




it's Personal



“ Part of my job as an Owner Representative is to support local activities and to refer owners to the staff Coaches who have answers for their questions. We give Libro a name and a face in Wingham. That keeps it personal. Banks say they are responsible to their shareholders - well I’m responsible to our owners right here in Wingham.”

WANDA INGLIS

Mom, Entrepreneur, Owner Representative
Wingham Branch Owner

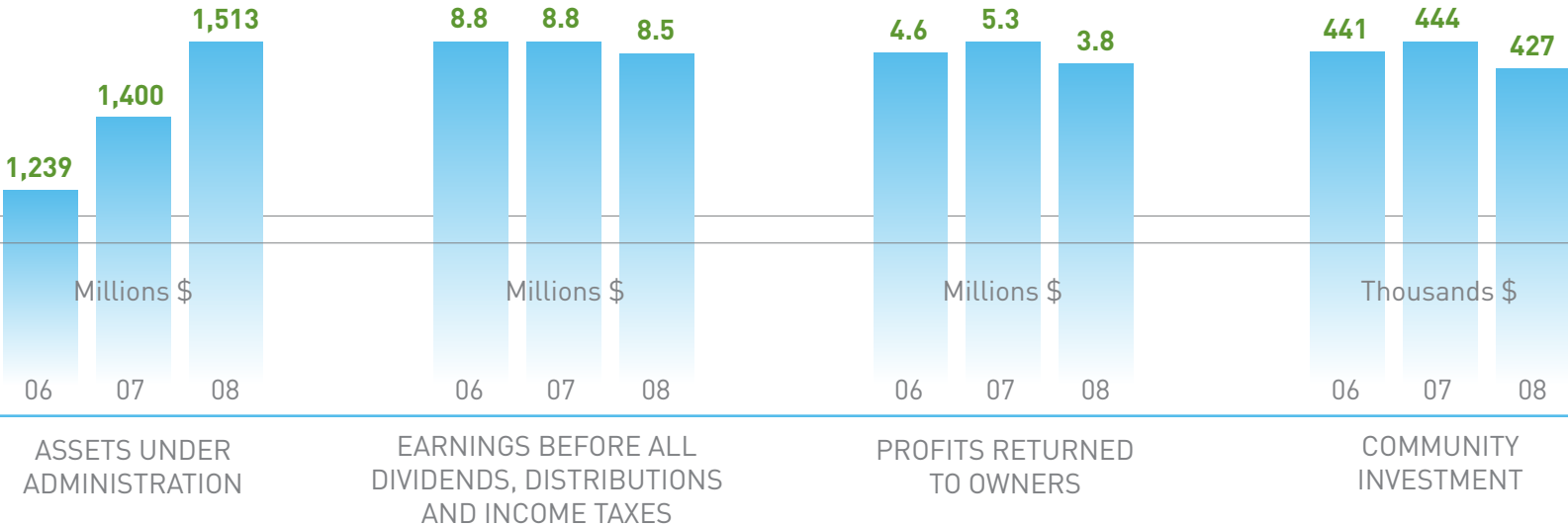
TABLE OF CONTENTS

Financial Highlights	1	Board Chair & Chief Executive Officer Message	3	Community - Highlights Auditor’s Report	7 8	Consolidated Statements	9
----------------------	---	---	---	---	--------	-------------------------	---

NOW MORE THAN EVER.

The values we hold most important distill down to one simple premise: **It's personal**. We put people before banking, we exist to help people prosper, we all benefit mutually. Organizational success follows personal success, as measured by each life that is touched by Libro. Everything we do – our community outreach, staff training, helping owners build security, finding new products, sustaining and building profitability – everything is connected by this one idea.

We believe the success of Libro during this past fiscal year is the result of strengthening personal relationships between over 50,000 owners, 100 owner representatives and over 300 staff in 10 communities across southwestern Ontario. And it couldn't come at a better time. **Now more than ever, working one-to-one will build the trust that trumps adversity.**





“ Everyone else was coming with pre-packaged ideas that didn't fit. **Then we met Libro and the banking part of our business got much easier.** Libro created ideas to fit us. Libro comes to us, they help us adjust to our changing priorities. That's called a relationship and it's built on trust that goes both ways. ”

JAYMIE & MICHELLE CROOK
Entrepreneurs, parents, dog lovers
South London branch owners

STAY ON TRACK – PRACTICE THE VALUES.

Libro is a local co-operative financial institution first and foremost. So while world events impact us, they do not shape us. As global giants retrench, we stay the course and focus on our owner-customers. As our competitors feel the pressure to sell more, we react by serving more. While many duck the tough questions, we answer with simple solutions that make sense.

Libro is well-run and well-governed because it is customer-owned. **As a result, our message is good news.**

We're pleased to report that your credit union had another solid year financially and an excellent year from a community service point of view. We've now opened our third branch in Kitchener-Waterloo. We delivered more profits back to our owners. We contributed more through our Community Builder program. While overall growth and profitability were a bit less than planned, we did grow almost 9% and we did generate almost as much net income as the year before. Under the circumstances, we consider those strong results.

We are even more pleased with the growing public awareness and trust in the Libro brand. We have become a respected voice for local and regional interests as well as the Coach you know and can rely upon to help you achieve your financial goals.

Our success is informed by an ongoing dialogue that is governed by the grassroots of Libro even as we grow. Owner Representatives keep us connected to each local community. Our branch staff stay connected to individuals and business owners right where they live and work. Our administration office team supports these local efforts and adds a regional view. Our executive team guides local commitments while playing a leadership role in national initiatives.

And it all revolves around 50,000 individuals, one owner at a time.

cont'd next page

BEECHWOOD BRANCH



- At Libro, we included Coaching with the new Tax-Free Savings Account so our owners can get the help they need to build it into their overall savings, investment, RRSP and tax strategy.

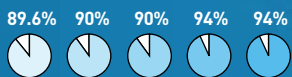
- New cheque image and paperless statement options provide more information earlier each month with less waste, energy and cost.

- Libro continues to refresh branches, evolve technology, look for green business solutions and keep our staff well-trained. Our commitment is to provide the very best of service environments be they at owners' homes, in our office, over the phone or online.

“ Even though I do everything online, it’s the face-to-face connection that still counts. I have faith because we can look each other in the eye when I need questions answered. I don’t have to worry because my Libro Coach lets us know how to keep up as our life changes. ”

ANITA TRUSLER

Mom, Fitness Instructor, Anti-bullying activist
Sarnia Branch Owner



04 05 06 07 08
OWNER SATISFACTION

• Ontario and B.C. credit union ‘Centrals’ united as Central 1 to give 196 credit unions in both provinces the additional stability and scope required to compete more effectively and efficiently. Libro CEO Jack Smit is the Vice Chair of the new organization.

• The new administration offices on York Street in London will become a symbol of our regional leadership. The goal is to move in mid-way through 2009.

• The Executive Leadership Team was reorganized to better align it with the strategic objectives and priorities of your credit union. See the back inside cover of this annual report for a complete listing of our senior executive and governance teams.

MANY OF US HAVE BEEN HERE BEFORE.

Whether the current recession is deeper than any other or a milder replay of shifting business cycles remains to be seen. Obviously there are problems impacting communities in southwestern Ontario. But many of us have been through tough times before, some more than once.

Libro's role over the next while is to be as strong for our owners in the tough times as we have been in the good times. **There is no need for us to change values or suddenly switch directions.** Libro-style liberated banking will continue to lead to personal security, strong enterprises and vital communities. For example:

- Good companies will remain good companies. Libro will continue to help smart business owners create jobs and opportunities. We know our mutual success is connected locally – we will invest accordingly.
- Young people will continue to thrive when given the opportunity. Libro will provide those opportunities by setting aside 5% of our profits to fund Community Builder initiatives, and be there in person, volunteering to lend a hand. Our communities will grow stronger as a result.
- More than ever, families and individuals will need expert coaching to make good choices and steer a prudent course. There has never been a better time to prove the value of Libro's one-to-one service.
- Even as we grow, our staff training, technology improvements and other results of investing Libro profits wisely will keep Libro close to our owners and personal in our approach.

There's a lot of noise in the world today. It's difficult to separate fact from fiction. None of us can predict just what will happen next. But it is possible for us to focus, to simplify complex situations, to seek deeper understanding and to build trust based on expertise and personal commitment.

So that's what Libro will do. We'll make good decisions together. We'll help owners get their savings together and provide sensible investment advice. We'll help communities engage youth and we'll help entrepreneurs create jobs.

We'll do the right things with a personal touch.

More than ever, that will be the biggest difference of all. Thanks to Libro's staff, management and executive team, guided by our elected Owner Representatives and Board of Directors, and especially, all our owners for the relationships that make Libro strong. Thank you for another excellent year – and the ability to approach 2009 with confidence.

 JACK SMIT
PRESIDENT & CEO

 TONY STRYBOSCH
BOARD CHAIR



Libro refreshed its web site, made online banking even easier to use and updated our overall marketing approach that invites new customers to change banking instead of just switching banks.



“ What changed after going to Co-operative Young Leaders is that to this day, I haven't stopped being involved. **You have to do more than write a cheque – you have to be there.** That's what keeps it personal for everyone at Libro. ”

KRISTA WYDEVEN

Co-op Leader, Future Possibilities KidCoach,
Confident Business Person
Stratford Branch Owner



5% IS JUST A BEGINNING

In 2008, Libro made 5% of its profits or \$427,000 available to projects that fit our Community Builder, youth-centred initiatives. Among other things, we helped to build local playgrounds, took a library on the road, supported youth leadership and funded the development of youth tech skills.

What's unique is that personal contributions also played a role on both sides of every effort. To be considered for Community Builder funding, youth had to get involved and drive the project. And on the Libro side, financial support was almost always accompanied by a contribution of personal time and energy. Branch Owner Representatives had a say in what was supported to ensure local interests and local engagement.

LIBRO COMMUNITY BUILDER 2008 CONTRIBUTION

A PLAYGROUND FOR ALL	Parkhill
BROOKE CENTRAL SCHOOL SCOREBOARD	Alvinston
AUTISM ONTARIO RESOURCE CENTRE	London
A BUSINESS OF OUR OWN – JUNIOR ACHIEVEMENT	London
COWAN PARK SHELTER	St. Thomas
GIRL'S CONNECTION	Sarnia
TECH SKILLS FOR YOUTH	Stratford
SISTERS IN SCHOOL	Strathroy
YOUTH ON BOARD LEADERSHIP	Waterloo Region
COMMUNITY PLAYGROUNDS	Watford/Warwick
NEW DAIRY/HORSE SHOW RING	Wingham
ROOF STREET DESIGNS	Kitchener Waterloo
COMMUNITY SPORTS PARK	Alvinston Optimists
FUTURE POSSIBILITIES FOR KIDS	London, Stratford and Kitchener-Waterloo
HARMONY HAVEN	Lambton County
LIBRO LIBRARY ROAD SHOW	London Public Library

Libro supports involvement – engaging youth, staff, Owner Representatives and community spirit to make change possible. Sure it's partly financial – more important, it's always personal. Libro is building and supporting the relationships that will keep southwestern Ontario strong.



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying summarized financial statements of Libro Credit Union Limited and all the information in this annual report are the responsibility of Management and have been approved by the Board of Directors.

The financial statements have been prepared by Management in accordance with Canadian generally accepted accounting principles. When alternative accounting methods exist, Management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

Libro maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the credit union's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board. The Committee meets periodically with Management, and the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the annual report,

the financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the owners.

The financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the owners. Ernst & Young LLP has full and free access to the Audit Committee.



Jack Smit
President and
Chief Executive Officer

November 7, 2008



Rick Hoevenaars
Vice President Finance
and Chief Financial Officer

AUDITORS' REPORT TO THE OWNERS OF LIBRO CREDIT UNION LIMITED ON SUMMARIZED FINANCIAL STATEMENTS

The accompanying summarized balance sheet and statements of income, owner's equity, comprehensive income, and cash flows are derived from the complete financial statements of Libro Credit Union Limited as at September 30, 2008 and for the year then ended on which we expressed an opinion without reservation in our report dated November 7, 2008. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of the Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

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

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

reference should be made to the related complete financial statements.



Chartered Accountants
Licensed Public Accountants

London, Canada
November 7, 2008

BALANCE SHEET	2008	2007
As at September 30 [in thousands]	\$	\$
ASSETS		
Cash and cash equivalents	3,380	6,342
Accrued interest receivable	5,234	4,851
Investments	127,877	112,045
Loans to owners	1,035,195	946,691
Premises and equipment	26,523	17,692
Other assets	21,229	2,447
Income taxes receivable	8	-
Future income taxes	912	874
Total assets	1,220,358	1,090,942
LIABILITIES AND OWNERS' EQUITY		
Owners' deposits	1,108,750	986,715
Interest rate swap agreements	284	1,109
Accounts payable and accrued liabilities	6,315	6,763
Accrued interest payable	12,896	11,191
Income taxes payable	-	174
Loans payable	765	-
	1,129,010	1,005,952
Liabilities qualifying as regulatory capital		
Owners' capital accounts	50,647	47,215
Stock dividends payable	3,796	5,195
	54,443	52,410
Total liabilities	1,183,453	1,058,362
Retained earnings	36,536	33,066
Accumulated other comprehensive loss	369	(486)
	36,905	32,580
Total liabilities and owners' equity	1,220,358	1,090,942

On behalf of the Board of Directors:



Mr. A. Strybosch, Chair of the Board



Mr. R. Joyal, Vice Chair of the Board

STATEMENT OF INCOME	2008	2007
Year ended September 30 [in thousands]	\$	\$
INTEREST INCOME		
Interest on loans	61,655	57,805
Investment income	3,833	3,003
	65,488	60,808
INTEREST EXPENSE		
Interest on owners' deposits	34,427	30,643
Dividends on Class B Investment Shares	1,491	1,706
Interest on borrowings	65	54
	35,983	32,403
NET INTEREST INCOME	29,505	28,405
Non-interest income	8,380	7,462
TOTAL REVENUE	37,885	35,867
Provision for credit losses	1,157	908
Non-interest expenses		
Salaries and employee benefits	17,673	16,681
General and administrative	4,210	4,222
Marketing and business development	2,495	2,139
Insurance	1,057	872
Systems and technology	1,293	1,229
Occupancy	2,464	2,242
Organization expense	496	464
	29,688	27,849
Income before the undernoted	7,040	7,110
Dividends and profit sharing distributions	2,315	3,556
Community investment	321	352
Write down on value of CUCO shares	258	-
Income before income taxes	4,146	3,202
Provision for (recovery of) income taxes		
Current	896	975
Future	(220)	(287)
	676	688
Net income for the year	3,470	2,514

STATEMENT OF OWNERS' EQUITY	2008	2007
Year ended September 30 [in thousands]	\$	\$
RETAINED EARNINGS		
Balance at beginning of year	33,066	30,664
Transition adjustment - financial instruments	-	(112)
Net income for the year	3,470	2,514
Balance at end of year	36,536	33,066
Accumulated other comprehensive income (loss), net of income taxes		
Balance at beginning of year	(486)	-
Transition adjustment on adoption of financial instrument standards	-	(642)
Other comprehensive income for the year	855	156
Balance at end of year	369	(486)
Total owners' equity at end of year	36,905	32,580

STATEMENT OF COMPREHENSIVE INCOME	2008	2007
Year ended September 30 [in thousands]	\$	\$
Net income for the year	3,470	2,514
Other comprehensive income (loss), net of income taxes		
Net gain (loss) on derivative instruments designated as cash flow hedges	509	(69)
Reclassification to income of losses on cash flow hedges	346	225
Other comprehensive income for the year	855	156
Comprehensive income for the year	4,325	2,670

STATEMENT OF CASH FLOWS	2008	2007
Year ended September 30 [in thousands]	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	3,470	2,514
Add (deduct) non-cash items:		
Amortization	1,993	1,618
Provisions for loan losses	1,157	908
Loss on disposal of capital assets	50	54
Loss (gain) on transfer of loan receivables	-	(22)
Gain of securitization of loans	-	-
Changes in operating assets and liabilities:		
Increase in accrued interest receivable	(383)	(926)
Increase (decrease) in accrued interest payable	1,705	1,113
Increase in dividends payable	(1,399)	(1,399)
Decrease in other assets	(18,782)	240
Decrease in income taxes receivable	(8)	8
Increase in future income taxes	(38)	(425)
Increase (decrease) in accounts payable and accrued liabilities	(448)	(1,720)
Increase in income taxes payable	(174)	174
Increase in future income tax liability	-	-
Unrealized losses and amounts payable on interest rate swap agreements	30	623
Cash provided by operating activities	(12,827)	2,760
FINANCING ACTIVITIES		
Increase in owners' deposits	122,035	131,739
Increase in owners' capital accounts	3,432	3,636
Decrease in loans payable	765	(887)
Proceeds from transfers of loan receivables	-	7,793
Proceeds from securitization of loans	-	-
Cash provided by financing activities	126,232	142,281
INVESTING ACTIVITIES		
Increase in loans to owners	(89,661)	(104,216)
Decrease (increase) in investments	(15,832)	(35,983)
Purchase of capital assets	(11,002)	(3,544)
Proceeds from sale of capital assets	128	-
Cash used in investing activities	(116,367)	(143,743)
Increase (decrease) in cash and cash equivalents during the year	(2,962)	3,251
Cash and cash equivalents, beginning of year	6,342	3,091
Cash and cash equivalents, end of year	3,380	6,342

LIBRO BOARD OF DIRECTORS

TONY STRYBOSCH
Chair

RICK JOYAL
Vice Chair

BETH DINARDO
2nd Vice Chair

BOB DYMOCK
Director

JUDY FARR
Director

NICK GROOT
Director

MARYCATHARINE KUSCH
Director

HARRY MEZENBERG
Director

TODD WHITE
Director

LIBRO EXECUTIVE LEADERSHIP TEAM

JACK SMIT
President & Chief Executive Officer

STEPHEN BOLTON
Vice President, Sales & Service Delivery

SCOTT FERGUSON
Vice President, Information Systems

TANIA GOODINE
Vice President, Brand

RICK HOEVENAARS
Vice President, Finance
& Chief Financial Officer

HARRY JOOSTEN
Corporate Secretary

FRANK KENNES
Vice President, Credit

THERESA MIKULA
Vice President, Human Resources

ARKONA

7130 Arkona Rd., Box 2 NOM 1B0
T: 519-828-3971 F: 519-828-3900
Toll free: 1-800-561-7541

BLenheim

11 Talbot St. W., Box 675, N0P 1A0
T: 519-676-8104 F: 519-676-0911

LONDON**Downtown**

167 Central Ave., N6A 1M6
T: 519-673-4130 F: 519-642-1589

East

1867 Dundas St. E., N5W 3G1
T: 519-451-2200 F: 519-451-2167

North

1703 Richmond St., N5X 3Y2
T: 519-673-6928 F: 519-672-1873

South

841 Wellington Rd. S., N6E 3R5
T: 519-686-1291 F: 519-686-9347

ST. THOMAS

1073 Talbot St., N5P 1G4
T: 519-631-6195 F: 519-631-6196

SARNIA

1315 Exmouth St., N7S 3Y1
T: 519-542-5578 F: 519-542-3008

STRATFORD

391 Huron St. N5A 5T6
T: 519-271-4883 F: 519-271-3431

STRATHROY

72 Front St. W., N7G 1X7
T: 519-245-1261 F: 519-245-6391

KITCHENER - WATERLOO**Beechwood**

420 Erb St., Waterloo, N2L 6H6
T: 519-725-6060 F: 519-725-6161

Waterloo North

55 Northfield Dr. E., Waterloo, N2K 3T6
T: 519-744-1031 F: 519-744-4011

Williamsburg

1170 Fischer Hallman Rd., Kitchener, N2E 3Z3
T: 519-570-9955 F: 519-570-0292

WATFORD

5307 Nauvoo Rd., Box 550, NOM 2S0
T: 519-876-2748 F: 519-876-2116
Toll free: 1-800-425-8855

WINGHAM

43 Alfred Street W., Box 690, NOG 2W0
T: 519-357-2311 F: 519-357-3822

CONTACT CENTRE

London: 519-672-7847
Toll free: 1-800-361-8222
Monday - Friday 8-8, Saturday 8-4
Automated Telephone Banking
24 hours a day, 7 days a week

ADMINISTRATION OFFICE

167 Central Ave., 2nd Floor
London, Ontario, N6A 1M6
General Tel: 519-672-0124
Direct Dial: 519-672-0130
Toll free: 1-800-265-5935
Fax: 519-672-7831

www.libro.ca

Note: Complete financial statements along with accompanying notes and all required disclosures are available for download at <http://www.libro.ca/about/financialreports.html>.
Printed or electronic copies are also available on request at the Libro Contact Centre (call 1-800-361-8222 or service@libro.ca) or at any Libro branch office.

Note: We use Libro Financial Group as our registered trade name while Libro Credit Union Limited is our formal legal name.