

2022 ANNUAL REPORT

Harnessing Digital Change



2022 was a year marked by ambition, growth, and a focused commitment to modernizing our member experience.

From offering a first-of-its-kind Digital Branch with a secure video banking platform, through the launch of a completely new online banking platform and building of two new websites, we enhanced our digital offerings while staying true to the personalized service you have come to expect.



Sections:

**Report to
Members**



**Financial
Performance**



**Board of
Directors &
Executive Team**



**Financials:
5-Year
Comparison Chart**



Report to Members

2022 was a year of digital change. Guided by our **innovative spirit** and in alignment with our **mission of delivering high member value through simplified banking, saving our members time and money, and solving their financial problems**, we successfully navigated through a series of operational enhancements poised to set Cambrian apart as a **leader in digital banking** for years to come.

Although the year was marked by significant change, we remained committed to our members, employees, and partners in the community. **We are pleased to have welcomed 5,387 new members in 2022.**

Community-centred and purpose-driven

As a financial cooperative, the economic well-being of our members and the health of our community is at the heart of every decision we make. One of Cambrian's five core values is Community Involvement. This past year, our employees demonstrated this value runs far deeper than simply words on a page, it is how we live out our actions every day.



In 2022, **we supported 65 local organizations** committed to improving the lives of those living in our community. Going beyond offering financial assistance, Cambrian employees volunteered at numerous events, lending their time, resources, and support where it was needed most.

We are proud to partner with other Manitoba credit unions in support of Ka Ni Kanichihk's capital campaign as they work to expand their reach by building a new space for the community. The new facility will more than double program capacity, allowing Ka Ni Kanichihk to provide comprehensive, Indigenous-created and delivered programming to at least 3,000 Indigenous Manitobans every year.

Our 2022 United Way Workplace Campaign was a huge success. Thanks to the tireless efforts from staff committee members, employee pledges, corporate matching of all donations and a host of special fundraising events, Cambrian raised a total of **\$186,828** for United Way Winnipeg!



Beyond daily banking

Through our Commercial and Small Business Banking, Cambrian aligns itself with other business leaders that support the growth of our local economy. This year, we proudly financed the on-going construction of several residential and commercial projects, including West Broadway's 6-storey multi-unit residential complex at 196 Colony and St.Vital's newest 50+ apartment community, The Pearl by Sherwood Developments.

Innovations in digital transformation

Throughout the course of 2022, Cambrian reinvested into its digital transformation. The way in which Cambrian members and Achieva customers manage their finances and day-to-day banking is quickly evolving. By creating innovative solutions to meet these changing expectations, we are able to offer our members a completely **redesigned online banking system, a refreshed mobile banking experience, and two new interactive websites.**



There for you; when you need us, where you need us

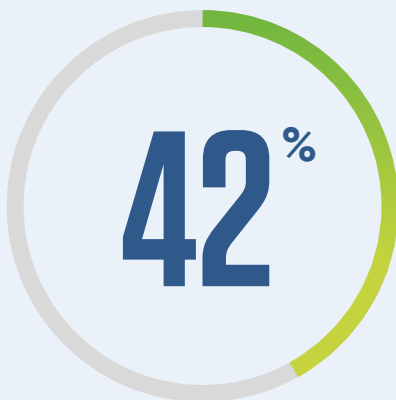
In April 2022, we launched our **Digital Branch**, allowing us to serve members at a time and place that best suits their needs, through expanded hours and an innovative video banking experience.

538

member meetings were completed through our digital branch

4.9 OUT OF 5.0

member ratings from their virtual banking experience



of these digital branch meetings were through the video banking experience



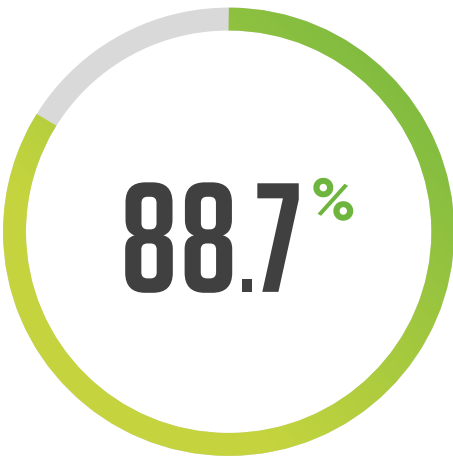
The shift to digital banking

43,741 | members registered with Cambrian's Online Banking

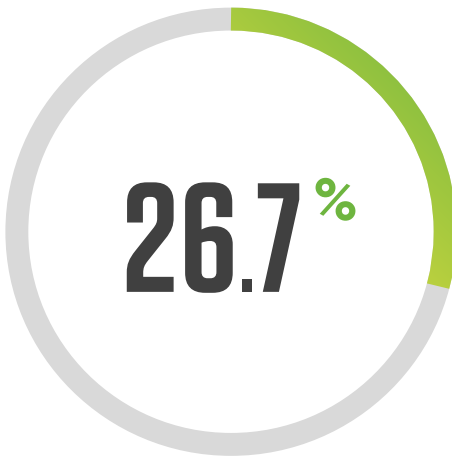
3,705 | members registered for ApplePay, making over 490,000 purchases

33,750 | active mobile banking users

17,104 | appointments booked online – 21% preferred to meet via video call



of Online Banking users are set up with Two-factor Authentication



of our total loan applications were submitted online (in 2021 that number was 19.8% and in 2020 it was 4.5%!)

Prefer to talk to a member of our team in person? You're in good company!



Our Sales & Service
team handled

78,398

member calls

Average call
answer time:

0:34
seconds



At the heart of Cambrian's Strategic Vision is to be a **leader in digital banking, supported by our commitment to personalized service**. The initiatives prioritized and investments made in 2022 allow us to deliver a best-in-class online experience across our platforms and delivery channels.

Ensuring our readiness for this change, all Cambrian employees participated in an organization-wide *Change Readiness and Digital Literacy Skill Development Program*, focused on building a stronger awareness and competency to deliver more of our products and services digitally.

Streamlining internal processes

To support these changes we must also streamline and reinvent the way we collaborate internally, administering and processing our work, as well as how we securely manage our members' data. Modernizing our delivery while efficiently processing our products and services resulted in a full operational realignment to better support an improved digital member experience.

Fostering growth and development

Throughout the past year, our employees worked hard to ensure the stability of our operations, never losing sight over the service excellence our members have come to expect, while also advancing their own learning and career progression.

Talent management:

OVER

60 internal promotions

3 co-op/intern/
summer students

Training & Development

43 leaders completed our Leadership Development Program

18 new leaders enrolled

1000 hours of facilitated, instructor-led training

Employee Engagement:

94% of employees are proud to work for Cambrian

91% of employees feel as though they belong at Cambrian

97% of employees understand Cambrian's mission statement: "delivering high member value through simplifying banking, saving time and money, and solving financial problems".

In alignment with the National Day for Truth & Reconciliation, all employees were given access to, and encouraged to participate in the 4 Seasons of Reconciliation Professional Development Program through Reconciliation Education and the First Nations University of Canada.



Diversity and inclusion

Total employees

307

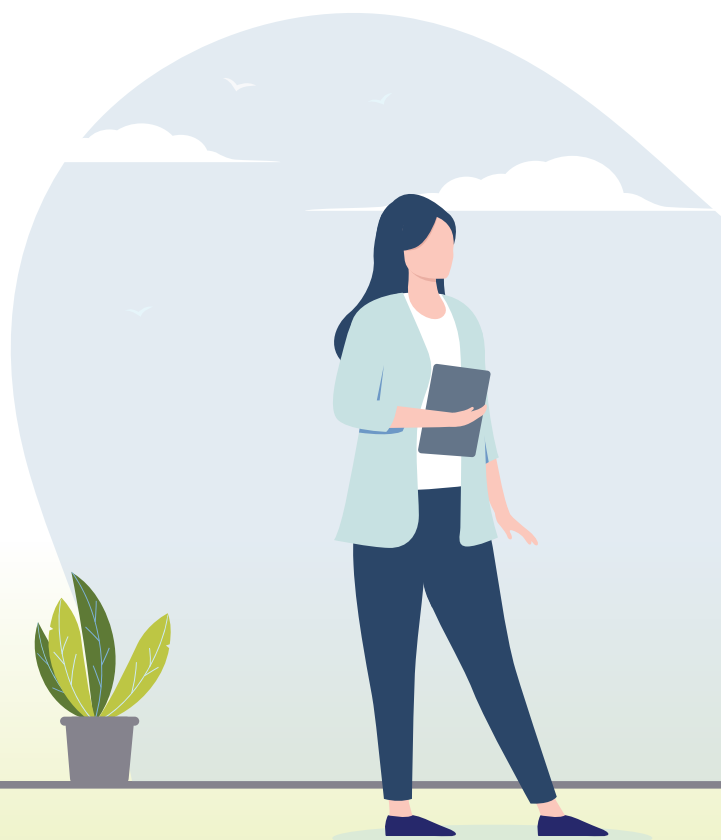
8% —● Indigenous

25% —● Racialized Communities

5% —● Persons with Disabilities

4% —● LGBTQ2S+

voluntary demographics gathered from our 2022 Employee Engagement survey



Financial Performance

2022 proved to be a very challenging year as we navigated rapidly rising inflation and a 4 per cent increase to the Overnight Benchmark Rate in Canada. This played-out through seven rate increases in less than one year by the Bank of Canada; making it amongst the fastest escalation of interest rates in over 40 years and bringing an abrupt end to the low interest rate environment in-which we have operated for many years.

Despite these challenges, Cambrian's assets grew to just over \$4.63 billion at the end of December 31, 2022. Loans grew by \$123 million. Our gross financial margin ended the year at 1.28 per cent of total assets with a net income of \$19.3 million.

Our retained earnings grew to \$349.6 million for the year, bringing Cambrian's equity to a very strong 7.55 per cent of total assets. This high level of equity underscores Cambrian's financial strength to weather economic uncertainty and ensure the continued reinvestment back into the delivery of value back to members. In 2022, we returned \$6.7 million to our members' wallets through the Unfee, for a total of \$62 million since the program launched in 2011.



Unfee:

\$6.7 Million

Green for Green:

\$525,497 with 45,346 members enrolled

Achieva Financial

Cambrian's virtual division, Achieva Financial, was established with one purpose in mind – to offer Canadian savers simplicity and security while getting the best rates available in the most convenient way. Committed to providing our customers with an easy-to-use, reliable online savings platform, customers have the freedom to reach their savings goals in a self-directed approach. For the past 24 years, Achieva has consistently offered competitive rates while providing a 100% deposit guarantee by the Deposit Guarantee Corporation of Manitoba, regardless of which province our customers call home.

Our Team

2022 BOARD OF DIRECTORS

This year marked a significant period of transformation for our credit union, which was not possible without the guidance and support of our Board of Directors. Our board is comprised of individuals who bring expertise in finance, technology, education, and more – all critical elements to ensure success in an ever-changing financial landscape.



Judy Mathieson
Chair

Board Meetings Attended: **9/9**



Guy Whitehill
Vice-Chair

Board Meetings Attended: **9/9**
Committee Meetings Attended: **9/10**



Howard Falk

Board Meetings Attended: **9/9**
Committee Meetings Attended: **6/6**



Cindy Genyk

Board Meetings Attended: **9/9**
Committee Meetings Attended: **8/8**



Paul Holden

Board Meetings Attended: **9/9**
Committee Meetings Attended: **6/6**



Ken Lamoureux

Board Meetings Attended: **9/9**
Committee Meetings Attended: **12/12**



Jeffrey Morton

Board Meetings Attended: **9/9**
Committee Meetings Attended: **12/12**



Valerie Romanow

Board Meetings Attended: **9/9**
Committee Meetings Attended: **6/6**



Bonnie Saluk-Chwartacki

Board Meetings Attended: **9/9**
Committee Meetings Attended: **10/10**

EXECUTIVE TEAM



David Mortimer
Chief Executive Officer



Diane Bilodeau
Chief Sales & Business
Intelligence Officer



Esther Friesen
Chief Risk Officer



Lynne Mackan-Roy
Chief Information Officer



Deanne Magnus
Chief Financial Officer



Marilyn Brennan
Chief People & Corporate
Services Officer

Financials

5-YEAR COMPARISON CHART

(THOUSANDS OF DOLLARS)	2022	2021	2020	2019	2018
Assets	4,629,094	4,623,494	4,382,680	3,971,411	3,696,794
% Growth	0.12%	5.49%	10.36%	7.43%	2.71%
Net Interest Income	59,078	53,457	49,861	49,966	50,516
Provision for Loan Loss	1,608	806	6,372	380	222
Other Income	57,470	52,651	43,489	49,586	50,294
	21,463	22,135	21,459	21,599	21,168
Operating Expenses	78,933	74,786	64,948	71,185	71,462
	46,258	42,135	39,576	37,739	35,732
Income from Operations	32,675	32,651	25,372	33,446	35,730
Refunded Service Fees	6,657	6,542	6,304	6,242	5,951
Income Tax	6,718	5,794	3,349	8,569	4,554
Net Income	19,300	20,315	15,719	18,635	25,225
Regulatory Share Capital	338	333	328	325	9,364
As a % of assets	0.01%	0.01%	0.01%	0.01%	0.25%
Retained Earnings	349,562	330,262	309,947	294,228	275,593
As a % of assets	7.55%	7.14%	7.07%	7.41%	7.45%
Regulatory Equity as a % of assets	7.56%	7.15%	7.08%	7.42%	7.71%
Efficiency Ratio	57.43%	55.74%	55.49%	52.73%	49.85%

Assets (millions):

4,629

Net Income (millions):

19.3

Efficiency Ratio:

57.43%

Loans (millions):

3,650

Deposits (millions):

4,210

Regulatory Equity (millions):

350





www.cambrian.mb.ca

