

RESILIENT TOGETHER  
**ANNUAL SUMMARY**  
2020



alterna  
savings

# RESILIENT TOGETHER

Report From The Board & Management

*It's been over a year since the pandemic entered every aspect of our lives. We are grateful for the resilience our members and our employees have shown in the face of such incredible change.*

But what hasn't changed is our commitment to our members. Caring for their health and safety and that of our employees remains as much a priority as helping our members manage their hard-earned money. In 2020, we rallied together and stayed true to our mission to be the Good in Banking. Put simply, in a year where so much was uncertain, we've been resilient together.

Before the declaration of a global pandemic, we were among Canada's first businesses to invest in personal protective equipment, plexiglass and greater cleaning and security measures to ensure our branches were safe places to visit and work.

Our employees' willingness to mask up and glove up demonstrated how seriously they took their roles as essential workers and stewards of our members' money. They knew members would be reassured by seeing them in the branches every day, and their commitment meant we could keep our branches open. In 2020, please know that every team at Alterna went above and beyond to care for our members.

We know this new reality meant changes for everyone. Many of our members turned to our digital channels for the first time and reduced their branch visits. And when they needed to visit

us in person, they respected our safety protocols, protecting themselves, the community, and our staff. Our employees are grateful to them for doing this.

*2020 was a solid performing year for us financially. During times of uncertainty, our members placed their trust in us and cemented our strong foundation to help weather any storm.*





Our overall balance sheet grew by \$558 million, up 9% over our 2019 result. This growth augmented our balance sheet assets to \$6.7 billion, further solidifying Alerna as a top 10 credit union in Canada by assets under management with just over \$10 billion.

The growth helped propel our revenue to \$224 million in 2020, and we were able to end the year with a strong net income after tax of \$27.4 million. This continues to strengthen our capital base, preparing us for future growth opportunities.

To help stay the course, we looked for internal savings and coordinated with our partners on cost controls. These prudent actions allowed us to invest in critical protective measures in our branches and enhance our digital channels

without ever taking away from your experience.

We're happy to report that while 2020 was truly one of our most complex years, it was also very successful financially for Alerna Savings.

We're also pleased to share that our member satisfaction results were equally successful.

Three-quarters of our members said they were extremely satisfied or satisfied with our pandemic response when we checked in with them. With all the new ways of banking with us in 2020, an amazing 81% said they found it easy to do. Considering so many of them were trying our digital channels for the first time, this is a fantastic result.

We're honoured that the trust our members place with us never wavered. Almost two-thirds said they were extremely or very confident in our ability to meet their financial needs. Finally, we're proud to share that overall member satisfaction with Alerna is at 90%. To put that in context, our scores not only exceeded industry averages, but they also topped all the Big Banks.

Today, we serve 186,000 members, which makes us the sixth largest credit union by membership in Canada. We grew in 2020 as we welcomed Quinte First Credit Union and Member Savings Credit Union. We also completed the integration of the Toronto Municipal Employees' Credit Union and City Savings Credit Union in October.

These mergers are part of answering the call for more physical locations and services across the province. Bringing other credit unions into the Alerna family is one of the most effective ways to deliver on that promise and grow our member base.

## Vision:

To be the leader of co-operative financial services

## Mission:

To develop and share an exceptional level of financial expertise that is:

- Tailored to member needs
- Accessible to all
- Supportive of local communities
- Delivered by caring, professional employees

## Values:

- People above Profits
- Excellence
- Integrity

We know that another thing our members look for at Alterna is our focus on giving back to our communities. Rest assured, even during the pandemic our commitment to our communities never wavered.

In 2020 we launched a Relief and Response grant to support not-for-profit and charitable organizations doing frontline relief work. So far, 22 organizations have benefited from the grant pool of \$25,000, which will help alleviate some of the pressure as they deliver their services.

In addition to this emergency effort, we amplified our support of Candlelighters, which helps children battling cancer. We couldn't begin to imagine the added strain on families with a child undergoing cancer treatment during COVID-19.

*In place of our annual charity golf classic, we hosted our first-ever virtual silent auction, raising a record \$120,000 in support of Candlelighters.*

Now, more than ever, it's also important to extend support to the next generation of leaders. In 2020, we awarded nine Ontario Credit Union Foundation Grants totalling \$75,000 and five scholarships through the Co-operative Housing Federation of Toronto's Diversity Scholarship Program, bringing our commitment to \$1.5 million since 2012 – enough to support 370 recipients. We also kept up our commitment to young entrepreneurial leaders through Enactus, increasing our annual donation to \$50,000.

Here at Alterna, we've always been a catalyst for change. There is no better example than the over two decades of experience with our Community Microfinance program that helps address socio-economic inequity.

That program is inspiring others to follow our lead. In September, we partnered with the federal government to announce the development of the country's first-ever Black Entrepreneurship program. Together with several other Canadian financial institutions, we are collectively committing up to \$128 million in lending capital to support Black-led businesses.

All told, Alterna contributed more than \$1 million in sponsorships, donations and community support last year through:

- Supporting our communities
- Empowering leaders
- Addressing socio-economic inequity

This is the *good* in banking

When we reflect on the year, we're incredibly pleased with how Alterna performed. We are as strong as we've ever been and we are confident we will only grow even stronger as we head into 2021.

Like everyone, we look forward to a return to normal. Whether it's putting smiles on children's faces with our mascot Cashou the chipmunk at community events or sponsoring local parades, you can trust that we'll be there when that day comes.

While we all wish the pandemic were behind us, we can continue to be resilient together until we cross that finish line. No matter what lies ahead, our members are always in good hands.



MARIA BARRADOS  
*Incoming Chair*  
*(Current Vice Chair)*

ROB PATERSON  
*President & CEO*

*Maria Barrados*

*Rob Paterson*

## THANK YOU FOR YOUR SERVICE, NORM

Facing the past year, we have been fortunate to have Norm Ayoub, our Chairman, in our corner. I've always valued his counsel and deep experience in financial services. While Norm's term has come to an end, having maximized his time in the role under our by-laws, he will remain a key member of our Board as Vice Chair.

On behalf of our members and employees, I want to personally thank Norm for his service and dedication. It's no coincidence that the past five years have been some of the most successful in our history due to his stewardship. Norm has been a champion of the cooperative movement for most of his career, and the extensive relationships he built in the system both at home and abroad are tremendous assets to us.

During this past year, Norm has been incredibly supportive. Without hesitation, he made himself available for daily check-ins, discussions, and counsel to the executive team and me.

I also want to welcome Maria Barrados, who will take over as Chair of the Alterna Savings Board of Directors. Maria joined the Alterna Savings Board in 2013, the same year I became CEO, so in many ways, we have been on this journey together. I've also learned a lot from her as Chair of Alterna Bank. Maria, congratulations on behalf of our employees and members on your appointment.

Rob Paterson  
President & CEO



NORM AYOUB – *Outgoing Board Chair*

---

# WE ARE HERE FOR YOU

*Being 'here for you' became an important theme and the safety, and wellbeing of our members, and employees was at the forefront of every decision made this year.*

Well before the pandemic was declared, we were among Canada's first businesses to ensure personal protective equipment was available for our employees. Our resourceful Facilities Team also provided plexiglass screens and greater cleaning and security measures to ensure our branches were safe.

Behind the scenes, our team was there for our members as well.

Our Contact Centre shifted to 7 days a week and seamlessly moved to a new work set-up with only 24 hours notice. From HR to IT and from marketing to finance, every department demonstrated flexibility and resourcefulness.

In a year when face-to-face interactions were limited, and information was rapidly changing, we regularly reached out to our members. In fact, we increased our communications by over 170%. This helped us to understand their evolving needs and ensure we were doing everything we could to meet them.

We also launched our 'Here to Help' online resource hub to provide tools and ideas to make this new reality a little easier. Between this resource and our outreach, one of our goals was to break down government support programs into easy-to-understand language and show

our members which ones might apply to their situation.

We made it easier to access government support programs like CERB and CESB by allowing them to be deposited directly into members' accounts through online banking. We supported CEBA loans for commercial and community members to help their impacted businesses. And we were there with well-informed advice for anyone financially impacted by the pandemic.

Long before COVID, we were enhancing our digital banking platforms and updating our internal infrastructure. We were one of a few Canadian companies that rolled out video conferencing as our primary collaboration tool even before the pandemic began. This proactivity allowed us to respond to the challenges of the past year as quickly as we did.





With the shift away from cash, we increased the tap limit on debit cards so that members could do more day-to-day transactions in a contactless way. We implemented branch appointments by phone or video and added new technology to make signing documents possible at a distance.

Instead of in-person seminars, we produced a record number of helpful webinars from home-buying to budgeting and everything in between.

The Alterna Wealth team pivoted as well. They adopted secure tools that provided guidance on members' investments – safely and virtually. They provided clarity and confidence in a year of volatility with webinars featuring industry professionals to address topics such as financial planning, taxes, market commentaries, and more.

On top of all that, Alterna launched online personal and small business account opening. This gave new members a virtual way to join our credit union when they needed it most.

It was more than good timing. This was part of a multi-year strategy to improve the way we serve our members, welcome new ones, and provide more convenience.

While our employees were putting our members first, they were also dealing with their own families' challenges. From virtual schooling to elder care – as well as their wellbeing – they juggled a lot. We owe them all a debt of gratitude.

Through it all, we worked hard to be there for our employees. We're pleased to say that when we asked them

how we were doing, 93% agreed that we had taken care of them through COVID-19.

We're proud to have been able to be there for them, while they made it their priority to be there for our members.

## We are here for you

During these times, Alterna is here for you. We are committed to helping you with financial advice, resources and services that you can rely on. Whether it's finding new ways to bank from the comfort of home, or solutions for those feeling the financial impacts of COVID-19 - we recognize that help looks different to everyone.

**Online Resource Hub**  
To aid you on this journey, we have created an online hub of tips and resources to help you navigate the new everyday life. Here you will find banking information, details on financial relief programs, financial resources and tools and everyday ideas to make this new reality easier.

 <b>MESSAGE FROM THE CEO</b> We are in this together	 <b>ADVICE</b> We can help you get to your goals
 <b>MANAGE YOUR FINANCES</b> Budgeting, credit, cashflow and investments information	 <b>WE ARE HERE TO HELP</b> Banking information

### We Need Your Email To Stay Connected

We'd like to be able to reach out to more of you, however some of you do not have an email address on file with us. While we recognize this may be to avoid filling your inbox, we can promise we won't do that. Through COVID, we've been proactively reaching out with information on Government programs and other helpful resources.

**To receive this kind of information to your inbox, it's as easy as calling our Contact Centre or reaching out to your branch to give us your email.**

---

# ACHIEVEMENTS

**\$972,189,000**

GROWTH IN ASSETS UNDER MANAGEMENT

**\$557,435,000**

GROWTH OF ASSETS

**\$27,414,000**

NET INCOME

**9<sup>TH</sup> LARGEST**

CREDIT UNION NATIONWIDE AND FIRST CREDIT UNION IN CANADA TO LAUNCH A DIGITAL BANK

---

**17**

ADDITIONAL BRANCHES AS A RESULT OF 6 MERGERS IN 5 YEARS



LAUNCHED ONLINE ACCOUNT OPENING AND ENHANCED THE OVERALL DIGITAL EXPERIENCE

---

AWARDED

**PLATINUM STATUS**

FOR BEST CREDIT UNION BY THE TORONTO STAR

**\$7,100,000+**

IN LOAN FINANCING TO DATE TO THE UNDERBANKED THROUGH COMMUNITY MICROFINANCE PROGRAM

**\$1,000,000+**

IN DONATIONS, SPONSORSHIPS AND  
COMMUNITY SUPPORT

**170%+**

INCREASE IN MEMBER COMMUNICATIONS

**90%**

OVERALL MEMBER SATISFACTION

**81%**

FOUND IT EASY WHEN DOING TRANSACTIONS  
AND MEETING THEIR BANKING NEEDS

**93% OF EMPLOYEES**

AGREED WE WERE DOING A GOOD JOB  
SUPPORTING THEM THROUGH COVID-19



ALTERNA MADE THE FINANCIAL  
BRAND'S TOP 100 CREDIT  
UNION LIST ON TWITTER



NATIONAL CAPITAL REGION TOP  
EMPLOYER AWARD **5** YEARS IN A ROW

# 2020 HIGHLIGHTS

## New Online Account Opening + Virtual Banking

With so many of you banking virtually, we put a heavy emphasis on evolving our digital capabilities. Virtual banking options were made possible through new tools like a remote platform for signing documents, and an appointment scheduling assistant. For those looking to join, Alterna proudly launched the ability to open a personal or small business account online from the safety and convenience of home.



## 2020 Relief and Response Grants

Recognizing that COVID hit the not-for-profit and charitable sector particularly hard, we launched the Relief and Response Grant program to provide funding to organizations doing front-line relief work in their communities. The purpose of this program was to provide much needed support to organizations facing challenges on the ground and to help them alleviate some of the pressure caused by the pandemic and other social justice issues of 2020. A total of 22 community organizations benefited from this grant program.

## Helping Small and Medium Business Sector

We've always been there to support the small business sector, and in a year of much uncertainty we wrapped our arms around them even tighter. By providing financial resources, tools and literacy, while ensuring they had easy access to government support programs – we helped make their lives easier. This help took in many forms and included financial tools and advice, new grant programs, webinars, podcasts, personal support and guidance.

## Expanding the Family Not Once, but Twice!

In 2020, we continued to grow and were excited to welcome Member Savings Credit Union and Quinte First Credit Union to the family! Today, we serve 186,000 members, making us the sixth largest credit union by membership in Canada. This growth demonstrates the strength and stability of our credit union and will bring additional geographic reach for those using Alterna's network. By aligning and merging with credit unions that share our values, we are better positioned to learn and grow from each other's strengths – as well as grow our member-base.



## Expanded the Alterna Wealth Program

Alterna Wealth provides comprehensive wealth management services built upon the values of integrity, responsibility and cooperation. As stewards of our members' capital, our partnership approach delivers personalized planning and investment advice. The team provides a full suite of products and customized solutions, paired with clear and transparent advice to meet our members' needs now and through retirement.

In a year of limited interactions and mixed markets, the Alterna Wealth team pivoted swiftly, adopting secure online tools to ensure members would receive guidance – safely and virtually. Offering clarity in a year full of market volatility, the team launched a series of webinars with industry professionals on a number of topics encompassing financial planning, taxes and market commentaries.

The webinars and adoption of secure online tools provided a platform for members to interact and receive help and support.

Our members continue to place their trust in our team because they help make life easier and financial dreams a reality. Whether it's investment and retirement planning, direct investing, guided portfolios or through the use of our full service brokerage – Alterna Wealth operates in a manner that reflects the good in banking.



**IT'S OKAY TO  
DREAM BIG,  
IF YOU PLAN  
WISELY.**

#TimeForGoodAdvice

Achieving your financial goals is hard work but the right advice can make all the difference. Book an appointment today with an Alterna Wealth expert and let's set you on the right course.

**alterna** wealth

## First-ever Virtual Annual General Meeting (AGM)

While we love hosting our AGM in person, it wasn't safe to do so last year. To remain connected, we hosted our first-ever virtual AGM. The event witnessed record-breaking attendance and ensured that members from across the entire province could participate. The AGM acts as a platform to connect and hear from our members and this new virtual format helped us safely connect and discuss the important work done over the past year.

## Partnered on Canada's first Black Entrepreneurship Program

In September 2020, we partnered with the Federal Government, alongside the largest financial institutions in Canada, to develop the country's first-ever Black Entrepreneurship Program. We, along with seven other Canadian financial institutions, collectively committed up to \$128 million in lending capital for the program's new Black Entrepreneurship Loan Fund. Further details on the program and the loan fund, including how and where to apply, will be made available by the Government of Canada.

## An essential partner to Cannabis

We're proud to be the first financial institution to truly support medical and licensed cannabis producers and licensed cannabis retailers. We continue to be leaders in the cannabis space, by building meaningful relationships and offering services where other financial institutions do not. Like Alterna, the cannabis sector is considered an essential service and in 2020, we continued to support this developing industry that creates economic benefits and jobs for Canadians. Alterna partnered with Brinks CompuSafe® and introduced Express Deposit, a tool that makes scheduling deposits easy and secure. This partnership is a convenient option that provides peace of mind and allows deposits to be made across the country, without the need to enter a branch.

## Strengthened our Branch Network

At Alterna, we appreciate that having access to more physical locations makes your life easier. In 2020, we successfully brought the former Toronto Municipal Employees' Credit Union and City Savings Credit Union locations onto Alterna's banking system and added three branches to our network in the Greater Toronto Area.

- North York branch
- Toronto City Hall branch
- Etobicoke branch

We continue to grow our footprint and in the last 5 years, we added an impressive 17 new branches to the Alterna network.



---

# 2020 AWARDS



## National Capital Region's Top Employers

For a fifth year in a row, Alterna made the National Capital Region's Top Employers list. This award was particularly meaningful in such a challenging year. Together, we continue developing a culture that supports our employees and their well-being, so that they are positioned to serve our members with care and commitment. The work we do together continues to be recognized and we are incredibly proud of that.



## Toronto Star Readers' Choice Award

The Toronto Star conducted its annual Readers' Choice Awards where Alterna Savings was awarded Platinum Status for Best Credit Union.



## Top 100 Credit Unions on Twitter (The Financial Brand)

For the second year in a row, Alterna made the Financial Brand's list of the Top 100 Credit Unions on Twitter, worldwide. We continue to be a leader among our competitors with the organic growth of our social media channels.



## Ontario Credit Union Foundation (OCUF) Outstanding Corporate Achievement Award

The OCUF presented its annual award to Quinte First Credit Union for displaying outstanding contribution to their community.



## The Peterborough Examiner Readers' Choice Award

The Peterborough Examiner conducted its annual Readers' Choice Awards where Peterborough Community Savings (a division of Alterna Savings) was awarded Platinum Status for Best Credit Union.



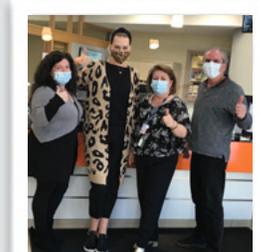
## Greater Toronto Area Contact Centre Awards

Our Contact Centre received several awards this year. Both the Alterna Bank Digital Team and the Alterna Savings Member Specialist Team were recognized. The list of winners included two team awards and eight individual performance awards. The entire Contact Centre Team has played a crucial role in the continued support of our members and customers during the pandemic and these awards are a testament to their hard work.



## THANK YOU, TEAM ALTERNA

Every single employee put forth their best in 2020 to take care of our members. Thank you to the amazing Alterna team!



---

# MEMBER TESTIMONIALS

Our members are at the heart of everything we do, and we love to hear what they have to say about their experience with Alterna. There's no better way to get new members to try Alterna, than to hear first-hand from existing members what they love about the credit union difference:

## Joanna

Member for over 65 years

Watch our member, Joanna, talking about her experience with our credit union and why she is always happy to refer her friends to Alterna.

[Click to watch the video.](#)



## Alexander

Member for over 17 years

Watch our member, Alexander, talk about the support that his business received from Alterna.

[Click to watch the video.](#)



## Donald and Charline

Members for over 20 years

Watch our members, Donald and Charline, talk about Alterna being responsive to their small business' banking needs.

[Click to watch the video.](#)



# COMMITTED TO COMMUNITY THROUGH CHANGE



---

# DONATIONS AND SPONSORSHIP TO COMMUNITY ORGANIZATIONS



## Candlelighters

Candlelighters is a not-for-profit volunteer organization that supports young cancer patients and their families in the National Capital region.

In a normal year, Alterna would host its Annual Charity Golf Classic to raise money for the Candlelighters organization. To continue our support, Alterna adapted to host its first-ever Virtual Silent Auction and raised a record amount of \$120,000.

Alterna has been a proud supporter of Candlelighters since 2012, bringing our support total to over \$620,000.

[Click to watch the 2020 donation announcement.](#)

## Enactus Canada

Enactus is an organization that helps shape generations of entrepreneurial student leaders who are passionate about advancing the economic, social and environmental health of Canada. Alterna began actively supporting Enactus in 2013 and in 2016 agreed to a 10-year commitment. With this year's contribution increase to \$50,000 annually, we are on track to make a cumulative impact of over \$470,000 by 2026.

[Read more>](#)



(Photo taken pre-COVID-19)



## Ottawa Symphony Orchestra (OSO)

OSO is the largest orchestra in Ottawa that includes professional, student and amateur musicians. We're proud to give back to their programs that support local artists, create opportunities for emerging talent and celebrate Canadian content in the National Capital Region. This year, our donation of \$10,000 will help support the art of music.

## Boys and Girls Club

Part of a global movement dedicated to helping young people learn and grow into healthy, confident and contributing adults, we support the Boys and Girls Club's programs that continued to operate virtually during the pandemic. The club's mission is to give youth a chance to have some recreation and to see beyond the confines of their immediate situation. Our support spanned across the region of Ontario and supported Boys and Girls Clubs from different communities across the province.



(Photo taken pre-COVID-19)



(Photo taken pre-COVID-19)

## Junior Achievement Ottawa (JA), presented by Ottawa Network for Education (ONFE)

We donated \$20,000, as well as time and expertise from our employees, so that ONFE was able to pilot a new JA Personal Finance program this year. Alterna volunteers visited classes at St. Francis Xavier High School and Gloucester High School in January 2020 to deliver this much-needed program to 162 students.

## PAWS 4 Wellness

The McRae Head Office in Ottawa hosted the Ottawa Humane Society, turning #BlueMonday into one of the most "PAWSitive" days of the year for our staff and animal lovers. Alterna staff raised \$1,275 in support of the Humane Society's PAWS 4 Wellness campaign – a campaign that brings pets into the workplace for some whisker wellness. The money raised will help provide Ottawa's animals with food, medical care and shelter.



(Photos taken pre-COVID-19)



## Thamesville Miracle Drive

Food security has been an issue for many families and individuals during the pandemic. We were proud to support this festive holiday event that raised money for local food banks in Thamesville and its surrounding area.

# COMMUNITY FINANCIAL RESILIENCY PROGRAM

Our Community Impact Team had to pivot their programs and ways of support to address the unique needs of our members and communities in 2020. They safely delivered over 150 community presentations, speaking engagements, webinars, and events to support improved financial literacy and education.

This program has three main focuses that include not-for-profit and charitable organizations, social innovation and impact and affordable housing. This year, we provided over \$380,000 in direct support for the cooperative and not-for-profit housing sector.



OVER  
**150**  
COMMUNITY PRESENTATIONS

OVER  
**\$7,100,000**  
DISBURSED IN MICROFINANCE LOANS  
SINCE THE PROGRAMS INCEPTION

OVER  
**3,500**  
FREE BANKING ACCOUNTS TO  
NOT-FOR-PROFITS, CHARITIES AND  
COMMUNITY BASED SECTOR

**\$188,000**  
IN ASSET GROWTH FOR THE  
AFFORDABLE HOUSING SECTOR  
VIA OUR COOPERATIVE HOUSING  
INVESTMENT POOL (CHIP)

## BUILDING RESILIENCE WITH 3 NEW LOAN FUNDS

As Canadians work hard to rebuild and recover from the pandemic, Alterna is committed to doing our part to rebuild a strong and resilient economy. These 3 new loan funds are meant to uplift local communities by small and medium businesses, not-for-profit organizations and entrepreneurs with needed assistance that will help to rebuild a strong and resilient economy.

### Not-for-Profit Collaborative Loan Fund

To provide financial support to non-profit and charitable organizations who were impacted by the pandemic, we partnered with The Counselling Foundation of Canada, and Bealight Foundation, to launch the Not-for-Profit Collaborative Loan Fund. Alterna provided up to \$250,000 of its in-house Microfinancing dollars to provide emergency loans to organizations, with loans ranging from \$5,000 to \$20,000. This program focused on building the financial well-being of community-based organizations.

[Read more>](#)



(Photo taken pre-COVID-19)



### Black Entrepreneurship Loan Fund

We announced our partnership with the Government of Canada on the country's first-ever Black Entrepreneurship Program. Alterna Savings, along with seven other Canadian financial institutions, collectively committed up to \$128 million in lending capital for the program's new Black Entrepreneurship Loan Fund. This initiative will provide Black-led businesses loans up to \$250,000 to support their growth and success in the years to come.

[Read more>](#)

### Afro-Caribbean Business Network (ACBN) Microloan Fund

The ACBN Microloan Fund is one of the first of its kind in Ontario and was created to provide financial support to business owners of African and Caribbean descent. The fund offers low interest loans between \$500 and \$25,000 and is meant to address existing barriers that black business owners and entrepreneurs face to economic success.

[Read more>](#)



(Photo taken pre-COVID-19)

---

# COMMUNITY GRANTS

## 2020 Relief and Response Grants

As a thank you to organizations who have been there for their communities during challenging times, we launched the Relief and Response Grant program to support non-profit and charitable organizations doing frontline relief work. The new grant pool of \$25,000 was provided to

organizations whose communities have been impacted because of critical issues we faced in 2020. Recipients benefited from contributions that ranged from \$500-\$2,000 to help alleviate some of the pressure of the COVID-19 pandemic, and other urgent social justice issues of the year.

[Read more>](#)

## GRANT RECIPIENTS



CAHOOTS THEATRE PROJECTS • CHRISTIE OSSINGTON  
NEIGHBOURHOOD CENTRE • CRAFT TALK • EMMANUEL  
ANGELICAN/UNITED CHURCH • GREEN THUMBS GROWING  
KIDS • HOUSELINK COMMUNITY HOMES • IGNACE SCHOOL  
LOONIE LUNCH PROGRAM • ISISTERS TECHNOLOGY  
MENTORING • LOOKUP THEATRE • MULTI FAITH HOUSING •  
NEWBURY/WARDSVILLE & AREA FOODBANK • NIGHTWOOD  
THEATRE • OPERATION COME HOME • PETERBOROUGH NATIVE  
LEARNING PROGRAM • RAINY RIVER PLAY SCHOOL •  
RAINY RIVER PUBLIC LIBRARY BOARD • SKETCH WORKING ARTS  
• STORY PLANT • THAMESVILLE SERTOMA • THE GOOD  
COMPANIONS CENTRE • THE GRIND PEMBROKE • TORONTO  
PRISONERS' RIGHTS PROJECT

---

# MICROFINANCE: PROVIDING RESOURCES TO THE UNDERBANKED



This past year was like no other and our Microfinance Program continued to be an essential service to the underbanked.

The Program began over 20 years ago as a local service to underserved individuals in the Greater Toronto Area (GTA), and has become an award-winning program that expanded to the rest of Ontario. Our in-house program along with its community loan fund partners services over 1,300 individuals and has disbursed over \$7,100,000 in loans since its inception.

In 2020, not only did this program provide access to funding and banking services, but we also provided support. That support looked different to everyone and included things such as advice and ways to pivot their business, educational resources, financial literacy tools, and health and well-being support. The goal was to reassure our members they can rely on us in times of need.

In a year full of firsts, the world witnessed the rise of the Black Lives Matter (BLM) movement. Discussions across many organizations spanning the globe changed and many began making moves to address systemic change.

For us, this was a cause we have long been familiar with as Alterna's entrepreneurship and professional development

portfolio is made up of 72% racialized Canadians of which 34% are Black.

The pandemic intensified the financial situation of many entrepreneurs and we saw the impact on our members that didn't have healthy savings or cashflow reserved for their businesses. We recognize that savings is an important tool for micro-members and entrepreneurs. Looking forward, our goal is to strengthen their ability to save through the development of new tools and programs.



Community Impact Team (Photo taken pre-COVID-19)

---

## JOY IKWUDOGU

SweetWells Beauty Supplies – Ajax

[www.sweetwellsbeautysupplies.com](http://www.sweetwellsbeautysupplies.com)



"2020 was a year like no other. When the government declared a total lockdown, following the spread of the COVID-19, we were at a loss and so much uncertainty surrounded our business. Thankfully, we received a call from the Microfinance team at Alterna Savings.

During the call, we received information about what Alterna Savings, as well as the Federal/Provincial Government were doing to assist small businesses. The team also suggested ways we could pivot our business to effectively position ourselves for the new business environment. We then went on to create an online store, offer free 1-day delivery to customers who purchased items of up to a certain amount, provided curbside pick-up for those who needed products urgently and sourced new suppliers and leveraged new relationships to boost our inventory replenishment strategy.

The outcome of these initiatives significantly increased our sales revenue, won new customers and made us overall more competitive in our space."



## ALLISON MCKINLEY

Salon My Place – Ottawa

[www.salonmyplace.com](http://www.salonmyplace.com)

"I can't say enough wonderful things about the Microfinance team. They have always been quick to help in any way they can, but during the pandemic they have gone the extra mile. For example, they walked me through the application for both CEBA loans and in the fall, they reached out to tell me about an Ontario grant for women small business owners who were pivoting their businesses online. I wouldn't have known about this grant had they not told me about it and it has really helped with our online presence."

## CATHERINE CARROLL

Black Rock Studio – Toronto

[www.blackrockstudio.ca](http://www.blackrockstudio.ca)



BLACK ROCK TILE STUDIO

"The Alterna Savings Microfinance team have been incredibly helpful during COVID-19. I have taken part in many of their virtual presentations from specialists (all have been great). On multiple occasions, the team reached to ask how things were going and if they could help. They provided me with information related to COVID relief for small business through my local BIA and government support. I can't say enough about the support I have received."

# SCHOLARSHIPS & BURSARIES

We continue our commitment to supporting young leaders and community advocates and are honored to help alleviate some of the financial burden associated with furthering their education.

## CHFT Diversity Scholarship Program (Penny Bethke Scholarship)

Alterna in partnership with The Cooperative Housing Federation (CHFT) awarded five Penny Bethke Scholarships to young community leaders in cooperatives that help strengthen their communities. The program is geared toward benefiting these leaders while they pursue their studies and offers support that can alleviate financial burdens, encouraging students to continue making positive impacts close to home. Penny Bethke scholarship was created in 2012 as part of the CHFT Diversity Scholarship Program. To date, this program has awarded more than \$1,500,000 to over 370 recipients.



[Watch video>](#)

## Sprott School of Business: Alterna Savings & Alterna Bank Scholarships

We proudly partnered with the Sprott School of Business at Carleton University whereby two students annually receive the Alterna Savings Scholarship and the Alterna Bank Scholarship based on their outstanding academic achievements. The scholarship began in 2018 when Alterna's gift of \$50,000 was matched with a contribution of \$50,000 from the university that is now permanently endowed to create the two scholarships. [Read more>](#)

## York University: Alterna Savings Social Economy Scholarships

This scholarship is awarded to students who are committed to promoting awareness and knowledge of the social economy as a student ambassador. To date, we have contributed over \$22,500 to support student success, helping pave the way for a brighter future.

## University of Ottawa Tefler: Alterna Savings Social Responsibility Program Fund

The award is presented annually to a student in recognition of exceptional Community Social Responsibility leadership. In 2020, the recipient of the \$2,000 is a fourth-year student pursuing a finance degree and is also the President of uOttawa's International Student Association and the founder of the South Asian Cultural Society at the university. We believe that promoting and encouraging a culture of social responsibility plays an important role in creating strong and meaningful leaders in society.

## Ryerson: The Alterna Prize for Women Social Change Leaders

The scholarship is awarded annually and recognizes two women students at Ryerson University who demonstrate social change leadership within their community. This year's recipients of \$2,500 each included a 2020 graduate of sociology and a third-year nursing student. [Read more>](#)

## CU Succeed Bursary

As a partner of the Ontario Credit Union Foundation (OCUF) we support the CU Succeed Youth Bursary. This year, the OCUF's CU Succeed Bursary awarded 67 recipients, nine of whom are Alterna Savings members, grants ranged from \$1,000 to \$3,000 and totaled \$75,000. The awards were given to young leaders who have made a commitment to uplift their communities, while completing their post-secondary education. [Read more>](#)

## EXECUTIVE LEADERSHIP TEAM

### **ROB PATERSON**

President & Chief Executive Officer

### **BRIAN LAWSON**

Senior Vice President,  
SME & Member Experience NCR

### **BILL BONI**

Senior Vice President  
& Chief Financial Officer

### **FRUGINA BALL**

Region Head,  
Member Experience, GTA

### **MARK CAUCHI**

Senior Vice President  
& Chief Information Officer

### **SHAWN KHIMJI**

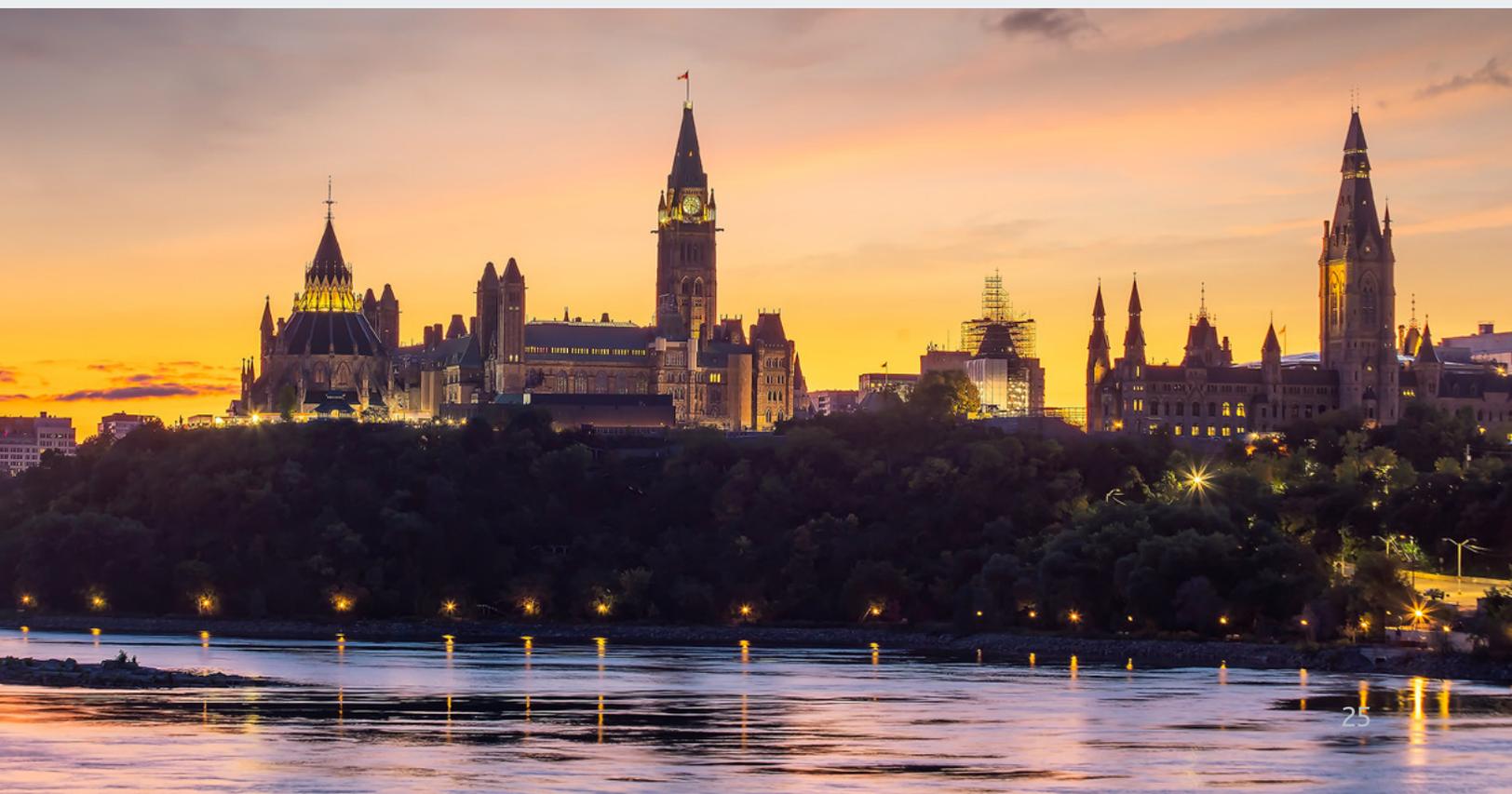
Vice President, Wealth Management

### **JOSÉ GALLANT**

Senior Vice President  
& Chief Administrative Officer

### **KIM MOSELEY**

Vice President, Product & Marcomm



## BOARD OF DIRECTORS

### **NORM AYOUB, *Outgoing Chair***

Governance Committee, Chair  
Nominating Committee  
Alterna Bank, Director

### **MARIA BARRADOS, *Incoming Chair***

Governance Committee, Vice Chair  
Nominating Committee  
Alterna Bank, Chair

### **EARL CAMPBELL, *Director***

Governance Committee  
Alterna Bank, Vice Chair

### **KEN CHAN, *Director***

Finance & Audit Committee, Vice Chair  
Alterna Bank, Director

### **MARILYN CONWAY JONES, *Director***

Finance & Audit Committee

### **ANDY CRAGG, *Director***

Governance Committee  
Nominating Committee

### **BIANCA GAROFALO, *Director***

Nominating Committee, Chair  
Finance & Audit Committee

### **MARIANNE JOHNSON, *Director***

Finance & Audit Committee  
Nominating Committee  
Alterna Bank, Director

### **RICHARD NEVILLE, *Director***

Finance & Audit Committee, Chair  
Governance Committee  
Alterna Bank, Director

# 2020 FINANCIAL HIGHLIGHTS

2020 was a solid performing year for us financially. During times of uncertainty, our members placed their trust in us and cemented our strong foundation to help weather any storm.

Our overall balance sheet grew \$558 million, up 9% over our 2019 result. This growth augmented our balance sheet assets to \$6.7 billion, further solidifying Alterna as a top 10 credit union in Canada with just over \$10 billion in assets under management.

The growth helped propel our revenue to \$224 million in 2020, and we were able to end the year with a strong net income after tax of \$27.4 million. This continues to strengthen our capital base, and prepares us for future investment and growth opportunities.

## Consolidated Balance Sheets

(in thousands of dollars)

As at	December 31, 2020	December 31, 2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,383,859	\$ 537,175
Investments	457,688	418,770
Loans and advances	4,707,716	5,049,673
Property and equipment	38,319	38,722
Intangible assets	14,155	11,140
Derivative financial instruments	7,721	6,171
Income tax receivable	-	2,367
Deferred income tax asset	4,296	-
Other assets	89,137	81,438
	<b>\$ 6,702,891</b>	<b>\$ 6,145,456</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Liabilities:		
Deposits	\$ 5,231,712	\$ 4,601,798
Borrowings	141,494	303,671
Mortgage securitization liabilities	792,607	771,713
Derivative financial instruments	22,079	4,095
Income tax payable	7,670	-
Deferred income tax liability	-	338
Other liabilities	66,942	70,418
Membership shares	2,110	1,804
	<b>\$ 6,264,614</b>	<b>\$ 5,753,837</b>
Members' equity:		
Special shares	186,472	187,233
Contributed surplus	59,203	37,739
Retained earnings	190,147	168,207
Accumulated other comprehensive income (loss)	2,455	(1,560)
	<b>438,277</b>	<b>391,619</b>
	<b>\$ 6,702,891</b>	<b>\$ 6,145,456</b>

## Consolidated Income Statements

(in thousands of dollars)

For the years ended	December 31, 2020	December 31, 2019
Interest income	\$ 167,202	\$ 170,789
Investment income	24,985	15,483
	<b>192,187</b>	<b>186,272</b>
Interest expense	86,750	95,573
Net interest income	105,437	90,699
Loan costs	7,657	1,737
Net interest income after loan costs	97,780	88,962
Commissions	8,960	8,426
Service charges	6,353	5,788
Foreign exchange	3,024	4,258
Securitization income	12,753	2,878
Other	896	1,094
Net gains (losses) on derivative financial instruments	124	(863)
Other income	32,110	21,581
Net interest and other income	129,890	110,543
Salaries and benefits	46,619	44,243
Administration	25,182	22,361
Occupancy	11,677	10,683
Data processing	9,831	8,900
Marketing and community relations	2,782	3,999
Operating expenses	96,091	90,186
Income before income taxes	33,799	20,357
Provision for income taxes	6,385	3,849
Net income	\$ 27,414	\$ 16,508

## Consolidated Statements of Comprehensive Income

(in thousands of dollars)

For the years ended	December 31, 2020	December 31, 2019
Net income	\$ 27,414	\$ 16,508
Other comprehensive income		
Other comprehensive income to be reclassified to income in subsequent periods:		
<u>Investments in debt instruments measured at fair value through other comprehensive income:</u>		
Net unrealized gains on debt instruments measured at fair value through other comprehensive income	2,373	2,235
<u>Cash flow hedges:</u>		
Changes arising during the year	1,539	551
Add: Reclassification adjustments for gains included in the income statement	133	142
Net gain on cash flow hedges	1,672	693
Net other comprehensive income to be reclassified to income in subsequent periods	4,045	2,928
Other comprehensive (loss) income not to be reclassified to income in subsequent periods:		
Defined benefit plan - actuarial (losses) gains	(30)	6
Net other comprehensive (loss) income not to be reclassified to income in subsequent periods	(30)	6
Other comprehensive income	4,015	2,934
Comprehensive income	\$ 31,429	\$ 19,442

## Consolidated Statements of Changes in Members' Equity

(in thousands of dollars)

For the years ended	December 31, 2020	December 31, 2019
Special shares:		
Balance, beginning of year	\$ 187,233	\$ 134,440
Net shares issued	(761)	52,793
Balance, end of year	186,472	187,233
Contributed surplus:		
Balance, beginning of year	37,739	34,522
Arising on business combination	21,464	3,217
Balance, end of year	59,203	37,739
Retained earnings:		
Balance, beginning of year	168,207	156,732
Net income	27,414	16,508
Dividend on special shares	(5,474)	(5,033)
Balance, end of year	190,147	168,207
Accumulated other comprehensive income (loss), net of tax:		
Balance, beginning of year	(1,560)	(4,494)
Other comprehensive income	4,015	2,934
Balance, end of year	2,455	(1,560)
Members' equity	\$ 438,277	\$ 391,619

# ALTERNA SAVINGS BRANCHES

## Greater Toronto Area (GTA)

- Bay St.
- Bolton
- Bramalea
- Danforth
- Etobicoke
- Lakeshore
- North York
- Scarborough
- Streetsville
- Toronto City Hall
- York

## Eastern Ontario

- Kingston
- Pembroke
- Peterborough Community Savings (a division of Alterna Savings and Credit Union Ltd.)

## Southern Ontario

- Dutton
- Thamesville
- Wardsville

## National Capital Region (NCR)

- Bells Corners
- Billings Bridge
- Centretown
- Merivale
- Orleans
- Place de Ville
- South Keys
- St. Laurent
- Westboro

## Northwestern Ontario

- Dryden
- Fort Frances
- Ignace
- Rainy River
- Thunder Bay

## Northeastern Ontario

- North Bay

## Member Savings

- Toronto

## Quinte First

- Belleville
- Frankford
- Trenton