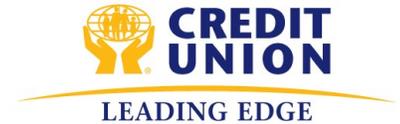


Leading Edge Credit Union

# Board Highlights



## Your Credit Union's Strategic Planning

The first weekend of October was a busy time for your Board of Directors. On Friday afternoon in Port aux Basques, Directors met to consider financial statements, operational reports, committee minutes, correspondence from partner organizations and action items. Later they met with directors of the Credit Union Deposit Guarantee Corporation (CUDGC). The purpose of this meeting was to receive their analysis of the regulatory review of your credit union completed in June of this year. During this session, LECU also suggested a credit union-regulator gathering, to develop further means of meeting your new and emerging needs as well as those of potential members. At the conclusion of this session, both groups participated in an electronic session. It reviewed economic and financial performances that, in recent years, have impacted each of us and your credit union. Participants also considered potential outcomes which are likely to influence our lives during the foreseeable future.

During the eight months under review, despite the economic conditions that prevailed, your credit union attained the financial targets for the year to date, established during the planning session in 2015. Your Board also learned that other initiatives have been completed or are satisfactorily unfolding as planned. These conditions will provide a foundation on which to plan for 2016, with an eye to the years beyond that.

The regulatory review assessed in particular the lending practices of your credit union and graded the major lending areas. The report revealed that your credit union performance in all categories was well within the range of sound business practices. Overall, Directors were quite pleased with the results of the examination, especially those related to our commercial portfolio.

The presentation by Andrew Boyd of Atlantic Central starkly revealed the negative trends of the

past five years in the global, national and regional economies. The drastic fall in the price of oil has resulted in a particularly sharp economic decline in Canada generally and in our province in particular. Given that this price is not forecast to go beyond \$60 per barrel before 2020, the pressures impacting on us – lower employment levels and wage rates, fewer housing starts, and decreased manufacturing shipments -- are not likely to lessen in the near future. In addition, our population is forecast to decline, and, of course, we are aging faster than any other province. Implications of the information gleaned during these three meetings certainly influenced the discussions that took place during our planning session on Saturday and will play an important role in the formulation of the path your credit union will navigate in 2016 and beyond.

The high-level planning session commenced on Saturday by affirming that your credit union desires to provide to you and your communities high quality financial services at a reasonable price. [During 'high-level' discussions, participants give very serious consideration to **principles** and **other significant factors** that will influence what is to be accomplished in the next year.] Directors agreed that your credit union must be able to offer you the most reliable and helpful advice in a time of stress and the kinds of financial products and service that meet your ordinary and special needs. The directors of your credit union hope you never choose to walk a lonesome financial journey in times that are good or bad. Your directors hope you see your credit union as your partner to financial good health.

The next edition of Board Highlights will try to make clear the cooperative principles, as they relate to our financial cooperative, and the way they influence what your credit union does. It will distinguish between co-operative and non-cooperative 'banks' so you will be able to perceive just what your Leading Edge Credit Union can do for you and your community.