



LOVED OUR VISIT THROUGH THE GPA
(GREATER PELHAM AREA)



CHRISTIAN AND CLAIRE AND OUR
TRULY LOCAL COMMITMENT PLEDGE



HAIST FARM AT THE CORNER OF
HWY 20 AND CENTRE ST



THE BELOVED "KISSING ROCK"
IN BEAUTIFUL THOROLD

PenFinancial
Credit Union

2019 SNAPSHOT



CLAIRE IS HAVING A PEACHY TIME
DRINKING LOCAL WINE!



5 CENTS FOR A RIDE ON
THE PORT DALHOUSIE CAROUSEL



AUGUST VISIT THROUGH
THE GARDEN CITY!



RIDGEVILLE... THE PRETTIEST
LITTLE TOWN IN PELHAM

Our Commitment

OUR MISSION

**At PenFinancial Credit Union,
we improve lives and
strengthen communities.**

OUR VISION

**We will be your truly local financial partner
of choice, committed to inclusive and
authentic relationships. Trust us to make
your experience personal and simple.**



OUR VALUES

 **Accountability**

We take ownership for success while ensuring inclusivity, social responsibility and cooperative principles.

 **Passion**

We deliver personal service by listening, guiding, nurturing and caring.

 **Integrity**

We develop trusting relationships and maintain the highest ethical standards.

 **Respect**

We build mutual respect through honest and authentic relationships.

 **Knowledge**

We are committed to continuous learning.

**We are proud ambassadors
of PenFinancial Credit Union.**

**Pen
Financial**
Credit Union

Contents

02

Our Commitment

04

Our Truly Local Commitment Pledge

05

Driven by Purpose

06/07

Report from the Board Chair

07

Governance Report

08/09

Board of Directors

10/12

Report of the Chief Executive Officer

13

2019 by the Numbers

13

Audit and Risk Committee Report

14

Our Truly Local Commitment

15/18

Our Truly Local Commitment Accountability Report

We TRY HARDER. We have heart.
We know you do too.



We choose CHANGE.

IT TAKES COURAGE TO BE DIFFERENT.

Driven by PURPOSE.

Having fun and feeling good about our choices.

**We believe the prosperity of our members
and our community goes hand in hand.**

Together we get what we give.

We are TRULY LOCAL.

*REMAINING INCLUSIVE AND ACCOUNTABLE,
WITH INTEGRITY AND RESPECT.*

Improving lives.

STRENGTHENING COMMUNITIES.

**This is our
commitment
to each other.**

PenFinancial
Credit Union

At PenFinancial, we are driven by purpose

Purpose to live by our Truly Local Commitment and create a values-driven banking alternative that believes the prosperity of our members and our community go hand in hand.

2019 was a year of change and refocus. In our local communities and on a global scale we're seeing an unprecedented amount of change - from the way we work to the way we connect with each other. At PenFinancial, we see our role as partnering with our members, our communities and our employees to help them navigate through uncertain times. While financial services is the product we offer, we believe we are in the business of alleviating anxiety. We build relationships with members to help them with their day to day banking and with their long term investment goals, all while ensuring that their portfolio focuses on their goals and their values.

Our vision is clear and our intentions are sincere. We are glad to have you join us on our truly local journey of financial security, peace of mind and community wellness. Thank you for your membership in our truly local Credit Union.





2019, last year of the decade.

A decade that has seen many changes in the credit union system and for PenFinancial.

Some of the changes in the credit union system include: reduction in the number of credit unions from over 300 to just over 60. Regulations that our Credit Union has to comply with have changed. Our regulator, Deposit Insurance Corporation of Ontario, (DICO) has changed to Financial Services Regulatory Authority, (FSRA). CCUA, Canadian Credit Union Association, became the national advisory body for the credit union system. Central 1 Credit Union, our trade association, has seen many changes including the way they manage our liquidity pool. Coast Capital Credit Union from British Columbia has become a Federal Credit Union operating right across Canada. These are but a few of the changes in our credit union system as the list is very long.

PenFinancial has seen many changes in the last decade also. Your Board of Directors has been reduced to 11 directors over this time period. We have consolidated

Report from the Board Chair

branches, moved a large branch to Fourth Ave. in St. Catharines and opened a new branch in Fonthill. We have improved our digital services to you, our members, including introducing chip cards for debit usage. We have added four new faces to the Board of Directors, experienced the retirement of our long standing CEO and hired a well-qualified individual to lead us into the future. The list continues but the message is, PenFinancial is continuing to improve and grow in support of providing the services our member/owners require.

All of these changes will help PenFinancial remain sustainable well into the next decade.

Statement from DICO Bylaw #5:

The Board of Directors is ultimately responsible for ensuring the Credit Union is operated in a safe and prudent manner and for ensuring adherence to standards of prudent and sound business and financial practices. In fulfilling its responsibilities, the Board of Directors should ensure the Credit Union is consistently operating in accordance with cooperative principles.

Statement from PenFinancial Board of Directors Terms of Reference:

The Board has the authority and obligation to protect and enhance the

assets (tangible, intangible, human resources) of PenFinancial. The Board is accountable to the Credit Union and must conduct its duties in the best interest of PenFinancial as a whole. In order for PenFinancial to be successful, the Board recognizes that the Credit Union needs to be accountable to and strive to meet the needs of its stakeholders (including members, employees, regulator, and the credit union system).

These two statements provide a mandate for our Board of Directors. Your Board continues to focus on good governance. We do this by continuing to increase our knowledge, by:

- attending education courses, credit union system events such as the Central 1 AGM and the CCUA conference;
- holding Strategic and Business planning sessions;
- appointing and monitoring the CEO;
- overseeing Risk Management;
- establishing and upholding the Credit Union's Integrity, Ethics and Social Responsibility; and
- communicating with Members and Shareholders.

We also attend local events in order to remain current on local

Governance Report

economic conditions that will affect our member/owners and our Credit Union. We continue to work with management to ensure we are operating within all regulatory requirements and that we are profitable year after year.

Your Board also believes it is important to support our local communities and our Truly Local brand. We believe a strong community will make for a strong and supportive PenFinancial Credit Union.

We continue to monitor our Strategic Plan and make adjustments as required and review our own Board Governance performance with the goal of improving how we conduct business.

Your Board of Directors believes we have positioned the Credit Union for success in the future while maintaining and improving our current level of service to you, our members.

On behalf of the Board, I would like to thank all Employees for the outstanding service they provide to our members, our Leadership Team for the dedication they have to PenFinancial and to you, our member/owners for your loyalty to PenFinancial Credit Union.

Together we can *"Improve lives and Strengthen communities"*.

N. REG SONNENBERG
Chair, Board of Directors

The Governance & Human Resources Committee is comprised of five (5) directors who are appointed each year from and by the Board of Directors.

The corporate governance framework details the processes and procedures for making decisions on Credit Union affairs. It also provides the structure through which the Board of Directors set objectives, as well as the means of attaining and monitoring the achievement of those objectives. The corporate governance framework encompasses the principles of fiduciary duty and accountability.

The Committee has three primary areas of responsibility:

1. Ensures that governance practices evolve with the needs of the Credit Union. The Committee makes certain that Board members have adequate development and succession plans, the Board is accountable to stakeholders, and that duties and regulatory requirements are fulfilled.
2. Assists in protecting the reputation of PenFinancial through the oversight of the development and monitoring of ethical conduct policies followed by directors and employees of the Credit Union.
3. Ensures Human Resources policies are in place to provide PenFinancial employees with fair and meaningful employment in a safe and respectful workplace.

The Governance and Human Resources Committee is pleased to report that throughout 2019 all responsibilities were carried out in accordance with the Terms of Reference assigned to it by the Board of Directors. The following briefly outlines a few of the many important initiatives with which the Committee was involved:

- Established the CEO's performance objectives ensuring emphasis was placed on appropriate balance to incentivize achievement of short-term objectives and long-term success. Together with a third party expert reviewed the CEO's compensation structure and completed the year-end performance assessment.
- Performed the annual Board self-assessment and confirmed committee self-assessments were completed ensuring alignment with individual terms of reference.
- Reviewed all governance-related policies for relevance and recommended changes to the Board of Directors.

Your Board strives to increase its collective baseline skills level as it is comprised of continuous learners; we have a growth mindset that our talents can be developed over time. The Governance Committee assists the Board in accomplishing this to the benefit of all our stakeholders.

The Credit Union recognizes the important role that effective governance plays in protecting member rights, maximizing value over time, and creating a vibrant, dynamic and successful credit union for its members. PenFinancial Credit Union is committed to achieving high standards of effective governance. We challenge ourselves to move "beyond compliance" to govern with excellence.

Respectfully submitted by your 2019 Governance Committee,

Dave Chamberlain (Chair), Mario De Divitiis, Chris Lamb, Reg Sonnenberg, Rick Tabaka

Board of Directors



EVAN ACS



DAVE CHAMBERLAIN



MARIO DE DIVITIIS



DAVE JASTRUBECKI
VICE CHAIR



CHRIS LAMB



DIANE NIEUWESTEEG



REG SONNENBERG
CHAIR



KIRBI SIMPSON



DAVE TEUTENBERG



RICK TABAKA



CHRIS WALSH

Name	Board Meetings Attended	Committee Meetings Attended*	Honorarium Paid	Place of Residence
N. Reg Sonnenberg, Chair	11/11	6/6	\$9,000	Niagara Falls
Dave Jastrubecki, Vice-Chair	11/11	5/6	\$8,375	St. Catharines
Evan Acs	10/11	6/6	\$6,500	St. Catharines
Dave Chamberlain	10/11	6/6	\$7,250	St. Catharines
Mario De Divitiis	4/6	5/5	\$3,250	St. Catharines
Chris Lamb	5/6	5/5	\$3,250	Niagara Falls
Diane Nieuwesteeg	11/11	5/6	\$6,500	Niagara Falls
Kirbi Simpson	7/11	5/6	\$6,500	Wainfleet
Rick Tabaka	9/11	6/6	\$6,500	Niagara Falls
Dave Teutenberg	6/6	5/5	\$3,250	Niagara Falls
Chris Walsh	10/11	6/6	\$6,500	Niagara Falls
Steve Gandour (Term expired in April 2019)	4/5	1/1	\$3,250	Dunnville
David Tsang (Term expired in April 2019)	4/5	1/1	\$3,250	Welland

*incl. Audit & Risk, & Governance & HR

2019

- Total honorarium paid – \$73,375
- Total expenses including education, conferences & other related items – \$69,919
- Total board expenses – \$143,294
- In 2019, there were 5 additional board meetings
- D. Chamberlain (Chair of Governance & Human Resources Committee)
- D. Jastrubecki (Chair of Audit and Risk Committee)





PENFI VOLUNTEERS AT YWCA
WOMEN IN LEADERSHIP
CONFERENCE



CLAIRE AND CHRISTIAN HAVING FUN



PENFI TEAM AT THE NIAGARA CHILDREN'S
CENTRE SUPERHERO RUN



YEP, THAT'S CLAIRE DRIVING A
TRACTOR!

Report from the Chief Executive Officer

During 2019 the Credit Union continued to move forward based on the philosophy that the prosperity of our members and the Niagara community go hand in hand. This is articulated in our mission statement: "At PenFinancial Credit Union, we improve lives and strengthen communities."



Our Truly Local philosophy is something we live by and continue to foster. We are guided by our strategic plan and its five imperatives of Financial Stewardship, Create a Personal Member Experience, Foster Truly Local Banking, Improve Efficiency and Simplicity and Optimize Human Resources.

We have chosen this path and remain committed to achievements in all areas. However, we continue to face challenges unique to the financial services industry, specifically within the last year:

- Geographic and geopolitical events. In essence, the world is smaller in terms of reach and no country is an island unto itself;
- The demographic landscape, with baby Boomers entering retirement and Gen X and Millennials forming a majority of the workforce; and
- Technology, which is moving at a ferocious pace.

We need to be adaptive and resilient to meet the ever changing

expectations in the marketplace, while continuing to build on our strengths.

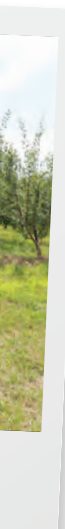
I am pleased to say PenFinancial had a successful 2019, moving forward in all areas of our plan. We were able to provide enhanced services for our members while continuing to improve our balance sheet, which is necessary for a strong future.

Demonstrate Financial Stewardship

During 2019, we continued to show growth but at a more modest pace than achieved the past two years. Assets grew by \$28.2M to stand at \$664M, representing growth of 4.40%.

Our members continued to show their commitment to us by investing in both our Deposit and Wealth services. Deposits grew by \$40.6M or 7.94%, while our Wealth services grew by \$14.7M representing growth of 18.90%.

Our investment in our local



economy was enhanced by growth of commercial lending in the amount of \$9.5M. The residential lending experienced contraction, influenced by substantial competition from traditional and non-traditional retail lenders. Overall lending grew by a modest \$1.8M. It is noteworthy to report our provisions for bad debts were reduced as we continue to post strong results in our credit quality.

I am pleased to advise we showed our resilience to lower lending revenues with increasing income from other sources as well as showing strong expense control. This resulted in the credit union posting a Net Income amount of \$1.1M.

This income, when added to our retained earnings, allowed our Capital Ratio to stand at 6.83%. This is above the 4.00% level required by our provincial regulator and above the credit union industry average of 6.46%.

Based on these financial results, the Board of Directors declared a dividend payment of 4.00% for our Class B special shares.

During the year our provincial regulator, formerly known as the Deposit Insurance Corporation of Ontario, was merged into the Financial Services Regulatory Authority of Ontario. The Credit Union complied with all regulatory requirements during 2019.

We continue to invest in and proactively enhance our IT systems to guard our member's funds in the area of cyber security. During the year we met all security thresholds established.

The profile outlined above represents a strong Credit Union moving forward.

Foster Truly Local Banking

The Credit Union continued to honor its Truly Local Commitment in very tangible ways. We met our pledge of giving back 10% of our pretax earnings to our communities. The strength of our commitment is outlined in our Truly Local Commitment Accountability Report. Through our member surveys, it was made clear our membership values this commitment and considers it one of the main reasons to belong to PenFinancial. We were honored to receive recognition of our efforts both locally and nationally. The YWCA of Niagara named PenFinancial the Corporate Citizen of the Year for 2019, while the Canadian Credit Union Association awarded PenFinancial an achievement in marketing award, specifically recognizing our Fourth Avenue branch design, and the integration of the Truly Local Commitment into the design.

I am also very proud to recognize our employees who continue to live our Truly Local Commitment to our communities by volunteering their time, providing expertise and services and leading many fundraising efforts to support our community partners. Two such causes included our month long campaign to support Gillian's Place, whose mission is to support some of the most vulnerable women and children in Niagara, and our new signature program Socks for Change, which will provide 35,000 pairs of warm durable socks and

other winter clothing accessories for those in need this winter.

In 2019, PenFinancial became a Certified B Corporation, joining a growing movement of change-makers using business as a force for good. We are one of only a few credit unions in Ontario who have received this designation in support of social capitalism. This certification is used as a lens through which we filter our decision making around the B Corp impact areas with the goal of aligning these values into our operations. This past fall, the Credit Union aligned to the B Corp philosophy by embarking on a lofty goal of ensuring 100% of our licensed mutual fund representatives obtained their Responsible Investing Specialist designations. This significant investment in our people ensures that advisors are fully equipped to help like-minded members fulfill their goals, build wealth without compromising or at the expense of their values. In 2020, we will continue to make B Corp improvements to support our commitment to the triple bottom line: People, Planet and Profit.

Create a Personal Member Experience

During the year, we experienced an increase in demand for digital banking. This was supported with the launch of Apple Pay, and in early 2020, Google Pay. Clickswitch was introduced, which allows members to easily migrate pre-authorized debits from other institutions to the Credit Union. We also launched enhanced Interac user features which allows

for auto deposit of e-transfers and the ability to request money via the e-transfer channel.

Our in-branch experience was further supported with the installation of a number of cash recyclers in our Bunting, Dunnville and Dorchester branches. These machines allow for a more efficient and streamlined process of conducting over-the-counter transactions.

We supported our wealth management platform with the ability to connect member's QTrade accounts with our online platform.

We once again completed a comprehensive member and non-member survey through our partner PMG Intelligence. I am pleased to advise our overall satisfaction results remain strong. Nine out of ten members indicated they are satisfied with our service and an equal number indicated they would recommend PenFinancial to others.

Opportunities for growth continue to be in the area of communications and advice. Members want to hear more from us and continue to seek higher levels of financial advice in an ever evolving complex world.

Improve Simplicity and Efficiency

We continue to invest in infrastructure which allows more time for front line employees to spend with members.

Centralized lending and support was expanded. We completed consolidation of procurement, removing this task from the individual branches which created substantial savings and stronger controls.

We created our High Interest Savings account for TFSA, RRSP and RRIF's. This allows for members to earn a higher rate of return with fewer products.

We completed the digitization of all member files, which commenced in 2018. Members can now attend any PenFinancial branch and have employees access their files allowing for improved, timely service.

Optimize the Use of Human Resources

PenFinancial continues to monitor the engagement of our employees through semi-annual employee surveys. Wellness of our employees, and programs to support wellness, was a focus of the past year. I am pleased to report the level of our engagement results remain at a healthy level.

Our survey indicated that our members want to hear from us more often. We listened to them and created our Truly Meaningful Conversations training which was launched in 2019 to ensure frequent and meaningful member focused conversations and communications.

Just one example of this focus is what we call our Member Care Calls – where we regularly reach out to members to ensure we are meeting their financial goals. We also continued our full day education session for employees in November. This year's topic emphasized resilience, a trait required to be successful in today's ever changing climate.

Looking forward, we will continue to enhance our digital offerings and online capabilities. PenFinancial

will be launching a new website, mobile app and online banking platform during the summer of 2020 which will update our online presentation.

In direct response to our member feedback in our research project, we will be investigating alternative delivery methods. This enhancement will support increased communication and after hours and weekend support for our members.

In an effort to increase Member participation we held our first on line voting election for our Board of Directors last month. We encouraged members to vote for candidates online from their personal device or by coming into the branch to complete the voting process. Thank you to all of the members who exercised their right to vote for their PenFinancial Board of Directors. It is hoped this new service will allow more Members to have an opportunity to direct the future of the Credit Union through their democratic participation.

I would like to thank and recognize our employees for their strong work and support of our Membership.

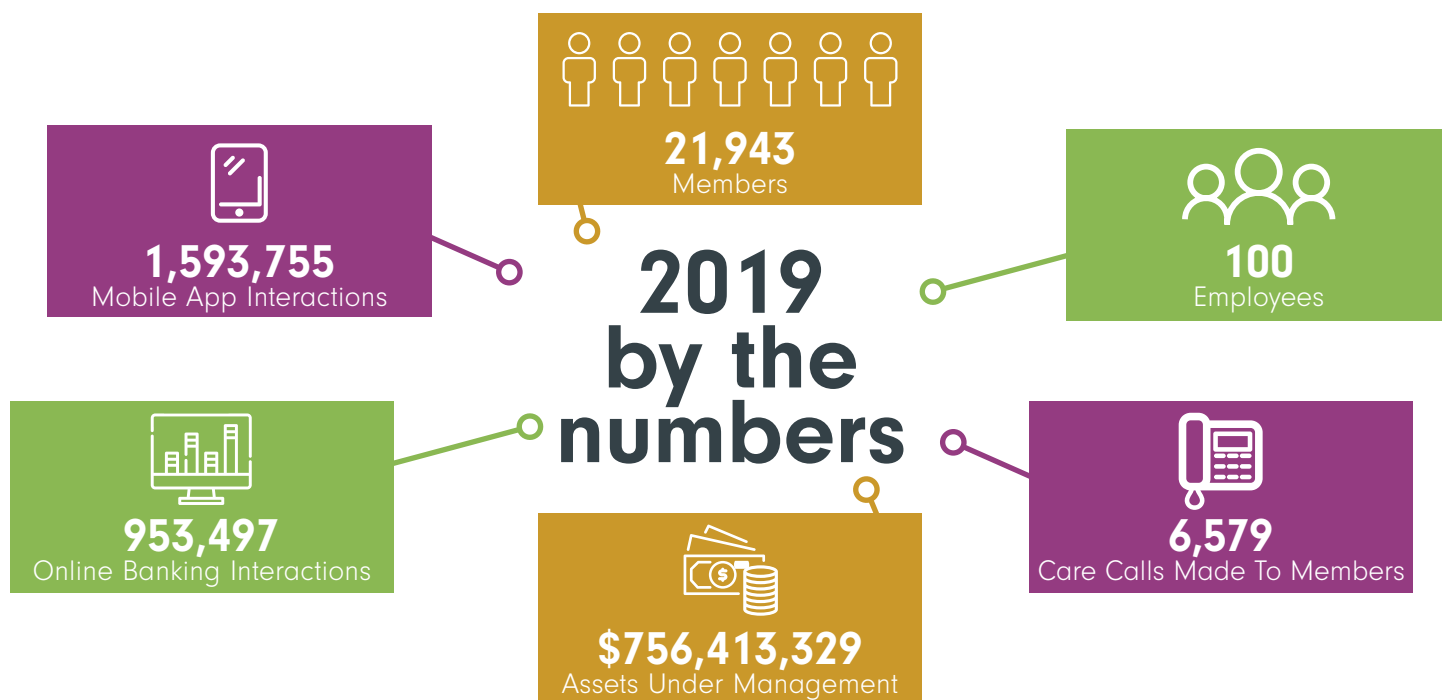
I would also like to acknowledge and thank the Board of Directors for their direction insight and support.

Respectfully submitted



KEN JANZEN

Chief Executive Officer



Audit and Risk Committee Report

In 2019, the members of the Audit and Risk Committee met six times to conduct a review of documentation received from management, such as corporate risk reports and policy amendments. The Committee also received reports and presentations from the Internal and External Auditors. After discussion and appraisal the documentation was formally received, and as required, recommendations were made to the Board for approval.

The members of the PenFinancial Credit Union (PFCU) Audit and Risk Committee has effectively conducted its affairs as per Section 125 of the Credit Union and Caisses Populaires Act, 1994 and Section 27 of Ontario Regulation 237/09.

The Committee has received full cooperation from management and utilizes a checklist process to ensure all requirements are tracked and completed on a timely basis. In relation to auditing, the committee has:

1. Reviewed audit reports of branch locations including central services provided by the Internal Auditor, Jones and O'Connell LLP and subsequent responses from management.
2. Obtained and reviewed the results of the 2019 PFCU financial reports provided by the External Auditor KPMG LLP.

Detailed presentations related to annual audit plans and results have been received from audit company representatives followed by in-camera sessions.

Other notable committee activities included:

1. Reviewed the Credit Union's Business Continuity Plan and associated testing results of the Plan.
2. Completed a self-evaluation to review the effectiveness of the committee in carrying out its duties.
3. Provided oversight of Enterprise Risk Management (ERM) to ensure

that strategic, operational, financial and regulatory objectives are being monitored and responded to by management.

4. Attended training opportunities to ensure that professional skills and abilities are further developed.

Committee meeting minutes and verbal reports by the Committee Chair have been provided to the Board for required knowledge and approval purposes.

I am pleased to report, there are no matters requiring disclosure to the members pursuant to the Act or Regulations.

As Chair, I would like to acknowledge the performance and dedication of the members of the Audit and Risk Committee. In addition, the excellent work and dedication provided by management and their staff.

DAVID JASTRUBECKI
Chair, Audit and Risk Committee

Our Truly Local Commitment

PenFinancial Credit Union's values-based banking model is centered around our Truly Local Commitment or "TLC" which is the heart and soul of PenFinancial's philosophy, where we believe the prosperity of our members and our community go hand in hand.

Our TLC promises include:

1. Making a Truly Local Commitment to offer Niagara residents and businesses a wide variety of competitive products and financial solutions designed to generate personal wealth and security AND give back to our communities, creating social good.
2. Making a Truly Local Commitment to help improve lives and strengthen communities by giving back 10% of our pre-tax profits through our TLC investment program.
3. Making a Truly Local Commitment by being a Champion Level certified Living Wage Employer, and officially part of the Ontario Living Wage Network.
4. Making a Truly Local Commitment to buy locally first where possible – sourcing local suppliers, vendors and businesses that share the values that align with PenFinancial.
5. Making a Truly Local Commitment by working collaboratively to address challenges like poverty, homelessness and housing needs and finding ways to bring mental health support to the many residents in Niagara who are struggling with support for their loved ones. Supporting these three pillars in inclusive ways that involve sharing talent, volunteers, community service, sponsorships and direct action.
6. Making a Truly Local Commitment by being the only credit union in Niagara to be a Certified B Corporation that pledges to use business as a force for good. Becoming a B Corp adds transparent, verified, measurable standards of social and environmental accountability.
7. Making a Truly Local Commitment to transparent, inclusive and values-based governance including our allocation of TLC funding.
8. Making a Truly Local Commitment by asking all new members to join with us in a pledge to recognize that the wealth generated by our members can and should also be used to improve the wealth and wellbeing of the entire community, because where you put your money matters.



SUPPORTING ALL THINGS LOCAL
INCLUDING FRESH PRODUCE



TORQUE TUESDAY IN SUPPORT OF
THE HOPE CENTRE



GILLIAN'S PLACE PANCAKE BREAKFAST
AT MARKET SQUARE



\$25,000 DONATION TO THE
DUNNVILLE HOSPITAL FOUNDATION



Our Truly Local Commitment Accountability Report

As a values-driven financial co-operative we are always looking for opportunities to help our members and communities prosper, while pledging to use business as a force for good. In 2019, we continued to weave our Truly Local Commitment through our operations and reached some significant socially responsible milestones along the way.

Always learning to be better

In 2019, we took a focused approach to PenFinancial's values based banking model which is designed to enhance the financial, social and environmental well-being of our members and our communities. We have no shareholders other than our members, and we use the insights we receive from them to help us be better bankers, better community members and better humans. In 2019, we invested in research to help us garner a greater understanding of our members' expectations as their financial institution of choice. Through this process we learned a lot about the products and services that our members want and need; that they value the financial and investment advice we offer, and that they believe that our Truly Local Commitment to community aligns with their own values. We also learned that being a values-driven financial co-operative that operates with a truly local intention is resonating with the general public in the communities we serve. Residents are recognizing the value of investing in a credit union that reinvests 10% of its pre-tax profits back into the community to improve lives as our Credit Union continues to build our brand around this important value proposition.

Using the power of business as a force for good

In the spring of 2019, after the completion of a very rigorous assessment, we joined a global movement that pledges to use business as a force for good, reinforcing our Truly Local Commitment to Niagara. By becoming a Certified B Corporation®, we're not just telling Niagara, we're telling the world that we care about how we do business. PenFinancial was certified by the non-profit B Lab as meeting rigorous standards of social and environmental performance, accountability and transparency. We've evaluated how our practices impact our members, our employees, our community, and the environment. Today, there are over 2,000 Certified B Corps around the globe, including 180 in Canada and 80 in Ontario. We are pleased to join them in redefining success in business, so that one day everyone uses business as a force for good. As the only business and financial institution in Niagara to be certified, we trust that our members will appreciate the transparency and integrity that this designation represents. We're now able to benchmark and further guide how we weave our Truly Local Commitment through every part of our business.



In the fall of 2019, we were honoured to be awarded a @BCorporation #BestForTheWorld2019 Top 10% of all #BCorps taking care of our workers. We live our truly local commitment to improving lives and strengthening communities through the way we treat our employees.

Also in fall 2019, we were honoured to be awarded a @BCorporation #BestForTheWorld2019 Top 10% of B Corps across the globe honouree in the 'Governance' impact area. We are improving lives and strengthening communities by walking the talk everyday through exemplary governance practices.



Where you put your money matters

No one should have to choose between building wealth and building a better world. At PenFinancial, socially responsible investing lets you align your investment goals with your values, so that you can enjoy competitive financial returns while making a positive social impact. Socially responsible investing is an investment approach that considers both the financial return and the social good that a company generates. By selecting companies that improve our communities and our environment, and by excluding companies that have a negative impact, we can offer investments that contribute to a better financial future for you and a better world for everyone. 100% of all PenFinancial Financial Advisors are now certified Responsible Investment Specialists, which means that they are qualified to provide our members with socially responsible investment alternatives so that our members' portfolios can align with their values. We are proud to weave our B Corp and Truly Local Commitment values into the investment products we offer our membership.

Investing in knowledge and continuous learning is our priority. We are very proud that one of our differentiators is our expectation that employees provide members with the highest level of expertise compared to other financial institutions which we validate through formal designations. The expectation includes ongoing continuing education to ensure the knowledge is up to date to best serve our members. A very high percentage of our employees compared to those of other financial institutions continue to achieve professional designations in their respective field of expertise. From Responsible Investment designations to Information Security certifications, the PenFi team has designations including those listed below, and is most likely the most qualified team to trust with your money. It is a requirement for our Financial Advisors to complete either their CFP or PFP as well as their Responsible Investment Specialist designations.

- Responsible Investment Specialists (RIS)
- Certified Financial Planner (CFP)
- Personal Financial Planners (PFP)
- Certified Professional Accountant (CPA)
- Chartered Financial Analyst (CFA)
- Certified Information Systems Security Professional (ISC2)
- Project Management Professional (PMP)
- Certified Information Security Manager (CISM)
- Lean Six Sigma Green Belt (LSSGB)
- Incident, Problem, Service Desk Practitioner (ITIL)
- COBIT 4.1
- A+ Network + & Security
- Chartered Investment Manager
- Registered Trust and Estate Practitioner
- Payroll Certified Practitioner (PCP)
- Certified Human Resources Leader (CHRL)
- Associate Certified Coach (ACC)
- Group Benefits Associate (GBA)
- Certified Ethical Hacker (CEH)
- Certified Engineering Technologist (OACETT)

Buying local and paying a living wage

Communities thrive when local businesses can succeed, create employment, circulate money close to where it was earned and reduce their environmental impact. In 2019, PenFinancial

procured locally first whenever possible – sourcing local suppliers, vendors and businesses that share the values that align with PenFi. The living wage in 2019 was a minimum of \$18.12 per hour in Niagara. We continue to make living wage adjustments in what we pay employees and encourage other Niagara businesses to consider becoming living wage employers.

Our Truly Local Commitment and our People

Our mission is to improve the lives of our members, residents across Niagara and, most importantly, the lives of our employees and their families. Our Truly Local Commitment is alive and well here at home too.



CHRISTIAN AND CLAIRE

- We are a proud certified Living Wage employer that offers competitive salaries that are consistently reviewed to ensure they remain competitive with the marketplace.
- Eligible employees receive a generous benefits package, defined contribution pension plan, and a performance-based annual incentive program that rewards employees for their hard work in achieving their goals
- Competitive vacation and wellness days so our people have the time to invest in themselves.
- Health and wellness allowances to support our commitment to employee wellness.
- Employee and Family Assistance Program – a confidential voluntary support service.
- Knowledge and continuous learning is a priority and we offer an abundance of leadership and professional development programs to help our employees be the best they can be.
- We are committed to recognizing employee development and performance through career progression and opportunities to take on new roles at PenFi.

- If our employees are looking to further their knowledge relevant to their position, we're happy to provide education reimbursements.
- Free banking and computer, wellness and clothing interest free loans.
- We encourage our employees to give back to the causes that are meaningful to them by providing opportunities to volunteer and represent our truly local credit union.
- We provide a culture of recognition across the organization so that employees feel valued for their contributions.
- We support an inclusive, diverse, and caring internal culture.



WE WERE VERY PROUD TO ACCEPT A CORPORATE CITIZEN OF THE YEAR AWARD FROM OUR PARTNERS AT THE YWCA NIAGARA.

A place to collaborate, communicate and create

When we designed our new Fourth Avenue Branch, the most integral element was to create a space where not for profit organizations and community groups could come together in a safe, comfortable and convenient location to collaborate, communicate and create. Since opening in summer 2018, over 30 different organizations have used our community room, many who use the room regularly for team meetings, strategic planning sessions, workshops and employee retreat days. Our TLC Community

Room is one more way PenFinancial is helping to strengthen communities and we look forward to deepening relationships with the many individuals and organizations that share our beautiful space.



COLLABORATE, COMMUNICATE AND CREATE IN OUR COMMUNITY ROOM

Driving through to make a difference



EVERY WITHDRAWAL FROM OUR COMMUNITY ATM SUPPORTS LOCAL ORGANIZATIONS

Our Community ATM Program continued to be a popular way for our community to give back in a simple way every day. Every time you withdraw funds from our Schmon Parkway (Thorold) ATM, we donate 50 cents to a partner organization. In 2019, we invested over \$3,200 to the

following truly local organizations:

January	Socks for Change
February	Hospice Niagara
March	Red Roof Retreat
April	Niagara Health Foundation
May	Niagara Children's Centre
June	YMCA Niagara
July	Gillian's Place
August	YWCA Niagara
September	Essential Collective Theatre
October	Learning Disabilities Association of Niagara Region
November	Resource Association for Teens
December	Bethesda



OUR COMMUNITY ATM PROGRAM SUPPORTS NOT-FOR-PROFIT ORGANIZATIONS ACROSS NIAGARA.



In 2019, PenFinancial was very proud to announce our formal partnership with Socks For Change, a new, truly local organization that donates warm, quality wool socks and winter accessories to people in need in Niagara.



SAM BAIO, FOUNDER OF SOCKS FOR CHANGE AND CLAIRE

More than 75,000 people in Niagara live on or below the poverty line. More than a third of these are children. Socks for Change is able to purchase the socks for around \$2.00 a pair so donations of even small amounts of change go a long way to help. PenFinancial's new signature program's goal during the winter of 2019/2020 is to raise enough from donations to collectively donate 35,000 pairs of socks to help keep Niagara's most vulnerable women, children and men warm across Niagara. Thank you to our employees, our members, our partners and our communities to help us end poverty feet first.

Socks for Change



Socks
32,615



Accessories
54,979



Schools
159



Organizations
72

Aligning our TLC investments to create meaningful change

In 2019, we were proud to support a variety of organizations that aligned with the three key challenges in our communities where we believe we can create some measureable impact. Supporting organizations and providing volunteer support and expertise to help with affordable housing issues, alleviation of poverty, and mental health awareness and education were focus areas where we continue

to seek partnerships to use our business as a force for good. In 2020, we will add an environmental element to our Truly Local Commitment pledge to weave our B Corporation purpose-driven values into our corporate social responsibility practices. Our goal is to refine our investments of time, money and expertise into focus areas that support the triple bottom line – People, Planet and Profit.

TLC in Review

	Proud Champion Level Living Wage Employer		Proud Certified B Corporation
	Certified Socially Responsible Investing Advisors 25		Community Partners 42
	Affordable Housing \$6,000		Poverty Alleviation \$48,000
	Mental Health Education and Awareness \$13,000		Healthcare \$18,000
	Education \$12,000		Community Events \$18,000
			General Community Wellness \$15,000



WE ARE PROUD TO BE THE LEAD SPONSOR
OF THE EDUCATION FOUNDATION OF
NIAGARA'S FROM PROJECT

PenFinancial is committed to enhancing our communities through economic, social and environmental objectives. We will accomplish this by keeping more money in the pockets of our members; helping communities prosper; putting people before profits; and partnering for solutions to keep our planet safe for the future. This means our profits will have a higher purpose – to benefit the people we serve and the communities we live in.



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