



**2021 ANNUAL
REPORT**

The background of the image shows a vast, open field of tall grass under a dramatic sky filled with dark, heavy clouds. In the distance, a line of trees stands along the horizon. A simple barbed-wire fence runs across the middle ground, with a single wooden post visible in the foreground. The lighting suggests it's either sunrise or sunset, casting a warm glow on the grass and the sky.

Some Choices Matter.

You are an owner of Lakeland Credit Union. When you opened your membership and purchased your first common shares, you became a shareholder. You made a choice to bank somewhere that makes an investment in your community; that makes an investment in you.

Because what you do with your money, matters.

Banks, like all businesses, channel their profits to their shareholders. We do the same. The difference with Lakeland Credit Union is that you are the shareholder. A small difference with massive impact.

Lakeland Credit Union is part of your community. We know that local matters. That local is where we live, work and play. It is the place of our friends and family. It's the place of our perogies, pump jacks and fighter jets.

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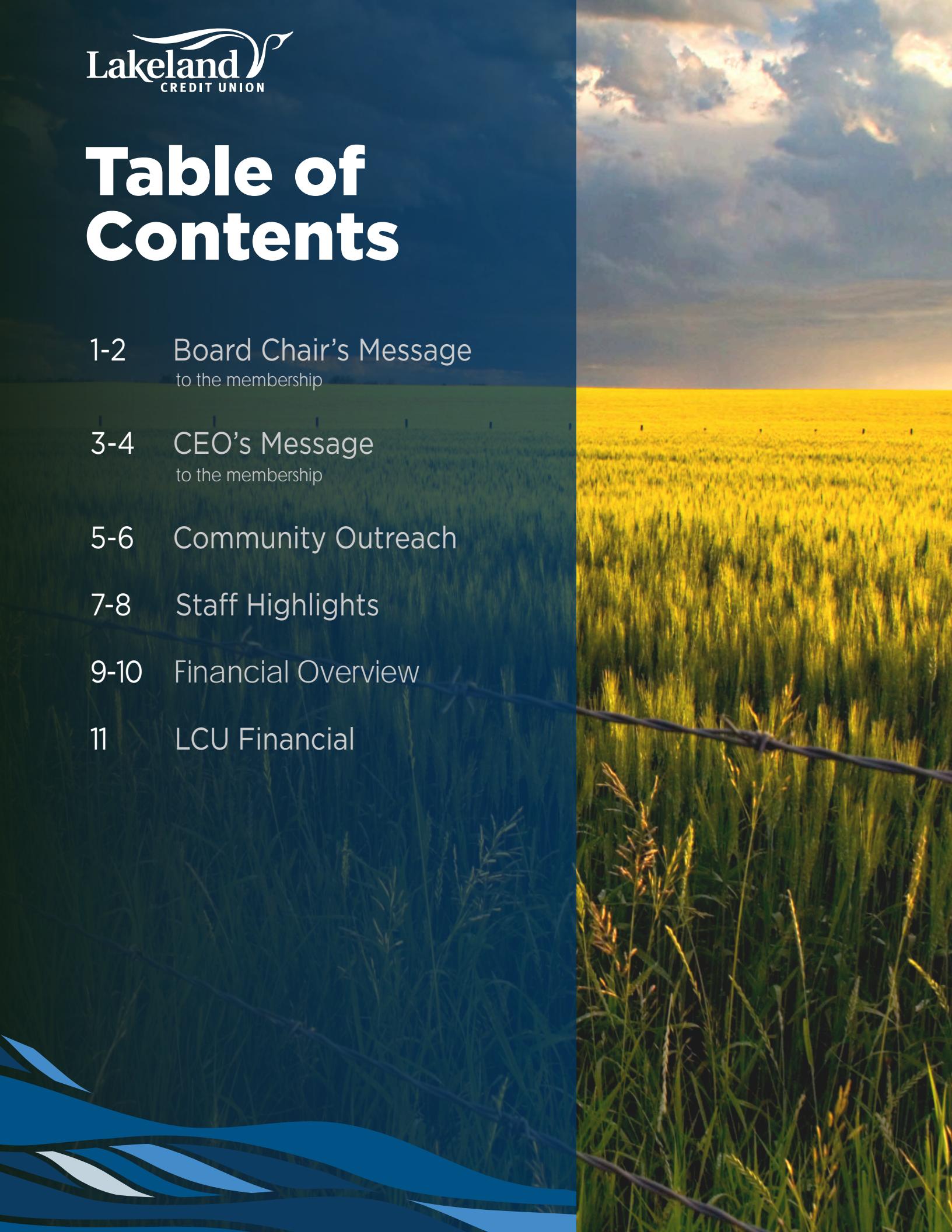
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BOARD CHAIR'S MESSAGE TO THE MEMBERSHIP



Judy Cabay

Board Chair

In any given year, to thrive as an individual or business in Northern Alberta you must be able to adapt; to the weather, to the booms and busts and to the questionable road conditions. But in 2021, Albertans also needed to adapt to an ever-changing economic climate and regulations within our province, country and the world. Resiliency was key. Lakeland Credit Union was able to utilize our 80 years of experience in navigating constantly evolving environments by applying fresh perspectives and good old fashioned hard work. We continue to be not just a financial institution with a focus on our members, but a community leader in the Lakeland.

Early 2021 brought us a leadership change, welcoming John Peters as our CEO and Kelly McGiffin shifting to an advisory position as President. This change brought with it a renewed confidence for the future as John continues to build upon our strong foundations, focusing on the strategic growth and success of the Lakeland Credit Union membership.

A digital transformation was also experienced by our membership with the launch of our more modern and user-friendly website, online banking and mobile app. This upgrade brought with it additional digital enhancements, such as app personalization, advanced security customization settings and alerts, as well as additional banking features not previously available.

Lakeland Credit Union not only encourages resiliency within our own organization, we also support individuals and other organizations as they navigate through these challenging times. To acknowledge the dedication that the graduating class of 2021 had shown by pursuing post-secondary education during a pandemic, our Board of Director's proudly made the decision to award \$17,000 in scholarships to local students.

We are pleased to invest in these students' bright futures and are impressed by the tenacity and resilience they've shown.

Our commitment to supporting our communities is one of the reasons we were so honoured to be nominated for the Bonnyville and District Chamber of Commerce's 2021 'Resiliency Runs Deep' awards in 3 categories; Adaptation, Leadership and Give Back. We were thrilled to be the recipient of the Give Back Award. This award was given in recognition of our continuous support of economic and social growth through our more than \$100,000 in annual donations and sponsorships, over 2,000 staff volunteer hours and our continued dedication to encouraging financial literacy in the Lakeland, as well as the monumental donation to the local food banks to provide support to those in the community who utilize these services.

On behalf of the Board of Directors I would like to recognize Charmaine Code for her 8 years as a member of our Board of Directors, including her last 6 years as Board Chair.

Finally, I would like to thank our Board of Directors, our employees and you, our members, for your own personal resilience as we navigated the numerous changes and regulations of 2021. It was certainly not a year without challenges, but through working together and supporting each other as a community, we will continue to succeed in 2022!

Respectfully,

A handwritten signature in black ink that reads "Judy Cabay".

Judy Cabay, Board Chair

RAPPORT DE LA PRÉSIDENTE DU CONSEIL AUX MEMBRES

Pour prospérer d'année en année dans le nord de l'Alberta, un individu, tout comme une entreprise, doit être capable de s'adapter aux conditions météorologiques, aux booms, aux récessions régionales et même aux conditions routières imprévisibles. Mais en 2021, les Albertaines et les Albertains durent s'adapter également à un climat économique soumis aux réglementations provinciales, nationales et mondiales en constante évolution. La résilience était la clé. La Caisse Lakeland Credit Union a mis à profit ses 80 années d'expérience à naviguer dans des environnements en constante évolution, à mettre en application de nouvelles perspectives et surtout, par le même esprit de travail acharné des pionniers qui ont bâti non seulement une institution financière axée sur les membres, mais un leader communautaire dans le Lakeland.

L'année 2021 a commencé avec un changement de direction : Mr. John Peters est devenu PDG alors que Mr. McGiffin a été muté à un poste consultatif au Président. Ce changement a renouvelé la confiance en l'avenir. Mr. John continue de bâtir sur les bases solides de la croissance stratégique et du succès des membres de la Caisse Lakeland Credit Union.

Avec le lancement de notre site Web, de nos services bancaires en ligne et de notre application mobile plus moderne et plus conviviaux, nos membres ont vécu la transformation numérique. Une mise à jour a permis des améliorations supplémentaires, non disponibles avant, telles que la personnalisation des applications, les paramètres de personnalisation de sécurité avancés et des alertes, ainsi que d'autres fonctionnalités bancaires supplémentaires.

La Caisse Lakeland Credit Union encourage la résilience non seulement au sein de son organisation interne, mais elle aide également les individus et les organisations à traverser les temps difficiles. Pour reconnaître la ténacité et la résilience dont ont fait preuve tous les gradués de 2021 en poursuivant leurs études post-secondaires pendant la pandémie, notre conseil d'administration était heureux d'investir dans leur avenir qui s'annonce brillant, en attribuant \$17,000 en bourses aux étudiantes et étudiants locaux.

Notre engagement au soutien de nos communautés nous a valu l'honneur d'être nommé pour les prix 'Resiliency Runs Deep 2021' de la Chambre de Commerce de Bonnyville et district, dans 3 catégories: Adaptation, Leadership et Give Back Award. Nous sommes ravis d'être récipiendaire du prix "Give Back Award", en reconnaissance de notre soutien annuel à la croissance économique et sociale, grâce à plus de \$100,000 en dons et commandites, à plus de 2,000 heures de bénévolat de la part de notre personnel, et à notre dévouement à encourager la littéralité financière dans le Lakeland, ainsi qu'un don monumental aux banques alimentaires locales afin d'apporter un soutien aux personnes de la communauté qui utilisent ces services.

Au nom du conseil d'administration, je tiens à remercier Mme Charmaine Code pour ses 8 années en tant que membre de notre conseil d'administration, y compris ses 6 dernières années en tant que Présidente du Conseil.

Enfin, je tiens à remercier notre conseil d'administration, nos employés et vous, nos membres, pour votre résilience personnelle à travers les nombreux changements et réglementations de l'an 2021. Ce ne fut certainement pas une année sans défis, mais c'est en travaillant ensemble et en nous soutenant mutuellement en tant que communauté, que nous continuerons de prospérer en 2022!

Respectueusement,



Judy Cabay, Présidente du Conseil

CEO'S MESSAGE TO THE MEMBERSHIP



John Peters
Chief Executive Officer

The continuation of the COVID-19 pandemic and downturn in our regional economy (oil & gas) have lingered longer than many expected, adversely impacting the financial situation for many of our members, and in turn, resulting in a reduction to our loan volumes in 2021. However, I sense a growing optimism which makes me hopeful for improved economic conditions, and I note that the rate of decline in total loans reduced and held level in the final quarter of the fiscal year.

We have worked diligently to support members during these challenging times, including the restructuring of loans, administering government assistance programs, and providing donations and sponsorships throughout the Lakeland.

To counter the extended downturn, we focused on cost control, and as important, we commenced a process to increase our relevance in terms of heightened competitive offerings and enhanced service levels. For 2022, we look to expand on 80 years of success and continue that forward momentum.

We are working hard to make Lakeland Credit Union increasingly relevant to our member's financial strength and well-being; to serve you faster and make your banking easier and more convenient. This includes investment at multiple levels:

- organizational enhancements and internal process improvements
- technology - hardware and software to drive operational efficiencies and enhanced security
- focused and purposeful skill training for staff
- the onboarding of talent for required skillsets

Change is a constant to all business, and Lakeland Credit Union is no exception. Our rate of change is accelerating, making our credit union's capacity to adapt and grow ever more critical. In addition to

COVID-19 and current economic conditions, the requirement to evolve is driven by longer term economic trends and rapidly advancing and more complex technology in the banking industry. Effective strategy development is therefore paramount, and we dedicated considerable time in 2021 on our strategic direction to optimize our member relevance in 2022, and the years beyond. We wholeheartedly believe that our holistic member relationship focus differentiates us to be the dominate financial services provider in the Lakeland!

I formally assumed the role of CEO effective March 1st, 2021. I wish to thank my colleagues for their tremendous hard work and commitment to Lakeland Credit Union, reflecting our credit union's remarkable history and the critical role we play in the financial well-being of our members.

My sincerest thanks to Kelly McGiffin in his role as President, for his ongoing excellent counsel and direct oversight of several key initiatives. Kelly's extensive executive experience in the credit union space is invaluable to our success going forward.

I have the utmost respect and gratitude for our Board of Directors for their passion, dedication and hard work. They provide outstanding governance on behalf of the membership, and critical review of our strategies and overall performance. Our past Board Chair Charmaine Code provided leadership essential to our success over many years, and we wish her the very best in her recent retirement from Lakeland Credit Union.

My colleagues and I thank you, our members, for trusting Lakeland Credit Union with your banking needs. We are here for you, and we want to work with you to achieve your financial goals and make a difference.

Respectfully,

A handwritten signature in black ink, appearing to read "John Peters".

John Peters, CEO

RAPPORT DU PDG AUX MEMBRES

La poursuite de la pandémie de COVID-19 et le ralentissement de notre économie régionale (pétrole et gaz) ont duré plus longtemps que prévu, ce qui a eu un impact négatif sur la situation financière de bon nombre de nos membres, ce qui a entraîné une réduction du volume des prêts en 2021. Cependant, je sens un optimisme croissant qui me fait espérer une amélioration des conditions économiques, et je constate que la baisse du total des prêts s'est réduite et qu'elle s'est maintenue au niveau du dernier trimestre de l'exercice.

Nous avons travaillé avec diligence pour soutenir les membres ayant besoin d'aide pendant ces temps difficiles, y compris la restructuration des prêts, l'administration des programmes d'aide du gouvernement et l'octroi de dons et de parrainages dans tout le Lakeland.

Pour contrer le ralentissement prolongé, nous nous sommes concentrés sur le contrôle des coûts et, tout aussi important, nous avons lancé un processus visant à accroître notre pertinence en termes d'offres concurrentielles accrues et de niveaux de service améliorés. Pour 2022, nous cherchons à poursuivre sur la lancée de nos 80 années de succès.

Nous travaillons fort pour que la Caisse Lakeland Credit Union réponde adéquatement au progrès financier et au bien-être de nos membres; pour un service plus rapide et pour améliorer et faciliter les opérations bancaires. Cela comprend des investissements à plusieurs niveaux:

- améliorations organisationnelles et améliorations des processus internes
- technologie - matériel et logiciel pour améliorer l'efficacité opérationnelle et renforcer la sécurité
- une formation professionnelle ciblée et pratique pour le personnel
- l'intégration des talents là où les compétences ont été identifiées comme nécessaires

Le changement est une constante pour toutes les entreprises, et la Caisse Lakeland Credit Union ne fait pas exception. La capacité de notre coopérative de crédit à s'adapter et à se développer est de plus en plus critique. Le rythme de changement s'accélère. En plus de la COVID-19 et des conditions économiques actuelles, la nécessité d'évoluer est motivée par des tendances économiques à plus long terme; une technologie en évolution rapide et plus complexe dans le secteur bancaire; options

élargies des banques conventionnelles et l'entrée de nouveaux spécialistes dans l'industrie. L'élaboration d'une stratégie efficace étant donc primordiale, nous avons consacré considérablement de temps à notre orientation stratégique en 2021 afin d'optimiser la pertinence de nos membres en 2022 et au-delà. Nous croyons de tout cœur que notre approche holistique des relations avec les membres nous différenciera finalement en tant que fournisseur principal de services financiers dans le Lakeland!

J'ai officiellement assumé le rôle de PDG à compter du 1er mars 2021, et je tiens à remercier mes collègues pour leur travail acharné et leur engagement envers la Caisse Lakeland Credit Union, reflétant l'histoire remarquable de notre coopérative de crédit et le rôle essentiel que nous jouons dans le bien-être financier de nos membres.

Mes plus sincères remerciements à Mr. Kelly McGiffin dans son rôle de président, pour ses excellents conseils et sa supervision directe de plusieurs initiatives clés. La vaste expérience de direction de Kelly dans le domaine des coopératives de crédit est inestimable pour notre succès à l'avenir.

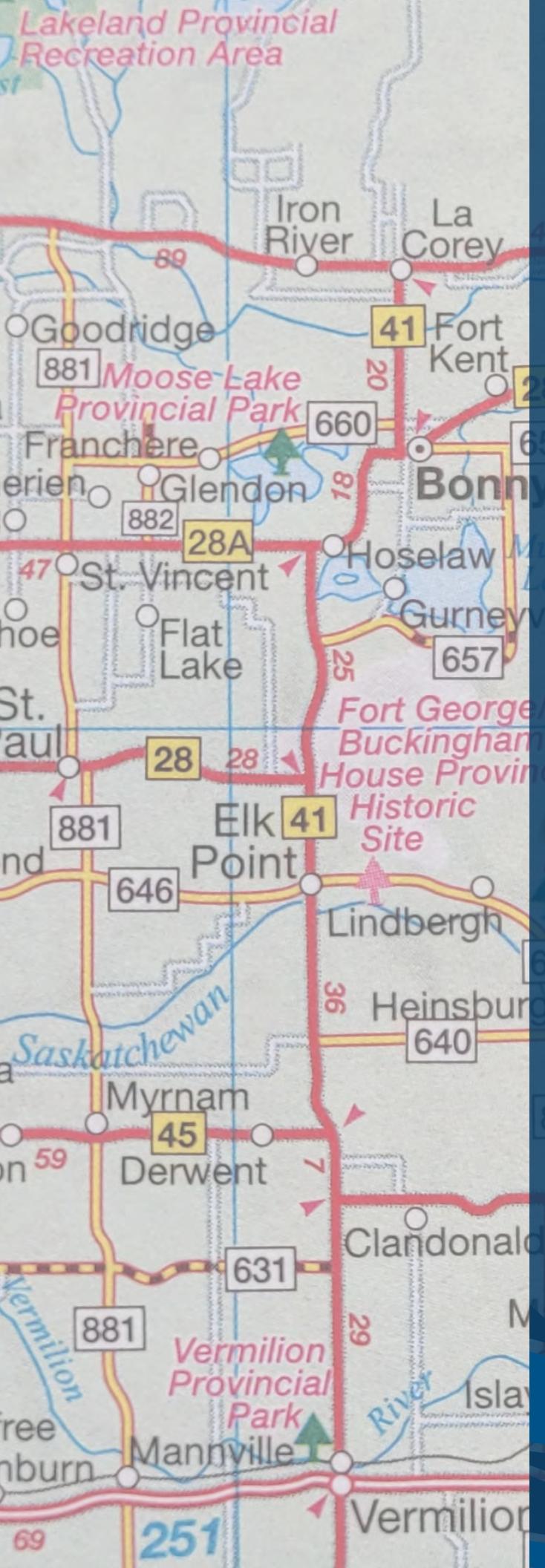
J'ai le plus grand respect et gratitude envers notre Conseil d'Administration pour leur passion, leur dévouement et leur travail acharné. Ils fournissent une excellente gouvernance au nom des membres et un examen critique de nos stratégies et de notre performance globale. Notre ancienne présidente du conseil, Mme Charmaine Code, a fourni un leadership essentiel à notre succès pendant de nombreuses années, et nous lui souhaitons le meilleur dans sa récente retraite de Lakeland Credit Union.

Mes collègues et moi vous remercions, nos membres, de faire confiance à Lakeland Credit Union pour vos besoins bancaires. Nous sommes là pour vous et nous voulons travailler avec vous pour atteindre vos objectifs financiers et faire une différence.

Respectueusement,



John Peters, PDG



COMMUNITY



Because Some
Choices Matter.

OUTREACH

Staff Volunteer Hours:

2,092

Scholarships Awarded:

\$17,000

Given to 17 deserving
students in the Lakeland

Staff Grants:

12 staff members took advantage of the
LCU Staff Volunteer Grants. \$6,000 was awarded
to the non-profit organizations they have
shown dedication to

Community Investment:

\$104,562

With \$63,959 in donations and sponsorships
to 45 different events and organizations

Profit Sharing:

\$1.16 Million

Shared with members in 2021 and more than
\$46.8 million since 1995

Service charge rebates for
local non-profit and community
organizations:

\$23,603

Care Wear Donations:

\$8,093

Distributed to 6 different
local non-profit organizations



LAKELAND PEOPLE

Executives



Kelly McGiffin, C.Dir, CHRM
President



John Peters
Chief Executive Officer



Shirley Mayowski, FCUIC, CCE
VP, Finance & Risk



Ronda Morin, CCE
VP, Member Experience



Wendy Morrison, GPC.D
VP, Culture & Governance



Todd Phillips
VP, Credit Risk Management



Karen Dows, CLLSGB
AVP, Innovation and
Member Solutions



Krista Kardash, CFP®, CLU, FCSI
AVP, Member Relations



Judy Cabay
Board Chair



Salman Arabi
Vice Chair



Dean Dube
Director



Paulette Fersovitch
Director



Brian Fieger
Director



Marc Goulet
Director

Management

Melanie Bossence Manager, Brand Experience

Gail Cote, CAMLI-PA Manager, Compliance

Jason Cusack, PMP Manager, Information Systems

Kassandra Fransen, B.Comm Manager, Finance and Risk

Kimberley McRae Asst. Branch Manager, Cold Lake

Nikita Normand Asst. Branch Manager, Bonnyville

Sylvia Slowski, CPA, CA Controller

Susan Urichuk-Roth Branch Manager, Cold Lake

Noella Williams Branch Manager, Bonnyville



Brian Hamilton
Director



Kurt Richard
Director

Accreditations

Jason Cusack

Project Management Professional (PMP)

Crystal Ducharme

National Collector Certificate

David Johnson

Microsoft Certified Systems Associate

Tyler Sylvestre

Fellow of the Credit Union Institute of Canada
(FCUIC) - General Business Studies Program

Ashley Whelen

Administrative Professional Certificate

Years of Service

(Celebrated during 2021)

35 Years

Noella Williams

10 Years

Noella Cameron

Krista Kardash

25 Years

Karen Dows

20 Years

Darlene Larocque

5 Years

Crystal Ducharme

David Johnson

Stacy Johnson

FINANCIAL OVERVIEW

Financial Summary 2021

In 2021, the economy continued to feel the effects of COVID-19 with the impacts starting to fade in the second half. As the Alberta economy reopened in the summer, activity and confidence in the Bonnyville and Cold Lake area improved and there were signs of recovery in services, like restaurant sales and hotel occupancy rates. Higher energy prices boosted oil activity.

This pattern of activity was reflected at Lakeland Credit Union as we experienced a slow start in growth at the beginning of our fiscal year as members continued to pay down their debt. However, a dedicated mortgage strategy coupled with strong market activity reaped positive results with significant new loan generation in the second half of the year. Although the overall net result was a 5% decline in our loan portfolio, we are encouraged with results achieved by year end with similar momentum continuing.

Increasing excess liquidity has permitted Lakeland Credit Union to review strategies and take advantage of investment opportunities with higher yields than previously realized.

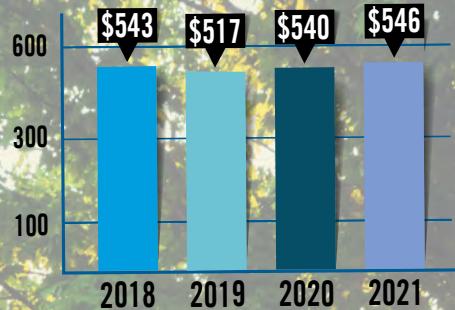
After achieving 4.5% in deposit growth last year, the increase in Lakeland Credit Union's deposit base has slowed to 1% this year, with term deposits continuing to migrate to demand deposits. Member uncertainty about long term rates and a system wide decrease have made short term products more attractive. Members continue to appreciate the flexibility and market leading rates offered in the Advantage Savings product introduced in 2020, reflected in increased growth by more than four times the prior year balance. Lakeland Credit Union also experienced the benefits of this transition with an overall decrease in deposit expenses.

Although the culminating result is continued strain on financial margin, our net income remained comparable to 2020. These positive results were again shared with our members through the Profit Sharing Program with all ratios maintained from the previous year and with a ½ per cent increase in the service charge rebate.

Loans • Millions (\$)



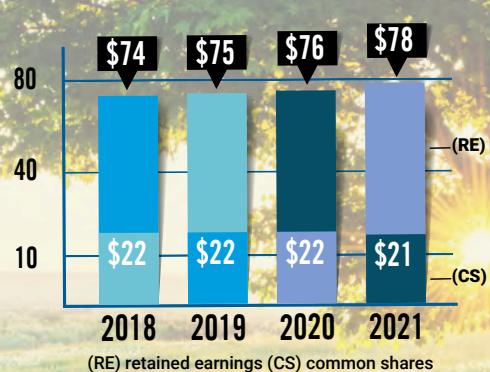
Deposits • Millions (\$)



Assets • Millions (\$)



Members Equity • Millions (\$)



Profitability • Millions (\$)



Profit Sharing • Millions (\$)



LCU FINANCIAL



Bobbi Read
Wealth Advisor
LCU Financial
Credential Asset Management Inc.



Caitlin Royston
Wealth Coordinator
LCU Financial



Tyler Sylvestre
Mutual Funds Investment
Specialist
Credential Asset Management Inc.

LET'S BUILD A PLAN TO HELP YOU LIVE LIFE CONFIDENTLY

LCU Financial is a wholly owned subsidiary of Lakeland Credit Union and offers expertise in all areas of financial planning for your continually evolving financial needs.

We recognize that the financial decisions you'll make during your lifetime may be challenging, unexpected, and at times, overwhelming. We are committed to partnering with you to help you achieve your unique life goals.

In partnership with Credential Asset Management Inc., LCU Financial offers comprehensive financial planning, insurance and investment strategies to over 700 clients. Our Wealth Advisors provide expertise and solutions throughout all stages of life.

Working with our Wealth Advisors will ensure that you are in control and empowered when it comes to your financial future.

Our Wealth Advisors are experts in:

- Holistic financial planning
- Risk Management and Insurance
- Investments
- Business and agricultural planning
- Estate and succession planning

Mutual funds are offered through Credential Asset Management Inc. LCU Financial Ltd. is a wholly owned subsidiary of Lakeland Credit Union Ltd., offering financial planning, life insurance and investments to our members and their communities. Trademark(s) of LCU Financial Ltd. are used under license by Lakeland Credit Union Ltd.



Credential®
Asset Management

Some Choices Matter

Profits from banking weren't meant to be sent up some tall tower to a head office to be ferreted out as select profit sharing and excessive bonuses.

Those profits need to stay here for everyone that contributed to their creation. So thank you for banking somewhere worthy. For banking where someone makes an investment in your community.

Because it matters.

Thanks for choosing to be part of something bigger, not just something big; for choosing to have an equal voice.

Thanks for choosing based on your values, your principles; for choosing democracy and cooperation.

**Thanks for choosing your community and
for choosing local.**

Thanks for choosing us.

Lakeland Credit Union

**Because Some
Choices Matter.**

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P: 780.826.3377

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