

Message from the Chair of the Board of Directors

Dear Member,

At special meetings of members in November 2019, members of the former Estonian and Latvian Credit Unions voted overwhelmingly to approve a merger of the two organizations as Northern Birch Credit Union Limited.

The merged credit union started operations on January 1st, 2020. In the past, the two former credit unions would have held annual general meetings in the spring, but Northern Birch, as a new entity will hold its first required AGM in the spring of 2021 to report on 2020, its first year. We hope to have returned by then to an ability to meet in person, and thus to a good turnout of members to help celebrate and hear of operating results. Please sign up for electronic communications from Northern Birch so that you remain apprised of the date and of other news. In the meantime, however, we would like to update you on the progress of integrating the two credit unions.

We are now a credit union of 6,500 members and growing. Over the past few months, we hope you have started to experience some of the benefits of membership in a larger credit union including more branch locations and the launch of our new mobile-friendly website for a better digital experience. The harmonization and integration process will continue through this year and partway into next year.

The pandemic presented unexpected challenges to our merged entity. The response by staff was swift and effective and a heartfelt thank you is due to all staff, who continue to provide the essential service that is banking.

The past few months have been a challenging time for many members too. We hope you know that in difficult times, you can always turn to your credit union for help. You will continue to experience the personalized service that you have, we hope, come to expect.

As Canada charts its path to re-open, recover and re-build the economy as the pandemic runs its course, our credit union is on solid financial footing and has benefited from the economies achieved through the merger.

In uniting to serve our existing communities and friends, we are positioned for an even stronger credit union to serve our members in the future. Thank you to CEO Anita Saar and her skilled team across three branches for their dedication, and to every member of Northern Birch for your loyalty.

Sincerely,



Ellen Valter
Chair of the Board of Directors

Message from the CEO

Dear Members,

Northern Birch Credit Union got off to a great start early in the year with the launch of its new brand and website; opening access to more branches and a broad range of products & services including improved online banking and a mobile app; and a strong financial position with almost \$200 million in assets, nearly twice the required level of capital and strong liquidity.

Since then, our teams have been working closely together to build out integrated banking operations.

The global pandemic COVID-19 took us all by surprise with the rapid declaration of a state of emergency and lockdown of all but essential services in Ontario on March 17th, three months ago! Both members and staff stepped up admirably to the new demands and complexities of delivering banking services while maintaining social distance and protecting the health of all.

Many of our members who had never done so before, enrolled in online banking, or turned to the telephone to complete their banking transactions from home. Thank you!

Staff quickly implemented new products, policies, and procedures to provide support to members under financial stress from the lockdown through government small business loans and loan payment deferral programs.

Northern Birch has weathered these challenging first few months of its existence well with solid planned growth in underlying (non-COVID-19 related) lending and deposits holding their own. Margins remain similar to prior year despite the drop in interest rates.

A reminder to our members of the security of your deposits during these challenging times. The Financial Services Regulatory Authority of Ontario (FSRAO) provides deposit insurance above and beyond what banks receive. Canadian dollar non-registered deposits are insured to \$250,000 and Canadian dollar registered deposits have no limit on insurance.

Thank you for your continued support and trust.

Sincerely,



Anita Saar
President & CEO