



2020-2022

# BUSINESS PLAN

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Growing for more Impact. Journey to Libro 20.0

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# WHY

## Be Libro



To **grow prosperity** in southwestern Ontario by transforming banking.

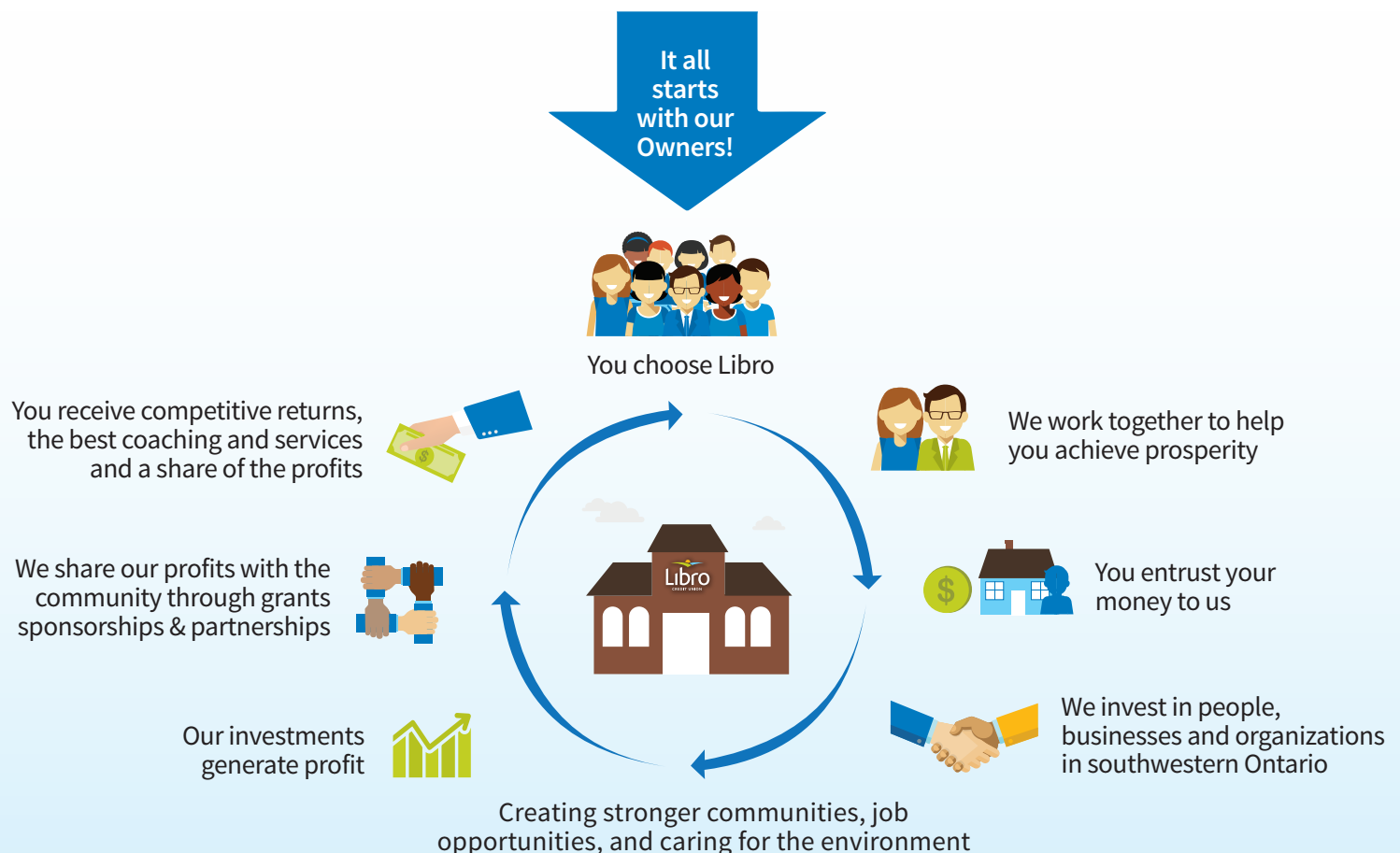


Be epic humans  
Be passionately accountable  
Be bold explorers  
Be mutually inclusive



Inspiring financial happiness  
Joyful in our work

Libro has a purpose beyond profit. Helping Owners achieve their goals, supporting businesses to create a thriving local economy and contributing to strong and prosperous communities, is why Libro exists.



# HOW

Libro Pillars and Market Segments create a lens for decision making as we focus efforts on areas that have the greatest impact to growing prosperity.

## PILLARS

Identifying the areas where Libro can have the biggest impact in helping address top needs and opportunities in southwestern Ontario creates value for our Owners, our communities and help us grow our business.



### EMPLOYMENT

Increase productive employment and decent work for all.



### FINANCIAL RESILIENCE

Improve financial capacity and resilience of people, businesses/organizations.



### HOUSING

Enhance access for all to adequate, safe and affordable housing.



### LOCAL FOOD ACCESSIBILITY

Improve food systems to increase access to local food for all.

## MARKET SEGMENTS

Libro welcomes everyone in southwestern Ontario, and we are committed to focusing carefully on where our efforts will have the greatest impact in growing prosperity.



### ACTIVE COMMUTER FAMILIES



### YOUNG AND CONNECTED URBANS



### GROWING SUBURBAN FAMILIES



### ESTABLISHED RURAL HOUSEHOLDS



### SMALL TOWN MATURES



### AGRICULTURE

Agribusiness

Primary Production/  
Processing



### COMMERCIAL

General Industry

Real Estate



### ORGANIZATION

Registered Non for Profit/  
Charitable Organizations

Small Municipalities



### SMALL BUSINESS

Startup

Existing

# HOW

We are accelerating pursuit of Libro 20.0 through important investments and efforts of our one team across Libro. We want to reach \$20 Billion in assets under management by 2029 so we can generate more Owner and business prosperity, a stronger southwestern Ontario through even greater impact. It makes Libro strong and sustainable, it creates more Owners who are better off, and it strengthens the communities around us. That's compelling, and we can make it happen together.

\$20.0

Our plan to achieve 20.0 is balanced by four main goals to ensure shared success in our journey. Within each goal there is work underway and important discovery still to be done.

## ENGAGEMENT:

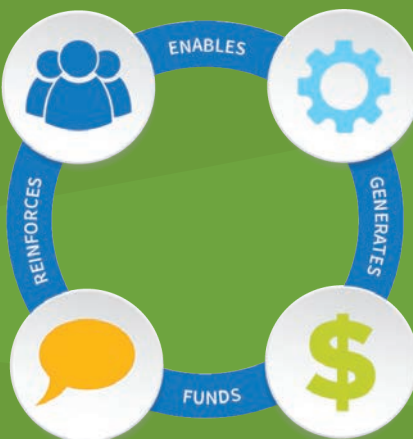
*Behaving in a way that supports a nimble, agile, and entrepreneurial culture.*



MOMENTS  
Matter

## VALUE PROPOSITION:

*We are committed to being different where prosperity originates; advice, service, and community. Creating impactful experiences to make a positive impact on who we serve.*



## OPERATIONAL EXCELLENCE:

*One team focused on seamless execution. Being quick to launch and learn so we can iterate and improve.*

## FINANCIAL PERFORMANCE:

*We drive profit for a purpose, leveraging the full extent of our resources for good.*

### Libro Strategy Canvas





# HOW

Disruption is all around us, and change is accelerating faster than ever before. Now is the time for Libro to embrace the opportunity by balancing how we excel at running and continuously improving our existing business. Exploring new ways to fulfill our purpose through design thinking, lean and agile fundamentals today, while charting a new course through strategy and innovation helping us to build the Libro of tomorrow.

## DISCOVERY

Data, insights  
and research

## DELIVER

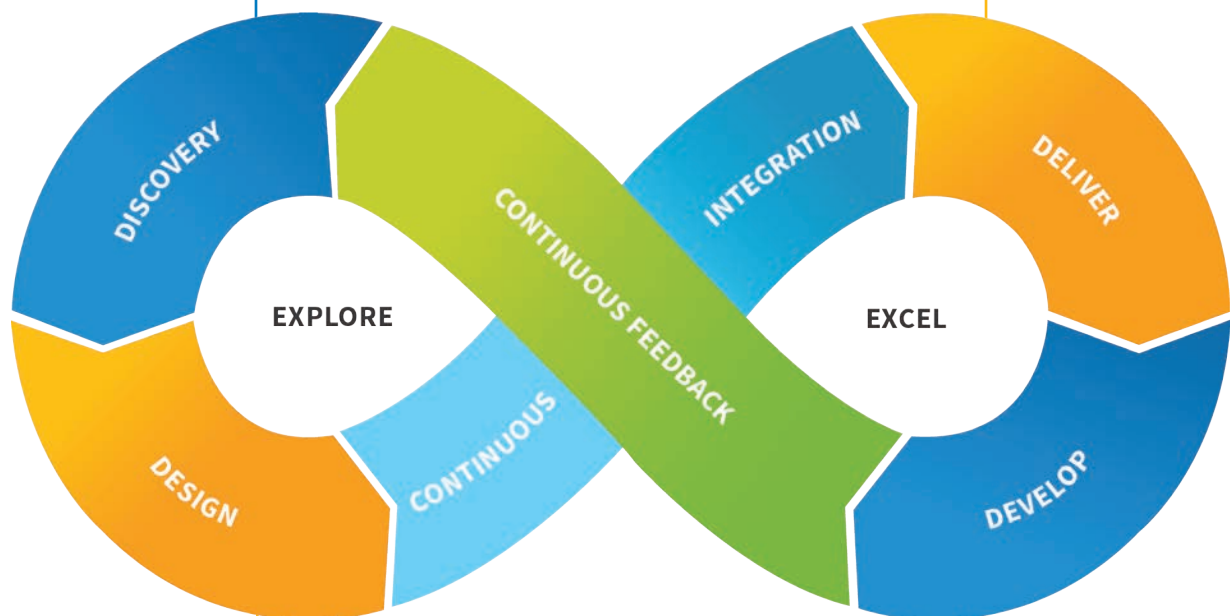
Launch and  
operationalize

## DESIGN

Experiment and prototype  
using Owner desirability

## DEVELOP

Iterate to continuously  
improve



# STRATEGY & INNOVATION

# HOW

## STRATEGIC PRIORITIES

Part of exploring new ways of doing business, it is where we focus additional resources to solve our most pressing problems and largest opportunities.

### Data Foundations and Insights

To successfully identify and leverage opportunities to grow prosperity at scale, Libro must build a data rich foundation and culture. Accessible, rich data, combined with staff who are curious, skilled and empowered to use it, will support better decisions, stronger Owner experiences, and grow prosperity for Owners, Libro and our communities.

### Digital Delivery

Consumers expect a seamless brand experience across all access points, and more frequently engage digitally first as prospects, and as active customers. Libro will demonstrate its value proposition and prosperity purpose through the digital experience, complementing other channels and enabling people to engage with Libro how and when they please, driving growth, retention, and loyalty.

### Market Development

Expectations for advice and service within financial services are evolving rapidly and are influenced as much by other industries as by direct competitors. Libro's target market expects convenient multi-channel access, local presence and knowledge, all supported by strong coaching relationships. Libro will demonstrate its value proposition, prosperity purpose, and commitment to the unique needs of individual communities through deep local insights and understanding, purposeful design and delivery of proactive advice and superior service locally.

### Operational Excellence

In order to exceed Owner expectations and grow the business, Libro needs to be able to execute our strategy more consistently and reliably than the competition. When all employees can see the flow of value to the Owner, they are more equipped to execute in their roles, solve problems and adapt to change. Libro will build an operational centre of excellence that enables our strategy and boosts execution by integrating key back office functions, focusing on Owner/ Partner value, transforming processes and building change capabilities.

### Owner Advice and Service

Consumers expect a seamless brand experience across all segments and access points and they expect proactive advice and superior service along every link in the service chain. Libro will demonstrate its value proposition and prosperity purpose through the delivery of the best advice and superior service in a way that is simple, meaningful and valuable; enabling people to engage with Libro how and when they please, driving growth, retention, and loyalty.

### Purpose Driven Business

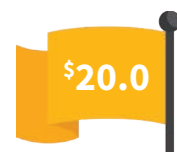
To successfully identify, prioritize and leverage opportunities to grow prosperity through a purpose beyond profit approach. Libro will use our business as a force for good by developing the regional economy and helping to solve societal challenges through our business. We will measure and communicate our economic and social impact.

### Talent Management

Winning at talent is no longer just the outcome of strong HR processes - it is now a mindset, employed by the entire organization, for long term success. Libro will fulfill our prosperity mandate through epic humans attracted to purpose, developed within tailored growth environments, engaged by holistic employee experiences, and retained within our rich culture.

# WHAT

We will track success in a way that is easy to measure over the short and long term.



Strategic Metrics	Objective	Measurement	2020	2021	2022	2029
<b>Key Performance Targets</b>	Owner Satisfaction	Owner Survey Score (1-5 scale)	4.5	4.5	4.5	4.5
	Portfolio Growth	Annual % Growth	9.2%	10.0%	11.5%	18.6%
	Net Operational Income	\$ Millions	\$21.68	\$26.91	\$31.83	\$115.26
	Efficiency Ratio	Operating Expenses as % of Revenue	78.6%	76.3%	75.0%	69.0%
<b>Value Proposition</b>	Owner Feedback	Owner Survey Score (1-5 scale) (Advice, Service, Community)	4.6	4.6	4.6	4.6
	Total Owners	Total Owners as at Dec 31	110,696	114,704	119,866	201,590
	Portfolio Per Owner	Total Portfolio/Total Owners	\$82,911	\$88,028	\$93,925	\$169,231
<b>Financial Performance</b>	Total Assets Under Management	\$ Millions	\$5,500	\$6,033	\$6,701	\$20,068
	Return on Assets	% of Assets	49.37%	55.84%	59.00%	75.00%
	Total Portfolio	\$ Millions	\$9,178	\$10,097	\$11,258	\$34,115
	Risk Weighted Capital	% of Risk Weighted Assets	11.87%	11.42%	13.06%	12.85%
<b>Operational Excellence</b>	Operating Expense Ratio	Operating Expenses as % of Assets	2.20%	2.15%	2.09%	1.94%
	Portfolio Retention	Portfolio Growth as % Total Sales	48.38%	47.75%	47.00%	50.00%
	Portfolio Per FTE	Portfolio/Total FTE (\$ Millions)	\$14.23	\$15.13	\$16.25	\$24.25
	Lean Assessment	Benchmark Score	1.70	2.10	2.10	3.30
<b>Engagement</b>	Staff Engagement	Kincentric Engagement Survey – Best Employer	78%	78%	80%	85%
	Staff Development	% of Positions Filled Internally (Job Grades 6-16)	70%	70%	70%	75%
	Staff Training	Direct Staff L&D Expenditures (\$/FTE)	\$1,325	\$1,325	\$1,200	\$1,100
	Staff Turnover	# of Staff Leaving Libro/ Total Staff	13.50%	12.75%	12.00%	10.00%