



Integrus Credit Union Branches / Managers

Corporate Office
1532 6th Avenue
Prince George, B.C. V2L 5B5
www.integriscu.ca

**5th & Ahbau Branch /
Brenda Astorino¹**
#205 - 513 Ahbau Street
Prince George, B.C. V2M 3R8
Phone: 250-612-3456

**Clinton Branch /
Angie Cahill²**
1507 Highway 97 North, Box 549
Clinton, B.C. V0K 1K0
Phone: 250-459-2173

**Fort St. James Branch /
Joan Burdeniuk³**
602 West Stuart Drive, Box 1360
Fort St. James, B.C. V0J 1P0
Phone: 250-996-8667

**River Point Branch /
John Stevens⁴**
#100 - 2150 Ferry Avenue
Prince George, B.C. V2N 0B1
Phone: 250-612-3456

**Quesnel Branch /
Sheri Coles⁵**
253 Reid Street
Quesnel, B.C. V2J 2M1
Phone: 250-992-9216

**Town Centre Branch /
Kelly Zammit⁶**
1532 6th Avenue
Prince George, B.C. V2L 5B5
Phone: 250-612-3456

**Vanderhoof Branch /
Audrey Carlson⁷**
186 West Columbia Street, Box 628
Vanderhoof, B.C. V0J 3A0
Phone: 250-567-4737



Integrus Credit Union
placed 6th in the B.C.
Business Magazines "Best
Companies to Work For"
in the over 100 employee
category.

www.integriscu.ca

Integrus Credit Union Notice of General Meeting



www.integriscu.ca

AGM Meeting Thursday, April 16, 2009
Registration 6:30 pm
Meeting 7:00 pm

Location Coast Inn of the North
770 Brunswick, Prince George, BC

- Agenda**
- 1 Call to order
 - 2 Registration report and declaration of quorum
 - 3 Appointment of recording secretary
 - 4 Appointment of parliamentary
 - 5 Welcome and introductions
 - 6 Adoption of agenda and rules of order
 - 7 Adoption of the minutes of April 17, 2008
 - 8 Business arising out of the minutes
 - 9 Director's report
 - 10 Report from the CEO
 - 11 Adoption of director & CEO reports
 - 12 Presentation of financial statements & auditor's report
 - 13 Approval of auditors report
 - 14 Motion to authorize directors to set audit fee
 - 15 Nominating / elections committee report
 - 16 New business
 - 17 Good and welfare
 - 18 Adjournment

**Join us at
the AGM!** All members are invited to attend the AGM. Special return bus
transportation will be available to Prince George on Thursday,
April 16 as follows:

Fort St. James Bus leaves at 2:45 pm. Call 250-996-8667 to book.

Vanderhoof Bus leaves at 3:30 pm. Call 250-567-4737 to book.

Quesnel Bus leaves at 3:15 pm. Call 250-992-9216 to book.

* Members using the bus transportation will need to make their own dinner
arrangements. The bus will arrive in Prince George by 5:00 pm with registration
for the AGM beginning at 6:30 pm.

Clinton Membership Meeting

Given the distance constraint, Integrus Credit Union will host a special
Membership Meeting for members in the Clinton area at 7:00 pm on
Wednesday, April 8th, 2009, at the Clinton Memorial Hall.



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Annual Report



Integrus Credit Union River Point Branch, Grand Opening



Integrus Credit Union Senior Management Group



(L to R)
Ken Dickson,
Chief Operating Officer
Brian Bentley,
Chief Executive Officer
Lorne Calder,
Chief Financial Officer

Integrus Credit Union 2008 Board of Directors



(L to R)
Back Row
Robin Fennell
Steve Cooley
Henry ten Wolde
LeRoy Vossler
Curtis Boucher
Peter Valk
Front Row
Gene Mitran
Wendy Schmidt
Bruce Steele
Faye Hallett
Keith Brain

A Message from our CEO, Brian.

The past year has been the most challenging we have faced in decades. The impact of the world economy on our region and our credit union are for the first time in my career virtually impossible to accurately forecast as the changes are dramatic, occur weekly, and the accumulated losses in the stock markets have members, businesses, and governments in a state of shock.

The global credit crisis, triggered by the sub-prime mortgage lending in the United States affected Canadian financial markets. The dramatic drop in prime rate had a negative impact on our financial margin resulting in profitability falling behind budget. However, we are pleased to report that despite the challenges, Integris Credit Union did remain profitable but not at the same levels seen over the past 4 years.

While the world events continued to unfold, we continued moving forward on several fronts. We opened the first known "outbound only" Contact Center which has been well received by members. In July, we attended the World Credit Union conference to research partnership opportunities with other credit unions. We came away with much more information and a greater appreciation of the work needed to establish a partnership.

In November, we were thrilled to learn that Integris Credit Union placed 6th in the B.C. Business Magazines "Best Companies to Work For" in the

over 100 employee category. What a great achievement! Throughout 2008 Integris also received nominations from the Chamber of Commerce in Prince George for Employer of the Year and the Quesnel Chamber of Commerce awarded us the Community Beautification award and recently nominated us for the Community Spirit award. Integris Credit Union was voted the best bank or trust company by the readers of the Prince George Free Press.

In the spring of 2008, we engaged an independent consulting firm to assess our employees' engagement. Response rate was an outstanding 99.3%, with results showing employee engagement at an impressive 81%. With a direct correlation between employee engagement and organizational results, measuring and learning how to increase employee engagement has real bottom line benefits.

Our annual Member Survey was conducted in May. Results were excellent, better than planned and the staff were commended for their efforts. We thank you for your feedback as we continue to strive to provide you with a high level of service and competitive products.

During 2008 we continued to invest in our facilities and in May saw the relocation of the Parkwood branch in Prince George to the new branch location in the River Point Plaza. The new facility has a drive thru ATM with 24 x 7 access, as well as commercial and personal banking services, a full service insurance agency including autoplan and a financial planning division.

We also expanded our insurance division by opening an insurance office in Vanderhoof. During 2008, discussions with our partner in the insurance division resulted in an agreement where the credit union purchased the shares on December 31, 2008.

Turning to our Financial Planning division, we hired

three new Planners one coming from the banking floor. The market experienced some of the largest daily and weekly swings that stock markets ever recorded. The Financial Planning staff worked extremely hard to assist members through these trying times and while some problems did occur, overall we weathered the period as well as could be expected.

Through all of 2008 we were dealing with the review of the credit union's banking software. Five northern credit unions agreed to form a Credit Union Service Organization (CUSO) to run the new banking software (iSpectrum). Our management and staff dedicated numerous hours to negotiate the service contracts, establish the CUSO and research our needs. Integris will be converting to the new banking software in the fall of 2009.

The Credit Union remains committed to supporting our communities as demonstrated through various donations made throughout the year. We believe our support helps communities remain vital and sustain our members' quality of life. Sponsorships and donations exceeded \$250,000. We added additional value through in-kind donations, by contributing promotional items for silent auctions, community events, etc... We were pleased to donate \$75,000 to the Prince George Hospice Society to assist in the expansion of their facility, which is used by citizens of many communities.

We provided a total of \$19,200 in scholarships, bursaries and endowment funds to graduating secondary, continuing education and university students in the communities we serve.

Results for 2008 saw our assets reach \$414.5 million, total funds under administration \$848.6 million and retained earnings plus contributed surplus reached \$15.9 million. While we did not achieve budget, we saw a Net Operating Income of \$930,000 and a Net Profit of

\$769,000. Our Capital ratio was 13.2% which exceeds the regulatory requirements of 8%.

The announcement of the unlimited deposit guarantee for credit unions was welcome news and has had a positive impact on our deposit growth and member confidence.

2008 proved to be a year where there were issues most of us had never seen in our careers. We responded to the challenges and our staff worked with our members, our businesses, and our communities, such that we would not have weathered these times as well without their commitment. I am proud to work with them and I thank the Board for its hard work and support throughout the year.

Recognizing the challenges we will face in 2009, but knowing we will work through these times, we are looking forward to completing our banking software conversion which will result in lower costs, provide a better system for staff, and allow us to keep pace with the increasing demand for more sophisticated banking products and services. We will not lose sight of our desire to be a preferred employer and a strong community supporter, while maintaining good governance and financial stewardship.



Brian Bentley, CEO
Integris Credit Union

Auditors' report on Summarized Consolidated Financial Statements

The accompanying summarized consolidated balance sheet and consolidated statements of earnings and retained earnings and cash flows are derived from the complete financial statements of Integris Credit Union as at December 31, 2008 and for the year then ended on which we expressed an opinion without reservation in our report dated February 24, 2009. The fair summarization of the complete consolidated financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements. In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above. These consolidated summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the credit union's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

Vancouver, BC
February 24, 2009

Grant Thornton LLP
Chartered accountants

Integris Credit Union Summarized Consolidated Balance Sheet

December 31	2008	2007
Assets		
Cash resources	\$ 31,056,018	\$ 29,655,145
Loans	372,670,719	358,028,488
Investments and other	2,307,150	2,271,824
Premises and equipment	7,193,058	5,899,821
Intangible assets	1,292,677	-
	<u>\$ 414,519,622</u>	<u>\$ 395,855,278</u>
Liabilities and equity		
Deposits	\$ 377,385,057	\$ 353,845,574
Payables and accruals	1,377,896	1,633,367
Borrowings	16,500,000	22,000,000
Equity shares	3,347,723	3,201,677
Contributed surplus	6,953,743	6,953,743
Retained earnings	8,970,091	8,290,484
Accumulated other comprehensive loss	(14,888)	(69,567)
	<u>\$ 414,519,622</u>	<u>\$ 395,855,278</u>

On behalf of the Board Peter Valk, Director Bruce Steele, Director

A full set of financial statements is available from the Credit Union.

Integris Credit Union Summarized Consolidated Statement of Income and other Comprehensive Loss

Year ended December 31	2008	2007
Financial income	\$ 23,596,968	\$ 22,900,439
Financial expense	11,442,925	10,989,431
Financial margin	12,154,043	11,911,008
Provision for credit losses	(602,368)	(712,900)
Other operating income	4,952,595	5,516,968
Operating margin	16,504,270	16,715,076
Operating expenses	15,573,430	14,696,471
Earnings before income taxes	930,840	2,018,605
Income taxes	162,150	405,740
Net income	768,690	1,612,865
Other comprehensive loss	(54,679)	(118,097)
Total comprehensive income	<u>\$ 714,011</u>	<u>\$ 1,494,768</u>

Integris Credit Union Summarized Consolidated Statement of Changes in Retained Earnings and Accumulated Other Comprehensive Loss

December 31	2008	2007
Retained earnings		
Balance, beginning of year	\$ 8,290,484	\$ 6,801,628
Net earnings	768,690	1,612,865
Dividends on equity shares	(89,083)	(124,009)
Balance, end of year	<u>8,970,091</u>	<u>8,290,484</u>
Accumulated other comprehensive loss (AOCL), net of tax		
Balance, beginning of year	(69,567)	(187,664)
Amortization of AOCL related to derivative instruments	54,679	118,097
Balance, end of year	<u>(14,888)</u>	<u>(69,567)</u>
Retained earnings and AOCL	<u>\$ 8,955,203</u>	<u>\$ 8,220,917</u>

A full set of financial statements is available from the Credit Union.

Integris Credit Union Summarized Consolidated Statement of Cash Flows

Year ended December 31	2008	2007
Cash flows provided by (used in)		
Operating activities	\$ 2,381,687	\$ 4,885,387
Financing activities	18,070,753	30,064,719
Investing activities	(22,021,115)	(35,023,386)
Net decrease in cash resources	(1,568,675)	(73,280)
Cash resources, beginning of year	4,184,648	4,257,908
Cash resources, end of year	<u>\$ 2,615,973</u>	<u>\$ 4,184,648</u>

A full set of financial statements is available from the Credit Union.



Integris Credit Union places a high level of importance on corporate community involvement. In 2008 donations totalling over \$250,000 were contributed to non-profit organizations, bursaries and community events.



(L to R)
Clinton Clinton Annual Ball
Fort St. James Fort St. James 4H
Prince George Spirit of the North Healthcare Foundation, Pediatric Deck Play Area
Quesnel Quesnel Lake Paddlers
Vanderhoof Vanderhoof Children's Theatre
Integris Corporate Sponsorship Prince George Hospice Society