

Letter from the President and the CEO



2017 was another busy and successful year for SaskCentral as we progressed toward realizing the two main goals laid out in our Business Plan: *National Collaboration and Enhancing the Credit Union Experience*. An increasingly competitive and quickly evolving financial services landscape, along with regulatory changes, continues to drive the need to achieve these objectives, as well as our vision of a “nationally unified, internationally capable co-operative financial network.”

Again, our people were a key factor in our success. In an environment of ongoing change, our agile and resilient workforce allowed for the transitions required to work towards our vision. The SaskCentral Human Resources department played a substantial role, consistently encouraging strong employee engagement and equipping people for change, which led the department to be recognized as Team of the Year by the Chartered Professionals in Human Resources Saskatchewan. This award is granted to a human resources team that helps drive the performance and reputation of an organization and is a catalyst for organization-wide change.

It's fair to say that in the past year, the path to achieving our national vision has included some

curves and turns along the way. However, with innovation and commitment to our vision, we've continually found new ways of improving and developing long-term solutions in a number of core areas.

A key example is the December 12 announcement of Aviso Wealth, a merger of Credential Financial Inc., Northwest & Ethical Investments LP, and Qtrade Canada Inc.

Aviso Wealth, a vertically-integrated wealth management company, is jointly owned by the five provincial Centrals, on behalf of credit unions, Desjardins Financial and CUMIS. The creation of Aviso Wealth will allow credit unions to offer a complete financial management solution to members, enabling them to remain competitive with the banks. Credit unions will also have ongoing influence over the direction of Aviso Wealth through board seats and participation in an Advisory Council.

In 2017, SaskCentral also continued on its path to accommodate a federal credit union within the provincial system, consistent with our national vision to provide services to all credit unions. A “yes” vote by Innovation Credit Union members in December 2017, in favour of Innovation's intent to become a federal credit union, has expedited this work. SaskCentral is focused on having the necessary legal and financial framework in place by the end of 2018.

Throughout the year we also made progress on the development of a national fee-for-service delivery model. A business plan has been approved by the SaskCentral board and work is continuing to determine formal partnership opportunities.

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The dissolution of the CEAMS (Credit Union Electronic Account Management Services) Association took place in 2017 with services being assumed by SaskCentral, National Consulting, on January 1, 2018. This change will better position SaskCentral to offer these services on a national scale. SaskCentral is grateful for the credit unions' ongoing support throughout the assumption process.

In the area of clearing and settlement, we continued preparing for Payments Canada Modernization and participation in a National Payments Strategy, and to support the establishment of provincial Emergency Lending Assistance (ELA). SaskCentral has also engaged with the Centrals of Alberta and Manitoba to consider payments alternatives.

To ensure investee alignment, we have worked to avoid duplication of wholesale financial services to credit unions and streamline governance and decision making processes. There is also an ongoing evaluation of SaskCentral's various strategic investments to ensure they are aligned with our national strategy.

Over the past year, the transition of SaskCentral trade services functions to the Canadian Credit Union Association (CCUA) progressed smoothly. We finalized a support services agreement, including fees for 2018, and began discussions on transitioning other potential services, including research and marketing.

In the area of Government Relations, we have been successful in our efforts to have the Minister of Finance amend the Bank Act to allow credit unions to use "bank/banking" terminology to describe their financial products

and services. We thank the CCUA for their work on this issue.

Finally, since the Credit Union Deposit Guarantee Corporation (CUDGC) became the regulator of SaskCentral on January 15, 2017, we have worked closely with CUDGC on the implementation of a regulatory framework. To avoid any conflict of interest, this included reviewing services SaskCentral provides to CUDGC and developing a plan to transition those services either to CUDGC or other service providers.

As you can see, 2017 has been another transformational year for SaskCentral. We continue to see a highly engaged credit union system, with greater participation in our strategic investments and support of our national strategy. And, the work will continue in 2018 as we strive to nurture a business environment where credit unions can thrive.



Russ Siemens,
President



Keith Nixon,
CEO