

2020 Annual Report

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

We are honored to report to you, the members, for the year ending December 31, 2020.

It is no surprise to anyone that we will mark **2020** as one of the most challenging years in our history as a credit union. As you have heard for over a year, the emergence of the COVID-19 virus and this global pandemic has had a profound impact on every human being on our planet. Diamond North Credit Union (DNCU) was no different. We began our year, fully aware that we would be making some changes to our business model and introducing a new organizational structure. For the latter part of 2019, and most of the first quarter of 2020, we were performing our research and design of this new business model. With the shrinking net interest margin and the ever-increasing demand and cost to provide digital service, it was evident our business model would need to change to ensure DNCU would be sustainable and relevant for our members.



Colleen Harmatiuk

We began to research how this would best be achieved and determined we would move to a Regional Model sometime in the fall of 2020. We anticipated this new business model would include some service delivery changes for our branches and we will discuss this further in this report. Of course, at that time we were unaware of the sharp turn we, and the world would need to maneuver.

In March 2020, we were obligated to put these plans on hold as we learned, along with everyone else, to redirect our resources to the business of continuing to provide full service to our members while keeping our people safe. Safety for our members, our staff, and our community became our key focus as we all began to navigate through these unchartered waters. It's not an exaggeration to say that we required all hands on deck to ensure we were keeping abreast of the constant developments surrounding this global emergency. From the modifications required to provide safe, secure service to our members, to implementing changes to our human resource strategies regarding alternate work arrangements, all of our resources were stretched. There were new government programs that needed to be learned and implemented, changes to direct deposits as initiated by CRA, small businesses that needed support, and members who needed advice. The one thing in 2020 that was a constant was the absolute need to be nimble and open to quick change. Our Board, management and staff demonstrated the ability to excel through a very difficult situation. We could not be more proud.

In September 2020 the DNCU Board and Executive met to discuss our long-term strategic direction and to refresh the 2021-2023 Strategic Plan. The Board determined what was most important to DNCU and came to 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.

Balancing Rate and Relationship

DNCU strives to provide its members with best value financial service. Best value means delivering personalized service and competitive rates across relevant delivery channels through a sustainable business model.

Welcome Message

Despite the challenges in 2020, financially, we had a very positive result. This is fully outlined in the Summarized Financial Statements included in this report. Though we continued to operate in a highly competitive marketplace, we made solid gains during 2020. Total assets grew by 9.84% to \$601.3M, while total dollars under management (our Wealth Management book of business) fell slightly by 0.50% to \$111.8M. Our total assets under administration grew approximately \$55M in 2020 bringing our combined total to \$713.1M at year end. Our net income, after corporate taxes was a strong \$3.35M.

Unfortunately, our employees were unable to volunteer at the same level as we have all enjoyed in past years. Due to the restrictions, many volunteer opportunities were not available and we found ourselves missing the normal member and community interactions. DNCU was able to continue with our admirable Community Investment Fund contributing close to \$100,000 back to our local communities. We all look forward to the day when we can get out, in our communities, to see folks face to face. We believe continuing our established practice of dedicated service demonstrates the commitment of our people to what we believe to be highly important, our members and communities.

As we move forward, **2021** will be another year of significant change for our credit union. In early February of this year, we provided formal notification to our Albertville and Zenon Park membership that we will be closing those two branches. We also provided notice that we would be reducing hours in our Arborfield, Choiceland and White Fox branches. **These changes to our business model are a result in significantly reduced transactions and business volumes taking place in branch.** Our members are asking for and primarily using digital channels to perform their financial transactions. As of the end of 2019, over 93% of all transactions performed at DNCU were performed through a digital channel. Only 7% of transactions were performed over the counter in a branch. Our members are asking for us to evolve and change along with them. We understand that in some of these communities, this change will be a difficult one. We will support the transition fully and commit to you that you will still, and always, have the same high level of member service and advice that we have provided you in the past. Our service specialists are there to assist you with all your financial needs.

We are fortunate to have a dedicated team of professionals working at DNCU and we acknowledge our staff, management, and directors for their contributions to a successful 2020.

While the world is changing and we are excited by the opportunities we see ahead, you can be confident some things will never change. Our commitment to our members and communities' matters. You will always be treated as our honored guest regardless of how you wish to be served. You will always have the entire DNCU team working for you, backed by technology to make your financial journey easier. Serving you, our members, is a distinct privilege and we thank you for your continued loyalty and support.

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. Providing general information 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.

Cooperative Values

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 cooperative 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 cooperative. Members also inform the general public about the nature and benefits of cooperatives.

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

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

Saskatchewan Credit Union Director Recognition

2021 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.

Past Order of Merit Recipients						
2020 Allan Mochoruk Nipawin						
2019	Francis Chabot	Zenon Park				
2018	Marcel Brassard	Albertville				
2017	Gordon Wilmot	White Fox				

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

Diamond North Credit Union would like to recognize Hughene Day for her dedication to the credit union system.



Hughene joined the Board of Directors in 1993 and served for eighteen years on both the Nipawin and Diamond North Credit Union boards, finding the experience both rewarding and satisfying. **Hughene believes that a community rich in volunteers is a wealthy community** and proudly supported the Credit Union's Key Success Factor of community involvement.

Besides her work with the credit union, Hughene's community involvement included Nipawin Evergreen Curling Club, Lion's Swim Club, Relay for Life, Chase the Ace, Communities in Bloom and Centennial Players Drama Club. She currently serves on the boards of Nipawin Housing Authority and the Nipawin United Church.

Hughene and her husband Glen moved to Nipawin in 1969 when Glen took on a teaching position at L.P. Miller High School. In 1989 they opened a new business in Nipawin called Flowers N' Things, Day by Day. Hughene's husband Glen also served on the Diamond North Credit Union Board of Directors for three years from 2010 - 2013.

Hughene and Glen enjoyed their retirement years as they were very fortunate to have travelled a great deal before Glen passed away in 2017. Hughene loves spending time with her three children, Corry, Craig and Tara Lee, along with her five grandchildren. She also enjoys the many activities that the Nipawin area offers such as golfing, cross country skiing and sitting around a campfire with family and friends.

Diamond North Credit Union is pleased to induct Hughene Day to the Saskatchewan Credit Union Director Recognition Program and to present her with the Order of Merit.

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 March 31, 2021						
Name	Occupation	Years of Service	Term Expiry	Meeting Attendance *		
Gillies, Sandra Second Vice-President	Grain / Cattle Farmer	4	2021	100%		
Head, Marcel	Chief / First Nations Leader	4	2022	67%		
Nickel, Kent First Vice-President	Businessman	4	2021	100%		
Pagan, Greg President	Bison Rancher	11	2022	92%		
Seerey, Bonnie	Accountant	1	2023	100%		
Serack, Leslee	Retired Finance Director	7	2021	100%		
Thompson, John	Retired Forester	23	2021	100%		
Warriner, Christopher	Honey / Purebred Beef Producer	12	2022	100%		
Evan Wolowski	Maintenance Planner	1	2023	100%		

^{*} Meeting attendance is normally tracked for the electoral year (April – March). The 2019 AGM was delayed until June due to the pandemic, therefore attendance noted above is for the period of June 2020 - February 2021. Only those meetings scheduled for a director's attendance are included when calculating attendance.

Board Composition

Directors, whom are elected, serve three year terms that expire on a rotational basis. With the change to our Bylaws on January 1, 2019 a director can sit on the Board for a maximum of twelve years. A director is ineligible for nomination for one year following the completion of the four consecutive terms. In June 2020, we had three new directors join the Board; Kelly Marchildon, Bonnie Seerey and Evan Wolowski. Marchildon resigned from the Board in July 2020 therefore former director John Thompson was appointed to fill this vacancy until the 2021 AGM.







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 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.

Seerey and Wolowski completed the CUDA Level A training requirements in 2020. As well, the Board arranged an in-house CUDA training session which was held virtually and was attended by eight directors.

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

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 each member of the Board not seeking re-election in the next 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 reimbursable expenses are for meetings, travel, meals, accommodations, mileage, and training. In addition, Diamond North Credit Union pays insurance premiums on behalf of the directors.

In 2020 the budgeted remuneration amount was \$61,200, actual paid was \$46,005. Directors were reimbursed an additional \$7,810 for out of pocket expenses. Insurance premiums that were paid on behalf of the directors totaled \$7,896.

Evaluation

The purpose of Board self-evaluation is to compare what the Board does and produces what it said it would do. With this in mind, the Board reviews its policies that address Board behavior and performance at least annually to ensure they accurately reflect expectations. Compliance with these policies is assessed regularly throughout the year.

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 29 years of credit union experience. She has worked primarily in executive positions including Vice President of Corporate Services and Chief Operating Officer (Corporate). 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.

VP of Corporate Services, Brenda Lehmann

Brenda is responsible for leading the business areas that support the retail function and the administration departments. As a member of the executive management team. Brenda works with the leadership team to deliver on Diamond North Credit Union's mission & vision. In her role Brenda is responsible for overseeing Compliance, Marketing and Technology. She has obtained a Business Administration Certificate from the University of Saskatchewan, Certification in Credit Union Management Studies and a Professional Leadership Certification from the University of Regina. Brenda has 37 years of experience in the co-operative/credit union system.

VP of Finance, Kevin Isaacson

Kevin as VP of Finance 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 VP of Finance 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 insure 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 27 years of credit union experience and has held many positions throughout his career.

VP of Retail Services, Randall Kerluke

Randall is responsible for leading the retail branch network and the Credential Financial Strategies office; he also ensures support departments function fluidly and leads the Credit Management Committee (CMC). He works closely with managers and supervisors in the areas of deposit, lending and wealth management to deliver on our commitment to CHOICE Service and generate the business results to support our long term strategic plan. 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 27 years of credit union experience.

2020 Events

DNCU donated \$2,000 to Stars

Ambulance in lieu of what we might
normally spend on our CU Day
celebrations. We also took it a step
further and opened donations to the
public via a fundraiser page setup by
STARS. The promotion ran from October
9th until October 31st. STARS received
an additional sixteen more donations
totaling \$1,057.25 making our total
donation \$3,057.25.





The Nipawin branch staff brought in toy donations for the Nipawin Secret Santa which is a community based organization that collects new and gently used toys for children in need at Christmas time. We at DNCU love to support these causes that keep the spirit of Christmas alive in our communities.

Due to the pandemic Santa was unable to come to the Nipawin branch for our annual Santa Claus Day, so instead Santa along with some little helpers delivered cookies to the Wagner and Central Park elementary schools in Nipawin.



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
Investment Advisor
Credential Securities

Karla Morris is the Credential Securities Investment Advisor located at the Credential Securities branch at **100A** – **1**st **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.

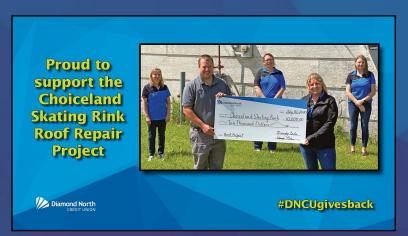
Diamond North Credit Union believes that supporting communities and demonstrating social and economic leadership are not optional – they're fundamental to who we are, what we do, and how we serve our members. Each year Diamond North Credit Union allocates 3.0% of pre-tax profit to be given back to our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

In 2020, Diamond North Credit Union donated in excess of \$102,000 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.



Volunteer time in 2020 was limited because of the pandemic however our employees were still able to donate 1,912 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.

As well as donations to various events and organizations, Diamond North Credit Union awarded \$7,500 in scholarships to students in our communities. Our 2020 scholarship recipients were: Justin Wassill (Arborfield), Richelle Pompu and Tessa



Yurkoski (Carrot River), Shay Dumais (Debden), Redlyn Sevilla and Marie Banaria (Nipawin), Bria Howden (Prince Albert), Kasandra Spur (Cumberland College Award). One of the criteria of our scholarships is the spirit of cooperation 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.

Through our Community Investment 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.

#DNCUgivesback





Choice Service is a journey to provide our members and fellow employees our very best at every interaction - to go beyond the transaction at hand and provide valuable advice that enhances your service experience and ensures you reach your financial goals.



Choice Service is about being authentic and reliable.

It shows our members that we care for them and it builds trust.

It's meeting people face to face, putting ourselves in their shoes

and seeing the world through their eyes. Choice Service is an experience,

it gets people talking about our personalized service;

it means empowering our members with options and knowledge. It gets members excited!

Choice Service elevates our organization above the competition and pushes us to continue learning

and to keep getting better. It shows diversity.

This is our service promise.

New Account Packages are now available to our membership, stop in and discuss which option is right for you.







The Business Builder account adapts to what your business needs by adjusting automatically between levels based on your needs that month.

You only pay for what you use!

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











Introduction

Presented herein is the discussion and analysis of the operational and financial position of Diamond North Credit Union (DNCU) as at December 31, 2020, 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, the 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, 2020 DNCU provided financial services to 12,137 members and 3,536 non-members.

In 2020 DNCU provided deposit, lending and wealth services in ten communities in Northern Saskatchewan - Albertville, Arborfield, Big River, Carrot River, Choiceland, Debden, Nipawin, Prince Albert, White Fox, and Zenon Park. 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 9.84% in 2020. Assets at the end of the year totaled \$601.3M. Growth in member deposits provides the funding for Asset Growth. Members deposits grew by 9.86% in 2020. Due to economic uncertainty and restrictions caused by the pandemic members reduced spending and retained cash which resulted in increased account balances. Likewise, members were not eager to borrow money, even though interest rates fell, and as a result loan growth was –2.45% for the year. Profit after taxes for the 2020 year was \$3.35M. This amount exceeded budget mainly due to decisions to delay spending on projects that could be deferred until such time that the true effects of the pandemic could be determined. Operational expenses were also under budget because of travel and gathering restrictions causing the cancellation of events such as training and conferences.

Strategy

Through their 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

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.

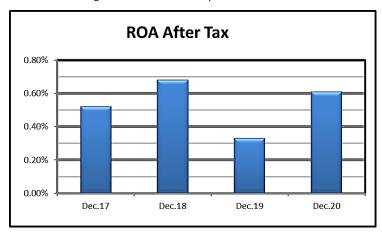
The corporate targets are reviewed yearly and are the key focuses the organization will have in the coming year. The targets are evaluated regularly to ensure that the required goals are being met and that the organization is performing as desired. The methodology that DNCU employs for these targets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

Results

Balanced Scorecard	2020 Targets	Results
Earnings & Efficiencies Perspective		
Profitability before tax (as % of assets)	≥0.63%	0.75%
Total Tier 1 Capital	≥9.50%	13.60%
Eligible Capital (RWC)	≥12.80%	13.92%
Organizational Efficiency (net of loan writeoffs)	<78.00%	72.67%
Delinquency	≤2.00%	0.87%
Member Relationships Perspective		
Deposit Growth	3.00% - 3.49%	9.86%
Loan Growth	3.00% - 3.49%	-2.45%

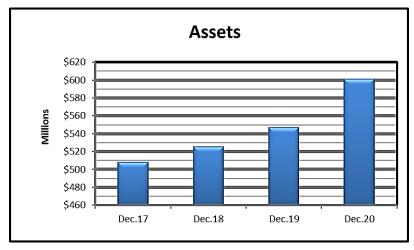
Profitability

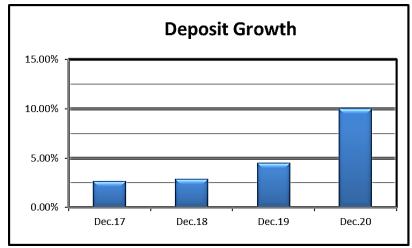
The annualized return on assets after tax for 2020 was 0.58%. This result exceeded budget by 0.08%. Early in 2020, when the realization that the pandemic was going to have long term negative effects on the economy and employment, decisions were made to reduce expenses. In addition, due to restrictions on travel and group gatherings most training and educational events were either not held or were held virtually which reduced operating expenses. DNCU meetings were also held virtually which reduced travel costs.

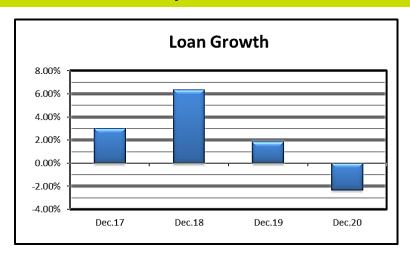


Growth

Total asset growth in 2020 was 9.84%. Total assets as of December 31, 2020 were \$601.3M. Usually the largest driver in asset growth is the increase in value of our Member Loans Receivable. Investment in capital assets and other investments also contributed to Asset Growth, but to a lesser extent. 2020 was an atypical year as most of our asset growth was realized in our cash investments and our loan portfolio experienced negative growth. Investment in assets is financed through funds members hold on deposit at the Credit Union in their chequing, savings and investment accounts.

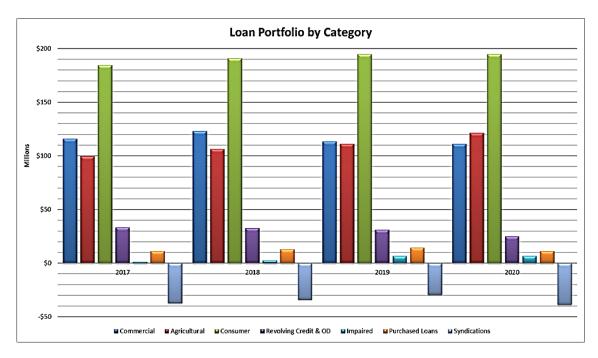






Loan Portfolio

Total outstanding loan principal balances as of December 31, 2020 was \$431.6M compared to \$441.9M the previous year. Reduction in loan balances was experienced in all sectors of our portfolio with the exception of agriculture, which saw \$10M in growth. Negative loan growth is not unique to DNCU. Financial institutions nationally are experiencing loan paydown, reduced loan demand and increased deposit growth creating surplus liquidity and ultimately a very competitive lending market.



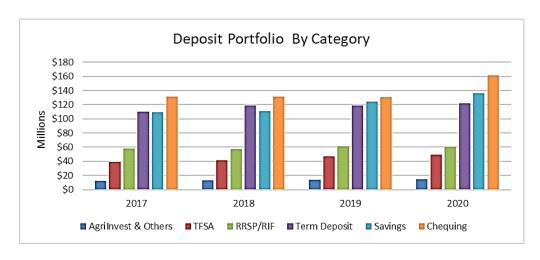
DNCU's residential mortgage portfolio totaled \$162.1M at the end of 2020. Mortgages that are insured through companies such as CMHC or Genworth represent 17.5% of the total. In 2020 the average Loan to Value (LTV) ratio on new conventional (uninsured) mortgages was 0.68%. The legislated maximum LTV on conventional mortgages is 0.80% compared to 0.95% 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, 2020 Residential Mortgages

	Insured		Uninsured		
Amortization Period	\$ (thousands)	%	\$ (thousands)	%	
< 5 yrs	178	0.6%	5,241	3.9%	
5-10 yrs	936	3.3%	8,825	6.6%	
10-15 yrs	2,537	8.9%	17,245	12.9%	
15 - 20 yrs	7,415	26.1%	35,666	26.7%	
20 - 25 yrs	17,387	61.1%	66,717	49.9%	
Total	28,453	100%	133,694	100%	

Deposit/Wealth Portfolio

Balances in member deposit accounts grew \$49.4M from \$493.9M to \$543.3M. Growth occurred in registered investments and variable rate savings, while chequing accounts and term deposits remained relatively flat.

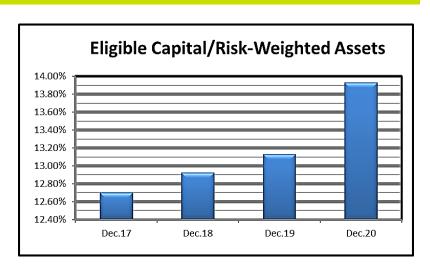


Not reflected in the above numbers are our off-book deposits. Member investments held with our in-branch Credential Asset Management (CAM) reps and our Credential Financial Strategies (CFS) office totaled \$109.4M. These investments along with \$2.4M of RESP investments held with Concentra bring the total off-book deposits to \$111.8M at the end of 2020. 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 as market investments, which may provide the opportunity for greater returns.

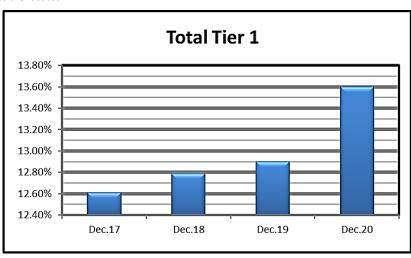
Capital Management

All financial institutions have regulatory oversight. The highest 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%.



This organization 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, as well as the implementation of long-term strategic plans and the ability to grow our assets. The Eligible Capital Ratio as of December 31, 2020 was 13.92%. This number exceeded the organization's ICAAP requirements by 1.26%

Also included in the capital management category is the oversight of facilities and equipment. As of December 31, 2020, Diamond North owns the facilities where branches are located.



Credit Quality

Credit quality is a key facet 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 2020 yearend was 0.87% which is considered "Exceptional" in the Balanced 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 CEO, VP of Retail, Manager of Lending Services and the Credit Risk Manager.

Other

- Net Interest Margin measures the total interest revenue less the total interest expense. This is a crucial measurement as most of the credit union's profitability is generated by interest margins. DNCU's net interest margin for 2020 was 2.49% down from 2.87% in 2019. Interest rates fell early in 2020 with the arrival of the Corona Virus to Canada. The fall in rates compressed the spread between deposit and loan rates causing a reduction in interest margin. In addition, stock markets tumbled and investors placed their funds in savings accounts and guaranteed income certificates. The increase in member deposits, coupled with the decrease in loan demand, increased cash holdings for DNCU. The surplus funds were invested in fixed rate investments with Concentra Bank. The yield on these investments is less than can be earned if the funds are lent out and therefore negatively impacts the potential interest margin.
- Other Income included in this category is fixed asset revenue, service charges, and commissions. Other income for 2020 was \$3.2M, down from the previous year's total of \$3.5M.
- Operating Expenses includes various operating expenses such as personnel costs, member security, organizational costs, occupancy, and general business. These costs were down \$1.15M from the previous year.

Outlook

Expectations are that the effects of the pandemic on the Canadian economy will be felt into the year 2023. The Bank of Canada has consistently stated their intention to hold rates in the current range for the foreseeable future with the hope it will promote spending and support businesses that have experienced reduced revenues due to the pandemic. Historically low interest rates continue to put pressure on the interest margin. As vaccines are administered, expectations are that restrictions will be lifted later in 2021 and the population will be able to move about and spend money on entertainment, eating in restaurants, travelling, etc. When this happens, we will see the growth rate in member account balances start to decline. In 2021, repayment of loans provided by the Federal Government to provide emergency funding to businesses will commence which will cause a draw on accounts as well. Residential mortgage rates in the 2.0% range had a positive impact on the housing market in late 2020 and we are seeing this continue in 2021. The agricultural sector of our business will be strong in 2021 as commodity prices continue to climb. Our commercial portfolio is expected to remain flat, or even decline, as businesses continue to operate and evolve their business models in an environment with public health restrictions, disruptions in supply chains, and consumer caution.

We are budgeting for Asset Growth of 2.41% and a Lent-Out Ratio of 73.6% that will provide us a Net Interest Margin of 2.41%. The low interest rate environment, increased market competition and a lower than desired lent out ratio are the contributing factors to the reduced margin. Profitability before Taxes is projected to be 0.50%.

Asset Growth 2.41% Net Interest Margin 2.41% Profitability 0.50%

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 of 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 regulato

Market Risk

Market Risk is the risk inherent to dealing within a market place 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.

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.

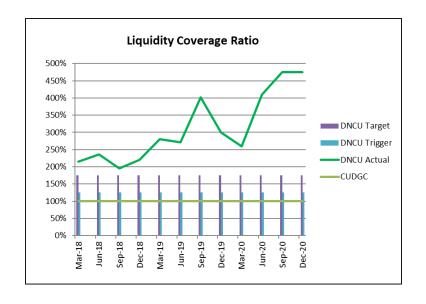
Management monitors liquidity daily and makes decisions regarding the investment of funds in a manner that balances the needs to maximize returns as well as meet operating needs. SaskCentral and Concentra Bank are our main service providers for our investment needs. Our investments consist of demand 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 insure that investment in the various asset categories are 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.

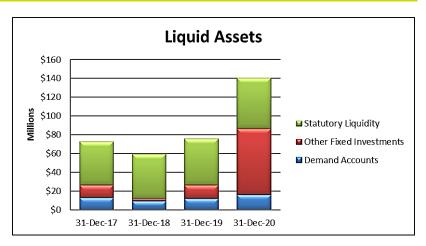
Credit unions are required to have a minimum Liquidity Coverage Ratio (LCR) of 100%. The objective of the LCR is to ensure that a credit union has an adequate stock of unencumbered high quality liquid assets that:

- · 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 in excess of 175% and that remedial action will take place should the ratio fall below 125%. The following chart shows DNCU's historical LCR.



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, Concentra Bank, Credential Financial Securities and venture capital partners. Investments are made with a focus on providing both rates return and necessary liquidity. The following chart illustrates the breakdown of DNCU's liquid investments.



Liquidity Stress Testing Report - December 31, 2020

		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 reg	gistered & term	, 5% draw on	everything el	se, 20% draw	on LOC, 100%	drawn on app	proved but n
Coverage w/ SC Temp Liquidity	198%	212%	215%	222%	222%	228%	232%
10% Draw on all deposits							
Coverage w/ SC Temp Liquidity	251%	270%	274%	283%	283%	290%	295%
30% Draw on non registered savings							
Coverage w/ SC Temp Liquidity	343%	368%	373%	385%	385%	395%	402%
50% Draw on Approved but Unadvance	d Revolving Cre	dit					
Coverage w/ SC Temp Liquidity	322%	346%	351%	362%	362%	372%	378%
	•	•	•		•		•
Multiple Event							
(20% draw on chequing, 15% draw on n	on-reg savings,	20% draw on	unadvanced r	evolving cred	lit, 100% appr	oved but not	advanced tei
Coverage w/ SC Temp Liquidity	190%	204%	207%	214%	214%	219%	223%
		•			•		
Acceptable	≥ 175%]					
Acceptable with Caution	125%-174%						
Cautionary - Action Required	100%-124%						
Unacceptable	< 100%						
cceptable with Caution autionary - Action Required	125%-174% 100%-124%						

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 Concentra Bank, and several scenarios developed by Management. The following chart illustrates the coverage ratios DNCU had for the various stress scenarios as of December 31, 2020. 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.

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, and regulatory audits.

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 senior 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, 2020, 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, 2020.

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 22, 2021.

Other Matter

The summary consolidated financial statements for the year ended December 31, 2019 were audited by another auditor who expressed an unqualified opinion on those financial statements on February 24, 2020.

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.

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 Standards 810, *Engagements to Report on Summary Financial Statements*.

February 22, 2021 Prince Albert, Saskatchewan

Chartered Professional Accountants

Deloitte LLP

Note to the Summary Consolidated Financial Statements

Year Ended December 31, 2020

Summary consolidated financial statements:

1. 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, 2020.

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 financial statements.

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

Diamond North Credit Union

Summary consolidated Statement of financial position

As at December 31, 2020 (in thousands of CDN \$)

Assets 43,952 37,828 Cash and cash equivalents 43,952 37,828 Investments 115,719 58,293 Member loans receivable 429,907 440,710 Other assets 1,083 1,007 Property, plant and equipment 10,643 9,621 Liabilities 601,304 547,459 Member deposits 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity Retained earnings 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317 601,304 547,459			
Assets 43,952 37,828 Investments 115,719 58,293 Member loans receivable 429,907 440,710 Other assets 1,083 1,007 Property, plant and equipment 10,643 9,621 Member deposits 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317		2020	2019
Cash and cash equivalents 43,952 37,828 Investments 115,719 58,293 Member loans receivable 429,907 440,710 Other assets 1,083 1,007 Property, plant and equipment 10,643 9,621 Eliabilities 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317		\$	\$
Cash and cash equivalents 43,952 37,828 Investments 115,719 58,293 Member loans receivable 429,907 440,710 Other assets 1,083 1,007 Property, plant and equipment 10,643 9,621 Eliabilities 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317			
Investments 115,719 58,293 Member loans receivable 429,907 440,710 Other assets 1,083 1,007 Property, plant and equipment 10,643 9,621 601,304 547,459 Liabilities S45,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 Members' equity 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Assets		
Member loans receivable 429,907 440,710 Other assets 1,083 1,007 Property, plant and equipment 10,643 9,621 601,304 547,459 Liabilities 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Cash and cash equivalents	43,952	37,828
Other assets 1,083 1,007 Property, plant and equipment 10,643 9,621 601,304 547,459 Liabilities 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Investments	115,719	58,293
Property, plant and equipment 10,643 9,621 601,304 547,459 Liabilities Member deposits Other liabilities Membership shares 60 61 550,633 500,142 Members' equity Retained earnings Contributed surplus 10,643 9,621 496,791 496,791 3,290 60 61 550,633 500,142	Member loans receivable	429,907	440,710
Liabilities 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Other assets	1,083	1,007
Liabilities 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 2 Retained earnings 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Property, plant and equipment	10,643	9,621
Member deposits 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317		601,304	547,459
Member deposits 545,776 496,791 Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317			
Other liabilities 4,797 3,290 Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Liabilities		
Membership shares 60 61 550,633 500,142 Members' equity 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Member deposits	545,776	496,791
Members' equity Retained earnings 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Other liabilities	4,797	3,290
Members' equity Retained earnings 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Membership shares	60	61
Retained earnings 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317		550,633	500,142
Retained earnings 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317			
Retained earnings 46,230 42,876 Contributed surplus 4,441 4,441 50,671 47,317	Members' equity		
Contributed surplus 4,441 4,441 50,671 47,317	Retained earnings	46,230	42,876
	Contributed surplus		4,441
	-	50,671	47,317
		601,304	

Approved by the Board

Surlings, Director

Diamond North Credit Union

Summary consolidated statement of comprehensive income

Year ended December 31, 2020 (in thousands of CDN \$)

	2020	2019
	\$	\$
Interest income		
Member loans	18,310	19,956
Investments	2,032	2,428
	20,342	22,384
Interest expense		
Member deposits	5,400	6,652
Borrowed money	1	4
	5,401	6,656
Not interest in some before previous for impointed lane.	14.041	15 700
Net interest income before provision for impaired loans	14,941	15,728
Provision for impaired loans	580	2,849
Provision for imparred loans	300	2,043
Net interest income after provision for impaired loans	14,361	12,879
Other income	3,165	3,508
	17,526	16,387
Operating expenses		
Personnel	7,727	8,428
Security	454	432
Organizational	167	274
Occupancy	978	1,021
General business	3,698	4,022
	13,024	14,177
Income before provision for (recovery of) income taxes	4,502	2,210
Provision for (recovery of) income taxes		
Current	1,370	538
Deferred	(222)	(174)
Total assess bands to asses	1,148	364
Total comprehensive income	3,354	1,846

Diamond North Credit Union

Summary consolidated statement of changes in members' equity

Year ended December 31, 2020 (in thousands of CDN \$)

	Contributed Surplus \$	Retained earnings \$	Total equity
Balance December 31, 2018 Total comprehensive income Contributed surplus resulting from business combination	_	41,030	41,030
	_	1,846	1,846
		—	4,441
Balance December 31, 2019 Total comprehensive income	4,441	42,876	47,317
	—	3,354	3,354
Balance December 31, 2020	4,441	46,230	50,671

Diamond North Credit Union

Summary consolidated statement of cash flows

Year ended December 31, 2020 (in thousands of CDN \$)

	2020	2019
	\$	\$
Operating activities		
Total comprehensive income	3,354	1,846
Adjustments for:		
Depreciation	764	762
Net interest income before provision for impaired loans	(14,941)	(15,728)
Provision for impaired loans	580	2,849
	(10,243)	(10,271)
Changes in non-cash working capital	•	
Member loans receivable	10,031	(8,244)
Other assets	(76)	(175)
Member deposits	49,357	20,414
Other liabilities	1,507	(1,304)
	50,576	420
Cash generated from operations		
Interest received	20,476	21,897
Interest paid	(5,773)	(5,685)
	65,279	16,632
Financing activities		
Decrease in membership shares	(1)	(1)
	(1)	(1)
	,	
Investing activities		
Investments	(57,368)	(5,109)
Purchase of property, plant and equipment	(1,786)	(890)
Disposal of property, plant and equipment		623
Cash acquired through amalgamation	_	6,470
	(59,154)	1,094
Increase in cash and cash equivalents	6,124	17,725
Cash and cash equivalents, beginning of year	37,828	20,103
Cash and cash equivalents, end of year	43,952	37,828

Community Champions

We have many amazing employees who dedicate hours of their personal time into our communities. Here are three shining examples!

Volunteer Spotlight

Rhonda Glasrud

Rhonda is a very active volunteer with the Ness Creek Cultural Society and the Ness Creek Forest Garden project.

She also dedicates her time to various other organizations and you will often find her helping out at events, doing town clean ups, and maintaining trails in the Big River area!





Randall Kerluke

Randall spends the winter as head coach for the Nipawin Pee Wee hockey team, and in the summer coaching baseball! He is also proud to serve on the Board

He is also proud to serve on the Board for the Nipawin & District Regional Park, spending 4 of his 12 years as Chairman, and is currently the Vice President of the Nipawin Minor Baseball Board!





Ryan Nowosad

Ryan spends the majority of his time coaching our young athletes in hockey and baseball. Ryan is also an active member of the Carrot River Co-op Board and you are sure to see him volunteering at all kinds of events in Carrot River, Nipawin, and surrounding areas!





Thank you Rhonda, Randall, and Ryan for your dedication to our communities!



CREDIT UNION DEPOSIT GUARANTEE CORPORATION

ANNUAL REPORT MESSAGE 2020 January 2021

Deposits Fully Guaranteed

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 regulatory and deposit protection responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult the Corporation's web site at www.cudgc.sk.ca.



ALBERTVILLE

Box 99, 1 Unity Street Albertville, SK SOJ 0A0 P 306.929.4714

CHOICELAND

Box 39, 100 Railway Ave Choiceland, SK SOJ 0M0 P 306.428.2152

ARBORFIELD

Box 265, 108 Main St Arborfield, SK S0E 0A0 P 306.769.8581

DEBDEN

Box 100, 324 Main St Debden, SK SOJ 0S0 P 306.724.8370

WHITE FOX

Box 310, 125 Railway Ave White Fox, SK SOJ 3B0 P 306 276 2142

BIG RIVER

Box 147, 1010 4th Ave Big River, SK SOJ 0E0 P 306.469.4944

NIPAWIN

Box 2074, 100 1st Ave W Nipawin, SK S0E 1E0 P 306.862.4651

ZENON PARK

Box 160, 735 Main St Zenon Park, SK S0E 1W0 P 306.767.2434

CARROT RIVER

Box 639, 10 Main St Carrot River, SK SOE 0L0 P 306.768.2703

PRINCE ALBERT

200 28th St W Prince Albert, SK S6V 4S9 P 306.922.8252

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