



Westoba
Credit Union Ltd
First in Our Community

2009
ANNUAL REPORT

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One Place to Go...

Corporate Office

220-10th Street
Brandon, Manitoba R7A 4E8
Wayne McLeod – President and CEO

1st & McTavish Ave. Branch

562 1st Street
Brandon, Manitoba R7A 2X1
Melody Judson – Manager

10th Street Branch

1020 Princess Avenue
Brandon, Manitoba R7A 0P8
Kerry McLeod – Manager

18th & Kirkcaldy Branch

1711A Kirkcaldy Drive
Brandon, Manitoba R7A 0B9

34th Street Branch

3300 Victoria Avenue
Brandon, Manitoba R7B 0N2
Nettie Lepage – Manager

Carberry Branch

Box 609
Carberry, Manitoba R0K 0H0
Therese Touchette – Manager

Cartwright Branch

Box 309
Cartwright, Manitoba R0K 0L0
Jim Hawkins – Manager

Glenboro Branch

Box 6
Glenboro, Manitoba R0K 0X0
Penny Johnson – Manager

Killarney Branch

Box 1030
Killarney, Manitoba R0K 1G0
Theresa Wright – Manager

La Riviere Branch

Box 101
La Riviere, Manitoba R0G 1A0
Stacey Griffin – Manager

Mariapolis Branch

Box 117
Mariapolis, Manitoba R0K 1K0

Ninette Branch

Box 98
Ninette, Manitoba R0K 1R0
Ross Coombs – Manager

Belmont – Ninette Sub Branch

Box 40
Belmont,, Manitoba R0K 0C0
Ross Coombs - Manager

Pilot Mound Branch

Box 49
Pilot Mound, Manitoba R0G 1P0
John Jansen – Manager

Rivers Branch

Box 298
Rivers, Manitoba R0K 1X0
Gerald Lepp – Manager

Shilo Branch

Box 68 Canex Mall
Shilo, Manitoba R0K 2A0

Souris Branch

Box 126
Souris, Manitoba R0K 2C0
Brenda Roberts – Manager

Swan Lake Branch

Box 125
Swan Lake, Manitoba R0G 2S0

Bruxelles – Swan Lake Sub Branch

Box 66
Bruxelles, Manitoba R0G 0G0

The Pas Branch

Box 1379
The Pas, Manitoba R9A 1L3
Maureen McClymont – Manager

Commercial Services – Brandon

2nd Floor – 1020 Princess Ave
Brandon, Manitoba R7A 0P8
Don Cataford – Manager

Commercial Services – Winnipeg

3059 Portage Avenue
Winnipeg, Manitoba R3K 0W4
Don Cataford – Manager

TeleService

Unit C 220 10th Street
Brandon, Manitoba R7A 4E8

Wealth Management

Unit B 220 10th Street
Brandon, Manitoba R7A 4E8
Larry Cox – Manager

West Protect Insurance Agency

Unit A 220 10th Street
Brandon, Manitoba R7A 4E8
Anneliese Schellenberg – Manager

West Protect Insurance Agency

1035 Richmond Ave
Brandon, Manitoba R7A 1M5
Anneliese Schellenberg – Manager

Vision, Objectives & Principles

VISION

We are a dynamic member-owned and controlled organization effectively providing comprehensive financial and related services designed to satisfy the changing social and economic needs of our members and the communities we serve.

We are: “First In Our Community.”

OBJECTIVES

PEOPLE

Membership

Our membership is aware of Westoba Credit Union’s vision and the value of their credit union to their community, members are encouraged to participate in the democratic process.

Board, Management and Staff (Westoba’s Team)

We have an environment that through strong leadership promotes a motivated, knowledgeable team, that are committed to on-going education and development to provide quality member service.

MONEY

Our financial objective is to attract and retain capital and to utilize and manage it effectively to meet the needs of our members while providing financial stability for the credit union.

DEVELOPMENT

Growth & Development

We will research, develop and maintain quality services and service delivery systems that will meet the changing needs of the members and potential members and ensure a competitive position in the marketplace.

Sales and Marketing

We will develop and maintain innovative marketing programs to promote services to members and potential members.

PRINCIPLES

We believe in: Trust, Respect, Honesty, Integrity & Confidentiality.

We also strive to demonstrate equality, flexibility, fairness, professionalism, approachability, friendliness and accountability.

First in Our Community

Each year Westoba Credit Union gives back to the communities in which we serve, either by a Cash Charitable Donation or Sponsoring of local events and community projects. In 2009, Westoba gave back over \$222,000.00 to our communities through such endeavors. In addition, Westoba staff donated some 900 hours of their own personal time to many worthy charities and humanitarian interests in their communities. We are proud to present the following recipients:

Alzheimer's Society, Rural and Local Curling Clubs, Westoba Credit Union Masters Super League Curling, Brandon Ladies A-Side Finalists Sponsorship, Tiger Hills Arts Association, YWCA Women of Distinction Awards Banquet, Brandon Chamber of Commerce Annual Gala and Annual Golf Tournament and Westoba Table at Monthly Luncheons, Provincial Exhibition – President's Dinner, Summer and Winter Fairs, Westoba Credit Union Marching Bands and Travellers' Day Parade, CNIB – Making Fun With Laughter Gala, Manitoba Agricultural Hall of Fame, Association of Manitoba Municipalities – Officials Seminar Luncheons, Daly House Museum, Manitoba Credit Union shared sponsorships – 55 Plus Games, Wasagaming Foundation, Cooperative Youth Seminars, Provincial Masters Ladies and Mens Curling Championships, Brandon School Division Friends of Education donations to School Arts/Sporting Events, Brandon Wheat Kings – Loonie Scramble, Sportsman's Dinner, Annual Wheat King Tickets, McCains Clear Lake Charity Golf for Ronald McDonald House, Big Brother and Sisters of Brandon Bowl for Kids Sake, Kids Sport Manitoba, Manitoba Cooperative Association – Coop Youth Development Seminar – Clear Lake, Construction Association of Rural Manitoba – various events held, Western Manitoba Science Fair, Westman Coalition for Employment Opportunities, MS Walk, Waves of Hope and Dragon Boat Races, Huntington's Society, Canadian Paraplegic Society, Cancer Society – Relay for Life, Parkinson's Society, Arthritis Society, Canadian Blood Services, Kidney Foundation, Diabetes Association, Brandon Senior for Seniors, Seniors for Affordable Housing. Numerous Bowling Leagues and Special Tournaments, Brandon Humane Society and Furry Friends, Junior Achievement, YMCA Spring Run and Y-After School Program, Association for Community Living, Brandon & District Shrine Club, Crime Stoppers, Pelican Lake Enhancement Committee, Camp Wannakumbac, Pinkest Owl Charity Golf Tournament, Riverbank Discovery Centre Duck Races, Cooperative Development Foundation of Canada, Westoba Credit Union Cooperative Development Foundation Golf Tournament, Game Wardens Museum, Rotary Club of Brandon, The Clear Lake Chamber Music Festival, The Brandon Chamber Players, Royal Canadian Legions, Army Navy Air Force Veterans, South Brandon/Carroll 4H Beef Club, Kinsmen Club, Lions Club, Kiwanis Club, Manitoba Provincial Plowing Association, Brandon Area Community Foundation-Wheatstock, Winnipeg Realtors Trade Show, Keystone Centre Ag Days, RCA Museum - Tiger Moth Ball, Brandon Regional Health Foundation Gala, Brandon Dart League, Canine Agility Racers, Provincial High School Rodeo, Spruce Woods Rodeo, Brandon Car Patrol-Shriners, Brockie Donovan Tree of Memories, P.E.O. Sisterhood Brandon Chapter, Manitoba Cattle Producers Annual GM and Banquet, Numerous local and rural Golf Tournaments and Golf Clubs, Family Visions, Westman Jams Christmas Jamboree, Marquis Project, United Way, Brandon Food for Thought – Breakfast Program, Operation Red Nose, Christmas Cheer, Santa Claus Parade, Carberry Fair and Races, Carberry National Youth Bowling Championships, Carberry Plains Art Council, Carberry Branch Loonie Scramble, Cartwright High School Grad Pancake Breakfast, Glenboro High School Grad Award, Glenboro Ag Society, Glenboro Men's Bonspiel, Glenboro Golf Club Steak Night, Killarney Golf Club, Killarney Ag Society, Killarney High School Bursary, Killarney Trade Show, Ducks Unlimited, La Riviere-Manitou High School Grad Scholarship, Mariapolis Community Arena, Baldur Community Auction, Ninette Agricultural Fair, Pilot Mound Crystal City Cattle Show, Rivers Collegiate Grad Sponsors, Rivers Elementary Playground Structure Project, Shilo – Cdn Armed Forces National Golf Tournament, Souris Arts Council, Souris Survivor Bonspiel, Souris Hillcrest Museum Renovation Project, Souris School Grad, Swan Lake Loonie Scramble, The Pas Operation Red Nose, OCN Christmas Hamper Drive, Northern Manitoba Trappers Festival, Westoba Credit Union Agricultural Centre of Excellence Annual Pledge/Naming Rights.

Board of Directors



Don Ramsey
Board Chair
District Four



Scott Lamont
Board Vice Chair
District One



Betty Turner
Board Secretary
District Eight



Rod Balkwill
District One



Betty Kelso
District One



Dan Sutherland
District One

Board of Directors



Larry Wark
District One



Al Sjolie
District Two



Andy Barclay
District Three



Jim Abernethy
District Five



Dennis Herntier
District Six



Debbie Cousin
District Seven

District One – Brandon Shilo
District Two – Carberry
District Three – Souris
District Four – Rivers
District Five – Glenboro
District Six – Pilot Mound / La Riviere
District Seven – Swan Lake / Bruxelles / Mariapolis
District Eight – Killarney / Cartwright
District Nine – The Pas

Directors' Report



Don Ramsey

On behalf of your Board of Directors, it is my honour to present to you our forty sixth annual report. The following provides a monthly recap of your board's activities and major credit union initiatives this past year.

In January, the board reviewed a proposed amalgamation document between Westoba and Vanguard Credit Unions. This process took a significant amount of the board's time during the first five months of 2009, and much more of management's time. Many meetings were held to ensure an agreement was reached that was right for both credit unions. However, in the end it was not to be. Westoba's special membership meeting held May 20th received the required majority to join with Vanguard. Vanguard's special meeting was held June 2nd and while a majority of 63% voted in favour of amalgamating with Westoba, the Credit Union Act

requires a yes vote of 66.7%. The directors and management of both credit unions were indeed disappointed as we all felt the proposed amalgamation was a positive step forward.

In February, your board received management's 2008 fourth quarter report and a report from the Governance Committee on progress with the upcoming director elections. We also reviewed and approved changes to lending policies, our foreign exchange policy and a new philosophy statement on human resources and compensation. These changes were basic updates relevant to the current environments in which we operate. The impact to our members should be a slightly improved level of service. The philosophy statement on human resources provides us with standards to measure ourselves and is designed to ensure we continue to attract and retain top talent to serve our membership.

In March, board members participated in meetings related to the proposed amalgamation. Our regularly scheduled board meeting however was cancelled due to weather.

In April, the majority of directors attended our Information and Annual meetings. In total five meetings were held in 2009 - Carberry, Rivers, Killarney, Glenboro and Brandon. Directors, Scott Lamont – District 1 Brandon, Al Sjolie – District 2 Carberry, myself Don Ramsey – District 4 Rivers, and Betty Turner – District 8 Killarney/Cartwright were all re-elected to your Board of Directors. Jim Abernethy was elected for the first time to represent District 5 – Glenboro, Ninette and Belmont.

Our organizational meeting was held in May and I was honoured to be elected as board chair, Scott Lamont was elected as first vice-chair and Betty Turner was elected secretary.

These three positions, along with President and CEO Wayne McLeod, make up the Executive Committee of Westoba's board. The Audit and Governance Committees were elected as well and our delegates and alternates to Credit Union Central of Manitoba were appointed. In early May, several directors participated in the annual National Credit Union Conference held this past year in Halifax. At the conference your board participates in various workshops and receives presentations on topics important to the financial services industry.

No meetings were held in June as we combine the June meeting with our planning session held in early July. At the July meeting the board provided approval for the pedway to be built between our 10th and Princess Branch and Brandon Corporate Offices. Many employees are back and forth daily and this will provide a much safer and weather free convenient access. Your board also approved the purchase of property in Onanole, as well as Winnipeg, both are part of our future expansion plans. Management also provided a report on the upcoming accounting changes — International Financial Reporting Standards (IFRS). We are working with our auditors Myers, Norris and Penny to identify areas affected by these new financial reporting standards that must be implemented in full by December 31st, 2011. Following the regular Board meeting, our annual planning session began with a management update on our 2009 goals and objectives. We were pleased to learn that we could in fact be somewhat optimistic that 2009 was looking positive and achieving our goals, in spite of the generally wide economic downturn, might be achieved. Management provided a detailed presentation on two new banking systems they were considering. Our current system, which has served us well for many years, is being phased out in 2010. At the end of July, your board held its regular meeting and at that meeting decided to proceed with the Fiserv Acumen banking system with conversion in late 2010. Fiserv provides state of the art banking systems to several financial institutions including many credit unions in the United States and Canada.

In August, along with the normal course of business, we received management's second quarter report.

In September, we approved our 2010 meeting schedule, discussed rural ATM's as well as our branch network. We receive requests on a regular basis for ATM's from members of branches in our smaller rural communities and the balance between service and profitability of such an investment is the key issue we face. ATM's are a high cost product and only justifiable from a profitability point of view with very high transaction volumes and significant use by non credit union members. ATM's also create a reduction of in-branch, person to person, transactions which affect the number of employees required in the branch. This is a difficult topic but one we will wrestle with in 2010.

In October, besides the normal course of business, we approved a significant donation to the Brandon Family YMCA. Westoba is proud to donate \$20,000 annually, starting in 2010, for a five year period bringing our total donation to \$100,000.00. The YMCA's \$17 million expansion will begin in 2010. The YMCA provides services to over 50% of our current membership base and strives to build strong kids, strong families and strong communities all which coincide very closely with Westoba Credit Union values.

In November, your board received management's third quarter update report showing continued strong financial results. We received an Audit Committee update advising us that our documentation systems are operating effectively. We were also pleased to receive copies of the 2010 Westoba calendar. The calendar features photographs submitted by photographers from the various communities we serve. The response to this was excellent and Westoba will continue with this initiative which creates considerable interest in the communities we serve. The board also received an update on the prairie central initiative and agreed in principal, to support such an initiative. The centrals of Manitoba, Saskatchewan and Alberta are proceeding with plans to merge into one prairie central serving credit unions in all three provinces. This change should be totally transparent to our members and would benefit Westoba in the long run through increased efficiency, cost savings and higher levels of expertise.

In December, the board dealt with the normal course of business as well as approved the purchase of a second property in Winnipeg for future branch development. The first retail branch will be built starting in 2010 with anticipated opening spring 2011. The second retail branch will begin construction shortly thereafter.

In 2009, the world and to a lesser degree Canada, experienced continued effects of the economic downturn of 2008. Low interest rates challenged our organization's ability to operate with the necessary financial margins to produce the necessary retained earnings to meet our continued capital requirements. We are very proud to say that Westoba did have sufficient profitability and continues to meet all the necessary strength tests. We go into 2010 knowing we have the tools in place to continue to perform well even in a weakened economy. We are excited about the potential for an even stronger performance as globally, and here in Canada, we experience the continued economic recovery that many experts predict.

We thank our management and staff for their contribution to Westoba's success in 2009. Their dedication and commitment was the reason we achieved the results we did. I must also thank the entire board for their diligence and support in 2009. You made my year as board chair a very rewarding experience. We look forward to 2010 knowing Westoba will continue to serve our members well and be "First in Our Community".

Respectfully submitted on behalf of the board of directors.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above the printed name.

Don Ramsey
Board Chair

Management's Responsibility

To the Members of Westoba Credit Union Limited:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

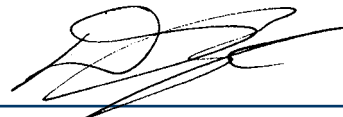
The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Credit Union. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, internal auditors, and external auditors. The Audit Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

February 21, 2010



Wayne McLeod, CEO



Don Pringle, VP of Finance

Auditors' Report

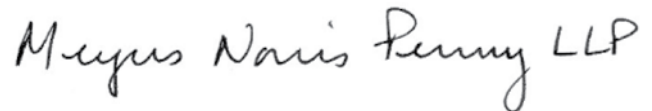
To the Members of Westoba Credit Union Limited:

We have audited the consolidated balance sheet of Westoba Credit Union Limited as at December 31, 2009 and the consolidated statements of income and retained surplus, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Brandon, Manitoba

A handwritten signature in black ink that reads "Meyus Norris Penny LLP". The signature is written in a cursive, flowing style.

February 21, 2010

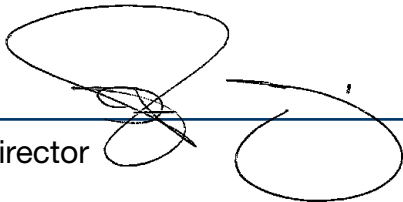
Chartered Accountants

Consolidated Balance Sheet

As at December 31, 2009

	2009	2008
Assets		
Funds on hand and on deposit	25,142,354	5,418,331
Investments and accrued interest (Note 4)	110,770,326	131,560,879
Member loans receivable and accrued interest (Note 5)	766,549,212	692,697,693
Other assets (Note 6)	3,321,376	3,657,886
Property, plant and equipment (Note 7)	22,112,585	21,399,727
	927,895,853	854,734,516
Liabilities		
Member deposits and accrued interest (Note 8)	850,373,309	768,607,794
Line of credit (Note 9)	21,677,445	34,645,424
Accounts payable and accrued liabilities	3,545,453	2,855,539
	875,596,207	806,108,757
Retained surplus and members' equity (Note 10)		
Member shares (Note 11)	13,284,110	13,312,275
Retained surplus	39,015,536	35,313,484
	52,299,646	48,625,759
	927,895,853	854,734,516

Approved on behalf of the Board



 Director



 Director

Consolidated Statement of Income and Retained Surplus

For the year ended December 31, 2009

	2009	2008
Financial income		
Member loans	35,444,793	36,798,066
Investments	6,232,760	6,495,939
	41,677,553	43,294,005
Cost of funds		
Deposits	20,884,534	22,970,580
Interest on borrowings	516,244	448,445
	21,400,778	23,419,025
Financial margin	20,276,775	19,874,980
Operating expenses		
Personnel	12,087,345	10,695,399
Member security	704,370	750,438
Organizational	634,431	407,066
Occupancy	1,838,428	1,636,252
Administration	5,691,113	5,939,470
	20,955,687	19,428,625
Other revenue	6,814,669	3,857,827
Net operating expenses	(14,141,018)	(15,570,798)
Income from operations before impaired loans	6,135,757	4,304,182
Provision for impaired loans	1,200,000	(1,182,000)
Income before patronage refund	4,935,757	5,486,182
Patronage refund (Note 12)	500,000	750,050
Income before income taxes	4,435,757	4,736,132
Provision for income taxes	617,534	324,741
Net income	3,818,223	4,411,391
Retained surplus, beginning of year	35,313,484	31,060,280
Deduct:		
Dividends on preference shares	(116,171)	(158,187)
Retained surplus, end of year	39,015,536	35,313,484

Consolidated Statement of Cash Flows

For the year ended December 31, 2009

	2009	2008
Cash provided by (used for) the following activities		
Operating		
Interest received from member loans	35,701,778	36,648,929
Interest and dividends received from investments	6,818,802	7,122,930
Service charges and other income received	6,806,502	3,917,200
Income taxes paid (recovered)	261,147	(39,004)
Interest paid to members	(21,054,546)	(21,910,113)
Interest paid on borrowed money	(516,244)	(448,445)
Net operating expenses paid	(19,857,986)	(19,571,785)
	8,159,453	5,719,712
Financing		
Net change in member deposits	81,935,527	66,337,303
Advances of line of credit	—	29,218,378
Repayments of line of credit	(12,967,979)	—
Issuance of member shares	212,789	234,485
Redemption of member shares	(642,840)	(612,859)
Dividends paid on preference shares	(141,880)	(182,075)
	68,395,617	94,995,232
Investing		
Net change in loans receivable	(75,308,503)	(107,355,339)
Purchase of investments	—	(35,000,000)
Proceeds on disposal of investments	20,204,511	43,062,486
Purchase of property, plant and equipment	(1,735,562)	(1,751,562)
Proceeds on disposal of property, plant and equipment	8,507	114,767
	(56,831,047)	(100,929,648)
Increase in cash resources	19,724,023	(214,704)
Cash resources, beginning of year	5,418,331	5,633,035
Cash resources, end of year	25,142,354	5,418,331

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

1. Incorporation and nature of operations

Westoba Credit Union Limited was formed pursuant to the Credit Unions and Caisses Populaires Act of the Province of Manitoba and operates twenty-one Credit Union branches.

2. Change in accounting policies

Fair value measurements

Effective June 2009, the Credit Union adopted the Canadian Institute of Chartered Accountants' new recommendations for disclosures relating to fair value measurements. Section 3862 Financial Instruments - Disclosures has been amended to require enhanced disclosures for fair value measurements recognized in the balance sheet. The Credit Union is required to classify and disclose fair value measurements using a three-tier fair value hierarchy based on the lowest level input that is significant to that fair value measurement.

The adoption of this amendment did not have a material impact on the Credit Union's consolidated financial statements.

Liquidity risk

Effective June 2009, the Credit Union adopted the Canadian Institute of Chartered Accountants' new recommendations for disclosures relating to liquidity risk. Section 3862 Financial Instruments - Disclosures has been amended to require enhanced disclosures for liquidity risk in response to current market conditions. The Credit Union is required to disclose maturity analysis for derivative and non-derivative financial liabilities based on how the Credit Union manages its liquidity risk.

The adoption of this amendment did not have a material impact on the Credit Union's consolidated financial statements.

3. Accounting policies

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

Basis of presentation

The consolidated financial statements include the accounts of the Credit Union, and its wholly owned subsidiary, Westoba Financial Services Limited.

The Credit Union has consolidated the assets, liabilities, revenues and expenses of its subsidiary after the elimination of inter-company transactions and balances.

Investments and accrued interest

Investments in securities are valued at cost or amortized cost adjusted to recognize other than a temporary impairment in the underlying value. Investments are purchased with the intention to hold them to maturity, or until market conditions cause alternative investments to become more attractive. Gains and losses on the disposal of securities are included in income in the year in which they occur.

Member loans receivable and accrued interest

Loans to members are recorded at the lower of principal plus accrued interest and estimated realizable amounts. Estimated realizable amounts are determined by discounting the expected future cash flows at the effective interest rate inherent in the loans. When the amount and timing of future cash flows cannot be estimated with reasonable reliability, estimated realizable amounts are measured at the fair value of the security underlying the loans, net of expected costs of realization.

The Credit Union recognizes loan fees, costs associated with lending activities and discounts on loans over the related lending or commitment period. The unamortized portion of these fees, as well as any discounts, is netted against the principal. Loan repayment penalty fees are deferred and amortized to other income over the average term to maturity of such loans.

Interest income from loans is recorded on the accrual basis for all loans not classified as impaired. When interest or principal is past due 90 days, the loan is classified as impaired unless there is no reasonable doubt as to the collectibility of all interest and principal. When a loan is classified as impaired, recognition of interest income in

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

accordance with the original loan agreement ceases. Any subsequent payments received on an impaired loan are applied to reduce the recorded investment in the loan.

Allowance for loan impairment

The Credit Union maintains an allowance for loan impairment that reduces the carrying value of loans to their estimated realizable amount. The allowance is increased by a charge for loan impairment, which is charged to income, and reduced by write-offs, net of recoveries.

A specific allowance is established on an individual loan basis, to reduce the carrying values to estimated realizable amounts. Estimated realizable values are determined by discounting the expected future cash flows at the effective interest rate inherent in the loans. When the amount and timing of future cash flows can not be reliably established, estimated realizable values are determined by reference to market prices for the loans or their underlying security value.

In addition, a non-specific allowance may be established where, in management's opinion, it is required to absorb losses inherent in the loan portfolio, for which a specific allowance cannot yet be determined. A non-specific provision is established when evidence of impairment exists within groups of loans but is not sufficient to allow identification of individually impaired loans. Impairment is estimated based on historical credit loss experience, known portfolio risks and current economic conditions and trends.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is recorded on a straight-line basis over the estimated useful lives.

	Method	Rate
Automobiles	straight-line	20 %
Buildings	straight-line	2.5 %
Computer equipment	straight-line	33 %
Furniture and equipment	straight-line	20-33 %
Leasehold improvements	straight-line	20 %
Parking lot	straight-line	20 %
Security equipment	straight-line	20 %

Financial instruments

The financial instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized in net income. The Credit Union's financial instruments classified as held for trading include funds on hand and on deposit.

Available for sale financial assets are measured at fair value with unrealized gains and losses recognized in other comprehensive income. The Credit Union's shares with Credit Union Central of Manitoba and Concentra Financial have been classified as available for sale.

The financial assets classified as held-to-maturity are measured at amortized cost. The Credit Union's financial instruments classified as held-to-maturity include Concentra Financial debentures .

The financial assets classified as loans and receivables are measured at amortized cost. The Credit Union's financial instruments classified as loans and receivables include all loans, accrued interest, Credit Union Central of Manitoba term deposits and other receivable balances.

Financial instruments classified as other financial liabilities include all deposits, borrowing, payables and accruals. Other financial liabilities are measured at amortized cost.

Fair value measurements

The Credit Union classified fair value measurements recognized in the balance sheet using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Credit Union to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy base on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

specific to an asset or a liability and may affect placement within the fair value hierarchy.

Revenue recognition

Interest on loans is recorded as income on an accrual basis except for loans which are considered impaired. When a loan becomes impaired, recognition of the interest income ceases when the carrying amount of the loan (including accrued interest) exceeds the estimated realizable amount of the underlying security. The amount of initial impairment and any subsequent changes are recorded through the provision for doubtful loans as an adjustment of the specific allowance.

Investment income is recognized as interest is earned on interest-bearing investments and when dividends are declared on preferred shares.

Other revenue is recognized as services are provided to the members.

Future income taxes

The Credit Union follows the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities reflect the exchange rates at the balance sheet date. Translation gains and losses are included in current income.

Goodwill

Goodwill represents the excess of the purchase amount of investment in subsidiary over the

proportionate share of the value of the shares at the date of acquisition. The Credit Union has assessed the carrying value of goodwill for possible impairment and has determined that no such impairment exists at December 31, 2009.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Loans are stated after evaluation as to their collectibility and an appropriate allowance for doubtful loans is provided where considered necessary. Amortization of property, plant and equipment is provided based on the Credit Union's estimate of useful lives of those assets. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in income in the periods in which they become known.

Comprehensive income (loss)

Comprehensive income (loss) includes all changes in equity of the Credit Union, except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is the total of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that, in accordance with Canadian generally accepted accounting principles, require recognition, but are excluded from net income (loss). The Credit Union does not have any items giving rise to other comprehensive income, nor is there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in net income for the period.

Recent accounting pronouncements

Adoption of International Financial Reporting Standards

The Accounting Standards Board of the Canadian Institute of Chartered Accountants has confirmed that International Financial Reporting Standards ("IFRS")

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

will replace current Canadian GAAP for fiscal years beginning on or after January 1, 2011, for publicly accountable enterprises, such as investment funds and other reporting issuers. From this date forward, the financial statements, including comparative information, will be reported in accordance with IFRS. The Credit Union Deposit Guarantee Corporation requires management to provide progress updates on the entity's IFRS changeover plan quarterly up until the changeover date.

The Credit Union is developing a changeover plan to adopt IFRS on January 1, 2011. The key elements of the plan include assessing the impact of adopting IFRS on:

Accounting policies;
IT and data systems;
Internal controls over financial reporting;
Disclosure controls and procedures.

The impact of adopting IFRS on the Credit Union's financial reporting is not reasonably determinable.

4. Investments and accrued interest

	2009	2008
Credit Union Central of Manitoba		
Term deposits	91,000,000	114,909,100
Shares	11,346,282	10,141,692
Other investments		
Concentra Financial shares	453,311	453,312
Concentra Financial debenture	7,005,000	4,505,000
	109,804,593	130,009,104
Accrued interest	965,733	1,551,775
	110,770,326	131,560,879

Term deposits consist of 15 deposits maturing between 2010 and 2014. The term deposits bear interest at rates between 1.77% and 5.31%. The Concentra Financial debenture bears interest at 5.82% and matures August 2021.

5. Member loans receivable and accrued interest

Principal and allowance by loan type

	<i>Principal Performing</i>	<i>Principal Impaired</i>	<i>Allowance Non-specific</i>	<i>Allowance Specific</i>	<i>2009 Net carrying value</i>	<i>2008 Net carrying value</i>
Personal and other	72,468,948	204,203	471,372	155,780	72,045,999	70,836,688
Real estate secured	237,619,243	480,456	100,000	—	237,999,699	208,482,576
Commercial	311,620,409	1,073,010	942,744	639,875	311,110,800	268,097,274
Agriculture	145,119,705	2,182,857	942,744	967,104	145,392,714	145,281,155
	766,828,305	3,940,526	2,456,860	1,762,759	766,549,212	692,697,693
Total allowance				4,219,619		

Loan allowance details

	2009	2008
Balance, beginning of year	3,152,701	4,675,534
Provision for loan impairment	1,200,000	(1,182,000)
	4,352,701	3,493,534
Less accounts written off	(133,082)	(340,833)
Balance, end of year	4,219,619	3,152,701

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

6. Other assets

	2009	2008
Accounts receivable	159,819	209,374
Prepaid expenses and deposits	1,975,773	2,262,728
Goodwill, net of accumulated amortization of \$1,454,777	1,185,784	1,185,784
	3,321,376	3,657,886

7. Property, plant and equipment

	2009		2008	
	<i>Cost</i>	<i>Accumulated Amortization</i>	<i>Net Book Value</i>	Net Book Value
Land	2,195,843	—	2,195,843	1,485,484
Automobiles	146,880	67,868	79,012	73,526
Buildings	23,371,932	4,598,707	18,773,225	18,732,129
Computer equipment	2,556,003	2,249,664	306,339	196,349
Furniture and equipment	2,949,423	2,382,332	567,091	714,202
Leasehold improvements	270,205	221,203	49,002	22,201
Parking lot	11,501	9,570	1,931	1,931
Security equipment	634,155	494,013	140,142	173,905
	32,135,942	10,023,357	22,112,585	21,399,727

Amortization expense recorded for the year ended December 31, 2009 totalled \$1,014,279 (2008 - \$931,159).

8. Member deposits and accrued interest

	2009	2008
Chequing	238,378,899	201,077,745
Plan 24	41,841,706	36,980,982
Savings	31,204,941	31,324,500
Term deposits	375,118,733	353,227,189
Registered retirement savings plans	102,300,082	91,695,784
Registered retirement income funds	41,047,174	41,348,618
Registered education savings plans	3,200,381	2,870,150
Tax-free savings	7,368,579	—
	840,460,495	758,524,968
Accrued interest	9,912,814	10,082,826
	850,373,309	768,607,794

9. Line of credit

The Credit Union has an approved borrowing limit of 10% of member deposits. Borrowings are secured by an assignment, hypothecation, charge and pledge of all book debts and accounts to Credit Union Central of Manitoba and bear an annual interest rate based on the Chartered Banks overnight funds rate, with no fixed repayment date.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

10. Members' equity and capital requirement

Section 21(1) of the Regulations to the Credit Unions and Caisses Populaires Act requires that the Credit Union establish and maintain a level of capital as follows:

	2009	2008
Equity not less than 5% of assets	5.63%	5.69%
Retained surplus not less than 3% of assets	4.22%	4.13%
Capital not less than 8% of the risk-weighted value of assets	9.12%	9.23%

Section 1535: Capital Disclosures requires the Credit Union to disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.

The Credit Union provides financial services to its members and is subject to the capital requirements set out in the Credit Union Act of Manitoba (the "Act"). The Credit Union complied with these capital requirements as at the year-end.

Capital management: The Credit Union's objectives when managing capital are:

- To ensure the long-term viability of the Credit Union and the security of member deposits by holding a level of capital deemed sufficient to protect against unanticipated losses.
- To comply at all times with the capital requirements set out in the Act.

The Credit Union measures the adequacy of capital using two methods:

- Total capital as a percent of total assets;
- Total capital as a percent of risk-weighted assets. Under this method the Credit Union reviews its loan portfolio and other assets and assigns a risk weighting using definitions and formulas set out in the Act and by the Credit Union Deposit Guarantee Corporation. The more risk associated with an asset, a higher weighting is assigned. This method allows the Credit Union to measure capital relative to the possibility of loss with more capital required to support assets that are seen as being higher risk.

The Credit Union management ensures compliance with capital adequacy through the following:

- Establishing policies for capital management, monitoring and reporting;
- Establishing policies for related areas such as asset liability management;
- Reporting to the Board of Directors regarding financial results and capital adequacy;
- Reporting to the Credit Union Deposit Guarantee Corporation on its capital adequacy; and
- Establishing budgets and reporting variances to those budgets.

The Credit Union is required under the Act to hold capital equal to or exceeding the greater of:

- 5% of total assets; and
- 8% of risk-weighted assets.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

11. Member shares

Each member must purchase one common share. Each member of the Credit Union has one vote, regardless of the number of shares that a member holds.

Authorized:

Common shares

Authorized common share capital consists of an unlimited number of surplus shares with an issue price of \$5 per share and redeemable in the amount of consideration received for the share.

Preference shares

Authorized Class A non-cumulative preference share capital consists of 1,000,000 preference shares with an issue price per share of \$10 with an aggregate consideration which shall not exceed \$10,000,000 and redeemable in the amount of consideration received for the share. Dividends are payable at the discretion of the Board of Directors.

Surplus shares

Authorized surplus share capital consists of an unlimited number of surplus shares, with an issue price per share of \$1 and redeemable at \$1 per share.

Issued:

	2009	<i>2008</i>
33,853 Common shares (2008 - 32,974)	169,265	164,870
9,093,225 Surplus shares (2008 - 8,755,880)	9,093,225	8,755,880
337,974 Preference shares (2008 - 345,940)	3,379,740	3,459,400
Provision for issuance of preference shares	141,880	182,075
Provision for issuance of surplus shares	500,000	750,050
	13,284,110	13,312,275

During the year, the Credit Union issued and redeemed the following:

Issued:

3,174 Common shares
692,329 Surplus shares
19,692 Preference shares

Redeemed:

2,295 Common shares
354,984 Surplus shares
27,658 Preference shares

12. Patronage refund

The Board of Directors have authorized a \$500,000 patronage refund to be allocated to purchase surplus shares for the members based on participation for the year ended December 31, 2009. Management has reflected this patronage refund in the 2009 financial statements with member shares.

The patronage refund of \$500,000 has been reflected in the income statement with related tax savings of approximately \$53,000 reflected in the current year's provision for income taxes.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

13. Related party transactions

Directors, management and staff

Transactions with directors, committee members, management and staff are at terms and conditions as set out in the loan policies of the Credit Union.

Payments made for honoraria and per diems amounted to \$55,606 (2008 – \$51,870), reimbursement of expenses amounted to \$18,444 (2008 – \$13,736) and meeting, training and conference costs amounted to \$30,913 (2008 – \$31,596).

Loans to directors and staff as at December 31, 2009 amounted to 2.07% (2008 – 2.17%) of assets of the Credit Union.

Credit Union Central of Manitoba

The Credit Union is a member of the Credit Union Central of Manitoba, which acts as a depository for surplus funds received from and loans made to credit unions. The Credit Union Central of Manitoba also provides other services for a fee to the Credit Union and acts in an advisory capacity. All transactions with Credit Union Central of Manitoba are recorded at the exchange amount, which is the amount agreed to by the two parties.

Details of investments in Credit Union Central of Manitoba are shown in Note 4. Interest earned on investments during the year amounted to \$5,133,249 (2008 – \$5,416,711).

Interest and charges paid on borrowings during the year ended December 31, 2009 amounted to \$516,244 (2008 – \$448,445).

Payments made to Credit Union Central of Manitoba during the year ended December 31, 2009 for affiliation dues, liquidity assessment, research and development assessment and cheque clearing and data processing fees amounted to \$1,905,773 (2008 – \$1,908,984).

The Credit Union Deposit Guarantee Corporation

The Credit Union Deposit Guarantee Corporation is a deposit insurance corporation, which protects the savings and deposits of all credit union members in every credit union within Manitoba. All transactions with Credit Union Deposit Guarantee Corporation

are recorded at the exchange amount, which is the amount agreed to by the two parties.

Payments made to the Credit Union Deposit Guarantee Corporation during the year ended December 31, 2009 represent the net statutory annual assessment in the amount of \$ 639,831 (2008 – \$883,525).

Celero Solutions

The Credit Union had entered into an agreement with Celero Solutions to provide the delivery of banking system services and the maintenance of the infrastructure needed to ensure uninterrupted delivery of such services. Celero Solutions is a company formed as a joint venture by the Credit Union Centrals of Alberta, Saskatchewan and Manitoba along with Cooperative Trust Company of Canada and Credit Union Electronic Transaction Services.

14. Pension plan

The Credit Union has a defined contribution pension plan for full-time employees. The contributions are held in trust by the Cooperative Superannuation Society Limited and are not recorded in these financial statements. The Credit Union matches employee contributions at rates ranging from 4% to 8% of the employee salary. The expense and payments for the year ended December 31, 2009 were \$437,994 (2008 – \$382,025). As a defined contribution pension plan, the Credit Union has no further liability or obligation for future contributions to fund benefits to plan members.

15. Dividends on preference shares

During the year, the Board of Directors declared a dividend on preference shares in the amount of \$141,880. The amount, net of related tax savings of \$25,709, has been reflected as a charge to retained surplus.

16. Liquidity requirements

The Credit Union has met the liquidity requirements at year end as prescribed in the regulations under the Credit Unions and Caisses Populaires Act.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

17. Loan commitments

The Credit Union has authorized \$169,941,932 for line of credit loans, of which \$82,036,036 has not been advanced as of year end. In addition, approximately \$21,250,143 in member loans have been authorized but have not been advanced as of the year end.

18. Interest rate sensitivity reporting

The Credit Union's primary source of income is financial margin, which is the difference between interest earned on investments and loans to members and interest paid to members on their deposits. The objective of managing the financial margin is to manage repricing or maturity dates of loans and investments and members' savings and deposits within policy limits that are intended to limit the Credit Union's exposure to changing interest rates. The differential represents the net mismatch between loans and investments and members' savings and deposits by maturity dates.

	<i>Average yield</i>		<i>Average costs</i>		<i>2009</i>	<i>2008</i>
	<i>Assets</i>	<i>%</i>	<i>Liabilities</i>	<i>%</i>	<i>Differential</i>	<i>Differential</i>
Interest sensitive:						
Variable (floating)	351,839,184	3.63 %	315,959,906	1.18 %	35,879,278	(19,585,338)
Maturing within 1 year	30,611,463	5.25 %	77,544,374	2.93 %	(46,932,911)	(35,873,006)
1 to 2 years	87,925,454	5.30 %	159,429,069	4.57 %	(71,503,615)	15,601,365
2 to 3 years	105,447,737	5.75 %	49,440,562	4.59 %	56,007,175	(22,775,036)
3 to 4 years	145,264,037	5.64 %	47,683,228	4.30 %	97,580,809	82,346,404
Over 4 years	154,863,263	5.06 %	50,111,805	4.09 %	104,751,458	125,388,085
Non interest bearing items	51,944,715		227,726,909		(175,782,194)	(145,102,474)
Total	927,895,853		927,895,853		—	—

19. Fair value of financial instruments

Fair value is the consideration that would be agreed to in an arm's-length transaction between knowledgeable and willing parties with no compulsion to act. Estimates respecting fair values are based on subjective assumptions and contain significant uncertainty. Fair values represent estimates of value at a particular point in time and may not be relevant in predicting future cash flows or earnings. Potential income taxes or other expenses that may be incurred on actual disposition have not been reflected in the fair values disclosed.

The following methods and assumptions were used to estimate fair values of financial instruments:

- the stated value for cash, short term investments, other assets, other liabilities, accrued income or expense and certain other assets and liabilities approximate their fair value.
- estimated fair values of investments are based on quoted market prices when available or quoted market prices of similar investments.
- for variable interest rate loans that are frequently re-priced, stated values are assumed to be fair values. Fair values of other loans are estimated using discounted cash flow calculations with market interest rates for similar groups of loans and maturity dates.
- fair value of deposits with no specified maturity term is its stated value. Fair value for other deposits is estimated using discounted cash flow calculations at market rates for similar deposits.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

Estimated fair values of financial instruments are summarized as follows:

	2009			2008		
	<i>Fair value</i>	<i>Book value</i>	<i>Fair value over book value</i>	<i>Fair value</i>	<i>Book value</i>	<i>Fair value over book value</i>
Financial assets						
Cash	25,142,354	25,142,354	—	5,418,331	5,418,331	—
Investments and accrued interest	110,770,326	110,770,326	—	131,624,547	131,560,879	63,668
Member loans receivable and accrued interest	776,434,736	766,549,212	9,885,524	681,345,587	692,697,693	(11,352,106)
	<u>912,347,416</u>	<u>902,461,892</u>	<u>9,885,524</u>	<u>818,388,465</u>	<u>829,676,903</u>	<u>(11,288,438)</u>
Financial liabilities						
Member deposits and accrued interest	872,113,390	850,373,309	21,740,081	784,467,794	768,607,794	15,860,000
Line of credit	21,677,445	21,677,445	—	34,645,424	34,645,424	—
Accounts payable and accrued liabilities	3,545,453	3,545,453	—	2,855,539	2,855,539	—
	<u>897,336,288</u>	<u>875,596,207</u>	<u>21,740,081</u>	<u>821,968,757</u>	<u>806,108,757</u>	<u>15,860,000</u>

Fair value hierarchy

Following the recently updated CICA Handbook Section 3862, "Financial Instrument Disclosures", financial instruments measured at fair value on the balance sheet date have been classified within the fair value hierarchy.

At both December 31, 2009 and the prior year, December 31, 2008, all financial instruments measured at fair value on the balance sheet have been classified to Level 2; measured using inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly.

20. Nature and extent of risk arising from financial instruments

The Credit Union is exposed to the following risks as a result of holding financial instruments: credit risk, market risk and liquidity risk. The following is a description of those risks and how the Credit Union manages the exposure to them.

Credit Risk

Credit risk is the risk that a financial loss will be incurred due to the failure of a counterparty to discharge its contractual commitment or obligation to the Credit Union. Credit risk arises principally as a result of the Credit Union's lending activities with members.

Credit concentration exists if a number of borrowers are engaged in similar economic activities or are located in the same geographical region, and indicate the relative sensitivity of the Credit Union's performance to developments affecting a particular segment of borrowers or geographical region.

Risk measurement

The Credit Union employs a risk measurement process for its loan portfolio which is designed to assess and quantify the level of risk inherent in credit granting activities. Risk is measured by reviewing qualitative and quantitative factors that impact the loan portfolio.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2009

Credit quality performance

Refer to Note 3 for additional information on the potential loss exposure related to the Credit Union's loan portfolio.

Objectives, policies and processes

The Credit Union is committed to the following principles in managing credit risk exposure:

- Credit risk assessment includes the establishment of policies and processes related to credit risk management and risk rating;
- Credit risk mitigation includes credit structuring, collateral, and guarantees;
- Credit risk approval limits includes establishing credit risk limits and reporting exceptions thereto;
- Credit risk documentation focuses on documentation and administration; and
- Credit risk monitoring and review.

The Credit Union's credit risk policies, processes and methodologies are reviewed annually to ensure they remain relevant and effective in managing credit risk.

Market Risk

Market risk arises from changes in interest rates that affect the Credit Union's net interest income. Exposure to this risk directly impacts the Credit Union's income from its loan and deposit portfolios. The Credit Union's objective is to earn an acceptable net return on these portfolios, without taking unreasonable risk, while meeting member-owner needs.

Risk Measurement

The Credit Union's risk position is measured and monitored each month to ensure compliance with policy. Management provides monthly reports on these matters to the Credit Union's Board of Directors.

Objectives, policies and processes

Management is responsible for managing the Credit Union's interest rate risk, monitoring approved limits

and compliance with policies. The Credit Union manages market risk by developing and implementing asset and liability management policies, which are approved and periodically reviewed by the Board.

The Credit Union's goal is to achieve adequate levels of profitability, liquidity and safety. The Board of Directors reviews the Credit Union's investment and asset liability management policies periodically to ensure they remain relevant and effective in managing and controlling risk.

Liquidity Risk

Liquidity risk is the risk of having insufficient financial resources to meet the Credit Union's cash and funding requirements, statutory liquidity requirements, or both.

Risk measurement

The assessment of the Credit Union's liquidity position reflects management's estimates, assumptions and judgment pertaining to current and prospective market conditions and the related investing and borrowing activities of members.

Objectives, policies and processes

The acceptable amount of risk is defined by policies that are approved by the Board of Directors.

The Credit Union manages liquidity by monitoring, forecasting and managing cash flows and the concentration of loans and deposits within approved policies. Management provides monthly reports on these matters to the Board of Directors.

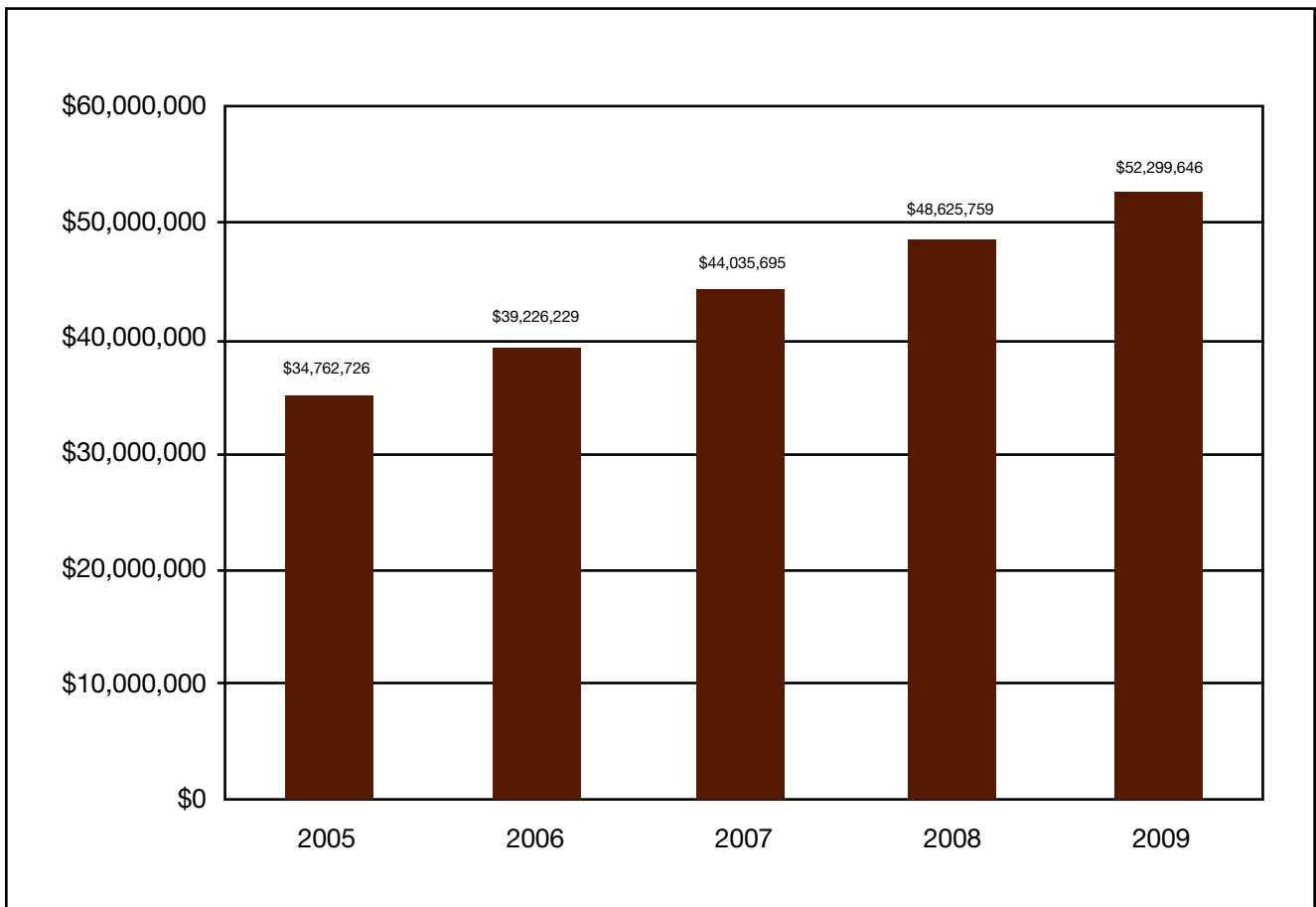
Key features of liquidity management include:

- Daily monitoring of expected cash inflows and outflows and tracking and forecasting the liquidity position; and
- Consideration of the term structure of loans and deposits, with emphasis on deposit maturities, as well as expected loan funding and other

Members' Equity

5 Years Growth

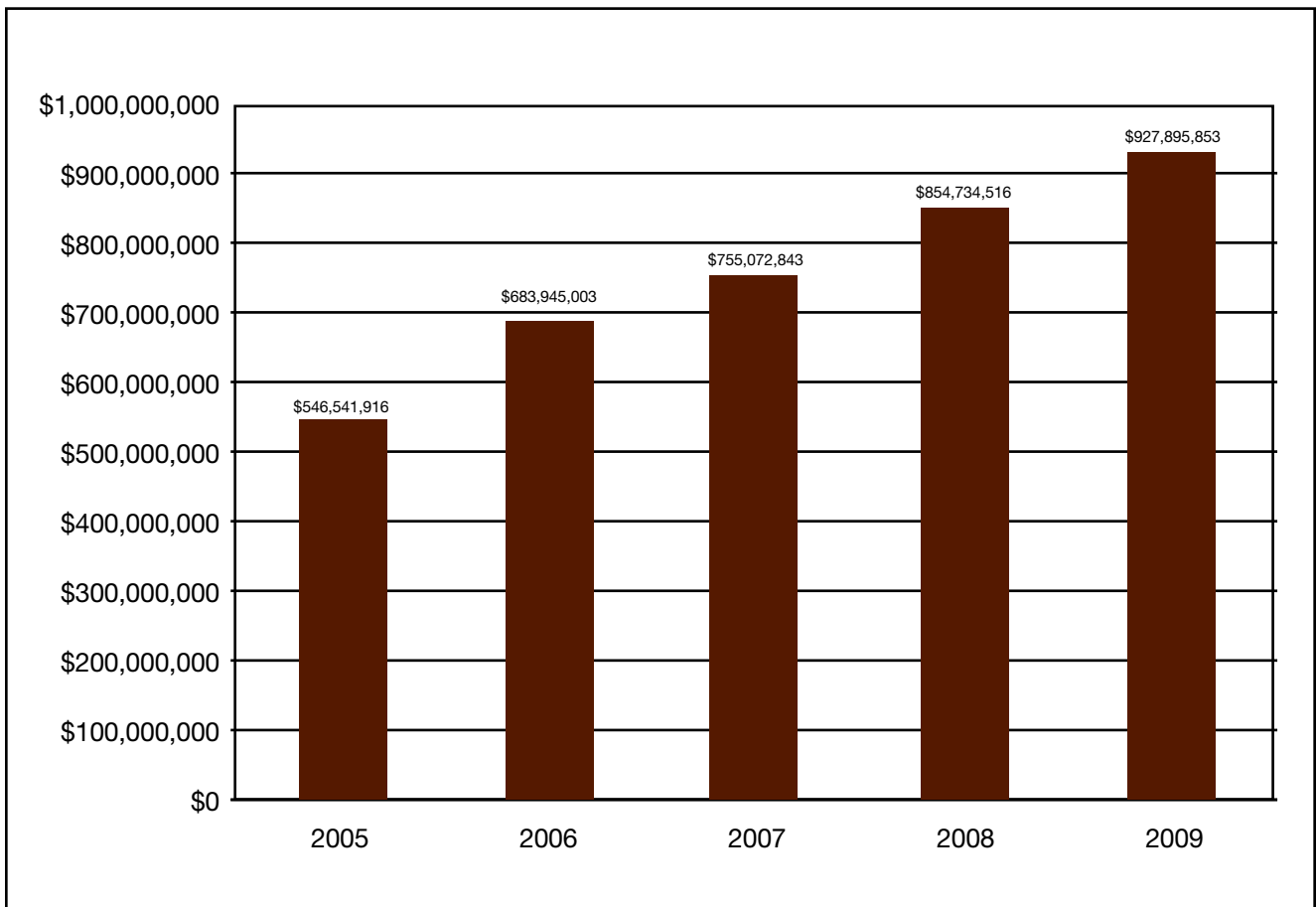
As at December in the year indicated



Total Assets

5 Years Growth

As at December in the year indicated



President & CEO / Vice Presidents Corporate Office



Randy Brown
Vice President
Business
Development



Brian Deutscher
Vice President
Marketing and
Human Resources



Wayne McLeod
President &
CEO



Kevin Bower
Vice President
Lending Services



Don Pringle
Vice President
Finance



Janice Heapy
Vice President
Technology

Branch Managers



Melody Judson
1st Street Branch



Kerry McLeod
10th Street Branch



Nettie Lepage
34th Street Branch



Therese Touchette
Carberry Branch



Gerald Lepp
Rivers Branch



Jim Hawkins
Cartwright Branch

Branch Managers



Penny Johnson
Glenboro Branch



Theresa Wright
Killarney Branch



Stacey Griffin
La Riviere Branch



Ross Coombs
Ninette / Belmont
Branch



John Jansen
Pilot Mound
Branch



Brenda Roberts
Souris Branch

Unavailable

- Maureen McClymont — The Pas Branch
- Branch Manager — Swan Lake / Bruxelles / Mariapolis
- Branch Manager — 18th & Kirkcaldy / Shilo

Westoba Team

Brandon – 1st & McTavish

Braun, Tyarra
Connors, Dianne
Fitzsimmons, Carol
Hodgson, Corinne
Hofer, Carly
Judson, Melody
Klassen, Melissa
Kunka, Kim
Kurbatoff, Betty
Lenton, Robin
Mayes, Lindy
McEvoy, Patti
Moffat, Christina
Pandolfi, Laurie
Rosteski, Evy
Thompson, Tanya
Wilkinson, Sara

Brandon – 10th & Princess

Angus, Robyn
Bourgeois, Stacie
Brown, Candice
Bryson, Coleen
DeRoo, Ken
Elder, Judy
Flannigan, Amber
Gerrard, Jacqueline
Gibson, Brenda
Heide, Rhonda
Jenks, Sandra
Labay, Whitney
Latell, Tracy
McKean, Marie
McLeod, Kerry
Meger, Samantha
Neal, Jennifer
Peterson, Meaghan
White, Deanne
Zarn, Ashley

Brandon – 18th & Kirkcaldy

Boak, Heather
Borley, Meagan
Brotten, Melorie
Burton, Jenna
Cunningham, Kim
King, Sherri
Lampert, Kayla
White, Alycia

Brandon – 34th & Victoria

Addison, Kellie
Anderson, Sarah
Cantlon, Michael
Carmichael, Debora
Cumming, Sandra
English, Janet
Gerritzen, Sharon
Hackenschmidt, Lorraine
Lamont, Kathy
Lepage, Nettie
Loewen, Patrick
More Lucinda
Morriseau, Patches
Mosiuk, Karen
Pahl, Stacey
Plaetinck, Brooke
Pleskacz, Donna
Smith, Adele
Tennant, Courtney
Van De Kerckhove, Carolyn
Wiebe, Carola

Carberry

Becker, Beverley
Graham, Cheryl
Hill, Shari
Johnstone, Lorne
Manns, Kristen
Meyers, Dari
Paluch, Deanna
Touchette, Therese
Winter, Laurel

Cartwright

Calcott, Sally
Cantlon, Donna
Hawkins, Jim
Maxwell, Renae
Melvin, Deborah
Mullin, Sherry
Van Damme, Carla

Glenboro

Haasbeek, Cathie
Heinrichs, Heather
Johnson, Penny
Martin, Trudy
Stevens, Sharon
Thornborough, Lisa

Killarney

Clark, Carla
Desrosiers, Sharon
Dowsett, Donna
Dyck, Michelle
Friesen, Shawna
Hart, Diane
High, Cherie
Hildebrandt, Judy
Kinley, Lori
Klassen, Deb
Leafloor, Marge
May, Elaine
Toews, Germaine
Wilkins, Shawna
Wood, Ronalee
Wright, Theresa

La Riviere

Bamford, Val
Griffin, Stacey
Thompson, Beth
Wymer, Gladys

Mariapolis/C.O.

Mangin, Colleen

Ninette

Coombs, Ross
Johnson, Brenda
Kabel, Cynthia
Kozak, Val
McGill, Jennifer
Olver, Jackie
Paradis, Lorraine
Swaite, Linda

Pilot Mound

Crandlemire, Linda
Jansen, John
McKay, Joyce
McMillan, Marjorie
Reimer, Becky
Scarf, Heather
Smith, Adrienne

Rivers

Demers, Janice
 Foster, Vicky
 Hall, Caroline
 Klassen, Sue
 Lepp, Gerald
 McNish, Kenzie
 Noort, Drake
 Vincent, Raeanna
 Walker, Crystal
 Webster, Deborah

Shilo

Dulac, Robyn
 Fierstine, Stacey
 Kaufman, Gloria
 Strand, Loni

Souris

Armour, Phyllis
 Denbow, Wendy
 Gosnold, Eloise
 Roberts, Brenda
 Robinson, Debra
 Roels, Josh
 Wilkinson, Brenda

Swan Lake

Cameron, Tanya
 Delichte, Arlene
 Desrochers, Nicole
 Jansen, Melissa
 Lovie, Leanne
 Pouteau, Wendy
 Ricard, Joanie
 Timmerman, Vanessa
 Winters, Gerry
 Wise, Karen

The Pas

Gustafson, Jodi
 Hostasek, Ena
 Ladouceur, Darla
 McClymont, Maureen
 Nelson, Carmilla
 Oolayou, Julie
 Robertson, Shawna
 Viflanzoff, Ollie
 Vrisk, Sherry
 Yellowega, Darlene

Community Business Centre -**Brandon**

Bird, Brian
 Cataford, Don
 Charles, Debbie
 Duncan, Del
 Margetts, Rob
 Wiess, Ken

Community Business Centre -**Winnipeg**

Findlay, Tracy
 Hughes, Jessica
 Kirkwood, Tannis
 Peric, Gary
 VanDeMosselaer, Kelly
 Wood, Ty

Corporate Office

Arnold, Curtis
 Averill, Tracey
 Bevan, Alissa
 Boes, Lee-Ann
 Bok, Kerilee
 Bower, Kevin
 Brown, Randy
 Bryce, Mark
 Claridge, Sherice
 Cline, Laurie
 Cox, Larry
 Cunnington, Lori
 Deutscher, Brian
 DeVliegere, Leanne
 Dueck, Monica
 Everett, Mary Ann
 Everett, Pat
 Heapy, Janice
 Hersak, Megan
 Hoggins, Gina
 Howell, Ray
 Jensen, Marie
 Keele, Kathy
 Kolosky, Kristyn
 Kuz, Randy
 Leitch, Tracy
 Lelond, Cheri
 Lovie, Tiara

Marcischuk, Marnie
 McConnell, Marcie
 McCroary, Judy
 McGregor, Elaine
 McLeod, Wayne
 McTaggart, Lindsay
 Moorehead, Greg
 Myers, Terry
 Nedohin, Lynette
 Ostrowka, Donna
 Palaniuk, Tammie
 Phillips, Shelley
 Poyser, Corelei
 Pringle, Don
 Robertson, Molli
 Semeschuk, Christopher
 Smith, Kent
 Smith, Margaret
 Smith, Sarah
 Sprott, Sherry
 Strelczik, Jennifer
 Sturgeon, Marilyn
 Sutherland, Shelley
 Tack, Agnes
 Williams, Pam
 Wohlgemuth, Jayne

WestProtect

Bass, David
 Berry, Crystal
 Cantlon, Marj
 Harvey, Christina
 Murray, Margaret
 Patryluk, Kathy
 Patryluk, Robert
 Schellenberg, Anneliese
 Schellenberg, Dietrich

2009 Retiree

Del Duncan

2009 Westoba Staff Service Awards

Each year presentations are made to Staff recognizing significant milestones in their career with Westoba.

We are pleased to present the following staff for 2009 .

5 Years of Service

Lee Ann Boes - Corporate Office
Michael Cantlon - 34th & Victoria Branch
Cathie Haasbeek - Glenboro Branch
Tiara Lovie - TeleService
Kerry McLeod - 10th and Princess Branch
Shelley Phillips - Clearings
Shawna Robertson - The Pas Branch

10 Years of Service

Sandra Cumming - 34th & Victoria Branch
Donna Dowsett - Killarney Branch
Judy Elder - 10th Street Branch
Brenda Johnson - Ninette Branch
Lori Kinley - Killarney Branch
Patti McEvoy - 1st Street Branch

15 Years of Service

Sherice Claridge - Corporate Office
Kathy Keele - Corporate Office
Colleen Mangin - Mariapolis

20 Years of Service

Judy Hildebrandt - Killarney Branch
Penny Johnson - Glenboro Branch
Susan Klassen - Rivers Branch
Marjorie McMillan - Pilot Mound Branch

25 Years of Service

Sherri King - 18th & Kirkcaldy Branch

30 Years of Service

Coleen Bryson - 10th Street Branch



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