

## CORPORATE PARTICIPANTS

**Dr. Taras Babick**  
*Chair*

**Donna Korban**  
*Director, Chair of Annual General Meeting*

**Reverend Darren Kawluk**  
*Metropolitan Archbishop of Winnipeg*

**Don Cilinsky**  
*Director, Vice Chair*

**Noella Pylypowich**  
*Director, Secretary of the Board*

**Roman Zubach**  
*Director*

**Nicholas Rawluk**  
*Chief Executive Officer*

**Tim Cook**  
*Partner, BDO Canada, LLP*

**Demyan Hyworon**  
*Board Member*

**Nicholas Chubenko**  
*Board Member*

**Mike Mager**  
*Director, Chair of Audits and Risk Committee*

**Irka Semaniuk**  
*Director*

**Susan Zuk**  
*Director, Chair of Nominating Committee*

## PRESENTATION

### Operator

Good evening, ladies and gentlemen. Welcome to the Carpathia Credit Union's 82nd Annual General Meeting.

I will now turn the meeting over to Dr. Taras Babick. Please proceed, Dr. Babick.

### Dr. Taras Babick, Chair

(Ukrainian spoken). Good evening, dear members.  
(Ukrainian spoken).

My name is Taras Babick, and I'm the Chair of Carpathia's Board of Directors.

It is my pleasure to welcome you to the 82nd Annual General Meeting of Carpathia Credit Union Limited.

As Chair, I hereby call this meeting of the members to order at 7:00 pm this 14th day of April, 2021.

As is part of our tradition, we ask you to join us in a moment of silence to observe the memory of those members who passed away during the past year.

Thank you.

In the room with me this evening and practicing proper social distancing are Mr. Nicholas Rawluk, our Chief Executive Officer, Mrs. Donna Korban, Director, our proposed Chair of this year's Annual General Meeting, Mr. Mike Mager, Director, Chair of Audits and Risk Committee, Ms. Susan Zuk, Director, Chair of the Nominating Committee, Ms. Noella Pylypowich, Director, Secretary of the Board, Mr. Tim Cook, a partner of BDO Canada LLP, and Ms. Melissa Anderson, Executive Assistant to the CEO.

Other Directors from our Board who are also on this call and in separate rooms in this building are Mr. Don Cilinsky, Mr. Nick Chubenko, Mr. Demyan Hyworon, Ms. Sophia Kachor, Mr. Eugene Waskiw, Ms. Irka Semaniuk, and Mr. Roman Zubach.

It's my pleasure to welcome Mr. Paul Prenovault, a special guest joining us today from the Deposit Guarantee Corporation of Manitoba.

Ladies and gentlemen, I will call upon Mrs. Donna Korban, a Director of Carpathia's Board, to assume the Chairmanship of our annual meeting.

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### Donna Korban, Board Member, Chair of Annual General Meeting

(Ukrainian spoken). Good evening, ladies and gentlemen.

There are a few items I would like to review before we commence with this evening's meeting.

All attendees, except for this evening's participants, have been muted. There will be six motions as part of this evening's meeting; the acceptance of the agenda, the

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acceptance of last year's meeting minutes, the acceptance of presented reports, the acceptance of appointment of next year's auditors, the motion to destroy the ballots from the Board of Director votes, and the motion to adjourn the meeting.

Once the motion is made and seconded by one of our Board members, I will call for an opposition to the motion. We will allow 15 seconds to respond to the opposition. If you are in favour of the motion, no action is required. Do not press any buttons on your phone. If you oppose the motion, you will be instructed to hit star and then the number two on your telephone keypad. I will repeat these instructions as part of each motion as a reminder.

As previously communicated, this meeting serves as Carpathia's 2020 Fiscal End—Year-End Annual General Meeting.

There was an opportunity to submit questions in advance of the meeting. No items will be added to the agenda as a result of our call for questions. All questions sent in were acknowledged, and those deemed not relevant to the Annual General Meeting were addressed directly with the members.

The agenda, financial reports, and meeting minutes were available on Carpathia's website or by visiting one of our branches. Hard copies of the financials will be available after this meeting at any one of our branches.

I will now call upon his Grace Metropliolitn Husulak to say a prayer, and to give us the blessing for this evenings meeting.

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**His Grace Lawrence Husulak, Metropolitan Archbishop of Winnipeg**

It's my honour and privilege to open Carpathia Credit Union's AGM 2021 Meeting with a prayer, so let us pray to the Lord.

Dear Lord, we ask you to preside over our AGM meeting, and to bless all of our endeavours and all of our labours. Help us to build a financial community united in harmony out of respect and service to one another. Teach us to know our own strength so that we may share these gifts and talents with one another, which you have so generously given to us. We thank you for your past blessings, and we pray that you would continue to keep Carpathia's directors, the staff, the valued members healthy and safe by your grace.

We also remember in our prayers those members who have completed their earthly pilgrimage, and have left our side, and have departed for your Heavenly Kingdom. At

this time, we ask you to bless this Annual General Meeting, the Directors of this past year, and especially ask you to bless the new Directors who will be joining this excellent team as they share their time and talents and expertise in the hopes of helping Carpathia Credit Union serve all of its members and our Ukrainian community. We pray you to send your Holy Spirit to help, to guide, and to inspire us during our deliberations today. Amen.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you, His Grace

At this time, allow me to appoint a recording secretary. The Board has approved Melissa Anderson for the recording of the meeting's minutes.

Our bylaws require that 37 members be present to constitute a quorum at this meeting. At this time, not including special guests, there are 80 members on the line as verified by Bell MTS Services. As required, notice for this meeting has been properly served and a quorum is present. I'm happy to declare that this meeting is duly constituted for the transaction of business.

You will find the agenda for this evening's meeting in your voting package which was previously mailed to you. I will now ask for a motion to adopt the agenda.

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**Don Cilinsky, Director, Vice Chair**

This is Don Cilinsky, and I move to accept the agenda as published.

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**Noella Pylypowich, Director, Secretary of the Board**

This is Noella Pylypowich, and I second the motion.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you.

I will now call for any opposition to this motion. If you wish to register your opposition, please press star, and the number two on your telephone keypad. If you are in favour of this motion, no action is required. Do not press any buttons on your phone. There will be a 15 second

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allotment to record any replies. Please register your opposition now.

Operator, please advise the total opposed.

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**Operator**

There are zero opposed.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Motion carried.

Moving on to our next agenda Item Number 4. I will now ask for a motion that last year's Annual General Meeting minutes be accepted.

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**Roman Zubach, Director**

This is Roman Zubach, and I move to accept the minutes.

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**Noella Pylypowich, Director, Secretary of the Board**

This is Noella Pylypowich, and I second the motion.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you.

I will now call for any opposition to this motion. If you wish to register your opposition, please press star, and the number two on your telephone keypad. If you are in favour of this motion, no action is required. Do not press any buttons on your phone. There will be a 15 second allotment to record any replies. Please register your opposition now.

Operator, please advise the total opposed.

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**Operator**

There are zero opposed.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Motion carried.

The phone minutes of the last annual general meeting are available at Carpathia Credit Union's corporate office upon request, or may be reviewed online at Carpathia Credit Union's website.

If there is no new business arising from the last meeting minutes, we will move on to Item Number 6 of the agenda; the reports. Our Chair, Dr. Taras Babick, will now present the Board of Directors report.

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**Dr. Taras Babick, Chair**

Thank you, Madam Chair.

Our world is changing and we are adapting. Our success is dependent upon our willingness to respond to the challenges which are presented before us as a result of this global pandemic. There is no blueprint, nor is there a manual. We are active participants in these historic times. We are 21st century pioneers.

The strength of Carpathia Credit Union is measured by your loyalty and determination. For the past 80 years, our Ukrainian roots have helped us to establish Carpathia Credit Union as a solid financial institution. We recently became partners with North Winnipeg Credit Union as we joined together to become one. Our traditions and heritage serve to remind us all of our commonality of a solid work ethic and ongoing determination. Together, we are strong. Our future remains bright as we navigate a difficult journey from this day onward.

(Ukrainian spoken).

Our staff remains dedicated to serve you in a variety of ways, including virtual interactions. We are striving to not only meet your expectations, but to exceed them. We not only value your business, but also your suggestions. We need your assistance and your feedback as together we embark upon new strategies and options.

The Board of Directors commends the Chief Executive Officer, the Senior Executive Team, and our staff as together we work to achieve the goals of our mission statement. With your ongoing loyal support, Carpathia Credit Union will continue to prosper during uncertain financial times. The Board of Directors remains committed to our fiduciary responsibility to the membership which elected us. Our 12 current Board members are grateful to you, our members, for the safe and trust which you've bestowed upon us individually and collectively

(Ukrainian spoken).

As we implement medical solutions to the problems posed by this pandemic, I wish each of you continued good health. For those of you who have been struck with this illness, I wish you a peaceful and full recovery. Please keep yourselves and your loved ones safe and healthy. Thank you for your kind attention.

(Ukrainian spoken).

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**Donna Korban, Board Member, Chair of Annual General Meeting**

(Ukrainian spoken). Thank you Dr. Babick.

I will now ask Mr. Nicholas Rawluk to present his Chief Executive Officer's report.

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**Nicholas Rawluk, Chief Executive Officer**

Thank you. (Ukrainian spoken).

Twenty-twenty was always going to be a year of change as we at Carpathia had a lot of positive initiatives planned. What we didn't plan for was the onset of a global pandemic that would have such profound worldwide effects. As a local business and a member-owned institution, we have been encouraged by the renewed focus on buy local and recognition of the value of supporting and investing in your local community.

Our history of member loyalty has allowed Carpathia to continue to support our members and community through loan and mortgage deferrals, the waiving of many fees, as well as our continued free administration and support of the many government programs that directly support and benefit our members. We have also been able to maintain support for our community through scholarships, sustaining donations, direct grants, and targeted advertisements.

Now that we have fully converted to a new core system, with the legacy North Winnipeg conversion occurring in the fall, we are excited to move forward with internal technology improvements, as well as more noticeable member-centric improvements such as e-statements. In the near future, you can also expect to see new set-ups coming to your local branch that will allow members to identify themselves with the wave of their palms. All of us at Carpathia are thrilled to bring these and many other improvements to our members in 2021.

While we have continued to move through these major changes and the implementation of improvements, a focus on active cost and revenue management has allowed us to again post a modest profit of \$371,918 before taxes. While this is a continued improvement from 2020, most figures are not easily comparable because our change of fiscal year-end in 2020 resulted in a 15-month reporting year instead of the regular 12, with the impact of the merger affecting 6 of those 15 months on the income statement in 2020.

Our work is not done, but the team at Carpathia is entering 2021 with excitement and energy. I know we are up to the challenge ahead and that our dedicated membership base will be the beneficiaries of all the positive changes we have planned.

Carpathia benefits from a devoted and engaged Board of Directors and a committed group of staff, and I would like to thank the Board of Directors for their faithfulness to the success of the organization, as well as the executive team and all my colleagues at the Credit Union whose hard work and passion continue to drive Carpathia forward. We exist for our members and associates, and I would like to also thank each of you for your continued engagement and wish you safety and good health.

(Ukrainian spoken).

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you, Mr. Rawluk.

I now call on our representative from BDO Canada LLP, Mr. Tim Cook, who will present the Auditor's Report.

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**Tim Cook, Partner, BDO Canada, LLP**

Thank you Donna. Good evening everyone. I am happy to be able to join you for the AGM this evening.

Nick has already gone over some financial highlights, and I will now go through a brief overview of the statements you have available to you. Just a reminder that these are summarized statements and a full copy is available at your request from the Credit Union.

The first page of these statements is BDO's report on the summarized financial statements. This is the only page that is BDO's, and the remainder of the statements are the Credit Union's.

In our report, we note that these statements represent a summarized version of the full financial statements, and we issued a clean audit report on the full financial statements and on these summarized financial statements on March 26, 2021.

The next page is the summarized balance sheet. The balance sheet is a financial picture at a point in time for the Credit Union. The top portion of the balance sheet shows the assets and the bottom shows the liabilities and members' equity. I will point out some of the more significant changes on the balance sheet.

Funds on hand and on deposit have increased \$8.4 million. Investments have also increased \$47.7 million. These increases are offset by a decrease in loans to members of \$57.7 million.

Then, the right-of-use assets are a result of new accounting standards in the year that require the Credit Union to record leases on the balance sheet.

Overall, assets of the Credit Union have decreased slightly from \$619.3 million to \$618.5 million.

On the liability side, the main change is the addition of the lease liability which roughly offsets the right-of-use assets I mentioned previously.

Below the liabilities section, the members' equity section remains relatively consistent with the prior period. The liabilities and members' equity match the assets at \$618.5 million.

The next page is the statement of comprehensive income for 2020 and the comparative 15-month period. As you may recall, in the prior year, and Nick mentioned, the Credit Union amalgamated with North Winnipeg Credit Union and also adjusted its year-end to December 31 from September 30.

The result of these changes is that the 2019 column shows the results of a 15-month period that also includes North Winnipeg's results from July 1, 2019 to December 31, 2019. Due to these changes in the prior period, it can be useful to consider the changes in percentages instead of dollars as the dollar differences may be a result of different periods. Because of this, I will focus on percentage changes while presenting the statement of comprehensive income.

If revenue were normalized for the year, and by that I mean calculating the revenue per month, despite the decrease in overall dollars, there was actually a slight increase of revenue per month of 5 percent over the prior period. As a percentage of revenue, the cost of funds in 2020 is 53 percent of revenue compared to 59 percent of

revenue in the prior period. This resulted in gross financial margin of 47 percent for the 2020 year compared to 41 percent for the 2019 period.

Gross operating expenses in total were 47 percent of revenue for 2020 and 42 percent of revenue for the 2019 period.

Other Income was 12 percent of revenue in 2020 and 9 percent of revenue in the 2019 period.

Getting close of the bottom of the page, gross operating income was 12 percent as a percentage of revenue for 2020 and 8 percent for the 2019 period. The provision for impaired loans is 0.41 percent of the total loan balance for 2020 and 0.32 percent of the total loan balance for 2019.

Finally, there was \$288,000 of comprehensive income in the 2020 year compared to \$302,000 of comprehensive income in the 2019 period.

The next page is the statement of changes in members' equity, and this is essentially a continuity from the start of the year to the end. In the prior year, the significant change related to the amalgamation, but there are no significant changes to point out related to the 2020 year. The total members' equity at Dec 31, 2020 is now just shy of \$32.7 million.

The final financial statement in these summarized statements is the cash flow statement. This statement shows the sources and uses of cash by the Credit Union for the year ended December 31, 2020. Again, the comparative amounts in this statement are significantly affected by the amalgamation with North Winnipeg and the 15-month period. However, overall, there was an increase in cash for the Credit Union of \$8.4 million.

Finally, the next page notes again that these statements are a summary of the full financial statements, and that the Credit Union is in compliance with the regulatory minimum capital and liquidity requirements.

Thank you for your attention during this time, and I will pass it back to Donna to continue the AGM.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you, Tim, for your thorough report.

The agenda Item Number 7 is the discussion of reports. Nicholas Rawluk, CEO, will now answer the report related questions that were submitted in advance by Mr. John Wilmot.

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**Nicholas Rawluk, Chief Executive Officer**

Thank you, Ms. Chair.

Following our request to members for questions, the following was received.

Mr. John Wilmot wrote: In the summary balance sheet, as an asset description this year is right-of-use, and appended to a previous year's description, property and equipment is added intangible assets with no footnote for either one. What has materially changed this year that neither or both were previously described, and if intangible assets were previously included in the property and equipment category, roughly how much would they had been in previous years? Also, new this year is a liability description, lease liabilities. Is it just coincidence that the dollar value of right-of-use asset is close to that of lease liabilities?

To answer your last question first, no it is not a coincidence, and I will explain why. Thank you to our CFO, Janet Hnytka, who provided the following: The full financial statements do include notes which clarify all items questioned. These financial statements are available upon request. Summary financial statements do not include the full notes and are typically provided for brevity. The right-of-use assets, along with the lease liabilities, are related to Accounting Standard IFRS 16 Leases, which was adopted on January 1, 2020. Carpathia is required to recognize assets and liabilities for all leases exceeding 12 months.

This value is related to three leased locations which expire in 2021, 2024 and 2026. These values are essentially the present value of future lease payments but differ due to other factors such as depreciation and interest expense. There have been no changes to the recording of the property and equipment on our financial statements. The change in title was simply a name change to be more inclusive in 2020. Carpathia does not have any intangible assets on their financial statements for either 2019 or 2020.

To phrase the explanation on leases another way, we lease three of our branch locations, soon to be two, with the closure of McPhillips. IFRS 16 requires us to account for the present value of our lease payments as a liability, and it also requires us to account for the value of our right-of-use on the locations as an asset. If we are paying a fair price for a leased asset, then I would expect these numbers to be very close, which they are.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you, Nick.

I would like to now ask for a motion to accept the reports as presented.

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**Demyan Hyworon, Board Member**

This is Demyan Hyworon, and I move to accept the reports.

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**Nicholas Chubenko, Board Member**

This is Nicholas Chubenko, and I second the motion.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you.

I will now call upon—call for any opposition to this motion. If you wish to register your opposition, please press star, and the number two on your telephone keypad. If you are in favour of this motion, no action is required. Do not press any buttons on your phone. There will be a 15-second allotment to record any replies. Please register your opposition now.

Operator, please advise the total opposed

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**Operator**

There are zero opposed.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

The motion is carried.

Item 8 on our agenda deals with the appointment of external auditors. Mr. Mike Mager, on behalf of the Audit Committee, will present a formal motion in this regard.

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**Mike Mager, Director, Chair of Audits and Risk Committee**

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It is my pleasure, on behalf of the Audit Committee, to move that BDO CANADA LLP, chartered accountants, continue as our external auditors for the year ending December 31, 2021.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Mike has made a motion to continue to use BDO as our external auditor. Do I have a second?

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**Irka Semaniuk, Director**

(Ukrainian spoken). This is Irka Semaniuk, and I most second the motion.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you.

I will now call upon call for any opposition to this motion. If you wish to register your opposition, please press star, and the number two on your telephone keypad. If you are in favour of this motion, no action is required. Do not press any buttons on your phone. There will be a 15-second allotment to record any replies. Please register your opposition now.

Operator, please advise the total opposed.

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**Operator**

There are zero opposed.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

The motion is carried.

I now move on to the next agenda Item, Number 9, that being the Board of Directors' election results and the destruction of election ballots. I would like to call upon Ms. Susan Zuk, Chair of the Nominating Committee, to present her report.

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**Susan Zuk, Director, Chair of Nominating Committee**

Thank you, Madam Chair.

As Chair of the Nominating Committee, I would like to present the Board of Director's election results. The Nominating Committee presented six nominees for your consideration to fill three vacancies on the Board; Mr. Don Cilinsky, Mr. Demyan Hyworon, Mr. Nick Lohowy, Mr. Maxim Paches, Mr. Mikel Pestrak, and Ms. Irka Semaniuk.

As a result of all ballots cast, I would like to announce the three nominees that have been elected to the Board in alphabetical order: Mr. Don Cilinsky, Mr. Mikel Pestrak, and Ms. Irka Semaniuk.

Congratulations to our newly elected Directors, and I want to thank all six members who submitted their applications and took interest in being a part of the governing body of our Credit Union on behalf of all our members.

As Chair of the Nominating Committee, I would like to make the motion to destroy the ballots from the past election.

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**Roman Zubach, Director**

This is Roman Zubach, and I second the motion.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you.

I will now call for any opposition to this motion. If you wish to register your opposition, please press star, and the number two on your telephone keypad. If you are in favour of this motion, no action is required. Do not press any buttons on your phone. There will be a 15-second allotment to record any replies. Please register your opposition now.

Operator, please advise the total opposed

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**Operator**

There are zero opposed.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

The motion is carried.

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Agenda Item 10 is new business, and we did not receive any requests for the new business items prior to tonight's meeting, so I will move on to our last item on the agenda, that being adjournment. May I have a motion to adjourn the 82nd Annual General Meeting?

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**Roman Zubach, Director**

This is Roman Zubach, and I move to adjourn.

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**Don Cilinsky, Director, Vice Chair**

This is Don Cilinsky, and I second the motion.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

Thank you.

I will now call for any opposition to this motion. If you wish to register your opposition, please press star, and the number two on your telephone keypad. If you are in favour of this motion, no action is required. Do not press any buttons on your phone. There will be a 15-second allotment to record any replies. Please register your opposition now.

Operator, please advise the total opposed.

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**Operator**

There are zero opposed.

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**Donna Korban, Board Member, Chair of Annual General Meeting**

The motion is carried.

That brings our evening to a close. Thank you for your participation, and please enjoy the rest of your evening.

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**Operator**

Thank you. The conference has now ended. Please disconnect your lines at this time and thank you for your participation.