

The Bigger Picture

2018

Annual Report

Concentra®



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About Concentra

Concentra is Canada's leading provider of wholesale banking and trust solutions to credit unions and Canadians.

We partner with our clients to offer more than five million Canadians commercial lending, mortgages, securitization, foreign exchange, cash and treasury management, and leasing solutions. Wealth management offerings from Concentra Trust focus on registered plans, personal and corporate trust services, and estate planning and administration.

We are one of a just a limited number of organizations in Canada that have both a federal bank licence and a federal Trust licence.

Concentra was formed as a co-operative entity in 2005 when SaskCentral and Cooperative Trust (which dates back to 1952) joined forces to create a new business venture that would serve the Canadian credit union system in new and different ways, providing wholesale/commercial and trust solutions. Our founders envisioned a solutions provider with national reach that would help credit unions become fierce competitors in the financial services marketplace.

Concentra continues to evolve and became a Schedule I bank in 2017. Headquartered in Saskatchewan, our 305 employees are located in Saskatoon, Regina, Surrey and Toronto.

Concentra by the numbers

- Serves **244** credit unions
- Employs **305** people
- Net Promoter Score of **50**
- **\$9.7** billion in total assets
- **\$35.7** billion in Assets under Administration
- Net income of **\$40.6** million
- Efficiency ratio of **57.8%**
- Return on Common Equity of **10.0%**
- Funds **\$200,000** of community projects annually
- Funded **\$1.4** million in community projects since 2011



Message from the Chair

Concentra's transition to a Schedule I chartered bank in 2017 presents an opportunity for the organization to grow into a well-diversified, top-tier financial institution. In 2018 we began positioning Concentra to navigate a rapidly changing industry and meet emerging trends, while continuing to return value to our owners, customers and employees.

In March 2018 the Board hired a new President & CEO, Don Coulter, who has an impressive track record in the Canadian financial industry. Don restructured the senior leadership team and worked with them to develop a new strategic direction for Concentra.

Strategic planning

Every year, Concentra undertakes a robust strategic planning session, bringing the senior management team and the Board together for several days to shape the direction of the company. In June 2018, Concentra's leaders attended in Toronto and began writing the bold next chapter in Concentra's story. The Board approved this strategy in November.

Board culture survey

In May 2018, the Governance Committee engaged a consultant to complete certain important governance initiatives to take place during the remainder of the year. A key area of engagement was a board evaluation process, targeting director peer and self-assessments. The consultant also assessed the boardroom culture at Concentra and in November, presented to the Board on how culture affects boardroom dynamics and the ability to execute on strategy and how strategy is shaped.

Competency matrix

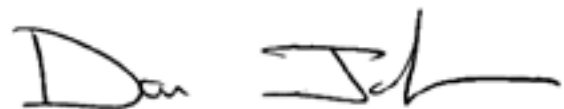
The Governance Committee also engaged a consultant in 2018 to assess the ideal competencies required on the Board at this time. The consultant reviewed the existing competency matrix against Concentra's revised purpose, mission and strategic direction. Next they produced a preliminary gap analysis for the Governance Committee to target priority competencies and attributes that Concentra Bank requires of candidates for 2019.

Director development

Concentra has a Board-approved Board Professional Development Policy, which confirms our commitment to ensure Directors are fully qualified to fulfill their responsibilities within Concentra's evolving legislative and operating environment. The policy contemplates both full board education and targeted individual development based on the overall needs of Concentra and the individual needs of the director. These plans are created by each director with oversight from the Governance Chair. Over the course of 2018, the full Board received education sessions on various topics, including ICAAP, Information Technology, subsidiary strategy and boardroom culture.

Thank you

In closing, I would like to thank President and CEO Don Coulter for his vision and leadership, the Executive Leadership Team for enthusiastically embracing and positioning us for the challenges and opportunities ahead, and Concentra employees for getting on board with and excited about our bold direction.



Daniel Johnson
CHAIRMAN OF THE BOARD



Message from the CEO

Concentra Bank is a safe and sound financial institution, which produces consistent earnings and delivers solid value for our owners through dividends. In 2018 we had an excellent year financially, producing record revenue and net income results, and a strong return on common equity.

New strategic direction

Financial services companies are responding with accelerated innovation to industry pressures such as spread compression, changes in mortgage regulations, new entrants to the market, changing consumer expectations and regulatory caps. New channels, emerging technologies and reimagined interaction and service models are generating opportunities for value creation within the industry and for Concentra.

While Concentra has always provided products to consumers, we have done so indirectly in recent years. In November 2018 the Board of Directors approved a strategy shift that positions Concentra for continued growth: we're diversifying from an indirect business model to return to a direct-to-customer business model. Concentra will continue to drive value for credit unions and strengthen the credit union system as we expand our customer base. We will also continue to partner with high-performing organizations.

Diversifying our funding sources

Our new strategy includes diversifying our funding sources. In November 2018, Concentra announced the placement of a \$150 million, 18-month floating rate deposit note. This issuance signalled broad acceptance of the institutional investor base and rising awareness of Concentra Bank in the capital markets. We expect to become a regular issuer of deposit notes, to both strengthen Concentra and deliver value to our owners.

Strengthening corporate risk management and compliance

Concentra's risk management group continues to evolve, ensuring ongoing business growth with appropriate regulatory and risk checks and balances. In 2018 we enhanced our risk management committee structure and redesigned the risk management group to align with and implement our three lines of defence: 1) risk ownership, 2) oversight and effective challenge, and 3) independent assurance. The risk management group ensures the continued growth of the business while maintaining appropriate regulatory and risk checks and balances.

Purpose and mission

Our new business model was designed to deliver on our purpose. We engaged our Board of Directors, management and employees in the process of creating a new purpose and mission, which we launched in September 2018. Our purpose is: *Creating the future of banking, to enable your success*. We will strive to be a bold leader in banking, creating better solutions for our customers.

We believe Canadians deserve great banking services and intend to be at the forefront of making banking better for everyone. Our mission—*To connect, elevate and partner with business owners, consumers and credit unions*—commits us to finding optimal banking solutions for our customers and lifting them up so they can be successful.

People strategy

In August 2018 the Board approved our new people strategy, which is aimed at delivering a meaningful work experience for our employees. The people strategy is aligned with our corporate strategy, informs how we execute our work, and positions Concentra for optimal performance and productivity. To support our ongoing organizational health, we are making a substantial investment in our leadership that includes heightened expectations and behavioural training around what it means to be a leader at Concentra.



We're expanding

Concentra is headquartered in Saskatchewan but our partners and customers are located across Canada. As such, we are expanding our corporate footprint to meet our stakeholders in their neighbourhoods. In 2018, we established an office on Bay Street in Toronto, the heart of Canada's financial district.

Looking ahead with confidence

We're dreaming big: in 10 years, we want to be Canada's digitally savvy leading diversified mid-market bank, the leading bank in the country for entrepreneurs and mid-market businesses, the preeminent consumer finance bank in the country, and the leading wholesale finance provider to Canada's credit unions. A well-run, operationally excellent, well-capitalized organization with top-tier financial performance. And an organization that continues to be a great partner and collaborator with like-minded organizations.

Our bold ambition will require us to continually transform and improve our organization. In 2018 we began laying the foundation for an agile culture and future-focused thinking. We know our transformation won't be easy and we understand that it will take time. But we're excited and confident that Concentra is set to achieve its bold new goals.

In closing

It's been a motivating year and the Executive Leadership Team and I look forward to taking the next steps on this journey with Concentra employees. I'm grateful to our customers, our partners and the Board for their confidence and faith in us. And I'd like to thank every employee for their valuable ideas, dedication and hard work.



Don Coulter
PRESIDENT AND CEO

Financial Performance

FIVE YEAR FINANCIAL OVERVIEW

Financial Position - Summary

2018

2017

2016

2015

2014

Assets

Thousands of Canadian Dollars

Cash and securities	1,234,663	1,329,961	1,628,523	1,480,192	1,244,701
Retail loans	7,003,662	6,449,392	6,304,743	4,773,002	4,116,957
Commercial loans	1,295,189	1,228,608	1,391,870	1,450,754	1,331,656
Other assets	145,895	118,711	127,367	95,758	53,171
Total Assets	9,679,409	9,126,672	9,452,503	7,799,706	6,746,485

Liabilities and Equity

Deposits	4,827,159	3,752,766	4,206,923	4,205,254	3,834,471
Securitization liabilities	3,983,129	4,339,989	4,314,901	2,966,362	2,298,478
Debt	314,456	453,811	407,561	144,639	280,029
Other	75,463	123,163	88,925	58,646	39,141
Shareholder's Equity	479,202	456,943	434,193	424,805	294,366
Total Liabilities and Equity	9,679,409	9,126,672	9,452,503	7,799,706	6,746,485

Results of Operations

Total Revenue	114,879	106,609	104,638	91,473	86,050
Net interest income	90,407	83,497	78,467	68,309	67,399
Non-interest income	24,472	23,112	26,171	23,164	18,651
Non-interest expense	66,452	60,037	51,201	54,607	47,706
Net income	40,555	33,647	28,859	25,301	23,207

Credit Quality

Net impaired loans	27,562	8,592	13,616	14,290	16,769
Net impaired loans as % of gross credit loans	0.33%	0.11%	0.18%	0.23%	0.31%
Provision for credit losses	(7,598)	618	14,084	2,172	6,836
Provision for credit losses as % of gross credit loans	-0.09%	0.01%	0.18%	0.03%	0.13%

Financial Ratios

Return on common equity	10.0%	8.8%	7.9%	8.7%	8.6%
Efficiency ratio	57.8%	56.3%	48.9%	59.7%	55.4%
Operating leverage ratio	-2.2%	-2.8%	16.2%	0.3%	-9.5%
Expense coverage ratio	71.5%	73.9%	84.0%	86.3%	76.0%
Return on average assets	0.5%	0.4%	0.3%	0.3%	0.4%
Return on investment	4.0%	3.0%	10.0%	4.0%	3.0%

Capital Adequacy

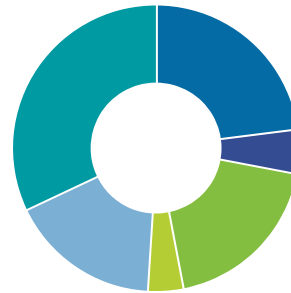
Common Equity Tier 1 capital to risk weighted assets	11.8%	13.1%	10.2%	11.6%	13.2%
Tier 1 regulatory capital to risk weighted assets	15.6%	17.5%	13.9%	16.2%	13.3%
Total regulatory capital to risk weighted assets	16.1%	17.5%	14.8%	17.6%	17.8%
Leverage ratio	-2.2%	-2.8%	16.2%	0.3%	-9.5%

LOAN DIVERSIFICATION



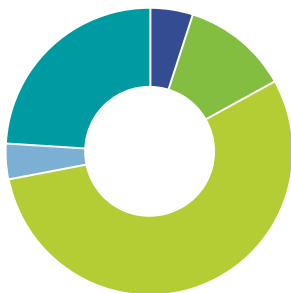
Retail by Province

British Columbia	12%
Alberta	23%
Saskatchewan	4%
Manitoba	2%
Ontario	52%
Other	7%



Commercial by Province

British Columbia	19%
Alberta	17%
Saskatchewan	23%
Manitoba	4%
Ontario	32%
Other	5%



By Asset Class

Commercial

Mortgages	12%
Loans and Leases	4%

Retail

Residential mortgages - insured	55%
Residential mortgages - uninsured	24%
Consumer term loans - unsecured	5%

Strong Regulatory Capital Ratios Based on *The Standardized Approach*

2018 | Regulatory Minimum

11.8% 7.0% COMMON EQUITY TIER 1 CAPITAL (CET1)	15.6% 8.5% TIER 1 CAPITAL	16.1% 10.5% TOTAL CAPITAL	4.6% 3.0% BASEL III LEVERAGE RATIO
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Key Performance Indicators

Return on Common Equity

2018	10.0%
2017	8.8%
2016	7.9%
2015	8.7%
2014	8.6%

Efficiency Ratio

2018	57.8%
2017	56.3%
2016	48.9%
2015	59.7%
2014	55.4%

Return on Average Assets

2018	0.5%
2017	0.4%
2016	0.3%
2015	0.3%
2014	0.4%

Investment Grade Credit Ratings (DBRS) – Stable Trend

A(Low) LONG-TERM ISSUER RATING/ LONG-TERM SENIOR DEBT	R-1(Low) SHORT-TERM ISSUER RATING/SHORT-TERM INSTRUMENTS	DBRS RATINGS CONFIRMED OCTOBER 11, 2018
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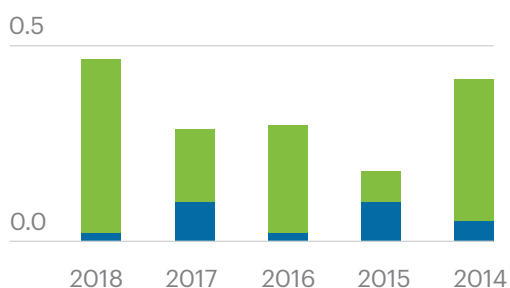
Gross Impaired Loans and Write-offs as a % of Gross Loans

0.33%

Gross Impaired Loans
5 year average as % of gross loans

0.06%

Write-offs



Funding Sources

	2018	2017
Broker Term	37%	28%
Broker Demand	1%	2%
Direct Term	8%	7%
Direct Demand	5%	6%
Capital Markets Term	5%	5%
Securitization	44%	52%



Leadership & Governance

Concentra is a federally regulated financial institution.

The Boards of Concentra Bank and its wholly owned subsidiary Concentra Trust uphold high standards of corporate governance that reflect applicable legal and regulatory requirements as well as best practice. Concentra's dedication to credit union success guides the Board's oversight, its relationship with management and its accountability to shareholders.

Regulatory environment

The primary piece of legislation that governs Canadian banks is the *Bank Act*. Prudential regulation of Canadian banks is overseen by the Office of the Superintendent of Financial Institutions (OSFI), which supervises banks and develops legislation and guidelines. Consumer protection is overseen by the Financial Consumer Agency of Canada. Banks must also comply with privacy legislation imposed by the Office of the Privacy Commissioner of Canada.

Concentra's Board of Directors adheres to Concentra's bylaws, the OSFI Corporate Governance Guideline,

the *Bank Act* and the *Affiliated Persons (Banks) Regulations*, and where appropriate, recommendations of the Canadian Coalition for Good Governance and the Canadian Securities Administrators' published requirements for corporate governance.

Board of Directors

The Boards of Directors of Concentra Bank and its wholly owned subsidiary, Concentra Trust, provide direction and leadership to ensure sound corporate governance, an appropriate risk profile and Concentra's ability to achieve sustainable growth, generate profits, and create long-term value for stakeholders. The Boards embody a culture of continuous improvement and dedication to the co-operative system. They supervise the management and affairs of Concentra and provide prudent oversight of Concentra's resources and capacities.

Concentra Bank operates under the *Bank Act* with a 12-person Board, comprising a majority of independent directors, elected in accordance with the legislative, regulatory and bylaw framework of a Schedule I chartered bank.

Our Board of Directors and Executive Leadership Team are featured on our corporate website, concentra.ca.



Senior management and compensation

Don Coulter assumed the role of President and CEO on March 12, embarking on a robust 100-day plan encompassing stakeholder consultations, a deep dive into Concentra's business and culture, discussions on strategic direction, and realignment of the executive leadership team.

Senior management receives a base salary and cash incentives in recognition of their progress on key initiatives. Executive positions are not part of the organization's salary grade structure since there are few executives and their jobs vary in size. Management collects annual market data relative to each executive position, which is aligned to large credit unions and financial institutions. However, executive compensation is at the discretion of the Board.

Subsidiaries and partnerships

Concentra develops strategic relationships with credit unions and other organizations to grow our capacity and expertise. For instance, we have partnered with several financing companies, such as:

- Financeit, an innovative, point-of-sale financing partner to whom we have funded more than \$240 million in loans with since partnering in 2016.
- Borrowell, which provides unsecured personal loans and offers a free personal credit score. Concentra's partnership with this innovative consumer financing company enables us to provide financial solutions to Canadians, diversify our balance sheet and develop new revenue streams.
- League Savings and Mortgage (LSM), Atlantic Canada's credit-union-owned financial institution, is expanding its relationship with Concentra to deliver increased value to Atlantic credit unions. Our longstanding relationship with this federally regulated financial institution dates back to 2005. By expanding our relationship, we anticipate growing and expanding our offerings to LSM including larger syndication deals, premium-yield mortgages, consumer finance, new deposit channels and more.

Concentra Trust is a wholly owned subsidiary of Concentra Bank that provides tailored solutions for estate planning and administration, trusts and registered plans. Concentra Trust has deepened its commitment to partnerships by embedding an estate and trust specialist within partner credit unions—we have an existing relationship with Coastal Community Credit Union and in 2018 we partnered with FirstOntario Credit Union. The model offers a holistic estate and trust approach from the onset of estate planning dialogues through to the support and advice for executors, providing for the retention and consolidation of assets, insurance and banking opportunities for the credit union. The Estate and Trust Specialist is an expert who works in conjunction with wealth, retail, business banking and operations to provide comprehensive advice to members. We will be expanding these partnerships in 2019.

Our partnerships build on Concentra's expertise as a funder of alternative consumer assets, strengthen our consumer lending portfolio, and further develop enhanced investment options for credit unions.





Risk Management

Concentra's Chief Risk Officer (CRO) is accountable for the enterprise risk management governance framework, including regulatory compliance, and related corporate policies, management guidelines, internal controls and processes.

The CRO establishes appropriate risk governance, oversight and controls for Concentra through a formal risk management committee structure, which ensures risks are understood, identified, measured, monitored,

mitigated, managed, and reported. The CRO is accountable for establishing and ensuring there is a documented, structured, disciplined process for decision-making necessary to achieve Concentra's strategic and financial objectives. Concentra's CRO reports functionally to the Board of Directors, through the Risk Committee, and directly to the President and Chief Executive Officer.

Under the leadership of the CRO, the Risk Management Group, as a second line of defence, is an independent and enterprise-wide function that is accountable for oversight and effective challenge of all significant and material risks faced by Concentra. The Risk Management Group reinforces an enterprise-wide risk culture; establishes risk frameworks, risk appetite and policies; sets standards that address significant risks across Concentra; provides independent oversight as to the effectiveness of Concentra's risk and compliance processes; and reports on the enterprise risk profile, and mitigating strategies, independently of business segments.

Concentra's approach is designed to ensure we only take as much risk as is warranted by our business model, strategies and policies, and that risk levels and types are transparent throughout the organization. Business-line managers closest to the customer are risk takers, while the Risk Management Group provides independent oversight, effective challenge and controls. We leverage strong talent on the front line, in corporate functions, and in internal audit to ensure effective risk management.

Concentra's risk appetite encompasses our capacity for risk, which enables us to balance our risk tolerance with return expectations. Our Risk Appetite Framework provides the basis for the development of risk management policies and processes that establish and monitor adherence to the approved risk appetite. This framework also establishes the requirement to align risk-taking with Concentra's vision, strategy, risk philosophy and risk capacity. Delegation of authority and adherence to risk tolerances in day-to-day operations provides the basis for understanding and managing Concentra's risk profile.

Concentra has a strong and streamlined Risk Management Committee structure, which includes: Executive Risk Management Committee (ERMC), Asset Liability Committee, Investment Management Committee, and Technology Risk Management Committee. The Executive Risk Management Committee reviews the bank's comprehensive assessment of current and emerging risks, individually and in aggregate, and promotes an integrated and effective risk culture. The other aforementioned committees report/escalate to the ERMC.

The Risk Management Group is active in identifying, reporting and ensuring the mitigation of material risks with respect to:

- Credit and Counterparty Risk
- Market Risk (non-trading)
- Liquidity and Funding Risk
- Model Risk
- Operational Risk
- Business Risk
- Legal and Regulatory Risk
- Reputation Risk

In 2018 Concentra's Risk Management Group was significantly strengthened with the expertise and leadership of the current CRO, along with the hiring of subject matter experts within the Risk Management team.

Concentra is committed to continuing to strengthen the depth and breadth of the Risk Management Group in 2019 to ensure prudent measures underline all of the organization's financial goals and endeavours.



Business Review

Operating context

The Canadian financial landscape has been changing rapidly in recent decades, as the industry adjusts to disruption caused by new competitors entering the market, regulatory pressures, trade wars, tariffs and continually evolving technology that has shifted consumer expectations.

Changes in market conditions and regulatory environments have had a significant impact on our operations, creating both challenges and opportunities for Concentra. We're addressing these challenges and building the capability to sustain and advance our business by diversifying our revenue sources, managing portfolio risk exposures and exploring technology partnerships.

A significant focus of our business is to help credit unions be successful. We believe our strategic direction will further strengthen the Canadian credit union system and deepen our relationships with our credit union partners and clients.

Report on key initiatives

CENTRE OF EXCELLENCE

To reach our goals we will need coordinated excellence in execution, which is why in 2018 we assembled the Centre of Excellence (CoE), a cross-functional team that will help us execute our corporate plan and position us to achieve our 10-year vision. The CoE will concurrently manage three horizons of growth: 1) extend current core business, 2) build momentum of emerging new business, and 3) create options for future business.

ENTERPRISE DATA WAREHOUSE

Concentra is seeking to develop reusable data quality, standards, systems and controls to support our residential mortgage and consumer lending. In 2018, the enterprise data warehouse project delivered dashboards for both business lines, connectivity from our network to the cloud, and an industry-leading financial services reference data model.

COMPLIANCE WITH IFRS9

As a Schedule I bank, Concentra must comply with International Financial Reporting Standards as a requirement of the *Bank Act*. The adoption of IFRS 9, which became effective for the bank January 1, 2018, was a significant undertaking as we transitioned to an expected credit loss model.

OSFI B-20 REGULATION

A new mortgage regulation that came into effect on January 1, 2018 has caused a slowdown in insured residential mortgage volumes and a divergence in major centres away from single-family homes and toward condominiums. Concentra is responding to increased competition for

mortgage volumes in two ways: 1) by diversifying origination sources to reduce our reliance on existing origination and servicing partners, and 2) by adapting our business to expand our Alt-A mortgage portfolio (mortgages with a risk profile falling between prime and subprime).

FLOATING RATE NOTE

In November 2018, Concentra Bank announced the closing of an offering of \$150 million floating rate deposit notes due 2020 in the debt capital markets. The issuance of the Notes is consistent with our strategy to diversify our funding sources and enable growth. This transaction highlights our commitment to strengthen the franchise and deliver greater value to our employees, owners and customers.

SYSTEMS AND TECHNOLOGY

In 2018, Concentra implemented a new commercial loan platform as well as a robust system that meets the needs of our personal and corporate trust business. We are seeking to enhance the user experience, improve business intelligence and create seamless integration with other platforms.

Concentra's digital transformation will focus on maturing our business intelligence capabilities; improving internal performance, efficiency and collaboration; and establishing a digital banking foundation for customer growth.

FINTech CONSUMER FINANCE PARTNERSHIPS

Concentra continues to invest in and broaden existing relationships with financial technology (fintech) companies. Concentra has built a strong platform with key origination channels across various asset classes. A key success with an existing fintech partner in 2018 included support for funding a major big-box retailer program.

COMMERCIAL LOAN SYNDICATION

Credit unions needing to manage both exposures to their current members and their excess liquidity can do so through syndication opportunities sourced by Concentra. As a testament to the success of these relationships, Concentra administers more than \$1 billion in commercial assets on behalf of our credit union partners.

COMMERCIAL LEASING

Commercial leasing continues to build the market capabilities required to achieve the long-term strategy and business plan results. Management is working towards the introduction of targeted vendor programs and the expansion of credit union referrals.





Our Employees

The key to any organization's success is its people. We do our best to take good care of our employees and are continuously striving to improve our policies and culture so employees feel engaged and have a positive experience at Concentra.

Diversity and inclusion

We are, each of us, unique. We each bring to work our own culture, perspective, experiences and thought processes. Our diversity mirrors that of our customers across Canada and informs our business decisions. We believe diversity makes us stronger and so we foster a diverse and inclusive workplace. Diversity means hiring a mix of people of varying ethnicity, gender, age, national origin, disability, sexual orientation, education and religion. Inclusion is about making everyone we hired feel welcome and valued.

In 2018 we issued a diversity and inclusion policy. We support diversity and inclusion by identifying and removing barriers in our processes, policies, practices and services that might adversely affect employees. We offer respectful workplace and bias awareness training, support National Indigenous Peoples Day, and foster opportunities for employees to offer a range of perspectives on projects and programs. We also support a corporate culture in which all employees are treated with dignity, respect and fairness.

People strategy and change management

Concentra's people strategy underpins and is aligned with our corporate strategy. In August 2018 the Board approved a revised people strategy to support our changing business model. Our people office, strategy and communications teams are working together on an ongoing change management plan to support employees as we shift our culture and business model to become more agile. Elements of the revised strategy include a deeper focus on succession planning, brand awareness and career pathing. We also undertook a comprehensive review of compensation, spans and layers, and titles to ensure alignment with the marketplace.

Leadership principles

Expanding the Executive Leadership Team and revising our business model in 2018 gave rise to the creation of six leadership principles: One Team, Customer-Obsessed, Agile, Inspiring, Bold and Accountable. These leadership principles are more than just words: they will guide us in how we conduct ourselves going forward and will be embedded in our culture. Moreover, they do not only apply to leaders but to all employees, and those employees who best exemplify our leadership principles will have the best chance of becoming leaders themselves one day.

Employee engagement and culture

Concentra is proud to have a strong corporate culture, as evidenced through our annual Employee Engagement survey. The survey measures both Engagement—an employee's commitment to the company—and Enablement—whether job conditions support employees to perform at their full potential. In 2018, engagement was 84 per cent and enablement was 78 per cent.

We strive to foster strong employee engagement by: making sure people understand what is being asked of them and how their role relates to our vision and purpose; helping employees feel valued; coaching employees and giving them opportunities to learn, develop and advance their career; fostering multi-directional communication and seeking regular feedback; and making Concentra a fun and inspiring place to work.

Our capacity to address ad hoc employee feedback is strengthened by the Concentra Culture Committee. This group comprises a cross-section of employees and is mandated to bring forward concerns, discuss and propose solutions for systemic barriers, and celebrate achievements.

Talent development

With 305 employees across Canada, Concentra wants to be an employer of choice, attracting and retaining the best and brightest minds. We aim to provide solid learning and development opportunities for every employee, to meet their needs as life-long learners. We also want to ensure our leadership pipeline is well-supplied with talent from within.

Our employee training offering includes individual and targeted group training, “In a Nut Shell” presentations, and Leadership on the Line program. During 2018, we extended Leadership on the Line training and development to additional leaders across the company. This training has strengthened their skills, improved their capacity as managers and helped Concentra to create a culture of continuous improvement and self-development.

We are planning the creation of a training portal, Indepth Leadership Training, and MBA/Ivey Concentra Cohort. We’re presently developing new learning opportunities through LinkedIn Learning.

Total rewards

Concentra is committed to rewarding employees fairly and equitably, relative to each other and the external market in which we compete for talent. Our best-practice approach to total rewards includes a balanced view of all aspects that make a work environment appealing to new or existing employees. We focus not only on monetary components such as base pay and incentive compensation, but also on less tangible, but still critical, aspects such as work environment, opportunities for personal growth, benefits, paid time off, and community involvement. The four pillars that make up our total rewards strategy are Compensation, Benefits, Personal Growth, and Culture. We believe all these components create a work environment that attracts, retains, motivates, engages and develops the workforce.

Best Managed Companies Award

CONCENTRA HAS EARNED PLATINUM STATUS AS ONE OF CANADA’S BEST MANAGED COMPANIES.





Giving back to the community

Concentra's Corporate Social Responsibility (CSR) program focuses on three pillars of community impact investing: Credit Union Community, Co-operative Community and Local Community. We're proud to embrace the co-operative principle of concern for community and we involve our employees in the program.

Empowering Your Community

Our flagship CSR program—Empowering Your Community—enables Concentra to invest in community projects across Canada that are supported by local credit unions. In 2018, we selected two credit union projects—Hospice House in British Columbia and Dawn House Community Kitchen Co-operative in Ontario—to receive \$25,000 and another 17 projects to receive \$10,000. Since 2011, Concentra has awarded \$1.4 million through 113 grants, funding projects in more than 96 communities nationwide.

Hospice House

Powell River Hospice Society's (PRHS) trained volunteers provide social, emotional and spiritual support for people with a life-limiting illness. Since Powell River does not have a hospice, this work is often done in institutional settings like the hospital and long-term care facilities. Many people do not have the necessary support to die at home and for them, a hospice offers a home-like environment and quality care.

In May 2016 PRHS received a \$400,000 grant to construct a four-bedroom Hospice House, with the understanding that PRHS would raise the remaining funds. The estimated \$3 million construction cost is a significant amount to raise in a small community, and Concentra was happy to contribute \$25,000 toward this much-needed facility.

Employee Volunteer Program

We give all our full-time employees three paid days each year to support credit union, co-operative, not-for-profit and charitable organizations. In 2018, 43 Concentra employees volunteered more than 340 hours, or 46 days of service. Volunteers in 2018 supported many charities, including Ronald McDonald House, Learning Disabilities Association of Saskatchewan, and REACH Regina.

United Way Day of Caring

The Learning Disabilities Association of Saskatchewan (LDAS) promotes education, employment, wellness and human rights for people with learning disabilities. The organization requested assistance to make the outside of their building more welcoming to clients. On June 19, 2018, Concentra employees volunteered their efforts to improve the outside of the building by pulling weeds, potting plants for the entrance, levelling the building parking lot, and removing rocks from the lawn for a safer recreational area for LDAS clients.





Business Outlook

Evolving technology and new entrants to the financial market are shaking up Canadians' expectations of banking. In response, Concentra is embarking on a bold 10-year plan to exceed those expectations. In time, we plan to anticipate and even set industry trends by *Creating the future of banking, to enable your success*—the new purpose to which we are firmly committed.

We won't get there overnight but we've already started on our bold new journey. We're expanding our customer focus to include business owners and individual Canadians, and implementing a direct-to-market strategy alongside our indirect business model.



Concentra Trust will continue to be an important strategic asset for Concentra Bank, and we'll bolster our expertise and capabilities to deliver comprehensive wealth management offerings in support of our direct-to-market strategy.

Our 10-year plan is to be Canada's digitally savvy leading diversified mid-market bank, the leading bank in the country for entrepreneurs and mid-market businesses, the preeminent consumer finance bank in the country, and the leading wholesale finance provider to Canada's credit unions. We're ambitious, and we take our ambition seriously.

As a mid-market bank, we'll offer a full suite of banking services and treasury offerings. We plan to engage in business that is largely complementary to the credit union system, particularly in specialized areas. We'll continue to be a reliable partner for credit unions by bringing them access to new markets, innovative products and digital banking. We're already engaging with current and potential partners who want to work with Concentra as an intermediary to access Canadian credit union members.

We will enhance the digital capabilities of our business, exploring the digital space as a way to increase the value we deliver to our employees, customers and shareholders.

We're proud of our past and excited about our future. We have a new sense of energy and momentum, springing from our new strategy and the opportunity for us to accomplish purpose-driven work.

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