



2024

ANNUAL REPORT



A photograph of a Lakeland Credit Union building. The building has a curved, modern design with a white sign on the side that reads "Lakeland CREDIT UNION" with a teal wave logo. The sky is blue with white clouds. In the foreground, there are tall green grasses and some purple flowers. A dark blue semi-transparent banner is overlaid on the bottom left of the image.

Lakeland
CREDIT UNION

**CHOOSE LAKELAND
CREDIT UNION
BECAUSE WHAT
YOU DO
WITH YOUR MONEY,
MATTERS.**

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BOARD CHAIR'S MESSAGE TO THE MEMBERS

This past year marked Lakeland Credit Union's 84th year of providing financial services designed for best in-market member value and based on cooperative values, continuing a legacy of people helping people. We were pleased to share our financial profits with our members and communities through numerous initiatives once again in 2024, including:

- Profit sharing dividends.
- Patronage rebates.
- Financial donations to community organizations/programs far exceeding that from our competitors.
- An Educational Scholarship Program.

Our employees also maintained our strong tradition of giving back to the community through volunteering at numerous organizations throughout the Lakeland, reflecting our strong corporate citizenship in the Lakeland communities.

While our credit union's income declined in 2024 due to interest rate compression and increased expenses associated with expanding our service levels, I am pleased to note that your Board of Directors worked with management to ensure policies were designed to reduce the financial impact to members, including:

- Continued best in-market mortgage and loan pricing.
- Availability of amortization extensions and/or waiver of principal payments to provide payment relief when needed.
- Lower cost consolidation loans to retire higher priced debt.

I wish to express my sincere gratitude to the ongoing support from my fellow board directors. Their ongoing professional diligence and strong governance oversight is central to strong membership representation and assurance that our credit union delivers great service and value as a financially strong financial institution in the years to come.

Our employees are the face of the credit union and are commended for their genuine interest in our members' welfare and fulfilling their banking needs in an exemplary manner.

The board is pleased to support management's continued focus on employee development and investment in technology and process improvement, collectively intended to provide faster and expanded levels of member service.

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

Respectfully,

Salman Arabi, Board Chair

PRÉSIDENT DU CONSEIL

MESSAGE AUX MEMBRES

L'année dernière a marqué le 84^e anniversaire de prestation de services financiers de la Caisse Lakeland Credit Union, afin d'offrir à ses membres la valeur maximale du marché, sur la base des valeurs coopératives, poursuivant ainsi l'héritage de l'entraide communautaire.

En 2024, nous avons eu encore une fois le plaisir de partager nos bénéfices financiers avec nos membres et nos communautés, à travers de nombreuses initiatives, notamment:

- Dividendes de participation aux bénéfices.
- Rabais de mécénat.
- Dons financiers à des organismes/programmes communautaires dépassant de loin ceux de nos concurrents.
- Un programme de bourses d'études.

Je tiens à exprimer ma sincère gratitude pour le soutien continu de mes collègues administrateurs. Leur diligence professionnelle constante et leur bonne surveillance de la gouvernance sont essentielles à une forte représentation des membres et à l'assurance que notre coopérative de crédit offrira pour les années à venir un excellent service et une grande valeur en tant qu'institution financièrement solide.

Nos employés sont le visage de la coopérative de crédit et ils sont félicités pour leur véritable intérêt pour le bien-être de nos membres et pour la satisfaction de leurs besoins bancaires de manière exemplaire.

Le conseil d'administration est heureux de soutenir l'intérêt continu de la direction pour le développement des employés, l'investissement dans la technologie et l'amélioration des processus, destinés à fournir collectivement des niveaux de service plus rapides et élargis aux membres.

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

Respectueusement,



Salman Arabi, président du conseil d'administration





PRESIDENT AND CEO'S MESSAGE TO THE MEMBERS

Lakeland Credit Union was created 84 years ago to provide better local financial saving and borrowing options than those offered by the banks. An additional benefit was the redirection of bank profits heading to eastern Canada, to stay local where they could be shared with our members and distributed within the community.

This objective has not changed and is ever more relevant today! What has changed, is that our members' banking requirements have risen considerably, including an increasing number of channels to access banking services, expanded savings and borrowing products, a broader scope and depth of sought after advice, and much more.

Lakeland Credit Union is investing significantly in a multi-year plan to meet our members' banking requirements to a level better than any competitor! Multiple initiatives underway will become increasingly visible to our members, including more proactive and timely communication, faster response times, expanded daily banking options, and best in-class advice. These enhancements are intended to make banking easier for our members and will complement the lowest borrowing rates and most competitive overall investment pricing in the Lakeland!

The increased expense to make this happen will reduce overall profitability in the near term. However, your credit union is one of the best capitalized credit unions in the country. We are not reliant on profit generation to make the investments necessary to deliver a level of service which creates pride and loyalty in your Lakeland Credit Union membership. The ultimate sign of success will be our members readily referring friends and family to LCU to drive our new membership growth!

Your management team is confident that the suite of investments underway, and to come, will drive efficiency and growth to generate increasingly higher levels of profitability in the coming years to share with our members.

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

We thank you for choosing Lakeland Credit Union, because your choices matter!

John Peters, President and CEO

MESSAGE

DU PRÉSIDENT ET PDG AUX MEMBRES

La Caisse Lakeland Credit Union a été créée il y a 84 ans pour offrir de meilleures options d'épargne et d'emprunt financières locales que celles proposées par les banques. Un avantage supplémentaire a été la réorientation des bénéfices des banques vers l'est du Canada, afin de rester locaux où ils pourraient être partagés avec nos membres et distribués au sein de la communauté.

Cet objectif n'a pas changé et est toujours plus d'actualité aujourd'hui ! Ce qui a changé, c'est que les exigences bancaires de nos membres ont considérablement augmenté, notamment un nombre croissant de canaux d'accès aux services bancaires, des produits d'épargne et d'emprunt élargis, une portée et une profondeur de conseils plus larges et plus recherchées, et bien plus encore.

Lakeland Credit Union investit considérablement dans un plan pluriannuel pour répondre aux exigences bancaires de nos membres à un niveau supérieur à celui de n'importe quel concurrent ! Les multiples initiatives en cours deviendront de plus en plus visibles pour nos membres, notamment une communication plus proactive et plus rapide, des temps de réponse plus rapides, des options bancaires quotidiennes élargies et des conseils de premier ordre. Ces améliorations visent à faciliter les opérations bancaires de nos membres et viendront compléter les taux d'emprunt les plus bas et les prix d'investissement globaux les plus compétitifs de la région du Lakeland!

L'augmentation des dépenses pour y parvenir réduira la rentabilité globale à court terme. Cependant, votre coopérative de crédit est l'une des coopératives de crédit les mieux capitalisées du pays. Nous ne dépendons pas de la génération de bénéfices pour effectuer les investissements nécessaires afin de fournir un niveau de service qui crée de la fierté et de la fidélité parmi les membres de Lakeland Credit Union. Le signe ultime de succès c'est que nos membres recommandent volontiers leurs amis et leur famille à LCU pour stimuler la croissance de nos nouveaux membres!

Votre équipe de direction est convaincue que la série d'investissements en cours et à venir stimulera l'efficacité et la croissance afin de générer des niveaux de rentabilité de plus en plus élevés à partager avec nos membres au cours des prochaines années.

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

Nous vous remercions d'avoir choisi Lakeland Credit Union, car vos choix comptent!



John Peters, Président et Chef de la Direction



COMMUNITY OUTREACH

2,881
STAFF
VOLUNTEER
HOURS

Our staff are much more than trusted advisors - they are coaches, leaders, committee members, community volunteers, and individuals deeply committed to creating a lasting impact that resonates throughout the community.



We take immense pride in our staff and their active involvement in the community. To recognize their dedication, we award a **\$500** grant to the organization each employee volunteers with after reaching a 40-hour milestone. This year, eleven staff members utilized the LCU Staff Volunteer Grant to make an even greater impact in the communities where we live, work, and play.



\$5,500
STAFF
GRANTS

\$12,500
SCHOLARSHIPS
AWARDED

This year, **five \$2,500** scholarships were awarded to students in Lakeland who are pursuing post-secondary education or apprenticeship programs.



Did you know?

We've awarded **\$199,000** in scholarships to local students since 2008!



\$80,615

COMMUNITY INVESTMENTS

We proudly supported **81** events and organizations across the Lakeland through donations and sponsorships.



\$1.99 MILLION

PROFIT SHARING

This past December, we proudly deposited nearly \$2 million in Profit Sharing to our members. Since 1995, more than **\$51.5 million** has been shared with our members.



\$25,780

SERVICE CHARGE REBATES

Our Community Builder Service Charge Rebate Program continues to support organizations in achieving their goals. We're proud to offer free accounts to over **250** local non-profits, including health foundations, sports teams, and youth clubs.



\$7,953

CARE WEAR DONATIONS

Lakeland Credit Union's Care Wear program was initiated by our staff to support important causes in the community. Every Friday, staff contribute \$2 to wear jeans, and twice a year, these funds are donated to local non-profit organizations. Since 2006, we've proudly given back over **\$141,000** to our communities.



2024 RECIPIENTS WERE:

- Bonnyville Community Cancer Centre
- Cold Lake Food Bank
- Lakeland Special Olympics
- Bonnyville and District SPCA
- Lakeland Humane Society
- The Dragonfly Centre



FINANCIAL SUMMARY 2024

Short-term rates exceeded long-term rates in 2024, reflecting market expectations of future rate cuts. Members tended to invest for shorter (one-year) terms, while the majority of members with mortgages took advantage of lower 5-year mortgage rates. Lakeland Credit Union continued to offer the lowest mortgage rates in the Lakeland in support of members' home ownership goals and our commitment to offer the best value of any financial institution in the Lakeland.

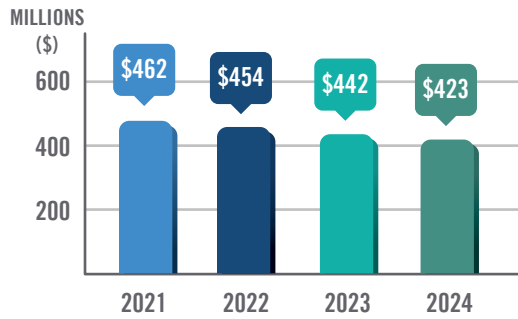
Member deposits increased by \$7 million, with a shift from chequing and savings accounts to higher yielding term deposits. Loans declined by \$19 million, in part due to the ending of the federal government's Canada Emergency Business Account loan program and repayment of these loans. The rate environment and the shift to higher cost term deposits increased deposit interest cost for the credit union. As a result, net interest margin decreased by \$1 million in fiscal year 2024.

Operating expenses increased in 2024, further reducing the credit union's net income. Most of this increase was due to increased costs from our data systems partner, and higher costs for processing member cheques, eTransfers and other transactions. We have not increased account service fees to offset these higher transaction processing costs.

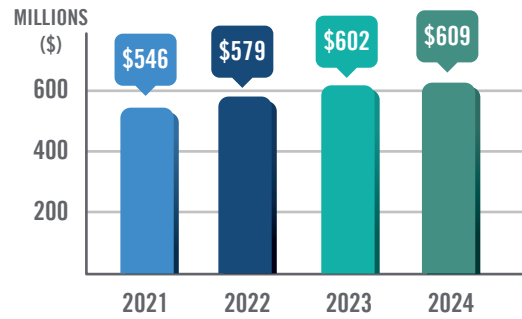
Income before taxes and profit sharing decreased by \$1.5 million in 2024, to \$2.6 million. Although earnings declined, our strong capital position enabled the Board of Directors to approve an increase in profit sharing to almost \$2 million. Profit sharing consisted of \$962 thousand in cash patronage, plus \$1 million in common share dividends.

The credit union's capital increased in 2024 by \$740 thousand and exceeds the regulatory requirement by \$63 million. This strong capital position ensures the long-term strength of the credit union to withstand competitive challenges and continue to invest at multiple levels to provide the best in service and financial solutions for our members.

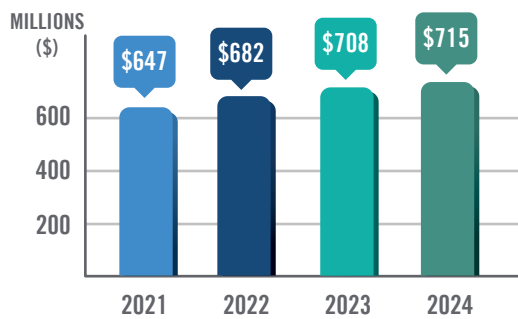
LOANS



DEPOSITS

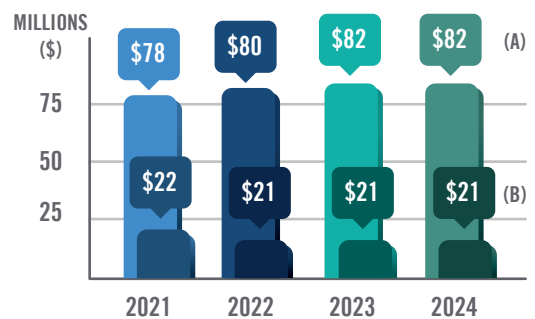


ASSETS

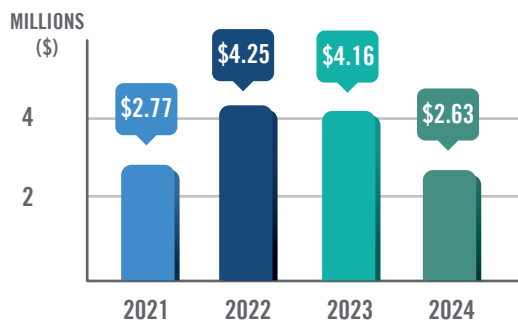


MEMBERS EQUITY

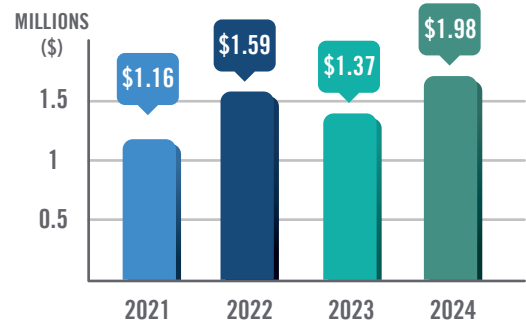
(A) RETAINED EARNINGS
(B) COMMON SHARES



PROFITABILITY



PROFIT SHARING





OUR PEOPLE



SALMAN ARABI
Board Chair
Director since 2019

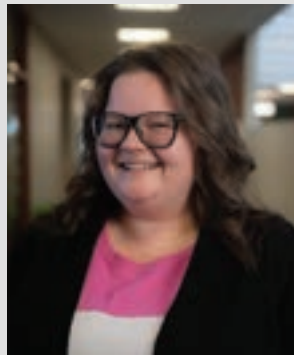


JUDY CABAY
Vice Chair
Director since 2011

BOARD OF DIRECTORS



ELISA BROSSAU
Director since 2023



LACEY CHYZ
Director since 2024



DEAN DUBE
Director since 2016



BRIAN FIEGER
Director since 2021



BRIAN HAMILTON
Director since 2019



SHERI MCAULEY
Director since 2024



KURT RICHARD
Director since 2017

EXECUTIVE TEAM



JOHN PETERS
President and Chief Executive Officer



RONDA MORIN, CCE
Vice President, Member Experience



JAMES OLSON, CCE, C.DIR.
Vice President, Culture and Governance



KEVIN BOS, CPA, CMA
Vice President, Finance and Risk



SEAN TIERNAY
Vice President, Credit Risk Management



DOUGLAS EBNER
Vice President, IT, Operational Excellence



KAREN DOWS, CLLSGB
AVP, Innovation and Member Solutions

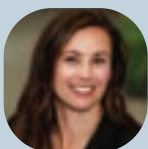


PAULINE DE LEON, MBA
AVP, Member Experience Bonnyville



PAUL MCWILLIAMS
AVP, Member Experience Cold Lake

MANAGEMENT TEAM



KAMI CLINE
Manager, People and Culture



JASON CUSACK, PMP
Manager, Information Systems



MIRANDA DEMERCHANT
Personal Banking Manager, Bonnyville



KASSANDRA FRANSEN, CFA
Manager, Finance and Risk



DARLENE LAROCQUE
Manager, Member Relationship Technology



NIKITA NORMAND
Manager, Service Centre



SYLVIA SLOWSKI, CPA, CA
Controller



ROB STEVENSON
Manager, Credit Adjudication



SUSAN URICHUK-ROTH
Personal Banking Manager, Cold Lake

MILESTONES & ACHIEVEMENTS



10 Years
of Service

KASSANDRA FRANSEN
ESTELLE RUEL
COURTNEY MCDOUGALL

20 Years
of Service

CRYSTAL JACOBSON

25 Years
of Service

SHIRLEY BAMBER
GAIL COTE

INTERNAL CAREER GROWTH:

REBECCA BREAU *Financial Advisor Associate*

MARY ANN LO *Financial Advisor*

ADAM CAMPBELL *Financial Advisor Trainee*

DARLENE LAROCQUE *Manager, Member Relationship Technology*

LINDSAY CLAUSEN *Administration & Events Coordinator*

SARAH MARSH *Lending Support Specialist*

CHRISTOPHER ELLIOTT *Member Relationship Technology Specialist*

JAMES SEVERYN *Accounting Coordinator*

KIARRAH FERNANDES *Financial Advisor Associate*

SAM SHEPPARD *Small Business Advisor*

MONICA HIRAYAMA *Risk Management Analyst*

TYLER SYLVESTRE *Relationship Manager*

CATHERINE HIZON *Centralized Services Support*

CAITLIN THOMSON *Lead, Lending Support*

LCU FINANCIAL

SMART SOLUTIONS FOR A SECURE TOMORROW

In 2024, the mutual fund market demonstrated resilience and opportunity despite navigating economic uncertainty and market volatility. Equity funds benefitted from robust corporate earnings and a recovery in certain sectors, while fixed-income funds faced challenges posed by fluctuating interest rates. Nevertheless, mutual funds continued to provide diversification and long-term growth potential, making them an essential tool for balancing risk and reward in a dynamic market environment.

As we look ahead to 2025, we anticipate a year characterized by cautious optimism and strategic adaptation. Diversification and long-term planning will remain fundamental to achieving investment success.

In partnership with Aviso Wealth, LCU Financial is dedicated to empowering clients with the tools, knowledge, and guidance to take control of their financial futures. Our approach isn't about selling products or having all the answers – it's about knowing the right questions to ask and where to find the solutions. It's not about predicting the future; it's equipping our clients to make informed decisions today for a successful tomorrow.

Our Wealth Advisors will help you navigate the complexities of finance with confidence. From critical decisions to long-term planning, we're committed to guiding you toward financial security with clarity and thoughtful strategies.

Our Services Include:

- Comprehensive investment strategies
- Risk Management and Insurance
- Wealth-Building Investments
- Business and Agricultural strategies
- Estate and succession plan strategies

At LCU Financial, we're committed to making financial security and wealth-building accessible for everyone. Let us help you build a brighter financial future.



BOBBI READ
Senior Wealth Advisor
LCU Financial
Aviso Wealth



CAITLIN ROYSTON
Wealth Coordinator
LCU Financial
Wealth Advisor
Aviso Wealth



CARLA MYSHANIUK
Wealth Coordinator
LCU Financial
Aviso Wealth

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