

Parliament Recognizes Credit Union Day

Brigitte Goulard, Vice President, Policy, CUCC

In recognition of Credit Union Day, Mr. Rick Dykstra, Conservative Member of Parliament (St. Catharines, Ontario), read on October 8th a statement in the House of Commons lauding Canada's credit union system. The statement was read in advance because the House of Commons is not sitting this week.

Mr. Dykstra's stated:

"Mr. Speaker, I rise today to pay tribute to Canada's credit union system in advance of International Credit Union Day on October 15th. Member-owned and democratically controlled, credit unions offer services that are determined by the needs of all their members instead of profit-driven shareholders.

Credit unions help communities drive economic growth. Despite the economic downturn, they have maintained their strong financial position and continue to seek ways to enhance services to their members. This commitment to service is evident in more than 380 communities across Canada where credit unions are the sole financial institutions.

Outside of Quebec, there are 497 credit unions and caisses populaires with over 1,700 locations serving more than 5 million people and managing assets in excess of \$117 billion. When including Quebec caisses populaires, the total rises to 957 with one in three Canadians holding a credit union membership.

I extend my congratulations to all credit unions, vital components of Canada's economic and social life."

Mr. Dykstra's office has already uploaded the statement to YouTube. It can be viewed here:

http://www.youtube.com/watch?v=56uzQu65jv4&feature=channel_page

Celebrating the Credit Union Difference

Magda Stec, Marketing & Creative Services Officer, CUCC

On Thursday October 15, credit unions across Canada will celebrate International Credit Union Day[®], and reflect on the role credit unions play in sustaining strong communities cost to coast.

As locally-focused, member-owned financial institutions, credit unions drive social responsibility and community economic development across the country by supporting local services, students, and community groups and initiatives.

In 2008 alone, Canadian credit unions contributed over \$42 million - an increase of 18 per cent from 2007 - to their communities in the form of donations to groups and charitable foundations, sponsorships, scholarships, and free, or reduced-cost, financial services to community groups. (continued on page 2)

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The bulk of the assistance was in donations and sponsorships – over \$30 million, up from \$25 million in 2007. The numbers are based on the annual survey of credit union philanthropy, done for Canadian Central, and show a steady increase in donations over the past eight years since the first survey was done. The full report based on this survey, *2009 Social Responsibility and Canada's Credit Unions*, can be found at: <http://www.cucentral.com/SocialResponsibility2009>.

Credit unions also provided \$4.2 million in financial services to community organizations; \$3.1 million in donations-in-kind; \$2.9 million in contributions to credit union charitable foundations; and \$1.2 million in scholarships and bursaries.

Credit unions not only give back to their communities with direct donations; they also volunteer time. Fifty-two per cent of credit unions surveyed said their employees volunteered for community activities and organizations as part of their paid work, and 75 per cent said their employees volunteered on their personal time.

With over 1,700 locations and over five million members, credit unions play a significant role in the lives of Canadians and their communities. This year's International Credit Union Day theme, "Your Money, Your Choice, Your Credit Union," will remind everyone of the advantages that credit unions provide to their members.

International Credit Union Day has been celebrated annually on the third Thursday of October since 1948. In Canada it is celebrated as part of Co-op Week, which became a national event in 1982. In the U.S., the month of October is also designated as National Co-operative Month.

Nearly 186 million people in 97 countries around the world are members of a credit union. As financial co-operatives, Canadian credit unions are affiliated with a respected, worldwide movement of 54,000 credit unions.

Ottawa Developments

Card Games – High Stakes for Canada's Credit Unions

Doug Whalen, Director, Payments, CUCC

Canada's payment card industry is one of the most successful and stable models in the world, due in no small part to the unique role of Interac Association's national infrastructure for the provision of debit card services. The universally accepted Interac Shared ATM and Interac Direct Payment services are quick, convenient and cost effective for both consumers and merchants.

The Canadian card services market is being dramatically reshaped by the implementation of chip technology, enabling new innovations such as contactless payments and the ability for Visa and MasterCard to launch debit services that will compete directly with Interac. Credit card services in Canada, like much of the world, are already dominated by Visa and MasterCard, and both companies are pursuing opportunities to expand their presence in the Canadian debit market.

Interac understands that its only chance to compete in this new environment is to move from a non-profit association to a commercial entity, in order to gain access to the capital and revenue generation tools needed to support development and implementation of new products and services. Interac is lobbying for a review of the regulatory and compliance environment to ensure that it provides a level playing field for all payments services.

The Federal Government and regulatory agencies have been paying increased attention to debit and credit card services, in response to concerns raised by both consumers and merchants regarding a perceived lack of competition, excessive fees and unfair business practices. Earlier this year, Canadian Central and other stakeholders appeared before the Senate Banking, Trade and Commerce Committee and at a joint meeting of the House of Commons Industry and Finance Committees to provide perspectives and answer questions related to credit and debit services.

One of Canadian Central's key messages was that credit unions need access to the broadest possible range of products, suppliers and delivery models for debit and credit card services. This is consistent with an open market environment that provides competitive choice, for credit unions, and for their members. It also

includes support for ensuring that a strong, domestically focused payments delivery channel as provided by Interac, is preserved.

The Retail Council of Canada (RCC) and the Canadian Federation of Independent Business (CFIB) have been particularly focused on the issue of Priority Routing for debit services, which refers to the practice of pre-determining which network would be used to process a debit transaction, (e.g. Interac, Visa, or MasterCard). The CFIB have documented their concerns that Priority Routing, when combined with other aggressive marketing practices and the dominant market position of Visa and MasterCard “may cause debit card processing fees to skyrocket and may ultimately lead to the end of Interac”.

Priority Routing is not a factor in credit card services as each credit card is only capable of utilizing one credit card service – (i.e. VISA® or MASTERCARD®) - not both. However, in the debit world, most cards issued by Canadian financial institutions can access a variety of ATM networks and Point of Sale (POS) debit services, operating over different networks, within Canada and internationally. Examples include *Interac*, Visa PLUS®, MasterCard CIRRUS®, MasterCard MAESTRO®, etc.

Until recently this practice has been more complementary than competitive, with Interac services used within Canada, and Visa or MasterCard services only accessed outside of Canada, or where Interac is not available. This is changing dramatically, as Visa and MasterCard launch debit services within Canada, and most Canadian debit cards become capable of accessing multiple, competing debit card services.

From the complexities of this new situation, a critical question emerges. When a debit card is used to make a purchase or ATM withdrawal, and more than one debit service is available on the card, who should get to choose which network is the “first choice”: the financial institution that issued the card, the merchant that is acquiring the transaction, or the consumer that is making the purchase? Each party can make a credible argument for “determination rights”.

The financial institution can argue that it should choose because it owns and issues the card being used for the transaction and holds the licences for access to the different debit services available to the card. They can further suggest that some control over how their cards become subject to the different cost and revenue considerations that apply to the various networks is needed in order to support the cost of their processing infrastructure.

Merchants can also argue for the right to choose based on the fact that they are acquiring the transaction, and they need the ability to control the different revenue and cost considerations that may apply, depending on the charges or incentives provided to them by a particular network service.

And finally, the consumer can argue that it is their transaction, and as there are different cost and revenue considerations that apply to them, (i.e. account charges and loyalty points), the right to choose belongs to the consumer.

The CFIB has suggested that this situation be addressed by prohibiting competing debit services on the same card (i.e. one debit card could access only one network). Debit cards would become “brand unique”, as is the case with credit cards.

A potential drawback to this approach may be the loss of access to international debit services. The debit cards issued by most Canadian financial institutions currently provide access to international ATMs through Visa (PLUS) or MasterCard (CIRRUS). Some also provide access to the international POS debit services offered by Visa or MasterCard (MAESTRO). Prohibiting competing debit services on the same card could mean that access to these international networks would no longer be offered together with Interac services on the proprietary debit cards issued by Canadian financial institutions. All these issues have the potential to act as a lightning rod for public opinion and a catalyst for development of regulatory activity.

Dramatic change is underway in the Canadian card services market that will directly impact how all financial institutions deliver, brand and market card services to their customers. The next article in the Card Games series will further examine the market dynamics that are unfolding and look at potential strategies to help credit unions improve the value and profitability of the card services they provide.

Bank of Canada Changes Temporary Liquidity Facilities

Gary Rogers, Vice President, Financial Policy, CUCC

In the fall of 2008, the Bank of Canada introduced several temporary liquidity facilities that could be accessed by financial institutions to ease severe liquidity pressures caused by widespread market disruptions. As funding markets have improved substantially since then, the Bank recently announced the termination of two of those facilities – (i) Term PRA



for Private Sector Instruments and (ii) Term Loan Facility – neither of which was used by the credit union system.

The Bank confirmed previous information that the more widely used Term Purchase and Resale Agreement (PRA) Facility will continue at least until the end of January 2010. This facility enables financial institutions, including Centrals, to access liquidity by selling a wide variety of securities to the Bank on a repo basis. It has been a very helpful source of liquidity for many financial institutions over the past year, including some Centrals.

The Bank is expected to gradually phase out a number of other temporary liquidity facilities over the coming year, if market conditions continue to improve.

Draft GST Legislation Affects Credit Unions

Gary Rogers, Vice President, Financial Policy, CUCC

Draft GST legislation regarding financial institutions, released on September 23, 2009, is of interest to credit unions.

Extension of filing due date: Credit unions will be pleased to have an extra three months to prepare their annual GST return. Financial institutions, including credit unions, currently are required to file their annual GST return within three months after the fiscal year end. The three month deadline will be extended to six months, for reporting periods that commence after 2009. Therefore, a credit union with a December year-end will notice this change first for its 2010 annual GST return, which will be due June 30, 2011, instead of March 31, 2011. This new deadline will coincide with the due date for corporate income tax returns. Please note that this extension applies only to financial institutions, not other entities.

GST Information Return for financial institutions:

Beginning with fiscal years commencing in 2007, financial institutions that are GST registrants have been requested to file an annual GST Information Return, if their gross revenue (not net income) exceeds \$1 million. As the revenue test for reporting is so low, even small credit unions have to complete this very extensive multi-page form.

To date, there have been no penalties levied for failure to file the form, or for completing it incorrectly. The draft legislation introduces penalties for failure to report or for misstatements of amounts on the information return, effective for fiscal years commencing after 2008.

Since the form was first proposed, Credit Union Central of Canada has been requesting a higher exemption threshold for small FIs, such as credit unions. We are pleased to see that the draft legislation contains a provision that would provide the Minister with the authority to exempt an FI or class of FIs from filing the information return. Canadian Central already has started discussions with the Department of Finance requesting that this new authority be used to create an exemption that would reduce the paperwork and record keeping required of credit unions. The Department indicates it has not yet analyzed data collected on the 2007 and 2008 information returns, so it is not yet in a position to determine whether an exemption is warranted. Canadian Central will communicate regularly with the Department to press for this change.

Privacy Commissioner Releases Annual Report to Parliament

Robert Martin, Director, Research, CUCC

On October 6 the Office of the Privacy Commissioner of Canada (OPC) released the 2008 Annual Report to Parliament on the *Personal Information Protection and Electronic Documents Act* (PIPEDA). The report highlights the issue of youth privacy and examines 2008 privacy complaint investigations; technology and privacy issues; and the OPC's efforts to encourage the development of international privacy standards.

The OPC is mandated by Parliament to act as an ombudsman, advocate and guardian of privacy and the protection of personal information rights of Canadians.

Highlights of the report are as follows:

- In 2008 the OPC received 422 new PIPEDA-related complaints for investigation in 2008, ending a downward trend that had lasted for several years. In 2007, there had been 350 complaints, fewer than half the 723 received in 2004.
- 6 out of 10 complaints received by the OPC relate to the collection, use and disclosure of information by companies covered by the legislation.
- The yearly number of complaints against the banks has declined between 2004 and 2008 but financial institutions as a whole tend to attract the most complaints (i.e. between 22 and 30 per cent). Credit unions are not mentioned in the report.

- In 2008 the OPC published a privacy protection guide aimed at small businesses that may be of interest to credit unions see: http://www.priv.gc.ca/information/pub/guide_sb_e.pdf
- Privacy breaches continue to be a significant concern for the OPC noting that the number of breaches being reported continues to rise. Most breaches arise from unauthorized access, use or disclosure or accidental disclosure.
- In terms of OPC's legislative priorities the report is largely silent but notes that the OPC continues to press for privacy breach notification legislation that would legally require private sector institutions to report privacy breaches of a "material nature".

The annual report, available on the OPC website at http://www.priv.gc.ca/information/ar/200809/2008_piped_a_e.pdf includes details of complaints received and investigated by the OPC in 2008.

Hill Happenings

Anne Dance, Policy Analyst, CUCC

Pre-budget consultations have begun, whisking Standing Committee on Finance members from Ottawa's political theatre to more than a dozen locations across Canada. The committee will meet with over 400 representatives from Canadian organizations; each group will recommend adjustments to program spending and the federal tax regime. The credit union system will get a chance to have its voice heard later this month, when the committee visits Assiniboine Credit Union in Manitoba.

On the political front, Prime Minister Stephen Harper chose to table the budget update report on September 29th from Saint John, New Brunswick. The budget report card touted the government's Economic Action Plan's job creation, tax reduction, skills training and infrastructure investments. Pointing to the purported slow pace of infrastructure funding and pension reform, the opposition Liberals refused to back the Conservatives and tabled a non-confidence motion.

Should an election be called, a Conservative majority seems increasingly likely. Indeed, a recent *Globe and Mail/CTV* poll reveals that Tory popular support has surged to 41 percent, thanks in part to gains in Ontario and continued Western dominance. The Liberals trail behind with a meager 28 percent, followed by the NDP (14 percent); the Bloc Quebecois and Green Party are tied with 9 percent.

Despite the Liberals' recent non-confidence motion, NDP support for the governing Conservatives has postponed a return to the polls and cooled election fever. Instead, the parties are preparing for four by-elections in British Columbia, Nova Scotia, and two in Quebec scheduled for November 9th.

Amidst rumors of floor-crossing Liberals and party infighting over candidate nominations in Outremont, Quebec, party leader Michael Ignatieff recently reorganized his caucus and given ten MPs new critic portfolios. The critic positions of Siobhan Coady (Treasury Board) and Navdeep Bains (Small Business and Tourism) are particularly relevant for the credit union system. It is particularly interesting for the system as Ms. Coady brings her experience with credit unions to the portfolio.

Hog Industry Loan Loss Reserve Program (HILLRP) Available for Canadian Pork Producers

Robert Martin, Director, Research, CUCC

On October 2, 2009 the Government of Canada announced further details of its Hog Industry Loan Loss Reserve Program (HILLRP). In the announcement the Government also invited interested hog producers, to visit participating financial institutions starting October 5, 2009 in order to discuss whether HILLRP loans could be of assistance to them.

The HILLRP is intended to support private sector loans to "viable" hog producers. Through the fund the government will share loan loss risk with participating private sector financial institutions – including participating credit unions. For those credit unions that wish to be involved in the HILLRP it will be necessary to sign a Designation Form and enter into a Contribution Agreement with AAFC directly so that HILLRP funds can be deposited at the participating credit union. Designation forms and a copy of the Contribution Agreement can be obtained by emailing Robert Martin at martinr@cucentral.com

This new Program had been the subject of recent confidential negotiations between Credit Union Central of Canada, Canadian chartered banks, Desjardins and the Federal Government. Canadian Central was supported in these discussions by members of Credit Union Central of Canada's national Agriculture Sub-Committee of the Legislative Affairs Committee. Details of the HILLRP and the companion \$75 million Hog Industry Transition Program can be found in the release

and backgrounder found here: <http://www.cpc-ccp.com/index-e.php>.

On October 9th Canadian Central held an hour long webinar concerning the new HILLRP. Representatives of Agriculture and Agri-food Canada were on hand to present background and operational information about the new Program. The webinar was recorded for future reference and interested credit unions are advised to contact Glenn Hodgson (hodgsong@cucentral.com) if they wish to view the webinar.

For more information on these programs, visit: www.agr.gc.ca/HILLRP or call 1-877-842-5601.

Legislation and Regulations

Federal Government Issues New Credit Card Regulations

Robert Martin, Director, Research, CUCC

On September 30th, the Government of Canada published new credit card regulations in Part II of the *Canada Gazette*. The credit card regulations will directly impact federally regulated financial institutions and impose many new demands on their operations, including requirements to:

- provide a summary box on credit contracts and application forms that sets out key features, such as interest rates and fees.
- inform consumers how long it would take to fully repay their balance if they only make a minimum payment every month.
- Mandate an effective minimum 21-day, interest-free grace period on all new credit card purchases when a customer pays the outstanding balance in full.
- Lower interest costs by mandating allocations of payments in favour of the consumer.
- Require express consent for credit limit increases.
- Limit debt collection practices used by financial institutions.
- Prohibit over-the-limit fees solely arising from holds placed by merchants.
- Mandate advance disclosure of interest rate increases prior to their taking effect, even if this information had been included in the credit contract.

Although very few credit union system institutions will be directly regulated by these new rules, Canadian



Credit Union
Central of Canada

Central provided the Department with feedback on the proposed new regulations and requested adequate time for financial institutions to adjust to the new requirements. For the most part the majority of the regulations will come into force on January 1, 2010 giving financial institutions a few months to comply, however, some provisions, such as the 21-day grace period, will take effect on September 1, 2010. Copies of the regulations can be found here:

<http://www.gazette.gc.ca/rp-pr/p2/2009/2009-09-30/html/sor-dors257-eng.html>

<http://www.gazette.gc.ca/rp-pr/p2/2009/2009-09-30/html/sor-dors261-eng.html>

New Money Laundering Regulations Issued

Robert Martin, Director, Research, CUCC

Amendments to the regulations accompanying the Proceeds of Crime (Money Laundering) and Terrorist Financing Act ("the Act") regarding the applicability of the Act to credit union Centrals, were published in Part II of the *Canada Gazette* on September 30th. These amendments were deemed to be necessary to address a gap in Canada's anti-money laundering and terrorist financing compliance regime.

The regulations are identical to the draft regulations issued for comment in May 2009 and were developed with input from the credit union system. As expected, the regulations bring Desjardins under the regulations for all its activities (as they had requested), whereas, credit union Centrals outside of Quebec are only captured when services are offered to the public. According to the regulations Credit Union Centrals will not have the ability to report transactions to FINTRAC on behalf of their member credit unions. Credit unions retain this requirement as reporting entities as defined by the Act.

These amendments come into force on July 31st, 2010. Link to the Official Regulations:

English: <http://www.gazette.gc.ca/rp-pr/p2/2009/2009-09-30/html/sor-dors265-eng.html>

French: <http://www.gazette.gc.ca/rp-pr/p2/2009/2009-09-30/html/sor-dors265-fra.html>

Update on the Status of Bill S-4 – An Act to Amend the Criminal Code (identity theft and related misconduct)

Jan Hopper, Senior Policy Advisor, CUCC

A report from the Standing Committee on Justice and Human Rights was tabled in the House of Commons on October 8th, 2009 regarding Bill S-4 – An Act to amend the Criminal Code (identity theft and related misconduct). The report did not include any amendments to the Bill which was amended slightly in June 2009 by the Senate's Legal and Constitutional Affairs Committee.

As noted in the April 21, 2009 Policy and Advocacy Report, Bill S-4, was introduced in the Senate on March 31 2009. This bill is substantially similar to the former Bill C-27 which had full party support prior to Parliament being prorogued in late 2008. As expected, Bill S-4 has moved quickly through the parliamentary process and is now awaiting 3rd Reading in the House of Commons, with Royal Assent to follow.

The legislation is welcomed by both law enforcement and the financial services industry as it will aid in the fight against credit and debit card skimming through the enhanced ability to prosecute offenders. In addition to criminalizing the possessing and trafficking of identity information, the legislation includes as an offence the fraudulent use of another person's "Personal Information Number" (PIN) as well as prohibiting the possession of skimming devices (to capture card data).

Canadian Central will continue to monitor the progress of this Bill and advise the System of further developments.

Statistics and Research

Research Bits

Les Czarnota, Researcher, Information Services, CUCC

Credit Union Central of Canada subscribes to various research firms on behalf of the Canadian credit union system. This allows affiliated members to access the research directly and search for relevant material to fulfill an information need. Many reports are available from two organizations – the US-based Council on Financial Competition and the Ottawa-based Conference Board of Canada.

The Conference Board of Canada is one of Canada's leading independent research organizations. A well-respected authority on emerging economic and social trends, key public policy issues, and organizational strategies and practices, the Conference Board of Canada produces research and analysis on a wide range of issues. Currently over 600 publications are available on the Conference Board of Canada site dating back to June 1998 including periodicals and research reports in the following areas: national economic trends, provincial economic trends, organizational effectiveness, human resources, governance, and risk management.

Some recent titles include:

- *Recession Lessons for Mid-Market CFOs: Successfully Obtaining Loans in the New World of Credit*, an Executive Action Report by Howard Muson, published by the Conference Board in New York, October 2009
- *Intergovernmental Forum on Risk Management 2009: Rethinking Risk and Rising to New Challenges*, Conference e-Proceedings by The Conference Board of Canada, October 2009
- *The Role of the Board in Turbulent Times: Leading the Public Company to Full Recovery*, a report by Matteo Tonello, published by the Conference Board in New York, September 2009

This installment of Research Bits will look at a recent publication on "green marketing" available from the Conference Board of Canada. "Turning Green into Gold: Green Marketing for Profit" is an October 2009 report by Michael Bloom and Michelle Thomson. Green is changing the marketing world. This report argues that 'green' corporate and marketing strategies can help companies increase sales, enhance brand reputation and customer loyalty, cut costs, improve productivity, build competitive advantage, and attract employees and investors—all while contributing to cleaner communities.

To achieve these benefits, however, companies must promote products and services with real environmental benefits, and the accompanying marketing campaign must be truthful and sincere. Otherwise, firms may open themselves to charges of 'greenwashing.'

The report focuses on the ways corporate marketers can take advantage of the opportunities unfolding today. It analyzes trends, and profiles several leading

green companies and initiatives, such as Stonyfield Farm (organic yogurt producer), Timberland Company (apparel and footwear), and the Clorox Company (home cleaning products). It emphasizes the use of Internet-based marketing strategies, tools, and techniques, but it also discusses more traditional approaches, such as experiential marketing, placing promotions on product packaging, and incorporating natural elements into advertising campaigns. The role of the CEO receives particular attention.

Credit Union Central of Canada holds a membership in this organization on behalf of the system. Registration is required to access the Conference Board of Canada research. To access the research, go to <http://sso.conferenceboard.ca/web/Login.aspx> - if you already have an account, please use the "sign in" section at the right. If you are registering for the first time, please "create an account". The domain names of all of the Centrals and the Top 30 credit unions in Canada should already be recognized by the Conference Board of Canada's registration system, so you shouldn't have any problem registering. If for some reason, your registration is not accepted, please send an email with your email address and credit union name to czarnotal@cucentral.com.

Credit Union System Loan Portfolio - Statistics

Sandra Brizland, Research Analyst, CUCC

Residential mortgages remain the foundation of the Canadian credit union system's loan portfolio, continuing to dominate as the primary component of the lending mix each year. Over the years, however, the remaining components of the lending portfolio - personal loans, commercial loans and agricultural loans - have experienced significant changes, by either strengthening or declining in their share of total loans (see chart on page 9).

As of 2008, residential mortgages comprised 55.7% of the national system's portfolio. This percentage has remained relatively stable over the last twenty years, fluctuating between 55% and 59%. In 1999, home mortgages held 56.9% of the portfolio. In 1989, these mortgages accounted for 55.1% of the mix.

Personal loans, once second only to residential mortgages, represented 12.2% of the system's loan mix in 2008. Ten years ago, these loans made up 17.9% of total loans, while 20 years ago personal loans held 25.7% of the mix. The steady decline over the 20 years

has resulted in a 13.5 point decline in the personal loans portion of the portfolio.

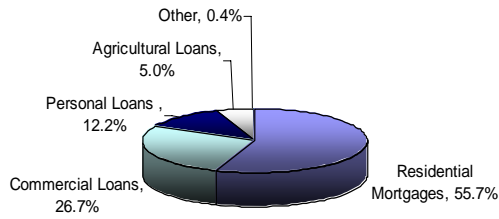
It is of no surprise credit unions have been steadily expanding their commercial lending portfolio. The SME awareness campaign is a prime example of the initiative used by the system in strengthening this portion of the overall loan portfolio. As of 2008, commercial loans represented 26.7% of total loans. Ten years ago the commercial loans representation was comparable with personal loans at 17.7%. However, 20 years ago, these loans held only 9.7% of the total mix.

Agricultural loans saw a decline of 2% over a ten year period. Currently these loans account for 5%, while 10 years ago their share of the portfolio was at 7.1%. Twenty years ago it was slightly higher at 7.6%.

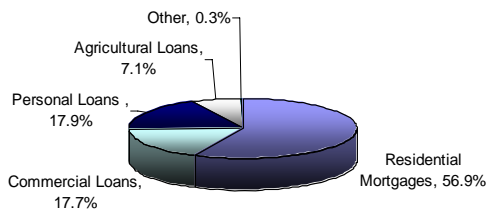
Regional diversity has always been a hallmark of the credit unions system loan portfolio. Traditionally residential mortgages have generally been the dominant component of the lending portfolio in provinces from Ontario westward, with the exception of Saskatchewan, where farm loans have been a major component. In Atlantic credit unions, on the other hand, personal loans accounted for a bigger piece of the portfolio.

These trends have somewhat changed over the years. A common element across the country is the jump in commercial loans. These loans have strengthened their share in all provincial systems' portfolios over the years. Gains in commercial loans have come at the expense of personal loans in provincial systems from Ontario westward. The residential mortgage portion of the portfolio has remained relatively unchanged over the years in these regions. On the other hand, in addition to an increase in commercial loans, residential mortgages have also improved their share of the Atlantic portfolio during the last number of years.

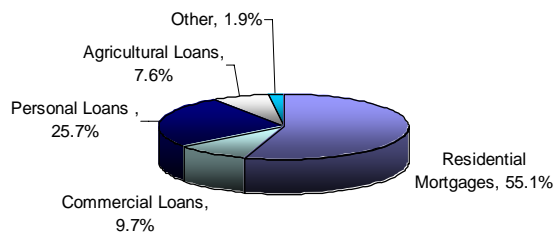
Canadian Credit Union System LOAN PORTFOLIO



2008



1999



1989

■ Residential Mortgages ■ Commercial Loans ■ Personal Loans ■ Agricultural Loans ■ Other

The *Policy and Advocacy Report* is published by Credit Union Central of Canada. For editorial or general inquiries please contact:

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