

**WE
LIVE
WHERE
YOU
LIVE**



NLCU
2019
annual
report



OUR VISION

Newfoundland and Labrador Credit Union will be the superior provider of the ideal financial service experience.



OUR MISSION

Our market will be all who share the ideals of integrity and excellence regardless of demographics or geography.

Our focus will be on gaining the complete trust and confidence of our members, including our employees, in everything we do. We are committed to every member achieving personal financial success as they define it by:

- Listening
- Providing complete and accurate information
- Providing sound advice and personalized solutions
- Providing access to financial and related services as members' needs dictate, when members' needs dictate, where members' needs dictate

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Having a location in a community and living in a community are two very different things. The former simply requires four walls and a roof while the latter brings with it the need to be part of the rhythm of everyday life in a town, in people's lives. It requires knowing the people and the place with a depth that can only come from reaching out and being there when needed. And taking the time to appreciate, and be part of, the history of growth and development in that very place. The experience requires celebrating the good times and helping through the hard times. We've done this in all our communities. We've been here. We are here.

We live where you live.

WE
LIVE
WHERE YOU

Live



RAY PIERCEY – PRESIDENT AND BOARD CHAIRMAN

PRESIDENT'S REPORT

There are several root differences between traditional financial institutions and credit unions. One major distinction concerns the basis on which decisions and actions are made. In traditional financial institutions, shareholder profits outweigh the financial service needs of customers. This approach is the opposite to that of credit unions, where members take top priority.

At NLCU, our governance decisions and our daily operations are shaped by what matters most – the financial needs of our members.

The adoption of electronic voting is a prime example of our commitment to putting NLCU members first. The 2020 Board elections will be the first time we use an electronic voting system. In the past, voting for the Board of Directors was permitted only during the Annual General Meeting, which limited the ability of many of our members to take part. At last year's AGM we informed our membership that we will be using an electronic voting system for Board elections. Now our electoral process is much more accessible to any member in good standing, regardless of geographical location, expanding the democratic process.

In addition to proposing such progressive changes for the benefit of our membership, the Board of Directors is responsible for policies and strategic plans that enable the credit union to meet the financial needs of our members, ensure sustainable growth, and comply with all applicable legislation and regulations. In 2019, the Board of Directors conducted six regular Board meetings, two Board planning meetings, and numerous committee meetings to fulfill its duties and obligations, which included policy reviews, compliance reports to government, and oversight of the progress made with NLCU's five-year strategic plan. Board members also undertook a Board Self-Assessment, achieving results of 90% or higher.

To build the skills and knowledge of the Board of Directors, Board members Pat Collins, Allan Skanes, and I completed a Human Resources Governance course offered by CUSource in November 2019, while our newest Board member, Barry Tucker, completed the CUDA program's Level A: Foundations of Governance through independent online study. As well, all Board members completed Flag the Money for Board Members, which is annual training that NLCU provides under the Proceeds of Crime, Money Laundering, and Terrorist Financing Act (PCMLTFA).

CREDIT UNION SYSTEM INVOLVEMENT

Maintaining key connections within the credit union system and the financial services industry is vital to ensuring that NLCU remains current, innovative, and forward-thinking. Both the Board of Directors and management team play a role in representing NLCU in various forums.

In mid-May, our credit union's CEO, Allison Chaytor-Loveys, was appointed to the Board of Directors of the World Council of Credit Unions (WOCCU). WOCCU is the global trade association, development platform, fee-for-service, and worldwide foundation for credit unions and other cooperative institutions in nearly 60 countries. Through our CEO's participation on WOCCU's Board – as well as on the Board of the Canadian Credit Union Association (CCUA) – our credit union has access to a global view of trends, innovations, and other news and developments within the international credit union system.

For the past eight years, our COO, Glenn Bolger, has been serving on the Board of Directors for League Data, the latter two of which he has been serving as Chairperson. League Data provides information technology services and support to 47 credit unions in Atlantic Canada, with a focus on fully integrated technology solutions that enable growth while

reducing administration and operational costs. His participation on this Board ensures that NLCU remains abreast of, and an active agent in, the latest technological innovations for the financial services industry in our region.

In addition to the Board of Directors for WOCCU, CCUA, and League Data, our credit union has representation on: The CCUA Tax Policy Working Group, which is reviewing tax issues for credit unions with a view to maintaining or increasing profitability and to preserving capital position; a national committee related to the implementation of a Market Conduct Code for Credit Unions, and; the Diebold Early Adopters Subgroup, which provides the opportunity for the early adopters of Diebold ATMs to share direct feedback on their experience with the purchased intelligent deposit ATMs. NLCU also has a seat on League Data's committee for the Atlantic Credit Union System Cyber Security Program, which aims to help facilitate the implementation of a standard security program and associated solutions for protecting our region's credit unions from cyber threats. In addition, we continue to participate in many other collaborative forums, such as the national Credit Union Business Ownership Strategy Committee and the National ATM User Group.

NLCU was also well represented at important national conferences and meetings last year. In April, I went to Halifax for the Annual General Meeting of League Data. The following month, Board members Maureen Singleton, Pat Collins, and I attended the National Conference for Canada's Credit Unions in Winnipeg. This conference enabled us to share knowledge and best practices, network with other leaders in the financial services industry, and discuss common issues. During that national conference, I also had the opportunity to attend the Achievement in Marketing Excellence Awards and CCUA's Annual General Meeting. In May, the CEO and I were present at a meeting facilitated by CUSource on mergers and amalgamations. Last November, Maureen Singleton visited Calgary for the CCUA sponsored Open Banking Forum, which facilitated dialogue on research findings concerning open banking in Canada and the opportunity it presents for the financial services sector.

LEADERSHIP CHANGES AT SERVICE NL AND CUDGC

Service NL is the provincial government department responsible for the oversight and development of credit unions in Newfoundland and Labrador. The Credit Union Deposit Guarantee Corporation (CUDGC) is the Regulator and deposit insurer of credit unions in this province. Both institutions are indispensable partners in the growth and development of the credit union system in Newfoundland and Labrador.

In January, Julian McCarthy retired from his roles as Assistant Deputy Minister, Regulatory Affairs in the department of Service NL, Government of Newfoundland and Labrador, and as Chairperson of CUDGC. Mr. McCarthy's understanding and support of the credit union system in our province over the years has been very much appreciated. Since his retirement, the role of Assistant Deputy Minister, Regulatory Affairs and Chairperson of CUDGC underwent two consecutive appointments, the current being Scott Jones. Mr. Jones was appointed on an acting basis this past November and has previously occupied other senior positions with the Province.

After serving more than three decades in the Newfoundland and Labrador credit union system, Bill Langthorne retired as CEO and Superintendent of Credit Unions in March. Bill has played an essential part of our credit union's journey and success and we are extremely grateful for his vision, dedication, and passion for the system. That April, our provincial Regulator welcomed Anita Wilkins as its new CEO and Superintendent of Credit Unions in Newfoundland and Labrador. Ms. Wilkins has an extensive background in both internal auditing and management within the banking industry.

Longtime CUDGC Board member Clayton Handrigan completed his final term of service in December, after serving in this capacity since 2007. Previously, Mr. Handrigan served on the Board of Directors of NLCU for ten years, the Board of the Credit Union Stabilization Fund for three years, and the Board of the Credit Union Council of Newfoundland for five years. We sincerely thank Mr. Handrigan for his many years of dedicated service to the credit union system in Newfoundland and Labrador.

At the end of February 2020, Bob Piercey will retire as Manager of Operations and Deputy Superintendent of Credit Unions at CUDGC, a position he held for 19 years. Mr. Piercey's balanced perspective and dedication to the credit union system in Newfoundland and Labrador will be missed. At the time of writing this report, his replacement has not yet been announced.

At NLCU, we value the roles of Service NL and CUDGC, and over the years, have had the pleasure of maintaining positive working relationships with both. Preserving these relationships and open lines of dialogue are essential to our credit union's ability to adequately meet and anticipate the financial needs of our members, as well as to responsibly manage our members' finances. We look forward to continuing this longstanding tradition with Mr. Jones, Ms. Wilkins, and the forthcoming new Manager of Operations and Deputy Superintendent of Credit Unions at CUDGC.

NLCU CHARITABLE FOUNDATION

NLCU and the NLCU Charitable Foundation (the "Foundation") started off 2019 with the announcement of our partnership in a pilot program called A Fresh Start with Accounts that Count. This innovative program is being offered to women involved with the Just Us Women's Centre at Stella's Circle who are released from the Clarenville Correctional Centre or from the Nova Facility in Nova Scotia and returning to Newfoundland and Labrador. The program aims to reduce barriers for 20 women each year; to help them obtain identification and a chequing account, and to offer support as they transition back into the community. NLCU provides program participants with a membership and a no-fee basic chequing account for two years. The NLCU Charitable Foundation made a donation to Stella's Circle so they may be able to support individuals in the program.

The Foundation holds two annual fundraisers, each supporting a different Charity of Choice that receives a portion of the proceeds raised. Last year, the Charity of Choice for the 16th Annual Walk-A-Thon was Special Olympics Newfoundland and Labrador, and the

Charity of Choice for the 18th Annual Rod Benson Memorial Golf Tournament was the School Lunch Association Newfoundland and Labrador. Both charities received donations valued at \$10,000 each.

For the second year in a row, the Foundation collaborated with NLCU on a Facebook voting contest to offer a chance for a local charity in each of our branch locations to receive a \$1,000 donation. The total donation value was \$12,000 and the 12 winning charities were announced on NLCU's Facebook page during the week leading up to International Credit Union Day.

In total, the Foundation donated approximately \$97,150 to 101 charities in 2019 thanks to the enduring support of NLCU's employees, Board, and members, as well as generous corporate sponsors.

CONCLUSION

In closing, I would like to thank Jonathan Duke, who completed his term on the Board in March 2019, for his three years of service. Thank you to our Board of Directors, committee members, and employees for their dedicated service, as well as to our valued members, for entrusting NLCU to help you achieve financial success.

Respectfully submitted,



Ray Piercey
PRESIDENT AND BOARD CHAIRMAN
NLCU BOARD OF DIRECTORS

NLCU

BOARD OF DIRECTORS

BELOW (L-R):

Ray Piercey – President and Board Chairman
Maureen Singleton – 1st Vice President
Allan Skanes – 2nd Vice President
Allison Chaytor-Loveys – CEO and Treasurer

TOP RIGHT (L-R):

Elmer Ryzuk
Nancy Healey
Patrick Collins
Barry W. Tucker
James (Jim) Davis

BOTTOM RIGHT (L-R):

Sheena McCrate
Glenn Bolger – COO and Corporate Secretary
Jim Mayo – CFO
Tracy Wells – Recording Secretary





MANAGEMENT'S REPORT

TO THE MEMBERS 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 hereunder 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.

KPMG LLP, has been appointed by the membership 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.



Allison Chaytor-Loveys
CHIEF EXECUTIVE OFFICER AND TREASURER



Jim Mayo
CHIEF FINANCIAL OFFICER



MANAGEMENT TEAM

Back Row, Left to Right: Matthew Norman, Ciaran Grealis, Susan Sheppard, Shawn Parsons, Rod Senior, Shannon Goodyear, Craig Penney, Kent Farrell, Cynthia Hawco

2nd Row, Left to Right: Kimberly Hennebury, Dana Thompson, Cathy Mattsson, Michelle Dawe, Bernard Howlett, Tanya Sullivan, Laurie Roberts, Rod French, Tony Young, Shane Flight

Front Row, Left to Right: Gina Squires, Michelle McGrath, Natasha Canning, Lisa Loveridge, Glenn Bolger, Allison Chaytor-Loveys, Jim Mayo, Jenny Alleway, Janice Kennedy-Humber, JoAnne Ballard



NLCU

2019 FINANCIALS

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS

Year ended December 31, 2019, with comparative information for 2018
(CDN dollars)

	2019	2018
REVENUE		
Interest income	\$ 20,584,179	\$ 19,371,573
Investment income	1,391,251	1,078,898
	21,975,430	20,450,471
FINANCIAL EXPENSES		
Interest on members' deposits	7,038,983	5,912,106
Financial margin	14,936,447	14,538,365
OTHER INCOME		
Service charges	3,675,522	3,340,066
Other	205,312	184,978
Insurance commissions	900,628	1,031,760
Rental	135,331	140,513
	4,916,793	4,697,317
Financial margin and other income	19,853,240	19,235,682
NON INTEREST EXPENSES		
Personnel	10,120,731	10,044,468
General business	4,141,663	4,149,271
Occupancy	1,544,999	1,555,149
Members' security	1,729,773	1,670,111
Depreciation	1,054,490	909,808
	18,591,656	18,328,807
Income before income taxes	1,261,584	906,875
Income taxes	341,997	115,953
NET INCOME AND COMPREHENSIVE INCOME FOR THE YEAR	919,587	790,922
Retained earnings, beginning of year	22,015,160	21,361,238
Net income and comprehensive income for the year	919,587	790,922
Dividends	(140,000)	(137,000)
RETAINED EARNINGS, END OF YEAR	\$ 22,794,747	\$ 22,015,160

STATEMENT OF FINANCIAL POSITION

December 31, 2019, with comparative information for 2018
(CDN dollars)

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 5,865,735	\$ 6,793,039
Investments	62,294,347	56,041,406
Loans and mortgages receivable		
Personal loans	93,388,713	90,869,017
Mortgage loans	390,996,185	380,837,014
Commercial loans and mortgages	46,633,027	40,389,067
	531,017,925	512,095,098
Less allowance for impaired loans and mortgages	(3,099,043)	(2,656,492)
	527,918,882	509,438,606
Property and equipment	17,701,456	17,585,842
Derivative financial instruments	1,584,202	1,136,554
Other assets	1,858,503	2,208,943
	\$ 617,223,125	\$ 593,204,390
LIABILITIES AND RETAINED EARNINGS ATTRIBUTED TO MEMBERS		
Liabilities:		
Members' deposits	\$ 589,179,630	\$ 565,647,963
Note payable	-	677,784
Accounts payable and accrued liabilities	1,710,304	1,867,774
Severance provisions	1,954,242	1,859,155
Derivative financial instruments	1,584,202	1,136,554
	594,428,378	571,189,230
Retained earnings, end of year	22,794,747	22,015,160
	\$ 617,223,125	\$ 593,204,390

APPROVED ON BEHALF OF THE BOARD:


Director


Director

STATEMENT OF CASH FLOWS

Year ended December 31, 2019, with comparative information for 2018
(CDN dollars)

	2019	2018
CASH PROVIDED BY (USED IN):		
OPERATIONS		
Net income and comprehensive income for the year	\$ 919,587	\$ 790,922
Items not involving cash:		
Depreciation	1,054,490	909,808
Provision for impaired loans and mortgages	442,551	256,419
Financial margin	(14,936,447)	(14,538,365)
Increase in severance provision	95,087	32,763
Deferred income tax expense (recovery)	160,856	(89,691)
	(12,263,876)	(12,638,144)
Changes in operating assets/liabilities:		
Change in accounts payable and accrued liabilities	(157,470)	847,417
Change in members' deposits	22,975,360	18,998,677
Note payable	(677,784)	677,784
Change in loans and mortgages receivable	(18,808,288)	(21,792,620)
Change in other assets	230,935	262,814
Interest received	21,860,891	20,751,688
Interest paid	(6,482,676)	(5,646,974)
Change in income taxes	(41,351)	31,509
	6,635,741	1,492,151
INVESTING ACTIVITIES		
Increase in investments	(6,252,941)	(3,487,794)
Purchase of property and equipment	(1,170,104)	(452,452)
	(7,423,045)	(3,940,246)
FINANCING ACTIVITIES		
Dividends paid on membership shares	(140,000)	(137,000)
Net decrease in cash and cash equivalents	(927,304)	(2,585,095)
Cash and cash equivalents, beginning of year	6,793,039	9,378,134
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 5,865,735	\$ 6,793,039



ALLISON CHAYTOR-LOVEYS – CEO AND TREASURER

CEO/TREASURER'S REPORT

When it comes to the economic climate of a province, a country, or the world, a lot can happen in a year. Business experts often ruminate on the rapid speed of market changes and the increasing pressure organizations face to give swift and effective responses.

There is a fine balance, however, between the demands of today and the dreams of tomorrow. In the current economic environment, few organizations can survive without the nimble leadership and operational flexibility that are necessary for quick action. At the same time, organizations that achieve continuing sustainability and growth are usually those that have a strong picture of the future and an outlined path to get there.

The versatile nature of credit unions satisfies both needs: We have the dexterity for speedy action and the foresight for visionary thinking.

NLCU has completed the third year of a five-year strategic plan that remains as relevant today as it did when the Board of Directors and management team came together in the fall of 2016 to map out its trajectory. 2019 saw NLCU invest in the means to remain pertinent to your continuously evolving financial service needs and to move us that much closer to realizing our vision for the future.

2019 FINANCIAL HIGHLIGHTS

Last year was another positive year of growth for our credit union. At year-end, NLCU's assets were \$617,223,125 and 20,318 business owners and individuals were using our credit union for their financial service needs. The dollar value of these relationships increased to \$30,378 per member. Loan portfolios grew by 3.6% or \$18,480,276 and deposit balances grew by 4.2% or \$23,531,667. Off-book assets (members' investments in mutual funds administered by NLCU) grew by approximately \$26 million or 20% for a total of \$164 million. Net income after tax of \$919,587 was transferred to retained earnings, which resulted in a year-end total of \$22,794,747. A member dividend of 5% was paid on equity shares.

ENHANCING PRODUCTS AND SERVICES

In January 2019, we were pleased to expand our Wealth Management team with the addition of Wealth Management Advisor Suellen Fudge, who provides financial advice and planning to our members located in Gander, Clarenville and surrounding communities.

Last summer, Interac added Autodeposit and Request Money features to its e-Transfer service. Autodeposit allows you to have funds deposited directly into your account without having to answer a security question. Request Money enables you to request funds from anyone in Canada within the security of your online banking or mobile banking application. As well, members with cell phone numbers entered in our banking system were automatically enrolled in SMS Fraud Alerts, a 24/7 service that sends interactive mobile text messages directly to cardholders to validate suspicious activity in real time.

Branch and Member Solutions Centre teams made a collective effort last year to ensure a smooth transition for our members during the wind down of the Global Payment Mastercard offering. This process was completed at the end of November, when members, who were Global Payment Mastercard cardholders with unused Choice Rewards, were reimbursed for any remaining rewards. The total reimbursement value to those members was approximately \$350,000. To address the subsequent service gap created with the elimination of the Global Payment Mastercard, we helped members select a suitable alternative from our offering of NLCU Collabria Credit Cards.

In the fall, our wealth solutions partner, Aviso Wealth, rolled out private money management pools for high net worth investors, which has been well received by our members. Also last fall, to support business members with the delivery of our merchant program, we partnered with SONA, an Atlantic Canadian company and leader in payment processing solutions.

The backbone of our province's economy is small and medium-sized businesses, which are underserved in traditional financial institutions. At NLCU, we have experienced commercial financial service experts to provide the advice and solutions that these entrepreneurs need to grow their businesses. In the latter part of 2019, development of the NLCU Business Centre began at our Water Street branch in St. John's and will be completed in early 2020. The NLCU Business Centre also has a retail component to serve the personal financial needs of members in the downtown core.

COLLABORATING WITH CREDIT UNIONS, SYSTEM PARTNERS

NLCU was invited to join an advisory committee at League Data that would select a vendor for a digital account opening solution for Atlantic Canada credit unions. Once the vendor was selected, League Data launched the ASAPP Digital Account Opening and Lending Solution (ASAPP DAOL) pilot in March. This is an exciting, innovative initiative, which will transform how members can receive financial services and interact with their credit union. As a pilot participant, Shane Flight, Director, Information Systems, led the NLCU team who dedicated a significant portion of time to this initiative. Testing began in branches in June and continued into the first quarter of 2020. On January 31, 2020, League Data and ASAPP Financial Technology entered into a long-term licensing agreement for the use of the ASAPP DAOL in 46 Atlantic Canada credit unions, including NLCU.

In collaboration with other credit unions in Newfoundland and Labrador, we continued our pursuit of a new partnership with the Province to start a Provincial Government Loan Guarantee Program for small and medium-sized businesses. The Province included mention of this program in its 2019 budget and we anticipate it will officially launch in early 2020.

For several years, NLCU has had representation on the Credit Union Business Owner Strategy (CUBOS) Committee. In 2018, the committee developed an electronic book called Cash Cows, which provides insights on how to overcome various challenges faced by business owners. CUBOS has been working on a project to use this book as a tool for improving areas of specialization for credit union business account managers.

We are also a member of the Atlantic Credit Union System Cyber Security Program Committee. Formed by League Data, the aim of this committee is to help facilitate the implementation of a standard security program and associated solutions for protecting Atlantic credit unions from cyber threats. Phase 1, which involved the creation of a framework, meetings with various stakeholders, and selection of a vendor, has been completed and the committee is in the process of planning its next steps.

NLCU also participated in pilot projects for a new Horizon Loans Platform and for League Data's Document Management solution (Phase 1), both of which concluded in 2019.

IMPROVING EFFICIENCY AND PRODUCTIVITY

Last July, a project team at NLCU concluded its work on a year-long efficiency evaluation concerning the Member Service Advisor I position. The resulting report to management provided recommended actions to improve processes related to the aforementioned role. The management team has implemented some of these recommendations, is developing action plans for other improvements and some will come to fruition through ASAPP enhancements.

Last January, we streamlined some of our Equifax services, which included a switch from using the Beacon score to using the FICO score and in July, we began to use a new service called Bankruptcy Navigator Index (BNI). These changes should result in less time spent on the management of delinquent accounts and result in lower write-offs and administration resulting from insolvencies.

We also worked with Canada Mortgage and Housing Corporation (CMHC) to reduce administration around our claims process for foreclosures, allowing us to receive payouts several months faster than the previous process.

TAKING CARE OF OUR PEOPLE

At NLCU, we aim to create a work environment where employees feel engaged, are motivated to excel, and have opportunities for career development and growth. To ensure we are meeting those expectations, we annually conduct an Employee Engagement Survey. In the 2019 survey, 97% of employee respondents said they enjoy the work they currently do and 99% said they would recommend NLCU as a good place to work. These excellent scores are a credit to the vision and work of our Human Resources department and the commitment of the entire management team to create an engaging workplace.

In December, we added new recruitment features to our human resources information system. With these new features, employees can view job postings, apply online, and update their work profiles. These new features also give us the ability to use smart technology to recruit and screen the best job candidates, cutting down on the costs and time it takes to find the best talent.

As it has been for many years, employee learning and professional development was a major focus. Training in Fusion – the practical component of our member service approach – continued throughout the year with every employee receiving training. Eight employees successfully completed our in-house Lender Training Program, and our new Retail Lender Trainer delivered retail lending training to another eight employees. As well, we increased the frequency of our CUMIS insurance training sessions.

To ensure newly hired or promoted branch managers have relevant, easy-to-digest information at their fingertips, we rewrote our Branch Manager Orientation Booklet. We also began reviewing our orientation program for newly hired employees and making improvements to the current format. Work on this will continue in 2020.

We are also very proud of the level of commitment our employees continue to demonstrate to our people and communities through volunteerism. Last year saw 37 Acts of Kindness performed by teams across the province. Employees also donated their time to organizing local fundraising events for the NLCU Charitable Foundation, and continued to be the Foundation's main volunteer base, ensuring the charity's annual Walk-A-Thon and golf tournament were successful events in 2019.

LOOKING AHEAD

NLCU operates in one of today's fastest-changing industries; financial services continue to evolve – and quickly. During this speedy evolution, our credit union sees an opportunity to stand out and step ahead by taking relationship banking to the next level. We have solid action plans in place for 2020 that will help us deliver on our mission and stay true to our values. NLCU will continue to be the superior provider of the ideal financial service experience. This is our promise to you, our members, our Priority 1.

Sincere thanks to our Board of Directors and employees who keep the best interests of our members at the forefront of everything they do. And thank you to our valued members for continuing your financial relationship with us.

Respectfully submitted,



Allison Chaytor-Loveys
CHIEF EXECUTIVE OFFICER AND TREASURER

AWARDS



KATHERINE SEYMOUR AWARD

Ray Piercey, President (left) and Glenn Bolger, Chief Operating Officer (right), present (from centre left to right): JoAnne Ballard, Assistant Branch Manager, Member Service, Grand Falls-Windsor, Lisa Loveridge, Branch Manager, Member Service, Grand Falls-Windsor with the Katherine Seymour Award in recognition of service excellence.

INNOVATION AWARD

Ray Piercey, President (far left) and Allison Chaytor-Loveys, Chief Executive Officer (2nd from far right) with members of the Priority 1 Committee, the recipients of the Innovation Award (from left to right): Shane Flight, Director, Informations Systems; Kelly-Anne Meadus, Communications Specialist; Shannon Goodyear, Director, Marketing and Communications; Kent Farrell, Director, Credit; Lisa Loveridge, Branch Manager, Member Service, Grand Falls-Windsor; Jessica Gorman, Human Resources Advisor; Tony Young, Director, Advice and Service. The Innovation Award recognizes teams, departments and branches that have generated and implemented innovative ideas and strategies.



AWARDS



PRIORITY 1 AWARD

Tony Young, Director, Advice and Service (far left) and Michelle McGrath, Director, Branch Operations (far right) with the recipients of NLCU's first Priority 1 Award (from left to right): Greg Murray, Wealth Management Advisor; Marsheline Davis, Member Service Advisor; Dave Kim, Member Service Advisor. The Priority 1 Award recognizes an individual, a team, or several people from different teams who went above and beyond to provide exceptional service to members and/or colleagues.

AIME AWARDS

The 2019 Achievements in Marketing Excellence (AIME) Awards were held in May. NLCU won an Achievement in Marketing (AIM) Award for our community-minded celebrations during the week of International Credit Union Day, an AIM Award for our "Don't Half Retire" radio advertising, and an Achievement in Marketing Excellence (AIME) Award for our "2% is for milk, not mortgages" radio advertising. The AIME Awards showcase the most impressive, effective, and creative marketing and communications campaigns seen in the credit union system. Accepting the awards on behalf of NLCU were Ray Piercey, President (left), Glenn Bolger, Chief Operating Officer (centre), and Allison Chaytor-Loveys, Chief Executive Officer (right).



AWARDS



WOMEN OF DISTINCTION AWARD

On March 8, 2019, YWCA St. John's held their 5th Annual Women of Distinction Awards where Allison Chaytor-Loveys, CEO, was named recipient of the Public Sphere Award. The Public Sphere Award is awarded to a woman who has shown leadership in public affairs, media, communications, or through political involvement, and who has shown ongoing commitment to public service excellence and to improving the life of citizens.

A FRESH START WITH ACCOUNTS THAT COUNT - STELLA'S CIRCLE

NLCU's commitment to our people and province is entrenched in all we do.

NLCU is proud of the work we've done and the partnerships we've developed with community leaders. In 2019 we joined forces with Stella's Circle and NLCU's Charitable Foundation to create a groundbreaking new program, A Fresh Start with Accounts that Count, for women being released from federal or provincial correctional centres.

This program helps women reduce barriers to obtaining identification, a chequing account and to help them transition back into the community with a helping hand from NLCU and Stella's Circle staff.

Pictured right are Lisa Browne, Stella's Circle's Chief Executive Officer (left), Allison Chaytor-Loveys, Chief Executive Officer (centre) and the Honourable Bernard Davis, Minister of Tourism, Culture, Industry and Innovation (right).



INTERNATIONAL CREDIT UNION DAY

SPREADING KINDNESS TO CELEBRATE INTERNATIONAL CREDIT UNION DAY

Throughout the week of October 14 - 18, 2019, NLCU celebrated International Credit Union Day in a big way: Member contests took place in every branch with each winner receiving \$100; employees participated in 12 Acts of Kindness throughout our local communities, as well as participating in an NLCU-wide clothing drive where branches collected warm clothing for various shelters across Newfoundland and Labrador; and NLCU's Charitable Foundation (NLCU CFC) participated by donating \$1,000 to 12 non-profit organizations chosen by our local branch communities.



Employees from CBS branch presenting a \$1,000 cheque on behalf of NLCU CFC to the Newfound Riders from the Newfound Foundation.

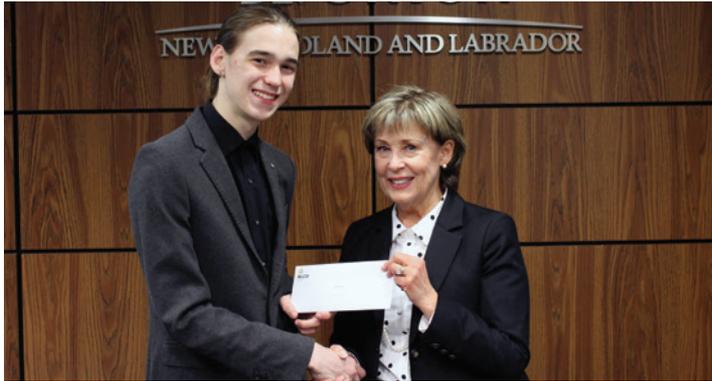


Employees from Stephenville branch (left) and Grand Falls-Windsor branch (right) performing acts of kindness in their communities.

SCHOLARSHIPS

BRIAN F. MCDONALD SCHOLARSHIP

Winner of the 2019 Brian F. McDonald Scholarship, Lauren McGrath (left) of Mount Pearl Senior High School, Mount Pearl, the daughter of Michelle McGrath, Director, Branch Operations. Presenting the cheque is Allison Chaytor-Loveys, Chief Executive Officer.



OUTSTANDING SCHOOL AND COMMUNITY INVOLVEMENT SCHOLARSHIP

Winner of the 2019 Outstanding School and Community Involvement Scholarship, Gavin Snow (left) of Holy Heart of Mary High School, St. John's. Presenting the cheque is Allison Chaytor-Loveys, Chief Executive Officer.



OWEN GRIMES MEMORIAL SCHOLARSHIP

Winner of the 2019 Owen Grimes Memorial Scholarship, Maggie Drover (right) of Menihek High School, Labrador City. Presenting the cheque is Natasha Canning, Branch Manager, Member Service, Labrador City.

COMMUNITY EVENTS



18TH ANNUAL ROD BENSON MEMORIAL GOLF TOURNAMENT

The 18th Annual Rod Benson Memorial Golf Tournament was held August 28, 2019, and raised over \$33,000. Funds raised will support the great work of a variety of charities in this province, including the School Lunch Association, the Tournament's Charity of Choice.

Platinum sponsors NLCU and CDL Holdings continued to support the Tournament as they have for the past 18 years. Silver sponsors were long-time supporters The Co-operators Group and E.C. Boone, along with NEI Investments returning for their third year, and Diebold Nixdorf increasing their commitment as a silver sponsor this year. The Cumis Group continued their support as Bronze sponsors, and long-time Tournament sponsor League Data increased their sponsorship to a bronze level.



16TH ANNUAL WALK-A-THON

The NLCU Charitable Foundation held its 16th Annual Walk-A-Thon in June raising over \$30,000 for provincial charities. Walks were held at 8 locations across the province. All 12 of NLCU's branches were represented, with well over 100 participants.

A portion of the funds raised went to Special Olympics Newfoundland and Labrador, to help send a team of 70 athletes, from all areas of our province, to the 2020 Special Olympics Canada National Winter Games in Thunder Bay, Ontario.

2019 DONEES

A Dollar A Day Foundation
AboutFace Craniofacial Family Society
Agnes Pratt Home Foundation Inc.
Agriculture in the Classroom
Air Cadet League of Canada (NL) Inc.
Alzheimer Society Newfoundland and Labrador Inc.
The Arthritis Society NL Division
Association for New Canadians
Autism Society of Newfoundland and Labrador (ASNL)
ASNL - Eastern Chapter
Avalon Dragon Boating Inc. (Central NL Dragons)
Bay St. George Sick Children's Foundation, Inc.
Beagle Paws Inc.
Big Brothers Big Sisters of Eastern Newfoundland
Bridges to Hope Inc.
Canadian Cancer Society – 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
The Candlelighters Association of Newfoundland and Labrador
Cerebral Palsy Association of NL Inc.
Chamberlains Park Action Committee Inc.
Children's Wish Foundation of Canada – NL Chapter
Choices for Youth
The Church Lads' Brigade (C.L.B.)
The Claudia Cup Foundation Inc.
CNIB Newfoundland and Labrador
Co-operative Development Foundation of Canada
Corduroy Brook Nature Centre & Trail
Corner Brook Stream Development Corporation
Crohn's and Colitis Canada Eastern Avalon Chapter
Cystic Fibrosis Canada – NL Chapter
Dr. H. Bliss Murphy Cancer Care Foundation
Dr. Jack Hand Legacy Foundation
The Duke of Edinburgh's Award Programme – NL Division
Easter Seals Newfoundland and Labrador
Eating Disorder Foundation of Newfoundland and Labrador
Empower, The Disability Resource Centre Inc.
Epilepsy Newfoundland and Labrador
Exploits Ground Search and Rescue Team
Faiths Haven Animal Shelter
The Gathering Place Inc.
Habitat for Humanity NL
Health Care Foundation
Heart and Stroke Foundation of Newfoundland and Labrador

Heritage NL
Historic Sites Association of NL
Home Again Furniture Bank
Hope Air
Iris Kirby House Foundation, Inc.
Janeway Children's Hospital Foundation
Karen's Place
The Kidney Foundation of Canada – NL Branch
Kids Eat Smart Foundation Newfoundland and Labrador Inc.
Kids Help Phone, Atlantic Region
The Kiwanis Music Festival Association of St. John's
Learning Disabilities Association of NL
Lionel Kelland Hospice
The Lung Association - Newfoundland and Labrador
Mazol Shriners (Patient Transportation Fund)
Labrador West Ministerial Association & Food Bank
MS Society of Canada – Avalon Chapter
The Murphy Centre
The Nature Conservancy of Canada
Newfound Foundation (Newfound Riders)
Newfoundland and Labrador Association for Community Living
The Newfoundland and Labrador Down Syndrome Society
Newfoundland and Labrador Foster Families Association
Opera on the Avalon
Parkinson Society Newfoundland and Labrador
Perchance Theatre
Planned Parenthood
Prostate Cancer Canada - NL Chapter
Rainbow Riders – St. John's Therapeutic Riding Association
Ronald McDonald House NL
Caribou Group of Rotary
Rotary Club of St. John's Endowment Foundation Inc.
The Royal Canadian Legion - Grand Falls (NFLD No. 12) Branch Poppy Fund
Royal Life Saving Society Canada - NL Branch
Salvation Army Corner Brook Food Bank
School Lunch Association Inc.
Seniors NL
Single Parent Association of Newfoundland
Baccalieu Trail SPCA
NL West SPCA
Special Olympics Newfoundland and Labrador Inc.
St. John's Citizens Crime Prevention Committee
St. John's Status of Women Council/Women's Centre
St. Kevin's Food Bank
Stella's Circle Foundation Inc.
Thomas Howe Forest Foundation Inc.
Thrive Community Youth Network
Toys for Joys
Trinity-Conception-Placentia Health Foundation
Tuckamore Festival
U-Turn Drop-In Center Corp.
Vera Perlin Society
Western Regional Hospital Foundation
Wooden Boat Museum of Newfoundland and Labrador



NLCU CHARITABLE FOUNDATION'S ANNUAL LUNCHEON

In November, the NLCU Charitable Foundation hosted its annual Charities Luncheon and distributed approximately \$97,150 to 101 charities throughout the province. Since its inception in 2002, the Foundation has donated over \$1.3 million to charities in our province.

OUR CONTACTS AND LOCATIONS

BOARD OF DIRECTORS

Raymond Piercey – President* and Board Chairman

Maureen Singleton – 1st Vice President*

Allan Skanes – 2nd Vice President*

Patrick Collins*

Elmer Ryzuk

Nancy Healey

Sheena McCrate

James (Jim) Davis

Barry W. Tucker

Allison Chaytor-Loveys – CEO and Treasurer[†]

Glenn Bolger – COO and Corporate Secretary[†]

Jim Mayo – CFO[†]

Tracy Wells – Recording Secretary

[†]Executive Committee

[†]Appointed

MANAGEMENT (Corporate Office)

Allison Chaytor-Loveys – CEO

Glenn Bolger – COO

Jim Mayo – CFO

Kent Farrell – Director, Credit

Shane Flight – Director, Information Systems

Shannon Goodyear – Director, Marketing and Communications

Bernard Howlett – Director, Risk and Internal Audit

Tony Young – Director, Advice and Service

Michelle McGrath – Director, Branch Operations

Laurie Roberts – Director, Human Resources

Matthew Norman – Manager, Accounting and Finance

Susan Sheppard, Manager, Information Systems

Cathy Mattsson – Manager, Lending Services

Tracy Wells – Executive Assistant

Teleservice: 1-800-563-3300

Automated Teleservice®: 1-800-963-4848

Website/*MemberDirect*® Online Banking: www.nlcu.com

MemberDirect® Mobile Banking: www.nlcu.com/m

 NLCUHOME  NLCU  NLCUGRAM

  NEWFOUNDLAND AND LABRADOR CREDIT UNION

BRANCH MANAGERS

240 Water Street

St. John's, NL A1C 1B7

754-2630 (Corporate Office)

722-5824 (Water Street Branch)

Michelle Dawe

341 Freshwater Road

St. John's, NL A1B 1C4

754-2312

Ciaran Grealis

38 Main Street

Corner Brook, NL A2H 6Z7

634-5341

Janice Kennedy-Humber

1 Pinsent Drive

Grand Falls-Windsor, NL A2A 2S8

489-9051

Lisa Loveridge

Labrador Mall, 500 Vanier Avenue

Labrador City, NL A2V 2W7

944-7701

Natasha Canning

BRANCH MANAGERS

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

Craig Penney

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

Kimberly Hennebury

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

Rod French

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

Michelle Dawe

89 Conception Bay Highway
Conception Bay South, NL A1W 3A3
834-9520

Rod Senior

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

Shawn Parsons

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

Cynthia Hawco

WEALTH MANAGEMENT ADVISORS

240 Water Street
St. John's, NL A1C 1B7
758-8258 (office)
690-0922 (cell)

Tony Young CFP, Director, Advice and Service
tyoung@nlcu.com

341 Freshwater Road
St. John's, NL A1B 1C4
758-8253 (office)
693-4110 (cell)

Don Halleran PFP, FICB
dhalleran@nlcu.com

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

6 Roe Avenue, Box 130
Gander, NL A1V 1W5
256-3537 (office)
256-3976 (cell)

Suellen Fudge
sfudge@nlcu.com

38 Main Street
Corner Brook, NL A2H 6Z7
634-5341 (office)
632-0363 (cell)

Tina Skinner PFP
tskinner@nlcu.com

OUR SERVICES

YOUR MONEY

CHEQUING SERVICES

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

SAVINGS

Advantage Savings
 FAT CAT® Account
 HEADSTART™ Account
 Monthly Savings Plan
 Online Savings Account
 Plan 24® Account

CREDIT CARDS

NLCU Collabria Cash Back Mastercard®
 NLCU Collabria Centra Gold Mastercard®
 NLCU Collabria Classic Mastercard®
 NLCU Collabria Flexrate Mastercard®
 NLCU Collabria Student Mastercard®
 NLCU Collabria US Dollar Mastercard®
 NLCU Collabria Visa Travel Rewards Gold Card®
 NLCU Collabria World Mastercard®

ELECTRONIC SERVICES

ACCULINK®
 Automated Funds Transfer
 Automated Teleservice®
 Automated Teller Machines
 ClickSWITCH™
 Credential Direct®* Online Brokerage
 Deposit Anywhere™
 Direct Deposit
 E-Statements
 THE EXCHANGE®
Interac® Debit
Interac® e-Transfer
Interac® Flash
Interac® Online
 Lock'N'Block™
 MemberDirect® Mobile Banking
 MemberDirect® Online Banking

ADDITIONAL SERVICES

Bill Payments	Night Depository
Certified Cheques	Payroll Deduction
Direct Payments	Safekeeping
Grad Package	Safety Deposit Boxes
Legal Witnessing	Teleservice
Money Orders	World Currency Centre



YOUR FUTURE

INVESTMENT PRODUCTS AND SERVICES

Debentures
Group Registered Retirement Savings Plan
Monthly Registered Retirement Savings Plans
Mutual Funds*
(available through Credential Asset Management Inc.)
Registered Disability Savings Plans
Registered Education Savings Plans
Registered Retirement Income Funds
Registered Retirement Savings Plans
S&P/TSX 60 Index Linked Term Deposits
Self-Directed Registered Retirement Savings Plans
Tax-Free Savings Accounts
Term Deposit Receipts

INSURANCE

Credit Life and Disability Insurance
Credit Term Life Insurance
Critical Illness Insurance
Disability Insurance
Group Benefits
Group Retirement Services
Home/Auto Insurance (available through The Co-operators Group Insurance)
Life Insurance
Long-Term Care Insurance
Mortgage Insurance (including job loss, disability and critical illness)
Personal Health and Dental Insurance
Travel Insurance

FINANCIAL MANAGEMENT

Income Tax Preparation
Trust Services
Wealth Management Financial Planning and Insurance Services



YOUR FINANCING

LOANS AND MORTGAGES

Chequing Overdraft Protection
Energy-Efficient Mortgages
Graduate Vehicle Loan Rebate
Home Equity Loans
Mortgage Loans
Personal Lines of Credit
Personal Loans
RRSP Lines of Credit
RRSP Loans
Student Loans & Education Lines of Credit



YOUR BUSINESS

COMMERCIAL SERVICES

NLCU Collabria Visa Infinite Business Card®
NLCU Collabria Visa Low Rate Business Card®
NLCU Collabria Visa No Fee Cash Back Business Card®
Commercial Leasing through Concentra Financial
Commercial Lines of Credit
Commercial Loans
Commercial Mortgages
Corporate Accounts
Fisheries Loan Guarantee Program
Income Tax Preparation
MemberDirect® Business
MEMBERPLAN™ Group Insurance
Small Business Insurance

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PORTRAIT PHOTOGRAPHY

Ned Pratt Photography

Paul Daly Photography





NLCU.COM

240 Water Street
St. John's NL A1C 1B7



*You've got this.
You've got us.*