



2020 ANNUAL REVIEW

Friendly, No-Fee Everyday Banking



Message from the Board

PARAMA Credit Union announced a new Board Chair early in 2021. Tomas Kuras, a Director since 2010, succeeds Rita Urbonavičius who served as Chair for 10 years. Recognizing this transition, we are providing messages from our former and present Chairs:

Dear Members, it is my hope that this letter finds you and your families well.

As the newly appointed Chair of PARAMA Credit Union's board, I am excited by the opportunity and ready for the responsibility. We have enjoyed strong board leadership with Rita Urbonavičius as Chair. She ensured PARAMA acted in the best interests of all stakeholders as we navigated a decade of considerable growth and regulatory change. We are fortunate and pleased she will continue to bring her extensive insights and experience to PARAMA's board as a director.

Since first being elected a director in 2010, I have learned that a credit union is more than a financial institution. It has a strong role to play in communities -- a role we take very seriously. As your new board Chair, I want to continue to ensure the voices of our Membership are heard. I invite you to share your thoughts and concerns with me and the board as we strive to offer the best quality of service and remain pillars of our Lithuanian community.

PARAMA continues to be a strong, safe and growing financial institution. I encourage those members seeking to help fuel this growth to apply to join our dynamic workforce or Board of Directors. We would love to have you be part of our journey!

Finally, I can't thank our wonderful staff enough for their hard work and dedication to PARAMA, this past year especially. We are lucky to have all of you part of the team!

Tomas Kuras
PARAMA Credit Union
Board Chair



Tomas Kuras
Board Chair

**"I invite you to share your thoughts and concerns
with me and the board as we strive to offer the
best quality of service"**

Tomas Kuras

It has been an honour serving as PARAMA's Board Chair. I am confident I am leaving my role as Chair at a time that PARAMA has a highly capable and dedicated Board to guide PARAMA and uphold good governance and oversight. Interacting with the community is a source of great enjoyment for me; as a director, I am looking forward to putting my energy towards growing our support of the Lithuanian community here in Ontario.

2020 was a year of significant community support and investment for PARAMA.

COVID-19 has brought hardship to all of us, including the clubs and organizations that bring us all together. I am proud to say that we stepped up, donating \$100,000 to those groups we felt needed help to offset the financial hardship of COVID-19. This is in addition to our regular donations to community organizations that assist those in need as well as the arts, cultural and sports events.

Over the course of the summer, PARAMA renovated our

flagship branch with improvements made in technology, functionality and accessibility. Investments made in our technological infrastructure, notably our new banking system, will provide the framework by which to offer new tools and services to our members. Both investments had you, our members, top of mind.

We wish you a very happy 2021 and thank you for your support. We hope you enjoy the annual report.

Rita Urbonavičius
PARAMA Credit Union
Board Chair from 2009 to 2021



**Rita
Urbonavičius**
Board Chair
(2009 to 2021)

**“I am looking forward to putting my energy
towards growing our support of the Lithuanian
community here in Ontario”**

Rita Urbonavičius



Message from the CEO

Going into 2020, a major systems conversion and a complete retrofit of our main branch promised to make the year one of the most challenging in PARAMA's history. What we didn't know at the time was that a global pandemic would raise its head and affect all of our best laid plans.

Thanks to a lot of extra efforts from our staff and notwithstanding a series of COVID driven delays, we managed to accomplish all we had set out to, while continuing to achieve solid growth in all areas of our business. These feats would not have been possible without the benefit of your patience and understanding, for which we remain extremely grateful.

COVID-induced delays and complexities created unique challenges as we moved to a new banking system; an initiative which involved considerable sacrifices on the part of staff and members alike. In our judgement the new system positions us well to address upcoming changes in the delivery of financial services and continues to evolve as a go-to for Canadian credit unions. Since going live in early October, we continue to streamline and improve business processes as we continue to strive to enhance the overall member experience. With the new system in place, we are once again positioned to move forward with improvements to our digital interface; some of which are targeted for launch in the latter part of 2021.

I am also very pleased that the refurbishment of our main branch has been positively received by members. The results combine a fresh, clean look with significant improvements in the utilization of space. We look forward to a sharing as rejuvenated branch experience in a post pandemic environment.

And yes, there was also COVID. We consider ourselves very fortunate to be in a position to assist members and com-

munity organizations in navigating these difficult times; be it through the provision of CEBA loans to businesses, payment deferrals for borrowers or extra support for organizations. These special initiatives serve to reinforce our role as a pillar of community support, be it through our highly competitive and friendly service offerings, career opportunities, and various forms of financial and community support. We continue to reward borrower and savers with interest rebates and bonus interest on qualifying interest payments.

PARAMA is fortunate to benefit from highly engaged staff, who consistently strive to place members first. Their diligence and dedication came through in spades in 2020, as everyone stepped up to prioritize member services while simultaneously juggling conversion and pandemic related challenges.

Last but not least, I can't say enough how thankful I am for your patience and understanding over the course of a highly unusual year. We remain grateful for the high level of confidence and trust which you place in PARAMA and look forward to continuing to serve you going forward.

Tarmo Lõbu
Chief Executive Officer



Tarmo Lõbu
Chief Executive
Officer

"I enjoy the relationships we build with our members and being able to help them with any kind of financial need."

Nijole Lewington, Operations Manager



Financial Highlights: December 2020

Assets

2020 \$419 M
2019 \$382 M

↑ **9.5%**

Income (before taxes & distributions)

2020 \$2.4 M
2019 \$3.6 M

↓ **34%**

Loans and Mortgages

2020 \$379 M
2019 \$347 M

↑ **9%**

Deposits

2020 \$388 M
2019 \$336 M

↑ **15%**

Retained Earnings

2020 \$26.3 M
2019 \$24.4 M

↑ **8%**

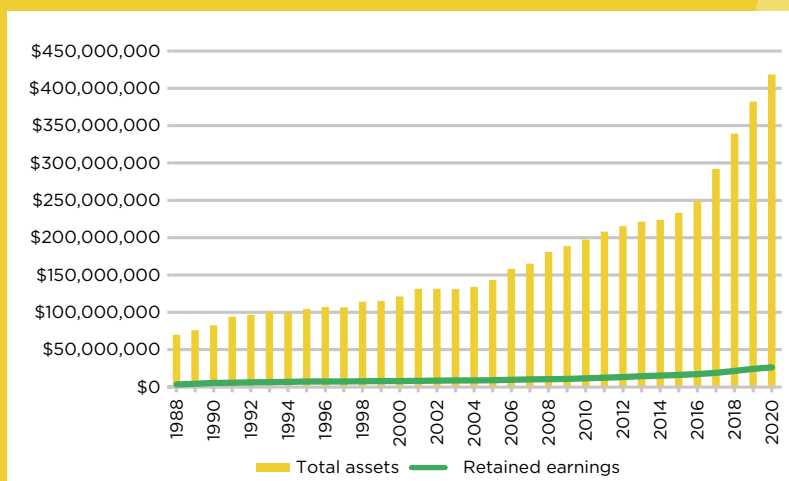
Asset levels broke the \$400 million barrier, ending the year at \$419million, up \$36 million from 2019 (chart 1). Deposits grew by a very healthy \$52million (15.3%) as investors were drawn by PARAMA's highly competitive rates. Loan levels increased by just over 9.3% ending the year at \$381 million before loan loss allowance.

Not surprisingly, operating profits were affected by both the pandemic and systems conversion. The onset of the pandemic prompted the Bank of Canada to reduce interest rates to historical lows which had a very significant affect on interest margins and bottom line. COVID related concerns led to the decision to substantially increase

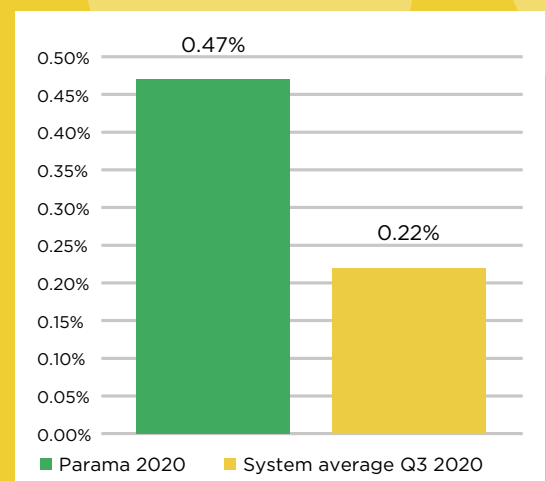
PARAMA's loan loss provisions which involved a corresponding charge to income. Additional resource costs to support the systems conversion also had a notable impact on 2020 operating profits.

Notwithstanding, PARAMA still managed to eke out a profit of \$2.4 million before patronage payouts and taxes. While down from previous years, profitability levels remain more than twice the average for Ontario's credit unions, when expressed in terms of assets and capital (chart 2). After payouts and taxes, PARAMA was still able to reinvest \$1.9 million into its business at a time when capital levels continue to take on greater importance for all financial institutions.

Total Assets & Retained Earnings



Return on Assets

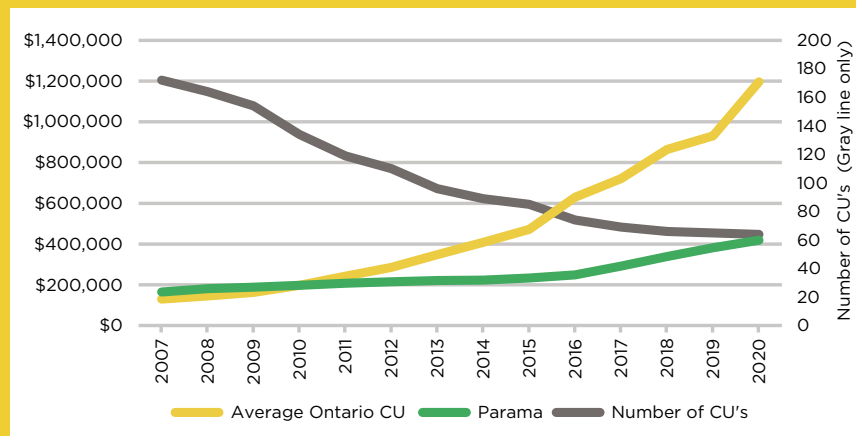


Parama Credit Union Limited

Statement of Financial Position

<i>As at December 31,</i>	2020	2019
Assets		
Cash	6,047,011	4,624,652
Investments	26,683,705	24,601,989
Member loans	379,343,945	347,451,011
Other assets	2,153,194	1,660,526
Property and equipment	4,464,842	3,881,340
	418,692,697	382,219,518
Liabilities		
Member deposits	388,176,853	336,644,369
Demand loans payable	-	17,000,000
Other liabilities	3,986,997	3,942,441
Member shares	230,425	224,990
	392,394,275	357,811,800
Members' Equity		
Retained earnings	26,298,422	24,407,718
	418,692,697	382,219,518

Credit Union Consolidation



In the chart Total Assets & Credit Union Consolidation we see the continued consolidation of Ontario Credit Unions, resulting in fewer credit unions holding more assets. The advantages include economies of scale as relate to operations and technology. The disadvantages can be the loss

of personalized service. PARAMA's dedication to providing personalized service while investing in technology to continually improve digital access is the value proposition we hope to continue to offer our Members in an industry that is continually changing.

Parama Credit Union Limited

Statement of Comprehensive Income

<i>For the year ended December 31,</i>	2020	2019
Interest income		
Member loans	14,031,510	13,644,317
Investments	364,738	559,521
	14,396,248	14,203,838
Interest expense		
Member deposits	6,979,664	6,775,594
Other	106,825	78,026
	7,086,489	6,853,620
Net interest income	7,309,759	7,350,218
Provision for loan losses	435,000	243,078
Net interest income after provision for loan losses	6,874,759	7,107,140
Other income	529,120	526,192
Net interest and other income	7,403,879	7,633,332
Operating expenses		
Salaries and benefits	2,488,761	1,986,509
Administrative expenses	1,662,056	1,200,739
Insurance	483,108	456,075
Advertising and promotion	166,212	155,521
Depreciation	198,868	206,494
	4,999,005	4,005,338
Income before distribution and taxes	2,404,874	3,627,994
Distribution to members	178,507	182,648
Income before income taxes	2,226,367	3,445,346
Income taxes		
Current	426,218	432,842
Deferred	(90,555)	67,628
	335,663	500,470
Net income	1,890,704	2,944,876

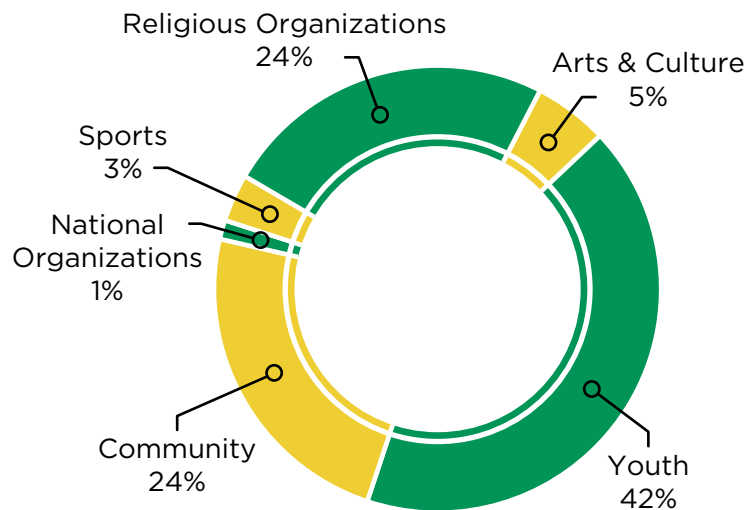
Community Engagement & Impact

2020 was a year of significant community support and investment for PARAMA.

The goal of PARAMA's Giving Program is to help those in need or to enrich our community in the arts, culture and sports.

But this year we felt more was needed as COVID-19 brought a level of hardship to community organizations. We donated a further \$100,000 to help community organizations facing increased costs due to the pandemic or a reduction in membership fees or donations. By so doing, our intention is to help preserve clubs and organizations that aid the needy and bring us all together.

Here's a look at PARAMA's 2020 Giving Program:



We are Proud to Support

Anapolis / Kankiniu Parapija

Lithuanian Resurrection Parish / Prisikelimo Parapija

Anapolis Sports Club

Camp Kretinga

Canadian Lithuanian Boys & Girls Scouts

Canadian Lithuanian Community Association

Dainos Choras

Gintaras Folk Ensemble

Gintareliai

Jungtis

Labdara Nursing Home

Lithuanian Canadian Foundation

Lithuanian Museum-Archyves

Lithuanian Sea Scouts/Juru Skautai

Maironis Lithuanian Heritage School

Resurrection Children's Choir

Romuva - Scout Camp

Sport Club Ausra

Teviskes Ziburiai Community Newspaper

Toronto Klevo Lapai

Toronto Lithuanian Golf club

Toronto Lithuanian Scouts

Volunge Choir

COVID Relief Initiative



"We are very thankful for Parama's COVID support. It has been a challenging year as we try to continue our program virtually. Parama's donation will help us get through these difficult and unprecedented times and ensure that Toronto Maironio Mokykla continues to be a part of the Lithuanian community for many years to come. This donation was appreciated by our school community: students, parents, teachers and volunteers. Ačiū, Ačiū, Ačiū!"
Toronto Lithuanian School



"Dėkojame už Jūsų auką Priskelimo parapijai. Užklupus COVID-19 ir žmonėms negalint lankytis bažnyčioje labai sumažėjo aukos. Todėl esame LABAI DĖKINGI už Jūsų auką."
Resurrection Church



"Thank you to Parama for their generous donation to Labdara during this challenging pandemic. These funds will help assist in keeping our residents, families and staff stay safe during these unprecedented times. It is thanks to these community supports that Labdara is able to thrive and provide such wonderful care to our residents. Thank you for your continued support. Ačiū labia."
Labdara Lithuanian Nursing Home



"Parama Credit Union has been a generous ongoing supporter of Camp Romuva and we are especially grateful for the increased support during the pandemic. Camp Romuva has instilled and nurtured Lithuanian and scouting values and traditions in thousands of our youth. This increased support will allow Romuva to maintain and improve the property for our campers as we await the opportunity to reopen safely. On behalf of our boy and girl scouts, our leaders, and many volunteers, we thank Parama Credit Union for their generous support through these challenging times."
Rimas (Ray) Sriubiskis, Romuva Scouts Camp

2019/2020 PARAMA Scholarship Award Winners



From left to right: Konrad Samsel, Tomas Kuras, Gabriella DeFina, Aras Janeliunas. Not shown: Julija Degutis, Adrija Cygas, Christian Pavilanis, Rebecca Coleman.



"It's like a gift from heaven! Ačiū Parama!"
Father Ed, Camp Kretinga

Board of Directors

Tomas Kuras	(2023)	Chair
Rita Urbonavičius	(2021)	Chair (2009 to 2021)
Janė Macijauskas	(2021)	Vice-Chair
Monika Spudas	(2023)	Audit Committee Chair
Audrius Vaidila	(2021)	Audit Committee Member
Edmundas (Ed) Pamataitis	(2023)	Audit Committee Member
Rimas Kružikas	(2022)	Board Secretary



Our Friendly Branch Staff



1573 Bloor St. West



2975 Bloor St. West

"... Please accept my gratitude for all you are doing, providing an essential service. You all have been so kind and supportive regarding all my requests. Stay safe. Your work is valued by me."

Irena D. Yelovich, Member since 1994

Agenda

PARAMA Credit Union

69th Annual General Meeting (Virtual) - March 23, 2021

1. Call to Order

2. By-law Amendment:

- a. Introduce the ability to conduct membership meetings through digital platforms, teleconferencing or other electronic means ¹

3. Approval of Agenda

4. Approval of Minutes from 2020 AGM

5. Reports from:

- a. Chair
- b. Chief Executive Officer
- c. Audit Committee
- d. Auditor

6. Discussion of Reports

7. Appointment of Auditors

8. Elections

- a. Election of three directors to fill three board vacancies arising from expiring terms

9. Scholarship Awards


10. Suggestions

11. Adjournment

Notes:

- Registration prior to March 21st is required. Members who require assistance with registration, or who have completed the registration but have not received an email with registration confirmation and log-in information by March 21st are encouraged to contact the credit union by telephone at 416-532-8723 or email agm@paramac.ca.
- Copies of the 2020 audited financial statements, reports of the Audit Committee and the Auditor, minutes from the 2020 AGM and copies of the By-law resolution will be available for inspection during the meeting and in the absence of public health restrictions, at the offices of the credit union 10 days prior to the AGM.

¹ Health risks and public health guidelines associated with the current pandemic render it unfeasible to conduct a meeting of members in a public setting. Current technology enables member meetings to be held using digital platforms, teleconferencing and other electronic means, and eliminates many of the concerns which prevailed at the time Parama's current by-law restrictions on membership meetings "held by telephonic or electronic means" were originally introduced. By providing for the use of digital platforms, Parama will continue to be positioned to comply with all regulatory and governance requirements under circumstances where physical meetings of members may not be practical.



Thank you so much for the service you have provided to me these past years. The Credit Union was there for me at a time when I needed it - when I couldn't get a mortgage elsewhere after my divorce. Thank you for helping me get back on my feet.

Robin, Member since 2017

PARAMA's 2020 68th Annual General Meeting



Left to right: Edmundas (Ed) Pamataitis, Monika Spudas, Audrius Vaidila, Janė Macijauskas, Tomas Kuras, Rimas Kružikas.
Not in photo: Rita Urbonavičius.



Address by CEO, Tarmo Lõbu



Address by CEO, Tarmo Lõbu



Members Vida Stanevicius (left) and Maria Mikelenas-McLoughlin (right)



Members voting



Member Services Representatives Aneta (left) and Kris DJ (right)



CEO Tarmo Lobu (left), Antero Elo, CEO Finnish Credit Union (centre), Bawani Thayalan, General Manager Finnish Credit Union (right)

"... I hope that all the staff at PARAMA will be all right (during COVID lockdown). I know that all of you have continued to do your work with the continued risk to your own health in this very unusual time. All the best and stay well. You have always been there for your members. Take care."

Dainius Abromaitis, Member since 1980



Parama Credit Union

Kingsway Branch

2975 Bloor Street West,
Etobicoke, ON M8X 1C1
(416) 207-9239

Roncesvalles Branch

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Toronto, ON M6P 1A6
(416) 532-1149

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