



StellerVista
credit union

2024
Annual
Report





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Looking back on 2024, this annual report shares our experiences and progress as a local credit union serving members across the Kootenay/Boundary region (and beyond). Whether you visit us in one of our seven community branches or connect remotely with our local staff, we remain committed to meeting the evolving needs of our emerging membership base in a changing economic environment. We extend our deepest gratitude to all members for your ongoing patronage and feedback, which guide our investments and improvements.

As a cooperative, we believe in the power of community and the importance of sharing information that keeps our members informed and engaged. We are local people, like you, dedicated to strengthening our neighborhoods and ensuring we continue to be your best option for local banking. Should you have any questions or comments after reading this report, please reach out to us at info@stellervista.com. We look forward to hearing from you and working together toward a bright future.

Leadership report.

2024 was another pivotal year for StellerVista, as it was our first as a fully integrated credit union serving members across the Kootenay/Boundary regions (and beyond), locally, from our seven communities. In an environment where the credit union and financial services landscape is in rapid flux, there is added pressure on us (and all credit unions) to take on more work and make more business investments – in the form of IT and people, to remain relevant and compliant. Thankfully, our increased size, scale, and geographic presence have allowed us to meet these demands more effectively.

Part of our response to recent changes, in 2024, was the work we did through what we called our “Stabilization for Growth” period—investing in targeted internal training, upgrading our IT systems, and expanding our member communication channels—to create a more consistent and high-quality experience for both members and staff. These efforts not only helped us navigate the challenges of change but also placed us on a stronger footing to tackle new goals and pursue sustainable growth. While the work certainly shone a light on some key challenges, we do feel that we capitalized well on the opportunities while staying true to our cooperative principles and our core business – member service.

Member Voice Survey

Some of the challenges we faced in 2024 were uncovered through our Member Voice Survey. Typically, our goal is to survey our membership at least once a year, using the results to inform our strategic and operational planning. However, given the high impact of the 2023 merger, we conducted two surveys in 2024—one early in the year following our integration work and another toward the end—to maintain a more frequent pulse on member experience. We greatly appreciate the excellent response rate from our members, which has been instrumental in providing us with valuable insights.

The results showed that our technical systems integration had a noticeable effect on both members and staff. While brief technological glitches were anticipated and quickly addressed with our IT partners, the higher-than-expected error rates on the staff side highlighted a pressing need for consistent training and better tools. Members who reported no errors also reported high satisfaction, whereas those who encountered errors—occurring at rates above what we consider acceptable—were understandably less satisfied. Although many members did express positive feedback, this inconsistency prompted immediate action on our part.

You're Protected.

We're a proud member of the Credit Union Deposit Insurance Corporation (CUDIC), which provides deposit insurance for 100% all eligible deposits, regardless of the length of the term of maturity. No limits on dollar amount. No application required. *(Credit union equity shares and investments such as mutual funds or RRSP equity plans are not covered by CUDIC.)*

Leadership report (cont).

In 2024, a key service focus for us has been on reducing and managing errors. We sincerely value each member and the business you do with us, and we apologize to anyone who experienced an unnecessary error this past year. We encourage all members to continue using our available feedback channels to share both the good and the bad, and we hope you'll participate in our upcoming survey later this year. Your input is vital in guiding our decisions and shaping the future of StellerVista.

Employee Engagement and Culture

To reach our goals and expectations in member service, we need a happy and engaged team – that is a fact of the business we are in. Over the past two years, there is no question that both our credit unions and the general labour markets have been facing significant change – change that has often placed considerable pressure on our people to adapt, learn, and grow into new roles. Recognizing that our success hinges on our employees, in 2024, our People and Culture team introduced a more in-depth survey process. This new approach not only provides detailed insights but also enables targeted coaching and development, ensuring our teams are well-equipped to meet evolving demands.

Our hiring efforts in 2024 also made a notable impact in the area of engagement. We successfully hired for a large portion of the vacancies we had been struggling to fill, easing some of the workload. This influx of fresh talent, coupled with a revitalized focus on employee support, was reflected in our engagement scores—showing a refreshed and reenergized workforce that is more positive and engaged than we have seen in a long time. While there is always room for improvement, these results affirm our commitment to cultivating a strong, supportive culture and set a positive benchmark for the future.

Subsidiary Lines of Business

In running our business as effectively as possible, we have developed a number of different subsidiary ownerships, all of which are directly tied to (and drive benefit to) our credit union. These include a 25% ownership in Kootenay Insurance Services LTD, a 25% ownership in Kootenay Risk Services, majority ownership of EKC Property Holdings LTD, and 33% ownership of 0948859 BC LTD – operating as MoneyWorks. Further information and notes on these can be found in our full financial statements.

We recognize that staying true to our core, relationship-focused service is a challenge in a rapidly evolving, modern era. The need for continual IT investment, a shifting regulatory environment and an emerging membership base that demands modernization are challenges that many small and even medium-sized credit unions will struggle with in the coming years. It's one that many small and even medium-sized credit unions will struggle with in the coming years. But thanks to the heavy load of work we've completed over the past two years, we're in a great position to take strong steps forward. Our organization—like our members—is unique. It's partly our people, partly our location, but entirely ours to own—and thankfully, it's allows us to move forward confidently. Aligned with the traditional cooperative values we still hold in the highest regard, we're ready to set ourselves apart from larger financial entities serving our area, and we'll continue working to ensure that we remain the best local banking option for our local people.

Stabilization.

Building a strong foundation for growth.

January through September of 2024, our primary focus was on creating a consistent, high-quality experience for both our members and staff—a critical necessity following our 2023 merger and the accompanying banking system conversion. This period of transition introduced significant change and temporary knowledge gaps, impacting service across the organization. Recognizing the urgent need for consistency, we launched a dedicated stabilization period at the outset of 2024, with the ultimate goal of placing our credit union on a strong, confident footing for sustainable growth and service excellence.

Enhancing Member Communications

A major piece of this was tied to member communication and feedback. In response to the challenges in this area we saw emerge from the merger, we worked to significantly expand our channels for member communication:

Expanded Feedback Options: We introduced both in-person and online avenues for members to share their feedback. These new channels were designed to capture diverse insights and ensure that every member voice was heard.

One-on-One Meetings: Throughout the first half of the year, members had the opportunity to engage directly with our top leadership. One-on-one meetings, either face-to-face or via phone, were held with our CEO, COO, and Director of Retail Sales. This direct line of communication allowed us to address concerns personally and gain valuable insights into our members' experiences.

Open House Meetings: We hosted open house sessions at each of our locations, where members could come together and discuss any issues or ideas in an informal setting. These sessions fostered a spirit of openness and collaboration, reinforcing our commitment to transparent and responsive communication.

Member Advisory Committee: The first of which was held to discuss Corporate Social Responsibility. These meetings were held with select members May through September.

Investing in Our Staff

To ensure our employees were well-equipped to meet our high standards of service, we made significant investments in training and support:

Comprehensive Training Programs: Recognizing the importance of a well-trained team, we invested heavily in training initiatives. Our focus was on ensuring every staff member had the knowledge and skills to excel in their roles.

Stabilization (Cont.)

Dedicated Trainer: We hired a dedicated trainer to provide ongoing support and development for our service staff. This role was pivotal in offering personalized training sessions, ensuring that our teams had continuous access to the latest best practices and industry insights.

Upgrading Equipment and Software: We also identified that aging equipment and outdated software were becoming challenges. In response, we took significant steps to upgrade our IT network infrastructure, which now offers enhanced security and improved system uptime. These upgrades not only protect our systems but also empower our staff with reliable, modern tools to perform their roles effectively.

Outcomes and Future Commitment

While the stabilization period was somewhat reactive, in response to a challenging period of change, it was a critical component of our change management process. The focused investments in training, communication, and technology have already proven their worth:

Improved Service Levels: By the latter part of 2024, we observed a notable turnaround in service quality, with enhanced member satisfaction and increased sales numbers.

Stronger Staff Confidence: The dedicated training and support initiatives have boosted staff confidence, enabling them to deliver exceptional service more consistently.

Purposeful Investment for Tomorrow: This purposeful investment of time and resources was made with the long-term outcome in mind—to secure a stable and thriving future for our credit union.

In closing the stabilization process, we recognized the significant value in the effort and resources invested, confirming it as a successful investment in our future. We took this process very seriously, focusing on employee engagement and reinforcing our corporate and cooperative values every step of the way. Fully committed to the cooperative system and everything it represents, we have positioned ourselves for value-based, sustainable growth. We are confident that these investments will enable StellerVista to remain the best choice for local banking in the Kootenay/Boundary communities for many years to come.

Investing in our communities.

In 2024, StellerVista Credit Union's Board of Directors reaffirmed its commitment to community investment and corporate social responsibility by actioning our new policy that allocates 10% of pre-tax earnings directly to these efforts. This commitment was realized through more than \$200,000 in community investments across the Kootenay/Boundary regions, including over \$75,000 in local donations from our branches to local groups and more than \$25,000 in StellerStudent awards. All in, our support encompasses grants, branch donations, student awards, and other in-kind contributions, striking a balance between making a significant impact and supporting the unique needs of our local communities.

Throughout the year, our staff actively participated in community events and led local donation initiatives at our branches, further embedding the spirit of cooperation and local engagement in everything we do. 2024 was another transformative year for our credit union, and our community investment program built on our longstanding tradition of giving back—enabling us to do even more to enhance the well-being of the places we call home. Below are just a few examples of the positive impact we achieved in 2024.



Board of Directors.

In 2024, our Board demonstrated high engagement, holding numerous meetings to refine our governance processes, develop strategic initiatives, and engage in specialized governance training.

Our directors completed 63 different courses in 2024, investing approximately \$62,500 in ongoing education and training. This commitment underscores our dedication to excellence and equips our Board to adeptly navigate the complexities of the financial industry.

This year, it is important to note that Barb Nunes and Leni Normington are retiring as planned, bringing our board to its strategic size of 9 members. This transition is part of our long-term governance strategy established pre-merger. Both Barb and Leni have offered years of invaluable service and leadership. Their contributions have been pivotal to our achievements and will continue to influence our operations moving forward.

As we progress, the Board's foresight and unified approach will remain vital in navigating the evolving financial landscape, ensuring StellerVista remains at the forefront of community banking.



Lynnette Wray
ICD.D, ACCUD - Chair
Cranbrook



Joleen Kinakin
ICD.D Vice-Chair
Castlegar



Darla Ashton
ICD.D, ACCUD, CCD - Director
West Boundary



George Freitag
ACCUD - Director
Cranbrook



José Galdamez
ACCUD - Director
Cranbrook



Sean Silverson
Director
Slocan Park



Larry Bomak
ACCUD - Director
Castlegar



Barb Nunes
ACCUD - Director
Elk Valley



Leni Normington
ACCUD - Director
Castlegar



Norm Fraser
Director
Elk Valley



Denine Milner
ICD.D Director
Cranbrook

Board of Directors.

Name	Community	Committees	Board Meetings	Remuneration
LYNNETTE WRAY (Chair)	Cranbrook	As Chair, Lynnette is an ex officio, non-voting member of all committees	17 / 17	\$17,080.00
JOLEEN KINAKIN (Vice-Chair)	Castlegar	Governance Committee (Chair), Executive Committee, Nominations Committee, Director of 398329 BC Ltd., Growth Financial (Chair)	17 / 17	\$12,790.00
JOSE GALDAMEZ	Cranbrook	Executive Committee, Audit Committee, Investment & Loan Committee, Board Risk Committee, Director for EK Property Holdings Ltd	17 / 17	\$13,080.00
LENI NORMINGTON	Castlegar	Conduct Review Committee (Chair), Board Risk Committee, Governance Committee, Upper Columbia Cooperative Council Representative, BC Cooperative Association Representative	17 / 17	\$10,080.00
LARRY BOMAK	Castlegar	Audit Committee (Chair), Investment & Loan Committee, Board Risk Committee, Director for Kootenay Insurance Services Ltd. (KIS), Director for Growth Financial	17 / 17	\$10,080.00
SEAN SILVERSON	Slocan Valley	Governance Committee, Conduct Review Committee, Nominations Committee, Director for EK Property Holdings Ltd	15 / 17	\$9,790.00
DARLA ASHTON	West Boundary	Investment & Loan Committee (Chair), Audit Committee, Board Risk Committee, President of 398329 BC Ltd., Peer Group 3 Representative	17 / 17	\$10,080.00
GEORGE FREITAG	Cranbrook	Board Risk Committee (Chair), Conduct Review Committee, Audit Committee, Director for MoneyWorks	17 / 17	\$9,790.00
BARB NUNES	Elk Valley	Conduct Review Committee (Chair), Investment & Loan Committee, Audit Committee, Director for Growth Financial	16 / 17	\$9,790.00
DENINE MILNER	Cranbrook	Nominations Committee (Chair), Conduct Review Committee, Director for EK Property Holdings Ltd	17 / 17	\$9,790.00
NORM FRASER (May 2 to Dec 31)	Elk Valley	Governance Committee, Nominations Committee	10 / 10	\$9,500.00
JEAN-ANN DEBRECENI (Jan 1-May 1)	Cranbrook	Governance Committee, Audit Committee	7 / 7	\$2,834.00

Board Highlights

Joleen Kinakin and Denine Milner both completed the Institute of Corporate Directors – Directors Education Program, enhancing their governance expertise.

Leni Normington and Larry Bomak successfully passed their Accreditation Examination with the Canadian Credit Union Association, affirming their dedication to upholding the highest standards of credit union governance.

Norm Fraser completed his Canadian Credit Union Association Level A courses, further deepening his understanding of the credit union system’s operational and strategic facets.

Lynnette Wray, Larry Bomak, and José Galdamez attended the 2024 Canadian Credit Union Association National Conference in Calgary.

Leni Normington, George Freitag, and José Galdamez represented StellerVista at the World Credit Union Conference in Boston, MA, USA, gaining valuable insights and fostering international connections that reinforce our global perspective on credit union management and services.

Executive Compensation Policy.

CEO AND EXECUTIVE BENEFITS

The Credit Union CEO and Executive benefits are reviewed annually by the Governance Committee. This review is done in consultation with information from Canadian Credit Union Association (CCUA), and management benefits in general are within the average of credit union industry average and Kootenay credit union benefit averages.

CEO AND EXECUTIVE VARIABLE PAY

StellerVista's Variable Pay Program subscribes to a philosophy of valuing, motivating and rewarding managers and non-union employees who influence organizational success. This program is a pool of money each non-union employee can earn, over and above their base pay. It is measured on the success of the credit union along with individual, organizational and departmental performance. StellerVista's Board of Directors, as part of their planning process, regularly reviews the strategic direction for the credit union. From this, the Board then determines Key Performance Indications (KPIs) which describe what the Credit Union needs to achieve in order to be successful. The Credit Union CEO and Executive are responsible for achievement of these KPIs and this is reflected in their variable pay targets as well as individual performance; payout/non-payout of the plan is approved annually by the Board of Directors. StellerVista Variable Pay Plan is reviewed at a minimum every 5 years with outside expertise, as part of the Governance Committee Terms of Reference, to ensure the plan drives balanced strategic success for StellerVista and is within credit union industry standards and competitiveness.

CEO COMPENSATION

StellerVista Credit Union CEO is employed under an Employment Agreement. This contract is reviewed annually as part of the Governance Committee Terms of Reference. Remuneration is based upon an annual "Market Place Value", as determined by CCUA, based upon a regression analysis of Credit Union CEO's in Canada, placing the Credit Union CEO in the 75th percentile. A regression analysis is a report of all Credit Union CEO's in Canada (from reporting credit unions) on a grid with the on/off book assets for their credit union, with their level of pay, then placing StellerVista Credit Union CEO on the grid based upon on/off book assets, and determining an annual pay for the CEO position. StellerVista places the incumbent Credit Union CEO at the 75th percentile. This is in recognition of the unique business model and size of StellerVista, performance expectations required from the organization, as well the age and performance record of the incumbent, and leadership competitiveness in the credit union industry.

The CEO participates in the Credit Union's Benefit Program with the same terms offered to all employees. Additional benefits and perquisites are also provided including participation in a Supplemental Executive Retirement Plan (SERP). The SERP will provide periodic retirement benefits after retirement to offset CRA limits and is structured to encourage credit union growth and retention of the incumbent.

EXECUTIVE COMPENSATION

Executive compensation will be reviewed annually by the Credit Union CEO, in relation to the market information provided by CCUA. The Credit Union CEO will use comparison data for all participating like sized BC Credit Unions in the survey and StellerVista Executive to be paid at the average of those credit unions. StellerVista Executive receive annual market adjustments based on the CCUA salary survey projections. Executive compensation is reported to the Governance Committee annually.

Financial Performance.

2024 was a dynamic year financially for StellerVista, marked by high inflationary impacts and a climate of general uncertainty regarding interest rates. Despite these challenges, we experienced a gradual easing of monetary policies as the year progressed, allowing us to begin lowering rates from their elevated levels at the start of the year. This environment influenced our balance sheet and impacted our budgeted financial performance, yet we managed to end the year on a rebound.

While we did not meet all of our financial targets for 2024, the year was still financially strong, with a net income after all expenses and taxes of just over one million dollars. Our total after-tax income was close to \$1.9 million, from which approximately \$700,000 was returned to our members in the form of patronage dividends and community donations – with the remaining net income, allocated to retained earnings.

These financial outcomes reflect both the challenges and successes of the year. Despite the fluctuating economic landscape, our subsidiary lines of business, including insurance and wealth management, continued to be key contributors to our revenue, allowing us to invest in essential systems for our people and members. This ongoing investment ensures that StellerVista remains well-positioned to serve our community effectively, reinforcing our commitment to both financial stability and community support.



Total Assets
\$730,851,452

In 2024, we saw 4.4% growth in total Assets, representing \$30.6 million.



Pre-tax Income
\$2,022,530

In 2024, earnings before taxes and dividends were over \$2 million.



Total Member Loans
\$602,341,187

In 2024, we saw 1.3% loan growth.



Total Member Deposits
\$679,098,426

In 2024, we saw 3.7% deposit growth.

PATRONAGE REWARDS

In 2024, StellerVista returned more than \$480,000 to members in the form of patronage and dividends throughout the year.

Full and summarized financial statements are available to members upon request.



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Bank like you live here.



Learn More @ www.StellerVista.com