

2021

NEW WAYS
TO STAY
CONNECTED

moya
FINANCIAL

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Board of Directors

Mark Žižek, BA (Commerce & Econ.) *(term expires 2022)*

Chair; Audit & Risk Committee

Margaret Zalar, LLB, LLM (Tax), JD *(term expires 2024)*

Vice Chair; Governance & Human Resources Committee;
Nominating & Member Community Relations Committee

Barbara Udovič, MBA, BComm *(term expires 2023)*

Corporate Secretary; Audit & Risk Committee; Chair,
Nominating & Member Community Relations Committee

Lori Cimerman, BA *(term expires 2022)*

Director; Governance & Human Resources Committee

Paul Dolenc, RGD *(term expires 2022)*

Director; Governance & Human Resources Committee

Jason Gorel, CFA, CPA, CA, CPA (Illinois), ICD.D, BBA, CSC *(term expires 2024)*

Director; Chair, Governance & Human Resources Committee

David Mezič, MBA, BA (Business and ITM) *(term expires 2022)*

Director; Governance & Human Resources Committee

Andrew Rovanešek, CPA, CA, BBA *(term expires 2024)*

Director; Chair, Audit & Risk Committee

A Message from Our Board of Directors Chair & Interim CEO

For nearly two years, we have been navigating an unprecedented global health crisis that has challenged all of us. As we begin to emerge from the pandemic, it is our hope that you and your loved ones are healthy and safe.

Throughout 2021, Moya Financial Credit Union operated as an essential service while demonstrating a commitment to providing a safe environment to our staff and members. We continued to work together, assisting our members with their financial needs while keeping the health and well-being of our members top of mind. We want to thank you for your unwavering support during these challenging times. The dedication of our staff and the loyalty of our members is a true demonstration of our cooperative values.

In 2021, Moya Financial's assets grew by 12.7 percent to \$349.8 million, while member deposits increased by \$34.4 million to \$321.7 million. Member's Equity as of December 31, 2021, was \$23.2 million. Our credit union continues to prosper because of our ongoing focus on the development of long-term relationships with our members.

The Board and staff recognize that the continued success of our credit union depends not only on our ability to serve our existing members, but also to generate new business and

"Moving ahead, we will continue to pursue our shared goal of becoming a safe, secure, and viable alternative to the big banks.

attract more members. We regularly evaluate the services we provide and look for new products that will add value. In 2021, we successfully launched and closed an investment share

offering that will increase our regulatory capital to provide for future growth, development, and stability while maintaining a prudent cushion of capital above regulatory requirements. We also launched Moya Wealth, effective financial planning that goes beyond simply growing your investments. Moya Wealth focuses on building, preserving, and managing all aspects of your financial well-being.

The credit union continues to play an important role in our community. We remain committed to the preservation of our Slovenian culture by providing our support and sponsorship to various organizations, such as Dom Lipa Seniors' Home and others in the community.

We continued to support students seeking a post-secondary education by awarding Moya Financial Scholarships to Tea Falzata, Justin Kodric, Lucas Grdadolnik, Nikola Lukezic, and Irene Vute. The awards were given in recognition of these students' outstanding achievements, involvement in extracurricular activities, and commitment to the Slovenian-Canadian community.

Moving ahead, we will continue to pursue our shared goal of becoming a safe, secure, and viable alternative to the big banks. We will focus our resources on strengthening our credit union and its relationship with its members, and on attracting a new generation of members. Our key priorities are to increase deposits and our loan portfolio, maintain a strong credit quantity, manage capital efficiently, and remain responsive to our community.

Our continued success is the result of our dedicated staff, hardworking committee members, and Board. It is the trust and loyalty of our members that has allowed us to continue building a strong and successful credit union. We are honoured to be your financial institution of choice and we look forward to serving all your future financial needs.



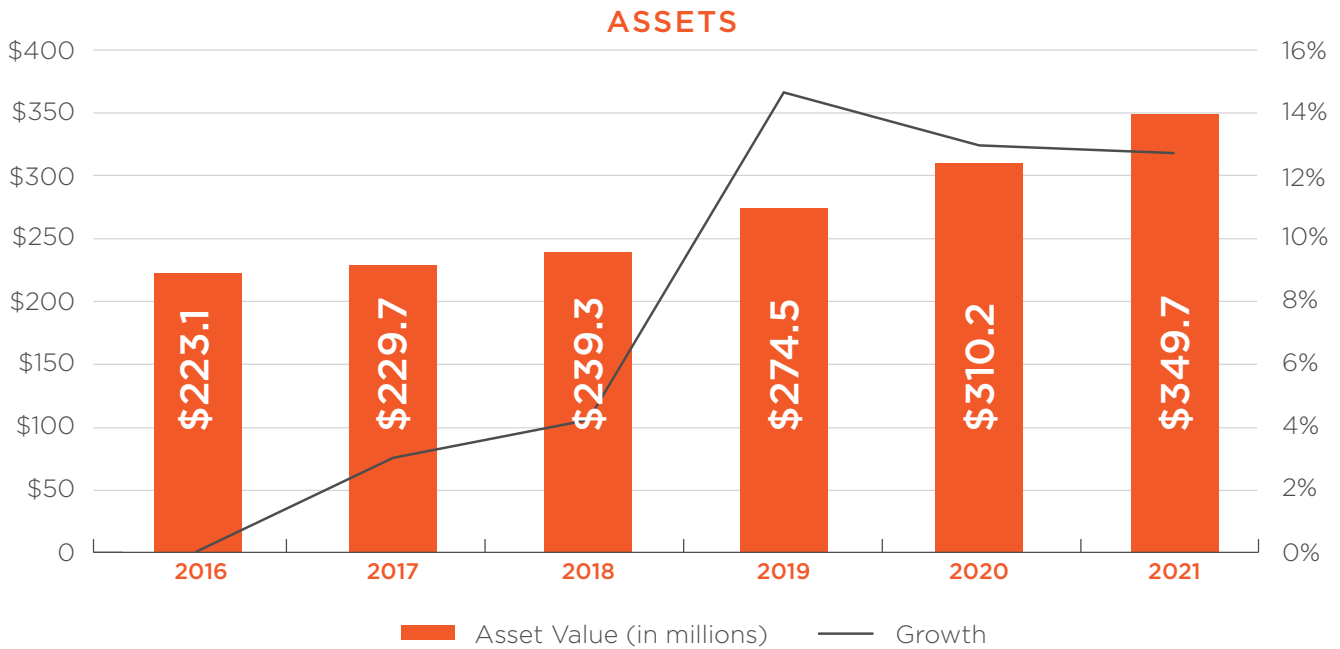
Mark Žižek
Chair, Board of Directors



Milena Doric
Interim CEO



HOW WE GREW IN 2021



	2016	2017	2018	2019	2020	2021
ASSETS (IN MILLIONS)	\$223.1	\$229.7	\$239.3	\$274.5	\$310.2	\$349.7
GROWTH	0	3.0%	4.2%	14.7%	13.0%	12.7%

Through another year of unknowns, Moya Financial remained committed to helping our members navigate the pandemic. Challenges have brought out the best in our people and we have worked hard to keep the credit union fully functional and to maintain our growth. We found new ways to stay connected, to reimagine our work, and to find creative solutions, all focused on providing our members with ongoing excellent service – safely.

In 2021, our assets grew by 12.7% and we returned over \$50,000 to the community where we live and work.

Focusing on members' needs

Since the beginning of the pandemic, we have been committed to strengthening our focus on delivering streamlined and efficient end-to-end processes. As the financial landscape changes and evolves, Moya must continue to ensure our business processes remain relevant and reflect the changing needs of our members.

In 2021, we reviewed our internal business processes, explored opportunities to deliver a superior member experience and built a sustainable and viable credit union. This process will allow us to keep up with changing member behaviour and industry trends and ensure our long-term sustainability. We identified areas for improvement and we are proactively working to enhance our member experience.

Moya's Class A investment shares

In April 2021, Moya issued our first investment share offering – an investment in the capital of Moya Financial. These shares offer members the potential to realize an excellent rate of return while helping build the credit union's capital base for future growth, development, stability, and investment in the community. While not new to the credit union industry, investment shares are a new product to most Moya Financial members. The membership's reaction to Moya's first investment share offering exceeded our expectations and enabled us to reach our goal of \$4 million in investments.

Introducing Moya Wealth

Moya Financial can do so much more than just handle your everyday banking. We've got the expertise, experience, and tools to help you achieve your financial goals, whatever they may be. We understand the value and importance of feeling confident about your financial future. It's a good feeling, and one we want all our members to experience. That's why we were excited to introduce customized financial planning services in 2021.

Our long-term relationship with our members is always paramount. Members may or may not take advantage of our various promotions, but we always want you to feel listened to, respected, and more than a number at Moya Financial.

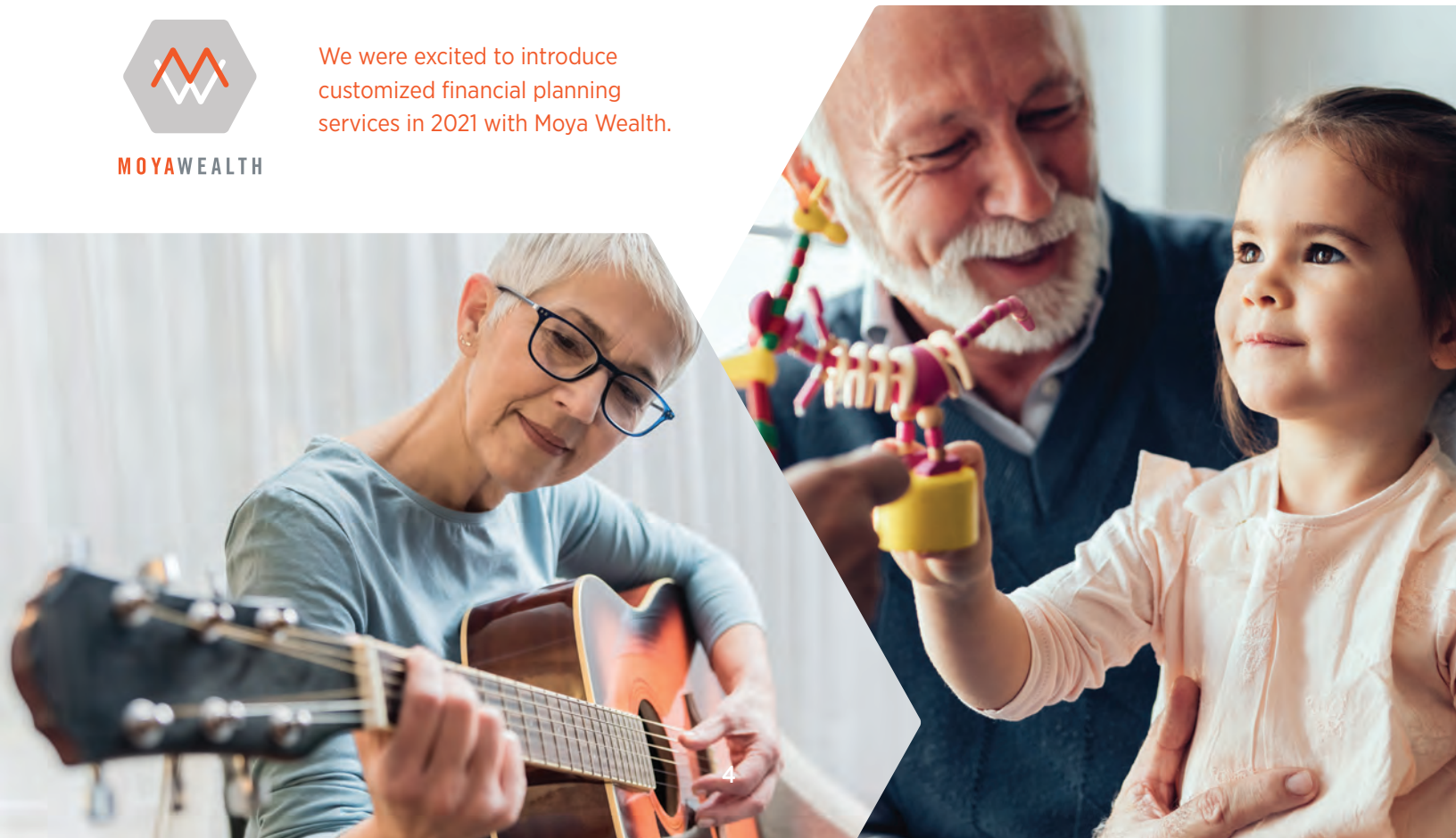
Our new ATM makes banking even more convenient

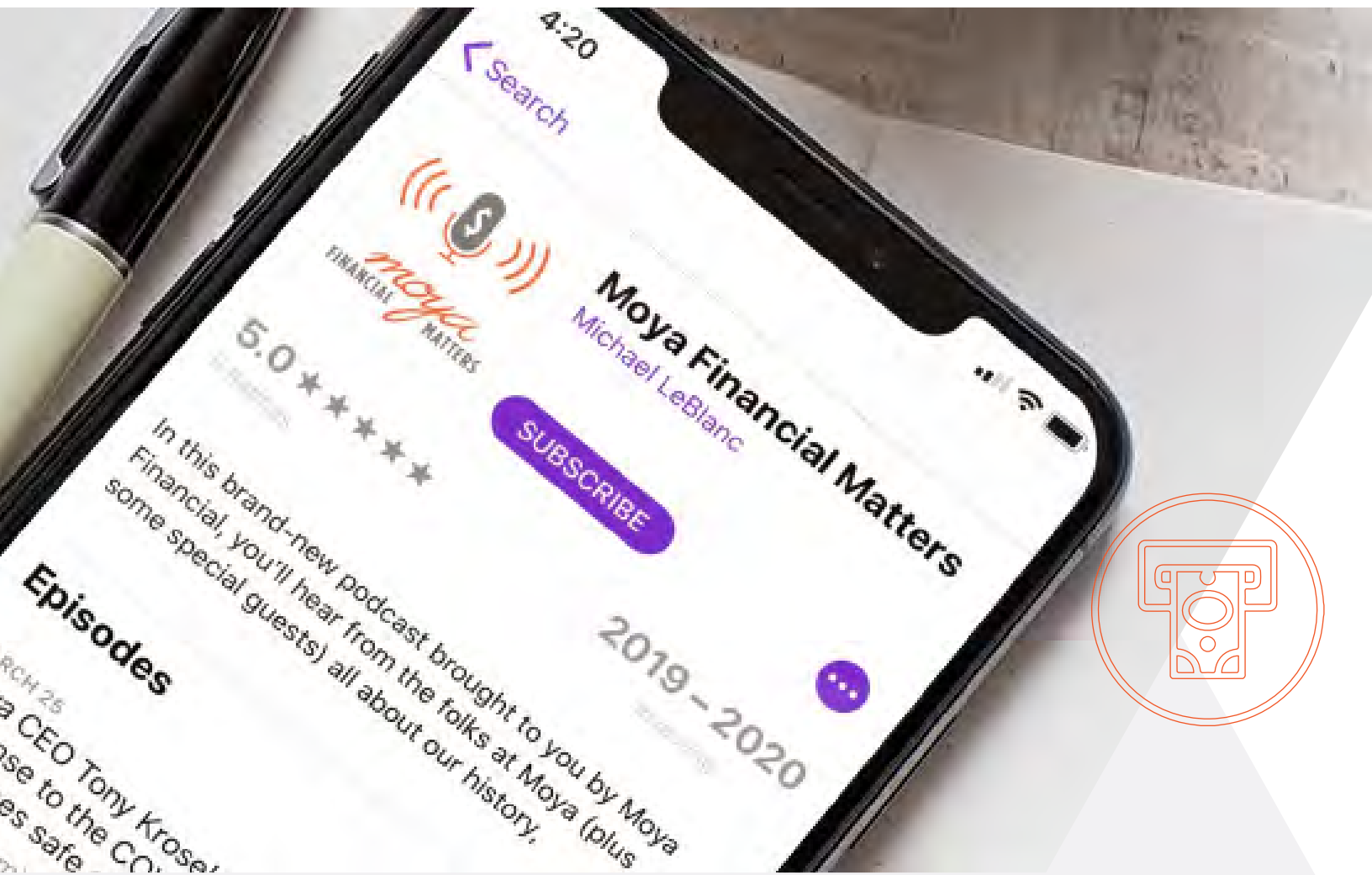
We're always listening to your needs and thinking about what we can do to improve the member experience. We work hard to go beyond what's expected of a financial institution and we strive to implement innovative solutions that support the financial goals of those we serve in our communities. With the help of an ATM at our Brown's Line branch, Moya can now provide our members with the digital self-service they want and expect.



MOYAWEALTH

We were excited to introduce customized financial planning services in 2021 with Moya Wealth.





Moya Financial Matters: Podcast and webinar series

We want to find new ways to keep members informed, such as by enabling you to learn from staff and special guests about financial matters, Moya's history, our engagement in the community, new perspectives on financial topics, and more. We have produced 23 episodes of the Moya podcast in the past three years, and in the past year, we have collaborated with Michael LeBlanc, host and producer, to launch the webinar series.

In February 2021 we hosted our first free interactive livestreams for members. We hosted four webinars last year to help keep members informed about financial planning and banking. Various guests joined us to look at the many elements of finance and banking in our everyday lives.

We're proud to help make our planet better

Honeybees are an important part of both the Slovenian culture and the environment we live in. These wonderful little creatures remind us of the importance of working together as a community, and so we selected them to be our Moya brand ambassadors. Telling their story helps us to engage our members, young and mature, and to reach out beyond our membership to create a buzz about credit unions and their cooperative principles.

In 2021 Moya continued spreading awareness of these little workers' importance for our environment and their connection to our heritage and culture. We hosted two virtual workshops and members purchased hive products – honey, soap, and candles – with all proceeds going back to our community.



COMMUNITY GIVING

14

Causes supported

9

Scholarships presented
totalling \$7,250

6

Annual Moya Recipe Calendars
(+ 1 cookbook!)

\$50,000+

Donated to the community

Moya Financial supported VSKO's 1st Annual Zimski Market

60,000+

Bees in our hives

14kg

Honey produced by our bees

2

Virtual bee workshops hosted

400

Trees planted via Tree Canada partnership



Credit Report

In an effort to protect our members and staff, we worked remotely for most of 2021. We learned to pivot in response to the many health guidelines, and we found new and creative ways to deliver the same superior member experience. Using virtual meetings and electronic document sharing, we gained new efficiencies, allowing for faster turnaround and greater convenience for our members.

Aligned with the credit union’s vision and core values, the credit department worked diligently to support our members, assisting them through hardships. We processed \$1.56 million in Canada Emergency Business Account (CEBA) loans. CEBA’s are business loans offered by the federal government in partnership with Export Development Canada. While the CEBA program is not included in our loan reporting, Moya did facilitate it, and it was of great benefit to the over 40 members who took advantage of it. The program closed in June 2021.

Moya Financial also offered deferred and restructured payments to assist our members with cash flow during these challenging times. All these loans are back on track, and we experienced no loss as a result of this accommodation.

Despite the many difficulties caused by the COVID-19 pandemic, Moya achieved record growth in our loan portfolio. We assisted in the purchases of many new homes and supported several business ventures. In 2021, we reviewed over 255 loan applications, of which only 12 were declined.

With keen attention to quality, our loan portfolio grew by \$62.4 million in 2021, closing the year at \$299.4 million. This represents a 26 percent increase over 2020’s results and provides a 85.6 percent loans-to-assets ratio.

While our lending portfolio grew significantly, we continued to maintain a well-balanced loan portfolio which includes Sharia mortgages.

	Residential	Personal	Commercial
LOAN PORTFOLIO	68%	1%	31%

	Residential	Personal	Commercial
2021	\$204.2	\$2.7	\$92.5
2020	\$165.0	\$3.5	\$68.5

Moya’s prudent underwriting practices ensured that the credit union’s default risk remained well within our risk tolerance, especially during these prolonged challenging economic times. This careful approach has allowed us to consistently maintain a delinquency rate below one percent, with zero delinquency at year end.

As Canada continues to face challenging times due to the global pandemic, Moya Financial has maintained a moderate provision of approximately \$1.1 million, in line with International Financial Reporting Standards (IFRS 9). At year-end, included within the provision amount above, we held only one impaired legacy loan in the amount of \$516,000, which has been sufficiently provisioned for; collection efforts are ongoing.

These strong loan portfolio results have contributed significantly to Moya’s 2021 success and would not have been possible without the hard work of Moya’s credit team.

As we move into 2022, the team remains dedicated to providing a superior member experience.

Paula-Jean Lyn
Director of Credit



(MILLION)	2017	2018	2019	2020	2021
LOANS	\$165.8	\$195.6	\$208.2	\$237.0	\$299.4

Audit & Risk Committee Report

The Audit & Risk Committee is a committee of the Board of Directors pursuant to Section 125 of the *Credit Unions and Caisses Populaires Act, 1994* (Ontario) and Section 27 of Ontario Regulation 237/09. The four-member committee has a mandate to perform all duties prescribed in the Regulations of the Act.

The Audit & Risk Committee is pleased to report to the members of the credit union that it has fulfilled its annual mandate and is conducting its affairs in accordance with the Act and related Regulations. As directors of the credit union, the members of the Audit & Risk Committee also attend every Board meeting, which facilitates ongoing review and monitoring of the financial performance of the credit union. In addition to attending all Board meetings, the Audit & Risk Committee met separately 13 times, completing the following significant activities:

- Reviewed the committee's duties and responsibilities as currently mandated by the Regulations of the Act and developed an annual work plan to ensure all aspects of the committee's legal responsibilities are met.
- Reviewed the credit union's policies, procedures, and controls for compliance with the current requirements of the Act and Regulations, with a particular focus on requirements for credit risk, market risk, structural risk, and liquidity management risk.
- Obtained an understanding of the elements of internal controls that are important to safeguarding the assets of the credit union, ensuring the accuracy of financial reports and ensuring compliance with policies and procedures.
- Reviewed changes to legal and regulatory requirements and worked with management to ensure that all policies, procedures, and controls of the credit union comply with those requirements.

- Reviewed the internal audit mandate and work plan as well as reports prepared by the credit union's internal auditors, Jones & O'Connell. We ensured that the Board and management took proper steps to address those issues identified during the internal audit program.
- Reviewed the terms of engagement, scope of audit, and findings of the credit union's external auditor, MNP LLP, and recommended that the Board accept the audited financial statements as presented by MNP.

It is the opinion of the Audit & Risk Committee that all operations of the credit union are in accordance with the requirements of the Credit Union Act and related Regulations. All significant Audit & Risk Committee recommendations have either been implemented or are in the process of being implemented. In addition, there are no matters that the Audit & Risk Committee believes should be reported to the members of the credit union, nor are there any further matters that are required to be disclosed pursuant to the Act or the Regulations.

The Audit & Risk Committee had the full cooperation of Moya's senior leadership team, MNP, and Jones & O'Connell. We thank them all for their dedication to ensuring Moya Financial adequately monitors and protects the assets of our members.

Andrew Rovanešek
Chair, Audit &
Risk Committee



TO THE MEMBERS OF MOYA FINANCIAL CREDIT UNION LIMITED

The accompanying financial statements of Moya Financial Credit Union Limited are the responsibility of management and have been approved by the Board of Directors.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Audit and Risk Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit and Risk Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, the Audit and Risk Committee and management to discuss their audit findings.

February 28, 2022

Milena Doric
Interim CEO

Amal Fernando
Director Compliance and Reporting

Report of the Independent Auditor on the Summary Financial Statements

To the Members of Moya Financial Credit Union Limited:

Opinion

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

In our opinion, the accompanying summary financial statements are a fair summary of the audited 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 February 28, 2022.

Management's Responsibility for the Summary Financial Statements

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

Auditor's Responsibility

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 Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

MNP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
February 28, 2022

Summary Statement of Financial Position

As at December 31, 2021

In \$	2021	2020
Assets		
Cash	8,818,397	5,946,948
Investments	37,893,726	64,525,075
Member loans	299,438,468	236,968,196
Accrued interest receivable	358,644	413,025
Prepaid expenses	184,659	162,629
Deferred taxes	52,196	77,000
Interest rate swaps	507,850	-
Property and equipment	1,837,121	1,838,677
Intangible assets	597,841	219,169
	349,688,902	310,150,719
Liabilities		
Member deposits	321,683,049	287,262,549
Accrued interest payable	1,979,224	2,093,307
Accounts payable and other liabilities	2,094,419	1,370,357
Taxes payable	18,625	134,422
Interest rate swaps	-	132,551
Member shares	688,876	654,460
	326,464,193	291,647,646
Members' Equity		
Contributed surplus	8,352,253	8,352,253
Share capital	3,974,250	-
Retained earnings	10,898,206	10,150,820
	23,224,709	18,503,073
	349,688,902	310,150,719

Approved on behalf of the Board



Mark Žižek, Director



Barbara Udovič, Director

The accompanying note forms part of the financial statements.

Summary Statement of Income and Comprehensive Income

For the year ended December 31, 2021

In \$	2021	2020
Interest income		
Member loans	9,142,826	8,190,389
Investments	284,214	961,259
	9,427,040	9,151,648
Interest expense		
Member deposits	4,182,049	4,187,728
Net interest income	5,244,991	4,963,920
Provision for loan losses	349,980	491,769
Net interest income after provision for loan losses	4,895,011	4,472,151
Other income	777,466	423,917
Net interest and other income	5,672,477	4,896,068
Operating expenses		
Administrative expenses	1,940,009	1,568,189
Salaries and benefits	2,831,445	2,380,444
	4,771,454	3,948,633
Income before distributions and other items	901,023	947,435
Distribution to members	(56,300)	(45,000)
Income before other items	844,723	902,435
Other items		
Unrealized change in fair value of financial instruments	68,819	(481,627)
Income before income taxes	913,542	420,808
Income taxes		
Current	141,352	133,837
Deferred	24,804	(48,221)
	166,156	85,616
Net income and comprehensive income	747,386	335,192

The accompanying note forms part of the financial statements.

Summary Statement of Changes in Members' Equity

For the year ended December 31, 2021

In \$	Contributed surplus	Retained earnings	Share capital	Total
Balance January 1, 2020	8,352,253	9,815,628	-	18,167,881
Net income for the year	-	335,192	-	335,192
Balance, December 31, 2020	8,352,253	10,150,820	-	18,503,073
Net income for the year	-	747,386	-	747,386
Share capital issued - Class A (Investment shares)	-	-	3,947,438	3,947,438
Share capital issued - Class B (Capital patronage shares)	-	-	26,812	26,812
Balance, December 31, 2021	8,352,253	10,898,206	3,974,250	23,224,709

Note to the Summary Financial Statements

For the year ended December 31, 2021

1. Basis of presentation

Management is responsible for the preparation of the summary financial statements. The summary financial statements presented include the summary statement of financial position, and the summary statements of income and comprehensive income and changes in members' equity. They do not include the summary statement of cash flows, summary of significant accounting policies, or notes to the financial statements and accompanying schedules. The summary statements of financial position, income and comprehensive income and changes in members' equity are presented in the same detail as the audited financial statements except the note referencing has been removed.




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 Moya Financial Credit Union

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