
2022

ANNUAL REPORT

NORTHERN BIRCH CREDIT UNION

We are strong
Architects of our own future
Trusting firm roots, building on our heritage
We are proud of what we have accomplished
And look forward to what the next generation will achieve

We are committed:
To your financial well-being
To your unique circumstances
To your dreams of growth and security

Value is where credit unions excel and across the board, credit unions continue to outperform the big banks on all customer service metrics, from financial planning through to in-branch and telephone service excellence.^[1]

Ühispangad paistavad silma oma heade külgede ja suhtumisega ning ületavad jätkuvalt suuri panku teeninduse osas, alates finantsplaneerimisest kuni tipptasemel kliendi- ja telefoniteeninduseni.

Kredītsabiedrības pozitīvi izceļas ar to radīto vērtību. Salīdzinot ar lielajām bankām, kredītsabiedrības uzrāda labākus rezultātus visās klientu apkalpošanas jomās – no finanšu plānošanas līdz apkalpošanai klātienē un pa tālruni.

^[1] IPSOS Customer Service Index YTD Q4 2022



MESSAGE FROM THE BOARD CO-CHAIRS

Dear Northern Birch Credit Union member,

As we report on the third year of NBCU operations, it is gratifying to look back at all that has been accomplished: NBCU has completed its merger integration, updated systems, relocated branches and the financial results for the 2022 fiscal year are positive news.

Although NBCU operations have settled, the credit union sector continues to change. New legislation governing credit unions was enacted in 2022, requiring all credit unions in Ontario to overhaul the documents that govern all activities, from by-laws, policies and procedures through to forms of reporting.

This means that costs of ongoing regulatory compliance are escalating dramatically as the regulator issues new rules and guidance based on the new legislation. NBCU must respond, develop and adapt to new processes within the new principles-based regulatory framework.

The credit union landscape in Ontario continues its consolidation, with 61 credit unions in Ontario at the end of 2022, the average asset size of which is approx. \$1.5 billion, or 8 times that of NBCU.

The past year has also seen turbulence and changes in the markets, and rising interest rates. This has all of us looking for more value. Value is where credit unions excel and across the board, credit unions continue to outperform the big banks on all customer service metrics, from financial planning through to in-branch and telephone service excellence.^[1]



Please don't keep NBCU a secret! Tell your friends and neighbours about the benefits of being a member, of being part of the NBCU family. Our mission is to help with every member's financial well-being and to contribute to the strengthening of our communities. In 2022 alone, NBCU contributed almost \$50,000 to our member communities.

Thanks go to all NBCU staff members who navigated the past year (including moving branches!) with cheerfulness and dedication. Thank you for your commitment to excellence and for putting members first. Thanks go to Anita Saar, NBCU's hard-working President and CEO, and her talented leadership team. We personally thank our fellow board members for their commitment to providing governance and oversight to NBCU.

Thank you to every member for making Northern Birch Credit Union your financial institution of choice.



Ellen Valter
Board Co-Chair



Juris Steprans
Board Co-Chair

^[1] IPSOS Customer Service Index YTD Q4 2022



MESSAGE FROM THE CEO

Not only did 2022 deliver strong financial results for the credit union, it also brought another year of fundamental change.

In addition to continued digitization of financial services, Northern Birch also focused on bricks and mortar. The big news story of 2022 was the closing of the Estonian House which for the credit union meant moving out as a branch and head office after more than 60 years. Staff worked tirelessly to clear out and pack up, and to establish new office space, while we await the completion of construction of the new KESKUS International Estonian Centre.

The Latvian Canadian Cultural Centre location is our new head office, and what more fitting address than on Credit Union Drive! Thank you to the Latvian Centre for accommodating the credit union's increased footprint and for the warm welcome to staff and members.

We also launched a new cashless branch in Tartu College on Bloor St near the location of our future branch in KESKUS. This branch already attracts a steady stream of visitors and

new members. Its fresh modern design conveys our brand well and 2023 includes installation of our first ATM. Thank you to Tartu College for providing us with this excellent location in the heart of Toronto.

I am very pleased to announce that the new branch structure also opened opportunities for staff. It is our practice to recruit staff from our communities and to offer training and career paths to management and supervisory positions. 2022 was a record year for promotions and a new position, Manager of Member Experience, creates a better, integrated view of member service across all channels, whether banking in branch, over the phone, online or via mobile app. Congratulations to Miina Billones, Baiba Auzane, Baiba Reinfelde, Leiki Kopvillem, Madara Balode and Tiiu Bradley on their promotions! As well, congratulations to Ene Timmusk, Manager Member Service and Branch Operations and Hille Järve, Senior Member Service Representative on their retirement after decades dedicated to taking exceptional care of our members.

And back to digital financial services, good progress has been made on delivering the digital banking improvements our members asked for. Northern Birch launched an enhanced online banking system, mobile app and improved website in 2022 and introduced international wires. We will continue to offer new functionality to keep pace with member needs. To address increased sophistication of cyberattacks, fraud, money laundering and terrorist financing, the credit union and its service partners implemented new systems in 2022. This helps ensure our members' privacy and security and we will continue to upgrade these through 2023.

The credit union is financially strong, returning margins well above the credit union sector average. These make it possible to continue to build out our digital service offering to ensure that you, our member, will be able to enjoy the benefits of easily accessible online financial services and payments.

With a strong capital base of \$14.9m and assets near \$200m, Northern Birch is positioned to deliver banking services and the credit union difference to the next generation in our communities, their friends, and beyond. We remain focused on our promise to care for each and every member's unique financial needs and to support our communities.

I would like to extend a big thank you to our members, for your support and engagement; to our dedicated and hard-working staff, who constantly go above and beyond to ensure our members are well taken care of; and to our board members, for their continued oversight and support.



Thank you! Aitah! Paldies!

Anita Saar
President & Chief Executive Officer

IN OUR COMMUNITY

Core to the mission of Northern Birch Credit Union is supporting our member communities. From local summer camps to supplementary schools, to cultural programs and through scholarships and donations, we invest in initiatives our members care about.



SUPPORTING UKRAINE

As a Credit Union of Estonian & Latvian heritage, many of our members and their families know firsthand the destruction wrought by the Russian Regime. In solidarity with Ukraine and Ukrainians in their battle to regain independence, Northern Birch Credit Union donated \$10,000 to the Canada-Ukraine Foundation.



SUPPORTING OUR YOUTH

We are proud to support our young people through scholarships for post-secondary education and stipends to students attending local Estonian & Latvian schools. We also give back by supporting initiatives like ŠMIJ which is focused on sharing art by Latvian youth and Seedrioru Suvihari, a fundraiser for a local Estonian summer camp. What a privilege to support the continued growth of our communities.



SUPPORTING OUR COMMUNITY

Other initiatives supported throughout the year include:

- Põhjarada Rajatare Brownie Building Project
- Saulaine Summer Camp as it celebrated its 70th anniversary
- Estonian Music Week
- Baltic Movie Night a new initiative put on by local youth groups.

Northern Birch Credit Union Limited Summary Financial Statements for the Year Ended December 31, 2022

Statement of Financial Position

Assets

Cash	11,559,426
Investments	20,151,526
Loans	162,567,322
Other assets	3,273,607
	197,551,881

Liabilities

Member deposits	179,786,236
Other liabilities	2,106,427
Member shares	125,820
	182,018,483

Members' Equity

Retained Earnings	11,686,327
Contributed Surplus	4,514,186
Accumulated other comprehensive loss	(667,115)
	15,533,398
	197,551,881

Statement of Income

\$

Interest Income	6,908,615
Interest Expense	1,557,627
Net Interest Income	5,350,988
Provision for loan losses	307,837
Net interest income after loan loss provisions	5,043,151
Other income	414,311
Operating Expenses	4,674,320
Income before income taxes	783,142
Taxes	150,690
Net Income	632,452
Other comprehensive income	(235,433)
Total comprehensive income	397,019

2022 NORTHERN BIRCH COMMUNITY ROOTS SCHOLARSHIP RECIPIENTS



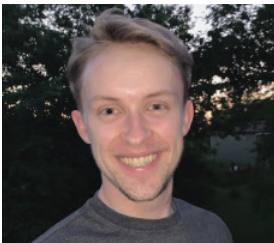
ALEKSANDER PEDE

A third-year student at Fanshaw College, Aleks has completed the Carpentry and Renovation Program and is now enrolled in the Building Renovation Technology Program. He has been involved in the Estonian community his entire life, from attending Estonian schools to spending his summers at Jõekääru and Kotkajärve summer camps.



DĀRIJA GULĒNS-TAUBE

Dārija is a third-year student at York University, studying Psychology and Political Sciences. Dārija is active in the Latvian community splitting her Friday nights singing with the Latvian choir and teaching folklore at the Latvian High School over Zoom to students in Toronto and New Jersey. She is also the Vice President of the Latvian National Youth Association in Canada, which she has been involved with since she was 16.



DARIUS BAGINSKIS

In his fourth year at the University of Toronto, Darius is double majoring in Global Health and Health Studies. Darius comes from the United States but has quickly become an active part of the local Latvian community, having worked at the Toronto Saturday School, dancing with the folk group Daugavina and holding a position on the Latvian National Youth Association in Canada.



EMILS BELOGLAZOVS

Emils is in his 4th year of the Computing Program at Queen’s University. He has been involved with the Latvian community all his life, participating in Latvian Scouts, Latvian school, Latvian summer camps, and now pledging for Fraternitas Lataviensis.



ERIK KALNIŅŠ

In his fourth year of Sports Administration at Laurentian University, Erik has been an active member of the local Latvian community through his participation at Sidrabenes Nometne Summer Camp. He has participated as a counsellor, kitchen staff, and CIT coordinator, continuing to participate as a member of the Sid Nometne Committee.



KARIINA JÄRVE

Kariina is currently in her fourth year of the Concurrent Education Program at Nipissing University, majoring in Child and Family Studies. Kariina has been heavily involved in the Estonian community throughout her life. She has been part of Estonian Girl Guides, danced and taught folk dance, a participant and teacher at the Estonian Schools, and counsellor at Jõekääru summer camp. She has also worked at the Estonian retirement home, Ehatare.



LAURA NIPERNADO

Laura is a first-year student at Carleton University, studying Criminology and Criminal Justice. She has been involved in the Estonian community all her life by participating in the Estonian Girl Guides & Brownies, and is currently a Brownie leader.



MAIJA LINDE

Maija is a first-year student at Humber College in the Paramedic School. She has been active in the Toronto Latvian community, participating in Latvian school, various Latvian summer camps and folk dancing since childhood.



MARJA-LEENA KIIK

In her second year of studies at the University of Toronto, Marja-Leena is majoring in Biology and Immunology. She has been a part of the Estonian community for as long as she can remember; she worked at the Toronto Estonian Kindergarten as a music teacher, as well as at the Estonian summer camp Seedrioru as a lifeguard and camp counsellor.



STEN PUUST

Sten is in his 1st year of the Automotive Engineering program at McMaster University. Sten is involved with the Estonian community through the Estonian scouts and various Estonian summer camps. He graduated Valedictorian for the Toronto Estonian School, worked with the Hamilton Estonian School, and is a member of the HES Estonian Choir.



TORY HUTCHINGS

Tory is in their third year at the Toronto Metropolitan University studying Image Arts: Photography Studies. Tory has been involved in the Toronto Estonian community all their life, participating in the Estonian schools, Kungla folk dancing, Ritmika gymnastics, Girl Guides, summer camps, Ööbik Choir and the Estonian song festival. They are also the co-founder of Noored Eestlased Torontos.

CELEBRATING OUR PAST AND LOOKING FORWARD TO NEW BEGINNINGS



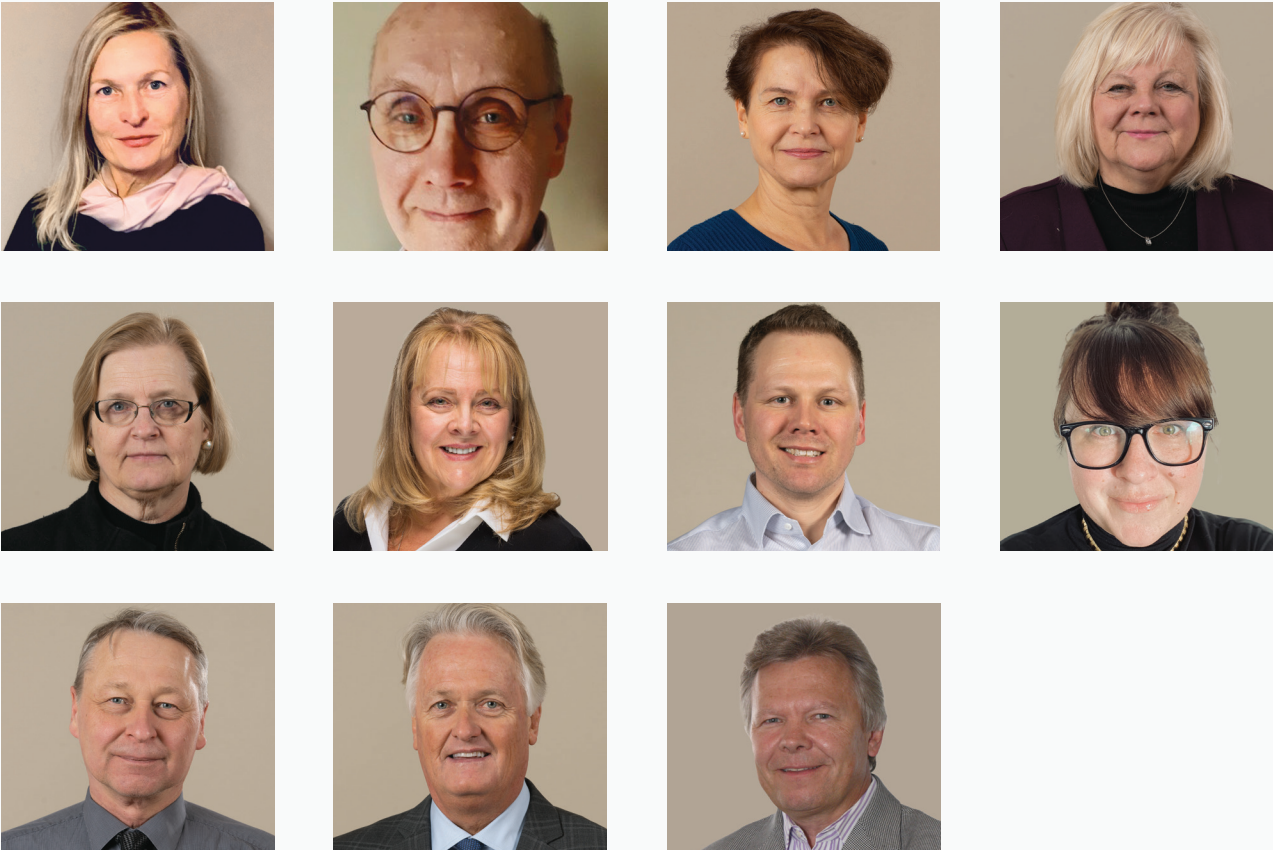
In 2022 we said farewell to our Estonian House Branch. Prominently displayed, the Credit Union logo at our branch welcomed each member, symbolizing the Credit Union movement, where people worked for people in harmony. We are grateful for our home in the Estonian House for many decades, living in the midst of our Estonian community. Today, as our communities change, we have responded by meeting their needs.

Our head office has moved to our Latvian Centre Branch and we introduced a new Tartu College Branch, putting us right in the centre of Toronto. This cashless pop-up branch opens the door to new and existing members ahead of our move to KESKUS International Estonian Centre on Madison Avenue downtown Toronto.



We are committed to knowing our members and to providing personalized services in each of our branches, over the phone and online.

OUR BOARD



BOARD CO-CHAIRS:

Ellen Valter, LL.B.
Juris Steprāns, Ph.D. Mathematics

VICE-CHAIR:

Ene Liis Palmer, LL.B.

CORPORATE SECRETARY:

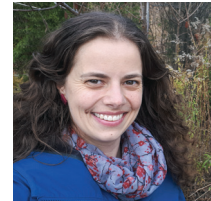
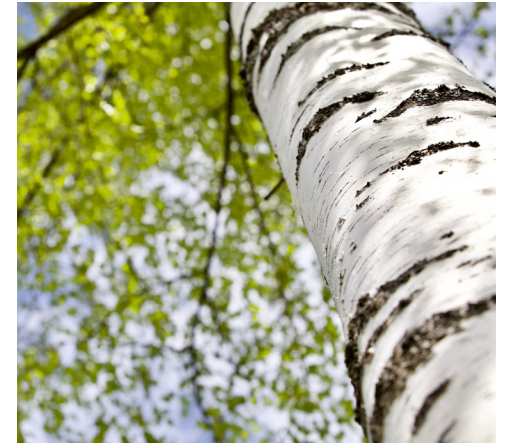
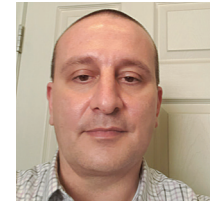
Karin Ots, LL.B.

AUDIT COMMITTEE CHAIR:

Lea M Kõiv, BComm, CPA, CMA, CA, CFP, TEP

DIRECTORS:

Elo Kuutan, CHRL, CHRP
Kuldar Lindvere, MBA, CFA
Liene Kiršs
Matti Jalakas, PMP, CPA, CISA
Mihkel Liik, P.Eng., MBA
Peter Kaju, CPA, CGA, CIA, ICD.d



“Northern Birch always surpasses my expectations, no matter what issue I go in to discuss it feels more like I’m dealing with friends than a financial institution.”

- WARREN N

OUR TEAM

Our team works hard to maintain personalized service and professional financial advice for each member. They are the heart of the Credit Union. Our members’ financial well-being is our top priority.

Māra Leja - Branch Manager
 Baiba Auzāne - Member Service Supervisor
 Madara Balode - Senior Member Service Representative
 Tiiu Bradley - Senior Member Service Representative
 Kersti Toomik - Member Service Representative
 Tuuli Saidani - Member Service Representative
 Valdis Jevtejevs - Member Service Representative
 Ilze Williamson - Member Service Representative
 Kintija Palma-Kalvins - Member Service Representative
 Elin Marley - Member Service Representative
 Liivi Sermat Cooke - Member Service Representative

Triinu Lumi – Member Service Representative
 Hedy Läets - Member Service Representative
 Dārija Gulēns-Taube - Member Service Representative
 Siiri Naris - Member Service Representative
 Miina Billones - Manager, Member Experience
 Heili Orav - Manager, Wealth & Estate Services
 Baiba Reinfelde - Member Service Supervisor & Wealth Services
 Liisa Keevallik - Manager, Retail Lending
 Leiki Kopvillem - Retail Lending Supervisor
 Louis Christidis - Loan Officer


Christopher Avakian - Loan Officer
 Triina Kiillaspea - Loan Interviewer
 Scott Lister - Manager, Commercial Lending
 Wil Roache - Commercial Account Manager
 Kristian Luksep - Commercial Lending Administrator
 Anita Saar - President & CEO
 Priit Nikker - Director, Banking Operations
 Emily Vanderkruk - Director, Finance & Administration
 Tiiu Rimmel - Manager, Organizational Development
 Ingrid Kütt - Corporate Administrator & CAMLO





Latvian Centre Branch:
4 Credit Union Drive
Toronto ON Canada
M4A 2N8

Tartu College Branch:
310 Bloor Street West
Toronto ON Canada
M5S 1W4

Hamilton Branch:
16 Queen Street North
Hamilton ON Canada
L8R 2T8

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