

**2022 ANNUAL REPORT**



SOARING INTO A  
**Brighter Future**

  
**Luminus**<sup>™</sup>  
FINANCIAL



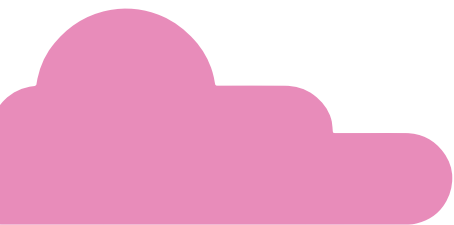
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# History



**The heart of Luminus Financial *is* community. Founded over 70 years ago, Luminus has always put our communities first - and we always will.**

On September 26, 1951 Starnews Credit Union was founded by a group of employees who realized they could better serve the financial needs of their community by partnering together. Their vision for finding new ways to serve each other has remained a focal point over the years, helping drive a long list of community-first decisions that have set Luminus Financial apart.

This year, we wanted to take some time to highlight a few of the key moments that have come to define

the Luminus Financial community. From mergers and partnerships that have expanded services for our member-owners to initiatives and products that Luminus Financial created in direct response to the needs of our community.

Over the years to come, we look forward to all of the new opportunities that will come our way. Moments where we can respond to the changing needs of our community and once again do more together.





# Vision and Mission Statement

## **Vision Statement**

To enrich the lives of our member-owners and community.

## **Mission Statement**

To provide everyday banking to individuals, families and businesses in Ontario with an expertise in under-banked markets.





# Values Statement

## LUMINUS IS ADAPTABLE, RESPONSIVE, COMMITTED & CO-OPERATIVE (ARCC)

### Adaptable

We will expand opportunities by recognizing and responding to changes.

We will position products and services to attract the family unit.

We will embrace and be open to competitive trends.

### Responsive

We will treat everyone with respect and fairness.

We will be responsive and sensitive to the diverse needs of our members.

We will embrace and be open to changes that will keep us competitive.

### Committed

We are committed to service excellence.

We will encourage a team environment committed to open and honest communication at all levels to provide better service to our members.

We will embrace and be open to changes that will keep us competitive.

We will be committed to bringing financial awareness and understanding to members so they may be financially independent.

### Co-operative

We will operate in accordance with co-operative principals:

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Co-operation among Co-operatives
- Concern for Community

We will recognize our social responsibilities within our environment and community.





# Our Promise to our Member-Owners

Offer a full range of competitive financial products and services.

Listen to you.

Exemplify all credit union principles.

Make you glad to be a member, always.

Treat you as the owner of our institution- because you are.

Respond with your financial best interests as our priority.

Share our profits with you.





# 73rd Annual General Meeting

APRIL 27, 2023

- 1 Call Meeting to Order**  
Confirmation of quorum
- 2 Approve Minutes of the April 7, 2022 Annual General Meeting**
- 3 New Business:**  
As special business, to confirm the repeal and replacement of the Credit Union's by-laws
- 4 Election of Directors**
- 5 Reports**  
Board of Directors Chair and Chief Executive Officer  
Diversity Report  
Credit Committee  
Audit Committee
- 6 Review of the 2022 Financial Statements**
- 7 New Business:**  
Appointment of External Auditors
- 8 Other Business**
- 9 Adjournment**

*Copies of the financial statements and the reports of the audit committee and the auditor will be available at the meeting and at the offices of the Credit Union ten days before the date of the meeting. A report on the gender diversity of the Board will also be presented at the meeting.*





# Report of the Board of Directors Chair & CEO

In 2021, the Board and Executive teams developed a bold new Strategic Plan along with an updated Vision and Mission for Luminus Financial by responding to the needs of our member-owners and communities. In 2022, we began implementing this plan, with key tasks and outcomes falling under our four new Strategic Pillars:

1. Financial Stability
2. Core Operations
3. Member Focused Banking
4. Assurance & Trust

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## Financial Stability

The first of our four foundational pillars, Financial Stability was defined as **delivering sustainable growth of risk-adjusted net income that enables the long-term viability of Luminus Financial**. This means focusing our efforts on opportunities that provide a long-term, stable financial benefit for the organization and our member-owners.

Forefront in 2022 was planning and preparation for the proposed merger with Airline Financial. This merger, if approved, will grow Luminus Financial close to 7,000 members and \$220 million in assets under management, ranking Luminus Financial as one of the top 100 credit unions in Ontario. Additionally, moving our head office and branch to Etobicoke allows for a new presence west of downtown Toronto, bringing with it new opportunities for membership growth and community engagement.

In terms of financial growth, over the past five years, Luminus has steadily **increased our net income from \$107,000 to \$546,686**. We're proud to say that our

financial success enables us to distribute a **dividend payout of 4.50%** this year to our member-owners on their investments and membership shares - a welcome opportunity for us to share our success with those we serve. The addition of Airline Financial also adds to our optimism, as we anticipate even more impressive accomplishments that promise long-term stability and prosperity for our credit union.

It should be noted that despite the impressive results of 2022, the sudden relocation of 1 Yonge St. had an unforeseen impact on our property lease, leading to an expedited cost of amortization expenses. Although this caused a slight decline in our projected 2022 figures, we are confident that Luminus Financial will achieve strong growth this year, offsetting that loss.

## Core Operations

Our second foundational pillar puts an emphasis on **aligning our product and service offering to our target markets, make banking with Luminus Financial simple and easy**.



Over the past year, Luminus Financial has acted on this pillar by focusing on deposit growth, operational efficiency, and market competitiveness. Specifically, we have begun a full review of all products and services to ensure they match what our communities and member-owners tell us they find most important for their daily lives. In the coming year, we look forward to announcing an updated product line-up and new tools that reflect this feedback and offer a more simplified and member-centric approach to banking, including self-service loan and member applications that you can complete in-home.

Additionally, each year, Luminus Financial reviews our account and service fees to ensure we are providing the best service to our Member-Owners for the lowest possible price. In 2022, business account fees were adjusted, based on third-party transaction costs, to keep Luminus Financial on par with the market while aiming to reduce the impact to our members.

### Member Focused

Our third foundational pillar was defined as **delivering needs-based banking that helps those who are creditworthy and underserved**. In 2022, Luminus Financial was proud to show our commitment to supporting creditworthy but underserved markets through our popular SHREM program, offering much-needed banking services to regulated high-risk and special organizational clients.

In 2022, Luminus was also a proud to sponsor Dress for Success Toronto, which empowers women to obtain safer and better futures by providing professional clothing, career training programs, and mentorship. We launched an internal and member-owner clothing drive, resulting in a significant donation of clothing and funds to the Dress for Success Toronto organization.



Jon Onlinski

**CHAIR, BOARD OF DIRECTORS**

Additionally, we are excited to announce a new partnership with Habitat for Humanity which will see Luminus Financial providing mortgages for individuals who would otherwise be overlooked by traditional banks. Our first Habitat for Humanity mortgage is scheduled to be completed in the spring of this year, with many more anticipated in the years to come. Stay tuned for more on this important partnership.

### Assurance & Trust

Finally, our fourth foundation pillar was defined as **maintaining rigorous oversight and governance policies that enable delivery of our mission**. We recognize that trust is at the core of all relationships, which is especially true in the context of financial services. This is why we prioritize Assurance & Trust as paramount elements in every decision we make.

In 2022, updates to the Credit Union Act were put in place which meant a change to by-laws, capital rules, liquidity rules, financial practices, and an updated Market Code of Conduct. This gave us the opportunity to conduct a full operational review of all policies and procedures. Following our review, our assessment discovered that Luminus Financial upholds or surpasses the requirements outlined in all fundamental sections of the Act. We also aim to introduce features in other optional areas of the Act in the near future.

During a demanding year, Luminus Financial has relied on our Four Foundational Pillars to navigate challenges with unwavering conviction. Our focus on anticipating future needs and being responsive to changing circumstances means that the credit union will remain strong and innovative, while always keeping our core community values at the forefront of everything we do.



George De La Rosa

**CHIEF EXECUTIVE OFFICER**





# Financial Results

THE FOLLOWING FINANCIAL RESULTS WERE  
ACHIEVED IN 2022



Net income was  
**\$547,686**



Total assets were  
**\$171 Million**



Members' deposits  
increased to  
**\$158.7 Million**



Financial expenses/interest  
paid to members was  
**\$3 Million**



Financial income was  
**\$6.2 Million**



Member's equity was  
**\$10.4 Million**



Loans to members were  
**\$147.6 Million**



# Executive Committee Report

The Executive Committee continues to serve the members of Luminus Financial and is pleased to share the following information with its members.

For the fiscal year of 2022, a total of 92 credit applications were approved and funded with a value of \$24,194,023. The following chart details the net funded balances within the following loan classes and compares them to the previous two years\*:

Loan Class	2022		2021		2020	
	#	\$	#	\$	#	\$
Residential Lending	47	\$18,856,642	72	\$40,033,226	45	\$21,974,607
HELOCs	22	\$2,981,900	25	\$4,080,197	21	\$3,220,269
Personal Loans	18	\$210,382	21	\$173,968	26	\$195,851
Personal LOCs	1	\$15,000	5	\$21,190	7	\$86,135
Commercial Lending	4	\$2,130,099	12	\$6,099,384	20	\$4,714,188
<b>Total</b>	<b>92</b>	<b>\$24,194,023</b>	<b>135</b>	<b>\$50,407,965</b>	<b>119</b>	<b>\$30,191,050</b>

\*Active funded loans in current year; overdraft accounts have not been included in the above table

In 2022, 26 applications were cancelled or declined compared to 35 applications in the prior year. Of these, 14 were rescinded by the member or broker with the remainder declined due to high ratios, insufficient collateral, or other credit risk concerns.

As of December 31, 2022 loans in arrears 90 days or more amounted to total exposure of \$19,064 as compared with total exposure of \$44,816 as of December 31, 2021.

Overall Expected Collective Loss (ECL) allowance had been reduced by \$47,462 to \$265,375, year over year.

The Executive Committee continues its role of reviewing and approving all director and officer loans as well as policy exceptions required. The committee also provides management with valuable suggestions to apply to the everyday business of the credit union.

**Respectfully presented this 27th day of April, 2023 by the Executive Committee:**

Jonathan Bowness  
Michael Mathieson  
Jonathan Olinski



# Report of the Audit Committee

Pursuant to section 104 of the Credit Unions and Caisses Populaires Act, 2020, the board of directors appointed a minimum of three (3) directors to the Audit Committee, a sub-committee of the board.

The Audit Committee met on a quarterly basis to carry out their duties as defined in the Act and as stipulated in the credit union's policies and procedures. The following were the duties performed by the Audit Committee during 2022:

- Reviewed complaints and issues concerning privacy and ensured compliance with the Personal Information Protection and Electronic Documents (PIPED) Act initiated in 2001. We can report that Luminus Financial is in compliance with the legislation as of December 31, 2022.
- Reviewed results of the external audit services provided by Tinkham LLP.
- Developed and approved an internal audit plan in collaboration with PRA Canada.
- Reviewed the Luminus Disaster Recovery Plan, which we now refer to the Operational Resilience Plan, that will ensure protection of the assets of Luminus and its members, in the event that unforeseen circumstances prevent normal operating conditions.
- Reviewed risk management policies and procedures of Luminus. This review pointed no major areas of weakness that require correction.
- Reviewed the policies, procedures and controls used by management to which relate to legislative compliance with particular focus on Capital, Liquidity Management, Investment and Interest Rate Risk.
- Reviewed regular reports provided by management to ensure that Luminus complies with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.
- On March 8, 2023 the Audit Committee met with the external auditors to review and discuss the draft financial statements for the year ended December 31, 2022. A report was presented to the Board of Directors for approval of the draft financial statements which was also held on March 8, 2023.

**Respectfully presented this 27th day of April, 2023 by the Audit Committee:**

Paul Miller  
Jonathan Bowness  
Michael Mathieson  
Glenn Pollinger



# Investment Share Dividends

As with every year, Luminus Financial shares a portion of its profits with member-owners through dividends on investment and membership shares. This year we are pleased to announce the following:

## Class A series 1 Investment Shares:

Member-owners that held Class A Series 1 Investment Shares as of December 31st, 2022 will receive a dividend of **4.50%**

## Class A series 2 Investment Shares:

Member-owners that held Class A Series 2 Investment Shares as of December 31st, 2022 will receive a dividend of **4.50%**

## Membership Shares:

Member-owners that held Membership Shares as of December 31st, 2022 will receive a dividend of **4.50%**

**Dividends will be paid into eligible accounts no later than April 30, 2023.**



# Diversity Report

With the new Credit Union Act in effect, Luminus Financial must provide a gender diversity report to its membership. Below are some details on the gender diversity of our entire board of directors, and broken down by the various committees that each director volunteers their time to.

In the coming years, we will try to provide even more useful information to our member-owners on gender diversity at Luminus Financial.  
For the 2022 year:

**We currently have 7 Board members, and the percentage of women is 28.57%.**

## FURTHER BROKEN DOWN BY COMMITTEE:

Executive.....	0%
Governance .....	40%
Audit.....	0%
HR and Compensation.....	25%
Nominations.....	25%
Mergers & Acquisitions.....	25%
Education and Development.....	20%



# Independent Auditor Report

**TINKHAM** LLP | CHARTERED PROFESSIONAL ACCOUNTANTS

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## ON THE SUMMARY FINANCIAL STATEMENTS

### To the Members of Luminus Financial Services & Credit Union Limited

#### Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2022 and the summary statement of comprehensive income for the year then ended are derived from the audited financial statements of Luminus Financial Services & Credit Union Limited for the year ended December 31, 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements on the basis described in the note to the summary financial statements.

#### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

#### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 8, 2023.

#### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in the note to the summary financial statements.

#### Auditor's Responsibility

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

Toronto, Ontario  
March 8, 2023



Licensed Public Accountants



# Summary Financial Statements

## Luminus Financial Services & Credit Union Limited Summary Statement of Financial Position as of December 31, 2022

	2022	2021
<b>Assets</b>		
Cash	\$8,139,886	\$3,229,558
Investments	12,295,037	13,157,488
Loans to members	147,605,262	153,470,892
Other assets	1,108,955	1,339,179
Property and equipment	730,413	1,659,183
Intangible assets	219,250	202,887
	<b>\$170,098,803</b>	<b>\$173,059,187</b>
<b>Liabilities, member entitlements and members' equity</b>		
<b>Liabilities</b>		
Term loan	\$-	\$2,000,000
Other liabilities	550,080	728,191
Lease liability	42,098	546,006
	<b>592,178</b>	<b>3,274,197</b>
<b>Member entitlements</b>		
Members' deposits	158,731,390	159,292,720
Members' share capital	357,320	340,890
	<b>159,088,710</b>	<b>159,633,610</b>
<b>Members' equity</b>		
Members' share capital	5,776,523	5,818,384
Retained earnings	3,841,506	3,465,298
Accumulated other comprehensive loss	(99,920)	(32,108)
Contributed surplus	899,806	899,806
	<b>10,417,915</b>	<b>10,151,380</b>
	<b>\$170,098,803</b>	<b>\$173,059,187</b>

On behalf of the Board of Directors:

*Jon Olencki*      *Michael Madhison*

A full set of audited financial statements is available from the Credit Union.





## Luminus Financial Services & Credit Union Limited

### Summary Statement of Comprehensive Income Year Ended December 31, 2022

	2022	2021
Financial income		
Interest on loans to members	\$6,019,392	\$5,976,503
Investment interest and dividends	186,163	136,811
	6,205,555	6,113,314
Financial expense		
Interest on members' deposits and external borrowings	3,051,795	2,835,761
Provision for (recovery of) expected credit losses on member loans	(11,415)	18,488
	3,040,380	2,854,249
Financial margin	3,165,175	3,259,065
Other income	1,431,734	1,391,855
Operating expenses	3,965,304	3,561,441
Net income before provision for income taxes	631,605	1,089,479
Provision for income taxes	83,919	178,741
Net income for the year	547,686	910,738
Other comprehensive loss	(68,972)	(32,108)
Comprehensive income for the year	\$478,714	\$878,630

A full set of audited financial statements is available from the Credit Union.



# Luminus Financial Services & Credit Union Limited Notes to the Summary Financial Statements as of December 31, 2022

## **Basis of presentation (Note 1)**

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at December 31, 2022 and December 31, 2021 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be included to ensure they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- a)** The summary financial statements include a statement for each statement in the audited financial statements, except the statement of members' equity and statement of cash flows, which can be obtained from the complete set of audited financial statements;
- b)** Information in the summary financial statements agrees with the related information in the audited financial statements;
- c)** Major subtotals, totals and comparative information from the audited financial statements are included; and
- d)** The summary financial statements contain the information from the audited financial statement dealing with matters having pervasive or otherwise significant effect on the summary financial statements.

*A full set of audited financial statements is available from the Credit Union.*



# Luminus Financial Services Minutes of the Annual General Meeting Held On April 7, 2022 At 5:30 PM via Teleconference

## CALL TO ORDER

Jon Olinski, Chair, Board of Directors, welcomed everyone to the 72nd annual general meeting of Luminus Financial Services and made the following welcoming remarks:

***“The theme for this annual general meeting is ‘Shining Bright.’***

*It is hard to believe that two years ago I was standing in this same spot unsure of how things were going to go. I vividly remember thinking about how quickly the staff and the Board came together. That brought back memories of a vacation in Florida when, by chance, I happened to tour Yuengling, the oldest brewery in the United States. It started in 1829 and its story has a lot of parallels with Luminus’ story.*

*The Yuengling Brewery was started to fill a need that was not being met. The founder was a young man who immigrated from Germany when he realized that he would never actually be in charge of his father’s brewery. He came to the United States to find his way by establishing his own brewery.*

*I vividly remember watching a video on the brewery’s history while on the tour. One moment that stood out to me was that the Yuengling family still runs the brewery today. Richard Yuengling Jr. advised that he still goes to the brewery every day to do what needs to be done even if that means backing the truck into the brewery. When he was asked what motivates him, he replied that under the leadership of his father, grandfather, and great-grandfathers, the company survived things that are unimaginable today, like World Wars and Prohibition, and he did not want to be the last in that line of leaders.*

*At the start of the pandemic, I thought about what he said. Luminus has been around 72 years and I do not want to be the last Board Chair. I am excited about the great news that you are going to hear today. It can be attributed to the people involved in this organization who feel the same way that I do.”*

The Chair confirmed that a quorum had been reached with 35 member-owners in attendance and declared the meeting duly constituted to conduct business. The meeting was called to order at 5:46 p.m.

The Chair welcomed guests from the Financial Services Regulatory Authority of Ontario (FSRA), Loomo, Minutes Solutions, the Ontario Co-operative Association, the PRA Group, RZCD Law, Sun Life Financial, and Tinkham & Associates, LLP.



## APPROVAL OF THE AGENDA

The Chair directed the member-owners' attention to the proposed agenda included in the meeting materials.

### **MOTION to approve the agenda as presented.**

Moved by.....Charlotte Porter

Seconded by.....Loriann Thom

Carried

## MINUTES OF THE MEETING HELD ON APRIL 1, 2021

Jonathan Bowness, Corporate Secretary, directed the member-owners' attention to the minutes of the annual general meeting held on April 1, 2021. As everyone received a copy before the meeting, he asked for a motion to dispense with the reading of the minutes.

### **MOTION to dispense with the reading of the minutes of the annual general meeting held on April 1, 2021.**

Moved by.....Colleen Gray

Seconded by.....Kathleen Fitzgerald

Carried

Jonathan Bowness asked if there were any amendments required. None being requested, he asked for a motion to approve the minutes as presented.

### **MOTION to approve the minutes of the annual general meeting held on April 1, 2021 as presented.**

Moved by.....Ashana Khanna

Seconded by.....Loriann Thom

Carried

## ELECTION OF DIRECTORS

Jonathan Bowness, Chair of the Nominations Committee, presented the following report:

*"As Chair of the Nominations Committee, I am pleased to announce the results of our Board of Directors election. Earlier in the year, we announced that there were four vacant Board positions to fill in 2022, comprised of three three-year terms and one one-year term. All member-owners in good standing were encouraged to review the nominations package and consider putting their names forward to serve our member-owners on the Board of Directors of Luminus Financial.*

*On February 28, 2022, the Nominations Committee met to review the nominations received for this year's election. Six applications were received. However, only four were from eligible members.*



*As the number of candidates equals the number of vacancies, no election is necessary.*

*The Directors to be acclaimed are:*

- Arnold Denton
- Al Farrington
- Jon Olinski
- Glenn Pollinger

*Congratulations to each of you.*

*There will be a run-off election held by electronic ballot after the annual general meeting to determine the length of each of the acclaimed Directors' terms."*

## **REPORT OF THE BOARD OF DIRECTORS CHAIR AND THE CHIEF EXECUTIVE OFFICER**

Chair Jon Olinski congratulated the newly acclaimed Directors and presented the following Board of Directors' Report:

*"When Starnews Employees' Credit Union first opened its doors, 'Singin' in the Rain' was a number one box-office hit. Jo Stafford's 'You Belong to Me' was at the top of the radio charts. Louis St. Laurent was in his fourth year as Prime Minister and Queen Elizabeth had yet to take the throne.*

*A little closer to home, the Mr. Potato Head toy sold for \$0.98, the average house price was a mere \$9,050, and a microwave oven, the size of a refrigerator, cost \$2,000 to \$3,000, or roughly 20 to 30% of your home's total value. Things have certainly changed since 1951, but we are proud to say that other things have stayed the same.*

*Beyond the numbers and the results, what we are most proud of is that Luminus is still committed to the same core principles and values that its founding members held in 1951. A financial institution should be built on a philosophy of cooperation, equality, equity, and helping one another. We can do more when we work together than on our own. These principles have guided us through seventy years of progress and many years of change.*

*This year, we are excited to announce a few of those changes. We know that they will strengthen our credit union while permitting it to stay true to the principles and values that have made it what it is today.*

*An important aspect of looking back at the previous year is not just to congratulate ourselves on hitting targets, but to look for opportunities to adjust and grow. To learn what worked and what did not, and to focus on those areas that will improve the credit union now and in the future.*

*Over the past two years, the pandemic has brought many challenges, but it has also given us new opportunities to evaluate what is most important for our member-owners and the credit union. In 2021, Luminus' Executive Team and Board of Directors took time to review these lessons and use them to refine our strategic plan.*

*As a result of these sessions, we updated our vision and mission, began the process of better*



defining our core market, created new strategic pillars, and set a new action plan for achieving sustained growth over the next two years.

At the start of any strategic planning session, there is one question that must be asked. Does our vision and mission reflect the needs of our members and community? After all, credit unions are meant to serve the needs of their members, not the other way around.

In short, an organization's vision statement is a measuring stick or filter that can be used to gauge whether any decision, action, or direction matches up to the standard set. We identified that our previous vision statement focused more internally than on the realities our member-owners were facing each day.

For example, during the pandemic, many of our member-owners faced unexpected financial hardship. To respond, Luminus was one of the first credit unions in Ontario to offer mortgage payment deferrals and business loan programs to help ensure stability for our members. Then, we worked with affected member-owners to help get them back on their feet. This action and the many others taken over the past two years helped us refine our vision statement. It now focusses on offering the right products and services and making decisions that positively impact the lives of our member-owners and the community.

Our new vision statement is **'To enrich the lives of our member-owners and community'**.

Similarly, the Executive Team and Board of Directors looked at the mission statement to see if it provided concrete actions for implementing our new vision. By looking at the lessons of the past two years, we saw that existing and potential member-owners have changed their approach to banking. They are looking more for simple-to-use products that make their daily lives easier. Many big banks have also chosen to respond to the global crisis by making restrictive changes to policies and procedures. These changes closed the door for many who were otherwise creditworthy but did not meet the new standards. These trends showed that Luminus is positioned perfectly to support this growing base of clients in underbanked markets with simple everyday banking products and services.

Our new mission statement is **'to provide everyday banking to individuals, families, and businesses in Ontario with an expertise in under-banked markets.'**

To directly support our new vision and mission statements, Luminus will take several steps over the next two years to better define our core market. We want to ensure that the products and services we provide and the communities we are in are a direct reflection of our members' and communities' needs.

We understand that our greatest market opportunity is providing banking services for the underserved and creditworthy. That includes our current membership base and those who have simple banking needs but are not receiving the support they need from traditional banks. As we work to test and refine this core market base, we will also actively look to grow in the communities and market segments that best match the support we can provide. This is big news for Ontario communities and businesses as there are few banks considering growth in what would otherwise be considered smaller markets.



To ensure alignment across all areas of the business, the new strategic plan also outlines four strategic pillars that Luminus will use to measure our success. They are:

- **Financial Sustainability:** We will ensure that Luminus delivers sustainable growth that enables the long-term stability of the credit union.
- **Core Operations:** Luminus will align products and services with core market needs to make banking with Luminus simple and easy.
- **Maintaining a Member-Focused Approach:** We will deliver needs-based banking that helps those who are creditworthy and under-served.
- **Assurance & Trust:** Luminus will maintain rigorous risk oversight and governance policies that promote assurance and trust in our member-owners, the community, and regulators.

With any strategic plan, the actions you take are where the real positive change happens. In addition to other steps, Luminus is excited to share the following actions that member-owners can expect to see over the next two years.

For new member-owners, we will actively work to simplify our product offering so choosing the right product or service becomes much easier. We will also make joining Luminus a more friendly experience by lessening the time it takes for adjudicating account and product applications. For those without direct access to a financial partner, we will introduce specialized mobile staff who can provide in-person banking support with expertise in SHREM account management.

For existing member-owners, we will work to deepen our relationship with those who do not currently use Luminus as their primary financial institution. We will continue to grow our rewards programs for those who partner in our success. We will do this by proactively reviewing our member-owner profiles and recommending the best products or services to help them meet their financial goals.

In conclusion, as we continue to celebrate the successes of the past year, with our new strategic plan in hand we are excited for the future. Here is to 70 more years!"

George De La Rosa, Chief Executive Officer, presented the following report:

"If you look at your annual report or the screen, you will see the following highlights of our 2021 financial results. I am pleased to report the following:

- Comprehensive income was **\$878,630**
- Members' deposits were **\$159.29 million**
- Financial expenses or interest paid to members was **\$2.83 million**
- Total assets remained steady at **\$173 million**
- Financial income was **\$6.11 million**
- Members' equity was **\$10.15 million**
- Loans to members were **\$153.47 million**

I would like to take this opportunity to thank my entire staff for what they achieved. Even during the pandemic, we have been able to serve our members the way we have always wanted to. We



welcomed over 200 new members in 2021, which was 7% of our total membership base.

*I also want to thank the Board of Directors. They have been instrumental in guiding Management and the staff to make Luminus better for all of you. To make us shine even brighter.*

*I believe that the next few years will bring challenges and opportunities and I look forward to that. We will continue to review our strengths and weaknesses, opportunities, and threats and put plans in place that will continue to solidify this credit union for another 70 years. We feel that there are a lot of underbanked individuals and businesses in Ontario that need a credit union like Luminus.”*

The Chair asked if there were any questions. There being none, he asked for a motion to approve the reports.

**MOTION to approve the Board of Directors’ Report and the Report of the Chief Executive Officer as presented.**

Moved by.....Karen Oliveira

Seconded by.....Arnold Denton

Carried

**DIVIDEND DECLARATION**

The Chair announced that:

*“Based on these excellent financial results, your Board of Directors declared a 3.25% dividend for all member-owners who held Class A Series 1 and Series 2 Investment Shares, as well as membership shares as of December 31, 2021. These dividends will be processed no later than April 30, 2022. Please check your accounts online to see the total dividends paid to you. If you have any questions, do not hesitate to contact our Member Relations representatives.”*

**EXECUTIVE COMMITTEE REPORT**

Michael Mathieson, Board and Executive Committee Vice Chair, presented the following report:

*“As the Vice Chair of the Executive Committee, which was previously known as the Credit Committee, I would now like to take this opportunity to present the Executive Committee Report on behalf of its members consisting of Jonathan Bowness, Jon Olinski, and myself.*

*Throughout the year, we served the members of Luminus Financial by approving all Director and Officer loans. The Committee also provided Management with valuable suggestions to apply to the everyday business of the credit union. On the screen, you can see the total number of loans for each class and their total value.*

*For the fiscal year 2021, 135 credit applications were approved and funded with a value of \$50,407,965. During the 2021 fiscal year, we also had 35 applications, which were cancelled or declined as they rescinded their request or did not meet the criteria from a credit or policy perspective.*





As of December 31, 2021, loans in arrears for 90 days or more amounted to a total exposure of \$126,234, compared to the total exposure of \$86,873 reported as of December 31, 2020. For those facilities deemed impaired, the causes range from loss of income or employment, illness, or disability. Despite the pandemic, government support programs have been essential in assisting those impacted.

That is the Report of the Executive Committee. Thank you again to Committee members Jon Olinski and Jonathan Bowness.”

Michael Mathieson asked if there were any questions. There being none, he asked for a motion to approve the report.

**MOTION to approve the Executive Committee Report as presented.**

Moved by.....Arnold Denton

Seconded by.....Charlotte Porter

Carried

**AUDIT COMMITTEE REPORT**

Paul Miller, Chair of the Audit Committee, presented the following report:

*“Pursuant to the Credit Unions and Caisses Populaires Act, 1984, the Board of Directors must appoint a minimum of three Directors to the Audit Committee, a sub-committee of the Board. I am pleased to inform you that our Board of Directors appointed five individuals to the Audit Committee: Jonathan Bowness, Arnold Denton, Michael Mathieson, Glenn Pollinger, and myself.*

*The Audit Committee met at least every quarter to carry out its duties as defined in the Act and stipulated in the credit union’s policies and procedures. A summary of those duties is provided in your annual report. They include a review of complaints and issues concerning privacy, a review of results of the external audit services provided by Tinkham & Associates LLP, as well as a review of the Luminus disaster recovery plan, risk management policies and procedures.*

*The Audit Committee also reviewed the policies, procedures and controls used by Management, which relate to legislative compliance. Our particular focus was on capital, liquidity management, investment and interest rate risk. We also reviewed regular reports provided by Management to ensure that Luminus was in compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.*

*Finally, on March 2, 2022, the Committee met with the external auditors to review, discuss, and approve the draft financial statements for the year ending December 31, 2021. A summary of the audited financial statements is included in the annual report and copies of the full financial statements are available upon request.*

*That is my report. I wanted to extend a special thank you to the other Audit Committee members who volunteered their valuable time: Jonathan Bowness, Arnold Denton, Michael Mathieson, and Glenn Pollinger.”*



Paul Miller asked if there were any questions. There being none, he asked for a motion to approve the report.

**MOTION to approve the Audit Committee Report as presented.**

Moved by.....Karen Oliveira

Seconded by.....Kathleen Fitzgerald

Carried

**REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS**

Dale Tinkham introduced himself and directed the member-owners' attention to the summary of the audited financial statements included in the annual report. He presented the following report:

*"I would like to begin by thanking the Luminus Management and staff for their support of the audit process. I can confirm that in our opinion, the financial statements of Luminus Financial Services & Credit Union Limited for the year ending December 31, 2021, are presented fairly in accordance with the IFRS accounting framework.*

*I would also like to thank the Board of Directors and the members of the Audit Committee for their support and the member-owners for the privilege of serving as their auditors."*

Paul Miller asked if there were any questions. There being none, he asked for a motion to approve the audited financial statements for 2021.

**MOTION to approve the audited financial statements for the fiscal year ending December 31, 2021, as presented.**

Moved by.....Arnella Renda

Seconded by.....Loriann Thom

Carried

**APPOINTMENT OF THE AUDITOR**

Chair Jon Olinski thanked the staff at Tinkham & Associates LLP for all the work they did this year as Luminus' external auditors. He stated that after much discussion, the Audit Committee was pleased to recommend the appointment of Tinkham & Associates LLP to the membership.

The Chair asked if there were any questions. There being none, he asked for a motion to approve the Audit Committee's recommendation.

MOTION to appoint Tinkham & Associates LLP, Chartered Professional Accountants as the external auditor for 2022 and to authorize the Board of Directors to fix the remuneration of such auditor.

Moved by.....Arnold Denton

Seconded by.....Ashana Khanna

Carried; one against and one abstention

## **NEW BUSINESS**

### Amendments to the Bylaws

The Chair advised that the Board proposed several amendments to Luminus' bylaws to the membership, which included:

- Various housekeeping matters.
- The extension of the Director term limit to eight three-year terms and the alignment of other Director qualifications with those already specified in the nomination package.
- Clarification of the process for allocating terms when Directors are acclaimed.
- Alignment of the bylaws with Luminus' practice of appointing not just the Chair but the Vice Chair and Corporate Secretary annually.
- Authorization for the Nominations Committee to endorse Board candidates after an open, fair, and transparent process.

The Chair advised that a full text of the bylaw amendments was circulated to all voting members on March 15, 2022. He added that voting was done via e-mail ballot between March 15 and March 21, 2022.

The Chair announced that the bylaw amendments were passed with 209 members voting in favour, 25 opposed, and 33 abstaining. He thanked those who participated.

## **OTHER BUSINESS**

The Chair opened the floor to questions.

Q1: To whom does one request a copy of the full financial statements?

A1: Anyone wishing a copy of the full financial statements should e-mail our Member Relations staff at [inquiries@luminusfinancial.com](mailto:inquiries@luminusfinancial.com).

There being no further questions, the Chair announced that all registrants were entered into the draw before the start of the annual general meeting. He advised that Karen Oliveira drew the winning names and the draw was witnessed by the speakers present and Luminus' legal counsel.

The following registered member-owners each won a \$100 gift card from Skip the Dishes:

- Nancy Ni
- Ruhyya Bawa
- Thomas Olmedo
- Joanna Cheng



**ADJOURNMENT**

The Chair thanked everyone for participating in Luminus' 72nd annual general meeting.

**MOTION to adjourn the annual general meeting at 6:28 p.m.**

Moved by.....Arnella Renda

Seconded by.....Michael Mathieson

Carried

With no further business to discuss, the meeting adjourned at 6:28 p.m.

**DISCLAIMER**

The above minutes should be used as a summary of the motions passed and issues discussed at the annual general meeting of the members of Luminus Financial Services. This document shall not be considered to be a verbatim copy of every word spoken at the meeting.





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Memberships are open to anyone living or  
working in Ontario.

