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# YEAR OF ACTION 2017

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Growing prosperity in  
southwestern Ontario  
by transforming  
banking

ANNUAL REPORT

## OUR PURPOSE

Helping you achieve your goals, supporting businesses to create a thriving local economy and contributing to strong and prosperous communities. That is why Libro exists. We have a purpose far beyond profit.

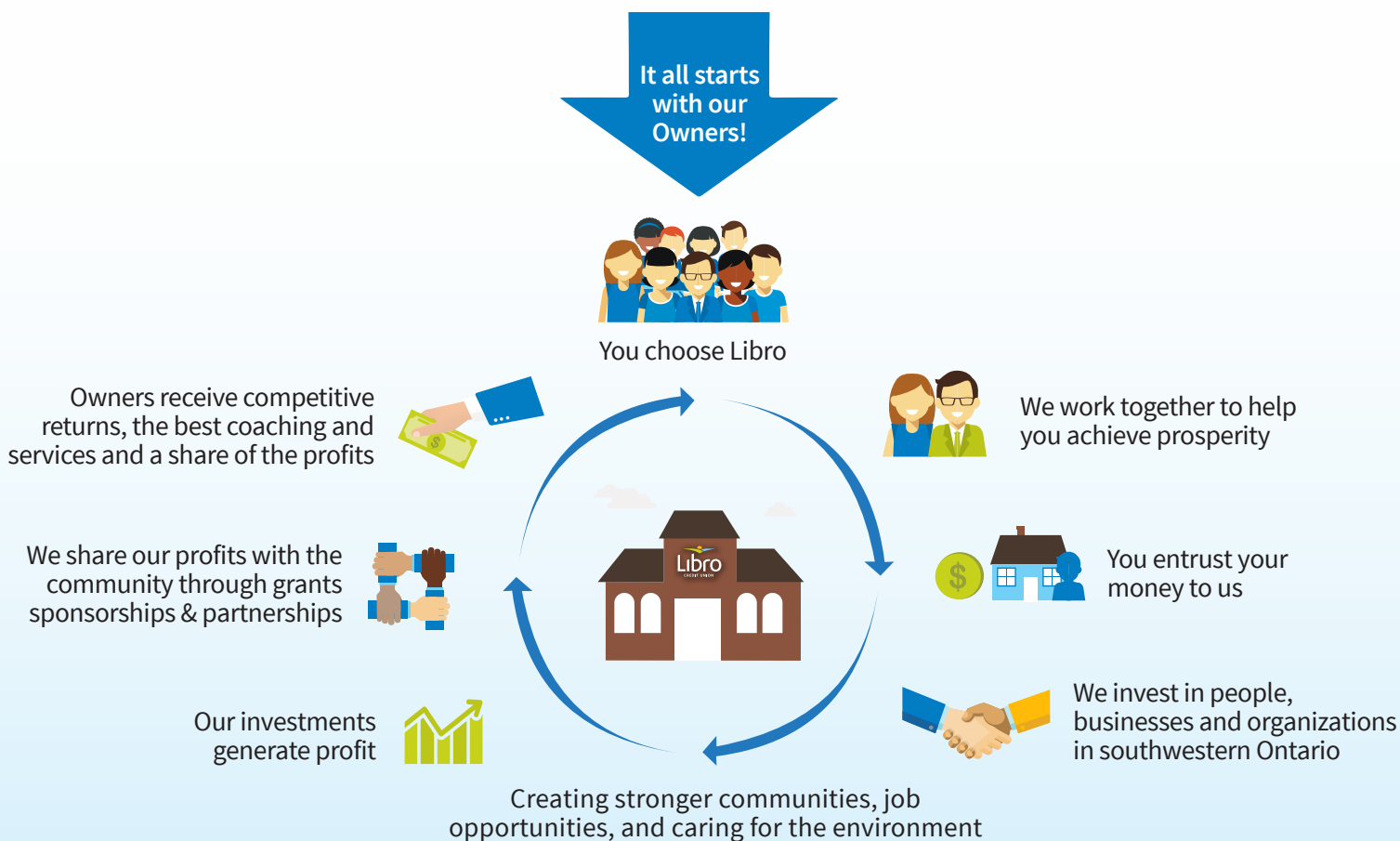
Being Purpose driven is not a program we run. It is an attitude we take in everything we do. We are a financial institution that uses all our resources to grow prosperity. And we couldn't do this without you!

When you choose to partner with Libro, we work together to help you achieve prosperity, however you define it. We then use the funds you entrust to Libro to strengthen our community with loans and investments. Creating stronger communities, job opportunities, and caring for the environment. That's good for everyone.

Libro earns revenue and then uses it to give you competitive returns, the best service and coaching along with the right tools to do your banking the way you choose.

We also give you a portion of earnings in the form of profit shares. Because at Libro you are an Owner.

And we invest in southwestern Ontario through grants and partnerships with organizations working to grow prosperity. We think this way of doing business just makes sense, for you, for Libro and for southwestern Ontario.





# One Purpose, One Team

Libro is looking to the future, even as we consider the year we have enjoyed. We expect the future to bring challenges, and we know we can own it by being Libro, as One Team with a unique approach to financial services.

We celebrate our successes from 2017 as we continue to consolidate our position as a leader in southwestern Ontario. We have welcomed more Owners who have chosen to entrust us with their money, just as we have embraced change with advances in technology like Mobile Pay.

We've grown portfolio from \$2.2 billion to \$7.2 billion in the last decade. If we extrapolate that trend, what would it look like in 10 years? We could expect our portfolio to grow to \$18.5 billion. It's clear Libro has a major part to play as a world-class business in this region.

It's not just big for big's sake. We do business for the right reasons. It's important we remember all our success is part of meeting our Purpose, even as we grow in Owner numbers and in portfolio per Owner. And we need to keep thinking big and to keep looking for ways to help Owners, the community and entrepreneurs with innovative programs like the Western University Accelerator and the WeTech Alliance.

Everything we do is about growing prosperity and becoming better off, together. Let's keep that at the front of our minds as we move forward together. People who do business with Libro experience a different type of banking, where shareholder value and customer value are the same.

Come check us out – and please encourage others to do the same.

**Steve Bolton**

President & CEO, Head Coach

# Growing Prosperity Together

It is an honour and a pleasure to serve Libro Owners as board chair, especially at such an exciting and busy time for our credit union. Thank you to all staff for their efforts on behalf of Libro.

In addition to providing oversight and guidance to management as we take action on strategic objectives and initiatives, the Board has continued to work on further strengthening our world-class governance processes.

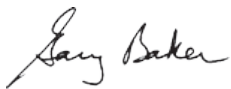
We've adopted a diversity policy to ensure we maximize the value diversity can bring to the board. We confirmed our processes are strong by completing a third-party review of Directors' assessments, and we trained Board members in enterprise risk management and in Libro's financial accounting and reporting processes.

At Libro, we have a unique governance structure relying on the involvement of our Owner Representatives and we recognize their important role. In 2017, we began a review process to ensure this structure continues to be a compelling and engaging activity for our Owner Representatives and a valuable element in our governance processes. Through this process all stakeholders will contribute to the ongoing evolution of governance as Libro meets the challenges and leverages the opportunities the future brings.

And we have strengthened our processes for recruiting Directors, including adding Owner Representatives to the recruitment committee. That gives Owner Representatives an added voice in identifying and developing Director candidates.

In 2018, we are looking forward to the outcomes and recommendations from the review of our governance structure. We expect to take a closer look at the mandates of our Board committees to ensure we continue to have a committee structure that is responsive to the evolving needs of Libro and our Owners. We will continue to focus on our Board and Director development and recruiting processes to ensure we continue to bring the best possible service to our Owners and Owner Representatives.

2017 was a very successful year and we are looking forward to continuing that success through 2018 as we work to grow prosperity in southwestern Ontario.



**Gary Baker**

Chair of the Board of Directors





# OWNERS CHOOSE LIBRO

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*Some choices really do matter*



## SOME CHOICES REALLY DO MATTER

People are choosing Libro, and they're doing it because they share Libro values. Those who join like the way we do business. With a triple bottom line, Libro considers the economic, social and environmental impacts of everything we do.

*So, the more you work with us, the more we can make a difference together.*

## WORD IS SPREADING

In 2017, 73% of people surveyed in southwestern Ontario had heard of Libro, and 55% were aware of Libro as a financial institution.



**HAVE HEARD OF LIBRO**

## MORE PEOPLE JOIN EVERY DAY

A total of 6,835 new Owners joined Libro in 2017. That included more than 6,000 people and more than 700 businesses including farms, startups, social enterprises and community organizations.

The vast majority of people joining Libro are younger than 50 and we look forward to building lifelong relationships.



**6,835**

**NEW OWNERS IN 2017**

## FOCUSING ON BUSINESS

Libro Owners include more than 9,000 businesses, and we know small business is a major economic driver of southwestern Ontario's economy. We have always supported businesses and we always will.

And we don't forget individuals. How could we, when almost 95,000 are Libro Owners.



**9,000**

**BUSINESSES**



Libro Owners Paul & Megan

## OWNER STORY



## OWNER STORY

# Boler Mountain

Boler Mountain provides year-round outdoor experiences for families across southwestern Ontario. Boler Mountain chose Libro as their financial institution – and here's why:

"We were excited from our very first meeting with Libro. Their excitement for the Chalet project matched ours. They were friendly and welcoming

and had faith in us; they were flexible throughout the financing process for this unique project. And, community is what we're all about at Boler which is similar to what Libro is all about; that's important."

**- Greg Strauss, Management Team Member, Boler Mountain, London**



# Working Together

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*We're here to support you*



## WORKING TOGETHER

Libro is banking with a difference, because it's about experts helping you to prosper.

It's all about coaching. You know where you want to go and we'll help you get there. With a plan in place, you're making the decisions and you're doing it with all the information and support you need.

We bring coaching to life in person and online. It fits your lifestyle in a way that makes sense for you.

Why? Our goal is to coach Owners to achieve their definition of prosperity.

*It's win-win when everybody works together.*

### OWNERS SAY LIBRO WORKS

We know we're doing our jobs well because we have the most reliable source of information: Owners.

Libro Owners consistently provide high scores in Owner satisfaction surveys. They know the value of our difference, our advice and our service. They also know we're committed to continuous improvement and we appreciate the feedback provided.

It's just another example of working together.



**4.5** out of **5**

**OWNER SATISFACTION**

### HAVING A PLAN IS GOOD FOR EVERYONE

Every Libro Owner has the chance to complete your own unique Prosperity Plan, capturing your goals.

What's a 'must do' for you? What would you 'love to' do? It's all about having an important conversation and working together to build a financial path.

Since we launched Prosperity Plans in 2015, thousands of people have set out to make impactful progress on their prosperity. Thank you!



**15,000**

**PROSPERITY PLANS**



Libro Owner Megan &  
Libro Coach Dawn



OWNER STORY

## *The Harvey Family*

“It was great to sit down with our Coach and and go through the Prosperity Plan. We always felt like we were pretty good with our money, but when we actually looked at our long-term goals and took the time to really think about what’s important to us, it was really interesting. Our Coach knows us

and sees the big picture, which isn’t something we experienced with other banking institutions.”

**- Chris Harvey, London West Owner**



# People Entrust Money To Libro

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*How we're growing*

## HOW WE'RE GROWING

The success story at Libro Credit Union can be expressed in many ways, including growth. More people are choosing to do more of their business with us, because they trust our approach to doing business and our coaching model.

**\$7.2 BILLION**

TOTAL PORTFOLIO



7.5% OVER 2016

**\$4.4 BILLION**

ASSETS UNDER ADMINISTRATION



7.7% OVER 2016

**\$234 MILLION**

INCREASE IN DEPOSITS



7.7% OVER 2016

## CAPTURING OPPORTUNITIES

We have \$3.1 billion of Owner opportunities. This amount represents opportunities our coaches are actively working on to grow our business. Even more importantly, it represents future prosperity for our Owners. It includes life and financial decisions our Owners have told us they want to discuss with their Libro Coach.

## SAFE AND SECURE

Libro ensures it has sufficient liquidity and capital resources to support economic stability and cover inherent risks in our business, while contributing to Owners' prosperity.

Maintaining a sound liquidity position allows us to satisfy cash flow obligations in a timely and cost-effective manner. Our year-end liquidity ratio of 13.03% is well above minimum operating targets.

Strong capital adequacy allows us sustainable business growth while ensuring we can absorb unforeseen losses. Our year-end risk weighted capital adequacy ratio of 12.76% is well above internal and external minimum targets.





OWNER STORY

## *Personal Connections*

Chau Pham, Financial Planner in Kitchener-Waterloo, knows the value of making personal connections with Owners.

In one meeting with a family in 2017, the Owners were so relieved to receive his advice that one was moved to tears.

“You really have to come down and sit at the farm table and talk with them. It’s very touching. We really made a difference.”

**- Chau Pham, Financial Planner**



# We Invest in People

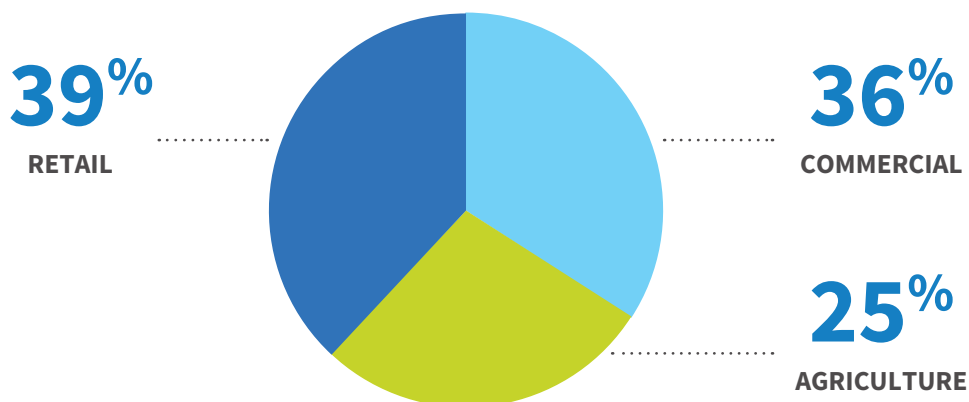
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*Because that's what we're all about*

This is teamwork on a grand scale. Libro Owners trust us with their money in the form of deposits, and we use that money to make loans to other Owners. This means we earn money by helping people to help each other.

**\$172 MILLION**

**TOTAL LOAN GROWTH IN 2017**



## SUPPORTING SOCIAL ENTERPRISE

We continue partnering with Verge Capital, who connected local enterprises that have a social or environmental mission at their core with local caring investors. Now in its third year, this partnership has seen \$290,000 made available to enterprises including the Old East Village Grocer in London, which employs 31 individuals who may not otherwise have found meaningful work.



Old East Village  
**GROCER**

## PERSONAL LOANS

In 2017, \$1.4 billion is outstanding in loans to individuals, helping them to realize their dreams. That's an increase of \$67 million. We empowered more than 20,000 Owners in realizing their dreams of home ownership, post-secondary education and more.

**\$1.4 BILLION**

**AVAILABLE TO OWNERS**

## IT'S ABOUT MORE THAN JUST NUMBERS

We have 646 staff and we aim to help them all stay engaged and joyful in their work. Libro's positive culture is at the heart of our day-to-day work.

We know this because we have proof. In 2017, Libro was named a Platinum Best Employer by AON Hewitt for the third year in a row. We subscribe to the AON Hewitt engagement model: Libro people say positive things about their employer, stay with the company and strive to go above and beyond.



## AND WE'RE COACHING THE BEST COACHES

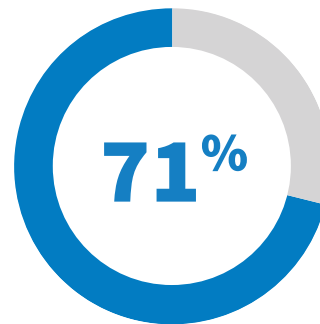
The average investment in development and training per full-time staff member was \$1,072.

For example, we're building an account manager trainee program to continue to deliver world-class advice and service in the business segment. Laura Wimperis of the London South branch is in the new program.



**“I'm very excited to be embarking on this journey and becoming an Account Manager in the near future!”**

## POINTS OF PRIDE



**71% OF ALL POSITIONS WERE FILLED INTERNALLY IN 2017**

# 179 PEOPLE

**MOVED WITHIN THE COMPANY**

In 2017, we expanded into the fifth floor of our London Administration building, with state-of-the-art facilities, attractive workspaces and even a Chill Zone to create the right atmosphere for staff.

Libro pays all staff a living wage and continues to support a conversation across southwestern Ontario about the business, economic and social value of both paying and receiving a living wage.

# 472 PEOPLE

**REGISTERED WITH EMPLOYEE WELLNESS PROGRAM**

**PARTICIPATION RATE OF 88%**





OWNER STORY

## *Oxley Estate Winery*

Thanks to Murray Wilson, his company Blackstone and his patented skate sharpening technology, professional skaters like hockey players around the world and recreational skaters alike go faster. And now he and wife Ann also produce fine wines and serve great food at Oxley Estate Winery on Lake Erie's north shore in Essex County.

The entrepreneurial Wilsons partner with Libro for all their business banking at both companies. Here's why...

"Banks had a difficult time recognizing how to help us beyond their usual offers. Libro, on the other hand, gave us the flexibility to grow. They were more than willing to understand us and how agriculture and manufacturing intersect. There was a warm welcome and a nimbleness that we really appreciated."

**- Murray Wilson, Owner  
Oxley Estate Winery**



# Creating Stronger Communities

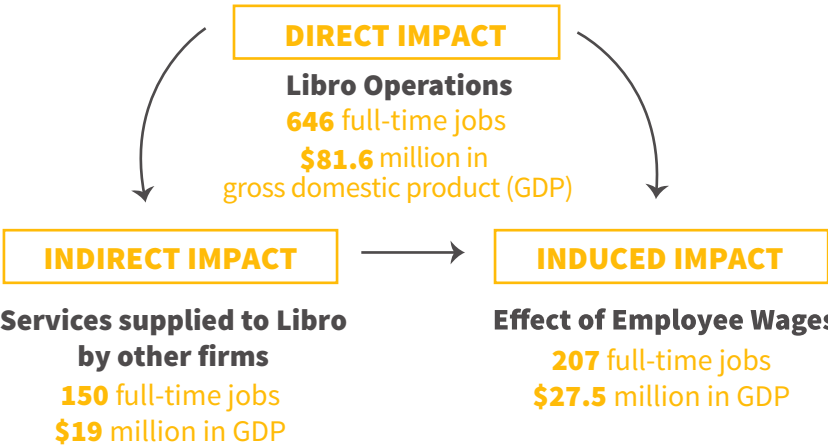
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*Everyone prospers when we work as one*

EVERYONE PROSPERS WHEN WE  
WORK AS ONE

Libro knows community is about being strong together, creating economic and social opportunities, and caring for the environment.

We partnered with the Conference Board of Canada to measure the economic footprint of Libro in southwestern Ontario. So we know the impact we have, directly and indirectly. The jobs we create and the services we purchase total 1,027 full-time jobs and \$128 million of economic growth, the Conference Board has calculated.



**LIBRO ADDS 1,003 FULL-TIME JOBS  
+ \$128 MILLION TO ECONOMIC GROWTH**

ENVIRONMENT

We’ve been encouraging Owners to switch to paperless statements, and they’re on board.

In 2017, 8,875 Owners chose to go paperless. This represents 52,593kg of greenhouse gas emissions avoided, equivalent to saving over 600 trees. 61% of Owners are now paperless which is an increase from 52% over 2016.

And in late 2017, Libro conducted an environmental impact review. We will use the findings to reduce our environmental footprint.

8,875

OWNERS WENT  
PAPERLESS



600

TREES SAVED

VOLUNTEERING

For Canada’s 150th birthday, Libro launched Prosperity 150, getting people out into our communities for Random Acts of Prosperity.

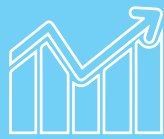


245

STAFF

8,847

VOLUNTEER HOURS



# Our Investments Generate Profit

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*We profit together*



## OUR INVESTMENTS GENERATE PROFIT

### WE PROFIT TOGETHER

Yes, we make money. Libro isn't a non-profit – it's a profitable company that is solid and efficient. We just choose to use all our resources to grow prosperity – plain and simple.

**\$15.5 MILLION**

**NET INCOME BEFORE PROFIT SHARING  
AND TAXES**

↑  
**79.5% OVER 2016**

**82.6%**

**EFFICIENCY RATIO**

↑  
**4.4% IMPROVEMENT FROM 2016**

Profit isn't our focus, growing prosperity is. Conducting business in that way also happens to be profitable. The more we earn, the more we reinvest in Owners, staff and southwestern Ontario.

We're setting ourselves up for future growth by making the right investments, to bring continuous improvements and make sure we're ready to do business. That includes investing in staff with Lean training and implementation, designed to remove waste from our processes, and the forward-thinking work of our Innovation Team, which is reimagining what Libro locations and services could look like in the future.

### LIBRO GIVES BACK THROUGH PROFIT AND INVESTMENT SHARE RETURNS

A share of the profits. The best financial coaching. Competitive returns. Top-quality services. Being a Libro Owner lets you share in the payoff a credit union brings. Because Libro reinvests in Owners every day.

**\$5.9 MILLION**

**CLASS P PROFIT SHARING AND  
DIVIDENDS**

**+**

**\$4.5 MILLION**

**CLASS I INVESTMENT  
SHARE DIVIDENDS**

**\$10.4 MILLION**

**DIRECTLY RETURNED TO OWNERS**

### LIBRO OWNERSHIP PAYS OFF

We've been working to improve services that were already strong. In 2017, we enhanced mobile and online banking, improved our website [libro.ca](http://libro.ca) and launched Mobile Pay for Android phones. There are more advances to come in 2018.

We also launched our new line of Visa credit cards, an improved product with more flexibility, and based on a partnership that aligns better with our values.



OWNER STORY

## *Cellulosic Sugar Producers Co-operative*

By partnering with groups that are finding innovative and sustainable solutions Libro is helping shape the economy in the region.

For example, The Cellulosic Sugar Producers Co-operative (CSPC) is an Ontario-based farmer's co-operative that strives to develop new markets for crop residue materials and new business opportunities, by extracting cellulosic sugars from crop residues. With this, farmers can explore new markets without having to compete for land.

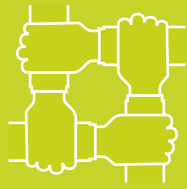
Currently, there is no existing market for corn stover in Ontario and it is not considered to be a revenue generating material for producers. CSPC wants to establish that market and put a value on corn and

wheat stover that will generate higher profits per acre without investing in more valuable land.

Libro is working co-operatively with the CSPC through a unique loan program to help local farmers purchase shares in the co-op. Helping grow prosperity and encouraging innovative and sustainable ways of doing business.

"The CSPC really values the partnership that we have developed with Libro over the past few years. Working with a financial institution that shares our values of creating new value added opportunities for farmers and agriculture as a whole, is very effective in helping us reach our goals."

**- Brian Cofell, General Manager of the CSPC**



# We Share Our Profit

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*Every dollar stays right here*

## WE SHARE OUR PROFIT

### EVERY DOLLAR STAYS RIGHT HERE

Libro strives to inspire meaningful change in communities. To do this we created a plan to improve economic and social conditions. We knew the challenges facing the region were vast and complex and there was no one solution, so we looked beyond just traditional granting and philanthropy and saw that Libro could be a convener, a connector of dots. We've started to bring together key stakeholders who each contribute their expertise, passion and unique resources to minimize duplication of efforts, create synergy and make a lasting impact.

Our focus has been on regional economic development, youth leadership and money smarts. We've been forming key partnerships that are helping create jobs, support self-employment and entrepreneurship and building money smarts. We're calling it the Libro Cluster, and it is starting to do great things.



*The first co-hort of Each One Teach One trainers comprised of staff from across southwestern Ontario.*

### SPREADING VITAL SKILLS

Libro continues enthusiastic support of Each One Teach One, the volunteer program that shows people how to manage their personal finances.

In 2017, we trained 31 staff to deliver 68 workshops, across the region, reaching 608 people.

### FEES WE WON'T TAKE

In 2017, we had 3,127 fee-free Community Accounts for small non-profits organizations and service groups. This is an increase of almost 200 accounts from the year before resulting in more than \$250,000 staying in the hands of organizations that are growing prosperity for the region.



*With Libro's support, their HackerGrrlz program introduced STEM opportunities to young girls across Kitchener-Waterloo.*

### COMMUNITY INVESTMENT

# \$1.5 MILLION

**INVESTED IN OUR LOCAL COMMUNITIES  
THROUGH SPONSORSHIPS, DONATIONS, THE  
PROSPERITY FUND, STUDENT AWARDS AND  
LIBRO'S STRATEGIC PARTNERSHIP CLUSTER**

# \$460,000

**GRANTED TO 30 ORGANIZATIONS  
THROUGH THE PROSPERITY FUND PROGRAM**



## THE LIBRO CLUSTER

Through a cluster of partnerships Libro has helped to support an environment of learning and development across southwestern Ontario that is seeing tangible results and shifts in thinking. We've helped encourage and attract research dollars that are strengthening links between rural and urban communities to establish solutions for an integrated regional economy.

We're helping individuals get off social assistance and find employment or start their own business. We've increased the knowledge level and number of social enterprises in southwestern Ontario. And we've helped entrepreneurs start businesses and create more employment in the community.



**78**

**ENTREPRENEURS  
SUPPORTED**



**56**

**ACTIVE BUSINESSES**



**26**

**JOBS CREATED**



**9**

**NEW RESEARCH PROJECTS  
SECURED, FOCUSED ON BUILDING  
VIBRANT COMMUNITIES**



**16**

**PEOPLE TRANSITIONED OFF  
SOCIAL ASSISTANCE**

## PARTNER STORY



## PARTNER STORY

# WEtech Alliance

Libro is helping entrepreneurs across southwestern Ontario get their ideas off the ground. We're supporting the WEtech Alliance, which fosters innovation and accelerates growth in Windsor-Essex and Chatham-Kent.

Its Libro StartUP program saw seed funding of \$5,000 each provided to six new entrepreneurs, plus coaching and mentoring for a year.

"The synergy created between WEtech and Libro has afforded Secret Sip Coffee Club incredible growth opportunities. The Libro StartUP program

is truly special as it connects a small group of exceptional individuals together in close proximity to learn and thrive off each other's successes. I'm thankful and excited to have been apart of this inaugural cohort and look forward to witnessing its future success".

**- Aron Coccimiglio, Founder,  
Secret Sip Coffee Club**





# What Owners are saying

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*Describe Libro in one word*

WHAT OWNERS ARE SAYING

**“COMMITMENT”**

- Deb

**“RESPONSIBLE”**

- Sarah

**“PROFESSIONAL”**

- Colleen

**“FAMILY”**

- Myrna

**“ETHICAL”**

- Karen

**“FRIENDLY”**

- Lynda

**“CO-OPERATIVE”**

- Terry

**“OUTSTANDING”**

- Gene



**“APPROACHABLE”**

- Brian

**“LIFE CHANGING”**

- Dianna

**“RELIABLE”**

- Shawna

**“COMMUNITY”**

- Bonnie

**“EXPERT”**

- Julia

**“COMFORTABLE”**

- Bev

**“DEDICATED”**

- Mary



Libro Coaches in  
Kitchener-Waterloo





# Conclusions

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*Worth talking about*

## CONCLUSIONS

### WORTH TALKING ABOUT

Thank you for being part of the Libro story – and thank you for helping to tell it.

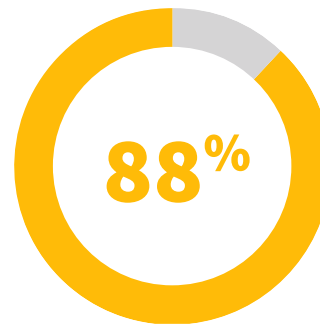
By being Libro, you are investing in southwestern Ontario, and we all know that matters.

We're listening to you and getting even better feedback by developing a new insights initiative we call Voice of the Owner. And we'll keep working closely with our engaged group of Owner representatives.

We're looking ahead, thinking differently about our services, our locations and how we bring our unique brand of coaching into the digital world.

### SHARING THE LIBRO LOVE

We know you want to spread the word about Libro.



**IN 2017, 88%  
OF PEOPLE WE  
SURVEYED RATED  
HIGHLY THEIR  
WILLINGNESS TO  
RECOMMEND LIBRO.**

So we made sure people could tell others about us with Share The Libro Love, launching an initiative that asked you to refer us to friends and family.

We know Owners love Libro, so please keep sharing the love!

And if you're not an Owner yet, it's easy to get involved. Head to [libro.ca](http://libro.ca) where you can start the journey from your home, or choose any one of our 31 locations in southwestern Ontario.

## 31 LOCATIONS

**ACROSS SOUTHWESTERN ONTARIO**



@LibroCU



Libro Credit Union



@LibroCU



Libro Credit Union

[service@libro.ca](mailto:service@libro.ca)  
1-800-361-8222