



Communique

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Board Highlights

Board of Directors Meeting, February 2, 2006

During its February 2006 meeting, Canadian Central's Board accepted the 2005 financial statements, made new appointments, received reports and discussed Canadian Central's Mandate Review. The following are highlights from that meeting.

2005 Financial Results

A resolution was passed to accept the 2005 audited financial statements and to rebate \$583,449 in assessments to provincial Centrals. Assessments are levied in accordance with Canadian Central's budget. If all amounts assessed are not required for Canadian Central's trade association function, they are rebated to provincial Centrals at the end of the year.

The 6 per cent dividend of \$1,663,602 that the Board declared at its November 24, 2005 meeting was paid on February 17, 2006.

Officer and Board Appointments

The Board made new appointments to Canadian Central's staff as follows:

David Phillips	Interim President and Chief Executive Officer
David Phillips	Vice President, General Counsel & Corporate Secretary
Gary Lowes	Vice President & Chief Financial Officer
Cheryl Byrne	Vice President, Knowledge Services
Gary Rogers	Vice President, Financial Policy

There are also new appointments to represent Canadian Central on boards in the financial services industry and in the credit union system:

David Phillips	Canadian Payments Association; CUIC Inc.; Interac Association; Concentra Financial Services Association
Gary Lowes	CCAFS; Acxsys Corporation
Phil Braginetz*	EFI Inc.

* Chief Operating Officer, Credit Union Central of Ontario

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Policy Committee Nominations

Appointments and revised terms of reference were approved for the Canadian Central's Finance Policy Committee, Legislative Affairs Policy Committee, National Lenders Policy Committee and the Risk Management Policy Committee. Terms of appointments extend to the first regularly scheduled Board meeting in 2007.

Canadian Central as Settlement Agent

The Board passed a resolution to submit an application to the Minister of Finance relating to clearing payment items for non-system entities. To date, payment items processed through the Credit Union Central of Canada (CUCC) Clearing Group have been predominantly credit union system items. However, the number of non-system items will likely increase because member Centrals plan to seek out payment item volumes from outside the system. In accordance with the *Cooperative Credit Associations Act*, Canadian Central must seek approval by the Minister of Finance, along with the Office of the Superintendent of Financial Institutions in order to proceed with these plans.

Use of HANDS & GLOBE® Mark

Two credit union sponsored sports/entertainment facilities situated in Dauphin, Manitoba and in Regina, Saskatchewan have petitioned for approval to use the HANDS & GLOBE mark on the exterior and interior of the building, signage, promotional materials, building related Web sites, and other advertising/marketing materials. The Board approved the licensing of the mark to the two facilities.

Chip Strategy Task Force

The Chip Strategy Task Force (CSTF) was formed in 2005 to develop a chip migration strategy for the Canadian credit union system. Made up of representatives from provincial Centrals, credit unions and key suppliers to the credit union system, this group is facilitated by Canadian Central.

Plans are underway in the financial services sector to implement chip for debit cards and credit cards. Interac Association recently issued its time line to mandate the use of chip. The credit union system's project work is moving forward and system-wide strategies are being developed by consensus.

A draft project plan and strategy document to facilitate system participation was presented to the Task Force in September 2005. In 2006, the Task Force is developing a strategy document that outlines the requirements to be met by the credit union system for the deployment of chip technology.

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Knowledge Services Strategy Young Leaders Task Force

Supported by Canadian Central's Knowledge Services Department, the Young Leaders Task Force gathered at Canadian Central on January 17 - 18, 2006 to discuss how "younger" credit union professionals can have a stronger voice in the credit union system. Composed primarily of past and present nominees of the National Credit Union Young Leaders Award, the Task Force wants to develop strategies to empower the talents of the credit union system's young leaders.

Discussions are still ongoing and will be summarized in a document that will be shared at the 2006 Canadian Conference for Credit Union Executives. The Young Leaders Task Force hopes to create a stronger voice as more young leaders are encouraged to join their efforts and endorse the suggested strategies.

Special Strategy Committee

Canadian Central's Board formed the Special Strategy Committee (SSC) in 2004 to plan the credit union system's response to opportunities offered if the federal government supports bank mergers. In December 2005, the SSC's Acquisitions Working Group met to review the credit union system's *Bank Branch Purchase Due Diligence/Integration Plan*. The group discussed the readiness of credit unions in their province and the areas of risk to be managed.

On January 26, the SSC's SME Team convened the first meeting of a Steering Committee established to provide leadership in connection with strategies, tools and tactics designed to position Canadian credit unions as the premier provider of financial services to small and medium-sized businesses.

Mandate Review

At its November 2005 meeting, the Board asked Canadian Central's management to prepare a Mandate Review, including White Papers on 15 of Canadian Central's roles.

The draft Mandate Review presented at the February 2006 meeting describes Canadian Central's mandate as three-pronged: National Forum, National Voice, and National Services. National Forum refers to Canadian Central's role as a national venue for discussion of issues that relate to the credit union system in Canada. National Voice is Canadian Central's role as a voice of representation and advocacy for the credit union system. National Service refers to Canadian Central's role as a provider of payments-related and non-payments related services to the credit union system.

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The Board discussed changes to the documents and recommended that the White Papers be circulated to the provincial Central CEOs for consideration before next steps are taken by Canadian Central.

2006 Canadian Conference

“Innovative Leadership Inside-Out” is the theme of Canadian Central’s 2006 Canadian Conference for Credit Union Executives, being held April 29 – May 3, in Vancouver, B.C. The conference registration package was distributed to the credit union system in February, reminding delegates of the March 31 Early Bird registration deadline.

**If you have any questions, please contact:
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