



**KREK SLOVENIAN
CREDIT UNION**

2010 ANNUAL REPORT

**Strength Through Community
Leadership Delivers Results**

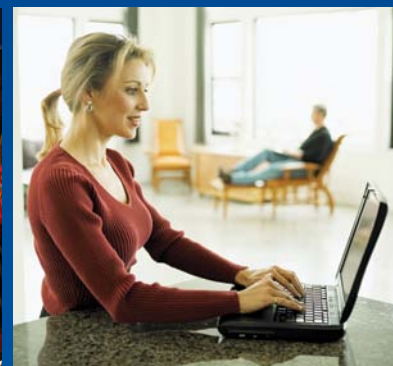
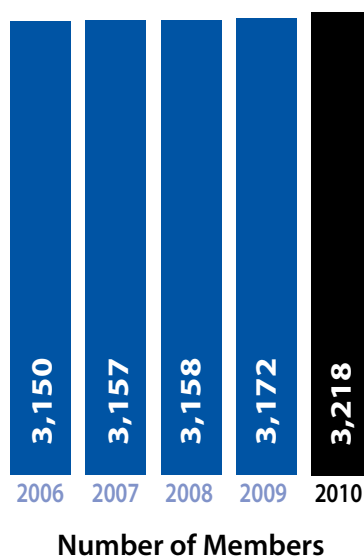


TABLE OF CONTENTS

Financial Highlights.....	1
Our Service Promise	2
Community Links	3
Your Board of Directors	4
Report from the Chairman.....	5
Your Krek Staff	6
CEO's Message.....	7
Management Responsibility for Financial Information	8
Credit Report.....	8
Audit Committee Report	9
Auditors' Report.....	9
Balance Sheet	10
Statement of Operations and Retained Earnings.....	11
Statement of Cash Flows	12
Notes to the Financial Statements	13-24

FINANCIAL HIGHLIGHTS

In Thousands of Dollars	2010	2009	% Change
Total Assets	91,174	84,653	+8%
Deposits from Members	85,283	79,440	+7%
Loans to Members	60,618	54,818	+11%
Investments	26,577	25,753	+3%
Capital and Retained Earnings			
Retained Earnings	5,347	4,802	+11%
Membership Shares	272	266	+2%
Total Capital	5,619	5,068	+11%
As a % of assets	6.50%	6.20%	+5%
As a % of risk-weighted assets	12.70%	12.60%	
Interest Income	3,136	3,334	-6%
Other Income	175	125	+40%
Interest Expense	1,347	1,479	-9%
Operating Expense	1,547	1,345	+15%
Operating Expense as a % of Assets	2%	2%	
Number of Members	3,218	3,172	+1%



OUR SERVICE PROMISE

Personalized service is fundamental to our service philosophy. 'Delivering personalized service like no other' is the cornerstone of our operating principles. It's the way we treat our valued membership in order to provide a unique and fulfilling banking experience. This creates a relationship that draws on the strength of our community so that we can deliver results!

These five key elements of our service philosophy characterize our service promise.

1. Competitive Rates

We strive to offer competitive rates. Our goal is to ensure the lowest costs and best rates paired with a high level of service. The growth of our membership and deposits allows us to lower rates even more! So, it's a win/win situation when members choose to bring additional business to us.

2. Empowered Expertise

Not only are Krek staff members knowledgeable about our products and services, but they are also empowered to act! That's a tremendous combination that can really work for you. It means that you'll receive the best possible financial guidance in the minimal amount of time. And because they really know you, Krek's staff can help you select products and services that specifically meet your needs. We also routinely upgrade our skills to ensure that we can effectively sustain this part of our promise.

3. Partnerships

By working with outside suppliers, we can offer the best selection of top-level financial services to our members. These essential partnerships ensure that we can meet your every financial need.

4. Responsiveness

'We do what we say we are going to do, on time, every time!' It is our commitment to provide timely, accurate and efficient service that helps us to do more for our members. We save you time for the more important things in life.

5. Trust

Solid relationships are built on trust and trust must be earned. We work to earn our members' trust because we are approachable, readily available, invested in the Slovenian community at large, and know our members better than anyone else. In short, we treat you like 'family'. These are the essential ingredients to building long-term financial relationships.

Our service promise and strength through community leadership delivers results from which we all benefit.

COMMUNITY LINKS

Credit unions are all about people helping people. At Krek Slovenian Credit Union, we take that philosophy one step further, by giving back to our Slovenian community. It is this enhanced core value that distinguishes our credit union, setting us apart from any other financial institution.

Our cultural stewardship is evident in many ways. We volunteer our time as leaders and participants in community events. We also provide facilities and financial support to various Slovenian organizations in Canada. Our Credit Union spearheads innovative programs that honour our heritage, such as the landmark concert that took place at the Living Arts Centre in Mississauga. In addition to direct donations, we are also actively involved in fundraising events that make a difference in the lives of many Canadian Slovenians.

Our community defines what we are, and whom we serve. Preserving our heritage is one of the goals of our community advocacy and leadership. To help our youth embrace their heritage, we contribute in two significant ways. Krek supports the Slovenian School and we also provide two annual scholarships in recognition of students with notable academic achievements and community involvement.

It is the strength of community leadership that guarantees results that will last a lifetime!

The following represent some of our 2010 support efforts:

KREK SUPPORTED ORGANIZATIONS

- Toronto Slovenian Scouts
- Slovenian Apostolic Circle (Toronto)
- Slovenian Home Association
- All Slovenian Cultural Committee
- Belokranjski Club
- Victoria Fund
- Dom Lipa Senior Citizen Home
- Slovenski Park
- Slovenian Summer Camp
- Slovenian Hunters and Anglers Club
- Mladi Glas & Planika Dance Groups
- Slovenian School
- Holiday Gardens
- Slovenian Canadian Historical Society
- Ontario Credit Union Charitable Foundation
- Nagelj Dance Group
- Sava Club

KREK SUPPORTED EVENTS

- Slovenian School Graduating Class
- Dom Lipa Walk-A-Thon
- Slovenian Summer Camp Sporting Events
- Preseren Dan
- St. Ambrose 4th Annual Fun Fair
- Plamen Christmas Concert
- Slovenian Starlight's Christmas Concert



YOUR BOARD OF DIRECTORS

John Sustersic
Vice-President
Term expires - 2011



Mark Zizek
Chairman
Term expires - 2010



Barbara Udovic
Corporate Secretary
Term expires - 2011



Joseph Levstik
Audit Committee Chair
Term expires - 2010



Robert Malich
Director
Term expires - 2012



Karla Podobnik
Director
Term expires - 2012



Irene Sorsak-Jager
Director
Term expires - 2010



Margaret Zalar Sparling
Director
Term expires - 2012



Katrina Stevens
Director
Term expires - 2011

Mark Zizek, B.A. Commerce & Economics
Sales Administration Manager at CGC Inc., a drywall and ceiling tile manufacturing company. Elected to the Board in 1992. Completed Credit Union Director Achievement (CUDA) program.

John Sustersic, B.A., M.B.A.
Marketing Manager with experience in Operations, Business Development and Corporate Performance Management. Has worked with clients in the U.S., Slovenia, the Caribbean, and Canada.

Barbara Udovic, B. Comm., M.B.A.
Associate, Global Capital Markets Banking at Scotia Capital Inc. Conducts due diligence reviews to manage reputational and compliance-related risks. Appointed to the Audit Committee in 2002, and elected to the Board of Directors in 2007.

Joseph Levstik, B.A., B.A.S.
Senior Technical Interpretation Analyst at Canada Revenue Agency, Legislative Policy and Regulatory Affairs. Served on the Credit Committee from 1989 to 1993, and 2000 to 2002. Appointed to the Audit Committee in 2002, and elected to the Board of Directors in 2007.

Robert Malich, B.A. (History), B.A.A. (Journalism), B. Ed. (Education)
Teacher at Brampton's Cardinal Leger High School. Previously held positions in Media and Public Relations for CFL teams,

the Toronto Argonauts, and the BC Lions. Originally served on the Credit Committee from 1999 to 2002, and has served on the Audit Committee since 2002.

Karla Podobnik
Salesperson with National Realty Centre. Member of the Toronto and Mississauga Real Estate Boards since 1989. Served on the Credit Committee from 1993 to 1998. Elected to the Board of Directors in 1999.

Irene Sorsak-Jager, B. Comm., C.A.
Chartered Accountant. Currently manager at the accounting firm Draganjac Pressman, specializing in owner-managed businesses. Elected to the Audit Committee in 1994, and to the Board of Directors in 1998.

Margaret Zalar Sparling, LL.B., LL.M. (Tax)
Lawyer. Served as a Director from 1994 to 1997. Re-appointed to the Board in 2002.

Katrina Stevens, B.A., C.H.R.P.
National Manager, Human Resources and Administration at Kia Canada Inc. This role includes responsibility for facilities, and the full breadth of HR activities. Elected to the Board of Directors in 2007.

REPORT FROM THE CHAIRMAN

On behalf of the Board of Directors, I am pleased to report that our Credit Union has experienced another successful year. We are celebrating our 58th year of service in the Slovenian community and are proud to update you on our successes.

On October 1, 2009, the Government of Ontario introduced significant changes to the Credit Union Act and accompanying regulations. Our Board and management team have spent a great deal of time familiarizing ourselves with the requirements to ensure that we are in full compliance with the new provincial regulations in the Act.

Our performance for 2010 increased significantly, despite tough economic conditions during the year. While the Canadian economy remains suppressed, the credit union's members can be sure that their money is safe and secure at the credit union.

Despite adverse macroeconomic conditions, our Credit Union continues to prosper as a result of our ongoing focus on the development of long-term relationships with our members. I'd like to thank all our staff, committee and Board members for their efforts in making this past year a successful one.

Due to this dedicated focus, we have achieved strong financial results for 2010:

- 7.7% asset growth, raising our total assets to \$91.2 million
- \$19.5 million in approved loans
- 4.5% growth in average assets per member

These successes do not come without their challenges. Due to the current economic climate, our banking habits are changing. Indicative of this is the fact that our members are spending less and saving more. Our total deposits have increased to \$85.3 million (7.4% increase from 2009) while mortgage pay downs were \$10 million (28.8% increase from 2009).

The Board and staff recognize that the continued success of our Credit Union depends not only on our ability to serve our existing members, but also to generate new business and attract more members. In 2010, 170 new members joined our credit union. We regularly evaluate the services we provide and look for new products that will add value. In the past year we worked on strengthening our existing relationships with our members by inviting them into the credit union to meet new members of the team and have their financial position reviewed.

The Credit Union continues to play an important role in our community. We remain committed to the preservation of our Slovenian culture by providing our support and sponsorship to the Slovenian School, Dom Lipa Senior Home, Toronto Slovenian Scouts, Slovenian Radio Hour as well as promote Slovenian Farm Youth Tournaments and other functions in the community.

We continued to support students seeking a post secondary education by awarding the Janez Senica Scholarship in 2010 to Jessica Ferkul and David Plesko. This award was given to them in recognition of their academic excellence and involvement in the Slovenian community.

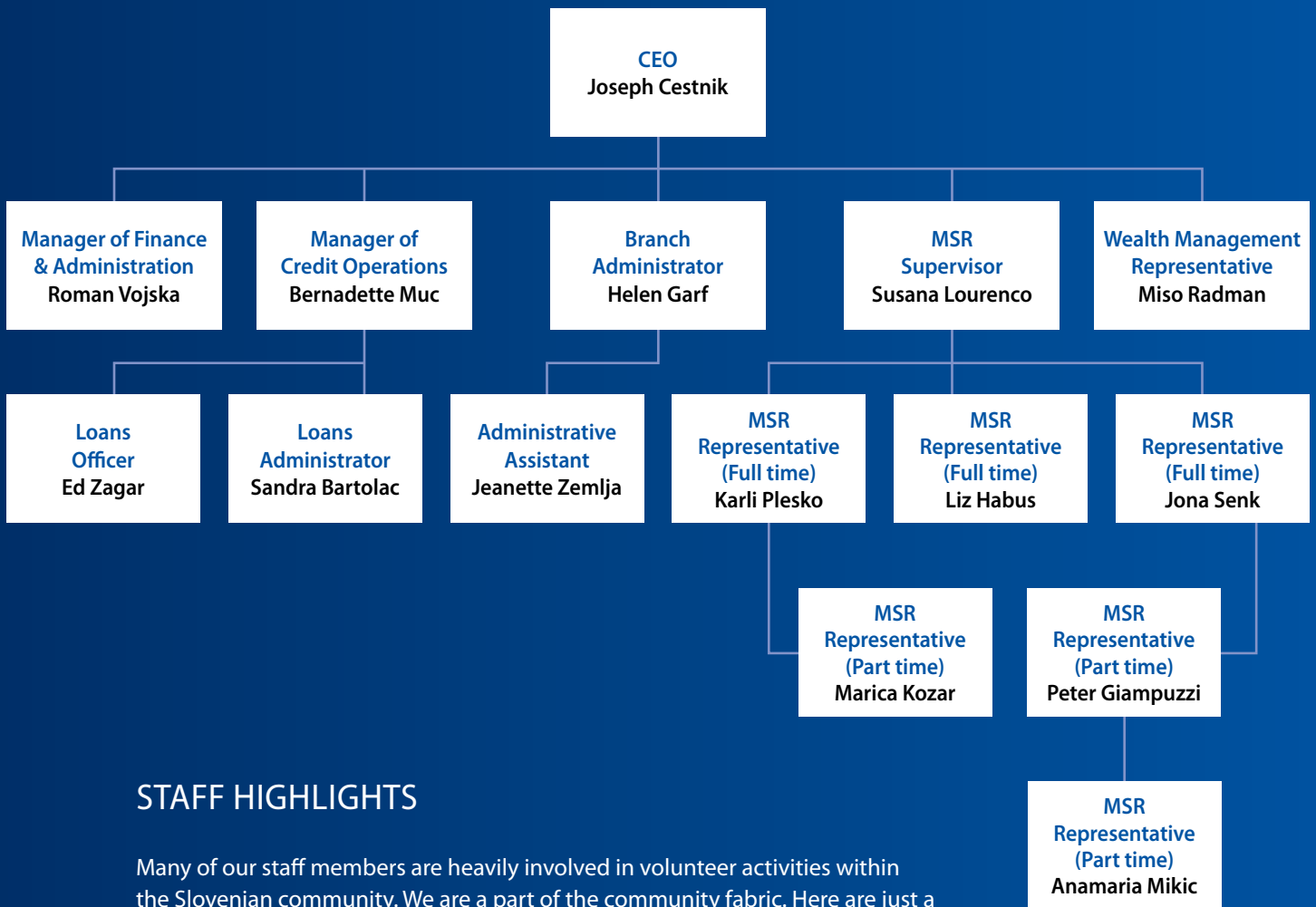
Our continued success is the result of our dedicated staff, hardworking committee members and Board. It is the trust and loyalty of our members that has allowed us to continue to build a strong and successful Credit Union. We are honoured to be your financial institution of choice and look forward to serving all your future financial needs.



Mark Zizek

Chairman of the Board of Directors

YOUR KREK STAFF



STAFF HIGHLIGHTS

Many of our staff members are heavily involved in volunteer activities within the Slovenian community. We are a part of the community fabric. Here are just a few examples of our staff's commitment to our people and community.

- **Roman Vojska** is the Treasurer of Dom Lipa, the Senior Citizen Home.
- **CEO Joe Cestnik** played an integral role this past year in the organization of the Slovenian Concert held at the Mississauga Living Arts Centre. He is also the President of the Canadian Slovenian Chamber of Commerce and a member of Belokranjski Club.
- **Bernadette Muc** is the Treasurer for Vse slovenski kulturni obdori (VSKO) and is also involved with the Glasilo publication and the Slovenian radio program.
- **Sandra Bartolac** is the Editor/Co-ordinator of the VSKO E-newsletter and a youth representative.

CEO'S MESSAGE

At Krek Slovenian Credit Union, we do our very best to deliver the kind of personalized service that our members value. In fact, we believe that we provide a totally unique service experience that members wouldn't find at any other financial institution. This difference garners the confidence and trust of our membership, as reflected in our strong 2010 financial performance.

The successful fulfillment of our strategic initiatives – increasing our market presence as well as our service delivery, defining and implementing an effective human resource strategy, and consistently outperforming our peer group in the credit union system, has resulted in this exceptional year of growth. By implementing these four critical success factors, we have been able to provide value to our members via competitive interest rates, reduced service charges, and an unmatched commitment to the Slovenian Community.

Our assets grew \$6.5 million to \$91.2 million, with member deposits increasing to \$85.2 million. This is a clear demonstration of member confidence in our credit union. In addition to what is found on our balance sheet, assets under administration from our wealth management services through Qtrade reached \$9.7 million. Loans and mortgages advanced \$5.8 million to \$60.6 million, with much of the growth coming from residential and commercial mortgages. Net income and comprehensive income after taxes of \$545,393 was applied at year end to our retained earnings, which reached \$5.3 million as at December 31, 2010. Despite continued pressure on our margins, the effective generation of other sources of income allowed us to surpass our prior year's income by

\$92,306.

As the Credit Union continues to grow, so does the need to strengthen our organizational structure and expertise. To this end, we hired two part-time Commercial Lending consultants.

I would like to acknowledge and thank our Board of Directors, management and staff for their tireless efforts throughout 2010. As a result of their vision, dedication and commitment to our membership, we were rewarded with tremendous growth, turning our collective goals into reality. Finally, I wish to thank our members. You are the reason for, and beneficiary of our success. If you understand that our fortunes are linked, then you can appreciate the importance of ongoing member and service growth. For this reason, I would like to encourage everyone to talk about the totally unique Krek experience at every opportunity. We are proud to represent our community, to lead in its preservation and growth. It is the strength of this community that will enable us to continue to deliver outstanding results.



A handwritten signature in black ink, appearing to read 'J. Cestnik'. The signature is fluid and cursive, written over a white background.

Joseph Cestnik
CEO



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The summarized financial statements and the complete financial statements of Krek Slovenian Credit Union Ltd. and all the information in this Annual Report are the responsibility of management and have been approved by the Board of Directors.

The complete financial statements have been prepared by management in accordance with the Credit Unions and Caisses Populaires Act 1994 (Ontario) and Canadian generally accepted accounting principles. When alternative accounting methods exist, management has chosen those that are deemed to be most appropriate in the circumstances. Financial statements include certain amounts based on estimates and judgments. 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 contained elsewhere in the Annual Report and has ensured that it is consistent with the financial statements.

The Audit Committee meets periodically with management, as well as the internal and external auditors, to discuss internal controls over the financial reporting process, auditing matters, financial reporting issues and to review the financial statements and the external auditors' report. The Committee reports its findings to the Board for consideration when approving the complete financial statements for issuance to the members. The Committee also considers, for approval by the members, the engagement or reappointment of the external auditors.

Retford Lane Bates LLP, the external auditors, have examined the complete financial statements in accordance with Canadian generally accepted auditing standards. Retford Lane Bates LLP have full and unrestricted access to the Audit Committee to discuss their audit and related findings.



Joe Cestnik
CEO



CREDIT REPORT

Our ongoing success enabled the lending department to maintain a competitive pricing strategy as it continues to deliver reliable services to its members. The total portfolio at the end of 2010 was \$60.9 million, resulting in another exceptional year.

In 2010, we approved applications in the amount of \$19.5 million, as follows:

31 Personal Loans	\$378,770
29 Personal Credit Lines	\$458,500
46 Residential Mortgages	\$10,144,900
3 Bridge Loans	\$720,250
22 Commercial Loans	\$7,792,246

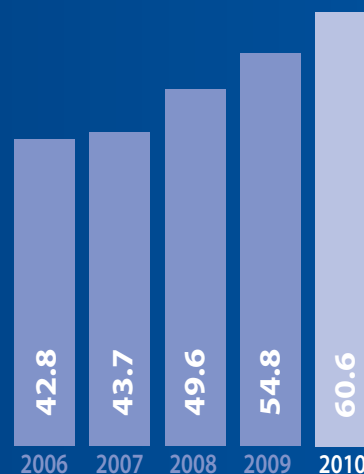
Six applications were rejected.

As part of our credit risk strategy, the Credit Union ensures that our loan portfolio is diversified. We continue to maintain a strong emphasis on delinquency control while assisting members with their lending needs. Despite a precarious economic recovery in 2010, we experienced no delinquencies in the loan portfolio. The current allowance for impaired loans was prudently increased by 11% to reflect the growth in the loan portfolio. The current provision of \$387,171 (2009=\$297,171) is more than adequate to cover any anticipated credit losses.

I thank our members for their continued loyalty and for the work and support of our lending team. We look forward to assisting you with your financial needs in 2011.



Bernadette Muc
Manager of Credit Operations



TOTAL LOANS IN MILLIONS

AUDIT COMMITTEE REPORT

The purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to the membership, the investment community, and regulatory authorities with respect to financial reporting and internal control procedures. A written report is prepared and presented to the Board each month to discuss any items of concern and what corrective action is necessary.

Over the past year, the Audit Committee placed emphasis on the review of internal policies, budgets and procedures to ensure industry practices and government regulations are followed.

In our opinion, Krek Slovenian Credit Union Ltd. is in conformance with regulatory requirements and experienced another year of exceptional growth, financial strength and stability.

The support of the staff and management in helping us fulfill our mandate has been greatly appreciated.



Joseph Levstik
Audit Committee Chair



AUDITORS' REPORT

To the Members of Krek Slovenian Credit Union Ltd.:

We have audited the accompanying financial statements of Krek Slovenian Credit Union Ltd., which comprise the balance sheet as at December 31, 2010, and the statements of operations and comprehensive income and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on

the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Krek Slovenian Credit Union Ltd. as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Retford Lane Bates LLP
Licensed Public Accountants

Mississauga, Ontario
February 9, 2011

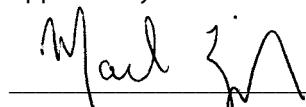
BALANCE SHEET

AS AT DECEMBER 31, 2010

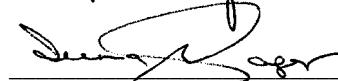
	2010	2009
ASSETS		
Cash resources	\$ 2,950,877	\$ 2,334,460
Investments (Note 3)	26,577,109	25,752,824
Loans to members (Note 4 and 5)	60,617,711	54,818,393
Other assets (Note 6)	214,921	917,071
Property and equipment (Note 7)	813,825	830,161
	\$ 91,174,443	\$ 84,652,909
LIABILITIES AND RETAINED EARNINGS		
Liabilities		
Members' deposits (Note 8)	\$ 85,282,515	\$ 79,440,153
Other liabilities (Note 9)	271,807	145,268
Membership shares (Note 10)	272,760	265,520
	85,827,082	79,850,941
Retained earnings	5,347,361	4,801,968
	\$ 91,174,443	\$ 84,652,909

Commitments (Note 4)

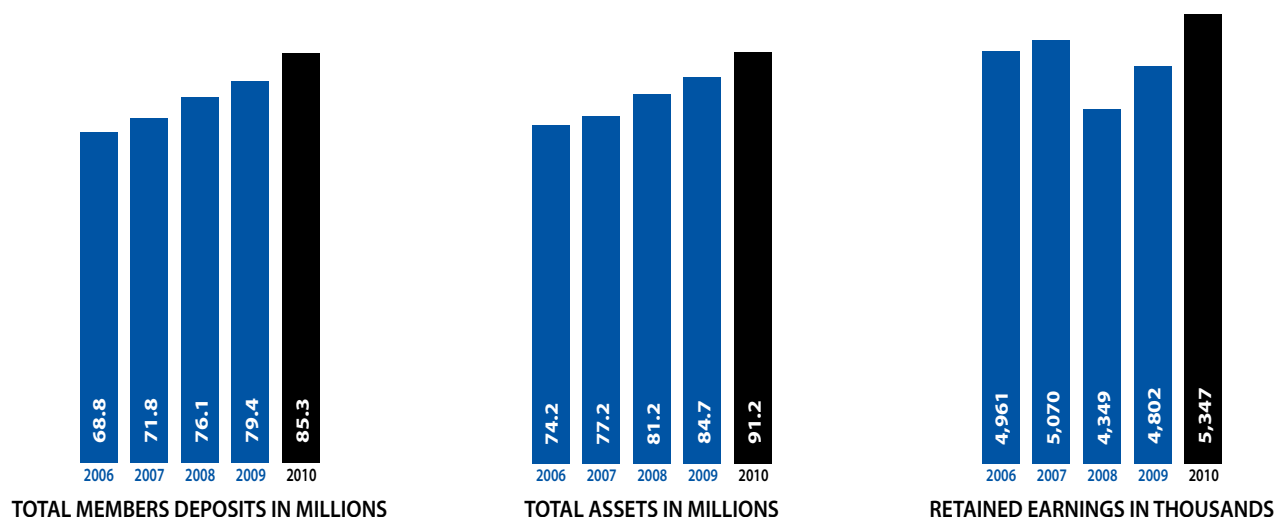
Approved by the Board



Mark Zizek, Chairman



Irene Sorsak-Jager, Director



STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Interest income		
Member loans (Note 12)	\$ 2,754,867	\$ 2,788,388
Investment income	380,993	545,999
	3,135,860	3,334,387
Interest expense		
Members' deposits (Note 13)	1,346,892	1,479,275
Net interest income	1,788,968	1,855,112
Provision for impaired loans (Note 5)	90,000	88,000
Net interest income after loan losses	1,698,968	1,767,112
Other income	174,805	124,919
Net interest and other income	1,873,773	1,892,031
Operating expenses		
Administrative expenses (Schedule)	764,507	687,341
Salaries and benefits	782,815	657,544
	1,547,322	1,344,885
Income before fair value adjustments and taxes	326,451	547,146
Fair value gains and losses		
Unrealized gain on ABCP LP units	100,000	-
Gain on other investments	49,556	22,865
Unrealized gain on interest rate swap contract	159,039	-
Recovery (loss) on property held for resale	30,000	(30,000)
	338,595	(7,135)
Income before income taxes	665,046	540,011
Income taxes		
Current	140,293	87,124
Future	(20,640)	(200)
	119,653	86,924
Net income and comprehensive income for the year	545,393	453,087
Retained earnings, beginning of the year	4,801,968	4,348,881
Retained earnings, end of the year	\$ 5,347,361	\$ 4,801,968

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Cash flows from operating activities		
Net income for the year	\$ 545,393	\$ 453,087
Adjustments for:		
Amortization	63,257	65,044
Provision for impaired loans	90,000	88,000
Fair value changes	(338,595)	7,135
Future income taxes	(20,640)	(200)
	339,415	613,066
Changes in non-cash working capital balances:		
Other assets	722,791	(880,708)
Other liabilities	126,539	290,794
	1,188,745	23,152
Cash flows from investing activities		
Purchase of capital assets	(46,922)	(32,878)
Loans to members - net	(5,889,318)	(5,300,049)
Investments	(485,689)	4,420,530
	(6,421,929)	(912,397)
Cash flows from financing activities		
Decrease in bank loan	-	(261,409)
Members' deposits	5,842,361	3,293,000
Membership shares	7,240	1,570
	5,849,601	3,033,161
Increase in cash resources	616,417	2,143,916
Cash resources, beginning of the year	2,334,460	190,544
Cash resources, end of the year	\$ 2,950,877	\$ 2,334,460
INTEREST AND INCOME TAXES PAID:		
Interest paid	\$ 1,350,037	\$ 1,623,818
Income taxes paid net of refunds	\$ 126,624	\$ (182,078)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

NATURE OF BUSINESS

Krek Slovenian Credit Union Ltd. (the "Credit Union") is a financial institution incorporated in Ontario under the Credit Unions and Caisses Populaires Act, 1994 and operates in accordance with this statute and the accompanying regulations. The Credit Union is a member of the Deposit Insurance Corporation of Ontario ("DICO") and Central 1 Credit Union ("Central 1"). The Credit Union provides financial products and services to members of the Slovenian community in the province of Ontario.

1. SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with the preceding year. Outlined below are the accounting policies considered to be significant.

THE CREDIT UNIONS AND CAISSES POPULAIRES ACT, 1994 (THE "ACT")

Regulations to the Act specify that certain items are required to be disclosed in the financial statements. It is management's opinion that the disclosures in these financial statements and notes comply, in all material respects, with the requirements of the Act. Where necessary, estimates and interpretations have been made in presenting this information.

USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

INVESTMENTS

Investments designated as held for trading are carried at fair value based primarily on published market prices. Gains and losses are included in income for the period in which they arise.

Investments classified as loans and receivables are accounted for at amortized cost, using the effective interest method.

Some investments that have fixed payments and terms to maturity have been designated as held to maturity where the Credit Union has the positive intention and ability to hold them to maturity. These investments are measured at amortized cost and investment income is recorded using the effective interest rate method over the terms of the investments.

Investments classified as available for sale are carried at fair value where such a value can be reliably measured, otherwise they are carried at cost. Unrealized gains and losses are recognized directly in other comprehensive income. In the period in which the asset is sold, or otherwise derecognized, the cumulative gain or loss, previously recorded in accumulated other comprehensive income, is recognized in net income. An investment impairment that is other than temporary is reflected in current period earnings.

PROPERTY AND EQUIPMENT

Capital assets are stated at acquisition cost less amortization. Amortization is calculated on the diminishing balance basis over the estimated useful life of the assets at the following rates:

Asset	Rate	Method
Building	5%	declining balance
Furniture and equipment	20%	declining balance
Computer hardware	30%	declining balance

One-half of annual amortization is charged on assets acquired during the fiscal year. No amortization is taken in the year of disposal.

LOANS TO MEMBERS

Loans to members are stated at cost which includes amounts advanced and applicable charges, less repayments. Interest is accounted for on the accrual basis for all loans other than impaired loans.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

A loan is classified as impaired when there is reasonable doubt as to the ultimate collectibility of principal or interest. Furthermore, an unsecured loan is also classified as impaired when interest or principal is 90 days past due. Fully secured loans are classified as impaired after a delinquency period of 180 days.

Once a loan is classified as impaired, all previously accrued interest is reversed and charged against current income unless the amount is fully secured. Loans are generally returned to accrual status when all delinquent principal and interest payments are brought current and the timely collection of both principal and interest is reasonably assured.

ALLOWANCE FOR IMPAIRED LOANS

The allowance for impaired loans is maintained in an amount considered adequate to absorb estimated credit related losses in the loan portfolio. The allowance for impaired loans reflects management's best estimate of the losses existing in the loan portfolio and their judgements about current economic conditions. If the circumstances under which these estimates and judgements were made change, there could be a significant change to the allowance for impaired loans which consists of specific provisions and a general provision, each of which is reviewed on a regular basis. The allowance is increased by provisions for impaired loans which are charged to earnings and reduced by write-offs net of recoveries.

Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and there is no realistic prospect of recovery.

MEMBERS' DEPOSITS

Members' deposits are recorded at amortized cost. Interest expense is recorded using the effective interest rate method over the terms of the deposits.

MEMBERSHIP SHARES

As the membership shares in the Credit Union are retractable at the option of the holder, the shares are

presented in the balance sheet as financial liabilities. These liabilities qualify as capital for regulatory purposes, notwithstanding their financial statement classification. Dividends or other payments related to membership shareholdings are recorded as a financial expense.

DERIVATIVE FINANCIAL INSTRUMENTS

The Credit Union enters into derivative contracts to manage exposure to market or interest rate risk. The Credit Union does not enter into derivative financial instruments for trading or speculative purposes.

Hedge accounting has not been used to account for the derivative contracts. As a result, the derivatives are carried at fair value and changes in value are recorded in current period income.

The Credit Union enters into interest rate swap agreements to manage the exposure to changes in interest rates created by having variable rate assets. Interest due or receivable under these agreements are recorded in interest expense.

INCOME TAXES

The liability method of tax allocation is used in accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using substantively enacted tax rates and laws that will be in effect when the differences are expected to be reversed. The effect of a change in income tax rates on future income tax assets and liabilities is recognized in income in the period that the change occurs.

TRANSLATION OF FOREIGN CURRENCIES

The monetary assets and liabilities of the Credit Union denominated in foreign currencies are translated at the rates of exchange at the balance sheet date. Revenues and expenses are translated at the actual rates in effect at the transaction date. Exchange gains or losses are included in earnings.

2. FUTURE CHANGES IN ACCOUNTING POLICY

In January 2010, the Canadian Accounting Standards Board introduced International Financial Reporting Standards (IFRS) into Part 1 of the Canadian Institute of Chartered Accountants Handbook to replace Canadian GAAP for publicly accountable enterprises, including

credit unions, for interim and annual periods beginning on or after January 1, 2011, including the restatement of the comparative period financial statements to reflect transition to the IFRS at January 1, 2010. (the "Transition Date")

2. CHANGE IN ACCOUNTING POLICIES (continued)

Standards that are expected to have the most significant impact on the Credit Union's recognition, measurement, presentation and disclosure in its financial statements have been identified as those affecting the Credit Union's

loan loss allowance and property and equipment. Although transition adjustments will be necessary, the net impact on retained earnings is not expected to be significant.

3. INVESTMENTS

	2010	2009
Loans and receivables		
Liquidity reserve deposit	\$ 6,315,742	\$ -
Term deposits	13,854,472	-
Accrued interest	45,537	-
	20,215,751	-
Held for Trading		
Term deposit and government bond	3,524,304	8,541,270
Corporate equities	46,490	45,046
ABCP 2008 Limited Partnership	393,062	312,905
High-yield savings accounts	-	6,608,160
Accrued interest	66,391	78,839
	4,030,247	15,586,220
Held to Maturity		
Credit Union Central of Ontario		
Liquidity reserve deposit	-	5,823,892
Corporate notes and bonds	-	1,996,823
Accrued interest	-	9,167
	-	7,829,882
Available for Sale		
Credit Union Central of Ontario shares	2,402	105,902
Central 1 Class A shares	199,515	201,450
Central 1 Class E shares	399,500	296,000
MAV II notes	1,729,694	1,733,370
	2,331,111	2,336,722
	\$ 26,577,109	\$ 25,752,824

CENTRAL 1 CREDIT UNION LIQUIDITY RESERVE DEPOSIT

As a condition of maintaining membership in Central 1 in good standing, the Credit Union is required to maintain on deposit in Central 1 an amount equal to 7% of the Credit Union's total assets updated at each calendar quarter end. This balance is invested in various deposit

instruments which bear interest at rates set by Central 1. Subject to the requirement to maintain deposit levels, deposit instruments are callable by the Credit Union upon ninety days notice.

3. INVESTMENTS (continued)

CENTRAL 1 CREDIT UNION SHARES

As a condition of maintaining membership in Central 1, the Credit Union is required to maintain a minimum level of investment in Class A shares. The level of investment is determined annually based on the Credit Union's total assets at year end.

No market exists for the shares of Central 1. The shares may be surrendered upon withdrawal from membership. The proceeds and terms of payment are to be negotiated at the time.

During the year, Credit Union Central of Ontario shares valued at \$103,500 were converted to Central 1 Class E shares of an equivalent amount.

ABCP 2008 LIMITED PARTNERSHIP

As a pre-condition of the merger to form Central 1, CUCO was required to divest itself of investments in certain third-party asset-backed commercial paper (ABCP). The resolution approved the creation of a limited partnership, ABCP 2008 Limited Partnership ("ABCP LP"), to acquire these investments funded by member credit unions in proportion to their share investment in CUCO. The Credit Union owns ABCP LP units equal to 0.4177% of the partnership. The ABCP LP is governed by a board of directors that was elected by the unit holders.

Approximately 80% of the ABCP held in the partnership was subject to a court-sanctioned restructuring process known as the "Montreal Accord". The remaining investment was in Apex Trust which has been restructured by the sponsor. Both restructurings involved replacing the original short-term ABCP with various classes of long-term notes. The notes bear a variety of interest rates between 0% and 5% with most floating with a premium or discount to the Bankers' Acceptance rate.

As at December 31, 2010, the ABCP LP determined or estimated the principal characteristics of its notes, including the interest rate, maturity date and credit rating. It then estimated the yield that a potential investor would require to purchase each class of notes. The ABCP LP used this information to calculate a fair value for each class of notes. Based upon a sensitivity analysis of the assumptions used,

the expected yield required by a potential investor remains the most significant assumption included in the fair value estimate.

Although there has been some trading activity in the notes held by ABCP LP, it is felt that an active market on which a fair value could be based has not been established for the following reasons: there are only a small number of brokers and buyers; transactions are not regularly occurring; there is a very wide difference between bid and ask values and final prices are negotiated; and relative to a discounted cash flow value, sales are occurring on a distressed basis.

The Credit Union carries its investment in the ABCP LP at its share of the estimated fair value of the partnership. There can be no assurance that this estimate will be realized. Subsequent adjustments, which could be material, may be required in the future.

MAV II NOTES

The Credit Union originally purchased AAA credit rated non-bank asset-backed commercial paper (ABCP) as a short-term investment. The September 2007 maturities of the paper were not honoured and the ABCP was restructured and replaced with a variety of long-term MAV II notes. The notes received bear various rates of interest with the majority being variable at the Bankers' Acceptance rate less 50 basis points.

As indicated earlier, despite some purchase and sale transactions occurring involving the restructured notes, an active market has not developed that can be used for valuation.

Management has applied a discounted cash flow methodology to estimate a fair value. The Credit Union estimated a discount rate based on yields demanded by the market for like notes adjusted for term and credit risk. The estimates are made with consideration of existing market conditions; however, they cannot be supported by observable market rates. The difference between the estimated fair value and that which may materialize if the notes start trading can be significant.

The notes held and their carrying value are as follows:

Description	Maturity	2010	2009
MAV II class 3	Oct. 24, 2016	\$ -	\$ -
MAV II class A-1	July, 15, 2056	572,550	576,225
MAV II class A-2	July, 15, 2056	1,086,045	1,086,045
MAV II class B	July, 15, 2056	62,400	62,400
MAV II class C	July, 15, 2056	8,700	8,700
		\$ 1,729,695	\$ 1,733,370

4. LOANS TO MEMBERS

	2010	2009
Residential mortgages	\$ 35,254,819	\$ 33,976,588
Personal	2,231,930	2,276,546
Commercial	13,560,853	11,169,115
Syndicated commercial	9,677,010	7,614,089
Unincorporated associations	199,566	-
Accrued interest	80,704	79,226
	61,004,882	55,115,564
Less allowance for impaired loans (Note 5)	387,171	297,171
	\$ 60,617,711	\$ 54,818,393

The Credit Union has established loan concentration policies to ensure prudent diversification of the types of loans in its portfolio. The Credit Union's policy dictates that the different loan types may not exceed certain percentages of the sum of capital and deposits as follows: commercial loans cannot exceed 30%; personal loans cannot exceed 30%, residential first mortgages cannot exceed 75%, second mortgages cannot exceed 10% and mortgage secured lines of credit may not exceed 50%. Additionally, the Credit Union has a maximum limit on the value by type of loan to an individual and connected parties.

Residential mortgage loans are repayable in blended principal and interest instalments over a maximum term of five years based on a maximum amortization period of thirty years. Some mortgages are open and at the option of the borrower may be paid off without notice or penalty.

Personal loans are repayable in blended principal and interest instalments over a maximum amortization period of five years.

Lines of credit are repayable on a revolving credit basis and require minimum monthly payments. The lines of credit are open and may be paid off at any time at the option of the borrower.

Commercial loans are repayable in blended principal and interest instalments over a maximum amortization period of twenty-five years.

As at December 31, 2010, the Credit Union was committed to the issuance of mortgage loans to members in the aggregate amount of \$1,753,400 (2009 - \$2,339,700).

As at December 31, 2010, the approved and unused line of credit limits amounted to \$9,487,630 (2009 - \$9,295,395).

5. ALLOWANCE FOR IMPAIRED LOANS

	2010	2009
Balance at beginning of year	\$ 297,171	\$ 215,174
Loans written off	-	(6,003)
Loans recovered	-	-
	297,171	209,171
Provision charged to operations	90,000	88,000
Balance at end of year	\$ 387,171	\$ 297,171

The allowance for impaired loans provided for in the accounts of the Credit Union is in accordance, in all material respects, with DICO's by-law governing such allowances.

5. ALLOWANCE FOR IMPAIRED LOANS (continued)

At year end the allowance relates to the following:

	Allowance for impaired loans balance		Aggregate impaired loans	
	2010	2009	2010	2009
Residential mortgages	\$ -	\$ -	\$ -	\$ -
Personal	-	-	-	-
Commercial	-	-	-	-
Syndicated commercial	80,000	80,000	461,222	841,557
Non-specific	307,171	217,171	-	-
	\$ 387,171	\$ 297,171	\$ 461,222	\$ 841,557

A loan is considered past due when a counterparty has not made a payment by the contractual due date. The following table presents the carrying value of the loans that are past due, but not considered impaired.

	2010	2009
Mortgages	\$ -	\$ 43,090
Personal	5,660	-
Total	\$ 5,660	\$ 43,090

6. OTHER ASSETS

	2010	2009
Unrealized gain on interest rate swap	\$ 159,039	\$ -
Prepaid expenses	6,042	36,990
Property held for resale	-	850,881
Future income taxes	49,840	29,200
	\$ 214,921	\$ 917,071

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Land	\$ 10,000	\$ -	\$ 10,000	\$ 10,000
Building	1,204,414	508,748	695,666	732,281
Furniture and equipment	341,717	267,991	73,726	47,946
Computer hardware and software	236,190	201,757	34,433	39,934
	\$ 1,792,321	\$ 978,496	\$ 813,825	\$ 830,161

Amortization expense for the year amounted to \$63,257 (2009 - \$65,044).

8. MEMBERS' DEPOSITS

	2010	2009
Chequing accounts	\$ 4,305,093	\$ 3,724,804
Savings accounts	35,480,640	31,303,224
Term deposits	34,270,116	33,623,631
Registered retirement savings plans	7,026,079	6,581,721
Registered retirement income funds	3,651,169	3,654,210
Accrued interest	549,418	552,563
	\$ 85,282,515	\$ 79,440,153

Term deposits

Term deposits are accepted at guaranteed interest rates for terms of one to five years. Funds may be withdrawn prior to the maturity date upon payment of a penalty.

Registered plans

Concentra Trust is the trustee of the registered retirement plans offered to the members. Under an agreement with the company, members' contributions to these plans, as

well as income earned on them, are deposited in the Credit Union. On withdrawal, payment of the plan proceeds is made to the members or their designates, by the Credit Union on behalf of the company.

9. OTHER LIABILITIES

	2010	2009
Accounts payable and accrued liabilities	\$ 195,549	\$ 96,590
Accrued interest on swap	13,911	-
Income taxes payable	62,347	48,678
	\$ 271,807	\$ 145,268

10. MEMBER SHARES

Share capital represents the amount of shares that members are required to maintain as a condition of membership. As a condition of membership, each member must hold a prescribed number of shares at an issue price of \$5 per share. Shares are redeemable on withdrawal from membership, subject to the Credit Union meeting capital adequacy requirements, and the discretion of the directors who may require notice.

Dividends on shares may be declared by the board of directors, subject to the availability of sufficient earnings to meet regulatory capital requirements of the Act.

11. CAPITAL ADEQUACY

The Credit Union's capital management policy outlines the overall objectives to ensure that the Credit Union has sufficient capital needed to address the inherent risks of the Credit Union, ensure the long-term viability of the Credit Union, and support its current and future operating plans.

The processes for managing capital include setting the policy for capital management, setting policies in related areas, establishing budgets and reporting monthly to the board of directors regarding financial results and capital adequacy, in relation to the statutory minimum.

In accordance with the requirements of the Act and accompanying regulations, credit unions are required to maintain sufficient capital to meet two tests:

(a) Leverage test:

Regulatory capital must amount to at least 4.0% (2009 - 4.0%) of total assets.

(b) Risk-weighted capital test:

Regulatory capital must amount to at least 8% of risk-weighted asset values. The risk weightings of assets are specified in the regulations to the Act.

As at December 31, 2010, the Credit Union is in compliance with the minimum statutory requirements for regulatory capital, as outlined in the following table.

	2010	2009
Tier 1 capital		
Membership shares	\$ 272,760	\$ 265,520
Retained earnings	5,347,361	4,801,968
	5,620,121	5,067,488
Tier 2 capital		
Non-specific loan loss provisions	307,171	217,171
Total Regulatory Capital	\$ 5,927,292	\$ 5,284,659
Leverage test ratio:	6.5%	6.2%
Risk-weighted capital test ratio:	12.7%	12.6%

12. INTEREST ON MEMBER LOANS

Interest income is generated as follows:

	2010	2009
Residential mortgage loans	\$ 1,479,830	\$ 1,665,899
Personal loans	96,290	89,695
Commercial loans	1,178,747	1,032,794
	\$ 2,754,867	\$ 2,788,388

13. INTEREST EXPENSE ON MEMBER DEPOSITS

Interest expense on member deposits is generated as follows:

	2010		2009
Demand	\$ 314,093	\$	321,237
Term	730,282		835,910
Registered retirement savings plans	213,636		207,990
Registered retirement income funds	88,881		114,138
	\$ 1,346,892	\$	1,479,275

14. INCOME TAXES

The provision for income taxes differs from the result which would be obtained by applying the combined federal and provincial statutory corporate tax rate to income before taxes. The difference results from the following items:

	2010		2009
Income before income taxes	\$ 665,046	\$	540,011
Statutory tax rate	31.0 %		33.0 %
Income tax at statutory rate	\$ 206,164	\$	178,204
Small business and credit union rate reductions	(99,757)		(89,280)
Rate reductions not available and provincial surtax	10,888		-
Other	2,358		(2,000)
	\$ 119,653	\$	86,924

Future income taxes included in other assets is the cumulative amount of tax applicable to temporary differences between the carrying amount of the assets and liabilities and their values for tax purposes. The components of future taxes are as follows:

	2010		2009
Allowance for impaired loans	\$ 39,100	\$	26,700
Capital assets	(5,300)		(5,400)
Deferred loan fee revenue	11,600		7,900
Investments	4,440		-
	\$ 49,840	\$	29,200

15. RESTRICTED PARTY TRANSACTIONS

A restricted party has been defined under the regulations to the Act to include a person, and the person's relative, spouse, or relative of the spouse, who has been a director, officer or committee member in the preceding twelve months, and corporations in which the person owns more than 10% of the voting shares.

As at December 31, 2010, the aggregate value of interest-bearing loans outstanding to directors, officers and their related parties totalled \$1,057,644 (2009 - \$584,619). There was no allowance for impaired loans required in respect of these loans as at December 31, 2010.

16. ADDITIONAL DISCLOSURES REQUIRED BY THE ACT

Directors do not receive an honorarium for their service to the Credit Union. An expense allowance is paid to directors to cover costs associated with the preparation for and attendance at meetings.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value amounts approximate the amounts at which instruments could be exchanged in a current transaction between willing partners who are under no compulsion to act. The estimated fair values of the Credit Union's financial instruments and the valuation techniques and assumptions are set out below. The valuations may vary significantly based on the judgement

used in estimating the amount and timing of future cash flows. As a result, the estimated fair values are not necessarily comparable across different organizations and may not be realizable. The estimation of fair values are based on market conditions at a specific point in time and may not be reflective of future fair values.

	Book value	Estimated fair value	2010 Difference	2009 Difference
Assets				
Cash resources	\$ 2,950,877	\$ 2,950,877	\$ -	\$ -
Investments	26,577,109	26,590,175	13,066	142,107
Loans to members	60,617,711	61,503,480	885,769	818,466
Liabilities				
Members' deposits	(85,282,515)	(85,663,984)	(381,469)	(304,086)

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

- (a) The fair value of cash resources are assumed to approximate their book value due to their short-term nature.
- (b) The fair value of investments are based on quoted market values.
- (c) The estimated fair value of variable rate loans and deposits are assumed to be equal to book value as the interest rates reprice to market on a periodic basis.
- (d) The estimated fair value of fixed rate loans and deposits is determined by discounting the expected future cash flows at current market rates for products with similar terms and credit risks.

18. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Liquidity risk

The business of the Credit Union necessitates the management of liquidity risk. Liquidity risk is the risk that the Credit Union will be unable to pay obligations when they fall due, including the withdrawal of members' deposits or the funding of loans to members.

The Credit Union's liquidity management policy outlines the processes for managing liquidity risk, including maintaining high quality liquid investments, maintaining a credit facility with Central 1 and monthly reporting to the board of directors regarding the Credit union's liquidity level, in relation to the statutory minimum. In addition, the Credit Union continually monitors cash flows, the significance of large deposits and loan commitments relative to its liquidity.

The Credit Union has a credit facility totalling \$5,151,000, consisting of an operating line of credit of \$1,651,000;

letters of credit/guarantees of \$3,000,000; and a capital markets line of \$500,000. The facility bears a variable rate of interest at the prime rate and is secured by a general security agreement and an assignment of book debts covering all assets of the Credit Union. At December 31, 2010, the credit facility was not utilized.

The liquidity ratio represents the ratio of assets qualifying as liquid assets under the Act to the sum of members' deposits and borrowings. The Credit Union has established an internal policy to maintain a liquidity ratio at no less than 12.0%. At December 31, 2010, the liquidity ratio is 31.6%, which is in compliance with policy.

The assets that are eligible for liquidity purposes are as follows:

18. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

	2010	2009
Cash and current accounts with financial institutions	\$ 2,881,747	\$ 2,289,336
Liquidity reserve deposits with Central 1	6,315,742	5,823,892
Bank high yield investment savings accounts	-	6,639,641
Bank term deposits	16,878,776	4,026,340
Government bonds	500,000	500,250
	\$ 26,576,265	\$ 19,279,459

Credit risk

The business of the Credit Union necessitates the management of credit risk. Credit risk is the potential for loss due to the failure of a borrower to meet his or her financial obligations.

The Credit Union's credit management policy sets out the processes for managing credit risk, including the following:

- Exposure limits to individuals and connected parties;
- Exposure limits by loan type;

- Nature and scope credit analysis;
- Security requirements;
- Risk-based pricing;
- Loan approval authorities and limits;
- Industry concentration limits for commercial loans;
- Regular reporting to the board of directors on loan activities as required under policy and the Act; and
- Procedures to be followed for loans that are in arrears.

Interest rate risk

Interest rate risk refers to the potential impact of changes in interest rates on the Credit Union's earnings when maturities of its financial liabilities are not matched with the maturities of its financial assets. Exposure to interest rate fluctuations are managed within limits dictated by

policy and the Act.

The table below summarizes amounts by maturity dates and effective interest rates for the following financial instruments:

	Variable Rate	Less than one year	One to five years	Non-rate Sensitive	Total	Effective Interest Rate
Cash resources	\$ 2,901,464	\$ -	\$ -	\$ 49,413	\$ 2,950,877	1.4%
Investments	-	21,183,098	2,646,744	2,747,267	26,577,109	1.2%
Loans to members	12,370,388	8,196,969	40,050,354	-	60,617,711	5.2%
Interest swap contract	10,000,000	-	-	-	10,000,000	1.2%
Total	25,271,852	29,380,067	42,697,098	2,796,680	100,145,697	
Members' deposits	39,988,620	19,796,289	21,192,514	4,305,092	85,282,515	1.5%
Member shares	-	-	-	272,760	272,760	-
Interest swap contract	-	-	10,000,000	-	10,000,000	2.1%
Total	39,988,620	19,796,289	31,192,514	4,577,852	95,555,275	
Matching gap	\$ (14,716,768)	\$ 9,583,778	\$ 11,504,584	\$ (1,781,172)	\$ 4,590,422	

The Credit Union performs analysis to monitor the sensitivity of earnings to changes in interest rates. The Credit Union has established a policy for its earnings at risk to a possible change in interest rates to within 15 basis

points of assets. At December 31, 2010, management estimates that its exposure to an increase in interest rates is 10 basis point of assets.

18. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Interest rate swaps

As at December 31, 2010, the Credit Union has an interest rate swap agreement in place with a total notional value of \$10,000,000 (2009 - nil) and maturing in November 2015. Under the terms of the agreement, the Credit Union will pay the counterparty a fixed rate of interest of 2.05% and will receive a variable rate of interest equal to the Canadian Dealer Offered Rate (CDOR) based on the notional amounts. The effect of the swaps is to hedge the

variable interest revenue stream generated by variable interest loans. Therefore, interest due and receivable under the agreements is recorded on a net basis to interest revenue.

The interest rate derivative contracts are carried at their fair value with changes in value being recognized in current period earnings.

Foreign currency exchange risk

Foreign currency exchange risk refers to the potential impact of changes in foreign exchange rates on the Credit Union's earnings when balances of its foreign currency liabilities are not matched with the balances of its foreign currency assets.

It is the policy of the Credit Union to mitigate exposure to foreign exchange rate fluctuations by matching its foreign currency assets to its foreign currency liabilities (i.e. members' deposits denominated in US dollars).

Consequently, the impact on earnings of foreign currency exchange risk is not significant. Unhedged foreign currency exposure is limited by policy to 50,000 USD and 5,000 Euros.

Net foreign exchange gains of \$14,496 (2009 - \$4,166) is included in other income for the year.

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Administrative expenses		
Advertising and promotion	\$ 51,375	\$ 43,311
Amortization	63,257	65,044
Audit	31,105	23,209
Bank charges and interest	35,036	31,478
Board and committee	16,520	17,487
Bonding and insurance	72,462	54,065
Collection costs	(6,552)	12,000
Consulting	128,621	88,048
Data processing	110,594	88,781
Deposit insurance premium	67,245	79,056
Government fees	3,237	3,883
League dues	10,472	11,090
Legal	5,429	1,472
Meetings and travel	20,733	16,654
Occupancy and telephone	59,648	66,178
Office and general	78,683	71,476
Registered plan fees	11,422	9,036
Security system	5,220	5,073
	\$ 764,507	\$ 687,341

SERVICE SUMMARY

BANKING SERVICES

Savings Account
Daily Interest Account
US Dollar Account
Head Start Account
(Age 0-16)

INVESTMENT SERVICES

Short-Term GICs
Long-Term GICs
Mutual Funds

PAYROLL

Direct Payroll Deposit

REGISTERED PLANS

Registered Retirement
Savings Plan (RRSP)
Registered Education
Savings Plan (RESP)
Registered Retirement
Income Fund (RRIF)
Tax-Free Savings
Account (TFSA)

LENDING SERVICES

Car Loans
Personal Loans
Investment Loans
Residential Mortgages
(up to 90% financing)
Commercial Mortgages
Meritline Home Equity
Line of Credit

ADDITIONAL SERVICES

ATMs
Brokerage Services
• Full Service Qtrade
Securities Inc.
• Discount Qtrade Investor
Foreign Funds (US, Euros)
Insurance
• Credit Life
• Home and Auto
Interac and Plus System
Internet Banking
MasterCard
Money Orders
Online Loan Applications
Traveler's Cheques
Utility Payments
Wire Transfers





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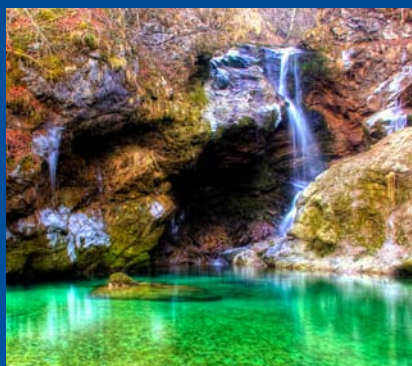
HEAD OFFICE

747 Browns Line,
Etobicoke, Ontario M8W 3V7
Tel.: (416) 252-6527
Fax: (416) 252-2092

BRANCH OFFICE

611 Manning Avenue, Suite 100,
Toronto, Ontario M6G 2W1
Tel.: (416) 532-4746
Fax: (416) 532-5134

Email: main@krek.ca
lending@krek.ca



www.krek.ca