



LUMINUS
FINANCIAL



SHINING BRIGHT FOR

Seventy Years!

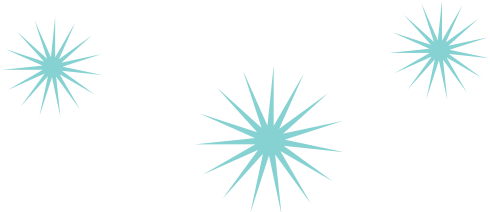
2021

Annual Report



Table of Contents

| | |
|---|----|
| History | 3 |
| Vision and Mission Statement | 4 |
| Values Statement..... | 5 |
| Promise to Member-Owners | 6 |
| Meeting Agenda..... | 7 |
| Report of the Board Chair and CEO | 8 |
| Financial Results..... | 11 |
| Executive Committee Report..... | 12 |
| Report of the Audit Committee | 13 |
| Investment Share Dividends..... | 14 |
| Report of the Independent Auditor | 15 |
| Summary of Financial Statements..... | 16 |
| Minutes of the April 1, 2021 AGM | 19 |





History

The heart of Luminus Financial *is* community. Founded 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.

In 2022, we celebrate our 70th Anniversary. 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, the last 7 decades have been marked by an eye on the needs of the present and a mindset focused on the future. We celebrate those successes.

Over the next 70 years, we look forward to all of the opportunities that have yet to come. Moments where we can respond to the changing needs of our community and once again do more together.



[CLICK FOR TABLE OF CONTENTS](#)




Vision & 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.



[CLICK FOR TABLE OF CONTENTS](#)



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.

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.

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.

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.



[CLICK FOR TABLE OF CONTENTS](#)

Our Promise to our Member-Owners



[CLICK FOR TABLE OF CONTENTS](#)



72nd Annual General Meeting Agenda

APRIL 7, 2022



- 1 Call Meeting to Order
Confirmation of quorum
- 2 Approve Minutes of the April 1, 2021 Annual General Meeting
- 3 Announce Results of the Election of Directors
- 4 Reports
Board of Directors Chair and Chief Executive Officer
Executive Committee
Audit Committee
- 5 Review of the 2021 Financial Statements
- 6 New Business: Appointment of External Auditors
- 7 New Business: As special business, to consider amendments to the Credit Union's by-law
 - i. Make various housekeeping amendments;
 - ii. Extend the director term limit to 8 3-year terms, and align other director qualifications with those already specified in the Credit Union's nomination package;
 - iii. To align the by-laws with the Credit Union's practice of appointing not just the Chair, but the Vice Chair and Corporate Secretary as well, annually; and
 - iv. Permit the nominating committee to endorse Board candidates after an open, fair and transparent process to determine which candidates will be so endorsed.
- 8 Other Business
- 9 Adjournment

[CLICK FOR TABLE OF CONTENTS](#)



REPORT OF THE



Board of Directors Chair & CEO

When Starnews Credit Union first opened its doors, Singin' in the Rain was a #1 box-office hit and Jo Stafford's "You Belong to Me" was at the top of the radio charts. Nationally, Louis St. Laurent was in his fourth year as Prime Minister, while Queen Elizabeth had yet to take the throne.

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

What we're most proud of as a credit union – beyond the numbers and results – is that we are still committed to the same core principles and values that our founding members held in 1951. That your financial institution should be built on a philosophy of cooperation, equality, equity, and helping one another. And that we can do more when we work together than what we can do 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. Changes that we know will continue to strengthen our credit union while staying true to the principles and values that have made us what we are today.

Learning from the past to improve our future

An important aspect of looking back on our previous year is not just to congratulate ourselves on hitting targets, but to look for opportunities to adjust and grow. To learn what worked, what didn't, and to focus on those areas that will improve the credit union overall.

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 for the credit union. In 2021, Luminus' executive team and Board of Directors took time to review these lessons and use them to better refine our Strategic Plan.

Out of these sessions, we **updated our Vision and Mission**, have begun 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.

[CLICK FOR TABLE OF CONTENTS](#)



Updating our Vision and Mission

At the start of any strategic planning session, the question needs to be asked: does our Vision and Mission best reflect the needs of our members and community? After all, credit unions are built to serve the needs of their members, not the other way around.

In short, a brand's vision statement is meant to be a measuring stick, or a filter that can be used to gauge whether any decision, action, or direction matches up to the standard that your vision statement provides. We identified that our previous vision statement had 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 and sudden financial hardship. To respond, Luminus was one of the first credit unions in Ontario to offer mortgage payment deferrals and launched 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 many others taken over the past two years - helped us refine our vision statement to focus on offering the right products, services, and decisions that positively impact the lives of our member-owners and the community.

New Vision Statement: To enrich the lives of our member-owners and community.

Similarly, the executive team and Board of Directors looked at our Mission Statement to see whether it provided concrete actions for

implementing our new Vision. Looking at the lessons of the past two years, we saw that existing and potential member-owners have been changing their approach to banking, looking more for simple-to-use products that make their daily lives easier. Many of the big banks have also chosen to respond to the global crisis by making restrictive changes to policies and procedures, closing the door on many who are otherwise credit worthy but do not meet the new standards. These trends showed that Luminus is perfectly positioned to support this growing base of clients in underbanked markets with simple everyday banking products and services.

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

Defining Luminus' core market

To directly support our new Vision and Mission Statements, over the next two years Luminus will take several steps to better define our core market. This is important work as 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.

Currently, we understand our greatest market opportunity is to provide banking services for the **under-served** and **creditworthy**. This includes our current membership base as well as those who have simple banking needs but who are not receiving the support they need from traditional banks. As we work to test

[CLICK FOR TABLE OF CONTENTS](#)



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 looking to grow in what would otherwise be considered smaller markets.

New strategic pillars

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 include:

Financial Sustainability: We will ensure that Luminus delivers sustainable growth that enables long-term stability of the credit union.

Core Operations: Luminus will align products and services with core market needs, making 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.

Set a new action plan

As 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 that choosing the right product or service becomes much easier. We will also make joining Luminus more friendly by lessening the time it takes for adjudicating account and product applications. Plus, 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, while continuing to grow our rewards programs for those who partner in our success. We will do this by proactively reviewing our member-owners' profiles and recommending the best products or services that will 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 even more excited about what lies ahead. Here's to 70 more years!



Jon Olinski
CHAIR, BOARD OF DIRECTORS



George De La Rosa
CHIEF EXECUTIVE OFFICER



[CLICK FOR TABLE OF CONTENTS](#)



2021 *Financial Results*

**THE FOLLOWING FINANCIAL RESULTS WERE
ACHIEVED IN 2021**



Comprehensive
income was
\$878,630



Total assets
were
\$173 Million



Members'
deposits were
\$159.29 Million



Financial expenses/interest
paid to members was
\$2.83 Million



Financial
income was
\$6.11 Million



Member's equity was
\$10.15 Million



Loans to
members were
\$153.47 Million

[CLICK FOR TABLE OF CONTENTS](#)

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 2021, a total of 135 credit applications were approved and funded with a value of \$50,407,965. The following chart details the net funded balances within the following loan classes and compares them to the previous two years*:

| Loan Class | 2021 | | 2020 | | 2019 | |
|---------------------|------------|---------------------|------------|---------------------|------------|---------------------|
| | # | \$ | # | \$ | # | \$ |
| Residential Lending | 72 | \$40,033,226 | 45 | \$21,974,607 | 60 | \$33,110,721 |
| HELOCs | 25 | \$4,080,197 | 21 | \$3,220,269 | 26 | \$4,184,841 |
| Personal Loans | 21 | \$173,968 | 26 | \$195,851 | 43 | \$335,881 |
| Personal LOCs | 5 | \$21,190 | 7 | \$86,135 | 7 | \$95,786 |
| Commercial Lending | 12 | \$6,099,384 | 20 | \$4,714,188 | 2 | \$3,068,221 |
| Total | 135 | \$50,407,965 | 119 | \$30,191,050 | 138 | \$40,795,450 |

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

In 2021, a total of 35 applications were cancelled or declined compared to 37 applications in 2020 as they had rescinded their request or not met the criteria from a credit or policy perspective.

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

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 7th day of April 2022
by the Executive Committee:**

Jonathan Bowness
Michael Mathieson
Jonathan Olinski

[CLICK FOR TABLE OF CONTENTS](#)

Report of the Audit Committee

Pursuant to section 125 of the Credit Unions and Caisses Populaires Act, 1994, 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 2021:

- 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, 2021.
- 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 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 2, 2022 the Audit Committee met with the external auditors to review and discuss the draft financial statements for the year ended December 31, 2021. A report was presented to the Board of Directors for approval of the draft financial statements which was also held on March 2, 2022.

Respectfully presented this 7th day of April 2022 By the Audit Committee:

Paul Miller, Chair
Jonathan Bowness, Director
Arnold Denton, Director

Michael Mathieson, Director
Glenn Pollinger, Director

[CLICK FOR TABLE OF CONTENTS](#)



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 31, 2021 will receive a dividend of **3.25%**

Class A series 2 Investment Shares:

Member-owners that held Class A Series 2 Investment Shares as of December 31, 2021 will receive a dividend of **3.25%**

Membership Shares:

Member-owners that held Membership Shares as of December 31, 2021 will receive a dividend of **3.25%**

[CLICK FOR TABLE OF CONTENTS](#)

Independent Auditor Report

TINKHAM LLP | CHARTERED
PROFESSIONAL
ACCOUNTANTS

300 - 2842 Bloor Street West
Toronto Ontario M8X 1B1
Canada

TEL 1 416 233 2139
TOLL FREE 1 877 283 3305
FAX 1 416 233 1788

TINKHAMCPA.COM

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, 2021 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, 2021.

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 2, 2022.

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 2, 2022



Licensed Public Accountants

[CLICK FOR TABLE OF CONTENTS](#)

Summary Financial Statements

LUMINUS FINANCIAL SERVICES & CREDIT UNION LIMITED SUMMARY STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2021

| | 2021 | 2020 |
|---|----------------------|----------------------|
| Assets | | |
| Cash | 3,229,558 | 23,215,136 |
| Investments | 13,157,488 | 13,149,736 |
| Loans to members | 153,470,892 | 142,462,792 |
| Other assets | 1,339,179 | 863,496 |
| Property and equipment | 1,659,183 | 2,019,345 |
| Intangible assets | 202,887 | 198,435 |
| | 173,059,187 | 181,908,940 |
| Liabilities, member entitlements and members' equity | | |
| Liabilities | | |
| Term loan | 2,000,000 | - |
| Other liabilities | 728,191 | 738,753 |
| Lease liability | 546,006 | 695,156 |
| | 3,274,197 | 1,433,909 |
| Member entitlements | | |
| Members' deposits | 159,292,720 | 170,601,990 |
| Members' share capital | 340,890 | 342,128 |
| | 162,907,807 | 172,378,027 |
| Members' equity | | |
| Members' share capital | 5,818,384 | 5,947,736 |
| Retained earnings | 3,465,298 | 2,683,371 |
| Accumulated other comprehensive loss | (32,108) | - |
| Contributed surplus | 899,806 | 899,806 |
| | 10,151,380 | 9,530,913 |
| | \$173,059,187 | \$181,908,940 |

On behalf of the Board:

Jon Olenski Michael Mathison

[CLICK FOR TABLE OF CONTENTS](#)

LUMINUS FINANCIAL SERVICES & CREDIT UNION LIMITED
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2021

| | 2021 | 2020 |
|---|------------------|------------------|
| Financial income | | |
| Interest on loans to members | 5,976,503 | 6,657,785 |
| Investment interest and dividends | 136,811 | 221,930 |
| | 6,113,314 | 6,879,715 |
| Financial expense | | |
| Interest on members' deposits and external borrowings | 2,835,761 | 3,760,698 |
| Provision for expected credit losses on member loans | 18,488 | 125,068 |
| | 2,854,249 | 3,885,766 |
| Financial margin | 3,259,065 | 2,993,949 |
| Other income | 1,391,855 | 1,067,932 |
| Operating expenses | | |
| Net income before provision for income taxes | 1,089,479 | 552,468 |
| Provision for income taxes | 178,741 | 75,397 |
| Net income for the year | 910,738 | 477,071 |
| Other comprehensive loss | (32,108) | - |
| Net comprehensive income for the year | \$878,630 | \$477,071 |

[CLICK FOR TABLE OF CONTENTS](#)

LUMINUS FINANCIAL SERVICES & CREDIT UNION LIMITED

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021

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, 2021 and December 31, 2020 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 statements dealing with matters having a pervasive or otherwise significant effect on the summary financial statements.

In addition, a copy of the audited financial statements is available to any member, upon request, at any branch of the credit union.

LUMINUS FINANCIAL SERVICES MINUTES OF THE ANNUAL GENERAL MEETING HELD ON APRIL 1, 2021 AT 5:30 P.M. VIA VIDEO CONFERENCE

CALL TO ORDER

Jon Olinski, Chair, Board of Directors, welcomed everyone to the 71st annual general meeting of Luminus Financial Services.

“The theme for this annual general meeting is “Putting Community First.” This is something we have done since we opened our doors 70 years ago and this year was no exception. I cannot express how proud I am of the efforts and contributions of all of the Luminus team to ensure that the needs of the Luminus family were taken care of during these challenging times.

I remember vividly when the lockdowns began over a year ago and most of the world was trying to figure out how it was going to handle this. While we were trying to learn what the new normal looked like for all of us, the Luminus Board, Senior Management Team, and staff immediately began to figure out how to ensure that our community was going to be served during these new and unknown times.

Shortly after the lockdown began, we heard from members who were concerned about their financial future. Within days, the staff developed a loan deferral policy. At the time, this was new for the credit union system. However, the staff, through their close connections with our member-owners, told us that we needed to act because many people needed help immediately. We passed a new policy immediately and began to provide assistance to those who needed it most.

It is hard to believe that over a year has already passed and that we are going back into another lockdown. While things may be a little uncertain outside these walls, I am confident in our ability to continue to meet the needs of our community.

I look forward to sharing the results of last year with you now.”

The Chair confirmed that a quorum had been reached with 32 member-owners in attendance and declared the meeting duly constituted to conduct business. The meeting was called to order at 5:34 p.m.

The Chair welcomed guests from the Financial Services Regulatory Authority of Ontario (FSRA), Tinkham LLP, Chartered Professional Accountants, the PRA Group, RZCD Law Firm, CUMIS, Loomo, Minutes Solutions, and two of Luminus’ co-op students.

[CLICK FOR TABLE OF CONTENTS](#)

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: Paul Miller

Seconded by: Tetiana Diachuk

Carried

MINUTES OF THE MEETING HELD ON JUNE 25, 2020

Jonathan Bowness, Corporate Secretary, directed the owner-members' attention to the minutes of the annual general meeting held on June 25, 2020. Everyone having received a copy prior to 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 June 25, 2020.

Moved by: Glenn Pollinger

Seconded by: Ashana Khanna

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 June 25, 2020, as presented.

Moved by: Karen Oliveira

Seconded by: Celina Odvina

Carried

ELECTION OF DIRECTORS

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

“As the Chair of the Nominations Committee, I am pleased to announce the results of the Directors' election. Earlier this year, we announced to our membership that there were three vacant Board positions to fill for 2021. 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 March 11, 2021, the Nominations Committee met to review the nominations received. There were four applications received. Three were from our incumbent Directors and one from another member-owner. After reviewing all the nominations packages, one of those applications did not have a nominator endorsement and was, therefore, declared ineligible.

As a result, we are pleased to confirm that our incumbent Directors, Colleen Gray, Michael Mathieson, and Paul Miller have been acclaimed to our Board of Directors. Congratulations to each of you. I look forward to continuing our work together.”

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

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

“As we reflect on the challenges and successes of 2020, we are grateful for the unwavering support from our entire community of member-owners, staff, partners, and Board. We are now, as when we were founded, stronger when we come together in support of each other. Thank you.

Who could have foreseen all of the challenges that the world would have faced in 2020? It seemed that every day brought new information and changes to our lives. We recognize that for many, the impacts of the past year will be felt for some time. However, we also recognize that 2020 brought hundreds of opportunities for our community to come together in support of each other.

So, as we look at the financial results of the past year, we want to take a moment to recognize you, our community of member-owners, for coming together and supporting each other and the Luminus team through one of the toughest years on record. Thank you all so much.

Throughout 2020’s challenging conditions, Luminus’ Board and team, maintained focus on furthering our four foundational pillars, which are:

- Be bold, innovative, and future-focused
- Grow to \$300 to \$500 million in assets profitably
- Build, acquire, develop, sustain, and reward a knowledgeable and passionate workforce
- Become an influencer within the system

In 2020, Luminus was excited to launch the Member-Owner Rewards (MOR) Program, which gives member-owners who hold investment shares access to preferred investment rates, member-only perks, and special discounts on loans. This program, unique to Luminus Financial, has seen a very positive response from member-owners and potential members, as well.

As we seek to constantly improve member communication, we continued to send regular newsletters and e-mail and to use our social media accounts to educate and inform members and the community. We will continue to use these tools to throw open the doors and invite more people from our communities into the Luminus conversation. If you have not already done so, we urge you to sign up for our newsletter and social feeds.

Nothing speaks louder than the numbers when it comes to summing up a financial year, and we are proud to report that our net income was close to \$480,000, approximately a 50% increase from the previous year. Although our assets remained steady at approximately \$182 million, this longer-term strategic goal of growing to \$300 to \$500 million will ultimately be achieved through mergers as we have done in the past. This will likely occur post-pandemic and when it makes sense to do so.

We look forward to working together with other credit unions that want to join an innovative, healthy and growing credit union like Luminus Financial. Together we can build an even stronger credit union for our communities.

With social distancing being enforced province-wide, 2020 quickly became all about finding new ways to support and engage a dispersed workforce. To help, Luminus Financial launched our internal “Luminate” sessions held virtually via video conference. Each Luminate session offers staff a chance to connect, engage directly with senior leadership, and ask any questions they may have regarding the year so far.

In support of our business community, and to reward staff for all of their hard work, Luminus also took part in the national Loyal2Local challenge. This challenge, aimed at supporting businesses affected by the pandemic, saw each employee given \$50 to spend at their local community businesses. We are always on the lookout for opportunities to build brand awareness and become a prominent voice in the credit union system.

In 2020, our Chief Executive Officer was elected as a Director for the Canadian Credit Union Association and some of our Senior Management hold seats within The Credit Union Council and the Credit Union Services Association. Our fingers are on the pulse, and we intend to keep them there.

At Luminus, our four foundational pillars have allowed us to maintain our focus during a challenging year. By ensuring we are future-focused and adaptable to change, we are confident that your credit union will continue to grow and innovate while keeping our community values at the core of everything we do.”

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 2020 financial results. I am pleased to report the following:

- Net income was \$477,071
- Members’ deposits increased to \$170.6 million
- Financial expenses or interest paid to members was \$3.7 million
- Total assets remained steady at over \$181 million
- Financial income was \$6.8 million
- Members’ equity was over \$9.5 million
- Loans to members were over \$142 million

I would like to take this opportunity to thank the Board of Directors and my entire staff for their continued support and guidance during a very difficult year. It was difficult with all the personal changes and adaptations we had to adhere to, but many of our communities and businesses also suffered financially. Yet during all of this, the Board, the staff, and our member-owners continued to support this amazing alternative financial institution, your credit union, Luminus Financial.

As I say that, I am reminded of those Toronto Star employees who 70 years ago pooled their money together to help their co-workers who did not qualify for loans at other mainstream financial institutions. The core of our history is serving those who are under-served by the banks and that will never change. I look forward to seeing Luminus Financial continue its legacy to provide better banking to our communities, member-owners, and everyone in Ontario.”

Chair Jon Olinski 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: Adrienne McKenzie

Seconded by: Colleen Gray

Carried

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 will see the total number of loans for each class and their total value.

April 1, 2021 Annual General Meeting - Luminus Financial Services Page 5

For the fiscal year 2020, a total of 119 credit applications were approved and funded with a value of \$30,191,050. During the 2020 fiscal year, we also had a total of 37 applications, which were cancelled or declined, as they had rescinded their request or not met the criteria from a credit or policy perspective.

As of December 31, 2020, loans in arrears for 90 days or more amounted to a total exposure of \$53,596, which is lower than the total exposure of \$115,280 reported as of December 31, 2019. For those facilities that have been 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.

This is your Report of the Executive Committee. Again, thank you 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: Ashana Khanna

Seconded by: Colleen Gray

Carried

AUDIT COMMITTEE REPORT

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

“Pursuant to the Credit Unions and Caisses Populaires Act, 1994, 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. Those individuals are Jonathan Bowness, Arnold Denton, Ashana Khanna, Glenn Pollinger, and myself.

The Audit Committee met at least every quarter to carry out its duties as defined in the Act and as 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 from the external audit services provided by Tinkham 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 3, 2021, the Committee met with the external auditors to review, discuss, and approve the draft financial statements for the year ending December 31, 2020. 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. Before I ask for a motion to approve it, I wanted to extend a special thank you to the other Audit Committee members that volunteered their valuable time: Jonathan Bowness, Arnold Denton, Ashana Khanna, 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: Adrienne McKenzie

Seconded by: Celina Odvina

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.

“I would like to begin by thanking the Luminus Management and staff for being fully supportive 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, 2020, are presented fairly in accordance with the IFRS accounting framework.

I would also like to endorse the report of the Audit Committee and confirm that there are no matters of concern to report to the member-owners.

Tinkham LLP is proud to be professionally associated with Luminus. I would 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 2020.

MOTION to approve the audited financial statements for the fiscal year ending December 31, 2020, as presented.

Moved by: Colleen Gray

Seconded by: Tyler Ferris

Carried

NEW BUSINESS

Appointment of the Auditors: Mr. Miller thanked the staff at Tinkham LLP for all the work they did for this year as Luminus’ new external auditors. He stated that after much discussion, the Audit Committee was pleased to recommend the appointment of Tinkham and Associates LLP to the membership.

Paul Miller 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 LLP, Chartered Professional Accountants as the external auditor for 2021 and to authorize the Board of Directors to fix the remuneration of such auditor.

Moved by: Ashana Khanna

Seconded by: Karen Oliveira

Carried

Dividend Declaration: Chair Jon Olinski stated that:

“I am now pleased to announce that based on these excellent financial results, your Board of Directors declared a 2.50% dividend for all member-owners who held Class A Series 1 and Series 2 Investment Shares, as well as membership shares as of January 31, 2021. These dividends will be processed no later than April 30, 2021. 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.”

OTHER BUSINESS

Chair Jon Olinski opened the floor to questions. None were posed.

The Chair stated that all registrants were entered into the draw prior to the start of the annual general meeting. He advised that Chief Executive Officer George De La Rosa drew the winning names and the draw was witnessed by the speakers present.

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

- Camilien Servais
- Maria Sheppard
- Ruhiyya Bawa
- Wilson Cheng
- Sheila Barter

ADJOURNMENT

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

MOTION to adjourn the annual general meeting at 6:10 p.m.

Moved by: Glenn Pollinger

Seconded by: Paul Miller

Carried

With no further business to discuss, the meeting adjourned at 6:10 p.m.

DISCLAIMER

The preceding 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.



LUMINUS
FINANCIAL

FINANCIAL HUB

1 Yonge Street
Toronto, ON M5E 1E5

(VICTORY) BRANCH

11 - 2011 Lawrence Avenue West
Toronto, ON M9N 3V3

Phone: 416 366 5534

Fax: 647 827 1065

Toll Free: 1 877 782 7639

luminusfinancial.com

inquiries@luminusfinancial.com

Memberships are open to anyone living or
working in Ontario.

