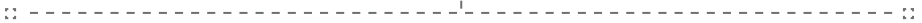
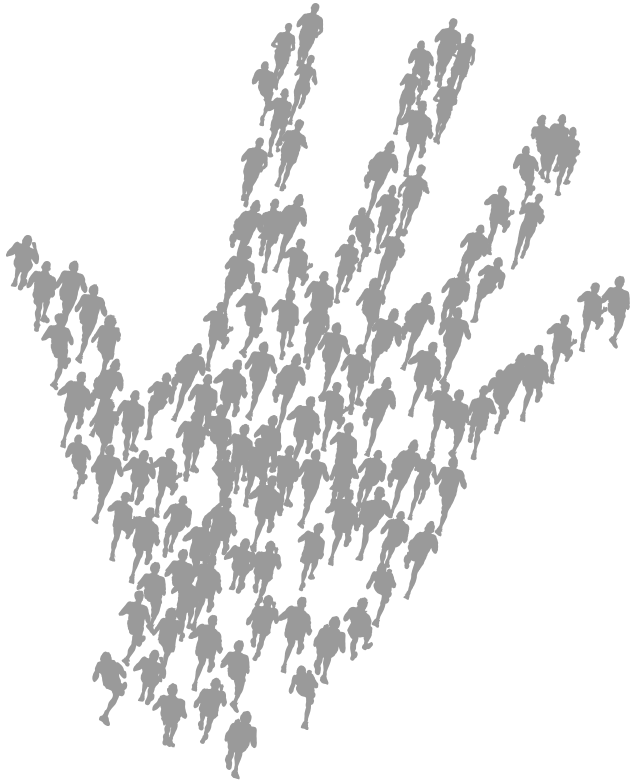


Community Savings™
the unions' credit union

2008 ANNUAL REPORT

LENDING A HELPING HAND





As a credit union, we are committed to lending our members
a helping hand through these difficult economic times.



my credit union

- gives me strength
- embraces my uniqueness
- has my best interest in mind





my credit union

- nurtures my dreams
- puts my family before profits
- understands why I work so hard



⋮ ----- ⋮

While many banks tightened their lending, we worked hard to ensure that our members had access to the funds they needed.



my credit union

- ☑ treats me with respect
- ☑ supports my ambition
- ☑ helps protect my family's future

RESPECT





A helping hand

During times of economic instability and job uncertainty there is one symbol that stands tall to remind us of who we are and of our purpose. It features a pair of open hands embracing and protecting a family on a global backdrop and is recognized worldwide as a symbol of belonging, cooperation, unity, strength and security. The international symbol for credit unions is a symbol upon which we were founded back in 1944 and one that means more now than ever.

This symbol also serves to remind us that membership is all about belonging to a community with shared values, ideals and beliefs. It gives meaning to the adage “there is safety in numbers” because together, we gain the strength of many. This is what has kept Community Savings and its membership strong and vibrant since its conception – regardless of the economy.

People helping People

In 2008, our founding members’ original concept of serving people neglected by the big banks took on a new level of importance. As the global recession took hold, our cooperative approach empowered us to lend a helping hand to our members at a time when they needed us the most. When other financial institutions were tempted by quick profits and questionable lending

and investment practices, your credit union remained steadfast and true to its principles and philosophy of “people helping people”. And when the world-wide credit crunch caused many banks to tighten their lending, we made sure that our members had access to loans and mortgages. In fact, the credit union’s lending increased 18% over last year’s numbers – while maintaining low delinquency rates relative to other credit unions.

Overall, our results last year were impacted by declining interest rates, which saw the credit union’s Prime Rate decline 150 basis points to 4.75% by year end. As a result, our net earnings decreased slightly to \$0.9 million for the year ended September 30, 2008. Retained earnings grew 7% while financial margin increased by 2.0%. Operating expenses were kept in check during the year and increased only by 1.6%. In addition, other income increased by 2.5%, roughly in line with inflation.

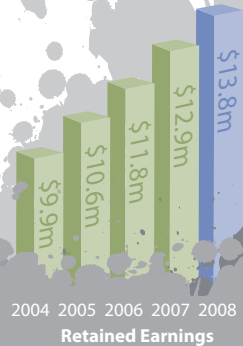
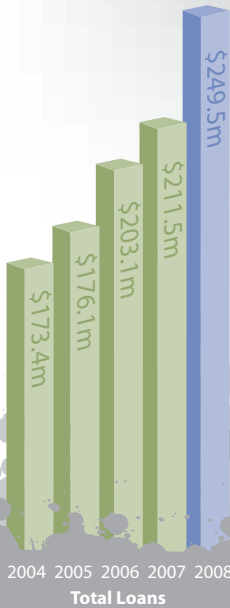
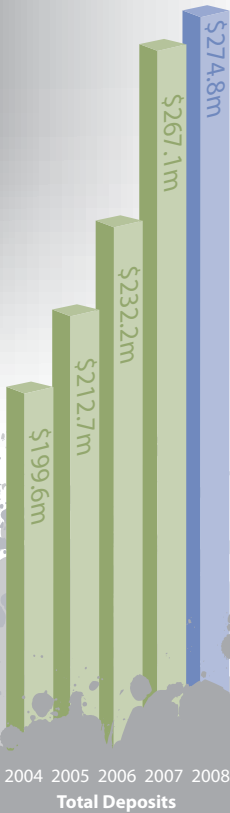
Members helping Members

One of the main reasons for our success is the incredible support we receive each year from the unions and their rank and file. Their unwavering dedication and commitment to our cause to “put the union back into credit union” allowed us to grow our union portfolio by an impressive 21%. This increased total deposits by \$7.8 million (2.9%) which helped us meet our members’ demands for loans.

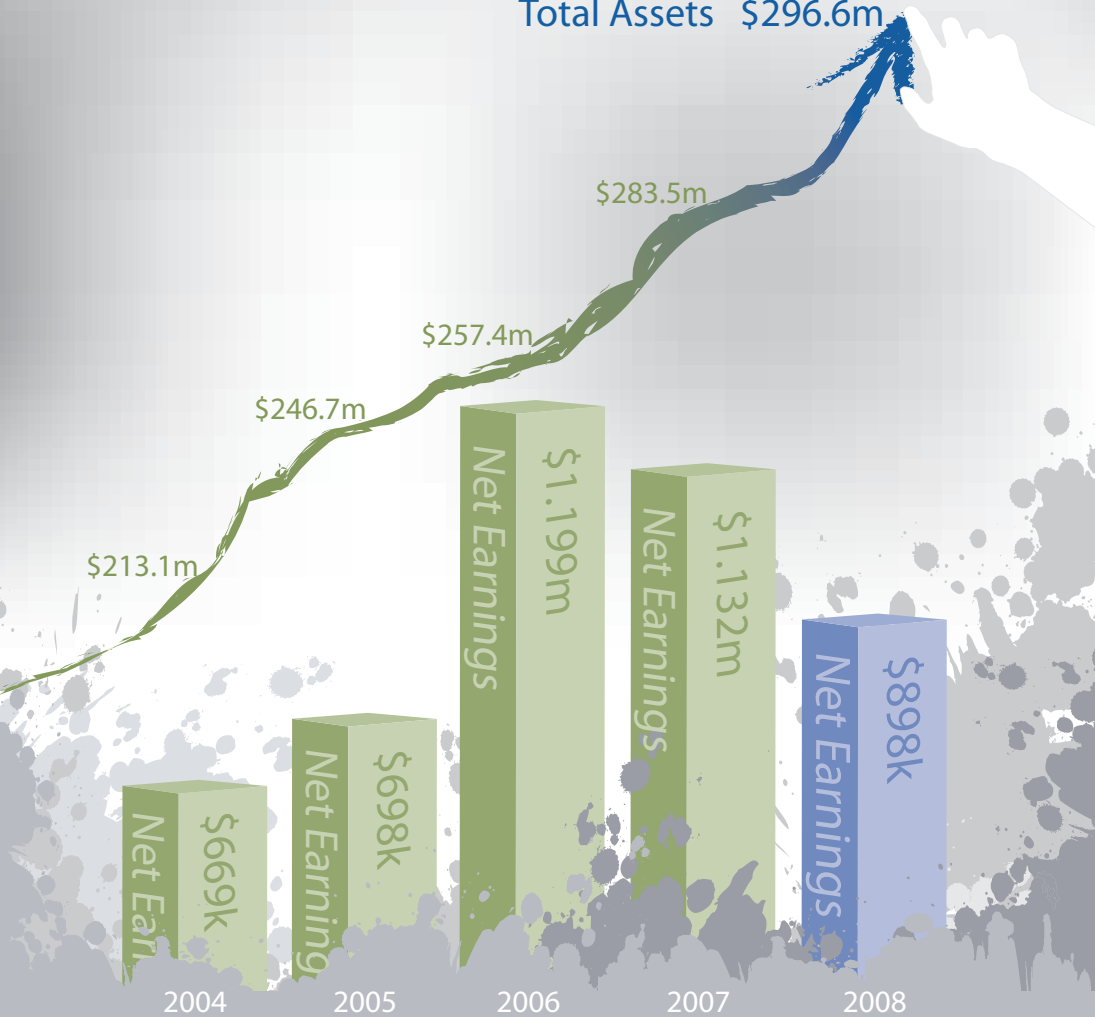
Perhaps the greatest accomplishment last year was our ability to continue to help the communities we serve. Rather than withdraw charitable funding to protect earnings, we extended a hand to those in need when they needed it most. In fact, we contributed 5% of net earnings in 2008 to community groups and charities such as the United Way, BC Children’s Hospital Foundation, Variety Children’s Charity and many more.

Strength

through turbulent times



Total Assets \$296.6m



Neighbours helping Neighbours

To accomplish what we have in such a financially-challenging economy is a testament to the talent and dedication of the entire Community Savings team. I am proud of the outstanding work we did to achieve our goals.

In October 2008, Community Savings signed a letter of intent with Operating Engineers Credit Union (OECU) to merge the two credit unions. Pending a February vote by the OECU members, we anticipate welcoming the OECU into our family in the spring of 2009. With this merger, we will be well positioned to not only survive these tough times, but indeed thrive as this will improve our economies of scale, strengthen our financial position, and expand our branch network to Burnaby.

In 2009, we will continue to work hand-in-hand with our members and local charities to provide them the financial support they need to get through these turbulent times. And I will continue to dedicate our time and resources to ensuring that we are always able to extend a helping hand to the hard-working members of our credit union.

After all, Community Savings is all about neighbours helping neighbours.

Respectfully,



Bruce Cook
President and Chief Executive Officer



Auditors' Report on Summarized Financial Statements

to the members

of Community Savings Credit Union

The accompanying summarized balance sheet and statements of earnings and retained earnings and cash flows are derived from the complete financial statements of Community Savings Credit Union as at September 30, 2008 and for the year then ended on which we expressed an opinion without reservation in our report dated November 28, 2008. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the credit union's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

Vancouver, Canada
November 28, 2008

GRANT THORNTON LLP
Chartered Accountants

summarized balance sheet

September 30th	2008	2007
Assets		
Cash resources	\$ 43,352,831	\$ 68,233,529
Loans	249,514,613	211,498,336
Investments and other	1,633,074	1,614,980
Premises and equipment	2,086,190	2,133,865
	<u>\$ 296,586,708</u>	<u>\$ 283,480,710</u>
Liabilities and equity		
Deposits	\$ 274,852,679	\$ 267,077,926
Borrowings	5,000,530	-
Payables and accruals	1,398,537	2,001,546
Equity shares	1,535,905	1,500,207
Retained earnings	13,799,057	12,901,031
	<u>\$ 296,586,708</u>	<u>\$ 283,480,710</u>

On Behalf of the Board



Colleen Jordan
Board Chair



Phillip Legg
Director and Audit Committee Chair

summarized statement of earnings and retained earnings

Year Ended September 30	2008	2007
Financial income	\$ 15,201,136	\$ 14,807,792
Financial expense	<u>7,283,183</u>	<u>7,046,170</u>
Financial margin	7,917,953	7,761,622
(Provision) recovery for loan losses, net of recoveries	(207,739)	109,361
Other income	<u>2,118,469</u>	<u>2,066,895</u>
Operating margin	9,828,683	9,937,878
Operating expenses	<u>8,700,934</u>	<u>8,566,194</u>
Earnings before income taxes	1,127,749	1,371,684
Income taxes	<u>229,723</u>	<u>240,000</u>
Net earnings	898,026	1,131,684
Retained earnings, beginning of year	<u>12,901,031</u>	<u>11,769,347</u>
Retained earnings, end of year	<u>\$ 13,799,057</u>	<u>\$ 12,901,031</u>

summarized statement of cash flows

Year Ended September 30	2008	2007
Cash flows provided by (used in)		
Operating activities	\$ 1,140,696	\$ 804,340
Financing activities	12,731,613	25,599,564
Investing activities	<u>(38,753,007)</u>	<u>(8,772,527)</u>
Net (decrease) increase in cash resources	(24,880,698)	17,631,377
Cash resources, beginning of year	<u>68,233,529</u>	<u>50,602,152</u>
Cash resources, end of year	<u>\$ 43,352,831</u>	<u>\$ 68,233,529</u>

A full set of financial statements is available
from Community Savings Credit Union

Providing financial strength
for our members
since 1944.



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