



Minutes of the 1st Annual Meeting

The annual meeting was held at Our Lady of the Miraculous Medal parish hall on 739 Browns Line, Toronto at 4:00 pm. on March 26, 2017.

1. Members registered as they entered the hall. There were 353 members present and 2 guests.
2. The board vice-chair, Val Koncan, called the meeting to order, welcomed everyone, and then introduced the head table, and asked Father Batic for an opening prayer in which we remembered our deceased members in the past year. After the prayer Val introduced our guests Mr. Joseph Bates, our external auditor from the firm MNP LLP, Chartered Accountants and Ms Alana McLeary, Regional Manager from DICO. He also introduced the board of directors and staff of the credit union.
3. The agenda found in the Annual Report was reviewed. **Mr. Andrej Zunic** makes a motion to accept the agenda, seconded by **Mr. Mario Smolej**. The motion passed unanimously.
4. The official last annual meeting minutes was from the last AGM of Slovenia Credit Union and was available for review by the members. At that AGM, the members of SCU voted 76% in favor of the merger with Krek Slovenian CU. On the day before the members of Krek Slovenian CU voted in 89% in favor of the merger. As a result, the new entity of Moya Financial Credit Union was born. A motion to dispense with the reading of the minutes and for those minutes to be accepted was made by **Katrina Stevens** and seconded by **Andrei Hari**. The motion was carried unanimously.
5. Val Koncan acknowledged the past service of former Krek and SCU board members. Josie Laszutko (32 yrs), Irene Sorsak-Jager (17yrs), Michael Ropret (15yrs), Andrei Hari (13yrs), Betty Kolenko (12 yrs) Katrina Stevens (8yrs), Jason Gorel (6yrs) and Junior directors Andrejka Matelic (3yrs) and Matt Paznar (3yrs) were all called up and gifted a token of our appreciation.
Val also acknowledged the long service of the former CEO's Peter Markes and Joe Cestnik. Peter was invited to say a few words in which he thanked his staff, especially Frank Zelko and the board of directors for their passion and commitment over the years. He further acknowledged and conveyed his support for the new CEO, John Finnie.
- 6a. The written reports to the members were available in the annual meeting handouts. Val asked the board chair Barbara Udovic to present the Board of Directors report. Barbara reported on a successful, challenging yet rewarding year for our new Credit Union. We were able to achieve our business case financial targets through growth in our assets, our loan portfolio and our net income. It has been a busy year, both in terms of ensuring that our credit union is prepared for the future with new technology, as well as strategic plans to ensure that Slovenian-Canadians have a credit union going forward into the next decade.
The economic and business environment that has been with us over the past few years, with record low interest rates, aggressive competition, and extremely low profit margins continued. Management has once again come through, showing a profitable year end statement with strong reserves that will benefit members into the future.
This year's number one priority was the consolidation of two financial computer systems. A modern and user friendly platform has now been introduced for all members. Members and staff have been getting used to the new system and its functionality, which puts it on par with products and services offered by the largest financial institutions. A new mobile app is now available to users of Apple and Android smart phones. Some other features available now are e-transfer and cheque imaging.
One of the most important requirements for any board is to help develop a strategic plan which outlines the future direction of the credit union and validates that this direction is sound and in the best interest of

the credit union. Board competency is a major focus for Moya Financial, and our provincial regulator is now focusing on board competency as a key component of the overall evaluation of the health of the credit union. Board members are encouraged to attend courses to upgrade their skills and continue with their training and development. Strong board competency helps to ensure lower insurance premiums and that is good for both members and our institution.

We continue to encourage members to sign up for online banking. It is easy and safe, and removes the need for you to come into the branch. Everything you need to do with respect to banking can now be done from the comfort of your home. And, with the new system, we will finally be able to offer online statements and eliminate some of the costs associated with mail. If your preference is to continue to receive the hard copy statement, that too will be accommodated.

The credit union is community oriented with a goal to support the growth of the community it serves. The strength of our credit union lies in its membership and the strength of our membership lies within the community. Moya Financial continues to support and sponsor various cultural clubs and organizations within our membership circles. We have implemented the first Annual Moya Financial Scholarship Fund and in 2016 awarded it to Leah Skerl and Stephanie Cestnik. We try to give back to the community within which we work.

It is without a doubt that the competence and professional integrity of our management, staff, and elected directors is a major reason for the strength and success of our credit union, in the past, in the present, and will continue to be going forward into the future. The underlying spirit of the credit union system has always been, and still is, co-operation. It is the loyalty and active participation of our members that has helped us achieve all that we have as a co-operative and full service financial institution.

Barbara thanked the staff and board volunteers for their hardworking efforts which have contributed to another successful year.

The floor was then open for discussion of the report. As there were no questions, the board chair asked for a motion from the floor to receive the board of director's report as presented. On a duly made motion by **Mrs. Josie Laszutko** and seconded by **Mrs. Irene Sorsak-Jager** the report was received unanimously.

6b. The new Moya Financial CEO, John Finnie, introduced himself and presented the management report. He spoke of the board's and management's responsibility for the integrity, fairness, presentation and consistency of financial information including the financial statements contained in the annual report. John mentioned that there are many challenges that lay in front of us and there are no silver bullets for them. There is real dedication and passion for this business. The Team at Moya cares deeply about the financial well-being of our Membership and look forward to continuing opportunities to help you, your families, your businesses and everyone you refer to us!

We have the potential to build a business that is stronger than what came before and is better suited to meet the challenges of the current and future economic climate...a business that is bold, courageous and true to the values of the Slovenian Canadian Community...values we share.

While 2016 was a turbulent year as merger details were navigated, 2017 will be a year of coming together, a year of promise, of building for the future. We have launched 'Mobile Banking' and are in the process of adding an 'Index-linked Term Deposit' to our product shelf. We are also excited to announce greater collaboration with Fidelity Investments and CI Investments regarding our wealth management solutions. Through these two world class partners, we have added managed solutions to create even greater value for our Membership. We will build a mobile sales force which will bring Moya Financial to Slovenian communities across Ontario. For those that come to our branch on Brown's Line, expect our hours to expand in 2017, making it easier to bank with us on your schedule, not ours.

In addition, we will be renewing our web site and offering more online capabilities to ensure relevance to your children and future generations of Slovenian Canadians.

He stated that we are committed to delivering an exceptional Member experience and this will ensure we remain highly differentiated from Banks that focus on short term profits and shareholder returns. Our growth and our success is for the benefit of our Members...for the benefit of our Community!

John Finnie concluded by thanking all his staff, especially in the implementation of transitional issues in consolidation of 2 separate entities.

The floor was then opened for questions and a discussion of the report. As there were no questions, a motion from the floor was required to receive the Management Report as presented. On a motion by **Mr. Tony Ferkul** and seconded by **Mrs. Betty Kolenko**, the report was adopted and carried unanimously.

6c. The finance manager, Roman Vojska presented the Financial Report. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), and are considered by the Board and management to be fairly presented and accordingly, they have been approved for issuance to the members. Management is responsible in maintaining the necessary system of internal controls to provide reasonable assurance that transactions are authorized and assets are safeguarded. The year 2016 saw our assets grow by 2% to \$223 million and our net income before taxes & other items increased over 40% to \$944 thousand.

The floor was then opened for questions and a discussion of the report. A member asked [why there was no year over year comparison shown in the Financial Report](#). Roman explained the two merged credit unions had different fiscal year ends and as such the board decided to avoid double audit fees and therefore is showing 15 month totals. The unaudited 12 month year over year figures were shown on a slide presentation. [It was requested and confirmed that those figures will be made available on the Moya website](#). Roman further noted that the 15 month figures will still be shown on next year's Annual Report. The matter will no longer be an issue in future years.

As there were no other questions, a motion from the floor was required to receive the manager's report as presented. On a motion by **Mrs. Anita Marn** and seconded by **Mrs. Miriam Ferkul**, the report was adopted and carried. There were 8 members who opposed to the motion.

6d. The VP of Credit Operations, Bill Calder presented the Loan Activity report. In total there were 159 new loans issued with an aggregate value of over 54 million dollars. At December 31, 2016 our overall loan portfolio stood at 148.6 million dollars. This growth is largely attributed to residential mortgage financing to existing members and their families and new commercial loans. We continue to offer highly competitive interest rates, especially for residential mortgages. Loan delinquency is strictly monitored to ensure the safety of members' deposits. Marjan Smolej asked [what was expected in 2017](#). Bill explained that we are targeting a 10% growth in our loan portfolio in 2017.

As there were no other questions, a motion from the floor was required to receive the Credit Report as presented. On a duly made motion by **Mr. Tony Ferkul** and seconded by **Mr. Matt Paznar** the report was received and carried unanimously.

6e. The Audit Committee chair, Andrew Rovanssek, presented the Audit committee report. The audit committee meets monthly to review policy upgrades and adherence, risk management and compliance with provincial regulations. Quarterly meetings are required by the Credit Unions and Caisses Populaires Act 1994. The audit committee, on behalf of the board of directors, retained the services of an internal auditor to assess the effectiveness of the internal controls. For the 2016 fiscal year, the committee focused on reviewing system conversion, Corporate Governance, internal policies including Operational, Structural and Credit Risk Management.

The floor was then opened for questions. As there were no questions a motion was made by **Mrs. Andrejka Matelic** and seconded by **Mr. Tony Ferkul** that the report be received. It was carried unanimously.

6f. The external Auditor's report was tabled. Mr. Joseph Bates of the firm MNP LLP, Chartered Accountants, congratulated the membership on their continued growth and the Credit Union's financial stability. On a duly made motion by **Mr. Jason Gorel** and seconded by **Mr. Mario Smolej** the report was received unanimously.

- 7a.** Elections – Board of Directors. As outlined in the Amalgamation agreement and in order to have a smooth transition period, the initial Board of Directors have committed to a minimum 2 year term and as such, the first elections for Board of Directors will be in 2018.
- 7b.** On a duly made motion by **Mr. Val Koncan** and seconded by **Mr. Andrei Zunic**, the firm of MNP LLP, Chartered Accountants, was appointed as our auditor for the next fiscal year. The motion was carried unanimously.
- 8.** A discussion ensued with some [questions and comments surrounding the new name Moya Financial](#). Credit Union director, Paul Dolenc, stepped up to the podium to explain the choosing of the name “MOYA”
- Changing demographic
 - Easy to say
 - Both Slovenian and English understand
 - Trust and care
 - Foundation of both CU’s
 - Target younger people under the age of 40
 - Needed something that would work both on-line and off-line
 - Attract new members
 - Easy to spell
 - Cited example Slovenija vs Slovenia
 - Integral to the continuation of our CU
 - Hand written look – Moja
 - Implemented new banking system
- Questions were also [asked as to job security and use of the current buildings](#). The board vice-chair, Val Koncan, responded by giving reassurance that proper due diligence is being performed and that the board will assess the best avenues for future sustainability. He further noted that the merger is to be seen as a partnership of two strong equals.
- The board chair thanked the people who helped in the preparation of the annual meeting and also all who contributed to the prize table. The disbursement of prizes was held at this time.
- 9.** On a motion by **Mrs. Irene Sorsak-Jager** and seconded by **Mr. Tine Koncan** the meeting was adjourned. The meeting was adjourned at 6:15 pm. Members were invited to stay for dinner and refreshments.

Board Chair *Barbara Udovic*

Secretary *Bill Stajan*