

# ANNUAL REPORT 2022

Because, what you do with your money, matters.

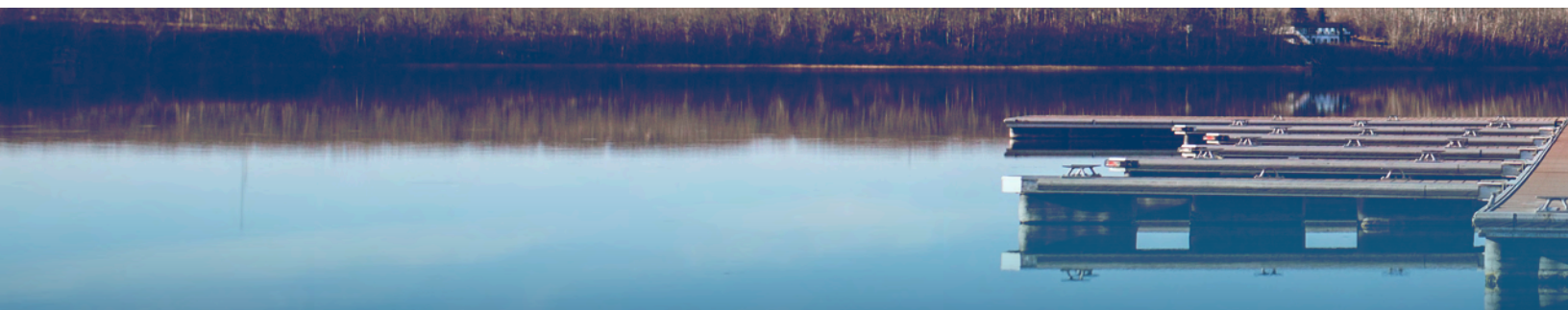


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**Salman Arabi**  
*Board Chair*

Lakeland Credit Union enjoyed a successful fiscal year ending October 31, 2022, including growth in our membership and markedly improved income.

Optimism prevailed early in 2022 for improved economic conditions over the prior years, moving on from the COVID-19 pandemic and a

multi-year downturn in the oil & gas industry. Hope was high for a reversal of a general decline in economic activity within our Lakeland communities, visible to our members in the form of a downturn in overall employment levels, business downsizing and some closures, and falling real estate values.

Improved economic fundamentals early in 2022 driven by higher oil prices, were tempered in the latter quarters with the onset of increasing inflation and higher interest rates. Notwithstanding, total membership growth along with a very significant improvement in financial income was achieved. This facilitated a significant expansion of our profit sharing and patronage programs, maintaining a long history of giving back to our members.

We also maintained our strong tradition of giving back to the community under our educational scholarship program, community donations and sponsorships, and the community support of our employees in volunteering at numerous organizations throughout the Lakeland. These numbers are included on page 6 of this report and reflect our strong corporate citizenship in the Lakeland communities.

I wish to thank my fellow Board Directors for their ongoing professional diligence in support of strong governance oversight of Lakeland Credit

Union. The board's work is important in representing the membership and ensuring our credit union delivers great service and value as a financially strong corporation.

I also applaud the efforts of our team of professionals for their genuine interest in our member's welfare and seeing that their banking needs are met in an exemplary manner every day. Our employees are the face of the credit union, and I salute them. They are key contributors to our success, and we thank them wholeheartedly.

On behalf of the Board of Directors, management, and staff, we extend our appreciation and gratitude to our members for trusting Lakeland Credit Union with their banking. You are our owners, and at the core of everything we do.

Lakeland Credit Union is very strong financially. It is, in fact, one of the best capitalized credit unions in the country, poised to build on our history of 80 plus years of delivering exceptional service to members in the Lakeland.

Respectfully,

**Salman Arabi, Board Chair**



# RAPPORT DE LA PRÉSIDENTE DU CONSEIL AUX MEMBRES

L'exercice financier de la Caisse "Lakeland Credit Union" se terminant le 31 octobre 2022, a été couronné de succès, grâce à la croissance du nombre de ses membres et à l'amélioration de ses revenus.

L'optimisme a prévalu au début de 2022 avec l'amélioration des conditions économiques, après la pandémie de COVID-19 et après le ralentissement de l'industrie pétrolière et gazière de plusieurs années. L'espoir était grand pour inverser le déclin général de l'activité économique au sein de nos communautés du Lakeland. Il est évident que la baisse globale des niveaux d'emploi, la réduction des effectifs, les fermetures et la baisse des valeurs immobilières ont des conséquences visibles pour nos membres.

L'amélioration de l'économie au début de 2022, tirée par la hausse des prix du pétrole, a cependant été tempérée au cours des derniers trimestres par le début de la croissance d'une inflation et des taux d'intérêt. Néanmoins, une croissance totale des adhésions ainsi qu'une amélioration très significative des revenus financiers ont été réalisées. Cela a facilité une expansion significative de nos programmes de partage des bénéfices et de mécénat, maintenant une longue tradition à transmettre à nos membres.

Nous avons également maintenu notre solide tradition de redonner à la communauté dans le cadre de notre programme de bourses d'études, de dons et de parrainages communautaires. Nos employés soutiennent leur communautaire en faisant du bénévolat dans de nombreuses organisations à travers le Lakeland. Ces chiffres sont inclus dans cette trousse et ils reflètent notre esprit d'entreprise dans les communautés de Lakeland.

Je tiens à remercier mes collègues du conseil d'administration pour leur diligence professionnelle constante à l'appui d'une surveillance solide de la gouvernance de la Caisse Lakeland Credit Union. Le travail du conseil d'administration est important pour représenter les membres et s'assurer que notre caisse populaire offre un excellent service et la valeur d'une société financièrement solide.

J'applaudis également les efforts de nos employés pour leur véritable intérêt pour le bien-être de nos membres et pour voir à ce que leurs besoins bancaires soient satisfaits de manière exemplaire chaque jour. Nos employés sont le visage de la caisse populaire et je les salue. Ils sont les principaux contributeurs de notre succès et nous les en remercions chaleureusement.

Au nom du conseil d'administration, de la direction et du personnel, nous exprimons notre appréciation et notre gratitude à nos membres pour avoir fait confiance à Lakeland Credit Union pour leurs opérations bancaires. Vous êtes nos propriétaires et au cœur de tout ce que nous faisons.

Avec respect,



**Salman Arabi, Président du Conseil**

# CEO'S MESSAGE TO THE MEMBERS



**John Peters**  
*Chief Executive Officer*

I am extremely proud of Lakeland Credit Union, of who we are and what we represent. I take pride every day seeing first-hand, our credit union's tremendous contribution to the financial well-being and wealth creation of our membership; the professional development of staff; and our financial and in-kind support to the communities we serve. So different than a bank!

An enhanced focus on our members and employees was a common theme to 2022. This was most evident in the following noteworthy initiatives:

- A continuation of residential mortgage interest rates lower than any competitor financial institution in the Lakeland, and the introduction of a revised risk based commercial loan pricing model to also provide interest rates lower than our competitors. This approach to providing loan and mortgage pricing is also superior to any other Alberta credit union! While we don't give out what amounts to an annual lottery prize to one lucky member, we provide superior pricing on day one and add to that annually with patronage. We may not offer a free set of earphones, or even an iPad, but our rate advantage is designed for our members to afford multiple iPads through the term of their mortgage!
- The introduction of our new Member Service Centre, designed initially to ensure our members' incoming calls get answered in a timely fashion by experienced staff. Yes, real people and not an automated service. Soon, the Centre will have staff available to chat with members outside of 'banking hours', on the phone or online!

- The creation of a Mobile Mortgage Specialist position to meet members outside of 'banking hours' and at a most convenient location! The first position was launched in Cold Lake and will be followed by a similar position in Bonnyville in 2023.
- Numerous improvements behind the scenes, streamlining processes to make banking easier for our members, and faster for our staff to deliver what our members need.

While we achieved much in 2022, there is more to be done in 2023 as we move our credit union to even greater heights, including the following:

- The introduction of dedicated small business relationship managers to provide a complete suite of business and personal banking services to our small business members.
- Several new banking products designed for greater banking convenience and choice!
- Online loan applications.
- And again, more behind the scenes development for speedier and higher quality member service!

In closing, I second our Chair's heart-felt thank you to our members' trust in permitting us to meet their banking needs, our employees for their never-ending hard work and commitment, and to our Board of Directors for their good counsel and oversight.

Respectfully,



**John Peters, Chief Executive Officer**

# RAPPORT AUX MEMBRES

Je suis extrêmement fier de la Caisse "Lakeland Credit Union", de ce que nous sommes et de ce que nous représentons. Je suis fier chaque jour de constater de visu l'énorme contribution de notre coopérative de crédit au bien-être financier et à la création de richesse de nos membres ; du perfectionnement professionnel du personnel; et de notre soutien financier et en nature aux communautés que nous desservons. Tellement différent d'une banque !

Une concentration accrue sur nos membres et sur nos employés était un thème commun en 2022. Cela fut particulièrement évident dans les initiatives remarquables suivantes :

- Le maintien du taux d'intérêt hypothécaires résidentiels inférieur à ceux de toute institution financière concurrente dans le Lakeland et l'introduction d'un modèle révisé de tarification des prêts commerciaux basé sur le risque afin d'offrir également des taux d'intérêt inférieurs à ceux de nos concurrents. Cette approche de la tarification des prêts et des hypothèques est également supérieure à toute autre coopérative de crédit de l'Alberta ! Bien que nous ne donnions pas ce qui équivaut à un prix de loterie annuel à un membre chanceux, nous offrons des prix supérieurs le premier jour et ajoutons à cela chaque année avec le parrainage. Nous n'offrons peut-être pas d'écouteurs gratuits, ni même d'iPad, mais notre avantage tarifaire est conçu pour que nos membres puissent s'offrir plusieurs iPads pendant la durée de leur prêt hypothécaire !
- L'introduction de notre nouveau Centre de Service aux membres, conçu initialement pour s'assurer que les appels entrants de nos membres reçoivent une réponse rapide par un personnel expérimenté. Oui, de vraies personnes et non un service automatisé. Bientôt, le Centre aura du personnel disponible pour discuter avec les membres en dehors des « heures d'ouverture des banques », par téléphone ou en ligne !

- La création d'un poste de spécialiste hypothécaire mobile pour rencontrer les membres en dehors des « heures d'ouverture des banques » et à l'endroit le plus pratique ! Le premier poste a été lancé à Cold Lake et sera suivi d'un poste similaire à Bonnyville en 2023.
- De nombreuses améliorations dans les coulisses, rationalisant les processus pour faciliter les opérations bancaires pour nos membres et permettre à notre personnel de répondre plus rapidement aux besoins de nos membres.
- Bien que nous ayons accompli beaucoup en 2022, il reste encore beaucoup à faire en 2023 alors que nous amenons notre coopérative de crédit vers des sommets encore plus élevés, notamment les suivants.
- L'introduction de gestionnaires des relations avec les petites entreprises dédiées à fournir une gamme complète de services bancaires aux entreprises et aux particuliers membres de petites entreprises.
- Plusieurs nouveaux produits conçus pour plus de commodité et de choix bancaires!
- Demandes de prêt en ligne.
- Et encore une fois, plus de développement en coulisses pour un service aux membres plus rapide et de meilleure qualité !

En terminant, j'appuie les sincères remerciements de notre président à la confiance de nos membres qui nous permet de répondre à leurs besoins bancaires, à nos employés pour leur travail acharné et leur engagement sans fin, et à notre conseil d'administration pour ses bons conseils et sa surveillance.

Avec respect,



**John Peters, Chef de la Direction**

# OUR PEOPLE

## Board of Directors



**Salman Arabi**  
*Board Chair*



**Judy Cabay**  
*Vice Chair*



**Brian Hamilton**  
*Director*



**Paulette Fersovitch**  
*Director*



**Kurt Richard**  
*Director*



**Dean Dube**  
*Director*



**Marc Goulet**  
*Director*



**Brian Fieger**  
*Director*



**Scott Cyr**  
*Director*

Because, some  
decisions matter.

## Executive Team

### **Kelly McGiffin**

*President*

### **John Peters**

*Chief Executive Officer*

### **Ronda Morin, CCE**

*VP, Member Experience*

### **James Olson, CCE, C.Dir.**

*VP, Culture and Governance*

### **Kevin Bos**

*Interim VP, Finance and Risk*

### **Karen Dows, CLLSGB**

*AVP, Innovation &  
Member Solutions*

### **Krista Kardash, CFP, CLU, FCSI**

*AVP, Member Relations*

### **Paul McWilliams**

*AVP, Member  
Experience Cold Lake*

### **Pauline De Leon, MBA**

*AVP, Member  
Experience Bonnyville*





## Management

### **Kami Cline**

*Associate Manager, People & Culture*

### **Kassandra Fransen**

*Manager, Finance and Risk*

### **Sylvia Slowski, CPA,CA**

*Controller*

### **Gail Cote, CAMLI-PA**

*Manager, Compliance & Privacy Officer*

### **Kimberley McRae**

*Personal Banking Manager  
Bonnyville*

### **Rob Stevenson**

*Manager, Credit Adjudication*

### **Jason Cusack, PMP**

*Manager  
Information System*

### **Nikita Normand**

*Manager, Service Centre*

### **Susan Urichuk-Roth**

*Personal Banking Manager  
Cold Lake*

## Years of Service

### **5 Years**

Beau Ferbey  
Maia Garcia

### **10 Years**

Ciedezha Bilar  
Bobbi Read

### **15 Years**

Nikita Normand

### **25 Years**

Huguette Coulombe  
Roxanne Lecours

## Accreditations

**Mutual Funds License – Tyler Sylvestre**

*Credential Asset Management Inc.*

**Financial Service Representative Accreditation – Ciedezha Bilar**



# COMMUNITY OUTREACH

**3,457**

**Staff  
Volunteer Hours**

**\$9,000**

**Scholarships  
Awarded**

**\$24,971**

**Community  
Investments**

Our staff are so much more than just trusted advisors: they are coaches and leaders, committee members, community volunteers, and truly dedicated to creating impact that ripples throughout the community.

**Staff Grants:**

We like to add an extra cherry on top of the volunteering that our employees do, and when they reach a volunteering milestone, we provide an organization of their choice with a \$500 grant, to do even more good in the communities we live, work and play in.

12 staff members took advantage of the LCU Staff Volunteer Grants. \$6,000 was rewarded to the non profit organization they dedicate their time to.

Scholarships, in the amount of \$1,000 each, are provided every year to students in the Lakeland who wish to pursue post-secondary education or an apprenticeship program. Eligible students who have shown commitment to their studies and the community, and have been accepted to an accredited post-secondary institution should apply.

**We've awarded \$169,000 in scholarships to local students since 2008!**

Donations and sponsorships were provided to 45 different events and organizations across the Lakeland last year.





**\$1.58  
Million**

**Profit  
Sharing**

**\$25,054**

**Service Charge Rebates**

**\$7,166**

**Our Care Wear  
Donations**

More than \$48.3 million has been shared with members since 1995.



We've given back tens of thousands of dollars to non-profit and community organizations through service charge rebates.



Lakeland Credit Union's Care Wear program was started by staff as a way of supporting important causes in the community. We're casual on Fridays because staff donate \$2 every week to wear jeans. The money is donated twice a year to local, non-profit organizations. Over \$125,000 has been given back to our communities since 2006.

**2022 recipients were:**

- KidSport Bonnyville
- Lakeland Gymnastics Club
- My LuvPak - Lakeland
- Bonnyville Friendship Centre
- Cold Lake Food Bank
- Haying in the 30's Cancer Support Society

Choose to be part of something bigger



# FINANCIAL OVERVIEW

## 2022 Financial Summary

The economic environment in 2022 was marked by higher interest rates, including a 3.5% jump in the Prime rate to 5.95% by fiscal year end, its highest level in 15 years.

A shift from chequing and savings accounts to term deposits was noted as members looked for higher rates in the face of high inflation. Overall member deposit balances increased by 6% in fiscal 2022, compared to 1% growth in the prior year. Deposits drove 5% growth in Total Assets to \$683 million.

Despite the general increase in interest rates, LCU was able to help our members achieve their housing goals by aiming to offer the lowest mortgage rates in the Lakeland. Our residential mortgage portfolio grew by \$8 million.

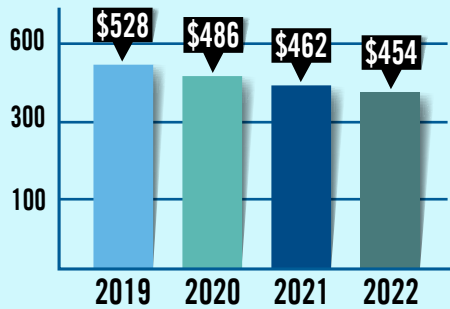
Commercial lending opportunities were limited in 2022 as higher oil prices did not immediately translate into a corresponding increase in commercial and industrial activity, resulting in a decline in this segment of our loan portfolio. While total loans declined by slightly less than 2% last year (compared to 5% decline in 2021), we're encouraged by the trend that loan volume grew over the last 8 months of the year.

Members Equity, consisting of member shares and retained earnings, is the fiscal foundation for the credit union - enabling us to weather the lean times and grow when opportunities are available. We continued to build upon our solid foundation in 2022, increasing Member Equity to \$102 million.

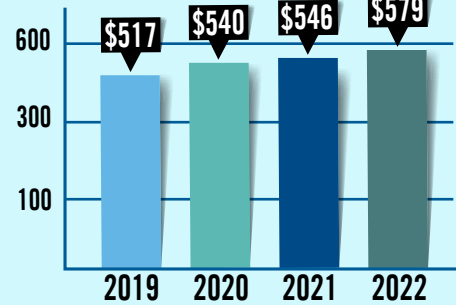
Strong expense management drove markedly lower operating expenses, and higher interest rates increased net interest margin over the last half of the year. Profitability increased by \$1.5 million compared to 2021, facilitating an increase in common share dividends and cash patronage for members, from \$1.16 million in 2021 to \$1.59 million in 2022.



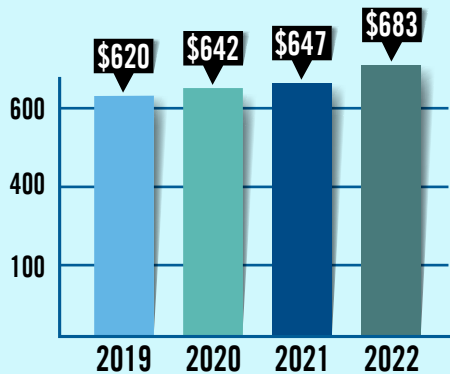
### Loans • Millions (\$)



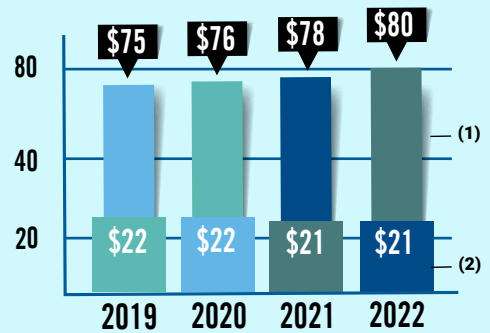
### Deposits • Millions (\$)



### Assets • Millions (\$)

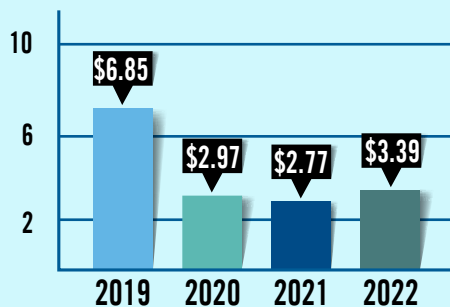


### Members Equity • Millions (\$)

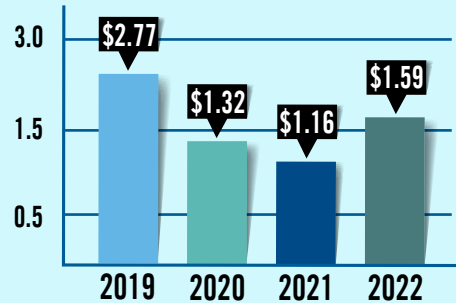


<sup>1</sup> Retained Earnings and <sup>2</sup> Common Shares

### Profitability • Millions (\$)



### Profit Sharing • Millions (\$)



# LCU FINANCIAL

Stress.

If we had to summarize how many Canadians felt about their finances in 2022 in just one word, that word would be 'stress'.

It is no secret that 2022 was an unnerving year for many Canadian families when it comes to financial health. With global stock and bond markets in decline, rising inflation and interest rates and economic uncertainty, Canadians reported concerns as to the soundness of their financial foundations and their ability to meet immediate financial obligations, let alone their long-term goals.

Successful financial planning is more than a series of transactions. Anyone can purchase an investment, but studies show that families who form a relationship with a financial planner accumulate more wealth, are better protected and are more prepared for retirement and unexpected events.

Above all, financial planning is a stress reliever. Canadians have reported money as their top stressor for eight years in a row, ranking higher than health, work and personal relationships<sup>1</sup>. In 2022, 44% of Canadians reported losing sleep over financial stress<sup>1</sup>. The good news? We can help.

LCU Financial's wealth management team can help you stress test your financial plan from all angles. From investment management and wealth protection to tax strategies and estate planning, our team will partner with you to create a plan to ensure you meet your financial goals. The plans we create build an unshakable foundation to safeguard financial health in good times and bad.

We would like to personally invite you to meet our LCU Financial team for a review of your current goals. Let us help release the pressure and start building for a bright tomorrow, today.

**Krista Kardash**

*Financial Planner  
Credential Asset Management Inc.*

**Bobbi Read**

*Wealth Advisor | LCU Financial  
Mutual Funds Investment Specialist  
Credential Asset Management Inc.*

**Caitlin Royston**

*Wealth Coordinator | LCU Financial  
Credential Asset Management Inc.*

**Kiarrah Fernandes**

*Wealth Coordinator | LCU Financial  
Credential Asset Management Inc.*

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**<sup>®</sup>  
Asset Management



# Because, some choices matter

Bank profits are sent to a head office in some tall tower to be ferreted out as dividends to shareholders and excessive executive bonuses, with no consideration for customers.

At Lakeland Credit Union, our customers are our members, and our profits stay here in the Lakeland for all who contributed to their creation. So, thank you for banking where significant investments get made in your community!

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.



Because, what you do  
with your money,  
matters.



## **BONNYVILLE**

5016-50 Avenue, P.O. Box 8057, Bonnyville, AB T9N 2J3  
P:780.836.3377

## **COLD LAKE**

5217-50 Avenue, P.O. Box 1110, Cold Lake, AB T9M 1P3  
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