

2019



INTEGRIS ANNUAL REPORT

Vision

The leading

**financial
cooperative,**

**enriching the lives
of all we serve.**

**As financial experts,
we provide**

Mission



to our communities.

**solutions
innovative**



In April 2019, I was elected chair with Noella Herod at my side to support me as Vice-Chair with her 10 years of experience on the Board. It was a great honour to be given the privilege of chairing the Board at such an early point in my Credit Union career. I was also elected to the Central 1 Board which has given me significant insight to the overall Credit Union system and allowed me to represent North Central BC at a higher level.

In October 2019, Mark Churchill stepped down from the board after 10 years of service, covering multiple positions including Board Chair in his final year. Pete Valk chose not to run for another term and retire after 16 years on the Board. He has contributed significantly to our Board and represented Fort St. James well. Thank you to our past board members.

In 2020, we welcome two new board members: Aaron Sinclair and Albert Koehler. Jennifer Wilcezk, Norm Schmitz, and myself were re-elected by acclamation. Thanks to our returning board members for their continued support!

We are very pleased to add Fraser Lake as a new community to the Integris family. We were given this opportunity when the only bank in Fraser Lake decided to close. The community approached our team and we saw over whelming support from the community to provide services; the physical location opens in 2020.

2019 had some challenges due to economic changes in the region with many of our communities affected by mill closures and curtailments. Our regulatory body FICOM also went through a change, becoming a Crown Corporation, and is now named the BC Financial Services Authority.

This past year, I have enjoyed getting to know the Senior Leadership Team, my fellow Board members, and leveraging my skills to help Integris and the Credit Union system as a whole. I thank the Integris Senior Leadership Team for their vision, the staff for their service, and our members for choosing to “bank local”.

On behalf of the Board of Directors,

Cheryl Wallace
Board Chair

As we designed our Operational Initiatives for 2019 with our vision of being the leading financial cooperative, enriching the lives of all we serve, we set about to focus on three core initiatives: 1. Improve our Financial Position; 2. Stabilize and Enhance our Existing Operations and Systems, and 3. Attract, Develop and Retain a High Performance Workforce.

As members of Integris, you know that the landscape of financial services is changing, but at its' core we still offer the same basic services. How you as members, choose to access these services varies as each of you vary in your unique needs and personalities. We continue to strive to serve members who have built solid interpersonal relationships with our in-branch financial experts. We are also further developing our digital offerings for members who prefer the convenience of virtual banking, insuring and wealth management.

In 2019, our Contact Centre focused on enhancing their financial expertise to better respond to the diverse needs of members across our region. We recognise the need for a responsive phone channel and were able to significantly reduce on-hold wait times while increasing our service levels to members who prefer to have their needs met over the phone.

At Integris Wealth Management, our Wealth Team introduced many members to our suite of specialised life insurance solutions. Through their unique knowledge and expertise, our Wealth Team has enriched your lives by providing you with innovative solutions that meet your needs while providing peace of mind for you and your families. The product line provided by our Wealth team has increased as they are now licenced in Responsible Investments and we have launched a digital platform to serve a broader base of new investors.

Our Insurance division achieved strong growth exceeding a stretch goal of \$3.0M in revenue as more of you were introduced to the insurance team. We enriched community relationships including a new alliance with the Northern Regional Construction Association (NRCA). We recognise the importance and the value of aligned partnerships across all of our business lines and are pleased to include the NRCA in the list of our great partners!

Despite challenging economic times, especially in some of our smaller communities, we achieved approximately 7% retail lending growth and were especially excited to share the news of a new branch in Fraser Lake to open in 2020. The ability for us to leverage a cornerstone operation in Vanderhoof, while meeting the needs of the Fraser Lake region was a way that Credit Unions once again demonstrate the cooperative difference and the importance of local connection and decision-making. We were also excited to partner with Collabria, our Integris Credit Card partner to offer you Apple Pay, and finally, in January, 2020 we released our tap enabled debit cards!

In our Commercial Lending Business Line, we spent the year, growing the talent of our team under leadership that we are proud of. We are focusing more strongly on our commercial relationships close to home, while diversifying and supporting our Credit Union Partners through shared ventures across the Province. We have enhanced oversight of the portfolio and as Commercial Members you have likely seen a stronger commitment to us understanding your business and working alongside you as a key partner in your success.

We continue to report a tight but profitable bottom line and we're proud to share investment back into both community and back to our members through membership and investment share dividends.

In 2019 you, the members voted favorably on rule changes that may impact a potential increase to the level of investment you can hold in our C Shares and these rule changes were finally approved by the regulator in early January 2020. We will assess in 2020 what the business plan is for a potential increase in offerings.

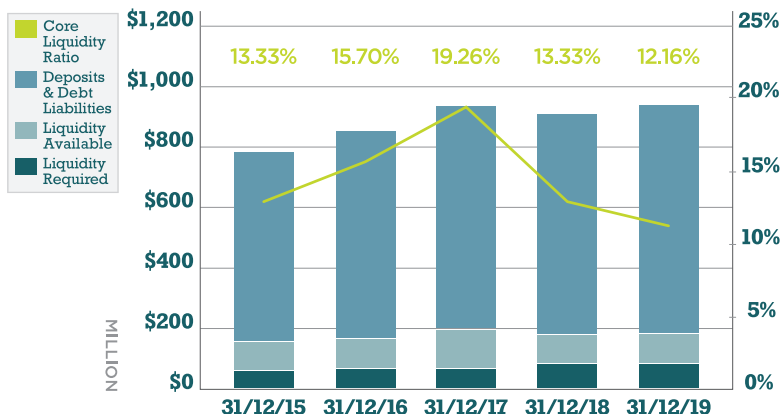
We thank you for continuing to choose Integris! Our financial experts look forward to earning your business by providing innovative solutions in the years to come!

My very best,

Alison Hoskins
Chief Executive Officer

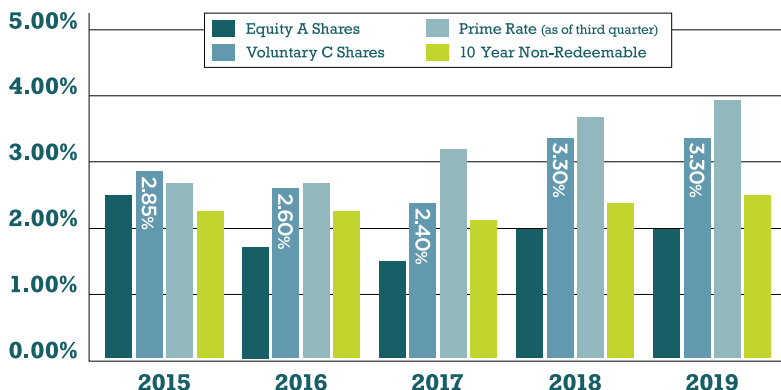
Liquidity

Liquidity measures the portion of our assets that are kept in cash or that are readily convertible to cash in order to fund new lending and to ensure adequate cash on hand for our members' needs. Liquidity Management is all about balance; it is the process by which we leverage assets to make a Return on Investment (ROI). Our objective is to manage our Liquidity Ratio in the 12%-13% range.



Dividends

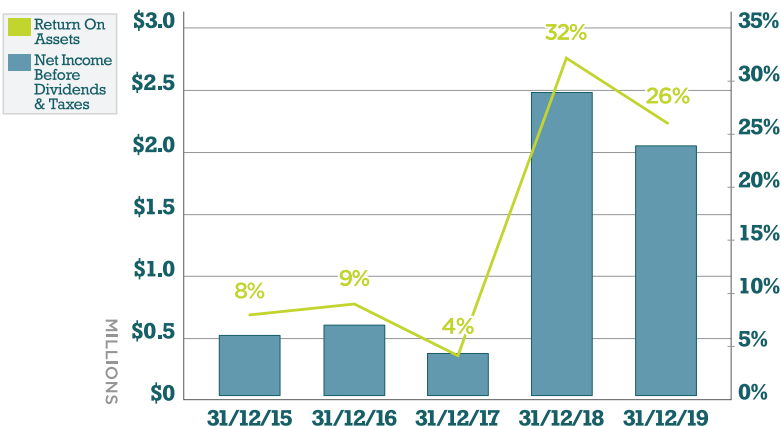
Every year, Integris shares our profits with our member-shareholders. In order to be an Integris Member, one must own "A" Shares (aka membership shares). "C" Shares (aka equity shares) are a long-term investment option available to members who wish to own a larger (equity) stake in our company. Due to the voluntary and equity nature of C Share ownership, members receive a premium on their C Share investment.



Profitability

All members should be interested in the profitability of their credit union. Greater profitability means higher dividends for members and greater investment in communities throughout our region. Our objective is to achieve a Return on Assets (ROA) of greater than 30%.

Integris has seen significant fluctuations in our profitability over the past 5 years primarily due to a low interest rate environment coupled with a number of significant loan write offs. 2018 & 2019 have shown some stabilization, however we are striving for continued improvement.



2019 introduced significant changes to the insurance industry; some that were anticipated and some that were not.

Although we avoided major catastrophes such as wildfires and floods in all of our regions in 2019, we understood that fire losses from the previous years would eventually catch up to all of us by way of increased insurance premiums, stricter rules and underwriting. In anticipation of this “hardening” of the general insurance market, Integris Insurance worked hard to collaborate with our primary Insurance company partners in advance to ensure our members were not dramatically impacted. Although there were general increases in premiums, they were manageable and we received tremendous support from our insurance companies. Our strong member and insurer relationships allowed us to have very high customer retention, but also, our solid position allowed growth of almost 13% in personal and commercial insurance policies.

In September, ICBC rolled out a very complex set of changes to their Autoplan insurance products, and the Integris Insurance team completed comprehensive training in advance to ensure we could offer expert advice and solutions to our members. Knowing that many customers would like to know if there were alternative auto insurance products available, we cemented a partnership with Stratford Underwriting, a company exclusively specializing in optional private auto insurance coverage. Integris members enjoy additional discounts under this program.

Integris Insurance has developed a “broker of choice partnership model” in order to attract new customers from substantial entities such as the Prince George Chamber of Commerce, the Northern Regional Construction Association, and the BC Cattlemen’s Association.

In the latter part of 2019, we began to lay the groundwork for developing a strategy to offer insurance products and services to the community of Fraser Lake. The Fraser Lake community has embraced Integris as we offer not only banking, but insurance and wealth management as well.

Mill closures and cutbacks have impacted the economies of all of our regions, and have required us to rethink some of our plans going forward into 2020 and beyond. With that said, we have confidence in our member support in all of our communities, and do not anticipate any dramatic decline in our overall revenues into 2020 - in fact, we have set an ambitious growth target of 12%.

In 2019, the insurance division developed Integris member contact campaigns, instituted a number of different internal and external referral programs, and continued working on our digital communication strategies. There continues to be a lot of really great work to do to grow the insurance division, and we are positioned with our members and Insurance company partners to sustain many years of excellent growth. Thank you Integris members for your continued support.

Best regards,

Kevin Gull
Senior Manager, Insurance Services

As we reflect upon the strong market performance of 2019, it was a notable year for investors. Stocks, bonds, and commodities all finished the year higher to cap a decade that featured the longest bull market in history. While nearly every asset class joined in the rally, the year was not without uncertainty. Lingering trade tensions highlighted a long list of geopolitical concerns, while indications of slowing global growth inspired action from central banks. Despite the volatile headlines, S&P/TSX rose by 19.13% and the S&P 500 jumped 28.9% for its best annual performance in six years. Fixed income yields fell resulting in positive performance for nearly every bond category.

In 2019, your Wealth Management team participated in a number of professional development activities. In completing Aviso's Practice Enhancement Program and the Wealth Leader Program, our team (and our members/clients) benefit from an improved structure and enhanced business planning processes. Our Wealth Management team also achieved their Responsible Investment Specialist (RIS) designations, taking their knowledge of responsible investing to the next level to provide portfolio options that align with your personal values. We are fully prepared to support our members who want to include environmental, social and governance considerations as part of their investment strategy.

Integris gained remarkable momentum with our Insurance Specialist position. Life, Disability and Critical Illness insurance planning is a critical component of a comprehensive financial plan. Our Insurance Specialists work closely with Integris members/clients to evaluate their unique financial risks as individuals, households and/or business owners. We then recommend and implement comprehensive insurance and tax strategies to mitigate those risks.

Our back office systems migrated to eAdvisor, a new and improved client onboarding process and system. This was a change for the advisors and their support staff in the account opening process.

We also introduced VirtualWealth, a new digital advice solution that offers a smart and easy way for our members to build their wealth. VirtualWealth is a simple and convenient digital investing service that provides our member/clients with professionally managed, low-cost portfolios to match their personal financial goals, timelines and risk tolerance.

We would like to thank our members and clients that continue to trust us for their wealth management needs and we look forward to helping you achieve your financial goals in the years to come.

Cooperatively yours,

Sukhi Klair

Senior Manager, Wealth Management, Integris Investment Advisor, Qtrade Advisor





In the best of economic times, Commercial Lending success is measured in terms of loan growth, low delinquency, and overall member and employee satisfaction.

2019 was marked as a year of regional economic uncertainty: forestry sector slowdowns including mill closures, curtailments, and staff reductions created challenges for many of our business members. As your regional financial cooperative, we are keenly attuned to how this impacts the sector's suppliers, as well as the further impacts on small business, professional services, and retail to name a few.

Ever mindful of our commitment to enriching members and communities, by providing innovative solutions, we want to work closely with you - we aim to better understand and support you and your business. Together, we will grow sustainably and contribute to resilient economies and thriving communities here in North Central BC. We are here for you through both good and challenging times - this is what we mean when we say: From Here. All In. For you.

Throughout 2019, your Commercial Services team strived to improve our overall oper-

ating efficiencies to make it easier for you to bank and borrow with us. We introduced many of you to our colleagues at Integris Insurance and Integris Wealth Management to increase your connections with our financial experts to provide you with innovative financial solutions.

Recently, each member of the Commercial team was asked to describe 2019 in a single word. The words that came back were: dedication, resilience, transition, trust and collaboration. I feel that this is the best summation of the year that was ... and the only way forward in working with you - our valued business members. We will continue to earn your business by providing you with innovative financial solutions and trusted advice, all to enrich your Life Out Here.

To quote Thomas S. Monson, "Our most significant opportunities will be found in times of greatest difficulty." We live to serve you, and this is what sets us apart. We're of the opinion that responsibility, financial cooperation, and community enrichment is the right way to do business. We thank you for choosing Integris!

Cooperatively,

Cindy Whitecotton

Senior Manager, Commercial Services

Education, Information and Training is one of 7 cooperative principles that guide cooperatives.

In 2019, we leveraged training to attract, develop and retain a high performance workforce. In addition to supporting ongoing education and mandatory training courses, we provided at least three and a half days of internal training to our staff through two major projects offered by Talent Development. These were Trusted Advisor (Service to Sales) - a one day workshop meant to enhance communication and customer service skills, and Ignite Integris! - a two and a half day cultural immersion learning experience to drive engagement, understanding, and relationships.

We had 197 of our team members attend Trusted Advisor training in 2019. In addition to this day, 54 of our Leaders participated in a second day where they could discuss and learn ways to help their teams maximize the skills highlighted on day one.

Ignite Integris! is an internally developed program where our staff come together with passionate facilitators to explore, discuss, and celebrate our past, present, and future. 199 staff and directors attended Ignite Integris! The themes that stood

out from Ignite as being most impactful to our staff were the chance to collaborate with co-workers, experience a community partner tour, and visit another Integris department.

Both of these projects boasted an opportunity for our teams to learn with and from peers. It was awesome to see these sessions bring together people from all divisions, multiple roles, and hugely varied tenure.

Enormous amounts of time and energy were given to Ignite and Trusted Advisor. I would like to thank those who helped plan and facilitate, our community partners, our lunch providers, and each and every participant. Thank you for your commitment to community.

I had the great privilege of being in every Ignite and Trusted Advisor session. I am inspired and proud to work with and for those who choose Integris. I am honored to assure you, valued members, that at Integris, we have incredibly passionate, generous and knowledgeable people who believe in enriching the lives of all we serve. Thank you for choosing us.

Cooperatively yours,

Amanda Hallmark
Talent Development Officer



Whether you are a consumer, organization in the public, or private sector, fraud and financial crime is a growing threat to your business. Cybercrime is prevalent and your Risk Management Team wants to highlight the importance of information security. We continue to monitor alerts and potential fraud to safeguard your assets; however, all individuals can take simple steps to protect data whether personal, financial, or professional:

Password Management

Password management is one of the simplest but very important safeguards. Using a weak password is the equivalent of using a weak lock for your front door. There are options such as password manager tools. A password manager helps keep store of passwords and creates strong passwords for every site you use.

Social Engineering

Social engineering is when criminals use manipulation tactics to acquire personal information. Methods used can be over the phone, email, and even in person. Do not provide personal information to unknown individuals, and minimize personal information on social media.

Phishing

Fraudulent emails can be one of the most dangerous types of fraud risks. In some cases all it takes is a click of a malicious link in an email for the fraudster to obtain your personal information or data from your organization. It is important for organizations to educate employees of the risk of clicking malicious links in emails. Recognizing phishing emails and deleting promptly could prevent unauthorized access to your online banking and account take over. The following are red flags to be aware of:

Credentials: Emails asking for any login details, or contain a hyperlink to a log in page

Financials: Emails asking for any financial details, or asking you to make a payment.

Urgency: Emails that demand immediate actions such as clicking a link, or opening an attachment (particularly if there is a threat behind the urgency).

Hyperlinks: Hover your mouse over a hyperlink that's displayed in an email message, if the link-to address is for a different website, do not click.

Date: Receiving an email that you would normally receive during regular business hours, but it was sent at an unusual time like 3:00 a.m.

To and From: Receiving an email that was also sent to an unusual mix of recipients or from someone you have not communicated with recently that also contains an embedded hyperlink or attachment.

Romance Scams

A scammer convinces you to enter a virtual, online relationship so the scammer can gain your trust and affection. This may occur through email messages, and fake profiles on social media and dating sites. Eventually the scammer asks for money for travel, a medical emergency or family assistance. They might also ask you to receive money for them. By doing so, you might unknowingly commit a crime.

If you believe you or a loved one may have been a victim of fraud, please contact us immediately. Your Risk Management Team is here for you, protecting you from fraud; however, it is equally important that everyone work hard to ensure we aren't opening ourselves up to fraud.

Diligently yours,

The Integris Risk Management Team
Affectionately known as the Integris
Fraud Squad.



In late 2018, Integris learned the Canadian Imperial Bank of Commerce (CIBC) planned to close its Fraser Lake branch effective September 12, 2019. The departure of the bank would effectively remove access to financial services to many of the residents of Fraser Lake. CIBC also made the decision to remove their ATM, leaving the community with a single ATM in a gas station that provided basic cash withdrawal services.

Needless to say, the community was concerned about losing their only financial institution after having experienced the repercussions of an economy in flux. Members of the public, government officials, and the Village's Mayor & Council called on Integris to consider providing financial services to the community.

As a financial cooperative whose mission is to provide innovative solutions to our communities and recognizing Fraser Lake is very much

considered a community our credit union has a vested interest in, Integris answered the call-to-action to evaluate the potential to establish operations in the region.

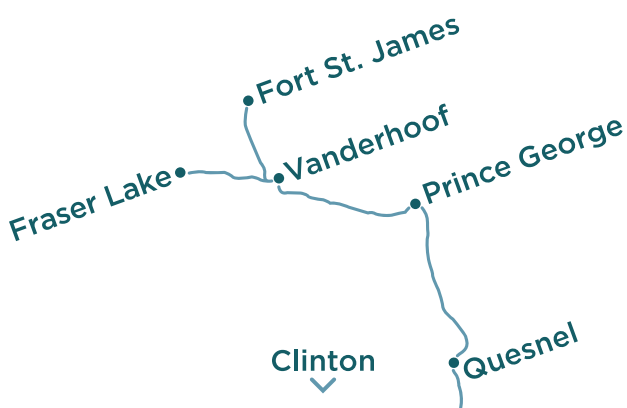
After consultations with the Village of Fraser Lake, Stellat'en and Nadleh First Nations, area residents and other regional stakeholders, Integris staff and management presented a business case to the Integris Board of Directors in the summer of 2019 which included a recommendation to provide services to Fraser Lake. The Board of Directors voted in favour of the recommendation, subject to a number of assumptions proving true, including the assumption that Integris would be able to secure the previous CIBC premises as the location for a branch.

On October 23, 2019, at Autumn Services in Fraser Lake, Integris Credit Union announced the expansion of operations in Dakelh territory by opening a new branch in Fraser Lake.

The Fraser Lake branch opened in early 2020 for the community!

Cooperatively yours,

Alex Castley
AVP People & Strategy



Community is everything to us here at Integris.

We didn't just show up here – we grew up here. We are closely connected to the people, the priorities, and the projects that make Life Out Here™ so great! As your financial cooperative, we must be responsive to your needs and the needs of our communities. Integris members are our neighbours, friends, and family so we strive to improve your financial well-being through enriching financial experiences every time we connect.

Through enriched experiences, we grow our business. As Integris' business grows and we enhance our financial viability/profitability, our collective impact grows. This collective impact results in greater economic and community resilience here in North-Central BC.

We are part of your community. Your profits stay here enriching everyone that contributes to their creation. Together, we are investing in one another to make our region the best it can be by providing:

- Your Dividends
- A Living Wage for Staff and excellent benefits for families
- Considerable Community Investment

Your choice to bank, borrow, insure, and invest with Integris enriches Life Out Here™.

Thank you for choosing us!

Daniel Wingham

Manager, Strategic Partnerships

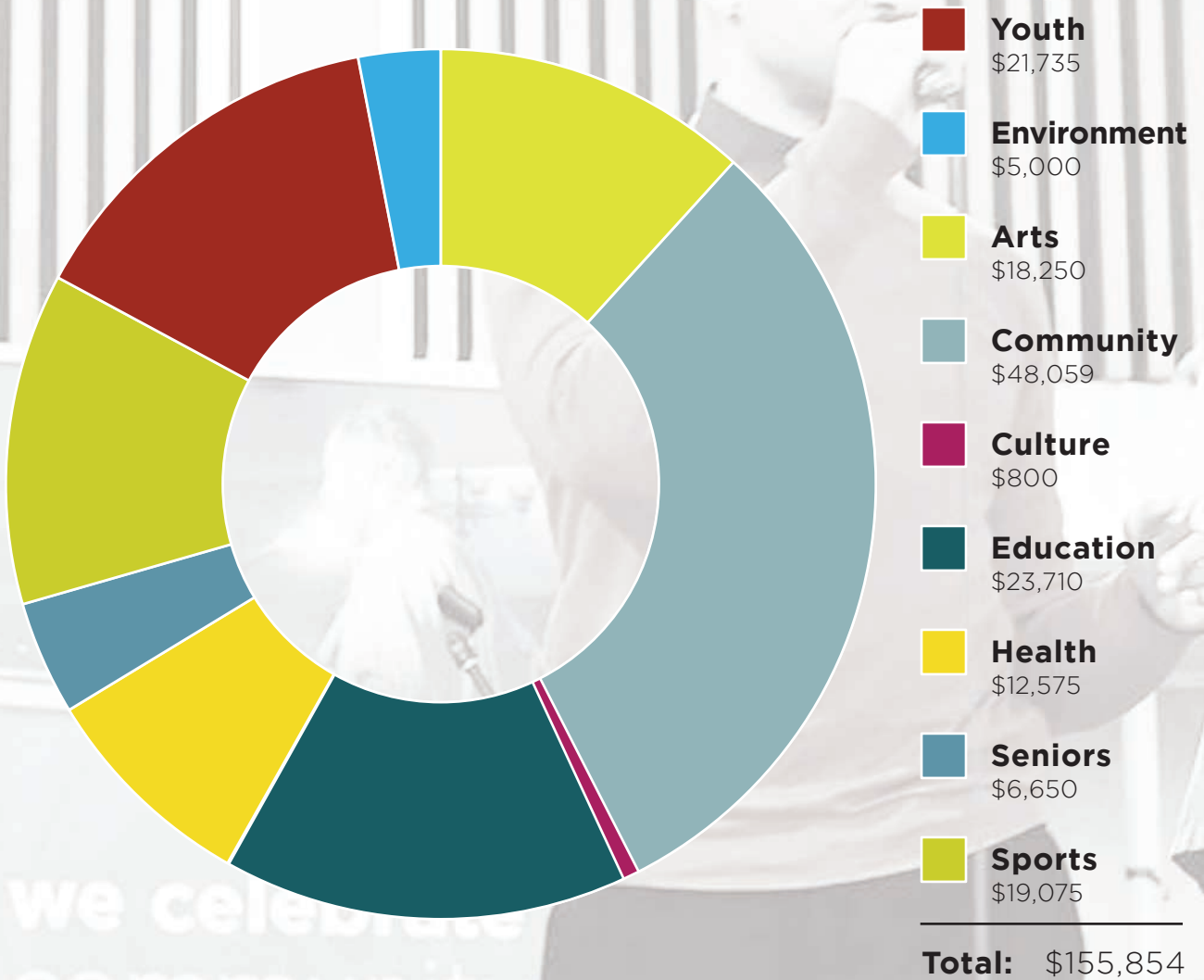
Community Engagement Team – Vanderhoof Pilot Project

Getting involved at events in our communities is nothing new to Integris; however, in 2019, we wanted to “up our game”.

Last year, we developed the “Engagement Team” concept in Vanderhoof, to showcase our Brand, our Values, and our people, while demonstrating our ALL IN approach to value-aligned community initiatives.

Four very passionate young leaders were selected to work alongside Partnerships, Marketing, and Talent Development to innovate the concept. We have since heard high praise from our Vanderhoof community partners given the helpful resourcefulness of the Vanderhoof Engagement Team. Going forward, what was learned in Vanderhoof will be shared with all Engagement Teams as they form and function in 2020 and beyond.





Staff & Board Volunteerism

In 2019, Integris Staff and Board of Directors invested 2695 volunteer hours in our communities.

For every 36 hours that an individual staff member volunteers, they are provided with \$100 to donate to a charity of their choice (to a maximum of \$500/staff member).

2695

volunteer hours

Integris' Vision, Mission, and Values are achieved through the many innovative partnerships that enrich lives and communities here in North Central BC.

A partnership is an arrangement where two or more parties agree to cooperate to advance their mutual interests.

As a financial cooperative, we leverage our resources (financial and human) to enable the work of our partners – the organisations who make Life Out Here better for everyone that calls **here** home.

Caledonia Nordic Ski Club (CNSC) - School Outreach Program

In 2018/2019, Integris invested in the CNSC's Mobile Outreach Program. The program successfully introduced and delivered cross-country skiing into the day curriculum of 13 elementary schools reaching more than 800 students. The interest from the schools was immediate - schools across SD 57 have inquired about scheduling, and the strong uptake of the Mobile Outreach Program shows it will be an ongoing initiative for years to come. 2019 Program Delivery included:

- 13 Elementary Schools
- 800+ students
- Grades 4-7

Additionally, the CNSC has developed student coupons. The coupons offer free rentals and half price family day passes to support low income households to participate in healthy activities for healthier communities.

School District 28 - Student Nutrition Program

Last summer Integris teamed up with Barkerville Brewing, the Occidental and SD 28 to do a community fundraiser to benefit the Quesnel partnership for Student Nutrition.

“The summer event initiated by Integris demonstrated a true commitment to serve the needs of the community. Staff invested countless hours, collaborating with two other businesses - Barkerville Brewing and the Occidental, to organize and coordinate this family friendly event at the Gold Dust Mall. They rallied together volunteers, City Councillors, the Quesnel Princesses, business owners, the Fire Chief and members of the Quesnel RCMP detachment. Staff ‘manned’ the microphone with amazing energy promoting each activity, acknowledging the volunteers and the goal to feed students. Their enthusiasm and efforts to draw the community’s attention to our Breakfast Program through the two days was notable.”

Sue MacDonald,

Director of Instruction (Curriculum SD 28)

Not only did Team Integris innovate an event that was new to the Gold Dust Mall, but together with the Quesnel community and our event partners, we raised over \$2,000 in two days for SD 28's 2019-2020 Student Nutrition Program.

PG Folkfest Society - Coldsnap

Integris has been the title sponsor of Coldsnap's FREE Ice Jams (formerly Come In From The Cold community outreach events) for the past several years, and a sponsor of the festival for years before that. Of particular note was 2019's Reconciliation Ice Jam hosted at Lheidli T'enneh's Uda Dune Baiyoh (House of Ancestors). This Ice Jam was well attended and facilitated important community dialogue with respect to Reconciliation and how it is advanced here in North-Central BC.

The Integris Community BBQ - ICUBBQ

The ICUBBQ was busy again in 2019 raising over \$48,000 at events across the region. Over its 4 year life, the ICUBBQ has raised almost \$200,000 for our community partners across the region!

Since 2002, the Integrus Community Foundation has invested over \$900,000 in Vanderhoof, Fort St. James, Fraser Lake, and the surrounding area. Here are 3 organisations/projects that were successful in receiving Integrus Community Foundation Grants:

FORT ST. JAMES SENIOR CITIZENS HOME SOCIETY **\$12,000**

“It is with pleasure that our Board recognise the support of the Integrus Community Foundation for the Fort St. James Senior Citizens Home Society securing full funding for our proposal, ‘Aging in Place Bathrooms - Bathroom Renovations for Safety’s Sake’ for Pioneer Place. Our Society recognizes the additional time, problem solving and commitment put into our application to ensure the success of the project. The collective efforts of your office and Foundation, BC Housing, Connexus, and the Society provided a unique opportunity for the Society to leverage the community-based funds into an opportunity that would move the project forward. Together, with your community investment, we have been able to impact the lives of our seniors living in Pioneer Place.

Opportunities often present themselves when there is community synergy. Again, we cannot thank you enough for your commitment to our project, guidance, and unwavering support to help us work through the challenges that presented themselves through this project.”

Ann McCormick (Chair)



NECHAKO VALLEY SENIOR CITIZEN SOCIETY **\$10,000**

The Vanderhoof Friendship Centre provides huge value to the community and to the many groups that use the facility. The kitchen was in desperate need of upgrading to ensure food safe standards, compliance health regulations, and guidelines, as well as added efficiency for work flow and ease of use. The Integrus Community Foundation issued a grant for \$10,000 toward the project for the acquisition of a new Natural Gas Range with Griddle (\$6500), Refrigerator (\$3,000) and Microwave Oven (\$500).

AUTUMN SERVICES **\$10,000**

Autumn Services provides a myriad of community enriching services for the people of Fraser Lake, Stellat’en, Nadleh Whut’en, Endako, and Fort Fraser. The Community Foundation provided a \$10,000 grant for the acquisition of new tables and chairs for the Centre. Now that the Centre has an upgraded kitchen, conference room, tables, and chairs, they have the opportunity to attract/host other user groups, driving increased revenue and resulting in a stronger charity to serve people in Fraser Lake and area.



COLLABRIA MASTERCARD APPLE PAY™

In 2019, Collabria Mastercard started offering Apple Pay™. Now, no matter which way you pay, you will continue to earn eligible rewards, benefits and security.

Easy Checkout

There is no need to get your wallet out at the checkout line as no physical card is required for purchases! Touching your finger to your device lets you check out quickly with Apple Pay™ for both in-store and in-app purchases.

Protect Your Payments

When you use mobile payments, your credit card number is never saved or stored. Instead a token is created, replacing the actual credit card number with a special number for making payments with a one-time use security code. If you ever do have fraud on your card, you're protected with Zero Liability protection.

Ask our Financial Experts about your Collabria Mastercard, or Apple Pay™ today!

INTERAC AUTODEPOSIT & REQUEST MONEY

One more digital service for the books – in 2019, we introduced INTERAC eTransfer® Request Money and Autodeposit, two new INTERAC features which allow you to quickly and securely move money between friends, family, and even other businesses.

Autodeposit allows you to receive money via INTERAC eTransfer® without the need to answer a security question for each transaction – Autodeposit links your email address to your Integris account, so all transfers sent to that address will be deposited automatically and securely into your account.

With Request Money, friends, family, or customers who owe you money will receive an email they can respond to immediately via INTERAC eTransfer® – and it'll even remind them if they forget.

For more information on Interac E-Transfer, visit our website or speak with one of our Financial Experts!

ONLINE LENDING APPLICATION

In 2019, we were pleased to introduce a new convenient and secure online lending application. You can now apply for a line of credit, loan, or mortgage from the comfort of your couch – or wherever feels like home – in just a few minutes. The process is simple, and to fill out the application all you need is the following:

- ✓ Home Address
- ✓ Phone Number
- ✓ Assets/Liabilities
- ✓ SIN (optional)

We recognize the importance of convenient banking on the go – our online lending application is just one more way we are providing services you need and want, elevating your financial experience.

Summary Consolidated Financial Statements, December 31, 2019



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Integris Credit Union,

Opinion

The summary financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2019, and the summary consolidated statements of comprehensive income, changes in members' equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Integris Credit Union (the "Credit Union") for the year ended December 31, 2019.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Credit Union's audited consolidated financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 27, 2020.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with Article 128 of the Financial Institutions Act of British Columbia.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

Other Matters

The summary financial statements of Integris Credit Union for the year ended December 31, 2018 were audited and issued by Deloitte LLP of Prince George, BC, Canada with an unmodified opinion dated February 28, 2019.

Prince George, BC
February 27, 2020

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, green sans-serif font, with 'LLP' in a smaller, green sans-serif font to the right.

Chartered Professional Accountants

Integrus Credit Union

Summary Consolidated Balance Sheet

As at December 31, 2019

| | 2019 | 2018 |
|--------------------------------------|--------------------|--------------------|
| Assets | | |
| Cash and cash equivalents | 15,370,867 | 11,917,067 |
| Investments | 79,035,976 | 88,715,602 |
| Member loans | 661,380,830 | 638,417,505 |
| Property and equipment | 17,555,323 | 17,594,257 |
| Intangible assets | 11,707,736 | 12,192,474 |
| Other assets | 4,541,529 | 4,835,754 |
| | 789,592,261 | 773,672,659 |
| Liabilities | | |
| Member deposits | 744,741,925 | 732,268,816 |
| Other liabilities | 2,709,815 | 2,275,882 |
| Loan securitization financing | 630,786 | 715,005 |
| Obligations under finance leases | 1,143,827 | - |
| | 749,226,353 | 735,259,703 |
| Members' equity | | |
| Members' shares | 11,997,563 | 11,490,862 |
| Contributed equity | 6,953,743 | 6,953,743 |
| Retained earnings | 21,573,430 | 20,334,012 |
| Accumulated other comprehensive loss | (158,828) | (365,661) |
| | 40,365,908 | 38,412,956 |
| | 789,592,261 | 773,672,659 |

Approved by the Board


 Director


 Director

Integrus Credit Union

Summary Consolidated Statement of Earnings and Retained Earnings

For the year ended December 31, 2019

| | 2019 | 2018 |
|-----------------------------------|-------------------|-------------------|
| Financial income | | |
| Interest revenue | 25,271,563 | 24,080,434 |
| Investment income | 1,728,805 | 2,115,373 |
| Total financial income | 27,000,368 | 26,195,807 |
| Financial expenses | | |
| Interest expense - deposits | 9,326,863 | 8,621,070 |
| Other interest expense | 77,372 | 41,530 |
| Total financial expense | 9,404,235 | 8,662,600 |
| Financial margin | 17,596,133 | 17,533,207 |
| Allowance for credit losses | 685,985 | 377,023 |
| Net interest margin | 16,910,148 | 17,156,184 |
| Other operating income | 8,718,870 | 9,373,789 |
| Operating margin | 25,629,018 | 26,529,973 |
| Operating expenses | 23,582,948 | 24,111,004 |
| Distributions to members | 153,633 | 150,844 |
| Income before income taxes | 1,892,437 | 2,268,125 |
| Income taxes | 337,015 | 402,630 |
| Net income | 1,555,422 | 1,865,495 |
| Other comprehensive income | 258,963 | 3,265 |
| Income taxes relating to OCI | (52,130) | 8,457 |
| Other comprehensive income | 206,833 | 11,722 |
| Total comprehensive income | 1,762,255 | 1,877,217 |

Integrus Credit Union

Summary Consolidated Statement of Changes in Equity

For the year ended December 31, 2019

| | Total |
|-----------------------------------|-------------------|
| Balance, beginning of year | 38,412,956 |
| Total comprehensive income | 1,762,255 |
| Issued membership shares | 1,183,164 |
| Redeemed membership shares | (1,057,163) |
| Dividends on investment shares | 64,696 |
| Balance, end of year | 40,365,908 |

Integrus Credit Union

Summary Consolidated Statement of Cash Flows

For the year ended December 31, 2019

| | 2019 | 2018 |
|---|--------------------|--------------|
| Cash generated (used) from | | |
| Operating activities | (5,492,742) | (31,175,152) |
| Investing activities | 9,572,361 | 31,715,406 |
| Financing activities | (391,328) | (479,510) |
| Net change in cash and equivalents | 3,688,291 | 60,744 |
| Cash and equivalents, beginning of year | 11,917,067 | 12,074,330 |
| Effects of exchange rates on the balance of held in foreign currencies | (234,491) | (218,007) |
| Cash and equivalents, end of year | 15,370,867 | 11,917,067 |

A full set of the financial statements is available from the Credit Union

The Integris Credit Union Board of Directors consists of up to twelve directors that represent Integris' membership and works with the Executive Management Team to determine the direction of the company.

The Board is accountable for hiring the Chief

Executive Officer, financial statements, corporate strategies, establishing corporate goals, and approving major financial decisions. The Board is also accountable for allocating major resources, representing the interests of members, supervising the operations of the Credit Union, and representing Integris in the community.



Cheryl Wallace
CPA, CMA, MBA, ACCUD
Committees: Executive, Ex-Officio, all



Noella Herod
Committees: Conduct Review Corporate Governance, Audit



Dr. Jennifer Wilczek
OD Optometry
Committees: Investment and Lending, Executive, Corporate Social Responsibility



Henk Hanemaayer
Committees: Conduct Review Corporate Governance, Audit, Executive, Corporate Social Responsibility



Wendy Fellers
CPA, CGA, MBA
Committees: Investment and Lending, Nominating



Ross Hyam
MBA
Committees: IT Governance, Investment and Lending



Jim Rivett
Committees: Conduct Review Corporate Governance, Audit, IT Governance



Wendy Schmidt
ACCUD
Committees: Conduct Review Corporate Governance, Nominating



Norm Schmitz
CPA, CGA, ACCUD
Committees: Audit, IT Governance



Bruce Steele
ACCUD
Committees: Conduct Review Corporate Governance, Investment and Lending, Audit, Nominating



Peter Valk
Committees: IT Governance, Investment and Lending, Conduct Review Corporate Governance, Corporate Social Responsibility

Help Guide the Direction of your Credit Union.

Directors perform a vital role for any organization - and Integris is no different. If you are interested in becoming a Director for Integris, nomination packages are accepted in the fall.

| Name | Residence | Position | Director Since | Current Term |
|--|----------------|---|----------------|--------------|
| Cheryl Wallace CPA,CMA, MBA, ACCUD | Prince George | Board Chair/Director (former vice chair) | 2017 | 2020 - 2023 |
| Mark Churchill RFT, CCD, ACCUD | Vanderhoof | Board Chair/Director (former) | 2009 | Retired 2019 |
| Noella Herod | Vanderhoof | Vice Chair/Director | 2009 | 2018 - 2021 |
| Dr. Jennifer Wilczek OD Optometry | Prince George | Corporate Secretary | 2014 | 2020 - 2023 |
| Henk Hanemaayer | Clinton | Member at Large | 2015 | 2019 - 2022 |
| Wendy Fellers CPA ,CGA, MBA | Prince George | Director | 2019 | 2019 - 2022 |
| Ross Hyam MBA | Prince George | Director | 2019 | 2019 - 2022 |
| Jim Rivett | Clinton | Director | 2019 | 2019 - 2021 |
| Wendy Schmidt ACCUD | Prince George | Director | 1996 | 2018 - 2021 |
| Norm Schmitz CPA,CGA, ACCUD | Prince George | Director | 2014 | 2020 - 2023 |
| Bruce Steele ACCUD | Quesnel | Director | 1998 | 2019 - 2022 |
| Peter Valk | Fort St. James | Director | 2004 | 2017 - 2020 |
| Robin Fennell | Clinton | Director (former) | 2005 | 2016 - 2019 |
| Jillian Merrick | Prince George | Director (former) | 2016 | 2016 - 2019 |

| | | | |
|----------------------|--|--|--------------------|
| TOP 5 EARNERS | Executive Management Compensation | Salaries & other short term benefits | \$1,005,908 |
| | | Total pension & other post employment benefits | \$101,019 |
| | | Total | \$1,106,927 |

| Director Training* | Honorarium | Meeting Stipends | Meetings | Travel | Total (\$) |
|-------------------------------|------------|------------------|----------|------------|-------------|
| CUDA - Levels A, B & C, ACCUD | \$6,824.18 | \$15,550.00 | 38 | \$435.00 | \$22,809.18 |
| CUDA - Levels A, B & C, ACCUD | \$3,628.51 | \$6,200.00 | 20 | \$1,965.00 | \$11,793.51 |
| CUDA - Levels A, B & C | \$3,647.25 | \$13,050.00 | 28 | \$2,130.00 | \$18,827.25 |
| CUDA - Levels A, B & C | \$2,800.00 | \$9,175.00 | 28 | \$330.00 | \$12,305.00 |
| CUDA - Levels A, B & C | \$2,800.00 | \$12,375.00 | 32 | \$3,930.00 | \$19,105.00 |
| CUDA - Level A | \$1,976.92 | \$8,550.00 | 21 | \$750.00 | \$11,276.92 |
| CUDA - Level A | \$1,976.92 | \$6,300 | 17 | \$180.00 | \$8,456.92 |
| CUDA - Level A | \$1,976.92 | \$8,100.00 | 21 | \$3,270.00 | \$13,346.92 |
| CUDA - Levels A, B & C, ACCUD | \$2,800.00 | \$10,525.00 | 22 | \$180.00 | \$13,505.00 |
| CUDA - Levels A, B & C, ACCUD | \$2,800.00 | \$11,425.00 | 30 | \$405.00 | \$14,630.00 |
| CUDA - Levels A, B & C, ACCUD | \$2,800.00 | \$11,025.00 | 37 | \$2,610.00 | \$16,435.00 |
| CUDA - Levels A, B & C | \$2,800.00 | \$11,875.00 | 34 | \$2,655.00 | \$17,330.00 |
| CUDA - Levels A, B & C | \$823.03 | \$1,575.00 | 6 | \$1,200.00 | \$3,598.08 |
| CUDA - Levels A, B & C | \$823.03 | \$1,400.00 | 6 | \$360.00 | \$2,583.08 |

*Credit Union Director Achievement (CUDA), Accredited Canadian Credit Union Director (ACCUD)

Integrus Board of Directors Total Compensation

| | |
|--|------------------|
| Total Stipend / Honourarium Remuneration | \$165,602 |
| Total Training | \$46,906 |
| Total Travel Remuneration | \$20,400 |
| Total | \$232,908 |

Corporate Office

1598 - 6th Avenue,
Prince George, BC
V2L 5B5

5th & Central Branch

530 Central Street,
Prince George, BC
V2M 3B7

Clinton Branch

1507 Highway 97 North,
Clinton, BC
V0K 1K0

Fort St. James Branch

366 Stuart Drive West,
Fort St. James, BC
VOJ 1P0

Fraser Lake Branch

111 Chowsunket Street
Fraser Lake, BC
VOJ 1S0

Quesnel Branch

253 Reid Street,
Quesnel, BC
V2J 2M1

River Point Branch

2150 Ferry Avenue,
Prince George, BC
V2N 0B1

Town Centre Branch

1532 - 6th Avenue,
Prince George, BC
V2L 5B5

Vanderhoof Branch

201 West Stewart Street,
Vanderhoof, BC
VOJ 3A0



www.integriscu.ca