



ANNUAL REPORT

October 1, 2019 - September 30, 2020





OUR VISION

Create value by exceeding our members' expectations.



OUR MISSION

Meet our members' evolving financial needs and be involved in our communities.



OUR VALUE PROPOSITION

Caisse Financial Group is a bilingual financial co-operative that prioritizes its members' experience and invests in the well-being of its communities.



*First Caisse in St. Malo
founded in 1937*

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 3
Stéphane Dorge	1 st Vice-President, District 1
Carole Hébert	2 nd Vice-President, District 3
Patrick Fortier	District 1
Michèle Lécuyer-Hutton	District 1
Vacant	District 2
Éric Garand	District 3
Kathleen Messner	District 3
Claudette Taillefer	District 3

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, Business Solutions
Sylvie Laurencelle-Vermette	Vice-President, Marketing & Communications
Bernard Marcoux	Vice-President, Operations, Technology & Innovation
Francis Normandeau	Vice-President, Finance
Éric Rhéaume	Vice-President, Human Resources
Marc Rioux	Vice-President, Retail Member Services

DISTRICTS

1

Winnipeg
• St. Boniface
• St. Vital
• Southdale

2

Elie
Notre Dame de Lourdes
St. Claude
St. Francois Xavier
St. Laurent

3

Ile des Chenes
La Broquerie
La Salle
Lorette
St. Adolphe
St. Georges
St. Jean Baptiste
St. Malo
St. Pierre Jolys
Ste. Agathe
Ste. Anne



CORPORATE OFFICE

400-205 Provencher Blvd
Winnipeg, MB R2H 0G4

BRANCHES

- | | |
|-----------------------|--------------------------------|
| Elie | St. Georges |
| Ile des Chenes | St. Jean Baptiste |
| La Broquerie | St. Laurent |
| La Salle | St. Malo |
| Lorette | St. Pierre Jolys |
| Notre Dame de Lourdes | Ste. Agathe |
| St. Adolphe | Ste. Anne |
| St. Claude | Winnipeg • 875 Dakota St. |
| St. Francois Xavier | 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.

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

BRANCH PRODUCTS & SERVICES

Personal Banking Services

Checking Accounts

Savings Accounts

No Fee Accounts

Business & Agricultural Banking Services

Organization Accounts

Agri-Invest Accounts

Mortgages • Loans

Lines of Credit

Credit Cards • GIC

TFSA • RRSP • RRIF • RESP

Wealth Management

Online Brokerage

Insurance



PRESIDENT & CEO'S REPORT

Our annual report for 2019-2020 tells a tale of two stories. What started off as a year like many others, suddenly veered into uncharted territory with the introduction of a global event in the form of a pandemic. Not only has it been a threat to our health and well-being, it has also had a devastating impact on many other fronts, be it our health care system, our economy, our work lives and our social interactions. No industry has been unaffected by the magnitude of COVID-19 however our number one priority at Caisse has been, and continues to be, the physical and financial well-being of our members and employees.

PANDEMIC

Like all other industries, Caisse had to adjust its sails to weather the storm. As an essential service, we were challenged to make important decisions on how to meet our members' needs all the while ensuring everyone's safety. We had to pivot our operations to adopt quickly – and sometimes exceed – the recommendations set out by Manitoba Health.

Over the period of a few short weeks, several safety initiatives were introduced in our branches: mask-wearing, social distancing, plexiglass screens, limited branch hours, limited capacity within a branch at one time, and the frequent sanitization of our branches.

One of our most ambitious projects during the pandemic was to find a way to help our members manage their finances from the comfort and safety of their homes. To that end, from May to September 2020, our employees contacted thousands of members to help them subscribe to our various electronic services so that they could continue to do their banking safely and securely without having to come into a branch.

Our commercial teams were also extremely busy ensuring our business and agricultural members had access to the various government support programs. Many of these programs were rolled out very quickly to meet the urgent needs of members. Our teams quickly reacted to ensure this critical funding was available to members who needed it.

Corporately, we also had to do things differently. Whenever possible, we moved our meetings online and we equipped many team members to work from home. Our Learning and Development sector was challenged to accelerate the shift to digital. Our training team was up to the task. No small feat, in a matter of weeks, they were able to transform the way Caisse runs its training program.

There is no playbook for COVID-19. 2019-2020 has shown us that the pandemic has exponentially accelerated the shift to digital at a dizzying pace. Many of our members have had to adapt to our digital platforms to stay safe and connected. Our employees have had to find creative and secure ways to ensure our members continue to be well served.

Although a significant portion of our time and efforts were focused on adapting to the pandemic, we were still able to make progress on our 3-year strategic plan. The core areas of focus in our plan are:

1. Member experience

Caisse's foundation is built on prioritizing our members' experience and we continued the important work of meeting our members' needs. This became even more important in 2020 as our members were all affected by the pandemic. Our ability to serve our members with online tools were critical and will continue to be very important in the years to come. Improving the online experience will continue to be a major area of focus, as well as ensuring we have knowledgeable, well-trained staff to serve our members in branch once the pandemic is over and things return to our new normal.

2. Our people

We firmly believe that investing resources in our own people is one of the best ways to improve the member experience. In the last year, we have made great strides in reorganizing and streamlining our Learning and Development department. Moving forward, employee development, improved performance-based compensation and other retention strategies continue to be core components of our strategy.

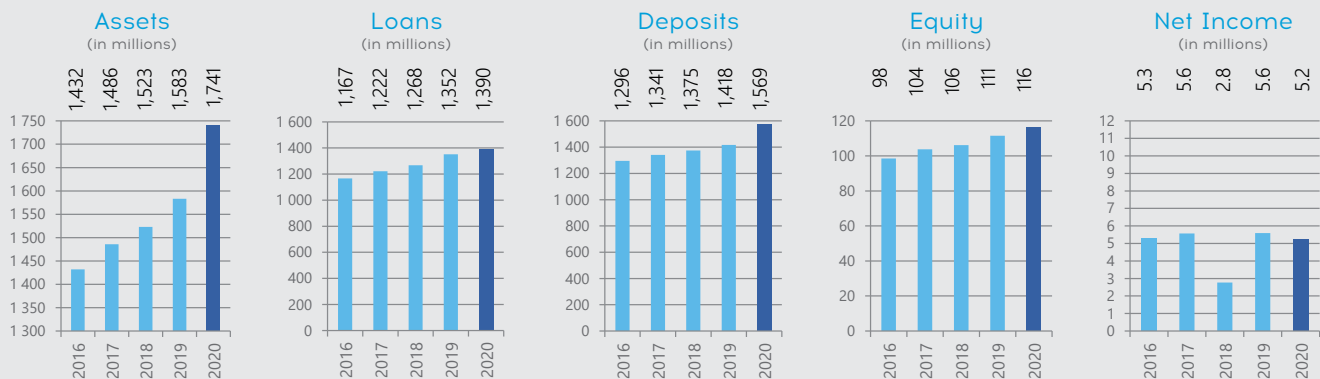
3. Process and technology

Our commitment to always be working in our members' best interest against the backdrop of a rapidly evolving industry means that we must have the courage to reinvent our offerings, our tools, and even how we distribute our products and services. The year 2019-2020 was a stepping stone in preparing for the future and focusing our planning efforts on modernizing and streamlining the delivery of our services. For example, we invested in new technology to simplify the loan application process internally. We expect the online tool to be rolled out to our members so that they can apply – and get approved – for a loan online in a matter of minutes. This is but one example of the strides being made to improve the member experience.

FINANCIAL RESULTS

The economic effects of the global pandemic have been considerable. While some individuals and businesses have benefited from the massive disruption, many have been negatively affected. The government's response to quickly get financial support into the hands of many has helped during these difficult and unusual times. In reaction to the uncertainty, the Bank of Canada has lowered interest rates to extremely low levels to support the economy. We expect the current backdrop of low interest rates and economic disruption and uncertainty to persist for some time yet.

Despite the challenging business environment that we currently face, financial results were positive in 2019-2020. Member activity was somewhat limited due to the pandemic and resulted in modest loan growth of 2.8%. Member deposits, however, were affected differently. Limited spending opportunities and considerable government support programs resulted in member deposits increasing by 10.7%. This represents an increase of 38 million dollars in loans and 151 million dollars in deposits. Net income for the year was 5.2 million dollars, slightly lower than last year. Members' equity increased by 4.9 million dollars or 4.4%, totaling 116.4 million dollars at September 30, 2020. We currently exceed all regulatory capital requirements and are well-positioned financially to meet the economic challenges that may lie ahead because of the pandemic. However, the Board of Directors prudently decided not to declare a patronage refund or dividend for the fiscal year ending September 30, 2020, as this would lower our capital.



PRESIDENT & CEO'S REPORT CONT'D

COMMUNITY

We strongly believe in our mandate to help create a lasting positive social impact in our communities.

In 2020, Caisse participated in a worthwhile DSFM and Pluri-elles initiative which helped families in need who were negatively impacted by the pandemic. This partnership permitted over one hundred families in our communities throughout Manitoba to gain access to basic necessities.

We continued to support and participate in financial literacy programs for students enrolled in French, immersion and English schools in partnership with CDEM and JA Manitoba. We hold these programs at heart since we believe in the fundamental importance of exposing financial concepts to youth in order to set them up for financial success in the future.

Overall, in 2019-2020, we contributed to 135 requests for financial support, totaling over \$166,000, despite receiving fewer requests due to the pandemic. The complete list of our sponsorship and bursary recipients is available on our website at [Caisse.biz](https://www.caisse.biz). It includes a variety of community projects, bursaries and green initiatives.

GOING FORWARD

The pandemic has paved the way for a dramatic change in the way people work, the way they shop, and the way they bank. Shop local and stay local has taken on a whole new meaning when so many people have been adversely affected by the short circuit in our economy. Caisse continued to be there for its members with our community-focused approach to day-to-day banking with the emphasis on meeting members' needs. Nobody could have predicted what 2019-2020 would bring us however, our team at Caisse has continuously delivered quality service to our members, with safety and security always top of mind.

We would like to thank all our members for placing their trust in us and we will continue our mission to create value by exceeding our members' expectations.



Réal Déquier
Board Chair



Joël Rondeau
CEO



DIGITAL FIRST





During the year, we ensured our members' digital experience was top of mind:

WEBSITE

Caisse's website has been revamped to improve the member experience. The website is now more intuitive and user-friendly. We have made it easier to find information about our products like our rates, mortgages and loans. We have also made our Special offers and Community participation easier to view. Visit our website: Caisse.biz.

SOCIAL MEDIA

Our social media following has seen exponential growth in the last year, with our Instagram pages following increasing over **157%**. People's habits have changed, and where they get their information has changed along with it. Caisse is dedicated to making sure that our members have access to valuable offers, contests, and the latest news wherever they may be.

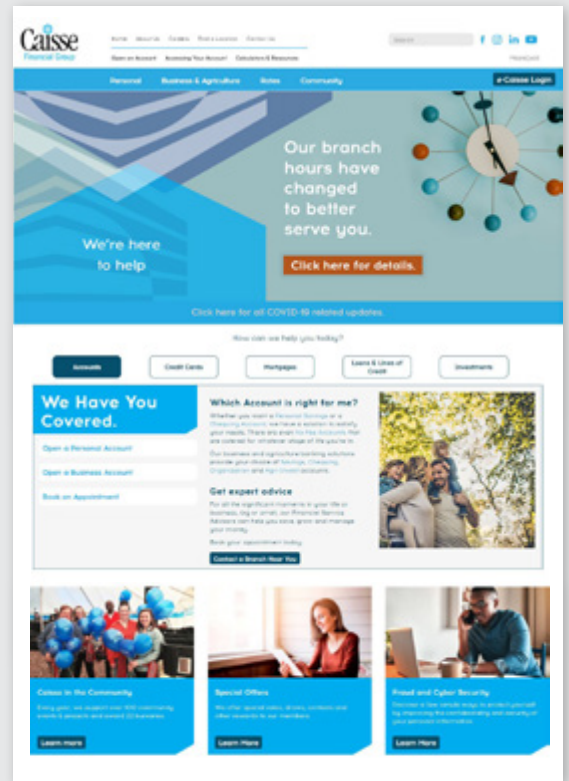
-  Facebook: [@Caissefinancialgroup](https://www.facebook.com/Caissefinancialgroup)
-  Instagram: [@Caissefinancialgroup](https://www.instagram.com/Caissefinancialgroup)
-  YouTube: [CaisseFG](https://www.youtube.com/CaisseFG)
-  LinkedIn: [Caisse Financial Group / Caisse Groupe Financier](https://www.linkedin.com/company/Caisse-Financial-Group/)

MOBILE APP

Our mobile app has been a favourite amongst our members, with thousands having downloaded it and using it daily. And it keeps getting better, with features such as "Autodeposit" which allows you to move money without having to answer security questions and "Request Money" which allows our members to request money from anyone in Canada via email or text message.

GOING PAPERLESS

Caisse is proud to say that, when asked, thousands of members were quick to say no to paper. Our members recognize the important negative environmental impact of printing monthly paper statements. Moreover, our digitally savvy members know that online statements are secure, easy to find and accessible 24/7.



COMMUNITY SPONSORSHIP

Caisse supports many community projects and activities that:

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

Despite receiving fewer requests due to the pandemic, 135 community projects received over \$166,000 in financial support.



Collège Jeanne-Sauvé

'IN THE KNOW ABOUT MONEY'

The Financial Literacy Program 'In the Know about Money' features four themes, how to: budget, save, borrow and invest. Financial literacy programs are presented to students from grades 3 to 12 in partnership with CDEM and Junior Achievement Manitoba.

3,104 students attended
127 financial literacy sessions.

BURSARY PROGRAM

Caisse helps high school and university students achieve their dreams by offering financial assistance in the form of bursaries.

23 high school & university students
received \$11,500 in bursaries.

GREEN FUND

Caisse Financial Group prioritizes sustainable development and supports projects that preserve the environment through its GREEN Fund. Caisse donates \$5 to its GREEN fund when a member chooses to receive their statement online.

4 GREEN Fund projects have been
granted \$11,200 in financial support.



2019-2020 MAJOR SPONSORSHIP PROJECTS

CENTRE FLAVIE-LAURENT

Caisse was glad to contribute generously to Centre Flavie-Laurent (CFL)'s ongoing campaign to serve its clients better as it works towards getting a bigger location. CFL helps up to 100 families every day, and thousands of donations are dropped off at their current location every year. In 2019 alone, they received and collected nearly 18,500 donations and distributed over 54,000 household articles and bags of clothing.

DSFM/PLURI-ELLES

In partnership with the Division scolaire franco-manitobaine (DSFM) and Pluri-elles, Caisse participated in helping families of students in need in the DSFM. They received assistance when classes were suspended in the spring of 2020. The affected families received gift cards containing a sum of money to be used in grocery stores as well as care packages.

FESTIVAL DU VOYAGEUR

Caisse Financial Group maintained its long-standing partnership by contributing to the celebration at Festival du Voyageur's 51st anniversary as the Sugar Shack official sponsor. Caisse's participation this year included a digital twist with the introduction of a virtual game for kids and adults alike.

SOCIÉTÉ HISTORIQUE DE SAINT-BONIFACE (SHSB)

Caisse Financial Group is proud to be the official sponsor of the SHSB's exhibition on the 150th anniversary of the Province of Manitoba. Caisse strongly believes in the importance of sharing our history. The contribution to this project has helped the Centre du patrimoine with the purchase of much-needed dehumidifiers to preserve its archives.

THÉÂTRE CERCLE MOLIÈRE (TCM)

Caisse gladly supports Canada's oldest running theatre so that people of all ages experience francophone art and culture. Given this year's special restrictions, TCM has had to do things differently, like throwing fundraising gala virtually, "Gala at Home". Caisse was glad to be there in spirit – and bibs.

FINANCIAL REPORT



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BDO Canada LLP
201 Portage Avenue - 26th Floor
Winnipeg MB R3B 3K6 Canada

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the members of Caisse Populaire Groupe Financier Ltée

Opinion

The summary consolidated financial statements, which comprise the summary consolidated balance sheet as at September 30, 2020, and the summary consolidated statement of comprehensive income, and the summary consolidated statement of changes in members' equity for the year then ended, and related notes, are derived from the audited consolidated financial statements of Caisse Populaire Groupe Financier Ltée ("the Caisse") for the year ended September 30, 2020.

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

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 Caisse's audited consolidated financial statements and the auditor's report thereon.

The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unqualified audit opinion on the audited consolidated financial statements in our report dated December 10, 2020.

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.

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*.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
December 10, 2020

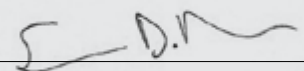
Caisse Populaire Groupe Financier Ltée Summary Consolidated Balance Sheet

As at September 30	2020	2019
	\$	\$
Assets		
Funds on hand and on deposit	31,633,539	29,849,143
Other assets	4,099,929	3,644,769
Investments	295,638,173	176,820,623
Loans to members	1,389,974,990	1,351,938,595
Property and equipment	14,877,487	15,582,887
Intangible assets	5,131,102	5,295,514
	<u>1,741,355,220</u>	<u>1,583,131,531</u>
Liabilities and Members' Equity		
Other liabilities	12,446,408	8,579,321
Securitized borrowings	42,645,413	44,170,616
Members' deposits	1,568,549,944	1,417,571,561
Members' shares	1,321,888	1,327,571
	<u>1,624,963,653</u>	<u>1,471,649,069</u>
Members' Equity		
Members' shares	8,884,304	9,174,649
Retained earnings	107,507,263	102,307,813
	<u>116,391,567</u>	<u>111,482,462</u>
	<u>1,741,355,220</u>	<u>1,583,131,531</u>

Approved on behalf of the Board of Directors:



Director



Director

Caisse Populaire Groupe Financier Ltée

Summary Consolidated Statement of Comprehensive Income

For the year ended September 30	2020	2019
	\$	\$
Revenue		
Interest from loans to members	49,668,752	49,953,912
Investment income	5,006,296	6,084,000
	<u>54,675,048</u>	<u>56,037,912</u>
Cost of Funds		
Interest paid to members	27,806,916	28,795,879
Interest on borrowings	1,149,880	732,385
	<u>28,956,796</u>	<u>29,528,264</u>
Financial margin	<u>25,718,252</u>	<u>26,509,648</u>
Operating Expenses		
Personnel	15,644,077	15,253,023
Administrative	4,835,574	5,007,628
Occupancy	2,981,185	3,012,670
Members' security	1,429,077	1,329,682
Organizational	475,089	662,448
Gross operating expenses	<u>25,365,002</u>	<u>25,265,451</u>
Less other income	<u>(6,625,517)</u>	<u>(6,359,830)</u>
Net operating expenses	<u>18,739,485</u>	<u>18,905,621</u>
Net income before provision for impaired loans	<u>6,978,767</u>	<u>7,604,027</u>
Provision for impaired loans	<u>600,000</u>	<u>825,000</u>
Net income before income taxes	<u>6,378,767</u>	<u>6,779,027</u>
Provision for income taxes	<u>1,179,317</u>	<u>1,189,945</u>
Total comprehensive income for the year	<u>5,199,450</u>	<u>5,589,082</u>

Caisse Populaire Groupe Financier Ltée

Summary Consolidated Statement of Changes in Members' Equity

For the year ended September 30, 2020

	Accumulated Other Comprehensive Income	Members' Shares	Retained Earnings	Total
	\$	\$	\$	\$
Balance at September 30, 2018	(31,265)	9,463,044	96,732,290	106,164,069
IFRS 9 transition adjustment on October 1, 2018	-	-	(13,559)	(13,559)
Discontinuation of hedge accounting	31,265	-	-	31,265
Total comprehensive income for the year	-	-	5,589,082	5,589,082
Net redemption of members' shares	-	(287,184)	-	(287,184)
Transfer to liabilities	-	(1,211)	-	(1,211)
Balance at September 30, 2019	-	9,174,649	102,307,813	111,482,462
Total comprehensive income for the year	-	-	5,199,450	5,199,450
Net redemption of members' shares	-	(296,028)	-	(296,028)
Transfer from liabilities	-	5,683	-	5,683
Balance at September 30, 2020	-	8,884,304	107,507,263	116,391,567

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 derivative financial instruments and right-of-use assets have been grouped with other assets, and income tax payable, deferred income tax liability, lease liabilities and derivative financial instruments have been grouped with other liabilities.

Copies of the audited consolidated financial statements are available at 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, 2020 established by the Regulations to The Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the 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, 2020, which contain the information detailing the calculations.