

BiLd Solutions Inc

October 9, 2006

Somename Manager
Example Credit Union Limited
Streetname Street
Somewhere, Ontario
LLL 222

Dear Somename:

Attached is the asset/liability management analysis for Example Credit Union using the Canadian Asset/Liability Management System (CALMS) as of September 2006.

This quarter's analysis includes a number of major changes from previous ones. These changes make for a more accurate assessment of the interest rate risks at Example.

1. This is the first analysis using CALMS which will mean a considerably more accurate analysis. In addition, the credit union should now be able to produce interim reports on your own using the system.
2. CALMS measures interest rates by calculating cashflows from principal values, resulting in a more accurate measure of interest rate risk. This will mean an increase in the amount of EAR exposures, but EVR exposures have always been measured with cashflows so the use of CALMS will have little effect.
3. We re-evaluated core deposits, which translated into some additional core deposits. Using CALMS going forward should make it easier for core deposits to track the changes happening in the credit union. This re-evaluation resulted in a small increase in EAR exposures and a larger increase in EVR exposures.
4. Core Deposits were spread from 1 month to 5 years, just as they have been in the past. A simple adjustment to analysis parameters will enable longer core deposit terms, should the credit union decide to transact longer term investments or deposits.

To give you a feel for the effects of these changes, the March and December reports were done using the old spreadsheet methodology and CALMS. The following table summarizes the differences in the measures:

	Spreadsheet	CALMS	Difference
Earnings at Risk (EAR)			
Dec 2005 EAR	13.1	17.0	3.9
Mar 2005 EAR	15.7	19.2	3.5
Economic Value at Risk (EVR)			
Dec 2005 EVR	5.0	9.0	4.0
Mar 2005 EVR	10.3	13.5	3.2

As you can see the CALMS exposure measurements are higher than the spreadsheet measurements. For the EAR measurement, this is a result of using cashflows to measure interest rate risk. For the EVR measure, additional core deposits meant higher levels.

For the rest of the analysis, I will use the CALMS measures for interest rate risks in March, to remove the effect of changing measurement techniques.

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Analysis: Short Term Interest Rate Risk (EAR)

Your credit union's exposure to a 1% rate decrease in interest rates as of September 2006 is 20.4 basis points as compared to 19.2 basis points in March. (See the Executive Summary report in the Summary section of the report.)

Using the 50 basis point rate shock test, your falling rate exposure falls to 9.9 basis points. (See the 50 Basis Point Shock Test in the Scenario section of the report). This level of exposure is considered to be high. Given that the Bank of Canada has not raised rates for raised rates for the last three opportunities, it would seem prudent to try to reduce interest rate risk now to protect the credit union from downside risk.

Analysis: Forecasted Net Interest Income

Your credit union's forecasted net interest income, (NII) as of September, stands at \$2,525K up from \$2,451K in March. The prime rate is 50 basis points higher since March, which is likely the main reason for the improvement. Many economists now expect the Bank of Canada to pause and possibly even start to drop interest rates. Each quarter point drop in prime will cost Example an additional \$32k in forecasted net interest income. (Please see the Executive Summary in the Summary section of the report.)

Your projected financial margin fell a little as a result of asset growth. At the end of September, it was 3.87% down from 4.00% in March. (See the Executive Summary in the Summary section of the report.)

Analysis: Long Term Interest Rate Risk (EVR)

Your exposure to falling rates for the long end of your portfolio fell a little last quarter. March's exposure of 13.5 basis points is now 9.2 basis points. In dollar terms, a 1% drop in rates will result in a \$60k drop in economic value. This level of exposure is considered to be low. (See the Executive Summary in the Summary section of the report.) Mortgage activity at the five year term continued to be robust, and is the likely reason for the improvement.

The EV analysis shows that current levels of exposure are now low and are probably best reduced with on-balance sheet strategies. (See the Economic Value at Risk section of this report.) Example could still use some longer assets on its balance sheet - the amount required to get completely hedged for EVR is about \$1.4 million at the five year term.

Example's EV also increased over the quarter from \$3.15 million to \$3.24 million. EV is the estimated value of Example Credit Union so this means the value increased by about \$87k in three months. This improvement is also likely a consequence of the mortgage activity.

Scenarios: Loan Campaign

One way to reduce risk to falling rates is to conduct a loan campaign and finance these new loans with borrowings. By lending \$1 million of 5 year loans and financing those loans with 1 month borrowings, your exposure would decrease by about 5.6 basis points. You would also increase your forecasted net interest income by \$18K. To get fully hedged for EVR, you would need to transact \$1.7 million of these mortgages. (See the Scenario Comparison for Mortgage Campaign report in the Scenario section.) In selecting the best term for loans, you should show a slight preference for 1 (best), 2, or 5 year loans.

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Scenarios: Investments

An effective way to decrease an exposure to falling rates is to keep your liquid investments maturing between 6 and 12 months. The idea is to sell shorter investments (less than 6 months) before maturity and reinvest the proceeds at a longer term (9 to 12 months). If this strategy was implemented, ECU would reduce exposure by 3.1 basis points and increase forecasted net interest income by about \$12k for a 1 year investment and 0.7 basis points and \$5k for a 6 month investment.

This strategy is ideal for your current position because it effectively reduces EAR and has almost no effect on EVR. If you are unable to trade your liquidity deposits, simply invest long whenever there is a maturity.

Scenarios: Interest Rate Swap

Implementing \$1 million of **1 year** receive fixed, pay floating interest rate swaps would also decrease the exposure by about 1.4 basis points of assets and it will have little effect on forecasted net interest income. (See the Sensitivity Analysis printout within the Interest Rate Swap section).

When deciding which term to transact an interest rate swap, the key page to look at is titled “Summary”, which is also the last page of this report. Look at the columns called Perfect Hedge and One Swap. The Perfect Hedge column shows what swaps you should do to get your long end of your book perfectly hedged. We often do not recommend this approach because of high transaction costs, however the numbers are useful as they show how much is required for each term. The One Swap column shows how much swap must be transacted for each term assuming only one swap is to be completed. These numbers represent the duration weighted amount of swap needed to hedge the whole book and it makes sense that the shorter the term, the larger the swap that is required.

Should you decide to get hedged, I am recommending 1 year interest rate swaps as they have less effect on EVR. Also, the flat yield curve makes this a good time to remain short. Since 1 year swaps deteriorate quickly, the best strategy would employ a continual ladder of 1 year swaps – perhaps \$3 million every quarter.

Scenarios: Securitization

Sometimes, CUCO encourages credit unions to hedge the exposure with a swap built into the securitization transaction – I advise against that for Example. You want the exposure that the built-in swap would be hedging, so take the unhedged or floating option on the securitization.

I modelled using a \$100 thousand securitization (unlike the other scenarios which used \$1 million), but if you decide to proceed, you would transact a number of millions. We should model with the exact terms of the mtges to best gauge the effect. The results for the securitization are as follows: Minimal effect on interest rate risk, because the securitization is unhedged. There is a minimal effect on net income, because you will be paying down borrowings which have a similar rate to the amount paid to Smart Trust in the 1 month term. There is, however, a transfer from Net Interest Income to Other Revenue as a result of the transaction. Gross margins (financial margin plus other revenue) gain 1 basis point because total assets are reduced and the total income remains roughly the same. There will also be a 1 basis point improvement on the capital ratio. (Please see the Securitize Mortgage strategy in the Strategies section.)

In addition you don't need as many liquid assets to get to an 8% liquidity ratio as you do for the loan. The formula for the liquidity ratio is liquid assets divided by (deposits + borrowings). The securitization reduces borrowing and it will therefore require fewer liquid assets to meet the 8% test.

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Strategies: Premium Savings Account

I didn't model this strategy, because the effect is pretty simple. In your current state, liquidity gained with a premium savings account would be used to pay off your debt with Central. There would be no effect on EAR or EVR because you are simply exchanging one variable liability for another. The effect on forecasted net interest income would be the difference between those two rates. For example, if you borrow at 4.5% and offer your premium account at 4.00%, you would save 0.50% per year, or \$5k per million dollars transacted. Liquidity would be slightly improved; there would be no effect on capital.

To the extent that some of your high rate savings account is core, there will be slightly increased interest rate risk.

Members cashing in other deposits for high rate savings will result in lower EAR, but also significantly lower earnings. This is the main risk with the strategy.

Discussion: Short Term Interest Rate Risk

Rising rates have made the interest rate swap strategy more attractive. At this point, rates seemed to have peaked, so the timing is also good. Longer term lending activities are still preferred over interest rate swaps as they produce more margin, but they take longer and tend to have longer terms than the ideal. At this point, Example should continue to try to source mortgages from its members and borrow to finance them.

The EAR measure requires about \$15 million in mortgages to get fully hedged.

Keeping your liquid investments maturing between 6 months and 1 year will improve your EAR. This is an effective strategy that you should consider as it has little effect on EVR. (Assuming you can trade your Central liquidity deposits).

The fact that you have a relatively lower EVR exposure as compared to your EAR exposure means that shorter fixed loans and mortgages are now preferable to longer ones. Shorter mortgages (1 to 2 years) have a smaller effect on EVR but the same effect on EAR as longer mortgages. To be fully hedged for EVR would take about 7 million in one year mortgages. This not a recommended strategy, it is just more information that you might be able to use.

Also, longer term deposits will increase EVR, but will allow a better balance with EAR exposures. So longer term deposits are recommended.

And, somewhat perversely, short variable deposits (perhaps a high rate savings account) are also recommended as a way to reduce EAR exposures with no effects on EVR. This strategy has considerable risks. The idea would be to increase liquidity and reduce EAR, but could have very negative effects on forecasted Net Interest Income if members switched from their low rate savings accounts to this new deposit.

Borrowings were increased because of a large deposit being cashed in. Unless more liquidity can be gained through longer deposits, you might consider mortgage securitization as a way to get your borrowing levels down for very little cost. Example remains at the profitability sweet spot right now.

Conclusions:

1. Example's projected net interest income is \$2,525 thousand.

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2. Your current EAR exposure is about 20 basis points to a fall in rates and is considered high.
3. Longer term risk to falling interest rates is now low for Example at 9 basis points of assets. This is a low level of interest rate exposure.
4. Active management of short investments (within liquidity constraints) is a very good strategy for Example because it reduces EAR without affecting EVR very much. This is the best current strategy given your current book of business.
5. Short term variable deposits will reduce EAR and increase liquidity and are recommended. Also, 5 year deposits are also recommended as a way to bring EAR and EVR risks into alignment.
6. Adding longer-term assets to your book of business (either with loans or with long investments) would have the effect of further decreasing risk while increasing locked-in income. This is one approach to reducing interest rate risk.
7. Mortgage securitization remains a strategy for consideration. This is a strategy that is fairly painful administratively the first time and will likely take 3 months. Once set-up, ECU will have a way to quickly access liquidity should it be required.

If you have any questions – feel free to call at your convenience. I can be reached at home at 905 370-0078 or by cell 416 834-3738.

Yours truly,



Signature Valid

Digitally signed
by Bill Benton
Date: 2007.10.14
23:19:58 -04'00'

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Example Credit Union

Canadian Asset/Liability Management System

1. Summary and History Reports
 - a) Summary
 - b) History
2. Interest Rate Risk Analyses
 - a) Earnings at Risk (EAR) Analysis
 - b) Economic Value at Risk (EVR) Analysis
3. Scenario Analyses
 - a) 50 Basis Point shock
 - b) Mortgage Campaign
 - c) Lengthen Investments
 - d) Interest Rate Swap
 - e) Securitization

Prepared By: Bill Benton
CEO, BiLd Solutions Inc.

March, 2007



Example Credit Union

Canadian Asset/Liability Management System

1. Summary and History Reports
 - a) Summary
 - b) History

Example Credit Union Limited

Executive Summary (in \$000's)

As of Sep 30, 2006

	This Period	Last Period	Difference
Analysis Date	Sep-06	Mar-06	183 Days
Earnings at Risk (EAR)			
Exposure Direction	Falling Rates	Falling Rates	Same Direction
Shock Amount	100.0 bps	100.0 bps	0.0 bps
EAR Dollar Amount	\$133.2	\$117.8	\$15.5
EAR in Basis Points	20.4 bps	19.2 bps	1.2 bps
Economic Value at Risk (EVR)			
Exposure Direction	Falling Rates	Falling Rates	Same Direction
Shock Amount	100.0 bps	100.0 bps	0.0 bps
EVR Dollar Amount	\$60.3	\$83.0	-\$22.7
EVR in Basis Points	9.2 bps	13.5 bps	-4.3 bps
Price Value of a Basis Point	\$594	\$815	-\$221
Financial Performance			
Net Interest Income	\$2,525	\$2,451	\$74
Financial Margin	3.87%	4.00%	-13 bps
Economic Value	\$3,235	\$3,148	\$87
Accounting Book Value	\$4,009	\$3,818	\$191
Total Assets	\$65,195	\$61,237	\$3,958
Liquidity Ratio	12.4%	8.8%	355 bps
Capital Ratio	6.15%	6.23%	-9 bps

Example Credit Union Limited

Interest Rate Risk Summary (in \$000's)

As of Sep 30, 2006

Earnings at Risk (EAR) Exposure	
Shock Start Date	30-Sep-06
Exposed To	Falling Rates
Exposure Amount (Basis Points)	20.4 bpts
Exposure Amount (Dollars)	\$133.2
Rate Shock (Basis Points)	100 bpts
Board Limit	15
Over Board Limit?	Yes
Regulatory Limit	15
Over Regulatory Limit?	Yes

Economic Value at Risk (EVR) Exposure	
Exposed To	Falling Rates
Exposure Amount (Basis Points)	9.2 bpts
Exposure Amount (Dollars)	\$60.3
Board Limit	Not Applicable
Over Board Limit?	Not Applicable

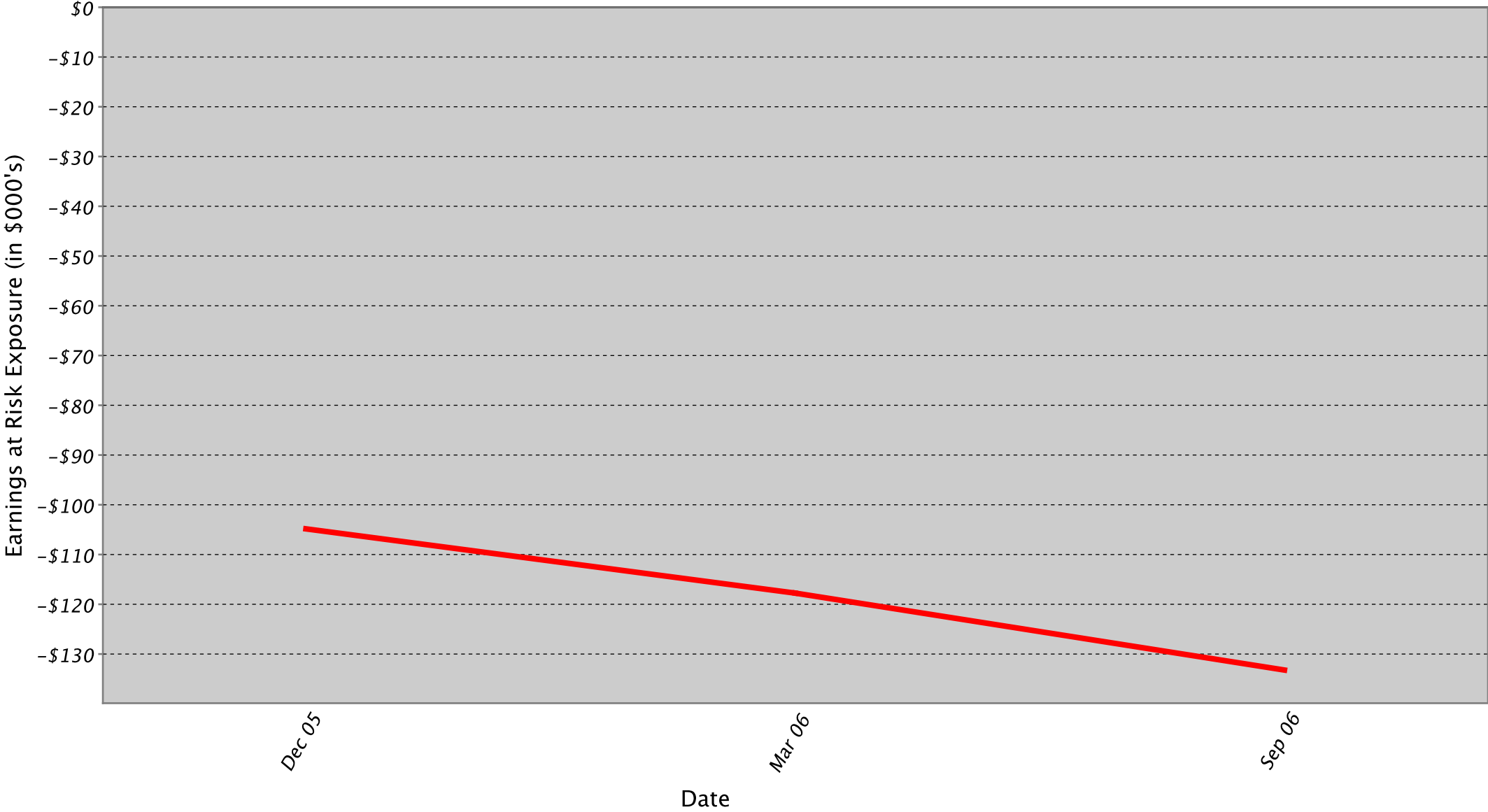


Example Credit Union

Canadian Asset/Liability Management System

1. Summary and History Reports
 - a) Summary
 - b) [History](#)

Example Credit Union Limited
Graph Earnings at Risk (EAR) Exposure (in \$000's)
As of Sep 30, 2006





Example Credit Union

Canadian Asset/Liability Management System

2. Interest Rate Risk Analyses

- a) Earnings at Risk (EAR)
- b) Economic Value at Risk (EVR)

Example Credit Union Limited

Earnings at Risk Exposure Matrix (in \$000's)

As of Sep 30, 2006

Interest Rate Risk Exposure								
Shock Start Date	Exposed To	Amount (BPts)	Amount (\$)	Shock Test (BPts)	Over BOD Limit	Over Reg. Limit	CAMEL Score	CAMEL Tier
30-Sep-06	Falling	20.4	\$133.22	-100	Yes	Yes	2.5	4

Net Interest Income Exposed			
Rate Shock	Fixed	Variable	Total
3.00%	-\$291.1	\$639.5	\$348.4
2.00%	-\$194.1	\$426.3	\$232.3
1.00%	-\$97.0	\$213.2	\$116.1
Forecasted Net Interest	\$876.0	\$1,649.2	\$2,525.2
-1.00%	\$80.0	-\$213.2	-\$133.2
-2.00%	\$139.6	-\$410.3	-\$270.6
-3.00%	\$166.0	-\$607.7	-\$441.8

Percent of Assets Exposed			
Rate Shock	Fixed	Variable	Total
3.00%	-0.45%	0.98%	0.53%
2.00%	-0.30%	0.65%	0.36%
1.00%	-0.15%	0.33%	0.18%
Forecasted Financial Margin	1.34%	2.53%	3.87%
-1.00%	0.12%	-0.33%	-0.20%
-2.00%	0.21%	-0.63%	-0.42%
-3.00%	0.25%	-0.93%	-0.68%

Example Credit Union Limited

Liquidity (in \$000's)

As of Sep 30, 2006

Liquid Account	Section 16	Section 17	Section 18	
Liquidity Deposits		\$4,314		
Cash	\$982			
CUCO Current Account	\$2,141			
CIBC Wood Gundy	\$9			
CUCO US Account	\$56			
				Grand Total
Total	\$3,188	\$4,314		\$7,502
% of Deposits & Borrowings	5.86%	7.93%		13.79%

Total Deposits	\$54,390
Short Borrowings	
Term Borrowings	
Total Deposits & Borrowings	\$54,390

Member of a Liquidity Pool? Yes

Liquidity Tests	Actual	Required	Pass/Fail	Requirement
Section 16	\$3,188 5.86%	\$544 1.00%	Pass	Must be greater than 1% of deposits and borrowings.
Section 17	\$7,502 13.79%	\$2,720 5.00%	Pass	Must be greater than 5% of deposits and borrowings.
Section 18	\$7,502 13.79%	\$5,439 10.00%	Pass	Must be greater than 10% of deposits and borrowings.
Section 21 (Borrowing)	\$7,502 13.79%	\$3,263 6.00%	Pass	Must pass borrowing test. 6% of Deposits & Borrowings

Example Credit Union Limited
Contribution Margin - Assets (in \$000's)
As of Sep 30, 2006

Account Name	Amount	Yield	Mix	Revenue	Margin
Fixed Rate Accounts					
Liquidity Deposits	\$ 4,314	3.97 %	6.62 %	\$ 171	0.26 %
Central Shares	\$ 370	2.00 %	0.57 %	\$ 7	0.01 %
Concentra Shares	\$ 14	0.00 %	0.02 %	\$ 0	0.00 %
Personal Loans Fixed	\$ 2,188	7.73 %	3.36 %	\$ 169	0.26 %
Mortgages - Fixed Rate	\$ 28,259	5.76 %	43.35 %	\$ 1,629	2.50 %
Concentra Mortgage Pool	\$ 4,933	4.76 %	7.57 %	\$ 235	0.36 %
Core Assets	\$ 0	0.00 %	0.00 %	\$ 0	0.00 %
Interest Rate Swaps - Receiving	\$ 0	0.00 %	0.00 %	\$ 0	0.00 %
Total Fixed Rate	\$ 40,078	5.52 %	61.47 %	\$ 2,211	3.39 %
Variable Rate Accounts					
CIBC Wood Gundy	\$ 9	2.00 %	0.01 %	\$ 0	0.00 %
CUCO Current Account	\$ 2,141	1.50 %	3.28 %	\$ 32	0.05 %
CUCO US Account	\$ 56	0.00 %	0.09 %	\$ 0	0.00 %
Personal Loans Variable	\$ 9,016	9.05 %	13.83 %	\$ 816	1.25 %
Line of Credit Loans - PC	\$ 2,886	7.37 %	4.43 %	\$ 213	0.33 %
Line of Credit-Combination	\$ 5,388	7.37 %	8.26 %	\$ 397	0.61 %
Line Of Credit Loans-Business	\$ 1,235	7.37 %	1.89 %	\$ 91	0.14 %
Mortgages Variable	\$ 1,914	7.15 %	2.94 %	\$ 137	0.21 %
Total Variable Rate	\$ 22,646	7.45 %	34.73 %	\$ 1,686	2.59 %
Non-Interest Rate Sensitive					
Cash	\$ 982		1.51 %		
Con Mtge Pool Invest Premium	\$ 66		0.10 %		
Suspense and Other Assets	-\$ 917		-1.41 %		
Accrued Interest Receivable-Loans	\$ 70		0.11 %		
Accrued Interest - Liquidity Deposit	\$ 81		0.12 %		
PrePaid Expense	\$ 497		0.76 %		
Provision for Loan Losses	-\$ 188		-0.29 %		
Net Fixed Assets	\$ 1,881		2.89 %		
Total Non-Interest Rate Sensitive	\$ 2,472	0.00 %	3.79 %	\$ 0	0.00 %
Grand Total Assets	\$ 65,195	5.98 %	100.00 %	\$ 3,897	5.98 %
Total Assets less Total Liabilities	\$ 0	3.87 %		\$ 2,525	3.87 %

Note: Swaps are excluded from the Amounts totals, but are included for the Revenue and Margin totals

Example Credit Union Limited
Contribution Margin - Liabilities (in \$000's)
As of Sep 30, 2006

Account Name	Amount	Yield	Mix	Expense	Margin
Fixed Rate Accounts					
CUCO Term Loan	\$ 6,100	4.65 %	9.36 %	\$ 284	0.44 %
Term Deposits	\$ 17,160	2.87 %	26.32 %	\$ 492	0.76 %
Term Deposit Index Linked	\$ 784	3.22 %	1.20 %	\$ 25	0.04 %
Index Linked RRSP	\$ 3,502	3.33 %	5.37 %	\$ 117	0.18 %
Fixed RRSP	\$ 7,049	3.21 %	10.81 %	\$ 226	0.35 %
Fixed RRIF	\$ 3,228	3.27 %	4.95 %	\$ 105	0.16 %
Core Deposits	\$ 16,045	0.21 %	24.61 %	\$ 34	0.05 %
Ownership Shares	\$ 619	1.25 %	0.95 %	\$ 8	0.01 %
RRSP Investment Shares	\$ 612	4.25 %	0.94 %	\$ 26	0.04 %
Term Investment Shares	\$ 433	4.25 %	0.66 %	\$ 18	0.03 %
Core Equities	\$ 2,345	0.00 %	3.60 %	\$ 0	0.00 %
Interest Rate Swaps - Paying	\$ 0	0.00 %	0.00 %	\$ 0	0.00 %
Total Fixed Rate	\$ 57,876	2.31 %	88.77 %	\$ 1,335	2.05 %
Variable Rate Accounts					
CUCO Current Account - Overdraught	\$ 0	0.00 %	0.00 %	\$ 0	0.00 %
Business Account	\$ 1,000	2.50 %	1.53 %	\$ 25	0.04 %
Plan 24	\$ 1,124	0.50 %	1.72 %	\$ 6	0.01 %
CAIS Deposits	\$ 0	0.00 %	0.00 %	\$ 0	0.00 %
Money Maker	\$ 92	0.10 %	0.14 %	\$ 0	0.00 %
Combination Account	\$ 1,421	0.10 %	2.18 %	\$ 1	0.00 %
US Savings	\$ 66	0.00 %	0.10 %	\$ 0	0.00 %
Var RRSP	\$ 688	0.50 %	1.06 %	\$ 3	0.01 %
Var RRIF	\$ 250	0.50 %	0.38 %	\$ 1	0.00 %
Total Variable Rate	\$ 4,642	0.79 %	7.12 %	\$ 37	0.06 %
Non-Interest Rate Sensitive					
Life Insured	\$ 42		0.06 %		
Chequing	\$ 1,320		2.02 %		
Business Account - noninterest	\$ 887		1.36 %		
Income Tax Accrual	\$ 5		0.01 %		
Payables - Various	\$ 136		0.21 %		
Accrued Interest Payable	\$ 280		0.43 %		
Concentra Mortgage Contra	\$ 8		0.01 %		
Undivided Earnings	\$ 0		0.00 %		
Undivided Earnings - Year to Date	\$ 0		0.00 %		
Total Non-Interest Rate Sensitive	\$ 2,677	0.00 %	4.11 %	\$ 0	0.00 %
Grand Total Liabilities	\$ 65,195	2.10 %	100.00 %	\$ 1,372	2.10 %
Total Assets less Total Liabilities	\$ 0	3.87 %		\$ 2,525	3.87 %

Note: Swaps are excluded from the Amounts totals, but are included for the Revenue and Margin totals

Example Credit Union Limited

Core Deposit Allocations (in \$000's)

As of Sep 30, 2006

Total Core Deposits	\$18,390
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Variable Rate Accounts Schedule			
Account Name	Original Amount	Core Amount	Adjusted Amount
<u>Variable Rate Liabilities</u>			
Plan 24	\$6,553	\$5,429	\$1,124
Money Maker	\$468	\$376	\$92
Combination Account	\$5,587	\$4,165	\$1,421
Var RRSP	\$969	\$281	\$688
Var RRIF	\$352	\$102	\$250
Total	\$13,929	\$10,353	\$3,576
Amount of Variable Core		\$10,353	

Non-Interest Rate Sensitive Accounts Schedule			
Account Name	Original Amount	Core Amount	Adjusted Amount
<u>Non-Interest Rate Sensitive Liabilities</u>			
Life Insured	\$142	\$100	\$42
Chequing	\$5,188	\$3,868	\$1,320
Business Account - noninterest	\$2,342	\$1,455	\$887
Payables - Various	\$232	\$96	\$136
Accrued Interest Payable	\$452	\$172	\$280
Total	\$8,356	\$5,692	\$2,664
<u>Non-Interest Rate Sensitive Equities</u>			
Undivided Earnings	\$2,038	\$2,038	\$0
Undivided Earnings - Year to Date	\$306	\$306	\$0
Total	\$2,345	\$2,345	\$0
Amount of Non-Interest Core		\$8,037	

Total Core Deposits	\$18,390
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Example Credit Union Limited

Core Deposit Allocations (in \$000's)

As of Sep 30, 2006

Core Deposit Amounts excluding Equity				
Period	% Allocated	Amount	Per Month	Rate
Year 1	25%	\$4,011	\$334	0.209%
Years 2 - 5	75%	\$12,034	\$251	0.209%
Years > 5	0%	\$0	\$0	0.000%
Total		\$16,045		

Core Deposit Equity Component				
Period	% Allocated	Amount	Per Month	Rate
60	100%	\$2,345	\$2,345	0.000%

Example Credit Union Limited
Non-Interest Rate Sensitive (in \$000's)
As of Sep 30, 2006

Non-Interest Rate Sensitive Assets	
Account Name	Amount
Cash	\$982
Con Mtge Pool Invest Premium	\$66
Suspense and Other Assets	-\$917
Accrued Interest Receivable-Loans	\$70
Accrued Interest - Liquidity Deposit	\$81
PrePaid Expense	\$497
Provision for Loan Losses	-\$188
Net Fixed Assets	\$1,881
Total	\$2,472

Non-Interest Rate Sensitive Liabilities	
Account Name	Amount
Life Insured	\$42
Chequing	\$1,320
Business Account - noninterest	\$887
Income Tax Accrual	\$5
Payables - Various	\$136
Accrued Interest Payable	\$280
Concentra Mortgage Contra	\$8
Total	\$2,677

Non-Interest Rate Sensitive Assets	\$2,472
- Non-Interest Rate Sensitive	\$2,677
- Non-Interest Rate Sensitive Equity	\$0
Non-Interest Rate Sensitive Mismatch	-\$205

Non-Interest Rate Sensitive Equity	
Account Name	Amount
Undivided Earnings	\$0
Undivided Earnings - Year to Date	\$0
Total	\$0

Example Credit Union Limited

Variable Rate (in \$000's)

As of Sep 30, 2006

Variable Rate Assets		
Account Name	Amount	Rate
CIBC Wood Gundy	\$9	2.00%
CUCO Current Account	\$2,141	1.50%
CUCO US Account	\$56	0.00%
Personal Loans Variable	\$9,016	9.05%
Line of Credit Loans - PC	\$2,886	7.37%
Line of Credit-Combination	\$5,388	7.37%
Line Of Credit Loans-Business	\$1,235	7.37%
Mortgages Variable	\$1,914	7.15%
Total	\$22,646	7.45%

Variable Rate Liabilities		
Account Name	Amount	Rate
CUCO Current Account - Business Account	\$0	0.00%
Plan 24	\$1,000	2.50%
CAIS Deposits	\$1,124	0.50%
Money Maker	\$0	0.00%
Combination Account	\$92	0.10%
US Savings	\$1,421	0.10%
Var RRSP	\$66	0.00%
Var RRIF	\$688	0.50%
	\$250	0.50%
Total	\$4,642	0.79%

Variable Rate Assets	\$22,646
- Variable Rate Liabilities	\$4,642
- Variable Rate Equity	\$0

Variable Mismatch \$18,004

Variable Rate Equities		
Account Name	Amount	Rate
Total	\$0	0.00%

Example Credit Union Limited
Fixed Rate by Maturity Date (in \$000's)
As of Sep 30, 2006

Fixed Accounts Detail - Including Derivatives							
Period	Maturity Date	Assets		Liabilities		Mismatch	
		Amount	Rate	Amount	Rate	Amount	Rate
1	Oct-06	\$2,574	5.04%	\$10,004	3.42%	-\$7,430	1.62%
2	Nov-06	\$870	5.70%	\$1,834	1.98%	-\$964	3.72%
3	Dec-06	\$1,170	6.49%	\$1,319	2.02%	-\$148	4.47%
4	Jan-07	\$936	4.96%	\$1,424	1.99%	-\$488	2.97%
5	Feb-07	\$2,231	4.14%	\$1,699	2.40%	\$532	1.74%
6	Mar-07	\$1,193	5.88%	\$2,753	2.82%	-\$1,561	3.06%
7	Apr-07	\$1,339	4.91%	\$1,469	2.51%	-\$130	2.39%
8	May-07	\$484	6.06%	\$1,095	2.30%	-\$611	3.76%
9	Jun-07	\$798	5.88%	\$1,413	2.88%	-\$614	3.00%
10	Jul-07	\$1,593	5.38%	\$1,178	2.75%	\$416	2.63%
11	Aug-07	\$867	6.02%	\$2,162	1.87%	-\$1,294	4.15%
12	Sep-07	\$762	6.27%	\$2,020	2.45%	-\$1,258	3.82%
13	Oct-07	\$432	5.58%	\$1,128	1.67%	-\$696	3.90%
14	Nov-07	\$713	6.16%	\$703	2.37%	\$10	3.79%
15	Dec-07	\$306	6.03%	\$896	3.04%	-\$590	3.00%
16	Jan-08	\$362	6.03%	\$1,482	2.73%	-\$1,119	3.30%
17	Feb-08	\$404	6.12%	\$1,409	3.19%	-\$1,005	2.93%
18	Mar-08	\$556	5.98%	\$1,312	3.11%	-\$757	2.87%
19	Apr-08	\$359	6.00%	\$586	2.42%	-\$228	3.57%
20	May-08	\$459	6.01%	\$1,205	3.25%	-\$746	2.76%
21	Jun-08	\$898	5.86%	\$704	2.56%	\$194	3.30%
22	Jul-08	\$599	5.76%	\$449	1.48%	\$150	4.28%
23	Aug-08	\$631	5.59%	\$654	2.15%	-\$22	3.43%
24	Sep-08	\$405	5.47%	\$1,130	2.66%	-\$725	2.81%
25	Oct-08	\$527	5.90%	\$512	1.91%	\$14	3.99%
26	Nov-08	\$811	5.67%	\$635	2.61%	\$176	3.07%
27	Dec-08	\$478	6.14%	\$568	1.81%	-\$90	4.33%
28	Jan-09	\$306	5.59%	\$378	1.20%	-\$71	4.39%
29	Feb-09	\$334	5.92%	\$376	1.17%	-\$41	4.75%
30	Mar-09	\$605	5.91%	\$1,341	2.42%	-\$736	3.49%
31	Apr-09	\$405	5.52%	\$314	0.70%	\$91	4.83%
32	May-09	\$720	5.78%	\$516	1.93%	\$204	3.85%
33	Jun-09	\$753	5.62%	\$554	1.91%	\$199	3.71%
34	Jul-09	\$426	6.35%	\$464	1.67%	-\$38	4.68%
35	Aug-09	\$926	5.90%	\$290	0.61%	\$636	5.29%
36	Sep-09	\$356	6.27%	\$365	0.93%	-\$9	5.34%
37	Oct-09	\$349	5.61%	\$351	1.92%	-\$3	3.69%
38	Nov-09	\$213	5.46%	\$484	1.88%	-\$271	3.58%
39	Dec-09	\$352	5.76%	\$409	1.61%	-\$57	4.14%
40	Jan-10	\$123	5.51%	\$342	1.54%	-\$219	3.97%
41	Feb-10	\$3,545	4.83%	\$386	1.31%	\$3,159	3.52%
42	Mar-10	\$316	5.93%	\$572	2.06%	-\$256	3.87%

Example Credit Union Limited
Fixed Rate by Maturity Date (in \$000's)
As of Sep 30, 2006

Fixed Accounts Detail - Including Derivatives							
Period	Maturity Date	Assets		Liabilities		Mismatch	
		Amount	Rate	Amount	Rate	Amount	Rate
43	Apr-10	\$325	5.75%	\$310	0.69%	\$15	5.06%
44	May-10	\$316	5.50%	\$349	1.27%	-\$33	4.23%
45	Jun-10	\$417	5.41%	\$367	1.17%	\$50	4.25%
46	Jul-10	\$596	5.42%	\$282	0.56%	\$314	4.86%
47	Aug-10	\$611	5.47%	\$315	0.77%	\$296	4.70%
48	Sep-10	\$464	5.61%	\$354	0.91%	\$110	4.71%
49	Oct-10	\$376	4.48%	\$400	1.02%	-\$24	3.45%
50	Nov-10	\$381	5.74%	\$300	0.88%	\$81	4.86%
51	Dec-10	\$457	5.68%	\$1,206	3.26%	-\$749	2.42%
52	Jan-11	\$290	5.70%	\$296	0.83%	-\$5	4.87%
53	Feb-11	\$270	3.06%	\$291	0.85%	-\$22	2.21%
54	Mar-11	\$487	5.49%	\$397	1.25%	\$90	4.24%
55	Apr-11	\$479	5.94%	\$260	0.41%	\$219	5.53%
56	May-11	\$325	5.73%	\$291	0.96%	\$34	4.76%
57	Jun-11	\$645	5.89%	\$361	1.05%	\$284	4.84%
58	Jul-11	\$380	6.09%	\$257	0.39%	\$123	5.69%
59	Aug-11	\$561	6.02%	\$265	0.43%	\$296	5.59%
60	Sep-11	\$210	6.25%	\$2,691	0.17%	-\$2,481	6.07%
Total		\$40,078	5.52%	\$57,876	2.31%	-\$17,798	3.21%

Example Credit Union Limited
Summary of Fixed Rate by Maturity Date (in \$000's)
As of Sep 30, 2006

Fixed Accounts Summary - Including Derivatives						
Period	Assets		Liabilities		Mismatch	
	Amount	Rate	Amount	Rate	Amount	Rate
Up to 1 year	\$14,819	5.34%	\$28,369	2.74%	-\$13,550	2.60%
2 Years	\$6,124	5.88%	\$11,659	2.67%	-\$5,535	3.21%
3 Years	\$6,648	5.86%	\$6,312	1.80%	\$336	4.06%
4 Years	\$7,627	5.23%	\$4,521	1.39%	\$3,106	3.84%
5 Years	\$4,860	5.58%	\$7,015	1.00%	-\$2,155	4.58%
6 to 10 years	\$0	0.00%	\$0	0.00%	\$0	0.00%
Over 10 Years	\$0	0.00%	\$0	0.00%	\$0	0.00%
Total	\$40,078	5.52%	\$57,876	2.31%	-\$17,798	3.21%

Example Credit Union Limited

Fixed Rate Summary by Account Group (in \$000's)

As of Sep 30, 2006

Account Group	Oct-06		Nov-06		Dec-06		Jan-07		Feb-07		Mar-07		Apr-07		May-07		Jun-07		Jul-07		Aug-07		Sep-07		Total Year 1			
	Month 1		Month 2		Month 3		Month 4		Month 5		Month 6		Month 7		Month 8		Month 9		Month 10		Month 11		Month 12		Amount	Rate		
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate		
Fixed Rate Assets																												
Cash and Short Term	\$1,126	3.87%	\$0	0.00%	\$0	0.00%	\$467	3.81%	\$1,233	3.91%	\$0	0.00%	\$802	4.08%	\$0	0.00%	\$0	0.00%	\$687	4.21%	\$0	0.00%	\$0	0.00%	\$4,314	3.97%		
Long Term Investments (Over	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$383	1.93%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$383	1.93%		
Other Non-Mortgage Loans	\$124	7.74%	\$102	7.91%	\$97	7.85%	\$94	7.84%	\$91	7.84%	\$88	7.78%	\$86	7.78%	\$83	7.75%	\$80	7.74%	\$74	7.78%	\$72	7.74%	\$70	7.72%	\$1,060	7.79%		
Residential Mortgage Loans	\$1,324	5.78%	\$768	5.40%	\$1,074	6.37%	\$375	5.68%	\$524	5.65%	\$1,104	5.73%	\$452	5.83%	\$401	5.71%	\$719	5.68%	\$833	6.13%	\$796	5.86%	\$693	6.12%	\$9,062	5.86%		
Core Assets	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Derivatives Receiving	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Fixed Rate Assets	\$2,574	5.04%	\$870	5.70%	\$1,170	6.49%	\$936	4.96%	\$2,231	4.14%	\$1,193	5.88%	\$1,339	4.91%	\$484	6.06%	\$798	5.88%	\$1,593	5.38%	\$867	6.02%	\$762	6.27%	\$14,819	5.34%		
Fixed Rate Liabilities & Equities																												
Borrowings	\$6,100	4.65%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$6,100	4.65%		
Term deposits	\$2,091	1.45%	\$980	2.37%	\$607	2.52%	\$619	2.62%	\$740	2.98%	\$1,054	2.93%	\$676	2.97%	\$486	3.21%	\$587	3.73%	\$550	3.66%	\$1,493	1.91%	\$1,016	2.71%	\$10,899	2.49%		
Registered Plans/Funds	\$860	2.28%	\$520	2.38%	\$315	2.53%	\$471	2.44%	\$624	2.88%	\$1,365	3.38%	\$458	3.51%	\$275	3.25%	\$492	3.69%	\$293	3.94%	\$334	3.35%	\$671	3.18%	\$6,677	3.04%		
Core Liabilities	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$334	0.21%	\$4,011	0.21%
Membership Share Capital	\$619	1.25%	\$0	0.00%	\$63	4.25%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$682	1.53%		
Core Equity	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Derivatives Paying	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Fixed Rate Liabilities & Equities	\$10,004	3.42%	\$1,834	1.98%	\$1,319	2.02%	\$1,424	1.99%	\$1,699	2.40%	\$2,753	2.82%	\$1,469	2.51%	\$1,095	2.30%	\$1,413	2.88%	\$1,178	2.75%	\$2,162	1.87%	\$2,020	2.45%	\$28,369	2.74%		
Net Mismatch	-\$7,430		-\$964		-\$148		-\$488		\$532		-\$1,561		-\$130		-\$611		-\$614		\$416		-\$1,294		-\$1,258		-\$13,55			
Cumulative Mismatch	-\$7,430		-\$8,394		-\$8,542		-\$9,030		-\$8,498		-\$10,05		-\$10,18		-\$10,79		-\$11,41		-\$10,99		-\$12,29		-\$13,55		-\$13,55			

Example redit Union Limited
Fixed Rate Summary by Account Group (in \$000's)
As of Sep 30, 2006

Account Group	Year 1		Year 2		Year 3		Year 4		Year 5		Years 5 to 10		Over 10 Years		Grand Total	
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate
Fixed Rate Assets																
Cash and Short Term	\$4,314	3.97%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$4,314	3.97%
Long Term Investments (Over	\$383	1.93%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$383	1.93%
Other Non-Mortgage Loans	\$1,060	7.79%	\$665	7.66%	\$359	7.72%	\$97	7.49%	\$7	8.72%	\$0	0.00%	\$0	0.00%	\$2,188	7.73%
Residential Mortgage Loans	\$9,062	5.86%	\$5,459	5.66%	\$6,288	5.75%	\$7,530	5.20%	\$4,853	5.58%	\$0	0.00%	\$0	0.00%	\$33,192	5.61%
Core Assets	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Derivatives Receiving	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Fixed Rate Assets	\$14,819	5.34%	\$6,124	5.88%	\$6,648	5.86%	\$7,627	5.23%	\$4,860	5.58%	\$0	0.00%	\$0	0.00%	\$40,078	5.52%

Fixed Rate Liabilities & Equities																
Borrowings	\$6,100	4.65%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$6,100	4.65%
Term deposits	\$10,899	2.49%	\$4,799	3.39%	\$1,308	3.35%	\$584	4.16%	\$354	4.19%	\$0	0.00%	\$0	0.00%	\$17,944	2.88%
Registered Plans/Funds	\$6,677	3.04%	\$3,792	3.68%	\$1,940	3.16%	\$877	3.40%	\$492	2.99%	\$0	0.00%	\$0	0.00%	\$13,779	3.25%
Core Liabilities	\$4,011	0.21%	\$3,009	0.21%	\$3,009	0.21%	\$3,009	0.21%	\$3,009	0.21%	\$0	0.00%	\$0	0.00%	\$16,045	0.21%
Membership Share Capital	\$682	1.53%	\$59	4.25%	\$55	4.25%	\$52	4.25%	\$816	4.25%	\$0	0.00%	\$0	0.00%	\$1,664	3.13%
Core Equity	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$2,345	0.00%	\$0	0.00%	\$0	0.00%	\$2,345	0.00%
Derivatives Paying	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Fixed Rate Liabilities & Equities	\$28,369	2.74%	\$11,659	2.67%	\$6,312	1.80%	\$4,521	1.39%	\$7,015	1.00%	\$0	0.00%	\$0	0.00%	\$57,876	2.31%

Net Mismatch	-\$13,55	-\$5,535	\$336	\$3,106	-\$2,155	\$0	\$0	-\$17,79	3.21%
Cumulative Mismatch	-\$13,55	-\$19,08	-\$18,74	-\$15,64	-\$17,79	-\$17,79	-\$17,79	-\$17,79	

Example Credit Union Limited

Balance Sheet Mix (in \$000's)

As of Sep 30, 2006

Excluding Swaps

Assets			
Account Group	Amount	Rate	% of Total
Cash and Short Term Investments	\$7,502	2.71%	12%
Long Term Investments (Over 1 Year)	\$383	1.93%	1%
Personal Non-Mortgage Loans	\$17,291	8.25%	27%
Other Non-Mortgage Loans	\$3,423	7.60%	5%
Residential Mortgage Loans	\$35,173	5.69%	54%
Other Assets	\$1,423	0.00%	2%
Core Assets	\$0	0.00%	0%
Total Assets	\$65,195	5.98%	100%

Liabilities & Equity			
Account Group	Amount	Rate	% of Total
Borrowings	\$6,100	4.65%	9%
Demand and Other Deposits	\$5,952	0.54%	9%
Term deposits	\$17,944	2.88%	28%
Registered Plans/Funds	\$14,717	3.08%	23%
Accounts Payable and Other Liabilities	\$428	0.00%	1%
Core Liabilities	\$16,045	0.21%	25%
Membership Share Capital	\$1,664	3.13%	3%
Reserves (Surplus as of the Prior Year)	\$0	0.00%	0%
Core Equity	\$2,345	0.00%	4%
Total Liabilities & Equity	\$65,195	2.10%	100%

Net Balance	\$0
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Example Credit Union Limited

Balance Sheet Mix (in \$000's)

As of Sep 30, 2006

Including Swaps

Assets			
Account Group	Amount	Rate	% of Total
Cash and Short Term Investments	\$7,502	2.71%	12%
Long Term Investments (Over 1 Year)	\$383	1.93%	1%
Personal Non-Mortgage Loans	\$17,291	8.25%	27%
Other Non-Mortgage Loans	\$3,423	7.60%	5%
Residential Mortgage Loans	\$35,173	5.69%	54%
Other Assets	\$1,423	0.00%	2%
Core Assets	\$0	0.00%	0%
Derivatives Receiving	\$0	0.00%	0%
Total Assets	\$65,195	5.98%	100%

Liabilities & Equity			
Account Group	Amount	Rate	% of Total
Borrowings	\$6,100	4.65%	9%
Demand and Other Deposits	\$5,952	0.54%	9%
Term deposits	\$17,944	2.88%	28%
Registered Plans/Funds	\$14,717	3.08%	23%
Accounts Payable and Other Liabilities	\$428	0.00%	1%
Core Liabilities	\$16,045	0.21%	25%
Membership Share Capital	\$1,664	3.13%	3%
Reserves (Surplus as of the Prior Year)	\$0	0.00%	0%
Core Equity	\$2,345	0.00%	4%
Derivatives Paying	\$0	0.00%	0%
Total Liabilities & Equity	\$65,195	2.10%	100%

Net Balance	\$0
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Example Credit Union Limited

Rate Type Mix (in \$000's)

As of Sep 30, 2006

Excluding Swaps

Assets			
Rate Type	Amount	Rate	% of Total
Fixed Rate	\$40,078	5.52%	61%
Variable Rate	\$22,646	7.45%	35%
Non-Interest Rate Sensitive	\$2,472		4%
Total	\$65,195	5.98%	100%

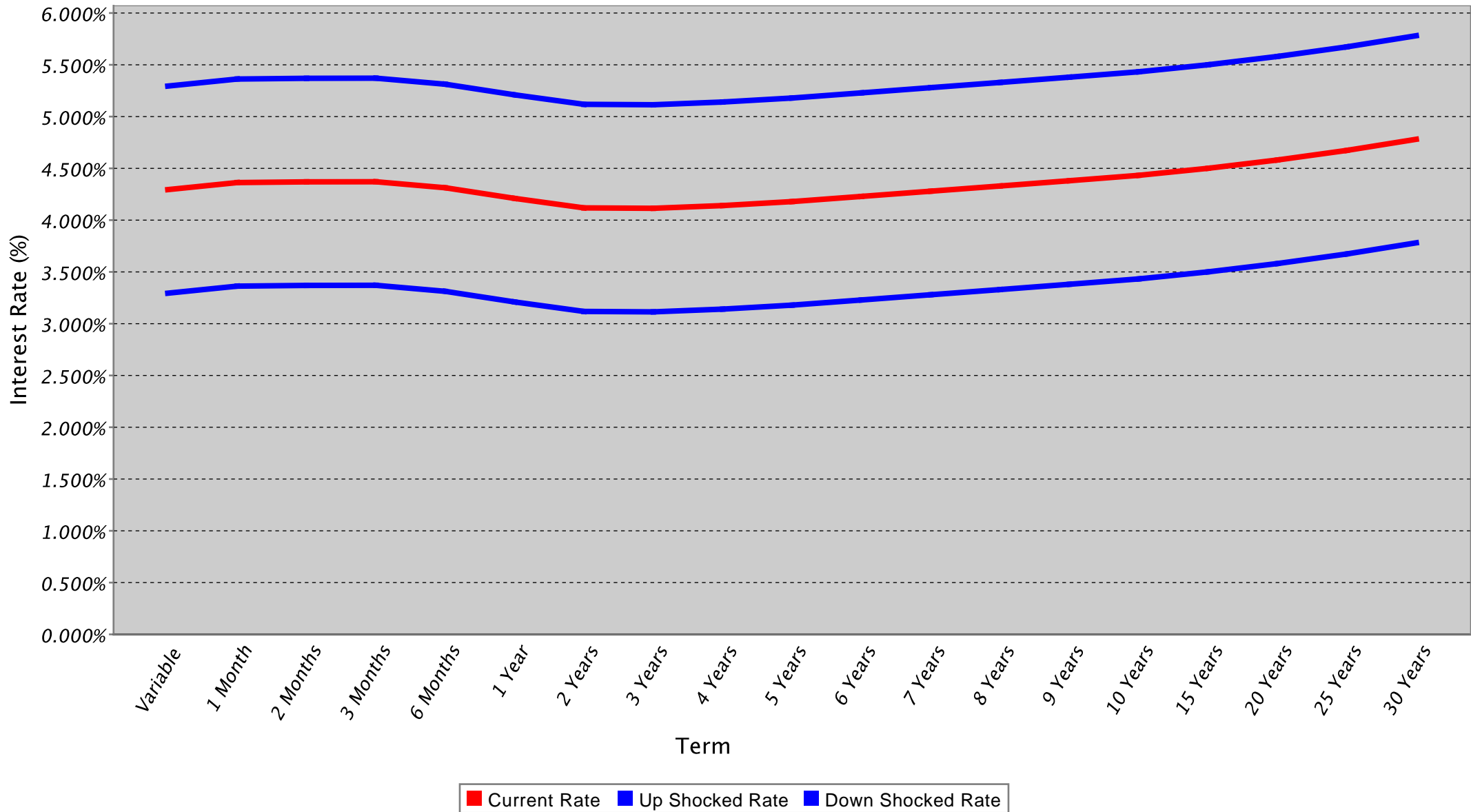
Liabilities & Equity			
Rate Type	Amount	Rate	% of Total
Fixed Rate	\$57,876	2.31%	89%
Variable Rate	\$4,642	0.79%	7%
Non-Interest Rate Sensitive	\$2,677		4%
Total	\$65,195	2.10%	100%

Including Swaps

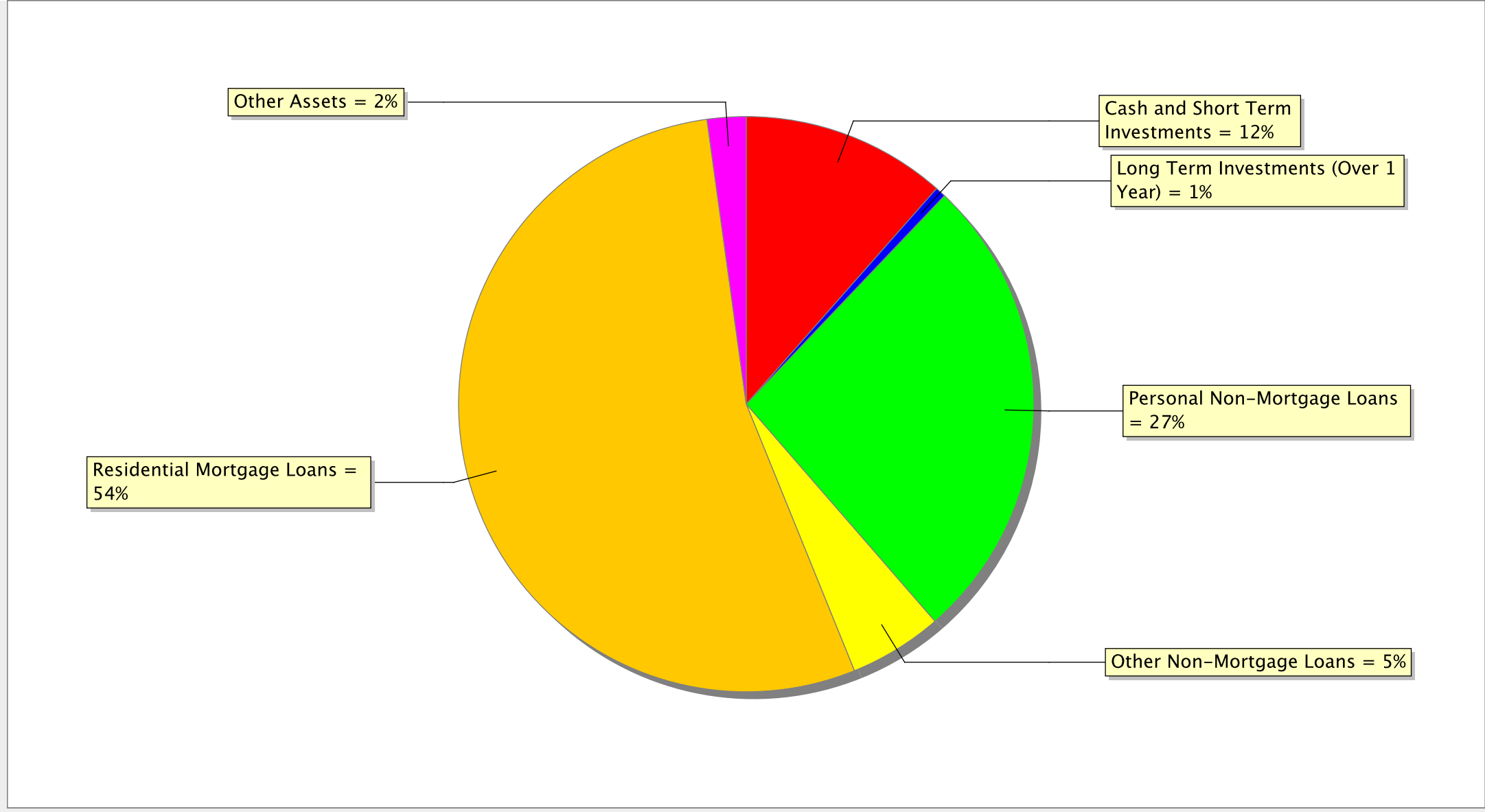
Assets			
Rate Type	Amount	Rate	% of Total
Fixed Rate	\$40,078	5.52%	61%
Variable Rate	\$22,646	7.45%	35%
Non-Interest Rate Sensitive	\$2,472		4%
Total	\$65,195	5.98%	100%

Liabilities & Equity			
Rate Type	Amount	Rate	% of Total
Fixed Rate	\$57,876	2.31%	89%
Variable Rate	\$4,642	0.79%	7%
Non-Interest Rate Sensitive	\$2,677		4%
Total	\$65,195	2.10%	100%

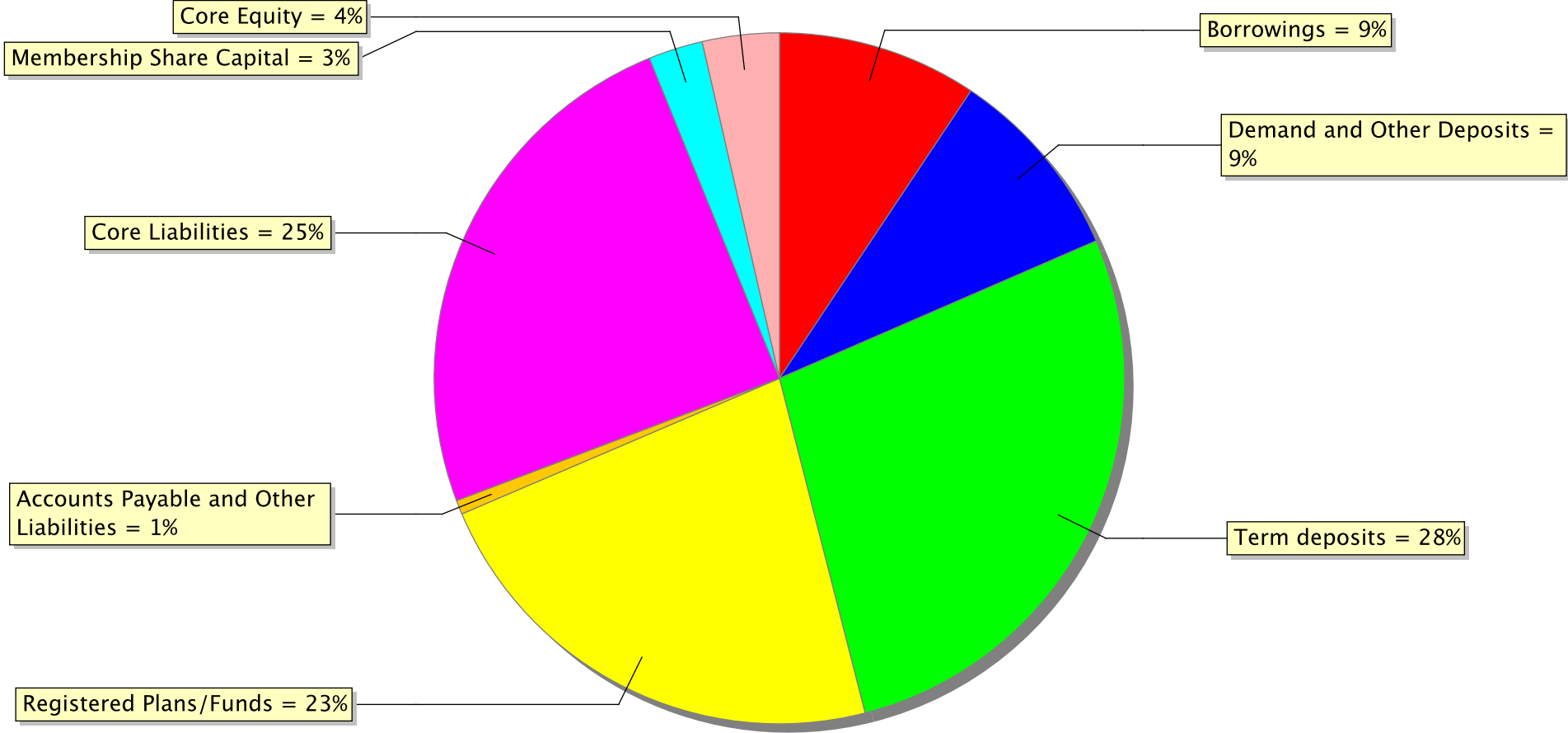
Example Credit Union Limited Graph Rate Shocks As of Sep 30, 2006



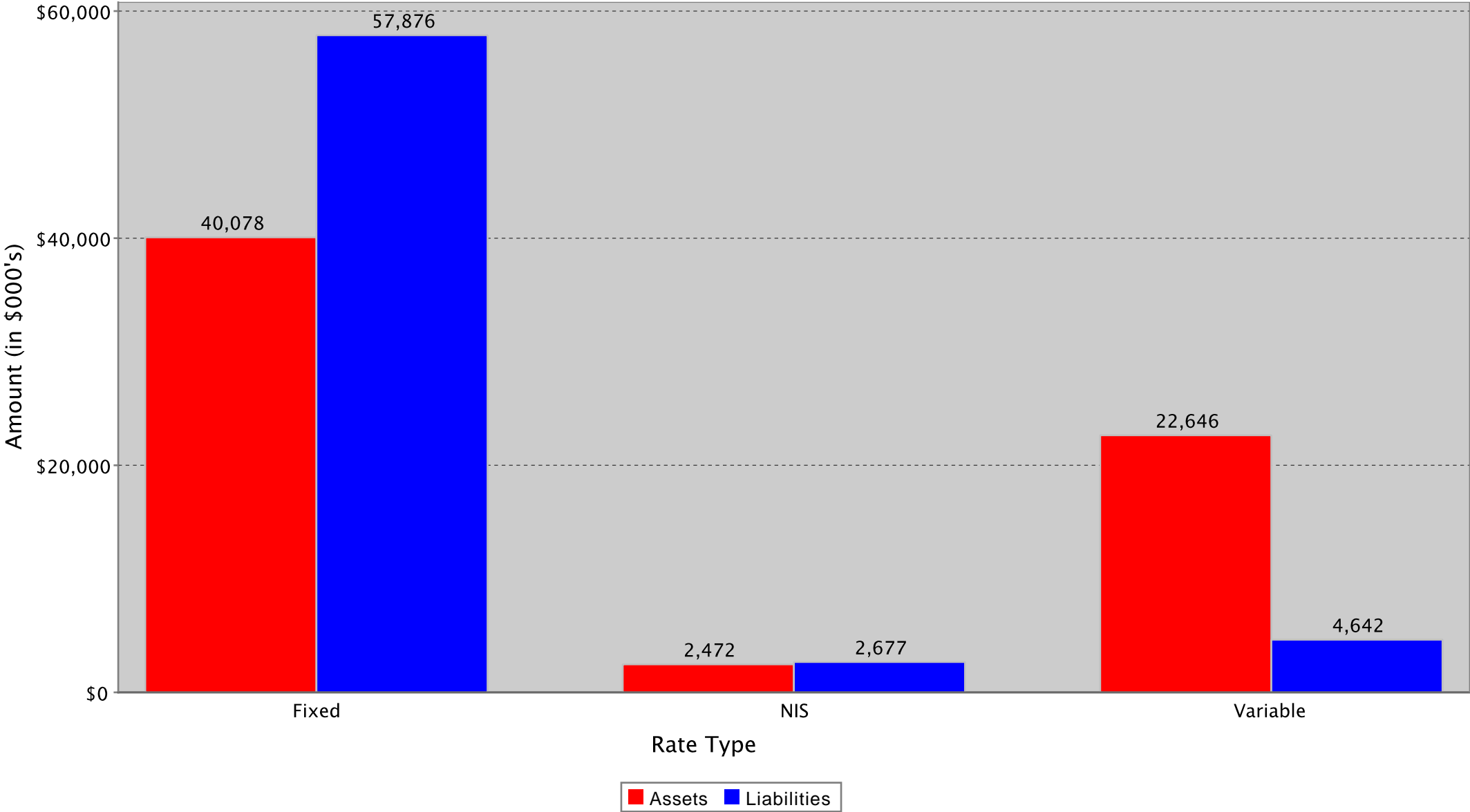
Example Credit Union Limited Graph Asset Mix As of Sep 30, 2006



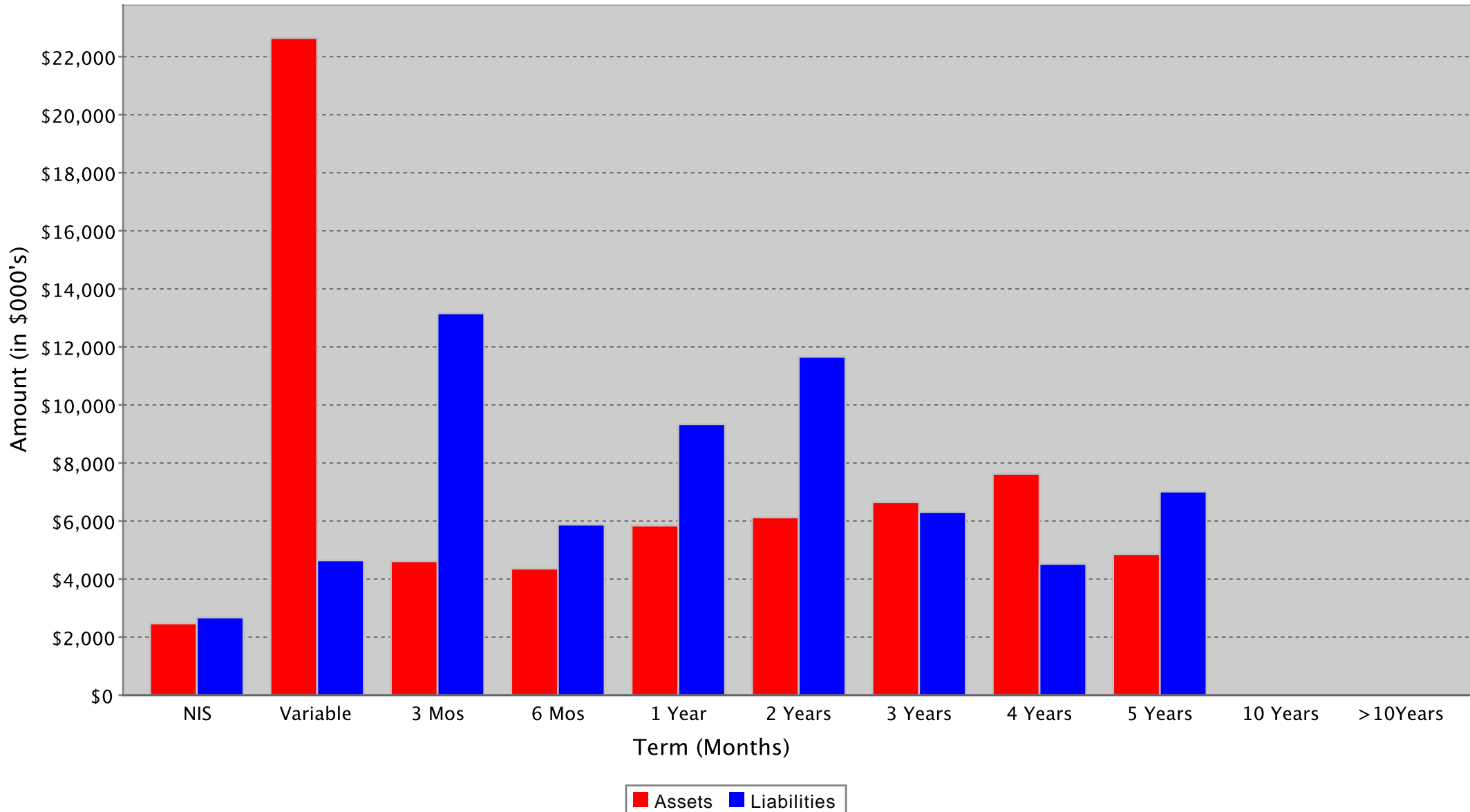
Example Credit Union Limited Graph Liability Mix As of Sep 30, 2006



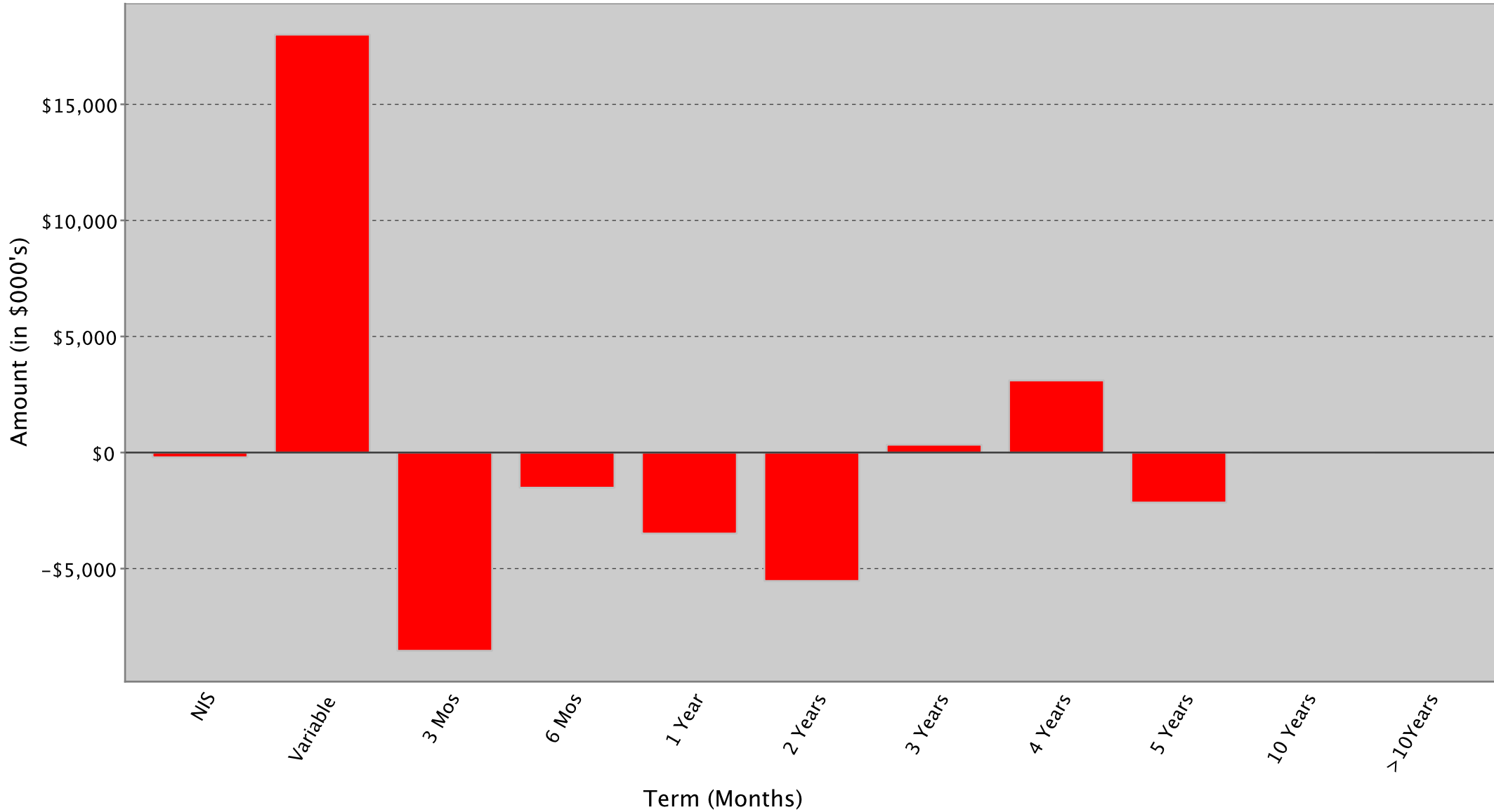
Example Credit Union Limited
Graph Rate Type Mix (in \$000's)
As of Sep 30, 2006



Example Credit Union Limited
Graph Asset/Liability Matching (in \$000's)
As of Sep 30, 2006



Example Credit Union Limited
Graph Asset/Liability Mismatches (in \$000's)
As of Sep 30, 2006





Example Credit Union

Canadian Asset/Liability Management System

2. Interest Rate Risk Analyses

- a) Earnings at Risk (EAR)
- b) Economic Value at Risk (EVR)

Example Credit Union Limited

Executive Summary (in \$000's)

As of Sep 30, 2006

	This Period	Last Period	Difference
Analysis Date	Sep-06	Mar-06	183 Days
Earnings at Risk (EAR)			
Exposure Direction	Falling Rates	Falling Rates	Same Direction
Shock Amount	100.0 bps	100.0 bps	0.0 bps
EAR Dollar Amount	\$133.2	\$117.8	\$15.5
EAR in Basis Points	20.4 bps	19.2 bps	1.2 bps
Economic Value at Risk (EVR)			
Exposure Direction	Falling Rates	Falling Rates	Same Direction
Shock Amount	100.0 bps	100.0 bps	0.0 bps
EVR Dollar Amount	\$60.3	\$83.0	-\$22.7
EVR in Basis Points	9.2 bps	13.5 bps	-4.3 bps
Price Value of a Basis Point	\$594	\$815	-\$221
Financial Performance			
Net Interest Income	\$2,525	\$2,451	\$74
Financial Margin	3.87%	4.00%	-13 bps
Economic Value	\$3,235	\$3,148	\$87
Accounting Book Value	\$4,009	\$3,818	\$191
Total Assets	\$65,195	\$61,237	\$3,958
Liquidity Ratio	12.4%	8.8%	355 bps
Capital Ratio	6.15%	6.23%	-9 bps

Example Credit Union Limited

Interest Rate Risk Summary (in \$000's)

As of Sep 30, 2006

Earnings at Risk (EAR) Exposure		Economic Value at Risk (EVR) Exposure	
Shock Start Date	30-Sep-06	Exposed To	Falling Rates
Exposed To	Falling Rates	Exposure Amount (Basis Points)	9.2 bpts
Exposure Amount (Basis Points)	20.4 bpts	Exposure Amount (Dollars)	\$60.3
Exposure Amount (Dollars)	\$133.2	Board Limit	Not Applicable
Rate Shock (Basis Points)	100 bpts	Over Board Limit?	Not Applicable
Board Limit	15		
Over Board Limit?	Yes		
Regulatory Limit	15		
Over Regulatory Limit?	Yes		

Example Credit Union Limited

Interest Rate Sensitivity

As of Sep 30, 2006

Upwards Rate Shock 1.00 %
 Downwards Rate Shock 1.00 %

Term	Term (Days)	Current Rate (semi-annual)	Shocked Rates		Interest Sensitivity (per \$ million)		PVBP* (per \$ million)
			Up	Down	Up	Down	
Variable	2	4.295 %	5.295 %	3.295 %	-\$ 53.50	\$ 53.76	-\$ 0.54
1 Month	30	4.363 %	5.363 %	3.363 %	-\$ 799.25	\$ 803.81	-\$ 8.02
2 Months	61	4.370 %	5.370 %	3.370 %	-\$ 1,618.45	\$ 1,629.05	-\$ 16.24
3 Months	91	4.371 %	5.371 %	3.371 %	-\$ 2,404.86	\$ 2,422.56	-\$ 24.14
6 Months	181	4.313 %	5.313 %	3.313 %	-\$ 4,729.54	\$ 4,775.88	-\$ 47.52
1 Year	365	4.210 %	5.210 %	3.210 %	-\$ 9,325.62	\$ 9,463.63	-\$ 93.93
2 Years	731	4.118 %	5.118 %	3.118 %	-\$ 17,865.30	\$ 18,308.83	-\$ 180.83
3 Years	1096	4.114 %	5.114 %	3.114 %	-\$ 25,594.40	\$ 26,488.10	-\$ 260.31
4 Years	1461	4.141 %	5.141 %	3.141 %	-\$ 32,559.82	\$ 34,028.36	-\$ 332.75
5 Years	1826	4.179 %	5.179 %	3.179 %	-\$ 38,790.74	\$ 40,939.04	-\$ 398.33
6 Years	2192	4.229 %	5.229 %	3.229 %	-\$ 44,317.04	\$ 47,232.34	-\$ 457.27
7 Years	2557	4.280 %	5.280 %	3.280 %	-\$ 49,156.27	\$ 52,904.55	-\$ 509.63
8 Years	2922	4.330 %	5.330 %	3.330 %	-\$ 53,362.41	\$ 57,995.31	-\$ 555.88
9 Years	3287	4.381 %	5.381 %	3.381 %	-\$ 56,964.56	\$ 62,517.76	-\$ 596.23
10 Years	3653	4.433 %	5.433 %	3.433 %	-\$ 60,003.18	\$ 66,500.27	-\$ 631.03
15 Years	5479	4.501 %	5.501 %	3.501 %	-\$ 69,841.49	\$ 81,282.77	-\$ 752.07
20 Years	7305	4.581 %	5.581 %	3.581 %	-\$ 71,624.52	\$ 87,531.45	-\$ 789.55
25 Years	9131	4.674 %	5.674 %	3.674 %	-\$ 68,131.16	\$ 87,426.55	-\$ 768.67
30 Years	10958	4.781 %	5.781 %	3.781 %	-\$ 61,393.80	\$ 82,718.18	-\$ 708.77

* PVBP is Price Value of a Basis Point - the change in value for a one basis point (.01%) increase in rates

Example Credit Union Limited

Interest Rate Sensitivity by Term (in \$000's)

As of Sep 30, 2006

Maturity Date	Cashflows Mismatch	Present Value	Sensitivity to Shock Up(100 BPs)			
			Assets	Liabilities	Net	Cumulative
NIS	-\$205.47	-\$205.47	\$0.00	\$0.00	\$0.00	\$0.00
Variable	\$18,012.96	\$18,008.77	-\$1.21	\$0.25	-\$0.96	-\$0.96
1 - 12	-\$12,303.58	-\$12,154.77	-\$69.20	\$103.04	\$33.84	\$32.88
1 - 2 Years	-\$4,684.29	-\$4,418.21	-\$101.72	\$162.59	\$60.87	\$93.75
2 - 3 Years	\$983.85	\$882.85	-\$164.33	\$141.71	-\$22.62	\$71.13
3 - 4 Years	\$3,443.80	\$2,988.40	-\$235.61	\$135.92	-\$99.69	-\$28.56
4 - 5 Years	-\$2,285.81	-\$1,866.96	-\$179.29	\$266.47	\$87.18	\$58.62
5 - 10 Years	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58.62
10+ Years	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58.62
Total	\$2,961.46	\$3,234.61	-\$751.36	\$809.99	\$58.62	\$58.62

Maturity Date	Cashflows Mismatch	Present Value	Sensitivity to Shock Down(100 BPs)			
			Assets	Liabilities	Net	Cumulative
NIS	-\$205.47	-\$205.47	\$0.00	\$0.00	\$0.00	\$0.00
Variable	\$18,012.96	\$18,008.77	\$1.22	-\$0.25	\$0.97	\$0.97
1 - 12	-\$12,303.58	-\$12,154.77	\$69.97	-\$104.22	-\$34.25	-\$33.28
1 - 2 Years	-\$4,684.29	-\$4,418.21	\$103.81	-\$165.86	-\$62.05	-\$95.33
2 - 3 Years	\$983.85	\$882.85	\$169.30	-\$145.95	\$23.34	-\$71.99
3 - 4 Years	\$3,443.80	\$2,988.40	\$245.04	-\$141.39	\$103.65	\$31.66
4 - 5 Years	-\$2,285.81	-\$1,866.96	\$188.33	-\$280.26	-\$91.94	-\$60.27
5 - 10 Years	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$60.27
10+ Years	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$60.27
Total	\$2,961.46	\$3,234.61	\$777.66	-\$837.93	-\$60.27	-\$60.27

Maturity Date	Cashflows Mismatch	Present Value	PVBP Sensitivity(in Dollars)			
			Assets	Liabilities	Net	Cumulative
NIS	-\$205.47	-\$205.47	\$0.00	\$0.00	\$0.00	\$0.00
Variable	\$18,012.96	\$18,008.77	-\$12.15	\$2.49	-\$9.66	-\$9.66
1 - 12	-\$12,303.58	-\$12,154.77	-\$695.80	\$1,036.22	\$340.42	\$330.76
1 - 2 Years	-\$4,684.29	-\$4,418.21	-\$1,027.46	\$1,641.96	\$614.49	\$945.26
2 - 3 Years	\$983.85	\$882.85	-\$1,667.58	\$1,437.87	-\$229.71	\$715.54
3 - 4 Years	\$3,443.80	\$2,988.40	-\$2,402.10	\$1,385.88	-\$1,016.22	-\$300.68
4 - 5 Years	-\$2,285.81	-\$1,866.96	-\$1,836.79	\$2,731.69	\$894.90	\$594.22
5 - 10 Years	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$594.22
10+ Years	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$594.22
Total	\$2,961.46	\$3,234.61	-\$7,641.88	\$8,236.10	\$594.22	\$594.22

Plus PV Equity	\$2,524.72
Economic Value	\$5,759.33

Example Credit Union Limited

Interest Rate Sensitivity by Product (in \$000's)

As of Sep 30, 2006

Asset Account	Cashflow Amount	Present Value	PVBP (in Dollars)
Fixed Rate Accounts			
Liquidity Deposits	\$ 4,379.65	\$ 4,309.82	-\$ 159
Central Shares	\$ 372.82	\$ 366.84	-\$ 14
Concentra Shares	\$ 13.73	\$ 13.51	-\$ 0
Personal Loans Fixed	\$ 2,401.66	\$ 2,287.03	-\$ 262
Mortgages - Fixed Rate	\$ 31,854.33	\$ 29,210.01	-\$ 5,908
Concentra Mortgage Pool	\$ 5,594.60	\$ 5,022.29	-\$ 1,287
Total Fixed Rate	\$ 44,616.79	\$ 41,209.49	-\$ 7,630
Variable Rate Accounts			
CIBC Wood Gundy	\$ 9.34	\$ 9.34	-\$ 0
CUCO Current Account	\$ 2,140.78	\$ 2,140.29	-\$ 1
CUCO US Account	\$ 55.61	\$ 55.60	-\$ 0
Personal Loans Variable	\$ 9,020.92	\$ 9,018.82	-\$ 5
Line of Credit Loans - PC	\$ 2,887.33	\$ 2,886.66	-\$ 2
Line of Credit-Combination	\$ 5,390.44	\$ 5,389.19	-\$ 3
Line Of Credit Loans-Business	\$ 1,235.39	\$ 1,235.10	-\$ 1
Mortgages Variable	\$ 1,914.96	\$ 1,914.51	-\$ 1
Total Variable Rate	\$ 22,654.78	\$ 22,649.51	-\$ 12
Non-Interest Rate Sensitive			
Cash	\$ 982.39	\$ 982.39	\$ 0
Con Mtge Pool Invest Premium	\$ 66.17	\$ 66.17	\$ 0
Suspense and Other Assets	-\$ 917.47	-\$ 917.47	\$ 0
Accrued Interest Receivable-Loans	\$ 69.74	\$ 69.74	\$ 0
Accrued Interest - Liquidity Deposit	\$ 80.99	\$ 80.99	\$ 0

Liabilities & Equity Account	Cashflow Amount	Present Value	PVBP (in Dollars)
Fixed Rate Accounts			
CUCO Term Loan	\$ 6,111.66	\$ 6,100.91	\$ 25
Term Deposits	\$ 17,758.08	\$ 17,042.46	\$ 1,631
Term Deposit Index Linked	\$ 826.56	\$ 771.02	\$ 126
Index Linked RRSP	\$ 3,736.00	\$ 3,429.77	\$ 691
Fixed RRSP	\$ 7,338.84	\$ 6,987.14	\$ 801
Fixed RRIF	\$ 3,342.35	\$ 3,209.59	\$ 302
Core Deposits	\$ 16,126.70	\$ 14,631.17	\$ 3,332
Ownership Shares	\$ 619.30	\$ 618.21	\$ 2
RRSP Investment Shares	\$ 737.01	\$ 633.28	\$ 227
Term Investment Shares	\$ 521.55	\$ 448.14	\$ 161
Core Equities	\$ 2,344.78	\$ 1,906.50	\$ 934
Total Fixed Rate	\$ 59,462.82	\$ 55,778.18	\$ 8,234
Variable Rate Accounts			
Business Account	\$ 1,000.14	\$ 999.90	\$ 1
Plan 24	\$ 1,124.36	\$ 1,124.10	\$ 1
Money Maker	\$ 91.92	\$ 91.89	\$ 0
Combination Account	\$ 1,421.32	\$ 1,420.99	\$ 1
US Savings	\$ 65.62	\$ 65.61	\$ 0
Var RRSP	\$ 688.22	\$ 688.06	\$ 0
Var RRIF	\$ 250.23	\$ 250.18	\$ 0
Total Variable Rate	\$ 4,641.82	\$ 4,640.74	\$ 2
Non-Interest Rate Sensitive			
Life Insured	\$ 42.15	\$ 42.15	\$ 0

Example Credit Union Limited
Interest Rate Sensitivity by Product (in \$000's)
As of Sep 30, 2006

Asset Account	Cashflow Amount	Present Value	PVBP (in Dollars)
PrePaid Expense	\$ 496.79	\$ 496.79	\$ 0
Provision for Loan Losses	-\$ 188.19	-\$ 188.19	\$ 0
Net Fixed Assets	\$ 1,881.33	\$ 1,881.33	\$ 0
Total Non-Interest Rate	\$ 2,471.74	\$ 2,471.74	\$ 0
Grand Total Assets	\$ 69,743.31	\$ 66,330.74	-\$ 7,642

Liabilities & Equity Account	Cashflow Amount	Present Value	PVBP (in Dollars)
Chequing	\$ 1,319.92	\$ 1,319.92	\$ 0
Business Account - noninterest	\$ 886.99	\$ 886.99	\$ 0
Income Tax Accrual	\$ 5.02	\$ 5.02	\$ 0
Payables - Various	\$ 135.71	\$ 135.71	\$ 0
Accrued Interest Payable	\$ 279.69	\$ 279.69	\$ 0
Concentra Mortgage Contra	\$ 7.75	\$ 7.75	\$ 0
Total Non-Interest Rate	\$ 2,677.21	\$ 2,677.21	\$ 0
Grand Total Liabilities & Equities	\$ 66,781.85	\$ 63,096.13	\$ 8,236

		Economic Value	Total PVBP
Net Assets less Liabilities	\$ 2,961.46	\$ 3,234.61	\$ 594
PV Equity Component		\$ 2,524.72	
Economic Value		\$ 5,759.33	

Example Credit Union Limited
Economic Value Calculation (in \$000's)
As of Sep 30, 2006

Maturity Date	Cashflow Amount			Present Value		
	Assets	Liabilities	Mismatch	Assets	Liabilities	Net PV
NIS	\$2,471.74	\$2,677.21	-\$205.47	\$2,471.74	\$2,677.21	-\$205.47
Variable	\$22,654.78	\$4,641.82	\$18,012.96	\$22,649.51	\$4,640.74	\$18,008.77
1 - 3 Months	\$5,102.05	\$12,684.40	-\$7,582.36	\$5,079.72	\$12,643.51	-\$7,563.78
3 - 6 Months	\$4,827.32	\$6,020.76	-\$1,193.44	\$4,749.24	\$5,918.42	-\$1,169.18
6 - 12 Months	\$6,670.38	\$9,578.86	-\$2,908.48	\$6,465.45	\$9,269.04	-\$2,803.59
1 - 2 Years	\$7,371.40	\$12,055.69	-\$4,684.29	\$6,926.31	\$11,344.52	-\$4,418.21
2 - 3 Years	\$7,524.88	\$6,541.03	\$983.85	\$6,794.18	\$5,911.33	\$882.85
3 - 4 Years	\$8,107.59	\$4,663.79	\$3,443.80	\$7,030.38	\$4,041.98	\$2,988.40
4 - 5 Years	\$5,013.17	\$4,954.20	\$58.97	\$4,164.21	\$4,124.67	\$39.54
5 - 10 Years	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10+ Years	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$69,743.31	\$63,817.76	\$5,925.55	\$66,330.74	\$60,571.41	Economic Value \$5,759.33
					Book Value	\$1,044.96
					Economic Value over Book	\$4,714.37

Example Credit Union Limited

Swap Hedge Analysis (in \$000's)

As of Sep 30, 2006

Maturity Date	Cashflow Mismatch	PVBP Sensitivity (in Dollars)	PVBP Sensitivity to Total Assets*	Swap Term	in \$000,000's			
					PVBP Interest Rate Swap	Fixed Swap Rates	Perfect Swap Hedge**	Single Swap Hedge**
NIS	-\$ 205.47	\$ 0	0.0BPs					
Variable	\$ 18,012.96	-\$ 10	-0.1BPs					
1 - 12 Months	-\$ 12,303.58	\$ 340	5.2BPs	1 Year	-\$ 88	4.21 %	-\$ 3.8	-\$ 6.8
1 - 2 Years	-\$ 4,684.29	\$ 614	9.4BPs	2 Year	-\$ 180	4.12 %	-\$ 3.4	-\$ 3.3
2 - 3 Years	\$ 983.85	-\$ 230	-3.5BPs	3 Year	-\$ 269	4.11 %	\$ 0.9	-\$ 2.2
3 - 4 Years	\$ 3,443.80	-\$ 1,016	-15.6BPs	4 Year	-\$ 354	4.14 %	\$ 2.9	-\$ 1.7
4 - 5 Years	-\$ 2,285.81	\$ 895	13.7BPs	5 Year	-\$ 435	4.18 %	-\$ 2.1	-\$ 1.4
Total	\$ 2,961.46	\$ 594	9.1BPs					

Floating Term (Months)	Floating Swap Rate
1	4.36 %

* Multiplied by 100 to approximate a 1% rate shock.

** Negative amounts mean - Receive the Fixed on an interest rate swap.
Positive amounts mean - Pay the Fixed.

Example Credit Union Limited
Interest Rate Swaps List (in \$000's)
As of Sep 30, 2006

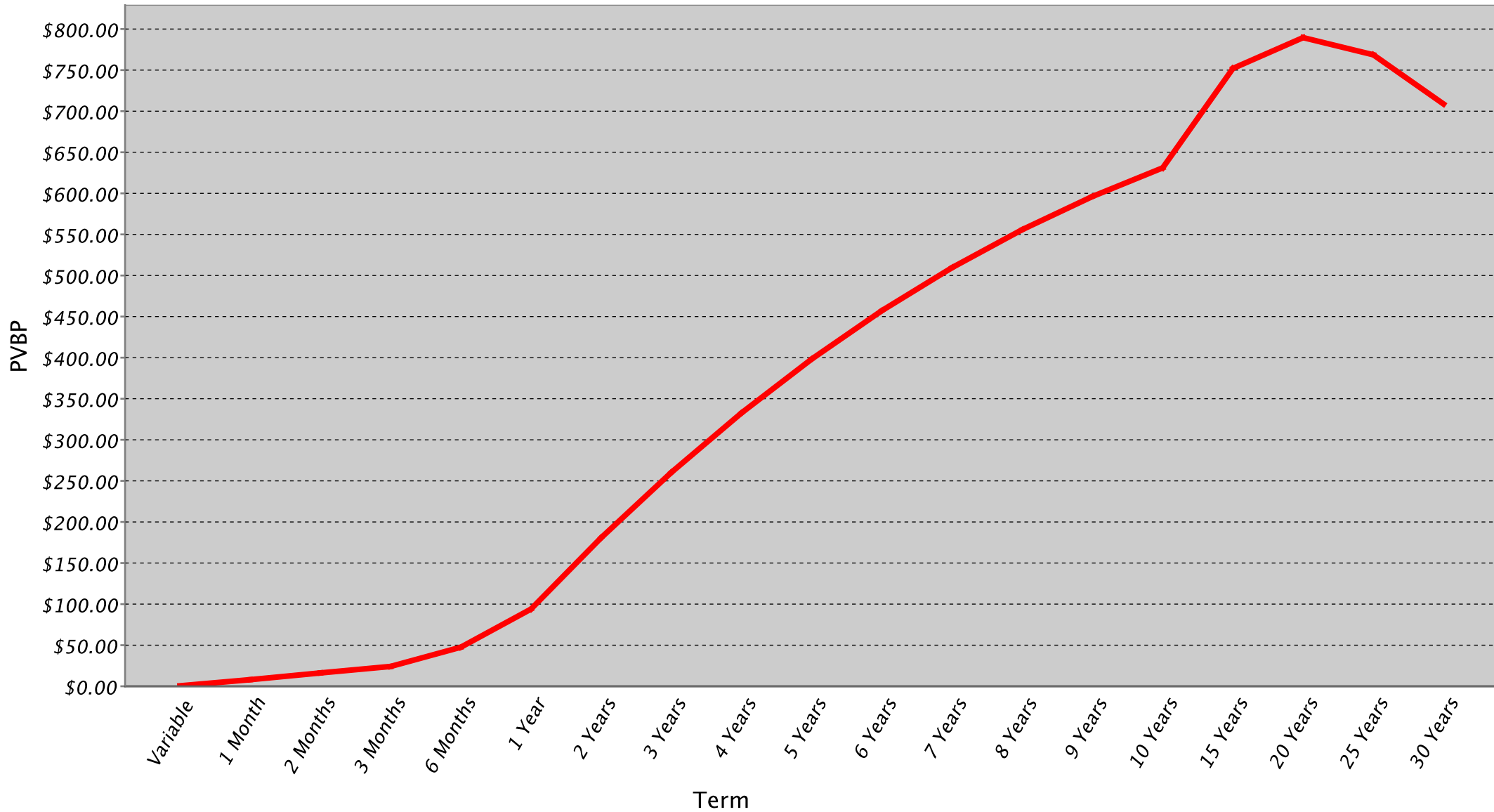
Interest Rate Swaps			
Account Name	Maturity Date	Amount	Rate
null		\$0.00	0.000%

Example Credit Union Limited

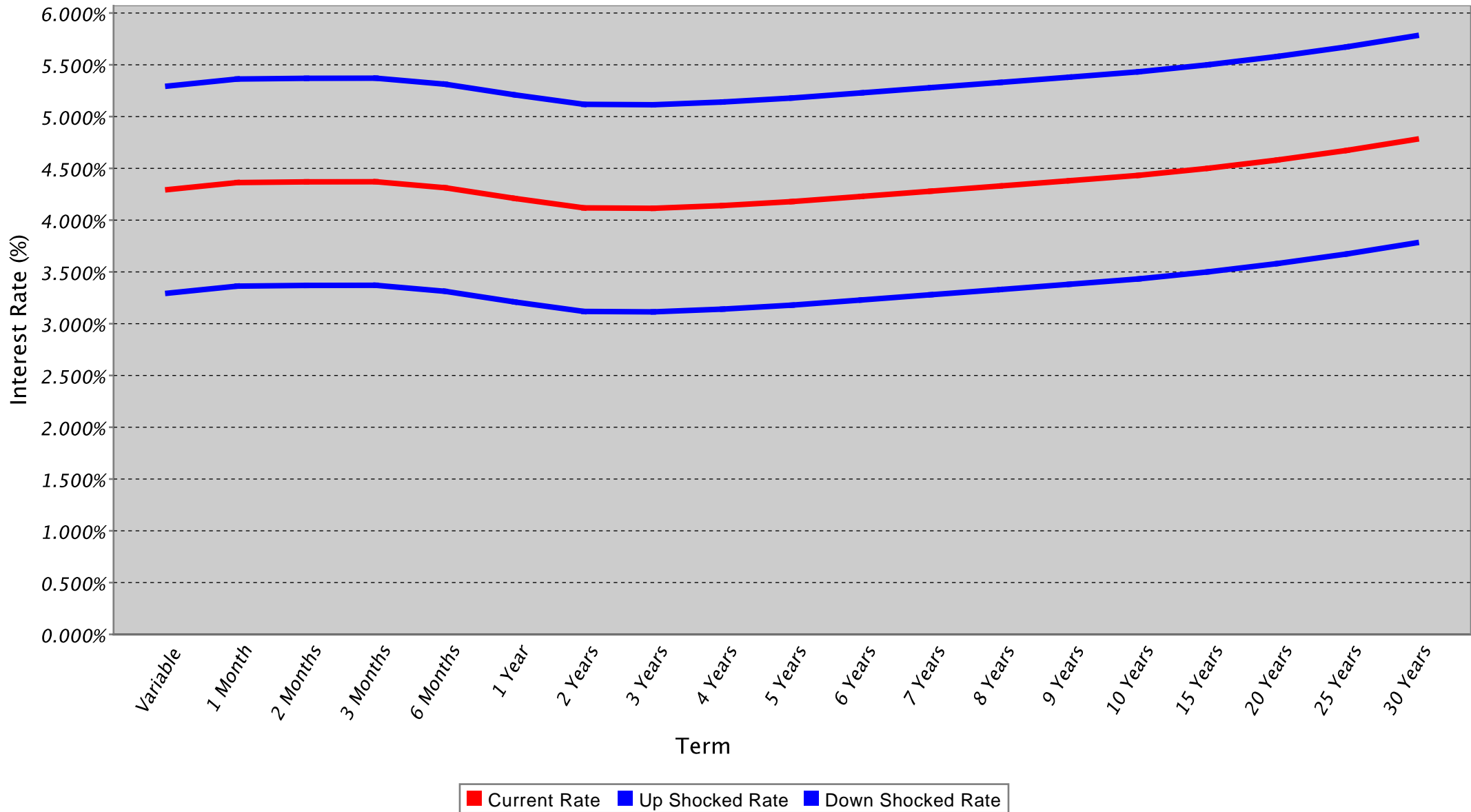
Graph Price Value of a Basis Point

Interest Sensitivity for a \$1 million Cashflow

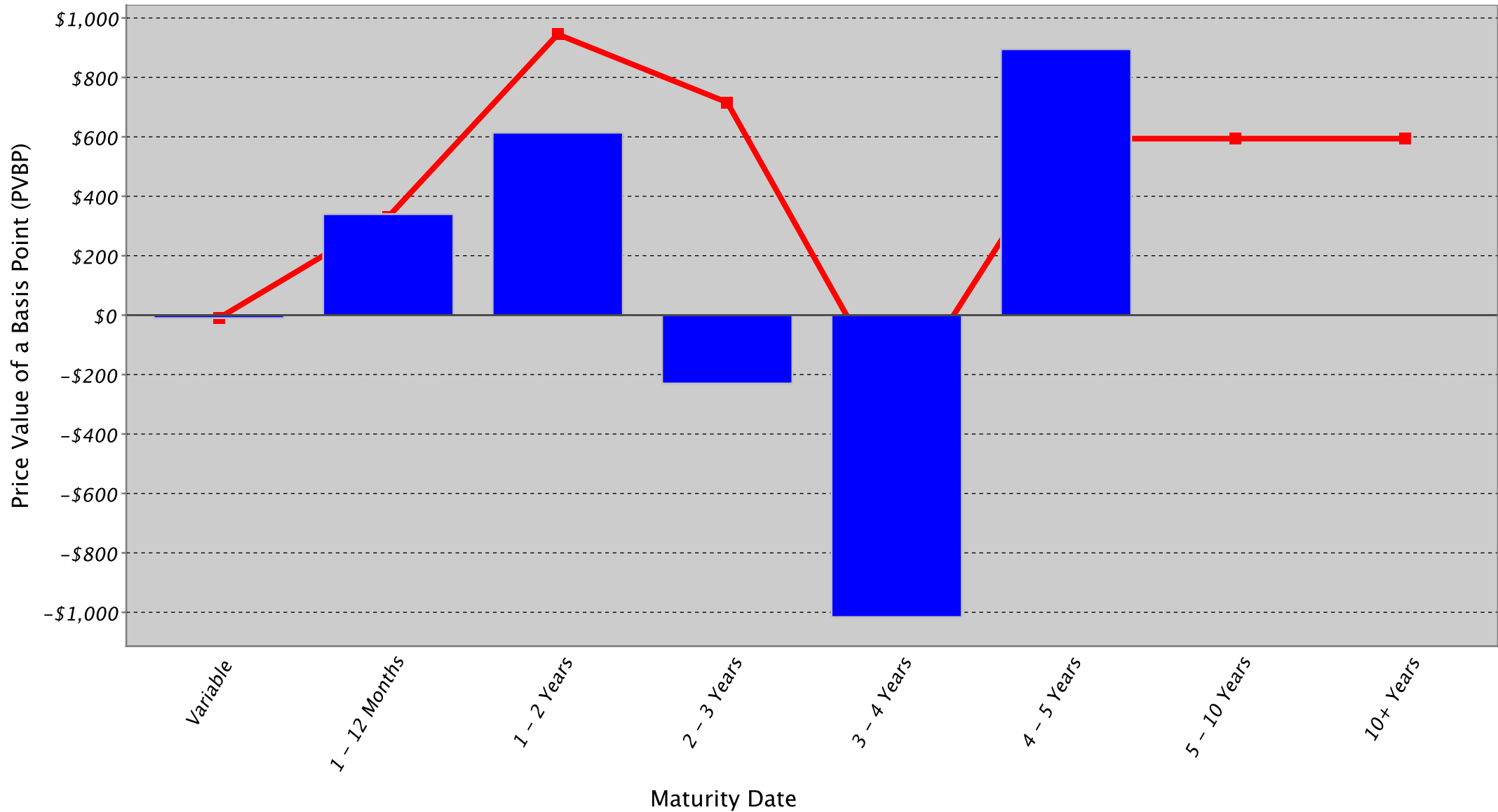
As of Sep 30, 2006



Example Credit Union Limited Graph Rate Shocks As of Sep 30, 2006



Example Credit Union Limited Graph Economic Value Sensitivity As of Sep 30, 2006





Example Credit Union

Canadian Asset/Liability Management System

3. Scenario Analyses

- a) 50 Basis Point Shock
- b) Mortgage Campaign
- c) Lengthen Investments
- d) Interest Rate Swap
- e) Securitization

Example Credit Union Limited

Scenario Comparison (in \$000's)

As of Sep 30, 2006

	Original Analysis	Scenario		
Analysis/Scenario Name	ECU Sept 2006	50 Basis Point Shock	Difference	Hedge Ratio
Earnings at Risk (EAR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	50.0 bps	50.0 bps	
EAR Dollar Amount	\$133.2	\$64.3	\$68.9	\$1.9 times
EAR in Basis Points	20.4 bps	9.9 bps	10.6 bps	
Economic Value at Risk (EVR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	50.0 bps	50.0 bps	
EVR Dollar Amount	\$60.3	\$29.9	\$30.4	\$2.0 times
EVR in Basis Points	9.2 bps	4.6 bps	4.7 bps	
Price Value of a Basis Point	\$594.2	\$594.2	\$0.0	
Financial Performance				
Net Interest Income	\$2,525	\$2,525	\$0	
Financial Margin	3.87%	3.87%	0 bps	
Economic Value	\$3,235	\$3,235	\$0	
Accounting Book Value	\$4,009	\$4,009	\$0	
Total Assets	\$65,195	\$65,195	\$0	
Liquidity Ratio	12.4%	12.4%	0 bps	
Capital Ratio	6.15%	6.15%	0 bps	

Example Credit Union

Canadian Asset/Liability Management System

3. Scenario Analyses

- a) 50 Basis Point Shock
- b) Mortgage Campaign
- c) Lengthen Investments
- d) Interest Rate Swap
- e) Securitization

Example Credit Union Limited

Scenario Comparison (in \$000's)

As of Sep 30, 2006

	Original Analysis	Scenario		
Analysis/Scenario Name	ECU Sept 2006	Mortgage Campaign	Difference	Hedge Ratio
Earnings at Risk (EAR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	100.0 bps	0.0 bps	
EAR Dollar Amount	\$133.2	\$124.1	\$9.1	\$14.7 times
EAR in Basis Points	20.4 bps	18.8 bps	1.7 bps	
Economic Value at Risk (EVR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	100.0 bps	0.0 bps	
EVR Dollar Amount	\$60.3	\$24.1	\$36.2	\$1.7 times
EVR in Basis Points	9.2 bps	3.6 bps	5.6 bps	
Price Value of a Basis Point	\$594.2	\$240.6	\$353.6	
Financial Performance				
Net Interest Income	\$2,525	\$2,543	-\$18	
Financial Margin	3.87%	3.84%	3 bps	
Economic Value	\$3,235	\$3,308	-\$73	
Accounting Book Value	\$4,009	\$4,009	\$0	
Total Assets	\$65,195	\$66,195	-\$1,000	
Liquidity Ratio	12.4%	12.2%	20 bps	
Capital Ratio	6.15%	6.06%	9 bps	



Example Credit Union

Canadian Asset/Liability Management System

3. Scenario Analyses

- a) 50 Basis Point Shock
- b) Mortgage Campaign
- c) Lengthen Investments
- d) Interest Rate Swap
- e) Securitization

Example Credit Union Limited

Scenario Comparison (in \$000's)

As of Sep 30, 2006

	Original Analysis	Scenario		
Analysis/Scenario Name	ECU Sept 2006	Lengthen	Difference	Hedge Ratio
Earnings at Risk (EAR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	100.0 bps	0.0 bps	
EAR Dollar Amount	\$133.2	\$113.2	\$20.1	\$6.6 times
EAR in Basis Points	20.4 bps	17.4 bps	3.1 bps	
Economic Value at Risk (EVR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	100.0 bps	0.0 bps	
EVR Dollar Amount	\$60.3	\$40.5	\$19.8	\$3.0 times
EVR in Basis Points	9.2 bps	6.2 bps	3.0 bps	
Price Value of a Basis Point	\$594.2	\$397.8	\$196.4	
Financial Performance				
Net Interest Income	\$2,525	\$2,534	-\$9	
Financial Margin	3.87%	3.89%	-1 bps	
Economic Value	\$3,235	\$3,236	-\$1	
Accounting Book Value	\$4,009	\$4,009	\$0	
Total Assets	\$65,195	\$65,195	\$0	
Liquidity Ratio	12.4%	12.4%	0 bps	
Capital Ratio	6.15%	6.15%	0 bps	



Example Credit Union

Canadian Asset/Liability Management System

3. Scenario Analyses

- a) 50 Basis Point Shock
- b) Mortgage Campaign
- c) Lengthen Investments
- d) Interest Rate Swap
- e) Securitization

Example Credit Union Limited

Scenario Comparison (in \$000's)

As of Sep 30, 2006

	Original Analysis	Scenario		
Analysis/Scenario Name	ECU Sept 2006	1 Year Interest Rate	Difference	Hedge Ratio
Earnings at Risk (EAR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	100.0 bps	0.0 bps	
EAR Dollar Amount	\$133.2	\$124.0	\$9.2	\$14.5 times
EAR in Basis Points	20.4 bps	19.0 bps	1.4 bps	
Economic Value at Risk (EVR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	100.0 bps	0.0 bps	
EVR Dollar Amount	\$60.3	\$51.4	\$8.9	\$6.8 times
EVR in Basis Points	9.2 bps	7.9 bps	1.4 bps	
Price Value of a Basis Point	\$594.2	\$506.1	\$88.1	
Financial Performance				
Net Interest Income	\$2,525	\$2,523	\$2	
Financial Margin	3.87%	3.87%	0 bps	
Economic Value	\$3,235	\$3,235	\$0	
Accounting Book Value	\$4,009	\$4,009	\$0	
Total Assets	\$65,195	\$65,195	\$0	
Liquidity Ratio	12.4%	12.4%	0 bps	
Capital Ratio	6.15%	6.15%	0 bps	



Example Credit Union

Canadian Asset/Liability Management System

3. Scenario Analyses

- a) 50 Basis Point Shock
- b) Mortgage Campaign
- c) Lengthen Investments
- d) Interest Rate Swap
- e) [Securitization](#)

Example Credit Union Limited

Scenario Comparison (in \$000's)

As of Sep 30, 2006

	Original Analysis	Scenario		
Analysis/Scenario Name	Sept 2006	Securitization	Difference	Hedge Ratio
Earnings at Risk (EAR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	100.0 bps	0.0 bps	
EAR Dollar Amount	\$133.2	\$133.2	\$0.1	\$2,570.7
EAR in Basis Points	20.4 bps	20.5 bps	-0.0 bps	
Economic Value at Risk (EVR)				
Exposure Direction	Falling Rates	Falling Rates	Same Direction	
Shock Amount	100.0 bps	100.0 bps	0.0 bps	
EVR Dollar Amount	\$60.3	\$59.2	\$1.1	\$55.5 times
EVR in Basis Points	9.2 bps	9.1 bps	0.2 bps	
Price Value of a Basis Point	\$594.2	\$583.7	\$10.5	
Financial Performance				
Net Interest Income	\$2,525	\$2,525	\$0	
Financial Margin	3.87%	3.88%	-1 bps	
Economic Value	\$3,235	\$3,237	-\$2	
Accounting Book Value	\$4,009	\$4,009	\$0	
Total Assets	\$65,195	\$65,095	\$100	
Liquidity Ratio	12.4%	12.4%	-2 bps	
Capital Ratio	6.15%	6.16%	-1 bps	