



**CREDIT  
UNION**

**NEWFOUNDLAND AND LABRADOR**

*Getting You There™*



ANNUAL REPORT  
2009

## **Our Vision**

Newfoundland and Labrador Credit Union will be the superior provider of the ideal financial service experience.

# ANNUAL REPORT 2009



## Our Mission

Our market will be all who share the ideals of integrity and excellence regardless of demographics or geography.

Our focus will be on gaining the complete trust and confidence of our owners, including our employees, in everything we do.

We are committed to every owner achieving personal financial success as they define it by:

- Listening
- Providing complete and accurate information
- Providing sound advice and personalized solutions
- Providing access to financial and related services as owners' needs dictate, when owners' needs dictate, where owners' needs dictate

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**Board of Directors and Officers, from left to right:** Maureen Singleton, Damian Ryan, Allison Chaytor-Loveys, Allan Skanes, Raymond Hawco, Murray Loveless, Glenn Bolger, Michael Boland, Patrick Collins, Barbara Freake, Elizabeth Duff, Daniel Lavallée, Raymond Piercey



## President's Report

It is again my honour and privilege to report to you on the achievements of the past year. 2009 has been another eventful year filled with its own unique challenges and opportunities. It certainly was a year to remember.

With on-book assets growing to almost \$406 million and ownership numbers beyond 20,000, we continue to achieve the goals of our Strategic and Business Plans in the midst of recessionary times and global economic difficulty. Some of this achievement can be attributed to the positive economic outlook of our owners and that of our province, but much can be attributed to the consistent and dedicated work of our excellent owner service team.

Perhaps the most significant event of 2009, which illustrates the strength and resilience of our team of service professionals, was the fire on August 25, 2009. The fire at an adjacent property caused severe smoke and water damage to our Water Street branch and Corporate Office, which resulted in most of our Corporate Office employees being re-located for several months while repairs were ongoing. Business was not severely interrupted or compromised. The branch was up and running within 10 business days and Corporate Office functions were uninterrupted.

We were able to meet the challenges the fire presented for several reasons. Quick thinking, good planning, maximizing available resources and a very positive attitude enabled us to offer continued service to our owners with minimum inconvenience.

Though Water Street branch services were quickly restored, the functions of Corporate Office were re-located to other branches in the area. By year-end, all employees were back at Corporate Office, repair work was nearing completion and most of our Business Plan had been achieved successfully.

In the Board's opinion, success in meeting the challenges of the fire was the result of having a very professional, capable and resilient service team with a very positive attitude.

The fire resulted in many inconveniences for employees – not only at the Water Street location but at all of our locations. Many of our branch employees had their workspaces compromised by having to share their space with displaced Corporate Office personnel. The normal routines of all branches were affected and sacrifices were made, yet owner service continued with minimum inconvenience to our owners and success was achieved as seen in our financial results.

As a Board, we wish to acknowledge our appreciation for the true professionalism demonstrated by our entire service team. We thank you for your dedication and sacrifice, and we congratulate you for your positive attitude in meeting the difficulties associated with the fire and its aftermath.

The successful handling of the unplanned and the unexpected inspires confidence in what can be achieved by our team regardless of the challenges. Again, thank you for your continued excellent service to our owners.

### Awards and Recognition

Newfoundland and Labrador Credit Union's (NLCU) performance and professionalism continues to be recognized by the business community in the form of awards and recognition.

Our Chief Executive Officer (CEO), Allison Chaytor-Loveys, received her fourth Top 50 CEOs in Atlantic Canada award from Atlantic Business Magazine. We congratulate Allison for this achievement and recognition and acknowledge the honour and pride such awards bring to NLCU.



Michael W. Boland  
President

*"The successful handling of the unplanned and the unexpected inspires confidence in what can be achieved by our team regardless of the challenges."*

*“NLCU was also honoured by the St. John’s Board of Trade in December 2009, when we received the Customer Service and Reliability Award for the second time.”*

## President’s Report

NLCU’s commitment to our employees and workplace practices once again earned us recognition regionally and nationally. In June, we were recognized, for the fourth time in eight years, as one of the Top 25 Places to Work in Atlantic Canada by Progress Magazine and by Macleans magazine as one of Atlantic Canada’s Top 25 Employers. We are very proud of these awards. It reflects the success of our Human Resources Policies and the superb workers we employ.

Our Credit Union placed first in the Top 101 Companies in Atlantic Canada in the category of Customer Perspectives and was recognized in the top 10 in three other categories. We ranked 61st in the top 101 companies overall. Our growth in this ranking over the past 12 years gives us a great sense of achievement and pride.

NLCU was also honoured by the St. John’s Board of Trade in December 2009, when we received the Customer Service and Reliability Award for the second time.

We congratulate our entire team for their hard work and dedication, which made all of these awards possible. They are a testament to your achievements.

### System Involvement

The Credit Union functions as part of a national network of credit unions and a global organization of owner controlled financial service providers.

We partner with a large group of financial service providers in the co-operative movement regionally, nationally and internationally.

We have maintained our level of service and expertise through our affiliations with our provincial trade association, Central Alliance of Newfoundland and Labrador Credit Unions, our regional data supplier in the Atlantic Provinces, League Data Ltd. and our financial central – Central 1.

We continue to participate in these organizations through memberships and attendance at annual and other meetings. We also continue to provide input through service on various committees regionally and nationally. The Board recognizes the value to our owners by participating in these organizations and thank those involved for their contributions.

The involvement of Board Members and Management at National and Central annual meetings is an important component of our training and professional development and helps form and solidify our vision of future development and growth. It also provides us with a means of comparing our performance with our peers throughout the region, the country and the world.

### Legislation

On July 1, 2009, the new Credit Union Act and Regulations were proclaimed.

We continue to foster an excellent relationship with our Regulators, the Credit Union Deposit Guarantee Corporation.

Regular meetings and the opportunity to provide input to legislative change have enabled us in the past to ensure compliance with our regulatory regime. Ongoing examinations by our Regulators continue. They provide us a sense of confidence that we continue to provide service to our owners, within the parameters established under the laws regulating the financial service industry provincially and nationally.

The area of compliance forms much of the workload of the Board’s Governance and Audit Committees. I commend these Committees for their continued good work.

## President's Report

The Board of Directors, as part of our compliance regime, undertook Proceeds of Crime (Anti-Money Laundering) and Terrorist Financing Act training in September assuring our policies meet national standards. Training of all personnel in these areas will be ongoing and will continue to enhance the security of business operations and compliance requirements.

In accordance with sound business practices, I am delighted to acknowledge the implementation of an Enterprise Risk Assessment Framework and during the year work progressed on the completion of a Business Continuity Plan. Our accomplishments of the past year, in adverse circumstances, testify to the importance of this type of planning and infuse us with the confidence that builds a positive outlook for future growth, regardless of the financial environments that face us.

### New Developments

We thank Shane Flight, Director, Information Systems and his team for the installation of our new Board website. This site enhances our ability to communicate and receive Board information, such as policies, minutes and meeting materials.

We look forward to the completion of our new building in Gander. We are excited about the prospects of this new facility and its positive impact on our owners in the Gander area and look forward to its official opening in 2010.

The Board continues to evaluate the adequacy of our premises to meet our owners' needs and is prepared to make changes to accommodate these needs as they arise.

### Acknowledgements

Our continued success as a credit union is the result of the valuable contributions of strategic partnerships. The valued relationships we have established with suppliers of services: legal, auditing, data, financial, insurance and other services enable us to do what we do so well. We thank all of our partners for their role in helping us achieve and exceed our goals.

As President and Board Chairman, I take this opportunity to thank our Board Members for their commitment and dedication to their responsibilities and duties of the Board and to the various committees they serve. I also express the Board's gratitude to the team of professionals at Corporate Office who assist the Board during their meetings. Again our thanks and congratulations to the entire complement of management and employees for another very successful year. Finally, I acknowledge, on behalf of the Board and our entire team, the continued support and involvement of more than 20,000 owners. It is their level of patronage that inspires the confidence we have in what we do. We hope to continue to exceed your expectations and to be your primary financial institution.

Sincerely,



**Michael W. Boland**  
President

*"We thank all of our partners for their role in helping us achieve and exceed our goals."*

## Management's Report

To the Owners of Newfoundland and Labrador Credit Union Limited.

The financial statements and other financial information in the Annual Report were prepared by the management of Newfoundland and Labrador Credit Union Limited and were approved by the Board of Directors.

Management is responsible for the preparation of the financial statements and believes that they fairly present the Credit Union's financial condition in accordance with the requirements of the Credit Union Act and the Regulations thereunder and conform in all material aspects with Canadian generally accepted accounting principles. To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established an appropriate system of internal audit and control which provides reasonable assurance at appropriate cost; that the assets are maintained and accounted for in accordance with its policies and procedures; and that transactions are recorded on the Credit Union's books and records.

Deloitte & Touche LLP, Chartered Accountants, has been appointed by the ownership as independent auditors to examine and report on the financial statements. They have had full and free access to the Board of Directors and provide an objective, independent review of the fairness of reported operating results and financial position. Their report outlines the scope of their examination and their opinion.

January 22, 2010.



**Allison Chaytor-Loveys**  
Chief Executive Officer and Treasurer



**Elizabeth Duff**  
Chief Financial Officer



**Our Management Team, from left to right:** Sheila Hynes-Brenton, Paula Menchions, Tony Young, Janice Kennedy-Humber, Jim Mayo, Nicole Parrott, Judy Abbott, Barbara Freake, Dana Thompson, Roxanne Downey, William Farrell, Elizabeth Duff, Darren Pitcher, Yvonne Parsons, Kent Farrell, Glenn Bolger, Lyndon Combdon, Cathy Mattsson, Allison Chaytor-Loveys, Mercedes Lafitte, Jerry Jackman, Michelle McGrath, Ann Marie Drohan, Brian Beson, Lisa Loveridge, Fred Philpott, Shane Flight, JoAnne Ballard, Deann Dillon, Tanya Ivany.



## Auditors' Report

To the Owners of Newfoundland and Labrador Credit Union Limited.

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

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

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

*Deloitte & Touche LLP*

Chartered Accountants

January 22, 2010



## Financial Statements

### Statement of Earnings and Retained Earnings

Year ended December 31, 2009

	2009	2008
	\$	\$
<b>Financial revenue</b>		
Owners' loans and mortgages	20,647,278	20,456,700
Investment	437,697	1,095,035
	<u>21,084,975</u>	<u>21,551,735</u>
<b>Cost of funds</b>		
Interest on owners' deposits	9,284,426	9,919,827
<b>Financial margin</b>	<u>11,800,549</u>	<u>11,631,908</u>
<b>Other income</b>		
Service charges	1,997,869	2,003,099
Insurance commissions	734,792	558,163
Other	120,540	265,388
Rental	112,033	107,184
<b>Financial margin and other income</b>	<u>14,765,783</u>	<u>14,565,742</u>
<b>Operating expenses</b>		
Personnel	7,499,168	7,209,224
General business	2,870,921	3,204,696
Occupancy	1,094,497	1,099,031
Amortization	936,869	924,357
Owners' security	1,201,510	816,946
<b>Total operating expenses</b>	<u>13,602,965</u>	<u>13,254,254</u>
<b>Earnings before income taxes</b>	<u>1,162,818</u>	<u>1,311,488</u>
<b>Income taxes (recovery)</b>		
Current	284,614	252,282
Future	(45,785)	(6,260)
	<u>238,829</u>	<u>246,022</u>
<b>Net earnings</b>	<u>923,989</u>	<u>1,065,466</u>
Retained earnings, beginning of year	12,259,607	11,282,291
Dividends	(94,900)	(88,150)
<b>Retained earnings, end of year</b>	<u>13,088,696</u>	<u>12,259,607</u>

# Financial Statements

## Balance Sheet

December 31, 2009

	2009	2008
	\$	\$
<b>Assets</b>		
Cash	7,882,087	6,602,583
Investments	41,163,802	24,502,318
Loans and mortgages receivable (Note 4)		
Personal loans	87,585,209	81,402,523
Mortgage loans	223,363,660	208,272,398
Commercial loans and mortgages	28,983,589	34,877,152
	339,932,458	324,552,073
Less allowance for impaired loans and mortgages	(827,975)	(722,335)
	339,104,483	323,829,738
Capital assets (Note 5)	11,856,530	10,670,063
Derivative financial instrument (Note 8)	2,330,206	1,170,573
Other assets	3,622,935	2,920,506
	405,960,043	369,695,781
<b>Liabilities</b>		
Bank indebtedness (Note 6)	-	1,100,000
Accounts payable and accrued liabilities	1,999,709	1,850,179
Owners' deposits (Note 7)	388,541,432	353,315,422
Derivative financial instrument (Note 8)	2,330,206	1,170,573
	392,871,347	357,436,174
<b>Owners' equity</b>		
Retained earnings	13,088,696	12,259,607
	405,960,043	369,695,781

Approved on behalf of the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

## Financial Statements

### Statement of Cash Flows

Year ended December 31, 2009

	2009	2008
	\$	\$
<b>Operating activities</b>		
Net earnings	923,989	1,065,466
Adjustments for:		
Provision for impaired loans and mortgages	424,858	146,401
Amortization	936,869	924,357
Future income taxes	(45,785)	(6,260)
Changes in undernoted items		
Accounts payable and accrued liabilities	149,530	85,248
Other assets	(835,821)	(935,118)
	1,553,640	1,280,094
<b>Financing activity</b>		
Increase in owners' deposits	35,131,110	41,385,011
<b>Investing activities</b>		
Decrease in bank indebtedness	(1,100,000)	(3,800,000)
Increase in investments	(16,661,484)	(2,103,024)
Increase in loans and mortgages receivable	(15,699,603)	(38,220,990)
Purchase of capital assets	(1,944,159)	(763,619)
	(35,405,246)	(44,887,633)
Net increase (decrease) in cash	1,279,504	(2,222,528)
Cash, beginning of year	6,602,583	8,825,111
<b>Cash, end of year</b>	<b>7,882,087</b>	<b>6,602,583</b>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	9,601,724	9,459,466
Income taxes paid	252,288	345,072

# Notes to the Financial Statements

December 31, 2009

## 1. DESCRIPTION OF BUSINESS

The Newfoundland and Labrador Credit Union Limited (the "Credit Union") commenced operations in 1957. It currently operates twelve branches that offer a full range of financial services to the people of Newfoundland and Labrador.

## 2. CHANGE IN ACCOUNTING POLICIES

### *Goodwill and Intangible Assets*

Effective January 1, 2009 the Credit Union adopted prospectively the Canadian Institute of Chartered Accountants ("CICA") new accounting standard related to "Goodwill and Intangible Assets" (section 3064), which replaces section 3062 "Goodwill and other Intangible Assets" and section 3450 "Research and Development Costs".

CICA section 3064 provides more specific guidance on the recognition of internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. The section increases harmonization of Canadian standards with International Financial Reporting Standards. The adoption of this standard had no effect on the Company's financial position, operations or cash flows.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

### *Impairment of loans and mortgages receivable*

A loan or mortgage is generally classified as impaired when there is reasonable doubt as to the ultimate collectability of principal or interest or when interest or principal is

contractually 90 days past due, unless the loan is fully secured and in the process of collection.

The allowance for impaired loans and mortgages represents specific provisions established as a result of reviews of individual loans and mortgages. A provision for loss is established when there is reasonable doubt that the full amount of principal and interest will be collected. This provision reduces the carrying value of the loans and mortgages identified as impaired to their estimated realizable amounts. Estimated realizable amounts are determined by estimating the fair value of any underlying security and deducting the costs of realization.

### *Capital assets*

Capital assets are recorded at cost. Amortization is calculated as set out below, based on the estimated useful lives of the assets. No amortization is taken on assets purchased that have not been put into use during the year.

#### **Buildings**

- straight line over 50 years

#### **Paved areas**

- diminishing balance at 8% per annum

#### **Leasehold improvements**

- straight line over 5 years

#### **Furniture and equipment**

- diminishing balance at 20% per annum

#### **Computer terminals**

- straight line over 5 years

#### **Automated banking machines**

- straight line over 5 years

#### **Personal computers and software**

- straight line over 3 years

### *Revenue recognition*

Interest income on loans and mortgages and investments is recorded on an effective interest basis. Other income is recognized when goods or services are provided and collection is reasonably assured.

# Notes to the Financial Statements

December 31, 2009

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Credit Union's designation of such instruments. Settlement date accounting is used.

#### **Classification**

Cash	Held for trading
Investments:	
Equity investments	Available for sale
Liquidity reserve	Held to maturity
Loans and mortgages	Loans and receivables
Other Assets:	
Accounts receivable	Loans and receivables
Owners' deposits	Other liabilities
Other liabilities	Other liabilities
Derivative financial instruments	Held for trading

#### Held for trading

Held for trading financial assets are typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized in disposal and unrealized gains and losses are included in investment income.

#### Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity, other than loans and receivables that an entity has the positive intention and ability to hold to maturity. These financial assets are measured at amortized cost using the effective interest method.

#### Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale, or that are not classified as loans and receivables, held to maturity or held for trading investments. Except as mentioned below, available for sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized when the cumulative gain or loss is transferred to other income.

Available for sale financial assets that do not have quoted market prices in an active market are recorded at cost.

#### Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

#### Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

## Notes to the Financial Statements

December 31, 2009

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### Transaction costs

Transaction costs related to financial assets and liabilities are expensed as incurred.

#### Derivative financial instruments

The Credit Union enters into contracts for index-linked deposits, which includes embedded derivatives.

The premium related to the hedged embedded derivative transaction, which is included in other assets, is recognized over the term of the embedded derivative contract as an adjustment to interest expense.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Credit Union's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

### 4. LOANS AND MORTGAGES RECEIVABLE

Owners' loans and mortgages are classified below:

	2009				2008
	Personal	Mortgage	Commercial	Total	Total
	\$	\$	\$	\$	\$
Neither past due <sup>(1)</sup>					
nor impaired	86,492,734	222,442,835	28,906,431	337,842,000	323,159,758
Past due but					
not impaired	341,658	920,825	-	1,262,483	669,980
Impaired	750,817	-	77,158	827,975	722,335
	87,585,209	223,363,660	28,983,589	339,932,458	324,552,073
Less: Specific					
allowances	750,817	-	77,158	827,975	722,335
	86,834,392	223,363,660	28,906,431	339,104,483	323,829,738

<sup>(1)</sup> A loan is considered to be past due when the Owner has not made a payment within 31 days of the contractual payment date.

Loans past due but not impaired:

	2009				2008
	Personal	Mortgage	Commercial	Total	Total
	\$	\$	\$	\$	\$
Past due but					
not impaired					
31 to 90 days	265,910	652,971	-	918,881	617,741
91 and greater	75,748	267,854	-	343,602	52,239
Total	341,658	920,825	-	1,262,483	669,980

## Notes to the Financial Statements

December 31, 2009

### 4. LOANS AND MORTGAGES RECEIVABLE (Continued)

*Allowance for impaired loans*

The activity in the allowance for impaired loans is summarized as follows:

	2009				2008
	Personal	Mortgage	Commercial	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	628,049	17,633	76,653	722,335	795,080
Loans written-off as uncollectible	(273,124)	(28,386)	-	(301,510)	(219,146)
Provision for impaired loans	395,892	10,753	505	407,150	146,401
Balance, end of year	750,817	-	77,158	827,975	722,335

### 5. CAPITAL ASSETS

Assets	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Land	1,842,395	-	1,842,395	1,499,382
Buildings	10,785,016	2,532,893	8,252,123	7,371,314
Paved areas	263,524	134,034	129,490	127,596
Leasehold improvements	1,322,928	1,220,527	102,401	94,458
Furniture and equipment	4,719,368	3,637,758	1,081,610	1,219,621
Computer terminals	440,165	380,076	60,089	40,633
Automated banking machines	1,527,280	1,206,723	320,557	265,151
Personal computers and software	1,331,879	1,264,014	67,865	51,908
	22,232,555	10,376,025	11,856,530	10,670,063

### 6. OPERATING LINE OF CREDIT

The Credit Union has available short-term borrowings of \$21,000,000, bearing interest at prime. As security for this facility, the Credit Union has provided a general security agreement over all of its assets. As of December 31, 2009, there was no drawings (2008 - \$1,100,000) on this facility.



# Notes to the Financial Statements

December 31, 2009

## 7. OWNERS' DEPOSITS

	2009	2008
	\$	\$
Savings accounts	79,463,230	66,128,588
Chequing accounts	57,927,747	50,704,766
Debentures	18,647,654	18,213,739
Term deposits receipts	99,675,045	97,005,369
R.R.S.P. funds	110,084,635	103,071,957
R.R.I.F. funds	12,292,661	11,317,321
Tax free savings accounts funds	3,530,919	-
Share accounts	6,919,541	6,873,682
	<b>388,541,432</b>	<b>353,315,422</b>

Owner equity shares shall consist of 20 shares at a par value of five dollars (\$5.00) per share. The holders of owner equity shares shall have all of the rights and privileges and be subject to the restrictions of an owner as provided for in the Credit Union Act and Regulations and in the By-laws of the Credit Union. Currently, there are 15,690 fully paid equity share accounts with a dollar value of \$1,992,321.

Surplus shares may be issued in an unlimited number at a par value of five dollars (\$5.00) per share. Surplus shares shall have all of the rights and privileges and be subject to the restrictions applicable to owners as outlined in the Credit Union Act and Regulations and in the By-laws of the Credit Union. Currently, there are 2,494 fully paid share accounts with a dollar value of \$12,470.

Incentive shares may be issued by the Credit Union to a maximum number of ten thousand shares as approved by the Regulator in accordance with the Credit Union Act and Regulations and in the By-laws of the Credit Union. Currently there are 2,008 shares outstanding with a dollar value of \$4,914,750.

Share accounts are not insured by the Credit Union Deposit Guarantee Corporation, however, they qualify as capital for regulatory purposes, notwithstanding their financial statement classification as liabilities.

### *Capital management*

The Board of Directors (the "Board") approves annually the Capital Management Policy and the annual business plan. This policy outlines the Credit Union's overall objectives and guidelines to ensure that the Credit Union has the required quantity, quality and appropriate composition of capital needed to address the inherent risks of the Credit Union and to support the current and future operating plans.

## 8. FINANCIAL INSTRUMENTS

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

### *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 or counterparty to meet its financial obligations.

The Board of the Credit Union sets policy and oversees the risk management process. Senior management ensures adherence to policy on risk management issues, assesses the risk exposure of the Credit Union and reviews the effectiveness of internal control processes.

# Notes to the Financial Statements

December 31, 2009

## 8. FINANCIAL INSTRUMENTS (Continued)

### *Credit risk (Continued)*

The Credit Union has established credit policies and uses a disciplined lending approach with standard underwriting parameters for each category of loans. These parameters are used to assist the Credit Union in implementing a prudent and effective loan granting process.

Where necessary the Credit Union mitigates credit risk by obtaining quality collateral. The Credit Union considers collateral to be of good quality if it can determine the legal validity and market value on an on-going basis. Types of collateral generally obtained by the Credit Union are, but are not limited to, the following: owners' personal property such as vehicles; cash and marketable securities; mortgage charges; fixed, floating or specific general security agreements and personal guarantees.

In addition, the Credit Union monitors its loan concentration to ensure that it is in compliance with its policies.

### *Liquidity risk*

The business of the Credit Union necessitates the management of liquidity risk. Liquidity risk is the risk that the Credit Union may be unable to meet financial commitments, under all circumstances, without having to raise funds at unreasonable prices or sell assets on a forced basis.

The Credit Union's objective is to implement a policy that addresses limits on the sources, quality and amount of the assets to meet normal operational, contingency funding for significant deposit withdrawals and regulatory requirements.

The Board is ultimately responsible for the Liquidity Risk Management Policy. Management reports regularly, to the Board, the Credit Union's compliance with the policy and regulatory requirements; concentration of large deposits of single/connected depositors; and reports borrowings for liquidity purposes, the level of borrowings and the liquidity less borrowings in relation to the statutory minimum.

The maturities of Credit Union Owners' deposits are:

	Balance at Dec. 31, 2009	2010	2011	2012 and after
	\$			\$
Savings accounts	79,463,230	79,463,230	-	-
Chequing accounts	57,927,747	57,927,747	-	-
Debentures	18,647,654	14,740,477	1,813,546	2,093,631
Term deposits receipts	99,675,045	48,017,106	15,548,120	36,109,819
R.R.S.P. funds	110,084,635	51,578,594	25,360,381	33,145,660
R.R.I.F. funds	12,292,661	5,885,690	2,776,113	3,630,858
Tax free savings accounts funds	3,530,919	2,577,555	449,861	503,503
Share accounts	6,919,541	6,919,541	-	-
	<b>388,541,432</b>	<b>267,109,940</b>	<b>45,948,021</b>	<b>75,483,471</b>

### *Market risk*

Market risk is the risk of loss that may arise from change in market factors such as interest rates and foreign exchange rates. The Credit Union is exposed to this market risk in its investing and asset/liability management activities.

# Notes to the Financial Statements

December 31, 2009

## 8. FINANCIAL INSTRUMENTS (Continued)

### *Market risk (Continued)*

Senior management is responsible for managing market risk in accordance with the Credit Union's Asset and Liability Management and Investment Policy set by the Board. Senior management reports regularly to the Board its compliance with the policy and regulatory requirements; dollar volume and yields of all investments; and the particulars of all investment transactions entered into by the Credit Union. All exceptions noted are to be reported to the Board.

The Board is responsible for monitoring significant variances and that corrective measures are implemented.

### (i) 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. It is the policy of the Credit Union to keep exposure to interest rate fluctuations within limits set by the Board and Regulations.

#### Interest rate risk sensitivity

At December 31, 2009, if interest rates at that date had been 25 (2008 - 50) basis points lower with all other variables held constant, after-tax net income for the year would have been \$93,577 (2008 - \$203,099) lower, arising mainly as a result of lower interest revenue on variable loans and mortgages and lower interest revenue on liquidity investments. If interest rates had been 50 basis points higher, with all other variables held constant, after-tax net income would have been \$187,154 (2008 - \$203,099) higher, arising mainly as a result of higher interest revenue on variable loans and mortgages and higher interest on liquidity investments.

### (ii) 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 liabilities to its foreign currency assets. The Credit Union does not hold foreign investments beyond cash required to meet daily operational requirements.

### *Index-linked deposits*

At December 31, 2009, the Credit Union has issued \$24,843,444 (2008 - \$18,750,647) of index-linked term deposits (registered and non-registered deposits) to its owners. These term deposits have maturities of 3 and 5 years and pay interest to the depositors at the end of the term, based on the performance of various TSX indices. The Credit Union has entered into hedge agreements with Central 1 to offset the exposure to these indices associated with these products. The Credit Union pays Central 1 a fixed amount on the face value of these term deposit products. At the end of the respective terms, the Credit Union receives payments from the counterparty, Central 1, equal to the amount that will be paid to the depositors based on the performance of various TSX indices.

The purpose of these agreements is to provide a hedge against market fluctuations. These agreements have a fair value that varies based on the particular contract and changes in interest rates. The fair value of these agreements is \$2,330,206 at year-end and has been accounted for as an embedded derivative in accordance with the Credit Union's accounting policy.

# Notes to the Financial Statements

December 31, 2009

## 8. FINANCIAL INSTRUMENTS (Continued)

### Fair value

The fair value of cash resources, certain other assets and other liabilities are equivalent to the respective book values, given the short-term nature of the amounts. The fair value of other financial assets and liabilities has not been determined since it was not practical within the constraints of timeliness and cost to determine the fair value with sufficient reliability. A portion of the other financial assets and financial liabilities have either variable rates or are due within one year and their fair values approximate their book values. For items that mature beyond one year, increases in market interest rates will result in the fair values of assets and liabilities decreasing; similarly, decreases in market interest rates will result in the fair values of assets and liabilities increasing.

The Credit Union holds certain financial instruments related to index linked deposits at fair value. CICA Handbook Section 3862.27A requires disclosure of where the fair value sources used rank on the fair value hierarchy (levels 1,2 or 3) based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the years ended 2009 and 2008, all financial instruments fair value sources were level 2 fair value measurements.

## 9. COMMITMENTS

Under present lease agreements for rental space, the Credit Union is committed to the following expenditures:

	\$
2010	165,442
2011	103,395
2012	103,395
2013	62,263
2014	23,722
	<hr/> 458,217

As at December 31, 2009, the Credit Union has provided guarantees to third parties in favour of owners totalling \$1,238,447.

## 10. INCOME TAXES

The Credit Union's effective income tax rate differs from the combined basic Canadian rate (federal and provincial). This difference results from the following:

	2009	2008
	%	%
Statutory rate	25.00	25.00
Effect of temporary timing differences	(4.46)	(6.24)
Effective tax rate	<hr/> 20.54	<hr/> 18.76

## 11. RELATED PARTY TRANSACTIONS

At December 31, 2009, the aggregate value of personal and mortgage loans outstanding to Directors and Officers totalled \$1,335,490 (2008 - \$1,220,147). The aggregate value of deposits outstanding to Directors and Officers totalled \$1,882,710 (2008 - \$1,533,186). These loans and deposits are on the same terms and conditions as have been accorded to all owners of the Credit Union.

## CEO/Treasurer's Report

In 2009, the world experienced the worst recession since the Great Depression. Newfoundland and Labrador Credit Union (NLCU) was not exempt from these economic downturns yet, we seized the opportunity for change, re-focused our objectives and concentrated on ensuring we were living our vision and supporting you, our owners, through uncertain economic times. I am proud to report the results of our initiatives were positive, and we experienced another year of strong growth, profitability and success.

### Your Team Working for You

Ongoing education and skill development is crucial for maintaining knowledge and levels of expertise. To this end, employees participated in educational opportunities during the year in the areas of sales, service, computer literacy, anti-money laundering and risk management. Lisa Sweet, Commercial Business Advisor and Dana Thompson, Assistant Manager, Member Services, Fall River Plaza branch, finalized course work and received their Fellowships in the Credit Union Institute of Canada. Laurie Reddy, Director, Human Resources, received her Canadian Human Resources Professional designation. Several employees participated in NLCU's mentoring program and others were recognized under the NLCU Achiever's Award, which allows employees to recognize their colleagues who provide exceptional service to our owners or consistently demonstrate creativity, innovation or teamwork in the performance of their duties.

During the year, we welcomed to our Management team Jerry Jackman, Manager, Member Services, Freshwater Road branch; Mercedes Lafitte, Manager, Member Services, Stephenville branch; Paula Menchions, Manager, Member Services, Carbonear branch and Lyndon Combdon, Manager, Member Services, Corner Brook branch. We also had the pleasure of thanking and wishing Sandra Healey, Manager, Member Services in Stephenville, best wishes on her retirement. Gregory Murray, Credential Financial Strategies Representative in St. John's, became eligible to join the insurance industry's "2009 Million

Dollar Roundtable" and in May, Sherri Fogwill, Director, Marketing and Communications, competed as a National Young Leader at the Credit Union Central of Canada's (CUCC) annual conference. Elizabeth Duff, Chief Financial Officer; Kent Farrell, Director, Credit, and Judy Abbott, Regional Manager, Western Region, served on the national Canadian Business Owner Strategy Committee (CBOS). Tony Young, Director, Wealth Management Services, participated on Credential's Wealth Management Advisory Council and Kent Farrell served as President of the Better Business Bureau of Newfoundland and Labrador.

A highlight of the year is always the annual "Fireside Chat" in February. Glenn Bolger, Chief Operating Officer and I visit all branches, meet with our employees, review our previous year's accomplishments and our goals for the coming year. The annual Employee Satisfaction Survey continued to produce extremely positive results. In addition, our owners provided us with feedback on their levels of satisfaction through an annual Owner Satisfaction Survey. Approximately 1,950 owners were randomly surveyed and the results indicated an overall satisfaction rating of 94%. This feedback is extremely important to us as it provides the nucleus for change, modification and enhancements mandatory if we are to continue to meet the needs of our owners. Sincere congratulations are extended to Yvonne Parsons, Manager, Member Services, and her team in Labrador City and Lisa Loveridge, Manager, Member Services, and her team in Grand Falls-Windsor who were joint winners of the Katherine Seymour Award for service excellence in 2009. NLCU's first Innovation Award was presented during the 2008 Annual Meeting and the winning team was Conception Bay South branch under the leadership of Fred Philpott, Manager, Member Services.

NLCU's Board of Directors continues to place significant importance on governance issues and worked diligently on our owners' behalf during the year. This was accomplished by participating in learning opportunities, training, meetings and credit union system conferences.

*"Approximately 1,950 owners were randomly surveyed and the results indicated an overall satisfaction rating of 94%."*

*"In accordance with Federal legislation, we were proud to offer Tax-Free Savings Accounts and Registered Disability Savings Plan Accounts to our owners."*

## CEO/Treasurer's Report

### **Your Team Working for You (Continued)**

In July, the new Credit Union Act and Regulations were proclaimed. This legislation will support the growth and development of credit unions in the province and its progressive scope is first in the country to allow credit unions the ability to sell life insurance products through its branches. In addition to conducting regular on-site examinations, in July, Credit Union Deposit Guarantee Corporation (CUDGC) implemented an effective method of remotely monitoring and auditing credit union operations. In November, we welcomed CUDGC examinations at three branch locations and Corporate Office. Internal audits, a Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) audit and compliance audits on our Credential Financial Strategies operations also occurred during the year. NLCU was also asked for, and provided input on recommended changes to provincial pension legislation and responded to CUCC's consultation paper titled "A Federal Option For Credit Unions".

### **Our Commitment to You**

Our commitment to ensuring you receive the information, products, and services that will allow you to achieve personal financial success is unwavering. As in prior years, your trust in this commitment was apparent. The number of individuals and businesses that chose NLCU for their financial services continued to grow, and we were pleased with the year's net increase. Year-end owners doing business with NLCU was 20,748. This net increase of 586 owners or 3% is attributed to our marketing efforts and our reputation of being a superior provider of financial services. Not only has the overall number of individuals doing business with us increased but also the volume of business transacted by owners has also increased. This speaks to the strength of the financial relationship between you and your Credit Union. Assets per owner increased in 2009 by 7.67%, equating to approximately \$18,843 per owner. Partner organization's Credential Financial Strategies Inc., CUETS Financial and Concentra Financial continue

to manage owners' mutual fund, credit card, trust, and Registered Education Savings Plan business. Together, NLCU and Credential Financial Strategies employees conducted numerous RRSP and financial planning seminars throughout the year in an effort to provide educational information that will assist you in making wise financial choices. In particular, we were pleased to deliver seminars to our province's retiring teachers, Abitibi and IOCC workers. Presentations were also made at the 2nd annual Women in Leadership conference and to the FINALLY (Futures in Newfoundland and Labrador Youth) group of students and young professionals.

In keeping with sound business practices, in April, we implemented an Enterprise Risk Assessment system and hired Kayla Burton as NLCU's Risk Analyst. Components of this plan, worked on during the year, included a Business Continuity Plan and Pandemic Plan. This system will provide overall risk assessment on NLCU's operations on an ongoing basis and enable us to better manage our risk exposure.

We continued to partner with the Atlantic Marketing Group and Sherri Fogwill, Director, Marketing and Communications, acted as the representative for the Newfoundland and Labrador Credit Union System. In April, I attended a regional Branding Forum in Halifax whereby Atlantic Canadian credit union managers met, discussed and reaffirmed their commitment to our regional Brand.

In accordance with Federal legislation, we were proud to offer Tax-Free Savings Accounts and Registered Disability Savings Plan Accounts to our owners.

Other product and service enhancements that occurred during the year included NLCU's participation in an INTERAC<sup>†</sup> Email Money Transfer pilot project. This feature will give our owners the ability to transfer money to anyone within Canada using only the email address of the recipient to send funds. Implementation of this service is scheduled for the end of the first quarter 2010.

## CEO/Treasurer's Report

### Our Commitment to You (Continued)

Continued participation in the national CBOS program assists our commercial account owners with services and knowledge beneficial to their business operations. In 2009, the group implemented "The Business Planner", an online business planning tool for commercial owners. In June, we launched, MemberDirect® Business, an online program designed for commercial account electronic banking. During the summer months, we introduced a new Business MasterCard® product and implemented live authorization for MasterCard® Payment Cards. Our promise to our "Green Initiative" also evolved in 2009 with the introduction of an Eco-Friendly Vehicle Loan product and a campaign promoting MemberDirect® Online Banking, E-statement and email communication options.

Ongoing maintenance occurred as required at our premises province-wide. During the year, we purchased a piece of land in Gander and construction began on a new building. It is anticipated that completion will be finalized in the spring of 2010, at which time our branch will be relocated to its new premises. Three Automatic Teller Machines (ATM) were replaced during the year and the ATM in Labrador City was moved from an offsite location to the Labrador Mall where our branch is located. All machines are now chip card compliant.

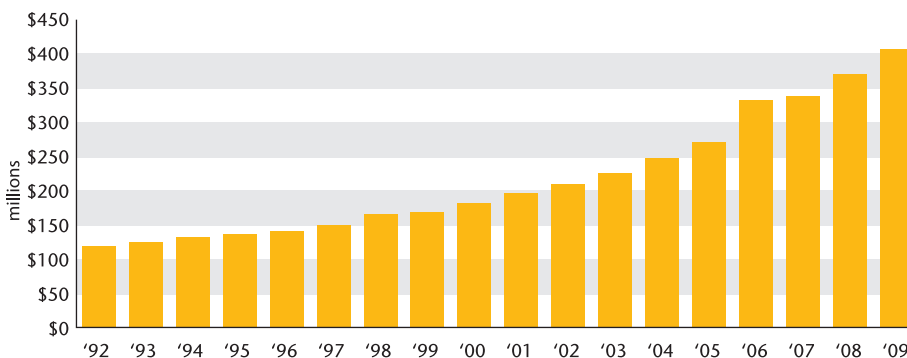
On August 25th, our Water Street building suffered major smoke damage due to a fire at an adjacent property. This fire caused tremendous disruption and the branch was closed for 10 days while restoration

and cleaning occurred to ensure the premises were safe for owner and employee occupancy. Corporate Office operations resumed promptly the morning following the fire with employees resuming their duties at other branches in the metro area. Likewise, our owners received service at these branches as well. Outside brickwork is ongoing and when finalized, restoration will be complete. A special thank you to all employees and owners, who may have been inconvenienced by this happening. Your patience and understanding is appreciated.

### Our Growth and Financial Results

NLCU is the largest credit union in Atlantic Canada and as of the 3rd quarter 2009, the 55th largest amongst the 425 credit unions in the country, placing us in the top 13% nationwide. Despite economic downturns, prime interest rate reductions of 125 basis points and a worldwide recession this past year, NLCU's overall financial performance has been strong.

Detailed audited financial statements are enclosed in this 2009 Annual Report and are available online at [www.nlcu.com](http://www.nlcu.com). The highlights of these statements report year-end assets at \$405,960,043, an increase of \$36,264,262 or 9.81% over 2008 figures. Loans totaled \$339,104,483 and deposits \$388,541,432 at year-end. These figures represent volume increases of \$15.3 million or 4.72% in loans and \$35.2 million or 9.97% in deposits. Net earnings, after tax, transferred to retained earnings equaled \$923,989 and an owner dividend of 5% was declared on equity shares.



WOW  
AWARDS/RECOGNITION

#### Top 101

For the twelfth consecutive year, Newfoundland and Labrador Credit Union (NLCU) has been named one of the Top 101 Companies in Atlantic Canada by Progress magazine. In addition, NLCU earned recognition in four different categories:

- Top 10 Customer Perspectives (#1)
- Top 10 Run By Women (#4)
- Top 10 Balanced Scorecard (#8)
- Top 101 Revenue Generation (#61)

# WOW

Annual Rod Benson  
Memorial Golf Tournament

Cheque presentation to the School Lunch Association from NLCU CFC at the 8th Annual Rod Benson Memorial Golf Tournament August 26, 2009. Left to Right: Cyril Hayden, Chair of the Board of Directors, School Lunch Foundation; Gerry Colbert, Executive Director, School Lunch Foundation and Raymond Piercey, NLCU Board Representative, NLCU CFC.



## CEO/Treasurer's Report

### Our Community Commitment

The Newfoundland and Labrador Credit Union Charitable Foundation Corporation (NLCU CFC) was registered in 2002 and since its inception approximately \$485,000.00 has been raised and distributed to charities. In June, the 6th Annual NLCU CFC Walk-A-Thon took place and over \$18,000.00 was raised. The charity of choice for the Walk-A-Thon was the Kidney Foundation of Canada, Newfoundland and Labrador Branch. The 8th Annual Rod Benson Memorial Golf Tournament raised over \$40,000.00 for our province's charities, with the School Lunch Association being named the charity of choice for 2009. The success of this tournament is attributable to the ongoing support of the three originating sponsors: NLCU, Chester Dawe, A SUBSIDIARY OF RONA, and CHOICE REWARDS® MasterCard®. In 2009, we were delighted to have The Co-operators join as our fourth corporate sponsor.

I am proud to report that your Board of Directors is a strong supporter of our Foundation, and in 2009 all employees worked diligently in fundraising events raising approximately \$85,000.00, a 13% increase over 2008 totals. At our annual luncheon held on November 30, 2009, these funds were distributed to 100 charities.

In addition to our Foundation's contributions, NLCU contributed approximately \$140,000.00 in sponsorships and in-kind

donations to various organizations, with our youth, their education, entrepreneurial and leadership opportunities continuing to be a main focus. In 2009, we were proud to continue to support the work of Junior Achievement, the YMCA-YWCA Enterprise Centers' school programs and Newspapers in Education. In addition, we sponsored a SIFE Memorial "Based in Business" initiative, and we were recognized by the City of Mount Pearl for our 20-year involvement and sponsorship of the Focus on Youth Awards. The Scholarship Committee had the difficult task of assessing the scholarship applications and determining the 2009 recipients. The winners were David Mandville, Jonathon Stanley and Emma Nash. Our sincere congratulations go to these outstanding students. We are confident you will enjoy much success in your chosen fields of study.

In closing, I am extremely thankful for the opportunity to work with such a professional team – your Board of Directors and employees. To you, the owners of our Credit Union, thank you for your confidence and trust. It is our honour to serve you on a daily basis.

Respectfully submitted,

*Allison Chaytor-Loveys*

**Allison Chaytor-Loveys**  
Chief Executive Officer and Treasurer

Allison Chaytor-Loveys, Chief Executive Officer and Treasurer





## Awards



### Katherine Seymour Award

Michael W. Boland, President (Centre) and Glenn Bolger, Chief Operating Officer (Far Left) of Newfoundland and Labrador Credit Union, present Yvonne Parsons, (Left) Manager, Member Services, Labrador City, and Lisa Loveridge (Far Right) Manager, Member Services, Grand Falls-Windsor, with the Katherine Seymour Award in recognition of service excellence.

### Outstanding School And Community Involvement Scholarship Winner

Winner of the Outstanding School and Community Involvement Scholarship in memory of past Director, Mr. Owen Grimes, Emma Nash of O'Donel High School, Mount Pearl. Presenting the cheque is Allison Chaytor-Loveys, Chief Executive Officer.



### Outstanding School And Community Involvement Scholarship Winner

Winner of the Outstanding School and Community Involvement Scholarship, David Mandville of St. Bonaventure's College, St. John's. Presenting the cheque is Allison Chaytor-Loveys, Chief Executive Officer.

### Brian F. McDonald Scholarship

Winner of the Brian F. McDonald Scholarship, Jonathon Stanley of Clarenville High School, Clarenville, the son of Amy Lambert, Member Service Consultant, Clarenville. Presenting the cheque is Margaret Ann McDonald, wife of the late Brian McDonald.



### Innovation Award

Michael W. Boland, President (Right) and Allison Chaytor-Loveys, Chief Executive Officer (Left) of Newfoundland and Labrador Credit Union, present Fred Philpott (Centre) Manager, Member Services, Conception Bay South, with the Innovation Award which recognizes NLCU teams that have generated and implemented innovative ideas and strategies.

## WOW AWARDS/RECOGNITION

### Top 50 CEOs

Congratulations to Allison Chaytor-Loveys, Chief Executive Officer, Newfoundland and Labrador Credit Union on being named one of Atlantic Business Magazine's 2009 Top 50 CEOs in Atlantic Canada. This is the fourth year Allison was named one of the Top 50 CEOs in Atlantic Canada.

## WOW AWARDS/RECOGNITION

### Best Place to Work

On June 25, 2009, Newfoundland and Labrador Credit Union was named one of the Best Places to Work in Atlantic Canada by Progress Magazine.

6<sup>th</sup> Annual Walk-A-Thon

Our 6th Annual Walk-A-Thon, which took place in June 2009, raised over \$14,000. The charity of choice was the Kidney Foundation of Canada – Newfoundland and Labrador Branch who received a portion of the proceeds.



## NLCU Charitable Foundation Corporation – 2009 Donees

- AIDS Committee
- ALS Society of Newfoundland
- Alzheimer Society of Newfoundland and Labrador, Inc.
- Association of New Canadians
- Autism Society of Newfoundland and Labrador
- Bay St. George's Sick Children's Foundation
- Big Brothers & Big Sisters
- Bishop's Falls Lions Club - Playground Fund
- Boy Scouts of Canada
- Brain Injury Association
- Bridges to Hope, Inc.
- Buckmasters Circle Community Centre
- Canadian Diabetes Association Local Camp Fund for Camp Douwanna
- Canadian Diabetes Association Newfoundland and Labrador
- Canadian Liver Foundation Newfoundland and Labrador
- Canadian Mental Health Association Newfoundland and Labrador Division
- Canadian Red Cross Newfoundland and Labrador Division Capital Campaign
- Canadian Red Cross Newfoundland and Labrador
- Cara Transition House
- Central Northeast Health Foundation
- Children's Wish Foundation
- Choices for Youth
- Clarenville Area SPCA
- Clarenville High School Scholarship Foundation
- CNIB
- Community Food Sharing Association
- Community Youth Network
- Co-operative Development Foundation of Canada
- Corduroy Brook Enhancement Association (3rd Annual Owen Grimes Memorial Walk)
- Crohn's and Colitis Foundation of Canada - Eastern Avalon Chapter
- Crohn's and Colitis Foundation of Canada - Western Chapter
- Daffodil Place
- Daybreak Parent Child Centre
- Discovery Health Care Foundation
- Dr. H. Bliss Murphy Cancer Care Foundation
- Ducks Unlimited
- Easter Seals House
- Eating Disorders Foundation of Newfoundland and Labrador
- Elks Club - Royal Purple
- Elliston Heritage Foundation
- Emmanuel House Community Centre & Residence
- Epilepsy Newfoundland and Labrador
- Gander and Area SPCA
- Habitat for Humanity Cabot - St. John's/ Mount Pearl
- Health Care Foundation
- Heart and Stroke Foundation of Newfoundland and Labrador
- Iris Kirby House
- Janeway Children's Hospital Foundation - Children's Miracle Network Telethon
- Juvenile Diabetes Research Foundation of Canada - Local Chapter
- Kidney Foundation of Canada
- Kids Eat Smart Foundation
- Kids Help Phone
- Kidsport
- Kiwanis Music Festival Association of St. John's
- Labrador Status for Women
- Labrador West Association for Community Living Accessibility Committee

## NLCU Charitable Foundation Corporation – 2009 Donees

Lady Cove Women's Choir  
Lung Association Newfoundland and Labrador  
MADD Bay St. George  
Marguerite's Place  
Mazol Shriners  
Meals on Wheels  
MS Society  
Muscular Dystrophy  
Nature Conservancy  
Newfoundland and Labrador Down Syndrome Society  
Newfoundland Chapter Hard of Hearing  
Newfoundland and Labrador Association for Community Living  
Parkinson Society Canada, Newfoundland and Labrador Chapter  
Peter Barry Duff Memorial Park Commission  
Ronald McDonald House - NL Chapter  
Rotary Club of St. John's  
Rotary Club of St. John's - Northeast  
Salvation Army - Christmas Appeal  
School Lunch Association  
Seniors' Resource Centre  
Shalloway  
Single Parents Association of Newfoundland  
Sir Thomas Roddick Hospital Foundation  
SPCA - St. John's  
Special Olympics  
St. John's Therapeutic Riding Association (Rainbow Riders)  
St. Vincent de Paul Society  
Stella Burry Foundation  
Teachers on Wheels  
The Arthritis Society Newfoundland and Labrador Division  
The Burry Heights Foundation  
The Duke of Edinburgh's Award Newfoundland and Labrador Division  
The Duke of Edinburgh's Program for Kids with Special Needs  
The Gathering Place  
The Murphy Centre  
Tourette Syndrome Foundation of Canada - Newfoundland and Labrador Division  
Toys for Joy  
Trinity Conception Family Resource Centre  
Trinity Conception Placentia Health Foundation  
Tuckamore Festival  
Vera Perlin Society  
Y2C - Youth Club  
YM/YWCA of Northeast Avalon  
Young Adult Cancer Canada

The NLCU Charitable Foundation Corporation distributed more than \$85,000 to 100 Charities throughout the province. Allison Chaytor-Loveys, Chair of the NLCU Charitable Foundation Corporation, presented charities with cheques in the St. John's metro area on November 30, 2009.

WOW  
EVENTS

### NLCU Charitable Foundation

The NLCU Charitable Foundation Corporation distributed over \$85,000 to 100 charities throughout the province. Allison Chaytor-Loveys, Chair of the NLCU Charitable Foundation Corporation, presented charities in the St. John's metro area with cheques on November 30, 2009.



Create a Logo, Market Your Thoughts and the Newfoundland and Labrador Credit Union (NLCU) Enterprise Olympics

Newfoundland and Labrador Credit Union is the sole corporate sponsor of the YMCA-YWCA Create a Logo competition, Market Your Thoughts business essay competition and the Newfoundland and Labrador Credit Union Enterprise Olympics competition. Newfoundland and Labrador is the only province in Canada to have enterprise education in the curriculum for students from kindergarten to grade 12.

## Our Services

### Your Money

#### Chequing Services

- Personal Chequing Accounts
- MasterPlan Chequing Packages
- Prime Account
- U.S. Dollar Chequing Accounts
- Student Chequing Accounts
- Self-Serve Electronic Transaction Account Packages

#### Savings

- Plan 24<sup>®</sup> Account
- Advantage
- FAT CAT<sup>®</sup> Account
- HEADSTART<sup>™</sup> Account
- Monthly Savings Plan
- Online Savings Account
- Tax-Free Savings Accounts

#### MASTERCARD<sup>®</sup>

- GLOBAL PAYMENT<sup>™</sup> MasterCard
- Gold GLOBAL PAYMENT MasterCard
- CHOICE REWARDS<sup>®</sup> MasterCard Points Program

#### Electronic Services

- Automated Teller Machines
- INTERAC<sup>†</sup>/PLUS<sup>\*</sup> Network
- INTERAC<sup>†</sup> Direct Payment
- Automated Teleservice<sup>®</sup>
- MemberDirect<sup>®</sup> Online Banking
- Credential Direct<sup>®\*</sup> Online Brokerage
- eSwitch<sup>®</sup>
- E-Statements
- Mobile Banking

#### Additional Services

- Travellers' Cheques
- Safety Deposit Boxes
- Payroll Deduction/Direct Pay
- Legal Witnessing
- World Currency Centre
- Night Depository
- Bill Payment
- Safekeeping
- Teleservice
- Grad Package

### Your Financing

#### Loans And Mortgages

- Personal Loans
- Mortgage Loans
- Energy-Efficient Mortgages
- NLCU Student Loans & Education Lines of Credit
- Home Equity Loans
- Personal Lines of Credit
- Chequing Overdraft Protection
- RRSP Loans and RRSP Lines of Credit

### Your Future

#### Investment Products And Services

- Debentures
- Term Deposit Receipts
- Registered Retirement Savings Plans
- Monthly Registered Retirement Savings Plans
- Self-Directed Registered Retirement Savings Plans
- Registered Retirement Income Funds
- Registered Education Savings Plans
- Mutual Funds\*, including the family of Ethical Funds<sup>®</sup> (available through Credential Asset Management Inc.)
- S&P/TSX 60 Index Linked Term Deposits
- Canada Savings Bonds
- Registered Disability Savings Plans

#### Insurance

- Credit Term Life Insurance
- Credit Life and Disability Insurance
- Mortgage Insurance (including job loss, disability and critical illness)
- Travel Insurance
- Home/Auto Insurance

#### Financial Management

- Trust Services
- Income Tax Preparation
- Wealth Management
- Financial Planning\*\* and Insurance through Credential Financial Strategies Inc.

## Our Services

### YOUR BUSINESS

#### Commercial Services

- Commercial Leasing through Concentra Financial
- Corporate Accounts
- Commercial Loans
- Commercial Lines of Credit
- Business MasterCard
- Merchant MasterCard
- Small Business Insurance
- MEMBERPLAN™ Group Insurance
- Income Tax Preparation

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\* Visa Int/Licensed User of the mark.

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\*Mutual funds are offered through Credential Asset Management Inc. Online brokerage is offered through Credential Direct®, a division of Credential Securities Inc. operating as a separate business unit. Unless otherwise stated, mutual funds, other securities and cash balances are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer that insures deposits in credit unions. Credential Securities Inc. is a Member-CIPF. ®Credential Direct and Credential are registered marks owned by Credential Financial Inc. and are used under licence. ®Ethical Funds is a registered mark owned by Ethical Funds Inc. and is used under licence.

\*\*Credential Financial Strategies Inc. is a member company under Credential Financial Inc., offering financial planning, life insurance and investments to members of credit unions and their communities. ®Credential is a registered mark owned by Credential Financial Inc. and is used under licence.

WOW  
NEW SERVICES

New Business MasterCard®  
Product in August 2009

3% Rebate on Eco-Friendly  
Vehicle Loans in July 2009

2.5% Rebate on Grad Vehicle  
Loans in May 2009

Credit Unions were the first  
in the country to launch SMS  
text-based mobile banking

## NLCU Locations

240 Water Street  
St. John's, NL  
A1C 1B7  
754-2630 (Corporate Office)  
722-5824 (Water Street Branch)

341 Freshwater Road  
St. John's, NL  
A1B 1C4  
754-2312

38 Main Street  
Corner Brook, NL  
A2H 6Z7  
634-5341

1 Pinsent Drive  
Grand Falls-Windsor, NL  
A2A 2S8  
489-9051

Labrador Mall, 500 Vanier Avenue  
Labrador City, NL  
A2V 2W7  
944-7701

119 Columbus Drive  
Carbonear, NL  
A1Y 1A6  
596-5044

51 Commonwealth Avenue  
Mount Pearl, NL  
A1N 1W7  
747-9415

## Our Contact Information

### Board of Directors

Michael W. Boland, President\*  
Raymond Piercey, 1st Vice President\*  
Maureen Singleton, 2nd Vice President\*  
Daniel LaVallée\*  
Patrick Collins  
Allan Skanes  
Raymond Hawco  
Damian Ryan  
Murray Loveless  
Allison Chaytor-Loveys, Treasurer+  
Glenn Bolger, Corporate Secretary+  
Elizabeth Duff, CFO+  
Barbara Freake, Recording Secretary

*\*Executive Committee*

*+Appointed*

### Management, Corporate Office

Allison Chaytor-Loveys, Chief Executive Officer  
Glenn Bolger, Chief Operating Officer  
Elizabeth Duff, Chief Financial Officer  
Barbara Freake, Executive Assistant  
Shane Flight, Director, Information Systems  
Kent Farrell, Director, Credit  
Tony Young, Director, Wealth Management Services  
Jim Mayo, Director, Accounting and Corporate Governance  
Laurie Reddy, Director, Human Resources  
Sherrri Fogwill, Director, Marketing and Communications  
Deann Dillon, Manager, Call Center and Marketing Support  
Michelle McGrath, Regional Manager, Eastern Region  
Judy Abbott, Regional Manager, Western Region

### Managers, Member Services

Jerry Jackman, Freshwater Road, St. John's  
Lyndon Combdon, Corner Brook  
Lisa Loveridge, Grand Falls-Windsor  
Yvonne Parsons, Labrador City  
Paula Menchions, Carbonear  
Sheila Hynes-Brenton, Mount Pearl  
Brian Beson, Gander  
Fred Philpott, Fall River Plaza, St. John's  
William Farrell, Conception Bay South  
TBA, Clarenville  
Mercedes Lafitte, Stephenville  
Cathy Mattsson, Water Street, St. John's

### Wealth Management Advisors

240 Water Street  
St. John's, NL A1C 1B7  
758-8258 (office)  
690-0922 (cell)  
Tony Young, CFP  
Director, Wealth Management Services  
tyoung@nlcu.com  
  
51 Commonwealth Avenue  
Mount Pearl, NL A1N 1W7  
747-9415 (office)  
690-9498 (cell)  
Darren Chislett, CFP  
dchislett@nlcu.com  
  
341 Freshwater Road  
St. John's, NL A1B 1C4  
758-8253 (office)  
693-4110 (cell)  
Don Halleran, PFP, FICB  
dhalleran@nlcu.com

## Our Contact Information

### Wealth Management Advisors (Continued)

132 Bennett Drive  
Gander, NL A1V 2H2  
256-3537 (office)  
424-8282 (cell)  
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mblackmore@nlcu.com

38 Main Street  
Corner Brook, NL A2H 6Z7  
634-5341 (office)  
632-0363 (cell)  
Gilda Saunders, CFP, CSA  
gsaunders@nlcu.com

### Credential Financial Strategies® Inc. Representatives

341 Freshwater Road,  
St. John's, NL A1B 1C4  
738-6333  
Gregory Murray  
gmurray@credential.com

1 Pinsent Drive  
Grand Falls-Windsor, NL A2A 2S8  
489-1842  
Peter Bishop  
pbishop@credential.com

### NLCU Locations

Gander Mall, 132 Bennett Drive  
Gander, NL  
A1V 2H2  
256-3537

Fall River Plaza, 272 Torbay Road  
St. John's, NL  
A1A 5B5  
726-4013

120 Conception Bay Highway,  
Suite 107  
Conception Bay South, NL  
A1W 3A6  
834-9520

263 Memorial Drive, Suite 102  
Clareville, NL  
A5A 1R5  
466-4590

69 Main Street  
Stephenville, NL  
A2N 1H9  
643-2111

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