CAISSE POPULAIRE GROUPE FINANCIER LTÉE

Consolidated Financial Statements

For the year ended September 30, 2015

CAISSE POPULAIRE GROUPE FINANCIER LTÉE
Consolidated Financial Statements

For the year ended September 30, 2015 **Contents**

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Independent Auditor's Report

To the members of **Caisse Populaire Groupe Financier Ltée**

We have audited the accompanying consolidated financial statements of **Caisse Populaire Groupe Financier Ltée** ("Caisse"), which comprise the consolidated balance sheet as at September 30, 2015 and the consolidated statement of comprehensive income, consolidated statement of changes in members' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Caisse's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Caisse Populaire Groupe Financier Ltée** as at September 30, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba
December 10, 2015

CAISSE POPULAIRE GROUPE FINANCIER LTÉE
Consolidated Balance Sheet

As at September 30	2015	2014
	$	$
Assets		
Funds on hand and on deposit (Note 4)	**54,046,471**	106,423,006
Other assets (Note 5)	**2,603,430**	2,075,914
Investments (Note 6)	**144,578,958**	33,346,316
Deferred income tax asset (Note 15)	**192,309**	139,355
Loans to members (Notes 8 and 9)	**1,165,350,522**	1,028,558,191
Property and equipment (Note 10)	**17,555,077**	17,408,380
Intangible assets (Note 11)	**5,635,857**	4,558,648
	1,389,962,624	1,192,509,810
Liabilities and Members' Equity		
Income taxes payable	**3,141**	84,633
Other liabilities (Note 12)	**6,499,006**	6,806,572
Securitized borrowings (Note 13)	**40,549,571**	-
Members' deposits (Note 14)	**1,246,844,382**	1,100,623,334
Derivative financial instruments (Note 7)	**1,159,802**	823,876
Members' shares (Note 16)	**1,458,390**	1,407,639
	1,296,514,292	1,109,746,054
Commitments (Note 23)		
Members' Equity (Note 22)		
Members' shares (Note 16)	**10,358,186**	9,881,863
Accumulated other comprehensive income	**(17,772)**	(17,772)
Retained earnings	**83,107,918**	72,899,665
	93,448,332	82,763,756
	1,389,962,624	1,192,509,810

Approved on behalf of the Board of Directors:

Paul Bronovault ______________________ Director

C Hébert ______________________ Director

CAISSE POPULAIRE GROUPE FINANCIER LTÉE
Consolidated Statement of Comprehensive Income

For the year ended September 30	2015	2014
	$	$
Revenue		
Interest from loans to members	**42,395,505**	39,902,361
Investment income	**3,182,558**	3,031,998
	45,578,063	42,934,359
Cost of Funds		
Interest paid to members	**21,372,279**	19,947,485
Interest from borrowings	**494,096**	156,415
	21,866,375	20,103,900
Financial margin	**23,711,688**	22,830,459
Operating Expenses		
Personnel (Note 17)	**13,828,016**	13,352,338
Administrative	**4,185,260**	3,803,795
Occupancy	**2,933,980**	3,016,666
Members' security	**1,094,312**	1,158,152
Organizational	**565,103**	791,633
Gross operating expenses	**22,606,671**	22,122,584
Less other income	**(6,564,774)**	(6,662,272)
Net operating expenses	**16,041,897**	15,460,312
Net income before provision for impaired loans	**7,669,791**	7,370,147
Provision for impaired loans	**400,000**	360,000
Net income before income taxes	**7,269,791**	7,010,147
Provision for income taxes (Note 15)	**1,238,427**	799,669
Net income before other item	**6,031,364**	6,210,478
Other Item		
Bargain purchase gain on business combination (Note 3)	**4,176,889**	-
Net income for the year	**10,208,253**	6,210,478
Other Comprehensive Income (Net of Tax)		
Change in unrealized losses on cash flow hedges	**-**	(2,065)
Total comprehensive income for the year	**10,208,253**	6,208,413

CAISSE POPULAIRE GROUPE FINANCIER LTÉE
Consolidated Statement of Changes in Members' Equity

For the year ended September 30, 2015

	Accumulated Other Comprehensive Income	Members' Shares	Retained Earnings	Total
	$	$	$	$
Balance at September 30, 2013	(15,707)	10,018,983	66,689,187	76,692,463
Total comprehensive income (loss) for the year	(2,065)	-	6,210,478	6,208,413
Net redemption of members' shares	-	(214,889)	-	(214,889)
Transfer from liabilities	-	77,769	-	77,769
Balance at September 30, 2014	(17,772)	9,881,863	72,899,665	82,763,756
Total comprehensive income for the year	-	-	10,208,253	10,208,253
Net redemption of members' shares	-	(302,334)	-	(302,334)
Transfer to liabilities	-	(50,751)	-	(50,751)
Business combination (Note 3)	-	829,408	-	829,408
Balance at September 30, 2015	(17,772)	10,358,186	83,107,918	93,448,332

The accompanying notes are an integral part of these consolidated financial statements.

CAISSE POPULAIRE GROUPE FINANCIER LTÉE
Consolidated Statement of Cash Flows

For the year ended September 30	2015	2014
	$	$
Cash Flows from Operating Activities		
Net income for the year	**10,208,253**	6,210,478
Adjustments for		
Bargain purchase gain	**(4,176,889)**	-
Interest and investment revenue	**(45,584,811)**	(42,934,359)
Interest expense	**21,880,506**	20,103,900
Depreciation expense	**990,003**	1,060,608
Provision for deferred tax	**(50,955)**	(49,512)
Provision for impaired loans	**400,000**	360,000
Ineffective portion of swaps	**88,717**	50,338
Net change in other assets	**(403,116)**	(802,990)
Net change in income taxes payable	**1,159,119**	642,747
Net change in other liabilities	**(364,087)**	678,349
Changes in member activities (net)		
Change in loans to members - net of repayments	**(63,846,254)**	(98,022,997)
Change in members' deposits - net of withdrawals	**55,542,091**	81,387,497
Cash flows related to interest and income taxes		
Interest received on loans to members	**42,084,871**	39,430,634
Interest received on investments	**2,853,592**	3,301,931
Interest paid on members' deposits	**(20,437,921)**	(19,732,135)
Interest paid on borrowings	**(66,341)**	(156,415)
Income taxes paid	**(1,238,427)**	(799,669)
Total cash flows from operating activities	**(961,649)**	(9,271,595)
Cash Flows from Investing Activities		
Net (increase) decrease in investments	**(104,966,217)**	30,260,265
Purchase of property and equipment	**(697,976)**	(489,239)
Purchase of systems software and licenses	**(1,077,209)**	(1,392,761)
Total cash flows from investing activities	**(106,741,402)**	28,378,265
Cash Flows from Financing Activities		
Net increase in securitized borrowings	**40,549,571**	-
Net redemption of common and surplus shares	**(302,334)**	(214,889)
Total cash flows from financing activities	**40,247,237**	(214,889)
Net (decrease) increase in cash and cash equivalents	**(67,455,814)**	18,891,781
Cash received on business combination	**15,079,279**	-
Cash and cash equivalents, beginning of year	**106,423,006**	87,531,225
Cash and cash equivalents, end of year	**54,046,471**	106,423,006
Comprised of the following:		
Funds on hand and on deposit	**54,046,471**	106,423,006
Borrowings	**-**	-
	54,046,471	106,423,006

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Reporting Entity

Caisse Populaire Groupe Financier Ltée (the "Caisse") is incorporated under the Credit Unions and Caisses Populaires Act of the Province of Manitoba ("The Act"). The Caisse serves members primarily in Manitoba and provides retail and commercial banking, and wealth management services. The Caisse has twenty-seven branches located throughout Winnipeg and southern Manitoba, with its registered office located at 205 Provencher Boulevard, Winnipeg, Manitoba, Canada.

These consolidated financial statements have been approved for issue by the Board of Directors on December 10, 2015.

Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB").

These consolidated financial statements were prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivative financial instruments measured at fair value.

The consolidated financial statements' values are presented in Canadian dollars which is the Caisse's functional and presentation currency.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Caisse's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.

Basis of Consolidation

These consolidated financial statements include the accounts of the Caisse and its wholly-owned subsidiaries: Télé-Pop Inc., C Finance Inc., Immobilières CSB Inc., and C.C. Prêts et Placements Ltée. The Caisse's wholly-owned subsidiaries have December 31 fiscal year ends.

All intercompany balances, transactions and profits and losses have been eliminated.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Significant Accounting Policies

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and current accounts with Credit Union Central of Manitoba ("CUCM") and Caisse Centrale Desjardins ("CCD") less borrowings that are repayable on demand.

Cash and cash equivalents are classified as loans and receivables and are carried at amortized cost, which is equivalent to fair value.

Other Assets

Accounts receivable are classified as loans and receivables and are initially measured at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses, which approximates fair value.

Investments

Liquidity Deposits

These deposit instruments are classified as loans and receivables and are initially measured at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently they are carried at amortized cost, which approximates fair value.

Shares

These instruments are classified as available-for-sale and are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition. Subsequently they are carried at fair value, unless they do not have a quoted market price in an active market and fair value is not reliably determinable in which case they are carried at cost.

Changes in fair value, except for those arising from interest calculated using the effective interest rate, are recognized as a separate component of other comprehensive income.

Where there is a significant or prolonged decline in the fair value of an equity instrument that constitutes objective evidence of impairment, the full amount of the impairment, including any amount previously recognized in other comprehensive income, is recognized in net income.

Purchases and sales of equity instruments are recognized on settlement date with any change in fair value between trade date and settlement date being recognized in accumulated other comprehensive income.

On sale, the amount held in accumulated other comprehensive income associated with that instrument is removed from equity and recognized in net income.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Investments (continued)

Other

These investments are classified as held to maturity as they are considered non derivative financial assets with fixed or determinable payments and fixed maturities that the Caisse management has the positive intention and ability to hold to maturity. These are initially recorded at fair value including direct and incremental transaction costs and measured subsequently at amortized cost, using the effective interest rate method. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognized as impairment loss.

Derivative Financial Instruments and Hedges

Hedges

The Caisse, in accordance with its risk management strategies, enters into various derivative financial instruments to preserve the value of its loans to members and to protect itself against the risk of fluctuations in interest rates.

The Caisse preserves the value of its loans to members and manages interest rate risk through interest rate swaps. These derivatives are carried at fair value. Derivatives used to preserve the value of its loans to members have been designated as fair value hedges and are presented with loans to members. Derivatives used to manage interest rate risk have been designated as cash flow hedges and are reported as assets where they have a positive fair value and as liabilities where they have a negative fair value, on the consolidated balance sheet.

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Caisse's risk management objective and strategy for undertaking the hedge;
- For cash flow hedges, the hedged item in a forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss;
- The effectiveness of the hedge can be reliably measured; and
- The hedge is expected to be highly effective at inception and remains highly effective on each date it is tested. The Caisse has chosen to test the effectiveness of its hedges on a monthly basis.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Derivative Financial Instruments and Hedges (continued)

Cash flow hedges modify exposure to variability in cash flows for variable rate interest bearing instruments or the forecasted assurance of fixed rate liabilities. The Caisse's cash flow hedges are primarily hedges of floating rate deposits.

For cash flow hedges that meet the hedging documentation criteria, gains and losses resulting from changes in the fair value of the effective portion of the derivative instrument are recorded in other comprehensive income until the hedged item is recognized in income, at which time such change is recognized as interest income. The ineffective portion is recognized immediately in income as other income.

For fair value hedges that meet the hedging documentation criteria, gains and losses resulting from changes in the fair value of the derivative financial instrument and the risk associated with the financial instrument hedged are recognized immediately in income as other income.

If the Caisse closes out its hedge position early, the cumulative gains and losses recognized in other comprehensive income are frozen and reclassified from the cash flow hedge reserve to profit or loss using the effective interest method.

Other Comprehensive Income

Other comprehensive income ("OCI") includes unrealized gains and losses on financial assets classified as available-for-sale as well as the change in the fair value of the effective portion of cash flow hedges.

Other Non-Hedge Derivatives

The Caisse designates certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). Financial instruments included in this category are interest rate swaps not designated as hedging instruments. These instruments are measured at fair value, both initially and subsequently. The related transaction costs are expensed. Gains and losses arising from changes in fair value of these instruments are recorded in net income.

Embedded Derivatives

The prepayment option included in the Caisse's loan agreements have been identified as embedded derivatives. Given that interest differential penalties meet the criteria of being closely related to the host contract, they are not required to be reported separately.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Loans to Members

All loans to members are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been classified as loans and receivables.

Loans to members are initially measured at fair value, net of loan origination fees and inclusive of transaction costs incurred, and are subsequently measured at amortized cost, using the effective interest rate method, less any impairment losses.

Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans plus accrued interest. Interest is accounted for on the accrual basis for all loans.

If there is objective evidence that an impairment loss on loans to members carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the loans carrying amount and the present value of expected cash flows discounted at the loans original effective interest rate. Short-term balances are not discounted.

The Caisse first assesses whether objective evidence of impairment exists for financial assets that are individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. The expected future cash outflows for a group of financial assets with similar credit risk characteristics are estimated based on historical loss experience.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in net income.

Bad Debts Written Off

Bad debts are written off from time to time as determined by management and approved by the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off against the provision for impairment, if a provision for impairment had previously been recognized. If no provision had been recognized, the write offs are recognized as expenses in net income.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment is initially recorded at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, with the exception of land which is not depreciated. Depreciation is recognized in net income and is provided on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	2.5%
Parking lot	8%
Furniture and equipment	10%
Computer equipment	10% to 33%
Telecommunication equipment	6.7% to 10%
Leasehold improvements	10% to 20%

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if necessary.

Intangible Assets

Systems Software and Licenses

Acquired and internally developed systems software and licenses are carried at cost, less accumulated depreciation and accumulated impairment losses, if any. Input costs directly attributable to the development or implementation of the asset are capitalized if it is probable that future economic benefits associated with the expenditure will flow to the Caisse and the cost can be measured reliably.

Intangible assets available for use are depreciated over their useful lives on a straight line basis at a rate of 10% to 33%. The method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Goodwill

Goodwill represents the excess of purchase price of certain subsidiaries acquired by the Caisse over the net amount attributable to assets acquired and liabilities assumed. It is carried at original cost less any impairment subsequently incurred. Goodwill is assessed for impairment annually or more frequently if events or circumstances occur that may result in the recoverable amount of the cash generating unit ("CGU") falling below its carrying value. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other groups of assets. The goodwill balances are allocated to either individual or groups of CGU that are expected to benefit from the synergies of the business combination. Goodwill impairment is quantified by comparing a CGU's carrying value to its recoverable amount, which is the higher of its fair value less cost to sell and its value in use. Impairment losses are recognized immediately and may not be reversed in future periods.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Impairment of Non-Financial Assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's CGU. The Caisse has one CGU for which impairment testing is performed.

Impairment charges are included in net income, except to the extent they reverse gains previously recognized in other comprehensive income.

Income Taxes

Income tax expense comprises current and deferred income tax. Current and deferred income taxes are recognized in net income except to the extent that it relates to a business combination, or items recognized directly in members' equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base except for taxable temporary differences arising on the initial recognition of goodwill.

Recognition of deferred income tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available which allow the deferred income tax asset to be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The amount of the deferred income tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date and are expected to apply when the liabilities / assets are settled / recovered.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Financial Liabilities

All members' deposits, other liabilities, securitized borrowings and members' shares are classified as other financial liabilities. Other financial liabilities are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument and subsequently measured at amortized cost using the effective interest rate method.

Securitized Borrowings

For securitization transactions, loans are derecognized only when the contractual rights to receive the cash flows from these assets have ceased to exist or substantially all the risks and rewards of the loans have been transferred. If the criteria for derecognition has not been met, the securitization is reflected as a financing transaction and the related liability is initially recorded at fair value and subsequently measured at amortized cost, using the effective interest rate method.

If the criteria for derecognition has been met, the securitization is treated as a sale and the mortgages are derecognized and removed from the consolidated balance sheet.

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Members' Shares

Members' shares issued by the Caisse are classified as members' equity only to the extent that they do not meet the definition of a financial liability.

Members' shares are classified as a liability or members' equity in accordance with IAS 32 - Financial Instrument Presentation and IFRIC 2 - Members' Shares in Co-operative Entities and Similar Instruments. If members' shares are classified as members' equity, they are recognized at cost. If members' shares are classified as liabilities, they are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which approximates fair value.

In accordance with IFRIC 2, dividends to holders of equity instruments are recognized directly in members' equity. Interest, dividends and other returns relating to financial instruments classified as financial liabilities are expenses, regardless of whether those amounts paid are legally characterized as dividends, interest or otherwise.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Revenue Recognition

Interest on loans to members is recorded using the effective interest method except for loans which are considered impaired. The amount of initial impairment and any subsequent changes are recorded through the provision for impaired loans as an adjustment to the specific allowance.

Investment income is recorded using the effective interest method, except as it relates to adjustments in the rates received from CUCM or CCD, these are recorded when payment is received.

Commissions, service charges and other income are recognized as income when the related service is provided or entitlement to receive the income is earned.

Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year end date and the related translation differences are recognized in net income. Exchange gains and losses arising on the translation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in net income. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive income consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Standards, Amendments and Interpretations Not Yet Effective

Certain new standards, amendments and interpretations have been published that are mandatory for the Caisse's accounting periods beginning on or after October 1st, 2015 or later periods that the Caisse has decided not to early adopt. The standards, amendments and interpretations that will be relevant to the Caisse are:

i. IAS 1 – Presentation of Financial Statements. The amendments to IAS 1 are a part of a major initiative to improve disclosure requirements in IFRS financial statements. The amendments clarify the application of materiality to note disclosure and the presentation of line items in the primary statements provide options on the ordering of financial statements and additional guidance on the presentation of other comprehensive income related to equity accounted investments. The effective date for these amendments is January 1, 2016, with earlier application permitted. The Caisse is in the process of evaluating the impact of the new standard.

ii. IFRS 9 - Financial Instruments replaces IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS 9 introduces an expected loss model of impairment and retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. IFRS 9 also introduces a simplified hedge accounting model that will allow entities to better reflect their risk management activities. Entities are required to apply IFRS 9 for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Caisse is in the process of evaluating the impact of the new standard.

iii. IFRS 7 - Financial Instruments: Disclosures. This amendment aligns with the deferral of the effective date of IFRS 9. Instead of requiring restatement of comparative financial statements, entities are either permitted or required to provide modified disclosures on transition from IAS 39 to IFRS 9 on the basis of the entity's date of adoption and if the entity chooses to restate prior periods. The amendment is effective for annual periods beginning on or after January 1, 2015. The Caisse is in the process of evaluating the impact of the new standard.

iv. IFRS 15 - Revenue from Contracts with Customers. IFRS 15 is based on the core principle to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 focuses on the transfer of control. IFRS 15 replaces all of the revenue guidance that previously existed in IFRSs. Entities are required to apply IFRS 15 for annual periods beginning on or after January 1, 2017, with earlier application permitted. The Caisse is in the process of evaluating the impact of the new standard.

None of the other new standards, interpretations and amendments, which are effective for the Caisse's accounting periods beginning after October 1st, 2015 and which have not been adopted early, are expected to have a material effect on the Caisse's future financial statements.

2. Critical Accounting Estimates and Judgments

The Caisse makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair Value of Financial Instruments

The Caisse determines the fair value of financial instruments that are not quoted in an active market, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

The methods and assumptions applied, and the valuation techniques used, are disclosed in Note 20.

Derecognition of Financial Instruments

Financial assets are derecognized when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. If Caisse has neither transferred nor retained substantially all the risks and rewards of the transferred financial asset, it assesses whether it has retained control over the transferred assets. If control has been retained, Caisse recognizes the transferred asset to the extent of its continuing involvement. If control has not been retained, Caisse derecognizes the transferred asset.

Financial liabilities are derecognized when the obligation related to the liabilities have been discharged, redeemed or otherwise extinguished.

In instances where Caisse's securitizations do not result in a transfer of contractual cash flows, Caisse has not derecognized the transferred assets and has instead recorded a securitized borrowing with respect to the initial consideration received (see Note 13).

Provision for Impaired Loans

In determining whether an impairment loss should be recorded in the statement of comprehensive income the Caisse makes judgment on whether objective evidence of impairment exists for financial assets that are individually significant. Where this does not exist the Caisse uses its judgment to group loans to members with similar credit risk characteristics to allow a collective assessment of the group to determine any impairment loss.

2. Critical Accounting Estimates and Judgments (continued)

In determining the collective loan loss provision, management uses estimates based on historical loss experience for assets with similar credit risk characteristics and objective evidence of impairment. Further details on the estimates used to determine the allowance for impaired loans collective provision are provided in Note 9.

Income Taxes

The Caisse periodically assesses its liabilities and contingencies related to income taxes for all years open to audit based on the latest information available. For matters where it is probable that an adjustment will be made, the Caisse records its best estimate of the income tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

Property and Equipment

The estimated useful life, residual value and depreciation method chosen are the Caisse’s best estimate of such and are based on industry norms, historical experience of management and other estimates. These estimates also consider the period and distribution of future cash inflows.

Goodwill

The Caisse used cash flow projections to assess goodwill impairment. The five year cash flow projections used in its impairment analysis was approved by the Board of Directors. Key assumptions used therein reflect past experience and are consistent with external sources of information. A discount rate of 4% was applied to its cash flow projections.

Readers are cautioned that this list is not exhaustive and other items may also be affected by estimates and judgments.

3. Business Combination

On August 1, 2015, Caisse acquired La Salle Credit Union Limited. Each issued and outstanding common share of La Salle Credit Union Limited was converted into an equivalent share of Caisse.

La Salle Credit Union Limited was acquired to enable Caisse to serve a larger member base in and around their current locations. The bargain purchase gain arose as a result of the shares of La Salle Credit Union Limited being converted to Caisse shares at par value.

The transaction has been accounted for under IFRS 3 using the acquisition method. The fair value of net assets acquired from La Salle Credit Union Limited as at August 1, 2015 are as follows:

	2015
	$
Assets	
Funds on hand and on deposit	15,079,279
Income taxes receivable	2,184
Other assets	124,400
Investments	5,934,018
Net investments in leases	3,787,661
Loans to members	68,997,266
Property and equipment	438,725
Deferred income tax asset	1,998
	94,365,531
Liabilities	
Members' deposits	89,302,713
Other liabilities	56,521
	89,359,234
Net assets	5,006,297
Purchase price	829,408
Bargain purchase gain	4,176,889

The financial reporting and banking systems were merged as of the date of the amalgamation. As a result, the revenue and profit or loss of La Salle Credit Union Limited has not been disclosed as it is impractical to do so. The revenue and profit or loss of the combined Caisse assuming that the amalgamation occurred at the start of Caisse's fiscal year has also not been disclosed as it is impractical to do so.

4. Funds on Hand and on Deposit

The Caisse's current account is held with CUCM. Included in the balance of funds on hand and on deposit is $17,448,906 ($46,000,254 at September 30, 2014) denominated in US dollars.

5. Other Assets

	2015	2014
	$	$
Accounts receivable	**625,719**	587,115
Prepaid expenses	**1,977,711**	1,488,799
	2,603,430	2,075,914

6. Investments

	2015	2014
	$	$
Liquidity Deposits		
Term deposits	**115,000,000**	-
Shares		
CCD shares	**15,266,000**	15,266,000
CUCM shares	**9,558,000**	6,568,000
Other shares	**611,248**	563,548
	25,435,248	22,397,548
Other		
Securities	**1,646,499**	8,648,774
Municipal debentures	**1,341,268**	1,476,458
	2,987,767	10,125,232
Accrued interest and dividends	**1,155,943**	823,536
	144,578,958	33,346,316

Liquidity Deposits

The term deposits bear interest at rates ranging from 0.60% to 4.05% and have original maturity dates of 10 years or less.

6. Investments (continued)

Shares

CCD and CUCM shares are issued and redeemable at par value. There is no separately quoted market value for these shares however fair value is determined to be equivalent to the par value due to the fact that transactions occur at par value on a regular and recurring basis.

The Caisse is not intending to dispose of any CCD and CUCM shares as the services supplied by CCD and CUCM are relevant to the day to day activities of the Caisse. Dividends on these shares are at the discretion of the Board of Directors of CCD and CUCM.

Other

The securities and municipal debentures bear interest at rates ranging from 3.05% to 6.5% (3.25% to 6.5% in 2014) and mature between December 2018 and December 2030.

7. Derivative Financial Instruments

The Caisse has entered into interest rate swap contracts with CCD to hedge the Caisse's exposure to interest rate risks. As at September 30, 2015, the Caisse had entered into interest rate swap contracts for a total of $17,000,000 of notional principal whereby it has agreed to pay at fixed interest rates and receive at variable interest rates. These swap contracts have fixed interest rates ranging from 2.19% to 4.33% and will mature from March 2018 to August 2021.

8. Loans to Members

	2015	2014
	$	$
Consumer		
Term loans	**36,808,683**	34,054,109
Mortgages	**461,918,309**	404,821,129
Lines of credit	**33,727,416**	26,324,363
Commercial		
Term loans	**58,600,918**	50,647,194
Mortgages	**377,341,598**	337,268,054
Lines of credit	**44,442,856**	37,338,471
Agricultural		
Term loans	**20,931,204**	18,218,226
Mortgages	**109,469,688**	100,933,225
Lines of credit	**21,732,724**	19,029,602
	1,164,973,396	1,028,634,373
Accrued interest receivable	**4,460,067**	4,146,126
Total loans	**1,169,433,463**	1,032,780,499
Allowance for impaired loans (Note 9)	**(4,082,941)**	(4,222,308)
Net loans to members	**1,165,350,522**	1,028,558,191

8. Loans to Members (continued)

Included in the balance of loans to members is $714,985 ($277,376 at September 30, 2014) denominated in US dollars.

Credit Quality of Loans

It is not practical to value all collateral as at the balance sheet date due to the variety of assets and conditions. A breakdown of the security held on a portfolio basis is as follows:

	2015	2014
	$	$
Unsecured loans	**47,712,184**	36,051,281
Loans secured by cash or members' deposits	**15,036,595**	10,492,027
Loans secured by real property	**880,103,140**	791,266,721
Loans secured by chattels	**115,634,134**	108,218,677
Loans insured by government	**110,947,410**	86,751,793
	1,169,433,463	1,032,780,499

Concentration of Risk

The Caisse has an exposure to groupings of individual loans which concentrate risk and create exposure to particular industry segments as follows:

	2015	2014
	$	$
Agriculture		
Crop production	**120,933,107**	101,657,397
Livestock farming	**28,773,466**	31,816,444
Commercial		
Accommodations and food services	**42,054,922**	36,895,259
Construction	**82,918,043**	49,063,203
Real estate, rental and leasing	**222,321,781**	208,618,771
Manufacturing	**16,043,563**	11,274,477
Public administration	**24,950,396**	18,894,422

The majority of loans to members are with members located throughout southern Manitoba. A sizeable portion of the Caisse's loan portfolio is secured by residential property in southern Manitoba. Therefore, the Caisse is exposed to the risks in reduction of the loan to valuation ratio coverage should the residential property market be subject to a decline. The risk of losses from loans undertaken is primarily reduced by the nature and quality of the security taken.

No individual or related groups of loans to members exceed the Caisse’s established thresholds as at September 30, 2015 and 2014.

9. Allowance for Impaired Loans

The allowance for impaired loans is comprised of the following:

	2015	2014
	$	$
Collective allowance	**437,164**	348,147
Specific allowance	**3,645,777**	3,874,161
Total allowance	**4,082,941**	4,222,308

During the years ended September 30, 2015 and 2014, the Caisse did not acquire any assets in respect of problem loans.

Movement in total allowance for impaired loans is as follows:

				2015
	Consumer	**Agricultural**	**Commercial**	**Total**
	$	**$**	**$**	**$**
Balance at September 30, 2014	**207,380**	**538,152**	**3,476,776**	**4,222,308**
Acquired on business combination	**156,955**	**-**	**43,548**	**200,503**
Provision for impaired loans for the year	**30,718**	**(334,709)**	**703,991**	**400,000**
	395,053	**203,443**	**4,224,315**	**4,822,811**
Loans written off	**(27,719)**	**(102,183)**	**(609,968)**	**(739,870)**
Balance at September 30, 2015	**367,334**	**101,260**	**3,614,347**	**4,082,941**
Gross principal balance of individually impaired loans at September 30, 2015	**4,069,462**	**1,529,707**	**11,367,933**	**16,967,102**

				2014
	Consumer	Agricultural	Commercial	Total
	$	$	$	$
Balance at September 30, 2013	239,538	635,914	3,346,532	4,221,984
Provision for impaired loans for the year	20,437	(97,762)	437,325	360,000
	259,975	538,152	3,783,857	4,581,984
Loans written off	(52,595)	-	(307,081)	(359,676)
Balance at September 30, 2014	207,380	538,152	3,476,776	4,222,308
Gross principal balance of individually impaired loans at September 30, 2014	2,161,662	3,972,089	24,294,752	30,428,503

9. Allowance for Impaired Loans (continued)

An analysis of individual loans that are impaired or potentially impaired and included in the specific allowance based on period of delinquency is as follows:

	2015		2014	
	Carrying Value	**Specific Allowance**	Carrying Value	Specific Allowance
	$	**$**	$	$
Period of delinquency				
Less than 30 days	**26,891**	**26,891**	5,759,451	-
31 to 90 days	**229,932**	**8,537**	585,224	62,156
Greater than 90 days	**14,860,070**	**3,065,812**	13,219,641	3,116,744
Total impaired loans in arrears	**15,116,893**	**3,101,240**	19,564,316	3,178,900
Total impaired loans not in arrears	**1,850,209**	**544,537**	10,864,187	695,261
Total impaired loans	**16,967,102**	**3,645,777**	30,428,503	3,874,161

Key Assumptions in Determining the Allowance for Impaired Loans Collective Allowance

The Caisse has determined the likely impairment loss on loans which have not maintained the loan repayments in accordance with the loan contract, or where there is other evidence of potential impairment such as industrial restructuring, job losses or economic circumstances. In identifying the impairment likely from these events, the Caisse estimates the potential impairment using the loan type, industry, geographical location, type of loan security, the length of time the loans are past due and the historical loss experience. The circumstances may vary for each loan over time, resulting in higher or lower impairment losses. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Caisse to reduce any differences between loss estimates and actual loss experience.

An estimate of the collective allowance is based on the period of repayments that are past due and historical write offs.

For purposes of the collective provision, loans are classified into separate groups with similar risk characteristics, based on the type of product and type of security.

9. Allowance for Impaired Loans (continued)

Loans with repayments past due but not regarded as individually impaired and considered in determining the collective allowance are as follows:

				2015
	Consumer	**Agricultural**	**Commercial**	**Total**
	$	**$**	**$**	**$**
1 to 30 days	**5,173,713**	**-**	**728,180**	**5,901,893**
31 to 90 days	**920,488**	**284,640**	**5,590,488**	**6,795,616**
Greater than 90 days	**-**	**-**	**-**	**-**
Balance at September 30, 2015	**6,094,201**	**284,640**	**6,318,668**	**12,697,509**

				2014
	Consumer	Agricultural	Commercial	Total
	$	$	$	$
1 to 30 days	2,779,033	97,314	15,786,300	18,662,647
31 to 90 days	398,762	792,067	286,705	1,477,534
Greater than 90 days	-	-	-	-
Balance at September 30, 2014	3,177,795	889,381	16,073,005	20,140,181

10. Property and Equipment

	Land	Buildings and Parking Lots	Furniture and Equipment	Computer and Telecommunication Equipment	Leasehold Improvements	Total
Cost	$	$	$	$	$	$
Balance at September 30, 2013	1,912,661	17,909,494	6,040,169	4,992,890	898,892	31,754,106
Additions	-	263,061	35,510	190,668	-	489,239
Disposals	-	-	-	(26,967)	-	(26,967)
Transfers	-	-	2,212	-	(2,212)	-
	1,912,661	18,172,555	6,077,891	5,156,591	896,680	32,216,378
Balance at September 30, 2014	1,912,661	18,172,555	6,077,891	5,156,591	896,680	32,216,378
Additions	-	25,351	64,628	607,995	-	697,974
Assets acquired in business combination	2,938	658,387	287,960	349,489	-	1,298,774
Disposals	-	-	-	(115,186)	-	(115,186)
Balance at September 30, 2015	**1,915,599**	**18,856,293**	**6,430,479**	**5,998,889**	**896,680**	**34,097,940**
Accumulated Depreciation						
Balance at September 30, 2013	-	4,258,493	4,499,723	4,258,771	766,441	13,783,428
Depreciation expense	-	427,300	248,425	329,026	46,786	1,051,537
Disposals	-	-	-	(26,967)	-	(26,967)
	-	4,685,793	4,748,148	4,560,830	813,227	14,807,998
Balance at September 30, 2014	-	4,685,793	4,748,148	4,560,830	813,227	14,807,998
Depreciation expense	-	427,273	240,420	275,581	46,728	990,002
Amounts acquired in business combination	-	313,421	227,724	318,904	-	860,049
Disposals	-	-	-	(115,186)	-	(115,186)
Balance at September 30, 2015	**-**	**5,426,487**	**5,216,292**	**5,040,129**	**859,955**	**16,542,863**
Net Book Value						
As at September 30, 2014	1,912,661	13,486,762	1,329,743	595,761	83,453	17,408,380
As at September 30, 2015	**1,915,599**	**13,429,806**	**1,214,187**	**958,760**	**36,725**	**17,555,077**

11. Intangible Assets

Cost	Goodwill	Systems Software and Licenses	Total
	$	$	$
Balance at September 30, 2013	1,091,515	3,798,662	4,890,177
Additions	-	1,392,761	1,392,761
Disposals	-	-	-
Balance at September 30, 2014	1,091,515	5,191,423	6,282,938
Additions	-	1,077,209	1,077,209
Disposals	-	-	-
Balance at September 30, 2015	**1,091,515**	**6,268,632**	**7,360,147**
Accumulated Depreciation			
Balance at September 30, 2013	106,519	1,608,700	1,715,219
Depreciation expense	-	9,071	9,071
Disposals	-	-	-
Balance at September 30, 2014	106,519	1,617,771	1,724,290
Depreciation expense	-	-	
Disposals	-	-	-
Balance at September 30, 2015	**106,519**	**1,617,771**	**1,724,290**
Net Book Value			
As at September 30, 2014	984,996	3,573,652	4,558,648
As at September 30, 2015	**984,996**	**4,650,861**	**5,635,857**

12. Other Liabilities

	2015	2014
	$	$
Accrued expenses and payables	**6,003,631**	6,201,993
Items in transit	**495,375**	604,579
	6,499,006	6,806,572

13. Securitized Borrowings

As a complement to its existing capital, liquidity and interest rate risk management strategies, the Caisse periodically enters into asset transfer agreements with third parties, which include securitization of insured residential mortgages through its participation in the National Housing Act Mortgage-Backed Securities (NHA MBS) program.

Caisse has determined the funds raised from securitization transactions during the year should be accounted for as securitized borrowings as the Caisse did not transfer substantially all of the risks and rewards of ownership, including principal prepayment, interest rate and credit risk of the mortgages in the securitization transaction. As at September 30, 2015, the carrying amount of the associated residential mortgages held as security and the related liability are as follows:

	2015	2014
	$	$
Securitized consumer mortgages	**40,549,571**	-
Securitized borrowings	**40,549,571**	-
Net position	**-**	-

Securitized borrowings represent the funding secured by insured mortgages assigned under the NHA MBS program. As the securitization of mortgages does not lead to derecognition of the mortgages under accounting standards, proceeds received through securitization of these mortgages are recorded as securitized borrowings on the consolidated balance sheet.

The breakdown of the securitized borrowings is as follows:

	2015	2014
	$	$
Current	**11,045,679**	-
Non-current	**29,503,892**	-
	40,549,571	-

NHA MBS mortgage pools consist of eight mortgage pools bearing interest rates from 1.12% to 1.77% (2014 – nil). Mortgage pool maturities range from August 2016 to May 2020.

14. Members' Deposits

	2015	2014
	$	$
Chequing accounts	**273,920,287**	280,303,810
Savings accounts	**173,134,817**	148,295,202
Term deposits	**471,534,725**	401,174,952
Registered plans	**318,453,285**	262,424,346
	1,237,043,114	1,092,198,310
Accrued interest payable	**9,801,268**	8,425,024
	1,246,844,382	1,100,623,334

Included in chequing accounts and term deposits is an amount of $18,410,485 ($46,300,552 at September 30, 2014) to be settled in US dollars.

Concentration of Risk

The Caisse does not have individual or related groups of members' deposits which would cause a significant risk to the Caisse at September 30, 2015 and 2014.

The majority of members' deposits are with members located throughout southern Manitoba.

15. Income Taxes

The significant components of tax expense included in net income are composed of:

	2015	2014
	$	$
Current Tax Expense		
Based on current year taxable income	**1,289,383**	849,181
Deferred Tax Expense		
Origination and reversal of temporary differences	**(50,956)**	(49,512)
Total income tax expense	**1,238,427**	799,669

15. **Income Taxes** (continued)

The significant components of the tax effect of the amounts recognized in other comprehensive income are composed of:

	2015	2014
	$	$
Deferred Tax		
Change in unrealized losses on derivative financial instruments	**-**	462

The total provision for income taxes in the statement of comprehensive income is at a rate less than the combined federal and provincial statutory income tax rates for the following reasons:

	2015	2014
	%	%
Combined federal and provincial statutory income tax rates	**27.0**	27.0
Credit Union rate reduction	**(13.7)**	(12.5)
Provincial Profits Tax	**0.9**	-
Non-deductible and other items	**(3.4)**	(3.1)
	10.8	11.4

The tax effects of temporary differences which give rise to the net future income tax asset or liability is related to the amortization of property and equipment, and systems software and licenses, the allowance for impaired loans, goodwill and other provisions in the consolidated financial statements.

15. **Income Taxes** (continued)

The movement in deferred income tax liabilities and assets are as follows:

	Balance at September 30 2014	**Recognized in Net Income**	**Recognized Directly in Equity**	**Recognized on Amalgamation**	**2015 Balance at September 30 2015**
	$	**$**	**$**	**$**	**$**
Deferred Tax Liabilities					
Property, equipment and systems software and licenses	**98,006**	**(46,057)**	**-**	**803**	**52,752**
Goodwill	**63,042**	**4,489**	**-**	**-**	**67,531**
Derivative financial instruments	**17,245**	**(17,245)**	**-**	**-**	**-**
Other	**152,698**	**8,002**	**-**	**-**	**160,700**
	330,991	**(50,811)**	**-**	**803**	**280,983**
Deferred Tax Assets					
Allowance for impaired loans	**114,002**	**(6,564)**	**-**	**2,801**	**110,239**
Provision for writedown of investments	**349,866**	**-**	**-**	**-**	**349,866**
Accrued amounts	**6,478**	**-**	**-**	**-**	**6,478**
Derivative financial instruments	**-**	**6,709**	**-**	**-**	**6,709**
	470,346	**145**	**-**	**2,801**	**473,292**
Net deferred tax asset	**139,355**	**50,956**	**-**	**1,998**	**192,309**

	Balance at September 30 2013	Recognized in Net Income	Recognized Directly in Equity	Reclassified from Equity to Net Income	2014 Balance at September 30 2014
	$	$	$	$	$
Deferred Tax Liabilities					
Property, equipment and systems software and licenses	147,272	(49,266)	-	-	98,006
Goodwill	58,167	4,875	-	-	63,042
Derivative financial instruments	31,519	(13,812)	(462)	-	17,245
Other	143,998	8,700	-	-	152,698
	380,956	(49,503)	(462)	-	330,991
Deferred Tax Assets					
Allowance for impaired loans	113,993	9	-	-	114,002
Provision for writedown of investments	349,866	-	-	-	349,866
Accrued amounts	6,478	-	-	-	6,478
	470,337	9	-	-	470,346
Net deferred tax asset	89,381	49,512	462	-	139,355

15. Income Taxes (continued)

	2015	2014
	$	$
Deferred Tax Liabilities		
Deferred tax liabilities to be settled within 12 months	**160,700**	169,896
Deferred tax liabilities to be settled beyond 12 months	**120,283**	161,095
	280,983	330,991
Deferred Tax Assets		
Deferred tax assets to be recovered within 12 months	**123,426**	120,480
Deferred tax assets to be recovered beyond 12 months	**349,866**	349,866
	473,292	470,346
Net deferred tax asset	**192,309**	139,355

16. Members' Shares

	2015	2014
	$	$
Liabilities		
Common	**156,445**	145,320
Surplus	**1,301,945**	1,262,319
	1,458,390	1,407,639
Members' Equity		
Surplus	**10,358,186**	9,881,863
	11,816,576	11,289,502

As a condition of membership, each member must purchase one common share. No member may hold more than 10% of the total number of shares. Each member of the Caisse has one vote regardless of the number of shares the member holds.

Authorized Shares

Common Shares

Authorized common share capital consists of an unlimited number of common shares with an issue price per share of not less than $5, redeemable at par only when a membership is withdrawn.

16. Members' Shares (continued)

Common shares that are available for redemption are classified as a liability. The difference between the total members' shares and the liability amount are classified as members' equity.

Funds invested by members in members' shares are not insured by Deposit Guarantee Corporation of Manitoba. The withdrawal of members' shares is subject to the Caisse maintaining adequate regulatory capital.

Surplus Shares

Surplus shares are issued as part of patronage rebates and/or distributions. They are issued only to members of the Caisse with an issue price of $1 per share and are redeemable at par at the option of the Caisse. The withdrawal of surplus shares is subject to the Caisse maintaining adequate regulatory capital, as is the payment of any distributions on these shares.

Surplus shares that are available for redemption are classified as a liability. The difference between the total surplus shares and the liability amount are classified as members' equity.

Patronage rebates and/or distributions are at the discretion of the Board of Directors.

17. Personnel Expenses

	2015	2014
	$	$
Salaries and wages	**10,956,386**	10,575,786
Employee benefits	**2,182,329**	2,171,422
Other	**689,301**	605,130
	13,828,016	13,352,338

18. Related Party Transactions

Key management personnel is defined under IFRS as those persons having authority and responsibility for planning, directing and controlling the activities of the Caisse, directly or indirectly. Key management personnel of the Caisse includes executive management and Board of Directors.

The aggregate compensation of key management personnel during the year is as follows:

	2015	2014
	$	$
Compensation		
Salaries, and other short-term employee benefits	**1,265,064**	1,153,617

18. Related Party Transactions (continued)

Included in compensation above are the following payments to the directors and officers of the Caisse for expenses associated with the performance of their duties:

	2015	2014
	$	$
Honouraria and per diems	**25,275**	33,900
Training and other costs	**8,748**	10,731
	34,023	44,631

The Caisse's policy for lending to key management personnel and for receiving deposits from key management personnel is that the loans are approved and deposits are accepted on the same terms and conditions which apply to members for each class of loan and type of deposit. Loans to key management personnel and deposits from the latter are as follows:

	2015	2014
	$	$
Loans to key management personnel		
Aggregate value of loans advanced	**2,055,867**	1,335,592
Interest received on loans advanced	**47,373**	59,325
Aggregate value of unadvanced loans	**14,985**	101,080
Total value of lines of credit advanced	**72,889**	192,913
Interest received on lines of credit advanced	**1,746**	3,776
Unused value of lines of credit	**470,611**	501,853
Deposits from key management personnel		
Aggregate value of term and savings accounts	**2,309,819**	2,445,588
Total interest paid on term and savings accounts	**9,436**	18,697

19. Financial Instrument Classification

The carrying amount of the Caisse's financial instruments by classification is as follows:

	Available-for-Sale	Held to Maturity	Loans and Receivables	Other Financial Liabilities	Total
	$	$	$	$	$
September 30, 2015					
Funds on hand and on deposit	**-**	**-**	**54,046,471**	**-**	**54,046,471**
Accounts receivable	**-**	**-**	**625,719**	**-**	**625,719**
Investments (Note 6)					
Term deposits	**-**	**-**	**115,150,787**	**-**	**115,150,787**
Shares	**26,385,258**	**-**	**-**	**-**	**26,385,258**
Securities and municipal debentures	**-**	**3,042,913**	**-**	**-**	**3,042,913**
Loans to members	**-**	**-**	**1,165,350,522**	**-**	**1,165,350,522**
Accounts payable	**-**	**-**	**-**	**(6,499,006)**	**(6,499,006)**
Securitized borrowings	**-**	**-**	**-**	**(40,549,571)**	**(40,549,571)**
Members' deposits	**-**	**-**	**-**	**(1,246,844,382)**	**(1,246,844,382)**
Derivative financial instruments	**-**	**-**	**-**	**(1,159,802)**	**(1,159,802)**
Members' shares	**-**	**-**	**-**	**(1,458,390)**	**(1,458,390)**
	26,385,258	**3,042,913**	**1,335,173,499**	**(1,296,511,151)**	**68,090,519**
September 30, 2014					
Funds on hand and on deposit	-	-	106,423,006	-	106,423,006
Accounts receivable	-	-	587,115	-	587,115
Investments (Note 6)					
Shares	23,125,278	-	-	-	23,125,278
Securities and municipal debentures	-	10,221,038	-	-	10,221,038
Loans to members	-	-	1,028,558,191	-	1,028,558,191
Accounts payable	-	-	-	(6,806,572)	(6,806,572)
Members' deposits	-	-	-	(1,100,623,334)	(1,100,623,334)
Derivative financial instruments	-	-	-	(823,876)	(823,876)
Members’ shares	-	-	-	(1,407,639)	(1,407,639)
	23,125,278	10,221,038	1,135,568,312	(1,109,661,421)	(59,253,207)

20. Fair Value Measurement

Assets and liabilities recorded at fair value in the consolidated balance sheet are measured and classified in a hierarchy consisting of three levels for disclosure purposes; the three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The input levels are defined as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities. There are no assets or liabilities measured at fair value classified as Level 1.
- Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

  Level 2 inputs include quoted prices for assets in markets that are considered less active. Assets and liabilities measured at fair value and classified as Level 2 include investments in shares and derivative financial instruments.
- Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities.

  Level 3 assets and liabilities would include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation.

  There are no assets or liabilities measured at fair value classified as Level 3.

There were no transfers between levels for the years ended September 30, 2015 and 2014.

<u>Valuation Process Applied</u>

The following table sets out the valuation technique used in determination of fair values within level 2 including the key inputs used:

Assets or Liabilities	**Valuation Approach and Inputs Used**
CUCM, CCD and other shares	CUCM shares are subject to a rebalancing mechanism. CUCM and CCD shares are issued and redeemable at par value. There is no separately quoted market value for these shares. However, fair value is determined to be equivalent to the par value due to the fact that transactions occur at par value on a regular and recurring basis. Other shares are held at their carrying amount which is deemed to approximate fair value.
Derivative financial instruments	The fair value of derivative financial instruments is determined using pricing models that incorporate the current market prices and the contractual prices of the underlying instrument, the time value of money, interest rate yield curves and volatility factors.

20. Fair Value Measurement (continued)

The following table sets out the assets and liabilities for which fair values are disclosed in the notes to the financial statements as at September 30, 2015.

Assets or Liabilities	Valuation Technique	Significant Unobservable Inputs
Funds on hand and on deposit	The carrying amount of the funds on hand and on deposit approximates their fair value.	-
Accounts receivable	The carrying amount of short-term trade receivables (less than 12 months) approximates their fair value.	-
Investment in securities	The carrying amount of investment in securities approximates fair value as maturity dates are less than 12 months.	-
Investment in municipal debentures	The carrying amount of investment in municipal debentures approximates fair value.	-
Loans to members	The fair market value of loans to members is calculated based on the present value of future cash flows. To determine present value, future cash flows are discounted by the current rate curve by which the asset is originally priced.	Discount spot rates range from 2.50 % to 6.39 % based on maturity date of the loans.
Accounts payable	The carrying amount of short-term accounts payable (less than 12 months) approximates their fair value.	-
Securitized borrowings	The fair market value of securitized borrowings is calculated based on the present value of future cash flows. To determine present value, future cash flows are discounted by the current rate curve by which the liability is originally priced.	Discount spot rates range from 1.64 % to 1.79 % based on renewal date of the deposits.
Members' deposits	The fair market value of members' deposits is calculated based on the present value of future cash flows. To determine present value, future cash flows are discounted by the current rate curve by which the liability is originally priced.	Discount spot rates range from 0.60 % to 2.40 % based on renewal date of the deposits.
Members' shares	The carrying amount of members' shares approximate their fair value.	-

20. Fair Value Measurement (continued)

The following table represents the fair values of on and off balance sheet financial instruments of the Caisse. In addition, the value of intangibles such as long-term member relationships are not included in the fair value amounts. The Caisse considers the value of intangibles to be significant.

	2015			2014		
	Book Value	**Fair Value**	**Excess over Book Value**	Book Value	Fair Value	Excess over Book Value
	$	**$**	**$**	$	$	$
(in thousands)						
Assets						
Funds on hand and on deposit	**54,046**	**54,046**	**-**	106,423	106,423	-
Accounts receivable	**626**	**626**	**-**	587	587	-
Investments	**144,579**	**144,797**	**218**	33,346	33,346	-
Loans to members	**1,165,350**	**1,171,588**	**6,238**	1,028,558	1,034,813	6,255
	1,364,601	**1,371,057**	**6,456**	1,168,914	1,175,169	6,255
Liabilities						
Accounts payable	**6,499**	**6,499**	**-**	6,807	6,807	-
Securitized borrowings	**40,550**	**41,227**	**677**	-	-	-
Members' deposits	**1,246,844**	**1,254,649**	**7,805**	1,100,623	1,106,954	6,331
Derivative financial instruments	**1,160**	**1,160**	**-**	824	824	-
Members' shares	**1,458**	**1,458**	**-**	1,408	1,408	-
	1,296,511	**1,304,993**	**8,482**	1,109,662	1,115,993	6,331

Interest rate sensitivity is the main cause of changes in the fair value of the Caisse's financial instruments. The book values are generally not adjusted to reflect the fair value, as it is the Caisse's intention to realize their value over time by holding them to maturity.

21. Financial Instrument Risk Management

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Caisse's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Caisse's management. The Board of Directors receives quarterly reports from the Caisse's management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

21. Financial Instrument Risk Management (continued)

Credit Risk

Credit risk is the risk of financial loss to the Caisse if a counterparty to a financial instrument fails to meet its contractual obligations. The Caisse is exposed to credit risk from claims against a debtor or indirectly from claims against a guarantor of credit obligations.

Risk Measurement

Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Caisse takes into consideration the member's character, credit worthiness, and value of collateral available to secure the loan.

Objectives, Policies and Procedures

The Caisse's credit risk management principles are guided by its overall risk management principles. The Board of Directors ensures that management has a framework, and policies, processes and procedures in place to manage credit risk and that the overall credit risk policies are complied with at the business and transaction level.

The Caisse's credit risk policies set out the minimum requirements for management of credit risk in a variety of transactional and portfolio management contexts. Its credit risk policies comprise the following:

- General loan policy statements including approval of lending policies, eligibility for loans, exceptions to policy, policy violations, liquidity, loan administration, credit concentration limits, and risk rating;
- Loan lending limits including Board of Directors limits, schedule of assigned limits and exemptions from aggregate indebtedness;
- Loan collateral security classifications which set loan classifications, advance ratios and amortization periods;
- Procedures outlining loan overdrafts, release or substitution of collateral, temporary suspension of payments and loan renegotiations;
- Loan delinquency controls regarding procedures followed for loans in arrears; and
- Audit procedures and processes are in existence for the Caisse's lending activities.

With respect to credit risk, the Board of Directors receives monthly reports summarizing new loans, delinquent loans and overdraft utilization. The Board of Directors also receives an analysis of bad debts and allowance for doubtful loans quarterly.

21. Financial Instrument Risk Management (continued)

Maximum Exposure to Credit Risk

The Caisse's maximum exposure to credit risk without taking account of any collateral or other credit enhancements is as follows:

	2015	2014
	Maximum Exposure	Maximum Exposure
	$	$
Funds on hand and on deposit	**54,046,471**	106,423,006
Investments	**144,578,958**	33,346,316
Loans to members	**1,165,350,522**	1,028,558,191
Undisbursed loans	**19,772,292**	74,633,421
Unutilized lines of credit	**183,923,396**	157,019,622
Letters of credit	**6,472,744**	2,477,755
	1,574,144,383	1,402,458,311

Details regarding concentration of credit risk, collateral and other credit enhancements held and loans past due but not impaired are disclosed in Note 8 and Note 9.

For the current year, the amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is insignificant.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity Risk

Liquidity risk is the risk that the Caisse will not be able to meet all cash outflow obligations as they come due. The Caisse mitigates this risk by monitoring cash activities and expected outflows so as to meet all cash outflow obligations as they fall due.

Risk Measurement

The assessment of the Caisse's liquidity position reflects management's estimates, assumptions and judgments pertaining to current and prospective firm specific and market conditions and the related behaviour of its members and counterparties.

Objectives, Policies and Procedures

The Caisse's liquidity management framework is designed to ensure that adequate sources of reliable and cost effective cash or its equivalents are continually available to satisfy its current and prospective financial commitments under normal and contemplated stress conditions.

21. **Financial Instrument Risk Management** (continued)

Provisions of the Credit Unions and Caisses Populaires Act require the Caisse to maintain liquid assets of at least 8% of members' deposits and borrowings in order to meet member withdrawals. The Caisse has met this requirement as at September 30, 2015 with liquidity reserves equal to 11.02% (10.38% in 2014).

The Caisse manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows;
- Monitoring the maturity profiles of financial assets and liabilities;
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities; and
- Monitoring the liquidity ratios monthly.

The Board of Directors receives monthly liquidity reports as well as information regarding cash balances in order for it to monitor the Caisse's liquidity framework. The Caisse was in compliance with the liquidity requirements throughout the fiscal year and at September 30, 2015.

The following are the contractual maturities of financial liabilities:

						2015
	Carrying Amount	**Gross Nominal Cash Outflow**	**Less than 1 Year**	**1 - 2 years**	**3 - 5 years**	**Greater than 5 years**
(in thousands)	**$**	**$**	**$**	**$**	**$**	**$**
Accounts payable	**6,499**	**(6,499)**	**(6,499)**	**-**	**-**	**-**
Securitized borrowings	**40,550**	**(40,550)**	**(1,216)**	**(16,978)**	**(22,356)**	**-**
Members' deposits	**1,246,844**	**(1,246,844)**	**(876,310)**	**(134,502)**	**(236,032)**	**-**
Members' shares	**1,458**	**(1,458)**	**(1,458)**	**-**	**-**	**-**
Undisbursed loans	**-**	**(19,772)**	**(19,772)**	**-**	**-**	**-**
Unutilized lines of credit	**-**	**(183,923)**	**(183,923)**	**-**	**-**	**-**
	1,295,351	**(1,499,046)**	**(1,089,178)**	**(151,480)**	**(258,388)**	**-**

21. Financial Instrument Risk Management (continued)

						2014
	Carrying Amount	Gross Nominal Cash Outflow	Less than 1 Year	1 - 2 years	3 - 5 years	Greater than 5 years
(in thousands)	$	$	$	$	$	$
Accounts payable	6,807	(6,807)	(6,807)	-	-	-
Members' deposits	1,100,623	(1,100,623)	(768,003)	(137,684)	(194,936)	-
Members' shares	1,408	(1,408)	(1,408)	-	-	-
Undisbursed loans	-	(74,633)	(74,633)	-	-	-
Unutilized lines of credit	-	(157,020)	(157,020)	-	-	-
	1,108,838	(1,340,491)	(1,007,871)	(137,684)	(194,936)	-

Timing of unutilized lines of credit and undisbursed loan payments are uncertain. Since these payouts are at the discretion of the members the entire amount of potential payments has been included in less than 1 year.

The Caisse has no material commitments for capital expenditures and there is no need for such expenditures in the normal course of business.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, foreign exchange risk, and equity risk. The Caisse is exposed to market risk in its asset/liability management activities. The level of market risk to which the Caisse is exposed varies depending on market conditions and expectations of future price and yield movements.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Caisse is exposed to this risk through traditional banking activities, such as deposit taking and lending.

The Caisse's goal is to manage the balance sheet interest rate risk to a target level. The Caisse continually monitors the effectiveness of its interest rate mitigation activities.

Risk Measurement

The Caisse's position is measured monthly. Measurement of risk is based on rates charged to clients as well as funds transfer pricing rates.

21. Financial Instrument Risk Management (continued)

Objectives, Policies and Procedures

The Caisse's major source of income is financial margin, the difference between interest earned on investments and members loans and interest paid on members' deposits. The objective of asset/liability management is to match interest sensitive assets with interest sensitive liabilities as to amount and as to term to their interest rate repricing dates, thus minimizing fluctuations of income during periods of changing interest rates.

Schedules of matching and interest rate vulnerability are regularly prepared and monitored by Caisse management and reported to the Deposit Guarantee Corporation of Manitoba in accordance with the Caisse's matching policy. This policy has been approved by the Board of Directors as required by The Regulations to the Act. For the years ended September 30, 2015 and 2014, the Caisse was in compliance with this policy.

To decrease the exposure of wide fluctuations of income during periods of changing interest rates, the Caisse has policies to maintain the best possible matching of maturity of its loans and deposits. The Caisse also enters into interest rate swap contracts to reduce its exposures to changing interest rates.

As at September 30, 2015, the notional principal amount of swaps totaled $17,000,000. These amounts, however, are not indicative of the underlying credit risk. The credit risk is represented by the cost to replace the swap agreements which are estimated to be $1,159,802 at September 30, 2015. This cost would be incurred only in the event of failure by the counter party, restricted to major chartered banks, to honor its contractual obligations; it is management's responsibility to assess whether an event of failure is remote and the associated credit risk is minimal.

The following schedule shows the Caisse's sensitivity to interest rate changes. Amounts with floating rates or due or payable on demand are classified as maturing within twelve months, regardless of maturity. A significant amount of loans and deposits can be settled before maturity on payment of a penalty, but no adjustment has been made for repayments that may occur prior to maturity. Amounts that are not interest rate sensitive have been grouped together, regardless of maturity.

	As at September 30, 2015				
Maturity Dates	**Assets**	**Assets Swaps**	**Liabilities**	**Liabilities Swaps**	**Asset and Liability Gap**
(in thousands)	**$**	**$**	**$**	**$**	**$**
Interest sensitive					
Variable	**520,851**	**17,000**	**312,418**	**-**	**225,433**
0 - 12 months	**228,825**	**-**	**404,447**	**-**	**(175,622)**
Greater than 1 year	**581,204**	**-**	**370,534**	**17,000**	**193,670**
Interest sensitive	**1,330,880**	**17,000**	**1,087,399**	**17,000**	**243,481**
Non-interest sensitive	**59,083**	**-**	**302,564**	**-**	**(243,481)**
Total	**1,389,963**	**17,000**	**1,389,963**	**17,000**	**-**

Interest sensitive assets and liabilities cannot normally be perfectly matched by amount and term to maturity. One of the roles of a Caisse is to intermediate between the expectations of borrowers and depositors.

21. Financial Instrument Risk Management (continued)

The notional amount of swaps reflected in the above schedule is added to the balance sheet as variable rate assets of $17,000,000 and fixed rate liabilities of $17,000,000 at September 30, 2015.

An analysis of the Caisse's risk due to changes in interest rates was calculated using financial modelling software and determined that an increase in interest rates of 1% could result in an increase of $2,124,000 to Caisse’s financial margin while a decrease in interest rates of 1% could result in a decrease to its financial margin of $816,000.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Foreign Exchange Risk

Foreign exchange risk relates to the Caisse operating in different currencies and converting non Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.

The Caisse’s foreign exchange risk is related to US dollar deposits denominated in US dollars. Foreign currency changes are continually monitored by management for effectiveness of its foreign exchange mitigation activities and holdings are adjusted according to policy.

Risk Measurement

The Caisse's position is measured daily. Measurement of risk is based on rates charged to members as well as currency purchase costs.

Objectives, Policies and Procedures

The Caisse's exposure to changes in currency exchange rates shall be controlled by limiting the unhedged foreign currency exposure.

For the years ended September 30, 2015 and 2014, the Caisse's exposure to currency risk is within policy.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Caisse is exposed to this risk through its equity holdings.

Equities are monitored by the Board of Directors and holdings are adjusted following each quarter when the investments are offside of the investment policy.

22. Capital Management

Capital is managed in accordance with policies established by the Board of Directors. Management regards a strong capital base as an integral part of the Caisse's strategy. The Caisse has a capital plan to provide a long-term forecast of capital requirements. All of the elements of capital are monitored throughout the year, and modifications of capital management strategies are made as appropriate.

The Caisse considers its capital to include members' shares and retained earnings which is unchanged from the previous year. All member's shares are included in the calculation of capital regardless of being classified as a liability or equity on the consolidated balance sheet.

Regulations under The Act establish the following with respect to capital requirements:

The Caisse shall maintain a level of capital that meets or exceeds the following requirements:

(a) its members’ equity shall not be less than 5% of the book value of its assets;

(b) its retained earnings shall not be less than 3% of the book value of its assets; and

(c) a tiered level of capital shall not be less than 8% of the risk weighted value of its assets as defined in the Regulations.

As at September 30, 2015, the Caisse met all of the legislated capital requirements as follows:

	2015	2014
	%	%
Members’ Equity	**6.83**	7.06
Retained Earnings	**5.98**	6.11
Risk weighted capital	**10.83**	10.82

23. Commitments

Credit Facilities

The Caisse has an approved line of credit with CUCM equal to 10% of its members' deposits. The line of credit is secured by an assignment of shares and deposits in CUCM, as well as by an assignment of loans receivable from members. The balance outstanding at September 30, 2015 was $NIL ($NIL at September 30, 2014).

The Caisse also has a borrowing limit of up to a maximum of $15,000,000 at September 30, 2015 with the CCD to fund its current operations. Any advances made when borrowings are greater than $15,000,000 must have a guarantee of term deposits equivalent to the amount in excess of $15,000,000. The balance outstanding at September 30, 2015 was $NIL ($NIL at September 30, 2014).

23. Commitments (continued)

Loans to Members

The Caisse has the following commitments to its members at September 30, 2015 on account of undisbursed loans, unutilized lines of credit and letters of credit:

	2015	2014
	$	$
Undisbursed loans	**19,772,292**	74,633,421
Unutilized lines of credit	**183,923,396**	157,019,622
Letters of credit	**6,472,744**	2,477,755
	210,168,432	234,130,798

Other

Credit Union Central of Manitoba

Under the terms of a financial services master agreement, CUCM provides banking, trade and other services to the Caisse. By virtue of this agreement, the Caisse is obliged to pay to CUCM the fees and dues specified in the agreement.

Deposit Guarantee Corporation of Manitoba

The Deposit Guarantee Corporation of Manitoba ("DGCM") is a deposit insurance corporation. By legal obligation under the Act, DGCM guarantees the deposits of all members of Manitoba Credit Unions/Caisse. By legislation, the Credit Union/Caisse pays a quarterly levy to DGCM based on a percentage of members' deposits.