



2021

ANNUAL

REPORT

AGENDA

32nd Annual Meeting of



JANUARY 18, 2022 • 6:00 P.M.

Registration

- Call To Order By Chairperson
- Report On Registration Of Members
- Appointment Of Recording Secretary

Service Awards

Business Meetings

1. Minutes Of The 31st Annual Meeting
2. Report Of The Board Of Directors and The Chief Executive Officer
3. Report Of The Director of Sales & Service
4. Report Of The Audit Committee
5. Report Of The Auditors

New Business

1. Appointment Of The Auditors
2. Elections

Adjournment

2020-2021 Board of Directors

Elected with terms as shown:

Donna Langford 2021

Jim Maw 2022

Rudy Fischer 2023

Chris Courtis 2021

Lorne Johnson 2022

Wayne Freer 2023

Dan Peters 2021

Carl Thompson 2022

Ben Dekker 2023

31ST ANNUAL MEETING MINUTES

January 19, 2021

The 31st Annual Meeting of Southwest Regional Credit Union Ltd. was held remotely by Webex, broadcast from Head Office of Southwest Regional Credit Union, 1205 Exmouth Street, Sarnia, Ontario on January 19, 2021.

The meeting was called to order at 6:00 p.m.

Board Chair, Ben Dekker welcomed members of Southwest Regional Credit Union Ltd. and explained the importance of annual meetings. With this being the first virtual AGM of Southwest Regional Credit Union, Ben went over some guidelines to the Membership so everyone could understand their role as participating members. Ben introduced those who would be presenting reports; Glenn Wilson - CEO & Board Secretary, Sherry Van Bilzen -Director of Sales & Service, Jim Maw - Audit Committee Chairman and Laura Poland - Partner, Baker Tilly, LLP, External Auditors of Southwest Regional Credit Union. Ben welcomed the attending guests and representatives from the firms that partner with us throughout the year and welcomed input from anyone who is wanting to speak by using the Chat Box function available.

Ben spoke about the history of Southwest Regional Credit Union and the challenges that were faced and overcome, the support given to the local communities and the gratitude that Southwest has for the many individuals that contributed to our successes and laid the foundation for what we are today.

Chair Ben Dekker acknowledged and thanked the Board of Directors for their contributions for 2019 -2020:

| | |
|------------------|-------------------------------------|
| Rudy Fischer | Board Member and Board Vice-Chair |
| Jim Maw | Board Member, Audit Committee Chair |
| Chris Courtis | Board Member |
| Darren Henderson | Board Member |
| Carl Thompson | Board Member |
| Lorne Johnson | Board Member |
| Wayne Freer | Board Member |
| Dan Peters | Board Member |
| Ben Dekker | Board Member and Board Chair |

Ben Dekker asked Mr. Secretary, Glenn Wilson if a quorum was present. Glenn Wilson responded yes, there are 60 registered members, and 9 guests present. With this, Ben declared we have a quorum.

Ben Dekker called on Laura Poland to announce the results of the vote for a Special Resolution to amend the by-laws of Southwest Regional Credit Union to allow for electronic Annual General Meetings. Laura Poland, with the assistance of scrutineers Janice Mathers and Jasmine Rudrum reported that the votes have been counted and the Special Resolution received 43 votes in favour and 0 votes opposed. Therefore, the Special Resolution to amend the By-Laws of Southwest Regional Credit Union to allow for electronic Annual General Meetings is approved. Ben Dekker asked for a mover to accept the results and destroy the ballots. Chris Courtis moved seconded by Kelly Ash. A vote was called. Motion carried.

Chair Ben Dekker announced recipients of service awards for Southwest Regional Credit Union:

| | |
|----------------------------|---------------------------------|
| Five (5) years of service: | Randi Maw (Wyoming Branch) |
| Five (5) years of service: | Kerry Reardon (Exmouth Branch) |
| Five (5) years of service: | Jasmine Rudrum (Head Office) |
| Five (5) years of service: | Janet Vandeguchte (Head Office) |

31ST ANNUAL MEETING MINUTES...Cont'd

January 19, 2021

Five (5) years of service: Barb Wilbur (Wallaceburg Branch)
 Ten (10) years of service: Michelle Nicefield (Head Office)
 Twenty (20) years of service: Darragh Ginn (Corunna Branch)

Ben Dekker is also recognized 6 years - 2 terms.

Business Meeting

Moving forward with the business portion of the meeting, Ben Dekker presented the Minutes from the 30th Annual Meeting. Noting that there were no errors or corrections to be made, it was moved by Wayne Freer and seconded by Dan Peters to accept the Minutes of the 30th Annual Meeting as presented. Motion Carried.

Glenn Wilson presented the Report of the Board of Directors and Chief Executive Officer. Glenn described 2020 as a historical year starting with a healthy economy, competitive financial market, strong employment, and a booming real estate market. Then the coronavirus pandemic hit and abruptly changed the whole economy. Health Authority guidelines were placed on all business and allowed us to re-open our doors to members after a temporary closure. Financially, 2020 was a successful year and efforts going forward will continue to focus on providing valuable advice and assisting our Member with improving their financial health while offering exceptional service and competitive rates. Glenn spoke about our new website, online platform, and other technology upgrades planned for the upcoming year. Glenn thanked all our Members and community partners for a successful year and looks forward to another successful year.

No questions were asked. Carl Thompson moved for acceptance of the report as presented and Christina McFadden seconded. Motion Carried.

The Report of the Director of Sales & Service was presented by Sherry Van Bilsen, Director of Sales & Service.

Sherry reported on the lending activity of the Credit Union for the year. She spoke about the impact of the Coronavirus Pandemic for Canada and the entire world, record unemployment numbers as well as deferrals, and the average Canadian in debt for \$1.71 per dollar of income earned. Mortgage rates continued to drop while housing prices remained strong. Even though 2020 has been a turbulent year, the lending department remained diligent in reaching out to our members to offer support and guidance which has resulted in our members remaining in a healthy financial condition. Even though the pandemic created challenges in syndicated payouts and opportunities, the Commercial & Ag department continues to be proactive and creative in attracting new and local members.

No questions were asked. Mamie MacKinnon moved for acceptance of the Report of the Director of Sales & Service and Christina McFadden seconded. Motion Carried.

Jim Maw - Audit Committee Chairman, presented the Report of the Audit Committee. Mr. Maw explained the Committee's function at the Credit Union. The Committee met quarterly with a work plan to review and update all procedures as necessary and required. There were no significant findings to deal with or report to the Membership. Jim reported that we have a good working relationship with our Internal Auditor, PJ Gallant, Complete CU Services. No questions were asked. Kelly Ash moved for acceptance of the Report of the Audit Committee and Chris Curtis seconded. Motion carried.

Ben Dekker called on Baker Tilly to give The Report of the Auditors. Laura Poland gave the

31ST ANNUAL MEETING MINUTES...Cont'd

January 19, 2021

Auditor's presentation to the membership. Laura stated that the audit was conducted in accordance with the Canadian Auditing Standards. A Summarized Audit Report was provided to the membership with a full report available at each branch on request. Laura summarized the Statement of Earnings for the year ending October 31, 2020. Laura explained the role of the Auditors, Staff and Board. No questions or concerns were brought forward. The Report of the Auditors was moved for acceptance by Teresa Acs and seconded by Carl Thompson. Motion Carried.

New Business

APPOINTMENT OF THE AUDITORS:

Ben Dekker advised the membership that we continue to have a strong working relationship, that a proposal has been received from Baker Tilly to continue their services into the next year and that the Board supports the proposal. Kelly Ash motioned to appoint Baker Tilly Chartered Accountants as the Credit Union Auditors for the fiscal year November 1, 2020 to October 31, 2021. The motion was seconded by Janet Vandeguchte. Motion carried.

ELECTIONS:

Ben Dekker called on Laura Poland, Baker Tilly to chair the elections. Ms. Poland explained the procedure and announced that there are four available positions, 3 due to the expiration of the terms of Wayne Freer, Rudy Fischer and Ben Dekker and one position available due to a vacated term to expire in one year. All three board members of the expired terms are acclaimed back into their positions for a further 3-year term and a fourth candidate, Donna Langford is acclaimed into the remaining 1-year term. Keith Rabidoux motioned to accept the results of the election, seconded by Dan Peters. Carried.

Other Business

Ben Dekker spoke about the "Business Boost Bundle" contest sponsored by CR Creative, Sarnia Lambton Business Development Corporation and Southwest Regional Credit Union. He explained how the contest was designed and, even through the hurdles, the success of the contest. Ben congratulated the winners of the contest, Chelsea and Mason of the Health Creation Lab.

Ben Dekker thanked Management, staff, and board for their support throughout the year. Ben called for adjournment of the 31st Annual Meeting. Keith Rabidoux moved, seconded by Wayne Freer. Carried.



Chair of the Board of Directors



Secretary to the Board of Directors

REPORT OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER

January 18, 2022

As we look back on our 2020-2021 fiscal year what really stands out is how many significant changes occurred in our lives and how many remarkable accomplishments were still achieved during the year, in spite of the challenges we faced. Headlines were dominated by the coronavirus (COVID 19) pandemic, and phrases like 'social distancing', 'personal protective equipment' and 'stay at home orders' became part of our everyday vocabulary. Restrictions were placed on many businesses and social gatherings, limiting economic activity, increasing unemployment, and generally changing life the way we knew it. The introduction of vaccinations initiated a gradual reopening of the economy, but new variants of the illness continue to challenge our medical system with second doses and now booster shots being recommended by medical experts. Southwest has followed all the local Health Authority guidelines and succeeded in remaining open throughout the pandemic. Members adjusted by making more use of our self-serve channels like online and mobile banking to manage their financial affairs.

Meanwhile historically low interest rates persisted throughout the year, putting downward pressure on financial margins, and fueling a red-hot real estate market that saw record high home prices in Ontario. Financially, 2021 was another very successful year for the Credit Union as Southwest surpassed our budgeted growth & income targets with over \$15 Million in Asset growth and \$14 Million in Credit Portfolio growth. We achieved positive Membership growth for the first time in many years and a net income that was more than double our budgeted target. Member Dividends & Loan Rebates were once again declared. Please see the Annual Report for details.

Southwest continued to support our local communities through programs like the 4th annual Business Boost Bundle contest which promotes local entrepreneurs in partnership with the Sarnia Lambton Business Development Corp. and CR Creative. Congratulations to this year's winner The Bluewater Pelvic Health Centre! We supported the Co-Operative Young Leaders Program, which is designed to develop and recognize youth leadership, and we also awarded 10 Student Scholarships to Members attending post-secondary education. And for the second year in a row special supplemental donations were made to the 4 local Food Banks in our branch communities to provide support to those most affected by the economic fallout of the pandemic.

This year more than ever, our staff have focused on providing useful advice and positive support to our Members through all stages of their financial life cycle, offering exceptional service and competitive products. We were excited to launch our new and improved website in 2021 and are now working on a new digital online and mobile banking platform. In 2022 we will also be upgrading our payment processing services for POS, cheque clearing and E-transfers to a new 'Real Time Rail' platform that will provide faster, instant processing of all transactions. Investment was also made in upgraded systems servers and improved branch and cyber security. For added protection of our Members online, we will be switching to a stronger password requirement to block fraudsters from gaining access to our Members accounts. Improvements were also made to our products and services with the launch of a new suite of Commercial and Agricultural accounts.

We continue to work closely with our local agricultural and small business owners with an emphasis on understanding their businesses and providing the right support and financial advice to help them succeed. We hope that you will 'support local' by referring your friends and family to Southwest so that we may continue to serve the community. The Member Referral Program provides rewards to those who make referrals to Southwest. Ask staff for details!

Our Members once again provided us with valuable feedback through the Annual Survey that was distributed last year with the annual statements. Results indicated that Members overall satisfaction with our service delivery was rated at 8 out of 10 or better in 95% of

REPORT OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER...*Cont'd*

January 18, 2022

the responses, and that you appreciated our friendly staff, their fast personal service, and our great locations! 97.6% of respondents said they would be happy to refer new Members to Southwest! Both of these key results were significant improvements over the strong results of previous years! Thank you for this positive support! It makes all our staff's efforts worthwhile!

On behalf of the staff and Board of Directors, I would like to express our sincere appreciation for the trust you have placed in Southwest Regional Credit Union by allowing us to assist you with your financial needs! As we head into 2022, we will continue to work closely with our community and industry partners to build a stronger Credit Union so that we may continue to serve the local markets for many years to come!

Thank you to all our Members for another successful year in 2020-2021. As Members, you are the Credit Union, and we grow and succeed as a result of your loyalty and patronage. We look forward to working with you through another exciting year in 2022!

Respectfully yours,



A handwritten signature in black ink that reads "B. Dekker".

Ben Dekker
Board Chair



A handwritten signature in black ink that reads "Glenn Wilson".

Glenn Wilson
Chief Executive Officer

REPORT OF THE DIRECTOR OF SALES & SERVICE

January 18, 2022

On behalf of our Sales Department, I will report on the lending activity experienced throughout the year.

The Coronavirus Pandemic continues to impact our every day lives. Prices on everything from groceries to building supplies have dramatically increased and continue to be a concern with the inflation rate already the highest it has been in 30 years at 4.4%. 2021 has again been a turbulent year, with uncertainty of when recovery will occur. Mortgage rates have started to rise slowly, while housing prices continue to remain strong and Canadian household debt is rising faster than income, at record rates. Southwest Regional Credit Union has been diligent in reaching out to our members to offer support and guidance resulting in our members remaining in relatively good financial positions. Many of our members took advantage of the lower mortgage rates by securing the 5 year specials on their Lambton Line's or refinancing to allow reduction of debt loads, resulting in record mortgages for the Credit Union. The lending department has also placed focus on building the membership of the credit union with the use of the referral program and various forms of advertising.

Your Commercial & Agricultural department continues to be proactive, looking for new opportunities within our local communities. During the year, Commercial syndications received significant payouts, while our Agricultural portfolio enjoyed excellent growth.

Your loan department processed 292 loan applications, rejecting, and deferring 54 requests and making 238 new loans for \$1,833,309 new money. The number of personal loans outstanding at year-end was 204 for \$2,517,054 and 17 Commercial & Agricultural loans for \$827,582 for an overall increase of \$114,491. The number of lines of credit outstanding at year-end was 1779 Personal for \$18,063,623 and 65 Business/Agricultural/Association Line of Credits for \$1,869,798, an overall increase of \$433,459. Total authorized yet to be advanced is \$47,546,627. The net increase for the year was \$547,950.

Your loan department processed 240 mortgage applications, rejecting, and deferring 72 and booking 168 new mortgages for \$32,985,303 new money. The volume outstanding at year-end was 575 Personal mortgages for \$85,297,810 and 62 Commercial & Agricultural mortgages for \$25,882,800. The pending amount with an expected close date within the next 3 months is \$3,585,982. The net increase was \$13,795,794.

Staff maintained tight control of delinquent loans. At year-end, the Credit Union had no delinquent personal loans and (1) mortgage account 30 days delinquent for \$145,994 with no probable loss. Total charge-off for 2020/2021 was \$9,290.78. Bad Debt collections for the year totaled \$2,248.18. Your credit union maintains adequate allowances for future loss exposure.

The following is a breakdown of the distribution of loans by purpose:

| 2020-2021 LENDING ACTIVITY | INCREASE (DECREASE) |
|---|------------------------|
| Personal Loans | (\$217,387.29) |
| Personal Lines of Credit | \$33,208.28 |
| Lambton Line II (Secured Lines of Credit) | \$826,008.28 |
| Residential Mortgages | \$15,870,309.13 |
| Commercial and Agricultural Loans | \$331,877.09 |
| Commercial and Agricultural Lines of Credit | (\$425,757.37) |
| Commercial and Agricultural Mortgages | (\$2,074,514.74) |
| TOTAL | \$14,343,743.38 |



Sherry Van Bilsen
Director of Sales & Service

REPORT OF THE AUDIT COMMITTEE

January 18, 2022

The Audit Committee is elected each year by your Board of Directors. This year's Audit Committee is comprised of Chris Courtis, Dan Peters, Rudy Fischer and Jim Maw. The Audit Committee has elected me as Chair.

We meet at least 4 times a year as per regulations. Each year we develop a work plan for the year using advice from our Internal Auditor. We do this to satisfy the requirements of our regulators. It is our responsibility to ensure the Credit Union's adherence to policy and the requirements of our regulators. This is done to protect the investments of our members/owners. We work with the Internal and External Auditors and provide advice to the Board, who then makes the final decisions.

The Committee operates under the mandate of the Credit Union and Caisses Populaires Act to confirm financial reporting and oversee the work of Management & to monitor Operational Risk. Additional work includes reviewing audit findings and making sure appropriate controls are in place and followed to protect the assets of the Credit Union.

Fraud and cyber attacks have become more of an issue during the pandemic, and we are always investigating ways to defend against them. This does add costs but is necessary to protect the Credit Union and our Members. The pandemic has forced us to change the way we do business. The Audit Committee has worked closely with Management to ensure appropriate adjustments are made to operations to make Southwest stronger over the long term. The Audit Committee has worked well with our Auditors throughout the year. I am proud to say once again that the Audit Committee has found nothing materially important in our findings to report to the membership.

I would like to on behalf of The Audit Committee congratulate Glenn and his staff on another good year in trying times.



A handwritten signature in black ink, appearing to be 'Jim Maw', written in a cursive style.

Jim Maw

Audit Committee Chairman

Southwest Regional Credit Union is here to support our local communities and our members!

Below are a few of the local groups Southwest supported in 2020-2021!

- Noelle's Gift for Children
- TJ Stables - Chatham
- Community Safety Net - Corunna
- The Wallaceburg Salvation Army
- The Inn of the Good Shepherd - Sarnia
- St. Andrew's Foodbank - Corunna
- The Petrolia Foodbank
- Ryan's House (BWH Foundation) - Sarnia



CONGRATULATIONS TO THE WINNER
OF THE 2021 BUSINESS BOOST BUNDLE





Southwest Regional Credit Union Ltd.

**INDEPENDENT AUDITOR'S REPORT
AND SUMMARIZED FINANCIAL STATEMENTS**

October 31, 2021

Independent Auditor's Report

To the Members of Southwest Regional Credit Union Ltd.

Opinion

The summary financial statements, which comprise the summary balance sheet as at October 31, 2021, the summary statement of earnings and summary statement of comprehensive earnings and members' equity for the year then ended, and related notes, are derived from the audited financial statements of Southwest Regional Credit Union Ltd. for the year ended October 31, 2021. In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

Summary Financial Statements

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

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated December 16, 2021.

Responsibilities of Management for the Summarized Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's Responsibilities for the Audit of the Summary Financial Statements

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

Chatham, Ontario
December 16, 2021


**CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS**

Southwest Regional Credit Union Ltd. **13**

SUMMARIZED STATEMENT OF EARNINGS

Year Ended October 31, 2021

| | 2021 | 2020 |
|---|-------------------|-------------------|
| REVENUE | | |
| Interest from personal loans | \$ 278,803 | \$ 301,161 |
| Interest from mortgage loans | 3,173,362 | 3,174,916 |
| Interest from commercial loans | 697,757 | 1,019,544 |
| Interest from agriculture loans | 431,366 | 339,184 |
| Interest from investments and short-term deposits | 390,711 | 557,506 |
| Service charges | 627,619 | 626,410 |
| Other revenue | <u>174,587</u> | <u>42,940</u> |
| | <u>5,774,205</u> | <u>6,061,661</u> |
| INTEREST EXPENSE | | |
| Interest on term deposits | 302,753 | 320,097 |
| Interest on demand deposits | 112,160 | 131,999 |
| Interest on Registered Retirement Savings Plans | 239,628 | 291,032 |
| Interest on Registered Retirement Income Funds | 168,510 | 183,535 |
| Interest on Tax Free Savings Accounts | <u>234,717</u> | <u>280,613</u> |
| | <u>1,057,768</u> | <u>1,207,276</u> |
| FINANCIAL MARGIN | | |
| | <u>4,716,437</u> | <u>4,854,385</u> |
| EXPENSES | | |
| Administrative | 691,965 | 632,030 |
| Occupancy | 572,724 | 608,976 |
| Salaries and benefits | 2,094,672 | 2,149,479 |
| Computer and network fees | 456,882 | 444,414 |
| Provision for impaired loans | <u>10,000</u> | <u>30,000</u> |
| | <u>3,826,243</u> | <u>3,864,899</u> |
| EARNINGS BEFORE INCOME TAXES AND DISTRIBUTION TO MEMBERS | | |
| | <u>890,194</u> | <u>989,486</u> |
| DISTRIBUTION TO MEMBERS | | |
| Interest rebate | 6,880 | 8,383 |
| Dividend on dividend savings accounts | <u>65,186</u> | <u>77,547</u> |
| | <u>72,066</u> | <u>85,930</u> |
| EARNINGS BEFORE INCOME TAXES | | |
| | <u>818,128</u> | <u>903,556</u> |
| INCOME TAXES | | |
| Current | 127,091 | 157,437 |
| Deferred | <u>8,536</u> | <u>(7,547)</u> |
| | <u>135,627</u> | <u>149,890</u> |
| NET EARNINGS | | |
| | <u>\$ 682,501</u> | <u>\$ 753,666</u> |

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME AND MEMBERS' EQUITY

Year Ended October 31, 2021

| | 2021 | 2020 |
|--|----------------------|----------------------|
| Net earnings for the year | \$ 682,501 | \$ 753,666 |
| Other comprehensive income (loss): | | |
| Unrealized gains (losses) on available-for-sale financial assets arising during the year | (127,402) | - |
| Income tax effect | <u>23,186</u> | <u>-</u> |
| Other comprehensive income, (loss) | <u>(104,216)</u> | <u>-</u> |
| Comprehensive income | <u>\$ 578,285</u> | <u>\$ 753,666</u> |
| CONTINGENCY RESERVE | | |
| Balance, beginning of the year | \$ 20,608,665 | \$ 19,854,999 |
| Net earnings for the year | <u>682,501</u> | <u>753,666</u> |
| Balance, end of the year | <u>\$ 21,291,166</u> | <u>\$ 20,608,665</u> |

Southwest Regional Credit Union Ltd. 15

SUMMARIZED BALANCE SHEET

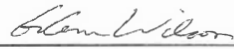
Year Ended October 31, 2021

| | 2021 | 2020 |
|--|------------------------------|------------------------------|
| ASSETS | | |
| Cash and marketable securities | \$ 30,587,768 | \$ 29,796,650 |
| Investments | 11,402,008 | 10,781,857 |
| Loans to members | | |
| Personal | 3,831,436 | 4,206,342 |
| Mortgage | 85,213,311 | 69,363,273 |
| Home Equity Line of Credit | 16,594,255 | 15,704,678 |
| Commercial | 14,691,774 | 21,522,038 |
| Agricultural | 13,584,204 | 8,776,176 |
| Capital assets | 6,216,551 | 6,360,859 |
| Other assets | <u>868,659</u> | <u>563,419</u> |
| | <u>\$ 182,989,966</u> | <u>\$ 167,075,292</u> |
| LIABILITIES | | |
| Members' deposits | \$ 160,614,136 | \$ 144,964,459 |
| Other liabilities | 1,042,525 | 1,356,738 |
| Members' share capital | <u>146,355</u> | <u>145,430</u> |
| | <u>161,803,016</u> | <u>146,466,627</u> |
| MEMBERS' EQUITY | | |
| ACCUMULATED OTHER COMPREHENSIVE | (104,216) | - |
| CONTINGENCY RESERVE | <u>21,291,166</u> | <u>20,608,665</u> |
| | <u>21,186,950</u> | <u>20,608,665</u> |
| | <u>\$ 182,989,966</u> | <u>\$ 167,075,292</u> |

ON BEHALF OF THE BOARD



 Director



 CEO

NOTE TO SUMMARIZED FINANCIAL STATEMENTS

Year Ended October 31, 2021

1. APPLIED CRITERIA IN THE PREPARATION OF THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at October 31, 2021 and October 31, 2020 and for the years then ended.

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

The criteria applied by management in the preparation of these summary financial statements are as follows:

- a) Commencing with the 2014 fiscal year, management has adopted the International Financial Reporting Standards (IFRS);
- b) the information in the summary financial statements is in agreement with the related information in the complete financial statements;
- c) a summary statement of cash flows has not been presented, as the relevant information can be obtained from the complete financial statements; and
- d) the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete financial statements, including the notes thereto.

The audited financial statements are available upon request by contacting the credit union.

DIVIDEND REBATES

January, 2022

| DATE OF YEAR-END | DIVIDEND PAID | DIVIDEND TERM | LOAN INTEREST REBATE PAID | MORTGAGE REBATE PAID | LAMBTON LINE II REBATE PAID | BUSINESS LOC INTEREST REBATE |
|------------------|---------------|---------------|---------------------------|----------------------|-----------------------------|------------------------------|
| OCT. 31, 2012 | 1.25% | 1.50% | 4.00% | 1.50% | 0.75% | 1.00% |
| OCT. 31, 2013 | 1.00% | 1.25% | 3.00% | 1.00% | 0.40% | 0.50% |
| OCT. 31, 2014 | 1.10% | 1.35% | 3.00% | 1.00% | 0.40% | 0.50% |
| OCT. 31, 2015 | 1.00% | 1.25% | 1.50% | 0.50% | 0.20% | 0.25% |
| OCT. 31, 2016 | 1.00% | 1.25% | 1.50% | 0.50% | 0.25% | 0.25% |
| OCT. 31, 2017 | 1.00% | 1.25% | 1.50% | 0.50% | 0.25% | 0.25% |
| OCT. 31, 2018 | 1.20% | 1.45% | 1.70% | 0.60% | 0.35% | 0.50% |
| OCT. 31, 2019 | 1.75% | 2.00% | 2.30% | 1.05% | 0.80% | 0.80% |
| OCT. 31, 2020 | 1.00% | 1.25% | 1.50% | 0.50% | 0.25% | 1.50% |
| OCT. 31, 2021 | 1.00% | 1.25% | 1.25% | 0.50% | 0.25% | 0.25% |

BANKING SERVICES

STUDENT/YOUTH ACCOUNTS
HERITAGE 60/SENIOR ACCOUNTS
PERSONAL CHEQUING ACCOUNTS
REGIONAL ACCOUNT
MAXIMIZER ACCOUNTS
PLAN 24 SAVINGS ACCOUNTS
U.S. PLAN 24 SAVINGS ACCOUNTS
ASSOCIATION ACCOUNTS
COMMUNITY ACCOUNTS
BUSINESS/CURRENT ACCOUNTS
AGRICULTURAL ACCOUNTS
AGRI-INVEST ACCOUNTS

ELECTRONIC SERVICES

ATM'S AT ALL BRANCH LOCATIONS
MEMBERCARD – DEBIT CARD (POINT OF SALE) WITH CONTACTLESS TECHNOLOGY
ONLINE BANKING
TELEPHONE BANKING
TEXT MOBILE BANKING
E-TRANSFER
MOBILE BANKING
E-DEPOSITS
BANKING ALERTS

INVESTMENT SERVICES

RRSP, RRIF, LIRA, LIF
REGISTERED DISABILITY SAVINGS PLANS
REGISTERED EDUCATION SAVINGS PLANS
MUTUAL FUNDS OFFERED THROUGH CREDENTIAL ASSET MANAGEMENT INC.
S&P/TSE 60 INDEX – LINKED
TERM DEPOSITS
SHORT & LONG TERM – TERM DEPOSITS
TAX FREE SAVINGS ACCOUNT
DISCOUNTED TRADING SERVICES THROUGH QTRADE INVESTOR

OTHER SERVICES

CREDITOR INSURANCES
HOME & AUTO INSURANCE
TRAVEL INSURANCE
WIRE TRANSFERS
ELECTRONIC BILL/UTILITY PAYMENTS
CERTIFIED CHEQUES
MONEY ORDERS
FOREIGN CURRENCY
INTER-BRANCH BANKING
SAFETY DEPOSIT BOX RENTAL
MERCHANT MASTERCARD
COLLABRIA MASTERCARD/VISA
PASSBOOK
NIGHT DEPOSITORY

LENDING SERVICES

PERSONAL LOANS – FIXED AND VARIABLE RATE
RESIDENTIAL MORTGAGES
HIGH RATIO MORTGAGES
LINES OF CREDIT – OVERDRAFT PROTECTION
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