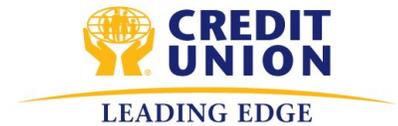


# Board Highlights



The cycle of life for your credit union and its Board of Directors is in the third quarter. The election of directors and officers concluded in the first quarter with no change, the business plan confirmed at the end of December 2016 has unfolded more or less as planned, and planning for 2018 has just identified the general directions for the coming year, with anticipation for the years beyond.

In the fourth quarter, after consideration and discussion, we will approve the budget that will formalize and underwrite the actions that will give force to the principles approved during the planning session. This is the quarter also when we will prepare for the election to fill the vacancies in our boardroom that occur each year, in accordance with section 9.01 of our By-Laws:

9.01 The Board of Directors shall consist of nine (9) members. Three shall be elected at each Annual Meeting. Each member shall hold office for a period of three (3) years, except those elected to fill vacancies who shall serve the duration of the unexpired term.

Your Board has observed that your credit union has weathered rather well the challenges presented so far in 2017. While we -- and no doubt, you -- base much of that appraisal with reference to two quantifiable measures on the 'business side' of the equation, we are also quite cognizant of the 'social side' of our co-operative. First, performance thus far has compared favourably with plans approved in December 2016. Planning in 2016 provided for activity in both the Association [social side] and the Enterprise [business side] domains.

Some time ago, our CEO prepared a chart that outlines such expectations. With thanks to Cory, it is copied below, to demonstrate both the differences between the two domains and the kinds of activities related to each. It also relates each action to cooperative principles (highlighted in bold face) of which there are seven.

Secondly, your Board considers performance by comparison to its peer group, provincially, regionally and nationally. By most accounts, LECU is doing very well, and in several cases, on regional and provincial bases, it leads. Two of our weaker aspects are efficiency and the level of usage by members (wallet share). Let's look at these.

Without doubt, your Board recognizes operating a multi-branch credit union in a low population region is more expensive than a similar sized credit union in an urban environment. But your Board also recognizes the importance of having a financial institution in the areas in which it serves. On this basis it accepts the higher costs of doing business in our rural zones. The other weaker aspect is the low use of the wonderful suite of products and services we provide to all members. The Board wonders as to the reason some members avail of six or eight of our offerings while others use just one or two. As you can see in the chart below, LECU makes every effort to maintain competitiveness with other providers, and we know from all reports that our service is second to none.

Your directors take this opportunity to extend every good wish for 2018. They also remind you of the opportunity to exercise the democratic opportunities your credit union provides to you. Look for more information in the next issue.

Association	Enterprise
LECU will partner with other co-ops to strengthen the co-op movement and bring stronger member value. ( <b>Co-operation among co-ops</b> )	LECU will remain financially stable through maintaining competitiveness on all products and services.
LECU will assist in the creation of additional co-ops where the co-op model could make a difference in the community. ( <b>Concern for community, Co-operation among co-ops</b> )	LECU will become early adopters of technological product and service enhancements for the betterment of members.
LECU will provide co-operative education to its members, staff, and public to ensure a deeper understanding of the co-operative model. ( <b>Education, training and information</b> )	LECU will seek efficiencies on delivery models through amalgamations, collaboration, or co-operation with other system partners.
LECU seeks members who share our co-operative values ( <b>Voluntary and Open Membership</b> )	LECU will continue to grow our business to ensure members receive financial stability and the credit union remains sustainable.