Consolidated Financial Statements of

Coastal Community Credit Union

YEAR ENDED DECEMBER 31, 2009

Management's Responsibility for Financial Reporting

The consolidated financial statements in this report have been prepared by the management of Coastal Community Credit Union, which is responsible for their reliability, completeness and integrity. They were developed in accordance with requirements of the Financial Institutions Act of British Columbia and conform in all material respects with Canadian generally accepted accounting principles.

Systems of internal control and reporting procedures have been designed to provide reasonable assurance that the financial records are complete and accurate so as to safeguard the assets of the Credit Union. These systems include establishment and communication of standards of business conduct throughout all levels of the organization to provide assurance that all transactions are authorized and proper records maintained. Further, the systems of control are reviewed by the Credit Union's external auditors.

The Board of Directors has approved the consolidated financial statements. The Audit and Finance Committee of the Board has reviewed the statements with the external auditors in detail, and received regular reports on internal control findings. BDO Canada LLP, the external auditors, have examined the Credit Union's consolidated financial statements including attached notes in accordance with Canadian generally accepted auditing standards. They have had full and free access to employees of the Credit Union and the Audit and Finance Committee of the Board. Their report outlines the scope of their examination and their opinion.

Adrian Legin
President and Chief Executive Officer

Barbara Coe
Barbara Coe
Vice President, Finance

February 16, 2010

BDO Canada LLP
Chartered Accountants

600 – 925 West Georgia St.
Vancouver, BC, V6C 3L2
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Auditors' Report

To the Members of
Coastal Community Credit Union

We have audited the consolidated Balance Sheet of Coastal Community Credit Union as at December 31, 2009 and the consolidated statements of Earnings, Members' Equity and Retained Earnings, Comprehensive Income 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 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 financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Coastal Community 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.

BDO Canada LLP

Chartered Accountants

Nanaimo, British Columbia
February 16, 2010

BDO Canada LLP is a Limited Liability Partnership registered in Ontario

Coastal Community Credit Union

Consolidated Balance Sheet

December 31, 2009, with comparative figures for 2008

		2009		2008
Assets				
Cash resources (note 4)	**$**	**142,008,280**	$	133,502,667
Loans (note 5)		**1,414,421,021**		1,335,060,855
Investments (note 6)		**40,749,503**		55,908,150
Premises and equipment, net of amortization (note 7)		**20,034,443**		20,549,218
Other assets (note 8)		**16,809,146**		13,010,103
	$	**1,634,022,393**	$	1,558,030,993
Liabilities				
Member deposits (note 9)	**$**	**1,538,014,185**	$	1,439,849,269
Short-term borrowings from Central 1 Credit Union (note 10)		**19,540,357**		48,036,261
Accounts payable and accrued liabilities		**9,675,083**		9,594,568
		1,567,229,625		1,497,480,098
Members' equity				
Contributed surplus		**2,573,094**		755,171
Retained earnings		**64,124,070**		59,603,144
Accumulated other comprehensive income		**95,604**		192,580
		66,792,768		60,550,895
	$	**1,634,022,393**	$	1,558,030,993

See accompanying notes to financial statements.

On behalf of the Board:

Susanne Jakobsen, Chair

Richard Kerton, Director

Coastal Community Credit Union

Consolidated Statement of Earnings

December 31, 2009, with comparative figures for 2008

		2009		2008
Financial income:				
Loans	**$**	**65,841,774**	$	74,566,247
Cash resources and investments		**5,642,051**		7,489,855
		71,483,825		82,056,102
Financial expenses:				
Deposits		**28,747,675**		38,873,553
Borrowings		**413,500**		1,154,590
		29,161,175		40,028,143
Financial margin		**42,322,650**		42,027,959
Other income (expenses):				
Other income (note 12)		**28,625,838**		26,649,670
Provision for credit losses, net of recoveries (note 5)		**(2,271,171)**		(1,499,098)
Other expenses (note 13)		**(4,533,635)**		(4,406,743)
		21,821,032		20,743,829
Operating margin		**64,143,682**		62,771,788
Operating expenses (note 14)		**59,371,065**		56,679,465
Earnings from operations		**4,772,617**		6,092,323
Gain on dispositions (note 23)		**1,246,550**		317,138
Non-controlling interest (note 2)		**–**		(373,363)
Distribution to members (note 15)		**(81,022)**		(154,437)
Earnings before income taxes		**5,938,145**		5,881,661
Income taxes (note 16)		**1,417,219**		1,347,495
Net earnings	**$**	**4,520,926**	$	4,534,166

See accompanying notes to financial statements.

Coastal Community Credit Union

Consolidated Statement of Members' Equity and Retained Earnings

December 31, 2009, with comparative figures for 2008

		2009		2008
Retained earnings				
Balance at the beginning of year	**$**	**59,603,144**	$	55,068,978
Net earnings		**4,520,926**		4,534,166
Balance at end of year		**64,124,070**		59,603,144
Accumulated Other Comprehensive Income				
Unrealized gains on available-for-sale assets (note 2)		**35,325**		84,135
Gains on derivatives designated as cash flow hedge (note 18)		**60,279**		108,445
Balance at end of period		**95,604**		192,580
Total Retained Earnings and Accumulated Other Comprehensive Income		**64,219,674**		59,795,724
Contributed Surplus				
Balance at the beginning of year		**755,171**		755,171
Addition from acquisition of Quadra Credit Union (note 24)		**1,817,923**		–
Balance at end of year		**2,573,094**		755,171
Total Members' Equity	**$**	**66,792,768**	$	60,550,895

Consolidated Statement of Comprehensive Income

December 31, 2009, with comparative figures for 2008

		2009		2008
Net earnings	**$**	**4,520,926**	$	4,534,166
Other Comprehensive Income (Loss):				
Available-for-Sale Assets:				
Unrealized Gains, net of tax		**35,325**		84,135
Reclassification of (gains) losses to income		**(84,135)**		125,803
Derivatives Designated as Cash Flow Hedges:				
Unrealized Gains, net of tax		**60,279**		108,445
Reclassification of (gains) losses on derivatives designated as cash flow hedge		**(108,445)**		224,635
Other Comprehensive (Loss) Income		**(96,976)**		543,018
Comprehensive Income	**$**	**4,423,950**	$	5,077,184

See accompanying notes to financial statements.

Coastal Community Credit Union

Consolidated Statement of Cash Flows

Year ended **December 31, 2009**, with comparative figures for 2008

		2009		2008
Cash provided by (used in):				
Operations:				
Net earnings	**$**	**4,520,926**	$	4,534,166
Items not involving cash:				
Amortization of premises and equipment		**3,333,752**		3,331,092
Amortization of intangible assets		**1,185,745**		653,425
Gain on disposition		**(1,246,550)**		(317,138)
Provision for loan losses		**2,271,171**		1,499,098
Future income taxes		**205,900**		16,355
Non-controlling interest		**–**		373,363
Unrealized financial instruments adjustment for staff loans		**1,303,331**		40,849
Change in non-cash operating working capital:				
Decrease (Increase) in accounts receivable		**1,427,801**		(2,070,583)
(Increase) in prepaid expenses		**(52,853)**		(441,958)
(Decrease) in accounts payable		**(47,353)**		(1,442,920)
		12,901,870		6,175,749
Financing:				
Deposits		**68,735,239**		89,338,181
Short-term borrowings		**(28,495,904)**		27,033,425
		40,239,335		116,371,606
Investing:				
Loans		**(60,928,729)**		(97,430,135)
Investments		**15,610,069**		(15,769,751)
Purchase of premises and equipment		**(1,974,890)**		(2,683,710)
Proceeds on dispositions		**1,249,990**		1,250,000
Cash resources from acquisition of Quadra Credit Union (note 24)		**7,169,819**		–
Acquisition of 50% of CCIA (note 22)		**(5,761,851)**		–
		(44,635,592)		(114,633,596)
Increase in cash position		**8,505,613**		7,913,759
Cash resources, beginning of year		**133,502,667**		125,588,908
Cash resources, end of year	**$**	**142,008,280**	$	133,502,667
Supplemental Financial Information:				
Interest received	**$**	**72,398,606**	$	82,500,592
Interest and dividends paid		**31,923,205**		43,567,555
Income taxes paid		**1,444,277**		1,531,879

See accompanying notes to financial statements.

Coastal Community Credit Union ("Credit Union") is incorporated under the *Credit Union Incorporation Act (British Columbia)* and *Financial Institutions Act (British Columbia)*. The operation of the Credit Union is subject to the *British Columbia Financial Institutions Act*. The Credit Union predominately serves members on Vancouver Island.

1. Significant accounting changes:

In June 2009, the Canadian Institute of Chartered Accountants ("CICA") amended Section 3862 of the CICA Handbook to improve fair value and liquidity risk disclosures. Section 3862 now requires that all financial instruments measured at fair value be categorized into one of three hierarchy levels, described below, for disclosure purposes.

Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. This amendment only impacts the notes to the financial statements (note 20).

2. Significant accounting policies:

(a) Basis of presentation:

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

(b) Basis of consolidation:

The consolidated financial statements include the assets and liabilities and results of operations of the Credit Union and its wholly-owned subsidiaries after the elimination of intercompany transactions and balances. These subsidiaries include wholly-owned Coastal Community Financial Management Inc. ("CCFMI") and Coastal Community Insurance Services (2007) Ltd. ("CCIS").

2. Significant accounting policies (continued):

(b) Basis of consolidation (continued):

The consolidated financial statements also include 50% of the revenue and expenses of Coastal Community Insurance Agencies Ltd. ("CCIA") for the period January 1, 2009 to February 28, 2009 (note 22). Effective March 1, 2009, the Credit Union purchased the remaining 50% of CCIA. The Credit Union then transferred 100% of its common shares of CCIA to CCIS under subsections 85(1) of the Income Tax Act and financed the transfer with interest-bearing debt.

CCIA and CCIS were amalgamated March 1, 2009, pursuant to subsections 87(1) and 87(11) of the Income Tax Act. The Credit Union holds 100% of the issued and outstanding shares of the amalgamated CCIS, which includes the pre-amalgamation assets and liabilities of CCIA.

(c) Use of estimates:

The preparation of the financial statements of the Credit Union in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions based on information as of the date of the financial statements that affect the amounts reported in the financial statements and accompanying notes. Significant areas requiring the use of estimates relate to the determination of the fair value of financial instruments, impaired loan provisions, useful lives of premises and equipment for amortization, determination of net recoverable amount from long-lived assets, and future income taxes. Actual results could materially differ from those estimates.

(d) Financial Instruments:

All financial instruments are measured at fair value on initial recognition, and measurement in subsequent periods is dependent on their classification as described below.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arms-length transaction between knowledgeable, willing parties who are under no compulsion to act.

The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Credit Union's designation of such instruments. The standards require that all financial instruments be classified as either held-for-trading, available for sale, held-to-maturity, loans and receivables or as other financial liabilities.

2. Significant accounting policies (continued):

(d) Financial Instruments (continued):

The following is a summary of the accounting model the Credit Union has elected to apply to each of its significant categories of the financial instruments outstanding at December 31, 2009 and 2008:

Cash held at branches	Held for Trading
Investments other than subsidiaries	Available-For-Sale
Cash and Investments with Central 1 Credit Union	Loans and Receivables
Loans to members	Loans and Receivables
Accounts receivable	Loans and Receivables
Member deposits	Other Financial Liabilities
Short-term borrowings from Central 1 Credit Union	Other Financial Liabilities
Accounts payable	Other Financial Liabilities

Financial assets and financial liabilities held-for-trading are measured at fair value at the balance sheet date. Interest and dividends earned, gains and losses realized on disposal and unrealized gains and losses from market fluctuations are included in financial income for the period.

Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method.

Available-for-sale financial assets are measured at fair value with unrealized gains and losses, including gains and losses from foreign exchange, being recognized in Other Comprehensive Income. The unrealized gains and losses are included in Accumulated Other Comprehensive Income until the financial asset is no longer recognized, at which time the cumulative gain or loss is transferred to the statement of earnings. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost.

(e) Loans and Allowance for Credit Losses:

Loans are recorded at amortized cost less provision for impairment. Interest income is recorded on an accrual basis except where a loan is considered to be impaired. Interest income on impaired loans is recognized on a cash basis but only after specific provision for impairment or partial write-offs has been recovered and provided that there is no further doubt as to the collectability of the principal amount.

The Allowance for Credit Losses is maintained at a level considered adequate to absorb credit losses existing in the Credit Union’s portfolio. The allowance is increased by an annual provision for credit losses which is charged against income.

2. Significant accounting policies (continued):

(e) Loans and Allowance for Credit Losses (continued):

The Credit Union includes in impaired loans, all loans where a payment is 90 days or greater in arrears plus any other loans where, in management's view, there is no longer reasonable assurance of timely collection of the full amount of principal and interest in accordance with the terms of the loan agreement.

To determine estimated realizable amounts, the fair value of any underlying security, net of expected realization costs, or an estimate of market price for the loan is used.

In addition to the specific allowances against impaired loans, the Credit Union maintains a non-specific allowance to cover impairment which is inherent in the loan portfolio and is estimated upon historical loss experience and prevailing economic conditions.

(f) Investments, Goodwill, Licenses and Customer Lists:

Other investments classified as available-for-sale are measured at fair value as at the balance sheet date. Gains and losses realized on disposition and unrealized gains and losses from changes in fair value are reported as income. Business acquisitions are accounted for using the purchase method. Goodwill is the excess of the purchase price paid for the acquisition over the fair value of the net assets acquired, including identifiable intangible assets. Goodwill and other intangible assets with an indefinite life are not amortized, but are subject to a fair value impairment test at least annually.

Intangibles assets, other than goodwill, such as licenses and customer lists, which do not have indefinite useful lives, are amortized using a straight-line basis over their useful lives, not exceeding 10 years. The amortization of intangible assets is recorded in operating expenses in the Consolidated Statement of Earnings. These intangible assets are tested for impairment whenever circumstances indicate that the carrying value may not be recoverable. Any impairment of goodwill or other intangible assets will be charged to the Consolidated Statement of Earnings in the period of impairment.

(g) Dividends:

Dividends on non-equity shares, equity shares and patronage rebates are charged against earnings.

2. Significant accounting policies (continued):

(h) Premises and equipment:

Premises and equipment are recorded at cost less accumulated amortization. Amortization of $3,333,752 (2008 - $3,984,517) charged to the 2009 operations of the Credit Union has been calculated using the following rates and methods:

Buildings	Straight-line over 25 years
Banking system	Straight-line over 10 years
Leasehold improvements	Straight-line over 10 years
Furniture and equipment	Straight-line over 5 years
Computer equipment	Straight-line over 2 years

(i) Revenue Recognition:

Interest income on loans is recorded using the effective interest method except for loans which are considered impaired. When a loan becomes impaired, recognition of interest income ceases.

Unless included in the effective interest calculation, fees are recognized on an accrual basis as the service is provided and reported as Other Income.

(j) Income taxes:

The Credit Union follows the asset and liability method of accounting for income taxes. Under the asset and liability method, future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in the tax rates is recognized in earnings in the period that includes the date of enactment or substantive enactment.

(k) Foreign Currency Translation:

Assets and liabilities denominated in foreign currencies, primarily US dollars, are translated into Canadian dollars at the rate prevailing on the balance sheet date. Realized gains and losses are recorded at the rates prevailing at the time of the transaction. Unrealized gains and losses are recorded at the rate prevailing on the balance sheet date. Exchange gains and losses arising on the translation of monetary items are included in income for the year.

2. Significant accounting policies (continued):

(l) New Accounting Pronouncements:

Recent accounting pronouncements that have been issued but not yet effective, and have a potential implication for the Credit Union, are as follows:

International Financial Reporting Standards

The CICA plans to converge Canadian GAAP with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011. The impact of the transition to IFRS on the Credit Union's financial statements has yet to be determined.

3. Capital requirements:

The *Financial Institutions Act* ("FIA") states that a credit union must maintain a capital base which is adequate at all times. The Capital Requirements Regulation outlines what constitutes adequate capital, how the capital base is determined and when to file a Capital Adequacy Return.

For the purpose of the Capital Adequacy Regulations, the Credit Union considers its capital to include equity shares, retained earnings, future income tax and contributed surplus. There have been no changes in what the Credit Union considers to be capital since the previous period.

The Credit Union establishes the risk-weighted value of its assets in accordance with the Capital Adequacy Regulations, which establishes the applicable percentage for each class of assets.

Effective January 1, 1994, the *Financial Institutions Act* regulations prescribed a minimum required capital ratio of 8% of the risk weighted value of assets. At December 31, 2009, the Credit Union had a capital ratio of 11.16% (2008 restated – 9.94%).

4. Cash resources:

		2009		2008
Cash on hand	**$**	**19,786,498**	$	17,343,892
Demand and short-term investments				
held at Central 1 Credit Union		**121,264,572**		114,635,862
Accrued interest on cash resources		**957,210**		1,522,913
	$	**142,008,280**	$	133,502,667

In accordance with provincial legislation and the terms of arrangements with Central 1 Credit Union, credit unions are required to maintain deposits with Central 1 Credit Union totaling 8% of their deposits (net of equity and non-equity shares) and debt liabilities. Deposits with Central 1 Credit Union earn interest at short-term money market rates.

5. Loans to members:

Loans to members are presented net of Allowance for Credit Losses, totaling $4,206,796, consisting of $2,164,293 for specific loans considered impaired, and $2,042,503 as non-specific:

					2009		2008
		Gross Amount		Allowance	**Carrying Amount**		Carrying Amount
Residential mortgages	$	882,817,429	$	2,060,553	**$ 880,756,876**	$	864,912,958
Commercial mortgages		248,080,382		925,000	**247,155,382**		243,853,391
Personal and other loans		284,188,406		1,221,243	**282,967,163**		222,511,850
Accrued interest		3,541,600		–	**3,541,600**		3,782,656
Net loans	$	1,418,627,817	$	4,206,796	**$ 1,414,421,021**	$	1,335,060,855

Analysis of Allowance for Credit Losses	Residential mortgages	Commercial mortgages	Personal and other	**Total 2009**	Total 2008
Allowance, beginning	$ 1,418,960	$ 1,603,528	$ 960,884	**$ 3,983,372**	$ 4,384,928
Provision, net of recoveries	658,638	(650,182)	2,262,715	**2,271,171**	1,499,098
	2,077,598	953,346	3,223,599	**6,254,543**	5,884,026
Write offs, less recoveries	(17,045)	(28,346)	(2,002,356)	**(2,047,747)**	(1,900,654)
Allowance, ending	$ 2,060,553	$ 925,000	$1,221,243	**$ 4,206,796**	$ 3,983,372
Allowance as a percentage of total loans				**0.30%**	0.30%

5. Loans to members (continued):

The principal collateral and other credit enhancements held as security for loans include, mortgages over residential lots and properties, recourse to business assets, recourse to the commercial real estate properties being financed and recourse to liquid assets, guarantees and securities.

During the year ended December 31, 2009, the Credit Union did not acquire any assets in respect of loans in default.

A loan is considered past due when a counter party has not made a payment by the contractual date due. The following table presents the carrying value of loans that are past due but not classified as impaired because they either are less than 90 days past due or fully secured and collection efforts are reasonably expected to result in repayment.

During the year, the Credit Union recovered $97,830 of loans previously written-off (2008 - $75,954).

				2009
	1–30 days	**31–90 days**	**Greater Than 90 days**	**Total**
Consumer	$ 19,632,647	$ 10,004,206	$ 6,473,197	**$ 36,110,050**
Commercial	2,627,455	1,326,127	946,182	**4,899,764**
	$ 22,260,102	$ 11,330,333	$ 7,419,379	**$41,009,814**

				2008
	1–30 days	31–90 days	Greater Than 90 days	Total
Consumer	$ 30,416,536	$ 3,931,733	$ 4,407,531	$ 38,755,800
Commercial	1,414,575	70,301	1,421,866	2,906,742
	$ 31,831,111	$ 4,002,034	$ 5,829,397	$ 41,662,542

6. Investments:

		2009		2008
Statutory investments:				
Central 1 Credit Union shares	**$**	**4,406,170**	$	3,907,267
Non-statutory investments:				
Mortgage packages purchased		**29,206,435**		44,115,996
Communities First Investment Fund		**1,061,760**		602,738
Federal and provincial government bonds		**620,841**		1,432,120
Other investments		**859,711**		690,647
Goodwill		**4,594,586**		5,159,382
	$	**40,749,503**	$	55,908,150

Shares in Central 1 Credit Union are a required investment as a condition of membership in Central 1 Credit Union and provincial legislation. This investment is determined based on the Credit Union's assets and is realizable only on withdrawal from membership.

Insured mortgage packages purchased have maturities from 12 months to 22 months with an average anticipated yield of 3.77% to 3.97%. (2008 – maturities from 1 to 3 years with an average anticipated yield of 2.77% to 3.10%).

7. Premises and equipment:

						2009		2008
		Cost		Accumulated Amortization		**Net Book Value**		Net Book Value
Land	$	2,139,652	$	–	**$**	**2,139,652**	$	1,685,652
Buildings		11,825,426		4,394,519		**7,430,907**		6,932,759
Leasehold improvements		7,523,589		5,224,178		**2,299,411**		2,713,420
Furniture and equipment		14,159,365		11,170,537		**2,988,828**		3,585,406
Computer equipment		8,849,468		8,239,542		**609,926**		526,463
Banking system		6,565,602		1,999,883		**4,565,719**		5,105,518
	$	51,063,102	$	31,028,659	**$**	**20,034,443**	$	20,549,218

8. Other assets:

		2009		2008
Licenses and customer lists	**$**	**10,684,536**	$	5,780,014
Accounts receivable		**2,946,780**		5,107,012
Prepaid expenses		**1,310,190**		1,257,337
Deferred broker fee expense		**958,261**		580,275
Future income taxes		**328,601**		534,499
Non-controlling interest		**–**		(475,367)
Other		**580,778**		226,333
	$	**16,809,146**	$	13,010,103

The non-controlling interest was due to the Credit Union having a 50% ownership of Coastal Community Insurance Agencies Ltd. prior to February 28, 2009 (note 22).

9. Member deposits:

		2009		2008
Demand	**$**	**764,609,456**	$	623,778,033
Term		**513,679,345**		564,106,860
Registered plans		**242,394,717**		231,768,262
Accrued interest on member deposits		**9,758,423**		12,608,119
		1,530,441,941		1,432,261,274
Non-equity shares:				
Non-voting, $1 par value, unlimited number authorized		**82,364**		102,907
Equity shares:				
Membership equity shares, voting, $1 par value,				
unlimited number authorized		**4,919,987**		4,836,061
Investment equity shares, voting, $1 par value,				
unlimited number authorized		**2,569,893**		2,649,027
	$	**1,538,014,185**	$	1,439,849,269

Non-equity shares

Amounts contributed by members for non-equity shares can be withdrawn on demand or redeemed by the Credit Union. The holders of these shares may be entitled to a life insurance policy of up to $2,000 in accordance with the original purchase terms. The Credit Union has ceased issuance of these shares.

9. Member deposits (continued):

Equity shares

The equity shares of the Credit Union are divided into two classes designated as membership equity shares and investment equity shares having the following rights and restrictions:

- Each member shall purchase not less than 5 and may purchase not more than 1,000 membership equity shares.
- Redemption of membership equity and investment shares is subject to certain conditions and approval of the directors, subject to an overall restriction that the Credit Union may not be required to redeem in any financial year more than 10% of the total amount of such shares issued and outstanding on the last day of the preceding financial year.
- Dividends declared may, at the discretion of the directors, be different for each class of shares, and such dividends may be paid as an allocation of membership equity shares.
- Equity shares are not insured by the Credit Union Deposit Insurance Corporation of British Columbia ("CUDIC").

Deposit insurance protection

On November 27, 2008, the Provincial legislature passed amendments to the *Financial Institutions Act* to provide unlimited deposit insurance protection on all deposits in British Columbia's credit unions through CUDIC. CUDIC guarantees that all money on deposit and money invested in non-equity shares with a BC credit union is 100% guaranteed, including foreign currencies and accrued interest, regardless of the term to maturity.

CUDIC is administered by the Financial Institutions Commission ("FICOM").

10. Operating line of credit:

The Credit Union has an approved line of credit of $60,000,000 secured by a demand debenture in favor of Central 1 Credit Union. The debenture creates a floating charge on certain assets and undertakings of the Credit Union.

11. Future Commitments:

Members' Loans

The Credit Union had made commitments to members for loans that had not been disbursed by December 31, 2009, in the amount of $32,236,937. In addition, the unutilized portions of lines of credit extended to members at December 31, 2009 totaled $190,216,867. The Credit Union also had made commitments to members for unexpired letters of credit in the amount of $4,000,635 at December 31, 2009 (note 19).

11. Future Commitments (continued):

Computer services

The agreement for the use of the new banking system continues for 5 years from November 2006, the date put in use, with an automatic renewal for a further 5 years. The Credit Union is committed to annual maintenance costs of approximately $636,000 to 2011.

Premises

The Credit Union has committed to lease premises until 2014. The minimum lease payments, including estimated operating costs incorporated into lease agreements, in each of the next five years are $2,193,409 in 2010, $2,062,844 in 2011, $1,936,113 in 2012, $1,682,082 in 2013 and $893,923 in 2014.

12. Other income:

	2009	2008
Member services		
Chequing and savings accounts	$ **5,044,864**	$ 5,116,973
Other service income	**3,386,938**	4,024,812
Mortgage payout and prepayment income	**3,310,171**	1,164,306
Insurance administration fees	**1,422,223**	1,036,512
Loan fees	**1,207,759**	1,261,224
Safety deposit boxes	**240,723**	199,877
	14,612,678	12,803,704
Building and property income	**251,892**	236,764
Commission revenue from subsidiaries	**13,761,268**	13,609,202
	$ **28,625,838**	$ 26,649,670

13. Other expenses:

	2009	2008
Other services	$ **1,897,608**	$ 1,629,008
Chequing services	**1,136,636**	1,108,353
Electronic services	**1,051,506**	1,215,885
Automated teller machine services	**447,885**	453,497
	$ **4,533,635**	$ 4,406,743

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14. Operating expenses:

		2009		2008
Salaries and benefits	**$**	**36,886,096**	$	33,548,101
Other administrative		**6,202,472**		6,914,519
Amortization of premises and equipment		**4,519,497**		3,984,517
Premises and equipment		**4,338,129**		4,622,813
Data processing		**3,352,933**		3,016,593
Regulatory costs		**1,572,554**		1,223,664
Professional services		**1,125,406**		1,337,907
Advertising and member relations		**1,081,535**		1,346,238
Capital taxes		**292,443**		685,113
	$	**59,371,065**	$	56,679,465

15. Distribution to members:

		2009		2008
Dividends on equity shares	**$**	**81,022**	$	153,616
Dividends on non-equity shares		**–**		821
	$	**81,022**	$	154,437

16. Income taxes:

Components

		2009		2008
Current income taxes	**$**	**1,211,319**	$	1,331,140
Future income taxes		**205,900**		16,355
	$	**1,417,219**	$	1,347,495

16. Income taxes (continued):

Tax rates

	2009		2008	
	Amount	**% Pretax Income**	Amount	% Pretax Income
Combined statutory income tax rates	**$ 1,811,134**	**30.50%**	$ 1,995,978	31.91%
Reduction for credit unions and small business	**(603,545)**	**(10.16)%**	(1,003,031)	(16.04)%
Impact of tax rate changes on future income tax balances	**45,501**	**0.77%**	102,672	1.64%
Other permanent differences	**72,549**	**1.22%**	204,864	3.28%
Other	**91,580**	**1.54%**	47,012	0.75%
	$ 1,417,219	**23.87%**	$ 1,347,495	21.54%

Future income tax

The components of future income tax are as follows:

	2009	2008
Premises, equipment and intangibles	**$ (449,762)**	$ (517,609)
Allowance for loan losses	**303,619**	416,410
Investment valuation differences	**209,781**	231,730
Unrealized financial instruments adjustments	**113,560**	188,163
Value of income tax losses carried forward	**75,749**	78,870
Other reserves	**75,654**	136,935
	$ 328,601	$ 534,499

17. Pension Liability:

The Credit Union and its employees contribute and participate in pension plans (Group Registered Retirement Savings Plan, Defined Benefit Pension Plan and the Money Purchase Plan) offered and administered by Central 1 Credit Union.

Group Registered Retirement Savings Plan

Employer contributions for the majority of employees are made to a group registered retirement savings plan at a rate of 10% of annual salary. Contributions made during the year totaled $2,421,246 (2008 – $2,361,840). Employees contributed a total of $485,965 (2008 – $563,769) during the year.

17. Pension Liability (continued):

Defined Benefit Pension Plan

The Defined Benefit Pension Plan ("Plan") is a multi-employer defined benefit plan with several active contributors from various credit unions. The Credit Union requires employees to make contributions, while the Credit Union assumes the remaining costs required to pay the employee's pension. Contributions made during the year totaled $185,837 (2008 – $191,138). Employees contributed a total of $99,142 (2008 – $96,620) during the year.

As of December 2008, the trustees believed that due to severe market declines, the Plan was estimated to have a net deficit of 11% compared to the 2006 8% over funded position. Contribution rates were increased in 2009, however this increase will likely not be sufficient to keep the Plan fully funded, and the BC Credit Union Employees Pension Plan will submit an application to the BC regulator to extend the funding period from 5 years to 10 years for the expected solvency deficits. In consideration of the expected deficit position, the Plan's actuary has conducted cost estimates on certain benefit modifications in order to assess the impact on actuarial liabilities and determine the affordability of the benefits in light of the increases in contribution rates. The actuary does not attribute portions of the estimated deficit to the individual employers. Each employer expenses contributions to the plan in the year in which payment is made.

Money Purchase Plan

The Money Purchase Plan is also a multi-employer pension plan with several active contributors from various credit unions. Under this pension plan, the Credit Union contributes to an employee's pension plan account an amount based on a percentage of the employee's earnings and expenses the contributions to the plan in the year in which payments are made.

Contributions made during the year totaled $18,972 (2008 - $21,270). Employees contributed a total of $5,829 (2008 - $5,829) during the year.

18. Derivative Financial Instruments:

Derivative financial instruments are contracts that require or provide the opportunity to exchange cash flows or payments determined by applying certain interest rates, indices or changes therein to notional contract amounts. All of the interest rate swap contracts entered into by the Credit Union are classified as cash flow hedge instruments. Cash flow hedges modify exposure to variability in cash flows for changes in interest rates.

For cash flow hedges that meet the requirements of Section 3855 of the CICA Handbook, gains and losses resulting from changes in the fair value of the effective portion of the derivative instrument are recorded in Other Comprehensive Income until the hedged item is recognized in income, at which time such change is recognized as interest income. Any ineffective portion is recognized immediately in income as Other Income and on the Consolidated Statement of Comprehensive Income.

18. Derivative Financial Instruments (continued):

The Credit Union has entered into interest rate swap contracts with Central 1 Credit Union to hedge the Credit Union's exposure to interest rate risks. As at December 31, 2009, the Credit Union had entered into interest rate swap contracts for a total of $25,000,000 of notional principal (2008 - $15,000,000), whereby it has agreed to pay at fixed interest rates and receive at variable interest rates.

These swaps have fixed interest rates ranging from 2.465% to 2.815% and will mature between May 2014 and August 2014. These agreements are secured by a general security agreement covering all assets of the Credit Union.

Monthly cash settlements on derivative instruments are recorded in the income statement. Fair values on the derivative instruments outstanding, determined based upon relative values of net expected cash flows forecasted by current yield curves, are recorded on the balance sheet as unrealized gains and/or losses. The notional value of the interest rate swaps is not recorded on the balance sheet.

19. Financial Instrument Risk Exposure & Management:

This note describes the Credit Union's risks, measurement of risks and objectives, policies and processes for managing risks arising from financial instruments. Further quantitative information in respect of these risks is presented throughout these financial statements.

The following table presents the principal financial instruments used by the Credit Union from which financial instrument risk arises:

	Categories of Financial Assets and Financial Liabilities			
Class of Financial Instrument	**Held for Trading**	**Loans & Receivables**	**Available for Sale**	**Other Financial Liabilities**
Cash resources	$ 20,743,708	$ 121,264,572	$ –	$ –
Loans to members	–	1,414,421,021	–	–
Investments other than subsidiaries	–	–	36,154,917	–
Member deposits	–	–	–	1,538,014,185
Accounts Receivable	–	2,946,780	–	–
Borrowings from Central 1 Credit Union	–	–	–	19,540,357
Accounts payable	–	–	–	9,675,083

There have been no substantive changes in the Credit Union's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or methods used to measure them from previous periods unless otherwise stated in this note.

19. Financial Instrument Risk Exposure & Management (continued):

General objectives, policies and processes

The Credit Union has adopted an Enterprise Risk Management ("ERM") framework as a governance and management tool to provide effective oversight and risk management of the Credit Union. The Board has oversight responsibility to ensure management actively monitors and manages the risks. The Board annually reviews their oversight of risks. The Board receives quarterly risk reporting from management to ensure policies and processes are in place to effectively manage the risks.

Credit Risk

Credit risk is the risk of loss to the Credit Union if counterparty to a financial instrument fails to meet its contractual obligations. The Credit Union is mainly exposed to credit risk from claims against a debtor or indirectly from claims against a guarantor of credit obligations.

Risk Measurement

Credit risk rating systems are designed to assess and quantify the risk inherent in credit activities in an accurate and consistent manner. To assess credit risk, the Credit Union takes into consideration the member's character, ability to pay and the value of collateral available to secure the loan.

Objectives, Policies and Processes

Objectives, policies and processes to manage credit risk are based on compliance to clearly defined credit policies and credit approval processes. Credit risk policies establish the minimum requirements for management of credit risk for a variety of transactions and portfolios. Its credit risk policies include the following:

- General loan policy statements including approval of lending policies, eligibility for loans, exceptions to policy, policy violations, liquidity and loan administration.
- Loan lending limits including Board of Directors limits, schedule of assigned limits and exemptions from aggregate indebtedness.
- Loan collateral security classifications which set loan classifications, advance ratios and amortization periods.
- Procedures outlining loan overdrafts, release or substitution of collateral, temporary suspension of payments and loan renegotiations.
- Loan delinquency controls regarding procedures for loans in arrears.
- Continuous audit of procedures and processes of the Credit Union's lending activities.

Credit approval processes are based on the experience and qualifications of the lending staff with larger credits requiring credit committee approval. Lending processes are reviewed on a regular basis to ensure compliance with policy. Loans requiring collection are managed centrally. The Investment and Lending Committee receives quarterly monitoring reports on loans. Reports summarizing delinquency, write–offs, and provisions are reviewed and approved quarterly by the Investment and Lending Committee and submitted to the Board for approval.

19. Financial Instrument Risk Exposure & Management (continued):

Maximum Exposure to Credit Risk

The Credit Union's maximum exposure to credit risk without taking into account any collateral or other credit union enhancements is as follows:

	Carrying Value	Maximum Exposure
Central 1 Credit Union deposits	$ 121,264,572	$ 121,264,572
Member loans	1,414,421,021	1,414,421,021
Undisbursed loans	–	32,236,937
Unutilized lines of credit	–	190,216,867
Unexpired letters of credit	–	4,000,635
	$ 1,535,685,593	$ 1,762,140,032

Details regarding concentration of credit risk, collateral and other credit enhancements held and loans past due but not impaired are disclosed in note 5.

Liquidity Risk

Liquidity risk is the risk that the Credit Union may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost effective manner to meet its commitments as they come due.

Risk Measurement

Liquidity risk is measured relative to deposits and borrowings at Central 1 Credit Union. Projected liquidity risk metrics reflects management's estimates, assumptions and judgments pertaining to current and prospective Credit Union specific and market conditions and the related behaviour of its members and counterparties.

Objectives, Policies and Processes

The objectives for managing liquidity risk are to comply with provincial legislation and the terms of arrangements with Central 1 Credit Union, to maintain a certain amount of liquid assets in order to meet member withdrawals (note 4); as well as ensure lines of credit with Central 1 are sufficient to meet projected liquidity needs.

Liquidity risk polices establish the minimum liquidity requirements and that all liquidity must be invested at Central 1 Credit Union. Liquidity risk management processes include daily monitoring the growth of deposits and loans and the resulting impact on the Central 1 line of credit. Management annually reviews its liquidity plan for various scenarios.

The Board of Directors receives monthly liquidity reports. The Credit Union was in compliance with the liquidity requirements throughout the fiscal year.

19. Financial Instrument Risk Exposure & Management (continued):

As of December 31, the position of the Credit Union was follows:

		2009		2008
Qualifying liquid assets on hand	**$**	**141,774,201**	$	132,830,738
Total liquidity requirement		**124,522,941**		118,752,262
Excess of liquidity requirements	**$**	**17,251,260**	$	14,078,476

The following are the contractual maturities of financial liabilities, including accrued interest:

(in thousands of dollars)

	Carrying Amount	Gross Nominal Cash Outflow	Less than 1 month	1 to 3 months	3 to 12 months	Greater than 1 year
Deposits	$ 1,538,014	$ (1,529,739)	$ (778,010)	$ (74,281)	$ (348,955)	$ (328,493)
Borrowings	19,540	(19,540)	(19,540)	–	–	–
Payables	9,675	(9,675)	(9,675)	–	–	–
	$ 1,567,229	$ (1,558,954)	$ (807,225)	$ (74,281)	$ (348,955)	$ (328,493)

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and credit spreads. The Credit Union is exposed to market risk from its asset/liability management activities. The level of market risk to which the Credit Union is exposed varies depending on market conditions and expectations of future interest rate and foreign exchange movements.

Interest Rate Risk

Interest rate risk is the impact on the Credit Union from interest rate changes due to the difference in repricing of assets and liabilities. Interest rate risk is the largest component of market risk. The Credit Union's goal is to manage the interest rate risk with a goal of stabilizing financial margin and economic value.

Risk Measurement

Interest rate risk is measured by its impact to earnings (earnings-at-risk, "EaR") and its impact to the fair value of equity (economic value of equity, "EVE"). The EaR metric measures the impact interest rates have on financial margin for the next year. The EVE metric measures the longer-term impact that interest rates have on the equity of the Credit Union. The amount of interest rate risk that the Credit Union will undertake depends on income and capital positions, and will be based on tolerance limits within a minimum 90% confidence interval based on simulated interest rates.

19. Financial Instrument Risk Exposure & Management (continued):

Objectives, Policies and Processes

The objectives for managing interest rate risk are to comply with the maximum EaR and EVE limits established in the investment and lending policies. The Asset/Liability Committee ("ALCO") reviews monthly simulations of the impact on EaR and EVE for various interest rate scenarios. ALCO reviews deposit and loan programs and interest rate swap programs that will maintain compliance with the investment and lending policies.

The investment and lending policies are reviewed and approved annually by the Investment and Lending Committee.

19. Financial Instrument Risk Exposure & Management (continued):

Interest rate sensitivity position

The following schedule shows the Credit Union's sensitivity to interest rate changes. Amounts with floating rates or due or payable on demand are classified as maturing within the current year. A significant amount of loans and mortgages can be settled before maturity on payment of a penalty, but no adjustment has been made for repayments that may be prior to maturity. Amounts that are not interest rate sensitive have been grouped together, regardless of maturity.

(in thousands of dollars)

	Repricing Period								
	2010 Carrying Value	Rate	2011/2012 Carrying Value	Rate	2013+ Carrying Value	Rate	Non-Rate Sensitive	**Total**	**Rate**
Assets:									
Cash resources	$ 72,152	1.09 %	$ 49,106	3.20%	$ 957	– %	$ 19,793	**$ 142,008**	**1.67 %**
Loans	645,646	3.67	355,573	5.66	413,202	4.83	–	**1,414,421**	**4.51**
Investments	21,732	4.22	14,584	6.85	4,433	5.77	–	**40,749**	**5.27**
Other assets	–	–	–	–	–	–	36,844	**36,844**	–
	$ 739,530	3.43 %	$ 419,263	5.42%	$ 418,592	4.83 %	$ 56,637	**$1,634,022**	**4.17 %**
Liabilities:									
Member deposits	$ 1,077,195	1.35 %	$ 261,504	2.74 %	$ 199,316	4.47 %	$ –	**$1,538,014**	**1.96 %**
Other liabilities	19,540	0.85	–	–	–	–	9,675	**29,215**	**0.85**
Equity	–	–	–	–	–	–	66,793	**66,793**	–
	$ 1,096,735	1.34 %	$ 261,504	2.74 %	$ 199,316	4.47 %	$ 76,468	**$ 1,634,022**	**1.82 %**
Swaps	$ 25,000	0.40 %	–	2.74 %	(25,000)	2.63 %	–		
Net mismatch	$ (332,205)		$ 157,759		$ 194,276		$ (19,831)		

19. Financial Instrument Risk Exposure & Management (continued):

Foreign Exchange Risk

The foreign exchange risk is the impact on the Credit Union from the difference in balances from foreign currency denominated assets and liabilities and from foreign currency transactions with members.

Risk Measurement

The Credit Union's foreign exchange asset and liability balances are measured and monitored daily. Foreign exchange rates charged to members and currency purchase costs are monitored daily.

Objectives, Policies and Processes

The objective for managing foreign exchange risk is to manage the balance sheet within the limits established by the investment and lending policies.

Foreign exchange risk management processes include daily monitoring the foreign currency balances and investing with Central 1 to stay within the limits of the investment and lending policies. Management annually reviews its foreign exchange plan for various scenarios.

The Investment and Lending Committee receives quarterly foreign exchange reports. For the year ended December 31, 2009, the Credit Union's exposure to foreign exchange risk was not significant.

20. Fair value of financial instruments:

		2009		2008
Balance sheet				
Assets				
Cash resources and investments	**$**	**186,692,837**	$	190,263,403
Loans		**1,446,400,043**		1,332,401,000
Other assets		**16,809,146**		13,010,104
Liabilities				
Member deposits	**$**	**1,543,707,686**	$	1,435,644,402
Short term borrowings from Central 1 Credit Union		**19,540,357**		48,036,261
Accounts payable and accrued liabilities		**9,675,083**		9,594,568
Off-Balance Sheet swaps				
Derivative instruments	**$**	**(185,594)**	$	127,451

The fair value of financial instruments as at December 31, 2009 and December 31, 2008 is based on relevant prices and information at that time. The fair value estimates are not necessarily indicative of the amounts the Credit Union may receive or incur in actual market transactions. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

20. Fair value of financial instruments (continued):

Some of the Credit Union's assets and liabilities, such as premises and equipment, do not meet the definition of financial instruments. The fair values disclosed exclude the value of assets and liabilities not considered financial instruments. The fair value estimates do not reflect the Credit Union as a whole.

Determination of Fair Values

The fair value of financial instruments which are highly liquid such as cash resources, certain investments, and certain other liabilities approximate their carrying values because of the short maturity of these instruments.

The fair value of all floating rate residential and commercial loans was determined by discounting future loan cash flows at the prime rate at December 31, 2009. The fair value of fixed rate residential and commercial mortgages was discounted using retail mortgage rates at December 31, 2009.

The fair value of all demand deposits approximates their carrying value because of the short maturity of these instruments.

The fair value of all fixed rate non-registered and registered term deposits were valued using retail rates as at December 31, 2009.

As described in note 1, Section 3862 of the CICA Handbook requires that all financial instruments measured at fair value be categorized into one of three hierarchy levels for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities. Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The following table reflects the classification of the fair value of financial instruments into these three levels.

		As at December 31, 2009			
	Fair Value (1)	**Level 1**	**Level 2**	**Level 3 (2)**	**Total**
Financial Assets					
Loans and Receivables	$ 1,582,463,680	1%	99%	–%	100%
Available-for-Sale	42,866,383	12%	88%	–%	100%
Other Assets	16,809,146	–%	100%	–%	100%
Held-for-Trading other than derivatives	7,762,818	100%	–%	–%	100%
Financial Liabilities					
Member Deposits	$ 1,543,707,686	1%	99%	–%	100%
Short-term Borrowing	19,540,357	100%	–%	–%	100%
Accounts Payable & Other Liabilities	9,675,083	100%	–%	–%	100%
Derivatives	185,594	–%	100%	–%	100%

(1) Fair value of assets and liabilities as a percentage of total assets and liabilities measured at fair value on a recurring basis for categories presented in the table above.

(2) There were no transfers in or out of Level 3 during the year.

21. Contingent liabilities:

Class action lawsuit

A class action lawsuit has been instigated against several British Columbia Credit Unions in respect of alleged excess overdraft charges. The Credit Union has been named in this suit.

The Credit Union strongly disputes any wrongdoing in this matter, but the financial statements do include a provision against possible loss. Should this provision turn out to be overstated or understated, it will be adjusted in the year additional information becomes available.

22. Acquisition of 50% of Coastal Community Insurance Agencies Ltd. ("CCIA"):

The purchase of 50% of Coastal Community Insurance Agencies Ltd. on February 28, 2009 for $ 5,761,851 resulted in 100% ownership by the Credit Union. Effective March 1, 2009, the Credit Union transferred 100% of its common shares of CCIA to Coastal Community Insurance Services (2007) Ltd, under subsections 85(1) of the Income Tax Act and financed the transfer with interest-bearing debt.

CCIA and CCIS were amalgamated March 1, 2009, pursuant to subsections 87(1) and 87(11) of the Income Tax Act. The Credit Union holds 100% of the issued and outstanding shares of the amalgamated CCIS, which includes the pre-amalgamation assets and liabilities of CCIA.

23. Dispositions:

During the year, Coastal Community Insurance Services (2007) Ltd., a wholly-owned subsidiary, sold two of its ICBC Autoplan licenses. The sales of these licenses were accounted for as follows:

Gross proceeds	$ 1,249,990
Net book value at sale date	–
Professional fees	(3,440)
Gain on disposition	$ 1,246,550

In the prior year, the Credit Union sold a vacant parcel of land in Nanaimo, resulting in a gain on disposition of $317,138.

24. Acquisition of Quadra Credit Union:

On April 30, 2009, the Credit Union acquired 100% of Quadra Credit Union. The Quadra Credit Union operated on Quadra Island and Cortes Island. Under the terms of the agreement, the Credit Union acquired all assets of Quadra Credit Union in exchange for the assumption of debt and exchange of membership shares.

The transaction was accounted for using the purchase method. The following shows the allocation of the purchase price:

Loans	$ 22,130,021
Loan provisions	(124,082)
Cash resources	7,169,819
Premises and equipment	1,516,333
Investments	548,398
Other assets	134,977
Total assets acquired	31,375,466
Member deposits	29,429,677
Other liabilities	127,866
Total liabilities acquired	29,557,543
Excess of value of assets acquired over liabilities	$ 1,817,923

The excess of the value of assets acquired over liabilities has been credited to Contributed Surplus. Quadra Credit Union ceased operations immediately after the acquisition.

25. Other Information:

At December 31, 2009 loans to directors, officers, management, as well as families and business interests of these positions amounted to $3,621,065 (2008 - $3,874,815).

Directors received remuneration of $195,100 in 2009 (2008 - $182,472).

Notes

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