



Diamond North

CREDIT UNION

2021 Annual Report

Helping People and Communities Succeed

Vision

Your partner of choice in building financial success
for you and your community.

Mission

Our members are our owners.
Diamond North Credit Union provides value to our owners
through the relationships we build and our shared commitment
to the co-operative principles. Our success allows us
to invest in our owners and communities.



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Serving Members Since 1939

Welcome Message

From President Greg Pagan and CEO Colleen Harmatiuk



Greg Pagan
President

As we look back on 2021, what really stands out is how many significant changes occurred in our lives and how many remarkable accomplishments were still achieved during the year, despite the challenges we faced. Restrictions were placed on many businesses and social gatherings, limiting economic activity, increasing unemployment, distancing us from family and friends, and generally changing life the way we knew it. The introduction of vaccinations initiated a gradual reopening of the economy, but new variants of the illness continue to challenge our medical system with second doses and now booster shots being recommended by medical experts. Diamond North Credit Union has followed all Saskatchewan Health Authority guidelines and succeeded in remaining open throughout 2021. Members adjusted by making more use of our self-serve channels like online and mobile banking to manage their financial affairs.



Colleen Harmatiuk
CEO

In April 2021, the DNCU Board and Executive met to discuss our long-term strategic direction and to set our 2022-2024 Strategic Plan. The Board confirmed what is most important to DNCU with a focus on the following key conclusions:

- **Autonomy** – Remaining autonomous, with an independent Board and CEO, remains in our members' best interests.
- **Collaboration** – Ensuring DNCU's autonomy requires we work collaboratively with like-minded credit unions and credit union partners.
- **Regional Model** – The regional model positions DNCU to remain relevant to our members and communities.

We also recognize the effects of the pace of change to not only the whole financial services industry, but to our organization and how this impacts our members and our staff. Our industry has become highly competitive, and we will need to equip our employees with all the tools, training, and support to enable them to always provide a MemberFirst experience.

As in 2020, historically low interest rates persisted throughout the year, putting downward pressure on financial margins, and fueling a red-hot real estate market that saw record high home prices in most of our communities. Financially, 2021 was a successful year for Diamond North. We managed growth in both deposits and loans, allowing us to grow our overall assets to \$629 million; an increase of \$28 million or 4.64%. Our profit, augmented in 2021 by the Canadian Employment Wage Subsidy, came in at \$3.7 million after tax. This is fully outlined in the Summarized Financial Statements included in this report and the Management Discussion and Analysis.

With the continued restrictions, our employees were unfortunately not able to volunteer at the same level as we have in pre-pandemic years. Our whole DNCU team is anxious to get back out and spend time with our members in our communities. We miss seeing everyone and lending a hand where we can. On a positive note, we were able to continue to support our local communities through donations and sponsorships through our **CUSucceed Community Enrichment** program. In 2021 we gave back \$105,000 to various local initiatives. In addition, as a partner of Wyth Financial, previously Concentra, we submitted grant applications to their **Empowering Your Community** program. Out of 84 submissions from credit unions across Canada, we were pleased to announce that Zenon Park Fire Department was selected as one of only three \$10,000 grant winners. This was in addition to the \$10,000 that was donated by DNCU earlier in the year.

Welcome Message

One of the toughest decisions that any credit union must face is the sustainability of our branches. In 2020, the Board approved the closure of two of our branches and the reduction in hours in three others. At the beginning of July 2021, these changes came into effect as part of our organizational restructure to position us for long-term sustainability as an autonomous, locally owned, and controlled credit union. We know these adjustments to our service delivery hours were difficult on our members and the communities impacted. I am pleased, however, with how we worked with each community, and with each of our members directly. I am most proud that, throughout the process, Diamond North Credit Union teams responded personally and thoughtfully to every member concern or question. We believe we continue to serve those affected members effectively today through the use of multiple access points; mobile, online, telephone and in person. As always, our service specialists are there to assist you with all your financial needs in whatever way works best for you.

As a supporter of youth and learning, Diamond North Credit Union continues to offer seven \$1,000 scholarship awards to DNCU members graduating from high school and one \$500 scholarship award to a Cumberland College member. Every member application we receive is worthy of a DNCU scholarship. It is very rewarding to see such strong leadership skills and drive for success in our graduating member base. We were also fortunate that one of our members was awarded one of three \$1,000 scholarships from our service partner, Valeyo, and was selected from participating credit unions in British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario. All 2021 scholarship recipients are highlighted later in this report.

We pride ourselves in having one of the best groups of dedicated, professional employees in our system and wish to take a moment to acknowledge the hard work of every member of our DNCU team. These individuals exude positivity, loyalty, and a strong commitment to our membership. They come to work every day with the sole purpose of providing MemberFirst experiences and we appreciate each and every one of them.

The world continues to change and shift, though we are currently experiencing some unique challenges with a global pandemic and a serious world conflict, we are also excited about the opportunities we see ahead. Our communities are resilient, and we will move through these challenges.

We would like to thank YOU, our members, for another successful year in 2021. As members, you are Diamond North Credit Union, and we grow and succeed as a result of your loyalty and support. We look forward to working with you through another exciting year in 2022!

Respectfully submitted,



Greg Pagan, President



Colleen Harmatiuk, CEO

Credit Union Market Code

Diamond North Credit Union voluntarily adheres to the Credit Union Market Code. This code has been jointly developed by Saskatchewan credit unions, SaskCentral, and Credit Union Deposit Guarantee Corporation to ensure the protection of credit union members. The code sets forth the guidelines for the following areas:

Fair Sales– Diamond North Credit Union’s actions and decisions regarding member advice, information and recommendations are objective and reflective of the financial needs and the roles and responsibilities of the member and the credit union. Diamond North Credit Union is committed to providing relevant and meaningful information about products and services to enable members to make informed decisions.

Transparency and Disclosure- Diamond North Credit Union is open and honest in its dealings with existing and potential members. General information is provided about the rights and obligations that arise out of a relationship a member has, relative to the financial services Diamond North Credit Union provides.

Professional Standards for Employees- Diamond North Credit Union is committed to employee development, education, professional designations and/or accreditation standards where appropriate. Business is conducted in a manner that maintains a strong reputation by exercising reasonable, prudent, and professional judgment in the provision of products and services.

Privacy- Diamond North Credit Union protects the interests of members by ensuring all member/client information is kept confidential and used only for the purpose for which it was gathered.

Complaint Handling- Diamond North Credit Union has an established internal complaint handling process that provides timely and responsive service to member’s complaints. The information on complaint handling is available at www.diamondnorthcu.com.

Low Fee Accounts- Diamond North Credit Union offers a basic banking account that will accommodate all persons. A low fee account is an option for individuals who conduct limited monthly transactions.

Co-operative Principles

As a true co-operative financial institution, Diamond North Credit Union is guided by the seven internationally recognized principles of co-operation:

Open and Voluntary Membership- Co-operatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control- Co-operatives are democratic organizations controlled by their members, those who buy the goods or use the services of the co-operative, who actively participate in setting policies and making decisions.

Members' Economic Participation- Members contribute equally to, and democratically control, the capital of the co-operative. This benefits members in proportion to the business they conduct with the co-operative rather than on the capital invested.

Autonomy and Independence- Co-operatives are autonomous, self-help organizations controlled by their members. If the co-operative enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the co-operative’s autonomy.

Education, Training and Information- Co-operatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operative. Members also inform the general public about the nature and benefits of co-operatives.

Co-operation Among Co-operatives- Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Concern for Community- While focusing on member needs, co-operatives work for the sustainable development of communities through policies and programs accepted by the members.

Saskatchewan Credit Union Director Recognition

2022 Recipient

The Saskatchewan Credit Union Director Recognition Program recognizes elected officials who have demonstrated a significant contribution to the Saskatchewan credit union system. Annually, each Saskatchewan credit union may induct one Board member, past or present, to the Saskatchewan Credit Union Director Order of Merit Awards.

Award principles include:

- Record of exemplary service to a Saskatchewan credit union
- Demonstrated leadership and an understanding of and commitment to co-operative principles
- Illustrates a positive public profile that reflects favorably on the credit union and the local community

Past Order of Merit Recipients		
2021	Hughene Day	Nipawin
2020	Allan Mochoruk	Nipawin
2019	Francis Chabot	Zenon Park
2018	Marcel Brassard	Albertville

Diamond North Credit Union would like to recognize Darryl Sande for his dedication to the credit union system.



Darryl Sande

Darryl was first elected in 1999 and served for 16 years on both the Albertville and Diamond North Credit Union boards. Darryl also served as Delegate for both Credit Unions. During this time, he completed the provincial Credit Union Director Achievement (CUDA) training and achieved National Credit Union Director accreditation. He enjoyed his years of service on both boards and is proud to be part of the achievements the Boards made during his tenure. The knowledge he gained as a director continues to serve him well in both his professional and volunteer service and he will be forever grateful for the knowledge and experience he has gained.

Darryl and his wife Dani (Danielle) moved from Edmonton to Albertville in 1998 and this provided Darryl with his first Credit Union experience. Darryl is glad to see the economic prosperity Saskatchewan has enjoyed over the last few years and believes there are more opportunities to come. Darryl has over 30 years of experience in the forest industry and is currently managing the Saskatchewan office for a national forestry consulting company.

Since leaving the DNCU Board, Darryl accepted a council position with the Association of Saskatchewan Forestry Professionals, the association that regulates the practice of forestry in the province. He has served as Treasure, Vice-President, and is currently President.

Darryl is serving on the St. Michael's Parish Finance Committee and is the Financial Secretary for their Knights of Columbus Council. Last November, Darryl was elected as a Trustee on the Prince Albert Catholic School Board.

Darryl enjoys watching his children, Dylan and Raelynn, participate in sporting events, family vacations from Waskesiu to Costa Rica, or any place in between, and building construction projects.

Diamond North Credit Union is pleased to induct Darryl Sande to the Saskatchewan Credit Union Director Recognition Program and to present him with the Order of Merit.

Corporate Structure and Governance

Board of Directors

Anchored in the co-operative principle of democratic control, Diamond North Credit Union is governed by a member-elected Board of Directors. The Board is accountable for leading and nurturing the long term strategic direction of the Credit Union while creating and maintaining value for its members, and the communities in which it does business.

The Board respects the role that outside agencies play in ensuring fair practices, consumer protection and a level playing field with competitors. The Credit Union is committed to following the regulations and guidelines set for it by the Government of Saskatchewan, Credit Union Deposit Guarantee Corporation and in the *Credit Union Act 1998*, *The Standards of Sound Business Practice*, and its own Bylaws and policies.

Since 2013, the Credit Union has worked with The Carver Policy Governance model which focuses on the functions rather than the structure of governance. Carefully established written Board policy sets the strategic direction for the Credit Union and provides both the Board and management with clear boundaries around who is accountable for specific outcomes and the means for seeing those outcomes achieved.

BOARD OF DIRECTORS April 2021-March 2022			
Name	Years of Service	Term Expiry	Meeting Attendance *
Gillies, Sandra	5	2024	100%
Head, Marcel	5	2022	50%
Nickel, Kent First Vice-President	5	2023	94%
Pagan, Greg President	12	2022	100%
Seerey, Bonnie	2	2023	100%
Serack, Leslee	8	2024	94%
Thompson, John Second Vice-President	24	2024	94%
Warriner, Christopher	13	2022	100%
Wolowski, Evan	2	2023	100%

*Meeting attendance is tracked for the electoral year (April – March). Only those meetings scheduled for a director's attendance are included when calculating attendance.

Corporate Structure and Governance

Board Composition

Directors, who are elected, serve three-year terms that expire on a rotational basis. With the change to our Bylaws on January 1, 2019 a director may sit on the Board for a maximum of four consecutive three-year terms. A director is ineligible for nomination for one year following the completion of the four consecutive terms. In April 2021, three-year terms were filled by Leslee Serack, Sandra Gillies and John Thompson and a two-year term was filled by Kent Nickel, all by acclamation.



Sandra Gillies



Marcel Head



Kent Nickel



Greg Pagan



Bonnie Seerey



Leslee Serack



John Thompson



Christopher Warriner



Evan Wolowski

Mandate and Responsibilities

The Board of Directors governs on behalf of the members with an emphasis on outward vision, diversity in viewpoints, strategic leadership and a clear distinction of roles between the Board and the CEO. The Board translates its members' wishes into credit union performance. The Board maintains policies that are responsive to the financial success of the credit union, the needs of its members and designed to maximize the potential for the long-term viability of the organization as a whole.

Director Training

Diamond North Credit Union is committed to the on-going professional development of its directors and has established policies that provide the financial resources to do so. Policy requires that new directors complete the first of three levels of training available through the National Credit Union Director Achievement program (CUDA) in their first year.

The Board participated in both individual and group learning and development opportunities in 2021 which were held virtually.

Directors also attend seminars and system meetings as necessary throughout the year. Training is tracked on an annual basis.

Corporate Structure and Governance

Board of Directors

Director Committees

The Board of Directors believes that a fundamental principle of sound governance is ensuring that members of the Board have equal access to all information, discussion and options requiring Board approval and therefore takes a minimalistic approach to the use of committees to preserve the wholeness of the Board's job. However, to ensure compliance with governing legislation, the following Board committees have been appointed:

Audit Committee: The purpose of the Audit committee is to ensure an independent review of the credit union's operations on areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls, and adherence to requirements of *The Credit Union Act, 1998, The Credit Union Regulations, 1999, and the Standards of Sound Business Practices*. All directors serve on the committee.

Conduct Review Committee: The Conduct Review Committee ensures that Diamond North Credit Union acts with the full integrity and objectivity of its directors and employees, by having in place policies, processes and practices that protect people and the organization from claims and from the perception of unfair benefit or conflict of interest. All directors serve on the Conduct Review Committee.

Elections Committee: The Elections Committee oversees the nomination and election processes for the election of Credit Union directors. The committee is comprised of all members of the Board except those whose term is expiring in the upcoming Board election cycle. The minutes of its meetings are submitted to the Board and the committee reports to the Board during regular Board meetings.

Note: Other oversight committees include: Asset/Liability (ALCO), Risk Management (RMC), and Credit Management (CMC). These committees are facilitated by management and report to the Board as required.

Diamond North Credit Union directors receive remuneration for items related to Diamond North Credit Union business or training. Allowable expenses include those for meetings, travel, meals, accommodations, mileage, and training. In addition, Diamond North Credit Union pays insurance premiums on behalf of the directors.

In 2021, the budgeted remuneration amount was \$54,000, actual paid was \$62,837. Contributing to the remuneration increase for 2021 were two additional learning opportunities directors attended. Directors were reimbursed an additional \$1,407 for out of pocket expenses. Insurance premiums that were paid on behalf of the directors totaled \$7,890.

Evaluation

A board evaluation is a method for the Board of Directors to verify the Board is meeting expectations, making progress toward goals, and following policies and bylaws. It is also an opportunity for the Board to gather feedback on future development and training needs. With this in mind, the Board reviews its policies that address Board behavior and performance at a minimum every three years to ensure they accurately reflect expectations. Compliance with these policies is assessed regularly throughout the year.

Corporate Structure and Governance

Executive Management

The Diamond North Credit Union Executive Management team is responsible to oversee the operations of the credit union within the context and strategies outlined by the Board. The Executive Management team is comprised of four members:



Chief Executive Officer (CEO), Colleen Harmatiuk

The Chief Executive Officer is responsible for providing strategic leadership to Diamond North Credit Union by working with the Board of Directors and the Executive Management team to establish, implement and oversee the Credit Union's long-range goals, strategies, plans and policies. The CEO's personal leadership demonstrates the Board of Director's vision and commitment to the Credit Union's membership and to co-operative principles. Colleen is a collaborative, innovative and visionary leader who brings to Diamond North Credit Union 30 years of credit union experience. She has worked primarily in executive positions throughout her career. Colleen has extensive experience working with Boards of Directors, executive teams, staff, system partners, regulators, and members. During her time in the credit union system she has volunteered on a number of committees and has contributed to the co-operative movement. Colleen has completed the Certified Chief Executive designation through the Credit Union Executives Society. As well, Colleen successfully achieved the Professional Director Certification Program™ through Governance Solutions Inc. and Johnson Shoyama Graduate School of Public Policy.



Chief Transformation Officer, Nicole Rorick

Nicole is responsible for leading the business areas that support the retail function and the administration departments of Diamond North Credit Union. As a member of the Executive Management team, Nicole works with the Leadership team to deliver on Diamond North Credit Union's mission and vision. In her role, Nicole is the Privacy and Compliance Officer for the credit union and is responsible for strategic oversight in the areas of Compliance, Technology, Loan Support and Deposit Support. She holds a marketing diploma from SIAST Palliser Campus, has completed numerous certifications through the Institute of Canadian Bankers and is working towards accreditation in Credit Union Management Studies. Throughout the course of her career, Nicole has held a number of retail and administrative positions and has 25 years of experience in the financial services industry with 12 being in the credit union system.



Chief Financial Officer, Kevin Isaacson

Kevin, as the Chief Financial Officer, has oversight of all the financial aspects of the organization and ensures regulatory compliance within these areas. This position is responsible for analyzing and reviewing financial data of Diamond North Credit Union. The Chief Financial Officer reports financial performance, prepares budgets, monitors revenues and expenditures, manages Diamond North Credit Union's investments, cash and liquidity. Additionally, Kevin oversees the audit functions, Asset/Liability Committee (ALCO) and Risk Management Committee (RMC). He works closely with the CEO and the Board of Directors to ensure the organization is on target and in line to achieve its financial and strategic goals. Kevin has attained the Fellowship of the Credit Union certification and is working through the Management Studies Program to attain a certificate in Credit Union Management Studies. Kevin has 28 years of credit union experience and has held many positions throughout his career.



Chief Operating Officer, Randall Kerluke

Randall is responsible for leading the retail branch network and the Credential Financial Strategies office. He works closely with managers and supervisors in the areas of deposit, lending, and wealth management to deliver on our commitment to a MemberFirst experience and to generate the business results to support the long-term strategic plan. In his role, he ensures member support departments function fluidly and leads the Credit Management Committee (CMC). Randall holds a Bachelor of Commerce degree from the University of Saskatchewan, is a Fellow of the Credit Union Institute of Canada and is currently pursuing his Certified Chief Executive designation with CUES. Randall has 28 years of credit union experience.

2021 Events

DNCU donated \$2,000 to Stars Ambulance in lieu of what we might normally spend on our CU Day celebrations.

#DNCUgivesback

The DNCU staff proudly participated in toy drives, food drives and even gave away some holiday socks. DNCU loves to support these causes that keep the spirit of giving alive in our communities.

**Diamond North Credit Union
is proud to donate \$2,000
to STARS Air Ambulance on
behalf of our members!**



#DNCUgivesback
#CreditUnionDay



Credential[®] Securities

Diamond North Credit Union is constantly seeking ways to add quality products, services and convenience to your life. That's why we partner with Credential Securities to provide access to a comprehensive range of wealth management services to our members.

Credential Securities is committed to a client-centered approach to manage and protect your personal wealth and develop your personal wealth strategy to help you realize your full financial potential.



Karla Morris
Wealth Advisor
Credential Securities

Karla Morris is the Credential Securities Wealth Advisor located at the Credential Securities branch at **100A – 1st Avenue W. in Nipawin**. Karla will work with you to create a personal financial blueprint you can follow to help achieve your monetary objectives.

You may want to consider taking advantage of this service today! You can stop by the Credential Securities branch or call Karla today at **306-862-8160** for a no-cost, no-obligation consultation.

Mutual funds and other securities are offered through Credential Securities, a division of Credential Qtrade Securities Inc. Credential Securities is a registered mark owned by Aviso Wealth Inc.

Corporate Social Responsibility

Corporate Social Responsibility is belief in a company's accountability to community; the belief that a company should take into account the social, ethical, and environmental effects of its activities on its staff and the community around it.

Proud to support
Zenon Park & District Fire Department
with a \$10,000 donation!



CUSucceed
COMMUNITY ENRICHMENT

#DNCUGivesback

In partnership with Concentra,
DNCU is proud to present another
\$10,000 to the
Zenon Park & District Fire Department



Diamond North
CREDIT UNION

Concentra | Empowering
YOUR COMMUNITY

Early 2021, DNCU was happy to donate \$10,000 to the Zenon Park Fire Hall. As a partner of Wyth (Concentra) Financial, we submitted grant applications to their Empowering Your Community program. The Zenon Park Fire Department was selected as one of only three \$10,000 grant winners.

Diamond North Credit Union believes that supporting communities and demonstrating social and economic leadership are not optional – they're fundamental to who we are, what we do, and how we serve our members. Each year Diamond North Credit Union **allocates 3.0% of pre-tax profit** to be given back to our communities through our Community Investment Fund.

In 2021, Diamond North Credit Union donated in **excess of \$105,000** to various organizations, charities, non-profit clubs, parks and projects. This financial support was allocated to a widely diverse sector, including youth, seniors and First Nations communities. Funds supported capital projects for recreation, entertainment events, charity, education and health initiatives. These community investment initiatives strengthen and add value to our communities through increased tourism, attractiveness of our region and lifestyle.

As well as donations to various events and organizations, Diamond North Credit Union awarded \$7,500 in scholarships to students in our communities. **Our 2021 scholarship recipients were: Andrea Blair (Choiceland), Alexis Chorney (Nipawin), Kenzie Demers (Debden), Rhea Peterson (Debden), Dayen Spice (Nipawin), Jared Wassill (Arborfield), Austin Wiens (Carrot River), and Alannah Cotterill (Cumberland College).** One of the criteria of our scholarships is the spirit of co-operation and giving back to the communities while achieving a high level academic standing. We are proud to support these students in their post-secondary education and future aspirations. In addition to the DNCU scholarships, the Valeyo program offered three \$1,000 learning grants to students who are members of participating credit unions in Saskatchewan. In 2021, DNCU member Kayla Zich was the **#DNCUGivesback** recipient of one of these grants.

Volunteer time in 2021 was limited because of the pandemic however our employees were still able to donate **1,445 hours** of their time to various volunteer activities and organizations. The willingness of our employees and the loyalty of our membership provides the means to give back to our communities.



We are proud to donate \$20,000 to Carrot River School for their new build!

CU Succeed COMMUNITY ENRICHMENT *Helping People and Communities Succeed*

We are proud to support Big River 4-H Club and their Community Garden!

Helping People and Communities Succeed

#DNCUgivesback **CU Succeed** COMMUNITY ENRICHMENT

We are proud to support Harley's House Community Garden!

Helping People and Communities Succeed

#DNCUgivesback **CU Succeed** COMMUNITY ENRICHMENT

CU Succeed COMMUNITY ENRICHMENT

#DNCUgivesback **CU Succeed** COMMUNITY ENRICHMENT



We are proud to support the Pasquia Park Pool upgrades with a \$5,000 donation!

CU Succeed COMMUNITY ENRICHMENT

Helping People and Communities Succeed

#DNCUgivesback

Through our CUSucceed Community Enrichment Fund, Diamond North Credit Union returns the support of our members to the communities which we live and operate in. By actively participating in community initiatives and events we create something much bigger than ourselves.

MemberFirst

MemberFirst is DNCU's refresh of our Choice Service brand. MemberFirst defines the culture we strive for at DNCU and simplifies Choice Service. The concepts from Choice Service don't go away - we have now translated that theory into behaviors.

- **Simplifying our approach** to serving members will make it easier to talk about, coach to and improve upon. When all staff understand the expectations, the barriers to open and honest conversations are removed and **accountability becomes contagious**.
- **Aligning our language and actions** to the core behaviors of **Engage, Learn and Deliver**, will create an organization-wide culture where we always consider the member first. This allows us to provide a **consistent, seamless, positive experience each and every time**.
- **We want our members to feel delighted** with their interactions with us, regardless of location or delivery channel. Building those **trusted relationships** at every touch point will strengthen our member's financial well being, allowing us to make **meaningful community impact**. We can accomplish this member delight through **our behaviors**.



Reach your goal *faster!*

Build savings effortlessly while taking advantage of compounding and dollar cost averaging with a pre-authorized contribution!

Meet with one of our knowledgeable Wealth Specialists for details!
diamondnorthcu.com/investing

Diamond North Credit Union is actively engaging our members & communities on five social media platforms:



Management Discussion and Analysis

Introduction

Presented herein is the discussion and analysis of the operational and financial position of Diamond North Credit Union (DNCU) as of December 31, 2021, represented in Canadian dollars and prepared in accordance with International Financial Reporting Standards (IFRS). The commentary is tied to, and should be viewed in combination with, DNCU Consolidated Financial Statements and their accompanying notes. This report will also make note of key areas and items pertaining to DNCU business. Management's Discussion and Analysis is presented to enable readers to make assessments regarding material changes in the financial condition and operating results of DNCU.

Operational Overview

Diamond North Credit Union is an independent regional credit union owned by our members. As of December 31, 2021, DNCU provided financial services to 12,107 members and 3,636 non-members.

In 2021, DNCU provided deposit, lending, and wealth services to surrounding communities and areas in Northern Saskatchewan and as of December 31st, we operated service locations in eight of these - Arborfield, Big River, Carrot River, Choiceland, Debden, Nipawin, Prince Albert, and White Fox. DNCU serves a district that is mainly rural, however quite diverse. The agricultural sector is comprised of grain and oilseed producers along with honey, beef, exotic livestock, and forage producers. Commercial enterprises range from small, local businesses to large manufacturing and processing operations in the agricultural, lumber, and natural resource industries. Healthcare and education are other major employers and industries in the area creating a diversified membership for the Credit Union. This allows the Credit Union's risk exposure to be spread over many market segments.

DNCU experienced Asset Growth of 4.64% in 2021. Assets at the end of the year totaled \$629.2M. Growth in member deposits provides the funding for Asset Growth. Members deposits grew by 4.43% in 2021 and the growth can be attributed to two main reasons: 1) most pandemic restrictions established in 2020 continued through 2021 which again caused members to reduce spending; 2) the ag sector experienced another year of strong commodity prices which increased cash holdings in producer accounts. Despite the pandemic, there was optimism and confidence in the economy which provided assurance to members in all sectors providing the confidence that increasing their debt levels was safe to do. Total loans grew by 4.83% in 2021, compared to a decline of 2.45% in 2020. Profit after taxes for the 2021 year was \$3.67M. This amount exceeded budget because of operational expenses being underbudget due to continued health regulations and recommendations, as well as extra-ordinary income received from the Canada Emergency Wage Subsidy.

Strategy

Through the annual planning and strategic review process, Board and Management agreed the success of the Credit Union is dependent on building on our two Key Success Factors and continuing to be focused on and developing our Core Competencies.

Key Success Factors

- **Service Delivery**
- **Member / Owner Relationships**

Core Competencies

- **We Are All Leaders**
- **Environment of Constant Improvement**

Management Discussion and Analysis

Key Performance Drivers

In order to evaluate the performance of an organization, consideration must be given to the regulatory nature of the business, the economic environment that it resides in, future objectives of the organization, as well as current organizational position. With these in mind, targets are set to meet the organization’s short- and long-term objectives for financial, regulatory, and cultural health.

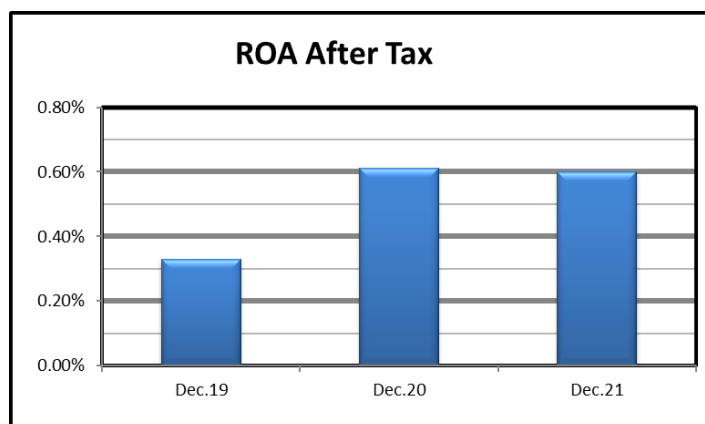
The corporate targets are reviewed yearly and are the key focus the organization will have in the coming year. The targets are evaluated regularly to ensure that the required goals are being met and that the organization is performing as desired. The methodology that DNCU employs for these targets is the Balanced Scorecard. The targets identified below are defined as “Acceptable” in the Balanced Scorecard.

Results

Balanced Scorecard	2021 Targets	Results
Earnings and Efficiencies Perspective		
Profitability before tax (as % of assets)	≥ 0.46%	0.81%
Eligible Capital (RWC)	≥ 13.30%	14.30%
Organizational Efficiency (net of loan writeoffs)	< 81.00%	71.68%
Delinquency	≤ 2.00%	0.27%
Member Relationships Perspective		
Deposit Growth	4.25% - 6.00%	4.43%
Loan Growth	3.00% - 3.49%	4.83%

Profitability

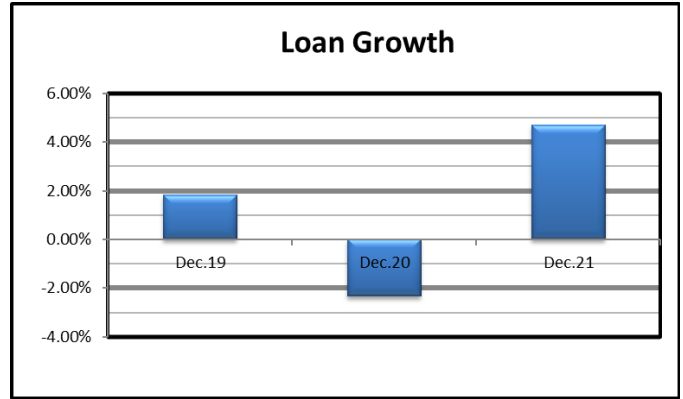
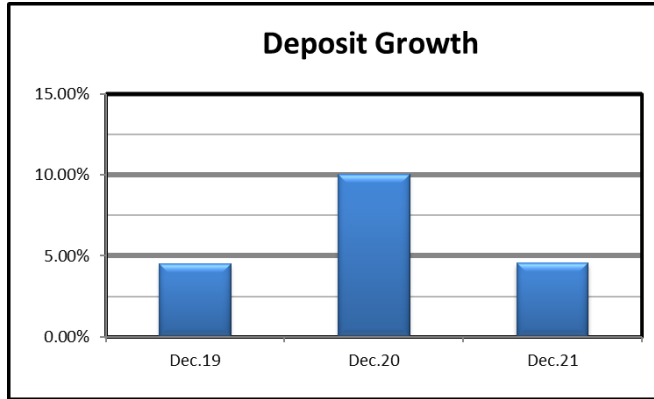
The annualized return on assets after tax for 2021 was 0.59%. As mentioned earlier, profitability exceeded budget for a couple of reasons. At the time of preparing the 2021 Budget, COVID-19 vaccines were starting to be administered in Canada. The belief at the time was the majority of Canadians would be vaccinated by mid-year and health restrictions would start to be lifted. As it turned out, restrictions remained in place for most of the year which meant expenses for which we had budgeted (i.e., travel, conferences and in person learning) were not incurred. The significant reduction in interest rates early in the pandemic caused a reduction in Interest Revenue received in 2020 and 2021 which allowed us to qualify for benefits from the Canada Emergency Wage Subsidy for part of the program period. Revenue from this program was not included in the budget as we were uncertain as to our eligibility.



Management Discussion and Analysis

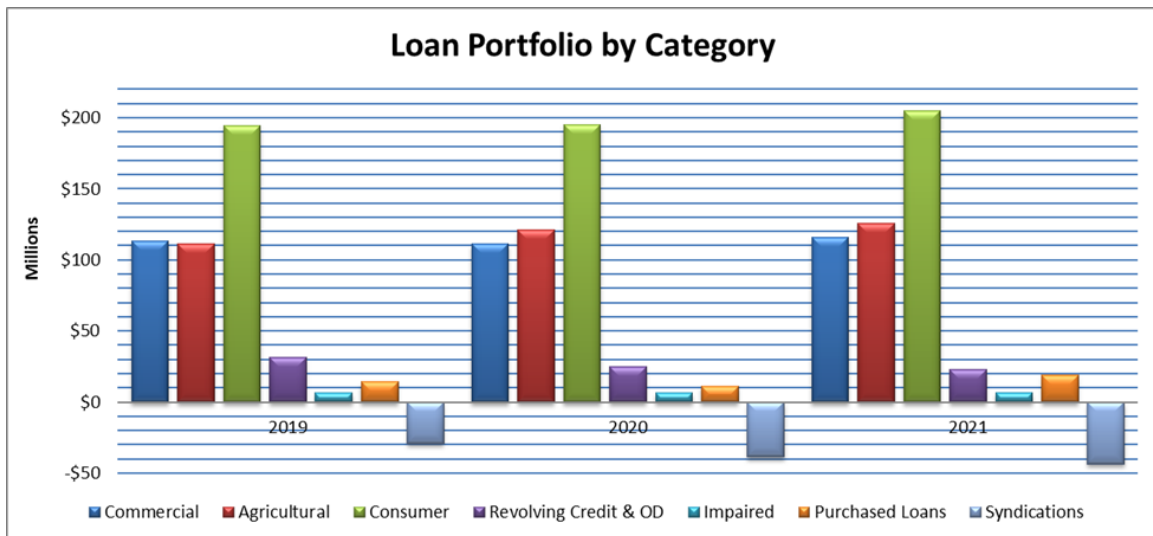
Growth

Total asset growth in 2021 was 4.64%. Total assets as of December 31, 2021 were \$629.2M. Compared to 2020 where we saw an increase in Cash and Investments and a decrease in Members Loans Receivable, DNCU experienced growth in both asset categories in 2021. Cash and Investments increased by \$7.6M and Member Loans Receivable increased by \$20.8M. Investment in assets is financed through funds members hold on deposit at the Credit Union in their chequing, savings and investment accounts.



Loan Portfolio

Total outstanding loan principal balances as of December 31, 2021 were \$451.9M compared to \$431.6M the previous year. Increases in loan balances was experienced in all sectors of our portfolio with the exception Revolving Credits and Impaired Loans. The largest growth was seen in our Consumer portfolio.



Management Discussion and Analysis

DNCU's residential mortgage portfolio totaled \$174.4M at the end of 2021. Mortgages that are insured through companies such as CMHC or Genworth represent 17.9% of the total. In 2021 the average Loan to Value (LTV) ratio on new conventional (uninsured) mortgages was 71.2%. The legislated maximum LTV on conventional mortgages is 80.0% compared to 95.0% on insured mortgages. The larger down payment required for conventional mortgages helps protect the Credit Union in the event of an economic downturn that negatively affects real estate prices.

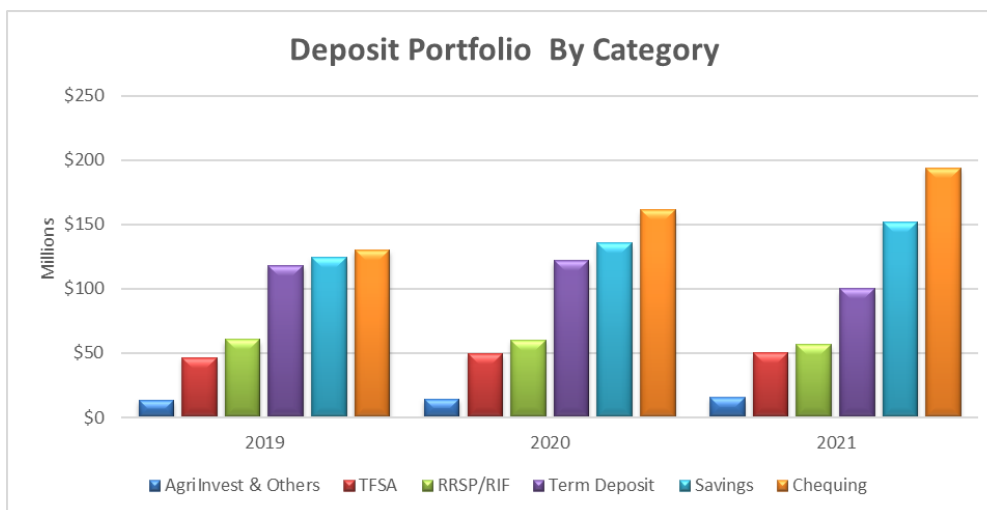
Remaining Amortization as of December 31, 2021

Residential Mortgages

Amortization Period	Insured		Uninsured	
	\$ (thousands)	%	\$ (thousands)	%
< 5 yrs	162	0.5%	5,270	3.7%
5-10 yrs	1,216	3.9%	8,590	6.0%
10-15 yrs	2,381	7.6%	17,919	12.5%
15 - 20 yrs	7,987	25.6%	42,051	29.4%
20 - 25 yrs	19,503	62.4%	69,346	48.4%
Total	31,249	100%	143,176	100%

Deposit/Wealth Portfolio

Balances in member deposit accounts grew \$24.7M from \$543.3M to \$568.0M. Growth occurred in registered investments and variable rate savings, while chequing accounts and term deposits remained relatively flat.



Management Discussion and Analysis

Not reflected in the above numbers are our off-book deposits. Member investments held with our in-branch Credential Asset Management (CAM) reps and our Credential Financial Strategies (CFS) office totaled \$131.3M. These investments along with \$2.6M of RESP investments held by Wyth Financial (Concentra Bank) bring the total off-book deposits to \$133.9 at the end of 2021. Although DNCU cannot use these funds to finance member loan demand, they do provide non-interest revenue and support our profitability.

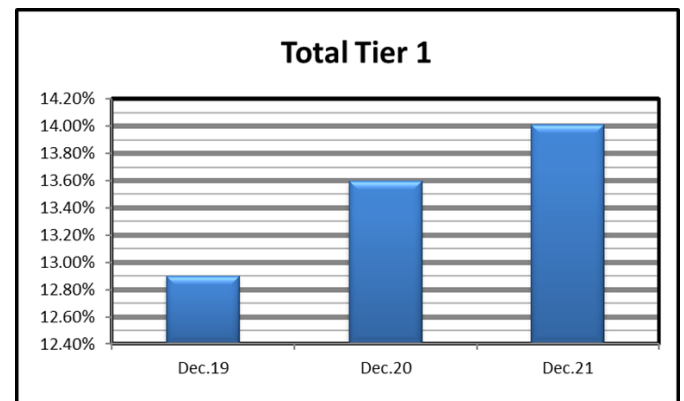
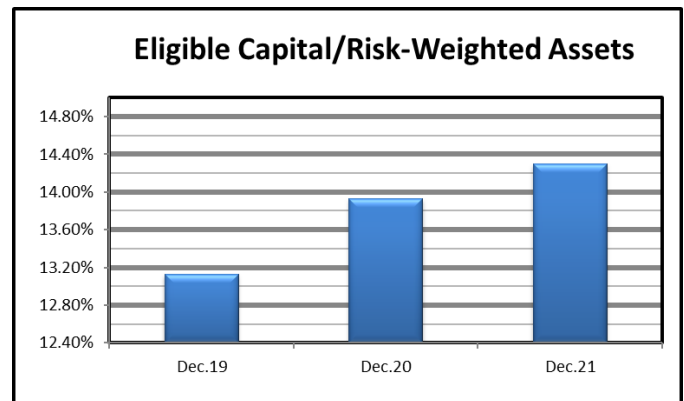
DNCU has the ability to tailor investment vehicles to align with investor profiles. Offering investments that provide guaranteed rates of return, such as GIC's and savings accounts, as well market investments, which may provide the opportunity for greater returns.

Capital Management

All financial institutions have regulatory oversight. The primary industry regulator for Saskatchewan credit unions is the Credit Union Deposit Guarantee Corporation (CUDGC). CUDGC provides the guiding principles that we must operate within to ensure regulatory compliance. The two key indicators for capital adequacy are Total Tier 1 Capital and Total Eligible Capital. These indicators measure the financial strength of an organization. The required ratios in these areas are Total Tier 1 Capital of 8.50% and Total Eligible Capital of 10.50%.

DNCU manages capital requirements by annually developing a Capital Plan that outlines the capital requirements the organization must achieve to remain financially healthy and compliant with regulations. This plan developed within the regulatory framework (*Standards of Sound Business Practice*) is provided to the Board of Directors and is reviewed regularly by management. The plan is developed to ensure that the organization meets, and exceeds, capital requirements. As such, DNCU policy dictates that our capital levels should exceed regulatory minimums and meet the capital requirements identified through the organization's Internal Capital Adequacy Assessment Process (ICAAP). The long-term goal is to reach capital levels that exceed ICAAP requirements by 2.0%. Having a strong capital base allows for unexpected losses and the protection of member deposits. It also funds the implementation of long-term strategic plans which in turn increases our ability to grow our assets. The Eligible Capital Ratio as of December 31, 2021 was 14.30%. This number exceeded the organization's ICAAP requirements by 1.29%.

Also included in capital management category is the oversight of facilities and equipment. As of December 31, 2021, Diamond North owns the facilities where our service locations are housed.



Management Discussion and Analysis

Credit Quality

Credit quality is a key component of risk management and requires diligence. The health of an organization's loan portfolio is determined by how well the credit of the loan portfolio is performing. This is measured by the delinquency of the portfolio. DNCU's Greater than 90 Days Delinquency Ratio at the 2021 yearend was 0.27%, which is considered "Exceptional" in the Balance Scorecard. Delinquency and credit quality are carefully monitored and reviewed by the Credit Management Committee (CMC) regularly to assess loans that are, or may become, impaired. The CMC will also establish allowances for potential losses if there is a risk a loan will not be paid in full. The CMC is made up of the Chief Executive Officer, Chief Operating Officer, Manager of Credit, Managers of Regional Relationships, and the Credit Risk Officer.

Other

Net Interest Margin – measures the total interest revenue less the total interest expense. This is a crucial measurement as most of a credit union's profitability is generated by our interest margin. DNCU's net interest margin for 2021 was 2.29%, down from 2.49% in 2020. The historically low interest rates that started at the beginning of the pandemic remained throughout 2021 keeping pressure on the spread between deposit and loan rates causing a reduction in interest margin. In addition, the Canadian banking industry continued to experience surplus liquidity creating increased competition for the loans that were available in the marketplace.

Other Income – included in this category is fixed asset revenue, service charges, and commissions. Other income for 2021 was \$3.2M, up marginally from the previous year.

Operating Expenses – includes various operating expenses such as personnel costs, member security, organizational costs, occupancy, and general business. These costs were up \$77K from the previous year. Most expenses increase at rates similar to inflation, however we find that technology expenses are increasing at a greater rate. The speed at which technology changes, and the expectations of consumers to do more of their business digitally, mean systems need to be more robust and require frequent updates which increases their costs.

Government Assistance – represents funds received from the Federal Government through the Canada Emergency Wage Subsidy (CEWS) program. CEWS was the only program where DNCU was eligible. All funds were received as of December 31.

Management Discussion and Analysis

Outlook

At the time of writing this report pandemic restrictions have been lifted in Saskatchewan and signs indicate that life is returning to a pre-pandemic normal. Social gatherings and community events are being planned. Face to face conferences and training opportunities are being advertised as well. Canada's inflation rate is currently over 5%. We have experienced the first interest rate increase since the beginning of the pandemic and expectations are that we could see multiple increases over the next couple years bringing the Bank of Canada's Prime Rate closer to 2.0%. The current conflict between Russia and Ukraine, along with the economic sanctions imposed on Russia by North America and some European countries, may temper the speed of the rate increases. The global effect of the supply chain disruptions caused by the conflict is expected to increase energy, food, and fertilizer prices.

Regionally we have experienced a winter with above average snowfall which should improve soil moisture conditions from what was experienced last year. Grain prices are well above average, so farm receipts are expected to be similar. However, increased seed, fertilizer and fuel costs will reduce margins from the previous year. Cattle prices are expected to increase due to a decrease in production. Even with increased feed costs there is optimism in the beef industry. Overall, the agriculture sector is expected to yield average profits in 2022 and continue to provide growth opportunities for DNCU. The lumber industry continues to expand production, or planned production, at facilities in Big River, Carrot River and Prince Albert. This means stability for current jobs and opportunities for future employment. Generally, the region we serve is expecting to have a solid year. With the removal of pandemic restrictions, we will see more money spent on entertainment and socializing which will support all businesses. Even with higher prices at the gas station and grocery stores people are ready to get out and spend money.

Expectations are that, even with increases in interest rates, demand for residential and farmland mortgages will be strong. House prices have remained steady over the past year and farmland prices have increased. We are budgeting for loan growth of over 5% including growth from our membership and loans purchased from partners. Deposit growth is expected to be just under 3.0% in 2022, which is less than that realized in 2021. Although the Federal Government has extended the repayment of the Canada Emergency Business Account (CEBA) to the end of 2023, we are seeing some repayments happening now and expect this to continue. The repayment of these loans along with the increased spending because of lifted restrictions and inflationary increases to everyday costs are the main reasons for the reduced deposit growth.

We are budgeting for Asset Growth of 2.91% and a Lent-Out Ratio of 73.0% that will provide us a Net Interest Margin of 2.37%. Surplus liquidity at all financial institutions will keep competition strong for loans that are available in the market and keep pressure on pricing. We have seen increases in loan rates since yearend, however these increases were less than the increases seen in fixed deposit rates. Profitability before Taxes is projected to be 0.57%.

Management Discussion and Analysis

Enterprise Risk Management

As with all financial institutions, DNCU is exposed to a variety of risks. Each year our credit union invests a significant amount of resources to measure and assess risks to ensure that we are adequately prepared to serve our communities now and in the future. This process is called Enterprise Risk Management (ERM) and is a requirement of credit unions in Saskatchewan as laid out by Credit Union Deposit Guarantee Corporation.

The risk tolerance for DNCU is set out by policy as defined by the Board of Directors and guidelines of the Credit Union Deposit Guarantee Corporation. The Board-approved Risk Framework and Risk Appetite Statement sets the organizations boundaries for risk. Management is responsible for overseeing that business decisions are made within these boundaries. On a quarterly basis the Risk Committee, which consists of the Executive Management Team, reviews the identified risks and provides reporting through the Risk Dashboard and Risk Inventory Listing to the Board as to the status of each risk along with any mitigating actions. The committee is responsible to identify any new risks. These controls are aimed at minimizing uncertainty and maximizing opportunity (mitigating identified risks) while managing the enterprise for growth and stakeholder value.

Following are the risk categories that comprise DNCU's ERM philosophy:

Credit Risk

Credit Risk is present with direct lending activities and purchase of syndicated loans (credit products purchased by, but not administered by DNCU). It is the risk to earnings or capital arising from a member's failure to meet the terms of any contract with the credit union or otherwise fail to perform as agreed. Credit risk is found in all activities where success depends on counter party, issuer, or borrower performance. Some key individual credit risks are default risk, portfolio concentration risk, inadequate allowance risk, and policy exceptions risk. DNCU's Board of Directors has established defined limits regarding loan portfolio concentration limits for both direct lending and purchased loans. In addition, management has determined concentration limits for individual industries. Regular reporting is provided to the Risk Management Committee to ensure policy compliance and to identify and solve potential risk areas. The Credit Management Committee meets quarterly to review delinquent loans and loans that have been identified as higher risk. One of the inherent risk-mitigating characteristics of DNCU is its large and varied trading area. DNCU's borrowers consist of private individuals whose income is provided by businesses that are located both inside and outside of the immediate trading area and operate in a wide variety of industries. Small business members provide goods and services locally, provincially, nationally, and internationally. All these factors aid in reducing credit risk. When appropriate, DNCU will purchase loans from other credit unions. Purchasing loans is a means to diversify geographical risk and concentration risk. It is also used to generate profit when organic loan demand is lagging. As these loans are not directly administered by the Credit Union, a strong and mutually respectful relationship is required between the partners. The credit union's credit portfolio and lending practices undergo regular and ongoing independent review through external audit, internal audit, and regulatory reviews.

Market Risk

Market Risk is the risk inherent to dealing within a marketplace that has exposure to the fluctuations in market price and/or rates. There is the risk of potential losses if pricing or rates change, thereby adversely affecting the value of assets and liabilities. In our case, DNCU would mainly be affected by increases/decreases in interest rates. Regulator guidelines, board policy and management procedures define how management will monitor and mitigate risks arising from changes in interest rates. Further to this we implement various scenario testing tools and dynamic modeling tools to create simulated situations that may apply to our organization. The Asset and Liability Committee (ALCO) meet on a regular basis to review and discuss balance sheet management, pricing and to implement risk mitigating actions.

Management Discussion and Analysis

Liquidity Risk

Liquidity Risk is the risk to earnings or capital arising from a credit union's inability to meet its obligations when they come due. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. Inefficient use of excess funds to provide a financial return is also considered a liquidity risk.

DNCU's liquidity management framework consists of guidelines and principles as outlined in the Standards of Sound Business Practices and Liquidity Risk Management Principles prepared by CUDGC. Further to these, the Board then defines liquidity management parameters in their Executive Limitation Policies they provide to management. In addition to policy, the Board provides direction to liquidity management through the Risk Appetite Statement. Management is responsible to establish operational policies and procedures that follow the above. Annually, management will prepare and approve a Liquidity Plan that is presented to the Board for review and discussion. The Liquidity Plan defines measurements and tolerances used to monitor liquidity. The plan also identifies liquidity crisis mitigating actions that will be taken should the need arise.

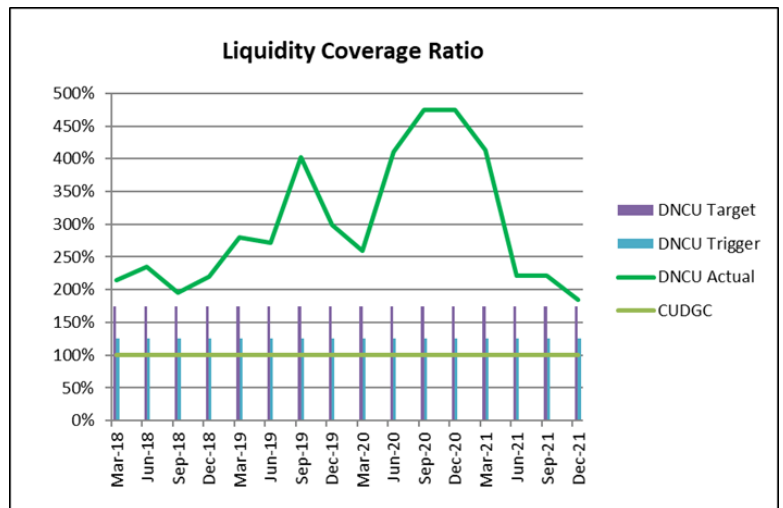
Management monitors liquidity daily and makes decisions regarding the investment of funds in a manner that balances the needs to maximize returns as well as meet operating needs. SaskCentral and Wyth Financial (Concentra Bank) are our main service providers for our investment needs. Our investments consist of demand and fixed term investments. Management provides liquidity reporting to the Asset and Liability Committee (ALCO), the Board and CUDGC on a quarterly basis.

ALCO is charged with the responsibility of managing the Credit Union's balance sheet to ensure that investment in the various asset categories is kept within defined limits and that both assets and liabilities are managed in such a fashion to reduce the risk of a liquidity shortfall. ALCO is also responsible for the approval of products and services that support the objectives of the Credit Union.

Credit unions are required to have a minimum Liquidity Coverage Ratio (LCR) of 100%. The objective of the LCR is to ensure that a credit union has an adequate stock of unencumbered high-quality liquid assets that:

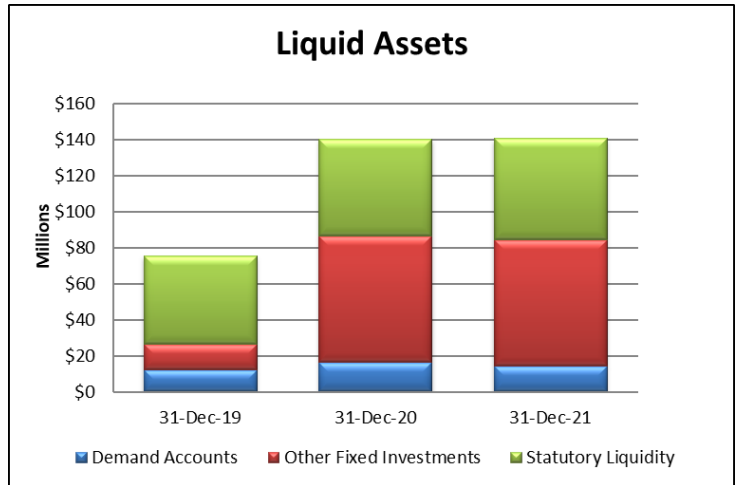
- consist of cash or assets that can be converted into cash at little or no loss of value; and
- meet its liquidity needs for a 30 calendar day stress scenario, by which time it is assumed corrective actions have been taken by the credit union and/or the Credit Union Deposit Guarantee Corporation.

DNCU has stated in its Liquidity Plan that it will strive to maintain an LCR ratio more than 175%, and that remedial action will take place should the ratio fall below 125%. The following chart shows DNCU's historical LCR.



Management Discussion and Analysis

Credit unions are required to maintain 10% of member deposits invested in Statutory Liquidity Investments with SaskCentral. These investments provide a rate of return that contributes to the overall profitability of the credit union. These funds are invested in varying levels of government investments, insured and conventional mortgages and corporate debt securities. SaskCentral provides regular reporting as to the structure of the investments. In addition to Statutory Liquidity Investments, DNCU will invest surplus cash with SaskCentral, Wyth Financial (Concentra Bank), Credential Financial Securities and venture capital partners. Investments are made with a focus on maintaining necessary liquidity while still providing strong rate return. The following chart illustrates the breakdown of DNCU's liquid investments.



In addition to the stress testing accomplished through the LCR, the Credit Union completes liquidity stress testing using its Internal Capital Adequacy Assessment Program (ICAAP), simulations provided by Wyth Financial (Concentra Bank), and several scenarios developed by Management. The

Liquidity Stress Testing Report December 31, 2021

Time Horizon						
5 days	30 days	60 days	90 days	120 days	150 days	180 days

Operating Liquidity

(10% draw on chequing, 2% draw on registered & term, 5% draw on everything else, 20% draw on LOC, 100% drawn on approved but not advanced

Coverage w/o SC Temp Liquidity	64%	64%	74%	77%	77%	95%	107%
Coverage w/ SC Temp Liquidity	180%	180%	191%	193%	193%	211%	224%

10% Draw on all deposits

Coverage w/o SC Temp Liquidity	82%	82%	96%	98%	98%	121%	137%
Coverage w/ SC Temp Liquidity	231%	231%	244%	248%	248%	270%	286%

30% Draw on non registered savings

Coverage w/o SC Temp Liquidity	137%	137%	159%	165%	165%	203%	230%
Coverage w/ SC Temp Liquidity	387%	387%	409%	415%	415%	453%	479%

50% Draw on Approved but Unadvanced Revolving Credit

Coverage w/o SC Temp Liquidity	104%	104%	121%	126%	126%	155%	175%
Coverage w/ SC Temp Liquidity	295%	295%	312%	317%	317%	346%	366%

Multiple Event

(20% draw on chequing, 15% draw on non-reg savings, 20% draw on unadvanced revolving credit, 100% approved but not advanced term loans

Coverage w/o SC Temp Liquidity	64%	64%	74%	77%	77%	95%	107%
Coverage w/ SC Temp Liquidity	180%	180%	190%	193%	193%	211%	223%

Acceptable

≥ 175%

Acceptable with Caution

125% - 174%

Cautionary - Action Required

100% - 124%

Unacceptable

< 100%

following chart illustrates the coverage ratios DNCU had for the various stress scenarios as of December 31, 2021. The tests assume liquidity is provided using available cash and investments, use of the operating line of credit and temporary liquidity funding provided by SaskCentral.

Management Discussion and Analysis

Legal and Regulatory Risk

Legal and regulatory risk is the risk to earnings or capital arising from violations of, or nonconformance with, laws, rules, regulations, prescribed practices, or ethical standards. The financial institution industry is highly regulated therefore DNCU is also closely regulated. Policies and procedures, as well as the structure of the organization assist us with complying with regulatory demands. There are prescribed processes that allow us to review and report on compliance matters regularly. In addition to this we also undergo regular internal, external, and regulatory audits and examinations.

Strategic Risk

Strategic risk is the risk that the organization will be unable to meet objectives due to adverse business decisions, ineffective business plans, or failure to respond to changes in the competitive environment. DNCU has a formal strategic planning process that involves the Board of Directors and Executive management. This process is facilitated through an annual planning session to develop objectives, measures, and key initiatives. Annually, senior management develops a business plan consisting of tactics that support the direction of the strategic plan. Comprehensive reporting to the Board on performance to the strategic plan is presented by management quarterly. All strategies are reviewed regularly, and if necessary, are adapted to meet the changing financial and economic landscape.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or external events. Exposures to this risk arise from deficiencies in internal controls, technology failures, human error, employee integrity, or natural disasters. Operational risks could be identified as “unplanned” operational situations. DNCU manages operational risk through its policies along with controls and procedures that are monitored regularly. Operational risk is mitigated with the implementation of business continuity and disaster recovery planning, appropriate and robust insurance coverage, proper structure, and staff training. Internal Audit provides an independent review of operational processes and disaster recovery plans.

Technical Risk

Technical risk is the threat to our credit union business data, critical systems and business processes resulting in the loss of earnings, capital, or image. A technical failure has the potential to disrupt our business, resulting in a legal liability in the event of data theft, causing reputation and compliance issues. Exposure to this risk arises from deficiencies in internal controls, employee training, and reliance on third party service partners.

Technical risk is top of mind for our credit union and to minimize this risk we have developed a Cybersecurity Framework with underlying policies, procedures, and plans, to prevent and recover in the event of a cybersecurity incident. Through our staff training and testing process we have created a culture of strong awareness of acceptable cybersecurity practices. DNCU uses a combination of in-house and third-party service partner expertise to continually monitor and update systems. Contracts negotiated with third party service partners undergo a comprehensive review and risk analysis process. In addition to regular reviews of policies, procedures, and practices by internal audit, DNCU will contract independent firms to test system security.

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Diamond North Credit Union,

Opinion

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

In our opinion, the accompanying summary financial statements are a fair summary of the audited consolidated financial statements, on the basis described in Note 1 to the summary financial statements.

Summary Consolidated Financial Statements

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

The 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 unmodified audit opinion on the audited consolidated financial statements in our report dated February 28, 2022.

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.

Summary Consolidated Financial Statements

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, *Engagements to Report on Summary Financial Statements*.

Deloitte LLP

Chartered Professional Accountants

February 28, 2022

Regina, Saskatchewan

Summary consolidated financial statements:

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

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

The complete audited consolidated financial statements of Diamond North Credit Union are available upon request.

Summary Consolidated Financial Statements

Diamond North Credit Union

Summary consolidated statement of financial position

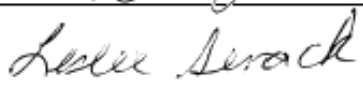
As at December 31, 2021

(In thousands of CDN \$)

	2021	2020
	\$	\$
Assets		
Cash and cash equivalents	46,892	43,952
Investments	120,363	115,719
Member loans receivable	450,677	429,907
Other assets	1,085	1,083
Property, plant and equipment	10,216	10,643
	629,233	601,304
Liabilities		
Member deposits	569,959	545,776
Accounts payable and accrued liabilities	4,873	4,797
Membership shares	60	60
	574,892	550,633
Members' equity		
Retained earnings	49,900	46,230
Contributed surplus	4,441	4,441
	54,341	50,671
	629,233	601,304

Approved by the Board


_____, Director


_____, Director

Summary Consolidated Financial Statements

Diamond North Credit Union

Summary consolidated statement of comprehensive income

Year ended December 31, 2021

(In thousands of CDN \$)

	2021 \$	2020 \$
Interest income		
Member loans	16,653	18,310
Investments	1,710	2,032
	18,363	20,342
Interest expense		
Member deposits	3,971	5,400
Borrowed money	2	1
	3,973	5,401
Net interest income before provision for impaired loans	14,390	14,941
Provision for impaired loans	310	580
Net interest income after provision for impaired loans	14,080	14,361
Non-interest income		
Other income	3,238	3,165
Government assistance	545	—
Unrealized and realized gains on FVTPL investments	341	—
	18,204	17,526
Operating expenses		
Personnel	7,810	7,727
Security	496	454
Organizational	185	167
Occupancy	1,016	978
General business	3,594	3,698
	13,101	13,024
Income before provision for income taxes	5,103	4,502
Provision for income taxes		
Current	1,203	1,370
Deferred	230	(222)
	1,433	1,148
Total comprehensive income	3,670	3,354

Summary Consolidated Financial Statements

Diamond North Credit Union

Summary consolidated statement of changes in members' equity

Year ended December 31, 2021

(In thousands of CDN \$)

	Contributed Surplus \$	Retained earnings \$	Total equity \$
Balance December 31, 2019	4,441	42,876	47,317
Total comprehensive income	—	3,354	3,354
Balance December 31, 2020	4,441	46,230	50,671
Total comprehensive income	—	3,670	3,670
Balance December 31, 2021	4,441	49,900	54,341

Summary Consolidated Financial Statements

Diamond North Credit Union

Summary consolidated statement of cash flows

Year ended December 31, 2021

(in thousands of CDN \$)

	2021 \$	2020 \$
Operating activities		
Total comprehensive income	3,670	3,354
Adjustments for:		
Depreciation	837	764
Net interest income before provision for impaired loans	(14,390)	(14,941)
Income tax expense	1,203	1,370
Unrealized gain on investments measured at FVTPL	(132)	—
Provision for impaired loans	310	580
	(8,502)	(8,873)
Changes in non-cash working capital		
Member loans receivable	(21,290)	10,074
Other assets	651	(554)
Member deposits	24,708	49,357
Other liabilities	76	1,507
	(4,357)	51,511
Cash generated from operations		
Interest received	18,599	20,433
Interest paid	(4,498)	(5,773)
Income tax paid	(1,856)	(892)
	7,888	65,279
Financing activities		
Proceeds from membership shares issued	7	3
Cash paid for membership shares redeemed	(7)	(4)
	—	(1)
Investing activities		
Investments, net	(4,538)	(57,368)
Purchase of property, plant and equipment	(523)	(1,786)
Disposal of property, plant and equipment	113	—
	(4,948)	(59,154)
Increase in cash and cash equivalents	2,940	6,124
Cash and cash equivalents, beginning of year	43,952	37,828
Cash and cash equivalents, end of year	46,892	43,952

In 2021, a few DNCU employees transitioned to new roles, which left our members asking...

Where are they now?



Ashton Bernesky

From Nipawin MSR to

Deposit Support Officer!

Ashton is still located in our Nipawin location but will be supporting members with back office tasks from her downstairs office!



Tanya Hamilton

From White Fox Supervisor to

Wealth Specialist!

We are sure our White Fox members are missing Tanya, but now you can see her to take care of your investment and savings needs!



Jacy Gitzel

From Prince Albert MSR to

Business Relationship Advisor !!

Jacy is now ready to assist you with all your consumer lending needs in our west region!



Trina Riemer

From Administrative Clerk to

Loan Support Officer!

Trina is still taking care of setting up new loans and much more from her office downstairs!



Carrie Cummings

From Arborfield MSR Supervisor to

Deposit Support Officer!

Carrie is now taking care of some back office work, that supports all members, from her Arborfield office!



Quenton Martens

From Nipawin Business Development Manager to

Manager of Credit!

You may catch Quenton wandering the halls in our Nipawin location but he is now overseeing lending operations from his downstairs office!



Brandy Burka

From Choiceland MSR Supervisor to

Compliance Support Officer!

Brandy still spends most of her time in Choiceland but now is providing guidance on compliance matters for our whole organization!



Tammy Brown

From Albertville MSR to

Prince Albert MSR!

Tammy is with us in our Prince Albert location, supporting our members and assisting with their needs!



Joan Hobbins

From Nipawin Loan Manager to

Credit Analysis Manager!

Joan is still very involved in the lending process even though she no longer sees members, and you can still hear her laugh through the whole building!



Ryan Nowosad

From Carrot River Business Development Manager to

Manager of Regional Relationships - East Region!

Ryan's time is now shared between all our east region locations!



Chantelle Clark

From Credential Financial co-ordinator to

Member Service Representative - East Region!

Chantelle is still happy to assist you with your financial needs on the Nipawin front line!



Nicole Wark

From Nipawin MSR Supervisor to

Human Resources Coordinator!

Nicole has gone from taking care of the Nipawin front line to taking care of DNCU staff from her new downstairs office!



Kristin Alcock

From Choiceland MSR to

Electronic Imaging Clerk!

Kristin is still located in Choiceland but with different duties, so you may not see her behind the counter as often!



Nancy Lavoie

From Albertville MSR Supervisor to

Deposit Support Officer!

Nancy is now working from a cozy space in our Prince Albert location, supporting our members in a new way!



Laiah Youzwa

From Administrative Clerk to

Account Support Officer!

Though you are used to seeing Laiah in the Nipawin loans area, she is in a new space for her accounting role!



CREDIT UNION DEPOSIT GUARANTEE CORPORATION

ANNUAL REPORT MESSAGE 2021

January 2022

Credit Union Deposit Guarantee Corporation (the Corporation) is the deposit guarantor for Saskatchewan credit unions. The corporation is also the primary regulator for credit unions and Credit Union Central of Saskatchewan (SaskCentral). Together, these entities are considered Provincially Regulated Financial Institutions or “PRFIs”. The Corporation is mandated through provincial legislation, *The Credit Union Act, 1998* and *The Credit Union Central of Saskatchewan Act, 2016* in performing its duties. Provincial legislation also assigns responsibility for oversight of the Corporation to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan.

The Corporation was the first deposit guarantor in Canada and has successfully guaranteed deposits since it was established in 1953. By promoting responsible governance and prudent management of capital, liquidity and guaranteeing deposits, the Corporation contributes to confidence in Saskatchewan PRFIs.

For more information about the Corporation’s responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult the Corporation’s web site at www.cudgc.sk.ca.



Diamond North CREDIT UNION

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Arborfield, SK S0E 0A0

PRINCE ALBERT

200 28th St W
Prince Albert, SK S6V 4S9

BIG RIVER

Box 147, 1010 4th Ave
Big River, SK S0J 0E0

CHOICELAND

Box 39, 100 Railway Ave
Choiceland, SK S0J 0M0

NIPAWIN

Box 2074, 100 1st Ave W
Nipawin, SK S0E 1E0

WHITE FOX

Box 310, 125 Railway Ave
White Fox, SK S0J 3B0

DEBDEN

Box 100, 324 Main St
Debden, SK S0J 0S0

CARROT RIVER

Box 639, 10 Main St
Carrot River, SK S0E 0L0

Call us at our toll-free line 1-855-862-4242.

www.diamondnorthcu.com

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