

The year that was:
laying the groundwork

Vancity
Make Good Money.™

Introduction

In 2016, we shared *Accelerating Impact*, our plan for achieving transformational growth with impact by 2020. The plan is built on two simple questions: What is the size of the member and community need in our region, and what role can Vancity play in supporting members to build healthy communities?

Rather than focusing on existing markets, we answered this question by looking to the future and to the emerging needs of our members and communities. The result is our boldest plan yet – one that speaks to the needs of the real economy.

Looking to 2020, we see Vancity's total assets growing to \$40 billion from \$25.6 billion with 50% of total assets allocated to impact. We also see Vancity's membership growing in the same period to 600,000 members from 523,000 members.

While market conditions have changed, our goals have not. If anything, the uncertainty created by the shifting geo-political and economic environments reinforces the relevance of the issues Vancity is striving to address: creating and sustaining communities built on financial inclusion, social equity, and environmental sustainability.

In June we will deliver a refreshed 2020-2017 Business Plan to our Board, one that reflects our learnings in 2016, builds on our innovation and most importantly, meets the needs of our members and the communities in which they live and work.

In the meantime, the following document sets out the progress we have made towards the goals we set, and the lessons that will inform our work as we develop a refreshed plan.

Our banking system replacement: lessons learned

To set the stage for the future, we spent much of 2016 implementing a new banking system to give us greater capacity to meet members' needs now and well into the future. We took some initial steps to redesign the way we work, bringing employees from around the organization together to delve deeper into the issues facing the real economy. We also served our members and communities through unprecedented market conditions.

Through this we learned and developed. While the implementation of our banking system fully met the technical and regulatory objectives, we fell short with many members when it came to their expectations in terms of usability, design and communication. We learned that members' perspectives cannot just drive our innovation and strategic direction, but also need to be at the core of everything we do, including – and perhaps especially – when we roll out new digital and technical services.

The year ahead: accelerating impact

In addition to meeting our members' daily banking needs, we see opportunity in wealth management and small business and we will continue to build out innovative solutions consistent with our vision and values.

We are actively exploring and designing services and advice related to how Vancity can meet the needs of our members and communities. We don't expect that every exploration will result in a positive outcome; however, the more we understand about the needs of the real economy and the opportunities that exist, the more we will understand where the levers are that will allow us to achieve the scale our vision requires.

2017 priorities

These key priorities will allow us to accelerate the pace of our transformation by the end of the year:

Completing the implementation of our banking system

Part of our focus for 2017 is ensuring that our new banking system (T24) is integrated in the work we do, and that it offers a positive experience for our members as they access our services. Most importantly, we intend to learn from our mistakes and consult more frequently with our members about products, programs and system changes that affect their experience with Vancity.

Bridging the digital divide

We live in a digital world, and this informs what our members expect and want, and increasingly what the market demands. At the same time, there is a growing digital divide in terms of both access to the digital world – where vital information and opportunities are increasingly migrating – as well as the knowledge and 'digital literacy' to engage in that world in ways that are productive and secure. How can we best take advantage of technology to advance member service and stay true to the values that define our credit union? In consultation with members, we're examining many innovative opportunities to pursue the evolution to greater digital integration and deliver solutions that offer greater impact and benefit for our members and communities.

Explorer network

Last year we brought together employees from across the organization, to delve into issues facing the real economy and identify opportunities where we can best accelerate impact. Consistent with our business model – member-led innovation – explorer teams focused on what is happening in the lives of our members and their communities. In 2017, we're building on this work, with new opportunities for employees to convene and identify opportunities that will accelerate impact and support members and communities.

Impact investing

We have significant strength in socially responsible investing. We are known throughout Canada for our analysis and expertise – and even more importantly, for our strong track record of returns.

We have identified a number of opportunities to build impact investment solutions that create more wealth management opportunities for members beyond publicly traded solutions. We believe this is an important way for us to build on our vision of delivering impact and redefining wealth.

Meaningful reconciliation

Last year, Vancity declared its commitment to the Truth and Reconciliation Commission of Canada's Call to Action for the corporate sector, alongside its Canadian partners in the Global Alliance for Banking on Values, Affinity Credit Union (Saskatchewan) and Assiniboine Credit Union (Manitoba). Responding to the Call to Action includes:

- Committing to meaningful consultation, building respectful relationships, and obtaining the free, prior, and informed consent of Indigenous peoples before proceeding with economic development projects.
- Ensuring that Aboriginal peoples have equitable access to jobs, training, and education opportunities in the corporate sector, and that Aboriginal communities gain long-term sustainable benefits from economic development projects.
- Providing education for management and staff on the history of Aboriginal peoples, including the history and legacy of residential schools, the *UN Declaration on the Rights of Indigenous Peoples*, *Treaties and Aboriginal rights*, *Indigenous law*, and *Aboriginal-Crown relations*. This will require skills-based training in intercultural competency, conflict resolution, human rights, and anti-racism.

Vancity also committed to embedding reconciliation as a core value, complementing our existing values of innovation, integrity and responsibility, and amplifying our work to build healthy communities.

In 2017, we will bring these commitments to life, starting with a plan to help the organization expand our collective understanding of reconciliation and what it means in our daily work.

Conclusion

Our 2020:2016 Plan broke with tradition; rather than working from the inside out, we began looking outside first to understand what we need to do. The result is a much bolder vision of the future – a vision of transformational growth with 50% of our assets allocated to impact by 2020.

We saw 2016 as a transitional year. In 2017, our attention turns to completing the implementation of our banking system while activating the resources of our credit union more fully in service of growth with impact. We expect to grow our membership as a result of addressing the growing digital divide. We don't expect this work to begin producing outcomes right away, but as it gains momentum among our retail and business members, we believe that growth will follow. We also see untapped opportunity in small business and impact investing that can deliver results in the short-term.