



Compete. It's in all of us. The drive to perform—harder, faster, smarter. To face obstacles, while remaining focused, determined and single-minded. We all have individual skill, yet it is as a team that we succeed; adapting our system to overcome the challenges we face. **Excel.** It's never worrying about limitations—it's about seeking and identifying opportunity. The game constantly changes, but learning to read the play is what distinguishes the victors from those who are forced to the sidelines. **Achieve.** It's what moves us forward—the passion, drive and commitment to see things through. To stay the course, or if necessary, change the course to ensure our destiny. We are Credit Union Central of Canada.



Credit Union
Central of Canada

2009 ANNUAL REPORT

Compete. Excel. Achieve.

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UNIFIED BY OUR VISION AND PRINCIPLES, THE CANADIAN CREDIT UNION SYSTEM CAN COMPETE WITH THE BEST THAT THE WORLD HAS TO OFFER. DYNAMIC AND SKILLED, OUR 25,000 CREDIT UNION EMPLOYEES EXCEL IN THE DEVELOPMENT OF INNOVATIVE PROGRAMS THAT HELP SUPPORT OUR MEMBERS' SUCCESS WHILE PROMOTING RESPONSIBILITY IN THE COMMUNITY AND WITHIN OUR BUSINESS OPERATION.

WE ARE CONFIDENT THAT OUR SHARED HISTORY, OUR COMMITMENT TO OUR PRINCIPLES AND OUR ABILITY TO MEET THE NEEDS OF OUR MEMBERS WILL ENABLE US TO COMPETE, TO EXCEL AND TO ACHIEVE.

A FOUNDATION FOR THE FUTURE

As we navigate through a period of global economic uncertainty, Canadian credit unions stand out as a model of strength, security and prudent financial leadership. From small towns to the powerful financial districts of Canada's biggest cities, the Canadian credit union system continues to expand its influence in the Canadian financial services industry. Even with electronic payments, branch networks and millions of members, the fundamental values of the credit union system continue to guide our activity and support our decisions, every day.

For over a century, credit unions have been an important part of Canada's national fabric. In 1953, by Special Act of Parliament, the Canadian Co-operative Credit Society was established. Since then, the Canadian credit union system has flourished, expanding into every corner of the country and marking many notable innovations in the Canadian financial services industry.

When we look to the future, we can be confident that credit unions will continue to be known for their commitment to community development, product and service innovation and support of members through community activity and operational responsibility. Serving Canadians from a foundation built on co-operative principles and values, the Canadian credit union system will continue to compete, excel and achieve.

132

people joined the first credit union established
in 1900 in Lévis, Quebec

97

countries have credit unions that are members of
World Council of Credit Unions Inc.
(WOCCU)

CREDIT UNIONS AROUND THE GLOBE

As prominent supporters of the World Council of Credit Unions Inc. (WOCCU), the Canadian credit union system helps improve lives not only in Canada, but also around the globe. The international development programs of WOCCU support credit unions and national/regional associations in their efforts to help people rebuild their lives during and after conflict, provide access to the underserved, develop effective business networks, support communities at risk and encourage legislative reform and regulatory system development.

Leaders in areas such as micro-finance and financial services accountability, WOCCU, along with the support provided by 54,000 credit unions, positively impacts the lives of 186 million members in 97 countries.

Through provision of project management expertise and leadership in financial services development, WOCCU, along with the Canadian credit union system, is helping to provide access to the tools that will help build a better future for millions of members, everywhere.

SOCIAL RESPONSIBILITY AND COMMUNITY CARE

The Canadian credit union system has a proud history of applying co-operative values in communities across the country. Through community economic development, volunteerism, sponsorships and scholarships, credit unions set the standard for responsibility and support.

Beyond donations of time and money, credit unions lend their expertise through programs and policies that promote responsible employment, environmental protection, responsible investing and effective governance. The Canadian credit union system also recognizes the importance of leadership. Development of young leaders in the credit union system ensures that the credit union values and vision will be sustained, generation after generation.

ANNUAL CREDIT UNION INVOLVEMENT SURVEY

The 2009 Community Involvement Survey reports on community support for the 2008 year. Once again, it has demonstrated the significant efforts made by Canadian credit unions in supporting members and building stronger communities. Canadian credit unions responding to the survey reported total donations of more than \$42 million to communities through direct donations, scholarships and bursaries, sponsorship and financial services to community groups.

\$33.8*

million in donations and
sponsorship and donations
in-kind

\$2.9*

million in donations to
charitable foundations

\$1.3*

million in scholarships
and bursaries

\$4.2*

million in financial services
to community organizations

*Results of the 2009 Credit Union Community Involvement Survey

ONE COMMUNITY, LOCAL, PROVINCIAL, NATIONAL

The strength of the Canadian credit union system lies in its structure. Sharing knowledge, ideas and information, the system supports the development of programs, services and beneficial policies that are unmatched in the Canadian financial services industry.

The foundation of our system is the hundreds of individual credit unions, spanning the country and providing superior service for their members. Most of these local credit unions are, in turn, members of a Central which supports them through financial services, government relations and other valuable services. At the national level, Canadian Central is the system's national trade association, giving credit unions and Centrals a Forum to express opinions, a Voice in federal policy development and Services that help maintain the integrity of the system and support the growth and development of the credit union system overall.

Stronger than the sum of its parts, the Canadian credit union system continues to make its mark on Canada's financial services industry through leadership, member satisfaction and innovation.

THE CANADIAN CREDIT UNION SYSTEM

As the Canadian economy recovers from a challenging period of global financial turbulence, the strength of the Canadian credit union system is more evident than ever. Across hundreds of independent credit unions, supported by Centrals and Credit Union Central of Canada (Canadian Central), the spirit of competition and co-operation has positioned our system for success. Our commitment to our members, through development of new services and through our efforts to increase the Federal Government's awareness of the credit union system, is helping to ensure that the system's future remains bright.

CENTRALS / FEDERATIONS (Fourth Quarter 2009)		LOCAL CREDIT UNIONS	
MEMBERS			
Central 1 (BC)	1,695,280	419*	Credit Unions and Caisses Populaires
Alberta	640,625		
Saskatchewan	497,701		
Manitoba	566,001		
Central 1 (ON)	1,207,920		
New Brunswick	77,691		
Nova Scotia	166,551		
Prince Edward Island	63,672		
Newfoundland & Labrador	48,353		
L'Alliance des caisses populaires de l'Ontario limitée	79,277		
TOTAL	5,043,071	5,043,071*	Members (Canada)

* Excludes unaffiliated credit unions and caisses populaires of Canadian Central, Fourth quarter, 2009

NATIONAL PARTNERS IN FINANCIAL CO-OPERATION

National Trade Association

Credit Union Central of Canada
(Canadian Central)

> CUSOURCE Credit Union
Knowledge Network

Insurance and Financial Services

> The Co-operators Group Limited

> The CUMIS Group Limited

> Concentra Financial Services
Association
(includes Concentra Trust)

Wealth Management

> Credential Financial Inc.

> Northwest & Ethical
Investments LP

BOARD CHAIRPERSON AND PRESIDENT & CEO – A JOINT MESSAGE

2009 was a dramatic year for the financial services industry and for the Canadian credit union system. The year opened with lingering turmoil in global financial markets, which negatively impacted performance in the first two quarters. As 2009 progressed, however, the strength and resilience of the credit union system prevailed, resulting in strong overall financial performance for the year. Despite the slow start, 2009 became the second most profitable year in our history, which is evidence of the solid foundation that exists in the Canadian credit union system.

As the world becomes accustomed to new economic realities, the credit union system is also adapting. Credit unions and Centrals continue to develop and introduce innovative services and programs that meet the changing needs of our members. 2009 was also a year of change at Canadian Central through evolution in our role as a national trade association for the credit union system. We continue to refine our structure and capabilities, through projects like the National Liquidity Review, to accommodate changes in the credit union system as it expands.

Despite the uncertainty in the global economy, the Canadian credit union system continued to compete, excel and achieve. Successful efforts in the field of policy and advocacy resulted in the development of a stronger relationship with the Department of Finance, helping to ensure credit union access to beneficial programs such as the Economic Action Plan. Our Ottawa lobby day on November 17th was also a big success, enabling the credit union system to forge stronger working relationships with politicians and policy makers in the federal government.

Programs such as the National Young Leaders Committee and CUSOURCE Credit Union Knowledge Network continue to move our system forward through leadership and innovation. Our work on informing credit unions about the International Financial Reporting Standards is helping credit unions to adapt to these new requirements. A notable achievement in 2009 was the approval, through Canadian Central, of a national system position supporting the idea of a federal charter option for credit unions. Federal government action in response to this recommendation is anticipated.

As we reflect on a challenging year, we should take pride in how well the Canadian credit union system has performed during a time of economic uncertainty. The continued high level of customer satisfaction that we generate is testament to the hard work, foresight and commitment shown at all levels of our system. With this encouragement, we should strive to make Canadians aware of the competitive system that we have built and how they will benefit as members. Let's take every opportunity to demonstrate our strengths and show how, everyday, the Canadian credit union system can compete, excel and achieve.

Sincerely,



Garth Manness
Board Chairperson



David Phillips
President & Chief Executive Officer

CREDIT UNION CENTRAL OF CANADA (CANADIAN CENTRAL)

Canadian Central is the national trade association for the Canadian credit union system. Incorporated in 1953, by a special act of Parliament, and regulated under the Cooperative Credit Associations Act (Canada), Canadian Central provides a National Forum, a National Voice and National Services to support and expand the Canadian credit union system.

Canadian Central's board is comprised of ten directors, appointed by seven Central member-shareholders. A focused committee structure, encompassing Finance, Legislative Affairs, Risk Management, Payments and Lending supports Canadian Central's role as an active and effective trade association. In support of national initiatives, and to facilitate knowledge transfer, committee members from Centrals and individual credit unions work on committee activities to further the aims of the system overall.

Canadian Central has offices in Toronto and Ottawa, employing approximately 50 staff members who support financial management, payments-related services and trade association services. The Toronto office is also home to CUSOURCE Credit Union Knowledge Network, the national learning, knowledge sharing and career management facility for the credit union system. Our Ottawa team is focused on increasing our policy and advocacy activities and influence in the area of Federal Government relations. Our Mission and Vision are guiding Canadian Central to become a leading industry trade association enabling the Canadian credit union system to compete, excel and achieve.

VISION: CANADIAN CENTRAL WILL BE THE LEADING ADVOCATE FOR A SUCCESSFUL, COMPETITIVE AND GROWING CREDIT UNION SYSTEM THAT IS DISTINCT IN ITS COMMITMENT TO CO-OPERATIVE VALUES AND FAVOURED BY CANADIANS AS THEIR PRIMARY PROVIDER OF FINANCIAL SERVICES.

MISSION: CANADIAN CENTRAL, AS THE NATIONAL VOICE AND NATIONAL FORUM FOR THE CANADIAN CREDIT UNION SYSTEM, ACTIVELY LEADS OR PARTICIPATES IN INITIATIVES TO BUILD SUCCESSFUL, COMPETITIVE AND GROWING CREDIT UNIONS IN CANADA. CANADIAN CENTRAL CONTRIBUTES TO THE SUCCESS OF THE CREDIT UNION SYSTEM THROUGH STRONG ADVOCACY, EXPERT RESEARCH AND THE PROVISION OF VALUE-ADDED SERVICES TO ITS MEMBER CENTRALS, THEIR MEMBER CREDIT UNIONS AND OTHER CREDIT UNION ORGANIZATIONS.



Compete.

For the Canadian credit union system “to compete” means we approach our work, everyday, with the desire to exceed expectations. We are dedicated to delivering the highest level of innovation, services and support to Centrals, to credit unions and, ultimately, to members everywhere.

Canadian Central provides a range of services and programs for credit unions across the country. Our commitment to the system and to our members drives our team's performance. We extend our support to our system in three main areas.

FORUM

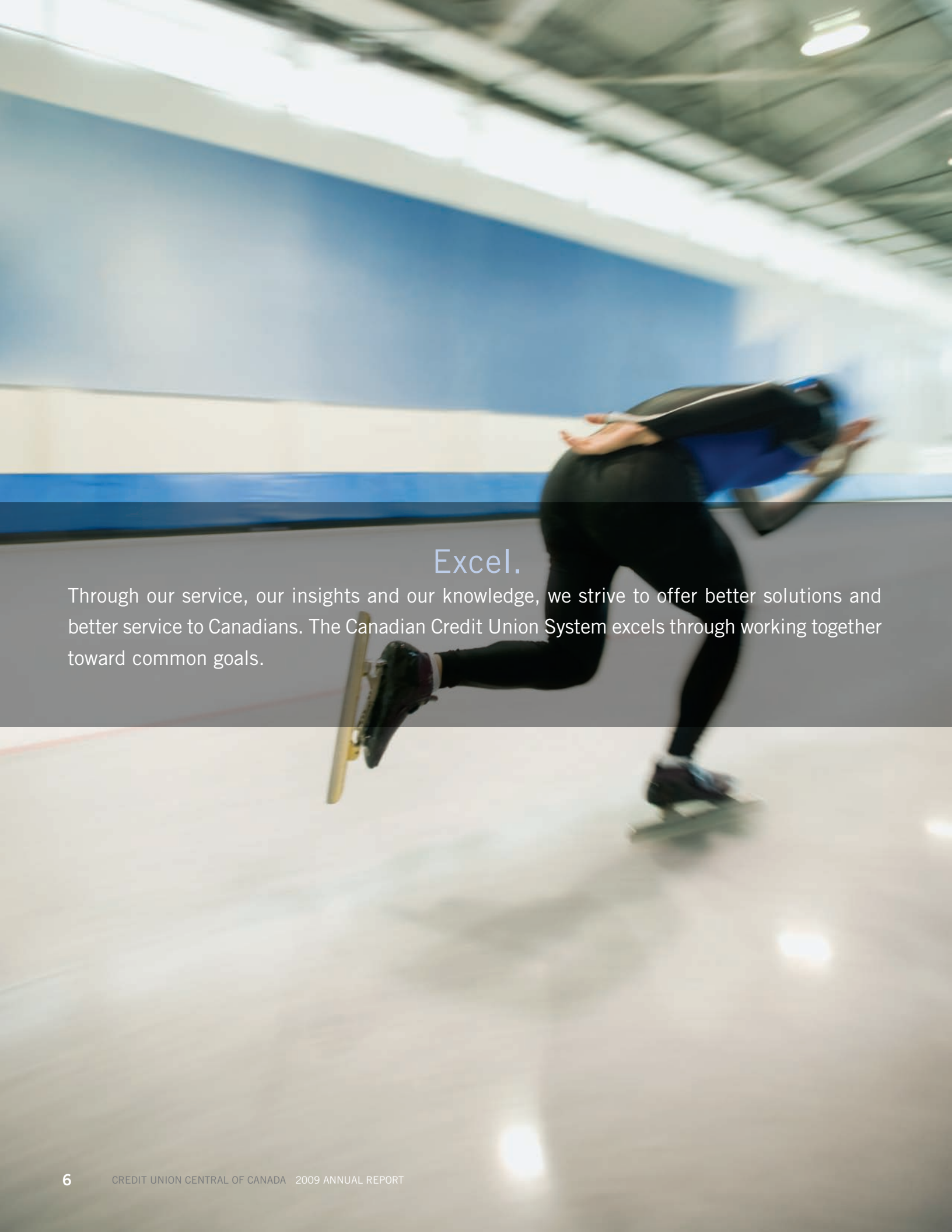
Canadian Central succeeds by building the knowledge and leadership capability within the system that, in turn, facilitates innovation and builds member understanding. Our forum enables the exchange of ideas and the growth of our system. Led by our mission and vision, with our co-operative principles as a guide, we are building the future of financial services, today.

VOICE

Working in partnership with industry and regulatory agencies along with government officials and the national media, Canadian Central supports the needs of our members and our system by engaging in meaningful dialogue and promoting the values and the benefits of our system. We influence our future by offering a strong and common voice for all credit unions.

SERVICES

Through a wide range of programs, such as CUSOURCE Credit Union Knowledge Network, Member Marketing and Group Purchasing/National Discount Programs, Canadian Central assists in building the capability and success of our system, our staff and our members. We provide knowledge and insight for the system which helps us compete, excel and achieve in delivering the best in financial services to our members.



Excel.

Through our service, our insights and our knowledge, we strive to offer better solutions and better service to Canadians. The Canadian Credit Union System excels through working together toward common goals.

NATIONAL FORUM

Financial Results

In 2009, Canadian Central achieved consolidated net earnings of \$ 0.6 million compared to \$ 0.4 million in 2008. Increased earnings resulted from substantially improved performance in Canadian Central's investment portfolio, which experienced large negative market-to-market changes in late 2008. In 2009, a further pre-tax charge of \$ 0.08 million, related to non-bank sponsored asset-backed commercial paper held by Canadian Central, was more than offset by increased values in other investment holdings. A 4.0% dividend of \$ 1.15 million (pre-tax) was paid to Canadian Central's members on February 26, 2010 (2008 - \$ 0.6 million).

Services provided by Canadian Central, to its members, are funded by assessments. Assessments in 2009, net of rebates, were \$ 10.8 million (2008 - \$ 9.6 million) and were below budget, resulting in a rebate to members that are Centrals of \$ 0.1 million. Within this financial framework, Canadian Central undertook initiatives ranging from federal powers for credit unions to payment card (i.e., debit and credit cards) market studies on behalf of credit unions. Canadian Central also continued work on projects that include International Financial Reporting Standards readiness and chip migration, which affect all credit unions. In addition, Canadian Central incurred costs of \$ 2.6 million (2008 - \$ 3.0 million) for the Special Strategy Committee – Canadian Business Owner Strategy, largely for the national image and awareness campaign. These costs were reimbursed through separate assessments to Centrals.

BUSINESS OVERVIEW

National Young Leaders Committee (NYLC)

The NYLC was established by Canadian Central's Board to develop future leaders, meet future talent and leadership needs of the credit union system and to help realize the vision of the credit union system by becoming the number one employer for young leaders in the financial services sector in Canada. The National Young Leaders Committee provided Canadian Central management with advice, recommendations and project plans related to the following national strategies:

National Young Leaders Think Tank

Think Tank sessions support Young Leaders in developing the skills needed to debate critical issues and provide a platform for ideas to be heard across the credit union system. In addition to provincial Think Tanks, the NYLC also held a modified Think Tank session at the National Credit Union Marketing Spectrum in Vancouver. The interactive plenary session took place on Tuesday, September 29, with 80 participants.

Mentorship Program

The NYLC continued work on its pilot mentoring program, presenting their findings and recommendations to the CUSOURCE Credit Union Knowledge Network Executive Roundtable. Through this presentation the NYLC expressed their desire to take the program to the next level by offering a national mentorship program, resulting in Canadian Central's Board agreeing to provide funding to offer the program for a two year trial period starting in 2010.

Canadian Business Owner Strategy (CBOS)

In 2009, the CBOS project team refreshed its internal and external websites and provided a suite of best practice articles, planners and human resources development programs. The Team also launched 3 new webinars (Leonard Lee, Founder of Lee Valley Tools, Leonard Brody, acclaimed Canadian entrepreneur and speaker, and Seth Godin, author of "*Small is the New Big*" and other bestsellers) enabling credit unions to make the wisdom of these high-profile speakers available to their members through facilitated in-branch events or individually through weblink. A comprehensive online business planner was developed to enable credit unions to make this interactive electronic tool available to members to document the business plans of their companies. A mentoring program pilot was launched late in the year in support of the already successful Business Relationship Manager Career Development Program previously developed in partnership with CUSOURCE Credit Union Knowledge Network.

National Conferences and Webinars

The 2009 Canadian Conference for Credit Union Leaders took place in Halifax, May 2–5 and attracted over 500 credit union representatives from across the country. The 2009 Marketing Spectrum was held in Vancouver, September 27–29. Both conferences offered networking opportunities, featured leading keynote speakers and informative workshops led by industry experts, and were rated positively by attendees.

419

AFFILIATED CREDIT
UNIONS

Expansion of webinars was a priority in 2009. Canadian Central held 25 webinars and 3 Executive Briefings on various topics of interest for credit unions. Nearly 1,000 attendees participated in these events and survey results noted that there was a high level of satisfaction with the content provided.

NATIONAL VOICE

Policy and Advocacy

Based in our Ottawa office, Canadian Central's Policy Division and Government Relations Office generates solutions for policy and legislative issues that affect Centrals and credit unions. On November 17, Canadian Central held its first Lobby Day during which system representatives met 42 Members of Parliament in order to strengthen relationships with MPs and promote the credit union system in Canada. Throughout 2009, the Policy Division has addressed issues relating to the Canada Small Business Financing Program, leasing policies, Money Laundering draft regulations, a proposed Code of Conduct for Debit and Credit cards, changes to the federal student loans program, a proposed Bill to address identity theft and various agricultural programs.

Canadian Central made its presence known on Parliament Hill by appearing before the Agriculture Committee on the Competitiveness of Canadian Agriculture; the Senate Banking Committee and the Joint Standing Committee on Finance and Industry, with respect to issues related to credit and debit cards, and the Finance Committee on its Study on Measures to Enhance Credit Availability and the status of the Canadian Financial System.

Focused on policy developments and Canadian Central's advocacy efforts, The Policy and Advocacy Report continued to be an important source of information for Canadian credit unions, and attracted interest from credit union followers in the USA, Europe and Australia. The twelve editions issued in 2009 examined a variety of topics such as credit cards, agriculture programs, government consultations and system statistics.

Federal Credit Unions

In 2009, officials at the federal Department of Finance focused on proposals for federally chartered credit unions. In light of the importance of this issue, the Policy Division, with the assistance of the Legislative Affairs Committee, developed Canadian Central's Position Statement "A Federal Charter for Credit Unions". This Position Statement was approved by Canadian Central's Board in November and submitted to the Department of Finance in December. A meeting with the Assistant Deputy Minister followed before year-end, foreshadowing a major milestone in the evolution of the credit union system.

National Liquidity Review

This project was undertaken to review existing national liquidity structures and identify options to improve soundness and efficiency of liquidity in the credit union system. A small working group

\$121.9

TOTAL CREDIT UNION
ASSETS
IN BILLIONS

BUSINESSOVERVIEW

of Central representatives met early in the year for discussions that resulted in the preparation of a National Liquidity Paper. The paper was reviewed with the Finance Policy Committee and Payments Policy Committee before being endorsed by Canadian Central's Board.

Having achieved consensus on a general direction for national liquidity reform, recognition emerged about the inter-relationships between changes to national liquidity, group clearing and the Bank of Canada's Emergency Lending Assistance program. This led to the establishment of a multi-disciplinary Working Group on Payment Structures (WGPS) with a mandate to make recommendations for implementing significant changes to the national liquidity fund and group clearing arrangements. The WGPS consulted with officials from the Canadian Payments Association (CPA), Bank of Canada and Office of the Superintendent of Financial Institutions (OSFI) in Ottawa in early December to provide direction for work that is continuing in 2010.

Sustainability

In 2009, steps were taken to adopt a national sustainability position statement and a two year strategy outlining the manner in which Canadian Central will facilitate the advancement of "sustainability" across the credit union system. Further consultation will take place within the system in 2010.

Strategic Intelligence Report

Canadian Central revised the format and content of the annual Strategic Intelligence Report with the goals of providing readers with: a detailed survey of recent market and environmental developments; in-depth analysis indicating what developments may mean for the competitive position of credit unions; and possible competitive responses credit unions may wish to consider to meet emerging challenges.

In 2010, to enhance the value and increase timeliness of this information, the Strategic Intelligence Report will be developed as a series of briefs provided throughout the year on relevant topics for credit unions.

ATM Accessibility and Connectivity Project

The ATM Accessibility and Connectivity Project was founded on a vision developed by credit unions that: "Any member of any credit union in Canada can carry out a common suite of transactions through the ATMs of any other credit union in Canada without paying additional fees, and Canadian consumers know it!" The objective of the project is to develop practical strategies and action plans to realize this vision and obtain consensus for implementation through consultation with credit unions.

Working with credit unions and Centrals, a policy-based approach was developed that:

- Minimizes the need for technical development.

5.0
MILLION CREDIT UNION
MEMBERS

EXECUTIVE BRIEFINGS

Credit union leaders across the system require information that is timely and relevant to assist with their business requirements. To support our members, Canadian Central hosted three Executive Briefing webinars in 2009. These sessions were facilitated by subject matter experts and covered the topics of Federal Powers, Debit Card Fraud, and Canadian Central's Year-end Report.

- Does not require approval of third party networks.
- Does not require credit unions to change their network affiliations.
- Does not require all credit unions to charge the same price.

A critical checkpoint for the project during 2009 was to develop understanding of the approach and support for moving forward with an ATM Accessibility program through consultation with credit unions and Centrals.

Working in conjunction with Centrals, consultations with credit unions have shown a high level of support for the concept and approach. Based on these results, Canadian Central is working with Central 1 to develop a program for implementation in 2010.

NATIONAL SERVICES

CUSOURCE Credit Union Knowledge Network

CUSOURCE Knowledge Network provides a wide range of learning and development opportunities to 18,000 credit union employees and board directors. In 2009, CUSOURCE Credit Union Knowledge Network completed its sixth year of operation; expanded its stakeholder database and client roster to the broader co-operative network, and launched a new, user-friendly website.

International Financial Reporting Standards (IFRS)

The national IFRS Readiness project produced tools for credit unions and Centrals to use for their transition to IFRS in 2011. In consultation with an Advisory Group from credit unions and Centrals, a series of toolkits and webinars were completed and posted on Canadian Central's website. Classroom workshops in support of the project were held across the country. The national IFRS Readiness project will continue in 2010 with additional webinars and communiqués.



1,747
TOTAL CREDIT UNION
LOCATIONS

BUSINESSOVERVIEW



FOCUS ON INNOVATION

Credit Union Central of Canada has increased its membership level with the Filene Research Institute to provide all Canadian Credit Unions with access to innovative credit union research. In addition, Canadian Central, in collaboration with Filene, has initiated a Canadian team as part of the prestigious Filene i3 project. This project teams up executives from over 60 credit unions in the USA and Canada to build the future of credit unions through new ideas, innovations and approaches for implementations.

Canadian i3 Team Members: **Corey Bowes**, OMISTA Credit Union | **Dawn Collins**, Mount Lehman Credit Union
Louise Delaney, Salmon Arm Savings and Credit Union | **Josette Gauthier**, Alterna Savings
Domenic Vinci, Interior Savings Credit Union

Chip Migration Project

Significant strides were made by the Joint Chip Implementation Project during 2009 to assist credit unions in their migration to EMV chip cards. Project resources from Canadian Central, other Centrals, service providers and credit unions across Canada have worked together to develop the business tools and processes needed for a successful transition to a chip enabled environment.

A pilot implementation at Conexus Credit Union in Regina, Saskatchewan, was successfully completed and followed by full production roll out of both chip cards and EMV enabled ATMs. This was followed by a second wave of credit union implementations and scheduling for subsequent waves. Learnings from credit union pilot implementation were shared across the system.

The project delivered all major objectives planned for 2009, including:

- EMV compliance certification of the Cooperative Node environment; chip cards, and chip enabled ATMs, for *INTERAC*[†], MasterCard[®] and *VISA*^{*} networks;
- ATM upgrade and replacement strategies to meet migration and network compliance requirements (e.g. *INTERAC*, MasterCard[®]/Cirrus[®], *VISA*^{*}/*PLUS*^{*});
- Standardized business processes, templates and migration plans, and customizable training, education and communications tools, for use by all credit unions;

The project provided regular communications through newsletters and presentations to credit unions, suppliers and Centrals.

A review of EMV card production and management services available in the Canadian market was completed, in order to better understand the value proposition of the current provider and what alternatives might be available to credit unions. This work resulted in significant reductions in pricing from the current supplier and will serve to inform development of a more comprehensive and integrated strategy for card services in 2010.

Member Marketing Services and National Discount Programs

Canadian Central offers a broad range of marketing and creative services for the credit union system. The program develops leaflets, booklets and other publications used to market credit

25K

TOTAL CREDIT UNION
EMPLOYEES

unions and to educate members. Many of these materials are also available in electronic format and can be found on Canadian Central's website.

Canadian Central's National Discount Program provides group buying discounts to credit unions on common business expenses including office supplies, long distance and cell phone plans, conference calling, courier, secured shredding services and digital print on demand. Leveraging the spend of the collective system allows the programs to negotiate aggressive rates and favourable terms with preferred suppliers at the national level.

Organizational Capability

In 2008, Canadian Central began the multi-year process of becoming ISO-certified, in order to be associated with international standards of quality and excellence. A significant amount of progress was made in 2009 toward the goal of ISO certification, and we expect to achieve this standard in 2010. In addition to the usual procedures associated with the ISO movement (such as customer satisfaction and supplier management, for example), Canadian Central has elected to implement a quality-based project management process, starting in 2010. Successful project management is a key factor in Canadian Central delivering on its mission and vision.

In 2009, Canadian Central implemented a range of initiatives intended to improve service quality for external members and to improve our internal processes that affect service levels indirectly. Based on a foundation of activity-based costing, and the principles of ISO, Canadian Central has introduced process measurement into our business practices. For 2010, key performance indicators have been developed for every employee in the organization, aligned with Canadian Central's strategic objectives and priorities. In addition, product profitability measures were developed for CUSOURCE Credit Union Knowledge Network to assist it in managing its product offerings.

Board Performance Benchmarks

Board effectiveness is vital to the success of Canadian Central. An effective Board must establish performance benchmarks and assess its performance through feedback measured against these benchmarks and in relation to its duties, responsibilities and clearly stated objectives. The Board Performance Benchmarks project was developed to establish a framework of effectiveness standards against which the Board can assess and report on its own performance. Key outcomes for the project were the adoption of Canadian Central Governance Principles, preparation of the first annual Governance Report for Canadian Central and enhancements of the annual board evaluation process.

Canadian Central's Governance Principles reflect a principles-based approach to corporate governance and serve as a guide and a standard of conduct for all Board activity. The Governance Principles provide the framework for governance at Canadian Central. Each Principle identifies objectives, business best practices and areas of focus.

1,000
TOTAL COMMUNITIES
SERVED BY
CREDIT UNIONS

A large, snow-capped mountain peak under a clear blue sky, with a flaming torch in the foreground. The torch is lit, with bright yellow and orange flames. The mountain is rugged and covered in snow, with some rocky outcrops visible. The sky is a clear, pale blue.

Achieve.

Year after year, outstanding credit union team members continue to set the bar higher. By building new services and helping more people, we strengthen our system. As we celebrate our achievements, we recognize that when one of us achieves, we all achieve, together.

CREDIT UNION CENTRAL OF CANADA AWARDS

MAKING A DIFFERENCE ONE COMMUNITY AT A TIME

The Canadian credit union system continues to move forward through the efforts of individuals and credit unions across the country. Each year, Canadian Central pays tribute to the contributions made to our system through our annual awards program.

The National Credit Union Awards program recognizes outstanding efforts in the areas of lifetime achievement, community economic development and innovation as well as the accomplishments of Young Leaders. As in years past, our 2009 recipients have demonstrated the determination and creativity that make our system more competitive and help us build a better future for our members.

HALL OF FAME AWARD

Credit Union Central of Canada's Hall of Fame celebrates the achievements of lifetime contributors to the Canadian credit union system nationally and/or internationally. Through their accomplishments and dedication, these individuals have played a leading role in shaping the credit union system we enjoy today.

2009 RECIPIENTS

Howard Bogach
Ontario

Jim Scopick
Alberta

INNOVATION AWARD

The National Credit Union Innovation Award supports and honours the commitment, focus, drive, and dedication of credit unions across Canada, with an emphasis on the development of ideas and innovations in technology, process, cost savings, and member services. This award focuses national attention on credit unions, that lead the way in developing and implementing innovative initiatives that strengthen the credit union and that may have application for the overall system.

2009 RECIPIENT

Servus Credit Union
Edmonton, Alberta
Young & Free Alberta

Recognizing the changing demographics in credit union membership, Servus Credit Union has developed an innovative program to attract the members of the future. Named Young & Free Alberta, this program offers specially developed services to members of Generation Y, which include a package of free unlimited banking services, a relevant and interactive internet presence and fun activities like the annual 'spokester' spokesperson search.

The program, developed with a sound understanding of the social, cultural and economic needs of this challenging target audience, will go a long way to fostering strong ties with the next generation of credit union members.

COMMUNITY ECONOMIC DEVELOPMENT

The National Credit Union Award for Community Economic Development recognizes and honours the outstanding contribution credit unions make to the economic development of the communities they serve. Since its inception this prestigious award has focused national attention on the leadership role credit unions play in inspiring others to go beyond their present limits, and to shape promising futures within their communities.

2009 RECIPIENT

Vancity Credit Union
Vancouver, British Columbia

*Microfinance at Vancity:
An Authentic Community Economic
Development Commitment*

A commitment to helping the people in the community is a central part of Vancity's operation. Like most credit unions, Vancity has always had a form of micro-finance. Since 1998, Vancity has developed a formal program of micro-credit and micro-loan programs benefitting individuals both at home and abroad. Using the criteria of teaching financial literacy, providing a safety net to help ensure loan success and building a savings culture, Vancity has established a prominent platform to build beneficial services for the underserved in society. Working with the support of governments, not-for-profits and co-operatives, Vancity has reflected the work of Nobel Prize winner Muhammad Yunus, in helping to provide the less fortunate access to financial tools that can improve their lives and let them help lift themselves out of poverty.

YOUNG LEADERS AWARD

The National Credit Union Young Leaders Award recognizes tomorrow's leaders in Canada's credit union system. To remain competitive, the credit union system must develop its young, up-and-coming leaders. Recognition programs that reward success and encourage retention are a positive step in this direction. This award was created by Canadian Central's Board to demonstrate strong support among national level leaders for young leadership.

2009 RECIPIENTS

Shawn Good*
Manager Branch Operations
Mennonite Savings & Credit Union
Kitchener, ON

Corey Bowes
Chief Operating Officer
OMISTA Credit Union,
Moncton, NB

Sherri Fogwill
Marketing Director
Newfoundland & Labrador Credit Union,
St. John's, NL

Darren Hinkel
Branch Manager
Servus Credit Union,
Edmonton, AB

Steve Till-Rogers
Vice President, Systems & Technology
Servus Credit Union
Edmonton, AB

*Scholarship award winner

CREDIT UNION STATISTICS

Fourth Quarter 2009 Credit Union / Caisse Populaire System Results (\$ in millions)

AFFILIATED CREDIT UNIONS & CAISSES POPULAIRES

PROVINCE	TOTAL SAVINGS / DEPOSITS	TOTAL LOANS	TOTAL ASSETS	TOTAL CREDIT UNIONS	TOTAL LOCATIONS	TOTAL MEMBERS
BRITISH COLUMBIA	\$42,494	\$39,120	\$48,438	46	368	1,695,280
ALBERTA	15,857	14,761	17,492	46	215	640,625
SASKATCHEWAN	12,232	10,213	13,479	65	310	497,701
MANITOBA	14,635	13,500	15,856	45	184	566,001
ONTARIO	19,249	17,760	21,567	136	474	1,207,920
NEW BRUNSWICK	734	642	804	16	35	77,961
NOVA SCOTIA	1,569	1,285	1,737	31	82	166,551
PRINCE EDWARD ISLAND	668	545	729	10	15	63,672
NEWFOUNDLAND	712	616	764	11	40	48,353
ONTARIO - L'ALLIANCE	935	866	1,061	13	24	79,277
TOTAL	\$109,085	\$99,308	\$121,927	419	1,747	5,043,071

Above figures do not include affiliated companies of the credit union system, such as Concentra Financial Services Association, The CUMIS Group Limited, The Co-operators Group Limited, Credential Financial Inc. and Northwest & Ethical Investments L.P.

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AS OF DECEMBER 31, 2009

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Knowledge Network

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