2023
Annual Report | Ataskaita

PARAMA
CREDIT UNION

www.parama.ca | info@parama.ca

Parama’s 72nd Annual General Meeting

Monday, March 4, 2024 at 7:00pm | Kovo 4d., 2024m. 7v.v.
Lithuanian House | Lietuvių Namai: 1573 Bloor St. W Toronto, ON M6P 1A6
Registration begins at 6:30pm

Meeting Agenda

1. Call to Order
2. Approval of Agenda
3. Approval of Minutes from 71st AGM
4. Reports
    - Chair
    - Chief Executive Officer
    - Audit Committee
    - Auditor
5. Discussion of Reports
6. Appointment of Auditors
7. Elections
    - Election of three Directors to fill Board vacancies
8. Scholarship Awards
9. Suggestions
10. Adjournment

Darbotvarkė

1. Susirinkimo atidarymas
2. Darbotvarkės tvirtinimas
3. 2022m. protokolo tvirtinimas
4. Ataskaitos ir pranešimai
    - Valdybos pirmininkas
    - Generalinis Direktorius
    - Audito Komitetas
    - Auditorius
5. Diskusijos dėl pranešimų
6. Auditorių tvirtinimas
7. Rinkimai
8. Stipendijų įteikimas
9. Pasiūlymai
10. Susirikimo uždarymas

Notes

- The 72nd Annual General Meeting will be held in-person with no ability for members to participate remotely.
- Copies of the 2023 audited financial statements, minutes from the 71st AGM, the Auditors report, and the Audit Committee report will be available for inspection during the meeting, at the credit unions’ branches, and electronically ten business days prior to the Annual General Meeting.

Community Impact | Pagalba Bendruomenei

Parama is a proud community-based, member-owned financial institution. We are proud to support and enrich the communities we serve. In 2023, Parama contributed $178,450 to further community initiatives in various areas. Parama continues to connect, support, and give back to member organizations so that together, we succeed in building a stronger community.

Donation Breakdown | Aukų Paskirstymas

$45,500	25.4%	Cultural Groups | Kultūrinės grupės
$40,500	22.7%	Youth | Jaunimas
$36,000	20.2%	Religious Groups | Religinės grupės
$22,950	12.9%	Education | Švietimas
$20,000	11.2%	Seniors | Senjorai
$13,600	7.6%	Sports | Sportas







2023 Scholarship Winners | 2023 m. Stipendijų Laimėtojai




Left to right | iš kairės į dešinę

Joris Meiklejohn
Nerija Gray
Aida Wilkialytė
Paulius Stasiulevičius




Džiugas Nausedas
Makana Malinauskas-McLean
Jacintha Dirmantaitė Groen in 't Woud
Aura Gabrytė

Message from the Chief Executive Officer and Board Chair

Tarmo Lõbu

To our valued members,

We are very pleased to report on another remarkable year capped by record financial performance and continued strides in evolving our business to remain abreast of evolving consumer and regulatory expectations.

Asset levels approached $570 million, a figure that would have been unheard of not that many years ago.

Pre-tax operating profits approached $9 million, enabling $6.4 million to be reinvested in the business after taxes and patronage distributions. Parama's retained earnings or net worth currently sits at $42.6 million, double what it was just five years ago. Parama's regulatory capital ended the year at a record high of 19.5% of risk weighted assets, a level which is expected to provide more than ample protection against major economic shocks and serve as a pillar for Parama's future growth.

While Parama's financial results were largely unaffected by the impact of recent increases in interest rates, these continue to work their way through the system creating further economic uncertainty from high levels of consumer debt and the sustainability of real estate markets. Parama is actively working with borrowers who are adversely impacted by recent rate increases; and remains highly vigilant over fallout from further economic weakness.

The industry in which we operate continues to undergo major change. Growing regulatory requirements necessitate a substantial resource commitment to develop the necessary platforms and processes to retrieve and report highly detailed instrument level information. Regulatory expectations for governance structures, multi-tiered risk frameworks and detailed documentation for procedures, policies and contingency arrangements continue to absorb a growing share of Parama's available resources.

At the same time, we continue to work towards improving convenience and access to banking services in an industry which is rapidly moving towards open banking and real-time payments in an online environment. The successful implementation of Two-Step Verification in 2023 represented a big step in making your online banking experience more secure. We look forward to introducing a revamped digital presence for Parama, which will include a new website, online banking platform, and mobile app. Our goal is to offer you a banking experience that is both more intuitive and convenient. The anticipated launch for these enhancements is set for early 2024. Considerable efforts are also being expended to upgrade the member journey to include among other things, a greater focus on advice-based services and improvements to the reach of our service offerings. Other 2023 accomplishments include the introduction of securitization capabilities to add much needed flexibility to the way that we fund our business.

True to our mantra of sharing our success, $320k of 2023 income is being distributed to members to reflect individual contributions to our financial performance. Parama continues to connect, support, and give back to member organizations so that together, we succeed in building a stronger community.

We strive to maintain what we believe represents a highly attractive value proposition by supplementing generous levels of community support with minimal fee levels along with industry leading deposit rates and highly competitive service levels, all of which led to Parama's being awarded the Readers' Choice Platinum Award for best credit union by readers of the Toronto Star. This would not have been possible without a highly competent and dedicated staff which come into work everyday to ensure the best possible banking experience for you. We cannot say enough to express our sincere appreciation for their highly conscientious efforts in prioritizing and exceeding your expectations.

Underpinning these efforts is our unwavering commitment to our members, the very reason for our existence. We consider it a privilege to serve you and work together in achieving your personal financial goals.

Tarmo Lõbu
Chief Executive Officer

Tomas Kuras
Board Chair

Tomas Kuras

Generalinio Direktoriaus ir Valdybos Pirmininko Pranešimas

Brangūs nariai,

Džiaugiamės galėdami su Jumis pasidalinti išskirtiniais praėjusių metų „Paramos“ pasiekimais. Mūsų tikslas siekti finansinio stabilumo, naujoviškų paslaugų ir bendruomenės palaikymo, padėjo užtikrinti puikų augimą bei sulaukti pripažinimo. Esame labai dėkingi mūsų darbuotojams, kurių atsidavimas yra nepaprastai svarbūs siekiant „Paramos“ sėkmės.

Finansine prasme „Parama“ pasiekė kelis itin reikšmingus rodiklius. Aktyvų kiekis išaugo iki 570 mln. dolerių, ikimokestinis pelnas priartėjo prie 9 mln. dolerių, o nepaskirstytos pajamos per vos penkerius metus padvigubėjo iki 43 mln. dol. Pagal įvertinto turto riziką, mūsų reguliuojamas kapitalas pasiekė rekordinę 19.5% aukštumą. Taip buvo sukurtas solidus pagrindas augti ateityje, siekiant apsisaugoti nuo ekonominių sukrėtimų.

Nepaisant nepageidaujamų ekonominių padarinių, kuriuos sukėlė padidėjusios palūkanų normos, „Paramos“ finansiniai rezultatai išliko džiuginantys. Aktyviai bendradarbiaujame su paskolų gavėjais spręsdami skolų tvarkymo iššūkius ir prisitaikome prie šios srities permainų, tarp kurių – vis griežtesni reglamentavimo reikalavimai bei finansinių paslaugų skaitmeninė transformacija.

Mūsų įsipareigojimas dalyvauti bendruomenės gyvenime yra akivaizdus. Apie 320 tūkst. dolerių padalinome nariams. Dosniai parėmėme ir suteikėme pagalbą organizacijoms. Palaikome tą patį konkurencingą aptarnavimo lygį: išlaikome minimalias kainas, pirmaujame šioje srityje su palūkanomis. Tai patvirtina 2023 metais paskirtas „Readers‘ Choice“ platininis apdovanojimas geriausiai kredito unijai.

Kalbant apie ateitį, baigiame kurti naują skaitmeninę „Paramos“ aplinką – atnaujintą interneto svetainę, internetinės bankininkystės platformą, mobiliąją programėlę. Tai darome siekdami Jums suteikti patogesnę ir lengviau suprantamą bankininkystę. Taip pat stengimės patobulinti bankininkystės procesą savo nariams, susitelkdami į konsultacijomis pagrįstas paslaugas, plečiame mūsų paslaugų pasiekiamumą bei patrauklumą.

Užbaigdami norėtume pasakyti, kad mūsų atsidavimas Jums, nariai, ir toliau išlieka tvirtas. Laikome garbe Jums patarnauti ir bendradarbiauti, siekiant Jūsų asmeninių finansinių tikslų. Dėkojame, kad esate „Paramos“ bendruomenėje.

Tarmo Lõbu	**Tomas Kuras**
Generalinis Direktorius	**Valdybos Pirmininkas**

Board of Directors | Direktorių Valdyba

Tomas Kuras	Chair | Pirmininkas
Janė Macijauskas	Vice-Chair | Vicepirmininkė
Monika Spudas	Audit Committee Chair | Audito Komiteto Pirmininkė
Edmundas Pamataitis	Audit Committee Vice-Chair | Audito Komiteto Vicepirmininkas
Kristina Povilaitis	Audit Committee Member | Audito Komiteto Narė
Adomas Grybas	Audit Committee Member | Audito Komiteto Naris
Ramona Kaminskas	Secretary | Sekretorė
Audrius Vaidila	Director | Direktorius
Rimas Kružikas	Director | Direktorius

Financial Report | Finansinė Ataskaita

Statement of Comprehensive Income | 2023m. Pajamų Ataskaita

For the year ended December 31,	*2023*	*2022*
Interest Income		
Loans receivable	**31,721,578**	21,045,756
Investments	**1,488,901**	577,251
	33,210,479	21,623,007
Interest Expense		
Member deposits	**16,960,844**	8,808,304
Other	**1,173,806**	202,080
	18,134,650	9,010,384
Net Interest Income	**15,075,829**	12,612,623
Provision for loan losses, net	**600,000**	177,495
Net interest income after provision for loan losses	**14,475,829**	12,435,128
Other income	**707,719**	824,723
Net interest and other income	**15,183,548**	13,259,851
Operating Expenses		
Salaries and benefits	**3,467,449**	2,997,532
Administrative expenses	**1,738,201**	1,698,441
Insurance	**473,839**	470,470
Advertising and promotion	**259,163**	287,547
Depreciation	**288,073**	255,786
	6,226,725	5,709,776
Income before distribution and income taxes	**8,956,823**	7,550,075
Distribution to Members	**(319,776)**	(258,692)
Income before income taxes	**8,637,047**	7,291,383
Income Taxes		
Current	**2,457,580**	1,657,840
Deferred	**(252,175)**	(24,210)
	2,205,405	1,633,630
Net Income	**6,431,642**	5,657,753
Other comprehensive income (loss)		
Unrealized gain (loss) on fixed income investments	**428,180**	(421,454)
Total Comprehensive Income	**6,859,822**	5,236,299

Financial Report | Finansinė Ataskaita

Statement of Financial Position | Finansinės Padėties Ataskaita

As at December 31,	*2023*	*2022*
Assets		
Cash	**15,656,106**	17,342,157
Investments	**28,960,387**	27,717,072
Loans receivable	**516,545,196**	455,855,454
Other assets	**4,495,168**	3,559,119
Property and equipment	**4,156,646**	4,333,447
	569,813,503	508,807,249
Liabilities		
Member deposits	**471,975,486**	466,021,839
Other liabilities	**10,426,922**	6,841,735
Securitization liabilities	**44,599,063**	-
Membership shares	**252,760**	244,225
	527,254,231	473,107,799
Members' Equity		
Retained earnings	**42,632,866**	36,201,224
Accumulated other comprehensive loss	**(73,594)**	(501,774)
	42,559,272	35,699,450
	569,813,503	508,807,249

Disclosure Regarding the Reasonableness of Director and Senior Management Remuneration

The Credit Union maintains and conducts annual reviews of programs, policies and procedures governing director and senior management remuneration to ensure the continued ability to attract, retain and motivate highly qualified professionals.

Policies governing senior management compensation are developed and maintained by the Board and include participation in group benefit plans, matching RRSP contributions, eligibility for preferred terms on credit union products and a variable component to recognize performance against strategic targets. Ongoing participation in industry surveys enables the credit union to align senior management compensation programs and levels to benchmarks for credit unions of similar size, taking into account market expectations and projections.

Directors receive fixed honorariums which align to the levels of responsibilities associated with their respective board positions. They also benefit from preferential pricing on credit union products and services akin to what is extended to full time staff. Board remuneration arrangements are developed and maintained by the Governance Committee and are periodically benchmarked against compensation programs and levels offered by credit unions of equivalent size.

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