

Letter from the President and the CEO



In 2018, SaskCentral remained clearly focussed on fostering a wholesale services business environment to help ensure vibrant and sustainable credit unions. We continued work to achieve our vision of a "nationally unified, internationally capable, co-operative financial network", and made progress on the two main goals laid out in our Business Plan - *National Collaboration and Credit Union Experience*.

We saw credit unions grow to close to \$23.8 billion in assets, serving more than 481,000 members, and driving new innovations such as Canada's first authenticated voice banking service using Amazon Alexa and continued expansion of digital strategies such as mobile pay.

We saw success with the closing of Aviso Wealth, a merger of Credential Financial Inc., Northwest & Ethical Investments LP, and Qtrade Canada Inc. on April 1, 2018, allowing credit unions across Canada to offer a complete financial management solution to members. Aviso Wealth is jointly owned by the five provincial Centrals and CUMIS, on behalf of credit unions, as well as Desjardins Financial.

In August, we were pleased with an announcement by Central 1 to transition services in government relations, provincial research and awareness & marketing activities to the Canadian Credit Union Association (CCUA), aligning

with CCUA's mandate as the trade association for Canadian credit unions. SaskCentral was the first Central to transition services in 2017 and continues to advocate for other Centrals to do the same.

In our efforts to prepare for Payments Canada Modernization and participate in a national payments strategy, a key highlight was renewing the Group Clearing Joint Venture (GCJV) agreement for another three years. The GCJV includes the three prairie Centrals and Central 1 and is taking a lead role in Payments Canada Modernization readiness.

Throughout 2018, we continued our work to ensure Concentra Bank, our largest investee, is aligned with our national mandate. As a start, SaskCentral and Concentra agreed to a set of collaborative information sharing principles, which we will use as a template to ensure collaboration with all of our strategic investees.

Work to accommodate a federal credit union within the provincial system also continued in 2018, with significant progress made on the development of a legal and financial framework. As well, we completed draft contractual agreements to continue to provide services to Innovation Credit Union after it becomes a federal credit union.

In the area of Government Relations, CCUA saw success in its advocacy efforts to redefine political contributions in Saskatchewan's *Election Act* to exclude loans from financial institutions, including credit unions. In the past, the inclusion of loans had created public misconceptions for credit unions and seeing the change made to the Act was a great win.

CCUA also made substantial progress on the development of a national voluntary Market Conduct Code (MCC), which is based on Saskatchewan's current Code. After incorporating feedback from credit unions, CCUA expects to roll out a finalized version to credit unions by June, 2019. The goal of the MCC is to demonstrate how credit unions

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commit to the best interests of their members, and reduce potential regulatory burden in the future.

Again, SaskCentral's people and strong culture were key factors in our success. We achieved 89% for employee engagement in the Organizational Effectiveness Inventory (OEI) survey, exceeding our target for 2018. In an environment of ongoing change, we also continued to equip our workforce with tools to remain agile and resilient, implementing a set of six Cultural Practices. These were developed by and for employees, and integrated into recognition, recruitment and performance management programs.

As we continue to navigate a rapidly evolving credit union landscape, driven by developments in technology, changes in consumer behaviour, and intense competitive pressures, the need to achieve our national vision will continue to grow. We know that achievement of the vision will require transformation of the provincial Centrals as well as the broader wholesale service providers to better serve credit unions.

We made good progress in 2018. The work will continue in 2019 and supporting credit union success will continue to guide all we do and all decisions we make.

Russ Siemens,
President



Keith Nixon,
CEO

