessed technology to:

- Update our current online banking and WestobaGO mobile app; building on a secure, easy-to-use platform, we set our digital banking systems up for new features as technology progresses.
- Implement DocuSign electronic signature ahead of schedule to support the use of digital services.
- Enable direct deposit to Canada Revenue Agency via online banking.
- Develop member communications to help prepare for sending a wire transfer, standardized the process, and improved the internal form used.
- Provide an electronic signature option with digital ID verification for online loan applications.
- Deliver 'Open Anywhere', which allows prospective MAXA Financial members to open and fund new accounts online in minutes.

Supporting our Staff, Members and Communities

Technology has allowed us to continue operating through the pandemic. At the end of 2021, we still had close to 60% of our employees working from the safety of home.

Technology was also vital to the success of our Virtual Services Department in 2021. It gave us the flexibility to move beyond basic transactions to provide full banking service, including taking loan applications or granting overdraft protection over the phone. Trained staff from any branch can now quickly join Virtual Services any time we experience a spike in calls to ensure our members are receiving the best experience possible.

Enhance the Effectiveness of Our Business Processes

Our team has taken process improvement to heart. Our staff are encouraged to think outside the box and submit cost savings ideas to our House of Ideas to review. In 2021, Westoba employees helped the credit union save more than \$700,000 by implementing ways to improve our processes. Of the 153 submissions to House of Ideas, our continuous improvement idea hub, Westoba completed 29 projects and made 14 smaller improvements.

Westoba is adopting a digital-first mindset, decreasing our reliance on paper documents and printing, which in turn reduces cost and speeds up processes for staff and members. Any time we save is redirected into value-added

activities like providing advice and exceptional service.

Training for Success

Keeping up with changes in our industry requires ongoing training. Despite the pandemic, Westoba employees took part in 2,300 hours of professional development in 2021. We gave priority to training that will impact member service, which included:

- Leadership training and coaching
- Sales training
- A variety of in-house training modules

“Anyone affected by health issues or childcare and school closures were given priority for working from home.”

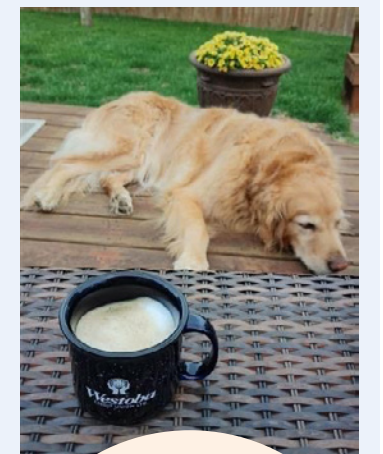
Supporting Our Team

The year 2021 was proof of how resilient our team is, and our bottom line is a reflection of that. We're proud of how our employees continued to step up under difficult circumstances.

Anyone affected by health issues or childcare and school closures were given priority for working from

home. For those who needed it, we also provided time off to address these issues.

Working as an essential service during a pandemic is stressful, especially when you add in uncertainties around childcare and school. We are pleased that our employee engagement score remained above the industry benchmark during another challenging year. ■



Future Outlook

This report contains forward-looking statements or information that reflects our current view of future events and financial performance. These statements are:

- Based on our opinions and estimates at the time of writing.
- Represent our best judgement based on reasonable facts and assumptions.
- Subject to risks and uncertainties that could cause actual results to differ significantly.

The Canadian economy showed strong momentum entering 2022 as our country began to emerge from the pandemic. The arrival of the Omicron variant curbed some of this momentum, though growth is expected to resume in the second quarter. The world economy is expected to grow 3.5% in 2022, with Canada's economy slated to perform somewhat better at 4.0%. Manitoba boasted an unemployment rate of 5.1% in November 2021, better than the Canadian average of 6.0% and second lowest in the country. Higher grain and commodity prices will also benefit Manitoba in 2022.

The more challenging question is how the economy behaves after we all rediscovered the many little things that have been missing from our lives for two years and government support programs come to an end.

Canada, including Manitoba, will likely benefit from global demand for production materials for some time to come. This growth will be tempered by the drag of debts and economic damage accumulated during the pandemic. These have been masked somewhat by government support programs. Overall, our view for the coming years is optimistic, but as the pandemic has shown us, expectations can be quickly dashed.

“
We anticipate 2022 will build upon our successes in 2021. We will see a reduction in the allowance for loan losses as restrictions open and some businesses start to recover.
”

Interest rates will be an interesting factor for Westoba and our members for the next few years. The Bank of Canada has signalled their intention to raise interest rates in 2022, announcing the first increase in March 2022, the first since the start of the pandemic. Disruptions to global supply chains feature prominently and have contributed to increased inflation, increasing the likelihood of further rate hikes.

Long-term rates like five-year mortgages or term deposits can move quite substantially with or without a Bank Rate change. Westoba will continue to monitor the competitive landscape, positioning our rates to weather any turbulence arising from inflation, competition, or other economic circumstances.

We anticipate 2022 will build upon our successes in 2021. We will see a reduction in the allowance for loan losses as restrictions open and some businesses start to recover. We also anticipate a rise in income as the recovery picks up steam.

Meeting new regulatory requirements for capital adequacy will require us to build upon our significant strides taken in 2021. Getting there will require us to manage growth, preserve and improve financial margins, and take a hard look at all operating costs. ■

Data Sources:

Canada: [Monetary Policy Report - January 2022 \(bankofcanada.ca\)](#)

Manitoba: [mid-year-review-2021.pdf \(gov.mb.ca\)](#)



2021 Calendar photo (March) by
Craig Taylor of Rainbow Beach, MB

2021 OUR TEAM

18TH & KIRKCALDY

Arora, Deepti
Brooks, Kallie
Kachan, Kayla
Kenler, Danielle B.
Kingdon, Patti J.
Patel, Bansri
Stewart, Jordan K.
Tokaryk, Cole

1ST & MCTAVISH

Elliott, Marissa
Hopkins, Kayla M.
Kassa, Lideya
Kaur, Amarjit
Latell, Tracy E.
Lee, Faith M.
McEvoy, Patti
Pashe, Daphne
Pretorius, Maritha
Steven, Madison D.
White, Lauryn

34TH & VICTORIA

Adebayo-Adetona, Oluwakemi E.
Elton, Theresa
Hernandez, Juan S.
Kaur, Kirandeep
Kayode, Olumuyiwa O.
Klein, Sandra E.
May, Tricia
Padilla Bernhard, Irene Sophia
Razgon, Volodymyr
Thakkar, Tushar
Zatvarskyi, Ksenia

CARBERRY

Altenburg, Karen
Aycard, Laura C.
Bodnarchuk, Marie C.
Hill, Shari L.

McCorquodale, Karla
Paluch, Deanna P.
Sinclair, Tanya L.

CARTWRIGHT

Aitken, Jacey
Wilm, Brittney
Wohlgemuth, Tracy

GLENBORO

Holmes, Kathryn
Kroeker, Lauren K.
Urquhart, Shawn

KILLARNEY

Ball, Elizabeth
Buhler, Natasha
Dyck, Michelle A.
Heinrichs, Heather
Nestibo, Teagan N.
Shackel, Taylor M.
Spurrill, Marianna J.

LA RIVIÈRE

Pryor, Morgan

NINETTE

Paradis, Lorraine I.

PILOT MOUND

Boucher, Jennifer
Sawatzky, Amy-Lyn
Stephanson, Vanessa I.

RIVERS

Klassen, Melissa
Mason, Nita M.
Mathison, Virginia
Murray, Carol A.
Sytnyk, Shawna L.

SOURIS

Kingdon, Laurissa M.
Parmar, Chintankumar
Swaenepoel, Jessi M.
Thomson, Kassie
Whipple, Kimberly

SWAN LAKE

Bradley, Sabrina
Cassels, Jessica
Mangin, Colleen
Morrow, Melodie J.
Shoemaker, Jacqueline A.

THE PAS

Banuag, Grace
Chuchukalo, Kateryna
Grover, Srishti
Hlady, Courtney
Melnick, Asia
Tomchak, Jeremiah J.
Vendollo, Angersol A.

WINNIPEG - PEMBINA

Chahal, Amandeep
Lee, Jacqueline E.
Miranda, Chris
Rai, Ishan Kumar Y.
Singh, Kirndip
Skjaerlund, Journey S.
Vera, Tristan

WINNIPEG - PORTAGE

Ayo, Reginald Silvino S.
Dayrit, Don
Rivera, Rhoda

BUSINESS BANKING

Birch, Brian J.
Bolack, Nicholas
Daly, Megan
Doerksen, Greg
Elgert, Brian D.
Fisher, Sarah
Freeman, Crystal
Ham, Corrine L.
King, Craig
Morgan, David
Norton, Brent W.
Ofole, Ikenna M.
Robillard, Twyla
Robleski, Nikole D.
Roels, Joshua J.
Skjaerlund, Melissa R.
Tripp, Rachel

Vandemosselaer, Brad
Wilson, Robert S.

FINANCIAL SOLUTIONS

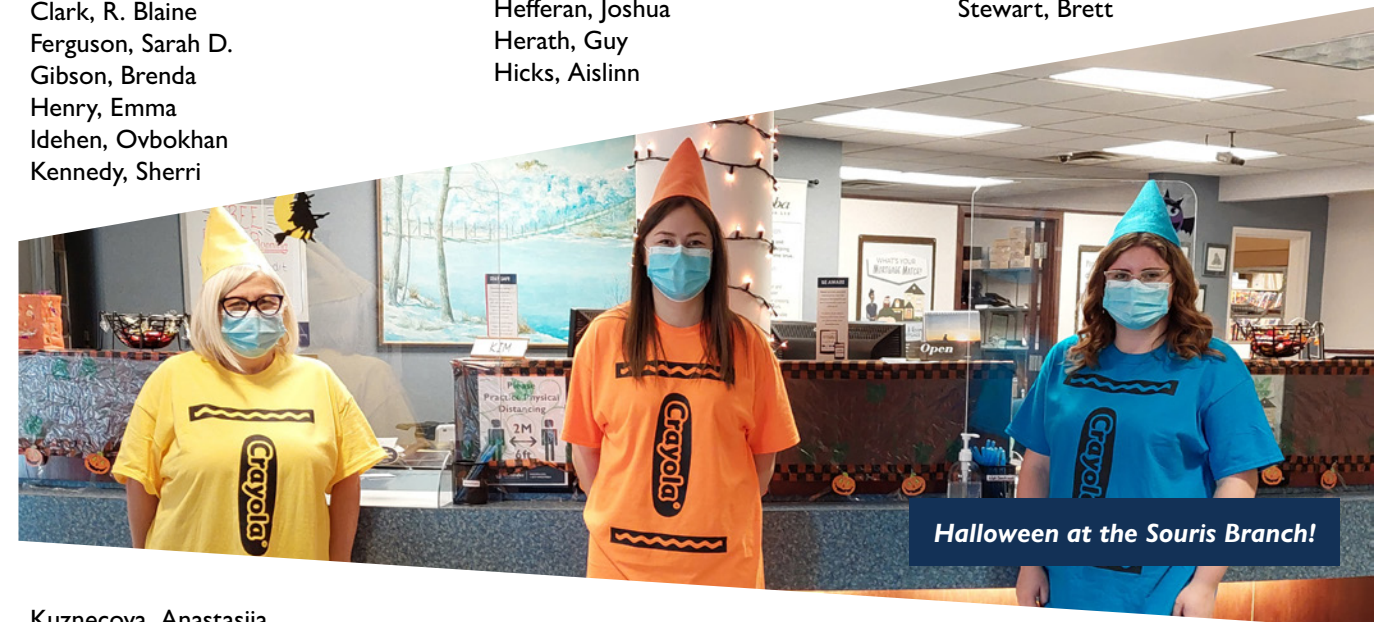
Asham, Dylan
Bolack, Jackie
Dyck, Dustin
Dyke, Scott
Lawrence, Isha
Murray, Vera E.
Oakden, Rhonda
Pandolfi, Laurie
Poole, Ashleigh
Vincent, Raeanna
Wilkie, Tara

VIRTUAL SERVICES

Awan, Sumair
Baig, Safiullah
Clark, R. Blaine
Ferguson, Sarah D.
Gibson, Brenda
Henry, Emma
Idehen, Ovbokhan
Kennedy, Sherri

Burton, Karen
Byers, Celya R.
Calcott, Sally
Chalmers, Rebecca E.
Clark, Melissa E.
Cochrane, Jessica
Crandlemire, Linda E.
Crandlemire, Shaelyn
Cumming, Sandra M.
Davis, Victoria P.
Delichte, Arlene
Desmarais, Christina
Droux, Georgina
Drummond, Matthew
Dubois, Alexa R.
Epp, James
Fisher, Garnet J.
Gosnold, Teresa D.
Griffin, Stacey L.
Gu, Jingfei
Hefferan, Joshua
Herath, Guy
Hicks, Aislinn

McConnell, Marcie
McEwen, Alisha
McKinnon, Haileigh
McMechan, Samm
Miller, Lori
Mitchell, Christine
Modersohn, Elizabeth
Neal, Jennifer
Nedohin, Lynette
Neufeld, Henry R.
Noort, Drake R.
Ogunmola, Oyebola K.
Olver, Jacqueline A.
Perera, Shahani
Rediger, Jim
Roberts, Onalie
Sanders, Scott
Shurvell, Janine
Smith, Kenneth G.
Stephenson, Meghan
Stewart, Brett



Kuznecova, Anastasija
Levandoski, Candice D.
McGill, Aleasha D.
Moore, Lachlan
Morrisseau-Pearson, Patches J.
Peres Torrezan, Felipe
Rai, Ashish
Robertson, Karla
Smith, David R.
Somers, Krystal L.

CORPORATE OFFICE

Adesina, Adeyemi
Anderson, Sarah N.
Andrews, Megan
Betke, Courtney R.
Bonar, Maureen
Bonds, Yvonne
Bourgeois, Stacie A.
Broadfoot, Rhiannon

Hnytka, Janet
Hosea, Craig
Howelko, Carly M.
Igbinosa, Osasumwen Duncan
Indurjeet, Dooshinee
Jenks, Sandra
Joubert, Jennifer
Keele, Kathryn
Kendrick, Susan
Kerluke, Tracy L.
King, Sherri-Ann
Knoll, Lana
Krishnan, Archana
Kulkarni, Nikhil
Kumar, Preety
Lelond, Cheri
Lenton, Robin
Lodhi, Zarrar
Logeot, Lauren
Lovlin, Chanel

Stewart, Crystal L.
Stewart, Kyla
Strand, Loni R.
Sutherland, Shelley
Thompson, Tanya L.
Thomson, Kristen
Uzuhai, Evi A.
Van De Kerckhove, Amber D.
Walby, Shelby
Williams, Evi H.
Wood, Janet
Worobec, Matt P.
Wyzlic, Lisa

2021 Service Awards

5 YEARS

Craig Hosea,
Financial Analyst

Meghan Stephenson,
Lending Support Administrator

Janet Wood,
Chief Transformation & Strategy
Officer

Robin Lenton,
Lending Support Specialist I

Laurie Pandolfi,
Financial Planning Administrator

Rhiannon Broadfoot,
Lending Support Special II

Jacey Aitken,
Member Service Representative

Jessica Cassels,
Member Service Representative

10 YEARS

Onalie Roberts,
Supervisor, Lending Support
Administrator

Melissa Clark,
Lending Support Administrator

Shawna Sytnyk,
Member Service Representative

15 YEARS

Joshua Roels,
Senior Relationship Manager

Deanna Paluch,
Member Service Representative

Amber Van De Kerckhove,
Training Specialist

Michelle Dyck,
Assistant Branch Manager

20 YEARS

Lorraine Paradis,
Member Service Representative

25 YEARS

Lynette Nedohin,
Supervisor, IT Service Delivery

35 YEARS

Shari Hill,
Member Service Representative

40 YEARS

Sherri-Ann King,
Lending Support Specialist II

Westoba Branch Listing

**BRANDON,
CORPORATE OFFICE**
220 10th Street, Unit C
Brandon, MB R7A 4E8
Ph: 1-877-WESTOBA

CARTWRIGHT
435 Veteran Drive
Box 309
Cartwright, MB R0K 0L0
Ph: 1-877-WESTOBA

PILOT MOUND
19 Railway Street S.
Box 49
Pilot Mound, MB R0G 1P0
Ph: 1-877-WESTOBA

**BRANDON, 1ST &
MCTAVISH**
562 1st Street
Brandon, MB R7A 2X1
Ph: 1-877-WESTOBA

GLENBORO
106 Broadway
Box 6
Glenboro, MB R0K 0X0
Ph: 1-877-WESTOBA

RIVERS
504 2nd Avenue
Box 298
Rivers, MB R0K 1X0
Ph: 1-877-WESTOBA

**BRANDON, 34TH &
VICTORIA**
3300 Victoria Avenue
Brandon, MB R7B 0N2
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KILLARNEY
110 Finlay Street
Box 1030
Killarney, MB R0K 1G0
Ph: 1-877-WESTOBA

SOURIS
104 1st Street S.
Box 126
Souris, MB R0K 2C0
Ph: 1-877-WESTOBA

**BRANDON, 18TH &
KIRKCALDY**
1711A Kirkcaldy Drive
Brandon, MB R7A 0B9
Ph: 1-877-WESTOBA

LA RIVIÈRE
503 Broadway
Box 101
La Rivière, MB R0G 1A0
Ph: 1-877-WESTOBA

SWAN LAKE
19 Lorne Avenue
Box 125
Swan Lake, MB R0G 2S0
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**BRANDON,
FINANCIAL SOLUTIONS**
220 10th Street, Unit B
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NINETTE
227 Queen Street N.
Box 98
Ninette, MB R0K 1R0
Ph: 1-877-WESTOBA

THE PAS
261 Fischer Avenue
Box 1379
The Pas, MB R9A 1L3
Ph: 1-877-WESTOBA

SUB-BRANCH
811 18th Street North, Unit 3
Brandon, MB R7A 7S1
Ph: 1-877-WESTOBA



CARBERRY
47 Main Street
Box 609
Carberry, MB R0K 0H0
Ph: 1-877-WESTOBA

WINNIPEG, PEMBINA
1890 Pembina Highway
Winnipeg, MB R3T 5L3
Ph: 1-877-WESTOBA

WINNIPEG, PORTAGE
3365 Portage Avenue
Winnipeg, MB R3K 0W9
Ph: 1-877-WESTOBA



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