

We've Got You.

Strength. Knowledge. Stability. Purpose.



LDCU - The Board



Elaine Layman - President

Elaine joined the Credit Union in 1992 when she and her family first moved to Ladysmith. Elaine is a Chartered Professional Accountant and owns and operates The Layman Group, a full-service accounting and financial planning company in Ladysmith. Elaine has been active in the Ladysmith community for many years; she has previous experience serving on boards as she was the President of the Ladysmith Resource Centre and the Ladysmith Chamber of Commerce for several years. Elaine was appointed to the Credit Union Board in the fall of 2009 and has served as Vice-President of the Board and Chairperson of the Audit committee. In addition, she has served on the Governance,

Management, and Bursary committees. Elaine is a graduate of the Credit Union Director Achievement Program, and has her Accredited Canadian Credit Union Director (ACCUD) and Canadian Credit Union Director (CCD) degrees. She has also attained the prestigious Institute of Corporate Directors designation (ICD.D).



Ross Davis - Vice President

Ross was born and raised in Ladysmith, and has been associated with the Credit Union since the early 60's. He was appointed as a director in 2012. Until his retirement, Ross was the Manager of Millstores/Purchasing for the Crofton Division of Paper Excellence and had been with them for over 37 years. His interests include travel and camping with family and friends. He also joined Station 29 Ladysmith, Royal Canadian Marine Search and Rescue (RCM-SAR) and has now accepted the Deputy Station Leader position. Ross has a Business Administration Certificate from UVIC and sits on the Town of Ladysmith's Liquid Waste Management Committee. Ross is Chairperson for the Conduct

Review and Audit Committees, and sits on the Investment and Lending, and Nomination Committees. Ross is a graduate of the Credit Union Director Achievement Program and is an Accredited Canadian Credit Union Director.



Tim Richards - Secretary

Tim has lived in Ladysmith since 2000, and joined the Board of Directors at the annual general meeting in April of 2005. Tim's involvement with the Credit Union system has roots from his childhood, as his father was the manager of the Dogwood Credit Union for many years. Tim has a background in public sector management and has operated his own parks and recreation consulting business since 1980. He has been instrumental in the construction and upgrading of several parks in Ladysmith in a consulting role, and currently serves as Chair of the Parks, Recreation and Culture Advisory Committee to Town Council. He has served on the Management committee, as the Recording Secretary of the Board,

and was Chairperson of the Investment and Lending Committee. In addition, Tim is a graduate of the Credit Union Director Achievement Program.



Rob Viala - Director

Rob has been a member of the Credit Union since 1972; he joined the Board as a trainee in the fall of 1990 and was then elected to the Board in 1991. Rob worked at Western Forest Products in Chemainus as an accredited Red Seal millwright and crew lead hand. In his retirement, Rob is enjoying traveling, fly fishing, and the outdoors. During his time at the Chemainus Sawmill, Rob served for many years as Chairperson of the Chemainus Mutual Benefit Association, a co-operative insurance society. In years past, Rob helped many youth in our community learn about forestry and develop outdoor skills as a leader of the Junior Forest Wardens. He currently serves on the Conduct Review Committee, and is the Chairperson of the Governance

Committee. Rob is a graduate of the Credit Union Director Achievement Program.



Gerry Clarke - Director

Gerry has lived in Ladysmith since 1988 and joined LDCU shortly thereafter. Gerry has been active in the Ladysmith community for many years. He joined the Ladysmith Eagles club in 1995 and served on their Board for more than twenty years, serving two terms as President of Ladysmith Eagles. He also served on the Town of Ladysmith Advisory Planning Commission, serving two years as Chairman. Gerry established G.R. Clarke Contracting Ltd. twenty years ago and is a ticketed Red Seal Carpenter. He has been married to Erica for thirty years and they have three children. His many hobbies include antique automobiles, automotive swap meets, and yard work. In addition, he enjoys travelling and spending time with family. Gerry is also a graduate of the Credit Union Director Achievement Program.

LDCU - Staff

Alexander, Carrie	Lending Services
Armishaw, Matthew	IT and Support Services
Bakker, Jennifer	Member Services
Berrow, McRae	Lending Services
Boschman, Nicholas	IT and Support Services
Bradbury, Carolyn	Insurance Services
Bryson, Ashley	Member Services
Cawthra, Cindy	Insurance Services
Clark, Kimberley	IT and Support Services
Cooke, Madison	IT and Support Services
Copiak, Sherri	Member Services
de Leeuw, John	Executive Services
Dice, Tyra	Member Services
Dougan, Megan	Executive Services
Forrest, Connie	IT and Support Services
Harte, Valerie	Member Services
Haugen, Kendre	Mobile Mortgage Services
Henn, Courtney	Member Services
Jamieson, David	Lending Services
King, Calvin	IT and Support Services
King, Linda	Executive Services
Kong, Charlene	Insurance Services

AGENDA



David O'Connor - Director

David has lived in Ladysmith since 1985 and raised his family here with his wife Terrena. He joined the Credit Union in 1995 and became a board member in 2010. David is self-employed as a lawyer and has practiced in Ladysmith his entire career spanning over 30 years. David has a strong commitment to community values which, together with his legal expertise, makes him well suited to serve on the Board. David has served on LDCU's Audit, Governance, Nomination, Investment and Lending, Bursary, and Conduct Review Committees. Dave is also a graduate of the Credit Union Director Achievement Program.



Carol Warkentin - Director

In 1983, Carol moved to Ladysmith with her children and has lived here since. In 1985, with the assistance of Ladysmith & District Credit Union (grateful to have chosen a financial institution that helped her during a time when rates were very high and employment was scarce), Carol purchased her first home. Since then, her passion and enthusiasm for real estate led her to becoming a licensed real estate agent in 2010. Prior to becoming a realtor, she was heavily involved in the business of developing land, as a Licensed Builder and Developer.

Like LDCU, "giving back to community" is one of Carol's core values. That's why she has been a member of different service groups, such as the Fraternal Order of Eagles, Ladysmith Rotary, and the Ladysmith Ambassadors.

In her spare time, she enjoys travelling and exploring different places. But most of all, she enjoys spending time with her children and grandchildren.

1. Reading and Approval of the Minutes of the 75th AGM.
 2. Business Arising out of the Minutes.
 3. Director's Report.
 4. Credit Committee Report.
 5. CEO's Report.
 6. Auditors' Report.
 7. Election of Directors.
 8. Appointment of Auditors.
 9. New or Unfinished Business.
 10. Good & Welfare.
- Adjourn.

Layzell, Jenna
Malli, Victor
Marchenko, Luda
McDonnell, Hannah
Moore, Brenda
Orr, Brooke
Phillip, Kanisha
Qualizza, Roberto
Qualizza, Sandra
Reilly, Melissa
Reinhart, Hana
Rickett, Shelly
Robinson, Kailee
Schaefer, Nicole
Sibanda, Bryan
Smith, Madeline
St Laurent, Anne
Vadeboncoeur, Denine
Yugteveen, Samantha
Wilson, Mitch
Zoumanigui, Richard

Lending Services
Wealth Management Services
IT and Support Services
Member Services
Lending Services
Insurance Services
Member Services
Lending Services
Insurance Services
IT and Support Services
Member Services
Member Services
Member Services
Insurance Services
IT and Support Services
Wealth Management Services
IT and Support Services
Member Services
Insurance Services
Insurance Services
Insurance Services
IT and Support Services

THANK YOU

"Since our inception in 1944, we have been a community based Credit Union. LDCU would not have gotten to where we are today without the strong support of our community and the hard work of staff and directors whose dedication is manifest in continuing personal education and development to better serve our members and our community."

Strength. Knowledge. Stability. Purpose.

What our Members are Saying

Over 3000 Members surveyed



Members that are very satisfied with LDCU 90%

LDCU cares about and is committed to supporting the community

96%

LDCU is the Financial Institution they can TRUST

91%

LDCU staff are friendly and approachable

93%

LDCU employees are experts and know their products and services thoroughly

81%

85% LDCU offers all the financial services Members require

Contact Centre Staff were extremely effective in meeting Member needs

92%



LDCU



Strong

LDCU is a leader in the community

94%



Minutes of the 75th Annual General Meeting of Ladysmith & District Credit Union September 15, 2020

1. Welcome:

President Elaine Layman welcomed members and guests to the 75th Annual General Meeting of the Ladysmith & District Credit Union (LDCU) noting it was our first ever virtual meeting.

She acknowledged that we stand on the traditional territories of the Stz'uminus First Nation and thanked them, as original keepers of this land, for their work and dedication to this land we call home.

2. Introductions:

President Elaine introduced the members of the Board of Directors: Ross Davis, Tim Richards, Rob Viala, David O'Connor, Gerry Clark and Carol Warkentin. Tim Richards and Rob Viala attended virtually.

She then introduced Chief Executive Officer (CEO) John de Leeuw and Debbie Bass from the accounting firm of MNP. Debbie Bass attended virtually.

3. Meeting Documents

CEO John de Leeuw advised that the meeting documents were provided to members on the AGM registration page of the LDCU website and they include the Agenda, Minutes of the 74th AGM and the 2019 Annual Report.

CEO John de Leeuw then outlined in detail the new procedures in place for virtual voting and member questions.

4. Rules of Order

President Elaine declared a quorum with 79 members present and noted there were 3 guests. President Elaine then displayed the Rules of Order and read them out to everyone. She asked if anyone had any questions. No one inquired.

5. Agenda Approval

President Elaine called for a motion to approve the agenda for this AGM as outlined in the meeting documents. This was moved by Rod Alsop and seconded by Courtney Henn. Carried by the membership.

6. 74th AGM Minutes:

President Elaine called for a motion to approve the minutes of the 74th Annual General Meeting, as outlined in the meeting documents. This was moved by Mitch Wilson and seconded by Rod Alsop. Carried by the membership.

7. Business Arising:

President Elaine then asked if there was any business arising from the 2019 AGM minutes. No one inquired.

8. Board Report

President Elaine advised that she trusted everyone had a chance to read the Board Report contained in the meeting documents and highlighted them as follows:

- 2019 was another excellent year for LDCU and its subsidiaries with strong growth and revenue exceeding all expectations.
- Today we celebrate our 75th Annual General Meeting (last year we celebrated our 75th Anniversary) and we look forward to the future as we hold our first ever virtual AGM.
- Although 2020 has been incredibly challenging for our community, the caring nature of our community was evidenced by outpouring of support during these times.

- LDCU moved quickly to aid members affected by the pandemic, offering loan and mortgage deferrals and Emergency Relief Term Loans (up to \$1,000,000 in total assistance) before any other financial stimulus was made available.
- We are proud of the strong financial position of LDCU with its excellent Capital and Liquidity levels that provide us with strength and stability in the midst of the pandemic.
- LDCU quickly initiated all protocols for the pandemic, the Main Branch remained open, the Insurance Division processed requests though phone and email, the Wealth Management remained in close contact with its members while closed for a brief period and the Stz'uminus Branch also closed for a brief period.
- Our staff have been unwavering in their courage and leadership throughout this pandemic.
- LDCU's Board is holding their Strategic Planning Session next month where we chart LDCU's path forward. This year we will also prepare for a possible second pandemic wave and ensure LDCU remains strong and emerges in a good or better position from when it began.
- Our history clearly demonstrates that our Credit Union rises up to face difficulties and uncertainties with strength and leadership.
- Thank you to John de Leeuw our CEO, his management team and all the staff for their hard work, especially during this difficult time.
- Thank you to my fellow directors, for your continued tireless service to the Credit Union. I am honoured to serve beside you as we chart our path into the future.

President Elaine then inquired if there were any questions about the Board Report. None were raised. President Elaine called for a motion to approve the Board Report. This was moved by Gary Redmond and seconded by Maria de Leeuw. Carried by the membership.

9. Credit Committee Report

President Elaine called for a motion to approve the 2019 Credit Committee Report as outlined in the meeting documents. This was moved by Gary Redmond, seconded by Melanie Davis. Carried by the membership.

10. CEO Report

CEO John de Leeuw then presented the CEO Report noting:

- 2019 was a relatively stable year with no Bank of Canada Prime Rate changes and minimal mortgage rate changes. The housing market was slower but steady compared to the previous two years and prices continued to rise, reaching record prices across the Province, including Ladysmith.
- 2019 brought a second consecutive year of phenomenal growth for LDCU and John outlined the financials in graphs and noted:
 - o LDCU grew by almost \$11 million to just over \$191 million, couple that with our growth of \$12.7 million in 2018, we have grown by more than \$23.6 million in the past two years. If we add in the assets of our two subsidiaries, our total assets under administration exceed \$250 million.
 - o Loans portfolio grew by more than \$5.1 million and in the past five years our portfolio has increased by almost \$27 million.
 - o 2019 Deposit growth was very impressive with growth of over \$10 million, reaching almost \$179 million by the end of the year. In the past 5 years our deposit portfolio has grown by over \$33 million.
 - o Asset growth grew by 6.05% and mirrors our deposit growth very

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But few who offer guidance.”

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Minutes of the 75th Annual General Meeting of Ladysmith & District Credit Union September 15, 2020

closely.

- o Personal and commercial mortgages account for almost \$130 million of our total loan portfolio of \$148 million as of December 31st, 2019.
- o Demand Deposits grew tremendously in 2019, rising by over \$12.4 million.
- o Financial Income and financial expense increased by almost the same in 2019.
- o Financial Margin declined slightly in 2019 due to significant interest rate competition, but remains very strong, at almost \$4 million.
- o Other income increased in 2019, mainly due to the first full year of revenue from our wealth management subsidiary.
- o Operating Expenses rose by \$372,000 which was reasonable in that it included costs for the first full year of our wealth management subsidiary.
- o The largest increases in Operating Costs were Premises & Equipment and Depreciation, both are attributed to the cost of our wealth management subsidiary.
- o Although Total Income from operations fell slightly, it was over \$900,000 and one of our best years ever.
- o Retained Earnings was almost \$11 million, which is very important to us and would help in future years if our financial performance is not as strong.
- John discussed the handling of the pandemic by LDCU staff noting:
 - o Every single staff member responded with strength, poise, and absolute commitment to their roles in LDCU during the pandemic. This year his pride to work at the Credit Union was taken to a whole new level.
 - o John took time to sincerely thank all staff in attendance for their strength, commitment and courage and sent out special thanks and appreciation to the IT Department for their work in setting up this virtual meeting.

President Elaine asked for a motion to approve the CEO's Report as presented. This was moved by Gary Redmond and seconded by Brenda Moore. Carried by the membership.

11. Auditor's Report

The Auditor's Report was then presented by Debbie Bass of MNP. Debbie advised that she was pleased to report that MNP has issued a clean unmodified audit opinion and the full set of LDCU's 2019 consolidated statements fairly represent the financial position of LDCU. Debbie asked if there were any questions on the Auditor's Report. There were no questions.

President Elaine thanked Debbie and her entire team and asked for a motion to approve the Auditor's Report as presented. This was moved by Anne St. Laurent and seconded by Kendre Haugen. Carried by the membership.

12. Nominating Committee Report

Director Ross Davis presented the Nominating Committee report. Ross outlined the guidelines followed when directors reach the end of their term. Ross mentioned the newsletter sent to the LDCU's membership stating the expiration of the terms of two directors. The two directors

whose terms are expiring are David O'Connor and Tim Richards. Ross advised that David O'Connor and Tim Richards have completed the nomination package and no other nominations were received. Ross advised that pursuant to Article 4.14 of the Credit Union Rules, David O'Connor and Tim Richards are elected via acclamation. David O'Connor and Tim Richards will serve three years and their terms will expire at the 2023 AGM.

President Elaine asked for a motion to accept the Nominating Report as presented. This was moved by Brenda Moore and seconded by Gary Redmond. Carried by the membership.

13. Appointment of Auditors for 2020

President Elaine asked for a motion that MNP be appointed auditors for 2020 with the Board given the authority to set their remuneration. It was moved by Maria de Leeuw and seconded by Gary Redmond. Carried by the membership.

14. New or Unfinished Business

President Elaine called for any New or Unfinished Business. There was none.

15. Announcement of Gift Certificates

President Elaine advised that, for our first ever virtual meeting, every member attending this meeting will receive a \$75 gift certificate to one of our local businesses:

- Plantitude
- The Old Town Bakery
- Bouma Meats
- The Wordly Gourmet Kitchen Store
- Maya Norte

16. Thank you and Adjournment:

President Elaine thanked all members for attending our 75th AGM and first virtual AGM. She noted how it showcases LDCU's ability to adapt and grow and continue to serve our community as it has for almost 77 years. She also thanked the staff for the excellent year and, in particular the IT department for putting together this virtual AGM.

The meeting was adjourned at 8:05 pm through a motion by Anita McLeod.

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Message from the Board and CEO



Elaine Layman
Board President



John de Leeuw
CEO

BASED ON OUR ROBUST INCOME LEVELS FROM LAST YEAR, YOUR BOARD OF DIRECTORS HAVE ANNOUNCED A 3% DIVIDEND ON MEMBERSHIP EQUITY SHARES.

“While all of our growth and financial ratio targets were far exceeded in 2020, we cannot overlook the unique circumstances that contributed to our success.

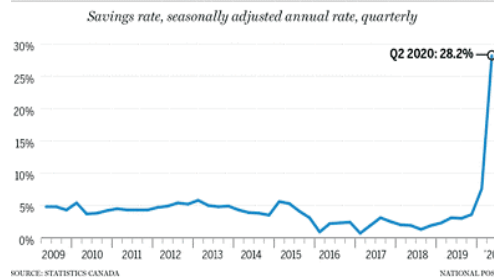
The negative impacts of Covid-19 are still reverberating through our economy, and we must be vigilant and careful as we navigate uncharted waters. We will not take last year’s achievements for granted, and we will continue to strive for strong, sustainable growth.”

As opposed to previous years with a steady if unspectacular economy, slow housing market, and modest growth, 2020 represented one of the most challenging years in our history. This was felt both by our community and your Credit Union. With the onset of Covid-19, rates fell to unprecedented levels, businesses were shuttered, gloom and uncertainty prevailed.

At the Ladysmith & District Credit Union we have a detailed Disaster Recovery Plan to prepare us for potential catastrophic scenarios, but outlining the implications for a worldwide pandemic was not something we had considered within that plan. Once it started, we would have expected an economic shutdown, a fragile housing market, lower loan demand, lower liquidity, a lower financial margin, and higher delinquency. But surprisingly, this was not what we experienced. While we

all endured the shutdown of our businesses, schools, churches and community centers, on a local and national level, swift government intervention poured billions of dollars back into the economy. The result has been unprecedented liquidity, and with nowhere to spend, Canadians are saving more than they ever have. The average savings rate for Canadians prior to the pandemic was 3.6%. Compare that to the 2nd quarter of 2020 where Canadian household savings reached 28.2%.

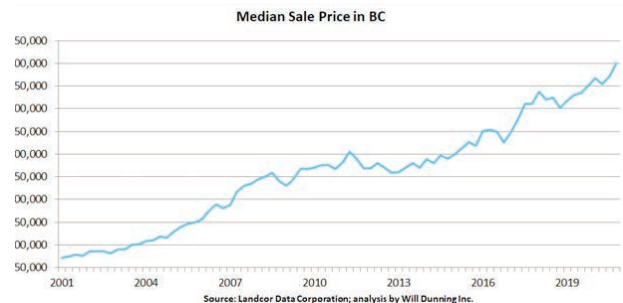
CANADIANS ARE COVID SUPER SAVERS



While savings rates have skyrocketed, they have not done so due to higher interest rates. In the 1st quarter of 2020, interest rates fell dramatically. They continued to fall throughout the year, culminating in the lowest mortgage rates in history. For the first time ever, a borrower could obtain a 5 year fixed rate mortgage lower than 2%. Ultimately, mortgage rates bottomed out in the realm of 1.50% for a five year term.



These historic rates, coupled with extremely low inventory, were the perfect storm for house prices. Since the onset of Covid-19, the housing market on Vancouver Island has been super-charged. Provincially, 2020 saw yet another rise in house prices in BC, with the median sale price reaching \$600,000 in the fall. That represents an increase of 9.1% year over year. When you compare this to prices even four years ago, house prices have risen by 41%, an average growth of 9% in that period. In fact, since 2001, house prices in BC have risen an average of 6.6% per year.



What has been the impact of these rising prices on the Ladysmith market? Our local housing market has mirrored that of the rest of BC: low inventory and rising prices. In fact, the median sale price of a detached home in Ladysmith rose from \$496,945 last year to \$542,857 in 2020. That is an increase of 9.24% year over year. When you add that to the 5.96% increase in 2019, and the 14.39% increase in 2018, house prices in Ladysmith have risen almost 30% in the past three years.

A question could be asked about how people are affording these rising prices. The answer may lie in the Affordability Index. While house prices continue to rise, the unprecedented rate decline has actually made these larger mortgages more



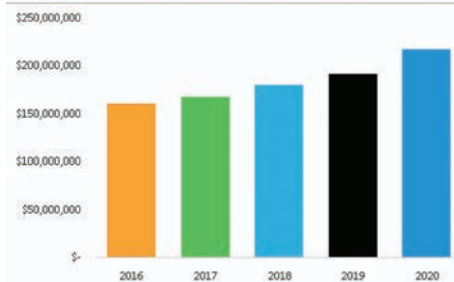
affordable. As you can see from the graphs to the left, the Index of Mortgage Costs for Vancouver Island shows affordability just above the 20 year average at 110%, down from 123% in 2018. When you account for just interest costs, the Affordability Index is even stronger. The second graph outlining the Interest-Only Costs is now almost 40% below the 20 year average, and almost half of what it was in 2018.

Certainly, long term interest rates will not stay down forever, but the Bank of Canada is committed to keeping their

Prime Rate at its current level until 2023. With no inflation of note on the horizon, it doesn't appear rates will be increasing in the near future.

Earlier we reported the potential negative impacts to the Credit Union that could have happened due to a pandemic. We can thankfully report that none of those happened in 2020. In fact, 2020 was the strongest year of growth in our history. Our assets grew by over \$26,000,000 or 13.66% to over \$217,000,000. Not only did we reach the \$200 million plateau, we surpassed it spectacularly! This was double the growth of 2019, but if you add the two years together, we have grown by almost 20% in the past two years alone. Our loans portfolio took advantage of the strong housing market, resulting in extraordinary growth. Our loans portfolio grew by over \$21,000,000 reaching almost \$170,000,000. This is growth of over 14%. Particularly strong were personal and commercial mortgages, both with record growth this past year. Not to be outdone was deposit growth. With Canadians saving at unprecedented levels, our deposit portfolio grew by over \$24,500,000 or 13.73%, to surpass \$200,000,000 for the first time in our history. The growth in 2020 exceeded the total deposit growth of the previous two years combined.

TOTAL ASSETS



Turning to income, your Credit Union had another incredibly strong year. Again, as previously mentioned, this would not have been expected during a pandemic. Our total income rose marginally by \$192,000 to \$9,400,000 which represents an increase of 2%. Where we were particularly strong was financial margin which surpassed \$4 million for the first time in our history. This total represented an increase of 11% from 2019. Net income from operations also showed tremendous growth this past year. Not only did we exceed \$1 million for the first time ever, but we actually grew our net operating income to more than \$1.4 million. Contributing

to these strong income figures were our two subsidiaries, both of which also had record years. Our insurance subsidiary, LCU Insurance, had their best year ever, with gross income exceeding \$1 million for the first time in their history. This was a result of strong ICBC income, and a dedication to superior service. LDCU Financial, our wealth management subsidiary, was also a strong contributor to our success in 2020, as their income from operations grew by over 38% compared to 2019. Our knowledgeable team at LDCU Financial handled the extreme volatility of the markets with strong and steady hands.

All of the financial results have enabled us to post incredibly strong financial ratios at the end of 2020. As an example, as a provincially regulated Credit Union, we are required by the Financial Institutions Act to carry a minimum of 8% liquidity. At the end of 2020, our liquidity ratio was more than 18%. Our strong net income totals allowed us to transfer more than \$1.2 million to retained earnings, pushing our Members' Equity to more than \$12 million. This has contributed to a very strong Capital Adequacy Ratio of 14.52%, more than 81% above statutory requirements.

Based on our robust income levels from last year, your Board of Directors have announced a 3% dividend on Membership Equity Shares. While a 1 year term deposit rate has fallen to around 0.50%, this dividend is six times that rate. In fact, a 5 year term deposit rate is now less than 1%, showing how high an annual dividend this is. Membership has its benefits!

The year of 2020 brought with it a pandemic the likes of which haven't been seen in over 100 years. With that came lockdowns and business closures, fear and uncertainty. In the spring of last year, no one knew what was going to happen; what the short and long term impacts of the pandemic would be. At LDCU we reacted swiftly to ensure the safety and protection of our employees and our members. We brought in plexiglass barriers, hand sanitizer stations, and PPE. Due to staffing issues we temporarily closed our Oyster Bay branch, but by the middle of the year it was re-opened. Our two subsidiaries also briefly closed their doors to foot traffic, as regular attendance in person is the main way they carry on their businesses. However, they both continued to serve their clients through phone, email and virtual meetings. This was temporary, as they both soon re-opened, with LCU Insurance utilizing greeters to ensure appropriate physical distancing was maintained at all times. While these changes were somewhat disruptive in the early stages, by the end of the year we had grown accustomed, and even comfortable to this new way of conducting business.

We would like to thank our staff for their courage and commitment through an incredibly difficult year. They have all demonstrated the best in the human spirit, and that the traits of selflessness and dedication are still as prevalent and important as they have ever been. To the directors of LDCU, we thank you for your leadership and contribution to the strength and growth of the Credit Union and its subsidiaries. Despite the monumental challenges of 2020, you never lost sight of our strategic imperatives, and continued to move the Credit Union forward for the benefit of our members and our community. And as always, thank you to our members. We are eternally grateful for your trust and support, without which we could not continue to deliver the vision created over 76 years ago: for a strong, vibrant, community-based Credit Union. We still believe in that vision, and it has never been more important than it is today. To celebrate our strength, vision and resilience, we designed a new logo for our corporate apparel and all staff wear it proudly: LDCU Strong!



Respectfully submitted,

Elaine Layman
Elaine Layman, President

John de Leeuw
John de Leeuw, CEO

Fraud Prevention - Phone Scams

Many people lose a lot of money to phone scams – sometimes their entire life savings. Phone scams can take many forms, but the fraudsters always have the same objective – get your money or get your personal information to commit identity theft. To do this, scammers may act friendly and helpful or they might threaten or try to scare you. Since they usually follow similar patterns it's important to familiarize yourself with how to identify a phone scam.



1

THERE IS NO PRIZE

A caller might say you were selected for an offer or that you've won the lottery. They may ask you for personal information to claim your prize. Don't give it. And if you have to pay to get a prize, it's not a prize.



2

YOU WILL NOT BE ARRESTED

Scammers often pretend to be law enforcement or government agencies. They usually say you'll be arrested, deported or fined if you don't pay taxes or some other debt immediately. Real law enforcement or government agencies will not call and threaten you.



3

DON'T BE RUSHED

Most legitimate businesses will give you time to think their offer over and do your due diligence. Fraudsters will tell you it's urgent and to act fast. Don't be pressured into making a decision on the spot.



4

NEVER SEND CASH OR PAY WITH A GIFT CARD

Fraudsters want to get you to pay in a way that is difficult to get your money back. So, they will often tell you to wire money, put money on a gift card or prepaid credit card. Anyone who asks you to pay this way is a scammer.



5

NOBODY NEEDS TO CONFIRM YOUR PERSONAL INFORMATION

Never give out your personal information like your social insurance number or account details to someone who calls you unexpectedly. Neither the government nor your credit union will ever call you for this reason.



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Credit Committee Report 2020

2020 REPRESENTS THE HIGHEST DOLLAR VALUE OF LOANS APPROVED IN THE CREDIT UNION'S HISTORY.

“Leading again in 2020 were personal mortgages with almost \$37 million approved, an increase of 42% over 2019.”

“Total dollar value of loans granted was \$64,021,731 which was up more than \$21.7 million over 2019, a jump of over 51%.”

“Increasing significantly this year were commercial loans and mortgages with \$21.4 million approved, up by 152% year over year.”

Despite the challenges posed by the Covid-19 pandemic, the housing market on Vancouver Island was surprisingly resilient in 2020. One of the main reasons there is an active buyer's market on the Island is the lack of inventory. In fact, the active listings of single-family detached properties throughout Vancouver Island were 421 in December, the lowest number on record.¹ This has contributed to the lower total sales as described by VIREB president Kevin Reid: “Consumer demand is high, and buyers are snapping up well-priced properties quickly once they hit the market.”² Notwithstanding lower inventory numbers, sales in the Cowichan Valley rose year over year. According to the VIREB, the total sales in the Cowichan Valley rose to 810 this year from 706 in 2019. This change represents an increase of 14.73%. Even with lower sales, prices continue to rise throughout Vancouver Island. In 2020 in the Cowichan Valley, the average sale price of a single-family residential home increased from \$521,244 to \$571,578, a rise of 8.81%.² Specific to Ladysmith, total residential sales in 2020 were 196 units as compared to 225 units in 2019. That represents a drop of 14.80% in total sales. Despite a third consecutive year of declining sales, the median sale price for a detached residential home in Ladysmith in 2020 was \$542,857 as compared to \$496,945 in 2019, an increase of 9.42%.³

At LDCU, the total number of loans approved, and the total dollar value, rose for the second consecutive year. In fact, 2020 represents the highest dollar value of loans approved in the Credit Union's history. The total dollar value of loans granted was \$64,021,731 which was up more than \$21.7 million over 2019, a jump of over 51%. As for number of loans approved, we granted a total of 295 loans, up almost 24% from 2019. Even though 2019 was an excellent year for lending, 2020 far surpassed our targets. Leading again in 2020 were personal mortgages with almost \$37 million approved, an increase of 42% over 2019. Also increasing significantly this year were commercial loans and mortgages with \$21.4 million approved, up by 152% year over year. It was an amazing year of lending for LDCU, with a terrific effort from all our lending personnel, and demonstrating our on-going commitment to our community.

The following is a complete summary of the loans and mortgages granted in 2020 & 2019:

	#	2020	#	2019
Personal Mortgages	112	36,949,873	109	25,983,686
Business/Commercial	91	21,439,275	25	8,485,988
Miscellaneous	15	133,565	11	76,521
Automobile	8	142,970	14	242,064
RV's, Boats, etc.	1	16,500	0	0
Mobile Homes	1	59,280	3	319,687
Taxes, RSP's, etc.	0	0	1	30,000
Consolidation	9	105,117	9	243,767
Lines of Credit	58	5,175,151	66	6,901,000
Totals	295	64,021,731	238	42,282,713

Respectfully submitted:

Roberto Qualizza, Chair; Elaine Layman; Gerry Clarke & John de Leeuw
Credit Committee, Ladysmith & District Credit Union

1. http://www.vireb.com/assets/uploads/12dec_2020_vireb_stats_package_64803.pdf

2. http://www.vireb.com/assets/uploads/2020_annual_sales_summary_1939.pdf

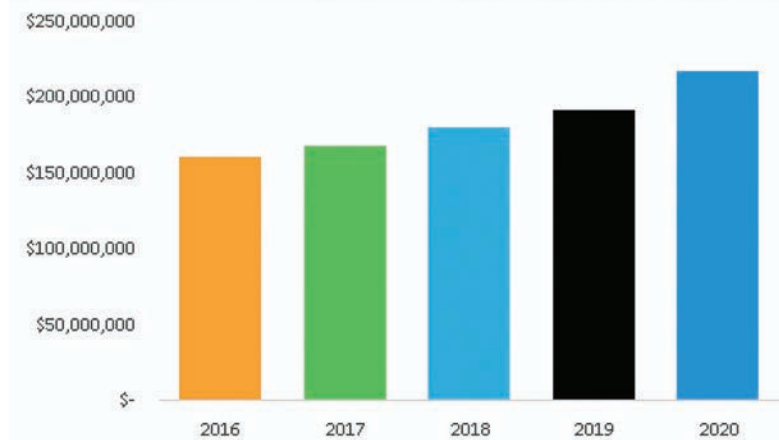
3. Landcor Data Corp.

Strength. Knowledge. Stability. Purpose.

2020 WAS THE STRONGEST YEAR OF GROWTH IN OUR HISTORY.

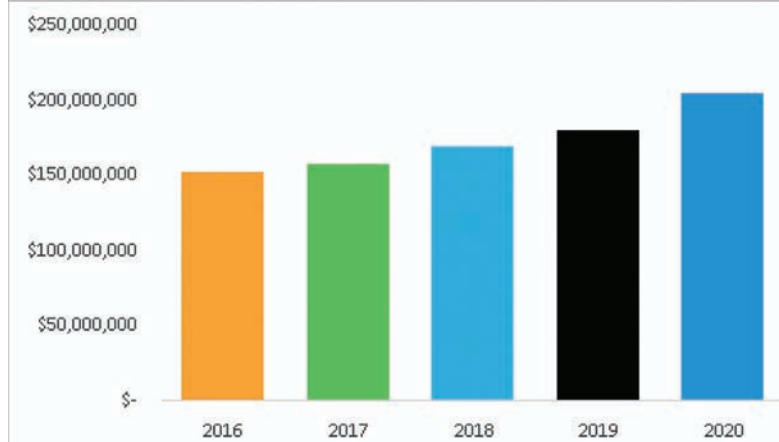
"Our assets grew to over \$217,000,000 as at yearend."

TOTAL ASSETS



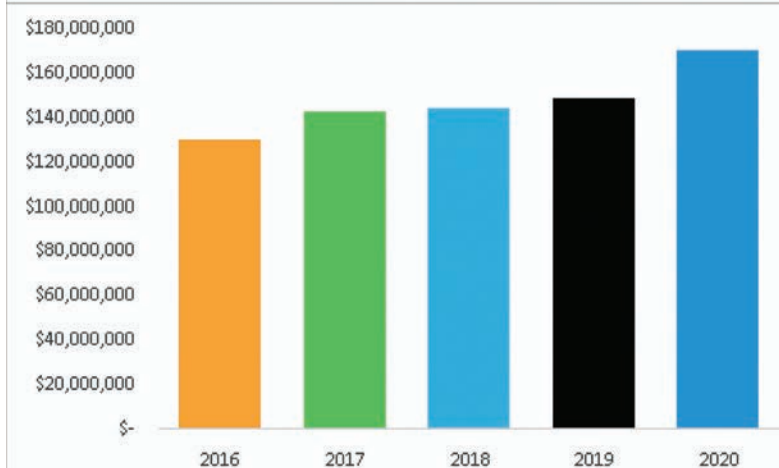
TOTAL DEPOSITS SURPASSED \$200,000,000.

TOTAL DEPOSITS



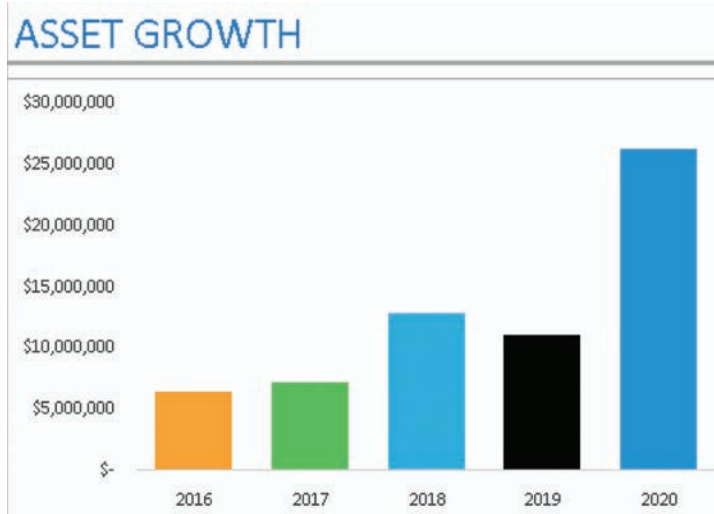
LENDING WAS VERY STRONG IN 2020 LED BY PERSONAL AND COMMERCIAL MORGAGES.

TOTAL LOANS



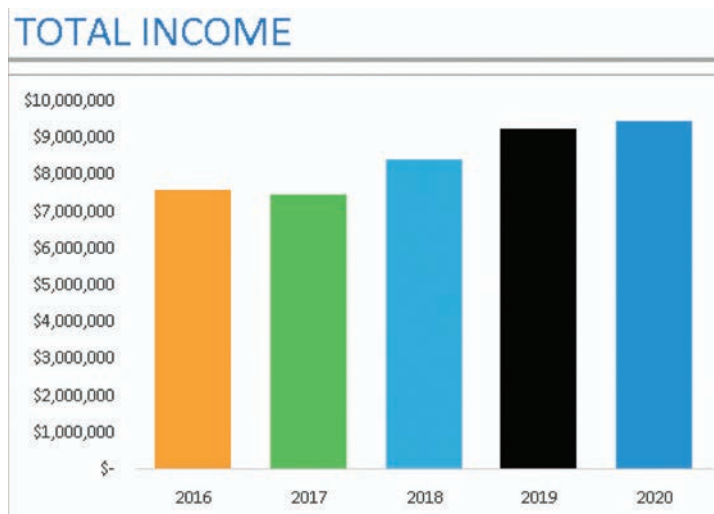
Strength. Knowledge. Stability. Purpose.

**TOTAL ASSETS GREW OVER
\$26,000,000 OR 13.66%
IN 2020**

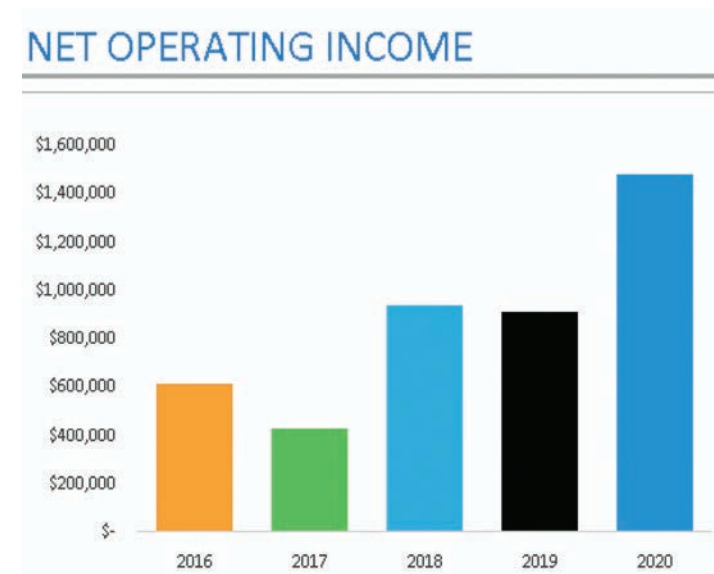


**DESPITE THE PANDEMIC, THE
CREDIT UNION HAD ANOTHER
INCREDIBLY STRONG YEAR.**

“Contributing to our strong income this year were our two subsidiaries, LCU Insurance and LDCU Financial Mangement, both of which also had record years.”



**NET INCOME FROM OPERATIONS
ROSE BY 63% TO OVER
\$1,475,000.**



We've Got You.

Strength. Knowledge. Stability. Purpose.

3%

DIVIDEND

The LDCU Board of Directors is proud to announce a 3% Dividend on Membership Equity Shares.

As a Credit Union, we share our success with our members and are proud of our ability to announce this significant dividend during these tumultuous times. That we can do this is a testament to the hard work of our staff, management and our Board of Directors as well as the continuing support of our members and community.

Come in today, become a member and start sharing in our success.



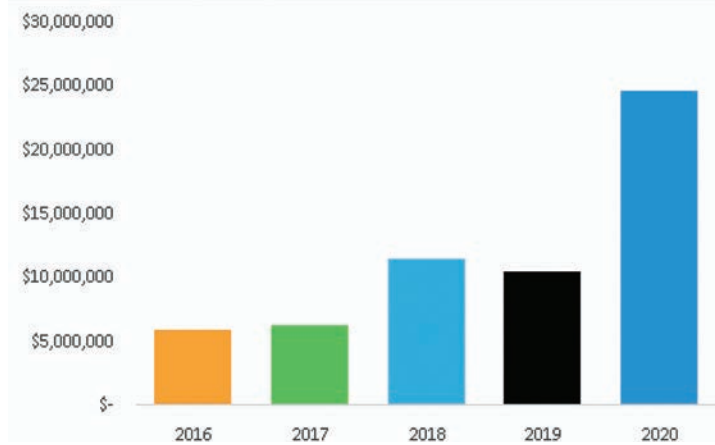
Our Community. Your Credit Union.™

Strength. Knowledge. Stability. Purpose.

DEPOSIT GROWTH IN 2020 EXCEEDED THE TOTAL DEPOSIT GROWTH OF THE PREVIOUS TWO YEARS COMBINED.

“With Canadians saving at unprecedented levels, our deposit portfolio grew by over \$24,500,000 or 13.73%”

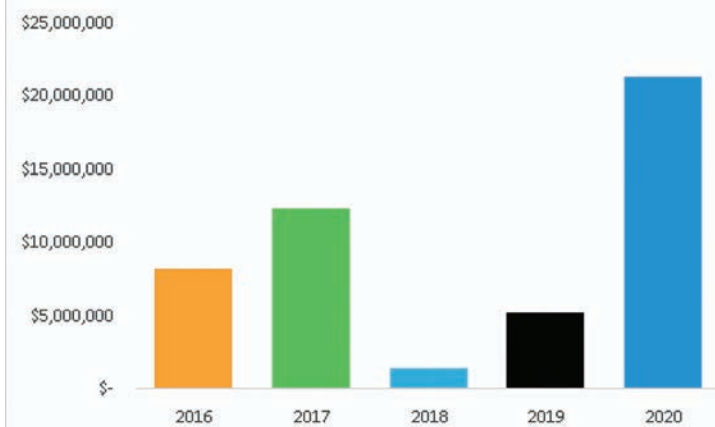
DEPOSIT GROWTH



OUR LOANS PORTFOLIO HAD EXTRAORDINARY GROWTH.

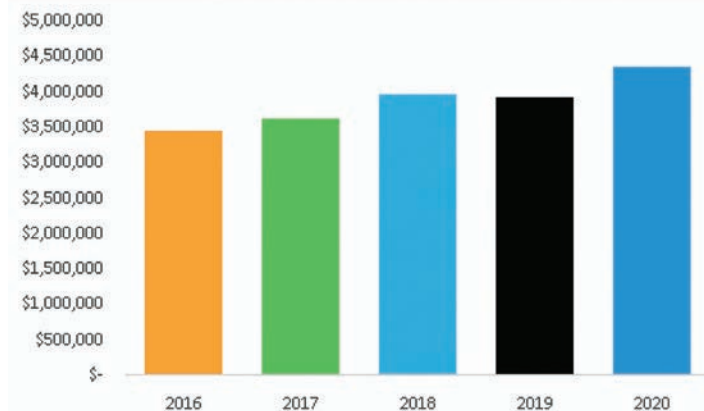
“Our loans portfolio grew by over \$21,000,000 reaching almost \$170,000,000. This is growth of over 14%.”

LOAN GROWTH



FINANCIAL MARGIN SHOWED STRONG RESILIENCE, PASSING \$4,000,000 FOR THE FIRST TIME IN OUR HISTORY.

FINANCIAL MARGIN



Ladysmith & District Credit Union
Summarized Consolidated Financial Statements
December 31, 2020

Independent Auditor's Report on the Summary Consolidated Financial Statements

To the Members of Ladysmith & District Credit Union:

Opinion

The summary consolidated financial statements, which comprise the summarized consolidated statement of financial position as at December 31, 2020, and the summarized consolidated statements of profit, comprehensive income, changes in members' equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Ladysmith & District Credit Union (the "Credit Union") for the year ended December 31, 2020.

In our opinion, the accompanying summary financial statements are a fair summary of the audited consolidated financial statements, in accordance with International Financial Reporting Standards on the basis described in Note 2 of the audited consolidated financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Abbotsford, British Columbia

March 22, 2021

MNP LLP
Chartered Professional Accountants


Ladysmith & District Credit Union

Summarized Consolidated Statement of Financial Position

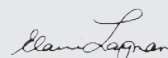
As at December 31, 2020

	2020	2019
Assets		
Cash and cash equivalents	13,427,263	6,912,500
Financial investments	26,650,402	28,345,484
Derivative financial instruments	297,713	121,359
Trade and other receivables	853,699	819,693
Loans to members	169,652,630	148,369,225
Premises and equipment	4,474,303	4,502,861
Intangible assets	1,880,275	2,049,085
Deferred tax assets	-	4,900
	217,236,285	191,125,107
Liabilities		
Member deposits	203,573,834	178,987,644
Income taxes payable	124,757	85,030
Other liabilities	622,386	489,577
Lease liability	176,716	54,084
Deferred tax liabilities	491,600	527,000
	204,989,293	180,143,335
Members' equity		
Revaluation surplus	1,176,090	1,176,090
Retained earnings	10,846,268	9,706,267
Accumulated other comprehensive loss	224,634	99,415
	12,246,992	10,981,772
	217,236,285	191,125,107

Approved on behalf of the Board



 Director



 Director

The accompanying notes are an integral part of these financial statements

Ladysmith & District Credit Union
Summarized Consolidated Statement of Profit

For the year ended December 31, 2020

	2020	2019
Financial income		
Interest on member loans	6,276,329	6,231,351
Interest on investments	801,686	1,014,483
	7,078,015	7,245,834
Financial expense		
Interest on member deposits	2,723,228	3,327,873
Interest on borrowed funds	17,152	10,447
	2,740,380	3,338,320
Financial margin	4,337,635	3,907,514
Provision for impairment on loans to members	86,222	43,569
	4,251,413	3,863,945
Other income	2,339,026	1,978,631
Operating margin	6,590,439	5,842,576
Operating Expenses	5,114,715	4,937,770
Income from operations	1,475,724	904,806
Distribution to members	40,830	56,008
Income before income taxes	1,434,894	848,798
Provision for income taxes		
Current	325,393	170,089
Deferred	(30,500)	54,000
	294,893	224,089
Profit for the year	1,140,001	624,709

The accompanying notes are an integral part of these financial statements

Ladysmith & District Credit Union
Summarized Consolidated Statement of Comprehensive Income

For the year ended December 31, 2020

	2020	2019
Profit for the year	1,140,001	624,709
Other comprehensive income:		
Net gains on derivatives designated as cash flow hedges	150,867	306,594
Income tax expense relating to gains on derivatives designated as cash flow hedges	(25,648)	(52,121)
Net unrealized gains on revaluation of land and buildings	-	192,852
Other comprehensive income for the year, net of income tax	125,219	447,325
Total comprehensive income for the year	1,265,220	1,072,034

The accompanying notes are an integral part of these financial statements

Ladysmith & District Credit Union
Summarized Consolidated Statement of Changes in Members' Equity

For the year ended December 31, 2020

	<i>Revaluation surplus</i>	<i>Retained earnings</i>	<i>Accumulated other comprehensive income (loss)</i>	<i>Total members' equity</i>
Balance December 31, 2018	983,238	9,081,558	(155,058)	9,909,738
Profit for the year	-	624,709	-	624,709
Net gains on derivatives designated as cash flow hedges, net of tax	-	-	254,473	254,473
Net unrealized gains on revaluation of land and buildings	192,852	-	-	192,852
Balance December 31, 2019	1,176,090	9,706,267	99,415	10,981,772
Profit for the year	-	1,140,001	-	1,140,001
Net gains on derivatives designated as cash flow hedges, net of tax	-	-	125,219	125,219
Balance December 31, 2020	1,176,090	10,846,268	224,634	12,246,992

The accompanying notes are an integral part of these financial statements

Ladysmith & District Credit Union

Summarized Consolidated Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Profit for the year	1,140,001	624,709
Net unrealized gains on revaluation of land and buildings through profit and loss	-	(40,396)
Depreciation of premises and equipment	261,402	202,162
Depreciation of intangible assets	177,086	170,027
Depreciation of right-of-use buildings	27,873	27,873
Interest expense on lease liability	1,033	1,717
Deferred income taxes	(30,500)	54,000
Gain on disposal of premises and equipment	(1,500)	-
Provision for impairment on loans to members	86,222	43,569
Change in fair value of derivative financial instruments	(26,111)	(15,881)
	1,635,506	1,067,780
Changes in working capital accounts		
Trade and other receivables	(34,006)	(61,480)
Income taxes payable	39,727	(30,891)
Other liabilities	132,811	(469,949)
Accrued interest on loans to members	(23,732)	10,416
Accrued interest on member deposits	105,588	111,753
Accrued interest on derivative financial instruments	(25,023)	(14,721)
	1,830,871	612,908
Financing activities		
Net change in member deposits	24,480,599	10,297,310
Repayments of lease liability	(28,928)	(28,928)
	24,451,671	10,268,382
Investing activities		
Net change in loans to members	(21,345,895)	(5,223,758)
Increase in financial investments	-	(12,569,242)
Decrease in financial investments	1,695,082	-
Purchases of premises and equipment	(110,190)	(170,282)
Proceeds from disposal of premises and equipment	1,500	-
Purchases of intangible assets	(8,276)	(41,021)
	(19,767,779)	(18,004,303)
Increase (decrease) in cash and cash equivalents	6,514,763	(7,123,013)
Cash and cash equivalents, beginning of year	6,912,500	14,035,513
Cash and cash equivalents, end of year	13,427,263	6,912,500

The accompanying notes are an integral part of these financial statements

Ladysmith & District Credit Union

Notes to the Summarized Consolidated Financial Statements

For the year ended December 31, 2020

1. Reporting entity

Ladysmith & District Credit Union ("the Credit Union") is incorporated under the Credit Union Incorporation Act of British Columbia and its operations are subject to the Financial Institutions Act of British Columbia. The summarized consolidated financial statements of the Credit Union as at and for the year ended December 31, 2020 comprise the Credit Union and its subsidiaries L.C.U. Insurance Agencies Ltd., LDCU Financial Management Ltd. and True Mortgage Specialists Ltd. (together referred to as the "Credit Union").

2. Basis of preparation

These summarized consolidated financial statements have been prepared in accordance with Section 128(4) of the Financial Institution Act and are derived from the complete audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards, as at and for the year ended December 31, 2020. Those audited consolidated financial statements were approved by the Credit Union's Board of Directors on March 22, 2021 and can be obtained at our branch.

3. Comparative figures

Certain prior year figures have been reclassified to conform to the current year's presentation.

We've Got You.

Strength. Knowledge. Stability. Purpose.



330 First Ave., Ladysmith, BC
Phone: 250-245-2247

www.ldcu.ca