



# Values in action

Assiniboine Credit Union  Annual Impact Report



## Message from the Board Chair

# Values in action means we guide the way to a brighter future for everyone.

As your elected Board of Directors, we are committed to ensuring we provide the highest standards of care and good governance for our credit union.

An important request brought before the board in 2022 was to rename our Annual Report to the *Annual Impact Report*. Through discussion, this was approved and implemented this year. While it might seem like a small change, it demonstrates our accountability and transparency for our actions, and the impact we have on our employees, members, communities, and environment. At ACU, we design and implement programs and services to have an impact on youth, immigrants, and those experiencing poverty and exclusion, and work with community economic development partners to create real, tangible change in our communities. This is built into our approach to values-based banking and keeps us focused on the impact we can and do have.

As an Indigenous woman, ACU's values resonate strongly with me. By the words and actions of my fellow board members and management, I am constantly reminded of ACU's commitment to its values. This commitment is what drew me to ACU. And I appreciate management's approach to empowering employees to be leaders on values-based issues, which has resulted in some very important work being done inside ACU: by the Indigenous Leadership Circle, for example, which is actively leading the entire organization on its reconciliation journey.

How ACU puts its values into action does not go unnoticed. This past year, ACU was recognized with several significant awards for purpose driven,

values-based governance in 2022. We were awarded B Corp *Best for the World* in governance, customers and communities, and a top platinum rating from Corporate Knights as one of Canada's top social purpose companies in Canada.

In late 2022, the board began discussions around the development and framework for our next three-year strategic plan (2024 – 2026). We know that the need for values-based financial services is increasing, as research tells us that Canadians want their financial decisions to create positive change. At ACU, that positive change takes many forms, from being carbon-neutral to helping new Canadians get their professional credentials recognized so they can serve and contribute to Canada in the ways they know best. I am confident that the plan will clearly demonstrate ACU's steadfast commitment to the values our founders had in mind when they created a financial institution that had a "social mission" for the entire community.

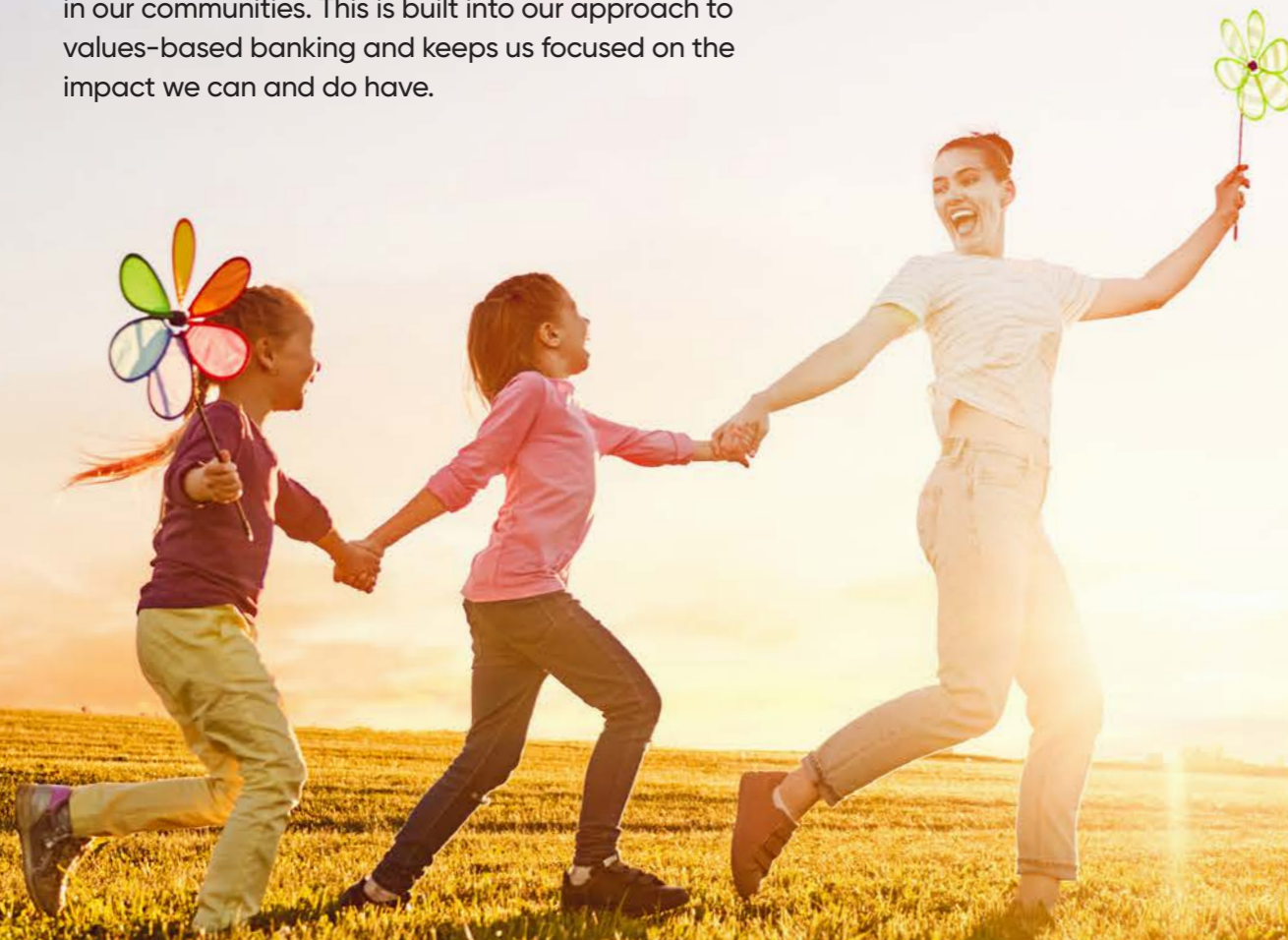
Over the last two years, your Board of Directors has missed engaging with you in person, as we had in the past, so it was our extreme pleasure to have the opportunity to resume branch visits in the fall of 2022. This gave us the opportunity to talk directly with members at branches, answering questions they had about the credit union they own. It was also a lovely opportunity to meet and mingle with many of our new branch employees.

As Entegra and ACU management took on the monumental task of merging operationally and culturally in 2022 – with great success – our boards merged as well. Our newest members, Don Johal and Diane Lee Sousa, have provided excellent guidance and insight. Thank you to them and the rest of the board for your commitment and leadership this past year.

And on behalf of the board I would like to thank our President and CEO, Kevin Sitka, and the rest of the Executive Leadership Team for their steadfast guidance through 2022, as well as every employee, whose dedicated work on behalf of members strengthens our credit union and our communities.

Most of all, thank you, members, for your trust as we guide your financial co-operative into the future.

**Crystal Laborero**  
ACU Board Chair



## Message from the President and CEO

# Values in action means acting with purpose on commitments.

In reflecting on another successful year at Assiniboine Credit Union, I'm once again extremely proud of how ACU demonstrates business success with a purpose in ways that differentiate us in the market. I'm proud of how we continue to put our values into action through our triple-bottom-line commitments to People, Planet, and Prosperity and I'm often asked what those values mean in practical terms.

People are the reason we exist as a financial co-operative, and our 140,000 member-owners are at the heart of why we do what we do. In 2022 we were named one of Manitoba's Top Employers for a seventh consecutive year. Our employees and members once again collected over \$10,000 worth of food items to distribute to those in our communities experiencing food insecurity. ACU joined Manitoba credit unions in making a \$100,000 donation to Ka Ni Kanichihk, an organization focused on learning, skill-building, belonging, culture and community for Indigenous people affected by residential schools.

Our planet sustains life in our communities, and we're doing our part to ensure environmental sustainability and climate resilience for our collective health and that of future generations. We measure and reduce our carbon footprint each year, and were named one of Canada's Greenest Employers for the 10th consecutive year. This past year, ACU made a donation to Trees Winnipeg for every new membership we opened during our 2022 member drive, for a total of \$20,000.

Prosperity speaks to the financial health and wellness of our credit union, our employees, our members, and our communities. The merger with Entegra Credit Union, combined with a strong year of loan growth, strengthened our credit union.

Our Community Financial Centre celebrated 10 years of helping create strong small businesses, start-ups, non-profits, co-ops, and social enterprises in our communities. Prosperity for all stakeholders is how we achieve our vision of a sustainable future for all.

At ACU, we define corporate success not only through financial metrics, which remain important indicators of our credit union's strength, but through this triple-bottom-line lens that reflects our purpose. This is reflected in our B Corp Certification, with one of the highest assessment scores in the world for ethical business practices. In 2022, ACU was recognized as *Best For The World* in the categories of governance, customers, and community.

Growth is a reflection of your trust in ACU, and of our growing impact in the community and our local economy. Strong loan growth in 2022 meant more members bought homes, businesses opened and grew, creating local jobs and services, and community organizations expanded their programming. It is wonderful to see businesses, consumers, and communities emerge from the challenges of the last few years. Winnipeg Insurance Brokers, a wholly-owned subsidiary of ACU, also had a strong year. Financial strength enables ACU to invest in enhancements and infrastructure to constantly improve the member experience, and as we move into 2023, a top priority for us is our members' digital experience – something that grows in importance every year as we processed nearly 10 million digital transactions in 2022.

In closing, I would like to thank our employees for keeping our members' needs at the forefront in everything they do. I would like to extend my heartfelt thanks to our board of directors for their guidance, and for never shying away from challenging us to be the organization they know we can be. And finally, I would like to thank our members for their ongoing commitment to ACU – you truly are the community we are all striving to build. You are the reason we use business as a force for good.



**Kevin Sitka**  
President & Chief Executive Officer



Sikh Society of Manitoba

ਗੁਰਦੁਆਰਾ ਸਿੱਖ ਸੁਸਾਇਟੀ ਔਫ ਮੈਨੀਟੋਬਾ



Members of the Sikh Society of Manitoba at their newly expanded Gurdwara, 1244 Mollard Road.

## Values in action means reaching out and making connections.

Just inside the North Perimeter Highway, near Pipeline Road, stands the oldest and largest Sikh Gurdwara (temple) in Manitoba. It's a Sunday afternoon, one of the busiest days of the week at the Gurdwara. People are being served a delicious meal of curried lentil stew, chickpeas and naan bread. The meal is free for anyone who cares to partake; just one of the countless acts of service performed by the hundreds of volunteers who keep the temple running on a daily basis.

At the very core of Sikhism is the calling to serve others and the members do this in abundance. Located within the walls of the Gurdwara is a library housing over 100,000 books free for anyone to use; a store selling cultural

artifacts, traditional clothing, cooking utensils and works of art, all at cost; several classrooms for children's Sunday school; halls for community gatherings; a large dining area complete with a commercial kitchen; and, of course, the main darbar hall for prayer. People of all ages come here for both physical and spiritual nourishment.

"The Gurdwara Sikh Society of Manitoba fulfills many roles," says Harjinder Brar, President of Sikh Society of Manitoba. "It's a place for Sikhs to connect with their Guru, connect with their community, someplace to go to learn, to feel welcome, and to enjoy the company of others." The Society also steps in to help those who are new to Canada. "We organize grocery drives for new families," said Society Vice President, Jasdeep Devgan. "Groceries are delivered to those families and to foreign students as they get settled in. We were especially busy delivering items during the pandemic."

For the past few decades, the Society has worked with Entegra Credit Union, which merged with ACU in 2022.

The Society continued to grow and when the time came for a sorely needed upgrade and expansion, Entegra put together the financing. "Our relationship with Entegra was integral to the expansion," said Jasdeep. Entegra was approached about the main funding for the school expansion, general renovations and the kitchen upgrade and expansion. The pandemic caused some havoc, but they persevered and the project was completed in 2021. Now, the newly expanded Gurdwara sees several hundred people enter its doors on a daily basis, with that number ballooning to a few thousand every weekend.

In many respects, the Sikh Society of Manitoba is very much like a credit union in spirit, values and action. It is run by its members, over 400 families, with everyone giving of their time and resources to do what's best for not only their membership, but society as a whole. They contribute regularly to Harvest, Siloam Mission and Main Street Project, and donate funds to the Make-a-Wish Foundation, Manitoba Cancer, and various disaster relief drives when called upon. Recently, it has begun an outreach program at Manitoba nursing homes to provide spiritual care to Sikh residents.

"We are thankful for the support of Entegra and now Assiniboine," said Harjinder. "Without this relationship, we would not have been able to meet the growing needs of our community."

## Clean Line Sewer & Drain



< *Clean Line funded the construction of an adapted bike for a child.*

# Values in action means we treat everyone with respect and kindness.

Jeff and Sally Peel are the owners of Clean Line, a plumbing, heating and electrical business that is the epitome of a company starting from the ground up. They launched their home-based business in 1985, but quickly outgrew the family home. They then moved the operation into several progressively larger locations. Now it occupies a large facility in West St. Paul, employing dozens.

When Jeff was starting his company, he got financing at Holy Spirit Credit Union on Selkirk Avenue. "Holy Spirit showed faith in us and our plans," he said. "Over the years, the credit union has always been there for us, as Holy Spirit, Entegra and now ACU. I really value that type of loyalty."

Now that Clean Line is successful, Jeff admits that the banks regularly come knocking on his door. But he's not going anywhere. He's a loyal business partner – much of his client base has been built on referrals and long-standing relationships, some well over 20 years – and plans to stick with ACU.

Clean Line has a reputation of running a very nurturing shop. The staff is diverse with ever-growing representation of Indigenous people, and a hand-full of recent immigrants from Ukraine. And you'd be hard pressed to find more caring owners. Employees are considered family. "A lot of guys come to us with no experience," says Jeff's wife and business partner, Sally. "We help them with a job, with their practical training, and with going through school," she adds. It now takes six years to get a plumbing certification, and Clean Line is there for their staff every step of the way. "They want to stay with us. They're happy, they're healthy," adds Jeff. "With us, you can get a fresh start as an employee. Sometimes, all people need is a chance, or in some cases a second chance."

For the Peels, two things are of utmost importance regarding their staff. The first is safety: they want their staff to be mentally and physically safe at all times. The second is togetherness: they instill a 'we're all here to help each other out' way of thinking. If any employee is having trouble on the job, they can call any fellow employee and help will be on the way.

Corporate responsibility is also significant to the Peels, and they want to support the community when given the opportunity. They are long-time

corporate supporters of the Winnipeg Blue Bombers, the Jets, and the Goldeyes; and now the city's new basketball team, the Winnipeg Sea Bears.

Another endeavour they are particularly proud of is the Dream Bike Sponsorship, where Clean Line funded the construction and purchase of an adapted bike for a child. "To see the little boy's face when he could move about and enjoy his freedom – there was nothing like it," beamed Jeff.

Not only have the Peels built one of Winnipeg's largest and most successful plumbing, heating and electrical companies, but an unwavering dedication to family values and community connection means they've built a company that has one of the best reputations in the industry.





## Rainbow Resource Centre

Noreen Mian sits back in her chair and smiles broadly. She's back at work and couldn't be happier. The Executive Director of the Rainbow Resource Centre fully recognizes the important role Rainbow plays in the 2SLGBTQ+ community. With the arrival of the COVID pandemic, the centre was forced to scale back its programs and services, and the community was feeling the effects. But now things are back on track and the future is exciting.

In 2022, Rainbow was finally able to act upon research and planning that had begun 25 years earlier. Back then, people realized there was no housing and limited community space for 2SLGBTQ+ seniors if and when they had to sell their private homes. A feasibility study found that an independent living seniors' apartment for the community would not only be supported, it was greatly needed.

In 2022, Rainbow set its sights on the former Klinik building on Broadway, and the vacant lot beside it. The plan was to move Rainbow into the remodeled heritage building and begin the process of designing and constructing a four-storey, independent living seniors' apartment complex, right next door. So Noreen picked up the phone and called ACU, Rainbow's long-standing financial institution to talk about financing through the ACU Community Financial Centre. In the summer of 2023, the Rainbow Resource Centre will move into its new home in time to celebrate its 50th anniversary. Conceptual drawings for the apartment complex have been developed and are being reviewed, and fundraising for the over \$20-million project has already begun.

"Each one of us needs to feel like we belong," said Noreen. "For 2SLGBTQ+ people in Winnipeg, Rainbow's new Place of Pride campus will be that place."



The Rainbow Resource Centre provides support for 2SLGBTQ+ people in what can sometimes be a difficult world for them to navigate, with the many daunting challenges in societal systems. Rainbow has seen it all and while it recognizes how far everyone has come, it also knows we've got a long way to go. It deeply cares about the community and it relies on ACU to help out when needed.

"ACU is so community focused, and they really care about their non-profit members," said Noreen. "I cannot tell you how wonderful it feels knowing that when I call ACU, the person I'm talking to is so understanding of the 2SLGBTQ+ community."

Rainbow works closely with many Winnipeg companies, including ACU, to help create safer, more inclusive workplaces. Through its Diversity, Equity and Inclusion workshops, Rainbow helps create policies and programs that promote the representation and participation of different groups of individuals, including people of different ages, races and ethnicities, abilities and disabilities, genders, religions, cultures and sexual orientations. This also extends to people with diverse backgrounds, experiences, skills and expertise.

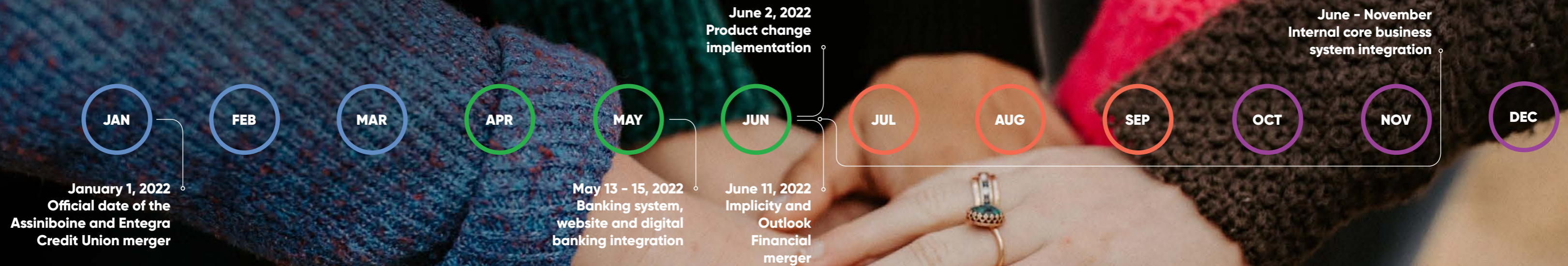
**Values in action means committing to diversity and inclusion.**

*< A new independent living seniors' apartment complex will help ensure 2SLGBTQ+ people feel like they belong.*



## Merger Timeline

The most significant achievement of 2022 from a growth perspective was the successful merger of Entegra Credit Union and Assiniboine Credit Union. The new ACU serves more than 140,000 members, employs over 500 talented people, serves members with a network of 19 branches, and has more than \$6-billion in assets.



**Values in action means we work together for the greater good.**



## ACU Values Highlights

Values in action means we help our communities thrive.

## Community Response Drive

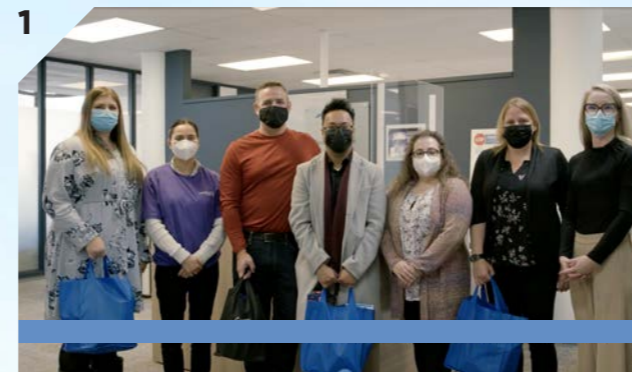
Assiniboine Credit Union (ACU) started this initiative in 2021 to help address the growing demand for food and essential items in Manitoba. It was the first program of its kind at ACU, as it involved employees and members. In 2022, the focus was on food security in the wake of rising inflation. All branches accepted donations of non-perishable food items in support of five local organizations that do exceptional work in their communities.



Through our Community Response Drive, over

**\$10,000**

worth of food security items were collected and donated to these worthy organizations.



1. Age and Opportunity

2. Chalmers Neighbourhood Renewal Corporation

3. North Point Douglas Women's Centre

4. Seven Oaks Immigrant Services

5. The Link (formerly Macdonald Youth Services)





## ACU Values Highlights (continued)

2022 Community Grants & Sponsorships totalled

# \$500,000



Our credit union and employees raised over \$97,000 in support of Asset Building Programs funded by United Way of Winnipeg.

# \$97,000+

**Values in action means being the change we want to see.**



## Employee Highlights



### Each One, Teach One Sessions

Each one, teach one is a financial empowerment program where 25 trained ACU facilitators deliver easy-to-understand, short courses on basic banking skills to community partners and people who want to learn more about managing money. In 2022, ACU completed 15 sessions with a total of 150 participants

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15 sessions  
**150**  
PARTICIPANTS

**In 2022, the employee-lead ACU Pride Committee was formed**

## Social Impact Highlights



### Values-Based Banking

2020	\$23.0M
2021	\$21.6M
2022	\$24.0M

Using our purchasing power, we procured nearly \$24 million in products and services from Indigenous and locally owned businesses, nonprofits, co-operatives, Certified B Corps, and chose products that are Fair Trade and deliberately contribute to environmental sustainability.

### Affordable Housing



The Community Financial Centre (CFC) celebrated 10 years of social impact – building trusted relationships in the community and financing affordable housing, social enterprises and co-ops. Its book of business now stands at nearly \$500 million. Affordable housing continues to be a focus, with new financing provided to Rainbow Resource Centre and Raise the Roof, both in partnership with the Jubilee Fund.

### Socially Responsible Investments

2020 <b>\$89.7M</b>	2021 <b>\$198.0M**</b>	2022 <b>\$211.0M</b>
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Responsible Investments continue to grow, with over \$211M now directed to those investment funds, representing 33% of assets under management.

\*\*RI portfolios were reclassified in 2021.

### ACU CELEBRATED

# 10 YEARS

of Recognition Counts, delivered in partnership with SEED Winnipeg, where over 400 Manitobans have received small loans for credential recognition education totaling \$3.2 million.

**Values in action means we ensure your money is doing more, every day.**



## Environmental Impact Highlights

**Values in action means delivering on climate goals.**

ACU continues to use finance as a force for good to create social and environmental impact as we achieve growth through CED branches, lending to nonprofits and cooperatives, and social impact initiatives.

### 2022 Carbon Footprint

**5.4%**  
Reduction



**760 tonnes**  
of carbon offsets  
purchased to ensure carbon  
neutrality for 2021 emissions

**\$20,000**

donated to Trees Winnipeg on behalf of our new members who joined in 2022



**Fourth year in a row of ACU being carbon-neutral.**



# Values in action means we lead the way in corporate social responsibility.

## Awards

Best for the World is a distinction granted by B Lab to Certified B Corporations (B Corps), whose verified B Impact Scores in the five impact areas evaluated in the B Impact Assessment – community, customers, environment, governance, and workers – rank in the top 5% of all B Corps in their size group.

Best for the World  
B Corp™  
Recognition



Manitoba  
Top Employer  
Award

**7** years in  
a row!



Canada's  
Greenest  
Employers

**11** years in  
a row!  
2022  
CANADA'S  
GREENEST  
EMPLOYERS

Top Platinum  
Rating

from Corporate Knights  
as one of Canada's top social  
purpose companies in Canada.

The Voice for Clean Capitalism  
**Corporate Knights**

**Membership Statistics**

**Values in action means we grow because people recognize the good we do.**

**Membership Growth**

**18,467**

**Online Account Openings**

**2,200**

**Digital Appointment Bookings**

**48,146**

**Member Referrals**

**663**

**Member Satisfaction**

**80%**



## Reconciliation

Assiniboine Credit Union continues to engage in the journey of reconciliation through responses to the Calls to Action that emerged from the Truth and Reconciliation Commission of Canada.

### Highlights:

- ACU continues to actively participate in the TRC 92: Youth Employment consortium hosted by the Winnipeg Poverty Reduction Council, and joined the Winnipeg Chamber of Commerce Advisory Committee on Truth and Reconciliation.
- Information on the ACU web site was updated to reflect our history of engagement in reconciliation, and, in our desire to always adopt the most correct wording that applies to groups, we made updates to specifically include the Red River Métis in our corporate email signatures and land acknowledgement.
- ACU is a founding signatory to the Winnipeg Indigenous Accord and, in support of our organizational commitment to Truth and Reconciliation, we once again chose to observe September 30, the National Day for Truth and Reconciliation, as a holiday.
- The ACU Indigenous Leadership Circle (ILC) facilitated employee engagement in learning experiences including the Moose Hide Campaign, Red Dress Day, Orange Shirt Day and a Feast and Teach with Leslie Spillett.
- ACU worked with Manitoba credit unions to donate \$100,000 to Ka Ni Kanichihk in support of its expansion project.
- ILC was invited to share our learning and healing journey as part of B Corp's Leadership Development Conference on Reconciliation

**Values in action means we learn from the past to create a better future.**

*Kevin Sitka, ACU President and CEO, signs the Winnipeg Indigenous Accord.*



## Financial Highlights

Conditions in 2022 provided unique challenges as we responded to inflationary pressures and significant Bank of Canada rate increases. Despite these challenges, we increased our asset base by 9.8%, loans by 22.7% and deposits by 9.7% as we saw the realization of the successful merger with Entegra Credit Union.

We are financially strong. Regulatory equity – a key measure of strength – increased by \$70 million and remains well above regulatory minimums.

A strong equity and capital position allows us to make on-going investments in our products and services as we look to ensure that we continue to meet members' evolving needs.

Our financial strength also allows us to continue to support the communities we operate within, while delivering on our mission and vision as a values-based banking organization.

**Values in action means we use finance as a force for good.**

### Total Assets

**\$6.11** BILLION

### Net Income

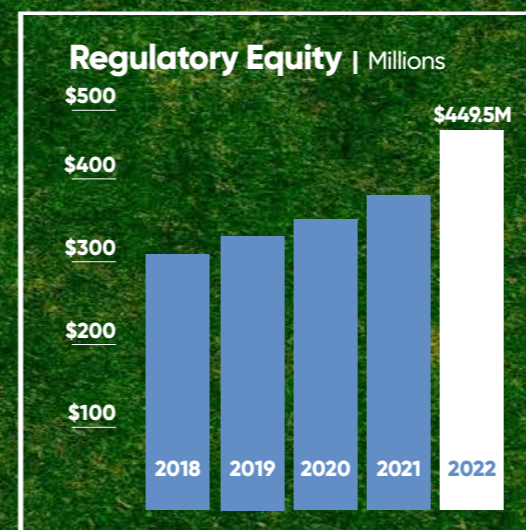
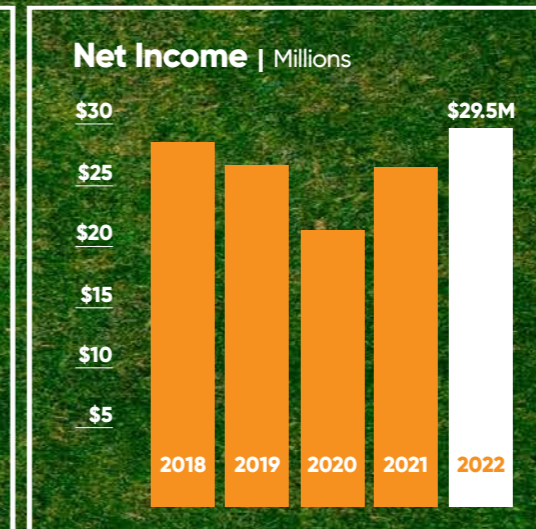
**\$29.5** MILLION

### Regulatory Equity

**\$449.5** MILLION

### Efficiency Ratio

**66.9%**



# Summary Consolidated Financial Statements

Assiniboine Credit Union Limited | December 31, 2022



## Independent Auditor's report on the summary consolidated financial statements

To the Members of Assiniboine Credit Union Limited

### Our opinion

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

### The summary consolidated financial statements

The Credit Union's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended December 31, 2022 comprise:

- the summary consolidated statement of financial position as at December 31, 2022;
- the summary consolidated statement of net income and comprehensive income for the year then ended;
- the summary consolidated statement of changes in members' equity for the year then ended;
- the summary consolidated statement of cash flows for the year then ended; and
- the related notes to the summary consolidated financial statements.

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

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated March 1, 2023.

### 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 to the summary consolidated financial statements.

PricewaterhouseCoopers LLP  
Richardson Building, 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.



### Auditor's responsibility

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

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
March 1, 2023



**Assiniboine Credit Union Limited**  
Summary Consolidated Statement of Financial Position  
As at December 31, 2022

(in thousands of dollars)

	2022 \$	2021 \$
<b>Assets</b>		
Cash on hand and on deposit	137,423	216,234
Investments	964,799	1,274,669
Loans to members	4,933,540	4,019,830
Other assets	27,547	25,417
Property, equipment and intangible assets	35,235	15,695
Right-of-use assets	9,614	10,277
Deferred income tax asset	287	1,743
<b>Total assets</b>	<b>6,108,445</b>	<b>5,563,865</b>
<b>Liabilities</b>		
Members' deposits	5,447,908	4,964,532
Accounts payable	23,430	19,411
Lease liabilities	10,234	10,745
Mortgage securitization liabilities	174,154	187,178
Income tax payable	3,175	2,311
Members' shares	9,873	9,526
Shares to be issued	225	84
<b>Total liabilities</b>	<b>5,668,999</b>	<b>5,193,787</b>
<b>Members' Equity</b>		
Members' shares	20,293	14,878
Shares to be issued	1,015	446
Contributed surplus	70,571	35,633
Retained surplus	347,567	319,121
<b>Total equity</b>	<b>439,446</b>	<b>370,078</b>
<b>Total liabilities and equity</b>	<b>6,108,445</b>	<b>5,563,865</b>

Approved by the Board of Directors



Director



Director

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at [www.acu.ca](http://www.acu.ca)

**Assiniboine Credit Union Limited**  
Summary Consolidated Statement of Net Income and Comprehensive Income  
As at December 31, 2022

(in thousands of dollars)

	2022 \$	2021 \$
<b>Revenues</b>		
Interest from loans to members	150,206	117,561
Investment interest income	39,604	19,378
	<u>189,810</u>	<u>136,939</u>
<b>Cost of funds</b>		
Interest paid to members and other	93,479	67,340
	<u>93,479</u>	<u>67,340</u>
<b>Financial margin</b>	96,331	69,599
<b>Other income</b>	26,941	34,023
	<u>26,941</u>	<u>34,023</u>
<b>Financial margin and other income</b>	123,272	103,622
	<u>123,272</u>	<u>103,622</u>
<b>Operating expenses</b>		
Administration	21,835	18,410
Member security	4,749	4,226
Occupancy	9,290	7,738
Organizational	2,158	2,138
Personnel	44,493	34,877
	<u>82,525</u>	<u>67,389</u>
<b>Gross operating margin</b>	40,747	36,233
<b>Allowance for loan loss</b>	(1,995)	(1,358)
<b>Dividends on surplus shares</b>	(225)	(84)
	<u>(2,220)</u>	<u>(2,820)</u>
<b>Net income before income taxes</b>	38,527	34,791
	<u>38,527</u>	<u>34,791</u>
<b>Provision for (recovery of) income taxes</b>		
Current	8,270	7,360
Deferred	796	1,090
	<u>9,066</u>	<u>8,450</u>
<b>Net income and comprehensive income for the year</b>	29,461	26,341
	<u>29,461</u>	<u>26,341</u>

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at [www.acu.ca](http://www.acu.ca)



**Assiniboine Credit Union Limited**  
Summary Consolidated Statement of Changes in Members' Equity  
For the year ended December 31, 2022

(in thousands of dollars)

	Members' shares \$	Shares to be issued \$	Contributed surplus \$	Retained surplus \$	Total members' equity \$
<b>Balance at January 1, 2022</b>	14,878	446	35,633	319,121	370,078
Issued on business combination	7,175	-	34,938	-	42,113
Net income and comprehensive income for the year	-	-	-	29,461	29,461
Dividends on preference shares	-	1,015	-	(1,015)	-
Members' shares					
Issued	446	(446)	-	-	-
Redeemed	(2,206)	-	-	-	(2,206)
<b>Balance at December 31, 2022</b>	<b>20,293</b>	<b>1,015</b>	<b>70,571</b>	<b>347,567</b>	<b>439,446</b>

	Members' shares \$	Shares to be issued \$	Contributed surplus \$	Retained surplus \$	Total members' equity \$
<b>Balance at January 1, 2021</b>	15,481	503	35,633	293,226	344,843
Net income and comprehensive income for the year	-	-	-	26,341	26,341
Dividends on preference shares	-	446	-	(446)	-
Members' shares					
Issued	503	(503)	-	-	-
Redeemed	(1,106)	-	-	-	(1,106)
<b>Balance at December 31, 2021</b>	<b>14,878</b>	<b>446</b>	<b>35,633</b>	<b>319,121</b>	<b>370,078</b>

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at [www.acu.ca](http://www.acu.ca)

**Assiniboine Credit Union Limited**  
Summary Consolidated Statement of Cash Flows  
For the year ended December 31, 2022

(in thousands of dollars)

	2022 \$	2021 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income and comprehensive income for the year	29,461	26,341
Items not affecting cash		
Depreciation on property, equipment and intangible assets	3,913	2,508
Depreciation on right-of-use assets	2,035	2,081
Allowance for loan loss	1,995	1,358
Deferred income taxes	796	1,090
Dividends on surplus shares	225	84
Fair value adjustment on loans	795	-
Fair value adjustment on deposits	938	-
	<b>40,158</b>	<b>33,462</b>
Net change in non-cash working capital items		
Investments – accrued interest	(4,249)	(124)
Loans to members – accrued interest	(2,074)	3,587
Other assets	1,549	2,101
Income taxes	972	2,779
Members' deposits – accrued interest	7,826	(5,818)
Accounts payable	198	(6,225)
	<b>4,222</b>	<b>(3,700)</b>
Loans to members – net of repayments	(285,522)	(72,378)
Members' deposits – net of withdrawals	(121,858)	187,311
Net change in investments	317,440	(34,453)
	<b>(89,940)</b>	<b>80,480</b>
	<b>(45,560)</b>	<b>110,242</b>
<b>Investing activities</b>		
Purchase of property, equipment and intangible assets	(1,164)	(1,764)
	<b>(1,164)</b>	<b>(1,764)</b>
<b>Financing activities</b>		
Principal payments of lease liabilities	(1,883)	(1,916)
Proceeds of issued mortgage securitization	8,407	9,971
Repayments of mortgage securitization	(54,541)	(96,289)
Net increase (decrease) in common shares	8	(4)
Redemption of surplus shares	(431)	(376)
Redemption of preference shares - net of taxes	(2,206)	(1,106)
	<b>(50,646)</b>	<b>(89,720)</b>
<b>Cash on hand and on deposit acquired in business combination</b>	<b>18,559</b>	<b>-</b>
<b>Net (decrease) increase in cash on hand and on deposit</b>	<b>(78,811)</b>	<b>18,758</b>
<b>Cash on hand and on deposit – Beginning of year</b>	<b>216,234</b>	<b>197,476</b>
<b>Cash on hand and on deposit – End of year</b>	<b>137,423</b>	<b>216,234</b>
<b>Interest received</b>	<b>184,714</b>	<b>142,423</b>
<b>Interest paid</b>	<b>86,265</b>	<b>67,935</b>
<b>Income taxes paid</b>	<b>7,406</b>	<b>4,581</b>

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or at [www.acu.ca](http://www.acu.ca)



**Assiniboine Credit Union Limited**  
Notes to the Summary Consolidated Financial Statements  
**December 31, 2022**

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**1 Basis of the summary consolidated financial statements**

Management has prepared the summary consolidated financial statements from the December 31, 2022 audited consolidated financial statements, which are prepared in conformity with International Financial Reporting Standards (IFRS). The detailed notes included in the audited consolidated financial statements are not included in these summary consolidated financial statements.

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

**2 Compliance with minimum capital and liquidity requirements**

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2022 established by the Deposit Guarantee Corporation of Manitoba in its Standards of Sound Business Practice.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity compliance, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2022, which contain the information detailing the calculation.

A full set of consolidated financial statements with the accompanying notes is available from Assiniboine Credit Union Limited or online at [acu.ca](http://acu.ca)

