Finding a Way to Do the Deal

Jackson Reddin of Provincial Credit Union on how a credit union differs from a bank, what makes a strong loan application, and why business owners should talk to their lender early.

Jackson Reddin

Regional Manager, Business Services, Provincial Credit Union

Adapted from an interview with Jackson Reddin, Regional Manager, Business Services at Provincial Credit Union, by Bianca McGregor, CEO of the Greater Charlottetown Area Chamber of Commerce, at Speakers Corner at Confederation Court Mall on October 21, 2026.

What makes a credit union different from a bank?

Credit unions are provincially based, so a credit union in PEI is a wholly different business from one in Ontario. We are smaller than the big banks, which makes us more attuned to small, local businesses. That is our niche, although we can serve larger businesses too.

The main difference is ownership. A credit union is owned by its members, the people who have accounts with us, so they are effectively the shareholders. We are a cooperative, but we are still a for-profit business. A bank's shareholders want the biggest monetary return. Ours see their return when members succeed, so it is in our interest to give the right advice and the right products. We are not pushing targets for the sake of targets.

What do you offer small businesses that they might not know about?

The old misconception is that credit unions only deal with small accounts, farmers and fishers. In fact, almost anything a bank offers, you can get at a credit union: operating accounts, savings accounts, operating lines of credit, term loans for equipment, and mortgages for property.

It is also not just about the loan. There is payroll, business credit cards, treasury services and pre-authorized payments. A quarter point off a loan rate matters, but being able to collect your receivables faster can matter just as much. Cash flow is everything for a small business and we provide advice on all of the above.

Island small businesses are among the most confident in Canada, yet nationally 45% plan to borrow for operating needs, versus 8% to buy or expand. What are you seeing?

Islanders have always been optimistic, and we punch above our weight in entrepreneurship, so the confidence does not surprise me. Agriculture is exposed to weather issues, and there are real challenges in the oyster industry. Yet the people I talk to are still optimistic. One oyster grower I know

dumped out a million empty shells with no oysters in them, and he is still going to work, finding seed and moving his cages around, because the business is his.

The same goes for a farm client who has had two bad crop years, higher fuel and fertilizer costs and the threat of tariffs and counter tariffs affecting supply chains on top of everything else. They came in almost energized about how they had trimmed their costs. We knew the last two years were poor on PEI, we heard their plan, and we were able to support them through a hard year. A credit union's strength is the industry knowledge across our branches and the ability to be creative about how we structure a deal.

On the borrowing statistic, I wish there were a third category. Borrowing for day-to-day operations is not necessarily bad. If your business is growing, you carry more inventory and your working capital takes a hit. The question is whether you are borrowing to fund growth or to fund losses.

What holds Islanders back, and what makes an application strong?

We look at the same things over and over: management quality, security coverage and cash flow. If I had to name two, it would be cash flow and security. Can you generate enough cash to make the payments, and if not, is the lender protected? Credit unions are mainly security lenders, so you are not likely to get a half-million-dollar loan for startup costs on projections alone. That is not the game we are in, given our size. We still do startups and leasehold improvements, but we have to be creative.

We also say we are not lending to a building. If someone wants to buy an 18-unit rental property, we are looking at the person behind it: their experience and their skills. For a new business we want a business plan and projections. We will downcase your projections anyway, so we need confidence that management can hit them even after we do. After a couple of years we look at your financials, but if you are putting up a million-dollar building, the history may not be enough, so we come back to the projections, the story and the team.

Do you have an ideal business customer?

No. We finance just about anything. Our portfolio is concentrated in saltwater fisheries, residential and commercial real estate, some farming, tourism and construction. If you are a Chamber member looking to start a business, we want to help. Sometimes that means honest feedback. I might say that the numbers on a particular tourism property look light, and then help you adjust so you can bring us a plan we can support. It all comes back to finding a way to do the deal.

How does the credit union support nonprofits and communities?

Our rates for nonprofits are competitive, and we have operating account fees tailored to make them more affordable. We have also pledged to spend a percentage of our operating income supporting the communities we serve. We have 10 branches across PEI, some urban and some rural, and we try to give back fairly equally to each community, through schools, foundations and the Community Foundation, among others.

Is there anything else you would like to add?

Don't ever feel you cannot socialize a business idea or a set of projections. Reach out to your banker, or to someone at the credit union, and say, "I want to start this business, I have these numbers and I am not sure where to go from here." We help people tailor business plans and financial projections. I

recently spent about 40 minutes after hours on the phone with a member who is very strong on the business side but less so on the banking side, going through insurance policies from a lender's point of view. That is not in the job description, but it is what we do to help a member.

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