



CREDIT UNION CENTRAL *of* MANITOBA

2002 Annual Report

Learning from the PAST

Excelling in the PRESENT

Preparing for the FUTURE



Incorporated in 1950 as the
Co-operative Credit Society of Manitoba,
Winnipeg, Manitoba by Statute of the
Province of Manitoba, Canada.

Box 9900
215 Garry Street
Winnipeg, Manitoba
R3C 3E2
(204) 985-4700
www.creditunion.mb.ca

TRADE NAME

Credit Union Central of Manitoba
Registered 1977

CREDIT SOCIETY/AGENT BANK

Credit Union Central of Canada
Bank of Nova Scotia

EXTERNAL AUDITORS

PricewaterhouseCoopers LLP

SOLICITORS

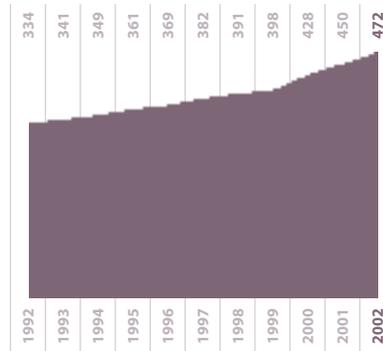
Pitblado

CONSULTING ECONOMISTS

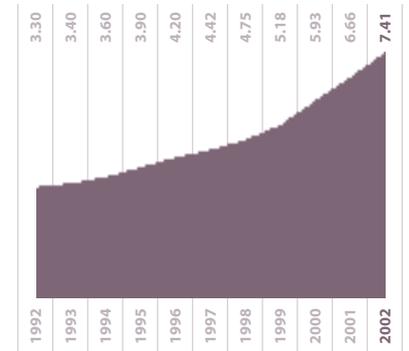
Dr. Norm Cameron
Dr. John Loxley
Dr. Brian Oleson



Memberships (thousands)



System Assets (billions of dollars)



All figures: preliminary unaudited results

There are 472,011 memberships in Manitoba credit unions — 22,000 more than a year ago. Some clues as to why can be found in independent and CUCM research results that show high levels of satisfaction with credit unions in areas that are important to Manitobans when it comes to financial services — from a full range of financial products, quality of service, excellent interest rates, choice of delivery methods to a commitment to community.

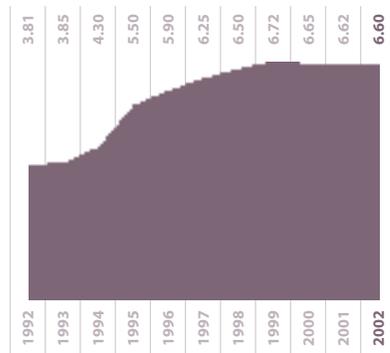
2002 was a year in which the provincial credit union system continued to build on its positive, fundamental strengths. Collectively, Manitoba credit unions grew by an astonishing \$750-million, to finish the year at \$7,408,924,567. System assets surpassed \$7-billion in July, just 16 months after having reached \$6-billion.

Manitoba credit unions

serve more than 100 communities throughout the province, giving Manitobans substantially better access to quality financial services and products than any other financial institution.

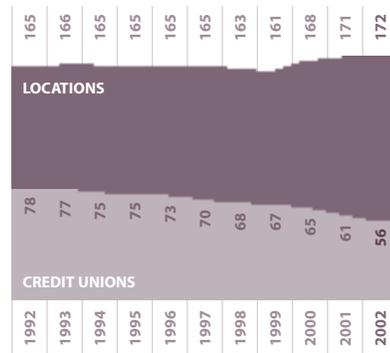
Altona • Amaranth • Angusville • Arborg • Ashern • Austin • Baldur • Beausejour • Belmont • Benito • Birds Hill • Binscarth • Birtle
 Boissevain • Brandon • Bruxelles • Carberry • Carman • Cartwright • Cypress River • Dauphin • Deloraine • Dominion City
 Emerson • Erickson • Eriksdale • Ethelbert • Flin Flon • Foxwarren • Fisher Branch • Gimli • Gilbert Plains • Gillam • Gladstone
 Glenboro • Glenella • Grandview • Gretna • Grunthal • Hamiota • Hartney • Headingley • Holland • Inglis • Inwood • Kenton
 Killarney • Lac du Bonnet • Landmark • La Riviere • Lowe Farm • MacGregor • Manitou • Mariapolis • McAuley • Melita • Miami
 Miniota • Minnedosa • Minto • Moosehorn • Morden • Morris • Neepawa • Ninette • Niverville • Oak Bank • Oak Bluff • Oak Lake
 Oak River • Oakburn • Oakville • Pilot Mound • Pinawa • Pine Falls • Pine River • Plum Coulee • Plumas • Portage la Prairie • Reston
 Rivers • Riverton • Roblin • Rorketon • Rosenort • Rossburn • Russell • St. Lazare • Sandy Lake • Sanford • Selkirk • Shoal Lake
 Souris • Sprague • Starbuck • Steinbach • Stonewall • Strathclair • Swan Lake • Swan River • Teulon • The Pas • Thompson • Treherne
 Virden • Vita • Waskada • Whitemouth • Winkler • Winnipeg • Winnipeg Beach • Winnipegosis

System Equity (as a percentage of assets)



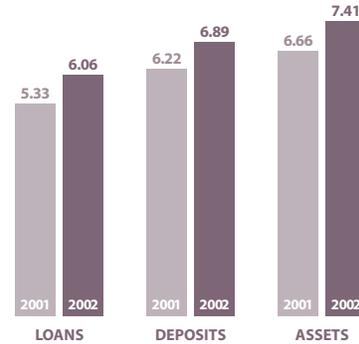
After years of steady increases up to 1999, the leveling-off of equity as a percentage of assets continued in 2002. In the 1990s, credit unions focused on building equity. Then, as they reached or surpassed their legislated equity levels, credit unions started to return more of their profits to members. Combined system equity — which includes equity of credit unions as well as Credit Union Central of Manitoba and the Credit Union Deposit Guarantee Corporation — grew 11.1 per cent to end the year at \$489-million.

Number of Credit Unions & Locations



There were two three-credit union amalgamations in 2002 and one two-credit union amalgamation. Manitoba credit unions amalgamate for a variety of reasons — reasons that usually have to do with better serving existing members and attracting new ones. Providing solid, community based service in tandem with electronic delivery mechanisms, as opposed to cutting staff and closing branches, has long been a growth strategy Manitoba credit unions employ. In addition to having more branches compared to year-end 2001, credit unions further demonstrated their commitment to the province's people and communities by creating new jobs for 136 Manitobans in 2002. There are now 2,412 full-time and full-time equivalent positions in the Manitoba credit union system.

Loans, Deposits, Assets (billions of dollars)



The dollar value of credit union loans grew by 13.9 per cent in 2002. Growth occurred in all areas of commercial, agricultural and consumer and mortgage lending, which kept the healthy portfolio mix of the overall system intact. The \$738-million increase in lending activity provides further evidence that, in addition to their increased number, more members are making the credit union their financial institution of choice. Deposits also grew, at a healthy year-over-year rate of nearly 11 per cent.

CREDIT UNION CENTRAL *of* MANITOBA

V I S I O N

CUCM will serve Manitoba's credit unions by providing leadership and ensuring the delivery of high value products and services that help them achieve their vision.

M I S S I O N

CUCM exists to:

- Help Manitoba's credit unions meet their business needs.
- Assist Manitoba credit unions in providing services to their members.
- Provide trade association services for Manitoba's credit unions.
- Promote co-operative principles.

V A L U E S

Respect for people

- All individuals are highly valued and are treated equitably.

Integrity

- We will be reliable in our word, honouring commitments and promises.

Excellence

- In all we do, we are committed to the highest standards of performance, competence and efficiency.

Service

- We work to serve Manitoba credit unions and their members.
- We steward the assets and affairs of the corporation for the benefit of the Manitoba credit unions.

Learning from the PAST

Excelling in the PRESENT

Preparing for the FUTURE



Message from the
CHAIRMAN



Russell Fast

2002 was yet another very successful year for Manitoba credit unions, which posted impressive numbers in all areas. Total assets grew over 11 per cent to end the year at \$7.41 billion; total loans grew nearly 14 per cent to \$6.06 billion and total deposits grew nearly 11 per cent, ending the year at \$6.89 billion. There are also 22,000 more memberships in Manitoba credit unions (472,000) than there were a year ago. These excellent results tell us not only that more Manitobans are discovering the benefits of credit union membership, but that they are turning to credit unions for more and more of their financial needs.

I, for one, would not hesitate to attribute some of the success of Manitoba credit unions to the approach and efforts of Credit Union Central of Manitoba. Between its application of the principles of full costing, a real desire to keep trade funding assessments as low as they can possibly be while continuing to serve, investigating new synergies that will benefit credit unions and continuing to advocate for the interests of all credit unions, Manitoba credit unions are extremely well served by their Central. I firmly believe credit unions' best years lie ahead and that, by fulfilling its mission, Central will continue to play an important role in their success.

Central's mission goes far beyond providing the services credit unions require for their members and for their day-to-day operations. It also calls for Central to find, by working in-house and with related organizations and third-party suppliers, new and better service delivery models. In that area, in 2002, the creation of Celero Solutions Inc. (see story inside) represented a highly significant achievement.

Celero is significant because of the dramatic shift it represents and the precedent it sets in the way Central can deliver services to credit unions — through major, synergistic partner relationships. The experience of building Celero with our partners also provided Central with a road map, when considering similar synergies in the future, by establishing goals, benchmarks and transition plans.

Celero also resulted in Central and credit unions, directly and through the board, having to articulate what they need and want from these opportunities in general. While they may be a byproduct, financial rewards cannot be the goal. Service, not price, must drive decisions on these opportunities, just as it does today on products and services because credit unions, like Central, need to deliver high-quality products, services and service to their members in order to remain relevant into the future.

Opportunities for synergies such as Celero do not just happen, of course. They need to be identified, business cases need to be built, research must be conducted to determine things such as costs, benefits, key deliverables and project milestones. While the Celero experience was useful in this sense, future opportunities must be examined and evaluated on their own merits. The continued success of Manitoba's credit unions depends on Central continuing to perform these functions and, in doing so, to advocate for the interests of credit unions in its business relationships.

Central also advocates for the interests of Manitoba credit unions in the public domain. With provincial leaders and their caucuses, officials in key government departments and industry regulators, senior management continued to put forth the credit union point of view on

issues of importance to credit unions in 2002, including pension legislation, retail insurance and agricultural lending programs. In so doing, CUCM reinforced to our legislators that credit unions are a viable, vital and vibrant part of Manitoba.

I would like to thank CEO Garth Manness and his entire team for their continued good work for, and on behalf of, Manitoba credit unions in 2002, a year of great change for Central and the Manitoba credit union system.

I would also like to thank the eight individuals who serve with me on Central's board of directors. Even on issues that continue to confound the entire system, their approach is always professional — and always dedicated to serving the best interests of all Manitoba credit unions. Their commitment is not limited to serving on Central's board and its various standing and ad-hoc committees. Aside from the community activities they pursue in their spare time, Central's board members represent Manitoba's interests on the boards of sister organizations around the province and across the country, including the boards of CUMIS, The Co-operators, the Canadian Co-operative Association, the Manitoba Co-op Council, Co-op Trust, Credential and the Wasagaming Foundation.



RUSSELL FAST
Chairman, Board of Directors

**Board of
DIRECTORS**

- DISTRICT 1
Russell Fast
- DISTRICT 2
Al Morin ●
- DISTRICT 3
Frank Pisa ● ●
- DISTRICT 4
Peter Voth ■ ●
- DISTRICT 5
Glenn Karr ● ●
- DISTRICT 6
Alex Eggie ● ● ▲
- DISTRICT 7
Norval Lee ■
- DISTRICT 8
Sandy Wallace ■ ●
- DISTRICT 9
Wayne McLeod

**EXECUTIVE
Committee**

- CHAIRMAN
Russell Fast
- FIRST VICE-CHAIRMAN
Frank Pisa
- SECOND VICE-CHAIRMAN
Wayne McLeod
- **Investment
committee**
- **Audit and
Conduct Review
committees**
- ▲ **Resolutions
and By-Laws
committee**
- ◆ **System Credit
Level IV
committee**

*Left to right:
Alex Eggie
Peter Voth
Norval Lee
Al Morin
Russell Fast (seated)
Glenn Karr
Sandy Wallace
Wayne McLeod
Frank Pisa*



Message from the

**PRESIDENT and
CHIEF EXECUTIVE
OFFICER**



Garth Manness

Throughout this report — and others Credit Union Central of Manitoba (CUCM) has produced over the years — are found a series of statements that define CUCM's role in the Manitoba credit union system. Our Vision defines our overall goal, our Mission defines what we do and for whom, and our Corporate Values provide guidance to management and staff in working with Manitoba credit unions as clients, allies and partners to reach specific business goals. Taken together, these statements identify our reasons for being and outline where we want to go. They also provide credit unions — our members and shareholders — with standards by which to judge our performance.

At the root of these statements are three guiding principles — Learn from the Past, Excel in the Present and Prepare for the Future. To be able to excel in the present, we must learn from the past by examining what worked, or did not work, a decade or even a month ago. We excel in the present by being as efficient, productive and innovative as we can possibly be and by constantly moving forward in response to the needs of credit unions. Only through preparing for the future — by studying our industry, talking to our customers, evaluating our performance and making changes as needs dictate — can we strive for excellence tomorrow.

Within this framework, we develop goals and strategies that identify what we need to do to move closer to our vision. CUCM departments support the corporate direction when developing their own plans, with input from credit unions.

While some words may change over time, our guiding principles, mission, vision and values provide a consistent and sturdy framework to guide our actions. They speak, among other things, to the need to provide credit unions with services that respond to the changing financial needs of their members. And because credit unions' and members' needs will never stop changing, CUCM will never "arrive" in the sense of being able to say we've done all we can, as our Vision states, to "serve Manitoba credit unions by providing leadership and ensuring the delivery of high-value products and services that help them achieve their vision." Nor will we ever be able to say we've done all we can, as our Mission states, to "help Manitoba credit unions meet their business goals, assist credit unions in providing services to their members, provide trade association services for Manitoba credit unions or promote co-operative principles."

In a number of highly significant ways, CUCM took great strides forward in 2002. Many of them are described in the body of this report; I would like to touch on a few of them as illustrations of how CUCM is working within this framework to fulfil its commitments to credit unions — and to help credit unions fulfil theirs to their members.

The formation of Celero Solutions Inc. (ITCO/Project Sunrise), which came into being January 1, 2003 after almost three years of planning and negotiation, will result in more than half of CUCM's employees moving over to a new company with an interprovincial management and service delivery structure. Celero brings together the Information Technology (I/T) efforts of the three Prairie Centrals, Co-op Trust and CUETS. Its objective is to improve efficiency and effectiveness in the delivery of I/T services while strategically positioning these organizations and the customers they serve for continued success in the increasingly competitive financial services marketplace. The company will find ways to do more with available resources and to maximize the value of investment in I/T. The bulk of the effort in this project occurred in 2002, with CUCM's I/T division rising to the challenge of preparing for the transition while continuing to deliver I/T services to Manitoba credit unions. Equally important, non-I/T employees participated as required to provide analysis, assistance and support to the establishment of Celero.

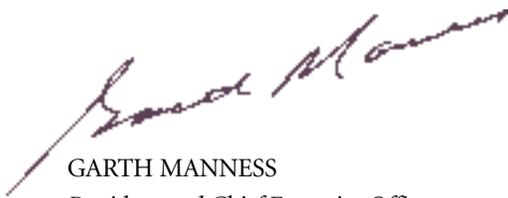
The second significant project introduced in 2002 was Cheque Imaging. Cheque imaging represents a major change — and improvement — in the way CUCM delivers clearing services to credit unions. The results of the cheque imaging project will be seen and felt directly by all Manitoba credit union members. This credit union based solution puts our system at the leading edge of technology in this area of payments services.

There were other significant achievements and improvements at CUCM in 2002:

- Delivered high returns to credit unions on their short-term liquidity deposits;
- Worked with the Credit Union Deposit Guarantee Corporation to develop a more objective approach to setting credit union discretionary lending limits;
- Migrated corporate communications to an electronic distribution system to improve delivery and reduce our dependence on paper; and
- Continued discussions with government leaders to facilitate positive change for credit unions in a number of areas.

I would like to take this opportunity to thank all CUCM management and staff for their exemplary effort and performance in rising to new challenges and continuing to work to deliver excellent service to credit unions.

I would also like to express my deep appreciation to our Chairman, Russ Fast, and all the members of the board, who provided CUCM with astute and prudent guidance and support through a year of great change and challenge.



GARTH MANNESSE
President and Chief Executive Officer

MANAGEMENT Structure

PRESIDENT and
CHIEF EXECUTIVE OFFICER
Garth Manness

FINANCE/ADMINISTRATION

Mike Safiniuk
DIVISION MANAGER,
TREASURER

BANKING & PAYMENT SERVICES
TREASURY SERVICES
CONTROLLER

HUMAN RESOURCES & CONSULTING

Brian Peto
DIVISION MANAGER
HUMAN RESOURCES
BUSINESS CONSULTING

INFORMATION TECHNOLOGY

Richard Nakoneczny
DIVISION MANAGER,
CHIEF INFORMATION OFFICER

BUSINESS DEVELOPMENT
PLANNING & CONTROL
SOFTWARE SOLUTIONS
TECHNOLOGY INFRASTRUCTURE

RESEARCH, COMMUNICATIONS & MARKETING

Dale Ward
DIVISION MANAGER
RESEARCH,
COMMUNICATIONS & MARKETING
OPERATIONS MANUALS
PRINTING & SUPPLY

LENDING SERVICES

Bernard Carling
DIRECTOR
LENDING SERVICES
SYSTEM CREDIT

CORPORATE STRATEGIC PLANNING

Audrey Maeren
DIRECTOR
STRATEGIC MARKET
INTELLIGENCE
RESEARCH & DEVELOPMENT

CORPORATE SECRETARY

Dale Ward

Left to right:
Brian Peto
Richard Nakoneczny
Dale Ward
Garth Manness
Mike Safiniuk



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In addition to developing and launching new products and services designed to help Manitoba credit unions meet their business needs, many of the highlights of the year for Credit Union Central of Manitoba (CUCM) had to do with improving existing processes — either through automation or by streamlining existing ways of doing business. While they do not all appear in this report, every area of CUCM contributed some process improvements to CUCM's operations in 2002.

Three-Year Planning Process

2002 marked the second full year of Central's three-year planning process. In addition to having input into CUCM's plans, credit unions benefit from this process by knowing what they can expect from CUCM in terms of products, services and costs. Having the plans in advance also helps credit unions with their own planning.

The 2003–2005 Corporate Strategic Plan identified eight strategic issues that Central works within to achieve its vision and future state business model:

1. Assess CUCM's dependency on dues-based funding;
2. Manage the impacts of I/T leaving Central;
3. Identify an ownership position for joint ventures;
4. Address gaps in Central's core competencies;
5. Develop key triggers for the evaluation of potential alliances;
6. Effectively manage change;
7. Develop a full succession plan for Central; and
8. Articulate Central's value proposition.

The approach is holistic; resolution of each issue must be done in the context of them all and, in order for Central to achieve its future state, they must align with each other.

By the end of the year, CUCM had completed development of its corporate process improvement strategy, established a road map for effectively managing change, begun to articulate its value proposition, established a baseline for required core competencies and completed much of the groundwork for the transition to Celero.

Partnering for Success

THE TREND TOWARD LEVERAGING off work underway or completed by other Centrals, often for a fraction of the cost of developing in-house solutions, continued in several areas. This sharing of resources and expertise was evident, for example, in making available to Manitoba credit unions an improved Asset/Liability Management (ALM) tool. Developed by Credit Union Central of Saskatchewan, the ALM tool provides credit unions with an opportunity to use a Dynamic Gap ALM tool (versus the previous Static Gap model). As opposed to the old model, which simply categorized all assets and liabilities by maturity date and calculated the difference between the two, the new one will enable credit unions to gauge the potential impact on financial margin from either a change in interest rates or a change in their balance sheet.

IN A NATIONAL EXAMPLE of partnerships in action, work continued on turning the National Learning Organization into a reality. The National Learning Organization will bring all credit union training under the umbrella of one organization, staffed by professionals throughout the country. CUCM supported the new business model and agreed to assist in funding the setup of the new organization; it also agreed to the purchase of a Learning Management System, as well as the development or purchase of new programming.

IN 2000, the CUCM board directed management to work with CUMIS, Credential and Co-operative Trust to provide a single source of wealth management products to credit unions. These strategic partners prepared a credit union strategy paper on behalf of the Prairie Centrals in 2001, which CUCM's board approved in early 2002. Late in the year, provincial Centrals approved the combination of the wealth management offerings of CUMIS (MemberCARE Financial Services) and Credential Group (CAM and CSI) into a new wealth management distribution company that will be formed in 2003.

A new I/T company for the Prairies

In June 2002, Credit Union Central Alberta, Credit Union Central of Manitoba, Credit Union Central of Saskatchewan, CUETS and Co-operative Trust Company of Canada approved the consolidation of their Information Technology (I/T) functions into a joint venture organization that would come to be known as Celero Solutions Inc.

The name, from the Latin 'to perform quickly,' builds on the organization's desire to be recognized for reliability, responsiveness and relationships. The company will focus on ways to do more with available resources, as opposed to reducing staffing levels, and to work more efficiently and effectively. It will bring tangible and intangible benefits to its five parent organizations and the customers it serves — credit unions across Canada — as well as other organizations, primarily in the financial services industry.

Celero will be a virtual organization comprised of 350 staff and a management team distributed across the four cities of Winnipeg, Saskatoon, Regina and Calgary. The organization will also affect non-I/T operations and staff. For example, Manitoba Central was selected as the lead provider of human resource services to the new company, while Alberta Central is the financial lead.

After the June approval, the remainder of 2002 was devoted to working out the details of merging five I/T divisions in three provinces into one company, defining the organizational structure and the responsibilities and functions of existing positions, and filling new roles.

Nearly three years of work culminated in Celero's launch on January 1, 2003.



Information Technology Highlights

Banking System Services Agreement

Toward the end of 2002, at the direction of the Technology Governance Council, Central created a banking system services agreement to govern the business relationship between CUCM and the credit unions subscribing to the CUBS online banking service. Through a series of town hall meetings around Manitoba, credit unions were briefed on the nature and content of the agreement. Central and credit unions were to execute the agreements in January 2003.

Security & Control

The network firewall that protects CoNet users from intruders was upgraded to keep pace with known and potential security threats and then tested by an independent third party that deemed it to be secure. In response to increased incidents of debit card fraud throughout the world, Central revamped its Member Card fraud management service for all Manitoba credit unions. Card fraud events that may affect Manitoba credit union members are tracked and assessed by I/T. When a fraud event is identified, I/T alerts the affected credit unions, co-ordinates the actions needed to protect members, and works with law enforcement agencies and the Credit Union Deposit Guarantee Corporation.



During 2002, CUCM underwent — and passed, with high marks — its biannual external audit of control procedures and security commonly known as the Section 5900 Audit. CUCM also underwent its annual Interac compliance audit, which verified the soundness of the CoNetLINK service.

The Co-operative Principles

The Seven International Co-operative Principles are guidelines by which co-operatives put their values into practice. Part of CUCM's Mission is to promote these principles.

1 Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2 Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

The Co-operative Principles

3 Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Information Technology Highlights

CoNetLINK Transaction Switching Service

Manitoba's credit union members used their Member Card debit cards nearly 43 million times during 2002 for ATM and Interac transactions. Central acquired rights to the software used by CoNetLINK and took over support and enhancement of the software to ensure that it continues to meet the needs of Manitoba credit unions. A number of software upgrades were completed, including optional surcharging, Interac compliance changes, and error correction and security enhancements. Fifteen smaller operational enhancements were also made to the software during 2002. The planned replacement of the current CoNetLINK software has been deferred in favour of creating a common switching service through Celero Solutions. This new transaction switching system will likely be Celero's first common product offering for all Prairie credit unions and handle an annual volume of more than 150 million transactions.



CUBS Online Banking System

I/T continued to implement new CUBS software releases to address credit unions' needs for additional functionality. The significant enhancements released in 2002 included the addition of North American Industry Classification System (NAICS) codes and risk rating calculations for loan files.



Developed in 2002, a completely redesigned patronage processing module will be rolled out in 2003 on a schedule matched to when individual credit unions normally issue their patronage rebates. This major project will make it possible for credit unions to:

- model their patronage plans without the need for I/T assistance;
- calculate patronage on numerous business factors including service fees; and
- distribute patronage refunds in a variety of forms including cheques, direct cash deposits and shares.

Information Technology Highlights

CU@Home

CU@Home — our Internet banking service — migrated to a new software platform in 2002. The migration was accomplished over a period of several months to avoid disruption and to ensure that the hardware and software were properly configured to handle the constantly growing workload. This transition makes it possible to implement a number of new features for members, including the rollout of member-to-member transfer capability in January 2003.



As the number of I/T products and services delivered and supported by Central expands, there is a corresponding increase in the number of support calls from credit union and member users. In response, the I/T Service Centre, which handled over 20,000 calls last year, introduced new processes in 2002 to provide credit unions with quicker and more comprehensive on-demand service and support. Incident logging and tracking capabilities for credit unions, automated handling of standard service requests and the building of a Frequently Asked Questions database were among the improvements.

CoNetR4U Online Report Viewing

Central continued with the rollout of the CoNetR4U online report viewing and archiving system. The system was upgraded significantly in 2002 in response to feedback from credit unions, and to handle the constantly growing volume of information. All of the reports



created through CUBS, the transaction switching system (CoNetLINK), CU@Home and the CUCM cheque-clearing system will have been converted to electronic form by early 2003.

Leading edge technology in payment services

In 2002, most of the efforts of the Banking & Payment Services department were focused on the implementation of Cheque Imaging. Beginning in January, this large project impacted all aspects of the department, including occupancy requirements, hardware and software, process flows, job duties and hours of work. After a four-month installation and testing process, the processing of members' cheques through the imaging platform began in June. By September 2002, all Canadian dollar deposits and clearings were being imaged in production, which involved a complete process overhaul and retraining of all staff.

Members of credit unions that participated in an initial pilot received their first taste of imaging with their December statements, which were accompanied by printed images of cheques on 8½ x 11-inch paper. The rollout to all credit unions will be completed in 2003.

New services will be offered to credit unions and their members, including centralized bulk cheque filing and online centralized returns. These value-added services eliminate the daily handling and filing of cheques, reduce the workload in the processing of returns and provide immediate in-branch access to view and print images of deposit and clearing items.



The Co-operative Principles

4 Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Information Technology Highlights

CoNet Wide-Area Network

During 2002, I/T completed the design, testing, and initial deployment of the CoNet2 network. This facility makes use of business-grade high-speed networking access for credit unions, providing as much as a 35-fold boost in network capacity. Full deployment of the network will progress through 2003 as MTS upgrades its infrastructure.

As a result of the upgrade to CoNet2, the ATMs located at credit union branches are now connected to the same network that supports teller terminals and in-branch PCs. The upgrade eliminates the dedicated data communication network previously used to connect ATMs to CoNetLink, which enhanced security and reduced costs for credit unions.



The upgrade also spurred the replacement of old technology ATMs with modern machines capable of operating on the CoNet secured telecommunications network and that make use of the CoNetCASH graphical user interface. The interface allows credit unions to brand and market themselves directly to their own members, regardless of which credit union's CoNetCASH ATM they are using. I/T managed the implementation of 82 replacement and new ATMs in 2002.

Central also began rolling out high-speed network access for remote users in 2002. This service makes use of the consumer high-speed Internet service available from MTS and Shaw. Additional security software is installed on each PC using this access method to protect sensitive information.

Online Manuals

In 2002, three credit and the human resources components of the Operational Manuals were converted and added to the online manuals site, available to credit unions on the CoNet Wide-Area Network. Online manuals simplify the navigation of operational reference material and enable users to download and print related working documents. A number of operating forms and documents were revised in 2002 to reflect revisions to federal legislation dealing with money laundering and privacy.

The Co-operative Principles

5 Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public — particularly young people and opinion leaders — about the nature and benefits of co-operation.

6 Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Migration to Electronic Communications

During the course of the year, CUCM launched cuCommunity, which also runs on the CoNet Wide-Area Network. The site provides CUCM and credit union management and staff with fast, secure, reliable and simultaneous access to Central's corporate communications, as well as system and department information.

Liquidity Management

In mid-year, in the wake of highly publicized accounting irregularities at large corporations such as Enron and WorldCom, investor confidence plummeted. The turmoil caused market spreads to widen sharply, and Central seized the resulting opportunity to lock in returns that were much higher than normally exist.

In a joint project between Controller's and Treasury Services, the entire process for recording and processing foreign exchange transactions was automated. Through the Automated Foreign Exchange System (AFX), credit unions now receive instant transaction confirmation by e-mail.

Lending Review Process

Credit unions' discretionary lending limits are set by the System Credit Committee and the Credit Union Deposit Guarantee Corporation of Manitoba (the provincial credit union regulator). Loan applications beyond those limits require the approval of CUCM's lending professionals or system credit committees. Following the completion of a Deloitte & Touche review in late 2001, credit unions were advised of a number of significant amendments aimed at streamlining the system credit committee process. This was followed, in early 2002, by the introduction of a more objective and transparent balanced scorecard approach to setting credit union discretionary lending limits.

Branch Manager Job Evaluation Tool

In 2002, CUCM updated the Branch Manager Job Evaluation tool, in the process ensuring that the criteria by which branch manager jobs are evaluated are reflective of what's happening in the financial services industry today. The tool produces an objective evaluation by prompting the evaluator for answers to a series of straightforward questions in a number of areas that include years of experience, skills and knowledge, the complexity of the organization, hours of operation, staffing levels and the branch's book of business, among other things.

Management Advisory Committee

In its second year of existence, the Management Advisory Committee (MAC) met five times in 2002. The committee is made up of nine senior managers from credit unions throughout the system. Its mandate is to provide Central's management with:

- system advice on issues and topics that are strategic in nature;
- a forum for sharing and exchanging ideas related to corporate planning, operational reviews and new business opportunities affecting the direction of Central and Manitoba credit unions; and
- a sounding board for CUCM on management recommendations.

Throughout the course of 2002, MAC discussed wealth management, e-manuals and third-party dealings. It also reviewed CUCM's semiannual Environmental Scans, R&D opportunity assessments, budget guidelines and overview, and CUCM's strategic direction.

The Co-operative Principles

7 Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Principles in practice

Through the Black and Aboriginal Youth Initiative program, which is run out of a Winnipeg core-area school, CUCM engaged the services of two young people in 2002. Hussein Sugulle and Fowsia Gelle, both originally from war-torn Somalia, worked part-time in the winter and full-time over the summer months. In an interesting footnote, Hussein had intended to enrol in Sciences after graduating from Gordon Bell High School, but his work experience in CUCM's HR department was so positive that he decided to pursue Human Resources as a career.



FINANCIAL
Statements

Management Report

Co-operative
Credit Society of
Manitoba Limited
December 31, 2002

The accompanying financial statements were prepared by Management, which is responsible for the integrity and objectivity of the data presented, including amounts that must necessarily be based on judgements and estimates. The financial statements were prepared in conformance with Canadian generally accepted accounting principles, and in situations where acceptable alternative accounting principles exist, Management selected the method that was thought to be most appropriate in the circumstances. Financial information appearing throughout this Annual Report is consistent with the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, Management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

Ultimate responsibility for financial reporting to our members rests with the Board of Directors. The Audit Committee, which is appointed by the Board of Directors, meets at least twice a year to review, with Management and the appointed external auditors, the scope of the annual audit and the final audited financial statements.

The financial statements have been examined by PricewaterhouseCoopers LLP, whose report expresses their opinion with respect to the fairness of the presentation of the statements.

A handwritten signature in blue ink, appearing to read "Garth Manness".

GARTH MANNESSE
*President and
Chief Executive Officer*

A handwritten signature in blue ink, appearing to read "Mike Safiniuk".

MIKE SAFINIUK
Treasurer

Auditors' Report

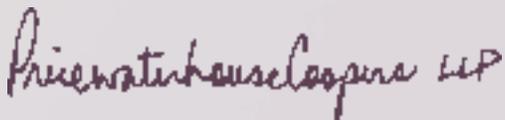
To the Members of
Co-operative Credit Society of Manitoba Limited

Co-operative
Credit Society of
Manitoba Limited
December 31, 2002

We have audited the balance sheet of **Co-operative Credit Society of Manitoba Limited** as at December 31, 2002 and the statements of operations and reserves and cash flows for the year then ended. These financial statements are the responsibility of the Society'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 Society as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles including the accounting requirements of the Superintendent of Financial Institutions Canada.



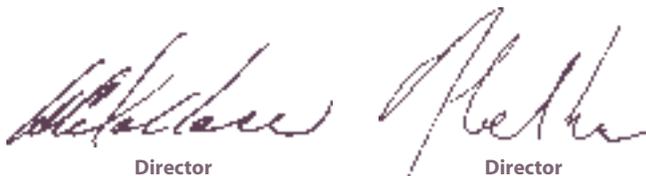
CHARTERED ACCOUNTANTS

Winnipeg, Manitoba
January 31, 2003

Balance Sheet As at December 31, 2002

in thousands of dollars	2002	2001
ASSETS		
Liquidity pool (note 2)	1,011,269	1,049,644
Intermediation pool (note 3)	76,010	40,324
Service related (note 4)	12,275	13,907
	<u>1,099,554</u>	<u>1,103,875</u>
LIABILITIES		
Members' deposits	1,024,836	1,038,615
Accounts payable	5,629	5,597
	<u>1,030,465</u>	<u>1,044,212</u>
MEMBERS' EQUITY		
Share capital (note 5)	66,437	57,537
Reserves	2,652	2,126
	<u>69,089</u>	<u>59,663</u>
	<u>1,099,554</u>	<u>1,103,875</u>

Approved by the
Board of Directors



Director Director

Statement of Operations and Reserves For the year ended December 31, 2002

in thousands of dollars	2002	2001
Financial revenue		
Liquidity pool	41,298	54,790
Intermediation pool	1,825	1,613
	<u>43,123</u>	<u>56,403</u>
Cost of funds	<u>37,896</u>	<u>51,233</u>
Financial margin	5,227	5,170
Net recoveries from operations (note 6)	112	139
Income before credit union patronage rebates	<u>5,339</u>	<u>5,309</u>
Credit union patronage rebates		
Financial margin	1,060	1,406
On-line banking	505	490
	<u>1,565</u>	<u>1,896</u>
Income before income taxes	3,774	3,413
Provision for income taxes (note 7)	680	669
Net income for the year	<u>3,094</u>	<u>2,744</u>
Reserves – Beginning of year	2,126	1,791
	<u>5,220</u>	<u>4,535</u>
Dividends – net of related income tax savings of \$567 (2001 – \$570)	(2,568)	(2,409)
Reserves – End of year	<u>2,652</u>	<u>2,126</u>

Statement of Cash Flows For the year ended December 31, 2002

in thousands of dollars

	2002	2001
Cash provided by (used in)		
Operating activities		
Net income for the year	3,094	2,744
Items not affecting cash		
Depreciation and amortization	1,359	991
Provision for income taxes	680	669
	<u>5,133</u>	<u>4,404</u>
Net change in receivables, prepaid expenses, inventories and accounts payable	3,414	(1,210)
	<u>8,547</u>	<u>3,194</u>
Investing activities		
Decrease (increase) in liquidity pool securities maturing after three months	(59,246)	17,854
(Increase) decrease in intermediation pool	(35,686)	10,039
Acquisition of capital assets – net of disposals	(3,222)	(4,412)
	<u>(98,154)</u>	<u>23,481</u>
Financing activities		
Increase (decrease) in members' deposits	(13,779)	100,014
Increased share capital – net <small>(note 5)</small>	8,900	6,299
Dividends	(3,135)	(2,979)
	<u>(8,014)</u>	<u>103,334</u>
Increase (decrease) in cash and cash equivalents	<u>(97,621)</u>	<u>130,009</u>
Cash and cash equivalents – Beginning of year	<u>544,224</u>	<u>414,215</u>
Cash and cash equivalents – End of year	<u>446,603</u>	<u>544,224</u>
Cash and cash equivalents consist of		
Cash	12,259	8,307
Liquidity pool securities maturing within three months	434,344	535,917
	<u>446,603</u>	<u>544,224</u>
Liquidity pool consists of		
Cash and cash equivalents, as above	446,603	544,224
Liquidity pool securities maturing after three months	564,666	505,420
	<u>1,011,269</u>	<u>1,049,644</u>

FINANCIAL
Statements

Co-operative
Credit Society of
Manitoba Limited
December 31, 2002

1 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Co-operative Credit Associations Act, which requires them to be in accordance with Canadian generally accepted accounting principles including the accounting requirements of the Superintendent of Financial Institutions Canada. The significant accounting policies are summarized below:

Valuation

Assets are carried at cost or amortized cost. Accrued interest receivable is included with the corresponding principal balance.

Liquidity pool investments

The Society engages in the back-to-back sale and purchase of liquidity pool investments to enhance yield. Gains and losses on the disposition of investments are deferred and amortized to income over the lesser of the remaining term to maturity of the original investment or the replacement investment. In undertaking these transactions, there is no material difference in the term to maturity of the original and replacement investments.

The Society engages in the simultaneous purchase and sale of non-portfolio investments. The gain on these transactions is recognized as income at the time of settlement.

Losses resulting from the disposition of liquidity pool investments that are undertaken as a result of significant deterioration in the credit worthiness of the investee are recognized immediately.

Mutual fund seed capital

The Society provides seed capital to a related organization for the creation of mutual funds. These investments, included in the intermediation pool, are temporary, as policy requires withdrawal of the seed capital once the mutual funds achieve the required level of regulatory capital. Accordingly, these investments are carried at market value.

Depreciation and amortization

Depreciation and amortization are recorded annually by the Society at rates and on bases determined to charge the cost of capital assets over their estimated useful lives using the straight-line method as follows:

Technology and equipment	3 to 5 years
Furniture	5 to 10 years
Leasehold improvements	remaining term of the lease to a maximum of 5 years

Income taxes

The Society follows the liability method of accounting for income taxes. Under the liability method, future income taxes result from temporary differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. The future income tax asset is computed at the tax rates that are expected to apply when the assets and liabilities are ultimately settled.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from such estimates.

2 LIQUIDITY POOL

in thousands of dollars

	2002	2001
Cash	12,259	8,307
Securities		
Governments	93,734	59,084
Banks and trust companies	472,374	440,113
Corporate	393,763	543,140
Credit Union Central of Canada	40,000	—
Non-specific provision for doubtful securities	(861)	(1,000)
	<u>1,011,269</u>	<u>1,049,644</u>

The Society serves as a source of liquidity for member credit unions. As such, all of the assets in the liquidity pool are readily convertible into cash.

3 INTERMEDIATION POOL	2002	2001
in thousands of dollars		
Members' loans and investments		
Credit unions	64,970	29,766
Co-operatives	2,223	1,729
Shares		
Credit Union Central of Canada	3,385	3,350
Co-operatives	4,346	4,447
Mortgage and loan investments	1,086	1,032
	<u>76,010</u>	<u>40,324</u>

4 SERVICE RELATED ASSETS	2002	2001
in thousands of dollars		
Technology and equipment, furniture and leasehold improvements	13,622	10,458
Accumulated depreciation and amortization	(6,575)	(5,274)
	<u>7,047</u>	<u>5,184</u>
Receivables	3,903	6,897
Prepaid expenses and inventories	1,002	1,390
Future income taxes (note 7)	323	436
	<u>12,275</u>	<u>13,907</u>

Receivables include amounts recoverable from credit unions of \$732,000 (2001 – \$2,398,000) that have been prepaid on account of certain interest rate swap agreements with counterparties (note 10(c)).

Depreciation and amortization recorded during the year was \$1,359,000 (2001 – \$991,000).

5 SHARE CAPITAL

Authorized

Share capital consists of an unlimited number of Class I and II shares, to be issued at \$5 each.

Membership

Every member of the Society is required to own a minimum of two Class I shares.

Pursuant to the Society's by-laws, Manitoba credit unions maintain investments in both classes of shares proportionate to their statutory (Class I) and excess (Class II) liquidity deposits held by the Society.

Rights and privileges

At the discretion of the Society's Directors, dividends may be declared and paid to either or both classes of shares. On any return of capital, the holders of Class II shares have a preferential claim on the Society's assets.

Issued and outstanding

in thousands of dollars	2002	2001
Class I		
Manitoba credit unions	25,700	24,000
Co-operatives	1,237	1,237
Class II		
Manitoba credit unions	39,500	32,300
	<u>66,437</u>	<u>57,537</u>

Subsequent to the Society's annual meeting held in 2002, \$1,700,000 of Class I shares were issued and \$7,200,000 of Class II shares were issued for cash consideration.

6 NET RECOVERIES FROM OPERATIONS

in thousands of dollars	2002	2001
Recoveries from members		
Computer services		
On-line banking system	10,503	9,754
Shared cash and direct payment systems	3,652	3,262
Clearing fees and other financial charges	3,808	3,828
Basic assessment	3,293	3,125
Fee for service	1,935	2,395
Human Resources services	661	558
Liquidity management assessment	550	550
Printing and supplies – net of cost of \$1,081 (2001 – \$1,067)	342	412
The Credit Union Deposit Guarantee Corporation fees	180	240
	<hr/>	<hr/>
	24,924	24,124
Operating expenses		
Personnel	11,428	10,350
National shared costs	2,877	2,695
Depreciation, amortization and leasing	1,826	1,643
Hardware and software maintenance	1,786	1,941
Telephone and computer telecommunications	1,476	1,386
Occupancy	868	837
Printing and supplies	776	860
Settlement costs	742	718
Provision for incentive pay	608	566
General	576	479
Professional services	496	1,166
Co-operative democracy	431	394
Travel	381	311
Dues, grants and memberships	128	123
Postage and delivery	128	106
Insurance and bonding	105	92
Financing costs	84	111
Write-off of share investment	50	—
Disaster avoidance/recovery costs	46	207
	<hr/>	<hr/>
	24,812	23,985
Net recoveries from operations	<hr/>	<hr/>
	112	139

7 PROVISION FOR INCOME TAXES

The Society provides for income taxes at a rate of 18.1% (2001 – 19.1%) as determined below:

shown as %	2002	2001
Federal base rate	38.0	38.0
Federal abatement	(10.0)	(10.0)
Additional deduction for credit unions	(16.0)	(16.0)
Federal surtax	1.1	1.1
Net federal tax rate	13.1	13.1
Provincial tax rate	5.0	6.0
	<u>18.1</u>	<u>19.1</u>

The Society provides for income taxes using the above rates as follows:

in thousands of dollars	2002	2001
Income before income taxes	3,774	3,413
Non-taxable items		
Dividends on Co-operative shares	(197)	(210)
All other adjustments	170	142
Accounting income for tax purposes	<u>3,747</u>	<u>3,345</u>

in thousands of dollars	2002	2001
Expected provision for income taxes at statutory rates	678	639
Effect of reduction in future tax rates upon the provision	—	28
Other adjustments – net	2	2
Provision for income taxes, including future taxes of \$113 (2001 – \$99)	<u>680</u>	<u>669</u>

The significant components of the future tax asset in the balance sheet are:

in thousands of dollars	2002	2001
Non-capital losses carried forward	159	—
Temporary differences between the net book value of certain expenditures for accounting purposes and tax purposes	(64)	197
Non-specific provision for doubtful securities	156	181
Provisions for expenditure not deductible for income tax purposes until paid	72	58
	<u>323</u>	<u>436</u>

8 DIRECTORS' EXPENSES

Directors received remuneration of \$104,000 (2001 – \$114,000) and expense reimbursement of \$69,000 (2001 – \$83,000).

9 COMMITMENTS

The Society leases office space under a lease arrangement which expires in 2005 and provides for an average annual payment of approximately \$552,000.

The Society has entered into leasing arrangements for up to three years for technology assets at an annual average cost of \$114,000.

10 ASSET/LIABILITY MANAGEMENT

The Society has established policies and related reporting to manage its exposure to fluctuating interest rates (referred to as interest rate risk) and to movements in foreign exchange rates (referred to as foreign exchange risk). In the absence of these policies, the Society's earnings would be impacted, either positively or negatively, as interest and exchange rates change. Additionally, the Society is potentially exposed to financial loss resulting from the failure of a party to fully honour its financial or contractual obligations (referred to as credit risk).

a) Interest rate risk

The Society's major source of income is financial margin, the difference between interest earned on investments and member loans and interest paid on member deposits.

The objective of "interest rate sensitivity" management is to match interest-sensitive assets with interest-sensitive liabilities as to amount and as to the term to their interest rate repricing dates, thus minimizing fluctuations of income during periods of changing interest rates. The following summarized schedule shows the Society's sensitivity to interest rate changes:

thousands of dollars			SWAPS		NET ASSET/LIABILITY MIS-MATCH
INTEREST REPRICING PERIOD	INTEREST SENSITIVE	NOT INTEREST SENSITIVE	RECEIVING	PAYING	
0 to 6 months	(251,617)	(3,500)	571,606	(297,334)	19,155
6 to 12 months	10,081	(13,390)	—	(16,430)	(19,739)
1 to 2 years	153,547	(14,774)	24,700	(169,355)	(5,882)
2 to 3 years	107,315	(13,606)	6,700	(94,032)	6,377
3 to 4 years	13,156	(12,758)	—	—	398
4 to 5 years	38,698	(13,152)	—	(25,855)	(309)
Over 5 years	169	(169)	—	—	—
	71,349	(71,349)	603,006	(603,006)	—

The average interest rate for interest-bearing assets is 4.07% and for interest-bearing liabilities is 3.68%.

A significant amount of investments and deposits can be sold or redeemed before maturity, but no adjustment has been made for sales or redemptions that may occur. Amounts that are not interest sensitive have been categorized in repricing periods that correspond to the Society's asset/liability deployment policies and investment strategies.

A positive asset/liability mis-match for a given interest repricing period (period gap) indicates that a rise in interest rates would increase the Society's financial margin effective with that period while a fall in interest rates would decrease the financial margin. If the period gap for a given repricing period is negative, then an increase or decrease would have the opposite effect from a positive gap. The Society has established a policy to limit the mis-match in each period to prevent significant financial margin fluctuations.

The Society enters into interest rate swap agreements (swaps) for the purpose of managing interest rate risk. A swap is a contractual agreement between the Society and a counter party involving the exchange of fixed rate and floating rate payments structured in a manner to reduce the extent of the Society's interest rate risk to a level which management believes is reasonable. The Society does not enter into swaps for speculative purposes.

The notional principal amount of swaps, reflected in the above schedule and aggregating \$603,006,000 is not indicative of the underlying credit risk that would be incurred only in the event of failure by the counter party to honour its contractual obligations. The counter party for all swaps is restricted to the major chartered banks and it is management's assessment that an event of failure is remote. The credit risk, which is represented by the cost to replace the swap agreements, is estimated to be negligible at December 31, 2002.

b) Foreign exchange risk

The Society has assets and liabilities denominated in U.S. dollars. To minimize exposure to foreign exchange risk, the Society's policies stipulate that the net U.S. dollar asset/liability position is limited to no more than U.S. \$500,000.

The Society enters into foreign exchange forward rate agreements for the purpose of ensuring that its policy limitation is not exceeded. A foreign exchange forward rate agreement is a contractual arrangement between the Society and a counter party involving the commitment of a purchase or sale of U.S. dollar funds to settle on a future date at a predetermined exchange rate. The Society does not enter into forward rate agreements for speculative purposes.

As at December 31, 2002, the Society met its policy limitation after inclusion of foreign exchange forward rate agreements aggregating U.S. \$11,722,000. This amount is not indicative of the underlying credit risk which is represented by the cost to replace the contracts. This cost would be incurred only in the event of failure by the counter party to honour its contractual obligations. It is management's assessment that an event of failure is remote and that the associated credit risk is insignificant.

c) Financial intermediation

The Society acts as an intermediary for members in the management of interest rate risk. In this role, the Society, on behalf of its members, has entered into interest rate swap agreements whose notional values aggregate \$77,931,000. The credit risk associated with these agreements is the responsibility of the Society's members.

11 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The following table presents the fair values of all financial assets and liabilities of the Society. Differences between book value and fair value are caused by differences between the interest rate obtained at the time of the original investment or deposit and the current rate for the same product. Investments and deposits that are priced with variable rates have a fair value equal to book value, as they are priced at current interest rates.

While fair value amounts are designed to represent estimates of the amounts at which assets and liabilities could be exchanged in current transactions between willing parties, the Society normally holds all of its fixed term investments and deposits to their maturity date. Consequently, the fair values presented are estimates derived by taking into account changes in the market interest rates, and may not be indicative of net realizable value.

The excess of the fair value of assets over book values represents an unrealized gain to the Society. The excess of the fair value of liabilities and off balance sheet financial instruments over book values represents an unrealized loss to the Society.

in thousands of dollars	BOOK VALUE	FAIR VALUE	FAIR VALUE GREATER THAN BOOK VALUE
Assets			
Liquidity pool	1,011,269	1,028,618	17,349
Intermediation pool	76,010	76,037	27
Liabilities			
Member deposits	1,024,836	1,035,010	10,174
Off balance sheet financial instruments			
Net swap agreements	—	7,164	7,164

12 SUBSEQUENT EVENT

The Society has signed a memorandum of understanding to form a new corporation with Credit Union Central of Alberta, Credit Union Central of Saskatchewan, Co-operative Trust Company of Canada, and CUETS. The corporation will provide information technology services to the owners of the corporation, their members and their customers. The future effect of the transaction on the financial results of the Society will be to reduce revenues and expenses by approximately \$14,200,000. The effect on the net earnings of the Society is expected to be minimal.

Dedicated to serving Manitoba

The strength of the Manitoba credit union system is people.

Please join us in congratulating these individuals who have worked and volunteered to make their credit unions and the system what they are today.

In 2002, Grandview and Hartney credit unions celebrated their 60th anniversaries.

Celebrating 50 years were Arborg, Crocus, Erickson, and Sandy Lake credit unions.

25–29 Years

- Philip Bauernhuber Loans Manager, Arborg Credit Union
Laurie Cline Internal Loan Auditor, Westoba Credit Union
Nancy Dubicki Branch Manager, Civic Credit Union
Jeanne Gibson Manager, Member Service, Assiniboine Credit Union
Dave Johnston Director, Dufferin Credit Union
Jack Johnston CEO, Civic Credit Union
Gordon Kirkwood CEO, Holy Spirit Credit Union
Pat Larson Human Resources Coordinator, Assiniboine Credit Union
Leianne Lea Administrative Supervisor, Agassiz Credit Union
Evelyn Murray Teller, Dauphin Plains Credit Union
Pattie Opperman Member Service Rep/Clearing Clerk, Turtle Mountain Credit Union
Victoria Pestrak Branch Manager, Carpathia Credit Union
Stephie Pilat Senior Member Services Representative, North Winnipeg Credit Union
Brenda Roberts Loans Officer III, Westoba Credit Union
Linda Robertson Member Service Representative, Dauphin Plains Credit Union
Colette Robinson Loan Secretary, Dauphin Plains Credit Union
Alice Sahulka Branch Supervisor, Dauphin Plains Credit Union
Betty-Ann Slon Deposit & Service Products Manager, Vanguard Credit Union
Ruth Smith Office Supervisor, Westoba Credit Union
Valerie Soltys Office Manager, Erickson Credit Union
Arnold Ternowski General Manager, Safeway Credit Union
Theresa Wright Branch Manager, Westoba Credit Union

30–34 Years

- Joan Bochniarz Manager, Deposit Services, Holy Spirit Credit Union
Bill Burla Board Member, Ethelbert Credit Union
Fran Derksen Manager, Finance & Administration, Altona Credit Union
Greg Fleck General Manager, Beautiful Plains Credit Union
Ed Grabinski Director, Civic Credit Union
Jim Neufeld Branch Manager, Crosstown Credit Union
Dave Omichinski General Manager, Portage Credit Union
George Pernsteiner Director, Civic Credit Union
Don Pringle Branch Manager, Westoba Credit Union

35–39 Years

- Edward Walkow President, Holy Spirit Credit Union

40–45 Years

- Marjorie Marciski Board Member, Beautiful Plains Credit Union

District 1

Steinbach CREDIT UNION

District 2

Assiniboine CREDIT UNION

District 3

Cambrian CREDIT UNION

District 4

Alliance CREDIT UNION • Belgian CREDIT UNION • Buffalo CREDIT UNION
Civic CREDIT UNION • Holy Spirit CREDIT UNION • Me-Dian CREDIT UNION
North Winnipeg CREDIT UNION • Safeway CREDIT UNION • Transcona CREDIT UNION
Winnipeg Police CREDIT UNION

District 5

Astra CREDIT UNION • Carpathia CREDIT UNION • Crosstown CREDIT UNION
Vantis CREDIT UNION

District 6

Arborg CREDIT UNION • Dauphin Plains CREDIT UNION • Eriksdale CREDIT UNION
Ethelbert CREDIT UNION • Flin Flon CREDIT UNION • Gimli CREDIT UNION
Grandview CREDIT UNION • Riverton CREDIT UNION • Roblin CREDIT UNION
Rorketon & District CREDIT UNION • Swan Valley CREDIT UNION

District 7

Amaranth CREDIT UNION • Austin CREDIT UNION • Beautiful Plains CREDIT UNION
Crocus CREDIT UNION • Cypress River CREDIT UNION • Erickson CREDIT UNION
Hartney CREDIT UNION • Minnedosa CREDIT UNION • Portage CREDIT UNION
Sandy Lake CREDIT UNION • Strathclair CREDIT UNION • Tiger Hills CREDIT UNION
Turtle Mountain CREDIT UNION • Virden CREDIT UNION

District 8

Agassiz CREDIT UNION • Altona CREDIT UNION • Community CREDIT UNION
Dufferin CREDIT UNION • Lowe Farm CREDIT UNION • Niverville CREDIT UNION
Oak Bank CREDIT UNION • Rosenort CREDIT UNION • Sanford CREDIT UNION
Starbuck CREDIT UNION

District 9

Heartland CREDIT UNION • South Interlake CREDIT UNION • Vanguard CREDIT UNION
Westoba CREDIT UNION

Manitoba

Credit Unions

Vantis Credit Union was formed on October 1, 2002 with the amalgamation of Decibel and Hy-Line credit unions.

Community Credit Union was formed on January 1, 2002 when Grunthal, Sprague and Vita credit unions amalgamated.

Gretna, Plum Coulee and Winkler credit unions amalgamated January 1, 2002 to form Heartland Credit Union.

