



**LET'S GROW T OGETHER**



**CREDIT UNION**

NEWFOUNDLAND AND LABRADOR



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# PRESIDENT'S REPORT

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**I always get wonderful customer service when I go there to do business!**

- NLCU Owner

It is again my honour and privilege to report to you, our owners, on behalf of the Board of Directors, regarding the activities of our Credit Union. Our Board is deeply satisfied with the levels of growth we have continued to achieve in an economic world where financial margins are narrowing. The low interest rate environment has increased the demands on us to meet the service needs of owners while maintaining the necessary levels of profitability for expansion and growth.

As a Board of Directors, we commend the achievements and accomplishments of our management team in meeting these challenges head-on to ensure that our Credit Union continues to fulfill our vision to be the superior provider of the ideal financial service experience. We also must show our appreciation for the loyalty of our owners whose wide use of our full suite of services is the key to our continued growth.

## Governance

This year our Board of Directors had its full complement of meetings and completed the first year of our new Five-Year Strategic Plan. We are delighted with the results of the Owner Insight Strategy project with Dr. Jim Barnes, a project that has provided us with insights into the strengths of our organization and excellent strategies for continued future growth. We are satisfied that, as these plans materialize, continued healthy growth will be the result.

We are also delighted with the finalization and rollout of our Values Statement. The elements of this statement will be obvious to our owners at their many points of contact with the Credit Union – in our literature, in our electronic communications, in our branches. These elements not only describe what we believe, what we value and what we see as the essence of our relationship with you, but they also show evidence of how we strive to meet our owners' needs and help you achieve your financial aspirations.



**Michael W. Boland** President & Board Chairman

Our Board members continued to hone their skills through participation in Director training offered through CUSource, the educational division of the Canadian Credit Union System. They also participated in meetings of our central (Central 1) and of Credit Union Central of Canada.

The work of the Board has been made a lot easier by the continuous assistance of our corporate office team and support employees.

## **Committees**

Our committees continued to meet and to execute their functions admirably. Executive Committee met regularly to deal with the preparation of Board agendas and to carry out its lending function. Audit Committee met regularly with internal and external auditors, ensuring our compliance with the *Credit Union Act* and Regulations. Human Resources Committee met to review our Human Resources Policies and to recommend to the Board changes necessary to maintain our position as a preferred employer in the financial services sector. Governance Committee completed its schedule of policy reviews and presented timely recommendations of new policies and amendments to the Board of Directors. Scholarship Committee, a subcommittee of our Governance Committee, met to review the many impressive submissions we received for our annual scholarships, which were awarded as follows:



The 11th Annual Rod Benson Memorial Golf Tournament was held August 29, 2012, raising \$45,000 for provincial charities. Funds raised will support the great work of a variety of charities in this province, including Rainbow Riders Therapeutic Riding Association, the tournament's charity of choice.

- Brian F. McDonald Scholarship (in recognition of eligible children of Board members and employees) was won by Jason Penney of Carbonear Collegiate, the son of Craig Penney, Branch Manager, Owner Service, Carbonear;
- Outstanding School and Community Involvement Scholarship was won by Noelle Slaney of Jane Collins Academy, Gander;
- Outstanding School and Community Involvement Scholarship in Memory of Owen Grimes was won by Tyler Butt of Carbonear Collegiate.

On behalf of our owners, I thank all Committee members for their diligence and hard work this past year.

## Government Relations

This year, I, along with the Board chairpersons of all other Newfoundland and Labrador credit unions, attended a meeting called by the Credit Union Deposit Guarantee

Corporation (CUDGC). This meeting provided the opportunity for credit unions to identify and discuss common issues and trends in Newfoundland and Labrador's credit union system and for CUDGC to discuss issues affecting all credit unions. As well, this meeting provided the opportunity to hear from our new Minister of Service NL, The Honourable Nick McGrath.

We continue to have an excellent working relationship with CUDGC and with Service NL. This year, following our regular government examination, we held a joint Board-on-Board meeting with the directors of CUDGC. This meeting afforded us the opportunity not only to discuss our exemplary examination report but to broach topics regarding desired regulatory and legislative changes and to share issues and trends from both viewpoints.

## Recognition from the Business Community

We should also mention the various recognitions afforded us by the business community:

- Ranked #2 in Best Places to Work in Atlantic Canada by *Progress Magazine*, marking the 5th consecutive year we ranked on this list;
- Ranked #59 in the Top 101 Companies in Atlantic Canada by *Progress Magazine*, marking the 15th consecutive year we ranked on this list;

- Winner in two categories, Human Resources and Philanthropy/Community Outreach, of the Corporate Social Responsibility Awards presented by *Atlantic Business Magazine* in partnership with Dalhousie University;
- Mount Pearl Branch was the winner of the Mount Pearl Paradise Chamber of Commerce's Best in Business Customer Service of Excellence Award;
- One of 18 winners nationwide of Concentra Financial's "Empower Your Communities" funding valued at \$10,000 for our work with Enactus Memorial (formerly SIFE Memorial) and the Financial and Entrepreneurial Youth Initiative (FYI) Program.

These recognitions add to our level of confidence and are a confirmation from the business community of the best practices that we continue to achieve in our quest for excellence in the service of our owners.

## Branch Openings and Opportunities for Growth

We are pleased with the continued growth of our newest branch in Churchill Falls. Our hopes for the future of this branch are great, and we look forward to building deeper relationships within the community that will lead to financial success for the owners we serve and for our branch. We commend our service team in Churchill Falls, who in 2012 operated under the leadership of Branch Manager, Owner Service, Michelle Senior, and extend to them our best wishes for future success.

Last fall, we celebrated the grand opening of a new building in Clarendville, where we have maintained a dedicated presence for more than 14 years. This permanent structure is a testament to our commitment to the owners in the community and surrounding area and an expression of our confidence in its growth potential.

We have the same levels of confidence in, and commitment to, the Town of Conception Bay South, where we have commenced the construction of a new building. We anticipate this new building will be opened for business in the third quarter 2013.

Part of our opportunities for growth comes from our ability to innovate. We continue to be the only financial institution in Canada (outside Quebec) to be able to offer living and death benefits directly from our offices. This provides a higher level of service to our owners and helps us build a more complete service relationship with you.

The financial results I will leave to our CEO to report, but may I say that, as a Board, we are gratified that the levels of growth achieved and the successes

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**I have been with NLCU for over 20 years and I must say I have never been disappointed with the service. Thank you.**

- NLCU Owner

of our business plan are testimonials to the skill and dedication of our very competent and professional team. We congratulate our entire management group and our employees throughout the province.

### **Giving Back to Our Communities**

We congratulate our NLCU Charitable Foundation Corporation for its excellent work in 2012. Through its various fundraising events, the Foundation raised a total of \$103,800 and distributed these monies to 104 charitable causes. The success of the Foundation is a direct result of the generous inputs from our complement of personnel and donors. It marks a significant part of our Credit Union's efforts to be a good corporate citizen and to give back to our communities.

### **A Few Final Words**

On behalf of the Board of Directors, I offer sincere condolences to the family of Lori Quigley in Corner Brook on her recent and untimely passing. For almost 20 years, Lori was an inspiring and delightful member of the NLCU

team. Her personal qualities of service and her very positive disposition made her a treasured employee. Our prayerful best wishes are extended to her family.

May I personally, on behalf of all owners, thank our Directors, our employees, our volunteers and our partners in business for the many contributions to the successes of 2012.

Respectfully submitted,



Michael W. Boland  
President & Board Chairman

**NLCU is the finest  
financial institution our  
family has ever had the  
pleasure to deal with.**

- NLCU Owner

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NLCU is great to deal with. You have excellent staff who are very knowledgeable and helpful at any time.

- NLCU Owner

INTEGRITY



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Our 9th Annual Walk-A-Thon, which took place June 3, 2012, raised \$30,000 for the Canadian Red Cross RespectED "Beyond the Hurt" Violence & Abuse Prevention program.

# BOARD OF DIRECTORS



**Patrick Collins**  
Director

**Raymond Hawco**  
Director

**Allan Skanes**  
Director

**Glenn Bolger**  
Chief Operating Officer & Corporate Secretary

**Allison Chaytor-Loveys**  
Chief Executive Officer & Treasurer

**Elizabeth Duff**  
Chief Financial Officer



**Damian Ryan**  
2nd Vice President

**Michael W. Boland**  
President & Board Chairman

**Raymond Piercey**  
1st Vice President

**Murray Loveless**  
Director

**Kelly-Anne Meadus**  
Recording Secretary

**Daniel LaVallée**  
Director

**Maureen Singleton**  
Director

# MANAGEMENT'S REPORT

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I greatly enjoy NLCU and the service is fantastic. I would recommend NLCU to anyone. The employees are knowledgeable, friendly and down to earth. Thanks for that!

- NLCU Owner

## To the Owners of Newfoundland and Labrador Credit Union Limited

The financial statements and other financial information in the Annual Report were prepared by the management team of Newfoundland and Labrador Credit Union Limited and were approved by the Board of Directors.

Management is responsible for the preparation of the financial statements and believes that they fairly present the Credit Union's financial condition in accordance with the requirements of the *Credit Union Act* and Regulations thereunder and conform in all material aspects with International Financial Reporting Standards. To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established an appropriate system of internal audit and control which provides reasonable assurance at appropriate cost; that the assets are maintained and accounted for in accordance with its policies and procedures; and that transactions are recorded on the Credit Union's books and records.

Deloitte LLP, Chartered Accountants, has been appointed by the ownership as independent auditors to examine and report on the financial statements. They have had full and free access to the Board of Directors and provide an objective independent review of the fairness of reported operating results and financial position. Their report outlines the scope of their examination and their opinion. Full financial statements are available upon request.

February 2, 2013



**Allison Chaytor-Loveys**  
Chief Executive Officer & Treasurer



**Elizabeth Duff**  
Chief Financial Officer

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May 17, 2012, NLCU placed second in the ranking of Best Places to Work in Atlantic Canada by *Progress Magazine*. This marks the fifth consecutive year that NLCU has received this honour.



**Management Team:**

Front L-R: Jim Mayo, Cathy Mattsson, Michelle McGrath, Roxanne Downey, Glenn Bolger, Allison Chaytor-Loveys, Elizabeth Duff, Margie Beaton, JoAnne Ballard, Lisa Loveridge, Janice Kennedy-Humber.

Back L-R: Lyndon Combdon, Shane Flight, Mercedes Lafitte, Fred Philpott, Bill Farrell, Tony Young, Novalee Weir, Yvonne Parsons, Jackie Borden, Natasha Canning, Dana Thompson, Michelle Senior, Sheila Hynes-Brenton, Brian Beson, Craig Penney,

Laurie Roberts, Judy Abbott, Pam Jenkins, Kent Farrell, Shannon Goodyear, Shawn Loder.



Newfoundland and Labrador Credit Union Limited

## STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31  
(CDN dollars)

	2012	2011
	\$	\$
<b>Financial revenue</b>		
Owners' loans and mortgages	<b>21,365,368</b>	21,628,506
Investment income	<b>607,593</b>	658,808
	<b>21,972,961</b>	22,287,314
Cost of funds		
Interest on owners' deposits	<b>7,399,407</b>	7,784,024
Net financial income	<b>14,573,554</b>	14,503,290
Other income		
Service charges	<b>2,636,987</b>	2,099,924
Insurance commissions	<b>836,722</b>	697,507
Other	<b>168,433</b>	155,959
Rental	<b>140,060</b>	128,322
Financial margin and other income	<b>18,355,756</b>	17,585,002

Newfoundland and Labrador Credit Union Limited

## STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31  
(CDN dollars)

	2012	2011
	\$	\$
<b>Operating expenses</b>		
Personnel	<b>9,449,419</b>	8,884,557
General business	<b>3,786,955</b>	3,470,673
Occupancy	<b>1,377,339</b>	1,237,085
Depreciation	<b>966,715</b>	946,510
Owners' security	<b>899,845</b>	947,134
Total operating expenses	<b>16,480,273</b>	15,485,959
Earnings before income taxes	<b>1,875,483</b>	2,099,043
Income taxes		
Current	<b>471,553</b>	544,391
Deferred (recovery)	<b>(24,600)</b>	8,317
	<b>446,953</b>	552,708
Net earnings	<b>1,428,530</b>	1,546,335
Retained earnings, beginning of year	<b>16,171,350</b>	14,734,165
Dividends	<b>(112,420)</b>	(109,150)
<b>Retained earnings, end of year</b>	<b>17,487,460</b>	16,171,350

Newfoundland and Labrador Credit Union Limited  
**STATEMENT OF FINANCIAL POSITION**

December 31  
(CDN dollars)

	<b>2012</b>	2011
	<b>\$</b>	\$
<b>Assets</b>		
Cash and cash equivalents	<b>14,698,124</b>	8,401,791
Investments	<b>36,901,417</b>	37,825,877
Loans and mortgages receivable		
Mortgage loans	<b>292,918,492</b>	269,897,802
Personal loans	<b>97,720,271</b>	96,020,715
Commercial loans and mortgages	<b>25,522,641</b>	33,532,402
	<b>416,161,404</b>	399,450,919
Less allowance for impaired loans and mortgages	<b>(619,595)</b>	(742,282)
	<b>415,541,809</b>	398,708,637
Capital assets	<b>16,844,866</b>	15,557,348
Derivative financial instrument	<b>1,911,455</b>	1,969,625
Other assets	<b>3,086,774</b>	2,828,417
	<b>488,984,445</b>	465,291,695

Newfoundland and Labrador Credit Union Limited  
**STATEMENT OF FINANCIAL POSITION**

December 31  
(CDN dollars)

	<b>2012</b>	2011
	<b>\$</b>	\$
<b>Liabilities</b>		
Bank indebtedness	<b>-</b>	2,441,500
Accounts payable and accrued liabilities	<b>1,305,268</b>	1,716,420
Government remittances payable	<b>195,803</b>	263,019
Severance provisions	<b>1,326,103</b>	1,176,934
Owners' deposits	<b>466,758,356</b>	441,552,847
Derivative financial instrument	<b>1,911,455</b>	1,969,625
	<b>471,496,985</b>	449,120,345
<b>Owners' equity</b>		
Retained earnings	<b>17,487,460</b>	16,171,350
	<b>488,984,445</b>	465,291,695

**Approved on behalf of the Board:**

 **Director**

 **Director**

**Newfoundland and Labrador Credit Union Limited**  
**STATEMENT OF CASH FLOWS**

Year ended December 31  
(CDN dollars)

	<b>2012</b>	2011
	<b>\$</b>	\$
<b>Operating activities</b>		
Net earnings	<b>1,428,530</b>	1,546,335
Adjustments for:		
Provision for impaired loans and mortgage	<b>51,206</b>	94,924
Financial revenue	<b>(21,972,961)</b>	(22,287,314)
Cost of funds - interest on owners' deposits	<b>7,399,407</b>	7,784,024
Depreciation	<b>966,715</b>	946,510
Current income taxes	<b>471,553</b>	544,391
Future income taxes (recovery)	<b>(24,600)</b>	8,317
	<b>(11,680,150)</b>	(11,362,813)
Changes in operating assets/liabilities:		
Change in loans and mortgages receivable	<b>(16,986,193)</b>	(36,507,060)
Change in owners' deposits	<b>25,352,066</b>	26,780,089
Change in other operating assets	<b>(233,757)</b>	245,121
Change in other operating liabilities	<b>(263,138)</b>	885,936
Cash used in operating activities before interest and taxes	<b>(3,811,172)</b>	(19,958,727)
Interest received	<b>22,203,538</b>	22,064,149
Interest paid	<b>(7,558,242)</b>	(7,612,964)
Income taxes paid	<b>(537,614)</b>	(792,958)
	<b>10,296,510</b>	(6,300,500)

**Newfoundland and Labrador Credit Union Limited**  
**STATEMENT OF CASH FLOWS**

Year ended December 31  
(CDN dollars)

	<b>2012</b>	2011
	<b>\$</b>	\$
<b>Investing activities</b>		
Increase (decrease) in bank indebtedness	<b>(2,441,500)</b>	2,441,500
Decrease in investments	<b>795,698</b>	5,950,106
Purchase of capital assets	<b>(2,254,233)</b>	(2,532,861)
	<b>(3,900,035)</b>	5,858,745
<b>Financing activities</b>		
Increase (decrease) in membership share capital	<b>9,008</b>	(29,975)
Dividends paid on membership shares	<b>(109,150)</b>	(100,700)
	<b>(100,142)</b>	(130,675)
Net increase (decrease) in cash and cash equivalents	<b>6,296,333</b>	(572,430)
Cash and cash equivalents, beginning of year	<b>8,401,791</b>	8,974,221
<b>Cash and cash equivalents, end of year</b>	<b>14,698,124</b>	8,401,791

## CEO/TREASURER'S REPORT

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I joined NLCU because I felt "nickled and dimed to death" at another financial institution. What a pleasant change to deal with the Credit Union. My branch has the most wonderful people! I'm so glad I switched.

- NLCU Owner

We began 2012 with your Board of Directors and employee team excited about the prospect of embracing a new Five-Year Strategic Plan. This Plan is guided by the overarching business strategy of "taking relationship banking to the next level" and we aim to bring new layers of meaning into this well-known phrase as it applies to the financial service sector. Our next strategy was breaking these five-year goals into our first one-year business plan, which we adeptly called "Stepping Up." During the year, we embraced many opportunities and explored many possibilities all while ensuring you, our owners, received superb service and expert advice. Let me share some of these milestones with you.

Newfoundland and Labrador Credit Union (NLCU) continues to be the largest credit union in Atlantic Canada, and at the end of the second quarter 2012, we were the 52nd largest of 357 credit unions in Canada. In operation since 1957, we have 13 branches operating province-wide, from St. John's across the island as far as Stephenville, and north into Labrador City and Churchill Falls.



**Allison Chaytor-Loveys** Chief Executive Officer & Treasurer

NLCU's innovative history has demonstrated our willingness to go against the grain, challenge assumptions, break barriers, open doors and question the "tried and true." Armed with expertise and a top-notch team of 153 professionals, NLCU is committed to elevating our present-day level of service from "exceptional" to "awesome."

### **Strengthening Relationships with You, Our Owners**

Taking relationship banking to the next level begins and ends with our owners, and in 2012 we continued to explore new avenues for enhancing owner service. One of our biggest projects was an extensive and in-depth Owner Insight Strategy Project led by Dr. Jim Barnes of BMAI Strategy. This research project has concluded, and in 2013, we will prioritize initiatives that have been influenced by these research findings.

Financial literacy goes hand-in-hand with providing meaningful relationship-based service. During the year, we delivered 16 retirement planning seminars, and we sponsored, and presented at, the Silver Economy Summit, where we offered financial planning and advice to seniors with a pension or an RRSP. Additionally, we facilitated two Lunch 'n Learns and presented a mortgage webinar.

Our employees are trained to listen to your needs, see your larger financial picture, and provide you with options that best suit your financial goals and lifestyle. Your feedback is extremely important to us, so in 2012, we expanded our annual Owner Satisfaction Survey to allow for online completion in addition to regular postal mail. You provided us with excellent feedback and confirmed that we are meeting your expectations, rating us at an average score of 92%.

After several meetings, dialogue and the opportunity to provide constructive feedback to the Department of Innovation, Business, and Rural Development, NLCU was pleased to be included in the Provincial Government's Fishery Loans Guarantee Program in May 2012. We are confident this inclusion and our expertise, coupled with our ability to make localized decisions, will benefit the fishermen and fisherwomen of our province as we service their business needs and help them achieve financial success.

Providing service that meets your needs also requires the proper tools. In addition to regular upgrades to our computer systems and software, we have been developing new account opening and owner application software to further streamline your service experiences.

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**We wouldn't consider banking anywhere else.**

- NLCU Owner

## Providing Services On Your Time

The world we live in is complex, and in a complex world, time is a precious commodity. We understand that you need to be able to access NLCU on your time, not ours. For many of our owners, logging into your accounts through *MemberDirect* or calling our Call Centre is far more convenient than arranging a visit to your branch.

In 2012, our Call Centre's owner service consultants answered 147,315 of your phone calls. For your convenience you can sign up to receive Mobile Alerts, fill out a MasterCard application online, and have your paycheque directly deposited into your account. Also by using *MemberDirect* Online Banking at [nlcu.com](http://nlcu.com), you can access your accounts, pay bills, transfer funds, even send an email money transfer, just to name a few of the features available.

Often, owners find it difficult to squeeze in a branch visit during a nine to five, Monday to Friday work week, so four of our branches are open for business on Saturdays - Mount Pearl, Conception Bay South, Corner Brook and Freshwater Road. If we have your email address, you may receive email updates to keep you informed of the products and services available to you, as well as of any important changes happening at NLCU. If you have a smart phone, download the free budget application, known as FYI, which was designed by Enactus Memorial in

partnership with NLCU, to help you maintain your finances whether you are home or on the go.

Sometimes getting to a seminar is just not possible, which is why we offered webinars on retirement, RRSPs and mortgages. If you have a question about a product or service, you can visit one of 13 branches located across the province, call our 1-800-563-3300 toll free number, email us at [email@nlcu.com](mailto:email@nlcu.com) or post a message on our Facebook page.

During this past year, NLCU has also been working diligently to build relationships with automotive dealers in various locations across the province so that you can apply for a loan at NLCU while you shop for your vehicle. To ensure speedy service, we've created an automotive website exclusively for our approved lenders.

## Engaged Employees

No organization – no matter how tech-savvy or well advertised or innovative – can expect to be successful in the long term unless it can rely on a dedicated, competent team of professionals. NLCU is the envy of many

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**On October 18, 2012, Newfoundland and Labrador Credit Union was presented with the Customer Service of Excellence Award from the Mount Pearl Paradise Chamber of Commerce. This marks the second time NLCU has achieved this recognition.**

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The staff at NLCU are exceptional.

- NLCU Owner

of our competitors in this regard. From the frontline to the corporate office, our employees work hard to serve you and to stay true to our vision, mission and values. In May, our Chief Operating Officer and two employees attended a reception in Halifax whereby we were recognized as second in the "Best Places to Work in Atlantic Canada" ranking by *Progress Magazine*.

Continuous learning and professional development is a big part of our corporate culture, and our employees embrace these opportunities. In 2012, we received 71 educational/learning requests for support and nine post-secondary requests. We provided a customized Supervisory Skills Program through Memorial University's Gardiner Centre to half of our management team, with the remaining half to receive the program in 2013.

In addition, we:

- Provided FINTRAC, security and fraud training;
- Conducted four orientation sessions for all new employees;
- Renewed our focus on product and service training and coaching;
- Provided training on financial, insurance and investment planning solutions;
- Provided a new lending training program.



In February, our Chief Operating Officer and I visited all of our branches and shared the successes of the previous year and the plans for 2012 during our annual Fireside Chats. At our Annual General Meeting in March, we awarded our 2011 Katherine Seymour Excellence Award to two of our branches, Labrador City and Carbonear, and our 2011 Innovation Award to Tony Young, Director, Wealth Management Services, for his team's pivotal role in the successful implementation of offering living and death benefits directly from NLCU branch floors. This innovative initiative meant that NLCU was the first financial institution in Canada, outside of Quebec, to become licensed to do so. At a memorable dinner and reception in October, we applauded milestones in years of employment for 33 of our employees, who collectively had 355 years of service with NLCU. In November, we celebrated the launch of our corporate values with fun-filled team parties during which each team created a piece of art that reflected our values. In December, we conducted and solicited feedback through our 7th annual Employee Opinion Survey. We also welcomed to our management team Shannon Goodyear as Director, Marketing and Communications, and Craig Penney as Branch Manager, Owner Service, Carbonear.

Another point to celebrate this past year was the generosity of our employees. In 2012, our employees volunteered 4,894 hours to our communities, including the efforts of our NLCU Charitable Foundation Corporation, which supports charitable organizations in our province and elsewhere. Our employees are the driving force of the Foundation, which is 100% run by

volunteers. In 2012, our Foundation donated \$103,800 to 104 charities, and since its inception in 2002, three quarters of a million dollars has been raised and returned to charities.

## Building Brand & Awareness

As the President's Report attests, NLCU continued to receive significant recognition in regional awards and rankings. Of special note was our first place wins in two categories (Philanthropy/Community Outreach and Human Resources) of *Atlantic Business Magazine's* Corporate Social Responsibility Awards for organizations with 101-500 employees. In addition, we were awarded one of 18 funding opportunities, valued at \$10,000 each, offered by Concentra Financial through its national "Empower Your Communities" program. These funds were used toward the development of the FYI budgeting application, developed in partnership with Enactus Memorial.

As well-deserved as these recognitions are, we do not rely on accolades alone to spread the message about the benefits NLCU can offer in fulfilling your financial service needs. We have increased our visibility on social media

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**The service at my branch is the best service available, especially in a time where customer service is almost non-existent. I will always give my business to those that appreciate it. I am more than pleased with NLCU.**

- NLCU Owner

(Facebook, Twitter, "NLCUTube") and we were heavily involved with Enactus Memorial in negotiating the rollout of the FYI Program for the high school curriculum.

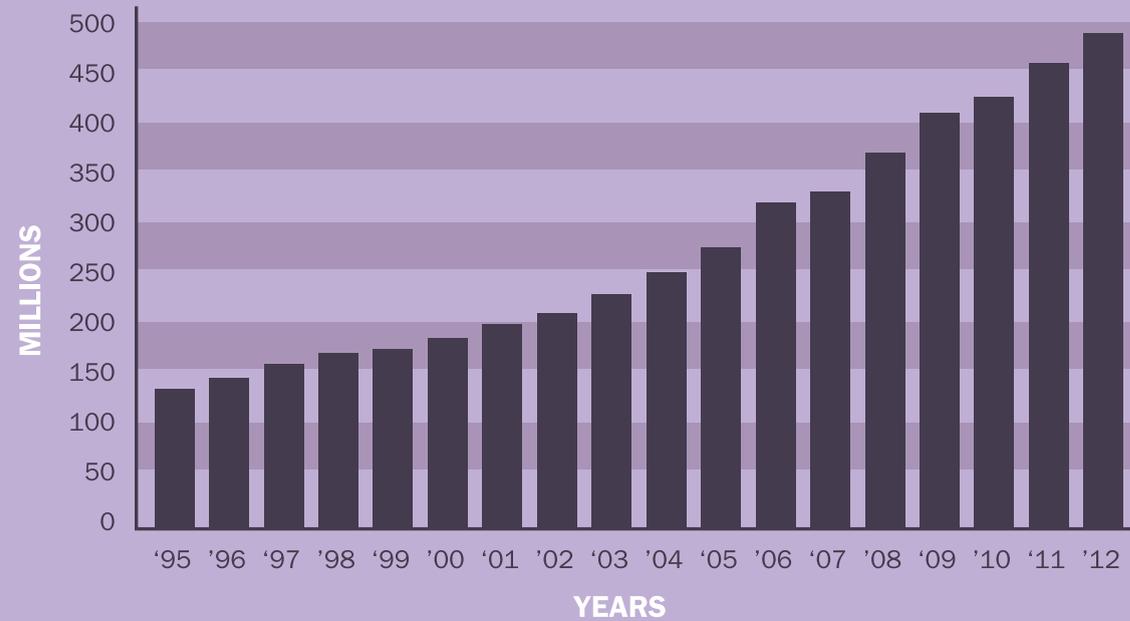
NLCU also provided major sponsorships to important organizations and events like Junior Achievement, NLOWE, Enactus Memorial and the Newfoundland and Labrador Summer Games, as well as numerous other community, school and arts-related functions. Social responsibility is a core value of NLCU; we know that when our communities thrive, we thrive. The additional exposure we received through these important and worthy sponsorships was yet another opportunity for us to demonstrate our belief in the importance of community investment.

## Financial Highlights

At the end of 2012, we reported year-end assets of \$488,984,445, an increase of \$23,692,750 or 5.09% over 2011 figures. Loan portfolios totalled \$415,541,809, an increase of \$16,833,172, and deposit balances increased by \$25,205,509, leaving year-end totals of \$466,758,356. As in the past several years, we paid an owner dividend of 5% on equity shares. Net earnings after tax totalling \$1,428,530 was transferred to retained earnings, which resulted in a balance of \$17,487,460. There were 21,266 Newfoundlanders and Labradorians doing business with NLCU as of year-end, marking a net owner growth of 614. The dollar value of this financial relationship in 2012 was \$22,993 per owner.



### Asset Growth



In 2012, NLCU “stepped up” to the challenges presented by an uncertain global economy and a fiercely competitive industry. Despite the prevailing woes of a world economy still in recovery, Newfoundland and Labrador has a promising future of growth and prosperity. I offer my sincere thanks to our visionary Board of Directors, our exceptional team of professionals and you, our valued owners. At Newfoundland and Labrador Credit Union, we look forward to continuing to provide you with superior products, service and advice - this is our promise to you as we continue to grow together.

Respectfully submitted,

Allison Chaytor-Loveys  
Chief Executive Officer and Treasurer



July 2012, the NLCU Charitable Foundation Corporation was proud to be a Bronze Sponsor of the Kids Eat Smart Foundation Newfoundland and Labrador.

# AWARD WINNERS



## Katherine Seymour Award

Glenn Bolger, Chief Operating Officer (Far Left) and Michael W. Boland, President (Centre Right) of Newfoundland and Labrador Credit Union, present Pam Jenkins (Centre Left) Branch Manager, Owner Service, Fall River Plaza and Yvonne Parsons (Far Right) Branch Manager, Owner Service, Labrador City, with the Katherine Seymour Award in recognition of service excellence.



## Innovation Award

Allison Chaytor-Loveys, Chief Executive Officer (Left) and Michael W. Boland, President (Right) of Newfoundland and Labrador Credit Union, present Tony Young, Director, Wealth Management (Centre), with the Innovation Award, which recognizes units, departments and branches that have generated and implemented innovative ideas and strategies.



## Brian F. McDonald Scholarship Winner

Winner of the Brian F. McDonald Scholarship, Jason Penney of Carbonear Collegiate, Carbonear, the son of Craig Penney, Branch Manager, Owner Service, Carbonear. Presenting the cheque is Margaret Ann McDonald, wife of the late Brian McDonald.



## Outstanding School And Community Involvement Scholarship Winner

Winner of the Outstanding School and Community Involvement Scholarship in memory of past Director, Mr. Owen Grimes, Tyler Butt of Carbonear Collegiate, Carbonear. Presenting the cheque is Glenn Bolger, Chief Operating Officer.



## Outstanding School And Community Involvement Scholarship Winner

Winner of the Outstanding School and Community Involvement Scholarship, Noelle Slaney of Jane Collins Academy, Gander. Presenting the cheque is Allison Chaytor-Loveys, Chief Executive Officer.

## NLCU SERVICE AWARDS

On September 25, 2012, NLCU was named one of the Top 101 Companies in Atlantic Canada by *Progress Magazine*. NLCU was one of eight companies in the province to be included in the list and finished with an overall ranking of 59. This is the 15th consecutive year that NLCU has been named one of the Top 101 Companies in Atlantic Canada.



### 5 Years of Service

Georgina Coish  
Pam Burton  
Rachel Hynes  
Jason Benoit  
Gilda Saunders  
Barb White  
Linda Bursey

Laurie Roberts  
Wendy Gillis  
Don Halleran  
Rose Moakler  
Greg Murray  
Ruth Hiscock  
Michelle Senior

Kayla Burton (missing from photo)



### 10 Years of Service

Peter Bishop  
Glenn Bolger  
Natasha Canning  
Shawn Loder  
Jackie LeDrew  
Jim Mayo  
Terry Putt



### 15 Years of Service

Bonnie Doyle  
Linda Gaultois  
Cornelia Coady  
Margie Beaton  
Rae Barnes  
Elaine Hollett  
Evelyn Cardwell (missing from photo)



**20 Years of Service**  
Michelle Dinn



**25 Years of Service**  
Elizabeth Duff



**30 Years of Service**  
Mary Fardy  
Maureen Daley





## NLCU CHARITABLE FOUNDATION CORPORATION 2012 DONEES

AIDS Committee of Newfoundland and Labrador

Army Cadet League of Canada (for the 2904 Cambrai Royal  
Canada Army Cadets, Stephenville)

ALS Society of Newfoundland and Labrador

Alzheimer Society of Newfoundland and Labrador, Inc.

Association for New Canadians

Autism Society of Newfoundland and Labrador

Avalon Dragon Boating Inc.

Bay St. George Sick Children's Foundation Inc.

Boys and Girls Clubs of Canada - NL Region

Bridges to Hope Inc.

Buckmasters Circle Community Centre

Canadian Cancer Society - NL Division

Canadian Diabetes Association - NL Division

Canadian Hard of Hearing Association Newfoundland and Labrador

Canadian Liver Foundation - Newfoundland Chapter

Canadian Mental Health Association - NL Division

Canadian Red Cross - NL Region

Cara Transition House

On December 7, 2012, the NLCU Charitable Foundation Corporation hosted its Annual Charities Luncheon and distributed \$103,800 to 104 charities throughout the province. Since the Foundation was established in 2002, it has donated three quarters of a million dollars to charities.

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NLCU is the best financial institution I have dealt with. The staff are always friendly and eager to help. When the staff call you by name - that means a lot. Keep up the good work.

- NLCU Owner

Caribou Group of Rotary  
Central Northeast Healthcare Foundation  
Children's Wish Foundation of Canada - NL Chapter  
Choices for Youth  
CNIB Newfoundland and Labrador  
Community Food Sharing Association  
Co-operative Development Foundation of Canada  
Corduroy Brook Enhancement Association  
Crohn's and Colitis Foundation of Canada - Trinity Conception Chapter  
Daybreak Parent Child Centre  
Discovery Health Care Foundation  
Easter Seals Newfoundland and Labrador  
Eastern Edge Art Gallery Inc.  
Eastern School District  
Eating Disorder Foundation of Newfoundland and Labrador  
Elliston Heritage Foundation  
Epilepsy Newfoundland and Labrador  
Exploits Valley SPCA  
Faith Haven Animal Shelter

Foundation for the Rotary Club of St. John's  
Gander and Area Food Bank  
Grenfell Foundation (South Chapter)  
Habitat for Humanity Newfoundland and Labrador  
Health Care Foundation  
Heart and Stroke Foundation of Newfoundland and Labrador  
Humber Community YMCA  
Iris Kirby House Foundation, Inc.  
Janeway Children's Hospital Foundation  
Juvenile Diabetes Research Foundation Canada - St. John's  
Kids Eat Smart Foundation  
Kids Help Phone - Atlantic Region  
KidSport Newfoundland and Labrador  
Kiwans Music Festival Association of St. John's  
Labrador West Association for Community Living  
Lady Cove Women's Choir  
Literary Arts Foundation of Newfoundland and Labrador, Inc.  
MADD Canada  
Manuels River Natural Heritage Society

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October 2012, *Atlantic Business Magazine* in partnership with Dalhousie University Faculty of Management named NLCU the first place winner of a Corporate Social Responsibility Award in the Human Resources category and the Philanthropy/Community Outreach category for Atlantic Canada companies.

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May 10, 2012, NLCU was one of 18 credit unions across Canada to receive \$10,000 in funding from Concentra Financial, in recognition of our partnership with Enactus Memorial's FYI program. The FYI program focuses on educating high school and post-secondary students on personal financial literacy, entrepreneurship and professional development.

Marguerite's Place  
Mazol Shriners  
Mizzen Heritage Society  
MS Society of Canada - Atlantic Division  
MS Society of Canada - St. John's/Mount Pearl Chapter  
MUN Campus Food Bank  
Muscular Dystrophy Canada - NL Chapter  
Newfoundland and Labrador Association for Community Living  
Newfoundland and Labrador Brain Injury Association  
Newfoundland and Labrador Down Syndrome Society  
Newfoundland and Labrador Prostate Cancer Support Groups  
Opera on the Avalon  
Parkinson Society Canada, Newfoundland and Labrador  
Peter Barry Duff Memorial Park Commission  
Prostate Cancer Fight Foundation  
Rainbow Riders - St. John's Therapeutic Riding Association  
Ronald McDonald House NL  
School Lunch Association Inc.  
Scouts Canada, Newfoundland and Labrador Council

Seniors' Resource Centre  
Shallaway  
Single Parent Association of Newfoundland  
Special Olympics Newfoundland and Labrador Inc.  
St. John's SPCA  
St. Kevin's Food Bank  
Stella Burry Community Services and Foundation  
Stephenville Emergency Food Services  
Teachers on Wheels  
The Arthritis Society - NL Division  
The Brother T.I. Murphy Learning Resource Centre  
The Candlelighters Association of Newfoundland and Labrador  
The Committee on Family Violence Association  
The Duke of Edinburgh's Award Programme - NL Division  
The Gathering Place Inc.  
The Kidney Foundation of Canada - NL Branch Office  
The Lung Association Newfoundland and Labrador  
The Salvation Army  
The Society of St. Vincent de Paul

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NLCU is an excellent place for all my banking needs. Keep up the good work.

- NLCU Owner

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I have lived in Alberta for the past 10 years but have kept my accounts at NLCU and accessed them electronically for the most part. Anytime I have needed more direct contact I have received excellent service from NLCU personnel by telephone.

- NLCU Owner

The War Amps  
Thrive Community Youth Network  
Tourette Syndrome Foundation of Canada - NL Chapter  
Toys for Joy  
Trinity-Conception-Placentia Health Care Foundation  
Turnings (St. John's Metro Community Chaplaincy)  
United Ostomy Association of Canada Inc - NL Chapter #604  
Vera Perlin Society  
Young Adult Cancer Canada  
Youth 2000 Centre (Y2C) Corporation



# OUR CONTACTS & LOCATIONS

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## Board of Directors

Michael W. Boland,  
President\* and  
Board Chairman  
Raymond Piercey,  
1st Vice President\*  
Damian Ryan,  
2nd Vice President\*  
Daniel LaVallée\*  
Maureen Singleton\*  
Patrick Collins  
Allan Skanes  
Raymond Hawco  
Murray Loveless  
Allison Chaytor-Loveys,  
CEO and Treasurer†

Glenn Bolger,  
COO and Corporate  
Secretary†  
Elizabeth Duff,  
CFO†  
Kelly-Anne Meadus,  
Recording Secretary

\*Executive Committee  
†Appointed

## Management, Corporate Office

Allison Chaytor-Loveys, CEO  
Glenn Bolger, COO  
Elizabeth Duff, CFO  
Kelly-Anne Meadus  
Executive Assistant

Barbara Ivany,  
Executive Assistant  
Shane Flight,  
Director,  
Information Systems  
Shannon Goodyear,  
Director, Marketing  
and Communications  
Kent Farrell,  
Director,  
Credit  
Tony Young,  
Director, Wealth  
Management Services  
Jim Mayo,  
Director,  
Accounting and  
Corporate Governance

Laurie Roberts,  
Director,  
Human Resources  
Michelle McGrath,  
Regional Director,  
Branch Sales and Service  
Eastern Region  
Judy Abbott,  
Regional Director,  
Branch Sales and Service  
Western Region  
Jackie Borden,  
Manager,  
Risk and Internal Audit  
Cathy Mattsson,  
Manager,  
Lending

## Branch Managers, Owner Service

Fred Philpott,  
Freshwater Road, St. John's  
Lyndon Combdon,  
Corner Brook  
Lisa Loveridge,  
Grand Falls-Windsor  
Yvonne Parsons,  
Labrador City  
Craig Penney,  
Carbonear  
Sheila Hynes-Brenton,  
Mount Pearl  
Brian Beson,  
Gander  
Pam Jenkins,  
Fall River Plaza, St. John's

Bill Farrell,  
Conception Bay South  
Shawn Loder,  
Clarenville  
Mercedes Lafitte,  
Stephenville  
Novalee Weir,  
Water Street, St. John's  
Michelle Senior,  
Churchill Falls

**Wealth Management Advisors**

240 Water Street  
 St. John's, NL A1C 1B7  
 758-8258 (office)  
 690-0922 (cell)  
 Tony Young, CFP  
 Director,  
 Wealth Management  
 Services  
 tyoung@nlcu.com

51 Commonwealth Avenue  
 Mount Pearl, NL A1N 1W7  
 747-9415 (office)  
 690-9498 (cell)  
 Darren Chislett, CFP  
 dchislett@nlcu.com

341 Freshwater Road  
 St. John's, NL A1B 1C4  
 758-8253 (office)  
 693-4110 (cell)  
 Don Halleran, PFP, FICB  
 dhalleran@nlcu.com

6 Roe Avenue  
 Gander, NL A1V 1W5  
 256-3537 (office)  
 424-8282 (cell)

Mary Rose Blackmore,  
 CFP, PFP, AICB  
 mblackmore@nlcu.com

38 Main Street  
 Corner Brook, NL A2H 6Z7  
 634-5341 (office)  
 632-0363 (cell)  
 Gilda Saunders, CFP, CPCA  
 gsaunders@nlcu.com

**Wealth Management Insurance Advisors**

341 Freshwater Road,  
 Suite 101  
 St. John's, NL A1B 1C4  
 754-2312 (office)  
 690-4990 (cell)  
 Gregory Murray, CFP  
 gmurray@nlcu.com

1 Pinsent Drive  
 Grand Falls-Windsor, NL A2A 2S8  
 489-9051 (office)  
 486-4958 (cell)  
 Peter Bishop  
 pbishop@nlcu.com

**NLCU Locations**

240 Water Street  
 St. John's, NL A1C 1B7  
 754-2630 (Corporate Office)  
 722-5824 (Water Street Branch)

341 Freshwater Road  
 St. John's, NL A1B 1C4  
 754-2312

38 Main Street  
 Corner Brook, NL A2H 6Z7  
 634-5341

1 Pinsent Drive  
 Grand Falls-Windsor, NL  
 A2A 2S8  
 489-9051

Labrador Mall,  
 500 Vanier Avenue  
 Labrador City, NL A2V 2W7  
 944-7701

119 Columbus Drive  
 Carbonear, NL A1Y 1A6  
 596-5044

51 Commonwealth Avenue  
 Mount Pearl, NL A1N 1W7  
 747-9415

6 Roe Avenue  
 Gander, NL A1V 1W5  
 256-3537

320 Torbay Road  
 St. John's, NL A1A 5B5  
 726-4013

120 Conception Bay Highway,  
 Suite 107  
 Conception Bay South, NL  
 A1W 3A6  
 834-9520

10 Shoal Harbour Drive  
 Clarenville, NL A5A 2C4  
 466-4590

69 Main Street  
 Stephenville, NL A2N 1H9  
 643-2111

Town Centre, Ressigieu Drive  
 Churchill Falls, NL AOR 1A0  
 925-3594

Teleservice  
 1-800-563-3300

Automated Teleservice®  
 1-800-963-4848

Website: [www.nlcu.com](http://www.nlcu.com)

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[www.nlcu.com](http://www.nlcu.com)

*MemberDirect*® Mobile Banking  
[www.nlcu.com/m](http://www.nlcu.com/m)



PROMISE

# OUR SERVICES

## YOUR MONEY

### CHEQUING SERVICES

Personal Chequing Accounts  
MasterPlan™ Chequing Packages  
Prime Account  
U.S. Dollar Chequing Accounts  
Student Chequing Accounts  
Self-Serve Electronic  
Transaction Account Packages

### SAVINGS

Plan 24® Account  
Advantage  
FAT CAT® Account

HEADSTART™ Account  
Monthly Savings Plan  
Online Savings Account

### MASTERCARD®

GLOBAL PAYMENT™ MasterCard®  
Gold GLOBAL PAYMENT  
MasterCard®  
CHOICE REWARDS® MasterCard®  
Points Program

### ELECTRONIC SERVICES

Automated Teller Machines  
INTERAC+/Cirrus® Network  
INTERAC+/Debit

### THE EXCHANGE®

ACCULINK®  
Automated Teleservice®  
MemberDirect® Online Banking  
Credential Direct®\* Online  
Brokerage  
eSwitch®  
E-Statements  
Mobile Banking  
INTERAC+/ e-Transfers

### ADDITIONAL SERVICES

Travellers' Cheques  
Safety Deposit Boxes  
Payroll Deduction/Direct Pay

Legal Witnessing  
World Currency Centre  
Night Depository  
Bill Payment  
Safekeeping  
Teleservice  
Grad Package

## YOUR FINANCING

### LOANS AND MORTGAGES

Personal Loans  
Mortgage Loans  
Energy-Efficient Mortgages  
NLCU Student Loans & Education  
Lines of Credit  
Graduate Vehicle Loan Rebate

Home Equity Loans  
Personal Lines of Credit  
Chequing Overdraft Protection  
RRSP Loans and RRSP Lines  
of Credit

## YOUR FUTURE

### INVESTMENT PRODUCTS AND SERVICES

Debentures  
Term Deposit Receipts  
Registered Retirement  
Savings Plans  
Group Registered Retirement  
Savings Plan  
Self-Directed Registered

Retirement Savings Plans  
Registered Retirement  
Income Funds  
Registered Education  
Savings Plans  
Registered Disability  
Savings Plans  
Monthly Registered  
Retirement Savings Plans  
Tax-Free Savings Account  
Mutual Funds\*,  
(available through  
Credential Asset  
Management Inc.)  
S&P/TSX 60 Index Linked Term  
Deposits  
Canada Savings Bonds

Whether on the phone, in-branch, or through email...I can honestly say I have been very satisfied with the level of service received at all times.

- NLCU Owner

## INSURANCE

Credit Term Life Insurance  
Credit Life and Disability Insurance

Mortgage Insurance  
(including job loss, disability and critical illness)

Travel Insurance

Home/Auto Insurance  
(available through The Co-operators Group Insurance)

Life Insurance  
Critical Illness Insurance  
Long-Term Care Insurance  
Disability Insurance

Personal Health Insurance  
Group Benefits  
Group Retirement Services

## FINANCIAL MANAGEMENT

Trust Services  
Income Tax Preparation

Wealth Management  
Financial Planning and Insurance Services

## YOUR BUSINESS

### COMMERCIAL SERVICES

Commercial Leasing  
through Concentra Financial

Corporate Accounts  
Commercial Loans  
Commercial Lines of Credit  
Business MasterCard

Small Business Insurance  
MEMBERPLAN™ Group Insurance

Income Tax Preparation  
*MemberDirect*® Business  
Commercial Mortgages

Fishery Loans

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In memory of a beloved friend...

*Lori Quigley* 1965 - 2013

Your laughter still echoes in our thoughts

Your smile etched in our memories

Your kindness felt in our hearts

Your spirit alive within us

You will be forever cherished and deeply missed



CREDIT  
UNION

NEWFOUNDLAND AND LABRADOR



**CREDIT  
UNION**

NEWFOUNDLAND AND LABRADOR