



**Annual Report**

October 1<sup>st</sup>, 2017 - September 30<sup>th</sup>, 2018



### MISSION

Caisse Financial Group is a financial co-operative that is open to all, offers personalized service in French and English, supports the financial health of its members, and develops enduring relationships with its members, employees and their communities.



### VISION

In the markets that it serves, Caisse Financial Group is recognized as a dynamic and growing organization, an employer of choice, and a preferred partner of its members and their communities.

## Values



RESPECT FOR  
INDIVIDUALS



INNOVATION



COMMUNITY  
INVOLVEMENT



INTEGRITY &  
TRANSPARENCY



PROUD OF  
OUR HERITAGE

## Board of Directors

The Board of Directors is ultimately responsible for the corporate governance of Caisse and is elected by the members. Together, the directors of the Board represent all the regions served by Caisse.

Réal Déquier	President, District 1
Stéphane Dorge	1 <sup>st</sup> Vice-President, District 5
Carole Hébert	2 <sup>nd</sup> Vice-President, District 9
Éric Garand	District 2
Kathleen Messner	District 3
Claudette Taillefer	District 4
Patrick Fortier	District 5
Vacant	District 5
Vacant	District 6
Marcel Lesage	District 7
Gérald Arnal	District 8

District 1	St. Malo, St. Jean Baptiste
District 2	Ste. Agathe, St. Pierre Jolys
District 3	Ile des Chenes, Lorette
District 4	Ste. Anne, La Broquerie, St. Georges
District 5	Winnipeg (St. Boniface, St. Vital, Southdale)
District 6	Notre Dame de Lourdes
District 7	St. Claude
District 8	Elie, St. Francois Xavier, St. Laurent
District 9	La Salle, St. Adolphe

## Executive Team

The executive team is responsible for the management of day-to-day affairs, functions and operations of Caisse.

Joël Rondeau	Chief Executive Officer
Sophie Ethier	Vice-President, Risk & Compliance
Marcel Gauvin	Vice-President, Sales & Services
Bernard Marcoux	Vice-President, Information Technology
Francis Normandeau	Vice-President, Finance
Éric Rhéaume	Vice-President, Human Resources

We would like to thank Diane Bilodeau, former Vice-President, Operations and Marketing, for her excellent work during her years at Caisse from 2010 to 2018. We wish her success in her future endeavors.

## Products & Services

● Personal Banking Services

● Checking Accounts

● Savings Accounts

● No Fee Accounts

● Business & Agricultural Banking Services

● Organization Account

● Agri-Invest Account

● Mortgages

● Loans

● Lines of Credit

● Credit Cards

● GIC

● TFSA

● RRSP

● RRIF


● RESP

● Wealth Management

● Online Brokerage

● Insurance

## Corporate Office

 400-205 Provencher Blvd  
Winnipeg, MB R2H 0G4

 [www.caisse.biz](http://www.caisse.biz)

## Branches

Elie

Ile des Chenes

La Broquerie

La Salle

Lorette

Notre Dame de Lourdes

St. Adolphe

St. Claude

St. Francois Xavier

St. Georges

St. Jean Baptiste

St. Laurent

St. Malo

St. Pierre Jolys

St. Agathe

St. Anne

Winnipeg • 875 Dakota St.

Winnipeg • 36 Lakewood Blvd


Winnipeg • 205 Provencher Blvd

## Commercial & Agricultural Services


Our Account Managers take the time to get to know your business or farm to provide you with the financial services that fit your needs.

Contact your nearest branch for an appointment.

### Eastern Region

-  La Broquerie
- Lorette
- St. Jean Baptiste
- St. Malo
- St. Pierre Jolys
- Ste. Agathe
- Ste. Anne

### Western Region

-  Elie
- La Salle
- Notre Dame de Lourdes
- St. Claude


### Urban Region

-  300-205 Provencher Blvd, Winnipeg

## Wealth Management & Estate Planning Services

The purpose of financial planning is to set your long-term financial goals and develop the right strategy to make them a reality.

### Credential Asset Management

-  Elie
- Ile des Chenes
- Notre Dame de Lourdes
- St. Claude
- 100-205 Provencher Blvd, Winnipeg

### C-Finance

-  385 Main Street, St. Adolphe
- 1063 Route 26, St. Francois Xavier
- 200-205 Provencher Blvd, Winnipeg
-  [www.cfinance.biz](http://www.cfinance.biz)

# The President and CEO's report

Thanks to the commitment, dedication and vision of our members and employees, we have achieved long-term success for over 80 years! Today our foundation is strong and sound. We have the necessary resources in place to grow our business and better serve our members now and well into the future.

## Changing Landscape

As we look forward and plan for the years ahead, it is imperative to recognize that our members' needs are evolving at an unprecedented pace.

In an increasingly digital world, we must embrace change and commit to developing products and services that will help our members navigate through this new landscape.

## Actively Listening

Our members are integral to our success and growth. In order to continue developing financial products and services that fit their needs, we conduct regular feedback surveys. This platform gives our members a voice and the opportunity to share their thoughts but more importantly their suggestions as to how we can better meet their needs.

The most recent member survey conducted in October 2017 has provided our team with key insights and implementable ideas. Common themes throughout the survey included requests for technology improvements, increase of employee expertise and better communication regarding our investment options. This feedback helps our team establish the strategic priorities for future years.

In addition to our member survey, we also conducted an employee survey in 2018. The goal of this research was to ensure our workplace remains a satisfying and rewarding environment for employees but also to help us provide our team with the tools and support they need to meet our members' needs.

## Member Focus

The transition from the previous banking system continued throughout the year. We reinstated some temporarily suspended online services due to the conversion, such as online access to registered products and their statements.

We also introduced some exciting new services requested by members such as Interac® e-Transfers. This digital service allows members to send money to any financial institution in Canada quickly, efficiently and safely.

In partnership with Collabria, we also successfully launched our new Caisse VISA credit cards. These cards come with many options to choose from, with various features and benefits for both personal and business accounts.

Coming soon is our new mobile app. This exciting tool will allow members to deposit cheques, transfer funds, pay bills, manage multiple accounts and more. The app is set to launch in early 2019 and will be available for download on Apple and Android devices.

## Member Security

Member security is of critical importance to us and remained at the forefront of our initiatives throughout the year. Improvements made to our security infrastructure allow us to better protect our members' information. We continue to monitor new technologies to ensure we stay up to date in order to provide peace of mind to our members that their information is safe and secure.

## Branch Review

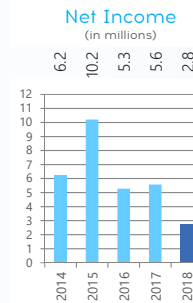
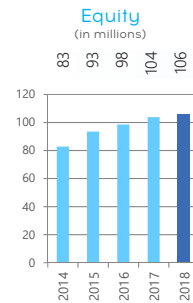
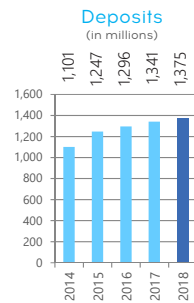
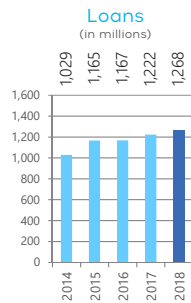
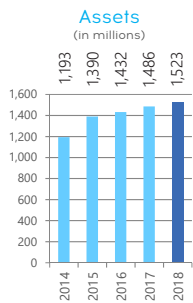
We know our members' needs are constantly evolving and this affects how they use our services and branches. In March of 2018, following a thorough analysis of our branch network, we made the decision to close eight Caisse satellite counters. These small counters had low volumes of activity, served a small number of members and were mostly located within a reasonable distance from a full service Caisse branch.

## Financial Results

Our financial results for the 2017-2018 fiscal year were positive overall, with an annual growth of 3.72% in member loans and 2.53% in member deposits. This represents an increase of 46 million dollars in loans and 34 million dollars in deposits.

Net income before provision for impaired loans was 7.9 million dollars compared to 7.8 million dollars last year. Net operating expenses were well controlled and decreased slightly from last year. The provision for loans was 4 million dollars in 2018. This larger than usual provision was necessary to ensure we have an adequate allowance for our growing portfolio. The net results in total comprehensive income for the year was 2.8 million dollars compared to 5.6 million dollars last year.

Members' equity increased by 2.44 million dollars or 2.35%, totaling 106.2 million dollars at September 30, 2018. This represents 7.06% of assets, which exceeds the regulatory requirement of 5%. We were also in compliance



with the requirement to have 8% of risk-weighted capital at September 30, 2018. However, we are actively taking every measure possible to ensure compliance with the new requirements for risk-weighted capital effective December 31, 2021. For this reason the Board of Directors prudently decided not to declare a patronage refund or dividend for the fiscal year ending September 30, 2018, as these would lower our capital.

### Community Focus

Our community sponsorship program continues to grow and thrive. Every year we help many groups and organizations reach their goals and objectives. The support we provide through financial donations, bursaries, or providing volunteers, helps build strong and vibrant communities. Caisse contributed in excess of \$200,000 in financial support to 197 community projects over the course of the year.

Financial literacy remains a priority for Caisse, we continue to offer financial literacy programs in francophone and immersion schools and in early childhood centers.

### Looking Ahead

Our strategic planning process for 2019-2021 is well underway and includes a deep dive into industry trends, technology, changing member needs and more. The results of this exercise and subsequent action plan will guide our business strategy for the next three years. The core focus of the plan is to improve our members' experience at Caisse and exceed their evolving expectations.

### Growing Together

We would like to thank all of our members for choosing to do business with Caisse. Our ultimate goal is to provide you with the quality products and services you deserve.

We would also like to thank all our committed employees for their relentless hard work and dedication to serving our members to the highest quality.

The future is bright at Caisse, thanks to the commitment and support of both our employees and members.



Réal Déquier  
President



Joël Rondeau  
CEO

As of September 30<sup>th</sup>, 2018

**35,500**  
members

**252**  
employees

**\$1.5 BILLION**  
in assets

**19**  
branches



**MEMBER SURVEY**  
October 2017

**724**  
members  
participated

**Recurring themes:**

- Requests for technology improvements
- Increase employee expertise
- More communication regarding investment options



## Projects Completed and in Progress

During the year, we started or completed a number of projects to improve our service to our members.



### Employee Training

Our staff training plan was improved to ensure our employees can provide high quality service to our members.



### Better Branch Support

Changes were made to our support structure to provide a higher level of assistance to our employees in the branches to better serve our members.



### Member Security

Improvements were made to our security infrastructure to better protect our members' information.



### Full access to account statements in e-Caisse

Members now have full access to account statements including registered products with our online banking service e-Caisse.





### Launch of *Interac*® e-Transfer service

100,000 transfers have been sent and received since its launch in September 2017.



Now Available  
**Interac® e-Transfer**

Connect to e-Caisse and click TRANSFERS



### Caisse Credit Card Offering

We launched our very own Caisse VISA credit cards with many rewarding features, including cash back, enticing rewards, travel insurance, zero liability in the event of fraud and more.



Visit [www.caisse.biz](http://www.caisse.biz) to find the one that suits you best.



### Coming in 2019 Caisse Mobile App

With the Caisse Financial Group Mobile App, you will have instant and secure access to your accounts in the palm of your hand. The app will be available for Apple and Android devices.



Deposit Anywhere™ with  
Mobile Cheque Deposit



*Interac*® e-Transfers



Pay Bills



Schedule Payments

Stay tuned for more information.



# Community Sponsorship

Caisse offers support for community projects and activities that:

- Build strong and vibrant communities
- Encourage local economy
- Celebrate community pride and culture

**197**  
community projects  
received over  
**\$200,000**  
in financial support



## Ma Petite Caisse

Preschool – Children ages 3 to 5

Free program that teaches the concept of money to young children.

**57**

children and their parents  
attended

**10**

sessions

in partnership with



## Making education a priority

Obtaining financial aid helps high school and university students achieve academic success.

**22**

high school & university students  
received

**\$12,000**

in student bursaries



## Focus on the environment

When a member opts to receive their monthly statement online, Caisse donates \$5 to its GREEN Fund. In turn, the fund supports green initiatives that protect, enhance and develop a greener environment in our communities.

**2**

green projects received

**\$3,000**

in financial support

## 'In The Know About Money'

School – Grades 3 to 12

Presented in the classrooms of francophone and immersion schools, this free program teaches students how to manage their money with budgeting, saving, borrowing, investing and more.

**2,652**

students attended

**122**

financial literacy sessions

in partnership with  CDEM &  JA Manitoba  
A Member of JA Canada

and in collaboration with  DSFM

# Major Sponsorships of 2017-2018

 The full list of sponsorships and the community sponsorship application forms are available on our website.



## Together for a stronger community

In addition to sponsorships, Caisse supports Francofonds' programs and fundraising events by providing volunteers and other resources in many of their initiatives such as:

- 'La Classique Caisse' Golf Tournament
- 'Chefs en plein air' Culinary Event
- The Members' Recognition Evening of the 'Société des legs'



## Theatre for a long lasting culture

People of all ages experience francophone art and culture through quality activities and theatre. Caisse supports Canada's oldest running theatre by sponsoring in part:

- The 'Festival Théâtre Jeunesse'
- The Lobster Gala Fundraiser
- Its annual programming



## Sugar Shack for discovering culture

Caisse is the official sponsor of the Sugar Shack, the perfect place to discover the francophone culture and to enjoy traditional music, maple taffy on snow, pancakes, tourtière and much more.



## Preserving history

Caisse helped La Société historique de Saint-Boniface to acquire new moveable shelves for the storage of Western Canada's Francophone and Métis archives.



Tel: 204-956-7200  
Fax: 204-926-7201  
Toll-Free: 866-863-6601  
www.bdo.ca

BDO Canada LLP  
700 - 200 Graham Avenue  
Winnipeg MB R3C 4L5 Canada

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

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### To the members of Caisse Populaire Groupe Financier Ltée

The accompanying summary consolidated financial statements, which comprise the summary consolidated balance sheet as at September 30, 2018 and the summary consolidated statements of comprehensive income, and changes in members' equity for the year then ended, are derived from the audited consolidated financial statements of Caisse Populaire Groupe Financier Ltée for the year ended September 30, 2018. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated December 13, 2018.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Caisse Populaire Groupe Financier Ltée.

### Management's Responsibility for the Summary Consolidated Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Audit Standard (CAS) 810, "Engagements to Report on Summary Financial Statements".

### Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Caisse Populaire Groupe Financier Ltée for the year ended September 30, 2018 are a fair summary of those consolidated financial statements, on the basis described in Note 1.

*BDO Canada LLP*

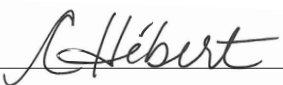
Chartered Professional Accountants


Winnipeg, Manitoba  
December 13, 2018

## Caisse Populaire Groupe Financier Ltée Summary Consolidated Balance Sheet

As at September 30	2018	2017
	\$	\$
<b>Assets</b>		
Funds on hand and on deposit	48,791,421	65,842,721
Other assets	3,360,318	3,317,986
Investments	180,872,779	171,414,692
Loans to members	1,267,828,515	1,222,302,577
Property and equipment	16,096,090	16,672,380
Intangible assets	5,945,536	6,364,189
	1,522,894,659	1,485,914,545
<b>Liabilities and Members' Equity</b>		
Other liabilities	8,297,326	8,009,216
Securitized borrowings	32,000,478	31,759,888
Members' deposits	1,375,106,426	1,341,117,838
Members' shares	1,326,360	1,297,684
	1,416,730,590	1,382,184,626
<b>Members' Equity</b>		
Members' shares	9,463,044	9,797,926
Accumulated other comprehensive income	(31,265)	(127,757)
Retained earnings	96,732,290	94,059,750
	106,164,069	103,729,919
	1,522,894,659	1,485,914,545

Approved on behalf of the Board of Directors:

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

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

**Caisse Populaire Groupe Financier Ltée**  
**Summary Consolidated Statement of Comprehensive Income**

For the year ended September 30	2018	2017
	\$	\$
<b>Revenue</b>		
Interest from loans to members	45,899,920	42,931,275
Investment income	4,744,434	4,750,895
	50,644,354	47,682,170
<b>Cost of Funds</b>		
Interest paid to members	24,095,411	21,363,251
Interest on borrowings	579,167	441,844
	24,674,578	21,805,095
<b>Financial margin</b>	25,969,776	25,877,075
<b>Operating Expenses</b>		
Personnel	14,518,890	14,514,078
Administrative	4,917,991	4,660,732
Occupancy	3,052,449	3,426,782
Members' security	1,276,510	1,239,934
Organizational	885,158	930,822
<b>Gross operating expenses</b>	24,650,998	24,772,348
<b>Less other income</b>	(6,559,924)	(6,651,129)
<b>Net operating expenses</b>	18,091,074	18,121,219
<b>Net income before provision for impaired loans</b>	7,878,702	7,755,856
<b>Provision for impaired loans</b>	4,020,000	760,000
<b>Net income before income taxes</b>	3,858,702	6,995,856
<b>Provision for income taxes</b>	1,186,162	1,398,977
<b>Net income for the year</b>	2,672,540	5,596,879
<b>Other Comprehensive Income (Net of Tax)</b>		
Change in unrealized losses (gains) on fair value hedges	(96,492)	25,660
<b>Total comprehensive income for the year</b>	2,769,032	5,571,219

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

## Caisse Populaire Groupe Financier Ltée Summary Consolidated Statement of Changes in Members' Equity

For the year ended September 30, 2018

	Accumulated Other Comprehensive Income	Members' Shares	Retained Earnings	Total
	\$	\$	\$	\$
Balance at September 30, 2016	(102,097)	10,118,808	88,462,871	98,479,582
Total comprehensive income for the year	(25,660)	-	5,596,879	5,571,219
Net redemption of members' shares	-	(338,459)	-	(338,459)
Transfer from liabilities	-	17,577	-	17,577
Balance at September 30, 2017	(127,757)	9,797,926	94,059,750	103,729,919
Total comprehensive income for the year	96,492	-	2,672,540	2,769,032
Net redemption of members' shares	-	(306,206)	-	(306,206)
Transfer to liabilities	-	(28,676)	-	(28,676)
Balance at September 30, 2018	(31,265)	9,463,044	96,732,290	106,164,069

### Notes to Summary Consolidated Financial Statements

#### 1. Basis of Presentation of the Summary Consolidated Financial Statements

The summary presented includes only the summary consolidated balance sheet, summary consolidated statement of comprehensive income, and summary consolidated statement of changes in members' equity, and does not include the consolidated statement of cash flows or notes to the consolidated financial statements. The summary consolidated financial statements do not present the references to the notes to the consolidated financial statements. The summary consolidated balance sheet, summary consolidated statement of comprehensive income, and summary consolidated statement of changes in members' equity, are presented in the same detail as the audited consolidated financial statements, except that income taxes recovery has been grouped with other assets, and deferred income tax liability and derivative financial instruments have been grouped with other liabilities.

Copies of the audited consolidated financial statements are available at [www.caisse.biz](http://www.caisse.biz) or at your local branch.

#### 2. Compliance with Minimum Capital and Liquidity Requirements

The Caisse is in compliance with the capital and liquidity reserve requirements at September 30, 2018 established by the Regulations to The Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Caisse's compliance with minimum capital and liquidity requirements, the reader must refer to the audited consolidated financial statements including notes for the year ended September 30, 2018, which contain the information detailing the calculations.

